



Inquiry into scrap metal theft

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Transport and Resources Committee
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Transport and Resources Committee

Chair	Mr Shane King MP, Member for Kurwongbah
Deputy Chair	Mr Lachlan Millar MP, Member for Gregory
Members	Mr Bryson Head MP, Member for Callide
	Ms Joan Pease MP, Member for Lytton
	Mr Les Walker MP, Member for Mundingburra
	Mr Trevor Watts MP, Member for Toowoomba North

Committee Secretariat

Telephone	+61 7 3553 6621
Email	trc@parliament.qld.gov.au
Committee webpage	www.parliament.qld.gov.au/trc

All web address references are current at the time of publishing.

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Chair's foreword

This report presents a summary of the Transport and Resources Committee's inquiry into scrap metal theft.

With the terms of reference agreed by the House, the committee's task included inquiring into the types of metal at risk of being stolen; how the scrap metal market operates; the prevalence of scrap metal theft in Queensland; the impacts of scrap metal theft; the risks to worker and community safety and environmental harm; the effectiveness of existing Queensland laws; legislative learnings from national and international experiences; other non-regulatory measures.

On behalf of the committee, I thank the stakeholder groups and organisations who made written submissions to the inquiry and participated in the hearing.

We appreciate the efforts of the Department of Justice and Attorney-General who co-ordinated both the government's written submission and the appearance of multiple agencies at our public briefing.

I wish to acknowledge the work of the City of Moreton Bay whose calls for urgent action on this issue in July 2023 raised the profile of how metal theft crimes are impacting communities across Queensland.

I also thank the staff from Powerlink Queensland and Sims Metal who facilitated our site visits to their facilities. These visits better informed our understanding of the issues relevant to our inquiry terms of reference.

I commend this report to the House.



Shane King MP

Chair

Recommendations

Recommendation 1 **10**

To improve the legislative framework for the sale and purchase of scrap metals in Queensland, the committee recommends the Queensland Government:

- a) amend the *Second-hand Dealers and Pawnbrokers Act 2003* so it includes a definition of scrap metal, and
- b) amend the *Motor Dealers and Chattel Auctioneers Act 2014* so it also includes a definition of scrap metal and parts.

Recommendation 2 **15**

The committee recommends the Queensland Police Service adopt a clear statistical definition of metal theft related crimes that is in alignment with the committee's proposed amendments to define scrap metal in both the *Second-hand Dealers and Pawnbrokers Act 2003* and the *Motor Dealers and Chattel Auctioneers Act 2014*.

Recommendation 3 **22**

The committee recommends the criminal act of scrap metal theft should also include an additional offence that equates to recklessly engaging in conduct that places or may place another person in danger of injury or death due to exposure to live electricity infrastructure.

Recommendation 4 **32**

The committee recommends a review of the suitability of the Queensland Police Service's Stolen Property Investigation and Recovery System (SPIRS) to determine if it is fit for purpose, including consideration of options for an improved system of tracking stolen second hand goods.

Recommendation 5 **32**

The committee recommends the Queensland Police Service establish a system whereby stolen metals are able to be reported and notified, and that this system be able to be accessed by relevant persons in the scrap metal industry in as close to real time as is possible.

Recommendation 6 **34**

To better address scrap metal theft in Queensland, the committee recommends:

- a) the Minister for Police and Corrective Services and Minister for Fire and Emergency Services raise this issue as part of the Police Ministers Council's agenda to improve and increase national detection and enforcement efforts against metal theft related crimes
- b) the Queensland Government urgently commit to investigating claims of unlicensed operators in the scrap metal and car wrecking industries and that those illegal operators be charged
- c) the Queensland Government investigate and determine the most effective approach to strengthening Queensland's legislative framework to address current concerns and better combat scrap metal theft – whether that be amending current laws or introducing a new, industry specific law such as occurred in New South Wales
- d) the use of crypto currencies and other similar non-legal tenders be banned from use for the sale and purchase of scrap metals.

Recommendation 7**35**

The committee recommends the Queensland Government implement a coordinated approach to better educate Queenslanders about scrap metal theft, including strategies for how businesses, community groups and other potential targets can better protect their assets, and noting how individuals have a role to play in reporting suspicious activities that may be related to metal theft.

Executive summary

About the inquiry

On 24 August 2023, the Legislative Assembly agreed to a motion that the Transport and Resources Committee (committee) inquire into and report on scrap metal theft.¹

This follows ongoing concerns about the impacts of copper and other metals being stolen from locations across Queensland. Generally, copper wiring is stripped, with the stolen metal then believed to be either resold into the local scrap metal market or exported.

Thieves have targeted critical infrastructure assets from electricity, water and telecommunications providers. Other targets for these types of thefts are private businesses, sporting and community organisations, road projects, transport infrastructure and the mining industry. In addition, certain vehicle parts have increasingly been targeted due to their valuable metal contents.

Summary of stakeholder views

Impacted stakeholders have noted the cost and impacts of these crimes. In particular, metal thefts risk the lives and safety of those who may be exposed to live electricity from damage caused to cables and equipment by thieves.

The provision of essential services has also been impacted by damage to electricity infrastructure such as substations and power poles. The theft of cabling from streetlights and road signage has also led to public safety being compromised.

Stakeholders have detailed the direct and indirect impacts of scrap metal theft on their businesses, services and local communities.

We have heard that Queensland's laws relating to the sale of scrap metal should be improved and have made recommendations in regard to this. However, it appears that a more significant factor contributing to the proliferation of an illegal scrap metal market in Queensland is the number of alleged unlicensed and illegal scrap metal operators. To address this, we have recommended that relevant authorities urgently investigate and prosecute those who may be operating illegally.

We note that some stakeholders have called for 'no cash for scrap' laws to be introduced as has occurred in New South Wales. Our view is that the removal of any unlicensed and illegal operators from the scrap metal market be the immediate priority, in conjunction with an increased enforcement of current laws to better combat scrap metal theft in Queensland.

¹ The full terms of reference of the inquiry are contained on page 1 of this report.

1 Introduction

1.1 Inquiry terms of reference

On 24 August 2023, the Legislative Assembly agreed to a motion that the Transport and Resources Committee (committee) inquire into and report on scrap metal theft. The terms of reference were that we consider:

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
2. how the scrap metal market operates, including the supply chain and payment methods
3. the prevalence of scrap metal theft in Queensland
4. the direct and indirect impacts of scrap metal theft on Queenslanders, such as costs, disruption, and essential service delivery
5. direct and indirect risks to worker and community safety, as well as other risks such as environmental harm
6. the effectiveness of the existing Queensland laws and approach in preventing, investigating and prosecuting scrap metal theft in Queensland
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
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.

1.2 Background

On 9 August 2023, the Honourable Yvette D’Ath MP, Attorney-General and Minister for Justice and Minister for the Prevention of Domestic and Family Violence (Attorney-General), announced that the Queensland Government proposed a parliamentary committee inquiry into metal theft.

On 15 August 2023, the Attorney-General convened a round table on scrap metal theft with key stakeholders to inform the development of terms of reference for an inquiry.

This followed several years of sustained criminal activity across Queensland whereby copper and other metals have been targeted for thefts. The cost and impacts of these crimes have been significant. Impacted stakeholders have raised awareness of the threats posed to broader community safety and the provision of essential services if this criminal activity continues.

1.3 Inquiry process

We invited stakeholders and subscribers to make written submissions to the inquiry, of which 12 were received (see Appendix A for a list of submitters). We then received a public briefing from 6 Queensland government departments as well as Energy Queensland on 11 September 2023 (see Appendix B for officials appearing). A public hearing was then held with invited stakeholders in Brisbane on 13 October 2023. Appendix C lists the witnesses who appeared at the committee public hearing.

On 23 October 2023, we conducted site visits to the Sims Metal recycling facility in Brisbane and Powerlink’s Rocklea Substation. During these visits, we gained firsthand insight into how the scrap metal market operates. As well, we observed Powerlink’s increased security measures that are required to protect their vital electricity infrastructure, which has previously been a target of copper theft and associated damage.

The committee requested and received information relevant to the inquiry terms of reference from the New South Wales Police Force, Australian Energy Producers, Powerlink Queensland and GrainCorp.

1.4 Report

This report presents a summary of the committee's consideration of the terms of reference of the inquiry and discusses key issues raised during the committee's investigation. The committee was required to report to the Legislative Assembly by 24 November 2023.

2 Examination of the terms of reference

2.1 The types of metal at risk of being stolen and resold as scrap, taking into consideration copper, precious, and other metals, and vehicle parts

Submitters advised that thieves were primarily targeting copper in Queensland with other metals being stolen including aluminium, iron, brass, stainless steel, lead and bronze.² In addition, vehicle parts such as catalytic converters, diesel particulate filters (DPFs), and diesel particulate diffusers (DPD) are high-value targets for theft as they contain rare earth metals such as platinum, palladium and rhodium. These metals are worth up to 7 times as much as gold and can be extracted from the stolen parts for resale.³

2.1.1 Stakeholder views

Stakeholders provided evidence on their experiences with metal theft.

Energy Queensland submitted:

Copper wire is most commonly stolen from electrical infrastructure, such as poles in the street, however, offenders also target Energy Queensland storage facilities, substations and depots. These locations often store rolls of copper and scrap copper stored in large secure recycling bins onsite.

The targeting of sites involves offenders equipped with bolt cutters and battery powered tools cutting holes into fences and targeting other valuable tools, materials and equipment used to operate the electricity network. This often includes damage to operational vehicles in which equipment has been locked away.

Underground cabling, as opposed to traditional overhead powerlines, is increasingly used for newly developed estates and is increasingly being targeted by copper theft offenders.

In particular, recent trends have seen an increase in the targeting of housing estates during the construction phase as electrical infrastructure is installed.⁴

Powerlink noted that metal thieves were largely targeting earthing conductors of their operational, energised network.⁵

Australian Energy Producers (AEP) reported that from 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)'. The theft primarily was for copper cabling with other items including batteries, fuel and equipment.⁶

² Queensland Police Service, Public briefing transcript, Brisbane, 11 September 2023, p 3; Civil Contractors Federation Queensland Limited, Submission 8, p 4, Department of Transport and Main Roads, Submission 6, p 25.

³ Submission 11, pp 1-2.

⁴ Submission 7, pp 10-11.

⁵ Submission 12, p 1.

⁶ Submission 10, p 2.

The Department of Transport and Main Roads (TMR) concurred that the theft of copper cabling has increased in recent years:

Electrical copper cabling is used to power TMR's road lighting and CCTV cameras. In most cases, these assets are in operational service and electrically energised when perpetrators illegally access electrical cabling enclosure pits to remove the cables.⁷

TMR also reported an increase in the number of lithium batteries and solar panels being stolen, which is impacting road safety assets, such as illuminated warning signs and road lighting.⁸

The City of Moreton Bay reported 'a spike in copper thefts at project sites like sporting field upgrades and street lighting projects', citing the following as examples:

- parts of the North Lakes Street lighting network were subject to blackouts due to copper theft in July 2023
- a North Lakes school had its cabling removed from lighting poles on its grounds and sporting fields in 2023
- over 320 metres of copper cable was stolen from the Narangba Demons Baseball Club in April 2023
- the Narangba Eagles Soccer Club had copper cabling stolen from its fields 3 times within 6 months in 2022.⁹

Energy Queensland submitted that offenders frequently targeted community facilities and highlighted that the Mitchelton Football Club in Brisbane had reported an estimated 3 kilometres of copper wiring was stolen from their sporting fields in September 2023, at an estimated replacement cost of over \$100,000.¹⁰

The Department of Tourism Innovation and Sport (DTIS) advised copper, aluminium and galvanised steel was being stolen from sport and recreation facilities from typical items such as air-conditioning compressor lines, water lines and treads.¹¹

The Queensland Police Service (QPS) advised:

Between May and June 2023 police discovered that copper cabling was stolen along the Gateway Motorway and Gympie Arterial Road from message boards and lighting along pathways next to the road. Offenders cut cables to the streetlights during the day while they were turned off and returned at night to remove the cables.¹²

2.1.2 Copper

Copper is an excellent conductor of electricity and is used in electrical motors, wiring or anything that requires electricity. Copper consumption has increased worldwide due to urbanisation and strong economic growth. The primary market for copper trading is the London Metal Exchange (LME), with prices displayed in \$US per pound.¹³

⁷ Submission 6, p 25.

⁸ Submission 6, p 25.

⁹ Submission 2, pp 1-2.

¹⁰ Submission 7, p 12.

¹¹ Submission 6, p 31.

¹² Public briefing transcript, Brisbane, 11 September 2023, p 4.

¹³ Market Index, Copper, <https://www.marketindex.com.au/copper>.

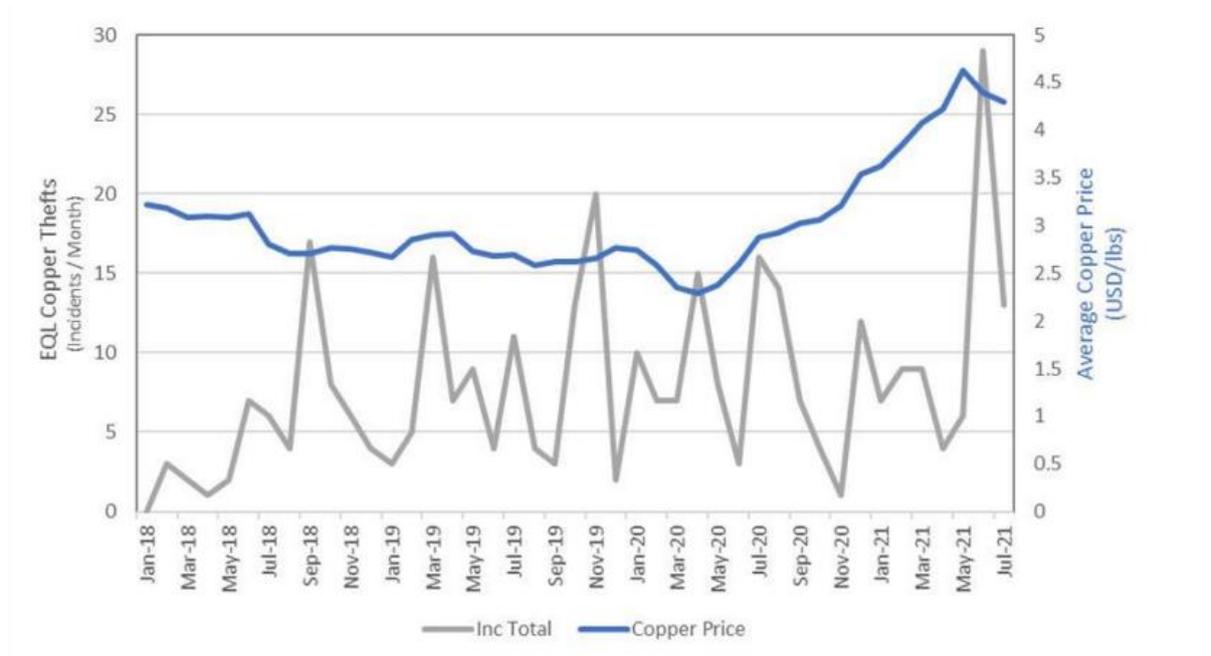
The graph below shows the price of copper (USD/Lbs) over the past 10 years. The copper price of \$US 3.721 per pound as at 16 November 2023 equated to AU\$12.6 per kilogram.¹⁴

Graph 1: World price of copper 2013 to 2023, (USD/Lbs)¹⁵



Energy Queensland submitted the opinion that there was a correlation between the price of copper and copper theft incidents at their facilities. They provided the graph below which compares the relationship between reports of copper theft from Energy Queensland sites and assets over the 3 years from 2018 to 2021 with fluctuations in the market price of copper.

Graph 2: Energy Queensland copper theft incidents 2018 to 2021 and the daily average price of copper (USD/Lbs)¹⁶



¹⁴ The value of the Australian dollar on 16 November 2023 was US\$0.647.

¹⁵ Trading Economics, Copper, <https://tradingeconomics.com/commodity/copper>.

¹⁶ Submission 7, p 16.

2.2 How the scrap metal market operates, including the supply chain and payment methods

Scrap metal is one of the most recycled materials globally.¹⁷ However, unlike precious metals such as gold or silver, metals like copper, brass and aluminium contain no intrinsic value. Their value is realised when they are sold to a scrap metal dealer who arranges for the metal to be melted and reshaped for other uses.¹⁸

The legislative framework for the sale and purchase of scrap metal in Queensland is primarily covered by the *Second-hand Dealers and Pawnbrokers Act 2003* (SHDP Act). The sale of scrap metal and parts from used motor vehicles is regulated under the *Motor Dealers and Chattel Auctioneers Act 2014* (MDCA Act). An overview of these two acts, as they relate to scrap metal, is provided below.

2.2.1 *Second-hand Dealers and Pawnbrokers Act 2003*

The SHDP Act regulates the activities of second-hand dealers and pawnbrokers, including second-hand dealers buying and selling scrap metal.¹⁹ It is noted, however, that the SHDP Act does not include a definition of scrap metal.²⁰ This is notable as it appears to relate to QPS's ability to collect accurate statistics on metal theft related crimes. See section 2.3.2.

Second-hand dealers are required to be licensed and adhere to conduct requirements contained in the SHDP Act. The Office of Fair Trading (OFT) within the Department of Justice and Attorney-General (DJAG) has appointed inspectors, who are authorised to investigate alleged breaches and impose penalties for breaches of licensing and conduct requirements. The SHDP Act is jointly enforced with QPS.

Second-hand dealers are required to keep specific transaction details and records under the SHDP Act which are intended to assist the QPS to identify and recover stolen property.²¹ These requirements include:

- a record of the transaction when acquiring second-hand property with specifics about the property and the seller²²
- if the seller is not the owner of the property, the name and address of the owner and how the person acquired the property should be recorded in the transactions register²³
- when property is sold, exchanged or disposed of by the second-hand dealer as part of a second-hand property transaction, the name and address of the person buying the property must be recorded (but verification of those details are not required).²⁴

Second-hand dealers must provide information from their transactions register to QPS; however, the *Second-hand Dealers and Pawnbrokers Regulation 2004* does not prescribe how or when the information is to be given to QPS.²⁵

¹⁷ Sims Metal, submission 4, p 3.

¹⁸ Australian Energy Producers, correspondence, 3 November 2023, p 3.

¹⁹ Submission 6, p 3.

²⁰ Submission 6, p 3.

²¹ Section 37(1) of the *Second-hand Dealers and Pawnbrokers Act 2003*, and also sections 5 to 9 of the *Second-hand Dealers and Pawnbrokers Regulation 2004*.

²² Section 6 of the *Second-hand Dealers and Pawnbrokers Regulation 2004*.

²³ Section 47(d) of the *Second-hand Dealers and Pawnbrokers Act 2003*.

²⁴ Section 6(2)(b) of the *Second-hand Dealers and Pawnbrokers Regulation 2004*.

²⁵ Submission 6, p 7.

2.2.2 Motor Dealers and Chattel Auctioneers Act 2014

The MDCA Act allows a person who holds a motor dealer licence to, among other things:

- acquire used motor vehicles, whether or not as complete units, to break up for sale as parts
- sell these used motor vehicles as parts.²⁶

While the MDCA Act provides for dealing in used motor vehicle parts, it does not include a definition of 'scrap metal' or 'parts', which may also contribute to a weakness in the legislative framework of the scrap metal market. Where a motor wrecker sells a vehicle or parts of a vehicle as scrap metal, they are required to obtain a second-hand dealer licence under the SHDP Act.²⁷

2.2.3 The supply chain for the scrap metal market

2.2.3.1 Sources of scrap metal

Scrap metal commonly enters the recycling market from sources such as commercial and industrial businesses; mining, demolition and rail industries; infrastructure projects; defence; motor vehicle wreckers; municipal sources (such as councils, landfills and transfer stations); agricultural sources; and the general public.²⁸

2.2.3.2 Categories of scrap metal

Sims Metal advised that scrap metal can broadly be placed into the 2 following categories:

- **Ferrous Scrap Metal** - Ferrous scrap is also referred to as iron and steel scrap, and is generally magnetic. Ferrous scrap comes from end of life products or equipment (such as cars, whitegoods, municipal scrap, demolition scrap, mining scrap etc.) as well as scrap generated from the manufacturing process (new or prime scrap). Ferrous scrap makes up (approximately) 85% of the proportion by weight of scrap metal recycled.
- **Non-Ferrous Scrap Metal** - Non-ferrous scrap metal is metals or alloys that do not contain iron and includes metals such as aluminium, copper, lead, nickel, tin, and zinc, as well as copper alloys like brass and bronze. Non-ferrous metals make up (approximately) 15% of the proportion of scrap metals recycled.²⁹

2.2.3.3 The process of purchasing scrap metal

Scrap metal dealers purchase scrap metal material by weight using the market price of the particular commodity at that time. Purchases are paid for by cash, cheque or electronic funders transfer with all transactions legally required to be recorded in line with Australian Tax Office requirements and provisions of the SHDP Act.³⁰

2.2.3.4 The process of recycling scrap metal

Sims Metal submitted that the scrap metal they purchase is processed and then resold to end users in Australia, such as steel mills. The price for this recycled scrap metal is determined on a global price parity basis. Global parity pricing is based on point-in-time international commodity values converted to Australian dollars, less an international freight component.³¹

²⁶ Submission 6, p 5.

²⁷ Submission 6, p 5.

²⁸ Submission 4, p 3.

²⁹ Submission 4, p 3.

³⁰ Submission 4, p 4.

³¹ Submission 4, p 4.

Sims Metal added that ferrous scrap metal is divided into 2 sub types – light gauge and heavy gauge. Light gauge materials make up approximately 75 per cent of the ferrous stream (that is around 63 per cent of all scrap metal).³²

The processing methods of light and heavy gauge ferrous scrap metal are outlined below:

- **Light gauge materials** are generally shredded in a large industrial shredder. There are (approximately) 4 large scale shredders in Queensland. The shredding process liberates contaminants from ferrous metals during the first stage, extracting clean and size reduced ferrous metals by magnetic separation after the primary shredding. This material is free of contaminants and ready to be sent to end user steel mills. What is known as heavy shredder residue material (including waste) is then processed via large off line non-ferrous recovery plants. In these plants, a series of air and eddy currents and metal sorters are used to sort various non-ferrous metals from non-metallic wastes. Waste is dispatched to landfill and recovered metals are aggregate and exported to markets for further refining and re-manufacture. The shredding and non-ferrous metal recovery process is extremely efficient, with a metals recovery rate of >95%, that is, less than 5% of metal remains in waste. This remaining metal is generally too small to extract from the waste or is in the form of very fine insulated materials such as fine copper wire. A large scale shredder as deployed by Sims in Queensland has capacity to process >150 tonnes of material per hour. Replacement costs for a full shredding and non-ferrous recovery facility would be in excess of \$100 million.
- **Heavy gauge materials** are those ferrous metals with a gauge of >6mm. These metals are too heavy to be shredded and are size reduced to steel mill specifications using either large industrial guillotine type shears or by manually cutting the material (such as rail line) with oxy acetylene torches.³³

2.2.3.5 Queensland's scrap metal processing market

In regard to how Queensland scrap metal dealers and recyclers operate, Sims Metal advised:

Some players recycle both ferrous and non-ferrous scrap while others specialise in one or the other or specialise in certain product types such as end of life vehicles (ELVs) or copper.

Tier One participants are generally those who have processing equipment and capacity to process collected metals to meet the quality requirements of end users (such as steel mills) and generally have direct supply contracts with end users based on ability to supply in significant quantity. Tier One processors generally operate large scale shredders.

Second and third tiered participants are generally known as scrap metal dealers who aggregate material and on sell to a processor or may bale and export unprocessed or partly processed material. Second and third tier dealers generally do not have capacity to shred material but may bale or cut heavy grade scrap metal themselves in smaller quantities.³⁴

2.2.4 **Unlicensed scrap metal dealers**

The Waste, Recycling Industry Association (Qld) (WRIQ) represents licenced businesses that undertake waste disposal and recycling in Queensland. They advocate for increased enforcement activity to be taken against 'the large number of illegal operators in the scrap metal industry'.³⁵ In regard to the number of illegal operators, WRIQ alleged that 'Queensland has more than 300 currently operating scrap metal and car wrecker operators of which less than 20% are registered as second hand dealers'.³⁶

³² Submission 4, p 4.

³³ Submission 4, p 4.

³⁴ Submission 4, pp 4-5.

³⁵ Submission 9, p 1.

³⁶ Submission 9, p 4.

DJAG has provided the following information on the number of licenced scrap metal dealers that may be operating in Queensland:

There are currently 1163 licensees under the SHDP Act, comprised of 1000 second-hand dealers, 9 pawnbrokers and 154 who hold both a second-hand dealer licence and a pawnbroker licence.

The SHDP Act does not identify a particular industry the second-hand dealer may be operating in, for example, antiques, general second-hand goods, or scrap metal. However, to assist the Committee, OFT has attempted to estimate the number of licensees who deal in scrap metal by virtue of the licensee's trading name where the name includes such terms as 'metal', 'metal recycling', 'copper' or 'scrap metal'. On this basis, OFT has identified 30 licensed second-hand dealers who may specialise in trading in scrap metal.³⁷

We note this apparent and significant discrepancy between the 30 scrap metals dealers which OFT state are currently licenced and the 300 businesses that WRIQ state are currently operating.

Sims Metal stated the following in relation to the sophistication of the alleged black market:

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'.³⁸

They added that the stolen metals being exported were predominantly non-ferrous metals like copper at about 80 to 90 per cent.³⁹

WRIQ explained why stolen metals were unlikely to be taken to licensed businesses for processing:

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. ... Their ABN or government issued ID for personal sellers is collected.⁴⁰

WRIQ added:

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.⁴¹

...

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.⁴²

WRIQ expanded on this claim, noting that environmental licences ERA54 and/or ERA62 (previously ERA20) are required to operate as a scrap metal dealer and recycler in Queensland, and a police check is required to obtain that licence.⁴³ However, WRIQ stated:

³⁷ Submission 6, pp 8-9.

³⁸ Public hearing transcript, Brisbane, 13 October 2023, p 16.

³⁹ Public hearing transcript, Brisbane, 13 October 2023, p 18.

⁴⁰ Public hearing transcript, Brisbane, 13 October 2023, p 15.

⁴¹ Public hearing transcript, Brisbane, 13 October 2023, p 15.

⁴² Public hearing transcript, Brisbane, 13 October 2023, pp 17-18.

⁴³ Submission 9, p 2.

DES compliance activity on illegal operators who do not hold environmental licences is sporadic, with some excellent activity in a joint two day Operation Tensile taskforce earlier this year, and the last major activity almost seven years prior to this. The penalty for operating without a licence is less than the cost of the licence, and unlicensed operators are given countless opportunities to do the right thing before any serious enforcement activity is undertaken.⁴⁴

Other submitters alleged that stolen metals are processed by certain scrap metal operations. For example, the Civil Contractors Federation Queensland Limited (CCF QLD) stated:

The scrap metal market currently operates predominantly unregulated with the general public having quick and easy access to recycling services that can provide cash for scrap in a matter of minutes.

...

The scrap metal market, being both unregulated and easy to access, makes tracking stolen scrap extremely complex. ... scrap copper is sold to pawn dealers and then on sold to scrap metal merchants to remove potential identification of sources.⁴⁵

In relation to used motor vehicles and scrap vehicle parts, the Motor Trades Association of Queensland (MTAQ) stated:

For authorised motor vehicle recyclers and scrap metal merchants regulations exist that require these businesses to verify the identity of the seller and only process payment through a bank account, so that transactions and sales data is accurately and formally recorded, and can be traced. The automotive industry is reporting there has been the emergence of a significant black market where individuals and unscrupulous businesses transact outside the rules, including cash transactions. On such occasions there is no attempt made to check if the property is stolen or warning signs are ignored.⁴⁶

Committee comment

The recycling of scrap metal reduces waste and improves our use of resources. However, it appears that legitimate operators in the industry are having to compete against unlicensed and illegal operators.

Government data shows that there are approximately 30 scrap metals dealers in Queensland that are currently licenced. However, the Waste, Recycling Industry Association claims that there are 300 such businesses operating in Queensland, with the majority of these being unlicensed and operating illegally.

It appears that the existence of such a large 'black market' of operators would undoubtedly help facilitate both the purchase of stolen scrap metals in Queensland and the resale or repurposing of those metals.

We agree that the removal of unlicensed operators from the market is a vital component to combatting the theft of copper and other metals in Queensland.

A recommendation in relation to this is contained in section 2.7 of this report.

⁴⁴ Submission 9, p 2.

⁴⁵ Submission 8, p 5.

⁴⁶ Submission 11, p 2.

Recommendation 1

To improve the legislative framework for the sale and purchase of scrap metals in Queensland, the committee recommends the Queensland Government:

- a) amend the *Second-hand Dealers and Pawnbrokers Act 2003* so it includes a definition of scrap metal, and
- b) amend the *Motor Dealers and Chattel Auctioneers Act 2014* so it also includes a definition of scrap metal and parts.

2.3 The prevalence of scrap metal theft in Queensland

QPS advised that '[m]etal theft is having an impact across the state and is affecting many different Queenslanders'.⁴⁷ For perspective on the prevalence of metal thefts, QPS provided the following overview of who has been targeted by thieves and what metals are being stolen:

- the agricultural industry, to steal metal from machinery, wiring, batteries and solar panels from farms and mines
- the construction industry, to steal metal by either breaking into construction sites or by workers stealing or facilitating theft from sites
- new home builds, unoccupied disaster-affected homes and existing homes to take wiring, hot water and plumbing systems, sidings or gutters
- the scrap metal industry, to steal metal being held in scrapyards
- the transport sector, including metal on rail tracks and in traffic signals
- motor vehicle parts such as catalytic converters, diesel particulate filters and batteries.⁴⁸

2.3.1 Stakeholder views

Submitters gave evidence regarding scrap metal theft which provided insight into the prevalence of these crimes.

TMR stated:

... over the past two years there has been a notable increase in vandalism and thefts affecting Department of Transport and Main Roads assets, in particular our intelligent roadside systems and our road-lighting assets.⁴⁹

TMR added that 'the theft of copper cable is not only occurring on existing departmental assets, but also on construction projects being delivered on behalf of the department'.⁵⁰

DTIS estimated that over the last 5 years, thefts have affected in excess of 100 sport and recreation clubs in Queensland, with Brisbane City Council advising DTIS that this has significantly impacted local governments.⁵¹

The Queensland Water Directorate (qldwater) advised that their 'members have reported a significant and growing number of thefts of metal components and infrastructure', including the removal of

⁴⁷ Submission 6, p 16.

⁴⁸ Submission 6, p 16.

⁴⁹ Public briefing transcript, Brisbane, 11 September 2023, p. 5

⁵⁰ Submission 6, p 25.

⁵¹ Submission 6, p 31.

electrical components and infrastructure and, more recently, renewable energy technologies (solar photovoltaic panels and inverters).⁵² qldwater explained the impact of this:

Renewable energy power supplies are essential for some of our network assets, such as pump stations, and telecommunication and instrumental control, particularly where connection to traditional power supplies are not feasible or unduly costly. Remote infrastructure is particularly vulnerable to metal and component theft.⁵³

AEP advised that ‘well over 500 well sites have been subject to theft over the past year’ with a peak of 20 well sites targeted per day and up to 60 in a week leading to material impacts across upstream and midstream production. Thefts are occurring on host landholder properties in relation locations, including Roma, Dalby, Chinchilla and Arcadia Valley. AEP further advised:

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.⁵⁴

Powerlink stated that ‘[s]ince 2015 Powerlink’s substations have experienced approximately 250 recorded occurrences of unlawful access resulting in metal theft.’⁵⁵

Energy Queensland said:

Since 2017/18, there has been over 500 incidents of copper theft on our electricity networks across Queensland. The number of copper theft incidents has increased from an average of 40 incidents a year in 2017/18 to a total of 170 incidents in 2022/23 - an increase of over 325 per cent.

Currently, there is on average 1 copper theft incident every 2 days across our electricity networks in Queensland.⁵⁶

Energy Queensland provided the graph below which illustrates the number of copper theft incidents at their assets, by operational region over the last 5 years. This shows an increase in thefts in certain regions since 2021, in particular a dramatic spike in Energy Queensland’s Brisbane North operational region.

⁵² Submission 5, p 3.

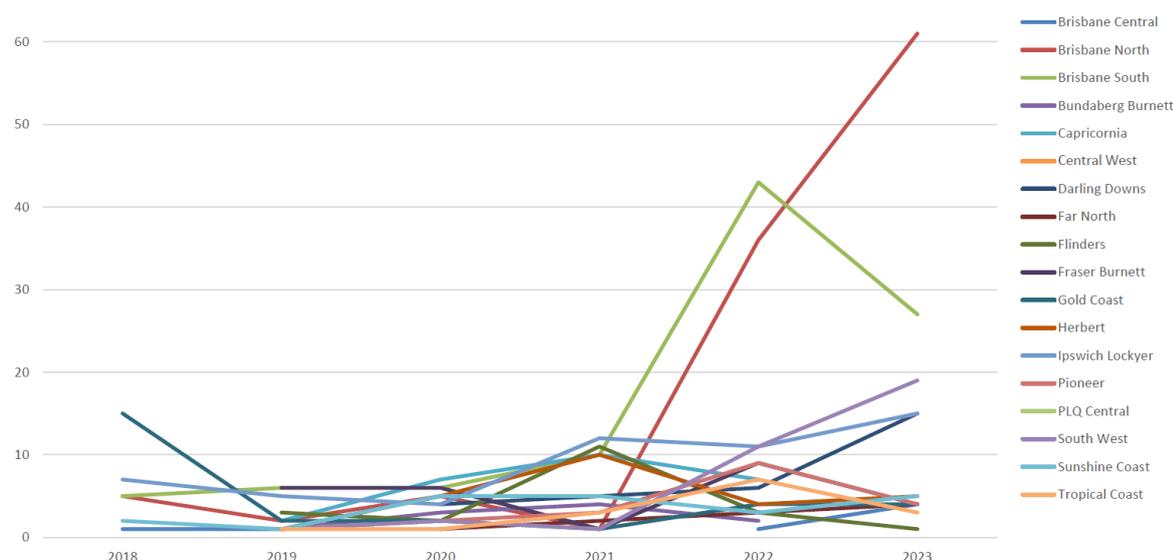
⁵³ Submission 5, p 3.

⁵⁴ Submission 10, p 1.

⁵⁵ Submission 12, p 1.

⁵⁶ Submission 7, p 3.

Graph 3: Energy Queensland copper theft incidents 2017-18 to 2022-23 by operational region⁵⁷



CCF QLD stated, '[t]he theft of scrap metal, mainly copper in our industry ... has been around for a very long time, but it has absolutely become endemic in recent times'.⁵⁸

2.3.2 Queensland Police statistics

QPS submitted that it 'continues to receive a relatively steady number of reports of metal theft over the last 5 years'. However, QPS noted 'a decrease of 9.5% in the number of metal theft offences', and 'also a decrease in 15.2% in the rate of offences per 100,000 persons' since 2018-19.

The QPS provided the following 2 tables of crime statistics related to metal theft offences over the last 5 years. Importantly, however, QPS noted that this statistical data 'is an estimate only' as:

There is no discrete statistical data point related to metal theft captured in QPRIME (The Queensland Police Records and Information Management Exchange). There is also no agreed definition of metal theft, given that the term is not present in the *Second-hand Dealers and Pawnbrokers Act 2003*.⁵⁹

...

These data are not official Service data as they are outside the bounds of what are published in official Service documents.⁶⁰

⁵⁷ Submission 7, p 19

⁵⁸ Public hearing transcript, Brisbane, 13 October 2023, p. 11

⁵⁹ Submission 6, p 21.

⁶⁰ Submission 6, p 23.

Table 1 - Number of reported metal theft offences in Queensland, by Police Region⁶¹

Region	2018-19	2019-20	2020-21	2021-22	2022-23	% change
Queensland	1665	1505	1117	1157	1507	↓9.5%
Brisbane	377	372	302	331	388	↑2.9%
Central	146	122	114	85	134	↓8.2%
Far Northern	74	73	52	65	84	↑13.5%
North Coast	324	241	200	193	300	↓7.4%
Northern	66	92	43	77	68	↑3.0%
South Eastern	390	381	244	233	266	↓31.8%
Southern	288	224	162	173	267	↓7.3%

Table 2 - Rate of reported metal theft offences per 100,000 persons in Queensland, by Police Region⁶²

Region	2018-19	2019-20	2020-21	2021-22	2022-23	% change
Queensland	32.7	29.1	21.4	21.7	27.7	↓15.2%
Brisbane	25.7	25.0	20.3	22.0	25.3	↓1.4%
Central	35.2	29.1	27.0	19.8	30.7	↓12.8%
Far Northern	25.7	25.2	17.9	22.1	28.2	↑9.5%
North Coast	30.4	22.2	18.1	17.0	25.8	↓15.2%
Northern	24.7	34.2	16.0	28.2	24.6	↓0.1%
South Eastern	39.7	38.0	24.0	22.3	24.9	↓37.4%
Southern	47.0	36.0	25.7	26.8	40.4	↓14.2%

2.3.2.1 Statistical methodology

The QPS noted that the statistical estimates above were extracted using the following methodology:

Data includes the following offence types: 0711 burglary with breaking; 0712 burglary; 0713 burglary with violence or threats with breaking; 0714 burglary with violence or threats; 0715 enter with intent shop

⁶¹ Submission 6, p 18.

⁶² Submission 6, p 18.

with breaking; 0716 enter with intent shop; 0717 enter with intent other premises with breaking; 0718 enter with intent other premises; 0720 break and enter unspecified building.

Data includes occurrences where the property stolen or property remarks include any of the following: copper, cable, wire, pipe, piping, radiator, hot water system, hot water heater, water meter, water metre, earth strap, earthing strap, brass, bronze, palladium, platinum, rhodium, catalytic converter, cat converter, diesel oxidation catalyst, diesel particulate filter, dpf, lithium, battery, batteries, scrap metal. And where the data property type is in any of the following: antiques (AAQ), appliance (DAP), attachment devices (ATT), automatic machines (ATM), building materials (BUO), building or structure (BUS), explosive (EXP), garden (GDE), household articles (HAR), machinery or tools (MCH), marine equipment (MAE), metal (MET), office equipment (OMC), other article (OTH), photographic equipment (PHO), sporting goods (SPO), street furnishings (SFN), vehicle/watercraft/aircraft parts etc (VEH) and weapons (WEA).⁶³

2.3.2.2 *Impact of COVID-19 on crime*

The QPS also advised that the impact of the COVID-19 public health emergency on crime statistics should be considered in relation to the figures in tables 1 and 2. The figures show that a considerable reduction in the number and rate of reported metal theft offences occurred during the years 2020-21 and 2021-22, before the figures in 2022-23 (post lockdowns) then returned to a similar rate to those pre-Covid.

Committee comment

We heard from a range of stakeholders about the impact of metal theft related crimes and their views that this criminal activity has risen dramatically over recent years. We particularly acknowledge the City of Moreton Bay's campaign against metal theft which has highlighted its prevalence and impact in that local government area, as well as generally across Queensland.

From the evidence of submitters, we believe that scrap metal theft related crimes appear to be increasing. Additionally, the consistently high price of copper worldwide is clearly contributing to the willingness of criminals to engage in increasingly risky acts to steal this desirable commodity.

Although statistics from QPS show a general downward trend for the number of reported metal theft offences and rate of reported metal theft offences per 100,000 persons between 2018-19 and 2022-23, we note QPS's advice that the statistics are not conclusive as they are an estimate only due to the lack of a statistical definition of metal theft in the *Second-hand Dealers and Pawnbrokers Act 2003*. In this regard, it makes it difficult for QPS to then capture metal theft crimes in isolation within their Queensland Police Records and Information Management Exchange (QPRIME) system.

This is problematic as without reliable information and statistics, the potential for confusion about the significance of this issue remains, which correspondingly may impact the resources assigned to address this criminal activity.

Further difficulties exist in determining the prevalence of scrap metal theft in Queensland. For example, we heard that scrap metal thieves have targeted remote and sometimes unstaffed facilities across Queensland, with these losses only noticed after a period of time. There may also be an under-reporting of these crimes for various reasons. We conclude that a lack of an agreed statistical definition of metal theft crime hinders the accuracy of the reporting of these crimes and for this reason recommend that QPS adopt a clear statistical definition of metal theft related crimes.

Noting recommendations 1a and 1b above regarding the proposed amendments to the *Second-hand Dealers and Pawnbrokers Act 2003* and the *Motor Dealers and Chattel Auctioneers Act 2014* in relation to the definition of scrap metal, we recommend the QPS then use the definition in collecting statistics of metal theft related crimes.

⁶³ Submission 6, pp 23-24.

Recommendation 2

The committee recommends the Queensland Police Service adopt a clear statistical definition of metal theft related crimes that is in alignment with the committee's proposed amendments to define scrap metal in both the *Second-hand Dealers and Pawnbrokers Act 2003* and the *Motor Dealers and Chattel Auctioneers Act 2014*.

2.4 The direct and indirect impacts of scrap metal theft on Queenslanders, such as costs, disruption, and essential service delivery

QPS stated:

Metal theft is having a significant impact on Queensland communities. Thieves are targeting critical infrastructure, including communications, energy and transport, and various industries to steal metal to resell to dealers. From reports to police we know that metal theft is affecting government and private sector operations. It has previously disrupted electricity supply and transport operations.⁶⁴

Recent examples of serious electrical incidents involving copper theft in Queensland include:

- 2020 - a person was found deceased after being electrocuted trying to steal copper from an industrial estate
- 2020 - an 11,000-volt Energex cable was chopped with an axe causing power outages to more than 800 homes
- 2022 - a person used an axe to strike a power pole multiple times in an attempt to steal copper wire, sparking a pole fire and an emergency outage
- 2023 - an offender attached a car to a live 11,000-volt underground cable, which was secured to a pole. The live cable was torn off the pole and when it hit the ground a flashover occurred, starting a grassfire
- 2023 - an offender stole 3 kilometres of copper cable from a roadside in Brisbane impacting over 80 streetlights
- 2023 - an offender cut through a live 11,000 volt cable on a bridge with an angle grinder leading to a 36 hour outage to the Arnotts biscuit factory in Virginia, Brisbane affecting 600 employees
- There have been multiple incidents of attempts to steal copper assets, using various uninsulated tools, such as an axe, where flashovers have occurred because the electrical assets were energised.⁶⁵

2.4.1 Stakeholder views

Stakeholders and submitters provided evidence regarding the impact and costs that metal theft crimes had caused them.

qldwater submitted:

Damage to our critical infrastructure from the removal of metals and components may lead to water treatment and supply breaches which risks community safety; as well as posing a direct electrocution risk to water network personnel. The urban water sector also services homes with 'life support' functions where water is an essential input of ongoing home medical treatments (such as haemodialysis).

Smaller and regional councils in particular struggle with the costs (and supply chain issues) associated with the repurchase of stolen components and many do not have readily available access to skilled

⁶⁴ Public briefing transcript, Brisbane, 11 September 2023, p. 3

⁶⁵ Submission 7, p 7.

workers to repair and refit impacted infrastructure; while such thefts may impact the larger utilities compliance to the SCI Act (*The Commonwealth Security of Critical Infrastructure Act 2018*).⁶⁶

AEP advised that metal theft has cost their members ‘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)’. Furthermore, AEP contended that the thefts are negatively affecting 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’. AEP concluded that ‘the community is worried that gas infrastructure is a drawcard for thieves’.⁶⁷

Energy Queensland explained the financial safety and operational impacts on their business:

... the theft of copper is a widespread problem across the entire State and poses significant impacts in the areas of public and employee safety, incurs financial costs to repair stolen and damaged assets, and has an operational impact in terms of field crews needing to repair damaged infrastructure.

...

A conservative estimate is that copper theft costs Energy Queensland more than \$4.5 million per year. This is only the immediate repair cost and excludes the cost to business customers, delays to our program of work, delays to new customer connections, and the inconvenience to residential customers impacted by electricity supply interruptions.

This also does not include costs incurred by customers when copper is stolen ‘behind the meter’, such as sporting clubs, construction sites, and gated communities that are also frequent victims of copper theft.⁶⁸

Energy Queensland added:

Offenders have adapted their techniques to include de-energising assets in order to have safer and open access to the copper.

The impacts of offenders de-energising the infrastructure include:

- Direct impacts to homes, businesses and hospitals through outages of electricity supply; and
- Interruptions to services to local communities including telephone and broadband services, emergency services and transport, as well as any other inter-dependent critical services.

These costs ultimately pass through to the regulated costs of operating a network and each households’ and businesses’ electricity bills.⁶⁹

Energy Queensland further noted that ‘other indirect community impacts as a result of outages include delays to emergency services responding to priority calls, communication infrastructure interruptions and domestic and business internet services.’⁷⁰

TMR highlighted the range of financial impacts of metal theft crimes, including ‘substantial financial losses for contractors if they are not correctly insured’ as stolen materials need to be replaced and the cost of replacement can be higher than the original purchase price. Administration costs may not be insured. Insurance premiums for construction companies may rise across the board if there are frequent theft incidents. This will increase the cost of construction projects. Also, the damage caused during theft adds to the financial burden. Thefts can lead to project delays, which increase costs of resources and time.⁷¹

⁶⁶ Submission 5, p 3.

⁶⁷ Submission 10, p 1.

⁶⁸ Submission 7, p 3.

⁶⁹ Submission 7, p 13.

⁷⁰ Submission 7, p 8.

⁷¹ Submission 6, p 27.

In regards to safety, TMR stated that the removal of copper cabling from road projects damaged the supply of power to associated road-lighting networks. This then impacts the ability of road users and pedestrians to see hazards and negotiate the road ahead. In addition, the theft of assets that impact devices such as CCTV cameras and vehicle detection equipment ‘reduces the department’s ability to safely and effectively manage road congestion and incidents on our network’.⁷²

CCF QLD supported TMR’s evidence, stating the direct impacts on the industry included costs for rework, costs for insurance (both premium and excess), and delays.⁷³ CCF QLD expanded on the insurance impacts:

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.⁷⁴

CCF QLD provided the following reports from their members:

- One member said that there was a cost of \$500,000 in 3 months due to metal theft with another respondent saying that scrap metal theft had cost them more than \$1 million
- Other members noted the increased costs associated with additional measures taken by the industry to improve security and prevention measures (such as security cameras, lockable pits, and filling pits with sand)
- Many members noted the increased delay with projects, with one member indicating that it could “take up to 14-15 weeks to deliver” replacement material that is often not available in Australia.⁷⁵

CCF QLD added that:

The *indirect impacts* on Queensland from increased costs and delays associated with scrap metal theft includes:

- Cost overruns
- Decreased productivity due to rework and additional resources needed to complete projects.
- Increased infrastructure funding gaps in the pipeline
- Longer waiting times for essential infrastructure and reduced reliability and availability of infrastructure. This is a concern considering the infrastructure objectives for the approaching 2032 Brisbane Olympic and Paralympic Games.⁷⁶

MTAQ advised that from firsthand accounts, it was aware of ‘more than \$300,000 in theft and damages from two rental operators and one dealership in Southeast Queensland’ with the cost rising ‘due to the downtime of waiting for replacement devices to return these vehicles to being serviceable’. MTAQ provided an example that delays in replacement devices have meant trucks have been ‘unproductive’ for up to 3 months, which equates to about \$12,000 (plus GST) per truck. For light commercial vehicles, the downtime is approximately 10 weeks. In addition, it is often the case that wiring is damaged in these thefts, which adds further costs to businesses.⁷⁷

⁷² Public briefing transcript, Brisbane, 11 September 2023, p. 5

⁷³ Submission 8, p 5.

⁷⁴ Public hearing transcript, Brisbane, 13 October 2023, p. 11.

⁷⁵ Submission 8, pp 5-6.

⁷⁶ Submission 8, p 6.

⁷⁷ Submission 11, p 3.

DTIS stated:

There is an increased cost for construction of sport and recreation infrastructure because of the building design requirements to mitigate against scrap metal theft. This increased cost could be in the vicinity of 10%.

The impact on community clubs when theft occurs varies. Repairs can be difficult for local not-for-profit clubs to fund, and depending on the damage, this can cause an interruption to sport participation. If copper from lighting is stolen for example, this can mean no night games for a club until repairs can be arranged.⁷⁸

Powerlink advised that 'in the previous ten-year period, unlawful access has had a direct cost of approximately \$2.6 million.'⁷⁹ Powerlink report that had a program of installing electric fences for substations to respond to the threat of unlawful entry and metal theft and is continuing to invest in network security upgrades.⁸⁰

The City of Moreton Bay highlighted the impact of the thefts on local community organisations, sporting clubs and local governments 'to provide support in terms of replacement infrastructure and the use of alternative materials where appropriate'.⁸¹

In regard to social impacts, the City of Moreton Bay noted that the thefts of copper cabling from the lighting infrastructure at its local sporting fields had resulted in numerous sporting teams being unable to train in the evenings, which had been their primary training time.⁸²

The agribusiness and processing company, GrainCorp, advised that it had experienced theft of copper wires and fittings from its facilities across Queensland since 2015. Metal theft related repairs at GrainCorp's sites at Brookstead East, Macalister, Warra, Malu and Miles have cost the company more than \$180,000 in 2023.⁸³ GrainCorp also detailed incidents of metal theft that have significantly impacted its site at Kupunn, west of Dalby, over the last year. These include:

- in December 2022, thieves damaged free-standing grain storage bins and stripped their copper wiring
- in May 2023, thieves cut live wires and stole cables from a silo. The silo has remained inoperable which has impacted local growers
- in June 2023, thieves stripped another silo complex of its copper wiring, requiring the harvested produce it was storing to be removed.⁸⁴

GrainCorp stated that current estimated cost of repairs at Kupunn is approximately \$180,000, and 'given the high costs of repair and the ongoing incidents of copper theft, GrainCorp is currently considering the future operation of the Kupunn site'. GrainCorp added:

It is unfortunate that copper theft has impacted our ability to plan for future demands and capacity in that area. Without the Kupunn site, the local grower community would be required to travel further to deliver their grain, which places more pressure on our other sites and on the local road network.⁸⁵

⁷⁸ Submission 6, p 31.

⁷⁹ Submission 12, p 2.

⁸⁰ Submission 12, p 2.

⁸¹ Submission 2, p 1.

⁸² Submission 2, pp 1-2.

⁸³ GrainCorp, correspondence, 13 November 2023, p 2.

⁸⁴ GrainCorp, correspondence, 13 November 2023, p 1.

⁸⁵ GrainCorp, correspondence, 13 November 2023, p 2.

Committee comment

We heard numerous reports of metal theft related crimes and the associated impacts and costs that these crimes are having on Queensland businesses and the public.

Metal thefts from electrical infrastructure in particular have caused significant power outages, with these disruptions also having the potential to endanger lives through delays to emergency services and loss of infrastructure which may impact life support functions. We commend the workers in the electricity, transport, construction and water industries who have urgently repaired damage from metal theft and restored the supply or replaced infrastructure. We also thank those in the local and state government sectors who have had to continually replace stolen metals and deal with the associated damage in a timely manner, while also likely receiving complaints about interrupted services.

For example, we were advised of a Brisbane train line being inoperable and the cabling necessary for lighting infrastructures being stolen from sites across the City of Moreton Bay.

Businesses and community organisations across Queensland have reported being significantly impacted as well. They are required to spend more on security measures in their efforts to keep ahead of the increasingly brazen acts of metal thieves. We heard of businesses being unable to operate and entire industries being targeted. This has impacted insurance costs, caused project delays and resulted in an overall increase in costs that is then passed on to consumers and customers.

While no specific, overall financial cost of this criminal activity has yet been calculated in Queensland, it is clear that when a particular business, organisation or industry is targeted and attacked by scrap metal thieves, the costs and flow-on effects are significant.

2.5 Direct and indirect risks to worker and community safety, as well as other risks such as environmental harm

As an overview, QPS note that scrap metal theft poses:

... significant risks to the safety of all responders ... including police officers. Thieves frequently target electrical cabling that contains copper or aluminium wiring. Oftentimes, the remaining wiring continues to be electrified and is left compromised without proper safety measures in place. This places responders at risk of significant injury or death.⁸⁶

The Commissioner for Electrical Safety, Keith McKenzie, said ‘There has to be a severe punishment for those people who steal it and put workers and communities at risk’.⁸⁷

2.5.1 Stakeholder views on the risks to worker and community safety

Energy Queensland reiterated that the theft of copper from its network ‘jeopardises the safety of both the public and our electricity workers’ with exposed and damaged wires posing ‘a very real safety risk with potentially fatal consequences’.⁸⁸

Copper wire is used as both a conductor of electricity to distribute supply to customers across Queensland and as a safety mechanism in electrical infrastructure to ‘earth’ electrical assets. When an electrical fault occurs, the earth wire disperses electricity safely from the electrical asset through the wire and to the ground.

⁸⁶ Submission 6, p 16.

⁸⁷ Public hearing transcript, Brisbane, 13 October 2023, p 2.

⁸⁸ Submission 7, p 3.

Energy Queensland noted '[t]he absence of an earth wire when a fault occurs presents a significant risk which can lead to serious injury and death should contact be made with the infrastructure'.⁸⁹

Workplace Health and Safety Queensland (WHSQ) and the Electrical Safety Office (ESO) added:

Other than the electric shock risk, thieves are exposed to the risk of arc flash. Arc flash is similar to an explosion and can create a fire risk to the electrical installation and potentially exposes the individual/s to the risk of significant burns, exposure to poisonous gases and smoke inhalation.⁹⁰

...

As a result of copper theft, the integrity of the electrical installation is potentially compromised leaving first responders, workers and members of the public significantly exposed. Electrical workers arriving at sites to undertake maintenance and repairs, or others in the vicinity of the network are potentially exposed to contact with energised parts resulting in electric shock, a higher risk of arc flash events, an increased likelihood of equipment damage and failure due to uncontrolled voltage rises and a compromised control system designed to monitor and provide an electrically safe network.

A compromise to the network earthing systems through copper theft affects the system designed to protect people from receiving electric shocks under fault conditions and may contribute to an increased likelihood of electric shock at residential and commercial premises, and an increased risk for the community of dangerous step and touch potentials.⁹¹

Powerlink Queensland agreed about the risk that copper theft presents to personnel working on and around the network where the earthing conductors have been removed. Powerlink explained further:

The unidentified absence of earthing conductors is an electrical safety risk to workers because dangerous voltage may be present on the unearthed metal parts. There is also a risk to workers that in the rare occurrence of a High Voltage equipment failure, the compromised earthing may not be able to safely manage dangerous voltage and nearby workers could be in a situation to receive an electric shock.

...

Copper thieves leave unsafe situations for members of the community in a number of ways. Thieves cut access holes in substation fences and cut through the lock and chain of the substation gates. This situation has the potential to leave the High Voltage substation open to curious individuals.⁹²

AEP was also concerned about the safety risk to staff and contractors of theft from active well sites where high voltage electrocution may occur if critical production elements are damaged.⁹³ AEP members also reported evidence of angle grinder score marks in steel gas piping that contain high pressure flammable gas. Sparks from brute force on steel near flammable nature gas and high voltage electricity poses a risk of serious injury or death of the perpetrators, the public, employees and contractors.⁹⁴

DTMR agreed that theft of electrical assets poses a significant risk of cable pits being left open and live wiring exposed, as well as the potential for a localised fire which could spread.⁹⁵ They added:

Outside of the actual theft event, the construction theft can create knock-on safety hazards and supply issues on-site. Thieves may tamper with structures, electrical systems or equipment, potentially leading

⁸⁹ Submission 7, pp 5-6.

⁹⁰ Submission 6, p 33.

⁹¹ Submission 6, pp 33-34.

⁹² Submission 12, p 1.

⁹³ Submission 10, p 1.

⁹⁴ Australian Energy Producers, correspondence, 3 November 2023, p 3.

⁹⁵ Public briefing transcript, Brisbane, 11 September 2023, p 5.

to accidents or injuries for construction workers. Construction materials and equipment are often in high demand, and theft exacerbates shortages in the supply chain and can create psychological safety issues.⁹⁶

CCF QLD advised that the direct risks to worker and community safety include exposure to live wire/supply cables, potential for fire, loss of road lighting and traffic light systems leading to decreased visibility for drivers and pedestrians. Indirect risks include environmental contamination if the scrap metal is not handled correctly and utility disruptions.⁹⁷

2.5.1.1 Asbestos containing materials

As scrap metal theft can occur in buildings and sites constructed of asbestos containing materials (ACM), added dangers can occur if ACM are damaged. WHSQ and ESO advised:

To access scrap metal of value, persons may need to undertake uncontrolled demolition and stripping of non-friable and friable ACM. The uncontrolled dry stripping of asbestos pipe insulation and subsequent exposure is a particularly high-risk consequence of scrap metal theft.

Asbestos pipe insulation will likely be a friable material, posing a significantly higher risk of exposure if disturbed as friable materials generate airborne fibres more easily. The UK Health and Safety Executive document 'Asbestos Essentials' advises dry removal of lagging can generate up to 100 f/ml which is 1000 times the Australian workplace exposure limit (WEL) for asbestos.

Airborne asbestos exposure to persons involved in uncontrolled removal of asbestos insulation is likely significant, as the metal sought requires cutting and some degree of separating from the asbestos insulation.

Disturbance of ACM is likely to result in the contamination of clothing, tools and vehicles used during theft, and the onward handling of stolen pipework/metals during recycling/scraping poses an exposure risk to those involved.

The location where the ACM disturbance has taken place also presents an exposure risk to anyone subsequently entering the area as uncontrolled removal will generate significant dust and debris.⁹⁸

2.5.2 Environmental issues

Energy Queensland advised that electricity transformers contain copper as well as highly refined oil to insulate and cool the transformer. This oil is a petroleum hydrocarbon product and is classed as regulated waste under the *Environmental Act 1994*. During attacks on these assets to remove copper, the uncontrolled oil discharge can lead to environmental damage.⁹⁹

Energy Queensland provided examples of incidents where transformers were damaged, resulting in environmental impact and site remediation costs. These included:

- damage to equipment stored at an Energy Queensland warehouse resulted in leaked oil causing substantial environmental contamination requiring remediation costing more than \$300,000. Damage to the transformer cost \$1 million, resulting in it being unusable
- switchgear and copper cables stripped from a transformer in Lota, Brisbane, in July 2023 resulted in 150 litres of oil spilled into surrounding environment.¹⁰⁰

2.5.2.1 Increased emissions from impacted vehicles

MTAQ advised that a functioning catalytic converter or DPD/DPF converts approximately 90 per cent of tailpipe emissions (hydrocarbons, carbon monoxide, and nitrogen oxides) into less harmful

⁹⁶ Submission 6, p 27.

⁹⁷ Submission 8, p 6.

⁹⁸ Submission 6, p 34.

⁹⁹ Submission 7, p 8.

¹⁰⁰ Submission 7, p 12.

gases. MTAQ noted a vehicle that has had its catalytic converter stolen will produce significantly higher levels of emissions and pollution, posing health risks and impacts on the environment.¹⁰¹

Committee comment

We heard that victims of scrap metal thefts have incurred the financial costs to not only repair damaged assets but also losses from the delay in having services return to operational levels. We are also aware of instances where oil and other toxic materials have impacted local environments, causing damage and requiring significant clean-up costs.

However, our greatest concern is the risk posed to the lives and safety of workers and community members who may be exposed to electrocution by the acts of scrap metal thieves. In particular, thefts from electrical substations and damage caused to the earth grid of these assets and other facilities can lead to catastrophic consequences. This risk is unacceptable. For this reason, we recommend an offence should be applied where a person may be exposed to live electricity infrastructure and electrocution.

Persons who are tempted to engage in any act of scrap metal theft or the damaging of electrical infrastructure should be under no illusion about the severity of their actions and the harm that they can cause.

Recommendation 3

The committee recommends the criminal act of scrap metal theft should also include an additional offence that equates to recklessly engaging in conduct that places or may place another person in danger of injury or death due to exposure to live electricity infrastructure.

2.6 The effectiveness of the existing Queensland laws and approach in preventing, investigating and prosecuting scrap metal theft in Queensland

An overview of the SHDP Act and the MCDA as they relate to the sale and purchase of scrap metal is contained in section 2.2 of this report. Criticism of these current laws, including claims that the sale of scrap metal in Queensland is largely ‘unregulated’, is included in section 2.2.4. The overall effectiveness of these laws is discussed below.

2.6.1 Stakeholder views on the effectiveness of Queensland’s existing laws

Both Sims Metal and the WRIQ have stated that many of the provisions of the SHDP Act ‘are not relevant for the scrap metal industry because of the volume, number of transactions and non-descript nature of scrap metal presented for recycling’.¹⁰² Further, Sims Metals stated that the SHDP Act is ‘ineffectual in achieving the outcomes and is unworkable at a practical level’.¹⁰³

Sims Metal argued that the SHDP Act ‘is unworkable for the scrap metal recycling industry’ due to:

- The complete lack of recognition of the clear distinction between second hand goods sold for continued use for their intended purpose and scrap metal that is at the end of its useful life and is intended to be destroyed, recycled and remanufactured into useful commodities (such as steel, aluminium etc.)
- The Act requires goods to be held for 7 days separately and in the form that it was received prior to recycling – For example, Sims in Queensland receives over 300,000 tonnes in over 100,000

¹⁰¹ Submission 11, p 3.

¹⁰² Submission 4, p 2.

¹⁰³ Submission 4, p 2.

transactions of scrap metal per annum ranging from a few kilograms to semi-trailer loads of mixed scrap metal. To isolate and hold for 7 days each and every load individually would result in the industry shutting down, the logistics and real estate required for compliance with this provision is simply impossible to achieve in reality

- The Act requires particulars to be taken including brand name, model number and serial number of goods. As set out above, scrap metal recyclers conduct many hundreds of thousands of transactions of end of life goods and other metals that have by necessity been consolidated, compressed, baled and crushed to facilitate efficient transport from a variety of sources, including Government sources. To require providers of materials to provide this information is simply impossible and if this was enforced, materials would simply end up in landfill in conflict with the Government's own recycling and circular economy policies. For example, a semi-trailer load from a Council collection service, landfill or transfer station may have dozens of end of life consumer products and whitegoods within the load that have been mingled, crushed or compacted. The practicalities and WHS risk of separating such goods and the economics of doing so render this as completely futile.¹⁰⁴

Sims Metal added that all laws are 'ineffectual unless there is effective compliance oversight and enforcement of those laws'. Sims Metal explained its commercial disadvantage as a result:

In many Australian jurisdictions, bona fide scrap metal recyclers such as Sims have been materially disadvantaged and suffered significant commercially damaged by the application of laws to the recycling industry that have not been enforced to the point that they are endangering the very existence of legal operations and have been for quite some time. To this point, we reiterate that it is our strong belief that it is in everyone's best interest to make existing laws better and to diligently enforce those laws as compared to creating new laws.¹⁰⁵

WRIQ and Sims Metal state that they have lobbied for many years for the Queensland Government to conduct a formal review of the SHDP Act 'to make these existing laws workable - it is in everyone's best interest to make existing laws better as compared to creating new laws.'¹⁰⁶

MTAQ also called for 'a comprehensive overhaul of police enforcement and penalties (significant non-discretionary fines and imprisonment)'.¹⁰⁷

2.6.1.1 The payment of cash for scrap metal

Several submitters raised the issue of whether the legal payment of cash for scrap metal facilitates illegal activities in the context of the effectiveness of current laws.

The City of Moreton Bay stated that under the SHDP Act, sellers are not required to be paid via electronic transaction, and that '[t]he use of a cash payment to a second-hand dealer undermines the application and consistency of a transactions register, which is a requirement under the Act (Section 37(1)).'¹⁰⁸ The City of Moreton Bay submitted that a legislative solution would need to effectively end the resale market for stolen copper and this would be more effective than CCTV and deterrent devices and would positively impact on the resources of police, Energex and councils.¹⁰⁹

Energy Queensland expanded on this issue:

In Queensland, the current absence of regulation specific to the scrap metal market allows offenders to receive cash for scrap without a need to formally record details relating to the transaction. As a result,

¹⁰⁴ Submission 2, pp 2-3.

¹⁰⁵ Submission 4, p 3.

¹⁰⁶ Submission 4, p 3.

¹⁰⁷ Submission 11, p 4.

¹⁰⁸ Submission 2, p 1.

¹⁰⁹ Submission 2, p 1.

the ability to monetise criminal proceeds means buyers of scrap metal, such as recyclers, are a crucial and potentially unwitting enabler for criminals profiting from metal theft.

The gaps in the Queensland legislation, compounded by the enhancements to legislation in other jurisdictions can be exploited by criminals in bordering jurisdictions as copper theft perpetrators on both sides of the border target network assets in the vicinity.

Cash transactions for scrap metal are often completed without any proof of personal identification or proof that the individual legitimately owns the metal being sold. This leads to anonymous, low-risk transactions for those individuals who steal metal. In addition, the widespread use of cash facilitates, poor record keeping by the metal recycling industry and cash payments makes it difficult to investigate and prosecute copper and other metal theft and illegal trading.¹¹⁰

Energy Queensland recommended the introduction of legislative amendments aimed at reducing the ‘attractiveness’ of copper theft by ‘making it illegal to pay cash for items and requiring scrap metal dealers to properly record all scrap metal transactions within their transaction register, including the type and amount of metal sold, details of the person selling the item, even if they are not the owner.’ This would remove the ability to to conduct non-traceable transactions.¹¹¹

However, WRIQ countered these views stating:

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.

...

It is just going to cause that illegal black market to go further underground.¹¹²

Sims Metal added:

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.¹¹³

In looking at other jurisdictions that have introduced ‘no cash for scrap’ laws, such as New South Wales, Victoria and Western Australia, WRIQ said:

These laws have forced illegal operators underground, with money laundering rife and backyard operators putting unprocessed metals into shipping containers and sending them overseas to third world jurisdictions that do not have the same safety standards we do here in Australia.¹¹⁴

...

... we have not seen any other jurisdiction be successful with a no cash for scrap scheme.¹¹⁵

¹¹⁰ Submission 7, p 15.

¹¹¹ Submission 7, p 15.

¹¹² Public hearing transcript, Brisbane, 13 October 2023, pp 15, 16.

¹¹³ Public hearing transcript, Brisbane, 13 October 2023, p 16.

¹¹⁴ Submission 9, p 1.

¹¹⁵ Public hearing transcript, Brisbane, 13 October 2023, p 16.

2.6.1.2 *Identifying theft across second-hand dealers and pawnbrokers*

Section 2.2.1 above noted that second-hand dealers are required to keep specific transaction details and records under the SHDP Act which are intended to assist the QPS to identify and recover stolen property.

In relation to the identification of theft across second-hand dealers and pawnbrokers, QPS provided the following information about the difficulties and limitations of attempting to trace stolen goods that have been sold to licenced second-hand dealers:

Section 39 of the *Second-hand Dealers and Pawnbrokers Act 2003* enables the creation of a requirement for second-hand dealers to provide police with particulars from a transaction register in a format and period as prescribed by regulation. However, no such regulation has ever been made. Instead, local police officers frequently attend second-hand dealers to collect copies of receipts. Some second-hand dealers elect to send data directly to the QPS either by email or post, but most provide hard-copy receipts.

The QPS operates the Stolen Property Investigation and Recovery System (SPIRS), which is a computer system supporting identification and recovery of stolen property. The QPS enters data provided by pawnbrokers and second-hand dealers through transaction registers into SPIRS. The data can then be queried to show the interaction of people, property and a second-hand dealer or pawnbroker, and assist in the identification of stolen property.¹¹⁶

However, QPS explained the limitations of this system, including

- The 6 members of the SPIRS team need to manually enter data from the hard-copy receipts or electronic documents into SPIRS with illegible handwriting or missing information making the process difficult
- There are voluminous receipts to enter in the system with the current backlog sitting at 7 months
- The usefulness of the data is also limited as the description of the property is often poor which means it is unlikely that this will be capable of being matched to any stolen property reports
- Second-hand dealers must also obtain and verify the seller's name and address prior to acquiring any property under section 47; however, the Act does not prescribe how this verification is to occur. This creates difficulty for police to accurately trace stolen property to an offender.¹¹⁷

2.6.2 **Effectiveness of the existing approaches regarding the prevention of scrap metal theft**

QPS advised that metal theft is generally investigated at a local level at any police station with dedicated operations appointed to investigate serious or ongoing incidents of metal theft. QPS does not have evidence to suggest that metal theft is connected to serious and organised crime but rather tends to be opportunistic activity. QPS confirmed that it does not intend to establish a dedicated unit to investigate metal theft, but the QPS Crime and Intelligence Command 'can assist responding to significant instances of metal theft, particularly if there is evidence of links to organised crime'.¹¹⁸

2.6.2.1 *Stakeholder views*

CCF QLD stated that 81.25 per cent of its industry members had responded that current prevention strategies are not effective, adding '[t]his means that there is a major gap that needs to be addressed in relation to preventing scrap metal theft from occurring in the first instance'.¹¹⁹

¹¹⁶ Submission 6, p 22.

¹¹⁷ Submission 6, p 22.

¹¹⁸ DJAG, correspondence, 12 October 2023, p 2.

¹¹⁹ Submission 8, pp 7-8.

Other stakeholders detailed their various approaches to help prevent scrap metal theft from their businesses and sites. For example, Energy Queensland advised that it and other organisations had implemented proactive preventative measures through physical, engineering, and cultural solutions. These preventative measures include:

Physical solutions - Since 2019, Energy Queensland has implemented extensive measures to deter, delay, detect and respond to criminal acts, based on security-by-design principles, solutions include additional security cameras, electronic gates, barbed wire fencing, electric fencing, lockable storage containers, enhanced lighting, and intruder detection systems.

Engineering solutions - Copper has optimal conductivity characteristics compared to other metals. An alternative solution utilised by the industry includes repairing stolen earths with copper-coated steel rods. These rods are less susceptible to theft, although are significantly more expensive making it not financially viable to replace all copper.

Cultural solution - Energy Queensland drives strong adherence to site security behaviours by staff and contractors, as well as responsible supply chain practices so storage of materials is limited to operationally necessary volumes. Energy Queensland actively engages in public messaging to raise safety awareness on the potential risks of electrical infrastructure as well as liaison with law enforcement and other organisations; All working together to improve crime reporting and awareness.¹²⁰

TMR advised it had implemented a range of physical and visual deterrents across its network; however, significant instances of theft were still occurring regularly across the state-controlled road network. TMR's prevention measures include:

Many of TMR's older cabling enclosure pits are typically more vulnerable to deliberate illegal access as they do not have modern pit lid mechanisms. TMR is trialling a number of solutions to deter perpetrators, such as more theft resistant cable pit lids, surveillance cameras and patrols, batteries which can be directly buried into the ground without the need for an access pit, covering access pits with sand and asphalt, and also various anti-theft and anti-vandalism innovations. These solutions all come at a higher cost and impact the program budgets significantly.

Wom-Batt underground lithium power pods are now being trialled at Wireless Traffic Sensor sites in conjunction with fortified cabinets. Both products are specifically designed to eliminate theft and have been successfully implemented. The department is also working with the University of Queensland to conduct a comprehensive review into anti-theft solutions and their effectiveness, including cost estimates. To assist with this research, TMR is collating an internal report of all mitigation strategies trialled and discussed to date.¹²¹

AEP advised that its industry members are now taking the following preventative measures:

- installed lights and alarms in high theft activity zones
- changed out copper wiring for cheaper non-copper wiring in equipment where possible, although cheaper wiring is still being stolen
- developed formal response plans which may include contracted security night patrolling, signage, additional CCTV, enhanced reporting of suspicious activity, micro-dotting of batteries, security gates and other access routes
- drones are also being considered to monitor properties but will likely identify sites impacted sooner rather than act as a deterrent.¹²²

¹²⁰ Submission 7, p 6.

¹²¹ Submission 6, p 26.

¹²² Australian Energy Producers, correspondence, 3 November 2023, p 2.

2.6.3 Effectiveness of the existing approaches regarding the investigation and prosecution of scrap metal theft

In relation to the effectiveness of combatting metal theft, QPS stated it was ‘committed to preventing, disrupting, responding to and investigating criminal offences in Queensland’. QPS’s investigations into community reports and standing up dedicated operations has disrupted metal theft offenders. QPS is also working with other government agencies, including DJAG and DES, to investigate and disrupt offending. These agencies are sharing information about persons of interest who may be in breach of regulatory obligations. However, QPS acknowledged the difficulty in investigating metal theft and identifying its origin or ownership is challenging. Furthermore, some forms of metal, such as catalytic converters or diesel particulate filters, do not have distinct markings or serial numbers, presenting difficulties in determining their source...¹²³

QPS provided the following table which outlines current offences relevant to metal thefts and the maximum penalties for these offences.

Table 3 - Offences relevant to metal theft¹²⁴

Offence title	Section	Maximum penalty
Stealing	Criminal Code section 398	5 years imprisonment or that of a special case
Burglary	Criminal Code section 419	life imprisonment
Entering or being in premises and committing indictable offences	Criminal Code section 421	14 years imprisonment
Receiving tainted property	Criminal Code section 433	14 years imprisonment
Wilful damage	Criminal Code section 469	5 years imprisonment or that of a special case
Trespass	<i>Summary Offences Act 2005</i> section 11	20 penalty units or 12 months imprisonment
Unlawfully entering or remaining on particular land	<i>Summary Offences Act 2005</i> section 13	20 penalty units or 12 months imprisonment

It was also noted that the *Electrical Safety Act 2002* (ES Act) prescribes duties for ‘other persons’ at a place where electrical equipment is located. This provides that ‘Person/s perpetrating theft/damage to electrical equipment and installations hold such a duty and may commit offences under sections 40B, C or D of the ES Act (Category 1, 2 or 3 offences respectively)’.¹²⁵

¹²³ Submission 6, p 21.

¹²⁴ Submission 6, p 23.

¹²⁵ DJAG, correspondence, 12 October 2023, p 1, see also public hearing transcript, Brisbane, 11 September 2023, p 16.

2.6.4 Recent efforts to investigate and disrupt metal theft

Government departments and industry associations provided the following details of recent operations and efforts to combat metal theft crimes:

2.6.4.1 Operation Cobre

In mid-2022, QPS founded an energy industry collaboration group comprising coal seam gas companies, Energy Queensland and Ergon, called Operation Cobre. This focussed on the regional Southwest District to prevent and investigate metal thefts targeting energy providers. Within months of the operation, the focussed efforts started to secure arrests and prosecutions, and built awareness within the community of these issues.¹²⁶

2.6.4.2 Operation Tensile

Operation Tensile was a 2-day compliance operation involving OFT, DES, and QPS targeting 32 metal recyclers across southeast Queensland, aimed at enforcement action being taken at over 21 unlicensed sites. The purpose of the operation was to target identified metal recyclers involved in the on selling of building materials and scrap metal to identify stolen property (including copper) and non-compliance with OFT and DES legislation.¹²⁷

2.6.4.3 Operation Wreckers

Operation Wreckers was an OFT operation where targeted compliance checks were conducted on automotive wreckers involved in acquiring vehicles to ensure they are appropriately licensed, and their legislative obligations were being met.¹²⁸

2.6.4.4 Public awareness

To promote reporting of thefts, the QPS launched a public awareness campaign in 2022 to encourage people to report suspicious behaviour. QPS advised that '[s]everal articles have been published on line highlighting the issues with metal theft with the tag line "Every scrap of information counts" to drive online reporting'.¹²⁹

2.6.5 QPS statistics regarding the investigation and prosecution of scrap metal theft offences

QPS provided the following 4 tables of statistics. These cover the last 5 years and provide details of persons charged and the number and rate of offences solved.

¹²⁶ DJAG, correspondence, 12 October 2023, pp 10-11, and Australian Energy Producers, correspondence, 3 November 2023, p 2.

¹²⁷ Submission 6, p 9.

¹²⁸ Submission 6, p 9.

¹²⁹ Submission 6, p 22.

Table 4 - Number of persons charged with metal theft offences in Queensland, by Police Region¹³⁰

Region	2018-19	2019-20	2020-21	2021-22	2022-23	% change
Queensland	418	444	281	289	398	↓4.8%
Brisbane	88	104	104	70	99	↑12.5%
Central	30	39	26	21	32	↑6.7%
Far Northern	31	32	14	22	81	↑161.3%
North Coast	96	84	44	47	63	↓34.4%
Northern	19	29	11	28	13	↓31.6%
South Eastern	78	84	31	41	41	↓47.4%
Southern	76	72	51	60	69	↓9.2%

Table 5 - Number of persons charged with metal theft offences where the disposition is finalised¹³¹

Region	2018-19	2019-20	2020-21	2021-22	2022-23	% change
Queensland	354	348	243	229	250	↓29.4%
Brisbane	78	91	96	59	66	↓15.4%
Central	25	30	22	19	17	↓32.0%
Far Northern	20	16	11	14	60	↑200.0%
North Coast	85	69	38	40	36	↓57.6%
Northern	14	23	8	14	11	↓21.4%
South Eastern	69	59	23	33	21	↓69.6%
Southern	63	60	45	50	39	↓38.1%

¹³⁰ Submission 6, p 20.

¹³¹ Submission 6, p 20.

Table 6 - Number of solved metal theft offences in Queensland, by Police Region¹³²

Region	2018-19	2019-20	2020-21	2021-22	2022-23	% change
Queensland	406	362	253	266	298	↓26.6%
Brisbane	92	88	81	69	75	↓18.5%
Central	29	32	28	19	34	↑17.2%
Far Northern	23	24	11	20	28	↑21.7%
North Coast	94	57	37	46	57	↓39.4%
Northern	18	27	12	28	9	↓50.0%
South Eastern	85	75	41	32	32	↓62.4%
Southern	65	59	43	52	63	↓3.1%

Table 7 - Rate of solved metal theft reports per 100,000 persons in Queensland, by Police Region¹³³

Region	2018-19	2019-20	2020-21	2021-22	2022-23	% change
Queensland	8.0	7.0	4.8	5.0	5.5	↓31.2%
Brisbane	6.3	5.9	5.5	4.6	4.9	↓21.9%
Central	7.0	7.6	6.6	4.4	7.8	↑11.4%
Far Northern	8.0	8.3	3.8	6.8	9.4	↑17.4%
North Coast	8.8	5.2	3.3	4.1	4.9	↓44.5%
Northern	6.7	10.0	4.5	10.3	3.3	↓51.5%
South Eastern	8.7	7.5	4.0	3.1	3.0	↓65.5%
Southern	10.6	9.5	6.8	8.0	9.5	↓10.3%

¹³² Submission 6, p 19.

¹³³ Submission 6, p 19.

2.6.5.1 *Stakeholder views*

AEP recommended that to better investigate and disrupt metal theft, QPS should:

... assess on the ground police resources and how they could be enhanced, including utilization of police drones and other surveillance options.¹³⁴

CCF QLD recommended that QPS be provided with more resources, as 'it appears that QPS are under resourced to manage scrap metal merchants receiving stolen metal.'¹³⁵

MTAQ stated:

The industry is disappointed at the approach to addressing these crimes. It seems that there is limited activity occurring in terms of crime prevention. Some arrests have been reported but reports that MTA Queensland receives highlights that the practice of these thefts has remained widespread and apparently quite lucrative. MTA Queensland members are of the view that the current penalties for this illegal activity do not go far enough to deter offenders, nor are they enforced to an extent that discourages the act.¹³⁶

Committee comment

We acknowledge the specific challenges for the Queensland Police Service (QPS) in investigating metal thefts.

Thieves are engaging in significantly risky acts to steal copper and other metals, presumably because they have confidence that they will be able to re-sell those items for profit. This indicates that a network of criminal activity exists, including persons willing to purchase these stolen items.

We heard that the *Second-hand Dealers and Pawnbrokers Act 2003* is impractical and unsuited to the specific needs of the scrap metal recycling industry. We believe that unlicensed operators are taking advantage of this legislative situation and are part of the process of reselling or repurposing stolen metals.

In regard to the potential tracking of stolen metal through licensed second hand dealers, we were advised by QPS that they operate the Stolen Property Investigation and Recovery System (SPIRS). This includes transaction data from licenced operators of the goods that they have recently purchased. We note the apparent inefficient nature of SPIRS as described by QPS, which includes that there is currently a backlog of approximately 7 months in entering data into SPIRS.

We also note that the sale of stolen goods is now more likely to occur via online sources, which are separate to the system of licensed second hand dealers and pawnbrokers, and therefore outside the scope of SPIRS.

In this regard, we recommend a whole-of-government approach to counter the efforts of scrap metal thieves that includes the permanent, co-ordinated actions of QPS and other relevant departments and government agencies who can contribute to improving the prevention, investigation and prosecution of scrap metal theft in Queensland.

In line with stakeholder advice and recommendation 6, we note that improved and increased enforcement needs to occur urgently in addition to any legislative reforms.

¹³⁴ Australian Energy Producers, correspondence, 3 November 2023, p 4.

¹³⁵ Submission 8, p 8.

¹³⁶ Submission 11, p 4.

Recommendation 4

The committee recommends a review of the suitability of the Queensland Police Service's Stolen Property Investigation and Recovery System (SPIRS) to determine if it is fit for purpose, including consideration of options for an improved system of tracking stolen second hand goods.

Recommendation 5

The committee recommends the Queensland Police Service establish a system whereby stolen metals are able to be reported and notified, and that this system be able to be accessed by relevant persons in the scrap metal industry in as close to real time as is possible.

2.7 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

DJAG advised that there are different legislative approaches to regulating the scrap metal industry in other jurisdictions. NSW has industry specific legislation (*the Scrap Metal Industry Act 2016*), while other jurisdictions, including Victoria, regulate the industry under broader second-hand dealer legislation.¹³⁷ QPS explained that the NSW Act prohibits buying scrap metal for cash or cheques made payable to cash and noted that people are now being detected using cryptocurrency or using mobile-to-mobile apps as a way of trying to circumvent the cash restrictions in the NSW legislation. The New South Wales act has strict record-keeping and photo ID requirements which are more than the Queensland requirements and confers additional police powers specific to the industry.¹³⁸

2.7.1 Stakeholder views

2.7.1.1 *New South Wales - Scrap Metal Industry Act 2016*

The City of Moreton Bay and CCF QLD both recommended a legislative response similar to the *Scrap Metal Industry Act 2016* (NSW) as the NSW Act requires scrap metal traders to be registered, prohibits cash payments for scrap metal, and forces traders to record all transactions and the details of the person selling the scrap metal so police can track them down if need be.¹³⁹

Energy Queensland advised that 'the NSW legislation is extremely crime-prevention focused, while the other jurisdictions (in Victoria, South Australia and Western Australia) are orientated more towards consumer protection with powers and functions conferred on the police in respect of specific issues including licensing (and de-licensing), investigation and enforcement'.¹⁴⁰

In relation to the NSW Act which commenced in 2017, WRIQ stated the Act had negatively impacted the legitimate metal recycle market:

Following NSW laws introduced requiring VIN collection on cars, one reputable metal recycler's engine and gearbox intake in NSW dropped by 300% between 2017 and 2021. There is no reason for the number of car parts being disposed of at the end of their life to drop this significantly during this time period, so this is clear evidence of illegal operators taking a larger proportion of the market.¹⁴¹

¹³⁷ DJAG, correspondence, 12 October 2023, p 6.

¹³⁸ Public briefing transcript, Brisbane, 11 September 2023, p. 3

¹³⁹ See Submission 2, p 2, and Submission 11, p 4.

¹⁴⁰ Submission 7, p 16.

¹⁴¹ Submission 9, pp 1-2.

2.7.1.2 *United Kingdom - Scrap Metal Dealers Act 2013*

Energy Queensland also noted that the United Kingdom had enacted the *Scrap Metal Dealers Act 2013* with a stated intent to stem ‘the upward trend in levels of metal theft through stricter regulation of the metal recycling sector to make it more difficult to dispose of stolen metal’.¹⁴² A 2017 review of this Act and the subsequent years’ of police crime data is said to have demonstrated positive outcomes since the legislation’s introduction. This included a dramatic decline in metal offences recorded during the first 5 years of the Act as is shown in the table below.

Table 8 - Metal offences recorded in England and Wales between March 2013 and March 2017¹⁴³

	2012-13	2013-14	2014-15	2015-16	2016-17
Number of offences	62,997	42,230	27,362	16,639	12,970

2.7.1.3 *Amending Queensland Acts*

Rather than introducing a new law, some submitters called for Queensland’s current law to be amended. For example, Energy Queensland supported selective amendments to the SHDP Act including:

- remove the option for cash or cryptocurrency transactions
- define scrap metal dealers and require scrap metal dealers to proactively report suspected stolen scrap metal
- ensure dealer transaction records for scrap metal purchases are suitable for audit
- require sellers to prove their identities on the 100-points system before they can trade or in circumstances where they are the intermediary delivering metal to the dealer on behalf of another person or business and for these details to be recorded in auditable transaction records
- stricter penalties for copper and other scrap metal offences where there is evidence that this material has been stolen from critical infrastructure¹⁴⁴

AEP held a similar view and recommended that the government:

- consider whether the SHDP Act could be expanded to include scrap metal, copper and other second-hand dealer businesses
- 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.¹⁴⁵

2.7.1.4 *A national approach*

The Commissioner for Electrical Safety in Queensland recommended the government consider establishing a roundtable of Ministers and industry stakeholders from all states and territories, as ‘this type of theft would be a national issue’ and stolen metals ‘could be sold in other jurisdictions as well as overseas’.¹⁴⁶

Committee comment

We believe that a coordinated approach by all Australian jurisdictions is the best method for combatting scrap metal theft. For example, we have heard that stolen goods may be transported and sold interstate. Additionally, we have heard from industry stakeholders that stolen goods are being

¹⁴² Submission 7, p 17.

¹⁴³ Submission 7, p 17.

¹⁴⁴ Submission 7, pp 4-5 and pp 17-18.

¹⁴⁵ Australian Energy Producers, correspondence, 3 November 2023, p 4.

¹⁴⁶ Submission 1, p 2.

exported in shipping containers to international destinations where regulations are less prohibitive than in Australia. This indicates that greater enforcement is required at a federal level.

We also heard evidence that approximately 200 to 250 scrap metal and car wrecker businesses in Queensland have been operating illegally for several years without the required licences. We are concerned by reports that a lenient approach may have been taken to any unlicensed operators.

Resources dedicated to stricter enforcement of unlicensed operators will benefit the government and the Queensland community through outcomes such as: reducing the number of rogue operators who appear to be purchasing stolen metals; additional licence fees being paid; and businesses being required to operate within environmental licencing requirements. In addition, those operators who do act legally will have greater confidence that they are competing on a level playing field, rather than with the market disadvantage that they allege has long existed.

We acknowledge industry calls for increased enforcement actions and agree that any leniency towards illegal operators contributes towards an ongoing 'black market' in stolen metals and scrap metal products.

Recommendation 6

To better address scrap metal theft in Queensland, the committee recommends:

- a) the Minister for Police and Corrective Services and Minister for Fire and Emergency Services raise this issue as part of the Police Ministers Council's agenda to improve and increase national detection and enforcement efforts against metal theft related crimes
- b) the Queensland Government urgently commit to investigating claims of unlicensed operators in the scrap metal and car wrecking industries and that those illegal operators be charged
- c) the Queensland Government investigate and determine the most effective approach to strengthening Queensland's legislative framework to address current concerns and better combat scrap metal theft – whether that be amending current laws or introducing a new, industry specific law such as occurred in New South Wales
- d) the use of crypto currencies and other similar non-legal tenders be banned from use for the sale and purchase of scrap metals.

2.8 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.

2.8.1 Stakeholder views

CCF QLD proposed that the following non-regulatory measures may be appropriate:

- Having one harmonised body to investigate scrap metal theft as right now there are several (e.g. Clients, Energex, and the Electrical Safety Officer)
- Increased education on the serious consequences of scrap metal theft including health and safety
- Increased information sharing between the police, the industry, and scrap metal recycling industries to help uncover crime trends and patterns that can assist in the efficient deployment of policing and security resources. This can be facilitated through a centralised and anonymous reporting point

- Promote reporting of crimes in progress as theft can often occur in areas open to the public
- Increased liability for purchases of scrap metal such as compensation for the loss to the owner of the stolen metal.¹⁴⁷

The City of Moreton Bay voiced their support for the Queensland Government to consider a ‘relevant and targeted communications campaign, which highlights the severe risks and dangers of copper theft, not only for thieves but for at risk members of our community’, alongside any legislative and law and order response.¹⁴⁸

In relation to combatting the theft of vehicle parts, MTAQ stated:

Vehicle manufacturers need to take the lead on this issue by installing a tracing system, ideally a serial number system that can withstand the hot temperatures catalytic converters and DPDs/DPFs regularly reach, for all new vehicles entering the country. The ability for OEM’s [Original Equipment Manufacturers] to complicate the removal of devices would also assist. This is challenging considering OEM’s profit from part sales.

For vehicles and parts already in circulation, the government needs to work with OEMs and industry to identify resolutions. Various solutions already exist that may potentially assist in slowing the practice, including advanced tracking technologies.¹⁴⁹

Committee comment

We acknowledge the stakeholder views that improvements are required to non-regulatory measures such as information sharing, education and technology solutions.

Recommendation 7

The committee recommends the Queensland Government implement a coordinated approach to better educate Queenslanders about scrap metal theft, including strategies for how businesses, community groups and other potential targets can better protect their assets, and noting how individuals have a role to play in reporting suspicious activities that may be related to metal theft.

¹⁴⁷ Submission 8, p 8.

¹⁴⁸ Submission 2, p 2.

¹⁴⁹ Submission 11, p 5.

Appendix A – Submitters

Sub #	Submitter
1	Commissioner for Electrical Safety
2	City of Moreton Bay
3	CONFIDENTIAL
4	SIMS Metal
5	Queensland Water
6	Department of Justice and Attorney-General
7	Energy Queensland Limited
8	Civil Contractors Federation Queensland Limited
9	Waste, Recycling Industry Association (Qld)
10	Australian Energy Producers
11	Motor Trades Association of Queensland
12	Powerlink Queensland

Appendix B – Officials at public departmental briefing on 11 September 2023

Queensland Police Service

- Detective Chief Inspector Vince Byrnes, Operations Manager, Cyber Crime Squad, Financial and Cyber Crime Group, Crime and Intelligence Command
- Assistant Commissioner Katherine Innes APM, Crime and Intelligence Command, Queensland Police Service
- Detective Superintendent Craig McGrath, Commander, Financial and Cyber Crime Group, Crime and Intelligence Command

Department of Justice and Attorney-General

- Mr Rene Kienzle, Manager, Regulatory Policy, Liquor, Gaming and Fair Trading
- Mr Steve L'Barrow, Director, Investigations and Enforcement, Office of Fair Trading
- Ms Victoria Thomson, Deputy Director-General, Liquor, Gaming and Fair Trading

Department of Transport and Main Roads

- Mr Vincent Doran, General Manager, Statewide Network Operations

Department of Tourism, Innovation and Sport

- Ms Sandi Draper, Director, Strategy and Analytics, Sport and Recreation

Department of Education

- Mr Michael Gibson, Director, Field Services, Electrical Safety Office, Office of Industrial Relations

Energy Queensland

- Mr Anthony Hamill, Manager, Government and Investor Strategy, Customer Division, Energy Queensland
- Ms Karen Stafford, Acting Executive General Manager, Corporate Services

Department of Resources

- Mr Darren Moor, Executive Director, Georesources Delivery

Appendix C – Witnesses at public hearing on 13 October 2023

Commissioner for Electrical Safety

- Mr Keith McKenzie

Powerlink Queensland

- Mr Rikus Bekker, Manager, Technical Services
- Mr Tony Niven, Manager, Electrical Safety
- Mr David Sinnamon, General Manager, Operational Engineering; and Energy and Digital Management

Civil Contractors Federation

- Mr Damian Long, Chief Executive Officer

SIMS Metals

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

Waste, Recycling Industry Association

- Ms Alison Price, Chief Executive Officer

Motor Trades Association of Queensland

- Mr Rodney Camm, Chief Executive Officer

Appendix D – Abbreviations and acronyms

Abbreviation	Definition
ACM	asbestos containing materials
AEP	Australian Energy Producers
CCF QLD	Civil Contractors Federation Queensland Limited
DJAG	Department of Justice and Attorney-General
DTIS	Department of Tourism Innovation and Sport
DTMR / TMR	Department of Transport and Main Roads
DPFs	diesel particulate filters
DPD	diesel particulate diffusers
ES Act	<i>Electrical Safety Act 2002</i>
ESO	Electrical Safety Office
ELVs	end of life vehicles
MDCA Act	<i>Motor Dealers and Chattel Auctioneers Act 2014</i>
MTAQ	Motor Trades Association of Queensland
OFT	Office of Fair Trading
QPRIME	Queensland Police Records and Information Management Exchange
QPS	Queensland Police Service
qldwater	Queensland Water Directorate
SHDP Act	<i>Second-hand Dealers and Pawnbrokers Act 2003</i>
SCI Act	<i>Security of Critical Infrastructure Act 2018 (Cwth)</i>
SPIRS	Stolen Property Investigation and Recovery System
committee	Transport and Resources Committee
WRIQ	Waste, Recycling Industry Association (Qld)
WEL	workplace exposure limit
WHSQ	Workplace Health and Safety Queensland