



# Parliamentary Joint Committee on Law Enforcement

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Theft and export of motor vehicles and parts

April 2019

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PO Box 6100  
Parliament House  
CANBERRA ACT 2600  
Telephone: (02) 6277 3419  
Email: [le.committee@aph.gov.au](mailto:le.committee@aph.gov.au)  
Internet: [www.aph.gov.au/le\\_ctte](http://www.aph.gov.au/le_ctte)



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## Acronyms and abbreviations

AAAA	Australian Automotive Aftermarket Association
AADA	Australian Automotive Dealers Association
ABF	Australian Border Force
ABS	Australian Bureau of Statistics
ACBPS	Australian Customs and Border Protection Service
ACC	Australian Crime Commission
ACCC	Australian Competition and Consumer Commission
ACIC	Australian Criminal Intelligence Commission
ADRs	Australian Design Rules
AFP	Australian Federal Police
CARS	Comprehensive Auto Theft Research System
COAG	Council of Australian Governments
the committee	Parliamentary Joint Committee on Law Enforcement
Crimes Act	<i>Crimes Act 1914</i>
Customs Act	<i>Customs Act 1901</i>
DCP Committee	Drugs and Crime Prevention Committee
Department of Infrastructure	Department of Infrastructure, Regional Development and Cities
Home Affairs	Department of Home Affairs
ELVs	end-of-life vehicles
INS	Infringement Notice Scheme
MTAA	Motor Trades Association of Australia
MVS Act	<i>Motor Vehicle Standards Act 1989</i>

MVT	motor vehicle theft
NCRS	National Crime Recording Standard
NSW	New South Wales
NMVTRC	National Motor Vehicle Theft Reduction Council
NMVTTF	National Motor Vehicle Theft Task Force
Prohibited Exports Regulations	<i>Customs Act 1901</i> and the Customs (Prohibited Exports) Regulations 1958
PLC	passenger/light commercial
RVS Act	<i>Road Vehicles Standards Act 2018</i>
TRP	Theft Reduction Policy
VIN	Vehicle Identification Number
SOC groups	serious and organised crime groups
SMV database	Stolen Motor Vehicle database



# Recommendations

## Recommendation 1

**3.38** The committee recommends that the Australian government amends the *Customs Act 1901* and the Customs (Prohibited Exports) Regulations 1958 to make it an offence to export stolen goods, including stolen motor vehicles and motor vehicle parts.

## Recommendation 2

**3.54** The committee recommends that the Australian Border Force works with state and territory law enforcement agencies and the National Motor Vehicle Theft Reduction Council to develop a national strategy to reduce the export of stolen motor vehicles and motor vehicle parts.



# Chapter 1

## Introduction

### Conduct of the inquiry

1.1 On 28 March 2018, the Parliamentary Joint Committee on Law Enforcement (the committee) initiated an inquiry into the theft and export of motor vehicles and parts.

1.2 The terms of reference for the inquiry were as follows:

Pursuant to paragraph 7(1)(g) of the *Parliamentary Joint Committee on Law Enforcement Act 2010*, the committee will examine the theft and export of motor vehicles and parts in Australia with particular reference to:

- (a) the extent of and trends in national and international trafficking and rebirthing of motor vehicles or motor vehicle parts;
- (b) the rates of and trends in motor vehicle theft and the recovery of stolen vehicles in Australia in comparison with other OECD nations;
- (c) the insurance implications of motor vehicle theft, including the impact on insurance premiums and state-based variations therein;
- (d) the possible export of stolen Australian motor vehicles and parts and the adequacy of Australian export regulations in the context of transnational organised motor vehicle crime;
- (e) international agreements and arrangements in connection with stolen Australian vehicles and parts being trafficked to and/or sold in other countries.
- (f) the role and/or involvement of serious and organised criminal groups including:
  - (i) international criminal syndicates, and
  - (ii) the extent to which the exportation of stolen motor vehicles and parts funds criminal activity both in Australia and internationally;
- (g) the use of Australian banking and financial systems to facilitate payments related to the exportation of stolen motor vehicles and parts; and
- (h) strategies by law enforcement and car manufacturers to reduce motor vehicle theft in Australia, including the use of new technologies.

1.3 The committee received 10 submissions, listed at Appendix 1.

1.4 The committee conducted two public hearings, both held in Canberra. The first occurred on 10 July 2018 and the second on 22 February 2019. The witnesses who appeared at these hearings are listed at Appendix 2.

## Structure and scope of this report

1.5 This report comprises three chapters:

- chapter 1 outlines the conduct of the inquiry and the definition of motor vehicle theft;
- chapter 2 sets out the prevalence of the theft and export of motor vehicles and parts in Australia and internationally, and discusses previous inquiries and responses to this issue; and
- chapter 3 discusses the jurisdictional issues with respect to the theft and export of motor vehicles and parts in Australia, and the merits of a national motor vehicle end-of-life management scheme.

## Definitions

1.6 There are various definitions of motor vehicle theft; however, for the purposes of this inquiry, the committee will refer to the definitions used by the Australian Bureau of Statistics (ABS) and the National Motor Vehicle Theft Reduction Council (NMVTRC).

1.7 In respect of its dataset on recorded crime of victims in Australia, the ABS defines motor vehicle theft as:

The taking of another person's motor vehicle illegally and without permission, with the intent of temporarily or permanently depriving the owner/possessor of the use of the motor vehicle. Excludes attempted motor vehicle theft.<sup>1</sup>

1.8 In another ABS dataset on crime victimisation in Australia, motor vehicle theft is defined as:

An incident where a motor vehicle was stolen from any member of the household. This includes cars, SUVs, motorcycles (including motorised scooters), buses, trucks and motor homes. Includes privately owned vehicles and business/employer/company owned vehicles only if the vehicle was used exclusively by members of the household. Excludes vehicles used mainly for business purposes, boats, trailers and company vehicles not used exclusively by household members. For the purpose of this survey, motor vehicle theft incidents are considered to be household crimes.<sup>2</sup>

1.9 The NMVTRC—established in 1999 to implement vehicle crime reforms, and coordinate associated activities across industry, agency and jurisdictional boundaries<sup>3</sup>—relies on a simpler definition for the purposes of presenting data on

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1 Australian Bureau of Statistics (ABS), *4510.0 - Recorded Crime - Victims, Australia, 2016*, Explanatory Notes: Glossary, 6 July 2017.

2 ABS, *4530.0 - Crime Victimisation, Australia, 2016-17*, Explanatory Notes: Glossary, 16 February 2018.

3 National Motor Vehicle Theft Reduction Council (NMVTRC), *Annual Report 2017: Progress through collaboration*, p. 4

motor vehicle theft. It defines short term thefts 'as motor vehicles that were stolen and recovered' and profit motivated thefts as 'those stolen and not recovered'.<sup>4</sup>

1.10 As discussed in chapter 3, these various definitions of motor vehicle theft present different results about the incidence of motor vehicle theft in Australia.

### **Acknowledgement**

1.11 The committee thanks the organisations that contributed to the inquiry and appeared as witnesses at its hearings.

### **Notes on references**

1.12 References to the *Committee Hansard* may be references to the proof transcript. Page numbers may differ between proof and official transcripts.

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4 NMVTRC, *Theft Watch - 12 months to March 2018*, <https://carsafe.com.au/theft-watch> (accessed 12 June 2018).



## Chapter 2

### The theft and export of motor vehicles and parts

2.1 On a global scale, INTERPOL's statistics from its stolen motor vehicle database indicate that in 2018 there were:

- 7.31 million records of reported stolen motor vehicles;
- Over 256 million searches of the database;
- 130 participating countries; and
- 143,228 motor vehicles identified.<sup>1</sup>

2.2 In Australia, the National Motor Vehicle Theft Reduction Council (NMVTRC) and its partners have played an important role in helping reduce vehicle crime in Australia. The NMVTRC has observed that vehicle crime across Australia has reduced by more than 60 per cent since 2001. Indeed, car theft was at its peak at that time, with over 145 000 vehicles stolen; that figure has since reduced to 53 000 in 2018.<sup>2</sup>

2.3 This chapter will examine statistics on the prevalence of motor vehicle theft in Australia, the prevalence of the export of stolen vehicles and parts, and the involvement of organised crime with this offence. The chapter concludes with consideration of previous inquiries examining domestic motor vehicle theft in Australia.

#### The prevalence of motor vehicles theft

2.4 Between 1 January 2016 and 31 December 2016, the Australian Bureau of Statistics (ABS) reported that the theft of motor vehicles 'increased by 9 per cent' an increase 'driven entirely by three states: Victoria (up 25 per cent), Queensland (up 19 per cent) and South Australia (up 10 per cent)'.<sup>3</sup> All other states and territories recorded decreases in motor vehicle theft.

2.5 In figure terms, over 56 000 vehicles were stolen<sup>4</sup> in 2016—the highest number of vehicle thefts since 2012.<sup>5</sup>

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1 INTERPOL, *Fighting vehicle crime*, <https://www.interpol.int/Crimes/Vehicle-crime/Fighting-vehicle-crime> (accessed 15 March 2019).

2 Mr Geoff Hughes, Chief Executive, National Motor Vehicle Theft Reduction Council (NMVTRC), *Committee Hansard*, 22 February 2019, p. 6.

3 Australian Bureau of Statistics (ABS), 'Three states drive increase in vehicle thefts', *Media Release*, 6 July 2017.

4 See chapter 1, paragraph 1.7 for ABS definition of motor vehicle theft.

5 ABS, 'Three states drive increase in vehicle thefts', *Media Release*, 6 July 2017.

2.6 In a later publication<sup>6</sup> on crime victimisation in Australia for the period 2016-17, the ABS reported that 0.6 per cent of households (54 600) had one or more vehicles stolen.<sup>7</sup>

2.7 Between 1 January 2017 and 31 December 2017, the ABS reported that motor vehicle theft decreased nationally by 8 per cent—'the first decrease in Motor vehicle theft since 2014'.<sup>8</sup> Of those vehicles (see also Table 1):

Over half (52%) of the 51,869 Motor vehicles that were stolen in 2017 were taken from a residential location (27,202 victims). The second most commonly reported location was a street or footpath (26% or 13,390).<sup>9</sup>

**Table 1: Victims, location where offence occurred by selected offences, states and territories, 2017<sup>10</sup>**

Location	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT
	<b>MOTOR VEHICLE THEFT</b>							
<b>Residential</b>	5,913	7,143	6,395	1,592	4,682	644	274	552
<i>Dwelling</i>	0	0	0	0	0	0	0	0
<i>Outbuilding/ residential land</i>	5,913	7,143	6,395	1,592	4,682	644	274	552
<b>Community</b>	5,006	5,507	2,735	1,004	1,487	469	295	767
<i>Transport</i>	321	1,220	452	25	698	42	45	311
<i>Street/footpath</i>	4,453	4,163	2,113	961	725	383	148	443
<i>Other community location</i>	224	123	169	13	65	47	15	8
<b>Other Location</b>	1,447	1,985	1,863	430	790	173	170	32
<i>Retail</i>	746	874	484	352	306	86	3	21
<i>Recreational</i>	142	177	127	11	67	9	0	0
<i>Other</i>	275	936	1,144	69	420	78	106	12
<b>Total</b>	<b>12,377</b>	<b>14,803</b>	<b>11,031</b>	<b>3,023</b>	<b>7,201</b>	<b>1,290</b>	<b>739</b>	<b>1,401</b>

6 See chapter 1, paragraph 1.8 for ABS definition of motor vehicle theft.

7 ABS, 4530.0 - *Crime Victimisation, Australia, 2016-17*, Summary: Overview of household crimes, 16 February 2018.

8 ABS, 4510.0 - *Recorded Crime - Victims, Australia, 2017*, Victims of Crime, Australia, 28 June 2018.

9 ABS, 4510.0 - *Recorded Crime - Victims, Australia, 2017*, Victims of Crime, Australia, 28 June 2018.

10 ABS, 4510.0 - *Recorded Crime - Victims, Australia, 2016*, Downloads: 'Data Cubes'—Victims of Crime, Selected offences, states and territories: Table 8 VICTIMS, Location where offence occurred by selected offences, States and territories, 2017, 28 June 2018.



2.8 Distinct from ABS data is the Comprehensive Auto-theft Research System (CARS) database, a service provided by the NMVTRC which collects 'details on every vehicle theft reported to Australian police'.<sup>11</sup> In March 2019, the NMVTRC reported:

In 2018, 53,564 vehicles were stolen in Australia, a marginal increase of 0.7% and largely attributable to a rise in motorcycle theft (7%).

The heavy/other group delivered the greatest reduction falling 5% across both short term and profit motivated theft with a total theft of 2,135

Among the larger jurisdictions, Western Australia enjoyed the largest decline of 7% or 525 fewer thefts.

Solid reductions were also recorded in the smaller jurisdictions: Tasmania, the Australian Capital Territory and Northern Territory.

Queensland recorded a statistically significant increase of 12%. As a result, the State's theft volumes are now 48% higher than they were in 2014.

Total PLC theft remained stable (down 0.2%) with a total of 42,683 cars stolen with a recovery rate of 78%.

Short term PLC thefts fell by 2% (787 thefts). Among the larger jurisdictions, Western Australia had the largest decline of 10% while Queensland bucked the national trend with an increase of 13 per cent.

Profit motivated theft increased by 696 (8%). Of the larger jurisdictions, Queensland suffered the largest increase up 17% or 221 additional thefts. This was closely followed by Victoria up 16% or 453 thefts.

Motorcycle theft rose by 7% or 597 thefts to a total of 8,746 with a recovery rate of 47%.

The recovery rate for heavy and other vehicles for the year was 52% and large reductions were recorded in WA (down 33% to 297 thefts).<sup>12</sup>

2.9 As noted in chapter 1, the NMVTRC makes a distinction between 'short term theft' and 'profit-motivated theft', where short term thefts are defined as motor vehicles that were stolen and recovered, and profit-motivated thefts were those stolen and not recovered.<sup>13</sup> In 2018, there were 53 564 vehicles stolen in Australia (0.7 per cent increase compared to 2017), with 38 568 short term motor vehicle thefts and 14 996 profit-motivated thefts.<sup>14</sup>

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11 NMVTRC, *Comprehensive Auto-theft Reduction System*, available at: <https://carsafe.com.au/statistics> (accessed 27 March 2019).

12 NMVTRC, *Theft Watch – Calendar year 2018*, No. 69 – March 2019, <https://carsafe.com.au/theft-watch> (accessed 18 March 2019).

13 NMVTRC, *Theft Watch – Calendar year 2018*, No. 69 – March 2019, <https://carsafe.com.au/theft-watch> (accessed 18 March 2019).

14 NMVTRC, *Theft Watch – Calendar year 2018*, No. 69 – March 2019, <https://carsafe.com.au/theft-watch> (accessed 18 March 2019).

2.10 The NMVTRC makes a distinction between the theft of passenger/light commercial (PLC) vehicles, motorcycles and other motor vehicles, and as detailed in Table 2, which provides the breakdown of total number of thefts during 2018 (comparison with 2017 data shown in brackets).

**Table 2: NMVTRC data on the number of vehicle thefts in Australia, 2018 (compared with 2017)<sup>15</sup>**

	All motor thefts	PLC vehicles	Motorcycles	Other
Short-term theft	38 568 (down 1%)	33 303 (down 2%)	4 147 (up 7%)	1 118 (down 5%)
Profit-motivated theft	14 996 (up 7%)	9 380 (up 8%)	4 599 (up 8%)	1 017 (down 5%)
Total thefts	53 564 (down 1%)	42 683 (no change)	8 746 (up 7%)	2 135 (down 5%)

2.11 The NMVTRC's *Theft Watch* database reveals that while profit-motivated theft has increased from 2017 to 2018 (from 14 025 to 14 669), the theft of PLC vehicles was lower than the 2014 five year peak of 9 691.<sup>16</sup> In contrast, profit-motivated motorcycle theft has continued to increase, from 4 195 in 2014 to 4 599 in 2018.<sup>17</sup>

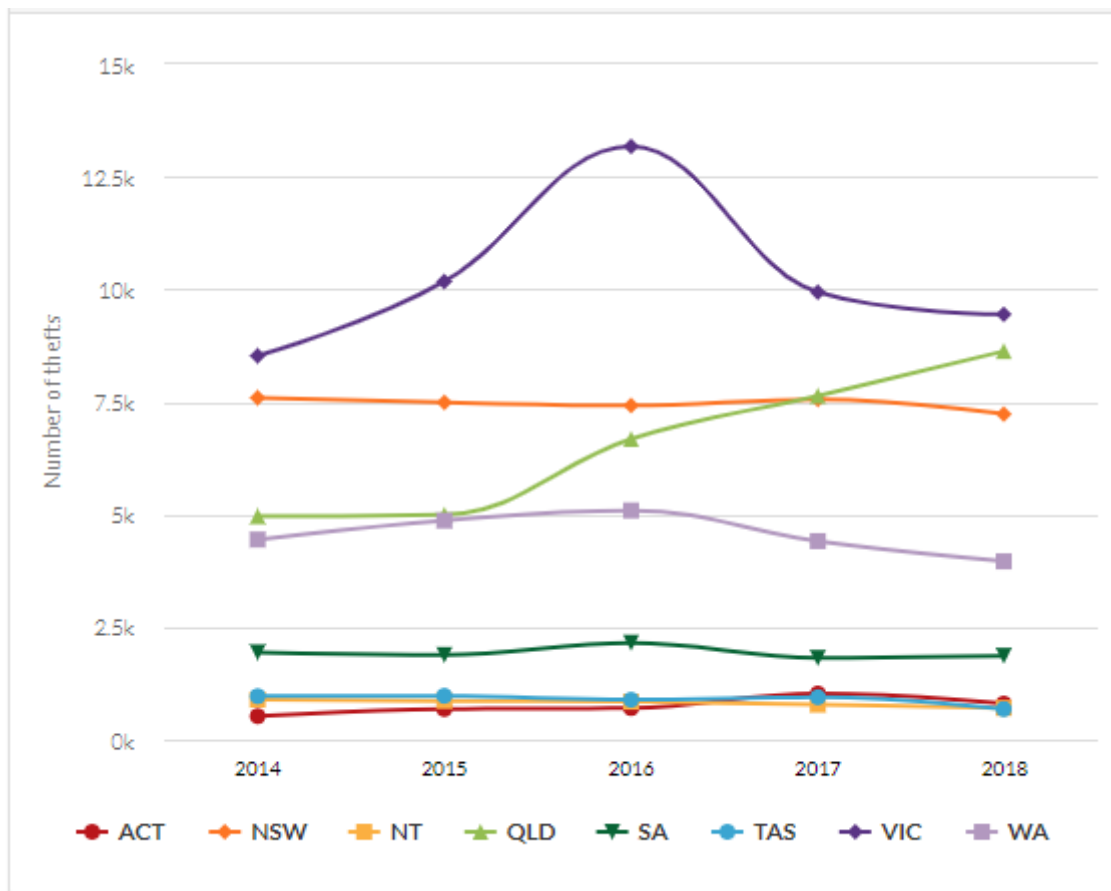
2.12 To visually illustrate the 2018 findings, the NMVTRC has set out five-year trend information about the short-term theft of passenger/light commercial vehicles from September 2014 to September 2018 (see Figure 1).

15 NMVTRC, *Theft Watch – Calendar year 2018*, No. 69 – March 2019, <https://carsafe.com.au/theft-watch> (accessed 18 March 2019).

16 NMVTRC, *Theft Watch – Calendar year 2018*, No. 69 – March 2019, <https://carsafe.com.au/theft-watch> (accessed 18 March 2019).

17 NMVTRC, *Theft Watch – Calendar year 2018*, No. 69 – March 2019, <https://carsafe.com.au/theft-watch> (accessed 18 March 2019).

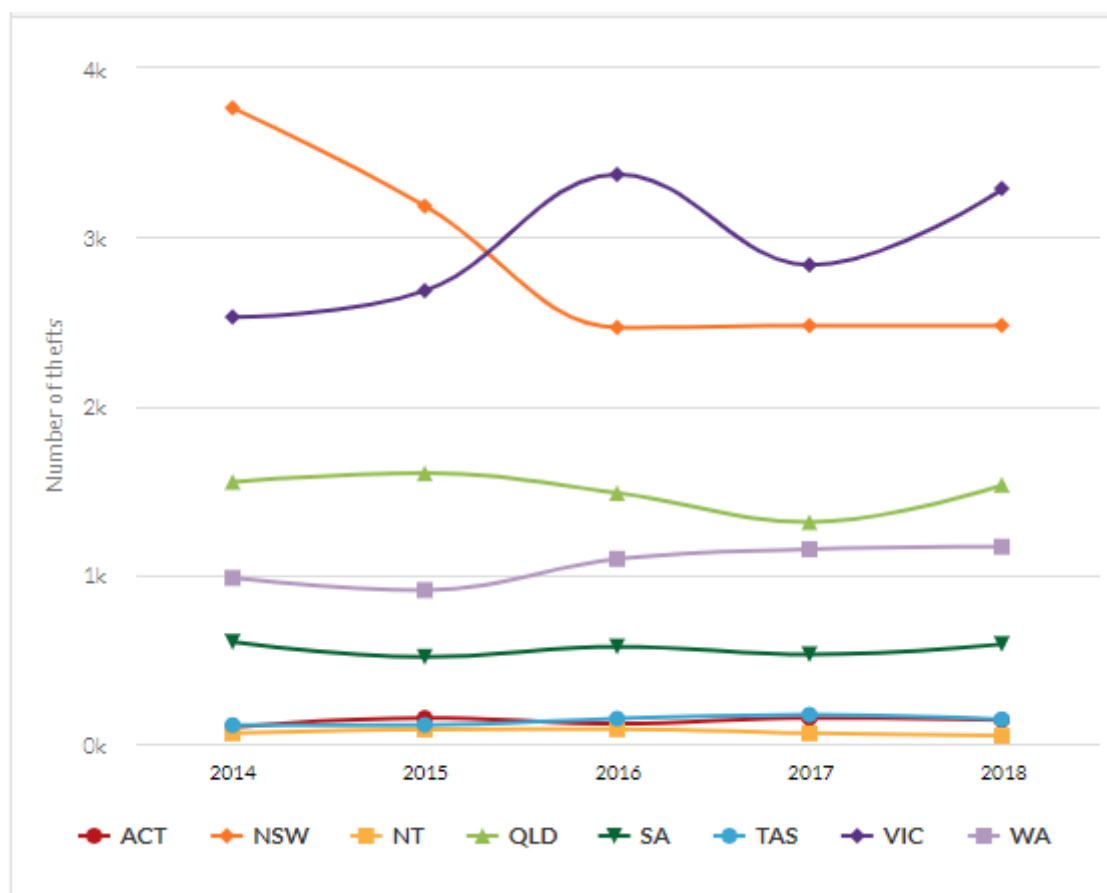
**Figure 1: Short-term theft of PLC vehicles (trend data from 2014 to 2018)<sup>18</sup>**



2.13 Figure 2 outlines profit-motivated theft of PLC vehicles during the same period.

18 NMVTRC, *Theft Watch – Calendar year 2018*, No. 69 – March 2019, <https://carsafe.com.au/theft-watch> (accessed 18 March 2019).

**Figure 2: Profit-motivated theft of passenger/light commercial vehicles, (trend data from 2014 to 2018)<sup>19</sup>**



2.14 Each year, the NMVTRC also provides the number and per cent of PLC vehicles stolen in Australia, along with the estimated value of the PLC vehicles at the time of theft. For profit-motivated theft, the majority of PLC vehicles are valued below \$5 000 (45 per cent). PLC vehicles valued over \$50 000 accounted for only 2 per cent of profit-motivate thefts (216 in total), but the estimated total value of these vehicles was \$16 778 528. The number and per cent of PLC profit-motivated thefts in Australia for 2018 is detailed in Table 3.

19 NMVTRC, *Theft Watch – Calendar year 2018*, No. 69 – March 2019, <https://carsafe.com.au/theft-watch> (accessed 18 March 2019).

**Table 3: Number and per cent of PLC profit-motivated thefts in Australia by estimated value at time of theft, 2018<sup>20</sup>**

Estimated Glass Guide value at time of theft	Number of profit motivated thefts	% of profit motivated thefts	Estimate of PLC profit motivated theft	% of profit motivated estimated value
> \$0 to < \$5,000	4,263	45%	\$12,103,626	12%
\$5,000 to < \$10,000	2,112	22%	\$15,001,725	14%
\$10,000 to < \$20,000	1,538	16%	\$22,841,282	22%
\$20,000 to < \$30,000	780	8%	\$19,955,965	19%
\$30,000 to < \$50,000	471	5%	\$18,146,490	17%
\$50,000+	216	2%	\$16,778,528	16%
<b>Grand Total</b>	<b>9,380</b>	<b>100%</b>	<b>\$104,827,616</b>	<b>100%</b>

2.15 As the earlier figures suggest, there are differences between the data that is recorded by the ABS and that recorded by the NMVTRC: not only do the ABS and NMVTRC report on different periods, but they also rely on datasets that record different information. For example, in respect of the ABS figures on recorded crime:

The statistics presented within this publication have been derived from administrative systems which are maintained by state and territory police agencies. Data have been compiled according to the National Crime Recording Standard (NCRS).

This collection does not enumerate unique persons or organisations; the same victim may be counted more than once where they have been a victim of multiple offence types, or where victimisation has been reported on more than one occasion during the reference period. As such, users are advised to refrain from aggregating the number of victims across each offence type, as this cannot produce a 'total number of victims'. It is only meaningful to interpret victim counts within an offence category.<sup>21</sup>

2.16 In contrast, the CARS database is updated quarterly, with statistics compiled on a financial-year basis and drawn from a range of sources, including:

- police services;
- insurance companies;
- vehicle registration authorities; and
- other vehicle and statistical-related sources.<sup>22</sup>

2.17 Despite relying on different sources and reporting on slightly different time periods, both the ABS and NMVTRC data shows that motor vehicle theft has reduced nationally, continuing a general downward trend in the theft of motor vehicles.

20 NMVTRC, *Theft Watch – Calendar year 2018*, No. 69 – March 2019, <https://carsafe.com.au/theft-watch> (accessed 18 March 2019).

21 ABS, *4510.0 - Recorded Crime - Victims, Australia, 2017*, Introduction, 28 June 2018.

22 Victorian Drugs and Crime Prevention Committee, *Inquiry into motor vehicle theft: Final report*, October 2002, p. 30.

2.18 This is reflected in evidence presented to the committee by the NMVTRC for the purposes of this inquiry:

Total PLC theft in Australia reached a historical peak in 2001 with 125,704 stolen. This was followed by year on year declines until 2014 when 41,961 thefts occurred; a 66 % reduction compared to 2001 and the lowest number of PLC thefts recorded since the 1970's.

Driven predominately by short term theft, total PLC theft then increased in 2015 and 2016 reaching 46,000 in 2016 before reducing to 42,592 in the 2017 calendar year; 1% above the 2014 historical low.<sup>23</sup>

2.19 In respect of profit-motivated theft in particular, the NMVTRC informed the committee that:

Profit motivated theft also reached a historical peak in 2001 with 14,893 vehicles not recovered; representing a 12% non-recovery rate.

Profit motivated theft also declined year on year until 2012, however for the past five years the number of PLC stolen not recovered has plateaued, averaging 9,550 vehicles per year with variations of no more than 2 - 3%

In 2017, 9,558 vehicle were not recovered; representing a 25% non-recovery rate and a 30% reduction in non-recoveries compared to 2001.<sup>24</sup>

### **The export of stolen motor vehicles and parts**

2.20 The interagency Task Force Discover identified in its 2014 report that export markets are a 'driver' of profit-motivated vehicle theft, explaining that:

...opportunities exist to export stolen property undetected due to the burden in monitoring outgoing shipping cargo. While the [then] Australian Customs and Border Protection Service (ACBPS) has worked closely with Victoria Police to disrupt the export of stolen vehicles and parts in the past, the ability of Victoria Police and the ACBPS to intercept stolen vehicles at the border is entirely intelligence-led. The logistical challenges involved in detecting, unpacking and inspecting suspect shipping containers makes *ad hoc* inspections prohibitive. Instead, the inspections that do occur are highly targeted and are based on the collection of intelligence that indicates the attempted export of stolen property. This means only a limited amount of outgoing export cargo can be cross-checked with export declarations.<sup>25</sup>

2.21 Investigators for Task Force Discover found that 'stolen vehicle parts that have high demand on the separated parts market include engines, gear boxes and body panels', and that:

An as yet unknown proportion of parts stolen in Victoria will be destined for export markets in the Middle East, Africa and the Subcontinent via

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23 NMVTRC, *Submission 4*, p. 1.

24 NMVTRC, *Submission 4*, p. 2.

25 Victoria Police, *Taskforce Discover Report*, September 2014, p. 17.

familial connections that some vehicle thieves are believed to maintain overseas...Exported vehicles may be stolen to order, with evidence that vehicle thieves in Victoria have been provided with shopping lists of vehicles and parts by criminal associates based offshore. Investigators believe it possible that stolen vehicles and stolen parts are exported from Australia under the guise of generic spare parts, scrap metal or innocuous household items.<sup>26</sup>

2.22 Indeed, as the NMVTRC informed the committee, '[b]ecause of the illicit nature of profit motivated crime, it is not possible to be precise as to the true extent of the export of stolen vehicles in its various forms'.<sup>27</sup>

2.23 The NMVTRC considered that 'there is a very strong likelihood that only small numbers of stolen cars are exported as whole vehicles', as a result of:

- Australia's absence of land borders, making the logistics of whole vehicle exports difficult;
- the very high import and excise duties on complete cars suitable for resale in some countries in the region which are substantial distribution hubs for separated parts exported from Australia;
- the low retail value of the vast majority of missing Australian vehicles at the time of theft;
- a very high demand for four wheel drives and SUV's in the illicit domestic market where the potential return is likely to be very much higher than via export; and
- the low number of high value luxury vehicles that are stolen and not recovered.<sup>28</sup>

2.24 From an international perspective, INTERPOL advised that, '[w]hile the number of stolen 'entire' vehicles has steadied globally, in recent years there has been a significant rise in the exportation of stolen vehicle components'.<sup>29</sup>

2.25 INTERPOL attributes the rise in the export of stolen vehicle parts to the change in the nature of criminal activity that has followed identification of stolen vehicles by frontline law enforcement officers.<sup>30</sup> INTERPOL explained:

Identifying a stolen part, as opposed to a stolen vehicle is much more difficult and requires expertise in vehicle crime, as well as access to a number of different databases and information sources. Unfortunately, this expertise is usually something that only specialized vehicle crime units possess, while access to data regarding spare parts is very hard to come by

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26 Victoria Police, *Taskforce Discover Report*, September 2014, p. 17.

27 NMVTRC, *Submission 4*, p. 4.

28 NMVTRC, *Submission 4*, pp. 4–5

29 INTERPOL, *Submission 5*, p. 5.

30 INTERPOL, *Submission 5*, p. 5.

as it required collaboration with vehicle manufacturers. Therefore, the trade of parts has become very attractive to criminal groups as they are much less likely to be intercepted by the authorities. The growth of online trading websites such as eBay and Alibaba have also fueled the trafficking of stolen components as potential buyers can now be identified globally. Components are easy to transport and can be obtained and exported in a very short amount of time.<sup>31</sup>

2.26 The NMVTRC gave similar evidence to the committee, and asserted that in Australia '[t]here is a very active legitimate export market for vehicle parts and vehicle related scrap metal'.<sup>32</sup> Indeed, the NMVTRC reported that legitimate recyclers have—'for some time'—observed the introduction of 'many new enterprises...buying vehicles exclusively for scrap'.<sup>33</sup> The NMVTRC estimated that 'between 40 and 50 per cent of those vehicles stolen would be broken down into separated parts or stolen for their scrap value and maybe subject to export'.<sup>34</sup>

2.27 One of the issues discussed at the 2017 NMVTRC conference<sup>35</sup> was the frustration amongst industry representatives over 'the lack of action from regulators'.<sup>36</sup> It was therefore proposed that 'cash-for-scrap' dealings should be removed and support given for an industry-led and government-supported national system for the acquisition and decommissioning of end-of-life vehicles (ELVs) (discussed further in Chapter 3).<sup>37</sup>

2.28 There is little information available about where vehicles subject to profit-motivated theft end their life; however, the NMVTRC suggested that, '[b]ased on analysis of the characteristics of the almost 10,000 PLC vehicles lost nationally in 2017...they are most likely to have been disposed of according to the indicative shares' in Table 4.

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31 INTERPOL, *Submission 5*, p. 5.

32 NMVTRC, *Submission 4*, p. 5.

33 NMVTRC, *Submission 4*, p. 5.

34 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 6.

35 See [2.43].

36 NMVTRC, *Theft Torque*, No. 56 July 2017, p. 1, [https://carsafe.com.au/assets/NMVTRC\\_Theft\\_Torque\\_56.pdf](https://carsafe.com.au/assets/NMVTRC_Theft_Torque_56.pdf) (accessed 15 May 2018).

37 NMVTRC, *Theft Torque*, No. 56 July 2017, p. 1, [https://carsafe.com.au/assets/NMVTRC\\_Theft\\_Torque\\_56.pdf](https://carsafe.com.au/assets/NMVTRC_Theft_Torque_56.pdf) (accessed 15 May 2018).



**Table 4: Profit motivated theft—use or fate of passenger/ light commercial vehicles<sup>38</sup>**

End use	Share %	Trend
Dismantled for parts	44	Rising
Converted to scrap metal	44	Rising
Exported as whole vehicles	2	Steady
Re-birthed or cloned	5	Reducing
Dumped in bushland or waterways	5	Steady

2.29 Further data provided by the NMVTRC reveals that:

...fewer than two per cent of the missing pool [of vehicles] is likely to have been exported as a whole vehicle, with almost seven in 10 missing vehicles having a retail value of less than \$10 000. Four-wheel drives and SUVs do have a world market but made up just 700 of the stolen-and-not-recovered pool in 2018.<sup>39</sup>

2.30 The NMVTRC has identified what it considers are 'significant evidentiary and logistical barriers to cost effective investigation' with respect to export-related disposal methods, namely:

- unlike prohibited exports, vehicle parts and scrap are legitimately exported in very large quantities,
- the estimated number of stolen not recovered vehicles subject to export in all of its forms constitutes less than 1% of the approximate 700,000 vehicles that enter the recycling and scrap industry each year,
- most stolen parts shipments are a mixture of stolen and legitimately obtained stock,
- identification of a stolen vehicle or its separated parts after it has been processed for scrap is almost impossible.
- interception of containers, unloading and management of large volumes of parts present very significant financial, logistical and occupational health and safety issues for law enforcement agencies<sup>40</sup>

2.31 The NMVTRC stated that these barriers are a 'disincentive to allocate investigative resources that may be used more effectively elsewhere', and suggested

38 NMVTRC, *Submission 4*, p. 5.

39 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 6.

40 NMVTRC, *Submission 4*, p. 6.

that, rather than 'simply...tightening export related laws', 'the problem needs to be addressed at the enterprise level well before the container is loaded'.<sup>41</sup>

2.32 The NMVTRC therefore argued that 'the modernisation of scrap related laws across Australia' would 'remove ambiguities and gaps, and deal more effectively with enduring non-compliance'.<sup>42</sup>

### **Theft and organised crime**

2.33 According to INTERPOL:

Vehicle crime is a highly organized criminal activity affecting all regions of the world and with clear links to organized crime and terrorism. Vehicles are not only stolen for their own sake, but are also trafficked to finance or perpetrate other crimes.<sup>43</sup>

2.34 Based on evidence from its 2014 *Analytical Report: Motor Vehicle Crime in Global Perspective* (Global Perspective Report), INTERPOL informed the committee that 63.3 per cent of countries stated vehicle crime carried out in their jurisdiction was often undertaken by organised crime involved in other forms of criminal behaviour, most notably, 'drugs, theft/robbery, trafficking in human beings, trafficking of illicit goods, and terrorism'.<sup>44</sup>

2.35 The INTERPOL report cited various examples of links between motor vehicle theft and organised crime, such as the following example of the link between motor vehicle theft and terrorism:

A 2005 American newspaper article describes the broad investigation of United States-based theft rings, after discovering that some of the vehicles used in deadly car bombings in Iraq, were stolen in the United States. No evidence was found that the vehicles were stolen specifically for the car bombings. However, evidence was uncovered that the cars were smuggled from the United States as part of a widespread criminal network that includes terrorists and insurgents.<sup>45</sup>

2.36 INTERPOL made four general recommendations in the analytical report: awareness and statistics, co-operation between stakeholders, enhanced co-operation between law enforcement agencies, and in-depth analysis.<sup>46</sup> The Australian NMVTRC was cited as an example of co-operation between stakeholders:

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41 NMVTRC, *Submission 4*, p. 6.

42 NMVTRC, *Submission 4*, p. 7.

43 INTERPOL, *Submission 5*, p. 5.

44 INTERPOL, *Submission 5*, p. 6.

45 INTERPOL, *Analytical Report: Motor Vehicle Crime in Global Perspective*, 24 January 2014, p. 23, <https://www.interpol.int/Crime-areas/Vehicle-crime/Vehicle-crime> (accessed 15 May 2018).

46 INTERPOL, *Analytical Report: Motor Vehicle Crime in Global Perspective*, 24 January 2014, pp. 27–28, <https://www.interpol.int/Crime-areas/Vehicle-crime/Vehicle-crime> (accessed 15 May 2018).

Insurance companies, as stakeholders, could play a major role in supplying additional reliable statistics, especially on economic damage and targeted vehicles. Joint initiatives such as the National Motor Vehicle Theft Reduction Council, a co-operation between all Australian governments and the insurance industry could be instrumental in this. Such sustainable co-operation between Law Enforcement Agencies and insurance companies could benefit in the fight against Motor Vehicle Crime.

Moreover, other joint initiatives to enhance co-operation between stakeholders (rental companies, customs offices, car dealerships, registration offices) would certainly have similar effects. It is therefore recommended that sustainable co-operation constructions are developed between stakeholders in motor vehicle crime.<sup>47</sup>

2.37 In the Australian context, the report by Task Force Discover included a case study from 'operation neoplastic':

Task Force Discover analysed customs data for the export of vehicle parts and scrap metal from Victoria. Analysis of the data indicated that between May 2013 and April 2014 a motor wrecking business in Campbellfield had exported 11 containers of vehicle parts and accessories to Kuwait and Lebanon with a gross weight of 163 tonnes and a 'free on board' value of \$394,113. Between December 2012 and April 2013, the same operators under a different business name had exported an additional five containers to the same destinations, with a gross weight of 79 tonnes and a 'free on board' value of \$75,204.<sup>48</sup>

2.38 The NMVTRC, which does not have access to specific criminal intelligence, reported that non-classified information provides insights into the types of criminal enterprises in this industry. For example, police investigations from across Australia reveal:

...that the most prolific and persistent profit-motivated activity is conducted in association with enterprises that, on the face of it, are part of the automotive trade—most usually, in the vehicle smash repair, recycling and end-of-life vehicle sectors. There is clear evidence of organised crime networks operating in the vehicle recycling and scrap sector who are also involved in a range of other serious criminal activity.<sup>49</sup>

2.39 Compounding this issue is the willingness of legal second hand car traders to buy vehicles with "no questions asked":

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47 INTERPOL, *Analytical Report: Motor Vehicle Crime in Global Perspective*, 24 January 2014, p. 27, <https://www.interpol.int/Crime-areas/Vehicle-crime/Vehicle-crime> (accessed 15 May 2018). INTERPOL presently has 192 member countries: INTERPOL, *Submission 5*, p. 2.

48 Victoria Police, *Taskforce Discover Report*, September 2014, p. 20.

49 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 6.

...a very significant proportion of the so-called legitimate industry is prepared to purchase and receive vehicles on a no-questions-asked basis, which facilitates the laundering of stolen vehicles by third parties.<sup>50</sup>

2.40 Between 2003 and 2006, the then Australian Crime Commission (ACC) (now the Australian Criminal Intelligence Commission (ACIC)) focused on the issue of vehicle theft as part of the *ACC Special Intelligence Operation Authorisation and Determination (Vehicle Re-birthing)*. In 2014, the ACC released a number of classified information products that focused on 'the extent of serious and organised crime groups' involvement...in profit motivated vehicle theft'.<sup>51</sup> The ACIC advised the committee that it was not currently conducting any intelligence activities related to motor vehicle theft, but its:

...investigations have consistently indicated that the involvement of serious and organised criminal (SOC) groups in profit motivated vehicle theft is opportunistic and peripheral to the greater vehicle theft environment, which is dominated by volume crime offenders. SOC groups may commit vehicle theft by leveraging the skills of associates and use resulting profits to augment illegitimate incomes and possibly resource other crime types.<sup>52</sup>

2.41 This view was shared by the AFP. Deputy Commissioner Neil Gaughan explained that the AFP has not received intelligence from its partners to focus its activities towards vehicle theft. For this reason, car theft is not a priority for the AFP and its focus remains on other activities of organised crime groups and drug importations.<sup>53</sup> The AFP noted that the detection of stolen motor vehicles does occasionally occur when the AFP executes search warrants related to drug importation or money laundering offences.<sup>54</sup>

### ***International motor vehicle theft***

2.42 As noted earlier, INTERPOL—the world's largest international police organization' which facilitates international law enforcement collaboration in order to identify and dismantle criminal groups<sup>55</sup>—published in 2014 its Global Perspective report.<sup>56</sup> This report, based on 49 replies (of 162 sought—that is, 190 INTERPOL member countries, minus 28 European Union countries), covered the period

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50 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 6.

51 Australian Criminal Intelligence Commission (ACIC), *Submission 6*, p. 1.

52 ACIC, *Submission 6*, p. 1.

53 Deputy Commissioner Neil Gaughan, Operations, Australian Federal Police (AFP), *Committee Hansard*, 22 February 2019, p. 5.

54 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 5.

55 INTERPOL, *Submission 5*, p. 2.

56 INTERPOL, *Analytical Report: Motor Vehicle Crime in Global Perspective*, 24 January 2014, <https://www.interpol.int/Crime-areas/Vehicle-crime/Vehicle-crime> (accessed 15 May 2018).

2009–2011 and was 'a first attempt to produce a global overview of Motor Vehicle Crime'.<sup>57</sup>

2.43 The report identified that 'car manufacturers, the vehicle owner, law enforcement agencies, registration authorities, insurance companies, legislative bodies, justice departments and vehicle related business such as rental companies and scrap yards' were affected by motor vehicle theft.<sup>58</sup>

2.44 In its report, INTERPOL classified stolen vehicles into two categories:

- quantity: the majority is readily available and of a common car make and model; and
- quality: those that are extra lucrative that are sometimes targeted especially.<sup>59</sup>

2.45 It also identified that transnational organised motor vehicle crime 'is often linked to other crime areas'; indeed, '44 of the total of 49 replies recognized the involvement of organized crime groups with regard to stolen motor vehicles'—and are often the 'vehicle' of other crimes:

Stolen vehicles are found to be the way of transport for bank robbers; illegal drugs are paid for with stolen vehicles; victims of trafficking in human beings are being discovered in stolen vehicles and car bombs are traditionally hidden in a stolen vehicle.<sup>60</sup>

2.46 In its report, INTERPOL proposed a number of measures that could be taken to reduce motor vehicle theft, including:

- the provision of statistics from member states to include in INTERPOL's Stolen Motor Vehicle (SMV) database;
- co-operation between law enforcement agencies and other stakeholders, in order to initiate preventative and repressive measures with respect to motor vehicle crime;
- co-operation between law enforcement and insurance agencies, as exemplified through Australia's establishment of the NMVTRC (a co-operation between all Australian governments and the insurance industry);

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57 INTERPOL, *Analytical Report: Motor Vehicle Crime in Global Perspective*, 24 January 2014, p. 5, <https://www.interpol.int/Crime-areas/Vehicle-crime/Vehicle-crime> (accessed 15 May 2018). INTERPOL presently has 192 member countries: INTERPOL, *Submission 5*, p. 2.

58 INTERPOL, *Analytical Report: Motor Vehicle Crime in Global Perspective*, 24 January 2014, p. 3, <https://www.interpol.int/Crime-areas/Vehicle-crime/Vehicle-crime> (accessed 15 May 2018).

59 INTERPOL, *Analytical Report: Motor Vehicle Crime in Global Perspective*, 24 January 2014, p. 14, <https://www.interpol.int/Crime-areas/Vehicle-crime/Vehicle-crime> (accessed 15 May 2018).

60 INTERPOL, *Analytical Report: Motor Vehicle Crime in Global Perspective*, 24 January 2014, p. 4, <https://www.interpol.int/Crime-areas/Vehicle-crime/Vehicle-crime> (accessed 15 May 2018).

- increasing the accuracy of data in order to perform in-depth analysis on which vehicles are targeted, and by which transnational organised crime groups;
- establishing in-depth analysis of the flux of routes used for the transport of stolen vehicles or parts;
- focusing on the role of border management to disrupt the flow of stolen motor vehicles and vehicle parts, including examining the possibility of corruption by and intimidation of border officials;
- increasing the understanding of the operation of transnational organised crime groups, in order to provide suggestions for disruption strategies;
- technical examination of vehicles on entry into the destination country to determine the safety of the vehicle; and
- the establishment of special units in law enforcement agencies to deal with motor vehicle crime.<sup>61</sup>

2.47 As a result of the prevalence of motor vehicle theft, INTERPOL has established a number of working groups that bring together experts from across the world to develop a range of projects focusing on specific issues, such as police training, working with industry and supporting operations in the field. These projects include:

- *Project FORMATRAIN*: Project FORMATRAIN has established a standardised training programme to facilitate investigations into international cases of vehicle theft. By the end of 2018, a total of 30 regional training courses had been delivered, most of them directly followed by field operations.
- *Stolen Motor Vehicle Database*: Includes data on stolen vehicles and their components, and allows member countries to run database checks against suspicious vehicles to determine whether they are stolen.
- *Project INVEX*: INTERPOL works with a number of car manufacturers to find new ways of detecting stolen motor vehicles and to increase the quality of the data in its SMV database. Linked to this, Project FADA-RI provides secure access for INTERPOL member countries to the German vehicle identification facility known as FADA.<sup>62</sup>

### **Other fora and inquiries examining motor vehicle theft**

2.48 As discussed earlier, a number of inquiries and reports have examined motor vehicle theft in Australia and considered what, if any, role the Australian government might play in reducing the theft and export of motor vehicles and parts.

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61 INTERPOL, *Analytical Report: Motor Vehicle Crime in Global Perspective*, 24 January 2014, pp. 27–28, <https://www.interpol.int/Crime-areas/Vehicle-crime/Vehicle-crime> (accessed 15 May 2018).

62 INTERPOL, *Fighting Vehicle Crime*, <https://www.interpol.int/en/Crimes/Vehicle-crime/Fighting-vehicle-crime> (accessed 19 March 2019).

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### ***The National Motor Vehicle Theft Task Force***

2.49 The National Motor Vehicle Theft Task Force (NMVTTF) was first convened on 20 September 1996 as a project of the National Anti-Crime Strategy, having earlier been initiated by the National Leaders' Forum in December 1994.<sup>63</sup>

2.50 The NMVTTF was established in response to concerns regarding the need for an improved national theft co-ordination effort.<sup>64</sup> As part of its inquiry, the NMVTTF engaged with key stakeholders and the public from September 1996 to August 1997, including by conducting a number of consultations with key industry stakeholders; police, government and community stakeholders in each state; as well as with the general public through inviting submissions on a discussion paper.<sup>65</sup>

2.51 The NMVTTF produced a final report in September 1997, in which it made 40 recommendations.<sup>66</sup> The first recommendation was '[t]hat under the auspices of the National Anti-Crime Strategy, a [NMVTRC] be established that represents all key stakeholders, is operationally independent, and ultimately accountable to government'.<sup>67</sup>

2.52 It was recommended that the NMVTRC be funded by the insurance industry, Australian, state and territory governments, and vehicle related industries,<sup>68</sup> and that its role include:

- co-ordination, implementation and evaluation of the NMVTTF recommendations;
- a motor vehicle theft (MTV) program design and evaluation;
- the co-ordination of national MTV research;
- the co-ordination of publicity campaigns;
- liaison with the National Anti-Crime Strategy; and
- reporting on individual stakeholder commitment and progress to achieving MVT reduction objectives.<sup>69</sup>

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63 National Motor Vehicle Theft Task Force (NMVTTF), *Final Report: Motor Vehicle Theft Reduction Plan*, September 1997, p. 15.

64 NMVTTF, *Final Report: Motor Vehicle Theft Reduction Plan*, September 1997, p. 3.

65 NMVTTF, *Final Report: Motor Vehicle Theft Reduction Plan*, September 1997, pp. 29–31.

66 NMVTTF, *Final Report: Motor Vehicle Theft Reduction Plan*, September 1997, p. 17: recommendation 1.2.

67 NMVTTF, *Final Report: Motor Vehicle Theft Reduction Plan*, September 1997, p. 17: recommendation 1.1.

68 NMVTTF, *Final Report: Motor Vehicle Theft Reduction Plan*, September 1997, p. 17: recommendation 1.2.

69 NMVTTF, *Final Report: Motor Vehicle Theft Reduction Plan*, September 1997, p. 17: recommendation 1.3.

2.53 The NMVTTF also recommended the national expansion of the CARS database in order to ensure 'the adequacy and compatibility of data sets on a state by state basis'.<sup>70</sup> The NMVTTF identified the system that was already in use in South Australia as 'the most sophisticated and consistent model of data gathering in relation to motor vehicle theft due to the degree of its specialised experience in this regard'.<sup>71</sup> This recommendation was accepted, and the CARS database 'was established in 2000 as a national database to provide up-to-date comprehensive and accurate information in respect of motor vehicle theft'.<sup>72</sup>

2.54 Other recommendations from the NMVTTF included the introduction of specific Australian Design Rules (ADRs)<sup>73</sup> and the introduction of legislation in each state and territory that distinguishes between opportunistic theft and serious motor vehicle theft, 'to reflect the economic motivation behind these crimes'.<sup>74</sup>

### ***The National Motor Vehicle Theft Reduction Council***

2.55 Established in 1999 and initially due to expire on the 31 December 2003,<sup>75</sup> the term of operation of the NMVTRC was extended in 2003, a resolution that has been made following each triennial review of the council.<sup>76</sup>

2.56 The primary role of the NMVTRC is to facilitate:

...the implementation of vehicle crime reforms, and coordinate associated activities across industry, agency and jurisdictional boundaries. As a result the NMVTRC's brief is broad, involving all stages of vehicle theft prevention policy, including:

- policy development;
- the coordination of implementation; and
- the monitoring of outcomes.<sup>77</sup>

2.57 Its recent activities include:

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70 NMVTTF, *Final Report: Motor Vehicle Theft Reduction Plan*, September 1997, pp. 84–85: recommendation 1.4.

71 NMVTTF, *Final Report: Motor Vehicle Theft Reduction Plan*, September 1997, p. 85.

72 Parliament of Victoria Drugs and Crime Prevention Committee (Victorian Committee), *Inquiry into Motor Vehicle Theft: Final Report*, October 2002, p. 29. The CARS database does, however, use ABS definitions—see: p. 5.

73 NMVTTF, *Final Report: Motor Vehicle Theft Reduction Plan*, September 1997, p. 23: recommendations 4.1–4.3.

74 NMVTTF, *Final Report: Motor Vehicle Theft Reduction Plan*, September 1997, p. 27: recommendation 6.1.

75 Victorian Drugs and Crime Prevention Committee, *Inquiry into motor vehicle theft: Final report*, October 2002, p. 134.

76 See, for example, MM Stars Pty Ltd, *5<sup>th</sup> Review of the NMVTRC: Benefits of Theft Reform—Summary Report*, October 2014, p. 1.

77 NMVTRC, *Annual Report 2017: Progress through collaboration*, p. 4.



- The continued development and success of our collaboration with Mission Australia and the Suncorp Group in Synergy Repairs, the world's first commercial enterprise delivering on-the-job technical training, work experience and support to young car crime offenders.
- The successful launch of our Car Security Begins at Home program to raise community awareness of the need to keep keys and transponders safe from would-be home burglars.
- The public release of the results of the most comprehensive compliance audit of the management of separated vehicle parts and vehicle related scrap, clearly demonstrating the need for major reform.<sup>78</sup>

2.58 The NMVTRC also hosted the Australian Vehicle Crime Conference in April 2017 in conjunction with Victoria Police and the International Association of Auto Theft Investigators and was attended by representatives from policing and law enforcement, crime prevention, academia, general insurance, motor trades, local government and community sectors.<sup>79</sup>

### *Parliament of Victoria*

2.59 In October 2002, the Parliament of Victoria's Drugs and Crime Prevention Committee (DCP Committee) published the final report for its inquiry into motor vehicle theft. The DCP Committee inquired into the rising rate of vehicle theft in Victoria, the re-birthing of stolen vehicles and how best to respond.<sup>80</sup> The report features 19 recommendations, which included legislative reform, law enforcement powers, juvenile diversionary programs, amendments to insurance practices and improved data collection.<sup>81</sup>

2.60 At the time, the DCP Committee made note of inadequacies of Australian law enforcement. During the Victorian parliamentary inquiry, the NMVTRC, Victoria Police and the Western Australian Police Service all raised concern about the lack of law enforcement intelligence in relation to professional motor vehicle theft at a national level as 'a significant obstacle to attempts to address a problem of some proportion'.<sup>82</sup> Criticisms were directed at the then Australian Bureau of Criminal Intelligence for the low priority given to motor vehicle theft and national co-ordination.<sup>83</sup>

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78 NMVTRC, *About us.*, <https://carsafe.com.au/about> (accessed 31 May 2018).

79 NMVTRC, *Theft Torque*, No. 56 July 2017, p. 1, [https://carsafe.com.au/assets/NMVTRC\\_Theft\\_Torque\\_56.pdf](https://carsafe.com.au/assets/NMVTRC_Theft_Torque_56.pdf) (accessed 15 May 2018).

80 Victorian Drugs and Crime Prevention Committee, *Inquiry into motor vehicle theft: Final report*, October 2002, p. iv.

81 Victorian Drugs and Crime Prevention Committee, *Inquiry into motor vehicle theft: Final report*, October 2002, pp. vii–x.

82 Victorian Drugs and Crime Prevention Committee, *Inquiry into motor vehicle theft: Final report*, October 2002, p. 67.

83 Victorian Drugs and Crime Prevention Committee, *Inquiry into motor vehicle theft: Final report*, October 2002, pp. 67–68.

### ***Task Force Discover***

2.61 In September 2014, Victoria Police released a report into profit-motivated vehicle theft in Victoria. The interagency Task Force Discover,<sup>84</sup> funded by the NMVTRC and led by Victoria Police Crime Command was established in order 'to examine how the motor wrecking and scrap metal industries may facilitate profit-motivated vehicle theft'.<sup>85</sup>

2.62 The task force was considered necessary owing to the increase in the number of stolen and unrecovered passenger and light commercial vehicles by 21 per cent since 2009, 'due to the ability of vehicle thieves to profit from the growing domestic and international demand for spare parts and scrap metal'.<sup>86</sup>

2.63 The task force audited 432 motor wreckers and scrap metal dealers—'estimated to represent approximately 90 per cent of all operators in Victoria'—from September 2013 to June 2014.<sup>87</sup>

2.64 In respect of the businesses audited, the task force found that:

- 7 in 10 either not holding the required authorisation to trade (ie the correct licence or registration) or being non-compliant to some degree with the conditions of their business licence or registration;
- 9 in 10 not complying with written-off vehicle reporting obligations;
- 9 in 10 assessed to be non-compliant to some extent with OHS and environmental protection regulations, with—
  - 1 in 5 referred for extreme safety breaches deemed likely to cause imminent injury; and
  - 1 in 10 referred for extreme environmental breaches causing obvious and ongoing serious pollution to soil and waterways.<sup>88</sup>

2.65 Further, the task force observed that:

- with many businesses operating almost exclusively on a cash only basis transactions are untraceable, which has implications for investigating the chain of vehicle acquisition and disposal, and also raises questions about compliance with taxation; and
- such widespread non-compliance enables vehicle thieves to launder stolen vehicles through motor wreckers or scrap metal dealers with little or no risk their personal details will be retained.<sup>89</sup>

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84 Task Force Discover was led by Victoria Police, and also included the Australian Customs and Border Protection Service, the Australian Crime Commission (ACC), the NMVTRC, Consumer Affairs Victoria, the Environment Protection Authority Victoria, the Victorian Work Cover Authority and VicRoads. See ACC, *Annual Report 2014–15*, p. 46.

85 Victoria Police, *Task Force Discover: Report September 2014*, September 2014, p. 3.

86 Victoria Police, *Task Force Discover: Report September 2014*, September 2014, p. 3.

87 Victoria Police, *Task Force Discover: Report September 2014*, September 2014, p. 3.

88 NMVTRC, *Victorian Inter-Agency Task Force into Compliance with Local Laws and Explicit Export Activity: Task Force Discover – Final Report*, September 2014, p. 2.

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2.66 In terms of the Australian government's role, the report detailed that the (then) ACBPS had 'worked closely with Victoria Police to disrupt the export of stolen vehicles and parts in the past', a response which 'is entirely intelligence-led'.<sup>90</sup>

2.67 The task force noted that 'opportunities exist to export stolen property undetected due to the burden in monitoring outgoing shipping cargo', but did identify that:

The logistical challenges involved in detecting, unpacking and inspecting suspect shipping containers makes ad hoc inspections prohibitive. Instead, the inspections that do occur are highly targeted and are based on the collection of intelligence that indicates the attempted export of stolen property. This means only a limited amount of outgoing export cargo can be cross-checked with export declarations.<sup>91</sup>

2.68 Ultimately, the task force recommended that:

A policy working party comprising representatives of the Task Force Discover partner agencies be formed to examine the issues outlined in this report. The working party should develop responses and assess options, both regulatory and non-regulatory, to deter and prevent PMVT and other issues of concern identified in the motor wrecking and scrap metal industries.<sup>92</sup>

### ***ACCC inquiry into the new car retailing industry***

2.69 In December 2017, the Australian Competition and Consumer Commission (ACCC) published a report into the new car retailing industry which examined, in part, accessing technical information to repair or service new cars, and parts needed to repair cars.<sup>93</sup>

2.70 The ACCC study:

...was initiated in response to a number of concerns raised with the ACCC and other fair trading agencies related to the industry, including issues about consumer guarantees and warranties, access to technical information for servicing and repairing new cars, and fuel consumption and emissions representations.<sup>94</sup>

2.71 The ACCC made a number of recommendations in respect of the new car retailing industry.

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89 NMVTRC, *Victorian Inter-Agency Task Force into Compliance with Local Laws and Explicit Export Activity: Task Force Discover – Final Report*, September 2014, p. 2.

90 Victoria Police, *Task Force Discover: Report September 2014*, September 2014, p. 16.

91 Victoria Police, *Task Force Discover: Report September 2014*, September 2014, p. 16.

92 Victoria Police, *Task Force Discover: Report September 2014*, September 2014, p. 3.

93 Australian Competition and Consumer Commission (ACCC), *New Car Retailing Industry: A market study by the ACCC*, December 2017.

94 ACCC, *New Car Retailing Industry: A market study by the ACCC*, December 2017, p. iii.

2.72 For example, it recommended the introduction of a mandatory scheme 'for car manufacturers to share technical information with independent repairers, on commercially fair and reasonable terms'.<sup>95</sup> This would assist in addressing issues such as the competitiveness of independent repairers in the aftermarkets for the repair and servicing of new cars and detriment experienced by consumers 'in the form of increased costs, inconvenience and delays when having their new car repaired or serviced'.<sup>96</sup>

2.73 Further, the ACCC also recommended that original equipment 'manufacturer-branded parts and accessories should be generally available to independent repairers on commercially fair and reasonable terms' and that '[c]ar manufacturers should develop policies which clearly outline any parts subject to restricted access on security-related grounds. These policies should be publicly available'.<sup>97</sup> This would address the use of car parts that encourage theft.

2.74 Submitters to this inquiry discussed the ACCC's recommendation for a mandatory scheme.

2.75 For example, the Australian Automotive Aftermarket Association (AAAA)<sup>98</sup> supported the ACCC recommendation for a mandatory data sharing scheme on the basis that the sharing of automotive repair and service information in the Australian marketplace would support consumer choice.<sup>99</sup>

2.76 The committee heard that the AAAA has advocated for the Australian government to mirror regulation that is already in place in the European Union (EU) (since 2002) and the United States (since 2013), 'which requires car companies to share car repair and service information with all repairers on fair and reasonable commercial terms'.<sup>100</sup> In the case of EU countries, the AAAA advised that 'vehicle theft rates have declined dramatically over the period that data sharing has been in place'.<sup>101</sup>

2.77 The AAAA had also found no evidence to support car manufacturers' and dealer networks' claims that such a scheme would lead to greater car theft, and noted that the ACCC had:

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95 ACCC, *New Car Retailing Industry: A market study by the ACCC*, December 2017, p. 12. Recommendation 4.1.

96 ACCC, *New Car Retailing Industry: A market study by the ACCC*, December 2017, p. 11.

97 ACCC, *New Car Retailing Industry: A market study by the ACCC*, December 2017, p. 140. Recommendation 5.1.

98 The Australian Automotive Aftermarket Association (AAAA) represents 2250 member companies in the Australian automotive aftermarket, namely, 'manufacturers, distributors, wholesalers, importers and retailers of automotive parts and accessories, tools and equipment, as well as providers of vehicle service, repair and modification services in Australia': AAAA, *About*, <https://www.aaaa.com.au/about/> (accessed 6 June 2018).

99 AAAA, *Submission 1*, p. 1.

100 Mr Stuart Charity, Executive Director, AAAA, *Committee Hansard*, 10 July 2018, pp. 1–2.

101 Mr Stuart Charity, Executive Director, AAAA, *Committee Hansard*, 10 July 2018, p. 2.

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...examined all the claims and counterclaims and particularly had a strong focus on vehicle security, because that was one of the primary arguments that the car companies were coming up with. They found no evidence of a linkage.<sup>102</sup>

2.78 However, while other submitters were supportive of the ACCC's recommendation for a mandatory scheme, their support was conditional. For example, the Australian Automotive Dealers Association (AADA)—'the peak industry advocacy body exclusively representing franchised new car Dealers in Australia'<sup>103</sup>—expressed its support for the sharing of automotive repair and service information in the Australian marketplace with the caveat that 'safety, security and emissions information is shared in a secure way', a view also shared by the NMVTRC.<sup>104</sup>

2.79 The AADA elaborated on its position in its evidence to the committee:

We're generally supportive of this move, but we believe that it's important that two elements that the ACCC recommended be included. Firstly, they said a process for secure release of security related technical information should be established or authorised under any mandatory scheme. Secondly, they called for a process for vetting end users accessing security related technical information and for tracing the use of that information. These kinds of elements are included in the sharing regimes that are in place in the US and the EU, and that's potentially a reason that information sharing in those countries hasn't led to a spike in theft or the like. So it's our strong belief that a wider access regime needs to include those two elements that the ACCC recommended.<sup>105</sup>

2.80 Mercedes-Benz Australia/Pacific Pty Ltd. (Mercedes-Benz) expressed its strong support for 'the strategic deployment of strict law enforcement measures to prevent, identify and address vehicle and parts theft and rebirthing'.<sup>106</sup> Mercedes-Benz set out a number of strategies that it employs to help reduce motor vehicle theft and remarking or rebirthing of stolen parts and vehicles, including access to theft relevant parts and information.<sup>107</sup>

2.81 However, in respect of the ACCC's recommendations—the availability of manufacturer-branded parts and accessories—Mercedes-Benz stated that while it:

...strongly defends its strict approach to vehicle security and controls relating to access to theft-relevant parts and information, in order to seek a balance between maintaining an appropriate level of security for its vehicles and promoting fair competition in the after sales market, [Mercedes-Benz] recently updated its [Theft Reduction Policy (TRP)] to allow

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102 Mr Stuart Charity, Executive Director, AAAA, *Committee Hansard*, 10 July 2018, p. 2.

103 Australian Automotive Dealers Association (AADA), *Submission 2*, p. 1.

104 AADA, *Submission 2*, p. 2.

105 Mr James Voortman, Executive Director, AADA, *Proof Hansard*, 10 July 2018, p. 2.

106 Mercedes-Benz Australia/Pacific Pty Ltd. (Mercedes-Benz), *Submission 3*, p. 1.

107 Mercedes-Benz, *Submission 3*, pp. 1–2.

non-authorized repairers to purchase theft related parts, provided that they work with the supplying authorized dealer to satisfy the identification requirements, ensure the vehicle and its [Vehicle Identification Number (VIN)] have been sighted and confirmed, and arrangements are made between them for the authorized repairer to assist with the installation if required.<sup>108</sup>

2.82 Mercedes-Benz informed the committee that it considers 'that any residual inconvenience to independent repairers and consumers is clearly outweighed by the need to ensure that vehicle security and public safety are appropriately safeguarded'.<sup>109</sup>

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108 Mercedes-Benz, *Submission 3*, p. 2.

109 Mercedes-Benz, *Submission 3*, p. 2.

## Chapter 3

### Jurisdictional considerations and a national motor vehicle end-of-life management scheme

3.1 The Commonwealth's role in the regulation of motor vehicles is limited to the import and export of motor vehicles, and design and safety standards which must be met by vehicles entering the Australian market for the first time. States and territories are responsible for vehicle registration, in-service standards and operations once motor vehicles have been supplied to the market, as well as scrap metal industries. State and territory law enforcement agencies are primarily responsible for the investigation of car theft in their relevant jurisdictions.

3.2 This chapter considers the Commonwealth's jurisdiction on matters related to the theft of motor vehicles, in particular import and export controls, and the respective responsibilities of the Department of Infrastructure, Regional Development and Cities (Department of Infrastructure), Australian Border Force (ABF) and the Australian Federal Police (AFP). The role of state and territory law enforcement agencies is then addressed, specifically in relation to reforms of scrap metal industries implemented in Victoria and New South Wales (NSW). Finally, this chapter considers the merits of a national end-of-life vehicle (ELV) management scheme.

#### Commonwealth jurisdiction

3.3 The Commonwealth's jurisdiction with respect to motor vehicle theft was outlined by the Department of Infrastructure—namely, the Commonwealth is responsible for the 'safety, environmental and anti-theft performance of road vehicles entering the Australian market for the first time'.<sup>1</sup>

3.4 During the course of the committee's inquiry, the Parliament of Australia passed the Australian government's reforms to motor vehicle legislation. Previously, Commonwealth legislation was enacted under the *Motor Vehicle Standards Act 1989* (the MVS Act), which prescribed the requirements that must be met for road vehicles supplied for first use in Australia. The Motor Vehicle Standards Regulations 1989 detailed national design and performance standards for vehicles before being supplied to the Australian market: these are the Australian Design Rules (ADRs).<sup>2</sup>

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1 Department of Infrastructure, Regional Development and Cities (Department of Infrastructure), *Submission 9*, p. 5.

2 The Australian Design Rules were established on a recommendation of the National Motor Vehicle Theft Task Force (NMVTTF): NMVTTF, *Final Report: Motor Vehicle Theft Reduction Plan*, September 1997, p. 23: recommendations 4.1–4.3.

3.5 On 7 February 2018, the Australian government announced the introduction of 'a package of legislation that will modernise and strengthen the laws governing road vehicles when first supplied to the Australian market'.<sup>3</sup>

3.6 The package of legislation comprised the following bills, which sought to replace the MVS Act and establish a new regulatory framework for the importation and supply of road vehicles and road vehicle components into the Australian market:

- the Road Vehicle Standards Bill 2018 that replaces the MVS Act;<sup>4</sup>
- the Road Vehicle Standards (Consequential and Transitional Provisions) Bill 2018;
- the Road Vehicle Standards Charges (Imposition—General) Bill 2018;
- the Road Vehicle Standards Charges (Imposition—Customs) Bill 2018; and
- the Road Vehicle Standards Charges (Imposition—Excise) Bill 2018.

3.7 The bills were passed by both Houses of Parliament on 27 November 2018.<sup>5</sup> The main provisions of the *Road Vehicles Standards Act 2018* (RVS Act) will come into effect on 10 December 2019. The delayed implementation is due to a 12-month transitional period,<sup>6</sup> which includes a targeted consultation process with stakeholders.<sup>7</sup>

3.8 The objectives of the RVS Act are to:

- establish nationally consistent performance-based standards for road vehicles that must be met before importation to Australia;
- provide Australian consumers with a choice of road vehicles that:
  - meet safety and environmental expectations of the community;
  - use energy conservation and anti-theft technology; and
  - consumers are able to make use of technological advancements; and
- meet Australia's international obligations to harmonise road vehicle standards.<sup>8</sup>

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3 The Hon. Paul Fletcher MP, Minister for Urban Infrastructure and Cities, 'Government moves to improve vehicle safety and better protect the community', *Media Release*, 7 February 2018.

4 See: [https://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bId=r6032](https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6032).

5 See: [https://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bId=r6032](https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6032).

6 Department of Infrastructure, *Road Vehicle Standards legislation implementation*, 9 January 2019, <https://infrastructure.gov.au/vehicles/rvs/index.aspx> (accessed 18 February 2019).

7 Department of Infrastructure, *Road Vehicle Standards legislation implementation*, 9 January 2019, [https://infrastructure.gov.au/vehicles/rvs/rvsa\\_implementation\\_consultation\\_framework.aspx](https://infrastructure.gov.au/vehicles/rvs/rvsa_implementation_consultation_framework.aspx) (accessed 28 February 2019).

8 *Road Vehicle Standards Act 2018* (RVS Act), s. 3(1).



3.9 The objectives of the RVS Act will be achieved through:

- empowering the Minister to determine national road vehicle standards for road vehicles and road vehicle components;
- prohibiting the importation of vehicles that do not meet national road vehicle standards (except in limited circumstances);
- establishing a Register of Approved Vehicles, on which vehicles must be lodged before entering the Australian market; and
- enabling the recall of vehicles or parts that do not comply with national road vehicle standards.<sup>9</sup>

3.10 The RVS Act also provides the Department of Infrastructure with a range of enforcement powers to ensure compliance and a proportional and effective regulatory response to non-compliance.<sup>10</sup> Prior to the implementation of the reforms, the Department of Infrastructure advised that the RVS Act provides 'more enforcement powers and there will be the ability to put penalties, criminal actions or other kinds of warnings. So there will be a whole suite of enforcement arrangements under the [RVS] Act'.<sup>11</sup>

3.11 Whilst the RVS Act empowers the Department of Infrastructure with enforcement provisions, these provisions only apply to compliance standards such as safety and anti-theft mechanisms and do not 'extend to whether vehicles or parts are stolen'.<sup>12</sup>

### ***Customs Act 1901***

3.12 The *Customs Act 1901* (Customs Act) regulates the export of goods, which is administered by the Department of Home Affairs (Home Affairs) and the ABF. Whilst the ABF declined to participate in the committee's inquiry, it did provide the committee with an outline of its responsibilities under the Customs Act and supplementary regulations. It clarified that while the Customs Act and the Customs (Prohibited Exports) Regulations 1958 (Prohibited Exports Regulations) are the:

...source of the ABF's powers in relation to managing the movement of goods across the border...these regulatory powers do not provide offences for the movement of stolen goods, including motor vehicles and motor vehicle components.<sup>13</sup>

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9 RVS Act, s. 3(1).

10 RVS Act, s. 4.

11 Mr Steven Hoy, Section Head, Vehicle Safety Standards Branch, Department of Infrastructure, *Committee Hansard*, 10 July 2018, p. 13.

12 Mr Steven Hoy, Section Head, Vehicle Safety Standards Branch, Department of Infrastructure, *Committee Hansard*, 10 July 2018, p. 13.

13 Assistant Commissioner Erin Dale, Strategic Border Command, Australian Border Force (ABF), correspondence received 19 February 2019, p. 1.

3.13 The absence of offences for the movement of stolen goods means the ABF 'is not in a position to address related criminal activity'.<sup>14</sup> Responsibility, therefore, lies with state and territory police as the:

...authorities responsible for responding to criminal activities related to motor vehicle theft in Australia, including managing the reports of theft that allow stolen motor vehicles and motor vehicle components to be identified as such.<sup>15</sup>

3.14 With regard to the prospect of legislative reforms aimed at addressing criminal activities related to the export of stolen Australian motor vehicles and parts, the ABF opined that such reforms 'are not expected to change the existing delineation of responsibilities between law enforcement authorities'.<sup>16</sup>

3.15 The committee sought the AFP's response to the ABF's advice. Deputy Commissioner Gaughan responded that it was probably correct that the ABF is not in a position to address criminal activity related to the export of motor vehicles and their components:

...but the jurisdiction of state law enforcement and to a lesser extent the AFP would cover the theft of the said vehicle and then probably to the states to the time it was actually put on the boat—if we're using a boat as an example—that would be covered by state jurisdiction. But it potentially is a gap.<sup>17</sup>

3.16 This gap, according to the AFP, potentially arises from current legislation. Whilst the Deputy Commissioner cautioned that he was not well versed in the Customs Act, he recognised that '[i]f there's no offence for exporting stolen goods, that to me...is something that concerns me a bit, to be honest'.<sup>18</sup>

3.17 The NMVTRC called for the Australian government to amend the Customs Act (and the Prohibited Exports Regulations) to specifically include an offence for the export of stolen vehicles and motor vehicle parts. The NMVTRC added that the penalties available to ABF officers for the export of prohibited goods 'are significant' and the amendment would be 'a bit of a game-changer' for the industry.<sup>19</sup>

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14 Assistant Commissioner Erin Dale, Strategic Border Command, ABF, correspondence received 19 February 2019, p. 1.

15 Assistant Commissioner Erin Dale, Strategic Border Command, ABF, correspondence received 19 February 2019, p. 1.

16 Assistant Commissioner Erin Dale, Strategic Border Command, ABF, correspondence received 19 February 2019, p. 1.

17 Deputy Commissioner Neil Gaughan, Operations, Australian Federal Police (AFP), *Committee Hansard*, 22 February 2019, p. 1.

18 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 2.

19 Mr Geoff Hughes, Chief Executive, National Motor Vehicles Theft Reduction Council (NMVTRC), *Committee Hansard*, 22 February 2019, p. 7.

### *Export declarations*

3.18 In general, goods that are intended to be exported from Australia must be declared to the ABF on an export declaration if the goods:

- have a value of more than AUD\$2000; or
- need an export permit, regardless of their value.<sup>20</sup>

3.19 Export declarations are not required in a limited number of circumstances, such as personal effects, pets, goods valued less than AUD\$2000, temporarily imported goods,<sup>21</sup> and military goods.<sup>22</sup>

3.20 An undated but comprehensive document authored by the then Australian Customs and Border Protection Service (ACBPS) and available on the ABF website states that personal effects, such as motor vehicles being exported as part of personal and household effects, are excluded from the export declaration requirement where an officer is satisfied that these goods 'are personal effects and not part of a commercial consignment. If an officer believes that the goods are part of a commercial consignment, an Export Declaration must be lodged'.<sup>23</sup>

3.21 Further, the ACBPS document states that '[a]n Export Declaration and subsequent import declaration are not required for goods covered by a valid carnet'; that is, the Admission Temporaire/Temporary Admission (ATA) carnet, or the Federation Internationale de l'Automobile/Alliance Internationale de Tourisme (FIA/AIT) or Carnet de Passage Douane (CPD) carnet.<sup>24</sup> The latter category refers to documents for the temporary admission of private motor vehicles and accessories.<sup>25</sup>

3.22 Where these conditions do not apply, the ACBPS document provides that the export of vehicles must be approved by the Department of Foreign Affairs and Trade, or where the vehicle is of significant historical or cultural interest, the Department of Prime Minister and Cabinet.<sup>26</sup>

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20 Department of Home Affairs, *Export Declaration*, <https://www.abf.gov.au/importing-exporting-andmanufacturing/exporting/how-to-export/export-declaration> (accessed 1 March 2019).

21 Under section 162A of the Customs Act.

22 ABF, answers to written questions on notice, 22 February 2019 (received 14 March 2019), p. 2.

23 Australian Customs and Border Protection Service (Customs), *Volume 12: Export Control*, pp. 78–79, <https://www.abf.gov.au/exporting-subsite/files/fact-sheets/export-control-manual.pdf> (accessed 18 February 2019).

24 Customs, *Volume 12: Export Control*, p. 65, <https://www.abf.gov.au/exporting-subsite/files/fact-sheets/export-control-manual.pdf> (accessed 18 February 2019).

25 Namely, the Customs Convention on the Temporary Importation of Private Road Vehicles or Annex A of the Istanbul Convention for vehicles eligible under *Annex C: Australian Customs and Border Protection Service, Volume 12: Export Control*, p. 66, <https://www.homeaffairs.gov.au/Exportinggoods/Documents/111026volume12version5.2.pdf> (accessed 5 June 2018).

26 Customs, *Volume 12: Export Control*, pp. 230–231, <https://www.abf.gov.au/exporting-subsite/files/fact-sheets/export-control-manual.pdf> (accessed 18 February 2019).

3.23 During a discussion with the AFP concerning the potential for a national system for the acquisition and decommissioning of end-of-life vehicles (discussed further from paragraph 3.55), the AFP pointed out that whilst the existing export declaration process could potentially be incorporated into such a system, '[o]ne of the challenges you have is that people filling out those export declarations lie'.<sup>27</sup>

3.24 Penalties for providing false information in an export declaration may apply if imposed by a court, or through the Infringement Notice Scheme (INS) provisions under the Customs Act.

#### *Offences*

3.25 It is an offence under section 234(1)(d) of the Customs Act to intentionally provide false information in an export declaration. Subsequently, a court has the power to 'impose, on conviction, a penalty not exceeding 250 penalty units for false information in an export declaration where duty is not applicable'.<sup>28</sup>

3.26 Section 243(U) of the Customs Act also makes it an offence to provide false or misleading statements that do not result in the loss of duty. If a court finds a person guilty of this offence, it may impose a fine not exceeding 60 penalty units for each false or misleading statement.<sup>29</sup>

3.27 Finally, section 4B(3) of the *Crimes Act 1914* (Crimes Act) permits a court to impose a maximum penalty against a corporate body a total up to five times greater than that imposed upon an individual committing the same offence.<sup>30</sup>

#### *Infringement Notice Scheme*

3.28 In addition to court imposed penalties, the INS offers the ABF an alternative to prosecution, by imposing an administrative penalty. The ABF may issue an infringement notice if it 'has reasonable belief that the entity has contravened the strict liability offence under section 243U of the Customs Act. In this circumstance, the ABF may impose a maximum penalty for an alleged offence of 15 penalty units for a person and 75 penalty units for a body corporate'.<sup>31</sup>

#### *Australian Federal Police*

3.29 The absence of provisions that outlaw the export of stolen items was discussed with the AFP. When asked about its responsibilities, Deputy Commissioner Gaughan explained that although broadly it is the responsibility of the AFP to investigate stolen items, it is not within the AFP's purview to investigate the export of stolen items.<sup>32</sup> The Deputy Commissioner explained that

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27 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 4.

28 ABF, answers to written questions on notice, 22 February 2019 (received 14 March 2019), p. 3.

29 ABF, answers to written questions on notice, 22 February 2019 (received 14 March 2019), p. 3.

30 ABF, answers to written questions on notice, 22 February 2019 (received 14 March 2019), p. 3.

31 ABF, answers to written questions on notice, 22 February 2019 (received 14 March 2019), p. 4.

32 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 1.

neither the Crimes Act nor the *Criminal Code Act 1995* specifically legislate the import or export of items, except for narcotics and other illicit items.<sup>33</sup>

3.30 The AFP clarified its jurisdictional responsibilities to investigate the theft or export of motor vehicles and vehicle parts. Federally, the AFP does not become involved in these types of investigations unless it is linked to a broader investigation being conducted by the AFP.<sup>34</sup> For example, if during a fraud investigation the AFP:

...became aware that [a criminal group] were rebirthing vehicles or were involved in the export of vehicle parts, then [the AFP] would work with [its] state colleagues to action that.<sup>35</sup>

3.31 With reference to a report where a Victorian registered vehicle was discovered in the United Arab Emirates, the AFP explained that it may potentially assist with the recovery of the vehicle, but otherwise would have limited involvement in one-off instances unless the activity was linked to large-scale criminality.<sup>36</sup> However, if the AFP becomes aware of the growth in the export of vehicles and vehicle parts, 'impacting not only Australia but also [Australia's] international partners, [the AFP] would show a fairly strong interest'.<sup>37</sup> The AFP added that it may investigate the theft and export of high-value items, such as artwork, in partnership with Interpol.<sup>38</sup> This type of co-operation would unlikely extend to cases of motor vehicle theft but may be a matter pursued by a state and territory law enforcement agency.<sup>39</sup>

3.32 The AFP further clarified on notice that Australian nationals who wish to report an instance of vehicle theft should direct the report to their state or territory police force, or for international enquiries, to 'local police [who] can progress enquiries through INTERPOL channels via the National Central Bureau' based in Canberra.<sup>40</sup>

3.33 Within the Australian Capital Territory (ACT), the AFP has jurisdiction to investigate matters of vehicle and vehicle part theft via its provision of community policing services to the ACT government.<sup>41</sup>

### ***Committee view***

3.34 The committee notes that although the Australian government's jurisdiction does not extend to the policing of domestic motor vehicle theft, Commonwealth

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33 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 1.

34 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 2.

35 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 2.

36 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 2.

37 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 2.

38 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, pp. 3–4.

39 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, pp. 3–4.

40 AFP, answers to questions on notice, 22 February 2019 (received 18 March 2019), p. 1.

41 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 2.

agencies can continue to work with state and territory law enforcement agencies with respect to the import and export of these items.

3.35 Concerning the import of motor vehicles, the committee is encouraged by the new framework established under the RVS Act. In particular, the inclusion of stronger enforcement provisions that enable the Department of Infrastructure to enforce compliance with the Act, and the assurance that new vehicles entering the Australian market are fitted with the most advanced safety, environmental and anti-theft standards available.

3.36 Despite the legislative reforms to the importation of motor vehicles, the committee is concerned that there is a potential gap regarding the export of stolen goods broadly, and stolen motor vehicles and motor vehicle parts in particular. Correspondence provided by the ABF made clear that neither the Customs Act nor the Prohibited Exports Regulations provide offences for the movement of stolen goods, including stolen motor vehicles and motor vehicle parts. The AFP agreed that the absence of these provisions is a potential gap in the legislative framework. In the committee's view, this gap is a vulnerability that can potentially be manipulated by those seeking to trade in stolen goods, including serious and organised crime groups.

3.37 The committee recognises that the exportation of stolen motor vehicles and parts is a lower order issue for Commonwealth law enforcement agencies and, for the AFP and ABF, issues such as the illicit drug trade and the firearms trade are quite reasonably a higher priority. Nonetheless, the committee believes any legislative gaps should be addressed, especially if those gaps facilitate the export of stolen motor vehicles and motor vehicle parts. For this reason, the committee recommends that the Australian government amends the Customs Act and Prohibited Exports Regulations to make it an offence to export stolen goods, including motor vehicles and motor vehicle parts.

### **Recommendation 1**

**3.38 The committee recommends that the Australian government amends the *Customs Act 1901* and the *Customs (Prohibited Exports) Regulations 1958* to make it an offence to export stolen goods, including stolen motor vehicles and motor vehicle parts.**

3.39 Concerning false export declarations, the committee recognises the logistical challenges faced by the ABF in inspecting cargo, and the simple reality that not all cargo traversing the Australian border can be inspected. This extends to checking and confirming that export declarations accurately reflect cargo being exported, unless the ABF has intelligence to direct an inspection.

3.40 The committee considers existing penalties for false or misleading export declarations under the Customs Act and Crimes Act are sufficient, and acknowledges that penalties for making a false export declaration are unlikely to deter those intent on exporting stolen motor vehicles and parts. As discussed in the following section, the committee considers that the successful detection and prevention of the export of stolen motor vehicles and parts is largely reliant on the efforts of state and territory law enforcement agencies, and their communication and cooperation with the ABF.

## State and territory jurisdictions

3.41 Although the Commonwealth bears responsibility for vehicles at the point of first supply to the Australian market and the export of vehicles and parts, states and territories are responsible for regulating vehicle registration, in-service standards and operations once these vehicles are supplied to the market.<sup>42</sup>

3.42 Further, crimes relating to the theft of property, including motor vehicles, are defined and prosecuted within state and territory jurisdictions. Recently, the NSW and Victorian governments have moved to address criminal activity associated with the scrap metal industry, such that it will become more difficult to trade in stolen motor vehicle parts.

### *New South Wales and Victorian law reform*

3.43 On 14 September 2016, in response to sustained calls from the NMVTRC and law enforcement and industry partners 'for the modernisation of scrap related laws across Australia',<sup>43</sup> the NSW Parliament passed the *Scrap Metal Industry Act 2016* (NSW), which established the regulation of criminal activity within the scrap metal industry in the following ways:

- scrap metal dealers can no longer pay cash;
- new record-keeping measures and registration requirements will ensure that the sale of stolen scrap metal can be traced; and
- police officers now have powers of entry, inspection and seizure.<sup>44</sup>

3.44 The NMVTRC explained that the NSW regulations were largely focused upon the theft of copper wire and older vehicles; however:

If you are a metal recycler in New South Wales, you have to register with the police to say you are a metal recycler, and once you do, you have these obligations that include not paying cash for scrap, not trading in vehicles that have no identity or obscured identity, and having to report to the police immediately certain suspect transactions that you perceive.<sup>45</sup>

3.45 The NMVTRC added that the NSW framework is a 'gold or platinum standard' for other jurisdictions to follow,<sup>46</sup> and although its effectiveness is yet to be determined, the NMVTRC regards the NSW approach as 'quite an elegant solution, in that it is light in administrative terms but quite heavy in term of obligations'.<sup>47</sup>

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42 Department of Infrastructure, *Submission 9*, pp. 2–4.

43 NMVTRC, *Submission 4*, p. 7.

44 Nick Thomas and Katrina Hogan, Clayton Utz, *Holy Scrap! Parliament passes new scrap metal controls*, 29 September 2016, <https://www.claytonutz.com/knowledge/2016/september/holy-scrap-parliament-passes-new-scrap-metal-controls> (accessed 5 June 2018).

45 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, pp. 7–8.

46 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 8.

47 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 8.

3.46 More recently, in May 2018, the Victorian government established new laws that ban cash for scrap metal in an effort to curb organised crime. The Victorian government passed amendments to the *Second Hand Dealers and Pawnbrokers Act 1989* (Vic) and the *Second Hand Dealers and Pawnbrokers Regulations 2018* that:

- banned paying or receiving cash payments;
- banned possessing or trading an unidentified motor vehicle; and
- established a requirement for detailed records to be kept of all transactions involving scrap metal.<sup>48</sup>

3.47 Consumer Affairs Victoria, which had worked with industry associations and Victoria Police to develop these reforms, reported that the new scrap metal laws require scrap metal dealers to register as second-hand dealers with the Business Licencing Authority. This requirement encompasses businesses that sell or obtain motor vehicles as scrap, irrelevant of whether or not the vehicle is in working condition, and the 'body, engine or chassis of a motor vehicle sold or obtained as scrap'.<sup>49</sup>

3.48 Under the new laws, police were provided 'expanded search and entry powers that...allow them to enter business and storage premises without a warrant if they reasonably believe that dealing in scrap metal is taking place there',<sup>50</sup> and the power to 'seek a search warrant from a magistrate to monitor compliance with the Act and the Regulations'. New offence provisions are applicable for those found to buy, dispose of or possess an unidentified motor vehicle (200 penalty units), the police can also issue on-the-spot fines for anyone found to be dealing in unidentified motor vehicles for scrap (12 penalty units).<sup>51</sup>

3.49 The NMVTRC considered the Victorian approach an acceptable alternative to the NSW framework, which embeds key features into Victoria's second-hand-dealing laws.<sup>52</sup>

3.50 Concerning efforts by other jurisdictions, the NMVTRC confirmed that preliminary work has begun in South Australia and Western Australia to implement similar models.<sup>53</sup>

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48 Consumer Affairs Victoria, 'Cash for scrap ban comes into effect', *Latest news*, 30 May 2018, <https://www.consumer.vic.gov.au/latest-news/cash-for-scrap-ban-comes-into-effect-news-alert> (accessed 26 September 2018).

49 Consumer Affairs Victoria, *New scrap metal laws*, 4 August 2018, <https://www.consumer.vic.gov.au/licensing-and-registration/second-hand-dealers-and-pawnbrokers/new-scrap-metal-laws> (accessed 26 September 2018).

50 Consumer Affairs Victoria, 'Cash for scrap ban comes into effect', *Latest news*, 30 May 2018, <https://www.consumer.vic.gov.au/latest-news/cash-for-scrap-ban-comes-into-effect-news-alert> (accessed 26 September 2018).

51 Consumer Affairs Victoria, *New scrap metal laws*, 4 August 2018, <https://www.consumer.vic.gov.au/licensing-and-registration/second-hand-dealers-and-pawnbrokers/new-scrap-metal-laws> (accessed 26 September 2018).

52 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 8.



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### *Committee view*

3.51 As discussed elsewhere, the theft of motor vehicles is a state and territory issue and therefore beyond the scope of the committee's responsibilities. The committee is encouraged by the steps taken by NSW and Victoria to implement reforms to scrap metal industries and, in particular, NSW for exemplifying a gold standard which other jurisdictions can imitate. The committee considers the modernisation of state and territory based scrap laws a significant step forward in contributing to the reduction in the export of stolen motor vehicle parts.

3.52 The committee supports the NMVTRC and its preliminary work in South Australia and Western Australia to strengthen scrap metal laws in those jurisdictions. The committee encourages all governments in Australia to follow suit.

3.53 The committee recognises ongoing calls by stakeholders for Commonwealth agencies to do more to assist their state and territory counterparts to regulate this trade. Indeed, the committee considers that enhanced engagement between state, territory and federal law enforcement agencies would help reduce the export of stolen motor vehicle parts. This, in turn, could play a part in reducing other crimes that are financed or perpetuated by vehicle crime.

3.54 It is therefore the committee's recommendation that the ABF works with state and territory law enforcement agencies and the NMVTRC to develop a national strategy to reduce the export of stolen motor vehicles and motor vehicle parts.

### **Recommendation 2**

**3.55 The committee recommends that the Australian Border Force works with state and territory law enforcement agencies and the National Motor Vehicle Theft Reduction Council to develop a national strategy to reduce the export of stolen motor vehicles and motor vehicle parts.**

### **National motor vehicle end-of-life management scheme**

3.56 In its submission, the Motor Trades Association of Australia (MTAA)<sup>54</sup> recommended the establishment of:

...a comprehensive national policy and regulatory regime, in partnership between governments and industry, to mitigate the risk of profit motivated motor vehicle theft and the trafficking of motor vehicles and parts, and to simultaneously reduce the economic and environmental impacts associated with [ELVs].<sup>55</sup>

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53 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 8.

54 The Motor Trades Association of Australia (MTAA) (*Submission 7*) represents more than 95 per cent of the automotive supply chain, or 69 365 businesses across Australia which employ 379 365 Australians: Motor Trades Association of Australia (MTAA), *Submission 7*, p. 1.

55 MTAA, *Submission 7*, p. 3.

3.57 The MTAA suggested this regime would have a number of features, including the establishment of 'an ELV organisation with a specific mandate to implement and manage ELV policy and processes'.<sup>56</sup> The MTAA added that:

There are multiple black market players that are operating unlicensed and illegally in the recycling industry at the moment, and they are leaving the legal operators at a competitive disadvantage. If they're given the opportunity to be in a regulated and mandated environmental end-of-life vehicle solution, it will reduce the ability of those unlawful businesses to operate.<sup>57</sup>

3.58 The NMVTRC also called for a national ELV management scheme (ELV scheme),<sup>58</sup> which obliges vehicle operators to 'present an ELV to an approved treatment facility for decommissioning, including depollution, and permanent cancellation of its registration, subject to a provenance check'.<sup>59</sup>

3.59 The NMVTRC also referred to a co-authored report with Austroads that considers state and territory registration systems as a means to support better ELV management.<sup>60</sup> The report, titled *Better Management of End-of-Life Vehicles*, considered different ELV management systems in a number of overseas jurisdictions<sup>61</sup> to inform the development of a similar principle in Australia.<sup>62</sup>

3.60 The report proposes two options, both of which aim to enhance the 'integrity and accuracy of the national vehicle register' and mitigate the 'detrimental impacts in respect of damage to the environment and vehicle crime'.<sup>63</sup> The first calls for a registration system that requires the deliberate removal of vehicles from a register, and a vehicle destruction framework that ensures the identity of the vehicle and its owner. This framework would incorporate environmentally sound destruction processes with 'effective supervision of destruction pathways (primarily the recycling industry, including parts recyclers and metal recyclers)'.<sup>64</sup>

3.61 The second proposal calls for a legal person to:

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56 MTAA, *Submission 7*, p. 3.

57 Dr Warwick Wearing, MTAA, *Proof Hansard*, 10 July 2018, p. 3.

58 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 10.

59 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, pp. 6–7.

60 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 7.

61 Including Eire, The Netherlands, the United Kingdom, California, the European Union and New Zealand.

62 For example, in the European Union requires member states to establish a system that requires the presentation of a certificate of destruction as a condition for deregistration of ELVs and entry into an authorised treatment facility. See Austroads, *Better Management of End-of-Life Vehicles*, Research Report, 2018, p. 15.

63 Austroads, *Better Management of End-of-Life Vehicles*, Research Report, 2018, p. 17.

64 Austroads, *Better Management of End-of-Life Vehicles*, Research Report, 2018, p. 18.

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be associated with a vehicle at all times from supply into the market until it is destroyed or exported. This requires a continuous record of the person responsible for a vehicle to be established, whether the vehicle is registered for use on public roads or not. While the obligations of the person will differ depending on whether the vehicle is registered for use on public roads or not, the key characteristics of the record will be similar.<sup>65</sup>

3.62 This proposal would a register of responsible legal persons and associated processes to 'create, maintain and monitor records'.<sup>66</sup>

3.63 In addition to these two proposals, Austroads called for parallel initiatives such include regulation of the recycling sector, oversight of manufacturers and suppliers, a new vehicle deposit and register of title.<sup>67</sup>

3.64 Whilst recognising the regulation of motor vehicle and parts is largely a state and territory matter, the NMVTRC argued an avenue for Commonwealth participation in such a scheme would be in respect of:

...environmental laws about end-of-life vehicles. Around 700,000 end-of-life vehicles go through metal processors each year, and a lot of them get there in a still-contaminated state; they haven't had the liquids and oils removed from them. After processing, all that contaminated material goes into a landfill. Our view is that, on the back of environmental law, by perhaps requiring a mandatory product stewardship scheme, some of the vehicle theft problems could be addressed through that end-of-life vehicle processing as well. I know that, in previous guises, the department of the environment has had vehicles in the voluntary product stewardship space. I think that would be challenging for the motor trades without some sort of mandatory requirement both from a regional coverage point of view and an absolute sense. That's one area where the Commonwealth could show greater leadership.<sup>68</sup>

3.65 The gas from vehicle air conditioning units was cited as an example where there is enforcement inadequacy. According to the NMVTRC, the penalty for letting air conditioning gas escape into the atmosphere is up to \$70 000 per offence; however, it is rarely prosecuted.<sup>69</sup> A consequence of the lack of enforcement is that it disadvantages those businesses that follow environmental requirements, but are 'competing against a massive number of noncompliant businesses, some of whom operate completely under the radar'.<sup>70</sup> The NMVTRC referred to Task Force

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65 Austroads, *Better Management of End-of-Life Vehicles*, Research Report, 2018, p. 19.

66 Austroads, *Better Management of End-of-Life Vehicles*, Research Report, 2018, p. 19.

67 Austroads, *Better Management of End-of-Life Vehicles*, Research Report, 2018, pp. 19–21.

68 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 9.

69 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 10.

70 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 10.

Discover's findings that noncompliance is the norm in the scrap metal industry, and that it is '[i]n fact...almost more advantageous to be unlicensed than licensed'.<sup>71</sup>

3.66 Concerning the linkages between a national ELV scheme and motor vehicle theft, the NMVTRC explained that it would:

...primarily operate under the environmental law...to mitigate the environmental damage that is caused by these dirty vehicles that go through the end-of-life processing. Riding on the back of that, there would be built into it the need for the receiver of the end-of-life vehicle to do a provenance check, a stolen vehicle check. We believe it could significantly curtail domestic consumption, at least, in the scrap market.<sup>72</sup>

3.67 In the Better Management of ELV report, Austroads estimated that 'theft-for-scrap' criminal rackets 'account for more than 50 per cent of total stolen vehicle costs per annum at around \$28.6 [million]' (excluding policing and the justice systems).<sup>73</sup>

3.68 When asked about who would be responsible for compliance with such a scheme, the NMVTRC acknowledged that it is always a challenge and 'always left under-resourced and underfunded'; ultimately this would require an 'arrangement between the Commonwealth and the states to provide a local audit activity'.<sup>74</sup>

3.69 The Department of Infrastructure informed the committee that, from its point of view, it does not have a role in the end-of-life element of vehicles in Australia, as this is 'more a state and territory responsibility'.<sup>75</sup>

3.70 The Department of Infrastructure also considered that the introduction of an end-of-life scheme, as advocated for by the NMVTRC and the MTAA, would 'be a significant move away from the way the system currently operates, given the different roles of Australian governments at the Commonwealth and the state and territory levels'.<sup>76</sup>

3.71 The AFP, when asked about the merits of an ELV scheme, commented that 'an industry solution is probably a good thing' and noted 'similar bodies exist and an industry solution is going some way towards reducing the amount of theft'.<sup>77</sup> The AFP referred to the NMVTRC, and its co-operation with state and territory law enforcement agencies, which 'means they are in a fairly good position to go some way

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71 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 10.

72 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 10.

73 Austroads, *Better Management of End-of-Life Vehicles*, Research Report, 2018, p. i.

74 Mr Geoff Hughes, Chief Executive, NMVTRC, *Committee Hansard*, 22 February 2019, p. 10.

75 Ms Pip Spence, Deputy Secretary, Department of Infrastructure, *Committee Hansard*, 10 July 2018, p. 15.

76 Ms Pip Spence, Deputy Secretary Department of Infrastructure, *Committee Hansard*, 10 July 2018, p. 15.

77 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 4.

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towards reducing this problem'.<sup>78</sup> When asked what barriers would prevent the establishment of an ELV scheme, the AFP highlighted two considerations:

Technological barriers and buy-in from everyone in the industry—whether you made it voluntary or compulsory. Second-hand dealers and smash repairers would have to be involved in it. The problem with any voluntary process is that, unless you have buy-in from all parts of the sector, you potentially leave a vulnerability—and that vulnerability can be exposed by criminals. If you are going to try and tackle the problem through some sort of reporting mechanism, you need to ensure that there are no holes.<sup>79</sup>

### ***Committee view***

3.72 The committee acknowledges evidence that shows shortcomings in the current management of motor vehicles at their end-of-life. The 700 000 vehicles exiting the Australian market each year highlights the need for proper processes to be in place to ensure environmentally sound disposal methods. Arguments in favour of a national ELV scheme also assert that a national scheme would secure the motor vehicle supply chain and reduce improper and illegal activities taking place at the end of a vehicle's life.

3.73 Despite the identifiable benefits of a national ELV scheme, the committee also recognises barriers to its implementation. One barrier is the departure from the frameworks currently in place across Australia, which would require all jurisdictions to agree on a nationally consistent approach. Extensive changes would include state and territory scrap metal and second-hand laws, and potentially vehicle registration processes. The support of industry would also be required. Further, the scheme would redefine the Commonwealth's role in this policy space, and as proposed by the NMVTRC, could incorporate the Commonwealth's environmental laws.

3.74 The committee sees benefit in a national ELV scheme, as well as the application of environmental protection standards to the disposal of motor vehicles. However, despite this in-principle support, the committee is not in a position to determine the merits of the inclusion of the Commonwealth's environmental laws into a national ELV scheme because the committee's inquiry largely focused on law enforcement measures to address motor vehicle theft and not environmental protection laws.

3.75 The committee shares the view that a national ELV scheme could potentially strengthen the legal conduct of scrap metal dealers; however, evidence suggests this can also be achieved through reform by the states and territories, as demonstrated by NSW and Victoria. This approach may be far less disruptive and more efficient than initiating a negotiated reform process through, for example, the Council of Australian Governments. The committee again commends the NMVTRC for its work with state and territory governments advocating for such reform, and urges the NMVTRC to continue this work.

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78 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 4.

79 Deputy Commissioner Neil Gaughan, AFP, *Committee Hansard*, 22 February 2019, p. 4.

3.76 Evidence to this inquiry has shown that the theft of motor vehicles and vehicle parts remains a problem, but is mainly stable and well below the record number of thefts from 2001. The Australian government's new legislative framework will ensure vehicles entering the Australian market are fitted with contemporary anti-theft technology which will help reduce the theft of motor vehicles in Australia. If, however, data and intelligence reveal in the future an increasing number of motor vehicle thefts, then further consideration of a national ELV scheme would be warranted.

**Mr Craig Kelly MP**  
**Chair**

# **Appendix 1**

## **Public submissions**

- 1 Australian Automotive Aftermarket Association
- 2 Australian Automotive Dealer Association
- 3 Mercedes-Benz Australia/Pacific Pty Ltd
- 4 National Motor Vehicle Theft Reduction Council (NMVTRC)
- 5 INTERPOL
- 6 Australian Criminal Intelligence Commission
- 7 Motor Trades Association of Australia Limited (MTAA)
- 8 Australian Association of Progressive Repairers
- 9 Department of Infrastructure, Regional Development and Cities
- 10 Australian Automobile Association
- 11 Confidential





## **Appendix 2**

### **Public hearings and witnesses**

#### **Tuesday, 10 July 2018—Canberra**

CHARITY, Mr Stuart, Executive Director, Australian Automotive Aftermarket Association

DUDLEY, Mr Richard, Chief Executive Officer, Motor Trades Association of Australia Ltd

HOY, Mr Steven, Section Head, Standards Development and International, Vehicle Safety Standards Branch, Department of Infrastructure, Regional Development and Cities

IMLACH, Mr Dale, Chairman, Auto Parts Recyclers Association of Australia

SPENCE, Ms Pip, Deputy Secretary, Department of Infrastructure, Regional Development and Cities

VOORTMAN, Mr James, Executive Director, Policy and Communications, Australian Automotive Dealer Association

WEARING, Dr Warwick, Manager, Industry Sector Committees, Motor Trades Association of Australia Ltd

#### **Friday, 22 February 2019—Canberra**

GAUGHAN, Mr Neil, Deputy Commissioner, Australian Federal Police

HUGHES, Mr Geoff, Chief Executive, National Motor Vehicle Theft Reduction Council



## **Appendix 3**

### **Tabled documents, answers to questions on notice and additional information**

#### **Answers to questions on notice**

*Friday, 22 February 2019—Canberra*

- 1 Department of Home Affairs – answers to written questions on notice (received 14 March 2019)
- 2 Mr Neil Gaughan, Deputy Commissioner, Australian Federal Police (received 18 March 2019)

#### **Correction to evidence**

- 1 Mr Dale Imlach, Motor Trades Association of Australia Limited, 10 July 2018 (received 8 August 2018)

#### **Correspondence**

- 1 Ms Erin Dale, Assistant Commissioner, Strategic Border Command, Australian Border Force, 5 July 2018 (received 9 July 2018)
- 2 Ms Erin Dale, Assistant Commissioner, Strategic Border Command, Australian Border Force, 19 February 2019 (received 20 February 2019)

