



MEDIA RELEASE

Date: 3 December 2003

National Code for auto parts recyclers/dismantlers

The National Motor Vehicle Theft Reduction Council (NMVTRC) estimates the trade in illicit parts to be around \$300m pa.

Why the need for a national Code of Practice related to auto parts recyclers?

The National Motor Vehicle Theft Reduction Council (NMVTRC) estimates the trade in illicit auto parts to be around \$300m pa. Existing state-by-state regulations are in many cases inadequate, lack uniformity or enforcement measures. A voluntary Code, backed by economic incentives, is regarded by many industry authorities to be the best plan of action to address the problem now. National measures such as the Written Off Vehicles Register are already having an impact on the criminals who are now finding it difficult to re-birth stolen vehicles.

"The illicit trade in stolen parts can be expected to grow substantially over the next 1-2 years and we want to combat this trend," said Alan Marshall, APRAA's Executive Officer. "The Code will also help differentiate the quality industry - who will embrace the Code - from the unlicensed or illegal operators. And that is a good thing for the legitimate industry" commented Alan.

The Auto Parts Recyclers Association of Australia Inc (APRAA) has been a strong supporter and advocate for the strategies and activities of the NMVTRC since it began in 1999. "APRAA has been an active campaigner against auto theft since APRAA started back in 1982," remarked Alan. "Hence we were enormously pleased when the NMVTRC came along." Accordingly, APRAA has publicly announced its support for the NMVTRC proposal for a voluntary Code of Practice for the auto parts recycling industry.

"The Draft Code report follows substantial investigation, research and consultation with industry," noted Alan. "This research included a Feasibility Study, which recommended proceeding with a voluntary Code followed by a national workshop of stakeholders organised by the NMVTRC. After further intensive industry discussions the outcome was a Draft Code Agreement and a Frequently Asked Questions paper, both of which the NMVTRC mailed to around 1900 recyclers throughout Australia."

"APRAA as the national association has worked closely with the NMVTRC to support the strong process to research and develop the Draft Code and to communicate the details to the industry," highlighted Alan. "Therefore, it is no surprise that APRAA and the majority of its members are in favour of the Code. Let's face it, it is a good proposal which simply formalises procedures already practised by many recyclers," emphasised Alan. "Why wouldn't you support the principle of an industry Code of Practice, that will assist reducing auto theft in Australia, plus provide a strategic platform for improving the industry's overall quality?"

"APRAA will continue to work closely with the NMVTRC to fine-tune the Code requirements based on our members' feedback and examine funding options that could ensure its smooth implementation." said Alan. "It won't be easy to ensure the Code benefits and administration requirements are put in place, and any change can expect some industry resistance. But it is far better to be doing something to tackle such industry issues", stated Alan, "And that is what APRAA is all about".

For further details on the Code view the NMVTRC website www.carsafe.com.au or contact the APRAA National Office.

For more information on APRAA, refer APRAA's website www.apraa.com, contact Alan Marshall at the APRAA National Office. Why not take a look at APRAA's On-Line Recycled Parts "free" Locating System at the same time.

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On-Line Parts Locating "free service" - refer www.apraa.com

Auto Parts Recyclers Association of Australia Inc. (APRAA).

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Established 1982.

'Quality Auto Parts Recycling Drives Our Future!'

SOME BACKGROUND:

One of the NMVTRC's key goals is to reduce the cost of vehicle theft by developing and implementing cost-effective systems infrastructure and practices that impede the activities of criminals attempting to convert stolen vehicles or components into cash, and can respond to changes in criminal behaviour. Improving the standard of vehicle and component identification is critical to achieving this goal.

A 2001 report by the Australian Institute of Criminology into the nature and extent of stolen parts noted that the business practices of various stakeholders, including parts recyclers, were potentially facilitating the illicit trade in spare parts. In some states and territories recyclers are included under motor car or second-hand dealer legislation. Some commentators have suggested that there is a need for nationally consistent laws in this area, but there are also concerns about the rigour with which existing laws are enforced. Under Australia's federal system of government a national system of licensing or accreditation is unlikely to be achievable in the medium term. However a voluntary Code of Practice (COP) for recyclers of motor vehicle parts may serve as an alternative.

A D Edwards Consulting Pty Ltd of Canberra was contracted to complete phase one of the COP project. The aims of this project were to determine the feasibility of implementing a COP to minimise the incidence of parts recyclers unwittingly trading in stolen parts. The resulting report provides a comprehensive guide to the elements that would make an effective COP and explores the issues that need to be addressed in order to facilitate its development.

Responses to the report confirmed a strong level of support for the proposed COP. Key issues raised by stakeholders included the need for the COP to deliver real financial incentives for participating businesses, the desirability that the COP be compatible with regulatory backing in the future and the need to minimise the burden of compliance requirements on small businesses. A national workshop of key stakeholders, facilitated by the NMVTRC in November 2002, resolved to develop a draft "exposure" Code for further consultation and reached agreement on a set of key principles that should guide the COP's development.

Phase two of the project - development of the "exposure" draft of the COP - was supported by extensive national consultation. An expert reference group (ERG) representing all key stakeholder groups assisted the COP's development. A consultation document on the proposed COP was released in September 2003. Consultation on the "exposure" draft of the COP included distribution of the document to more than 1,900 parts recycling businesses and briefings to key agencies and industry groups to assist them to formulate their responses.

For more information contact Geoff Hughes on phone (03) 9348 0644 at the NMVTRC.

ABOUT APRAA:

APRAA is the peak, national association for the auto parts recycling/dismantling industry (refer www.apraa.com). APRAA is an affiliate chapter of the Automotive Recyclers Association (ARA) based in the USA (www.autorecyc.org). APRAA was the dream of a small but visionary group of auto recyclers who wanted to make a difference, to progress the auto industry from 'wreckers' to 'recyclers'. This key group set the foundations to harness an active and passionate industry, to achieve a recognised and respected national representation for auto parts recyclers/dismantlers throughout Australia. APRAA is currently working with the National Motor Vehicle Theft Reduction Council to progress a Code of Practice for auto recyclers.

More than 500,000 vehicles are retired from Australian roads each year. Recent reports by both the National Motor Vehicle Theft Reduction Council and the Commonwealth Department of Environment and Heritage (Environment Australia) found that there are significant levels of pollution and criminal activity resulting from non-existent or inadequate controls on the illegitimate operators in the industry.

Overseas research has shown End-of-Life-Vehicle (ELV) contaminants that enter the environment include fluids such as oil, petrol, brake fluids, coolant etc as well as toxic heavy metals such as lead, hexavalent chromium, mercury, along with PCBs. While the metal fraction of ELVs is generally recovered by metal recyclers, at least 100,000 tonnes of waste from ELVs is generated annually, representing a substantial resource loss.

For a copy of the Commonwealth Government's *Information Paper on the Environmental Impacts of End-of-Life Vehicles*, refer www.deh.gov.au .

For a copy of the National Motor Vehicle Theft Reduction Council's material regarding the Code of Practice for Dealers in Second Hand Auto Parts, refer www.carsafe.com.au under the Publications section (refer the Code of Practice Project News).

On-Line Parts Locating "free service" - refer www.apraa.com

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