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## **Organised crime gangs behind equipment theft: industry summit**

There is increasing evidence that organised crime gangs – with strong links to the construction industry – are behind most instances of heavy equipment theft in Australia.

A recent Construction Industry Theft Summit, convened by key organisations in the construction industry, brought together the industry and representatives of law enforcement from around Australia, Customs, plus the insurance and finance industries.

Research into the cost of equipment theft in the construction industry indicates that it may be as high as \$50 million a year across the country.

Organised crime gangs are attracted to theft of heavy equipment because it consists of high-value products that can be sold relatively easily, according to John Reid, CEO of the Construction and Mining Industry Equipment Group (CMEIG), which convened the summit in conjunction with the Civil Contractors Federation (CCF) and the National Motor Theft Reduction council (NMVTRC).

“One stolen excavator will easily bring in the same return as four or five Commodores,” he said.

“The other thing that makes heavy equipment theft attractive and lucrative is that there is no consistent national and industry-wide system of easy identification – so there is no need for sophisticated rebirthing.”

Reid said that evidence presented at the summit – which included representatives of all state and territory police forces, plus the Australian Crime Commission – indicated that the great majority of stolen equipment was sold in Australia. Relatively little went offshore – or came into Australia from elsewhere.

“It’s simply a matter of transporting the equipment interstate, perhaps giving it a new paint job and removing or covering over the owner’s identifying logos and phone numbers, and it’s very easy to sell.

“Evidence shows that there are usually two types of equipment theft,” said Reid.

“One is where equipment is taken by joy riders or vandals, and is usually found abandoned near where it was taken – and hence is readily recovered, even if it has suffered some damage.

“The other is where the equipment is taken by organised crime gangs. They are professional, they know what they are doing because they are often heavily involved in the industry – and the stolen equipment is rarely recovered,” he said.



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Chris White, national CEO of the Civil Contractors Federation, said that plant and equipment theft had a relatively low profile, compared with that of motor vehicle theft.

“This means that its dynamics, frequency and cost is little understood by the community, law enforcement or policy makers,” he said.

“The cost and inconvenience of plant and equipment theft is largely confined to the earthmoving, construction and mining industries – with smaller business operators such as family owned contractors and owner-operators suffering the bulk of the cost and business disruption caused by theft.

“While all types of equipment are being stolen, small machines make up the bulk of thefts, with most equipment stolen being between zero and five years old – with the average age being two years,” said White.

“This would appear to indicate that smaller contractors and owner-operators, with only a few items of gear, are disproportionately being affected by this problem.”

Ray Carroll, Executive Director of the NMVTRC, said that key contributing factors to plant and equipment (P&E) theft included:

- P&E is used and stored in construction and industrial settings where it is highly vulnerable to observation by potential thieves and exposure to theft during periods when sites are inactive.
- The bulk of P&E is not subject to a registration system, so there is no central repository of identifying information for individual items. This creates significant difficulty for police to adequately record stolen P&E with negative impact on later investigation and facilitates easy disposal in the legitimate used equipment market, as well as the “black” market.
- There is no universal numbering system such as the VIN system used on motor vehicles to assist identification. Understanding P&E make and model designations and numbering systems is a specialist task.
- There is no central information system for traders or private buyers to access in order to establish an item’s authenticity before purchasing, facilitating an active black market.
- There is likely to be a high level of specialist industry involvement in the theft, use and sale of stolen P&E.

Carroll said the summit looked at a number of possible solutions to the equipment theft issue, with in-built machine security systems (including those that use GPS location) and development of a national P&E identification system – using DataDotDNA technology – being identified as offering the best prospects for long-term success.



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Under a joint initiative announced by CMEIG and CCF in mid 2008, the two organisations joined forces in a program to have all new and much existing equipment marked with a whole-of-vehicle-marking (WOVM) microdot spray application, known as DataDotDNA.

Under this process, thousands of microdots, encrypted with the equipment's make, model and serial number or a unique PIN, are sprayed onto multiple locations on a vehicle or piece of equipment.

All the information is held on the DataDotDNA register along with ownership details for ease of identification and to assist police in tracing ownership.

As thieves are unable to ensure that every last one of these microdots can be removed, there will always be some form of identification remaining on a stolen machine or piece of equipment.

DataDot Technology Limited (DTL), the company which developed and markets DataDotDNA technology, maintains a global database, in which the equipment make, model, serial number and owner details are recorded. Police throughout the world have around-the-clock access to this database.

“Adoption of the DataDotDNA initiative by a significant proportion of the industry's importers and wholesalers was seen as being a major positive step in the right direction,” Carroll said.

In addition, there were still unrealised opportunities to leverage off this initiative to reduce the incidence of theft by:

- Improving the level and accuracy of theft reporting
- Improving the accessibility of information on stolen plant to industry and the public
- Providing the retail, insurance and finance industries with protection against inadvertently facilitating theft and fraud
- Providing police and other agencies with an avenue to cost effectively improve their investigative responses.

He said that key issues in moving forward on the P&E theft issue as a whole were:

- Improving the provision and exchange of relevant industry and theft related data
- Developing a detailed version of a model for potential information flows and options for addressing identified implementation barriers
- Securing across-the-board industry support for agreed initiatives.



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“Our next step is to work with all stakeholders in the industry, as well as in law enforcement, insurance and finance, to implement steps to address this issue in a far more coherent and effective manner than we have in the past,” said Carroll.

Further information:

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