

VACC Submission to the Victorian Parliamentary Inquiry into Fuel Drive Offs

17 July 2015



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About VACC

Since 1918, the Victorian Automobile Chamber of Commerce ('VACC') has represented the interest of small business in the automotive industry. Currently, its 5,200 members employ approximately 50,000 people and provide key services in the repair, services and retail sectors of the motor industry.

VACC represents some 29 different sectors in the industry, of which, includes the fuel retailing sector. VACC has been a contributor to the fuel theft debate for many years through its Service Station and Convenience Store Division ('SSCSD') and our association with the Australian Service Station and Convenience Store Association, an affiliate of the MTA.

VACC has worked with Victoria Police on many occasions on campaigns to combat fuel theft over the years. These have included:

- Pre-Pay Trial (2006) – Working in conjunction with Victoria Police, this trial resulted in up to 260 sites across the metropolitan area implementing pre-pay for fuel during high risk times (between 10pm and 5am).
- SAFEPL8 (2007/08) and SAFEPL8 (2013/15) – Campaigns in which VACC worked in conjunction with Victoria Police to promote anti-theft screw fitments for vehicle registration plates.

Furthermore, on November 2008, VACC collaborated with Inspector Miles King of Victoria Police to develop a written procedure to combat fuel drive offs and to address faulty/inoperative credit cards. This has operated with reasonable success for a number of years until recently.

VACC has mainly funded these campaigns and had the full support of its SSCSD members.¹

¹ See Appendix A, B, C, D, E and F for more details.

Introduction

In this submission, VACC has provided an outline of the extensiveness of fuel theft among fuel retailers across Victoria. Additionally, in accordance to the terms of references, VACC has outlined the collaborative efforts it has had over the years with Victoria Police, regulatory bodies, and industry bodies in combating fuel theft. Despite these collaborative efforts, and past and current methods employed to date, there has been little success in subduing the prevalence of fuel theft. Indeed, VACC believes the key issue is that fuel theft is not considered a criminal act, but rather a civil matter by Victoria Police.

On 19 September 2014, an Industry Fuel Theft Forum ('the Forum') was facilitated by the Victorian Small Business Commissioner ('VSBC') in which relevant stakeholders, including VACC, attended to discuss the issue of fuel theft. The Forum determined that fuel theft requires a coordinated strategy and approach by Victorian Police, regulators, the Victorian Government, and industry to address fuel theft. This is achieved by using a combination of theft prevention and theft apprehension methods.

As such, VACC has provided in this submission, a list of recommendations that has been tabled to address the points discussed in the Forum, for the Inquiry Committee to consider.

Terms of References

a) A review of fuel drive offs in Victoria and other Australian and overseas jurisdictions to understand the extent and nature of the problem, and its cost to industry and the community

Fuel theft is extensive in Victoria and affects almost all fuel retailers in the metropolitan area and many fuel retailers across regional Victoria. This is not restricted to Victoria, with fuel theft also a major concern in all Australian States and Territories. Despite the many attempts to curb fuel theft over the last 15 or more years, incidents of theft have continued to grow dramatically due to rises in the cost of fuel.² Indeed, industry saw a disproportionate rise in fuel theft incidents when petrol prices surpassed the \$1 per litre mark. It is also worth noting that the deeming of fuel theft as a civil matter further escalated the rise in such incidents.

As such, fuel theft has had, and continues to have, a significant economic impact to the fuel retailing sector. According to the Australasian Association of Convenience Store's ('AACCS') *State of the Industry Report 2014*, fuel station and convenience store operators are losing up to \$20 million in revenue each year in Victoria. This is consequently forcing business closures and further exacerbating the unfair competition that already exists between large companies like Coles and Woolworths and independent operators, thus ultimately hurting Victoria's road users. As well, it has also resulted in huge tax losses for both the State and Federal Government.

b) Consideration of best practice approaches to preventing fuel drive offs in Australia and overseas, including educational and technological measures

VACC members have extensive experience in applying many methods to reduce fuel theft. However, VACC has worked with Victoria Police, technology professionals, and industry leaders to address fuel theft with little success in recent times. This is mainly due to the lack of cohesion throughout the industry and the limited coordination industry has had with police initiatives. In addition, these initiatives are often conducted as local campaigns when in reality, the fuel theft problem requires a single state-wide campaign with the full public support of Victoria Police.

In essence, VACC believes that success in reducing fuel theft requires effective collaboration between industry and police. Industry is prepared to further collaborate with Victoria Police in reducing fuel theft incidents. However, such collaboration is only effective if Victoria Police takes greater responsibility for reducing fuel theft. VACC understands that police resources are finite, however, international examples show that greater police involvement with industry support in the dealing of fuel theft can occur without hurting police resources.

This is exemplified in the UK, in which effective collaboration between industry and police have resulted in a significant reduction in crime associated with fuel theft. The British Oil Security Syndicate ('BOSS') Forecourt Watch is a crime reduction partnership initiative designed to meet the requirements of both police and fuel retailers within a police force

² See Appendix G for number of fuel theft incidents in Victoria by postcode Apr 2014-Mar 2015 (Source: Crime Statistics Agency).

area. It ensures that police, oil companies and fuel retailers work together to meet agreed crime reduction objectives while reducing demands on police resources. It also targets multiple offenders and introduces tested procedures to minimise retailer losses. The success of this initiative can be seen in BOSS research that shows that crime associated with fuel theft can be reduced by more than 50% as a result of the initiative. As well, more than 130 Forecourt Watch schemes in police forces have now been established throughout the UK.³

Such a method of tackling fuel theft found in the UK supports VACC's contention that a strategy that entails stronger coordination between industry and police is required in order to limit fuel drive offs.

c) Examination of 'loss prevention' measures in other industry sectors in Victoria, and other jurisdictions, that may be relevant and capable of being adopted in relation to fuel drive offs

A Service Station Safety Committee was active within the industry until the Oilcode was introduced. Since the introduction of the Oilcode, it became impossible to raise a quorum to hold a meeting due to the loss of interest by the oil companies and the Australian Institute of Petroleum ('AIP'). Nevertheless, the committee introduced a number of 'loss prevention' measures that have been implemented by proactive fuel retailers over the years. These measures relied on working closely with the Victorian Police Community Services staff to provide information sessions for fuel retailers. Such initiatives included:

1. The revision of the store layout for a clear view of the forecourt.
2. The closure of pumps not visible or close to the roadway at relevant times.
3. The implementation of Pre-Pay trials at sites with a high volume of Drive Off incidents.
4. The installation of 'Customer Loyalty' schemes to enable regular customers to bypass pre-pay requirements. However, these were mostly ineffective due to the cost of relevant equipment and poor customer take-up.
5. The installation of CCTV security systems.
6. The installation of number plate recognition security cameras. This is often impracticable due to the excessive cost and the inability to connect with police regarding stolen vehicle plate information. As such, these security cameras only provided 'historic information' that has proved unbeneficial in apprehending the perpetrator.
7. The implementation of the VicRoads identification website. However, the use of the website is often considered time consuming, with the information provided not always completely accurate, e.g. details may be correct but the vehicle is recently stolen, not reported as stolen or fitted with stolen plates from a similar make/model/colour.
8. The consideration of installing spikes across the driveway. However, this was deemed impractical and even dangerous.

In addition to the above, many more methods have been nominated and trialled and all have been found ineffective in addressing fuel theft. Indeed, success in apprehending the

³ British Oil Security Syndicate, <http://www.bossuk.org/ForecourtWatch/Index>

perpetrator has only been achieved if the vehicle had the correct registration plates. Essentially, the fuel retail operator would notify Victoria Police, who would then notify the vehicle owner and advise them to return and pay for the fuel.

However, when a stolen vehicle or a vehicle with a stolen registration plate is involved, fuel retailers are consequently unable to identify the perpetrator of the fuel theft. As such, due to the lack of support provided by Victoria Police in apprehending such perpetrators, fuel retailers unfortunately, are forced to accept the consequences.

d) Current civil and criminal remedies available to address fuel drive offs and theft, and the efficacy of those remedies

The deeming of fuel theft as a 'civil matter' by Victoria Police saw a significant increase in fuel theft incidents. According to the Australian Association of Convenience Stores ('AACS'), fuel theft was up 6.8% in 2014, illustrating that the existing efforts by police and state governments to deter fuel theft is insufficient.⁴ Additionally, even with the vehicle having correct vehicle identification details, it remains a burden for businesses to access owner details through the Magistrates Court due to the costs and time required to do so. As such, this is an unviable and impracticable process.

e) Possible linkages between fuel drive offs and crime, such as number plate theft and vehicle theft

VACC has received anecdotes over the years concerning fuel thefts being linked to other crimes other than vehicle and registration plate theft. There have been cases of where, upon the apprehension of the perpetrator, police have witnessed stolen goods, marijuana plants, and other contraband located on the premises where the vehicle was located.

As such, solving drive offs can lead to closure of other crimes in the area, with one case resulting in the closure of counterfeit activities in the area. In essence, a fuel retail outlet had experienced several drive offs from a male. This male employed different cars over the course of time, with police becoming involved when the male began to steal items from the fuel retail outlet. The staff had also received a forged \$50 note from a female, in which staff then noticed the female entering into the car of the suspected male. A further drive off and use of forged bank notes from the same offenders resulted in staff taking video information and reviewing similar activities in other areas. Such information was passed on to Victoria Police, which resulted in the successful apprehension of the offenders. According to local police, this could not have been achieved in the time taken without the support of the staff from the fuel retail outlet. Indeed, this further illustrates the importance of police involvement in reducing fuel theft drive offs due to the links that drive offs often have with other criminal activity.

⁴ Australian Association of Convenience Stores, Media Release, 'Convenience industry continues to outpace the majors', 7 May 2015.

f) Analysis of regulatory, technological or other interventions that could be adopted by industry (including peak bodies), in concert with Victorian government agencies, to support the availability and application of civil remedies to respond to fuel drive offs

Analysis of regulatory, technological or other interventional methods to address fuel theft is a waste of time and at best, diversionary as it does not take into consideration, the criminal nature of fuel theft. Other than industry, a number of non-industry individuals have found the idea of fuel theft being a 'civil matter' perplexing. According to a Geelong Magistrate:

“A criminal act is a criminal act.”

Additionally, past Victoria Police Chief Commissioner Kel Glare has stated during a radio interview:

“Driving off without paying is theft! Who doesn't know, that when you fill up with fuel, you have to pay for it?”

As such, Victoria Police must view fuel theft as a police matter and not a civil issue. Industry is prepared to collaborate with Victoria Police in resolving this issue.

g) Examine the feasibility of introducing co-regulatory approaches to enforcement, including use of technology such as CCTV, or practices such as pre-payment and pre-registration and implications of such approaches for privacy

Technology such as CCTV is already in place in most fuel outlets. In fact, these have been most useful to Victoria Police when investigating a number of high profile crimes in recent times.

Pre-payment has been trialled a number of times in many locations and does have some merit. However, under a 24/7 timeframe, this is an unviable option as it may cause congestion during peak hours. Pre-pay is only effective in areas that consist of a high number of fuel outlets. Examples are some areas of the US, in which compared with Australia, is a country that has twice the amount of fuel outlets per head. As such, Australian fuel retailers will not cope effectively with a full-time pre-pay system in place.

In addition, pre-pay does not eliminate dud credit cards and credit card fraud. Indeed, implementing pre-pay, although may deter 'drive off' opportunities, may also result in credit card fraud offences to increase. VACC argues that further police intervention will be required if this becomes the case.

However, VACC believes that if the decision is made to implement pre-pay, this must be done across the board at the same time so that every fuel outlet becomes pre-pay based, including Coles and Woolworth-run outlets. This will prevent independent fuel retailers from being disadvantaged.

Recommendations

On 19 September 2014, an Industry Fuel Theft Forum ('the Forum') was facilitated by the Victorian Small Business Commissioner ('VSBC'), with the Australian Small Business Commissioner ('ASBC') also attending due to the national impact of fuel theft.

In addition to VACC, industry sector attendees included representatives from:

- Major oil companies (BP and Caltex)
- Woolworths
- 7-Eleven
- Australasian Association of Convenience Stores ('AACS')
- Australian Convenience and Petroleum Marketers Association ('ACAPMA')
- Independent fuel retailers

Representatives that attended the Forum agreed that:

- Pre-pay is not a viable commercial solution for retailers.
- An electronic system should be implemented to enable retailers to quickly check the registration plate of suspect vehicles to prevent theft, and to capture details of vehicles when drive-offs occur, is required to address the issue.
- Victoria Police needs to take greater responsibility for reducing fuel theft and needs to work with industry to better manage the problem,
- Regulators, including VicRoads, need to work with industry to reduce fuel theft.
- The Victorian Government should consider introducing specific legislation, and provide greater resources, including alternative use of Protective Service Officers, to address the problem.
- In combination with the above, industry itself should also better manage the problem.

The Forum determined that fuel theft requires a coordinated strategy and approach by Victoria Police, regulators, the Victorian Government, and industry to address fuel theft. This is achieved by using a combination of theft prevention and theft apprehension methods.

Based on the discussions held in the Forum, VACC has tabled the following proposed recommendations for consideration:

Theft Prevention

- A website or other electronic database to check previous theft activity of suspect vehicles entering the retailer's forecourt. Commercial providers of such systems exist, but require access to public data that is in an accessible format from VicRoads and the National Exchange of Vehicle and Driver Information System ('NEVDIS').⁵

⁵ It is worth noting that on 10 June 2015, the State Government announced the introduction of legislation that would prevent car parking businesses and their debt collectors, access to VicRoads records to identify owners of incorrectly parked vehicles. This may impact service station operators from accessing the same information for vehicles used in fuel theft drive-offs without police input.

- Victoria Police campaigns/blitzes, as per other States.
- Installation of automatic number plate recognition ('ANPR') systems in conjunction with agreed police response arrangements as part of an overall strategy (the current value of ANPR systems has largely been negated due to police policy changes).
- Use of the improved VicRoads online registration status to check the vehicle description. This should include the provision of public data in an appropriate format to providers of vehicle checking systems.
- Regular review of retailers of surveillance equipment, functionality, and effectiveness.
- Review of forecourt controls by retailers.
- As stolen number plates are often used to disguise a vehicle, the fitment of 'anti-theft' retaining screws are a means of reducing this activity. However, anti-theft screw fitment campaigns have had limited success, as evidenced in the small number of cars that have these (20,000 at best). As such, all new vehicles and those subject to a roadworthiness inspection should be fitted with anti-theft screws in order to increase the uptake. Doing this will ensure that at least one million cars will have anti-theft screw fitments. Providing VicRoads the mandate to ensure the fitment of anti-theft screws on vehicles registration plates will allow VicRoads to continue to provide adequate duty of care to Victorian drivers.
- Retail staff training (available via commercial entities at www.servicestationsafety.com.au as well as through in-house courses provided by some retailers).
- Victoria Police to provide a prominent public announcement to declare that fuel theft is a crime and that they will be working with the retail fuel industry to address this criminal activity.

Theft Apprehension

- Victoria Police, in conjunction with the retail fuel industry, should develop a separate website for immediate uploading of fuel theft activity that includes offender details and digital footage of incidents where available. A current list of stolen vehicles and number plates could also be made available from this same website. Operators with Number Plate Recognition ('NPR') cameras at their sites could then download this list and assist Victoria Police in tracking these vehicles.
- Arrangements for police (as part of the overall strategy) to respond to trigger events from the website.

- Strengthen the law to remove any loopholes regarding criminality of petrol drive-offs. For example, the Government should introduce a 'Making off without payment' legislation, similar to legislation found in the UK and the Australian Capital Territory, with substantial fines attached to aid in the recovery of costs incurred.
- There should be an expansion of the 'Hoon' legislation to include the impounding of vehicles that have been detected with stolen number plates (similar to legislation recently taken to address drink driving offences over the 0.1 blood alcohol level). Again, this should have substantial fines attached to aid in the recovery of costs incurred.
- Consideration of the use of Protective Service Officers rather than police personnel on 'light duties' to follow up fuel theft with related action by the Sheriff's office to take enforcement action.
- VicRoads to require the fitting of 'anti-theft' screws to all new vehicles and those presented for roadworthiness inspections.

VACC believes that giving effect to the above items would have an immediate and positive impact on reducing the crime of fuel theft. These initiatives would bolster support for Victoria Police and support the Victorian community.

The industry is prepared to make significant contribution towards the reduction in petrol theft in Victoria. However, this requires supportive actions from both the Victorian Police and the State Government as part of an overall strategy.

As a major stakeholder, VACC would welcome the opportunity to meet with the Inquiry Committee to discuss these proposals and provide any further insight into this matter.

Contacts:

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VACC

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P: 03 9829 1142 | M: 0418 329 527 | F: 03 9867 1795 | W: vacc.com.au

Appendix A

Pre-pay sign

Dear Customer,

All fuel sales from this pump between
:00 pm and **:00 am**
require pre-payment.

Please see the staff member inside the shop
to arrange payment **BEFORE** using this pump.

Thank you for your co-operation.



VICTORIA POLICE

Victoria Police & VACC ...
Driving Community Safety



P010L2

Appendix B

Pre-pay sign

IMPORTANT NOTICE

This fuel outlet will be changing
to a "PRE-PAY" operation from

_____ / _____ / _____

between :00pm and :00am.

This means all customers will be required to pay the attendant for fuel purchases **PRIOR** to using a fuel pump.

This crime prevention & community safety program is designed to eliminate theft of petrol and increase personal safety of customers & staff



VICTORIA POLICE

Victoria Police & VACC ...
Driving Community Safety



Appendix C

Fuel Theft Forum Letter to members





VICTORIA POLICE



Victorian Automobile
Chamber of Commerce
ABN 63 009 478 209
VACC House
464 St Kilda Road
Melbourne 3004
Phone: 03 9829 1111
Fax: 03 9820 3401
Website: www.vacc.com.au

20 October 2008

The Manager
All Victorian Retail Fuel Outlets

Dear Manager

FUEL THEFT

Since the price of unleaded fuel passed the \$1.00 mark in 2004, the volume of fuel theft at retail fuel outlets has increased substantially. Fuel theft generally costs operators up to \$100.00 each time the offence occurs, and repeatedly creates a safety threat to legitimate customers in its wake.

This is not only a major bane to you as a fuel retailer, it has also created an on-going resource problem for Victoria Police.

Therefore, ACTION is needed to address this issue NOW.

To this end, the Victorian Automobile Chamber of Commerce (VACC), in conjunction with the Victoria Police Safer Communities Unit, cordially invites you to a **Fuel Theft Forum**.

The Forum will be held in combination with the VACC Service Station & Convenience Stores Division (SSCSD) General Meeting on Tuesday, 18 November 2008. The meeting will be held at VACC House, Level 7, 464 St Kilda Rd, Melbourne. Light refreshments will be provided from 6.00pm, with the meeting commencing promptly at 6:30pm.

Obviously, the major issue of discussion will be the issue of Fuel Theft, and ways in which to best address this on-going and unlawful practice. Speakers will include representatives from Victoria Police, the Legal Fraternity and experienced fuel retailers. The meeting will also include a presentation of an exciting new approach to the issue of fuel theft that may be beneficial to your business.

Places are limited, so please confirm your attendance at the Forum by completing and forwarding the attached form without delay.

Yours sincerely

Inspector Miles King
Victoria Police

Terry Conroy
Manager, SSCSD



You're in good hands™

08-164 SSCSD Fuel theft Forum-FA.indd 121/10/08 2:14:12 PM



VICTORIA POLICE



VACC Service Station & Convenience Store Division
Invites
all Fuel Retailers
to a

Fuel Theft Forum

(as part of our General Member Meeting)

Date: **Tuesday 18 November 2008**

Time: **Forum commences at 7pm**

Light refreshments will be available from 6.00pm

A short General Meeting to introduce the SSCSD Executive Committee, who will be working for you through 2009/10, will commence @ 6:30pm

Location: **VACC House, Level 7, 464 St Kilda Road, Melbourne**

Don't miss this opportunity to further protect your business!

Guest Speakers from the Victorian Police Safer Communities Unit, Inspector Myles King and Leading Senior Constable Al Laczoffy

- Help Resolve your Fuel Theft Issues
- Hear what Sgt Bruce Kent and Sen Con Stuart Wright, of Victoria Police, have to say about changes to Fuel Theft Laws and surveillance equipment
- Elizabeth Hayes, VACC Industrial Relations Lawyer will give a presentation "Protecting your business from Fuel theft and credit card Issues"
- "Pump Key" - A new innovation to reduce fuel theft will be unveiled following the guest speakers.

To confirm your attendance, fill in your details below and return

Trading Name:

Member Number:

Contact Number:

Number of People: (Please list full names below with your reply)

Name: Name:

Name: Name:

Please advise whether you will require light refreshments: Yes No

Fax completed form to **Molly Duckworth** on **03 9867 1795**
 Or **E-mail** your reply to **mduckworth@vacc.com.au**
By Close of Business Monday 10 November 2008

Appendix E

Fuel Theft Forum Outcomes



SSCSD

(Service Station & Convenience Store Division)

INFORMATION BULLETIN

Friday 19 December 2008

Fuel Theft Forum Outcomes

Due to the enormous impact of fuel theft on retailers, VACC facilitated a "Fuel Theft Forum" late in 2008 at which the issues of fuel theft by "Drive-offs", the inability to pay and Credit Card problems were addressed.

Guest speakers at this Forum from Victoria Police were;

Inspector Myles King and Leading senior constable Al Laczoffy of the Safer Communities Unit (formally the Crime Prevention Unit) and Senior Constable Stuart Wright, in charge of fuel theft issues at Knox Police Station.

They were ably supported by Industrial Lawyer Elizabeth Hayes from VACC.

Many approaches have been taken to addressing this major problem and without doubt, the only effective method of ensuring payment is the introduction of a "Pre-Pay" system. However, the potential marketing issues involved with suggesting even a minority of your customers are not trustworthy, precludes many fuel retailers from introducing it.

Therefore, greater vigilance, re-design of forecourts, the use of sophisticated surveillance equipment and even number plate recognition systems are prevailing.

But at what cost – most of these anti-theft methods are far too expensive for the majority of fuel outlet operators to contemplate.

Inspector King made it perfectly clear to all who attended that the successful method lay with them working together with their association (VACC) to identify ways of protecting their individual businesses that will work for them in their circumstances.

The outcome from this meeting was to develop a Standard Procedure for those 'unable to pay' that is fully supported by Victoria Police who also have available an infringement notice as a further tool in dealing with fuel theft (this is currently \$272).

A copy of this Standard Procedure is now available at: www.vacc.com.au simply click on the home page 'Fuel Theft' link and print off an A4 copy, along with the 'Fuel Theft Report Form' that your staff should complete when **any** fuel theft occurs at your site.

Reporting all theft to 000 immediately is the only way to ensure police have a record of this form of theft, enabling them to accurately quantify this issue.

We suggest this 'Procedure' be laminated and permanently located at the console for use by staff when explaining this Standard Procedure to errant customers.

If you have any queries regarding this, you are welcome to call me to discuss them.

Yours sincerely,

Terry Conroy,

Manager, SSCSD

03 9829 1139

Appendix F

Fuel Theft Signage

“Stealing is an Offence”

Available through the Neighbourhood Watch website



VICTORIA POLICE

**STEALING IS
AN OFFENCE**

**WHY RISK
GETTING
COURT?**

BE YOUR OWN JUDGE – SHOPLIFTERS GET COURT

Appendix G

