

# Reducing the Distribution of Stolen Auto Parts in Australia

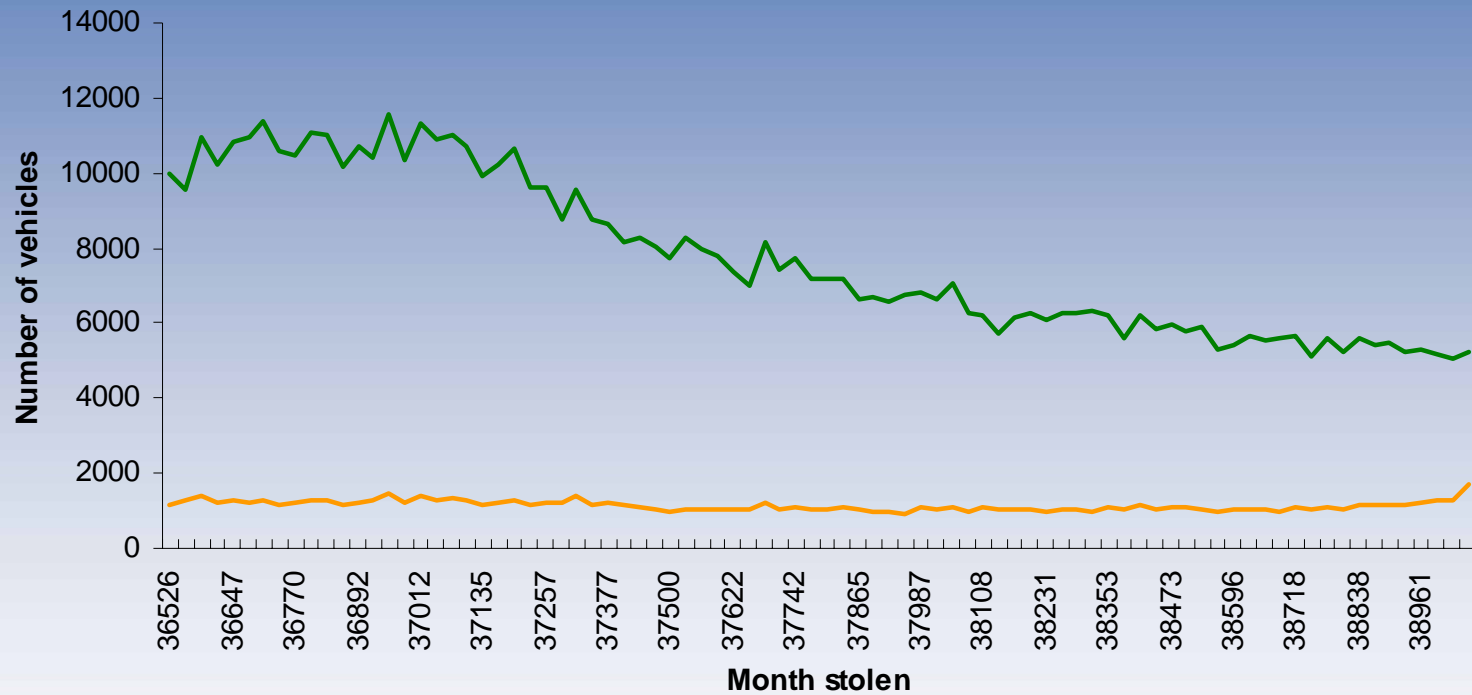


RAY Shuey APM  
Chairman

Promoting professionalism in the auto parts industry.



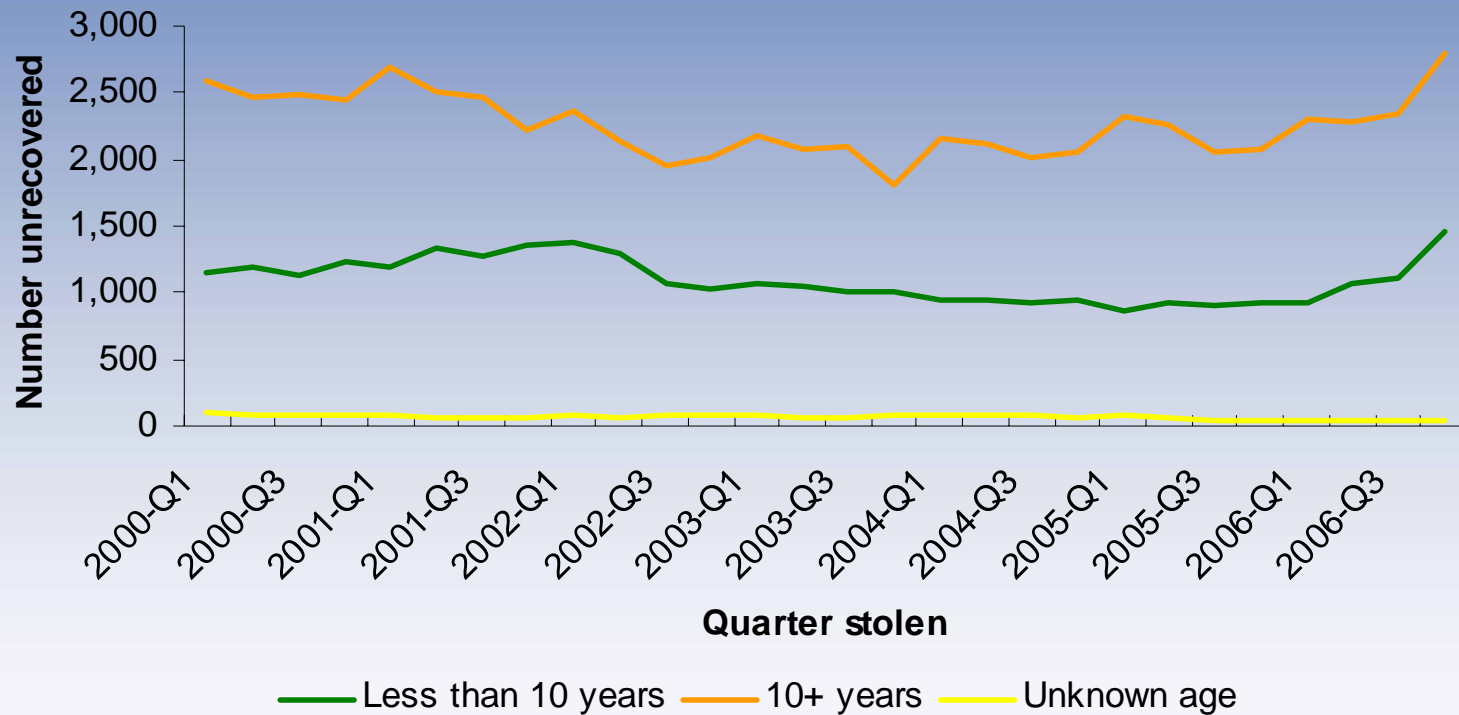
### Passenger/light commercial vehicles stolen and not recovered by month, January 2000 - December 2006



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### Passenger/light commercial vehicles stolen and unrecovered by age category, 2000 - 2006



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# Managing the Vehicle Parts Chain

**NPC:** An independent national association established to administer a code of practice for auto parts recyclers. It is a **VOLUNTARY CODE**.

**Vision:** to eliminate stolen vehicle parts from the industry and ensure that all members adhere to a business standard incorporating a focus of

“traceability of parts”



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# The Problem

- Illicit parts introduced into the supply chain cost the community over \$300 Million per annum
- Criminals are targeting legitimate recyclers to launder significant volumes of stolen parts
- Variation in state legislation and police resources creates opportunities for criminals to actively sell and use stolen parts without detection
- A price driven culture of repair supports and encourages criminal practice



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# How?

- Develop self regulation of the legitimate industry
- To work with a standard within the industry
- To AUDIT that standard
- Supporting and promoting members – add value
- Enhance the professionalism of the industry
- Ensure integrity of the legitimate industry and provide confidence to those who deal with NPC accredited members



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**INSURER  
COMMITMENT  
to support  
Industry  
Standard**

**NATIONAL  
PARTS CODE  
to ensure  
Industry  
compliance to  
Standard**

**ENFORCEMENT  
Strategies must  
have a state,  
national and  
international  
focus**

**COMMON STATE  
LEGISLATION**

**TRACEABILITY OF  
PARTS**

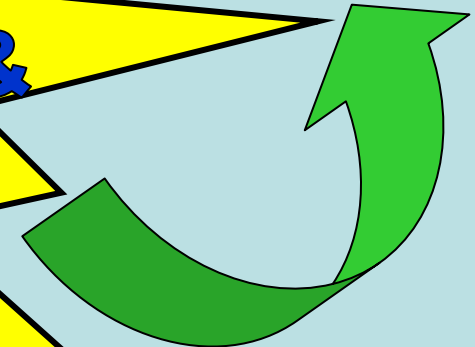
**AUTO  
PARTS  
RECYCLING  
INDUSTRY  
Industry  
Standard**

**Reduced  
opportunities**

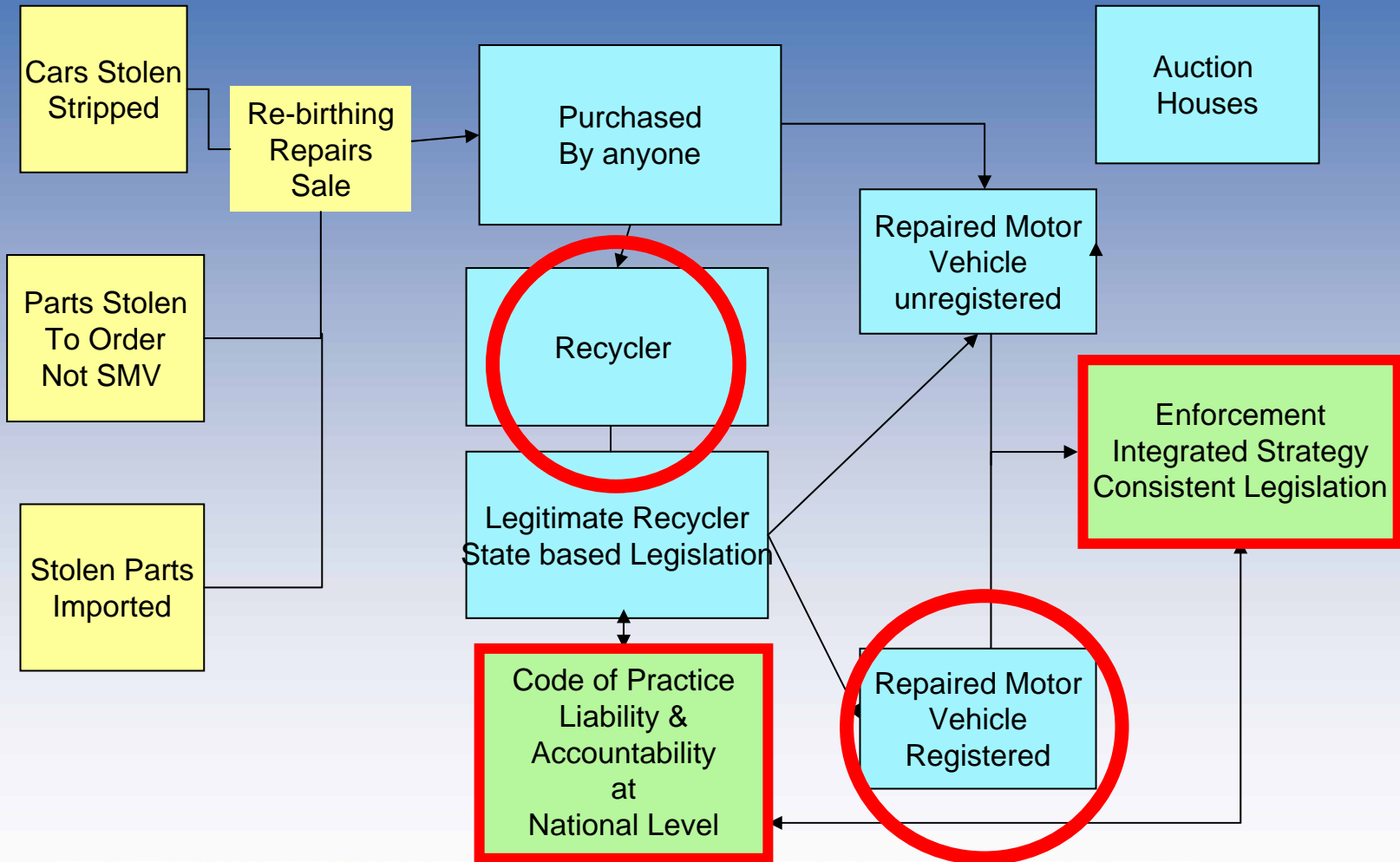
**Industry  
Integrity**

**Reduced car  
thefts**

**Reducing car theft &  
stolen parts**



# Distribution of Stolen Parts



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# Best Practice Business

- Support a voluntary National Parts Code of Practice –
- Support Industry Accreditation
- Are subject to audit by the NPC
- Seek professionalism in the Industry
- Are able to identify and trace parts back to their original source
- Business, legal and ethical accountability



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# Audit

- Developed an audit process, audit function and audit manual
- Appointed retired A/C Trevor Thompson as our Chief Auditor for NPC
- Tested the audit process with real businesses
- Aim to audit about 10% annually
- Achieved an audit of well over 60% in the first few months
- Survey of audit satisfaction – over 95% satisfaction

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# Audit Summary

- Provided direct feedback to the individual businesses
- Many businesses NEVER been visited by any state authority in past two years – some NEVER at all
- Highlighted different state requirements for accountability
- Many businesses of very high management standard



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# Audit Summary (2)

- Lack of consistency of legislation
- Need for more effective support of recyclers by consumers and stakeholders
- National requirement for sharing of best practice and benchmarking within the industry – includes traceability of parts and management practices
- More emphasis of environmental and work-cover issues were included



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These businesses are setting the new standard in auto parts recycling.

*[Faded text from a document or newspaper clipping, likely related to the National Parts Code.]*



**NATIONAL PARTS CODE**  
250001V

sure your car parts are not stolen?

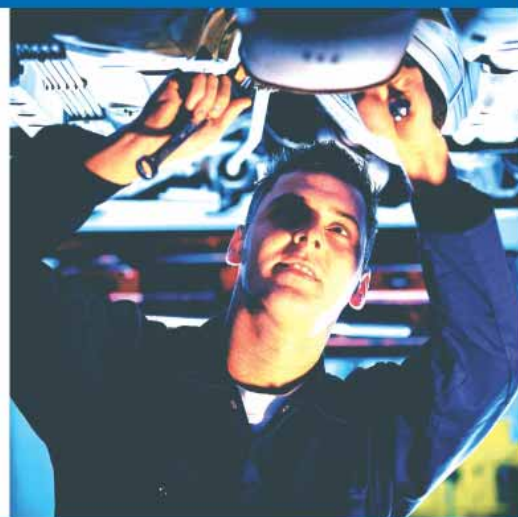


trade in illicit car parts returns 10 million per annum. If you are using stolen parts, it may be illegal and you'll be left without a car.

Many professional auto parts recyclers are participating in the National Parts Code. This further ensures the legitimacy of parts sourced from these suppliers. Please contact us for more information or go to our website for a full list of all participating businesses. Telephone (03) 9840 1002 www.partscode.com.au



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NPC is supported by the National Motor Vehicle Theft Reduction Council, Auto Parts Recyclers' Association of Australia and Motor Trades Association of Australia.

# HAVE YOU JOINED THE CODE OF PRACTICE?

## National Parts Code Update from Nick Koerbin, Director NPC



The Code of Practice for Auto Parts Recyclers was formed when the National Parts Code (NPC) administration was created in late November 2004. At the same time, a letter was sent to over 1700 Auto Parts Recyclers inviting them to join the Code of Practice by being recognised as a participating business. The response has been very positive and by the end of January 2005, over 100 businesses had committed to participating in the Code of Practice.

### Code of practice for motor wreckers

If stolen cars aren't 'reborn' (resprayed and altered so they can be resold with a new identity), they often turn up as spare parts. The National Motor Vehicle Theft Reduction Council, which governments and insurers set up some years ago, has been quite successful at promoting measures to help reduce theft. However around 18,000 cars still 'disappear' each year. To further reduce this statistic, the council has now established a National Parts Code, which seeks to have the car parts recycling industry also known as motor wreckers sign on to agreed ethical practices for sourcing and selling used car parts, essentially ensuring they don't trade in stolen parts.

Soon recyclers will start displaying signs that they are members of the National Parts Code, see right. The sign should be placed on the front of the business you buy from that recycler can be traced back to a stolen car. You can also subscribe to the code, see right. The sign should be placed on the front of the business you buy from that recycler can be traced back to a stolen car. You can also subscribe to the code, see right.

### National Parts Code up and running

The National Parts Code (NPC) is an independent association established to administer the Code of Practice for Auto Parts Recyclers. The NPC is a voluntary Code of Practice for Auto Parts Recyclers. The NPC is a voluntary Code of Practice for Auto Parts Recyclers. The NPC is a voluntary Code of Practice for Auto Parts Recyclers.

### National Parts Code

Vehicle owners can now double check the parts they are buying for their taxi are not stolen.

The National Parts Code is an independent incorporated association established to administer the Code of Practice for Auto Parts Recyclers to reduce the trade in stolen motor vehicle parts.

After extensive consultation with the auto parts recyclers, police services, offices of fair trading and major parts buyers throughout Australia - a voluntary Code of Practice has been established for the industry to reduce the likelihood of participating businesses inadvertently dealing in stolen motor vehicle parts.

It is estimated that the trade in illicit parts already returns criminals more than \$300m per annum.

The Code of Practice is now open for all legitimate businesses involved in the sale of prescribed components from vehicles less than 10 years old. So next time you get the car repaired, check that the repairer has signed up for the Code.

More details available from [www.partscode.com.au](http://www.partscode.com.au).

# Code to stamp out parts theft

## The trade in stolen car parts is big business in Australia. One way to stop it is for recyclers to unite through the use a preventative code of practice.



Code Director Nick Koerbin.

The BUSINESS in stolen parts in Australia now runs at around \$300 million per annum, fuelled by the 28,000 cars that go missing each year and are not recovered.

Since the Writen-off Vehicle Register and other measures like DataDot have made the rebirthing of vehicles more difficult and less rewarding, police, governments and insurers are now facing a potential increase in the trade in stolen parts rather than the dismantling of Australia (AAPRA). That body was established in 1982 and rates its members from one to five stars, depending on the levels of service and presentation achieved. The icing on the top of the AAPRA cake is the Parts Plus group of around 20 recyclers who work in cooperation to categorise and offer the best used parts to the smash repair industry.

Because insurers stand to benefit from the code, adhering to the code is being promoted to the recyclers by the National Motor Vehicle Theft Reduction Council (NMVTRC) through the National Parts Code Committee. The interim Code Director is Nick Koerbin who heads up the day to day operations, including accreditation management and marketing. In signing up for the code, a participating business is expected to:

- Check that vehicles acquired for parts dismantling are only obtained from the person legally entitled to dispose of that vehicle
- Check and record the identity, and source, of vehicles that are obtained for parts.
- Check and record the identity of the person or organisation from whom already-separated used parts are sourced.
- Label prescribed used vehicle parts with a unique identifier when they are dismantled from the original vehicle.
- Not acquire separated vehicle parts from people under 18 years of age.
- Not pay cash when acquiring used parts.
- Include sufficient details on the invoice for a part when it is sold so that it can be traced to its source.
- Give preference to other accredited recyclers if a required part is not in stock.



## your parts with confidence.

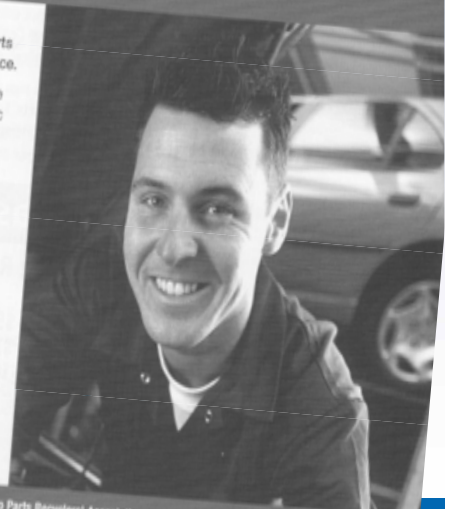
The business of the National Parts Code is to promote professionalism and consumer confidence. Leading auto parts recyclers are invited to participate. They include:

- The Motor Services Association of Australia (MSAA)
- The Australian Motor Vehicle Recyclers Association (AMVRA)
- The Australian Motor Vehicle Recyclers Association (AMVRA)
- The Australian Motor Vehicle Recyclers Association (AMVRA)

There are no joining fees for 2005. Businesses can join by accessing the website at [www.partscode.com.au](http://www.partscode.com.au) or calling (03) 9840 1002.



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# oriental

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- TRIP PREPARATION

### SUPERCHARGE

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## Future Directions – Collaborative

- Police - to develop a national strategy to reduce stolen motor vehicle parts being distributed through the legitimate auto parts recycling Industry
- Work in harmony with all relevant government agencies to reduce or minimise the problems
- Work with APRAA accreditation program to provide an accreditation/audit against an industry determined standard which includes a wider criteria such as environmental issues but still with a focus on traceability of parts – Service Agreements
- Achieve more meaningful support from Insurance companies – Write offs and repairable write offs to certified businesses including on-line salvage



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## PARTS CODE MEMBERS

INCREASE NUMBERS

Tangible Benefits to encourage subscriptions

Enhanced Commercial Opportunities

Preferred Supplier Status

## INSURANCE INDUSTRY

OFFLINE SALVAGE

Tangible Benefits

NPC Preferred Supplier Status

# Integrity

### NPC ROLE

*Administration of the Code*

# Sustainability

*Ensure the Integrity of the Code*

## CONSUMERS

Highlight Risk Issues

Raise Awareness of the brand

Confidence in their car parts

Authorities

# Theft Reduction

Enhance the National Strategy to reduce theft of cars and parts  
Increase support for NPC Code of Practice

Advice on suspected illegal or suspicious activity - broaden the COP Audit.





# Contact or Mailing list

» [www.partscode.com.au](http://www.partscode.com.au)



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