



South Australia Police Scrap Metal Industry Regulation



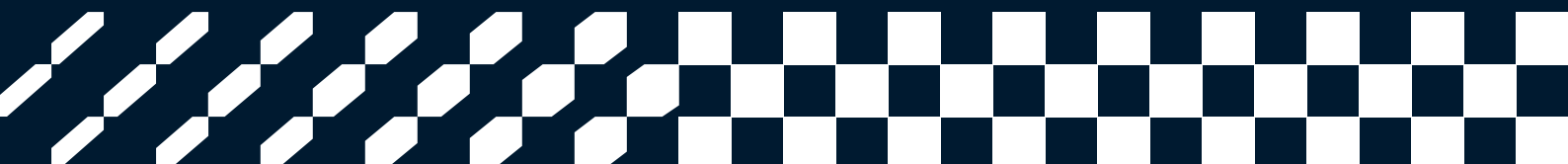
Regulatory Impact Statement



SOUTH AUSTRALIA POLICE
SAFER COMMUNITIES



Government
of South Australia



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Executive summary

South Australia is seeking to implement a standalone Scrap Metal Dealers Act in response to a significant rise in metal theft and illegal activity within the scrap metal industry. The industry has been largely unregulated and undocumented, making it attractive for criminals to anonymously dispose of stolen property.

The scrap metal trade consists of all manner of metal items being sold as scrap to be recycled and either smelted and repurposed within Australia or exported to overseas markets for similar treatment. Scrap metal dealers (SMDs) are able to purchase scrap metal for cash without a state-based requirement to establish a person's identity.

This legislation is intended to prevent recyclable metal commodity theft in South Australia, regulate the activities of SMDs, provide police with visibility over the industry (through SMD registration and record keeping), provide police with appropriate powers to administer and ensure compliance with legislation and not unduly interfere with the business activities and profitability of SMDs.

Problem

The continued theft of scrap metal (recyclable metal commodities) across South Australia is having a significant and ongoing impact on the community. These thefts can cause extensive damage, widespread service interruptions and substantial repair costs.

Data indicates that theft of scrap metal is on the rise, influenced by global commodity prices, severely affecting providers' ability to meet consumer commitments. This type of theft can cost organisations tens of millions of dollars each year in replacement and preventative measures, not including costs related to construction delays and the resources required for repair. These costs are further exacerbated by high levels of under-reporting, as the value of stolen metal per incident is often relatively low and not covered by insurance. Beyond financial loss, scrap metal theft poses serious safety risks, with thieves frequently leaving live wires exposed on construction sites, around homes and in public places.

Currently, there is minimal regulation of the scrap metal industry in South Australia. SMDs are not required to be registered or licensed, making it impossible to determine how many are operating in the state. This lack of oversight also means there is no requirement to verify the source of scrap metal, creating minimal deterrence against theft.

While not an exhaustive list, scrap metal theft affects:

- construction and building industries
- telecommunications and infrastructure providers
- vehicle dismantling businesses
- mining and manufacturing industries
- local government and community organisations
- law enforcement agencies
- insurance providers
- business owners (as victims of theft and service disruptions)
- the general public (as victims of theft and service disruptions).

As the price of copper and other metals increases, without regulation it is anticipated these industries, as well as the general community, will continue to experience the continual cost, disruption and safety risks associated with the theft of metal for rapid and untraceable sale within the scrap metal industry.

Objective

Government intervention is essential to introduce legislation and regulatory requirements that will increase oversight of scrap metal transactions in South Australia. The objective of this regulation is to reduce opportunistic theft of recyclable metal commodities.

The scrap metal industry has been largely unregulated in South Australia, allowing SMDs to operate with minimal oversight, making it attractive to criminals looking to easily dispose of stolen recyclable metal commodities. The introduction of legislation and industry regulation will help deter theft, improve safety and reduce the economic burden on affected industries and communities.

Proposed options

Option One

No regulation of the scrap metal industry (status quo)

This option holds significant risks and costs associated with scrap metal theft within the community. If no legislative change is pursued, this offending is likely to continue to increase in line with cost-of-living pressures and ongoing demand for scrap metal both nationally and internationally.

Option Two

Amend the *Second-Hand Dealers and Pawnbrokers Act 1996* (SHDPA)

While this option would provide a regulatory framework, the number and complexity of required amendments may lead to ambiguity and confusion across both the second-hand dealer (SHD) and scrap metal industries. There is likely to be resistance from the SHD sector, with potential unintended impacts and administrative burdens on businesses.

Option Three

Standalone Scrap Metal Industry Act

This option offers a clear and targeted legislative framework, reducing ambiguity and ensuring effective regulation. It would make the movement and disposal of scrap metal more difficult for offenders, while providing police with enhanced enforcement powers. The Act would minimise disruption to other industries and offer a more tailored approach to addressing scrap metal theft.

Preferred option

Option Three

Standalone legislation is the supported option as it has the advantage of providing targeted regulation of the scrap metal industry. It removes confusion and the need for amended regulations within the SHDPA. The clear definition of scrap metal makes it easy for business and community to determine what constitutes scrap metal and SMDs, whilst providing strong and unambiguous regulation as well as police authorities to assist in removing the ability and ease of disposing stolen scrap metal.

Businesses and individuals carrying on the business of dealing in scrap metal and vehicle dismantlers will be required to register with South Australia Police (SAPOL) to continue carrying on business as a prescribed SMD, pay a once off registration fee, maintain records and transmit information to SAPOL as per the requirements specified in regulations, among other requirements.

Licensed electricians, plumbers, gas fitters, builders and other similar tradespeople, as well as vehicle collision or mechanical repair, auto-electrician and manufacturing businesses, while not required to register to carry on the business of dealing in scrap metal, they will be required to provide information and personal particulars, as specified within the regulations, if dealing in prescribed scrap metal.

Consultation

A three-week public consultation was conducted via the yourSay platform from 4 February to 25 February 2025. A Bill was drafted, influenced by the feedback received. A second round of consultation was held with those who had previously provided feedback, from 17 September until 7 October 2025, and with government agencies between 7 to 16 October 2025. All stakeholders were provided a copy of the draft Bill. The industries, agencies or organisations consulted included the Master Builders Association (MBA), Housing Industry Association (HIA), NSW Police Force, Motor Traders Association (SA/NT) (MTA), Waste and Recycling Industry Association SA (WRISA), SA Power Networks, Recyclers of South Australia, SA Water, Department for Environment and Water, Green Industries South Australia, Department of Primary Industries and Regions, and the Environment Protection Authority (EPA).

Significant amendments were made to the Bill based on consultation received. A final 24-hour consultation period occurred (between 4-5 November) with private and government stakeholders who provided responses during the September/October consultation period.

Implementation, monitoring and review plan

It is anticipated the full implementation of the scheme will occur by 2028. Measures will be explored to potentially commence the regulation in stages, with the majority of the scheme to commence in the latter half of the 2026-27 financial year. Overall success of the regulation will be determined by feedback from stakeholders involved in the consultation process and a statutory review is to occur after the Act has been in operation for a period of one year.

This report will be submitted to the Minister of Police who will cause a copy of the report to be submitted to both houses of parliament.

RIS Report

1. What is the policy problem?

The continued theft of scrap metal – recyclable metal commodities (including copper and catalytic converters) across South Australia is having a significant and ongoing impact on the state. These thefts cause extensive damage, widespread service interruptions and substantial repair costs.

Data indicates that theft of recyclable metal commodities is on the rise, severely affecting providers' ability to meet consumer commitments. This type of theft can cost organisations tens of thousands of dollars per week in replacement and preventative measures, not including costs related to construction delays and the resources required for repair. These costs are further exacerbated by high levels of under-reporting, as the value of stolen metal per incident is often relatively low and not covered by insurance. Beyond financial loss, scrap metal theft poses serious safety risks, with thieves frequently leaving live wires exposed on construction sites, around homes and in public places.

In 2024, residential properties became a major target for copper theft, with 674 reports between June and September involving copper piping, wire and cabling. Consultation with the Master Builders Association and the Housing Industry Association (HIA) estimates the cost of metal theft to be \$70 million annually.

Significant impacts have been recorded in metropolitan areas, such as the July 2023 disruption to the Adelaide Metropolitan Train Network. The theft of a small piece of copper cabling valued at \$2,000 triggered a safety mode response, causing major delays during morning peak hours.

During the 2021-22 and 2022-23 financial years, 835 catalytic converter thefts were reported in South Australia. Most incidents involved vehicles parked in public places. These converters are targeted for the high-value precious metals they contain, including palladium, platinum and rhodium.

Currently, there is no regulation of the scrap metal industry in South Australia. While the Australian Tax Office (ATO) requires SMDs to record various details of customers and transactions for tax purposes, SMDs are not required to be registered or provide transaction data to SAPOL, making it impossible to trace where stolen metal items are potentially disposed of by offenders. This lack of oversight, ability to trace transactions and the use of cash payment for transactions also means there is no requirement to identify the customer in many situations or verify the source of scrap metal, creating minimal deterrence against theft.

As the price of copper and other metals increases, without regulation, it is anticipated the housing and construction, telecommunications, public utility industries as well as the general community will continue to experience the continual cost, disruption and safety risk associated with the theft of metal for rapid and untraceable sale within the scrap metal industry.

2. Why is government action needed?

The theft of recyclable metal commodities has a significant economic impact on the South Australian community. While the metal itself may be of low value, under-reporting is common due to insurance costs often exceeding the cost of repairs. The full economic impact – including labour, service disruptions, environmental clean-up and safety hazards – is rarely recorded. In cases involving public transport infrastructure, such as copper theft, the ripple effects of disruption are difficult to quantify.

Evidence shows that individuals committing these thefts are risking their lives by cutting live wires, which also endangers tradespeople and members of the community who may later come into contact with exposed wiring.

The absence of legislation and regulation in the scrap metal industry has made it an easy target for theft. Currently, there is no requirement for dealers or sellers to verify the origin of scrap metal, and transactions are often anonymous and cash based. These conditions enable the types of disruptive incidents outlined above.

Government intervention is essential to introduce legislation and regulatory requirements that will increase oversight of scrap metal transactions in South Australia. The objective of this regulation is to reduce opportunistic theft of recyclable metal commodities. The scrap metal industry has been largely unregulated in South Australia, allowing SMDs to operate with minimal oversight, making it attractive to criminals looking to easily dispose of stolen recyclable metal commodities. The introduction of legislation and industry regulation will help deter theft, improve safety and reduce the economic burden on affected industries and communities.

3. What policy options are to be considered?

Option One: No regulation of the scrap metal industry (status quo)

This option holds the significant risks and costs associated with scrap metal theft within the community. If no legislative change is pursued, this offending is likely to continue to increase in line with cost-of-living pressures and ongoing demand for scrap metal both nationally and internationally. Community safety risks will persist, particularly for individuals targeting live wires. Residents and builders will continue to bear the financial burden of this theft.

Option Two: Amend the *Second-Hand Dealers and Pawnbrokers Act 1996* (SHDPA)

While this option would provide a regulatory framework, the number and complexity of required amendments may lead to ambiguity and confusion across both the SHD and scrap metal industries. There is likely to be resistance from the SHD sector, with potential unintended impacts and administrative burdens on businesses.

Amendment of the SHDPA would achieve improved regulation of the scrap metal industry; however, the required amendments would be significant in order to ensure the SHDPA was fit for the purpose of regulating the scrap metal industry.

The below key amendments are proposed:

- a) A requirement for scrap metal businesses to register with SAPOL to ensure appropriate licensing, probity and the ability to apply the regulations.
- b) Review and potential amendment of the definition of a SHD, to ensure all persons and businesses are captured, as the current definition may leave scope for smaller SMDs to remain outside of the regulation.
- c) The appropriate definition of what constitutes scrap metal and how this is defined as a prescribed good.
- d) The power for short and long-term closure orders to be issued by police, in order to address identified breaches and offending.
- e) The specification of appropriate penalties, including expiation, for non-compliance with the Act and regulations.
- f) The requirement for prescribed identification to be obtained from the seller for each transaction where a dealer purchases scrap metal. Whilst the current regulations require SHD to obtain identification from sellers, there is no requirement for 100 points of identification.
- g) The requirement for records in a prescribed format to be maintained for prescribed transactions, including the requirement for these records to be maintained electronically and uploaded to an appropriate platform. Currently the SHDPA requires businesses to maintain transaction records at each business site, however these can be either electronic or hard copy and there is no requirement for these records to be uploaded for tracking.
- h) An obligation for SMDs to retain suspected stolen scrap and to notify police of this.
- i) The prohibition of cash transactions for scrap metal, with the exception of aluminium cans, in line with the 10-cent recycling scheme.
- j) Review and potential amendment of the defined period for which SHDs must retain prescribed goods they have purchased.
- k) The removal of the requirement for scrap metal to be labelled and uniquely identified when purchased by the SMD.

Option Two continued

The following table provides a breakdown of potential advantages and disadvantages identified in relation to the proposed amendments.

PROPOSED AMENDMENT	ADVANTAGE	DISADVANTAGE
Requirement for business registration	Existing processes utilised for the registration of a SHD could be adapted/used to register SMDs.	Businesses currently operating as a SMD are not required to register and may view this as an impost. The current definition of a SHD may not apply to all persons/ businesses dealing in scrap metal.
Updated definition of a SHD	Amendment of the definition would capture the majority of businesses operating as either a SMD or SHD.	Amendment of the definition may create unnecessary confusion for industry, the community and potential new businesses.
Definition of scrap metal	A broad definition will provide a better understanding by industry and community of what constitutes scrap metal.	Given the wide variety of materials which are bought and obtained for the purpose of recycling the metal contained within them, defining scrap metal as a second-hand good within the SHDPA will create ambiguity as to the processes/regulations required to be complied with regarding scrap metal sales.
Short and long-term closure orders	The authority for the Commissioner to disqualify a person or body corporate from carrying on a SHD business currently exists within the SHDPA. It is likely that only a minor amendment would be required to clarify the authority to issue short and long-term closure orders, along with disqualification orders for SMDs.	Nil identified.
Specification of penalties	The SHDPA currently prescribes fines and expiation fees regarding breaches of the Regulations, with the maximum permissible fine being \$2,500 and the maximum permissible expiation fee is \$250.	The relatively low cost of current penalties will not provide an appropriate disincentive to some operators within the industry. Increased penalties applied across the SHD industry are likely to meet resistance.

Option Two continued

PROPOSED AMENDMENT	ADVANTAGE	DISADVANTAGE
Requirement for 100 points of identification	SHDs already obtain identification from sellers when purchasing prescribed goods. Ensures viable lines of enquiry are available for police to investigate and identify suspects.	Photographic identification is not mandatory under the current SHD regulations. This amendment is likely to meet resistance from both the SHD industry and the broader community.
Prescribed transaction records	Provides a centralised IT based enforcement solution. Increases intelligence and analytical capabilities for police. Ensures all business records are recorded in a prescribed format. Improves resource capability for SAPOL.	Potential cost imposed on industry to purchase required IT program(s). Industry may view this as administratively burdensome, impacting FTE and the cost of doing business.
Retention of stolen scrap	Allows police the ability to stop scrap metal from being disposed of prior to any investigation commencing.	Industry may view this as unviable due to lack of physical holding capacity. Industry concerns regarding increased costs through reduced turnover of materials and increased potential real estate costs.
Prohibition of cash transactions	Provides clear lines of investigation in relation to the sale and disposal of scrap metal.	Industry may be opposed to moving away from cash transactions. Potential cost to industry and community to facilitate EFTPOS capability.
Review of defined period of retention for prescribed goods (scrap metal)	Reduced impost on industry through the removal of the need for prolonged retention of materials and the required space needed for this.	Reduces the ability for police to stop scrap metal from being disposed of prior to any investigation commencing.
Removal of the requirement to label scrap metal	This will allow industry to maintain a streamlined process in receiving and processing scrap metal.	Reduced ability to identify stolen scrap metal. May create ambiguity within the SHD industry when delineating between the purchase of scrap metal or prescribed goods.

Option Three: Standalone Scrap Metal Industry Act

This option offers a clear and targeted legislative framework, reducing ambiguity and ensuring effective regulation. It would make the movement and disposal of scrap metal more difficult for offenders, while providing police with enhanced enforcement powers. The Act would minimise disruption to other industries and offer a more tailored approach to addressing recyclable metal commodity theft.

Preparation of a Bill for a new principal Act, namely the Scrap Metal Dealers Act, to make the movement and disposal of scrap metal substantially more difficult whilst providing improved investigative measures, enforcement and policing powers. This new Act would provide regulation of the SMD industry, independent of the SHD industry, with a sole crime prevention focus on the theft of copper and other metal items. The creation of this Act would remove any ambiguity over the roles and responsibilities of SMDs compared to SHDs, providing a clear definition of scrap metal and targeted prescribed goods as well as accommodating industry appropriate expiation fees to encourage compliance.

In creating new legislation, the Act would be removed from the SHDPA and provide clear regulation of those persons and businesses that carry on the buying and selling of scrap metal. There would be minimal interference with pawnbroker and second-hand dealing businesses through a targeted focus on the scrap metal industry and dealers.

In order to alleviate concerns surrounding the implementation of a new Act in this area, it is suggested that existing SMDs be recognised as continuing SMDs, with a window for the completion of registration, accompanied by an education phase, to allow for businesses to become accustomed to the changes and address any probity issues before the commencement of portions of the Act. This approach has been used effectively within other jurisdictions.

The following table provides a breakdown of potential advantages and disadvantages identified in relation to this option.

PROPOSED AMENDMENT	ADVANTAGE	DISADVANTAGE
Requirement for business registration	Eliminates dishonest operators from the scrap metal industry. Enables SAPOL greater ability to enforce legislation and conduct investigation.	Businesses which qualify as a SHD and SMD will be required to register twice under both regulatory schemes.
Definition of scrap metal	Specific and clear definitions can be provided in a standalone Act, supported by additional information within the regulations. Definition of prescribed scrap metal can easily be updated annually within the regulations.	Nil identified.

Option Three continued

PROPOSED AMENDMENT	ADVANTAGE	DISADVANTAGE
Disqualification	Enables the reduction of dishonest operators within the scrap metal industry, enables SAPOL to enforce regulation and assists restoration of competitive advantage	Non-compliant businesses will not be able to accept or trade in prescribed scrap metal if issued an interim disqualification or disqualification notice.
Specification of penalties	Penalties can be specifically set and amended to reflect the seriousness of offending and can reflect similar interstate penalties to achieve further national legislative harmonisation.	Non-compliant SMD likely to experience reduced profit due to expiation.
Requirement for 100 points of identification	<p>A practice already in place at many SMDs due to ATO requirements. Customers and industry already engaging.</p> <p>Ensures viable lines of enquiry are available for police to investigate and identify suspects.</p>	Nil identified.
Prescribed transaction records	<p>Provides a centralised IT based enforcement solution. Increases intelligence and analytical capabilities for police. Ensures all business records are recorded in a prescribed format.</p> <p>Improves resource capability for SAPOL. No additional software is required. SMDs only require internet access and a suitable device (i.e. desktop computer or laptop).</p>	Industry may view as administratively burdensome, impacting FTE and the cost of doing business.
Report and retention of stolen scrap	Enables police additional avenues of notification of potential theft and illegal activity. Allows police the ability to stop scrap metal from being disposed of prior to any investigation commencing.	<p>Industry may view this as unviable due to lack of physical holding capacity.</p> <p>Industry concerns regarding increased costs through reduced turnover of materials and increased potential real estate costs.</p>

Option Three continued

PROPOSED AMENDMENT	ADVANTAGE	DISADVANTAGE
Prohibition of cash transactions	Provides clear lines of investigation in relation to the sale and disposal of scrap metal.	Industry may be opposed to moving away from cash transactions. Potential cost to industry and community to facilitate EFTPOS capability.
Prohibition on advertising cash transactions	Eliminates false advertising and supports prohibition of cash transactions for specific items. Enables some SMDs to refresh and update their brand and advertising.	Some SMDs will incur costs to amend some signage, advertising and marketing material.
Review of decisions	Enables SMDs avenues of redress if decisions by the Commissioner of Police are considered unfair or unwarranted.	SMDs will likely experience levels of inconvenience and expense to undertake the review process.

Standalone legislation is the supported option as it has the advantage of providing targeted regulation of the scrap metal industry. It removes confusion and the need for amended regulations within the SHDPA. The clear definition of scrap metal makes it easy for business and the community to determine what constitutes scrap metal and SMDs, whilst providing strong and unambiguous regulation and police authorities to assist in removing the ability and ease of disposing of stolen scrap metal.

The theft of recyclable metal commodities is a specific issue and a clear targeted, crime prevention approach through standalone legislation is proposed. This is the recommended option.

4. What is the likely net benefit of each option?

Option One: No regulation of the scrap metal industry (status quo)

If no legislative change is pursued, scrap metal theft is likely to continue to increase in line with commodity prices, cost-of-living pressures and ongoing demand for scrap metal both nationally and internationally due to electrification and renewable energy transition. This option holds significant risk and increased cost associated with scrap metal theft within the community.

By maintaining the status quo, transactions will not be traceable, offenders and SMDs will not be held accountable and police and/or authorised officers will not receive specific search, seizure or investigative powers, as applicable. Community safety risks will persist, particularly for individuals targeting live wires, and residents and builders will continue to bear the financial burden of theft. As such, this option is not recommended.

Option Two: Amend the *Second-Hand Dealers and Pawnbrokers Act 1996* (SHDPA)

SAPOL does not recommend this option because the number of amendments required to the SHDPA, and associated regulations, is likely to create complexity and ambiguity in both the SHD and the scrap metal industries, impacting ongoing business within each sector.

There is likely to be significant concern and resistance within the SHD industry, with a high likelihood of unintended and unrequired impact and impost on businesses who, on the whole, comply with the existing Act and regulations. The theft of metal is a specific issue and a clear, targeted, crime prevention approach, with appropriate levels of expiation, through standalone legislation is expected to provide specificity and clarity to both industry and the community alike. Therefore, this option is not recommended.

Option Three: Standalone Scrap Metal Industry Act

This option offers a clear and targeted legislative framework, reducing ambiguity and ensuring effective regulation. It would make illegal activity around the movement and disposal of recyclable metal commodities more difficult, while providing police and authorised officers with enhanced enforcement powers. The Act would minimise disruption to other industries and offer a more tailored approach to addressing scrap metal theft.

Preparation of a Bill for a new principal Act, namely the Scrap Metal Dealers Act, would make the movement and disposal of scrap metal substantially more difficult whilst providing improved investigative measures and policing powers. While those in the construction and housing, manufacturing and mining as well as the telecommunications and public utility industries will be impacted through increased regulation and introduction of crime prevention strategies,

it is acknowledged that SMDs (including mobile operators) and vehicle dismantling businesses will experience the highest level of administrative and financial impact by the introduction of new legislation. Through the drafting and consultation processes SAPOL ensured the administrative burden and any cost recovery required to regulate the industry administratively would be kept at a minimum as far as practically possible.

5. Who has been consulted and how was their feedback incorporated?

Consultation process

A three-week public consultation was conducted via the yourSay platform from 4 February to 25 February 2025.

Feedback was sought on a discussion paper detailing the proposed regulatory concept, with submissions accepted via email to SAPOL's Licensing Enforcement Branch. Late submissions were accepted upon request. Approximately 30 responses were received from private external stakeholders.

A Bill was drafted, influenced by the feedback received. A second round of consultation was held with those who had previously provided feedback, from 17 September until 7 October 2025 and with government agencies between 7 to 16 October 2025. All stakeholders were provided a copy of the draft Bill. The industries, agencies or organisations consulted included the Master Builders Association (MBA), Housing Industry Association (HIA), NSW Police Force, Motor Traders Association (SA/NT) (MTA), Waste and Recycling Industry Association SA (WRISA), SA Power Networks, Recyclers of South Australia, SA Water, Department for Environment and Water, Green Industries South Australia, Department of Primary Industries and Regions, and the Environment Protection Authority (EPA).

Significant amendments were made to the Bill based on consultation received. A final 24-hour consultation period occurred (between 4-5 November) with these private and government stakeholders who provided responses during the September/October consultation period.

The Bill was tabled to Cabinet on Monday, 10 November 2025.

Through the course of developing the regulations, SAPOL will conduct further targeted consultation with the housing and construction, waste and recycling and the manufacturing industries.

Feedback and incorporation

SAPOL received 19 submissions in total from the September/October 2025 feedback. Whilst the feedback was mostly supportive of the regulation of the scrap metal industries, issues were raised regarding the:

- proposed licensing fees
- definitions of 'scrap metal' and 'scrap metal dealer'
- format of payment.

The removal of licensing fees was raised by external private stakeholders and the EPA, regarding concern of businesses closing due to unprofitability, especially in rural and remote areas. The EPA also indicated that the closure of businesses may result in increased illegal dumping and more items ending up in landfill.

It is acknowledged that there may be a minor reduction in competition within the scrap metal industry, particularly if smaller businesses experience financial pressure due to the proposed registration fee. This fee is intended to cover the administrative costs associated with SAPOL administering the scheme including probity checks and when a dealer advises they are trading or provides updated business information. Instead of charging an initially proposed \$450 every three years for the maintenance of a licensing scheme, SAPOL amended the scheme to reflect a once-off notification fee, of approximately \$200, to cover initial probity and ongoing administrative requirements to maintain the scheme. It is anticipated this payment will be required every time a prescribed scrap metal business changes ownership/director. The proposed fee is low and, given that there will be no recurring application fees for licence renewal, it addresses concerns raised by stakeholders. Through this change it is not anticipated that many businesses, if any, will be adversely affected.

Private stakeholders and government organisations indicated that the definitions of 'scrap metal' and 'scrap metal dealer' were too broad, resulting in multiple transactions being recorded for each item, too many businesses being captured and required to register as SMDs and increased administrative impacts on SMDs to record and provide transaction data to SAPOL.

The previous definitions applied to any item containing metal and potentially included local councils, SA government agencies (e.g. SA Water), electricians, plumbers, gas companies and automotive, mining and manufacturing industries as prescribed SMDs. The definitions were narrowed to identify the particular metals and items targeted and those businesses which primarily deal with those items.

With the intent to target dishonest individuals converting stolen metal into cash or equivalent value, and not to regulate legitimate commercial recycling, it is intended to limit the scrap metal scheme to initial transactions between relevant sellers and SMDs. The prohibition on certain forms of payment for prescribed scrap metal was reflected in the amended Bill.

Sims Metal and the MTA articulated concerns regarding motor vehicle wreckers and motor vehicle recyclers being able to trade in cash and cheque for vehicles under the *Second-hand Vehicle Dealers Act 1995* (SA) because they are not classified as SMDs.

In consideration of the feedback received, SAPOL redrafted the Bill addressing the above issues raised. Some of the amendments will be further clarified in regulations when drafted.

6. What is the best option from those considered?

Standalone legislation is the preferred option as it has the advantage of providing targeted regulation of the scrap metal industry. It removes confusion and the need for amended regulations within the SHDPA as the number of changes required to this Act and regulations is likely to create complexity and ambiguity in both the SHD and the scrap metal industries, impacting ongoing business within the sector. A clear definition of scrap metal makes it easy for business and community to determine what constitutes scrap metal and SMDs, whilst providing strong and unambiguous regulation and police authorities to assist in reducing the ability and ease of disposing stolen prescribed scrap metal.

Stakeholders anticipated to be affected by the introduction of a standalone Act include businesses and individuals carrying on the business of dealing in scrap metal, vehicle dismantlers, licensed electricians, plumbers, gas fitters, builders and other similar tradespeople as well as people operating vehicle collision or mechanical repair, auto electrical as well as manufacturing businesses. Businesses and individuals carrying on the business of dealing in scrap metal and vehicle dismantlers will be required to register with SAPOL to continue carrying on business as a prescribed SMD, pay a registration fee, maintain records and transmit information to SAPOL as specified in regulations, among other requirements. Licensed electricians, plumbers, gas fitters, builders and other similar tradespeople, as well as people operating vehicle collision or mechanical repair, auto electrical and manufacturing businesses, while not required to register to carry on the business of dealing in scrap metal, they will be required to provide information and personal particulars, as specified within the regulations, if dealing in prescribed scrap metal.

While it is acknowledged individuals and businesses involved in carrying on the business of prescribed scrap metal dealing will be the most affected, avenues will be explored to ensure the regulatory approach has the minimal amount of impact on these individuals and businesses as possible. Standalone scrap metal legislation is deemed to provide the greatest net benefit to the entire community of South Australia as it is expected to reduce the opportunistic theft of prescribed metal items as well as the cost and financial impact on tradespeople, the housing and construction industry, small business owners and the general community.

The theft of scrap metal is a specific issue and a clear, targeted, crime prevention approach, through standalone legislation, is proposed.

7. How will the chosen option be implemented and evaluated?

SAPOL has adopted the development of the Digital Police Station (DPS) platform as part of the agency's strategic approach to policing. The DPS platform has secured funding within the 2024-25 State Budget process. The DPS will allow for a public portal enabling the public or business to digitally undertake transactions with SAPOL. This is a reusable delivery platform which can be utilised to support multiple applications such as a scrap metal industry registration and transaction process. As the DPS will primarily facilitate the registration and reporting requirements of the scrap metal regulation, full implementation of the scheme is reliant on its timely availability.

It is anticipated the full implementation of the scheme will occur by 2028. Measures will be explored to potentially commence the regulation in stages, with majority of the scheme to commence in the latter half of the 2026-27 financial year.

As has been experienced in other jurisdictions, NSW among them, it is anticipated rates of prescribed scrap metal theft reporting will increase due to the introduction of regulation of the industry and subsequent increased public awareness. Therefore, the overall success of the regulation will be determined by feedback from stakeholders involved in the consultation process.

A statutory review is to occur after the Act has been in operation for a period of one year. This report will be submitted to the Minister of Police who will cause a copy of the report to be submitted to both houses of parliament.

