

Scrap Metal Industry Frequently Asked Questions



WHAT IS SCRAP METAL?

Under the *Scrap Metal Industry Act 2016* (the Act), scrap metal is any object of commercial value that is:

- made from or contains metal, and
- sold or obtained as scrap for recycling or reprocessing of the metal.

Aluminium cans are scrap metal.

WHAT IS A SCRAP METAL DEALER?

A **scrap metal dealer** is a person who carries on a business of dealing in scrap metal, whether or not the business is registered under the Act. Dealing in scrap metal includes buying, receiving, and obtaining scrap metal.

Buy includes to:

- buy under an agreement to sell
- receive under an agreement to sell
- accept under an agreement to sell
- offer to receive or accept under an agreement to sell
- cause or allow to be received or accepted under an agreement to sell.

WHO ADMINISTERS THE SCRAP METAL INDUSTRY LEGISLATION?

The NSW Police Force administers and enforces the Act and the *Scrap Metal Industry Regulation 2024* (the Regulation).

Police officers are authorised to enter any premises, at any reasonable time, where:

- a business of dealing in scrap metal is being carried on, or
- they reasonably believe such a business is being carried on.

To determine whether there has been compliance with the Act, police officers, may on entry:

- examine, copy and take away documents
- take photographs, film, audio, video and other recordings they consider necessary
- require any person to produce documents
- require any person to answer questions relating to any document or other matter.

Police officers may also apply for a search warrant to enter any premises to determine whether there has been compliance with the Act.

The Security Licensing & Enforcement Directorate (SLED) within the NSW Police Force, is responsible for registering businesses dealing in scrap metal.

DOES A SCRAP METAL BUSINESS NEED TO BE REGISTERED?

Yes. A person must not carry on a business of dealing in scrap metal unless the business is registered under the Act.

There is a presumption under law that a person who deals in scrap metal on more than six days in a 12 month-period is carrying on a business of dealing in scrap metal and must be registered under the Act.

A scrap metal business can be carried on from any location, whether or not a scrap metal yard, including from a motor vehicle or residential premises.

The maximum penalty for carrying on a business of dealing in scrap metal without that business being registered is 500 penalty units (\$55,000 fine).

HOW DO I REGISTER MY SCRAP METAL BUSINESS?

SLED is responsible for registering scrap metal businesses. To register, the scrap metal dealer carrying on the business must:

1. Download Form P1159 Registration as a Business Dealing In Scrap Metal from the NSW Police Force website at www.police.nsw.gov.au/online_services/scrap_metal_industry
2. Complete the form, including payment details (credit card only).
3. Require each of the following persons to download and provide to you a separate P1263 Additional Registration Information and Consent form with certified copies of two acceptable identification documents for each person:
 - the manager of each scrap metal yard used by the business, and
 - if the business is to be carried on by a corporation, each officer of the corporation, or
 - if the business is to be carried on in partnership, each partner.

Note: Persons carrying on the business as an individual must provide with the P1159 form certified copies of two forms of acceptable identification documents.

4. Mail the P1159 Registration as a Business Dealing In Scrap Metal form, and each P1263 Additional Registration Information and Consent form with certified copies of two acceptable identification documents for each person, to:

Security Licensing & Enforcement Directorate
NSW Police Force
Locked Bag 5099
PARRAMATTA NSW 2124

WHAT ARE ACCEPTABLE IDENTIFICATION DOCUMENTS FOR REGISTRATION PURPOSES?

If required to provide identification documents for registration purposes, the person must provide certified copies of two (2) documents from the following list, **one of which must contain their photograph.**

Documents must not be expired (other than an Australian passport that has been expired for less than 2 years), or cancelled.

Note: If the name on any document is different to the person's current name, they must also provide certified copies of acceptable change of name documents.

- Australian Passport clearly showing their name, date of birth, photograph, passport number and expiry date (may be expired within last 2 years)
- Australian Birth Certificate (not an extract)
- Australian Citizenship Certificate (front and back page)
- Australian Driver Licence
- Australian Marriage Certificate
- Document that can be used as evidence of immigration status (e.g. Immicard)
- Medicare Card
- Pensioner Concession Card
- Senior's Health Card
- Health Care Card
- Australian Certificate of Registration by Descent
- Immigration Card (Immicard)
- Health Care Card
- Foreign Passport clearly showing their name, date of birth, photograph, passport number, expiry date and country of issue
- A Veteran Card (e.g. Veteran Gold Card, a Veteran White Card or a Veteran Orange Card)
- Australian Proof of Age Card
- Aviation Security Identification Card
- Maritime Security Identification Card.

WHAT SHOULD I DO IF I SUSPECT SCRAP METAL BEING PRESENTED FOR SALE IS STOLEN OR UNLAWFULLY OBTAINED?

Scrap metal dealers are required to report suspicious transactions to a police officer. Reports may be made to the nearest police station or to Crime Stoppers. Disposing of suspected stolen scrap metal is a serious offence.

CAN I PAY OR ADVERTISE CASH PAYMENTS FOR SCRAP METAL?

No. Scrap metal dealers must not pay for scrap metal using cash, by cheques payable to cash or in kind with goods or services. They are also prohibited from advertising that they will pay for scrap metal using cash, cheques payable to cash or in kind with goods or services.

ARE THERE PENALTIES FOR BREACHES OF SCRAP METAL INDUSTRY LEGISLATION?

Yes. Significant penalties apply for not complying with the Act and Regulation including:

- carrying on a business of dealing in scrap metal while the business is not registered
- not notifying changes to the business' registration information
- providing false or misleading information
- failing to maintain appropriate transaction and other records
- buying a motor vehicle as scrap metal if the unique identifier for the vehicle has been removed, obliterated, defaced or altered
- failing to inform a police officer of a suspicion that scrap metal in the dealer's possession or sold to the dealer may have been stolen or unlawfully obtained
- advertising that the dealer will pay for scrap metal with cash, by cheque payable to cash, or in kind with goods or services
- failing to display a certificate of registration
- hindering or obstructing a police officer
- not complying with orders made by a police officer under the Act
- paying for scrap metal with cash, by cheque payable to cash, or in kind with goods or services
- carrying on a business of dealing in scrap metal while a closure order is in force.

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WHAT IS A CLOSURE ORDER?

All police officers of or above the rank of Inspector may make an order that specified premises be closed for a period of 72 hours:

- if satisfied an unregistered scrap metal business is being carried on at the premises, or
- if they reasonably suspect a serious criminal offence is being committed at the premises.

The Local Court may order that a premises be closed for such time as the Court considers necessary if satisfied:

- an unregistered scrap metal business is being carried on at the premises, or
- there have been, or there are likely to be, serious criminal offences committed at, or in connection with the premises
- there has been repeated non-compliance at or in connection with the premises.

Repeated non-compliance means the commission of six or more of the following in a 12-month period:

- an offence against the Act or Regulation,
- an alleged offence against the Act or Regulation for which a penalty notice is issued.

CAN REGISTRATION OF A SCRAP METAL BUSINESS BE TRANSFERRED TO ANOTHER INDIVIDUAL, PARTNERSHIP OR CORPORATION?

No. Registration of a scrap metal business cannot be transferred to another person.

If a registered scrap metal business is sold to an individual, partnership or corporation that holds a different ABN, the scrap metal dealer carrying on the new business must apply for registration of that business under the *Scrap Metal Industry Act 2016*.

A change to a registered business name or the ABN holder's name is only permitted if the ABN for the registered scrap metal business does not change.

WILL THERE BE A PUBLIC RECORD OF ANY LEGISLATIVE BREACHES?

A contraventions register that lists convictions for offences against the Act or Regulation, and penalty notices issued for alleged offences against the Act or Regulation, will be published on the SLED website and may include:

- identifying information about a person or business

convicted of an offence or issued a penalty notice

- a scrap metal business' registration details
- the location of an offence or alleged offence
- other particulars considered appropriate.

DO I NEED TO NOTIFY CHANGES TO MY REGISTERED SCRAP METAL BUSINESS?

Yes. Scrap metal dealers **MUST** notify SLED within 14 days of any change to the registration information of the business using the P1173 Notification of Changes to Registration Information / Replace Certificate of Registration form. This includes changes to:

- registered business names and/or the ABN holder's name (only permitted if the ABN for the registered scrap metal business does not change)
- a corporation's business addresses and officers of the corporation
- locations where the scrap metal business is carried on, including each scrap metal yard and other premises
- the registration details of each motor vehicle used to carry on the business
- managers of scrap metal yards
- whether licences are, or remain to be, held under the *Motor Dealers and Repairers Act 2013* or the *Tow Truck Industry Act 1998*.

If notifying a change to a partner of a partnership, an officer of a corporation or a manager of a scrap metal yard, the scrap metal dealer must provide with the P1173 Notification of Changes to Registration Information / Replace Certificate of Registration form, a separate P1263 Additional Registration Information and Consent form completed by the person with certified copies of two acceptable identification documents for that person.

A \$65 fee is payable if a new a certificate of registration is required to be issued.

HOW DO I NOTIFY CHANGES TO MY BUSINESS' REGISTRATION INFORMATION OR OBTAIN A REPLACEMENT CERTIFICATE OF REGISTRATION?

The scrap metal dealer must:

1. Download the P1173 Notification of Changes to Registration Information / Replace Certificate of Registration form from the NSW Police Force website at http://www.police.nsw.gov.au/online_services/scrap_metal_industry

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2. Complete the form, including payment details (credit card only).
3. Mail the P1173 Notification of Changes to Registration Information / Replace Certificate of Registration form, all required information, forms and documents (including any required P1263 Additional Registration Information and Consent forms and acceptable identification documents) to:

Security Licensing & Enforcement Directorate
NSW Police Force
Locked Bag 5099
PARRAMATTA NSW 2124

WHERE CAN I FIND MORE INFORMATION?

The information provided in this Fact Sheet is for general guidance only. Applicants and scrap metal dealers should familiarise themselves with the *Scrap Metal Industry Act 2016* and the *Scrap Metal Industry Regulation 2024*, which are available on the NSW Legislation website (www.legislation.nsw.gov.au).