

Copper and Scrap Metal Theft

Discussion Paper

February 2025



Government of
South Australia

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Introduction

The South Australian Government is committed to addressing the issue of copper and other scrap metal theft in South Australia. In line with this, the Government is considering potential reform to the state's laws, aiming to prevent and reduce this type of theft.

This discussion paper sets out options to better respond to instances of copper and scrap metal theft, and to disrupt the disposal of stolen metal.

A brief outline is provided as to the status of the scrap metal dealer industry within South Australia - including the prevalent issue of scrap metal theft, alongside suggestions for legislative change.

It is intended to encourage the community and industry stakeholders to comment on proposals for reform, and to provide information that will assist the Government to formulate an effective and workable law.

How to Make a Submission

Submissions in response to the proposal in this discussion paper can be made online until Monday 24 February 2025. Interested individuals and organisations can make a submission (confidentially if preferred) online via YourSAy.sa.gov.au, or by email to SAPOL.LicensingEnforcementBranch@police.sa.gov.au.

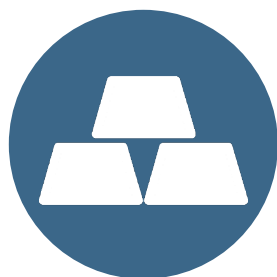
Please be aware that unless a request for confidentiality is made, information contained in any submission (including name and address details) may be referred to publicly or published, and material identified as 'confidential' is still subject to the *Freedom of Information Act 1991* and, while efforts will be made to keep the material confidential, in some circumstances, it may be disclosed under that Act.

Where the disclosure of information may identify you, attempts will be made to consult with you under the *Freedom of Information Act 1991* before the documents are disclosed.

Copper and Scrap Metal Theft in South Australia

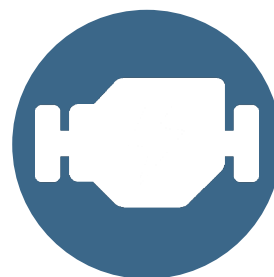
Considering the relatively high potential value of scrap metal, coupled with the ease and speed in which scrap metal can be disposed of, scrap metal theft is viewed as a low risk, high return enterprise.

The continued theft of scrap metal, in particular copper and catalytic converters, has an ongoing and significant impact on the South Australian community. This type of theft causes extensive damage, can cause wide scale interruptions to services and often leads to substantial repair costs.



Scrap Metal Theft

Across financial year 2023-24, approximately 2,134 instances of scrap metal theft were reported.



Catalytic Converter Theft

Across financial years 2021-22 and 2022-23, 835 instances of catalytic converter theft were reported.

Data suggests that instances of theft of live mains cabling continue to rise, severely impacting the ability of providers to deliver on commitments to consumers. This type of theft can cost organisations tens of thousands of dollars a week between replacement and preventative measures – this is without considering costs associated with delays to construction caused by theft, and the resources required to coordinate remediation.

This cost is exacerbated by the high level of under-reporting within the community, as the value of the metal stolen per incidence can often be relatively low, and due to this low value, not covered by insurance.

As well as cost, the theft of scrap metal can create significant safety issues with criminals leaving live wires exposed on construction sites.

In 2024, residential properties were a major target for criminals targeting copper piping, copper wire and copper cabling with 674 reports between June and September.

Across financial years 2021-22 and 2022-23, 835 instances of catalytic converter theft were reported. Most of these incidents involved the theft of a catalytic converter affixed to a vehicle parked in a public place. These converters are often targeted due to the high value precious metals they contain, which include palladium, platinum and rhodium.

Scrap Metal Theft: 2022-23 Financial Year

Location	Reported Instances	Percentage breakdown
Metro Area	1,393	86.4%
Regional Area	220	13.6%

Scrap Metal Theft: 2023-24 Financial Year

Location	Reported Instances	Percentage breakdown
Metro Area	1,819	84.9%
Regional Area	324	15.1%

Examples of significant impacts in South Australia’s metropolitan area have included disruptions to the Adelaide Metropolitan Train Network. In July 2023 the theft of a small piece of copper cabling valued at \$2,000 resulted in the network entering safety mode, causing significant disruption to peak hour morning commuters.

In one regional example, a contractor was found to have stolen copper from a mine site, with at least 10 tonnes of processed copper suspected of being stolen and disposed of through multiple scrap metal dealers in the metropolitan area.

What is the law in South Australia?

The Scrap Metal Industry

There is currently no regulation of the scrap metal industry within South Australia or any requirement for scrap metal dealers to be appropriately registered or licensed. Given the lack of requirement for scrap metal dealers to be licensed or registered, there is no definitive way to establish how many scrap metal dealers are currently operating within the state.

This also presents a risk as there is no requirement to verify where scrap metal has been obtained and therefore little deterrent for the theft of scrap metal.

Second-Hand Dealers Legislation

The *Second-hand Dealers and Pawnbrokers Act 1996* (SHDPA) stipulates the conditions, requirements, and responsibilities in operating second-hand dealer businesses. This scheme extends to certain types of prescribed goods (such as vehicles, electronics and musical instruments) - but does not include scrap metal.



Amending the SHDPA to include scrap metal is also being considered as a mechanism to address scrap metal theft. The SHDPA is however dual-purpose legislation that serves to also protect consumers, and is not necessarily fit-for-purpose to regulate the scrap metal industry.

Developments in other jurisdictions

In recent years, several other jurisdictions have increased controls on trading in scrap metal to reduce levels of metal theft and associated illegal activities.

New South Wales introduced a standalone *Scrap Metal Industry Act 2016* to specifically address the issue of scrap metal theft. The introduction of this legislation saw a reduction in thefts of motor vehicles valued under \$5,000 and a 30% reduction in scrap metal theft recorded within the first two years of its operation. The legislation has since been amended to raise the penalties for breaches, and to capture 'mobile' scrap metal dealers.

In **Western Australia**, the *Pawnbrokers and Second-hand Dealers Act 1994* was amended to mandate electronic transaction records, which must be submitted to police within a prescribed period.

In **Victoria**, the *Second-hand Dealers and Pawnbrokers Act 1989* was amended to include scrap metal. Further amendments have been pursued to bring Victorian regulations in line with the NSW legislation.

Queensland is currently reviewing the *Second-hand Dealer and Pawnbroker Act 2003* regarding this issue. However, no action has been taken to date.

Proposals for reform

One proposal is to develop a standalone piece of legislation to prevent scrap metal theft and make it more difficult for criminals to sell stolen scrap metal. The legislation could include:

- a clear definition of scrap metal (including, but not limited to, copper, aluminium, brass, stainless steel, cast iron, lead, zinc and nickel);
- a clear definition of a scrap metal dealer;
- a requirement for scrap metal dealers to be registered and undergo probity checks to ensure businesses are operated by fit and proper persons;
- an appropriate licensing fee and regime;
- a prohibition on cash, cheques payable to cash or the use of cryptocurrency for transactions of scrap metal (excluding aluminium cans), noting this prohibition is in place in NSW and Victoria;
- a requirement for scrap metal dealers to obtain prescribed identification for all transactions (excluding aluminium cans) and to maintain records of this in a specified format;
- a requirement for scrap metal dealers to maintain accurate records of scrap metal that is bought, sold or obtained (including photographs and weight);
- a requirement for scrap metal dealers to upload transaction details to a digital portal within a specified timeframe (which records would also be required to be kept and retained for three years);
- reduced anonymity for scrap metal thieves by requiring the verification of identity of the seller;
- an authority for police to enter and inspect scrap metal dealer premises and records in certain circumstances;
- an ability for police to issue short- and long-term closure orders for non-compliant businesses;
- appropriate specified penalties for breaches of the Act (such as failure to register or keep specified records).

It is intended that by developing a standalone piece of legislation, outcomes would include:

- improved community safety, through a reduction in the theft of electrical and data related cabling;
- a reduction in community service interruptions;
- disincentivised theft of scrap metal; and
- significant improvement to the capability of police to identify and successfully prosecute offenders.

Community Safety



Reduced Theft

Service Reliability



Enhanced Enforcement



**Government
of South Australia**

Have your say.

Visit yoursay.sa.gov.au for the discussion paper and more information.

Submission can be made via email to
SAPOL.LicensingEnforcementBranch@police.sa.gov.au