

Media Release

The Hon Lisa Neville MP
Minister for Police
Minister for Water



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CASH FOR SCRAP BAN COMES INTO EFFECT TODAY

The Andrews Labor Government has stepped up its fight against organised crime, with new laws banning cash for scrap metal coming into effect today.

Minister for Police Lisa Neville joined Minister for Consumer Affairs Marlene Kairouz at a scrap metal facility in Melbourne's north to launch the reforms to the *Second Hand Dealers and Pawnbrokers Act 1989* and the *Second Hand Dealers and Pawnbrokers Regulations 2018*.

Scrap metal dealers and auto wreckers are now banned from paying or receiving cash payments, possessing or trading an unidentified motor vehicle, and will be required to keep detailed records of all transactions involving scrap metal.

Dealers will also be required to be registered as second-hand dealers through the Business Licensing Authority (BLA) by 1 September. Those dealing in scrap metal who are not already registered second-hand dealers will be assessed to determine whether they are suitable to be registered.

Police now have expanded search and entry powers that will allow them to enter business and storage premises without a warrant if they reasonably believe that dealing in scrap metal is taking place.

New offences have been introduced with penalties of more than \$30,000 for buying or selling scrap metal for cash. This will be supported by the ability for police to issue on-the-spot fines to scrap metal dealers not adhering to the new laws, with penalties of more than \$1,900.

Victoria Police and the Victorian Law Reform Commission identified that the scrap metal and vehicle recycling industries are vulnerable to infiltration by organised crime.

In response, the government committed to banning cash for scrap in its \$2 billion Community Safety Statement and has worked with Victoria Police to develop the new measures.

Consumer Affairs Victoria worked closely with key industry stakeholders, Australian Metal Recycling Industry Association (AMRIA), the Victorian Automobile Chamber of Commerce (VACC), and Victoria Police to develop the reforms.

Quotes attributable to Minister for Police Lisa Neville

"We know that scrap metal is a major source of revenue for organised crime. These reforms will prevent the use of cash and disrupt criminal behaviour."

"These reforms make it harder for criminals to make quick cash by disposing of their illegal goods through the auto-wreckers and scrap metal dealers."

Quotes attributable to Minister for Consumer Affairs Marlene Kairouz

"New offences, detailed record-keeping requirements, stronger penalties and compulsory registration will give the community confidence the government is taking action to clean up the scrap metal trade."

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