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**Motor Dealers and Repairers Act
Statutory Review Discussion Paper
Submission from the Waste Contractors & Recyclers Association of NSW (2 pages)**

By email as a PDF file to motordealersandrepairersact@customerservice.nsw.gov.au

The Association has a very active group of Members whose primary business is scrap metal recycling. In the preparation of this submission, we have consulted with these Members and this submission summarises the major concerns that scrap metal recyclers have with this Act.

The objectives of this Act are to-:

- a) to provide consumer protections and remedies for consumers who purchase motor vehicles from motor dealers or obtain motor vehicle repair services,
- b) to establish appropriate standards of conduct and transparency for motor dealers, motor vehicle repairers and motor vehicle recyclers,
- c) to provide enforcement mechanisms to prevent misleading or dishonest conduct and illegal dealings with motor vehicles and parts,
- d) to provide protection for motor dealers against unfair contract dealings by motor vehicle manufacturers.

In support of these objectives, our Members have agreed that we submit the following-:

1. In the past decade, a new type of Licenced Motor Vehicle Recycler has emerged, commonly known as a car breaker. Car breakers are very different businesses to traditional motor vehicle wreckers that salvage parts for re-use. Car breakers have little interest in reselling motor vehicle components for re-use. Their business model is based on stripping a car into its constituent scrap metal elements, baling and on selling, primarily through export. Car breakers arbitrage the 'grey' area between Licensed Motor Vehicle Recyclers and Registered Scrap Metal dealers. Car breakers that operate as motor vehicle recyclers are advantaged compared with registered scrap dealers because they pay cash for the vehicles and operate with little regard for

compliance with fire regulations. Further, the motor vehicle license imposes no additional administrative tasks than that of the Scrap Metal license. Car breakers often operate in confined spaces, follow poor WHS practices, have a scant regard for environmental protection or worker health & safety and are a common source of fires in the recycling industry.

2. All NSW laws and regulations should ban the payment of cash by any operator for end of life or scrapped motor vehicles. The payment of cash allows organised crime syndicates to operate in this space, as well as tax avoidance.
3. There needs to more controls over the baling of scrapped motor vehicles by Motor Vehicle Recyclers (wrecking yards). In our view, it is not possible for police & regulators to trace vehicles where operators receive and bale on the same day. We recommend a change to the Act so that the first Licensed Motor Vehicle Recycler (wrecking yard) that receives an end-of-life-vehicle at the time or immediately after its registration is cancelled has to record the VIN on an online system and hold the vehicle for seven (7) days before it can be lawfully baled.
4. There is an inadequate level of enforcement by Police, ATO and other relevant regulators and consequently no checking on the payment of cash. In our view, the business operations of criminal gangs & rogue operators thrive in such situations.
5. Clarification is required in the regulations to ensure that this Act eliminates operators who buy scrapped motor vehicles merely to bale &/or shred. The purpose of this Act is to allow legitimate operators to buy scrapped motor vehicles for beneficial reuse & re-sale of spare parts. An operator should not be allowed to conduct both of these activities on the one site. In such cases, the Motor Vehicle Recycler pays cash for scrapped motor vehicles, and Scrap Metal Dealer then acquires these vehicles from the Motor Vehicle Recycler.
6. In recent years poor operational, environmental and fire management practices in Motor Vehicle Recyclers (wrecking yards) have caused major issues for the broader recycling community. We believe that some of our comments may have relevance to the review of the Scrap Metal Act (2016).
7. We have also brought this review to the attention of the NSW Environment Protection Authority (EPA). In our view, Motor Vehicle Recyclers (wrecking yards) should be subject to EPA license (based on the volumes and a minimum threshold), a relevant Council planning consent, compliance with NSW Fire Safety in Waste Facility Guidelines and a prescribed level of insurance cover.

Should you require any clarification and/or further details, please contact the undersigned.

Yours faithfully

Tony Khoury
Executive Director