



Northern Ireland  
Assembly

Committee for the Environment

# OFFICIAL REPORT (Hansard)

Scrap Metal Dealers Bill:  
British Metals Recycling Association

3 December 2015

# NORTHERN IRELAND ASSEMBLY

## Committee for the Environment

### Scrap Metal Dealers Bill: British Metals Recycling Association

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**Members present for all or part of the proceedings:**

Ms Anna Lo (Chairperson)  
Mrs Pam Cameron (Deputy Chairperson)  
Mr Cathal Boylan  
Ms Claire Hanna  
Mr Alban Maginness  
Mr Barry McElduff  
Mr Ian Milne  
Mrs Sandra Overend  
Mr George Robinson

**Witnesses:**

Mr Ian Hetherington                      British Metals Recycling Association

**The Chairperson (Ms Lo):** I welcome Mr Ian Hetherington, who is director general of the British Metals Recycling Association. We talked to Mr Hetherington in 2012, when he briefed the Committee. Thank you very much for flying over to Northern Ireland last night. We have your briefing paper, so could you give us a brief presentation? I remind members that the session is being recorded by Hansard.

**Mr Ian Hetherington (British Metals Recycling Association):** Chairperson and members, thank you very much for inviting us. It is always a pleasure to return to Northern Ireland, and I have never been here before, so this is a first. I will not repeat everything in my briefing paper, but I will provide some highlights.

The British Metals Recycling Association is a trade association and represents the largest part of the metal recycling or scrap metal dealing industry in the UK. That includes 12 sites in Northern Ireland. Of the £5.6 billion turnover of the industry in the UK, the Northern Ireland component is about £125 million, so it is not an insignificant industrial enterprise. Direct employment runs to somewhere in the region of 1,000 people, although the indirect employment is considerably higher.

Metal recycling happens very close to communities. It is not an activity that can be remote from communities because the scrap metal — your disused white goods, vehicles and industrial scrap — arises locally and can only be dealt with locally. It is a very local issue, and it impacts on local communities in that regard.

We have been heavily involved in the Scrap Metal Dealers Bill and with the MLA who has sponsored the Bill, since its inception back in 2011 or 2012; the dates become clouded with time. The Bill corresponds very closely with other legislation in other parts of the UK. Generally, we support that

legislation. The one that has been enacted that we can draw on for experience — it is not a direct parallel, but it provides experience — is the Act in England and Wales. We are dealing with similar legislation in Scotland that you will be aware of. That has received Royal Assent, and we are planning for its implementation.

I make no apologies for drawing on the experiences with the English Bill and on other Acts of similar character that have been enacted in the likes of France and attempted to be enacted in Belgium and in many other European countries. Please excuse me if I draw on parallels, but you would all agree that it is worth taking our lessons whence we can.

There is a fundamental problem that we have with the Bill, as it stands, in Northern Ireland. If the Bill were enacted and we see the banning of the purchase of scrap metal for cash across Northern Ireland, our members' business in the areas closest to the border — I think particularly of Newry, where there is a fair concentration of business — would disappear. Those businesses would fail. There is absolutely no doubt in our minds that that would be the case. That would happen because people seek cash for their scrap not because it is stolen or because there is anything wrong with it but because there is still a hunger for cash, inexplicable as that may be to many of us. Those people will seek out sources of cash to sell their scrap to. Those people are not a mystery; they will be people such as farmers and owners of garages, all of whom will have metal, many in large quantities. They will have old wheels, exhaust pipes and the other stuff — the detritus, if you like — that we discard through our lives. Those people will seek to receive cash, and they will be able to do so south of the border. Whilst we are strongly supportive of the legislative framework that is proposed — we have commented on it in detail and would like to see it enacted at some point — we have to see some sort of parallel or fiscal equality between Northern Ireland and the Republic on the issue. Otherwise, it will cost jobs and economic growth for Northern Ireland, which none of us wants to see, particularly me, because it will disadvantage our members.

I confine my introduction to those comments. We have made some detailed observations on the Bill and its provisions, some of which give cause for concern but are fairly readily capable of amendment and improvement as the process proceeds. I must not let those detailed comments overlie. I am happy to take any questions around that introductory component. If you want to move to the detail, I am happy to deal with that as well.

**The Chairperson (Ms Lo):** Thank you very much for your presentation. You said that there is going to be a ban on cash, but the draft legislation suggests that cash transactions of up to £100 could take place. Is that not going to be a help?

**Mr Hetherington:** Without doubt it would be, on the surface of it, a welcome provision, especially for smaller members. The concern here, however, is that it is immensely difficult to police. A very similar €100-limit was placed on cash transactions in France when legislation was introduced in 2013. It lasted all of six months because they recognised that multiple transactions became very difficult for the police to identify. We are not talking of expert police presence; we are talking of regular, mainstream policing, and the details of multiple transactions became impossible to identify. The French took the initiative and reversed their de minimis payment system within six months. We had a very long debate in England on the same issue because a part of the industry would love to see a de minimis rule. I am just concerned that it would encourage people to stretch the law, to work outside and beyond it, and that would disadvantage those who are compliant. Somewhat reluctantly, therefore, for enforcement reasons, we counsel strongly against introducing a de minimis restriction on payments.

**The Chairperson (Ms Lo):** In England and Wales, cash dealings are absolutely banned. How has that worked since the introduction of the legislation in 2013? Has it worked well?

**Mr Hetherington:** It has worked well. We still have too wide an instance of abuses. Enforcement has not been as robust as we would like, and we continue to make representations to government and to the police across England and Wales to strengthen enforcement. Whatever way you look at it, this ends up as business regulation. I know that the intention is to limit crime, but the effect is more business regulation. In England and Wales it was the first time that anybody, I think, had sought to control the means of payment for the delivery of a service. This is fairly robust stuff. When it comes to business regulation, one has to have sophisticated enforcement, otherwise the disadvantage is always on the compliant. They are the ones who suffer when the non-compliant bend the rules. Yes, the ban has worked, but there are still enforcement issues.

**The Chairperson (Ms Lo):** You made two points. The first was that if we ban cash, the business will go down to the Republic of Ireland, particularly in border areas, such as Newry, unless the Republic of Ireland has similar legislation.

**Mr Hetherington:** Correct.

**The Chairperson (Ms Lo):** You are also saying that a ban on cash transactions is not enforceable.

**Mr Hetherington:** No. I am saying that it is generally working in England, but, for us, there is too much abuse. If I had to put a number on it, 95% of the transactions in England and Wales are compliant. Five per cent abuse is too much for us; nevertheless, it is a relatively small proportion of the whole. It is enforceable, and, generally speaking, dealers want to be compliant, but they want to see everybody complying.

**The Chairperson (Ms Lo):** Why should we not follow suit and ban all cash transactions as in England and Wales?

**Mr Hetherington:** Because, for a significant proportion of the industry, their suppliers — the general public and the people I described — will choose by whatever means to sell their scrap metal for cash, and they will sell it in the Republic.

**Mr Boylan:** Thank you very much for the presentation. You are very welcome. I represent a border area, so I am familiar with the problems that could arise from this. You have raised issues with three clauses. For clarification, do you have any idea how many sites there are here altogether? You said that you are based over 12 sites. Is that correct?

**Mr Hetherington:** Yes. We do not know. We think that it is somewhere in the region of 40 across Northern Ireland. It is a question that we will be pursuing with DOE, which is the primary regulator under environmental regulation. Under the current system, it is quite difficult to differentiate. It is about that number.

**Mr Boylan:** Then you do not know how many sites, at this point in time, are licensed or unlicensed? Do you have no indication?

**Mr Hetherington:** The licensing system does not necessarily differentiate accurately those that are scrap metal dealing sites and those that are car breakers, which should fall under the same category.

**Mr Boylan:** To me, the jury is out on whether this is good legislation and whether we need to introduce it. We will go through the Committee Stage and take evidence to inform us better on that. Do you not think that some of the clauses will seriously impact on the smaller operator by introducing a number of things that they need do, such as install cameras? A voluntary code was put in place in 2012, and it seemed to be working OK. The proposer of the Bill said that, around 2012 or 2013, theft of metal such as copper was at a high level. I do not want us to consider bringing in the Bill just because of that. What is your view on the impact on others?

**Mr Hetherington:** As I said earlier, we would have to view this as business regulation, and business regulation will always impact proportionately harder on small businesses. That is without doubt true. They will be more vulnerable.

**Mr Boylan:** As a Committee and as public representatives, we have to consider that, because, if the majority of the operators are smaller, we need to take that into consideration.

You mentioned clause 9 and verification of a supplier's identity. I will give you an example. You say that you would not be satisfied with a passport. You talked about a utility bill or a bank statement in support of a passport. I take it that — this is only my view — you would know 95% or 96% of your regular custom. If, for instance, a plumber or an electrician comes in once or twice a year when he has built up some scraps, do you think that it is necessary, even as a one-off, to ask for all that identification to get a lock o' pounds, even if somebody is only getting £100?

**Mr Hetherington:** The systems deployed now are such that, even for small businesses, you do not need, under the Bill as proposed, to seek the identification documents every time somebody comes in.

They come in once, and you usually scan their photo driving licence. A very large proportion of business operators now have photo driving licences. That is the norm, and, in England and Wales, 90% of people happily present that. You take it once, you satisfy yourself of the identity, you maintain that record and, until that licence expires, that will suffice. You may well choose to put in place — the Bill is light on this — an annual check or something of that order. Our experience is that, for the most part, people get used to the idea that, if they are weighing in scrap, they have to present proof of identity once to establish their bona fides and will readily do it. It is not a major issue.

**Mr Boylan:** I have serious concerns that people would move South, especially in my area — in some cases it is a mile or less away. There are dealers on both sides, and I think that trade would move. As I said to you, the jury is out on whether the Bill is over-regulating. I think that that could be an issue. Can you articulate what you meant by your point on suspicious scrap metal in relation to clause 11?

**Mr Hetherington:** The wording in the Bill places a particular emphasis on suspicious metals that consist wholly or predominantly of copper, aluminium and other prescribed metals, whether burnt or otherwise. We argue that any suspicious metal should be covered. For example, typically somebody coming in with a large number of manhole covers without a clear reason for having them would be suspicious; however, they would not be covered by this clause. What we seek to do is set the duty to report suspicious transactions in a more general context and not tie it up with specifics. Nobody should be buying burnt cable anyway. That is another issue. The duty of care should be a general one and not tied to specifics. In order to strengthen it, the duty needs to be made more general. That is the point that we are trying to make.

**Mr Boylan:** Are you saying that the voluntary code is not working?

**Mr Hetherington:** That is a different matter. I think that the voluntary code has had effect and could be strengthened, and we would like to work with the PSNI and with the industry on that. We have also had early discussions with the Gardaí in the South about a similar code to be adopted there to cover matters of identity and identification. In truth, they lie at the heart of this. If people have to disclose their identity, the opportunity to dispose of stolen metal, which is the starting point, is radically reduced. It discourages people from stealing metal in the first place when they know that they could be required to produce evidence of their identity.

I believe that the code could be strengthened to make it more effective; it is effective now, but it could be more effective. Equally, I think that it could be made more effective in the areas affecting your constituents by having similar arrangements in the South, and they are not resistant to that.

**Mr Boylan:** You could do that without legislation.

**Mr Hetherington:** Absolutely.

**Mr Boylan:** My final point, then —

**The Chairperson (Ms Lo):** Sorry for coming in, but how? It is only a voluntary code. The police are saying that only the big scrap metal dealers have signed up to it; the others have not.

**Mr Hetherington:** I spoke at some length to the British Transport Police, the main coordinators for this in England and Wales, when we had a code there — it worked extremely well, I might add — to take some lessons and see whether it would be prepared to provide some of those lessons to the PSNI. It could be more effectively policed, albeit by the threat of more active presence on those who were not prepared to sign up and comply with the code. I will not go into the details, as it is a police matter. However, there are ways of encouraging greater compliance without legislating.

**Mr Boylan:** A final point, Chair, I promise. We are caught between this being a DOJ issue because of the theft and a DOE issue because of licensing. Do you not think that there is enough, with the waste management licence and the end-of-life vehicle licence, to tie it on to a waste management licence in some way? Do you believe that we should bring forward the Bill because, after all, theft is a crime, and it is therefore a justice issue as opposed to a licensing one? We could hand it over to DOJ or we could tie it on to a piece of waste management licence regulation. Would that not be the way to go?

**Mr Hetherington:** At this point I should say that that question is way beyond my competence. I really do not have a view. Waste management licensing is the primary regulatory instrument used to control the industry at the moment. There are some elements of a code that are complementary to the existing, and probably future, waste management licensing or permitting systems that will be deployed here — but as a code. However, I cannot comment on whether a legislative measure —

**Mr Boylan:** But you are still saying that a waste management licence and a voluntary code might do the job.

**Mr Hetherington:** I am saying that, definitely, they could do the job. I was asked to come here today to comment on a Bill. If we are about to comment when there is not a Bill, we would certainly take a rather more robust position on how we can develop a code, and that is what our members would expect us to do.

**Mr Milne:** Thank you, Ian, for your presentation. Cathal covered a lot of stuff in the Bill, but I want to look at it from another point of view. We have had presentations in the past about what happened in England when thieves just moved their operation to Scotland. As a result, Scotland had to introduce similar legislation.

We have to look at the reality of our situation: people who steal large quantities of copper and other metals will go where they can get rid of it. Therefore, if a Bill is introduced here they will not get rid of it here; they will go south of the border. Whoever was taking it in the North will move their operation, buy a bit of ground in the South, set up down there, and the whole thing goes on again.

That is one angle; that is from the thief's point of view. However, there are farmers, plumbers, and electricians who keep bits and pieces of copper and metal and sell them at the end of the year to go on holiday etc, which is all perfectly legitimate. They will find that an industry will be created by unscrupulous people who go round the whole of the North, not just border areas, doing pick-up points to buy from farmers, for example. They will take it across the border, and there will be no checkpoints or anything else to stop them. It will really affect the industry that you or whoever are trying to protect through the Bill.

You said that the big problem for you is the difference in legislation, North and South. Are we creating easily discovered loopholes in the North that will harm the industry?

**Mr Hetherington:** I think that I was clear in my opening statement that we believe that, if enacted in its current form, the Bill would create a business opportunity for people to act unscrupulously, especially in border areas, and, in some instances, to act, not unscrupulously, but merely in their personal interest. We could see the spawning of secondary hauliers, who would not be buying or selling scrap and so would not fall under the provisions of the Bill but who would transport scrap on behalf of others. It will happen, I am convinced, if the Bill is enacted in its current form without protections in the South.

**Mr Milne:** I just wanted to make those comments. The points that I am making are purely non-political. We have to face reality: if this Bill is introduced, the operation will move south of the border, and that will not just affect the border corridor from what I can see. Operations will be set up to buy scrap metal in Belfast or wherever, and that will harm the industry at the end of the day.

**Mr Hetherington:** I should make it clear to balance my remark that a lot of our members in Belfast and the Belfast area reduced their cash purchases or completely eliminated them some years ago, purely because of security concerns over the handling of large quantities of cash. I do not think that it would be a major issue in Belfast, because there is the economic consideration of the distance over which you can transport material economically. We are not so concerned with the impact on the rest of Northern Ireland, but on the areas more proximate to the border.

**The Chairperson (Ms Lo):** Can we say that, because we are worried that the Bill may harm our local businesses, we do nothing? Should we sit on our hands? If we enacted the Bill, would the Republic of Ireland not speed up and bring in parallel legislation rather than say, "Well, they do not have it, why should we implement it?"? Nobody will do anything, and in the meantime we hear from the police, the water services and Northern Ireland utilities that their properties are being damaged. The churches are losing lots of money, as well.

**Mr Hetherington:** Commodity prices are, in our judgement, at an incredibly low level, and that impacts directly on recycled metal. It is a secondary raw material. It should be remembered that every kilo of recycled metal is destined for one place: the furnace. That is the only place it goes, whether a steel mill or a copper plant or whatever. At the moment, prices are very low indeed, and the incentives for thieves to steal metals and metal-related materials and products are much diminished. Equally, the industry is being decimated because of low prices and uncertain markets. The incidence of metal-related crime is relatively low at the moment. It has fallen quite dramatically, and that is as true in Northern Ireland as it is in England and the rest of Europe.

There is probably not the same sense of urgency that we might have shared with the Energy Networks Association, and others that you may well hear from, in 2011 and 2012. That urgency has diminished, but I think that it gives us time. Unfortunately, the Scrap Metal Dealers Bill and the Scrap and Precious Metal Dealers Bill of 2013 in Dublin fell. We had hoped to see it, in an amended form, introduced in an elegant way whereby two pieces of legislation would come forward at the same time. That was not to be.

**Mr A Maginness:** It is clear from the experience in Scotland and England that you need legislation on both sides of the island. If you draw from that parallel experience, you will see that that is essential. How well has the legislation performed in England and Wales since its enactment?

**Mr Hetherington:** As I said earlier, generally, barring some minor licensing problems, its implementation was fairly smooth. Our members were well prepared and have rapidly developed systems, some of which are very simple and appropriate to small businesses. We spent a lot of time on communications with the supplier base or, if you like, the customer base. People accepted it readily.

We also had a code of conduct called Operation Tornado, which was a precursor to the Bill, and prepared people quite readily for it. The introduction was fairly smooth, and compliance was very high. Inevitably, with public-sector cutbacks, we have seen less police presence around it, and there has been some minor increase in non-compliance as a consequence. As I said to the Chairperson earlier, it is still a small part; it is too much, but it is still a small part. In general, the Bill has worked well, barring some of the enforcement issues that have arisen.

**Mr A Maginness:** Are they moneyless transactions in Britain?

**Mr Hetherington:** They are cashless.

**Mr A Maginness:** Sorry, "moneyless" is ridiculous. *[Laughter.]* They are cashless in England. Is that right?

**Mr Hetherington:** The only acceptable forms of payment are cheque or electronic transfer.

**Mr A Maginness:** OK. Are the small plumbers or electricians still able to transact and have not experienced the sort of problems that Ian was trying to highlight in his contribution?

**Mr Hetherington:** The most common form of payment is now — it has evolved like this — a bank transfer. That is now the norm. The second most common is a payment to somebody's debit card. Many of our members now have a card reader, and, instead of extracting money from your debit card or bank account, it will pay money into your bank account. It is an immediate payment system.

**Mr A Maginness:** And they are reasonably small transactions.

**Mr Hetherington:** Yes, and they are relatively low-cost. People sometimes talk about the cost while ignoring the cost of handling cash. Cash is actually an expensive thing to handle because the banks charge you for it and there are security and insurance issues, all of which adds a significant cost to business. There have been some real business benefits from taking cash out of the system. Those of you who have visited yards will know that even a smallish yard may consume £40,000 or £50,000 in cash in a week, and they are not large sites by any means. That has risks associated with it. If you diminish the risks, you diminish the costs.

**Mr A Maginness:** Your advice to the Committee is that even a small margin of cash could create problems in any system that you introduce.

**Mr Hetherington:** Correct.

**The Chairperson (Ms Lo):** That is an important point. Roy's original Bill provided for cashless transactions, similar to the situation in the rest of the UK. However, after consultation, he is changing it to a £100 maximum of cash dealings. People have suggested to us that this is going to be very complicated and, as you say, difficult to enforce. There is the £100 maximum and the limit of twice a year: all these conditions are going to make it very difficult to enforce.

**Mr Hetherington:** I should just highlight to you that, given the current state of the market, for somebody buying car bodies, which is an important element of the flow of recycled metal across the world, a car body in Northern Ireland is currently valued at about £10, outside Belfast. So, you are buying, effectively, 10 tonnes of steel scrap for £100. This is where putting a cash or weight limit on either end of these transactions becomes fairly bizarre, because you will get peculiar circumstances. You could buy nine car bodies and pay cash. Had we been having this conversation last year, a car body would have a value of about £150 and, therefore, would not have fallen within the limit. We genuinely think that although on the surface the de minimis cash limit is an attractive proposition — and a lot of my members would say so — in reality, it would damage their businesses because others will abuse it.

**The Chairperson (Ms Lo):** I do not quite understand the metal dealer's business. Can you explain the whole process to me and the other members? Instead of selling my car to a car dealer, I drive up to a scrap metal dealer and say, "You take care of it, I do not want it. How much can you give me for it?". Can you tell me the process from there?

**Mr Hetherington:** If I may just take up a little of your time —

**Mr Boylan:** Madam Chair, you would never have a car of such low value that you would scrap it.

**The Chairperson (Ms Lo):** Right.

**Mr Boylan:** You would need to drive your car for 20 years before you would scrap it.

**The Chairperson (Ms Lo):** OK. Say, for example, I had my car for 20 years.

**Mr Hetherington:** If I may just take up a just moment of your time, I will explain this. I will use two examples. One is a local authority bus shelter and the other is your car.

The average age of a car that comes, at the end of its life, under the end-of-life vehicles regulations is 16 years in Northern Ireland. So, a car is 16 years old and fails its MOT. You choose to take it to a local dealer. You have probably seen a sign on a lamp post in your constituency that says: "Cash for cars". You will not see many for £10 at the moment. You take it there; you are issued a certificate of destruction and the relevant paperwork, and you are paid the money. If it is a small dealer, the car will very probably be partially crushed or left intact, and, when they have collected five or six cars, they will take them to a specialist processor somewhere else. They will sell the load as x car bodies and receive what is a fairly standard amount for them. That processor will then process the car; and it will very probably go through a shredder. That shreds the car and separates out the iron and steel, the aluminium, the non-ferrous metals and the plastics elements and, ultimately, they will go through post-shredder process.

Aluminium from a car engine will very probably go into a container for shipping, because we do not have primary aluminium production in the UK any more. Many of our members now ship directly to Kia or Hyundai factories in Korea, or elsewhere, where the engines will go straight to the engine plant. A lot of this has a six-week turnaround from engine to engine. Other elements are further processed in other facilities.

The end objective is to achieve the 95% recycling and recovery rate, which we are on the point of achieving in the UK. The car may have a short life, therefore — there may only be one stage between being bought and collected and then sold on — but the materials that derive from it may well have one or two more steps to go through in the industry. There are specialists who specialise in ferrous metals, iron and steel or non-ferrous metals and have different treatments.



It starts with collection. At the lowest level, the collector is a street or mobile collector, and they do a fantastic job. They are much maligned people, but they are fantastic, although sometimes they liberate things that you had not perhaps meant to liberate. I say that jokingly. *[Laughter.]* The washing machine that gets put out on the drive with something else in view can sometimes be liberated. However, it is an incredibly efficient and environmentally friendly way of collecting, processing and recycling.

**The Chairperson (Ms Lo):** We have not talked very much about the mobile collector. The legislation is very much targeted at scrap dealer companies. There are some provisions —

**Mr Hetherington:** But many of the provisions will cover mobile and site-based operations.

**The Chairperson (Ms Lo):** They will still be subject to a £100-cash rule.

**Mr Hetherington:** If the Bill is enacted then, yes, frankly, it would prevent them from paying cash for anything, virtually. One has to be a little careful, though, because you could then find that, all of a sudden, everybody becomes a mobile collector. It is another reason for writing the Bill tightly. Mobile collectors are very important. The licensing process will limit the number, although probably less so in some urban areas. Sometimes there can be too many collectors, and they become a nuisance, frankly, as they were in Belfast. The licensing system has tended to control that in other parts, and you will find collectors who are serious, dedicated people. Many of them have been doing it for many years and collecting stretches back through the generations.

**The Chairperson (Ms Lo):** What do the mobile collectors collect? Is it washing machines, that sort of thing?

**Mr Hetherington:** Yes.

**The Chairperson (Ms Lo):** I would go to my local council depot and leave it there.

**Mr Hetherington:** That means that you have to manoeuvre your washing machine into your car by hand and take it to a depot. I am not sure about the normal procedure in Northern Ireland, so excuse me. Certainly, in my council area I have to pay for it to be collected. In good times, you may even persuade your local collector to pay you £5 for your old washing machine.

**Mrs Overend:** Thank you very much for coming. You are very welcome to Northern Ireland and to Mid Ulster. This is my area.

I am confused. You said that the £100 rule was not a good idea, but you also said that handling cash is risky and that it is expensive to deal in cash in England. There is obviously a balance to weigh up as to whether it is beneficial for a business to work in cash or not. You talked about the banks adding costs for handling cash and that sort of thing. It sounded as though you were trying to talk me into not dealing in cash.

**Mr Hetherington:** I am sorry if I have not been absolutely clear. I am saying that the de minimis limit of up to £100 in cash would mean that businesses would still conduct their business in cash. We are not in favour of that. If we are going to have a cash ban, we would like to see an absolute one.

**Mrs Overend:** Oh right. OK.

**Mr Hetherington:** Sorry if I was not clear.

**Mrs Overend:** You would like an absolute cash ban. On our farm, we gather up the scrap and take it to the local scrap dealer. Under the Bill, if you going to get less than £100 you will get cash, and, if you get more than £100, you will get a cheque. I do not see any difference. Money is money at the end of the day. I am not going to drive a few more miles to get cash somewhere else. Thank you for clarifying that.

In reference to clause 11, you talked about the definition of "suspicious scrap metal". There are many aspects of this that I do not understand. There was a theft recently in the Kildress area. It was

reported on 1 December that the thieves took the ends of the electricity lines. Would they be easily included in the definitions?

**Mr Hetherington:** Yes, they would be included in the definitions in the Bill as it stands. You will hear far more eloquently from the energy networks — they will probably be giving evidence to you — but the items stolen from a live network can be of relatively low value and may not realise any money. However, their theft can cause major disruption. They need to be covered within the Bill, and they are.

**Mrs Overend:** Looking through the notes and statistics on scrap metal theft, the price of scrap metal seems to have decreased. That does not necessarily mean that the voluntary code of conduct has been a success; it is more dependent on the price of metal at the time. So, considering the fact that such thefts are ongoing — and we have just heard about another one — it is important that we get legislation progressed in Northern Ireland on this issue. Do you have any further comment to make?

**Mr Hetherington:** It is very difficult to unravel market movements, and their impact, from other factors; so I cannot disagree with you. I draw particular evidence of our thinking on action. When we introduced the code of conduct, we did so initially in one region in the UK; the north-east. Operation Tornado was the jargon: the police-derived one had a name. The code of conduct was introduced in partnership with the industry and was very closely monitored along with the theft of metal in the same region. We saw a 60% fall in metal theft within three months of the introduction of the code.

That code was only about the identification measures. Roy has drawn on the same measures in this Bill. The code in Northern Ireland has not been as successful because it was not thought-through as much. We did not cooperate with it, not because we were uncooperative but because we did not really know it was happening. It probably has not had the police focus that we would have liked to have seen. I would be confident, albeit from a very much lower base, that it would have a similar impact here if we were to see it. In the longer term, in truth, we would prefer to see these things embodied in legislation, because that is the way to make them more sustainable, but at the right time and when we have some parallel provisions in the South.

**The Chairperson (Ms Lo):** It is fair to say that evidence has shown that, even with the drop in price for metal, legislation actually has an impact on the crime rate. There is a 50% reduction in the crime rate. They are saying that they could still see a positive impact.

**Mr Hetherington:** You are referring to England.

**The Chairperson (Ms Lo):** Yes.

**Mr Hetherington:** We have argued about these numbers and the way they are collected. The drop actually took place as a consequence of focus around Operation Tornado and then the legislation. One followed the other. They were pretty closely synchronised. We could argue about this for ever. The code of conduct in Operation Tornado had one effect. The legislation possibly had some additional effect.

We will never eliminate metal theft. The first recorded acts of metal theft happened in Roman times. It was a major problem then. We are not going to get rid of it. There is metal sitting around in society, and it is easily accessible. There are people who will seek to receive reward for stealing it. We will not eliminate that theft, but we can dramatically reduce the opportunities for people to dispose of metal, which is all that this is about.

**The Chairperson (Ms Lo):** It is a deterrent.

**Mr Boylan:** I have a final point, just to better inform the Committee. The Chair makes a good point. A lot of people do not understand the process of going to the scrap yard. I take it that the shelf life of most cars is now probably 15 or 20 years. Could you give us some information on the breakdown? I do not know whether it was in your written submission. Obviously, most of what is in scrap yards is cars. How do you break down cars and domestic appliances, such as washing machines? What are the types of metal involved? Obviously, the Bill was initiated because of the price of copper a couple of years ago. If we are thinking of introducing a Bill on metal theft, then we need to iron out, for the Committee's benefit, the figures we are really looking at and what percentage of the overall scrap-metal industry we would be looking at. Could you send us some figures on the breakdown? You

would know by your transactions. Would it be possible to do that to better inform the Committee when making its decision on the way to go forward?

**Mr Hetherington:** Yes. Some of the information is available through the Department of the Environment's waste carriers' licence system. Working with the Department, we can certainly attempt to provide some sort of breakdown. I think you are asking about the nature of the original materials that are recycled. Incidentally, copper is one issue, but lead is another major and highly emotive issue. We must not forget — well, we do not forget — about things like stainless steel, which is very high value because the price of nickel is high.

**Mr Boylan:** I agree. The only reason I am asking you is to better inform the Committee. You will know the percentages that are going through most of the scrap yards that you are involved with.

**Mr Hetherington:** We will certainly provide a supplementary paper with some indicative data.

**The Chairperson (Ms Lo):** OK; there are no more questions.

I will just get back to a previous discussion about the Republic of Ireland not having a similar Bill. They had a private Member's Bill that was not supported. After that, in 2014, the Irish Government amended the Waste Management (Facility Permit and Registration) Regulations 2007. They strengthened the waste management permit. The amendment strengthened conditions on traceability of materials being recovered or recycled. In particular, they put an onus on proof of ownership and full traceability of materials that are purchased at permitted waste facilities. They have strengthened that aspect.

Thank you very much. That was very useful. Thank you for coming all the way from England. It will certainly help us in our determination and scrutiny of the Bill.

**Mr Hetherington:** Thank you very much, indeed.