



National Motor Vehicle  
Theft Reduction Council  
*driving down vehicle theft*

# Strategic Plan 2004

Locking in Sustainability

Vehicle Theft Reform in Australia: 2004-2006



**A Collaborative Approach.**

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### **Vision**

To contribute to Australia's economic and social well-being by achieving the lowest rate of motor vehicle theft in the developed world.

### **Mission**

To deliver a culture of continuous and sustainable vehicle theft reduction in Australia by advancing reform and cooperation between industry, government and community stakeholders.

### **Operating Philosophy**

The National Motor Vehicle Theft Reduction Council (NMVTRC) is committed to developing common goals with stakeholders through the promotion of the economic and social benefits of reduced vehicle theft. Its credibility will be judged by the quality of its proposals for change.

Communication, consultation and negotiation are the hallmarks of the NMVTRC's operating philosophy which underpins all its activities.



Stop theft by working  
**together.**

# Foreword

This Strategic Plan – the sixth to be submitted by the NMVTRC to Australasia's Crime Prevention Ministers and the Insurance Council of Australia – maps out the key priorities for vehicle theft reform in Australia for the next two years.<sup>1</sup>

The concerted efforts of stakeholders nationally have seen vehicle theft rates plummet over the past three years. In 2003 Australia recorded 93,000 thefts – way down on the peak of 145,000 vehicles stolen in 2000 – and the lowest annual theft rate for more than three decades.

Such significant reductions bring a real risk that we will lose our collective focus on implementing the remaining 'missing links' in our national defence against vehicle theft and the development of new countermeasures.

Our present 'world ranking' of fifth out of nine comparable nations – the UK (1), Canada (2), France (3), Japan (4), USA (6), Italy (7), Belgium (8) and Germany (9) – is a big improvement on our former number two status, but still leaves us with a theft rate<sup>2</sup> four times that of the lowest ranked nation.

The consultative model for this Plan was similar to previous years with workshops – the 2004 StratPLAN forums – held in each state and territory with senior representatives of key stakeholders in April and May.

In contrast to the 2003 review – which adopted a 'green fields' approach to encourage stakeholders to think more broadly about what a second generation of vehicle theft reform should comprise – this year's forums commenced from the point that changes in direction were now likely to be incremental rather than fundamental. The theme, *Locking in Sustainability*, was designed to capture the sense that:

- delivering our vision of achieving the lowest rate of theft in the developed world depends on sustaining and building on recent achievements; and
- the power of collaboration yields higher returns than working separately.

There is a high degree of consensus amongst stakeholders that the three most critical actions for locking in recent successes are to:

- secure older vehicles via compulsory immobilisation schemes;
- significantly improve the standard of (original equipment) vehicle identification; and
- improve the national collation and analysis of intelligence on car crime networks.

These issues will therefore continue to occupy a significant proportion of the NMVTRC's effort and resources. Other priorities will include:

- finalising refinements to written-off vehicle management practices to address inter-jurisdictional inconsistencies, and monitoring the effectiveness of national systems as a barrier to criminal activity;
- implementing a national code of practice for automotive recyclers via the establishment of an independent administrative body; and
- fostering stronger links with local government to deliver key vehicle theft prevention messages more effectively to the community.

The revised Plan also places a higher emphasis on:

- analysing the dynamics and size of the export trade in stolen vehicles;
- assessing the likely crime consequences of more secure vehicles and the means by which electronically secure vehicles are stolen;
- the use of case studies of current modus operandi of criminal networks to identify gaps in current responses to the problem; and
- understanding the extent to which insurance fraud 'inflates' the level of reported theft (and what can be done to minimise its impact).

The NMVTRC greatly values the close relationships it has formed with its stakeholders and strategic partners. This Plan relies heavily on those relationships to continue to reduce the economic and social impacts of motor vehicle theft on the nation. My colleagues and I look forward to continuing to work with you to implement these important vehicle theft reform initiatives.



David M. Morgan  
Chairman

1. The NMVTRC's second term expires on 30 June 2006.

2. Vehicle thefts per 1,000 population.

# Reducing Vehicle Theft in Australia – The Context

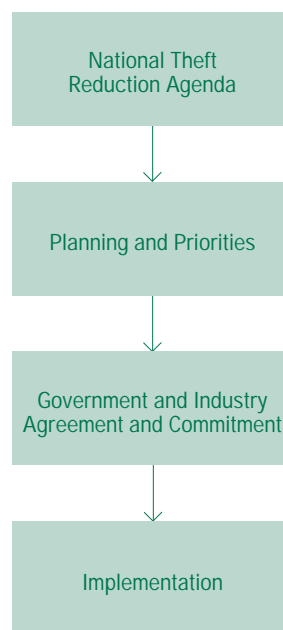
## Background

The NMVTRC's Strategic Plan is a dynamic document, reviewed annually, with the first year of each plan comprising a detailed work program. Each revised plan reflects a review of progress and a consideration of methods of operation, as well as the changing priorities and operating environments of the NMVTRC's stakeholders.

As in previous years, a series of stakeholder workshops – the 2004 StratPLAN Forums – have been a major influence on the development of the Plan. These annual forums with senior executives of stakeholder organisations help to ensure that the NMVTRC and its stakeholders develop a shared vision of what the priority actions required are and where the greatest resources should be invested. Discussions held with peak bodies and stakeholders throughout the past 12 months of the NMVTRC's operations have also assisted to shape the revised Plan.

As observed in the Foreword, this Plan has been developed on the premise that while the recent unprecedented reductions in theft levels are welcomed, much remains to be done to lock in and further improve on those results. As the vehicle theft landscape continues to evolve, so must the search for innovative solutions to combat the activities of determined vehicle thieves.

Figure 1: Vehicle Theft Reform Process



# Development and Delivery of Reforms

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## Method of Operation

The primary role of the NMVTRC is to facilitate the implementation of vehicle theft prevention reforms, and coordinate associated activities across industry, agency and jurisdictional boundaries. As a result the NMVTRC's brief is broad, involving all stages of vehicle theft prevention policy, including:

- policy development;
- the coordination of implementation; and
- the monitoring of outcomes.

As the NMVTRC's internal resources are small, the establishment of productive relationships with stakeholders and others is absolutely crucial to the delivery of its theft prevention reforms. Only by its stakeholders embracing and adopting the reforms promoted by the NMVTRC can it deliver sustainable reductions in vehicle theft.



Stakeholders embracing and adopting  
the reforms deliver sustainable  
**reductions**  
in theft.



# Basis of Strategic Plan

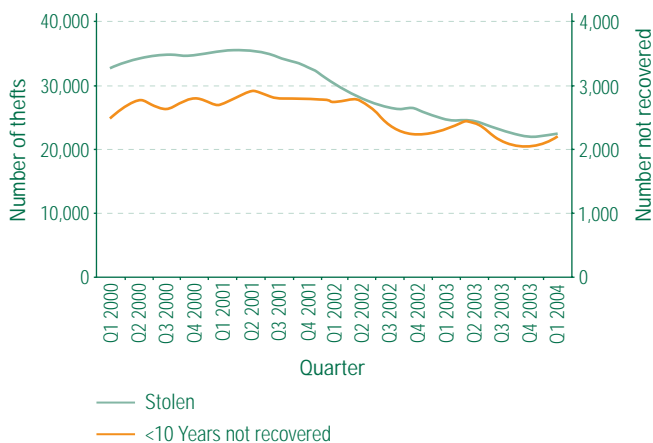
## Current Theft Trends

In response to NMVTRC initiatives, the concerted effort of stakeholders to get theft reforms operating on-the-ground has seen the reversal of the rapid escalation in the level of vehicle theft in Australia in the late 1990s. The nation's prevailing theft rates of 6.4 thefts per 1,000 vehicles registered and 4.4 thefts per thousand population are the lowest in more than thirty years. Despite this, Australia still suffers a theft rate four times that of Germany – the lowest ranked of the nine developed nations<sup>3</sup> we benchmark our performance against.

From a strategic perspective it is critically important to attempt to determine what proportion of recent reductions can be attributed to lower level juvenile offending compared to professional activity. While it is an imperfect measure, the NMVTRC uses the rate at which newer vehicles – i.e. those less than 10 years old – are recovered as a surrogate measure to provide an indication of whether professional theft activity is abating.

Figure 2 (below) suggests that while there had been some reduction in the theft of vehicles for profit, the relative shape of the curves – between all thefts and recoveries for late model vehicles – that the majority of the reduction has occurred in respect of juvenile or opportunistic thefts.

Figure 2: Thefts and Late Model Thefts Not Recovered, Australia



3. Other nations comprise the United Kingdom (ranked 1), Canada (2), France (3), Japan (4), USA (6), Italy (7) and Belgium (8).

Figure 3: Intervening in the Life-Cycle of Vehicle Theft

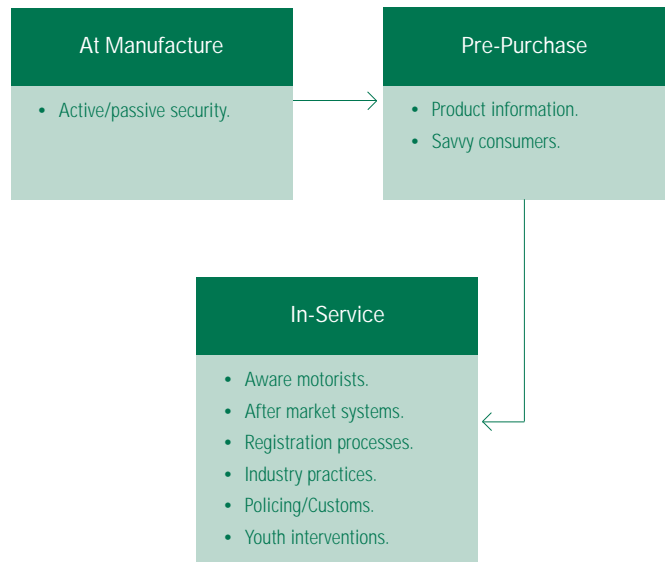


Figure 3 above uses the life-cycle of a vehicle to illustrate the range (and timing) of interventions that can minimise the risk of a vehicle being stolen.

*At Manufacture* – there is an opportunity to ensure that a vehicle has adequate security features before it enters the market. Examples of active security are:

- access systems – such as two stage locking/deadlocking of doors, biometric systems such as retinal or fingerprint recognition, and smartcards – which control entry to the vehicle;
- engine immobilisers – which temporarily interrupt the power to key vehicle systems, ensuring the vehicle can only be started by using its original key and transponder; and
- tracking systems – which can assist in locating the vehicle if it is stolen.

Examples of passive security are:

- effective vehicle identification – to make it more difficult to re-identify stolen vehicles or launder separated parts;
- systems integration – which can control the extent to which electronic components from separate vehicles can be interfaced to 'plug and play'; and
- parts replacement protocols – which may restrict or flag the ordering of parts for suspicious vehicles such as statutory write-offs or 'live' stolen vehicles.

# Basis of Strategic Plan Continued

At the *Pre-Purchase* point consumers need to be provided with clear information about the level of security that is built into the vehicles they are considering purchasing.

The NMVTRC is encouraging motoring clubs and journalists to include more information on security features (and to use the active and passive security nomenclature) in reviews of new vehicles.

Equally, consumers need to be savvy enough to recognise the relative value of vehicle security systems.

Once a vehicle is *In-Service* (i.e. from first registration forward):

- aftermarket (AM) systems can make up for some of the inadequacies in the vehicle's original equipment – such as engine immobilisers for older vehicles;
- consumers need to be able to recognise which AM systems are effective and represent value for money;
- registration agencies need to conclusively identify the person presenting the vehicle for registration as well as the vehicle itself. They can also assist consumers and the motor trades by ensuring accurate, non-personal information about a vehicle's history (wrecked, stolen, encumbered status) is easily accessible;
- motor traders and recyclers need to confirm the origin/identity of their stock;
- enforcement agencies (Police, Customs) need to adequately resource investigative efforts, share intelligence on criminal networks, and address evidentiary impediments; and
- young offenders need access to quality programs that can assist them to leave their offending lifestyles behind.

## Key Challenges for Continuing and Sustaining Theft Reductions

As illustrated in the previous section, delivering sustained reductions in vehicle theft requires action across a broad range of industry and government disciplines. Considerable challenges for the NMVTRC and its stakeholders include the:

- remaining proportion of older unsecured vehicles (estimated to total almost six million);
- ease with which components are absorbed by the black market (estimated to be worth more than \$300 million annually);
- difficulty of detecting vehicles constructed of illicit parts;
- uncertainties about how the emerging global trade in stolen vehicles and parts is impacting Australia; and
- absence of coordinated intelligence on criminal networks.

## Theft Reform Achievements

Significant achievements of the NMVTRC and its stakeholders to date include:

- the development of nationally consistent arrangements for managing written-off vehicle identities based on best practice;
- securing the transfer of Tasmania's written-off vehicle information into the national 'information grid' despite the State not being able to fully connect to the grid until 2005;
- facilitating the national exchange of vehicle information based on best practise business rules and improved data integrity;
- developing theft and fraud reduction system performance measures for national information systems and the delivery of vehicle status information to consumers and the motor trades;
- establishing a national network of more than 400 registered installers under the NMVTRC's *Immobilise Now!* program to provide motorists with access to high-quality Australian Standards approved engine immobilisers at discounted prices;
- introducing the mandatory fitting of engine immobilisers as standard equipment to all new passenger vehicles;
- establishing the Comprehensive Auto-theft Research System (CARS) as the most statistically powerful database of vehicle theft data in the world;
- developing performance-based technical standards for the application of state-of-the-art vehicle identification technologies (vehicle security labels and microdot vehicle marking systems that will appear on more than 100,000 new vehicles sold in Australia in 2004);
- developing and establishing a best practice diversionary program for young vehicle theft offenders under trial in Tasmania, Western Australia and Queensland;
- investment in other broadly based youth programs in NSW and Victoria;
- the development of an education kit on young people and vehicle theft which is used in schools and youth centres nationally; and
- the development of a comprehensive range of public education resources which is used extensively by community groups, government and industry to raise consumer awareness of the impact of car crime on the nation.

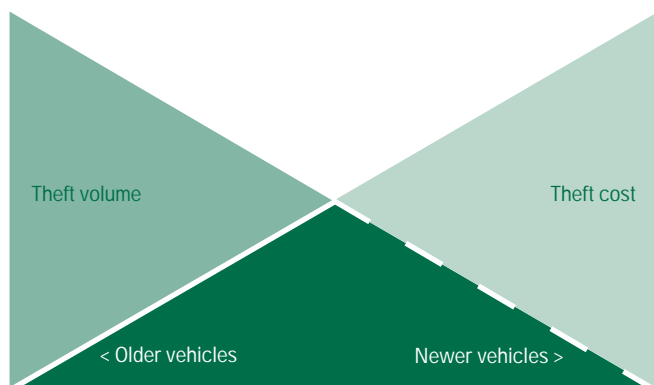
## Strategic Goals

Figure 4 demonstrates the inverse relationship between the volume of theft – three out of every four vehicles stolen in Australia are taken for short-term use – and the community cost of theft – with the one in four vehicles stolen to convert to cash contributing to more than half of the \$1 billion cost of vehicle theft to the nation. The NMVTRC's work program is divided into these two streams to assist stakeholders understand what can at times seem a complex reform agenda.

1. Reducing the *Cost* of vehicle theft – via countermeasures that impede the activities of organised criminals attempting to convert stolen vehicles or components into cash; and
2. Reducing the *Volume* of vehicle theft – by improving the security of the older vehicle fleet and reducing the level of youth offending.



Figure 4: Relationship Between Theft Volume and Cost



### Reducing the Cost of Vehicle Theft

Reducing the cost of theft requires responses that diminish the lucrative returns to those parties who seek to deal in stolen vehicles and parts, and increase the likelihood of their activities being detected.

The NMVTRC's strategies to reduce the *cost* of vehicle theft over the next two years will include the following measures:

- optimising stolen vehicle prevention and detection outcomes by auditing and reporting on transport agency and insurance company compliance with national information exchange and written-off vehicle related business rules and protocols;
- monitoring the outcomes of jurisdictional vehicle identity inspection models to identify any systemic weaknesses and potential improvements;
- establishing multi-agency agreements to provide public and industry access to cross-border vehicle information;
- negotiating third party access to national information systems to enhance the business practices of insurers and the motor trades and reduce the incidence of fraud;
- ensuring police service priority to vehicle theft investigation is maintained;
- ensuring appropriate priority is assigned to the collation of intelligence on organised vehicle crime within the new national police intelligence structure;
- limiting Australia's exposure to the international trade in stolen vehicles and parts through development of export related prevention and detection strategies;
- continuing expansion of improved vehicle identification systems into mainstream vehicle manufacturing;
- developing infrastructure and systems to support implementation of a full vehicle component identification system;

- facilitating insurance industry commitment to identified vehicle related fraud reduction strategies;
- establishing a parts recycling code of practice to minimise the likelihood of stolen parts being used unwittingly in the legitimate recycling and vehicle repair industries; and
- continuing to refine CARS data processing to deliver even more timely analysis of theft trends to stakeholders.

How these activities fit within an overall strategic framework and a description of specific outputs is set out later in this Plan.

In the 2003 Strategic Plan the NMVTRC indicated that it would examine whether it could add value to the existing efforts of stakeholders to combat the theft of marine craft. The issue arose in the context of the independent review of the NMVTRC's operations in 2002, where some commentators expressed the view that many of the NMVTRC's vehicle theft reductions strategies would easily transfer to vessel theft. However, after reviewing available data on the incidence of vessel theft and the level of stakeholder support, the NMVTRC has concluded that the level of investment in infrastructure and practice changes is likely to be disproportionate to the scale of the problem. As a consequence, the NMVTRC does not propose to develop a marine theft strategy within its existing tenure.

### Reducing the Volume of Vehicle Theft

The theft of older vehicles by youths for transport or to commit another crime accounts for three out of every four vehicle thefts.

The NMVTRC's strategies to further reduce the *volume* of vehicle theft over the next two years will include the following measures:

- facilitating individual state-based implementation plans for compulsory immobilisation in jurisdictions where a clear cost-benefit case exists;
- continuing to promote effective security practices to the motor trades and the general community;
- continuing to promote the integration of best practice diversionary programs for young vehicle theft offenders into mainstream juvenile justice programs; and
- coordinating the delivery of public awareness campaigns, including how to minimise the risk of theft of property from vehicles.

How these activities fit within an overall strategic framework and a description of specific outputs is set out later in this Plan.

# Sub-Program A: Reducing the Cost of Theft

## Desired Outcome

Development and implementation of cost-effective systems infrastructure and practices that:

- impede the activities of criminals attempting to convert stolen vehicles or components into cash; and
- can respond to changes in criminal behaviour.

## The Problem

While accounting for only one in four stolen vehicles, theft for conversion to cash contributes more than half of the \$1 billion cost of vehicle theft to the nation.

This is because if a vehicle is stolen for this purpose it is:

- likely to be newer; and
- currently much less likely to be recovered – or if it is recovered, it is likely to be substantially stripped.

Criminals attempt to convert a stolen vehicle into cash by:

- disguising its true identity by portraying the stolen vehicle as a legitimately registered vehicle from another part of Australia – a practice referred to as cloning;
- re-identifying the stolen vehicle using the identity of a wrecked or written-off vehicle of the same make, model and age – a practice called re-birthing;
- stripping the stolen vehicle of its major components and selling the separated parts on the black market, or constructing a 'new' vehicle from the separated parts of several vehicles; or
- shipping and selling the vehicle overseas.

The NMVTRC estimates that the cloning or re-identification of whole stolen vehicles nets criminals more than \$150 million annually, with the trade in illicit parts worth at least twice that.

## The Solutions

Combating these modes of criminal operation requires a multi-faceted response in which:

- a vehicle's primary identifier – its Vehicle Identification Number (VIN) – is securely applied to the vehicle at the point of its manufacture (or prior to its release for sale) in a way in which any attempt to alter, copy or otherwise tamper with the vehicle's identification is easily discernible;
- the major components of a vehicle are traceable to its original VIN and those traders legitimately dealing in separated parts keep accurate records of the source of their stock;
- accurate and timely information on a vehicle's current status – i.e. stolen, recovered, written-off – is readily available to registration authorities, police, motor traders and consumers nationally;
- vehicle registration and export protocols and related inspection practices are sufficiently robust to detect suspicious vehicles; and
- enforcement agencies are able to identify and effectively prosecute the individuals and groups involved in related criminal activities.

The NMVTRC is committed to providing continuing assistance to stakeholders to introduce effective countermeasures to these criminal activities.

The NMVTRC's role may involve coordination or collaboration activities, the provision of specific research and development of solutions, or the direct contribution of resources to address identified obstacles to implementation.

## A1: Improving the standard of vehicle and component identification



The NMVTRC will continue to  
**work with**  
police services, transport agencies  
and relevant motor trades.

### Vehicle Identification

In 2003 the NMVTRC and the Federal Chamber of Automotive Industries (FCAI) concluded their joint development of a performance specification for a secure compliance label (or single purpose vehicle security label) to replace the traditional aluminium plate. The high-tech, low cost label is designed to supplement other vehicle identifiers and enable registration authorities and police to confirm the identity of legitimate vehicles (and easily detect fake or altered labels) by simple visual inspection.

Australia's four local vehicle manufacturers are expected to adopt the preferred label specification no later than early 2005. The NMVTRC will continue to work with vehicle importers to address the logistical issues which complicate their adoption of the technology. The NMVTRC considers the prompt adoption of the security label as the new baseline in improved vehicle identification as critical and will continue to monitor developments.

The NMVTRC will continue its evaluation of the theft deterrent outcomes of VIN-based microdots, which represent the current gold standard in vehicle identification technology. VIN-based microdots replicate the VIN thousands of times throughout the vehicle making it virtually impossible to remove them all and providing authorities with conclusive evidence of a vehicle's identity. More than 300,000 new vehicles carrying this technology as original equipment have been sold in Australia since 2001. The NMVTRC will also intensify its lobbying of high volume manufacturers to overcome perceived

cost barriers now that in-line application systems are able to address the logistical issues associated with applying microdots in high-volume just-in-time manufacturing environments.

Although currently applied as a whole vehicle identifier and partial component identification, VIN-based microdots are well placed to ultimately evolve to provide a comprehensive component identification system – see later section on *Management of Vehicle Components*.

The NMVTRC will continue to work with police services, transport agencies and relevant motor trades to ensure an effective interface between new vehicle identification technologies and vehicle inspection and investigative practices.

As vehicle identification technology evolves, international harmonisation and standards will become increasingly important. The NMVTRC will continue to:

- monitor the development of emerging technologies in other markets, including their integration with intelligent transport systems infrastructure; and
- actively pursue opportunities to promote the importance of improved vehicle identification in international forums.

## A1: Improving the standard of vehicle and component identification continued

At a domestic level, the NMVTRC will also:

- continue to develop its electronic 'early warning system' to alert registration authorities to those models of vehicles currently most at risk of re-birthing, based on monthly non-recovered vehicle data; and
- use the results of independent vehicle security ratings to raise public awareness of vehicle identification issues, and encourage vehicle manufacturers to conform to best practice.

### Management of Vehicle Components

In early 2004 the NMVTRC completed its development of the framework for a voluntary code of practice for dealing in second hand parts to minimise the incidence of recyclers unwittingly facilitating the illicit trade in spare parts. The framework was developed with extensive input from parts recyclers, insurers, the motor trades, registration authorities, offices of fair trading and police.

In June 2004, the NMVTRC confirmed that it would underwrite the cost of establishing and administering the code for 12 months. An independent code administration body is expected to be established by the end of 2004.

A key issue for the code will be demonstrating additional benefits for participants beyond that which regulated regimes (where they currently exist) can deliver. The support of insurers to confer 'preferred supplier' status on accredited recyclers will be critical in this respect.

The NMVTRC will also:

- review the infrastructure needed to support a comprehensive component identification system in Australia and how it may interface with the use of OEM, recycled and generic replacement parts; and
- actively pursue opportunities to promote the importance of component identification in domestic and international forums.

### Year 1 Summary (2004-2005)

Facilitate and monitor the take-up of vehicle security labels that comply with the NMVTRC/FCAI specification by Australian vehicle manufacturers and importers.

Continue to evaluate the impact of VIN-based microdots on the theft of marked vehicles and promote the importance of component identification with particular emphasis on high-volume manufacturing.

Monitor the development of emerging identification technologies in other markets, including their integration with intelligent transport systems infrastructure.

Ensure integration of improved vehicle identification with police, transport agency and relevant motor trades' vehicle inspection and investigative practices.

Promote the benefits of improved vehicle and component marking systems in domestic and international forums.

Use results of independent vehicle security rating systems to raise public awareness of vehicle identification issues, and encourage vehicle manufacturers to conform to best practice.

Continue to develop a monthly 'early warning system' to alert registration authorities to those vehicles currently most at risk of re-birthing.

Establish a code of practice to minimise the likelihood of stolen parts being laundered through legitimate parts recyclers.

Review the infrastructure required to support a comprehensive component identification system and refine implementation options.

### Outcomes

Application of improved identification via vehicle security labels and VIN-based microdots to all new passenger vehicles leading to a reduction in stolen vehicles passing undetected through vehicle registration identity inspections.

An agreed industry code for the management of recycled vehicle parts supported by non-regulatory financial incentives for participating recyclers that will lead to a decrease in the demand for stolen parts.

### Year 2 (2005-2006)

Monitor impact of secure compliance and vehicle security labels on vehicle theft.

Complete evaluation of the effectiveness of VIN-based microdot marking technology as a theft deterrent and make recommendations on future actions.

Report on the development of vehicle identification technologies in other markets and the infrastructure required to support a comprehensive component identification system.

Make recommendations to state and territory crime prevention ministers on the on-going need for improved vehicle identification and the feasibility of mandating a comprehensive component identification system.

Maintain registration authority 'early warning system' for vehicles most at risk of re-birthing.

Monitor operation of parts recyclers' code of practice.

## A2: Improving national information exchange and registration practices

In June 2004, the 'national information grid' of vehicle information became a reality with key government agencies, motor traders, consumers and others able to access accurate, up-to-the-minute vehicle status information – including stolen and written-off status – appropriate to their needs.

In simple terms:

- police and registration authorities require access to vehicle status information to recover or detect vehicles suspected of being stolen;
- motor traders and consumers need to be able to verify that the vehicle they are considering buying is not stolen, is consistent with the description of the vehicle held by the registration authority (as protection against re-birthing), and is eligible for registration, i.e. it has not been declared a statutory write-off (as protection against re-birthing and fraud);
- insurers need to be able to confirm the existence and details of a vehicle for which a client seeks cover at both the 'front end' of its operations (i.e. underwriting and risk acceptance) and at 'back end' (i.e. claims management, theft/re-birthing mitigation, multiple insurance scams); and
- the timely communication of information such as when a vehicle is declared a statutory write-off back to vehicle manufacturers also has the potential for them to 'bar' the ordering of replacement parts for a vehicle bearing that Vehicle Identification Number.

State and territory registration authorities have invested more than \$40 million in developing real-time information exchange via the National Exchange of Vehicle and Driver Information System (NEVDIS). The system provides a 'communications gateway' between jurisdictional systems so that changes in vehicle or driver status are automatically accessible nationally. The system will facilitate improved customer service when people and vehicles legitimately move between jurisdictions, limit the potential for fraud, enforce sanctions for unsafe vehicles and driving, and reduce the trade in stolen vehicles.

With implementation<sup>4</sup> now so advanced, the NMVTRC and Austroads – the association of Australian and New Zealand road transport and traffic authorities – have made substantial progress towards the development of a performance framework for monitoring compliance with key NEVDIS transaction and vehicle inspection protocols, and the overall efficacy of the system in combating vehicle theft and fraud.

The past 12 months also marked the completion of the national written-off vehicle register network with all jurisdictions having now introduced management practices that comply with agreed best practice.

It was inevitable that in implementing written-off vehicle reforms some differences between jurisdictions in administrative procedures, legislative controls and business rules would emerge. While a degree of flexibility was expressly provided for under the agreed national principles, some

differences in practice are adding complexity to complying with reporting requirements and may diminish the full potential of the national network as a barrier to criminals. In response to stakeholder concerns on these issues, the NMVTRC and Austroads are well advanced in developing practical solutions to address critical inconsistencies, with implementation of system refinements expected in 2004-05.

The NMVTRC will also continue to monitor the implementation of public access systems by registration authorities and offices of fair trading to provide consumers and industry with non-personal vehicle status information. The NMVTRC's emphasis will be on encouraging a 'customer friendly' virtual one-stop-shop approach to service delivery arrangements.

To further enhance the collection and sharing of key vehicle-related information, the NMVTRC will undertake a number of studies to determine the feasibility of:

- capturing the identities of unregistered passenger and light commercial vehicles used on mining sites, prior to their disposal;
- capturing the details of vehicles refused registration on grounds that the vehicle's identity could not be confirmed – to minimise the potential for criminals to 'shop around' for different outcomes; and
- storing digital images of written-off vehicles on key systems.

To optimise the performance and value of the Comprehensive Auto-theft Research System, the NMVTRC will:

- encourage more data providers to move to monthly data extracts (in lieu of the present quarterly downloads) wherever possible;
- work with insurers to refine the quality of insurance data; and
- continue to add additional functionality to the on-line Analyser enquiry tool.

Discussions are also under way with government and local stakeholders in New Zealand about the feasibility of the NMVTRC providing a CARS bureau service for that country, and harmonising responses to organised vehicle theft.

To minimise the exposure of insurers to vehicle-related insurance fraud, the NMVTRC will continue to work with:

- Austroads and insurers to trial the on-line validation of VINs via NEVDIS; and
- insurers to implement other practical responses to combat the incidence of fraudulent vehicle theft claims.

4. Only Tasmania is yet to connect to NEVDIS (due early 2005).



## A2: Improving national information exchange and registration practices continued

### Year 1 Summary (2004-2005)

Monitor the progress of the connection of Tasmania to NEVDIS.

In conjunction with Austroads implement a performance monitoring framework for national information systems.

In conjunction with Austroads, insurers and the motor trades implement refinements to the national written-off vehicle register network to address critical inconsistencies in practice.

Continue to encourage a virtual one-stop-shop approach by registration authorities and offices of fair trading to the delivery of vehicle status information to industry and consumers.

Determine the feasibility of further enhancements to the collection and exchange of vehicle information in respect of unregistered mining vehicles, vehicles refused registration on identity grounds, the storage of digital images of written-off vehicles and improving access to national systems in remote areas.

Extend a CARS bureau service to New Zealand stakeholders and develop joint initiatives to limit the flow of stolen vehicles across the Tasman Sea. Move to monthly data extracts for CARS where possible and further develop the Analyser on-line enquiry tool.

In conjunction with insurers, develop a vehicle fraud reduction strategy including a VIN validation pilot project.

### Outcomes

Continuous improvement of the national information grid and integration with insurance and motor trades' business practices to strengthen barriers against vehicle re-birthing and fraud.

Continuous improvement of vehicle inspection standards to ensure a high likelihood of re-birthed stolen vehicles being detected.

A significant reduction in the avenues for the disposal of stolen vehicles through improving information access for insurers, motor trades and consumers.

Improved information flows into CARS to aid policy and decision makers.

Provision of seamless and cost effective access to national vehicle data leading to a reduction in fraud committed on insurers and the motor trades.

### Year 2 (2005-2006)

In conjunction with Austroads, monitor the performance framework for national information systems.

Continue to encourage a virtual one-stop-shop approach to the delivery of vehicle status information to industry and consumers.

Advance implementation of feasible enhancements to the collection and exchange of vehicle information from Year 1 investigations.

Continue to refine CARS data processes and services.

Implement reforms to reduce the incidence of vehicle-theft related insurance fraud.

Review future information exchange needs and make recommendations for change (if any).



## A3: Improving investigative responses and inter-agency cooperation

The past 12 months has seen the focus on vehicle theft investigation by police services nationally continue to improve, with most services having established dedicated 'centres of expertise' within their organised crime departments to support regional investigations.

The principal obstacle to fully optimising the effectiveness of police investigative efforts is the continued absence of nationally coordinated intelligence on the activities of professional thieves.

The NMVTRC welcomes the priority assigned to the issue of organised vehicle theft by the Australian Crime Commission (ACC) and will continue to offer the ACC all assistance it can in terms of data or other information.

A new collaborative forum for key investigative managers has also been established by the NMVTRC to:

- improve the understanding of cross-jurisdictional theft activity through the exchange of intelligence on the status of professional vehicle theft in each jurisdiction;
- improve the collective body of knowledge by examining and comparing current and emerging criminal methodologies and innovative investigative techniques being deployed;
- identify issues in cross-border and inter-agency cooperation including the collation and exchange of intelligence, communications channels and policies to ensure the most efficient use of available resources; and
- develop closer professional relationships between investigative managers across all jurisdictions.

The NMVTRC sees the forum as central to the subsequent development of a broader formalised network of key contacts on vehicle theft for all agencies and major stakeholders.

The NMVTRC will also accelerate the development of case studies of the current modes of theft to guide the design of new countermeasures and infrastructure responses.

To better understand the impact of the global trade in stolen vehicles on Australia, the NMVTRC will work with the Australian Customs Service (ACS), the ACC and the Australian Federal Police (AFP) to quantify the extent of related local activity.

### Year 1 Summary (2004-2005)

Monitor and facilitate improvements in the level of national priority assigned to intelligence collation and investigations into organised vehicle crime. Maintain vehicle theft investigators' forum.

Develop a network of key agency and stakeholder contacts as the principal points of contact for inter-agency and inter-jurisdictional coordination.

Develop further case studies of the prevailing modes of vehicle theft to guide the on-going development of effective countermeasures and infrastructure responses.

Develop a joint work program with the ACC, ACS and AFP to combat the activities of international vehicle theft rackets.

### Outcomes

Vigorous and on-going investigation of vehicle theft which delivers on-going deterrence and detection of offenders.

Improved priority for intelligence gathering and dissemination on the activities of organised vehicle theft rings leading to more effective investigation at both state and national levels.

Implementation of strategies in conjunction with the ACS and AFP to reduce the number of stolen vehicles exported without detection.

### Year 2 (2005-2006)

Review priority assigned to intelligence collation and police investigation and report on future needs.

Review performance of key investigative managers' forum.

Maintain inter-agency and inter-jurisdictional coordination network.

Review mix of strategic countermeasures in light of the case studies of prevailing modes of vehicle theft.

Implement joint projects with the ACS and AFP to combat the activities of international vehicle theft rackets.

Review future investigative needs and make recommendations for change (if any).

# Sub-Program B: Reducing the Volume of Theft

## Desired Outcome

Development and implementation of cost-effective measures that:

- raise community awareness of key vehicle theft and security issues;
- significantly increase the security of older vehicles; and
- reduce the incidence of vehicle theft by young people.

## The Problem

The theft of older vehicles by youths for transport or to commit another crime accounts for the overwhelming volume of vehicle theft in Australia, with three out of every four stolen vehicles falling into this category (or almost 70,000 vehicles in 2003).

The high proportion of older vehicles on Australian roads that can be stolen using nothing more sophisticated than a coathanger and screwdriver provides would-be thieves with a literal feast of easy targets.

While public awareness of which vehicles are most at risk and the effectiveness of engine immobilisers as a deterrent to theft has increased in recent years, motorists remain reluctant to invest even moderate sums

to secure their vehicle. A perceived increase in the incidence of burglaries to access the keys and immobiliser transponders of secured vehicles also emphasises the need for more publicity about the importance of key security.

While the motivations of youths to steal cars are complex and varied, what is clear is that a relatively small number of high-rate offenders (estimated to be around 15 per cent of all young offenders) are responsible for a large proportion of opportunistic thefts.

## The Solutions

A sustainable reduction in the volume of vehicle theft requires a multi-pronged approach in which:

- the penetration of Australian Standards approved engine immobilisers in the older vehicle fleet is significantly increased;
- the community is continually reminded of effective actions and practices that they can adopt to greatly reduce their risk of becoming a theft victim; and
- programs that are effective in diverting young high-rate offenders from crime are supported by the mainstream juvenile justice system.



Implementation of cost-effective measures that raise community  
**awareness**  
of key vehicle theft and security issues.

## B1: Securing the older vehicle fleet

There is absolutely no doubt that the best way to protect older vehicles is to fit a quality after-market engine immobiliser. Despite gradual increases in the proportion of vehicles protected by an engine immobiliser – presently around 44 per cent (cf 30 per cent in 1999) – there are still almost six million older unsecured vehicles on our roads.

The clear lesson of voluntary immobiliser programs – such as that which operated in Western Australia (WA) in 1997 and the NMVTRC's *Immobilise Now!* – is their inability to significantly increase the immobiliser take-up rate.

The NMVTRC's 2002 review of WA's compulsory retro-fitting program confirmed that it had been the principal driver of the State's huge reductions in theft since 1999. The program has seen more than 80 per cent of WA vehicles immobilised. The NMVTRC's initial cost-benefit analysis for the rest of Australia suggests that applying the WA model (without a subsidy) would return positive benefits in most jurisdictions.<sup>5</sup>

Regardless of cost-benefit ratios, mandatory programs will always be politically contentious due to the perception that they may be regressive, i.e. lower income households are more likely to purchase older vehicles. Interestingly, there has been little public concern expressed on this issue in WA. Table 1 shows the similarities in the distribution of older vehicles in Perth and other capital cities.<sup>6</sup>

Table 1: Characteristics of the Owners of Pre 1991 Vehicles (Per Cent)\*

Characteristics	National	Sydney	Melbourne	Brisbane	Perth
Pre 1990 vehicles in fleet	21	13	22	21	23
Sex					
Male	56	58	54	43	56
Female	44	42	46	57	44
Age					
18-24	17	15	17	20	20
25-34	19	22	21	20	18
35-49	28	28	27	29	30
50 and over	36	35	35	32	32
Socio economic index <sup>#</sup>					
AB (Top)	13	20	15	14	16
C	18	21	24	19	20
D	21	22	21	22	23
E	22	20	20	23	20
FG (Bottom)	26	17	20	22	21
Employed					
Full time	37	42	42	45	40
Part time	19	19	21	18	17
Not employed	43	39	37	39	43

\* Source Roy Morgan Research, September 2003.

# The index is a composite of educational level achieved, income and occupation, with one-fifth of the older vehicle owners allocated to each category.

A detailed analysis of household income and vehicle ownership confirms that despite some correlation between these two issues, there are significant numbers of high income households with old vehicles, and lower income households with newer vehicles.

Interestingly, the NMVTRC's regular surveying of motorists' attitudes towards vehicle theft and security shows sustained support for compulsory immobilisation, with four successive surveys each indicating at least 59 per cent of motorists in favour of it.

The NMVTRC will continue to work with local stakeholders to refine implementation options for the consideration of state and territory governments.

Until individual states and territories consider the issue, the NMVTRC will continue to promote *Immobilise Now!* as a key component of its public education strategy.

### Year 1 Summary (2004-2005)

Maintain *Immobilise Now!* to encourage the owners of older vehicles to fit an Australian Standards approved engine immobiliser to their vehicle.

Refine implementation options for compulsory immobiliser programs on a jurisdiction by jurisdiction basis.

### Outcomes

Compulsory engine immobiliser programs operating in the most populous jurisdictions with a target of 70 per cent immobilisation within five years.

### Year 2 (2005-2006)

Refine implementation options and promote benefits of compulsory immobiliser programs.

Implement compulsory engine immobiliser programs in agreed jurisdictions.

Maintain *Immobilise Now!* in jurisdictions where compulsory programs are not operating.

5. Most jurisdictions would reach 70 per cent immobilisation in four to six years (cf 10-12 years without a compulsory program).

6. Data was not available for Canberra but the Australian Bureau of Statistics' National Regional Profile 2004, indicates that Canberra's average annual income approximates that of Sydney \$41,889 cf \$41,918.

## B2: Promoting secure practices in the community

The NMVTRC and its stakeholders have distributed millions of public education brochures and in 2003 there were almost 2,000 media references to vehicle theft related issues.

While the public profile of vehicle theft and security has increased in recent years, about half the motoring population still fail to understand the true dynamics of vehicle theft. The fact that Australia is currently enjoying its lowest rate of vehicle theft in more than three decades is contributing to community apathy. The NMVTRC's May 2004 consumer survey<sup>7</sup> which polled more than 1,700 motorists nationally, indicates that concern about having a car stolen has fallen by more than a quarter over the past five years to just 45 per cent.

Creating a sustainable change of attitude within the community will always be a very difficult task but the NMVTRC remains committed to promoting key vehicle security messages, in particular the importance of securing older vehicles. The challenge for the next two years will be to continue to develop fresh and innovative ways to convey key vehicle theft messages to the community via the media and other channels.

New public education initiatives in 2004-2005 will feature:

- major media events in all capital cities to illustrate the need to protect older vehicles with an engine immobiliser;
- significant changes to the look and content of the NMVTRC's public education materials – including a new brochure on car immobilisers and point of sale materials for the IN! network; and
- *Operation Bounce Back* – a new partnership with local government in metropolitan and regional Australia to promote immobilisers and tackle vehicle theft in local communities.

As part of an on-going review of its communication strategy, the NMVTRC's Car-Safe website will be redeveloped to improve its 'user friendliness', add new features and provide greater flexibility for more frequent updates and news flashes.

### Year 1 Summary (2004-2005)

Implement new public education initiatives and continue to refine communications activities to optimise outcomes within the limits of available funding.

Continue to survey motorists' attitudes to vehicle security issues at regular intervals.

Further develop links with local government to disseminate key vehicle theft messages to local communities.

### Outcomes

A better informed community on the risks of vehicle theft leading to a higher percentage of motorists employing effective measures to minimise their risk.

A better informed motoring public leading to a decline in theft of property from vehicles.

### Year 2 (2005-2006)

Maintain provision of a range of public education materials to stakeholders.

Monitor and evaluate the effectiveness of public education campaigns.

Use evaluation material to refine and target public education and community based programs.

7. Nexus Research Car Theft Issues May 2004.

## B3: Reducing the involvement of young people in vehicle theft

In 2003-04 the NMVTRC took a direct role in addressing youth car theft offending by co-funding three 24 month trials of its *U-turn* best practice program in conjunction with the Australian Government's National Crime Prevention Program. *U-turn* aims to break the cycle of offending of young high-rate vehicle thieves by helping them to develop new skills based around vehicle maintenance and repairs.

Sites are now operating in Tasmania, Western Australia and Queensland under the auspices of a local lead agency.

All three sites are undergoing individual evaluation and an overarching meta-evaluation funded by National Crime Prevention to determine their effectiveness in helping young offenders to cease offending and get their lives back on track. The NMVTRC's goal is to demonstrate to juvenile justice agencies that specific vehicle theft programs work and are worthy of consideration in the mix of responses to youth crime.

In addition to *U-turn*, the Council will continue to explore new opportunities to integrate its *Spur of the Moment* comic and *Educators' Kit*, and *Ride of Your Life* animation resources with other youth oriented education or communication programs.

### Year 1 Summary (2003-2004)

Monitor performance of *U-turn* pilot programs and refine program model. Utilise evaluated outcomes to promote mainstream funding of ongoing diversion programs.

Continue to promote the use of the NMVTRC's vehicle theft prevention youth resources in educational and youth focused programs.

### Outcomes

Best practice young offender diversion programs operating in a number of jurisdictions, leading to reduced offending levels by recidivist offenders.

Increased awareness among young people of the consequences of vehicle theft leading to less young people becoming involved in vehicle theft.

### Year 2 (2005-2006)

Review and update youth communications resources.

Promote revised best practice model to key government departments and stakeholders in all jurisdictions.



# Performance Measures

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The NMVTRC places a heavy emphasis on measurable outcomes and the delivery of high quality monitoring and evaluation processes. The NMVTRC's Key Performance Indicators (KPI) are considered crucial tools in measuring outcomes and determining the NMVTRC's success in achieving its mission.

The KPI are based on the following principles:

- the NMVTRC will maintain continual monitoring and reporting throughout its life to gauge the effect of its theft reduction strategies;
- measurement of vehicle theft trends will be integral from the outset, but need to be viewed from the perspective that some strategies will take several years to have an impact on theft statistics; and
- the KPI should also measure the effectiveness of the NMVTRC's communications and consultation strategies.

A summary of the KPI framework is set out below. Performance against each KPI is reported in the NMVTRC's Annual Report.

Throughout the NMVTRC's life the following KPI will be reported upon.

## Status of Motor Vehicle Theft Trends in Australia, based on:

- comparisons with motor vehicle theft in comparable developed nations;
- reductions in the rate of vehicle theft per number of vehicles registered and per 1,000 population;
- reductions or changes in the incidence and nature of opportunistic and professional theft;
- community perceptions of motor vehicle theft relative to other crimes; and
- the economic and social cost of motor vehicle theft.

## Assessment of NMVTRC's Consultation and Communications Processes, based on:

- stakeholders' perceptions of the NMVTRC's program coordination and consultation performance;
- the timeliness and quality (as assessed by stakeholders) of the NMVTRC's publications;
- analyses of references to the NMVTRC in the media and assessment of coverage as negative, neutral or positive; and
- an improved level of awareness of vehicle security practices and vehicle theft issues by the community.

## NMVTRC's Contribution to Vehicle Theft Reforms by Stakeholders, based on the:

- level of stakeholder activity in respect to significant motor vehicle theft reforms (in progress or completed);
- level of stakeholder response to the reforms promoted by the NMVTRC for the period; and
- level of NMVTRC's influence on the implementation of reforms (major positive impact, minor positive impact, no impact, negative impact).



# Appendix 1:

## Two year program – at a glance

### Improved Vehicle Identification (ID)

Program/element	2004-2005	2005-2006
Vehicle security labels	Facilitate adoption and monitor the take-up of vehicle security labels.	Review and report on level of adoption by the motor industry and theft reduction impact.
VIN based microdots	Continue evaluation of impact of VIN based microdots and facilitate adoption of component identification in high volume manufacturing.	Review evaluation results and manufacturer responses. Make recommendations for future action.
Emerging vehicle ID technologies	Monitor the development of emerging technologies/integration with ITS infrastructure.	Make recommendations for future action.
Infrastructure support	Ensure integration of improved vehicle ID systems with agency/industry practices.	Review and report on level of compliance. Make recommendations for improvements (if required).
	Facilitate industry adoption of improved ID through promotion of benefits in domestic and international forums.	Continuation of program.
	Utilise vehicle security ratings to raise public awareness and encourage industry best practice.	Continuation of program.
Management of vehicle components	Extend the Victorian 'early warning system' (EWS) to other jurisdictions.	Continuation of program.
	Establish administration body to implement the recyclers' code of practice.	Monitor code performance.
	Review infrastructure requirements for component ID system and refine implementation options.	Make recommendations for future needs.

### Improving National Information Exchange and Registration Practices

Program/element	2004-2005	2005-2006
NEVDIS	Monitor Tasmania's connection to NEVDIS	
System performance	Finalise and implement performance monitoring framework.	Review performance and make recommendations for improvements where required.
Written-off vehicle registers	Finalise and implement solutions to written-off vehicle register inconsistencies and monitor system performance.	Review performance and make recommendations for change where required.
	Facilitate actions to support a fully national virtual one-stop-shop for vehicle status information.	Review jurisdictional progress and make recommendations for improvements where required.
National systems enhancements	Determine feasibility of further enhancements to information collection (mining vehicles, vehicles refused registration, storage of images, heavy vehicles, and remote area access).	Finalise implementation of agreed enhancements.
CARS Analyser	Undertake enhancements that lead to continued improvements in information services including provision of monthly updates.	Review CARS service provision and make recommendations for future funding options.
Vehicle related fraud reduction	In conjunction with insurers develop a vehicle fraud mitigation strategy including a VIN validation pilot project.	Implement agreed fraud strategies.

# Appendix 1: Continued

## Improving Investigative Responses/Inter-agency Cooperation

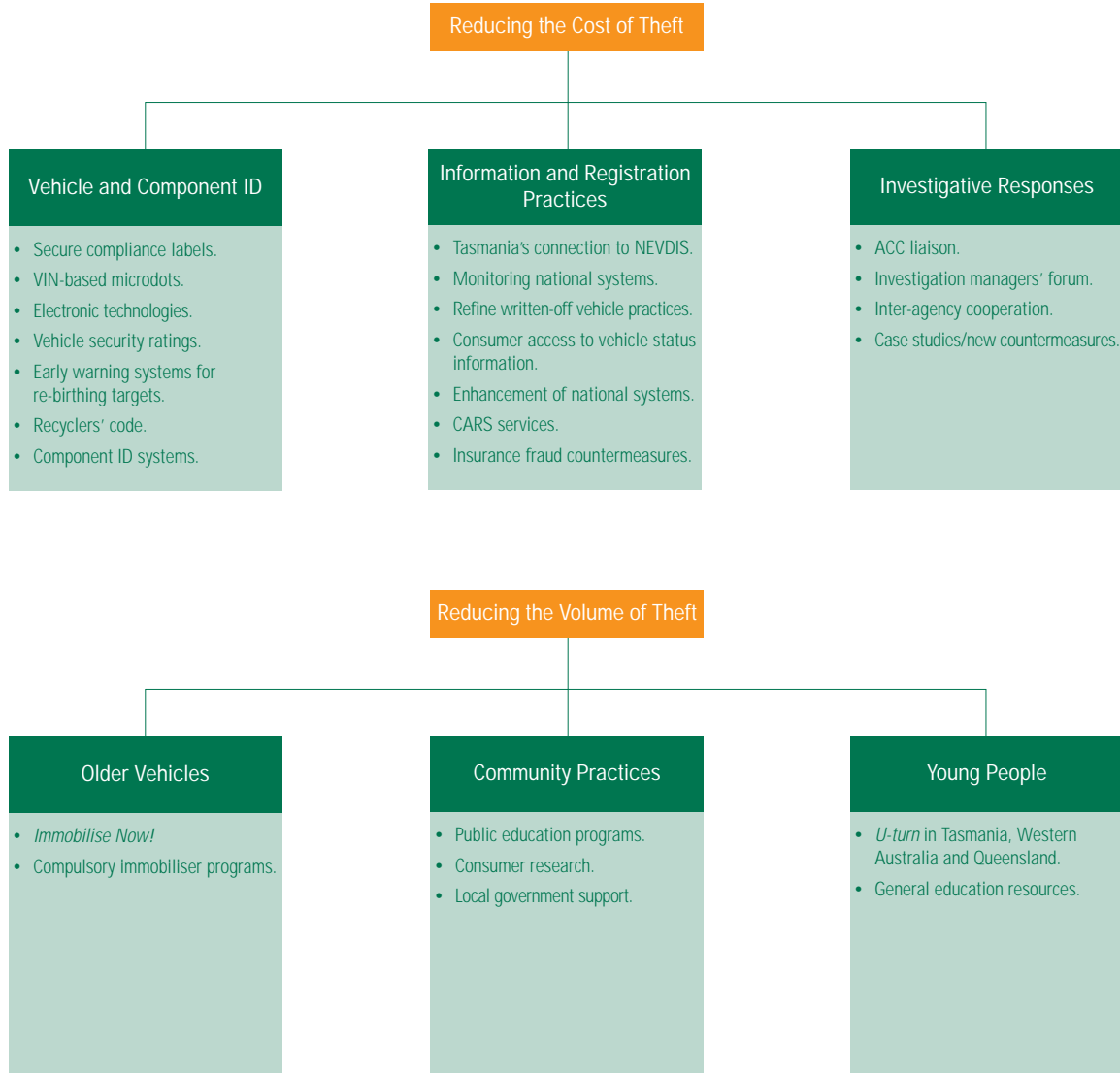
Program/element	2004-2005	2005-2006
National intelligence collation	Monitor and facilitate improvements in the level of national priority assigned to intelligence collation and investigations.	Review and report on future needs and arrangements.
	Maintain collaborative forum for key investigative managers.	Review and report on future needs and arrangements.
	Develop/maintain network of key agency/stakeholder contacts for inter-agency and inter-jurisdictional coordination of vehicle theft responses.	Review and report on future needs and arrangements.
	Document and utilise case studies of prevailing modes of vehicle theft to develop countermeasures to address changes in criminal behaviour.	Implement identified countermeasures.
International theft rackets	Undertake joint work program with ACS/AFP to assess and develop countermeasures against export/import of stolen vehicles.	Implement agreed countermeasures.

## Reducing the Volume of Theft

Program/element	2004-2005	2005-2006
Securing older vehicles	Maintain <i>Immobilise Now!</i> where compulsory programs not operating.	Continuation of program.
	Refine implementation options and promote benefits of compulsory immobiliser programs.	Review levels of jurisdictional support and make final recommendations on strategy.
	Implement compulsory immobiliser programs in agreed jurisdictions.	Support implementation strategy.
Promoting secure practices	Maintain public awareness programs including media presence and distribution of public education advice and materials.	Continuation of programs.
	Launch and maintain <i>Operation Bounce Back</i> local government grants program.	Review outcomes and refine program where required.
	Survey motorists' attitudes to vehicle security at regular intervals.	Continuation of program.
	Evaluate effectiveness of education campaigns and refine materials and channels as required.	Continue evaluation.
Offender diversion	Maintain <i>U-turn</i> pilots and oversee evaluation programs.	Continuation of pilot programs.
	Utilise evaluated outcomes to promote mainstream funding of ongoing diversion programs.	Continuation of program.
	Maintain profile of youth education materials.	Continuation of program.

# Appendix 2:

## 2004-05 Program/project relationships



National Motor Vehicle Theft Reduction Council Inc

50-52 Howard Street  
North Melbourne Victoria 3051  
Australia

Telephone (03) 9348 9600  
Toll Free 1300 668 410  
Facsimile (03) 9348 9988  
Email [info@carsafe.com.au](mailto:info@carsafe.com.au)  
[www.carsafe.com.au](http://www.carsafe.com.au)

ISBN 1 876 704 292