



National Motor Vehicle
Theft Reduction Council

STRATEGIC PLAN

2018-2020

Towards a Secure System

The NMVTRC is an initiative of Australian
governments and the insurance industry

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.

Goals that contribute to meeting the vision

Reduce the volume of vehicle crime.
Reduce the cost of vehicle crime.

Reform themes

Disrupt the Separated Parts Markets.
Disrupt Vehicle Laundering Markets.
Divert Young Offenders.
Capacity Building and Innovation.
Better Data Utilisation.

Operating philosophy

The 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.

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Foreword

Vehicle theft fell by 7 per cent in 2017 on the back of reductions of between 4 and 14 per cent across all vehicle classes. Profit-motivated passenger and light commercial (PLC) thefts fell 4 per cent.

The nation's theft total of 52,850 represents a return to 2013 levels after a period of volatility in some jurisdictions over the past two years. While this is a welcomed result, there clearly remains more to do to deliver our vision of achieving the lowest rate of vehicle theft in the developed world.

The NMVTRC's annual strategic reviews with stakeholders have been central to our development of a 'shared vision' of Australia's vehicle theft reform priorities. The *2018 StratPlan Consultations* once again provided key stakeholders with an opportunity to help refine the NMVTRC's forward strategy and priorities for 2018/19 and beyond.

This Plan also marks the important milestone of participating state and territory governments and the insurance industry committing to extend their collaboration in the NMVTRC through to mid-2021.

In the NMVTRC's assessment, the principal vehicle crime concerns currently facing the nation are the:

- prevalence of residential burglaries to access the keys of 'secure' vehicles, which in some cases have been associated with extreme violence; and
- 9,000 cars that appear to simply vanish altogether from our roads each year – the surrogate indicator of the level of organised criminal activity seeking to convert stolen vehicles into cash.

The continuing challenging economic and social conditions require a sustained level of commitment from both the NMVTRC and its stakeholders.

In recognition of the likely constraining effect that economic conditions will continue to have on stakeholders' capacity to implement reforms, the NMVTRC proposes to maintain its focus on directing the greatest proportion of its resources to facilitating an operational, on-the-ground response to the 'highest priority' issues via effective partnerships.

The NMVTRC's forward program has been developed within the context of applying a *Secure System* approach to combating vehicle crime¹.

This approach takes a holistic view of the dynamics of vehicle crime and the interaction between vehicle design and manufacture, motorist choices, perceptions and behaviour, offender actions, and government and industry practices.

In simple terms, a *Secure System* should minimise the opportunity for theft to occur, increase the effort required to launder stolen vehicles and parts, and increase the likelihood and consequences of detection. You can view a short video, *Towards a Secure System*, about the NMVTRC's approach via this link – <http://carsafe.com.au/about-us>.

Vehicle crime in 2018 is also increasingly not just a single crime. It is often at the centre of a more complex mix of offending that may also involve:

- significant road safety risks in the form of dangerous driving, pursuits and evasions;
- other crimes against a person (such as an assault, abduction or shooting);
- subsequent property crimes (such as an aggravated burglary or robbery, arson, drug or firearms dealing);
- terrorism (in the form of vehicle-based attacks or explosions);
- other forms of theft (fuel drive offs, toll evasion); and
- a wide variety of fraudulent activity in respect of identity and vehicle identification, finance and staged collisions.

See Figure 1 The Vehicle Crime Continuum.

1. A similar approach is applied by road safety organisations worldwide in pursuit of countermeasures to mitigate the impacts of vehicle crashes and minimise serious injuries and fatalities.

Figure 1: The Vehicle Crime Continuum



Based on an original visual concept created by Katie Scott (Victoria Police 2018).

Introduction

This Plan leverages off key aspects of the *Secure System* approach and proposes a range of initiatives and countermeasures around the reform themes of:

- Disrupting Separated Parts Markets by:
 - pursuing a range of countermeasures to:
 - i. protect legitimate trading by encouraging the development of industry-lead commercial agreements between insurers, repairers and recyclers, and consumer education;
 - ii. modernise regulatory regimes to optimise their efficiency and effectiveness and crack down on non-complying enterprises;
 - iii. facilitate progression towards a secure and environmentally sound vehicle decommissioning system for end-of-life vehicles;
 - iv. facilitate intelligence gathering in respect to the export of stolen vehicles and parts.
- Disrupting Vehicle Laundering Markets by:
 - continuing to monitor the management of written-off vehicles and high-risk vehicle inspection regimes;
 - working with related agencies to optimise consumer awareness of stolen and written-off vehicle information via the Personal Property Securities Register.
- Diverting Young Offenders by:
 - supporting innovative means of delivering young offender programs which are consistent with the NMVTRC's best practice model in conjunction with the business and non-government sectors; and
 - leveraging the development of existing educational resources to engage and inform young people of the potential risks, consequences and long term impacts of becoming involved in vehicle crime.

Importantly, the updated Plan also makes a major investment in:

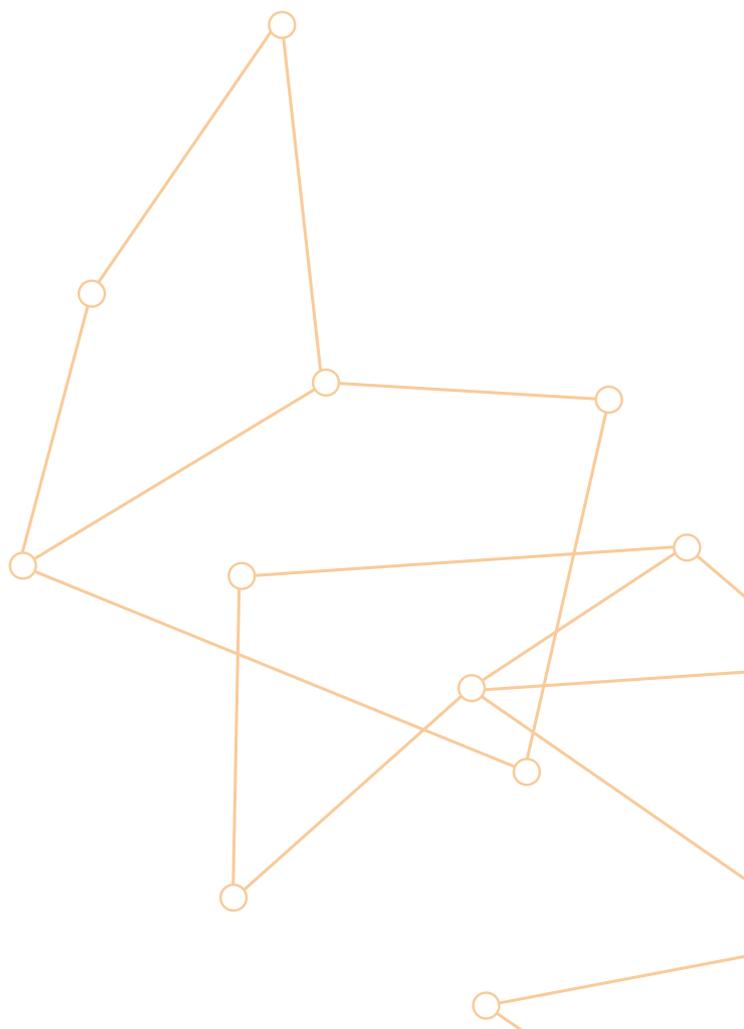
- building stakeholder capacity and innovation via a range of technological, communications, public education, and knowledge sharing projects; and
- continuing to improve the quality, utilisation and tactical value of the NMVTRC's considerable data holdings.

Structure of this Plan

This Plan is set out in three parts. Part A outlines the background to the development of the Plan and the NMVTRC's role in Australia's theft reform process.

Part B examines the current theft dynamics by motivation (i.e. short term use vs profit-motivated theft) with a snapshot of the prevailing trend data, an analysis of current and emerging threats and the NMVTRC's proposed responses. Part B also contains separate analyses of the specialised classes of vehicles in respect of motorcycles, heavy vehicles, plant and equipment.

How the overall program fits together and is organised (with indicative resource allocations) is summarised in Part C.



Part A – Background

Basis of Strategic Plan

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.

A combination of multi-stakeholder workshops and in-depth consultations with senior representatives of our stakeholder base across the country has again been the major influence on the development of this Plan. These consultations 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, special interest groups and stakeholders throughout the past 12 months of the NMVTRC's operations have also assisted to shape the revised Plan.

Development and delivery of reforms

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 finite, 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.

The NMVTRC also remains committed to:

- seeking input from subject experts at every stage from project design to development to implementation;
- maintaining the most transparent and accessible consultative and communications mechanisms possible to ensure stakeholders and affected parties are informed of progress and issues;
- asking stakeholders to rate us regularly and reporting the results publically;

- seeking to continually improve our data and related services to ensure its accuracy, timeliness, flexibility and accessibility;
- applying an action-oriented approach to research;
- maintaining a consistent, persistent and non-bureaucratic approach to dealing with issues;
- continuing to be organisationally lean; and
- demonstrating value for money.

The NMVTRC work program will continue to focus on the development and implementation of a manageable number of key projects with a particular emphasis on facilitating an operational, on-the-ground response to issues identified as 'highest priority'.

Figure 2: Vehicle theft reform process



Each of the projects proposed in the work program has been evaluated against the NMVTRC Project *Assessment Framework*² and are considered as:

- essential to delivering the NMVTRC's vision of Australia achieving the lowest rate of motor vehicle theft in the developed world;
- consistent with one or more of the NMVTRC's four reform themes for action;
- being of national, regional or sectoral significance;
- having a clear, evidence-based case for action; and
- enjoying sufficient stakeholder commitment so as to maximise the likelihood of successful implementation.

2. A full description of the *Project Assessment Framework* is included in this Plan as Appendix B.

Theft facts

Passenger and light commercial vehicles

42,539

81% of all vehicle thefts



More than **3 in 4** PLCs stolen were recovered



47% were stolen from a residence



23% were stolen from a street



8% were stolen from a business

Part B – Section 1: Short term theft

Statistical snapshot

The short-term theft (STT) category comprises those incidents where the vehicle has been targeted by opportunistic thieves for short term uses such as joyriding, transport or used to commit another crime but has been recovered intact or subject to malicious damage³.

The 12 months to 31 December 2017 saw PLC STT fall 10 per cent to 33,500.

The five-year rolling trend (see Figure 3) shows improved positions for New South Wales (NSW), Western Australia (WA), and South Australia (SA). Victoria (Vic) and Queensland (Qld) have each experienced highly volatile swings up and down over the period. Volumes in Tasmania and the two Territories have been relatively static.

Almost eight in 10 PLCs stolen in 2017 were protected by an Australian-Standards Equivalent (ASE) engine immobiliser with 83 per cent of theft targets manufactured post-2001. Despite this, non-immobilised vehicles still face twice the risk of theft when volumes are adjusted by registration-age shares (exposure).

The theft of motorcycles fell by 14 per cent, while theft of other vehicles (such as heavy vehicles and plant) also fell 16 per cent.

It is the first year in more than a decade that all vehicle classes enjoyed double-digit reductions.

Figure 3: Short term PLC theft five-year trend (July 2013 to June 2017)

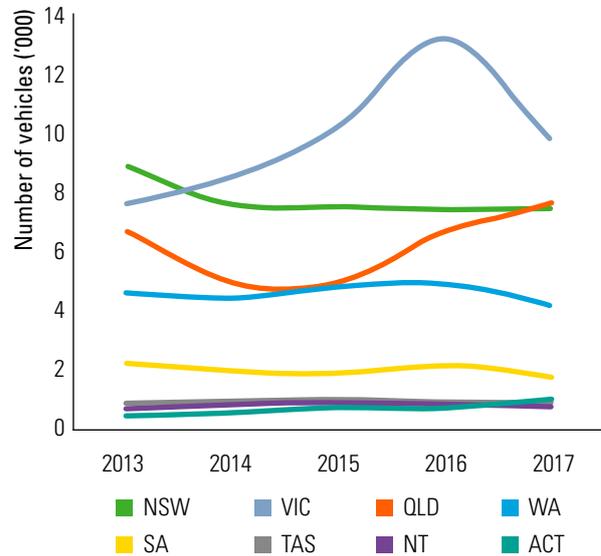
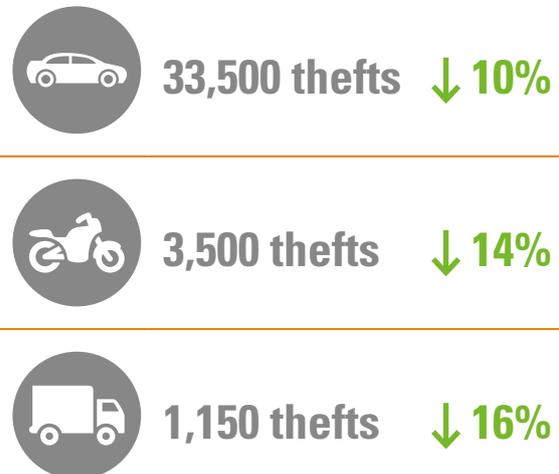


Figure 4: Short term theft at a glance



3. Short term use numbers will include an unknown but assumed small number of recovered vehicles that were recovered in a substantially stripped condition that were the likely target of profit-motivated thieves.

Part B – Section 1: Short term theft continued

Threat assessment

The NMVTRC has assessed the major threats to reducing short term theft rates based on a 'traffic light' coding system.

Red represents the highest order danger to sustainable theft reduction and poses a clear, present threat.

Amber means the threat has been assessed as moderate or reducing, but still requiring some attention.

Green means the threat has been assessed as minor or significantly reduced.



Theft by key and residential burglaries

Stolen keys result in seven in 10 late model thefts with half of all stolen cars taken from a residence

The increasing penetration of electronic immobilisers across the Australian fleet has made a major contribution to improving the nation's theft performance. Nationally more than eight in 10 vehicles are protected by an engine immobiliser⁴.

In most parts of the nation there has been a distinct shift in offenders' methods towards:

- residential burglaries to access the keys of 'secure vehicles' – with vehicle keys being the only property stolen in up to one in four reported burglaries in which a vehicle was taken; and
- offenders becoming more brazen, entering even occupied premises with some displaying a propensity for extreme violence, or the threat of violence, to intimidate anyone they encounter.

These changes in method along with a spike in violent in-home and on-road incidents in Victoria, in particular, has led to considerable community anxiety that goes beyond its statistical reality.

While perhaps the most difficult theft method to counter, a proactive approach to responsibly raise motorist and home owner awareness of actual risk profiles and practical mitigation strategies is essential to maintaining a balance between restoring a sense of community safety and encouraging risk mitigation.

A high proportion of violent offenders have become 'rapid repeat offenders' despite having little or no prior criminal history which marks them out from the traditional recidivist offender.



Attack by 'coat hanger and screwdriver'

Non-immobilised cars still face twice the risk

As noted earlier eight in 10 vehicles stolen in 2017 were fitted with an ASE immobiliser which, without the key, cannot be started without advanced technical know-how and specialised equipment.

While the time has passed to mandate the retro-fitting of engine immobilisers, there is still a place to promote their utility against all but the most determined thieves.



Electronic hacking

Electronic devices are not being used to bypass security in short term thefts

There is no evidence of electronic devices being used to defeat the security systems of vehicles stolen for short term purposes.



Managing young offenders

Keeping a young person in secure care costs more than \$440,000 a year

On any day there are up to 1,500 young people held in juvenile detention nationally and a very high proportion of them are as a result of motor vehicle offences. Detention is costly – keeping a young person in secure care costs more than \$440,000 a year – and its impact on post-release re-offending is open to debate. Offenders are often returned to the community without the skills or support required to stay away from crime.

In Australia's largest cities it is not uncommon for a 'proficient' young thief to have stolen more than 300 cars by his or her late teens.

High rate vehicle theft is also a strong indicator of a young person's likely involvement in other forms of crime. It also kills, with 60 theft-related fatalities across Australia since 2013. Half of those deaths were young people aged between 10 and 21. Most resulted from a combination of excess speed, drugs and alcohol. Five were associated with an active police pursuit.

As noted earlier, there has been a dramatic increase in the use of extreme in-home and on-road violence in Victoria.

4. There are some variations with Western Australia at more than 90 per cent due to its compulsory retro-fitting program introduced in the late 1990s. The lowest rate is Tasmania at 70 per cent.

The NMVTRC remains an advocate for the expert design and delivery of diversionary programs for young theft offenders based on the development of trade skills.

Short term theft: Summary of NMVTRC program responses

In response to the above threats to sustained reductions in short term theft, the NMVTRC will:	
<ul style="list-style-type: none"> • Continue to support its National Vehicle Crime Communications Alliance of interested parties to ensure the consistency of key consumer messages across stakeholder communications. 	<ul style="list-style-type: none"> • Maintain its partnership with Mission Australia (MA) and the Suncorp Group to transition Synergy Repairs to becoming fully self-funded.
<ul style="list-style-type: none"> • Maintain its <i>Operation Bounce Back</i> program with local government in theft hot spots nationally to focus on key protection and burglary risks. 	<ul style="list-style-type: none"> • Maintain its advisory support role to other community attempts at best practice youth diversion responses.
<ul style="list-style-type: none"> • Complete trials of a low-cost smartphone theft alert and tracking app for owners of high-risk vehicles in collaboration with select police services. 	<ul style="list-style-type: none"> • Complete its research into current offending cohort in respect of factors driving high levels of associated violence.
<ul style="list-style-type: none"> • Further deploy its suite of expert systems to enable local police to quickly visualise vehicle crime trends and implement more targeted operational responses. 	<ul style="list-style-type: none"> • Support the implementation of modernised recidivist offender management models and youth engagement programs by police.
<ul style="list-style-type: none"> • In conjunction with the ACT's Justice and Community Safety Directorate complete a deep analysis of local theft characteristics. 	<ul style="list-style-type: none"> • Maintain its <i>Choose-A-Ride</i> resources.
<ul style="list-style-type: none"> • Complete its collaboration with the Tasmanian Department of Justice to evaluate its new adult diversion program <i>Back on Track</i>. 	<ul style="list-style-type: none"> • Continue to monitor motorists' attitudes to vehicle security and related issues via regular market surveys.



Theft facts

Motorcycles

8,040

15% of all vehicle thefts



Almost half of motorcycles stolen were recovered



58% were stolen from a residence



14% were stolen from a street



6% were stolen from a business

Part B – Section 2: Profit-motivated theft

Statistical snapshot

Profit-motivated theft refers to vehicles stolen for conversion into cash via various illegal methods.

In respect of profit-motivated thefts (PMT) the theft of:

- PLCs remained static for the year at 9,016;
- motorcycles rose 7 per cent to 4,371; and
- other vehicles fell by 12 per cent to 1,100.

For PLCs the five-year trend line indicates an unchanged position in terms of volumes (9,732 cf 9560).

The vehicle age profile for PLC PMT indicates that:

- the overwhelming majority of profit-motivated thefts are still of older vehicles, with almost eight in 10 being eight or more years old; and
- six in 10 are valued at less than \$10,000.

Figure 5: Profit-motivated PLC theft five-year trend (July 2013 to June 2017)

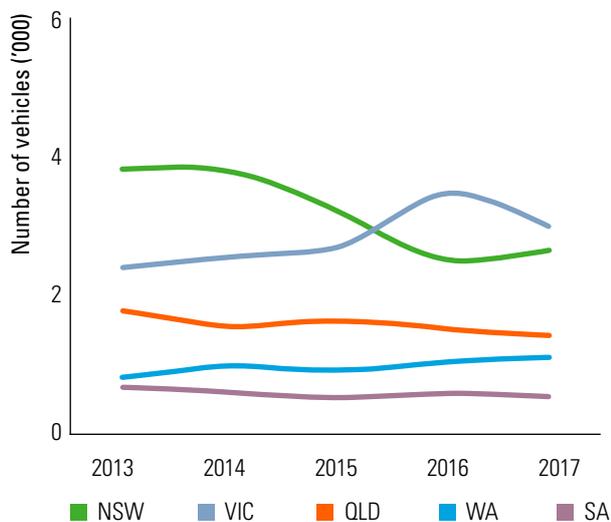


Figure 6: 2017 Profit-motivated PLC shares by vehicle value⁵

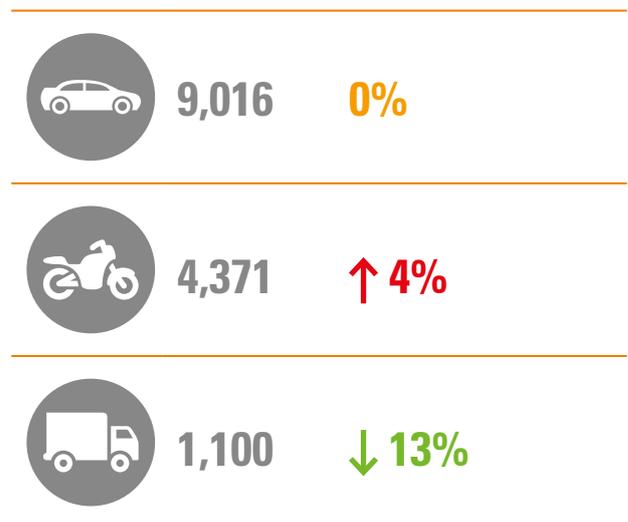
Estimated value \$'000	Thefts	% of thefts	Total value (\$)	% of total value
>0 to <5	4,073	45.2	10,743,346	11.8
5 to <10	2,156	23.9	14,736,423	16.2
10 to <20	1,568	17.4	22,701,441	25.0
20 to <30	649	7.2	15,813,021	17.4
30 to <50	418	4.6	15,768,588	17.4
50+	152	1.7	10,990,879	12.1
Total	9,016	100	90,753,697	100

5. Vehicle values estimated with Glasses' Guide. Sample Stolen/Not recovered Apr 2016-Mar 2017.

At the other end of the spectrum, just 1,100 vehicles under six years of age remained outstanding for the year. One of the impacts of the uncertain economic conditions facing Australia is that this group is also now more likely to be subject to higher levels of insurance fraud disguised as theft.

These vehicle characteristics, particularly age and value, are the best indicator of the likely end use via their conversion into cash as separated parts or as scrap.

Figure 7: Profit-motivated theft at a glance



Part B – Section 2: Profit-motivated theft continued

Threat assessment

A stolen vehicle's characteristics (recovery status, age, value, insured status and type, export potential, and immobiliser presence (and standard)) are all potential pointers to its likely fate.

The NMVTRC uses a 'Decision Tree Model' (DTM) to estimate the most likely end fate of a stolen vehicle based on its characteristics. A flow-chart of the DTM is included in Appendix 2.



Electronic hacking

Less than one in 100 Australian thefts involve electronic hacking

Studies conducted by the NMVTRC and international theft bodies indicate that the majority of late model (secure vehicle) thefts have been facilitated by access to the key and transponder, most recently via a burglary.

Police in New South Wales and Victoria have confirmed a limited number of criminal operations targeting various models of Toyota using a combination of key cloning and electronic attack. In the Victorian case the vehicles were to be exported as separated parts and partial cuts (to be re-joined at point of destination).

The NMVTRC maintains collaboration with equivalent European-based organisations on emerging methodologies to bypass electronic security systems.

Across Europe, the estimated impact of electronic hacking ranges from one in 20 thefts in the United Kingdom up to one in five in Russia. Australia's exposure is estimated to be in the very low range, along with Sweden and Finland, at less than one in 100.

In early 2017, independent expert analysis of the theft claims of more than 200 late model vehicles, each valued at more than \$50,000, lodged with a leading Australian insurer supports these prior assessments.

If a key duplication or hacking method was used, you would expect to see a repeated exposure pattern of similar models as the location of OBD ports, the compatibility of service tools and entry methods vary so significantly. With the exception of Audi, which had a clear issue due to a service key being left in vehicle log books and/or glove compartments, there was no clear pattern of model, age or location.

Media hype about remote hacking experiments has fuelled widespread perceptions that all modern vehicles are now vulnerable to electronic attacks. The most commonly reported scenario relates to a form of relay attack in which an offender remotely intercepts and manipulates the near field communication between a vehicle and its electronic key. The internet is full of videos of claimed examples.

However, enquiries with authoritative experts, including the United States' National Insurance Crime Bureau, indicate that authorities are yet to confirm a real live incident or recover a capable low-cost device.

The NMVTRC will continue to monitor developments in overseas markets and liaise with insurers and police services to monitor the potential risk of related theft methods in Australia.



Dismantled for parts

Accounts for one in four profit-motivated thefts. Regulatory regimes require major reform

As whole vehicle laundering has become almost impossible to execute without detection, the dismantling or stripping of major components becomes increasingly more attractive and less risky for car criminals. Theft for dismantling is of course not limited to unrecovered vehicles but data on the extent of stripping of recovered vehicles is inconsistent. It is now also clear that criminal networks are increasingly more likely to dispose of the stripped shell by crushing or shredding rather than simply abandoning it.

The potential pathways for illicit parts are diverse but closely parallel the legitimate market and include⁶:

- the substitution of legitimate parts in commercial crash repairs⁷;
- the replacement of worn components in programmed maintenance or servicing⁸ (via both commercial and private networks);
- exchange for other goods, including drugs and firearms;
- upgrading standard or base model vehicles to limited edition or performance variants; and
- rebuilding repairable written-off vehicles.



Converted to scrap metal

Accounts for one in four profit-motivated thefts. Exemption from licensing or accreditation for metal recyclers needs to be reviewed

The prevailing vehicle age profile of profit-motivated thefts indicates that theft for scrap could account for half of all profit-motivated thefts and highlights the vulnerability of the prevailing end-of-life vehicle (ELV) practices to manipulation by profit-motivated thieves.

6. Australian Institute of Criminology, *Nature and Extent of Stolen Vehicle Parts in Australia* (NMVTRC 2001).

7. The difficulty of identifying stolen parts means that legitimate recyclers and repairers may inadvertently purchase them.

8. A survey conducted by AAMI in 2000 on the cost of replacing 'a basket of parts' for the 12 most popular model vehicles found that for some vehicles the cost of replacing these parts can be as much as 45 per cent of the current value of the vehicle.

Industry sources continue to report that demand for vehicles for metal recycling and the export of whole and partial vehicles continues to grow and that legitimate industry participants are finding it increasingly difficult to compete against rogue operators who have no outward appearance of compliance with regulatory requirements and established industry standards.

The NMVTRC has been calling for the modernisation of related laws across Australia since 2012 to remove ambiguities and gaps, and deal more effectively with enduring non-compliance. In response, the NSW Government introduced legislation in 2017 requiring persons dealing in scrap metal to register with NSW Police. The *Scrap Metal Industry Act* also bans cash transactions and imposes a range of obligations on participants to maintain certain records and report suspicious activity. Other features include:

- a prohibition on buying vehicles with no or obscured identity;
- broad powers of police entry without a warrant; and
- flexible penalties for non-compliance including provision for short term and long term closure orders.

The NMVTRC's preference is for other jurisdictions to replicate the NSW model in precisely the same form, i.e. as a standalone crime prevention initiative that is not burdened by the significant deficiencies of existing second-hand trading and LMCT laws.

In May 2017, however, the Victorian Government also announced that it would amend its second-hand dealing laws to adopt key elements of the NSW approach, including a ban on cash payments and trading in de-identified vehicles.

While the NSW and now Victorian reforms represent major steps forward, similar vulnerabilities exist in all the remaining states and territories with like reform required to close off gaps that allow some activity to go unregulated and equip regulators with a better 'tool-kit' to deal with serial non-compliance.



Rebirthed or cloned

Accounts for less than one in 20 profit-motivated thefts. Traditional methods substantially curtailed by registration reforms

The former method of choice for profit-motivated thieves converting whole vehicles into cash has been substantially curtailed by significant tightening of written-off vehicle (WOV) regimes which have reduced the pool of available vehicles.



Leakage from existing barriers

Criminals targeting 'off-register' vehicles that fall outside current mandatory reporting arrangements

There are reports of criminals seeking to exploit current regulatory barriers by using the identifiers of 'off-register' vehicles such as 'retired' PLCs used exclusively on mining sites, damaged ex-rental vehicles etc that are not captured in state and territory WOV systems.

The likely incidence has not been able to be quantified to date.



Exported as whole vehicle, parts or scrap

Estimated to account for four in 10 profit-motivated thefts. Proliferation of new entrants in 'cash for cars' sector focused on scrap metal exports

As outlined earlier, legitimate recyclers have for some time observed that many new enterprises buying vehicles exclusively for scrap or export are relying on the ambiguity of the scrap metal exemption to avoid holding either LMCT or second-hand dealer registration.

Most of these enterprises operate via cash transactions with no record of the seller's identity or regard for the status of the vehicle being purchased. This facilitates a fertile environment for the sale of stolen vehicles into the commercial trade. There is also now considerable evidence that many of these enterprises ignore fundamental regulatory requirements in the areas of occupational health and safety, environmental laws and taxation.

As alluded to earlier, the reform of the scrap metal markets in NSW and Victoria represent a major step forward. However, similar vulnerabilities exist in all the remaining states and territories with like reform required to close off gaps that allow some activity to go unregulated and equip regulators with a better 'tool-kit' to deal with serial non-compliance.

Part B – Section 2: Profit-motivated theft continued



Insurance fraud presented as vehicle theft
Estimated to account for one in 20 reported profit-motivated thefts

Those vehicles reported as stolen that are more likely to be the subject of fraudulent claims will be those that are of higher value, insured for an agreed value (rather than market value) and subject to a financial encumbrance.

While sophisticated scams may involve stripping of the vehicle and/or complete disposal of the shell by crushing or shredding, the most common fraudulent claims are likely to relate to burnt-out recovered vehicles. The NMVTRC's analysis therefore assumes that fraud is not a major contributor to the missing PLCs. The NMVTRC will, however, continue to collaborate with the Insurance Fraud Bureau of Australia on related issues.



Dumped in waterways or bushland
Estimated to account for one in 20 non-recovered stolen vehicles

Pre-2000 vehicles comprised three in 10 non-recovered stolen vehicles in 2017. Many will have been dumped in waterways or bushland. With around a quarter of these vehicles valued at under \$2,000 the NMVTRC has assumed the majority of those vehicles are unlikely to have been the target of criminal networks.

There is, however, some inter-relationship between this group and 'Theft for Scrap-ELV' group referred to earlier with some recyclers who hold local government contracts to remove abandoned vehicles reporting that they frequently encounter instances of vehicles being removed by unauthorised third parties prior to their arrival at the vehicle's last recorded location.

In summary, based on the profile of 9,016 vehicles that 'vanished' in the year, the NMVTRC's 'Decision Tree' model suggests that they are likely to have been disposed of according to the following shares:

End use or fate	Share %	Trend
Dismantled for parts	25	Rising
Converted to scrap metal	25	Rising
Re-birthed or cloned	5	Reducing
Exported	40	Rising
Dumped in bushland or waterways	5	Steady

Profit-motivated theft: Summary of NMVTRC program responses

In response to the above threats the NMVTRC will:	
<ul style="list-style-type: none"> With local stakeholders develop formal proposals for legislative reform of the scrap metal and recycled parts sectors based on the principles of the NSW <i>crime prevention model</i>. 	<ul style="list-style-type: none"> Further deploy its suite of expert systems to enable local police to quickly visualise vehicle crime trends and implement more targeted operational responses.
<ul style="list-style-type: none"> Continue to support and promote industry lead responses to improve provenance checks and systems in legitimate scrap metal and parts supply chain. 	<ul style="list-style-type: none"> Maintain the operations of the Vehicle Crime Managers' Network to facilitate inter-agency cooperation and intelligence sharing.
<ul style="list-style-type: none"> Quantify the impacts of NSW profit-motivated theft offences. 	<ul style="list-style-type: none"> With Austroads, monitor the implementation of a national written-off vehicle scheme for heavy vehicles.
<ul style="list-style-type: none"> Investigate the feasibility of an online repair diary portal to support the management of repairable write-offs by road agencies. 	<ul style="list-style-type: none"> Engage the mining industry about mitigating identification risks posed by 'off-register' PLC mine vehicles.
<ul style="list-style-type: none"> Improve the quality of point of sale information provided to RWO buyers about the pre-requisites for re-registration. 	<ul style="list-style-type: none"> Maintain its liaison with police and insurers nationally in respect of electronic theft risks.
<ul style="list-style-type: none"> Look for low-cost opportunities to optimise consumer awareness of the Personal Property Securities Register. 	

Theft facts

Other vehicles

2,220

4% of all vehicle thefts



1 in 2 'other vehicles' stolen were recovered



32% were stolen from a business



27% were stolen from a residence



15% were stolen from a street

Part B – Section 3: Specialised vehicles: Motorcycles, heavy vehicles, plant and equipment

Motorcycles

The dynamics of motorcycle theft vary considerably from those of other vehicles. In 2017:

- 8,040 motorcycles were stolen (representing 15 per cent of all vehicles stolen and 30 per cent of all SNRs);
- unregistered and off-road bikes account for one third of all missing motorcycles;
- unlike other vehicles – motorcycles manufactured after 2010 are at significantly greater risk than older ones;
- the risk of multiple thefts from a single location is much greater; and
- in thefts notified to police – in respect of non-registered motorcycles – the VIN is reported in only two in five cases.

The five-year trend line shows a 3% improvement.

Where theft location is known, almost 70 per cent of motorcycles were stolen from the home compared with just 12 per cent from the street. Newer motorcycles made between 2010 and 2016 are the most common theft targets (40 per cent).

Bikes with engine capacities of 200cc or less were the biggest targets (23 per cent), followed by those in the 201-250cc range (12 per cent). Large bikes above 750cc made up just 9 per cent.

The low recovery rates are driven by the ease with which motorcycles can be disassembled and sold for parts and – in the case of off-road motorcycles – the absence of ‘mandatory’ transactions at which a suspicious vehicle may be detected. Developing effective interventions for any vehicle outside the mainstream registration system is extremely difficult for this reason.

There is general consensus that for on-road bikes the demand for parts is the principal driver of theft. In some cases, the value of separated components is considered to exceed that of complete units⁹. There are also anecdotal reports that many stolen motorcycles are broken down and used for spares in amateur motorsport events.

Specialised vehicles – Motorcycles: Summary of NMVTRC program responses

In response to the above threats, the NMVTRC will:

- | | |
|---|--|
| <ul style="list-style-type: none">• Maintain its liaison with rider groups to look to disseminate key motorcycle theft prevention messages. | <ul style="list-style-type: none">• Develop mechanisms to improve the quality of motorcycle theft data recorded by police and secure the active participation of specialist insurers in providing data to CARS¹⁰. |
|---|--|

9. NSW Police Service 2003.

10. CARS is the Comprehensive Auto-theft Research Service managed under contract to the NMVTRC by the South Australian Attorney-General's Department.

Heavy vehicles, plant and equipment

In 2017 some 2,020 heavy vehicles (913 trucks and 125 buses) and 658 items of plant or equipment (PE) were stolen.

Almost 1 in 5 items of equipment recorded as stolen lack any detail as to type, age or other classification details. The prevailing non-recovery rate for heavy vehicles is around one in three and six in 10 for PE. While the frequency of heavy vehicle and PE theft is relatively low (5 per cent of all thefts) the cost of an incident can be extremely high with a single prime mover or large excavator worth hundreds of thousands of dollars.

Costs to individuals and businesses impacted by this type of theft will generally be much higher than for other vehicles in terms of temporary replacement costs, lost productivity and increased insurance premiums.

Like motorcycles, both heavy vehicles – particularly prime movers – and PE pose significant challenges in developing cost-effective countermeasures. In the case of prime movers the high level of customisation of vehicles and the interchangeability of key components makes conclusive identification very difficult even for the very experienced eye¹¹.

In May 2017, the Transport and Infrastructure (Ministerial) Council agreed for jurisdictions, together with industry stakeholders and the Heavy Vehicle Regulator to establish a National Written-Off Heavy Vehicle Register as a priority.

The work was led by Transport for NSW (TfNSW) with support from Austroads and the NMVTRC. With the assistance of an NMVTRC recommended expert reference group a set of appropriate assessment criteria has been agreed in principle with major heavy vehicle insurers, manufacturers, repairers and transport agencies. A copy of the technical guide for insurance assessors and other notifiers was published by Austroads and the NMVTRC in August 2018.

NSW is expected to be the first jurisdiction to pass enabling laws in late 2018 and the NMVTRC is working with Austroads and industry representatives on a national training program for industry.

PE pose similar problems to off-road bikes in that, because most operate outside the mainstream registration system, there are no mandatory transactions at which a suspicious vehicle may be detected. In addition, identification marks are generally limited to non-unique serial numbers – the legitimacy of which cannot be easily interpreted or verified by non-experts. This also has implications for the accuracy of the descriptive information recorded in police systems¹².

Conditional registration of PE has been proposed from time to time but has been steadfastly resisted by industry due to the onerous levels of stamp duty that apply to registration transactions and the reluctance of state revenue offices to grant exemptions. Where PE is used on the road it is usually under a form of permit authority.

There are also anecdotal claims that suggest there is an extensive and accepted theft culture within some elements of related industries. The construction industry successfully established a privately operated register of stolen PE – linked to equipment dealer databases – but the level of data capture and utilisation appears to be low.

The United Kingdom has a privately run register and recovery service, but views on its effectiveness are varied. The NMVTRC has attempted to engage major equipment importers and distributors on developing a local equivalent, but the response has been poor.

Specialised vehicles – Heavy vehicles, plant and equipment: Summary of NMVTRC program responses

In response to the above threats, the NMVTRC will continue to:

- Work with affected parties to ensure the consistent management of heavy vehicle write-offs.
- Develop mechanisms to improve the quality of PE theft data recorded by police.

11. This was one factor in the decision by some states to exclude heavy vehicles from mandatory written-off vehicle reporting requirements when they were first introduced nationally in 2002-2004.

12. In 2015 NSW Police modified its COPS system to incorporate a PE menu to improve reporting accuracy.

Part C – Work program summary

The work program for 2018-2019 will focus on the following priorities presented in the context of the NMVTRC's four reform themes.

Figure 8: 2018/19 work program at a glance

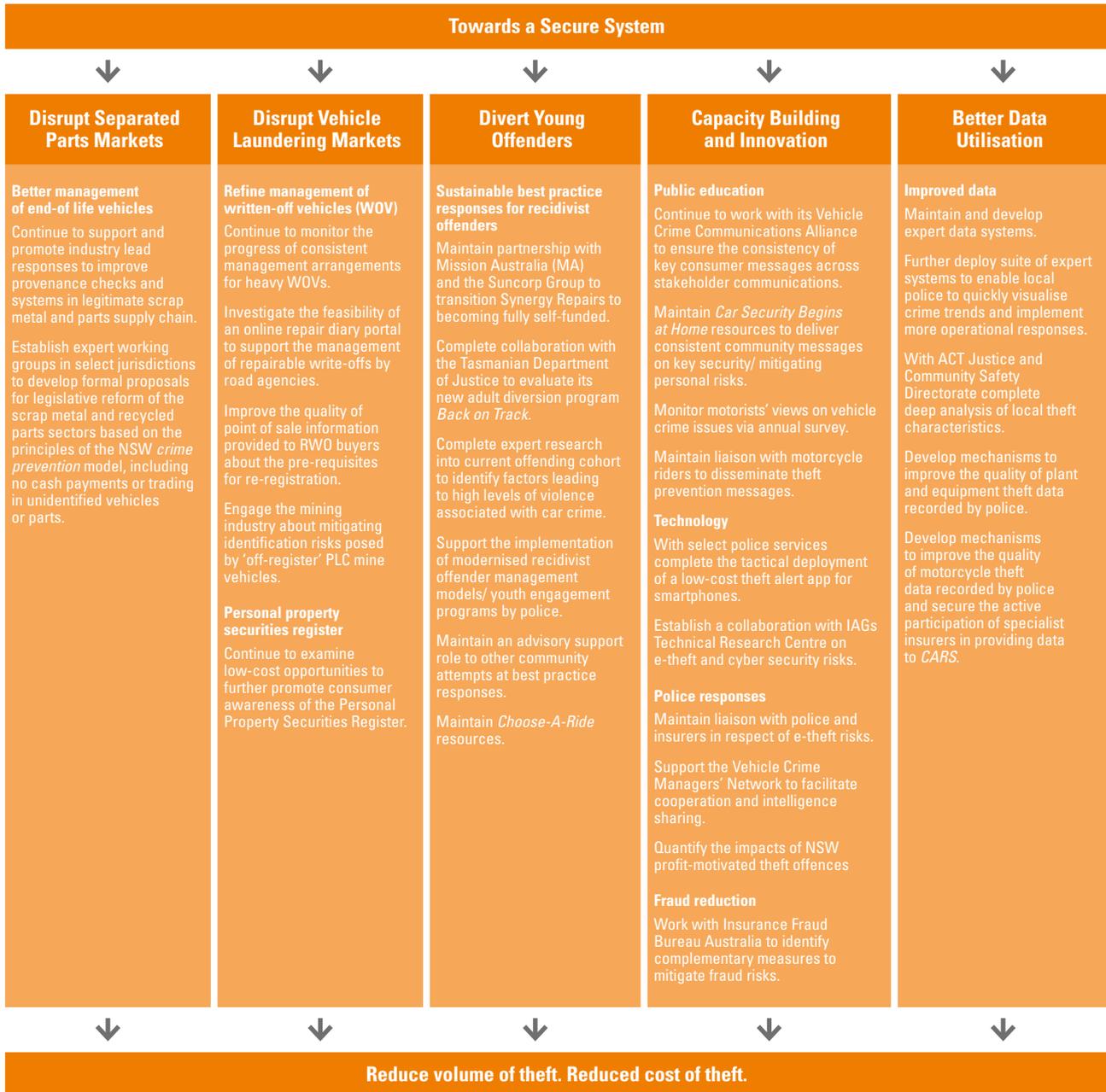
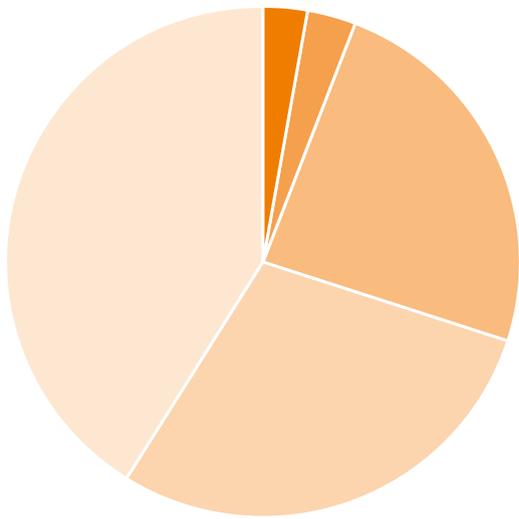
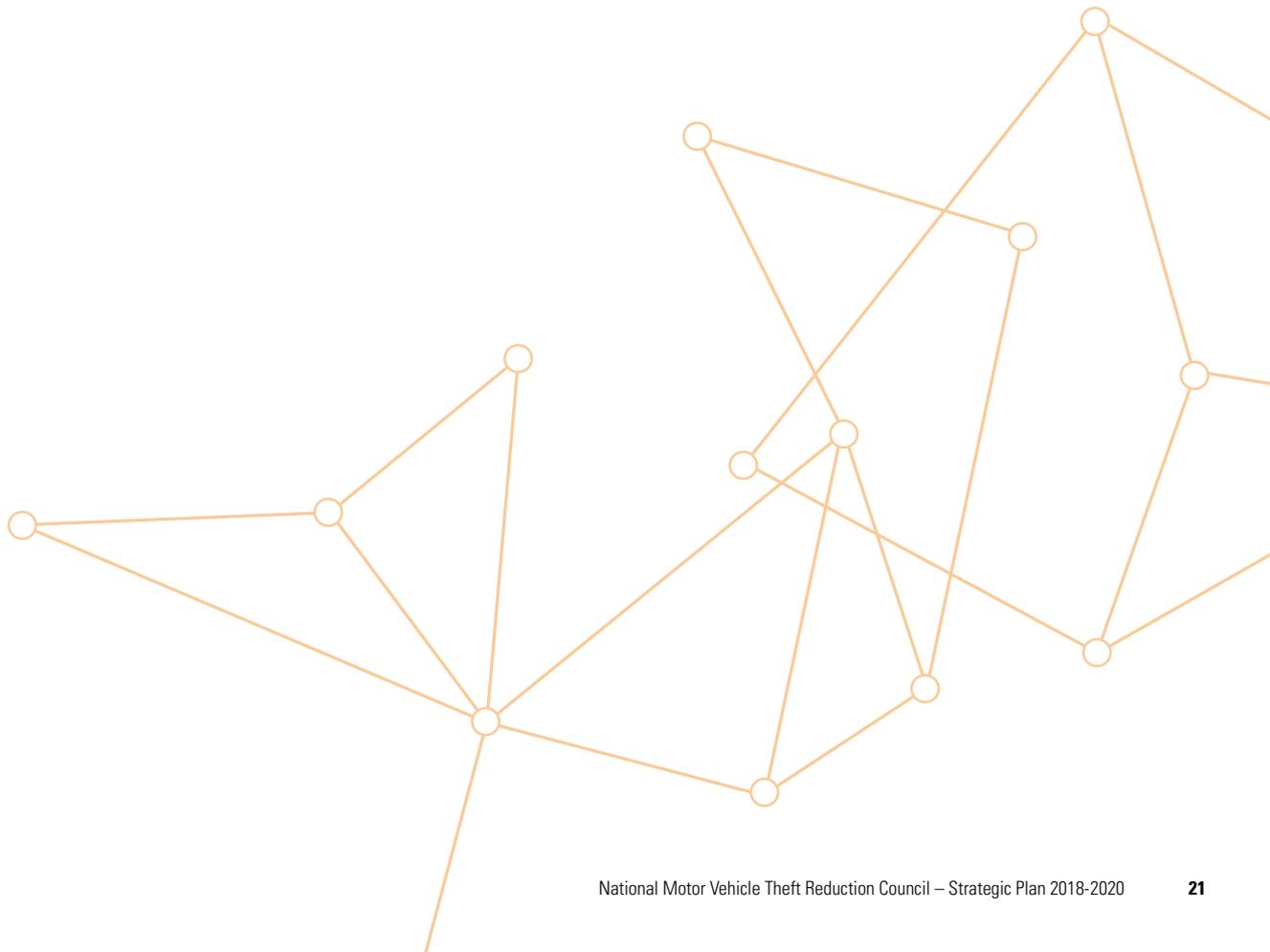


Figure 9: Program resource allocation

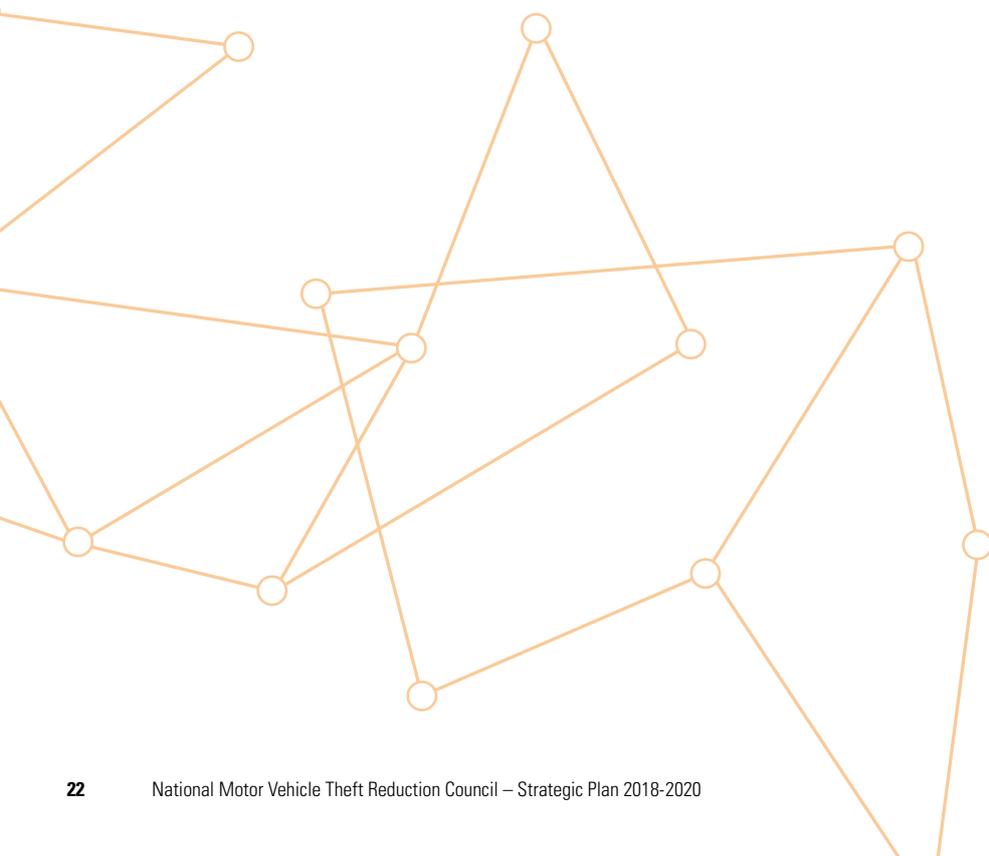


Disrupt Separated Parts Markets	3%
Disrupt Vehicle Laundering Markets	3%
Divert Young Offenders	24%
Capacity Building and Innovation	29%
Better Data Utilisation	41%



Part C – Work program summary continued

Reform theme/project element/desired outcome	Action		
	Year 1 (2018-2019)	Year 2 (2019-2020)	Year 3 (2020-2021)
Disrupt the Separated Parts Market			
Better management of end-of-life vehicles Establish secure practices for decommissioning end-of-life vehicles to combat theft-for-scrap rackets and minimise environmental impacts.	Continue to support and promote industry lead responses to improve provenance checks and systems in legitimate scrap metal and parts supply chain. (DSP/19/001)	Facilitate adoption of agreed reform program.	Complete reform program.
	Establish expert working groups in select jurisdictions to develop formal proposals for legislative reform of the scrap metal and recycled parts sectors based on the principles of the NSW <i>crime prevention</i> model, including no cash payments or trading in unidentified vehicles or parts. (DSP/19/002)	Facilitate adoption of agreed reform program.	Complete reform program.



Reform theme/project element/desired outcome	Action		
	Year 1 (2018-2019)	Year 2 (2019-2020)	Year 3 (2020-2021)
Disrupt Vehicle Laundering Markets			
Refine Management of Written-off Vehicles (WOV) Reduced pool of vehicles that are subject to criminal manipulation.	Monitor progress of the National Heavy Vehicle Regulations to ensure the consistent coverage of heavy vehicles. (DVL/19/001)	Assist to implement approved scheme.	Complete implementation.
	Investigate the feasibility of an online repair diary portal to support the management of repairable write-offs by road agencies. (DVL/19/002)	Develop implementation plan.	Complete implementation.
	Improve the quality of point of sale information provided to RWO buyers about the pre-requisites for re-registration. (DVL/19/003)	Implement new materials.	Conclude.
	Engage the mining industry about mitigating identification risks posed by 'off-register' PLC mine vehicles. (DVL/19/004)	Implement any remedial actions identified.	Complete implementation of any remedial actions.
Personal Property Securities Register (PPSR) A more informed, discerning buyer market for used vehicles.	Look for low-cost opportunities to further promote consumer awareness of the Personal Property Securities Register. (DVL/19/005)	Maintain watching brief.	Maintain watching brief.

Part C – Work program summary continued

Reform theme/project element/desired outcome	Action		
	Year 1 (2018-2019)	Year 2 (2019-2020)	Year 3 (2020-2021)
Divert Young Offenders			
Sustainable best practice interventions for recidivist offenders Improved access to diversionary programs that reflect NMVTRC's best practice model.	Maintain partnership with Mission Australia and the Suncorp Group to transition Synergy Repairs to becoming fully self-funded. (DYO/19/001)	Look for opportunities to extend model to other jurisdictions.	With partners establish other model businesses.
	Complete collaboration with the Tasmanian Department of Justice to evaluate its new adult diversion program <i>Back on Track</i> . (DYO/19/002)	Concluded.	–
	Maintain an advisory support role to other community attempts at best practice responses. (DYO/19/003)	Maintain advisory support.	Maintain advisory support.
	Review <i>Choose-A-Ride</i> youth resources. (DYO/19/004)	Refresh resources.	–
	Complete expert research into current offending cohort to identify factors in high levels of violence associated with car crime. (DYO/19/005)	Work with stakeholders to implement countermeasures.	–
	Support the implementation of modernised recidivist offender management models/youth engagement programs by police. (DYO/19/006)	Maintain.	Review.

Reform theme/project element/desired outcome	Action		
	Year 1 (2018-2019)	Year 2 (2019-2020)	Year 3 (2020-2021)
Build Stakeholder/Community Capacity and Encourage Innovation			
Public education Better informed motoring public on theft risks and mitigation actions.	Maintain <i>Operation Bounce Back</i> partnerships with select local governments focused on key security and mitigating personal risks. (BSC/19/001)	Review.	Refresh.
	Review <i>Car Security Begins at Home</i> resources. (BSC/19/002)	Refresh resources.	Review/refine.
	Monitor motorists' attitudes to vehicle security and crime issues via annual survey. (BSC/19/003)	Review/refine.	Review/refine.
	Quantify the impacts of NSW profit-motivated theft offences. (BSC/19/004)	Assess applicability for replication in other Australian jurisdictions.	Promote adoption.
	Maintain liaison with rider groups to look to disseminate theft prevention messages. (BSC/19/005)	Review/refine.	Review/refine.
Technology Showcase emerging/low-cost technologies as crime reduction tool	Complete implementation of trial of low-cost theft alert app for smartphones. (BSC/19/006)	Review/refine.	–
	Establish collaboration with IAG's Technical Research Centre on e-theft and cyber security risks. (BSC/19/007)	Maintain.	Maintain.
Police responses Facilitate inter-agency co-operation and knowledge sharing.	Maintain the Vehicle Crime Managers' Network to facilitate cooperation and intelligence sharing. (BSC/19/008)	Maintain.	Review/refine.
Fraud reduction Reduced opportunity for fraudsters to disguise activities as theft.	Work with Insurance Fraud Bureau Australia – to identify complementary measures that may assist to mitigate fraud risks. (BSC/19/009)	Maintain.	Maintain.

Part C – Work program summary continued

Reform theme/project element/desired outcome	Action		
	Year 1 (2018-2019)	Year 2 (2019-2020)	Year 3 (2020-2021)
Better Data Utilisation			
Improved data	Maintain and develop expert data systems (EDS). (BDU/19/001)	Review/refine.	Review/refine.
	Further deploy suite of EDS to enable local police to quickly visualise crime trends and implement more operational responses. (BDU/19/002)	Review/refine.	Review/refine.
	With ACT Justice and Community Safety Directorate to complete a deep analysis of local theft characteristics. (BDU/19/003)	–	–
	Develop mechanisms to improve the quality of plant and equipment theft data recorded by police. (BDU/19/004)	Maintain.	Maintain.
	Develop mechanisms to improve the quality of motorcycle data recorded by police and secure the active participation of specialist insurers in providing data. (BDU/19/005)	Review/refine.	Maintain.

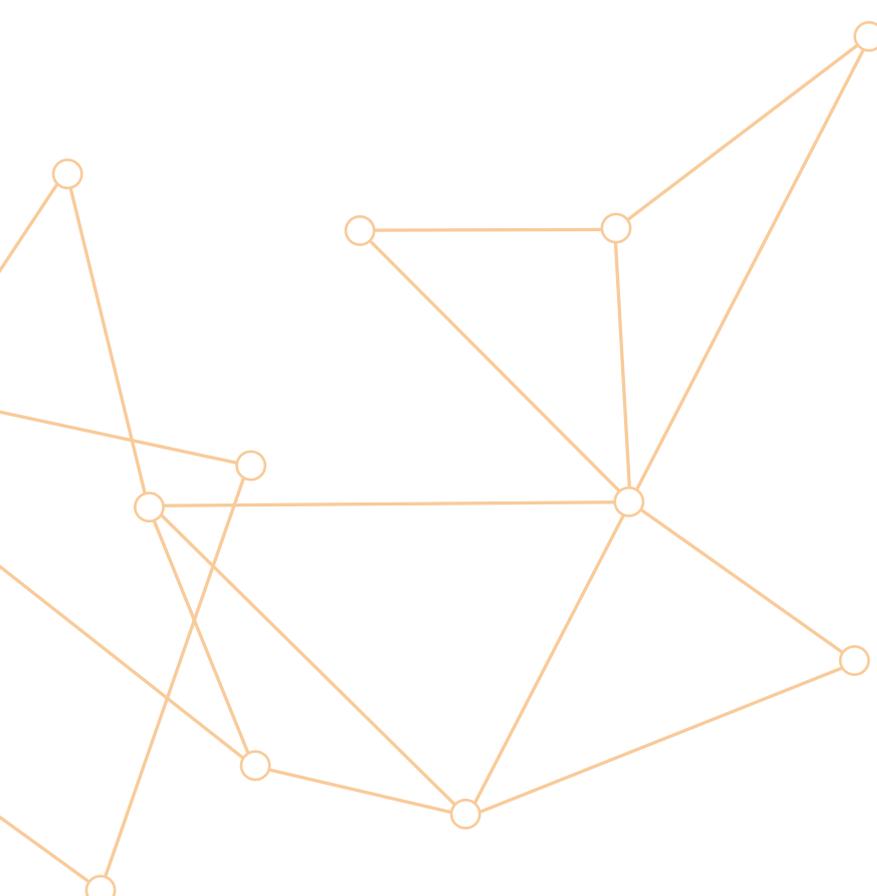
Appendix A – Parties consulted in development of this Plan

Allianz Australia Insurance
Austroads
Auto & General Insurance
Crime Stoppers (Victoria)
Dynamco
Federal Chamber of Automotive Industries
Insurance Australia Group
Insurance Council of Australia
Mission Australia
Mitsubishi Motors
Motor Trades Association of Western Australia
New South Wales Police Force
Northern Territory Police Service
Pickles Auctions
QBE Insurance
Queensland Inspection Service
RAA of South Australia
RAC Insurance
RACQ Insurance
Royal Automobile Club of Queensland
Royal Automobile Club of Victoria
Sims Metal Management
South Australia Police Service
South Australian Department of Planning, Transport and Infrastructure
Suncorp Group
TIO Insurance
Transport for New South Wales
VicRoads
Victoria Police
Victorian Automobile Chamber of Commerce
Victorian Department of Justice and Regulation
Western Australia Police Service
Western Australian Department of Transport
Youi Insurance
Zurich Insurance Group

Appendix B – Project Assessment Framework

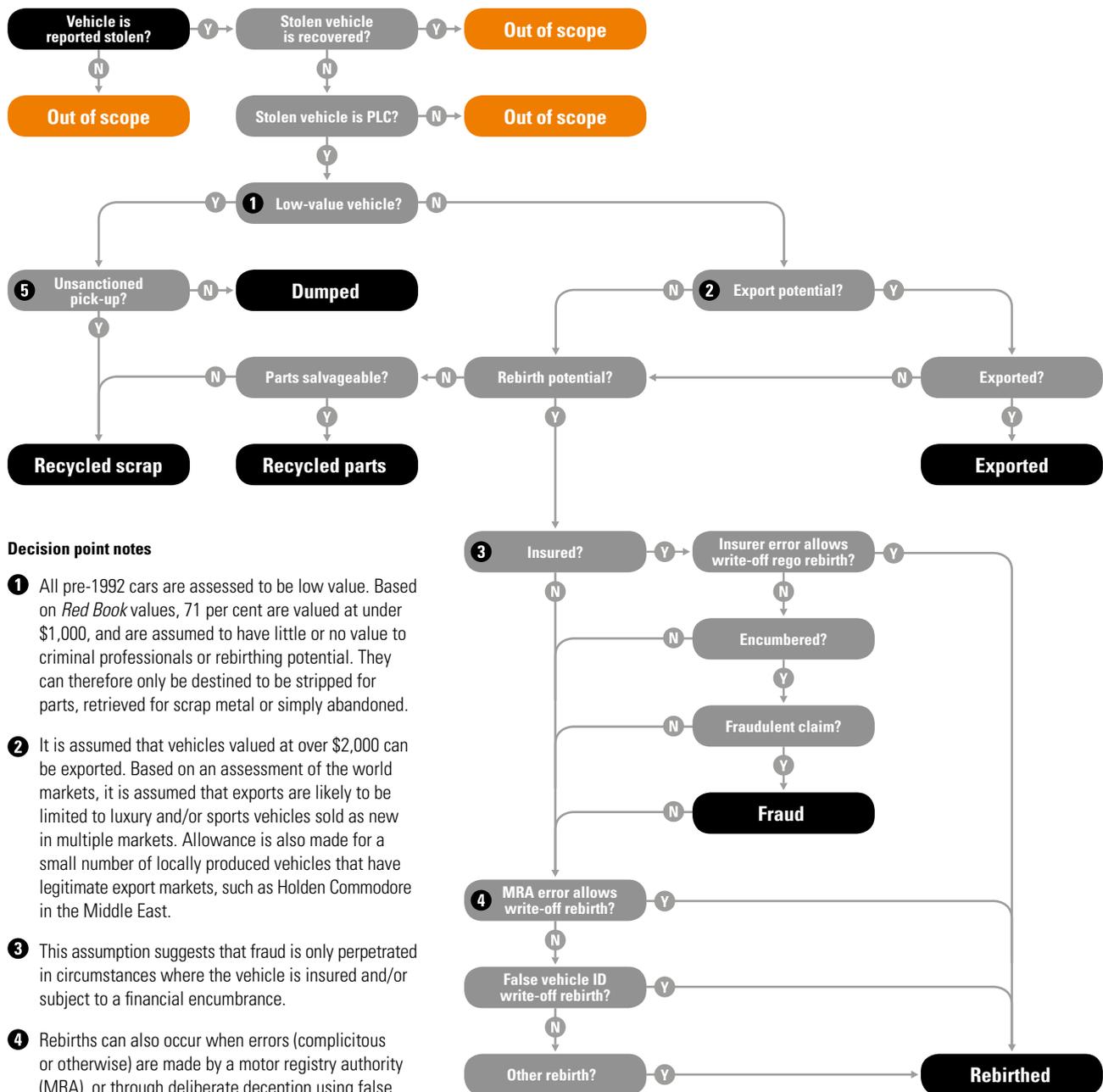
Priority projects included in this Plan have each been evaluated against the following assessment framework to ensure candidate projects support the NMVTRC's vision and goals.

1. Contributes to vision	Possible rankings essential, value adding, discretionary.
2. Object definition	Clearly articulated objective with specific goals/targets.
3. Problem identification	Comprehensive identification of current deficiencies, likely future trends, stakeholder recognition.
4. Problem assessment	Full analysis of the underlying cause of the deficiency and scale of impacts.
5. Problem analysis	Clear articulation of why deficiency exists and contributing factors.
6. Option assessment	Assessment of the range of possible interventions/means of implementation (advocacy, subsidies/incentives, regulation/penalties).
7. Solution assessment	Full analysis of why selected solution is favoured over alternative options: <ul style="list-style-type: none"> • likely impact and effectiveness; • interdependencies (the extent to which success relies on parallel sectoral reforms, national harmonisation, etc); • achievability; • constraints/downsides; and • timeliness ((quick (one to two years), medium (three to five), long (five plus)).
8. NMVTRC cost	Estimate of NMVTRC costs.



Appendix C – NMVTRC Decision Tree Model

Figure 10: The Decision Tree Model – predicted destiny of stolen not recovered PLC vehicles



Decision point notes

- 1 All pre-1992 cars are assessed to be low value. Based on *Red Book* values, 71 per cent are valued at under \$1,000, and are assumed to have little or no value to criminal professionals or rebirthing potential. They can therefore only be destined to be stripped for parts, retrieved for scrap metal or simply abandoned.
- 2 It is assumed that vehicles valued at over \$2,000 can be exported. Based on an assessment of the world markets, it is assumed that exports are likely to be limited to luxury and/or sports vehicles sold as new in multiple markets. Allowance is also made for a small number of locally produced vehicles that have legitimate export markets, such as Holden Commodore in the Middle East.
- 3 This assumption suggests that fraud is only perpetrated in circumstances where the vehicle is insured and/or subject to a financial encumbrance.
- 4 Rebirths can also occur when errors (complicitous or otherwise) are made by a motor registry authority (MRA), or through deliberate deception using false identifiers plates or rebuilding a written-off vehicle with stolen parts. Unrecovered vehicles over \$2,000 that are neither exported nor rebirthed are assumed to be recycled for parts rather than simply for scrap metal. Removing parts and then dumping/scraping the rest is probably the most likely outcome.
- 5 It is surmised that very low-value vehicles would simply be abandoned in bushland, waterways or other remote locations.

Appendix D – Key performance indicators for NMVTRC operations

The NMVTRC is a joint initiative of Australian Governments and the insurance industry and places a heavy emphasis on measurable outcomes and the delivery of high-quality monitoring and evaluation processes. It considers its Key Performance Indicators (KPI) as crucial tools in measuring outcomes and determining the NMVTRC's success in achieving its mission.

The data to measure the NMVTRC performance is gathered using a range of channels, including annual surveys of stakeholders' perceptions. The results are reported in the NMVTRC's Annual Report published each year in October.

A: Motor vehicle theft trends in Australia

Program code	A1
Indicator	Comparisons with motor vehicle theft in comparable developed nations.
Source	Various sources.
Format	Calendar year. Graphical or tabular representation of raw data and theft per 100,000 persons. The following countries are to be compared: Canada, Germany, Italy, Japan, Netherlands, New Zealand, United Kingdom and United States.
Baseline	Rolling five years (now 2013).
Program code	A2
Indicator	Reductions in the rate of vehicle theft per number of vehicles registered and per 1,000 population.
Source	Comprehensive Auto-theft Research System (CARS).
Format	Financial year. Graphical or tabular representation of percentage changes per 1,000 vehicles registered and per 1,000 persons.
Baseline	Rolling five years (now 2013).
Program code	A3
Indicator	Reductions or changes in the incidence and nature of short term and profit-motivated theft.
Source	CARS.
Format	Financial year. Graphical or tabular representation of short term and profit-motivated theft rates based on recovery rate analysis. Vehicles recovered relatively intact attributed to short term theft. Vehicles unrecovered or recovered in a substantially stripped condition attributed to profit-motivated theft. Vehicles which do not fall distinctly into either categories shall not be included.
Baseline	Rolling five years (now 2013).
Program code	A4
Indicator	Community perceptions of motor vehicle theft relative to other crimes.
Source	Public survey.
Format	Measurement of community concern with various types of crime relative to vehicle theft. Crimes to include: rape and assault, drug offences, murder, vandalism, house burglaries, street hold-ups.
Baseline	2017 Nexus Survey.
Program code	A5
Indicator	The economic and social cost of motor vehicle theft, including the costs borne by the insurance industry.
Source	CARS.
Format	Financial year. Insurance figure based on number of cars stolen times average cost of insurance claim.
Baseline	2017/18 financial year.

B: Assessment of NMVTRC consultation processes

Program code	B1
Indicator	Stakeholders' perceptions of the Council's program coordination and consultation performance.
Source	Stakeholder survey.
Format	Qualitative analysis of data collected.
Baseline	Rating of the Council's program coordination and consultation performance measures as good, very good or excellent by 80 per cent of respondents.

Program code	B2
Indicator	The quality of the Council's publications.
Source	Feedback forms from publications and annual stakeholder survey.
Format	Qualitative. To be expressed as a collective assessment.
Baseline	Rating of the Council's publications as good, very good or excellent by 80 per cent of respondents.

Program code	B3
Indicator	Analyses of references to the Council in the media and assessment of coverage as negative, neutral or positive.
Source	Media monitoring through monitoring agency.
Format	Quantitative (number of references and assessment of coverage). May also include qualitative analysis of major themes.
Baseline	80 per cent of media coverage rated as positive.

Program code	B4
Indicator	An improved level of awareness of vehicle security practices and vehicle theft issues by the community.
Source	Public survey.
Format	Quantitative and qualitative. Graphical or tabular representation of changes in the public's level of awareness. To include: concern of having car stolen; rating of anti-theft measures; locking and security practices; beliefs regarding immobiliser effectiveness and cost and; types of cars stolen and offending groups.
Baseline	2018 Nexus Survey.

C: NMVTRC's contribution to vehicle theft reforms implemented by stakeholders

Program code	C1
Indicator	Level of Council's influence on the implementation of reforms (major positive impact, minor positive impact, no impact, negative impact).
Source	Stakeholder consultation in the form of individual meetings, workshops or written surveys.
Format	Qualitative analysis of Council's influence on reforms outlined in yearly business plan. To be measured as having a major positive impact, minor positive impact, no impact, negative impact.
Baseline	Rating by more than 80 per cent of stakeholders as major positive impact.

National Motor Vehicle Theft Reduction
Council Inc

50-52 Howard Street, North Melbourne
Victoria 3051 Australia

(03) 9348 9600

info@carsafe.com.au

carsafe.com.au

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