



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

# Theft TORQUE

National Motor Vehicle  
Theft Reduction Council –  
No.27 December 2006

## Contents

### Missing Vehicles

### Operation Bounce Back 2006/07

### Microdot WOVN Gains International Momentum

### Melbourne to Host the World

### Introducing Geoff Shanks

### A Sticky Problem Solved

### Reform of National Personal Property Laws Could Deliver One-Stop-Shop for Consumers

## Missing Vehicles

The sustained reduction in vehicle theft numbers overall has been a cause for celebration over the last five years. However the still high numbers of vehicles that are never recovered remains a significant concern. The NMVTRC has kicked off two key projects that seek to investigate these missing vehicles further, in order to better understand the dynamics of the 'unrecovered rate'.

### Forensic Data Analysis

Preliminary analysis by the NMVTRC of the 13,600 unrecovered passenger/light commercial vehicles stolen in 2004 suggested that up to 7,600 were likely to have been dumped, up to 150 may have been subject to a fraudulent insurance claim, less than 350 may have been exported, up to 2,000 may have been re-birthed or cloned, and up to 3,500 may have been stripped for parts.

The NMVTRC has commissioned the University of Western Sydney to undertake a full 'forensic analysis' of vehicle theft and insurance data to predict the most likely fate of missing vehicles

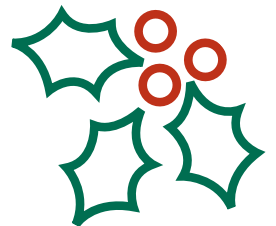
based on a snapshot of theft incidents for which police and insurance data can be matched. The UWS team is being assisted by an Expert Reference Group (ERG) of insurance and police specialists. The project is scheduled to report in late February 2007.

### Agreed Value Versus Market Value

A second project is looking into the relative 'theft performance' of agreed value versus market value policies. It has often been claimed that agreed value policies offer greater potential for fraud, particularly in a market of rapidly falling vehicle values. The project will, for the first time, look at the relative theft performance of the two policy types for a sample of popular theft targets in key regions.

Whilst the more forensic approach to analysing vehicle theft data is still in its infancy, it is hoped it can help fill in some of the gaps in knowledge that currently hinder a fuller understanding of the 'fluid' dynamics of car crime.

## Christmas Message



NMVTRC Councillors and staff would like to wish all our readers and stakeholders a happy Christmas and a safe new year. Thank you for your cooperation and support and we look forward to again working with you to further drive down vehicle theft in 2007!

# Operation Bounce Back 2006/07

Two of Australia's major vulnerabilities to vehicle theft are the remaining numbers of older, non-secure vehicles on the nation's roads and community apathy about understanding the risks and consequences of having a vehicle stolen.

A major element of the NMVTRC's overall strategy has therefore been to understand motorists' attitudes and develop quality, cost-effective programs to better inform the community and improve security practices. Operation Bounce Back (OBB) was devised in 2004 to convey key car security messages to local communities in car crime hot-spots in partnership with local government. The program's success has seen theft rates in those municipalities which

participated in both 2005 and 2006 fall at a significantly faster rate than their state average. OBB programs in Gosnells (Western Australia) and Logan (Queensland) also won Australian Crime and Violence Prevention Awards in 2006.

By sharing the best practices of the most successful programs from the past two years, we expect the 2006/07 program to deliver even better results. Funding for OBB programs in 2007 will total around \$700,000 with recipients each receiving grants of \$35,000. Grants are made up of \$10,000 direct funding, \$20,000 worth of immobiliser installations, and \$5,000 worth of resources. The final list of grant recipients will be confirmed in January 2007.



*Operation Bounce Back Darebin (administered by Victoria Police Region 3) was a particularly successful program in 2005/06.*

## Microdot WOVM Gains International Momentum

While Australia still leads the way with nine vehicle brands applying VIN-based microdot Whole Of Vehicle Marking (WOVM) as original equipment the rest of the world is catching up.

In October this year Nissan South Africa began fitting microdots to all of its 55,000 locally built and imported models and in Taiwan government officials are now preparing performance standards under which micro dotting of all new vehicles will become compulsory sometime in 2007. In Europe, the Netherlands has taken a lead role with its Foundation for Tackling Vehicle Crime convening a multi-country working party to develop proposals to lobby for an EU directive on vehicle marking. Closer to home, New Zealand officials are still examining the logistical and cost benefit issues associated with implementing a 2005 cabinet decision supporting the introduction of WOVM for imported vehicles.

These world developments came under close examination in October at an International Vehicle Crime Conference hosted by Business Against Crime in South Africa. The NMVTRC's Executive Director, Ray Carroll, attended the conference and presented Australia's WOVM initiatives as well as the many other positive results being achieved by our industry and agency partners under our integrated vehicle crime strategy.

While the conference highlighted the increasing momentum that WOVM is gaining around the world, it also identified a need for closer coordination between countries on establishing the requirements for WOVM standards. While acknowledging there is still some way to go before the mainstream vehicle industry fully embraces WOVM it is important that additional industry barriers are not created by imposing conflicting standards in multiple countries. From an Australian perspective, developments in Europe are particularly important as Australian Vehicle Standards are moving ever closer to total alignment with the European standards.

As a result of the conference it was agreed that the NMVTRC and its overseas equivalents would collaborate to prepare a 'Multi-national Reference

on Microdot based Whole of Vehicle Marking.' The document will serve as a guide for vehicle crime reduction organisations when facilitating national initiatives in WOVM. Whether these initiatives involve setting voluntary or mandatory standards, or simply providing advice to microdot suppliers on acceptable practices, it is hoped that the Multi-national Reference will go a long way towards ensuring international consistency in the microdot's physical characteristics, application processes and security protocols.

### Australian Police Ministers Support WOVM

At its November meeting the Australasian Police Ministers' Council (APMC) considered a submission by Australian police services on the issue of Whole Of Vehicle Marking. Ministers agreed to endorse Whole of Vehicle Marking as a means of reducing vehicle crime and expressed strong support for the NMVTRC's efforts to encourage local manufacturers' voluntary use of microdot marking.



# Melbourne to Host the World

Melbourne will be the focus of car crime reduction experts from around the world in 2007. The NMVTRC and Victoria Police will host Australia's first truly international conference examining car crime at a strategic level.

Whilst Australia has come a long way in reducing vehicle theft, there is still more work to be done and maintaining a strong police focus is a crucial part in achieving this. Victoria Police has stepped up to the challenge and will co-host the two

day conference in June showcasing Australia's innovative responses to car crime and examining international developments.

Session topics will include:

- Understanding the 'new' vehicle crime;
- Vehicle technology;
- Young people and vehicle theft;
- Enforcement and compliance;

- Industry practices;
- Insurance and car crime; and
- Community partnerships.

A conference website is currently under development and will be launched by the end of December. Details will also be posted on the NMVTRC's website ([www.carsafe.com.au](http://www.carsafe.com.au)) so check for updates in January.

## Introducing Geoff Shanks



Geoff Shanks joins the NMVTRC as a Councillor this month replacing former Queensland Transport executive Ray Rawlings as the representative of Austroads – the Australian and New Zealand association of transport and traffic authorities.

Geoff brings more 20 years of senior management experience with Victoria's road management agency – VicRoads – in a wide variety of disciplines including driver licensing, vehicle registration, road safety, transport regulation and regional operations.

Importantly, he has been a strong advocate for national consistency in registration practices and a leader in key national reforms on business efficiency and vehicle theft.

Geoff has also managed a range of Australian-lead infrastructure building projects in developing nations including Bangladesh, Bhutan and Fiji. Geoff holds a Masters Degree in Education Studies.

## A Sticky Problem Solved

Improving the standard of vehicle identification at the point of manufacture is a central element of the NMVTRC's strategy. The traditionally poor standard of vehicle identification has greatly contributed to the ease with which criminals have been able to convert stolen vehicle into cash and had a significant 'downstream' impact on the ability of transport agencies and police to detect suspect vehicles.

Secure compliance (or vehicle security) labels are one of the vehicle identification technologies endorsed by the NMVTRC as meeting the basic principles of an effective vehicle identification system. In simple terms, a secure compliance label is one that bears the vehicle's unique VIN and:

- cannot be transferred between vehicles, or its information be altered without detection;

- cannot be copied, and is easy to authenticate in the field by non-scientific, non-destructive and practicable means; and
- is long lasting and damage resistant under typical environmental conditions.

However, despite Australia's vehicle design rules allowing for a label as an alternative to the traditional metal compliance plate since 1999, they have till now offered little material improvement over traditional metal compliance plates in terms of tamper resistance or counterfeit protection.

Pleasingly, that is at last about to change with the advent of a product that now meets the NMVTRC's stringent specification. The Identitek smart compliance label has been independently tested to confirm its performance under harsh



*Sample of the Identitek compliance label.*

conditions and importantly its ease of verification in situ in the field. The self-voiding, multi-layer plastic label incorporates a range of sophisticated security features such as ultra-violet adhesive, sub-surface printing and a unique scrambled image that will only 'resolve' under a low-cost special viewing lens if it is a genuine label. The first labels are expected to appear on vehicles in early 2007.

# Reform of National Personal Property Laws Could Deliver One-Stop-Shop for Consumers

Providing consumers and motor traders with easy access to quality, non-personal information about a vehicle's history is a vital element of the NMVTRC's strategy to combat the activities of criminals. Professional thieves rely on being able to disguise a stolen vehicle's identity by altering or swapping its key identifiers. This is much more difficult if potential purchasers are able to easily determine the true status of those identifiers.

In simple terms, consumers and motor traders 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).

In 2001 the NMVTRC identified the state and territory vehicle securities network – collectively referred to as REVS agencies (Register of Encumbered Vehicles) as the most effective channel for delivering vehicle status information to consumers and the motor trades<sup>1</sup>.

Since that time the NMVTRC has been working with REVS agencies to progressively improve related services. In 2005/06 the NMVTRC contributed financially to investigating the logistics of developing a single national REVS service under the auspices of the Ministerial Council of Consumer Affairs (MCCA).

Parallel to this process the Standing Committee of Attorneys-General (SCAG) has been investigating a more general reform of personal property securities (PPS) laws. PPS has significant conceptual similarities with the REVS service but would have a much broader scope in relation to the types of

goods over which security interests could be registered. The proposed reforms would make it simpler for lenders to register security interests (by replacing the current state and territory systems that apply varying definitions and coverage) and provide business borrowers with a wider range of assets that can be used as collateral to raise investment funds. The reform process is being lead by the Office of Legal Services Coordination within the Australian Government's Attorney-General's Department (AGD).

As a consequence of the two bodies of work operating in parallel, while the MCCA review process has identified a range of options for implementing a seamless national REVS service the potential overlap between it and the PPS is yet to be conclusively determined.

The NMVTRC welcomes any attempt to improve the consistency of national responses to key business and government processes provided that easy consumer access to key information is maintained. The NMVTRC's preferred position should be that any national system must 'bundle' encumbrance, stolen, and written-off data as core information and failure to do so would represent a significant missed opportunity to minimise the risk of consumers falling victim to criminal scams. This is also the position of REVS agencies.

The NMVTRC and REVS agencies argue that unless core information is bundled there is a significant risk that the most important information to alert a prospective buyer or lender to a suspicious or problem vehicle could be missed by even experienced parties. It is also worth noting that a significant proportion of motor vehicle trading occurs by way of private sale.

The NMVTRC and REVS agencies therefore argue that consumers and motor traders 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 or cloning), and is eligible for registration, i.e. it has not been declared a statutory write-off (as protection against re-birthing and fraud). It is also important that lenders and buyers have access to the details of written-off but repairable vehicles so that they can make informed judgements about the vehicle's legitimate market value.

A bad outcome would be if SCAG came to the view that including non-encumbrance data is too hard. If that were the case, it is conceivable that the:

- PPS would be limited to recording financial encumbrances only;
- the state and territory REVS network would be unviable because lenders would only register on the PPS; and
- the capacity to deliver a one-stop-shop for vehicle status information would be severely compromised.

The NMVTRC will maintain a close watching brief on developments. Parties interested in providing direct comment on the PPS issue can download a discussion paper on Registration and Search issues from the AGD website ([www.ag.gov.au/pps](http://www.ag.gov.au/pps)). The AGD requests comments by 9 February 2007.

1. *Feasibility of Improving Consumer Access to Reports on Vehicle Status*, Infoconsult Pty Ltd, April 2001.



National Motor Vehicle Theft Reduction Council Inc

50-52 Howard Street  
North Melbourne Victoria 3051  
Australia

Telephone (03) 9348 9600  
Facsimile (03) 9348 9988  
Email [info@carsafe.com.au](mailto:info@carsafe.com.au)

[www.carsafe.com.au](http://www.carsafe.com.au)

NMVTRC newsletters are reproduced on the CAR-SAFE website at [www.carsafe.com.au](http://www.carsafe.com.au) and are also available electronically. To join our email list contact [info@carsafe.com.au](mailto:info@carsafe.com.au)