



National Motor Vehicle
Theft Reduction Council
driving down vehicle theft

strategic plan 2008

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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 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.

Foreword

Further strong reductions across all states and territories in the first three months of 2008 delivered a 7 per cent fall in vehicle theft for the 'rolling' 12 month period to the end of March establishing another 'record low' benchmark for the nation.

For passenger and light commercial vehicles (PLCs) thefts per 1,000 population and registrations now stand at 2.7 and 4.2 respectively – the lowest levels since national records were first collated in 1978. Total thefts have now declined by more than 50 per cent since 2001. Disappointingly, motorcycles continue to defy the trend. As a group they now represent one in 10 stolen vehicles and almost a quarter of all non-recoveries.

The NMVTRC's strategic assessment of the prevailing vehicle theft and related fraud environment has again been developed from our analysis of vehicle theft data from police, transport agencies, insurers and other commercial sources, and discussions with senior executives from stakeholder organisations over the past 12 months.

In particular, our annual strategic review with stakeholders has again been central to our development of a 'shared vision' of Australia's vehicle theft reform priorities.

The clearly predominant theme of this year's discussions with senior executives from stakeholder organisations in April and May was the need to make further inroads into the activities of profit-motivated thieves. The major reforms to registration and other practices implemented since 2002 have virtually eliminated traditional car re-birthing. However, criminal networks have responded by adapting to exploit other gaps.

The 2008 Plan therefore focuses on five major factors considered to be driving the current unrecovered rate including:

- the use of repairable write-offs as a 'Trojan horse' for stolen parts, which can be almost impossible to detect or trace with certainty;
- the elevated precious metals market which has seen scrapped vehicles recently fetch more than \$300 per tonne;
- the involvement of unlicensed motor car traders in the end-of-life vehicle processing chain and the demand for 'black market' replacement components for older vehicles;
- the high number of stolen vehicles being dumped in waterways and bush land with police in Victoria and New South Wales recovering more than 200 immersed vehicles in just two locations in the past 12 months; and
- a breakdown in local government protocols for removing 'abandoned' vehicles, with a police operation in just three municipalities in Victoria finding up to 10 per cent of abandoned vehicles designated for auction or crushing were in fact uncleared stolen vehicles.

The Plan also places a greater emphasis on:

- motorcycle theft to combat the persistent trend referred to above;
- the nexus between petrol prices and number plate theft;
- the theft of portable devices such as GPS navigation units from vehicles; and
- the need to continue to develop innovative means to communicate consistent messages to the community about the importance of securing car keys and transponders.

The Plan also maintains the NMVTRC's long-standing commitment to promoting state-of-the-art vehicle identification technologies and diverting young offenders from crime.

As with any large scale reform which covers a myriad of government, business and community practices, the task gets harder rather than easier to deliver continually better results. Currently conflicting indicators on the performance of the Australian economy also need to be considered in this respect. Unstable economic conditions are likely to lead to higher levels of vehicle and other property crime. The challenge for the NMVTRC will therefore be to continue to encourage vehicle manufacturers, registration agencies, insurers, police and justice agencies, and the motor trades to continue to embrace its on-going reform agenda and help us to set the nation on the road to achieving the lowest rate of vehicle theft in the developed world.

In laying out the NMVTRC's forward program, this Plan adopts the 4E's (Education, Engineering, Enforcement and Encouragement) borrowed from the road safety field. While there are some clear differences – as intent and criminality are absent in most crashes – there are some significant parallels and similar principles apply in attempting to develop a holistic response to the vehicle crime problem.

Finally, 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

Reducing vehicle theft in Australia – the context

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. As in previous years, a series of stakeholder workshops – the 2008 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, special interest groups and stakeholders throughout the past 12 months of the NMVTRC's operations have also assisted to shape the revised Plan.

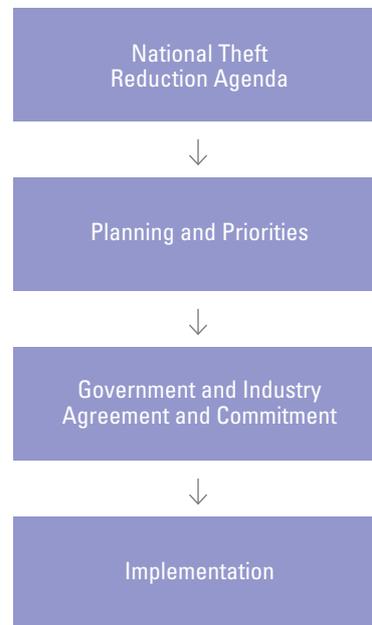
Development and delivery of reforms

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 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.

Figure 1: Vehicle Theft Reform Process



Part A – Strategic assessment

The NMVTRC's strategic assessment of the prevailing vehicle theft and fraud environment has been developed from our analysis of vehicle theft data from police, transport agencies, insurers and other commercial sources, and discussions with senior executives from stakeholder organisations throughout the past 12 months.

As observed in the Foreword, the past year has produced another record low benchmark in relation to total thefts. This strong overall performance has enabled Australia to maintain its improved 'world ranking' at number 5 on the vehicle theft 'league table' of developed nations behind Japan (1), Germany (2), Belgium (3) and Italy (4) but ahead of the United States (6), France (7), the United Kingdom (8) and Canada (9)¹.

While passenger and light commercial vehicles (PLCs) continue to dominate theft numbers, motorcycles now represent one in 10 thefts and present a major on-going challenge to find practical and cost-effective solutions to improve their theft performance. Heavy vehicles and plant and equipment made up 4 per cent of the total.

For PLCs, vehicles more than 10 years old account for more than seven in 10 thefts. By contrast these vehicles represent only around 41 per cent of the registered fleet.

The penetration of engine immobilisers continues to grow with around 54 per cent of the fleet protected with an Australian Standards Equivalent (ASE)² immobiliser. Vehicles fitted with an ASE accounted for only one in five thefts for the year.

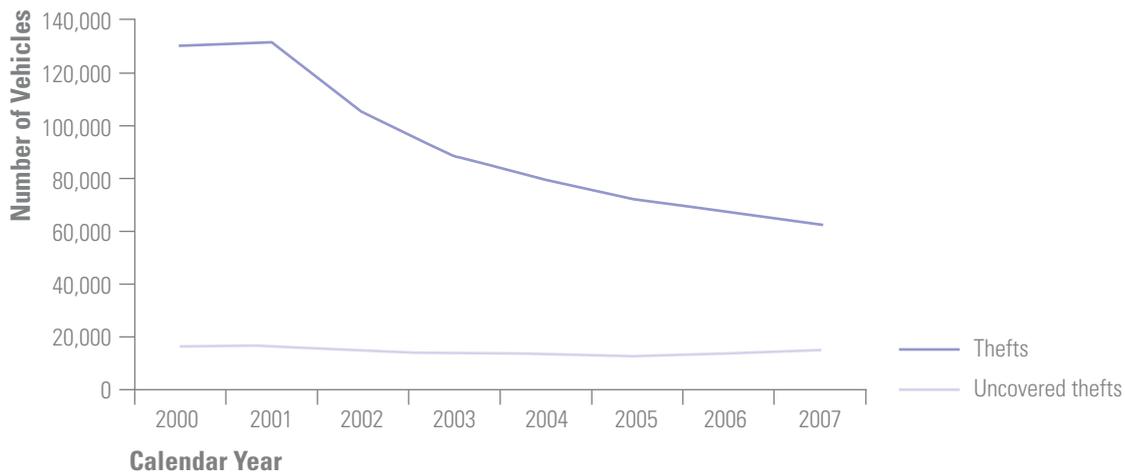
One in every 233 registered passenger/light commercial vehicles was stolen in the period. Motorcycles were stolen at a rate of one in every 84 registered.

Organised criminals are still targeting popular family cars, with more than 880 Holden Commodores, Ford Falcons, and Mitsubishi Lancers less than 10 years old not recovered. The value of these vehicles alone exceeded \$13 million.

The reduction in theft numbers for the year has saved the community an estimated \$25 million to \$49 million³.

1. The international comparison table was inverted in 2006, with the nation with the lowest theft rate ranked 1 to reflect the NMVTRC's aspiration to reach the 'top of the table'.
2. The term ASE was developed by the NMVTRC to cover original equipment immobilisers that comply with Australian Design Rules and after-market devices that meet Australian Standards.
3. Based on independent economic analysis conducted by MM Starrs Pty Ltd for the NMVTRC (September 2005) which estimated victims' costs per incident to be in the range of \$6,230 to \$11,920 depending on a range of personal and other factors.

Figure 2: Thefts and non-recoveries (excluding motorcycles) 2000-2007



Part A – Strategic assessment continued

Figure 3: Thefts and non-recoveries (motorcycles only) Australia 2000-2007

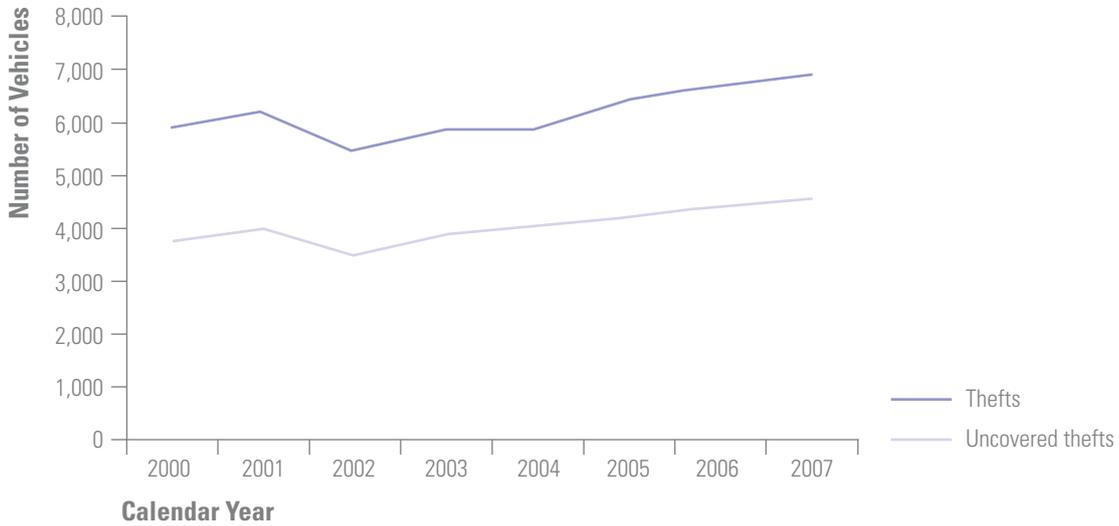
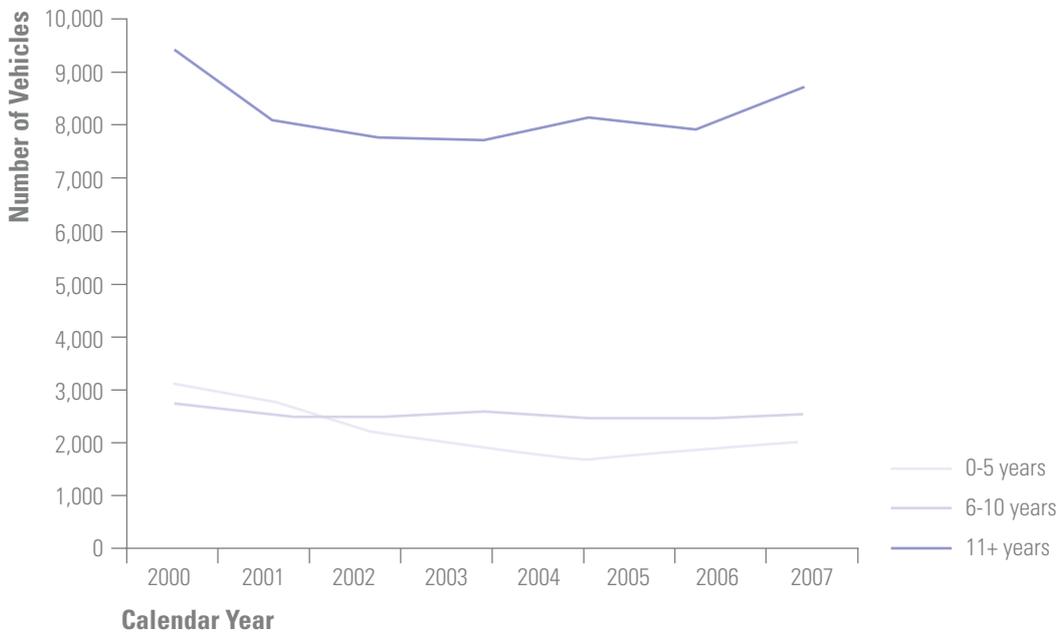


Figure 4: Unrecovered PLCs by age group 2001-2007



The application of a more forensic approach to analysing key data has confirmed that countermeasures such as the more effective management of written-off vehicle identities, improved vehicle identification and strong police responses have impacted significantly on the activities of criminal networks with, for example, insurance claims for non-recoveries falling for vehicles less than five years old by more than \$6 million (or 25 per cent) over four years.

The higher number of older vehicles not being recovered suggests that the illicit demand for parts to keep old vehicles going and theft for their scrap metal value is more prevalent than ever and growing.

Figure 4 shows an improving position for the newest vehicles which suggests that written-off vehicle and other reforms are making life harder for criminals. The flatter result for vehicles aged 6-10 years and the upward trend for older vehicles highlights the adaptability of profit motivated thieves to concentrate their methods on the remaining avenues for laundering stolen vehicles.

The prevailing rate of non-recoveries has traditionally been used as a surrogate measure of the involvement of organised criminals in stealing vehicles. The prevailing trend of higher numbers of older vehicles not being recovered continues to pose a major challenge. Table 1 below provides a breakdown of vehicle values for the PLCs not recovered in 2007. The values have been derived from commercial pricing data provided by Glass's Information Services.

Table 1: Value of unrecovered stolen PLCs (2007)

Value Category	Volume	Share (%)
\$0-4,999	5,704	43.2
\$5,000-9,999	3,875	29.3
\$10,000-14,999	1,282	9.7
\$15,000-19,999	774	5.9
\$20,000-24,999	693	5.2
\$25,000-29,999	382	2.9
\$30,000-34,999	222	1.7
\$35,000+	278	2.1
Total	13,210	100.0

Over four in 10 (5,700 in number) of all non-recoveries involve a vehicle valued at less than \$5,000.

The clearly predominant theme to emerge from this year's stakeholder discussions was the need to increase our focus on unrecovered vehicles in order to make further inroads into the activities of profit-motivated thieves.

While the volume of unrecovered PLCs has remained stable over the last six years, Figure 2 on page 6 shows there have been major changes in the characteristics of the vehicles that appear to simply 'vanish'. As a group, missing vehicles now present a bigger proportion of total thefts with one in five stolen vehicles now unrecovered, compared to close to one in eight, five years ago.

Major reforms to re-registration processes have virtually eliminated traditional car rebirthing, where identifiers from a written-off vehicle are simply used to re-identify a stolen equivalent. However criminal networks have adapted to exploit other gaps in the process.

Discussions with stakeholders identified five major factors driving the escalation in the proportion of unrecovered vehicles. These are:

- the use of repairable write-offs as a 'Trojan horse' for stolen components, which can be almost impossible to detect or trace with certainty;
- the elevated precious metals market with recent reports of vehicles fetching more than \$300 per tonne;
- the involvement of unlicensed motor car traders in the end-of-life vehicle processing chain and the demand for 'black market' replacement components for older vehicles;
- the high number of stolen vehicles being dumped in waterways and bush land with police in Victoria and New South Wales recovering more than 200 immersed vehicles in just two locations in the past 12 months; and
- a breakdown in local government protocols for removing 'abandoned' vehicles, with a police operation in just three municipalities in Victoria finding up to 10 per cent of abandoned vehicles designated for auction or crushing were in fact uncleared stolen vehicles.

Whilst the unrecovered rate continues to be a challenge for stakeholders, thefts for short term use still represent the overwhelming majority of total thefts, particularly for smaller jurisdictions where theft numbers are prone to wild fluctuations.

This Plan therefore maintains a priority on continuing to:

- develop clear and innovative community education messages, with more focus on the importance of securing car keys and transponders as this type of theft becomes more prominent;
- encourage effective youth diversionary interventions to prevent recidivist offending and move these young people away from the justice system.

Other issues emerged around engineering and enforcement actions, such as the growing concern for theft from vehicles, including number plate theft in the face of rising petrol prices, and an increase in the theft of portable navigation units.

Support for micro dotting key public fleets also remains strong and there is considerable support for examining New South Wales' express re-birthing laws as a potential model for national application to improve investigative outcomes. Redressing the persistent upwards trend in motorcycle thefts is also a priority.

Part A – Strategic assessment continued

What is the general outlook for the nation’s theft performance?

Attempting to predict future theft levels is by its very nature speculative, as permanent reductions are difficult to achieve if only because of the propensity of organised criminals to find new ways to maintain their livelihood once one means is closed off. Nevertheless, the NMVTRC has attempted to forecast some ‘top line’ outcomes based on:

- the anticipated growth of the vehicle fleet (and the volume of vehicles fitted with an Australian Standards Equivalent (ASE) engine immobiliser) and the ‘retirement’ of less secure vehicles over time; and
- its ‘best guesses’ in relation to the continuation of recent downward trends.

The approach applied has been to assume that the volume of theft will continue to fall, but at a slower rate.

The NMVTRC estimates that without further significant interventions the volume of:

- professional theft will continue to fall at an annual rate of 2 per cent per annum; and
- opportunistic theft will decline at a rate of around 6 per cent (about half the current rate).

Figure 5 below plots the NMVTRC’s forecast trends.

At the time of writing, Australia’s general economic outlook is uncertain with different measures simultaneously suggesting the economy is both slowing and speeding up – leading to speculation amongst some commentators that there is a risk of slipping into recession. There does appear to be a nexus between periods of good economic performance (growing real average weekly earnings and low unemployment) and lower rates of property crime. If there were to be major adverse changes in the nation’s economy there is a significant risk that recent reductions in vehicle crime will stall or actually reverse. Permanently elevated fuel prices are also likely to see a continued growth in number plate theft as some drivers seek to avoid paying higher fuel bills.

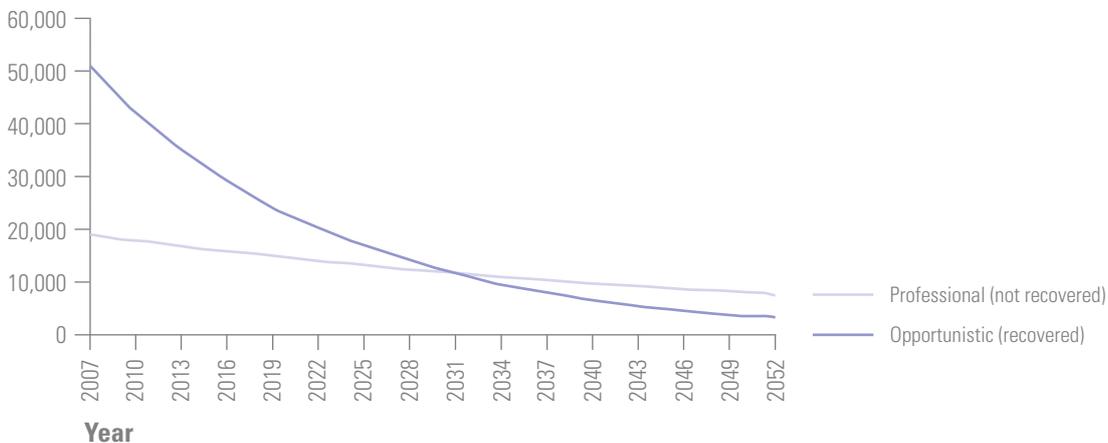
What should Australia’s immediate theft reform agenda comprise?

In an environment of successive significant annual reductions in theft numbers that Australia has recently enjoyed, progressing significant vehicle theft reforms will require a new level of commitment from the NMVTRC and its stakeholders.

The major challenges to better protecting Australia’s vehicle fleet over the next three years are the:

- remaining proportion of older unsecured vehicles – which even then will number around five million;
- ease with which stolen components are absorbed by the black market;
- difficulty of detecting vehicles constructed of illicit parts;
- maintaining police focus and resources; and
- risk of ‘reform fatigue’, i.e. a mindset that a level of theft is acceptable.

Figure 5: Forecast time to reach target volume of 10,303



Part B – Work program (2008-2009)

Based on the NMVTRC's strategic assessment of vehicle crime in Australia, its work program for 2008-2009 will focus on the following priorities. Projects are presented in the context of the 4E's referred to in the Foreword of this Plan.

Education – e.g. the provision of information on how to reduce theft risk to the community via targeted communications and/or the mass media.

Engineering – e.g. improving on-board vehicle security, utilising intelligent transport system infrastructure or the security of road user systems – including information systems.

Enforcement – e.g. theft detection, deterrence, punishment and penalties.

Encouragement – e.g. promotion of behaviours and actions amongst stakeholder and other key organisations that reduce the risk or impact of theft.

Program Element	Action	Outcome
Education		
Community Practices	Monitor motorists' attitudes to vehicle security issues and evaluate effectiveness of education campaigns to refine materials and channels as required. (EDU 001)	Continuous improvement in the delivery of effective communications messages and channels.
	Maintain public awareness programs including media campaigns and distribution of public education, advice and support materials. (EDU002)	A more informed community on the risks of theft leading to improved practices and demand for secure vehicle design.
	Develop specific materials around protection of key/transponders, the theft of portable electronic equipment and other high value property from vehicles and the theft of motorcycles and scooters. (EDU002a)	
	Review communications channels and examine options to tie campaigns to periods of peak risk. (EDU003)	
Securing Older Vehicles	Maintain <i>Operation Bounce Back</i> program to carry key vehicle security messages to communities in theft hot spots nationally. (EDU004)	A higher level of immobiliser penetration than natural attrition.
Engineering		
Secure Compliance Labels	Facilitate wider use of the NMVTRC approved Secure Compliance Label by vehicle manufacturers, including motorcycles as the new baseline in improved vehicle identification. (ENG001)	Adoption of world's best practice in vehicle identification.
Whole of Vehicle Marking (WOVM)	Facilitate wider use of WOVM. (ENG002)	Adoption of world's best practice in vehicle identification.
	Maintain liaison with key agencies to promote WOVM internationally. (ENG003)	
	Continue to encourage key fleets to insist on WOVM as pre-condition of supply. (ENG004)	
Enhanced Vehicle Security Systems	Monitor and support the development of improved vehicle access and protection systems. (ENG005)	Showcasing world's best practice in vehicle protection.

Part B – Work program (2008-2009) *continued*

Program Element	Action	Outcome
Engineering <i>continued</i>		
Registration System Performance	Enhance the on-line 'early warning system' to alert registration authorities to those vehicles currently most at risk of re-birthing. (ENG006)	Assist in the cost effective interception of suspect vehicles in the re-registration process.
	Complete review of the management of repairable write-offs. (ENG007)	Reduced opportunities for criminals to use RWOs as a 'Trojan horse' for stolen parts.
	Examine options for making registration plates (and or other registration products) more secure and/or intelligent. (ENG008)	Reduced opportunities for petrol theft and toll evasion.
	Monitor on-line validation of VIN and other data between NEVDIS and insurers (VIRS). (ENG009)	Reduction in reported theft numbers through identification and reduction in fraudulent reports.
	Monitor development of Australian Transport Council's proposals for single national registration scheme to ensure theft reduction objectives are maintained and/or enhanced. (ENG010)	Maintenance or improved system defenses to profit-motivated vehicle crime.
Secure Parking for Motorcycles	Review the effectiveness of the Australian Capital Territory's secure motorcycle parking infrastructure. (ENG011)	Reduced opportunities for motorcycle theft from public car parks.
Heavy Vehicles and Plant	Improve standard of VIN stamping on new heavy vehicles. (ENG012)	Improved confidence in identifying incidence of VIN tampering.
CARS Data Services* (Comprehensive Auto-theft Research System)	Undertake enhancements that lead to continued improvements in information services provided by CARS including the provision of monthly updates.	Improved information flows into and out of CARS to aid effective policy and resource decisions.
Enforcement		
Theft for Scrap	Conduct wider audits of local government and police protocols for recording removal of abandoned vehicles by contract recovery services. (ENF001)	Improvement in actual recovery rate by ensuring low value recoveries are not falling through the system.
Definition of Re-birthing Offences	Review effectiveness of New South Wales' specific definition of related offences for possible national application. (ENF002)	More effective prosecution of profit-motivated vehicle theft offenders.
Police Responses	Continue to develop customised data analysis tools using CARS data for use by local area command. (ENF003)	Assist improved police response to vehicle crime in local areas.
	Assist police undertake strategic operations targeting theft for scrap scams. (ENF004)	Assist improved police response to vehicle crime in local areas.
	Complete trials of new-generation ANPR systems as vehicle crime tool and consider possible applications for reducing petrol station drive-offs. (ENF005)	Assist improved police response to vehicle crime in local areas.

* CARS improvement projects are funded from the global CARS budget.

Program Element	Action	Outcome
Encouragement		
Young People	Promote success of <i>U-turn</i> model to key agencies and the philanthropic sector nationally to encourage new start ups. (ENC001)	Improved access to diversionary programs that reflect NMVTRC's best practice model.
Parts Stripping	Continue to pursue better data on the extent of stripping amongst recovered stolen vehicles. (ENC002)	Better economic modeling of dimensions of stripping for parts.
Management of Vehicle Components	Monitor the on-going management of the recyclers' code of practice via the National Parts Code (NPC). (ENC003)	Minimisation of leakage of stolen parts into legitimate channels.
Secure by Design	Re-introduce Secure by Design program to utilise vehicle security rating systems to raise public awareness and encourage industry best practice. Include motorcycle categories. (ENC004)	Improve manufacturer response to vehicle design weaknesses.
Retrieval of Abandoned Vehicles	Develop opportunities to partner environmental and other organisations to retrieve and where possible identify dumped stolen vehicles. (ENC005)	Improvement in actual recovery rate by ensuring low value recoveries are not falling through the system. Reduced environmental impact of abandoned stolen vehicles.
Metal Recycling	Identify options to limit unsanctioned disposal of stolen vehicle by end-of-life metal recyclers. (ENC006)	Improvement in actual recovery rate by ensuring low value recoveries are not falling through the system.

Parties consulted in development of 2008 Strategic Plan

AAMI Insurance Ltd
ACT Department of Territory and Municipal Services
A&G Insurance Services
Allianz Australia Insurance Limited
Atlas Auto Spares
Australian Government's Attorney-General's Department
Australian Automobile Association
Australian International Insurance Ltd
Australian Motorcycle Council
Austroads
Auto Parts Recyclers Association of Australia
Brian Aherne Consultancy Pty Ltd
Comprehensive Auto-theft Research System
Federal Chamber of Automotive Industries
Glenorchy City
HBF Insurance Pty Ltd
Hyundai Motor Company Australia Pty Ltd
Insurance Australia Group
Insurance Council of Australia Ltd
Lumley General Insurance
Manheim Fowles Pty Ltd
Mitsubishi Motors Australia Limited
Motor Trades Association (ACT)
Motor Trades Association of Australia
Motor Trades Association of Western Australia
Motor Vehicle Repair Industry Authority (NSW)
National Parts Code
New South Wales Police Force
New South Wales Roads & Traffic Authority
Northern Territory Department of Planning and Infrastructure
Northern Territory Police Service
Pickles Auctions
QBE Mercantile Mutual
QBE Insurance (Australia) Ltd
Queensland Inspection Services Pty Ltd
Queensland Police Service
Queensland Transport
RAA Insurance Pty Ltd
RAA of SA Inc
RAC Insurance Pty Ltd
RAC Western Australia
RACQ Insurance Limited
RACT Insurance (Tas)
RACV Limited (Vic)
Royal & Sun Alliance Insurance Australia Ltd
Shannons Insurance
South Australia Police Service
South Australian Department for Transport, Energy and Infrastructure
South Australian Office of Crime Statistics
South Australian Vehicle Theft Reduction Committee
Subaru (Australia) Pty Ltd
Suncorp Metway Ltd
Tasmanian Automobile Chamber of Commerce
Tasmanian Department of Infrastructure, Energy & Resources
Tasmanian Department of Police & Emergency Management
Territory Insurance Office (NT)
Vero Insurance Limited
VicRoads
Victoria Police
Victorian Automobile Chamber of Commerce
Victorian Business Licensing Authority
Western Australia Police Service

