

National Motor Vehicle  
Theft Reduction Council

## STRATEGIC PLAN

# 2017-2019

Towards a Secure System

## **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.

## **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

The 2016/17 financial year saw total vehicle theft increase by 4 per cent to 56,184 vehicles stolen. Despite this, national volumes are still 6 per cent lower than five years ago.

Short term passenger/light commercial (PLC) thefts made up the highest proportion of the rise (6 per cent), which was off-set by decreases in profit-motivated motorcycle and other vehicle theft. New South Wales was the only state to experience a reduction in profit-motivated theft with increases in Victoria, Queensland and South Australia.

Clearly there 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 *2017 StratPlan Consultations* once again provided key stakeholders with an opportunity to help refine the NMVTRC's forward strategy and priorities for 2017/18 and beyond.

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

- prevalence of residential burglaries to access the keys of 'secure' vehicles, which in some cases have been associated with extreme violence; and
- almost 10,000 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 crime<sup>1</sup>.

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>.

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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.

# 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; and
    - 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 improving high-risk vehicle inspection regimes; and
  - 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 have 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 twelve 12 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 1: Vehicle theft reform process



Each of the projects proposed in the work program has been evaluated against the NMVTRC *Project Assessment Framework*<sup>2</sup> 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

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**45,666**



**81%** of all vehicle thefts

**3 in 4** PLCs stolen  
were recovered

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**51%** were stolen from a residence

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**26%** were stolen from a street

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**10%** were stolen from a business

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# Part B – Section 1: Short term theft

## Statistical snapshot

The short term theft category comprises those incidences where the vehicle has been targeted by opportunistic thieves for short term uses such as joyriding, transport or to commit another crime but has been recovered intact or subject to malicious damage<sup>3</sup>.

Short term PLC theft rose by almost a third in Queensland while Victorian numbers have stabilised with a significant decrease in the second half year offsetting first half increases. Notwithstanding that, three in every 10 short term thefts occurred in Victoria. New South Wales, South Australia, Tasmania and the territories all experienced modest increases<sup>4</sup>. Volumes fell in Western Australia by 7 per cent.

A greater proportion of immobilised vehicles are now stolen for short term use than non-immobilised vehicles. The vehicle age profile of PLC targets indicates two in three stolen vehicles were manufactured from 2001 onwards, with 73 per cent fitted with an Australian-Standards Equivalent (ASE) immobiliser.

Nationally, PLC theft volumes are around 1,800 higher than they were five years ago driven by the recent increases in Victoria and Queensland. The performance of motorcycles, heavy and other vehicles are discussed in detail later in the *Specialised vehicles* section of Part B.

Figure 2: Short term PLC theft volumes for the 12 months to 30 June 2017

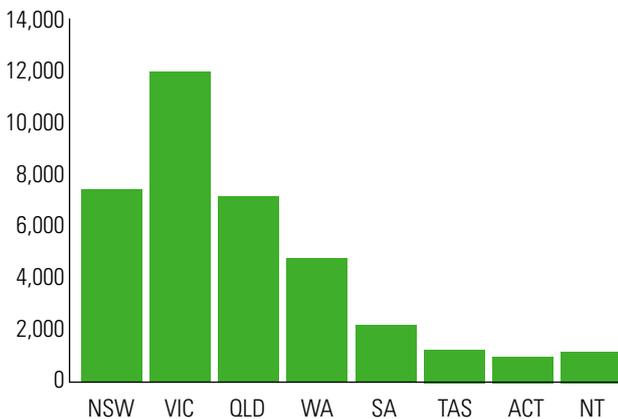


Figure 3: Short term PLC theft percentage change for 12 months to 30 June 2017<sup>5</sup>

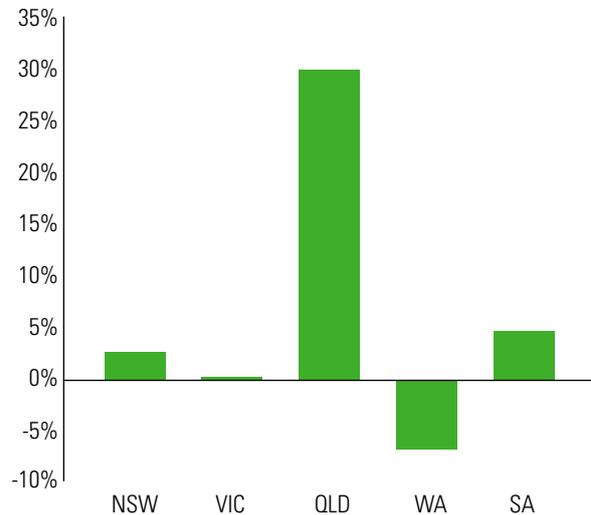
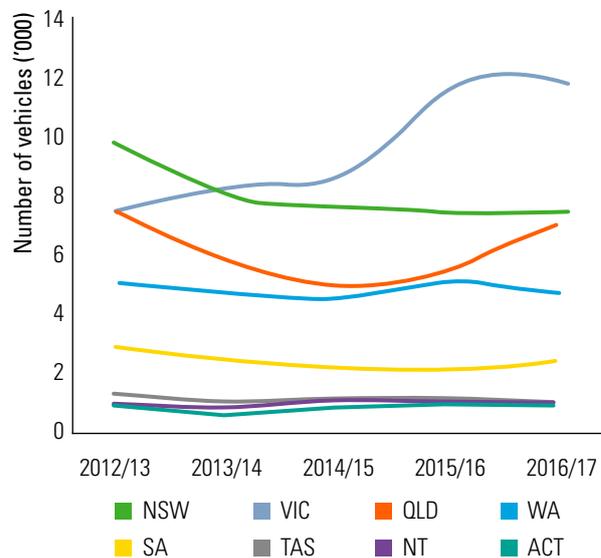


Figure 4: Short term PLC theft five-year trend (July 2013 to June 2017)



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.

4. Volume changes for smaller jurisdictions were: Tasmania +122 vehicles, Northern Territory +91 and ACT +13.

5. Percentages not given for small jurisdictions as they can be misrepresentative of minor baseline changes.

## 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 almost eight in 10 vehicles are protected by an engine immobiliser<sup>6</sup>.

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 a propensity to resort to extreme violence, or the threat of violence, to intimidate anyone they may encounter.

These changes in method along with violent in-home and on-road incidents in Victoria in particular are leading to considerable community anxiety that goes beyond the reality of its statistical frequency.

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.

6. There are some variations with Western Australia at more than 90 per cent due to its compulsory retro-fitting program that has operated since 1998. The lowest rate is Tasmania at 70 per cent.



### **Attack by 'coat hanger and screwdriver'**

**Non-immobilised cars still face twice the risk**

In 2016/17, seven in 10 stolen vehicles 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 retro-fitting of engine immobilisers, there is still a place to promote their utility against all but the most determined thieves. Based on exposure, a vehicle with no electronic protection faces twice the theft risk.



### **Electronic hacking**

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

There remains 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 more than 1,400 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 larger Australian 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. Car crime also kills, with 59 theft-related fatalities across Australia in the past five years – almost half of them young people under 21 years of age.

The recent propensity for some offenders to engage in violent home burglaries and on-road violence warrants in-depth investigation to understand the underlying factors.

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

## Part B – Section 1: Short term theft continued

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

# Theft facts

## Motorcycles

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**8,056**



14% of all vehicle thefts

2 in 5 motorcycles stolen were recovered

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**63%** were stolen from a residence

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**15%** were stolen from a street

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**7%** were stolen from a business

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# 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, PLC theft rose by 5 per cent (490 vehicles) for the 12 months to just over 9,700.

Of the larger jurisdictions only New South Wales achieved a modest reduction of 50 fewer thefts. The Northern Territory held steady at 50 vehicles. All other jurisdictions experienced volume increases of between 30 (ACT) and 230 (Victoria).

The vehicle age profile for PMT indicates that:

- the overwhelming majority of profit-motivated thefts are still of older vehicles, with almost 80 per cent being six or more years old; and
- four in 10 are valued at less than \$5,000, with a further quarter valued in the range of \$5,001-10,000.

Figure 5: Profit-motivated PLC theft volumes for 12 months to 30 June 2017<sup>7</sup>

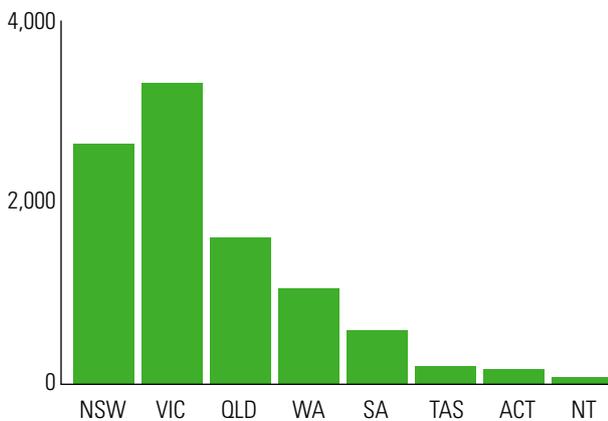


Figure 7: Profit-motivated PLC shares by vehicle value<sup>8</sup>

Estimated value \$'000	Thefts	%	Total value (\$)	Share value
>0 to <5	4,699	44	12,268,946	10.8
5 to >10	2,408	22.5	16,284,249	14.4
10 to <20	1,989	18.6	28,757,590	25.4
20 to <30	793	7.4	19,246,510	17
30 to <50	591	5.5	22,136,027	19.5
50+	203	1.9	14,717,498	13
<b>Total</b>	<b>10,683</b>	<b>100</b>	<b>113,410,820</b>	<b>100</b>

7. Percentages not given for small jurisdictions as they can be misrepresentative of minor baseline changes. Volume changes for smaller jurisdictions are: Tasmania +19, Northern Territory +10 and ACT +17.

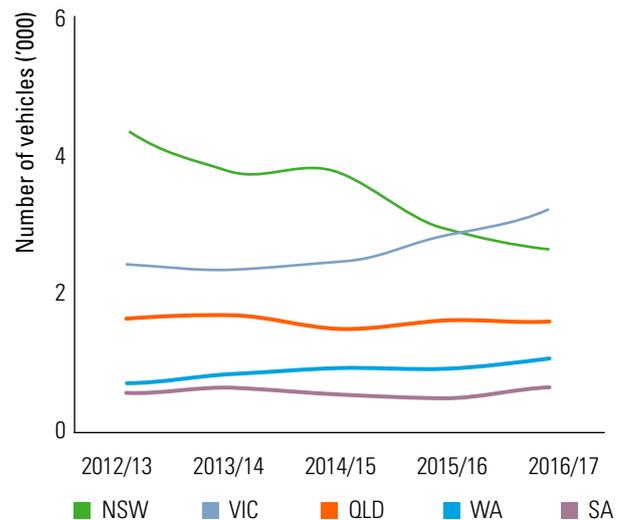
At the other end of the spectrum, just 203 vehicles valued at more than \$50,000 remained unrecovered for the year.

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.

The most lucrative criminal activity remains focused on the 'middle-aged' or older vehicles where the financial return is reasonable but the transactions to convert them into cash as separated parts or as scrap are less likely to draw the scrutiny of buyers or authorities.

The performance of motorcycles, heavy and other vehicles are discussed in detail later in the *Specialised vehicles* section of Part B.

Figure 6: Profit-motivated PLC theft five-year trend (July 2013 to June 2017)



8. Vehicle values estimated with Glasses' Guide. Sample stolen/not recovered Apr 2016-Mar 2017.

## 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 have indicated 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 5 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.

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 include<sup>9</sup>:

- the substitution of legitimate parts in commercial crash repairs<sup>10</sup>;
- the replacement of worn components in programmed maintenance or servicing<sup>11</sup> (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

Fluctuations in scrap metal prices can greatly influence the number of older cars being stolen off the street for their scrap value and highlights the vulnerability of the prevailing end-of-life vehicle (ELV) practices to manipulation by profit-motivated thieves.

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.

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

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

11. 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.

## Part B – Section 2: Profit-motivated theft continued

The prevailing vehicle age profile of profit-motivated thefts indicates that theft for scrap could account for half of all profit-motivated thefts.

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 New South Wales Government introduced new legislation requiring persons dealing in scrap metal to register with New South Wales 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 New South Wales 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, however, the Victorian Government also announced that it would amend its second-hand dealing laws to adopt key elements of the New South Wales approach, including a ban on cash payments and trading in de-identified vehicles. Unfortunately, the powers granted to police in terms of entry, search and seizure powers do not appear optimal compared to New South Wales.

While the New South Wales 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 seven 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 New South Wales 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.



### 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.

There are however reports that WOVs are being purchased with the sole intention of perpetrating staged collisions for which substantial claims for personal injuries are later lodged.

The NMVTRC will continue to collaborate with the Insurance Fraud Bureau of Australia on related risks.



### Dumped in waterways or bushland

Estimated to account for one in 20 non-recovered stolen vehicles

Pre-1999 vehicles comprised just under three in 10 non-recovered stolen vehicles in 2016/17. 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 10,000 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"> <li>Complete its post-implementation review of the revised assessment criteria for WOVs and how the WOV landscape has changed since 2010.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain its liaison with police and insurers nationally in respect of electronic theft risks.</li> </ul>
<ul style="list-style-type: none"> <li>Continue to support and promote industry lead responses to improve provenance checks and systems in legitimate scrap metal and parts supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Look for low-cost opportunities to optimise consumer awareness of the Personal Property Securities Register.</li> </ul>
<ul style="list-style-type: none"> <li>With local stakeholders develop formal proposals for legislative reform of the scrap metal and recycled parts sectors based on the principles of the New South Wales <i>crime prevention model</i>.</li> </ul>	<ul style="list-style-type: none"> <li>Further deploy its suite of expert systems to enable local police to quickly visualise vehicle crime trends and implement more targeted operational responses.</li> </ul>
<ul style="list-style-type: none"> <li>Advance its joint project with Austroads on model registration provisions to support the better management of ELVs to the cost-benefit analysis stage.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the operations of the Vehicle Crime Managers' Network to facilitate inter-agency cooperation and intelligence sharing.</li> </ul>

# Theft facts

## Other vehicles

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**2,462**

4% of all vehicle thefts



1 in 2 'other vehicles' stolen were recovered



**32%** were stolen from a residence



**31%** were stolen from a business



**15%** were stolen from a street

# Part B – Section 3: Specialised vehicles

## Motorcycles

The dynamics of motorcycle theft vary considerably from those of other vehicles. In 2016/17:

- almost 8,060 motorcycles were stolen (representing 14 per cent of all vehicles stolen and 29 per cent of all SNRs);
- 46 per cent (3,700) were recovered.
- unregistered and off-road bikes account for 33 per cent of all missing motorcycles;
- unlike other vehicles – newer motorcycles are more at risk than older ones;
- the risk of multiple thefts from a single location is much greater; and
- of thefts notified to police – in respect of non-registered motorcycles – the VIN is reported in only two in five cases.

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 2007 and 2015 are the most common theft targets (64 per cent).

Bikes with engine capacities of 200cc or less were the biggest targets (26 per cent), followed by those in the 201-250cc range (11 per cent). Large bikes above 750cc made up just 8 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 units<sup>12</sup>. 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"><li>• Maintain its liaison with rider groups to look to disseminate key motorcycle theft prevention messages.</li></ul> | <ul style="list-style-type: none"><li>• 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 <i>CARS</i><sup>13</sup>.</li></ul> |
|---|---|

12. New South Wales Police Service 2003.

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

## Part B – Section 3: Specialised vehicles continued

### Heavy vehicles, plant and equipment

In the 12 months to July 2017 some 1,300 heavy vehicles (including 1,060 trucks and 137 buses) and 630 items of plant or equipment (PE) were stolen. The prevailing non-recovery rate for heavy vehicles is around 32 per cent (340 vehicles) and 64 per cent for PE at (405 items). 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 eye<sup>14</sup>.

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 is being led by Transport for NSW (TfNSW) with support from Austroads, the NMVTRC and a group of industry nominated experts. An early priority for the group will be the consideration of expert technical advice on the development of an appropriate set of engineering-based criteria for determining when a heavy vehicle that has been declared a total loss, as the result of damage from a collision, weather, fire or other relevant event, is only suitable for re-use as parts or as scrap.

TfNSW expects to make final recommendations to Ministers on the design of the scheme by the end of 2017.

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 systems<sup>15</sup>.

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:

- Monitor the progress of the National Heavy Vehicle Regulations to ensure the consistent coverage of heavy WOVs.
- Develop mechanisms to improve the quality of PE theft data recorded by police.

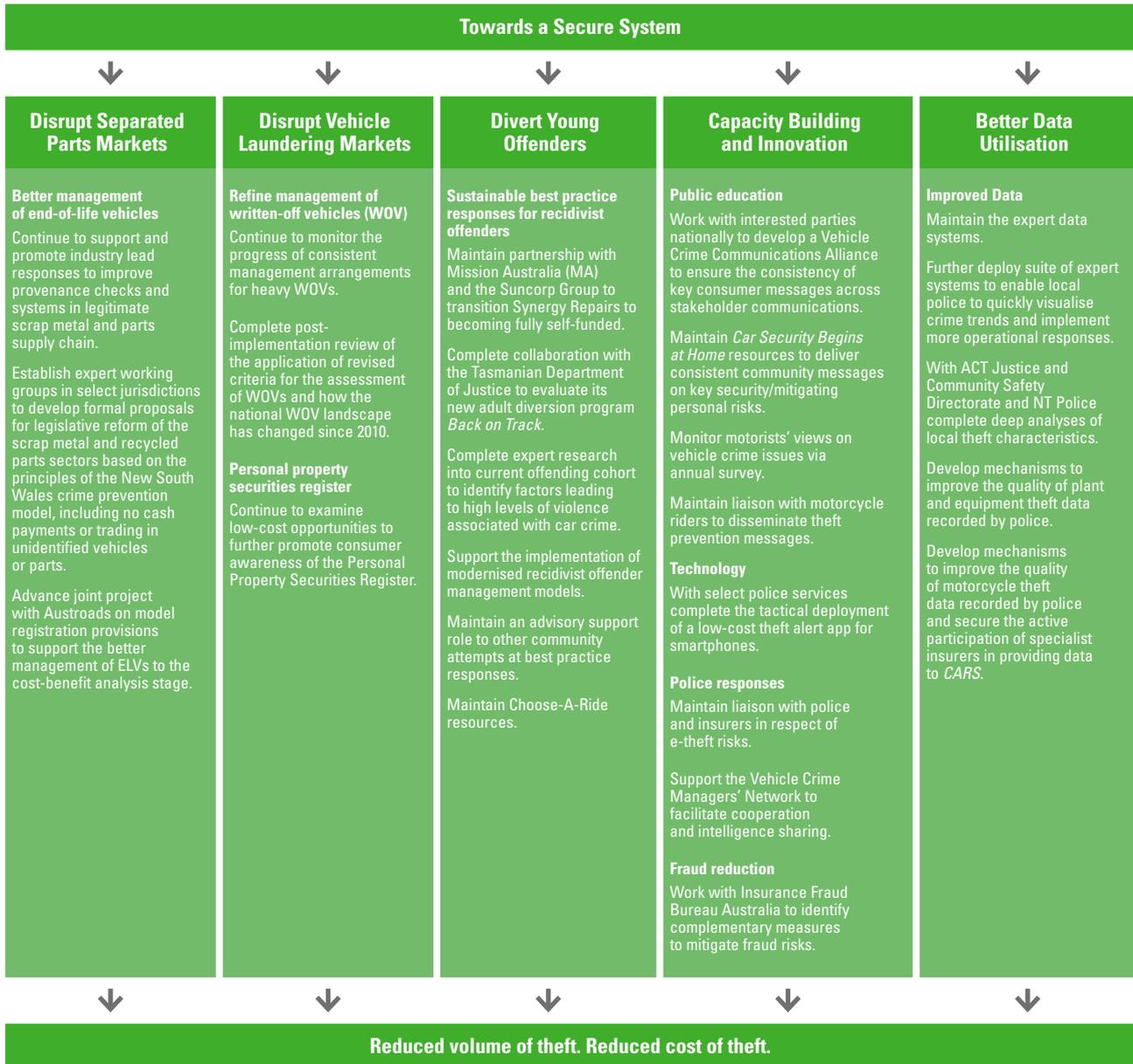
14. This was one factor in the decision by some states to exclude heavy vehicles from mandatory written-off vehicle reporting requirements when they were first introduced nationally in 2002-2004.

15. In 2015 New South Wales Police modified its COPS system to incorporate a PE menu to improve reporting accuracy.

# Part C – Work program summary

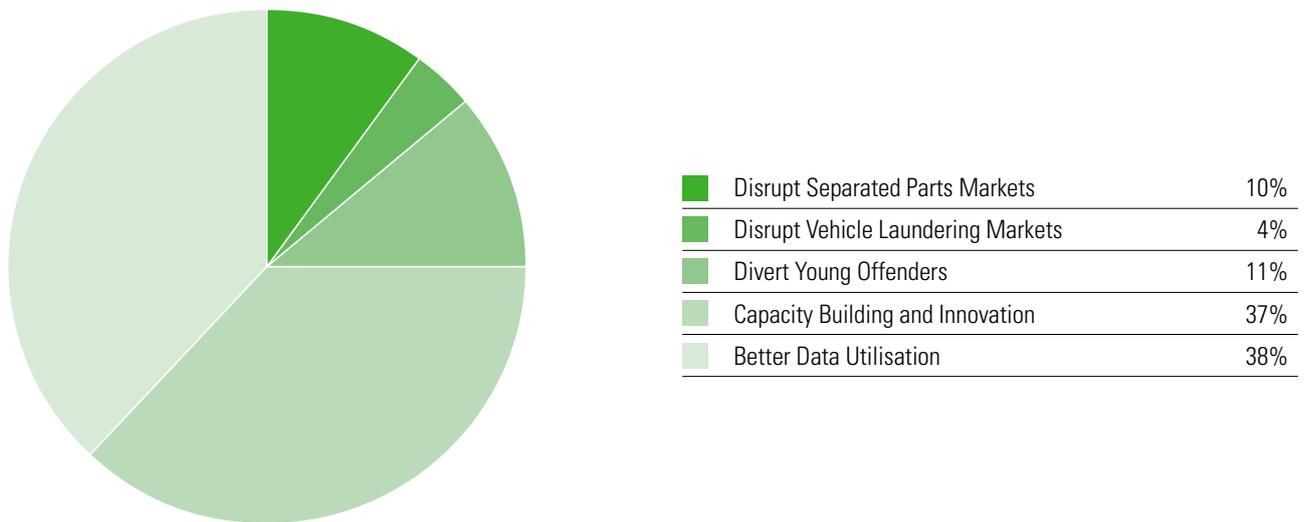
The work program for 2017-2018 will focus on the following priorities presented in the context of the NMVTRC's four reform themes.

Figure 8: 2017/18 work program at a glance



## Part C – Work program summary continued

Figure 9: Program resource allocation



Reform theme/project element/desired outcome	Action		
	Year 1 (2017-2018)	Year 2 (2018-2019)	Year 3 (2019-2020)
<b>Disrupt the Separated Parts Market</b>			
<b>Better management of end-of-life vehicles</b> Establish secure practices for decommissioning end-of-life vehicles to combat theft-for-scrapping 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/18/001)	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 New South Wales crime prevention model, including no cash payments or trading in unidentified vehicles or parts. (DSP/18/002)	Facilitate adoption of agreed reform program.	Complete reform program.
	Advance joint project with Austroads on model registration provisions to support the better management of ELVs to the cost-benefit analysis stage. (DSP/18/003)	Develop implementation plans.	Commence implementation.

## Part C – Work program summary continued

Reform theme/project element/desired outcome	Action		
	Year 1 (2017-2018)	Year 2 (2018-2019)	Year 3 (2019-2020)
<b>Disrupt Vehicle Laundering Markets</b>			
<b>Refine Management of Written-off Vehicles (WOV)</b> 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/18/001)	Assist to implement approved scheme.	Complete adoption implementation.
	Complete post-implementation review of the application of revised criteria for the assessment of WOVs in 'mature jurisdictions' and how the national WOV landscape has changed since 2010.  (DVL/18/002)	Implement remedial actions identified.	Concluded.
<b>Personal Property Securities Register (PPSR)</b> 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/18/003)	Maintain watching brief.	Maintain watching brief.

Reform theme/project element/desired outcome	Action		
	Year 1 (2017-2018)	Year 2 (2018-2019)	Year 3 (2019-2020)
<b>Divert Young Offenders</b>			
<b>Sustainable best practice interventions for recidivist offenders</b> 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/18/001)	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/18/002)	Complete evaluation.	–
	Maintain an advisory support role to other community attempts at best practice responses. (DYO/18/003)	Maintain advisory support.	Maintain advisory support.
	Maintain Choose-A-Ride resources. (DYO/18/004)	Review.	Refresh resources.
	Complete expert research into current offending cohort to identify factors in high levels of violence associated with car crime. (DYO/18/005)	Work with stakeholders to implement countermeasures.	–
	Support police services in implementation of modernised recidivist offender management models. (DYO/18/006)	Completed.	–

## Part C – Work program summary continued

Reform theme/project element/desired outcome	Action		
	Year 1 (2017-2018)	Year 2 (2018-2019)	Year 3 (2019-2020)
<b>Build Stakeholder/Community Capacity and Encourage Innovation</b>			
<b>Public education</b> Better informed motoring public on theft risks and mitigation actions.	Maintain <i>Car Security Begins at Home</i> resources to deliver consistent community messages about key security and mitigating personal risks.  (BSC/18/001)	Review.	Refresh.
	Work with interested parties nationally to develop a Vehicle Crime Communications Alliance to ensure the consistency of key consumer messages across stakeholder communications.  (BSC/18/002)	Maintain.	Review/refine.
	Monitor motorists' attitudes to vehicle security and crime issues via annual survey.  (BSC/18/003)	Review/refine.	Review/refine.
	Maintain liaison with rider groups to look to disseminate theft prevention messages.  (BSC/18/004)	Review/refine.	Review/refine.
<b>Technology</b> Showcase emerging/low-cost technologies as crime reduction tools.	With select police services tactically deploy a low-cost theft alert app for smartphones.  (BSC/18/005)	Review/refine.	–
<b>Police responses</b> Facilitate inter-agency cooperation and knowledge sharing.	Maintain liaison with police and insurers in respect of e-theft risks.  (BSC/18/006)	Maintain.	Maintain.
	Support the Vehicle Crime Managers' Network to facilitate cooperation and intelligence sharing.  (BSC/18/007)	Maintain.	Review/refine.
<b>Fraud reduction</b> 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/18/008)	Maintain.	Maintain.

Reform theme/project element/desired outcome	Action		
	Year 1 (2017-2018)	Year 2 (2018-2019)	Year 3 (2019-2020)
<b>Better Data Utilisation</b>			
Improved data	Maintain and develop expert data systems (EDS). (BDU/17/001)	Review/refine.	Review/refine.
	Further deploy suite of EDS to enable local police to quickly visualise crime trends and implement more operational responses. (BDU/18/002)	Review/refine.	Review/refine.
	With ACT Justice and Community Safety Directorate and NT Police complete a deep analyses of local theft characteristics. (BDU/18/003)	–	–
	Develop mechanisms to improve the quality of plant and equipment theft data recorded by police. (BDU/18/004)	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/18/005)	Review/refine.	Maintain.

# Theft facts

All thefts 2012/13 vs 2016/17

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2012/13

**55,550**

2016/17

**56,184**

**+1.1% increase**

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## Passenger and light commercial vehicles

44,044 in 2012/13 to 45,666 in 2016/17 (+3.7% increase)

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## Motorcycles

8,698 in 2012/13 to 8,056 in 2016/17 (-7.4% reduction)

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## Other vehicles

2,808 in 2012/13 to 2,462 in 2016/17 (-12.3% reduction)

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# Appendix A – Parties consulted in development of this Plan

ACT Justice and Community Safety Directorate  
Austroads  
Federal Chamber of Automotive Industries  
Insurance Australia Group  
Insurance Council of Australia  
Motor Trades Association of Northern Territory  
Motor Trades Association of South Australia  
Motor Trades Association of Western Australia  
New South Wales Police Force  
Northern Territory Police Service  
Queensland Department of Transport and Main Roads  
RAA of South Australia  
RAC Insurance  
RACT Insurance  
RACQ Insurance  
Royal Automobile Club of Queensland  
Sims Metal Management  
South Australia Police Service  
South Australian Department of Planning, Transport and Infrastructure  
Suncorp Group  
Tasmanian Automobile Chamber of Commerce  
Tasmanian Department of State Growth  
TIO Insurance  
Victoria Police  
Victorian Automobile Chamber of Commerce  
Western Australia Police Service  
Western Australian Department of Transport

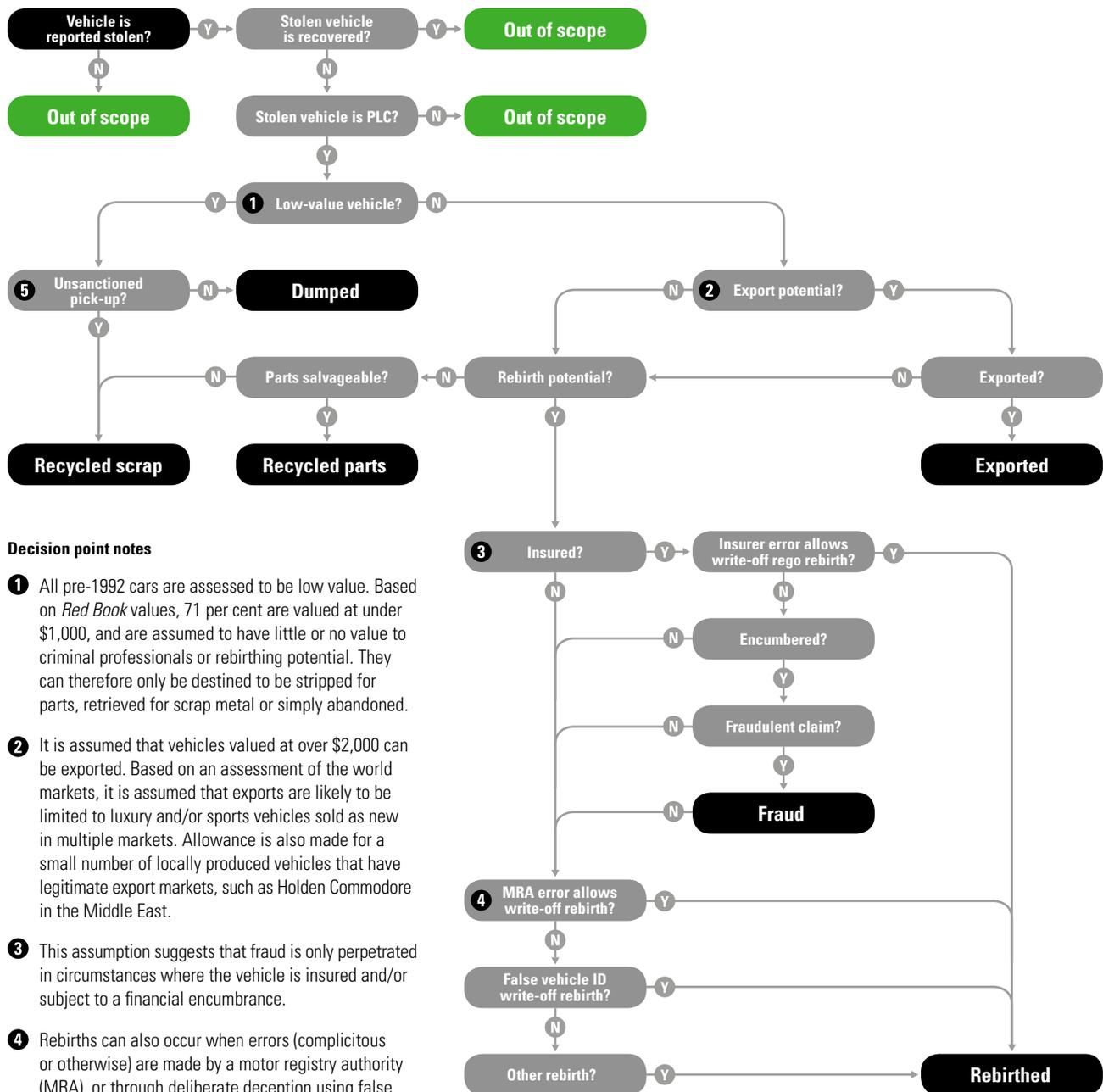
# Appendix B – Project Assessment Framework

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.

<b>1. Contributes to vision</b>	Possible rankings essential, value adding, discretionary.
<b>2. Object definition</b>	Clearly articulated objective with specific goals/targets.
<b>3. Problem identification</b>	Comprehensive identification of current deficiencies, likely future trends, stakeholder recognition.
<b>4. Problem assessment</b>	Full analysis of the underlying cause of the deficiency and scale of impacts.
<b>5. Problem analysis</b>	Clear articulation of why deficiency exists and contributing factors.
<b>6. Option assessment</b>	Assessment of the range of possible interventions/means of implementation (advocacy, subsidies/incentives, regulation/penalties).
<b>7. Solution assessment</b>	Full analysis of why selected solution is favoured over alternative options: <ul style="list-style-type: none"> <li>• likely impact and effectiveness;</li> <li>• interdependencies (the extent to which success relies on parallel sectoral reforms, national harmonisation, etc);</li> <li>• achievability;</li> <li>• constraints/downsides; and</li> <li>• timeliness – quick (one to two years), medium (three to five), long (five plus).</li> </ul>
<b>8. NMVTRC cost</b>	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 2012).
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 2012).
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 2012).
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	2016 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	2016/17 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	2016 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 its 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.

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