



National Motor Vehicle
Theft Reduction Council

strategic plan

2013 - 2016

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

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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Introduction

The NMVTRC's long term vision is for Australia to achieve the lowest rate of vehicle theft in the developed world and the significant reductions of the past decade have made good inroads. However, as with any large scale reform of a myriad of government, business and community practices, the challenge to deliver continually better results gets harder rather than easier.

The 2012 year marked the point at which the sustained period of year on year reductions ground to a halt in the face of continuing uncertainty about the nation's economic outlook, with increased theft activity in both short term and profit-motivated theft across all vehicle age groups.

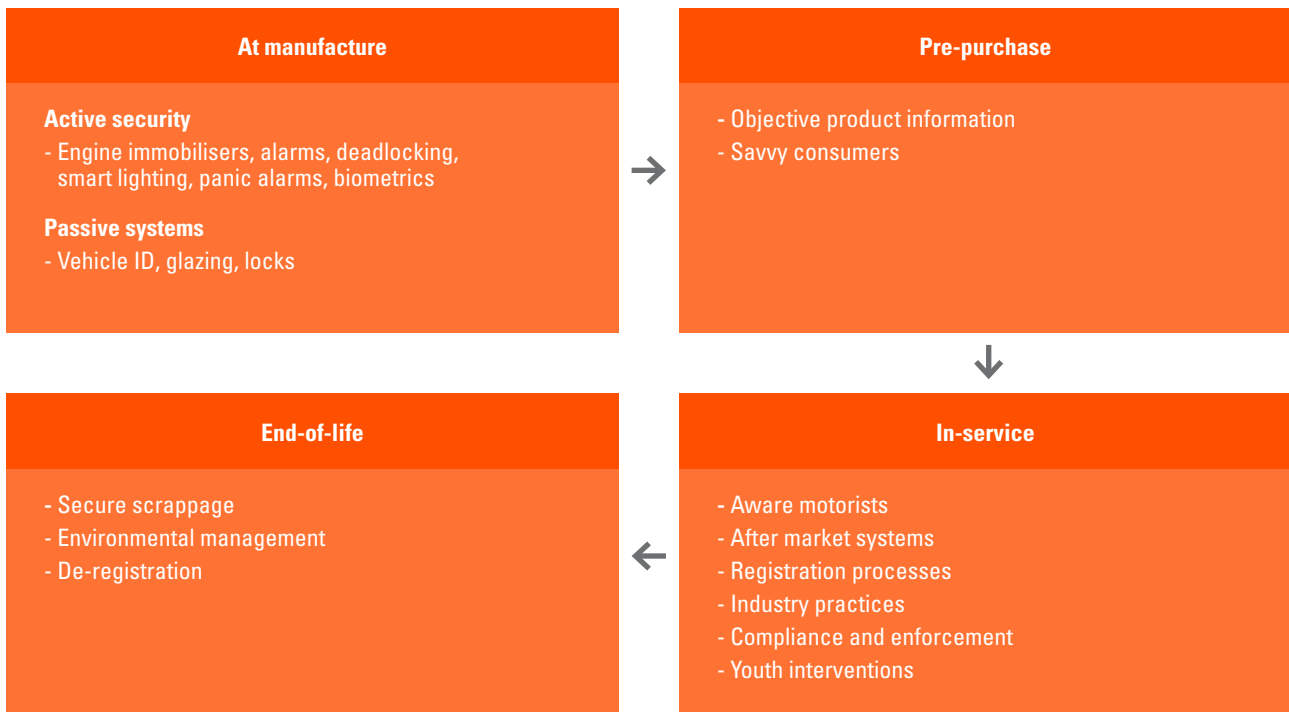
The prevailing conditions will require a new level of commitment from both the NMVTRC and its stakeholders to combat the current upward trend. In recognition of the likely constraining effect that economic conditions will have on stakeholders' capacity to implement reforms, the NMVTRC proposes to maintain its focus on directing the greater proportion of its resources to facilitating an operational, on the ground response to the 'highest priority' issues via effective partnerships.

This Plan presents the NMVTRC's forward program within the context of applying a *Secure System* approach to combating vehicle crime¹. This approach takes a holistic view of the dynamics of vehicle theft and the interaction between vehicle design and manufacture, motorist choices, perceptions and behavior, 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.

Figure 1 below uses the life-cycle of a vehicle to illustrate the range (and timing) of interventions that can contribute to a *Secure System*.

You can view a short video online, '*Towards a Secure System*', about the NMVTRC's vision via this link: carsafe.com.au/about-us

Figure 1: Intervening in the life-cycle of vehicle theft



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

This Plan leverages off key aspects of the vehicle life-cycle and proposes a range of initiatives and countermeasures around the reform themes of:

- Disrupting Separated Parts Markets by:
 - pursuing a range of countermeasures to:
 1. protect legitimate trading via the more effective use of commercial agreements between insurers, repairers and recyclers, and consumer education;
 2. modernise regulatory regimes to optimise their efficiency and effectiveness and crack down on non-complying enterprises (including the targeted deployment of inter-agency task forces);
 3. facilitate progression towards a secure and environmentally sound vehicle decommissioning system for end-of-life vehicles; and
 4. improve intelligence gathering in respect to the extent of the export of stolen parts.
- Disrupting Vehicle Laundering Markets by:
 - completing the implementation of more rigorous damage assessment criteria for written-off vehicles; and
 - working with related agencies to improve the clarity and interpretation of the Personal Properties Securities Register data.
- Diverting Young Offenders by:
 - encouraging innovative means of delivering young offender programs which are consistent with the NMVTRC's best practice model via the business and local government sectors;
 - further leveraging on 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; and
- Building Stakeholder/Community Capacity and Encouraging Innovation via a discreet range of technological, communications, public education, knowledge sharing and law reform projects.

Structure of this Plan

This Plan comprises three distinct components. Part A details information about the NMVTRC's structure, method of operation and strategic planning processes. Part B comprises a strategic assessment of the current vehicle crime landscape in Australia and the context in which the NMVTRC strategic priorities have been developed and grouped under the four reform themes outlined above. Finally, Part C sets out the NMVTRC's priority actions for the period 2013-16 and a summarised work program for 2013-14.

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 series of stakeholder workshops – the 2013 StratPlan Series – have again been a major influence on the development of this 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. The 2013 round of discussions were again well attended and triggered a robust examination of the current vehicle crime landscape and priorities. Discussions held with peak bodies, special interest groups and stakeholders throughout the past twelve months of the NMVTRC's operations have also assisted to shape the revised Plan.

Development and delivery of reforms

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

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

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

The NMVTRC also remains committed to:

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

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

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

Figure 2: Vehicle theft reform process



Each of the projects proposed in the 2013/14 Work Program has been evaluated against the NMVTRC *Project Assessment Framework*² and are considered as:

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

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

Part B – Strategic assessment and priority issues

The theft environment

The 2012 calendar year saw the total volume of passenger/light commercial (PLC) vehicle thefts increase for a second year. Theft for short term use increased by 4 per cent to 37,449 while profit-motivated thefts rose by 11 per cent settling at 12,070 for the year. Overall, motorcycle thefts rose by 13 per cent to 8,673.³

Despite this increase theft volumes remain 12 per cent lower than 2008 – the current base year in the NMVTRC’s five year rolling analysis. The NMVTRC estimates the cost of theft to the community for the year at \$670 million.⁴

The static nature of the stolen not recovered (SNR) volume remains the principal concern as it is a surrogate indicator of organised criminal activity seeking to convert stolen vehicles into cash. As a group, missing vehicles now represent one in four stolen vehicles compared to one in five in 2008. Of most concern is the significant spike in SNRs in Victoria, Queensland and Western Australia in the second half of the year.

Short term theft⁵

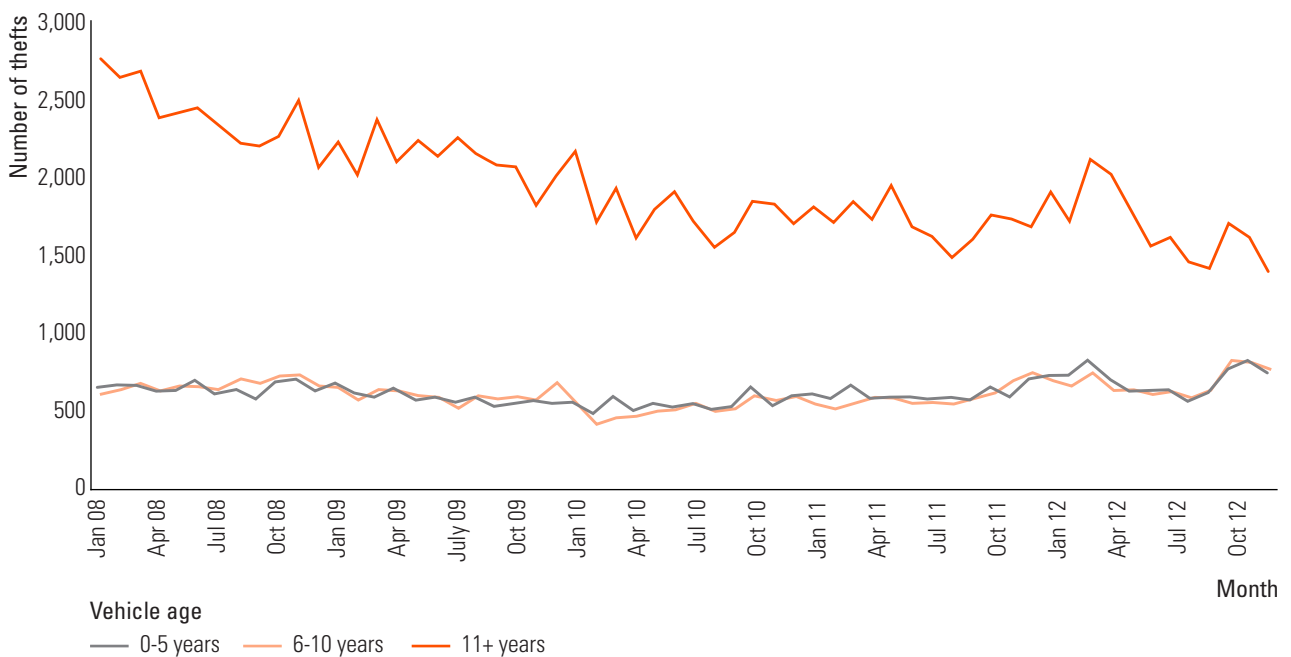
The short term theft category comprises those incidences where the vehicle has been targeted by opportunistic thieves for short term uses such as joyriding, transport or is used to commit another crime but has been recovered intact or subject to malicious damage.⁶

The 2012 calendar year saw the number of PLC vehicles stolen for short term use increase by 4 per cent to 37,449.

The prevailing rate of PLC theft per 1,000 vehicles now stands at 2.4 compared to 3.1 five years ago.

Short term motorcycle theft increased by 14 per cent to a total of 3,769 stolen in the year.

Figure 3: Passenger/light commercial vehicles – Short term thefts by month, 2008-2012



3. All data used in this report has been adjusted for the number of missing vehicles that will be recovered up to a year after the close of the data period. The adjustment has the effect of moving a percentage of vehicles from the unrecovered (profit-motivated category) to the short term (recovered category).

4. Based on independent economic analysis conducted by MM Starrs Pty Ltd (November 2011) which updated the NMVTRC’s cost models to \$11,500 for recovered vehicles and \$20,610 for those not recovered depending on a range of factors such as vehicle, personal, injury and insurance administration costs.

5. The motivations of short term and profit-motivated theft are quite distinct. To ensure the clearest possible picture of the trends the NMVTRC reports the prevailing theft trend data for each separately to make it easier to identify emerging trends. As noted above, a rolling five year time scale for baseline data is used to keep the format contemporary and ensure current changes in trend data are more easily discernible.

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

Part B – Strategic assessment and priority issues continued

Profit-motivated theft

Profit-motivated theft refers to vehicles stolen for conversion into cash via various illegal methods. A total of 12,070 PLC vehicles were SNR in 2012 – an increase of 11 per cent⁷. The number of motorcycles stolen for profit or personal gain rose 14 per cent to a total of 8,763 (up 1,030 thefts).

The overwhelming majority of profit-motivated thefts are still of older vehicles, with 84 per cent of all not recovered PLCs being six or more years old.

Two-thirds (or approximately 7,878 by volume) of all SNRs are more than 11 years old with the major proportion valued at \$5,000 or less. Within this group lays a large proportion of very old vehicles that may have been:

- simply dumped in waterways or bush land never to be seen again;
- stripped for parts to repair or maintain like vehicles (with the shell more than likely taken to a metal recycler for shredding to destroy evidence and optimise financial returns);
- stolen with the express intent of having them shredded for cash;
- subject to rebirthing activity on the basis they are likely to attract less scrutiny than younger equivalents;

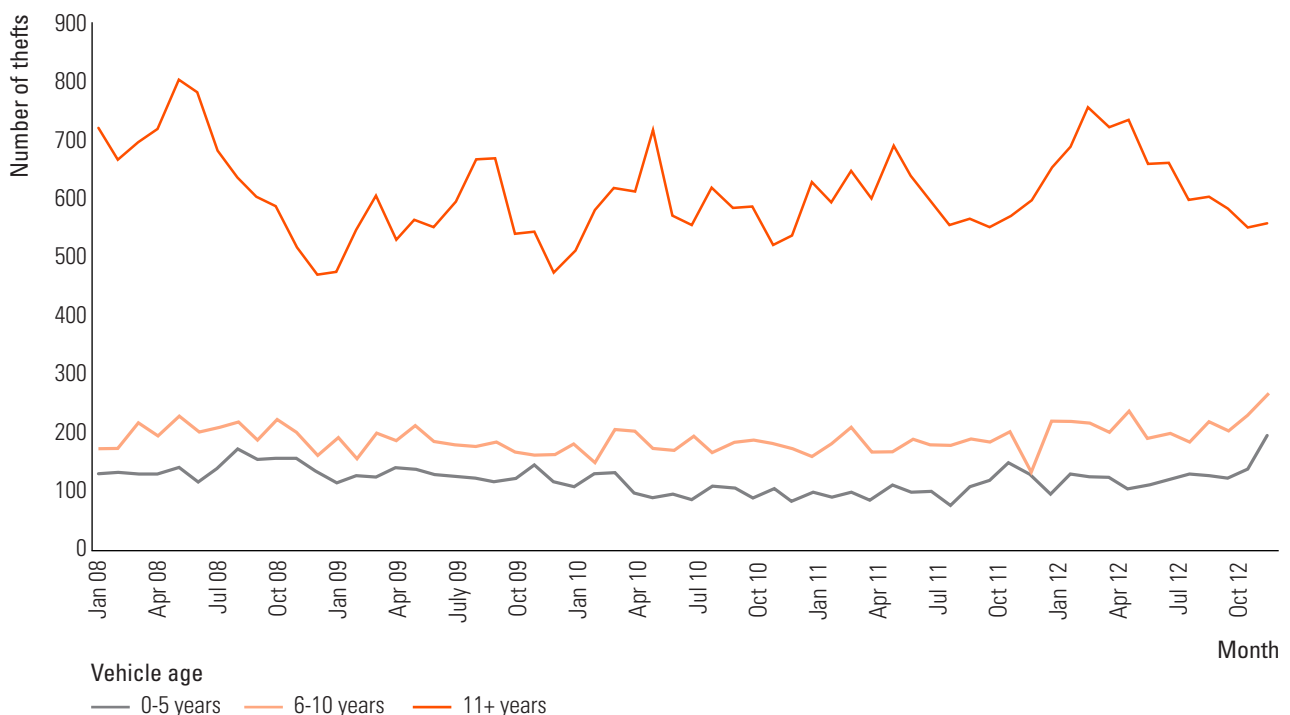
- exported to meet a growing international demand for scrap metal and used parts; or
- the subject of a fraudulent insurance claim.

At the other end of the spectrum, around 1,706 vehicles under six years of age remained outstanding for the year indicating a relative reluctance by criminals to target vehicles in this age group because of higher levels of electronic and other protection and the challenge of selling them without service records, etc. 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' vehicles where the financial return is reasonable but the transactions to convert them into cash are less likely to draw the scrutiny of buyers or authorities.

Select parts of Australia, predominately Victoria, Queensland and Western Australia experienced an unprecedented spike in related activity over the past year. Increases were spread evenly across all vehicle ages.

Figure 4: Passenger/light commercial vehicles – Profit-motivated thefts by month, 2008-2012



7. SNR volumes are inflated by an unknown number of missing vehicles that are stolen and simply dumped in waterways and bush land.

Other environmental factors

There are a range of other 'external' environmental factors that influence property crime rates.

They include:

The economy:

- the economy is showing signs of strain arising from the high Australian dollar and declines in manufacturing, retail, housing construction and tourism;
- while total unemployment is still considered low the rate for 15 to 19 year olds sits at 25 per cent and is as high as 40 per cent in large parts of our major cities; and
- difficult economic times provide opportunities for organised crime to acquire or develop legitimate businesses and exploit the temptation for genuine, but cash-strapped businesses, to ignore dubious transactions that they would routinely avoid or report in boom times.

Urban development:

- the continued growth of new residential developments in outlying suburbs of most capital cities continues to outpace the capacity to provide alternative transport options to the car.

Fuel costs and vehicle choices:

- there is a clear link between elevated fuel prices and forms of vehicle related crime, particularly the theft of fuel (via petrol station drive-offs) and number plate theft; and
- elevated fuel costs have also seen a rise in the popularity of fuel efficient alternatives such as scooters and small capacity motorcycles, with a commensurate increase in related theft.

Changes in crime dynamics:

- property crime offenders are becoming more brazen, entering even occupied premises and showing a propensity to resort to violence, or the threat of violence, to intimidate anyone they encounter;
- some short-term thieves are 'retaining' a vehicle for their periodical use over an extended period rather than immediately abandoning it;
- children as young as nine or 10 are increasingly mixing socially with regular offenders or actually engaging in thefts themselves; and
- the number of crashes involving stolen vehicles is rising.

Part B – Strategic assessment and priority issues continued

Vehicle characteristics as an indicator of end fate

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. Since 2008, the NMVTRC has used a 'Decision Tree' model to estimate the most likely end fate of a stolen vehicle based on its characteristics.

The methodology underpinning the Decision Tree is based on a combination of internally developed modeling and an external review by the Criminology Department of the University of Western Sydney with the assistance of insurance industry and police analysts.

The model uses a stolen vehicle's recovery status to first determine whether it has been the subject of short term use or profit-motivated theft. If a stolen vehicle is to be recovered it is most likely to be found within 14 days (85 per cent). After that time, the likelihood of recovery progressively diminishes. After 60 days a missing vehicle is very unlikely to be found in its original form.

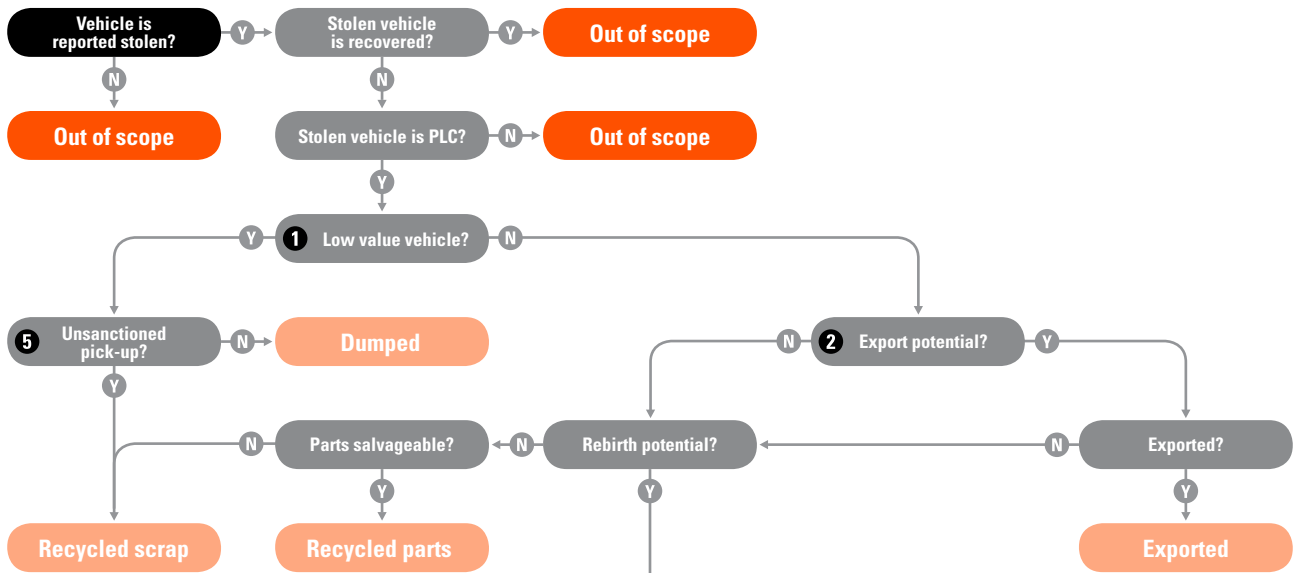
The assumption is recovered vehicles have been the target of predominantly juvenile thieves looking for transport or to commit another crime.⁸ Non-recoveries are assumed to have been the subject of profit-motivated thieves.⁹

The 'missing' group is then subject to detailed analysis based on individual vehicle characteristics (body type, age, value, insurance cover – including policy type, recorded financial interests, export potential and immobiliser presence) to estimate the most likely end fate or means of conversion to cash.

8. Some recovered vehicles will have been subject to a level of opportunistic or profit-motivated stripping, but the available data makes accurate estimation difficult.

9. Some allowance is made for very old vehicles that have more likely simply been dumped in bush land or waterways.

Figure 4: The Decision Tree model



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 re-building 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/scrapping 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.

Part B – Strategic assessment and priority issues continued

The Decision Tree model was first developed prior to the impacts of the global financial crisis becoming evident and in particular the effect that the then rapid rise in scrap metal prices would have on theft for scrap rackets. More recently, anecdotal reports suggest that the illicit export of separated parts has also been the subject of rapid growth over the past two years.

Based on these changed settings, our assessment of the original analysis is that it is likely to have overestimated the number of dumped vehicles and underestimated the volume of unsanctioned disposals and exports. With those adjustments, the model would estimate that the 12,070 passenger and light commercial vehicles that went missing in 2012 were disposed of as follows:

Table 1: Missing vehicle Decision Tree outcomes

End use or fate	Share %	Trend
Dismantled for parts	25	Rising
Converted to scrap metal	25	Rising
Re-birthed or cloned	15	Reducing
Exported	10	Rising
Fraudulent report/claim	5	Steady
Dumped in bushland or waterways	20	Reducing

Note: It is likely that some vehicles (or parts of vehicles) will have been subject to multiple end uses.

The critical actions required to respond to each of the end uses are summarised in the 'priority issues' section that follows.

Measures to counter the theft of heavy vehicles and motorcycles present different challenges and are also discussed separately later in the Plan.

Priority issues

Short term thefts

Immobilisers, theft by key and electronic theft

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

Studies conducted by the NMVTRC and international theft bodies indicate that the majority of late model (secure vehicle) thefts have been facilitated by access to the key and transponder. In one in five cases the keys had been left in the vehicle. Other known means of theft include lifting and towing the vehicle, theft using violence and in very targeted thefts, the substitution of electronic control components to bypass security systems.

Recently there have been reports of more sophisticated electronic threats to security systems. In late 2012, the NMVTRC collaborated with leading United Kingdom based security consultancy SBD to assess the prevalence of such threats. The study primarily focused on the theft of late model BMWs, which appeared to have been the target of a sustained, highly organised series of attacks. SBD estimates that in the United Kingdom up to 80 per cent of late model BMW thefts (ie. two to five years old) were executed without key access – with the majority bound for export as whole vehicles or parts.

A matched analysis of Australian thefts indicates that if the practice is present here, it is not widespread. Of the Australian jurisdictions that have experienced recent spikes in the theft of 'secure vehicles' – the predominant method has involved a burglary to access keys. However, the NMVTRC will continue to monitor developments in Europe and liaise with police and insurers on threat levels.

The NMVTRC will also maintain its partnership with Local Government Authorities (LGAs) in vehicle theft hot spots. *Operation Bounce Back* promotes awareness of vehicle theft issues and helps theft victims get on with life. A grant package to the value of \$35,000 is provided to up to 20 LGAs selected on a ranking of relative theft rates and older vehicle registration rates. The package includes immobiliser installations and education materials. Participating LGAs must submit a project plan that demonstrates their program is consistent with the NMVTRC's best practice guide *Tackling Vehicle Theft: A Guide for Local Communities*.

Key focus

The NMVTRC will:

- continue to monitor emerging means of electronic theft in other markets;
- work with WA Police to trial a low-cost theft alert app for smart phones;
- work with local police services to better understand the relationship between burglaries and key access;
- work with police, insurers and motoring clubs to develop consistent community messages about key security and mitigating personal risks;
- review *Operation Bounce Back* to give greater prominence to key protection/burglary risks;
- review NMVTRC *Guide to Tackling Vehicle Theft for Local Communities* to ensure it remains contemporary;
- integrate social media with other theft awareness initiatives; and
- continue to survey motorists attitudes to vehicle security and related issues.

10. 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 61 per cent.

Young people and vehicle crime

Diverting young offenders

The majority of cars stolen are taken for short term purposes such as transport, the commission of another crime or simply vandalism. The vehicle is usually abandoned within a short period of time and while usually recovered may have sustained extensive mechanical or panel damage.

The majority of offenders apprehended for vehicle theft are young males aged 14 to 20.¹¹

While most will stop offending of their own volition, up to 15 per cent go on to become high-rate offenders. In larger cities, it is not uncommon for a 'proficient' young thief to have stolen more than 300 cars by his late teens. Research also suggests that some proficient short term offenders become an important link in the supply chain of profit-motivated theft rings.

High rate vehicle theft has also been shown to be a strong indicator of a young person's likely involvement in other forms of crime. So utilising programmatic responses to vehicle theft offending has the potential to also reduce the incidence of other forms of crime.

On any day there are around 1,000 young people held in juvenile detention nationally and a very high proportion of them are there as a result of motor vehicle offences. Detention is costly – keeping a young person in secure care costs more than to \$220,000 a year – and its impact on post-release re-offending is open to debate. Recidivist offenders are often returned to the community without the skills or support required to leave their former lifestyle behind.

The past five years have also seen more than 40 people killed in theft related crashes. Sixteen of those deaths were young people between the ages of 10 and 19.

For these reasons the NMVTRC has been a leading 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.

Initially, this took the form of the NMVTRC's model young offender program *U-turn* which uses the fascination that many young offenders have with vehicles to help them to develop practical automotive repair skills that can lead to further vocational or educational opportunities. Since commencing as a two-year pilot in 2003 with NMVTRC and Australian Government funding, *U-turn* Tasmania has gone onto make a significant difference to the lives of more 400 young Tasmanians and their families.¹²

While independent expert evaluations of the program have demonstrated that it has delivered high standards of participation, completion and relapse prevention it has proven difficult to get central agencies and service planners to see the program as a genuine alternative.

More recently, the NMVTRC and Mission Australia (MA) have finalised an agreement for MA to develop a commercially sustainable work experience and training program for young offenders with a view to assisting them to secure full-time employment in the repair sector.

Participants will undertake cosmetic repairs to accident damaged vehicles with incidental or low range damage. Services will include panel beating (but not structural repairs) and spray painting. The program will be delivered in a full commercial workshop environment by qualified tradespeople with the assistance of specialist support workers. The program's major commercial partner and supplier of customer vehicles is Suncorp Insurance.

The program is expected to commence operation by mid-2013. If successful, the 'new' model program will break the heavy reliance on government funding and be capable of replication in other large cities.

Engaging young people before they offend

In recent years community groups and police in areas of social and economic disadvantage have reported that children as young as nine are at increasing risk of becoming involved in car crime.

In October 2011 the NMVTRC launched an inter-active short film *Choose A Ride*, developed with Tasmania's City of Glenorchy, Tasmania Police and local film production company Roar Film, and based on the real life observations of police, youth workers and young people.

The film sits on YouTube and is also supported with its own dedicated website with resources, for teachers and others working with young people, about how to use the film as a discussion tool.

Key focus

The NMVTRC will:

- finalise establishment of Automotive Social Enterprise in Melbourne with Mission Australia and Suncorp Insurance;
- maintain in-kind support of *U-turn* Tasmania; and
- develop grants program for local government to extend reach of *Choose A Ride* in vehicle crime hot spots nationally.

11. The apprehension profile may, however, be skewed towards young offenders as they are likely to come to police notice more readily.

12. *U-turn* Tasmania is delivered by Mission Australia on behalf of the State Government.

Part B – Strategic assessment and priority issues continued

Profit-motivated thefts

The role of criminal enterprises

While there is no single profile of a career car criminal, the organised networks exposed by police investigations often share a number of common characteristics. Typically they:

- are Australian nationals with extensive criminal records and connections to ethnic groups;
- operate via family or close friendships, but often connect with like networks locally and interstate;
- use flat 'management' structures;
- will be involved in other serious crime including illicit drugs and weapons trafficking, money laundering, identity fraud, insurance/financial fraud and tax avoidance;
- are drawn together by the lure of large financial rewards, but are not necessarily ostentatious in personal spending/assets;
- assign specialist functions to compartmentalise the crime into distinct elements, e.g. vehicle or key procurement, carriers, couriers, re-birthers, shredders, brokers/fencers/sellers, forgers; and
- quickly 'refine' their methods by scrutinising changes in infrastructure or 'recruiting' expert knowledge from government and business sources to identify new weaknesses.

In some European Community (EC) countries, authorities have noted that criminals are increasingly focusing on vehicle stripping and parts distribution. The extent to which some stolen Australian vehicles may be exported to foreign markets is discussed later.

In both Australia and overseas, successfully prosecuting car criminals is extremely resource intensive and involves long lead times due to the complexity of the scams used by thieves, the loose networks by which they operate and the heavy reliance on complex forensic techniques to identify seized vehicles. In Australia, major investigations typically take more than 12 months and in the EC there is an emerging trend to cap investigations at six months.

Law enforcement agencies, insurers, transport agencies and others all gather knowledge about the modus operandi of criminals and, in many cases, form suspicions around particular individuals or associated entities. Integrating these 'silos' of information is critical to improving our collective understanding of criminal networks and distribution channels.

The NMVTRC supports an Inter-agency Task Force (ITF) approach combining the collective powers of police, consumer affairs, customs, work safety, environmental and road agencies to disrupt criminal activities.¹³

13. The precise combinations of agencies which form an ITF will vary according to the particular activity being investigated, ie whole vehicles or separated parts and domestic or export channels.

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

Key focus

The NMVTRC will:

- conclude the Victorian based ITF into non-compliance with local laws and illicit export activity; and
- support the establishment of a Vehicle Crime Managers' Network to facilitate inter-agency cooperation and intelligence sharing under the stewardship of NSW Police.

Disrupting separated parts markets

Vehicles dismantled for parts

As the rebirthing of whole vehicles becomes progressively harder, 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. There are also anecdotal reports that criminal networks are increasingly more likely to dispose of the stripped shell by crushing or shredding rather than abandoning it.

The potential pathways for illicit parts are diverse but closely parallel the legitimate market and include¹⁴:

- the substitution of legitimate parts in commercial crash repairs¹⁵;
- the replacement of worn components in programmed maintenance or servicing¹⁶ (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.

The NMVTRC estimates that up to 3,000 of the missing PLCs are likely to have been dismantled for parts.

While whole vehicle identification technologies, such as VIN-based microdots, have some potential to evolve to provide greater vehicle coverage, the development of more comprehensive, practical and cost-effective component identification systems – that will enable authorities and others to easily and conclusively identify the origin of separated parts – is no closer than it was a decade ago.

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

16. 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.

Numerous police investigations across Australia have shown that the most prolific and persistent profit-motivated theft activity is conducted in association with enterprises that on the face of it are part of the automotive trades, most usually, the vehicle smash repair, recycling and end of life scrap sectors. Many of these suspect enterprises undertake a mix of legitimate and illegitimate activity which together with the generic nature of separated parts makes establishing acceptable standards of proof for criminal prosecution problematic. A further complication for law enforcement is that many of the businesses that operate legitimately in related sectors, whilst not criminal themselves, maintain such poor business practices and records that they facilitate criminal activity by others.

Of all Australian jurisdictions, NSW has the most comprehensive regulatory regime in respect of related trades, and licences both smash repairers and parts recyclers. In 2010, the NMVTRC with the support of the NSW Police Force, the Department of Commerce, and the (then) Roads and Traffic Authority, facilitated the establishment of an ITF into the Separated Parts Market in that state.¹⁷

Over a period of six months the ITF conducted a comprehensive program of targeted premises inspections of smash repairers and recyclers. It found widespread non-compliance with most regulatory requirements highlighting the challenge of relying on a traditional administrative or business licensing approach to combat the inherent financial reward in related criminal activity. In essence, the system requires 'a better mouse trap'.

In 2012 the NMVTRC engaged leading national law firm DLA Piper to critically assesses the relevant regulatory regimes across Australia as to the extent to which they reflect best practice in regulatory design and what changes would be required to mirror a best practice scheme.

DLA Piper's key observations were that:

- inconsistencies around whether partially dismantled or scrapped vehicles are considered in or out of scope, leaves considerable activity completely unregulated;
- developing a more nationally consistent approach will require a decision as to whether separated parts should be covered under specific second-hand vehicle laws or second-hand chattels laws;
- there is wide variation in penalty levels between jurisdictions, with some being set at levels which are probably too low to be an effective deterrent to organised criminal activity; and
- while regulators in most jurisdictions have a basic set of investigative and regulatory powers, the legislation in some jurisdictions could better target organised criminal involvement.

The report indicates that there may be scope to make better use of:

- 'chain of responsibility' based offences, under which persons with responsibility for particular aspects of compliance with regulatory requirements are placed under explicit legal obligations to ensure compliance (in the same way as much OH&S and transport related legislation imposes duties on identified persons);
- provisions extending criminal liability to company directors and managers, which in turn requires them to actively manage and mitigate risks that may facilitate criminal activity;
- maximum criminal and civil penalties which will more effectively deter offences, particularly in relation to operating without a licence;
- powers enabling regulatory agencies to give enforceable notices to comply;
- court based supervisory interventions or prohibition orders which may require persistent offenders to do specific things to ensure compliance or exclude them from performing specified roles or exercising specified responsibilities; and
- financial sanctions that more directly neutralise the profit motivation of the related activity.

The NMVTRC's assessment is that the priority actions arising from the DLA Piper review should be for the NMVTRC to seek to engage regulators and affected industries in the design of a reform program to:

1. Consolidate all relevant powers under the motor car trading laws of each jurisdiction, including the removal of any ambiguity about the status of partially constructed vehicles and/or separated parts.
2. Move towards a nationally consistent set of regulatory requirements and an 'enforcement pyramid' that provides regulators with a range of interventions, so that compliance activity can be efficiently and effectively targeted to securing enduring compliance.

The NMVTRC is also currently in discussion with Victoria Police about the formation of an ITF into illicit export activity and non-compliance with local laws to help build a clearer intelligence picture of related activity and refine the NMVTRC's estimates.

17. The RTA's regulatory functions are now administered by Roads and Maritime Services NSW.

Part B – Strategic assessment and priority issues continued

Key focus

The NMVTRC will:

- conclude the Victorian based ITF into non-compliance with local laws and illicit export activity;
- examine options for assuring the provenance of parts used in legitimate supply chain via trade accreditation schemes and insurance repair networks; and
- engage regulators and affected industries in the reform of LMCT/second-hand goods laws to remove ambiguities and deal with enduring non-compliance.

Converted to scrap metal

Since 2008 there have been anecdotal reports of organised scams involving the non-sanctioned picking-up (and crushing or shredding) of abandoned cars for the value of their metal. While the precise extent was (and remains unknown) such operations require a reasonable level of organisation and logistical support. At that time, we estimated the problem may account for up to 10 per cent of missing vehicles.

The dramatic increase in scrap metal prices in the lead up to the GFC saw big increases in theft for scrap rackets and highlighted the vulnerability of end-of-life vehicle (ELV) practices to criminal manipulation.

Many commentators called for an extension of the mandatory written-off vehicle (WOV) reporting obligations to metal recyclers as a means of combating related theft activity. However, a 2010 review of possible interventions conducted for the NMVTRC by SJ Wright and Associates (SJWA) questioned its viability and recommended that a broader suite of complementary measures be pursued, including a future switch to a form of continuous registration (where the last recorded registered operator is responsible for the vehicle and any taxes or charges until issued with a certificate of destruction by an authorised treatment facility).

Further support for a comprehensive re-think emerged from the aforementioned ITF in NSW, which observed that poor compliance with WOVS reporting requirements by auto recyclers was potentially a major facilitator of the vehicle rebirthing and illicit parts markets.

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

The NMVTRC's view is that there are no quick fixes to the vulnerability of the system's existing deficiencies and that the most utility will be derived from a combination of:

- medium term improvements aimed at optimising the efficiency of existing arrangements and relationships; and
- in the longer term – the alignment of theft reduction objectives with reducing the environmental impacts of ELVs.

A national workshop of stakeholders last year endorsed the NMVTRC's proposed approach of:

- pursuing the reform of second-hand dealing and recycler business licensing laws to address the deficiencies identified by the NSW ITF and the DLA Piper review referred to earlier;
- the trial of a 'e-data consolidator' service to improve the efficiency of the reporting of WOVS by parts recyclers;
- looking to the commercial relationships between insurers, repairers and recyclers to assure the provenance of parts used in the legitimate supply chain; and
- development of an appropriately designed voluntary product stewardship scheme for ELVs.¹⁸

The unsanctioned pick-up and disposal of vehicles will also be one of the key issues addressed by the current Victorian-based ITF.

It is also hoped that ITF results will help the NMVTRC to better understand the inter-relationship between this group of vehicles and those that are likely to have been simply dumped in bushland and waterways – never to be found.

Key focus

The NMVTRC will:

- conclude the Victorian based ITF into non-compliance with local laws and illicit export activity to gather empirical data on the nature of theft for scrap rackets;
- contribute to Austroads development of options for continuous registration schemes to better manage vehicle life-cycles; and
- establish a core working group to establish guiding principles for a voluntary product stewardship scheme for ELVs.

18. Product stewardship is an approach to managing the environmental impacts of products based on the principle that all the parties in the product chain – from manufacturers to end consumers – share responsibility for the products they produce, handle, use and discard.

Re-birthing and cloning of whole vehicles

Historically, profit-motivated thieves attempting to convert whole vehicles into cash harvested identifiers from damaged vehicles that had been declared write-offs to later present the stolen vehicle as the repaired wreck. As this avenue was closed off with the introduction of the first round of national written-off vehicle reforms in 2002-2004, determined thieves switched to using a genuine repairable write-off (RWO) as a 'Trojan' for laundering stolen parts.

This ultimately led to NSW banning the re-registration of most write-off vehicles (WOVs) while other jurisdictions have progressively implemented the NMVTRC's new, more rigorous assessment criteria to ensure that WOVS which have sustained significant collision, fire or water damage are identified as suitable only for dismantling.

The new criteria are expected to reduce the pool of RWOs by at least 30 per cent. While this significant tightening of the management of WOVS means these historical methods of re-birthing should be substantially diminished there remains a need to ensure that the Northern and Australian Capital Territories introduce the new criteria as a priority.

There is also a need to review the way in which cosmetically damaged vehicles that are retained by the insured, as part of a reduced settlement claim, are managed so as not to subject vehicle owners to unnecessary vehicle identity inspections, etc.

The current reporting arrangements for WOVS throughout Australia adopt a 'chain of responsibility' model. Therefore auto recyclers must report all WOVS acquired from a source other than an insurer or auction house, and update the status of any RWO it subsequently dismantles to that of a statutory write-off. Most transport agencies either do not monitor, or are unable to monitor, notifications made by recyclers and are therefore unsure as to compliance levels. Major parts dismantlers openly admit their non-compliance with reporting requirements, citing the administrative difficulty of submitting paper-based reports as the major reason.

The critical path to improving reporting levels would seem to be to automate key processes making it easier for recyclers to collect vehicle information. However, it is not feasible to have some 1,300 small businesses each interfacing with up to eight transport agency systems. Similar issues in the United States, led to justice and transport agencies authorising a range of third party data consolidators who act as an intermediary between individual businesses and the agencies.

The NMVTRC will conduct a local data consolidator trial in South Australia in conjunction with the Department of Planning, Transport and Infrastructure and auto recyclers.

The NMVTRC has long been a leading advocate for improving consumer (and motor trades') access to non-personal vehicle status information as a means of countering the efforts of criminals to 'bury' their activities amongst the 1.4 million private to private vehicle sales per annum. The establishment of the Personal Property Securities Register (PPSR) in February 2012 at last provided consumers with a national one-stop-shop for status information.

However, the NMVTRC is concerned that the manner in which written-off vehicle information is presented within the PPSR is open to misinterpretation by casual users and inconsistent with the national written-off vehicle coding system. The NMVTRC will work with stakeholders to seek to have these issues address by the system operator, Insolvency and Trustee Service Australia.

Key focus

The NMVTRC will:

- monitor implementation of new damage assessment criteria for passenger and light commercial vehicles in the ACT and Northern Territory;
- facilitate the more efficient management of cosmetically damaged vehicles retained by the insured party;
- trial an e-data consolidator service to improve WOV reporting by auto recyclers (with DPTI South Australia); and
- work with related agencies to improve the clarity and interpretation of PPSR data.

Part B – Strategic assessment and priority issues continued

Exported vehicles

In 2008 the NMVTRC reviewed the full list of missing post-1995 PLCs to identify those vehicles that clearly had a world market.

At the same time, EC authorities identified direct links between the ethnicity of criminal networks and stolen vehicle export markets. Assuming the same theory can be applied to Australia, the most likely export destination for vehicles stolen in this country would be the Middle East.

In 2008, even if every vehicle listed was stolen with the purpose of export this would equate to fewer than 700. With strong legitimate markets for Holden Commodore vehicles in the region we also assigned 10 per cent of their unrecovered cars to the pool of potential exports. However, given that the majority of those vehicles would also have strong domestic appeal we imputed a notional but considered generous export estimate of 350 vehicles. On that assessment, exports were not considered a major contributor to the missing PLCs at the time.

However, legitimate recyclers have observed a growing number of new enterprises are buying vehicles exclusively for scrap or export and 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 strong anecdotal evidence that many of these enterprises ignore fundamental regulatory requirements in the areas of occupational health and safety, environmental laws and taxation.

Gathering more empirical evidence of the scale of this activity will be a major focus of the current Victorian ITF.

Key focus

The NMVTRC will:

- conclude the Victorian based ITF into non-compliance with local laws and illicit export activity to gather empirical data on the nature of theft for scrap rackets; and
- support the establishment of a Vehicle Crime Managers' Network to facilitate inter-agency cooperation and intelligence sharing under the stewardship of NSW Police.

Fraudulent insurance claims

Those vehicles reported as stolen that are most 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 many fraudulent claims are likely to relate to burnt-out recovered vehicles, more sophisticated scams may involve partial stripping of the vehicle and/or complete disposal of the shell by crushing or shredding.

For the purposes of analysing the missing PLCs we have:

- excluded all pre-1999 vehicles on the basis of their lower values (i.e. less than \$5,000); and
- focused on the Top 30 Unrecovered Vehicles (2,589 in number) in the post-1999 group, which have a combined value of more than \$42 million.

Based on a sample of data held by the NMVTRC and other sources, the NMVTRC estimates that 70 per cent of the Top 30 were insured under agreed value policies (1,800 in number) and of that subgroup 30 per cent (540 vehicles) were subject to a financial encumbrance.

On these parameters, if 50 per cent of those claims were fraudulent it would account for 270 incidents, a rate of 25 per cent would equate to 135 false claims, 10 per cent to 54 claims and at 5 per cent just 27 fraudulent claims.

The NMVTRC's analysis is therefore that most fraudulent claims are more likely to be buried in the 37,000 recovered vehicles and that fraud is not a major contributor to the missing PLCs.

Key focus

The NMVTRC will continue to work closely with the insurance industry's peak anti-fraud body – the Insurance Fraud Bureau Australia – to identify complementary measures that may assist to mitigate fraud risks.

Motorcycles

The dynamics of motorcycle theft vary considerably from those of other vehicles. In 2012:

- more than 8,500 motorcycles were stolen (representing 13 per cent of all vehicles stolen and 26 per cent of all SNRs);
- fewer than 40 per cent (3,660) were recovered;
- unregistered and off-road bikes account for 55 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
- in thefts notified to police – in respect of non-registered motorcycles – the VIN is reported in only one in five cases.

Motorcycle theft made up 13 per cent of all thefts and over a quarter (26 per cent) of all vehicles stolen not recovered in the year.

Western Australia suffered the highest number of thefts (2,144) followed by Queensland (1,704), Victoria (1,623) and New South Wales (1,622).

Where theft location is known, 61 per cent of motorcycles were stolen from the home compared with just 13 per cent stolen from the street. Newer model motorcycles manufactured between 2000 and 2009 are the most common theft targets (65 per cent).

Bikes with engine capacities of 50cc or less were the biggest targets (23 per cent), followed by those in the 200-250cc range (20 per cent).

The NMVTRC estimates that all post-2000 missing motorcycles (3,500) are likely to have been stolen for personal use or profit.

Overall, motorcycle theft has remained relatively stable over the past five years.

The ease with which motorcycles can be lifted and placed on other vehicles suggests that:

- active security systems (such as disc locks and engine immobilisers) can only have a limited impact on theft; and
- passive systems such as effective identification systems are more likely to deter thieves.

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.¹⁹ There are also anecdotal reports that many stolen motorcycles are broken down and used for spares in amateur motorsport events.

In surveys conducted by the NMVTRC motorcycle owners have indicated a willingness to pay extra for more effective security systems – including better identification – but the industry has been inconsistent in its response and willingness to address the problem.

In June 2012, the Western Australian Police Service commenced a program to fit an audible screamer alarm to scooters in conjunction with select local governments in known hot spots.

Key focus

The NMVTRC will:

- assist WA Police and local governments to expand their trial of ‘free’ alarms for scooter owners in high risk municipalities (and evaluate the results);
- 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 CARS;²⁰ and
- continue to look for opportunities to form alliances with rider groups to disseminate key motorcycle theft prevention messages.

19. NSW Police Service 2003.

20. CARS is the Comprehensive Auto-theft Research System managed for the NMVTRC by the South Australian Attorney-General's Department.

Part B – Strategic assessment and priority issues continued

Heavy vehicles, plant and equipment

The original theft reduction plan developed by the NMVTRC's predecessor – the National Motor Vehicle Theft Reduction Task Force – did not include any specific recommendations to combat heavy vehicle²¹ or plant and equipment²² theft, and relatively little research has been undertaken on the issue in Australia.

In 2012 some 780 heavy vehicles and 900 items of plant or equipment (PE) were stolen. The prevailing non-recovery rate for heavy vehicles is around 56 per cent (440 vehicles) and even higher for PE at 62 per cent (410 items). While the frequency of heavy vehicle and PE theft is relatively low (less than 4 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 be generally 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.²³

Heavy vehicles will be subject to nationally uniform written-off vehicle reporting requirements when arrangements for a single national registration scheme are implemented across Australia, which is currently expected sometime in 2014. How the above issues around establishing vehicle identity and component origin will be managed is not clear, but the NMVTRC will continue to monitor the progress of the National Heavy Vehicle Regulations to ensure consistent coverage of heavy vehicles.

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.

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 to date been mixed.

A significant number of PE theft reports fail to adequately identify the type of item involved at a level that is required for detailed analysis – resulting in up to a third of related vehicles being classified as 'unknown' in respect to detailed body type, etc. The NMVTRC will therefore engage data collectors about improving data capture mechanisms as a priority before re-engaging the industry on the concept of a register.

Key focus

The NMVTRC will:

- monitor the progress of the National Heavy Vehicle Regulations to ensure the consistent coverage of heavy vehicles; and
- develop mechanisms to improve the quality of PE theft data recorded by police.

21. Heavy vehicle refers to freight or passenger carrying vehicles with a gross vehicle mass greater than 4.5 tonnes.

22. Includes graders, bulldozers, excavators, back hoes, compactors, vehicle mounted generators, etc.

23. 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 2002-04.

Part C – Work program summary

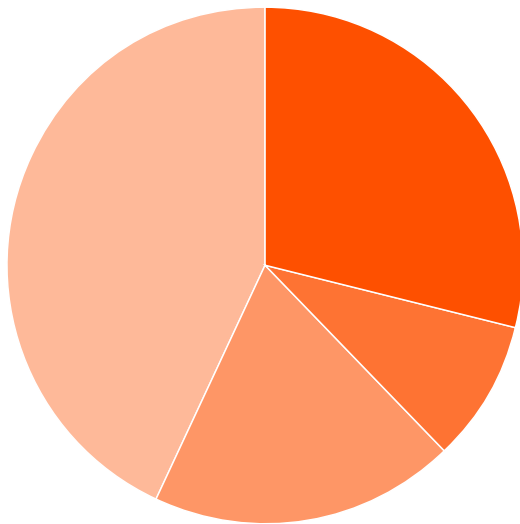
The NMVTRC's work program for 2013-2016 will focus on the following priorities presented in the context of the NMVTRC four reform themes.

Figure 5: 2013/14 work program at a glance



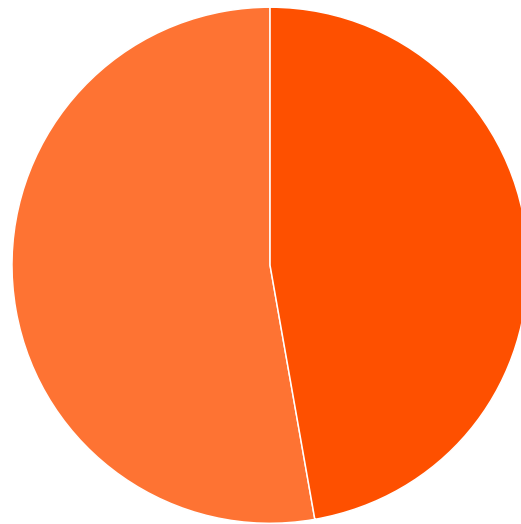
Part C – Work program summary continued

Figure 6: Program resource allocation 2013/14



Disrupt Separated Parts Markets	29%
Disrupt Vehicle Laundering Markets	9%
Divert Young Offenders	19%
Capacity Building and Innovation	43%

Figure 7: Program resource allocation by theft motivation 2013/14



Profit-motivated theft	45%
Short term theft	55%

Reform Theme/Project Element/ Desired Outcome	Action		
	Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
Disrupt the Separated Parts Markets			
Assuring parts provenance within legitimate supply chains Reduced opportunities for criminal networks to sell stolen parts into legitimate trades.	Examine options for assuring the provenance of parts used in legitimate supply chain via trade accreditation schemes and insurance repair networks. (DSP/14/001)	Conduct trial.	Review/expand if successful.
Modernise regulatory regimes to optimise compliance Greater levels of regulatory conformance and more effective tools and sanctions for non-compliance.	Develop proposal for reform of LMCT and second-hand goods laws to remove ambiguities and deal more effectively with serious, enduring non-compliance. (DSP/14/002)	Facilitate law reform program.	Complete law reform program.
Management of end-of life vehicles More secure practices for decommissioning end-of-life vehicles to combat theft-for-scrap rackets and minimise environmental impacts.	Establish a core working group to develop guiding principles for a voluntary product stewardship scheme for end-of-life vehicles. (DSP/14/003A)	Implement model.	Expand program.
	Contribute to Austroads development of options for continuous registration schemes to better manage vehicle life-cycles. (DSP/14/003B)	Assist with implementation of preferred model.	Assist with implementation of preferred model.
ITF on illicit exports and non-compliance with local laws Clearer intelligence picture of the extent to which exports and backyard activities contribute to stolen/not recovered rates.	Conclude Victorian Inter-Agency Task Force into non-compliance with local laws and illicit export activity (with Victoria Police and agencies). (DSP/14/004)	Develop countermeasures. ²⁴	Pursue adoption of countermeasures.

24. ITF will also provide empirical data to support key projects DSP/14/002 and DSP/14/003A.

Part C – Work program summary continued

Reform Theme/Project Element/ Desired Outcome	Year 1 (2013/14)	Action	
		Year 2 (2014/15)	Year 3 (2015/16)
Disrupt Vehicle Laundering Markets			
Refine management of written-off vehicles (WOV) Reduced pool of vehicles that are subject to criminal manipulation.	Complete implementation of 'new' damage criteria in the Northern and Australian Capital Territories. (DVL/14/001A)	Concluded.	–
	Facilitate more efficient management of cosmetically damaged vehicles. (DVL/14/001B)	Maintain watching brief.	Concluded.
	Monitor the progress of the National Heavy Vehicle Regulations to ensure the consistent coverage of heavy vehicles. (DVL/14/001C)	Maintain watching brief.	Concluded.
	Trial e-data consolidator service to improve WOV reporting by auto recyclers (with DPTI SA). (DVL/14/001D)	Review trial/transition to full national operation.	Complete national operation.
Personal Property Securities Register A more informed, discerning buyer market for used vehicles.	Work with related agencies to improve the clarity and interpretation of PPSR data. (DVL/14/002)	Maintain watching brief.	Maintain watching brief.

Reform Theme/Project Element/ Desired Outcome	Action		
	Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
Divert Young Offenders			
Sustainable best practice program for recidivist offenders Improved access to diversionary programs that reflect NMVTRC's best practice model.	Finalise establishment of Automotive Social Enterprise in Melbourne with Mission Australia and Suncorp Insurance. (DYO/14/001)	Maintain.	Review.
Extend reach of <i>Choose A Ride</i> interactive short film Engage and inform young people of the potential risks, consequences and long term impacts of becoming involved in vehicle crime.	Develop LGA grants program to deliver <i>Choose A Ride</i> in vehicle crime hot spots nationally. (DYO/14/002)	Maintain.	Review/refresh.
Maintain in-kind support of <i>U-turn Tasmania</i> Improved access to diversionary programs that reflect NMVTRC's best practice model.	Maintain advisory and in-kind support. (DYO/14/003)	Maintain advisory and in-kind support.	Maintain advisory and in-kind support.

Reform Theme/Project Element/ Desired Outcome	Action		
	Year 1 (2013/14)	Year 2 (2014/15)	Year 3 (2015/16)
Build Stakeholder/Community Capacity and Encourage Innovation			
Police responses Support establishment of a Vehicle Crime Managers' Network to facilitate inter-agency cooperation/intelligence sharing.	Establish network and operating arrangements. (BSC/14/001)	Maintain.	Review/refine.
New technology Develop theft alert app for smartphones in conjunction (with WA Police)	Establish trial. (BSC/14/002)	Review/extend.	Extend.
Scooters Assist WA Police and local governments to expand their trial of free alarms for scooter owners in high risk municipalities.	Expand trial base and commission evaluation. (BSC/14/003)	Maintain.	Report results/expand nationally if successful.
Public education Convene panel of police, insurance and motoring club communications experts to develop consistent messages on protection of keys and related risks.	Develop consistent messages across partners' external communications. (BSC/14/004)	Maintain.	Review/refine.

Part C – Work program summary continued

Reform Theme/Project Element/ Desired Outcome	Year 1 (2013/14)	Action	
		Year 2 (2014/15)	Year 3 (2015/16)
Build Stakeholder/Community Capacity and Encourage Innovation			
Review <i>Guide to Tackling Vehicle Theft for Local Communities</i> to ensure it remains contemporary.	Review/refresh guide. (BSC/14/005)	Maintain.	Review/refine.
Review <i>Operation Bounce Back</i> to give greater prominence to key protection/burglary risks. A more informed community on the risks of theft leading to improved practices and demand for secure vehicle design.	Incorporate appropriate messages in resource materials and maintain grants program. (BSC/14/006)	Maintain.	Review/refine.
Improved community reach of key messages. Integrate social media with other theft awareness initiatives.	Establish a presence on Twitter and build into other activities. (BSC/14/007)	Review/refine.	Maintain.
Re-introduce <i>Australia's Most Wanted</i> as flagship communications event. Improved community awareness of most 'at risk' makes and models.	Develop 'virtual' launch strategy and materials. (BSC/14/008)	Rest.	Revive.
Monitor motorists' attitudes to vehicle security issues. Continuous improvement in community education messages and materials.	Commission customised and ad hoc consumer research. (BSC/14/009)	Maintain.	Maintain.
Provide support materials for the public education programs of other organisations which are consistent with NMVTRC's key messages.	Supply in-stock resources on request. (BSC/14/010)	Maintain.	Review/refresh.
Improved data Improve quality of data in respect of: <ul style="list-style-type: none"> the relationship between burglaries and access to keys; and heavy vehicles, plant and motorcycles. 	Develop plan to address gaps in current data collections. (BSC/14/011)	Implement plan.	Complete plan.

Appendix A – Parties consulted in development of Strategic Plan

Allianz Australia Insurance
Australian Automobile Association
Australian Customs Service
Austroads
Auto Recyclers Association of Australia
CGU Insurance
Hobart City
Federal Chamber of Automotive Industries
Glenorchy City
I-Car Australia
Insurance Australia Group
Insurance Council of Australia
Manheim Australia
Mission Australia
Mitsubishi Motors Australia
Motor Trades Association of New South Wales
Motor Trades Association of South Australia
Motor Trades Association of Northern Territory
Motor Trades Association of Western Australia
National Transport Insurance
New South Wales Attorney-General's Department
New South Wales Police Force
Northern Territory Department of Transport
Northern Territory Police Service
QBE Insurance
Queensland Department of Transport and Main Roads
Queensland Police Service
RAA Insurance
RAA of SA
RAC Insurance
RACQ Insurance
RACV Limited (Victorian)
Royal Automobile Club of Queensland
SGIC
South Australia Police Service
South Australian Department for Planning, Transport and Infrastructure
South Australian Attorney-General's Department
South Australian Vehicle Theft Reduction Committee
Suncorp Insurance
Tasmanian Automobile Chamber of Commerce
Tasmanian Department of Infrastructure, Energy & Resources
Tasmanian Department of Police & Emergency Management
Territory Insurance Office
Transport for New South Wales
VicRoads
Victoria Police
Victorian Automobile Chamber of Commerce
Victorian Department of Justice
Western Australia Police Service
Western Australian Department of Transport

Appendix B – Project assessment framework

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

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

Appendix C – 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 1000 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 2008).
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 2008).
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 2008).
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	2008 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	2012/13 financial year.

Appendix C – Key performance indicators for NMVTRC operations continued

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	2008 Nexus Survey.

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

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



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ISBN 978 1 876704 52 0

