



National Motor Vehicle
Theft Reduction
Council

Submission on Draft ADR 61-03 for Secure Vehicle ID

About the NMVTRC

The National Motor Vehicle Theft Reduction Council (NMVTRC) is Australia's expert body on vehicle crime. A joint initiative of Australian state and territory governments and the insurance industry, our members include insurers, state and territory police services, motoring clubs, vehicle manufacturers, the motor trades associations and the nation's road authorities.

Our role is to develop and implement strategic responses to combat vehicle crime. Since 1999 we have invested more than \$40m in reform projects from changes in way the road authorities manage vehicles, to new vehicle design and identification standards, to police responses, data analysis and youth offending.

We have also generated around \$500 million of direct expenditure by other parties in changed practices and infrastructure that has helped Australia reduce vehicle crime by more than 60 per cent in the last decade.

Those changes have delivered an estimated saving to the Australian community of more than \$400 million per annum.

Why Secure ID is Critical to Combating Vehicle Crime

The conversion of stolen vehicles into cash has historically relied upon the manipulation of vehicle identities and state and territory registration systems to on-sell stolen vehicles into the domestic second-hand market.

The NMVTRC's vehicle laundering disruption strategy was therefore developed on the basis of increasing the effort and risk associated with the re-identification process and reducing the potential reward through providing government agencies, industry and consumers with accurate real-time vehicle status information.

The strategy has been based on four equally important, interrelated pillars (the four pillars) encompassing the—

- secure application of the Vehicle Identification Number (VIN) to the vehicle prior to its supply to the market;
- timely exchange of stolen vehicle data;
- effective recording and management of written-off vehicle identities; and
- introduction of specialised, pre-registration vehicle identity inspections for high-risk vehicles, including returning write-offs.

Critically, the extent to which the 'pillars' can effectively deter traditional laundering methods relies on all four elements working in concert and the integrity of the VIN in respect of —

- the level of confidence with which anyone viewing the physical application of the VIN (or ID label) can have in its authenticity as opposed to one that has been illegally manipulated; and
- how it is recorded and accessed across national data systems.

The move to tamper-resistant, counterfeit protected labelling in the mid-2000s was a potential major step forward that, in the NMVTRC's assessment, was not fully optimised due to a lack of—

- guidance by the Commonwealth or its related law as to what constitutes appropriate tamper evident, fraud resistance and self-destructive qualities; and
- standardisation meaning that law enforcement and registration inspection personnel have to be across the details of a range of many supposedly secure, but different applications.

The latter has proven particularly problematic in that some of the biggest selling manufacturers opted for labels with few, if any, obvious features to verify the authenticity of a genuine label from a high-quality facsimile. In fact, the NMVTRC working with a technical consultancy was able to produce facsimile labels for several brands using commonly available software and standard printing processes that would pass virtually any visual but non-destructive test process.

For that reason, the NMVTRC commissioned the development of its own a comprehensive technical specification to establish an objective testing regime which would ensure that any product that passed testing would deliver the desired level of security.

In accordance with the NMVTRC's policy, any label manufacturer whose label was certified by an independent scientific testing laboratory as meeting the technical specification would receive our endorsement. While four of the world's leading label manufacturers subsequently submitted candidate labels for testing, only one—the Avery Dennison label, marketed as the Genugraphic IV—was able to successfully pass all the NMVTRC's testing criteria.

Specific Comments on the Proposed ADR

Whilst we welcome the retention of a requirement for a system of secure ID, we equally remain concerned with the lack of guidance as to a candidate product's performance with regard to appropriate tamper evident, fraud resistance and self-destructive qualities (even less so than the advisory circular it replaces). In our assessment this could be easily remedied, without detriment to an open, internationally harmonised market, by four simple performance-based requirements, i.e. that a complying product—

- leaves a discernible footprint or residue if removed
- is not able to be removed intact by heating or freezing
- is not able to be easily duplicated by known copying or scanning methods, and
- is able to be confirmed as genuine by a simple, in-situ, non-destructive field test