



DRUGS AND CRIME PREVENTION COMMITTEE

INQUIRY INTO MOTOR VEHICLE THEFT

FINAL REPORT





PARLIAMENT OF VICTORIA
DRUGS AND CRIME PREVENTION COMMITTEE

INQUIRY INTO MOTOR VEHICLE THEFT

Final Report

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The Report was prepared by the Drugs and Crime Prevention Committee.

The Committee records its appreciation to the staff and young people at Hand Brake Turn who provided the artwork for the cover. Hand Brake Turn is a programme that teaches young people the skills of car repair and maintenance. A number of these young people have been in trouble for motor vehicle theft related offences. The images on the cover of the report are photographs of custom painted panels that these young people have produced.

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Functions of the Drugs and Crime Prevention Committee

The Victorian Drugs and Crime Prevention Committee is constituted under the *Parliamentary Committees Act 1968*, as amended.

Parliamentary Committees Act 1968

Section 4 EF.

To inquire into, consider and report to the Parliament on any proposal, matter or thing concerned with the illicit use of drugs (including the manufacture, supply or distribution of drugs for such use) or the level or causes of crime or violent behaviour, if the Committee is required or permitted so to do by or under this Act.

Terms of Reference

A resolution passed by the Legislative Council on Wednesday 21 November 2001.

That pursuant to the *Parliamentary Committees Act 1968*, the Drugs and Crime Prevention Committee be required to inquire into, consider and report by 31 October 2002 on the causes for, and effect of, the significant increase in the rate of vehicle theft in Victoria, including the so-called "re-birthing" of stolen vehicles, and to make recommendations as to how vehicle theft may be addressed.

Chairman's Foreword

Motor vehicle theft is a complex issue with ramifications that are often underestimated by members of the community. The consequences of this offence are wide ranging and can be tragic. Motor vehicle theft is not simply about stolen cars, it also involves an increased risk of serious road trauma when inexperienced drivers are in charge of stolen vehicles. In addition, the links between professional motor vehicle theft and organised crime are of serious concern.

Whilst motor vehicle owners have generally taken reasonable precautions to secure their vehicle against theft, such as being careful about where they park the vehicle, locking the vehicle and, of course, insuring the vehicle, the rate of motor vehicle theft has increased at an alarming rate between 1998 and 2001.

As a result of this increase, the Federal Government established the National Motor Vehicle Theft Reduction Council (NMVTRC), in cooperation with the states and territories. The NMVTRC has been successful in bringing together a wide and diverse stakeholder group in order to initiate and implement strategies to tackle motor vehicle theft. In particular, partnerships between the NMVTRC and local communities aimed at promoting wider awareness of motor vehicle theft have achieved a good measure of success.

The Drugs and Crime Prevention Committee's approach to this Inquiry was to complement the NMVTRC's work and to draw on it in order to determine which initiatives have been successful and which have not. The Committee's work was enhanced by the full cooperation it received from the NMVTRC.

The main findings of the Committee's Report indicate that motor vehicle theft is a serious and far-reaching offence, both nationally and within Victoria, and that many sectors of the community underestimate the extent and impact of this offence. While the personal inconveniences and costs associated with this type of theft are well known, many of the additional or 'human' costs remain hidden. Because of these issues, the Committee has focussed its recommendations on increasing public and industry awareness, in addition to highlighting inadequacies in the law.

The Committee's findings indicate the need for a greater acknowledgment and response from stakeholders, including the motor vehicle industry and its suppliers, the police, VicRoads, local communities and the insurance industry. Overall, this Report convincingly demonstrates the need for integrated responses at the national, state and local level.

The Committee would like to thank all individuals, organisations and groups who participated in this Inquiry. Particular thanks must go to Mr Ray Carroll, Executive Officer of the NMVTRC, and Sgt Gerry Bashford from the Victoria

Police Organised Motor Vehicle Theft Squad. The Committee also acknowledges and thanks the Committee staff for their tireless work: Ms Sandy Cook, Executive Officer; Dr James Rowe, the Committee's researcher who drafted most of the report; Mr Pete Johnston, senior researcher on the law; and Ms Michelle Heane, Office Manager.

It is hoped that this Report will increase public awareness about how to prevent car theft and will also alert people to the many risks that are attendant each time a vehicle is stolen. People steal cars for a variety of reasons and therefore the responses to motor vehicle theft must be sufficiently flexible to encompass this diversity and produce a significant reduction in the rate of motor vehicle theft.

Cameron Boardman MLC
Chairman

Recommendations

The Committee believes that motor vehicle theft is a complex issue that requires cooperation between all state and territory authorities in order to reduce the current level of these types of offences. Any such reduction will also require a range of integrated strategic responses at the national, state and local level. The Committee supports and encourages the formation of partnerships between a wide range of stakeholders and community organisations. Such partnerships are essential for the reduction and prevention of motor vehicle theft.

The Committee endorses the completion and continued maintenance of the National Exchange of Vehicle and Driver Information System (NEVDIS) as the cornerstone of national strategies to counter motor vehicle theft. The Committee also acknowledges the initiatives taken by government and non-government agencies, notably the National Motor Vehicle Theft Reduction Council, and makes the following recommendations to complement and strengthen these strategies and initiatives.

Recommendations for industry

1. The Committee recommends that motor vehicle manufacturers be required to fit self-voiding compliance labels to motor vehicles in place of the currently used aluminum compliance plates.
2. The Committee recommends that a new Australian design rule be developed requiring motor vehicle manufacturers to label all new vehicles with an approved microdot system of component labeling.
3. The Committee recommends that the Auto Parts industry establishes a voluntary Code of Practice that institutes verification checks of auto parts and establishes and maintains appropriate audit trails.

Recommendation for the National Motor Vehicle Theft Reduction Council

4. The Committee recommends that the National Motor Vehicle Theft Reduction Council (NMVTRC) have its tenure extended for a further three years to allow adequate time for its strategic plan to be fully implemented. The role that NMVTRC should play, during this period, is discussed in Chapter 18.

Recommendations with regard to the law

5. The Committee recommends that the government engage appropriate legal officers and/or parliamentary counsel to draft new laws that will remedy the defects and deficiencies in the law pertaining to motor vehicle theft and ancillary matters as recognised by the Committee and outlined in Chapters 12 and 18 of this Report.
6. In particular, the Committee recommends that the new laws encompass and make provision for the following offence types or scenarios:
 - a) An aggravated form of motor vehicle theft with violence;
 - b) An offence covering motor vehicle theft for the purposes of alteration, tampering and/or resale of the stolen vehicle;
 - c) A substantive offence that covers the actual alteration, tampering, refitting and/or resale of the stolen vehicle;
 - d) A substantive offence that targets the planning, coordination, financing and ‘masterminding’ of the motor vehicle theft, rebirthing and resale industry.
7. Various sectors, in their evidence to the Committee, have argued that the judiciary and magistracy do not view motor vehicle theft with the same seriousness as that felt by the community. This concern stems from the multi-faceted consequences of motor vehicle theft noted throughout the Report.

The Committee therefore recommends that the magistracy and judiciary take into account those community concerns when deciding on penalties for motor vehicle theft offences.

The Committee further recommends that the Report be brought to the attention of the Judicial College for consideration.

Recommendations with regard to police and police investigation

8. The Committee recommends that Victoria Police be given further powers to enable it to more effectively investigate and prosecute motor vehicle theft. In particular:
 - a) Officers of the Victorian Organised Motor Vehicle Theft Squad be given powers to enter and inspect premises, and properties (including but not restricted to car yards and auction houses, panel shops and other workshops). Such powers of inspection and entry should be restricted to circumstances where the officer(s) reasonably believes that the site, premise or property is involved in motor vehicle theft, rebirthing, illegal resale or associated offences;
 - b) In cases where such officers have a reasonable belief that a vehicle is a stolen vehicle or have a reasonable belief that a site, premise or property is involved in motor vehicle theft, rebirthing, illegal resale or associated offences, they be given the power to inspect both the

- motor vehicle(s) in question and any records associated with the vehicle or the business conducted on the premise or site;
- c) The provisions in paragraphs a and b apply only to premises licensed under motor traders legislation or other accredited retail premises and/or premises in the business of, or associated with, the motor vehicle sales, repair, alteration or associated industries and businesses; and
 - d) In the case of private, residential or non-commercial premises, it is recommended that police would still need a duly authorised warrant to enter such premises. Such a warrant would be issued only in circumstances where a police officer can demonstrate a reasonable belief and sufficient evidence to the satisfaction of the court that such a private or non-commercial site, premise or property is involved in motor vehicle theft, rebirthing, illegal resale or associated offences. Such a warrant should authorise the officer(s) to perform the duties specified under both paragraphs a and b where relevant.
9. The Committee recommends that officers of Victoria Police be given extended powers to stop, intercept and inspect motor vehicles on places additional to highways and for reasons other than or in addition to roadworthiness checks. Such inspections should be limited to circumstances where they have a reasonable belief that the vehicle(s) in question may be a stolen motor vehicle or in some way involved in motor vehicle theft or an associated offence.
 10. The Committee recommends that the Finding of Fact proposal, as outlined in Chapter 12 of this Report, be implemented.
 11. The Committee notes the re-establishment of the Victoria Police Organised Motor Vehicle Theft Squad and recommends that Victoria Police continue to fund the Squad at levels sufficient to comprehensively investigate, process and prosecute motor vehicle theft and associated crimes. In addition, funding must be allocated for providing adequate forensic inspection services of suspected stolen motor vehicles and collating and maintaining appropriate data collection bases and registers. There is clearly a need for an increase in the number of forensic inspection personnel in order to reduce the backlog in impounded motor vehicles stored for forensic purposes.

Recommendations with regard to immobilisers

12. The Committee recommends that a compulsory immobiliser system be established in Victoria. The Committee further recommends that:
 - a) The proof of an installed immobiliser be presented to VicRoads as a compulsory requirement of registration transfer;
 - b) The Government should give consideration to providing a subsidy to facilitate the implementation of this scheme. The subsidy should be extended to encourage the early and voluntary

- installation of immobilisers; and
- c) A review of this program be conducted by 2007 to ensure expected projections have been achieved.

Recommendation with regard to VicRoads

13. The Committee recommends that VicRoads be encouraged to give urgent priority to its proposed review into registration procedures. Furthermore, the Committee recommends that the NMVTRC undertake its national review of all state inspection regimes as soon as possible.

Recommendation with regard to local communities

14. The Committee recommends that Crime Prevention Victoria coordinate programs aimed at increasing public awareness of motor vehicle security. This should be recognised as a core component of motor vehicle theft prevention strategies.

Recommendation with regard to car parks

15. The Committee recommends that car park operators use the 'Safer City Car Parks Accreditation Scheme' as a guide for improving car park security.

Recommendation with regard to juvenile diversion programs

16. The Committee recommends that a secure source of funding be established for juvenile diversionary programs that accord with the NMVTRC's best practice model and that this funding be on a triennial basis.

Recommendations with regard to insurance practices

16. The Committee recommends that insurance agencies establish protocols to confirm the bona fides of all motor vehicles that they undertake to insure. This would ensure that the vehicle exists and that an accurate evaluation of the vehicles agreed value is obtained.
17. The Committee recommends that the insurance industry and Victoria Police enhance their working relationship to better counter fraudulent claims of motor vehicle theft. The Committee recommends that the insurance industry provide detailed information to Victoria Police concerning the withdrawal and/or denial of motor vehicle theft claims on the basis of fraud.

Recommendations with regard to data collection

18. The Committee recommends that Victoria Police collect and maintains information about the condition in which a stolen motor vehicle is recovered.
19. The Committee recommends that the Coroner develop a system of data collection that allows for the identification of deaths that involve stolen motor vehicles.

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List of Abbreviations

AAMI	Australian Associated Motor Insurers
ABCI	Australian Bureau of Criminal Intelligence
ADR	Australian Design Rule
AIC	Australian Institute of Criminology
APRAA	Auto Parts Recyclers Association of Australia
AS	Australian Standard
ATC	Australian Transport Council
BPM	Best practice model
CARS	Comprehensive Auto-Theft Research System
CCTV	closed circuit television
CIUs	Crime Investigation Units
CPOs	Crime Prevention Officers
CPV	Crime Prevention Victoria
DCPC	Drugs and Crime Prevention Committee
EPA	Environment Protection Agency
FCAI	Federal Chamber of Automotive Industries
HBT	Hand Brake Turn
HSVs	Holden Special Vehicles
IAATI	International Association of Auto Theft Investigators
ICA	Insurance Council of Australia
ICAC	Independent Commission Against Corruption
IIS	Immobiliser Incentive Scheme
IRS	Insurance Reference Services
LEAP	Law Enforcement Assistance Program
LGAs	Local government areas
MTA	Motor Trades Association
MTAA	Motor Trades Association of Australia
MVT	Motor vehicle theft
NEVDIS	National Exchange of Vehicle and Driver Information System
NMVTRC	National Motor Vehicle Theft Reduction Council

NMVTTF	National Motor Vehicle Theft Task Force
NRMA	National Roads and Motorists Association
NVOI	National Vehicle of Interest
OCS	Office of Crime Statistics
OEM	Original Equipment Manufacturer
OMVTS	Organised Motor Vehicle Theft Squad
PCYC	Police and Citizens Youth Club
RAC	Royal Automobile Club
RACV	Royal Automobile Club of Victoria
REVS	Register of Encumbered Vehicles
RTA	Road Traffic Authority
SMVS	Stolen Motor Vehicle Squad
TOMCATs	Theft of Motor Car Action Teams
VACC	Victorian Automobile Chamber of Commerce
VIN	Vehicle Identification Number
VIP	Vehicle Information Package
VIV	Vehicle Identity Validation
VPIA	Victorian Parking Industry Association
VSR	Vehicle Security Register
WAPS	Western Australian Police Service
WOVRs	Written-Off Vehicle Registers

PART A: Introduction

1. Scope of the Inquiry – History and Background

On 2 November 2001, the Legislative Council passed the following resolution:

That pursuant to the *Parliamentary Committees Act 1968*, the Drugs and Crime Prevention Committee be required to inquire into, consider and report by 31 October 2002 on the causes for, and effect of, the significant increase in the rate of vehicle theft in Victoria, including the so-called 're-birthing' of stolen vehicles, and to make recommendations as to how vehicle theft may be addressed.

Motor vehicle theft in Victoria: An issue of concern

The Committee received these Terms of Reference amid concerns that motor vehicle theft was increasing at an alarming rate. Since then, the rate of motor vehicle theft in Victoria has declined, for the first time in four years. However, motor vehicle theft remains at an unacceptable level.

It has become apparent to the Committee that motor vehicle theft is not simply about cars being stolen. There are many negative, sometimes tragic, ramifications of motor vehicle theft, in addition to the loss of a vehicle. The human costs can include death and/or injury when stolen vehicles are driven by inexperienced drivers, or severe hardship for individuals and families who cannot easily access other means of transport. Law enforcement also may suffer when its limited resources are diverted to investigate and administer individual motor vehicle theft cases. This can impact on the wider public, as can the financial loss the insurance industry experiences, which may result in across-the-board increases in insurance premiums.

Background to the Inquiry

In 2000/01 there were 37,308 motor vehicles stolen across Victoria. This figure revealed a dramatic increase of 32.8 per cent in recorded motor vehicle thefts in Victoria between 1998/99 and 2000/01. The extent of the increase was a source of concern for stakeholders, and both the Victorian Automobile Chamber of Commerce (VACC) and the Victoria Police prioritised the problem of car theft as an area in urgent need of address. In a media release dated August 2001, the VACC noted:

Victoria is now one of the most likely places in the world for a vehicle to be stolen – with 35,000 cars taken each year. Costs to the community and insurance premiums have soared, pointing to the need for urgent action (VACC, *Media release*, 3 August 2001).

Much of this increase has been blamed on an escalation of professional motor vehicle theft rather than opportunistic motor vehicle theft (see definitions below). Media reporting on motor vehicle theft reflects such a theory, as seen in the following quote from an article in the *Herald Sun*:

Car thefts in Victoria have reached record levels, sparking claims professional gangs are flooding across the border to exploit cuts in police resources (Buttler 2001, *Herald Sun*, 13 August, p.14).

In January 2002 the National Motor Vehicle Theft Reduction Council (NMVTRC)¹ estimated that thieves were laundering up to \$7 million worth of stolen cars through the registration system in Australia every month (NMVTRC 2001g). Moreover, professional gangs are reportedly responsible for half of Australia's annual \$1 billion car theft bill (Anderson 2002, *The Age*, 24 January, p.8). These figures indicate clearly that efforts, to that date, to reverse the rising rate of professional thefts have failed.

In August 2001 Chief Commissioner Christine Nixon outlined a revised Victoria Police response to counter the increased rate of motor vehicle theft. Car theft became one of three areas of operational priority, with Acting Assistant Commissioner Trevor Thompson being appointed to undertake a major review of Victoria Police responses to car theft. Commander Keith Smith was subsequently appointed to coordinate Operation Vehicle Watch, launched by the Victoria Police on 25 March 2002. There is evidence to suggest that the priority accorded to motor vehicle theft by Victoria Police is already having a positive impact on rates of motor vehicle theft.

While the response of Victoria Police has been welcomed, it is important to emphasise that the role of law enforcement in respect of motor vehicle theft is primarily reactive. In the internal Victoria Police 'Theft of Motor Vehicle Review', it is noted that:

1. The role of the NMVTRC will be discussed further below and in Chapter 13.

In recent years, police activity has shifted from a primarily reactive investigative approach after events have taken place, towards targeting active criminals and criminal activity based on intelligence. Intelligence usually means making inferences from large amounts of data. Victoria Police has adopted the latest worldwide policing concept referred to as Intelligence Led Policing which is described as :

'A strategic, future-oriented and targeted approach to crime control, focusing upon the identification, analysis and management of persistent and developing problems or risks (which may be particular people, activities or areas) rather than on the reactive investigation and detection of individual crimes.' [Emphasis in the original]

The success of the intelligence led process will largely be dependent upon our ability to mix and match information from across Divisions, Regions and Departments (Victoria Police 2002a, p.11).

However, the same report then goes on to note:

Our intelligence collection, collation, analysis and dissemination is at best *limited* in all areas, not just in relation to the theft of motor vehicles. The application of Intelligence Led Policing requires effective information systems and networks to identify problems, develop tactics, direct resources and measure outcomes. Crime and General Policing Departments' intelligence recording offices utilise two separate, and at the moment, incompatible systems. Management needs access to all intelligence to support and provide timely, accurate, useful and relevant information. (Emphasis in the original)

Consequently, the Committee cannot but help conclude that Victoria Police remain limited to a largely reactive role in the absence of effective intelligence collation and dissemination throughout the Force.

If theft is to be *prevented*, then any strategy must involve and be supported by the private sector, government agencies and state and federal governments. It is therefore timely that the Committee conducts an independent inquiry into motor vehicle theft in Victoria to provide the Parliament with advice regarding the level of this theft, potential prevention strategies and the extent of support for these strategies within government and private sectors.

Although the Committee will be examining the issue of motor vehicle theft in Victoria, it is important to note that it will do so within a national context. Motor vehicle theft is a national problem that demands cooperation between the different state and territory authorities. For example, without a national exchange of registration information there is little chance of identifying a vehicle that has been stolen in one state and re-registered in another. This chance is further diminished if police information resources are not shared between different jurisdictions.

The National Motor Vehicle Theft Reduction Council

The Committee acknowledges the substantial and ongoing work of the NMVTRC, which was established in 1999 as the peak national organisation in Australia to address the issue of motor vehicle theft. It was established on the recommendation of the National Motor Vehicle Theft Task Force, a task force of government agencies and industry groups convened in 1996 to compile a report on the dynamics of motor vehicle theft and potential preventative strategies. The NMVTRC was established to act as an independent body charged with the coordination, implementation and evaluation of motor vehicle theft reduction strategies. In doing so, it represents key stakeholders such as the motor trades, government bodies, registration authorities, police and vehicle owners.

The NMVTRC has recommended and implemented a range of preventative anti-theft strategies. It also funds the CARS database, the most comprehensive and up-to-date database of motor vehicle theft information in Australia. The NMVTRC will be discussed at length in Chapter 13.

Given the extensive work conducted by the NMVTRC to date, some interested parties questioned the need for an inquiry into motor vehicle theft in Victoria. In a submission to the Committee, CGU Insurance stated:

The cost of car theft to the insurance industry is well documented, as are the causes and effects of this type of crime within our community. It is therefore somewhat surprising to discover that the Victoria Government has chosen to add to the expense of the problem by having another inquiry into a problem where very little new information will be discovered.²

However, it is important to recognise that the majority of research conducted into motor vehicle theft has been from a national perspective. There has been very little information compiled in respect of motor vehicle theft in Victoria, or in respect of Victorian-based strategies that might be employed to counter motor vehicle theft.

The Committee recognises that motor vehicle theft is a national issue and that any initiatives under consideration for countering motor vehicle theft must be consistent between states and territories. However, the Committee is of the same view as the Royal Automobile Club of Victoria (RACV), which noted in a submission to the Inquiry:

Vehicle theft is a national issue, particularly when considering professional theft and the loopholes that exist for criminal groups to operate across state boundaries ... That is not to say that Victoria should sit back and wait for national consensus on vehicle theft initiatives. Quite the opposite. RACV would like to see Victoria take the lead in fighting this serious crime.³

2 Submission from CGU Insurance to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 14 March 2002.

3 Submission from the Royal Automobile Club of Victoria (RACV) to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002.

The Committee is most grateful for the assistance and contribution of the NMVTRC throughout this Inquiry. In undertaking this Inquiry the Committee has sought to complement rather than duplicate the comprehensive strategic base established by the NMVTRC. Given the national focus of the Council's work, the Committee believes it was presented with a valuable opportunity to assess this work in respect of its application in Victoria. Furthermore, by giving due emphasis to key elements of the Council's strategy, the Committee is able to provide added impetus to the implementation of this strategy in Victoria.

Definition of terms

ABS definitions⁴

The terms of reference received by the Committee addressed the need for an inquiry into the problem of 'motor vehicle' theft, not just 'car' theft. The term 'motor vehicle' is defined differently by different stakeholder organisations. For the purposes of this Report, the Committee has used the authoritative definitions of the Australian Bureau of Statistics (ABS) for 'motor vehicle', 'motor vehicle theft', 'recovery status' and 'insurance claim cost', as described below.

Motor vehicle

The ABS defines a motor vehicle as follows:

A motor vehicle is a self-propelled vehicle that runs on land surface (but is not restricted to rails or tramlines) and is eligible for registration for use on public roads. This includes but is not limited to: car, motor cycle, campervan, truck, lorry, bus, grader and tractor.

While the ABS excludes trailers, caravans and horse floats from its definition of motor vehicles, the theft of a trailer or a caravan is recorded as a motor vehicle theft in police records. This provides a partial explanation for differences between statistics produced by individual police services and those maintained by the national Comprehensive Auto-Theft Research System (CARS) database referred to in this Report.⁵

Although separate to ABS data, the CARS database uses ABS definitions. Consequently, when researchers are entering police data into the CARS database those vehicles that do not fit the ABS definitions are removed.

4 The following ABS definitions were provided by the CARS Analyser Database at <http://ncars.on.net/carsafe_define.asp> (accessed 21 February 2002).

5 The CARS database is discussed in more detail at the beginning of Chapter 4.

Motor vehicle theft

The ABS defines this offence as:

The taking of a motor vehicle unlawfully or without permission. This excludes damaging and tampering/interfering with a motor vehicle. Attempted motor vehicle theft is not included in statistics of motor vehicle theft.

The NMVTRC also uses this definition. Legal issues and associated criminal categories pertaining to motor vehicle theft are discussed in Chapter 11.

Recovery status

Law enforcement authorities record a vehicle as recovered when the chassis or shell of the vehicle is recovered. A substantial proportion of the vehicle's components may still be missing. In the case of a professional strip and steal, for example, the vehicle may be classified as recovered even though the engine, seats, dashboard, wheels, sound system, interior linings, doors and external panels have been removed. The general exceptions relate to number plates and engines.

Insurance claim costs

The term 'insurance claim costs' reflects the total outgoing cost incurred by the insurer in finalising a claim, minus any revenue received from the salvage of the recovered vehicle and/or any of its parts.

These costs may include, but are not limited to, the settlement payment to the policyholder, hire-car fees, towing fees, external assessor fees, external investigator fees, police report fees, auctioneer fees and crash repair fees. These costs exclude the cost of any company-employed staff such as claim staff, in-house assessors and in-house investigators.

Definitions of other related terms

Opportunistic motor vehicle theft

Opportunistic motor vehicle theft refers to vehicle theft for short-term use (ie. 'joy-riding'⁶ or transportation). Vehicles that are stolen and subsequently recovered are thought to have been stolen by opportunistic thieves. Opportunistic motor vehicle theft is so named because it occurs where the opportunity best presents itself. Thieves who steal cars for short-term use tend to rely on the easy availability of cars with inadequate security (see Chapter 3 for further discussion of opportunistic motor vehicle theft).

6 'Joy-riding' is a term commonly employed to describe the theft of a motor vehicle for excitement. However, the Committee notes that this term is an inappropriate representation of the activity. In a record of investigation into the deaths of four youths, the then Deputy State Coroner, Iain Treloar West, noted of the word 'joyriding':

'This description must be one of the great misnomers of our time, as all too frequently the young participants end up dead. There is certainly no joy for family members having to come to terms with the pointless loss of a loved one; no joy for the vehicle owner whose property is invariably destroyed and no joy for police and emergency services personnel, who have to attend the scene and collect the pieces' (Case Nos: 1787/94; 1788/94; 1789/94; 1790/94).

Professional motor vehicle theft

Professional theft refers to the theft and disposal of motor vehicles for financial profit. It is generally accepted that cars stolen by professional thieves are disposed of either through resale with fraudulent identification or by being stripped and their parts sold through the stolen auto parts trade (see Chapter 3 for further discussion of professional motor vehicle theft).

2. The Inquiry Process

In conducting the Inquiry the Committee has sought to canvass all relevant issues and receive input from as many individuals, agencies and organisations with a stake or interest in this topic as possible. The Committee's extensive research process involved the following issues:

- ◆ Examining the nature and extent of motor vehicle theft in Victoria and placing this in the context of national rates of motor vehicle theft;
- ◆ Providing insight into different types of motor vehicle theft, including opportunistic and professional motor vehicle theft, and the 'theft' of motor vehicles for fraudulent insurance purposes;
- ◆ Determining the costs of motor vehicle theft in terms of both financial and human impact;
- ◆ Examining links between juvenile crime and the high rate of opportunistic theft in Australia;
- ◆ Examining the various preventative strategies implemented by government and non-government organisations to counter increasing rates of motor vehicle theft; and
- ◆ Determining future directions and making recommendations to counter increasing rates of motor vehicle theft in Victoria.

During this research process the Committee has undertaken an extensive literature review, called for and received submissions from the community, sought expert opinion, spoken to key stakeholders, held public hearings and embarked on a number of site visits.

Literature review

A comprehensive literature review was undertaken for this Inquiry. Materials that were consulted included:

Statistical reports and databases: These were analysed to establish the extent of motor vehicle theft in Victoria and to ascertain any changes in patterns of motor vehicle theft.

Research reports: These were studied to identify previous research undertaken on motor vehicle theft. This allowed the Committee to build upon past research and to address the limitations of this research. The Committee's review of past research reports revealed that car theft, and particularly professional car theft, is a much under-researched form of criminal activity.

Local, interstate and international government and non-government materials: These were reviewed to ascertain the success and failure of motor vehicle theft reduction strategies employed elsewhere.

Media reports: These were examined to provide some insight into the community perception of motor vehicle theft.

Written submissions

Calls for written submissions were placed in the major daily newspapers at the outset of the Inquiry to canvass the views of government and non-government organisations and interested individuals. In all, 18 submissions have been received.⁷

Letters inviting submissions to the Inquiry were sent to the key agencies and stakeholders in Victoria, including:

- ◆ The NMVTRC;
- ◆ The VACC;
- ◆ The RACV;
- ◆ The Victoria Police;
- ◆ The Insurance Council of Australia (ICA);
- ◆ Crime Prevention Victoria (CPV);
- ◆ VicRoads; and
- ◆ All major vehicle manufacturers and importers.

In addition to the submissions received, the Committee has taken into account a number of reports, documents, correspondence and formal and informal discussions with a range of key stakeholders and experts in the field when reaching its conclusions.

Public hearings

The Committee held public hearings in Melbourne on 21 May 2002 with interested parties, including representatives from industry, law enforcement services and offender rehabilitation programs. These hearings provided an opportunity for stakeholders to add to the views they presented in written submissions.⁸

7 For a list of submissions received see Appendix 1.

8 For a list of witnesses appearing before the Committee see Appendix 2.

Site visits

The Committee made a number of site visits/inspections and held meetings with key organisations in and around Melbourne. Informal meetings enabled the Committee to hear individuals and representatives' views on specific issues relating to the Inquiry.⁹ Site visits included:

- ◆ Victoria Police Forensic Centre in Macleod (Site of forensic vehicle examination);
- ◆ Fowles Auctions (Altona);
- ◆ Hand Brake Turn (Dandenong); and
- ◆ Etchguard in Seaford (Window etching for car protection).

Interstate visit

In the course of its Inquiry the Committee travelled to Perth to meet with key stakeholders in the West Australian compulsory immobiliser scheme. An evaluation undertaken by the NMVTRC noted that this scheme initially experienced some complications. The Committee was therefore eager to speak with stakeholders to learn how to avoid these complications if such a scheme is to be replicated in Victoria.¹⁰

Additional witnesses

Expert witnesses were periodically invited to address the Committee regarding a range of pertinent matters in order to gain expert opinion and complement the information and testimony received from witnesses at the public hearings, visits to various facilities and information gained from submissions.¹¹

Acknowledgment

The Committee is most appreciative of the time, effort and valuable contribution that all the individuals and organisations have made during the progress of this Inquiry. The submissions, visits, public hearings and research projects have provided valuable knowledge and insights into what has turned out to be a complex issue.

9 For a list of organisations visited and representatives spoken to on-site in Melbourne see Appendix 3.

10 For a list of representatives spoken to at meetings in Perth see Appendix 4.

11 For a list of expert witnesses invited to speak to the Committee see Appendix 5.

PART B: **Types of Motor Vehicle Theft**

3. Categories of Motor Vehicle Theft: Opportunistic, Professional and Insurance Fraud

Motor vehicles are stolen for several reasons. The following chapter examines different categories of motor vehicle theft, which are defined primarily by the motivation behind the theft of a motor vehicle.

There are two broadly defined categories of motor vehicle theft – the theft of motor vehicles for opportunistic reasons and the theft of motor vehicles for professional reasons (Gant & Grabosky 2001; National Motor Vehicle Theft Task Force (NMVTTF) 1997a). However, a third category should also be noted – the category of insurance fraud. Although the orchestrated ‘disappearance’ of a motor vehicle does not technically fit the criteria for motor vehicle theft, such disappearances are thought to account for a significant proportion of motor vehicle thefts. Police resources are diverted to the investigation of these supposed ‘thefts’ and insurance premiums rise further when claims are made fraudulently. Consequently insurance fraud is an integral element in any inquiry into motor vehicle theft. A reduction in vehicle-related insurance fraud, or at least a better understanding of its dimensions, will assist investigators in ascertaining the true extent of motor vehicle theft (Carroll 2001).

Identifying categories of motor vehicle theft

Determining whether a motor vehicle has been stolen for opportunistic or professional reasons is dependent upon what happens to the vehicle after it is stolen. By commonly accepted definition, motor vehicles that are stolen and subsequently recovered have been stolen for short-term or ‘opportunistic’ use (Gant & Grabosky 2001; NMVTTF 1997a; Tremblay et al. 1994). Conversely, stolen motor vehicles that are not recovered are recorded as incidents of

professional motor vehicle theft. On this basis a recent study of car theft conducted by the Australian Institute of Criminology (AIC) concluded:

About 75 per cent of motor vehicle thefts are attributable to opportunistic car thieves who generally steal vehicles for joy-riding or transportation. The remaining 25 per cent are the work of professional thieves, who steal vehicles for profit (Gant & Grabosky 2001, p.1).

However, the same AIC study qualified this finding, noting that the reliance upon rates of vehicle recovery generally resulted in levels of professional theft being underestimated. This is largely a consequence of the limited data sets maintained in relation to motor vehicle theft. For example, a police database will not discriminate between a car that is recovered abandoned by the side of the road and another recovered on premises used by an organised car theft ring. Additionally, no jurisdiction except South Australia records systematic data about the *condition* of vehicles that are recovered. Consequently, in jurisdictions such as Victoria, stripped or burnt-out vehicles may be attributed to opportunistic thieves. This is despite the fact that the removal of parts and/or identifying features is more likely to indicate a professional theft (Gant & Grabosky 2001; Higgins 1997). One South Australian study using the Comprehensive Auto Theft Research System (CARS) reported that of 8,448 stolen vehicles *recovered* in that state in 1995, 6 per cent (504) had been stripped and 2.2 per cent (188) had been burnt (Thomas 1996, p.99). Ray Carroll, Executive Director of the National Motor Vehicle Theft Reduction Council (NMVTRC), alluded to this problem when addressing the Committee:

To give the Committee an idea of the proportion between opportunistic and professional theft, in the 2000/01 year about 139,000 cars were stolen nationally. Of those, about 111,000 were recovered or found within days or weeks of being stolen. [However] most of those recovered cars would actually be missing parts. These may have been stripped to a fairly minor degree or they may have been fairly extensively stripped.¹²

Based on the above methods of categorisation, opportunistic theft still comprises the greater majority of motor vehicle theft in Australia, however some evidence is emerging to suggest an increase in professional motor vehicle theft activity. In the NMVTRC's *Annual Report 2000*, it was noted that:

While opportunistic theft makes up the largest number of thefts, insurers continue to express concern over the escalating costs of total loss claims. Total loss claims result from incidents where stolen vehicles are destroyed or never recovered and include vehicles that are stolen by professional thieves. Insurance claim profiles are supported by motor industry sources who confirm that organised professional theft is continuing unchecked in the larger eastern

12 Ray Carroll, Executive Director of the National Motor Vehicle Theft Reduction Council (NMVTRC), in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

states and often involves cross-border traffic in stolen vehicles and vehicle identifiers (NMVTRC 2000a, p.7).

NRMA Insurance is one insurance group whose own research indicates a rise in the incidence of professional theft. In New South Wales and the Australian Capital Territory the number of claims for motor vehicle theft processed by NRMA rose by 30 per cent in the five years between 1993 and mid-1998. More significantly, however, the *cost* of claims increased by 130 per cent over the same period (Davidson 1999). Jenny Davidson, NRMA Theft Control Manager, attributed the disproportionate increase to an increasing number of stolen vehicles that were either not recovered or were recovered as total losses – indicating a dramatic rise in the incidence of professional theft (Davidson 1999).

The following sections discuss in detail the three main categories of motor vehicle theft.

Opportunistic motor vehicle theft

In 2000/01, 82.1 per cent of motor vehicles stolen in Victoria were subsequently recovered (NMVTRC 2002c). This was significantly higher than the 80.1 per cent of vehicles recovered in 1999/2000 and the 80.6 per cent recovered in 1998/99. Despite indications of an increase in professional theft activity in NSW, using the definitions outlined above this would suggest an increase in opportunistic theft activity in Victoria (NMVTRC 2002c).

Cars that are stolen for short-term opportunistic use are generally recovered within one week of the theft, supporting the contention that recovery rates reflect the type of motor vehicle theft. Of the 121,402 stolen vehicles recovered in Victoria between 1 July 1997 and 31 December 2001, 91,380 (75.2%) were recovered less than a week after having been stolen (57,234 or 47% in the first two days) (CARS Analyser database). If a stolen vehicle is still missing after a week, the likelihood of it being recovered diminishes significantly, suggesting its theft by professional thieves who have sought to resell the vehicle or to remove its identifying features for reasons discussed below (NMVTTF 1997b).

Furthermore, 35 per cent (10,746) of stolen motor vehicles recovered in Victoria in 2000/01 were recovered in the same local government area that they were stolen from (NMVTRC 2002c). This is also suggestive of short-term opportunistic use. Another 64.8 per cent (19,887) were recovered in another local government area within the state. Just 0.1 per cent (38) of vehicles were recovered interstate or overseas (NMVTRC 2002c).

'Opportunistic' motor vehicle theft is so named because it occurs where the 'opportunity' best presents itself. Opportunistic thieves rely on the easy availability of cars without adequate security devices and motor vehicles that best fit this criterion are older cars. As at 30 June 2001, over half of the motor vehicle fleet in Victoria (51.4%) was manufactured in 1991 or earlier. Given the declining value of these cars, owners are less willing to spend money to ensure they are

equipped with security devices such as engine immobilisers. Victoria currently has 1.8 million 'unsecured' cars on the road, with an average value of between \$5,000 and 6,000.¹³ These cars present the easiest targets for opportunistic thieves. A press release from the NMVTRC in September 2001 stated that:

Most people assume that their old cars will not be targeted by thieves. This is despite the fact that police and insurance statistics show that 3 out of every 4 of the 140,000 cars stolen in Australia during the past year were more than 10 years old and were stolen by young, unsophisticated thieves looking for transport or to commit another crime (NMVTRC 2001e, p.1).

Statistically speaking, vehicles manufactured in the 1980s or earlier account for 85 per cent of total motor vehicle thefts in Australia (NMVTRC 2001e). Recovery rates are significantly higher for older vehicles, further supporting the premise that opportunistic thieves target these vehicles. During the September 2001 quarter, there were 9,272 recorded motor vehicle thefts in Victoria. Of these, 69.6 per cent were manufactured in the 1980s (NMVTRC 2001e). The recovery rates, according to the decade of manufacture, were as follows:

- (1) 1970s: 81.7 per cent;
- (2) 1980s: 82.1 per cent;
- (3) 1990s: 60.1 per cent
- (4) 2000/01: 47.5 per cent (NMVTRC 2001b, p.5).

Opportunistic theft is thought to be committed for the purposes of 'joy-riding', transportation or to aid in the commission of another crime. As the Insurance Manufacturers of Australia¹⁴ noted in a submission to the Committee:

The opportunist offender will often see themselves 'borrowing' the vehicle, rather than permanently depriving the owner of the vehicle.¹⁵

Estimates of the level of theft for transportation purposes as opposed to joy-riding are difficult to make. However, in its submission to the Committee the Royal Automobile Club of Victoria (RACV) stated that 'intelligence suggests that opportunistic theft is high in many areas where public transport options are few or non-existent, like at the end of a rail line'.¹⁶ One Victoria Police officer noted:

13 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

14 Insurance Manufacturers of Australia is a joint venture company between the Royal Automobile Club of Victoria (RACV) and the Insurance Australia Group (IAG). Insurance Manufacturers of Australia manufactures personal insurance products for the home and motor markets.
IAG is the former NRMA Insurance Group Limited. The name change was approved by shareholders at the 2001 Annual General Meeting and became effective on 15 January 2002. The former NRMA retail brands, NRMA Insurance (ACT, NSW & Qld), SGIO (WA), SGIC (SA) and State Insurance and Circle (New Zealand) have been unaffected by the holding company name change.

15 Submission from the Insurance Manufacturers of Australia to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002.

16 Submission from the RACV to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.20.

Heaps of cars are being stolen from all Melbourne, all over the metropolitan area. It's not just the locals using them to get around, although we see a lot of that, especially with the younger members of the community. But there's also plenty, and we've caught them, coming in [to the inner city] from Brunswick, from Broadmeadows, from Greensborough, coming in, and getting a car at the local railway station. Why catch a train while you can drive.¹⁷

These comments support research conducted in 1995 by Salmelainen who surveyed 133 motor vehicle theft offenders in juvenile detention regarding the motivation behind their offending. She reported that 66 respondents (49.6 per cent) stole motor vehicles to meet their need or desire for transport and 39 (29.4 per cent) reportedly stole vehicles for excitement or to relieve boredom. This suggests a greater proportion of opportunistic theft is committed for transportation purposes rather than joy-riding. However, it must be emphasised that the boundaries between these two offences are inevitably blurred; while an offender may need transport, it may be the thrill of the illicit act that makes the offender steal a motor vehicle instead of using public transport.

The third motivation behind opportunistic theft of motor vehicles is to aid the commission of another crime. Salmelainen (1995) reported that 12.8 per cent (17) of the offenders she surveyed reported that their offending was motivated by their desire to obtain goods or money. Mr Geoff Hughes, Project Manager with the NMVTRC, expanded further on the use of stolen motor vehicles to commit crimes:

A 17-year-old kid in western Sydney has stolen something like 300 or 400 cars. When pressed on why he stole them, his response was, 'Mate, you can't steal many televisions on a skateboard.' They are being used as a means to an end. To steal goods and convert them to cash to fund drug purchases and other things.¹⁸

Victoria Police have noted an increasing number of stolen motor vehicles being used to assist thieves in the commission of other types of criminal offences from armed robbery and drug trafficking to lesser crimes such as petrol theft and 'ram-raiding'.¹⁹

17 Sergeant Adrian Richards, Victoria Police, in conversation with the Drugs and Crime Prevention Committee, 10 December 2001.

18 Mr Geoff Hughes, Project Manager, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

19 Submission from the Victoria Police to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.3.

'Ram-raiding' refers to the driving of a motor vehicle through a shop-front window and then loading the vehicle with merchandise from within the shop.

Professional motor vehicle theft

Professional motor vehicle theft refers broadly to the theft and disposal of stolen motor vehicles for financial profit. Very little is currently known about the nature of professional motor vehicle theft in Australia. In its *Final Report* (1997) the NMVTTF noted:

The full extent of professional motor vehicle theft cannot be accurately determined for two reasons. The first lies in the inherent nature of the crime. Due to the availability of motor vehicles and the ease in which stolen vehicles and parts can be sold, relatively few professional motor vehicle thefts are uncovered by registration authorities or investigators. The second reason is that even for identified professional theft activities, there has been no central intelligence coordination at the national level since 1993 (NMVTTF 1997b, p.193).

The NMVTTF ‘strongly’ recommended ‘that the Australian Bureau of Criminal Intelligence Board of Management undertake an urgent review of the Bureau’s involvement in the assessment of organised motor vehicle theft’ (NMVTTF 1997b, p.193). However, in conversation with the Committee, Ray Carroll noted the continued failure of national law enforcement authorities to allocate resources for the gathering of national intelligence on the extent and nature of professional motor vehicle theft:

One of our projects two years ago was to try to get the Australian Bureau of Criminal Intelligence (ABCI) to re-establish a motor vehicle theft desk so there could be collation of national intelligence on these car rings ... It’s probably no secret that the response we got from the ABCI was that professional car theft was so far down the priority list of the commissioners – it was not on the list – that the ABCI would not be allowed to commit resources to do it. I am hoping that is changing now with the approaches that the commissioners are now looking at, but there is a definite need for national intelligence collation on organised car theft in this country.²⁰

It is generally accepted that cars stolen by professional thieves are disposed of either through resale with fraudulent identification (‘rebirthing’) or through the stolen parts trade (Gant & Grabosky 2001; NMVTTF 1997b). Ray Carroll told the Committee that:

Of the 28,000 cars that ostensibly disappear off the face of the earth and are not found at all – and these are broad estimates, we just do not know – we believe about 20,000 are totally dismantled for parts and the parts are put through the black market. Around 8,000 are rebirthed or registered under false identities and on sold to unsuspecting buyers as whole cars.²¹

20 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

210 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

The 'rebirthing' of stolen motor vehicles

'Rebirthing' refers to a car being 'reborn' with the identity of another vehicle. When a motor vehicle is assembled, the manufacturer is required to assign it a specific identity. Since 1989, this identity has taken the form of a 17-character serial number called a Vehicle Identification Number or 'VIN'.²² The VIN may be stamped into a small metal plate, known as a compliance plate, attached to the body of the car, usually by rivets. Alternatively, the VIN may be stamped into the body of the vehicle itself. In accordance with Design Rule 43/01, all vehicles manufactured in Australia since 1971 must have a compliance plate attached to the vehicle's body. This is a declaration by the manufacturer that the vehicle complies with relevant design rules. As well as a VIN, all motor vehicles have a unique engine number stamped into the engine block.²³ The VIN and engine numbers are the only public serial numbers assigned to vehicles by the manufacturers (International Association of Auto Theft Investigators (IAATI) n.d.).

The most common method of rebirthing is to remove the identification plates from a wrecked vehicle that has been obtained legitimately, often by purchasing wrecks at auction. According to the parts recycling industry, it is now very difficult for legitimate operators to compete at auctions for wrecked motor vehicles when professional thieves are paying well above market prices for certain vehicles (Daphne 1997; Auto Industry Australia 2002). In a submission to the Committee, the Auto Parts Recyclers Association of Australia (APRAA) stated:

Comparing the auction selling price with the extent of damage to a vehicle frequently indicates purchase of a damaged vehicle for other than legal dismantling purposes and we concur with the finding of the Vehicle and Recreational Marine Craft Repair and Industries Report No.43 which acknowledges '*the scope for stealing vehicles is enhanced by the sale of wrecked vehicles with their identifiers intact*'.²⁴ (Emphasis in the original)

Once a wreck has been obtained, a similar model of vehicle is then stolen and its identifying features replaced with those of the wrecked vehicle. If the engine of the wrecked vehicle is unusable, then its identifying number is easily forged on the stolen car's engine block.²⁵ The thief can then claim to have repaired the wrecked vehicle. Once the vehicle has been re-registered, it is left with no link to the legitimate owner. This allows resale to an unsuspecting buyer and a substantial profit for the professional thief (Independent Commission Against Corruption (ICAC) 2000). It is estimated that 2,860 Victorian registered vehicles were rebirthed using the identifiers of wrecked vehicles in 1999/2000 (Auto Industry Australia 2002).

22 On earlier model vehicles built before 1989 in Australia, this number may not be 17 characters long. In such cases, the numbers are commonly referred to as chassis numbers.

23 On older vehicles the chassis number and engine number may be the same.

24 Submission of the Auto Parts Recyclers Association of Australia to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, February 2002.

25 In many cases the engine serial number is not visible from its position within the car bonnet.

An alternative means of rebirthing is to forge the identifiers of a legitimate vehicle and attach these to a stolen vehicle of similar model and make. The thief or an associate who claims to have purchased the vehicle from the original owner then presents the stolen vehicle for re-registration. Current registration practices allow this to occur with relative ease. As Bruce Chipperfield, manager of registration and licensing policy at VicRoads, told the Committee:

If you sell a car to another person, there is no requirement for VicRoads to inspect a currently registered vehicle; vehicles are commonly transferred without inspection. That applies to the extent that we consider current registration to be within three months of expiry.²⁶

The requirements for a transfer of vehicle include an application form and a receipt or contract signed by the previous owner, which includes the full name and address of the previous and current operator. However, VicRoads acknowledges that many transfers are processed before all relevant documentation is received, even in cases where there may be a dispute regarding ownership of the vehicle in question. As VicRoads' submission to the Committee stated:

This occurs because one of the functions of the register is to provide law enforcement agencies, such as Victoria Police, with the details of who is operating a vehicle at a particular time, regardless of ownership.²⁷

While it is a more complex and expensive means of operation, the potential income to be earned from the forging of compliance labels is significant. Professional thieves use computerised etching machines with a very small 'dentist-type' drill bit. Although different models of vehicle often use different stylised characters on their compliance labels, thieves are able to program etching machines to replicate the stylisation required. Glen Dower, a vehicle examiner at the Victoria Forensic Science Centre, described the process to the Committee when it visited the Centre:

You program the type of characters, you know – Toyota, Land Cruiser, Lexus – and this is off a Lexus, \$80,000 worth of vehicle. It just goes, 'zip, zip, zip', does it in the metal; they put it in place, paint it and it looks just right. That sort of machinery costs a lot of money, and that's what the organised gangs are prepared to do. Like I said, \$80,000 worth of Lexus, that pays for the machinery. Investigators have said there are actually people who will do this on consignment type basis.²⁸

In a submission to the Committee the Insurance Manufacturers of Australia noted a third rebirthing modus operandi, sometimes referred to as

26 David Chipperfield, Manager of Registration and Licensing Policy, VicRoads, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

27 Submission from VicRoads to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.6.

28 Glen Dower, Vehicle inspector, Victoria Forensic Science Centre, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

'resurrection.' Professional thieves who employ this method steal a motor vehicle and strip the majority of parts from the body:

The shell is dumped so that it will be recovered by police, returned to the insurer for sale as salvage, purchased by the original thief and the car restored to its original state using the parts previously stripped from the vehicle.²⁹

The 'rebirthing' of imported motor vehicles

The NMVTRC has also noted the practice of 'identifiers' being removed from wrecked vehicles to rebirth imported vehicles that do not comply with Australian Design Standards (NMTRC 2000c). Alternatively, the APRAA drew attention to the rebirthing of vehicles supposedly imported for 'wrecking purposes'.³⁰ Instead of the vehicle being 'broken up', its body is rebirthed by using the compliance plates of a wrecked Australian vehicle. It is then sold to unsuspecting consumers. These practices are of concern for two primary reasons. First, it is a form of consumer fraud. Consumers who fall victim to the practice are effectively purchasing a vehicle that does not comply with Australian Design Standards. Secondly, they may be purchasing a vehicle that is structurally or mechanically unsound. This puts both the occupants of the vehicle and other road users at an increased risk of accident.

The stolen parts trade

Beyond anecdotal information from police and industry sources, little is known about the dynamics of the illicit parts trade in Australia (NMVTRC 2000b). The dynamics of any trade in stolen goods are so complex and the boundaries so ill-defined that they present a considerable challenge to researchers. Nonetheless, the Insurance Manufacturers of Australia offered the following observation in a submission to the Committee:

Professional theft for parts may target more common vehicles due to the size of the second-hand parts market, but it is not uncommon for very targeted and specific stripping of vehicles where parts are either more expensive, or a little more difficult to come by. Vehicles may be stripped in situ, with the nature of the strip suggesting that specific parts have been targeted for a particular type of collision repair. For example, a vehicle may have only its front end stripped, including the dashboard and air bags, suggesting a front end collision repair is being undertaken.³¹

Findings of research into the stolen parts trade in Australia

In 2001 the AIC sought to address the lack of information about the stolen parts trade in Australia. The Institute's subsequent study found the stolen parts

29 Submission from the Insurance Manufacturers of Australia Pty. Ltd. to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.4.

30 Submission from the Auto Parts Recyclers Association of Australia (APRAA) to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, February 2002.

31 Submission from the Insurance Manufacturers of Australia to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.4.

industry to be an established and extensive illegal enterprise. Stolen parts were reportedly used in four ways.³²

1. To resell, either to second-hand dealers or direct to consumers.

Selling stolen parts primarily occurs for reasons of financial gain. However, people also sell or barter stolen parts to obtain goods such as drugs and prohibited firearms. The AIC was unable to estimate the prevalence of this practice.

2. To repair worn or damaged parts. This is particularly pertinent for older model cars.

A number of motor vehicles are stolen to provide spare parts for the repair of older model vehicles. As noted above, the vehicles most frequently stolen in any one year are usually those models most commonly sold approximately 10 years earlier. While this undoubtedly reflects the lack of adequate security devices in older vehicles, it may also be that certain models are targeted for their parts.

As manufacturers cease to produce older vehicle parts, these parts become more difficult to obtain and expensive when compared to the cost of the actual vehicle. It may be more cost-effective for consumers to use stolen parts.

3. To rebuild wrecked vehicles.

Skilled but dishonest tradespeople may use stolen parts to rebuild wrecked vehicles. This practice is thought to perpetuate the cycle of theft for parts. As parts are stolen to rebuild other vehicles, newly stripped vehicles are repaired with parts from other vehicles and so on.

Stolen parts may also be combined with other parts to build a hybrid vehicle for sale. This vehicle may take the identity of one stolen vehicle or it may be given a new identity. Similarly, two halves of respective vehicles may be combined to form another car. This process is referred to as a 'cut and shut' or 'sectionalised repair'.

4. To change the appearance or performance of cars.

Stolen parts may also be used to upgrade vehicles. The AIC reported that this was a common practice in the upgrade of Holden vehicles to Holden Special Vehicles (HSVs). In this process the engine block and panels were removed from the latter to upgrade the former.

High performance and prestige cars, such as HSVs, Honda CRXs, Subaru WRXs, BMWs and 4WDs were popular among professional thieves for this purpose. However, it was also noted that pre-1992 models tended to be stolen for parts while post-1992 models were more likely to be rebirthed (Gant & Grabosky 2001).

32 Unless stated otherwise, the following information is drawn from Gant & Grabosky (2001).

Movement of illicit vehicle parts

Professional thieves commit most thefts for car parts. Opportunistic thieves may engage in minor thefts or may 'come across' goods, although this comprises an insignificant proportion of the trade in stolen motor vehicle parts (Gant & Grabosky 2001).

It is not so much the location as the vehicle that is the determining characteristic of professional motor vehicle theft. If thieves know that prestige or high performance vehicles are likely to be found in certain areas, it is these areas that will be primary targets (Gant & Grabosky 2001).

The actual vehicle theft is usually initiated by one of two sources – thieves and receivers. Some professional thieves are reported to steal a number of vehicles and leave them at designated 'drops' to be inspected by potential buyers. Those vehicles that are not wanted are abandoned. Alternatively, some receivers initiate the demand for vehicles by contacting thieves and arranging for a specific model to be stolen. Participants in the AIC study of the trade in stolen motor vehicle parts also noted the engagement of people 'on the side' to help locate target vehicles. These people may not be part of the organised process but help out for a 'small fee' (Gant & Grabosky 2001). For example, car park attendants may notify thieves of particular vehicles located at shopping centres.

Once stolen, thieves will usually drive vehicles to the place where the stripping of parts occurs or to an intermediate site from which vehicles will be transported further. Most vehicles are stripped in backyards or on 'business' premises. The AIC emphasised the need to note that a vehicle, and its parts, may change hands a number of times. One offender participating in the study relayed how a vehicle may be stripped in different stages as it comes into contact with different people:

Someone will take parts a, b and c and pass the vehicle onto someone else who will take parts x, y and z, and so on (Gant & Grobosky 2001, p.4).

This highlights the selective nature of many of those involved in the illicit trade in stolen motor vehicle parts.

Selling stolen vehicles parts

The most common method used to sell stolen vehicle parts is thought to be word of mouth. The AIC reported that the development of networks among those involved in the trade allowed parts to be moved with relative ease (Gant & Grabosky 2001). Once these networks were exhausted, it was not uncommon for thieves to attempt to sell stolen parts to businesses or to unsuspecting strangers. For the seller, the difference between approaching each of these two types of potential customers was the amount of profit to be made and the risk involved. Selling to unsuspecting strangers would reportedly return a greater profit, although it would generally take longer to sell stolen parts (Gant & Grobosky 2001). Of course the longer the time that it takes to sell the parts, the greater the risk of the seller being caught in possession of stolen goods. In contrast, while selling to dishonest auto parts dealers was a faster, and

consequently less risky, process, it was thought to decrease profits.

The Victoria Police Organised Motor Vehicle Theft Squad (OMVTS) has noted the tendency to sell stolen parts through the repair trade. Detective Sergeant Gerry Bashford told the Committee:

A wrecker who is operating on the illegitimate side of things has contact with panel shops that are prepared to turn a blind eye. He supplies them with parts cheaper than they could get them for from the legitimate trade. The outlet for parts is not so much to the public because obviously the volume of parts you can move across the counter to the public is limited. Generally you rely on the repair trade to move your larger volume of parts.

In order to dispose of large volumes of parts you will need commercial premises to do it because you are going to attract attention. Otherwise if you have trucks coming and going from your backyard supplying parts ... you are going to attract.³³

Impact of the stolen parts trade on the legitimate trade

The primary impact of the stolen parts trade is on the viability of the legitimate spare parts market. As the AIC study reported:

First, the pool of available stock at auctions is reduced when thieves bid big dollars for wrecks, 'shutting out' licensed dealers from the sale. Second, potential business is lost when those purchasing wrecks do not approach repairers and recyclers to do the work or to obtain parts. Third, retailers and repairers are 'undercut' by illicit traders who sell parts below market value, and offer competitively priced repair work. Finally, the industry as a whole suffers when it is associated with illegal operators and disreputable business practices (Gant & Grabosky 2001, p.5).

The AIC also identified what was termed an 'intersection' between the legitimate trade in motor vehicle parts and those selling parts acquired through illegal methods (Gant & Grabosky 2001) This 'intersection' has been acknowledged by the APRAA. Bill Bartlett, National Spokesman of APRAA, told the Committee:

It is obvious that the legitimate industry has been severely impacted by the illegitimate side of the industry. Inevitably there will be crossover, in many cases unwittingly. People are experiencing a situation where parts they have purchased subsequently have been found to be stolen and the extent of the stolen parts trade infiltrating the legitimate industry, for want of a better term, has become worse over the last few years. I say 'unwittingly' because within the legitimate industry there are those people who go to great efforts to make sure that the source of the parts and the supplier of the parts are absolutely legitimate. But there are some who do not take the same type of notice.³⁴

33 Detective Sergeant Gerry Bashford, Victoria Police Organised Motor Vehicle Theft Squad (OMVTS), Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

34 Bill Bartlett, National Spokesman, APRAA, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

In response to a question about the extent of the trade, Mr Bartlett noted:

I would say it would be small and confined to the edges of the legitimate industry, for want of a better term. It is also very difficult to judge accurately the extent of the problem because so many parts are unmarked ... An accurate picture is difficult to ascertain, but we are aware of fringe operators in the industry who are quite readily involved in the business because their chances of getting caught are relatively small without the identification on the parts.³⁵

Detective Sergeant Gerry Bashford added:

Recently we have seen the establishment of illegitimate businesses under the guise of legitimate businesses. Because they are able to source parts for lower prices than would normally be the case the economics of establishing that business are a lot less than would otherwise be the case. Only yesterday we visited one of those premises where the fellow had been receiving stolen parts from a vehicle thief. He asked a few cursory questions regarding the source of those parts but to anyone with half a knowledge of the industry, he would have known those parts were stolen.³⁶

Vehicle safety

A further concern arising from the trade in stolen parts is driver and community safety. This is particularly apparent when backyard operators repair and rebuild vehicles that are later sold. The repairs in such cases are more likely to be of inferior quality and often without safety mechanisms such as air bags and anti-lock braking systems (Gant & Grabosky 2001). Structurally and mechanically unsound vehicles that end up on the road run a greater risk of being involved in car accidents (Gant & Grabosky 2001).

The need for further research into professional motor vehicle theft

The ability of authorities to monitor and refine policies aimed at countering the incidence of professional theft is hampered by a lack of research on the subject. Little is known about either the stolen parts market or 'rebirthing' in Australia. In its *Final Report*, the NMVTTF stated:

Beyond the statistical analysis of the incidence of motor vehicle theft and an examination of recovery data, there is only limited material available on which to assess the involvement of organised crime in motor vehicle theft (NMVTTF 1997b, p.193).

The Task Force also noted:

In the absence of detailed knowledge regarding the nature and extent of

35 Bill Bartlett, National Spokesman, APRAA, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002. Further discussion of parts identification is contained in Chapter 14.

36 Detective Sergeant Gerry Bashford, Victoria Police OMVTS, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May, 2002.

organised or professional motor vehicle theft it is difficult for law enforcement agencies to make informed resource and policy decisions (NMVTF 1997, p.193).

More recently, the AIC has drawn attention to the necessity for further information if law enforcement agencies are to deploy effective preventative strategies:

A greater investment of resources into researching this illicit market will lead to a greater understanding of the characteristics and dynamics of the stolen vehicle parts trade. Ultimately, with this information we can develop appropriate policies for prevention, and also better target law enforcement operations to those vulnerable areas which facilitate the market in stolen vehicle parts (Gant & Grabosky 2001, p.6).

The AIC has suggested many ways to obtain and compile the necessary information, including:

- In-depth interviews with imprisoned or otherwise accessible professional motor vehicle thieves;
- An extensive survey of motor traders to gauge levels of stolen parts use within the legitimate industry;
- Systematic collection of data on the condition of vehicles recovered by law enforcement agencies and the parts missing from these vehicles; and
- Collection and analysis of data on the number of stripped vehicles processed by insurance auctions and the parts missing from these vehicles (Gant & Grabosky 2001, p.6).

Insurance fraud

The third category of motor vehicle theft – an often forgotten component of motor vehicle theft figures – is that proportion attributed to fraudulent insurance claims. Even when a policyholder withdraws a false claim or has a claim refused on the grounds of fraud, it is unlikely that the police will be informed that the initial vehicle theft report was false. Consequently, false reports remain within police statistics.³⁷ The insurance industry estimates that approximately 5–8 per cent of all motor vehicle theft claims are fraudulent (NMVTF 1997b). Others suggest it could be far higher. Ray Carroll stated:

Conventional wisdom is that fraudulent claims of theft have been around 8 per cent of all claims. Some insurance companies are now saying that in some profiles of vehicles and geographic areas it could be as high as 15 per cent ... A lot of the insurance companies have now developed fraud profiles and they know that someone fits this profile in terms of when the car was purchased, how it was insured, the area it is garaged, where it comes from. They get a fairly good idea that this may well be a fraudulent claim, but they still pay them because there is no evidence to say they should not pay it.³⁸

37 Submission from the Insurance Manufacturers of Australia to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.6.

38 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

While acknowledging that insurance fraud occurs on a substantially lesser scale than opportunistic and professional motor vehicle theft, Victoria Police have noted that the practice is 'on the rise and of significant concern.'³⁹ In a submission to the Committee, the Insurance Manufacturers of Australia suggested that the disbanding of the stolen motor vehicle squad by the Victoria Police might have contributed to the rise of fraudulent insurance claims. The submission stated:

Apart from situational factors that may contribute to a person's propensity to commit fraud, the decreasing likelihood of police investigation and subsequent criminal prosecution of insurance fraud matters has led to a perception that this is a low risk / high return criminal activity. The probability of getting away with the fraud and obtaining a financial advantage is often seen to far outweigh the risk of being caught out, an insurance claim overturned or a criminal conviction.⁴⁰

The NMVTF suggested that the use of agreed value insurance claims and more customer-friendly insurance policy administration practices has played a role in supporting fraudulent practices (NMVTF 1997b). According to the insurance companies, agreed value policies offer the consumer protection against the rapid depreciation of motor vehicles (Devery 1993). Depreciation is a particular problem for new vehicles, which can suffer considerable value depreciation in the first few years of ownership. As Devery (1993) notes, in the event of a total loss the owner of a vehicle bought with borrowed funds and insured with a market value policy can be left owing money on a vehicle they no longer own. Conversely, an agreed value policy allows the debt remaining on a written-off vehicle to be paid in full, given that the owner has insured his or her vehicle for an agreed value similar to the purchase price of the vehicle. It has also been argued that agreed value policies remove the potential for arguments over the retail market value of vehicles in the event of a total loss. They also allow insurers to set premiums more fairly since they are able to predict the pay-out for total loss claims (NRMA 1991).

The reverse of these advantages of agreed value consumer policies to the consumer and insurer is that the insured value of vehicles may be greater than the retail market value, providing unscrupulous consumers with the incentive to dispose of their vehicles and fraudulently claim theft insurance. The defence against this practice is the consumer payment of an 'excess', an amount which insurers hope is greater than the discrepancy between agreed and market value (Devery 1993).

Furthermore, in the interests of consumer service and the reduction of overheads, most insurance policies are written without any third party verification of a motor vehicle's condition, or even its existence (Carroll 2001).

39 Submission from the Victoria Police to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.4.

40 Submission from the Insurance Manufacturers of Australia to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.6.

Ray Carroll has reported that a great deal of anecdotal evidence exists regarding the practice of 'ghosting', a practice where a fictitious vehicle is insured and later reported stolen. Similar fraud scams involve the registration of previously damaged vehicles that are then the subject of false accident claims. There are also scams related to repairers' orders of parts for accident-damaged insured vehicle. Parts orders may be falsified and stolen parts may be used to reduce the repairers' own costs and improve the margin of the insurers' reimbursement (Carroll 2001).⁴¹

According to insurers (NRMA 1991), most fraudulent thefts involve vehicles that are either recovered burnt or immersed in water, or are not recovered at all. Devery (1993) undertook an interesting analysis of the 4,034 cars recovered that were either burnt or immersed in water in NSW in 1991. While only 4.6 per cent of uninsured vehicles were recovered in such a state, 11.9 per cent of insured vehicles were recovered in this condition. More recently, Potter (2000) examined all insurance claims for stolen vehicles reported to the South Australian CARS database from 1995 to 1998. Of these, 12.2 per cent of claims involved vehicles that had been burnt and 24.1 per cent of these claims were flagged as possible insurance frauds. Only 7.5 per cent of vehicles that had not been burnt were flagged by insurers as possible frauds (Potter 2000). As Devery notes:

It is difficult to think of an explanation for the high rate of burning or immersion of insured vehicles other than fraudulent claims. Certainly, a car stolen in a genuine theft may be torched or abandoned in a body of water, perhaps by recreational users intent on providing a climax to their illegal adventure, or perhaps by [car parts] strippers who aim to conceal any evidence, such as fingerprints. However, given that a genuine thief will not generally be aware whether or not a vehicle is insured, it is unlikely that the higher risk of fire or immersion of insured vehicles can be explained in terms of the 'normal' activities of genuine vehicle thieves (Devery 1993, p.20).

Further links between motor vehicle arson and fraudulent claims can be drawn by reference to the types of policy under which burnt vehicles were covered. Table 3.1 shows that agreed value policy insurance claimants were significantly more likely to have their cars burnt than those who held market value policies. Given the tendency for agreed value policies to overestimate a vehicle's value more often than a market value policy, these figures imply that insurance fraud may motivate a considerable proportion of motor vehicle arson (Potter 2000).

41 A detailed discussion of insurance practices that may inadvertently contribute to rates of motor vehicle theft is contained in Chapter Ch 14.

Table 3.1: Incidence of vehicles burnt, by policy type, 1995–1998

Type of Policy	Burnt	Not Burnt
Agreed Value Policy	15.0 per cent	85.0 per cent
Market Value Policy	11.1 per cent	88.9 per cent
Sum Insured	13.9 per cent	86.1 per cent
Total	12.2 per cent	87.8 per cent

Source: Potter 2000, 'Arson on the increase: Motor vehicle theft and arson in South Australia', *CARS Information Bulletin on Motor Vehicle Theft Issues*, June.

Conclusion

The above discussion highlights the need for a greater investment of resources in the research of motor vehicle theft. Although it is widely understood that motor vehicle theft can be divided into categories of opportunistic and professional theft activity, the means by which thefts are allocated to a specific category are often speculative. Furthermore, the extent to which fraudulent motor vehicle insurance claims affect these figures is largely unknown. This is at least partially a consequence of the limited priority given by law enforcement authorities to the issue of motor vehicle theft. Unless further information is recorded regarding the characteristics of individual thefts a more accurate picture of the nature of motor vehicle theft will be unobtainable.

It is only once the characteristics and dynamics of motor vehicle theft are better understood that investigators and policy-makers will be in a position to develop appropriate policies for prevention and targeted law enforcement initiatives.

PART C: Motor Vehicle Theft – The Current Situation

4. Sources of Statistical Information

There is a range of sources that maintain statistical information on motor vehicle theft. For example, police services, insurance companies and registration authorities all maintain separate information databases regarding the number, nature and costs of motor vehicle theft (MVT) in Victoria. More recently, however, the National Motor Vehicle Theft Reduction Council (NMVTRC) has funded a single, national database (CARS) that the Committee will use in its analysis of motor vehicle theft in Victoria.

CARS – The Comprehensive Auto Theft Research System

The Comprehensive Auto Theft Research System (CARS) was established in 2000 as a national database to provide up-to-date comprehensive and accurate information in respect of motor vehicle theft.

The initial impetus for the system came from the South Australian Vehicle Theft Reduction Committee, a joint public/private sector body established in 1993 to advise the South Australian Attorney-General on theft reduction strategies (Office of Crime Statistics (OCS) n.d.). The South Australian Vehicle Theft Reduction Committee had noted the need for access to an integrated database of vehicle theft and recovery data to use for both analysis of the issue and design of effective strategies (OCS n.d.).

Following a 1994 feasibility study, the South Australian CARS database became operational from 1 January 1995. Data relating to motor vehicle theft was collected for the database from South Australian Police, the South Australian Registration and Licensing Division and all motor vehicle insurers operating in South Australia. The project was established and maintained by the OCS in the

South Australian Attorney-General's Department. Data was compiled initially on a calendar-year basis.

In May 1997 the National Motor Vehicle Theft Task Force (NMVTTF) recommended the national expansion of the CARS database as the primary evaluation mechanism for the implementation of a national motor vehicle theft reduction strategy (NMVTTF 1997a). A comprehensive and detailed evaluation of the various strategies was seen as crucial, as was the need to monitor changing trends on both a statewide and a national basis (NMVTTF 1997a). This recommendation was accepted and work commenced on the linking of nationwide information resources to a national database.

Not surprisingly, given its integration of more than 150 pieces of non-personal data on motor vehicle theft incidents, the establishment of a national CARS database has proven a lengthy exercise. However, following extensive refinements undertaken in the 2000/01 period, the CARS database now provides the most accurate and comprehensive vehicle theft statistics ever produced in Australia (NMVTRC 2001a).

This successful implementation of the CARS database has allowed car theft statistics to be compiled on a financial-year basis (NMVTRC 2001a) enabling the NMVTRC to now follow standard business practice and match its stated aims with budgetary imperatives. The initial calendar-year basis was primarily a consequence of the Council's reliance on data collated by the Australian Bureau of Statistics (ABS) before implementation of the CARS database was completed.

A note on the use of statistics by the Drugs and Crime Prevention Committee

Given the relatively recent implementation of the CARS, this Report employs both the CARS database and data compiled by the ABS. Consequently, reference to motor vehicle theft rates over different periods of time may alternate between financial and calendar years. In the interests of ensuring as much consistency as possible, the financial year will be the preferred reporting period used.

The CARS data sources

The CARS database is updated quarterly and draws upon statistics provided by a range of sources, including:

- ◆ Police services,
- ◆ Insurance companies,
- ◆ Vehicle registration authorities,
- ◆ Other vehicle and statistical-related sources.

Police services

All Australian state and territory police services supply CARS with electronically recorded data of recorded vehicle thefts and recoveries. In the case of Victoria, Queensland, South Australia, Western Australia and Tasmania this information is supplied directly from their respective mainframe computer systems. For New South Wales, the Northern Territory and the Australian Capital Territory the information is obtained via the National Vehicles of Interest database maintained by CrimTrac (previously National Exchange of Police Information).

The information supplied through CrimTrac includes:

- ◆ The time, date and location details of the theft;
- ◆ Vehicle characteristics such as the make, model, year of manufacturer, body type, engine capacity, VIN/chassis number, engine number, registration number, security devices etc.
- ◆ Condition of the recovered vehicle; and
- ◆ Time, date and location of the recovered vehicle.

Insurance companies

The CARS currently collects claim and policy data from the majority of insurers offering vehicle theft policies in Australia. While the range of data collected varies from company to company, the following information is generally included:

- ◆ Type of cover (eg. comprehensive, fire and theft only);
- ◆ Type of policy (eg. agreed value/market value/sum insured);
- ◆ Commencement and expiry date of policy ;
- ◆ Amount of excess applied to the claim;
- ◆ Settlement value;
- ◆ Insurer's total outgoing costs;
- ◆ Amount of revenue received via the salvage of any total loss vehicles;
- ◆ Condition of recovered vehicle;
- ◆ Was the vehicle recovered?;
- ◆ Was the vehicle repaired or salvaged?; and
- ◆ VIN/chassis number.

Vehicle registration authorities

Vehicle registration authorities from each state and territory provide a complete snapshot of all vehicles on their database. This information is used to calculate the exact composition of the vehicle fleet and to determine theft and recovery rates based on registrations.

Other related sources

In addition to the primary sources noted above, CARS data is supplemented by information obtained from a number of further sources to ensure the database is as comprehensive as possible. The Federal Chamber of Automotive Industries supplies individual vehicle details of all new vehicles sold in Australia. This information is linked with further vehicle information supplied by Polk Autospec,⁴² which then enables CARS to precisely identify the make, model and series of each vehicle, as well as specification details such as engine size, type of security system, type of transmission, and body shape. The database also uses ABS data, particularly demographic data. This enables the calculation of victimisation rates on a state by state basis, as well as calculation of national trends.

Motor vehicle theft statistics pre-2000

Prior to the establishment of the CARS database, it was difficult to provide a detailed analysis of motor vehicle theft in Australia at either a national or state and territory level. Without the information that this database now provides, investigators had to rely on vehicle reports made to police. These figures were collated according to calendar year by the ABS. The use of this data may have led to some inconsistencies. As the Drugs and Crime Prevention Committee has previously noted:

While a great deal of work has been done to ensure maximum statistical comparability across state and territory jurisdictions, there are differences in legislation, police practice, interpretation and processing that will affect the direct comparability of national Crime Statistics (Drugs and Crime Prevention Committee 2001, p.22).

In order to maximise comparability of statistics across jurisdictions, the ABS established uniform national data standards. However, despite the use of these standards, the ABS acknowledges that legislative, interpretive and processing differences will inevitably remain (Australian Bureau of Statistics 2001).

Nonetheless, while issues regarding data collation mean that statistical information must be viewed with some caution, broad trends in motor vehicle theft *can* be observed given the unusually high rate of reporting of these thefts. An estimated 95 per cent of motor vehicle thefts are reported to police, compared to 78 per cent of household burglaries and just 28 per cent of assaults (NMVTRC 1999a). This is largely a consequence of insurance requirements; primarily the requirement that a police report is lodged before any claim is paid. It is also a consequence of the widespread expectation that police will succeed in locating the vehicle in question.

42 For further information see: www.polk.com.au

Conclusion

The CARS data system has taken steps to minimise the difficulties associated with definitional inconsistencies. Much of the data received from police is effectively 'cleaned' before being entered into the CARS database. In simplistic terms, this means that data that does not fit the definition of 'motor vehicle' or 'motor vehicle theft', as noted above, is effectively excluded before being entered into the CARS system. Furthermore, information within the CARS database is constantly updated as new information about vehicle types, offence categories and offenders becomes available. This means that the figures within the CARS database are constantly being revised.⁴³ A second major advantage of CARS is that the system is updated on a quarterly rather than an annual basis. This allows closer attention to be paid to changes in theft rates that occur *within* the calendar year, as opposed to simply observing changes on a year-by-year basis. A better understanding of changes in the short term enables stakeholders to initiate a proactive response to motor vehicle theft.

43 The figures contained within this report were the most recent at the time of writing. There may be slight variations in these figures at a later date given the constant revision of the CARS data.

5. Motor Vehicle Theft in Australia

There is an acknowledged need for a national approach to motor vehicle theft reduction. Any investigation of the problem from the perspective of one state must be aware of national developments and take them into consideration. This chapter therefore provides statistics for all states and territories, examining motor vehicle theft in each jurisdiction through the rate per population, number of motor vehicle registrations and locations where such theft is likely to occur. It also provides national quarterly statistics and recovery rates of stolen vehicles, as well as an overview of the situation regarding motor vehicle theft in other comparable western countries.

International comparisons

Motor vehicle theft in the United States is reported to be a multi-billion dollar industry progressively dominated by organised crime syndicates (Ragavan et al. 1999). Vehicles stolen from American streets are increasingly being shipped overseas and are ending up everywhere from Mexico to Russia to China (Ragavan et al. 1999). However, when the issue is examined on a per capita basis, the extent of motor vehicle theft in the United States pales in comparison with reported rates within Australia.⁴⁴

Compared to other western industrialised countries, Australia has the second highest rate of motor vehicle theft in the western world, ranked behind only

44 While there are variances from state to state, motor vehicle theft is considered a serious offence qualitatively regardless of the value of the vehicle. The American Bar Association's Model Penal code is a guideline frequently employed by the states. Pennsylvania is a good example. The hierarchy of crimes is:

Murder/Manslaughter - various degrees

Felonies - 1st, 2nd, and 3rd degrees

Misdemeanours - 1st, 2nd, and 3rd degrees

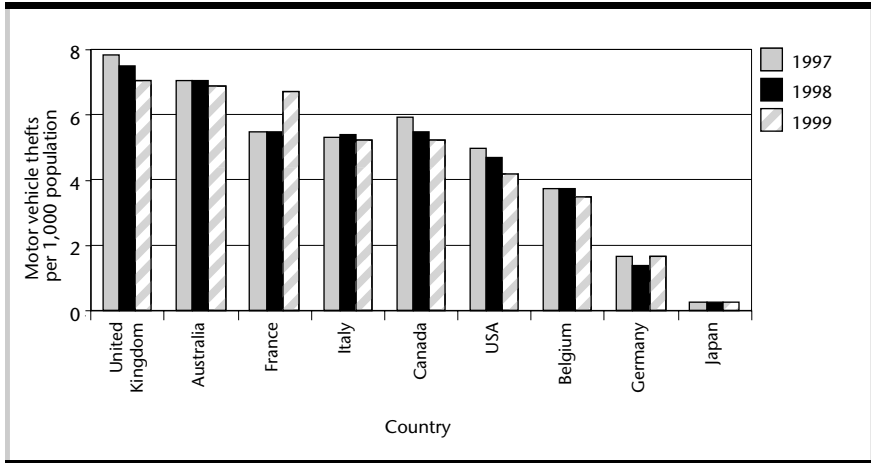
Summary offences

Auto theft in Pennsylvania is a 2nd degree felony regardless of the value of the car even if it is less than \$2,000 which is the threshold for a theft normally to reach felony in the 2nd degree.

(Information provided to the Committee by Professor Larry Walsh, St Joseph's University, Pennsylvania)

the United Kingdom. Figure 5.1 shows comparative rates of motor vehicle theft between selected countries between 1997–1999. While this Figure indicates a small decline in the rate of theft in Australia in 1999, national figures reported below suggest a considerable escalation in motor vehicle thefts in Australia in recent years. Unfortunately, no updated figures exist in respect of international comparisons.

Figure 5.1: Motor vehicle thefts per 1,000 population in selected nations



Source: NMVTRC 2001a, *Annual Report 2001*.

Data for Figure 5.1 was drawn from the Australian Institute of Criminology (AIC), the UK Home Office and Interpol. However, it is important to exercise caution when viewing this comparative data, as time-lags in the compilation of data and the varying methodologies used to record and collate reports result in investigators being able to provide only a very general comparison of worldwide motor vehicle theft trends (NMVTRC 2001a). As Interpol notes of its own data:

It should be pointed out that the Interpol General Secretariat merely reproduces the information sent to it by the NCBs [National Central Bureaus] ... The data gathered in these sets of statistics is not intended to be used as a basis for comparisons between different countries since the statistics cannot take account of the differences which exist between definitions of punishable acts in different national laws, or the diversity of statistical methods, or the changes which may occur during the reference period and affect the data collected.

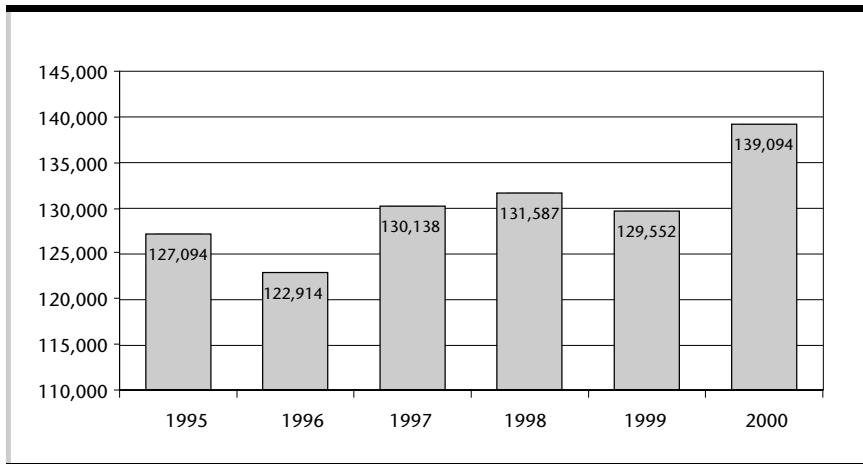
Police statistics reflect reported crimes, but this only represents a fraction of the real level. Furthermore, the volume of crime not reported to the police actually depends, to a certain extent, on the action of the police and can vary with time, as well as from country to country. Consequently, the data published in the current set of statistics should be interpreted with caution (Interpol website, accessed 14 March 2002).

The national context

Attempts to analyse motor vehicle theft figures pre-2000 have been compromised by the absence of comprehensive data sets (NMVTRC 1999a). Prior to the establishment of the CARS in 2000, motor vehicle theft investigators have relied on ABS data. The problematic nature of ABS data, as discussed above, means that this data should be treated with a degree of caution. The need for caution is illustrated by the following comparison. In 2000, the ABS reported 139,094 incidents of motor vehicle theft in Australia. In the same year, following its ‘cleaning’ of ABS data, the CARS database recorded 134,682 motor vehicle thefts nationwide. This significant contrast emphasises the extent to which CARS research officers were required to ‘clean’ the ABS data in order for this data to fit the CARS definition of motor vehicle theft.⁴⁵

Despite the need for caution, ABS data provides a useful indication of broad trends in motor vehicle theft. This is because the vast majority of motor vehicle thefts are reported to police; ABS Crime and Safety surveys show that 95 per cent of motor vehicle thefts are reported to police (Higgins 1997). ABS data for the years 1995–2000 is provided in Figure 5.2 below.

Figure 5.2: Motor vehicle thefts in Australia, 1995–2000



Source: Australian Bureau of Statistics 2001, *Reported Crime 2000*.

By 2001, following significant refinements to the CARS database, the NMVTRC was able to provide a more reliable estimate of motor vehicle theft in Australia. According to the CARS database, there were 135,498 motor vehicles stolen in Australia in the calendar year 2001. This represented a slight increase on the 134,682 recorded by the CARS database in the calendar year 2000. In the

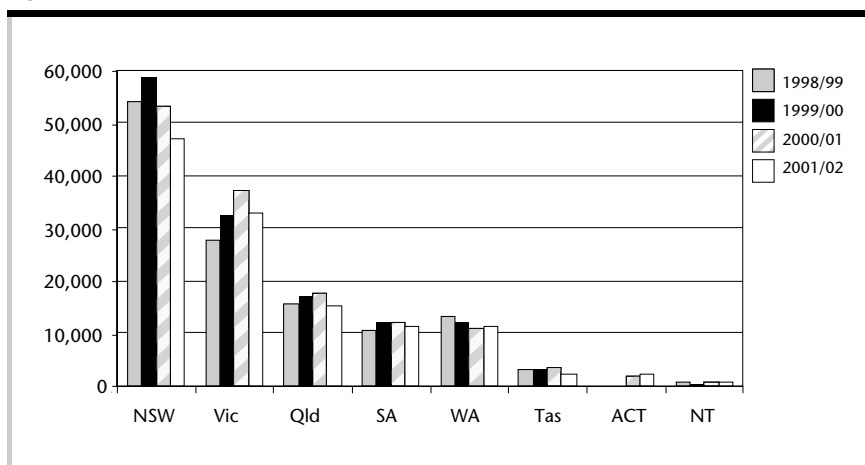
45 Although the CARS database employs the ABS definition of a motor vehicle, it is important to remember that ABS data is based upon police records. ABS statisticians do not ‘clean’ this data. Consequently, the broad definitions employed by police in jurisdictions such as Victoria (where caravans and trailers are incorporated in motor vehicle theft statistics) are incorporated into ABS data.

financial year ending June 2001, the CARS database recorded 138,995 motor vehicle thefts nationwide. This equates to 108.5 thefts per 100,000 registrations or 72.1 thefts per 10,000 population (NMVTRC 2001f).

Number of motor vehicle thefts by jurisdiction

Figure 5.3 shows the number of motor vehicle thefts by jurisdictions for the years 1998/00–2001/02. All jurisdictions recorded significant decreases in motor vehicle theft activity except in the ACT, the Northern Territory and Western Australia where minor increases were recorded. These increases should not be misinterpreted as an indication of failed policy, particularly in the case of Western Australia. Indeed, between 1998/99–2000/01 Western Australia was the only jurisdiction to consistently record a decrease in motor vehicle theft. As indicated by Figure 5.3, this decrease was in stark contrast to trends reported in other jurisdictions.

Figure 5.3: Motor vehicle thefts in Australia, 1998/00–2001/02



Source: CARS Analyser database.

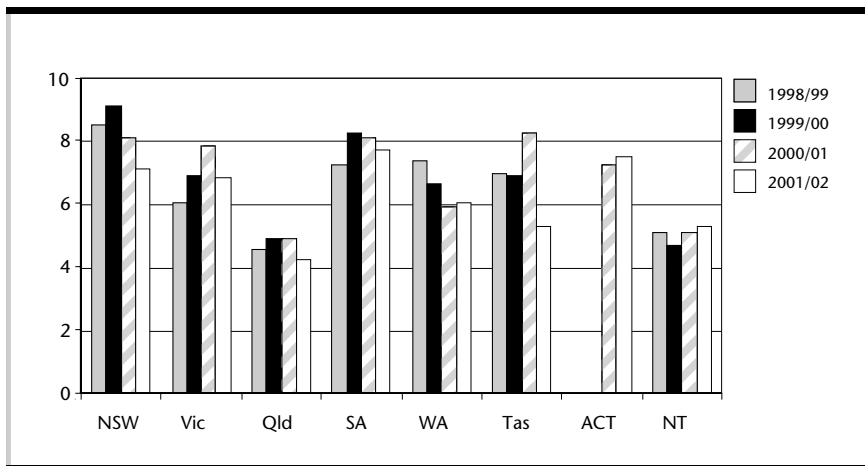
- Note:
- Although NSW appeared to record a decrease of around 10 per cent in the rate of motor vehicle theft in 2000/01, this was due to a revision of that state's data sets for the period in question. Prior to the start of 2000, NSW data did not filter out attempted thefts. This led to a significant overestimation of motor vehicle theft in that jurisdiction prior to 2000/01. In fact, it is estimated that NSW actually experienced an increase of approximately 8 per cent (NMVTRC 2001a).
 - Data from the ACT was unavailable prior to 2000/01.
 - Northern Territory data from 2000 onwards is drawn from the National Vehicles of Interest database. Prior to 2000, Northern Territory data was drawn from a range of sources, including ABS data.

Number of motor vehicle thefts by population

Figure 5.4 shows the number of motor vehicle thefts in the context of population size. Nationally, 6.4 vehicle thefts were recorded per 1,000 population in 2001/02. This was a significant decrease from the rate of 7.1 thefts per 1,000 population recorded the previous year. This placed the rate of victimisation in Victoria (6.8 per 1,000) slightly above the national average. The highest rates of victimisation were recorded in South Australia (7.7 thefts

per 1,000 population) and the ACT (7.5). Western Australia (6.0 per 1,000), the NT (5.3) and Queensland (4.2) recorded rates of victimisation lower than the national average (NMVTRC 2001a).

Figure 5.4: Number of motor vehicle thefts per 1,000 population by jurisdiction, 1998/99–2001/02



Source: CARS Analyser database.

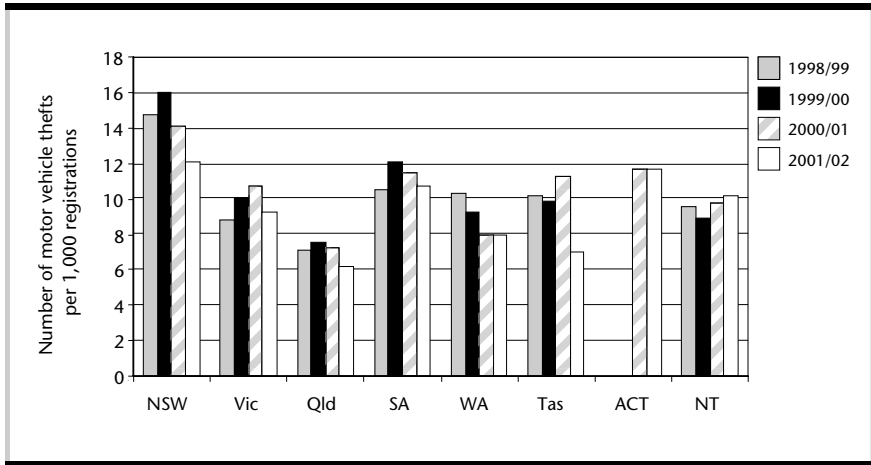
- Note:
- a. Although NSW appeared to record a significant decrease in the rate of motor vehicle theft in 2000/01, this was due to a revision of that state's data sets for the period in question. Prior to the start of 2000, NSW data did not filter out attempted thefts. This led to a significant overestimation of motor vehicle theft in that jurisdiction prior to 2000/01. In fact, it is estimated that NSW actually experienced an increase of approximately 8 per cent (NMVTRC 2001a).
 - b. Data from the ACT was unavailable prior to 2000/01.
 - c. Northern Territory data from 2000 onwards is drawn from the National Vehicles of Interest database. Prior to 2000, Northern Territory data was drawn from a range of sources, including ABS data.

Number of motor vehicle thefts by number of motor vehicle registrations

Australia recorded nearly 9.4 thefts per 1,000 registered vehicles in 2001/02, a decrease from the 10.8 thefts per 1,000 registered vehicles in 2000/01. Figure 5.5 shows that for the second year in succession NSW recorded the highest number of thefts per registrations. This rate (12.1 thefts per 1,000 registrations) was slightly higher than that recorded in the ACT (11.7). Ray Carroll, Executive Director of the NMVTRC, has referred to NSW as, 'the epicentre of car theft in this country'.⁴⁶

46 Ray Carroll, Executive Director, National Motor Vehicle Theft Reduction Council (NMVTRC), in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

Figure 5.5: Number of motor vehicle thefts per 1,000 registrations by jurisdiction, 1998/99–2001/02



Source: CARS Analyser database.

- Note:
- Although NSW appeared to record a significant decrease in the rate of motor vehicle theft in 2000/01, this was due to a revision of that state's data sets for the period in question. Prior to the start of 2000, NSW data did not filter out attempted thefts. This led to a significant overestimation of motor vehicle theft in that jurisdiction prior to 2000/01. In fact, it is estimated that NSW actually experienced an increase of approximately 8 per cent (NMVTRC 2001a).
 - Data from the ACT was unavailable prior to 2000/01.
 - Northern Territory data from 2000 onwards is drawn from the National Vehicles of Interest database. Prior to 2000, Northern Territory data was drawn from a range of sources, including ABS data.

Quarterly theft rates

According to the NMVTRC's March 2002 *Quarterly Report*, Australia retained a relatively steady level of motor vehicle theft between January 2000 and September 2001. However, since that time there has been a notable decrease in the number of motor vehicle thefts recorded nationally. In the financial year 2001/2002 there was an average rate of 10,315 motor vehicle thefts per month (NMVTRC 2002j). This represents a substantial decrease on the 11,575 average monthly thefts recorded in 2000/2001. Table 5.1 illustrates the changes in motor vehicle theft statistics on the basis of a quarterly breakdown, demonstrating a consistently declining rate of motor vehicle theft over the past financial year.

Table 5.1: Number and rates of reported motor vehicle thefts, January 2000–March 2002

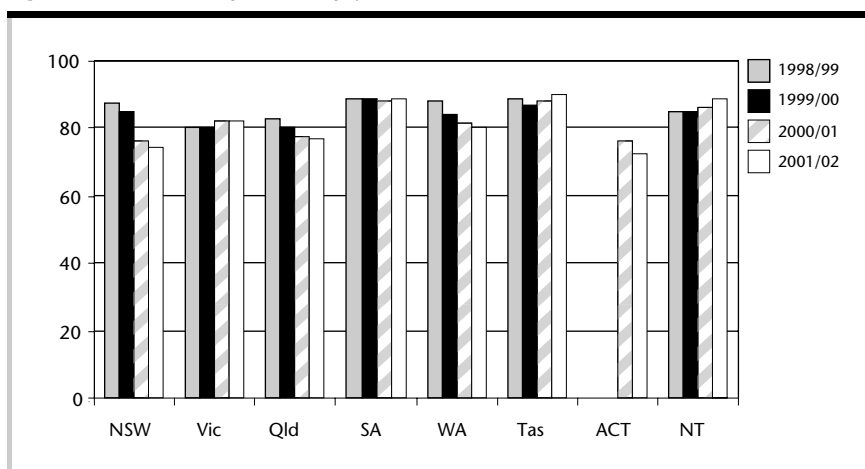
Quarter	Thefts	Per 1,000 registrations	Per 1,000 population	% change
Jan-Mar 2000	32,825	2.68	1.72	n/a
Apr-Jun 2000	34,275	2.79	1.79	+4.4
Jul-Sept 2000	34,689	2.82	1.81	+1.2
Oct-Dec 2000	34,541	2.70	1.78	-0.4
Jan-Mar 2001	35,073	2.74	1.81	+1.5
Apr-Jun 2001	35,015	2.72	1.81	-0.2
Jul-Sept 2001	34,136	2.65	1.76	-2.5
Oct-Dec 2001	32,827	2.55	1.67	-3.8
Jan-Mar 2002	30,008	2.31	1.53	-8.6
Apr-Jun 2002	27,511	2.12	1.40	-8.3

Source: NMVTRC 2002m, *Quarterly Report on Vehicle Theft in Australia – June 2002*.

National recovery rates

It is important to reiterate that, with the exception of South Australia, very little information is recorded about the condition a stolen motor vehicle is in when it is recovered. A vehicle may be classified as recovered even though it has been stripped of parts. Similarly, vehicles that are burnt or submerged in water may be recorded as recovered. Consequently, an unknown proportion of vehicle recovery rates is comprised of vehicles that represent a ‘total loss’.

Approximately 80 per cent of motor vehicles stolen nationally are subsequently recovered. However, there is considerable variation between states in respect of recovery rates. Figure 5.6 shows that recovery rates in 2001/02 ranged from as low as 74.5 per cent in NSW to as high as 90.4 per cent in Tasmania. Recovery rates suggest a higher incidence of opportunistic theft in Tasmania and South Australia in 2001/02. Both Queensland and Western Australia have experienced dramatic and yet consistent declines in the number of motor vehicles that are recovered after being stolen. This implies a decrease in the proportion of opportunistic motor vehicle theft in these states.

Figure 5.6: Recovery rates by jurisdiction, 1998/99–2001/02

Source: CARS Analyser database.

- Notes:
- Data from NSW was cleaned for the first time during the 2000/01 reporting period. This filtered out a range of incidents previously reported as thefts but subsequently found not to be. This is partially responsible for the apparent decline in recovery rates in NSW in 2000/01. Unfiltered data suggests that the actual proportion of recovered vehicles remained stable in NSW between 1999/00 and 2000/01 (NMVTRC 2001a).
 - Data from the ACT was unavailable prior to 2000/01.
 - Northern Territory data from 2000 onwards is drawn from the National Vehicles of Interest database. Prior to 2000, Northern Territory data was drawn from a range of sources, including ABS data.

National clearance rates

Clearance rates need to be distinguished from recovery rates. In Victoria, police refer to a crime having been 'cleared' when: an offence has resulted in one of more offenders being processed for the offence; an investigation revealing no offence has occurred; the complaint being withdrawn; or the perpetrator was known but, for legal and/or other reasons, could not be charged (eg. the offender was under age or deceased) (Victoria Police 2001). Such definitions now accord with national standards and classifications to allow consideration and comparison of recorded crime statistics in different jurisdictions (Steering Committee for the Review of Commonwealth/State Service Provision 2002).

In a December 2000 media release, the AIC reported that police successfully 'clear' just 16 per cent of motor vehicle thefts (AIC 2000). This figure has remained constant since 1983 (AIC 2000).

Location of thefts

The physical location of vehicles is a relevant factor in motor vehicle theft. Thomas (2000) noted that the street/footpath is the most common location from which vehicles are stolen. Almost four out of every ten vehicles stolen nationally are taken from this location. In some jurisdictions this rate is even higher. In NSW and Victoria, thefts from the street account for 48 per cent and 46 per cent of motor vehicle thefts respectively (Thomas 2000). In contrast, while thefts from private driveways and garages account for 19 per cent of

motor vehicle thefts nationally, in the Northern Territory and Western Australia this figure rises to 33 per cent and 50 per cent respectively. These statistics support the notion that locations of vehicle theft are to some extent dependent on regional factors (NMVTTF 1997a).

The third 'hotspot' identified by Thomas was car parks associated with retail locations. This location accounted for 13 per cent of thefts nationally. The issue of motor vehicle theft from public car parks is addressed in further detail below.

The national CARS database maintains detailed information about the locations of vehicles stolen in three states – South Australia, Western Australia and Queensland. Unfortunately these states each record data under different categories of location. For example, South Australia uses 29 different categories of location, Queensland uses 54 and Western Australia uses 200. This makes comparison across the data difficult. Moreover, the large number of categories used in Queensland and Western Australia, and the lack of clarification of these categories, makes it impossible to observe general trends in these states.

In the 2001 calendar year, 11,931 motor vehicles were stolen in South Australia. Of these, 6,078 (50.9 per cent) were stolen from the street, 2,983 (22.5 per cent) were stolen from car parks (850 of these from shopping centre car parks), and 2,394 (20 per cent) were stolen from houses, with the overwhelming number of these from driveways (CARS Analyser database).

The South Australia 2001 data reflects the findings of past studies. In 1995, the ABS reported that the most common locations nationally for motor vehicle theft were streets (37 per cent), followed by car parks (19 per cent) and residential driveways and garages (17 per cent).

A 1988 study in New South Wales conducted by NRMA Insurance reported that 47.9 per cent of motor vehicles were stolen from the street, 14.9 per cent from car parks, 13.3 per cent from 'Off street', 9.5 per cent from shopping centres and 14.3 per cent from other locations (Geason & Wilson 1990). These figures demonstrate the difficulties inherent in attempting to assign an exact location to car thefts. Of the 9.5 per cent of cars stolen from shopping centres, it can be assumed that some of these were stolen from the street and others in car parks. Similarly, the category of 'Off street' lacks the clarity needed to provide a clear picture of where cars were stolen from.

Conclusion

The consistent increase in rates of motor vehicle theft seen since 1998/99 has been halted, at least temporarily, by a significant decrease in rates of theft in the financial year 2001/02. Although variations between jurisdictions mean that it would be misguided to speak of a national trend, the substantial decline does reflect a decrease in motor vehicle theft in Australia's most populous jurisdictions. Similarly, the variations in rates of recovery between different

government jurisdictions do not suggest a national trend for recovery rates but may instead indicate a shift in the type of motor vehicle theft occurring within separate jurisdictions. Interestingly, police clearance rates have remained relatively constant. This suggests that changes in theft rates may be related to measures in addition to those initiated by law enforcement authorities. It is hoped that all measures being taken nationally and within each state will bring about a continued improvement in the national rate of motor vehicle theft.

6. Motor Vehicle Theft in Victoria

The following chapter provides a statistical insight into the extent and nature of motor vehicle theft in Victoria. It examines trends in the number of vehicles stolen, the number that are subsequently recovered, the time of day at which motor vehicles are most likely to be stolen and the locations from which they are often stolen.

Clearly, in this State, cars are increasingly seen as 'low risk' targets by thieves. With 35,000 cars stolen over the last twelve months, Victoria now has one of the highest car theft rates in the world ... Thieves are running rampant and the motor industry can no longer tolerate the situation (VACC 2001, *Media Release*, 7 August).

In late 2001, motor vehicle theft was a problem of increasing concern in Victoria. The demand for urgent official action led by groups such as the Victorian Automobile Chamber of Commerce (VACC) reflected a growing belief that the problem had moved beyond the control of authorities. In March 2002, following sustained publicity about levels of motor vehicle theft, Victorian law enforcement authorities acted to address the problem.⁴⁷ The most recent statistics imply that this action may have contributed to a decrease in motor vehicle theft activity in Victoria for the first time since 1999.

Rate of theft

As at 30 June 2002, a total of 3,586,695 vehicles were registered in Victoria (CARS Analyser database). Passenger and light commercial vehicles constituted 89.8 per cent of these registrations. Vehicles manufactured from 1992 onwards accounted for just over half of all passenger and light commercial vehicles (53.56%) (CARS Analyser database).⁴⁸

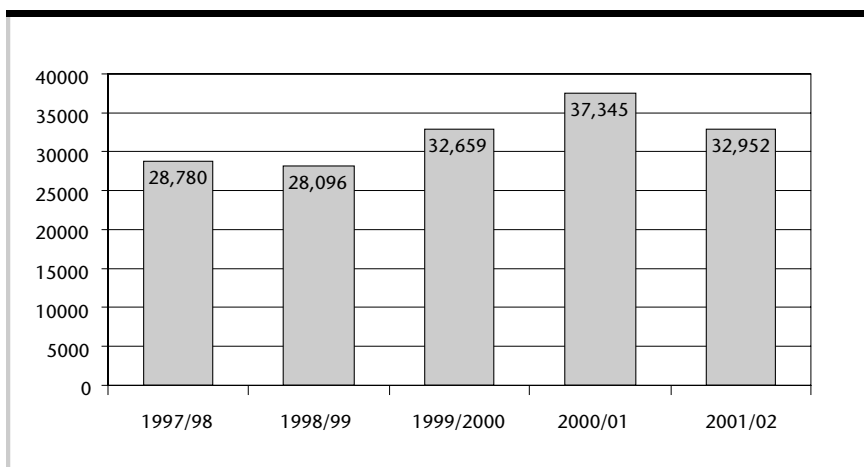
47 The Victoria Police response to escalating rates of motor vehicle theft is detailed in Chapter 16.

48 In 1992, some motor vehicle manufacturers began fitting security devices such as engine immobilisers to their most popular models. For example, Holden and Ford began fitting immobilisers to Commodores and Falcons respectively. Consequently, vehicles manufactured after 1992 are less likely to be stolen. A detailed discussion of engine immobilisers is contained in Chapter 15.

There were 32,952 recorded motor vehicle thefts in Victoria in 2001/2002. This is a decrease of 11.8 per cent from the 37,345 motor vehicles stolen across Victoria in 2000/01 (CARS Analyser database). This reduction is a significant departure from trends established between 1998/99–2000/01, over which time motor vehicle theft increased by 32.8 per cent. This increase was proportionally the largest of any Australian jurisdiction (Drugs and Crime Prevention Committee 2002). It was particularly noteworthy given that during this period Victoria generally had low rates of property crime compared with other jurisdictions (Drugs and Crime Prevention Committee 2002).⁴⁹

With over 3.5 million vehicles registered in Victoria, the state's theft rate in 2001/02 equated to one theft for every 109 registered vehicles (a reduction from one theft for every 94 vehicle in 2000/01). ABS data that has been effectively cleaned by the CARS database extends back as far as July 1997. Figure 6.1 shows both the dramatic increase in motor vehicle theft between 1998/99 and 2000/2001 and the subsequent decrease in recorded thefts in 2001/2002.

Figure 6.1: Motor vehicle theft in Victoria, 1997/98–2001/02

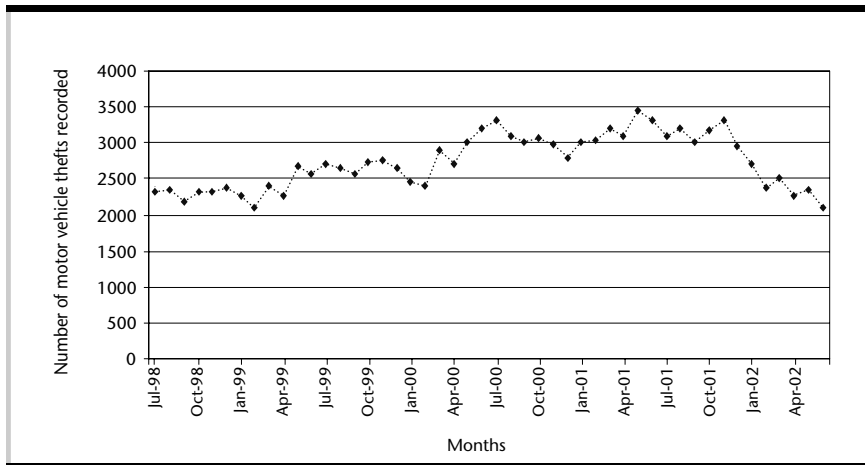


Source: CARS Analyser database.

On average, 2,746 motor vehicle thefts were recorded per month in Victoria in 2001/02. This compares to 3,112 motor vehicle thefts per month the previous financial year and 2,722 per month in 1999/00 (CARS Analyser database). Figure 6.2 plots the monthly rate of motor vehicle thefts in Victoria from July 1998 to June 2002. It highlights a gradual but persistent increase in motor vehicle theft between mid-1998 and mid-2001 followed by a comparatively dramatic decrease.

⁴⁹ For a detailed discussion of crime trends in Victoria between 1996/97 and 2000/01, see Drugs and Crime Prevention Committee, *Inquiry into Crime Trends Fourth Report*, May 2002.

Figure 6.2: Monthly motor vehicle thefts recorded in Victoria, July 1998–June 2002



Source: CARS Analyser database.

Victorian recovery rate

Approximately 82.2 per cent of motor vehicles stolen in Victoria in 2001/02 were subsequently recovered. This represents a slight decrease in the recovery rate of 84.8 per cent recorded in 2000/01. The minor nature of this change indicates that the proportion of opportunistic to professional motor vehicle theft has remained relatively stable.

Victorian clearance rate

According to the Victoria Police Statistical Services Branch, 15.4 per cent of recorded motor vehicle theft offences were cleared in 2001/02. This was 1.1 per cent higher than the rate for 2000/01 and the highest clearance rate for the past five years. This may be indicative of the increased prioritisation accorded to motor vehicle theft activity by Victoria Police. At the same time, it is important to emphasise that the clearance rate has remained low and relatively stable over the past five years, fluctuating between 13.2 and 15.4 per cent over the past five years (Victoria Police 2002d).

Location of thefts

Most motor vehicles stolen in Victoria are stolen within close proximity of the owner’s home. More than half the thefts take place at a location within the owner’s residential postcode (NMVTRC 2002c). The top ten postcodes recording the highest number of thefts in 2000/01 are listed in Table 6.1 below, as are the respective recovery rates.

Table 6.1: Top Victorian locations for motor vehicle theft by postcode, 2000/01

Postcode	Thefts	Recovered
3000 (Melbourne)	959	84.3%
3175 (Dandenong)	885	85.4%
3021 (St.Albans)	784	84.7%
3199 (Frankston)	741	88.3%
3011 (Footscray)	668	84.6%
3020 (Sunshine)	651	82.8%
3072 (Preston)	644	83.4%
3182 (St Kilda)	624	84.0%
3121 (Richmond)	521	79.5%
3205 (Sth Melbourne)	501	78.2%

Source: NMVTRC 2002c, *Vehicle Theft in Victoria 1/7/2000–30/6/2001*.

Comparing the top ten postcodes for 2000/01 to those of 2001/02 (see Table 6.2) provides a further illustration of the decline in motor vehicle theft activity in Victoria over the past twelve months. It is interesting to note that not all localities experienced a decrease in motor vehicle theft activity. While there were significant decreases in motor vehicle theft activity in Footscray (down 33.2%), Dandenong (down 27%), Frankston (down 23.1%), Melbourne (down 16.2%) and St Albans (down 4.2%), there were slight increases in Preston (up 4.8%) and St Kilda (up 3.0%).

Table 6.2: Top Victorian locations for motor vehicle theft by postcode, 2001/02

Postcode	Thefts	Recovered
3000 (Melbourne)	708	82.5%
3072 (Preston)	675	86.5 %
3021 (St.Albans)	673	85.3%
3175 (Dandenong)	646	82.3%
3182 (St Kilda)	643	86.3%
3020 (Sunshine)	643	82.7%
3199 (Frankston)	570	84.7%
3011 (Footscray)	495	82.4%
3121 (Richmond)	479	83.1%
3058 (Coburg)	474	84.3%

Source: CARS Analyser database.

Analysis of motor vehicle theft by postcode also illustrates how motor vehicle thieves target different areas for different purposes. The recovery rate of motor vehicles stolen in Frankston in 2000/01 suggests that this area experiences a

high rate of opportunistic motor vehicle theft. This is based on the premise that the higher the recovery rate (ie. 88.3% in Frankston) the greater the number of cars thought to be stolen for short-term opportunistic use and them subsequently dumped. Alternatively, the comparatively low recovery rate for cars stolen in South Melbourne (78.2%) suggests that the area has a higher incidence of car theft by professional thieves who are targeting late model vehicles for rebirthing or parts stripping.

When the area of investigation is widened to Local Government Areas (LGAs), Brimbank is identified as the municipality with the highest rate of motor vehicle theft, followed by Melbourne City Council and Darebin City Council. However, it is important to remember that while these municipalities recorded the highest numbers of thefts, this data does not take into account the number of vehicles within each area. The high number of thefts within Melbourne City Council, for example, is not surprising given the significant concentration of motor vehicles within a municipality that incorporates the Melbourne central business district. Table 6.3 lists the top Victorian motor vehicle theft locations by LGA for 2001/02.

Table 6.3: Top Victorian theft locations by Local Government Area, 2001/02

Local Government Area	Thefts	Recovered
Brimbank (C)	2,025	82.3%
Melbourne (C)	2,005	81.4%
Darebin (C)	1,729	86.6%
Port Phillip (C)	1,716	80.5%
Moreland (C)	1,602	83.8%
Yarra (C)	1,503	83.6%
Greater Dandenong (C)	1,329	84.0%
Stonnington (C)	1,305	81.7%
Greater Geelong (C)	1,283	81.3%
Hume (C)	1,120	78.0%

Source: NMVTRC 2002k, Selected statistics for motor vehicles stolen in Victoria during the 2001/2002 financial year, unpublished report.

Note: (C) = Council

When data from 2001/02 is compared to that of the previous financial year (see Table 6.4), it again provides an illustration of the recent decline in motor vehicle activity across the state. In fact each of the top Victorian motor vehicle theft locations by LGA recorded a decrease in motor vehicle theft activity. It is interesting to note that while motor vehicle theft decreased in Brimbank City Council, this LGA replaced Melbourne City Council as the area with the highest number of motor vehicle thefts in 2001/02. This is partially explained by the relatively stable rate of theft in this municipality. While motor vehicle

theft has declined across Victoria, the decrease in suburbs such as St Albans and Sunshine, within Brimbank City Council, was minimal.

Table 6.4: Top Victorian theft locations by Local Government Area, 2000/01

Local Government Area	Thefts	Recovered
Melbourne (C)	2,665	82.4%
Brimbank (C)	2,243	81.3%
Port Phillip (C)	1,788	79.6%
Greater Dandenong (C)	1,685	87.2%
Moreland (C)	1,665	80.2%
Yarra (C)	1,632	82.2%
Darebin (C)	1,617	84.5%
Stonnington (C)	1,428	80.3%
Casey (C)	1,335	84.3%
Greater Geelong (C)	1,331	82.3%

Source: NMVTRC 2002c, *Vehicle Theft in Victoria 1/7/2000–30/6/2001*.

(C) = Council

The top theft locations by street and suburb suggest a high incidence of vehicle theft from large car parks. Victorian data maintained by the CARS does not specify whether a car is removed from a street location, a car park or another type of location. However, Victoria Police does collate such data. Table 6.5 below shows the top ten locations of motor vehicle theft in Victoria for 2001/02 as recorded by Victoria Police.

Table: 6.5: Top 10 locations for motor vehicle theft in Victoria, 2001/02

Rank	Location Type	Number
1	Street / Lane / Footpath	17,192
2	Residential address	5,366
3	Car park – Shopping Centre	4,289
4	Other ⁸	3,701
5	Public car parks	2,907
6	Public transport car parks / premises	2,268
7	Car park – Licensed premises	900
8	Educ / Health / Relig. Premises	478
9	Sports / Rec. Facilities	421
10	Parkland / Reserves	153

Source: Victoria Police 2002d, *Provisional Crime Statistics 2001/2002*, Victoria Police Statistical Services Division, Melbourne.

8 'Other' includes unspecified location and justice, financial, wholesale, warehouse/storage, manufacturing and agricultural premises.

Car parks obviously present numerous opportunities for motor vehicle thieves. When analysing which specific streets are ‘hotspots’ for motor vehicle theft activity, it is interesting to note that these streets are also the location of large shopping centres, public facilities and entertainment precincts (NMVTRC 2002c). Each of these venues has a large public car park. Several are also located close to railway station car parks. The top 20 street ‘hotspots’ for motor vehicle theft in 2001/02 are indicated in Table 6.6 below. Where appropriate, public venues located on these streets have been indicated.

Table 6.6: Top 20 street ‘hotspots’ for motor vehicle theft in Victoria, 2001/02

Ranking	Street and Suburb	Stolen	Recovered	Recovery Rate
1	Murray Rd, Preston (Preston Shopping Centre)	219	186	84.9%
2	Nepean Hwy, Cheltenham (Southland Shoppingtown)	162	132	81.5%
3	Burwood Hwy, Wantirna South (Knox City)	136	119	87.5%
4	Rosamond Rd, Maribyrnong (Highpoint Shopping Centre)	112	85	75.9%
5	Whiteman St, Southbank (Crown Casino)	109	85	78.0%
6	Harvester Rd, Sunshine (Market Towers Shoppingtown)	102	82	81.4%
7	Cooper St, Epping (Epping Plaza)	100	77	77.0%
8	Pascoe Vale Rd, Broadmeadows (Broadmeadows Shoppingtown)	98	71	72.4%
9	Dandenong Rd, Chadstone (Chadstone Shopping Centre)	95	74	77.9%
10	Springvale Rd, Glen Waverley (The Glen Shopping Centre)	80	64	80.0%
11	McCrae St, Dandenong (Dandenong Plaza)	79	52	65.8%
12	High St, Epping (Epping Plaza)	70	50	71.4%
13	Hume Hwy, Campbellfield (Ford Motor Company factory)	68	49	72.1%
14	Maroondah Hwy, Ringwood (Eastland Shopping Centre)	67	55	82.1%
15	Magid Dve, Narre Warren (Fountain Gate Shopping Centre)	61	46	75.4%
16	Fletcher Rd, Frankston (Frankston Shopping Centre)	60	48	80.0%
17	Taylors Rd, St Albans	55	49	89.1%
18	Cheltenham Rd, Keysborough (Parkmore Shopping Centre)	54	41	75.9%
19	High St, Cranbourne (Cranbourne Park Shopping Centre)	54	40	74.1%
20	Cranbourne Rd, Frankston (Karingal Hub Shopping Centre)	53	44	83.0%

Source: CARS Analyser database.

The Royal Automobile Club of Victoria (RACV), one of the largest insurers of motor vehicles in Victoria, refers to car parks as ‘candy-stores’ for thieves (RACV n.d.). Table 6.7 provides the top ten car parks for RACV motor vehicle theft insurance claims over a 12-month period. It is important to emphasise that these figures are only representative of those claims made to the RACV. What they do emphasise, however, is that car park security has a significant role in any strategy to counter increasing rates of motor vehicle theft.⁵⁰

Table 6.7: Top 10 car parks for RACV theft claims, 12 months to 31 March 2001

Rank	Location Type	Number
1	Chadstone Shopping Centre	59
2	Dandenong Plaza	58
3	Highpoint Shopping Centre	51
4	Crown Casino Entertainment Complex	41
5	Southland Shopping Centre	40
6	Knox City Shopping Centre	38
7	Northland Shopping Centre	37
8	Epping Plaza	36
9	Greensborough Shopping Centre	35
10	Werribee Plaza	26

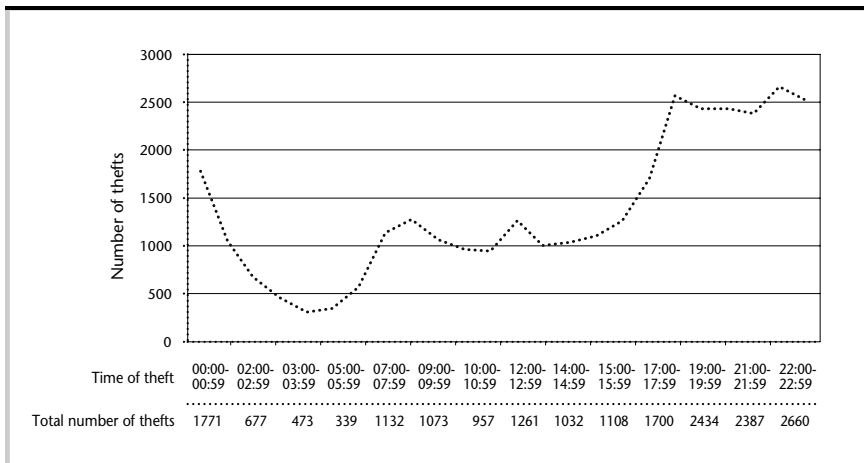
Source: <http://motoring.racv.com.au>

Time of thefts

The CARS database was used to analyse the 32,952 motor vehicles stolen in Victoria between 1 July 2001 and 31 June 2002 to determine trends in the days and time of motor vehicle theft. As seen in Figure 6.3 below, the hours from 6 p.m. to 1 a.m. are obviously the most popular times for vehicle theft activities. The reduced risk of apprehension and the greater availability of unattended cars in suburban streets and driveways are thought to be significant factors in this choice of time.

⁵⁰ The potential security measures that could be introduced by public car park operators are discussed in Chapter 16.

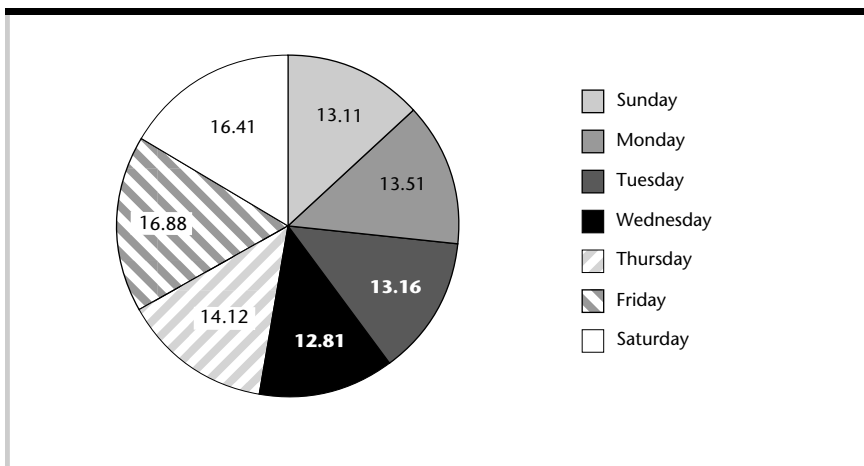
Figure 6.3: Time of motor vehicle theft in Victoria, 1 July 2001–31 June 2002



Source: CARS Analyser database.

As Figure 6.4 shows, there is a less discernable trend when analysing the days on which motor vehicle theft is more likely to occur. While theft is spread relatively evenly across the week, more cars are stolen on Friday and Saturday than any other day of the week.

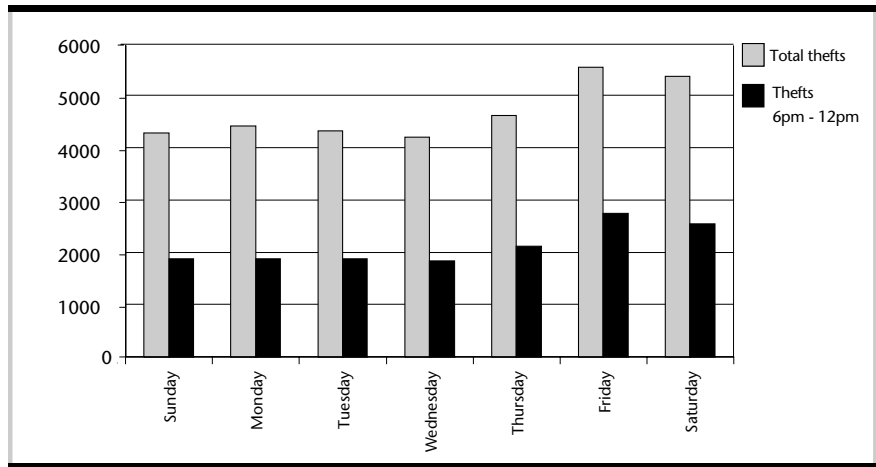
Figure 6.4: Victorian motor vehicle thefts, 1 July 2001–31 June 2002 (Divided according to day of incident)



Source: CARS Analyser database.

When trends in relation to both time and day of motor vehicle theft in Victoria are examined, it is apparent that between 6 p.m. and midnight on Friday and Saturday nights is the peak time and day for thefts, as illustrated by Figure 6.5 below. This pattern has prevailed since the establishment of the CARS database.

Figure 6.5: Victorian motor vehicle thefts, 1 July 2001–31 June 2002 (Divided according to day and time of incident)

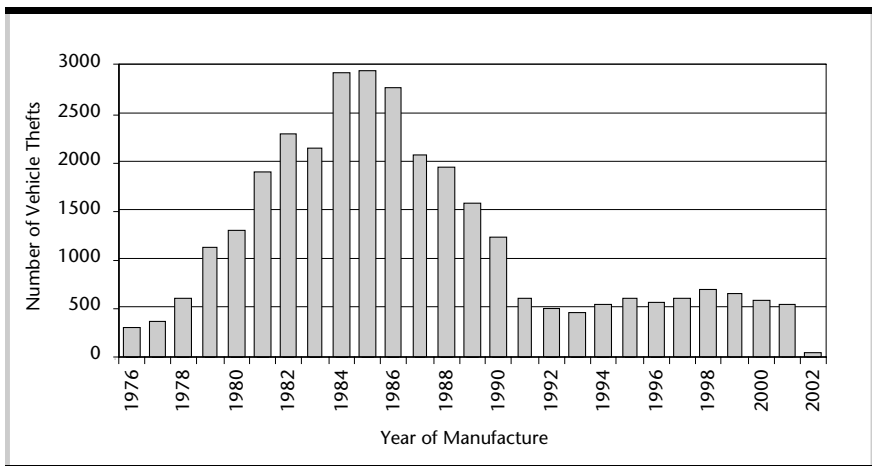


Source: CARS Analyser database.

Characteristics of stolen vehicles in Victoria

Victoria’s vehicle fleet has an average age of 10.8 years and vehicles of approximately this age appear to be the state’s most popular targets for theft. Cars manufactured in the 1980s accounted for approximately 66 per cent of all motor vehicle thefts in Victoria for the financial year 2001/02. Figure 6.6 below provides a comparative measure of car thefts divided according to year of manufacture.

Figure 6.6: Victorian motor vehicle thefts by year of manufacture, 2001/02



Source: CARS Analyser database.

The over-representation of 1980s model vehicles in motor vehicle theft statistics is emphasised further when the top ten vehicle theft targets are examined (see Table 6.8 below). Holden and Ford models accounted for all of

the top ten motor vehicle theft targets. In fact Holden and Ford taken together accounted for 63.1 per cent of all motor vehicle thefts in 2001/02 (31.5 % and 31.6% respectively) (CARS Analyser database). While these reflect the large market share held by these two manufacturers, it does appear these models are specifically targeted. According to the 1999 ABS Motor Vehicle Census, Holdens and Fords comprise only 45 per cent of the state’s passenger vehicle fleet (Crime Prevention Victoria (CPV) n.d.).

Table 6.8: Top 10 motor vehicle theft targets in Victoria, 2001/02

Make/Model/Series	Year Manufactured	Thefts	Recovered	% Recovered
Holden Commodore VL	1986–1988	2,023	1,708	84.4
Holden Commodore VK	1984–1985	1,668	1,491	89.3
Ford Falcon XF	1985–199351	1,521	1,370	90.0
Holden Commodore VH	1982–1983	1,063	957	90.0
Holden Commodore VB	1978–1980	944	876	92.8
Ford Falcon XE	1982–1984	894	806	90.1
Ford Falcon EA II	1989–1991	670	596	88.9
Ford Laser KB	1983–1985	670	631	94.1
Holden Commodore VC	1981	619	571	92.2
Ford Laser KA	1981–1982	593	561	94.6

Source: CARS Analyser database.

Vehicles manufactured in the 1980s had a high theft rate of 208 vehicles per 10,000 registrations, more than five times higher than the rate of vehicles manufactured in the 1990s (NMVTRC 2002c). The particularly high recovery rates of the 1980s models indicate their popularity with opportunistic thieves. Aging vehicles comprise a significant proportion of the motor vehicle fleet registered in Victoria. However, given their declining value, owners are often reluctant to invest in anti-theft security. As Ray Carroll noted:

The vast majority of cars that are stolen nationally were manufactured between 1980 and 1989, the reason being there are lots of them and they have no security whatsoever. Your stereotypical 14-year-old kid can start that car with a screwdriver and away he goes. In fact, they do not have to do that now. Once you get that mid-range 1980s range of Holdens and Falcons if you have a key for that era generally you can start the car because the locks get worn to the profile where that is all that is needed, rather than the actual key.⁵²

By contrast, increased security in models manufactured after 1992 has made these less attractive to opportunistic thieves, as the low number of thefts of later model vehicles illustrates. Table 6.9 shows the top ten motor vehicle theft targets manufactured after 1992. The comparatively low recovery rate of these

51 96.7% of stolen Ford Falcon XFs were manufactured between 1985–1987.

52 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

models indicates their attraction to professional thieves seeking to resell vehicles or to strip them for sought-after parts.

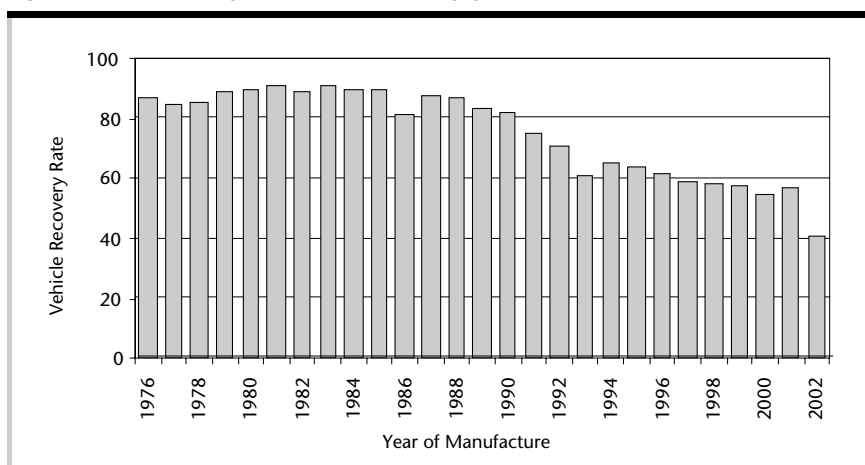
Table 6.9: Top 10 motor vehicle theft targets (1992 models onwards) in Victoria, 2001/02

Make/Model/Series	Year Manufactured	Thefts	Recovered	% Recovered
Holden Commodore VT	1995–2000	278	143	51.4
Holden Commodore VS	1995–1999	266	130	48.9
Ford Falcon EF	1994–1998	196	156	79.6
Ford Falcon EL	1994–1998	161	118	73.3
Holden Commodore VR	1993–1995	154	94	61.0
Ford Falcon AU	1998–2001	148	111	75.0
Hyundai Excel X3	1994–2000	131	96	73.3
Holden Commodore VP	1992–1994	105	58	55.2
Holden Commodore VX	2000–2002	93	51	54.8
Subaru Impreza	1993–2002	91	31	34.1

Source: CARS Analyser database.

When year of manufacture is used as the basis of an analysis of recovery rates, the popularity of 1980s model vehicles with opportunistic thieves is again highlighted. Figure 6.7 illustrates the significant fall in recovery rates for late model vehicles, particularly those manufactured after 1992. In fact, vehicles manufactured in the 1980s all experienced higher recovery rates than the state average of 82.1 per cent. Vehicles manufactured in the 1990s all experienced lower recovery rates than the state average (NMVTRC 2002c).

Figure 6.7: Recovery rate in Victoria by year of manufacture, 2001/02



Source: CARS Analyser database.

Types of vehicles stolen

Table 6.10 below shows an analysis of motor vehicle theft in Victoria based on vehicle ‘type’ (as opposed to manufacturer and model). Given the predominance of passenger and light commercial vehicles among the registered motor vehicle fleet in Victoria, the high proportion of these vehicles in reported motor vehicle thefts is expected. As at 30 June 2002, light commercial and passenger vehicles made up 89.7 per cent of Victoria’s motor vehicle fleet (CARS Analyser database). In 2001/02, they also accounted for 94.7 per cent of motor vehicles stolen. While motorcycles accounted for 3.0 per cent of registered vehicles in Victoria as at 30 June 2002, they comprised 3.5 per cent of stolen vehicles in 2001/02 (CARS Analyser database).

Table 6.10: Motor vehicles stolen in Victoria, January 1998–June 2002

Quarter Stolen	Passenger & Light Commercial Vehicles		Motorcycles		Other Vehicles		All Motor Vehicles	
	Stolen	Recovered	Stolen	Recovered	Stolen	Recovered	Stolen	Recovered
1998-Q1	6,616	4,853	307	74	121	69	7,044	4,996
1998-Q2	6,785	4,988	275	57	153	93	7,213	5,138
1998-Q3	6,515	4,958	244	43	87	53	6,846	5,054
1998-Q4	6,638	5,141	236	42	119	73	6,993	5,256
1999-Q1	6,398	4,945	232	61	136	86	6,766	5,092
1999-Q2	7,143	5,592	235	48	139	86	7,517	5,726
1999-Q3	7,493	5,854	275	55	149	99	7,917	6,008
1999-Q4	7,723	5,995	249	48	165	105	8,137	6,148
2000-Q1	7,351	5,574	260	50	153	90	7,764	5,714
2000-Q2	8,447	6,577	295	57	159	86	8,901	6,720
2000-Q3	8,956	7,136	262	48	196	109	9,414	7,293
2000-Q4	8,358	6,586	322	57	154	87	8,834	6,730
2001-Q1	8,748	7,014	339	66	175	96	9,262	7,176
2001-Q2	9,388	7,553	304	53	184	84	9,876	7,690
2001-Q3	8,798	7,031	316	40	158	85	9,272	7,156
2001-Q4	8,965	7,239	304	59	157	94	9,426	7,392
2002-Q1	7,226	5,648	241	35	125	61	7,592	5,744
2002-Q2	6,263	4,900	303	56	126	78	6,692	5,034

Source: CARS Analyser database.

Note: ‘Recovered’ refers to vehicles that were stolen and recovered in the same quarter;
Q = Quarter

Conclusion

While the most recent statistics show a welcome decrease in motor vehicle theft in Victoria, the alarming escalation in the rate of vehicle theft that occurred between 1998 and 2001 is cause for continued vigilance. Moreover, motor vehicles are still stolen in considerable numbers within Victoria. The data that has been presented in this chapter demonstrate clearly that additional, improved security measures are required by individuals and organisations. Certainly there is a need to take further action before any claims of 'success' can be made for the strategies that have been established to address motor vehicle theft.

7. Motorcycle Theft

Motorcycle theft is an area of criminal activity that warrants further investigation. The dynamics of motorcycle theft vary considerably from those associated with the theft of other motor vehicles (NMVTRC n.d.3). For example, although motorcycles accounted for just 3.5 per cent of all motor vehicles stolen in Victoria in 2001/02, less than 20 per cent were recovered shortly thereafter. This suggests professional thieves perpetrate the majority of motorcycle thefts. In addition, unlike other vehicles where the vehicles aged ten years and older account for the majority of thefts, newer model motorcycles are reported stolen in higher numbers than older models (NMVTRC 2002k).

Motorcycle theft: The need for information

Unfortunately authorities lack detailed information about the nature of motorcycle theft in Australia (NMVTRC n.d.3). This lack is contributed to by the fact that a proportion of motorcycle thefts are unreported due to unregistered motorcycles being illegally ridden and the low value of many motorcycles (Victoria Police 2002a). The NMVTRC recently completed a survey of motorcycle riders and dealers to ascertain the level of security awareness among this community (NMVTRC n.d.3). The findings of this survey are to provide the basis for theft prevention strategies. As Craig Marsland of the Motor Trades Association of Western Australia has noted, this is an important measure that has been needed for some time.

I represent the motorcycle industry as well. I spent some time working in the industry, and I am also involved in the sport. There is a lot of theft there. Nothing was being done about it. I guess the majority of people do not have an interest in it, and it is not a big problem [compared to general motor vehicle theft], but for the industry it is a huge problem ... We brought it to the attention of the national group. As a result of that there has now been a national survey. The statistics are now being looked at by the national group [NMVTRC] in Melbourne.⁵³

Over 400 motorcycle riders responded to the national survey of motorcycle riders. The sample group consisted largely of recreational riders who owned large capacity

53 Craig Marsland, Divisional Manager, Motor Trades Association of WA, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

motorcycles used for weekend riding and touring. Consequently the opinions expressed within the survey may be more indicative of weekend riders and motorcycle club members as opposed to 'everyday' motorcycle riders (NMVTRC 2002l). Respondents provided details of 36 thefts, most of which involved motorcycles stolen from the owner's home and over half of which were subsequently recovered. Half of the thefts were not covered by insurance and left the owners out of pocket by an average of \$1,230 (NMVTRC 2002l).

One hundred and three dealers responded to the survey of motorcycle dealers. The majority of dealers reported having insurance against theft. Burglar alarms and after-hours patrols were the most common security measures employed by motorcycle dealers. However, over half of the dealers reported keeping the keys to their motorcycles in an unlocked key cabinet (NMVTRC 2002l).

Forty-five dealers reported the theft of 106 motorcycles from their dealerships over a two-year period and more than one-third indicated that their dealership had been subject to an incident of multiple theft. Off-road motorcycles comprised almost 90 per cent of dealership thefts only one-quarter of stolen motorcycles were recovered (NMVTRC 2002l).

Both motorcycle owners and dealers considered manufacturers and the owners themselves to be the two groups most able to take steps to reduce motorcycle theft. Some respondents commented that the manufacturing process was the most appropriate place for security issues to be addressed:

It's about time that motorbikes were fitted with electronic security devices such as that fitted to many of today's modern cars. I blame the manufacturers for lagging behind in this regard.

All motor cycles should come standard with some form of anti-theft device other than a steering lock (NMVTRC 2002l, pp.15–16).

However, other respondents stated that:

Vehicle manufacturers should not be blamed if owners fail to securely lock their motorcycles.

Motorcycle manufacturers cannot improve security of motorcycles because lock, security systems etc. only keep honest people out (NMVTRC 2002l, p.16).

On the basis of the information compiled through the surveys of motorcycle riders and dealers, the NMVTRC reached the following conclusions in relation to motorcycle theft in Australia:

- Motorcycles are a desirable target for professional thieves because of:
 - Their relative ease of theft due to their comparatively small size and weight;
 - The lack of registration requirements for off-road bikes; and
 - The absence of a means by which individual motorcycles can be identified once their identification plates are removed or the motorcycle is broken up for parts.

- The methods by which motorcycles are stolen suggest that physical prevention solutions (such as engine immobilisers) have a limited impact on theft and that solutions that address the ease at which motorcycles can be illicitly recycled (such as systems of identification) are more likely to be effective.
- Motorcycle owners have indicated a willingness to pay extra for a motorcycle to guarantee its recovery if stolen and prosecution of the thief – the potential outcomes of an effective system of identification.
- While most riders observe secure practices to protect their motorcycles from theft, some consider theft as inevitable believing that if a thief wants their bike they will get it. This apathy may provide a barrier to improving security practices among owners and introducing new theft prevention technologies.
- Motorcycle owners, manufacturers and the courts are believed by riders and dealers as having the greatest contribution to make in the reduction of motorcycle theft (NMVTRC 2002i, p.iv).

The dynamics of motorcycle theft in Victoria

As Table 7.1 illustrates, although motorcycle theft occurs in significantly lesser numbers than general motor vehicle theft in Victoria, it is a significant problem that has, until recently, remained relatively consistent. It is to be hoped that the recent decrease of motorcycle thefts in the March 2002 quarter continues.

Table 7.1: Victoria – Numbers and rates of reported thefts of motorcycles, January 2000–March 2002

Quarter	Number of thefts	Theft rate per 1,000 registrations	% change from last quarter	% change from same period previous year
Jan – Mar 2000	259	2.94	-	-
Apr – Jun 2000	293	3.33	+13.1	-
Jul – Sept 2000	262	2.98	-10.6	-
Oct – Dec 2000	318	3.69	+21.4	-
Jan – Dec 2000	1,132	13.15	-	+14.8
Jan – Mar 2001	336	3.90	+5.7	+29.7
Apr – Jun 2001	302	3.07	-10.1	+3.1
Jul – Sept 2001	315	3.20	+4.3	+20.2
Oct – Dec 2001	302	3.07	-4.7	-5.0
Jan – Dec 2001	1,255	12.25	-	+10.9
Jan – Mar 2002	241	2.35	-20.2	-28.3

Source: NMVTRC 2002i, *Quarterly Report on Vehicle Theft in Victoria – March 2002*.

Note: These figures were compiled from the Victoria Police data system. Theft rates per 1,000 registrations were calculated using registration figures from the Australian Bureau of Statistics Motor Vehicle Census. The October 1999 Census figures were used for the March 2000, June 2000 and September 2000 quarters. Electronic extracts produced on 31 December 2000 and provided to the CARS Project from state registration authorities were used from the December 2000 quarter until June 2001. The September 2001 and December 2001 quarter used registration figures from 30/6/01 and the March 2002 quarter used registration figures from the 31/12/01. Motorcycle theft rates are likely to be overestimates as a number of off-road and farm bikes are not registered.

Table 7.2 below shows the very low recovery rates of stolen motorcycles, supporting the alleged involvement of professional criminals in their theft. Significantly, the decline in the number of thefts in the March 2002 quarter was matched by a decline in the recovery rate. This suggests a greater decline in opportunistic as opposed to professional motorcycle theft.

Table 7.2: Victoria – Motorcycle recoveries, January 2000–March 2002

Quarter	Number of thefts	Number of thefts recovered in the quarter	% of thefts recovered in the quarter	Number of recovered vehicles that were stolen in a previous quarter	Expected recovery rate (%)
Jan – Mar 2000	259	50	19.3	25	29.0
Apr – Jun 2000	293	57	19.5	24	27.6
Jul – Sept 2000	262	48	18.3	11	22.5
Oct – Dec 2000	318	56	17.6	15	22.3
Jan – Dec 2000	1,132	211	18.6	75	25.3
Jan – Mar 2001	336	66	19.6	18	25.0
Apr – Jun 2001	302	53	17.5	15	22.5
Jul – Sept 2001	315	40	12.7	21	19.4
Oct – Dec 2001	302	59	19.5	26	28.1
Jan – Dec 2001	1,255	218	17.4	80	23.7
Jan – Mar 2002	241	35	14.5	26	25.3

Source: NMVTRC 2002i, *Quarterly Report on Vehicle Theft in Victoria – March 2002*.

Note: These figures were compiled from an electronic extract from the Victoria Police data system.

‘Number of thefts recovered in the quarter’ refers to the number of those thefts that were reported stolen and recovered during the same reporting period.

‘Percentage of thefts recovered in the quarter’ is calculated by dividing the number of vehicles that were reported stolen and subsequently recovered in the reporting period by the total number that were reported stolen during the period.

‘Expected recovery rate’ is the total number of recoveries that were recorded in the quarter, irrespective of when the theft occurred, expressed as a percentage of the total number of reported thefts in the quarter. This figure gives a more accurate indication of the eventual recovery rate of a stolen vehicle.

Table 7.3 below illustrates a further difference between motorcycle theft and other forms of motor vehicle theft. Just 31.5 per cent of motorcycles stolen in Victoria between January 2000 and the end of March 2002 were manufactured prior to 1990. In fact, over 25 per cent of stolen motorcycles were manufactured between 2000 and 2002. The particularly high resale value of these models suggests that they are being targeted by professional thieves.

Table 7.3: Victoria – Motorcycles stolen and recovered by year of manufacture, January 2000–March 2002

	Year of Manufacture					
	<1970	1970-79	1980-89	1990-99	2000-02	Unknown
Number stolen	0	3	73	102	62	1
% stolen	0.0	1.2	30.3	42.3	25.7	0.4
% of known years stolen	0.0	1.3	30.4	42.5	25.8	-
Number Recovered	0	0	10	14	11	0
% Recovered	0.0	0.0	28.6	40.0	31.4	0.0
% of known years recovered	0.0	0.0	28.6	40.0	31.4	-
% of thefts recovered	-	0.0	13.7	13.7	17.7	0.0

Source: NMVTRC 2002i, *Quarterly Report on Vehicle Theft in Victoria – March 2002*.

Guarding against the theft of motorcycles presents a significant security challenge. Craig Marsland confirmed the findings of the NMVTRC motorcycle riders’ survey in respect of the ease with which motorcycles were stolen, telling the Committee:

They are very easily moved; they are mobile; two people can pick them up and throw them in the back of a ute and they disappear ... Two or three big blokes could pick up a big, heavy road bike and throw it into a vehicle and it is gone.⁵⁴

A further demonstration of both the mobility of motorcycles and the involvement of professional and organised criminals in their theft is the incidence of ‘multiple thefts.’ The NMVTRC reported that almost one in five motorcycle thefts in 2000 were part of a theft incident where more than one vehicle was stolen at the same time (NMVTRC 2001o). Twenty-five incidents involved the theft of between four and eight motorcycles (NMVTRC 2001o). Given this mobility, security devices such as engine immobilisers are of little value. Indeed, the measures professional thieves are prepared to employ means a high rate of security consciousness is perhaps the only effective means of protecting motorcycles against theft. As Craig Marsland stated:

We have put advertisements in the newspaper, telling individuals that when they advertise their motorcycles for sale, under no circumstances should they give their address out to whoever is on the other end of the phone, because the undesirables, once they have the individual’s address, stake the house out. When [the owner] goes out, they break in and when the individual comes home, the motorcycle has gone. It does not matter whether the motorbikes are chained down or whatever. They go in with bolt cutters. One mob was using something like dry ice. They were going in, freezing the chains or securing devices, making them brittle, hitting them with a big hammer and shattering them and wheeling them away. They are always one step ahead of

54 Craig Marsland, Motor Trades Association of WA, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

what is going on. We have gone through an education process. We have said to people who have competition machines that if they are coming home from the tracks, be wary of people who are following them; and if they are being followed, get their registration numbers, do not go home, go past the local police station or go elsewhere until they disappear.⁵⁵

Conclusion

The Committee commends the NMVTRC on its decision to fund research on motorcycle theft in Australia. The Committee acknowledges that motorcycle theft is often an underestimated aspect of motor vehicle theft. Motorcycles are vehicles that are often of considerable value. Certainly, the apparent involvement of professional motor vehicle thieves suggests that motorcycle theft is potentially a lucrative criminal enterprise. It is only once investigators better understand the nature of the activity that strategies can be developed to counter motorcycle theft along with other forms of motor vehicle theft. While the surveys conducted by the NMVTRC provide some understanding of the issue from the perspective of motorcycle riders and dealers, the limited and unrepresentative sample suggests that further research needs to be undertaken with some degree of urgency.

55 Craig Marsland, Motor Trades Association of WA, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

8. Explanations for the Rise in Motor Vehicle Theft in Victoria Between 1998–2001

As noted in Chapter 6, Victoria experienced a dramatic rise in motor vehicle theft activity between 1997/98 and 2000/01. While there have been no specific studies conducted to determine the reasons for this increase, the Committee has sought to canvass possible explanations throughout the course of its Inquiry. These possible explanations form the basis of this chapter. The Committee found no single reason for the increase in motor vehicle theft activity in the period noted.

It is important to note that this chapter does not seek to offer explanations for the recent decrease in motor vehicle theft activity. This recent decrease should be considered in the context of the preventative measures introduced to address motor vehicle theft from both a Victorian and a national perspective. These measures are discussed further in Part G of this Report.⁵⁶

Inadequacies in Victorian law enforcement

It is widely believed that the significant increase in the rate of motor vehicle theft in Victoria between 1997/98 and 2000/01 can be at least partially attributed to a lack of policing priority at both the state and national levels. In 1999, following an internal review, Police Command disbanded the Victoria Police Stolen Motor Vehicle Squad (SMVS). Commander Gary Jamieson, the Officer in Charge of the Victoria Police Review Working Group that reviewed

56 See Chapters 14–16 for specific initiatives that have been introduced to counter motor vehicle theft, both nationally and within Victoria. There is some evidence that these initiatives are starting to have an impact on rates of motor vehicle theft as indicated by the recent decreases documented in Chapters 5 and 6.

It is important to emphasise that the Drugs and Crime Prevention Committee received Terms of Reference to investigate and report on ‘the causes for, and effect of, the significant increase in the rate of vehicle theft in Victoria.’ As a consequence, the Committee has not undertaken a detailed investigation of reasons for the recent decrease in motor vehicle theft. At the same time, it is too early to ascertain whether the recent reversal in trends of motor vehicle theft will be sustained over time. This issue is addressed further in the Committee’s recommendations.

and recommended the disbanding of the SMVS explained that there were two 'drivers' for the decision:

- A staff shortage issue within the Crime Department at the time; and
- Assistant Commissioner Davis wanted to establish a Tactical Response Squad (Victoria Police 2002a, p.16).

The decision to disband the SMVS as a partial means of addressing these issues was influenced by the following factors:

- ◆ Investigations undertaken by the SMVS lacked quality;
- ◆ Internal staff disputes in the SMVS;
- ◆ Staffing levels too small to be effective;⁵⁷
- ◆ Poor performances by the SMVS; and
- ◆ Unit inspections revealed poor management of the SMVS (Victoria Police 2002a).

Certain personnel from the disbanded SMVS were subsequently integrated into the Organised Crime Squad. A team led by a Detective Senior Sergeant was to be the focal point for investigations into the organised theft of motor vehicles. The responsibility for investigating the individual cases of motor vehicle theft was assigned to individual police districts (Gant & Grabosky 2001). This is seen to have created two problems. One was the lack of a dedicated unit of police officers with specialist skills and knowledge of motor vehicle theft and the illicit parts trade. The second was the apparent low police priority afforded to motor vehicle theft when compared to other criminal activity (Gant & Grabosky 2001).

Stakeholders in Victoria have also drawn a direct link between the decision to disband the Victoria Police SMVS and the subsequent increase in motor vehicle theft activity in the state. The Victorian Automobile Chamber of Commerce (VACC) explained:

Car theft in Victoria has skyrocketed since the Police Stolen Vehicle Squad was slashed from 22 to just one ... To us it seems a crime in itself that such an important part of the Police force could be disbanded. Citizens and their property need greater protection and security (VACC 2001, *Media Release*, 3 August).

In a submission to the Committee, the Insurance Manufacturers of Australia noted:

It would appear that the devolution of police car theft squads around Australia has contributed to the widespread growth of professional car theft. The lack of specialist investigative capability and the general reduction in routine police audit and inspection of smash repairer and

⁵⁷ Although the Stolen Motor Vehicle Squad had a staffing profile of 1 Senior Sergeant, 2 Sergeants and 20 Detectives, at the time of the Squad's disbanding it comprised just 1 Senior Sergeant, 2 Sergeants and 4 Detectives (Victoria Police 2002a).

motor vehicle dealer records has seen the industry exploited by profit motivated car thieves taking advantage of the lack of enforcement of laws governing trade operations.⁵⁸

In addition to the disbanding of the SMVS, Victoria Police Command decided to cut the number of forensic vehicle examiners at the Victoria Forensic Science Centre at Macleod from eight to two (Mickelborough 2001a). This contributed to a backlog of recovered stolen cars in police storage with owners reportedly waiting up to 14 months before having their vehicles returned (Mickelborough 2001b). Such was the shortage of storage space for stolen motor vehicles that a number of operations aimed at professional motor vehicle thieves have reportedly been postponed. The *Herald Sun* quoted a 'source' as saying:

There is a critical shortage of vehicle storage and that is a major issue because there aren't even enough vehicle examiners. It's a specialist area and you can't just rope someone else into it ... They won't bring more examiners on, so there's no one to look at cars and no point bringing them in (Mickelborough 2001b, *Herald Sun*, 22 November, p.1).

There are currently four vehicle examiners and one supervisor at the forensic centre, with the capacity to process approximately 500 vehicles per year. A police review conceded that the unit was physically incapable of examining all the vehicles seized by investigators within a reasonable timeframe. Furthermore, it is expected that improvements in the national exchange of vehicle registration information will result in an increase in calls for police to investigate suspect vehicles (Victoria Police 2002a). Inspector Greg Hough, the manager of the Field Services Branch at the Forensic Science Centre, stated that at least six vehicle examiners are required, in addition to administrative staff, if the current backlog of vehicles is to be reduced.⁵⁹

Under pressure from organisations such as the VACC, as well as mounting community concern, Victoria Police has taken steps to reprioritise motor vehicle theft. As noted in the introduction of this Report, in August 2001 Victoria Police Chief Commissioner Christine Nixon set motor vehicle theft as one of three priority crimes for police activities. Acting Assistant Commissioner Trevor Thompson was appointed to review the Victoria Police motor vehicle theft strategy and to ensure the design of a coordinated police response. In public hearings held by the Drugs and Crime Prevention Committee (DCPC), Acting Assistant Commissioner Trevor Thompson acknowledged that the disbanding of the Stolen Motor Vehicle Squad may have impacted upon the detection and enforcement of motor vehicle theft offences. He explained:

Victoria Police has to make decisions regularly, and difficult decisions. It may be argued that based on the intelligence and the evidence it had at

58 Submission from the Insurance Manufacturers of Australia to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.5.

59 Inspector Greg Hough, Victoria Police, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

the time, the decision [to disband the Squad] may not have been correct.⁶⁰

The Victoria Police 'Theft of Motor Vehicle Review' also acknowledged that the disbanding of the Stolen Motor Vehicle Squad had impacted upon the ability of Victoria Police to address motor vehicle theft activity. The report of the review stated that the disbanding had resulted in:

- Depletion of expertise in the investigation of theft of motor vehicles;
- Discontinuance of any strategic analysis of intelligence;
- Decline in liaison between industry stakeholders and Victoria Police;
- Perceived lack of Force focus on issue by members;
- Delay in identifying the Organised criminal aspects involved in the theft of motor vehicles (Victoria Police 2002a, p.19).

This was a view shared by individual members associated with the former SMVS before it was disbanded. Detective Sergeant Gerry Bashford, a former member of the Squad, argued that the decision had removed the deterrent effect associated with the presence of a specialist squad.

I believe it was very clear that the lack of focus on specialist investigators who knew the industry and a lack of visible [police] presence was why a lot of the crooks felt that they had a free rein ... A lot of what we [the Organised Motor Vehicle Theft Squad] are doing is catching up on the last three years.⁶¹

In March 2002, Victoria Police launched Operation Vehicle Watch, a new strategy to counter motor vehicle theft. As part of this strategy the Victoria Police Crime Department have re-established an Organised Motor Vehicle Theft Squad to investigate professional motor vehicle theft. The Victoria Police review of its internal motor vehicle theft strategy and the resulting Operation Vehicle Watch will be addressed in detail in Chapter 16.

Inadequacies in Australian law enforcement

On a national level, the lack of law enforcement intelligence about professional motor vehicle theft has been cited as a significant obstacle to attempts to address a problem of some proportion. Geoff Hughes, project manager with the NMVTRC, explained:

What is of concern is the lack of priority assigned by police forces to the national collation of intelligence information. We know that professional theft rings operate simultaneously in different jurisdictions and the Australian Bureau of Criminal Intelligence exists to collate and analyse

60 Acting Assistant Commissioner Trevor Thompson, Victoria Police, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

61 Detective Sergeant Gerry Bashford, Victoria Police Organised Motor Vehicle Theft Squad, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

state and territory tactical information to identify precisely those networks. But its priorities are directed by the police forces that fund it, and at the moment vehicle theft is assigned such a low priority that it does not even rate a mention in the list of ABCI priorities (Hughes 2000, p.7).

The need for a greater priority to be accorded to motor theft activities by national law enforcement authorities was raised by Victoria Police in a submission to the Committee.

There is a concern that whilst most Australian States acknowledge the extent of motor vehicle theft as a national problem, a greater effort could be given by Commonwealth regulatory and law enforcement agencies. The issue of motor vehicle theft and most particularly professional motor vehicle theft is either absent or a low priority on the national agenda despite its impact upon the community.⁶²

These views were echoed by Herman Van Ravestein, a Detective Sergeant in the Western Australian police service and a past Executive Officer of the Western Australian Motor Vehicle Theft Steering Committee. Mr Van Ravestein noted:

I would like to see far more interaction between law enforcement agencies on motor vehicle theft, particularly at an operational level. That would involve entities such as the Australian Bureau of Criminal Intelligence in the setting up of a proper reference for the communication of intelligence between agencies.⁶³

Further implications of the lack of intelligence gathering by national law enforcement agencies are addressed in Chapter 3, particularly in regard to the limited knowledge that exists as to the extent and nature of professional motor vehicle theft activity in Australia.

Lack of deterrence

Motor vehicle theft is a criminal activity that could justifiably be characterised by high returns and low risks (Gant & Grabowsky 2001). There are two forms of deterrent to motor vehicle theft. A deterrent can be something that makes it more difficult to steal, rebirth or sell a stolen motor vehicle, or it can be something that increases the risk of being caught and incurring a significant penalty. Regarding the latter, a number of stakeholders, including the RACV, have suggested that there has been a lack of deterrence in respect of both opportunistic and professional motor vehicle theft.⁶⁴ Stuart Ballingall, a Project Engineer in the Public Policy Department of the RACV, told the Committee:

62 Submission from the Victoria Police to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.5.

63 Herman Van Ravestein, Detective Sergeant, Western Australian Police Service, in conversation with the Committee, 1 May 2002.

64 Submission from the Royal Automobile Club of Victoria (RACV), to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, pp.17, 20.

It is important to acknowledge that this submission was received immediately after Victoria Police announced renewed focus on motor vehicle theft activity.

Professional vehicle theft is a crime that is done to make money and to make a profit, and it is often organised by organised crime syndicates, for want of a better word. Such organised crime syndicates will do whatever crime is going to give them the best return, and at the moment the evidence that we get back anecdotally from insurance companies and others is that deterrence for vehicle theft is not great and the return is very high.⁶⁵

In 1998 the Australian Institute of Criminology (AIC) analysed the outcomes of reported motor vehicle theft offences to determine the likelihood of offenders being apprehended, convicted and/or incarcerated. Table 8.1 shows the outcomes of this analysis. One of the major outcomes was that just one offender was convicted for every 40 motor vehicle thefts committed. And only one offender was jailed for every 115 thefts.

Table 8.1: Estimates for the outcome of reported motor vehicle thefts in Australia, 1998

Total offences recorded	131,600
Number of adult persons convicted	3,254
Number of adults sent to prison	1,140
Probability of an offence being cleared by arrest	0.16
Probability of conviction after arrest	0.16
Probability of custodial sentence after conviction	0.35
Ratio (Thefts: Convictions)	40:44
Ratio (Thefts: Custody)	115:43

Source: Gant, F. & Grabosky, P. 2001, 'The stolen vehicle parts market', *Trends and Issues in Crime and Criminal Justice* no. 215, AIC, p.4.

A number of submissions received by the Drugs and Crime Prevention Committee raised the issue of sentencing. While the RACV noted that 'sentencing may be an issue',⁶⁶ others were more forceful. Media reports of recidivist offenders who are apprehended re-offending while on bail or probation are a source of anger and frustration, particularly for those whose lives have been affected by motor vehicle theft.⁶⁷ In a submission to the Committee, Victoria Police noted that while the investigation and prosecution of professional motor vehicle thieves is lengthy and resource intensive, it is 'often accompanied by comparatively light penalties within the criminal justice system.'⁶⁸ The Auto Parts Recyclers Association of Australia supported this view,

65 Stuart Ballingall, Project Engineer, Public Policy Department, RACV, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

66 Submission from the RACV to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2000, p.20.

67 Submission from Dr J.H.W. Birrell to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 February 2002; Submission from Mr Frank Hennessy to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 11 April 2002.

68 Submission from Victoria Police to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2000, p.4.

arguing that although the law provides significant penalties for motor vehicle theft offences, these were rarely imposed. This then contributed to an erroneous perception that motor vehicle theft is a 'soft crime'.⁶⁹

David Grey, an Associate Director of Fowles Auction Group, one of the largest motor vehicle auctioneers in Australia, provided the following example to highlight the widely perceived inequity of penalties prescribed for motor vehicle theft offences:

I can walk into a bank with a gun and take \$9,000 worth of cash and I may get a 10-year minimum. I can go and steal a \$250,000 AAMI insured Porsche, and it is a good behaviour bond ... There was a guy who came in here at one stage, bought a car [to sell] – it was stolen – sold it. Put everyone through a lot of pain, and he was given a three-month bond. On that one transaction we lost \$30,000.⁷⁰

The issue of sentencing and appropriate penalties for motor vehicle theft offences is addressed further in Chapter 12.

Growth in acquisitive crime

A view put forward by senior Victoria Police officers was that the rise in motor vehicle theft was part of a broader increase of acquisitive crimes committed to pay for drugs. Acting Assistant Commissioner Thompson drew a direct link between the increase in motor vehicle theft and heroin use. At public hearings held by the Committee, Mr Thompson said:

Over the last five years, it [motor vehicle theft] has generally been increasing. I think there are a number of reasons for that, not the least being heroin, drug taking, that during those years, the late 1990s, was fairly prolific. We estimate that around 80 per cent of the vehicles that are stolen are stolen by opportunists, to commit crime, drug trafficking or burglaries et cetera ... The volume of crime seems to have increased with the apparent availability of heroin. This year we are seeing a downturn, and yes, the Victoria Police has focussed its attention on the issue. But there is also a significant downturn in the use and abuse of drugs in the community. So it seems to be some parallel with that.⁷¹

Indeed, figures reported in the Fourth Report of the Drugs and Crime Prevention Committee's Inquiry into Crime Trends show a 12 per cent increase in all property offences committed in Victoria between 1996/97 and 2000/01 (DCPC 2002). As with motor vehicle theft, there have been significant increases in the number of 'shopstealing' (theft of retail goods) offences and

69 Auto Parts Recyclers Association of Australia (APRAA) Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, February 2002, p.5.

70 David Grey, Associate Director, Fowles Auction Group, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

71 Acting Assistant Commissioner Trevor Thompson, Victoria Police, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

'handle stolen goods' offences (DCPC 2002).⁷² However, increases in motor vehicle theft in Victoria have been more dramatic and more consistent over a longer period of time than increases in other property-related offences. This would suggest that increases in motor vehicle theft cannot be solely attributed to a rise in property offences as a whole. Furthermore, Victoria stands out among other states and territories in respect of motor vehicle theft. As the Drugs and Crime Prevention Committee *Crime Trends Report* states:

Analysis shows both a long-term (five year) and short-term (two year) increase in thefts ... The rise in Victorian motor vehicle theft parallels rises in several other Australian States and Territories, most notably Tasmania, Queensland and the Northern Territory. However, the increase in Victoria over the past two years is proportionally the largest of any Australian jurisdiction. Moreover, the recent increases mean Victoria's rate of motor vehicle theft is now higher than the national average rate for Australia. This is particularly noteworthy given that Victoria generally has low rates of property crime compared with other Australian jurisdictions (DCPC 2002, p.25).

While these crime figures emphasise the fact that motor vehicle theft is a problem of national scope, they also draw attention to the extent of the problem in Victoria between 1997/98 and 2000/01.

Lack of a national strategy

Another significant factor associated with the increase in motor vehicle theft has been the difficulties involved in establishing and implementing national registration and driver information databases. Such databases are necessary to counter professional motor vehicle theft activities. The necessity for a national strategy will be addressed in some detail when the NMVTRC's three-year strategic plan is considered in Chapter 13.

Conclusion

Each of the above factors contributed to the increase in motor vehicle theft in Victoria. At the same time, it is telling that the Victoria Police have acknowledged the impact that the removal of the Stolen Motor Vehicle Squad had upon motor vehicle theft activity in the state. While an increase in drug-related crime also played a role, the removal of specialist investigators whose knowledge equipped them to counter motor vehicle theft and increased the risks to perpetrators could be seen as the pivotal factor in the escalation of motor vehicle theft activity in Victoria between 1997 and 2001.

While the Committee commends the reinstatement of the Organised Motor Vehicle Theft Squad, there is a need for the current level of resources to be maintained. Furthermore, the Committee also emphasises the necessity for adequate resourcing of ancillary services such as forensic vehicle inspection and data collection in relation to the theft of motor vehicles.

72 For a detailed description of crime trends in these and other areas, see Drugs and Crime Prevention Committee, *Inquiry into Crime Trends, Fourth Report*, May 2002.

PART D: **Outcomes Of Motor Vehicle Theft**

9. The Costs of Motor Vehicle Theft

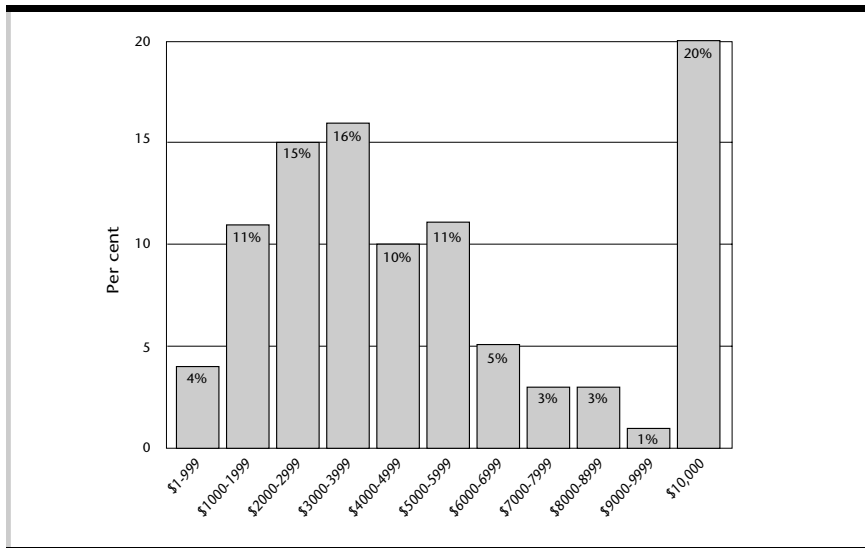
The costs of motor vehicle theft impact upon a range of organisations and individuals, including the criminal justice system, the insurance and motor vehicle industries, and individual victims of theft.

Costs to motor vehicle owners

Meagan and Jason Steele are the latest victims of a car laundering industry believed to be worth more than \$80 million a year to thieves. The couple from Upper Ferntree Gully have been left almost \$26,000 out of pocket and without transport after their car was found to have been 'rebirthed' and was seized by police (Lapthorne 2002, 'Car con stings couple', *Herald Sun*, 22 February, p.27).

Motor vehicle theft impacts first and foremost upon the vehicle owner who is deprived of their property. As Figure 9.1 below illustrates, the average value of a stolen motor vehicle is \$7,909. However, 20 per cent of stolen vehicles are worth in excess of \$10,000.

Figure 9.1 Value of motor vehicles stolen in Victoria 2000/01



Source: Victoria Police 2002c, *Crime Statistics 2000/01*.

Note: Estimated

Total Value: \$279,375,165

Average Value: \$7,909

Median Value: \$4,000

The cost of motor vehicle theft is not only the value of the motor vehicle itself but also the many ways, both tangible and intangible, such theft may impact on the victim's life. Ray Whitrod, a past spokesman for the Australian Victims of Crime Association, has noted that while the extent of emotional distress can never be determined precisely, victims of motor vehicle theft often experience feelings of anxiety, helplessness and frustration (Whitrod 1987). Those individuals without ready access to public transport may be unable to meet obligations stemming from employment or education. As Geoff Hughes, Project Manager for the National Motor Vehicle Theft Reduction Council (NMVTRC), noted:

People certainly underestimate the cost of having their car stolen. Our [the NMVTRC] estimates are that, even if you can afford insurance, you would be anything between \$1,200 and \$1,800 out of pocket for the experience, after you factor in excesses; having to pay for taxis to get around for however many days the vehicle is off the road and those sorts of things.⁷³

In 2000/01, the NMVTRC estimated that each claimant had to meet an average insurance policy excess cost of \$360 (CARS 2001). The NMVTRC listed a number of unforeseen personal costs of motor vehicle theft, including insurance excess and increased premiums, alternative transport arrangements, time off work and replacing personal items such as CDs or sports gear that disappeared with the vehicle. Obviously the cost is significantly higher for those whose vehicles are uninsured (NMVTRC 2002g).

⁷³ Geoff Hughes, Project Manager, National Motor Vehicle Theft Reduction Council (NMVTRC), in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

Costs to motor vehicle traders

Motor vehicle theft costs licensed traders significant amounts of money. There have been increasing reports of professional motor vehicle thieves targeting motor vehicle traders and going to considerable lengths to secure the desired motor vehicle. David Russell, Manager of Corporate and Public Affairs at the Victorian Automobile Chamber of Commerce (VACC), told the Committee:

While no conclusive survey or study has been done on the number of cars stolen from car yards, it is on the increase. Our members tell us about the problems they are faced with in protecting cars. They are finding the particular types of cars that are targeted are those that are attractive, not only in this market, but in other markets. They are stolen and thieves go to long and devious methods to steal cars from car yards.

A good example – it could be one of any models – was of a Subaru WRX that was completely blocked in at a car yard up against a back cyclone wire fence. You would say, ‘They will never get the car out of there’. The cyclone fence had a series of security bollards associated with it. The thieves basically backed up a truck and ripped the fence out. They then manoeuvred cars that were around it to get at the Subaru that they wanted and dragged that car up into the back of a tilt-tow truck and off they went. They had no access to keys; they did not smash the car windows and hot-wire it. It was a vehicle that was targeted specifically because they wanted it. It is difficult to defend against that, and the industry is finding it has to pay extra insurance premiums and go to extra measures to secure their properties with alarms, key protection, fencing, bollards and those sorts of things.

The cost of doing business and securing property has increased. These days building works at a cost of \$20,000 is not uncommon. It is expensive if you want to put a series of bollards across the front of your car yard to protect against the car simply being driven away or picked up. It’s not just a matter of sinking steel posts into the ground; they must be a rigid and deliberately structured item. They are sunk into reinforced concrete with a form of metal that will withstand being cut at the base and something that will withstand being pulled with a track or rammed. An impact of theft on motor car traders is that their buildings and businesses must be protected.⁷⁴

Traders of second-hand vehicles are also at risk of unknowingly purchasing and re-selling a car that may be stolen. In the event that such a case is discovered, motor vehicle traders may be forced to compensate the consumer to whom the vehicle was sold. As David Russell explained to the Committee:

⁷⁴ David Russell, Manager (Corporate and Public Affairs) Victorian Automobile Chamber of Commerce (VACC), Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

Stolen cars are also traded to licensed motor car traders. Sometimes they are traded and the licensed motor vehicle trader does not discover that the vehicle is of dubious origin until later. That creates a problem. Under the *Motor Car Traders Act*, the motor car trader is required to pass on a good title. If it is found that a trader has not passed on a good title, an order can be made against them out of the Motor Car Traders Guarantee Fund to refund the money to the customer. That is appropriate, but there are so many thefts of vehicles these days and so many vehicles coming into the state from other places that it is becoming increasingly difficult for motor car traders to protect themselves against buying a car of dubious origin. There are many examples of that occurring, where the car trader is left without the vehicle and having to refund the customer the full purchase price.⁷⁵

David Grey, an Associate Director of Fowles Auction Group, told the Committee of the costs incurred by auction houses which, despite thorough identity checks, unwittingly sell motor vehicles that have been stolen and rebirthed by professional motor vehicle thieves.

There was a guy who came in here at one stage, brought a car – it was stolen – sold it, put everyone through a lot of pain, and he was given a three-month bond. On that one transaction we lost \$30,000. We had to recover that money...

We actually, last year, sold 10 stolen cars from one person. They were brought in allegedly from a rent car company. They brought all of the cars in at once. We did all the checks. They were all [apparently] legitimate cars, but in fact they were all proven to be stolen. It cost our company \$120,000 in the recovery process.⁷⁶

Costs to the insurance industry

The average insurance claim cost for car theft claims finalised in 2000/01 was \$8,100. Using this figure, the estimated national cost of car theft to the insurance industry is one billion dollars annually (NMVTRC 2001a).

In the first quarter of 2002 there were 8,447 insurance claims across Australia as a result of motor vehicle theft.⁷⁷ The average cost of each of these claims was \$7,984 (NMVTRC 2002j). Fifty-one per cent of claims involved 'agreed value' insurance policies at an average cost of \$9,400 for each policy claim. In contrast, 17.4 per cent of claims were made against market value insurance policies, at an average cost to the insurer of \$7,137.⁷⁸ Such figures emphasise the significant cost motor vehicle theft imposes upon the insurance industry. In

75 David Russell, VACC, in conversation with the Drugs and Crime Prevention Committee, 21 May 2002.

76 David Grey, Associate Director, National Manager (Damaged Vehicles) Fowles Auction Group, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

77 There were 1,697 claims made in Victoria, representing 20.1 per cent of claims across Australia. Only New South Wales had a higher number of claims with some 3,981 claims (47.1%) being made in that state.

78 The issue of different insurance policies and how these policies may inadvertently contribute to rates of fraudulent claims of motor vehicle theft is addressed further in Chapter 14.

fact, almost 20 per cent of insurance payments are made to meet claims for motor vehicle theft (NMVTRC 200h).

Although professional motor vehicle theft statistically comprises a much smaller proportion of all motor vehicle theft than does opportunistic theft, the impact of professional theft on the community is much greater. This is particularly the case in respect of insurance claims. In the March 2001 quarter, insurance claims for motor vehicle theft that totalled \$5,000 or less represented over half of all claims. However, these claims accounted for only 15 per cent of total insurance costs, reflecting the age and low value of the majority of stolen vehicles (NMVTRC 2001e). At the other end of the scale, claims for \$30,000 or more represented less than 4 per cent of total claims but accounted for more than 22 per cent of total insurance costs. These higher value costs are more likely to be associated with unrecovered vehicles or vehicles that have been stripped of parts, highlighting the substantial costs of professional theft to the insurance industry (NMVTRC 2001e). The NMVTRC estimates that although opportunistic theft is responsible for about 75 per cent of motor vehicle theft, it represents less than 50 per cent of insurance costs for motor vehicle theft. Conversely, professional theft represents approximately 25 per cent of theft figures but accounts for 50 to 60 per cent of insurance claim costs.⁷⁹ Ray Carroll, Executive Director of the NMVTRC, provided the Committee with the following example of insurance costs associated with professional motor vehicle theft:

Of the 8,400 claims we received in relation to Victoria for 2000–01, out of a total [cost] of \$43 million, average claims cost \$7,600. Interestingly, the top 5 per cent of those 8,400 claims were \$12.5 million, so they represent the very expensive cars that disappear and do not come back, or they disappear ... So our best estimates are that professional theft nationally costs around \$500 million.⁸⁰

Human costs

Joy ride ends in girl's death

A teenage girl is dead after a reckless high-speed joy ride in a stolen car. The girl, 15, was driving a stolen red Holden Gemini when she careered out of control and slammed into a power pole on Melbourne Rd, Newport, early yesterday. Skid marks stretched 30m to the crash scene, where the mangled car was wrapped around a pole. Police believe the girl was speeding in front of another car carrying four teenage girlfriends (Cogdon 2002, 'Police fury at tragic smash' *Herald Sun*, 4 January, p.3).

79 Ray Carroll, Executive Director, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

80 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

One boy's death, another's life sentence

The teenage driver of a stolen car who knocked down and killed a small boy told the Coroner's Court yesterday he would live with the death for the rest of his life. Cuneyt Gungor, 18, of Dalton Court, Coolaroo, struck the child and his father as they walked along a footpath in Redesdale Street, Coolaroo, on 26 February 1992. John Tran, 7, died of severe head injuries and his father received bruising to his body. Gungor told the court he was 'very sorry' for what had happened. He apologised to the Tran family 'for all the suffering I have caused you' and to his own family for causing them hardship as a result of the accident (Saunders 1994, 'One boy's death, another's life sentence', *Age*, 9 March, p.1).

Perhaps the most tragic cost of motor vehicle theft is the loss of life that occurs when young and often inexperienced drivers lose control of stolen motor vehicles. Geoff Hughes informed the Committee that:

Between 30 and 40 people will be killed every year on Australian roads as a result of incidents involving stolen vehicles – whether it be the juvenile driver or somebody he or she runs into.⁸¹

The Committee is grateful to the Victorian State Coroner, Mr Graeme Johnstone, for providing the Form 83 Reports on all deaths involving stolen motor vehicles over the last five years that his office could identify. Unfortunately, the number of cases that could be provided was limited by current data extraction techniques. Following a computer search for those files that mentioned the key word 'stolen vehicles', only 14 cases were located. However, in the course of this Inquiry, the Committee discovered numerous additional cases that were not identified by the computer search. This suggests the need for a more comprehensive system of data collection that allows the identification of deaths that involve stolen motor vehicles.

In addition to the human cost associated with inexperienced and unlicensed drivers driving motor vehicles – often powerful vehicles – there is a significant human cost associated with the pursuit of stolen motor vehicles by police officers. In 1999 Chief Inspector Chris Bult of the New South Wales Police Service conducted an analysis of 1,612 police pursuits by the New South Wales Police Service (Bult 2000). Approximately 400 (25%) of these pursuits involved stolen motor vehicles. However, even more alarming was the finding that some 160 (10%) of police pursuits stopped due to a motor vehicle accident. A study of 479 police pursuits in Victoria between July 1993 and June 1994 reported that 137 (28%) involved stolen vehicles (Rollins 1994). Of the 479 pursuits studied, 131 (27%) pursuits ended in crashes or a collision (Rollins 1994). One police officer and one offender were killed. Thirty-eight offenders were injured, as were 10 bystanders and one police officer.

81 Geoff Hughes, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

In May 2002, following the death of an unlicensed motorcyclist who crashed while being pursued by police, Victorian deputy State Coroner Iain West drew attention to the number of high-speed police pursuits in Victoria that ended with people injured or killed (Murphy et al. 2002). The following incidents illustrate the potentially devastating consequences of police pursuits.

19 June 2002

Three teenage boys were killed and another two injured when the stolen EA Falcon they were driving hit a light pole near the junction of Malvern and Wattleree Roads in East Malvern. The car sped off after a police vehicle flashed its emergency lights to test the driver's response.

21 July 2001

Beau-Jye McDonald died from head injuries when the stolen vehicle he was driving crashed into an electricity pole in Barwon Heads Road, Connewarre, after being pursued by police. Coroner Michael Francis Moloney found that the police acted appropriately.

3 April 1998

John Barry Grace died after the stolen car in which he was a passenger hit a tree, then a metal pole in Alexandra Avenue, South Yarra, while being pursued by a police vehicle that reached speeds of 120 km per hour. Coroner Francis William Hender found that the police involved acted appropriately.

11 June 1997

Christopher Dylan Lynch-Dunbar died from multiple injuries received when the stolen car he was driving went into a pole on Princes Bridge, Melbourne. Shortly before the accident the car was involved in a police pursuit. Coroner Jacinta Heffey found that Lynch-Dunbar contributed to his own death.

Source: These cases were cited in Silvester 2002, 'Police and their split second choices', *Age*, 20 June, p.8.

The above cases are not raised as a criticism of police or of their operational procedures. These procedures are the concern of the Victorian Police and their Ethical Standards Division. In Victoria, more than 90 per cent of police chases end within 30 seconds. Victoria Police has developed a 'trigger point' system that includes a priority system depending on the severity of suspected crime. The decision to abort a pursuit is left to operational police. Once a chase is declared, a sergeant or senior sergeant in the area is designated the pursuit controller. The radio channel is cleared and the chase can be called off if either the police driver or pursuit controller considers it too dangerous. Police are told to balance the need for apprehension against the risk to the community (Silvester 2002). Such practices reflect police recognition of the highly

dangerous nature of police pursuits and the potential for serious injury or death. What the above discussion seeks to highlight is the tragic costs that are associated with motor vehicle theft, particularly opportunistic motor vehicle theft perpetrated by juvenile offenders.

Conclusion

The cost of motor vehicle theft is ultimately borne by the community. Although the greatest identifiable proportion of these costs fall to vehicle owners in the form of insurance premiums and improved vehicle security, the greater community bears the costs of law enforcement and criminal justice agencies, not only financially but also in the diversion of resources.

PART E: **Who Are The Offenders?**

10. Identifying Motor Vehicle Theft Offenders: What Does the Evidence Say?

Prevention strategies are unlikely to prove effective unless they are targeted towards addressing the reasons that motivate the theft of motor vehicles. While those who steal cars invariably do so for personal gain, this may range from financial to psychological gain. The opportunistic thief may be seeking personal excitement or merely convenient transport. Financial profit or reward motivates the professional thief. The following section analyses the characteristics of persons who have been apprehended for motor vehicle theft. Given the limitations of available research data, this analysis is primarily confined to age, gender, frequency and the reasons for motor vehicle theft. Finally, there is a discussion of the different characteristics of opportunistic and professional motor vehicle thieves. It is important to note that this discussion is largely speculative given the dearth of research information.

The limitations of police and court-related data

Although motor vehicle theft is well reported, clearance rates are relatively low. Victoria Police statistics indicate that only 14.2 per cent of motor vehicle thefts were cleared in 2000/01. This means that the greater proportion of motor vehicle thieves go undetected. As Devery (1993) notes, while arrest and conviction records provide valuable information about offenders who *have* been arrested, it is likely that those who have been apprehended are not representative of offenders as a whole. Accordingly, the following information, drawn largely from records maintained by the Victoria Police and the Magistrate's and Children's Courts of Victoria, is a limited sample and must be treated with caution.

Research indicates that those who are apprehended are rarely involved in professional motor vehicle theft (Blackmore 1987). Therefore the data is particularly limited in respect of what it can tell us about professional motor vehicle thieves. Proportionally, professional motor vehicle theft imposes a greater cost on the community than opportunistic theft, so this lack of information is cause for significant concern.⁸²

What the available data tells us

Age of Offenders

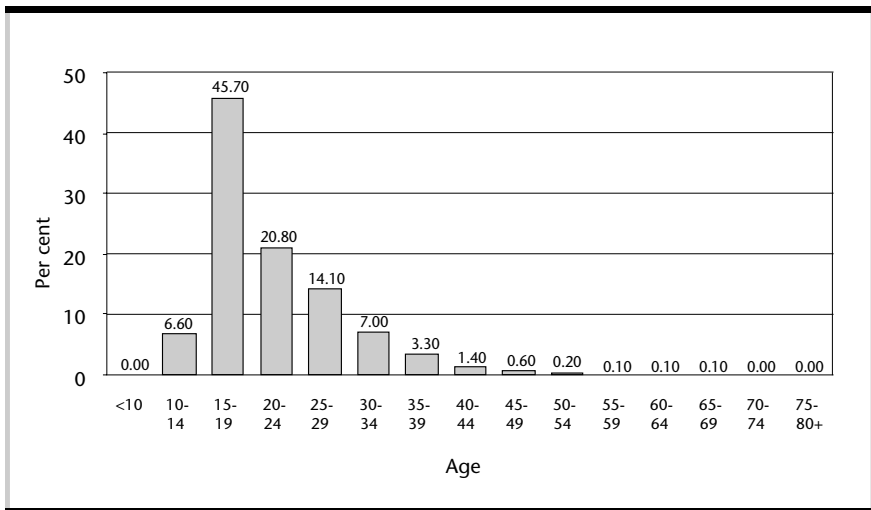
Available information suggests that the majority of motor vehicle thieves are adolescents and young adults. The greater majority of apprehended offenders are aged between 14 and 20, with statistics showing a peak at age 16 for motor vehicle offenders and a rapid decline from age 19 onwards (National Motor Vehicle Theft Task Force (NMVTTF) 1997). In Victoria, police crime statistics for 1995/96 to 1998/99 noted that those aged between 15–19 years accounted for 45.8 per cent of apprehended offenders (Drugs and Crime Prevention Committee 2000, p.75).

It is important to reiterate that the following information is based solely upon data collected in respect of those motor vehicle theft offenders who have been apprehended. Simply by virtue of their age, younger offenders are far more likely to attract the attention of law enforcement authorities. The volume of motor vehicle theft suggests that our roads are constantly shared with offenders driving stolen motor vehicles. However, the volume of vehicles on the road means that unless police have been alerted to the identity of a stolen vehicle, or unless an offender draws attention to himself or herself, he or she is unlikely to be stopped by police. In contrast, if a motor vehicle driven by an underage youth comes to the attention of police, it will almost certainly be intercepted. It is important to bear these factors in mind when considering the data detailed below.

Figure 10.1 below shows the age of motor vehicle theft offenders apprehended in Victoria in 2000/01. It shows that some 45.7 per cent (4,142 offenders) of alleged offenders processed by Victoria Police were aged between 15 and 19 years of age. Perhaps most alarming, however, was the 6.6 per cent (595) of offenders aged between 10 and 14 years who were apprehended by police.

82 For a further discussion of the respective costs of professional and opportunistic motor vehicle theft, see Chapter 9.

Figure 10.1: Theft of motor vehicle: Age distribution of alleged offenders processed in 2000/01



Source: Victoria Police 2001, *2000/2001 Provisional Crime Statistics*.

Figures from the Magistrate's and Children's Courts of Victoria provide a further indication of the extent to which motor vehicle theft is a criminal activity entered into by young offenders. The following information in Table 10.1 relates to motor vehicle theft charges finalised in the Magistrate's Court of Victoria under section 73 of the *Crimes Act 1958*.⁸³ It shows that a majority of motor vehicle theft offenders appearing in the Magistrate's Court are aged between 17 and 24 years of age. Approximately one-quarter of offenders are aged between 25 and 34 years of age. Relatively few motor vehicle offenders appearing before the Magistrate's Court are aged 35 years and over.

83 Magistrate's Court of Victoria counting rules: The data presented has been extracted from the Courtlink database, the official register of the Magistrate's Court of Victoria.

'Number of charges finalised: One defendant may be charged multiple times in relation to motor vehicle theft. The data provided by Courtlink is a count of individual charges finalised in the Magistrate's Court of Victoria, and not a count of individual persons charged with this offence. A charge is recorded as finalised in the Magistrate's Court of Victoria when all charges in a case have been determined by a Magistrate (i.e. found proven/not proven). Cases that have been adjourned to a date to be determined (adjourned *sine die*) are not recorded as finalised.

Outcome of finalised charges: A charge may attract more than one type of outcome/sentence (for example, a fine and a suspended sentence). One outcome (the principal outcome) has been recorded in relation to each charge that was finalised. When a charge attracts more than one outcome/sentence, the principal outcome will be the sentencing outcome that is highest in the sentencing hierarchy under the *Sentencing Act 1991*. If a charge resulted in a fine and a suspended sentence, the suspended sentence would be recorded as the principal outcome.'

Table 10.1: Age of defendant at time charge finalised, Magistrate’s Court, 1996/97–2000/01

	1996/97	1997/98	1998/99	1999/00	2000/01
17–24 years	3,126 (70.01%)	2,583 (66.50%)	2,229 (66.50%)	2,386 (62.58%)	2,866 (61.52%)
25–34 years	941 (21.08%)	940 (24.20%)	965 (26.68%)	1,105 (28.98%)	1,369 (29.38%)
35–44 years	266 (5.96%)	240 (6.18%)	310 (8.57%)	223 (5.85%)	307 (6.59%)
45–54 years	33 (0.74%)	37 (0.95%)	39 (1.08%)	45 (1.18%)	65 (1.40%)
55 years +	5 (0.11%)	13 (0.33%)	12 (0.33%)	6 (0.16%)	11 (0.24%)
Unknown	94 (2.11%)	71 (1.83%)	62 (1.71%)	48 (1.26%)	41 (0.88%)
Total	4,465	3,884	3,617	3,813	4,659

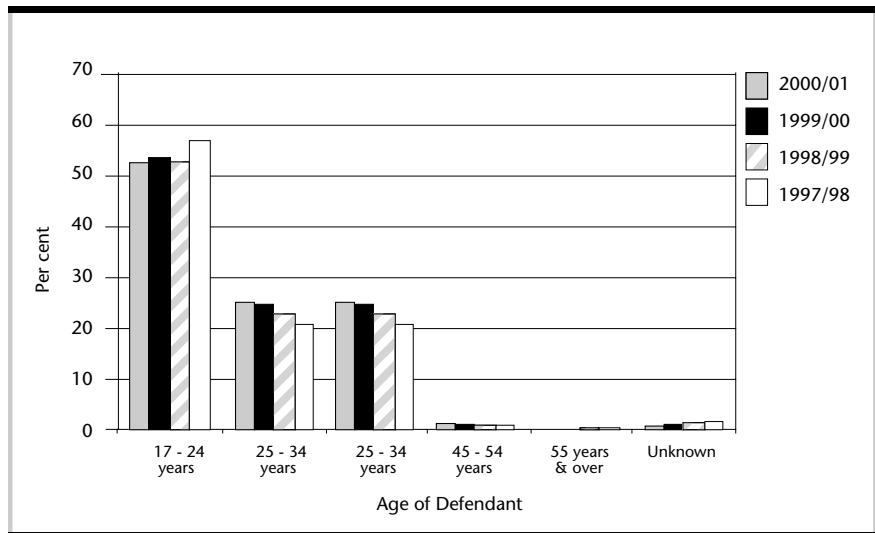
Source: Department of Justice 2002.⁸⁴

Note: Data is a charge-based count, not a defendant-based count. Data relates to cases that have been finalised in the Magistrate’s Court of Victoria. A case is not finalised until all charges relating to that case have been finalised. A charge is not recorded as finalised if it is adjourned *sine die*. Data may differ from information contained in other reports due to the use of different counting rules.

The disproportionate numbers of young people appearing before the Magistrate’s Court is graphically illustrated by Figure 10.2 below. However, it is also interesting to note the consistent increase in motor vehicle thieves aged 25 to 34 who are appearing before the Court.

84 Table sent to the Drugs and Crime Prevention Committee from the Department of Justice’s electronic database, 7 March 2002.

Figure 10.2: Age distribution of defendants in relation to each charge finalised, Magistrate's Court, 1997/98–2000/01



Source: Department of Justice 2002.⁸⁵

Note: Data is a charge-based count, not a defendant-based count. Data relates to cases that have been finalised in the Magistrate's Court of Victoria. A case is not finalised until all charges relating to that case have been finalised. A charge is not recorded as finalised if it is adjourned *sine die*. Data may differ from information contained in other reports due to the use of different counting rules.

The numbers of unlicensed teenagers driving stolen motor vehicles is an issue of considerable concern. The following data is drawn from 'motor vehicle theft' charges finalised in the Children's Court of Victoria for the period 9 September 1999 to 30 June 2001.⁸⁶ This shows an alarming number of young people under the age of 17 facing charges of motor vehicle theft. Table 10.2 below shows a rapid increase in motor vehicle charges from 13 years of age.

85 Table sent to the Drugs and Crime Prevention Committee from the Department of Justice's electronic database, 7 March 2002.

86 Children's Court of Victoria counting rules: The data presented has been extracted from the Courtlink database, the official register of the Children's Court of Victoria. This electronic case management system was introduced into the Children's Court on 9 September 1999. Prior to this date, Children's Court data was collected manually. As a result, the data that was captured prior to September 1999 is minimal and has not been used.

'Number of charges finalised: One defendant may be charged multiple times in relation to motor vehicle theft. The data provided is a count of individual charges finalised in the Children's Court of Victoria, and not a count of individual persons charged with this offence. A charge is recorded as finalised in the Children's Court of Victoria when all charges in a case have been determined by the President/a Magistrate (i.e. found proven/not proven). Cases that have been adjourned to a date to be determined (adjourned *sine die*) are not recorded as finalised.

Outcome of finalised charges: A charge may attract more than one type of outcome/sentence (for example, an Accountable Undertaking and a Youth Supervision Order). One outcome (the principal outcome) has been recorded in relation to each charge that was finalised. When a charge attracts more than one outcome/sentence, the principal outcome will be the sentencing outcome that is highest in the sentencing hierarchy under the *Sentencing Act 1991*. If a charge resulted in an Accountable Undertaking and a Youth Supervision Order, the Youth Supervision Order would be recorded as the principal outcome.'

Table 10.2: Age of defendant at time charge finalised, Children’s Court, 1999/2000⁸⁷–2000/01

	1999/2000	2000/2001
10–12 years	3 (0.91%)	6 (1.34%)
13–15 years	152 (46.2%)	197 (43.97%)
16–17 years	173 (52.58%)	245 (54.6%)
Unknown	1 (0.3%)	- (0.0%)
Total	329	448

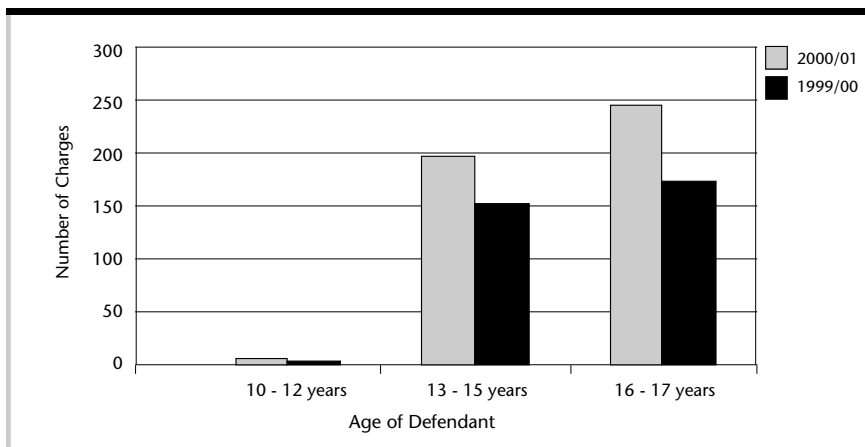
Source: Department of Justice 2002.⁸⁸

Note: a. Data is a charge-based count, not a defendant-based count. Data relates to cases that have been finalised in the Children’s Court of Victoria. A case is not finalised until all charges relating to that case have been finalised. A charge is not recorded as finalised if it is adjourned *sine die*. Data may differ to information contained in other reports due to the use of different counting rules.

b. Of a total of 329 defendants appearing before the children’s court in 1999/2000, the age of one defendant was unknown.

When considered in conjunction with data from the Magistrate’s Court of Victoria, data from the Children’s Court supports the observation that motor vehicle theft peaks among offenders aged between 15 and 19 years of age. Figure 10.3 below illustrates the increase in offending behaviour with age.

Figure 10.3: Age distribution of defendants in relation to each charge finalised, Children’s Court, 1999/2000–2000/01



Source: Department of Justice 2002.⁸⁹

Note: a. Data is a charge-based count, not a defendant based-count. Data relates to cases that have been finalised in the Children’s Court of Victoria. A case is not finalised until all charges relating to that case have been finalised. A charge is not recorded as finalised if it is adjourned *sine die*. Data may differ to information contained in other reports due to the use of different counting rules.

b. Of a total of 329 defendants appearing before the children’s court in 1999/2000, the age of one defendant was unknown.

87 Data for 1999/2000 reported 9 September 1999.

88 Table sent to the Drugs and Crime Prevention Committee from the Department of Justice’s electronic database, 7 March 2002.

89 Table sent to the Drugs and Crime Prevention Committee from the Department of Justice’s electronic database, 7 March 2002.

While the above data is drawn from a limited sample of motor vehicle offenders, it provides strong evidence of a disproportionate involvement of juveniles in motor vehicle theft activities.

Gender

A review of data from the Magistrate's Court reveals that the greater majority of offenders apprehended for motor vehicle theft are young males. This is illustrated in Table 10.3, which shows males comprising 90 per cent of those appearing in the Court for this offence.

Table 10.3: Sex distribution of defendant, Magistrate's Court, 1996/97–2000/01

	1996/97	1997/98	1998/99	1999/00	2000/01
Male	4,160 (93.17%)	3,570 (91.92%)	3,331 (92.09%)	3,410 (89.48%)	4,151 (89.10%)
Female	305 (6.83%)	314 (8.08%)	286 (7.91%)	401 (10.53%)	508 (10.90%)
Unknown	-	-	-	2 (0.05%)	-
Total	4,465	3,884	3,617	3,811	4,659

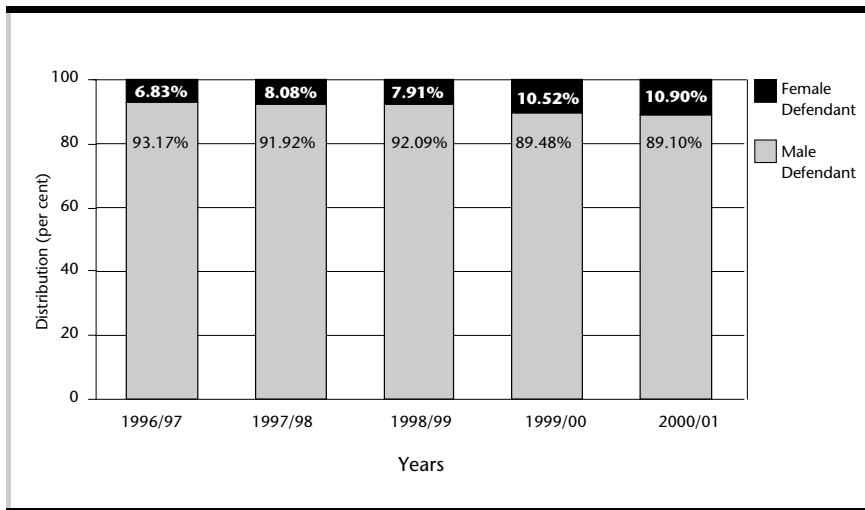
Source: Department of Justice 2002.⁹⁰

Note: Data is a charge-based count, not a defendant-based count. Data relates to cases that have been finalised in the Magistrate's Court of Victoria. A case is not finalised until all charges relating to that case have been finalised. A charge is not recorded as finalised if it is adjourned *sine die*. Data may differ to information contained in other reports due to the use of different counting rules.

Figure 10.4 below provides a graphic illustration of the gender breakdown of motor vehicle theft offenders who had charges finalised in the Magistrate's Court of Victoria between 1996/97 and 2000/2001. Although this Figure confirms the overwhelming involvement of males in motor vehicle theft, it also illustrates the slight but consistent increase in the proportion of females appearing before the Magistrate's Court on charges of motor vehicle theft.

⁹⁰ Table sent to the Drugs and Crime Prevention Committee from the Department of Justice's electronic database, 7 March 2002.

Figure 10.4: Sex distribution in relation to finalised charges, Magistrate’s Court, 1996/97–2000/01



Source: Department of Justice 2002.⁹¹

Note: Data is a charge-based count, not a defendant-based count. Data relates to cases that have been finalised in the Magistrate’s Court of Victoria. A case is not finalised until all charges relating to that case have been finalised. A charge is not recorded as finalised if it is adjourned *sine die*. Data may differ to information contained in other reports due to the use of different counting rules.

Data from the Children’s Court mirrors that from the Magistrate’s Court. This suggests that gender patterns in relation to motor vehicle theft are established at a relatively young age. Table 10.4 below shows that approximately 90 per cent of motor vehicle theft offenders appearing in the Children’s Court are male.

Table 10.4: Sex distribution of defendants, Children’s Court, 1999/00–2000/01

	1999/2000	2000/2001
Male	285 (86.63%)	402 (89.73%)
Female	44 (13.37%)	46 (10.27%)
Total	329	448

Source: Department of Justice 2002.⁹²

Note: Data is a charge-based count, not a defendant-based count. Data relates to cases that have been finalised in the Children’s Court of Victoria. A case is not finalised until all charges relating to that case have been finalised. A charge is not recorded as finalised if it is adjourned *sine die*. Data may differ to information contained in other reports due to the use of different counting rules.

91 Table sent to the Drugs and Crime Prevention Committee from the Department of Justice’s electronic database, 7 March 2002.

92 Table sent to the Drugs and Crime Prevention Committee from the Department of Justice’s electronic database, 7 March 2002.

While the available research is conclusive in finding that motor vehicle theft is predominantly an offence committed by young men, relatively little research has been undertaken to determine why this is the case. Research conducted to date has tended to focus upon the place of the motor vehicle in relation to traditional gender roles in Australia. White (1990), for example, has argued that the disproportionate involvement of males in motor vehicle theft is directly related to the cultural identity of 'masculinity' with car ownership. He states:

The relationship between gender identity and motor vehicles is socially constructed, and in it males are at the centre and females at the periphery (White 1990, p.122).

According to White (1990), young men are brought up in a cultural setting that places great importance on 'practical things' and 'aggressive physicality'. The motor vehicle affords young males the opportunity to display these attributes through such activities as motor racing, aggressive driving and mechanical skill. As an extension of this argument, it has been suggested that motor vehicle theft may prove particularly attractive to disadvantaged young men who, due to unemployment, are unable to fulfil masculine roles through the traditional means of paid employment (White 1990; NMVTF 1997b). Therefore the illegal acquisition of a motor vehicle may offer an alternative means of establishing a masculine identity outside of school and/or the job market. As the NMVTF noted:

The skills involved in stealing [motor vehicles] reflect traditional masculine images of physical skill and physical dexterity (NMVTF 1997b, p.173).

Central to the need to project images of 'masculinity' is the desire to impress others. Dawes (2000) observes that, within certain peer groups, an individual's status is enhanced by their ability to drive at high speeds and perform various driving feats 'which may be bound up with other feats of machismo in proving one is "a man"' (Dawes 2000, p.114). Based on in-depth interviews conducted with 30 youths in detention facilities in Queensland, Dawes notes:

It appears that getting behind the wheel of a car allows many young men to feel grander, more powerful and produces feelings of invincibility among young joyriders (Dawes 2000, p.14).

Dawes (2000, p.114) argues that 'the peer group is central in providing the catalyst for their [young people's] introduction and continuation to car theft and joyriding activity'. The role of peers in the initiation and continuation of motor vehicle theft activities was also noted in a submission to the Committee sent by the Insurance Manufacturers of Australia:

An almost 'tribal' knowledge exists among young car theft offenders. Methods of stealing particular vehicles soon become widely known, anecdotes suggest that juvenile justice institutions are also learning institutions for crime, and in particular car theft.⁹³

93 Submission from the Insurance Manufacturers of Australian Pty. Ltd to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.2.

This may provide a further explanation for the disproportionate number of young men charged with motor vehicle theft offences compared to young women similarly charged. International research suggests that gender differences in peer association may increase the inclination of young men towards criminal offending (Broidy & Agnew 1997). Indeed, an English study found that one-third of youthful motor vehicle theft offenders cited 'peer influence' as their main reason for getting involved with motor vehicle crime. Broidy and Agnew (1997) argue that young men tend to congregate in large groups characterised by physical and competitive interaction. It is further argued that groups of young men are more likely to take risks and to challenge authority. Thorne and Lupia note:

Girls are more likely to affirm the reasonableness of rules, and, when it occurs, rule breaking by girls is smaller scale ... Boys experience a shared, arousing context for transgression, with sustained gender group support for rule breaking (1986, p.181).

Although there will always be exceptions to such theories, the data upon which they are based are drawn from authoritative police and court records. It is important to note that this data shows that the gender difference in rates of motor vehicle theft offending is mirrored across a broad range of offences. This data informs the universal agreement among criminologists that men are more likely to commit criminal acts than women.⁹⁴

While young men continue to be disproportionately represented in motor vehicle theft statistics, it is interesting to note the slight but consistent increase in the number of female defendants appearing in the Magistrate's Court of Victoria for motor vehicle theft offences between 1998/99–2000/01. The 'convergence hypothesis' suggests that as gender roles become more similar, female crime will increase toward male levels (Hartnagel & Mizanuddin 1986). However, while this hypothesis continues to influence theories of gender and crime (Hagan et al. 1993) it is increasingly the source of criticism and challenge. Steffenmeister and Allan (1996), for example, argue that systematic analysis of official arrest statistics shows that the gender gap in respect of criminal offending has remained far more stable than have the divides between race, social class and urban-rural offending.

As this report is not the appropriate place for an academic analysis of the role of gender in respect of criminal offending, it is sufficient to note that while young males comprise the greater majority of those *arrested* for motor vehicle theft offences, the numbers of young women appearing before the Magistrate's Court on charges of motor vehicle theft is increasing.

94 See, for example: V.S. Burton Jr et al., 'Gender, self-control and crime', *Journal of Research in Crime and Delinquency*, vol. 35, no. 2, 1998, pp.123–150; L. Broidy & R. Agnew, 'Gender and crime: A general strain theory perspective', *Journal of Research in Crime and Delinquency*, vol. 34, no. 3, 1997, pp.275–300; D. Steffensmeier & E. Allan, 'Gender and crime: Toward a gendered theory of female offending', *Annual Review of Sociology*, vol. 22, 1996, pp.459–487; T.F. Hartnagel & M. Mizanuddin, 'Modernization, gender role convergence and female crime: A further test', *International Journal of Comparative Sociology*, vol. 27, 1986, pp.1–14.

Frequency

Despite the considerable numbers of young people who appear before the courts on charges of motor vehicle theft, the available evidence suggests that most will only appear before the courts on one occasion (NMVTTF 2001h). In 1995, the New South Wales Bureau of Crime Statistics and Research (1995) reported:

The majority of young offenders have been found to be non-recidivist ... 70 per cent of first time offenders do not in fact re-offend. A further NSW Department of Juvenile Justice study has shown that of the remaining offenders, a further 15 per cent go on to commit one further crime and the remaining 15 per cent become recidivist (quoted in National Motor Vehicle Theft Reduction Council (NMVTRC) 2001h).

In fact, the NSW Bureau of Crime Statistics and Research found that just 9 per cent of all juvenile offenders were multiple offenders, being responsible for approximately 31 per cent of all proven offences over a nine-year period (NMVTTF 1997b). Such findings are supported by further studies conducted with offenders in custody. Of 247 offenders in custody who took part in a separate NSW study, 142 indicated that they had committed motor vehicle thefts (Salmelainen 1995). When these young people were placed in five groups, ranked according to the number of motor vehicle theft offences, it was found that 86.6 per cent of all motor vehicle offences were committed by just 20 per cent of the young people (Salmelainen 1995). The typical profile of the majority of young motor vehicle theft offenders is one or two court appearances in the mid-teens, and then no further involvement in the criminal justice system (NMVTTF 1997a).

Motivations behind juvenile motor vehicle theft

The motivations for motor vehicle theft for juveniles include boredom, the influence of peer groups, the need for transport, the commission of further crime such as ram-raids, and a need for thrills and excitement. The latter point is frequently cited in the research literature. A comprehensive study of young motor vehicle thieves in England found that offenders reported 'an unusual degree of "psychological" reward in terms of thrill, status and self-esteem' (Light, Nee & Ingham 1993, p.45). The researchers noted that the need for excitement as a major factor in beginning and continuing motor vehicle theft was a typical finding for the age group in question (Light, Nee & Ingham 1993).

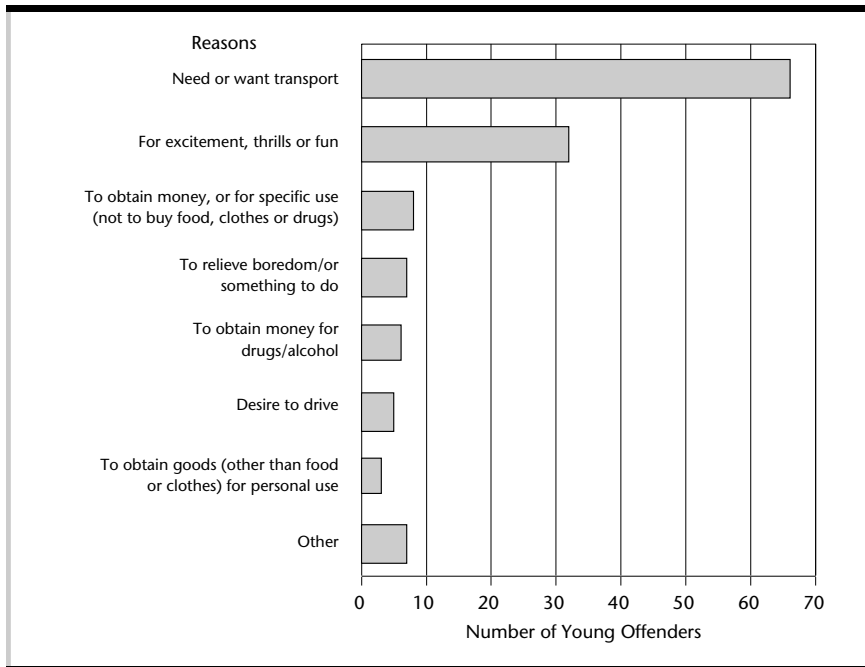
Australian research findings also suggest excitement is a major factor. Ross Lay, a former Regional Director of the NSW Probation and Parole Service, noted of one young offender:

Once the vehicle had been selected and stolen, he and his apprentice passengers would drive around and seek out a police car to intimidate into a chase. For a brief period the thrill needs were satisfied. In their case, a classy car provided temporary status, the wheels provided unfettered autonomy, and the

chase provided transitory excitement. Unlawful behaviour is perceived as the only means to the required level of excitement and satisfaction (Lay 1987, p.76).

Figure 10.5 below lists the most commonly reported reasons for offending given by young offenders who took part in one research project undertaken by the NSW Bureau of Crime Statistics and Research. This research sought to explore the factors that determine offending frequency among juvenile offenders. In this Figure, the main reason reported by each offender for stealing motor vehicles is included in the data. It is important to note that in many cases the decision to steal a motor vehicle was influenced by more than one consideration. While a need for transport was the most popular response, stealing a motor vehicle for transport was more exciting that catching a train or paying for a taxi.

Figure 10.5: Young offenders’ main reasons for stealing vehicles



Source: Salmelainen, P. 1995, *The Correlates of Offender Frequency: A Study of Juvenile Theft Offenders in Detention*, NSW Bureau of Crime Statistics and Research, Sydney.

Note: n = 247

Those who work with juvenile offenders who have stolen motor vehicles note that many of these young offenders tend to lack positive social role models and have experienced little success in their lives (Care and Communication Concern Welfare Services Inc. 1998). They are often characterised by a range of disadvantages such as ‘dysfunctional’ family and peer networks, lack of suitable accommodation, limited social skills and health and psychological problems (Care and Communication Concern Welfare Services Inc. 1998; NMVTTF 1997b; NMVTRC 2001h). Many young offenders have poor literacy and numeracy skills, are long-term unemployed and/or have records of marginal or

non-attendance at school (Care and Communication Concern Welfare Services Inc. 1998). The presence of these characteristics in young offenders gives weight to the theory that stealing motor vehicles is an alternative way of establishing a sense of identity and gaining recognition when mainstream social opportunities afforded by education and paid employment are not open to them (NMVTF 1997b).

A review of the 'Street Legal' program in Adelaide, one of the few programs targeted specifically towards the needs of young car theft offenders, noted of its client base:

Many of the program participants are transient, with no permanent accommodation. Many come from single parent households or step-parent families. The male parent is often absent and there may be a history of offending activity in the family. Families of the participant are often long-term welfare recipients, living in areas of low socio-economic status and it is common for participants to enter the program with no legal income ... Program staff members and ex-staff report that the life experiences of participants entering *Street Legal* has been overwhelmingly negative. Many participants had a history of childhood abuse, lacked interpersonal skills and self-esteem, experienced anger management difficulties and had a range of health issues ranging from infestation with head lice to mental health problems. Most had dropped out of the formal education and social system. Staff and participants reported the regular use of drugs and alcohol amongst participants, with a high incidence of social dependence on marijuana (NMVTRC 2001h, p.22).

The following case studies are of participants in the 'Street Legal' program. They are indicative of the backgrounds of participants within the program.⁹⁵

Case studies of young car theft offenders

Case Study 1 – 'Fred'

Family Background: Fred is nineteen years old and has a long history of offending behaviour. He has undertaken three separate courses at Street Legal, and is now assisting part-time with volunteer work there. Fred's mother, a heroin addict, was seventeen when he was born. She left him at the age of three months to be raised by his father. Fred has strong memories of his father punishing him violently for any wrongdoings as a child and he was subject to beatings with his father's belt on many occasions. His father's girlfriend also appeared to 'have it in for' Fred, and made problems for him with his father. Fred ran away from home at age thirteen and was made a Ward of the State at fourteen.

Schooling: Fred was bullied and picked on in primary school. He was expelled in Year 9 for fighting and he thinks the school also suspected him of using drugs.

95 The following case studies were drawn from the National Motor Vehicle Theft Reduction Council (NMVTRC), *Review of the Street Legal Program*, 2001h.

Offending History: Fred's first contact with the criminal justice system was at the age of fourteen when police caught him graffitiing a bus with a group of friends. While this was the first time he had been caught by police, Fred was 'doing heaps of other stuff' at the time, including breaking into pubs, doing drugs and stealing cars.

Drug Use: Fred's drug taking started when he moved out of home and went to live with his cousin who was heavily into drugs including marijuana and LSD. Fred's first experiences with motor vehicle offences involved breaking into cars to steal valuables. He first stole a car when, in the company of friends who were under the influence of drugs, he broke into a Commodore to steal a mobile phone and found a spare key in the glovebox. When asked if he worried about driving under the influence of drugs, Fred stated no, because they had been smoking marijuana which 'just makes you really focussed and more careful'.

Incarceration: Fred admitted to committing an immeasurable number of offences during his teenage years and has been incarcerated for various periods in Magill and Cavan Training Centres, and most recently in Yatala Labour Prison. His offending history includes drug offences, assaults, building breaks (principally factories and business premises), theft and motor vehicle offences. His last period of detention was four and a half months on remand in Yatala Labour Prison for ten building and larceny breaks. He received a three year suspended sentence for that offence.

Motor Vehicle Offences and Street Legal: Fred claims to have stolen or broken into over sixty cars during his offending period. He didn't offend while on Street Legal courses because he was too busy doing the modules during the day and too tired at night. Between the courses he had been involved in a reduced level of offending behaviour. However, when he was released from Yatala he was penniless and undertook a number of factory breaks to set him up with furniture and clothes. Fred did not associate stealing cars with drug taking or with a need to earn money, instead stealing them to get home, go to a party, get food or just to go for a ride. He says that they would steal for stupid reasons such as "to get to the service station to buy a lollypop".

Fred claims that the experience of being in adult prison has put him off offending and he doesn't intend offending again, especially since he is now doing volunteer work. Fred hopes to get his driver's licence back (lost recently due to speeding offences) and eventually to go to university to become a youth worker.

Interviewer's Note: 'Fred' is typical of young offenders whose motives for offending may start as 'thrill seeking', but who find the economic gain from theft encourages them to continue. Difficulties with obtaining Centrelink payments on leaving detention was the principal reason given for numerous break and enter offences committed by Fred in the past year. He was adamant that he would not offend in the future, but staff at Street Legal thought that Fred would once again resort to theft to support himself if placed in financial hardship. They stated that it was important for Fred to gain skills to enable him to obtain employment in the future.

Case Study 2 – ‘Adam’

Family Background: Adam was born in Mount Gambier, and moved to Adelaide in High School. His parents divorced when he was sixteen and he lives with his mother, two brothers and a sister. His father lives in Canberra and visits occasionally. Both his parents are employed; his father in a clerical position, and his mother in caring for the elderly.

Schooling: Adam said that his family moved to Adelaide when he was in high school to help him succeed in basketball, at which he was very good. Adam attended high school to Year 10 but did not attend enough lessons to complete the year, leaving to work as a metal cutter (process worker). He then went back to a different high school to try Year 10 again. This time he felt that he failed because he was playing too much basketball at District level to concentrate on school.

Offending History: Adam reported becoming involved with graffiti and vandalism at around Year 9, but was never caught. When he was seventeen he stole a car and got locked up for it. Adam said that this was when he first experienced a ‘manic episode’ that precipitated a period of several months of very heavy offending. He claims to never have had a high-speed chase, nor stolen more than one car, but still admitted to other (not stated) offences while in his manic periods. When he was locked up he underwent a psychiatric assessment and was diagnosed with a bipolar disorder (manic-depressive disorder).

Drug Use: Adam felt that his first manic episode could have been drug induced as he was smoking dope and taking trips at the time. He started smoking dope at around thirteen and taking trips at around fifteen years old. He said that he had now stopped taking trips as he realised that they seemed to precipitate manic episodes, and he was currently on lithium and anti-mood swing drugs. Adam’s offending behaviour did not appear to be directly related to his need to buy drugs, but was definitely associated with his psychiatric illness.

Incarceration: After his initial incarceration for stealing a car, Adam said he was usually hospitalised rather than locked up for his manic episodes and offending behaviour.

Motor Vehicle Offences and Street Legal: Adam was referred to Street Legal by his social worker. He didn’t remember having learned much there because the mechanic at that time wasn’t very good and he had suffered a manic episode and was hospitalised before he finished the course. He said the best thing about Street Legal would have been the snow trip, which he had missed at the end of the course. That was what kept the kids going – the threat of being left off the trip. He said he loved go-karting, and had enjoyed the company of the other kids.

After Adam came out of hospital he returned to Street Legal as a volunteer youth worker, and still visits there regularly for social contact. Adam thought that those kids who came back to Street Legal for more than one course were usually pretty straightened out by the experience. He also claimed that a high percentage of young people who went through Street Legal stopped their offending behaviour.

Interviewer’s Note: Adam is still smoking marijuana daily although claims to have stopped taking trips as he understands the effect it can have on his mental state. He would like to start some study but finds it hard to get motivated. Adam’s case is not uncommon in juvenile offending. It is perhaps unusual that he was diagnosed early in his offending behaviour, but this underscores the importance of case management. Drug and alcohol issues play a significant role in precipitating offending behaviour and in the lives of most recidivist offenders. It must be addressed if offending is to reduce or cease.

Unfortunately, research examining the cultural background of young motor vehicle theft offenders in Australia is limited. Most available information comes from the few programs such as ‘Street Legal’ that interact with juvenile offenders.⁹⁶

Identifying opportunistic and professional motor vehicle thieves

Given the limitations of the data that exists regarding motor vehicle theft offenders, it is not possible to provide a definitive profile of the opportunistic motor vehicle thief as distinct from the professional motor vehicle thief. However, some observations can be drawn from the available information.

Opportunistic motor vehicle theft

In a submission to the Drugs and Crime Prevention Committee, the Victoria Police note:

There is a general acceptance that male juveniles (15–19 years) commit most opportunistic motor vehicle theft.⁹⁷

This is based on research conducted with young motor vehicle theft offenders who have been apprehended (Devery 1993; NMVTFE, 1997b).⁹⁸ As Figure 10.5 demonstrates, the greater majority of these young offenders report stealing motor vehicles either for the excitement of ‘joy-riding’ or for the fulfillment of transport needs.

Crime Prevention Victoria (CPV) suggests that approximately 15 per cent of opportunistic car thieves go on to become professional thieves (CPV n.d.). An English study by Webb and Laycock (1992) suggested that while young people may initially have been attracted to motor vehicle theft for the thrill and peer group status, they may be increasingly motivated by potential financial rewards as they become more experienced in the theft and disposal of vehicles. Consequently there is a need to identify those who appear before the courts on a second occasion if more entrenched criminal behaviour patterns are to be prevented. Those considered ‘at risk’ of developing such behaviour patterns may benefit from involvement in programs targeted towards young car thieves

96 A detailed discussion of juvenile offender programs is contained in Chapter 15.

97 Victoria Police, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.3.

98 It is important to again emphasise that the behaviour of young offenders is more likely to attract the attention of law enforcement authorities.

such as 'Street Legal' and 'Hand Brake Turn'. These programs are addressed in further detail in Chapter 15.

Professional motor vehicle theft

There is very little known about the identity, organisation and operation of professional motor thieves in Victoria. The difficulties in establishing a profile of professional motor vehicle thieves has been acknowledged by the Victoria Police:

Professional motor vehicle thieves include backyard operators, vehicle industry operators and highly sophisticated organised crime groups.

Organised criminal groups engaged in professional motor vehicle theft circumvent regulatory and law enforcement efforts, traverse state and international boundaries, and use their illicit profits to fund other criminal activity including drug trafficking.

The process of investigating and prosecuting professional motor vehicle thieves is lengthy, resource intensive and is often accompanied by comparatively light penalties within the criminal justice system. Professional motor vehicle thieves are known to attend court proceedings to observe the witness testimony of forensic and vehicle specialists in order to counter law enforcement efforts.⁹⁹

Between the disbanding of the Victoria Police Stolen Motor Vehicle Squad in 1999 and the formation of the Organised Motor Vehicle Theft Squad (OMVTS) in March 2002, there were considerably fewer law enforcement resources devoted to the investigation of professional motor vehicle theft. As a consequence, there were fewer investigations of the length and intensity needed to establish a profile of those responsible for professional motor vehicle theft activities in Victoria. However, the launch of the Victoria Police strategy, Operation Vehicle Watch (detailed in Chapter 16), and its focus upon organised and professional motor vehicle theft will go some way towards redressing this lack of knowledge.

Despite the lack of information gathering about professional motor vehicle theft activities, Ray Carroll, Executive Officer of the NMVTRC, told the Committee of reported differences in the extent of professional motor vehicle theft across Australia:

If you look at the Sydney scene, you have the peak of organised crime running car theft rings in New South Wales ... Victoria is a little different. It certainly has some organised elements, but it also seems to be far more a cottage industry where you will have someone doing it in his backyard garage or his small panel shop at midnight. He might do 6 or 10 cars a year whereas some of these guys in Sydney could be moving 20 cars a week.¹⁰⁰

99 Submission from Victoria Police to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, pp.2–3.

100 Ray Carroll, Executive Director, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

The recently instated Victoria Police OMVTS also reported that the majority of their activities concern backyard operators. However, there is evidence that these activities may be growing in scale. In public hearings held by the Committee, Detective Sergeant Gerry Bashford of the OMVTS noted the outcome of a recent operation:

We did a premise in Springvale a couple of weeks ago. There were 15 stolen cars in the backyard, and that was a suburban house block. We took two 3-tonne truckloads of parts out of the back of those premises, and from those parts we have identified another 20 cars, and that was all being conducted from a backyard with a little garage ... It is certainly not unusual.¹⁰¹

Vehicle examiners based at the Victoria Forensic Science Centre provided a second example.

We have just uncovered an operation where an unemployed person working from a backyard in Greensborough has converted 24 cars in two years. He is paying \$6,000 for the written-off car from Fowles [auction house]. Provides the identification and some of the parts. On his own, he is doing 24 cars in two years, so that is a car a month – and we have estimated about \$6,000 to \$8,000 per car profit.¹⁰²

Obviously those who deal in stolen motor vehicles to this extent require a number of 'contacts' if they are to dispose of stolen parts and/or motor vehicles. It is the loose networks established for this purpose that appear to define the structure of professional motor vehicle theft in Victoria. As Detective Sergeant Gerry Bashford noted:

There are a number of major players, there is no doubt about that, but it does not seem to be as hierarchical as the drug trade, for instance. You do not need a lot of skills and a lot of access to networks to do very well out of car theft, so you can have a lot of smaller cells. I do not think there is any 'Mr Big' in vehicle theft in Australia, just a lot of 'Mr Middles'. They certainly have very good networks, and different groups will deal with other groups. Different groups will fight with other groups over areas of control, but I do not believe there is any big organisational process behind it all.¹⁰³

The Insurance Manufacturers of Australia is of the view that professional theft activities are carried out by an established criminal network operating throughout Australia. In a submission to the Committee, they noted:

The volume, value and security features of vehicles being stolen and not recovered suggest the existence of an illicit industry with significant

101 Detective Sergeant Gerry Bashford, Victoria Police Organised Motor Vehicle Theft Squad, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

102 Glenn Dower, Forensic Officer, Victoria Forensic Science Centre, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

103 Detective Sergeant Gerry Bashford, Victoria Police, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

infrastructure, technical skills and market knowledge. Cars are often stolen using flat bed tow trucks. Stripping, re-identifying and re-building is done with precision and attention to detail. Previous police operations in states around Australia have identified cross-state border transport of vehicles in large volumes, using car carriers and other bulk transport methods.¹⁰⁴

Furthermore, the Committee was informed of suspected links between professional motor vehicle thieves and other criminal activities. Detective Sergeant Gerry Bashford told the Committee:

I believe that most people start out in vehicle theft and use that as a means of financing their way to bigger and better crimes. We are seeing a very close association with people involved in motor vehicle theft moving on to guns, finance fraud, identification fraud, money laundering. Just about every warrant we have done in the past 12 months involved some form of identification fraud where they either have false licences or false identities which they have then used to either obtain finance or obtain credit cards which they have then used to run up bills on.¹⁰⁵

The Committee strongly supports the need for future research to be undertaken with apprehended professional motor vehicle thieves in order to establish a more extensive profile of such offenders. In view of the cost that professional motor vehicle theft imposes on the community, there is an urgent need for better intelligence information upon which to base anti-theft strategies.

Conclusion

Given the limited data that exists in respect of motor vehicle theft offenders, it is difficult to provide little more than a description of the characteristics of those offenders apprehended by police. This limited information reflects a substantial body of research suggesting that the greater majority of motor vehicle thieves are young males aged between 15 and 24 years of age. Their reasons for offending are diverse, but commonly revolve around the desire for excitement and the need to escape a marginal lifestyle. Although more demographic information about young, opportunistic motor vehicle thieves is required, there is even less research material available pertaining to professional motor vehicle theft. A more concentrated research focus on this area of criminal activity is definitely needed. It is only once motor vehicle theft offenders and their motivations are better understood that crime prevention programs can be accurately targeted towards reducing both opportunistic and professional motor vehicle theft.

104 Insurance Manufacturers of Australia, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.4.

105 Detective Sergeant Gerry Bashford, Victoria Police, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

PART F: Law and Legal Issues

11. The Law Regarding Motor Vehicle Theft

This chapter will examine the basic Victorian law pertaining to the theft of property (including motor vehicles). It will concentrate predominantly on the law of theft but will also briefly examine associated crimes such as robbery and armed robbery.

It will then examine equivalent provisions in other states of Australia before discussing the issue of whether a dedicated offence pertaining to motor car vehicle theft is required in Victoria. The views of police, insurers, motor vehicle associations and other interested parties are noted and Victoria Police's view that specific offences pertaining to both opportunistic and professional theft should be created is analysed.

The Victorian law

In Victoria there are no offences dealing specifically with the theft of motor vehicles per se. Rather, there is a general offence dealing with theft across the board. Such an offence forms part of a general section on property offences. In certain circumstances the crimes of robbery and armed robbery may also be applicable to cases where motor vehicles are stolen.

Theft

In Victoria the law pertaining to property offences was the subject of a major overhaul in the 1970s. In 1973 the *Crimes Act 1958* was amended by the *Crimes (Theft) Act 1973*. Prior to the amended Act coming into effect in 1974, property crime was for the most part governed by the common law. Since the passage of the amending Act the old common law offences such as larceny have been replaced by a new structure of property offences.

Section 74 of the Victorian *Crimes Act 1958* states that:

A person guilty of theft is guilty of an indictable offence and liable to level 5 imprisonment (10 years maximum).

Section 72 of the *Crimes Act 1958* gives the basic definition of what counts as theft:

- (1) A person steals if he dishonestly appropriates property belonging to another with the intention permanently depriving the other of it
- (2) A person who steals is guilty of theft; and “thief” shall be construed accordingly.

Thus to establish the crime of theft the prosecution has the onus to prove five basic elements or points of proof; three *actus reus* elements (physical act) and two pertaining to the *mens rea* (mental or intention elements). The *actus reus* consists of the:

Appropriation (physical act of stealing) of;

Property (the tangible or intangible object or matter capable of being stolen) that;

Belongs to another.

The *mens rea* elements consist of:

Dishonestly

Intending to permanently deprive the other of the property.

Thus applying this specific definition to the theft of a motor vehicle one can break down the elements as follows:

Person X (the offender) enters and drives away an (unlocked) car (*property*) found in a local street. This is the *appropriation*. The car does not belong to him or her but *to another*. The offender knows he or she does not have a right to the appropriation of the car (he or she acts *dishonestly*).¹⁰⁶ The offender intends to *permanently deprive* the owner of the car.

It is quite clear that the law recognises interests in the property that are not solely attributable to proprietary interests (legal ownership). In other words, the property may *belong* to a number of people. Take the following example:

The owner of a car loans it to a friend. While the car is left in a car park it is stolen. For the purposes of theft the car may be regarded as ‘belonging’ to each of them. The first has a proprietary interest as owner and retains

106 Section 73 (2) of the Act outlines the circumstances in which a person charged with theft may argue that he or she did not act *dishonestly*. This includes where he or she:

‘... appropriates the property in the belief that he has in the law the right to deprive the other of it, on behalf of himself or of a third person; or

... appropriates the property in the belief that he would have the other’s consent if the other knew of the appropriation and the circumstances of it; or

(except where the property came to him as trustee or personal representative) if he appropriates the property in the belief that the person to whom the property belongs cannot be discovered by taking reasonable steps.’

possession, the second has control of the car. Consequently the accused has stolen the car from both of them (Clough & Mulhern 1999, pp.134–135).

It is important to note that the prosecution must prove all five elements of the theft offence for the offender to be convicted. For example, it is not sufficient to prove that the offender had acted dishonestly if there was no intention to permanently deprive or the object was in fact not property capable of being stolen (or for example if the property had been abandoned).¹⁰⁷ Each of the five elements has been the subject of voluminous case law, judicial interpretation and academic debate. It is not the intention of the Committee to laboriously analyse these cases or decisions. In the instance of motor vehicle theft, the application of the law is relatively straightforward.

One issue that needs to be mentioned, however, is the element of *permanently depriving another*. As Clough and Mulhern (1999) indicate, this requirement is relevant to the intention of the accused, not whether in fact the owner of the property was permanently deprived of it. Thus actual permanent deprivation is not necessary. It will not, however, be theft if it can be shown that the accused 'borrowed' the property with the intention of eventually returning it or abandoning it after a period of time. This begs the question as to whether the practice of 'joy-riding' can be subject to prosecution or penalty under the theft provisions of the *Crimes Act 1958*, if the accused argues that he or she intended to return or abandon the vehicle after a period of time. On the basis of section 72 alone, if this argument of the accused was believed the prosecution would have failed to prove one of the key elements of the offence – the *intention to permanently deprive* – and the charge of theft would not be made out. To get around such an anomaly an extended definition or explanation of theft is given in section 73 of the *Crimes Act 1958*. Section 73 (14) provides:

- (a) for *stealing* a motor vehicle or an aircraft proof that the person charged took or in any manner used the motor vehicle or aircraft without the consent of the owner or person in lawful possession thereof shall be conclusive evidence that the person charged intended to deprive the owner of it; and
- (b) for *attempting to steal* a motor vehicle or an aircraft proof that the person charged attempted to take or in any manner use the motor vehicle or aircraft without the consent of the owner or person in lawful possession thereof shall be conclusive evidence that the person charged intended to permanently deprive the owner of it (Committee's emphasis)

107 A person who appropriates property that has been abandoned by its owner is not guilty of theft. For a discussion of what is meant by abandonment in these circumstances, see *Williams v Phillips* (1957) 41 Cr App R 5.

Other criminal property offences

Robbery

Generally a person who steals a motor vehicle will be charged with theft under section 72 of the *Crimes Act 1958*. It is possible, however, that the accused may be charged in appropriate circumstances with the aggravated form of theft known as Robbery. Section 75 of the *Crimes Act 1958* states:

A person is guilty of robbery if he steals, and immediately before or at the time of doing so, and in order to do so, he uses force on any person or puts or seeks to put any person in fear that he or another person will be then and there subjected to force.

Thus for the prosecution to successfully prove robbery, they must also establish the elements of the offence of theft. As Muragson and McNamara (1997) state:

Without proof of theft there cannot be a conviction for robbery even if the circumstances of aggravation are established. If the assault takes place *after* the theft, then the offence is treated as an offence against the person and not as a property offence (1997, p.201).

There are thus four elements to the crime of robbery, all of which must be proven by the prosecution. These are, that the actions of the accused were done:

- ◆ In order to steal the property
- ◆ That there was the use or threat of force¹⁰⁸
- ◆ On any person (not necessarily the owner of the property)¹⁰⁹
- ◆ Immediately before or at the time of the stealing.

The last element requiring that the use of force take place immediately before or at the time of stealing raises complex questions of fact and law. If, for example, a person steals a car and uses force against the owner of the car in an attempt to escape with the vehicle, it is most likely that the use of force and the theft are closely enough linked in time for the action to be construed as a robbery.¹¹⁰ 'Carjacking' is the colloquial term used by some to refer to such a series of actions. If, however, the accused steals the car and some time later confronts the owner, the use of force at this stage will not change the theft into a robbery. It is arguable in this case that the theft had been completed prior to the altercation.

108 It is not necessary that actual injury or violence be caused. Threats and intimidation will suffice. However, the threat of future force will not establish the necessary requirement for robbery, although it may form the basis for a charge of extortion or blackmail in appropriate circumstances. See *Crimes Act 1958*, sections 27, 28 and 87.

109 For example, the violence or its threat could have been done to a car park attendant trying to prevent the accused from stealing the owner's vehicle.

110 The counter view is that if it could be argued that the appropriation is over by the time the accused seeks to escape and the other elements of theft have also been made out, then the theft will be complete and thus robbery will not be made out despite the use of force to escape. See, however the case of *R v Hale* (1978) 68 Cr App R 415 for a discussion of the complexity of this issue.

A person found guilty of robbery is subject to a maximum penalty of 15 years imprisonment (*Crimes Act 1958*, section 75 (2)).

Armed Robbery

Armed Robbery is an aggravated form of robbery. As the name suggests it is robbery associated with the use of a firearm or weapon. Section 75A of the *Crimes Act 1958* states:

A person is guilty of armed robbery if he commits any robbery and at the same time has with him a firearm, imitation firearm, offensive weapon, explosion or imitation explosive within the meaning assigned to those terms... (in section 77).¹¹¹

For an accused to be charged with armed robbery rather than robbery it is not necessary for the prosecution to prove that the accused actually used the weapon or firearm. As Clough and Mulhern state:

[I]n addition to proving that the accused committed robbery, the prosecution need only establish that the accused had the relevant item with him or her at the relevant time. It is not necessary to show that the accused used or even produced the weapon, so long as it was in his or her possession. Therefore an accused who commits robbery while carrying a concealed weapon may still be guilty of armed robbery (1999, p.158).

A person found guilty of armed robbery is subject to a penalty of 25 years maximum imprisonment.

Handling Stolen Goods (Crimes Act 1958, section 88)

A person who handles or receives stolen goods (including motor vehicles or motor vehicle parts) dishonestly knowing or believing them to be stolen or a person who dishonestly brings stolen goods into Victoria will be guilty of an indictable crime and liable to a maximum sentence of 15 years imprisonment. A person will also be guilty of this crime if he or she undertakes or assists in the retention, disposal, removal or realisation of the goods for the benefit of another person.

Sentencing property offences in Victoria

As indicated in the previous section, the sentencing for property offences will vary depending on the type of crime and the level of aggravation associated with it. The maximum sentences applicable for the various property offences are:

Theft – On conviction 10 years maximum imprisonment

Robbery – On conviction 15 years maximum imprisonment

Armed Robbery – On conviction 25 years maximum imprisonment.

¹¹¹ An offensive weapon 'means any article made or adapted for use for causing injury to or incapacitating a person, or which the person having it with him or her intends or threatens to use for such a purpose' (*Crimes Act 1958*, section 77).

Sentencing of an offender for all types of crime, including crimes against property and motor vehicle theft, is an extremely complex process. It is for the most part governed by the provisions of the *Sentencing Act 1991* and the discretion of individual judges and magistrates within the broad framework laid down in the *Sentencing Act*. An analysis of sentencing laws and principles is beyond the brief of this Inquiry. Suffice to state, however, that matters pertaining to prior convictions, life history, character, prospects for rehabilitation and the effect of the offence on the victim may all have some bearing on the ultimate sentence.

Some groups such as Victoria Police have argued that problems with (light) sentences given to car thieves can be overcome by creating separate vehicle theft offences pertaining to both professional and opportunistic car theft. Other agencies such as the National Motor Vehicle Theft Reduction Council (NMVTRC) have argued that such measures are not necessary.

When the Committee staff met informally with representatives of the NMVTRC in June 2002, Ray Carroll, Executive Director of the Council, stated that the current laws (*Crimes Act 1958*) were of themselves adequate to counter motor vehicle theft of both types (opportunistic and professional). The problem in the view of the Council lies not so much with the laws but the way in which evidence is gathered and presented and the relatively low penalties being handed down by the courts, despite a maximum sentence of ten year's imprisonment being open to judges. With regard to the first issue, a problem for police is the fact that rather than presenting evidence of a 'course of conduct' police need to particularise each occasion of car theft into a separate count, each of which may require separate trials.

The *Final Report* of the National Motor Vehicle Theft Task Force (NMVTTF) in 1997 highlighted some of the problems associated with sentencing offenders convicted of motor vehicle theft:

National data relating to sentencing trends for motor vehicle theft convictions is unavailable. An analysis of appeal court cases around the country provides a preliminary insight into some dimensions of custodial sentences being handed down. An apparent trend over the last decade has been that the different jurisdictions have handed down custodial sentences of similar length.

Acknowledging that custodial sentences will vary according to the particular circumstances of a case and the personal characteristics of the accused ... a relatively clear trend emerges that three years is a common penalty throughout the country for serious cases of theft or unlawful use of a motor vehicle. In all states and territories a term of imprisonment is seen as a last resort in sentencing offenders who breach motor vehicle theft provisions (NMVTTF Final Report 1997b, p.189).

Moreover, one of the problems associated with sentencing is that in many jurisdictions, including Victoria, theft is a crime that can be tried summarily,

despite it being an indictable offence.¹¹² For an indictable offence to be heard summarily both the court and the defendant must accede to this happening. Usually a prosecutor would object to such a proposal if he or she were seeking a heavy sentence. Conversely, a defendant will usually elect a summary trial in circumstances where he or she believes there is less chance that a judge and jury may acquit the defendant in a higher court or impose a lesser penalty.

In other words, an offender can and in most cases will choose to have his or her charge dealt with in the Magistrate's Court as the maximum penalty incurred will generally be reduced to two years.¹¹³ This is in contrast to electing to have the charge heard by judge and jury in a higher court where the sentencing options available to the judge are greater and can include the ten years maximum. This is one reason why some advocates believe a separate offence for professional car theft, which can only be heard in an intermediate court (County Court of Victoria), may be appropriate. This issue is discussed in detail in Chapter 12.

Recent correspondence from the NMVTRC to the Committee gives some insight into sentencing practices and the problems associated with them regarding motor vehicle theft. It is worth quoting the concerns of the Council in full:

Given the significant level of penalty that is open to the courts for a single case of motor vehicle theft, the argument for an offence provision that recognises the more serious nature of professional theft is based on the assumption that courts in general view cases as "opportunistic" and therefore rate them at the lower end of the sentencing scale. If this view is correct then it can be attributed to a combination of factors.

The first would be the courts' reflection of general community standards and its interpretation of the community's view of the seriousness of vehicle theft. The Council's own community surveys indicate that while vehicle theft is thought to be a major inconvenience, the community has a very poor understanding of the full ramifications of professional vehicle theft. The high volume of vehicle crime and the predominance of young people's involvement would also serve to deter courts from imposing heavy sentences.

112 In New South Wales this forms the subject of a separate offence (see below).

113 The provisions for hearing indictable offences triable summarily are found in section 53 and Schedule 4 of the *Magistrate's Court Act 1989* (Vic). The combined effect of these provisions is that theft offences under section 74 of the *Crimes Act 1958* may be heard by the Magistrate's Court if the property alleged to be stolen does not exceed \$25,000 or if the property alleged to be stolen is a motor vehicle. In some circumstances robbery offences may also be triable summarily.

These provisions of the *Magistrate's Court Act 1989* need to be read in conjunction with the relevant sections of the *Sentencing Act 1991*. Under section 113 of the latter act, Magistrate's Courts may only impose a maximum penalty of two years imprisonment in the case of indictable offences tried summarily (three years in the case of drug offences). In cases where there are a number of offences charged as occurring at the same time and they are all heard summarily, section 113B of the *Sentencing Act* provides that the maximum cumulative sentence able to be imposed is no more than five years.

The second consideration is the barriers to providing the courts with sufficient evidence to convey the true extent of the criminal activity involved. The greatest barrier to effective prosecution is the inability of police to conclusively prove the true source of whole re-identified vehicles, re-constructed vehicles and disassembled vehicle parts that are suspected of being stolen. This evidentiary shortfall often leads to charges only being laid (and evidence of conduct being led) in respect to a relatively small proportion of the overall activity. As a result of this inadequacy of evidence, significant numbers of these cases result in plea bargains to lesser charges.

The third issue is the adequacy of existing offence provisions as they apply to professional vehicle theft. In many cases the offenders responsible for re-birthing operations recruit associates to steal the vehicles and then others to register and on-sell them when they have been re-identified. The actual thief can be charged with theft of the vehicle, however in most cases the vehicle has already passed through the criminal chain before it comes under police investigation. This often only leaves the offence of handling stolen goods under section 88 of the Crimes Act for the principle offenders. This offence carries a maximum penalty of 15 years imprisonment. To establish an offence of handling stolen goods the prosecution must prove not only possession but [also] the accused's knowledge or belief that the vehicle was stolen. Proving that knowledge is often very difficult and is made even more difficult by the inconclusive identification methods for the vehicles and parts.¹¹⁴

Laws in other jurisdictions¹¹⁵

The other states and territories of Australia have a mix of general theft offences and some provisions pertaining specifically to motor vehicle theft or parts of a motor vehicle. Tasmania is the only state other than Victoria that does not have an offence specifically pertaining to motor vehicle theft. No jurisdiction differentiates per se between opportunistic and professional motor vehicle theft. However, in the Northern Territory *Criminal Code*, section 218, the penalties for the unlawful use of a motor vehicle are different depending on the value of the motor car. In cases where the property unlawfully used is valued at \$20,000 or more, the offender is liable to a sentence of imprisonment for seven years. In all other cases the penalty is only a maximum of two years. It could therefore be argued that at least in an indirect sense the lesser penalty applies to cases of opportunistic theft, as cars under the value of \$20,000 are more likely to be used for joy-riding than cars of greater value.

114 Correspondence from Ray Carroll, Executive Director, National Motor Vehicle Theft Reduction Council (NMVTRC) to the Drugs and Crime Prevention Committee, 15 July 2002, pp.1–2.

115 The planned National Model Criminal Code has a draft provision dealing with motor vehicle theft. Clause 16.5 proposes a uniform crime to be adopted by each Australian state and territory. A proposed offence of 'Dishonestly taking a motor vehicle without consent' would result in a maximum penalty of five years imprisonment.

A brief summary of the laws pertaining to (motor vehicle) theft and the maximum penalty applicable for the various states and territories is given below:

New South Wales – *Crimes Act 1900*, section 154AA. This section also prescribes penalties for the theft of the motor from a motor vehicle or any part containing identification plates. Maximum penalty on conviction is ten years imprisonment. It is interesting to note that the New South Wales *Crimes Act* also provides for a dedicated offence of ‘car jacking’, punishable by a maximum sentence of ten years imprisonment.¹¹⁶

Queensland – *Criminal Code Act 1899*, section 408A. ‘Unlawful use of a motor [or other] vehicle’ carries a maximum penalty on conviction of seven years imprisonment. This section also makes provision for the wilful removal or interference with equipment or parts attached to or part of the vehicle. Such an offence if proven provides a greater maximum penalty of ten years imprisonment. There is also provision under this section for a greater maximum penalty of ten years imprisonment in circumstances where:

The offender uses or intends to use the motor vehicle ... for the purpose of *facilitating the commission of an indictable offence* (section 408A (1A)).
(Committee’s emphasis)

South Australia – *Criminal Law Consolidation Act 1935*, section 86A. ‘Using motor vehicle without consent’: On first conviction the maximum penalty is two years imprisonment. For subsequent convictions a penalty of not less than three months and not more than four years imprisonment.

Western Australia – *Criminal Code Compilation Act 1913*, section 371A, ‘Stealing Motor Vehicles’. Under section 378 of this Act, the maximum penalty for car stealing is seven years. This, however, is increased to eight years in circumstances where the offender drives the stolen car in a dangerous or reckless manner pursuant to Western Australian road safety legislation.

Tasmania – *Criminal Code 1924*, Part Six, sections 226 ff. Note that the Tasmanian legislation does not have sections pertaining specifically to the theft of motor vehicles. The theft of such vehicles will generally come under the general stealing provisions of this part. There is no specific maximum sentence for any type of stealing under the Tasmanian *Criminal Code*. The sentencing of

116 See *Crimes Act 1900* (New South Wales), section 154C:

‘A person who:
assaults another person with intent to take a motor vehicle and, without having the consent of the owner or person in lawful possession of it, takes and drives it, or takes it for the purpose of driving it, or
without having the consent of the owner or person in lawful possession of a motor vehicle, takes and drives it, or takes it for the purpose of driving it, when a person is in or on it, is liable to imprisonment for 10 years.’
If the person ‘car jacks’ in association with one or more persons and/or uses an offensive weapon to do so, the penalty is increased to a 14 year maximum.

crimes generally are governed by section 389 of the *Code* and the provisions of the *Sentencing Act 1997*.

Australian Capital Territory – *Crimes Act 1900*, section 120. ‘Taking a vehicle without lawful authority’ carries a maximum penalty on conviction of five years imprisonment.

Northern Territory – *Criminal Code*, section 218. ‘Unlawful use of motor vehicle’ carries a maximum penalty on conviction of two years imprisonment unless the vehicle is valued at \$20,000 or above.

Conclusion

This chapter has for the most part outlined the law as it currently stands with regard to theft and how that applies to stolen motor cars in Victoria and elsewhere in Australia. The next chapter in this Part examines in more detail the adequacy of these laws and whether proposals for improving the current legal framework are either desirable or feasible.

12. Legislative Reform: Proposals from the Community

This chapter is primarily a discussion about the concerns that various parties associated with the motor vehicle trade and/or motor vehicle theft have with the way that both the law and the wider criminal justice system deal with the investigation, detection and punishment of this offence. It sets out a number of proposals put forward by organisations such as the Victoria Police and the National Motor Vehicle Theft Reduction Council (NMVTRC) and examines both the advantages and disadvantages associated with them. Among the topics included for discussion are:

- ◆ The proposal for dedicated motor vehicle theft offences;
- ◆ Powers of entry and inspection by police and other authorised officers;
- ◆ Findings of fact;
- ◆ The need for additional legislation; and
- ◆ The Compulsory Immobiliser Scheme.

A dedicated motor vehicle theft offence?

For some time now in Victoria, various sectors and personnel associated with motor vehicle theft have been advocating the creation of an offence particular to the theft of cars and other motor vehicles. Moreover, it is thought that such an offence should distinguish between the types of theft that have become loosely known as 'opportunistic' and 'professional' theft. Some groups, such as Victoria Police, have proposed that there actually be two discrete motor vehicle theft offences created – one for opportunistic theft and the other for professional theft.

The difference between opportunistic and professional theft was outlined in Chapter 3 of this Report. However, the distinction between the two made by Victoria Police in its submission bears reproducing in this context:

Opportunistic Theft is often random and dispersed for the purpose of recreation, transport or to assist in other criminal activity. There is a general acceptance that male juveniles (15-19 years) commit most opportunistic motor vehicle theft.¹¹⁷ Passenger type motor vehicles are predominantly stolen

117 Victoria Police Crime Statistics 2000/01 quoted in Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002.

for the purpose of ‘joy-riding’ or transport, however an increasing number are being used to assist thieves in the commission of other types of criminal offences from murder, armed robbery, drug trafficking to lesser crimes such as petrol theft ...

Professional Theft involves the commercial enterprise involving stolen motor vehicles, stolen vehicle components, re-birthed vehicles and the financing of other criminal activity. This criminal element has increasingly become difficult to thwart despite progressive improvement to vehicle security and identification. Professional motor vehicle thieves include backyard operators, vehicle industry operators and highly sophisticated organised crime groups.¹¹⁸

Representatives from Victoria Police have called for discrete offences that reflect these different types of theft. In evidence given before Public Hearings of this Inquiry, Victoria Police stated that:

We find commercial motor vehicle theft quite a problem in that the people we prosecute are merely prosecuted for theft of a motor vehicle. There is no differentiation between what we term a joy-rider who sees a car in the street with keys in it and goes for a ride, and someone who is stealing cars, re-identifying them and selling them as a commercial operation. We would like to see some distinction between those two levels of crime, not so much in heavier penalties but certainly in recording that offender as a different offender than someone who is taking a car and going for a ride.¹¹⁹

According to Victoria Police, one of the main perceived advantages of having a division between professional and opportunistic theft pertains to the courts being able to be better informed about the prior convictions of a person for car theft. In other words, the court would be able to take into account whether a recidivist car thief had previously been involved in professional as opposed to opportunistic car theft and reflect that accordingly in sentencing. In recent correspondence from Victoria Police it was stated that this distinction:

[m]ay lead to the court assessing the most appropriate penalty or diversionary strategy for an individual.

As the law stands today, a Court has no way to differentiate a convicted person’s prior conviction(s) for Theft of a Motor Car. This is of concern to investigators when dealing with recidivist professional car thieves.¹²⁰

Such an approach was originally supported by the NMVTTF in its *Motor Vehicle Theft Reduction Plan – Final Report* published in September 1997. In this Report, the Task Force stated:

118 Submission of Victoria Police to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.3.

119 Detective Sergeant Gerry Bashford, Victoria Police Organised Motor Vehicle Theft Squad (OMVTS), Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

120 Correspondence from Commander Keith M. Smith, Region 5 Headquarters, General Policing Department, Victoria Police, to the Drugs and Crime Prevention Committee, 31 July 2002.

Motor vehicle theft has been identified as falling into two categories: opportunistic and professional theft. There is an argument that motor vehicle theft penalty provisions should be re-defined to differentiate between opportunistic theft and professional theft. Even though general penalty provisions theoretically provide for higher sentences for professional theft activities, the absence of a specific provision for this offence does not allow for public appreciation of the seriousness of this crime. A crime which includes the elements of organised MVT activities establishes the separate and more serious nature of repetitive, organised and potentially lucrative motor vehicle theft. A category of serious motor vehicle theft, which reflects the economic motivation of the offender, supports the inclusion of this offence in the confiscation of assets provisions which are presently being developed in most jurisdictions.

This proposal has attracted a range of opposing responses. Generally, the strongest supporters for the proposal are the motor trades and police who believe that organised professional MVT offenders are escaping appropriate punishment by being treated as opportunistic offenders by the courts. The opponents to the proposal are generally those with professional legal training who argue that the courts are able to differentiate the seriousness of the offence and adjust penalties accordingly (NMVTTF 1997b, p.190)

The NMVTTF's *Final Report* recommended the creation of a national body to implement strategies for countering motor vehicle theft as outlined in its *Final Report*. Following this recommendation, the NMVTRC was established in 1999. The work of the NMVTRC will be discussed further in Chapter 13. It is suffice to state that after much reflection, research and policy development the Council concluded that the original recommendations of the Task Force with regard to the creation of discrete motor vehicle theft offences should not be followed.

As noted in a previous section, one of the main reasons for this change in position was the view of the NMVTRC that any problems associated with punishing motor vehicle theft offenders related more to sentencing practices than to the lack of an appropriate crime with which to charge offenders.

In recent correspondence with the Drugs and Crime Prevention Committee, the NMVTRC reiterated its reservations about a division between opportunistic and professional theft charges:

The practicality of a new offence of "professional" or "economically" motivated vehicle theft should be determined by whether the new offence would allow the court to be better appraised of the full circumstances of the offence than under current provisions and/or whether the legislature would be prepared to specify a more severe penalty than is presently open to the court. A professional theft offence would most likely include a provision that possession of, or receiving a stolen vehicle for re-identification and re-sale was prima facie evidence that the offence was economically motivated. It is doubtful that a new offence, however framed, would have any lesser

evidentiary requirements than handling stolen goods. The prosecution would still have to prove that (a) the accused had possession of the vehicle at some time (b) the vehicle was a stolen vehicle, and (c) the accused knew or believed the vehicle to be stolen.

While there may be some initial attraction in the concept of a professional theft offence to highlight the more serious nature of the activity, it begs the question as to what purpose such an offence would ultimately achieve. It is unlikely that any property offence would attract a maximum penalty greater than the 15 years imprisonment presently available to the courts for handling stolen goods.

Council's view is that complaints of inadequate sentences for professional car thieves are a reflection of the wider difficulties associated with proving the culpability of an individual who is part of an organised criminal conspiracy, the very significant evidentiary barriers created by inadequate vehicle and parts identification, and the courts' interpretation of the importance the community places on vehicle theft. Council does not believe that framing a new offence in isolation of these broader considerations will materially impact the level of criminal activity.¹²¹

Ray Carroll of the NMVTRC reiterated these views in recent meetings with the Committee. One of the major problems in the NMVTRC's view is collating and leading evidence that would point to professional motor vehicle theft and stand up in court:

The problem for prosecution authorities in our belief is that they cannot convey the full extent of the activity to the court because they do not have the evidence to verify that activity. It boils down to being able to prove, in a complicated criminal conspiracy where a number of people are involved in the chain of events, that that actual chain exists. Often the people who are principals behind a rebirthing activity recruit other people to steal the car. They either pay them in money or drugs. It is known that if you bring a certain car at a certain time to these people they will take the car off you. So at that point the thief has gone from the process. He walks away from it. They then change the identity of the car. Often the sale of the car is then again through another third party, so in order for police to prosecute an offence of professional vehicle theft they have to prove that chain of events, and it is very difficult for them to do it.

At the moment they are relying on 'handle stolen goods' where they can look at a principal in rebirthing. They are required to prove obviously that it was a stolen vehicle. The big issue there is identification of the vehicle once it has had its identity changed. The police very frequently know that this is a stolen car because of the hands it has gone through and because the identifiers that are now on the car do not gel with the Vicroads system. But knowing it is a stolen car and proving that it was car A, B, C or 1, 2, 3 originally is a totally different

121 Correspondence from Ray Carroll, NMVTRC, to the Drugs and Crime Prevention Committee, 15 July 2002, pp.2-3.

thing. They struggle looking for hidden identifiers, getting manufacturers to look at part numbers, and those sorts of things. In our view it is the deficiency of the manufacturers to identify their cars properly that leads to all these problems the police have, that we are then looking at trying to plug the holes with legislation, instead of going back to the source and saying, 'Let us make car identification more effective' so that the police then have the tools to prosecute.

The other issue about the distinction between professional and opportunistic theft is that to have it you would have to either justify it on two points. One is it would allow police to give a much fuller description of the full extent of the activity to the court. You are always going to have the problem of leading evidence in a court that you do not actually have the physical evidence for.

The second thing is would it leave it open to the court to impose a heavier penalty? At the present time theft of a motor vehicle is up to 10 years, handle stolen goods is up to 15 years. We find it would be very unlikely that the legislation would have a property offence more serious than 15 years imprisonment. If you did, I think it would be extremely rare that a court would actually impose a penalty. There is a whole issue about penalties, but they seem to reflect the court's interpretation of the community's attitudes towards those offences. It is probably fair to say that the overall attitude of the community in relation to motor vehicle theft is that whilst it is a nuisance and whilst it is a problem that should not be there, it is not the most pressing problem in the criminal law. We find it would be unlikely that the courts would impose stricter penalties just on the basis that there was an offence, saying that, 'This is professional', and that there are avenues, if the evidence supports it, for the courts to be told what the full extent of the problem is.

The deficiency is the deficiency of the evidence, of being able to provide the evidence. If you cannot provide the evidence, then you cannot lead the allegation that this is what has happened. That is where the courts are not being told what has happened. Police might be investigating someone who has had 20 cars go through their hands, but they only have evidence about two. They cannot stand up in court and say, 'We have only charged him with two, but we know he has done 20'.¹²²

In short, the NMVTRC believes that preventative measures centred on the production, manufacturing and registration end are more effective in addressing motor vehicle theft than detection and prosecution efforts once the vehicle has been stolen. As the Council states: 'Again we go back to the real question. We should be looking at making the identifiers on a vehicle too hard to change rather than trying to plug the holes after the event'.¹²³

122 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

123 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

Nonetheless, the NMVTRC acknowledges that one of the benefits of a division between professional and opportunistic theft is the ability for the court to take into account prior convictions that indicate whether the previous conviction was based on opportunistic or professional type theft and use that as a contributing factor to sentencing the offence currently before the court. To this limited extent the NMVTRC believes the proposal for a division in offences could serve as a useful adjunct to police and the courts.

The need for a dedicated motor vehicle theft offence that distinguishes between opportunistic and professional theft is negated by both the Criminal Bar Association and the Law Institute of Victoria. Both peak legal bodies believe the current provisions of the *Crimes Act 1958*, enunciated earlier in this chapter, are adequate to deal with the issue of motor vehicle theft. The Criminal Bar Association states in this regard:

We submit that in view of the broad range of sentencing options in theft cases, there is no need for a specific provision distinguishing between opportunistic and professional motor theft activity...

In theft matters, offences may be heard summarily if the amount or value of the property alleged to have been stolen does not in the judgment of the Court exceed \$25,000 or if the property alleged to have been stolen is a motor vehicle.¹²⁴ As a result, the majority of motor vehicle thefts are heard in the Magistrate's Court and sentences are subject to that Court's jurisdictional limits.

In determining whether an indictable matter can be heard summarily, the seriousness of the offence is the primary consideration. In such cases, the Court must be satisfied that it is appropriate for the matter to be determined summarily.¹²⁵ Typically, for example where it is alleged that a theft or series of thefts of motor vehicles are professional as opposed to opportunistic, the degree of professionalism exhibited by the defendant, the number of transactions and other aggravating features may well preclude the Court from disposing of the charges summarily.

In summary, our view is that the penalties available are adequate to deal with all the different "types" of Motor Vehicle theft. In sentencing, a Court is required to take into account the nature of offending. In one case, for example, such analysis may result in the imposition of an adjourned undertaking on a young person who is a passenger in a stolen vehicle. On the other hand, a recidivist car thief may be sentenced to imprisonment. We would suggest that proof of professional car theft, including the "re-birthing" of stolen vehicles, which can be demonstrated to be well organised and producing substantial profits for the participants, would almost certainly attract severe sentences from a judge of the County Court.

124 Section 53 (1) Schedule 4., Paragraph 16 *Magistrates' Court Act 1989*.

125 Section 54 (4) *Magistrates' Court Act 1989*.

The offence of theft covers a very broad range of criminality. In our submission, the current legislative regime, including the capacity for more serious examples to be heard in the County Court and thus attract higher penalties, is appropriate to deal with the varying degrees of “seriousness” of motor vehicle theft activity.¹²⁶

The Law Institute of Victoria (Criminal Law Section) concedes, however, that there are problems with the *definition* of motor vehicle theft under section 73(14) of the *Crimes Act 1958*.¹²⁷ It states in this regard:

Members of our Criminal Law Section have frequently been confronted with cases of what we see as great injustice as a result of the current definition. An accused person may be charged with motor vehicle theft because it was alleged that the accused had “used the motor vehicle in any manner whatsoever without the permission of the owner”. A glaring example of inappropriate use of that provision is the young person who uses a motor vehicle of a family member without permission.

Typically, this involves an adolescent using a motor vehicle on the weekend in the absence of parents. It is our view that the person should not be subject to the extremely serious sanctions which flow from a conviction for theft ... as well as the implications for licence suspension or cancellation ...

We believe that a separate offence, summary in nature, should be legislated for these less serious examples. Section 38(1) of the *Summary Offences Act* relating to the illegal use of a vehicle should be amended to include motor vehicles. We believe this re-categorisation would receive wide support from the legal profession, judiciary and police.¹²⁸

Other police concerns with regard to law and legislation

Powers of entry and inspection

Submissions from and meetings with various Victoria Police personnel have left the Committee in no doubt that police feel their powers to inspect sites where stolen motor vehicles or motor vehicle parts are suspected to be located are far from adequate.

During the Public Hearings of this Inquiry, Detective Sergeant Gerry Bashford of the recently re-constituted Victoria Police Organised Motor Vehicle Theft Squad (OMVTS) lamented the fact that while police have certain powers for entering the premises of legitimate dealers (those with a motor car trader’s licence or second-hand dealer’s licence) there is no power of entry without

126 Submission of the Criminal Bar Association of Victoria to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, August 2002, pp.2–3.

127 See discussion above.

128 Submission of the Law Institute of Victoria to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, August 2002, p.2.

warrant to premises where police suspect there is an illegitimate business of motor vehicle rebirthing or dealing with stolen cars or car parts.

Such a situation is different in New South Wales where legislation provides for police to check books or premises where they believe premises are being used for illegitimate purposes associated with the stolen parts or stolen vehicle trade. Such inspections can take place without warrant.¹²⁹

While Victorian Police Officers may apply to a magistrate for a warrant to inspect premises and/or records etc, this is a cumbersome procedure that would generally require strong evidence that an offence has been committed. As stated by Detective Sergeant Gerry Bashford:

It is a catch-22 situation. The New South Wales legislation refers to 'for the purpose of ascertaining whether the provisions of this act or regulations are being or have been complied with by any person an authorised officer may enter the premises' and inspect and look at records. We would like to see similar legislation to that available to us.¹³⁰

While the New South Wales legislation specifically excludes powers of inspection on purely residential properties, the fact that many suspected illegitimate concerns such as rebirthing are carried out in suburban backyards would be sufficient to invoke the powers:

It [the NSW legislation] says 'enter premises where a person carries on business'. The second section in relation to stolen parts is 'enter premises where a person carries on business for which the person holds the licence or is reasonably suspected of carrying on a business for which the person is required to hold a licence'. If somebody was operating a dismantling business in his backyard, he should be licensed, and therefore [NSW officers] ... would have a power to enter, say, the shed.¹³¹

Victoria Police has formally called for such powers in its submission to this Inquiry. In particular, it states that the powers of licensed trader inspection (police designated as official Inspectors under the Act) should be reintroduced into the *Motor Car Traders Act 1986*, thus allowing police officers to inspect the records of licensed motor vehicle traders.¹³²

The removal of such powers from the Police has been a fairly common occurrence in legislation dealing with powers of inspection. A recent report by the Law Reform Committee of the Victorian Parliament noted the movement away from licensing police with powers of inspection in sundry matters and the

129 See *Motor Dealers Act 1974* (NSW) and discussion below.

130 Detective Sergeant Gerry Bashford, OMVTS, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

131 Detective Sergeant Gerry Bashford, OMVTS, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

132 Submission of Victoria Police to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.8.

transfer of such power to governmental officers. The Victoria Police itself noted this phenomenon in a submission to the Law Reform Committee:

While, historically, it has been the case that [Police] Inspectors' Powers were conferred on police as a matter of course, the trend in recent times has been to exclude police. The Committee's attention is drawn, for example, to the *Motor Car Traders Act 1986* and the *Second Hand Dealers and Pawnbrokers Act 1989*. This has coincided with the increase in the number of Inspectors throughout Government Departments.¹³³

Ironically, it would seem that the reduction in police power in this area has not resulted in a reduction in police time and resources. Many of the Acts empowering governmental Inspectors to enter and inspect premises without consent or warrant, issue search warrants or otherwise also have attached a provision allowing Inspectors to request the assistance and presence of police. For example, section 82 AH of the *Motor Car Traders Act 1986* provides:

For the purpose of monitoring compliance with this Act or the regulations, an inspector may (with the assistance, if necessary, of another inspector or a member of the police force) do any or all of the following ...

Victoria Police argues that the removal of such powers from police results in the unsatisfactory situation of relying on governmental inspectors and public authorities to penalise suspected illegitimate outfits for breaches of the law unconnected with the actual theft of the motor vehicle or associated activities such as rebirthing.¹³⁴ The Environment Protection Agency (EPA) may be one agency that is used in this way, as the following exchange between the Drugs and Crime Prevention Committee and Detective Sergeant Gerry Bashford highlights:

Det. Sgt BASHFORD – Quite often in the past when we have visited premises we have had much better results in calling the Environment Protection Authority (EPA) down to issue action against the offender than –

133 Submission of Victoria Police (Policy and Standards Division) to the Law Reform Committee, Victorian Parliament, Inquiry into the Powers of Entry, Search, Seizure and Questioning by Authorised Persons, December 2001, pp.1–2.

134 A recent Report by the Law Reform Committee of the Victorian Parliament has examined the issue of what statutory authority or governmental inspectors should do when their own investigations or inspections uncover or encounter evidence of other crimes outside their brief or powers. The Law Reform Committee found it was inappropriate for the reporting of offences not related to the Inspector's duties or powers to be left up to the discretion of the individual Inspector. It concluded:

'It is important that agencies have formalised systems in place, whether in the form of Memoranda of Understanding with other agencies with overlapping responsibilities or in the form of a procedure which authorised officers must follow when they come across evidence or activity which falls within the jurisdiction of another agency or of the police. The Committee notes that systems should be formalised not only with Victoria Police and other Victorian agencies but also with the Federal Police and Federal agencies. The Committee believes a whole of government approach would be appropriate in this regard [As such the Committee recommends:] That the Government develop a protocol for agencies dealing with suspected offences not related to the legislation covering their operations.' (*Final Report of the Law Reform Committee, Parliament of Victoria, Inquiry into the Powers of Entry, Search, Seizure and Questioning by Authorised Persons, May 2002, p.191*).

COMMITTEE MEMBER – *Than the legislation that you have!*

The CHAIRMAN – *Insofar as the penalties?*

Det. Sgt BASHFORD – *Yes, and they also have extensive powers of entry that we do not have.*

The CHAIRMAN – *Would it be possible to get an example of EPA intervention? I am happy for you to take it on notice.*

Det. Sgt BASHFORD – *Yes, ... with a warrant we can go to a person's premises and he might have the remains of 10 cars in his backyard with all the identifiers removed, but we cannot identify any of those vehicles and we cannot necessarily charge him with anything; but he has oil running down the stormwater or he is disconnecting airconditioning systems and letting them deflate to the air. Quite often it is worth a call to the EPA to get them to come down and then they take action against him where we cannot.*¹³⁵

A similar and related problem is the limited powers available to search motor vehicles anywhere and at any time where it is suspected that the vehicle may be part of or associated with theft or allied offences or to determine whether it is in fact a stolen motor vehicle. Currently Victorian Police are frustrated by the fact that under section 13 of the *Road Safety Act 1986* an authority to inspect a vehicle is restricted to one located on a 'highway'.¹³⁶ This is reflected in both their formal submissions to this Inquiry and the evidence given at the Drugs and Crime Prevention Committee's Public Hearings, as evidenced by the following exchange between Detective Sergeant Gerry Bashford and the Chairman of the Committee:

Det. Sgt BASHFORD – *... Likewise, we have problems with our authority to inspect vehicles. The vehicle identification number of a vehicle determines its level of build. If I see a suspect vehicle on the street, I can do a registration check and by getting that VIN number back I can tell that that VIN number does not apply to that vehicle, but technically speaking I do not have the power to stop and check the vehicle. We would like to see legislation that gives the police that power to inspect vehicles that we suspect have altered identification. We have limited powers under the roadworthy provisions and we can check drivers' licences and so on, but we require the power to intercept and check suspect vehicles.*

The CHAIRMAN – *Do you not have that power at the moment? Under the Road Safety Act I thought you could intercept any vehicle.*

Det. Sgt BASHFORD – *For certain things. For instance, with a roadworthy we would need to satisfy what it was about the vehicle that we were*

135 Detective Sergeant Gerry Bashford, OMVTS, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

136 Although the extended definition of what counts as a highway includes road or road-related area, which in turn could arguably incorporate an area such as a shopping centre car park. See section 3 of the *Road Safety Act 1986*.

stopping to check for roadworthiness. If a vehicle was in immaculate condition, for instance, we could be questioned as to why we had intercepted it in relation to it having a VIN number that we felt was not correct for that vehicle.

The CHAIRMAN – Under the Road Safety Act where police have strict powers to intercept a vehicle on a highway there has to be some justification for that interception?

Det. Sgt BASHFORD – We would have problems if the vehicle was in a driveway or front yard of a house, too.

The CHAIRMAN – Legally the police are not entitled to perform a registration check on a vehicle unless it is on a highway?

Det. Sgt BASHFORD – The registration check can sometimes be limited to performing a check on whether the vehicle has current registration, but that does not necessarily give us the power to lift the bonnet and check the VIN or engine number or vehicle identifier.

The CHAIRMAN – You are searching for an expanded power that would allow you to have a more thorough investigation of a vehicle?

Det. Sgt BASHFORD – Yes.¹³⁷

The NMVTRC generally supports the proposal of police for ‘any investigative tools that will add to their ability to investigate professional theft’. They explained:

While it would be expected that in practice the provisions would only be used during the course of specific investigations and therefore would not provide any general deterrence to professional thieves, the Council would in principle have no objection to granting of these powers.

While one would expect little opposition to giving police powers to inspect the records of licensed motor traders, this might not be the case for a general power of vehicle inspection, particularly where police were required to enter private premises to carry out the inspection. A more realistic proposal may be to provide police with a general power to enter premises where they have reasonable grounds to believe vehicles are being repaired or modified for the purpose of determining if stolen vehicles are present.¹³⁸

There has been some opposition to extending police powers in the manner outlined above. The Law Institute of Victoria in its submission to this Inquiry stated:

We strongly oppose the re-introduction of authority for police officers to act as inspectors.

137 Detective Sergeant Gerry Bashford, OMVTS, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

138 Correspondence from Ray Carroll, NMVTRC, to the Drugs and Crime Prevention Committee, 15 July 2002, pp.3–4.

We believe there is sufficient power currently within the Road Safety Act and Crimes Act for police to conduct adequate inquiries. Our experience is that the provision may lend itself to abuse in the form of harassment of young offenders. There is no good reason to support the introduction of such a power.¹³⁹

Findings of Fact

A problem that Victoria Police has been faced with is the backlog of allegedly stolen motor vehicles being impounded or kept in police custody, particularly when space at police premises is at a premium.¹⁴⁰

One proposal put forward by representatives of Victoria Police to address this problem is the implementation of a 'Finding of Fact' in relation to cases where stolen vehicle charges are before the courts and the vehicle subject of the theft is in police custody. In such a system there would be an agreed number of 'identification points' on a motor vehicle established in legislation that would form the basis of establishing the identification of the vehicle and/or its legitimate owner. Evidence led by the Victoria Police Vehicle Examination Unit would seek to persuade the court to issue a Finding of Fact that the vehicle is in fact a stolen vehicle. The proposed system is described by Detective Acting Superintendent Greg Hough, Victorian Forensic Science Centre:

Once a vehicle has been found [or accepted to be] a stolen/converted vehicle a 'Finding of Fact' is served on the accused with that person having a legislated time frame to either accept or contest the Finding of Fact.

If the Finding of Fact is contested, then the court gives a direction that the vehicle be retained in police custody until the contested matter is heard and determined.¹⁴¹

The rationale behind such a system is to ensure the legal process is expedited, rightful owners are left without their vehicles for only the minimum time necessary and the backlog of vehicles currently held by Police is reduced. With regard to the latter point, Acting Assistant Commissioner Thompson of Victoria Police stated:

As to the disposal of seized vehicles, we have a great deal of difficulty storing large numbers of seized vehicles. If the Finding of Fact was available to us, we could have agreement with the defence and give the vehicle back on the direction of the court.¹⁴²

139 Submission of the Law Institute of Victoria to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, August 2002, p.2.

140 The problem is exacerbated by insufficient numbers of police vehicle examiners with specialist training. For an account of these problems, see Peter Mickelborough, 'Force needs a big shake-up', *Herald Sun*, 27 November 2001, p.20.

141 Correspondence between Detective Acting Superintendent Greg Hough, Victorian Forensic Science Centre, Melbourne, and the Drugs and Crime Prevention Committee, 22 May 2002.

142 Acting Assistant Commissioner, Trevor Thompson, Victoria Police, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

The proposal is elaborated upon by Commander Keith Smith of the Victoria Police:

Such a finding would require a forensic examination to identify six to eight points of identification on the motor vehicle which establishes a reasonable belief that the vehicle is either stolen or unlawfully obtained. A court on the balance of probabilities could then make a finding that the vehicle was in fact stolen or unlawfully obtained. Such a finding would then enable the Police to dispose of seized property prior to the final determination of a charge of theft of a motor car.¹⁴³

Commander Keith Smith also believes the provisions of section 125 of the *Police Regulation Act 1958* could be strengthened and added to in order to facilitate the disposal of a seized motor vehicle prior to the determination of the charge in cases where either the car is made up of various parts which are not original to the vehicle or its ownership is not known or disputed. Section 125 reads as follows:

When any member of the police force has taken possession of any goods other than goods seized under a warrant to seize property and it is doubtful whether any person claiming such goods or which of any two or more persons so claiming is entitled to the possession thereof of the Magistrate's Court, upon the application of such member and in the presence of all the parties claiming such goods or in the absence of any such parties who having had reasonable notice of the hearing of such application do not appear, may hear receive and examine evidence touching the matter of such application and may order to whom such goods shall be delivered by such member, and such goods shall be delivered accordingly; and if after the making of such order any action is commenced against such member for the recovery of such goods or the value thereof, such order and the delivery of the goods in pursuance thereof may be given and shall be received in evidence in bar of such action, but such order or delivery shall not affect the rights or liabilities of the persons claiming such goods or to whom the same have been delivered as aforesaid.

Commander Keith Smith states further:

Using these provisions, police could seek a court (in a separate application to the finding of fact and after the expiration of the appeal period) to make a finding as to the ownership of the vehicle.

Using this provision, all interested parties would be summoned to court where a Magistrate could make an order for the disposal of the motor vehicle. Police have found that Magistrates are reticent in making such an order for the disposal of property, prior to the completion of criminal proceedings. It is requested that Section 125 of the Police Regulations Act be enhanced to mandate the Court to make a finding as to the disposal of the motor vehicle upon application, and prohibit an adjournment until after the conclusion of criminal proceedings.

143 Correspondence from Commander Keith M. Smith, Victoria Police, to the Drugs and Crime Prevention Committee, 31 July 2002.

In circumstances where a motor vehicle is made up of a number of stolen motor vehicle parts each owned by identified persons, and the breaking up of the vehicle would render the value of the parts of little economic value, the court could order that the property be sold at public auction and the proceeds be paid to affected parties or held in trust to determine the appropriate proportion of ownership. (This would ensure that current market values are received for property, as opposed to some circumstances where a motor vehicle depreciates over time and its realisable value is far less than when it came into the possession of police). Alternatively, where no owner is identified, the proceeds could be paid into the consolidated fund.

In cases where an owner is identified, the Court can order the property be returned to that owner.¹⁴⁴

The NMVTRC has commented on the Finding of Fact proposals in the following terms:

Vehicle identities can be changed very easily by people with even basic mechanical skills and although police can be reasonably certain a vehicle's identity has been altered, determining the original identity can be problematic. A limited supply of forensic examiners can mean that a vehicle can be stored for over a year pending examination with no guarantee that the examination will be conclusive. Retaining the vehicle as a court exhibit often requires storage for another year or more. Often during this time more than one claimant is demanding its return, the vehicle depreciates in value and police are bearing the cost of secure storage.

One of the suggested remedies for this problem is to adopt the same procedure that is available under drug legislation whereby a forensic report can be accepted by all parties to the prosecution as being an accurate determination of the substance's composition. The court can accept the report as uncontestable fact and the exhibit can be destroyed prior to the court hearing.

Unlike drugs however, motor vehicle and parts identification is a much less exacting science and in the majority of contested cases a central point of argument will be whether the vehicle is in fact stolen. Whereas drugs will be destroyed regardless of the prosecution outcome, motor vehicles will most often be subjected to disputed ownership claims.

While finding of fact provisions would assist police and potential claimants in cases where the accused has confessed, it is believed that the final disposition of the vehicle will most often depend on the outcome of the criminal prosecution. This will severely limit the number of cases where finding of fact will alleviate the obvious difficulties.¹⁴⁵

144 Correspondence from Commander Keith M. Smith, Victoria Police, to the Drugs and Crime Prevention Committee, 31 July 2002.

145 Correspondence from Ray Carroll, NMVTRC, to the Drugs and Crime Prevention Committee, 15 July 2002, p.4.

The practical difficulties involved in motor vehicle disposal or return are outlined in evidence given by members of the NMVTRC in recent meetings with the Committee:

The big issue in vehicle examination is often, 'Is this a stolen car or not?'. The second implication of that is not only, 'Is it a stolen car or not, but who owns it?' Does the insurance company own it? Is the person the police found it in possession of claiming it? Is the original owner who had it stolen claiming it? So if you take the compounding issues the forensic examination may not be conclusive in very many cases. Often what police can say from a forensic examination is, 'This is not the original car that it purports to be, but we cannot say what car it was', and there you have a major issue about disposing of it. Often the disposal of the car will depend on the outcome of the court case anyway. If the person is found guilty of possession of the car and it is stolen, that would help the court in another contested issue about where that car could be disposed of. The real issue in this one is the resourcing of being able to examine the car in the first instance, so it is not, therefore, up to 12 months waiting for examination and deteriorating in value, and perhaps being able to put the case to the Magistrate's Court for a contested hearing on ownership of the car prior to the criminal case.¹⁴⁶

Additional legislation requested

Victoria Police are frustrated with regard to the lack of sufficient statutory provisions and penalties to combat ancillary and associated aspects of motor vehicle theft such as 'rebirthing' and the tampering, removal, destruction or unlawful possession of motor vehicle identifiers. For example, when Detective Acting Superintendent Greg Hough met with the Committee in May 2002 he outlined the difficulty in providing sufficient evidence of motor vehicle theft, conversion and rebirthing that would stand up in court:

It also comes back down, too, like I said before, there is no actual offence, rebirthing vehicles. It is a minor offence for tampering with an engine number, a minor offence for pulling off ID plates; you have to prove the theft of car. If they can't prove the theft – I mean, we have operators out there doing conversions who pay \$500 for a crook to go and steal a car. A lot of times you can't prove that theft or that connection, so they do a handling of stolen goods. I mean, realistically we need some kind of offence for what all this is, which is rebirthing and conversion.¹⁴⁷

This unsatisfactory state of affairs was also alluded to by the NMVTTF in its *Final Report* published nearly five years ago. It stated at the time:

It is not uncommon for police to uncover large numbers of compliance plates and build plates in the possession of professional MVT offenders. The motor trades also report that these plates are often stolen from recyclers' yards and auction storage

146 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

147 Detective Acting Superintendent Greg Hough, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

lots for use on stolen cars. At the present time police are powerless to act in respect to possession of these plates. The introduction of a criminal offence in respect to unlawful handling of compliance plates will provide investigative powers to police services to address current practices of professional MVT offenders.

All submissions [presented to the NMVTTF] supported this proposal with three of the reference groups calling for a strengthening of the ... recommendation ... The Queensland reference group pointed out that the draft recommendation ... did not include unlawful *possession* of a compliance plate. They also submitted that [motor car legislation] penalties do not reflect the criminal intent for which these plates are used. South Australia also requested possession as an inclusion ... (NMVTTF 1997b, pp.190–191) (Committee's emphasis).

In its submission to this Inquiry, Victoria Police argued that specific provisions need to be incorporated into appropriate legislation that would more comprehensively deal with and punish more severely the altering of vehicle identification.¹⁴⁸ Specifically, they have called for statutory provisions that:

148 Section 70 of the *Road Safety Act 1986* does provide for a limited offence of tampering or interfering with a motor car as follows:

(1) A person who, without just cause or excuse, tampers or interferes with a motor vehicle owned by any other person is guilty of an offence. Penalty: 2 penalty units or imprisonment for 14 days.

(1A) A person must not, without just cause or excuse, tamper or interfere with specified equipment fitted or attached to a motor vehicle.

Currently it is only an offence under road safety regulations to deface or interfere with the vehicle and engine identification numbers on registered vehicles or vehicles the subject of an application for registration. Sections 204 and 205 of the Road Safety (Vehicles) Regulations 1999 provides as follows:

'204. Vehicle and engine identification numbers:

If a vehicle or engine identification number appears to have been altered or defaced, the Corporation may require –

an applicant for registration of the vehicle; or

the registered operator of the vehicle, as the case may be, to cause a new identification number, specified by the Corporation, to be stamped or displayed in accordance with the standards for registration.

If –

a vehicle or engine identification number on a vehicle for which registration is sought; or the identification number on an engine substituted for the engine of a registered motor vehicle is the same as the identification number of another vehicle or engine already recorded by the Corporation, the Corporation may require-

an applicant for registration of the vehicle; or

the registered operator of the vehicle, as the case may be, to cause the duplicated number to be overstruck and a new identification number, specified by the Corporation, to be stamped or displayed in accordance with the standards for registration.

A person must not alter or deface a vehicle identification number of a registered vehicle except with the written permission of the Corporation.

Penalty: 10 penalty units.

205. Inspection of identification numbers

If- (a) the vehicle or engine identification number of a registered vehicle is altered or defaced; or (b) the engine of a registered motor vehicle is removed and another engine substituted- the registered operator of the vehicle must –

inform the Corporation within 7 days after the date of the alteration, defacement or substitution; and

if requested to do so by the Corporation, present the vehicle to the Corporation for inspection.

Penalty: 2 penalty units.'

[a]re capable of preventing the alteration, tampering, interference, removal or destruction of any form of motor vehicle identifier.¹⁴⁹

Generally speaking, the provisions of the New South Wales *Motor Dealers Act 1974* are far more comprehensive than Victorian legislation with regard to addressing aspects of dishonest motor vehicle trading and ancillary matters other than motor vehicle theft per se. Part Four of the Act – Dealing in Motor Vehicles – regulates, among other matters, the following:

- ◆ Premises at which the holder of a licence may lawfully offer or display motor vehicles for sale;
- ◆ Sale by auction of vehicles to which numberplates are attached;
- ◆ Sale by auction of vehicles to which no numberplates are attached;
- ◆ Dealers' notices in respect of sale of second-hand motor vehicles, second-hand motor cycles, demonstrators and damaged new motor vehicles;
- ◆ Sale of second-hand motor vehicle or demonstrator to trade owner; and
- ◆ Sale of certain motor vehicles by auto-dismantlers.

Part Three of the Act (sections 21–23) also provides for a strict system of regulating the holding of dealers' and dismantlers' licenses and the keeping and inspection of registers and records.

Despite the comprehensiveness of these provisions, representatives of the NMVTRC in Victoria stated to the Committee that these provisions are less than effective because few resources are devoted to the extensive policing and inspection required under the Act.¹⁵⁰ Despite such reservations, the Council would generally support any proposals designed to assist police, however minimally, to tackle motor vehicle theft. It states that:

The introduction of an offence to control the use or alteration of vehicle identifiers would undoubtedly provide police with a useful investigative tool and a means to help disrupt re-birthing activities. An offence would not in itself provide any significant deterrent to a person who was prepared to deal in stolen cars particularly in view of the potential penalty provisions which would most likely be restricted to a fine.

Care would need to be exercised to ensure that people in the motor trades who had legitimate reasons to remove vehicle identifiers were exempted from the offence provisions without providing a loop hole for dishonest operators.

The Council is addressing the ease with which vehicle identifiers can be exchanged between vehicles in the future by working with manufacturers to

149 Submission of Victoria Police to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.8.

150 Ray Carroll and Geoff Hughes, NMVTRC, in conversation with the Drugs and Crime Prevention Committee staff, 12 June 2002.

develop self voiding, counterfeit protected adhesive labels for new vehicles. The introduction of the proposed offence would complement this strategy and the Council would see no reason why police should not be provided with this additional tool, although it must be emphasised that the legislation would make only a very marginal contribution to vehicle theft prevention overall.¹⁵¹

Compulsory immobiliser scheme

The submission of the Victoria Police to this Inquiry has argued that legislation be introduced requiring vehicle owners to install electronic immobilisers on vehicles manufactured before July 2001. Currently such a requirement only applies compulsorily to vehicles manufactured after that date.

In evidence given to the Committee at Public Hearings for this Inquiry, Acting Assistant Commissioner Trevor Thompson of the Victoria Police explained the rationale for such a compulsory scheme as follows:

Probably the last but not least most important [of proposals for legislative change] is the anti theft devices – the compulsory installation of electronic immobilisers of vehicles manufactured before the year 2001 ... The statistics clearly indicate that the vehicles mostly stolen are those in the 1980s, early model vehicles, and the immobilisers we believe, backed up with statistics from Western Australia, would certainly assist in the reduction of theft of motor vehicles.¹⁵²

If a compulsory immobiliser scheme is to be envisaged for Victoria, the necessary amendments to the *Road Safety Act* and other relevant legislation would need to be enacted to enable the appropriate regulations to be made to initiate and develop the scheme. As with the Western Australian provisions, it is thought that any regulations pertaining to the development and installation of motor vehicle immobilisers must comply with the provisions of the Australian Design Rules.

The issue of motor vehicle immobilisers and the benefits and disadvantages of compulsory installation are discussed in detail in Chapters 15 (Australia) and 17 (Victoria) respectively.

Conclusion

Bodies and organisations associated with combating motor vehicle theft, such as the police and the NMVTRC, generally welcome any additional legislative measures designed to combat such theft, particularly that conducted on a professional or organisational level. There is doubt, however, as to the efficacy of such measures without a corresponding effort put into supplying sufficient resources for the enforcement of such provisions (monetary, personnel and

151 Correspondence from Ray Carroll, NMVTRC, to the Drugs and Crime Prevention Committee, 15 July 2002, p.3.

152 Acting Assistant Commissioner Trevor Thompson, Victoria Police. Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

infrastructure). It is thought that as well as requiring additional legislation, motor vehicle theft reduction also requires the full support and cooperation of the motor vehicle industry in addressing issues of design, production and manufacture.

Such reservations are best expressed in this summary from the NMVTRC:

Legislation [with regard to various aspects of motor vehicle theft] would ... in the absence of any effective enforcement regimes, only add an extra layer of administration to lawful businesses and would have no effect on the dishonest trade. The Council has therefore pursued a strategy of developing an industry code of practice which will be supported by commercial incentives for legitimate business and in the process marginalise the unlawful or unethical trade.

In support of its approach the Council can point to the experience of New South Wales which operates the most stringent regulatory regime in Australia while still suffering the most extensive professional theft problem. An example is the regulatory requirements of recyclers in New South Wales. A recent survey of the recycling industry in New South Wales has revealed that the industry does not believe that these regulations have any impact on the trade in stolen parts and that very few businesses report ever having their records checked by any authority.

While having a major population of organised vehicle criminals resident within its borders, New South Wales demonstrates that regulation without a very strong enforcement regime does not restrict illegal activity. Police services and offices of fair trading have to make priority decisions for the allocation of their limited resources and pro-actively checking many thousands of motor trades businesses on a regular basis does not and is not ever likely to register on their priority scale.¹⁵³

These reservations were even more strongly expressed in a recent meeting between representatives of the NMVTRC and the Committee in August 2002:

On the issue of the criminal code or changes to the criminal code, I guess we have an overriding perspective on that in that the Council's work in examining potential amendments to criminal codes as a means of correcting or preventing vehicle theft boils down to the fact that we do not think there are any dramatic legislative changes that would contribute to the reduction of motor vehicle theft as they would not really enhance current remedies that are already available at law.

One of the major issues about regulation, particularly for controlling, say, industry sectors and things like that, is that they can often become a distraction inasmuch as people think, 'We have legislated to cover that problem, therefore it will be fixed', when in reality the ability of regulatory agencies to enforce any of those regulations is often very doubtful. We have seen an instance, using New South Wales as the example, where it is probably the most regulated industry in the country in terms of the motor industry and the components of it, but it is still the

153 Correspondence from Ray Carroll, NMVTRC, to the Drugs and Crime Prevention Committee, 15 July 2002, p.5.

centre of organised vehicle theft in the country. All our consultations with what we would class as the legitimate sides of the industry tend to indicate that they are the ones who comply with new regulation. They bear the administrative cost of complying with bookkeeping regulations and those sorts of things.

They tell us two things. One, that it does not impact at all on the shady side – the people who are dealing in stolen parts – because they just ignore the regulations. But also, importantly, that no-one comes to enforce it. Parts recyclists, for instance, will tell us that they keep the book entries that are required under New South Wales legislation, but they can go for five, six or more years and no-one has ever walked into their businesses to ask to see the books.

When you think about it, there are two agencies that would enforce that type of regulation. One would be police services and one would be, say, offices of fair trading. Both of these agencies have always got resource issues about where they put their resources. It is hard to imagine, for instance, the police service instructing its members to regularly visit thousands of motor trades businesses to check their books on the off-chance that they are going to find some irregularities. The books would come in handy on occasions, on specific investigations, where you could point to, 'Where did this part come from? Why isn't it in the book?', and those sorts of things, but you are dealing with people who are looking at dealing in whole stolen cars, multimillion dollar rackets. If they get a \$500 fine for not complying with a regulation about a book, it is just a cost of doing business to them and is not a significant issue.

So they are the overarching principles that we looked at. We are not saying that some of the things that the police are recommending would not help them in individual investigations. They could probably use some of these things. But in an overarching sense of would this prevent motor vehicle theft in the long term, we do not think it would.¹⁵⁴

This chapter has outlined with concern a number of perceived deficiencies with regard to the law as it applies to motor vehicle theft and associated issues. The Committee has made a number of recommendations as outlined in the beginning of this Report that aim to rectify this situation. The Committee believes that the implementation of these recommended proposals will hopefully assist in reducing the levels of motor vehicle theft and associated crime in Victoria.

154 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

PART G: **Current Initiatives And Proposals**

13. National Motor Vehicle Theft Reduction Council

A certain amount of trade does happen interstate. I believe that the police broke a theft ring here [in Western Australia] a while back. Kids were going out and stealing cars to order. I think they were BMWs and a few of the upmarket-type cars. They would be given a shopping list. They would have only a short time in which to find the vehicles. A car transporter would be parked in a certain suburb or wherever. The vehicles would be stolen and loaded onto the transporter overnight. By the next morning, it was pretty well out of the state. The vehicles were going east, probably to be reidentified. No doubt it happens the other way. We have had vehicles that have turned up in the system, which we have been able to trace back to the eastern states. There is cross-border trading going on.¹⁵⁵

The classic modus operandi of professional motor vehicle theft involves the transportation of stolen vehicles interstate to evade detection when these vehicles are fraudulently re-registered (Hill 1998). At the time of Hill's article, the lack of good data exchange between jurisdictions was such that a stolen vehicle presented for registration in one jurisdiction could be given the identity of a motor vehicle still registered in another jurisdiction (National Motor Vehicle Theft Reduction Council (NMVTRC) 2001k). In addition to the practice of rebirthing, Hill (1998) outlined a number of further arguments for the establishment of a nationally coordinated approach to motor vehicle theft, namely that:

- Organised car theft networks will simply transfer their illicit activities to more vulnerable areas of Australia if implementation is inconsistent among States and Territories;

155 Craig Marsland, Divisional Manager, Motor Trade Association of Western Australia, Evidence given to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 1 May 2002.

- The overall impact of a nationally coordinated plan would be expected to be more than the sum of individual *ad hoc* strategies;
- A national approach would be expected to generate the momentum and profile necessary to ensure that the prevention of motor vehicle theft is integrated as a core responsibility of key government and private sector bodies (Hill 1998, p.5).

In response to such discussion and advice, the NMVTRC was formed and began operating in 1999.

The NMVTRC is now the peak national body responsible for the investigation and implementation of strategies to counter motor vehicle theft activities in Australia. Central to this responsibility is establishing agreements between relevant government agencies and industry to ensure a coordinated national approach to motor vehicle theft prevention (Carroll 1999). The NMVTRC is jointly funded by state and territory governments in partnership with the insurance industry.

Background to the National Motor Vehicle Theft Reduction Council

The National Motor Vehicle Theft Task Force

On 25 November 1994, a National Leaders' Forum, comprising of State Premiers and the Chief Ministers of the Territories, met as part of an ongoing process to discuss the cooperative governance of national issues. One issue raised at the Forum was the need for governments to work cooperatively to develop more effective policies to counter cross-border crime. An area of particular concern was the lack of national coordination in respect of motor vehicle theft prevention strategies. Consequently, as one component of a National Anti-Crime Strategy, the National Leaders' Forum elected to establish a National Motor Vehicle Theft Task Force (NMVTTF) to devise a coordinated national motor vehicle theft reduction plan.

The NMVTTF was first convened on 20 September 1996. The membership included senior representatives drawn from the motor vehicle and insurance industries and from the police and registration authorities. From its earliest deliberations, the Task Force determined to produce a comprehensive national strategy to reduce and prevent motor vehicle theft (Hill 1998). In September 1997 the Task Force published the *Final Report of the National Motor Vehicle Theft Task Force*. Incorporated within the *Final Report* was the National Motor Vehicle Theft Reduction Plan, a comprehensive strategy that set out the following objectives:

- Implementation of an efficient, accurate and reliable national system of information exchange to provide consistent minimum standards of motor vehicle theft deterrence and detection;
- Application of new vehicle design standards that ensure an adequate level of theft deterrence including effective engine immobilisers, a

- unique tamper resistant vehicle identification number and a cost effective, component identification system;
- Development of mechanisms to encourage the voluntary application of vehicle security systems to existing vehicles;
 - The inclusion of best practice juvenile motor vehicle theft prevention strategy in the National Anti-Crime Strategy juvenile crime prevention framework;
 - Creation of broad based approaches to motor vehicle theft reduction through partnerships between governments, the community and the business sector;
 - Provision of intelligence gathering and investigative processes to provide tactical and strategic assessments of organised crime involvement in motor vehicle theft and enhance investigative efforts;
 - Enactment of legislative sanctions and regulations which provide deterrence to potential motor vehicle offenders and those who deal in stolen vehicle parts;
 - Provision of data and research systems that produce comprehensive, up-to-date and reliable evaluations of motor vehicle theft methods and corresponding reduction strategies for the use of the NMVTRC, crime prevention practitioners, policy makers, police, registration authorities and industry; and
 - Provision of a mechanism to monitor and report on individual stakeholder commitment and progress towards achieving motor vehicle theft reduction objectives (NMVTTF 1997b, p.57).

Central to these objectives was the recognised need for an implementation strategy. To this end, the Task Force recommended the establishment of the NMVTRC to provide direction and leadership. The *Final Report* of the NMVTTF stated:

The Task Force recognises that it is only an independent body, founded on partnerships between key industry, government and community stakeholder groups that can effectively steer the national strategy along its trajectory to reduce MVT [motor vehicle theft] in Australia. The primary purpose of a specific National Motor Vehicle Theft Reduction Council would be to provide an independent and ongoing catalyst to ensure the issue of motor vehicle theft reduction remained on the agenda of all stakeholders and that all sectors are assisted to play their part in implementing the Task Force recommendations (NMVTTF 1997b, p.74).

The establishment of the National Motor Vehicle Theft Reduction Council

In 1998/99, all state and territory governments and the Insurance Council of Australia (ICA) reached agreement to establish and fund the NMVTRC and to appoint representatives from all stakeholder groups (NMVTRC 1999a). The

NMVTRC commenced its work on 24 February 1999 and was scheduled the completion date of 31 December 2003.

The NMVTRC currently has nine members, representing the motor trades, government bodies, registration authorities, police and consumers. The current membership consists of:

- ◆ Mr David Morgan (Independent Chairperson);
- ◆ Mr Dick Adams (Australasian Police Ministers Council);
- ◆ Dr Dianne Heriot (Commonwealth Agencies);
- ◆ Mr Robert McDonald (Insurance Council of Australia Ltd);
- ◆ Ms Sue Millbank (Crime Prevention Ministerial Forum);
- ◆ Mr Ray Rawlings (Austroads);
- ◆ Mr Tony Selmes (Motor Trades Association of Australia);
- ◆ Mr David Lang (Australian Automobile Association); and
- ◆ Mr Rex Scholar (Federal Chamber of Automotive Industries).

The Council receives fixed funding of \$9.5 million per year. Half of this funding is drawn from state governments on a pro rata basis, based on the proportion of motor vehicles in the state. The other half of the Council's funds is provided by the Insurance Council of Australia (ICA). This money is raised through a levy placed on the major insurers by the ICA.

The role and function of the National Motor Vehicle Theft Reduction Council

1. Research

As a small project-based organisation, the NMVTRC commissions consultants to undertake research projects as the basis for policy development. The NMVTRC has initiated a number of projects geared towards meeting the objectives of the original National Motor Vehicle Theft Reduction Plan of the NMVTTF. Several have been completed, while others are currently ongoing.¹⁵⁶ Some of the projects initiated under the auspices of the NMVTRC include:

- ◆ Development of a public education campaign strategy;
- ◆ Survey of owners' attitudes to motor vehicle security;
- ◆ A study of the nature and extent of the stolen motor vehicle parts trade in Australia;
- ◆ The establishment of a national Comprehensive Auto-theft Research System (CARS);

¹⁵⁶ Information in respect of each of these projects is available from the National Motor Vehicle Theft Reduction Council (NMVTRC). Contact details are available at: <<http://www.carsafe.com.au/carsafe.html>>.

- ◆ The development of a best practice program for young recidivist car theft offenders;
- ◆ A review of the feasibility of introducing 'secure compliance labels' to replace current (and easily transferable) aluminum compliance plates;
- ◆ Evaluation of the impact of insurance practices on professional theft;
- ◆ Evaluation of the impact of secure car parks on motor vehicle theft;
- ◆ Development of a voluntary code of practice for dealing in second-hand parts; and
- ◆ Evaluation of vehicle identification technologies.

As suggested by the above research projects, the focus of the NMVTRC is on the prevention of motor vehicle theft as opposed to the detection and prosecution of offences that have already been committed. Ray Carroll, Executive Director of the NMVTRC, told the Committee:

It is fair to say from an organisational point of view we have focussed almost totally on what we are calling the infrastructure fixes to motor vehicle theft. The detection rate for vehicle theft is around 12 per cent. Our view is that if we rely on the police to fix this problem it will go on forever. They will always be chasing the problem. What we are hoping to do is put a line in the sand and say, 'Okay, from now on, it will be the infrastructure around motor vehicles and everything about them that makes this a very unattractive crime for vehicle thieves to be involved in'.¹⁵⁷

2. The coordination and implementation of motor vehicle theft reduction activities

While numerous stakeholders have a strategic role to play in the reduction of motor vehicle theft, the responsibility for the coordination of these roles resides with the NMVTRC. As the management body through which the national theft reduction initiatives are implemented, the NMVTRC must establish agreements and partnerships between the various and diverse stakeholders (NMVTTF 1997b). This is often a complex process because of the widely varied yet long established approaches to motor vehicle theft prevention in different states and territories. However, it is also crucial, given that legislative responsibility for registration, licensing and law enforcement resides with the respective state and territory legislatures. Consequently an effective national approach to motor vehicle theft prevention must be based upon formal agreement between the various stakeholders and government agencies.

¹⁵⁷ Ray Carroll, Executive Director, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

3. The formation and implementation of a strategic response to motor vehicle theft reduction

In July 2001 the NMVTRC released its 3-Year Strategic Plan that incorporated comprehensive and integrated strategies for the reduction of opportunistic and professional motor vehicle theft. This Plan was established on the basis of a continued commitment to meeting the aforementioned objectives of the NMVTRC (NMVTRC 2001i). The Plan was divided into three major strategic goals:

1. Reducing Professional Theft;
2. Reducing Opportunistic Theft; and
3. Facilitating Cooperation and Effective Implementation.

Reducing professional motor vehicle theft

One of the key goals of the NMVTRC is to reduce the level of professional motor vehicle theft by reducing the economic incentives of dealing in stolen motor vehicles and by improving deterrence to increase the likelihood of detection. The NMVTRC's strategy to counter professional motor vehicle theft concentrates upon two core elements, the need to improve national motor vehicle information exchange and the development of new vehicle design standards that will ensure an adequate level of theft deterrence. A further element of the Council's strategy is to develop an appropriate training course to develop the specialised skills needed for the effective investigation of motor vehicle theft activities by authorities.

i) Improving national information exchange

Objective: The implementation of an accurate and reliable national system of information exchange supported by national registration business rules that provide consistent minimum standards of vehicle theft deterrence and detection (NMVTRC 2001i, p.6).

As part of its 3-Year Strategic Plan, the NMVTRC monitors the operation of national information systems, reviewing their impact on theft rates and developing recommendations for improvements where these are considered necessary (NMVTRC 2001j). It also provides technical and financial assistance to upgrade and enhance information systems as required (NMVTRC 2001j).

ii) Design standards to improve identification and deter theft

Objective: The development of new vehicle design standards that will ensure an adequate level of theft deterrence, including a unique tamper-resistant Vehicle Identification Number (VIN) and a cost-effective component identification system (NMVTRC 2001i).

It is essential that the systems facilitating a national exchange of motor vehicle registration receive vehicle identification information that is valid and unique. Consequently the NMVTRC has undertaken research to assess the feasibility of

introducing counterfeit-proof vehicle identifiers at a national level. As well, it is examining the feasibility of improving motor vehicle identification through the introduction of a cost-effective component identification system. These initiatives will be addressed further in Chapter 14.

iii) Developing investigative skills and techniques

Objective: Promote the development of intelligence gathering and investigative processes within existing frameworks that provide tactical and strategic assessments of organised crime involvement in motor vehicle theft and assist jurisdictional investigation efforts (NMVTRC 2001i, p.9).

The NMVTRC's criticism of the lack of priority accorded to motor vehicle theft activities by federal law enforcement operatives was noted in Chapter 8, as was its criticism of the decision to disband the motor vehicle theft squads in Victoria. In a bid to re-prioritise the issue of motor vehicle theft, and to better equip law enforcement authorities to address motor vehicle theft offences, the NMVTRC sought the advice of the Australasian Police Education Standards Council on the feasibility of delivering a practical, skills-based course in motor vehicle theft investigation techniques (NMVTRC 2001i, p.9). A preliminary review of existing strategies indicated that a course designed by the Western Australian Police Service (WAPS) was particularly highly regarded by investigators. The NMVTRC subsequently negotiated with WAPS to build upon the existing vehicle theft course as the basis for national training in motor vehicle theft investigation (NMVTRC n.d.2). If feasible, training would be made available to police and insurance company investigators.¹⁵⁸ The specific objectives of a training course would be to:

- ◆ Help perpetuate the transfer of specialised expertise and informal intelligence exchange; and
- ◆ Skill in-house investigators in the detection of fraudulent motor vehicle related claims (NMVTRC n.d.2).

Following a needs-analysis and workshops with key stakeholders in the area it was determined that a specialised tertiary-based investigation course was not required. Rather, a web-based or CD-Rom type resource offering the accessibility and immediacy desired by investigators was chosen and was being developed at the time of this Report's preparation.

158 The need to improve training for insurance investigators is an obvious and recognised consequence of the significant amount of motor vehicle thefts that have been attributed to fraudulent claims.

Reducing opportunistic motor vehicle theft

The 3-Year Strategic Plan of the NMVTRC seeks to reduce opportunistic motor vehicle theft by focusing on two core areas – increased ‘target hardening’ through the use of engine immobilisers and better vehicle security practices, and the diversion of young offenders from criminal activity.

i) Engine immobilisers

Objective: The development of new vehicle design standards and after-market applications that ensure an adequate level of theft deterrence through the introduction of effective engine immobilisers (NMVTRC 2001i, p.10).

Engine immobilisers are widely regarded as the best form of security against opportunistic motor vehicle thieves. The NMVTRC currently sponsors a campaign to make engine immobilisers available to motor vehicle owners at a significantly reduced price. Engine immobilisers will be discussed in some detail in Chapter 15, as will the ‘Immobilise Now!’ campaign sponsored by the NMVTRC.

ii) Juvenile motor vehicle theft prevention initiatives

Objective: To participate in the creation of the necessary framework for effective prevention programs which successfully reduce motor vehicle theft by addressing the different causes of juvenile offending behaviour (NMVTRC 2001i, p.12).

While ‘target hardening’ is obviously an integral element of strategies to reduce opportunistic motor vehicle theft, the NMVTRC is acutely aware of the over-representation of juveniles in motor vehicle theft statistics. Consequently the NMVTRC provides support for the establishment of programs to address the underlying causes of juvenile motor vehicle theft. A discussion of diversionary programs that seek to counter juvenile involvement in motor vehicle theft activities is included in Chapter 15.

Facilitating cooperation and effective implementation

Objective: To provide motor vehicle theft research systems that produce comprehensive, timely and reliable data for the evaluation of motor vehicle theft strategies for the use of the Council, policy makers, police and industry stakeholders (NMVTRC 2001i, p.13).

Evaluation of the effectiveness of the 3-Year Strategic Plan is crucial to the Council’s ability to facilitate continued cooperation between industry, government and community groups in the application of this strategy (NMVTRC 2001i). The Comprehensive Auto-Theft Research System (CARS)¹⁵⁹ provides the basis for statistical analysis of the national theft trends. The ability of CARS to produce detailed theft profiles of specific makes and models also allows the Council to work directly with manufacturers to promote increased levels of vehicle security and to evaluate the effectiveness of vehicle-based security enhancements in reducing vehicle theft levels.

159 As discussed in Chapters 4 and 18.

The NMVTRC will continue to commission specific analyses of different aspects of motor vehicle theft as requested by stakeholders or deemed necessary in light of national motor vehicle theft trends.

The response of stakeholders

The NMVTRC was originally established to work within an initial five-year time frame. However, Ray Carroll has stated that the Council requires an additional two to three-year tenure if it is to fully implement the strategies noted above.¹⁶⁰ He has also expressed the need for major stakeholders to recognise that achieving long-term, sustainable reductions in motor vehicle theft requires commitments to long-term strategies (Carroll 1999).

In public hearings held by the Committee, the NMVTRC received a great deal of support for the role it has played in the national reduction of motor vehicle theft activities. Stakeholders were almost unanimous in their praise for the work of the Council and were of the view that the tenure of the Council should be extended to the degree needed for the effective implementation of the strategic plan. Considering the complexity of its responsibilities, and the diversity of the stakeholders concerned, this is high praise indeed. A representative sample of views put to the Drugs and Crime Prevention Committee are given below.

The central role of the NMVTRC in compiling motor vehicle theft statistics through the Comprehensive Auto Research System was recognised by stakeholders as providing a particularly valuable service. Bruce Chipperfield, Manager of Registration and Licensing Policy at VicRoads, told the Committee:

I think we are relying, to a large degree, on the National Motor Vehicle Theft Reduction Council because we now provide a lot of data to it. I think the good cooperative arrangement with the Council is that it is now gathering data from all states and aggregating it, dissecting it and coming up with patterns of vehicle theft, vehicle types, locations – a lot of things like that – that I think we can probably feed back into our registration system and particularly to the front line where people can then be more aware of the likely scams that are going on.¹⁶¹

Michael Case, Chief Engineer of the Royal Automobile Club of Victoria (RACV) Public Policy Department, referred to the need for the Council's tenure to be extended so as to allow adequate time for the implementation of its strategic plan:

We have been quite supportive of the National Motor Vehicle Theft Reduction Council and its strategies and the implementation of those strategies. We are aware that there will be a review at the end of its initial period of time and there

¹⁶⁰ Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

¹⁶¹ Bruce Chipperfield, Manager of Registration and Licensing Policy, VicRoads, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

is a question about whether it is going to continue or not. It is our belief that the strategies that it has adopted and is in the process of implementing are longer-term strategies and that it should continue, either in its current form or a modified form, to be given more time to successfully introduce the initiatives that are currently being put in place.¹⁶²

The Auto Parts Recyclers Association of Australia (APRAA) National Spokesman Bill Bartlett also supported an extension of the tenure of the NMVTRC, telling the Committee:

Time is a major challenge to the theft reduction council, which we enthusiastically support. A number of initiatives are in the process of being implemented; a number are still being assessed. To date the theft reduction council has been so effective in implementing the things which it has done that we should give it more strength to ensure that the activities it is promoting over the next 12 to 18 months are given time to bite and it is given the opportunity to implement those particular projects.¹⁶³

Senior members of the Victoria Police drew attention to the national responsibility of the NMVTRC and acknowledged the need for coordination between the various state-based enforcement agencies. Acting Assistant Commissioner Trevor Thompson, the officer responsible for reviewing the motor vehicle theft reduction strategies of the Victoria Police, stated:

I can say that Victoria Police totally supports the work of that Council [the NMVTRC]. I reviewed the plan and we could support most of the strategies in that plan and those strategies [that] are a part of or in some way associated with the objectives of Operation Vehicle Watch ... I think that body [the NMVTRC] is probably appropriately placed to assist with the aim to reduce the problem [of motor vehicle theft] throughout the country.¹⁶⁴

Detective Sergeant Gerry Bashford of the Victoria Police Organised Motor Vehicle Theft Squad (OMVTS) echoed the comments of Acting Assistant Commissioner Thompson, praising the national focus of the NMVTRC:

The theft council is certainly the best thing that has come along in a long time. It has been able to give a national focus to a lot of those issues whereas previously it was done on a state-by-state basis.¹⁶⁵

162 Michael Case, Chief Engineer, Royal Automobile Club of Victoria (RACV), Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

163 Bill Bartlett, National Spokesman, APRAA, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

164 Acting Assistant Commissioner Trevor Thompson, Victoria Police, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

165 Detective Sergeant Gerry Bashford, Victoria Police Organised Motor Vehicle Theft Squad (OMVTS), Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

The Insurance Council of Australia (ICA) was the only organisation to express reservations about the NMVTRC. Daryl Cameron, Group Manager of the ICA in the Northern Territory and Western Australia, told the Committee:

I understand that the [insurance] industry, generally, is disappointed in the outcomes of the NMVTRC, in that the major initiatives seem to have extended from existing programs, new initiatives have been limited and the impact of the Council itself has been quite limited. I understand that it is unlikely that the industry will continue to fund it.

Mr Cameron's criticism of the Council is perhaps misguided. It is important to reiterate that the NMVTRC was established to implement the recommendations of the NMVTTF. It was this role, rather than the instigation of new initiatives, which was central to the establishment of the NMVTRC. Furthermore, the implementation of national strategies is a complex and often time-consuming process of negotiation and coordination. Ray Carroll explained the Council's role in this context when meeting with the Committee.

The goal for us as an organisation is to actually make these things [initiatives to reduce motor vehicle theft] happen. Implementation is 90 per cent of it. The ideas have been around, we know what needs to be done, but getting those very large organisations that have other priorities and goals to do the things that need to be done is a major task.¹⁶⁶

As the following chapters show, a truly national strategy against motor vehicle theft is in the process of being established. The results of this strategy are already becoming apparent, as highlighted by the recent decrease in the national motor vehicle theft rate.

Interestingly, Peter Jamvold, the Group Manager of the ICA Southern Division, referred the Committee to the work of the NMVTRC in a submission that stated:

From the insurance industry perspective, the most appropriate authority on motor vehicle theft and strategies to address this problem is the NMVTRC.¹⁶⁷

These sentiments were echoed in submissions that the Committee received from Australian Associated Motor Insurers (AAMI) Limited and CGU Insurance Limited. The support of the individual insurance companies stands in significant contrast to the comments made by Mr Cameron. The ICA is essentially a management body, established to represent and promote the interests of individual insurers. In this context, the support of the insurance companies who deal with the practicalities of motor vehicle insurance is perhaps a better indication of sentiments within the insurance industry.

166 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

167 Insurance Council of Australia, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, February 2002.

Conclusion

The Committee commends the work of the NMVTRC and believes that it has played a pivotal role in the coordination and implementation of several national initiatives undertaken to address motor vehicle theft.¹⁶⁸ Furthermore, the Committee believes that the tenure of the NMVTRC should be extended by a further three years to allow adequate time for its strategic plan to be fully implemented. Consequently the Drugs and Crime Prevention Committee is disappointed by the Insurance Council of Australia's statement that it is unlikely to continue to provide funding. It is only through national partnerships forged between government and industry that the problem of motor vehicle theft will be addressed in the coordinated and cooperative manner that a federal system requires.

168 The NMVTRC's role in implementing national initiatives will also be addressed in the following chapter.

14. National Initiatives against Professional Motor Vehicle Theft

Establishing national information exchange

In the past, a lack of nationally coordinated motor vehicle theft prevention has contributed to the commission of professional motor vehicle theft activities. The past failure of registration authorities in each of Australia's states and territories to share reliable and up-to-date information has allowed professional thieves to exploit inadequacies in the national availability of information regarding stolen vehicles, wrecked vehicles, registration details and vehicle identification numbers. In fact, the lack of a nationally linked database providing access to such information has allowed thieves to simply steal motor vehicles in one jurisdiction and re-register them in another with their original identifiers intact. Alternatively, a thief could simply remove the identifiers from a vehicle in one jurisdiction and use these to rebirth and promptly re-register a stolen vehicle in another jurisdiction.

In a submission to the Committee, VicRoads, the statutory authority responsible for registration and licensing, outlined the manner in which state and territory registration authorities are working together to counter motor vehicle theft through the implementation of a range of national initiatives. These initiatives are based on:

- On-line exchange of vehicle information;
- Standardised registration procedures (e.g. proof of identity and proof of entitlement);
- Compulsory notification of written off vehicles; and
- Targeted identity and safety inspections of high risk vehicles.¹⁶⁹

These initiatives have been detailed collectively in a set of national minimum registration standards agreed to by the Australian Transport Council (a national ministerial forum on transport and road policy issues). Industry groups, such as insurers, motor industry bodies and motoring consumer bodies in all states

¹⁶⁹ VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.9.

and territories have been fundamental in supporting these initiatives, and will continue to play a key role in reducing vehicle theft. These initiatives are addressed in some detail in the following sections of the report.

National registration standards are to be based primarily on cooperative arrangements as opposed to template legislation. Bruce Chipperfield, Manager of Registration and Licensing Policy at VicRoads, elaborated on this when he presented evidence at public hearings held by the Drugs and Crime Prevention Committee:

We [VicRoads] are working closely with all states to have consistent practices. It is not just consistent systems; we are working towards all states adopting consistent practices. That includes things like proof of identity for people to register vehicles, that we use common proof-of-identity processes, that we use common vehicle identification processes, and that we inspect high-risk vehicles ...

In this particular area we introduced what is called the national registration and licensing law in Victoria in 1999, and that is modelled on what [was] ... intended to be template legislation, but was too hard to achieve. I think all states had trouble getting their own parliamentary counsel to agree to the drafting standards of the commonwealth and various things like that just meant it all fell over from the point of view of template. So the states by agreement through the ATC – that is the Australian Transport Council that the Minister of Transport in Victoria attends – agreed that they would, however, introduce legislation with all the principles in it. That generally has now happened right across Australia. We have reasonable consistent registration and licensing law ...

I think the main impetus has been through Austroads, the cooperative arrangements between the respective state road authorities and a commitment through Austroads chief executives to actually make consistency work across Australia in a large number of areas. I think there has been that sort of commitment, more at the administrative level as much as anything.¹⁷⁰

The following section outlines how registration and licensing authorities are working together to counter professional and organised motor vehicle theft activities. The key to the initiatives being implemented is the vehicle identification number (VIN) system adopted by registration authorities in the late 1980s. This system, for the first time, provided every vehicle with a unique identity that is entered into a state or territory database when a motor vehicle is registered. The intention was to allow authorities to track a vehicle through the course of its 'life'.¹⁷¹ However, without the exchange of registration information between states and territories, the potential benefits of the system

170 Bruce Chipperfield, VicRoads, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

171 Bruce Chipperfield, VicRoads, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

cannot be realised. In fact, without a form of national, real-time information exchange between registration and licensing authorities there is little to prevent professional motor thieves undertaking the cross-border importation and re-registration of stolen motor vehicles with relative ease.

The National Exchange of Vehicle and Driver Information System

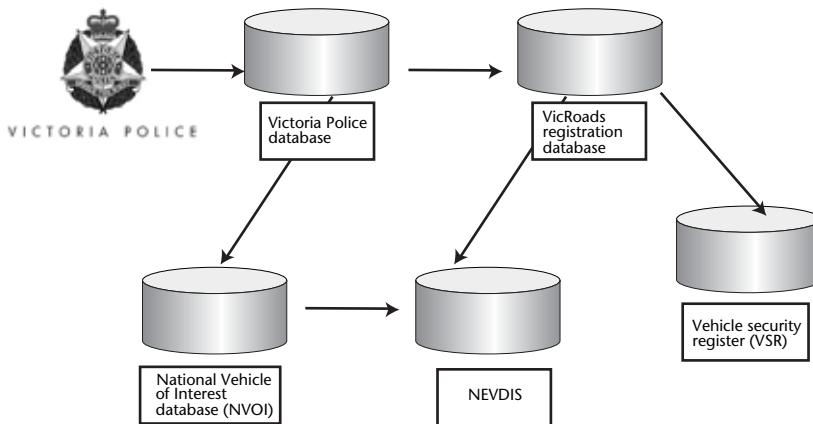
In 1996 the Australian Transport Ministers agreed to fund the National Exchange of Vehicle and Driver Information System (NEVDIS). Once it is fully implemented NEVDIS will provide a link between registration authorities in each state and territory, allowing access to accurate, real-time information on the current status of all registered vehicles and licensed drivers throughout Australia (NMVTTF 1997b). The key principles underpinning the system is to ensure that at any one time there is only:

- ◆ One driver's licence per person; and
- ◆ One VIN per vehicle.

This will allow each vehicle in Australia to be identified according to its VIN and ensure that each vehicle can only be registered in one state at any given time (Rawlings 2000). In this way NEVDIS will counter the practice of re-registering stolen motor vehicles in different jurisdictions.

A nationally linked information grid such as NEVDIS will also provide a readily available instrument through which to access vehicle information additional to that provided by registration authorities. The National Vehicle of Interest (NVOI) database is one example of information that may be accessed via the NEVDIS information grid. The NVOI index is a national database of stolen vehicle information that is operated by CrimTrac within the Commonwealth Attorney-General's Department. It is maintained and updated by individual police agencies (excepting Tasmania) and provides police across Australia with up-to-the-minute information on stolen vehicle status. Figure 14.1 below shows how stolen vehicle information is recorded in Victoria and how this information is then passed on to state and national information databases such as NVOI and NEVDIS.

Figure 14.1: The exchange of stolen motor vehicle information in Victoria



Source: VicRoads 2002 (April), Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, p.6.

Victoria Police enter details of stolen vehicles into their database which is called the Law Enforcement Assistance Program (LEAP). LEAP enables police computer terminals throughout the state to access and retrieve a range of information including incident reports, attendance register, bail records, vehicle registrations, driver licences, stolen vehicles, and persons and vehicles of interest.

Stolen vehicle information is sent to VicRoads and is updated on the Victorian registration database and sent to the Victorian Vehicle Security Register (VSR) which is linked to VSR systems in other states and territories. The public may make inquiries from the VSR as to whether a vehicle is recorded as stolen. Stolen vehicle information is also sent to NVOI, which in turn sends a message to NEVDIS.

A flag showing that a vehicle has been stolen can only be removed when the police have deleted it from the LEAP database.

In this way the sharing of real-time information between registration authorities increases the likelihood of stolen vehicles being detected. Certainly the gathering of vehicle data at a central point provides unprecedented ease of investigation for all concerned. Of equal importance to NEVDIS is the establishment of Written-Off Vehicle Registers in each jurisdiction. This issue is addressed further in the next section.

The implementation of NEVDIS was a core component of the NMVTF's original theft reduction strategy and a completion date was initially set for the latter half of 1998. Unfortunately technical issues have proven an obstacle, with significant gaps existing between the data maintained by registration authorities at the time and the data required for the successful functioning of NEVDIS (NMVTF 1997b). However, the need to fully implement NEVDIS has remained a priority of the NMVTRC's strategic plan and the Council has been

active in urging state Ministers and their registration authorities to link to the national database as soon as practicable (Rawlings 2000).

Despite revised predictions of all jurisdictions having established links between their respective vehicle registration systems and NEVDIS by late 2001 (NMVTRC 2001a), further delays have been experienced. As at July 2002, the Australian Capital Territory and Tasmania were yet to be connected. The ACT was projected to begin loading data in July 2002, but Tasmania was still an estimated two years from connection. This is due largely to computer systems' limitations in Tasmania and the expected costs of updating the systems.¹⁷² Until these difficulties are overcome and all states and territories are linked to NEVDIS there will be loopholes that professional motor vehicles thieves will continue to exploit. As the NMVTRC stated:

The major theft prevention outcomes of this initiative will not be achieved until all states and territories are connected to NEVDIS, the central element of the 'national grid' of information exchange. In the meantime, vehicle thieves continue to circumvent existing measures by sourcing vehicle identifiers from non-connected states (NMVTRC 2001a, p.11).

For example, until Tasmania is connected to NEVDIS there is little to stop professional thieves travelling to Tasmania in order to obtain vehicle identifiers from written-off vehicles at motor auctions and using these identifiers to rebirth similar models in Victoria. While the overwhelming majority of vehicle registration details may be logged into NEVDIS, the 326,222 passenger and light commercial vehicles registered in Tasmania¹⁷³ provide the means for the rebirth of stolen motor vehicles in other states and territories. In this respect, the system will only be as strong as its weakest link.

In one sense registration is the last line of defence against motor vehicle theft. Once a stolen vehicle has been successfully (and fraudulently) re-registered it is, for all accounts and purposes, a legitimate motor vehicle. There is then only a very limited possibility of it being identified and returned to its original owner. As David Grey of the Fowles Auction Group noted:

No matter what the insurer, the manufacturer, the car dealer does – or the sellers of cars in our instance – if there is an amber or green light at the point where the car gets its new heritage or history, which is VicRoads ... if they can get that car through VicRoads, you will never stop them. So thus the car needs to be far more seriously scrutinised.¹⁷⁴

Accordingly, stakeholders in motor vehicle issues see the completion of the NEVDIS national information grid as the number one priority in respect of national motor vehicle theft reduction (NMVTRC 2000c, p.iii).

172 Siobhan Sheridan, Research officer, NMVTRC, in correspondence with the Drugs and Crime Prevention Committee, 21 May 2002.

173 As at 31 December 2001. Source: Comprehensive Auto Theft Research System (CARS) Analyser database.

174 David Grey, Executive Director, Fowles Auction Group, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

Written-off Vehicle Registers

A national database of registration information is particularly important for preventing the practice of vehicle rebirthing. As noted in Chapter 3, the rebirthing of stolen motor vehicles is the means by which professional motor vehicle thieves provide stolen vehicles with a legitimate identity. If professional thieves are to 'legitimise' a stolen motor vehicle in this way, they require legitimate identification in the form of a Vehicle Identification Number (VIN) and a compliance plate bearing this number. The greatest source of these 'legitimate' numbers is wrecked motor vehicles sold at auction. As noted previously, the most common modus operandi of the vehicle rebirther is to purchase a wrecked vehicle at auction, steal an identical model of motor vehicle and re-identify it using the compliance plates that are removed from the wrecked motor vehicle. The stolen vehicle is then presented for registration as a wrecked vehicle that has been repaired (NMVTTF 1997b). The NMVTRC has 'conservatively estimated that more than \$7 million of vehicles are rebirthed every month' in the absence of effective preventative measures (NMVTRC 2001a, p.11).

Written-off Vehicle Registers (WOVRs) are a key initiative designed to counter the rebirthing of stolen motor vehicles. A vehicle is considered to be 'written-off' if it is so badly damaged that it is not possible to safely rebuild it or because the cost of repairs exceeds the vehicle's market value (NMVTRC n.d.1). Of the approximately 100,000 written-off vehicles sold at auction in Australia each year, it is estimated that up to two-thirds are so badly damaged that they could, at best, only be used for parts. If the registration records of these 'high risk' vehicles are entered into an accessible database, then authorities have the means to prevent professional thieves using a wreck's identity to register a stolen motor vehicle (NMVTRC n.d.1).

The NSW Written-off Vehicle Register model

An early model of a WOVR was established in New South Wales by the *Traffic Amendment (Vehicle Identification) Act 1996*. This came into effect on 30 September 1998, and was then regarded as the most advanced legislative model for a WOVR (NMVTTF 1997b). Since the scheme's introduction, it has been mandatory to officially record a NSW registered vehicle of up to 15 years of age that has been 'written-off'.¹⁷⁵ Generally this is the responsibility of insurance companies who may write a vehicle off when it is stolen and not recovered, or when the cost of repairing a vehicle exceeds its market value or insured value (NMVTRC 1999b).¹⁷⁶ Insurers are able to access the WOVR through the Internet, making it a relatively simple task to record the details of

175 Professional thieves tend to concentrate their illicit activities on recently released models of motor vehicles, as this is where the greatest profit lies. Older vehicles tend to be targeted by opportunistic thieves for purposes such as 'joy-riding.'

176 If a written-off vehicle is presented for sale and is not recorded on the WOVR, then the relevant motor dealer or dismantler is responsible for advising the Road Traffic Authority (RTA), the registration authority in NSW.

written-off vehicles. The penalties for failing to record written-off vehicles, recording misleading information, or for interfering with vehicle markings were set at \$2,200 per offence.

Insurers are required to record the VIN of a written-off motor vehicle in a WOVN maintained by the NSW Road Traffic Authority (RTA). The VIN must be recorded in one of three categories:

1. Repairable write-offs that are deemed uneconomical to repair ('economic' write-offs);
2. Not repairable or structural write-offs ('statutory' write-offs);
3. Vehicles stolen and not recovered. If a vehicle is later recovered, then it may be re-registered, depending on advice from the relevant insurance company.

Those vehicles categorised as statutory write-offs have their VINs cancelled and struck from registration databases. This prevents them from being used to re-identify a stolen motor vehicle of similar make and model. However, depending on their condition, these written-off vehicles may still be purchased for parts or scrap metal by legitimate parties who recycle auto parts.

In 1999, the NMVTRC employed a consultant (M.M. Starrs Pty Ltd.) to undertake an evaluation in NSW of that state's WOVN. Based on consultation with concerned stakeholders and data related to motor vehicle theft and sales of written-off vehicles, the resulting report concluded that the WOVN had made a positive and notable impact on the level of professional theft in NSW. The evidence of this impact existed in the form of:

- A decrease in the number of unrecovered stolen vehicles up to 15 years old;
- A decrease in the proportion of written-off vehicles in NSW;
- A decrease in the number of recovered cars that could fall into the strip and buy back category;¹⁷⁷
- A decrease in the price of written-off vehicles sold at auction in Sydney. The most significant decrease was noted in the price of vehicles that had been stripped of parts than for all other categories of written-off vehicles (NMVTRC 1999b, p.ii).¹⁷⁸

However, perhaps more importantly, the evaluation conceded that the apparent reduction of rebirthing activity in NSW 'does not mean that NSW written-off vehicles are not being transported to other states and being repaired or used for re-birthing' (NMVTRC 1999b, p.iii). The evaluation conducted a

177 These are cars that have been stripped and dumped. They are written-off by insurance companies because of the significant cost of repair. The thieves responsible for the theft then buy the vehicle shell at auction and restore it using the original parts. It is then presented for registration as a repaired vehicle before being sold at a substantial profit.

178 Given the limited uses available for stripped vehicles, these are thought to be most likely purchased for their identifiers which will be used to rebirth other vehicles or to be rebuilt as noted above.

check to determine whether VINs cancelled in NSW were appearing on the vehicle registers of other states and territories. These would indicate a shift in professional motor vehicle activity from NSW to surrounding jurisdictions. The check identified a 'small, but significant' number of NSW statutory write-offs registered in Victoria, Queensland and South Australia (NMVTRC 1999b, p.iii). David Russell, Manager of Corporate and Public Affairs for the Victorian Automobile Chamber of Commerce (VACC) told the Committee:

New South Wales has had a written-off vehicle register system, a requirement for inspection and a statutory write-off system for about 18 months through the RTA, so the New South Wales market [for motor vehicle rebirthing] was closed, you might say. Therefore there has been trade in those sorts of [written-off] vehicles into Victoria at least for the last 18 months, if not longer ... Yes, there was more rebirthing in Victoria than in other states.¹⁷⁹

Establishing a national Written-off Vehicle Register

The findings of the NMVTRC report (1999b) provided further evidence of the need for a nationally consistent and coordinated approach to motor vehicle theft prevention as opposed to an ad hoc, state by state approach. Indeed, the NMVTRC concluded that until a nationally linked database of motor vehicle information, including a vehicle's written-off status, is operational, professional vehicle thieves would continue to exploit deficiencies in the exchange of information between jurisdictions. As David Grey of Fowles Auction Group told the Committee:

We are talking gangs, not the guy who does it from his backyard a couple of times a year. These guys will ship cars down to Tasmania and do it. If they can find a loophole they will do it. If not, they will export them ... The last major racket that was discovered in Victoria was some years ago. They were Land Cruisers that were being stolen and taken to the Phillipines.¹⁸⁰

In April 1999 Australia's Transport Ministers, meeting as the Australian Transport Council (ATC), agreed to expedite the linking of state and territory databases through NEVDIS (NMVTRC 2000c). At the same time they agreed on the need for the development of WOVRs and the attachment of written-off vehicle information to the NEVDIS system. The ATC requested that Austroads work with police and insurers to define written-off vehicles that could only be considered useful for parts (NMVTRC 2000c). To assist Austroads, the NMVTRC convened a national workshop of stakeholders in November 1999. The aim of the workshop was to determine the high-level principles that should underpin any subsequent national policy for written-off vehicles. While the workshop endorsed a set of national principles, it recommended that the

179 David Russell, Manager Corporate and Public Affairs, Victorian Automobile Chamber of Commerce (VACC), Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

180 David Grey, Fowles Auction Group, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

issue be worked through in detail by state and territory working groups (NMVTRC 2000c). The resulting State and Territory Technical Liaison Groups were comprised of government, police, insurers, motor trades and consumer groups.

In 2000 the NMVTRC engaged a consultant (S.J. Wright and Associates) to draw together the findings of the State and Territory Liaison Groups to recommend best practice principles for written-off vehicle registers in each state and territory. With the exception of South Australia,¹⁸¹ all states and territories agreed to adopt in principle the NSW methodology and terminology for defining and recording written-off vehicles. Where differences of view existed, the NMVTRC report adopted those principles that best promoted national communication, minimised interfacing difficulties and were simple to understand (NMVTRC 2001c, p.v). Consequently the NSW model was adopted as that representing 'best practice'.¹⁸²

On 26 September 2000 a special meeting of the Austroads Registration and Licensing Reference Group was held to discuss the NMVTRC report. The purpose was to reach an agreed position regarding the proposed best practice principles recommended by the NMVTRC report. The following is drawn from the executive summary of Austroads' *Recommended Best Practice Principles for State and Territory Written-Off Vehicle Registers* (Austroads 2001).¹⁸³

Designation Of High-Risk Written-Off Vehicles

Agreed position:

The term 'Statutory Write-Off' to be used to describe a high-risk write-off.

Damage Level Constituting A Statutory Write-Off

Agreed position:

All States and Territories use the New South Wales criteria for assessing whether a vehicle is a statutory write-off.

Responsibilities To Notify [of] Written-Off Vehicles

Agreed position:

1. An insurer, or self-insured fleet operator, auction house, or parts recycler must notify the registration authority if it determines a vehicle for which it is responsible should be written-off or not repaired.

181 South Australia had commenced recording the details of wrecked and written-off vehicles as early as January 1991. In July 1993, notification of wrecked and written-off vehicles by insurance companies, vehicle wreckers, auctioneers, smash repairers and private owners became compulsory. Legislation introduced in September 1999 resulted in the creation of a structural category and the recording of damage locations.

The South Australian WOVF differed from the NSW model in a number of ways. For example, the South Australian WOVF allowed the re-registration of severely damaged vehicles subject to careful inspections and the issue of surrogate VIN or chassis numbers.

182 Correspondence to the Drugs and Crime Prevention Committee from the NMVTRC, 18 June 2002.

183 The NMVTRC sent this Austroads information to the Committee in a 4-page e-mail, 18 June 2002.

2. Any party may use an agent to notify the registration authority of a written-off vehicle's status, but remains responsible for the timeliness and accuracy of any notification.
3. A party that is required to notify the registration authority of a vehicle's written-off status is excused from doing so if notice in respect of that vehicle has already been conveyed to the registration authority.
4. A State or Territory *may* require all registered operators (or owners in respect of unregistered vehicles) to notify the registration authority of a vehicle's written-off status. [Emphasis in original]

Control Of Notification Providers

Agreed position:

1. Authorised notifiers should attach a label to the vehicle's firewall signifying that the vehicle has been written-off.
2. Registration authorities may wish to consider appropriate mechanisms for tracking the issue of written-off vehicle labels.

When Should Notification Be Given?

Agreed position:

A vehicle should be notified before disposal or not more than 7 days after it has been assessed as a write-off, whichever is the earliest.

Re-Registration Inspections

Agreed position:

1. All States and Territories should require a Level 3 inspection for written-off vehicles that are presented for re-registration.
2. In-house personnel should desirably carry out identity inspections. Where outsourced providers are to be used, they should be selected in accordance with strict accreditation standards and be subject to a high level of audit activity.

What Information Should Be Given To A Person Enquiring About An Unregistered Vehicle?

Agreed position:

Minimum response for both registered and unregistered vehicles is a "yes" or "no" answer to queries about current or previous written-off status. If currently written-off, enquirer should be advised if it is ineligible for future registration.

Should An Indemnity Be Given For Written-Off Information?

Agreed position:

That no indemnity be given for written-off information.

What Is Meant By ‘Written-Off’?

Agreed position:

That a nationally agreed definition of ‘written-off vehicle’ be developed, which incorporates the meaning of the word ‘wreck’. To this end the NMVTRC undertook to initiate a process to develop a definition of written-off vehicle.¹⁸⁴

Should Statutory Write-Offs Be Re-Registered?

Agreed position:

All States and Territories should refuse to re-register high-risk write-offs, subject to the nationally consistent controls of appeals and exceptions.

Write-Off Notification By Uninsured Vehicle Operators and Owners

Agreed position:

1. It is not necessarily compulsory for vehicle owners and operators to make a written-off vehicle assessment or make a notification that their vehicle has been written-off.

184 The NMVTRC developed a discussion paper (NMVTRC, *Final Report to VicRoads, Austroads project: Definition of written-off vehicle* (S.J. Wright & Associates) 2001 p, Appendix 2, p.5). Austroads then used the discussion paper to consult with jurisdictions and refine the definition. VicRoads managed the project for Austroads. It was determined that separate definitions of statutory and repairable (economic) write-offs could be based on the following definitions used in the New South Wales Road Transport General Regulations 1999 with appropriate additions and insertions. On this basis, the following definitions were proposed:

‘Written-off vehicle’ means a motor vehicle or trailer that is:

- * A statutory write-off, or
- * A repairable [or economic] write-off.

‘Statutory write-off’ means:

- * A motor vehicle (other than a motor bike) that is:
 - Immersed in salt water for any period above the doorsill level, or
 - Immersed in fresh water up to the dashboard or steering wheel for more than 48 hours;
- * A motor bike that is:
 - Fully immersed in salt water for any period, or
 - Fully immersed in fresh water for more than 48 hours;
- * A motor vehicle or trailer that is burnt to such an extent that it is fit only for wrecking or scrap;
- * A motor vehicle or trailer that is stripped of all, or a combination of most, interior and exterior body parts, panels and components (for example, engine, wheels, bonnet, guards, doors, boot lid);
- * A motor vehicle (other than a motor bike) that is damaged by at least 3 of the following impact damage indicators:
 - Damage to an area of the roof equal to or exceeding 300mm by 300mm in size,
 - Damage to an area of the cabin floor pan equal to or exceeding 300mm by 300mm in size,
 - Damage to an area of the firewall equal to or exceeding 300mm by 300mm in size,
 - Any damage to the suspension,
 - Damage (ie. cracked or broken) to major mechanical components such as the engine block and transmission casings;
- * A motor bike that has impact damage (excluding scratching) to the suspension and at least two areas of structural frame damage.

‘Repairable write-off’ means a motor vehicle or trailer that is:

Not a statutory write-off, and

Is damaged by collision, fire, flood, accident, trespass, dismantling, demolition or other event to the extent that its fair salvage value plus the cost of repairing the vehicle for use on a road or road related area would be more than the fair market value of the vehicle immediately before the event that caused the damage.

2. Registration authorities should ask vehicle owners who cancel their registration to volunteer information that the vehicle is to be wrecked and should record this information in the register as a repairable write-off.¹⁸⁵

Should The Written-Off Notification Requirement To The National Registration Scheme Be Rescinded?

Agreed position:

States and Territories should rescind the notification requirement of the National Heavy Vehicle Registration Scheme.

Should There Be An End-Of-Life Or No-Value Write-Off?

Agreed position:

Written-off vehicle categories should be restricted to repairable and unrepairable, and there should not be a separate write-off category for end-of-life vehicles.

Which Vehicles Should Be Subject To Written-Off Notification?

Agreed position:

Vehicles subject to notification requirements should include only ADR-compliant motor vehicles and motor cycles, and caravans and heavy trailers up to 15 years of age, except where the insurance industry has nominated an older vehicle to be at risk of re-birthing. The notification requirement should include both registered and unregistered vehicles.

What Labels Should Be Applied to Written-Off Vehicles?

Agreed position:

1. An identifying label signifying that the vehicle has been written-off should be placed on the firewall of all written-off vehicles.
2. Warning labels should only be placed on wrecks that have been assessed as suitable only for parts, that is, statutory write-offs.
3. It should be mandatory for warning labels to be affixed to statutory write-offs.
4. All persons or bodies required to assess and notify a written-off vehicle must affix a statutory write-off label before the vehicle is sold or otherwise disposed of.

185 It was determined that the potential for motor vehicle thieves to use the identities from wrecks advertised in trading magazines be monitored by South Australia and reviewed in 12 months time to see if any changes to the best practice position are necessary.

National Communication Of WOVR Information

Agreed position:

That, at a minimum, all States and Territories should make the information comprising the New South Wales data set (ie. location, incident type, damage location and severity) available to NEVDIS.

In 2001 the best practice principles received the support of the Standing Committee on Transport, which comprises Chief Executives from road and traffic authorities in Australia.¹⁸⁶ This support determined that written-off vehicles are to be classified as either 'statutory' or 'repairable' write-offs. As at 6 June 2002, only the South Australian Transport Minister was yet to endorse the best practice principles. However, the NMVTRC reports that, at senior officer level, Transport SA has undertaken to pursue the changes required to come into line with national agreement.¹⁸⁷

During 2001 the Victorian Parliament passed amendments to the *Road Safety Act* dealing with the establishment of a Register of Written-off Vehicles. A Regulatory Impact Statement advising of changes to the Road Safety (Vehicles) Regulations 1999 was advertised on 16 February 2002. Approval was then sought from the Minister for Transport to gazette the following changes:

- Requirements for insurers, self insurers, motor wreckers and motor car traders to report information about damaged late model light motor vehicles to the Corporation, and to affix a label to a vehicle that is a "statutory write-off" as defined in the Road Safety Act;
- Cancellation of registration of written-off vehicles;
- New offences for failure by an insurer, self insurer, motor wrecker or motor car trader to advise the Corporation that a late model light motor vehicle is written-off; and failing to attach a notice or label to a statutory write-off.¹⁸⁸

The changes in Victoria provide for the VIN of late model written-off vehicles (younger than 15 years old) to be recorded on the Register and will introduce controls for the registration and renewal of registration of vehicles bearing these identifiers.¹⁸⁹ A repairable write-off will only be re-registered if a vehicle identity validation (VIV) inspection certificate and a Certificate of

186 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, pp.9-10.

187 NMVTRC, in correspondence with the Drugs and Crime Prevention Committee, 18 June 2002.

At the time of writing, the Council was seeking a meeting with the South Australian Minister for Transport to stress the importance of expediting the issue. As an interim measure, Transport SA has proposed the extension of a regulation that prohibits the re-registration of NSW statutory write-offs in South Australia. This would be extended to prohibit the regulation of any vehicle declared a statutory write-off in any jurisdiction.

188 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, p.9.

189 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, p.9.

Roadworthiness are obtained. The purpose of the VIV inspection is to ensure that the identity of the vehicle being presented for re-registration is actually the previously damaged vehicle. These inspections will be available from inspection stations approved by VicRoads.¹⁹⁰

Victoria's written-off vehicle register became operational on 1 May 2002, joining those of South Australia and New South Wales. Other jurisdictions are expected to become operational by September 2002.¹⁹¹ Like NEVDIS, WOVRS will only make a national impact once all jurisdictions are linked through NEVDIS. At that point, the NMVTRC estimates that the use of the statutory write-off category will effectively cancel the VIN number of up to 30,000 badly damaged vehicles each year (NMVTRC 2002d).¹⁹² Until that time, professional motor vehicle thieves will continue to purchase 'wrecks' at auction for the purpose of rebirthing stolen motor vehicles. The unfortunate consequences of this for the consumer and sources of information aimed at avoiding such consequences are discussed in the following section.

Consumer information

One of the consequences of a successful police investigation into an incident of motor vehicle theft is that the innocent buyer of a re-identified vehicle, whether private purchaser or motor trader, will suffer severe financial hardship when the vehicle is confiscated and returned to its legal owner (NMVTRC 2000d). Accordingly, stakeholders such as the NMVTRC argue that information about whether a vehicle is stolen, written-off or financially encumbered should be publicly available at a reasonable cost (NMVTRC 2000d).

Register of Encumbered Vehicles

Currently each state maintains a Register of Encumbered Vehicles (REVS) or Vehicle Securities Register (VSR). In Victoria, the VSR maintains information about the financial encumbrance status of vehicles registered within the state as well as information about whether or not a vehicle is listed as stolen.¹⁹³ This allows potential consumers to find out whether a vehicle is financially encumbered or has been reported stolen, before deciding to purchase it. It also allows prospective buyers of motor vehicles to purchase a VSR certificate

190 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, p.9.

191 Ms Siobhan Sheridan, Research officer, NMVTRC, in correspondence with the Drugs and Crime Prevention Committee, 22 May 2002.

192 Once recorded on a WOVRS as a statutory write-off, a vehicle will be deemed suitable to be used for spare parts only. The removal of the professional criminal element will reduce the prices being bid for wrecked vehicles and will consequently have the additional benefit of increasing the affordability and availability of spare parts for consumers (Rawlings 2000).

193 The National Vehicle of Interest (NVOI) database also maintains details of stolen cars. NVOI is a national database operated by CrimTrac within the Commonwealth Attorney-General's Department. It contains details on any vehicles of interest to any Australian police service and each police jurisdiction (except Tasmania) is responsible for providing the latest information on vehicles of interest to NVOI.

showing a non-encumbrance recorded on the register to guard against the possibility of the vehicle being repossessed by a financier.

Information maintained on REVS and VSR in each mainland jurisdiction is exchanged nationally on-line (with the exception of Western Australian which exchanges the information off-line) (NMVTRC 2001j). The Victorian Register is linked to the NSW, Queensland and South Australian Registers. NSW also operates Register services for the ACT and Northern Territory. A link also exists with the Western Australian REVS, however information is exchanged off-line (REVS n.d.). Tasmania does not have any links with the mainland registers.

While this information provides a potential means of protecting consumers, the NMVTRC has reported that the greater majority of private motor vehicle buyers in Australia do not seek out vehicle status information before they purchase a pre-owned motor vehicle (NMVTRC 2001j).

In February 2001, the NMVTRC commissioned a report to examine the feasibility of improving consumer access to reports on vehicle status. The following information was seen to be relevant to consumers:

- ◆ Registration status – Whether this is consistent with the national database of registration status by VIN;
- ◆ Stolen status – Whether a vehicle is recorded as stolen;¹⁹⁴
- ◆ Written-off status;
- ◆ Financial encumbrance status; and
- ◆ Other information, such as the number of times that a vehicle has changed hands (NMVTRC 2001j).

At the time of the NMVTRC's report, only information in relation to a vehicle's encumbrance and stolen status was available 'on anything approaching a national basis' (NMVTRC 2001j, p.x). However, once NEVDIS is fully implemented it will provide access to a far broader range of vehicle status information, including registration and written-off status.¹⁹⁵ The NMVTRC has argued that ready access to such information provides a 'powerful disincentive' to stealing motor vehicles for re-sale because:

- It becomes much more difficult to disguise a stolen vehicle if the status of a vehicle's identifiers is available;
- Processes for disguising stolen vehicles rely on prospective purchasers being uninformed about the status of the identifiers used;
- Consumers are usually careful when buying what is the second biggest purchase for most of us and only need their suspicions raised to be put off purchasing any particular vehicle;

194 This information is not as important as it may first seem because stolen motor vehicles are usually rebirthed before being sold.

195 Provision for encumbrance data is incorporated in NEVDIS, but as yet no encumbrance status data has been loaded and there are no plans to obtain this data from REVS.

- It is a measure that is difficult to circumvent (NMVTRC 2001j, p.8).

While not providing all of the noted relevant information to consumers, REVS is seen as the logical 'one-stop shop' for vehicle status information (NMVTRC 2001j, p.11). REVS and VSR already have the infrastructure established, an information provision/consumer protection role and a profile among consumers (NMVTRC 2001j).¹⁹⁶ Accordingly, the NMVTRC proposes that REVS is best placed to provide vehicle status information and that NEVDIS should be the authoritative source of this information (except encumbrances) for REVS.¹⁹⁷ In keeping with this proposal, the NMVTRC recommended that for each inquiry made to REVS an inquiry be made to NEVDIS to ascertain all relevant vehicle information.

The NMVTRC recommended that, pending centralisation of the provision of motor vehicle status information, relevant agencies in each state and territory make arrangements for vehicle status information to be available to consumers (NMVTRC 2001j). In Victoria this information will be provided through VicRoads Vehicle Information Package (VIP), discussed in further detail in Chapter 16.

Although access to motor vehicle information is invaluable for protecting consumers from purchasing stolen or encumbered motor vehicles, it is apparent that few individuals make use of the available services. Surveys in New South Wales show that only 33 per cent of private buyers contact REVS prior to purchasing a motor vehicle. Surveys in Western Australia suggest that the figure may be as low as 10 per cent (NMVTRC 2001j). Most inquiries to REVS come from licensed motor vehicle traders (NMVTRC 2001j). As a result of the limited number of private consumers who access vehicle information, the NMVTRC's report expressed a need to inform consumers about the availability of this information and to ensure they understand its purpose (NMVTRC 2001j). To achieve greater consumer awareness, the report suggested that the NMVTRC develop a communications strategy in conjunction with the motor trades and registration authorities (NMVTRC 2001j).

As well as the need to protect consumers against purchasing stolen vehicles, steps are also needed to protect against the sale of stolen vehicle components or components taken from written-off vehicles. The following section discusses possible ways in which manufacturers could reduce the incidence of both types of illegal trade.

196 VicRoads was the exception to this view, believing that REVS should merely provide encumbrance information to registration authorities who would package this with the remaining vehicle status information for consumers as in the planned VicRoads Vehicle Information Package (VIP). The VIP initiative will be discussed in further detail in Chapter 16.

197 For detailed information on proposals to improve consumer access to vehicle information through REVS and NEVDIS, see NMVTRC, *Feasibility of Improving Consumer Access to Reports on Vehicle Status*, NMVTRC, Melbourne, April 2001j.

Motor vehicle and component identification

Although the national exchange of information has the potential to significantly curb professional theft, rebirthing and re-sale of stolen motor vehicles, it would be unwise to expect motor vehicle thieves to retire from their criminal activities simply because one avenue for this illicit income has been closed. As the Insurance Manufacturers of Australia noted in a submission to the Committee:

With the introduction of the Written-Off Vehicle Register in NSW, this ‘modus operandi’ [rebirthing of written-off vehicles] has become less prevalent in that state, however a shift towards more expensive vehicles, with only minor stripping undertaken has emerged. This results in the insurer writing the vehicle off for economic purposes, and while the profit margin is not as high for the professional thief, there is still adequate cash incentive for this activity [rebirthing of economic write-offs] to prevail.¹⁹⁸

The range of methods employed by professional motor vehicles thieves therefore necessitates a corresponding range of preventative strategies and measures. Without a raft of anti-theft measures, law enforcement authorities are likely to displace the illicit activities of organised motor vehicle thieves from one area (motor vehicle rebirthing) to another (stolen parts). This section examines possible measures that vehicle manufacturers might take to increase the security of motor vehicle identification in order to prevent the theft and re-sale of vehicles and their components.

Motor vehicle identification

A note concerning number plates

There is a common perception that vehicle number plates are the primary means of vehicle identification. However, the ease with which number plates can be removed greatly compromises their use as a secure form of vehicle identification. In addition, number plates may be changed for a variety of legitimate reasons during the life of a motor vehicle. As Geoff Hughes, Project Manager, NMVTRC, told the Committee:

The point we would make about vehicle identification is that while every man in the street might think the number plate is the way you identify a vehicle, it is probably the least important identification mark on the vehicle from a vehicle theft perspective. It is the 17-digit Vehicle Identification Number that is the unique number. It stays with the vehicle from the cradle to the grave, whereas number plates, for a range of legitimate reasons, whether you want custom plates or you are replacing a damaged plate, can change many times over the life of a vehicle. From a vehicle theft perspective it is that unique 17-digit number that distinguishes one vehicle from another.¹⁹⁹

198 Insurance Manufacturers of Australia, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.4.

199 Geoff Hughes, Project Manager, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

As discussed in Chapter 3, the VIN is stamped onto a compliance plate located on the body of each motor vehicle.

Compliance plates – metal

Australian Design Rule 43/01 requires all new motor vehicles to have a compliance label or plate attached. The purpose of a compliance plate is to certify that a vehicle complies with all current Australian Design Rules upon its release from the manufacturer. In practice, compliance plates also serve as the primary identifier of a vehicle. This is because they bear each vehicle's VIN, which may also be stamped onto a major structural component of the vehicle (NMVTRC, 2001k).²⁰⁰ Compliance plates are usually attached to the body of a vehicle with rivets. As noted in Chapter 3, the ease with which they can be removed and reattached contributes to the ease with which professional thieves rebirth stolen motor vehicles (NMVTRC 2001k). Until recently, compliance plates were required to be metal. They have typically been made of aluminium and fixed to the motor vehicle with pop rivets. As Padula (2000, p.2) notes, 'Put simply, we couldn't make it more easy for the professional thief'. He then lists the following:

- An aluminium plate is a readily available material that can be cut to shape inexpensively;
- It can be easily printed on;
- It is easy to remove and reapply;
- It is easy to punch required numbers with relatively inexpensive, easily sourced equipment; and
- It is very difficult to incorporate security features into the medium (Padula 2000, p.2).

Compliance labels – adhesive

In March 1999 the Administrator of Vehicle Standards issued Circular 0-3-8 'The Use of Adhesive Labels for Compliance Plates'. This circular allowed the use of counterfeit-protected adhesive compliance labels subject to a number of conditions, including the marking of the VIN in text and barcode on the label (NMVTRC 2001k). It also required the label to be durable, self-voiding in the case of attempted removal, difficult to counterfeit and to carry a unique identifier of the vehicle manufacturer (NMVTRC 2001k). The measure was aimed at simplifying the process by which manufacturers fitted compliance plates while simultaneously making the unlawful re-use of compliance plates a more difficult proposition (NMVTRC 2001k).

In light of the above developments, the NMVTRC has examined options for the replacement of transferable aluminium compliance plates with 'secure self-voiding adhesive compliance labels on new vehicles' (NMVTRC 2001k, p.12). The key to the proposal is the '*elimination of genuine compliance plates in the*

200 A combination of the two methods is also permitted.

public domain that are not attached to the vehicle to which they were originally fitted' (NMVTRC 2001k, p.12) (Committee's emphasis). This would counter the practice of rebirthing stolen vehicles with compliance plates removed from wrecked vehicles purchased at auction. The introduction of adhesive, self-voiding labels was proposed by the NMVTF in 1997. However, despite widespread stakeholder support at the time, only limited development of new labelling technology followed (NMVTRC 2001k). The NMVTRC has made the issue a key of its strategic theft reduction plan.

To promote the wider application of compliance labels, the NMVTRC and the Federal Chamber of Automotive Industries (FCAI) formed a working party to examine technical and cost issues. The subsequent report stated that adhesive labels must fulfill three criteria. It notes that labels should be:

1. Secure – Impossible to copy and easy to identify.

It must be very difficult (and/or expensive) to reproduce copies of, or replicate the labels outside authorised channels. Genuine labels must also incorporate some non-technical, non-destructive means of readily identifying them as the genuine article.

2. Self-voiding – Impossible to transfer between vehicles or change the information on it without detection.

Removal of the label must damage it to the extent that it is not possible to hide the damage and reaffix it to another vehicle without easy detection. Any changes to this information on the label fixed to a vehicle must also be readily detectable.

3. Durable – Long lasting and resistant to damage under the environmental conditions typical of its location.

The label should remain permanently fixed to the vehicle and easily readable for a long period under normal vehicle use/maintenance situations. Ideally, it should also leave some trace of its presence if it does come off (NMVTRC 2001k, p.12).²⁰¹

EMANAR Consultants, engaged by the NMVTRC to undertake a detailed analysis of adhesive label supplies, reported that two fundamentally different constructions of adhesive labels could be manufactured to meet the above criteria. These were single layer, chemically treated aluminium foils and multi-layer plastic films incorporating layers of differing characteristics.²⁰² Furthermore, the report concluded that secure, self-voiding compliance labels could be produced at a cost to manufacturers of an additional A\$1.00 per vehicle (NMVTRC 2001k, p.48).²⁰³ With the further assistance of the FCAI and vehicle manufacturers the NMVTRC is refining a performance based

201 Emphasis is in the original source.

202 For a detailed analysis of the various options available regarding adhesive, self-voiding compliance labels see NMVTRC, *Secure Compliance Labels: Assessment of Options*, 2001k.

203 In addition, a capital investment of between \$20,000 and \$80,000 (depending on data printing method adopted) will be necessary for every site where it is desired to use labels partially manufactured overseas.

specification for hi-tech plastic labels that will offer high levels of counterfeit protection and tamper resistance (NMVTRC 2002d).

One issue that needs to be raised in respect of compliance labels is their potential sensitivity to heat gun removal. Despite many potential types of security labels meeting the preliminary requirements of Circular 0-3-8, virtually all non-transferable and self-voiding pressure sensitive products are capable of being defeated by elevated temperatures generated by a heat gun (Padula 2000). However, manufacturers maintain that in the past 5–10 years sophisticated adhesives have been developed that are designed to enhance the security capabilities of labels and make them impossible to remove intact with a heat gun (Padula 2000). It is critical to ensure that any Technical Specifications that may be adopted as a Mandatory Standard include the requirement that labels cannot be removed by thieves skilled in the use of equipment such as heat guns (Padula 2000).²⁰⁴

Component identification

Once security measures such as written-off vehicle registers are implemented nationally it is expected that professional motor vehicle thieves will find it increasingly difficult to rebirth stolen motor vehicles. It is feared that they may subsequently switch their focus to the theft of motor vehicles for their parts. This danger is recognised by the Auto Parts Recyclers Association of Australia (APRAA). Bill Bartlett, the National Spokesman of APRAA, told the Committee:

The national wrecks register will have a significant influence in reducing car theft when the wreck identifiers from those salvaged vehicles can no longer be used for rebirthing ... However, due to the lack of some form of regulation in the handling of used parts, our view is that this paves the way for a shift from rebirthing of vehicles to cars being stolen for parts.²⁰⁵

Detective Sergeant Gerry Bashford supported these comments, saying:

The introduction of the national wreck register on 1 May [2002] will significantly alter the rebirthing situation as we know it. However, we also agree with APRAA that that will place additional pressure on the stolen parts market. Rebirthing as we know it will become difficult. However, rebuilding cars with stolen parts will become more lucrative. ... We have to be alert to those changes.²⁰⁶

There is indeed evidence that professional criminals adapt to legislative change quickly. In correspondence with the Committee, Acting Superintendent Graham Larchin of the Victoria Police Crime Scene Division drew the Committee's attention to the fact that motor vehicle 'shells' are sold without

204 The Committee's emphasis.

205 Bill Bartlett, National Spokesman, Auto Parts Recyclers Association of Australia (APRAA), Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

206 Detective Sergeant Gerry Bashford, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

identification markings.²⁰⁷ He stated that an increasing number of professional motor vehicle thieves are now purchasing these shells and fitting them with stolen parts. Acting Superintendent Larchin warned that there was currently little control over the practice and that such use of stolen parts by the 'criminal element' could become common as a result of the introduction of the Written-Off Vehicle Register.²⁰⁸

The expected increase in the incidence of motor vehicles being stolen for parts highlights the need for clearer identification and traceability of components and accountability in their sale and handling.²⁰⁹ In a submission to the Committee, APRAA argued that 'a strong case exists for component labelling of specific items on a new vehicle, using the VIN'.²¹⁰ APRAA noted that an Australian Design Rule (ADR) (61) recommended component labelling as early as 1991.²¹¹ The fact that this recommendation has been largely unmet may be indicative of the reluctance of manufacturers to implement measures that will come at a cost to the industry with little apparent commercial return. The APRAA submission proposed the labelling of the following vehicle components:

- Motor and chassis;
- Front guards;
- Upper front apron;
- Bonnet;
- Doors;
- Quarter panel;
- Boot;
- Bumper bar assemblies.²¹²

Developing a component labelling system

To be effective, a system of component labelling must make the task of re-identifying a vehicle both time-consuming and costly, to the extent that professional motor vehicle thieves will be deterred from their illegal activities. It has been suggested that to achieve this there are four important criteria that component labelling must meet:

1. It must be overt. That is, everyone has to know it is there, otherwise there will be no deterrent effect;

207 Acting Superintendent Graham Larchin, Victoria Police Crime Scene Division, in correspondence with the Drugs and Crime Prevention Committee, 10 July 2002.

208 Acting Superintendent Graham Larchin, Victoria Police, in correspondence with the Drugs and Crime Prevention Committee, 10 July 2002.

209 APRAA, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, February 2002, p.3.

210 APRAA, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, February 2002, p.4.

211 ADR 61 specifies vehicle marking requirements, such as identification numbers contained in ADR 42.

212 APRAA, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, February 2002, p.3.

2. Although overt, it must be very difficult to tamper with or remove;
3. It must be easy and relatively inexpensive to apply at almost any stage of the manufacturing process;
4. It must be easily identifiable by the people who need to rely on it, such as the police and registration authority personnel (Allen 2000, p.2).

The first international example of component labelling that met these criteria occurred in the United States with the passage of the Motor Vehicle Theft Enforcement Act 1984. The objective of the legislation was to 'reduce the incidence of motor vehicle thefts by facilitating the tracing and recovery of parts from stolen vehicles' (NMVTTF 1997b, p.114). Manufacturers of 'designated high theft passenger car lines were required to affix or inscribe the VIN number onto the engine, the transmission and 12 major body parts' (Padula 2000, p.6). The method of component labelling chosen was secure identification labels similar to the counterfeit-proof, self-voiding compliance labels noted above. These employed a 'UV footprint adhesive' that, as a result of special dyes used in the production of the labels, leave a 'footprint' visible under ultra-violet light in the event that a label is removed (Padula 2000). Labels were designed to tear apart if attempts were made to remove them and used covert technologies, such as scrambled images and hidden logos, to guard against counterfeiters (Padula 2000).

Approximately one-third of all vehicles was deemed to be 'high theft passenger car lines' following the initial introduction of the Motor Vehicle Theft Enforcement Act in 1984. In 1992 the Act was expanded to cover two-thirds of the United States motor vehicle fleet. In 1997 an evaluation of the component labelling reported that the scheme represented a reduction in professional motor vehicle theft. Consequently a directive from the Office of the Attorney-General on 21 July 2000 extended the application of component labelling requirements to the remaining motor vehicle lines (Padula 2000).

In April 2001 the NMVTRC commissioned a study to determine the economic dimensions of the stolen parts trade so as to assess the potential costs and benefits of component identification systems in Australia. The need for such a study had in fact been raised earlier by the NMVTTF which drew attention to the lack of knowledge about the qualitative and quantitative nature of the stolen parts trade and to the need for research if the trade was to be countered (NMVTTF 1997b). However, as noted in Chapter 3, the stolen parts trade is a particularly difficult activity to research. Consequently the 2001 study conducted by the Australian Institute of Criminology was unable to establish a sufficient depth of analysis to enable an economic model to be developed (NMVTRC 2001i). In the light of the lack of reliable research, the NMVTRC was unable to support compulsory component identification as part of its strategic plan (NMVTRC 2001i).

Datadot technology

Despite not supporting a compulsory component identification system, the NMVTRC has been actively working with suppliers to promote component marking systems to vehicle manufacturers (NMVTRC 2001i). A recent development that the NMVTRC is particularly supportive of is the use of Datadot technology. The NMVTRC regards Datadot technology as a 'major breakthrough' in strategies to combat professional motor vehicle theft (NMVTRC 2001m). As Ray Carroll explained to the Committee:

Datadots are tiny little plastic disks about the same size as a pinhead, and the VIN number is on each of those disks. They are sprayed on the car up to 10,000 times, so now instead of having three identifiers on the car, you have 10,000 identifiers on the car.²¹³

Datadots were launched in Australia in Autumn 2001 by DataDot Technology Limited, an Australian incorporated holding company. A datadot is effectively a form of microdot that can be encrypted with a motor vehicle's VIN number. The datadots are suspended in an adhesive and are attached by either spray process or brush.²¹⁴ Given their method of application, datadots can be sprayed throughout the car and onto all major drive line and suspension components. The spray uses a clear durable adhesive that has a 'UV' trace providing easy identification of sprayed areas by using an appropriate light (NMVTRC 2001i). Due to the sheer number of dots, they are able to withstand all but the most determined efforts to remove them. As noted by the NMVTRC in its *Final Report*, the wide distribution of microdots throughout the body of a motor vehicle has a number of significant advantages over the system of adhesive labels employed in the United States:

- They require a more systematic and resource intensive effort to be counterfeited or defeated than simple adhesive labels;
- Typical smash repair methods to defeat microdots such as overspray with paint or corrosive bathing of parts are unlikely to destroy all microdot identifiers;
- Microdots present thieves with a high degree of uncertainty – the quantum of microdots and their location will not be known. Thieves will remain unsure as to whether all microdots have been located;
- The uncertainty presented to thieves is heightened as microdots are not visible to the naked eye (NMVTRC 1997b, p.121).

The greatest obstacle to the widespread adoption of datadot technology is the cost, which is estimated to be between \$80 and \$100 per vehicle.²¹⁵ This translates to a significant cost to the motor vehicle manufacturing industry. At

213 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

214 Although suitable for certain items of value, brush-on dots have proved too time-consuming to apply to gain wide acceptance in the motor vehicle industry. By contrast, the spray system allows thousands of datadots to be applied in a few minutes.

215 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

the time of writing, the use of datadot technology was limited to a small number of manufacturers. BMW Australia is now applying the system to all new model vehicles and Holden is applying this technology to Holden Special Vehicles (HSVs). Porsche, Mitsubishi and Ford are using datadots on a small range of models (NMVTRC 2001l, 2001m). However, it is expected that publicity surrounding those models protected by datadot technology will displace theft activity to remaining unmarked vehicles (NMVTRC 2001l). It is hoped that this will place increasing market pressure on remaining manufacturers to introduce effective vehicle and component identification (NMVTRC 2001l). The NMVTRC also sees a need for the involvement of the insurance industry to make the use of datadot technology more attractive to manufacturers. Insurers could potentially lower insurance premiums for models that have been sprayed with datadots. This would make these models a more attractive proposition to buyers and, consequently, to manufacturers.²¹⁶

The use of datadots has been supported by other organisations such as Victoria Police²¹⁷ and the VACC. David Russell, Manager of Corporate and Public Affairs for the VACC noted:

We encourage the use of microdots. They are extremely difficult to remove or amend. Once a vehicle has had microdots applied it is far less likely to be rebirthed as another vehicle. If the manufacturers of vehicles continue to take up the use of microdots, any vehicle that is seen in that category – make, model and year – that does not have dots will be highly suspicious.²¹⁸

The NMVTRC is contributing to the development of datadot technology by undertaking an evaluation of the system's effects as it is applied incrementally (NMVTRC 2001l). The Council has established a two-year evaluation model to monitor the theft of all late-model BMWs and Holden HSVs since the start of 2000. In the instance that one of these models is stolen, the NMVTRC will interview the owners to ascertain the circumstances of the theft and, if it is recovered, the condition in which it was recovered.²¹⁹ This study is ongoing.

Other methods of component labelling

A number of alternative methods of component labelling were raised throughout the course of the Committee's Inquiry. For example, glass etching has often been suggested as an affordable means of deterring organised motor vehicle thieves who may be reluctant to steal an 'etched' vehicle because of the financial burden of replacing all window fittings, or grinding and polishing

216 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 16 January 2002.

217 Trevor Thompson, Acting Assistant Commissioner, Victoria Police, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

218 David Russell, VACC, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

219 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

away etched numbers.²²⁰ However, some stakeholders, such as APRAA, have suggested that the deterrent value of window etching is insufficient to warrant the devaluing effect that etching has upon glass components.²²¹ If recyclers wish to re-use glass components, they are obliged to grind away etched numbers, an intensive and time-consuming process. In its *Final Report* the NMVTTF noted three further weaknesses in respect of the marking of automotive glass:

1. It offers deterrence for vehicle rebirthing, but no deterrent value whatever for the stolen parts trade (excepting those parts containing glass);
2. As with all non-universal target hardening strategies, theft is displaced to vehicles which do not have the same security measures; and
3. Even if etching is applied to the entire vehicle fleet, grinding and buffing the etched VIN or replacing the glass is possible. There is still a sufficient economic incentive for professional motor thieves to continue their illicit activities, albeit with some cost and time impediments (NMVTTF 1997b, p.122).

The pros and cons of a component labelling system

It is important to note that the cost and logistics of component labelling rules out its application to any but newly manufactured motor vehicles. In a submission to the Committee, APRAA suggested that a component labelling scheme would be manageable for auto parts recyclers and smash repairers. The submission noted:

Where a component bears a VIN, an auto part recycler should be required to maintain a permanent record and ensure subsequent sale invoices contain relevant VINs. The VIN would become significant only if a check revealed it to be from a stolen or written-off vehicle for which the VIN had been cancelled on the national database. In conjunction with this, we would propose that trading in or possession of parts which have had identification removed or in any way altered should be an offence.²²²

Stakeholders such as the NMVTRC have acknowledged that a range of measures is necessary if the activities of professional motor vehicle thieves are to be countered. Together, the establishment of national exchange of vehicle information and greatly improved vehicle identification techniques may represent the basis for such a coordinated range of measures.

220 As part of its Inquiry, the Committee visited the head offices of Etchguard Australia Pty. Ltd. where the use of glass etching was demonstrated.

221 APRAA, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, February 2002, p.5.

222 APRAA, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, February 2002, p.5.

Insurance practices

Any national strategy to counter motor vehicle theft must take account of the role of the insurance industry. Indeed, this industry has a long established association with motor vehicle theft prevention in Australia. However, despite the insurance industry's continued commitment of time and resources, some stakeholders, including the NMVTRC, have identified business practices of this industry which may inadvertently be contributing to the rate of motor vehicle theft. Consequently, if a national strategy against motor vehicle theft is to succeed, it requires action from the insurance industry to ensure that policies and practices prevent rather than enable motor vehicle theft activity.

In 2002 the NMVTRC engaged Tozer Corporation to identify the impact of insurance practices on professional motor vehicle theft (NMVTRC 2002h) in order to identify which, if any, insurance practices could be modified to better support a reduction in vehicle theft. This is a timely issue for insurance agencies given that sustained poor shareholder returns have seen a greater focus on generating capital (NMVTRC 2002h). There is little doubt that insurers would save considerable resources if motor vehicle theft activities were reduced.

Motor vehicle insurance is the largest component of the private insurance industry in Australia, accounting for almost one-third of all general insurance premium income (Carroll 2001). However, insurers currently pay out in excess of 80 cents in claims for every \$1 collected in premiums (NMVTRC 2002h, p.4). In respect of motor vehicle insurance, it is estimated that 17.5 to 20 per cent of claims are paid out for motor vehicle theft (NMVTRC 2002h).²²³ While motor vehicle theft is estimated to cost the insurance industry in excess of \$1 billion annually (NMVTRC 2002h), the impact of motor vehicle theft on the industry goes beyond the paying out on theft claims. As Daryl Cameron, Group Manager of the Insurance Council of Australia (ICA) in Western Australia, noted:

In most instances, in terms of reimbursement and reinstatement, insurers have to pick up not only the physical damage and psychological effects on individuals of the impact of trauma, but also lost working hours, which impact on the industry and the community more broadly through health and psychological services ... The figures I have seen vary from five to one to 10 to one; in other words, you pay \$10 in compensation for every \$1 you spend in asset replacement.²²⁴

There are four areas in which the insurance industry might contribute to ongoing efforts to reduce motor vehicle theft in Australia:

- ◆ Data gathering and information sharing;
- ◆ Professional motor vehicle theft;

223 Motor vehicle accidents account for the remaining proportion of motor vehicle insurance claims.

224 Daryl Cameron, Group Manager (WA) Insurance Council of Australia (ICA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

- ◆ Opportunistic motor vehicle theft; and
- ◆ Theft related insurance fraud.

Detailed discussion of each of these areas follows.

Data gathering and information sharing

The competition to secure a profitable percentage of the private insurance market has contributed to a number of practices that have left insurance agencies more susceptible to fraudulent claims. As at 31 December 2001, the Australian insurance market was dominated by six insurance groups accounting for over 80 per cent of premiums written (NMVTRC 2002h). As Ray Carroll noted:

In such a competitive market, it is not surprising that there are policy paradoxes within companies. On one hand, company marketing departments are busily promoting the message – insure with us and we'll look after you whatever happens. In fact, we care for you so much, we'll even insure your car for more than it's worth. And to top it all off, we'll make doing business with us much easier by not asking you to provide any substantial proof that the car actually exists (Carroll 2001, p.3).

Indeed, sales-friendly processes have been consistently identified by those involved in the claims and investigations departments of insurance agencies as problematic (NMVTRC 2002h). As noted by Carroll above, the decision to provide quick and convenient customer service has promoted less than thorough data collection techniques. It has been argued that the data that is collected is restricted to data which is essential for policy purposes but omits data which could assist investigation and validation of theft claims, for example date of purchase, purchase price and other bases of value (NMVTRC 2002h). The insurers themselves acknowledge this. Jennifer Davidson, Theft Control Manager at NRMA, noted that:

Many insurance investigators find their job becoming increasingly difficult as their company looks for more ways to reduce customer handling time, and in doing so [they] don't just reduce their administrative overheads but also collect less information, or less leads. Less leads, less likelihood of refusing a claim, and nowhere near enough evidence to refer a matter to police for criminal prosecution (Davidson 2000, p.3).

The report compiled by the Tozer Corporation (the Tozer report) noted the lack of both data gathering and information sharing among the greater majority of Australian insurance operators (NMVTRC 2002h). Data gathering is fundamental to determining both the extent of fraudulent claims and the manner in which insurance practices may be inadvertently contributing to professional motor vehicle theft activities. Furthermore, strategies to counter these practices, and the allocation of resources to these strategies, are dependent upon understanding the extent and nature of the problem. In the United States and the United Kingdom, for example, real-time access to

integrated 'questionable claims' databases has provided value to insurers in reduced claim costs and improved risk acceptance (NMVTRC 2002h).

There are exceptions to this lack of data gathering. The Tozer report noted a small number of insurers taking a more scientific approach to establishing the 'most likely' cause of a motor vehicle theft (NMVTRC 2002h). This approach is based on the identification and correlation of a number of key determining factors such as the location from which the car was stolen, the location of its recovery, the year, make and model of the stolen vehicle and, most importantly, the condition of the recovered vehicle (eg. whether it was burnt out or submerged). NMRA Insurance, for example, use a self-described 'intelligence based risk assessment approach' to assist investigators to determine fraudulent motor vehicle theft claims (Davidson 2000). This comprises a thorough assessment of the condition of recovered motor vehicles coupled with an understanding of the key motives for motor vehicle theft. It is claimed that this 'provides a fairly clear picture of the genuine theft landscape' (Davidson 2000, p.4). Consequently, claims that occur outside of this 'landscape' raise suspicions.

Graham Williams, a technical expert of AAMI Insurance, provided some insight into the assessment process involving recovered motor vehicles. Describing the criteria by which investigators sought to distinguish a fraudulent theft claim, Mr. Williams explained:

There is a whole lot of criteria whereby we say, by and large, the likelihood of this guy being fraudulent, as distinct from an opportunistic or professional theft, is higher. Any insurer would then mount an investigation into the relationship, or into why that car was stolen, or whether it was stolen. That investigation might involve a number of physical measurements that are taken into account, one being examination of the ignition lock. If you take that lock to a forensic examiner, for example, does that indicate that the only key in that lock has been the original key or a copy of the original key ... Other than that, the nature of the recovered vehicle itself, is it stripped, is it burnt? The likelihood of a professional thief, for example, throwing a car into a creek is pretty remote.²²⁵

Certainly stakeholders expert in the investigation of motor vehicle theft (police, insurance investigators) argue that timely and accurate recording of the condition of recovered vehicles is crucial to determining the motive for theft (NMVTRC 2002h). To this end, the Tozer report recommended that the NMVTRC, in conjunction with the ICA, coordinate the identification of data elements required to allow a reasonably accurate determination of the 'motive' behind a reported motor vehicle theft, especially the condition of the recovered vehicle (NMVTRC 2002h).

225 Graham Williams, Technical expert, AAMI Insurance, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

The success of such measures will depend to some degree on the willingness of insurance agencies to share information with their competitors. The Tozer report recommends:

The analysis and interpretation of the data at an industry level in order to establish a base line of the 'most likely' motive for thefts and to develop mitigation strategies for the industry without limiting the ability of individual insurers to extract commercial advantage from a more detailed or rigorous analysis of their own portfolios (NMVTRC 2002h, p.9).

To date there has been a tendency for insurers to act in isolation, due in part to reasons of perceived competitive disadvantage (NMVTRC 2002h). However, a national industry database would clearly deliver benefits for insurers at both the 'front end' (risk assessment) and the 'back end' (claims management, the mitigation of professional theft activities, multiple insurance scams and fraud) (NMVTRC 2002h). Currently the insurance industry is hampered by a lack of real-time access to fully integrated databases. According to the NMVTRC, those databases that are accessible, namely the Comprehensive Auto Research System (CARS) or the Insurance Reference Services (IRS), are of limited use for the following reasons:

CARS – There are concerns about the quality of data provided by police in respect of recoveries (a lack of information about the nature of recovery and the extent of damage) and the absence of any data in respect of recoveries from insurers.

IRS – The IRS was established in 1991 by the insurance industry. It is Australia's only national register of insurance claims established to counter insurance fraud. However, not all insurers contribute and not all provide full data sets. Many insurers use it only to confirm proper disclosure of prior claims (NMVTRC 2002h, p.10).

While these two databases can be linked through the insurance company and claim number, they will continue to provide a limited resource until additional information is obtained and conscientiously entered by all concerned stakeholders. To achieve this, there is a need for insurers to compile and document information that may be of assistance for theft-related investigations. Currently that is neglected for reasons of 'customer interest.' In the United States, for example, it is not unusual for insurers to insist that prospective clients visit company owned inspection stations where vehicles are inspected, photographed and the identifiers are recorded (NMVTRC 2002h).

Issues of privacy are often raised in objection to suggestions of data sharing between insurers. As Graham Williams from AAMI Insurance noted:

In terms of professional theft, one of the difficulties that insurers face is because of privacy constraints they cannot effectively exchange information. AAMI [Insurance], for example, may have information relating to a number of people who they believe are engaged in professional theft in various areas. They are

not able to exchange that information with NRMA or other major insurers in order to identify a tort, which would be of benefit to the insurers and, of course, the police themselves.²²⁶

Tozer Corporation argues that 'privacy requirements must necessarily be balanced against the industry's overall responsibility to the community to minimise fraud' (NMVTRC 2002h, p.12) and quotes the Guidelines to the National Privacy Principles issued by the Office of the Federal Privacy Commission:

In general, the Commissioner interprets 'fair' to mean without intimidation or deception. This would usually require an organisation not to collect personal information covertly but there will be some circumstances, eg. the investigation of possible fraud or other unlawful activity, where covert collection of information by surveillance or other means would be 'fair' (NMVTRC 2002h, p.12).

It is apparent that any move towards greater information sharing among insurers would require legal clarification and advice.

Professional motor vehicle theft

I believe that a part of professional-type theft is the insurance companies that will persist in selling their written-off vehicles at auction, because they are providing the very means for the thieves to go out and rebirth and re-identify vehicles. They want to have their cake and eat it too, because they want to be able to sell their wrecks and recover their money but there are a number of people who buy the wrecks and go out and steal another one, so the insurance companies are having to pay out all over again.²²⁷

The sale of written-off vehicles by insurance companies seeking to recoup costs has undoubtedly contributed to the 'rebirthing' of stolen motor vehicles. As discussed earlier, this practice has effectively provided professional motor vehicle thieves with an easily accessible source of legitimate motor vehicle identifiers. However, it is not an issue given high priority to by insurance companies. The amount of money that insurance companies are able to recoup through the sale of motor vehicle salvage is greater than that incurred as a consequence of rebirthing activities. As Daryl Cameron's comments imply, insurance companies are first and foremost business entities:

It is a matter of putting it in context. The rebirthing of non-recovered vehicles accounts for less than 3 per cent of premium costs. The industry weighs up how much time and effort it puts in compared with the 90 per cent of costs related to impact damage. We are more interested in stopping theft, full stop, than perhaps concentrating on rebirthing.²²⁸

226 Graham Williams, Technical expert, AAMI Insurance, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

227 Craig Marsland, Motor Traders Association (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

228 Daryl Cameron, Group Manager (WA) ICA, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

Ultimately it is the implementation of nationally linked WOVRs that will address this issue. Detective Sergeant Herman Van Ravesteyn of the Western Australian Police Service offered the following explanation:

Insurance companies salvage vehicles at a profit. It is part of their cost analysis as to whether they write-off a vehicle and at what stage it becomes an economic or a structural write-off. They have a business to run and are trying to find where they can make the most profit ... I am not suggesting that they have some sort of ethical issue but since time immemorial that is how things have been running. These things have come to a head. They have been exposed. They are having to deal with this. For insurance companies, that is a huge shift in the way they conduct their business.²²⁹

The implementation of WOVRs by each jurisdiction and the linking of these to a national information grid will go a considerable way towards countering the practice of rebirthing stolen motor vehicles. The success of this is obviously dependent upon the willingness of stakeholders to ensure that national links are established with some degree of urgency and that comprehensive and accurate reporting of written-off vehicle information takes place (NMVTRC 2002h). Until the WOVRs are a truly national initiative there will be those who will take advantage of differences between jurisdictions.

Some stakeholders have raised concerns that a nationally linked register of WOVRs will not be sufficient to guard against the practice of rebirthing. Fears of operator incompetence and corruption appear to be the basis of such concerns (NMVTRC 2002h). Stakeholders who expressed doubts about the efficacy of WOVRs recommended a number of additional strategies.

- **Destruction of compliance plates** – Destruction of the compliance plates on whole vehicles would make it impossible to reuse the physical identification. However, the counter argument is that the cost involved would not justify the additional protection afforded. It is also noted that new security label technology is soon to be introduced where the identification label will self-destruct on removal.
- **Restricted participation at auctions** – Similarly, restricting the participation in damaged vehicle auctions to licensed recyclers and dismantlers would make it more difficult for criminal elements to gain access to damaged vehicles for ‘re-birthing’.

In addition to probity checks to gain accreditation, the licensed recyclers could also be required to maintain records that would provide police with a necessary audit trail. Those opposed argue that licensed recyclers would capture a significant part of the salvage returns available to insurers on the one hand and increase margins on the sale of parts on the other, because of the creation of a restricted market place (NMVTRC 2002h, p.16).

²²⁹ Herman Van Ravesteyn, WA Police Service, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

The Tozer report suggests that one way in which insurers can help to guard against the potential displacement of professional motor vehicle theft activities from rebirthing to the stolen parts trade is to enter into arrangements with approved repairers. Most insurers have established formal agreements with repairers or networks. It is suggested that insurers incorporate a requirement that repairers only purchase second-hand parts from recyclers complying with the proposed NMVTRC Code of Conduct for Recyclers or any code required by legislation (NMVTRC 2002h).²³⁰ The report goes on to note:

This could be further strengthened by a clause that puts the repairer on notice that if detected using stolen parts in the repair of vehicles they would be immediately struck off the approved repairer network of that insurer (NMVTRC 2002h, p.18).

This could be taken further by leveraging the collective influence of the industry (subject to Australian Competition and Consumer Commission issues) to exclude any repairer proven to be using stolen parts in repair work provided by insurers (NMVTRC 2002h).

However, others have suggested that there is a need for the insurance industry to forge a more cooperative bond with the motor vehicle repair industry. At a meeting with the Drugs and Crime Prevention Committee, Craig Marsland of the Western Australia Motor Traders Association argued that the authoritative approach of the insurance industry encouraged the use of stolen parts by the repair industry:

In tough economic times, people like those in the panel beating industry would be tempted perhaps to buy some of those parts they should not be buying. Again, I shall lay some of the blame on the insurance companies, which are really putting the screws on the repairers big-time ... The repairers used to be able to mark-up parts. They would buy a panel from a Holden dealer or whoever, put their percentage on it and try to mark up their profits in that way. Now the insurance companies are even looking at stopping that, so that repairers can no longer get a mark-up on parts. The poor old panel beater or repairers are finding it harder and harder to survive. When they have the opportunity perhaps to buy parts from less than reputable sources, you do not have to put two and two together.²³¹

It may well be, then, that one possible effect of the insurance industry using its 'collective influence' to exclude repairers from an 'approved repairer network' could be a significant black market network of repairers willing to supply parts and services at a discounted price. A cooperative approach to the issue would be expected to have a more positive impact.

230 See Chapter 16 for more information regarding the proposed Code of Conduct.

231 Craig Marsland, Motor Traders Association (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

Opportunistic motor vehicle theft

As will be discussed further in Chapter 15, immobilisers are the key motor vehicle security device through which owners can protect their vehicles against opportunistic theft. All motor vehicles manufactured in Australia after 1 July 2001 are required to have an immobiliser fitted as standard equipment. However, given that opportunistic thieves focus on older model vehicles, owners of these vehicles should be encouraged to fit an after-market immobiliser to protect against theft.²³²

The most obvious way in which the insurance industry could assist the implementation of immobilisers is via premium discounts to consumers who have Australian Standard immobilisers fitted. When a voluntary immobiliser installation scheme was established in Western Australia, a number of insurers implemented a range of incentives to encourage individuals to install immobilisers. As Daryl Cameron said:

We encouraged insurers to provide – and most did – a rebate of \$50 or \$30. Most insurers removed theft excesses for cars that had an immobiliser fitted and were stolen. It was basically an accumulation of incentives.²³³

However, many factors determine the cost of comprehensive motor vehicle insurance. As Jennifer Davidson pointed out:

Across the business, motor vehicle theft accounts for just about 13 per cent of actual claims costs, so that's the general amount of premium paid for theft risk (Davidson 2000, p.2).

Consequently insurers do not consider the premium paid for motor vehicle theft high enough to allow for a notable discount. An alternative means of encouraging the installation of immobilisers may be to impose theft excess for certain high-risk vehicles that are not immobilised.

Theft-related insurance fraud

As discussed earlier in this Report, estimates of theft-related insurance fraud vary significantly. The inability of insurers to accurately measure this is directly related to inadequate data gathering and information sharing on the part of insurers, which also means that insurers are hampered in attempts to develop a strategic response (NMVTRC 2002h). In order to improve databases, insurers need to collect information about the condition of recovered vehicles to compare this with a detailed vehicle profile compiled when issuing the insurance policy. There is in fact a considerable correlation between the condition of recovered vehicles and fraud (NMVTRC 2002h). As noted in Chapter 3, vehicles recovered burnt are more likely to be the subject of fraud than other vehicle theft claims. Similarly, vehicles over 10 years old that are

232 A comprehensive discussion of immobilisers and their potential impact upon opportunistic motor vehicle theft is contained in Chapter 15.

233 Daryl Cameron, Group Manager (WA) ICA, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

stolen and not recovered are twice as likely to be due to fraud than opportunistic or professional theft (NMVTRC 2002h). It is important to again emphasise the necessity of insurers sharing data that is collected so multiple offenders and methods of insurance fraud are identified.

While a greater understanding of the extent and nature of fraudulent motor vehicle theft claims would improve the ability of insurers to detect fraudulent claims, insurers are at pains to point out the lengths they are expected to go to in order to prove an insurance claim is fraudulent. As Graham Williams informed the Committee:

The degree of proof that is imposed upon an insurer, in our view, is intolerable in the sense of it being aligned to a mostly criminal route [beyond reasonable doubt] rather than the balance of probabilities. Moreover, an insurer denying a claim under those circumstances must, on many occasions, present what is said as evidence and be cross-examined in the legal sense of the word before a panel known as the Insurance Companies Complaints Panel, which itself, in the view of most insurers – certainly all major insurers – tends to bend over backwards in favour of the claimant. So this has a diluted effect upon the willingness of the insurer to regard a claim as fraudulent.²³⁴

As demonstrated in Chapter 3, 'agreed value' insurance policies provide some economic motive for fraudulent motor vehicle theft claims. However, insurers argue that customers favour agreed value over market value policies because they understand the value of the policy in the event of a total loss (NMVTRC 2002h). Instead of discontinuing the practice, insurers argue that the best way to counter the exposure of agreed value policies to fraud is to underwrite the risk and better 'manage' those who present the highest risk of fraud (NMVTRC 2002h). The Tozer report documented the experience of one insurer who increased his inspection of 'high risk' consumers.

Over 75 per cent of insureds who were asked to present a vehicle for inspection where the 'agreed value' sought exceeded the dealers guide by more than 15 per cent failed to present (NMVTRC 2002h, p.23).

Verification of vehicles should be considered a necessity. Ray Carroll has noted that many insurance policies are currently written without any third-party verification of a vehicle's condition or even its existence. The failure to verify identity has encouraged the practice of 'ghosting' (whereby a fictitious vehicle is insured and later reported stolen) and of lodging false accident claims (Carroll 2001).²³⁵ While the verification of vehicle identity may add administrative costs to claim processing, the potential savings may well outweigh these (Carroll 2001). And it is highly unlikely that insurance companies would consider discontinuing the practice of issuing 'agreed value' policies given their popularity and the current competitive climate existing

234 Graham Williams, Technical expert, AAMI Insurance, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

235 These practices have been addressed in further detail in Chapter 3.

between insurers. The Tozer report agrees that greater scrutiny of potentially high-risk consumers represents the next best approach (NMVTRC 2002h).

Given the significant proportion of motor vehicle theft statistics that is thought to be comprised of fraudulent claims, the Tozer report put forward a number of recommendations intended to reduce such claims. Again, many of these recommendations were based around the need for better information gathering techniques and information sharing among individual insurance organisations. They included:

- ◆ Ensuring collection of recovery information and proper recording of the recovered condition of the vehicle;
- ◆ Establishing and maintaining an industry database, including selected exposure data;
- ◆ Establishing stakeholder forums to enable information on fraud perpetrators or fraudulent practices to be shared;
- ◆ Establishment of formalised fraud strategies and investigation procedures by insurers; and
- ◆ Reducing the economic motive created by agreed value insurance through the application of an inbuilt 'deflator' to reduce the value of a motor vehicle over time (NMVTRC 2002h, p.24). A 'deflator' would reduce the agreed value of a vehicle by a designated percentage each month. The report concluded: 'There appears to be no serious basis for objection and this is a significant recommendation of the report' (NMVTRC 2002h, p.23).

As well as a need to improve the collation and exchange of information between insurance agencies, there is a recognised need to communicate the benefits of this shared knowledge to law enforcement agencies. A submission from the Insurance Manufacturers of Australia argued:

Investigations units within insurance companies generally employ a number of ex-police, or refer matters externally to private investigators who are also ex-police. They have the experience to investigate matters to a criminal level, however time and financial constraints do not allow for this to be done with every matter. If the insurance company can select matters that can more readily be investigated to a criminal level and refer them to police, the resourcing implications for police are less severe. As more people are actually charged and convicted of insurance fraud, a greater risk in committing the crime will be perceived by the community.²³⁶

Victoria Police has also acknowledged the value of sharing information in this manner. The Victoria Police 'Theft of Motor Vehicle Review' argued:

²³⁶ Submission from the Insurance Manufacturers of Australia to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.8.

Consultation with many stakeholders within and associated with the motor vehicle industry has identified the lack of opportunity to meet and exchange information at management level. Various region and Crime personnel have developed local arrangements, however there is a void at management level. Trends and practices are not discussed between [Victoria Police] Departments or with industry stakeholders. Because there has been a dramatic increase in the information gathered by insurance agencies and their consultant investigators, it is essential this valuable investigative tool not be neglected (Victoria Police 2002a, p.19).

Interestingly, it is the installation of engine immobilisers, primarily to deter opportunistic motor vehicle thieves, that potentially presents as one of the most effective tools against fraudulent motor vehicle theft claims. As Daryl Cameron explained to the Committee:

One of the big benefits of the [compulsory] immobiliser scheme was that it did allow us to be much more confident in detecting frauds, particularly theft frauds and burn frauds, where the immobiliser was still operative. Therefore for the vehicle to have been stolen under the circumstances described, someone must have had access to the keys or the immobiliser function itself. It did help us considerably and we had a dramatic reduction in burns in this State as a direct result of the immobiliser program.²³⁷

This observation was supported by Ivor Metlitzky, the Director of Dynamco, the major supplier of Australian Standard immobilisers in Western Australia. Through his frequent dealings with the insurance industry, Mr. Metlitzky has been made aware of the significant impact immobilisers have had upon fraudulent insurance claims.

In the past, when vehicle owners have claimed that their car was stolen, it was very difficult for the insurance company to argue whether it was or was not stolen, in the majority of cases, even though the investigator and assessor had looked at the vehicle, it was difficult for them to decide whether the person was lying.

Speaking from experience, one of the companies to which we supply systems got involved in the investigation [of fraudulent claims] for insurance companies and has done very well out of this [immobiliser] business because, for the first time there was standardisation of immobilisers. They were auto-arming. Regardless of what method the user used, the immobiliser would switch itself on within 20 to 40 seconds when the driver left the vehicle, which meant that, with 99 per cent certainty, the immobiliser was switched on when the driver left the vehicle, which should not have been drivable. However, a certain percentage of [these] vehicles were supposedly stolen by opportunistic thieves ... I can provide you with details of the fact that a significant number of the vehicles stolen with these immobilisers [fitted] were total fraud. For the first

237 Daryl Cameron, Group Manager (WA) ICA, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

time, it was possible to determine whether the vehicle [immobiliser] was bypassed ... For the first time, the insurance companies were able to reject many of the insurance claims. It is beneficial to the insurance company.²³⁸

The financial benefits that might be expected to flow from the immobilisation of the motor vehicle fleet may make the discounting of motor vehicle insurance premiums a greater possibility from a cost-benefit perspective. Insurers should consider these potential savings in any calculations involving the consideration of premium discounts or rebates for the installation of engine immobilisers.

Although the above section concentrates on insurance practices and the way in which they may, inadvertently, encourage motor vehicle theft, it is important to acknowledge the crucial contribution the industry has already made in this area. As Ray Carroll has rightly pointed out:

It must be said that if it was not for the insurers we would still be back in the environment of the 1980s and 90s without any sense of a national theft reduction strategy. For it was the insurance industry's commitment to meet half of the \$9 million required to implement a national strategy that was instrumental in persuading states and territory governments to establish the NMVTRC and tackle vehicle theft in a nationally coordinated and strategic fashion for the first time.

It would also be fair to say that if it were not for the insurance industry funding, there would be very little in the way of community education programs on vehicle theft (Carroll 2001, p.3).

As an initial step towards the insurance industry making a greater contribution to motor vehicle theft reduction, the NMVTRC is currently seeking comment from the Insurance Council of Australia on the recommendations of the Tozer report and on possible mechanisms by which the key proposals might be advanced. There is obviously a significant amount of work required, much of which is focused on the need for better data gathering and information sharing within the insurance industry. Obviously this raises technical and legal issues and these will need to be resolved before a concrete strategy can be developed.

Conclusion

The cornerstone of the increasingly coordinated national approach to professional motor vehicle theft in Australia is the establishment of a nationally linked system of information exchange. Once fully implemented, this system will prevent the fraudulent re-registration of stolen motor vehicles. The linkage of written-off vehicle information to this national system will counter the removal of vehicle identifiers from wrecked vehicles for the purposes of rebirthing stolen vehicles. Furthermore, the provision of public

238 Ivor Metlitzky, Director, Dynamco Pty.Ltd., in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

access to this information will better protect consumers from the purchase of a stolen vehicle.

While the sharing of national registration information will address the most obvious shortcomings of current anti-theft strategies, there is a need to better protect the official identity of each individual motor vehicle. The extent of professional motor vehicle theft activity will only decline once all avenues of potential profit are removed and the likelihood of detection increased. The use of measures such as secure, adhesive compliance labels and component labelling technology will make professional motor vehicle theft a more time-consuming and costly process. At the same time, it will make it easier to trace the origin of a motor vehicle or an auto part, increasing the likelihood of detection, investigation and subsequent prosecution.

Under the direction of the NMVTRC, these strategies are progressing towards completion. Indeed, the recent downturn in national motor vehicle theft rates indicates that these measures are already having a positive impact on motor vehicle theft rates in Australia. It is to be hoped that the insurance industry takes note of the recent NMVTRC sponsored review of current insurance practices. By doing so, the industry may further contribute to the reduction in the rate of motor vehicle theft by removing the fraudulent claims that are thought to comprise a significant proportion of national motor vehicle theft figures.

15. National Initiatives against Opportunistic Motor Vehicle Theft

This chapter examines two distinct national directions for preventing opportunistic motor vehicle theft. The first is the installation of engine immobilisers to vehicles in order to make stealing a vehicle as difficult as possible. The second is the provision of educative programs and strategic measures aimed specifically at young people, who comprise the largest single group of offenders.

Engine immobilisers

Currently in Victoria there are approximately 2.2 million motor vehicles on the road without any form of security device.²³⁹ These vehicles are prime targets for opportunistic motor vehicle thieves. The most effective, and financially affordable, means of protecting motor vehicles from theft is through the installation of self-arming electronic engine immobilisers. As Ray Carroll noted:

Our research shows that electronic engine immobilisers are the best form of vehicle security available. Nationally around 30,000 of all vehicles are fitted with an immobiliser [August 2000], but fewer than 3 per cent of immobilised vehicles are stolen – usually because the thief has access to an original key (NMVTRC 2000e).

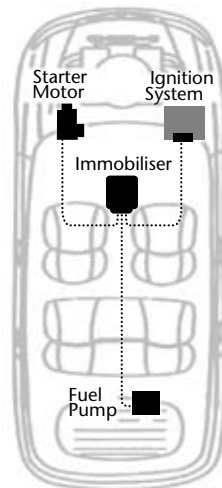
How immobilisers work

Engine immobilisers prevent a car from moving by interrupting the power supply to two or more of the systems required to start a vehicle's engine. As illustrated below in Figure 15.1, these may be any two of the fuel supply, starter motor or ignition systems. Unless the correct coded signal is provided to the system, via a transponder microchip embedded in the plastic head of the vehicle key, the vehicle will not start. The transponder has a unique code that is transmitted to the engine's management system via a radio signal when it is at close proximity to the ignition lock assembly. This overrides the immobiliser and allows the engine to be started. Current technology allows immobilisers to

239 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

be installed in a motor vehicle either as part of its original manufacture or after the manufacturing process.²⁴⁰ The former is known as an Original Equipment Manufacturer (OEM) immobiliser. Immobilisers installed after a vehicle has been manufactured and sold are known as ‘aftermarket’ immobilisers.

Figure 15.1: The three points of power supply in a motor vehicle



Source: NMVTRC 2002g, *The National Motor Vehicle Theft Reduction Council's Guide to Tackling Car Theft in Local Communities*, NMVTRC, Melbourne, p.4.

Australian Standard for immobilisers

Two Melbourne businessmen developed the first Australian immobiliser in 1985. By 1989, not one of the 8,000 initial purchasers of engine immobilisers had reported that their motor vehicle had been stolen (Geason & Wilson 1990). However, prior to 1992 the only vehicles in the Australian fleet that were manufactured with an OEM immobiliser were a limited number of imports.²⁴¹ In 1992 Holden and Ford introduced the first immobilisers on their biggest selling models, including all Commodores and Falcons. This prompted many other manufacturers to follow suit. As of July 2001, the introduction of Australian Design Rule (ADR) 25/02 has made the installation of immobilisers mandatory in motor vehicles manufactured in Australia. These immobilisers must comply with the voluntary Australian Standard (AS) for immobilisers (AS 4601) introduced on 5 December 1999. AS 4601 sets out the recommended level of quality and features for all engine immobilisers. All immobilisers that meet this standard include the following features:

- ◆ Automatic immobilisation within 40 seconds of ignition switch-off;

240 As of July 2001, the installation of immobilisers has been compulsory in motor vehicles manufactured in Australia.

241 RACV Ltd, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.23.

- ◆ Two independent points of immobilisation;
- ◆ Connections enclosed in security housing;
- ◆ All black security wiring;
- ◆ Flashing dashboard LED display when system is armed; and
- ◆ Secure owner PIN override.

However, it is worth remembering that opportunistic thieves tend to target older motor vehicles manufactured before the introduction of ADR 25/02. These vehicles have little if any anti-theft security. Consequently, it is these vehicles that are most vulnerable to theft and that would most benefit from installation of immobilisers. In a submission to the Committee, the RACV noted that:

Victoria has a relatively old vehicle fleet, with an average age of about 12 years. Given that over 90 per cent of pre-1992 vehicles do not have immobilisers, and that the incidence of vehicle theft has been increasing, immobilisers have the potential to be very effective in this State.²⁴²

Limitations of immobilisers

It is important to emphasise the fact that an immobiliser will not guarantee a motor vehicle against theft. In the first three months of 2002, 371 motor vehicles fitted with Australian Standard immobilisers were stolen in Victoria (CARS Analyser database).²⁴³ Various explanations have been given for this. The NMVTRC explained that just over half of the immobilised, late-model vehicles that are stolen are driven away using the original keys (NMVTRC 2001n). Other vehicles are towed away by thieves using flat bed tow trucks. An alarming trend that has been reported in New South Wales is the increasing number of 'car-jackings' in which a car is taken from its owner by the use of force. In one incident reported in Sydney in July 2002, a Subura Impreza WRX was stolen from its owner at gunpoint (*Daily Telegraph* 2002, 'Gun used in carjacking', 6 July, p.8.).

Mechanical experts also concede that an engine immobiliser can be disabled by those with the technical expertise and the time (an estimated 15–30 minutes) to do so.²⁴⁴ However, such time-consuming and labour intensive efforts are the modus operandi of the professional motor vehicle thief, prepared to go to extreme lengths in order to steal a particular make and model of motor vehicle. It is highly unlikely that an opportunistic motor vehicle thief would go to such lengths in order to steal a motor vehicle for short-term use. Ivor Metlitzky, the

242 RACV Ltd, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.23.

243 It is equally important to note that the theft of vehicles with Australian Standard immobilisers installed represented just 2.05 per cent of all vehicles stolen in Victoria from 1 January 2002 to 31 March 2002.

244 Greg Forbes, Director of Operational Policy (Licensing Division), Department of Transport, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

Director of Dynamco, a highly regarded manufacturer of engine immobilisers, described the time-consuming process required to disable an immobiliser:

To bypass, in a short time, a properly installed Australian Standards approved immobiliser is quite difficult. Even if someone said to me that one of my systems was in a vehicle and I should steal the car, I could not do it within minutes. It would take me some time. Besides taking down the dashboard, because the immobiliser is very often behind the dashboard, I would have to smash the window, open the door, take off the dashboard and bypass the immobiliser. I would then have to open up the immobiliser, which is wired with only black wires. To trace them [to the relevant source of power supply] would be difficult, based on the assumption that it is a good installation. I would have to open up the box, which does not have ordinary screws. I would need the right screwdriver or I would have to cut or saw open the box. It would take a reasonable amount of time. However, it would not be impossible ... Given sufficient time, professional thieves will be able to bypass the system. The average opportunistic thief will not be able to do it. We have proved that in 99.9 per cent of cases.²⁴⁵

In terms of designing an immobiliser that would prove capable of frustrating even the most technically expert of professional motor vehicle thieves, Ivor Metlitzky argues that the responsibility must fall to the vehicle manufacturer. This is primarily because manufacturers have the ability to design an immobiliser that can be incorporated into the body of a motor vehicle without being easily accessible. As he explained to the Committee:

To knock out professional theft altogether or to put a big dent in it would not be easy, although I am not saying that it is impossible. Towing away the car is still an option for professional thieves. At their leisure they can [then] get the car going. Leaving out the towing situation – can one produce an engine immobiliser that is foolproof? Sometime ago I would have said that if it were the original equipment in the car, that would do the job. The trouble is that car manufacturers tend to modularise things. They make an engine immobiliser that is a module and it does not take very long for a thief to know where the module is and that if he [sic] does something to it, he can bypass it. The approach that brings the vehicle to its most secure is to have immobilisation as part of the engine management system, without a module that is identified as a security system, that requires a code to be entered by whatever technique into the management system before the car will go. That is a reasonably secure system. Of course, if a professional thief towed the car away he would put in a new engine management system for which he has a device to enter the code.²⁴⁶

245 Ivor Metlitzky, Director of Dynamco Pty.Ltd., in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

246 Ivor Metlitzky, Dynamco Pty.Ltd., in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

Notwithstanding its limited impact on professional motor vehicle theft, all stakeholders agree that immobilisers present the most effective prevention strategy in respect of *opportunistic* motor vehicle theft. In a submission to the Committee, the Insurance Manufacturers of Australia stated:

Insurance Australia Group Ltd has found that an engine immobiliser that is installed properly and complies with Australian Standards AS 4601 is the most effective car theft prevention tool. The 'opportunistic' car thief is unable to compromise an immobiliser.²⁴⁷

Despite support for the installation of immobilisers as a theft prevention device, opinions differ as to the best way to increase the proportion of immobilised passenger cars in Victoria. Currently there are two immobiliser programs that are operational in Australia, the 'Immobilise Now!' voluntary installation program and the compulsory immobiliser scheme in Western Australia.

'Immobilise Now!' The voluntary immobiliser scheme

The 'Immobilise Now!' campaign is an initiative of the NMVTRC. The campaign actively promotes the benefits of Australian Standard immobilisers to the owners of pre-1992 motor vehicles (those most likely to be stolen by opportunistic thieves). It does so by raising awareness of the frequency and consequences of motor vehicle theft, the vulnerability of older vehicles and the effectiveness of immobilisers as a theft prevention device (NMVTRC 2000f).

Research conducted by the NMVTRC has indicated that motorists are confused about how engine immobilisers work, how effective they are, their cost and how to recognise a reputable installer (NMVTRC n.d.4). 'Immobilise Now!' attempts to demystify the installation process by connecting consumers to a network of professional installers who will fit an Australian Standard certified product at an affordable price (NMVTRC n.d.4).

'Immobilise Now!' was introduced by the NMVTRC on a state-by-state basis and is a core component of the Council's strategic plan to reduce opportunistic motor vehicle theft. The Victorian component of the campaign was launched on 1 August 2000.²⁴⁸ The Victorian program was designed with strategic assistance from the Victorian Automobile Chamber of Commerce, the RACV, the Victoria Police and the State Government (NMVTRC 2000f). To make the program more attractive to consumers, the NMVTRC entered into a partnership with suppliers and installers of immobilisers to make Australian Standard immobilisers available to the public at a reduced price. As Ray Carroll noted:

What it means is that people who respond to our advertising ring a call centre number; they will be sent one of our brochures and a list of participating installers in that state; and rather than paying the \$350 that they would have

247 Submission from the Insurance Manufacturers of Australia to the Drugs and Crime Prevention Committee, April 2002, p.3.

248 The media release that accompanied the campaign launch is contained in Appendix 6.

paid as the normal recommended retail price, they will get an Australian standards immobiliser fitted to their car for between \$160 and \$200.²⁴⁹

Immobiliser suppliers

Any immobiliser supplier is eligible to join the 'Immobilise Now!' program provided that they meet the following criteria:

- ◆ The products supplied under the program have been tested and certified as meeting the Australian/New Zealand Standard by a recognised testing laboratory.
- ◆ The supplier agrees to comply with the program's Code of Practice.
- ◆ The supplier shall negotiate a wholesale price for their products direct with participating installers.
- ◆ The supplier offers an industry standard warranty for the product.
- ◆ The supplier agrees to indemnify the NMVTRC against all claims arising in respect of product liability (NMVTRC n.d.4).

Immobiliser installers

Any appropriately licensed auto electrical trade business²⁵⁰ or auto accessory fitter that has a minimum of 12 months experience in the installation of electronic engine immobilisers is eligible to be admitted to the program provided they meet the following criteria:

- ◆ Their installation procedures meet the requirements of Australian/New Zealand Standard 4601:1999 and Australian Standard 3749.2.
- ◆ The installer agrees to comply with the program's Code of Practice.
- ◆ The installer shall negotiate a wholesale price direct with participating suppliers.
- ◆ The installer is free to offer the product at a lesser price than the promoted price range provided the product and installation standards are maintained.
- ◆ The installer offers an industry standard warranty for the installation work.
- ◆ The installer agrees to indemnify the NMVTRC against all claims arising in respect of the standard of workmanship used in installing the device (NMVTRC n.d.4).

249 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

250 In New South Wales, applicants must also hold the appropriate licence under the *Security Industry Act 1997*, and in the Australian Capital Territory they must be appropriately registered with the Director of Consumer Affairs in accordance with the Motor Vehicle Service and Repair Industry Code of Practice and the *Fair Trading Act 1992*.

Information processes

In order to raise awareness of the 'Immobilise Now!' program, the NMVTRC designed a process through which to provide potential customers with relevant information (NMVTRC n.d.4). This process involves the following steps:

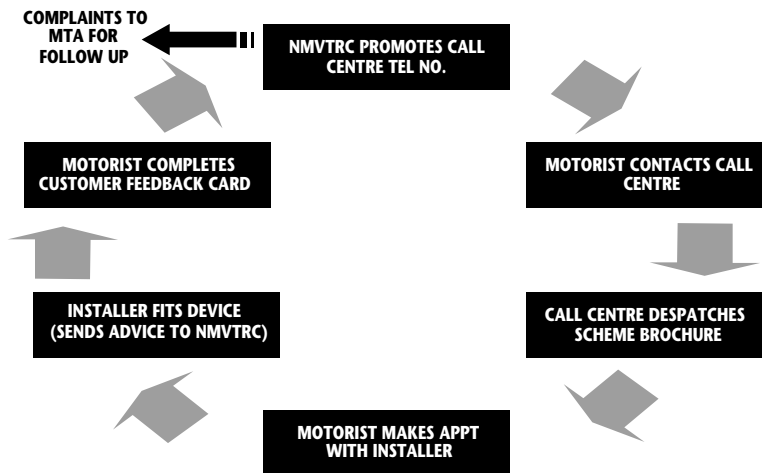
- ◆ The NMVTRC's advertising campaign will direct interested motorists to a call centre number. One call centre will service all jurisdictions.
- ◆ The call centre will provide a short scripted message regarding the program and will record the inquirer's details if they desire more information or access to the installer network.
- ◆ Where requested by the caller, the call centre will dispatch an information pamphlet containing a generic description of products available and a list of participating installers.
- ◆ The call centre will provide the NMVTRC with regular updates on the number of calls received, pamphlets dispatched and any issues raised by callers.

To ensure the quality and effectiveness of immobiliser installations conducted under the auspices of the program, the NMVTRC established a process to monitor both the number of immobilisers installed and the quality aspects of the program (NMVTRC n.d.4). The following points are included in this process:

- ◆ Program materials indicate that the customer should mention the 'Immobilise Now!' program to the installer when making a booking for installation.
- ◆ Upon completion of the installation the installer will enter the details of the installation (make and model of the vehicle) in a register supplied by the NMVTRC.
- ◆ Within 7 days of the end of each month the installer shall forward to the NMVTRC a summary, in a form approved by the NMVTRC, of the previous month's installations.
- ◆ Upon completion of the installation, the installer shall provide the customer with a customer satisfaction survey for return by the customer by pre-paid mail to the NMVTRC.
- ◆ If the customer has any complaints regarding the quality of the installation, and the issue cannot be resolved between the parties concerned, the complaint will be referred to the Motor Trades Association of the applicable jurisdiction.

Figure 15.2 below illustrates how these processes work in a cyclical manner to ensure a closely monitored course of action.

Figure 15.2: The ‘Immobilise Now!’ Promotional cycle



Source: NMVTRC n.d.4, *Car-Safe Immobilise Now! Program: Program Description*.
 Note: MTA – Motor Trades Association

The Victorian component of the ‘Immobilise Now!’ campaign was effectively a three-month pilot program of the campaign. An extensive evaluation of the pilot (conducted simultaneously in Tasmania) reported that it had been an outstanding success. Some of the major findings included:

- ◆ In excess of 10,000 Australian Standard approved immobilisers were fitted under the pilot program;
- ◆ Levels of public awareness of vehicle theft and the effectiveness of engine immobilisers as a deterrent increased (NMVTRC 2000b).

The NMVTRC estimated that by February 2002 between 15,000 and 20,000 immobilisers had been installed in Victoria through the ‘Immobilise Now!’ Program. It is estimated that more than 45,000 have been installed nationally.²⁵¹ While the NMVTRC regards the ‘Immobilise Now!’ campaign as a highly successful initiative, it acknowledges that further measures are required if the installation of aftermarket immobilisers is to have a significant impact upon rates of opportunistic motor vehicle theft. Part of the problem encountered by the NMVTRC has been the general apathy of motor vehicle owners in respect of theft prevention. As Ray Carroll told the Committee:

Victoria has 2.2 million unsecured cars on the roads today. To get those in a position where any one of perhaps 10,000 juveniles cannot steal them at any time, you are going to need more than a voluntary program ... We do a lot of consumer surveys with motorists. We find that up to 50 per cent of people who own very low-value cars either do not believe the car is worth protecting –

251 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

certainly they do not think it is worth spending \$200 on it – and many of them say that if a thief steals the car they are doing them a favour. If they are not prepared to protect themselves, how does that impact on your strategy to get the [motor vehicle theft] numbers down. It is very difficult.²⁵²

The NMVTRC would prefer to see a system established under which motor vehicle owners are compelled to have an immobiliser installed in their vehicles. However, with the exception of the Western Australian example noted below, no jurisdiction has been prepared to implement such a scheme. Consequently the NMVTRC has continued to promote the installation of aftermarket Australian Standard engine immobilisers as the most effective and affordable means of protecting a motor vehicle against opportunistic thieves.

Western Australia: The compulsory immobilisation scheme

The only state that has not launched an ‘Immobilise Now!’ campaign is Western Australia. Instead, Western Australian authorities embarked upon a decidedly different course of action, implementing a compulsory immobiliser scheme. Under current Western Australian regulations, an approved engine immobiliser *must* be installed in a motor vehicle at the time of application for registration or upon application for the transfer of registration (Forbes 2000). Western Australia is the only state to have initiated such a scheme in Australia. It is also the only jurisdiction in Australia that recorded a consistent and significant decline in motor vehicle theft in the years following the implementation of the scheme. Between 1998 and 2001, motor vehicle theft decreased in Western Australia by 28.1 per cent, with a decrease recorded in each year when compared with the last. In contrast, motor vehicle theft reports increased in Victoria by some 34.6 per cent over the same period.²⁵³

The high rate of opportunistic motor vehicle theft activities throughout the other states and territories in Australia has drawn attention to the apparent success of Western Australia’s compulsory immobiliser scheme. The following section of the report discusses the origins and impact of this scheme. It pays particular attention to lessons that might be learnt by other jurisdictions seeking to establish a similar scheme.

Background to the compulsory immobiliser scheme

Over an 18-month period from April 1990, 16 people died in police motor vehicle pursuits in Western Australia. In August 1991, a public rally attracted some 20,000 people to Parliament House to protest the Government’s so-called ‘soft’ approach to juvenile offending. Matters were brought to a head when, on Christmas night 1991, a young pregnant woman and her baby son were killed when their car was involved in a collision with a stolen vehicle

252 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

253 RACV Ltd, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.24.

being driven by a 14-year old youth (Harding 1993). On 6 January 1992, in the wake of a further public outcry, the Western Australian government announced that 'Western Australia's hard-core juvenile criminals will be subject to the toughest laws in Australia under measures approved by State Cabinet' (Harding 1993, p.2). Subsequent amendments to the *Criminal Law Amendment Act 1992* and the *Crime (Serious and Repeat Offenders) Sentencing Act* greatly increased penalties for motor vehicle theft offences and for dangerous driving. Despite the government's 'hard line' approach, by the mid-1990s Western Australia had the highest vehicle theft rate in Australia. In fact the reported incidence of car theft increased by 12.8 per cent between 1996/97 and 1997/98 alone (Forbes 2000). Following a further series of highly publicised crimes involving the use of stolen cars, including one incident in which a stolen car ran a red light and killed an innocent bystander, the government again found itself under considerable public pressure to curb opportunistic theft activities.

As part of a review of alternative motor vehicle theft prevention strategies, the Western Australian Police Service began to canvass measures other than tougher legislative penalties. One measure under consideration was the use of aftermarket engine immobilisers. As Herman Van Ravestein, a Detective Sergeant in the Western Australian Police Force and a former Executive Officer of the WA Motor Vehicle Theft Steering Committee, explained to the Committee:

The immobiliser concept was first developed by the Western Australian Police Service crime prevention bureau through a consultative process back in 1995 or thereabouts. They got a number of people in the same room over a period of a couple of weeks and basically said, 'What is the best way we can deter motor vehicle theft?' They looked for something tangible that they could do to deter motor vehicle theft in Western Australia. The concept was the introduction of engine immobilisers.²⁵⁴

Further pressure on the government to implement a campaign to encourage the installation of immobilisers came from the Insurance Council of Australia (ICA). As Daryl Cameron, Group Manager for the ICA in Western Australia, explained:

The ICA pushed and solidly lobbied the Government for two years to implement an immobiliser scheme. Western Australia had by far the highest theft rate in Australia. As I understand it, we even surpassed London at one stage to be the worst in the world for motor vehicle theft.²⁵⁵

In 1997, with the backing (and explicit encouragement) of the Western Australia Police Service and the ICA, the Western Australian government

254 Herman Van Ravestein, Executive Officer, WA Motor Vehicle Theft Steering Committee, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

255 Daryl Cameron, Group Manager (WA) Insurance Council of Australia (ICA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

introduced a voluntary engine immobiliser scheme to encourage the owners of 'family' vehicles²⁵⁶ to have an approved immobiliser fitted to their vehicle (Forbes 2000). As a willing partner in the scheme, the ICA accepted responsibility for the certification of installers on behalf of the government (Forbes 2000). Under this process a potential installer was obliged to submit a formal application to the ICA and to meet certain criteria, including:

- ◆ A Federal Police Clearance Certificate;
- ◆ Operation of a business registered with the Ministry of Fair Trading from premises with workshop facilities; and
- ◆ A minimum of 12 months technical experience and practical expertise gained over the last two years. Successful completion of an accredited course in the installation of immobilisers may substitute for the requirement of 12 months experience.

The Royal Automobile Club (RAC) of Western Australia was assigned responsibility for establishing the standard of immobiliser used. It was determined that immobilisers had to fit two key criteria:

1. Immobilisers had to be self-arming (when the engine is switched off, the device automatically arms without any assistance from the driver); and
2. Once activated, the immobiliser had to prevent the vehicle from being started.

As an inducement to a wary public, the government funded a \$30 rebate as a form of discount on the retail price of immobilisers (Forbes 2000). However, despite the financial inducement, the government found that the initial targets set for the voluntary immobiliser scheme were a long way from being met. The original objective was to have the Western Australian fleet of family vehicles immobilised within four years. This meant the installation of approximately 150,000 immobilisers per annum. However, in the first year of operation the scheme fell well below its projected targets, with only an estimated 90,000 immobilisers fitted (Forbes 2000).

The projected immobilisation of the Western Australian family motor vehicle fleet was intrinsically linked to the government's 'Safer WA' crime reduction campaign. The associated reduction in vehicle theft was publicly linked to an expected reduction in crimes such as ram-raids, and to a reduction in highly publicised police pursuits (Forbes 2000). Consequently, in February 1999, the government made a political decision to toughen the immobiliser program by making the installation of an immobiliser a compulsory requirement for all motor vehicles not more than 25 years old (Forbes 2000). The political imperative to respond to continued levels of public pressure saw this action taken with some degree of urgency (Forbes 2000). In fact the Western

256 The Western Australian *Road Traffic Act 1974* defines 'family' vehicles as those which are 'used solely for social, domestic or pleasure purposes and not for the carriage of passengers or goods for hire or reward in any business, trade or profession'.

Australian Department of Transport, which was assigned responsibility for the introduction and management of the compulsory immobiliser scheme, was allowed just four months to develop the relevant standards, policies and procedures needed to support it. Greg Forbes, Director of Operational Policy (Licensing Division) in the Department of Transport, noted:

The essence of the issue is that it was driven by the political process. It was something the government believed it needed to respond to because of community concern ... There was certainly a lot of political will to make it happen. Our role was to find a way of making it work as best we could in the time and circumstances.²⁵⁷

On 1 July 1999 the Immobiliser Incentive Scheme (IIS) was introduced in Western Australia.²⁵⁸ Unfortunately the urgency with which the IIS was established meant that there was a lack of organisational structures or equipment standards through which to ensure its effective implementation. As a consequence, a number of issues have arisen that provide valuable lessons to other jurisdictions that may consider the implementation of a similar scheme.

Legal issues²⁵⁹

In order to establish the IIS, the Western Australian authorities were forced to address a number of legal issues. Primary among these was the potential for conflict with the Commonwealth *Motor Vehicle Standards Act 1989*. This is legislation that governs vehicle standards in Australia by establishing and providing for the enforcement of the Australian Design Rules. By regulating to require an additional component to be added to a motor vehicle, the government risked being in contravention of the ADR process. The Department of Transport sought to avoid this potential problem by making the installation of an immobiliser a requirement of the registration process. Rather than an immobiliser being a requirement of the vehicle, it became a requirement placed upon the individual who registered a vehicle as its new owner. As John Dombrose, Manager of Vehicle Standards at the Department of Transport, noted:

The Commonwealth accepted that as not being a direct attack on the ADR system, and we went ahead with it. However, we talked with them all the way through to ensure that they were happy with what we were doing.²⁶⁰

257 Greg Forbes, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

258 The incentive to which the name referred was an increase in the original \$30 rebate to \$40. This was to be provided by way of a discount off the retail price of the immobiliser supplied by an authorised installer. In order to reclaim lost income, the authorised installer was required to then apply for reimbursement from the Transport Department.

259 An explanation of legal issues related to compulsory motor vehicle theft is contained in Chapter 12.

260 John Dombrose, Manager of Vehicle Standards, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

Having addressed the potential restrictions of the ADRs, the Department of Transport sought and obtained an amendment to the *Road Traffic Act 1974* to empower the making of regulations:

[P]rescribing the standards of, and equipment to be fitted to vehicles for the purposes of road safety, the security of vehicles of any related matter relating to road traffic and requiring vehicles or equipment to be maintained in the prescribed manner (quoted in Forbes 2000, p.3).

The Road Traffic (Vehicle Standards Regulations) 1977 were subsequently amended to prohibit the registration or transfer of vehicles that did not have an approved immobiliser installed. Those vehicles that are currently registered are not required to have an immobiliser until such time as they are sold and transferred to a different owner (Forbes 2000).

Provisions were incorporated into the Regulations to allow for exemptions for those vehicles where an immobiliser might hinder operational capacity or have the potential to place the vehicle owner in danger. These issues are directly related to the potential consequences of a faulty installation. As John Dombrose noted:

We wanted to make sure that we did offer full protection to the public with the devices that we were allowing to be fitted and in the way they were being fitted ... We have exemptions in our law for emergency vehicles and for people who live in really remote areas, who can write in and to whom we will give an exemption, so they will not find themselves in a situation where the immobiliser stops their vehicle from operating and they perish out in the bush somewhere.²⁶¹

Quality of installation

Given the compulsory nature of the IIS it was imperative that the public viewed it as a reliable way to reduce the incidence of car theft. It was therefore critical that installations were of a high quality (Forbes 2000). If the standard of installation was suspect, it had the potential to undermine the Scheme. Furthermore, a poor installation could lead to mechanical problems such as vehicle breakdowns, causing major public inconvenience and damaging acceptance of the IIS (Forbes 2000). As John Dombrose informed the Committee:

Fitting immobilisers has the potential to cause harm to the vehicle and the owner if it is not done properly. Under-bonnet fires and underdash fires can be caused by people not taping up connections properly. You can have your head blown off like two guys did in Western Australia when they accidentally connected to their airbag control mechanism and blew open the airbags.²⁶²

261 John Dombrose, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

262 John Dombrose, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

Installation audit

To establish whether immobilisers were being installed properly, the compulsory immobiliser scheme was subject to an audit, as was the voluntary scheme before it (Forbes 2000). In each audit, the owners of random samples of vehicles that had been installed with subsidised immobilisers agreed to make their vehicles available for auditing by registered motor vehicle inspectors.

Inspectors categorised audited motor vehicles according to the following criteria:

- ◆ Pass – whereby all aspects of the installation are considered to have been adequately completed;
- ◆ Fail (Minor Fault) – this category includes faults that have the potential to cause problems later, and minor technical problems such as the installation of a brand of immobiliser which differed from that recorded; and
- ◆ Fail (Recall and Repair) – this category of faults includes major problems in the installation of the immobiliser that could cause significant engine problems such as a fire or malfunction and those in which the device itself could fall out and become wedged under the pedals. In such cases, the owner was advised to return the vehicle to the installer for repair (Forbes 2000).

The results of the audits, seen in Table 15.1 below, showed that an unacceptably high percentage of immobilisers were being incorrectly installed.

Table 15.1: Results of the Western Australian immobiliser audits

Audit Result	Voluntary Scheme		Compulsory Scheme		Total	
Pass	171	23%	96	24%	267	23%
Fail (Minor Fault)	344	46%	146	36%	490	43%
Fail (Recall ad Repair)	227	31%	164	40%	391	34%
Total	742	100%	406	100%	1,148	100%

Source: Forbes, G. 2000, 'Immobilising the fleet', paper presented at 'Reducing Car Theft: How Low Can We Go' Conference, Adelaide, 30 Nov.

Possible causes of poor quality installations

Given the alarming level of faulty installations and the potential consequences, it is important to consider the reasons that may have affected the successful implementation of the IIS. While a number of the factors discussed are obviously a consequence of their setting (such as geographical distribution of Western Australia's population), others could be considered applicable to any region. It is important to note that many of these factors could be directly attributed to the compulsory nature of the IIS.

1. Lack of a management structure

There is little doubt that the limited amount of time in which the Department of Transport was expected to establish a management regime for the Immobiliser Incentive Scheme compromised the effectiveness of this regime. Somewhat reluctantly, the ICA agreed to continue to manage the authorisation of installers in accordance with the criteria established under the voluntary immobiliser scheme. The Department of Transport has conceded that this was a decision of necessity rather than design. It is also apparent that it suited neither the Department of Transport nor the ICA. As John Dombrose explained:

When we got the job, we ended up deciding to leave that structure in place because we did not have the staff or the resources to do it all ourselves ... The Insurance Council were happy to continue that. To a large extent, we relied on the Insurance Council vetting these people on our behalf. It was one of the areas we got trembly legs over from time to time.²⁶³

Much of the concern about the management of the scheme arose as a consequence of the need for substantially greater numbers of authorised installers in order to meet the heightened demand for installations. Indeed, evidence offered by Daryl Cameron, Group Manager (Western Australia) of the ICA, implied that the Council was overwhelmed by the demands placed upon it. At the peak of the IIS, 18,000 units were being fitted each month.²⁶⁴ In the absence of any statutory regulations through which to manage the authorisation process, Mr. Cameron intimated that the ICA was forced to relax the criteria so as to accommodate the numbers required to give effect to the IIS.

Once a system is compulsory – certainly in this State – anyone can become an immobiliser installer. I could become an immobiliser installer tomorrow! There is no regime for licensing or statutory requirement on me to perform that installation. That makes it difficult for the government to control installers; in fact it refuses to. Every man and his dog could become an installer and literally did. Within six months we went from 170–180 installers under the voluntary scheme to over 800 under the mandatory scheme. Most of these people would not have met the criteria that was enforced under the voluntary scheme.²⁶⁵

Craig Marsland, Divisional Manager of the WA Motor Traders Association, also commented upon the decline in the professional standards of installers authorised under the IIS:

There were some implementation problems with licensing people to install immobilisers in vehicles. We had to get many immobilisers into the community fairly quickly and we had to make sure there was an adequate number of people

263 John Dombrose, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

264 Ivor Metlitzky, Dynamco Pty.Ltd., in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

265 Daryl Cameron, Group Manager (WA), ICA, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

to handle the volume in the short term. As a result, a few people who were not quite as qualified as they should have been got into the system ... On a day-to-day basis, if you are going to introduce compulsory fitting of immobilisers, you need to look at the sorts of people who will be fitting them. I believe we opened it up a little too much in this State, but it was done for a reason – we had to get a lot of them installed in a short space of time. I believe that people such as the automotive electricians, who are trained and qualified to look at the electrical systems in cars and repair them and do all the rest of it, are the sorts of people who should be authorised or licensed to install immobilisers; that is, people who have a mechanical qualification or who have done their time as an apprentice of some sort in the automotive industry. In this State, people would do about an hour or two of training by a couple of training providers and all of a sudden they become experts in fitting immobilisers.²⁶⁶

There is little doubt that the audit conducted under the auspices of the Department of Transport confirmed the above observations. Adrian O’Dea, a transport warden responsible for the conduct of the audit, related the following incident to the Committee:

I can remember the first day I visited an installer in the south of Perth. I withdrew his licence almost straight away because he had no mechanical knowledge whatsoever, but he got through the loop ... Over the 18 months [of the audit] we took licences from about 23 to 30 people because they were abusing the system.²⁶⁷

While the problems associated with the authorisation of installers were significant, it would be unfair to suggest that the Department of Transport burdened the ICA with the responsibility for its operation. As was the case with the ICA, the Department of Transport was restricted in its ability to enforce a more rigorous authorisation process because of the absence of statutory requirements or regulations, a further disadvantage of the urgency with which the scheme was implemented. Effectively, the only means of regulation available to the Transport representatives existed in the form of the \$40 rebate. As Greg Forbes explained:

One of the key difficulties was that we did not have a mechanism within the existing legislation to regulate the industry. We therefore used access to the subsidy as a mechanism for controlling the industry by proxy. We said that the only time anyone could get a subsidy was when the immobiliser was installed by somebody we had approved [through the ICA]. That gave us a somewhat tenuous tool by which to coax some quality out of the industry. If our standards were not met, the person who had the immobiliser fitted would not be able to benefit from the subsidy. It was a fairly blunt tool to achieve that

266 Craig Marsland, Motor Traders Association (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

267 Adrian O’Dea, Transport Warden (Licensing Division), Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

objective. We would have been far better off with a stronger framework to control the industry and deal with those problems.²⁶⁸

Some stakeholders suggested that because of the difficulty inherent in conducting a thorough audit across such a vast region, the geographic nature of Western Australia may have actually concealed the full extent of those problems that did arise as a consequence of less than competent immobiliser installations. Daryl Cameron argued that:

It is physically impossible, with the demographics of this State, to audit a compulsory scheme. Even if they audited half the installers – some 400-odd installers – from Kununurra to Albany and all points in between, the cost would be prohibitive. They [Department of Transport] cannot do it, so they tend to pick on the soft targets – the local targets and installers who perhaps have other activities that bring them to the notice of the Department of Transport.²⁶⁹

There is little doubt that the lack of an appropriate management structure had a profound impact on the Immobiliser Incentive Scheme in its initial stages. When questioned as to whether the Department of Transport would seek to do things differently were a second opportunity allowed, Greg Forbes noted:

The first issue is that we would put in place a framework for managing the installation industry. That is the key shortcoming.²⁷⁰

2. Lack of established standards

As well as an inadequate management structure, there was no national standard regarding immobilisers when the decision to implement a compulsory immobilisation program was made. Although an Australian Standard was in the early stages of development, the urgency with which the compulsory scheme was implemented did not allow the Department of Transport to wait for it to be finalised. Consequently, technical personnel at the Department were directed to develop an internal standard that would become known as the 'Western Australian standard'. The basis for this standard was the 'voluntary standard' of engine immobiliser developed by the RAC of WA in conjunction with the ICA and immobiliser manufacturers. As John Dombrose noted:

We had to run with a standard that did not theoretically exist in any way other than the fact that a group of people in Western Australia had come up with a voluntary code of practice and a voluntary agreement about what an immobiliser ought to look like. We had to form a committee here to try to run with that, to try to deal with running a standard that did not exist in regulations.²⁷¹

268 Greg Forbes, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

269 Daryl Cameron, Group Manager (WA) ICA, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

270 Greg Forbes, Department of Transport, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

271 John Dombrose, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

The amendments to the Western Australian Road Traffic (Vehicle Standards Regulations) 1977 were developed following an intensive twelve months of work by the Department of Transport's technical specialists (Forbes 2000). The Department of Transport found the development process particularly frustrating, specifically because the work to develop an Australian Standard was being conducted at the same time. The latter was eventually finalised in November 1999 – a mere five months after the launch of the IIS. However, John Dombrose, Manager of Vehicle Standards at the Department of Transport, did acknowledge that developments in Western Australia may have influenced the speed with which the Australian Standard and design rules were finalised, noting:

It is probably worth saying that the fact that we were doing these bits and pieces gave a bit of impetus [to national authorities] to sort out the ADR issues, so that happened a bit faster that it might have happened otherwise.²⁷²

In July 2001, Western Australian authorities formally adopted the Australian Standard (AS 25/02) bringing all jurisdictions into line with a consistent national standard. This has brought with it a sense of relief among authorities in the Western Australian Department of Transport who are now able to take confidence in the fact that immobiliser standards are legally enforceable. As John Dombrose stated:

Now we are comfortable that at least we have a standard that is recognisable in law. The other ['Western Australian standard'] was a little doubtful, because the standard had not been through a process.²⁷³

3. Geographical distribution

Western Australia has a population of 1.6 million people and covers an area of 2,525,500 square kilometres. While more than 75 per cent of Western Australia's population live in the Perth metropolitan region or the south-western corner of the state, the remaining 25 per cent is scattered across the state's more remote areas – often in isolated towns with small populations (Forbes 2000). This creates difficulties for the implementation of policies on a statewide basis. These difficulties were increased by the sense of urgency that accompanied the implementation of the IIS. The solution was something of a compromise. According to Forbes (2000, p.7):

The key issue was how to ensure that there were authorised installers across the state. While it would have been relatively easy to find sufficient numbers of high quality installers in the metropolitan region, it would not have been so in regional WA. As it was not appropriate to lower the standard of installation expected, the only option was to set the eligibility criteria for becoming an authorised installer at a level that would be able to be met in remote locations.

272 John Dombrose, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

273 John Dombrose, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

4. Unrealistic advertising

The implementation of the compulsory immobiliser scheme in Western Australia was further hampered by unrealistic expectations concerning the price of installation. An advertising campaign developed to support the introduction of the compulsory immobiliser scheme stated that vehicle owners could have an immobiliser installed from as little as \$69 (after the \$40 government rebate). It was thought that this put pressure on installers to install immobilisers for that price. As John Dombrose elaborated:

It put a huge amount of pressure on the industry. The \$69 was advertised in a government publication and the newspaper. That set the standard for the next two or three years and it put an awful lot of pressure on the industry, which felt it could not do anything with its price structure. Even when the GST came along it had to stick to the \$69, which it did not want to do. It would be better to avoid mentioning price otherwise installers will skimp on the installation.²⁷⁴

Unfortunately this price was not a realistic reflection of the cost of purchasing and installing an immobiliser, and it was thought that a number of these immobiliser malfunctions may have been due to authorised installers cutting corners when installing immobilisers in order to meet the advertised price (Forbes 2000). As Greg Forbes noted:

The biggest issue was how it was put into the wiring of the vehicle. That was the scope for the problems. People were supposed to solder connections but some people were crimping them. A number of bits and pieces could be done in 30 seconds by cutting corners.²⁷⁵

Adrian O’Dea was in agreement, citing examples noted during the course of the installer audit:

Over the 12 or 18 months I did it [the audit] I found that, because the industry had the sweetener of the \$40 subsidy, some of the contractors were doing only half the installation. Whereas under the rules they had to isolate two out of the three circuits – the ignition, start and fuel circuits – they were isolating only one out of the three.²⁷⁶

In the three months from June to August 2000, the RAC of WA answered nearly 3,000 calls to immobiliser-related breakdowns (2.7% of all breakdowns attended by the RAC were the result of faults with immobilisers) (Forbes 2000).

Withdrawal of the rebate – the end of the Immobiliser Incentive Scheme

On 30 September 2001 the government withdrew the payment of the \$40 immobiliser rebate. While this had some impact on the rate of installations,

274 John Dombrose, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

275 Greg Forbes, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

276 Adrian O’Dea, Traffic Warden, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

there are at present still an estimated 6,000 immobiliser units being installed each month.²⁷⁷ Perhaps more importantly, however, is the fact that the removal of the \$40 rebate has removed the government's tenuous regulation of the standard of immobilisers installed. As Ivor Metlitzky observed:

When they [the government] dropped the rebate scheme, they dropped the paperwork associated with it. So not every immobiliser installed now is an Australian Standards approved immobiliser. The traceability has, to some extent, been removed because of the disappearance of the Department of Transport paperwork.²⁷⁸

Nevertheless, immobilisers must still meet Australian Standards for the purpose of transferring registration details. It is thought that the inability to transfer a vehicle that does not meet these standards will deter most individuals from having cheaper immobiliser models installed.²⁷⁹

Evaluation

According to the most recent estimates, the proportion of the Western Australian motor vehicle fleet fitted with government approved immobilisers is between 54 per cent (based solely on number of rebates paid) and 72 per cent (based on surveying by the NMVTRC).²⁸⁰ The compulsory immobiliser scheme is thought to be responsible for between 30 and 42 per cent of all immobilised vehicles.²⁸¹ \$18 million has been spent on meeting this target, the cost being shared between the government and the ICA. Given the significant financial investment by those concerned, can the scheme be considered successful?

Due to the urgency the government placed on the introduction of the compulsory Immobiliser Incentive Scheme, the Department of Transport did not have time to establish appropriate processes through which the effectiveness of the scheme could be evaluated (Forbes 2000). For example, the Department has not maintained accurate statistics on the total number of vehicles fitted with immobilisers. Instead, it records whether a vehicle has an immobiliser fitted when it is transferred through the registration process (and only then if it has been installed after manufacture). Consequently it is difficult to draw direct links between the number of immobilisers fitted and any related reduction in motor vehicle theft.

Despite these restrictions, some broad trends can be observed. In the three years following the introduction of its immobiliser scheme, Western Australia was the

277 Ivor Metlitzky, Dynamco Pty.Ltd., in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

278 Ivor Metlitzky, Dynamco Pty.Ltd., in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

279 Ivor Metlitzky, Dynamco Pty.Ltd., in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

280 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

281 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

only state to record a significant decrease in the volume of car thefts. Motor vehicle theft rates have declined in Western Australia by more than 2,000 per annum (approximately 16% p.a.) since the introduction of the compulsory immobiliser scheme.²⁸² Between 1998 and 2001, motor vehicle theft in Western Australia was reduced by approximately 28 per cent (CARS database). Other initiatives, such as special police operations and public education campaigns, are thought to have contributed to the reduction of motor vehicle theft. However, the NMVTRC believes that the main drivers of the decrease have been the combination of the immobiliser scheme and the increasing proportion of vehicles fitted with an immobiliser.²⁸³ Furthermore, the NMVTRC has argued that the compulsory scheme has delivered annual theft savings of \$6.4 million, which, after implementation costs, equates to savings of \$2 million per annum.²⁸⁴ A recent cost-benefit analysis conducted by MM Starrs Pty Ltd on behalf of the NMVTRC confirmed the financial benefits of the compulsory immobiliser scheme. The Starrs report concluded:

The costs of the scheme are estimated to be \$43.5 million, with the price of immobilisers being the largest cost ... The main quantified benefit of the scheme is the reduction in motor vehicle theft of \$54.8 million. The benefits of product innovation and export sales could not be quantified. If they could they would only improve the economic worth of the compulsory scheme. Without their inclusion the scheme is estimated to result in a Net Present Value of almost \$13 million and a Benefit-Cost Ratio of 1:3 (NMVTRC 2002o, p.46).²⁸⁵

Despite such positive indications, the Insurance Council of Australia, through its Western Australian Group Manager Daryl Cameron, has expressed some reservations about the compulsory immobiliser scheme in Western Australia. Addressing the Committee, Mr Cameron stated that:

The original idea behind a compulsory scheme was that if we could get those results [a reduction in theft] with a voluntary scheme, perhaps a compulsory scheme would accelerate the immobilisation of the fleet and be reflected in future decreases in motor vehicle theft. Our industry did not support that theory. We believe that over time the results will prove that compulsory immobilisers are not necessarily the best way to approach a community problem like [motor vehicle theft].²⁸⁶

However, Mr Cameron was unable to provide figures to support his view. Questioned as to the reasons for his comments, he argued:

282 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.129 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

283 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

284 This figure is based on a standard evaluation period of 10 years. Dollar values are discounted at 5% p.a. and valued in current day prices.

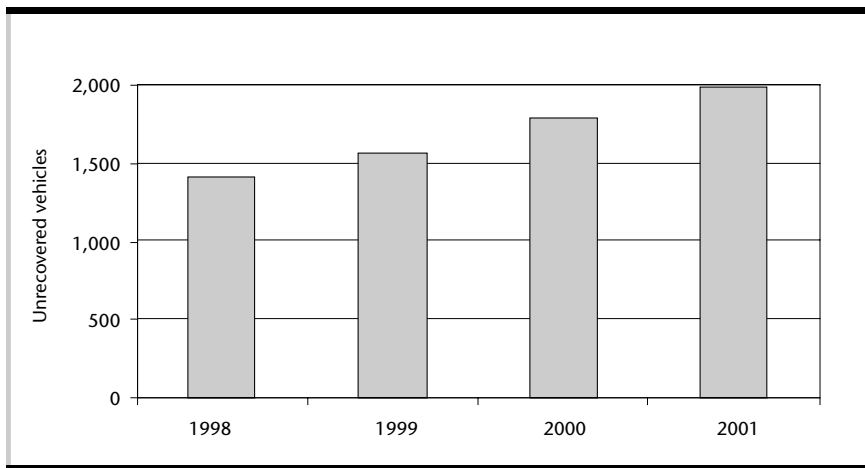
285 This figure is based on a standard evaluation period of 10 years. Dollar values are discounted at 5% p.a. and valued in current day prices.

286 Daryl Cameron, Group Manager (WA) Insurance Council of Australia, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

People resent being made to do anything. A voluntary scheme tends to enable the system to be more secure in terms of the quality of installation and components in the auditing of installations and so forth ... We believe that over the next year or two statistics will show a reversal in the trend in motor vehicle theft over the past three and a half years.²⁸⁷

Mr Cameron further suggested that the immobilisation of the greater majority of the Western Australian motor vehicle fleet had prompted an increase in professional motor vehicle theft activity in that state. Certainly there has been an increase in the number of unrecovered vehicles in Western Australia, as detailed in Figure 15.3 below.

Figure 15.3: Number of unrecovered vehicles in Western Australia, 1998–2001



Source: CARS Analyser database.

According to Mr Cameron, those who are now prepared to go to the required lengths to steal an immobilised motor vehicle will do so in order to profit from a significant financial return. As he told the Committee:

Because we have got rid of the softer vehicle theft for the itinerant, the one-off or casual motor vehicle thief – the system tends to restrict the opportunist theft – we have seen an increase in the number of people who are looking at it from a criminal point of view.²⁸⁸

Furthermore, discussions with the Western Australia Police Service suggest that there has been a slight increase in motor vehicle theft from victims’ homes and other public places such as gyms. In most of these cases, the victims’ keys were stolen, in all probability by professional thieves seeking to steal late-model vehicles with immobilisers installed. Detective-Sergeant Herman Van Ravestein of the Western Australian Police Service told the Committee:

287 Daryl Cameron, Group Manager (WA) ICA, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

288 Daryl Cameron, Group Manager (WA) ICA, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

There has been some increase in home burglaries in which vehicles are stolen. The reports from the [police] districts show that there have been increases in each district. Therefore, you can say it is occurring across the State; it is not isolated to one area or being done by one particular group of people. The extent has not been assessed. All I can say is that there is anecdotal, qualitative evidence to suggest that there has been an increase in that type of activity in Western Australia.²⁸⁹

Although the Department of Transport acknowledges the apparent increase in professional motor vehicle theft and related activity, it is important to reiterate that the IIS was a theft prevention measure implemented to counter escalating rates of opportunistic motor vehicle theft. As Greg Forbes stressed:

It does appear that most of the reductions in theft in Western Australia are at what is called the opportunistic end of the scale rather than the professional theft end of the scale and that is what the immobiliser scheme was targeted at. It was not intended, realistically, to have an impact on professional thieves who were stealing motor vehicles for personal gain. It was more a case of dissuading kids from joyriding and stealing motor vehicles.²⁹⁰

To this end, the compulsory immobiliser scheme has met its objectives. However, in a candid assessment of the IIS, Greg Forbes has recommended against the establishment of a similar scheme in other jurisdictions, stating:

As the first and only state to make the installation of an immobiliser compulsory, Western Australia has learnt a number of lessons about how to go about introducing such a scheme. While Western Australia's compulsory immobiliser scheme is on target to achieve its primary goal of reducing the incidence of car theft through immobilising the fleet of vehicles, it is possible that we could have achieved similar results without making the installation of immobilisers compulsory. Additionally, as the new ADR [ADR 25/02] will ensure that all new vehicles have an immobiliser installed, only 'older' vehicles won't be fitted with immobilisers. Therefore, rather than considering adopting a compulsory scheme, it is strongly suggested that you consider implementing a voluntary scheme (Forbes 2000, p.9).

While such views are quite critical of the compulsory Immobiliser Incentive Scheme, it is important to note that they are directly linked to the undue haste with which the Western Australia scheme was established. If Victoria was to consider the implementation of a similar scheme it would have the benefit of learning from the Western Australian experience, particularly in terms of establishing an appropriate structure for the management and licensing of approved immobiliser installers. Furthermore, the introduction of a nationally accepted Australian Standard for immobilisers means that any subsequent

289 Herman Van Ravestein, Executive Officer, WA Motor Vehicle Theft Steering Committee, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

290 Greg Forbes, Department of Transport (WA), in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

scheme will not be required to design an isolated standard for use in one jurisdiction. The arguments for and against the establishment of a mandatory immobiliser scheme in Victoria will be considered in some detail in Chapter 17.

Juvenile motor vehicle theft prevention

The association of juvenile offending with opportunistic theft has been well established.²⁹¹ Young people are thought to be responsible for more than 100,000 motor vehicle thefts in Australia each year (NMVTRC 2002e). As noted in Chapter 10, most young offenders will cease motor vehicle theft activities after they are first caught. However, research consistently finds that a small proportion of offenders make multiple appearances in the Children's Court and are responsible for a disproportionate amount of motor vehicle theft (O'Connor 1997). Consequently the need to address motor vehicle theft by recidivist juvenile offenders is crucial to countering increasing rates of opportunistic motor vehicle theft. This section examines responses to juvenile motor vehicle theft. It draws attention to the limitations of traditional law enforcement measures and analyses community-based programs that seek to deter juvenile motor vehicle theft by taking a holistic approach to the issue.

The failure of punitive penalties

Traditional justice responses have made little impact on rates of juvenile motor vehicle theft. As discussed in the previous chapter, the Western Australian government legislated to introduce a number of greatly increased penalties for motor vehicle theft offences in February 1992 (Harding 1993). The government argued that the passage of the *Criminal Law Amendment Act* and the *Crime (Serious and Repeat Offenders) Act* would have the effect of deterring repeat offenders. Subsequent data in the first months of 1992 showed a decline in both the number of motor vehicle thefts and police pursuits, and a significant decline in the number of juvenile offenders appearing in court (Broadhurst & Loh 1993). On the basis of this decline, the government assured the public that the police were back in control and that punitive penalties were the tool through which this control had been re-established.

Despite the government's claims, an independent academic study determined that the decline in motor vehicle theft offenders was more likely related to other factors. The penalties enacted by the *Criminal Law Amendment Act* and the *Crime (Serious and Repeat Offenders) Act* specifically targeted recidivist juvenile motor vehicle thieves. Broadhurst and Loh (1993) therefore argued that any reduction in motor vehicle theft should consequently be significantly greater than the reduction in other offences commonly committed by juvenile offenders. The absence of any such distinction would suggest that the reduction in motor vehicle theft was part of an overall reduction in juvenile crime rather than a direct result of the legislative measures aimed at recidivist motor vehicle

291 For a discussion of juvenile motor vehicle theft, see Chapter 10.

thieves. The authors were able to demonstrate that patterns of motor vehicle theft closely resembled those relating to theft *from* a motor vehicle and also breaking and entering (Broadhurst & Loh 1993). Furthermore, the most dramatic declines occurred throughout 1991, *before* the Government's legislative amendments were passed. As Harding (1993) argues:

These declines continued *until the very moment at which the legislative package completed its passage through Parliament*; that is, until February 1992. Thereafter, an upward trend resumes, though not so high as to reach the high points of the first half of 1991 (Harding 1993, p.6). (Emphasis in original)

Broadhurst and Loh suggest that the media coverage and public discussion may have resulted in generally more secure behaviour by motorists (and homeowners) which translated into fewer opportunities to steal motor vehicles (or items from them). The intense publicity and fear of being apprehended may also have deterred offenders. As Harding (1993) notes, once the legislative package was passed, discussion abated and, presumably, so did the high level of active crime prevention efforts (epitomised by greater attention to both car and home security). Consequently by 1995, despite the existence of harsh penalties for motor vehicle theft offences, Western Australia had the highest rate of motor vehicle theft in Australia.

Tougher legislative sanctions invariably result in greater numbers of young people serving custodial sentences at significant cost to both the community and the young people themselves. The NMVTRC reports that it 'costs up to \$140,000 a year to keep a young offender in secure care' (NMVTRC 2002e, p.iii). Despite the cost involved, there is little opportunity within a custodial environment to devote the time and resources needed to address underlying issues that may contribute to a young person's criminal behaviour (NMVTRC 2002e). In fact, the impact of a custodial sentence and a criminal record may have the opposite effect by greatly diminishing prospects for future positive opportunities that offer an alternative to criminal behaviour. Nicholas Cowdery, New South Wales Director of Public Prosecutions, informed the Drugs and Crime Prevention Committee of the 53rd Parliament of as much during the course of an earlier inquiry, arguing:

Once people are put in prison, they become part of the prison population. They develop the prison culture and they are bound by the pressures applied to them in prison. They do not have much hope of rehabilitating themselves, particularly if they are young.²⁹²

Buttrum (1997) has argued that deterrence only works for those individuals who feel that they have something to lose. Many young offenders feel that they have already lost everything (Buttrum 1997). In this context, prevention rather than punitive penalties should be the prime focus of the juvenile justice system. This was a focus recognised by the NMVTRC when it considered

²⁹² Nicholas Cowdery, Director of Public Prosecutions, New South Wales, Public Hearing, Inquiry into the Turning the Tide Drug Reform Strategy, 5 May 1998, p.29.

potential strategies to reduce recidivist juvenile motor vehicle theft. The Task Force argued:

To prevent the transition from an episode of juvenile delinquency in a young person to an entrenched pattern of high rate offending, it is necessary to have available a range of assessment and diversionary services at the disposal of juvenile justice professionals. The aims of such program elements are to reduce the potential harms of statutory intervention, and to provide a sound foundation for a young person's positive development within their community (NMVTTF 1997b, p.156).

There is a clear body of knowledge that identifies environmental, social and familial factors associated with repeat offending in adult years (Loeber & Stouthamer-Loeber 1987; Farrington 1995; O'Connor 1997). Consequently, criminologists have increasingly highlighted the need for a vocational training/education focus, integrated with further support services, to address broader issues that may contribute to offending behaviour. Such alternatives are thought to have a greater long-term impact than a custodial sentence. As Professor Ian O'Connor of the University of Queensland School of Social Work has argued:

This does not mean that we should retract from strategies which encourage offenders to accept responsibility for their behaviour. It does, however, mean that we must seek to implement interventions which alter the physical, social and psychological environment in which crime is thinkable and doable.

At primary, secondary and tertiary levels our approach to juvenile offending must be to develop strategies that will enhance attachment to mainstream developmental institutions. It is only by continually seeking to reconnect young people to major developmental socialising institutions that we provide them with pathways of participation in society and strengthen the social bonds which ensure a safe society (O'Connor 1997, p.9).

The Committee is of the view that community-based diversionary programs have the potential to provide a better outcome for young offenders and 'at risk' youth. Furthermore, diversionary programs offer the most cost-effective approach to the issue of juvenile offending.

Community programs for the diversion of young motor vehicle theft offenders

At the time of writing, there were only two community-based programs in Australia designed to meet the needs of recidivist juvenile motor vehicle offenders. These were Hand Brake Turn in Victoria and Street Legal in South Australia. However, the Committee also considered the merits of similar community-based programs designed to meet the needs of youth considered 'at risk' of criminal behaviour. The Pedal Off the Metal program in Western Australia is a worthy example of such a program. The following discussion provides a brief overview of these programs.

Hand Brake Turn

Background

Hand Brake Turn (HBT) was established first in South Melbourne in 1994. It was initially funded by the Australian Youth Foundation and was targeted towards young juvenile offenders. A second program was established in Dandenong in 1995 as a joint initiative of the City of Greater Dandenong, local police, local business and Care and Communication Concern Welfare Services Inc. In 1996 the South Melbourne program terminated and assets were transferred to the Dandenong location.

The HBT program aims to break the unemployment cycle while preventing young people from entering, or continuing to enter, the juvenile justice system. The program provides participants with the opportunity to build, maintain and safely use motor vehicles. It does so on the basis that efforts to reduce juvenile motor vehicle theft will need to offer an alternative but legal source of excitement comparable to the 'high degree of psychological pay off' that juvenile offenders derive from stealing motor vehicles (Care and Communication Concern Welfare Services 1998, p.10).

In addition to providing the means through which young people can indulge their interests, the HBT program aims to channel its participants' enthusiasm into an environment in which they can acquire the skills needed to access future employment opportunities (Care and Communication Concern Welfare Services Inc. 1998).

In order to meet its aims within a 10-week period, the HBT program is divided into three key components.

1. Training and practical experience in mechanics, panel beating and spray painting. Qualified practitioners (who are also experienced youth workers) provide training.
2. Recreational and peer support. Participants engage in weekend activities such as motorbike riding camps and go-kart meetings. Members of Victoria Police are involved in some activities to attempt to break down barriers.
3. Employment, placement and support: To facilitate placement the HBT program provides vocational counselling as well as job search components. Each participant completes a work experience placement and is encouraged to take part in further training. Short-term post-course support is provided to each young person.

At the conclusion of the 10-week course, participants attend a graduation ceremony at which they are presented with a certificate of completion. A central feature of the graduation ceremony involves the presentation of a restored and repaired motor vehicle to an individual who had previously had his or her own motor vehicle stolen.

Young people are referred to the Hand Brake Turn program from a number of bodies that have regular contact with the target group. These include:

- Employment agencies;
- Juvenile Justice Centres;
- Children’s Court;
- Victoria Police;
- Community welfare organisations;
- Local schools (Care and Communication Concern Welfare Services Inc. 1998, p.17).

In 1998, Care and Communication Concern Welfare Services Inc. conducted an evaluation of the Hand Brake Turn program. A review of the case files of past and present participants in the HBT program formed the basis of this evaluation. Furthermore, semi-structured interviews were conducted with 73 participants and in-depth interviews were held with 25 work experience providers and 36 stakeholders. The following achievements were outlined in the subsequent report:

- Parents, staff and the young participants themselves reported a positive change of attitude and outlook. This was directly linked to the available life opportunities participants saw themselves accessing as a result of the HBT program;
- More than 60 per cent of participants were employed after completion of the program. This compared to less than 20 per cent who were employed prior to commencing the program;
- More than 50 per cent of participants re-entered education or training following completion of the HBT program;
- In total, the HBT program had successfully placed approximately 74 per cent of participants into either employment, further training or education options;
- Eighty per cent of participants who completed the program have not re-offended since their involvement in the program;
- The proportion of criminal offending before and after undertaking the program was estimated to have fallen from approximately 21 per cent to 14 per cent;
- It was estimated that the ‘turnaround’ time for the resources invested in HBT to be recouped through reduced income support was less than 1.4 years. In 1997, the annual cost was estimated to be \$450,000 (Care and Communication Concern Welfare Services Inc. 1998, pp.8–9).

The Hand Brake Turn program was seen to offer significant benefits to the community in return for the time and financial resources invested. As the evaluation reported:

Most stakeholders held the view that the community benefited by HBT providing a positive option for young people that kept them out of trouble, off the streets and gave them access to employment. Also, they maintained that encouraging pro-social behaviour resulted in less social problems in the region.

A further key aspect for the community was that HBT was a program that was willing to work with high-risk youth and offenders to reduce crime and produce employable productive young people. There was an emphasis on the community benefits available from job-ready, happier, goal-directed positive people with new attitudes and behaviour (Care and Communication Concern Welfare Services Inc. 1998, p.37).

Importantly, these views were similar to those held by the young participants themselves who valued the opportunities that were being presented in a genuinely supportive environment.

The nurturing, supportive and structured environment was most frequently identified as the best aspect for young people participating in the program. Significant opportunities were provided for them to feel part of something, and a contributor to a work team where friendships were formed in a supportive environment ...

A sense of achievement and completion was also identified as a key outcome for participants. Often stakeholders indicated that the graduation was probably the first time success had been recognised and acknowledged publicly. Also, developing knowledge and skills in a diverse range of automotive areas, with practical education and training as part of an accredited qualification, was considered a key element for participants (Care and Communication Concern Welfare Services Inc. 1998, p.37).

On the basis of the success of the HBT program in Dandenong, a second program was established in Parramatta, NSW on 7 April 1999. A third HBT site was subsequently launched in Geelong in March 2001.

Unfortunately, the Hand Brake Turn program recently lost a valuable sponsor. NRMA Insurance, which provided damaged vehicles for the practical and mechanical elements of the course, has ceased operations in Victoria and has consequently withdrawn its sponsorship. Jill Kendall, the director of Care and Communication Concern Welfare Services Inc., informed the Drugs and Crime Prevention Committee that a new sponsorship arrangement was needed to ensure the ongoing success of the program.²⁹³

Street Legal

The Street Legal program was established in South Australia in 1989 to provide an alternative to incarceration for recidivist offenders (NMVTRC 2001h). Street Legal is a 'stand-alone' community-based program. A Management Committee

293 Jill Kendall, Director of Care and Communication Concern Welfare Services Inc., in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

with representation from sporting bodies associated with the program and past program participants oversees the operation of the program. The Department of Human Services (SA) provides Street Legal with annual funding of \$130,000. This funding has remained at the same level for the past six years. Street Legal has also received ad hoc contributions from government departments such as the Department of Employment, Education, Training and Youth Affairs and from benevolent funds such as the Morialta Trust. From July 1998 to July 2000, Street Legal provided 62 young people with places in its ten-week course. Participants are aged 14–18 years and are referred to Street Legal by South Australia Youth and Family Services workers.

The Street Legal program has nine stated objectives that it seeks to meet throughout the ten weeks in which its young participants are engaged. These are:

- To reduce the incidence of juvenile crime in South Australia;
- To break the 'vicious cycle' of 'risk taking' behaviour and self abuse by offering participants a therapeutic environment to make positive life changes;
- To redirect the 'thrillseeking' associated with offending behaviour into positive, legal and fun motor sport activities;
- To reduce boredom in the lives of young people;
- To provide participants with job related skills and to direct them into further education, employment and training;
- To build on participants' self-esteem and confidence;
- To develop participants' social skills and to reintroduce and support them within the mainstream community;
- To provide young people with emotional support, advocacy and referral via a case management approach; and
- To address, change and modify behaviours and attitudes (NMVTRC 2001h, p.16).

The structure of the Street Legal course is similar to that provided by Hand Brake Turn, being divided into three core components: mechanical training, case management and recreational activities.

Mechanical training

It is the mechanical training aspect of the Street Legal program that attracts participants to the program (NMVTRC 2002h). As a NMVTRC sponsored evaluation of the Street Legal program found:

The workshop activity provides an important learning opportunity for young offenders in an area that many of them have a strong interest in and natural aptitude for (NMVTRC 2002h, p.17).

Participants in the program have reported that they acquired significant knowledge about motor mechanics, describing such skills as engine stripping,

sanding bodywork, compression tests and brake maintenance (NMVTRC 2002h).

Case management

The NMVTRC evaluation recognised that a key element in Street Legal's success was the provision of casework support to young participants. This approach allows the opportunity to address literacy and numeracy problems, and issues related to health, finance, accommodation and other areas (NMVTRC 2002h). Casework is offered to all participants, ensuring that the program is offered in a highly supportive environment. Street Legal staff accompany participants to agencies such as Centrelink and assist them to obtain living allowances or concession cards (NMVTRC 2002h).

Recreational activities

The Street Legal program incorporates a go-karting component that allows participants to redirect the 'thrill seeking' aspect associated with offending behaviour into positive, legal and safe motor sport activities (NMVTRC 2002h). The need for an alternative form of excitement is emphasised by those who work with young offenders (Care and Communication Concern Welfare Services Inc. 1998; NMVTRC 2002h).

Evaluation

The NMVTRC evaluation analysed the offending behaviour of 62 Street Legal participants both prior to and after completion of the program. On the basis of this behaviour, the NMVTRC report concluded:

The *Street Legal* program is producing very positive outcomes considering the uncertain environment within which it operates.²⁹⁴ *Street Legal* is regarded by a range of stakeholders as a unique program offering excellent opportunities for young offenders to move away from their offending lifestyles and make positive choices with their lives. Since 1989, the program has provided a cost-effective alternative to detention while arming young recidivist offenders with potential workplace skills in an industry of interest to them.

A commitment to change their offending behaviour was demonstrated by participants interviewed for this research. It has shown through the offence histories of *Street Legal* participants that even youths with multiple car theft offences, up to seventeen in one case, can remain offence free for over three months after completing the program. Other participants have remained offence free to date (NMVTRC 2002h, p.38).

294 Street legal staff stressed the need for additional staff and material resources for the motor vehicle workshop. It was noted that young people were less disruptive when engrossed in mechanical work and attendance levels were also higher on days when the mechanical staff were present. At the time of the NMVTRC evaluation there were only two part-time workshop staff. Although the SA Department of Human Services provides annual funding to the program, this had remained at the same level for the past six years.

One issue that the NMVTRC did draw attention to, however, was the tenuous funding of the *Street Legal* program (on a month-by-month basis). This was seen as a major obstacle to the program's ability to produce more comprehensive results. It was also noted that there was 'room for improvement' in program delivery, management and evaluation (NMVTRC 2002h, p.38). The program does not have the capacity to monitor the progress of participants and this was seen as compromising the ability of the program to demonstrate successes, identify weaknesses and demonstrate benefits (NMVTRC 2002h). The NMVTRC noted:

Long term planning, potential funding partnerships and program links to further education, training and employment have all been disadvantaged by the tenuous environment and structures within which the program operates (NMVTRC 2002h, p.39).

The NMVTRC raised the need for an administrator to assess the current operation of the program. It identified 'significant deficiencies' in the administration of the program and argued that these deficiencies could be addressed through establishing routine systems and training staff to maintain these systems (NMVTRC 2002h, p.15).

The means by which the NMVTRC is seeking to address these shortcomings is addressed in further detail below.

Pedal Off the Metal

The Pedal Off the Metal program is an initiative of the Kensington Police and Citizens Youth Club (PCYC) in Western Australia. The project is funded by SAFER WA and targeted at young people who, due to circumstances such as poor literacy or language skills, or economic hardship, are unable to obtain a driver's licence.

As noted in Chapter 10, the exclusion of young persons from mainstream social opportunities increases the attraction of motor vehicle theft as an alternative means of establishing a sense of identity and recognition. By providing a legitimate avenue through which to attain a motor vehicle licence and, in the process, better life opportunities, the Pedal Off the Metal program seeks to counter the attraction of activities such as motor vehicle theft for certain 'at risk' individuals. The premise of the program is that the attainment of a legitimate driver's licence provides participants with opportunities that were previously unattainable in respect of employment or education. It is also intended to give participants a sense of responsibility. If participants can maintain access to the opportunities that a driver's licence provides, then hopefully they will refrain from those activities that may put their licence at risk, such as motor vehicle theft, dangerous driving and drink driving. As Sergeant Simon Leaning, the manager of the Kensington PCYC, informed the Committee:

With Pedal Off the Metal we had an Aboriginal focus, which is simply a reflection that Aboriginal young people in Western Australia are disproportionately represented in crime figures and crime statistics. Therefore, we felt that it was an

age group with which the police were having issues. We felt we should focus on those young people. They were not getting access to driver's licences because of the expense – it was too expensive for them to take lessons. They will often drive regardless. They were driving and being caught by the police. In a very short time, they were racking up no driver's licence offences and starting their way into the judicial system. Basically, they were ending up in prison or otherwise. We were able to offer them licences at no cost to them; they did not have to pay to participate. The lessons were free; people were very sympathetic to their Aboriginality. They took on board their ability to read or write. The learner's permits were delivered both verbally and in a written way so that young people did not have any barriers at all to getting their learners permit. Access to driver's licences at a low cost gave them the opportunity to go through and get their drivers licence. This is a little bit about responsibility. Once people have driver's licences, we found that these young people were keen to keep their driver's licences. Hence, we were looking for behavioural changes because of the added responsibilities that they had gained by getting a motor vehicle licence. That then articulated into some of our other training programs, which include automotive training, retail training and some of the other accredited training that we deliver so that we do not just give them a driver's licence, we endeavour to give them a first-aid certificate ... work experience and ... to get them out of the offending system into employment, ultimately. That is where we have put our whole focus and energies for the KPCYC – the police and citizens youth club. It is a holistic training program covering all of the different barriers to them getting a job and into mainstream society, accessing further education, and all the things that lots of young people do not have a problem with.²⁹⁵

As Sergeant Leaning's comments indicate, the Pedal Off the Metal program is one aspect of a holistic program that seeks to provide participants with a range of opportunities through which to enhance their educational and/or employment opportunities. As he explained to the Committee:

We have a group of young people who are leaving school at 15 years who traditionally would have articulated into apprenticeships, traineeships and other things, but who are missing out because the young people staying on at school for years 11 and 12 are now taking those jobs. Those young people are finding it tough to get a job and get on with their lives. We try to fill that hole by offering training without any basic requirements. They do not need to have any prior education. They do not even need to read and write. We take all those things out of the picture and allow them to access training in the first instance, and then we go out and market them to employers and create opportunities for them in the workplace. We have developed partnerships with large businesses like Marlows Ltd and the like. They take them on and have them do work experience. The driver's licence training was provided because they generally would not have access to it; first, because of cost and, second, because they were not motivated

295 Sgt Simon Leaning, Manager, Kensington Police and Citizen's Youth Club, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

or they drove anyway or did other things. Because we package it so well, it is a complete training program. Pedal off the Metal was a very good project, but it was important to tie it in with the other things we do, simply because it is a complete package. We did not try to utilise Pedal off the Metal in isolation. We tried to use it as part of a complete, holistic approach.²⁹⁶

The Pedal Off the Metal program is not aimed specifically at juvenile motor vehicle theft offenders, but at 'at risk' youth in general. Perhaps the most innovative aspect of the program was the inclusion of incarcerated juvenile offenders in Western Australia's Nyandi Prison. Instructors worked within the confines of the prison to enable suitable offenders to study for and receive their learner's driving permit. Upon their release, individuals were then equipped to enter into the community-based program and begin practical training towards their probationary driver's licence.

In a similar vein to the Street Legal program, Pedal Off the Metal offers supportive case management to participants in the program. Gavin McKay, the assistant manager of the program, told the Committee:

We have a lot of people who act as mentors. Our trainers are, by proxy, mentors as well. We have an expectation that they will go out and visit the clients at their homes or their crisis accommodation centres and work with their case managers etc. We are trying to roll out the red carpet and to strip away any of barriers that are getting in the way. In cases of volatile substances, we work with agencies like the Palmerston Association, which is a drug agency. It subcontracts to us to deliver some of the harm minimisation and education stuff. It works with the clients in that area first, and that enables them to articulate into the program once they have been counselled to a certain extent.²⁹⁷

The Pedal Off the Metal program has the capacity to assist approximately 100 individuals to receive a probationary driver's licence and another 130 to receive a Learner's Permit. In respect of evaluation, there is evidence to suggest that the holistic approach of the program is producing positive results. As Sergeant Leaning observed:

We follow the clients through the police system or police computer to see if they are offending on the roads. That was part and parcel of the funding proposal: we would do the follow-ups and assess the clients as they went and make sure they were not offending or re-offending ...

With regard to the assessment, we followed our clients. We looked to see if they were offending on the road and if they maintained the licence for periods. We did case studies on individuals, particularly those coming from Banksia Hill and other detention centres. We followed them through to see if they had returned to those detention centres after they had got a licence and accessed

296 Sgt Simon Leaning, Manager, Kensington Police and Citizen's Youth Club, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

297 Gavin McKay, Assistant manager, Kensington Police and Citizen's Youth Club, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

some of our other training programs. Whilst not everyone is a success, the evidence that we have collected is that there have been significant improvements in the behaviour of the young people.²⁹⁸

Despite the apparent success of Pedal Off the Metal, its funding has drawn to a close after approximately eight years of operation. At the time the Drugs and Crime Prevention Committee met with the program's management, there were ongoing negotiations to establish a new source to fund the program's continuation. As Mr McKay noted:

[Pedal Off the Metal] is in a hiatus at the moment and has been redundant for about four months. We are doing some work with the Ministry of Justice and individual clients as we attempt to resurrect the program. The funding for the program was not ostensibly seeded funding. It does not work in a seed funding way because we do not generate an income from the program. It is one that needs to be wholly and solely funded from some government agency. We have made overtures to Office of Road Safety and to Aboriginal agencies. A number of Aboriginal agencies are a little reluctant at this stage, despite recognising the value of program. However, we feel that Road Safety will come at this program. The Premier has had a look at the program and has been out to see it a number of times. We have community-wide and agency-wide support for the program to continue. If we get the funding then we have the ability to value-add to the program. We would like to expand it into working with a group of younger people, addressing the harm-reduction issue and seeing how portable the program could be. Perhaps it is the time to take this model and put it into regional places, or higher Aboriginal areas.²⁹⁹

The need for a national strategy

While each of the above programs has clearly been of benefit to their young participants, they have also been compromised by tenuous funding arrangements. Loss of sponsorship, the inability to employ adequate staff and the withdrawal of funding have all been issues that have restricted the extent to which they have been able to provide placement and case management to young people who might benefit from the programs.

Local community-based programs have been developed in the absence of a national strategy to counter juvenile motor vehicle theft. While local programs are obviously of significant value to the areas in which they operate, it is difficult to integrate these programs into a uniform national strategy. The NMVTF drew attention to the consequences of a locally-based approach in its *Final Report*.

298 Sgt Simon Leaning, Manager, Kensington Police and Citizen's Youth Club, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

299 Gavin McKay, Assistant manager, Kensington Police and Citizen's Youth Club, in conversation with the Drugs and Crime Prevention Committee, 1 May 2002.

The absence of a national framework has dispersed effort and frustrated the development of a consolidated body of juvenile crime prevention expertise across Australia. Short-term, isolated and ad hoc crime prevention pilot projects have flourished with wild differences in objectives and approach, leading to juvenile crime prevention programs being left out of the 'mainstream' of social policy development. Often these projects suffer from a lack of rigorous design and evaluation.

A cohesive framework for juvenile MVT [motor vehicle theft] prevention will provide a clearer pathway for defining the target groups, key objectives, program designs, performance indicators and expected outcomes of juvenile crime prevention programs. The Task Force has determined that clear articulation of the appropriate target groups, program designs, performance measures and outcomes of different juvenile MVT prevention programs requires a high profile, stakeholder led, best practice development project at the national level (NMVTTF 1997b, p.164).

The NMVTTF noted that recommendations for the development and implementation of best practice programs for the reduction of juvenile motor vehicle theft had met with broad support from police, government and industry stakeholders (NMVTTF 1997b). Consequently, in its initial funding proposal for the establishment of the NMVTRC, the NMVTTF included a budget component of \$1.6 million to develop and implement a strategy (NMVTTF 1997b).

Developing best practice model for young recidivist motor vehicle theft offenders

In accordance with the NMVTTF's recommendations, the NMVTRC undertook to develop best practice principles for the establishment of effective diversionary programs for juvenile motor vehicle theft offenders. To this end, the NMVTRC sponsored a project to design a best practice model and business plan for a young recidivist car theft offender program (NMVTRC 2002e). The model that was subsequently designed incorporates features of those programs already operating within Australia, namely the Hand Brake Turn (Victoria and New South Wales) and Street Legal (South Australia) programs. As Ray Carroll told the Committee:

Our evaluations have basically said that these are very effective and very cost-effective ways of dealing with these very-difficult-to-deal-with young people and diverting them away from car theft. They are not magical cures – there is no such thing as a magical cure with these sorts of kids – but there is a very high rate, in term of how these kids react to these programs generally, of turning them around to look at other alternatives, in terms of getting them back into education or perhaps employment.³⁰⁰

300 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

As stated in its report, 'The NMVTRC program model is based upon the best features of these two programs' (NMVTRC 2002e, p.6). The core focus of the program is on diversion away from the criminal justice system and the provision of legitimate opportunities for employment and/or further training. The components of the model are primarily based upon the structure of both Hand Brake Turn and Street Legal. As the NMVTRC report states:

The interest in cars and mechanics is the key element in engaging the interest of participants, however the model places emphasis on the training and development of the individual as a whole. In line with the research findings, the model is multi-modal and aims to tackle wider problems experienced by participants such as housing, unemployment, low self-esteem and family conflict.

A case work and education/training approach is recommended as the most effective way of delivering the program. The young person needs to be supported through mentoring and case management in order to facilitate pathways away from offending, and later post-course support is essential to reinforce new skills and patterns and prevent relapse (NMVTRC 2002e, p.6).

The best practice model³⁰¹

General description of program

The best practice model (BPM) sponsored by the NMVTRC seeks to combine mechanical training, case management and post-course support for young people with a history of motor vehicle theft offences as well as those at risk of participating in motor vehicle theft offending. Through this combination of personal support and vocational opportunity the BPM aims to break the offending cycle of those young people who have become involved and are at risk of becoming further entrenched in the juvenile justice system. This is the first priority. Young people identified as at risk of offending are the second target group of the program. To be eligible for the program, potential participants would be required to meet the following criteria:

- Aged 15–20-years old;
- Identified as having participated in vehicle crime, or as being at risk of participating in motor vehicle theft offending. Preference would be given to repeat offenders;
- Willing to participate and cooperate in program involvement;
- Prepared to sign a contract to enter into the program and comply with the code of behaviour;
- Have an interest in automotive training;
- Able to safely operate machinery in compliance with occupational health and safety requirements (NMVTRC 2002e, p.14).

³⁰¹ The following information is drawn from NMVTRC 2002e, *Best Practice Model and Business Plan for a Young Recidivist Car Theft Offender Program*, NMVTRC, Melbourne, pp.8–10. This document also contains detailed information on the funding, management and evaluation of the proposed best practice model.

Referrals to the program could be received from the juvenile justice sector of the police.

Objectives of program

The specific objectives of the BPM illustrate more explicitly the program's focus on providing opportunities for participants while also addressing the factors that may make motor vehicle theft an attractive option. These objectives are:

- To equip young people with practical vocational training and experience specifically within the automotive field;
- To create pathways for further education, training and jobs;
- To develop the life and personal skills of participants with support for them in re-entering mainstream community;
- To redirect the energies of young people before they become entrenched in unsafe or illegal behaviour;
- To break the cycle of risk taking behaviour and self-abuse by offering participants a positive and supportive environment that can assist them to make positive life changes;
- To redirect the thrill-seeking associated with offending behaviour into positive, legal, safe and fun motor sport activities;
- To identify, affirm and build on young people's existing skills;
- To provide participants with workplace skills;
- To foster self-esteem and confidence;
- To develop participants' social skills and self-awareness;
- To provide young people with emotional support, advocacy and referral via a case management approach;
- To provide participants with interview and job skills training and motivation that will foster regular employment or further educational opportunities; and
- To promote values that encourage an awareness of others and the broader community (NMVTRC 2002e, pp.8–9).

Contents of program

MECHANICAL TRAINING

At the core of the program endorsed by the NMVTRC is a structured ten-week training course for 15 to 20-year olds, within the environment of a mechanical workshop. This is seen to be the 'draw card' for many in the program. Under the designed curriculum, instruction will be provided in basic car maintenance; the detailing, dismantling and servicing of vehicle components; tyre fitting; filling and sanding bodywork; compression and brake testing; use and maintenance of power tools; and workshop organisation and safety (NMVTRC 2002e).

Training is offered at a pre-apprenticeship level and where practical the training outcomes are to be linked to the TAFE system. If the option is available for participants to use their workshop training as a step towards gaining access to

an accredited TAFE training course, they could then be encouraged to pursue their training at a higher level. Furthermore, the link to the TAFE courses could provide access to appropriate support programs – such as literacy and numeracy programs. Upon completion of the ten-week structured program the young person is encouraged and assisted to take on a work placement or further training.

It is hoped that workshop training will not only offer mechanical skills but will also engage participants in a supportive environment in which they can work with their peers towards a common goal (NMVTRC 2002e).

CASE MANAGEMENT AND PERSONAL DEVELOPMENT

Case management will form an integral component of the BPM, recognising that a young person's attitude to future offending behaviour will be strongly influenced by his or her personal circumstances. Where applicable, participants will be referred to further agencies to assist with housing, health, substance abuse and financial issues. Staff and volunteers will assist participants in engaging relevant agencies and negotiating any bureaucratic requirements.

RECREATIONAL ACTIVITIES

On the basis of the experiences of Hand Brake Turn and Street Legal, the NMVTRC study concluded that recreational activities, such as go-karting could assist in redirecting the 'thrill-seeking' associated with stealing motor vehicles. Participants would be allowed the opportunity to work on a go-kart during workshop activities with the subsequent reward of driving it on the track.

In addition to vehicle-related recreation, the BPM would provide a range of alternative recreational options such as individual and team sports. This would be especially important in those areas where go-karting may not be feasible (NMVTRC 2002e).

Post-course support

The BPM would offer support for up to two years after completion of the program to maintain graduates' commitment to a crime-free lifestyle and prevent their relapse. The NMVTRC report suggested the possibility of a 'mentoring project', with regular sessions of counselling based on individual plans devised in partnership with the young persons involved. Encouragement and support would also be provided to continue to link participants with employment and educational opportunities (NMVTRC 2002e).

Implementation of best practice model

The NMVTRC is currently taking steps to establish its best practice model nationwide. Given the current operation of diversionary programs in some states, the Council has given priority to those states that have yet to establish diversionary programs to address juvenile motor vehicle theft. As Ray Carroll noted:

We have only just managed to secure another \$600,000 funding from the commonwealth, external to our core funding. We have developed a best practice model, drawing on both Hand Brake Turn and Street Legal. We are about to initiate the first of those programs [based upon this model] in Tasmania over the next coming months. We are looking at South Australia and Western Australia as other states to initiate programs because they have nothing. We are also working with Hand Brake Turn to look at a national replication program for them. We expect to do quite a lot this year in youth programs in order to get some of these kids out of the justice system and into a better way of life.³⁰²

As noted by Ray Carroll, the NMVTRC is also considering applications for funding to facilitate the growth of existing programs. This consideration is to be based on the degree to which existing programs accord with the Council's best practice model (NMVTRC 2001i).

Evaluation of best practice model

An evaluation framework is built into the best practice model. This centres around three stated objectives which form the basis for the key evaluation questions. These objectives are:

- To prevent recidivists re-offending;
- To bring about a shift in the lives of recidivist young offenders and other program participants through behavioural change and life skills;
- To manage the program efficiently and effectively in line with Total Quality Management principles and best practice (NMVTRC 2002e, p.22).

A range of evaluation measures and proposed measuring techniques have been identified. These are contained in Appendix 7 of this Report.

Education initiatives – Streetwise

The NMVTRC has recognised the need for preventative education of children and young people at an early age. Consequently it has also taken on a youth communications program in partnership with an organisation in New South Wales called Streetwise Communications. The central message of this program is 'Doin' Cars Wrecks Lives'. This program involves the use of animated cartoons in cinemas and education kits in schools.³⁰³ The latter includes a comic (*Spur of the Moment*) that warns of the potential consequences of motor vehicle theft.³⁰⁴

302 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

303 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

304 The education kit, containing both the *Spur of the Moment* comic and the animated cartoon on CD-Rom, is available for purchase from Streetwise Communications (See www.streetwize.com.au)

The aim of the education kit is twofold. Firstly, the kit will seek to help those working with young people to increase their own knowledge regarding the issue of motor vehicle theft in Australia. Secondly, and perhaps more importantly, it will offer a range of activities aimed at helping young people to understand the potential consequences of stealing a motor vehicle and help them develop appropriate decision-making skills (Streetwise 2002).

Victoria Police involvement

The Committee also notes that the General Policing Department within Victoria Police is researching the need for allocating full-time and part-time roles for youth club managers at Divisional level (Victoria Police 2002a). Such personnel would be ideally suited to implement and encourage participation in programs such as the best practice model proposed by the NMVTRC. The Youth Affairs office within the General Policing Department is expected to provide leadership and support in this direction (Victoria Police 2002a).

Conclusion

Engine immobilisers have the potential to markedly reduce opportunistic motor vehicle theft if fitted to a significant proportion of the motor vehicle fleet. They are currently accepted to be the most effective prevention strategy for this kind of motor vehicle theft. Any future Victorian scheme aimed at increasing the amount of vehicles fitted with immobilisers, whether voluntary or compulsory, would have the benefit of learning from the Western Australian experience, particularly in terms of establishing an appropriate structure for the management and licensing of approved immobiliser installers.

With regard to juvenile offender prevention programs, the Committee commends the NMVTRC's initiative in funding the design and implementation of a best practice model for community-based diversionary programs for juvenile offenders. Traditional law enforcement responses (ie. punitive penalties) have not only proven ineffective as a deterrent, but have also been costly to both the community and the offender's future chances of rehabilitation. In contrast, community-based programs have reported some success in breaking the offending cycle of recidivist juvenile offenders. The funding and implementation of a uniform approach that builds upon the success of these programs will provide for a nationally consistent and coordinated approach to juvenile motor vehicle theft for the first time.

16. Victorian Initiatives against Motor Vehicle Theft

The Committee acknowledges that motor vehicle theft in Australia is a national issue requiring a national response. However, any national response must be based upon the cooperative efforts of stakeholders within each state and territory. Indeed, the responsibility for vehicle registration and the enforcement of state and territory legislation rests with authorities within the relevant jurisdiction.

The establishment of a National Anti-Crime Strategy in 1994 explicitly recognised the need for inter-jurisdictional cooperation to address crime issues. This is reflected in the following principles under which the National Anti-Crime Strategy was developed:

- That state and territory governments have the central responsibility for the development and coordination of strategies which prevent and minimise crime and its impact on the community;
- That state and territory governments should take the lead in tackling critical issues of crime prevention and community safety, and in promoting understanding about these issues;
- That there should be cooperation and coordination between state and territory governments in the development and implementation of anti-crime strategies;
- That local government should be encouraged and assisted to participate in crime prevention; and
- That in exercising their leadership, state and territory governments endorse the broad community responsibility for crime and crime prevention, and encourage and facilitate the participation of the corporate, community and non-government welfare sectors (NMVTF 1997b, p.52).

These principles illustrate the central role expected of state and territory authorities in national strategies to address crime issues. However, they also indicate that while governments must take a leadership role, neither they nor the criminal justice systems that they administer are solely responsible for crime prevention (NMVTF 1997b). This is a responsibility of a range of stakeholders and community organisations.

Victoria Police initiatives

One of the primary roles of the Victoria Police Force is the investigation of crime and the prosecution of criminal offenders. Consequently, when rates of motor vehicle theft increased dramatically between 1999 and 2001, stakeholders began to question the operational priorities of Victoria Police. Certainly the disbanding of the Victoria Police Stolen Motor Vehicle Squad (SMVS) in 1999 has been cited as one of the primary reasons for the increase in motor vehicle theft activity in Victoria between 1999 and 2001.³⁰⁵ To the credit of the Victoria Police and its Chief Commissioner, Christine Nixon, Police Command has acted to accord greater priority to motor vehicle theft activity. The following section provides an overview of the Victoria Police response to the issue of motor vehicle theft activity and the strategies that have been implemented to counter it.

Background to the Theft of Motor Vehicle Review

As a result of the decision to disband the Victoria Police SMVS it was expected that the General Policing Department would undertake a more proactive role in the investigation and prevention of motor vehicle theft. With the support of the Community Consultation/Crime Prevention Office, the General Policing Department sought to address increases in motor vehicle theft through the following strategies and tactics:

- General police patrols increased the number of vehicle checks by 20 per cent;
- Operation 'AAMI' Business partnerships (decoy cars in hot spot areas);
- A visible police presence on foot, bicycle and mobile patrols was maintained in target areas;
- Vehicles checks at Booze Bus sites;
- Specific Regional operations targeted identified suspects in relation to re-birthing of vehicles;
- Crime Prevention Officers (CPOs), advised the community on preventative measures to lessen the chance of being a victim / target of motor vehicle thieves. Information was supplied, via media releases, forums and pamphlets, on preventative measures promoting 'Look / Lock / Leave';
- The development of the 'virtual car'³⁰⁶ concept on the Internet;
- Involvement in the development of a Public Car Park Accreditation Scheme to promote safe car parks [see below]; and

305 See Chapter 8 for a more detailed discussion of stakeholders' views of the decision to disband the Stolen Motor Vehicle Squad and of the consequences of this decision.

306 Victoria Police Crime Prevention Office has created a Virtual House website concept. The virtual house can be seen on the Neighbourhood Watch web site and allows the viewer to explore the house and access 'drop downs' that provide security advice. With the assistance of the NMVTRC, a virtual car has also been developed. This program has 'drop downs' providing advice on how to protect motor vehicles from thieves.

- Involvement in the development of car park strategies within specific complexes, such as Crown Casino (Victoria Police 2001b, p.2).

In addition to the work of the General Policing Department, the Organised Crime Squad was assigned responsibility for the investigation of professional motor vehicle theft activity. The charter of the Organised Crime Squad in relation to motor vehicle theft included the following:

- (a) To identify, investigate, prosecute and disrupt significant organised crime and related criminal activity;
- (b) To monitor and where appropriate investigate significant organised criminal activity involving:
 - (i) The commercial aspects of multiple motor vehicle and identity conversions etc.
- (c) To maintain operational liaison and to facilitate the Victoria Police contribution to state, national and international law enforcement agencies and regulatory bodies on significant organised and related criminal activity (Victoria Police 2002a, p.17).

To this end, a number of officers from the former SMVS were drafted into the Organised Crime Squad and established as the focal point for investigations into professional motor vehicle theft activity (Victoria Police 2002a). While this team achieved some success in respect of targeted investigations,³⁰⁷ broad strategies proved unsustainable due to competing priorities and staffing issues (Victoria Police 2002a). Although the opportunity is said to have existed for Tasking Applications to be submitted to the Tasking Committee in support of motor vehicle theft operations, 'this only rarely occurred' (Victoria Police, p.17).

Despite the best efforts of Victoria Police, it was soon apparent that the decision to disband the SMVS had compromised the ability of Victoria Police to respond to the increase in motor vehicle theft. In October 2000 the General Policing Crime Strategy Committee notified the Assistant Commissioner of the risk posed by the escalation in motor vehicle theft. This notification was based on reports from Regional Detective Superintendents that vehicle rebirthing had reached alarming proportions (Victoria Police 2002a). Detective Sergeant Gerry Bashford of the former SMVS submitted a report on 24 November 2000 outlining the concerning rate of increase in motor vehicle theft (Victoria Police 2002a) and in December 2000 Detective Superintendent Paul Hester was appointed to chair a Working Party to examine 'the problem the Force is experiencing with the investigation, seizure, examination and retention of stolen motor vehicles and parts' (Victoria Police 2002a, p.18). Although Superintendent Hester's subsequent report stopped short of calling for the reinstatement of a specialised squad of police investigators, it did identify a

307 i.e. Operation Vargas – This investigation commenced on 19 July 2001 and ran for a period of three days. It concentrated on the organised theft of prestige motor vehicles that were subsequently transported to Queensland before being sold. Briefs in respect of this operation are being prepared and Victoria Police anticipate that several charges of motor vehicle theft, together with charges of conspiracy to steal, will be brought against the identified offenders.

dramatic increase in the rate of professional motor vehicle theft activity and the inability of police to cope with this increase (Victoria Police 2001a).

On 4 July 2001 a meeting of the General Policing Crime Strategy Committee reinforced the view that there was a need for a specialised and dedicated motor vehicle theft investigation unit within Victoria Police (Victoria Police 2001b). A briefing paper from the Victoria Police Statewide Crime Adviser, Detective Superintendent Doug O'Loughlin, drew attention to the lack of specialised knowledge within the General Policing Department and the impact this had on police investigations:

Information from the Region Crime Officers indicates that under the Crime Screening Criteria, uniform members continue with the responsibility of the investigation. Crime Investigation Units (CIUs) do not investigate individual incidents of Theft of Motor Car, regardless of value. In the Regions, CIUs monitor stolen vehicle trends and may investigate: a series of stolen vehicle offences; or when a stolen vehicle is involved in the commission of other serious offences. In most cases, whether by uniform or CIU, the investigation or operation is very much based at a local level without consideration (in the main) to any regional, state or national perspective. The complexity of criminal motor vehicle conversions (re-births) is generally beyond the capabilities of local resources to investigate thoroughly (Victoria Police 2001b, p.4).

On this basis, the briefing paper sent to Victoria Police Assistant Commissioner Noel Perry concluded:

I recommend the Crime Department re-establish and fully resource a substantial Stolen Motor Vehicle Squad to combat the organised crime element of theft of motor car (Victoria Police 2001b, p.5).

Such views expressed from within Police Command informed the decision taken by Chief Commissioner Nixon to initiate a review of Victoria Police strategies for the investigation and prevention of motor vehicle theft activity.

Theft of Motor Vehicle Review

In August 2001 Chief Commissioner Nixon nominated motor vehicle theft as one of three areas of operational priority and appointed Acting Assistant Commissioner (Crime) Trevor Thompson to undertake a review of Victoria Police responses to motor vehicle theft activity in Victoria. The subsequent 'Theft of Motor Vehicle Review' drew attention to the need for a renewed focus on motor vehicle theft by Victoria Police.

Whilst theft of motor cars is not a new phenomena, there is a need for a renewed focus to attract attention to a readjustment of priorities. The issue requires a firm statement from the Force leadership clearly articulating an intention to prioritise our efforts and a preparedness to maintain the effort ...

Victoria is justifiably known as a 'world leader' in road safety, pioneering initiatives such as seat belt legislation and compulsory breath testing. The effort to reduce

the theft of motor cars should strive for identical status. Research throughout the world has not identified a jurisdiction that has successfully maintained a significant decrease in this offence. Victoria Police should aim for ‘world leader’ status by being innovative and inclusive (Victoria Police 2002a, p.11).

The Victoria Police ‘Theft of Motor Vehicle Review’ conceded that Victoria had experienced an alarming increase in motor vehicle theft activity and that the disbanding of the SMVS had detrimentally affected the ability of Victoria Police to respond to this increase. It was noted that the decision to disband the SMVS had been the subject of criticism, both internally from members of the Victoria Police Crime and General Policing Departments and externally by interested stakeholders such as the VACC, the ICA and the NMVTRC (Victoria Police 2002a). Furthermore, the Review acknowledged that the ‘loss of the Stolen Motor Vehicle Squad brand name has had a negative impact on the reputation of the ability of the Force to address the stolen vehicle issue’ (Victoria Police 2002a, p.18).

The ‘Theft of Motor Vehicle Review’ concluded that motor vehicle theft activity required an increase in investigative attention and consequently a range of recommendations was made. The following overview of these recommendations indicates that the need for a comprehensive and integrated approach to motor vehicle theft by law enforcement authorities is currently acknowledged.

Organised Motor Vehicle Theft Unit

One of the priorities identified by the ‘Theft of Motor Vehicle Review’ was the need for the re-establishment of a specialised police unit with the required knowledge and skills to address professional motor vehicle theft activity. Consequently the Review recommended that an Organised Vehicle Theft Unit be formed within the Victoria Police Organised Crime Squad. This unit would act in accordance with the following charter:

The role of the unit should involve the investigation of organised criminal activity involving the commercial aspects of multiple motor vehicle theft and identity conversion. Priority will be given to investigations which have the potential to significantly impact on the illegal conversion and trade in stolen motor vehicles (Victoria Police 2002a, p.23).

General Policing Department

In respect of the general policing of motor vehicle theft, the ‘Theft of Motor Vehicle Review’ concluded that the standard of investigations was deficient, both in terms of crime scene examination and crime pattern analysis. To provide and maintain an effective response to motor vehicle theft, the Review recommended that Victoria Police establish a dedicated group within each of the five police regions throughout Victoria. It was recommended that the proposed Vehicle Theft Task Groups undertake the following roles:

- Develop expertise in the investigation of motor vehicles;
- Provide advice to Region personnel re investigation of motor vehicles;
- Analyse LEAP and intelligence data to identify crime patterns and trends;
- Investigate series of offences;
- Coordinate local investigations and report on same;
- Liaise with:
 - Cross region task groups;
 - Organised Vehicle Theft Unit;
 - Industry stakeholders (Victoria Police 2002a, p.24).

Improve investigator training

To further enhance the investigative abilities of general policing members, the Review recommended an increased focus on motor vehicle theft investigation at both Recruit Training and Detective Training Courses. Furthermore, it was recommended that video training materials be developed to assist operational members (Victoria Police 2002a).

Improved patrol targeting

The Review argued that the activities of general policing ‘patrol units’ were fundamental to any increase in the police focus on motor vehicle theft offending. Consequently it recommended that all Divisional Superintendents initiate an ‘increase vehicle intercept’ strategy to achieve a 20 per cent increase on the number of motor vehicles intercepted and randomly checked per month in 2000/2001 (Victoria Police 2002a).

Management

A Steering Committee was seen as essential to the success of the strategy recommended by the ‘Theft of Motor Vehicle Review’. Its role would be to coordinate the various police departments involved in motor vehicle theft investigation and prevention (Victoria Police 2002a).

The [Steering] Committee will manage, monitor and evaluate through meetings, reports and a Web Page site. The Steering Committee will monitor the performance of all the Departments.³⁰⁸ Department managers will report through this process. Meetings should occur at least quarterly and the Committee report half yearly on Operation progress (Victoria Police 2002a, p.42).

Motor vehicle storage

Given the lack of existing vehicle storage facilities, noted in Chapter 8, the Review also recommended that a Project Team be established to examine the issues associated with the storing of suspect vehicles and to provide further

³⁰⁸ Crime Department, General Policing Department, Community Liaison Division and the Victoria Police Media Office.

recommendations to develop an efficient and economical vehicle storage policy (Victoria Police 2002a).

Operation Vehicle Watch

On 25 March 2002 the Victoria Police Acting Deputy Commissioner (Operations) Ray Shuey launched Operation Vehicle Watch at a Vehicle Anti-Theft Forum. The strategic plan upon which Operation Vehicle Watch was to be based incorporated the broad thrust of the recommendations made by the 'Theft of Motor Vehicle Review'. It included the establishment of a 15-detective Organised Motor Vehicle Theft Squad within the Crime Department, along with specific regional units known as TOMCATs (Theft of Motor Car Action Teams) in each of the five Police Regions in Victoria. Mr Shuey indicated that the role undertaken by the TOMCATs would be both investigative and preventative.

The regional units will work closely with community based groups including Neighbourhood Watch and Local Safety Committees to develop crime prevention strategies and improve community awareness (Victoria Police 2002b).

Commander Keith Smith, who is based at Region 5 headquarters in Dandenong, has been assigned responsibility for the implementation of Operation Vehicle Watch. Commander Smith believes that the TOMCATs will have a major impact on regional motor vehicle theft. Explaining the composition and function of the TOMCATs, Commander Smith stated:

Each region has set up a TOMCAT. Each is equipped with three detectives, two seconded uniform members, and an analyst to look at all offences, times of day, and where they occur. From statistics collected, we can identify the most commonly stolen cars in each area. Members will be requested to intercept and check similar vehicles to the ones identified as being commonly stolen in their area.

When they pull a vehicle over they must determine whether it has been stolen. If it hasn't, they are to inform the driver [that] the vehicle is being targeted by thieves in the area and to take precautions when securing it (quoted in Arnold 2002, p.13).

There is some indication that the measures implemented by Victoria Police under the auspices of Operation Vehicle Watch are already having a positive impact on rates of motor vehicle theft. When launching Operation Vehicle Watch in March 2002, Assistant Commissioner Shuey committed police to a 10 per cent reduction in motor vehicle theft by February 2003. Data from the CARS Analyser Database suggests that this reduction can be achieved. Between 2000/01 and 2001/02, motor vehicle theft fell by 11.8 per cent in Victoria. However, while some of this reduction could be attributed to increased police activity, it should be noted that the largest drop in motor vehicle theft occurred

in the first quarter of 2002 (19.5 per cent) prior to the launch of Operation Vehicle Watch in March. As Ray Carroll informed the Committee:

We have been saying in our press releases that a lot of it [reduction of motor vehicle theft] is a response to Vicpol [Victoria Police] activity. But again, our statistics do not support that entirely, in that Vicpol started their new operation in March. It was late March when those things started to actually hit the streets. Between the December and March quarters, it [motor vehicle theft] went down 19.5 per cent, and then it has gone down another 11.8 per cent from March to June. So the downward curve started very steeply before Vicpol hit the streets.³⁰⁹

However, Ray Carroll also drew attention to the publicity associated with the impending launch of Operation Vehicle Watch suggesting that this contributed to the decline.

There has been a huge amount of publicity at local level – local papers – and at the statewide level. And, to Vicpol’s credit, a lot of publicity in that December to March quarter was about what they were going to do about vehicle theft. So even though they had not hit the streets as such, they were talking about it a lot ... And before the announcement about the car squad there were a couple of people in [the] organised crime [squad] who were actually going out to auctions and disrupting the comfort zone of professional thieves.³¹⁰

The Committee commends the renewed focus by Victoria Police on vehicle theft investigation. While changing crime patterns in the future will doubtless prompt changes in the operational priorities of Police Command, it is to be hoped that the current focus is maintained. The dramatic increase in vehicle theft in Victoria during the period when there was no specialist motor vehicle theft squad is a salutary reminder of the need for continued vigilance by law enforcement authorities.

Vic Roads – Registration and vehicle information

VicRoads’ roles and responsibilities

VicRoads is a statutory corporation established within the Victorian Government infrastructure portfolio. One of VicRoads’ primary responsibilities is the provision of vehicle registration and driver licensing systems in Victoria. This includes the issue of motor vehicle registration as well as the renewal and transfer of motor vehicle registration. In this capacity, VicRoads has an important role to play to ensure the integrity of the Victorian vehicle registration system. One means of fulfilling this role has been via the exchange

309 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

310 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

of vehicle information with registration authorities throughout Australia.³¹¹ This has allowed VicRoads access to information in relation to all registered vehicles and licensed drivers in participating jurisdictions. This is obviously a significant measure in the prevention of 'cross-border' motor vehicle theft activities.³¹²

Motor vehicle registration

The requirements for registering motor vehicles are contained in the *Road Safety Act 1986* and the *Road Safety (Vehicles) Regulations 1999*. The purposes of registration, as stated in the legislation, include the provision of an identity for each motor vehicle used on the state's roads and an identity for the person responsible for each motor vehicle. Specifically, section 5 of the *Road Safety Act* describes the purposes of registration as:

- a. To ensure that the design, construction and equipment of motor vehicles and trailers which are used on a highway meet safety and environmental standards; and
- b. To enable the use of motor vehicles and trailers on highways to be regulated for reasons of safety, protection of the environment and law enforcement; and
- c. To provide a method of establishing the identity of each motor vehicle or trailer which is used on a highway and of the person who is responsible for it.

However, section 9B of the Act specifies that the register of vehicles is not necessarily expected to provide evidence of title of ownership. In other words, the intention of vehicle registration is to reflect who is driving a particular vehicle as opposed to who is the owner of a vehicle. It is on this basis that VicRoads has argued that motor vehicle theft is not one of its core responsibilities.³¹³ At the same time, it is important to note that VicRoads does contribute to motor vehicle theft prevention where possible. Bruce Chipperfield, manager of Registration and Licensing Policy, explained VicRoads' position to the Committee:

Fundamentally our registration system is there to support road safety and, I guess, the state revenue, because we collect \$1.5 billion in revenue ...It [motor vehicle theft] is a very high priority ... but it is not our core responsibility. Our core responsibility lies elsewhere, as I have just explained. Of course, it is extremely important that we do everything we possibly can to reduce vehicle theft, but it is not a core VicRoads responsibility. I think it is quite clear to say that. Our legislation certainly outlines our core responsibilities and they are road

311 See Chapter 14 for a discussion of the National Exchange of Vehicle and Driver Information System.

312 National information exchange as a motor vehicle theft prevention strategy is discussed in some detail in Chapter 14.

313 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.2.

safety and revenue ... We are putting quite significant resources into this [motor vehicle theft reduction] – I do not want to give that wrong impression [that VicRoads is unconcerned about motor vehicle theft]. I suppose it is a matter of where in government the primary responsibility lies. This quite clearly is a police issue fundamentally.³¹⁴

Nonetheless, as Victoria Police has emphasised, motor vehicle registration authorities represent the last line of defence against professional motor vehicle rebirthers. Once a stolen vehicle is fraudulently re-registered there is little chance of it being detected by law enforcement authorities. It could be argued that this suggests certain responsibilities of registration authorities that may not necessarily be prescribed by legislation. Accordingly, and in addition to its participation in national initiatives, VicRoads has investigated the feasibility of introducing other measures to counter motor vehicle theft within Victoria. Discussion of these and the likely need for further preventative measures follows.

VicRoads' motor vehicle theft prevention initiatives

The following discussion provides a brief overview of the operational procedures that VicRoads has developed to safeguard against the fraudulent re-registration of stolen vehicles in Victoria. However, it also highlights VicRoads' procedures that have the potential to be abused by professional motor vehicle thieves.

Internal investigations

In 2000 the New South Wales Independent Commission Against Corruption (ICAC) undertook an investigation into the involvement of officials of the NSW Road Traffic Authority (RTA) in rebirthing practices in a RTA registry office in Lithgow, NSW (ICAC 2000). The subsequent investigation led to findings of corrupt conduct against 23 officials. It was found that corrupt RTA officials and authorised vehicle inspection officers had assisted with the rebirthing of stolen motor vehicles by providing fraudulent documentation (ICAC 2000). In all, the ICAC estimated that more than 75 motor vehicles were unlawfully registered in this way (ICAC 2000).³¹⁵

In order to guard against the potential for Victorian registration officials to engage in corrupt practices, VicRoads maintains a small internal investigations unit to investigate possible internal corruption and fraud.³¹⁶ The investigations unit works closely with the Victoria Police. Investigations may arise from

314 Bruce Chipperfield, Manager of Registration and Licensing Policy, VicRoads, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

315 The Committee acknowledges that the NSW RTA has since implemented a range of strategies to address the corruption risks highlighted by the ICAC. The ICAC has praised the RTA for analysing the problems in detail and addressing them thoroughly. For further information, see Independent Commission Against Corruption, *Rebirthing Motor Vehicles: Investigation into the conduct of staff of the Roads and Traffic Authority and Others* ICAC, Sydney, 2000.

316 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.2.

complaints by members of the public, whistleblowers or identification of unusual transaction patterns.³¹⁷

Despite the existence of this unit, VicRoads does acknowledge that individual cases of corruption may still occur. In a submission to the Drugs and Crime Prevention Committee, VicRoads stated:

In relation to stolen vehicles, there is always a possibility that VicRoads' staff may act in collusion with criminals to re-register vehicles. However, VicRoads has found no evidence to support systematic organisational corruption and a very low incidence of individual fraudulent behaviour exists.³¹⁸

Bruce Chipperfield expanded on this issue.

We know that there will always be pressure for certain elements in society to, if you like, cleanse vehicles through the registration system. VicRoads is very aware of that possibility of our staff cooperating with thieves to rebirth vehicles. We have in place as many of the checks and balances as you possibly can to ensure that does not happen ...

There have been instances in the past where staff have been shown to be involved and have been dismissed, but I think we are quite comforted in Victoria that we do have an active investigation unit in Victoria. All allegations are investigated fully and we would stand by what we have said – that there is no evidence at all of any institutionalised corruption.³¹⁹

Vehicle information package

In conjunction with the Road Safety (Vehicles) Regulations, VicRoads has developed a new vehicle information package to protect consumers from the inadvertent purchase of a stolen motor vehicle. The Vehicle Information Package (VIP) will provide intending purchasers with the following information about a motor vehicle:

- Current registration status and registration history;
- Stolen and written-off vehicle information;
- Financial encumbrances that may be lodged against the vehicle; and
- Its description – make, model, colour, transmission type and year of manufacture.³²⁰

317 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.8.

318 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.2.

319 Bruce Chipperfield, VicRoads, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

320 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.11.

This information is printed in the form of a certificate that will be available through both the Internet and the standard mail service at the cost of \$20 for a single enquiry.³²¹ Explaining the origins of this initiative, Mr Chipperfield noted that VicRoads has access to registration data that could help consumers to identify whether a particular motor vehicle is stolen. To date this data hasn't been available to the public and the Vehicle Information Package is aimed at remedying that.

The need to give sufficient publicity to this measure was raised by David Russell, Manager of Corporate and Public Affairs at the VACC:

It needs to be widely publicised so that when people buy cars, particularly privately ... they go out of their way to satisfy themselves that it is the vehicle that they have been told it is. So there are some issues, but I do not think there is much more that can be done there except for public education to make sure that people actually do the checking they should do.³²²

VicRoads intends to publicise the VIP certificate by 'low cost means', including press releases and articles in trade publications such as *Royal Auto* magazine.³²³ VicRoads also intends to produce press advertisements and a brochure to make consumers aware of the new package.³²⁴

VicRoads and Victoria Police liaison

VicRoads has a number of procedures in place to deal with what are called 'suspect' vehicles.³²⁵ When a 'suspect' vehicle is presented for registration, VicRoads officers record a description of the vehicle in question. This is to prevent the vehicle's operator from shopping the vehicle around at various VicRoads offices. Local police may then be contacted. As Mr Chipperfield explained:

The past practice has been that if we have a vehicle we are uncertain about, that we think might have an uncertain history, we would generally call the local police. Our local offices have a very good relationship with the local police ...

I think that is the way it has to be because we are a statewide organisation with offices right throughout country Victoria, so it is better to try to address most of these things locally if you can.³²⁶

If a vehicle that is presented for registration is suspected of being a stolen vehicle, the local police are contacted immediately. The police then assess

321 Bruce Chipperfield, in correspondence with the Drugs and Crime Prevention Committee, 2 August 2002.

322 David Russell, VACC, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

323 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.12.

324 An example of a VIP Certificate is contained in Appendix 8.

325 VicRoads defines suspect vehicles as those that do not meet the required standards for registration or are suspected of being rebirthed or stolen vehicles (Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.8).

326 Bruce Chipperfield, VicRoads, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

whether the vehicle should be referred for a forensic inspection by vehicle inspectors or whether registration should be allowed to proceed.³²⁷

Alternatively, when a motor vehicle wreck is purchased at auction, Victoria Police may notify VicRoads if the wreck in question is thought to be attractive to professional thieves looking to use the vehicle's compliance plates for rebirthing activities.³²⁸ When one of these vehicles is presented for registration, the application is initially accepted and the police notified.

While these procedures suggest a significant degree of collaboration between VicRoads and Victoria Police, the reality is that few vehicles are referred to police officers as 'suspect'. A report conducted by a Victoria Police Stolen Motor Vehicle Working Party observed:

Estimates are that approximately 130,000 second-hand vehicles are re-registered per year in Victoria with about 52,000 of these vehicles being of interstate origin. Only 650 vehicles per year are referred to police as suspect.

VicRoads are Customer Service oriented and do not have the resources or the expertise to detect the professionally rebirthed. To determine that a vehicle is stolen may take up to two hours for a competent examiner ... Appropriate level discussions need to occur with VicRoads with a view to establishing professional examination procedures by people with the necessary skills (Victoria Police 2001a, p.3).

Representatives at VicRoads have acknowledged that this collaborative approach could be improved. As Bruce Chipperfield told the Committee:

There is always room for improvement. I think the police struggle – and we do too – at the local level to have people with the expertise that really are able to make those judgment calls [about whether a vehicle is 'suspect']. I think that is an area where expertise is always an issue.³²⁹

However, it is hoped that the establishment of a Victoria Police TOMCAT unit in each of the five police regions throughout Victoria will ensure that there is a more accessible source of expertise available for VicRoads to draw upon to identify suspect vehicles.

Registration practices

Perhaps the issue of most concern to stakeholders has been the potential for certain registration practices to be abused by professional motor vehicle thieves. When a vehicle owner sells or gives away a motor vehicle with Victorian registration, the registration must be transferred to the new operator. The requirements to transfer a vehicle's registration usually include:

327 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.8.

328 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.8.

329 Bruce Chipperfield, VicRoads, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

- A complete and signed application to transfer form (to be received within fourteen days of the date of acquisition of the vehicle);
- A receipt or contract signed by the previous operator stating the full name and address of the new operator and the previous operator;
- A Certificate of Roadworthiness issued no more than 30 days before the date of transfer;
- Transfer fee;
- Motor vehicle duty.³³⁰

However, one issue that was raised during the course of the Committee's Inquiry was that the registration of a motor vehicle could be transferred before all the required documentation was completed. Moreover, there is no requirement for VicRoads to inspect a vehicle upon transfer of registration. In fact, a vehicle inspection is only carried out if a vehicle has been unregistered for a period of more than three months.³³¹ This system is open to abuse insofar as a stolen vehicle may be transferred into another individual's name without a receipt or contract signed by the rightful owner. Furthermore, the lack of an inspection allows for the registration of a vehicle that may not even exist, allowing the unscrupulous individual to fraudulently claim for the theft of a non-existent vehicle.

VicRoads has maintained that the processing of registration transfers without the sighting of all relevant documentation is justified by its core legislative responsibilities. As Bruce Chipperfield explained to the Committee:

The only issue with transfers out of sequence, where we do complete transfers when they are not complete, is to always ensure that we are capturing who currently has the vehicle and who is currently operating the vehicle. Even though there may be some outstanding issues in terms of the transfer process, we are charged with the responsibility through our legislation to always reflect who is operating the vehicle. That is because of the bias we have been given, that we are fundamentally about road safety, and the police must know – when they see a vehicle on the road – who is operating that vehicle.³³²

In a submission to the Drugs and Crime Prevention Committee, VicRoads stated:

The acceptance of transfer application without complete documentation is supported by the current regulations and the deficiencies in the system are not believed to impact directly on the number of stolen vehicle.³³³

330 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.7.

331 Bruce Chipperfield, VicRoads, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

332 Bruce Chipperfield, VicRoads, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

333 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.7.

Despite such assurances, the Committee received evidence from stakeholders, such as the VACC, who were concerned about the ease with which motor vehicle registration could be transferred. The waiving of any inspection for 'currently' registered vehicles³³⁴ is of particular concern insofar as stolen or non-existent vehicles may be registered using forged documentation. Once a stolen car passes through the registration process, it effectively becomes a legitimate vehicle. The Victoria Police Stolen Motor Vehicle Working Party stated:

Once a stolen vehicle is re-registered, the vehicle may proceed through the rest of its life with multiple 'owners' without ever being detected as stolen. With the professionalism of today's 're-birthing', police intercepting a vehicle would not have the skill necessary to identify the vehicle as stolen.

The primary point of impact to deter and disrupt the activity of 're-birthing' of stolen vehicles is clearly at the point of registration. It is at this point that the process is at its most vulnerable (Victoria Police 2001a, p.4).

The Working Party flagged the need for discussions with VicRoads 'with a view to establishing professional examination procedures by people with the necessary skills' (Victoria Police 2001a, p.4). The Committee supports the view that motor vehicles need to be closely scrutinised as part of the registration process. This is an issue of great importance given that the success of national information exchange initiatives such as the National Exchange of Vehicle and Driver Information System depends on the quality of the information supplied by each participating registration authority. The need to review current registration practices has been acknowledged by VicRoads:

It is recognised that the current system for transferring vehicle registration could be strengthened in some areas ... VicRoads proposes to review its arrangements for the transfer of vehicle registration.³³⁵

The Committee fully supports this proposal and urges that any such review take into consideration the lengths to which professional motor vehicle thieves are prepared to go in order to fraudulently register a stolen or non-existent motor vehicle. Registration authorities present the last line of defence against the trade in stolen motor vehicles. This must be reflected in the practices and processes through which motor vehicles are registered in Victoria.

334 A vehicle is defined as 'currently registered' if it is within three months of registration expiry.

335 VicRoads, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.7.

The motor trades industry initiatives

The motor trades industry bears a significant cost as a consequence of motor vehicle theft activity. Despite sophisticated security measures, auto workshops and car yards are increasingly becoming prime targets for motor vehicle thieves (Auto Industry Australia 2001). Auction houses are used for the fraudulent resale of stolen vehicles or to access vehicle wrecks for rebirthing purposes. Legitimate parts recyclers who use damaged vehicle auctions as a source of stock are finding it difficult to compete with professional motor vehicle thieves. Furthermore, the legitimate trade in motor vehicle components suffers as a result of professional thieves selling stolen components at significantly cheaper prices.

In response to the problems presented by professional motor vehicle theft, those involved in the motor vehicle trade have introduced a range of initiatives to counter an issue of increasing concern and cost to the industry.³³⁶ The following section analyses some of the motor vehicle theft prevention measures that have been proposed and/or implemented by motor vehicle traders, auction houses and those involved in the legitimate trade in motor vehicle parts.

Motor vehicle traders' initiatives

The VACC has encouraged motor vehicle traders to increase levels of security as the primary means of motor vehicle theft prevention. VACC Insurance has compiled a vehicle theft prevention checklist to assist traders reduce their exposure to theft.

A vehicle theft prevention checklist

Physical security

- Is the perimeter fencing strong enough to withstand ramming?
- Are locks, padlocks, shackles and chains of sound quality and able to withstand force?
- Are padlocks locked at all times?
- Are gate hinge pins welded in place to prevent removal?
- Are bollards and barriers appropriately positioned to prevent vehicle egress and can they withstand ramming by motor vehicles?
- Are doors and door frames capable of withstanding force?
- Are all external doors secured by deadlocks?
- Are security doors installed?
- Are internal doors locked outside business hours?
- Are all windows and skylights barred?
- Are all glass panels covered by protective film to prevent breakage?

³³⁶ David Russell, VACC, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

- Are bollards positioned at doors and windows to prevent ram raids?
- Can walls be broken through easily?
- Are target vehicles immobilised outside of business hours, or are wheel clamps attached?

Physical surveillance

- Is there a permanent on-site guard or watchman?
- Are premises regularly patrolled by security guards?
- Are security warning signs prominently displayed?
- Is the reputation of the security company beyond reproach?

Electronic surveillance

- Is an electronic surveillance system installed and fully operational?
- Is the alarm system monitored by a reputable security firm?
- Is the alarm monitoring system tamper proof?
- Are the security company instructions sufficient to ensure an adequate and timely response to every security breach?
- Are perimeter fence lines electronically protected to detect unauthorised entry?

Lighting

- Does external lighting cover the entire area surrounding the premises?
- Are interior lights left on after hours to act as a deterrent to criminal activity?

Other factors

- Have former employees knowledge that could be used to make vehicle theft easier?
- Have you changed the locks, alarm codes etc. to reduce risk of access by former employees?
- Is it possible that an employee has external financial pressure and may be influenced to assist a thief to take your stock?
- Do you have clear guidelines for the management and control of vehicle keys?
- Have you ensured that all staff are aware that insurance policies do not cover vehicle theft if keys are left in unattended vehicles?
- Have you formally advised all staff that it is deemed wilful and reckless conduct to leave keys in unattended vehicles and any breach may result in dismissal?
- Do your staff always accompany test drivers or are you prepared to self-insure any theft arising from test driving? (Auto Industry Australia 2002a, p.41).

The above checklist is obviously extensive and, in some instances, the measures it proposes are expensive. Nonetheless, the level of security awareness that it

seeks to instill is commendable and many of the measures proposed are common sense measures that could be implemented with little effort or expense.

The second issue for motor vehicle dealers is to ensure a thorough examination of the history of any vehicle they may be considering purchasing for re-sale. The technical expertise of professional motor vehicle rebirthers suggests that they may continue to fraudulently register stolen vehicles. However, motor vehicle dealers should make use of available consumer information such as the VicRoads VIP initiative and the Vehicle Securities Register to protect them as far as is possible from the purchase of rebirthed motor vehicles. In addition, it can be expected that the national exchange of vehicle information to be facilitated by NEVDIS and linked Written-Off Vehicle Registers will greatly assist in verifying the status of all vehicles registered within mainland Australia.

Auction houses' initiatives

The sheer volume of used motor vehicles that pass through motor vehicle auction houses means that auctioneers must be vigilant to ensure that their premises are not used to sell stolen vehicles.³³⁸ Indeed, law enforcement operations have identified a number of suspect vehicles advertised for sale at auction sites within Victoria. For example, on 13 June 2001, Victoria Police commenced Operation Precision at Jupp's Motor Auctions in Tullamarine. Over the course of this operation, police personnel inspected 187 vehicles of which 10 were identified as suspect stolen vehicles (Victoria Police 2002a).

During the course of its Inquiry, the Drugs and Crime Prevention Committee met with staff on-site at Fowles Automotive Auctions, one of the largest motor vehicle auction houses in Australia. Fowles has instigated a range of measures to deter the sale of stolen vehicles at auction and has demonstrated a willingness to work with Victoria Police to detect and prosecute those using the auction process to sell stolen or rebirthed vehicles. As David Grey, a National Manager of Fowles, noted:

We had the stolen motor vehicle squad sit up the end of our street and stop every buyer on the way out of our facility [to inspect the purchased vehicle]. A number of our sale people were saying this is bad for business because it clogs up the road, and it is not a great advertisement for us. David Fowles of the auction group has said that they can sit there every week if they want to, and it does provide us with some sort of safety. We also do not want car thieves in the area of our business.³³⁹

David Grey also described to the Committee other specific measures that the auction group had instigated to protect against the sale of stolen motor vehicles.

338 Fowles Auction Group is Australia's largest automotive auctioneer. Australia-wide, Fowles is responsible for the sale of more than 150,000 vehicles per year.

339 David Grey, National Manger, Fowles Auction Group, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

In the mobile vehicle area, which would be the standard motor vehicle [as opposed to a damaged vehicle], we book the car in with a radio frequency hand-held unit, and that talks directly to our main-frame computer on a real-time basis. So we are looking for things like whether the vehicle has been booked in before – which is done on a number of checks – and chasing up other checks. So at that point there might be something thrown up as far as who the previous owner might have been, or the car has been here before. We then check things like whether the kilometres have seriously gone backwards over a period of time instead of forwards et cetera. ... We also do checks with VicRoads.

As far as the legitimacy [of a vehicle] goes, we have a SAP system, which in terms of software is at the front end of the system. It is completely auditative, so that if anyone changes data in the system, there is an audit trail in there. We capture about 64 pieces of data on every car that comes into the site, so we not only check the basic registration, chassis and engine, but we are doing all sorts of things – like, does it have alloy wheels ... Once the information is captured, it stays on our system. So as I say, if the vehicle appears on the site again, or in our company anywhere, it [the SAP system] then throws up that the car has already been in the system.³⁴⁰

As Naomi Puryer, Fowles State Manager of Damaged Vehicle Sales, noted:

We had that happen recently with a Subaru that came in through the mobile side from the dealer, and we wanted the VIN number. We realised we had sold the same car as a 100 per cent burnt-out vehicle some months ago in the damage, so we immediately called the police and they came and took it away for forensic. So we are able to track some sort of history if a car has already been through the system before.³⁴¹

In addition to the sale of stolen motor vehicles with fraudulent documentation, it is known that professional motor vehicle thieves purchase vehicle wrecks at auction for the purpose of rebirthing stolen vehicles. However, it is to be expected that the introduction of Written-Off Vehicle Registers in July 2002 will soon have an impact on this practice.

Auto parts recyclers and repair industries' initiatives

It has been suggested that the introduction of measures such as Written-Off Vehicle Registers may prompt professional motor vehicle thieves to replace rebirthing activities with the theft of motor vehicles for the stripping and sale of parts.³⁴² This would have a significant impact on the legitimate auto parts trade. As discussed in Chapter 14, the introduction of measures such as component labelling would go some way towards addressing this potential displacement of criminal activity. As well as supporting the introduction of

340 David Grey, Fowles Auction Group, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

341 Naomi Puryer, Fowles Auction Group, in conversation with the Drugs and Crime Prevention Committee, 22 May 2002.

342 See Chapter 14 for discussion of the expected effect of Written-Off Vehicle Registers.

these measures, the auto parts industry is also determined to implement their own initiatives to safeguard the interests and reputation of the legitimate auto parts recycling industry.

In partnership with the NMVTRC, the Auto Parts Recyclers Association of Australia (APRAA) is seeking to ensure greater regulation of the auto parts industry.³⁴³ As Bill Bartlett, National Spokesman for APRAA, explained to the Committee:

This is a major industry handling in excess of 400,000 vehicles [nationally] per year. Naturally illicit parts trading and vehicle theft activities involve sections of our industry in one way or another, and legitimate auto parts recyclers are keen participants in strategies to counter illegal trading. Our motivation is not only the public interest We receive regular reports from our members that an extensive subculture of illicit trading impacts on the viability of the legitimate operators, so we can safely say this is a survival issue as well as just one of general public interest.³⁴⁴

APRAA initially supported the introduction of a national Auto Parts Recyclers Licence to counter the proliferation of backyard and unlicensed spare parts traders in Australia.³⁴⁵ However, the NMVTRC has argued that under Australia's federal system of government a national system of licensing or accreditation is unlikely to be achievable in the medium term (NMVTRC 2002n). Furthermore, the NMVTRC has expressed reservations about the value of any further legislative regulation of the auto parts industry.³⁴⁶

A voluntary code of practice

As a result of the limitations of the above measures, the NMVTRC sponsored a study into the feasibility of a voluntary Code of Practice with sufficient incentives for legitimate businesses to become accredited. A Code of Practice would seek to institute appropriate verification checks on auto parts obtained by businesses and establish and maintain adequate audit trails. To this end, A.D Edwards Consulting was engaged to conduct the study which was completed and released in August 2002 (NMVTRC 2002n (the Edwards Report)).

The Edwards Report proposed that the New South Wales Prescribed Parts Register, the only significant attempt to regulate the auto parts industry, should form the basis for further discussion about record-keeping arrangements.³⁴⁷

343 Auto Parts Recyclers Association of Australia (APRAA), Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 February 2002.

344 Bill Bartlett, National Spokesman, APRAA, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

345 APRAA, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 February 2002.

346 For a full discussion of the limitations of legislative regulation in respect of the auto parts industry see Chapter 12.

347 For further information about the NSW Prescribed Parts Register see NMVTRC 2002n, *Code of Practice for Dealing in Second-Hand Auto Parts: A Feasibility Study* NMVTRC, Melbourne, August.

Further, it was concluded that a Code could co-exist with any existing regulatory requirements (NMVTRC 2002n).

Instituting verification checks for auto parts is not expected to be especially onerous because the vast majority (approximately 90%) of auto parts enter the industry as whole vehicles (NMVTRC 2002n). This would mean tracing the identity of a vehicle through registration authorities as opposed to tracking the legitimacy of individual parts. The remaining five per cent of the auto parts industry's supply of parts are sourced from private sellers who are likely to be the main means by which stolen parts enter the industry (NMVTRC 2002n). The Edwards Report suggested that the onus should be on businesses to verify the legality of any parts obtained.³⁴⁸ If buyers were found to have accepted stolen parts or if they failed to maintain stringent checks and detailed records of parts sourced from private buyers or non-accredited recyclers, then their accreditation would be nullified (NMVTRC 2002n). Despite the apparent effort that record keeping would require of the auto parts recycling industry, APRAA is strongly supportive of the proposed Code of Practice (NMVTRC 2002n).

A further feasibility determinant identified by the Edwards Report relates to the effective administration, resourcing and governance of a Code of Practice. Both APRAA and the Motor Trades Association (MTA) have indicated a willingness to assist with the implementation and administration of a Code of Practice and to contribute either infrastructure and/or resources. Although the Edwards Report noted that accreditation fees would cover the ongoing administration costs of managing the proposed Code, it recommended that a source of start-up funding would be desirable (given the amount of time that would need to be devoted to obtaining fees) (NMVTRC 2002n). The Edwards Report suggested that a cooperative agreement between APRAA and MTAA might provide the best basis for the ongoing management of the Code (NMVTRC 2002n).

The Edwards Report concluded that a Code of Practice was a feasible and effective approach to reducing the unwitting (and deliberate) trade in stolen parts by the recycling industry (NMVTRC 2002n). Although an industry code, by definition, will obviously have a limited effect on the private sale of stolen parts, it could feasibly address the entry of stolen parts into the legitimate auto parts industry and marginalise 'unsound' and 'backyard' operators (NMVTRC 2002n). The Report concluded that by tying even a relatively small proportion of the industry to an accreditation requirement, significant economic incentives for becoming accredited would be created. It found that there were strong indications that insurance companies would support a Code by requiring 'approved crash repairers' to only source parts from accredited parts recyclers (NMVTRC 2002n). Insurance company-related demand for used parts accounts for approximately 20 per cent of the market (NMVTRC 202n). This alone would be expected to impact on most businesses in the industry.

348 The key elements of the suggested Code of Practice are contained at Appendix 9.

Furthermore, the Edwards Report estimated that ‘trade’ associations such as the Motor Trades Association of Australia (MTAA) account for more than half of the total market in auto parts. These associations have also indicated support for the sourcing of parts through accredited suppliers. Consequently, the likelihood is that a Code of Practice will gain initial support (NMVTRC 2002n).

After a period of stakeholder consultation, the NMVTRC envisages a national workshop at which to begin formal development of a voluntary Code of Practice. In the event that auto parts recyclers are reluctant to commit themselves to a voluntary Code, the industry has indicated that further measures may be necessary. APRAA Spokesman Bill Bartlett told the Committee:

The effect will be that the industry will be offered the opportunity of voluntarily signing up ... and there is the possibility that if that does not have the desired effect then it could become a mandated requirement. It is even possible that the Australian Consumer and Competition Commission could be administering that as an industry Code of Practice the same as it is administering other Codes of Practice at the moment. So that is the stage it is at. It is comprehensive, covering both commercial and environmental activities, and they are the stages that are being looked at in the future for some form of regulation in the industry.³⁴⁹

The Committee notes the continuing development with regard to a voluntary Code of Practice for the auto parts industry and will view the outcome of this process with interest.

Vehicle manufacturers – Suggested initiatives

Despite contacting all major motor vehicle manufacturers in Victoria, the Committee is disappointed to report that it received no responses to its invitation for submissions.³⁵⁰ However, over the course of the Committee’s Inquiry, a number of stakeholders drew attention to measures by which manufacturers could better secure vehicles against theft.

The most obvious means of increasing the security of motor vehicles (and of their various components) is through the use of datadots.³⁵¹ As noted in Chapter 14, five motor companies have already adopted datadots for a range of their models. However, because datadots are currently used in small volumes, it is a relatively expensive procedure. Increasing use to a larger volume would significantly reduce this cost. Ray Carroll observed:

349 Bill Bartlett, National Spokesman, APRAA, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

350 The Committee received a response from J.H. Conomos, Senior Executive Vice President of Toyota Motor Corporation Australia. Correspondence from Mr Conomos stated that a submission would be made if the issue was considered appropriate. No further correspondence was received.

351 For a discussion of datadots and alternate methods of motor vehicle and component identification, see Chapter 14.

If someone like Holden decided to do it on every Commodore, it [the cost] would come down to \$35 a car.³⁵²

Furthermore, as professional thieves become aware of which models are protected with datadots, they will increasingly concentrate their efforts on unmarked vehicles. In such circumstances, customers will be entitled to ask why their vehicle does not have the highest level of protection available.

In correspondence with the Committee, Victoria Police officers at the Victoria Forensic Science Centre raised a number of further issues for motor vehicle manufacturers. Forensic examiners have drawn attention to the fact that there is no common location for a Vehicle Identification Number (VIN) on a motor vehicle. In terms of identifying stolen vehicles, forensic officers have argued that a common location would make identification easier.³⁵³

Victoria Police forensic inspection officers also noted that the engine number of each individual motor vehicle is supposed to be applied and located so that authorities can easily observe it,³⁵⁴ but this is often not the case. Examiners cited the following example:

The Ford Falcon six cylinder in application has moved to a dot matrix system of 'pin dots' comprising the engine number. Engine blocks are not being painted for economic reasons, and this has created rusting and in the near future the engine numbers will be illegible. Examples are not limited to these and other manufacturers produce similar problems for examiners.³⁵⁵

Obviously motor vehicle manufacturers are wary of the production costs associated with additional motor vehicle security and the Committee acknowledges their commercial interests. However, the Committee is of the view that the costs of motor vehicle theft in general, and of professional motor vehicle theft in particular, are such that manufacturers have an obligation to address this problem where possible. Surveys have indicated that motor vehicle owners may be willing to pay extra for a vehicle to guarantee its recovery if stolen (NMVTRC 2002i). In this sense, it is hoped that vehicle security will increasingly become an issue for the consumer (NMVTRC 2001o). In this event, the question will no longer be whether manufacturers can afford to provide this level of security, but rather whether they can afford not to.

352 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

353 Acting Superintendent Graham Larchin, Victoria Police Crime Scene Division, in correspondence with the Drugs and Crime Prevention Committee, 10 July 2002.

354 Acting Superintendent Graham Larchin, Victoria Police, in correspondence with the Drugs and Crime Prevention Committee, 10 July 2002.

355 Acting Superintendent Graham Larchin, Victoria Police, in correspondence with the Drugs and Crime Prevention Committee, 10 July 2002.

Local community strategies

Motor vehicle theft is an issue that can be addressed at the national, state and local level. While a national approach is crucial to the development of a uniform approach through which to deter cross-border professional motor vehicle theft activity, the detection and prosecution of motor vehicle theft activities is the responsibility of law enforcement authorities within each jurisdiction. And at a local level, councils and shires, crime prevention and community safety groups and other community-based organisations can perform an important role in complementing these strategies by raising public awareness of motor vehicle theft and developing motor vehicle theft prevention strategies best suited to their own community. Undoubtedly the attitudes and security awareness of individual vehicle owners can hold the key to the most efficient and cost-effective form of motor vehicle theft prevention (NMVTRC 1997b).

This section of the Report examines existing local strategies aimed at raising public awareness of motor vehicle theft issues. It also looks at further ideas for locally-based motor vehicle theft prevention, with particular attention paid to car parks and car park security as a means of countering motor vehicle theft within local areas.

The National Motor Vehicle Theft Reduction Council strategies

The NMVTRC has produced a guide to motor vehicle theft prevention for local communities titled *The Guide to Tackling Car Theft* (NMVTRC 2002g). The Guide highlights three primary strategies that local authorities can employ to assist in the reduction of motor vehicle theft.

1. Highlight the issue through your local newspaper

Publishing information in local newspapers provides one means of raising public awareness about motor vehicle security. Information could include a media release from a local figure such as the mayor, a community leader or a local police officer.

The NMVTRC suggests the inclusion of the following information in any press release:

- Unsecured, older vehicles are the most popular theft targets;
- An engine immobiliser is the best protection available against opportunistic theft;
- Keep your car keys somewhere safe, even when at home or work; and
- The motoring community can take responsibility for reducing car theft by keeping their cars locked, not leaving valuables in their cars, keeping their keys safe and securing older vehicles by fitting an engine immobiliser (NMVTRC 2002g, p.7).

2. Use the resources of the National Motor Vehicle Theft Reduction Council

The NMVTRC produces a range of educational and statistical resources to educate and inform local communities about motor vehicle theft prevention. Recommended resources include:

Brochures

- ◆ *Know the Facts – Protect Yourself*. Includes tips on how to avoid becoming a victim of car theft and explains the ‘myths and realities’ of car theft. This is a very popular brochure for general distribution.³⁵⁶
- ◆ *Immobilise Your Car Before a Thief Does*. Explains the ‘Immobilise Now!’ program, how engine immobilisers work and who to contact to have one installed. A very popular general distribution brochure applicable particularly to drivers of older vehicles.³⁵⁷
- ◆ *Save Yourself from Buying a Stolen Vehicle*. Includes tips on minimising your risk of purchasing a stolen vehicle. These are most appropriate for distribution through registration authority offices and car dealerships.³⁵⁸

Youth resources

- ◆ *Spur of the Moment comic*. A Streetwize Communications comic that tells the story of four young ‘joy-riders’ and the tragic consequences of their actions. The comic is targeted towards young people aged 12 years and over.
- ◆ *Spur of the Moment Educators’ Kit*. An educators’ kit including the comic, a short animated film about ‘joy-riding’ and educational activities about the consequences of car theft for young people. For use by schools, detention centres and youth support workers.³⁵⁹
- ◆ *Best Practice Model and Business Plan for a Young Recidivist Car Theft Offender program*. The NMVTRC’s program model for jurisdictions considering the establishment of an offenders’ program (NMVTRC 2002g, p.10).

3. Create partnerships

The NMVTRC stresses the importance of effective partnerships to counter motor vehicle theft at a local level. Just as cooperation between stakeholders is necessary for a consistent and uniform approach to national motor vehicle theft prevention strategies, so too is cooperation and coordination necessary at

356 A copy of the *Know the Facts – Protect Yourself* brochure is contained in Appendix 10.

357 A copy of the *Immobilise Your Car Before a Thief Does* brochure is contained in Appendix 11.

358 A copy of the *Save Yourself from Buying a Stolen Vehicle* brochure is contained in Appendix 12.

359 The education kit, containing both the *Spur of the Moment* comic and the animated cartoon on CD-Rom, is available for purchase from Streetwize Communications (See www.streetwize.com.au)

the local community level. The NMVTRC particularly emphasises the involvement of the following stakeholders:

Police

The local police are an essential partner in any crime reduction program. The professional law enforcement role of the police ensures that they have a detailed knowledge of the local crime situation. Consequently their endorsement of a crime prevention program lends credibility to the necessity and value of this program. In addition, the involvement of the police heightens their visibility in the community and deters illicit activity (NMVTRC 2002g).

The NMVTRC has stated that the general public welcomes the involvement of uniformed police in local crime prevention initiatives (NMVTRC 2002g). Local councils have reported that passers-by show a high level of interest in information handed out by police and in many cases stop to ask for more information about motor vehicle theft or other local policing matters (NMVTRC 2002g).

The RACV also highlighted the need for police involvement in local motor vehicle theft prevention activities. In public hearings held by the Drugs and Crime Prevention Committee, Michael Case, Chief Engineer (Vehicles) at the RACV informed the Committee that:

- RACV recommends that Victoria Police coordinate programs aimed at increasing awareness of security issues and promoting safe car parking practices at both localised and macro level;
- RACV recommends that Victoria Police coordinate programs that identify vehicle theft hotspots and target those locations using localised prevention activities – for example, police and security patrolling, educating and raising awareness among motorists.³⁶⁰

Victoria Police has acknowledged the need for a coordinated local approach in which the police play a central role. The Victoria Police 'Theft of Motor Vehicle Review' argued:

The continuing increase in motor vehicle theft will only be overturned and the progress maintained with a 'whole of community' approach. Local Priority Policing provides the environmental model within which the message can be communicated and partnerships developed (Victoria Police 2002a, p.11).

In a number of local areas, police have worked with stakeholders to conduct security audits of public car parks. These audits identify vehicles that are vulnerable to theft (ie. those with unlocked doors, open windows or with valuables exposed). Using data available to them in their professional capacity, the police are able to identify the owners of these vehicles. The owners are then sent a courtesy letter highlighting their vulnerability to motor vehicle theft and outlining the prevention measures that can be taken (NMVTRC 2002g).

³⁶⁰ Michael Case, Chief Engineer (Vehicles), RACV, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

Local immobiliser installers

The 'Immobilise Now!' program has over 500 recommended installers across Australia. The NMVTRC recommends that local communities make use of installers within their region by raising public awareness of their presence and of the benefits of having an immobiliser installed (NMVTRC 2002g). By using locally-based installers as part of any strategy, the community is able to keep the economic benefit of the program within the local community.

Other partnerships

Any organisation or group with an interest in reducing vehicle theft is a potential partner for theft prevention programs (NMVTRC 2002g). The NMVTRC lists a number of potential partners in any local theft prevention initiatives. All of these groups can play an important role in motor vehicle theft prevention by raising awareness of the issue and distributing information to clients and consumers. This list includes:

- Local schools and youth organisations;
- Local media;
- Insurers;
- Motor car dealers;
- Shopping centre management committees;
- Chambers of commerce and industry (NMVTRC 2002g, pp.11–12).

The formation of effective partnerships to counter motor vehicle theft has received support from a range of stakeholders. Melbourne's Crown Casino, for example, highlighted the benefits of a collaborative approach in a submission to the Committee.

Crown believes that any sustainable theft reduction measure requires a partnership approach with industry, community groups, patrons and law enforcement agencies. An innovative and fresh approach to prevention strategies is essential to success, and Crown benefits from the exchange of experience and the views of others.³⁶¹

In recent times, a number of local councils within Victoria have sought to undertake a collaborative approach to motor vehicle theft prevention. The following discussion looks at six local strategies that have been introduced under the auspices of Crime Prevention Victoria's Safer Communities program.

Crime Prevention Victoria Safer Communities Program

Crime Prevention Victoria (CPV) is an agency established within the Victorian Department of Justice. Its role is to develop and implement crime prevention strategies and to provide information and support on best practice models of crime prevention (Crime Prevention Victoria n.d.(a)). One of the priorities of

361 Crown Casino, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, May 2002, p.4.

CPV is to facilitate and support community partnerships to identify local crime and safety issues and to build sustainable local solutions to these issues. This is the philosophy that underpins the Victorian Government's 'Safer Communities' Program.

Crime Prevention Victoria's motor vehicle theft projects³⁶²

In 2001, Crime Prevention Victoria provided 'Safer Communities' funding of \$266,730 for motor vehicle theft projects in six local government areas: Frankston, Ballarat, Darebin, Horsham, Brimbank and Greater Dandenong. These local projects have been designed to allow for the testing of a range of motor vehicle theft prevention strategies. These strategies employ a number of the tactics recommended above by the NMVTRC.

Frankston Operation 'Car \$aver' Project

The aims of the Frankston Operation 'Car \$aver' Project were:

- ◆ To raise awareness of vehicle security issues;
- ◆ To provide direct assistance for disadvantaged people to install immobilisers; and
- ◆ To trial innovative approaches.

Central to the success of the Frankston Operation was the promotion of security measures such as immobiliser installation. Materials were distributed as follows:

- ◆ In an information pack that included a letter about local vehicle theft co-signed by Frankston Council and Victoria Police, CAR-SAFE brochures and details of local immobiliser installers;
- ◆ In schools by police, via presentations, competitions and an information kit;
- ◆ At the local VicRoads office; and
- ◆ To low income people by linking in with Peninsula Christian Care's car servicing program and to health care card-holders with 'high-risk' vehicles.

The Frankston project also sought to raise awareness of general vehicle security issues via:

- ◆ A media campaign through local newspapers;
- ◆ Working with motor vehicle dealers and repairers to promote vehicle security via posters and leaflets;

362 Information about the following local community motor vehicle theft prevention strategies has been drawn from Crime Prevention Victoria's Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, May 2002.

- ◆ The placement of ‘tally boards’ of car thefts in prominent places comparing current and previous years’ motor vehicle theft rates;
- ◆ The provision of car theft information at railway stations during peak commuter periods;
- ◆ The installation of prevention signage at railway station car parks;
- ◆ Trialing the use of security cameras in high-risk car parks;
- ◆ Ensuring police patrols in high-risk areas; and
- ◆ Erecting signage in all car parks warning people to secure their vehicles.

The duration of the project was one year, from 1 July 2001 to 30 June 2002.

Ballarat Motor Vehicle Theft Reduction Project

The Ballarat car theft project was based around a coordinated campaign highlighting theft from motor vehicles. The primary means of doing so was a ‘Look, Lock and Leave’ program, which included appropriate signage and distribution of information throughout the local community. The ‘Look, Lock and Leave’ campaign is based on a simple message that is featured prominently on signs erected in areas where motor vehicle theft is an issue (ie. local car parks) (see Figure 16.1 below).

Figure 16.1: ‘Look, Lock and Leave’ campaign sign



The duration of the project was one year, from 1 July 2001 to 30 June 2002.

Darebin Motor Vehicle Theft Reduction Project

The Darebin Motor Vehicle Theft Reduction Project undertook research to identify ‘hotspots’ of motor vehicle theft in the Darebin community. On the basis of this research, a local priority area was selected for intervention in the form of strategies that incorporated law enforcement initiatives, improved urban design strategies to reduce the likelihood of car theft, and strategies that offered support to motor vehicle theft victims. In addition, the Project sought

to develop a marketing strategy to increase community awareness of the campaign.

As a further initiative, Darebin City Council offered a subsidy of \$50 on the first 200 approved immobilisers fitted within the municipality.

The duration of the project was one year, from 1 July 2001 to 30 June 2002.

Horsham Motor Vehicle Theft Reduction Project

The Horsham Motor Vehicle Theft Reduction Project also sought to implement a 'Look, Lock and Leave' campaign to increase community awareness about the need to ensure that motor vehicles and goods contained within them are properly secured. The program involved the local police and council by-laws officers who left messages for those motorists detected leaving their vehicles unlocked, car windows open and/or their valuables on display.

The project involved:

- ◆ The production of 2,000 'Look, Lock and Leave' notices and 20 'Look, Lock and Leave' signs to be installed around the Horsham CBD;
- ◆ The broadcast of 20 radio advertisements per month for one year; and
- ◆ The publication of 20 newspaper advertisements.

The duration of the project was one year, from 1 July 2001 to 30 June 2002.

Brimbank Motor Vehicle Theft Reduction Program

The Brimbank Motor Vehicle Theft Reduction Program was established to complement the national 'Immobilise Now!' program by offering a direct subsidy to those vehicle owners most at risk of theft. This further reduced the already discounted cost of having an immobiliser installed.

The project involved:

- ◆ The identification of localities and vehicle types most at risk of theft in Brimbank;
- ◆ The enhancement of the national 'Immobilise Now!' program by providing a further financial incentive to owners of high-risk vehicles to install immobilisers;
- ◆ The achievement of a measurable reduction in the theft of high-risk vehicles; and
- ◆ The design of a targeted education and awareness campaign aimed at the owners of 'high-risk' vehicles and at high theft localities.

The duration of the Brimbank Motor Vehicle Theft Reduction Project was from November 2001 to August 2002.

Greater Dandenong Motor Vehicle Theft Reduction Program

The Greater Dandenong Motor Vehicle Theft Reduction Program aimed to reduce the incidence of motor vehicle theft in Dandenong through a public awareness campaign based on the 'Look, Lock and Leave' campaign. However, this particular campaign sought to target people from a non-English-speaking background.

The project was designed to incorporate the following stages:

- ◆ The establishment of a motor vehicle theft working group to oversee the project;
- ◆ The development and implementation of a public awareness campaign based on the 'Look, Lock and Leave' concept, specifically for Greater Dandenong shopping centres;
- ◆ The production and distribution of multilingual information based on the 'Look, Lock and Leave' strategy;
- ◆ The collection of relevant data for a post-program evaluation; and
- ◆ The production of a mid-term and final report on the project, the latter to include a 'how to' description of the program process.

The duration of the Greater Dandenong project was one year, from 1 July 2001 to 30 June 2002.

Evaluation of the projects

Five of the above motor vehicle theft projects are currently being evaluated to determine how effective they have been in preventing motor vehicle theft. Unfortunately, given the early stages of these evaluations there was very little information available at the time of writing this Report. It is absolutely essential that these projects be rigorously evaluated to form the basis of locally-based strategies in the future.

Victorian Motor Vehicle Crime Reduction Council

As one means of better coordinating local community strategies to counter motor vehicle theft activity, the Victorian Minister for Police and Emergency Services established a Victorian Motor Vehicle Crime Reduction Council to develop statewide strategies to:

- Reduce motor vehicle crime;
- Assist motor vehicle owners to avoid becoming victims of motor vehicle crime in the first instance; and
- Advise victims on appropriate techniques to avoid re-victimisation.³⁶³

The Victorian Motor Vehicle Crime Reduction Council is in the formative stages of operation. At the time of writing this Report, the Council had met twice.

363 Crime Prevention Victoria, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, May 2002, p.4.

Melbourne City Council

The City of Melbourne has one of the highest municipal rates of motor vehicle theft in Victoria. This is hardly surprising given both the number and concentration of motor vehicles within the Melbourne Central Business District and surrounding areas, such as Carlton, on any given day. Although the high rate of theft may simply reflect the proportion of motor vehicles within the City of Melbourne, the local Council has taken an active approach to motor vehicle theft prevention, implementing the following initiatives:

- The production of a postcard for the Carlton area that encourages people to properly secure vehicles and remove valuables, and identifies the location of off-street car parking facilities. The postcard was distributed to all businesses in the Lygon Street shopping precinct and associated shopping strips;
- Stickers with a message that encourages people to properly secure vehicles and remove valuables have been produced and placed on every parking meter in the City of Melbourne; and
- The Safe City Car Parks Project. A joint initiative of the City of Melbourne and Victoria Police, with initial funding provided by the Department of Justice, the Safe City Car Parks Project is a key part of Council's Safe City Program.³⁶⁴

The aim of the Safe City Car Parks Project is to reduce the incidence of crime, including theft of and from motor vehicles as well as crimes against the person in and around car park locations. The outputs of the project include:

- *Safe by Design: Planning and Design Guidelines for New and Existing Car Parks*; and
- *Safe City Car Parks Accreditation Scheme*.³⁶⁵

Safe by Design: Planning and Design Guidelines for New and Existing Car Parks

The *Safe by Design* guidelines provide information for the development of safe and secure car parks. The guidelines can be applied to the design of any new or existing off-street car parking facility in Australia and identify nine planning and design elements important to the design of a secure car park. These elements include security, physical amenity, signage, entry/exit design, ramps and internal circulation, pedestrian movement, parking, parking for people with disabilities, and other facilities. Each element incorporates objectives, issues and design tips. For example, design tips to maximise the security of car parks include the following active surveillance measures:

364 City of Melbourne, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, May 2002, p.1.

365 City of Melbourne, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, May 2002, p.1.

- Use communication measures for emergencies which are well signed and simple to use such as intercoms, public telephones, alarms and electronic locking devices;
- Public address systems create a presence within the facility and can be used to provide information about the car park;
- Provide surveillance cameras in locations that can provide maximum coverage and be effectively monitored by staff;
- If practical, provide organised security through regular controls; and
- Provide signage that advises users of security measures that are in place and where to find them (City of Melbourne 1998, p.5).

Guidelines such as those outlined above recognise that two separate elements of safety must be addressed in the design process: the real safety and the perceived safety of the facility. It is not only important to create a safe environment, but also to eliminate physical factors that contribute to the perception that an area is unsafe (ie. dark, isolated spaces).

While the guidelines are a design tool and not a statutory document, opportunities exist for them to be used to facilitate the development of safe car parks at the development approval stage. A rating system has been developed to allow stakeholders to assess and compare the safety of the various components of a proposed development and to obtain direct feedback on how to improve the overall standard of safety.

The *Safe by Design* guidelines was launched in September. Since this time the guidelines have been widely promoted through the presentation of two National Conference Papers, articles in various publications and by word-of-mouth.³⁶⁶ The City of Melbourne uses the guidelines in the consideration of planning applications for new developments. For example, the new City Square Car Park has been designed and constructed using the *Safe by Design* guidelines.

Safe City Car Parks Accreditation Scheme

An accreditation scheme for car parks was recognised by the NMVITF as an effective strategy to improve security standards. Administrators of secure car parks are rewarded through public acknowledgment (NMVITF 1997b).

The City of Melbourne Safe City Car Parks Accreditation Scheme was launched in 1999. Every off-street public car park in the City of Melbourne is eligible to participate in the scheme. It has been developed in a manner that could be applied anywhere in Australia. Twenty-nine car parks in the City of Melbourne are currently accredited. A second round of accreditations is due to commence in August 2002.

³⁶⁶ *Safe by Design*, the planning and design guidelines for new and existing public car parks, is available from Melbourne City Council.

The Safe City Car Parks Accreditation Scheme is a joint initiative of the City of Melbourne and Victoria Police. It was developed in close consultation with the Victorian Parking Industry Association (VPIA) and is also supported by the RACV. A working group made up of representatives of the major car park operators in Melbourne, the Victoria Police, the Department of Infrastructure and the VPIA was established to jointly develop the Scheme.

Accreditation requires a demonstrated commitment on the part of car park operators to the safety of customers and to the maintenance of specific standards. Car parks are assessed in accordance with specific safety criteria in the following areas:

- ◆ Security;
- ◆ Physical amenity;
- ◆ Signage;
- ◆ Entry/exit design;
- ◆ Ramps and internal circulation;
- ◆ Parking;
- ◆ Pedestrian movement;
- ◆ Parking for people with disabilities;
- ◆ Other facilities; and
- ◆ Staff training.

The criterion most relevant to the issue of motor vehicle theft is security. The Melbourne City Council states that a safe and secure car park requires both active and passive security systems. Active systems include surveillance cameras, security patrols, alarms and adequate lighting (City of Melbourne 2000). Passive surveillance includes measures such as maintaining clear lines of sight, eliminating hidden corners, locating staff booths close to toilets and other facilities and limiting the number of entrances and exits (City of Melbourne 2000).

Car parks will then be rated on one of four levels on the basis of the above criteria.

- ☆☆☆☆ 'State of the Art', superior operating and security conditions supported by 'value added services'
- ☆☆☆ Satisfactory operating/security conditions
- ☆☆ Acceptable but should be improved
- ☆ Needs improvement.

Involvement in the scheme is voluntary. All participants are provided with information to enable them to undertake a self-assessment of their facility. Improvement tips and advice are incorporated in a booklet published by

Melbourne City Council. Handy hints are also provided to assist in identifying which priority actions to undertake in order to achieve the various levels of accreditation.³⁶⁷

A team comprised of representatives from the City of Melbourne, Victoria Police Crime Prevention Unit and the RACV assesses participating car parks. Once accreditation is gained a range of promotional materials are provided to demonstrate to customers that a client-focussed approach has been implemented to provide a safe environment. Accreditation is an ongoing process, undertaken every two years to recognise continuous improvement and maintenance of the safety standards that have been achieved. As a consequence, the likelihood of motor vehicle theft, theft from vehicles, accidental injury and crime against the person are reduced. The value of the Scheme has been acknowledged by the operators of car parks, including Crown Casino, which operates two car parking facilities that record monthly total volumes of between 300,000 and 350,000 motor vehicles. Crown Casino car parks have been audited as part of the scheme and both facilities have been awarded Certificates of Accreditation with four star ratings.³⁶⁸

The security of car parks is an issue of particular relevance to the City of Melbourne, given the number of car parks that operate within the municipality and the sheer volume of motor vehicles that are parked within these facilities on a daily basis. However, given that car parks are often 'hotspots' of motor vehicle theft activity, car park security is an issue for all local communities.

Car park security – An issue for the local community

Police analysis of 2000/01 statistical data reveals that 30 per cent of all motor vehicles are stolen from car parks and that 37.6 per cent of these are stolen from shopping centre car parks (Victoria Police 2002a). Given the high rate of theft from car parks,³⁶⁹ security is an issue for all local communities. Indeed, car parks often provide a secluded location in which to steal a motor vehicle with less risk of apprehension (NMVTTF 1997b). Car parks in large shopping centres and railway stations are thought to be particularly prone to motor vehicle thieves. However, with the investment of time and resources, local stakeholders have demonstrated the effectiveness of improved security techniques as a means of deterring motor vehicle thieves. This investment may range from public education campaigns to providing a visible security presence.

A partnership between Victoria Police and the City of Casey targeted theft from railway station car parks. A series of 'commuter breakfasts' were held at stations in outer Melbourne. Uniformed police and parking officers were on site to

367 *Safe City Car Parks Accreditation Scheme* is available from Melbourne City Council.

368 Crown Casino, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, May 2002, p.11.

369 See Chapter 6 for a brief discussion of motor vehicle theft from car parks and the 10 car parks in Victoria with the highest recorded theft rates.

distribute brochures and provide information about preventing vehicle theft (NMVTRC 2002g).

Highpoint Shopping Centre in Melbourne's western suburbs has taken a more proactive approach to theft prevention. Highpoint once had the unenviable reputation of being the most targeted by car thieves. However, the Centre's management implemented a \$600,000 security strategy that has seen car theft drop by more than half (RACV n.d.). Mark Lawrence, Operation Manager of the Centre, explained:

Our system uses things like signage, video surveillance, lighting, patrol cars and foot patrols both uniformed and plain-clothes. It's true we had a bad reputation but we have worked closely with insurance companies and local police and community groups. It's filtering through that it's a safer place to come and shop now (quoted in RACV n.d.).

Car park security – Technological innovations

There are a variety of innovative security measures that can be utilised by the operators of public car parks to both detect and deter illegal activity. The Crown Casino car park in Melbourne provides one example of how state-of-the-art security can be used to counter motor vehicle theft activity. The following initiatives are just some of the security measures that have been implemented by Crown Casino security operators.³⁷⁰

Digital surveillance

The effective surveillance of multi-level car parks can be difficult because of the many visual obstructions that exist in the form of columns, walls, stairwells and vehicles. This makes full coverage by closed circuit television (CCTV) cameras extremely difficult. Consequently the Crown Casino has installed CCTV cameras at all car park entries to provide coverage of all vehicles entering the complex. Cameras also monitor all pedestrian activity via lobbies servicing the car parking areas.

Video motion detection

The digital technology used by the CCTV cameras allows operators to capture and film discrete events. The use of video motion detection makes it possible to define a particular area within a camera's field of view. Movement detected within this area will trigger a log entry. The use of this technology has proved to be an effective tool in the identification of persons suspected of unlawful activity within the car park complex.

Alarm interfaces

Security operators at Crown Casino have integrated digital CCTVs with other technology to record and deter unlawful activity. An example of this occurred after it became apparent in mid-2000 that persons stealing from motor vehicles

³⁷⁰ The following examples are drawn from the Crown Casino's Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, May 2002, pp.5-6.

were using stairwells to move throughout the multi-level complex to avoid detection. Subsequently, all internal door handles were fitted with locking cylinders, allowing exit from the ground and fourth levels only. CCTV cameras were installed covering each fourth level door. These were fitted with 'contact switches' so that opening the door triggered an alarm on a security console and registered a digital image. Currently, there is very little evidence indicating the use of the stairwells for criminal activity. The cameras covering the fourth level entrances are not covert and Crown Casino suggests that offenders became aware of their presence soon after their deployment. This would indicate that the installation of CCTV cameras also serves as a deterrent to criminal activity.

Number plate recognition

Crown Casino is currently evaluating the implementation of a motor vehicle registration plate recognition system based on the use of digital imaging cameras. Any report of motor vehicle theft could then be checked against the appropriate footage.

It is anticipated that this initiative will allow authorities to:

1. Verify that the vehicle was removed from the car park;
2. Provide a basis for the possible identification of the driver; and
3. Confirm that an offence has been committed.

Physical security presence

In addition to these measures, Crown Casino maintains a physical security presence specifically dedicated to the protection of persons and property within its car parking facilities. Due to an apparent increase in motor vehicle theft activity in 2000, security patrols were increased and plain-clothed security officers were introduced.

Signage

Crown Casino has also used prominent signage to promote secure practices among customers and to increase natural surveillance within car parking facilities.

Monitoring results

Crown has recorded a significant decrease in motor vehicle theft since a peak rate of 21 vehicles stolen per month in the six months leading up to July 2000. Since December 2001, this rate has been reduced to an average of 11 motor vehicles per month. This reduction is attributed to the integrated prevention strategies noted above.

Crown Casino is fortunate to have the resources available to employ specialist technicians and security experts on staff. The Committee is fully aware that such innovative security measures are expensive to install and maintain. Such expenses are often beyond the resource capabilities of local government authorities. Nonetheless, the success of the Crown Casino is indicative of how

state-of-the-art security initiatives can be employed in public car parks to counter motor vehicle theft.

Further initiatives

The NMVTRC has also noted that the availability of resources will influence the motor vehicle theft reduction strategies considered by local communities. Consequently, the Council's *Guide to Tackling Car Theft* lists a range of initiatives that might be considered as a 'starting point'. These include:

- Provide a *Know the Facts* brochure with each newly issued parking permit;
- Integrate vehicle theft prevention education into community safety week activities;
- Work with uniformed police and parking officers to distribute information to commuters at local railway stations. A display of information and provision of free coffee is an effective means of attracting the attention of commuters;
- Stock youth centres and libraries with the *Spur of the Moment* comic;
- Audit a large car park to check for unlocked vehicles or vehicles with valuable items left exposed inside the vehicle. Work with police to send a courtesy letter to vehicle owners in order to raise their awareness of theft prevention;
- Set up a local program for young vehicle theft offenders using the NMVTRC best practice model (a long-term project that would involve a range of stakeholders and a lot of resources);
- Be aware of potential funding sources from government for theft prevention programs;
- Work with local councils to erect signpost reminders to lock motor vehicles and to not leave valuables visible when parking;
- Promote the Neighbourhood Watch Victoria *Virtual Car* website at www.neighbourhoodwatch.com.au. This site provides tips on securing motor vehicles and useful information about engine immobilisers (NMVTRC 2002g, pp.13–16).

There is evidence to suggest that local level motor vehicle theft prevention is having an impact upon rates of motor vehicle theft across Victoria. When asked why he thought motor vehicle theft throughout Victoria has recently declined, Ray Carroll stated:

Certainly, from an opportunistic theft perspective, there has been a lot of activity at the local level in terms of vehicle theft initiatives. There has been a huge amount of publicity at local level – local papers – and at the statewide level.³⁷¹

371 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

Conclusion

The above chapter has examined motor vehicle theft prevention strategies that have been implemented or proposed within Victoria. These strategies demonstrate that each jurisdiction has a role to play in addressing this national issue. Operation Vehicle Watch, initiated by Victoria Police, is an example of an integrated state-based strategy introduced to counter motor vehicle theft within state boundaries. The decrease in the Victorian rate of motor vehicle theft that has occurred since the launch of this Operation provides some indication of both the necessity and effectiveness of a state-based law enforcement approach to the issue. Registration authorities and the motor trades industry also have a role to play. They are well placed to make the illicit activities of motor vehicle thieves more difficult by making motor vehicles harder to steal and by making it more difficult to dispose of a vehicle once it has been stolen.

In addition, a raft of strategies has been employed at a local level to prevent motor vehicle theft. These demonstrate that all local communities can address this issue of motor vehicle theft, whether it is through the installation of high-tech security devices or simply by raising community awareness of theft prevention techniques. The above discussion has shown that local communities are able to integrate theft prevention measures with those taken by authorities at a state and national level. While this integration is applauded, the Committee stresses the necessity of a rigorous evaluation process for each initiative undertaken. These evaluations can then be used as the basis for future motor vehicle theft prevention strategies initiated in the local community.

17. Immobilisers – A Compulsory Program for Victoria?

There is little doubt that the immobilisation of the entire Victorian motor vehicle fleet would provide the most effective means of reducing opportunistic motor vehicle theft in Victoria. In 2001 the NMVTRC reported that just 37 per cent of the Victorian motor vehicle fleet had engine immobilisers installed.³⁷² During its Inquiry, the Drugs and Crime Prevention Committee found a substantial level of support for the introduction of a compulsory immobiliser scheme in Victoria. However, stakeholders have also acknowledged that there are lessons to be drawn from the Western Australian experience if Victorian authorities are to avoid the difficulties that hampered the establishment of the compulsory immobiliser scheme in that state. Furthermore, there would be costs attached to immobilising the greater proportion of the Victorian motor vehicle fleet and questions to be answered before any definite moves could be made to establish such a system. For example, could the benefits be expected to outweigh the costs to the community? Who would manage the operation of the scheme? Would it be based on the Western Australian model? And how might Victorian authorities avoid the complications that compromised the establishment of the Immobiliser Incentive Scheme in Western Australia?

In a submission to the Drugs and Crime Prevention Committee, the RACV outlined three broad options for increasing the immobilisation rate in Victoria. The following sections discuss these options and the arguments for and against each are analysed.

Option one – Natural attrition

Since July of 2001, manufacturers have been obligated to fit an Original Equipment Manufacturer (OEM) immobiliser to all newly manufactured motor vehicles in accordance with ADR 25/02. Consequently, as older, non-immobilised vehicles are 'retired' and replaced with newly manufactured vehicles, the proportion of the Victorian motor vehicle fleet with an Australian standard immobiliser fitted will automatically increase.

372 RACV, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.26.

According to calculations made by the RACV, natural attrition would see the immobilisation rate progressively increase from the NMVTRC’s estimated 37 per cent in 2001 to 56 per cent of the fleet by 2005 and to an estimated 75 per cent of the fleet by 2010.³⁷³ Table 17.1 below illustrates the forecast increases in the immobilisation rate through natural attrition.

Table 17.1: Forecast immobilisation through natural attrition

Year	Motor Vehicles	Immobilised	Non-immobilised	Rate
2001	2,682,536	992,538	1,689,998	37%
2002	2,706,681	1,137,398	1,569,284	42%
2003	2,730,826	1,278,904	1,451,923	47%
2004	2,754,972	1,417,057	1,337,915	51%
2005	2,779,117	1,551,857	1,227,260	56%
2006	2,803,262	1,683,303	1,119,959	60%
2007	2,827,407	1,811,397	1,016,011	64%
2008	2,851,552	1,936,137	915,415	68%
2009	2,875,698	2,057,524	818,173	72%
2010	2,899,843	2,175,558	724,285	75%

Source: RACV Submission to the Drugs and Crime Prevention Committee, April 2002, p.28.

However, the VACC questioned the assumptions upon which the RACV based its forecast. As David Russell, VACC Manager of Corporate and Public Affairs, argued:

I do not agree with the RACV’s position. I understand what it is saying – that attrition will have an effect – but it is going to take 10 years as an absolute minimum. If we have 37 per cent of our vehicles immobilised now just because of the introduction of that requirement [ADR 25/02], it could be longer than 10 years before we get anything like 75 per cent. The RACV is assuming some pretty good sales years in that ... If we have a dip in sales over a period of time, and if you do not get the same turnover [of old for new motor vehicles], that [forecast] will go well out.³⁷⁴

373 RACV, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.26.

The calculations made by the RACV are based upon the following assumptions:

- There were 2,682,537 registered passenger cars in Victoria in 2001;
- There were (on average) 158,272 new car sales figures in 2000;
- There is an estimated annual attrition rate of 134,127 vehicles (based at 5% on 2000 figures);
- 37 per cent of Victorian cars had immobilisers in 2001, based on a NMVTRC consumer survey conducted in November 2001;
- 19 per cent of Victorian cars have registration transferred each year (based on 2000 registration data);
- The annual attrition rate for immobilised cars was estimated to be 10 per cent of all vehicles not re-registered in 2002, with this rate growing by 2.5 per cent each year.

374 David Russell, VACC, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

As the voice of the automotive industry in Victoria, the VACC is well placed to make such a statement.

Option two – Voluntary immobiliser program

The voluntary option would represent a continuation of the ‘Immobilise Now!’ program sponsored by the NMVTRC. Such a model effectively complements the increasing rate of immobilisation that is forecast to occur through natural attrition.³⁷⁵ However, based on the assumption that ‘Immobilise Now!’ has already encouraged immobiliser installation by those vehicle owners most likely to participate in a voluntary scheme, the number of installations could be expected to decline each subsequent year.³⁷⁶ The RACV estimates that about 99,000 immobilisers would be voluntarily installed between the years 2002 and 2010 at a combined cost (to the consumer) of \$19.8 million.³⁷⁷ As shown in Table 17.2 below, a program of voluntary immobilisation would provide small gains over those that would occur through natural attrition.³⁷⁸

Table 17.2: Forecast immobilisation through a voluntary immobiliser program

Year	Installed	Installed	Immobilised	Non-immobilised	Rate
2001	2,682,536	-	992,538	1,689,998	37%
2002	2,706,681	15,000	1,152,398	1,554,284	43%
2003	2,730,826	14,000	1,307,904	1,422,923	48%
2004	2,754,972	13,000	1,459,057	1,295,915	53%
2005	2,779,117	12,000	1,605,857	1,173,260	58%
2006	2,803,262	11,000	1,748,303	1,054,959	62%
2007	2,827,407	10,000	1,886,397	941,011	67%
2008	2,851,552	9,000	2,020,137	831,415	71%
2009	2,875,98	8,000	2,149,524	726,173	75%
2010	2,899,843	7,000	2,274,558	625,285	78%

Source: RACV Submission to the Drugs and Crime Prevention Committee, April 2002, p.28.

The VACC has expressed reservations about the value of continuing with a voluntary immobiliser program. David Russell told the Committee:

375 RACV, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.27.

376 RACV, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.27.

377 This does not take into account the costs associated with promoting the program.

378 These calculations are based on the following assumptions:

- The annual attrition rate for immobilised cars was estimated to be 10 per cent of all vehicles not re-registered in 2002. This rate is expected to increase by 2.5 per cent in each subsequent year;

- The number of immobilisers installed under a voluntary program was based on data and anecdotal evidence about the performance of ‘Immobilise Now!’ RACV extrapolated this information to create a forecast to 2010.

We do not think the voluntary process will act with sufficient speed to secure vehicles. The voluntary scheme that has been in place through the 'Car Safe' 'Immobilise Now!' program has been okay, but it has only worked as far as there has been enough publicity and enough activity for people to think to themselves, 'That's a good idea, I'll go and do it.' There needs to be something else behind it that actually causes vehicles to be fitted with an immobiliser.³⁷⁹

This view is supported by consumer research undertaken by the NMVTRC. The Council reported that, despite the high rate of motor vehicle theft in Australia, motorists are reluctant to invest in security devices for older motor vehicles. As Ray Carroll stated:

There is a pervading sense of denial in relation to car theft. Many motorists continue to hang onto the myth that no-one would want to steal 'their old bomb', and yet almost 300 cars made in the 1970s and 80s are stolen every day in Australia. Vehicle theft is one aspect of Australian life where perception is definitely not the reality (NMVTRC 2001d).

Unfortunately the perception that older motor vehicles are not at risk of theft has compromised the willingness of consumers to purchase immobilisers for older vehicles. The NMVTRC has argued that the entrenched nature of this belief will undermine attempts to immobilise the Victorian motor vehicle fleet through the continuation of a voluntary scheme.³⁸⁰ As a consequence, the NMVTRC sees the need to go beyond a voluntary scheme such as the 'Immobilise Now!' program. Ray Carroll told the Committee:

From a programmatic sense, for what we have put into it ['Immobilise Now!'], it has been highly successful and we are very happy with it, but from a broader perspective of immobilising the entire fleet, it is really a drop in the bucket. Victoria has 1.8 million unsecured cars on the road today. To get those in a position where any one of perhaps 10,000 juveniles cannot steal them at any time, you are going to need more than a voluntary program.³⁸¹

Option three – Compulsory immobiliser program

A compulsory immobiliser program would be expected to significantly increase the proportion of the Victorian motor vehicle fleet that have an immobiliser fitted within a relatively short period.³⁸² However, it would do so at a considerable cost to the vehicle-owning public. Based on an average cost of \$200, the RACV estimates that a compulsory immobiliser program would cost the motoring public \$142.1 million over a period of seven years, from

379 David Russell, VACC, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

380 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

381 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

382 RACV, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.27.

2003 to 2010.³⁸³ On the basis of this calculation, the program would cost motorists \$39.1 million in its first year and \$30.4 million in its second year.

Table 17.3 below shows the forecast immobilisation under a compulsory immobiliser program.³⁸⁴

Table 17.3: Forecast immobilisation under a compulsory immobiliser program

Year	Cars	Transferred	Installed	Immobilised	Non-Immobilised	Rate
2001	2,682,536	509,682	-	992,538	1,689,998	37%
2002	2,706,681	514,269	-	1,137,398	1,569,284	42%
2003	2,730,826	518,857	-	1,278,904	1,451,923	47%
2004	2,754,972	523,445	195,507	1,612,563	1,142,408	59%
2005	2,779,117	528,032	152,073	1,889,377	889,740	68%
2006	2,803,262	532,620	116,963	2,117,668	685,594	76%
2007	2,827,407	537,207	89,445	2,305,028	522,379	82%
2008	2,851,552	541,795	67,291	2,456,821	394,731	86%
2009	2,875,698	546,383	50,650	2,575,207	300,491	90%
2010	2,899,843	550,970	38,678	2,664,856	234,987	92%

Source: RACV Submission to the Drugs and Crime Prevention Committee, April 2002, p.28.

On the basis of the assumptions that inform the RACV's forecast, 92 per cent of the Victorian motor vehicle fleet would be immobilised by the year 2010 if a compulsory immobiliser program was introduced in Victoria. It could be argued then that a compulsory immobiliser program would be the most effective means of reducing opportunistic motor vehicle theft in Victoria. However, not all stakeholders agree that Victorian authorities should pursue this course of action. The discussion below canvasses the opinions and arguments of stakeholders who presented evidence to the Committee.

383 Michael Case, RACV Chief Vehicle Engineer. Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

384 This forecast is based upon the following assumptions:

- The annual attrition rate for immobilised cars was estimated to be 10 per cent of all vehicles not re-registered in 2002. This rate is expected to increase by 2.5 per cent each year up to 2004 and 10 per cent from 2005, due to the more significant rate of immobilisation under this model;
- It is assumed that the proportion of non-immobilised cars in any year is also the proportion of non-immobilised cars that had their registration transferred;
- It is assumed that 10 per cent of all non-immobilised cars that had their registration transferred were exempt from immobiliser installation due to age or some other exemption.
- It is assumed that the average price of an immobiliser installed under any program is \$200. This is based on the fact that most immobilisers under the 'Immobilise Now!' program are between \$160 and \$200 and that many motorists will choose to, or may have to, fit an immobiliser in excess of \$200.

Victoria – Which option is best?

At public hearings held by the Drugs and Crime Prevention Committee, representatives of the RACV argued strongly in favour of a voluntary immobiliser scheme. Michael Case, Chief Engineer (Vehicles) with the RACV argued that a compulsory scheme would place an unfair financial burden upon those motorists who could least afford it. As he told the Committee:

Given that the majority of non-immobilised cars are pre-1992 models and are owned primarily by those who have older vehicles due to their financial situation, the imposition of this compulsory cost may not be viewed as favourably by those financially affected. Thus many of the vehicles' owners who would be affected are those who can least afford it.³⁸⁵

In addition, the RACV argued that the inability to evaluate the Western Australian scheme with any measure of certainty meant that it was impossible to forecast an accurate cost-benefit ratio were a similar scheme to be established in Victoria.³⁸⁶ Consequently the RACV made the following formal recommendation:

RACV supports the *Immobilise Now!* program and objective to increase the number of vehicles fitted with immobilisers that comply with the Australian Standard AS 4601. RACV recommends that this program be further promoted, and that it become more targeted towards those vehicle owners who have a higher risk of becoming victims of opportunistic motor vehicle theft.³⁸⁷

However, the RACV was the only major stakeholder who argued against the establishment of a compulsory immobiliser scheme in Victoria. In October 2001 a Vehicle Anti-Theft Forum jointly convened by the VACC, the NMVTRC and Victoria Police agreed that compulsory installation of immobilisers was desirable. To this end the VACC has lobbied the state government to follow the lead of the Western Australian government and subsidise the cost of the installation of immobilisers.³⁸⁸

The Victoria Police has also argued in support of a compulsory immobiliser program. The Victoria Police submission to the Drugs and Crime Prevention Committee called for:

Introduction of legislation to require vehicle owners to install electronic immobilisers on vehicles manufactured before July 2001.³⁸⁹

385 Michael Case, RACV, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

386 RACV, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.29.

387 RACV, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.29.

388 Correspondence from David Purchase, Executive Director (VACC) to P. Bachelor, Minister for Transport (Vic), 7 August 2001; Correspondence from David Purchase, Executive Director (VACC) to A. Haermeyer, Minister for Police and Emergency Services (Vic), 7 August 2001.

389 Victoria Police, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, April 2002, p.9.

Acting Assistant Commissioner (Crime) Trevor Thompson pointed to the demonstrated fall in opportunistic motor vehicle theft in Western Australia to support this call. Acting Assistant Commissioner Thompson also gave tentative support to the use of subsidies as a marketing tool to promote a compulsory immobiliser program. Addressing the Drugs and Crime Prevention Committee, he stated:

It is probably a matter of assisting with the pricing of the immobilisers in the first place, and that, I believe, is the way Western Australia went. A subsidy – I think it was the government [that introduced a subsidy] over there. Whether it is government here or private enterprise ... Reducing the cost of that process [immobiliser installation] would obviously go a long way [towards public acceptance of the program]. Yes, you would have to market it, but along the lines that if you have not got a car, not only is it an inconvenience, but very often [you] have not got the money to buy another car.³⁹⁰

Ray Carroll expressed the NMVTRC's support for the introduction of a compulsory immobiliser scheme in Victoria, but suggested that a subsidy would not necessarily be a feature of such a scheme. Instead, the expectation was that the expansion of the installation trade in Victoria would reduce the cost of immobilisers through competition. As Ray Carroll explained to the Committee:

From a political point of view, firstly, we do not think that there has to be a government subsidy. We think that a big expansion in numbers [of immobiliser installers] would very quickly bring the price [of installation] to a very low level. Secondly, making it on transfer of ownership means that it becomes almost a painless exercise because you are buying an old car; it has not got an immobiliser; you negotiate the cost of that immobiliser into the purchase price ... If you are not selling it or not buying a new one, it does not matter.³⁹¹

It is our belief that if it is on change of ownership you actually take out the pain of imposing that cost, because it is when you are going to buy an old, second-hand car, that you say to the person, 'Look, it hasn't got an immobiliser. I have to spend \$150 to get an immobiliser, I want \$150 off the car.' It's just another thing in the negotiation of the price of the car.³⁹²

Whilst the Committee accepts the need for a compulsory immobiliser scheme in Victoria, it is also aware of the financial burden that will be placed upon certain members of the community. Consequently, the Committee believes that the Victorian Government should consider subsidising the installation of immobilisers under a compulsory scheme. Although consumers would still

390 Acting Assistant Commissioner (Crime) Trevor Thompson (Victoria Police), Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

391 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

392 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

bear the greater proportion of the cost of installation, this must be weighed against those costs associated with the replacement of a stolen vehicle or the repair any damage that may have been caused by 'joy-riding' car thieves.

Even more importantly, however, the financial costs of immobiliser installation must be considered in the context of the accidental death and injury that is associated with opportunistic motor vehicle thefts committed by often inexperienced drivers.³⁹³

There are also the less tangible costs associated with the theft of a motor vehicle. As the NMVTRC has observed, motor vehicles are valued for the independence and convenience they allow their owners (NMVTRC 2002g). For many individuals, the inconvenience of being without a motor vehicle and having to rely on family, friends and/or public transport would be a disruption and a burden (NMVTRC 2002g). As NMVTRC argued:

In this context, \$200 is a small price to pay for the surety that your vehicle will be where you left it (NMVTRC 2002g, p.5).

Ray Carroll reported that in fact the Immobiliser Incentive Scheme in Western Australia is returning a positive financial benefit to the community despite the cost of the scheme to both the government and the general public.

As best we can tell, the WA scheme, in a pure cost-benefit ration analysis, is returning about \$2 million a year positive benefit to the community. In terms of the cost – in their case the government returned a \$40 rebate to ease the pain of getting an immobiliser – the administration cost of administering that scheme and the cost to the motorists themselves of going out and buying an immobiliser, even when you add all those costs and compare them to the cost savings on theft, it is still delivering \$2 million benefit per year in WA, which has a third of the vehicle fleet we have here in Victoria.³⁹⁴

Despite the lack of a conclusive evaluation of the Western Australian Immobiliser Incentive Scheme, there is little doubt that it has significantly increased the immobilisation rate in that state. The NMVTRC attributes the immobilisation of some 30 to 40 per cent of the Western Australian motor vehicle fleet to the Immobiliser Incentive Scheme.³⁹⁵ Given that the greater proportion of the Victorian motor vehicle fleet consists of older vehicles without immobilisers, there is merit in any measure that would achieve a similar rate of immobilisation in this state. As David Russell of the VACC informed the Committee:

In Western Australia the combination of incentives and compulsion has lifted the immobilisation rate to 72 per cent of the fleet, while in Victoria the rate is only

393 For a fuller discussion of this issue, see Chapter 9.

394 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

395 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

37 per cent. That rate will only grow by the number of new vehicles that come on to the fleet and the old ones that fall off unless a scheme is in place to immobilise the average vehicle in the fleet, which is a 10-year-old vehicle. The average age of vehicles in Victoria is 10.2 years. That was the major point made in our written submission to the committee – it can be done, it is practical and it can improve immobilisation and, therefore, reduce vehicle theft.³⁹⁶

At the same time, David Russell acknowledged that the effectiveness of the Western Australian scheme had been compromised by the haste with which it was introduced. However, authorities in Victoria would be unlikely to encounter the same problems given the existence of an established standard for immobilisers (AS 4601). Furthermore, the VACC, as representative of the automotive industry, is fully aware of the need for a regulatory framework through which to manage the implementation of a similar scheme in Victoria.

When they first started over there [in Western Australia] it was pretty much open slather, as I understand it. Here in Victoria we already have a bit of a precedent: firstly, we have a licensed motor vehicle testing scheme with a couple of thousand repairers, and secondly, the 'Immobilise Now!' campaign was administered well through the [National Motor Vehicle] Theft Reduction Council and through VACC to start with. I am not sure that that happened in Western Australia. I think they just said, 'Anybody can have a go.' We would say that in the future motorists should have immobilisers to an Australian Standard fitted by somebody who actually knows what they are doing.³⁹⁷

The VACC has recommended that Victoria follow the Western Australian model only insofar as a vehicle owner would need to provide evidence of a functioning immobiliser upon the transfer of vehicle registration. David Russell suggested that the Vehicle Testing System administered by VicRoads has the capacity to oversee the operation of such a system. Furthermore, he argued that the automotive industry has the capacity to meet the demand that would be placed on it by the introduction of a compulsory immobiliser scheme.

Our recommendation to the committee is that the arrangements should be similar to Western Australia and that an immobiliser should be required to be shown to be functioning at the time of transfer as part of the roadworthiness requirements. We also recommend regular servicing and a five-point safety check should become part of the mandatory requirements of the registration renewal procedure, and a vehicle owner should become more aware of the need to maintain and protect their asset for security and road safety reasons. They should be familiar with the workings of their vehicle so they can understand how it works, how it protects them, and in this case, how the engine immobiliser works.

396 David Russell, VACC, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

397 David Russell, VACC, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

Immobilisers can be checked for their correct function at the time the vehicle is serviced. They can also be checked when a roadworthiness certificate is being issued. It is a fairly straightforward matter. The immobiliser attempts to interrupt the supply of a current to the starter motor and ignition system. If you check on the ignition or starter motor side of the immobiliser you should not find any current; there should be no opportunity for the immobiliser to allow current to pass into the starting system. If current is passing the immobiliser is not operating. You can check if it is not switching in and out: you can switch it off and see no current, then switch it on and see a current. It is not difficult and does not require any special equipment. Most mechanics can do that.

The existing Licence Vehicle Tester System administered by Vicroads can cope with the requirement to check for an operating immobiliser. That is no problem; it is a relatively simple task. The retail automotive industry has a capacity to supply and service immobilisers upon transfer. There are sufficient motor industry businesses and licensed vehicle testers; I think there are about 2,200 licensed vehicle testers in Victoria. I reiterate that the immobilisers should meet the relevant Australian Standard. That also would be checked. There is evidence that the voluntary 'Car Safe Immobilise Now!' campaign that is operated by the theft reduction council and in which the VACC has been involved has created some improvement in the immobilising of the fleet. However, that will not grow at any rate unless there is some compulsion applied to the activity.³⁹⁸

VicRoads representatives have indicated that they would be willing to administer a compulsory immobilisation scheme based upon checks at point of registration. Bob Chipperfield, Manager of Registration and Licensing Policy at VicRoads, told the Committee:

The registration system would have to support it. If you are to look at making immobilisers compulsory, I would imagine it would have to be administered through the registration system ... We have said in our submission that if that is to happen [a compulsory scheme introduced] we would prefer to see that as part of the transfer of motor vehicles.³⁹⁹

Currently when a vehicle is sold the registration must be transferred from the seller to the buyer. An application to transfer the registration of a vehicle must be made to VicRoads within 14 days of the date of acquisition of the vehicle. If VicRoads were to require proof of an immobiliser to be shown upon the transfer of registration, it would allow a compulsory immobiliser scheme to be introduced at very little administrative cost. In contrast, both VicRoads and the NMVTRC have indicated that an alternative system based upon annual re-registration of motor vehicles would be unwieldy given the size of the Victorian motor vehicle fleet. Ray Carroll argued:

398 David Russell, VACC, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

399 Bob Chipperfield, VicRoads, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

The volume within 12 months would be such that industry would not be able to cope with the number of fitments required.⁴⁰⁰

Geoff Hughes, NMVTRC, added:

You are automatically looking at two issues. The throughput issue for installers – Victoria, as many electricians as we have, would not have enough to be able to meet the demand when faced with that exponential increase in the need for extra installers. And secondly, for a transaction which you currently do over the Internet or by telephone or by bank – that is, renew your registration – you are imposing an extra task in there that most of those agents would not be capable of delivering. So Vicroads, I think, would have major concerns about the impact of those sorts of arrangements on their operations.⁴⁰¹

While VicRoads would provide for the administration of a compulsory immobiliser scheme, the VACC has offered its expertise, as representative of the automotive industry, to assist with the establishment of a recognised network of licensed installers.⁴⁰² This involvement would obviously be integral to the success of a compulsory immobiliser scheme in Victoria. Ray Carroll stated that:

The major challenges in successfully implementing the [compulsory] model would be controlling the expansion of the auto-electrical industry to ensure that consumers are actually getting a quality service.⁴⁰³

The involvement of the VACC would be one means of ensuring that the quality of immobiliser installations is closely monitored.

As a further effort to avoid the problems that hampered the introduction of the Immobiliser Incentive Scheme in Western Australia, the NMVTRC has undertaken to develop a set of best practice principles for the introduction of a compulsory immobiliser scheme. This is to be based primarily upon an evaluation of the Western Australian scheme. As Ray Carroll told the Committee:

We have people in WA at the moment undertaking an in-depth study of that program – all the pros and cons, basically, of introducing it and the outcomes from it. Arising out of what we call Phase 1 of that project, we will be looking at producing models for dissemination back to governments on the east coast to suggest that similar programs be introduced in these states.⁴⁰⁴

400 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

401 Geoff Hughes, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

402 VACC, Submission to the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 24 April 2000, p.2.

403 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

404 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

The evidence that the NMVTRC has gathered to date offers further support for the implementation of a compulsory immobiliser scheme in Victoria. The NMVTRC has noted that immobilisation is only an effective strategy against opportunistic motor vehicle theft once a significant proportion of the motor vehicle fleet has been immobilised. As Ray Carroll explained:

Victoria's immobilisation rate is around 38 per cent. In considering the effect of immobilisers, we have to consider what we are calling the critical mass factor. You have to be clear in your minds that just because you increase the immobilisation rate of your fleet by 50 per cent that will not necessarily equate to a 50 per cent decrease in car theft. With a 50 per cent immobilisation rate, the thief can walk into a car park where half the cars are immobilised and half are not, so he can still steal a car. You do not expect 50 per cent particularly to impact on the theft rate.

When you are getting up to 70 per cent you are getting a different scenario. Seven out of 10 cars are actually immobilised. While the determined thief – and that is why we still have car theft – can find 1 of those 3 cars that is not immobilised out of the 10, the high immobilisation rate actually affects the psyche, we believe, of vehicle theft ... It is suddenly not the thing to do on a Saturday night. Somehow it is harder to do, so it gradually builds up its own momentum of decreasing what you would call [the] culture of car theft, particularly among young people. We think the critical mass that Victoria would have to reach before immobilisation has a major impact on our statistics would be between 60 and 70 per cent. That then leads us to the question: How do you reach that? What mechanism do you use to get there?

On the extrapolation of transfer rates in Victoria compared to what happened in WA, we believe it would take between 8 and 12 years to completely immobilise the Victorian fleet. Without any intervention at all it would take just over 15 years. But it would only take five years to reach that 70 per cent critical mass that we believe would actually impact on the vehicle theft rates.⁴⁰⁵

Conclusion

On the basis of the arguments presented above, it is apparent that an element of compulsion may need to be introduced if the Victorian motor vehicle fleet is to be better guarded against opportunistic motor vehicle thieves. However, given that the introduction of a compulsory immobiliser scheme may present a short-term financial cost to members of the public transferring an older vehicle into their own name, the Committee believes that the Victorian Government should give consideration to subsidising the cost of immobiliser installation.

405 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

The Committee is aware that, even with a government subsidy, a compulsory immobiliser program would impose a financial cost and a practical inconvenience on vehicle owners. At the same time, the Committee believes that the costs would be outweighed by the benefits of the proposed scheme. As noted in Chapter 15, the Western Australia scheme has led to significant financial savings as a consequence of the reduction in motor vehicle theft. Furthermore, a reduction in motor vehicle theft would allow some redirection of the police time and resources currently devoted to the investigation and administration of motor vehicle theft. Perhaps most importantly, the installation of engine immobilisers would limit the opportunities for opportunistic motor vehicle theft by juveniles, which, in turn, could reduce the tragic fatalities and injuries associated with this offence.

PART H: Future Directions And Recommendations

18. The Road Ahead: Planning for the Future

The reason for [motor vehicle] theft occurring is that cars are easily converted into cash through illegal activities, and they are a convenient public transport for people who want to steal a vehicle to go from one place to another. It is far too common to find cars left unlocked and unsecured – that is, they are easy to start and drive away.

In addition, by the pure nature of the object being stolen, it is quite difficult to observe and trace vehicle theft. It will be taken somewhere where you will not see it. It is not hard to hide a car. If somebody wants to change the identification of a vehicle, it is not too hard ... You can understand that the level of activity is common. The cross-border trade in stolen and rebirthed vehicles in Victoria is rife. In our experience in the industry, particularly motor car traders who come into contact with people buying cars every day, we are aware that a lot of cars coming into Victoria from other states have either been stolen and/or written off in other states.⁴⁰⁶

This Inquiry has examined the issue of motor vehicle theft in Victoria. When the Committee received the Terms of Reference from the Victorian State Parliament, motor vehicle theft was escalating at an unprecedented rate, increasing by 32.8 per cent between 1998/99–2000/01. While motor vehicle theft has reduced significantly over the last financial year, it remains at an unacceptably high level. Furthermore, it is too soon to assume that this downward trend will continue.

Motor vehicle theft is a complex issue that requires a range of integrated strategic responses at the national, state and local level. As discussed

406 David Russell, Manager of Corporate and Public Affairs, Victorian Automobile Chamber of Commerce (VACC), Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

throughout the Report, there are two broadly defined types of motor vehicle theft – opportunistic and professional. Each type requires a different set of responses. While opportunistic theft is an issue best addressed through increased vehicle security, a comprehensive strategy incorporating vehicle security, information exchange and cooperative partnerships is required to combat the technical skill and expertise of professional thieves. This final chapter of the Report looks at ‘the road ahead’ for motor vehicle theft prevention and takes note of those measures that have already proven to be effective. Such measures require ongoing support if they are to have a sustained impact. The Committee draws attention to these measures and makes further recommendations to address the problem.

The need for a whole of community response

Motor vehicle theft is an issue of considerable complexity. As such, the Committee believes that the reduction of motor vehicle theft requires the formation of partnerships between a wide range of stakeholders and community organisations. While the police, registration authorities, insurance organisations and vehicle manufacturers have different areas of responsibility and expertise, each has a role to play in the prevention of motor vehicle theft.

More generally, the community as a whole has a role to play. The attitudes and security practices of individual vehicle owners can hold the key to the most efficient means of motor vehicle theft prevention (National Motor Vehicle Theft Task Force (NMVTTF) 1997b). In this respect, public awareness at the level of the local community is crucial to the success of cooperative approaches to motor vehicle theft prevention.

The Committee recognises that the formation of cooperative partnerships is essential to the success of any motor vehicle theft prevention strategy.

A national context

The Committee believes that motor vehicle theft is a national problem that demands cooperation between all state and territory authorities. In the past, a lack of national cooperation greatly hampered efforts to counter motor vehicle theft. In particular, the absence of a coordinated approach to the registration of motor vehicles allowed the professional motor vehicle thief to steal a car in one state and simply re-register it in another with little risk of detection. In recent years, however, concerted action has been taken to replace the individual ad hoc strategies of each jurisdiction with a nationally coordinated strategy. The Committee commends these initiatives and supports their implementation.

National information exchange

The Committee endorses the completion and continued maintenance of the National Exchange of Vehicle and Driver Information System (NEVDIS) as the cornerstone of national strategies to counter motor vehicle theft. A nationally

linked database of accurate vehicle information represents the 'last line' of defence against professional motor vehicle thieves. Once a vehicle has been fraudulently re-registered there is little chance of its prior identity being detected.

NEVDIS currently facilitates the 'real-time' exchange of vehicle registration information across all mainland jurisdictions. By the end of 2003, consistent written-off vehicle registers will be operational in all jurisdictions, supported by a system of vehicle inspections. These registers will be linked to NEVDIS, as will stolen vehicle information supplied by police services via the National Vehicles of Interest (NVOI) system.

The Committee is of the view that improved consumer access to key non-personal information about a vehicle, including the verification of vehicle identity, will render the sale of stolen vehicles more difficult. This information will allow consumers who purchase second-hand vehicles to do so confident in the knowledge that the seller of the vehicle is also its legitimate owner. As discussed in Chapter 14, negotiations to ensure public access to vehicle information are continuing. The Committee encourages the organisations involved to give a high priority to these negotiations and establish an accessible vehicle information database as soon as possible.

Issues for manufacturers: Motor vehicle and component identification

The Committee is of the view that there are two forms of motor vehicle identification that could be used to better protect newly manufactured motor vehicles against the activities of professional motor vehicle thieves. The first is a more secure form of vehicle identification number (VIN), the primary identifier of a motor vehicle. The second is the use of component labelling to directly link the identity of individual motor vehicle parts with the VIN of a particular vehicle.

The VIN of a motor vehicle is currently stamped onto an aluminium compliance plate fitted to the body of a motor vehicle with rivets. The ease with which compliance plates can be transferred between motor vehicles is an issue of some concern. This practice is in fact the preferred modus operandi of professional motor vehicle thieves. The Committee's concern is shared by the National Motor Vehicle Theft Reduction Council (NMVTRC) and vehicle manufacturers and importers who acknowledge the need to improve the standard of vehicle identification as a deterrent to professional motor vehicle theft.

In 2001, NMVTRC commissioned a study to determine the feasibility of introducing 'self-voiding' adhesive compliance labels to replace the present aluminum plates.⁴⁰⁷ The study concluded that a label could be produced at a reasonable cost (an additional manufacturing cost of \$1.00 per vehicle) and set

407 The secure compliance label recommended by the National Motor Vehicle Theft Reduction Council (NMVTRC) consists of thermal transfer printed data on a base with a self-voiding layer and a window of friable material on which the VIN is printed. The data would be protected by subsequently applying a protective overlay. Anti-counterfeiting and ease of recognition would be provided by the using of image scrambling technology. See Chapter 14 for a full discussion of self-voiding, adhesive compliance labels.

out technical performance standards for the labels. At the time of writing this Report, manufacturers had not begun to fit self-voiding compliance labels to their vehicles. However, the NMVTRC anticipates that up to 80 per cent of newly manufactured vehicles will be fitted with these labels by the end of 2003.⁴⁰⁸ Geoff Hughes, a project manager at the NMVTRC, stated:

Toyota does [use compliance labels] on the Avalon but it doesn't meet our [the NMVTRC] performance standards in terms of security. We are currently arranging discussions with all manufacturers about implementing our standard (which the FCAI [Federal Chamber of Automotive Industries] has endorsed) and remain confident that the first labels could appear on vehicles later this year.⁴⁰⁹

The Committee considers that the use of self-voiding compliance labels will prove a significant deterrent to professional motor vehicle theft and will assist in reducing the numbers of new vehicles that are stolen.

With regard to component labelling, the Committee is of the view that VIN-based datadots represent the most effective measure through which to counter the growing trade in stolen motor vehicle parts. Manufacturers have expressed concern about the cost of fitting vehicles with datadots, which is estimated to be between \$80 and \$100 per vehicle,⁴¹⁰ and therefore relatively few vehicle models employ this most effective of security technologies. Nevertheless, the Committee believes that manufacturers have a responsibility to improve standards of vehicle security, and it accepts the advice that application of datadots to a wider range of vehicle models will substantially lower the associated costs, while also increasing the consumer appeal of those models.⁴¹¹

Issue for the Auto Parts industry: A code of practice

The Committee supports the continued development of a voluntary Code of Practice to institute verification checks on auto parts and to establish and maintain appropriate audit trails. The Committee notes, and is encouraged by, the strong support of the Auto Parts Recyclers Association of Australia for a Code of Practice.

408 Ray Carroll, Executive Director, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

409 Geoff Hughes, Project Manager, NMVTRC, in correspondence with the Drugs and Crime Prevention Committee, 13 August 2002.

410 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 February 2002.

411 In a submission to the Committee, the Auto Parts Recyclers Association of Australia (APRAA) proposed the labelling of the following vehicle components:

- Motor and chassis;
- Front guards;
- Upper front apron;
- Bonnet;
- Doors;
- Quarter panel;
- Boot;
- Bumper bar assemblies.

The Committee believes that a Code of Practice would marginalise 'backyard' operators by enhancing the credibility of accredited auto parts recyclers. In addition, significant economic incentives for becoming accredited could be created in partnership with other stakeholders. The insurance industry, for example, has indicated a willingness to support a Code of Practice by requiring 'approved crash repairers' to only source parts from accredited operators. The support of stakeholders is discussed in Chapter 16.

The Committee suggests that any proposed Code of Practice be reviewed to determine its ongoing effectiveness.

Engine immobilisers

The Committee acknowledges that an increasing proportion of the national motor vehicle fleet is being immobilised. This is due to two factors. The first is that since July 2001 motor vehicles produced and sold must have an immobiliser fitted in accordance with Australian Design Rules. The second is that the benefits of voluntary immobilisation have been and are being actively promoted through the 'Immobilise Now!' program. As a result of these factors, the NMVTRC estimates that approximately 45 per cent of the national motor vehicle fleet will be immobilised by the end of 2003.

Despite these initiatives, the Committee believes that motorists' attitudes to vehicle security will not change sufficiently to significantly increase the take-up of voluntary immobilisation. The NMVTRC estimates that there will be close to seven million non-secure cars remaining on Australia's roads at the end of 2003. Whether to have compulsory or voluntary immobilisation is an issue for each individual government jurisdiction in Australia. The Committee's view in relation to the direction that Victoria should take is addressed further below.

National Motor Vehicle Theft Reduction Council

The Committee acknowledges and commends the NMVTRC for the significant role it has taken in the instigation and implementation of national motor vehicle theft prevention strategies. The NMVTRC has drawn a broad range of stakeholders together to ensure that strategies are both coordinated and cooperative in nature. In doing so, the NMVTRC has fulfilled a pivotal role in researching, facilitating and promoting a range of vehicle theft prevention initiatives.

The NMVTRC has completed three and a half years of a five-year timetable. This timetable is schedule for completion at the end of 2003. However, it should be noted that the initial five-year strategy was based on a 'best-case' scenario in which it was thought that all stakeholders would work expeditiously to implement the Task Force plan. In practice, the initiatives that the NMVTRC has sought to implement have been forced to compete with other stakeholder priorities and with resource constraints. While these factors have impacted upon the pace of reform, the measures referred to above demonstrate the considerable advances that have been made by the NMVTRC thus far.

It is worth noting that the 2002 June quarter delivered the fifth consecutive quarterly decrease in the national theft rate. In March 2002, the number of motor vehicles stolen in Australia fell below 30,000 in a quarter for the first time since the NMVTRC was formed in March 1999. While demonstrating direct cause and effect is problematic, the Committee believes that it is reasonable to assume that the NMVTRC's initiatives to reduce motor vehicle theft, together with an improved police focus, have combined to bring about this downturn.

There is a strong likelihood that the further implementation of initiatives over the course of 2002 will continue the downward trend in theft rates throughout 2003.

A role for the NMVTRC post-2003?

It is the Committee's belief that there will be a need for stakeholders to maintain a focus on motor vehicle theft beyond 2003. Consequently, the Committee recommends that the tenure of the NMVTRC be extended to allow the theft reduction plan originally envisaged by the National Motor Vehicle Theft Task Force to be implemented in full.

To ensure that the initiatives implemented by the NMVTRC fully deliver on their potential benefits (and to prevent a reversion to the pre-NMVTRC status quo) the following issues will require attention after 2003:

- ◆ Auditing of transport agency and insurance company compliance with procedures to support NEVDIS and Written-Off Vehicle Registers;
- ◆ Evaluation of the various models of vehicle inspections to identify systematic weaknesses;
- ◆ Facilitation of multi-agency agreements to provide public access to cross-border vehicle information;
- ◆ Negotiation of third party access to NEVDIS to enhance the business practices of insurers and motor traders;
- ◆ Monitoring of police service priority to vehicle theft investigation;
- ◆ Assessment of the level of organised vehicle crime intelligence collation within the national law enforcement intelligence structure;
- ◆ Maintaining and updating a vehicle theft investigation resource;
- ◆ Facilitation of individual state-based implementation strategies for compulsory immobilisation;
- ◆ Evaluation and promotion of improved vehicle identification systems such as self-voiding compliance labels;
- ◆ Development of infrastructure to support moves towards a full component identification system such as datadots;

- ◆ Facilitation of insurance industry commitment to fraud and theft reduction strategies;
- ◆ Ongoing facilitation of a parts recycling code of practice to control use of stolen parts in the motor trades industry;
- ◆ Evaluation and promotion of juvenile motor vehicle theft prevention programs to secure integration into mainstream juvenile justice practice; and
- ◆ Maintenance and coordination of public awareness campaigns.

The Victorian context

The Committee accepts that motor vehicle theft is a national issue and must be addressed in this context. At the same time, the Committee believes that a national strategy must be complemented by state-based initiatives to counter motor vehicle theft.

A coordinating body

The Committee believes that the decision to establish a Victorian Motor Vehicle Crime Reduction Council to coordinate local community strategies is to be commended. However, given the experience and proven record of the NMVTRC, it is essential that any state-based body complement the work of the national body. The Committee acknowledges that, in working towards this end, Ray Carroll, Executive Director of the NMVTRC, has been an active participant in meetings held by the Victorian body since its inception in June 2002.

Legislative issues

Theft offences

Currently there is no specific law pertaining to motor vehicle theft in Victoria. The Committee looked at two issues pertaining to the law as it relates to motor vehicle theft in Victoria. Firstly, should there be a law recommended that specifically targets motor vehicle theft or should the general law of theft remain as per section 72 of the *Crimes Act 1958*? Secondly, if a specific theft law was enacted should it distinguish between professional and opportunistic theft?

The Committee has found a substantial level of division as to whether there should be any such bifurcation of motor vehicle theft offences in Victoria. Victoria Police supports the idea, arguing that it will enable the courts to mete out more suitable penalties because they will be able to tell from an offender's past history/record whether they have a long history of, or involvement in, professional as opposed to opportunistic theft, or vice versa.

However, legal bodies such as the Criminal Bar Association do not believe such separate offences are warranted. In their view, the issue can be and is dealt with by sentencing options in the courts. The NMVTRC is also opposed to, or at least indifferent to, such a proposal, despite it originally suggesting such a measure

in an earlier report. After reflection, the NMVTRC has retracted from this position. Rather, the Council believes that sentencing does not reflect the severity of the offence and this in turn is a result of the difficulty in gathering the evidence and proving the offence.

Police have also argued that current legal provisions hamper their efforts to prove, prosecute and convict motor vehicle conversion, interference or rebirth. Offences that do exist, such as tampering with engine numbers, are relatively minor. While not opposed to a proposal for changing current legal provisions, the NVMTRC states that such provisions may be ineffective if not backed up with the sufficient resources required for policing and administering them.

While it recognises the practical difficulties involved, as outlined below, the Committee does believe consideration should be given to the creation of a 'post-theft' offence dealing with the rebirthing and illegal resale of stolen motor vehicles.

Rather than recommend specific changes to the law in this area, the Committee has identified a number of scenarios where the law is clearly deficient in its current state to address the complexity of motor vehicle theft and associated issues and has also identified areas where the current law is adequate. These scenarios are as follow.

Opportunistic or 'simple' motor vehicle theft

The Committee believes that the current law of theft (sections 72 and 74 *Crimes Act 1958*) is sufficient to deal with the situation where a person steals a car for joy-riding or purposes unassociated with the rebirth or resale of the car, a practice commonly known as opportunistic theft.

Theft for the purposes of alteration, resale or rebirth

The Committee believes that the law as it currently stands is inadequate to deal with the theft of motor vehicles that is motivated by the intention to alter said motor vehicles for illegal 'rebirth' and resale.

Presently the only available option for law authorities is to use the somewhat 'toothless' provisions of the *Road Safety Act*⁴¹² or, in certain circumstances, provisions pertaining to the handling of stolen goods. For the most part, police can only charge offenders with theft of motor vehicles on a car by car basis, which does not necessarily reflect the enormity or severity of some professional motor vehicle theft and rebirth operators.

'Aggravated' motor vehicle theft

The Committee believes that in both the cases of opportunistic theft and theft for ulterior purposes such as rebirthing vehicles, the law needs to specifically recognise and punish accordingly cases where the act of theft is accompanied by circumstances of aggravation, most notably the threat of or actual use of force or violence ('carjacking').

412 *Road Safety Act 1986* (section 70) and see discussion in Chapter 12.

Intentional alteration of vehicles for the purposes of illegal resale

The Committee believes one of the biggest weaknesses in the current law is the inability to sufficiently penalise and punish those persons engaged and involved in the business of altering motor vehicles for the purposes of illegal rebirth and/or resale. Such alteration may take several forms including rebuilding bodywork, stripping, repainting, and altering registration numbers and plates.

Any new laws or legal process devised to deal with the complexities of such operations will need to recognise and accommodate the fact that there may be varying levels of complicity, involvement and reward associated with different 'players' who contribute to the enterprise.

The coordination of motor vehicle theft and/or illegal rebirth and resale

As with organised drug crime, it is certainly feasible that there are operatives 'behind the scenes' who finance, coordinate and profit from the illegal trade in motor vehicle theft, rebirthing and resale. Such people may never go inside a car yard, panel beating shop, or 'backyard operation', and yet they are clearly the 'brains' behind such illegal operations. Principals in the rebirthing industry, according to the NMVTRC, may often recruit other people to steal cars and/or alter their appearance and pay them in either money or drugs.⁴¹³ The law needs to provide a suitable way of investigating, charging and punishing such individuals and, where relevant, their syndicates for their role in the motor vehicle theft 'industry'.

It is recommended that in all of the abovementioned scenarios the government engage appropriate legal officers and/or parliamentary counsel to identify the most suitable ways of remedying the deficiencies in the law as recognised by the Committee and outlined in this section.

Aids to investigation*Power of inspection and entry*

In cases where it is suspected that a vehicle or parts therefrom may be stolen but there may be insufficient evidence to obtain a warrant, the police believe their powers to inspect properties such as car yards are too limited. It has been suggested that former powers that police had to enter and inspect premises and records under the relevant motor traders legislation should be reinstated. One possibility is for officers of the Victorian Organised Motor Vehicle Theft Squad (OMVTS) to be designated as licensing officers for the purposes of theft investigations. The NMVTRC generally supports the police proposals, although they have doubt about how effective they might be. Bodies such as the Criminal Bar Association and the Law Institute have opposed such a widening of powers.

413 See evidence of Ray Carroll, NMVTRC, quoted in Chapter 12.

A related issue is whether the law should be changed to give police wider powers to stop and inspect motor vehicles other than those on a highway. The police have asked for the power to intercept and check suspect vehicles.

The Committee believes extended powers to enable police to check registered vehicles for matters additional to roadworthiness and in places other than the highways would be a useful adjunct to theft investigation in cases where police have a reasonable suspicion that the motor vehicle is or has been involved in a theft or associated offence. The Committee therefore recommends that such extended powers include, but not be limited to, the ability for police to be able to search and check vehicle identifiers if the vehicle is reasonably suspected of being stolen or altered for illegal purposes. The Committee recommends further that the former powers of the Victoria police to enter and inspect premises and records under Motor Car Traders legislation be restored. Ideally, such a function should be exercised by designated officers of the Victorian OMVTS.

Findings of Fact

The proposal from certain sections of the Victoria Police for a Finding of Fact⁴¹⁴ with regard to the disposition of stolen motor vehicles and parts is worthy of consideration.

The Finding of Fact would apply in cases where stolen vehicle charges are before the courts and the vehicle subject of the theft is in police custody. In such a system there would be an agreed number of 'identification points' on a motor vehicle established in legislation that would form the basis of ascertaining the identification of the vehicle and/or its legitimate owner. Evidence led by the Victoria Police Vehicle Examination Unit would seek to persuade the court to issue a Finding of Fact that the vehicle is in fact a stolen vehicle. If the Finding of Fact is contested, then the court would give a direction that the vehicle be retained in police custody until the contested matter is heard and determined.

The rationale behind such a system is to ensure the legal process is expedited, rightful owners are left without their vehicles for only the minimum time necessary and the backlog of vehicles currently held by police is reduced.

Arguments against the proposal are mainly practical ones given by the NMVTRC as to the difficulty in identifying ownership of cars or constituent parts.

Nonetheless, the Committee believes that with further refinement the proposed Finding of Fact initiative could be a useful adjunct to motor vehicle theft investigation and adjudication.

414 For further discussion of the Finding of Fact proposal, see Chapter 12.

Sentencing

The sentencing of any type of crime is a complex issue. Motor vehicle theft is no exception to this general rule.

The Committee acknowledges that the sentencing principles enunciated in the *Sentencing Act 1991* must be followed in individual cases of motor vehicle theft and associated offences. Nonetheless, the Committee believes it is imperative that as part of these principles the sentencing of these crimes must reflect the different purposes associated with motor vehicle theft (opportunistic, aggravated, professional). Moreover, in sentencing offenders for existing crimes and for any new offences established as a result of the Committee's recommendations, due attention must be paid to the consequences and cost of motor vehicle theft and the associated 'rebirthing' industry to both the individual vehicle owner and the economy and society as a whole.

Various sectors, in their evidence to the Committee, have argued that that the judiciary and magistracy do not view motor vehicle theft with the same seriousness as that felt by the community. This concern stems from the multi-faceted consequences of motor vehicle theft noted throughout the Report.

The Committee therefore recommends that the magistracy and judiciary take into account those community concerns when deciding on penalties for motor vehicle theft offences.

The Committee further recommends that the Report be brought to the attention of the Judicial College for consideration.

Compulsory immobilisation scheme

The Committee is of the view that a compulsory immobiliser scheme provides the best means of protecting the Victorian motor vehicle fleet against opportunistic motor vehicle theft. This is a view supported by stakeholders such as Victoria Police and the Victorian Automobile Chamber of Commerce (VACC).

On the basis of projections provided to the Committee from the RACV, it is estimated that 82 per cent of the Victorian vehicle fleet will be fitted with immobilisers by the year 2007. The Committee is of the view that a Review of this program should be conducted by the year 2007 to evaluate whether these targets have been achieved.

While the Committee acknowledges that such a requirement would impose significant cost and inconvenience upon vehicle owners, it believes that these difficulties would be outweighed by the benefits of the proposed scheme.

As was discussed in Chapter 15, the NMVTRC's evaluation of the Western Australian compulsory immobiliser scheme reported that the cost of this scheme had been outweighed by the financial benefits associated with a reduction in motor vehicle theft. There are also intangible benefits associated

with a decrease in opportunistic motor vehicle theft, for example a reduction in the number of stolen vehicles being driven by inexperienced juveniles.

The Committee is aware of problems that hampered the introduction of a compulsory immobiliser scheme in Western Australia, particularly those associated with a lack of qualified auto-electrical engineers. The VACC has indicated that the existing statewide network of auto-electrical engineers would be sufficient to meet the demand for installations were such a scheme to be introduced. In addition, VicRoads has indicated a willingness to manage the administration of a compulsory scheme.

The Committee recommends that proof of an installed immobiliser be presented to VicRoads as a compulsory requirement of registration transfer. Due to the obvious community benefits of such a scheme, the Committee recommends that government give consideration to a subsidy in order to facilitate this scheme.

Initiatives undertaken by Victoria Police

The Drugs and Crime Prevention Committee acknowledges the Victoria Police on the prioritisation of motor vehicle theft for operational policing. Current rates of motor vehicle theft indicate that Operation Vehicle Watch, the program established in March 2002, has already made a positive impact. The Committee recommends continued funding and management support for the newly established Victoria Police OMVTS and regional investigation units (TOMCATs). The Committee acknowledges that the most dramatic increases in motor vehicle theft occurred between 1999 and 2001, following the disbanding of the original Victoria Police Stolen Motor Vehicle Squad. The Committee therefore urges Victoria Police Command not to withdraw funding to these initiatives if operational priorities change and motor vehicle theft declines.

VicRoads

The intended purpose of vehicle registration is to identify who is driving a particular vehicle as opposed to who is the owner of a vehicle. In this respect VicRoads does not have statutory responsibility regarding motor vehicle theft prevention. At the same time, the procedures undertaken by VicRoads have the potential to impact upon the ability of professional motor vehicle thieves to exploit weaknesses in registration procedures to fraudulently register stolen vehicles. In particular, the Committee views registration transfer and the lack of vehicle inspections with concern, as current processes have the potential to be exploited by professional criminals. The Committee believes that VicRoads must act to address current security deficiencies in registration procedures. It acknowledges VicRoads intention to conduct a review into its registration practices and urges that this review should be given urgent priority. The Committee also notes that NMVTRC plans to undertake a national review of all state inspection regimes in 2003. The Committee therefore refrains from

making a recommendation in relation to this matter until the findings of this review are made available.

Furthermore, the Committee is aware that VicRoads has introduced a range of initiatives to deter the fraudulent re-registration of stolen motor vehicles. The Committee is fully supportive of initiatives such as the Vehicle Information Package and commends the continued function of an internal investigations unit to detect and deter corruption of VicRoads officers. The Committee also commends the active involvement of VicRoads in the development and integration of the NEVDIS database and national written-off vehicle registers. The challenge is to play a further role in national cooperative efforts.

Local communities

The Committee commends those communities that have introduced a range of local initiatives to counter motor vehicle theft in their respective municipalities. The Committee acknowledges the worth of local partnerships and community initiatives and recommends the continued funding of local community motor vehicle theft prevention strategies.

In particular, the Committee notes the importance of public awareness campaigns initiated at the level of the local community. Indeed, the promotion of individual responsibility for theft prevention is the most cost-effective prevention strategy available to local communities. As discussed in Chapter 16, public awareness campaigns can also involve partnerships of local stakeholder groups. Furthermore, they can be conducted within an individual jurisdiction or within an existing crime prevention framework.

Car parks

The Committee notes the high rate of theft from car parks and recommends the 'Safer City Car Parks Accreditation Scheme' as a guide to car park operators to improve the security of their facilities for both their clients and their clients' property. While the Committee appreciates that the security measures installed by car park operators will be dependent upon their resource capabilities, it also believes it is important to acknowledge the existence of a range of security strategies – from the latest in technological surveillance to the installation of signage to increase public awareness.

Further issues

Programs aimed at reducing motor vehicle theft by young people

While the Committee fully supports the implementation of community-based programs designed to divert juvenile motor vehicle theft offenders from the criminal justice system, the need for a secure source of funding is an issue that requires further investigation. The NMVTRC's best practice model for young motor vehicle offenders is expected to be operating in Western Australia and Queensland by the end of 2003, although this is subject to funding decisions.

It is also expected that this model will be in its second year of operation in Tasmania. However, it is unlikely that these programs will be financially sustainable without the ongoing support of stakeholders and government. The NMVTRC anticipates that the national replication of the 'Hand Brake Turn' program will also be implemented over the coming years,⁴¹⁵ but this too is dependent on a secure source of funding.

Currently community agencies that run these programs are forced to devote considerable time and effort to fund-raising activities, which diverts time and effort from their main objective. For example, during the course of the Inquiry, the Committee was made aware of a loss of funding to the Hand Brake Turn program in Victoria due to NRMA Insurance ceasing insurance activities in this state.⁴¹⁶ The Committee is of the view that the value of diversionary programs is such that a level of cooperation and a sharing of funding responsibility between national and state government agencies are required. To ensure the stability of these programs, it is recommended that funding be allocated on a triennial basis. Crime Prevention Victoria and the newly established Victorian Motor Vehicle Crime Reduction Council are the most obvious sources of such funding in Victoria.

Insurance practices

The Committee recognises the significant contribution of time and resources the insurance industry has made to prevent motor vehicle theft in Australia. However, the Committee has received evidence that certain insurance industry business practices may be contributing to fraud associated with motor vehicle. If the number of fraudulent claims is to be reduced, action is required to ensure that insurance policies and business practices that inadvertently encourage illegal activity are addressed.⁴¹⁷

Primarily, there is a need for insurance agencies to inspect vehicles before agreeing to insure them. This will ensure that the vehicle exists and will address such practices as 'ghosting', which is discussed in Chapter 3. In addition, vehicle inspection would prevent vehicles being insured for a greater value than they are worth. The current practice of providing 'agreed value' insurance policies for vehicles that have not been inspected is thought to encourage fraudulent insurance claims. This issue is also discussed in Chapter 3.

There is also a need for information exchange between insurers and also between insurers and law enforcement agencies. The availability of information such as a client's past insurance claims and the condition in which stolen vehicles are recovered would provide insurers with a valuable investigative tool to counter fraudulent insurance claims. Some insurers have expressed concerns

415 Ray Carroll, NMVTRC, in conversation with the Drugs and Crime Prevention Committee, 6 August 2002.

416 NRMA Insurance was one of Hand Brake Turn's major sources of funding in Victoria.

417 See Chapter 14 for a discussion of insurance practices related to motor vehicle theft.

about privacy issues, especially regarding information on clients. However, while the Committee acknowledges the necessity of legal advice, it believes that an integrated database of insurance-related information is central to attempts to deter insurance fraud. Although there is a suspected link between 'agreed value' insurance policies and fraudulent claims, the insurance industry is reluctant to discontinue this practice due to commercial reasons. Therefore the gathering and sharing of information on 'high-risk' clients remains the best means of deterring fraudulent motor vehicle theft claims.

The Committee commends the NMVTRC's review of insurance practices and fully supports the recommendations made within the subsequent report. In particular, the Committee draws attention to the recommendations intended to reduce fraudulent insurance claims. Many of these recommendations are based on the need for better information gathering techniques and information sharing among individual insurance organisations. They include:

- ◆ Ensuring collection of recovery information and proper recording of the recovered condition of the vehicle;
- ◆ Establishing and maintaining an industry database, including selected exposure data;
- ◆ Establishing stakeholder forums to enable information on fraud perpetrators or fraudulent practices to be shared;
- ◆ Establishment of formalised fraud strategies and investigation procedures by insurers;
- ◆ Reducing the economic motive created by agreed value insurance through the application of an inbuilt 'deflator' to reduce the value of a motor vehicle over time (NMVTRC 2002h, p.24). A 'deflator' would reduce the agreed value of a vehicle by a designated percentage each month.

The report concluded: 'There appears to be no serious basis for objection and this is a significant recommendation of the report' (NMVTRC 2002h, p.23).

The Committee also encourages insurers to examine current policies and practices that may assist in motor vehicle theft prevention. For example, premium discounts and theft excesses could be used to 'persuade' consumers to enhance the security of their vehicles.

Data collection

In order to develop sound policy and practice, it is important to establish reliable and accurate data collection techniques. The Committee recognises that the development of the Comprehensive Auto Research System (CARS) has provided a valuable source of information. However, the Committee recommends that existing data collection within Victoria needs to be improved.

There is a need for Victoria Police to collect and maintain information about the condition in which a stolen motor vehicle is recovered. This information would provide more accurate indication of the extent of professional motor vehicle theft as opposed to opportunistic motor vehicle theft. For example, a motor vehicle that has been recovered stripped of parts would be more indicative of a professional theft. Furthermore, if such information were to be shared with insurance agencies, it could assist these agencies to establish a profile of fraudulent motor vehicle theft claims. For example, insurers indicate that most fraudulent thefts involve vehicles that are either recovered burnt or immersed in water.

In the course of this Inquiry, the Committee received valuable information from Coronial files supplied by the State Coroner. However, as discussed in Chapter 10, the number of files that could be provided was limited by current data extraction techniques. The Committee recommends the establishment of a more comprehensive system of data collection that allows for the identification of deaths that involve stolen motor vehicles.

Conclusion

There are many things happening that are now encircling this problem [motor vehicle theft]. The vehicle written-off register in each state, except perhaps Tasmania, will probably be finished with this year [2002]. The national database access that will move information between the states will probably be finished. The issue of compliance plates and labels is starting to move, as I hear it from the [National Motor Vehicle] Theft Reduction Council. Vehicle manufacturers are now looking at compliance labels instead of outdated and outmoded aluminum plates that can be stamped. Things are starting to move.

Increased Victoria Police enforcement is welcome. However, we think that prevention in the form of good policy and well-secured vehicles is also most important. You have got to get the message through to the public that their asset is vulnerable and things need to change. If they have not got a vehicle that is up to scratch in terms of security, they need to have it amended to bring it up to scratch.⁴¹⁸

In summary, the Committee believes that although an effective national strategy has been put in place to address motor vehicle theft activities, this strategy is only partially implemented. The Committee notes therefore that the continued cooperation of all concerned stakeholders is essential for the continued effectiveness of this strategy. The Committee is also of the view that this national strategy can be complemented by initiatives at the state level, including changes to the criminal law, and is particularly encouraged by the priority that has been afforded motor vehicle theft by Victoria Police.

418 David Russell, VACC, Evidence given at the Public Hearings of the Drugs and Crime Prevention Committee, Inquiry into Motor Vehicle Theft, 21 May 2002.

However, the Committee is of a similar view to that expressed above by David Russell of the VACC, that the issue of motor vehicle theft will not be fully addressed until vehicle owners are compelled to take a greater interest in vehicle security. The Committee therefore reiterates its strong support for the introduction of a compulsory immobiliser program in Victoria.

Appendices

Appendix 1: List of Submissions Received

Submission Number	Name of Individual/Organisation	Date Received
1	Mr Bill Bartlett, National Spokesperson – Auto Parts Recyclers Association of Australia (APRAA)	25 February 2002
2	Ms Jill Kendall, Director – Care & Communication Concern Inc.	28 February 2002
3	Mr Sandy Dellevergini, Managing Director – Zylux Pty Ltd	8 March 2002
4	Mr David Hurford, Manager, Group Claims – CGU Insurance	20 March 2002
5	Mr Russell Walkerden	27 March 2002
6	Dr J.H.W. Birrell	28 March 2002
7	Mr David Anderson, Chief Executive – Vic Roads	11 April 2002
8	Mr Colin Jordan, Managing Director & CEO – RACV	11 April 2002
9	Mr Frank Hennessy, Sales Consultant – John Collins Holden	12 April 2002
10	Ms Christine Nixon, APM, Chief Commissioner – Victoria Police	16 April 2002
11	Mr Graeme Adams, General Manager – Insurance Manufacturers of Australia Pty Ltd	17 April 2002
12	Mr David Russell, Manager Corporate and Public Affairs – VACC	29 April 2002
13	Mr Peter Edwards	3 May 2002
14	Mr Rowen Craigie, Chief Executive Officer – Crown Limited	30 May 2002
15	Mr J. H. Frederick.	24 June 2002
16	Mr Ray Carroll, Executive Director – National Motor Vehicle Theft Reduction Council 2002.	16 July
17	Mr Michael Bourne, Director – Crime Prevention Victoria.	31 July 2002
18	Ms Sue Morrell, Group Manager Community Services – City of Melbourne.	5 August 2002

Appendix 2: List of Witnesses

Witnesses Appearing at Public Hearing – 21 May 2002

Name	Position	Organisation
Dr Ken Ogden	General Manager, Public Policy Department	Royal Automotive Club of Victoria (RACV)
Mr Michael Case	Chief Engineer, Vehicles, Public Policy Department	Royal Automotive Club of Victoria (RACV)
Mr Stewart Ballingall	Program Engineer, Public Policy Department	Royal Automotive Club of Victoria (RACV)
Mr Trevor Thompson	Acting Assistant Commissioner	Victoria Police
Mr David Russell	Manager, Corporate and Public Affairs	Victorian Automotive Chamber of Commerce (VACC)
Mr Bruce Chipperfield	Manager, Registration and Licensing Policy	VicRoads
Mr Alan Marshall	Executive Officer	Auto Parts Recyclers Association of Australia (APRAA)
Mr Bill Bartlett	National Spokesman	Auto Parts Recyclers Association of Australia (APRAA)
Detective Sergeant Gerry Bashford	Organised Motor Vehicle Theft Squad	Victoria Police

Appendix 3: List of Site Visits in Melbourne

Name	Position	Organisation
Mr David Grey	Associate Director, National Manager Damaged Vehicles	Fowles Auction Group
Ms Naomi Puryer	State Manager Manager Damaged Vehicles	Fowles Auction Group
Mr Mark Lamont	Chief Operating Officer	Fowles Auction Group
Mr Graham Williams	Technical Services	Australian Associated Motor Insurers (AAMI) Limited
Inspector Greg Hough	Manager Field services Branch	Victoria Forensic Science Centre
Mr Glen Dower	Vehicle Inspector	Victoria Forensic Science Centre
Ms Jill Kendall	Director	Hand Brake Turn (Dandenong)
Mr Leslie Stott	Managing Director	Etchguard Australia
Mr Jack Koleric	Director	Etchguard Australia

Appendix 4: List of Meetings in Western Australia

Perth 1st May 2002

Name	Position	Organisation
Mr Greg Forbes	Director, Operational Policy, Licensing	Department of Transport
Mr John Dombrose	Manager, Vehicle Standards	Department of Transport
Mr George Formentin	Research Officer	Department of Transport
Mr Adrian O'Dea	Transport Warden, Licensing Division	Department of Transport
Mr Daryl Cameron	Group Manager (Western Australia)	Insurance Council of Australia (ICA)
Mr Craig Marsland	Divisional Manager	Motor Vehicle Traders Association of Western Australia
Mr Herman Van Ravestein	Executive Officer	WA Motor Vehicle Theft Steering Committee – Western Australia Police Service
Mr Ivor Metlitzky	Director	Dynamco Pty Ltd

Appendix 5: List of Expert Witnesses Invited to Speak to the Committee

Name	Position	Organisation	Dates
Mr Ray Carroll	Executive Director	National Motor Vehicle Theft Reduction Council	6 February 2002 6 August 2002
Mr Geoff Hughes	Project Manager	National Motor Vehicle Theft Reduction Council	6 February 2002 6 August 2002

Appendix 6: Victoria Immobilise Now! Media Release

VICTORIA IMMOBILISE NOW! MEDIA RELEASE

STOP VEHICLE THEFT

IMMOBILISE NOW!

While the theft of motor vehicles has risen 17% in Victoria in the past 6 years, a new initiative by the National Motor Vehicle Theft Reduction Council (NMVTRC) aims to turn this costly trend around.

NMVTRC Executive Director, Ray Carroll, said “The Immobilise Now! program gives motorists the opportunity to buy an Australian Standard engine immobiliser, the most effective vehicle security device currently available, at a reduced price and cut the cost of car theft borne by all Victorians.

An engine immobiliser is an electronic device that interrupts the power supply to two or more systems required to start a vehicle’s engine. Unless the correct electronic signal is provided to the system by the ignition key, or a unique transponder or coded plug, the vehicle will not start. The system is deactivated by a constantly changing signal that is virtually impossible to ‘crack’.

More than 85 cars are stolen every single day in Victoria costing the community more than \$650,000 per day in insurance and criminal justice costs. Unfortunately many of these vehicles are also used to commit other crimes, such as home burglaries, which simply adds to the impact of car theft on the community”.

Mr Carroll explained “The Immobilise Now! program aims to combat the theft of older cars by youths which accounts for 3 out of every 4 vehicles stolen in Australia. While many people think thieves target late model luxury vehicles, the reality is that the overwhelming majority of vehicles stolen are ten-year old (or older) “common garden variety” family sedans. If you drive a vehicle made in the 1970s or 1980s it is between 4 and 7 times more likely to be stolen than a vehicle made in the 1990s.

Our research shows that electronic engine immobilisers are the best form of vehicle security available. Nationally, around 30 per cent of all vehicles are fitted with an immobiliser, but fewer than 3 per cent of immobilised vehicles are stolen—usually because the thief had access to an original key.”

“With over 1.8 million vehicles in Victoria without an engine immobiliser, thieves don’t have to look far to find a soft target” Mr Carroll said.

Carroll said “In order to secure the maximum number of older vehicles fitted with an immobiliser the NMVTRC had established a partnership with suppliers and installers to provide immobilisers at an affordable price”.

Immobilisers fitted under the program are available at participating installers for an all inclusive recommended retail price of \$160 to \$190, depending on the choice of device. To ensure that the devices fitted under the Immobilise Now! program cannot be easily overcome by thieves and will not affect the safe operation of vehicles they must comply with the Australian/New Zealand Standard for Vehicle Immobilisers (AS/NZS 4601:1999).

To coincide with the launch of the Immobilise Now! program, the NMVTRC has also unveiled its website. At www.carsafe.com.au visitors can take the “How vulnerable is my car to theft?” search, which uses real vehicle theft data to calculate the risk of a vehicle being stolen, based on its make, model and location. They can also pit their wits against virtual vehicle thieves in a game that tests the player’s knowledge based on the latest information and find out more about the Immobilise Now! program.

Victorian motorists wanting to Immobilise Now! can also ring 1300 132 146, for the cost of a local call, for more information or details of their nearest participating Immobilise Now! installer.

The NMVTRC, a joint initiative of all Australian governments and the insurance industry, is working with the insurance and motor industries, justice and transport agencies on programs to make vehicles more secure, close the regulatory loopholes and gaps in national information exchange that professional thieves exploit and lead potential young offenders away from vehicle theft.

For more information contact:

Ray Carroll, NMVTRC: Phone 03 9954 5300 or mobile 0408 379 349

Tim Morell, Royce Communications: Phone 03 9639 2300 or mobile 0412 536 859

Jasmine Beschorner, Royce Communications: Phone 03 9639 2300.

Source: National Motor Vehicle Theft Reduction Council 2000

Appendix 7: Best Practice Model and Business Plan for Young Recidivist Car Theft Offender Program

NMVTRC

Best Practice Model and Business Plan for a Young Recidivist Car Theft Offender Program

April 2002

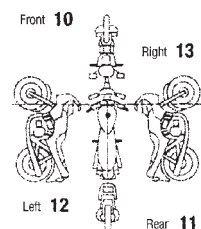
Table 3. Evaluation Measures and Proposed Techniques

Participant outcomes	
Evaluation Techniques	
Number of participants in program	<ul style="list-style-type: none"> • <i>Program Records</i>
Baseline measures, ie prior conviction rates	<ul style="list-style-type: none"> • <i>Police and Court Records</i>
Completion and Attendance Rates	<ul style="list-style-type: none"> • <i>Program Records</i>
Number of young people who do not finish the program	<ul style="list-style-type: none"> • <i>Program Records</i>
Number of young people who successfully complete the program	<ul style="list-style-type: none"> • <i>Program Records</i>
Number of participants who at the end of the program return to school or gain entry to a course or TAFE or who find employment	<ul style="list-style-type: none"> • <i>Program Records</i> • <i>Participant Interviews</i>
Reconviction rates of participants and seriousness of subsequent offences	<ul style="list-style-type: none"> • <i>Police and Court Records</i> • <i>Participant Interviews</i>
Number of participants who do not offend while in the program	<ul style="list-style-type: none"> • <i>Police and Court Records</i> • <i>Participant Interviews</i>
Number of young people who do not offend within six months of completing the program	<ul style="list-style-type: none"> • <i>Police and Court Records</i> • <i>Participant Interviews</i>
Number of case plans developed	<ul style="list-style-type: none"> • <i>Program Records</i> • <i>Program Documentation</i>
Number of types of groups and courses designed to improve skill levels	<ul style="list-style-type: none"> • <i>Program Documentation</i>
Number of mentors/mentee relationships formed	<ul style="list-style-type: none"> • <i>Program Records</i> • <i>Participant Interviews</i>
Impact on participants lives, ie improved stability in housing, income, employment and training	<ul style="list-style-type: none"> • <i>Police and Court Records</i> • <i>Participant Interviews</i>
Feedback from participants on attitudes to driving, safety and self-esteem	<ul style="list-style-type: none"> • <i>Participant Interviews</i>
Post-course reinforcement and risk assessment	<ul style="list-style-type: none"> • <i>Program Documentation</i> • <i>Participant Interviews</i>

Program Management	
Success in securing funding following seed grant	<ul style="list-style-type: none"> • <i>Program Documentation</i> • <i>Participant Interviews</i>
Number of referrals and success in market penetration	<ul style="list-style-type: none"> • <i>Program Documentation</i> • <i>Stakeholder Surveys</i>
Level of program sponsorship and in-kind support from private and public sector stakeholders	<ul style="list-style-type: none"> • <i>Program Documentation</i> • <i>Stakeholder Surveys</i>
Ability to build strategic partnerships with agencies and sponsors	<ul style="list-style-type: none"> • <i>Stakeholder Surveys</i>
Broad representation from key stakeholders on the program advisory/management group	<ul style="list-style-type: none"> • <i>Program Documentation</i>

Prepared by: Ann Sharley and Associates

Appendix 8: Vehicle Information Package (Vic Roads)

Vehicle Information Package					
Disclaimer Notice	All information in this package is provided without liability and without responsibility for its accuracy. VicRoads accepts no liability for any loss incurred by the purchaser of the package or any other person as a result of reliance by any person on information contained in this package. The information provided in the package is provided from the records maintained by VicRoads and is based on information supplied to VicRoads by past and present registered operators, police, interstate road and traffic authorities, insurers and security interest holders. Part 4 of the package is a certificate issued under the Chattel Securities Act-1987. It is not a certificate of title.				
Vehicle Information Package Number		A00000122	Receipt No		
Information on the Vehicle Registered		LAJ108	On	09/07/2002 at 05:08 pm	
Vehicle Details:					
<i>This Vehicle is a:</i>	SUZUKI	FIERO	BLU	(&RED)	1999 Automatic
<i>The VIN (Chassis) Number is:</i>	BCADEF012346587GH				
<i>The Engine Number is:</i>	JT124568	You should confirm Engine Number and VIN/Chassis			
<i>The Registration Serial Number is:</i>	5858	Number on car is the same as recorded by VicRoads			
Vehicle Registration Details					
<i>Is the Registration Current?</i>	Yes up to 12/12/2002				
<i>What is the year of manufacture (as indicated on Compliance plate)?</i>	1999				
<i>What was the first year of current registration?</i>	2001				
<i>Has the registration been transferred since 15/03/2000?</i>	Yes - Once				
<i>Details of Registered Operators since 15/03/2000?</i>	Client Type	PostCode	Date From	Date To	
<i>Current Operator:</i>	Private	6436	25/03/2002		
<i>Previous operators listed in date order: (Car Dealers /Traders excluded)</i>	Private	6436	25/03/2001	10/12/2001	
Stolen and Written Off Vehicle Information					
<i>Is the vehicle recorded as stolen?</i>	No, however a stolen notation is recorded against the plates 22/03/2002 which were re-issued 31/03/2002, but engine was replaced 30/03/2002 Plates have been stolen and not recovered on 3 occasion(s)				
<i>Has the vehicle been recorded on the Written Off Vehicles Register (WOVR)?</i>	No				
WOVR records reported vehicles assessed as written off from May 1, 2002. Late model (less than 15 years old) motor vehicles less than 4.5 tonnes and motor cycles are reported.					
<div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p style="text-align: center; margin: 0;">Motorcycle</p> <p style="text-align: center; margin: 0;">Whole vehicle 14</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Front 10</p>  <p>Left 12</p> </div> <div style="text-align: center;"> <p>Right 13</p> </div> <div style="text-align: center;"> <p>Rear 11</p> </div> </div> </div>					
Certificate of Registered Security Interests			VSR Request No 0		
<i>Is there information on the Vehicle Securities Register relating to the vehicle?</i>			No Encumbrances in participating States		

Appendix 9: Key Elements of a Code of Practice (Proposed by the National Motor Vehicle Theft Reduction Council)

7.1 Introduction

The following Chapter summarises suggested requirements for a Code to be effective in reducing the likelihood of businesses either knowingly or unwittingly dealing in stolen parts.

It should be noted that more detailed investigation and refinement of these elements, in conjunction with stakeholders, will form the basis of the development and implementation phase of the Code.

The key issue will be to balance the effectiveness of a Code (and hence the continued support of the insurance industry and others) with the workload implications for businesses.

The following proposals are therefore presented as the basis for further discussion rather than as a final view.

7.2 The General Approach – Onus on Recyclers

It is suggested that the general framework for a Code should place the onus on accredited recyclers to verify the legitimacy of the source of all parts sold and in stock. It should be noted that some 90% of parts are sourced from whole vehicles (either directly or through the use of another recycler) suggesting the verification requirements should be reasonably straightforward for the vast majority of parts.

The business would be held responsible for having accepted any part or vehicle which was later found to be stolen, or for any part in stock which could not be attributed to a bona fide source. There would be a presumption that any business found to have handled a stolen part, or to have not properly verified and recorded the source of a part, would be dis-accredited. The onus would not be on the Code administrators to establish negligence (or any other test) on the part of the business, although an appeals arrangement would allow exceptional cases to be considered.

It is acknowledged that this may seem an overly stringent approach to some in the industry, but is presented as the basis for further discussion and is supported by APRAA. Clearly, support from the good operators will be essential in implementing the Code and a co-operative approach with the industry should continue to be adopted.

However, ADEC's [A.D. Edward's Consulting] assessment is that only by establishing a strong presumption of dis-accreditation in all circumstances would

high levels of compliance be achieved, and appropriate decisions be made, at the individual business level when sourcing parts. The aim would be to ensure businesses never “take the chance” on parts of uncertain origin. Importantly, this approach would also minimise the administrative burden for the Code administration body.

7.3 Key Elements of a Code

In addition to the general incentive framework discussed above, most of the following suggested elements of a Code have been widely disseminated and discussed with stakeholders during the project (see the Issues Paper at Appendix B which formed the basis for stakeholder consultations). There was general support for these elements from the majority of those consulted. However, it is recognised that further discussion will be needed with stakeholders to refine the details.

The following are the suggested main elements of a Code:

- ◆ Blanket undertaking to not knowingly or negligently deal in stolen auto parts;
- ◆ Institution of prescribed minimum “audit trails” to substantiate and differentiate the origin of all major auto parts (and vehicles) held and sold by businesses (see 7.4);
- ◆ Onus on recyclers to verify that parts and vehicles are from legitimate sources. At a minimum, records to be maintained verifying the clear title on all whole vehicles obtained;
- ◆ Where parts are obtained from other businesses, the use of accredited recyclers as far as possible. This will ensure the “upstream” safeguards are in place and, in these cases, the onus for verifying the legitimacy of the source of the parts would rest with the supplying, accredited recycler;
- ◆ Strict requirements on businesses to verify (and maintain records of) the identity of those from whom parts or vehicles are obtained – such as the “100 points” of ID used by banks, including at least one form of photo identification;
- ◆ A general presumption against the purchase of used parts from private sellers unless strong evidence of legitimacy is provided;
- ◆ No cash payments to sellers of parts or vehicles (to avoid the loss of an audit trail, and to avoid providing immediate reward to thieves);
- ◆ Establishment of a “fit and proper” character test that would, for example, prohibit accreditation for those with a criminal record (at least to the extent the record related to dealing in stolen goods) in, say, the last 10 years;
- ◆ Compliance with any relevant regulations in the jurisdiction in which the business is located;

- ◆ Agreement to fully co-operate with, and make records available to, Code compliance inspectors, police, offices of fair trading, registration authorities or other regulatory enforcement bodies as is reasonably required;
- ◆ Reporting of any instances in which suspicious parts or vehicles are encountered to the code administrator, and/or relevant authorities;
- ◆ Provision to report any businesses suspected of dealing in suspicious parts or vehicles to the code administrator and/or relevant authorities;
- ◆ Certification to customers that all used parts sold have been verified as coming from legitimate sources, possibly with financial recompense to the customer in the event of a breach;
- ◆ Acceptance of the administration arrangements for the Code, including the disciplinary and appeals arrangements; and
- ◆ (Perhaps) assistance on a voluntary basis with the operation of a Code – such as contributing to industry cross checks – ie. monitoring the compliance of other businesses with the Code.

The majority of businesses in the industry agreed that stricter identification requirements on those from whom parts are obtained, and requiring police checks as a precondition to becoming accredited, would reduce the trade in stolen parts.

7.4 Audit Trails and Record Keeping

Instituting record keeping and other procedures to establish audit trails sufficient to verify the source of parts entering a business is a key requirement for a Code to be effective (along with ID checks etc).

It is proposed that, as a starting point for further discussion, the record keeping system be modelled on the NSW Prescribed Parts Register scheme (see Chapter 4). In summary, key aspects of the system might include that:

- ◆ A register be maintained which adequately identifies each donor vehicle which enters the premises for disassembly, including a record of any registration authority, encumbrance register or other checks taken to establish clear title on the vehicle, (as well as details such as when, from whom, and how the vehicle was purchased);
- ◆ When a vehicle is disassembled, the separated parts should be labelled in a manner which allows them to be readily identified as being from a particular donor vehicle;
- ◆ When selling a part, the invoice is to include reference to the aforementioned part number, so that, in the event of any dispute, the part can be traced to the original donor vehicle;
- ◆ Where already-separated parts are obtained from other accredited recyclers, a record of when and from whom it was obtained should be

kept. When sold, the invoice should contain sufficient information to allow the part to be attributed to the originating recycler; and

- ◆ Separated parts from other sources (particularly private sellers) will be subject to stringent checks (see below).

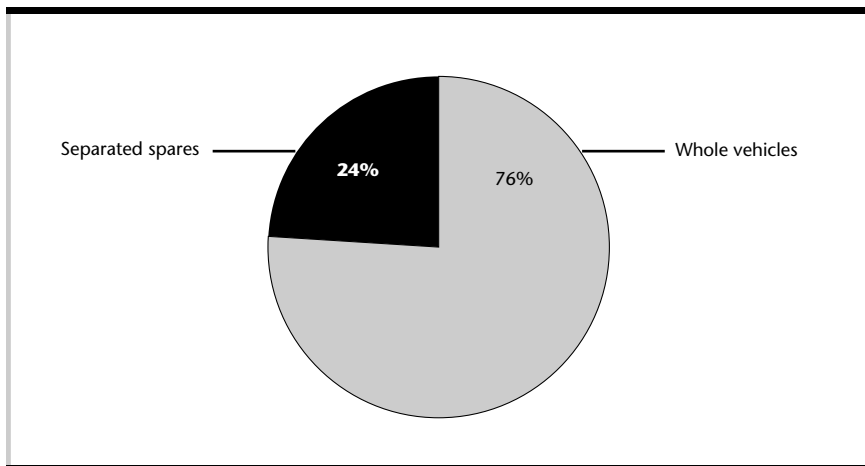
The aim would be for a Code inspector to be able to readily trace any part in stock, or sold, back to its source – the source being either the donor vehicle, an accredited recycler, or properly checked and documented identification for other sellers.

7.5 Supply of Parts to the Industry

In this context, an understanding of the supply of used parts to the industry is important in understanding the implications for businesses in verifying the legitimacy of parts. For instance, it can be expected that the source of parts posing the greatest verification difficulties would be already separated parts obtained from private sellers. In contrast, the legal status of whole vehicles, whether from private or other sources, should be relatively easy to check through registration authorities, encumbrance checks etc.

Figure 1 shows that the vast bulk (76%) of the parts supply for the industry comes in the form of whole vehicles, with just 24% coming into businesses in the form of already separated spares.

Figure 1: Source of Spare Parts - Whole Vehicles vs Separated Parts



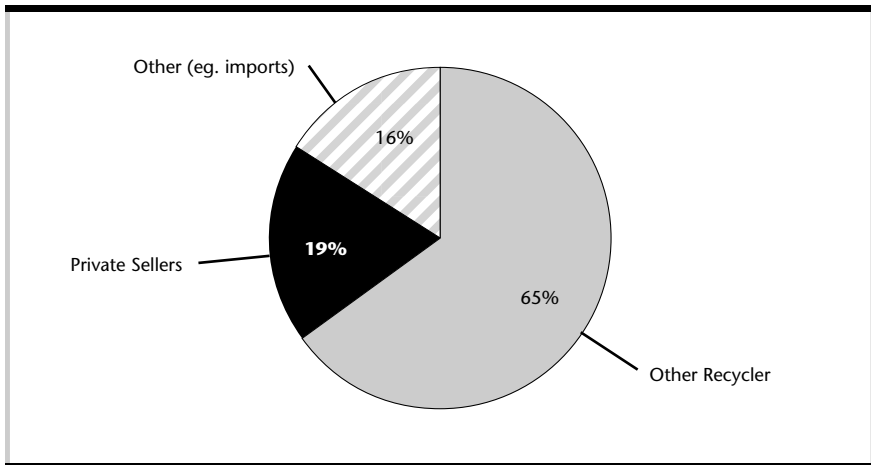
Source: A.D.Edwards Consulting P/L

Of those already separated spares, the great majority (65%) are sourced from other auto dismantlers and recyclers (see Figure 2). By deduction, therefore, it can be surmised that nearly 90% of the supply of parts to the industry is in the form of whole vehicles⁴¹⁹ either directly or through another auto parts dismantler/recycler.

⁴¹⁹ $75.6\% + (0.756 \times 0.652 \times 24.4) = 87.6\%$ of total supply

Figure 3 shows that the main source of whole vehicles are private sellers (49%) followed by auctions of written-off vehicles (31%).

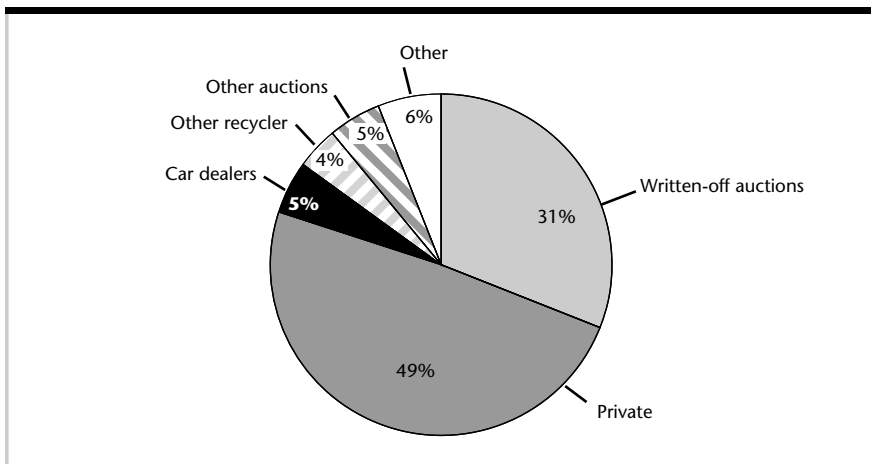
Figure 2: Source of Already Separated Spares



Source: A.D.Edwards Consulting P/L

Figure 2 shows that only 19% of already separated spares are obtained from private sellers. Private sellers of already separated parts therefore account for less than 5%⁴²⁰ of total industry parts supply.

Figure 3: Source of Whole Vehicles



Source: A.D.Edwards Consulting P/L

7.6 Conclusion

The vast majority of parts in the industry are sourced from whole vehicles. As the parts are therefore derived from known, whole vehicles, the record keeping requirements ought to be relatively straightforward in most cases. Furthermore, it should be relatively easy to verify the legitimacy of whole vehicles.

420 ie. 18.5% of 24.4% (private seller proportion of the supply of already separated spares)

In so far as parts are sourced from other, accredited recyclers, the great majority will also have been derived from whole vehicles. It is proposed that the onus for ensuring the legitimacy of the part in this case would fall on the first accredited recycler that receives (or separates) the part. For parts sourced from other accredited recyclers, then, the only requirement would be to maintain records to show which accredited recycler had supplied the part (and when etc).

Already separated parts, particularly those from private sellers, are the most difficult to verify as having been legitimately obtained as they cannot be readily attributed to a particular vehicle. Presently, separate parts from private sellers only account for about 5% of the parts entering the industry, and the workload under a Code for these parts would probably not be a significant burden for most businesses.

However these parts will need to be the focus of more stringent requirements as:

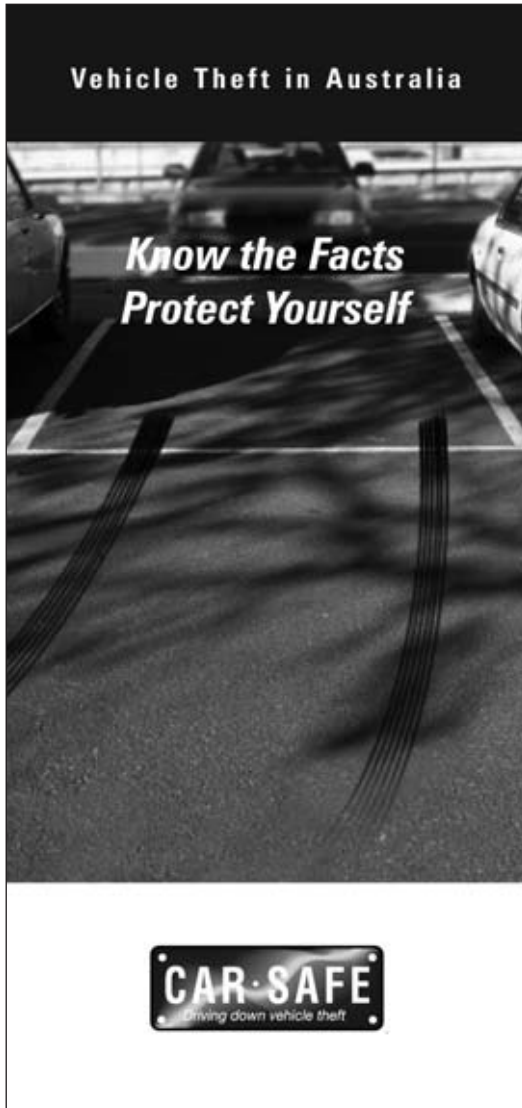
- ◆ they probably already account for the bulk of the stolen parts which enter the industry; and
- ◆ as discussed at Chapter 3, the introduction of WOVRS are likely to lead to a substantial increase in the number of thieves that attempt to dispose of stolen parts through legitimate businesses.

It is recommended, as a basis for further discussion, that accredited recyclers institute far more stringent requirements on private sellers of parts. The suggested incentive framework for this requirement is the proposal that the recycler would be held accountable under the Code (and face dis-accreditation) if the part was found to be stolen. The general presumption should be that parts are not to be bought from private sellers unless clear evidence of legitimacy is provided:

- ◆ At a minimum, it is proposed that recyclers would be required to obtain (and keep records of) a number of forms of ID from private sellers, including photo ID – perhaps akin to the “100 points” requirements for opening bank accounts;
- ◆ In addition, it is proposed that accredited recyclers should not provide cash payments to private sellers of parts or vehicles. Even cheque payments are likely to be a disincentive to thieves seeking quick and anonymous payment. (Although probably unrealistic in the short term, payments directly to a seller’s bank account would be likely to be a significant disincentive to thieves and should be reconsidered at a later stage).

It should be noted that, ultimately, the only fully effective basis for tracking used parts will be the introduction of effective parts marking (such as vehicle identification number based “microdots”) in the vehicle manufacturing process. This is a long-term solution, given the time between when a vehicle is manufactured and when it reaches dismantlers/recyclers. Nevertheless, parts marking should continue to be pursued with manufacturers and importers.

Appendix 10: Know the Facts – Protect Yourself (National Motor Vehicle Theft Reduction Council brochure)



CAR-SAFE Tips

To reduce the chances of your car being stolen:

- ✗ Do not hide a second set of keys anywhere on your car.
- ✗ Never leave your car running while it's unattended - not even for a minute!
- ✗ Do not leave personal items including mobile phones, briefcases and handbags in sight. If you hide valuables do not do it when you have already parked - thieves could be watching you.
- ✓ Always fully close all windows, lock all doors and take the keys with you. Of course never leave animals or children locked in your vehicle.
- ✓ At night park in a well-lit and secure area. Thieves target cars at night.
- ✓ If you have off-street parking use it. If you're away from home, park in a secure attended car park. Almost 50% of vehicles are stolen from the street.
- ✓ Remember, any security is better than no security. But if you want maximum protection, a self arming electronic immobiliser is the most effective vehicle security you can have.

Myths and Realities

Myth My car won't get stolen

Reality A car is stolen every four minutes in Australia which adds up to over 138 000 per year and one of the highest rates of vehicle theft in the western world.

Myth No one will steal my old bomb

Reality The majority of vehicles stolen are over 10 years old. Thieves target these vehicles because they generally lack effective security devices and are easy targets.

Myth Most cars are stolen by highly organised gangs who will steal my car no matter how I protect it

Reality Only around 1 in 4 stolen vehicles are stolen by professional thieves. The majority of vehicles are stolen by opportunistic thieves who use them for joyriding or to commit another crime. These thieves are generally unskilled and will be deterred by an effective security device. Self arming electronic immobilisers are the most effective security device currently available and can be fitted to almost all existing vehicles.

Myth If my car is not stolen I'm not affected by vehicle theft

Reality Every single Australian bears the billion dollar cost of vehicle theft through costs to the insurance industry and criminal justice system. Tragically lives are also lost every year in stolen vehicle accidents.

Myth It doesn't matter if my car is stolen my insurance company fully covers me

Reality Research shows that many people who have had their car stolen do not feel that insurance took all the pain out of losing their vehicle. Unfortunately insurance cannot always cover you for the inconvenience, the hassle of looking for a new vehicle and the feeling of being violated.

**Play your part to help drive
down vehicle theft.**

**If you have any information on
stolen vehicles or fraudulent
insurance claims contact
Crime Stoppers on FREE call
1800 333 000**

**Your anonymous call could
return a vehicle to its
legitimate owner.**

What is being done to reduce vehicle theft in Australia?

In order to drive down the high cost of vehicle theft to the community the National Motor Vehicle Theft Reduction Council has been formed by all Australian governments and the insurance industry.

The Council is working with the insurance industry, government transport and justice agencies and the motor trades to implement a range of strategies to deliver substantial and long-term reductions in our unacceptable rate of vehicle theft.

To find out more: www.carsafe.com.au
E-mail: info@carsafe.com.au



National Motor Vehicle
Theft Reduction Council

An initiative of all Australian governments and
the Insurance Industry

Version 2

Appendix 11: Immobilise Your Car Before a Thief Does (National Motor Vehicle Theft Reduction Council brochure)

**Immobilise your car
before a thief does.**



CAR·SAFE
Driving down vehicle theft
Immobilise Now!®

What is Immobilise Now!?

Immobilise Now! is a National Motor Vehicle Theft Reduction Council (NMVTRC) initiative to reduce the rate of theft of older cars by youths who steal vehicles for joyriding, transport or to commit another crime. This represents 3 out of every 4 vehicles stolen in Australia.

Research indicates that an electronic engine immobiliser is the best form of vehicle security available to deter thieves.

In order to secure the maximum number of older vehicles fitted with an immobiliser we have established a partnership with suppliers and installers to provide immobilisers at an affordable price.

**Stop Car Thieves. Fit an Immobiliser.
Immobilise Now!**

How do Engine Immobilisers Work?

An engine immobiliser fitted under the Immobilise Now! Program will protect your car by temporarily interrupting the power supply to two of the three systems required to start the vehicle's engine, that is the fuel pump, starter motor or ignition (see diagram).

The engine will not start unless the correct electronic signal is provided by a uniquely coded 'jack plug', 'touch key', 'transponder' or 'remote'. The signal constantly changes to ensure that the code is virtually impossible to crack.

How effective are Immobilisers?

Immobilisers are the *most effective* vehicle security devices currently available.

NMVTRC research indicates that immobilisers are fitted to 36% of all vehicles in Australia, but only 3% of stolen vehicles. In many instances, where a vehicle fitted with an immobiliser has been stolen, the thief had access to the original key. This highlights the importance of not leaving your car keys in a place where they can be easily found by thieves.

Where can I get an Immobiliser?

A full list of participating immobiliser installers is available from our call centre on 1300 132 146.

How much will it cost?

Immobilisers fitted under the Immobilise Now! program are available at participating installers from \$160 to \$200 installed rrp, depending on your choice of product. Prices include a minimum two year warranty and GST.

This price is well below the rrp of immobilisers usually available.

AS/NZS Standard Certified

All engine immobilisers fitted under the Immobilise Now! Program have been certified as meeting the Australian/New Zealand Standard 4601:1999. This ensures that they cannot be easily overcome by thieves and will not affect the safe operation of your vehicle.

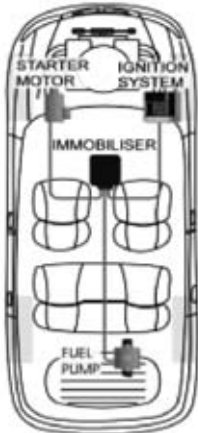
Photo: Melton Fire Brigade

Standard features of all systems include:

- Automatic immobilisation within 40 seconds of ignition switch-off
- Two independent points of immobilisation
- Connections enclosed in security housing
- All black security wiring
- Flashing dashboard LED when system armed
- Secure owner PIN override

Engine immobilisers fitted under the Immobilise Now! Program do not include an alarm as a standard, but some models may be integrated with an alarm and other optional features.

All systems carry a minimum two year warranty provided by the manufacturer.



Range of devices available

Several manufacturers supply products to the Immobilise Now! Program. The full range of immobilisers can be classified into four types based on the device used to deactivate the unit.

An electronically coded Jack Plug (which is like an extra key) that must be inserted in a socket mounted in the fascia of the dashboard to allow you to start the vehicle.

An electronically coded Touch Key in place of the Jack Plug. It also requires a socket to be mounted in the dash.

An electronically coded Transponder Tag (about the size of the cap of a ballpoint pen). The transponder communicates with a wiring loom around the vehicle's ignition. If you attach the transponder to your key-ring it will be close enough to send its deactivation signal when you insert your key in the ignition.

Remote Transmitter device. For an additional charge these systems may also be interfaced with a central locking kit (or the vehicle's existing central locking system where fitted) to provide keyless entry to the vehicle.

All devices offer you very high levels of protection at an affordable price. All you need to do is choose which one best suits your needs. If you have technical questions about the devices please contact your nearest Immobilise Now! Installer.

(Please note: Not all installers will carry the full range of devices).

Myths and Realities

Myth My car won't get stolen

Reality A car is stolen every four minutes in Australia which adds up to more than 145,000 per year – one of the highest rates of vehicle theft in the western world.

Myth No one will want my old bomb

Reality The majority of vehicles stolen are over 10 years old. Thieves target these vehicles because they generally lack effective security devices and are easy targets.

Myth Most cars are stolen by highly organised gangs who will steal my car no matter how I protect it

Reality Only around 1 in 4 vehicles are stolen by professional thieves. The majority of vehicles are stolen by opportunistic thieves who use the cars for joyriding or to commit another crime. These thieves rely on finding older vehicles that have no or ineffective security. An engine immobiliser will deter them.

Myth It doesn't matter if my car is stolen as my insurance company fully covers me

Reality Research shows that many people who have had their car stolen do not feel that insurance took all the pain out of losing their vehicle. Unfortunately insurance cannot always cover for the inconvenience, the hassle of looking for a new vehicle and the feeling of being violated. The thief can also use your car to commit another crime or injure an innocent person.

What is the National Motor Vehicle Theft Reduction Council?

The National Motor Vehicle Theft Reduction Council (NMVTRC) has been formed by all Australian governments and the insurance industry to reduce Australia's unacceptable level of vehicle theft.

We are a not-for-profit organisation.

CAR-SAFE is the NMVTRC's trademark for community education programs.



National Motor Vehicle
Theft Reduction Council


www.carsafe.com.au
E-mail: info@carsafe.com.au
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Tel: 03 9954 5300 Fax: 03 9866 1782

Disclaimer: The condition and wiring of some older vehicles may mean that they cannot be fitted with an immobiliser under this program, or may incur an additional installation cost. In this case the installer is obliged to fully explain any additional costs and obtain your consent before commencing any work. Product suppliers and installers, as appropriate, are responsible for any claims made by any person in respect to product liability or performance or standard of workmanship.


Version 3

Appendix 12: Save Yourself from Buying a Stolen Vehicle (National Motor Vehicle Theft Reduction Council brochure)

Vehicle Theft in Australia



Save yourself from buying a Stolen Vehicle



Minimise your risk of buying a stolen vehicle

- ✓ For complete protection buy through a licensed motor vehicle dealer. It is the responsibility of the licensed dealer to ensure the vehicle is not financially encumbered. This means that no money is owing on the car and if it is subsequently found out the car is stolen, you are protected against loss.
- ✓ If a car deal seems too good to be true, chances are it just may be. Beware of vehicles that are significantly underpriced for their make, model, age and condition.
- ✓ Many stolen vehicles are given new identities using the identification plates from written-off vehicles. Some states now have a register in place where you can check if the vehicle has been written-off. Ask your state registration authority if this service is available. Be especially wary of cars that have recently been re-registered.
- ✓ Ensure that the Vehicle Identification Number or chassis number, engine and registration numbers on the vehicle match those on the registration certificate.

APPROVAL NO. 1111	CATEGORY MA
CAR SAFE MOTOR COMPANY OF AUSTRALIA LTD CARSAFE X1 FAMILY SEDAN	
GVM Kg	SEATS 5
10/95	VIN 6FPAAA JG34MU68904
THIS VEHICLE WAS MANUFACTURED TO COMPLY WITH THE MOTOR VEHICLE STANDARDS ACT	

An example of a vehicle identification plate.



- ✓ Check for signs of tampering (grind marks, scratches, over-stamping) with the vehicle identification plates (usually found on the vehicle's firewall in the engine bay) and the vehicle identification number.
- ✓ Make sure that the person selling the car is the owner. Ask for photo identification and ensure that the details match those on the vehicle registration certificate.
- ✓ Ask the seller for their proof of purchase and check the vehicle's odometer reading against the service manual. Look for authentic receipts for major servicing.
- ✓ For increased peace of mind consider having the vehicle inspected by your state automobile club or motor trade association. Ask the inspector to check for signs of the vehicle identification being changed as part of the mechanical inspection.
- ✓ If you are buying a vehicle privately it is important that you check with your state authority that the vehicle is not financially encumbered. This means that no money is owing on the vehicle. In most states, you can get verbal confirmation over the phone, but must get a copy of the certificate to be protected against repossession.
- ✓ In some jurisdictions your state authority is also able to tell you if the vehicle has been recorded as stolen.

To check whether a vehicle is financially encumbered check with your state authority

STATE	NAME	TELEPHONE
NSW, ACT & NT	NSW Register of Encumbered Vehicles	(02) 9600 0022 or 1800 424 988
Victoria	Vehicle Securities Register	131 171
Queensland	Register of Encumbered Vehicles	(07) 3246 1599
South Australia	Vehicles Security Register	131 084
Western Australia	Register of Encumbered Vehicles	1300 304 024
Tasmania	DIER Motor Registry	(03) 6233 5201 www.transport.tas.gov.au/regstat

The Facts

A car is stolen every four minutes in Australia which adds up to over 131,000 per year and one of the highest rates of vehicle theft in the western world.

Approximately 75% of stolen cars will be recovered within a few days, however many will be badly damaged. The remaining 25% will be stolen by professional thieves and given a new identity or stripped for parts.

Nearly 20,000 vehicles a year are never found.

A large number of stolen vehicles with a new identity will be sold to unknowing buyers.

If you do buy a car that is later found to be stolen you may lose both your new car and your money.

While professional thieves can make it difficult to detect whether a vehicle is genuine there are few simple steps you can take to minimise your risk of buying a stolen car.

Remember it is your money at risk. You have the right to ensure that the car you are buying is genuine.

What is being done to reduce vehicle theft in Australia?

In order to drive down the high cost of vehicle theft to the community the National Motor Vehicle Theft Reduction Council has been formed by all Australian governments and the insurance industry.

The Council is working with the insurance industry, government transport and justice agencies and the motor trades to implement a range of strategies to deliver substantial and long-term reductions in our unacceptable rate of vehicle theft.

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**National Motor Vehicle
Theft Reduction Council**

An initiative of the National Anti-Crime Strategy
and the Insurance Industry

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