



National Motor Vehicle
Theft Reduction Council
driving down vehicle theft

ANNUAL REPORT 2006

THE BENEFITS OF

THEFT-REFORM



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VISION

To achieve the lowest rate of motor vehicle theft in the developed world, thereby improving Australia's economic and social well-being.

MISSION

To deliver a culture of continuous and sustainable vehicle theft reduction in Australia by advancing reform and cooperation between industry, government and community stakeholders.

OPERATING PHILOSOPHY

The NMVTRC is committed to developing close partnerships and common goals with stakeholders through the promotion of the economic and social benefits of reduced vehicle theft. Its credibility will be judged by the quality of its proposals for change.

LETTER OF TRANSMITTAL



National Motor Vehicle
Theft Reduction Council
driving down vehicle theft

31 October 2006

Australasian Police Ministers' Council

The Hon. Judy Spence MP (Chair)
The Hon. Carl Scully MP
The Hon. Simon Corbell MLA
The Hon. Tim Holding MP
The Hon. David Llewellyn MHA
The Hon. Paul Holloway
The Hon. John Kobelke MLA
The Hon. Paul Henderson MP
Senator the Hon. Chris Ellison

Insurance Council of Australia President

Mr Michael Hawker

In accordance with the Rules of Association of the National Motor Vehicle Theft Reduction Council Inc.,
I have pleasure in submitting the NMVTRC's Annual Report for the year ended 30 June 2006.

Yours sincerely,

David M Morgan
Chairman

NMVTRC MEMBERS



Left to right: Mark Borlace (AAA), Peter Fitzpatrick (MTAA), James Armitage (Crime Prevention Officers Group), Terry Purton (APMC), Keith Seyer (FCAI), Robert McDonald (ICA), David Morgan (Chair), Dianne Heriot (Australian Government) and Ray Rawlings (Austroads).

CHAIRMAN'S REPORT



The Benefits of Theft Reform

The 2005/06 year delivered Australia its fifth consecutive year of significantly reduced vehicle theft. The 75,800 thefts recorded nationally represent an 8 per cent fall over last year and a 46 per cent reduction since 2001 (or half as much again as the reduction in property crime generally).

The 2006 Annual Report also marks a major milestone in vehicle theft reform in Australia with all Australian governments and the insurance industry agreeing to extend the NMVTRC's life into a third term to mid-2009.

That support comes on the back of the second formal review of the NMVTRC's operations. The review comprised independent expert analysis of the NMVTRC's performance in terms of cost-benefit outcomes (the benefits element) and the views of key stakeholders on the NMVTRC's performance in meeting its objectives and the level of support for extension (the stakeholder element).

The benefits element valued the economic benefit of the NMVTRC reform process at between \$62 million (most conservative) and \$1.4 billion (most optimistic). Notwithstanding the wide range, due to the need to forecast certain elements, the NMVTRC considers that the results clearly demonstrate both the economic value of vehicle theft reform to the Australian community and the NMVTRC's contribution as the driver of the reform process.

It is also worth noting that the study estimates that over the term of the evaluation period the investment in the NMVTRC by governments and insurers will result in leveraged investment of \$288 million by other parties in theft reduction initiatives – a multiplier ratio of more than 1:11 for each dollar invested.

The stakeholder element confirmed that stakeholders' views of the NMVTRC continue to be extremely positive, with respondents indicating that the NMVTRC is:

- the organisation best placed to coordinate vehicle theft reform;
- effective at consulting stakeholders;
- good at networking to bring about effective reforms;

- responsive, helpful and accessible;
- innovative and research/data based; and
- successful in achieving its objectives.

All respondents were unanimous in the view that the NMVTRC should be extended beyond 2006.

The extension comes with a realignment of reporting lines to governments via the Australasian Police Ministers' Council and the elevation of reducing vehicle-related insurance fraud as a specific objective.

Pleasingly, the 12 months to 30 June also saw further progress in key elements of the NMVTRC reform agenda including the:

- continued outstanding performance of the NMVTRC's young offender program *U-turn* in Queensland and Tasmania to turn young lives around to deliver positive outcomes for both the young people concerned and the broader community;
- securing of a strategic alliance with AusIndustry – the Australian Government's business innovation support program – and DataDot Technology to commit a total of \$3.5 million to supporting the trial of a high-volume microdot application system that could address the logistical issues associated with applying the technology in just-in-time manufacturing environments;
- strong support of Australia's major insurers for the NMVTRC's National Parts Code initiative which seeks to significantly reduce the number of stolen vehicle parts entering the legitimate recycling supply chain; and
- outstanding response of local governments in theft hot spots to help drive our risk reduction strategies to their residents via our successful Operation Bounce Back partnerships which saw theft rates fall in all participating municipalities at a faster rate than the respective host State average.

The year also saw some key changes in the membership of the Council with Peter Fitzpatrick (Motor Trades Association of Australia), Terry Purton (Australasian Police Ministers' Council) and James Armitage (Crime Prevention Senior Officers' Group) replacing retiring members. My thanks to them and the longer serving members of the Council for making the transition a smooth one and for their on-going support and expert guidance.

Finally, I would like to again congratulate our Executive Director and his staff for their outstanding commitment and energy in driving a profoundly important reform program for the nation forward.



David M Morgan
Chairman

EXECUTIVE DIRECTOR'S REPORT



As noted by the Chairman in his report, the last 12 months was another strong year for vehicle theft reform in Australia.

The NMVTRC's vision is for Australia to achieve the lowest rate of vehicle theft in the developed world and the significant gains made in the past seven years have positioned us well to achieve that goal. However, as with any large scale reform of a myriad of government, business and community practices, the task gets harder rather than easier to deliver continually better results. Continuing the current trend will therefore require a new level of commitment from both the NMVTRC and its stakeholders.

In addition to the significant reduction in theft numbers, highlights for 2005/06 included:

- the continued improvement to our data collection and analysis service CARS (Comprehensive Auto-theft Research System) that now means incident data for more than 80 per cent of all thefts is captured in the system within 30 days;
- the launch of a set of three new innovative television advertisements across the WIN network nationally developed by the Cities of Glenorchy and Clarence as part of their Operation Bounce Back partnership with the NMVTRC;
- reaching agreement with transport agencies on a process to ensure the transparent monitoring of the effectiveness of state and territory registration systems in minimising opportunities for criminals to launder stolen vehicles; and
- with the assistance of Austroads – making substantial progress towards establishing a means for insurers to validate client vehicle data from vehicle registration systems that will both improve customer service and mitigate against fraudulent claims¹.

In our 2005 report, we observed that the rate of non-recoveries (the primary indicator of the involvement of organised criminals seeking to convert stolen vehicles into cash) remained a concern. Applying a more

forensic approach to analysing key data has, however, confirmed that countermeasures such as the more effective management of written-off vehicle identities, improved vehicle identification and strong police responses have impacted significantly on the activities of criminal networks, with for example, insurance claims for non-recoveries falling for vehicles less than five years old by more than \$14 million (or 33 per cent) over four years.

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

As the Chairman observed, the high levels of stakeholder satisfaction reported to our independent review consultant indicate that the NMVTRC continues to enjoy strong buy-in from the key organisations that we rely on to implement our reform program. This was again evident in this year's annual planning workshop with senior executives – the 2006 StratPlan Forums – with record levels of stakeholder participation.

With this on-going commitment, the NMVTRC is well positioned to continue its leadership role in driving down vehicle theft in Australia.

One of the most interesting themes to come from this year's round of consultations was a strongly emerging view amongst police and others in larger jurisdictions that the 'traditional' line between the theft of vehicles by juveniles for short term use and more organised criminal activity is becoming increasingly blurred.

This suggests that treating the two forms of offending as almost mutually exclusive is outmoded and that all theft should instead be viewed as occurring within a continuum which has short term use at one end and pure economic gain at the other and a high level of fluidity in the middle. Figure 1 illustrates this concept.

That principle was adopted in laying out the NMVTRC's forward program for 2006/07 and has also been applied to the Reform Activity section of this Report.



Ray Carroll
Executive Director

1. Austroads is the association of Australian and New Zealand road transport and traffic authorities.

Figure 1: Car Crime Continuum



* The term minor fraud is used here to distinguish less sophisticated, limited scope and lower value scams from more highly organised, widespread and higher value fraud. It is in no way intended to diminish the seriousness of related offences.

OUR PEOPLE



Ray Carroll
Executive Director



Geoff Hughes
Director – Strategy
and Programming



Anna Saw
Project Officer



Elbereth Knox
Administration Officer

MOTOR VEHICLE THEFT IN AUSTRALIA 2005/06

Australia further improved its theft position in 2005/06 by bettering the 'record low' benchmarks set in the previous year, with total thefts falling by 8 per cent to 75,800. Thefts per 1,000 population and registrations now stand at 3.7 and 5.2 respectively – the lowest levels since national records were first collated in 1978². Seventy-eight per cent of stolen vehicles (excluding motorcycles) were recovered by the end of June.

Older passenger and light commercial vehicles continue to account for the overwhelming volume of thefts, with vehicles manufactured prior to 1996 accounting for almost 7 in 10. By contrast these vehicles represent only around 43 per cent of the registered fleet.

The penetration of engine immobilisers continues to grow with almost half the fleet protected with an Australian Standards Equivalent (ASE)³ immobiliser at June 2006. Vehicles fitted with an ASE accounted for only one in five thefts for the year.

One in every 197 registered passenger/light commercial vehicles were stolen in the period compared with one in every 175 in 2004/05. Motorcycles were stolen at a rate of one in every 72 registered⁴.

Organised criminals are still targeting popular family cars, with more than 1,100 Holden Commodores, Ford Falcons, and Mitsubishi Lancers less than 10 years old not recovered. The value of these vehicles alone exceeds \$18.5 million.

The reduction in theft numbers for the year has saved the community an estimated \$44 million to \$83 million⁵.

2. A breakdown of theft numbers and rates by state and territory is provided in the appendices with data updated and published quarterly in the NMVTRC's Theft Watch newsletter.
3. The term ASE was developed by the NMVTRC to cover original equipment immobilisers that comply with Australian Design Rules and after-market devices that meet Australian Standards.
4. Excludes off-road and other non-registered bikes.
5. Based on independent economic analysis conducted by MM Starrs Pty Ltd for the NMVTRC (September 2005) which estimated victims' costs per incident to be in the range of \$6,230 to \$11,920 depending on a range of personal and other factors.

Figure 2: Thefts and non-recoveries (excluding motorcycles), Australia, 2000/06

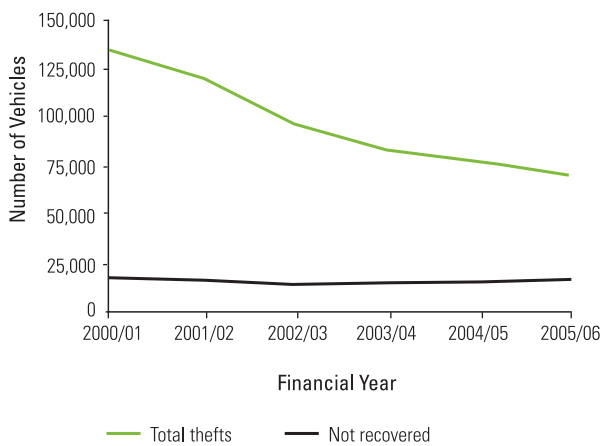
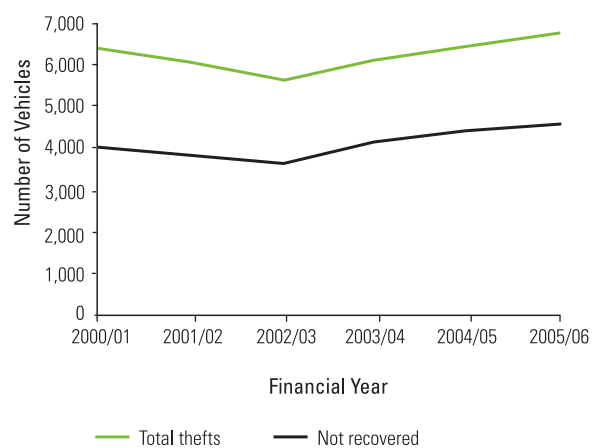


Figure 3: Thefts and non-recoveries (motorcycles only), Australia, 2000/06



STAKEHOLDERS BELIEVE

NMVTRC IS:

- > BEST PLACED TO COORDINATE VEHICLE THEFT REFORM
- > EFFECTIVE AT CONSULTING STAKEHOLDERS
- > GOOD AT NETWORKING TO BRING ABOUT EFFECTIVE REFORMS
- > RESPONSIVE, HELPFUL AND ACCESSIBLE
- > INNOVATIVE AND RESEARCH/DATA BASED
- > SUCCESSFUL IN ACHIEVING ITS OBJECTIVES

REFORM ACTIVITY

REDUCING THE THEFT OF VEHICLES FOR SHORT TERM USE

NMVTRC Objective

To reduce the incidence of the theft of vehicles for the purposes of transport, 'joy-riding' and vandalism.

Interventions

- Promoting improved community practices by raising awareness of vehicle theft and security issues.
- Securing older vehicles via the installation of Australian Standards approved engine immobilisers.
- Diverting young people from car crime via quality, cost-effective education programs.
- Maintaining effective investigative responses by police.

Community Communication Initiatives

Community concern about having a car stolen remained steady in 2005/06 with around 50 per cent of motorists expressing strong or moderate concern about falling victim⁶.

Operation Bounce Back

The NMVTRC's successful partnership with local government in vehicle theft hot spots *Operation Bounce Back* (OBB) – first launched in 2004 – was again the mainstay of the NMVTRC's community communications program. OBB promotes awareness of vehicle security issues and helps theft victims get on with life.

Under the program 13 local governments received grants packages to the value of \$35,000 to deliver education and awareness projects consistent with the NMVTRC's *Community Guide for Tackling Vehicle Theft*. A further nine grants of \$15,000 were extended to the most successful 2004 recipients to maintain programs.

In 2005/06 the program:

- saw more than 1,100 Australian Standards approved engine immobilisers installed to protect theft victims' older cars or other high risk vehicles;
- distributed more than 90,000 Car Safe brochures and related resources; and
- generated more than 45 articles in local media about preventing theft, in vehicle theft hot spots nationally.

OBB continues to provide an efficient and cost-effective channel for the delivery of key theft prevention messages where they are needed most and has been particularly successful in fostering stronger partnerships

between community stakeholders and local government and police in particular.

Many local governments added significant additional value to the basic program. Special mention goes to the:

- Tasmanian Cities of Glenorchy and Clarence – which with the assistance of the City of Hobart and the WIN Network produced a series of three innovative television advertisements that will screen in prime time across the WIN Network nationally over the balance of 2006;
- Victorian City of Casey – which developed a particularly effective strategy for identifying and engaging theft victims;
- Queensland City of Logan – which maintained its highly successful partnership with the Brisbane-based *U-turn*⁷ program to fit immobilisers to the vehicles restored by young offenders and donated to theft victims; and
- Western Australian City of Gosnells – which produced a DVD about car security.

Likewise, a number of NMVTRC registered security installers added additional value to the program by providing outstanding customer service. Examples include waiving the cost of removing outmoded systems, applying additional discounts, or supplying upgraded systems for the price of the basic units. Special mention in this regard goes to Sound 'n Security of Daisy Hill and Toowoomba Auto Electrical (Queensland), Exquisite Audio and Visual in Holden Hill (South Australia), Strathfield Car Radio in Bankstown, Black Widow in Burwood and Soundtalk in Villawood (New South Wales).

6. Car Theft Issues, November 2005, Nexus Research.

7. *U-turn* is the NMVTRC's model program for young vehicle theft offenders operated in Brisbane by the YMCA under contract to Queensland Police.

Table 1: 2006 Participating Councils/Lead Agency

QLD	NSW	VIC	WA	SA	TAS	ACT
Logan	Bankstown	Brimbank	Canning	Adelaide	Glenorchy	Department of Justice and Community Safety
Redland	Blacktown	Casey	Gosnells	Tea Tree Gully	Clarence	
Toowoomba [#]	Canterbury	Darebin*	Joondalup			
	Fairfield	Greater Geelong	Stirling			
	Penrith					

[#] Through Queensland Police. ^{*} Through Victoria Police (Region 3).

An aerial, top-down view of a parking lot with several cars parked. The cars are arranged in rows, and the parking spaces are marked with white lines. The overall tone is dark and monochromatic, with the text overlaid in white and green.

SAVING THE
INSURANCE
INDUSTRY MORE THAN \$160 MILLION

REFORM ACTIVITY CONTINUED

The aim of OBB is primarily to raise community awareness about theft prevention, immobilisers, and the benefits of vehicle security rather than to directly influence theft numbers. However an analysis of theft figures in those LGAs that participated in both the 2004/05 and 2005/06 programs (the 'mature sites') disclose some interesting trends.

Table 2 below provides an overview of theft numbers for the seven LGAs that received follow-up grants and have been acquitted to date. Theft numbers for the 2004/05 and 2005/06 financial years are provided alongside the state percentage changes over the same periods.

Table 2: An overview of theft numbers

LGA	Thefts 2004/05	Thefts 2005/06	% Change	State % Change
Greater Geelong (VIC)	766	597	-22%	-8%
Gosnells (WA)	387	332	-14%	-4%
Canning (WA)	402	351	-13%	-4%
Glenorchy (TAS)	545	528	-3%	+19%
Logan (QLD)	886	782	-12%	-8%
Canterbury (NSW)	1,058	956	-10%	-8%
Bankstown (NSW)	1,489	1305	-12%	-8%

Nearly all LGAs that received follow-up grants for 2005/06 experienced significantly greater decreases in theft compared to their state averages between the 2004/05 and 2005/06 financial years. Glenorchy (Tasmania) in particular defied the average trend in Tasmania with a decrease of 3 per cent compared to a rise of 19 per cent across the state. Greater Geelong (Victoria) experienced a decrease of 22 per cent compared to the 8 per cent fall in Victoria overall, and Gosnells and Canning each saw decreases of 14 and 13 percent respectively – much more notable than the overall drop of 4 per cent across Western Australia. While it is impossible to directly attribute all of these improvements to OBB, it could be that the focus provided by OBB has contributed to an improved response to vehicle theft by a range of local agencies and the community.

In addition to OBB, the NMVTRC distributed more than 100,000 brochures and other education resources via stakeholder channels.

Australia's Most Wanted

The year commenced with the final three media events of the NMVTRC's flagship communications program *Australia's Most Wanted* in Adelaide and Brisbane and Canberra.

AMW focused attention on the prevailing targets of thieves and provided clear advice to vehicle owners and buyers about how to minimise their risk of falling victim. Events were co-hosted by crime prevention ministers and received excellent media coverage to tackle the hard held myths around vehicle theft like, 'it won't happen to me', 'no-one would steal my old bomb', or 'I'm insured so it doesn't matter'. Victims of vehicle theft were also on hand to tell their personal stories of the financial and social hardships that car crime caused them.

Securing Older Vehicles with Engine Immobilisers

Australia's national immobilisation rate increased to 50 per cent for the year (up 2 per cent from 2004/05), with the NMVTRC's *Immobilise Now!*

(IN!) program again providing motorists with access to Australian Standards approved engine immobilisers for under \$200.

Unfortunately, this still leaves the nation with more than six million older vehicles that remain vulnerable to opportunist attack with even the most basic of tools, such as a coat hanger and screwdriver. The NMVTRC remains a strong advocate of Western Australia's laws that require retro-fitting of non-immobilised vehicles upon transfer of registration. The NMVTRC's regular consumer surveys consistently indicate that six in 10 motorists nationally support compulsory retro-fitting.

Diverting Young People from Car Crime

U-turn Young Offender Programs

Young people continue to be responsible for the vast majority of vehicle thefts in Australia. While most young thieves will stop offending as soon as they are caught, or simply grow out of it, around 15 per cent develop entrenched habits and become high-rate recidivist offenders. By their late teens some will have stolen hundreds of vehicles.

The NMVTRC's model young offender program *U-turn* uses the fascination that most young offenders have with vehicles to help them to develop practical automotive repair skills that can lead to further vocational or educational opportunities.

In February 2006, *U-turn Queensland (U-turn Q)* won the 2006 International Association of Auto Theft Investigators' (IAATI) award for outstanding achievement in theft reduction announced at IAATI's annual conference in New Zealand. Since its inception the Brisbane-based program operated by the YMCA under contract to the Queensland Police Service has delivered outstanding results characterised by sustained very high retention and graduation rates. The award is testimony to the commitment of the program partners and further evidence of the model's success as an alternative to other responses such as detention.

U-turn Q is one of three sites (Mission Australia also operates sites in Hobart and Perth) that were established with funding from the NMVTRC and the Australian Government's Attorney-General's Department (AG AGD) and now continue under local funding.

The final report of the meta-evaluation of all three sites funded by the AG AGD will be published in late 2006.

Spur of the Moment Youth Resources

A further 5,000 copies of the successful *Spur of the Moment (Spur)* comic – which is designed to encourage young people to openly examine the life and legal consequences of becoming involved in car crime – were distributed to schools and youth services around Australia. *Spur* was developed for the NMVTRC by Streetwize Communications – Australia's leading not for profit social communications agency.

The year also saw the NMVTRC commence a review of its youth oriented communications resources that will conclude in late 2006.

An aerial, top-down view of a multi-lane highway with several cars and a truck traveling in the same direction. The image is in grayscale, with the text overlaid in white and green.

SAVING THE
COMMUNITY

OVER \$670 MILLION

REFORM ACTIVITY CONTINUED

REDUCING THE THEFT OF VEHICLES FOR MIXED PURPOSES

NMVTRC Objective

To reduce the incidence of the theft of vehicles for the purposes of committing other crime, to sell as scrap, minor stripping, older re-birthing and minor fraud.

Interventions

- Securing older vehicles via the installation of Australian Standards approved engine immobilisers.
- Diverting young people from car crime via quality, cost-effective education programs.
- Ensuring the security of registration practices.
- Maintaining effective investigative responses by police.

The NMVTRC's stakeholder consultations throughout the year saw an emerging view amongst police and others that the 'traditional' line between the theft of vehicles by juveniles for short term use and more organised criminal activity is becoming increasingly blurred.

As a consequence, the NMVTRC has restructured its work program moving forward to better align it with the view that all theft occurs within a continuum which has short term use at one end and pure economic gain

at the other and a high level of fluidity in the middle. While interventions applied to the ends of the spectrum are inter-related (or overlap to an extent) there is a need for a body of work that focuses more precisely on the theft of vehicles for the purposes of committing other crime, to sell as scrap, minor stripping, older re-birthing and minor fraud. This work will commence in 2006/07.



INITIATED
INVESTMENT
BY OTHERS OF AROUND \$290 MILLION

REFORM ACTIVITY CONTINUED

REDUCING THE THEFT OF VEHICLES FOR PROFIT

NMVTRC Objective

To reduce the incidence of the theft of vehicles for large scale re-birthing, major stripping, export or major fraud.

Interventions

- Improving the standard of vehicle and component identification.
- Encouraging best practice in parts recycling.
- Ensuring the security of registration practices.
- Improving consumer access to vehicle information.
- Maintaining effective investigative responses by police.
- Applying strategic responses to fraudulent practices.

Vehicle and Component Identification

Secure Compliance Labels

The historically poor standard to which a vehicle's key identifiers are applied in the manufacturing process has greatly contributed to the ease with which thieves are able to disguise a stolen vehicle's true identity and make the detection of suspicious vehicles in the field by transport agencies and police (without applying complex forensic techniques) almost impossible.

The baseline in improved vehicle identification technology is a secure compliance label that is low-cost, highly resistant to tampering and easy to verify in the field as genuine by simple visual inspection.

Disappointingly, the year failed to produce a satisfactory product with all labels tested failing the NMVTRC's required standard for self-voiding and removal under heat when independently tested by the NMVTRC's nominated testing laboratory.

While recognising that vehicle manufacturers may choose to fit compliance labels for production related efficiencies, the NMVTRC does not consider that any of the labels tested to date offer sufficient material improvement over traditional metal compliance plates in terms of tamper resistance or counterfeit protection to be relied upon as a primary means of vehicle identification.

In the absence of any new label technologies being offered by label manufacturers that address identified security deficiencies, the NMVTRC ceased to actively pursue the development of a secure compliance label as part of its work program. However, the current technical specification will be maintained in the event that a label manufacturer wishes to submit a candidate label for testing.

Whole Vehicle Marking

The past year also saw the prestigious marques of Lotus (Elise and Exige, from September 2005) and Lexus (IS250 from September 2005 and all models from January 2006) join the ranks of vehicle manufacturers leading the way in improved vehicle identification systems.

This 'gold standard' technology is also used by Audi, BMW, BMW Mini, Ford Performance Vehicles, HSV, Mitsubishi (Lancer Evolution), Porsche and Subaru. Sales of 'microdotted' vehicles will account for more than 10 per cent of new vehicle sales in 2006.

The NMVTRC continued to work with police and transport agencies this year to ensure that use of the microdot technology is built into their practices and systems.

The year also saw the development of a strategic alliance with AusIndustry – the Australian Government's business innovation support program – and DataDot Technology to commit a total of \$3.5 million to supporting the trial of a high-volume application system that could address the logistical issues associated with applying the technology in just-in-time manufacturing environments. The NMVTRC is currently consulting vehicle manufacturers about participating in a trial.

In the meantime, Australia's largest insurer, IAG, continues to use secure compliance labels and VIN-based microdots as critical elements in its industry-leading vehicle security rating system.

Electronic Vehicle Identification (EVI)

The current state of active Electronic Vehicle Identification (EVI) technologies and their feasibility in the Australian setting was examined at a Symposium in August, hosted by the NMVTRC and Austroads – the association of Australian and New Zealand road transport and traffic authorities.

While the primary focus of EVI will be to contribute to road safety, pricing and traffic management, 'smart' vehicle identification may also assist to combat the illicit trade in stolen vehicles. Dynamic EVI systems that can securely interact with road management systems and other public and private infrastructure have the potential to make the movement of stolen vehicles by criminals much more difficult – both at the moment of theft and attempted disposal.

The Symposium concluded that while the widespread deployment of EVI in Australia was probably still more than a decade away, we should continue to closely monitor developments in Europe and elsewhere.

REFORM ACTIVITY CONTINUED

Encouraging Best Practice in Parts Recycling

Minimising the likelihood of stolen parts being unwittingly traded by legitimate recyclers is a central element of the NMVTRC's integrated national strategy to combat vehicle crime.

National Parts Code Inc. (NPC) is the independent association established by the NMVTRC to administer a Code of Practice aimed at significantly reducing the number of stolen vehicle parts entering the legitimate recycling supply chain. NPC is managed by a Board of representatives from the peak industry bodies (MTAA and APRAA), fair trading agencies, an independent recycler and the NMVTRC. It is chaired by former senior Victoria Police officer and road safety consultant, Ray Shuey.

At 30 June 2006 NPC membership totalled 130 businesses nationally. Ultimately around 200 participants will be required to meet the demand for secure supply chains from insurance smash repair networks.

Major insurers Allianz, IAG, Insurers' Hotline, Suncorp Metway, QBE and Zurich have each made a commitment to progressively transition to new arrangements with their preferred repairer networks to require any recycled components used in repairs to be sourced from NPC participants.

Applying a More Forensic Approach to Analysing Data

The year also marked a change in the way the NMVTRC analyses key data by applying a more forensic approach via the use of expert panels and increased levels of industry involvement.

Whilst this approach is still in its infancy, it is hoped it can help fill in some of the gaps in knowledge that currently hinder a fuller understanding of the 'fluid' dynamics of car crime.

CARS Data Services

The timeliness of key data flows into the NMVTRC's world-leading Comprehensive Auto-theft Research System (CARS) improved significantly in 2005/06 with the securing of monthly downloads of incident data (formerly received quarterly) from the Queensland and South Australian police services. This means that more than 80 per cent of all thefts nationally are captured by CARS within 30 days⁸. It is hoped that the coming year will see Western Australia, Tasmania and the Australian Capital Territory follow suit.

The CARS online query tools Analyser and QuickStats again provided stakeholders and media with valuable data tools with almost 4,000 self-directed searches made for the year.

The format of the detailed quarterly state and territory reports was also significantly improved.

The total number of records flowing into the system from all sources (police, insurers, registration agencies and commercial auto intelligence services) in 2005/06 exceeded 49 million.

Ensuring the Security of Registration Practices

System Performance Monitoring

Transport agencies and their business systems and practices are integral to helping to combat professional vehicle theft. Transport agencies can have a significant impact on criminal activity by assuring:

- the integrity of the Vehicle Identification Number (VIN) system by identifying, investigating and resolving anomalous VINs;
- that any vehicle which is recorded somewhere in Australia as stolen or a statutory write-off, or where there is doubt about its identity, is not re-registered;
- the real-time exchange of accurate vehicle identity information between jurisdictions; and
- that accurate and appropriate vehicle status information is available to consumers and the motor trades at a reasonable price.

Since its inception in 1999, the NMVTRC has worked closely with transport agencies to develop good practice and address financial and other barriers to implementing key registration reforms.

The year saw agreement reached with transport agencies on a process to ensure the transparent monitoring of the effectiveness of state and territory registration systems in minimising opportunities for criminals to launder stolen vehicles via local performance audits performed to a common national framework. The first audits are expected to be completed by early 2007.

Refining the Management of Written-off Vehicles (WOV)

The year also saw significant progress in refining the consistency with which the national WOV policy operates between jurisdictions. All states and territories will implement a range of practical improvements to forms and practices over the next 12 months to simplify compliance and reporting arrangements.

The development of a set of best practice principles (BPP) for vehicle identity inspections is expected to be completed by late 2006. The BPP will ensure a high level of performance for vehicle identity inspections regardless of the method of service delivery, i.e. in-house transport agency personnel or outsourced contractors, and will cover such issues as the security of inspection personnel, the application of exemptions and management of high-risk vehicles, the management of outsourced services and the application of targeted/random inspections.

Improving Consumer Access to Vehicle Information

Improving Current Service Delivery

Providing consumers and motor traders with easy access to quality, non-personal information about a vehicle's history is a vital element of the NMVTRC's strategy to combat the activities of criminals. Professional thieves rely on being able to disguise a stolen vehicle's identity by altering or swapping its key identifiers. This is much more difficult if potential purchasers are able to easily determine the true status of those identifiers.

In simple terms, consumers and motor traders need to be able to verify that the vehicle they are considering buying is not stolen, is consistent with the description of the vehicle held by the registration authority (as protection against re-birthing), and is eligible for registration, i.e. it has not been declared a statutory write-off (as protection against re-birthing and fraud).

8. New South Wales, Victorian and Northern Territory police data has been submitted monthly since 2004.

In September 2005 Queensland Transport launched its V Check online checking system which provides consumers and motor traders with a true one-stop-shop for vehicle status information for any post-1989 vehicle recorded on a state or territory register anywhere in Australia. The suite of information includes vehicle identification details, written-off and stolen status and financial encumbrance information.

The New South Wales Office of Fair Trading is expected to commence a similar service in 2007.

Developing a National Register of Encumbered Vehicles Service and National Personal Property Securities Law Reform

In 2001 the NMVTRC identified the state and territory vehicle securities network – collectively referred to as REVS agencies (Register of Encumbered Vehicles) as the most effective channel for delivering vehicle status information to consumers and the motor trades⁹.

Since that time the NMVTRC has been working with REVS agencies to progressively improve related services. In 2005/06 the NMVTRC contributed financially to investigating the logistics of developing a single national service under the auspices of the Ministerial Council of Consumer Affairs (MCCA).

Parallel to this process the Standing Committee of Attorneys-General (SCAG) has been investigating a more general reform of personal property securities (PPS) laws. PPS has significant conceptual similarities with the REVS service but would have a much broader scope in relation to the types of goods over which security interests could be registered.

As a consequence, while the MCCA review process has identified a range of options for implementing a seamless national service the potential overlap between it and the PPS is yet to be conclusively determined.

The NMVTRC welcomes any attempt to improve the consistency of national responses to key business and government processes but is also concerned that easy consumer access to key information must be maintained.

The NMVTRC's strong view is that any national system must 'bundle' encumbrance, stolen, and written-off data as core information and failure to do so would represent a significant missed opportunity to minimise the risk of consumers falling victim to criminal scams.

The NMVTRC looks forward to contributing to the policy debate around these issues.

Improving Investigative Responses

Police again shut down a number of major car crime networks across Australia during the year highlighting the importance of a vigorous enforcement and national intelligence response to the overall strategy.

The NMVTRC maintains liaison with key investigation managers from law enforcement agencies nationally and provides enhanced data analysis services as required.

The NMVTRC's Insurance Fraud Risk Assessment Group (IFRAG) – an expert advisory panel of insurance investigation managers from major insurers – also provides a forum in which observations on prevailing

theft and fraud trends can be exchanged. The role of IFRAG (and its work program) is discussed in more detail later in the report.

Looking forward, the NMVTRC is interested in developing customised data analysis tools to assist police to respond to car crime at a local level and pursuing innovative approaches in the field to track the movement of stolen vehicles.

Applying Strategic Responses to Fraudulent Practices

Independent research commissioned by one of Australia's leading insurers estimates that fraudulent claims, across all product lines, cost the community around \$2 billion annually. A 2002 study by Tozer Corporation for the NMVTRC estimated that up to 25 per cent of motor claims (representing up to 35 per cent of costs) may be fraudulent¹⁰.

In order to combat the activities of fraudsters greater collaboration is required between major insurers and police to identify systemic scams, develop effective countermeasures and coordinate implementation of responses.

In December 2005 the NMVTRC became the convener of the Insurance Fraud Risk Assessment Group (IFRAG) on behalf of Australia's leading insurers. IFRAG provides a forum for insurers to identify forms of systemic fraud and implement solutions to reduce fraud opportunities and optimise the affordability of insurance for consumers.

The NMVTRC maintains absolute discretion in the allocation of its resources to IFRAG projects. Without limiting IFRAG's ability to address all classes of insurance fraud, any significant investment of NMVTRC resources is directed to motor related fraud or requires evidence that other fraud reforms substantially cross-over to vehicle fraud. The resourcing of strategic responses to non-motor related fraud is the responsibility of other member organisations. IFRAG is not a forum for exchanging information about suspected or confirmed individual fraudsters.

IFRAG's initial work programme is focusing on:

- facilitating a means for insurers to validate client vehicle data from vehicle registration systems in conjunction with Austroads;
- examining options for assuring the competency and probity of contract insurance investigators;
- examining options for a national claims database;
- improving police response to insurer referrals; and
- facilitating a secure online forum for the exchange of prevailing fraud trends and modus operandi.

9. Feasibility of Improving Consumer Access to Reports on Vehicle Status, Infoconsult Pty Ltd, April 2001.

10. Impact of Insurance Practices on Vehicle Theft and Insurance Fraud, Tozer Corporation, July 2002.



46 PER CENT
REDUCTION
IN THEFTS SINCE 2001

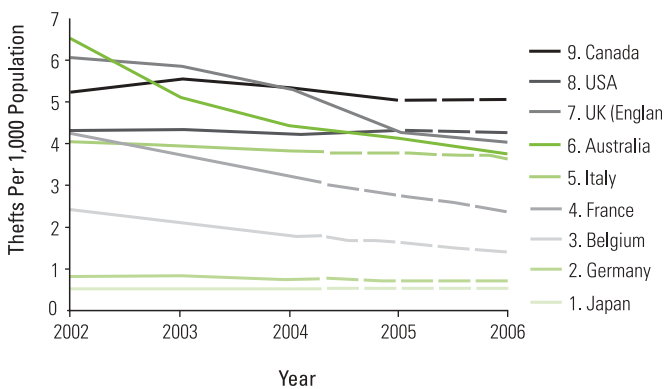
PERFORMANCE INDICATORS

Vehicle Theft in Comparable Developed Nations

Australia has been steadily improving its position on the NMVTRC's World League of Car Theft Performers, which compares the nation's vehicle theft rate per 1,000 population with eight other developed nations. Whilst Australia has some way to go to reach top spot (best performing nation), its current performance is impressive relative to other comparable developed countries.

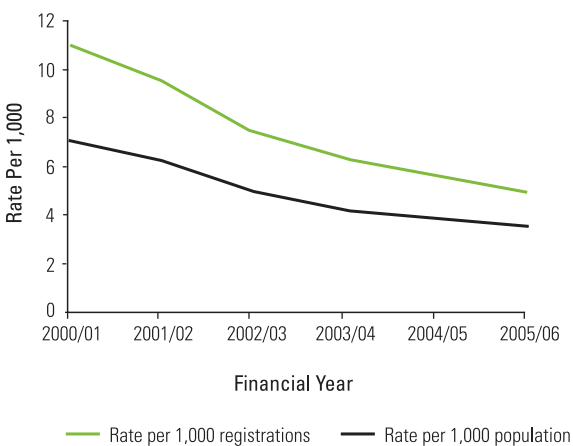
Figure 4 below shows vehicle theft rates per 1,000 population for Australia¹¹, Canada¹², the USA¹³, the UK¹⁴, Italy¹⁵, France¹⁶, Belgium¹⁷, Germany¹⁸, and Japan¹⁹ from 2002 until 2006²⁰. Comparing the longitudinal progress since 2002 for the nine countries, Australia's rate per 1,000 population reached 3.7 in 2006, dropping from 4.1 in 2005.

Figure 4: International league table of car thefts



Thefts (excluding motorcycles) per 1,000 population and registrations now stand at 3.4 and 4.9 respectively – the lowest levels since national records were first collated in 1978.

Figure 5: Thefts per 1,000 population and registrations



Changes in the Incidence of Opportunistic and Professional Theft

Changes in recovery levels are traditionally used to indicate the proportion of opportunistic (recovered) and professional (non-recovered) theft within the overall theft numbers. This distinction gives some indication of broad theft motivations, with opportunistic theft generally referring to joyriders and amateur thieves, and professional theft referring to profit-motivated crime.

The substantial decrease in theft numbers since 2001 has been primarily due to a fall in opportunistic theft, with the unrecovered rate remaining relatively stable over the years. However, a more in-depth analysis of the unrecovered rate shows a changing profile in terms of vehicle age – newer and older vehicles (aged less than five years and more than 10 years respectively) have seen an improving position. This suggests that reforms relating to managing written-off vehicles, improvements in security systems, and more effective policing are starting to have a noticeable effect. The static level of mid-range vehicles is to be investigated further.

In the last six years, the falling levels of opportunistic theft have pushed the unrecovered rate (as a proportion of total thefts) up slightly. The total number of unrecovered vehicles has been dropping, although the volume of unrecovered vehicles for 2005/06 is slightly higher than for the previous year. This is expected to fall slightly in the coming months as more vehicles are recovered and is likely to be less than the 2004/05 figure.

11. CARS Database.

12. Statistics Canada.

13. FBI Uniform Crime Reports.

14. UK Home Office.

15. 2002 estimate from Eighth United Nations Survey of Crime Trends and Operations of Criminal Justice Systems 2001/02; 2004 estimate from Europol Report: An overview on Motor Vehicle Crime from a European perspective, Jan 2006.

16. Europol Reports: An overview on Motor Vehicle Crime from a European perspective, Jan 2004 and Jan 2006.

17. Europol Reports: An overview on Motor Vehicle Crime from a European perspective, Jan 2004 and Jan 2006.

18. Federal Republic of Germany, 'Federal Crime Statistics 2004' and 'Federal Crime Statistics 2003'.

19. 2002 estimate from Eighth United Nations Survey of Crime Trends and Operations of Criminal Justice Systems 2001/02; 2004 estimate from National Police Academy, 'Crimes in Japan 2004'.

20. Caution should be used when making comparisons between countries because definitions of motor vehicle theft, recording methods, and periods of measurement (e.g. calendar vs financial years, etc) all vary by country. Where lines are broken in the above graph, previous theft rates have been used to estimate current positions due to the non-availability of updated data.

PERFORMANCE INDICATORS CONTINUED

Table 3: Thefts and Recoveries (Excluding Motorcycles)

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Number of thefts	133,035	118,791	96,089	82,950	76,062	69,112
Percentage of thefts recovered	88%	87%	86%	84%	82%	78%
Number of thefts not recovered	16,313	15,739	13,732	13,481	13,657	15,276

Table 4: Thefts and Recoveries (Motorcycles Only)

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Number of motorcycle thefts	6,316	5,992	5,612	6,040	6,401	6,689
Percentage of motorcycle thefts recovered	37%	37%	36%	32%	32%	33%
Number of motorcycle thefts not recovered	3,991	3,785	3,580	4,093	4,372	4,482

Analysis of the NMVTRC in the Media

The NMVTRC maintained its status as the peak national body for 'expert comment' on vehicle theft in Australia and featured in more than 700 media items in the year. *Operation Bounce Back* for this year in particular generated significant media coverage.

The year also saw the NMVTRC provide extensive input into special television features or reports for national programs such as the ABC's 'Four Corners' (vehicle re-birthing), Channel Seven's Today Tonight (parts stripping and microdot technology) and Sunrise ('car-jacking').

Other media contact throughout 2005/06 consisted of:

- radio interviews;
- local, state, and national newspapers;
- internet-based newsletters such as Go-Auto e-News; and
- a range of stakeholders' internal publications.

The Cost of Motor Vehicle Theft

The reduction in theft numbers for the year has saved the community an estimated \$44 million to \$83 million²¹. The NMVTRC therefore estimates the cost of vehicle theft to be in the range of \$472 million to 904 million, excluding the very large community costs associated with police investigations, courts and corrections. The lower range represents a very conservative estimate of personal costs.

Stakeholder Determined Performance Indicators

A sample of senior stakeholder executives from across Australia were again asked to complete a short survey on the NMVTRC's performance in relation to its program coordination and consultations, publications, and level of influence.

21. Based on independent economic analysis conducted by MM Starrs Pty Ltd for the NMVTRC (September 2005) which estimated victims' costs per incident to be in the range of \$6,230 to \$11,920 depending on a range of personal and other factors.

Program Coordination and Consultation

Ninety-four per cent per cent of respondents rated the NMVTRC's consultations generally as good or better than good. Similarly, 94 per cent also felt that communications activities, specifically the 2006 StratPlan forums, deserved a rating of good or better than good. A perfect score of 100 per cent was given to the NMVTRC's dissemination of vehicle theft information and information on the theft reform process.

A number of specific comments were made regarding the NMVTRC's program coordination and consultation performance, notably that:

- NMVTRC staff are perceived as helpful, supportive and accessible when advice and assistance is sought;
- the quality of communication and consultation is 'extremely high'; and
- the NMVTRC makes genuine efforts to consult with stakeholders.

A vehicle manufacturer commented that the NMVTRC had gained a better appreciation of the financial restrictions and realities faced by industry in implementing solutions which cannot be easily off-set by clear consumer benefits.

Publications

A perfect rating of 100 per cent also applied to the quality and timing of the NMVTRC's publications. Comments indicate that the quarterly publication of statistics and related analysis is particularly valued by respondents. The ability to compare performance between jurisdictions was noted as being helpful to achieve a wider appreciation of the theft environment across Australia.

Influence on Reforms

Eighty-seven per cent of respondents rated the NMVTRC as having a minor positive or major positive influence on the implementation of select reforms (within in their specific organisation). One respondent suggested the NMVTRC had been a negative influence in respect of a particular reform.

Respondents gave a wide range of positive comments relating to the NMVTRC's influence, including that:

- *Operation Bounce Back* is highly valued by crime prevention organisations across Australia;
- programs that involve assisting victims of theft, and those that attempt to engage young offenders (*U-Turn*) are particularly important;
- NMVTRC projects focus on long term impacts and complex issues to ensure continued reduction in vehicle thefts;
- the NMVTRC provides an essential service in implementing reforms, specifically whole of vehicle marking, that can only be effective on a global level;
- the high profile of the NMVTRC in the media as an expert body ensures that investments from organisations are justified and supported; and
- the regular provision of data ensures that the need for and effect of theft reform measures can be accurately assessed and reinforced, and also ensures that vehicle theft reduction remains high on the agenda.

It was noted, however, that not all reforms have been well received by all parties with the National Parts Code and the as yet unsuccessful secure compliance label project cited as being contentious issues within some groups of stakeholders.

NMVTRC's Overall Performance

General observations regarding the NMVTRC's performance were again informative. The process of developing best practice principles for key practices was hailed as good examples of the NMVTRC making a practical contribution to advancing important reforms. The NMVTRC's young offender program, *U-Turn*, was again applauded for its successes so far, and the whole of vehicle marking project was specifically noted as an extremely promising theft prevention and reduction initiative.

The need to explore solutions for underlying causal factors stemming from organised crime was stressed by some stakeholders as a future priority.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2006

	Note	2006 \$	2005 \$
Current assets			
Cash	2	1,732,177	1,323,098
Receivables	3	600	27,934
Other	4	39,319	22,447
Total current assets		1,772,096	1,373,479
Non-current assets			
Property, plant and equipment	5	12,727	25,745
Total assets		1,784,823	1,399,224
Current liabilities			
Payables	6	100,952	131,757
Current tax liabilities	7	10,300	0
Provisions	8	75,691	77,144
Total current liabilities		186,943	208,901
Net assets		1,597,880	1,190,323
Equity			
Retained earnings		1,597,880	1,190,323
Total equity		1,597,880	1,190,323

*The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.
Printed with rounded dollar balances. Rounding errors may make sub-totals appear incorrect.*

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
Revenue	9	2,324,826	2,306,556
Less: Expenses:			
Employee benefits expense		411,418	416,536
Depreciation and amortisation expense		19,690	21,437
Advertising expense		7,851	64,082
Auditor's remuneration		2,000	1,800
Communications and marketing		183,612	158,571
CARS (Comprehensive Auto-theft Research System)		321,228	369,277
Industry initiatives and export		167,388	227,982
Information exchange		9,091	32,906
Police response and victim case studies		0	42,118
Public education		399,894	645,909
Sitting Fee		30,000	30,000
Vehicle ID systems		32,461	16,018
Youth programs		143,561	518,610
Other expenses from ordinary activities		189,075	96,162
		1,917,269	2,575,526
Surplus from ordinary activities		407,557	(268,970)
Retained surplus at the beginning of the year		1,190,323	1,459,293
Retained surplus at the end of the year		1,597,880	1,190,323

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report. Printed with rounded dollar balances. Rounding errors may make sub-totals appear incorrect.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
Cash flow from operating activities			
Grants received		2,250,000	2,250,000
Interest received		67,743	56,420
Refunds and reimbursements		8,321	34,956
Payments to suppliers and employees		(1,908,894)	(2,230,578)
		417,170	110,798
Cash flow from investing activities			
Payment for property, plant and equipment		(8,092)	(398)
Net increase in cash held		409,078	110,400
Cash at beginning of year		1,323,099	1,212,699
Cash at end of year	2	1,732,177	1,323,099

*The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.
Printed with rounded dollar balances. Rounding errors may make sub-totals appear incorrect.*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

Note 1. Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act of Victoria.

The financial report covers National Motor Vehicle Theft Reduction Council Inc. as an individual entity. National Motor Vehicle Theft Reduction Council Inc. is an association incorporated in Victoria under the Associations Incorporations Act 1981 and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

National Motor Vehicle Theft Reduction Council Inc is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. Therefore, no provision for income tax has been raised.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets costing greater than \$1,000 are depreciated over their estimated useful lives to National Motor Vehicle Theft Reduction Council Inc commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Assets costing less than \$1,000 are depreciated over 12 months, commencing from the time the asset was held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Useful Life	Depreciation Basis
Office equipment	3 years	Straight Line
Furniture, fittings and fixtures	3 years	Straight Line
Computer equipment	3 years	Straight Line

(c) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits arising from wages and salaries, annual leave and sick leave have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable such as long service leave have been measured at the present value of the leave entitlement based on their entitlement to 1/40th of the full years of service for all employees with greater than four years of service.

Contributions are made by National Motor Vehicle Theft Reduction Council Inc to an employee superannuation fund and are charged as expenses when incurred.

(d) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(e) Revenue

Grant Revenue is recognised when the right to receive the revenue has been established.

Interest revenue is recognised when earned.

All revenue is stated net of the amount of goods and services tax (GST).

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

	2006 \$	2005 \$
Note 2: Cash Assets		
CBA cheque account	247,358	41,834
CBA cash management account	1,484,685	1,281,221
Petty cash on hand	134	43
	<hr/> 1,732,177	<hr/> 1,323,098
Note 3: Receivables		
Bonds	600	600
GST receivable		27,334
	<hr/> 600	<hr/> 27,934
Note 4: Other Current Assets		
Prepayments	39,319	22,447
Note 5. Property, Plant and Equipment		
Fixtures and fittings	27,353	27,353
Less accumulated depreciation	(22,373)	(14,031)
	<hr/> 4,980	<hr/> 13,322
Office equipment	41,868	43,193
Less accumulated depreciation	(34,121)	(30,770)
	<hr/> 7,747	<hr/> 12,423
	<hr/> 12,727	<hr/> 25,745
Note 6: Payables		
Current payables		
Trade creditors	100,952	131,757
Note 7: Tax Liabilities		
Current liabilities		
GST payable	10,300	0

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
Note 8: Provisions		
Current provision		
Provision for annual leave	17,457	20,265
Provision for PAYG withholding tax payable	10,670	21,743
Provision for superannuation payable	6,572	0
Provision for long service leave	40,992	35,136
	75,691	77,144
Note 9. Revenue		
Interest received	67,743	56,420
Grants received	2,250,000	2,250,000
Other income	8,322	136
Loss on disposal of assets	(1,239)	0
	2,324,826	2,306,556

Note 10. Contingent Liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

Program commitments continuing from 2004 year

- Youth program – <i>U-Turn</i> program in Tasmania, Western Australia, Queensland	0	126,000
- Parts Code of Practice	0	134,000

Program commitments continuing from 2005 year

- <i>Bounce Back</i> program	0	163,000
- Vehicle ID Infrastructure program	0	250,000

Program commitments continuing from 2006 year

- Online Microdot Project to be expended in 2007 year	500,000	0
- VIN Validation Project	250,000	0
- Forensic Data Project	50,000	0
	800,000	673,000

Note 11: Entity Details

The registered office of the organisation is:

National Motor Vehicle Theft Reduction Council Inc
Suite 1, 50-51 Howard Street
North Melbourne Victoria 3051

The principal place of business is the same address.

The Principal activity of the organisation is Facilitation of Infrastructure Reform and Public Awareness in regard to Motor Vehicle Theft Reduction.

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 23 to 28:

1. Presents a true and fair view of financial position of National Motor Vehicle Theft Reduction Council Inc. as at 30 June 2006 and its performance for the year ended on that date in accordance with the Australian Accounting Standards and other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board; and
2. At the date of this statement, there are reasonable grounds to believe that National Motor Vehicle Theft Reduction Council Inc. will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



David Morgan
Chairman



Ray Rawlings
Committee Member

Dated this 22nd day of September 2006

CERTIFICATE BY MEMBER OF THE COMMITTEE

I, Ray Rawlings of 50-52 Howard Street, North Melbourne, Victoria 3051, and I, David Morgan of 50-52 Howard Street, North Melbourne, Victoria 3051 certify that:

- (a) We are members of the committee of National Motor Vehicle Theft Reduction Council Inc.
- (b) We attended the annual general meeting of the association held on 22/09/2006.
- (c) We are authorised by the attached resolution of the committee to sign this certificate.
- (d) This annual statement was submitted to the members of the association at its annual general meeting.



David Morgan
Chairman



Ray Rawlings
Committee Member

Dated this 22nd day of September 2006

INDEPENDENT AUDIT REPORT

NATIONAL MOTOR VEHICLE THEFT REDUCTION COUNCIL INCORPORATED
INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
NATIONAL MOTOR VEHICLE THEFT REDUCTION COUNCIL INCORPORATED

Scope

We have audited the financial report, being a special purpose financial report, of National Motor Vehicle Theft Reduction Council incorporated for the year ended 30 June 2006 being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to and forming part of the Financial Statements. The Committee is responsible for the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Associations Incorporation Act Victoria and the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of National Motor Vehicle Theft Reduction Council Incorporated. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for the purpose of fulfilling the requirements of the Associations Incorporation Act Victoria. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the council's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of National Motor Vehicle Theft Reduction Council Incorporated as at 30 June 2006 and the results of its operations and its cash flows for the financial year then ended.



Geoffrey B Johnson
Chartered Accountant
Of RUCKER MACKENZIE PTY LTD
Date: 20th September 2006

Suite 12, 602 Whitehorse Rd.,
Mitcham, VIC 3132


APPENDICES

Australia – Numbers and Rates of Reported Thefts and Recoveries by Jurisdiction (Excluding Motorcycles), July 2005 – June 2006

Jurisdiction	Number of Thefts 2005/06 Financial Year	Change in Theft Numbers From Last Year	Number of Thefts Not Recovered	% of Thefts Recovered	Theft Rate per 1,000 Population	Theft rate per 1,000 Registrations
ACT	1,885	+314	319	83%	5.8	8.7
NSW	26,178	-2,517	7,229	72%	3.8	6.3
NT	619	+72	85	86%	3.0	5.6
QLD	9,637	-1,164	2,047	79%	2.4	3.4
SA	7,030	-2,077	899	87%	4.5	6.3
TAS	2,139	+346	125	94%	4.4	5.5
VIC	15,890	-1,531	3,499	78%	3.1	4.2
WA	5,734	-393	1,073	81%	2.8	3.7
Australia	69,112	-6,950	15,276	78%	3.4	4.9

Australia – Numbers and Rates of Reported Motorcycle Thefts and Recoveries by Jurisdiction, July 2005 – June 2006

Jurisdiction	Number of Thefts 2005/06 Financial Year	Change in Theft Numbers From Last Year	Number of Thefts Not Recovered	% of Thefts Recovered	Theft Rate per 1,000 Population	Theft rate per 1,000 Registrations
ACT	81	14	41	49	0.2	9.8
NSW	2,232	52	1,557	30	0.3	18.5
NT	109	32	56	49	0.5	27.6
QLD	961	59	599	38	0.2	8.5
SA	514	36	355	31	0.3	13.7
TAS	81	9	34	58	0.2	6.8
VIC	1,226	-32	988	19	0.2	9.8
WA	1,485	118	852	43	0.7	25.0
Australia	6,689	288	4,482	33	0.3	13.9

An aerial, high-angle photograph of a multi-lane highway. Several cars are visible, traveling in the same direction. The image is in grayscale and has a slightly grainy texture. The cars are positioned in different lanes, with some closer to the center and others towards the edges. The road markings are visible, including lane dividers and a dashed center line.

National Motor Vehicle Theft Reduction Council Inc

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