



National Motor Vehicle  
Theft Reduction Council

# SHINING A LIGHT ON VEHICLE CRIME

Annual Report 2015

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

## **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.

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# Letter of Transmittal



National Motor Vehicle  
Theft Reduction Council

31 October 2015

**Ministers responsible for NMVTRC business**

The Hon. Simon Corbell MLA  
The Hon. Peter Chandler MLA  
The Hon. Troy Grant MP  
The Hon. Liza Harvey MLA  
The Hon. Rene Hidding MP  
The Hon. Tony Piccolo MP

**Insurance Council of Australia President**

Mr Andy Cornish

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 2015.

Yours sincerely,

David M Morgan  
Chairman

# NMVTRC Members



**David Morgan**  
Independent Chair



**James Hurnall**  
Federal Chamber of  
Automotive Industries



**Michael Jones**  
Insurance Australia Group  
(Insurance Council of Australia)



**Paula Bond**  
Suncorp Insurance (Insurance  
Council of Australia)



**Mark Borlace**  
Royal Automobile Association  
(SA) (Australian Automobile  
Association)



**Murray Chapman**  
NSW Police (Law, Crime and  
Community Safety Council)



**Richard Dudley**  
Australian Motor Industry  
Federation



**Chris McNally**  
VicRoads (Austroads)



**Karl Sullivan**  
Insurance Council of Australia

# Chairman's Report



The 2015 Annual Report marks another major milestone in vehicle theft reform in Australia with insurers and participating state and territory governments, with the exception of Victoria, agreeing to continue their collaboration in the NMVTRC model until mid-2018<sup>1</sup>.

The three-year extension comes on the back of the fifth formal review of the NMVTRC's operations. The review included expert analysis of the organisation's performance in cost-benefit terms and stakeholder views in relation to its ongoing relevance. The review valued the community benefit of NMVTRC-initiated reforms over the past five years at more than \$276 million, representing a benefit-cost ratio of 24:1 for the investment by governments and insurers<sup>2</sup>.

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.

The year also delivered overall reductions across all three vehicle categories (cars, motorcycles and heavy vehicles) for first time since the NMVTRC's inception in 1999. While the significant reductions of the past five years have been positive, vehicle crime still has a major economic and social impact. There is considerable evidence that professional car criminals are continuing to adapt their methodologies to find new gaps in the system, with the share that 'profit-motivated thefts' represents rising in the overall numbers.

There is also a clear correlation between the general performance of the economy and crime – with periods of good economic performance (growing real average weekly earnings and low unemployment) helping to deliver lower rates of property crime. With the ongoing uncertainty in both the global and domestic economic outlook, there is a significant risk that vehicle crime levels will continue to be under pressure, including theft and insurance fraud disguised as theft and/or staged collisions.

The NMVTRC's new Strategic Plan released earlier this month therefore redoubles the effort to implement a broadly based raft of countermeasures and interventions to reduce both the volume and cost of vehicle crime.

In terms of the 2014/15 program, the highlights of the year included the:

- continued development and success of our collaboration with Mission Australia and the Suncorp Group in Synergy Repairs – the world's first commercial enterprise delivering on-the-job technical training, work experience and support to young car crime offenders;
- successful launch of our *Car Security Begins at Home* program to raise community awareness of the need to keep keys and transponders safe from would-be home burglars;
- public release of the results of the most comprehensive compliance audit of the management of separated vehicle parts and vehicle-related scrap, clearly demonstrating the need for major reform;
- continued success of *Operation Bounce Back* – the NMVTRC's public education partnership with local government in theft hot spots around the country; and
- Northern Territory's adoption of NMVTRC's revised damage assessment criteria for written-off vehicles, bringing them into line with other jurisdictions.

It was also pleasing to see some of the NMVTRC's mature reforms continuing to deliver enduring benefits with:

- the number of vehicles now bearing the NMVTRC-endorsed secure compliance label passing the four million mark; and
- almost 13 million vehicle status checks being made via the Personal Property Securities Register and Vehicle Information Request System for the year.

The year also saw some key changes in the membership of the Council with:

- insurance executives Michael Jones (Insurance Australia Group) and Paula Bond (Suncorp Group) succeeding their respective colleagues Ron Arnold and Paul Anderson; and
- VicRoads' Chris McNally ending his term as the Austroads representative.

My thanks to all those involved for ensuring a smooth transition.

Finally, I would like to again recognise the continuing enthusiasm and professionalism demonstrated by our Executive Director and his dedicated team in delivering a diverse and challenging program of reform.

David M Morgan  
Chairman

<sup>1</sup> The Victorian Government decided to end its participation in the initiative following a review of local crime prevention priorities.

<sup>2</sup> The benefit-cost ratio (BCR) is determined by dividing the estimated reform benefits by the costs incurred by all parties in delivering the reform program.

# Executive Director's Report



The NMVTRC's long term vision is for Australia to achieve the lowest rate of vehicle theft in the developed world, and the significant gains made in the past decade 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.

As the Chairman observed, while 2014/15 has delivered further reduction in total theft volumes – for the ninth time in the past 10 years – the continued threat posed by persistent levels of profit-motivated theft across most vehicle age groups requires a new level

of commitment from both the NMVTRC and its stakeholders, particularly in relation to disrupting the separated parts and theft for scrap markets.

This sharp focus is reflected in the NMVTRC's new Strategic Plan released last month, with almost \$6 in every \$10 of the NMVTRC's investment in programs to be directed at the development of PMT-related, on-the-ground, countermeasures.

In light of the challenge ahead it was gratifying to once again see the very high levels of stakeholder satisfaction reported to our review consultants, indicating that the NMVTRC continues to enjoy strong buy-in from the key organisations that we rely so heavily on to implement our reform program.

This support was most evident in this year's annual planning workshop with stakeholder executives – the 2015 StratPlan Series – with very strong levels of senior participation and rigorous debate.

While 2014/15 has delivered some challenges, the NMVTRC remains committed to working cooperatively with its stakeholders to deliver a program of continuous, sustainable improvements to disrupt criminal activity and contribute to the nation's social and economic well-being.

Ray Carroll  
Executive Director

# Reform Activity

The major part of the NMVTRC's reform program for 2014/15 has focused on the following activity.

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## 1. Preventing theft by key



## 2. Diverting young offenders



## 3. Helping build capacity



## 4. Disrupting the export, dismantling or recycling of vehicles



# Our People



Ray Carroll  
Executive Director



Geoff Hughes  
Director Strategy  
and Programming



Christine Pejic  
Project Officer



Tiffany Podrug  
Administration Officer (part time)

# Motor Vehicle Theft in Australia 2014/15



A total of 40,601 passenger and light commercial vehicles (PLC) were reported stolen in Australia in the 2014/15 financial year. This is 1,049 (3 per cent) fewer than in 2013/14, and 4,930 (11 per cent) less than the 45,531 stolen in 2010/11 – the NMVTRC’s rolling comparison year. It is also once again the lowest number of PLC thefts in a 12-month period since the 1970s.

## Short term theft

Short term theft fell by 1,761 (5 per cent) to 35,110 vehicles, comprising 86 per cent PLCs, 10 per cent motorcycles and 4 per cent other vehicle types.

## PLC theft analysis

A total of 30,355 PLC vehicles were stolen and subsequently recovered; a decline of 4 per cent compared to the previous year. Of these:

- 22 per cent were up to five years old;
- 22 per cent were between five and 10 years old; and
- 54 per cent were more than 10 years old<sup>3</sup>.

The proportion of immobilised vehicles stolen for short term use continued to rise over the year, with 69 per cent stolen fitted with an Australian Standards Equivalent (ASE)<sup>4</sup> immobiliser. Another 4 per cent were fitted with an immobiliser that did not meet ASE.

Small cars make up the greatest proportion of vehicles on Australian roads and this is reflected in their theft numbers. Twenty-eight per cent of thefts were small passenger cars, followed by large passenger cars (20 per cent). The most popular theft targets were:

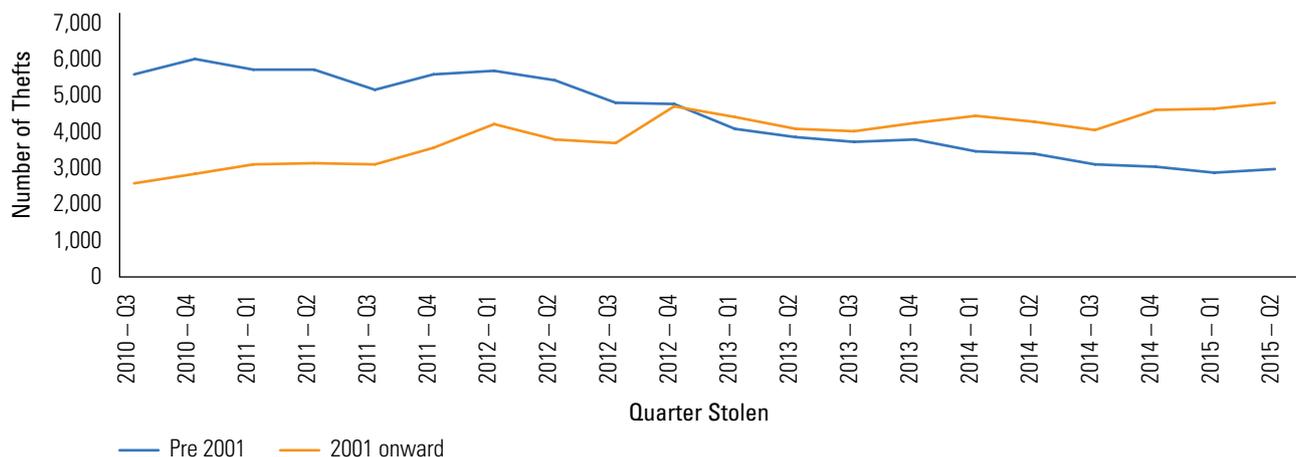
- Nissan Pulsar N15 (MY95-00) with 633 thefts;
- Holden Commodore VE (MY06-13) with 556 thefts; and
- Holden Commodore VT (MY97-00) with 505 thefts.

Light utility vehicles also made up a substantial 16 per cent of all short term thefts, with the Toyota Hilux (MY05-11) the fifth most stolen vehicle in the year.

<sup>3</sup> The vehicle age was unknown in 2 per cent of short term thefts.

<sup>4</sup> The term ASE was developed by the NMVTRC to cover original equipment immobilisers that comply with the Australian Design Rules and after-market devices that meet the Australian Standards.

Figure 1: Passenger/light commercial vehicles – short term thefts by quarter, 2010/11 – 2014/15



# Motor Vehicle Theft in Australia 2014/15 continued

## Five-year trends

Short term theft is down 12 per cent from 2010/11 when 39,933 vehicles were stolen and subsequently recovered. Theft of PLCs has fallen 13 per cent, and theft of other vehicles is down 19 per cent. Motorcycle theft has increased 3 per cent.

The age distribution of short term thefts over the past five years has clearly been changing. In 2010/11 vehicles manufactured prior to 2001 made up the large majority of thefts, but as Figure 1 on page 7 shows, the end of 2012 marked a clear shift in the theft dynamic, which saw newer vehicles manufactured from 2001 onwards taking over as the top theft targets.

In 2010/11, 44 per cent of PLCs stolen and recovered were fitted with an ASE immobiliser. The increase to 69 per cent in the past year mirrors the increased immobilisation rate of Australia's fleet. It also points to the growing incidence of thieves gaining access to the key and transponder in order to steal 'secure' vehicles.

## Motorcycles

Short term motorcycle thefts fell by 327 (9 per cent) to a total of 3,512. Despite the reduction in the past two years, there has been a 3 per cent rise in the number of motorcycles stolen for short term use over the past five years. Proportionally, motorcycle theft has increased slightly from 9 per cent of all short term thefts in 2010/11 to 10 per cent in 2013/14. Last year:

- close to four in five motorcycles stolen for short term use were registered for road use;
- of the on-road motorcycles stolen, close to half (48 per cent) were scooters;
- sports bikes were the most commonly stolen in the off-road category (42 per cent); and
- consistent with their market share, Honda and Yamaha topped the list of the most stolen motorcycles overall, with 657 and 523 thefts respectively.

## Profit-motivated theft

Total profit-motivated theft increased by 437 (2 per cent) from the previous year to 16,284. PLCs increased by 275 (3 per cent) and motorcycle theft was up by 85 (2 per cent). Theft of other vehicle types also increased by 77 (6 per cent). The vehicle mix consisted of 63 per cent PLCs, 28 per cent motorcycles and 9 per cent other vehicle types.

## PLC theft analysis

PLC thefts increased by 275 (3 per cent) in the year to a total of 10,246. The age distribution was:

- 13 per cent less than five years old;
- 24 per cent between five and 10 years old; and
- 61 per cent more than 10 years old<sup>5</sup>.

The 16+ year age group made up the single highest proportion (36 per cent) of stolen not recovered PLC vehicles.

Sixty-five per cent of vehicles stolen for profit were fitted with an ASE immobiliser; an increase of 5 per cent from the previous year. Close to a third were not fitted with any type of immobiliser.

Large passenger vehicles remained the most popular target of profit-motivated theft, consisting of just under a quarter of vehicles stolen. Light commercial utility vehicles were the next most common targets, making up 20 per cent. The models most commonly stolen in the year were:

- the Toyota Hilux (MY05-11) with 326 thefts;
- the Holden Commodore VT (MY97-00) with 221 thefts; and
- the Toyota Hiace (MY90-04) with 184.

## Five-year trends

Profit-motivated PLC theft has remained relatively stable over the past five years and is down 3 per cent from 2010/11. Motorcycle theft has increased 7 per cent and theft of other vehicles is also up 3 per cent. Proportionally, PLCs now make up a slightly smaller proportion of thefts and motorcycles, a slightly higher proportion compared with five years ago.

As shown in Figure 2 (over page), the age profile for profit-motivated theft reveals a gradual shift away from vehicles less than five years and more than 16 years old towards middle aged vehicles, six to 15 years old. Despite this, vehicles aged 16 years and older and valued at less than \$5,000 continue to make up the highest proportion of profit-motivated theft (47 per cent), indicating the targeting of vehicles for their scrap value.

While large passenger vehicles continue to be the most popular targets of profit-motivated theft (23 per cent), since 2010/11 there has been a noticeable shift towards SUVs and light commercial utility vehicles.

<sup>5</sup> The vehicle age was unknown in 2 per cent of profit-motivated thefts.



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## PREVENTING THEFT BY KEY



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New cinema and TV ads are the centrepiece of fresh public education resources aimed at preventing key theft. Using humour, the ads give a nod to three famous 'heist' scenes from hit movies *Raiders of the Lost Ark*, *Mission: Impossible*, and *Entrapment* to raise awareness in an over-the-top, non-threatening way.

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# Motor Vehicle Theft in Australia 2014/15 continued

## Motorcycles

Profit-motivated motorcycle theft increased 2 per cent in 2014/15. The 4,566 thefts represent 28 per cent of all vehicles stolen not recovered. There were some significant variations between profit-motivated and short term motorcycle theft, such as:

- half of all motorcycles stolen for profit were on-road bikes (compared to 75 per cent in short term theft);
- sports bikes make up the highest volume of on-road motorcycles stolen (38 per cent), with scooters accounting for 32 per cent;
- off-road sports bikes are the most commonly stolen motorcycle for profit (23 per cent); and
- higher capacity bikes between 200cc and 500cc are most commonly targeted for profit, compared with bikes up to 50cc being top targets for short term theft.

For a more in-depth analysis of thefts in the 2014/15 financial year, visit the CARS Dashboard at:

<http://www.carsafe.com.au/stakeholders-a-partners/statistics>

Figure 2: Australia – passenger/light commercial vehicles – percentage of profit-motivated thefts by vehicle age group, 2010/11 and 2014/15

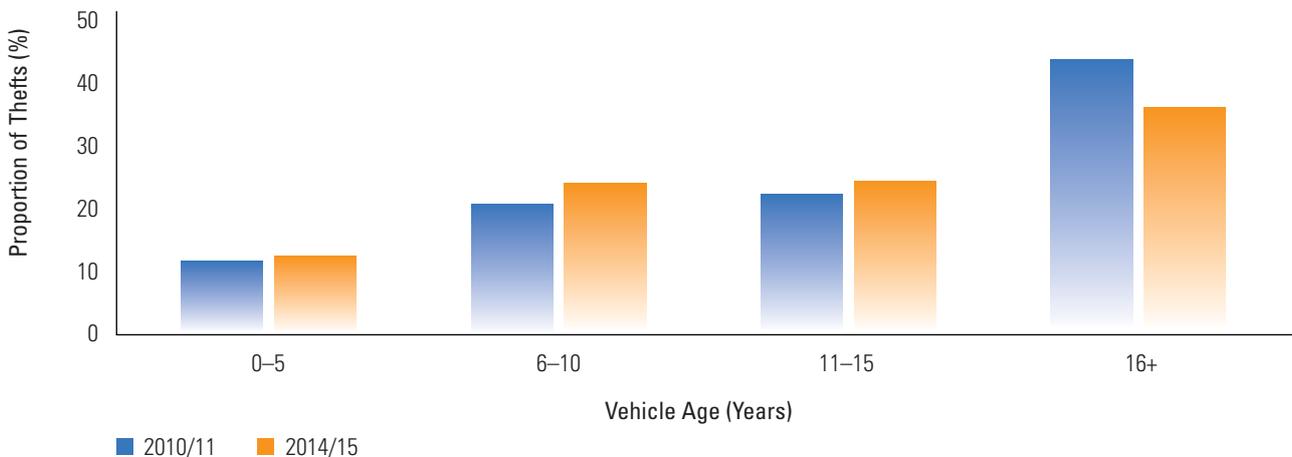
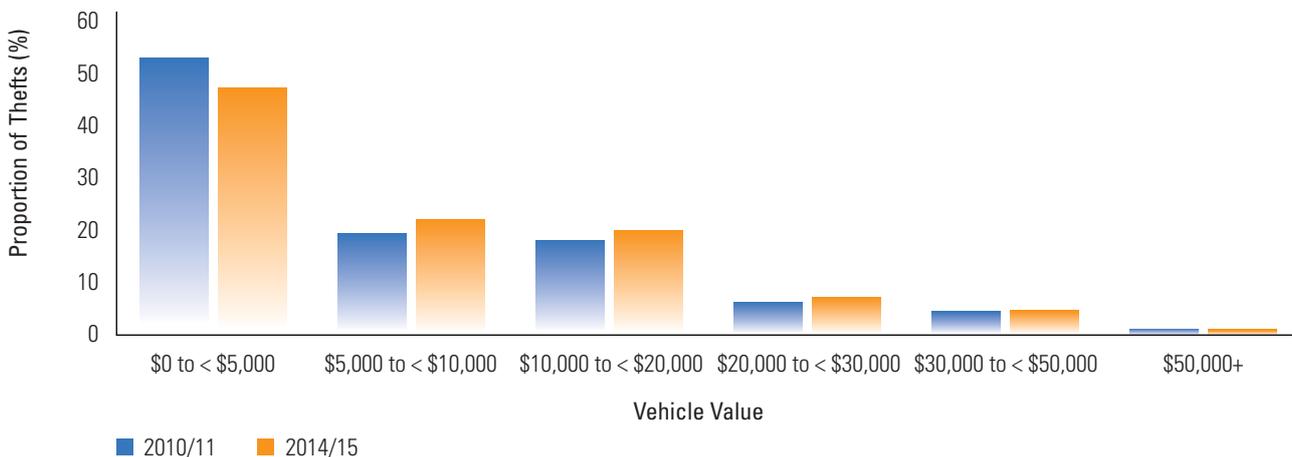


Figure 3: Australia – passenger/light commercial vehicles – percentage of profit-motivated thefts by Glass's Guide value estimate, 2010/11 and 2014/15





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## DIVERTING YOUNG OFFENDERS

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Young offenders can turn their lives around through the commercially based social enterprise, Synergy Repairs. Synergy is a unique partnership between Mission Australia, the Suncorp Group and the NMVTRC to deliver technical training and work experience to offenders aged 16–20 to help them secure employment in the repair sector.

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# Reform Activity

## Disrupting separated parts markets

### Victorian Inter-agency Task Force on illicit exports and non-compliance with local laws

As the re-birthing of whole vehicles became progressively harder from the mid-2000s, criminal networks have switched their focus to trading in separated stolen parts and theft-for-scrap rackets, including export markets.

In September 2014, the NMVTRC and Victoria Police released the results of the most comprehensive audit of the state of related trades. Over the course of the preceding year an Inter-agency Task Force (ITF) led by Victoria Police with the active cooperation of the Australian Crime Commission, (the then) Australian Customs and Border Protection Service, Consumer Affairs Victoria, the Environment Protection Authority and the Victorian WorkCover Authority conducted compliance audits of more than 400 auto recycling and scrap metal businesses.

The ITF found a staggering record of non-compliance across the regulatory spectrum including extreme safety and environmental failings, deemed likely to cause imminent injury or obvious and ongoing serious pollution to soil and waterways.

The ITF also observed that a preponderance of cash-only transactions enabled vehicle thieves to launder stolen vehicles through motor wreckers or scrap metal dealers with little or no risk that their personal details would be retained.

While the report dealt only with the condition of the Victorian industry, the NMVTRC's assessment is that the same vulnerabilities exist across Australia. The NMVTRC has argued for some time that the regulatory settings in all states and territories are in need of modernisation to address anomalies and gaps that allow some activity to go unregulated, but to also equip regulators with a better 'tool-kit' to deal with serious and enduring non-compliance.

A model of the NMVTRC's vision of how this could be achieved is set out next.

You can download a copy of the ITF report from the publications page of the NMVTRC website (<http://www.carsafe.com.au/stakeholders-a-partners/publications/modernising-regulatory-regimes>).

### Modernising regulatory regimes to optimise compliance

The ITF report clearly demonstrates that the existing law, in respect of the management of separated vehicle parts and vehicle-related scrap, is in need of major reform.

In conjunction with its release, the NMVTRC also published an exposure draft of a set of consolidated model laws to remove ambiguities and gaps, and deal more effectively with enduring non-compliance.

The key features of the Model Law Package (MLP) include a:

- move to co-regulated, performance-based business standards set in conjunction with peak industry bodies, which include environmental and OH&S compliance;
- commitment to continuous improvement;
- chain of responsibility requirements to take reasonable steps to ensure that stolen vehicles are not traded; and
- broader use of tools to promote or assure compliance, including publicity and commercial and civil penalties to take account of the profit from non-compliance.

Options for advancing the MLP will be considered in the context of the NMVTRC's broader end-of-life vehicle management project in 2015/16, including the Victorian Law Reform Commission's review of the extent of the infiltration of organised crime into lawful occupations and industries.

You can download a copy of the MLP report from the publications page of the NMVTRC website (<http://www.carsafe.com.au/stakeholders-a-partners/publications/modernising-regulatory-regimes>).

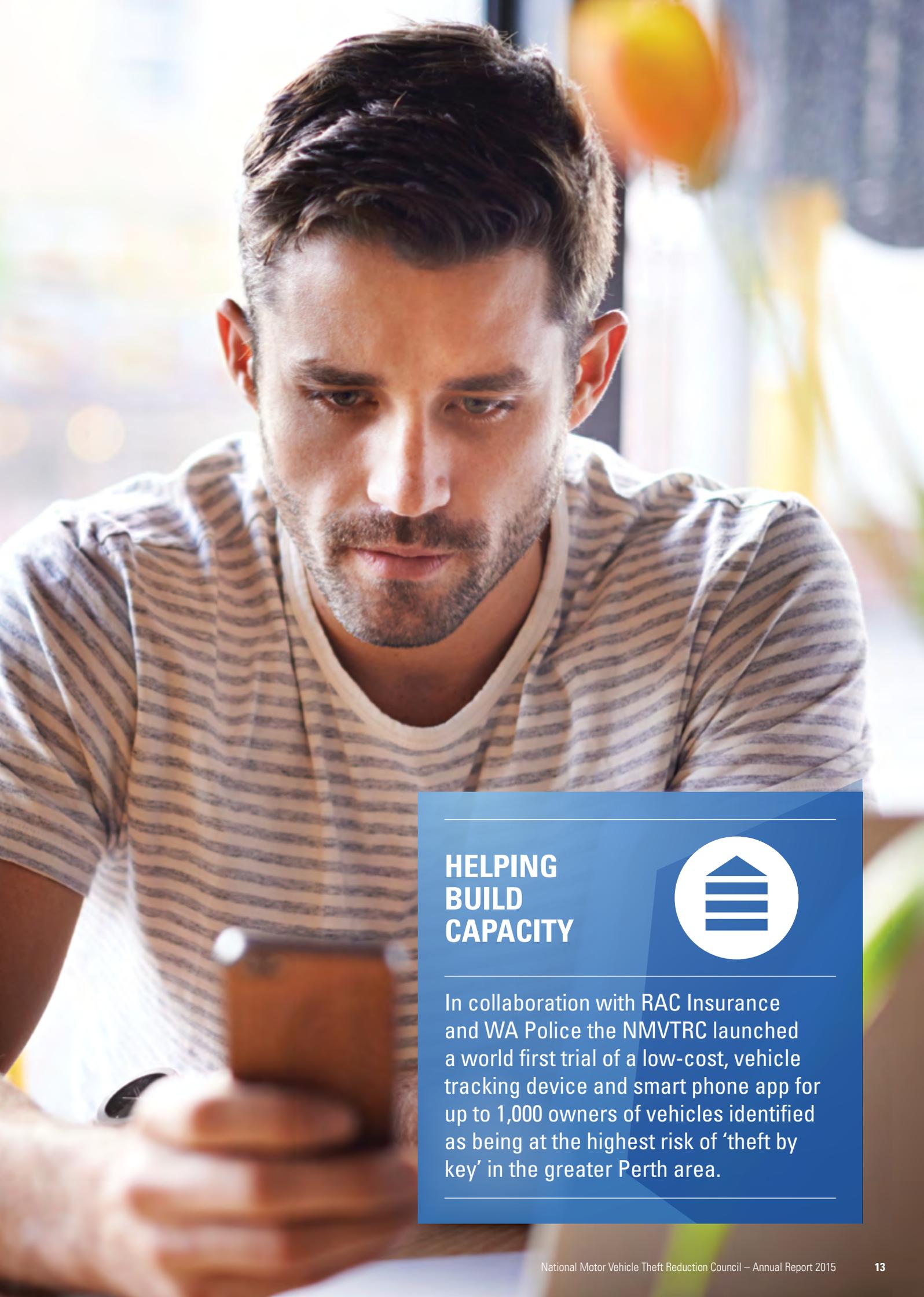
### Management of end-of-life vehicles (product stewardship)

Product stewardship (PS) is an approach to managing the environmental impacts of products based on the principle that all the parties in the product chain – from manufacturers to end consumers – share responsibility for the products they produce, handle, purchase, use and discard. As observed earlier, aligning the nation's theft reduction objectives with reducing the environmental impacts of end-of-life vehicles (ELVs) and improving industry entry and operating standards should be the long term aim of industry leaders.

The NMVTRC had proposed engaging key stakeholders in detailed discussions on the potential design, management and operation of a voluntary vehicle PS scheme. However, with key parties such as the Australian Motor Industry Federation (AMIF) and Transport for NSW (TfNSW) announcing they were either developing or interested in developing policies on the issue, the NMVTRC opted to defer its work until 2015/16.

Preliminary discussions have been held with TfNSW about establishing an NMVTRC Expert Reference Group in NSW and Austroads has included a sister project to develop conceptual supporting registration provisions in the 2015/16 program<sup>6</sup>.

<sup>6</sup> Austroads is the association of Australasian road transport and traffic agencies.



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## HELPING BUILD CAPACITY



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In collaboration with RAC Insurance and WA Police the NMVTRC launched a world first trial of a low-cost, vehicle tracking device and smart phone app for up to 1,000 owners of vehicles identified as being at the highest risk of 'theft by key' in the greater Perth area.

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# Reform Activity continued

## Disrupting vehicle laundering markets

### New damage assessment criteria for statutory write-offs

Changes in vehicle construction and fabrication, especially in respect of the use of composite materials and advanced safety systems, mean that it is increasingly more complex to assure a complete and safe repair of a modern vehicle.

In May 2015, the Northern Territory became the final jurisdiction to adopt the NMVTRC's revised damage assessment criteria to ensure that written-off vehicles (WOV) that have sustained significant collision, fire or water damage are identified as suitable only for dismantling or use as scrap.

Based on preliminary national data it would appear that the revised criteria have exceeded the target 30 per cent reduction in the pool of repairable vehicles. A detailed post-implementation review will be published in late 2015.

### National heavy vehicle law and written-off vehicles

While the frequency of heavy vehicle (HV) theft is relatively low at less than 5 per cent of all thefts, the cost of an incident can be extremely high with a single prime mover worth hundreds of thousands of dollars.

Costs to individuals and businesses impacted by this type of theft will be generally much higher than for other vehicles in terms of temporary replacement costs, lost productivity and increased insurance premiums.

HVs pose significant challenges in developing cost-effective theft countermeasures. In the case of prime movers the high level of customisation of vehicles and the interchangeability of key components make conclusive identification very difficult even for the very experienced eye.

While the first parts of a single set of national heavy vehicle laws, including a head of power for the mandatory reporting of HV write-offs, were introduced in 2014, the fine details were to be spelt out in later supporting regulations.

In May 2015 transport ministers asked the National Transport Commission (NTC) and the National Heavy Vehicle Regulator (NHVR) to develop a business case for the early implementation of a HV written-off register ahead of other elements of a registration scheme. The NMVTRC will work closely with the NTC and NHVR on the raft of definitional, policy, technical and administrative issues that still require resolution.

## Proof-of-concept for e-data consolidator for auto recyclers

Previous studies conducted for the NMVTRC have established that auto recyclers are not complying with mandatory written-off vehicle reporting requirements. Business operators have cited the administrative burden of the system's reliance on paper-based reporting and perceptions that road authorities are slow to process notifications as the major reasons for the failure of the system.

Throughout the year the NMVTRC continued its in-kind support of the Auto Recyclers Written-off Vehicles Register operated by the Auto Recyclers' Association of Australia to assist it to continue its established operations in South Australia and extend its service to Victoria, including an interface to VicRoads' electronic reporting systems.

## Improving the value of the Personal Property Securities Register

The NMVTRC has long been a leading advocate for improving consumer and motor trades' access to non-personal vehicle status information and establishing a means for insurers to validate data direct from the vehicle registration system.

In 2014/15 the Personal Property Securities Register (PPSR) processed more than 8.3 million registration status checks.

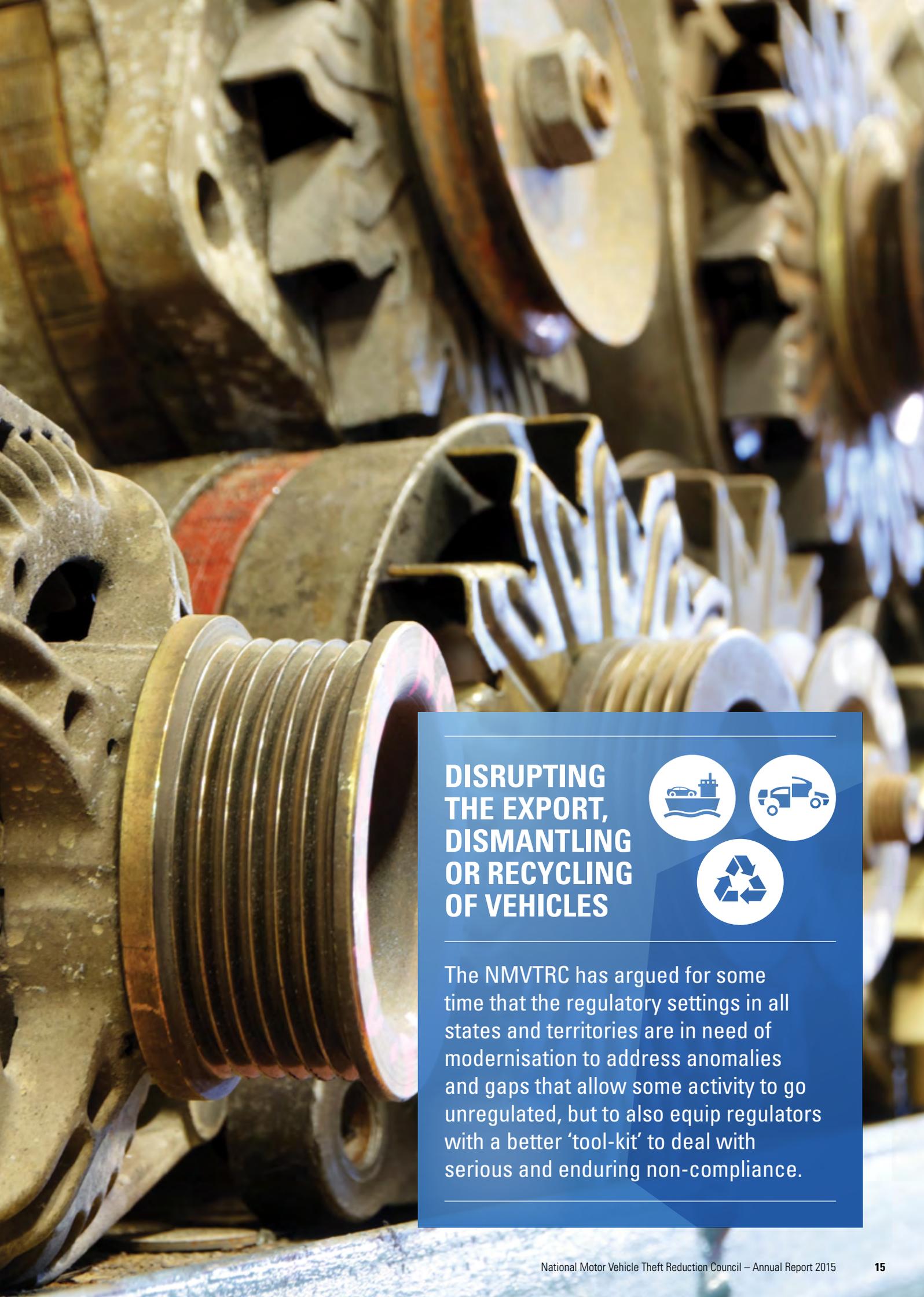
Whilst this shows the system has high utility, the NMVTRC remains concerned that the manner in which written-off vehicle information is presented is open to misinterpretation by casual users and inconsistent with the national written-off vehicle coding system. The NMVTRC has agreed on a program of work with Austroads to address these issues in 2015/16.

## Secure compliance labels

In 2014/15 more than 700,000 new vehicles sold in Australia for the year carried a compliance label that complies with the NMVTRC's performance-based technical specification. The label's unique features ensure that it cannot be transferred between vehicles without easy detection, cannot be copied, and is easy to authenticate. The year's result brings the total volume of vehicles protected since the labels were first introduced in 2007 to more than 4 million.

## Whole of vehicle marking

A further 43,000 prestige and high-performance vehicles sold in the year carried up to 7,000 microdots, each bearing the vehicle's unique 17-digit identification number. This makes it virtually impossible for profit-motivated thieves to hide a marked stolen vehicle's original identity. Almost 350,000 vehicles sold in Australia since 2009 have had the NMVTRC-endorsed system fitted as standard equipment.



## DISRUPTING THE EXPORT, DISMANTLING OR RECYCLING OF VEHICLES



The NMVTRC has argued for some time that the regulatory settings in all states and territories are in need of modernisation to address anomalies and gaps that allow some activity to go unregulated, but to also equip regulators with a better ‘tool-kit’ to deal with serious and enduring non-compliance.

# Reform Activity continued

## **Diverting young offenders**

### **Synergy Repairs (social enterprise program) for young recidivist offenders**

On any day there are around 1,000 young people held in juvenile detention nationally and a very high proportion of them are there as a result of motor vehicle offences. Detention is costly – keeping a young person in secure care costs more than \$440,000 a year – and its impact on post-release re-offending is open to debate. Recidivist offenders are often returned to the community without the skills or support required to leave their former lifestyle behind.

In larger Australian cities it is not uncommon for a ‘proficient’ young thief to have stolen more than 300 cars by his or her late teens.

High-rate vehicle theft has also been shown to be a strong indicator of a young person’s likely involvement in other forms of crime. Car crime also kills; with more than 40 theft-related fatalities across Australia in the past five years. Sixteen of those deaths were young people between the ages of 10 and 19.

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

Young offenders have a chance to turn their lives around through the commercially based social enterprise, Synergy Repairs. Synergy is a unique partnership between Mission Australia, the Suncorp Group and the NMVTRC to deliver technical training and work experience for offenders aged 16–20 with a view to them securing full-time employment in the repair sector.

All work is supervised by an experienced, trade-qualified workshop manager and two full-time spray painters and panel beaters and must meet the same quality standards of other Suncorp repairers.

## **U-turn Tasmania**

Unfortunately the year also saw the nation’s longest-operating specialist program for young car crime offenders – Hobart’s *U-turn* – close its doors for the last time.

Since its establishment in 2003, initially as an NMVTRC/Australian Government-funded two-year trial and after that with state government funding, *U-turn* made a significant difference to the lives of more 500 young people and their families.

Analysis shows that the majority of participants who had committed multiple offences prior to the program reduced their offending significantly and the result was even better for previously high-rate recidivists.

The Tasmanian Government has announced its intention to introduce an alternative diversion program for adult offenders and the NMVTRC looks forward to working with local agencies to ensure its effectiveness for car crime offenders.

## **Choose a Ride**

The NMVTRC’s innovative interactive short film *Choose a Ride* (CaR) is aimed at nine to 14 year olds and focuses on the consequences of getting involved in car crime. The concept was developed from the real-life observations of police and youth workers in Glenorchy, Tasmania dealing with the problem on the ground.

By the end of June, the online resource had received over 2,800 views on YouTube and more than 600 downloads of the film and support resources for educators via the dedicated CaR website.

It also featured regularly in the community activities delivered by our local government partners in *Operation Bounce Back* across Australia, with 2,000 CaR promotional stress cars and drink bottles distributed nationally.

The year also saw the film updated to ensure its smooth operation on the latest range of mobile and tablet devices.

## **Building stakeholder/community capacity and encouraging innovation**

### **Vehicle Crime Managers’ Network**

The NMVTRC again supported the Vehicle Crime Managers’ Network to facilitate the transfer of expert knowledge and intelligence between law enforcement agencies.

The Network comprises senior representatives from Australia’s state, territory and federal police agencies, New Zealand Police, the Australian Crime Commission and the Australian Department of Immigration and Border Protection.

## **New technology**

The increasing penetration of electronic immobilisers across the Australian vehicle fleet has made a major contribution to improving the nation’s theft performance. In Western Australia (WA) more than 90 per cent of all vehicles are protected by an immobiliser due to the state’s compulsory retro-fitting program of the last decade.

While immobilisation has made a major contribution to reducing vehicle crime, there is now clear evidence of a shift in some offenders’ methods towards residential burglaries to access the keys of ‘secure vehicles’. It may be hours before such thefts are discovered by the vehicle owner and reported to police. In the intervening period the stolen vehicle may be used in other serious crimes or pose other community risks.

In December in Perth the NMVTRC, in collaboration with RAC Insurance and WA Police, launched a world-first trial of a low-cost vehicle tracking device aimed at the owners of those vehicles identified as being at the highest risk of 'theft by key' in the greater Perth area.

The Stolen Vehicle Rapid Response Initiative (SVRRI) will see up to 1,000 high-theft risk vehicles covertly fitted, free of charge, with a tiny electronic transponder with satellite communications capability. Using a simple smartphone app the vehicle owner can set a virtual 'geo-fence' around the vehicle with the press of a single button. If the vehicle leaves that position, the system will immediately send an email alert to the owner's nominated email address.

The owner will be able to track the vehicle via in-app maps and once they report the theft to WA Police, they too can monitor the vehicle with the aim of safely following its movements.

### **Scooters**

The year also saw WA Police roll out the last of its 'screamer alarms' to scooter owners in conjunction with select local governments in known hot spots. The NMVTRC provided direct funding to boost the number of scooter owners participating in the program to more than 1,000 or around one in every 20 registered scooters in Western Australia. The results of the program will be evaluated in 2015/16.

### **Public education**

#### ***Residential burglaries to access keys***

December saw NMVTRC introduce its new public education resources to address the growing incidence of vehicles being stolen from residences by the thief gaining access to the keys.

While the security of the national vehicle fleet has greatly improved over the past decade, with seven in every 10 cars now protected by a quality engine immobiliser, there is clear evidence of a shift in the behaviour of some vehicle thieves to breaking into homes to steal the keys of late model vehicles.

Offenders are also becoming more brazen, prepared to enter even occupied premises to quickly grab keys left in easily accessible spots, often gaining access via unlocked doors or windows.

A series of three advertisements, designed for cinema and TV, are the centrepiece of a suite of new resources to raise awareness of the need to safeguard keys. They were developed by the NMVTRC after discussions with police and insurance experts on the need for relevant and relatable messaging around the issue.

Through the use of humour, the ads give a nod to three famous 'heist' scenes from hit movies *Raiders of the Lost Ark*, *Mission: Impossible*, and *Entrapment* to raise awareness in an over-the-top, non-threatening way.

The ads ran extensively in most of the 11 municipalities offered an OBB grant for the year. They are also supported by online and print resources that provide practical advice about how to safeguard your home and keys, including a free Home Security Assessment Guide. You can view the ads on the NMVTRC's dedicated website [carsecuritybeginsathome.com](http://carsecuritybeginsathome.com).

### ***Operation Bounce Back***

The *Operation Bounce Back* (OBB) local government grants program entered its eleventh year in 2014/15. The publicity driven, public education-based program aims to harness the efforts of local government and police to raise community awareness of vehicle theft and effective prevention measures in theft hot spots nationally.

In the 2014/15 program 11 municipalities were provided with grants and materials to the value of \$20,000 to implement a vehicle theft prevention awareness campaign in their area consistent with the NMVTRC's *Tackling Vehicle Theft: A Guide for Local Communities*.

The 2014/15 campaign saw a shift in focus from older vehicles and the distribution of free engine immobilisers to the importance of safeguarding keys and, in particular, key theft via home burglary. The increasing penetration of electronic immobilisers in the Australian fleet and increasing incidences of vehicles being stolen by the thief gaining access to the keys have now elevated key theft via residential burglaries to our most important community message.

Grant recipients were required to arrange placement of the NMVTRC's *Car Security Begins at Home* advertisements in local cinemas and, where funding permitted, with television networks, for the duration of the campaign. Feedback was very encouraging. The ads were commended for their production quality, use of humour and ability to capture audience attention in a short 30 second grab. The key theft security theme was also considered more inclusive of all age groups and owners of both older and late model vehicles, and was especially effective in enabling a discussion with motorists around where they usually keep their keys at home.

The OBB grants package also consisted of 25 immobiliser installations per recipient and up to \$5,000 worth of public education materials. The program saw more than 125 immobiliser installations, and the distribution of over 11,000 CAR-SAFE promotional items such as stress cars and pens, and close to 28,000 vehicle theft brochures through a range of promotions and community activities. A number of brochures are also available in other languages including Greek, Arabic, Vietnamese, Chinese and Korean. These languages accounted for 15 per cent of all brochures distributed.

Six of the 11 participating municipalities achieved reductions up to eight times their respective state averages for the year.

# Reform Activity continued

Table 1: Thefts of passenger/light commercial vehicles in select LGAs

| Local Government Area | Thefts During OBB | Thefts for Same Period 12 Months Prior | Change % | State Change % |
|-----------------------|-------------------|--|----------|----------------|
| Bankstown (NSW)       | 541               | 568                                    | -5       | -2             |
| Darebin (VIC)         | 496               | 611                                    | -19      | 2              |
| Gold Coast (QLD)      | 1,191             | 1,232                                  | -3       | -14            |
| Logan (QLD)           | 776               | 1,070                                  | -28      | -14            |
| Glenorchy (TAS)       | 220               | 254                                    | -13      | 9              |
| Playford (SA)         | 264               | 356                                    | -26      | -3             |
| Salisbury (SA)        | 325               | 400                                    | -19      | -3             |

## Review of Guide to Tackling Vehicle Crime for Local Communities

The NMVTRC's Community Guide is designed as the starting point for local organisations interested in tackling vehicle crime. It provides facts about the problem, identifies resources available and lists ideas for activities that can be undertaken at a local level. One of the main uses of the Guide is to assist local councils with their OBB projects.

To ensure the Guide is still meeting user requirements, NMVTRC asked 22 municipalities to review how well the document met their needs. Overall the results were very positive, with more than 70 per cent rating the guide as very good or better. In particular, the case studies, which highlight innovative initiatives employed by local organisations to combat vehicle theft, were highly valued.

Suggestions for improvement reflected the changing nature of vehicle crime via access to keys and more detailed information on the available CAR-SAFE resources and statistical tools. A refreshed guide picking up these key recommendations is now available as an online resource via the CAR-SAFE website.

## Motorists' attitudes to vehicle crime and secure practices

The NMVTRC regularly surveys motorists on their security practices and understanding of the dynamics of vehicle theft. In April 2015, the NMVTRC commissioned prominent market researcher Nexus Research to conduct 1,200 motorist interviews across Australia on a range of vehicle theft issues.

The final sample was weighted to represent just over 12 million people aged 18 years and over and provides results with a margin of error of not more than  $\pm 3$  per cent (at the 95 per cent confidence level). That is, if a response in the sample is 60 per cent, the true answer in the population will almost certainly be between 57 and 63 per cent.

In the latest survey results revealed that:

- 68 per cent of drivers were concerned about having their car stolen, while 32 per cent were not at all concerned;
- 45 per cent perceived 'recent model mainstream' cars to be more commonly targeted, with 23 per cent indicating 'older model cars';
- 49 per cent thought that car theft most often occurs 'from the street', with 28 per cent nominating 'a car park', and 12 per cent 'the home';
- 75 per cent were not surprised that car keys being stolen during residential burglaries is becoming an increasingly common method of stealing cars; and
- 55 per cent were surprised that in up to a third of all residential burglaries in Western Australia where a car was stolen, the vehicle keys were the only home contents stolen.

## CARS data services

The NMVTRC's world-leading Comprehensive Auto-theft Research System (CARS) again provided stakeholders and the media with fast, easy access to the most up-to-date vehicle theft data available.

A range of further system enhancements were introduced in 2014/15 including:

- a new local theft profile tool to coincide with the *Car Security Begins at Home* campaign;
- the review of 57,000 combinations to develop a new classification system for motorcycles, ensuring our motorcycle theft data is now more comprehensive than ever; and
- further customisation to 'restricted access' dashboards for law enforcement use.

Stakeholder use of the online interactive Analyser and Dashboard tools increased by up to 56 per cent over the year. At 30 June the system held more than 480 million bits of incident and vehicle data sourced from police, registration, insurance and automotive intelligence data providers.

## Minimising opportunities for insurance fraud

The NMVTRC continued to participate in the Insurance Council of Australia's Insurance Fraud Bureau in recognition that a substantial number of vehicle theft reports are in fact fraudulent claims against insurers.

Those vehicles reported as stolen that are more likely to be the subject of fraudulent claims will be those that are of higher value, insured for an agreed value (rather than market value) and subject to a financial encumbrance.

The Vehicle Information Request System established by Austroads (with assistance from vehicle manufacturers and the NMVTRC) enables insurers to validate non-personal data (including VIN, make, model, year, stolen and written-off status) direct from the national registration system as a fraud mitigation tool. The system processed more than 4.8 million vehicle status checks in 2014/15.

# Performance Indicators

## Vehicle theft in comparable developed nations

Since its inception the NMVTRC has benchmarked its performance against a group of nine comparable OECD countries. This sort of comparison, while valuable, poses some difficulties due to maintaining the continuity of reporting in some countries and significant changes in counting rules and definitions overtime. The model depicted in Figure 4 below attempts to account for differential counting rules and large variations in vehicle fleets and population sizes by indexing all participants to a common point (100) and measures performance from that point. In interpreting the results, the critical factor is therefore direction and shape of the individual line rather than the quantum of the theft 'size', ie. is the jurisdiction tracking better or worse since the common point of indexation.<sup>7</sup>

The time lag in reporting data in other jurisdictions limits the time series for comparison to the end of the 2014 calendar year.

7 Australia – CARS Database; South Africa – South African Police Service; Ireland – Central Statistics Office of Ireland; the Netherlands – Netherlands Foundation for Tackling Vehicle Crime; New Zealand – New Zealand Crime Statistics; Canada – Statistics Canada; USA – FBI Uniform Crime Reports; and UK (England and Wales) – UK Home Office.

## Changes in the incidence of theft for short term use and profit-motivated theft

Table 2: Short term and profit-motivated thefts as a percentage of total thefts (PLCs)

|                           | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|---------------------------|---------|---------|---------|---------|---------|
| Short term thefts %       | 77      | 77      | 77      | 76      | 75      |
| Profit-motivated thefts % | 23      | 23      | 23      | 24      | 25      |

Table 3: Short term and profit-motivated thefts as a percentage of total thefts (motorcycles only)

|                           | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|---------------------------|---------|---------|---------|---------|---------|
| Short term thefts %       | 44      | 45      | 47      | 46      | 43      |
| Profit-motivated thefts % | 56      | 55      | 53      | 54      | 57      |

Figure 4: International league table of car thefts – theft rate per 100,000 population indexed to 2010

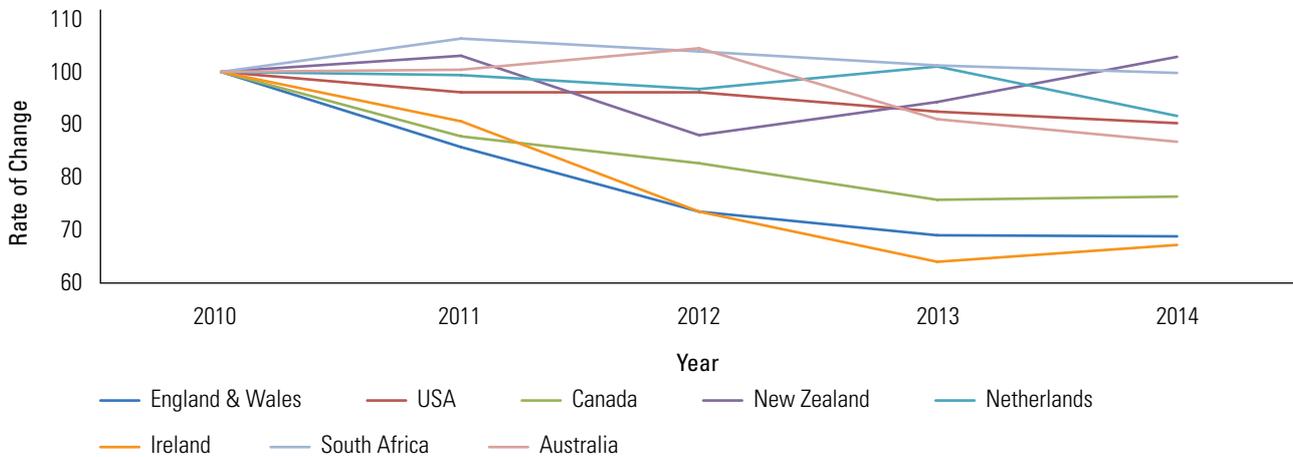
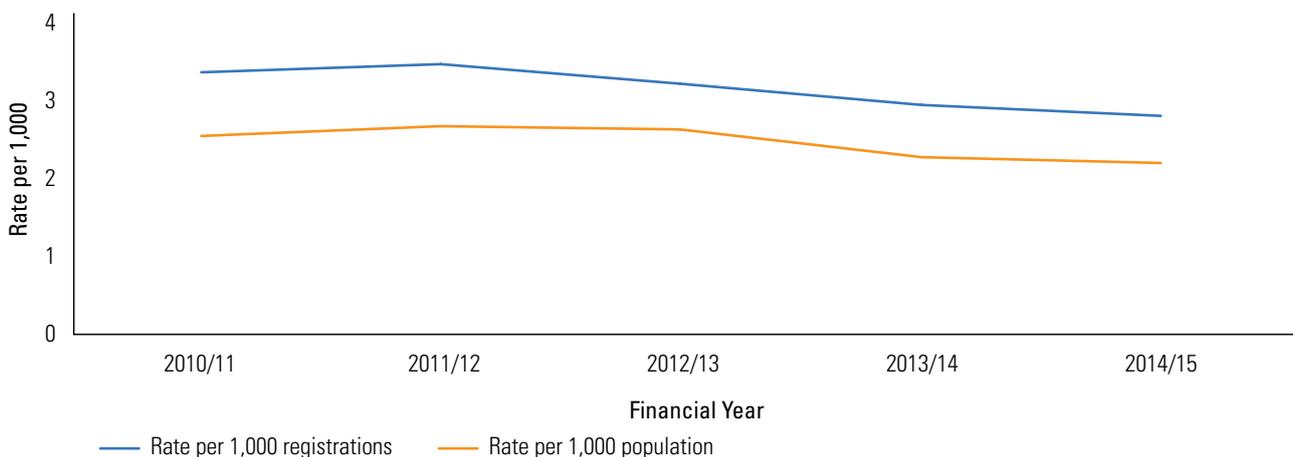


Figure 5: Motor vehicle thefts per 1,000 registrations and population, 2010/11 – 2014/15



# Performance Indicators continued

## Community perceptions of vehicle theft relative to other crime

Regular surveying of community attitudes on key vehicle crime issues enables the NMVTRC to longitudinally track changes in community perceptions and refine its communications key messages. The 2015 survey of over 1,200 motorists:

- found that the overall level of community concern remained relatively high;
- indicates that community perceptions around the top theft targets are in line with recent trends, with the majority seeing 'recent model mainstream cars' as those most commonly stolen;
- reveals that despite increased media and communications focus on theft of keys via home burglaries, over half of motorists still have the misconception that cars are more likely to be stolen from the street;
- found that despite its relatively high frequency, the vast majority of car theft does not involve personal confrontation and for this reason motorists rate concern for motor vehicle theft below the crimes of rape and assault, murder, house burglaries, drug-related crime, vandalism and store-hold ups; and
- highlights the importance of continued targeted communication around key theft and key theft via house burglary.

## The cost of motor vehicle theft

The NMVTRC estimates the cost of PLC vehicle theft to be \$651 million, excluding the very large community costs associated with police investigations, courts, and corrections<sup>8</sup>. The decrease in theft volumes for the year is estimated to have saved the community over \$14 million.

## Analysis of NMVTRC in the media

Vehicle theft remained a strong focus for the media this year, with almost 1,000 related articles published. Many of these articles included data provided by the NMVTRC, with the Council being directly quoted in over 100. The NMVTRC was also prominent in a high number of subsequent online articles. The articles covered a wide range of issues including vehicle theft statistics, electronic hacking, theft for scrap and grey imports and key theft. There was also a high level of attention around the NMVTRC's Stolen Vehicle Rapid Response Initiative in WA in partnership with WA Police and RAC Insurance.

The NMVTRC provided comment in 19 radio and television interviews on motor vehicle theft trends and issues and advice on the best security practices motorists can employ to reduce their risk.

One hundred per cent of the NMVTRC-related reporting was positive or balanced in its tone.

## Stakeholder-determined performance indicators

A select sample of senior stakeholder executives from across Australia was asked to complete an online survey discussing the NMVTRC's performance in relation to its program coordination and consultation, publications and level of influence on reforms.

## Program coordination and consultation

Overall, the NMVTRC's consultation performance was regarded very positively amongst stakeholders. Respondents regarded the NMVTRC's performance highly, with 99 per cent rating its performance in regards to coordinating the development and progress of its reforms/programs as 'good', 'very good' or 'excellent'. The NMVTRC's commitment to engaging and involving stakeholders in program coordination was highly valued by all respondents, with 82 per cent rating consultation in the review of its Strategic Plan in particular as 'very good' or 'excellent'.

Stakeholders were asked to nominate those reforms promoted by the NMVTRC they were most familiar with. Awareness of NMVTRC reforms or programs was highest for Synergy Repairs (social enterprise in partnership with Mission Australia and the Suncorp Group) and the *Car Security Begins at Home* educational campaign/resources, with 94 per cent indicating familiarity. These were followed by the development of the model law package for the consolidation of second-hand goods and motor car trading laws (80 per cent), the submission by the NMVTRC to the Motor Vehicle Standards Act Review into the lessening of import restrictions and the potential impacts on motor vehicle theft (77 per cent), and Hobart's youth diversionary program, *U-turn*, and the NMVTRC's CARS data services (76 per cent).

Stakeholders reported an overwhelmingly high level of satisfaction in regards to the NMVTRC's dissemination of vehicle theft data with all rating the NMVTRC's performance positively and 82 per cent as 'very good' or 'excellent'. This was commonly considered to be a result of the Council's focus on consultation and collaboration at the annual Strategic Planning sessions and a continued focus on keeping stakeholders up-to-date with information relevant to their particular area.

## Publications

All respondents rated the quality of the NMVTRC's publications and statistical services positively and 56 per cent of stakeholders felt that the publications met their needs very or extremely well.

The CAR-SAFE website was the most recognised of the publications/resources (94 per cent), followed by the NMVTRC's Strategic Plan and Annual Report (88 per cent) and quarterly publications *Theft Watch*, *Theft Torque* and *Theft Matters* (81 per cent).

## Influence on reforms

A vast number of stakeholders (94 per cent) considered the NMVTRC to have a positive impact on the progress of vehicle theft reforms. This was largely attributed to the Council's clear strategies and strong industry/community consultation across all jurisdictions. Eighty-one per cent of respondents also saw a positive impact on the implementation of vehicle theft reform within their own organisation.

<sup>8</sup> Based on an independent economic analysis conducted by MM Stars Pty Ltd for the NMVTRC (November 2014), which estimated victims' costs per incident to be \$14,740 for recovered vehicles and \$19,910 for vehicles not recovered depending on a range of vehicle, personal, injury and insurance administration costs.



# Statement by Members of the Committee

## For the Year Ended 30 June 2015

In the opinion of the Committee the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents fairly the financial position of National Motor Vehicle Theft Reduction Council Inc as at 30 June 2015 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

The Committee is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

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

Murray Chapman  
Committee Member

Dated 9 October 2015

# Independent Audit Report

## NATIONAL MOTOR VEHICLE THEFT REDUCTION COUNCIL INCORPORATED INDEPENDENT AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2015

### *Scope*

I have audited the accompanying financial report, being a special purpose financial report of National Motor Vehicle Theft Reduction Council for the period ended 30 June 2015 being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to 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 Reform Act 2012* Victoria and the needs of the members. I 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 Reform Act 2012* Victoria. I 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.

My audit has been conducted in accordance with Australian Auditing Standards. My 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 my 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.

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

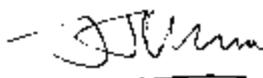
### *Audit Opinion*

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of National Motor Vehicle Theft Reduction Council for the period ended 30 June 2015 and the results of its operations for the period then ended.

### *Emphasis of Matter*

Without modifying my opinion, I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the *Associations Incorporation Reform Act 2012* Victoria. As a result, the financial report may not be suitable for another purpose.

Dated this 16th day of October 2015.



**Geoffrey B Johnson – Chartered Accountant**  
**RUCKER DWC PTY LTD**  
**Suite 12, 602 Whitehorse Road, Mitcham VIC 3132**

# Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

|   | Note | 2015<br>\$       | 2014<br>\$       |
|---|------|------------------|------------------|
| Revenue   | 2    | 1,933,016        | 1,892,377        |
| <b>Expenses</b>   |      |                  |                  |
| Depreciation expense  |      | (12,053)         | (14,089)         |
| Accounting fees   |      | (4,334)          | (6,826)          |
| Auditor's remuneration  |      | (5,073)          | (4,773)          |
| CARS contract fee   |      | (475,124)        | (475,124)        |
| Communications and marketing  |      | (254,659)        | (168,030)        |
| Employee benefits   |      | (587,586)        | (561,056)        |
| Industry initiatives  |      | (26,045)         | (289,904)        |
| Information exchange  |      | -                | (9,712)          |
| Public education  |      | (391,451)        | (429,925)        |
| Sitting fee   |      | (30,000)         | (30,000)         |
| Youth programs  |      | (338,418)        | (239,541)        |
| Other expenses  |      | (135,144)        | (99,577)         |
| <b>Surplus/(deficit) before income tax</b>  |      | <b>(326,870)</b> | <b>(436,180)</b> |
| Income tax /(credit) expense  |      | -                | -                |
| <b>Surplus/(deficit) for the year</b>   |      | <b>(326,870)</b> | <b>(436,180)</b> |
| <b>Other comprehensive income:</b>  |      |                  |                  |
| <b>Items that will not be reclassified to profit or loss:</b>   |      |                  |                  |
| <b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b> |      |                  |                  |
| <b>Total other comprehensive income for the year, net of tax</b>  |      | <b>-</b>         | <b>-</b>         |
| <b>Total comprehensive income/(deficit) for the year</b>  |      | <b>(326,870)</b> | <b>(436,180)</b> |

*The accompanying notes form part of these financial statements.*

# Statement of Financial Position

As at 30 June 2015

|                                  | Note | 2015<br>\$       | 2014<br>\$       |
|----------------------------------|------|------------------|------------------|
| <b>Assets</b>                    |      |                  |                  |
| <b>Current assets</b>            |      |                  |                  |
| Cash assets                      | 4    | 1,005,401        | 1,440,660        |
| Current tax assets               |      | 46,648           | 33,494           |
| Other                            | 5    | 59,861           | 115,202          |
| <b>Total current assets</b>      |      | <b>1,111,911</b> | <b>1,589,356</b> |
| <b>Non-current assets</b>        |      |                  |                  |
| Property, plant and equipment    | 6    | 5,870            | 17,923           |
| <b>Total non-current assets</b>  |      | <b>5,870</b>     | <b>17,923</b>    |
| <b>Total assets</b>              |      | <b>1,117,781</b> | <b>1,607,279</b> |
| <b>Liabilities</b>               |      |                  |                  |
| <b>Current liabilities</b>       |      |                  |                  |
| Payables                         | 7    | 15,111           | 224,246          |
| Provisions                       | 8    | 267,961          | 220,824          |
| <b>Total current liabilities</b> |      | <b>283,073</b>   | <b>445,070</b>   |
| <b>Total liabilities</b>         |      | <b>283,073</b>   | <b>445,070</b>   |
| <b>Net assets</b>                |      | <b>834,708</b>   | <b>1,162,209</b> |
| <b>Equity</b>                    |      |                  |                  |
| Retained surpluses               |      | 834,708          | 1,162,209        |
| <b>Total members' funds</b>      |      | <b>834,708</b>   | <b>1,162,209</b> |

*The accompanying notes form part of these financial statements.*

# Statement of Cash Flows

For the Year Ended 30 June 2015

|   | 2015<br>\$       | 2014<br>\$       |
|---|------------------|------------------|
| <b>Cash flow from operating activities</b>                          |                  |                  |
| Receipts from grants  | 1,903,636        | 2,043,449        |
| Payments to suppliers and employees                                 | (2,368,275)      | (2,259,120)      |
| Interest received   | 29,380           | 38,265           |
| <b>Net cash provided by (used in) operating activities (Note 2)</b> | <b>(434,259)</b> | <b>(177,406)</b> |
| <br>  |                  |                  |
| Net increase (decrease) in cash held                                | (434,259)        | (177,406)        |
| Cash at the beginning of the year                                   | 1,440,660        | 1,618,065        |
| <b>Cash at the end of the year (Note 1)</b>                         | <b>1,005,401</b> | <b>1,440,660</b> |

## Note 1. Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| Cash at bank                | 34,300           | 38,770           |
| CBA cash management account | 971,042          | 1,401,830        |
| Petty cash on hand          | 59               | 59               |
|                             | <b>1,005,401</b> | <b>1,440,660</b> |

## Note 2. Reconciliation of net cash provided by/used in operating activities to operating profit after income tax

|   |                  |                  |
|---|------------------|------------------|
| Operating profit after income tax   | (326,870)        | (436,180)        |
| Depreciation  | 12,053           | 14,089           |
| Changes in assets and liabilities net of effects of purchases and disposals of controlled entities: |                  |                  |
| (Increase) decrease in trade and term debtors   | -                | 189,337          |
| (Increase) decrease in prepayments  | 55,341           | (86,910)         |
| Increase (decrease) in trade creditors and accruals   | (209,766)        | 177,812          |
| Increase (decrease) in employee entitlements  | 47,138           | (8,739)          |
| Increase (decrease) in sundry provisions  | (13,154)         | (26,815)         |
| <b>Net cash provided by (used in) operating activities</b>  | <b>(434,259)</b> | <b>(177,406)</b> |

*The accompanying notes form part of these financial statements.*

# Notes to the Financial Statements

## For the Year Ended 30 June 2015

### **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 and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Associations Incorporation Act 2012* 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.

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.

#### **Income tax**

The association is exempt from income tax under Division 50 of *Income Tax Assessment Act 1997*. Therefore, no provision for income tax has been raised.

Non-member income of the association is only assessable for tax, as member income is excluded under the principle of mutuality.

#### **Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

#### **Property, plant and equipment**

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

##### ***(a) Plant and equipment***

The carrying amount of plant and equipment is reviewed annually 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 that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

##### ***(b) Depreciation***

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to National Motor Vehicle Theft Reduction Council Inc commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

| <b>Class of asset</b>         | <b>Depreciation rate</b> |
|-------------------------------|--------------------------|
| <i>Leasehold improvements</i> | <i>Period of lease</i>   |
| Office equipment              | 3 years                  |
| Computer equipment            | 3 years                  |
| Furniture and fittings        | 3 years                  |

*The accompanying notes form part of these financial statements.*

# Notes to the Financial Statements *continued*

## For the Year Ended 30 June 2015

### Employee entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave, which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

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

### Cash

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

### Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

### Revenue

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

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

|   | 2015             | 2014             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>Note 2: Revenue and other income</b> |                  |                  |
| Revenue:                                |                  |                  |
| Interest revenue                        | 29,380           | 38,265           |
| Grants received                         | 1,838,250        | 1,838,250        |
| Other income                            | 65,386           | 15,861           |
|   | <b>1,933,016</b> | <b>1,892,377</b> |

### Note 3: Profit from ordinary activities

Profit (loss) from ordinary activities before income tax has been determined after:

#### Charging as expense:

Depreciation of non-current assets:

|                             |               |               |
|-----------------------------|---------------|---------------|
| Other                       | 12,053        | 14,089        |
| Total depreciation expenses | <b>12,053</b> | <b>14,089</b> |
|                             | -             | -             |

*The accompanying notes form part of these financial statements.*

|  | 2015<br>\$       | 2014<br>\$       |
|--|------------------|------------------|
| <b>Note 4: Cash assets</b>                   |                  |                  |
| Bank accounts:                               |                  |                  |
| Cash at bank                                 | 34,300           | 38,770           |
| CBA cash management account                  | 971,042          | 1,401,830        |
| Other cash items:                            |                  |                  |
| Petty cash on hand                           | 59               | 59               |
|  | <b>1,005,401</b> | <b>1,440,660</b> |
| <b>Note 5: Other assets</b>                  |                  |                  |
| Current                                      |                  |                  |
| Prepayments                                  | 59,261           | 114,602          |
| Other  | 600              | 600              |
|  | <b>59,861</b>    | <b>115,202</b>   |
| <b>Note 6: Property, plant and equipment</b> |                  |                  |
| Plant and equipment:                         |                  |                  |
| At cost                                      | 140,611          | 140,611          |
| Less: Accumulated depreciation               | (134,741)        | (122,688)        |
|  | <b>5,870</b>     | <b>17,923</b>    |
| Leased plant and equipment:                  |                  |                  |
| At cost                                      | 30,668           | 30,668           |
| Less: Accumulated amortisation               | (30,668)         | (30,668)         |
|  | <b>-</b>         | <b>-</b>         |
|  | <b>5,870</b>     | <b>17,923</b>    |
| <b>Note 7: Payables</b>                      |                  |                  |
| Unsecured:                                   |                  |                  |
| Trade creditors                              | 15,111           | 224,246          |
|  | <b>15,111</b>    | <b>224,246</b>   |
| <b>Note 8: Provisions</b>                    |                  |                  |
| Current                                      |                  |                  |
| Employee entitlements*                       | 267,961          | 220,824          |
|  | <b>267,961</b>   | <b>220,824</b>   |

\* Aggregate employee entitlements liability.

There were four employees at the end of the year.

*The accompanying notes form part of these financial statements.*

# Notes to the Financial Statements *continued*

## For the Year Ended 30 June 2015

|  | 2015  | 2014  |
|--|-------|-------|
| <b>Note 9: Remuneration and retirement benefits</b>  |       |       |
| Committee members' remuneration  |       |       |
| Number of Committee members whose income from the association or any related parties was within the following bands: |       |       |
| \$20,000 to \$220,000  | No. 2 | No. 2 |

The names of Committee members of the association who have held office during the financial year are:

David Morgan  
 Michael Jones  
 Paula Bond  
 Richard Dudley  
 Karl Sullivan  
 Mark Borlace  
 Chris McNally  
 Murray Chapman  
 James Hurnall  
 Ray Carroll

|  | 2015<br>\$ | 2014<br>\$ |
|--|------------|------------|
|--|------------|------------|

### Note 10: Superannuation commitments

The association provides choice of superannuation fund to provide benefits to employees on retirement, death or disability.

### Note 11: Auditors' remuneration

Remuneration of the auditor of the Company for:

|  |              |              |
|--|--------------|--------------|
| Auditing or reviewing the financial report | 5,073        | 4,773        |
| Other services                             | -            | -            |
|  | <b>5,073</b> | <b>4,773</b> |

### Note 12: Contingent liabilities

Estimates of material amounts of contingent liabilities, not provided for in the accounts

|  |   |   |
|--|---|---|
|  | - | - |
|--|---|---|

### Note 13: Events subsequent to reporting date

Since the end of the financial year there have been no significant events.

*The accompanying notes form part of these financial statements.*

# Appendices

## Australia – Short term theft snap shot, 2014/15

|                                       | ACT | NSW   | NT    | QLD    | SA    | TAS   | VIC   | WA    | Australia |
|---------------------------------------|-----|-------|-------|--------|-------|-------|-------|-------|-----------|
| PLCs                                  | 616 | 7,493 | 897   | 5,564  | 1,754 | 1,049 | 8,491 | 4,491 | 30,355    |
| Change from 2013/14                   | 164 | -331  | 105   | -1,104 | -303  | 83    | 101   | -39   | -1,324    |
| % change adjusted for late recoveries | *   | -4%   | *     | -17%   | -15%  | *     | 1%    | -1%   | -4%       |
| Motorcycles                           | 46  | 614   | 99    | 515    | 222   | 82    | 659   | 1,275 | 3,512     |
| Change from 2013/14                   | 10  | 13    | -25   | -164   | -13   | 18    | 101   | -267  | -327      |
| % change adjusted for late recoveries | *   | 2%    | *     | -24%   | -6%   | *     | 18%   | -17%  | -9%       |
| Heavy/other vehicles                  | 13  | 362   | 33    | 299    | 34    | 10    | 215   | 277   | 1,243     |
| Change from 2013/14                   | 0   | -4    | 5     | -12    | -7    | 3     | -41   | -54   | -110      |
| % change adjusted for late recoveries | *   | -1%   | *     | -4%    | -17%  | *     | -16%  | -16%  | -8%       |
| Total theft                           | 675 | 8,469 | 1,029 | 6,378  | 2,010 | 1,141 | 9,365 | 6,043 | 35,110    |
| Change from 2013/14                   | 174 | -322  | 85    | -1,280 | -323  | 104   | 161   | -360  | -1,761    |
| % change adjusted for late recoveries | *   | -4%   | *     | -17%   | -14%  | *     | 2%    | -6%   | -5%       |

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

## Appendices continued

### Australia – Profit-motivated theft snap shot, 2014/15

|                                       | ACT | NSW   | NT  | QLD   | SA   | TAS | VIC   | WA    | Australia |
|---------------------------------------|-----|-------|-----|-------|------|-----|-------|-------|-----------|
| PLCs                                  | 130 | 3,906 | 98  | 1,681 | 611  | 122 | 2,688 | 1,010 | 10,246    |
| Change from 2013/14                   | 22  | 93    | 31  | -44   | -23  | 17  | 94    | 85    | 275       |
| % change adjusted for late recoveries | *   | 2%    | *   | -3%   | -4%  | *   | 4%    | 9%    | 3%        |
| Motorcycles                           | 78  | 882   | 71  | 818   | 316  | 67  | 1,213 | 1,121 | 4,566     |
| Change from 2013/14                   | 9   | 2     | -10 | 10    | 59   | 21  | 12    | -18   | 85        |
| % change adjusted for late recoveries | *   | 0%    | *   | 1%    | 23%  | *   | 1%    | -2%   | 2%        |
| Heavy/other vehicles                  | 2   | 539   | 5   | 212   | 21   | 34  | 247   | 412   | 1,472     |
| Change from 2013/14                   | -7  | 125   | 0   | -13   | -17  | -3  | -4    | -4    | 77        |
| % change adjusted for late recoveries | *   | 30%   | *   | -6%   | -45% | *   | -2%   | -1%   | 6%        |
| Total theft                           | 210 | 5,327 | 174 | 2,711 | 948  | 223 | 4,148 | 2,543 | 16,284    |
| Change from 2013/14                   | 24  | 220   | 21  | -47   | 19   | 35  | 102   | 63    | 437       |
| % change adjusted for late recoveries | *   | 4%    | *   | -2%   | 2%   | *   | 3%    | 3%    | 3%        |

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



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