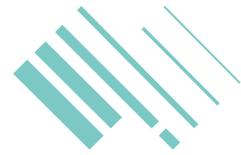


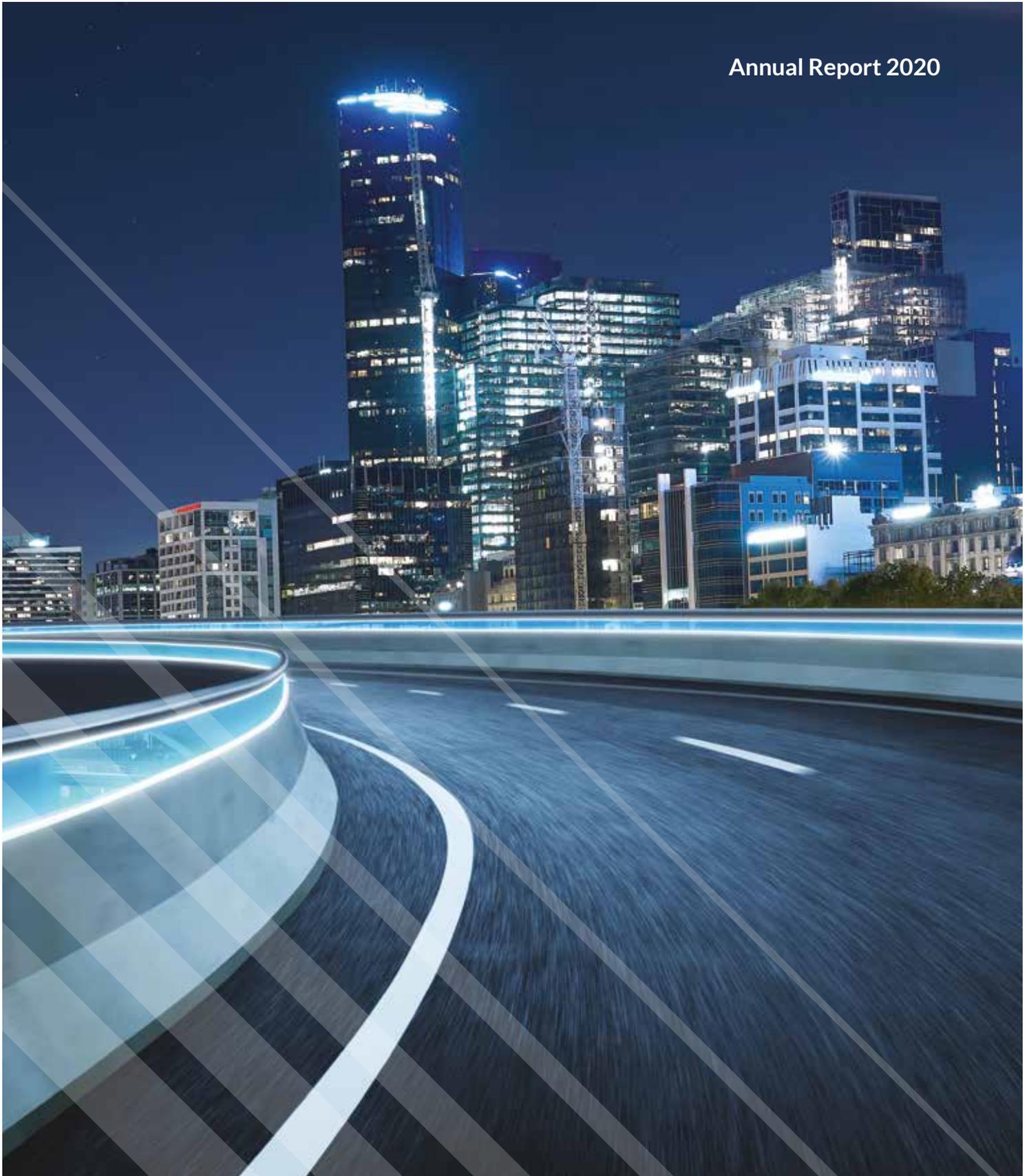
Future ready

An initiative of Australian governments and the insurance industry



National Motor Vehicle
Theft Reduction
Council

Annual Report 2020





National Motor Vehicle
Theft Reduction
Council

30 October 2020

Ministers Responsible for NMVTRC business

The Hon. Natalie Hutchins MP

The Hon. David Elliott MP

The Hon. Nicole Manison MLA

The Hon. Shane Rattenbury MLA

The Hon. Michelle Roberts MLA

The Hon. Mark Ryan MP

The Hon. Mark Shelton MP

The Hon. Vincent Tarzia MP

Insurance Council of Australia President

Ms Sue Houghton

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 2020.

Yours sincerely,

David M Morgan (AO)
Chairman

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Vision

To contribute to Australia's economic and social well-being by achieving the lowest rate of motor vehicle theft in the developed world.

Mission

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

Operating philosophy

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

Communication, consultation and negotiation are the hallmarks of the NMVTRC's operating philosophy, which underpins all its activities.

Chairman and Chief Executive's Report



David M Morgan (AO)
Chairman



Geoff Hughes
Chief Executive

Vehicle theft increased by 2 per cent for the year due to increases in the passenger/light commercial and heavy/other vehicle classes. While the nation's total of 56,312 represents an elevated level over the past three years, it remains 60 per cent lower than its peak in 2001. There does, however, clearly remain much more to do to deliver our vision of achieving the lowest rate of vehicle theft in the developed world.

We are undoubtedly amid a challenging time both socially and economically. With a long-established correlation between the performance of the economy and crime generally, the ongoing disruption of the COVID-19 pandemic is almost certain to see the current uplift in vehicle crime extend well into 2021 at a minimum. Steering a path forward will require a sustained level of commitment from both the NMVTRC and its stakeholders.

In our assessment, the principal vehicle crime concerns currently facing the nation are the:

- prevalence of residential burglaries to access the keys of 'secure' vehicles;
- ancillary uses of stolen cars in facilitating a range of second and third high-harm, high-impact crimes;
- performative nature of many young offenders that pose serious road safety risks;
- more than 10,000 vehicles that appear to simply vanish altogether from our roads each year, and in particular the rising proportion of these that are exported either as separated parts or scrap; and
- growing instances of insurance fraud presented as vehicle theft.

The NMVTRC's 21st year of operation saw good advances in many areas of our work program and the commencement of important reform activities that lay the groundwork for new, innovative solutions to these crucial issues, as well as providing an avenue for national replication of currently jurisdictional best practice responses. Highlights from the year included:

- the development of a new community education campaign – *Pop. Lock. Stop* – in consultation with visual content creators and behavioural scientists that employs simple and direct messaging to raise motorists' awareness of offenders entering homes to steal car keys and straightforward prevention measures;
- the enthusiasm with which Western Australian-based stakeholders embraced the NMVTRC's call for reform of the state's scrap metal trade to bring it into line with reforms in New South Wales and Victoria, and their assistance in making a submission to the government;
- the ongoing collaborative alliance with the IAG Research Centre on e-theft and cyber threats, which delivered a preliminary analysis of the utility of stored vehicle data for police and insurance investigations;
- the sustained success of our partnerships with local government to deliver community awareness programs in theft hot spots – with the best-performing municipalities achieving local theft reductions of between 5 and 30 per cent in the face of upward trends nationally; and
- in response to increases in the median time to recovery in short-term thefts reaching agreement with the Queensland Police Service (QPS) on a joint analysis of a sample of incidents to identify links to associated crimes and quantify how offenders are using stolen vehicles and the related wider impacts.



The year also saw the continuation of crucial youth diversion strategies including:

- our collaboration with Mission Australia and the Suncorp Group in the Synergy Auto Repairs social enterprise, which celebrated its sixth year of operation having repaired more than 3,000 customer cars and placed more than 50 young trainees in trade apprenticeships since inception; and
- the conclusion of our study with Swinburne University's Department of Psychological Sciences and Victoria Police to identify the factors that have led to some young people's use of violence in a series of home burglaries and on-road 'car-jackings' in Victoria. It is hoped that the report might be a resource for how to better manage the youth justice, health and education systems to mitigate the risk of such offending in the future.

The NMVTRC's highly regarded expert data services continued to evolve with the use of our restricted law enforcement-only services increasing by 20 per cent and the continued development of more intuitive, interactive applications for users.

Pleasingly, our key performance measures continue to show high levels of stakeholder satisfaction. The results represent some of the NMVTRC's best outcomes of the past decade in respect of consultation, the importance of NMVTRC reforms, dissemination of information and the quality of our publications and statistical services.

The year also saw some key changes in the membership of the Council with Rob Bartlett (Suncorp Group and Insurance Council of Australia) relinquishing his position. The Council welcomed experienced insurance company executives Matthew Wilson (Zurich) and Richard Gibson (NTI) to fill the two ICA vacancies. Our thanks to Rob and the ICA for ensuring a smooth transition.

The NMVTRC's new Strategic Plan released in September maintains its focus on directing the greatest proportion of its resources to facilitating an operational, on-the-ground response to the concerns currently facing our nation via effective partnerships. This includes recognition of the importance of understanding community attitudes and the full impacts of vehicle crime.

In 2021 the NMVTRC Board and its Executive look forward to continuing to demonstrate the value of national collaboration to steer reform and reduce the impact of vehicle crime to ensure the nation's defences are *Future ready*.

A handwritten signature in black ink, appearing to read 'D Morgan'.

David M Morgan (AO)
Chairman

A handwritten signature in black ink, appearing to read 'Geoff Hughes'.

Geoff Hughes
Chief Executive

Our Council Members

As at 30 June 2020



David Morgan (AO)
Independent Chair



Karl Sullivan
Insurance Council
of Australia



Mark Borlace
Royal Automobile
Association SA
(Australian Automobile
Association)



Rob Bartlett
Suncorp Group
(Insurance Council
of Australia)
(Resigned September 2020)



Robert Hill APM
Victoria Police
(Lead Ministers for
NMVTRC Business)



Andrew Mahon
Department of
Transport and Main
Roads, Queensland
(Austroads)



Richard Gibson
National Transport
Insurance (Insurance
Council of Australia)
(Appointed September 2020)



Geoff Gwilym
VACC (Motor Trades
Association of Australia)



Ashley Sanders
Federal Chamber of
Automotive Industries



Matthew Wilson
Zurich Insurance
(Insurance Council
of Australia)
(Appointed September 2020)

Our People



Geoff Hughes
Chief Executive



Christine Pejic
Program Manager



Caitlin Hrambanis
Projects and Communications
Coordinator



Danielle Meagher
Accounts and Office
Administrator

Reform Activity



**Reducing short-term theft
and the ancillary use
of stolen vehicles**



**Reducing
profit-motivated
theft**



**Building stakeholder
capacity and promoting
innovation**



Better data

Motor Vehicle Theft in Australia 2019/20



A total of 56,312 motor vehicles were stolen nationally in 2019/20. This represents a 2 per cent increase for the year. Passenger/light commercial (PLC) vehicle thefts were up 3 per cent to a total of 45,010, and theft of heavy/other vehicles also rose 4 per cent. Motorcycle thefts bucked the trend, falling 3 per cent.

Short-term theft

Total short-term theft, adjusted for late recoveries, increased by 1,242 to 45,010 vehicles. The vehicle mix comprised 86 per cent PLCs, 11 per cent motorcycles and 3 per cent heavy/other vehicle types.

PLC theft analysis

Short-term PLC thefts increased by just 1 per cent. Of the 45,010 PLC thefts, an estimated 35,125 are likely to be recovered based on historical late recovery trends. Of the 34,839 recovered at the time of this report:

- 26 per cent were less than six years old;
- 23 per cent were between six and 10 years old; and
- 50 per cent were more than 10 years old.

The proportion of immobilised vehicles stolen for short-term use continued to rise, with 86 per cent of PLCs stolen fitted with an Australian Standards Equivalent (ASE)¹ immobiliser. Another 1 per cent were fitted with a non-ASE immobiliser.

Small cars now make up the greatest proportion of vehicles on Australian roads, and this is also reflected in the theft numbers. Overall, 28 per cent of thefts were small passenger cars followed by SUVs (24 per cent). Despite this clear shift, large vehicles like the Holden Commodore VE (738 thefts)

and Toyota Hilux MY05-11 (415) filled the number one and three spots, with the small Nissan Pulsar N15 (433 thefts) splitting them at number two.

As a group, light commercial utilities made up 18 per cent of all short-term thefts and five of the top 10 short-term theft targets by make/model (Toyota Hilux (various model years), Ford Ranger PX MY11+ and the Nissan Navara D40 MY05-15).

Motorcycle theft analysis

Short-term motorcycle thefts decreased by 223 (5 per cent), bringing the 2019/20 total to 4,456. Where the motorcycle body type and year of manufacture were known:

- one in five (20 per cent) motorcycles stolen were off-road bikes;
- on-road scooters made up 34 per cent of all motorcycle thefts, followed by on-road sports bikes (25 per cent) and off-road sports bikes (8 per cent);
- 82 per cent of bikes stolen were manufactured from 2000 onwards; and
- consistent with their market share, Honda and Yamaha topped the list of the most stolen short-term bikes, with 952 and 687 thefts, respectively.

1. 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 Australian Standards.

Motor Vehicle Theft in Australia 2019/20 continued

Five-year trends

Short-term PLC theft is up 2 per cent from 2015/16 when 34,080 vehicles were stolen. Motorcycle theft also increased by 8 per cent over this period. In contrast, theft of other vehicles is down 9 per cent.

The age distribution of short-term PLC thefts over the past five years has clearly been changing. As Figure 1 below shows, since 2015 the gap between theft of vehicles manufactured before ASE immobilisers became standard

equipment (pre-2001) and after (post 2001) has been steadily growing.

In 2015/16, 73 per cent of PLCs stolen and recovered were fitted with an ASE immobiliser. The increase to 86 per cent over the past five years echoes the now very high immobilisation rate of Australia's vehicle fleet and explains why thieves gaining access to the key and transponder via residential burglary is now the most common method of stealing these otherwise 'secure' vehicles.

Figure 1: Passenger/light commercial vehicles – adjusted short-term thefts by quarter, 2015/16–2019/20



Profit-motivated theft

When adjusted for late recoveries, total profit-motivated theft increased by 724 thefts, bringing the 2019/20 total to 15,418. The theft of PLCs increased by 761 (or 8 per cent). Profit-motivated motorcycle theft decreased by 3 per cent (148 thefts), which left the vehicle mix consisting of 64 per cent PLCs, 29 per cent motorcycles and 7 per cent 'other'.

PLC theft analysis

At the time of this report a total of 10,171 PLC thefts are yet to be recovered. However, allowing for expected late recoveries based on historical trends, the true figure is likely to be 9,885. Of these the age distribution was:

- 15 per cent less than six years old;
- 20 per cent between six and 10 years old; and
- 62 per cent more than 10 years old.

The 16+ year age group made up the single highest proportion (37 per cent).

Seventy-nine per cent of PLC vehicles stolen for profit were fitted with an ASE immobiliser, an increase of 3 per cent from the previous year. Nineteen per cent were not fitted with any type of immobiliser.

Light commercial utilities were the most popular target of profit-motivated thieves, making up 23 per cent of vehicles stolen. SUVs were the second-most targeted group at 21 per cent. The top theft makes and models for the year were the:

- Holden Commodore VE (MY06-13) with 277 thefts;
- Toyota Hilux (MY05-11) with 221 thefts; and
- Toyota Hilux (MY12-15) with 157 thefts.

Motorcycle theft analysis

When adjusted for late recoveries, profit-motivated motorcycle theft decreased by 3 per cent in 2019/20. The 4,440 thefts represent 29 per cent of all vehicles stolen and not recovered. Where the motorcycle body type was known:

- the largest proportion of profit-motivated motorcycle thefts were on-road scooters (23 per cent), off-road sports bikes (18 per cent) and on-road sports (17 per cent);
- like short-term thefts, Honda (986 thefts) and Yamaha (887 thefts) were the most commonly targeted for profit.

Close to two in five motorcycles (57 per cent) stolen for profit were on-road bikes. This is a significant variation from those stolen for short-term use, where a much larger proportion (four in five) stolen are on-road bikes.

Five-year trends

Both profit-motivated PLC theft and motorcycle theft have increased over the past five years (13 per cent and 8 per cent from 2015/16, respectively). Conversely, theft of other vehicles decreased by almost 10 per cent over the same period.

As shown in Figure 2, the age profile for profit-motivated PLC thefts reveals a slight increase (3 per cent) in vehicles more than 16 years old, but there still remains a gradual shift away from these vehicles towards a more even age distribution. Despite this, PLCs valued at less than \$5,000 continue to make up the largest proportion of profit-motivated theft (43 per cent), indicating the targeting of older vehicles for their scrap metal value.

Over the past five years there has been a shift in profit-motivated theft towards SUV passenger vehicles (up from 16 per cent in 2015/16 to 21 per cent in 2019/20), small passenger vehicles (from 19 to 21 per cent) and light commercial utilities (from 21 to 23 per cent). There has been an overall decline in theft of large passenger vehicles from 23 to 17 per cent.

Figure 2: Passenger/light commercial vehicles – percentage of profit-motivated thefts by vehicle age group, 2015/16–2019/20.

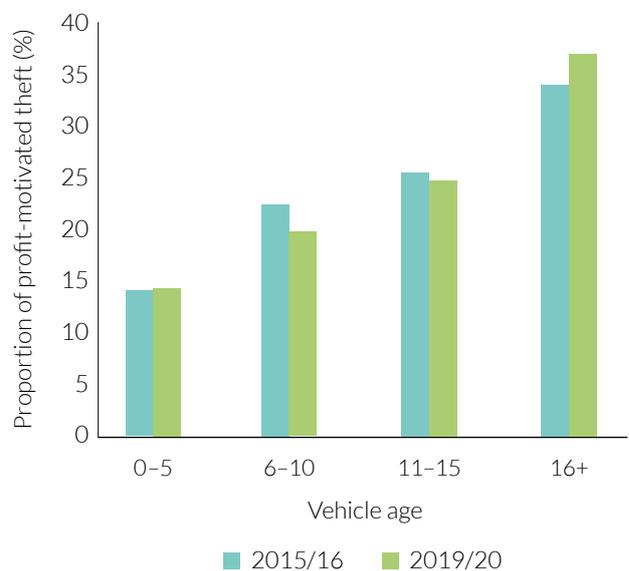


Figure 3: Passenger/light commercial vehicles – adjusted profit-motivated thefts by quarter, 2015/16–2019/20



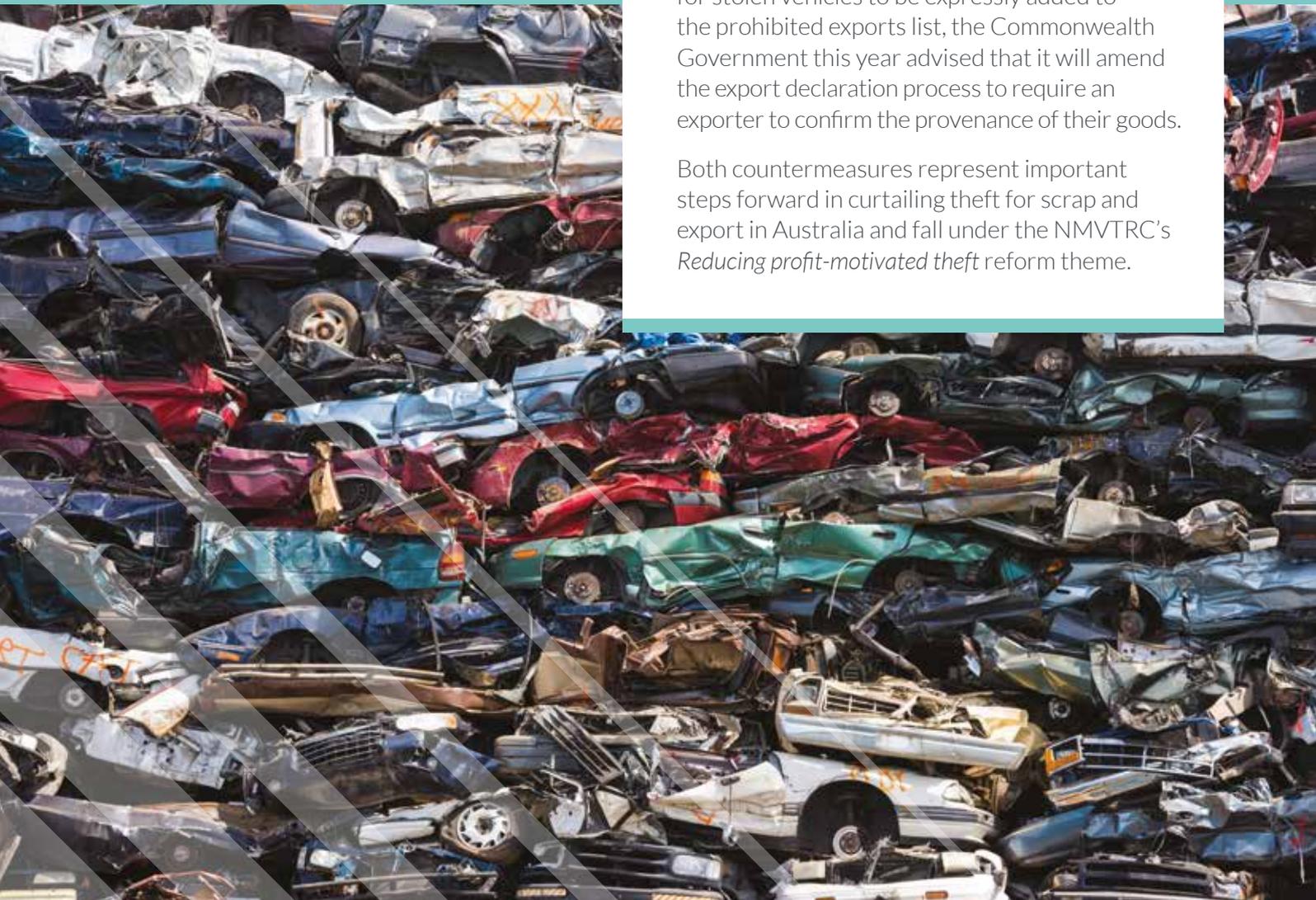
For a more in-depth analysis of thefts in the 2019/20 financial year including breakdowns for all jurisdictions, go to www.carsafe.com.au/statistics

Auto-recycling reform

Together theft for scrap and the export of stolen vehicles as separated parts could account for up to nine in 10 profit-motivated thefts in Australia. Since 2019, the NMVTRC has been working with an expert reference group of Perth-based industry and government representatives and experts in regulatory design to put forward options for reform of the scrap metal industry in Western Australia. The preferred approach would see state governments introduce new, crime prevention-focused legislation to curb illicit trading and impose strict sanctions for non-compliance.

And in direct response to the NMVTRC's calls for stolen vehicles to be expressly added to the prohibited exports list, the Commonwealth Government this year advised that it will amend the export declaration process to require an exporter to confirm the provenance of their goods.

Both countermeasures represent important steps forward in curtailing theft for scrap and export in Australia and fall under the NMVTRC's *Reducing profit-motivated theft* reform theme.



Reform Activity

The NMVTRC's 2019/20 activity is categorised by the two major reform themes – *Reducing short-term theft and the ancillary use of stolen vehicles*, and *Reducing profit-motivated theft* – and the sub-themes of *Building community capacity and promoting innovation*, and *Better data*.

1. Reducing short-term theft and the ancillary use of stolen vehicles

Sustainable best practice interventions for recidivist offenders

Synergy Auto Repairs (Social Enterprise) for young recidivist offenders

On any day there are around 1,500 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 \$550,000 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.

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 almost 100 theft-related fatalities across Australia since 2012. Over two-thirds of those deaths were young people under the age of 30. Most resulted from a combination of excess speed, drugs and alcohol. Seven were associated with an active police pursuit.

For these reasons, the NMVTRC remains an advocate for the expert design and delivery of diversionary programs for young offenders.

Young people have a chance to turn their lives around through the commercially based social enterprise, Synergy Auto Repairs (SAR). Synergy is a unique partnership between Mission Australia (MA), the Suncorp Group (SG) 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.

Synergy Melbourne continues to operate at a high level in respect of therapeutic outcomes, and celebrated its sixth anniversary in 2020. The enterprise has now repaired more than 3,000 customer repairs and placed more than 50 participants in trade apprenticeships.

This year the NMVTRC supported Mission Australia to develop a national replication strategy to expand SAR to other jurisdictions. However, the finalisation of the strategy has been affected by a number of factors including COVID-19 impacts.

The strategy is expected to be finalised in early FY2021, with national replication to focus initially on Queensland.

Insights into contemporary young offender behaviour

The past five years have seen a quantum shift in young offender behaviour, with residential burglaries in order to access keys the new norm. While overall youth crime is reducing, recidivist offending is on the rise with a small number of offenders responsible for a large proportion of vehicle theft. Most young offenders aim to sneak in and out of homes undetected to steal car keys ('sneak' thefts); however, a small number have shown a propensity for violence.

With the expert assistance of Swinburne University's (SU) Department of Psychological Sciences, the NMVTRC and Victoria Police concluded research to identify the factors that have led to some young people's use of violence in a series of home burglaries and on-road 'car-jackings'.

The research represents the first qualitative study of young people serving a custodial sentence for violent vehicle theft offences and documents their motivations and perspectives on interventions that may have prevented them or others like them from engaging in related crime.

The research found that these young people are almost always themselves the victims of abuse, family violence or other childhood trauma. Disengagement from school and homelessness were key factors in young people's trajectory to car crime, as the need for a sense of belonging pushed them further into criminal associations. Drug use – particularly methamphetamine use – was endemic within the group. The research also confirmed the role 'Fagan-like' adult characters play in the recruitment of young people into broader criminal networks.

The report should be of interest to a range of parties across the justice portfolio (police, crime prevention, youth justice, corrections) and makes important observations relevant to education and health system administrators.

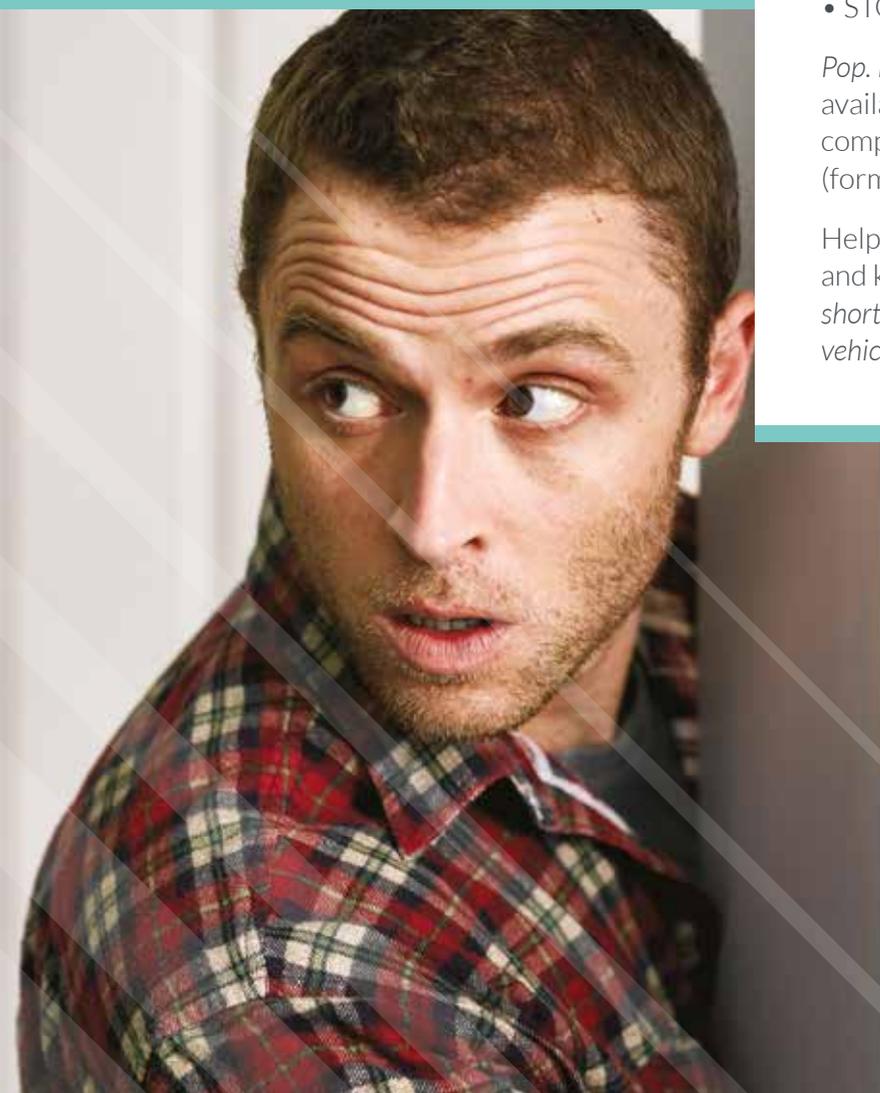
Pop. Lock. Stop sneak theft

This year the NMVTRC worked with visual content creators and behavioural economists to develop a new community education campaign with a simple and direct message. *Pop. Lock. Stop* uses compelling statistics and a catchy mnemonic to draw attention to the high percentage of motor vehicle thefts that occur through offenders sneaking into homes to steal keys and presents three simple steps they can take to reduce the risk of it happening to them:

- POP keys out of sight;
- LOCK all doors and windows and check everyone in the household is doing the same; and
- STOP sneak theft.

Pop. Lock. Stop video and print materials are available for stakeholder use and form a key component of the Stop Sneak Theft initiative (formerly *Operation Bounce Back*).

Helping the community safeguard their homes and keys falls under the NMVTRC's *Reducing short-term theft and the ancillary use of stolen vehicles* reform theme.



Reform Activity continued

Helping the community safeguard their homes and keys

Operation Bounce Back

Operation Bounce Back (OBB) is the NMVTRC's public education-based program which aims to harness the assistance of local government and police to raise community awareness of vehicle theft and effective prevention measures in 'hot spots' nationally.

The FY2020 program was boosted to a maximum of 25 grants to the value of \$15,000 and offered to local councils in theft hot spots across the nation. Eighteen local councils accepted the offer to implement a crime prevention campaign with a focus on preventing car theft via residential burglary, consistent with the NMVTRC's *Tackling Vehicle Theft: A Guide for Local Communities*.

Despite the major interruptions of the bushfires in New South Wales and Queensland and COVID-19 restrictions, participating councils remained committed to delivering effective, resident-focused programs. Safety expos, interactive shopping centre displays and smaller community-run events, such as 'coffee with a cop' and community picnics, were core engagement activities. Councils also employed strong use of cinema, television and social media using NMVTRC resources to raise awareness of the simple steps homeowners can take to mitigate their risk of key theft via a residential burglary.

The best-performing LGAs recorded strong theft reductions compared to the upward trend in their respective states. The theft performance of the top five LGAs compared with their state average is presented below.

Local government area	2018	2019	% change	% change for the state
Lake Macquarie (City)	392	330	-16%	2%
Penrith (City)	357	336	-6%	2%
Wollongong (City)	358	250	-30%	2%
Greater Dandenong (City)	638	609	-5%	9%
Hume (City)	1,008	927	-8%	9%

In consultation with grant recipients, the NMVTRC has refreshed its suite of community education materials with an increased focus on social media. Going forward, the program will be known as the *Stop Sneak Theft* initiative with the new *Pop. Lock. Stop sneak theft* resources as its centrepiece.

Pop. Lock. Stop sneak theft

The increasing penetration of electronic immobilisers across the Australian fleet has made a major contribution to improving the country's theft performance, with volumes falling by more than 60 per cent since they were made compulsory in new cars in 2001. Nationally, nine in 10 vehicles are now protected by an Australian Standards Equivalent engine immobiliser.

Whilst this should be welcomed, it has in part led to a shift in offenders' methods towards:

- residential burglaries to access the keys of 'secure vehicles' – with vehicle keys being the only property stolen in up to one in four reported burglaries in which a vehicle was taken; and
- 'sneak' thefts, where offenders enter occupied homes undetected and steal car keys left in easily accessible places such as near an open door or window.

While offenders will generally try to avoid coming face to face with home occupants, this changed dynamic has led to considerable community anxiety. While perhaps the most difficult theft method to counter, a pro-active approach to responsibly raise motorist and homeowner awareness of

actual risk profiles and practical mitigation strategies is essential to maintaining a balance between restoring a sense of community safety and encouraging risk mitigation.

Since 2019 the NMVTRC has worked with economic behavioural consultants to better understand motorists' attitudes and actions towards safeguarding keys. The research confirmed that motorists are likely to respond best to messages that include a direct call to action or that provide clear behavioural instruction. It also found that while the NMVTRC's *Car Security Begins at Home* campaign was engaging, it could be more direct.

In FY2020, the NMVTRC leveraged the outcomes of the consumer research to refresh its public education material.

The new *Pop. Lock. Stop* campaign was developed by the NMVTRC with expert video content creators in consultation with behavioural economists. Through the use of compelling statistics and a catchy mnemonic, the campaign highlights the high percentage of vehicle thefts via offenders sneaking into homes to steal keys and the three simple steps motorists can take to reduce their risk. The outputs were also previewed by a select group of stakeholders nationally and rated highly for their impact and clarity.

Maintaining expert data systems

Over the past 21 years the NMVTRC's world-leading expert vehicle crime data service has transformed from a rearward looking, static report-based system to a dynamic suite of online tools for stakeholders and law enforcement. The CARS system now holds more than 715 million records of vehicle data sourced from police, registration, insurance and automotive intelligence data providers.

During the year there were more than 170,000 unique visits to the CARSAFE website, and use of the restricted services tailored specifically for each participating state police service increased by 20 per cent over the previous year.

Maintaining expert data systems falls under the NMVTRC's *Better data* reform theme.



Reform Activity continued

The campaign consists of a suite of video and print materials for stakeholder use and is the centrepiece of the new *Stop Sneak Theft* initiative.

2. Reducing profit-motivated theft

Auto-recycling reform

Reform of the scrap metal market

The prevailing vehicle age profile indicates that theft for scrap (including dismantling for parts) could account for half of all profit-motivated thefts and highlights the vulnerability of the prevailing end-of-life vehicle (ELV) practices to manipulation by profit-motivated thieves.

Since 2019, the NMVTRC has been working with an expert reference group (ERG) of Perth-based industry and government representatives to develop options for reform of the scrap metal market in Western Australia. The theft of older motor vehicles for their value as scrap, and the theft of copper wire and other metals from building sites and utilities providers is estimated to cost WA more than \$40 million per annum.

An NMVTRC commissioned analysis by experts in regulatory design posed two options for reform: augmenting existing consumer protection laws with provisions directed to reducing criminal activity (the consumer model), or introducing a new, stand-alone Act based on the New South Wales *Scrap Metal Industry Act 2016* (the crime prevention model). The ERG overwhelmingly endorsed the crime prevention model based on its relative simplicity and its capacity to also combat the significant losses suffered by utility providers in respect of copper thefts from electricity and water networks.

Based on this advice, in FY2020 the NMVTRC engaged economic and public policy consultants to develop a full cost benefit analysis of the options. The report concluded that the introduction of new, stand-alone legislation:

- would deliver a larger benefit under all possible scenarios at a lower total cost for both government and industry; and
- had the potential to reduce illicit trading by up to 75 per cent.

The NMVTRC submitted its reform proposal for the consideration of the WA Police Minister in April 2020.

The NMVTRC proposes to commence a similar collaborative processes in Queensland and South Australia in FY2021.

Prohibiting the export of stolen vehicles and parts

The NMVTRC estimates that the export of stolen vehicles as separated parts or scrap could account for four in 10 profit-motivated thefts with a proliferation of new entrants in the 'cash for cars' sector focused on scrap metal exports.

In February 2019, the NMVTRC appeared before the Commonwealth Parliamentary Joint Committee on Law Enforcement on the matter of theft and export of motor vehicles and parts in Australia. In its final report, the Committee supported the NMVTRC's call for stolen vehicles to be expressly added to the prohibited exports list. It was in fact the Committee's principal recommendation.

In response the Australian Government has advised that it will direct the Australian Border Force (ABF) to amend Australia's export declaration process to require an exporter to confirm the provenance of their goods at the point of export, with sanctions of up to \$55,500 and 12 months' jail for a false or misleading declaration.

Refining management of written-off vehicles (WOV)

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.

Following the Transport and Infrastructure Council (TIC) agreeing to implement a Heavy Vehicle Written-off Vehicle Register to improve vehicle safety and mitigate theft risks, Austroads and the NMVTRC jointly published a technical guide, *Damage Assessment Criteria for the Classification of Heavy Statutory Write-Offs* in 2018, which is the central element of the scheme. The guide is designed to assist insurance personnel and other notifiers who are required to classify heavy vehicle write-offs for regulatory purposes with the classification task.

The new criteria require a local law change to adopt them and there are several pre-implementation tasks that each jurisdiction will need to undertake to achieve a seamless, national system. An implementation reference group (IRG) was established in FY2019 to confirm required tasks and develop a coordinated approach.

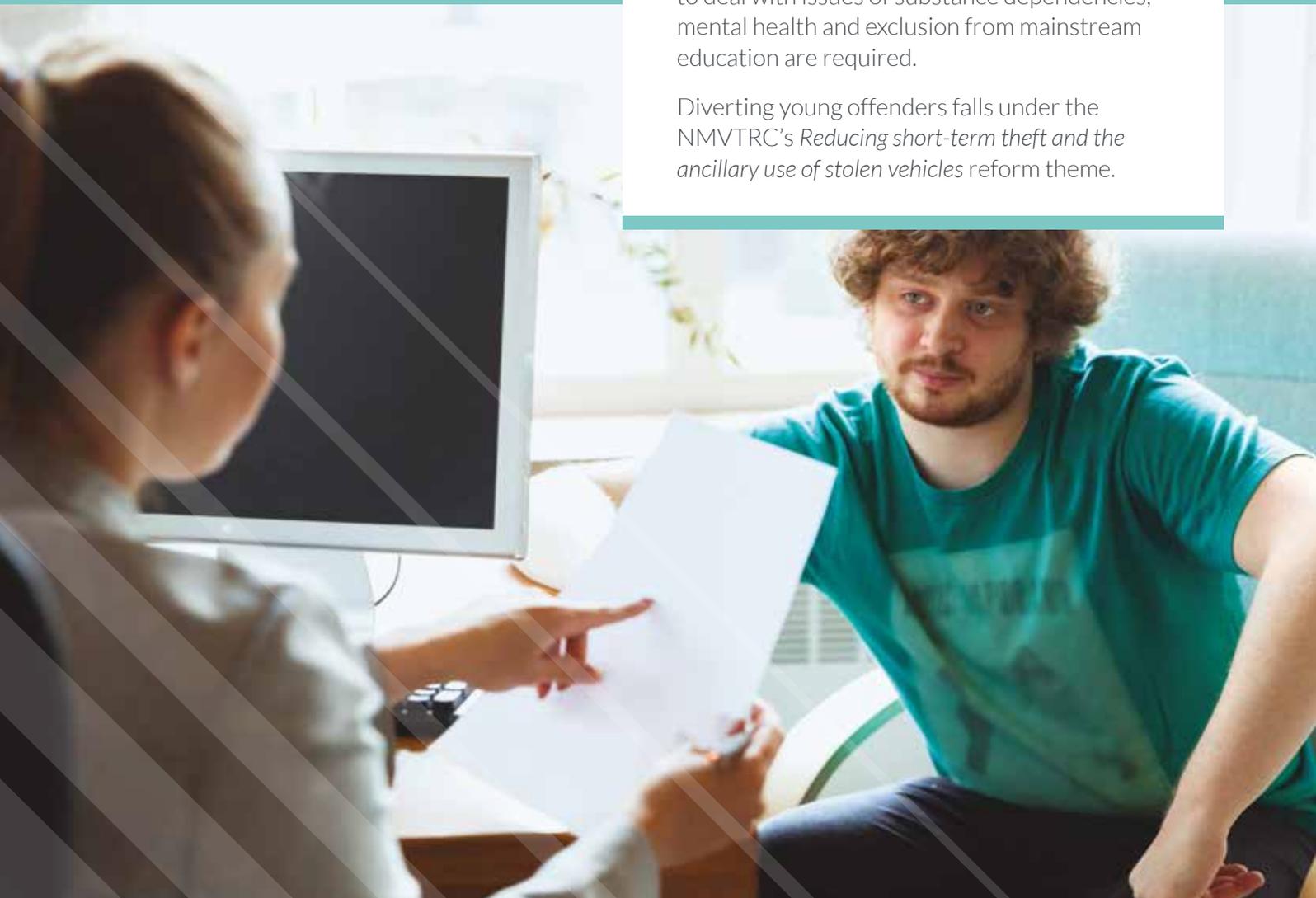
This year the Austroads Registration and Licensing Taskforce accepted the pre-implementation outputs. We are awaiting 'go-live' dates from jurisdictions, but full implementation is not expected until 2022.

Insights into contemporary young offender behaviour

With the expert assistance of Swinburne University's Department of Psychological Sciences, the NMVTRC and Victoria Police concluded their research to identify the factors that have led to some young people's use of violence in a series of home burglaries and on-road 'car-jackings' in Victoria.

The research found that these young people are almost always themselves the victims of abuse, family violence or other childhood trauma. Disengagement from school, high-level drug use and homelessness were key factors in young people's trajectory to car crime. The report concludes that new, multi-agency approaches to deal with issues of substance dependencies, mental health and exclusion from mainstream education are required.

Diverting young offenders falls under the NMVTRC's *Reducing short-term theft and the ancillary use of stolen vehicles* reform theme.



Reform Activity *continued*

Personal Properties Securities Register (PPSR)

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.

The PPSR is the national one-stop-shop for vehicle encumbrance, stolen and written-off status for consumers and the motor trades. It is operated by the Australian Government and provides prospective buyers of used vehicles with a one-off certificate confirming a vehicle's recorded status.

In FY2020, the NMVTRC refreshed its website and information on the importance of obtaining a PPSR check when buying a used car privately. The NMVTRC would also like to see all Australian motoring clubs do more to promote the basic PPSR check to their members. A basic enquiry costs just \$2.

In FY2020, the PPSR processed close to 10 million motor vehicle checks.

Secure Compliance (Vehicle Identity) Labels

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

The year saw close to 500,000 new vehicles sold in Australia bearing 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 label's first introduction in 2007 to more than 6.3 million.

After extensive representations by the NMVTRC, the Australian Government agreed to develop a new Australian Design Rule (ADR 61-3) for Secure Vehicle Identification. While the NMVTRC welcomes the retention of a requirement for a system of secure ID – including a secure label – we equally remain concerned with the lack of guidance for a candidate product's performance in regard to appropriate tamper evident, fraud resistance and self-destructive qualities. In our assessment this could have been easily remedied without detriment to an open, internationally harmonised market, by four simple performance-based requirements, i.e. that a complying product:

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

We will monitor how vehicle manufacturers respond to the new ADR and commission our own independent, expert testing of adopted labels.

Whole of vehicle marking

A further 27,500 new vehicles sold in the year carried up to 7,000 microdots each bearing the vehicle's unique 17-digit identification number, making it virtually impossible for profit-motivated thieves to hide a vehicle's original identity. Almost 540,000 vehicles sold in Australia since 2009 have had the NMVTRC-endorsed system fitted as standard equipment.

Mitigating the risks posed by off-register vehicles

The NMVTRC has received reports of criminals seeking to exploit current regulatory barriers by using the identifiers of 'retired' passenger and light commercial (PLC) vehicles used exclusively on mining sites that are not captured in state and territory written-off vehicle systems.

PLC vehicles used exclusively on mining sites are not required to be registered and as such do not have a vehicle history in the public register. This poses a risk that once they have come to the end of their life for mining purposes, their identifiers may be used by criminals to give a comparable stolen vehicle a new identity, which can then be registered and on-sold to unsuspecting buyers.

This year the NMVTRC secured support from the NSW Police Force's Financial Crimes Command to work collaboratively towards the development of practices to mitigate related risks. This work will continue in FY2021.

Reform Activity continued

Police responses

The NMVTRC convenes the Australasian Vehicle Crime Managers' Network (AVCMN) each year to enable senior law enforcement officers and lead investigators to:

- exchange perspectives on current and emerging trends in vehicle crime at a jurisdictional and national level;
- share information on jurisdictional responses to related crime, including specific investigation and broader service-wide strategic responses; and
- discuss inter-agency optimisation of intelligence and knowledge sharing.

While the forum would ordinarily be held around May, this year's program was postponed due to COVID-19 travel restrictions. A face-to-face format is preferred to optimise round-table discussions and allow a free flow of ideas between jurisdictional counterparts. Rescheduling will be dependent upon easing of travel restrictions nationally.

3. Building stakeholder capacity and promoting innovation

Better networks

Better liaison with motorcycle rider groups

Despite a 3 per cent reduction in the past 12 months, motorcycle theft has increased by 8 per cent over the past five years with national theft volumes now over 9,000. Motorcycles are particularly difficult to protect due to their ease of portability, the high demand for parts, the absence of registration for off-road bikes and poor identification.

Throughout the past decade the NMVTRC has attempted to engage with rider groups via a variety of means including hosting a national motorcycle summit, rider surveys, participation in bike safety events and the establishment of a dedicated micro-website. The challenge is to maintain regular rider engagement to ensure theft prevention messages are resonating with riders.

In FY2020, the NMVTRC refreshed its 'Protect Your Bike' micro-website, which, alongside facts on motorcycle theft, security tips and access to the CARS interactive mapper tool for motorcyclists, now features a short video on motorcycle theft prevention, which can be shared between riders.

To promote the refreshed resources, the NMVTRC contacted rider groups in each jurisdiction and encouraged them to view the site and link to it from their own group's webpage. We also invited rider groups to get in touch with us to share ideas on how we can better communicate with motorcyclists about security and theft prevention. Suggestions will be used to inform further development of the communications strategy for regular engagement with motorcyclists.

Technology

Collaboration with IAG Research Centre

The NMVTRC has formed a collaborative alliance with IAG's Research Centre (IAGRC) to ensure that we keep ahead of technological advances in vehicle architecture and e-theft methods. The partnership provides the NMVTRC with access to expert advice on cyber security risks, the practical testing of select, aftermarket security devices and/or Original Equipment Manufacture security features.

This year the NMVTRC asked IAGRC to conduct an independent assessment of stored vehicle data and its utility for crime and insurance investigations.

Connected modern vehicles collect and process vast amounts of information to assist drivers with navigation and communication, and for entertainment. As a result, they hold a range of data including geospatial information, vehicle activity logs (e.g. opening of doors, speed and odometer readings) and data from devices that have been connected via Bluetooth or USB ports, which can assist in determining the true circumstances of a vehicle crime or collision.

While it is increasingly recognised that stored vehicle data may be of significant value for law enforcement and vehicle crash investigations to better understand what happened, where it occurred, and who was involved, the use of the technology in Australia is still in its infancy. Retrieving this information can also be complex and market toolkits to retrieve data and associated user training are costly.

A preliminary report has been completed, which provides a theoretical overview of the data generated by vehicles including what can be retrieved, how it is accessed and what utility it has for investigators.

Active testing of the two market leaders in producing specialised tools to retrieve and analyse information, the Bosch Crash Data Recorder (CDR) and the Berla iVe toolkits, had to be postponed due to COVID-19 restrictions on working arrangements. An addendum to the report will be produced when physical testing is possible, and the final outcomes published on the NMVTRC website and circulated to interested law enforcement agencies and insurers.

4. Better data utilisation

Minimising opportunities for insurance fraud

The NMVTRC continued to collaborate with the Insurance Council of Australia's Insurance Fraud Bureau (IFB) 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 most common fraudulent claims have traditionally been likely to relate to burnt-out recovered vehicles. However, discussions with insurers in some jurisdictions indicate an increase in the number of vehicles that have been assumed to have 'vanished', suddenly being found within days of the vehicle being determined to be a total loss and the claim settled. Increases in staged collisions and 'induced' accidents (i.e. deliberately causing an at fault accident with a stranger) have also been reported in some parts of the country.

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.

In 2018 that system was redeveloped as part of a range of new commercial applications now approved by Austroads to access non-personal registration data based on a link between the vehicle's registration plate and its VIN. In FY2020, approved information broker MotorWeb delivered more than 40 million vehicle status checks to insurers via its Auto Report and Auto Report Plus services.

The NMVTRC will continue discussions with the IFB to review fraud risk indicators in FY2021.

Expert data systems

Over the past 21 years the NMVTRC's world-leading expert vehicle crime data service has transformed from a rearward looking, static report-based system to a dynamic suite of online tools for stakeholders and law enforcement. For the larger jurisdictions data is refreshed weekly and as such can be used to inform local tactical and operational responses.

In FY2020, the CARS service again provided stakeholders and the media with fast, easy access to the most up-to-date vehicle theft data available. A range of enhancements were introduced during the year, including:

- the launch of the redesigned NMVTRC website;
- the redevelopment of the *Theft Watch* publication into an interactive application for users;
- completing almost 200 data requests for various stakeholders;
- the initiation of a research project with Queensland Police to determine the type and frequency of ancillary crimes associated with stolen vehicles;
- conducting research into the shifting patterns of recovery times of stolen vehicles;
- carrying out an in-depth analysis of number plate thefts in Victoria;
- updating the CARS database with the latest geolocation datasets from the ABS; and
- sourcing and maintaining an image library of over 3,100 PLC vehicles by make, model and series to aid the quick visual identification of vehicles by non-expert law enforcement personnel.

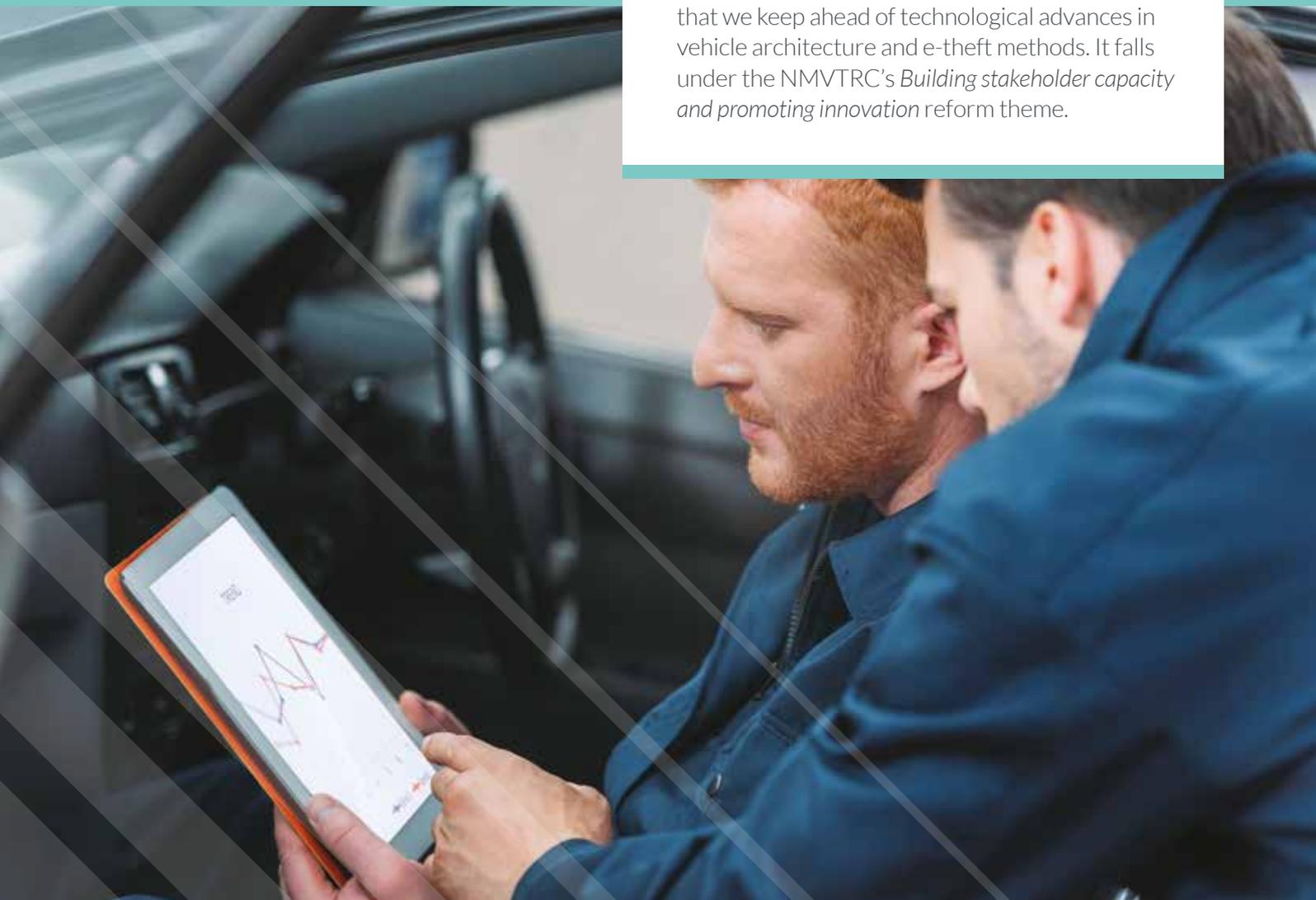
During the year there were more than 170,000 unique visits to the CARSAFE website, while law enforcement use of restricted services increased by 20 per cent. As at 30 June, CARS held more than 715 million records of vehicle data sourced from police, registration, insurance and automotive intelligence data providers.

Collaboration with IAG Research Centre

Through its ongoing collaborative alliance, the NMVTRC asked IAG's Research Centre (IAGRC) to conduct an independent assessment of stored vehicle data and its utility for crime and insurance investigations.

With connected modern vehicles collecting and processing vast amounts of information, it is increasingly recognised that stored vehicle data may be of significant value for law enforcement and vehicle crash investigations to better understand what happened, where it occurred, and who was involved. However, the use of the technology in Australia is still in its infancy.

The IAGRC collaborative partnership ensures that we keep ahead of technological advances in vehicle architecture and e-theft methods. It falls under the NMVTRC's *Building stakeholder capacity and promoting innovation* reform theme.



Reform Activity continued

Deeper analysis

Ancillary uses of stolen vehicles

Anecdotal reports from police in several regions of Australia are that thieves are retaining the use of vehicles that will ultimately be recovered for extended periods. An NMVTRC analysis of time from reported theft to recovery of the vehicle shows that the median days to recovery has increased from one day in 2009 to now up to four days in some larger jurisdictions, supporting the anecdotal reports.

For over a decade, the NMVTRC has attempted to classify vehicle theft data by the offenders' motivation – short-term use or profit-motivated. While the short-term category has by definition included incidents where a stolen vehicle is used in the commission of other crimes (as well as purposes such as joyriding and for transport), the changes in recovery time warrant further investigation to better understand how offenders are using the stolen vehicles and the related wider impacts.

In FY2020, agreement was reached with the Queensland Police Service (QPS) on the design of a joint analysis of a sample of stolen motor vehicle incident reports to identify links to associated crimes. Related work should be concluded in late 2020. Agreement now has also been reached with Victoria Police to conduct a similar analysis.

By measuring the extent to which stolen vehicles are associated with other crimes, the research will assist the NMVTRC and police services to evaluate the true impact of motor vehicle crime in Australia and help to develop targeted reforms and countermeasures based on the type of crimes they are most linked to.

Performance Indicators

Vehicle theft in comparable developed nations

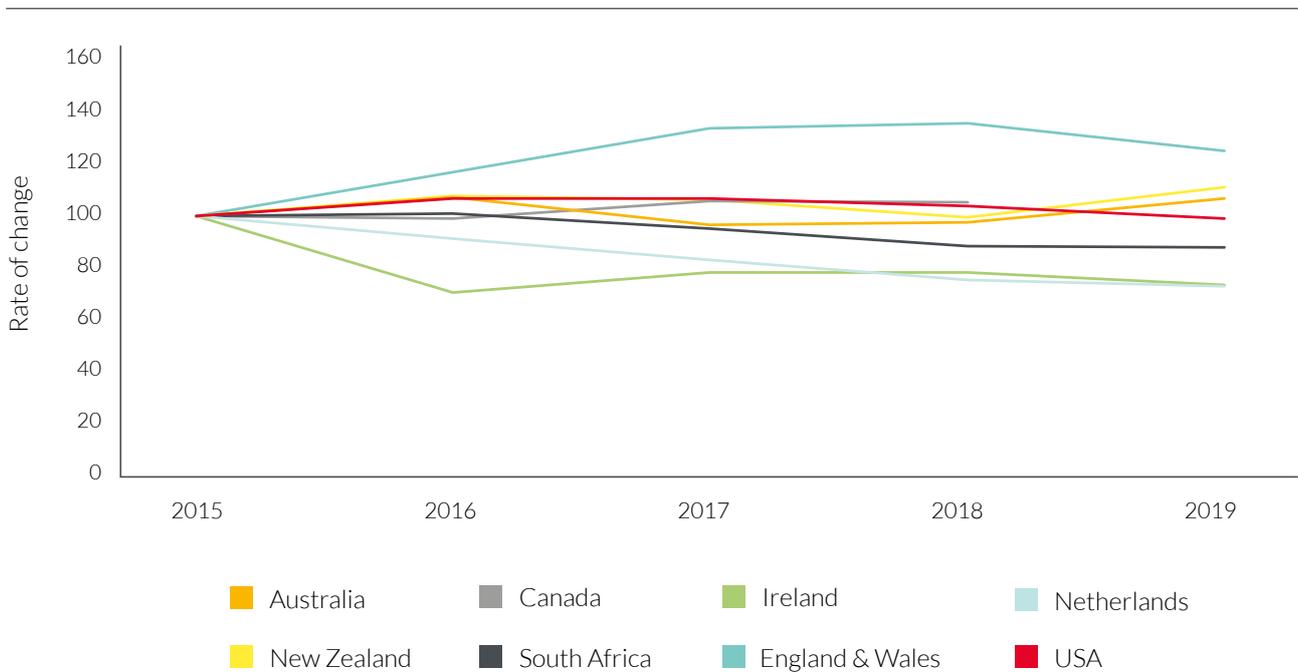
Since its inception the NMVTRC has benchmarked its performance against a group of nine comparable OECD countries. This sort of comparison, while valuable, poses some difficulties due to maintaining the continuity of reporting in some countries and significant changes in counting rules and definitions over time.

The model 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,' i.e. is the jurisdiction tracking better or worse since the common point of indexation.*

The time lag in reporting data in other jurisdictions limits the time series for comparison to the end of the 2015 calendar year.#

Figure 4: International league table of car thefts – theft rate per 100,000 population indexed to 2015



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

Table 1: Short-term and profit-motivated thefts as a percentage of total thefts (PLCs)

	2015/16	2016/17	2017/18	2018/19	2019/20
Short-term thefts %	79%	80%	80%	79%	77%
Profit-motivated thefts %	21%	20%	20%	21%	23%

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

	2015/16	2016/17	2017/18	2018/19	2019/20
Short-term thefts %	49%	50%	50%	50%	49%
Profit-motivated thefts %	51%	50%	50%	50%	51%

* 1. Australia – CARS database. 2. Canada – Statistics Canada. 3. Ireland – Central Statistics Office of Ireland. 4. Netherlands – Foundation for Tackling Vehicle Crim. 5. New Zealand Police. 6. South Africa – South African Police Service. 7. UK – Office of National Statistics. 8. USA – FBI Uniform Crime Reports.

UK data excludes Greater Manchester (July 2020-March 2020), Greater Manchester Police have been unable to supply data for the period July 2019 to March 2020.

Understanding motorists' attitudes to motor vehicle theft

The NMVTRC places strong emphasis on measurable outcomes and the delivery of high-quality monitoring and evaluation processes. Periodically the NMVTRC conducts consumer research in order to determine key changes in community attitudes and concerns about vehicle crime relative to other crimes. Regular surveying enables us to track changes in community perceptions and refine its key messages.

The results of the February 2020 survey indicate that:

- overall concern about car theft and home burglaries remains at the same elevated level of the previous survey in March 2019;
- awareness of the realities of motor vehicle crime remains high, with over half of motorists surveyed identifying young people as the main perpetrators of car crime, and understanding modern, mainstream vehicles to be the top theft targets;
- there is an awareness amongst motorists of the shift to residential burglaries to steal keys and the fact that it is becoming more common; and
- although messaging about motor vehicle theft is resonating with motorists, there remains some confusion about the most effective practices to reduce the risk of theft.

Cost of motor vehicle theft

The NMVTRC estimates the cost of all vehicle theft to be \$939 million, excluding the very large community costs associated with police investigations, courts and corrections.*

Analysis of NMVTRC in the media

Vehicle theft remained a strong focus for the media this year, with 887 related articles published. Many of these articles included data provided by the NMVTRC, with an NMVTRC spokesperson directly quoted in over 223.

Based on media monitoring data, an estimated 431 million viewers were exposed to media coverage relating to the NMVTRC. Media exposure included coverage of the *Operation Bounce Back* program, youth offending and direct quotes from NMVTRC spokespersons on a range of vehicle crime issues. An NMVTRC spokesperson provided comment in seven radio and television interviews on vehicle crime issues.

The NMVTRC also featured prominently in online platforms with an estimated online reach of 155 million viewers.

One hundred per cent of the NMVTRC-related reporting was positive or neutral.

Stakeholder-determined performance indicators

A sample of more than 40 senior stakeholder executives from across Australia were asked to participate in a 20-minute phone survey conducted by Nexus Research in respect of their views on the NMVTRC's performance in relation to its program coordination and consultation, publications and level of influence on reforms.

The results represent some of the NMVTRC's best performance outcomes of the past decade in respect of consultation with stakeholders, views on the importance of NMVTRC reforms, dissemination of information and the quality of the NMVTRC's publications and statistical services.

* Based on an independent economic analysis conducted by Niskin Enterprises Pty Ltd for the NMVTRC (September 2020), which estimated victims' costs per incident to be \$17,300 for recovered vehicles and in the range of \$7,980 to \$20,370 for non-recoveries (depending on factors such as vehicle age, personal, injury and insurance administration costs).

Performance Indicators continued

Program coordination and consultation

Overwhelmingly, stakeholders rated the NMVTRC's performance positively in coordinating the development and progress of reforms (91 per cent) and for its consultation with stakeholders (94 per cent), with scores of good, very good or excellent. Seventy-two per cent of respondents rated the NMVTRC's performance in consulting stakeholders specifically in relation to the development and progress of its reforms as very good or excellent.

Stakeholders were asked to nominate those reforms promoted by the NMVTRC they were most familiar with. Unprompted, awareness was highest for the NMVTRC's young offender programs (63 per cent), followed by the new damage assessment criteria for heavy written-off vehicles and the *Car Security Begins at Home* public education campaign. When prompted there was also strong awareness of the better management of ELVs (79 per cent), the Personal Property Securities Register (74 per cent), and low-cost vehicle tracking technology (70 per cent). Around two-thirds of respondents indicated familiarity with the Comprehensive Auto-theft Research System (CARS) and secure compliance labels.

Stakeholders reported an overwhelmingly high level of satisfaction regarding the NMVTRC's dissemination of vehicle theft data, with 90 per cent of respondents rating the NMVTRC's performance positively.

Publications

Almost all (98 per cent) of interviewees rated the quality of the NMVTRC's publications and statistical services positively. Ninety-three per cent felt that the publications met their needs, with over half indicating that the service met their needs very or extremely well.

There was very high familiarity with the publications or statistical services produced by the NMVTRC amongst stakeholders. The CAR-SAFE website remains the most recognised (95 per cent) followed by the Strategic Plan and Annual Report (91 per cent), the NMVTRC's quarterly newsletters (*Theft Torque*, *Theft Watch* and *Theft Matters*) (88 per cent) and the CARS statistics database (86 per cent).

Influence on reforms

Respondents unanimously rated the NMVTRC's reforms to reduce vehicle theft as important and a very high proportion (83 per cent) considered the NMVTRC to have a positive impact on the progress of vehicle theft reform. Interviewees emphasised the NMVTRC's role as the main driver of vehicle theft reform and the lead in engaging with stakeholders to garner support and facilitate improvement. Many perceived that the reforms would not have progressed without the NMVTRC's involvement.

Similarly, 77 per cent of respondents thought that the NMVTRC had a positive influence or impact on the implementation (or progress towards implementation) of vehicle theft programs in their organisation and industry.

Committee's Report

For the year ended 30 June 2020

Committee's report

Your committee members submit the Financial Report of National Motor Vehicle Theft Reduction Council Inc for the financial year ended 30 June 2020.

Committee members

The names of committee members throughout the year and at the date of this report are:

Committee member	Positions
David M Morgan (AO)	Chair
Robert Bartlett	Committee Member
Mark Borlace	Committee Member
Robert J Hill (APM)	Committee Member
Andrew Mahon	Committee Member
Ashley Sanders	Committee Member
Karl Sullivan	Committee Member

Principal activities

The principle activities of the association during the financial year were: facilitation of infrastructure reform and public awareness in regards to motor vehicle theft reduction.

Significant changes

No significant change in the nature of these activities occurred during the year.

Operating result

The surplus/(loss) after providing for income tax for the financial year amounted to, as per below:

Year ended 30 June 2020	\$365,831
Year ended 30 June 2019	(\$34,253)

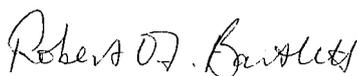
Going concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient grants from stakeholders to meet its liabilities. The members of the association believe that the going concern assumption is appropriate.

Signed in accordance with a resolution of the Members of the Committee on:



David M Morgan (AO)
Chairman
24 September 2020



Robert Bartlett
Committee Member
24 September 2020

Statement by Members of the Committee

For the year ended 30 June 2020

Annual statements give true and fair view of financial position and performance of the association

We, David M Morgan (AO), Chair and Robert Bartlett, being members of the committee of National Motor Vehicle Theft Reduction Council Inc, certify that:

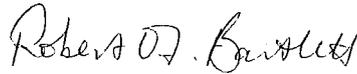
The statements attached to this certificate give a true and fair view of the financial position and performance of National Motor Vehicle Theft Reduction Council Inc during and at the end of the financial year of the association ending on 30 June 2020.



David M Morgan (AO)

Chairman

24 September 2020



Robert Bartlett

Committee Member

24 September 2020

Certificate by Members of the Committee

For the year ended 30 June 2020

I, David M Morgan (AO), Chair of 36 Walbundry Avenue, North Balwyn, VIC, 3104

and

I, Robert Bartlett, Committee Member, of 530 Collins Street Melbourne, VIC, 3000 certify that:

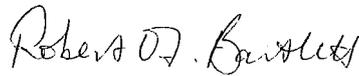
1. We attended the Annual General Meeting of the association held on 24 September 2020.
2. The financial statements for the year ended 30 June 2020 were submitted to the members of the association at its annual general meeting.



David M Morgan (AO)

Chairman

24 September 2020



Robert Bartlett

Committee Member

24 September 2020

Income and Expenditure Statement

For the year ended 30 June 2020

	2020 \$	2019 \$
Income		
Grant operating	2,300,000	1,888,250
Other revenue – cash flow boost	49,952	-
Total income	2,349,952	1,888,250
Gross surplus	2,349,952	1,888,250
Other income		
Interest income	7,347	14,641
Total other income	7,347	14,641
Expenditure		
Accountancy	4,750	4,700
Audit fees	5,555	5,555
Better data utilisation	476,112	475,124
Communications	97,964	164,850
Depreciation	3,706	7,416
Disrupt separated parts market	-	39,105
Disrupt vehicle laundering markets	-	32,294
Reducing profit-motivated theft	60,946	-
Reducing short-term theft and ancillary use of stolen vehicles	588,863	263,636
Stakeholder and community capacity	60,000	136,980
Employee benefits	502,325	495,018
Sitting fee	30,000	30,000
Other expenses	161,249	282,467
Total expenditure	1,991,469	1,937,145
Current year surplus/(deficit) before income tax adjustments	365,831	(34,253)
Current year surplus/(deficit) before income tax	365,831	(34,253)
Net current year surplus after income tax	365,831	(34,253)

Statement of Financial Position

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	3	1,014,478	1,038,487
Trade and other receivables	2	281,463	55,000
GST receivable		108,829	66,749
Other current assets	2	57,691	46,921
Total current assets		1,462,461	1,207,156
Non-current assets			
Fixed assets	4	16,941	7,522
Total non-current assets		16,941	7,522
Total assets		1,479,402	1,214,678
Liabilities			
Current liabilities			
Trade and other payables	5	227,098	355,203
Provisions	6	188,187	161,188
Total current liabilities		415,284	516,391
Total liabilities		415,284	516,391
Net assets		1,064,118	698,287
Members' funds			
Current year surplus/(deficit)		365,831	(34,253)
Retained surplus		698,287	732,540
Total members' funds		1,064,118	698,287

Statement of Cash Flows – Direct Method

For the year ended 30 June 2020

	2020 \$	2019 \$
Operating activities		
Receipts from grants		
Grants received	2,300,000	1,888,250
Total receipts from grants	2,300,000	1,888,250
Payments to suppliers and employees	(1,987,762)	(1,929,728)
Interest received	7,347	14,641
Cash receipts from cash flow boost	49,952	-
Net cash flows from operating activities	369,537	(26,837)
Investing activities		
Payment for property, plant and equipment	(13,126)	(14,938)
Other cash items		
Prepayments	(10,770)	(7,445)
Trade debtors	(226,463)	(55,000)
Total other cash items	(237,233)	(62,445)
Net cash flows from investing activities	(250,359)	(77,383)
Other activities		
GST	(42,080)	(28,602)
Other creditors	(5,856)	209,939
PAYG withholdings payable	544	(3,419)
Provision for annual leave	16,325	(40,739)
Provision for long service leave	10,673	(103,666)
Superannuation payable	185	1,485
Trade creditors	(122,979)	102,406
Total other activities	(143,187)	137,403
Net cash flows from other activities	(143,187)	137,403
Net cash flows	(24,009)	33,184
Cash and cash equivalents		
Cash and cash equivalents at beginning of period	1,038,487	1,005,304
Cash and cash equivalents at end of period	1,014,478	1,038,487
Net change in cash for period	(24,009)	33,183

Notes to the Financial Statements

For the year ended 30 June 2020

1. Summary 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* (VIC) reform.

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 historic costs and does not take into account changing money values or, except where stated specifically, 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 expense under Division 50 of the *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.

Property, plant and equipment (PPE)

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.

Impairment of assets

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.

Employee provisions

Provisions are 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 outflows 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.

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash on hand

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Revenue and other income

Grant income is recognised when the entity obtains control over the funds, which is generally at the time of receipt. Interest revenue is recognised when received.

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

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 Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

Accounts payable and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Notes to the Financial Statements continued

For the year ended 30 June 2020

	2020 \$	2019 \$
2. Trade and other receivables		
Other receivables		
Trade debtors	281,463	55,000
Total other receivables	281,463	55,000
Prepayments		
Other assets	600	600
Prepayments	57,091	46,321
Total prepayments	57,691	46,921
Total trade and other receivables	339,154	101,921
3. Cash on hand		
CBA cash management account	959,773	800,447
CBA trading account	54,685	238,021
Petty cash on hand	19	19
Total cash on hand	1,014,478	1,038,487
4. Plant and equipment, motor vehicles		
Plant and equipment		
Plant and equipment at cost	201,378	188,252
Accumulated depreciation of plant and equipment	(184,437)	(180,731)
Total plant and equipment	16,941	7,522
Total plant and equipment, motor vehicles	16,941	7,522
5. Trade and other payables		
Other payables		
Other creditors	205,977	211,833
PAYG withholdings payable	7,680	7,136
Superannuation payable	3,118	2,933
Trade creditors	10,322	133,301
Total other payables	227,098	355,203
Total trade and other payables	227,098	355,203
6. Provisions		
Provision for annual leave	76,640	60,315
Provision for long service leave	111,547	100,873
Total provisions	188,187	161,188
7. Other expenses		
Bank charges	897	-
Cleaning and maintenance	4,210	-
Computer supplies, internet, website	39,631	-
Fringe benefits tax	3,432	-
Freight and courier	51	-
Other expenses	-	282,467
Hire/rent of plant and equipment	3,360	-
Insurance	8,958	-
Licences and permits	215	-
Light, power, security and amenities	13,603	-
Marketing, promotion and media monitoring	12,259	-
Non-program communications	119	-
Office and postage expenses	2,977	-
Rent and outgoings	64,870	-
Sundry expenses	6,664	-
Total other expenses	161,249	282,467

Compilation Report

Compilation Report

National Motor Vehicle Theft Reduction Council Inc For the year ended 30 June 2020

Compilation report to National Motor Vehicle Theft Reduction Council Inc.

We have compiled the accompanying special purpose financial statements of National Motor Vehicle Theft Reduction Council Inc, which comprise the asset and liabilities statement as at 30 June 2020, income and expenditure statement, the statement of cash flows, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Committee Member's

The committee of National Motor Vehicle Theft Reduction Council Inc are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

Our Responsibility

On the basis of information provided by the partners we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the committee who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.



Elizabeth A Clifford

ONE ON ONE ACCOUNTANTS PTY LTD

Dated: 15 / 09 / 2020

Auditor's Report

**NATIONAL MOTOR VEHICLE THEFT REDUCTION
COUNCIL INCORPORATED
ABN 45 859 804 389
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

Opinion

I have audited the financial report of National Motor Vehicle Theft Reduction Council Inc. comprising the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In my opinion, the accompanying financial report presents fairly, in all material respects in accordance with the Associations Incorporation Reform Act 2012, the financial position of the association as at 30 June 2020 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the in accordance with the Associations Incorporation Reform Act 2012.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the entity in meeting its obligations under the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose. My report is intended solely for the entity and should not be distributed to or used by parties other than the entity. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

**NATIONAL MOTOR VEHICLE THEFT REDUCTION
COUNCIL INCORPORATED
ABN 45 859 804 389
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.



Geoffrey B Johnson FCA
Of Rucker Audit and Assurance Pty Ltd

Date: 28/09/2020

Doncaster, Victoria

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