



National Motor Vehicle  
Theft Reduction Council

# Adapting to New Challenges

**Annual Report 2013**

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

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## Vision

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

## Mission

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

## Operating philosophy

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

# Letter of Transmittal



National Motor Vehicle  
Theft Reduction Council  
*driving down vehicle theft*

31 October 2013

**Standing Council on Police and Emergency Management**

The Hon. Adam Giles MLA (Chair)  
The Hon. Simon Corbell MLA  
The Hon. Jack Dempsey MP  
The Hon. Michael Gallacher MLC  
The Hon. Liza Harvey MLA  
The Hon. Michael Keenan MP  
The Hon. Michael O'Brien MP  
The Hon. David O'Byrne MLC  
The Hon. Kim Wells MP

**Insurance Council of Australia President**

Mr Mark Milliner

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 2013.

Yours sincerely,

David M Morgan  
Chairman

# NMVTRC Members



**David Morgan**  
Independent Chair



**James Hurnall**  
Federal Chamber of  
Automotive Industries



**Ron Arnold**  
Insurance Australia  
Group (Insurance  
Council of Australia)



**Paul Anderson**  
Suncorp Insurance  
(Insurance Council  
of Australia)



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



**Greig Newbery**  
NSW Police (Standing  
Council on Police and  
Emergency Management)



**John Chapman**  
Motor Trade Association of  
South Australia (Australian  
Motor Industry Federation)



**Chris McNally**  
VicRoads (Austroads)



**Karl Sullivan**  
Insurance Council  
of Australia



# Chairman's Report



## Changes in dynamics present new challenges

The 2012–2013 year pleasingly redressed the increase of the previous year – the only year of the past decade to record an increase – returning the nation's theft volumes to pre-2009 levels.

For passenger and light commercial vehicles, the 45,764 thefts recorded for the year is the lowest in a 12-month period since the 1970s.

The ongoing hard work and cooperation of the National Motor Vehicle Theft Reduction Council's (NMVTRC) stakeholders in a period of challenging economic conditions continues to pay dividends with reductions for the year saving the community an estimated \$44 million in personal and related costs.<sup>1</sup>

Profit-motivated theft decreased overall by 3 per cent. While this is good news, the number of unrecovered vehicles remains a concern. The unrecovered rate is the primary indicator of organised criminal activity that seeks to convert stolen vehicles into cash.

The age and value profiles of missing PLCs provide some insights into the likely end use. With more than 9 in 10 'missing' vehicles valued at less than \$20,000 (and almost half at less than \$5,000) they are most likely to be stripped for parts or their value as scrap metal in the domestic and increasingly export markets. By contrast only 1 per cent of unrecovered vehicles are valued at more than \$50,000.

As a result the NMVTRC's work programme for 2013/14, released in August as part of the 2013 Strategic Plan, has a sharp focus on combating the major structural weaknesses in the way the nation manages separated parts and end-of-life vehicles. These are major, long term structural changes that will be challenging to implement but are essential if we are to make further inroads into disrupting the activities of profit-motivated thieves.

A review of incident data together with police observations show there have also been some fundamental changes in respect of short term theft. While vehicle immobilisation has played an important role in reducing vehicle crime there is now clear evidence of a shift in offenders' methods towards:

- an increase in 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

- becoming more brazen, entering even occupied premises with a propensity to resort to violence, or the threat of violence, to intimidate anyone they may encounter.

These changes in offending behavior present a significant challenge in finding a balance between appropriate community messages about key security and mitigating theft risks, without unnecessarily raising community concern about crime and personal safety.

In respect of the work program for the year, highlights included:

- the successful implementation of new, more rigorous damage assessment criteria for written-off vehicles – which will decrease the pool of vehicles assessed to be repairable by 30 per cent and further reduce the ability of profit-motivated thieves to manipulate related re-registration processes;<sup>2</sup>
- reaching agreement with Victoria Police and other local agencies on the establishment of an inter-agency task force into illicit export activity and non-compliance with local laws;
- finalising terms with Mission Australia to develop a commercially sustainable work experience and training program for young offenders with a view to assisting them to secure full-time employment in the repair sector;
- the increasing recognition of the need to fundamentally reform the way the nation manages end-of-life vehicles and the trade in used vehicle parts;
- the continued success of *Operation Bounce Back* – the NMVTRC's public education partnership with local government in theft hot spots nationally; and
- significant enhancement of the data services available to users of the NMVTRC's Comprehensive Auto-theft Research System in the form of a new, easy to navigate dashboard, more flexible data manipulation tools and expanded mapping capabilities.

The year also saw some key changes in the membership of the Council with James Hurnall (Federal Chamber of Automotive Industries) and Greig Newbery (Standing Council on Police and Emergency Management) filling vacancies. My thanks to them and the longer-serving members of the Council for making the transition a smooth one and for their ongoing support and expert guidance.

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

David M Morgan  
Chairman

<sup>1</sup> Based on an independent economic analysis conducted by MM Stars Pty Ltd for the NMVTRC (November 2011) which estimated victims' costs per incident to be \$11,500 for recovered vehicles and \$20,610 for vehicles not recovered depending on a range of personal and other factors.

<sup>2</sup> The criteria have been introduced in all jurisdictions except the Northern Territory.

# Executive Director's Report



As noted by the Chairman in his report, the last 12 months has been another strong year for vehicle theft reform in Australia. The resumption of the downward trend in overall theft numbers is cause for optimism that we are still on track to achieving the NMVTRC's objective of delivering a culture of continuous and sustainable theft reduction in Australia.

An important tool that helps us to gauge community attitudes to car theft is our annual motorists' perceptions survey. While unsurprisingly, community concern about car theft ranks below serious crimes against the person, our latest survey has highlighted a growing disconnect between public understanding and the rapidly changing dynamics of car crime. While 80 per cent of respondents still believe cars are mostly stolen from the street or a car park, the reality is that close to 50 per cent of cars are now stolen from homes. Similarly, 66 per cent mistakenly believe that most stolen cars are recent model and luxury cars.

The growing incidence of home burglaries to obtain transponder keys to enable short term theft and the unsanctioned disposal of low-value cars for scrap metal recovery and parts export provides a sobering message for the NMVTRC and its stakeholders.

Looking forward, we must collectively focus more of our attention on addressing the current major structural weaknesses in our national defence against profit-motivated thieves particularly in respect of theft-for-scrap rackets and the black market trade in separated parts, and continue to find innovative ways to divert young people from vehicle crime.

This includes the key factors considered by stakeholders to be the major priorities, namely:

- reducing opportunities for criminal networks to sell stolen parts into legitimate trades and related supply chains;
- assuring greater levels of adherence to regulatory obligations and the development of more effective tools and sanctions for non-compliance;
- delivering more secure practices for de-commissioning end-of-life vehicles to combat theft-for-scrap rackets and minimise environmental impacts;
- developing a clearer intelligence picture of the extent to which exports and backyard activities contribute to stolen not recovered rates; and
- delivering effective diversionary programs for young vehicle theft offenders based around technical training and the development of trade skills that can be supported by commercial operations rather than relying on government funding.

It is our view that although there have been many successes over recent years there is still important work to be done and that the NMVTRC is well positioned to continue its leadership role in driving down vehicle theft in Australia.

# Reform Themes

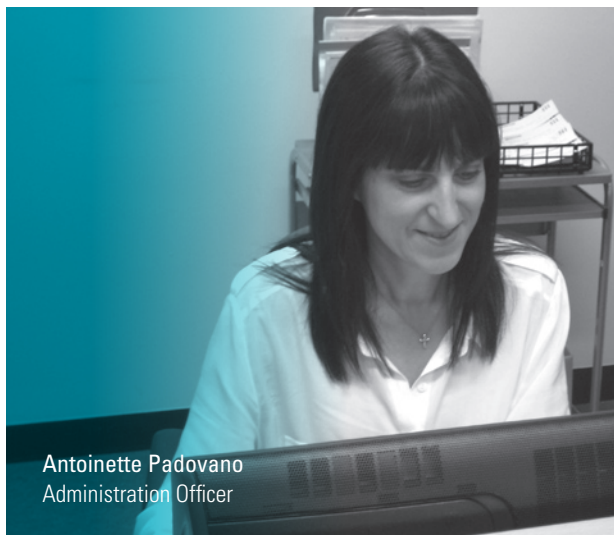
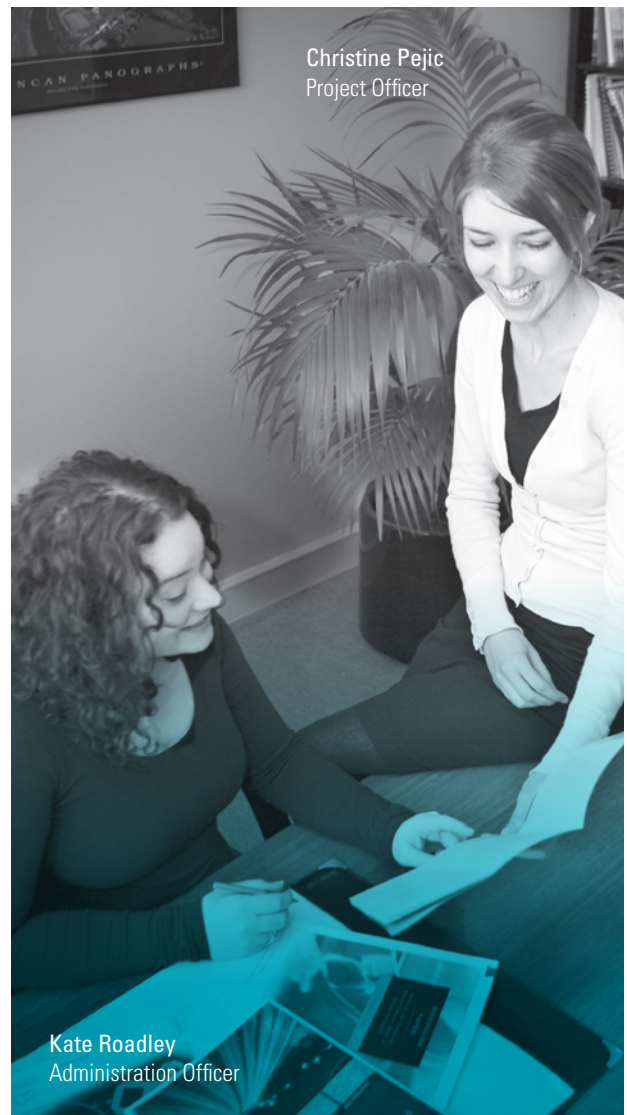
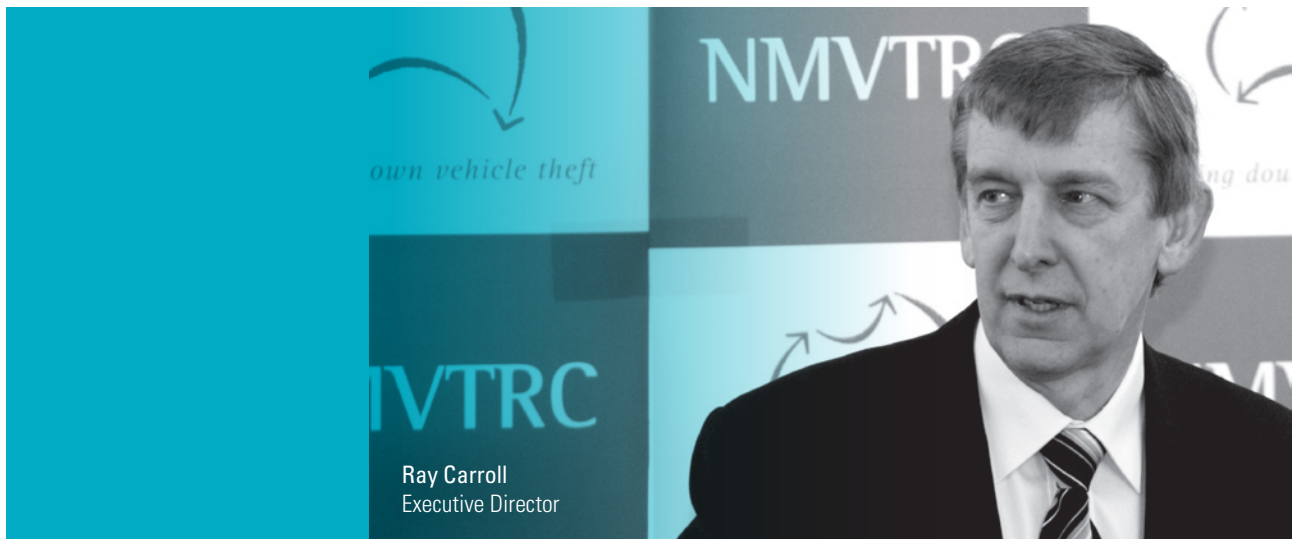
**Disrupt**  
separated  
parts markets

**Disrupt**  
vehicle  
laundering  
markets

**Divert**  
young  
offenders

**Capacity**  
building and  
innovation

# Our People





# Motor Vehicle Theft in Australia 2012/13

## PLC thefts at a record low in 2012/13

A total of 45,764 passenger and light commercial vehicles (PLC) were reported stolen in Australia in the 2012/13 financial year. This is 3,395 (7 per cent) fewer thefts than in 2011/12 and more than 6,500 (13 per cent) lower than the 52,800 stolen in 2008/9 – the current baseline in the NMVTRC's five-year rolling comparison period. It is also the lowest number of PLC thefts in a 12-month period since the 1970s.

The majority of the reduction was in short term thefts, down 7 per cent to 34,800 while profit-motivated thefts fell by 6 per cent to 10,960. The overall recovery rate for PLCs nationally remains steady at just over 75 per cent.

This significant reduction in PLC theft was to a small extent offset by an increase in motorcycle theft. A total of 8,600 motorcycles were stolen in 2012/13, an increase of 7 per cent for the year.

## Short term theft

Total short term theft fell 6 per cent in 2012/13 to 40,020 vehicles. 87 per cent were passenger and light commercial (PLC) vehicles, 9 per cent motorcycles and 4 per cent other vehicle types. This is a 13 per cent reduction compared to five years ago.

## PLC theft

A total of 34,803 PLC vehicles were reported stolen and subsequently recovered in the financial year, representing a decline of 7 per cent from the previous 12 months. Of these, 5,815 (17 per cent) were up to five years old, 7,488 (22 per cent) were between five and 10 years old and the remaining 20,992 (61 per cent) were more than 10 years old. When compared to the age profile of five years ago, theft of cars older than 10 years has declined by nearly 30 per cent, whereas short term theft of late model vehicles less than 10 years old has increased by 8 per cent.

Reflecting their age, 35 per cent of all PLCs stolen for short term use were not fitted with any type of immobiliser and a further 6 per cent were fitted with an immobiliser that was not recognised as meeting

Australian Standards Equivalent (ASE).<sup>3</sup> 20,614 stolen PLCs were fitted with an ASE immobiliser (59 per cent) compared to 13,583 (33 per cent) in 2008/09, reflecting both the increased immobilisation of the fleet and also indicating that a growing number of short term thefts now rely on gaining access to the vehicle's key and transponder.

For vehicles stolen recovered the Hyundai Excel X3 remains the top target, followed closely by the Holden Commodore VT and VE reflecting the shift to later model vehicles being stolen via access to the keys and transponder. Light commercial utility vehicles made up around 15 per cent of all vehicles stolen recovered.

## 2012/13 trends

During the year stolen recovered PLC thefts reached their highest point in the December quarter with 9,618 thefts then declined significantly over the next two quarters to 8,004 thefts in the June quarter.

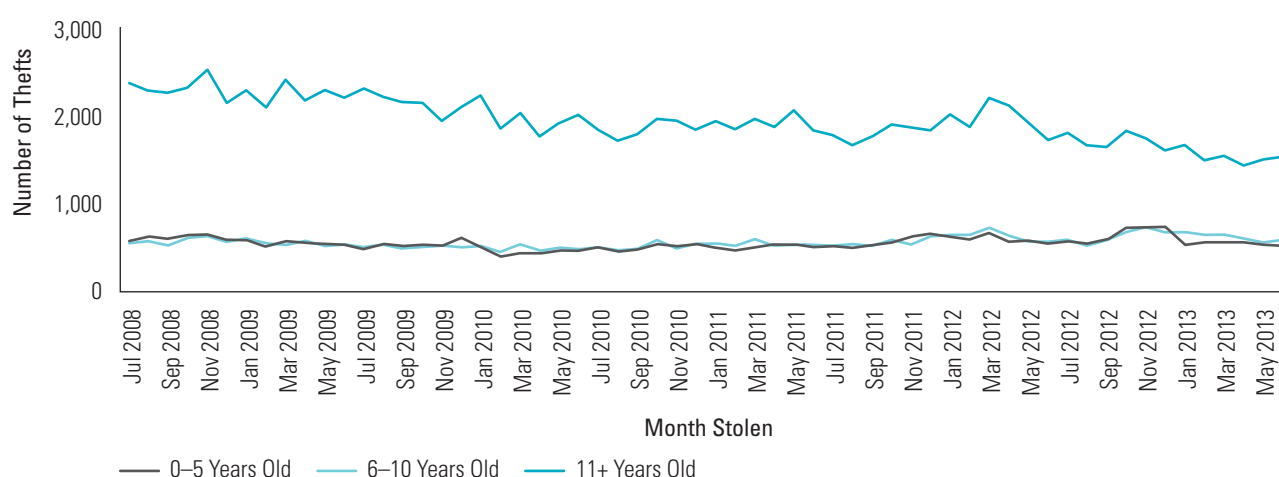
The year saw also an increase in late model vehicles being stolen with the keys taken during a house burglary, often when the victim was at home. These types of incidents were most evident in Queensland and Western Australia with both states experiencing modest increases in thefts in the first half of the year. The majority of these thefts are for short term use with the vehicles increasingly being used for commission of other crimes. While both states experienced an increase in total thefts over the 12 months, the last two quarters' theft numbers point to a slowing of this upward trend.

## Motorcycles

Just 44 per cent of all motorcycles stolen in 2012/13 were recovered and short term thefts rose by 355 (10 per cent) to a total of 3,810. Compared to five years ago, the number of motorcycles stolen and recovered has increased by 30 per cent and now makes up 10 per cent of all short term vehicle thefts compared to 6 per cent in 2008/09.

<sup>3</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 – adjusted short term thefts by month, 2008/09–2012/13



# Motor Vehicle Theft in Australia 2012/13 continued

The majority (85 per cent) of motorcycles stolen for short term use were registered for road use; this is an increase from 2008/09 when 73 per cent were registered. Almost half of all short term motorcycle thefts involved machines less than five years old and in just over a quarter of all short term thefts the bikes had an engine capacity of 50cc or less which is indicative of an increasing number of scooters and low capacity children's recreational bikes being targeted. Bikes between 100 and 150cc and between 200 and 250cc were the next most commonly stolen. Consistent with their market share, Honda and Yamaha topped the list of the most stolen motorcycles with 744 and 525 thefts respectively.

## Profit-motivated theft

Total profit-motivated theft decreased by 443 (3 per cent) from the previous 12 months reaching a total of 17,051 thefts for the year. Thefts of PLCs and other vehicles were down, however these were offset by an increase in motorcycle theft which reduced the overall level of decline. Total thefts consisted of 64 per cent PLCs, 28 per cent motorcycles and 8 per cent other vehicle types. Compared to the 2008/09 base year total profit-motivated thefts are still up 2 per cent.

## PLC theft

Profit-motivated PLC thefts fell by 638 (6 per cent) in the year to a total of 10,961. Of these, 1,080 (10 per cent) were less than five years old. A further 2,342 (22 per cent) were between five and 10 years old and the remaining 7,288 (68 per cent) were more than 10 years old. The 10 to 14 year age group made up the single highest proportion (24 per cent) of stolen not recovered PLC vehicles. Unlike short term thefts, the age profile for profit-motivated theft remains similar to the 2008/09 baseline year with a 7 per cent increase in the 10 to 14 year old age group being offset by a 17 per cent decrease in the less than five years age group.

Whether an immobiliser is fitted has less influence on profit-motivated vehicle theft than short term theft. Forty per cent of PLCs stolen for profit were not fitted with any type of immobiliser. A further 6 per cent were fitted with an immobiliser that did not meet Australian Standards

Equivalent (ASE). Over half (53 per cent) of all vehicles stolen for profit in 2012/13 were fitted with an ASE immobiliser compared to 37 per cent five years ago.

Large passenger vehicles remained the most popular target of profit-motivated theft in 2012/13 representing a quarter of vehicles stolen not recovered compared to small passenger vehicles that made up one in five thefts. The Toyota Hilux manufactured between 1998 and 2004 was the most stolen car with 261 thefts. This was followed by the Holden Commodore VT with 257 thefts and the Holden Commodore VX with 166 stolen.

## 2012/13 trends

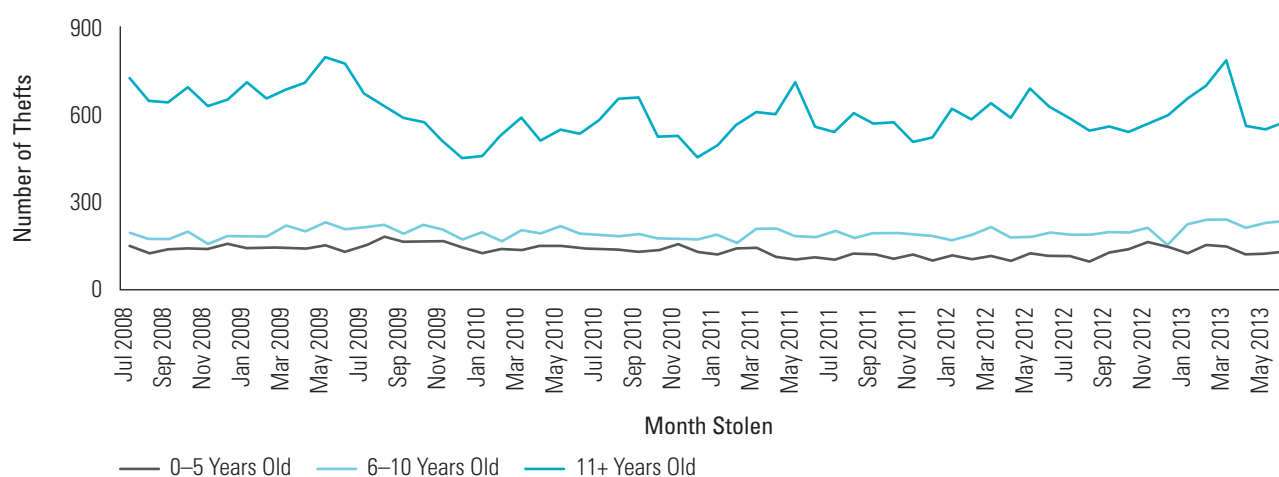
Profit-motivated theft remained stable throughout the year with 2,688 PLCs stolen not recovered in the September 2012 quarter increasing to 2,769 thefts by the end of the June 2013 quarter.

## Motorcycles

Profit-motivated motorcycle theft increased by 4 per cent over the previous 12 months. The total of 4,813 thefts now represents over a quarter of all vehicles stolen not recovered. There were some significant variations between profit-motivated and short term motorcycle theft. A much higher proportion of motorcycles stolen for profit were unregistered (45 per cent). This percentage has decreased substantially from 2008/09 when 60 per cent of motorcycles stolen for profit were unregistered. While late model bikes remained the top theft targets for profit (38 per cent), the age ranges were split more evenly than in the case of short term theft with 34 per cent stolen in the middle age group of five to 10 years. Of the 2,939 thefts where the engine capacity is known, 17 per cent of bikes stolen and not recovered were 50cc or less. Higher capacity bikes between 200cc and 500cc were more commonly targeted, representing two in five thefts. Consistent with their market dominance, Yamaha (981 thefts), Honda (950), Suzuki (432) and Kawasaki (408) were the most stolen brands.

For a more in-depth breakdown of the figures below visit the CARS Dashboard at: <http://ncars.on.net/dashboard.aspx>

Figure 2: Passenger/light commercial vehicles – adjusted profit-motivated thefts by month, 2008/09–2012/13







## **Disrupt** separated parts markets

The NMVTRC's assessment is that the nation must move towards a consistent set of regulatory requirements and an 'enforcement pyramid' that provides regulators with a range of interventions, so that compliance activity can be efficiently and effectively targeted to secure enduring conformance.

# Reform Activity

## Disrupting separated parts markets

### Modernising regulatory regimes to optimise compliance

Since 2008, the NMVTRC has used a 'decision tree' model to estimate the most likely end fate of a stolen vehicle based on its characteristics.

The model uses a stolen vehicle's recovery status to first determine whether it has been the subject of short term use or profit-motivated theft. If a stolen vehicle is to be recovered it is most likely to be found within 14 days (85 per cent). After that time, the likelihood of recovery progressively diminishes. After 60 days, a missing vehicle is very unlikely to be found in its original form.

The assumption is that recovered vehicles have been the target of predominantly juvenile thieves looking for transport or to commit another crime.<sup>4</sup> Non-recoveries are assumed to have been the subject of profit-motivated thieves.<sup>5</sup>

The 'missing' group is then subject to detailed analysis based on individual vehicle characteristics (body type, age, value, insurance cover – including policy type, recorded financial interests, export potential and immobiliser presence/standard) to estimate the most likely end fate or means of conversion to cash.

The analysis shows that:

- nine in 10 missing vehicles are worth less than \$20,000;
- almost half are worth less than \$5,000; and
- only 1 per cent are valued at more than \$50,000.

Based on the forgoing and in-field observations in select jurisdictions, it is evident that theft-for-scrap rackets (for both domestic and export consumption) and dismantling older vehicles for parts remain major vulnerabilities in the current settings. The NMVTRC's assessment is that these are the 'rising' profit-motivated activities while whole vehicle re-birthing is reducing. Fixing the problem requires a combination of medium-term 'tweaks' to optimise current regulatory schemes and a longer-term fundamental change in how the nation manages end-of-life vehicles (ELVs) and the trade in vehicle parts.

In 2010, the NMVTRC with the support of the NSW Police Force, the Department of Commerce, and the Roads and Traffic Authority, facilitated the establishment of an Inter-Agency Task Force (ITF) into the separated parts market in that state. Over a period of six months the ITF conducted a comprehensive program of targeted premises inspections of smash repairers and recyclers. It found widespread non-compliance with most regulatory requirements highlighting the challenge of relying on a traditional administrative or business licensing approach to combat the inherent financial reward in related criminal activity.

The ITF observed that key deficiencies in the prevailing system include:

- inadequate enforcement powers when compared to other regulated activities such as OH&S and environmental laws. Particular areas in which powers are considered inadequate include: inconsistencies in powers to enter, inspect and search; to require information (including both basic name and address and the production of documents, records and devices); to stop, direct and move vehicles and require parties to provide reasonable assistance;
- an inadequate and narrow range of sanctions means that instances of systemic and repeated non-compliance cannot be matched to an appropriate range of proportional or incremental infringements and sanctions;
- inadequate responsibility – with existing laws allowing the principal business operator to avoid significant responsibilities in relation to the commission of an offence or breach; and
- evidentiary and related problems – which present difficulties in establishing evidentiary requirements and impede the effective prosecution of offences in many cases.

As a result of the combination of the above problems, many offences are not successfully prosecuted. Amongst those that are, the penalties levied are often considered inadequate to provide sufficient disincentive to curb the behaviour in question. In essence, the system needs 'a better mouse trap'.

The NMVTRC therefore engaged leading national law firm DLA Piper to critically assesses the relevant regulatory regimes across Australia as to the extent to which they reflect best practice in regulatory design and what changes would be required to mirror a best practice scheme.

DLA Piper's key observations were that:

- Inconsistencies around whether partially dismantled or scrapped vehicles are considered in or out of scope, leaves considerable activity completely unregulated.
- Developing a more nationally consistent approach will require a decision as to whether separated parts should be covered under specific second-hand vehicle laws or second-hand chattels laws.
- There is wide variation in penalty levels between jurisdictions, with some being set at levels which are probably too low to be an effective deterrent to organised criminal activity.
- While regulators in most jurisdictions have a basic set of investigative and regulatory powers, the legislation in some jurisdictions could better target organised criminal involvement.

<sup>4</sup> Some recovered vehicles will have been subject to a level of opportunistic or profit-motivated stripping, but the available data makes accurate estimation difficult.

<sup>5</sup> Some allowance is made for very old vehicles that have more likely simply been dumped in bushland or waterways.



A black and white photograph of a man with short dark hair and a light beard, wearing a dark button-down shirt over a white t-shirt. He is looking down at a tablet computer he is holding. The background is blurred, showing what appears to be the underside of a vehicle. A large teal-colored graphic element, consisting of a vertical bar and a diagonal bar, is overlaid on the right side of the image, containing white text.

## **Disrupt** vehicle laundering markets

The new criteria for SWOs require assessors to apply a higher set of engineering principles to the classification process and are expected to result in a 30 per cent reduction in the number of vehicles classified as repairable.





## **Divert** young offenders

The NMVTRC has been a leading 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.

# Reform Activity continued

The Report indicates that there may be scope to make better use of:

- 'chain of responsibility' based offences, under which persons with responsibility for particular aspects of compliance with regulatory requirements are placed under explicit legal obligations to ensure compliance (in the same way as much OH&S and transport-related legislation imposes duties on identified persons);
- provisions extending criminal liability to company Directors and Managers, which in turn requires them to actively manage and mitigate risks that may facilitate criminal activity;
- maximum criminal and civil penalties which will more effectively deter offences, particularly in relation to operating without a licence;
- powers enabling regulatory agencies to give enforceable notices to comply;
- court-based supervisory interventions or prohibition orders, which may require persistent offenders to do specific things to ensure compliance or exclude them from performing specified roles or exercising specified responsibilities; and
- financial sanctions that more directly neutralise the profit motivation of the related activity.

The NMVTRC's assessment is that the priority actions arising from the review should be to engage regulators and affected industries in the design of a reform program to:

1. consolidate all relevant powers under the motor car trading laws of each jurisdiction, including the removal of any ambiguity about the status of partially constructed vehicles and/or separated parts; and
2. move towards a nationally consistent set of regulatory requirements and an 'enforcement pyramid' that provides regulators with a range of interventions, so that compliance activity can be efficiently and effectively targeted to securing enduring compliance.

In 2013/14 the NMVTRC will develop an illustrative set of model provisions for discussion with affected parties.

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

According to industry sources a growing number of enterprises are obtaining vehicles exclusively for scrap or export and are relying on the ambiguity of the scrap metal exemption that exists in the law of most jurisdictions to avoid holding either motor car trader or second-hand dealers' registration.

Most of these enterprises operate via cash transactions with no record of the seller's identity or regard for the provenance of the vehicle being purchased. This facilitates a fertile environment for the sale of stolen vehicles into the commercial trade. There is also strong anecdotal evidence that many of these enterprises ignore fundamental regulatory requirements in the areas of occupational health and safety, environmental laws and taxation.

To advance its major reform proposals in the vehicle recycling, scrap and export sectors the NMVTRC requires an authoritative intelligence picture of the current extent of regulatory compliance and the balance between legal trading, unlicensed trading and criminal involvement in the industry.

In the NMVTRC's experience, the best way to collect these insights is via an Inter-Agency Task Force using the combined regulatory powers of multiple agencies to undertake a comprehensive audit of the level of compliance with applicable laws.

In 2012/13 the NMVTRC finalised negotiations with Victoria Police to establish an ITF into the local industry with the support of Consumer Affairs Victoria, WorkSafe, the Environmental Protection Agency, the Australian Customs and Border Protection Service and the Australian Crime Commission. From October 2013 the ITF will commence a comprehensive six-month program of targeted and random compliance audits with applicable laws.

The ITF is due to report its findings by the end of May 2014.

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

Auto recyclers are required by law to report all written-off vehicles acquired from a source other than an insurer or auction house, and update the status of any repairable write-off (RWO) it subsequently dismantles to that of an SWO.

Major auto recyclers in most parts of the country openly admit that they ignore their reporting obligations, citing the administrative difficulty of submitting paper-based reports as the major reason. There is also little, if any, compliance checking by road agencies.

The NMVTRC appreciates the related administrative challenges on both sides but is concerned that the failure of the system on such a wide scale provides a pool of 'clean' RWO identities that may be exploited by criminal networks as a Trojan for the use of stolen parts.

An NMVTRC-funded Inter-Agency Task Force into vehicle laundering in NSW in 2011 observed that the level of non-compliance by recyclers was a major facilitator of the vehicle re-birthing and illicit parts markets.

The critical path to improving reporting levels would seem to be to automate key processes making it easier for recyclers to collect and submit related information. However, it would not be feasible to have some 1,300 small businesses each interfacing with up to eight transport agency systems. Similar issues in the United States (US) led to justice and transport agencies authorising a range of third-party data consolidators who act as an intermediary between individual businesses and the agencies.

# Reform Activity continued

A 2011 report commissioned by the NMVTRC reviewed the US model and a similar Canadian program for their suitability for replication in Australia. In summary, the review concluded that the Canadian software could be readily adapted to meet Australian requirements at relatively low cost to allow a proof-of-concept demonstration subject to establishing a 'host' jurisdiction.

In June 2013 the NMVTRC concluded negotiations with South Australian (SA) auto recyclers (via the Motor Trades Association of SA) and the Department of Transport, Planning and Infrastructure to base the trial in that state. It is expected that the trial will formally commence in November and run for six months. A final report on the trial is due by the end of May 2014.

In addition to improving current reporting rates, it is expected that the trial will also provide valuable insights into the future communication infrastructure required to deliver a more comprehensive approach to managing all ELVs.

## Product stewardship as a pathway to secure ELV management

ELVs are a significant contributor to Australia's waste stream with current estimates putting the annual volume at 600,000 and growing.

The NMVTRC's 2012 national forum on the management of ELVs brought together more than 50 representatives of the insurance and automotive industries/trades, environmental agencies, scrap processors, police and registration authorities to define the common issues of concern and explore options for achieving improved ELV outcomes.

The forum overwhelmingly validated the NMVTRC's proposed 'twin stream' approach to pursuing improvements, including:

- pursuing the reform of motor car trading and second-hand dealing and the trial of a 'e-data consolidator' service to improve the efficiency of the reporting of written-off vehicles by parts recyclers (as outlined above); and
- development of an appropriately designed voluntary product stewardship scheme (PSS).

The NMVTRC's ongoing discussions with key stakeholders indicates an increasing interest and enthusiasm in related issues as evidenced by the Australian Motor Industry Federation's (AMIF) announcement in June that it would soon release its vision for a comprehensive approach to ELV management. The NMVTRC welcomes this development and will await details of the AMIF framework to see how it might best assist in the development process.

The results of the Victorian ITF (outlined earlier) will also provide valuable insights into how a PSS approach could combat theft-for-scrap rackets as well as delivering improved environmental outcomes.

As a first step, the NMVTRC would like to see the collaborative development of a set of agreed overarching principles to guide the detailed design of an appropriate PSS.

The NMVTRC is also working with Austroads to investigate possible models for moving to a system of 'cradle to the grave' continuous registration as exists in various forms in the United Kingdom, the Netherlands and New Zealand.

## 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.

New damage assessment criteria developed by the NMVTRC to ensure that written-off vehicles (WOV) which have sustained significant collision, fire or water damage are identified as suitable only for dismantling became law in South Australia and New South Wales (from September 2012), Victoria (November 2012), Queensland and Western Australia (December 2012), Tasmania (June 2013) and in the Australian Capital Territory (September 2013).

The new criteria require assessors to apply a higher set of engineering principles to the classification process and are expected to result in a 30 per cent reduction in the number of vehicles classified as repairable.

An adoption date for the Northern Territory is yet to be confirmed.

In preparation for the new criteria, the NMVTRC developed and funded delivery of an extensive industry training program for more than 1,000 insurance assessors, claims staff, auction house and transport agency personnel, and specialist police nationally.

### Exploring market resistance opportunities

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 NMVTRC marked the introduction of the Australian Government's Personal Property Securities Register (PPSR) with a support print marketing program via the 'winter editions' of motoring club journals nationally, which have a combined circulation of 5.2 million copies.

Whilst the introduction of the service is welcomed, 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 will work with stakeholders to seek to have these issues addressed by the system operator, Insolvency and Trustee Service Australia.



## Heavy vehicles, plant and equipment

Of the more than 1,100 items of plant and equipment reported to police as stolen each year, fewer than 50 per cent are recovered and many are of very high value.

Persistent attempts by the NMVTRC to engage peak industry players in discussions about the development of a national equipment register to enable the verification of a machine's key identifiers and status failed to elicit an adequate response.

Part of the problem is the very poor standard to which the description of stolen items of plant and equipment is captured in police systems. In more than one in four in cases, police data supplied to the NMVTRC fails to identify the stolen item at a sufficient level to enable any meaningful analysis. The focus for the coming year will be to improve the quality of related theft data collections to provide clearer insights into the scale of the problem.

## Diverting young offenders

### A sustainable *U-turn* style program for young recidivist offenders

Motor vehicles are stolen for many reasons, but young people are still responsible for three out of every four vehicle thefts in Australia. 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. Traditional justice responses are costly and offenders are often returned to the community without the skills or support required to leave their former lifestyle behind.

The NMVTRC has therefore been a leading 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.

The 2012/13 year saw the NMVTRC and Mission Australia (MA) finalise an agreement for MA to develop a commercially sustainable work experience and training program for young offenders with a view to assisting them to secure full-time employment in the repair sector. The target group will be young people under 25 with a history of motor vehicle theft offending.

Participants will undertake cosmetic repairs to accident damaged vehicles with incidental or low-range damage. Services will include panel beating (but not structural repairs) and spray painting.

The program will be delivered in a dedicated commercial workshop environment by qualified tradespeople with the assistance of specialist support workers. The program's major commercial partner and supplier of customer vehicles is Suncorp Insurance, the owner of the AAMI, GIO, Vero, Apia and Shannon's brands in Victoria.

Whilst MA will carry total responsibility for delivery of the program, the NMVTRC and MA wish to establish an Advisory Board to ensure effective liaison with key stakeholders including police.

The program is expected to commence partial operation in late 2013 and open its doors fully in early 2014. Once established there is potential for replication of the model in other parts of Australia.

### *U-turn* Tasmania

In the meantime, the original *U-turn* site based in Hobart saw its 46th group of young Tasmanians graduate in mid-2013.<sup>6</sup>

Since commencing as a two-year pilot in 2003 with NMVTRC and Australian Government funding, *U-turn* Tasmania has made a significant difference to the lives of more 450 young people and their families.

Recent analysis shows that the majority of participants who had committed multiple offences prior to the course reduced their offending significantly. The result is even better for previously high-rate recidivists, i.e. those with more than seven prior offences, where the reduction is 31 per cent.

The program's strong performance saw the Tasmanian Government recently recommit to funding the program through to at least mid-2014, despite the current financial pressures facing state budgets.

## Building stakeholder/community capacity and encouraging innovation

### Electronic vehicle theft

The increasing penetration of electronic immobilisers across the Australian fleet has made a major contribution to improving the nation's theft performance. Nationally around seven in 10 vehicles are protected by an engine immobiliser.<sup>7</sup>

Studies conducted by the NMVTRC and international theft bodies indicate that the majority of late model (secure vehicle) thefts have been facilitated by access to the key and transponder. In one in five cases the keys had been left in the vehicle. Other known means of theft include lifting and towing the vehicle, theft using violence, and in very targeted thefts, the substitution of electronic control components to bypass security systems.

More recently there have been reports of more sophisticated electronic threats to security systems. In late 2012, the NMVTRC collaborated with leading UK-based security consultancy SBD to assess the prevalence of such threats. The study primarily focused on the theft of late model BMWs, which appeared to have been

<sup>6</sup> *U-turn* is based on the NMVTRC's Best Practice Model for Young Offenders Program first published in 2002.

<sup>7</sup> There are some variations with Western Australia more than 90 per cent due to its compulsory retro-fitting program that has operated since 1998. The lowest rate is Tasmania at 61 per cent.

# Reform Activity continued

Table 1: Thefts of older (11+ years) passenger/light commercial vehicles by select LGA

Local Government Area	2011/2012 Thefts	2012/2013 Thefts	Local change %	State average %
Bankstown NSW	590	421	-27	-17
Blacktown NSW	565	457	-19	-17
Canterbury NSW	293	222	-24	-17
Fairfield NSW	335	272	-19	-17
Darebin VIC	493	324	-34	-14
Playford SA	367	329	-10	-12
Ipswich QLD	283	337	19	-5
Hobart TAS	187	143	-24	-17

the target of a sustained, highly organised series of attacks. SBD estimates that in the UK up to 80 per cent of late model BMW thefts (i.e. two to five years old) were executed without key access – with the majority bound for export as whole vehicles or parts.

A matched analysis of Australian thefts indicates that if the practice is present here, it is not widespread. Of the Australian jurisdictions that have experienced recent spikes in the theft of ‘secure vehicles’ – the predominant method has involved a burglary to access keys. However, the NMVTRC will continue to monitor developments in Europe and liaise with insurers on threat levels.

## Breakfast Torque 2012

In October the NMVTRC joined Breakfast Torque a joint motor cycle safety initiative of the Sutherland Shire Council (NSW) and the Australia Motorcycle Riders’ Association. The event attracted over 1,000 motorcycle riders and enthusiasts and brought together volunteer, charitable, private and government organisations to promote safety within the motorcycling community.

The NMVTRC took the opportunity to highlight the over 8,000 motorcycle thefts recorded in Australia over the last financial year and the simple security measures riders can take to help mitigate the risk of becoming a victim of theft. Over 750 ‘show bags’ were distributed on the day with information on motorcycle theft and security, and motorcyclists were asked to place green ribbons on their bikes as a visual representation of the 200 motorcycles that were stolen and not recovered in New South Wales in the June quarter.

The NMVTRC also used the event to launch its bike-specific online resource for motorcyclists. [Protectyourbike.com.au](http://Protectyourbike.com.au) provides motorcyclists with a range of information including theft prevention tips, reports and statistics on motorcycle theft and aims to keep riders up to date with the latest industry news.

## Operation Bounce Back

*Operation Bounce Back* (OBB) is the NMVTRC’s partnership with local government authorities (LGAs) in vehicle theft hot spots. OBB promotes awareness of vehicle security issues and helps theft victims get on with life. In 2012/13 a grant package to the value of \$35,000 was provided to eight LGAs in theft hot spots nationally.

Each package consists of immobiliser installations, public education materials, and funding to support time-specific projects designed to address theft of older vehicles in the local area. LGAs are selected on a ranking of their relative theft rates and older vehicle registration rates.

Participating LGAs are required to submit a project plan that demonstrates their program is consistent with the NMVTRC’s best practice guide *Tackling Vehicle Theft: A Guide for Local Communities*.

OBB enables the NMVTRC to channel its community communications via a program of concentrated, precisely targeted and repeatable activities in the hottest of theft hot spots via partnerships with LGAs. The core focus of the program is to portray vehicle theft as a serious but preventable crime and correct community misperceptions about the dynamics of the problem through personalising the issue and promoting the concept that prevention is a shared responsibility.

OBB also extends the NMVTRC’s resources by developing activities that can be faithfully replicated across various settings.

Grants are split into two distinct ‘flights’ of activity based on the local period of peak risk in order to ensure heightened community awareness at the most appropriate time of the year. This approach usually results in two clusters of activity from March to June and August to November.

A preliminary analysis of theft figures in those LGAs that participated in the 2012/13 program show very strong results. Seven of the eight participating LGAs achieved overall reductions in theft of older vehicles, with the reductions being greater than the state average in all but one municipality. Table 1 above provides an overview of older passenger/light commercial theft numbers over the past two years for these LGAs.





## **Capacity** building and innovation

*Operation Bounce Back* enables the NMVTRC to channel its community communications via a program of concentrated, precisely targeted and repeatable activities in the hottest of theft hot spots via partnerships with local government.

# Reform Activity continued

Feedback from municipalities continues to show that OBB has consistently provided an efficient and cost-effective channel for the delivery of key theft prevention messages and has been particularly successful in fostering stronger partnerships between community stakeholders, local government and police. Community response to the initiative continues to be overwhelmingly positive, with more than 350 Australian standards-approved immobilisers fitted in older cars as part of the 2012/13 program at the time of publication.

In addition to OBB, the NMVTRC also supports a range of other community-based programs by providing print and other educational resources to local police and many stakeholder organisations. More than 35,000 CAR-SAFE brochures and more than 1,000 A3 posters were distributed via these stakeholder channels. Close to 10,000 brochures were also distributed in languages other than English.

## 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.

In 2012/13, the Analyser and Mapper stakeholder online search tools continued to be updated with the inclusion of motorcycle theft cluster maps where users can pinpoint hot spot areas. The Dashboard was also introduced in March, which allows users to quickly visualise key national and state/territory statistics through a range of interactive tables and drilldown charts.

There were more than 2,000 self-directed searches using the Analyser and Mapper for the year. The Dashboard averaged over 400 interactions a month for the four months it has been in operation, and there were over 1,800 other searches for information including QuickStats reports and the Annual Statistical Report.

The theft-risk rating tool where motorists can assess the theft risk of their car, or a car they are looking to purchase, drew over 6,400 searches, averaging over 550 a month. CARS also conducted over 200 ad hoc requests throughout the year.

The number of records flowing into the system from all sources (police, insurers, registration agencies and commercial auto intelligence services) totalled almost 30 million for the year.

## 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.

# Performance Indicators

## Vehicle theft in comparable developed nations

Since its inception NMVTRC has benchmarked its performance against a group of nine comparable OECD countries. However, over time this exercise has been getting increasingly more difficult with some countries discontinuing reporting or significantly changing counting rules and definitions. As a result the original data model became too compromised to be a reliable benchmark of international performance.

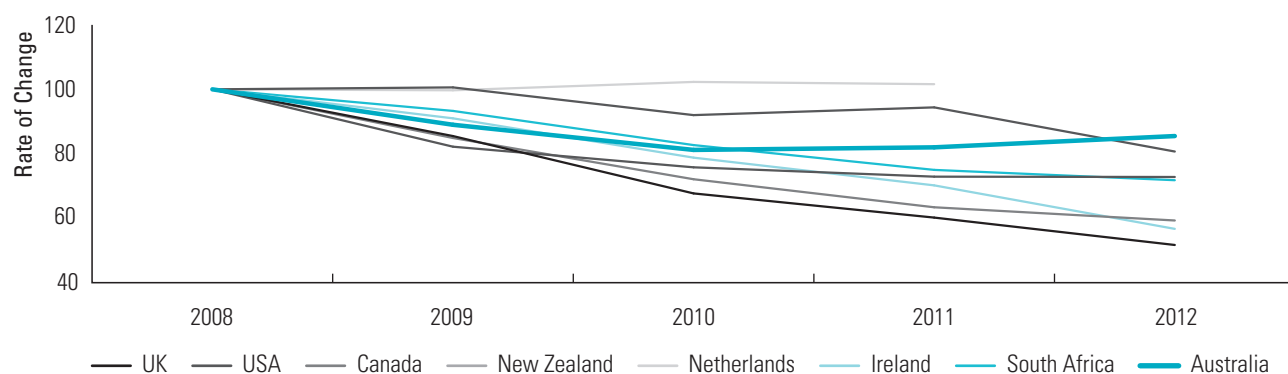
The new model introduced in 2012 and detailed below is considered more sustainable as it accounts for potentially differential counting rules and large variations in vehicle fleets and population sizes by

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.<sup>8</sup>

The time lag in reporting data in other jurisdictions limits the time series for comparison to the end of the 2012 calendar year.

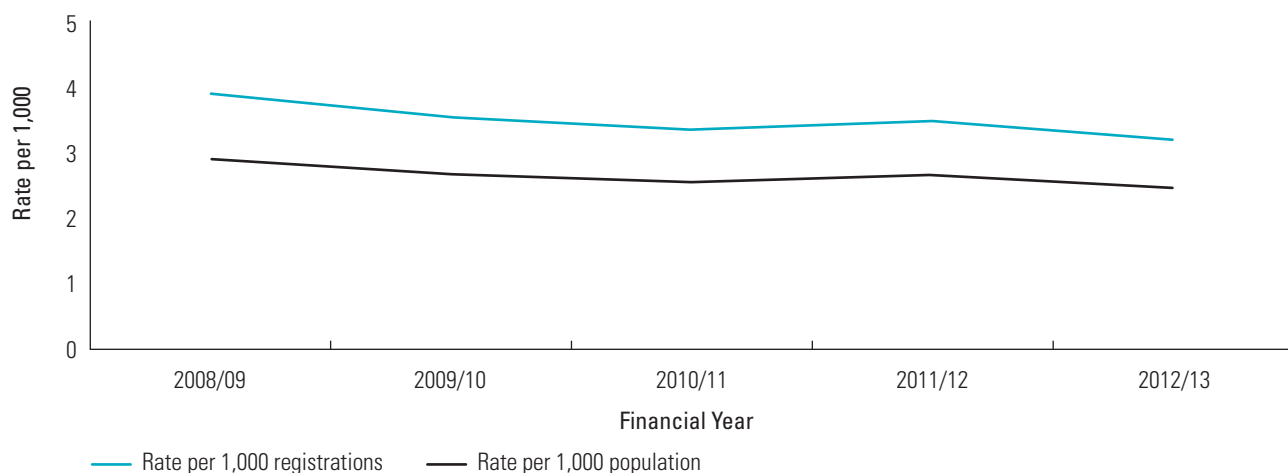
<sup>8</sup> Australia: CARS Database, South Africa: South African Police Service, Ireland: Central Statistics Office of Ireland, the Netherlands: Netherlands Foundation for Tackling Vehicle Crime, New Zealand: New Zealand Crime Statistics, Canada: Statistics Canada, USA: FBI Uniform Crime Reports, and UK (England and Wales): UK Home Office.

Figure 3: International league table of car thefts – theft rate/100,000 population indexed to 2008



## Theft rates/1000 registrations and population

Figure 4: Motor vehicle thefts per 1,000 registrations and population, 2008/09 – 2012/13



# Performance Indicators continued

## 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)

	2008/09	2009/10	2010/11	2011/12	2012/13
Short term thefts %	79	78	77	76	76
Profit-motivated thefts %	21	22	23	24	24

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

	2008/09	2009/10	2010/11	2011/12	2012/13
Short term thefts %	38	39	43	43	44
Profit-motivated thefts %	62	61	57	57	56

## 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 2013 survey of over 1,200 motorists:

- found that the overall level of community concern remained relatively high;
- shows an improved awareness around the perpetrators of vehicle theft with three in five motorists recognising that young people stealing for short term use such as joyriding makes up the majority of motor vehicle theft;
- 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 need to develop targeted communication around current motor vehicle theft trends including common theft locations and the importance of protecting keys.

## The cost of motor vehicle theft

The NMVTRC estimates the cost of PLC vehicle theft to be \$626 million, excluding the very large community costs associated with police investigations, courts, and corrections.<sup>9</sup> The decrease in theft volumes for the year is estimated to have saved the community over \$44 million.

## Analysis of NMVTRC in the media

Vehicle theft maintained a sound focus in the media this year, with close to 200 related articles published. The NMVTRC provided data and comment in over 60 of these articles as well as a high number of subsequent online articles on a range of issues including vehicle theft statistics and the latest trends across Australia and in specific theft hot spot locations, *Operation Bounce Back*, increases in profit-motivated theft and advice to motorists.

The NMVTRC also provided comment in over 20 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.

## Stakeholder-determined performance indicators

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

## Program coordination and consultation

Overall, the NMVTRC's consultation performance was regarded very positively amongst stakeholders. All stakeholders rated the NMVTRC's performance in regards to coordinating the development and progress of its reform as 'good,' 'very good' or 'excellent.' The NMVTRC's commitment to engaging and involving stakeholders in program coordination was highly valued by 95 per cent, with four in five stakeholders 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 under the four reform themes. For the separated parts market the National Forum on the Management of End-of-Life Vehicles was most commonly recognised by 84 per cent of respondents. Under strategies to disrupt vehicle laundering markets stakeholders were most familiar with the implementation of the new damage assessment criteria for statutory write-offs and the subsequent training program (90 per cent). In regards to diverting young people, both *U-turn* and our partnership with Mission Australia to establish a self-funding diversionary program in Victoria (77 per cent) were well known. And *Operation Bounce Back* and the assessment of electronic theft methods were the most widely identified reforms under building capacity and encouraging innovation.

Over 90 per cent of stakeholders reported a very high level of satisfaction in regards to the NMVTRC's dissemination of vehicle theft information with our readiness to be available for consultation and advice and organisation of collaborative events amongst state agencies valued by respondents.

## **Publications**

All respondents rated the quality of the NMVTRC's publications positively, and 70 per cent of stakeholders felt that the publications met their needs and expectations very well. Stakeholders were pleased with the regular supply and consistent quality of the publications.

The NMVTRC's Annual Report and Strategic Plan documents were the most recognised of the publications/resources (95 per cent recognition), followed by the CAR-SAFE website and *Theft Watch/Theft Torque/Theft Matters* quarterly publications.

## **Influence on reforms**

All stakeholders considered the NMVTRC as having a positive impact on the progress of vehicle theft reforms and the overall reduction of vehicle theft within the community. Ninety-five per cent saw a positive impact on the implementation of vehicle theft reform within their organisation. This was largely attributed to the provision and availability of statistics and research, frequent stakeholder engagement, influence on key reforms including the Australian Design Rules for OEM immobilisers and written-off vehicle reforms, as well as coordinating and facilitating a collaborative approach to achieve desired reforms across all jurisdictions.

<sup>9</sup> Based on an independent economic analysis conducted by MM Stars Pty Ltd for the NMVTRC (November 2011) which estimated victims' costs per incident to be \$11,500 for recovered vehicles and \$20,610 for vehicles not recovered depending on a range of personal and other factors.



# Financial Statements

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# Statement by Members of the Committee

## For the Year Ended 30 June 2013

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 2013 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

Mark Borlace  
Committee Member

Dated the 27th day of September 2013

# Independent Audit Report

## NATIONAL MOTOR VEHICLE THEFT REDUCTION COUNCIL INCORPORATED INDEPENDENT AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2013

### *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 2013 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 2013 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 2nd day of October 2013.



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

# Statement of Financial Performance

## For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
Revenues from ordinary activities	2	2,084,197	2,353,871
Accounting fees		(13,392)	5,411
Auditor's remuneration		(4,700)	(4,500)
CARS		(463,844)	(565,625)
Communications and marketing		(156,143)	(250,915)
Depreciation and amortisation expenses	3	(11,706)	(4,853)
Employee benefits		(532,089)	(574,608)
Industry Initiatives		(28,098)	(43,539)
Information exchange		(181,767)	(619,655)
Public education		(293,427)	(583,750)
Sitting fee		(30,000)	(30,000)
Youth programs		(281,970)	(127,682)
Vehicle ID		—	(26,809)
Other expenses from ordinary activities		(112,614)	107,501
<b>Profit (loss) from ordinary activities before income tax</b>	2	<b>(25,553)</b>	<b>(544,062)</b>
Income tax revenue relating to ordinary activities		—	—
<b>Net profit (loss) attributable to members of the association</b>		<b>25,553</b>	<b>(544,062)</b>
<b>Total changes in equity of the association</b>		<b>(25,553)</b>	<b>(544,062)</b>
Opening retained profits		1,623,942	2,168,004
Net profit (loss) attributable to members of the association		(25,553)	(544,062)
<b>Closing retained profits</b>		<b>1,598,389</b>	<b>1,623,942</b>

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

# Statement of Financial Position

As at 30 June 2013

	Note	2013 \$	2012 \$
<b>Current assets</b>			
Cash assets	4	1,618,066	2,021,372
Receivables	5	189,337	–
Current tax assets		6,679	(54,773)
Other	6	28,292	56,136
<b>Total current assets</b>		<b>1,842,374</b>	<b>2,022,735</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	32,012	6,494
<b>Total non-current assets</b>		<b>32,012</b>	<b>6,494</b>
<b>Total assets</b>		<b>1,874,386</b>	<b>2,029,229</b>
<b>Current liabilities</b>			
Payables	8	46,435	214,541
Provisions	9	229,562	190,747
<b>Total current liabilities</b>		<b>275,997</b>	<b>405,287</b>
<b>Total liabilities</b>		<b>275,997</b>	<b>405,287</b>
<b>Net assets</b>		<b>1,598,389</b>	<b>1,623,942</b>
<b>Equity</b>			
Retained profits		1,598,389	1,623,942
<b>Total members' funds</b>		<b>1,598,389</b>	<b>1,623,942</b>

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



# Statement of Cash Flows

## For the Year Ended 30 June 2013

	2013 \$	2012 \$
<b>Cash flow from operating activities</b>		
Receipts from grants	1,839,334	2,250,197
Payments to suppliers and employees	(2,260,941)	(2,743,516)
Interest received	55,525	103,674
Net cash provided by (used in) operating activities (Note 2)	(366,082)	(389,645)
<b>Cash flow from investing activities</b>		
<b>Payment for:</b>		
Payments for property, plant and equipment	(37,224)	(1,060)
Net cash provided by (used in) investing activities	(37,224)	(1,060)
Net increase (decrease) in cash held	(403,306)	(390,705)
Cash at the beginning of the year	2,021,372	2,412,077
Cash at the end of the year (Note 1)	1,618,066	2,021,372

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

# Notes to the Financial Statements

## For the Year Ended 30 June 2013

### 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 Incorporations Reform 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 the *Income Tax Assessment Act 1997*. Therefore, no provision for income tax has been raised.

#### 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:

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

#### 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).

	2013 \$	2012 \$
<b>Note 2: Revenue and other income</b>		
Revenue:		
Interest revenue	55,525	103,674
Grants received	1,838,250	2,250,000
Other income	190,422	197
	<b>2,084,197</b>	<b>2,353,871</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	11,706	4,853
Total depreciation expenses	<b>11,706</b>	<b>4,853</b>

## Note 4: Cash assets

Bank accounts:

Cash at bank	224,107	52,248
CBA cash management account	1,393,903	1,969,035

Other cash items:

Petty cash on hand	56	88
	<b>1,618,066</b>	<b>2,021,372</b>

## Note 5: Receivables

Current

Debtors – grants	189,337	–
	<b>189,337</b>	<b>–</b>

## Note 6: Other assets

Current

Prepayments	27,692	55,536
Other	600	600
	<b>28,292</b>	<b>56,136</b>

# Notes to the Financial Statements continued

## For the Year Ended 30 June 2013

	2013 \$	2012 \$
<b>Note 7: Property, plant and equipment</b>		
Computer and office equipment:		
At cost	140,611	104,646
Less: accumulated depreciation	(108,599)	(98,152)
	32,012	6,494
Office plant and equipment:		
At cost	30,668	29,408
Less: accumulated amortisation	(30,668)	(29,409)
	32,012	6,494
<b>Note 8: Payables</b>		
Unsecured:		
Trade creditors	46,435	214,541
	46,435	214,541
<b>Note 9: Provisions</b>		
Current		
Employee entitlements*	229,562	190,747
	229,562	190,747

\* Aggregate employee entitlements liability

There were four employees at the end of the year.

### Note 10: Remuneration and retirement benefits

#### Committee members' remuneration

Number of Committee members whose income from the association or any related parties was within the following bands:

\$20,000 to \$200,000	No.2	No.2
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The names of the Committee members who have held office during the financial year are:

David Morgan  
Ron Arnold  
Paul Anderson  
John Chapman  
Karl Sullivan  
Mark Borlace  
Chris McNally  
Greig Newbery  
James Hurnall  
Ray Carroll

2013	2012
\$	\$

#### Note 11: Superannuation commitments

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

#### Note 12: Auditor's remuneration

Remuneration of the auditor of the association for:

Auditing or reviewing the financial report	4,700	4,500
Other services	—	—
	4,700	4,500

#### Note 13: Contingent liabilities

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

The entity:

Automotive social enterprise	80,000	360,000
Immobiliser installations	140,000	—
	220,000	360,000

#### Note 14: Events subsequent to reporting date

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

The financial effects of the above have not been brought to account in the accounts at 30 June 2013.



# Appendices

## Australia – Short term theft snapshot, 2012/13

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	AUS
PLC	492	10,331	727	7,928	2,427	945	7,299	4,654	34,803
Change from 2011/12	-177	-1,440	54	420	-498	-212	-957	63	-2,757
% Change	*	-12%	*	6%	-17%	*	-12%	1%	-7%
Motorcycles	32	676	105	622	249	58	506	1,562	3,810
Change from 2011/12	-2	2	-10	-61	10	8	11	393	355
% Change	*	0%	*	-9%	4%	*	2%	34%	10%
Other vehicle types	9	371	21	429	75	6	267	230	1,408
Change from 2011/12	-1	-29	-4	-32	38	-21	-21	17	-85
% Change	*	-7%	*	-7%	103%	*	-7%	8%	-6%
Total theft	533	11,378	853	8,979	2,751	1,009	8,072	6,446	40,021
Change from 2011/12	-218	-1,467	40	327	-450	-225	-967	473	-2,487
% Change	*	-11%	*	4%	-14%	*	-11%	8%	-6%

## Australia – Profit-motivated theft snapshot, 2012/13

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	AUS
PLC	161	4,541	58	1,936	708	119	2,515	923	10,961
Change from 2011/12	-80	-679	-5	143	-129	-20	36	96	-638
% Change	*	-13%	*	8%	-15%	*	1%	12%	-6%
Motorcycles	48	809	77	1,049	381	43	1,203	1,203	4,813
Change from 2011/12	5	-138	6	16	14	-2	60	241	202
% Change	*	-15%	*	2%	4%	*	5%	25%	4%
Other vehicle types	5	333	3	309	65	28	243	291	1,277
Change from 2011/12	-64	19	1	28	8	-35	12	24	-7
% Change	*	6%	*	10%	14%	*	5%	9%	-1%
Total theft	214	5,683	138	3,294	1,154	190	3,961	2,417	17,051
Change from 2011/12	-139	-798	2	187	-107	-57	108	361	-443
% Change	*	-12%	*	6%	-8%	*	3%	18%	-3%

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



**National Motor Vehicle Theft Reduction  
Council Inc**

50-52 Howard Street, North Melbourne  
Victoria 3051 Australia

Tel (03) 9348 9600 Fax (03) 9348 9988

[info@carsafe.com.au](mailto:info@carsafe.com.au)

[www.carsafe.com.au](http://www.carsafe.com.au)

ISBN 978-1-876704-44-5

