



National Motor Vehicle  
Theft Reduction Council

# Putting the brakes on vehicle crime

Annual Report 2014

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.

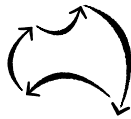
## Mission

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 2014

**Police Ministers of the Law, Crime and Community Safety Council**

The Hon. Stuart Ayres MP  
The Hon. Simon Corbell MLA  
The Hon. Jack Dempsey MP  
The Hon. Adam Giles MLA  
The Hon. Liza Harvey MLA  
The Hon. Rene Hidding MP  
The Hon. Tony Piccolo MP  
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 2014.

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)



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



**Richard Dudley**  
Australian Motor Industry  
Federation



**Chris McNally**  
VicRoads (Austroads)



**Karl Sullivan**  
Insurance Council of Australia

# Chairman's Report



After an 'upwards blip' in 2012/13, the past 12 months saw total theft volumes fall by 6 per cent to settle at 53,450 – the lowest annual total recorded since the 1970s. The return to lower numbers means that Australia enjoyed a net community saving of more than \$53 million for the year.<sup>1</sup>

This strong result means that the hard work and cooperation of the NMVTRC's stakeholders has delivered reductions in four of the past five years for an overall reduction of more than 11 per cent.

Despite this the NMVTRC estimates that:

- around one in every 150 households experienced a vehicle theft in 2013/14; and
- the cost to the community for the year was more than \$680 million, not including the very large costs associated with police investigations, courts, and corrections.

In line with the good reductions in total theft numbers, it was also a good year for the NMVTRC's major reforms. Highlights for the year included:

- completion of the most comprehensive audit of the auto recycling and scrap metal sectors compliance with local laws ever undertaken in Australia via the police-led Inter-agency Task Force in Victoria;
- the successful launch of the world's first 'commercial' enterprise providing on-the-job training, work experience and support to young car crime offenders in conjunction with Mission Australia and the Suncorp Group;
- development of new, innovative and entertaining public education resources to raise community awareness of the importance of keeping keys and transponders safe from would-be home burglars;
- the establishment of the Vehicle Crime Managers' Network to facilitate the regular sharing of expert knowledge and intelligence at senior levels between law enforcement agencies; and
- the continued success of our *Operation Bounce Back* partnership with local government to drive down theft numbers in the nation's biggest theft hot spots.

In terms of forward threats, the NMVTRC's assessment, is that the principal vehicle crime concerns currently facing the nation are the:

- prevalence of residential burglaries to access the keys of 'secure' vehicles; and
- more than 10,500 passenger and light commercial vehicles that still vanish altogether from our roads each year – the surrogate indicator of the level of organised criminal activity seeking to convert stolen vehicles into cash.

The coming year will see Australian governments and the insurance industry make decisions on whether to extend the NMVTRC's life into a further term. It is therefore pleasing to note that independent surveying by Nexus Research, as part of the organisation's review process, highlighted the NMVTRC's strong commitment to collaboration with stakeholders giving us top marks for strategy development and consultation.

The companion independent expert quantification of the economic benefits of the NMVTRC's reform program estimates that since mid-2009 the:

- benefits of related reforms exceed their costs by \$276 million, with each \$1 invested delivering \$2.76 of benefits; and
- NMVTRC's performance has delivered a Benefit-Cost Ratio of 24.1 for the funding bodies' investment.

As one of the nation's most senior police officers observed about persistent and enduring crime issues – you cannot simply police your way out of these problems. Delivering continuous and sustainable vehicle theft reduction requires long term commitment to addressing the underlying structural deficiencies that contribute to the problem. We look forward to continuing to contribute to the nation's economic and social well-being in the future.

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

- the Commander of the NSW Police Property Crime Squad, Murray Chapman, replacing his colleague Greig Newbery as the Police Minister's national representative; and
- Australian Motor Industry Federation (AMIF), Executive Director Richard Dudley succeeding the long-serving John Chapman (Motor Trade Association of South Australia) as the AMIF's nominee.

My thanks to all those involved for ensuring a smooth transition, but in particular to John for his valued input and commitment over the past five years. Thank you also to the rest of the Council for their ongoing support and guidance and to the Executive Director and his team for their expert management of a diverse and challenging work program.

David M Morgan  
Chairman

<sup>1</sup> Based on independent economic analysis conducted by MM Starrs Pty Ltd (October 2014) which updated the NMVTRC's cost models to \$14,740 for recovered vehicles and \$19,900 for those not recovered depending on a range of factors such as vehicle, personal injury and insurance administration costs.

# Executive Director's Report



As noted by the Chairman in his report, the last 12 months was another good year in our mission to deliver a culture of continuous and sustainable theft reduction amongst our stakeholders and the broader Australian community.

However, the ability of profit-motivated thieves to continue to adapt their methods of operation despite major improvements in both public policy and infrastructure poses a sobering challenge for us all.

The philosophy that underpins the NMVTRC's approach to combating profit-motivated theft is that unlike short term theft, profit-motivated thieves make a rational (even if subjective) assessment of the:

- *effort* required to acquire the target vehicle or vehicles; and
- *risk* of carrying out the act of converting the stolen vehicle into cash,

versus the *reward* which flows from the illegal activity.

The higher the effort and risk required – the less relatively attractive is the reward. Of course the opposite also applies. The NMVTRC's strategy is therefore based on looking for those interventions that will increase effort and risk while reducing potential profit. The challenge of course is being able to do this without imposing disproportionate interruption or costs to legitimate business practices or the public.

An annual strategic review with our stakeholders in April and May confirmed that there is a high degree of consensus around the NMVTRC's reform priorities. Looking forward, therefore, we must continue to collectively focus on a range of countermeasures and programs which can effectively disrupt the separated parts market and theft for scrap rackets in particular.

Importantly, these are key themes in the NMVTRC's Strategic Plan for 2014–2017 released last month. The updated Plan also:

- proposes a substantial body of work aimed at:
  - modernising and optimising the efficiency of existing regulatory regimes;
  - aligning theft reduction objectives with reducing the environmental impacts of end-of-life vehicles;
  - improving industry entry and operating standards through proposals such as product stewardship; and
- maintains our commitment to diverting young offenders and building community resilience and capacity.

Finally, as the Chairman observed, this is a year in which key decisions will be made by governments and insurers about the NMVTRC's future beyond 2015. It is our view that while there have been many successes over the last five 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 ACTIVITY

The major part of the NMVTRC's reform program for 2013/14 has focused on the following activity.



**PREVENTING  
THEFT BY KEY**



**DIVERTING  
YOUNG  
OFFENDERS**



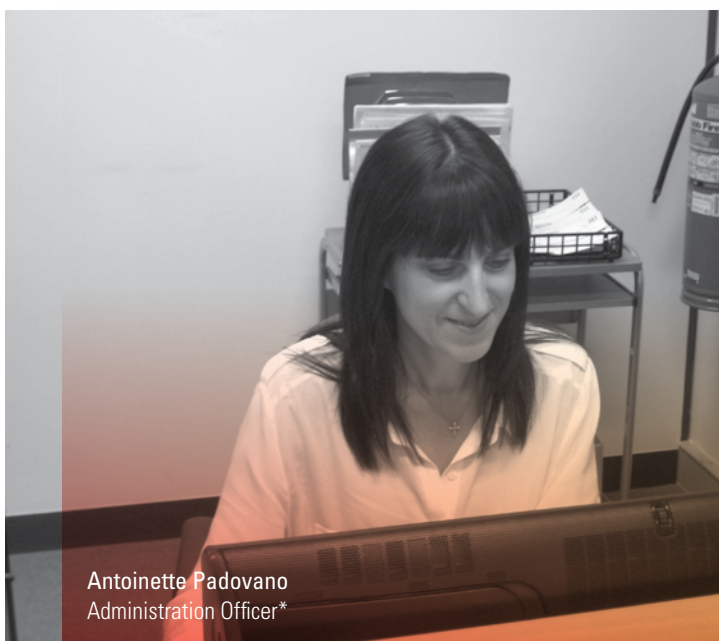
**HELPING BUILD  
CAPACITY**



**DISRUPTING THE EXPORT, DISMANTLING  
OR RECYCLING OF VEHICLES**



# Our People



\* Part time.



# Motor Vehicle Theft in Australia 2013/14

A total of 42,631 passenger and light commercial vehicles (PLC) were reported stolen in Australia in the 2013/14 financial year. This is 3,138 (7 per cent) fewer thefts than in 2012/13 and 5,431 (11 per cent) less than the 48,062 stolen in 2009/10; the NMVTRC's rolling comparison year. It is also once again the lowest number of PLC thefts in a 12-month period since the 1970s.

## Short term theft

Short term theft fell by 3,347 (9 per cent) to 37,045 vehicles, comprising 87 per cent PLCs, 10 per cent motorcycles and 3 per cent other vehicle types.

## PLC theft

A total of 32,070 PLC vehicles were stolen and subsequently recovered; a decline of 9 per cent compared to the previous year. Of these:

- 5,536 (18 per cent) were up to five years old;
- 6,617 (21 per cent) were between five and 10 years old; and
- 18,925 (60 per cent) were more than 10 years old.

The proportion of immobilised vehicles stolen for short term continued to rise over the year with 63 per cent stolen fitted with an Australian Standards Equivalent (ASE)<sup>1</sup> immobiliser. Another 5 per cent were fitted with an immobiliser that did not meet ASE.

Small cars make up the greatest proportion of vehicles on Australian roads and this is reflected in their theft numbers. Twenty-eight per cent of thefts were small passenger cars followed by large passenger cars (22 per cent). The most popular theft targets were:

- Holden Commodore VT (MY 97-00) with 660 thefts;
- Holden Commodore VE (MY06-13) with 613 thefts; and
- Hyundai Excel X3 (MY94-00) with 495 thefts.

Light utility vehicles also made up a substantial 15 per cent of all short term thefts, with the Toyota Hilux (MY05-11) the sixth most stolen vehicle in the year.

## PLC five-year trends

Short term theft is down 12 per cent from 2009/10 when 41,941 vehicles were stolen and subsequently recovered. Theft of PLCs has fallen 14 per cent, and theft of other vehicles is down 18 per cent. Motorcycle theft, however, increased 19 per cent.

While older vehicles still make up the majority of thefts, the age distribution is changing. Compared with five years ago, theft of cars aged 10 and older has declined by nearly 30 per cent, whereas short term theft of late model vehicles (less than 10 years old) has increased by 14 per cent.

In 2009/10, 37 per cent of PLCs stolen and recovered were fitted with an ASE immobiliser. The increase to 63 per cent in the past year mirrors the increased immobilisation rate of Australia's fleet. It also points to the growing number of incidences where thieves are gaining access to the key and transponder in order to steal 'secure' vehicles.

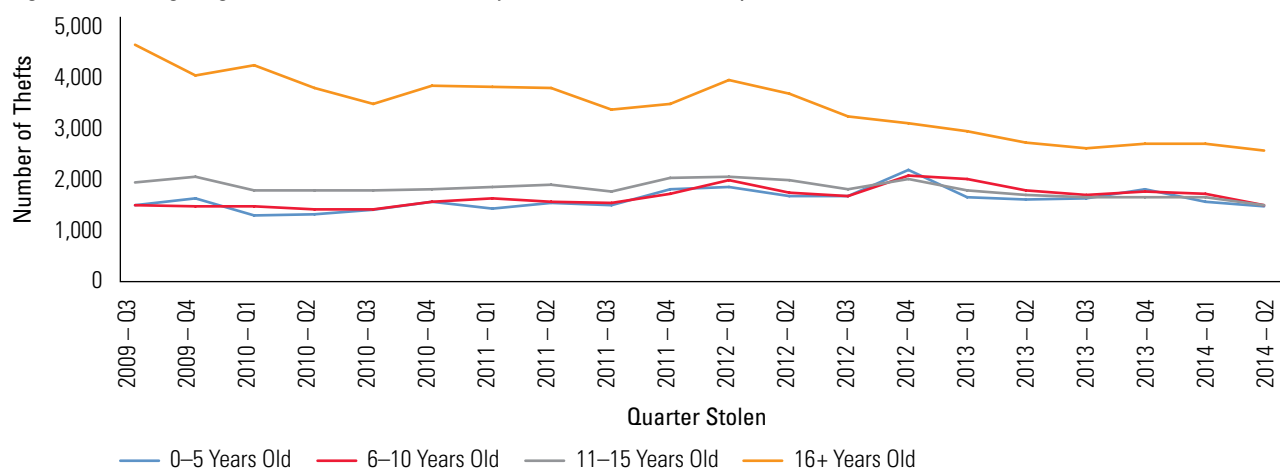
## Motorcycles

Short term motorcycle thefts fell by 345 (9 per cent) to a total of 3,673. Despite the reduction this year, motorcycle theft has been trending upwards and compared to 2009/10, there has been a 19 per cent rise in the number of motorcycles stolen for short term use. Proportionally, motorcycle theft has also increased from 7 per cent of all short term thefts in 2009/10 to 10 per cent in 2013/14. Last year:

- four in five motorcycles stolen were registered for road use;
- in just under a quarter of all short term thefts the bikes had an engine capacity of 50cc or less; and
- consistent with their market share, Honda and Yamaha topped the list of the most stolen motorcycles with 706 and 538 thefts respectively.

<sup>1</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, 2009/10 – 2013/14



# Motor Vehicle Theft in Australia 2013/14 continued

## Profit-motivated theft

Total profit-motivated theft increased by 156 (1 per cent) from the previous year to 16,405. PLCs increased by 209 (2 per cent), while a decrease in motorcycle theft of 63 (1 per cent) offset the net increase. Theft of other vehicle types remained stable. The vehicle mix consisted of 64 per cent PLCs, 28 per cent motorcycles and 8 per cent other vehicle types.

## PLC theft

PLC thefts increased by 209 (2 per cent) in the year to a total of 10,561. The age distribution was:

- 1,097 (10 per cent) less than five old;
- 2,409 (22 per cent) between five and 10 years old; and
- 7,279 (66 per cent) more than 10 years old.

The 10 to 14-year-old age group made up the single highest proportion (25 per cent) of stolen not recovered PLC vehicles.

Sixty per cent of vehicles stolen for profit were fitted with an ASE immobiliser; an increase of 7 per cent from the previous year. Close to a third were not fitted with any type of immobiliser.

Large passenger vehicles remained the most popular target of profit-motivated theft, consisting of just under a quarter of vehicles stolen. Light commercial utility vehicles were the next most common targets, making up 19 per cent. The models most commonly stolen in the year were:

- The Holden Commodore VT (MY97-00) with 271 thefts;
- The Toyota Hilux (MY05-11) with 254 thefts; and
- The Toyota Hiace (MY90-04) with 185.

## Five-year trends

Profit-motivated theft has remained relatively stable over the past five years across all vehicle types. Despite last year's small increase, PLC theft is down 2 per cent from the 2009/10 comparison year where 10,789 PLCs were stolen not recovered. Proportionally, the mix of vehicles has remained unchanged.

Unlike short term thefts, the age profile for profit-motivated theft remains similar to 2009/10. In the 20 to 24-year-old age group there has been a 5 per cent reduction over the past five years perhaps reflecting the diminishing value of very old cars. A marginal increase of 3 per cent in the five to nine and 10 to 14-year-old groups is indicative of a gradual shift towards newer vehicles however, the proportion of PLCs stolen less than five years of age remained steady at 10 per cent.

While large passenger vehicles continue to be the most popular targets of theft for profit (23 per cent), since 2009/10 there has been a noticeable shift towards SUVs and light commercial utility vehicles.

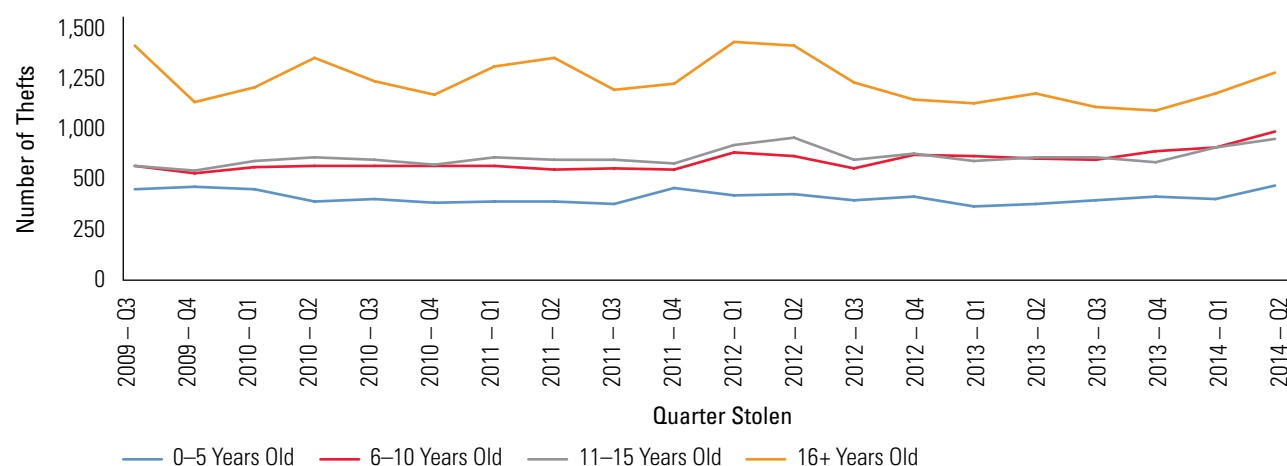
## Motorcycles

Profit-motivated motorcycle theft fell 1 per cent in 2013/14. The 4,544 thefts represents over a quarter of all vehicles stolen not recovered. There were some significant variations between profit-motivated and short term motorcycle theft:

- 58 per cent of motorcycles stolen for profit were registered (compared to 83 per cent in short term theft).
- The shift to the high proportion of registered bikes contrasts with five years ago, when just 44 per cent were registered.
- The proportion of bikes stolen with an engine capacity of 50cc or less fell significantly from 17 per cent in 2012/13 to just 9 per cent.
- Higher capacity bikes between 200cc and 500cc remain the most commonly targeted.

For a more in-depth breakdown of the figures below visit the CARS Dashboard at [www.carsafe.com.au/stakeholders-a-partners/statistics](http://www.carsafe.com.au/stakeholders-a-partners/statistics)

Figure 2: Passenger/light commercial vehicles – adjusted profit-motivated thefts by month, 2009/10 – 2013/14





## PREVENTING THEFT BY KEY

Over the past 18 months, significant parts of the nation have been in the grip of a spike in residential burglaries to access the keys of 'secure' vehicles. To raise community awareness the NMVTRC's creative new communications resources use humour as a point of difference whilst still delivering a serious message.

# Reform Activity

## Disrupting separated parts markets

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

As the re-birthing of whole vehicles becomes progressively harder, the dismantling or stripping of major components becomes increasingly more attractive and less risky for car criminals.

Numerous police investigations across Australia have shown that some of the most serious profit-motivated theft activity is conducted in association with enterprises that on the face of it are part of the automotive trades – including the recycling, end-of-life scrap and export sectors. In addition, many middle-tier businesses that operate in these sectors, whilst not criminal themselves, have such poor business practices and records systems that they can unwittingly facilitate stolen vehicle disposal.

Responsible industry participants are finding it increasingly difficult to remain profitable in the face of unfair competition from a growing numbers of operators who have no outward appearance of compliance with regulatory requirements or established industry standards and are calling for greater enforcement action from regulators.

In 2013, at the instigation of the NMVTRC, the Victoria Police agreed to lead an Inter-agency Task Force (ITF) to assess the level of regulatory compliance across the industry in Victoria. With the active cooperation of the Australian Crime Commission, Australian Customs and Border Protection Service, Consumer Affairs Victoria, the Environment Protection Authority and the Victorian WorkCover Authority the ITF has undertaken the most comprehensive assessment of the status of the industry ever undertaken in Australia.

Following eight months of site visits across Victoria, the ITF found a staggering record of non-compliance across the regulatory spectrum with:

- seven in 10 either not holding the required authorisation to trade (i.e. the correct licence or registration) or being non-compliant to some degree with the conditions of their business licence or registration;
- nine in 10 were not complying with written-off vehicle reporting obligations;
- nine in 10 were assessed to be non-compliant to some extent with OHS and environmental protection regulations, with:
  - one in five referred for extreme safety breaches deemed likely to cause imminent injury; and
  - one in 10 referred for extreme environmental breaches causing obvious and ongoing serious pollution to soil and waterways.

The ITF also observed that:

- with many businesses operating almost exclusively on a cash only basis transactions are untraceable, which has implications for investigating the chain of vehicle acquisition and disposal, and also raises questions about compliance with taxation; and

- such widespread non-compliance enables vehicle thieves to launder stolen vehicles through motor wreckers or scrap metal dealers with little or no risk their personal details will be retained.

While the report deals only with the condition of the Victorian industry, the NMVTRC's assessment is that the same vulnerabilities exist across Australia. There are no quick fixes to either criminal infiltration or poor operating standards in the industry. The most effective outcomes will be derived from a combination of medium term improvements aimed at optimising the efficiency of existing regulatory regimes and in the longer term, the alignment of theft reduction objectives with reducing the environmental impacts of end-of-life vehicles and improving industry entry and operating standards through proposals such as product stewardship.

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

## Modernising regulatory regimes to optimise compliance

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

The NMVTRC's 2013/14 work program indicated that we would build on the previous review of the 'modernity' of related laws, conducted by lawyers DLA Piper in 2012, by developing a proposal for the consolidation of relevant laws to remove ambiguities and gaps, and deal more effectively with enduring non-compliance.

In September 2014, the NMVTRC released an exposure draft of the model law package for stakeholder review and comment.

The key features of the model laws include:

- an accreditation requirement for a person who carries on business as a motor vehicle dealer, motor vehicle recycler (including a metal recycler) or motor vehicle repairer;
- the inclusion of a chain of responsibility model for related parties which requires prescribed persons to:
  - take all reasonable steps to ensure that stolen motor vehicles or parts are not traded by any party in the chain; and
  - report suspicious vehicles or parts, whether in their custody or offered to the person for sale;
- a broad range of search, seize and retention powers for authorised officers – with or without consent;
- a range of regulatory tools for the 'Regulator' to promote or assure compliance including the power to publicise breaches or offences;
- the creation of separate commercial and general offences – the former allowing the profit made in an illegal transaction to be taken into account;





## DIVERTING YOUNG OFFENDERS

Young people are responsible for three out of every four vehicle thefts in Australia. It is not uncommon for a 'proficient' young thief to have stolen more than 300 cars by his or her late teens. To help break the cycle, the NMVTRC has been a leading advocate for the expert design and delivery of diversionary programs for young offenders based around technical training and the development of trade skills.



# Reform Activity continued

- the inclusion of civil penalty orders with daily penalties for continuing non-compliance; and
- improvement and exclusion orders, under which a person may be required to improve their performance or face exclusion from the industry.

The NMVTRC will consider stakeholder comments on the model law package by the end of the year.

## Management of end-of-life vehicles

### *Product stewardship*

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

The NMVTRC had proposed engaging key stakeholders in detailed discussions on the potential design, management and operation of a voluntary vehicle PS scheme in 2013/14. However, with key parties such as the Australian Motor Industry Federation (AMIF) and Transport for NSW (TfNSW) announcing they were either developing or interested in developing policies on the issue, the NMVTRC opted to defer its work to develop a set of overarching principles for an effective ELV scheme until the AMIF and TfNSW policy documents were developed.

The NMVTRC will seek to work actively with stakeholders to make significant progress on the design of options to improve ELV management in 2015.

### *Continuous registration*

There are currently no legislative or regulatory requirements in Australia to ensure that an ELV's last operator ensures the vehicle enters the mainstream recycling infrastructure. A form of continuous registration such as those operating in the United Kingdom, Northern Ireland or New Zealand would go a long way towards:

- mitigating the environmental harm caused by ELVs; and
- curtailing the anonymous destruction of stripped body shells and the sale of stolen, older vehicles for scrap.

The concept of continuous registration also offers potential benefits in terms of data integrity, equitability, enforcement, administrative efficiency and fee recovery over Australia's current 'invitation to renew' model.

The NMVTRC had agreed to contribute funds towards Austroads' examination of options for alternative registration models, but a mid-year review of program funding by Austroads meant it could not proceed in 2013/14.

## Disrupting vehicle laundering markets

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

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

In September 2013, the ACT became the seventh jurisdiction to adopt the NMVTRC's revised damage assessment criteria to ensure that written-off vehicles (WOV) which have sustained significant collision, fire or water damage are identified as suitable only for dismantling or use as scrap.

Based on preliminary national data it would appear that the revised criteria have slightly exceeded the predicted 30 per cent reduction in the pool of repairable vehicles, with the respective shares of statutory write-offs running at 55 per cent compared with 45 per cent repairable. A detailed post-implementation review is planned for 2015.

The Northern Territory Government is still to confirm an implementation date.

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

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

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

Like motorcycles, heavy vehicles – particularly prime movers – pose significant challenges in developing cost-effective countermeasures due to the high level of customisation of vehicles and the interchangeability of key components, making conclusive identification very difficult even for the very experienced eye.

In February 2014, the first parts of a single set of national heavy vehicle laws took effect. That law, to be administered by the National Heavy Vehicle Regulator (NHVR), includes a head of power for the mandatory reporting of HV write-offs. However, the schedule for development of the supporting regulations is yet to be confirmed by the NHVR. How the issues around establishing vehicle identity and component origin will be managed is not clear, but the National Transport Commission, which oversees the legislative drafting process for the law, has undertaken to consult the NMVTRC and its stakeholders further as the detailed administrative arrangements are developed.



## HELPING BUILD CAPACITY

The NMVTRC has made a substantial investment in building stakeholder capacity and community resilience via a range of innovative technology, communications, public education, and knowledge-sharing initiatives.

# Reform Activity continued

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

Previous studies conducted for the NMVTRC have established that auto recyclers are not complying with mandatory written-off vehicle reporting requirements. Business operators have cited the administrative burden of the system's reliance on paper-based reporting and perceptions that road authorities are slow to process notifications, as the major reasons for the failure of the system. With the assistance of South Australia's Department of Planning, Transport and Infrastructure and the Motor Trade Association of South Australia, the NMVTRC conducted a proof-of-concept trial to automate reporting from the recycler end and determine its effectiveness.

The proof-of-concept process demonstrates that:

- it is technically feasible to consolidate written-off vehicle data from multiple recyclers into a single system, and report consolidated notifications to road agencies electronically; and
- the validation of VIN data materially improves the quality of reported data and reduces the opportunity for fraud.

It is likely that participant businesses gain a commercial advantage through electronic reporting. The certainty provided by an immediate VIN check reduces the risk of errors and the cost arising from subsequent queries and/or re-work. If a recycler is able to integrate the reporting process with their stock control systems they would enjoy further efficiency gains.

Automated data integration with jurisdictional systems will be tested in the next phase of the project in 2014/15 with the assistance of VicRoads and the Auto Recyclers Association of Australia.

## Improving the value of the Personal Property Securities Register

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

In 2013/14 the Personal Property Securities Register (PPSR) processed more than six million registration status checks.

Whilst this shows the system has high utility, the NMVTRC remains concerned that the manner in which written-off vehicle information is presented is open to misinterpretation by casual users and inconsistent with the national written-off vehicle coding system. The NMVTRC will work with Austroads to have these issues addressed.

## Secure compliance labels

In 2013/14 more than 725,000 new vehicles sold in Australia for the year carried a compliance label that complies with the NMVTRC's performance-based technical specification. The label's unique features ensure that it cannot be transferred between vehicles without easy detection, cannot be copied, and is easy to authenticate. The year's result brings the total volume of vehicles protected since the label's first introduction in 2007 to more than 3.3 million.

## Whole of vehicle marking

A further 39,000 prestige and high performance vehicles sold in the year carried up to 7,000 microdots each bearing the vehicle's unique 17-digit identification number. This makes it virtually impossible for profit-motivated thieves to hide a marked stolen vehicle's original identity. More than 250,000 vehicles sold in Australia since 2009 have had the NMVTRC-endorsed system fitted as standard equipment.

## Diverting young offenders

### Synergy Repairs (Social Enterprise 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.

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.

In a world first, Synergy Repairs, the NMVTRC's joint venture with Mission Australia and the Suncorp Group (SG) opened its doors in May, the culmination of more than three years of negotiation and planning.

Synergy is a 'social enterprise' based, commercial business offering non-structural smash repair services, while providing on-the-job training, work experience and support to young car crime offenders. The program aims to create meaningful career pathways for the young participants, while preparing a much needed next-generation workforce for the industry. The six month placement will equip graduates with the skills to commence a smash repair apprenticeship.

All Synergy 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 as other Suncorp repairers.

The NMVTRC has a long association with Mission Australia in developing and delivering successful programs, such as *U-turn* in Tasmania and Synergy Repairs is the next evolution of that relationship.

The NMVTRC hopes that Synergy will quickly be recognised as 'the model' for the delivery of sustainable, best practice young offender programs. It got off to a great start with the first group of young men graduating from the program in September.

Seven of the eight participants that started the program in March graduated with a Certificate II qualification. The one that did not has returned to the education system indicating that the program had some positive influence on his demeanour and attitudes towards school.

All seven graduates have successfully gained transitional work experience and/or apprentice placements within SG's repairer network.

### U-turn Tasmania

In the meantime, the original *U-turn* site based in Hobart saw its 45th group of young Tasmanians graduate in June 2014.<sup>2</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.

Analysis shows that the majority of participants who had committed multiple offences prior to the program 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 incoming Tasmanian Government recommit to funding the program through to at least mid-2018.

With many young people caught up in the juvenile justice system having a long history of negative experiences at school, even when they try to get their lives back on track they face this additional confidence barrier when seeking employment opportunities or returning to the education system.

That is why the NMVTRC's Best Practice Model for Young Offenders programs (BPM) placed such a strong emphasis on identifying offenders' literacy deficits and developing practical, individual improvement plans. In recognition of MA's extension of ongoing literacy and numeracy support to *U-turn* alumni via its *U-Learn* program, the NMVTRC this year decided to reward the 'best in class' *U-Learn* participants with an award to encourage them to continue to develop their skills.

### Choose-A-Ride

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

In 2013/14, the online resource received 2,700 views on YouTube and more than 600 downloads of the film and support resources for educators via the '*Choose-A-Ride*' website.

It also featured regularly in the community activities delivered by our local government partners in *Operation Bounce Back* across Australia, with almost 10,000 CaR promotional stress cars and drink bottles distributed nationally.

## Building stakeholder/community capacity and encouraging innovation

### Vehicle Crime Managers' Network

In July 2013, the NMVTRC and NSW Police hosted the inaugural meeting of the Vehicle Crime Managers' Network.

The Network:

- comprises senior representatives from Australia's state, territory and federal police agencies, New Zealand Police, the Australian Crime Commission and the Australian Customs and Border Protection Service; and
- is designed to facilitate the regular sharing of expert knowledge and intelligence between law enforcement agencies.

### New technology

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

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

The year saw the NMVTRC reach an in-principle agreement with WA Police and the RAC on the trial of an innovative, low-cost form of vehicle tracking and smart phone application.

The Stolen Vehicle Rapid Response Initiative will aim to fit the device, free of charge, to up to 1,000 of Perth's most 'at-risk' vehicles in the highest risk suburbs.

### Scooters

In June 2012, the Western Australia Police Service commenced a program to fit an audible screamer alarm to scooters in conjunction with select local governments in known hot spots. In 2013/14 the NMVTRC provided direct funding to boost the number of scooter owners participating in the program to more than 1,000 or around one in every 20 registered scooters in Western Australia. The results of the program will be evaluated in 2015.

2. *U-turn* is based on the NMVTRC's Best Practice Model for Young Offenders Program first published in 2002.

# Reform Activity continued

## Public education

### *Residential burglaries to access keys*

Over the past 18 months, significant parts of the nation have been in the grip of a spike in residential burglaries to access the keys of 'secure' vehicles.

In fact, vehicle keys are the only property stolen in up to one in four reported burglaries in which a vehicle is taken. Offenders are also becoming more brazen, prepared to enter even occupied premises to quickly grab keys left in easily accessible spots, often gaining access via unlocked doors or windows.

These changes in the nature of car crime 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.

The NMVTRC has been working with operational, policy and communications experts from police, insurers, motoring clubs and local government to develop some general principles, overarching themes and key messages for a new suite of public education materials on the matter.

The key general principles agreed with stakeholder experts were that the creative execution of campaign materials needed to be innovative to cut through the plethora of competing social messages whilst avoiding stereotypically playing on personal fear.

The brief to creative agency NiceBike was therefore to use humour or irony as a point of difference whilst still delivering a serious message. Their response gives a nod to three famous 'heist' scenes from hit movies to raise awareness of the need to safeguard keys from would-be burglars in an over-the-top, non-threatening way. The iconic films *Raiders of the Lost Ark*, *Mission Impossible*, and *Entrapment* provide the underlying themes.

The ads will run as community service announcements on TV and in cinemas. Stakeholders will also be able to link directly to them via a dedicated website should they wish to reference them in their own communications campaigns. The NMVTRC's partnership with local government (LGAs) in vehicle theft hot spots – *Operation Bounce Back* – has been redesigned around the car security begins at home message, with very positive results. The cinema ads are expected to run extensively in most of the 13 municipalities offered an OBB grant for 2014/15 and in the ACT.

The ads are also supported by online and print resources that provide practical advice about how to safeguard your home and keys.

## Operation Bounce Back

The *Operation Bounce Back* (OBB) local government grants program entered its 10th year in 2013/14. The publicity driven, public education-based program aims to harness the efforts of local government and police to raise community awareness of vehicle theft and effective prevention measures in theft 'hot spots' nationally. The OBB grants package consisted of immobiliser installations, public education materials, and funding for time-specific, stand-alone projects designed to address theft of older vehicles in the local government area (LGA). The program requires delivery of a project consistent with the NMVTRC's *Tackling Vehicle Theft: A Guide for Local Communities*.

The program saw more than 1,850 immobiliser installations and close to 60,000 vehicle theft brochures distributed through a range of promotions and community activities. The two most popular brochures (*Wish you'd secured your car* and *Wish you'd installed an immobiliser*) are also available in five other languages including Greek, Arabic, Vietnamese, Chinese and Korean. These languages accounted for around one in five brochures distributed.

Various media platforms were well utilised by participating LGAs including strong use of social media. Cinema advertising was also very popular due to its relatively low cost and wide audience reach at the local level.

Six in 10 participating LGAs achieved reductions greater than their respective state averages for the year, with half in the order of twice the state average.

OBB will continue to play a central role in the NMVTRC's communications program but has been re-designed around the car security begins at home message.





## DISRUPTING THE EXPORT, DISMANTLING OR RECYCLING OF VEHICLES

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

## Reform Activity continued

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

Local Government Area	Thefts During OBB	Thefts for Same Period 12 Months Prior	% Change	State Change
Lake Macquarie (NSW)	134	191	-30	-20
Newcastle (NSW)	88	179	-51	-20
Bankstown (NSW)	175	345	-49	-22
Canterbury (NSW)	92	159	-42	-22
Blacktown (NSW)	216	308	-30	-22
Fairfield (NSW)	125	175	-29	-22
Wollongong (NSW)	126	213	-41	-4
Liverpool (NSW)	158	174	-9	-4
Gold Coast (QLD)	290	395	-27	-19
Ipswich (QLD)	107	144	-26	11
Brimbank (VIC)	268	349	-23	-1
Hume (VIC)	148	182	-19	-1
Darebin (VIC)	149	295	-50	-29
Frankston (VIC)	90	121	-26	8
Port Adelaide Enfield (SA)	211	227	-7	-3
Hobart (TAS)	105	124	-15	-14
Palmerston (NT)	17	36	-53	-40

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

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

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

Suggestions for improvement reflected the changing nature of vehicle crime via access to keys and more detailed information on the available CAR-SAFE resources and statistical tools. A refreshed guide picking up these key recommendations will be published as an online resource in early 2015.

### Motorists' attitudes to vehicle crime and secure practices

The NMVTRC regularly surveys motorists on their security practices and understanding of the dynamics of vehicle theft. In September 2013, the NMVTRC commissioned prominent market researcher Nexus Research to conduct 1,200 motorist interviews across Australia on a range of vehicle theft issues.

The final sample was weighted to represent approximately 11.6 million people aged 18 years and over and provides results with a margin of error of not more than  $\pm 3$  per cent (at the 95 per cent confidence level). That is, if a response in the sample is 60 per cent, the true answer in the population will almost certainly be between 57 and 63 per cent.

In the latest survey results revealed that:

- 66 per cent of drivers were concerned about having their car stolen while 34 per cent were not at all concerned;
- 46 per cent thought that car theft most often occurs 'from the street', with 34 per cent nominating 'a car park', and 10 per cent 'the home'. Ten per cent were uncertain;
- 75 per cent were not surprised that car keys being stolen during residential burglaries is becoming an increasingly common method of stealing cars; and
- 59 per cent were surprised that in up to a third of all residential burglaries in Western Australia where a car was stolen, the vehicle keys were the only home contents stolen.

The results of the survey provided participants in the NMVTRC's workshop with stakeholder experts on the theft of keys via residential burglaries with valuable insights into how motorists perceived the problem.

### **CARS data services**

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

A range of further system enhancements were introduced in 2013/14 including:

- design changes to optimise access via mobile devices; and
- customised 'restricted access' dashboards for law enforcement use.

At 30 June the system held more than 440 million bits of incident and vehicle data sourced from police, registration, insurance and automotive intelligence data providers.

### **Minimising opportunities for insurance fraud**

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

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

The Vehicle Information Request System established by Austroads (with assistance from vehicle manufacturers and the NMVTRC) enables insurers to validate non-personal data (including VIN, make, model, year, stolen and written-off status) direct from the national registration system as a fraud mitigation tool. The system processed more than four million vehicle status checks in 2013/14.

# 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 as 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

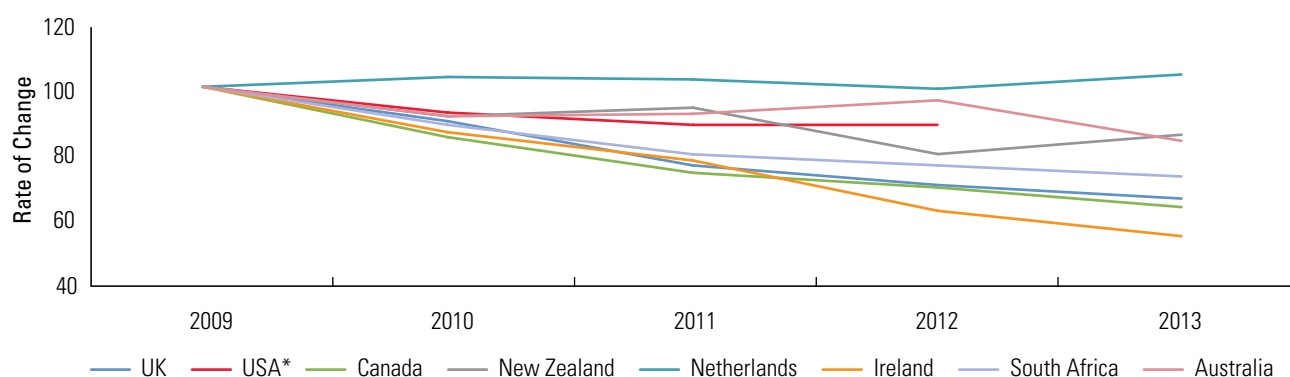
factor is therefore direction and shape of the individual line rather than the quantum of the theft 'size', i.e. is the jurisdiction tracking better or worse since the common point of indexation.<sup>3</sup>

The time lag in reporting data in other jurisdictions limits the time series for comparison to the end of the 2013 calendar year.

3. Australia [1], South Africa [2], Ireland [3], the Netherlands [4], New Zealand [5], Canada [6], the United States [7] and United Kingdom (England and Wales) [8].

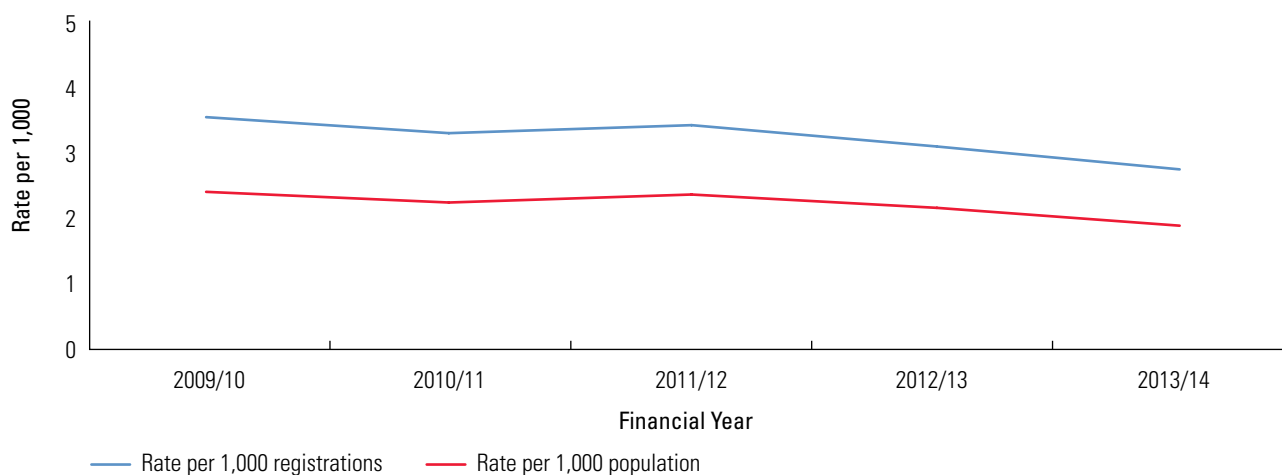
[1] CARS Database, [2] South African Police Service, [3] Central Statistics Office of Ireland, [4] Netherlands Foundation for Tackling Vehicle Crime, [5] New Zealand Crime Statistics, [6] Statistics Canada, [7] FBI Uniform Crime Reports, [8] UK Home Office.

Figure 3: International league table of car thefts – theft rate per 100,000 population indexed to 2009



\* 2013 data for the USA was not available at the time of publication.

Figure 4: Motor vehicle thefts per 1,000 registrations and population, 2009/10 – 2013/14



## 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)

	2009/10	2010/11	2011/12	2012/13	2013/14
Short term thefts %	78	77	77	77	75
Profit-motivated thefts %	22	23	23	23	25

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

	2009/10	2010/11	2011/12	2012/13	2013/14
Short term thefts %	40	44	44	47	45
Profit-motivated thefts %	60	56	56	53	55

### 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 importance of targeted communication around current motor vehicle theft trends including the importance of protecting keys.

### The cost of motor vehicle theft

The NMVTRC estimates the cost of PLC vehicle theft to be \$683 million, excluding the very large community costs associated with police investigations, courts, and corrections.<sup>4</sup> The decrease in theft volumes for the year is estimated to have saved the community over \$53 million.

### Analysis of NMVTRC in the media

Vehicle theft remained a strong focus for the media this year, with almost 1,000 related articles published. Many of these articles included data provided by the NMVTRC, with a Council spokesperson being directly quoted in over 30. The NMVTRC was also prominent in a high number of subsequent online articles. The articles covered a wide range of issues including vehicle theft statistics, the opening of Synergy Auto Repairs, immobilisers and general theft advice with a major focus on educating the community on car key safety at home. The NMVTRC also provided comment in 12 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 participate in a phone survey discussing the NMVTRC's performance in relation to its program coordination and consultation, publications and level of influence on reforms.

### Program coordination and consultation

Overall, the NMVTRC's consultation performance was regarded very positively amongst stakeholders. Ninety six per cent of respondents rated the NMVTRC's performance positively, with 76 per cent rating the NMVTRC's performance in regards to coordinating the development and progress of its reforms/programs as 'very good' or 'excellent'. The NMVTRC's commitment to engaging and involving stakeholders in program coordination was highly valued by 94 per cent, with the same percentage rating consultation in the review of its Strategic Plan in particular, as 'good', 'very good' or 'excellent'.

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



## Performance Indicators continued

Stakeholders were asked to nominate those reforms promoted by the NMVTRC they were most familiar with. Spontaneous awareness of NMVTRC reforms or programs was highest for the Young Offender programs with over half indicating familiarity, followed by Assessment Criteria for Written-off Vehicles (46 per cent) and Management of Recycled Parts (28 per cent). When prompted with the names of the reforms or programs, familiarity with Young Offender programs rose to 93 per cent, with stakeholder awareness of Management of Recycled Parts and Assessment Criteria for Written-off Vehicles rising to 89 per cent. Programs or reforms such as the Comprehensive Auto-theft Research System (CARS), Regulatory Reform, Personal Property Securities Register and Theft of Keys were all well recognised with at least 80 per cent of stakeholders aware when prompted with the program/reform name.

Stakeholders reported an overwhelmingly high level of satisfaction in regards to the NMVTRC's dissemination of vehicle theft data with 95 per cent rating the NMVTRC's performance positively. This was commonly considered to be a result of the Council's availability for consultation and advice, as well as a willingness to collaborate and cooperate with stakeholders.

### Publications

Almost all (96 per cent) respondents rated the quality of the NMVTRC's publications and statistical services positively and 57 per cent of stakeholders felt that the publications met their needs very or extremely well.

The NMVTRC's quarterly publications *Theft Watch/Theft Torque/Theft Matters* were the most recognised of the publications/resources (96 per cent), followed by the CAR-SAFE website, Strategic Plan and Annual Report, all with 93 per cent recognition.

### Influence on reforms

A vast majority of stakeholders (83 per cent) consider the NMVTRC to have a positive impact on the progress of vehicle theft reforms. The progress of the reforms/programs was significantly attributed to the work of the NMVTRC with a high number suggesting that the initiatives may not have occurred without the Council's involvement. This was largely attributed to the Council's ability, as a national body, to facilitate a collaborative approach to achieve reforms across all jurisdictions. Close to 90 per cent of respondents also saw a positive impact on the implementation of vehicle theft reform within their own organisation.



# Statement by Members of the Committee

## For the Year Ended 30 June 2014

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 2014 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

Paul Anderson  
Committee Member

Dated the 26th of September 2014

# Independent Audit Report

## **NATIONAL MOTOR VEHICLE THEFT REDUCTION COUNCIL INCORPORATED INDEPENDENT AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2014**

### ***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 2014 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 2014 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 8th day of October 2014.



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

# Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue	2	1,892,377	2,084,197
<b>Gross profit</b>		<b>1,892,377</b>	<b>2,084,197</b>
Depreciation expense		(14,089)	(11,706)
Accounting fees		(6,826)	(13,392)
Auditor's remuneration		(4,773)	(4,700)
CARS		(475,124)	(463,844)
Communications and marketing		(168,030)	(156,143)
Employee benefits		(561,056)	(532,089)
Industry initiatives		(289,904)	(28,098)
Information exchange		(9,712)	(181,767)
Public education		(429,925)	(293,427)
Sitting fee		(30,000)	(30,000)
Youth programs		(239,541)	(281,970)
Other expenses		(99,577)	(112,614)
<b>Profit (loss) from ordinary activities before income tax</b>		<b>(436,180)</b>	<b>(25,553)</b>
Income tax (revenue) attributable to ordinary activities (loss)		-	-
<b>Net profit (loss) attributable to members of the association</b>		<b>(436,180)</b>	<b>(25,553)</b>
Opening retained profits		1,598,389	1,623,942
Net profit (loss) attributable to members of the association		(436,180)	(25,553)
<b>Retained profits at the end of the financial year</b>		<b>1,162,209</b>	<b>1,598,389</b>
<b>Closing retained profits</b>		<b>1,162,209</b>	<b>1,598,389</b>

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



# Statement of Financial Position

As at 30 June 2014

	Note	2014 \$	2013 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash assets	4	1,440,660	1,618,065
Receivables	5	-	189,337
Current tax assets		33,494	6,679
Other	6	115,202	28,292
<b>Total current assets</b>		<b>1,589,356</b>	<b>1,842,373</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	17,923	32,012
<b>Total non-current assets</b>		<b>17,923</b>	<b>32,012</b>
<b>Total assets</b>		<b>1,607,279</b>	<b>1,874,386</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	8	224,246	46,435
Provisions	9	220,824	229,562
<b>Total current liabilities</b>		<b>445,070</b>	<b>275,997</b>
<b>Total liabilities</b>		<b>445,070</b>	<b>275,997</b>
<b>Net assets</b>		<b>1,162,209</b>	<b>1,598,389</b>
<b>Equity</b>			
Retained profits		1,162,209	1,598,389
<b>Total members' funds</b>		<b>1,162,209</b>	<b>1,598,389</b>

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

# Statement of Cash Flows

For the Year Ended 30 June 2014

	2014 \$	2013 \$
<b>Cash flow from operating activities</b>		
Receipts from grants	2,043,449	1,839,334
Payments to suppliers and employees	(2,259,120)	(2,260,942)
Interest received	38,265	55,525
Net cash provided by (used in) operating activities (Note 2)	(177,406)	(366,083)
<b>Cash flow from investing activities</b>		
<b>Payment for:</b>		
Payments for property, plant and equipment	-	(37,224)
Net cash provided by (used in) investing activities	-	(37,224)
Net increase (decrease) in cash held	(177,406)	(403,307)
Cash at the beginning of the year	1,618,065	2,021,372
Cash at the end of the year (Note 1)	1,440,660	1,618,065

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

	2014 \$	2013 \$
<b>Note 1. Reconciliation of cash</b>		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at Bank	38,770	224,107
CBA Cash Management Account	1,401,830	1,393,903
Petty Cash on Hand	59	56
	1,440,660	1,618,065

<b>Note 2. Reconciliation of net cash provided by/used in operating activities to operating profit after income tax</b>		
Operating profit after income tax	(436,180)	(25,553)
Depreciation	14,089	11,706
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	189,337	(189,338)
(Increase) decrease in prepayments	(86,910)	27,845
Increase (decrease) in trade creditors and accruals	177,812	(168,106)
Increase (decrease) in employee entitlements	(8,739)	38,816
Increase (decrease) in sundry provisions	(26,815)	(61,452)
Net cash provided by (used in) operating activities	(177,406)	(366,083)

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

# Notes to the Financial Statements

## For the Year Ended 30 June 2014

### 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.

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

#### Inventories

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

#### Property, plant and equipment

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

##### (a) Plant and equipment

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

##### (b) Depreciation

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

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

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.

# Notes to the Financial Statements *continued*

## For the Year Ended 30 June 2014

### 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 first 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).

	2014 \$	2013 \$
<b>Note 2: Revenue and other income</b>		
Revenue:		
Interest revenue	38,265	55,525
Grants received	1,838,250	1,838,250
Other income	15,861	190,422
	<b>1,892,377</b>	<b>2,084,197</b>

### Note 3: Profit from ordinary activities

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

Charging as expense:

Other	14,089	11,706
Total depreciation expenses	<b>14,089</b>	<b>11,706</b>
	-	-

### Note 4: Cash assets

Bank accounts:

Cash at bank	38,770	224,107
CBA cash management account	<b>1,401,830</b>	<b>1,393,903</b>

Other cash items:

Petty cash on hand	59	56
	<b>1,440,660</b>	<b>1,618,065</b>

### Note 5: Receivables

Current

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

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

	2014 \$	2013 \$
<b>Note 6: Other assets</b>		
Current		
Prepayments	114,602	27,692
Other	600	600
	115,202	28,292
<b>Note 7: Property, plant and equipment</b>		
Computer and office equipment:		
At cost	140,611	140,611
Less: Accumulated depreciation	(122,688)	(108,599)
	17,923	32,012
Office fixtures and fittings:		
At cost	30,668	30,668
Less: Accumulated amortisation	(30,668)	(30,668)
	-	-
	17,923	32,012
<b>Note 8: Payables</b>		
Unsecured:		
Trade creditors	224,246	46,435
	224,246	46,435
	224,246	46,435
<b>Note 9: Provisions</b>		
Current		
Employee entitlements*	220,824	229,562
	220,824	229,562

\* Aggregate employee entitlements liability.

There were four employees at the end of the year.

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



# Notes to the Financial Statements continued

## For the Year Ended 30 June 2014

	2014	2013
<b>Note 10: Remuneration and retirement benefits</b>		
<b>Committee members' remuneration</b>		
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

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

David Morgan  
 Paul Anderson  
 Karl Sullivan  
 Mark Borlace  
 Chris McNally  
 James Hurnall  
 Ray Carroll  
 Richard Dudley  
 Murray Chapman  
 Ron Arnold

	\$	\$
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### Note 11: Superannuation commitments

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

### Note 12: Auditors' remuneration

Remuneration of the auditor of the association for:

Auditing or reviewing the financial report	4,773	4,700
Other services	-	-
	4,773	4,700

### 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
Immoboliser installations	-	140,000
	-	220,000

### Note 14: Events subsequent to reporting date

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

# Appendices

## Australia – Short term theft snap shot, 2013/14

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Australia
PLC	446	8,709	777	6,594	2,035	953	8,289	4,267	32,070
Change from 2012/13	-101	-1,853	45	-1,409	-428	-1	863	-463	-3,347
% Change	*	-18%	*	-18%	-17%	*	12%	-10%	-9%
Motorcycles	31	608	120	673	230	56	524	1,431	3,673
Change from 2012/13	-5	-109	14	15	-33	-5	-18	-204	-345
% Change	*	-15%	*	2%	-13%	*	-3%	-12%	-9%
Other vehicle types	13	372	28	308	39	6	249	287	1,302
Change from 2012/13	4	-32	7	-127	-37	0	-21	51	-155
% Change	*	-8%	*	-29%	-49%	*	-8%	22%	-11%
Total theft	490	9,689	925	7,575	2,304	1,015	9,062	5,985	37,045
Change from 2012/13	-102	-1,994	66	-1,521	-498	-6	824	-616	-3,847
% Change	*	-17%	*	-17%	-18%	*	10%	-9%	-9%

## Australia – Profit-motivated theft snap shot, 2013/14

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Australia
PLC	113	4,058	77	1,802	653	115	2,686	1,057	10,561
Change from 2012/13	3	-276	24	-56	-24	3	293	242	209
% Change	*	-6%	*	-3%	-4%	*	12%	30%	2%
Motorcycles	73	927	85	816	262	54	1,235	1,092	4,544
Change from 2012/13	31	144	9	-197	-105	12	62	-19	-63
% Change	*	18%	*	-19%	-29%	*	5%	-2%	-1%
Other vehicle types	9	438	5	229	39	40	258	282	1,300
Change from 2012/13	4	60	2	-74	-25	12	18	13	10
% Change	*	16%	*	-24%	-39%	*	8%	5%	1%
Total theft	195	5,423	167	2,847	954	209	4,179	2,431	16,405
Change from 2012/13	38	-72	35	-327	-154	27	373	236	156
% Change	*	-1%	*	-10%	-14%	*	10%	11%	1%

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

