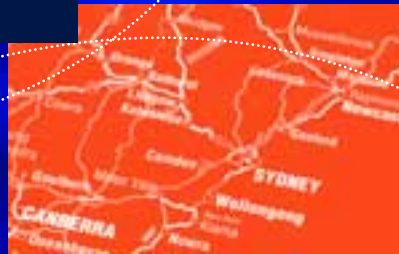
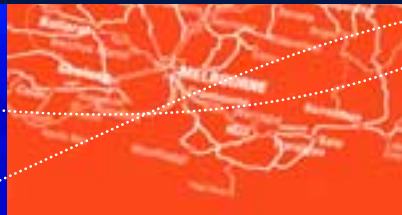
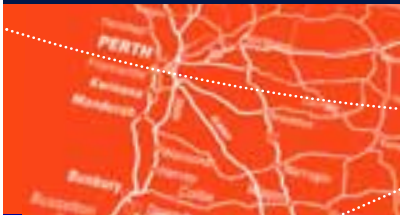




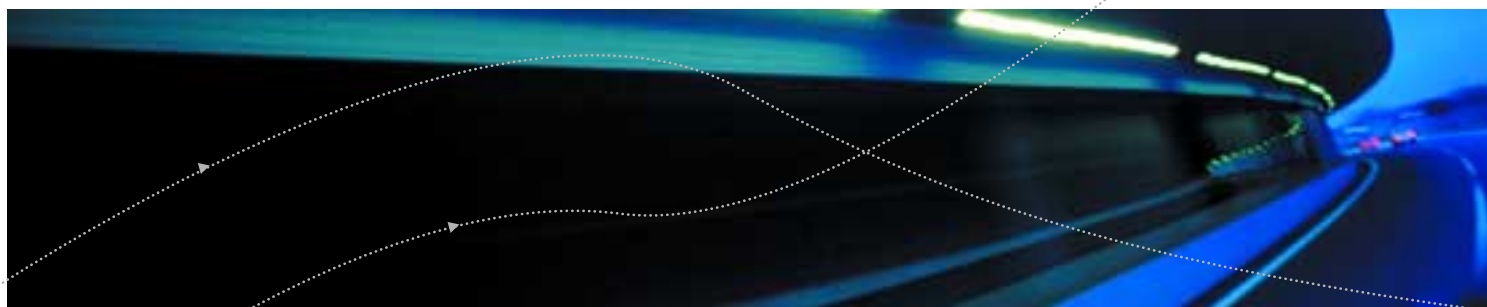
National Motor Vehicle
Theft Reduction Council
driving down vehicle theft

Annual Report 2002



VISION

To contribute to Australia's economic and social well-being by achieving one of the lowest levels of motor vehicle theft of any country in the industrialised world over the next ten years.



MISSION

To bring about a sustainable reduction in the national level of motor vehicle theft by facilitating cooperation between industry, government and community stakeholders to implement the relevant recommendations of the National Motor Vehicle Theft Task Force Report of September, 1997.



31 October 2002

Crime Prevention Ministerial Forum

The Hon Michael Atkinson LLB BA MP (Chair)
The Hon Michael Costa MLC
The Hon Andre Haermeyer MP
The Hon Judy Jackson MHA
The Hon Tony McGrady MP
The Hon Ted Quinlan MLA
The Hon Michelle Roberts MLA
The Hon Dr Peter Toyne MLA
Senator the Hon. Chris Ellison
The Hon Phil Goff

Insurance Council of Australia President

Mr Raymond Jones

In accordance with the Rules of Association of the National Motor Vehicle Theft Reduction Council Inc., I have pleasure in submitting the Council's Annual Report for the year ended 30 June 2002.

Yours sincerely,

David M Morgan
Chairman



council members



Mr David M Morgan
Independent Chairman



Mr Dick Adams
Australasian Police
Ministers Council



Dr Dianne Heriot
Commonwealth Agencies



Mr David Lang
Australian Automobile
Association



Mr Robert McDonald
Insurance Council of
Australia



Ms Sue Millbank
Crime Prevention
Ministerial Forum



Mr Ray Rawlings
Austroads



Mr Rex Scholar
Federal Chamber of
Automotive Industries



Mr Tony Selmes
Motor Trades Association
of Australia



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chairman's report



Mr David M Morgan
Chairman

This year's significant reduction in the national level of vehicle theft will hopefully, in the future, be seen as a pre-cursor to a sustained period of on-going reductions as the theft reduction reforms pursued by the Council and its stakeholders start to take effect.

While the current downward trend is cause for optimism, we must not lose sight of the fact that there is still much to be done to create an environment of continuous reduction in the impact that car crime has on the Australian community. It is not much comfort that despite 2001/2002 delivering the lowest rates of theft in more than two decades, our starting point was such that we still rank as number two on the table of developed nations.

An improved understanding amongst stakeholders of just how widely vehicle theft impacts, both socially and economically, on the Australian community and the inter-dependent nature of key theft reforms has seen our theft reform agenda gain greater momentum. It was clear from this year's consultative forums across the country that reducing vehicle theft is now assigned a higher priority by many of the Council's stakeholder organisations.

There are of course inherent challenges in maintaining the current momentum to ensure that the same high levels of commitment

continue to be applied to getting reforms on the ground.

Finally, I would again like to record my thanks to my fellow Councillors for their input, and recognise the continuing enthusiasm and professionalism demonstrated by our Executive Director and his staff in managing a diverse and challenging program of reform.

executive director's report



Ray Carroll
Executive Director

As the Chairman noted in his report, the 2001/2002 period delivered a significant decrease in vehicle theft resulting in the nation's lowest vehicle theft rate in twenty years. As with all forms of crime, identifying the specific causal factors that brought about such a dramatic reduction is difficult. It is clear however, that stakeholders have demonstrated a strong commitment to our reform agenda over the last year and the pleasing results are a combination of everyone's efforts.

All mainland police services and registration authorities are now able to share key vehicle information in real time and 2001/2002 has seen a renewed focus on theft investigation nationally, with most police services establishing dedicated "centres of expertise" within their organised crime departments to support regional investigations.

Within this major reduction in overall theft levels, recovery rates have also fallen marginally. This suggests that the decreases have been slightly greater in the area of opportunistic rather than professional theft, on the back of heightened public awareness of the problem and increased police activity. The Council's surveys of community attitudes indicate that motorists are better informed about the contribution of opportunistic theft to total theft numbers and the effectiveness of engine immobilisers. We remain hopeful

though that 2002/03 will see even greater reductions in professional activity as the last of the jurisdictions complete their registration enhancements and the major reforms to infrastructure start to bite.

Based on a sample of 35,000 insurance claims provided to the Council's Comprehensive Auto-theft Research System, the average theft claim for the year fell by \$200 to \$7,900. Together with the reduced theft numbers this fall should be starting to peg back some of the escalating theft related costs that insurers have had to endure over previous years.

Other highlights for the year included:

- ratification of the best practice principles for managing written-off vehicles by state and territory transport ministers;
- implementation of a "complying" written-off vehicle register (WOVR) in Victoria;
- commitments to firm implementation dates for WOVRs in Queensland (September 2002), Tasmania (October 2002) and the Northern Territory (October 2002);
- reaching agreement with vehicle manufacturers on the form of new single purpose vehicle security labels to set a new baseline in vehicle identification standards;
- publishing the Council's technical specification for VIN-based microdot systems as a guide for prospective

technology suppliers;

- the sale in Australia of approximately 30,000 new vehicles bearing VIN-based microdots as original equipment;
- the development of a guide for communities wishing to undertake local theft reduction initiatives;
- the development of the Council's best practice model for effective young vehicle theft offender programs; and
- the development of the Spur of the Moment/Ride of Your Life youth communications package for use in schools and youth centres.

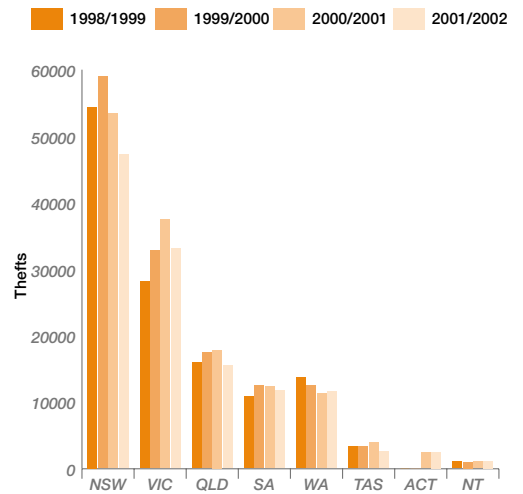
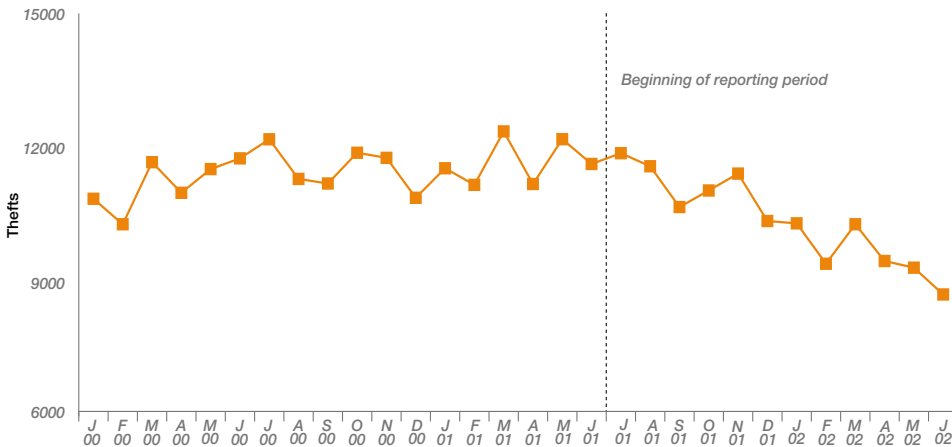
The increase in interest in the Council's operations is also evidenced by the more than 500,000 hits made on our CAR-SAFE web site for the year and the 4,000 data requests processed via our CARS Analyser on-line enquiry tool.

The coming year will continue to pose significant challenges to getting major reforms operating on the ground, particularly in relation to bedding down written-off vehicle reforms, extending state of the art vehicle identification technologies across the new vehicle fleet and setting the path for the compulsory immobilisation of older vehicles.

We remain committed to working with you to help to drive down vehicle theft even further in 2002/2003.



motor vehicle theft in australia 2001/2002



Vehicle Theft in Australia, January 2000 to June 2002

Australia recorded 124,600 motor vehicle thefts during 2001/02, representing a decrease of 11 per cent or 15,000 thefts over the last financial year. In comparison, the nation's registered vehicle fleet grew by 2 per cent during the same period.

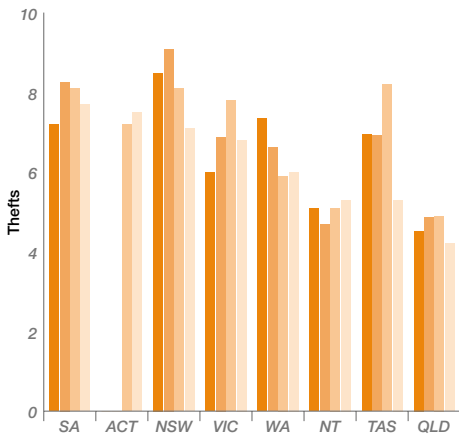
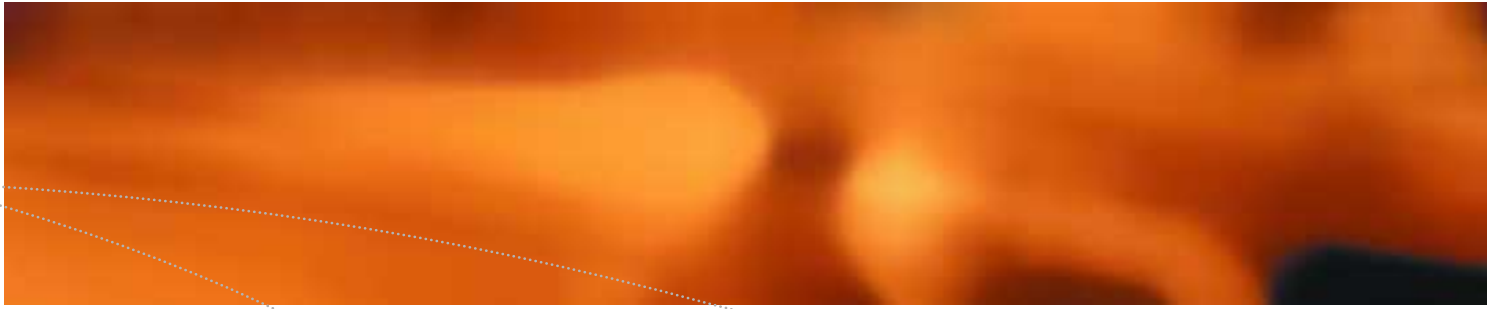
This year's reduction arrested the upward trend that had been evident over recent years, hopefully providing an early indicator that the reforms being pursued by the Council and its stakeholders are beginning to take effect. Despite the decline, vehicle theft remains a significant social and economic issue and Australia still ranks amongst the worst performing nations in the developed world for vehicle crime.

Five States recorded reductions in 2001/02: Tasmania (-35%); Queensland (-13%); Victoria (-12%); New South Wales (-12%) and South Australia (-6%). Substantial reductions in New South Wales and Victoria accounted for about two-thirds of the national decline. The Northern Territory and Australian Capital Territory both recorded an increase of 4 per cent and the number of West Australian thefts increased by 2 per cent on the tail of significant reductions in recent years.

Vehicle Theft by Jurisdiction

(Note for 1998/1999 & 1999/2000. ACT data not available. NSW & NT based on tabulated data from police operational systems.)

Vehicles manufactured ten or more years ago accounted for 73 per cent of all thefts, but comprise only 43 per cent of the national vehicle fleet. This highlights the continuing influence of opportunistic theft on the national statistics. Opportunistic thieves steal vehicles for joyriding, to commit another crime such as home burglary or simply as a means of transport. Engine immobilisers were first introduced as standard equipment to some vehicles in 1992 and unless fitted with an after market Australian Standards compliant immobiliser, vehicles manufactured before this time are easy targets for opportunists.

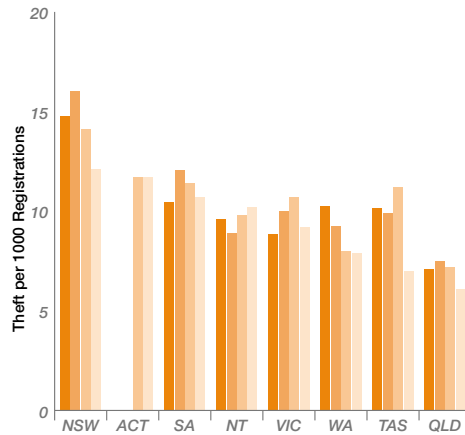


Theft per 1,000 Population

(Note for 1998/1999 & 1999/2000. ACT data not available. NSW & NT based on tabulated data from police operational systems)

Nationally, 6.4 thefts were recorded per 1,000 population, compared to 7.1 the previous year. South Australia recorded the highest rate at 7.7 thefts per 1,000 persons and Queensland the lowest at 4.2.

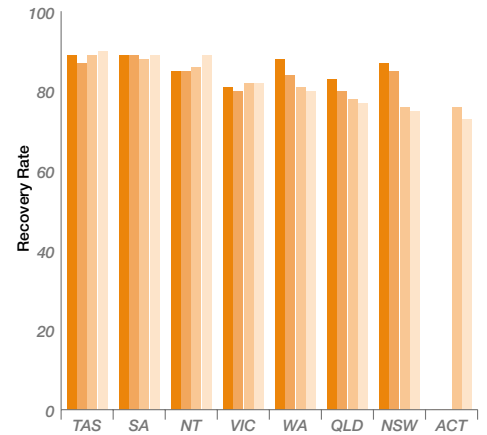
Australia recorded 9.4 thefts per 1,000 registered vehicles for the 2001/02 period compared to 10.8 for the previous twelve months. New South Wales recorded the highest rate at 12.1 thefts per 1,000 registrations and Queensland the lowest rate at 6.1 thefts.



Theft per 1,000 Registrations

(Note for 1998/1999 & 1999/2000. ACT data not available. NSW & NT based on tabulated data from police operational systems)

The national recovery rate for 2001/02 was 79 per cent which is consistent with the previous year's rate of 80 per cent. Just over 26,000 vehicles were not recovered and of those that were, most were found within one week of being stolen. Also consistent with the previous year's data, Tasmania (90%) and South Australia (89%) recorded the highest recovery rates while the Australian Capital Territory (73%) and New South Wales (75%) recorded the lowest.



Recovery Rates

(Note for 1998/1999 & 1999/2000. ACT data not available. NSW & NT based on tabulated data from police operational systems)

While the annual community cost of vehicle theft would have declined in proportion to the fall in theft numbers, it continues to cost Australian motorists an estimated nine hundred million dollars a year. Vehicle theft will remain a considerable cost burden until further substantial and sustainable reductions are achieved. On a positive note, the average cost to finalise an insurance claim for vehicle theft fell \$200 to \$7,900 and insurers should be seeing some relief from the upward cost spiral of recent years.



reducing professional theft

Reducing professional theft by:

- Improving the effectiveness of national information exchange.
- Improving the identification of motor vehicles and their parts.
- Enhancing police and insurance investigation.
- Initiating appropriate legislative responses.

Implementation of the National Exchange of Vehicle and Driver Information System (NEVDIS)

NEVDIS is the cornerstone of the “national grid” of information exchange. Considerable progress has been made on connecting jurisdictions to the system over the last twelve months with all mainland jurisdictions, with the exception of the Australian Capital Territory (ACT), now connected to the grid. The ACT is proposing to connect in February 2003 while Tasmania’s connection is reliant on the redevelopment of the state’s vehicle registration system, the timing of which remains unclear.

Following completion of the national information grid, its effectiveness will depend on appropriate data and transaction checking protocols being observed at all times. The Council’s focus for the coming twelve months will now shift towards developing a framework for monitoring the effectiveness of NEVDIS and state and territory information systems as the last line of defence against professional vehicle thieves.

Development of Written-off Vehicle Registers

The consistent recording and management of written-off vehicle identification numbers between jurisdictions is integral to preventing the practice of vehicle re-birthing. It is therefore disappointing that some states and territories have continually fallen behind their previously pledged time-frames for implementing the nationally agreed arrangements. In some cases, the Council has been forced to make direct representations to the responsible Ministers to seek their intervention in order to ensure implementation.

Despite these difficulties a number of significant milestones have been achieved over the last year, including:

- after considerable delays—the ratification of the Best Practice Principles (BPP) for WOVRS by state and territory Transport Ministers;
- implementation of a “complying” WOVRS in Victoria to join the New South Wales register;
- commitments to firm implementation dates in Queensland (September 2002), Tasmania (October 2002) and the Northern Territory (October 2002).

It is expected that the remaining jurisdictions will implement the BPP by late 2002.

Improving Consumer Access to Vehicle Status Information

Providing consumers and motor traders with information about a vehicle’s registration history is a powerful tool to significantly minimise the risk of them unwittingly purchasing a stolen vehicle. Professional thieves rely on being able to disguise a stolen vehicle’s identity by altering or swapping its key identifiers and this process would be made much more difficult if potential purchasers were able to easily determine the status of those identifiers.

Stakeholder support for improving access to vehicle status information is strong and the Council is working with Austroads and fair trading agencies to oversee the development of preferred service delivery arrangements. The fair trading agencies will provide the public “shop front” for the information in most jurisdictions.



Vehicle Security Labels

The recommendations of the Council's Secure Compliance Label: Assessment of Options report received broad support from stakeholders late in 2001 and subsequently, the NMVTRC worked with the Federal Chamber of Automotive Industries (FCAI) on behalf of vehicle manufacturers to finalise a performance-based technical specification for a secure label.

In response to vehicle manufacturers concerns about the logistics of managing the range of variable data required for the compliance label in a just-in-time production process, the FCAI proposed an alternative option of introducing a single purpose security label bearing the Vehicle Identification Number (VIN) which complied with the Council's draft performance standard. The NMVTRC agreed to redraft the performance standard to apply to either a security label or a compliance label.

Vehicle manufacturers therefore have the option of using a self-voiding compliance label that meets either the Commonwealth's current requirements under Circular 0-3-8 or NMVTRC's specification. However, it is expected that most will simply adopt the single purpose security label. In turn, for a reduced label size it is expected that several manufacturers will apply multiple labels, significantly raising the "baseline" in vehicle identification.

Whole Vehicle Marking

The Council's charter requires it to assess the feasibility of a cost-effective system for vehicle and component identification and to make recommendations on whether such systems should become mandatory under Australian Design Rules.

The Council's aim is to facilitate the introduction of original equipment vehicle identification systems that will integrate seamlessly with existing information management and other infrastructure. VIN-based microdots represent the current gold

standard in vehicle identification, repeating the VIN thousands of times throughout the vehicle—making it virtually impossible to remove them all—and providing authorities with conclusive evidence of a vehicle's identity.

The Council released its technical specification for VIN-based microdot systems in February 2002 as a guide for prospective developers of such systems. Provided a candidate system meets the Council's criteria, the supplier will receive the Council's support to bring the system to the attention of our stakeholders.

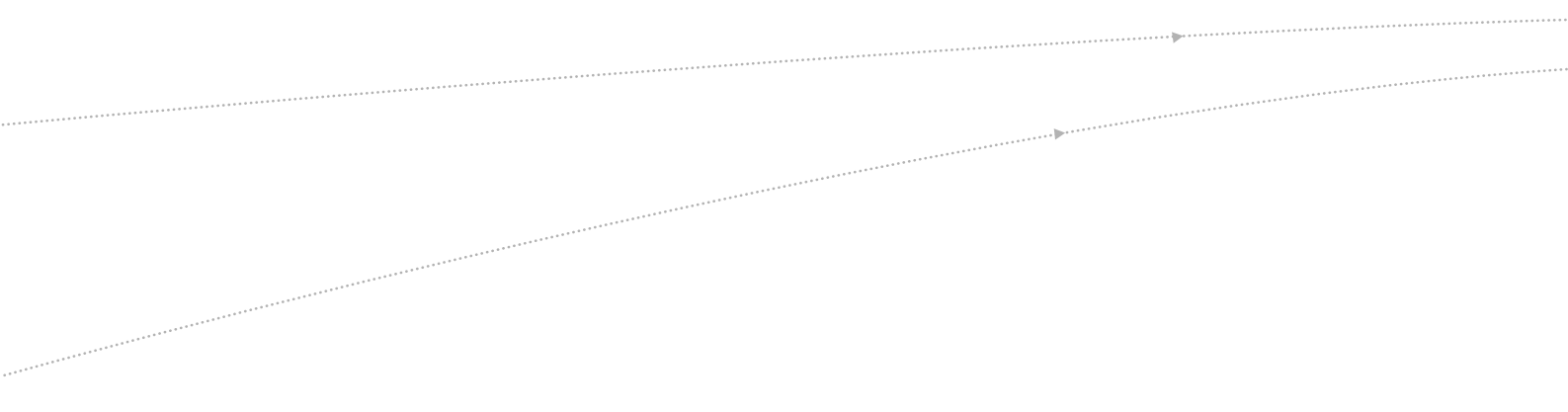
In 2001/02 approximately 30,000 new vehicles bearing VIN-based microdots as original equipment were sold across seven brands in Australia. The Council is monitoring the theft of marked and unmarked late model vehicles as part of an on-going evaluation of this technology's deterrence and investigative outcomes. Key agencies in other nations including South Africa and the United States are closely following the Australian experience of this leading edge technology.

Before VIN-based microdots can ultimately evolve to provide a true comprehensive component identification system, issues such as the management of replacement and non-genuine parts will require solutions.

Code for Dealing in Second-Hand Parts

Research undertaken for the Council by the Australian Institute of Criminology in 2001 noted that the business practices of various stakeholders, including parts recyclers, were potentially facilitating the illicit trade in spare parts.

Over time some jurisdictions have made recyclers subject to the record keeping requirements of motor car trader or second-hand dealer legislation and while it has been suggested that there is a need for nationally consistent laws in these areas, there are also concerns about the lack of rigour with which existing laws are enforced.



A national system of mandatory licensing or accreditation is unlikely to be achievable in the medium term, however a Council study during early 2002 found widespread support for a Code of Practice, subject to:

- determining the appropriate administrative structure to oversee its operations; and
- the extent to which it can confer some commercial advantage to participating recyclers.

Recyclers consulted as part of the study indicated that they derive up to 20 per cent of their income from insurance related crash repairs and it is therefore likely that the most effective means of achieving the proposed commercial advantage would be by varying insurers' agreements with vehicle repairers to require that repairers only source parts from accredited recyclers. The report also suggested that a voluntary Code to minimise the likelihood of legitimate recyclers inadvertently dealing in stolen parts would provide a valuable basis on which to develop any future regulatory arrangements.

The Council is currently consulting stakeholders on their support for the report's recommendations and possible mechanisms to co-operatively move the key proposals forward.

Insurance Practices

In discussions with key stakeholders across Australia, many commentators expressed the view that insurance practices were in need of review to determine their impact on the activities of professional vehicle thieves. It was argued that some insurance practices may perpetuate or at least aid the incidence of professional vehicle theft for re-birthing or trading in illicit parts. Practices that commentators suggested needed review included the disposal of written-off vehicles via public auction and the verification of parts orders for accident damaged vehicles.

In 2001/02, the Council undertook a review of insurance practices to determine the impact that these may have on professional

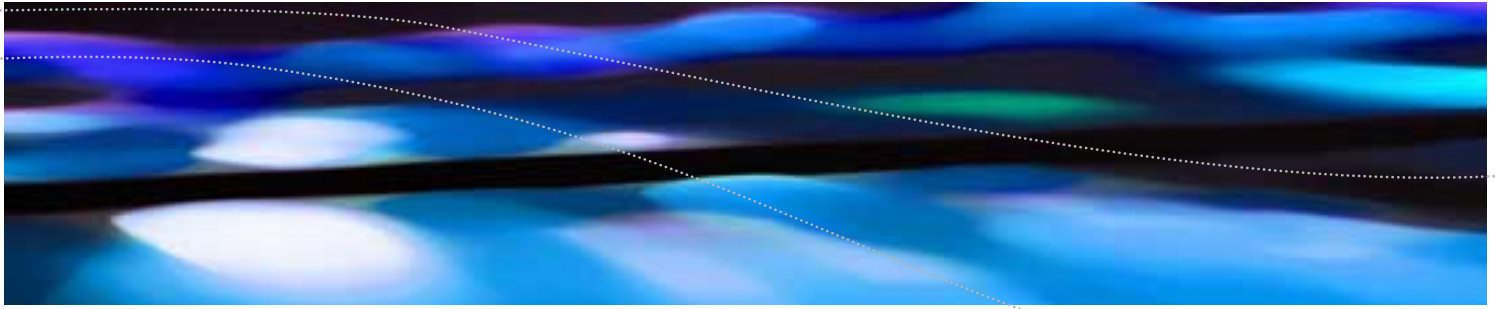
vehicle theft and make recommendations for improved practice. The review found that the disposal of written-off vehicles via public auction had significantly contributed to the ease with which professional thieves launder re-identified stolen vehicles through the registration system. It recommended strongly that all insurers fully comply with national arrangements for the management of wrecked vehicle identities currently being implemented around Australia.

The review also recommended a range of other possible practices that if adopted by insurers may contribute to the reduction of vehicle theft and fraud. The Council will continue to work with the Insurance Council of Australia to establish a process for moving forward with the report's recommendations however it is unlikely that these could be fully implemented within the Council's initial five-year term.

Motorcycle Theft

In 2002, the Council undertook an extensive survey of motorcycle riders and dealers about their security practices and experiences of theft. The study found that motorcycles are desirable targets for professional thieves due to the relative ease of theft and the absence of adequate identification. It also found that while most owners adopted reasonably secure practices to prevent the theft of their motorcycle, most would be willing to pay more for a motorcycle if it could guarantee its recovery if stolen and prosecution of the thief—the outcomes of an effective system of identification.

The report has been widely distributed amongst the motorcycle community and will form the basis for discussions with motorcycle manufacturers on the logistics of improving the identification of their vehicles.



reducing opportunistic theft

Reducing opportunistic theft by:

- Applying effective security devices to new and existing vehicles.
- Promoting effective security practices to motor vehicle related industry groups and the general community.
- Identifying and addressing those factors which lead young people into offending lifestyles.

CAR-SAFE Immobilise Now!

The CAR-SAFE Immobilise Now! (IN!) program continues to provide motorists in all states and territories except Western Australia (where vehicle owners are required by law to fit an immobiliser on transfer of registration) with access to Australian Standards approved immobilisers at a reduced cost. IN! has stimulated competition in the vehicle security industry with a noticeable reduction in the price of after-market immobilisers generally since the program's inception.

It is estimated that the program's 600 registered installers have now fitted more than 120,000 immobilisers to vehicles across the country. IN! will continue to be promoted as a key component of the Council's public education strategy.

Compulsory Immobiliser Schemes

Despite the price savings that IN! has delivered for consumers there is now a considerable body of evidence, based on the experiences of both the Western Australian former voluntary scheme and IN!, to suggest that the only way to significantly increase the penetration of immobilisers (and reduce opportunistic theft) in the medium term is to mandate the fitting of engine immobilisers to older vehicles.

The Council recently conducted a review of Western Australia's compulsory scheme and completed high level modelling for establishing similar schemes in other states and territories. The study concluded that despite some initial infrastructure and consumer problems, the WA scheme delivered an immobilisation rate of more than 70 per cent leading to significant reductions in theft levels.

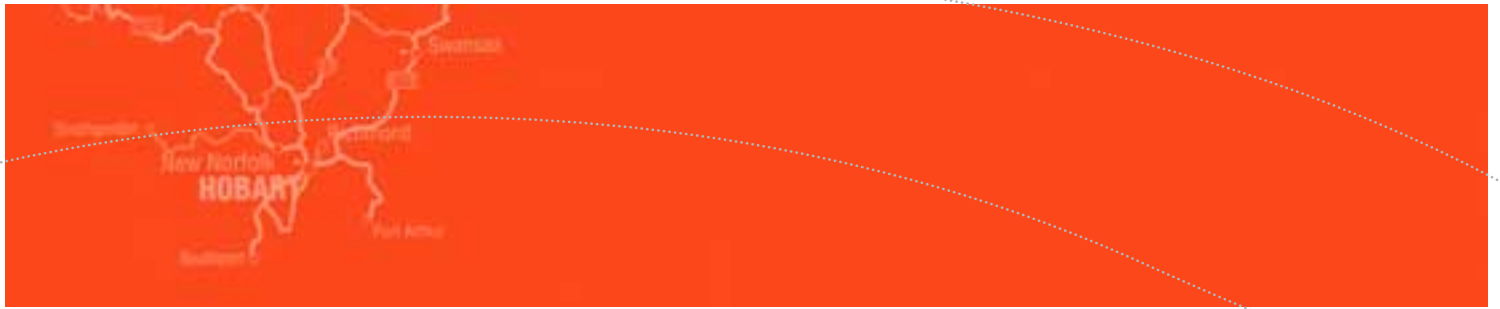
The Council considers that the review provides a compelling case for the introduction of compulsory schemes in most jurisdictions and will proceed to refine implementation options with stakeholders in those jurisdictions in which the preliminary analysis indicates a clear benefit.

Young People and Motor Vehicle Theft

Young people are responsible for the overwhelming majority of vehicle thefts in Australia. The threat of detention or even dying in an accident appear to provide little deterrence with "peer pressure" proving impossible to resist for many young people. The Council has adopted a multi-faceted approach to youth offending by fostering the development of effective diversionary programs for offenders and developing broader educational resources for young people generally.

The first young car theft offenders program based on the Council's best practice model (U-Turn) is expected to be operating in Hobart by early 2003. The program is being funded by the Council and the Commonwealth Government's National Crime Prevention program and primarily targets high rate offenders. It is expected that the program model will be replicated in Western Australia and Queensland in 2003.

For young people who may come under pressure from others to become involved in car crime the Council engaged Streetwise Communications, Australia's leading developer/producer of innovative information on social issues for young people, to develop a comprehensive communications package for use in schools and youth centres, and by other professionals dealing with young people. The Spur of the Moment package features a comic, an Educators' Kit with guides on how to use the resources with individuals and groups, and a short animation on the legal and life consequences of car theft. The Ride of Your Life animation has also screened in cinemas and on television as a community service announcement.



cooperation & effective implementation

Ensuring cooperation and effective implementation by:

- Effective operation of a Council that represents key stakeholder groups supported by professional administration services.
- A sharp focus on measurable outcomes.
- Provision of high level monitoring and evaluation processes.
- Provision of a comprehensive communication and marketing strategy.

Effective Communications

The continued development of an effective communication strategy that builds on strong relationships established with key stakeholders was a priority for 2001/02. The Council's communication strategy includes:

- the quarterly Theft Torque newsletter to keep stakeholders up to date on current theft issues and progress on reforms;
- stakeholder access to statistics including the publication of a quarterly statistical newsletter, Theft Watch, and on-line access via the Council's website;
- wide distribution of Council funded research reports and information on individual projects and initiatives in vehicle theft prevention;
- consumer research on community attitudes to vehicle theft and security practices;
- a range of strategic partnerships to promote after-market security devices and safe vehicle practices;
- the use of Council information and statistics by external organisations in their publications and on their websites;
- media relations; and
- dissemination of around 1.5 million public education brochures.

Community Attitudes to Vehicle Security

The Council undertakes regular surveys of community attitudes to vehicle theft and security as a basis for refining its key public messages. The November 2001 survey found that:

- like other property crime, concern about car theft appears to be decreasing (40% of respondents were "greatly concerned") compared to concern about violent crime, which is increasing;
- immobilisers are regarded as the most trusted anti-theft device with three-quarters of survey respondents considering immobilisers to be "very effective";
- the incidence of immobilised vehicles increased by 3 per cent over last year with 39 per cent of respondents reporting that their vehicle was now fitted with one;
- three-quarters of respondents without an immobiliser in their car reported having no idea of how much one cost;
- 50 per cent of respondents understood opportunistic theft to be the main driver of Australia's theft problem, a 9 per cent increase over last year; and
- over half (53%) of respondents thought that recent model mainstream vehicles accounted for most motor vehicle theft.

These findings suggest that while motorists are clearly picking up some of the Council's

key messages such as the contribution of opportunistic theft to the overall problem and the effectiveness of immobilisers, other messages are being received less clearly. Media focus on information such as "most stolen" lists which feature only late model vehicles may be clouding the true picture for many motorists.

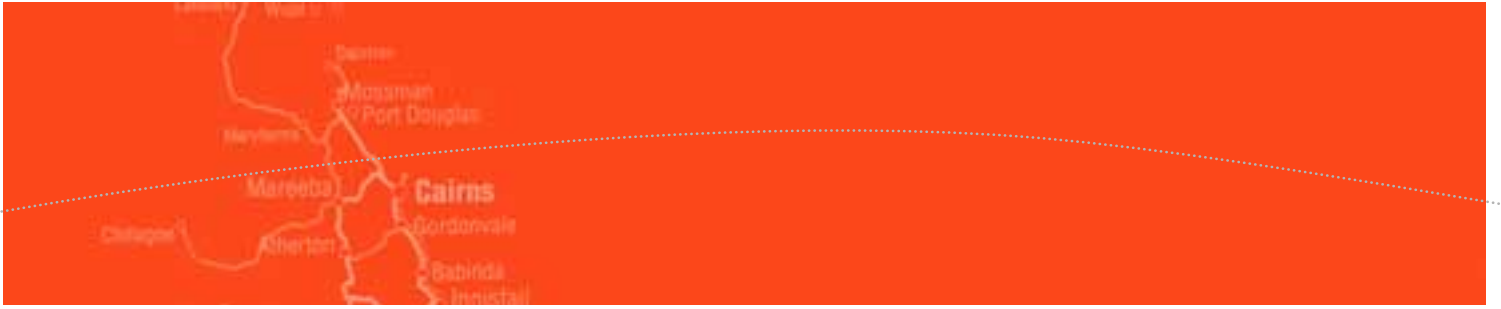
Additional consumer surveying by the Council in May 2002 concentrated on motorists' experience of theft and insurance coverage. The survey found that:

- almost 9 out of 10 (89%) motorists had their vehicle insured for theft;
- 15 per cent of respondents reported having had a car stolen and that a third of these cars were not insured at the time of the theft;
- 8 out of 10 insured owners made a claim for their stolen vehicle but only just over half (54%) reported that their insurance fully covered the cost of the theft; and
- six out of ten (59%) respondents reported being in favour of immobilisers being made compulsory.



Comprehensive Auto-theft Research System (CARS)

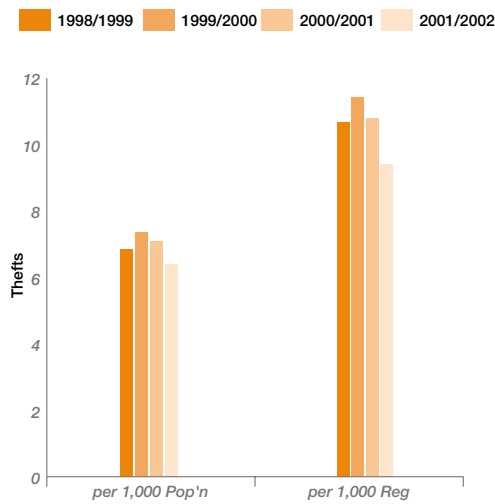
The Council's CARS database continues to provide the most comprehensive and up to date vehicle theft data available in Australia. The focus of CARS over the past twelve months has been the on-going refinement of the data set and the development of the CARS Analyser on-line statistical tool. Stakeholders can now access CARS data, updated quarterly, in table or map form via the Council's website.



performance indicators

Thefts per 1,000 population				
	1997	1998	1999	2000
France	5.5	5.5	6.7	6.7
Australia	7.0	7.0	6.9	6.4
United Kingdom	7.8	7.5	7.0	6.3
Canada (1)	5.9	5.5	5.2	5.1
Italy	5.3	5.4	5.2	4.2
USA	5.0	4.7	4.2	4.2
Belgium	3.8	3.8	3.5	3.3
Japan*	0.3	0.3	0.3	n/a
Germany	1.7	1.4	1.7	1.5

*Data unavailable
 Source: International Comparisons of Criminal Justice Statistics 2000, UK Home Office, July 2002 & CIA World Factbook 2001



Thefts per 1,000 Population and Registrations

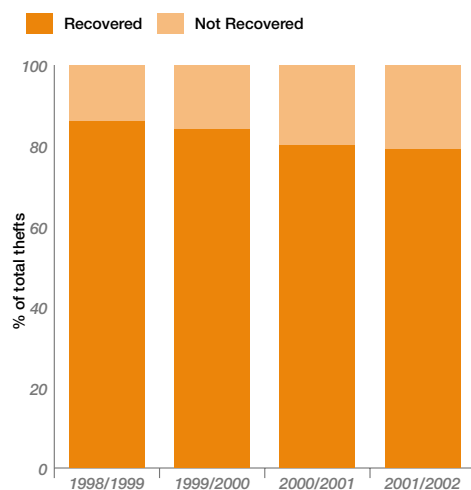
(Note 1998/99 & 1999/2000 data: ACT unavailable and not included; and NSW & NT based on tabulated data from police operational systems)

Comparisons with motor vehicle theft in comparable developed nations.

Australia continued to record the second highest level of vehicle theft compared to other western nations. Caution should be exercised however when comparing crime data internationally as the methodologies for recording and collecting data vary significantly.

Reductions in the rate of vehicle theft per 1,000 vehicles registered and per 1,000 population.

The national rates of theft per 1,000 vehicles registered and per 1,000 population have both decreased over the last financial year. Australia recorded 6.4 thefts for every 1,000 population compared to 7.1 for the previous financial year. Thefts per 1,000 registered vehicles is at its lowest level since the 1980s with 9.4 thefts for every 1,000 registered vehicles.



Recovered and Unrecovered Thefts
(Note 1998/99 & 1999/2000 data: ACT unavailable and not included; and NSW & NT based on tabulated data from police operational systems)

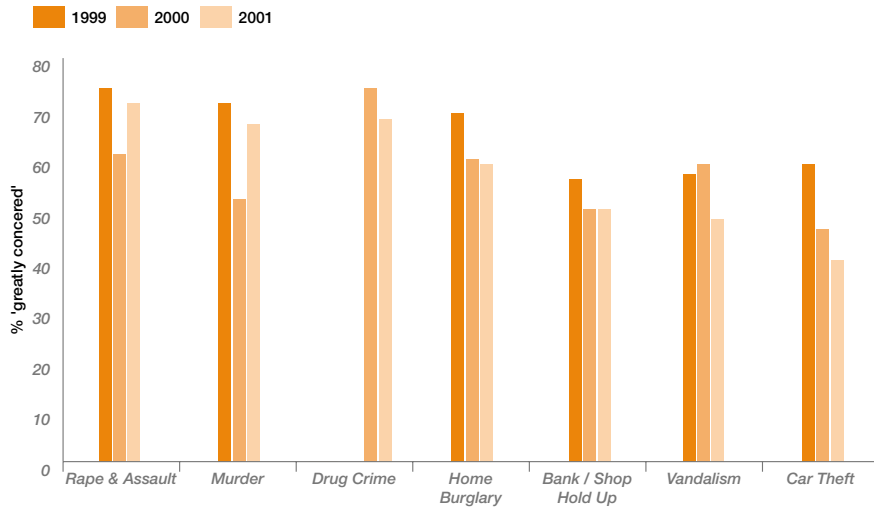
Reductions or changes in the incidence and nature of opportunistic and professional theft.

Vehicle theft recovery figures provide a broad indication of the proportion of thefts that are attributable to either opportunistic and professional thieves. Opportunistic theft is defined as theft for short term use or theft that temporarily deprives the owner of their vehicle. Recovery rates are used as a broad measure of opportunistic theft (and conversely non-recoveries for professional theft).

The recovery rate for vehicles stolen during 2001/02 was 79 per cent. It is expected that reductions in professional theft will be realised as major infrastructure reforms to the flow of key information between police services and registration authorities start to take effect.

The cost of motor vehicle theft, including the costs borne by the insurance industry.

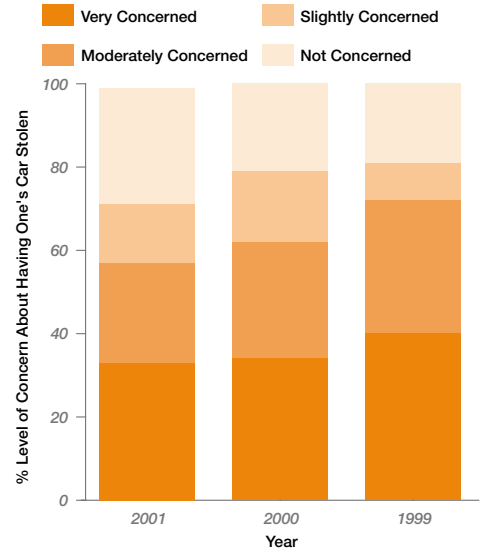
Analysis of almost 35,000 insurance claims for vehicle theft indicates that the average claim cost for the 2001/02 period was just over \$7,900. The average claim cost for the previous period was \$8,100. Insurance claim costs represent the expenses borne by insurers in finalising a claim, including the cost of investigations and payouts to policy holders, less costs recouped through the salvage of recovered vehicles.



Community perceptions of vehicle theft relative to other crimes.

(Baseline: Nexus Surveys)

Violent crime against the person (rape, assault and murder) were the only categories that respondents felt increasingly concerned over in the November 2001 consumer survey. Car theft, like other property crimes, was reported as being less of a concern to respondents than last year. Other survey questions showed an increasing proportion of immobilised vehicles and a greater understanding of some of the dynamics of theft and how to avoid it. These factors may have contributed to the reported reduction in levels of concern.

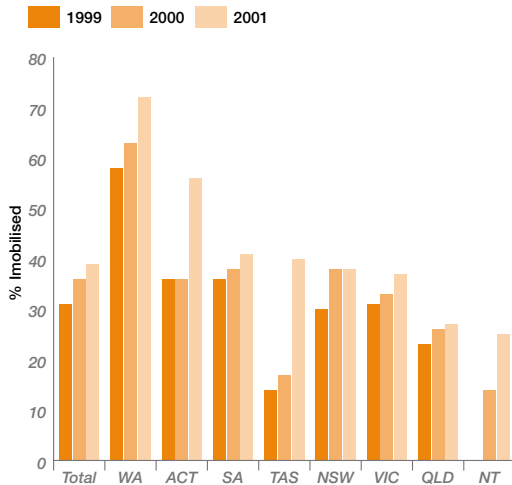
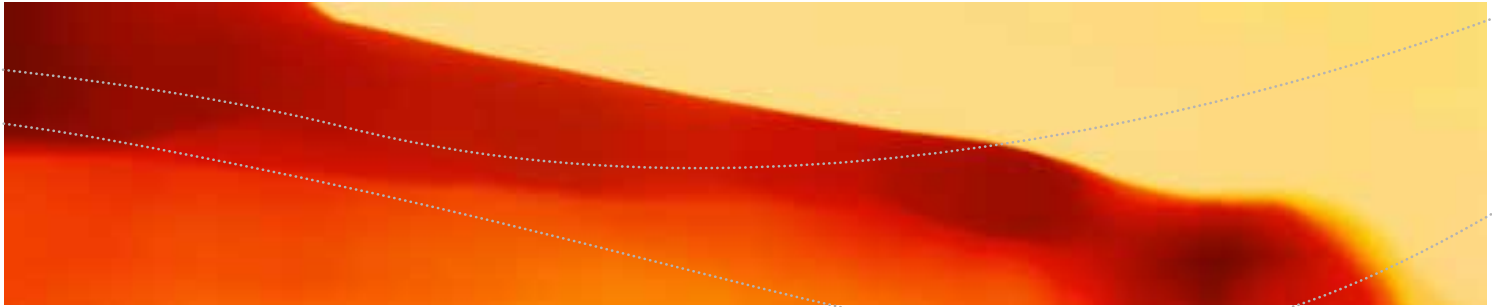


An improved level of awareness of vehicle security practices and vehicle theft issues by the community.

(Baseline: 1999,2000 & 2001 Nexus Surveys)

The percentage of the community expressing concern about having their vehicle stolen has declined significantly over last year with 28 per cent of motorists stating that they were not concerned. Those aged between 25 and 44 years displayed the lowest levels of concern with the highest degree expressed by those over 65 years. Respondents in Tasmania, Western Australia and the Australian Capital Territory expressed the highest degrees of concern about theft.

In some regards, motorists demonstrated a greater knowledge of actual theft dynamics than last year. Half indicated that they understood joyriding to be the main form of theft (up 9 per cent from 2000) and a corresponding decline was reported in those believing professionals to be responsible for most thefts. The view that older model vehicles and luxury vehicles are the main theft targets is declining however. Some 53 per cent of respondents believed that recent model mainstream vehicles were most targeted by thieves, up from 44 per cent last year. Consistent media focus on stolen late model vehicles such as Hyundai Excel,



Holden Commodore, Subaru Impreza and Ford Falcon may account for this perception.

Amongst the main anti-theft devices available, engine immobilisers were considered the most effective against theft with 75 per cent of survey respondents believing them to be “very effective”. The national incidence of immobilisers increased by 3 per cent to 39 per cent over the previous year with immobiliser presence continuing to be highest in Western Australia. The strongest increases in immobiliser presence were seen in Tasmania and the Australian Capital Territory, interestingly the same jurisdictions that recorded the highest rate of concern about vehicle theft.

Stakeholder determined performance indicators:

- perceptions of the Council’s program coordination and consultation performance;
- per cent of positive stakeholders ratings of NMVTRC program coordination and consultation;
- quality of Council publications; and
- council’s influence on the implementation of vehicle theft reforms (major positive impact, minor positive impact, no impact, negative impact).

A major independent review of the Council’s performance and activities was undertaken in August and September 2002 for the purpose of reporting back to the Council’s funding bodies, the Australian and New Zealand Crime Prevention Ministerial Forum and the Insurance Council of Australia. As part of its review, the Allen Consulting Group undertook an extensive consultation process with the Council’s stakeholders including face to face interviews, focus group sessions and receiving written submissions. The findings of the review have been used to report on the Council’s performance indicators this year rather than surveying stakeholders who have recently been through an extensive consultation process as part of the Council review.

The review found that stakeholders concurred with the findings of the Council’s 2000/01 annual survey, which were:

- over 95 per cent of stakeholders rated the Council’s overall program of coordination and consultation as being good, very good or excellent;
- all respondents rated the Council’s publications as good, very good or excellent; and
- the majority of respondents (57%) believed that the Council has had a minor positive impact on theft reforms with a smaller proportion (39%) reporting a major positive impact.

Analysis of references to the Council in the media.

Car theft continued to command a high level of media attention with almost 2,000 media references, all positive, over the last twelve months. The Council featured in 415 of these, representing an increase of around 15 per cent over the previous year’s references. The Council has established itself as the foremost authority on the subject of vehicle theft in Australia and its comment, information and statistics are consistently sought by the media.

financial statement

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Income & Expenditure Statement

for the year ended 30 June 2002

	Note	2002	2001
Income			
Grants Received		2,250,000	2,294,000
Sundry Income		371	1,193
Reimbursements		29	1,500
Interest		25,635	55,331
Profit on Disposal of Assets		1,428	0
	1	2,277,463	2,352,024
Expenditure			
Advertising		866,584	901,925
Courier		1,367	1,686
Call Centre		69,975	73,114
Sitting Fee	3	30,000	7,500
Juvenile Program Support		75,000	0
Bank Charges		228	1,346
CARS Contract Fee		367,000	252,942
Expenses		12,000	9,991
Consultants & Management Services		708,873	636,765
Deposits/Refunds		(1,767)	(652)
Fees, Dues, Subscriptions		66	2,075
General Expenses		11,205	11,252
Printing, Stationery & Postage		146,063	141,287
Insurance		7,402	8,461
Motor Vehicle Expenses		14,973	14,349
Office Expenses		25,963	28,151
Professional Fees		13,100	24,773
Audit Fees		1,800	1,800
Accounting Fees		875	6,570
Fringe Benefits Tax		4,330	0
Superannuation		30,299	29,241
Wages & Salaries		265,342	245,215
Annual Leave Provision		2,639	8,568
Staff Expenses – General		1,645	533
Travel Expenses		90,498	67,857
Workshops, Conference, Seminars		8,154	22,746
	2	2,753,614	2,497,495
Deficit from Ordinary Activities		476,151	145,471
Retained Funds at the Beginning of Financial Year		1,115,656	1,261,127
Retained Funds at the end of the Financial Year		\$639,505	\$1,115,656

The accompanying notes form part of these financial statements

Balance Sheet

as at 30 June 2002

	Note	2002	2001
Current Assets			
Cash		638,959	1,122,169
Other	5	13,639	5,142
Total Current Assets		652,598	1,127,311
Non Current Assets			
Fixed Assets	4	10,749	34,505
Total Non Current Assets		10,749	34,505
Total Assets		663,347	1,161,816
Current Liabilities			
Borrowings	6	912	6,837
Provisions	7	22,930	20,292
Total Current Liabilities		23,842	27,129
Non Current Liabilities			
Borrowings	6	0	19,032
Total Non Current Liabilities		0	19,032
Total Liabilities		23,842	46,161
Net Assets		\$639,505	\$1,115,655
Members' Funds			
Accumulated Surplus		639,505	1,115,655
Total Members' Funds		\$639,505	\$1,115,655

The accompanying notes form part of these financial statements

Notes to the Accounts

for the year ended 30 June 2002

NOTE 1: Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act of Victoria. The committee has determined that the Association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act of Victoria and the following Australian Accounting Standards:

AAS 1: Profit and Loss Accounts
AAS 4: Depreciation of Non Current Assets
AAS 5: Materiality
AAS 6: Accounting Policies
AAS 8: Events Occurring After Reporting Date
AAS 30: Accounting for Employee Entitlements

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also been prepared on an accruals basis and is based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

a) Fixed Assets

Freehold land and buildings are carried at cost or at independent or directors' valuation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset was held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The carrying amount of fixed assets is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed in the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

b) Employee Entitlements

Provision is made for the Association's 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 flows to be made for those entitlements.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses incurred.

c) Revenue

Interest revenue is recognised as received.

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

Note	2002	2001
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NOTE 2: Operating Profit

Operating profit before abnormal items and income tax has been determined after:

Charging as expenses:

Movements in provisions

Depreciation of:		
– Motor Vehicles	2,065	5,859
– Office Equipment	3,574	4,948
Other:		
– Employee Entitlements	2,639	8,568
Net expense resulting from movement in Provisions	8,278	19,375

NOTE 3: Related Parties

Interest in Contracts

During the year ended 30 June 2002, National Motor Vehicle Theft Reduction Council Inc entered into a contract with David Morgan to be independent chairperson.

During the year, \$30,000 was payable to DMM Services Pty Ltd for whom D. Morgan acts as director.

NOTE 4: Fixed Assets

Plant and Equipment

a) Motor vehicles

At cost	0	35,604
Less Accumulated Depreciation	0	(15,422)
		20,182

b) Office equipment

At cost	14,124	14,124
Less Accumulated Depreciation	(9,087)	(6,941)
	5,057	7,183

c) Furniture, Fixtures & Fittings

At Cost	11,732	11,732
Less Accumulated Depreciation	(6,020)	(4,593)
	5,712	7,139

Total Plant & Equipment	\$10,749	\$34,505
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Note	2002	2001
------	------	------

NOTE 5: Other Assets

Current

Prepayments	13,039	4,542
Other Current Assets	600	600
	13,639	5,142

NOTE 6: Borrowings

Current

Secured Liabilities		
Hire Purchase Liability	0	6,193
Unsecured Liabilities		
Sundry Creditors	912	644
	912	6,837

Non Current

Secured Liabilities		
Hire Purchase Liability	0	19,032
	0	19,032

NOTE 7: Provisions

Current

Employee Entitlements	22,930	20,292
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National Motor Vehicle Theft Reduction Council Inc Statement by Members of the Committee

The committee has determined that the association is not a reporting entity:

The committee has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 6:

1. Presents fairly the financial position of **National Motor Vehicle Theft Reduction Council Inc** as at 30 June 2002 and it's performance for the financial year ended on that date.
2. At the date of this statement there are reasonable grounds to believe that **National Motor Vehicle Theft Reduction Council Inc** will be able to pay its debts as and when that fall due.

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



Raymond C. Carroll

Dated this 9th day of September 2002.

National Motor Vehicle Theft Reduction Council Inc
Certificate by Member of the Committee

I, Raymond C. Carroll certify that:

I am a member of the committee of **National Motor Vehicle Theft Reduction Council Inc.**

I attended the annual general meeting of the association held on 9 September 2002.

I am authorised by the attached resolution of the committee to sign this certificate.

This annual statement was submitted to the members of the association at its annual general meeting.

A handwritten signature in black ink, appearing to read 'R. Carroll', written in a cursive style.

Raymond C. Carroll (Committee Member)

Dated this 9th day of September 2002.

appendices

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Appendix 1: State & Territory Summary

Appendix 2: Publications

Appendix 3: Council Meeting Attendance

APPENDIX 1. State & Territory Summary

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Thefts	2,410	47,120	1,070	15,380	11,640	2,520	32,980	11,480
Recovery Rate	73%	75%	89%	77%	89%	90%	82%	80%
Thefts per 1,000 Persons	7.5	7.1	5.3	4.2	7.7	5.4	6.8	6.0
Thefts per 1,000 Registrations	11.7	12.1	10.2	6.1	11.1	7.2	9.4	8.1
Effective WOVr		x	due Oct 2002	x		due Oct 2002	x	
Connected to NEVDIS		x	x	x	x	x	x	x
Immobiliser Program	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary	Compulsory
Local Theft Reduction Committee		x		x	x		x	x
Community Education Program	x	x	x	x	x	x	x	
Juvenile Intervention Program		x			x	x	x	

APPENDIX 2. Publications

The following publications were produced by the Council in 2001/02.

Reports

- Secure Compliance Labels Assessment of Options
- Best Practice Model and Business Plan for a Young Recidivist Car Theft Offender Program, program model and business plan
- Motorcycle Theft in Australia
- Analysis of the Impact of Insurance Practices on Motor Vehicle Theft and Vehicle Related Insurance Fraud

Publications

- Theft Watch, quarterly statistical analysis
- Theft Torque, quarterly issues newsletter
- 2001/02 Strategic Plan
- 2001/02 Annual Report
- Spur of the Moment Educators Kit and Comic, youth resources
- Guide to Tackling Car Theft for Local Communities, community resource
- Guide to Handling the Media, community resource

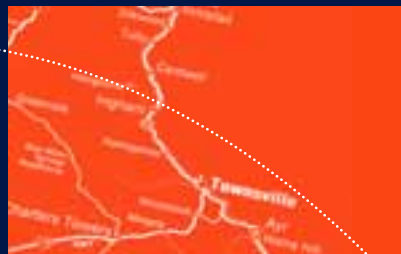
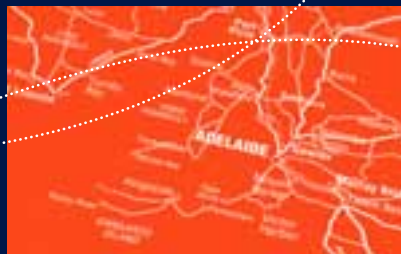
Consumer Information

- Save Yourself from Buying a Stolen Vehicle, information brochure
- Know the Facts Protect Yourself, information brochure
- Immobilise Your Car Before a Thief Does, information brochure

APPENDIX 3. Council Meeting Attendance

Number of Council meetings attended by Council members (maximum 4 meetings)

Mr David Morgan Independent Chairperson	4
Mr Dick Adams Australasian Police Ministers Council	2
Dr Dianne Heriot Commonwealth Agencies	3
Mr David Lang Australian Automobile Association (replaced Robert McDonald as AAA representative, December 2001)	2
Mr Robert McDonald Insurance Council of Australia (replaced Allan Tattersall as ICA representative, October 2001)	3
Mr Robert McDonald Australian Automobile Association (replaced by David Lang as AAA representative, December 2001)	1
Ms Sue Millbank Crime Prevention Ministerial Forum	4
Mr Ray Rawlings Austroads	4
Mr Rex Scholar Federal Chamber of Automotive Industries (replaced Peter Sturrock as FCAI representative, November 2001)	3
Mr Tony Selmes Motor Trades Association of Australia	4
Mr Peter Sturrock Federal Chamber of Automotive Industries (replaced by Rex Scholar, November 2001)	1
Mr Allan Tattersall Insurance Council of Australia (replaced by Robert McDonald as ICA representative, October 2001)	1



National Motor Vehicle
Theft Reduction Council
driving down vehicle theft

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