



National Motor Vehicle
Theft Reduction Council

Annual Report 2003

driving down vehicle theft in australia

CONTENTS

Letter of Transmittal	1
Council Members	2
Chairman's Report	4
Executive Director's Report	5
Motor Vehicle Theft in Australia 2002/03	7
Reducing the Cost of Theft	8
Reducing the Volume of Theft	12
Performance Indicators	14
Financial Statement	18
Appendices	28



VISION

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

MISSION

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



31 October 2003

Crime Prevention Ministerial Forum

The Hon Andre Haermeyer MP (Interim Chair)

Mr Bill Wood, MLA

Senator the Hon. Chris Ellison

The Hon. John Watkins, MP

The Hon. Dr Peter Toyne, MLA

The Hon. Judy Jackson, MHA

The Hon. Michelle Roberts, MLA

The Hon. Tony McGrady, MP

The Hon. Michael Atkinson, LLB BA MP

The Hon. Phil Goff

Insurance Council of Australia President

Mr Mike Wilkins

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 2003.

Yours sincerely,

DAVID M MORGAN
Chairman

COUNCIL MEMBERS





Standing (left to right)

Mr Mark Borlace (*Australian Automobile Association*)
Mr Robert McDonald (*Insurance Council of Australia*)
Mr Dick Adams (*Australasian Police Ministers' Council*)
Dr Dianne Heriot (*Australian Government Agencies*)
Mr William (Bill) McKendry (*Crime Prevention Ministerial Forum*)
Mr Tony Selmes (*Motor Trades Association of Australia*)

Seated (left to right)

Mr Rex Scholar (*Federal Chamber of Automotive Industries*)
Mr David Morgan (*Independent Chairman*)
Mr Ray Rawlings (*Austroads*)

CHAIRMAN'S REPORT

In last year's Annual Report, I observed that we hoped that the significant decline in theft in Australia in 2001/02 would mark the start of a sustained period of on-going reductions for the nation.

I am therefore very pleased to report that the past year has delivered unprecedented reductions that have seen the volume of

theft fall below 100,000 for the first time since 1982. On any measure this is a great result when compared with the 145,000 annual thefts that we faced at the end of our first full year of operation in 2000. This year also marked a number of significant milestones in the NMVTRC's theft reform agenda, including:

- the implementation of written-off vehicle registers that comply with best practice in four new jurisdictions;
- the sale of more than 80,000 new vehicles bearing state-of-the-art VIN-based microdot identification technology; and
- the commencement of a trial of our best practice young offender program in Hobart.

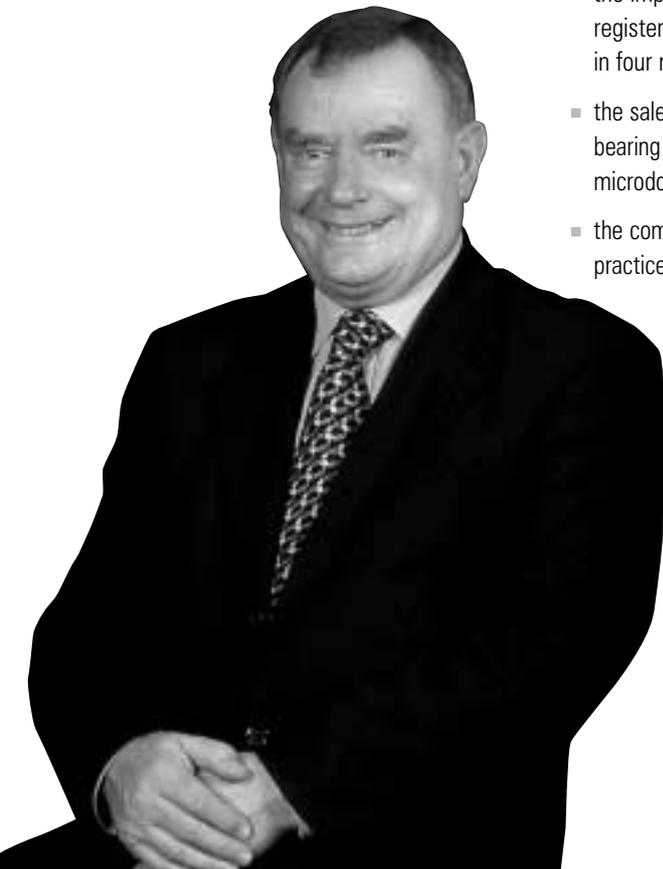
It is clear from these outcomes that a broad cross-section of stakeholders are embracing vehicle theft reform in a way that this country has not seen before.

Significantly, 2002/03 also saw state and territory governments and the insurance industry re-affirm the NMVTRC's role as the catalyst for vehicle theft reform by agreeing to extend its term through until the end of 2006.

Pleasingly, an independent review of the NMVTRC's operations by leading economic and public policy consultants, The Allen Consulting Group, confirmed very high levels of stakeholder satisfaction and was unequivocal in its view that we have a vital role to play over the next few years.

Our "new vision" is therefore that the current vigour with which governments and industry are working together to combat the nation's vehicle theft problem can mature even further to deliver a culture of striving for continuous and sustainable reductions in the level of theft.

Finally, I would like to once again record my thanks to my fellow Councillors for their on-going support and expert guidance, and congratulate our Executive Director and his staff for their hard work and energy in continuing to drive a complex but profoundly important reform program forward.



David Morgan

EXECUTIVE DIRECTOR'S REPORT

As the Chairman noted in his report, 2002/03 delivered an unprecedented reduction in vehicle theft nationally that saw theft rates continue to tumble to record lows and significant advances in our reform agenda locked in.

Reform highlights for the year included the:

- successful implementation of “complying” written-off vehicle registers in Queensland, Tasmania, the Northern Territory and the Australian Capital Territory;
- development of a performance monitoring framework for measuring the effectiveness of national systems in combating vehicle theft and fraud;
- establishment of a true one-stop-shop service for vehicle status information in Queensland and substantial progress towards a similar service in New South Wales;
- extension of VIN-based microdot identification technology to new marques including Subaru, Ford Performance Vehicles and Yamaha—boosting the number of new vehicles now protected by this state-of-the-art technology to more than 200,000;
- development of an exposure draft of a voluntary code to encourage best practice in parts recycling;
- establishment of the first young offender program based on the NMVTRC’s best practice model, in Hobart; and
- completion of preliminary modelling of the likely impacts of compulsory immobilisation programs for all jurisdictions.

The year also saw the NMVTRC subjected to a rigorous independent review to

determine whether its original five-year term should be extended. The review included round table and one-on-one discussions with a broad cross-section of stakeholders in all jurisdictions and case studies of the NMVTRC’s management of key reforms. The review found very high levels of stakeholder satisfaction and pleasingly gave us top marks for our strategy development, consultation and communications processes, and operational efficiency. We sincerely thank all those stakeholders who contributed their time and thoughts to the review process.

The review team also made a small number of recommendations to further improve the NMVTRC’s operational model. All recommendations, including a more formal approach to the use of expert reference groups to aid policy development on key issues, have been adopted.

Finally, it is clear from the quality of the stakeholder input to this year’s round of strategic planning workshops—the 2003 StratPLAN Forums—that the silos of communication and co-operation which characterised the NMVTRC’s very early life have now all but disappeared. In their place is a purposeful focus on working together, which positions us well to meet the challenges that lay ahead in continuing to drive down vehicle theft in Australia.



Ray Carroll

OUR PEOPLE



Siobhan Sheridan
(Research & Project Officer)

Beryl Dukes
(Administration Officer)

Geoff Hughes
(Director - Strategy and Programming)

Ray Carroll
(Executive Director)

Fig 1: VEHICLE THEFT IN AUSTRALIA

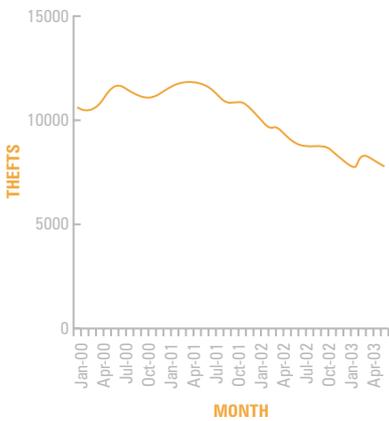


Fig 2: RECOVERY RATE AND THEFTS NOT RECOVERED

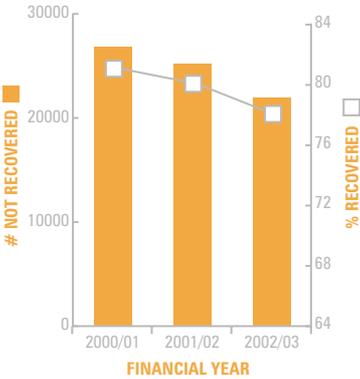
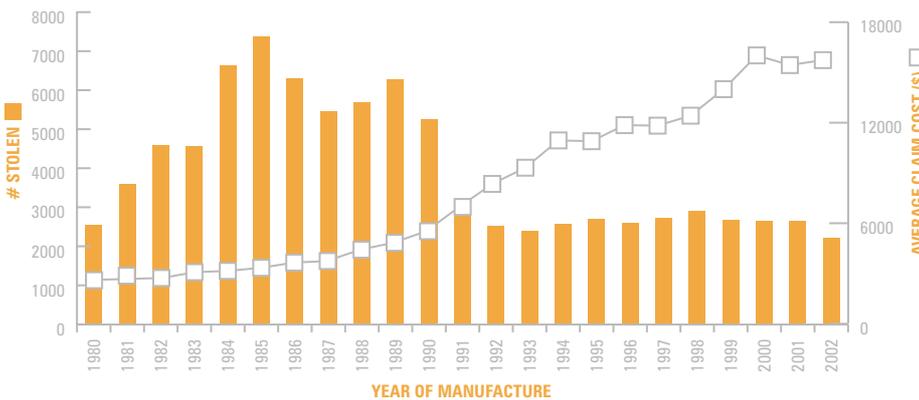


Fig 3: THEFT NUMBER AND AVERAGE CLAIM COST



MOTOR VEHICLE THEFT IN AUSTRALIA 2002-2003

Following on from last year's 11 per cent reduction in theft numbers, Australia recorded a further 19 per cent reduction this financial year. In comparison, the nation's registered vehicle fleet grew by 4 per cent.

Data is regularly revised by providers to take account for errors or accidentally duplicated reports and with 100,130 thefts recorded to the end of June, we would expect that later revisions will see the national figure fall below 100,000 for the first time since 1982. While New South Wales and Victoria recorded the strongest reductions – thefts fell by 24 per cent in each of these states – the ACT (up 4%) was the only jurisdiction to record an increase.

Nationally, the rate of theft per 1,000 registrations and per 1,000 population for 2002/03 was 7.5 and 5.1 respectively.

With the exception of the ACT, all jurisdictions recorded a decrease in both rates for the year. (Refer to the appendices for a summary of state and territory data.)

The proportion of stolen vehicles recovered dropped slightly this year to 78 per cent from 80 per cent in 2001/02. While this may appear to suggest that the incidence of professional theft has increased, a closer look at the data indicates that it has decreased but to a lesser degree than opportunistically motivated theft. As shown in figure 2, fewer than 22,000 vehicles remained unrecovered at the end of the 2002/03 financial year compared to 25,240 the previous year.

The average cost incurred by insurers to finalise a vehicle theft claim in 2002/03 was \$8,140, an increase of \$610 over last year. The sample of finalised claims provided by insurers, however, totalled \$306 million, a reduction of almost \$10 million over 2001/02. Newer vehicles, although stolen in lower numbers, continue to generate the highest average claim costs (Figure 3). On average, a theft claim for a vehicle manufactured in 2000 cost insurers \$16,100 to finalise while a 1982 model vehicle claim cost only \$2,810.

REDUCING THE COST OF VEHICLE THEFT

DESIRED OUTCOME

Reducing the cost of vehicle theft by development and implementation of cost-effective systems infrastructure and practices that:

- impede the activities of criminals attempting to convert stolen vehicles or components into cash; and
- can respond to changes in criminal behaviour.

NEVDIS

The National Exchange of Vehicle and Driver Information System (NEVDIS) is the central element in the "national grid" of information exchange. The major theft prevention benefits will only be fully realised when all states and territories are connected to NEVDIS and pleasingly, this is now within sight.

The ACT is the only mainland jurisdiction yet to connect to NEVDIS. The roll out of the

ACT's redeveloped local registration system Reg.ACT and the transfer of the facilities management function of NEVDIS to a new contractor has pushed back the ACT's connection date. It is now expected that the ACT will be loading data to the national grid in October 2003. The allocation of funds by the Tasmanian State Government to redevelop Tasmania's host system should see that State joining the national grid in 2004.

With the national grid almost complete, the NMVTRC's focus has shifted towards monitoring the effectiveness of national systems. A joint project with Austroads this year developed a monitoring framework that is expected to be finalised in early 2004.

WRITTEN-OFF VEHICLE REGISTERS

This year was a watershed in the management of wrecked vehicle identities, which stakeholders have consistently ranked

the number one issue on the vehicle theft reform agenda.

The implementation of WOVs for the first time in Queensland, Tasmania, the Northern Territory and the ACT means that Australia now has consistent arrangements for managing wrecked vehicle identities from Darwin right through to Hobart based on agreed best practice principles.

Disappointingly, continuing delays to implement the agreed principles in Western Australia and South Australia potentially undermine the good progress of the other jurisdictions and allows professional vehicle thieves to exploit gaps in the national network to rebirth stolen vehicles. It is expected that Western Australia will implement legislation in late 2003 to enable the establishment of that State's WOV. While discussions with South Australia continue, the timetable for the State to apply the nationally agreed best practice principles to their existing, but non-

Queensland was one of four jurisdictions to implement written-off vehicle registers in 2002/2003. Queensland's Director-General of Transport, **Bruce Wilson**, outlines his Department's commitment to provide an effective last line of defence against vehicle re-birthers.

"The progressive nation-wide ban on the re-registration of the most severely accident damaged vehicles, together with more stringent identification checks for those which can be safely repaired will make it increasingly difficult for the unscrupulous to trade in stolen vehicles without being detected."

compliant, WOVV remains unclear.

A review of inter-jurisdictional consistency conducted by the NMVTRC and stakeholders in early 2003 found that while implementation was generally smooth, some differences in practice are complicating compliance or diminishing the effectiveness of the national network as a barrier to criminal activity. A subsequent national workshop of representatives from more than 40 organisations identified eleven key issues where consistency in practice (or additional clarification) was needed. Pleasingly, the NMVTRC and Austroads have been able to reach agreement on a process to resolve the most pressing issues, including improving the consistency of forms between jurisdictions.

Importantly the review noted that all participating jurisdictions remain strongly committed to reducing professional vehicle theft by optimising the efficiency of WOVV processes.

IMPROVING CONSUMER ACCESS TO VEHICLE STATUS INFORMATION

Providing consumers and motor traders with information about a vehicle's registration history can significantly reduce the risk of them unwittingly buying a stolen vehicle. Professional thieves rely on being able to disguise a stolen vehicle's identity by altering or swapping its key identifiers, which is much more difficult if potential purchasers are able to easily determine the true status of those identifiers.

The national WOVV network provides the platform for public access to vehicle status information. All jurisdictions that operate a WOVV – currently all states and territories except Western Australia – now have some form of public enquiry service, either via phone, shop front or the internet.

The NMVTRC's preference is for a 'virtual one-stop shop' approach that provides

potential purchasers with access to a basic suite of vehicle status information on any vehicle registered in Australia. The NMVTRC has contributed substantially to the development of enquiry services, consistent with this model by REVS agencies in Queensland and New South Wales. The Queensland 'one-stop' service commenced operation in September 2002 and the New South Wales service, which will also provide a bureau service for Northern Territory and ACT, is expected to be launched in the last quarter of 2003.

Motor traders are required by law to guarantee "good title" to the vehicles they sell. Motor Trades' Association of Australia Executive Director, **Michael Delaney**, explains the importance of access to accurate information about a vehicle's registration status for both traders and consumers alike.

"Even the most experienced of trade buyers can fall victim to professional criminals selling re-identified stolen vehicles. Timely access to information about a vehicle's stolen or written-off status is absolutely critical so that trade buyers and ultimately their customers can purchase with confidence".



SECURITY LABELS

In 2002-03, the NMVTRC and the Federal Chamber of Automotive Industries concluded their discussions on jointly developing a performance specification for a new single purpose vehicle security label. The high-tech, low cost label is designed to supplement other vehicle identifiers and will enable registration authorities and police to confirm the identity of legitimate vehicles and easily detect fake or altered labels by simple visual inspection. The same label is also capable of providing a secure compliance label in place of the existing aluminum plate.

Under a Code of Practice, local vehicle manufacturers have committed to voluntarily adopting the security label over the next 18 months. The NMVTRC views the labels as setting a new baseline in vehicle identification and will closely monitor manufacturers' progress in adopting them.

WHOLE VEHICLE MARKING

VIN-based microdots represent the current gold standard in whole vehicle identification. This world leading technology enables up to 10,000 tiny "birthmarks" to be applied to a vehicle making the system virtually impossible to remove and providing authorities with conclusive and easily accessible proof of the vehicle's identity.

The NMVTRC has continued to encourage vehicle manufacturers to embrace the technology by ensuring its integration with police and registration practices and information systems.

The penetration of the technology in the market took a major step forward in 2002-03 to the extent that more than 100,000 new vehicles sold in Australia in 2003 will bear VIN-based microdots as original equipment.

The decision by Subaru Australia this year to adopt the system was particularly

significant. The company became the first vehicle manufacturer to fit microdots across its entire range of vehicles, from base models to high performance models.

Yamaha became the first motorcycle maker to adopt the technology, setting the standard for its competitors to match.

The past year has also seen significant international interest in the technology with the US National Highway Transport Safety Administration considering calls to amend its Vehicle Identification Standard to allow VIN-based microdots as an alternative to the mandated self-voiding paper label system. The influential US National Insurance Crime Bureau has thrown its full support behind the move.

Although currently applied as a whole vehicle identifier and partial component ID system, VIN-based microdots may ultimately evolve to provide a comprehensive component identification system. The

In 2002/2003 Subaru became the first vehicle manufacturer to apply VIN-based microdots across its full range of vehicles—from base models right through to its performance, off-road and prestige vehicles. Subaru Australia's General Manager, **Nick Senior**, talks about his company's commitment to vehicle security.

"Subaru customers value quality, performance and reliability and we want to protect their investment. We've introduced state-of-the-art active security systems, like keypad immobilisers to the Impreza WRX. Microdots raise the level of security of our vehicles even further."

NMVTRC will continue its evaluation of the technology's effectiveness and to monitor the development of in-line application systems that may address the logistical issues associated with applying microdots in high-volume just-in-time manufacturing environments.

ENCOURAGING BEST PRACTICE IN PARTS RECYCLING

The illicit trade in stolen vehicle parts is already estimated to be about twice the volume of whole vehicle re-birthing and is expected to grow substantially as measures to control the re-use of wrecked and written-off vehicle identities take effect. Already around sixty per cent of auto dismantling and parts recycling businesses report being approached at least once or twice a year with suspect

vehicles or parts. It is therefore not surprising that the NMVTRC's extensive consultation has indicated strong stakeholder support for a voluntary industry code of practice to minimise the likelihood of stolen parts unwittingly entering the legitimate industry.

A national workshop of stakeholders in November 2003 endorsed a set of core principles for the development of an exposure draft of the code. The workshop noted that while a code may not impact the "backyard" trade in parts, it could further marginalise unsound operators.

An Expert Reference Group (ERG)—comprising representatives of the motor trades, independent and affiliated parts recyclers, police, registration authorities, insurers and offices of fair trading has guided the code development process.

An exposure draft of the code was released

for public comment in September 2003.

The NMVTRC recognises that demonstrating additional benefits for participants beyond those which regulated regimes (where they exist) can deliver, will be a critical issue for the Code's success. A key factor will be the extent to which individual insurers are prepared to support the Code by insisting that their approved vehicle repairers only source any used replacement parts from participating recyclers.

The Auto Parts Recyclers' Association of Australia has provided invaluable input into the NMVTRC's development of a draft code of practice to minimise the likelihood of stolen parts entering the legitimate industry. APRAA's national spokesperson, **Bill Bartlett**, talks about the importance of the code to the industry.

"APRAA has worked hard over recent years to raise standards and promote good business practices within the industry. The NMVTRC's proposed code of practice fits perfectly with those objectives and will, amongst other things, give trade buyers and consumers the assurance of knowing that the part they are buying is not stolen."

REDUCING THE VOLUME OF VEHICLE THEFT

DESIRED OUTCOME

Development and implementation of cost-effective measures that:

- raise community awareness of key vehicle theft and security issues;
- significantly increase the security of older vehicles; and
- reduce the incidence of vehicle theft by young people.

YOUTH

Young people are responsible for the overwhelming majority of vehicle thefts in Australia. While most young thieves cease their offending behaviour the first time they are apprehended, around fifteen per cent develop entrenched habits and become

high-rate recidivist offenders. By their late teens some have stolen hundreds of vehicles.

The NMVTRC has continued to receive positive feedback from educators and others on its range of preventative *Streetwise* educational resources which are targeted at a broad youth audience. The last twelve months however has also heralded significant developments in the NMVTRC's response to recidivist offending. The first *U-turn* program, jointly funded with the Australian Government's National Crime Prevention program and based on the NMVTRC's best practice model, commenced operation in Hobart in February 2003. *U-turn* specifically targets young recidivist offenders and is designed to capitalise on their interest in motor vehicles.

Demand for *U-turn* places in Tasmania has been strong and, pleasingly, local stakeholders have demonstrated an enormous level of goodwill toward the program. The Tasmanian program is operated by Mission Australia (MA) under contract to the Department of Police and Public Safety. MA also won the tender to operate the Western Australia program, which commenced operations in late September 2003. A third program will commence in Queensland in early 2004. All *U-turn* sites will be subject to rigorous evaluation and the NMVTRC will seek to promote the model's success in getting young lives back on track to the juvenile justice community.

Traditional responses to juvenile offending have done little to rehabilitate offenders or reduce the level of theft. Tasmania's Commissioner for Police, **Richard McCreadie** AO, talks about the importance of trialling innovative programs such as *U-turn*.

"Recidivist offenders are often returned to the community without the skills or support required to leave their former lifestyle behind. The key to breaking the cycle of crime for these high-rate offenders is to offer programs that can engage the young people long enough for them to see some personal benefit."

IMMOBILISERS

The CAR-SAFE Immobilise Now! program continues to provide motorists in all states and territories (except Western Australia, where a compulsory scheme exists) with access to Australian Standards approved immobilisers at a reduced price. The Immobilise Now! program remains one of the strongest elements of the NMVTRC's CAR-SAFE public education campaign and although the program has fitted around 250,000 immobilisers to date, the owners of older vehicles continue to be reluctant to voluntarily invest even modest amounts to secure their vehicle.

Despite this, NMVTRC's regular consumer surveys show solid support for compulsory immobilisation with around 60 per cent of

respondents in favour of it. The NMVTRC's preliminary cost-benefit modelling suggests that Victoria, New South Wales and South Australia would receive the greatest benefit from compulsory immobilisation, with the ACT and Tasmania showing smaller, but positive, benefits. Victoria is likely to be the first jurisdiction, besides WA, to consider the case for a compulsory scheme, in late 2003. The NMVTRC will continue to refine cost-benefit estimates with local stakeholders in those jurisdictions where a positive cost-benefit outcome can be demonstrated.

The NMVTRC will continue to support Immobilise Now! in those jurisdictions that do not adopt a compulsory scheme.

PERFORMANCE INDICATORS

COMPARISONS WITH MOTOR VEHICLE THEFT IN COMPARABLE DEVELOPED NATIONS

THEFTS PER 1,000 POPULATION, SELECTED NATIONS	2000	2001	2002
Australia	7.0	7.0	5.5
United Kingdom (England & Wales)	7.1	6.5	6.3*
Canada	5.2	5.5	
France	5.2	5.4	4.8
Japan	4.4	5.0	
USA	4.1	4.3	
Italy	4.2	4.1	
Belgium	1.7	3.0	
Germany	1.0	0.9	0.9

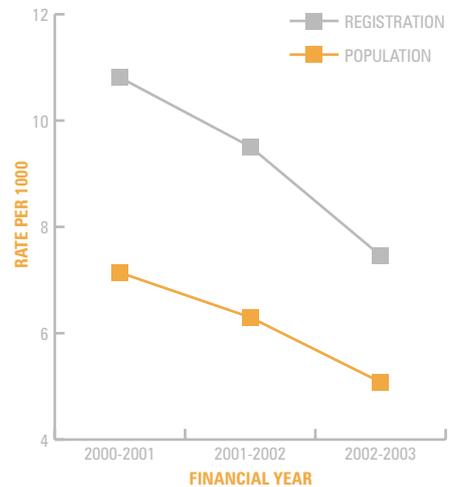
* Sources: UK Home Office, Crime in England & Wales 2002/03; Australian data from CARS database; All other data from Interpol (www.interpol.int)

While Australian theft data is compiled quarterly by the NMVTRC and released within eight weeks of the end of each quarter, there are always considerable delays in getting access to international data. These delays are further complicated by issues of inconsistent collection and reporting methods. The most recent comparable data provided by Interpol, the international law enforcement support agency, only covers 2001. Where later data

is available it is also quoted.

In 2001, Australia recorded the highest level of vehicle theft of comparable nations at 7.0 thefts per 1,000 population however more than half of the countries listed recorded increasing rates between 2000 and 2001. Australia has experienced substantial reductions in theft since March 2001 and preliminary data suggests that Australia will relinquish its no.1 ranking when the full 2002 data set is released.

REDUCTIONS IN THE RATE OF THEFTS PER 1,000 REGISTRATIONS AND 1,000 POPULATION



Last year we reported that Australia's rate of theft per 1,000 registered vehicles was at a twenty year low. This year the rate fell again from 9.5 thefts to 7.5 thefts per 1,000 registrations. So too, the rate of theft per 1,000 population fell again, down from 6.3 thefts in 2001/02 to 5.1 thefts this year.

REDUCTION OR CHANGES IN THE INCIDENCE AND NATURE OF OPPORTUNISTIC AND PROFESSIONAL THEFT

	2000/01	2001/02	2002/03
Number of Thefts	138,515	123,940	100,134
Percentage Recovered	81%	80%	78%
Number Not Recovered	26,820	25,243	21,910

Recovery rates traditionally provide a broad distinction between opportunistic and professionally motivated thefts. Seventy-eight per cent of vehicles stolen in 2002/03 were recovered. While this represents a decline in the proportion of thefts recovered over the previous year, the actual number of vehicles that were not recovered has also declined. Recent theft reductions appear to have impacted on both professional and

opportunistic theft although reductions to date have been greater in opportunistic offending.

THE COST OF MOTOR VEHICLE THEFT BORNE BY THE INSURANCE INDUSTRY

A sample of 37,600 finalised claims for vehicle theft was provided by insurers in 2002/03. Claims totalled \$306 million, a reduction of almost \$10 million over 2001/02. The average claim cost was \$8,140 and this represents an increase of \$610 over last year's average. The average cost for an agreed value policy claim was \$9,420 (an increase of \$590) while the average cost to finalise a market value policy was \$5,730 (an increase of \$250).

As the barriers to professional vehicle theft take effect it may be expected that the most sophisticated criminals who target late model, higher value vehicles will be most resistant to the measures. It is therefore likely that as numbers of claims decrease, average claim costs will rise.

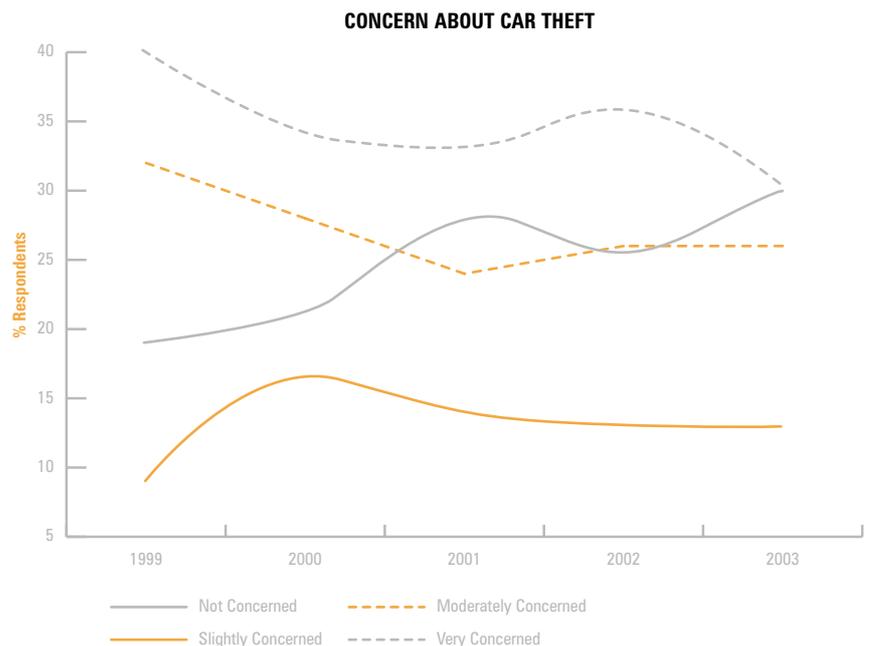
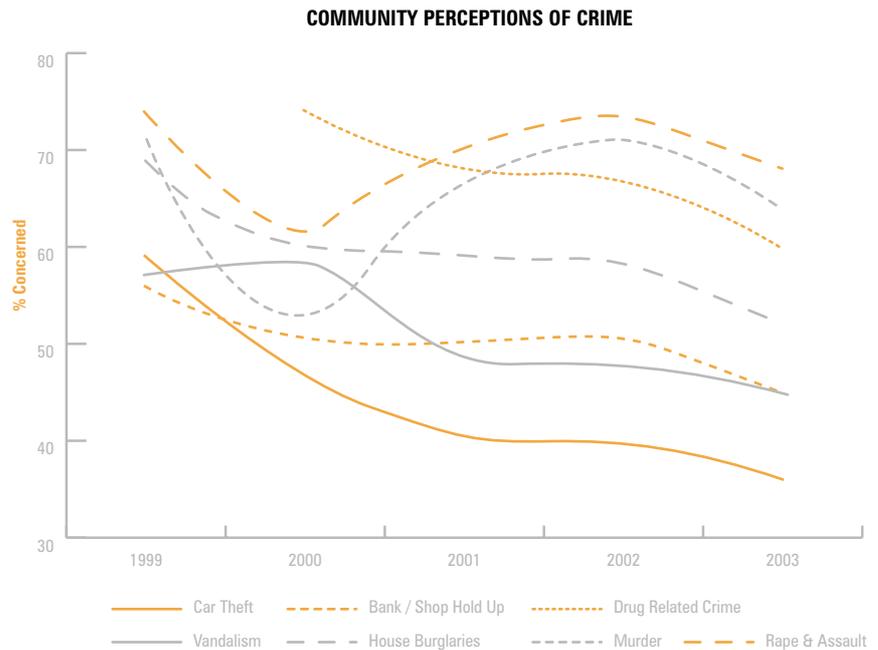
COMMUNITY PERCEPTION OF VEHICLE THEFT RELATIVE TO OTHER CRIMES

Recent surveys have indicated lower levels of public concern about all crime. Crimes against the person — rape, assault and murder — continue to generate greater levels of concern amongst survey respondents than property crimes, including car theft. Interestingly, declining concern over car theft has corresponded with higher levels of immobilisation and a decreasing proportion of respondents reporting that they “do nothing” to protect their vehicle against theft.

AN IMPROVED LEVEL OF AWARENESS OF VEHICLE SECURITY PRACTICES AND VEHICLE THEFT ISSUES BY THE COMMUNITY

Reports of reducing vehicle theft and a greater level of community understanding about the issue has corresponded with reduced levels of personal concern. The proportion of respondents reporting that they are “not concerned” about the possibility of their own vehicle being stolen has increased while those expressing concern have declined.

Fewer respondents report using a steering lock or “doing nothing” to protect their vehicle against theft, while more reported





that their vehicle is protected by an engine immobiliser. Nationally, 44 per cent of respondents reported that their vehicle was immobilised, up from 36 per cent in 1999.

Survey respondents continue to report that “recent mainstream model vehicles” are the most stolen although the number with this view has declined since 2001. An increasing proportion of respondents recognise that “older vehicles” are at most risk. Media focus on the NMVTRC’s published lists of most popular late model targets has possibly influenced the perception that late model family sedans and increasingly four wheel drive vehicles, are common theft targets.

STAKEHOLDER DETERMINED PERFORMANCE INDICATORS

The NMVTRC’s relationship with stakeholders is measured annually via their perceptions of:

- its program co-ordination and consultation performance;
- the quality of the its publications; and
- its influence on the implementation of vehicle theft reforms.

The NMVTRC had a very high level of interaction with, and feedback from, its stakeholders in 2002/03. This interaction included the release of regular and project specific publications, several national workshops and consultations, and the annual round of StratPlan strategic planning forums. Stakeholders were also consulted

by The Allen Consulting Group for its independent review of the NMVTRC’s operations.

The Allen review reported that: more than 95 per cent of stakeholders rated the NMVTRC’s overall program coordination and consultation as being good, very good or excellent; all respondents rated the NMVTRC’s publications as good, very good or excellent; and almost six out of ten respondents believed that the NMVTRC had a positive impact on reforms, with four out of ten reporting a major positive impact.

The success of the NMVTRC’s 2002/03 StratPlan workshops reflected the maturity of its relationships with key stakeholders. Debate at workshops in every state and territory was the most informed and vigorous to date and almost 90 per cent of participants rated the sessions as very good or excellent. There was no rating below good. Strongly positive ratings were also received in response to the NMVTRC’s major workshops on a proposed code of practice for dealing in second hand parts (November 2002) and review of written-off vehicle registers (June 2003).

Positive stakeholder relations were also confirmed by the Victorian Parliamentary Inquiry into Motor Vehicle Theft. The Committee, which consulted widely with stakeholders in Victoria and Western Australia as well as many national bodies, found (p.139) that:

“The NMVTRC received a great deal of support for the role it has played in the national reduction of motor vehicle theft activities. Stakeholders were almost unanimous in their praise for the work of the Council... Considering the complexity of its responsibilities, and the diversity of stakeholders concerned, this is high praise indeed.”

ANALYSIS OF REFERENCES TO THE NMVTRC IN THE MEDIA

The issue of vehicle theft generated more than 2,000 media references in 2002/03. The NMVTRC was portrayed in a positive light, featuring in about one-quarter of theft related reports. Media references included coverage at the local, state and national level in print and all electronic mediums. The range of publications that featured the NMVTRC and its work program this year is broad and included major features in Business Review Weekly, the Australian Financial Review and The Australian.

While the Council has clearly established itself as Australia’s foremost authority on vehicle theft and a readily accessible source of information, many key stakeholder organisations have also disseminated NMVTRC data and provided a source of “expert comment” for the media on NMVTRC issues.

FINANCIAL STATEMENT

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003	2002
		\$	\$
Revenue from ordinary activities		2,281,566	2,276,036
Employee benefits expense		(339,361)	(302,611)
Depreciation and amortisation expenses	2	(5,203)	(5,639)
Advertising & sponsorship		(297,610)	(849,034)
CARS		(320,000)	(379,000)
Consultants & management services		(497,172)	(708,873)
Jurisdictional support		(109,091)	–
Newsletters, publications & printing		(131,856)	(121,470)
Sitting fee		(30,000)	(30,000)
Travelling expenses		(69,521)	(87,870)
Other expenses from ordinary activities		(170,969)	(267,690)
Surplus from ordinary activities		310,783	(476,151)
Prior period adjustment		1,246	–
Total changes in equity other than those resulting from transactions with owners as owners		312,029	(476,151)

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2003

	Notes	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets	3	1,164,643	638,959
Receivables		66,168	–
Other		21,692	13,639
TOTAL CURRENT ASSETS		1,252,503	652,598
NON-CURRENT ASSETS			
Property, plant and equipment	4	21,451	10,749
TOTAL NON-CURRENT ASSETS		21,451	10,749
TOTAL ASSETS		1,273,954	663,347
CURRENT LIABILITIES			
Payables		96,615	912
Interest-bearing liabilities		188,734	–
Provisions		37,071	22,930
TOTAL CURRENT LIABILITIES		322,420	23,842
TOTAL LIABILITIES		322,420	23,842
NET ASSETS		951,534	639,505
EQUITY			
Retained surpluses		951,534	639,505
TOTAL EQUITY		951,534	639,505

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 \$	2002 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Refunds & reimbursements		502	401
Grants received		2,250,000	2,250,000
Payments to suppliers and employees		(1,928,711)	(2,759,246)
Interest received		31,064	25,635
Net cash provided by/(used in) operating activities	6 (b)	352,855	(483,210)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(15,905)	–
Net cash used in investing activities		(15,905)	–
Net increase/(decrease) in cash held		336,950	(483,210)
Cash at beginning of financial year		638,959	1,122,169
Cash at end of financial year	6 (a)	975,909	638,959

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act of Victoria.

The financial report is for the entity *National Motor Vehicle Theft Reduction Council* as an individual entity. *National Motor Vehicle Theft Reduction Council* is an association incorporated in Victoria under the Associations Incorporations Act 1981.

The financial report has been prepared on an accruals basis and is based on historical costs. It 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

association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the association to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on 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.

Depreciation

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 amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(c) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(d) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

	Notes	2003 \$	2002 \$
Note 2: Surplus from Ordinary Activities			
Surplus (losses) from ordinary activities has been determined after:			
(a) Expenses:			
Depreciation of non-current assets			
– Motor vehicles		–	2,065
– Office Equipment		5,203	3,574
Depreciation of property, plant and equipment		5,203	5,639
Remuneration of the auditors for:			
– audit or review services		2,300	1,800
(b) Revenue and Net Gains			
Net gain on disposal of non-current assets			
– property, plant and equipment		–	1,428
(c) Significant Revenues and Expenses:			
Grants Received		2,250,000	2,250,000
Note 3: Cash Assets			
Cash on hand		12	166
Cash at bank		1,164,631	638,793
		1,164,643	638,959
Note 4: Property, Plant and Equipment			
PLANT AND EQUIPMENT			
(a) Plant and equipment			
(b) Office equipment			
At cost		25,081	14,124
Less accumulated depreciation		(11,786)	(9,087)
		13,295	5,037

	Notes	2003	2002
		\$	\$
(c) Furniture, fixtures and fittings			
At cost		16,680	11,732
Less accumulated depreciation		(8,524)	(6,020)
		8,156	5,712
Total property, plant and equipment		21,451	10,749

Note 5: Contingent Liabilities and Assets

CONTINGENT LIABILITIES

Estimates of the maximum amounts of contingent liabilities that may become payable:

YOUTH PROGRAMS

An amount has been allocated from the 2002/2003 surplus to fund commitments made to youth programs falling due over the next two years.

551,000	–
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Note 6: Cash Flow Information

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	12	166
Cash at bank	1,164,631	638,793
Bank overdrafts	(188,734)	–
	975,909	638,959

	Notes	2003	2002
		\$	\$
(b) Reconciliation of cash flow from operations with surplus from ordinary activities after income tax			
Surplus (Deficit) from ordinary activities after income tax		312,029	(476,151)
Non-cash flows in profit from ordinary activities			
Depreciation		5,203	5,639
Net (gain) / loss on disposal of property, plant and equipment		–	(1,428)
Changes in assets and liabilities			
Increase in receivables		(66,167)	–
Increase in other assets		(8,054)	(8,497)
increase/(decrease) in payables		95,703	(5,411)
Increase in provisions		14,141	2,638
Cash flows from operations		352,855	(483,210)

Note 7: Retained Surplus at the Beginning of the Financial Year

Retained surpluses at the beginning of the financial year	639,505	1,115,655
Adjusted retained profits at the beginning of the financial year	639,505	1,115,655

Note 8: Association Details

The principal place of business of the association is:

National Motor Vehicle Theft Reduction Council

Ground Floor

132–138 Leicester Street

CARLTON

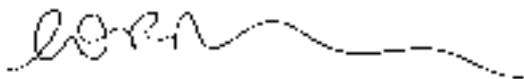
VIC 3053

STATEMENT BY MEMBERS OF THE COMMITTEE

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

1. Presents a true and fair view of the financial position of *National Motor Vehicle Theft Reduction Council* as at Monday, 30 June 2003 and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards and other 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 *National Motor Vehicle Theft Reduction Council* will be able to pay its debts as and when they 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:



William McKendry



David Morgan

Dated this 11th day of September 2003

CERTIFICATE BY MEMBER OF THE COMMITTEE

I, William McKendry of Level 4, 55 St Andrews Place, Melbourne, Vic 3002, and I, David Morgan of 132 –138 Leicester Street, Carlton, Vic 3053 certify that:

- (a) We are members of the committee of *National Motor Vehicle Theft Reduction Council*.
- (b) We attended the annual general meeting of the association held on 11/09/2003.
- (c) We are authorised by the attached resolution of the committee to sign this certificate.
- (d) This annual statement was submitted to the members of the association at its annual general meeting.



William McKendry (Committee Member)



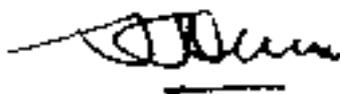
David Morgan (Committee Member)
Dated this 11th day of September 2003

DISCLAIMER TO THE MEMBERS OF NATIONAL MOTOR VEHICLE THEFT REDUCTION COUNCIL

The additional financial data presented on pages 11-12 of our report to the committee is in accordance with the books and records of the association which have been subjected to the auditing procedures applied in our statutory audit of the association for the financial year ended Monday, 30 June 2003. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than *National Motor Vehicle Theft Reduction Council*) in respect of such data, including any errors of omissions therein however caused.

Rucker Mackenzie Pty

PO Box 400
Mitcham Vic 3132



Geoffrey Bruce Johnson
Date: 4th September 2003

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NATIONAL MOTOR VEHICLE THEFT REDUCTION COUNCIL INCORPORATED

Scope

We have audited the financial report, being a special purpose financial report, of *National Motor Vehicle Theft Reduction Council Incorporated* for the year ended 30 June 2003 being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to and forming part of 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 Act Victoria and the needs of the members. We 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 Act Victoria. We 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.

Our audit has been conducted in accordance with Australian Auditing Standards. Our 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 our 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.

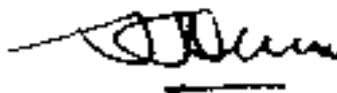
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of *National Motor Vehicle Theft Reduction Council Incorporated* as at 30 June 2003 and the results of its operations and its cash flows for the financial year then ended.

Rucker Mackenzie Pty

Suite 12, 602 Whitehorse Road
Mitcham Vic 3132



Geoffrey Bruce Johnson
Date: 4th September 2003

APPENDICES

APPENDIX 1 – STATE AND TERRITORY SUMMARY

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Thefts	2,507	35,742	270	14,454	9,869	2,230	25,004	10,058
Change over previous 12 months	+ 4%	- 24%	- 10%	- 6%	- 15%	- 12%	- 24%	- 12%
% of Thefts Recovered	73%	72%	55%	81%	88%	90%	81%	77%
Thefts per 1,000 Persons	7.8	5.4	1.4	3.9	6.5	4.7	5.1	5.2
Thefts per 1,000 Registrations	12.0	9.1	2.6	5.5	8.9	6.2	6.9	6.9
Effective WOVN	✓	✓	✓	✓		✓	✓	
Connected to NEVDIS	late 2003	✓	✓	✓	✓	late 2004	✓	✓
Immobiliser program	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary	Compulsory
Local Theft Reduction Committee		✓			✓		✓	✓
Community Education Program*	✓	✓	✓	✓	✓	✓	✓	
Juvenile Intervention Program		✓		early 2004	✓	✓	✓	late 2003

(Note: NVOI data for NT, ACT & NSW. *Immobilise Now!)

APPENDIX 2 – THE REFORM MATRIX: REDUCING COST

	▶ SUBSTANTIALLY IN PLACE		▶ PARTIALLY IN PLACE			▶ SOME WAY TO GO			
Professional Theft Methodology	NVOI	NEVDIS	WOVN	Registration Inspections	Compliance Labels	Whole Vehicle Marking	Public Access to Information	Insurance Practices	Police Investigation
X Border TFR	▶	▶							▶
Cloning		▶▶▶		▶	▶		▶		▶▶▶
Wrecks			▶▶▶	▶▶▶	▶▶		▶▶▶		▶▶▶▶
Parts		▶▶▶	▶▶▶	▶	▶	▶	▶▶▶		▶▶▶▶
Cut and Shut		▶▶▶	▶▶▶	▶▶		▶▶▶	▶▶▶		▶▶▶▶
Strip & Buy Back		▶▶▶	▶▶▶	▶		▶▶▶	▶▶▶	▶	▶▶▶▶
Model Upgrade						▶	▶▶▶	▶	▶▶▶▶

This matrix illustrates how the complete range of countermeasures being pursued by the NMVTRC work together to defeat the common means by which criminals convert stolen cars into cash. The criminals'

principal modus operandi are listed in the left column. Reading across the matrix, unless each of the countermeasures marked against a particular method are fully implemented, that method may still be exploited.

The countermeasures to defeat high volume thefts are less interrelated and centre on making older vehicles more secure by fitting engine immobilisers and diverting young high rate thieves from re-offending.

APPENDIX 3 – PUBLICATIONS

The following publications were produced by the Council in 2002/03.

Reports

- Principles for Compulsory Immobiliser Schemes
- Code of Practice for Dealing in Second Hand Auto Parts
- Analysis of the Impact of Insurance Practices on Motor Vehicle Theft and Vehicle Related Insurance Fraud
- Independent Review of the *National Motor Vehicle Theft Reduction Council*

Publications

- Theft Watch, quarterly statistical newsletter
- Theft Torque, quarterly issue-based newsletter
- Theft Torque, vehicle identification special editions
- Express, bi-monthly communications e-newsletter
- 2002/03 Strategic Plan
- 2002 Annual Report

- Code of Practice Project News

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 4 – NUMBER OF MEETINGS ATTENDED

NAME	NO. OF MEETINGS
Mr David Morgan (Independent Chairman)	4
Mr David Lang (Australian Automobile Association) Replaced by Mr Mark Borlace	1
Mr Mark Borlace (Australian Automobile Association)	3
Mr Robert McDonald (Insurance Council of Australia)	4
Mr Dick Adams (Australasian Police Ministers' Council)	4
Dr Dianne Heriot (Australian Government Agencies)	2
Ms Christine Freudenstein (as alternative for Dr Heriot)	2
Ms Sue Millbank (Crime Prevention Ministerial Forum) Replaced by Mr Bill McKendry	3
Mr Bill McKendry (Crime Prevention Ministerial Forum)	1
Mr Tony Selmes (Motor Trades Association of Australia)	4
Mr Rex Scholar (Federal Chamber of Automotive Industries)	4
Mr Ray Rawlings (Austroads)	4

