

ANNUAL REPORT 2000



National Motor Vehicle
Theft Reduction Council
driving down vehicle theft

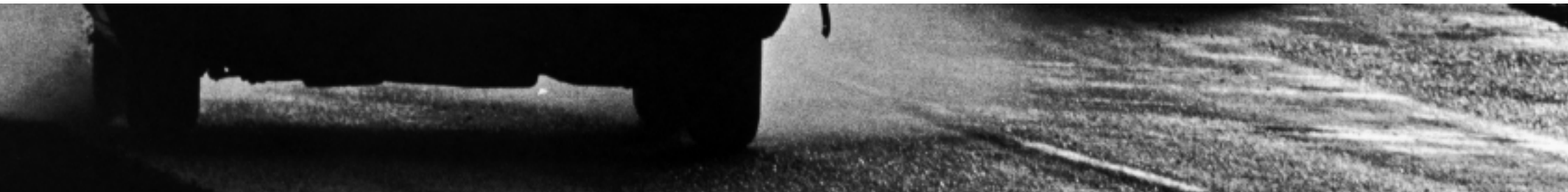
VISION

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.

The National Motor Vehicle Theft Reduction Council is an initiative of all Australian governments in partnership with the insurance industry.





31 October 2000

Crime Prevention Ministerial Forum

The Hon Tom A Barton MLA
The Hon Phil Goff
The Hon K Trevor Griffin LLM MLC
The Hon André Haermeyer MP
Mr Gary Humphries MLA

The Hon Peter Patmore MHA
The Hon Kevin Prince LLB MLA
The Hon Mike Reed MLA
Senator The Hon Amanda Vanstone
The Hon Paul Whelan LLB MP

Insurance Council of Australia President

Mr Frank O'Halloran

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 2000.

Yours sincerely

Dick Adams
Acting Chairman

COUNCIL MEMBERS



Ms Sue Millbank
National Anti-Crime
Strategy



Mr Dick Adams
Australasian Police
Ministers Council
(Acting Chairman)



Mr Leon Daphne
Past Chairman



Mr Robert McDonald
Australian Automobile
Association



Mr Ian Carnell
Commonwealth
Agencies



Mr Tony Selmes
Motor Trades
Association of
Australia



Mr Ray Rawlings
Austroads



Mr Alan Tattersall
Insurance Council of
Australia



Mr Peter Sturrock
Federal Chamber of
Automotive Industries



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CHAIRMAN'S REPORT

Many positive outcomes have been achieved by the Council and its stakeholders in the twelve months to 30 June 2000. However these pleasing results have to some extent been overshadowed by a 9% increase in vehicle theft across Australia resulting in 145,000 vehicles being stolen during the year.

Although unwanted, the increase was not totally unexpected and lends further weight to the argument that short-term programs and traditional justice agency responses alone cannot address this endemic problem. Such a large increase in a single year supports the Council's rationale that a strategic approach to major infrastructure reform remains the best option for delivering sustainable long-term reductions.

On the other hand, stakeholders who suffer the consequences of high theft rates will be looking critically at the Council's performance and asking why our activities have not yet impacted on the incidence of theft. As a new and unique response to a major crime issue in Australia, an understanding of the Council's role and its strategic approach to reducing vehicle theft is necessary to reconcile claims of progress in the face of escalating theft rates.

In reviewing the Council's progress it is evident that many of the proposed reforms require substantial resource commitments from stakeholders or significant behavioural changes from motorists and offenders. In recognition of this, the majority of strategies have implementation timeframes that span the Council's five year life. While we should all strive to make a positive impact on vehicle theft rates sooner rather than later, year to year theft rates will continue to vary due to many factors outside the control of the Council and its stakeholders until such time as the majority of the identified strategies are fully in place.

While we have been able to report on many positive activities by stakeholders this year, it would be misleading to suggest that all stakeholders have made vehicle theft prevention a high priority over the past 12 months. No-one disagrees with our aims but competing priorities within organisations will inevitably lead to some setbacks in our progress from time to time.

Reduction in vehicle theft is clearly our ultimate goal, however in my view the most important short-term goal should be to generate commitment and action by stakeholders and this is principally where our efforts have been channelled this year.

I am particularly pleased with the role the Council has played in facilitating transport agencies and more than seventy industry groups to reach national consensus on the management of written-off vehicle identifiers. This work has cleared the way for approval of a national policy by Transport Ministers and implementation at the state and territory level of this important deterrent to professional vehicle theft. The development and launch of the pilot for the immobiliser-based public education strategy has also been a highlight of the year that will have a significant impact on motorists' perceptions of vehicle theft and security when rolled out nationally in 2001.

One of the frustrations of the year has been our inability to supply stakeholders with the level of theft analysis that we had planned. Although we secured early agreement at a senior level with organisations to supply data, technical issues and competing priorities within some key data providers have prevented the National Comprehensive Auto-theft Research System from operating at its optimal capacity. We rate analysis of vehicle theft trends as a very high priority in our strategy and will continue to work with data providers to secure outstanding data.

The end of our first full year also gives us cause to review the strengths and weaknesses of our operations. The Council's project activities, research and communications program have all made very positive contributions towards achieving our aims. Key stakeholder groups were asked to rate the Council's performance over a comprehensive range of performance indicators and I am pleased to report that stakeholders rate us well in excess of our 80% targets for good to excellent performance.

One area that I do feel needs to be strengthened is the Council's public advocacy for vehicle theft reduction. This may well involve stronger lobbying for vehicle theft reforms across government and industry where progress or commitment appears to be wavering.

Finally, I am presenting this report as the Acting Chairman following the resignation of Mr Leon Daphne. Leon has played a leading role in developing vehicle theft strategy over the last four years, not only as the inaugural chair of the Council, but also as the Chairman of its predecessor the National Motor Vehicle Theft Task Force. While Leon decided to concentrate his energy in other directions he will undoubtedly remain a firm



Acting Chairman
Dick Adams

supporter of the Council's work. Similarly, the Insurance Council of Australia's inaugural representative and the Council's Deputy Chair, Mr David Hurford resigned during the year. The Council and its stakeholders would like to sincerely thank Leon and David for their leadership of the Council and commitment to vehicle theft reduction.

On behalf of the Council I would also like to thank all of those people in the government agencies and industries across all jurisdictions who have contributed their time and energy to working with the Council. I also thank my fellow Councillors, the Executive Director and his staff for their contribution, dedication and effort over the past year.



EXECUTIVE DIRECTOR'S REPORT



Executive Director
Ray Carroll

There are many parallels to be drawn between vehicle theft prevention in the year 2000 and the road safety issues of the 1970's. Twenty-five years ago as the road toll spiralled out of control there was a realisation that road safety could only be addressed through a range of measures that required many stakeholders to play their part. Vehicles needed to have greater occupant protection, roads needed improved design, police services needed focused enforcement strategies, and perhaps most importantly, a whole generation of motorists needed to change their attitudes and behaviours.

Twenty-five years later the community is reaping the benefits of that realisation through the prevention of death and injury and in saving billions of dollars in costs. While not on the same scale, this holistic approach is now being applied to vehicle theft prevention.

The first full year of its work program has confirmed the Council's initial assessment of the challenges involved in introducing wide ranging reforms to a broad group of diverse stakeholders.

To help meet these challenges we have implemented a comprehensive communications program to keep stakeholders involved in the reform process. The program included a series of strategic planning workshops held in each state and territory. The workshops were designed to provide representatives of our key stakeholders an opportunity to review our work program and to contribute to our strategic planning process and setting of priorities.

Stakeholders identified key national priorities as:

- facilitating the completion of the national "grid" of vehicle information exchange between police services and registration authorities;
- encouraging the owners of pre-1992 vehicles to fit an engine immobiliser to their vehicle; and
- identifying the most effective strategies for diverting young people from becoming involved in motor vehicle theft.

Transport agencies are progressively commissioning elements of the National Exchange of Vehicle and Driver Information System (NEVDIS) which has included the Council playing a key role in the development of national "best practice" principles for recording and managing written-off vehicle identifiers. At the same time, police

services have implemented the National Vehicles of Interest system which enables fast access to stolen vehicle reports nationally.

While transport agencies in particular are to be congratulated for their work on the national information grid, theft prevention outcomes will only be fully realised when all states and territories are connected. It is therefore disappointing that South Australia and Tasmania have again extended their timelines for connection to NEVDIS to late 2001. Both jurisdictions are however working with the Council to minimise their exposure to professional vehicle theft activities during the intervening period.

There have been some very positive results in the area of new vehicle security. Ninety-five per cent of new passenger vehicles sold on the Australian market now come with engine immobilisers as standard equipment. This pleasing result is largely due to an undertaking by the Federal Chamber of Automotive Industries that vehicle manufacturers and importers would strive to meet the coming ADR requirement prior to its original January 2001 introduction date.

Of the remaining unsecured new passenger vehicles, many fall within the entry level price range and are distributed by a small number of importers. The Council does not accept manufacturers' assertions that price sensitivities at this entry level preclude the additional cost of voluntarily supplying adequate security. These vehicles are the high risk vehicles of tomorrow and the Council will continue to actively lobby for the requirements of the proposed ADR to be met as soon as possible. Interestingly, our research indicates that besides themselves, consumers believe vehicle manufacturers are the group best placed to reduce vehicle theft.

Other initiatives to improve the identification of vehicles have not advanced as quickly as planned and the Council is looking forward to greater participation by the vehicle industry to address this during the coming year.

While new car security offers protection for the future three out of every four stolen cars are taken for opportunistic purposes and are more than ten years old. The more than six million unsecured pre-1992 vehicles in the existing fleet present significant challenges to reducing vehicle theft in the short-term.

Western Australia has made significant progress towards securing a large proportion of its older fleet. More than 250,000 vehicles have been fitted with after-market immobilisers under the State's scheme. Although supported by a modest government subsidy the scheme has effectively created new levels of competition in WA with

immobilisers being installed at less than a third of the retail price of similar products on the east coast. Although the vehicle security industry in WA has expressed concern that current prices cannot sustain quality installations, government audits have revealed very few instances of significant breaches of installation standards. The move by WA to require Australian Standards approved products from 1 January 2001 will help ensure that installation standards are maintained.

It is also well worth noting that although coming off the highest vehicle theft rate in the country, WA is the only state to have defied national trends with two successive years of declining theft rates. We also saw the strongest support for the compulsory fitting of immobilisers in our national consumer survey coming from WA.

There can be little doubt that immobilising the existing fleet is the most effective means of reducing opportunistic theft. However the introduction of compulsory immobiliser schemes into other states or territories would necessarily be subjected to political considerations as well as seriously testing the capability of industry to provide quality services in such a rapidly expanded market. The Council has therefore focused the development of its public education strategy on a voluntary immobiliser program: Immobilise Now! The program aims to reduce the incidence of older vehicles being stolen by juvenile thieves and has been guided by the findings of the Council's motorist surveys.

Immobilise Now! has been launched in Victoria and Tasmania as a three month pilot. Early evaluation indicates the program has been very well received by the motoring public and the vehicle security industry. As has occurred in WA, a notable effect of the program has been to create a new level of competition in the industry that effectively halves the cost of fitting an after-market engine immobiliser in the participating states.

The most frequently asked question about the program is whether insurance companies will provide a discount on the vehicle policy if an immobiliser is fitted. It would appear that no matter how successful in delivering their message, voluntary programs need to be associated with tangible incentives if they are to attract the maximum number of vehicle owners. The Council believes that insurers can play a greater role in this area and will be looking to insurance companies in the coming period to develop innovative ways of providing incentives for customers to secure their vehicles.

Provided these early outcomes are supported by the full evaluation, Immobilise Now! will be progressively extended to other states and territories from early 2001.

Rather than look solely to technology to provide the answers, many of the Council's stakeholders rate the diversion of young offenders from vehicle crime as a high priority. During the year the Council reviewed its policy on youth programs in light of the Commonwealth's decision to focus its crime prevention work on early childhood intervention. The Council's expanded role is to identify effective youth programs and promote their application to mainstream juvenile justice agencies and industry. We anticipate our current work with the providers of youth programs will develop even further in 2001.

While opportunistic theft makes up the largest number of thefts, insurers continue to express concern over the escalating costs of total loss claims. Total loss claims result from incidents where stolen vehicles are destroyed or never recovered and include vehicles that are stolen by professional thieves. Insurance claim profiles are supported by motor industry sources who confirm that organised professional theft is continuing unchecked in the larger eastern states and often involves cross border traffic in stolen vehicles and vehicle identifiers.

The absence of national intelligence analysis of professional theft activity remains a concern to the Council and an aim for this year is to generate greater police attention on professional vehicle theft as a national issue.

Looking ahead, our revised strategic plan for 2000/2001 remains focused on implementation of the National Motor Vehicle Theft Task Force plan and the key priorities of our stakeholders. We are committed to effective consultation and co-operation with all stakeholders who can play a part in reducing the economic and social impacts of motor vehicle theft in Australia. We have been able to draw a great deal of encouragement from the support and input provided by many of our stakeholders and remain confident the coming year will move us even closer to our ultimate goal of driving down vehicle theft in Australia.



VEHICLE THEFT IN AUSTRALIA

Overview

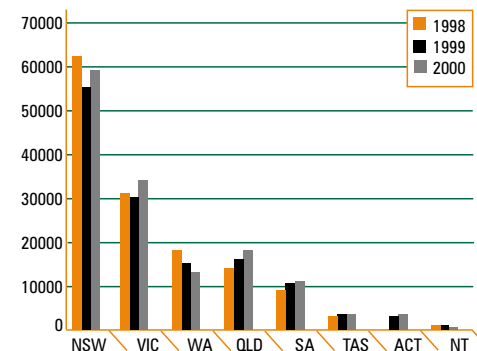
Detailed monitoring of changing motor vehicle theft trends is crucial to an effective national strategy for reducing motor vehicle theft. The National Comprehensive Auto-theft Research System (NCARS) integrates more than one hundred and fifty pieces of non-personal data on reported vehicle theft incidents from vehicle insurers, police and registration authorities. While NCARS did not operate at its optimal capacity in 1999/2000, the system will ultimately deliver the Council and its stakeholders the most statistically powerful analyses of motor vehicle theft in Australia.

Motor vehicle theft remains a significant and costly problem in Australia with total thefts increasing by 9%. More than 145,000 vehicles were stolen nationally which equates to a rate of one theft for every 130 citizens, compared to one theft for every 140 citizens in 1998/1999.

On a state and territory basis, increases were recorded in the Australian Capital Territory (up 24%), Victoria (up 16%), South Australia (up 15%), Queensland (up 9%) and New South Wales (up 9%). Reductions were recorded in Western Australia (down 8%), the Northern Territory (down 6%) and Tasmania (down 2%). (Fig 1)

Compared to other western industrialised countries Australia continues to have an unacceptably high rate of motor vehicle theft. We have retained our number two ranking behind the United Kingdom and experience rates that are substantially higher than Canada, France, Italy and the United States. (see Key Performance Indicators).

Fig 1 Number of vehicle thefts 1998-2000



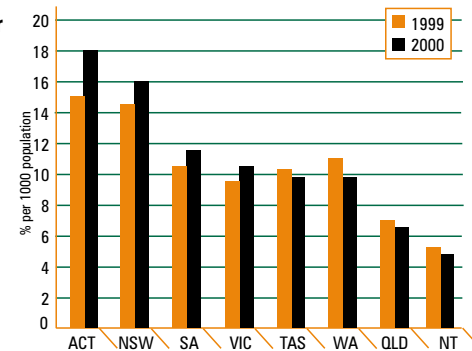
The Australian Capital Territory recorded the highest victimisation rate per head of population (11 thefts per 1000 population) and also the highest theft rate per 1000 registrations (18). The Northern Territory experienced the lowest rate of motor vehicle theft per 1000 population (5) while Queensland recorded the lowest rate per 1000 registered vehicles (6). (Fig 2)

Fig 2 Vehicle theft per 1000 population



The common alternative measure of theft is vehicles stolen per number of registrations. In the twelve months to 30 June 2000, the national average was 1 theft for every 85 registered vehicles. (Fig 3)

Fig 3 Vehicle theft per 1000 registrations



Vehicle Theft Characteristics

Cars parked on the street continue to be the most frequent target for vehicle thieves (39%). A further 19% of vehicles were stolen from residential garages and driveways although this figure fluctuates considerably depending on the jurisdiction; ranging from 50% in Western Australia to 11% in New South Wales. Theft from shopping centre car parks accounted for 13% of vehicles stolen.

Vehicles manufactured in the 1970's and 1980's account for around 80% of vehicles stolen. Thieves focus on these vehicles because they generally lack effective security devices and are easy targets. The Council estimates there are in excess of 6 million vehicles in Australia that lack any form of effective security. Because of this, vehicles manufactured before 1990 are between 4 and 7 times more at risk.

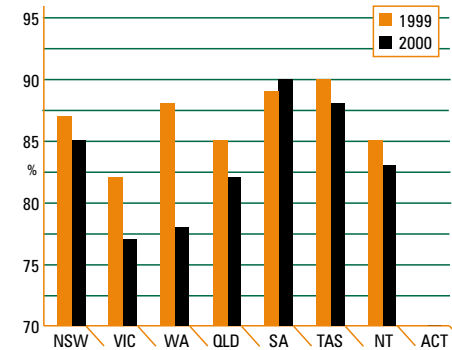
The commonly accepted measure of separating opportunistic and professional theft is to analyse vehicle theft recovery figures. Australia's national recovery rate was 83% in 1999/2000 which translates to approximately 25,000 vehicles not recovered. Another 10% of recovered vehicles will be in a substantially stripped condition indicating that they were stolen for the trade in illicit parts. While some older vehicles are disposed of in inaccessible locations, unrecovered and stripped vehicles are generally attributable to professional theft (ie. rebirthing, parts reselling, fraud, exportation) and are estimated to account for 20% of all thefts. The remaining 80% are attributed to opportunistic theft (typically young males stealing vehicles for joyriding, transport or to commit another crime).

However, based on the payment of insurance claims, Australia's major insurers estimate that approximately 55% of the total cost of car theft is attributable to professional theft, 23% to petty theft and 22% to joyriding/ vandalism.

The relative changes in recorded thefts and recoveries indicate that in most jurisdictions where thefts increased recovery rates reduced, suggesting a disproportionate increase in professional theft. In Western Australia, where there was an 8% reduction in thefts, the reduced recovery rates would indicate that all of the reduction was in respect of opportunistic theft. (Fig 4)

Fig 4 Recorded recovery rates of stolen vehicles 1999-2000

* Please note that the recovered vehicle data is not available for ACT at this time.



The cost of motor vehicle theft

Analysis of a large sample of insurance claims finalised during 1999/2000 indicates that each claim cost insurers an average of \$6,000 in outgoings and \$330 in policy excess for each policy holder. Assuming these costs are similar for uninsured motorists, nationally vehicle theft cost the Australian community \$920 million in direct costs.

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.

IMPROVING NATIONAL INFORMATION EXCHANGE

Management of Written-Off Vehicles

Bogus vehicle identifiers provide a primary method of 're-birthing' stolen vehicles. In order to legitimise and on-sell a stolen vehicle, professional motor vehicle thieves require a legitimate Vehicle Identification Number (VIN) to apply to a stolen vehicle of the same age, make, and model. Written-off vehicles have traditionally provided the greatest source of these 'legitimate' identifiers.

A Written-Off Vehicle Register (WOVR) that records that a particular vehicle, identified by its VIN, has been classified as a write-off can be an effective means of reducing re-birthing practices. Whilst New South Wales and South Australia, and at a less effective level Victoria, have arrangements in place to record written-off vehicles, the NSW model is regarded by most observers as representing the 'gold standard'. (In its final report the Council's predecessor, the National Motor Vehicle Theft Task Force, recommended that the NSW legislation form the basis of a national WOVR).

To facilitate the development of nationally consistent arrangements for the management of written-off vehicles, the Council commissioned an evaluation to determine the impact that the NSW WOVR has had on motor vehicle theft rates in NSW and neighbouring jurisdictions.

The report "Evaluation of the Impacts of the NSW Written-Off Vehicle Register on Professional Motor Vehicle Theft" (November 1999) concluded that the register has contributed to a reduction in the level of professional motor vehicle theft in NSW, but has had little or no impact on the stolen vehicle trade in neighbouring jurisdictions.

The report further indicated that a number of vehicles recorded on the NSW system as statutory write-offs appear to have been re-registered in other jurisdictions, underlining the need for action nationally if a sustainable reduction in professional theft activity is to be achieved.

Development of State and Territory Written-Off Vehicle Registers

If nationally consistent arrangements for managing written-off vehicles are to become a reality, one of the issues that must be addressed is the status afforded to the identifiers of these vehicles. Without a nationally consistent policy there is potential for vehicles to be treated differently in each jurisdiction providing loopholes for professional thieves to continue to exploit.

Since November 1999, the Council has been working with Austroads (the national association of road transport and traffic authorities) and local state and territory working groups to develop nationally consistent arrangements for the management of written-off vehicles. A report on this process, "State and Territory Written-Off Vehicle Registers: Development Status and National Best Practice Principles", was published in August 2000.

The report draws together the output of the local working groups, identifies potential inconsistencies and recommends a best practice framework for effective WOVR. The report has been referred to Austroads for its consideration. Austroads will be responsible for making final recommendations on a national policy to Australia's transport ministers, meeting as the Australian Transport Council, in late 2000.

National Exchange of Vehicle and Driver Information System (NEVDIS)

The sharing of accurate and timely information between authorities increases the likelihood that people dealing in stolen vehicles will be detected. NEVDIS is designed to provide a vital link in the national vehicle information grid by linking state and territory registration data bases to facilitate customer service, enforce road laws and reduce vehicle theft.

In 1999/2000 the connection of Western Australia (with 10% of the national fleet) brought the percentage of vehicle records capable of being exchanged between the participating jurisdictions (NSW, VIC and WA) to more than 65% of the national vehicle fleet. However, progress in the remaining jurisdictions has been much slower than desirable with most pushing back expected connection dates by a further 6 months or more. The last jurisdictions are now not expected on line until late 2001. NEVDIS is the critical component of the national information grid. Until all jurisdictions are connected, professional thieves will continue to exploit the gaps.

The following table shows the anticipated connection dates for the registration component of NEVDIS, in the remaining jurisdictions.

Remaining State and Territory NEVDIS Registration Module Connection Dates.

Jurisdiction	% of National Fleet	Target Dates at Nov 1999	Revised Dates
NT	1%	June 2000	November 2000
QLD	17%	June 2000	April 2001
ACT	2%	July 2001	July 2001
TAS	3%	March 2001	December 2001
SA	10%	July 2000	December 2001

National Vehicles of Interest (NVOI)

To effectively combat motor vehicle theft, police need fast access to stolen vehicle information. CrimTrac operated by the Commonwealth Attorney General's Department provides police officers across Australia with on-line access to operational information across a range of policing activities.

The most important component of CrimTrac, from a vehicle theft perspective, the National Vehicle of Interest index (NVOI) was successfully rolled out in October 1999. The NVOI system provides police services across Australia with up-to-the-minute information on stolen vehicle status and provides NEVDIS with updated vehicle theft reports.

Improving Access to Vehicle Status Information

Providing consumers with access to information about a vehicle's registration history is a potentially powerful tool to reduce the risk of them unwittingly buying a re-identified stolen vehicle. This is a particularly critical issue for motor traders who are required to guarantee title to any vehicle they sell. Professional thieves rely on being able to disguise a stolen vehicle's identity by altering or swapping its key identifiers, such as the Vehicle Identification Number (VIN). This is most commonly done by applying the VIN of a written-off vehicle to the stolen vehicle. This process would be made much more difficult if potential purchasers were able to easily verify the status of a vehicle's key identifiers.

In April 2000, the Council commissioned a study to identify the feasibility of improving consumer access to a range of vehicle status information, including whether the vehicle's description is consistent with that recorded on the registration data base and whether it has been recorded as written-off or stolen. A similar service (referred to as

the Register of Encumbered Vehicles System (REVS) in most jurisdictions) has provided information on recorded financial interests in vehicles since the late 1980's.

The study found overwhelming stakeholder support for improving access to vehicle status information. The report recommended that:

- NEVDIS is the best system to exchange registration, stolen and written-off status information nationally; and
- the REVS network is the logical 'shop front' for public access to the information via an interface to NEVDIS.

The report estimates the cost of infrastructure changes required to implement the service at \$2.53 million. Annual operating costs based on 2.6 million inquiries are estimated at \$525,000. The service could potentially be self-funding through user charges.

The Council will use the report to promote the establishment of appropriate arrangements nationally between the respective offices of fair trading and registration authorities. The Council would like to acknowledge the Motor Trades Association of Australia's (MTAA) financial contribution to the project.

Secure Vehicle Identification Labels

In 1999, the Australian Transport Safety Bureau altered Australian vehicle manufacturing requirements to clear the way for counterfeit-protected adhesive identification labels. These can be used as a secure alternative to aluminium identification plates that can be easily substituted, altered or copied.

In 1999/2000 the Council held discussions with potential label manufacturers to determine whether they could supply labels capable of delivering high security at a reasonable price. One of the key practical requirements is that a genuine label must be capable of being easily distinguished from a facsimile by a simple, non-scientific means. Other challenges include the complexities associated with integrating any labelling system with vehicle manufacturing processes—especially in relation to imported vehicles whose Australian compliance plate is affixed in the country of origin.

To progress the issue the Council and the Federal Chamber of Automotive Industries have established a joint working group to work through the options in detail. It is expected the working group will report on the feasibility of implementing new labelling technology in early 2001.

REDUCING PROFESSIONAL THEFT

Tactical and Strategic Assessments of Organised Crime

In 1999/2000 the Council conducted a preliminary assessment of the feasibility of the Australian Bureau of Criminal Intelligence (ABCI) re-establishing a motor vehicle theft desk. At the present time professional motor vehicle theft does not fit within the ABCI's priorities and no formal arrangements exist for the state and territory police services to exchange routine intelligence on vehicle theft investigation.

Based on the estimated costs of the service, which the ABCI indicated could only be provided on the basis of full external funding, the Council determined that it was not feasible to fund the service at this time.

To better understand the present performance of theft investigation in Australia, the Council intends to commission a new study in 2001 to identify the strengths and weaknesses of existing investigation practices. This proposed study may better identify the need for centralised intelligence information.

Enhancing Investigation Skills

Enhancing police and insurance investigation of motor vehicle theft is critical to a comprehensive strategy to combat professional vehicle theft.

The Council's predecessor, the National Motor Vehicle Theft Task Force, recommended that a national vehicle theft investigation course for police and insurance investigators be developed and funded by the Council to:

- help perpetuate the transfer of expertise and informal intelligence exchange; and
- skill in-house insurance investigators in the detection of fraudulent motor vehicle related claims.

In May 2000, the Council hosted a workshop of police services and the insurance industry seeking their views on options for the development and delivery of the course. The Council will utilise the workshop outputs to guide its discussions with potential service providers for curriculum development and delivery of a nationally accredited course in 2001.

Report on the Nature and Extent of Illicit Parts Use in Australia

Beyond anecdotal information from police and industry sources, very little is known about the illicit parts trade in Australia and the condition of recovered stolen vehicles. The trade in stolen parts is a major motivation for vehicle theft and has serious economic consequences for the legitimate motor trades. It is argued that the introduction of a component identification system in Australia would deter the trade in stolen parts and therefore reduce motor vehicle theft.

To better understand the dynamics and quantify the extent of the illicit parts trade in Australia, the Council engaged the Australian Institute of Criminology to report on the logistics of distributing and disposing of stolen parts, the profiles of participants in the trade, the characteristics of targeted vehicles and practices and infrastructure deficiencies that support the trade. The report is due in late 2000. The Council acknowledges the MTAA's financial contribution to this project. The report will be a significant input to the Council's consideration of what level of investment in component identification technologies can be justified.



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.

Development of Public Education Campaign Strategy

The development of an effective public education strategy was a key objective for the Council in 1999/2000. The focus of the strategy is to increase the level of awareness of vehicle theft issues in the community and increase the percentage of older vehicles protected by an engine immobiliser.

Pilot of the CAR-SAFE Immobilise Now! Program

The voluntary introduction of engine immobilisers as standard equipment on locally produced vehicles has led to a marked decrease in the level of theft that would have traditionally been expected of these vehicles. From July 2001, Australian Design Rules will require immobilisers to be fitted as standard equipment on all new passenger vehicles sold in Australia.

In order to deliver sustainable reductions in vehicle theft in the short to medium term effective strategies need to be developed to make older high-risk vehicles more secure.

Under its CAR-SAFE branding, the Council established a pilot voluntary immobiliser installation program in conjunction with immobiliser suppliers and members of the peak motor trades bodies in Victorian and Tasmania. The program is aimed at raising public awareness of the effectiveness of engine immobilisers and increasing the number of after-market immobilisers fitted to the existing vehicle fleet.

A review of the first two months of the program has shown positive results with 200 installers across Victoria and Tasmania, and more than 6,000 vehicle installations. The overwhelming view of installers involved in the program has been that it has exceeded their expectations, whilst the vast majority of customers (95%) rated the installer's service as very good or excellent. Satisfaction with suppliers was very high, being rated as very good or excellent by 90% of installers.

The advertising in press and radio, plus the television publicity and community service announcements have all contributed to building public awareness and demand. Feedback from installers and customers ranked motoring club journals, radio, press and television as the major sources of customer referrals.

Strategic Partnerships

The Council has developed a number of strategic partnerships to support the development of theft reduction initiatives at the local level. These have included:

- the Help Eliminate Auto Theft (HEAT) campaign implemented by the Queensland Project HEAT Committee;
- the Car Crime Campaign implemented by the South Australian Vehicle Theft Reduction Committee;
- the Western Australia Motor Vehicle Theft Steering Committee;
- the New South Wales Car Theft Action Group; and
- the Tasmanian Community Safety and Crime Prevention Council with the Immobilise Now! Pilot.

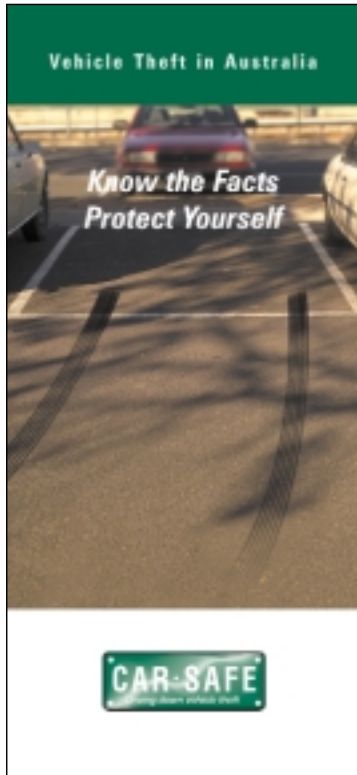
PREVENTING YOUTH INVOLVEMENT IN VEHICLE THEFT

Review of Policy Direction

In November 1999 the Council determined that its role in juvenile theft prevention needed to be expanded to allow opportunities for alliances with youth programs, particularly those with a national focus, that had potential to lead to a reduction in youth related vehicle crime.

In 1999/2000 the Council contributed financially to the development of a strategic plan to examine options for expanding the Hand Brake Turn youth program nationally. The Council will particularly canvas opportunities to facilitate the development of strategic government, industry and welfare sector partnerships in vehicle theft related juvenile crime prevention programs.

COOPERATION AND 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.

Development of Effective Communication Strategy

The development of an effective communication strategy which aimed to create and maintain strong relationships with key stakeholders was a priority for the 1999/2000 year.

The strategy, which includes provision to integrate Council activities with existing state and territory programs, encompasses:

- a quarterly newsletter, Theft Torque, to keep stakeholders informed of Council activities, vehicle theft trends, and related activities of other organisations;
- information bulletins on the status of individual projects and the wide distribution of reports on NMVTRC-funded research;
- consumer research on community attitudes to vehicle security;
- a web site, including an interactive page that provides vehicle owners with a “risk assessment” for their vehicle based on its security features and where it is frequently parked (by integrating NCARS data);
- a range of strategic partnerships to promote after-market security devices, secure car parks and parking practices;
- media relations; and
- dissemination of 800,000 public education brochures.

Vehicle Owner Survey of Attitudes to Vehicle Security

In 1999/2000 the effective promotion of after-market security devices was the main focus of the Council’s community education program. To assist the effective targeting of promotional efforts, a national telephone survey was conducted in September 1999 to better understand community attitudes to vehicle security.

The key findings of the survey were that:

- vehicle theft is seen as a significant problem (75%);
- those who are unconcerned come from all segments of the community, but are most prominent in Tasmania and the Northern Territory;
- the most common reasons for being unconcerned are perceptions that “it won’t happen to me” and/or “thieves can defeat any security device”.

The survey confirmed that the community has a poor understanding of the dynamics of vehicle theft with most:

- overestimating the extent of professional theft (35 %) versus opportunistic (47 %);
- underestimating the exposure of older vehicles (recent/luxury vehicles 58%, older vehicles 30%); and
- underestimating the rate of theft from home garages and driveways.

The survey indicated strong support for the fitting of engine immobilisers, particularly in Western Australia where fitting upon change of ownership has been compulsory since 1999. Interestingly, respondents nominated themselves (38%) and vehicle manufacturers (30%) as the parties that could do most to prevent vehicle theft.

National Comprehensive Auto-Theft Research System (NCARS)

One of the Council’s key goals is to develop effective mechanisms to facilitate co-operation between industry, government and community groups to reduce motor vehicle theft. The ability to evaluate the effectiveness of theft reduction strategies, and monitor changes in theft trends, is critical to this process.

The National Comprehensive Auto-theft Research System (NCARS) integrates more than 150 pieces of non-personal data on reported vehicle theft incidents from vehicle insurers, police and registration authorities nationally.

1999/2000 saw the completion of the system’s operating and personnel requirements. However, competing demands on the information technology resources required to manage Year 2000 compliance, Goods and Services Tax issues and insurance company mergers has affected the speed with which many stakeholders have been able to provide data to the system. These delays have to date significantly limited the Council’s ability to analyse theft trends to the degree of sophistication expected by its stakeholders.

Data quality continues to be a significant issue, with the absence of basic vehicle descriptors or discrepancies between registration and police data in relation to the same vehicle being the most significant problems.

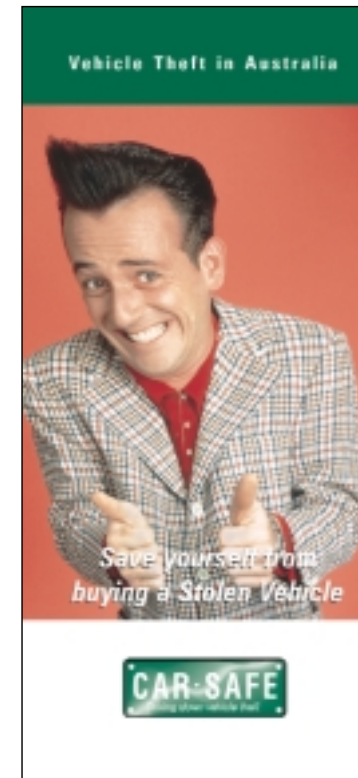
The system is now estimated to be operating at about 70 per cent of capacity. The key to securing further improvements will be:

- resolving data quality issues with data providers;
- sourcing improved vehicle designation data (ie model, security features, etc), possibly via the vehicle's VIN and commercial vehicle data systems; and
- securing the participation of those insurers that are yet to join the program.

Performance Indicators for NMVTRC Operations

One of the Council's key goals is to develop effective mechanisms to facilitate co-operation between industry, government and community groups to reduce motor vehicle theft. The ability to evaluate the effectiveness of theft reduction strategies, and monitor changes in theft trends, is critical to this process.

The Council places a heavy emphasis on measurable outcomes and the delivery of high quality monitoring and evaluation processes. The Council's Key Performance Indicator's (KPI's) are vital tools by which to measure vehicle theft trends, the outcomes and effectiveness of strategies, the processes undertaken by Council, and ultimately the Council's success in achieving its mission. The measures were developed in consultation with stakeholders over the course of 1999/2000.



PERFORMANCE INDICATORS

Comparisons with motor vehicle theft in comparable developed nations.

Baseline: 1997 AIC data.

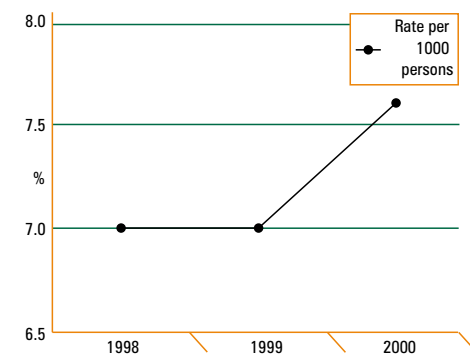
	1997	1998
1 United Kingdom	7.8	7.5
2 Australia	7.0	7.0
3 Canada	5.9	5.5
4 France	5.5	5.5
5 Italy	5.3	5.4
6 United States	5.0	4.7
7 Belgium	3.8	3.8
8 Germany	1.7	1.4
9 Japan	0.3	0.3

Country rankings based on number of vehicle thefts per 1000 persons.

Statistics for 1998 are the most current available on an international level. Due to time lags in compiling data at this level, a comparison between nations can only provide a broad indication of the vehicle theft paradigm internationally. In 1998, Australia maintained its number two ranking behind the United Kingdom.

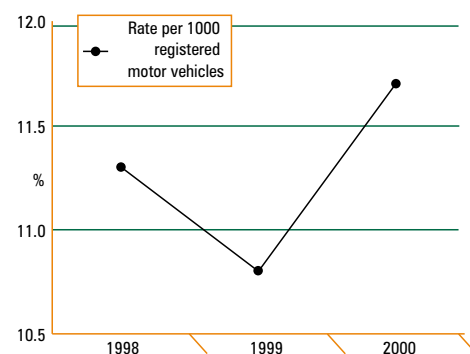
Reductions in the rate of vehicle theft per number of vehicles registered and per 1000 population for period ending 30 June.

Baseline: 1998 ABS data.



Rate of vehicle theft per 1000 persons 1998-2000

The rate of vehicle theft per 1000 population remained unchanged from 1998 to 1999 and increased in 2000 by 1%.

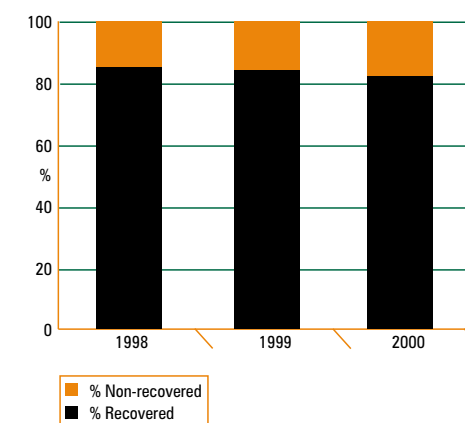


Vehicle theft per 1000 registered motor vehicles 1998-2000

The rate of theft per 1000 registered vehicles experienced a 1% increase in 2000.

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

Baseline: 1999 NCARS Data



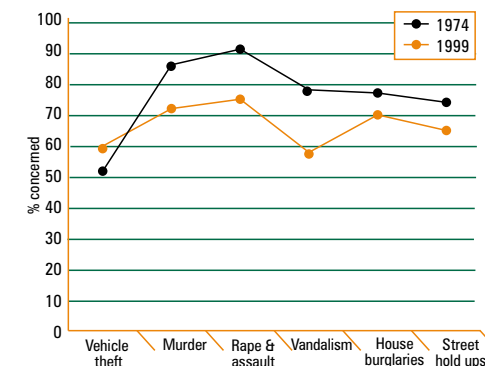
Recovered stolen vehicles 1998-2000

The commonly accepted measure of separating opportunistic and professional theft is to analyse vehicle theft recovery figures. A reduction in recovery rates indicates an increase in professional theft. Based on this assumption, professional theft appears to have increased slightly over the past twelve months with the national recovery rate decreasing from 85% in 1998 to 82% in 2000. Hence the non-recovery rates increased from 16% of all vehicle theft to 18%, indicating that approximately 25,000 vehicles will never be recovered.

A number of vehicles will be recovered in a substantially stripped condition (estimated to be up to 10% of recovered vehicles) indicating that they were stolen for the trade in illicit parts. However the precise number of vehicles recovered in a stripped condition every year is currently very difficult to substantiate due to the paucity of police and insurance data.

Community perceptions of vehicle theft relative to other crimes.

Baseline: 1999 Quadrant Survey.



Level of community concern with various crimes

Of the crimes included in the survey, only vehicle theft has recorded an increased level of concern since 1974.

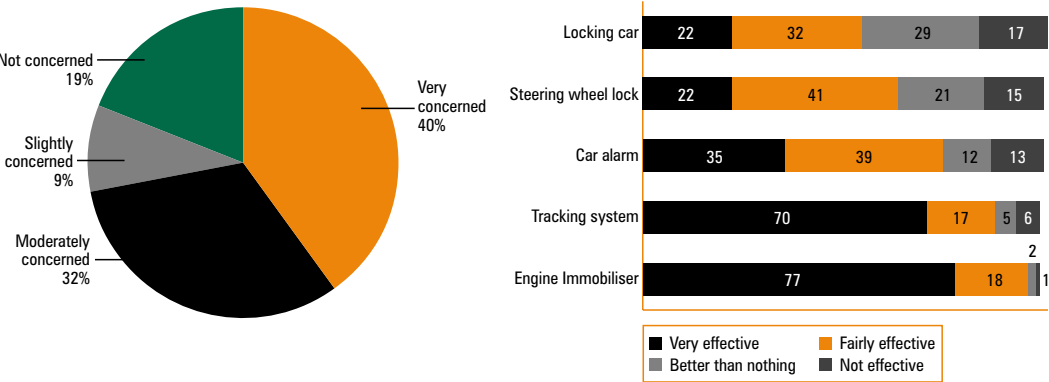
The cost of motor vehicle theft, including the costs borne by the insurance industry.

Baseline: 1999 data.

Analysis of insurance claims finalised during 1999/2000 indicates that each claim costs insurers an average of \$6,000 in outgoings and \$330 in policy excess for each policy holder. Assuming these costs are similar for uninsured victims, vehicle theft cost the Australian community \$920 million in direct costs. Whilst the average claim cost has remained relatively stable from 1998/99 the direct cost to the community has escalated due to the increased number of car thefts this financial year.

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

Baseline: Not applicable.



Community concern about vehicle theft

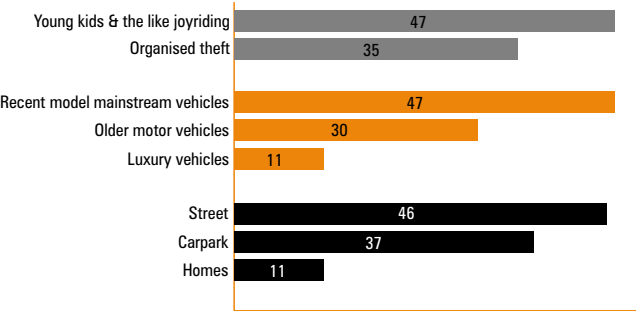
Concern about the seriousness of motor vehicle theft is widespread throughout the community with approximately eight in ten people (81%) expressing some level of concern about motor vehicle theft, and three-quarters (75%) agreeing that motor vehicle theft is a significant problem with major economic and social costs. The most prominent reason for being unconcerned about having a vehicle stolen is basically that “it can’t happen to me”. Those who are unconcerned come from all segments of the community, but are most prominent in Tasmania and the Northern Territory.

Motorists perceive vehicle tracking systems and immobilisers as by far the most effective devices available (70% and 77% respectively rate them as “very effective”).

Rated effectiveness of anti-theft measures

Prospective buyers of new vehicles rated an engine immobiliser as a more desirable feature than other optional extras such as CD stackers, electric windows etc.

The majority of people did not know how much an immobiliser costs. Nearly seven in ten (69%) of those who nominated a price they were willing to pay, nominated less than \$200.



Perceptions of motor vehicle theft occurrences (%)

The survey confirmed that the community has a poor understanding of the dynamics of vehicle theft. For example, respondents:

- overestimated the extent of professional theft (35%) versus opportunistic (47%);
- underestimated the exposure of older vehicles (recent/ luxury vehicles 58%, older vehicles 30%); and
- underestimated the rate of theft from home garages and driveways.

PERFORMANCE INDICATORS

Stakeholder responses to the reforms promoted by the Council in 1999/2000

Baseline: Not applicable.

VEHICLE DESIGN STANDARDS

An important Council objective is to improve the security of new vehicles via the introduction of effective engine immobilisers.

An ADR for the mandatory fitting of engine immobilisers on new vehicles becomes effective from July 2001. In the interim, the Council has encouraged vehicle manufacturers to voluntarily install engine immobilisers as standard equipment on all new vehicles sold in the Australian market.

As at November 2000, 163 of the 172 passenger models and 95% of models in sales have engine immobilisers as standard. The exceptions are:

- Daewoo (Lanos, Nubira, Leganza)
- Kia (Rio, Carens, Shuma)
- Honda (Integra – excluding Type R)
- Daihatsu (Coure)
- Citroen (Berlingo)

NATIONAL INFORMATION EXCHANGE

While transport agencies are to be congratulated for their work on the national information grid, theft prevention outcomes will only be fully realised when all states and territories are connected. It is therefore disappointing that South Australia and Tasmania have again substantially extended their timelines for connection to NEVDIS to late 2001.

NATIONAL COMPREHENSIVE AUTO-THEFT RESEARCH SYSTEM (NCARS)

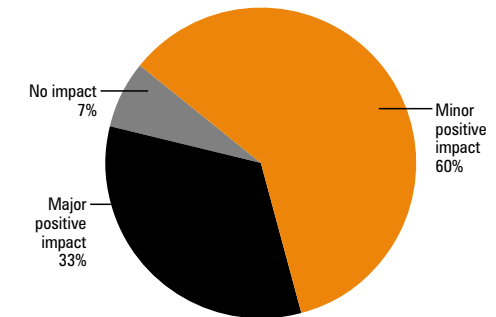
The ability to evaluate the effectiveness of theft reduction strategies and monitor theft trends is essential and facilitates co-operation to reduce vehicle theft. NCARS integrates more than 150 pieces of non-personal data on reported vehicle theft incidents from vehicle insurers, police and registration authorities.

The system is currently operating at about 70 per cent of capacity, with the key to securing further improvements requiring the sourcing of improved vehicle designation data and securing the participation of those insurers yet to provide data to the system. Current participation rates for each of the key data provider groups are as follows:

- Seventeen of the twenty-two invited insurance companies are contributing data to the system, AAMI, AANT, Allianz (formerly MMI), Fortis, GIO, Lumley Insurance, RAA of SA - GIO, RACQ - GIO RACT Insurance Pty Ltd, RAC WA, Suncorp Metway TGIO, TIO Insurance, Wesfarmers Insurance, Zurich
- all eight registration authorities participating; and
- three of the eight police services (SA, TAS, QLD) are providing comprehensive data direct to NCARS. The remaining jurisdictions are supplying less comprehensive data via NVOI.

Council's influence on the implementation of vehicle theft reforms (major positive impact, minor positive impact, no impact, negative impact).

Baseline: Rating by more than 80 per cent of stakeholders as a major positive impact.



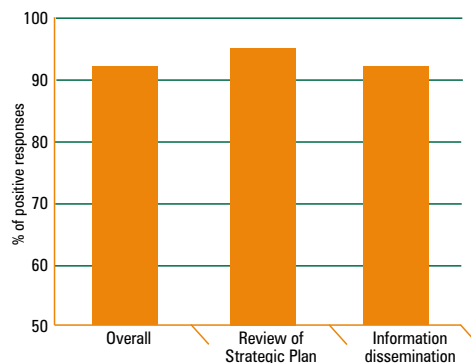
Stakeholder perceptions of the level of the NMVTRC influence on the implementation of reforms

Stakeholder feedback revealed a below target rating in respect of the Council's impact on the implementation of vehicle theft reforms. The majority of stakeholders (60%) believe the Council's work has had a minor positive impact, whilst approximately 30% believe it has had a major impact.

Typical comments were that major impacts cannot occur until reforms are implemented in all jurisdictions or state and territory progress on things such as information exchange has been too slow.

Stakeholders' perceptions of the Council's program coordination and consultation performance

Baseline: Rating of the Council's program coordination and consultation performance as good, very good or excellent by 80 per cent of respondents.



Percent of positive stakeholder ratings of NMVTRC program coordination and consultation

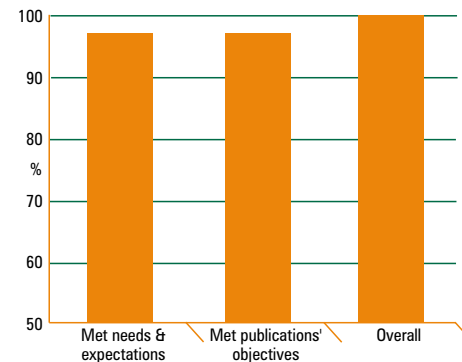
Over 90% of the Council's stakeholders rated the Council's program coordination and consultation in 1999/2000 as good, very good or excellent.

Stakeholder feedback:

- Overall consultation **92%**
 - 32% good • 43% very good • 16% excellent
- Consultation with stakeholders in the review of its strategic plan **95%**
 - 30% good • 51% very good • 13% excellent
- Dissemination of vehicle theft reduction information on the vehicle theft reform process **92%**
 - 17% good • 53% very good • 22% excellent

Quality of Council publications

Baseline: Rating of the Council's publications as good, very good or excellent by 80 per cent of respondents.



Positive rating of NMVTRC publications

Feedback from stakeholders on the quality of the Council's publications has been overwhelmingly positive. Over 90% provided a good, very good or excellent rating in regard to Council publications overall, in meeting their needs and expectations, and in meeting the publications' objectives.

Specifically the following ratings were achieved:

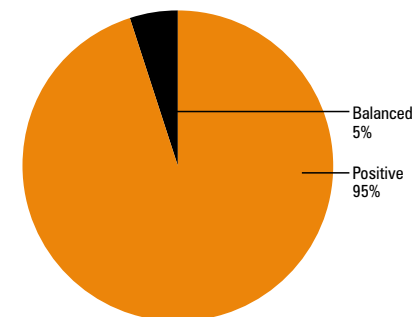
- Met needs and expectations:
 - 41% good • 46% very good • 11% excellent
- Met publications' objectives:
 - 38% good • 51% very good • 8% excellent
- Overall:
 - 35% good • 43% very good • 22% excellent

General observations included comments like 'clear concise content and professional publications', 'publications maintain an extremely high academic standard' and 'the development and research of topics is evident in formatting and presentation generally'.

Constructive suggestions for more extensive information dissemination were also offered.

Analysis of references to the Council in the Media

Baseline: 80 per cent of media coverage rated as positive.



Media coverage related to the NMVTRC

The references to the Council in the media were overwhelmingly positive, with ninety four articles referring to the Council's strategies in 1999/2000. There were only a couple of instances where the Council was quoted out of context.

The overwhelming majority of media references discussed the Council's strategies and vehicle theft trends and statistics. There was also a significant focus on the development of NCARS and written-off vehicle registers, vehicle identification issues, and the findings of the Council's survey of motorists attitudes towards vehicle security.

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2000

National Motor Vehicle Theft Reduction Council Inc.

An Association Incorporated under the Associations Incorporation Act 1981 (Vic)

TABLE OF CONTENTS

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Notes to Financial Statements	24
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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 the following pages:

1. Presents fairly the financial position of the **National Motor Vehicle Theft Reduction Council Inc.** as at Friday, 30 June 2000 and its performance for the financial year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the **National Motor Vehicle Theft Reduction Council Inc.** 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:



Raymond C Carroll

Dated this 25th day of August 2000

CERTIFICATE BY MEMBER OF THE COMMITTEE

I, Raymond C Carroll certify that:

- (a) I am a member of the committee of **National Motor Vehicle Theft Reduction Council Inc.**
- (b) I attended the annual general meeting of the association held on 25 August 2000.
- (c) I am 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.

Dated this 25th day of August 2000.



Raymond C Carroll
(Committee Member)

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2000

Income and Expenditure Statement for the year ended 30 June 2000

	Note	2000	1999
		\$	\$
Operating surplus before income tax	2, 3	318,024	943,103
Income tax attributable to operating surplus		-	-
Operating surplus after income tax		318,024	943,103
Accumulated surplus at the beginning of the financial year		<u>943,103</u>	-
Total available for distribution		<u>1,261,127</u>	<u>943,103</u>
Accumulated surplus at the end of the financial year		<u>1,261,127</u>	<u>943,103</u>

Balance Sheet as at 30 June 2000

	Note	2000	1999
		\$	\$
Current Assets			
Cash		1,254,796	922,486
Other	5	<u>4,389</u>	<u>3,894</u>
Total Current Assets		<u>1,259,185</u>	<u>926,380</u>
Non-Current Assets			
Fixed assets	4	<u>44,235</u>	<u>55,715</u>
Total Non-Current Assets		<u>44,235</u>	<u>55,715</u>
Total Assets		<u>1,303,420</u>	<u>982,095</u>
Current Liabilities			
Borrowings	6	5,345	4,497
Provisions	7	<u>11,724</u>	<u>3,925</u>
Total Current Liabilities		<u>17,069</u>	<u>8,422</u>
Non-Current Liabilities			
Borrowings	6	<u>25,224</u>	<u>30,570</u>
Total Non-Current Liabilities		<u>25,224</u>	<u>30,570</u>
Total Liabilities		<u>42,293</u>	<u>38,992</u>
Net Assets		<u>1,261,127</u>	<u>943,103</u>
Members' Funds			
Accumulated surplus		1,261,127	943,103
Total Members' Funds		<u>1,261,127</u>	<u>943,103</u>

	Note	2000	1999
		\$	\$
NOTE 2: OPERATING SURPLUS			
Operating surplus before abnormal items and income tax has been determined after:			
(a) Charging as expenses:			
Movements in provisions			
Depreciation of:			
- Motor vehicles		7,560	-
- Office Equipment		6,009	2,580
Other:			
- employee entitlements		<u>7,799</u>	<u>3,925</u>
Net expense resulting from movement in provisions		<u>21,368</u>	<u>6,505</u>
Remuneration of the auditors for:			
- audit services		1,600	-
(b) Crediting as income:			
Interest revenue		36,019	3,280
(c) Revenue			
Operating activities			
- interest		36,019	3,280
- other revenue		<u>1,744,075</u>	<u>1,074,519</u>
		<u>1,780,094</u>	<u>1,077,799</u>

	Note	2000	1999
		\$	\$
NOTE 3: REVENUE			
Operating activities			
- interest		36,019	3,280
- other revenue		<u>1,744,075</u>	<u>1,074,519</u>
		<u>1,780,094</u>	<u>1,077,799</u>
NOTE 4: FIXED ASSETS			
Plant and Equipment			
(a) Motor vehicles			
At cost		35,604	35,604
Less accumulated depreciation		<u>(9,563)</u>	<u>(2,003)</u>
		<u>26,041</u>	<u>33,601</u>
(b) Office equipment			
At cost		13,048	10,959
Less accumulated depreciation		<u>(3,778)</u>	<u>-</u>
		<u>9,270</u>	<u>10,959</u>
(c) Furniture, fixtures and fittings			
At cost		11,732	11,732
Less accumulated depreciation		<u>(2,808)</u>	<u>(577)</u>
		<u>8,924</u>	<u>11,155</u>
Total plant and equipment		<u>44,235</u>	<u>55,715</u>

	Note	2000	1999
		\$	\$
NOTE 5: OTHER ASSETS			
Current			
Prepayments		3,387	3,294
Other current assets		<u>1,002</u>	<u>600</u>
		<u>4,389</u>	<u>3,894</u>
NOTE 6: BORROWINGS			
Current			
Unsecured liabilities			
Hire purchase liability		<u>5,345</u>	<u>4,497</u>
		<u>5,345</u>	<u>4,497</u>
Non-Current			
Secured liabilities			
Hire purchase liability		<u>25,224</u>	<u>30,570</u>
		<u>25,224</u>	<u>30,570</u>
NOTE 7: PROVISIONS			
Current			
Employee entitlements		<u>11,724</u>	<u>3,925</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

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 has 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 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.

(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 outflows to be made for those entitlements.

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

(c) Revenue

Interest revenue is recognised as received.

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

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

Scope

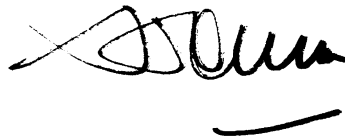
We have audited the financial report being the Income and Expenditure Statement, Balance Sheet, Statement of Cash Flows, Notes to and forming part of the Financial Statements and the Statement by Members of the Committee of National Motor Vehicle Theft Reduction Council Incorporated for the year ended 30 June 2000. The Committee is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the Members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and 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 Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the Council's financial position, the results of its operations and cash flows.

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

Audit Opinion

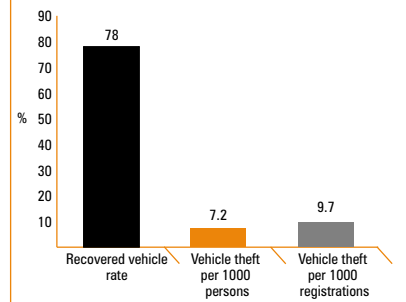
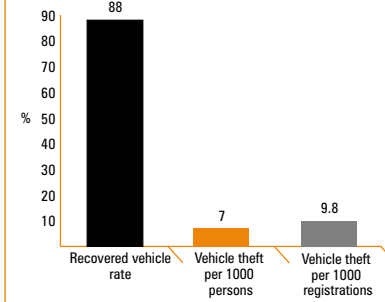
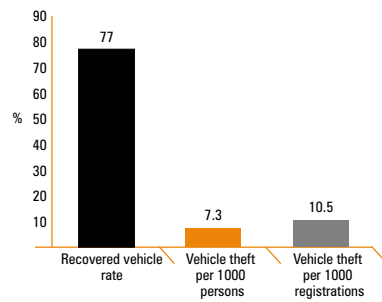
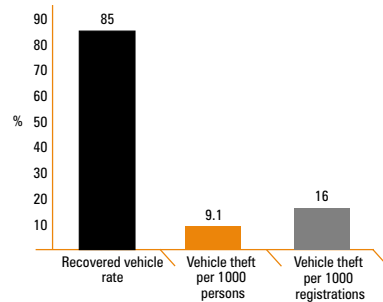
In our opinion, the financial report presents fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements the financial position of National Motor Vehicle Theft Reduction Council Incorporated as at 30 June 2000 and the results of its operations and cash flows for the period ended.



Rucker Mackenzie Pty
Geoffrey Bruce Johnson
P O Box 400, Mitcham, 3132
22 August 2000

APPENDIX: STATE AND TERRITORY OVERVIEW

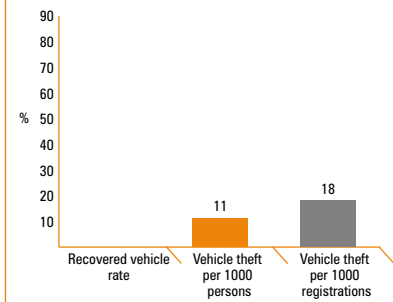
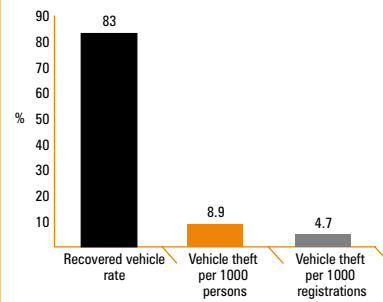
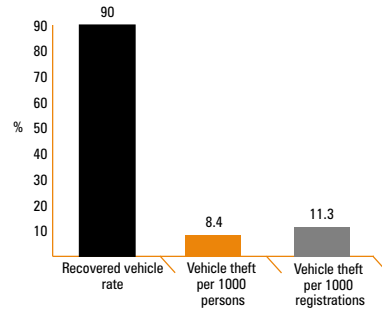
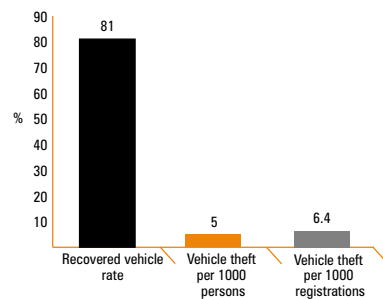
	NEW SOUTH WALES	VICTORIA	TASMANIA	WESTERN AUSTRALIA
No. of Vehicle Thefts	58,947	34,677	3,282	13,468
Vehicle Theft compared to 1999	+8%	+16%	-2%	-8%
Effective WOV	✓			
Connected to NEVDIS	✓	✓		✓
Immobiliser Program		✓*	✓*	✓
Local Theft Reduction Committee	✓			✓
Community Education Program		✓*	✓*	
Juvenile Intervention Program**	✓	✓		



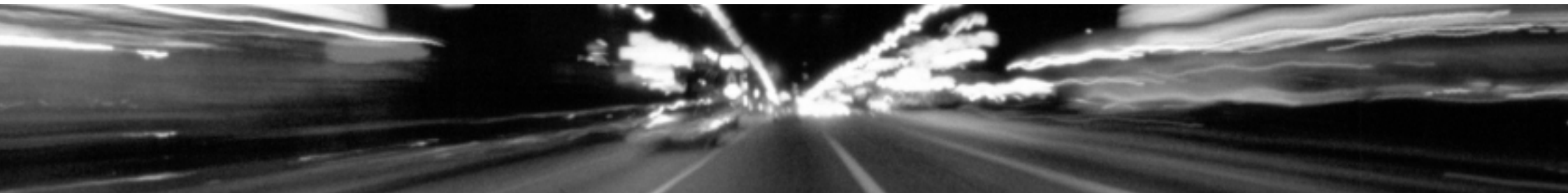
** Refers to programs specifically targeting vehicle thieves

* CAR SAFE Immobilise Now! Program

	QUEENSLAND	SOUTH AUSTRALIA	NORTHERN TERRITORY	ACT
No. of Vehicle Thefts	17,761	12,581	920	3,560
Vehicle Theft compared to 1999	+9%	+15%	-6%	+24%
Effective WOVr		✓		
Connected to NEVDIS				
Immobiliser Program				
Local Theft Reduction Committee	✓	✓	✓	✓
Community Education Program	✓	✓		
Juvenile Intervention Program		✓		



NB Please note that recovered vehicle data is not available for ACT at this time.



Designed by Royce Design.



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