



National Motor Vehicle
Theft Reduction Council
driving down vehicle theft



ANNUAL REPORT 2009



DELIVERING THEFT REDUCTIONS IN CHALLENGING TIMES



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Vision

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

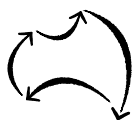
Mission

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

Operating philosophy

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

Letter of transmittal



National Motor Vehicle
Theft Reduction Council
driving down vehicle theft

31 October 2009

Ministerial Council for Police and Emergency Management – Police (MCPEMP)

The Hon. Bob Cameron MP
The Hon. Simon Corbell MLA
The Hon. Neil Roberts MP
The Hon. Jim Cox MHA
The Hon. Michael Daley MLC
The Hon. Paul Henderson MLA
The Hon. Rob Johnson JP MLA
The Hon. Brendan O'Connor MP
The Hon. Michael Wright MP

Insurance Council of Australia President

Mr Terry Towell

In accordance with the Rules of Association of the National Motor Vehicle Theft Reduction Council Inc,
I have pleasure in submitting the NMVTRC's Annual Report for the year ended 30 June 2009.

Yours sincerely,

David M Morgan
Chairman

NMVTRC members



David Morgan
Chairman



Mark Borlace
Australian Automobile
Association



Tim Cartwright*
Ministerial Council for
Police and Emergency
Management



Peter Fitzpatrick
Motor Trades' Association
of Australia



Dianne Heriot
Australian Government's
Attorney-General's
Department



James Hurnall
Federal Chamber of
Automotive Industries



Ann King
Austroads



Karl Sullivan*
Insurance Council
of Australia



Nola Watson*
Insurance Council
of Australia



Rob Whelan*
Insurance Council
of Australia

*New members appointed 1 September 2009.

Chairman's report



The 2008/09 year delivered Australia another significant reduction in stolen vehicle numbers with the 51,300 passenger and light commercial vehicle thefts recorded nationally representing a 10.5 per cent fall over the previous year. Pleasingly, the year also saw a drop in motorcycle theft of 4 per cent – the first reduction in this vehicle class for sometime.

As a result of the concerted effort of the National Motor Vehicle Theft Reduction Council's (NMVTRC) stakeholders theft rates have tumbled by 60 per cent since 2001. Pleasingly, this sees the nation move up one spot (from 5th to 4th), in the 'league table' of best performing comparable nations.

The reduction in theft numbers for the year has saved the community an estimated \$76 million¹.

Despite these good numbers, the volume of unrecovered vehicles remains a concern. While remaining stable at 24 per cent, the unrecovered rate is the surrogate indicator of organised criminal activity seeking to convert stolen vehicles into cash. As a group, missing vehicles now present a bigger proportion of total thefts with one in four stolen vehicles now unrecovered, compared to close to one in eight, seven years ago.

Importantly the NMVTRC's work program for 2009/10, released last month as part of the 2009 Strategic Plan, maintains a sharpened focus on combating the major structural weaknesses in industry and government practices that are manipulated by profit-motivated thieves.

This Annual Report marks a major milestone in vehicle theft reform in Australia with all Australian governments and the insurance industry agreeing to extend their collaboration via the NMVTRC until mid-2012. That support comes on the back of the third formal review of the NMVTRC's operations based on expert analysis of the organisation's performance in cost-benefit terms and stakeholder views in relation to its on-going relevance.

The major (and most contentious) issue of the year was undoubtedly the NMVTRC's review of the management of written-off vehicles (WOV). The NMVTRC's vision for an effective WOVS system is one that:

- to the extent possible, limits opportunities for criminal manipulation of repairable write-off (RWO) related industry and government policy and practices;
- assures the safety of any RWO that is granted re-registration; and
- minimises unintended or disproportionate consequences or impacts on legitimate business or consumer transactions.

The NMVTRC's *Preliminary Report on the Review of the Management of Written-off Vehicles* released in late 2008 drew a predictably diverse stakeholder response. It is therefore pleasing that by mid-2009 the NMVTRC was able to reach a level of consensus with the majority of affected parties on both the:

- need for meaningful reform – in the face of tangible evidence of criminal manipulation, unsafe repair practices and consumer fraud; and
- key areas of the current regime that require modification.

We look forward to the active commitment of all sectors to making the WOVS system more impervious to criminal practices and related consumer fraud in the near future.

The year also saw several key changes in the structure and membership of the Council. The Insurance Council of Australia's representation increases from one to three members – with senior insurance Executives Ms Nola Watson (Insurance Australia Group), Mr Rob Whelan (Suncorp Metway) and Mr Karl Sullivan (Insurance Council) coming on board. Foundation member and long term insurance representative Robert McDonald concluded his term. The NMVTRC is indebted to Robert for his expert input particularly in relation to the development, application and assessment of emerging vehicle security technologies.

Ken Lay, APM (MCPMP) also ended his two-year term, replaced by fellow senior Victorian police officer – Assistant Commissioner Tim Cartwright, APM.

My personal gratitude also goes to all concerned for ensuring a smooth transition.

Finally, I would like to again recognise the continuing enthusiasm and professionalism demonstrated by our Executive Director and his team in managing a diverse and challenging program of reform.



David M Morgan
Chairman

1. Based on an independent economic analysis conducted by MM Stars Pty Ltd for the NMVTRC (November 2008) which estimated victims' costs per incident to be \$11,500 for recovered vehicles and \$20,610 for vehicles not recovered depending on a range of personal and other factors.

A black and white photograph of a man and a woman riding a bicycle on a city street. The man is in the driver's seat, wearing a dark helmet and a striped shirt. The woman is seated behind him, also wearing a dark helmet and a light-colored, patterned dress. They are riding on a paved road with trees and buildings in the background. The text is overlaid on the image.

WISH YOU'D SECURED YOUR CAR

LAST YEAR OVER 51,000 CARS* WERE STOLEN IN AUSTRALIA

10% THEFT REDUCTION
FROM 2007/08 – THE
LARGEST REDUCTION
SINCE 2003/04

*Including light commercial vehicles.

Executive Director's report



As noted by the Chairman in his report, the last 12 months was another strong year for vehicle theft reform in Australia.

The NMVTRC's long term vision is for Australia to achieve the lowest rate of vehicle theft in the developed world and the significant gains made in the past eight years have positioned us well to achieve that goal. However, as with any large scale reform of a myriad of government, business and community practices, the task gets harder rather than easier to deliver continually better results.

Continuing the current trend therefore requires a new level of commitment from both the NMVTRC and its stakeholders particularly in relation to disrupting the separated parts and vehicle laundering markets.

The high levels of stakeholder satisfaction reported to our review consultants indicate that the NMVTRC continues to enjoy strong buy-in from the key organisations that we rely on to implement our reform program.

The NMVTRC has taken the renewed commitment of its stakeholders as an opportunity to fundamentally review the focus and method of its

operations while being careful not to discard those attributes which have secured such sustained stakeholder support. In recognition of the likely constraining effect that the prevailing economic conditions will have in their capacity to implement reforms it is the NMVTRC's intention to devote more resources to facilitating an operational, on-the-ground response to issues identified as 'highest priority'.

With this on-going commitment, the NMVTRC is well positioned to continue its leadership role in driving down vehicle theft in Australia.

In summary, while 2008/09 has been another strong year for vehicle theft reform in Australia the coming years will continue to pose significant challenges for the NMVTRC and its stakeholders to ensure recent gains are sustained and improved upon.

A handwritten signature in black ink, appearing to read 'Ray Carroll'.

Ray Carroll
Executive Director

Our people



Ray Carroll
Executive Director



Geoff Hughes
Director Strategy and Programming



Kate Roadley
Administration Officer

Christine Pejic
Project Officer

Motor vehicle theft in Australia 2008/09

The nation further improved on the reductions of the past eight years in 2008/09, delivering a record low of 62,370 vehicle thefts. Passenger and light commercial (PLC) thefts fell by 10.5 per cent for the period – the largest annual reduction since 2004 – to 51,350. The result is an overall decline of 60 per cent in PLC thefts since volumes peaked in 2001. Motorcycle thefts were also down by 4 per cent to 7,475. The theft of heavy vehicles, plant and equipment rose 2 per cent to 3,500 for the year.

As a result, theft rates per 1,000 population and 1,000 registrations continue to decline, now at 2.9 and 3.9 respectively. Seventy-one per cent of vehicles stolen were recovered by the end of June. However, based on long term trends relating to late recoveries, it is estimated that the final recovery rate will increase to 73 per cent. Recovery rates also vary significantly with vehicle age, which is explored in more detail in the 'Performance indicators' section of this Report.

Older PLCs continue to account for the overwhelming volume of thefts, with vehicles manufactured prior to 1999 representing 69 per cent of all thefts despite only making up 42 per cent of the national fleet.

The proportion of the vehicle fleet protected with an Australian Standards Equivalent (ASE)² immobiliser reached a record high of 63 per cent. Vehicles fitted with an ASE accounted for only one in three thefts for the year.

While the volume of unrecovered PLCs has remained stable over the last seven years, there have been major changes in the characteristics of the vehicles that appear to simply 'vanish.' As a group, missing vehicles now present a bigger proportion of total thefts. One in four vehicles stolen is now not recovered, compared to close to one in eight, seven years ago. Motorcycles now make up over a quarter of all non-recoveries and represent a greater proportion of stolen vehicles (one in eight).

One in every 274 registered PLCs were stolen in the period, compared with one in every 240 in 2007/08. Motorcycles were stolen at a rate of one in every 85 registered, down from one in 74 last year³. Popular family cars remain the target of profit-motivated thieves with close to 800 Holden Commodores and Ford Falcons less than 10 years old not recovered. The Toyota Hilux was also popular with over 100 stolen remaining not recovered. The value of these vehicles alone exceeds \$15 million.

The reduction in theft numbers for the year has saved the community an estimated \$76 million⁴. The NMVTRC estimates the cost of vehicle theft to still be in the vicinity of \$1 billion, excluding the very large community costs associated with police investigations, courts, and corrections.

2. The term ASE was developed by the NMVTRC to cover original equipment immobilisers that comply with Australian Design Rules and after-market devices that meet Australian Standards.

3. Excludes off-road and other non-registered bikes.

4. Based on an independent economic analysis conducted by MM Stars Pty Ltd for the NMVTRC (November 2008) which updated the NMVTRC's cost models to \$11,500 for recovered vehicles and \$20,610 for vehicles not recovered depending on a range of factors such as vehicle, personal, injury and insurance administration costs.

Figure 1: Thefts and non-recoveries of passenger/light commercial vehicles, Australia, 2000/01 – 2008/09

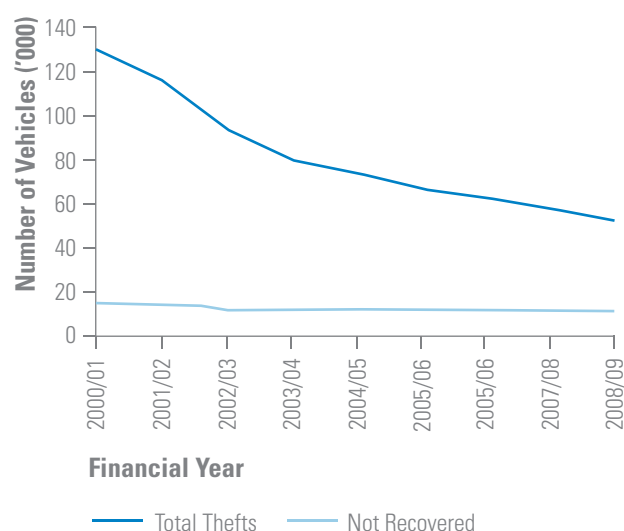
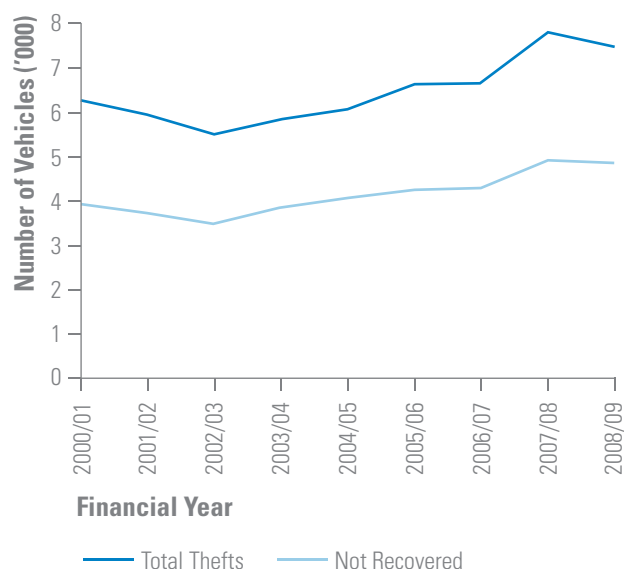


Figure 2: Thefts and non-recoveries of motorcycles, Australia, 2000/01 – 2008/09





**WISH YOU'D INSTALLED
AN IMMOBILISER**

**65% OF VEHICLES STOLEN IN 2008/09 WERE NOT FITTED WITH
AN AUSTRALIAN STANDARDS APPROVED IMMOBILISER**

**THE NATIONAL
IMMOBILISATION
RATE REACHED A
RECORD 63%, UP
FROM 23% IN 2001/02**

Reform activity (by program)

Education

Objective

To deliver quality information programs to the community via targeted communications and/or the mass media that assist motorists to reduce their theft risk.

Motorists' attitudes to vehicle crime

Two of Australia's major vulnerabilities to vehicle theft are the remaining numbers of older, non-secure vehicles on the nation's roads and community apathy about understanding the risks and consequences of having a vehicle stolen.

A major focus of the NMVTRC's overall communications strategy is therefore to understand motorists' attitudes and develop quality, cost-effective programs to better inform the community and improve security practices.

We therefore periodically survey motorists on their attitudes to vehicle theft and security. This year's survey of more than 1,200 motorists indicates that community awareness of the reality of vehicle theft and the importance of vehicle security continues to improve.

The overall level of community concern remained relatively steady with around eight in 10 motorists indicating they were greatly or fairly concerned about the problem⁵.

However almost 50 per cent of respondents felt they were personally immune from being a victim believing it may happen to others but not to them or that their insurance would cover all their costs. For many people who owned older vehicles, the fact that their vehicle was of relatively low monetary value meant they were unconcerned about theft. This is despite the NMVTRC's victim surveys regularly indicating that out-of-pocket expenses not covered by insurance can be as much as \$3,000 (or even higher for non-insured drivers).

As a consequence of these findings the NMVTRC's suite of public education materials have been refreshed with a greater focus on the inconvenience and disruption to victims' work, social and family lives. A new brochure specifically focusing on mitigating the risk of motorcycle theft was added to the pool of available resources.

The response that only two in 10 used vehicle buyers in the 'private to private' market avail themselves of any of the publically available vehicle information (or third party vehicle inspection) checks to verify the vehicle's status or condition highlights the importance of assuring easy and affordable access to such information.

Operation Bounce Back

Operation Bounce Back (OBB) is the NMVTRC's partnership with local government authorities (LGAs) in vehicle theft hot spots. OBB promotes awareness of vehicle security issues and helps theft victims get on with life. A grant package to the value of \$35,000 is provided to up to 25 LGAs in theft hot spots nationally.

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

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

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

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

For 2009 grants were split into two distinct 'flights' of activity based on the local period of peak risk in order to ensure heightened community awareness at the most appropriate time of the year. This approach results in two clusters of activity from March to June and August to October. As a consequence, at the time of writing only 11 of the 25 programs for 2009 have been completed and evaluated.

An analysis of theft figures in those LGAs again show encouraging signs with more than half achieving reductions greater than their respective state averages. Table 1 overleaf provides an overview of older passenger/light commercial theft numbers over the past two years for these LGAs.

5. Awareness and Perceptions of Car Theft and Preventative Measures (2008), Nexus Research for NMVTRC.

Reform activity (by program) continued

Table 1: Thefts of older (10+ years) passenger/light commercial vehicles by select LGA for 2007/08 and 2008/09

Local Government Area	2007/08 Thefts	2008/09 Thefts	Local Change %	State Average %
Bankstown (NSW)	690	532	-23	-18
Blacktown (NSW)	852	716	-16	-18
Campbelltown (NSW)	418	389	-7	-18
Liverpool (NSW)	434	354	-18	-18
Logan (QLD)	575	515	-10	-5
Salisbury (SA)	664	589	-11	-18
Playford (SA)	527	427	-19	-18
Glenorchy (TAS)	300	192	-36	-4
Clarence (TAS)	178	234	+31	-4
Canning (WA)	112	67	-40	-20
Stirling (WA)	296	242	-18	-20

Around 4 per cent of all print materials were distributed in languages other than English. All NMVTRC public education resources are available via the Car-Safe website.

Two LGAs managed to secure cinema advertising for OBB in their local area, enabling the message to reach a greater number, and wider range of people. Glenorchy City Council further managed to secure this cinema advertising for another 12 months, with the advertisements also running in prime-time viewing on WIN TV in Tasmania for the duration of the program. The continuation of the message beyond the program's duration ensures the key OBB messages have an enduring impact that enhances recognition of the program in the area.

Since its inception, OBB has seen more than 7,800 immobilisers fitted to older vehicles as a means of promoting immobilisation to the most vulnerable communities.

OBB continues to provide an efficient and cost-effective channel for the delivery of key theft prevention messages and has been particularly successful in fostering stronger partnerships between community stakeholders, local government and police.

Outside of OBB, the NMVTRC also supports other community based programs by providing print and other educational resources to local police and many stakeholder organisations. Almost 100,000 security tips brochures and other education materials were distributed via stakeholder channels.

Securing older vehicles

Australia's national immobilisation rate increased to 63 per cent for the year (up 4 per cent from 2007/08), with the NMVTRC's *Immobilise Now!* program again providing motorists with access to a professionally installed Australian Standards approved engine immobiliser for under \$220.

Unfortunately, this still leaves the nation with around six million older vehicles that remain vulnerable to opportunist attack with even the most basic of tools, such as a coat hanger and screwdriver. The NMVTRC remains a strong advocate of Western Australia's laws that require retro-fitting of non-immobilised vehicles upon transfer of registration. By comparison with the national average, Western Australia's immobiliser rate now exceeds 90 per cent.

Interestingly, the NMVTRC's regular consumer surveys consistently indicate that almost seven in 10 motorists nationally support compulsory retro-fitting.

In the Australian Capital Territory (ACT) the Stanhope Government maintained its immobiliser subsidy scheme for ACT residents with pre-2001 vehicles. The NMVTRC's analysis of the positive benefits of higher immobiliser rates for the ACT was influential in the Government's decision to introduce the scheme and installations are undertaken by local members of the NMVTRC's *Immobilise Now!* network of professional installers.



**WISH YOU'D CHECKED
YOUR USED CAR
WAS LEGIT**

AROUND 1 IN 4 VEHICLES STOLEN ARE NOT RECOVERED

**OVER 19,000 VEHICLES
HAVE BEEN SAVED FROM
PROFIT-MOTIVATED
REBIRTHERS SINCE
2000/01 – A SAVING OF
AROUND \$400 MILLION**

Reform activity (by program) continued

Engineering

Objective

To deliver improved systemic responses to vehicle crime including the development of on-board security and vehicle identification, the utilisation of intelligent transport systems infrastructure, or the security of road user systems – including information systems.

Secure compliance labels

The historically poor standard to which a vehicle's key identifiers are applied in the manufacturing process has greatly contributed to the ease with which thieves are able to disguise a stolen vehicle's true identity and make the detection of suspicious vehicles in the field by transport agencies and police (without applying complex forensic techniques) almost impossible.

The year saw the Chrysler, Isuzu and Mercedes Benz brands join the list of vehicle manufacturers using the NMVTRC endorsed, high-tech compliance label developed by Victoria's Identitek Systems⁶. The Identitek label is the only label that has been independently tested and certified as meeting the NMVTRC's exacting technical specification.

The label's unique security features ensure that it:

- cannot be transferred between vehicles (or the information on it altered) without easy detection;
- cannot be copied, and is easy to authenticate in the field by non-scientific, non-destructive and practicable means; and
- is long lasting and damage resistant under typical in-vehicle environmental conditions.

Insurance Australia Group continues to feature the label as a critical element in its world-leading vehicle security rating system.

Whole of vehicle marking (WOVM)

The severe impact of the Global Financial Crisis on the vehicle manufacturing industry world-wide made it a very challenging year for further advancing WOVM with no new marques joining the list of participating brands. Unfortunately one of the earliest adopters of the technology in Australia, BMW, opted to discontinue its program in order to reduce operating costs.

National summit on motorcycle theft

While motorcycle theft fell by 4 per cent for the year its long term trend line has bucked the significant reductions experienced in PLCs over the past several years. As a group motorcycles now represent around one in eight stolen vehicles and almost a quarter of all non-recoveries.

Portability, demand for parts, the many non-regulated uses for off-road bikes and generally poor levels of identification all contribute to the problem.

In August 2008 more than 50 representatives of motorcycle manufacturers and importers, retailers, insurers, transport agencies and rider groups met to develop a workable action plan to address

deficiencies in current industry and regulatory practices that continue to allow motorcycle theft to occur. Summit participants put forward calls for better identification, a para-registration system for off-road use and more investigative resources.

However, the NMVTRC's assessment is that:

- all these suggestions face significant barriers on multiple grounds of likely cost effectiveness, stakeholder opposition or simple pragmatism; and
- besides the broader interventions that flow across all registered vehicle types – such as reform of the management of written-off vehicles – there are few viable infrastructure solutions to improving the status quo.

With the exception of Kawasaki (which has adopted Identitek's secure compliance label) and Yamaha (which is utilising a microdot system) Australian motorcycle importers and distributors have shown little interest in addressing bike identification deficiencies, citing the issues of scale and cost as insurmountable barriers.

Likewise, calls from some industry sectors for a form of recreational registration for off-road bikes have been assessed several times by the NMVTRC as too costly compared to the limited benefits and likely strong resistance from riders.

When asked who they thought could do most to combat theft, both riders and motorcycle retailers have nominated manufacturers and owners as the two parties best placed to act to reduce motorcycle theft⁷. Actively working with rider and retail groups is assessed as the best channel to achieve this.

The NMVTRC will also lend its support to riders' groups involved in discussions with select local governments about improving physical parking infrastructure for motorcycles.

Review of the management of written-off vehicles

Prior to the NMVTRC's formation in 1999 Australia's response to managing written-off vehicle (WOV) identities was limited and inconsistent.

The lack of a national approach meant that criminals could easily circumvent the procedures of individual jurisdictions by simply moving vehicles between them. The current regime implemented nationally between May 2002 and September 2004 had an immediate effect on stolen/not recovered (SNR) rates as the traditional method of choice of vehicle rebirthers – the substitution of a stolen vehicle's identifiers with those from an equivalent model statutory write-off (SWO) – was blocked.

However, by late 2006 SNR rates began to rise and police – primarily in New South Wales and Western Australia – began to identify substantial numbers of repairable write-offs (RWOs) being rebuilt with stolen parts. Subsequent police investigations have also confirmed that the production of high quality fraudulent receipts (and the payment of secret commissions to acquire 'genuine' receipts) to give the parts used in repairing RWOs a veneer of authenticity is rife.

The NMVTRC first flagged its concerns about the trend in its annual strategic planning workshops with senior stakeholders in 2007 and in 2008 it commissioned an expert independent economic analysis of a range of options for reform. The resulting *Preliminary Report on the Review of the Management of Written-off Vehicles* (the Preliminary Report) was released for comment in October 2008. As was to be expected, responses to the Preliminary Report represented a diverse range of stakeholder perspectives.

On reviewing the responses the NMVTRC determined that in the face of such polarised views, pursuit of the higher order options would be non-productive. It instead settled on pursuing a wider examination of related issues, including the damage criteria for determining SWOs be reviewed.

The NMVTRC's vision for an effective WOV system is one that:

- to the extent possible, limits opportunities for criminal manipulation of RWO related industry and government policy and practices;
- assures the safety of any RWO that is granted re-registration; and
- minimises unintended or disproportionate consequences or impact on legitimate business or consumer transactions.

Despite the wide-ranging opinions on the NMVTRC's Preliminary Report it is significant that by mid-2009 the NMVTRC was able to reach a level of consensus with the majority of affected parties on both the:

- need for meaningful reform – in the face of tangible evidence of criminal manipulation, unsafe repair practices and consumer fraud; and
- key areas of the current regime that require modification.

As a consequence, the NMVTRC's work program for 2009/10 will include a suite of projects to make the national WOV system more impervious to criminal and other consumer fraud practices.

National reform of vehicle registration arrangements

The year saw the NMVTRC continue to work closely with Austroads – the national association of road transport and traffic authorities – in relation to the further harmonisation of state and territory registration arrangements under the auspices of the Council for the Australian Federation (CAF) and the Australian Transport Council (ATC)⁶. This liaison will continue into 2010 to ensure that any changes to current arrangements improve theft reduction outcomes.

National personal property securities law reform (PPSR)

The PPSR will have significant conceptual similarities with the long-established Register of Encumbered Vehicles Service. The new system will make it simpler for lenders to register security interests (by replacing the current state and territory systems that apply varying definitions and coverage) and provide business borrowers with a wider range of assets that can be used as collateral to raise investment funds.

The NMVTRC continued to work with the Australian Government's

lead agency – the Attorney-General's Department (AGD) – and state and territory fair trading and transport agencies to ensure that the PPSR delivers a true one-stop-shop for vehicle status information for consumers and business.

Implementation of the national system has been deferred until mid-2011.

Minimising opportunities for insurance fraud

In 2007 the NMVTRC partnered Austroads to procure development and delivery of a data service via an information broker on a commercial basis. New Zealand's Motorweb was contracted by Austroads to build and operate the service which was to commence as a pilot in early 2009.

The system's minimum design requirements were to enable an insurer to submit a query based on plate number (e.g. ABC 123) and state/territory indicator to the broker and receive confirmed data from NEVDIS – including but not necessarily limited to – VIN, make, model, year of manufacture, body type, transmission, fuel, stolen status and written-off status.

Unfortunately, progress has been effectively stalled since February 2009 as a result of an impasse between the Federal Chamber of Automotive Industries and Austroads over the use of certain vehicle information. The NMVTRC trusts that the parties can resolve the matter so that the pilot can recommence as soon as possible.

Other strategic fraud issues

The NMVTRC continued to participate in the Insurance Council of Australia's Economic Crime Working Group to reduce fraud opportunities against all classes of insurance and optimise the affordability of insurance for consumers.

CARS data services

The NMVTRC's world-leading Comprehensive Auto-theft Research System (CARS) again provided stakeholders and the media with fast, easy access to the most up to date vehicle theft data available with almost 2,800 self-directed searches made for the year via the online search tools Analyser and QuickStats.

Stakeholders also made more than 200 ad-hoc requests for detailed data and more than 150 copies of the annual CD-ROM containing some 650 pages of detailed trends and localised profiles were distributed.

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

6. Earlier adopters included Audi, BMW, Holden Special Vehicles, Hyundai, Kawasaki, Lotus, Mitsubishi and Nissan. Up to the minute updates are maintained on the NMVTRC website.

7. NMVTRC survey of more than 400 riders and 100 retailers (July 2002).

8. CAF comprises Premiers and Chief Ministers and aims to improve the way that the states and territories deliver key services. ATC is the national forum of transport ministers operating under the Council of Australian Governments framework.

WISH YOU'D KNOWN THE FACTS ABOUT VEHICLE THEFT WITH FORCE

THEFT WITH FORCE INVOLVES THREATS OR VIOLENCE
TO TAKE A VEHICLE FROM ITS OWNER

WHILE SERIOUS,
VEHICLE THEFT USING
FORCE MAKES UP
**LESS THAN 1% OF
ALL THEFTS**

Reform activity (by program) continued

Enforcement

Objective

To deliver improved theft reduction outcomes via enhanced theft detection and deterrence techniques or strategies, or the more effective application of sanctions and penalties.

Improving local police responses

Encouraging an improved strategic police response to vehicle crime in local areas is recognised as an important part of the NMVTRC's work program.

Automated Number Plate Recognition (ANPR) systems use a camera and optical character recognition software to capture an image of a vehicle, locate the number plate within the image and convert the number plate to a string of text and numerals. The text can then be compared with databases containing vehicles of interest to enforcement agencies and generate appropriate alerts for on-road interdiction or point-in-time tracking.

In 2007 the NMVTRC formed a strategic partnership with technology developer SenSen Networks to trial a new low-cost ANPR system in a vehicle crime reduction setting with the cooperation of police in New South Wales and Victoria.

The principal claimed benefits of the SenSen system over existing technologies was that it would be much lower in cost and provide more operational flexibility.

The total cost of the currently most commonly deployed ANPR systems – with the capacity to simultaneously detect cars from within up to three adjoining lanes – is around \$30,000. The equivalent SenSen system costs less than \$10,000.

The field trials completed in 2008 confirmed the technical proficiency of the SenSen system indicating very high levels of read accuracy compared to the currently most commonly deployed system and fewer false alarms against vehicles of interest data.

While the wider deployment of a nationally or regionally networked ANPR capability for Australia will be determined by national and state/territory governments, the SenSen trial demonstrates the undeniable value of a low-cost, high-performance system to detecting criminal activity involving the use of a motor vehicle, including vehicle theft.

Lead investigation manager's forum

The NMVTRC also maintains liaison with key investigation managers from law enforcement agencies nationally to keep informed of emerging changes in the patterns of criminal activity.

A person wearing a silver motorcycle helmet, a black leather jacket with an Alpinestars logo, and black leather pants with 'G' branding on the boots, stands with arms crossed in front of a wooden fence. A 'BUS ZONE' sign is visible in the upper right corner of the background.

**WISH YOU'D SECURED
YOUR MOTORCYCLE**

**MOTORCYCLE THEFTS AMOUNT TO 1 IN 8 OF ALL
STOLEN VEHICLES**

**4% DECLINE IN
MOTORCYCLE
THEFT FROM 2007/08 —
THE FIRST ANNUAL
REDUCTION IN 7 YEARS**

Reform activity (by program) continued

Encouragement

Objective

To deliver programs that promote actions and behaviours amongst stakeholders and other key organisations which reduce the risk or impact of theft.

Diverting young offenders

Young people continue to be responsible for the vast majority of vehicle thefts in Australia. While most young thieves will stop offending as soon as they are caught, or simply grow out of it, around 15 per cent develop entrenched habits and become high-rate recidivist offenders. By their late teens some will have stolen hundreds of vehicles.

The NMVTRC's model young offender program *U-turn* uses the fascination that most young offenders have with vehicles to help them to develop practical automotive repair skills that can lead to further vocational or educational opportunities.

The year saw the 26th group of young Tasmanians graduate from the Hobart-based program which is operated by Mission Australia (MA) under contract to the Department of Police and Emergency Management (DPEM).

The NMVTRC remains of the view that the *U-turn* model represents the most effective form of diversionary intervention for car crime offenders and will continue to look for opportunities to promote its value to the juvenile justice community and others.

In 2009/10 the NMVTRC and Mission Australia will examine the feasibility of establishing *U-turn* as a self-funding social enterprise (SE). If viable, the SE model could significantly lessen or remove the dependence of *U-turn* on government funding and potentially improve access to programs which reflect the NMVTRC's best practice model.

Encouraging better practices in parts recycling

The year was a difficult one for NMVTRC's National Parts Code (NPC) – the initiative designed to minimise the likelihood of stolen parts being unwittingly traded by legitimate recyclers.

Unfortunately, the NMVTRC was unable to reach agreement with participating recyclers and insurers on a package of meaningful incentives that would grow the number of accredited businesses to the 300 or so required for a sustainable program. As a consequence NPC was officially wound up in early 2009.

The NMVTRC proposes to examine other options for improved inventory control practices within the recycling industry in 2009/10.

Protocols for the removal of abandoned vehicles

In response to anecdotal reports that the volume of older non-recovered stolen vehicles is inflated by failures in the process for the contract removal (and subsequent destruction) of abandoned vehicles, the NMVTRC sought the assistance of Victoria Police to review the practices in Melbourne's northern and north-western region.

Operation 'Council Liaison' found that up to 10 per cent of abandoned vehicles designated for auction or crushing were in fact uncleared stolen vehicles. Following up on the results of the operation, Victoria Police has secured an agreement with major metal recyclers to limit cash payments and record vehicle identities prior to destruction.

The processing of end-of-life vehicles more generally will be examined as part of the NMVTRC's suite of projects on the management of written-off vehicles in 2009/10.

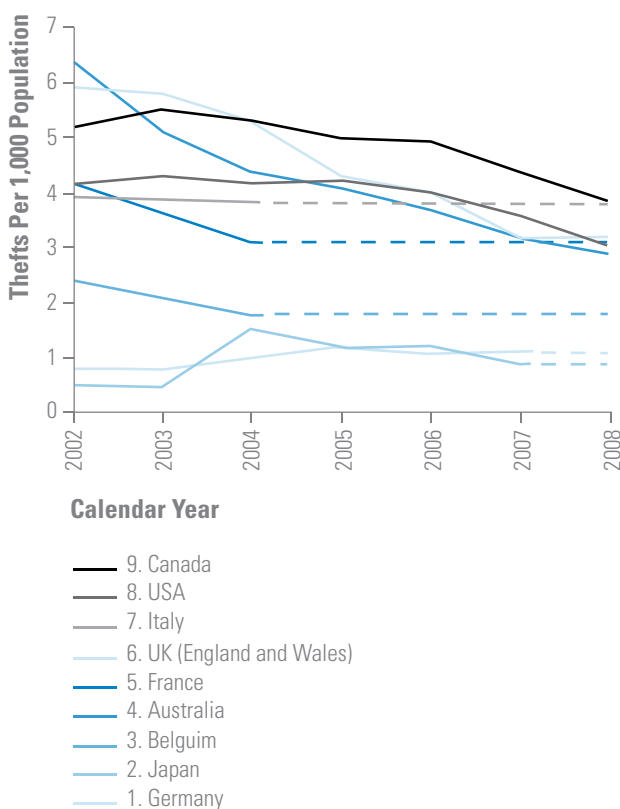
Performance indicators

Vehicle theft in comparable developed nations

Australia has climbed another spot (from 5th to 4th) to better its position on the NMVTRC's International League of Car Theft, which compares the national theft rate per 1,000 population with eight other developed nations. Whilst the desired ranking of the best performing nation is still some way off, recent performance has been impressive relative to other nations.

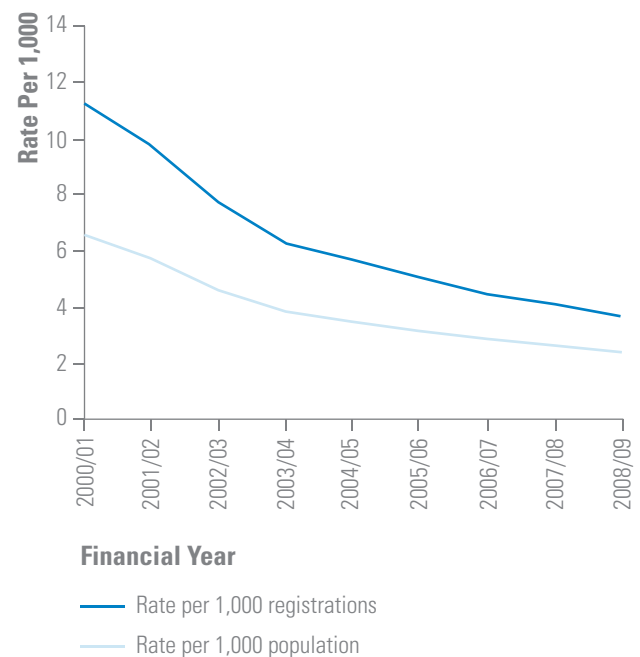
Figure 3 below illustrates the international league table of car thefts, which plots vehicle theft rates for Australia⁹, Canada¹⁰, the USA¹¹, the UK (England and Wales)¹², Italy¹³, France¹⁴, Belgium¹⁵, Germany¹⁶, and Japan¹⁷ from 2002 until 2008¹⁸. Comparing the longitudinal progress since 2002 for the nine countries, Australia's rate per 1,000 population has reached a new low of 2.9 – down from 3.2 in 2007.

Figure 3: International league table of car thefts



Rates of theft for passenger/light commercial (PLC) vehicles continue to decline and now stand at 3.7 per 1,000 vehicles registered and 2.4 per 1,000 population – another record low since national records were first collated in 1978.

Figure 4: PLC thefts per 1,000 population and registrations



9. CARS Database.

10. Statistics Canada.

11. FBI Uniform Crime Reports.

12. UK Home Office.

13. United Nations Office on Drugs and Crime: The 10th UN survey on crime trends and operations of criminal justice systems.

14. United Nations Office on Drugs and Crime: The 10th UN survey on crime trends and operations of criminal justice systems.

15. United Nations Office on Drugs and Crime: The 10th UN survey on crime trends and operations of criminal justice systems.

16. Federal Republic of Germany, 'Police Crime Statistics 2007'.

17. National Police Academy, 'Crimes in Japan 2007'. Note that count now includes motorcycle thefts; rates presented in previous years did not.

18. Caution should be used when making comparisons between countries because definitions of motor vehicle theft, recording methods, and periods of measurement (e.g. calendar vs. financial years, etc) all vary by country. Where lines are broken in the above graph, the last known theft rate is assumed to have continued due to the non-availability of updated data.

Changes in the incidence of theft for short term use and profit-motivated theft

The changing profile of vehicles that are recovered and those that are not has traditionally been used to indicate the proportion of vehicles targeted for short term use (recovered) and those targeted for profit (non-recovered). These two broad theft motivations are loosely measured on the balance of the recovered/unrecovered rate, with theft for short term use for the most part referring to joyriders and amateur thieves, whilst profit-motivated theft is related to organised criminal activity.

Since peaking in 2001, theft of passenger and light commercial vehicles has consistently declined by significant margins each year, with the majority of this decline being in short term theft and the unrecovered rate remaining relatively stable over the period. However within this seemingly unchanging unrecovered rate, the profile of vehicles that are stolen and remain missing has been shifting significantly.

Figures 5 and 6 present a more detailed look at non-recoveries by three discreet bands of vehicle age – a critical determinant in trying to understand what drives non-recoveries.

Almost two-thirds (or just under 7,000 by volume) of all non-recovered vehicles are more than 10 years old with the major proportion valued at \$5,000 or less. Within this group lays a large proportion of very old vehicles that may have been:

- simply dumped in waterways or bush land never to be seen again;
- stripped for parts to repair or maintain like vehicles (with the shell more than likely taken to a metal recycler for shredding to destroy evidence and optimise financial returns);
- stolen with the express intent of having them shredded for cash;
- subject to rebirthing activity on the basis they are likely to attract less scrutiny than younger equivalents; and
- the subject of a fraudulent insurance claim.

At the other end of the spectrum, less than 2,000 vehicles under five years of age remained outstanding for the year indicating a relative reluctance by criminals to target vehicles in this age group because of higher levels of electronic and other protection and the challenge of selling them without service records, etc.

One of the impacts of the global financial crisis is that this group is also now more likely to be subject to higher levels of insurance fraud disguised as theft.

The most lucrative criminal activity is focused on the ‘middle-aged’ vehicles where the financial return is reasonable but the transactions to convert them into cash are less likely to draw the scrutiny of buyers or authorities.

Figure 5: Passenger/light commercial vehicles stolen not recovered by age group, Australia, 2008/09

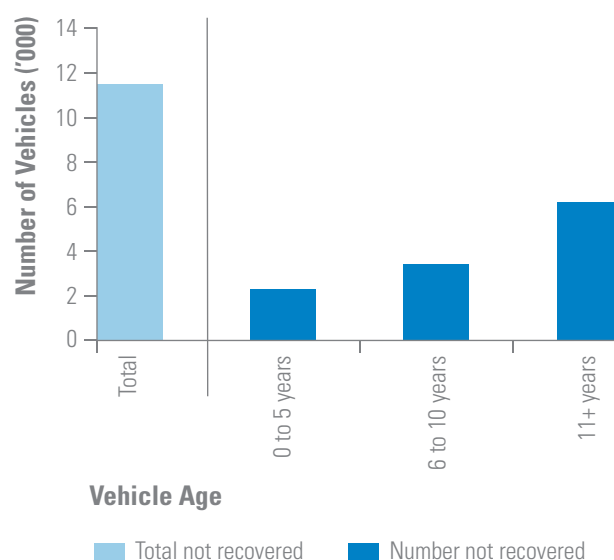
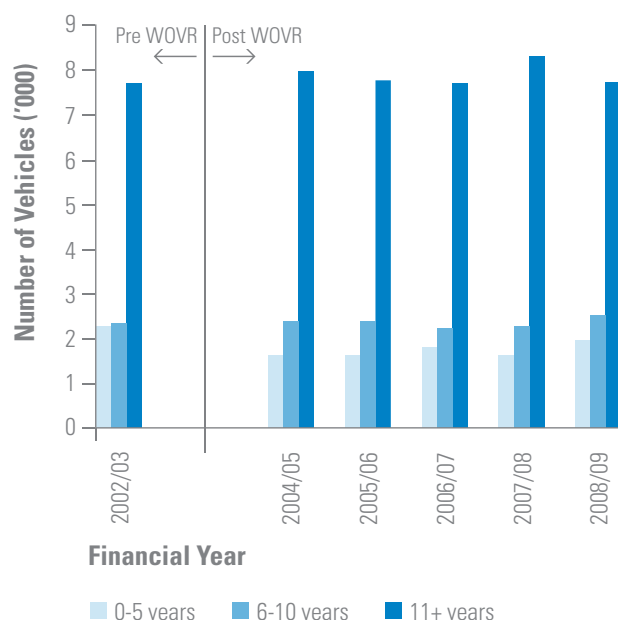


Figure 6 tracks the long term recovery trend by vehicle age. It compares the year that preceded implementation of the first round of written-off vehicles reforms (2002) with the past five years. It shows that as Australia approached full implementation of a consistent national regime non-recoveries fell by around 2,500 vehicles per annum (20 per cent in total). However, by late 2006 the unrecovered rate began to rise as criminals networks modified their practices to exploit other opportunities. This change in criminal focus is explored in detail in the NMVTRC's 2009 Strategic Plan which can be downloaded from the publications section of our website at www.carsafe.com.au.

Figure 6: Passenger/light commercial vehicles stolen not recovered, 2002/03 and 2004/05 – 2008/09, Australia



Analysis of NMVTRC in the media

Vehicle theft maintained a strong focus in Australia's media this year with 890 theft related articles published with more than 60 expressly referring to the NMVTRC. Secure compliance labels featured prominently in the electronic and print media as did vehicle security rankings. *Operation Bounce Back* continued to achieve good media coverage and theft hot spots and vehicles most commonly stolen featured heavily in suburban newspapers throughout the year.

The NMVTRC also featured in 18 radio and television interviews and stories relating to vehicle theft generally, car theft hot spots and vehicle theft over peak holiday periods, as well as vehicle identification, repairable write-offs and rebirthing, cars being dumped in waterways and the NMVTRC's diversionary program for young offenders, *U-Turn*.

Awareness of theft issues in the community

Regular surveying of community attitudes on key vehicle crime issues enables the NMVTRC to longitudinally track changes in community perceptions and refine its communications key messages. The 2008 survey:

- found that the overall level of community concern remained steady with around eight in 10 motorists indicating they were greatly or fairly concerned about the problem;¹⁹
- shows an improved awareness amongst motorists of vehicle theft and effective security measures;
- indicates there remains a need to improve community motivation in relation to committing to secure practices such as installing an immobiliser; and

- found that motorists rate concern for motor vehicle theft below the crimes of rape and assault, murder, house burglaries, drug-related crime, vandalism and store hold ups, compared with the 1999 survey which saw concern for motor vehicle theft rated above the crimes of vandalism and store hold-ups.

The cost of motor vehicle theft

The reduction in theft numbers for the year has saved the community an estimated \$76 million²⁰. The NMVTRC therefore estimates the cost of vehicle theft to still be in the vicinity of \$1 billion, excluding the very large community costs associated with police investigations, courts, and corrections.

Stakeholder determined performance indicators

A series of in-depth telephone interviews were conducted with a large sample of stakeholders from across Australia designed to assess the NMVTRC's performance in relation to its program coordination and consultation, publications and level of influence.

Program coordination and consultation

With an average rating of four (very good) 94 per cent of stakeholders rated the NMVTRC's consultation with stakeholders as good or better than good. Similarly, 90 per cent felt that consultation with stakeholders specifically in relation to the Strategic Plan deserved a rating of good or better than good. Overall awareness of the reforms and programs of the NMVTRC was strong nationally, with almost all stakeholders familiar with Whole of Vehicle Marking (98 per cent), *U-Turn* (95 per cent) and the management of recycled parts and written-off vehicles (93 per cent) in particular. As was reported in previous years, more than four in five stakeholders showed a very high level of satisfaction with the NMVTRC's dissemination of vehicle theft information and information on the theft reform process.

Engaging and involving stakeholders in program coordination was seen as a particular strength of the NMVTRC in the specific comments relating to this area, with the Strategic Planning forums in particular highly valued. One stakeholder commented on the importance of responding to the changing theft environment, which makes frequent and focused consultation all the more important.

Publications

All respondents felt that the quality of the NMVTRC's publications deserved a rating of good or better than good, and 95 per cent awarded the same score in respect to the extent to which the NMVTRC's publications met stakeholder needs and expectations. Ninety-five per cent also gave a score of good or better than good with respect to the extent to which the publications' objectives were met.

The NMVTRC's two quarterly newsletters, *Theft Watch* and *Theft Torque*, were the most recognised publications by respondents. Stakeholders noted that the newsletters are an effective conduit for sharing information and provide 'an appropriate level of communication.'

19. Awareness and Perceptions of Car Theft and Preventative Measures (2008), Nexus Research for NMVTRC.

20. Based on an independent economic analysis conducted by MM Stars Pty Ltd for the NMVTRC (November 2008) which updated the NMVTRC's cost models to \$11,500 for recovered vehicles and \$20,610 for vehicles not recovered depending on a range of factors such as vehicle, personal, injury and insurance administration costs.

Table 2: Thefts and recoveries (PLCs)

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Number of thefts	129,491	115,211	92,803	79,542	72,859	66,005	61,812	57,355	51,350
Percentage of thefts recovered	88	87	86	85	83	82	81	78	77
Number of thefts not recovered	15,245	14,629	12,603	12,259	12,330	12,022	11,999	12,461	11,587

Table 3: Thefts and recoveries (motorcycles only)

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Number of thefts	6,226	5,936	5,524	5,834	6,077	6,620	6,706	7,775	7,475
Percentage of thefts recovered	37	37	37	33	33	36	37	38	35
Number of thefts not recovered	3,919	3,729	3,489	3,898	4,073	4,251	4,257	4,845	4,829

Table 4: Thefts and recoveries (all vehicles)

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Number of thefts	139,357	124,791	101,646	88,713	82,026	75,867	72,071	68,578	62,374
Percentage of thefts recovered	86	85	83	81	79	77	76	73	71
Number of thefts not recovered	20,182	19,381	17,131	17,206	17,401	17,315	17,459	18,505	17,854

Influence on Reforms

Ninety-five per cent of respondents felt that the NMVTRC has had a positive impact on the implementation (or progress towards implementation) of vehicle theft reform in their organisation or industry.

A number of stakeholders commented on the difficulty of gauging the influence of a specific organisation and some reforms were considered to have a greater influence than others. In this context however, motor vehicle theft reforms were largely attributed to the efforts of NMVTRC in providing support and coordinating a collaborative approach to achieve desired reforms in all jurisdictions.

Financial statements

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Statement of financial position

As at 30 June 2009

	Note	2009 \$	2008 \$
Current assets			
Cash	3	2,306,778	1,680,532
Receivables	4	45,232	54,117
Other	5	61,257	27,969
Total current assets		2,413,267	1,762,618
Non current assets			
Property, plant and equipment	6	12,621	31,831
Total assets		2,425,888	1,794,449
Current liabilities			
Payables	7	288,540	127,830
Short term provisions	8	142,315	113,751
Total current liabilities		430,855	241,581
Total liabilities		430,855	241,581
Net assets		1,995,033	1,552,868
Equity			
Retained surplus		1,995,033	1,552,868
Total equity	9	1,995,033	1,552,868

*The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.
Printed with rounded dollar balances. Rounding errors may make sub-totals appear incorrect.*

Statement of income and expenditure

As at 30 June 2009

	Note	2009 \$	2008 \$
Revenue	2	2,489,952	2,427,391
Employee benefits expense		460,461	424,099
Depreciation and amortisation expense		22,230	19,156
Advertising expense		2,517	28,936
Accounting expense		5,244	3,244
Auditor's remuneration		2,700	2,650
Communications and marketing		191,344	207,127
CARS		452,500	453,958
Industry initiatives		26,870	239,781
Information exchange		70,277	70,844
Police response		26,723	41,039
Public education		380,495	534,287
Sitting Fee		30,000	30,000
Vehicle ID systems		207,025	44,528
Youth programs		6,764	17,954
Other expenses from ordinary activities		162,635	162,354
		2,047,787	2,279,956
Surplus/(deficit) from ordinary activities		442,165	147,435
Retained surplus at the beginning of the year		1,552,868	1,405,433
Total of equity		1,995,033	1,552,868

*The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.
Printed with rounded dollar balances. Rounding errors may make sub-totals appear incorrect.*

Statement of cash flows

As at 30 June 2009

	Note	2009 \$	2008 \$
Cash flow from operating activities			
Grants received		2,250,120	2,230,875
Interest received		102,793	111,178
Refunds and reimbursements		137,039	85,338
Payments to suppliers and employees		(1,860,686)	(2,818,796)
Net cash provided by (used in) operating activities	10(b)	629,266	(391,405)
Cash flow from investing activities			
Payment for property, plant and equipment		(3,020)	(26,667)
Net increase/(decrease) in cash held		626,246	(418,072)
Cash at beginning of year		1,680,532	2,098,604
Cash at end of year	10(a)	2,306,778	1,680,532

*The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.
Printed with rounded dollar balances. Rounding errors may make sub-totals appear incorrect.*

Notes to the financial statements

As at 30 June 2009

Note 1: Statement of significant accounting policies

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

The financial report covers National Motor Vehicle Theft Reduction Council Inc as an individual entity. National Motor Vehicle Theft Reduction Council Inc is an Association incorporated in Victoria under the Associations Incorporations Act 1981 and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income tax

National Motor Vehicle Theft Reduction Council Inc is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. Therefore, no provision for income tax has been raised.

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

Depreciation

The depreciable amount of all fixed assets costing greater than \$1,000 are depreciated over their estimated useful lives to National Motor Vehicle Theft Reduction Council Inc commencing from the time the asset is 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. Assets costing less than \$1,000 are depreciated over 12 months, commencing from the time the asset was held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Useful Life	Depreciation Basis
Office equipment	3 years	Straight line
Furniture, fittings and fixtures	3 years	Straight line
Computer equipment	3 years	Straight line

(c) Employee benefits

Provision is made for the Council'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 National Motor Vehicle Theft Reduction Council Inc 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 and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(e) Revenue

Grant Revenue is recognised when the right to receive the revenue has been established. Interest revenue is recognised when received. All revenue is stated net of the amount of goods and services tax (GST).

(f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

	2008 \$	2007 \$
Note 2: Revenue		
Interest received	102,793	111,178
Grants received	2,250,120	2,230,875
Other income	137,039	85,338
	2,489,952	2,427,391

Note 3: Cash and cash equivalents

CBA cheque account	(6,619)	69,794
CBA cash management account	2,313,354	1,610,675
Petty cash on hand	43	63
	2,306,778	1,680,532

Note 4: Trade and other receivables

Current receivables		
Bonds	600	600
GST receivable	44,632	53,517
	45,232	54,117

Note 5: Other assets

Other current assets		
Prepayments	61,257	27,969

Note 6: Property, plant and equipment

Fixtures and fittings	29,408	29,408
Less accumulated depreciation	(29,408)	(29,004)
	0	404
Office equipment	91,328	88,308
Less accumulated depreciation	(78,707)	(56,882)
	12,621	31,426
	12,621	31,830

Note 7: Trade and other payables

Current payables		
Trade creditors	288,540	127,830

Notes to the financial statements continued

As at 30 June 2009

	2008 \$	2007 \$
Note 8: Provisions		
Current provisions		
Provision for annual leave	31,541	24,995
Provision for PAYG withholding tax payable	30,922	24,854
Provision for superannuation payable	6,894	1,033
Provision for long service leave	72,958	62,869
	142,315	113,751

Note 9: Retained earnings

Retained earnings at the beginning of the year	1,552,868	1,405,433
Net profit attributable to the Council	442,165	147,435
Retained earnings at the end of the year	1,995,033	1,552,868

Note 10: Cash flow information

(a) Reconciliation of cash

CBA cheque account	(6,619)	69,794
CBA cash management account	2,313,354	1,610,675
Petty cash on hand	43	63

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

2,306,778	1,680,532
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(b) Reconciliation of cash flow from operations with profit from ordinary activities

Surplus from ordinary activities	442,165	147,435
Non cash flows in profit from ordinary activities		
Depreciation	22,230	19,156
Decrease/(increase) in prepaid expenses	(33,288)	3,871
Decrease/(increase) in GST receivable	8,885	1,926
Increase/(decrease) in creditors	160,710	(577,586)
Increase/(decrease) in provisions	28,564	13,793
Increase/(decrease) in GST payable	0	0
Cashflow from operations	629,266	(391,405)

(c) Non cash financing and Investing

Property, plant and equipment

During the year the organisation did not acquire any assets not reflected in the statement of cash flows.

(d) Credit Stand-by arrangements

The organisation has no standby credit arrangements not elsewhere reflected in the financial statements.

	2008 \$	2007 \$
Note 11: Contingent liabilities		
Program Commitments continuing from 2008 year		
Police responses	0	40,000
NPC operations	0	150,000
OBB grants	300,000	50,000
Public education	0	60,000
RWO review	0	80,000
Motorcycle strategy	0	15,000
LGA protocols	0	100,000
	300,000	495,000
Total contingent liabilities	300,000	495,000

Note 12: Other income

The National Parts Code (NPC) refunded \$137,039 of its un-expended National Motor Vehicle Theft Reduction Council (NMVTRC) grant on cessation of operations. The NPC will be wound up during the 2010 year and any balance of funds remaining to be refunded to the NMVTRC will be immaterial.

Note 13: Entity details

The registered office of the organisation is:

National Motor Vehicle Theft Reduction Council Inc
Suite 1, 50-51 Howard Street
North Melbourne, Victoria 3051

The principal place of business is the same address.

The principal activity of the organisation is facilitation of infrastructure reform and public awareness in regard to motor vehicle theft reduction.

Statement by members of the committee

In the opinion of the committee the financial report as set out on pages 23 to 29:

1. Presents a true and fair view of financial position of National Motor Vehicle Theft Reduction Council Inc as at 30 June 2009 and its performance for the 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 Inc will be able to pay its debts as and when they become due and payable.

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



David Morgan (Chairman)



Peter Fitzpatrick (Councillor)

Dated this 18th day of September 2009

Independent audit report

NATIONAL MOTOR VEHICLE THEFT REDUCTION COUNCIL INCORPORATED
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 2009 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 council 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 my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of National Motor Vehicles Theft Reduction Council Incorporated as at 30 June 2009 and the results of its operations for the year then ended.



Geoffrey B Johnson
Chartered Accountant
Of RUCKER MACKENZIE PTY LTD
Date: 18 September 2009

Suite 12, 602 Whitehorse Rd.,
Mitcham, VIC 3132

Appendices

Australia – number of passenger/light commercial vehicle thefts and theft rates by states and territory, 2008/09

Jurisdiction	Number of Thefts	Number of Thefts 2007/08	Change in Thefts From 2007/08	Number of Thefts Stolen Not Recovered	% of Thefts Recovered	Theft Per 1,000 Registrations [^]	Theft Per 1,000 Population
ACT	1,797	1,698	99	447	75.1	8.10	5.17
NSW	18,947	21,698	-2,751	5,692	70.0	4.69	2.69
NT	845	640	205	97	88.5	7.58	3.81
QLD	7,297	7,354	-57	1,433	80.4	2.40	1.68
SA	4,736	5,626	-890	746	84.2	4.29	2.94
TAS	1,271	1,290	-19	90	92.9	3.36	2.54
VIC	11,680	13,562	-1,882	2,373	79.7	3.21	2.18
WA	4,777	5,487	-710	709	85.2	3.11	2.17
Australia	51,350	57,355	-6,005	11,587	77.4	3.65	2.37

Australia – number of motorcycle thefts and theft rates by states and territory, 2008/09

Jurisdiction	Number of Thefts	Number of Thefts 2008/09	Change in Thefts From 2008/09	Number of Thefts Stolen Not Recovered	% of Thefts Recovered	Theft Per 1,000 Registrations ^{^*}	Theft Per 1,000 Population
ACT	125	107	18	75	40.0	11.42	0.36
NSW	2,344	2,479	-135	1,645	29.8	14.73	0.33
NT	182	178	4	89	51.1	33.60	0.82
QLD	1,410	1,388	22	872	38.2	8.99	0.32
SA	491	571	-80	332	32.4	10.11	0.30
TAS	79	77	2	48	39.2	6.04	0.16
VIC	1,301	1,507	-206	1,014	22.1	8.36	0.24
WA	1,543	1,468	75	754	51.1	17.89	0.70
Australia	7,475	7,775	-300	4,829	35.4	11.76	0.35

[^] Registration data was based on the 30th June 2008 snapshot.

* Must be regarded with caution as a large and unknown proportion of motorcycles are not registered.

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