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Vision

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

Mission

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

Operating philosophy

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

Letter of transmittal



31 October 2011

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

The Hon. Peter Ryan MP

The Hon. Simon Corbell MLA

The Hon. Kevin Foley MP

The Hon. Michael Gallacher MLC

The Hon. Paul Henderson MLA

The Hon. Rob Johnson JP MLA

The Hon. David O'Byrne MLC

The Hon. Brendan O'Connor MP

The Hon. Neil Roberts MP

Insurance Council of Australia President

Mr Robert Scott

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 2011.

Yours sincerely,

David M Morgan Chairman

NMVTRC members



David Morgan Independent Chair



Nola Watson Deputy Chair, Insurance Australia Group (Insurance Council of Australia)



Mark Borlace Royal Automobile Association (SA) (Australian Automobile Association)



Tim Cartwright
Victoria Police
(Ministerial Council for Police
and Emergency Management)



John Chapman Motor Trade Association of South Australia (Motor Trades Association of Australia)



Anthony Coles Australian Government's Attorney-General's Department



Jimmy Higgins Suncorp Insurance (Insurance Council of Australia)



Phil Allan Federal Chamber of Automotive Industries



Ann King (Resigned June 2011)
Roads and Traffic Authority (NSW)
(Austroads)



Karl Sullivan Insurance Council of Australia

Chairman's report



The 2010/11 year delivered Australia another significant reduction in stolen vehicle numbers with the 56,779 motor vehicle thefts recorded nationally representing a 3 per cent fall over the previous year.

As a result of the concerted effort of the National Motor Vehicle Theft Reduction Council's (NMVTRC) stakeholders total thefts have tumbled by 22 per cent since 2006 — the baseline year in the NMVTRC's rolling five year performance measuring framework.

The reduction in theft numbers for the year has saved the community an estimated \$18 million¹.

Despite these good numbers, the volume of profit-motivated theft remains a concern – falling by just 1 per cent for the year. As a group, missing vehicles now present a bigger proportion of total thefts with one in four stolen vehicles now targeted by organised criminals, compared to close to one in eight, five years ago.

Importantly the NMVTRC's work program for 2011/12, released last month as part of the 2011-2014 Strategic Plan, maintains a strong focus on combating the separated parts and vehicle laundering markets via a suite of new initiatives and improving current industry and government practices.

Highlights of the NMVTRC's reform activity for the year included:

- the results of the NMVTRC funded Inter-Agency Task Force into the separated parts market in New South Wales, which provided great insight into the current state of the illicit market and heavily influenced the NMVTRC's work program for 2011/12;
- reaching final agreement with Austroads on a new set of damage assessment criteria for the classification of written-off vehicles which will ensure that vehicles which represent a structural repair risk will be declared statutory write-offs and therefore ineligible for re-registration;

- development of a new interactive educational resource Choose a Ride to encourage young people aged 9-14 years to consider the consequences of getting into a stolen car; and
- the continued success of Operation Bounce Back our community
 partnership with local government in theft hot spots nationally –
 which in the majority of cases has achieved local reductions in
 thefts in the order of twice their state average.

The coming year will see Australian governments and the insurance industry make decisions on whether to extend the NMVTRC's life into a further term. It is therefore pleasing to note that independent surveying by Nexus Research, as part of the Organisation's review process, highlighted the NMVTRC's strong commitment to collaboration with stakeholders giving us top marks for strategy development and consultation. We look forward to maintaining these strong partnerships to continue to deliver good theft reduction outcomes for the nation.

The year also saw some key changes in the membership of the Council With Phil Allan from the FCAI replacing their representative of several years, James Hurnall, and the resignation of Ann King (Austroads).

Special thanks to the Australian Government's long term representative, Dr Dianne Heriot, who also resigned during the year. Dianne made an invaluable contribution to the Organisation's governance and strategy development for more than a decade, particularly in respect of young offenders. Dr Heriot was replaced by Anthony Coles of the Attorney-General's Department.

My thanks to all concerned for making the transition a smooth one and also to the rest of the Council for their ongoing support and guidance.

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

 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.

Executive Director's report



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

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

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

- effort required to acquire the target vehicle or vehicles; and
- risk of carrying out the act of converting the stolen vehicle into cash versus the reward which flows from the illegal activity.

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

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

Importantly these are key themes in the NMVTRC's Strategic Plan for 2011-2014 released in August. The updated Plan also:

- proposes a substantial body of work to improve the provenance of recycled parts used in repairs, encourage the modernisation of regulatory regimes and combat theft-for-scrap rackets; and
- maintains our commitment to diverting young offenders and building community resilience and capacity.

Finally, as the Chairman observed, this is a year in which key decisions will be made by governments and insurers about the NMVTRC's future beyond 2012. It is our view that while there have been many successes over the last decade there is still important work to be done and that the NMVTRC is well positioned to continue its leadership role in driving down vehicle theft in Australia.

Ray Carroll Executive Director

Reform aims:



Disrupt

Disrupt separated parts and vehicle laundering markets.



Divert

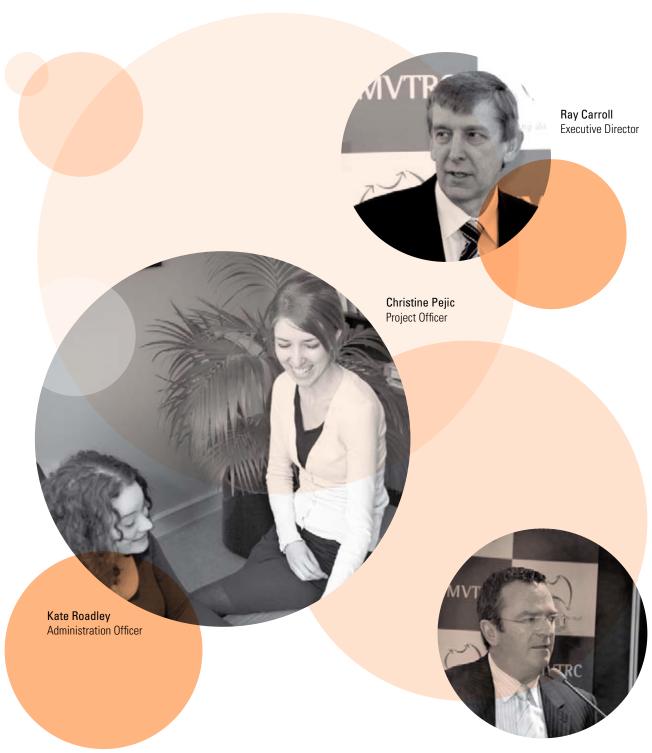
Divert young offenders.



Build capacity

Build stakeholder/community capacity and encourage innovation.

Our people



Geoff HughesDirector Strategy and Programming

Motor vehicle theft in Australia 2010/11

The 2010/11 financial year has delivered Australia its tenth consecutive annual reduction in motor vehicle theft. Over the past 12 months a total of 56,779 motor vehicles were stolen, representing a reduction of 3 per cent from 2009/10. Of these vehicles the large majority (40,124 or 71 per cent) were stolen for short term purposes, with the remaining 16,655 (29 per cent) the target of profit-motivated theft.

Short term theft

Short term theft represents vehicles stolen for opportunistic purposes not involving the vehicle's value, such as use in the commission of other crimes, joyriding, or transport. By definition these vehicles are recovered, but have often been subjected to malicious damage.

In 2010/11 short term theft declined by 4 per cent from the previous 12 months to a total of 40,124. Stolen and recovered passenger and light commercial (PLC) vehicles made up 88 per cent, with motorcycles representing 8 per cent and the remaining 4 per cent other vehicle types including heavy vehicles and plant and equipment.

A total of 35,407 PLC vehicles were stolen for short term use in the year — a reduction of 4 per cent from the previous year. A large proportion of this decline is attributed to the results of the September quarter of 2010/11 where thefts reached their lowest point of 8,357 PLCs stolen before rising 8 per cent in the December quarter to close to 9,000. The remaining six months of 2010/11 remained stable at this elevated level for each quarter.

Older cars continue to be the top short term theft targets, with close to two-thirds (23,050) of all PLCs stolen aged over 10 years. In the other age groups, 18 per cent (6,350) were between six and 10 years old and the remaining 17 per cent (approximately 6,000) were up to five years of age.

Consistent with their age profile, approximately half of all PLC vehicles stolen for short term use were not fitted with any type of immobiliser and a further 6 per cent were fitted with an immobiliser that was not recognised as meeting Australian Standards or equivalent (ASE). Overall, the proportion of the nation's fleet fitted with an ASE immobiliser increased to 71 per cent (up 4 per cent).

Of the PLCs stolen, three in five were standard passenger vehicles, with older model Holden Commodores and the Hyundai Excel X3 common targets of short term theft. Light commercial vehicles made up 18 per cent of thefts followed by SUV (9 per cent) and sports vehicles (3 per cent). Toyota's Hilux and Landcruiser models feature prominently in the light commercial and SUV categories.

Motorcycle theft for short term use increased by 182 (6 per cent) to reach a total of 3,249 for the year. Around 20 per cent of these thefts were of unregistered motorcycles. A large proportion of bikes stolen and subsequently recovered had small engine capacities (41 per cent 100cc or less), which indicates that many fall within the motor scooter or 'toy' categories. Other vehicle thefts were down 33 to 1,468 stolen for short term use.

The overall reduction in short term theft numbers over the year has saved the community an estimated \$18 million.

Profit-motivated theft

Profit-motivated theft is defined as vehicles that are stolen for conversion to profit, either as a whole vehicle or as separated parts, through various illegal methods. The number of vehicles stolen not recovered (SNR) is used as a surrogate measure for the level of profit-motivated theft.

Profit-motivated theft totalled 16,655, which represents a slight improvement of 1 per cent compared to the previous 12 months. Similar to short term theft, PLCs made up the majority of cars stolen for profit (65 per cent), however, motorcycles represented a much larger proportion (27 per cent), with other vehicles making up the remaining 8 per cent.

One in four PLCs were stolen for profit. The volume of PLCs stolen not recovered remained stable from 2009/10, increasing less than 1 per cent to 10,922 thefts. However, within this seemingly unchanged figure there was a high degree of volatility across the year and across jurisdictions. The number of stolen PLCs reached their lowest point in the December quarter with 2,547 thefts. The March quarter saw a 10 per cent rise to 2,814 followed by a further 4 per cent rise in the June quarter to 2,919.

As is the case in short term theft, the large majority of PLCs stolen for profit were older cars manufactured prior to 2000. PLCs in the middle age group (six to 10 years) made up 21 per cent of thefts, with just 13 per cent of cars stolen less than six years old.

Consistent with their age profile and very similar to short term theft, approximately half of all the PLC vehicles stolen for profit were not fitted with any type of immobiliser and a further 8 per cent were fitted with an immobiliser that was not recognised as meeting the ASE.

Standard passenger vehicles made up 58 per cent of all profit-motivated thefts in 2010/11 followed by light commercial vehicles, 16 per cent, SUV 11 per cent and sports vehicles 3 per cent. The VT Holden Commodore manufactured between 1997 and 1999 remained the most consistently stolen for profit car. This was followed closely by the Toyota Camry SV21 manufactured from the late 1980s to early 90s.

Three in five of all motorcycles stolen in 2010/11 were not recovered. Despite the rise in short term motorcycle theft, bikes stolen for profit had a sizeable decline of 8 per cent, bringing the total volume down to 4,446. Just over half of all motorcycles stolen not recovered were unregistered. Bikes stolen for profit generally had a larger engine capacity when compared to those recovered — 22 per cent 100cc or less and 71 per cent between 100 and 750 cc.

A total of 1,287 heavy, plant and equipment vehicles were stolen and remain unrecovered for the period, representing an increase of 12 per cent in this type of theft compared to the previous year.

Motor vehicle theft in Australia 2010/11 continued

Figure 1: Short term thefts of passenger/light commercial vehicles, Australia, 2006/07 – 2010/11



Figure 2: Profit-motivated thefts of passenger/light commercial vehicles, Australia, 2006/07 – 2010/11

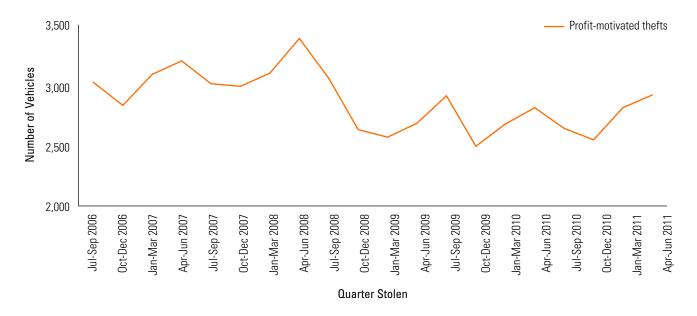
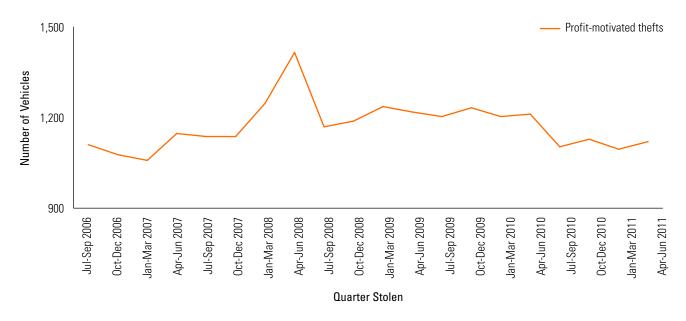


Figure 3: Short term thefts of motorcycles, Australia, 2006/07 - 2010/11



Figure 4: Profit-motivated thefts of motorcycles, Australia, 2006/07 - 2010/11





Reform activity

Disrupting separated parts markets

New South Wales Inter-Agency Task Force into Separated Vehicle Parts

As the re-birthing of whole vehicles becomes increasingly more risky for profit-motivated criminals, the dismantling or stripping of stolen vehicles becomes increasingly more attractive. However, to date there has been little empirical data available to estimate volumes or inform the development of robust countermeasures.

As the hub of profit-motivated car crime and one of only two Australian jurisdictions which licences or registers both smash repairers and parts recyclers, New South Wales (NSW) provides a unique opportunity to contrast the inventory control practices of licensed traders and suspected unlicensed counterparts.

With the support of the NSW Police Force, the Department of Commerce, and the Roads and Traffic Authority, the NMVTRC facilitated the establishment of an Inter-Agency Task Force (ITF) into the Separated Parts Market. Between July and December 2010, the ITF conducted a comprehensive program of business premises inspections of smash repairers and auto recyclers to:

- inspect vehicles under repair and examine inventory and other business systems to determine the origin of related parts;
- check with claimed parts suppliers that purchase orders and invoices correlate; and
- audit compliance with regulatory requirements on inventory and environmental management.

The ITF found widespread non-compliance with many regulatory requirements highlighting the challenge of relying on a traditional business licensing approach to combat the inherent financial reward in related criminal activity.

The results of the ITF have been fed into the NMVTRC's work program for 2011/12 which includes major projects to:

- explore the use of commercial agreements to improve the legitimate parts supply chain;
- modernise regulatory regimes to develop more effective enforcement tools and sanctions based on best practice from other fields including OH&S and other chain-of-responsibility regimes;
- · improve compliance with written-off vehicle reporting;
- develop secure practices for decommissioning end-of-life vehicles to combat theft for scrap rackets; and
- gather better intelligence on the extent to which the export of stolen parts contributed to stolen/not recovered rates.

Optimising the benefits of current electronic and other OEM vehicle identification systems

The generally poor standard of vehicle and component identification (ID) on most vehicles facilitates a low risk environment for the laundering of stolen whole vehicles and separated parts. It is also the major evidentiary barrier to police and transport agencies being able to cost effectively prosecute profit-motivated vehicle thieves.

Improving the standard of original equipment vehicle and component identification has therefore been one of the NMVTRC's key priorities for the past decade. While the NMVTRC's vehicle identification strategy had some significant success in the period between 2002 and 2008 (via the progressive introduction of VIN-based microdots and secure compliance labels), it is now appropriate to examine whether there are new, complementary identification options that may deliver equivalent or improved levels of vehicle theft detection and deterrence.

As a possible alternative to trying to convince manufacturers to adopt 'add-on' technologies or systems to improve the vehicle's theft resistance, the NMVTRC is interested in exploring whether the new generation of vehicle electronic control systems can be utilised in a systematic approach to theft deterrence and detection. These systems are increasingly being utilised to improve vehicle efficiency, safety and maintenance, and rely on exchange of electronic VIN signatures between vital components.

As an example, when some brands of vehicle are serviced they are connected via an authorised service centre to the manufacturer's central computer that remotely conducts a check of the vehicle's electronic systems and is able to verify the identity of individual components. If one of these components is replaced it will only function if the central diagnostic computer re-codes the component.

In May 2011, the NMVTRC engaged UK-based consultancy SBD to consult with a select group of vehicle manufacturers that represent each of the top, middle and lower tiers of the prevailing technologies to identify the relative utility of existing and emerging technologies and systems and make recommendations on those that should be subject to further investigation. SBD is due to report its findings in late 2011.

Disrupting vehicle laundering markets

New damage assessment criteria for statutory write-offs

The national framework for management of written-off vehicles provides that any vehicle which has been declared to be a total loss must be classified as a repairable write-off or statutory write-off.

Reform activity continued

In consultation with insurers, transport agencies and other affected parties, the NMVTRC has developed a proposal for updating the national framework to improve the certainty with which those written-off vehicles that have sustained sufficient damage to render them suitable only for dismantling or as scrap are identified and appropriately classified.

The current 'volume or area-based' criteria are too simplistic when applied to most modern vehicles and can result in severely damaged vehicles being categorised as repairable write-offs when it should be obvious to a trained expert that the vehicle is suited only for dismantling or scrap. This was confirmed by an independent audit of more than 400 vehicles sold at auction in Brisbane, Sydney, Melbourne and Perth undertaken for the NMVTRC by former insurance assessing executive Allan Gribble in 2010.

Changes in vehicle construction and fabrication, especially in respect of the use of composite materials and advanced safety systems, mean that it is increasingly more complex to assure a complete and safe repair of a modern vehicle. Vehicle manufacturers have also expressed concern about the hazard posed by the delayed corrosion of key electronic components, including primary safety systems, in respect of immersed vehicles.

The fundamental premise which underpins the revised criteria is that the classification decision requires greater application of engineering principles to ensure that vehicles which should not be repaired on safety grounds are appropriately identified and classified as only suitable for parts or as scrap. Extensive, expert in-field testing of the new criteria indicates they will result in around 30 per cent of vehicles currently classified as repairable write-offs being moved into the non-repairable, statutory write-off category. This is expected to remove most vehicles that pose a structural repair risk. The NMVTRC estimates the new criteria will deliver a net benefit of \$9.6 million per annum compared to the current system.

The new criteria require a local law change to adopt them. Implementation is expected across Australia over the next 18 months. The NMVTRC is now working closely with road agencies to ensure affected parties understand how the new criteria apply well in advance of implementation via a coordinated communications program. This is likely to include an interactive industry training package. Regular implementation updates will be posted on the NMVTRC's web site. Interested readers can also download the illustrated technical guide and other key documents from the site.

Best practice principles for vehicle safety and identification inspections

The national framework for the management of written-off vehicles requires a vehicle assessed to be a repairable write-off to undergo specific safety and identification inspections prior to re-registration.

The year saw the NMVTRC and Austroads make significant progress in reaching agreement on a new set of best practice principles (BPP) to improve the consistency and rigour of the inspection process to make the system more impervious to criminal manipulation and elevate the status of repair standards.

The BPP cover such matters as compliance with manufacturers repair standards, specialist testing/certification of electronic safety and other systems, photo and other documentation of the repair process and managing parts receipts. There remain a small number of matters where additional work is required, or support resources developed, to give effect to the recommended practice. This includes the:

- development of a standard repair diary and photo-documentation template;
- compilation of a compendium of approved manufacturer repair standards; and
- development of a comprehensive point-of-sale information pack for would be repairable write-off buyers advising them of repair requirements.

It is expected this additional work will be completed by the end of 2011.

Management of end-of-life vehicles

Motor vehicles that have reached the end of their useful life (ELVs) are one of Australia's most highly recycled consumer products.

Current estimates put the annual volume of ELVs at 600,000 with up to 90 per cent reaching metal recyclers (shredders) for processing.

Hidden amongst these hundreds of thousands of legitimate transactions are an unknown number of stolen vehicles, including the non-sanctioned collection of abandoned vehicles and stripped body shells. The disposal of stripped body shells through metal recycling also removes the risk to criminals of DNA and fingerprint identification.

In September 2010, a study into the metal recycling practices undertaken for the NMVTRC by SJ Wright and Associates concluded that a switch to a form of continuous registration coupled with a requirement for the issue of a certificate of destruction by an authorised treatment facility may offer the most cost-efficient means of controlling ELVs from a theft perspective.

The NMVTRC's 2011 Strategic Plan includes the investigation of further options to achieve improved industry practices via regulation, incentive schemes, commercial or voluntary agreements and reduce opportunities for criminal networks to sell stolen parts into legitimate trades.

Exploring market resistance opportunities

Providing consumers and motor traders with easy access to quality, non-personal information about a vehicle's history is a vital element of the NMVTRC's strategy to combat the activities of profit-motivated car criminals.



Reform activity continued

In simple terms, consumers and motor traders need to be able to verify that the vehicle they are considering buying is not stolen, is consistent with the description of the vehicle held by the registration authority (as protection against re-birthing), and is eligible for registration, i.e. it has not been declared a statutory write-off (as protection against re-birthing and fraud).

There is also evidence that a significant number of re-registered repairable write-offs (RWOs) have been repaired by 'non-main street repairers' and pose potential vehicle reliability and safety issues. More recently, vehicle manufacturers have also expressed a desire to be notified of a vehicle's written-off status in order to manage subsequent warranty claims etc.

While some information has been available from encumbrance registers and registration agencies, they have traditionally been limited to state or regionally based checks rather than a single, national 'source of the truth'. As a consequence, they have been generally poorly marketed and greatly under utilised by consumers.

The Personal Property Securities Register (PPSR) scheduled for implementation by the Australian Government in early 2012 will at last deliver a true one-stop-shop for vehicle status information. At a minimum, it will provide encumbrance, written-off and stolen status at a very low cost per transaction.

In its 2010 Strategic Plan, the NMVTRC flagged that it would identify options to support the PPSR via marketing, publicity or other means. As a first step, the NMVTRC commissioned some basic research on the behaviours and information sources of used vehicle buyers.

A sample of 1,200 people who had purchased a used car in the past 12 months were asked a series of questions about their purchase. The key points from the survey are that:

- based on the weighted samples there are around 1.4 million private to private sales;
- around half of all buyers spend less than a month researching and completing their purchase – meaning messages that can influence what checks they make have a relatively small window of opportunity/relevance;
- the internet be it direct sales sites, manufacturer/dealer sites or online forums – is the most important source of information or independent/peer advice; and
- the traditional print media/classifieds share of influence is just 24 per cent.

Interestingly, the proportion of respondents who made a financial encumbrance check (31 per cent) or mechanical check (36 per cent) was significantly up on previous surveys. The result in respect of the encumbrance check confirms the PPSR as the optimum channel to deliver other vehicle status related information.

The results will be used in the development of a marketing support strategy to promote the PPSR.

Heavy vehicles, plant and equipment

Of the 1,100 items of plant and equipment reported to police as stolen each year fewer than 50 per cent are recovered and many are of very high value.

Factors that facilitate plant and equipment theft include the:

- vulnerability of construction and storage sites to attack during non-working hours;
- absence of a formal recording system of identifying information for individual items to allow financiers, insurers, traders or private buyers to establish an item's authenticity prior to purchase; and
- fact that most thieves are thought to have specialist industry knowledge which they apply in the theft, retention and sale of stolen equipment and related fraud.

A national equipment register is central to any coordinated response to the problem to enable the verification of a machine's make, model, serial number and entitlement to possession.

The year saw the NMVTRC and the Construction & Mining Equipment Industry Group (CMEIG) hold a series of discussions about how the industry could establish an industry based register. It is hoped that final details on options for designing and hosting the register can be completed by the end of 2011.

Diverting young offenders

A sustainable U-turn program for young recidivist offenders

Motor vehicles are stolen for many reasons, but young people are still responsible for one in two vehicle thefts in Australia. In larger Australian cities it is not uncommon for a 'proficient' young thief to have stolen more than 300 cars by his or her late teens.

High rate vehicle theft has also been shown to be a strong indicator of a young person's likely involvement in other forms of crime. Traditional justice responses are costly and offenders are often returned to the community without the skills or support required to leave their former lifestyle behind.

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.

Independent expert evaluations of *U-turn* demonstrate that it has achieved high standards of participation, completion and relapse prevention. Despite this, it has proven difficult to get central agencies and service planners to see the program as a genuine alternative.

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

Local government area	2009/10 Thefts	2010/11 Thefts	Local change %	State average %
Campbelltown (NSW)	369	321	-13	-7
Newcastle (NSW)	562	445	-21	-7
Bankstown (NSW)	494	421	-15	-7
Blacktown (NSW)	765	610	-20	-7
Canterbury (NSW)	442	327	-26	-7
Marrickville (NSW)	225	141	-37	-7
Penrith (NSW)	421	304	-28	-7
Darebin (VIC)	491	351	-29	-10
Hume (VIC)	580	510	-12	-10
Maribyrnong (VIC)	312	238	-24	-10
Ballarat (VIC)	330	178	-46	-10
Frankston (VIC)	313	241	-23	-10
Greater Dandenong (VIC)	427	347	-19	-10
Salisbury (SA)	487	411	-16	1
Playford (SA)	329	281	-15	1
Clarence (TAS)	312	245	-22	-10

Mission Australia (MA), which has successfully operated the Tasmanian *U-turn* program for more than seven years, has more recently developed considerable expertise in developing self-funding transitional labour market programs for socially disadvantaged groups — particularly in Melbourne. MA uses the term social enterprise (SE) to describe its service model.

The NMVTRC and MA are continuing to examine options for establishing *U-turn* as a self-funding social enterprise with the assistance of key corporate partners.

Supporting local government initiative and innovation

The NMVTRC also continued its support of a smaller scale program based on the *U-turn* model by the Cities of Bankstown and Canterbury in south-western Sydney. The primary funding for the program comes from the Australian Government's Proceeds of Crime Act. The NMVTRC provides the program with ongoing design advice and links to other expert input from a range of professionals who have past and current operational experience in delivering *U-turn*.

U-turn Tasmania

In the meantime, the original *U-turn* site based in Hobart saw its thirty-fourth group of young Tasmanians graduate in mid-2010.

Since commencing as a two-year pilot in 2003 with NMVTRC and Australian Government funding, *U-turn* Tasmania has made a significant difference to the lives of more 350 young people and their families. Its success has seen the Tasmanian Government commit to funding the program through to at least 2013. MA operates the site under contract to the Department of Police and Emergency Management.

Engaging young people before they offend

Over the past 18 months community groups and police in areas of social and economic disadvantage have reported that children as young as 9 to 14 years are at increasing risk of becoming involved in car crime. They have also expressed concern about the lack of contemporary education resources to encourage this age group to consider the risks, consequences and long term impacts of getting involved in car crime.

In March the NMVTRC formed a collaborative partnership with Tasmania's City of Glenorchy, Tasmania Police and local film production company Roar Film to develop a new interactive short film based on the real life observations of police, youth workers and young people themselves.

The film, *Choose a Ride*, is designed for YouTube and is supported with its own dedicated website with resources for teachers and others working with young people about how to use the film as a discussion tool. The film and website were officially launched in late October 2011.

Building stakeholder/community capacity and encouraging innovation

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. In 2010/11 a grant package to the value of \$35,000 was provided to 29 LGAs in theft hot spots nationally.



Reform activity continued

Each package consists of immobiliser installations, public education materials, and funding to support 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 registration rates.

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.

Grants are 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 November.

A preliminary analysis of theft figures in those LGAs that participated in the 2010/11 program show very encouraging signs. More than two thirds of LGAs achieved overall reductions in theft of older vehicles, and 80 per cent of these achieved reductions greater than their state average. Table 1 on page 15 provides an overview of older passenger/light commercial theft numbers over the past two years for these LGAs.

Feedback from municipalities continues to show that OBB has consistently provided 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. Community response to the initiative continues to be overwhelmingly positive, with over 1,600 Australian-standards approved immobilisers fitted in older cars as part of the 2010/11 program.

For the 2011/12 Program the NMVTRC has developed a new suite of radio and print advertisements to add to the mix of resources available to local councils. The newly refreshed CAR-SAFE website also now features OBB specific pages for both consumers and participating LGAs with updated case studies and key contact details for current programs.

In addition to OBB, the NMVTRC also supports other community based programs by providing print and other educational resources to local police and many stakeholder organisations. More than 135,000 CAR-SAFE brochures were distributed via these stakeholder channels, including over 10,000 distributed in languages other than English.

Strategic partnership with motorcycle riders

The NMVTRC formed a strategic alliance with the Australian Motorcycle Council to distribute more than 20,000 copies of a special motorcycle theft facts and security tips brochure to members nationally.

Review of NSW specific re-birthing laws

Successfully prosecuting profit-motivated car criminals is extremely resource intensive for law enforcement agencies and typically involves long lead times.

One of the main challenges facing prosecutors is that criminal networks will often assign specialist functions to gang members to 'compartmentalise' the crime into distinct elements, i.e. vehicle procurement, suppliers of keys, carriers, couriers, re-birthers, shredders, brokers/fencers/sellers, stashers, document forgers etc.

As a consequence it has traditionally been difficult to prove a course of conduct against key syndicate members. This difficulty often ultimately leads to charges not being sustained or the entering of plea bargains on lesser charges, such as receiving stolen property, in order to secure a conviction.

In 2006, NSW amended its Crimes Act to introduce a new offence of knowingly facilitating a car re-birthing activity that is carried out on an organised basis, in the expectation it would better secure appropriate convictions. The first court cases to be run under the new provisions were concluded in 2009.

In October 2010, a review of the NSW laws conducted for the NMVTRC by lawyers DLA Phillips Fox concluded that there was not sufficient evidence of the effectiveness of the new laws at a level that would be required to justify reform in other jurisdictions at this time.

The authors recommended that if the NMVTRC wished to pursue implementation on a national basis, it should review the situation again in 2012.

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 over 2,000 self-directed searches made for the year via the online search tools *Analyser* and *QuickStats*.

Stakeholders also made more than 230 ad-hoc requests for detailed data and more than 360 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.

Reform activity continued

CAR-SAFE website

The NMVTRC's CAR-SAFE website was given a refresh to mirror the appearance of the current set of CAR-SAFE public educational materials and make it easier for users to quickly find the information they need.

The site features distinct sections for motorists, stakeholders and partners, and journalists, providing each group with the information most relevant to them. The site also includes a number of additional features such as an *Operation Bounce Back* specific page with downloadable video and sound resources, and the new car theft security index.

Minimising opportunities for insurance fraud

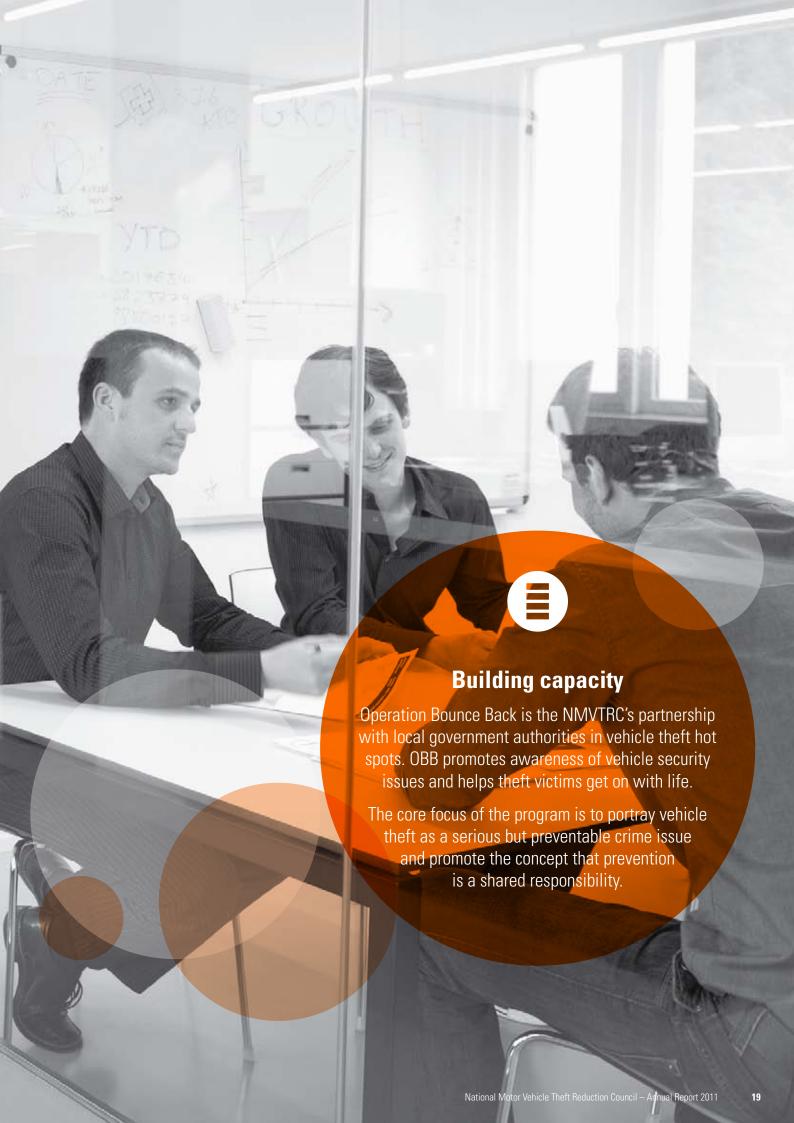
The NMVTRC continued its collaboration with Austroads, its contracted information broker Motorweb and the Federal Chamber of Automotive Industries to develop an online registration data validation service for insurers (VIRS).

The system enables an insurer to submit a query based on plate number (e.g. ABC 123) and State/Territory indicator to the broker and receive confirmed non-personal data from the national registration exchange system — including VIN, make, model, year of manufacture, body type, transmission, fuel, stolen status and written-off status.

The system has been successfully piloted and a decision on transitioning to full operations is expected in late 2011.

Other strategic fraud issues

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



Performance indicators

Vehicle theft in comparable developed nations

Since 2000, the NMVTRC has benchmarked its performance against a group of nine comparable OECD countries (Belgium, Canada, France, Germany, Italy, Japan, New Zealand, the United Kingdom (UK) and the United States) – the 'Original Data Model'. In the absence of a single, uniform collation process data has to be sourced from a variety of international publications.

This process has seen Australia's relative 'world ranking' improve (or hold steady) for the past five years. However, the data compilation exercise has been getting increasingly more difficult with several countries discontinuing reporting or significantly changing related counting rules and definitions.

As a result of these changes and the number of assumptions which have to be made in an attempt to make disparate collection methods consistent, the NMVTRC's assessment is that the original data model is now too compromised to be a reliable benchmark of international performance.

In the 2010 Annual Report we flagged that we proposed to seek an alternative means of comparison in 2011 but despite a broadly based search, no satisfactory options have been identified to date.

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

The NMVTRC reports short term and profit-motivated theft separately in recognition of the fact that different motivations drive offender behaviour in each of these broad theft categories and that targeted strategic responses impact each category of theft differently. The number of stolen and recovered vehicles is used as the surrogate measure for short term theft and stolen not recovered (SNR) for profit-motivated theft.

The impact of late recoveries

All data used in this report has been adjusted for the number of missing vehicles that will be recovered up to a year after the close of the data period. This adjustment has the effect of moving a percentage of vehicles from the profit-motivated (unrecovered) category to the short term (recovered) category and is considered a more accurate representation of their status. The percentages used for this adjustment are based on historical averages. Adjustment for late recoveries does not change the total number of vehicles reported stolen, however the reported number of recovered and unrecovered vehicles used in this report may not match other published sources such as police crime data which generally report recovered status as at the close of the data period.

Short term theft

The 40,124 short term thefts reported over 2010/11 consisted of 88 per cent passenger/light commercial vehicles (PLCs), 8 per cent motorcycles and 4 per cent other vehicles types. The combined

3 per cent annual reduction compared to 2009/10 continues the downward year on year trend that has been experienced over the NMVTRC's rolling five year comparison period. Short term thefts in 2010/11 were 27 per cent less than the 54,928 short term thefts that were reported in the 2006/07 baseline year.

Short term passenger and light commercial (PLC) theft

A total of 35,407 PLC vehicles were recorded as stolen and subsequently recovered in the year representing a 4 per cent decrease on 2009/10 and a 29 per cent reduction compared with the 2006/07 baseline. Approximately 6,000 (17 per cent) were up to five years old, a further 6,350 (18 per cent) were between six and 10 years old and the remaining 23,050 (65 per cent) were more than 10 years old. When compared to the age profile of five years ago, the number of stolen cars more than 10 years old has declined at a significantly greater rate than those less than 10 years old. Theft of cars more than 10 years old has reduced by 43 per cent over the five years, accounting for 84 per cent of the total decline in PLC thefts, while the up to five, and the six to 10 year age groups have both declined by 17 per cent, collectively making up the remaining 16 per cent of the total reduction.

Consistent with their age profile, approximately 50 per cent of all the PLC vehicles stolen for short term use were not fitted with any type of immobiliser and a further 6 per cent were fitted with an immobiliser that was not recognised as meeting Australian Standards or equivalent (ASE). In 2010/11, 15,580 (44 per cent) stolen vehicles were fitted with an ASE immobiliser compared to 13,650 (25 per cent) five years ago, reflecting the increased immobilisation of the fleet over the period and indicating that a growing number of short term thefts rely on gaining access to keys and transponders via theft, fraud or opportunities arising from owner carelessness.

An unknown, but not insignificant proportion of short term theft reports are likely to be fraudulent insurance claims and during the year the insurance industry has continued to refine its analytical and investigative responses to limit opportunities for fraud to go undetected.

Profit-motivated theft

The 16,655 unrecovered vehicles for the 2010/11 year consisted of 66 per cent PLCs, 26 per cent motorcycles and 8 per cent other vehicle types. While total profit-motivated theft reduced 1 per cent compared to the previous year it was down 5 per cent from the 17,574 recorded in the 2006/07 baseline year.

Profit-motivated PLC theft

A total of 10,922 PLC vehicles were recorded as stolen and not recovered in 2010/11 with virtually no change compared to 2009/10, but still 10 per cent less compared to the 2006/07 baseline year. Approximately 1,420 (13 per cent) of these vehicles were up to five years old, a further 2,300 (21 per cent) were between six and 10 years old and the remaining 7,200 (66 per cent) were more than 10 years old. The age profile has remained relatively stable with a slight shift

away from newer vehicles when compared to the five year base line. The zero to five year age group has declined 3 per cent from 16 per cent, and the five to 10 age group has risen to 21 per cent from 19 per cent. The percentage of missing vehicles more than 10 years old remains consistently high with theft of older vehicles for scrap and possible export being the preferred method of disposal.

Consistent with their age profile and very similar to short term theft, approximately 49 per cent of all the PLC vehicles stolen for profit were not fitted with any type of immobiliser and a further 8 per cent were fitted with an immobiliser that was not recognised as meeting Australian Standards or equivalent (ASE). In 2010/11 4,700 (43 per cent) of vehicles stolen for profit were fitted with an ASE immobiliser compared to approximately 4,500 (25 per cent) five years ago. An unknown percentage of these theft reports will involve insurance fraud.

Refer to 'Motor vehicle theft in Australia' section on page 8 for graphical representations.

Analysis of NMVTRC in the media

Vehicle theft maintained a steady focus in the media this year, with over 800 related articles published. The NMVTRC provided data and comment in over 40 of these articles on a range of issues including local government specific theft targets and hot spots, state-wide trends and the management of repairable write-offs. *Operation Bounce Back* continued to achieve very good media coverage with

over 40 articles expressly referring to the program, and theft hot spots and vehicles most commonly stolen featured heavily in suburban newspapers throughout the year as a result.

The NMVTRC also featured in a number of radio and television interviews in relation to theft with force in NSW, state-wide trends, and vehicle theft insurance costs, amongst other general related issues.

The cost of motor vehicle theft

The reduction in short term theft numbers for the year has saved the community an estimated \$18 million². The NMVTRC therefore estimates the cost of vehicle theft to be \$460 million, excluding the very large community costs associated with police investigations, courts, and corrections.

Stakeholder determined performance indicators

A select sample of senior stakeholder executives from across Australia were asked to participate in a 30 minute telephone interview conducted by leading market research firm Nexus Research designed to assess the NMVTRC's performance in relation to its program coordination and consultation, publications, and level of influence.

 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.

Table 2: Short term and profit-motivated thefts (PLCs)

	2006/07	2007/08	2008/09	2009/10	2010/11
Short term thefts	50,732	45,974	41,564	37,041	35,407
Profit-motivated thefts	12,144	12,486	10,942	10,896	10,922
Total thefts	62,876	58,460	52,506	47,937	46,329

Table 3: Short term and profit-motivated thefts (motorcycles only)

	2006/07	2007/08	2008/09	2009/10	2010/11
Short term thefts	2,531	3,082	2,891	3,067	3,249
Profit-motivated thefts	4,392	4,936	4,811	4,849	4,446
Total thefts	6,923	8,018	7,702	7,916	7,695

Table 4: Short term and profit-motivated thefts (all vehicles)

	2006/07	2007/08	2008/09	2009/10	2010/11
Short term thefts	54,928	50,625	45,832	41,609	40,124
Profit-motivated thefts	17,574	18,554	16,919	16,892	16,655
Total thefts	72,502	69,179	62,751	58,501	56,779

Performance indicators continued

Program coordination and consultation

Overall, 90 per cent of stakeholders regarded the NMVTRC's consultation performance positively. Eighty-six per cent of stakeholders were pleased with the consultation specifically in relation to the development of reforms and programs, and consultation in regards to the development of the Strategic Plan was also rated highly amongst stakeholders (73 per cent), with the NMVTRC's commitment to engaging and involving stakeholders in program coordination highly valued. Overall recognition of the NMVTRC's reforms was high. Reforms respondents were most familiar with were *U-Turn* and the Assessment criteria for written-off vehicles (90 per cent recognition), followed by the Comprehensive Auto-theft Research System (CARS) (88 per cent) and Whole of vehicle marking (85 per cent). The elements of the program stakeholders were least familiar with were the Vehicle Information Request System (VIRS) and Secure by Design, although over half of respondents were still familiar with these reforms.

Four in five stakeholders reported a very high level of satisfaction with the NMVTRC's dissemination of vehicle theft information with regular correspondence with stakeholders on reform activities, readiness to be available for consultation and regularly inviting submissions from stakeholders valued by respondents.

Publications

Almost all respondents rated the quality of the NMVTRC's publications positively, and 88 per cent of stakeholders felt that the publications met their needs and expectations. Stakeholders noted appreciation for having access to data through the CARS Analyser, regular data requests and regular distribution of newsletters.

The two quarterly newsletters, Theft Watch and Theft Torque, were the most well recognised of the NMVTRC's publications (81 per cent recognition), followed by the CAR-SAFE website, CARS database and the Annual Report and Strategic Plan. Police in particular appreciated being able to download community education materials such as brochures and posters directly from the website.

Improvements to publications suggested by stakeholders were mainly around the conveying of statistics and included further segmentation into regional/rural areas and further analysis of thefts of other vehicles.

Influence on reforms

Eighty-five per cent of stakeholders believed that the NMVTRC has had a positive influence on vehicle theft reform progress in their sector or organisation. This was largely attributed to the NMVTRC providing support and coordinating a collaborative approach to achieve desired reforms in all jurisdictions. Just over 80 per cent of stakeholders were satisfied with how the NMVTRC's reforms have progressed and a similar number felt that in general the profile of vehicle theft in Australia had changed since the NMVTRC's inception.

Financial statements

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Statement by members of the Committee

For the year ended 30 June 2011

In the opinion of the Committee the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements:

- 1. present fairly the financial position of National Motor Vehicle Theft Reduction Council Inc as at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board
- 2. at the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

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

Nola Watson Deputy Chair

Dated the 4th day of October 2011

Independent audit report

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

Scope

I 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 2011 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. I have conducted an independent audit of this financial report in order to express an opinion on it to the members of National Motor Vehicle Theft Reduction Council Incorporated. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for the purpose of fulfilling the requirements of the Associations Incorporation Act Victoria. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

My audit has been conducted in accordance with Australian Auditing Standards. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with my understanding of the council's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

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

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 2011 and the results of its operations for the year then ended.

Geoffrey B Johnson Chartered Accountant Of RUCKER DWC PTY LTD 18 October 2011

Suite 12, 602 Whitehorse Road, Mitcham VIC 3132

Statement of financial performance For the year ended 30 June 2011

		2011	2010
	Note	\$	\$
Revenues from ordinary activities	2	2,368,004	2,320,658
Accounting expenses		(5,264)	(6,661)
Auditor's remuneration		(2,900)	(2,800)
CARS		(452,598)	(452,500)
Communications and marketing		(250,688)	(217,394)
Employee benefits expense		(510,229)	(490,159)
Depreciation and amortisation expenses	3	(5,711)	(8,880)
Industry initiatives	· ·	(3,951)	(0,000,
Information exchange		(144,617)	(174,770)
Police response		(18,233)	(239,500)
Public education		(627,973)	(534,170)
Sitting fee		(30,000)	(30,000)
Vehicle ID systems			,
Youth programs		(62,216)	(21,202)
Other expenses from ordinary activities		(114,698)	(108,578)
Surplus from ordinary activities before income tax	3	138,926	34,044
Income tax revenue relating to ordinary activities			
Net surplus attributable to members of the association		138,926	34,044
Total changes in equity of the association		138,926	34.044
		100,020	01,011
Retained surplus at beginning of year		2,029,078	1,995,034
Net surplus attributable to members of the association		138,926	34,044
Total equity		2,168,004	2,029,078

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2011

		2011	2010
	Note	\$	\$
Current assets			
Cash assets	4	2,412,077	2,259,297
Current tax assets		10,062	48,970
Other	5	39,136	55,577
Total current assets		2,461,275	2,363,844
Non-current assets			
Property, plant and equipment	6	10,288	5,890
Total non-current assets		10,288	5,891
Total assets		2,471,563	2,369,734
Current liabilities			
Payables	7	153,601	178,894
Financial liabilities			10,734
Provisions	8	149,958	151,028
Total current liabilities		303,559	340,656
Total liabilities		303,559	340,656
Net assets		2,168,004	2,029,078
Equity			
Retained surplus		2,168,004	2,029,078
Total members' funds		2,168,004	2,029,078

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2011

	2011 \$	2010 \$
Cash flow from operating activities		
Grants received	2,271,296	2,251,585
Payments to suppliers and employees	(2,194,382)	(2,376,723)
Interest received	96,708	69,073
Net cash provided by (used in) operating activities (Note 2)	173,622	(56,065)
Cash flow from investing activities		
Payment for:		
Payments for property, plant and equipment	(10,108)	(2,150)
Net cash provided by (used in) investing activities	(10,108)	(2,150)
Net increase (decrease) in cash held	163,514	(58,215)
Cash at the beginning of the year	2,248,563	2,306,778
Cash at the end of the year (Note 1)	2,412,077	2,248,563

The accompanying notes form part of these financial statements.

	2011 \$	2010 \$
Note 1. Reconciliation of cash	Ψ	Ψ
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at bank	30,208	(10,734)
CBA cash management account	2,381,778	2,259,269
Petty cash on hand	91	28
	2,412,077	2,248,563
Note 2. Reconciliation of net cash provided by/used in operating activities to net surplus		
Operating surplus (loss) after tax	138,926	34,044
Depreciation	5,711	8,880
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:	•	
(Increase) decrease in prepayments	16,440	6,281
Increase (decrease) in trade creditors and accruals	(25,293)	(109,645)
Increase (decrease) in employee entitlements	(1,070)	8,713
Increase (decrease) in sundry provisions	38,908	(4,338)
Net cash provided by operating activities	173,622	(56,065)

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2011

Note 1: statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the association.

The financial report covers National Motor Vehicle Theft Reduction Council Inc as an individual entity. National Motor Vehicle Theft Reduction Council Inc is an association incorporated in Victoria.

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

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

Income tax

The association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. Therefore, no provision for income tax has been raised.

Property, plant and equipment

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

a) Plant and equipment

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

b) Depreciation

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

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

Class of Asset

Leasehold improvements

Office equipment

Computer equipment

Furniture and fittings

Depreciation

Period of lease

3 years

3 years

3 years

Employee entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Contributions are made by National Motor Vehicle Theft Reduction Council Inc to an employee's superannuation fund and are charged as expenses when incurred.

Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in all call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

Notes to the financial statements continued

For the year ended 30 June 2011

Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

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).

	2011 \$	2010
Note 2: Revenue and other income	•	-
Revenue:		
Interest revenue	96,708	69,073
Grants received	2,250,000	2,250,000
Other income	21,296	1,585
	2,368,004	2,320,658
Note 3: Surplus from ordinary activities		
Surplus (loss) from ordinary activities before income tax has been determined after:		
Charging as expense:		
Depreciation of non-current assets:		
Other	5,711	8,880
Total depreciation expenses	5,711	8,880
Note 4: Cash assets		
Bank accounts:		
Cash at bank	30,208	-
CBA cash management account	2,381,778	2,259,269
Other cash items:		
Petty cash on hand	91	28
	2,412,077	2,259,297
Note 5: Other assets		
Current		
Prepayments	38,536	54,977
Other	600	600
	39,136	55,577
Note 6: Property, plant and equipment		
Plant and equipment:		
At cost	103,586	93,478
Less: accumulated depreciation	(93,298)	(87,588)
	10,288	5,890

	2011 \$	2010 \$
Leased plant and equipment:	Ψ	Ψ
At cost	29,408	29,408
Less: accumulated amortisation	(29,408)	(29,408)
	10,288	5,890
Note 7: Payables		
Unsecured:		
Trade creditors	153,601	178,894
	153,601	178,894
Note 8: Provisions		
Current		
Employee entitlements	149,958	151,028
Aggregate employee entitlements liability	149,958	151,028
There were four employees at the end of the year.		
Note 9: remuneration and retirement benefits		
Committee members' remuneration		
Number of Committee members whose income from the Organisation or any related parties was within the following	hands:	
		No. 2
\$30,000 to \$200,000	No. 2	INU. Z
Note 10: Superannuation commitments		
The entity provided choice of superannuation fund to provide benefits to employees on retirement, death or disability		
Note 11: Auditors' remuneration		
Remuneration of the auditor of the association for:		
Auditing or reviewing the financial report	2,900	2,800
Other services	2,900	2,800
	2,300	2,000
Note 12: Contingent liabilities		
Estimates of material amounts of contingent liabilities, not provided for in the accounts, arising from:		
OBB grants	200,000	450,000
Electronic vehicle ID	30,000	-
SWO implementation grant	80,000	-
Youth education project	45,000	-
Re-birthing laws	-	20,000
ELV ID capture	-	18,000
	355,000	488,000

Note 13: Entity details

The registered office of the association is:

National Motor Vehicle Theft Reduction Council Inc Suite 1, 50-52 Howard Street North Melbourne Victoria 3051

The principal place of business is the same address.

Appendices

$Australia-Short\ term\ theft\ snapshot,\ 2010/11$

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Australia
PLC	790	11,671	672	5,923	3,069	1,411	8,140	3,731	35,407
Change from 2009/10	-644	-1,324	-46	329	-34	-12	-558	655	-1,634
% Change	-45%	-10%	*	6%	-1%	*	-6%	21%	-4%
Motorcycles	23	645	106	571	205	59	365	1,275	3,249
Change from 2009/10	-38	-181	-20	38	1	1	80	301	182
% Change	-62%	-22%	*	7%	1%	*	28%	31%	6%
Other vehicle types	48	405	29	392	68	62	242	222	1,468
Change from 2009/10	2	-58	-14	3	12	32	22	-32	-33
% Change	4%	-13%	*	1%	21%	*	10%	-13%	-2%
Total Theft	861	12,721	807	6,886	3,342	1,532	8,747	5,228	40,124
Change from 2009/10	-680	-1,563	-80	370	-21	21	-456	924	-1,485
% Change	-44%	-11%	*	6%	-1%	*	-5%	22%	-4%

Australia – Profit-motivated theft snapshot, 2010/11

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Australia
PLC	204	5,416	44	1,663	725	103	2,130	637	10,922
Change from 2009/10	-234	-20	-19	391	46	-18	-249	129	26
% Change	-53%	0%	*	31%	7%	*	-10%	25%	0%
Motorcycles	29	1,226	67	806	332	32	1,055	899	4,446
Change from 2009/10	-26	-497	-6	-35	-42	-15	51	167	-403
% Change	-47%	-29%	*	-4%	-11%	*	5%	23%	-8%
Other vehicle types	61	383	1	227	50	51	254	260	1,287
Change from 2009/10	-1	-47	0	26	17	37	87	21	140
% Change	-2%	-11%	*	13%	52%	*	52%	9%	12%
Total Theft	294	7,025	112	2,696	1,107	186	3,439	1,796	16,655
Change from 2009/10	-261	-564	-25	382	21	4	-111	317	-237
% Change	-47%	-7%	*	17%	2%	*	-3%	21%	-1%

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

