



National Motor Vehicle
Theft Reduction Council

New complexities demand a new era of prevention

Annual Report 2018

The NMVTRC is an initiative of Australian
governments and the insurance industry

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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.

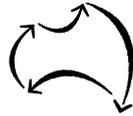
MISSION

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



National Motor Vehicle
Theft Reduction Council

31 October 2018

Ministers responsible for NMVTRC business

The Hon. Shane Rattenbury MLA
The Hon. Troy Grant MP
The Hon. Nicole Manison MLA
The Hon. Michelle Roberts MLA
The Hon. Michael Ferguson MP
The Hon. Corey Wingard MP
The Hon. Lisa Neville MP

Insurance Council of Australia President

Mr Richard Enthoven

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 2018.

Yours sincerely,

David M Morgan (AO)
Chairman

NMVTRC MEMBERS

AS AT 30 JUNE 2018



David Morgan

Independent Chair



James Hurnall

Federal Chamber of Automotive Industries



Andrew Lee

Department of Transport WA (Austroads)



Mark Borlace

Royal Automobile Association SA (Australian Automobile Association)



Bob Hill

Victoria Police (Lead Ministers for NMVTRC Business)



Geoff Gwilym

VACC (Motor Trades Association of Australia)



Karl Sullivan

Insurance Council of Australia



Rob Bartlett

Suncorp Group (Insurance Council of Australia)

CHAIRMAN'S REPORT



The 2018 Annual Report marks another major milestone in vehicle theft reform in Australia with insurers and participating state and territory governments agreeing to continue their collaboration in the NMVTRC model until mid-2021.

The three year extension comes on the back of the sixth formal review of the NMVTRC's operations. The review included expert analysis of the organisation's performance in cost-benefit terms and stakeholder views in relation to its ongoing relevance.

The 2017 review estimated the net community value of the NMVTRC's reforms for the preceding five years to be more than \$220 million dollars, with each \$1 invested delivering \$2.20 in benefits.

The NMVTRC considers that the results clearly demonstrate both the economic value of vehicle theft reform to the Australian community and the NMVTRC's contribution as the driver of the reform process.

The year also saw overall theft volumes fall by 6 per cent on the back of reductions of 8 per cent and 14 per cent respectively for light passenger and heavy vehicles. Profit-motivated theft remained relatively unchanged with reductions of 3 per cent and 14 per cent for the light passenger and heavy vehicle groups offset by a 5 per cent rise in motorcycle theft.

The nation's total theft of 52,700 represents a return to 2013 theft levels after a period of volatility in some jurisdictions over the past two years. While this is a welcomed result, there clearly remains more to do to deliver our vision of achieving the lowest rate of vehicle theft in the developed world.

The NMVTRC's new Strategic Plan released last month therefore redoubles the effort to implement a broadly based raft of countermeasures and interventions to reduce both the volume and cost of vehicle crime.

In terms of the 2017/18 program, the highlights of the year included the:

- Victorian Government's reform of second-hand dealing laws, including a ban on cash payments and trading in de-identified vehicles, in support of curtailing 'theft for scrap' markets;
- the fast-tracking of the technical assessment criteria (with insurers and industry stakeholders) necessary to implement a nationally consistent management regime for heavy vehicle write-offs;
- introduction of reduced search fees for a Personal Property Securities Register (PPSR) vehicle status check to just \$2;
- the continued success of the Synergy Auto Repair youth diversion social enterprise, which effected its 1,400th complete repair while setting the lives of another 20 former offenders on a positive pathway via trade employment or further education;
- success of the Australasian Vehicle Crime Managers' Network in bringing senior law enforcement officers and lead investigators together to exchange insights on current and emerging vehicle crime trends and tactical responses;
- advances in respect of improving the consistency of community messages on vehicle crime across the stakeholder base nationally; and
- the first ever 'deep analysis' of vehicle crime in the Northern Territory to help local police and community safety planners refine their respective vehicle crime strategies and improve community safety.

It was also pleasing to see some of the NMVTRC's mature reforms continuing to deliver enduring benefits with:

- the number of vehicles now bearing the NMVTRC endorsed secure compliance label passing the six million mark; and

- almost 13 million vehicle status checks being made via the Personal Property Securities Register and Vehicle Information Request System for the year.

The year also saw some key changes in the membership of the Council with:

- NSW Police Force Detective Superintendent Murray Chapman ending his term as the representative of the former Law, Crime and Community Safety Council (LCCSC); and
- the VACC's Geoff Gwilym replacing Richard Dudley as the MTAA's representative.

At the time of Mr Chapman's resignation there was no formal announcement as to what ministerial co-ordination arrangements would succeed the LCCSC. To maintain the continuity of law enforcement representation, the NMVTRC co-opted Victoria Police (VP) Assistant Commissioner Robert Hill APM to fill the vacancy. Mr Hill holds 'force-wide portfolio responsibility' for vehicle crime and has been a special adviser to the NMVTRC since 2016.

After more than 19 years at the helm of the NMVTRC's Executive, founding Director Ray Carroll announced his retirement. The Council and its Executive Staff are indebted to Ray for the excellence with which he led the organisation.

The Council appointed Geoff Hughes as his successor and Chief Executive. Geoff will be well known to the NMVTRC's stakeholders having led some of the Council's most significant work in areas such as the development of technical standards, legislative reform, communications and youth offending. The appointment assures the continuity of the NMVTRC's strategic direction.

My thanks to all those involved for ensuring a smooth transition.

David M Morgan (AO)
Chairman

CHIEF EXECUTIVE'S REPORT



As noted by the Chairman, the theft outcomes for 2017/18 reveal an improved vehicle crime outlook with significant reductions for the light and heavy vehicle classes.

While this is welcome news in our mission to deliver a culture of continuous and sustainable theft reduction, vehicle crime is also increasingly complex and requires a new range of countermeasures. Often no longer just a single crime, it is frequently occurring at the centre of a mix of offending that may also involve:

- significant road safety risks in the form of dangerous driving, pursuits and evasions;
- other crimes against a person (such as an assault, abduction or shooting);
- subsequent property crimes (such as an aggravated burglary or robbery, arson, drug or firearms dealing);
- terrorism (in the form of vehicle-based attacks or explosions);

- other forms of theft (fuel drive offs, toll evasion); and
- a wide variety of fraudulent activity in respect of identity and vehicle identification, finance and staged collisions.

The agility with which profit-motivated thieves 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 is being able to do this without imposing disproportionate interruption or costs to legitimate business practices or the community.

The age profile for light passenger vehicle profit-motivated theft indicates that:

- the overwhelming majority of profit-motivated thefts are still of older vehicles, with almost 8 in 10 being eight or more years old; and
- 6 in 10 are valued at less than \$10,000.

Looking forward, therefore, we must continue to collectively focus on a range of countermeasures and programs which can effectively disrupt the separated parts market and theft for scrap rackets in particular. Pleasingly, our annual strategic review with stakeholders confirmed that there is a high degree of consensus around the NMVTRC's reform priorities and these are key themes in our Strategic Plan for 2018-2020 released last month.

It is our view that while there have been many successes (and some new challenges) over the last five years there is still important work to be done and the NMVTRC is well positioned to continue its leadership role in driving down vehicle theft in Australia.

Geoff Hughes
Chief Executive



REFORM ACTIVITY



1

Operation
Bounce Back



2

Synergy
Auto Repairs



3

Heavy vehicle
management



4

Disrupting
the export,
dismantling
and recycling
of stolen
vehicles



5

Better data
utilisation

OUR PEOPLE



Geoff Hughes
Chief Executive



Caitlin Hrambanis
Projects and Communications Co-ordinator



Danielle Meagher
Accounts and Office Administrator

MOTOR VEHICLE THEFT IN AUSTRALIA 2017/18



Passenger/ light commercial

42,145 thefts

↓ 8%



Motorcycles

8,471 thefts

↑ 5%



Heavy/other

2,106 thefts

↓ 14%

The 2017/18 financial year saw overall passenger/light commercial (PLC) vehicle thefts fall by 8 per cent to a total of 42,145. Short term PLC thefts decreased by 9 per cent with profit-motivated thefts declining by 3 per cent.

Short term theft

Total short term theft, adjusted for late recoveries, decreased by 3,529 (8 per cent) to 38,183 vehicles, comprising 87 per cent PLCs, 10 per cent motorcycles and 3 per cent heavy/other vehicle types.

PLC theft analysis

Of the 42,145 PLC thefts an estimated 33,114 are likely to be recovered based on historical late recovery trends. Of the 32,595 recovered at the time of this report:

- 24 per cent were less than six years old;
- 22 per cent were between six and 10 years old; and
- 53 per cent were more than 10 years old.¹

The proportion of immobilised vehicles stolen for short term use continued to rise with 80 per cent stolen fitted with an Australian Standards Equivalent (ASE)² immobiliser. Another 2 per cent were fitted with a non-ASE immobiliser.

Small cars now make up the greatest proportion of vehicles on Australia's roads and this is also reflected in the theft numbers. Twenty-nine per cent of thefts were small passenger cars followed by SUVs (19 per cent). The most popular theft targets were:

- Nissan Pulsar N15 (MY95-00) with 852 thefts (a 23 per cent reduction);
- Holden Commodore VE (MY06-13) with 692 thefts (a 9 per cent reduction over 2016/17); and
- Toyota Hilux (MY05-11) with 427 thefts (a 12 per cent reduction).

Light commercial utilities made up 17 per cent of all short term thefts, various models of the Toyota Hilux made up three of the top 12 makes and models.

PLC five year trends

Short term PLC theft is up 8 per cent from 2013/14 when 30,773 vehicles were stolen. In contrast the theft of other vehicles is down 18 per cent and motorcycle theft is stable over the period.

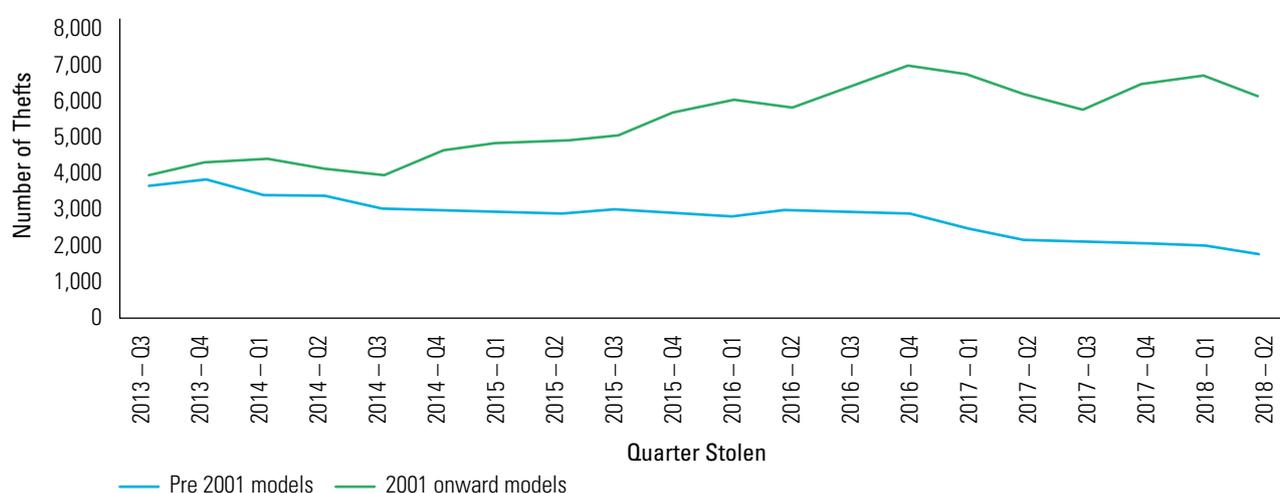
The age distribution of short term PLC thefts over the past five years has clearly been changing. Figure 1 shows the end of 2013 marked a clear shift in the theft dynamic, which saw vehicles manufactured from 2001 onwards taking over as the top theft targets.

1. In addition, the vehicle age was unknown in 1 per cent of short term thefts.

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

MOTOR VEHICLE THEFT IN AUSTRALIA 2017/18 CONTINUED

Figure 1: Passenger/light commercial vehicles – short term thefts by quarter, 2013/14–2017/18



Motorcycles

Short term motorcycle thefts increased by 62 thefts (2 per cent) bringing the 2017/18 total to 3,961 and delivering a stable result for the five year period.

Where the motorcycle body type and year of manufacture were known:

- one in six (18 per cent) motorcycles stolen were unregistered/off-road bikes;
- on-road scooters made up 33 per cent of all motorcycle thefts, followed by on-road sports bikes (24 per cent) and off-road sports bikes (9 per cent);
- over 79 per cent of bikes stolen were manufactured from 2000 onwards; and
- consistent with their market share, Honda and Yamaha topped the list of the most stolen short term thefts with 775 and 617 thefts respectively.

Profit-motivated theft

When adjusted for late recoveries total profit-motivated theft has decreased by 68 thefts, bringing the 2017/18 total to 14,539. The theft of PLCs decreased by 233 (or 3 per cent) but was offset by an increase of 319 thefts (8 per cent) of motorcycles. The vehicle mix consisted of 62 per cent PLCs, 31 per cent motorcycles and 7 per cent other.

PLC theft analysis

At the time of this report a total of 9,550 PLCs stolen are yet to be recovered. However, allowing for expected late recoveries based on historical trends, the true figure is likely to be 9,031. Of these the age distribution was:

- 15 per cent less than six years old;
- 20 per cent between six and 10 years old; and
- 63 per cent more than 10 years old.³

The 16+ year age group made up the single highest proportion (36 per cent).

Seventy-six per cent of PLC vehicles stolen for profit were fitted with an ASE immobiliser; an increase of 6 per cent from the previous year. Twenty-two per cent were not fitted with any type of immobiliser.

Small passenger vehicles were the most popular target of profit-motivated theft, making up 22 per cent of vehicles stolen. Light commercial utility vehicles were the second most commonly targeted group at 21 per cent. The top theft makes and models for the year were the:

- Holden Commodore VE (MY06-13) with 217 thefts;
- Nissan Patrol GU MY97 with 187 thefts; and
- Toyota Hilux (MY05-11) with 163 thefts.

Five year trends

Profit-motivated PLC and other theft is down 7 per cent and 27 per cent respectively from 2013/14, while the theft of motorcycles was up 4 per cent over the period.

As shown in figure 2, the age profile for profit-motivated PLC thefts reveals a gradual shift away from vehicles more than 16 years old towards a more even age distribution. Despite this, PLCs valued at less than \$5,000 continue to make up the largest proportion of profit-motivated theft (45 per cent) indicating the targeting of older vehicles for their scrap metal value (figure 3).

Over the last five years there has been a shift in profit-motivated theft towards small passenger vehicles (up from 18 per cent in 2013/14 to 22 per cent in 2017/18), and SUVs (up from 14 to 18 per cent). Conversely, the theft of large passenger vehicles has reduced from 23 per cent to 20 per cent.

3. In addition, the vehicle age was unknown in 3 per cent of profit-motivated thefts.



1 Operation Bounce Back

Operation Bounce Back (OBB) is the NMVTRC's partnership with local government in vehicle theft hot spots to promote awareness of vehicle security issues and help theft victims get on with life. In its thirteenth year the program continues to deliver innovative and educational projects consistent with the NMVTRC's *Community Guide for Tackling Vehicle Theft*.



MOTOR VEHICLE THEFT IN AUSTRALIA 2017/18 CONTINUED

Motorcycles

When adjusted for late recoveries profit-motivated motorcycle theft increased by 8 per cent in 2017/18. The 4,510 thefts represents 31 per cent of all vehicles stolen and not recovered. There were some significant differences between profit-motivated and short term motorcycle theft.

Where the motorcycle body type was known:

- the largest proportion of profit-motivated motorcycle thefts were on-road scooters (13 per cent), off-road sports bikes (13 per cent) and on-road sports (11 per cent);
- like short term thefts mid-capacity bikes between 201cc and 500cc are the most commonly targeted for profit (42 per cent); and

- a significant variation between profit-motivated and short-term motorcycle theft was that three in four bikes stolen for short term use were on-road bikes (compared to 55 per cent for profit-motivated thefts).

For a more in-depth analysis of thefts in the 2017/18 financial year including breakdowns for all jurisdictions go to <http://www.carsafe.com.au/statistics>

Figure 2: Australia – passenger/light commercial vehicles – percentage of profit-motivated thefts by vehicle age group, 2013/14 and 2017/18

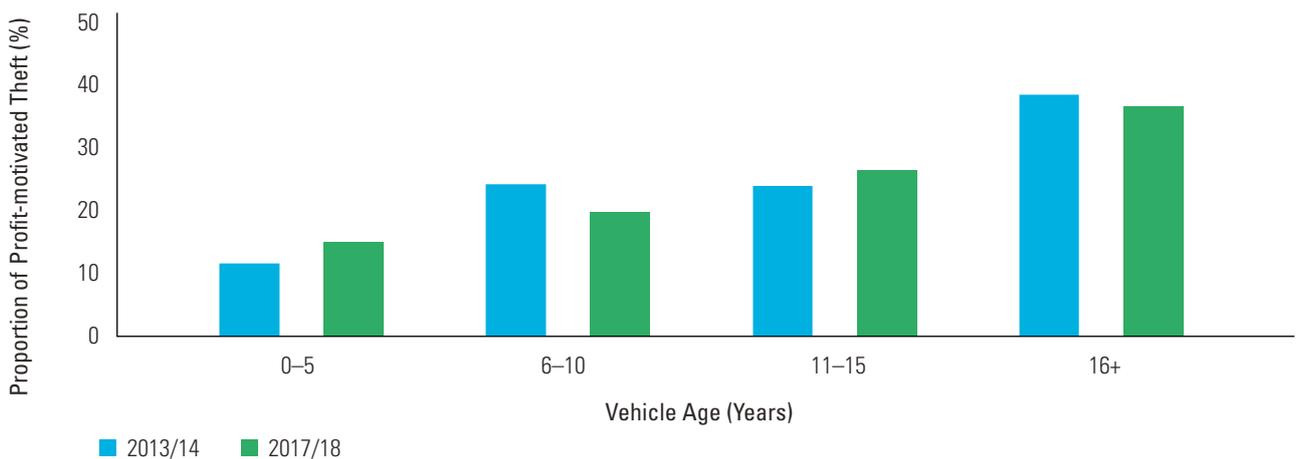
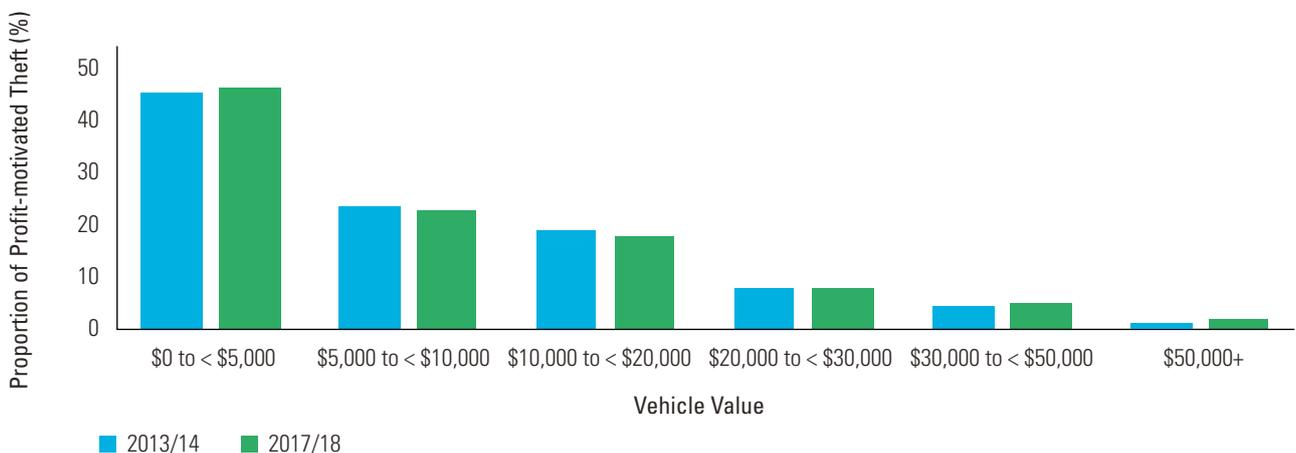


Figure 3: Australia – passenger/light commercial vehicles – percentage of profit-motivated thefts by Glass’s Guide value estimate, 2013/14 and 2017/18





2 Synergy Auto Repairs

The Synergy Auto repair youth diversion social enterprise effected its 1,400th complete repair whilst setting the lives of another 20 former offenders on a positive pathway via trade employment or further education.



REFORM ACTIVITY

Disrupting separated parts markets

Better management of end-of life vehicles (ELV)

As whole vehicle laundering has become almost impossible to execute without detection, the dismantling or stripping of major components has become increasingly more attractive and less risky for car criminals. Criminal networks are also now more likely to dispose of the stripped shell by crushing or shredding rather than simply abandoning it.

Gaps and anomalies in the way the separated parts and scrap metal markets have been traditionally regulated across Australia have allowed criminal 'theft for scrap' rackets to flourish with little risk of detection. The NMVTRC has been calling for the modernisation of related laws across Australia since 2012 to remove ambiguities and gaps, and deal more effectively with enduring non-compliance.

The prevailing vehicle age profile of profit-motivated thefts indicates that theft for scrap could account for half of all profit-motivated thefts and highlights the vulnerability of the prevailing end-of-life vehicle (ELV) practices to manipulation by profit-motivated thieves.

In 2017 the NSW Government introduced Australian-first crime prevention laws aimed at curbing the illicit trade in scrap metal, and end-of-life vehicles in particular. The *Scrap Metal Industry Act*, commenced operation in March 2017 and requires persons dealing in scrap metal to register with NSW Police, bans cash transactions and imposes a range of obligations on participants to maintain certain records and report suspicious activity.

In May 2017, however, the Victorian Government also announced that it would amend its second-hand dealing laws to adopt key elements of the NSW approach, including a ban on cash payments and trading in de-identified vehicles.

Unfortunately, the powers granted to police in terms of seizure powers are not optimal and Victoria does not, at this stage, have the closure orders available to NSW police.

The NMVTRC's preference is for other jurisdictions to replicate the NSW model in precisely the same form, i.e. as a standalone crime prevention initiative, but we will continue to monitor the impacts of the amended Victorian law in conjunction with police and industry stakeholders.

The NMVTRC will shortly begin detailed consultations with Western Australian and South Australian stakeholders about establishing local expert working groups to advance a coordinated case for complementary reform in those jurisdictions.

In May, Austroads released the results of its joint project with the NMVTRC on how the national vehicle registration framework could be modified to enable the better management of ELVs. The report outlines two alternatives to tighten current arrangements and monitor the whole vehicle lifecycle from manufacture to destruction. Both approaches are currently operating in other countries.

The published report should be the starting point in any discussion about potential regulatory models for improving ELV management and creates a framework for a future cost benefit analysis.

Disrupting vehicle laundering markets

Consistent management of heavy vehicle write-offs

While the frequency of heavy vehicle theft is relatively low at less than 5 per cent of all thefts, the cost of an incident can be extremely high with a single prime mover worth hundreds of thousands of dollars.

Costs to individuals and businesses impacted by this type of theft will be generally much higher than for other vehicles in terms of temporary replacement costs, lost productivity and increased insurance premiums.

In May 2017, the Transport and Infrastructure Council agreed to implement a Heavy Vehicle Written-off Vehicle Register to improve vehicle safety and mitigate theft risks.

With the assistance of a group of select government and industry experts, a detailed set of technical criteria was agreed with Australia's major heavy vehicle insurers, manufacturers, repairers and transport agencies to identify when a vehicle involved in a crash or other event that has resulted in it being declared a *total loss* should be classified to be a statutory write-off. A statutory write-off may only be used for dismantling salvageable parts for reuse, or processing as scrap.

The technical criteria are set out in the Austroads/NMVTRC publication *Damage Assessment Criteria for the Classification of Heavy Vehicle Statutory Write-Offs*. The Guide is designed to assist insurance personnel and other notifiers who are required to classify heavy vehicle write-offs for regulatory purposes with the classification task.



3 Heavy vehicle management

A detailed set of technical criteria was developed with government and industry experts to assist insurance personnel and other notifiers who are required to classify heavy vehicle write-offs for regulatory purposes.



REFORM ACTIVITY CONTINUED

The specialised nature of heavy vehicle construction and fabrication means that the criteria (and respective damage counting rules) have been separated into three groups – with Group 1 comprising rigid trucks and prime movers, Group 2 covering trailers and Group 3 containing buses.

The key principles that underlined the development of the criteria were to:

- ensure the application of sound engineering principles in respect of the kinetic energy associated with heavy vehicle crashes, manufacturers' repairs standards and safe repair practices;
- err on the side of safety where there was any doubt about the best technical approach; and
- rely on an expert, in-situ visual assessment by an insurance assessor without recourse to scientific or destructive testing.

The new criteria will require a local law change to implement them. It is expected that NSW will be the first to adopt them from late 2018. Transport for NSW is consulting local industry on implementation details and Austroads and the NMVTRC are collaborating on the development of an appropriate industry training program and resources for delivery from late October. Implementation dates for other jurisdictions are yet to be determined.

Improving the value of the Personal Property Securities Register (PPSR)

The NMVTRC has long been a leading advocate for improving consumer and motor trades' access to non-personal vehicle status information and establishing a means for insurers to validate data direct from the vehicle registration system.

The PPSR is the national one-stop-shop for vehicle encumbrance, stolen and written-off status for consumers and the motor trades. It is operated by the Australian Government and provides prospective buyers of used vehicles with a one-off certificate confirming a vehicle's recorded status.

In great news for consumers, the operator of the PPSR, the Australian Financial Security Authority, announced in August that search fees would reduce to just \$2 (down from \$3.40) after a cost recovery review. This represents outstanding value compared to other so-called 'value added' products provided by commercial data aggregators. The NMVTRC would like to see all Australian motoring clubs do more to promote the basic PPSR check to their members.

In 2017/18, the PPSR processed more than nine million registration status checks.

Secure compliance labels

The year also saw more than 600,000 new vehicles sold in Australia bearing a compliance label that complies with the NMVTRC's performance-based technical specification. The label's unique features ensure that it cannot be transferred between vehicles without easy detection, cannot be copied, and is easy to authenticate. The year's result brings the total volume of vehicles protected since the label's first introduction in 2007 to more than 5.8 million.

Whole of vehicle marking

A further 53,000 new vehicles sold in the year carried up to 7,000 microdots each bearing the vehicle's unique 17-digit identification number, making it virtually impossible for profit-motivated thieves to hide a vehicle's original identity. More than 500,000 vehicles sold in Australia since 2009 have had the NMVTRC-endorsed system fitted as standard equipment.

Diverting young offenders

Synergy Auto Repairs (social enterprise) for young recidivist offenders

On any day there are around 1,500 young people held in juvenile detention nationally and a very high proportion of them are there as a result of motor vehicle offences. Detention is costly – keeping a young person in secure care costs more than \$440,000 a year – and its impact on post-release re-offending is open to debate. Recidivist offenders are often returned to the community without the skills or support required to leave their former lifestyle behind.

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. Car crime also kills; with more than 60 theft-related fatalities across Australia in the past five years. Half of those deaths were young people between the ages of 10 and 21. Most resulted from a combination of excess speed, drugs and alcohol. Five were associated with an active police pursuit.

For these reasons, the NMVTRC remains an advocate for the expert design and delivery of diversionary programs for young vehicle theft offenders based around technical training and the development of trade skills.

Young offenders have a chance to turn their lives around through the commercially based social enterprise, Synergy Auto Repairs. Synergy is a unique partnership between Mission Australia (MA), the Suncorp Group (SG) and the NMVTRC to deliver technical training and work experience for offenders aged 16-20 with a view to them securing full-time employment in the repair sector.



4 Disrupting the export, dismantling and recycling of stolen vehicles

Austrroads and the NMVTRC released the results of a joint project on how the national vehicle registration framework could be modified to enable the better management of ELVs across the whole vehicle lifecycle.



REFORM ACTIVITY CONTINUED

All work is supervised by an experienced, trade-qualified workshop manager and two full-time spray painters and panel-beaters and must meet the same quality standards of other Suncorp repairers.

Since 2014 more than 80 young people have actively engaged in the program with 70 per cent achieving positive outcomes in terms of starting a new career or returning to the education system by the time their six-month placement is completed.

Program participants have helped repair more than 1,400 customer vehicles.

One of Synergy's talented 'alumni' recently won a major industry skills award and will travel to the United States in 2019 to showcase their custom vehicle painting skills.

Insights into contemporary young offender behaviour in Victoria

Between 2014 and 2016 Victoria experienced unprecedented increases in both short-term and profit-motivated theft. As a result, Victoria has replaced New South Wales at the top of the nation's 'theft league table' for the first time.

A small number of high-profile incidents have involved the use, or implied use of violence in a series of aggravated burglaries and on-road 'car-jackings'. The rate at which the theft of a vehicle has been directly associated with other criminal offences has more than doubled since 2012.

While overall crime rates for young offenders are down, there has been a significant increase in assault and related crime which have contributed to an overall increase in offences against the person.

With the expert assistance of Swinburne University's (SU) Department of Psychological Sciences, the NMVTRC and Victoria Police are collaborating to identify the factors that have led to the current offending cohort's propensity for

violence. Progress has been much slower than expected due to the complex ethical framework that controls access to offenders in custody. The project design has also been revised to allow all current detainees involved in a violent vehicle theft event to be offered the opportunity to participate. A final report is due in June 2019.

Building stakeholder/community capacity and encouraging innovation

Australian Vehicle Crime Communications Alliance

The consequences of vehicle theft are felt strongly by local communities. Vehicle theft and home burglary go hand in hand – more frequently vehicle keys are being stolen via a house burglary and stolen vehicles are often used to transport stolen property. Car theft often results in extensive damage to property and sometimes, tragically, in the injury or death of innocent road users.

The business sector, local government, crime prevention and community safety groups all perform vital roles in combating vehicle crime. The NMVTRC therefore maintains a major focus on building stakeholder capacity, community resilience and promoting innovation via new technology, communications and knowledge-sharing projects.

Effective communication is essential to influencing community perceptions about crime and to encourage personal behaviours that can help mitigate risks. There are many well-intentioned players, all competing for media coverage, publicity, sponsorship and cut-through to reach the vehicle owner, householder or business operator.

Following on from discussions on the issue at the Australian Vehicle Crime Conference in 2017, the NMVTRC hosted a national workshop of stakeholder subject matter experts and communications specialists to examine prevailing issues and contribute to the development of a set of consistent,

appropriate key messages that would be suitable for use across all partner organisations' communications with motorists and the broader community.

Presentations from the NMVTRC and South Australia's RAA on their analyses of recent short-term theft trends and consumer perceptions were followed by detailed syndicate group discussions in which participants were asked to identify the:

- critical themes that should guide the development of appropriate consumer-focused messages for use across all partner organisations' communications; and
- challenges and opportunities that the prevailing crime dynamic presents.

The NMVTRC will use the principles, overarching themes and key messages to refresh its suite of public education materials in the second half of 2018.

The NMVTRC is also an active participant in the local Victoria Police led Motor Vehicle Crime Communications Working Group to ensure a consistency in community messages.

Australasian Vehicle Crime Managers' Network (AVCMN)

The NMVTRC convenes the AVCMN from time to time to enable senior law enforcement officers and lead investigators to:

- exchange perspectives on current and emerging trends in vehicle crime at a jurisdictional and national level;
- share information on jurisdictional tactical responses to related crime, including specific investigation and broader service-wide strategic responses; and
- provide a cost-effective mechanism to facilitate ongoing inter-agency collaboration and intelligence sharing.



5 Better data utilisation

The NMVTRC's world-leading expert vehicle crime data service again provided stakeholders and the media with fast, easy access to the most up-to-date vehicle theft data available. The CARS database now contains almost 1.7 million police theft reports. The year also saw a 32 per cent increase of unique visits to the CAR-SAFE website, while law enforcement use of *restricted data services* increased 36 per cent.



REFORM ACTIVITY CONTINUED

The content of discussions is protected for operational purposes and cannot be reported in detail. However, in general terms, agencies are in agreement that traditional forms of rebirthing are now almost non-existent, while the trade in the 'separated parts' and 'theft for scrap' markets (for both domestic and overseas consumption) has grown exponentially.

There is strong support for the NMVTRC's program for reforming scrap metal markets.

Policing agencies were also of the view that it would be helpful if the Australian Government formally added stolen vehicles to the *prohibited goods* list for export purposes. Under Commonwealth law a person who exports prohibited goods can face penalties of up to \$525,000 or 10 years imprisonment, or both. The NMVTRC and Victoria Police will liaise further with the Australian Government on this issue on behalf of participants.

New technology

While immobilisation has made a major contribution to reducing vehicle crime there is now clear evidence of a shift in some offenders' methods towards residential burglaries to access the keys of 'secure vehicles'. It may be hours before such thefts are discovered by the vehicle owner and reported to police. In the intervening period the stolen vehicle may be used in other serious crimes or pose other community risks.

The year saw the NMVTRC extend its collaboration with law enforcement in select jurisdictions (via the Stolen Vehicle Rapid Response Initiative (SVRRI)) to include Victoria.

Using a simple smartphone app the vehicle owner can set a virtual 'geo-fence' around the vehicle with the press of a single button. If the vehicle leaves that position, the system will immediately send an email alert to the owner's nominated email address. As soon as the owner reports the theft to police they too are able to track the vehicle with the aim of safely monitoring its movements and apprehending the offenders.

In a priority project with Victoria Police we sought to tactically deploy low-cost vehicle theft alert and tracking technology in theft hot spots in Melbourne's south-east. The aim was to complete device installation in up to 1,000 high-risk vehicles.

However, vehicle owner response has been much weaker than anticipated, possibly indicating an adverse 'big brother' reaction. This should be a key learning for possible future integration of connected vehicles with police and public infrastructure more generally.

As a consequence, the target of 1,000 vehicles will not be met. The NMVTRC will continue to support current users for their 12 month participation. It is proposed to tip the balance of pre-purchased devices into the Operation Bounce Back offering to participating Victorian municipalities.

The imminent introduction of connected, intelligent vehicles to Australia will raise a whole raft of privacy, security and crime issues. The NMVTRC is a partner with Insurance Australia Group in establishing an independent expert centre on vehicle cyber security to assess claimed cyber risks, undertake strategic research on emerging technologies and threats and real-world testing of security devices.

Public education

Helping locals get active

The NMVTRC once again teamed up with local councils in crime hot spots across Australia to deliver its successful Operation Bounce Back program. Now in its thirteenth year, this iteration focused on the 'Car Security Begins at Home' theme and what people can do to ensure they reduce their risks of becoming a victim of vehicle theft.

Due to what was commonly cited as localised resourcing issues the pool of participating municipalities was lower than usual with seven accepting grants valued at \$15,000 to implement a vehicle crime awareness campaign consistent with the NMVTRC's Tackling Vehicle Theft: A Guide for Local Communities.

The program for 2018 has been divided into two flights with fresh offers made to most of the 2017 decliners.

Participating municipalities continue to enthusiastically embrace the program, developing and executing new and innovative ways to promote vehicle theft prevention as a shared responsibility.

This year's program saw the return of large scale cinema advertising and community events including safety expos and information stalls. Most programs saw an increase in local law enforcement participation which reflected a primary focus of community togetherness.

A wide range of media platforms were used by participating LGAs including strong use of social media. Securing publicity via effective local media relations and use of the NMVTRC's 'ready to print' advertisements were nominated as the most effective form of promotion. Participants agree that consistent campaigns are essential to the long-term reduction in vehicle theft locally.

Five of seven participating LGAs achieved reductions greater than their respective state averages for the year.

Local government area	Thefts for the same			
	Thefts during OBB 2017/18 FY	period 12 months prior 2016/17 FY	% Change	State change
Canterbury Bankstown Council (NSW)	470	592	-21%	-5%
Lake Macquarie City Council (NSW)	391	418	-6%	-5%
Penrith City Council (NSW)	378	366	3%	-5%
City of Salisbury (SA)	355	414	-14%	-9%
Launceston City Council (TAS)	196	342	-43%	-25%
Darebin City Council (VIC)	557	694	-20%	-19%
City of Greater Dandenong (VIC)	598	716	-16%	-19%

Minimising opportunities for insurance fraud

The NMVTRC continued to collaborate with 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.

Those vehicles reported as stolen that are more likely to be the subject of fraudulent claims will be those that are of higher value, insured for an agreed value (rather than market value) and subject to a financial encumbrance.

The Vehicle Information Request System established by Austroads (with assistance from vehicle manufacturers and the NMVTRC) enables insurers to validate non-personal data (including VIN, make, model, year, stolen and written-off status) direct from the national registration system as a fraud mitigation tool. The system processed more than 12 million vehicle status checks in 2017/18.

Better data utilisation

Expert data services

The NMVTRC's world-leading expert vehicle crime data service again provided stakeholders and the media with fast, easy access to the most up-to-date vehicle theft data available. The CARS database now contains almost 1.7 million police theft reports.

A range of system enhancements were introduced in 2017/18 including the:

- capture of Victorian number plate theft data;
- integration of additional data fields including geocoded theft and recovery data for Northern Territory (NT) and the development of a customised restricted access dashboard for NT Police based on weekly, refreshed data;
- transformation of the NMVTRC's quarterly Theft Watch product from a static two-page PDF document to an interactive tool; and
- development of weekly and monthly intelligence reports for select police services.

The year also saw the completion of the first ever 'deep analysis' of vehicle crime trends in the Northern Territory to help local police and community safety planners to refine their respective vehicle crime strategies and improve community safety. As part of the process the 'police narrative' for every theft reported over a 12 month period was reviewed to confirm the precise circumstances of every theft. The results, which further support the NMVTRC's observations about key security, are reported at carsafe.com.au/nt-study.

The year also saw a 32 per cent increase of unique visits to the CAR-SAFE website, while law enforcement use of *restricted data services* increased 36 per cent.

PERFORMANCE INDICATORS

Vehicle theft in comparable developed nations

Since its inception the NMVTRC has benchmarked its performance against a group of nine comparable OECD countries. This sort of comparison, while valuable, poses some difficulties due to maintaining the continuity of reporting in some countries and significant changes in counting rules and definitions over time. The model below attempts to account for differential counting rules and large variations in vehicle fleets and population sizes by indexing all participants to a common point (100) and measures performance from that point. In interpreting the results, the critical factor is therefore direction and shape of the individual line rather than the quantum of the theft 'size', i.e. is the jurisdiction tracking better or worse since the common point of indexation.⁴

The time lag in reporting data in other jurisdictions limits the time series for comparison to the end of the 2017 calendar year.

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

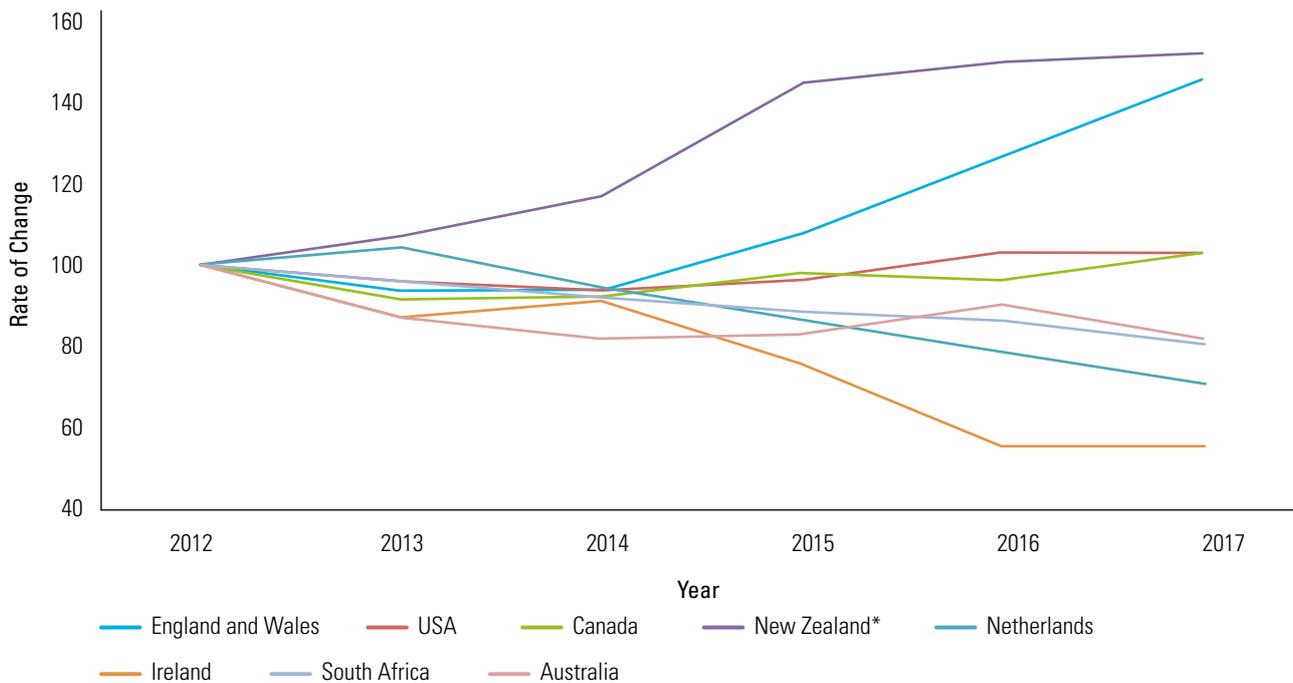
Table 1: Short term and profit-motivated thefts as a percentage of total thefts (PLCs)

	2013/14	2014/15	2015/16	2016/17	2017/18
Short term thefts %	76	76	79	80	79
Profit-motivated thefts %	24	24	21	20	21

Table 2: Short term and profit-motivated thefts as a percentage of total thefts (motorcycles only)

	2013/14	2014/15	2015/16	2016/17	2017/18
Short term thefts %	48	47	49	48	47
Profit-motivated thefts %	52	53	51	52	53

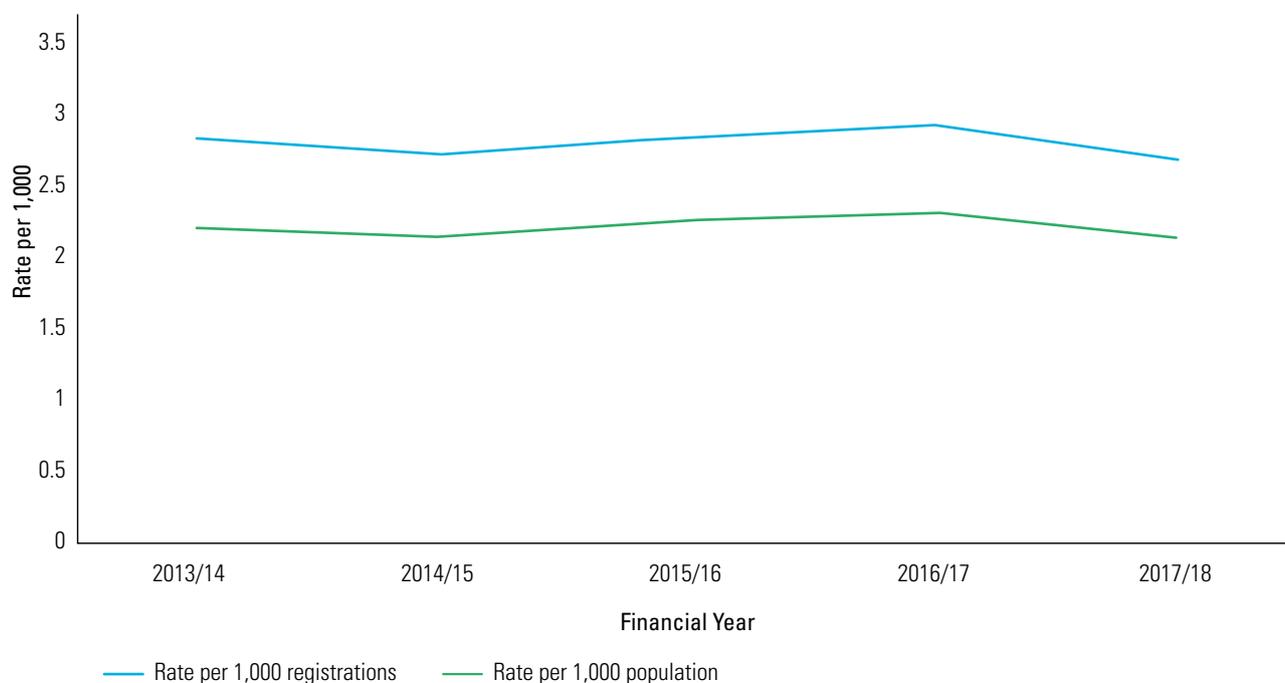
Figure 4: International league table of car thefts – theft rate per 100,000 population indexed to 2012



4. CARS Database, ² StatsSA, ³ Central Statistics Office of Ireland, ⁴ Netherlands Foundation for Tackling Vehicle Crime, ⁵ New Zealand Police, ⁶ Statistics Canada, ⁷ FBI Uniform Crime Reports, ⁸ UK Office of National Statistics.

* In 2014, New Zealand Police replaced its historic twice yearly official crime statistics with new monthly statistics. This makes it difficult to monitor long-term crime trends until the new statistics have been in place for a long enough time period and may explain the peak in theft rates in the last few years.

Figure 5: Motor vehicle thefts per 1,000 registrations and population, 2013/14 – 2017/18



Community perceptions of vehicle theft relative to other crime

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 results of the March 2018 survey indicate that:

- overall concern about car theft and home burglaries remains at the elevated level of the previous survey in November 2016;
- more respondents identified young people as the perpetrators (even up on the more prominent response of the previous survey);
- while most respondents identified recent model cars as the most common targets, there remains a sustained view in places such as Melbourne that luxury cars are the choice of thieves;

- relative to other crimes – the mean scores indicate elevated concerns about vandalism and car theft; and
- respondents continue to underestimate the proportion of thefts associated with a residence.

The cost of motor vehicle theft

The NMVTRC estimates the cost of all vehicle theft to be \$599 million, excluding the very large community costs associated with police investigations, courts, and corrections.⁵

Analysis of NMVTRC in the media

Vehicle theft remained a strong focus for the media this year, with 6,989* related articles published. Many of these articles included data provided by the NMVTRC, with the Council being directly quoted in over 206.*

The NMVTRC was also featured prominently in a high number of online articles. Matters covered included vehicle theft data, car-jacking, theft for scrap, tracking technology and the NMVTRC’s Car Security Begins at Home campaign.

The NMVTRC provided comment in 18 radio and television interviews on vehicle crime issues.

One hundred per cent of the NMVTRC related reporting was positive or balanced.

Stakeholder-determined performance indicators

A select sample of senior stakeholder executives from across Australia was asked to participate in a 20 minute phone survey conducted by Nexus Market Research in respect of their views on the NMVTRC’s performance in relation to its program co-ordination and consultation, publications and level of influence on reforms.

5. Based on an independent economic analysis conducted by MM Stars Pty Ltd for the NMVTRC (September 2017) which estimated victims’ costs per incident to be \$15,900 for recovered vehicles and in the range of \$6,300 to \$18,500 for non-recoveries (depending on factors such as vehicle age, personal, injury and insurance administration costs).

* A switch to a new media monitoring service included social media reporting for the first time. The volumes quoted are for a rolling 12 months to the end of September 2018.

PERFORMANCE INDICATORS CONTINUED

Program co-ordination and consultation

Ninety seven per cent of respondents rated the NMVTRC's performance positively. Scores of more than 80 per cent 'good', 'very good' or 'excellent' were reported in respect of program co-ordination, reform progress, and stakeholder consultation.

Stakeholders were asked to nominate those reforms promoted by the NMVTRC they were most familiar with. Spontaneous awareness of NMVTRC reforms or programs was highest for the Young Offender Programs (45 per cent spontaneously expressing familiarity) followed by New Assessment Criteria for Written-off Vehicles (15 per cent unprompted), Management of End of Life Vehicles (6 per cent) and the Comprehensive Auto-theft Research Service (6 per cent).

When prompted with names of the reforms/ programs, 91 per cent of respondents were aware of Car Security Begins at Home and New Damage Assessment Criteria for Written-off Vehicles, followed closely by the young offender programs (88 per cent) while

the Comprehensive Auto-theft Research Service, the use of inter-agency task forces, low cost vehicle tracking technology and the Personal Property Securities Register all generated more than 70 per cent awareness.

Stakeholders reported an overwhelmingly high level of satisfaction in regards to the NMVTRC's dissemination of vehicle theft data with 88 per cent rating the NMVTRC's performance positively.

Publications

Eighty eight per cent of respondents rated the quality of the NMVTRC's publications and statistical services positively and 91 per cent indicated that the publications met their needs well, very well or extremely well.

The NMVTRC's quarterly publications *Theft Watch/Theft Torque/Theft Matters* were the most recognised of the publications/ resources (96 per cent), followed by the CAR-SAFE website, Strategic Plan and Annual Report, all with 93 per cent recognition.

Influence on reforms

A vast number of stakeholders (85 per cent) considered the NMVTRC to have a positive impact on the progress of vehicle theft reforms. The progress of the reforms/ programs was significantly attributed to the work of the NMVTRC with a high number suggesting that the initiatives may not have occurred without the NMVTRC's involvement. This was largely attributed to the NMVTRC's ability, as a national body, to facilitate a collaborative approach to achieve reforms across all jurisdictions. Eighty-two per cent of respondents also saw a positive impact on the implementation of vehicle theft reform within their own organisation.

FINANCIAL STATEMENTS

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STATEMENT BY MEMBERS OF THE COMMITTEE

FOR THE YEAR ENDED 30 JUNE 2018

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. Presents fairly the financial position of National Motor Vehicle Theft Reduction Council Inc as at 30 June 2018 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.

The Committee is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

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 (AO)
Chairman

Rob Bartlett
Committee Member

The accompanying notes form part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue	2	1,852,664	1,943,725
Gross profit		1,852,664	1,943,725
Accounting fees		(3,675)	(8,164)
Auditor remuneration		(5,455)	(5,305)
Expert data systems		(475,124)	(475,288)
Communications		(206,600)	(150,166)
Sitting fee		(30,000)	(30,000)
Employee benefits		(645,388)	(616,552)
Disrupt separated parts market		(5,000)	-
Disrupt vehicle laundering markets		(54,543)	(26,354)
Diverting young offenders		(182,182)	(22,778)
Stakeholder and community capacity		(209,695)	(334,774)
Other expenses		(116,457)	(118,574)
Profit (deficit) before income tax		(81,455)	155,770
Income tax (credit) expense		-	-
Surplus (deficit) for the year		(81,455)	155,770

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
Assets			
Current assets			
Cash assets	4	1,005,304	1,064,147
Receivables	5	-	980
Current tax assets		38,147	40,775
Other	6	39,476	20,062
Total current assets		1,082,927	1,125,964
Total assets		1,082,927	1,125,964
Liabilities			
Current liabilities			
Payables	8	32,789	19,962
Provisions	9	317,597	292,007
Total current liabilities		350,386	311,968
Total liabilities		350,386	311,968
Net assets		732,541	813,995
Equity			
Retained profits		732,541	813,995
Total members' funds		732,541	813,995

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Cash flow from operating activities		
Receipts from grants	1,838,250	1,930,261
Payments to suppliers and employees	(1,911,507)	(1,758,786)
Interest received	14,414	12,483
Net cash provided by (used in) operating activities (Note 2)	(58,843)	183,959
Cash flow from investing activities		
Payment for:		
Payments for property, plant and equipment	-	-
Net cash provided by (used in) investing activities	-	-
Net increase (decrease) in cash held	(58,843)	183,959
Cash at the beginning of the year	1,064,147	880,188
Cash at the end of the year (Note 1)	1,005,304	1,064,147

Note 1. Reconciliation of cash

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	12,383	25,493
CBA cash management account	992,840	1,038,446
Petty cash on hand	81	208
	1,005,304	1,064,147

Note 2. Reconciliation of net cash provided by/used in operating activities to net profit

Operating profit (loss) after tax	(81,455)	155,770
Depreciation	-	-
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	980	(980)
(Increase) decrease in prepayments	(19,414)	4,692
Increase (decrease) in trade creditors and accruals	11,499	14,616
Increase (decrease) in other creditors	1,362	320
Increase (decrease) in employee entitlements	25,590	27,774
Increase (decrease) in sundry provisions	2,595	(18,233)
Net cash provided by operating activities	(58,843)	(183,959)

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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 *Associations Incorporation Act 2012* (VIC) Reform.

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 expense under Division 50 of the *Income Tax Assessment Act 1997*. Therefore, no provision for income tax has been raised.

Non-member income of the association is only assessable for tax, as member income is excluded under the principle of mutuality.

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.

The accompanying notes form part of these financial statements.

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	Depreciation rate
<i>Leasehold improvements</i>	<i>Period of lease</i>
Office equipment	3 years
Computer equipment	3 years
Furniture and fittings	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 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.

Comparative figures

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

Revenue

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).

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Note 2: Revenue and other income		
Revenue:		
Interest revenue	14,414	12,483
Grants received	1,838,250	1,838,250
Other income	-	92,991
	1,852,664	1,943,725

Note 3: Profit from ordinary activities

Profit (loss) from ordinary activities before income tax has been determined after:

Charging as expense:

Depreciation of non-current assets:

Other	-	-
Total depreciation expenses	-	-

Note 4: Cash assets

Bank accounts:

Cash at bank	12,383	25,493
CBA cash management account	992,840	1,038,446

Other cash items:

Petty cash on hand	81	208
	1,005,304	1,064,147

Note 5: Receivables

Current

Trade debtors	-	980
	-	980

Note 6: Other assets

Current

Prepayments	38,876	19,462
Other	600	600
	39,476	20,062

The accompanying notes form part of these financial statements.

	2018	2017
	\$	\$
Note 7: Property, plant and equipment		
Plant and equipment:		
At cost	142,647	142,647
Less: Accumulated depreciation	(142,647)	(142,647)
	-	-
Leased plant and equipment:		
At cost	30,668	30,668
Less: Accumulated amortisation	(30,668)	(30,668)
	-	-
	-	-
Note 8: Payables		
Unsecured:		
Trade creditors	30,895	19,430
Other creditors	1,894	532
	32,789	19,962
Note 9: Provisions		
Current		
Employee entitlements*	317,597	292,007
	317,597	292,007
* Aggregate employee entitlements liability	317,597	292,007

There were four employees at the end of the year.

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

Note 10: Key management personnel compensation

The totals of remuneration paid to key management personnel (KMP) of the association during the year are as follows:

There were two Committee members whose income was within the band \$20,000 to \$200,000.

Note 11: Superannuation commitments

The entity provides choice of superannuation fund to provide benefits to employees on retirement, death or disability. The entity contributes 9.5 per cent of gross salary package as an employer contributions. Employees can salary sacrifice additional amounts to superannuation.

Note 12: Auditors' remuneration

Remuneration of the auditor of the Company for:

Auditing or reviewing the financial report	5,455	5,305
Other services	-	-
	5,455	5,305

Note 13: Contingent liabilities

There is no contingent liabilities.

Note 14: Events subsequent to reporting date

Since the end of the financial year there are no subsequent events.

COMPILATION REPORT

NATIONAL MOTOR VEHICLE THEFT REDUCTION COUNCIL INCORPORATED COMPILATION REPORT TO NATIONAL MOTOR VEHICLE THEFT REDUCTION COUNCIL INCORPORATED

We have compiled the accompanying general purpose financial statements of National Motor Vehicle Theft Reduction Council Inc, which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Position as at 30 June 2018, a summary of significant accounting policies and other explanatory notes. These have been prepared in accordance with the financial reporting framework described in Note 1 to the financial statements.

The Responsibility of the Committee of Management

The committee of management is solely responsible for the information contained in the general purpose financial statements and the reliability, accuracy and completeness of the information.

Our Responsibility

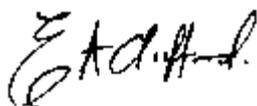
On the basis of information provided by the committee of management, we have compiled the accompanying general purpose financial statements in accordance with the financial reporting framework described in Note 1 to the financial statements and APES 315 Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with Australian Accounting Standards. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The general purpose financial statements were compiled for the benefit of the committee of management who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the general purpose financial statements.



Elizabeth A Clifford
ONE ON ONE ACCOUNTANTS PTY LTD
PO Box 4201 Langwarrin VIC 3910

21 September 2018

INDEPENDENT AUDIT REPORT

**NATIONAL MOTOR VEHICLE THEFT REDUCTION
COUNCIL INCORPORATED
ABN 45 859 804 389
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

Opinion

I have audited the financial report of National Motor Vehicle Theft Reduction Council Inc. comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In my opinion, the accompanying financial report presents fairly, in all material respects in accordance with the Associations Incorporation Reform Act 2012, the financial position of the association as at 30 June 2018 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the in accordance with the Associations Incorporation Reform Act 2012.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the entity in meeting its obligations under the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose. My report is intended solely for the entity and should not be distributed to or used by parties other than the entity. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

**NATIONAL MOTOR VEHICLE THEFT REDUCTION
COUNCIL INCORPORATED
ABN 45 859 804 389
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.



Geoffrey B. Johnson
Of Rucker DWC Pty Ltd
Chartered Accountants

Date: *21 September 2018*

Doncaster, Victoria

APPENDICES

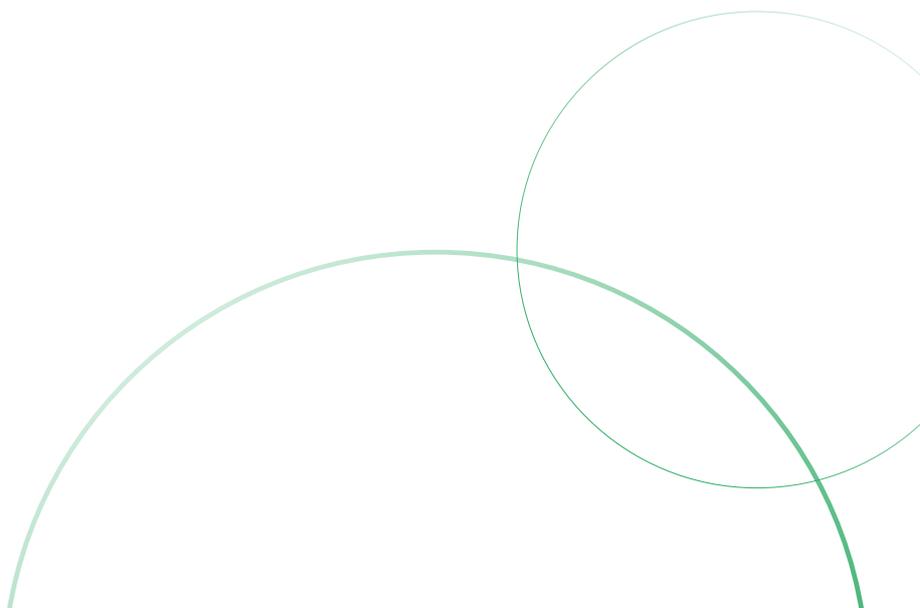
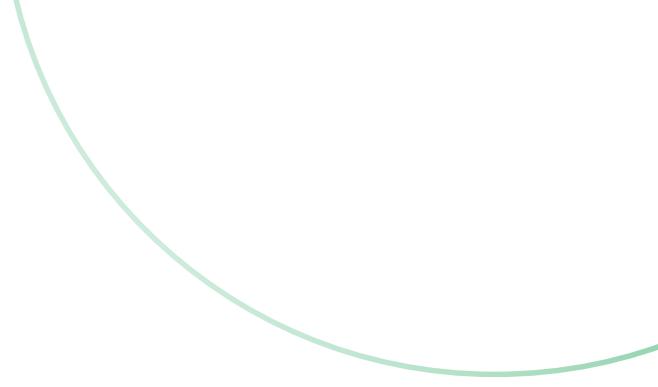
Australia – Short term theft snap shot, 2017/18

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Australia
PLCs	967	7,284	716	8,205	1,810	726	9,388	4,018	33,114
Change from 2016/17	154	-380	-159	852	-240	-259	-2,791	-592	-3,415
% change adjusted for late recoveries	*	-5%	*	12%	-12%	*	-23%	-13%	-9%
Motorcycles	58	897	58	749	246	80	758	1,115	3,961
Change from 2016/17	0	127	-15	-36	-31	16	-79	80	62
% change adjusted for late recoveries	*	16%	*	-5%	-11%	*	-9%	8%	2%
Heavy/Other vehicles	11	253	21	282	39	23	307	172	1,108
Change from 2016/17	-4	-28	0	-35	-4	7	-52	-60	-176
% change adjusted for late recoveries	*	-10%	*	-11%	-9%	*	-14%	-26%	-14%
Total theft	1,036	8,434	795	9,236	2,095	829	10,453	5,305	38,183
Change from 2016/17	150	-281	-174	781	-275	-236	-2,922	-572	-3,529
% change adjusted for late recoveries	*	-3%	*	9%	-12%	*	-22%	-10%	-8%

Australia – Profit-motivated theft snap shot, 2017/18

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Australia
PLCs	143	2,418	48	1,454	577	142	3,086	1,163	9,031
Change from 2016/17	-13	-165	-30	2	-3	-32	-126	134	-233
% change adjusted for late recoveries	*	-6%	*	0%	-1%	*	-4%	13%	-3%
Motorcycles	69	968	36	824	294	37	1,304	978	4,510
Change from 2016/17	20	157	-16	81	24	-8	-33	94	319
% change adjusted for late recoveries	*	19%	*	11%	9%	*	-2%	11%	8%
Heavy/Other vehicles	9	239	2	219	33	38	321	137	998
Change from 2016/17	7	193	7	233	36	35	324	317	1,152
% change adjusted for late recoveries	*	24%	*	-6%	-8%	*	-1%	-57%	-13%
Total theft	221	3,625	86	2,497	904	217	4,711	2,278	14,539
Change from 2016/17	9	38	-51	69	18	-37	-162	48	-68
% change adjusted for late recoveries	*	1%	*	3%	2%	*	-3%	2%	0%

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



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