



**ROAD
SAFETY
COMMISSION**

2015-16

Annual report

Elizabeth Quay lights up for the 2016 Yellow Ribbon
National Road Safety Week.

2015-16

Annual report

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Statement of compliance

For the year ended 30 June 2016

Hon Liza Harvey MLA

Deputy Premier, Minister for Police; Road Safety;
Training and Workforce Development;
Women's Interests

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Road Safety Commission for the financial year ended 30 June 2016.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Kim Papalia

Commissioner of Road Safety

August 2016

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Message from the Commissioner

The Road Safety Commission (RSC) in Western Australia has recently celebrated its first anniversary and it gives me great pleasure to release our inaugural annual report.

Just over 12 months ago, the Office of Road Safety was moved from Main Roads and transformed into the Road Safety Commission; a stand-alone entity committed to reducing road trauma in this state.

I was delighted to be appointed Commissioner, leading a team dedicated to tackling one of the biggest and most sustained causes of death and injury in our community. I would also like to acknowledge the valuable work and dedication of the former Road Safety Council Chairman Professor Murray Lampard over 2012-15.

Our staff recently settled into new offices at Royal Street in East Perth and while any transition is always a challenge, the 2015-16 financial year has also been full of exciting opportunities.

In the past year we have completed some important achievements and maintained a service to the Hon. Liza Harvey MLA, Minister for Road Safety, and the Western Australian community.

We have implemented government commitments, diligently promoted the relevance of road safety and sought opportunities to reduce death and serious injury on roads in metropolitan and regional areas across the State.

We strive on a daily basis to create results based on the *Towards Zero* road safety strategy 2008-20.

Even so, I recognise that each death and serious injury on our roads is avoidable and consequently we cannot rest until we achieve a commitment from community to challenge the acceptance of death on our roads.

We have a lot to do, but we are developing the capabilities and improving our capacity continuously.



With the introduction of a Workforce Development Strategy, continued recruitment of people to substantive positions and implementation of the Road Safety Advisory Framework we will achieve our vision - a road transport system for Western Australia where crashes resulting in death or serious injury are virtually eliminated.

In the next year we will implement new and innovative community awareness campaigns, more speed cameras, strong deterrents for repeat drink drivers and many other exciting initiatives.

This is the inaugural Annual Report for the Road Safety Commission, and I commend it to you.

Kim Papalia
Commissioner of Road Safety

Agency in focus

Executive summary

We believe any additional death or serious injury on our roads is unacceptable.

Not because it represents another number added to the deaths on our roads, but for the impact on the victim's family, friends and loved ones.

We're proud to be the organisation ultimately responsible for tackling this challenge; however, we realise it's not something we can do alone.

We need to harness our expertise and draw upon that of our partners to best implement our plans - whether that be improving the road network, making our cars safer or better educating drivers.

At all times, we must remain open and accountable to the community.

No matter what we do as an organisation, it will count for nothing unless the community plays its part.

Together we have the power to make a real difference. To make our roads a safer place. To save our mums and dads, sons and daughters, husbands and wives, friends and loved ones.

The Road Safety Commission, WA community and our partners - saving lives together.

Our values

Collaboration

We work together as a team and jointly with others in our efforts to improve road safety and create value for the community.

Integrity

We maintain high work standards, acting in accord with the ethics and principles required of Public Servants.

Respect

We treat others with consideration; accepting the difference and valuing different abilities, skills and viewpoints.

Trust

We will work to earn trust by being honest, fair and reliable; and we will demonstrate trust by having confidence in one another.



Corporate executive

Kim Papalia **Road Safety Commissioner**

Kim Papalia was appointed as WA's inaugural Road Safety Commissioner on October 28 2015.

Commissioner Papalia has a Master of Public Administration, Bachelor of Arts (Politics and International Studies) and an Associate Degree (Social Science), as well as post-graduate qualifications in law.

Mr Papalia has 35 years' public sector management experience, having undertaken leadership roles in metropolitan and regional WA where he managed diverse districts, divisions and business areas. He has expertise, experience and skills in policy development and implementation, addressing diverse regulatory issues involving community safety, serious and organised crime and hazard management.

Mr Papalia holds a strong interest in sustainability, collaborative engagement and strategies to foster the creation of robust communities. His experience includes leadership of Royal Commission and multi-agency taskforces, as well as the implementation of community strategies to respond to significant social challenges.

Teresa Williams **Director Governance and Finance**

Director Teresa Williams is a Certified Practising Accountant (CPA) and holds a Bachelor of Commerce with an Accounting and Corporate Governance major.

Ms Williams' experience includes corporate governance and organisational development. She has developed and implemented a diverse range of strategic organisational and state-wide initiatives.

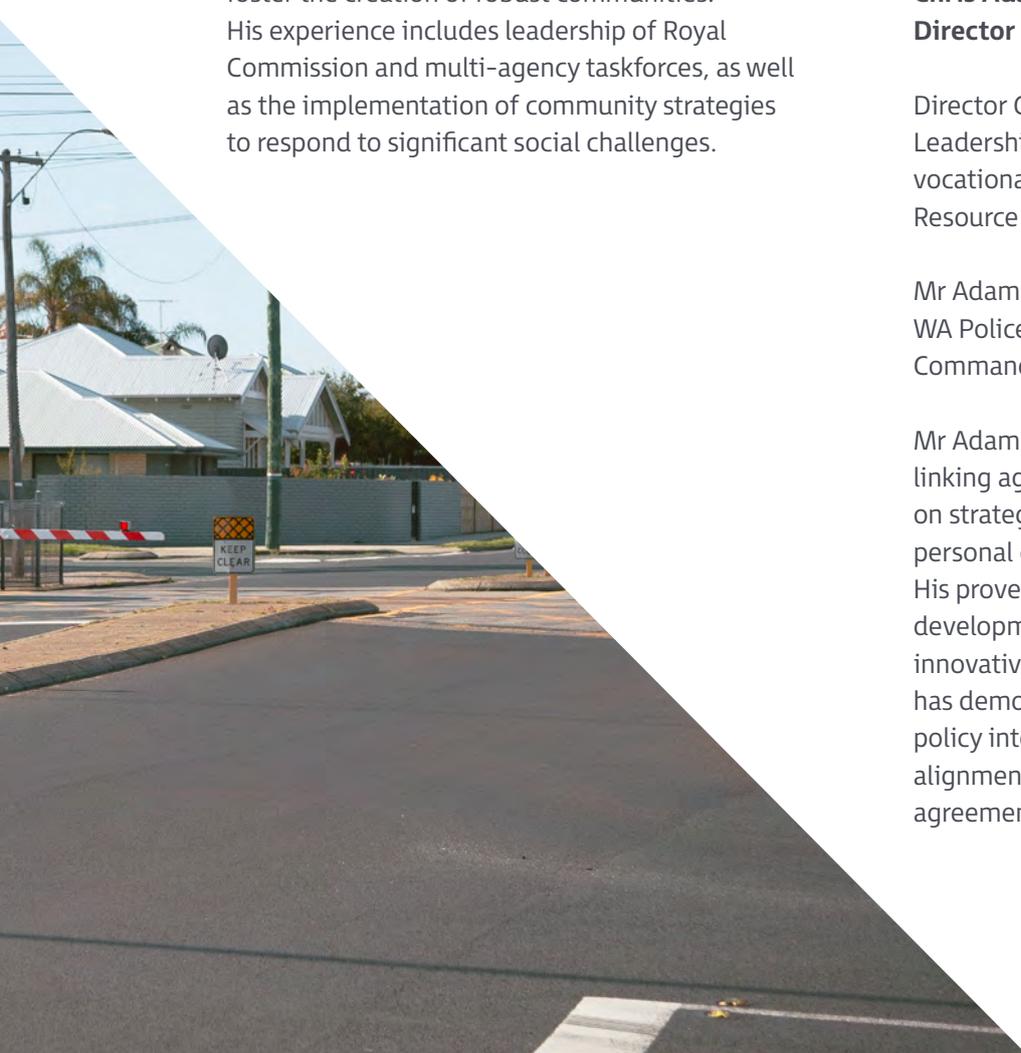
Ms Williams is a former Chief Financial Officer for a government agency and has been responsible for regulatory functions such as licensing and compliance; including oversight of a program of works to verify the extent to which private sector industry participants were compliant with legislative reporting and levy payment obligations.

Chris Adams **Director Strategy and Operations**

Director Chris Adams has a Master of Business Leadership, Bachelor of Arts Justice and diverse vocational qualifications in Business and Resource Management and Frontline Services.

Mr Adams is a former Detective Inspector in WA Police and Lieutenant Colonel (Battalion Commander, ADF).

Mr Adams has considerable experience in linking agency goals and objectives to delivering on strategy and achieving results through a personal commitment to community service. His proven leadership and skills in business development translate to procedural and innovative approaches to shaping strategy. He has demonstrated understanding of converting policy into outcomes through creation of alignment between multiparty agency agreements and common goals.



Profile of the Commission

Mr Peter Browne conducted 'A Review of Road Safety Governance in Western Australia' (Browne Review) which contained a number of recommendations, including the formation of the Road Safety Commission in July 2015, adopting responsibilities of the former Office of Road Safety as well as expanded scope in road safety.

Externally, the Commission is working towards the establishment of a collaborative framework to provide advice and guidance to assist with road safety policy and strategic development.

Our efforts are directed by the development of a Strategic Management Framework.

Mission

Incorporating the Safe System for Western Australia, which aims to improve road safety through four cornerstones:

- Safe Road Use
- Safe Roads and Roadsides
- Safe Speeds
- Safe Vehicles

Towards Zero evaluation

The Western Australia Road Safety Strategy 2008-20 *Towards Zero* was adopted in March 2009. The target outlined in *Towards Zero* is to realise 11,000 fewer people killed or seriously injured on WA roads between 2008 and 2020, a reduction of up to 40 per cent on the average number of people killed or seriously injured each year compared to the average number of people killed or seriously injured during 2005 and 2007.

Since inception of *Towards Zero* in WA, there has been a steady decrease in killed or seriously injured people on our roads. However, there are significant challenges to achieving a 40 per cent reduction by 2020. It remains the intent of the Commission to accept the greater challenge and continue our aim to achieve the targets outlined in *Towards Zero*.

Strategic management and policy framework

Desired outcome of policy

To improve coordination and community awareness of road safety in Western Australia.

Strategic Plan 2015-16

This strategic plan was implemented as an interim to provide initial focus for road safety operations. We anticipated significant challenges during our first year and were cognisant of the need to evaluate new strategies meeting the changing direction of road safety in WA.

A new and comprehensive strategic plan is being developed for 2017-20 and will be included in the Commission's Strategic Management Framework.

Operational Plan 2015-16

Our operational plan represents a high level view of the work required to achieve the objectives outlined in the State Road Safety Strategy. It was not intended to reflect all work programs but to provide a high level map of the key priority areas apparent in our first year of operations. This plan will be incorporated into our Strategic Management Framework.

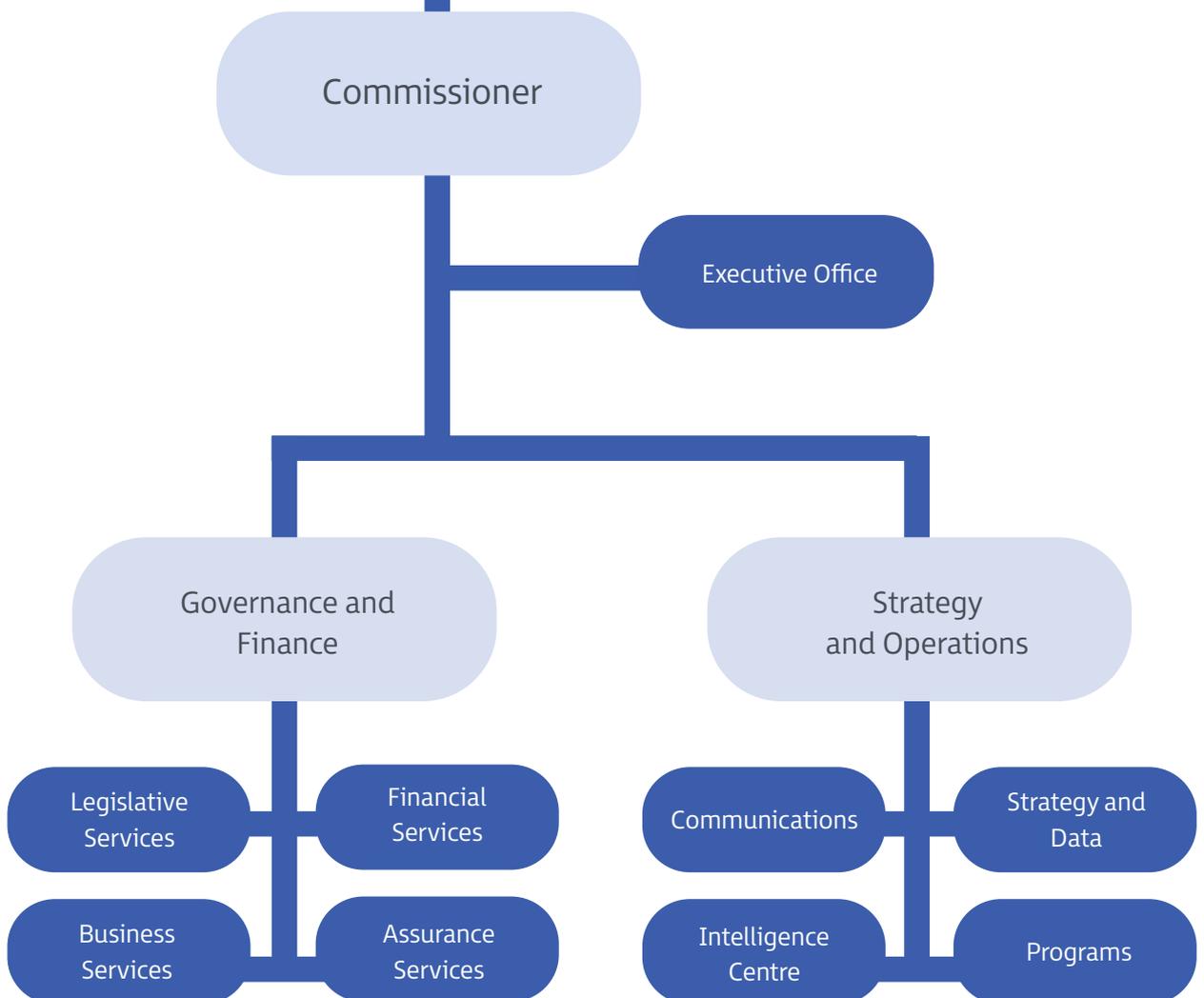
Key Policy Focus Areas 2015-16

- Drink driving behavioural enforcement campaign.
- Restraints community engagement campaign.
- Fatigue and distraction education campaign.
- Speeding campaign.
- Speed camera expansion.
- Point to point speed monitoring trial.
- Introduction of alcohol interlocks scheme for repeat drink drivers.
- Run off road crash program.
- Metropolitan intersection crash program.
- Wheatbelt review recommendations.
- Development of a road safety Intelligence Centre.
- Implement key Browne Review recommendations.
- Stakeholder engagement.

Organisational structure

The approved strength of the Commission is 28 full time employees. The agency is divided into two key directorates under the direction of Commissioner Kim Papalia.

To achieve our goals and meet community expectations, the Commission is made up of two directorates: Strategy & Operations and Governance & Finance. The Commission is currently being developed as a Program Management Office (PMO) to be internally supported by a Road Safety Intelligence Centre (IC) and Tasking & Coordinating Group (T&CG).



Agency performance

Management and policy framework

The Commission was previously structured as a business unit within Main Roads as the Office of Road Safety and as a consequence of recommendations contained within the Browne Review, is now established as a standalone department effective from 1 July 2015.

The Road Safety Council remains as the statutory advisory body to government and under Section 13 of the *Road Safety Council Act 2002* is required to provide an annual report to the Minister for Road Safety about the activities of the Council. To meet this legislative requirement, a report by the Road Safety Council will be provided to the Minister and should be read in conjunction with this report.

Changes to management framework

There has been no change to the existing outcome-based management framework for the Commission during 2015-16.

Advisory framework

The road safety advisory framework incorporates a diverse range of interests from the private sector, government agencies and the community. Groups and individuals who possess a specific expertise, have a particular interest or have ownership of road safety issues can provide input into policy and initiatives.

By collaborating with these groups and key stakeholders, the Commission is provided with strategic, operational and tactical advice. This will ensure innovation, agility and independence in the Commission's programs and campaigns.

Agency performance

Outcome 1

Improve coordination and community awareness of road safety in Western Australia

Service 1

Road safety initiatives developed consistent with the *Towards Zero* strategy

Key indicators of efficiency

Road Trauma Trust Account (RTTA) allocations enable road safety projects:

- percentage of road safety projects completed on time
- percentage of road safety projects completed on budget

Shared responsibilities with other agencies

Road Safety is a shared responsibility between government agencies, as outlined in the *Towards Zero* strategy.

The Commission's commitment to achieving a reduction in road trauma in WA involves forging collaborative partnerships with key stakeholders and providing advice to the Minister for Road Safety.

The Commission has particularly strong working relationships with the following:

Main Roads WA

Main Roads assesses and submits applications for road safety infrastructure programs for consideration of RTTA funding. Applications are submitted as part of the budget process and forwarded to the Minister for Road Safety for consideration. If ministerial approval is forthcoming, Main Roads manages the necessary contractual arrangements and subsequent road works. A quarterly report on the progress of these projects is monitored by the Commission.

Western Australian Police

The Western Australian Police are responsible for enforcement of the *WA Road Traffic Act 1974*.

WA Police made applications for RTTA funds to increase policing activities, targeting key road safety issues such as drink driving, drugs, restraints and speeding.

The RTTA is funded from the collection of infringements from fixed camera speeding fines, which are invested into road safety projects; a decision made by Cabinet in August 2011. As a result, WA Police receive annual funding from the RTTA for the administration of speeding infringements and the purchase of equipment.

Department of Health

The Department of Health has submitted applications for funding from the RTTA to support the following projects:

- Prevent Alcohol and Risk-Related Trauma in Youth (PARTY) program.
- A data linkage road safety analysis project.
- The Road Trauma Support Services up to May 2015.

Injury Control Council of WA (ICCWA)

Road Trauma Support WA is a not-for-profit service under the management of ICCWA which has been funded by the RTTA.

The service offers support to drivers and families who have been affected by a serious road crash. This includes information, peer support, specialised trauma and bereavement counselling and prevention through education.

Department of Transport

The Department of Transport submitted applications to the Commission for funding from the RTTA for:

- Enhanced speed enforcement administration costs.
- Repeat drink driving strategy implementation.
- Enhanced speed enforcement program - Phase 11.

These programs were approved by government and the Commission monitors their progress.

Mental Health Commission

The *Road Traffic Amendment (Alcohol Interlocks and Other Matters) Act 2015* will create a framework under which persons convicted of certain drink driving offences will be subject to an 'alcohol interlock restriction' if and when they are authorised to drive and it forms part of the broader Repeat Drink Driving Strategy (RDDS). The Mental Health Commission (MHC) will be responsible for delivering the alcohol assessment and treatment component described in the Act.

Department of Education

The Road Safety Commission and Department of Education are members of the "Partner Organisations" that deliver the School Drug Education and Road Aware (SDERA) programs in Western Australia.

The SDERA is the state government's primary road safety education strategy for all government and non-government schools, early childhood centres and specific community-based agencies.

These programs are largely funded through the RTTA.

Community grants

The WA government has made funds available for a road safety community grants program concerned with developing and implementing road safety projects.

Community Grants are available for projects that focus on the 'Safe System' approach outlined in the *Towards Zero* strategy and for one-off event sponsorship grants that display a road safety message.

On behalf of the Minister for Road Safety, the Commission manages Western Australia's road safety community grants program.

Applications for grants are processed by the Commission and a list of suitable applications is presented to the Minister for consideration. A list of the approved grants and the grant application process is available on the Commission website.

During 2015-16, 103 community grants were approved across Western Australia. The evaluation of respective outcomes indicates a positive increase in community awareness of road safety in our community.



Program of works

About our programs

The Commission uses community education campaigns to raise awareness of the risks associated with unsafe road behaviours and encourage safe behaviours.

The targeted ten campaigns (the priority set by crash types and statistics) include distractions, fatigue, restraints, cyclists, motorcyclists and safer vehicles. Specifically, speeding and drink driving were delivered through both enforcement and behavioural messaging.

The Commission's community education campaigns are the cornerstone of the state government's efforts to positively influence drivers on WA roads.

Safe road use

Drink driving behavioural enforcement campaign

The Commission instigated two drink driving campaigns: 'Grow Up', targeting drink driver behaviour, and 'Just Over', designed to support police enforcement activities.

The campaigns targeted drivers, in particular young males aged 17-39 because statistics tell us this demographic is more likely to be involved in road crashes and engage in risky driving behaviours.

The campaign objectives of 'Grow Up' included:

- Increasing awareness of risks and consequences associated with drink driving.
- Increasing the level of community understanding of links between drink driving and crash risks.

The objective for the 'Just Over' campaign was to support drink driving enforcement activities by WA Police by creating the perception that if you drink and drive, you will be caught.

Speeding behaviour

Speed increases crashes. The faster you drive, the harder you hit. It is a major factor in traffic crashes resulting in fatality or serious injury.

Two mass media awareness campaigns were conducted to complement WA Police enforcement activities and to raise community awareness.

'Stick to the Speed Limit' campaign objectives:

- Raise awareness of the risks (i.e. penalties) associated with speeding.
- Support speeding enforcement activities by WA Police by creating the perception that if you speed, you will be caught.

This campaign achieved 81% awareness among 17-39 year old males and an overall 85% community awareness.

'Enjoy the Ride' campaign objectives:

- Increase the unacceptability of speeding in the community.
- Increase awareness of the impact of low range speeding on crash risk.
- When driving, 'don't rush' and 'slow down'.

This campaign achieved 66% awareness among 17-39 year old males and an overall 72% community awareness.

Alcohol interlock scheme

Approved budget: \$720,000

In 2003 the Road Safety Council convened an expert advisory group to investigate repeat drink driving which recommended a comprehensive Repeat Drink Driving Strategy (RDDS).

Consequently, a mandatory performance-based alcohol interlock scheme for alcohol offenders will be launched in WA in October 2016. The state-wide scheme will be administered by the Department of Transport with support from the Mental Health Commission, WA Police, the Department of the Attorney General and the RSC.

RTTA funding approved by the Minister for Road Safety was managed by the Commission and provided to the Department of Transport who is responsible for the project and the following outcomes:

- Introduce a mandatory alcohol interlock program for repeat and high end drink driving offenders.
- Reduce the incidence of drink driving and associated harm to the community.
- Provide appropriate penalties and sanctions for repeat offenders who cannot demonstrate the separation of drinking and driving behaviour for a requisite period of time.

Restraints campaign

Approved budget: \$550,000

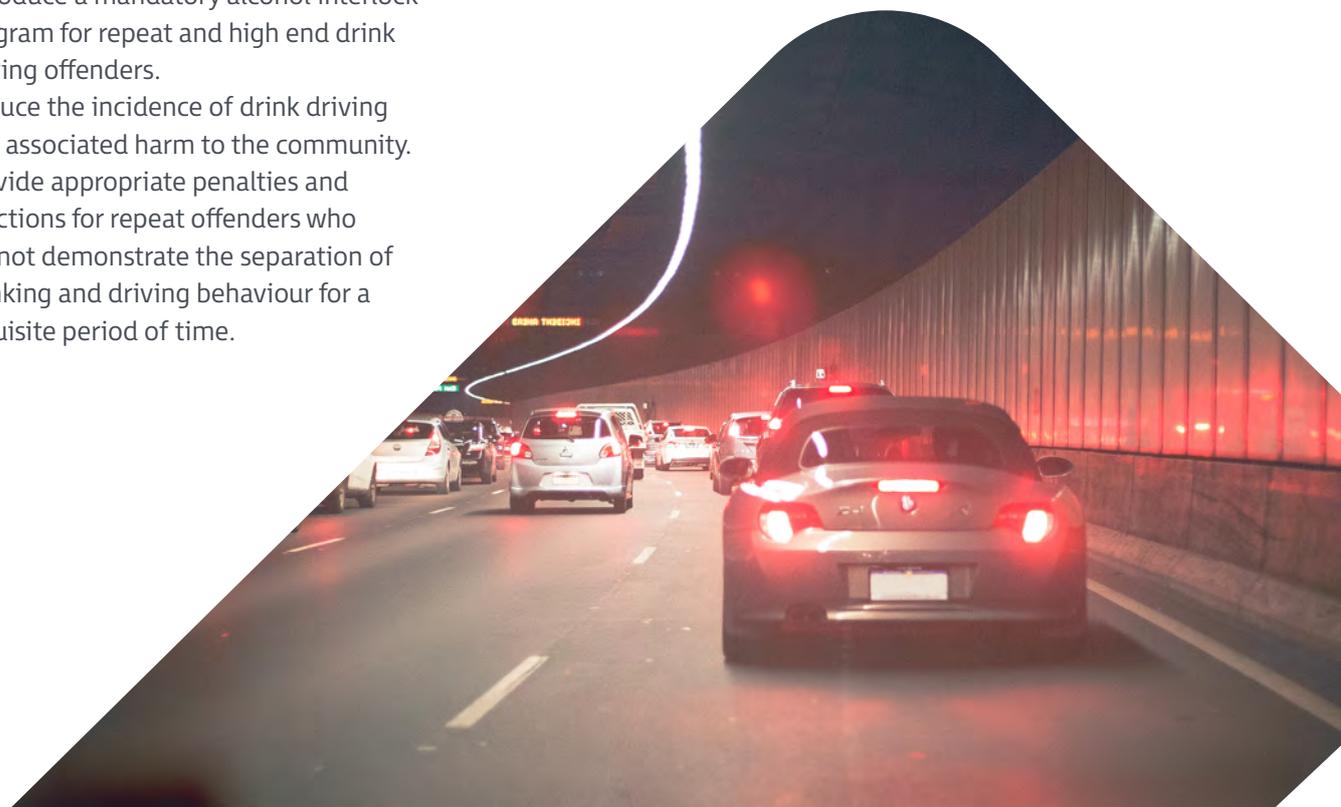
Drivers and passengers travelling unrestrained in a car are at least 10 times more likely to be killed in a road crash than those wearing a restraint.

The Commission instigated a restraints community education campaign during 2015-16 focusing on:

- Encouraging all vehicle occupants to wear a restraint.
- Demonstrating that not wearing a restraint impacts on more than the individual.

This campaign was predominantly run in regional and remote areas in WA.

The safe road use strategy aims to prevent death and serious injury on our roads by influencing road users to be compliant, alert and safety-conscious.



Bicycle Safety Initiatives

Approved budget: \$284,001

The inaugural Cycling Safety Roundtable Meeting and Workshop was held in March 2015, hosted by the Premier and Minister for Road Safety. The purpose of the workshop was to discuss cycling safety and to explore safety counter-measures.

The following four recommended actions resulted from the workshop:

- An education and awareness-raising campaign.
- Amendment of the *Road Traffic Code 2000* to permit all-age cycling on footpaths.
- Design course for local government planners and engineers.
- Bike boulevard demonstration projects (DoT, targeted local governments) to be installed.

The Office of Road Safety was the lead agency for the education and awareness-raising activities and legislative amendments to remove the age restriction for cycling on footpaths. The Commission assumed this responsibility, and on April 27 2016, the legislation was amended after extensive consultation and liaison with community groups and stakeholder agencies.

The education and awareness-raising activities focused on:

- Encouraging motorists and cyclists to share the road safely and cyclists and pedestrians to share paths safely.
- Increasing awareness of the vulnerability of cyclists on the road.
- Promoting cyclists to increase their visibility to other road users.

This was accomplished by:

- Development of the 'Share the Road' campaign which included posters on bus backs and bus stops and the production of reflective cyclist backpack covers.
- Creation of 300 pavement markers with messages including 'Please slow down', 'Ring your bell', and 'Look out for each other', which were posted on shared paths within the Perth cycling network.

- 'Ride Bright' campaign with posters on bus stops.
- Three local governments have agreed to work with the Department of Transport to install 'bike boulevards'. The Bayswater, Belmont and Vincent local governments began the works in mid-2016.

RoadWise

Approved budget: \$1,541,057

The Western Australia Local Government Association (WALGA) RoadWise program engages and encourages the involvement of local governments and communities in rural, remote and metropolitan areas of WA in actions that support and contribute to the implementation of *Towards Zero*.

The WALGA RoadWise program works to create supportive environments and strengthen community action that leads to the development and maintenance of a positive road safety culture and social norms.

Department of Education School Drug Education and Road Aware (SDERA)

Approved budget: \$1,582,000

SDERA is the state government's primary road safety education strategy for all government and non-government schools, early childhood centres and specific community-based agencies.

SDERA supports:

- Developmentally appropriate road safety education across the state.
- Continually establishing initiatives and programs that positively modify road user behaviour.
- Ensuring adherence to state and national strategy and policy.
- Maintaining current best practice programs.
- Providing a leadership role in road safety education.

Safe roads and roadsides

Metropolitan intersection upgrades

Approved budget: \$12,100,000

The metropolitan intersection crash program is designed to improve the safety of metropolitan road users by targeting intersection improvements to significantly reduce the trauma associated with conflicts between vehicles. The treatments were identified by Main Roads to reduce high severity crash types, typically right angle crashes, at metropolitan intersections.

The treatments varied depending on the individual intersections and crash patterns, but have included installation of roundabouts, adding or extending turning lanes, improvements to signalised intersections including mast arms, and improvement to pedestrian facilities.

These projects are managed by Main Roads and were submitted for consideration by the Minister and subsequently funded via the RTTA.

Safety performance report and mapping

Approved budget: \$120,000

This project by Main Roads assists with identification of road sections and intersections with poor safety records compared to network average. Maps are produced showing crash clusters by road user type, crash types and severities and used to inform future road improvements.

Run Off Roads crash program

Approved budget: \$57,634,245

The regional 'Run Off Roads' program is managed by Main Roads who apply treatments that are known to reduce high severity road crashes in regional areas of the state. Road sections chosen are dependent on high severity crash frequency, ability to deliver works within the given fiscal period, and high risk locations.

This program was initially recommended to the Minister and is now funded by the Commission. Funding is provided from the RTTA.

Treatments can vary depending on location and include:

- Widening carriageway or road shoulders.
- Installation of audible tactile edge lines.
- Installation of road safety barriers.
- Improvements to batter grades.
- Speed reduction measures at high risk locations.

This program commenced in 2011 and is anticipated to be finalised by 2019.

In the meantime, the Commission in collaboration with Main Roads and local government have commenced an evaluation process aimed at identifying future priority road infrastructure works.

The safe roads and roadsides strategy aims to prevent death and serious injury by improving the safety of roads so crashes are less likely to occur and have a less severe outcome.

Safe speeds

Speed monitoring project

Approved budget: \$150,000

This is a state-wide monitoring survey Main Roads has been conducting since 2000, measuring vehicle speeds and compliance with speed limits at a range of sites on rural and metropolitan roads zoned 50 km/h and above. The surveys consist of more than 200 sites, monitoring the free speeds of over 2 million vehicles. The collected data is analysed and a report provided to the Commission.

Speed camera expansion program

Approved budget: \$4,778,000

In December 2014, State Cabinet approved in principle the expansion of the existing Automated Traffic Enforcement (ATE) infrastructure to achieve the following desired enforcement level by 2018-19:

- 3600 mobile speed camera hours per month - currently 3500 per month.
- 30 fixed speed camera sites - currently five sites.
- 90 red light intersection sites - currently 30 sites.
- One non-enforcing point-to-point speed site.

The expansion of the speed camera network brings WA in line with the rest of Australia per 100,000 capita through a combination of methods including mobile, fixed spot-speed and point-to-point technology to improve road safety outcomes.

The ATE program enables agile deployment of the right ATE technologies to the right locations, through evidence-based camera site selection based on crash locations and people killed or seriously injured on WA roads. During 2015-16, RTTA funds purchased Stage 1 speed cameras for installation and deployment in 2016-17.

Electronic school zone sign project

Approved budget: \$21,253,710

There are in excess of 1,000 school zones across WA where motorists are required to reduce speed to 40km/h between 7:30am - 9:00am and 2:30pm - 4:00pm on school days. They are designed to create a safer environment for the most vulnerable of road users, children, who are less experienced at judging and negotiating traffic. The lower speeds reduce the risk of death and serious injury at the critical school start and finish times.

Managing risk through speed is a key component of the *Towards Zero* cornerstone, Safe Speed, which includes a focus on:

- Better speed enforcement and education campaigns.
- Demonstration projects to reduce travel speeds and raise community awareness of the implications of speed limit reductions.
- Targeted speed limit reductions in areas of high pedestrian activity.

The infrastructure requirements for this project are being managed by Main Roads, and, during the 2015-16 reporting period, 450 new electronic school signs were installed, pending final project acquittal.

Speed camera replacement program

Approved budget: \$2,251,825

Speed camera enforcement provides the most effective and efficient mechanism that WA Police and the state government has towards achieving the Safe Speeds cornerstone of the *Towards Zero* road safety strategy and associated reduction in road trauma.

Western Australia's current speed camera fleet, installed in 2009, has a life expectancy of seven years and is due for replacement at the end of 2016. This includes mobile, red light, and fixed speed cameras.

During 2015-16, WA Police conducted a state tender process for the replacement and ongoing maintenance of WA's speed camera fleet which will commence in 2016-17.

Enhanced speed enforcement administration cost I

Approved budget: \$10,662,231

In August 2011, the WA Parliament passed amendments to the *Road Safety Council Act 2002* to pledge 100 per cent of speed and red light camera revenue into the RTTA from 1 July 2012 onwards. In framing the 2012-13 state budget, the Government agreed to fund costs for the processing of speed and red light camera fines from the RTTA to WA Police for administrative purposes.

In December 2014, a modest speed camera expansion program was approved by Cabinet and funded from the RTTA. This expansion saw an increase in mobile speed camera hours by 10 per cent and the acquisition of a speed camera dedicated to each of the five fixed site cabinets instead of rotating cameras. Approval has been given to further increase the number of cameras over the next four years.

Consequently, there is increased work associated with the increased speed activity and resulting infringement processing during 2015-16 to deliver improved road safety outcomes.

Enhanced speed enforcement administration cost II

Approved budget: \$4,050,225

Similar to WA Police, the Department of Transport has additional administrative requirements as a consequence of the extra cameras. It is required to provide staff, payment channels and infrastructure necessary to collect all traffic infringement fines paid and bring to account and disburse on a daily basis the funds to the RTTA. This represents ongoing processing of payments made for traffic infringements.

The Department of Transport also provides staff, infrastructure and service providers for the ongoing management of demerit points; service of demerit point notices, good behaviour period election and breaches, disqualifications from holding or obtaining a driver's licence and suspensions and cancellations of a driver's licence or learner's permit.

The safe speeds strategy aims to prevent death and serious injury by ensuring speed limits are appropriate and that impact speeds on the WA road network are within the limits of human tolerance.

Safe vehicles

Safe vehicles community education campaign

Approved budget: \$550,000

Part of this project is included in the Commission's partnership program. During 2015-16, the mass media Safe Vehicles Community Education Campaign focused on:

- Encouraging the community to purchase 5-star ANCAP rated vehicles and high star rated used vehicles.
- Increasing awareness among the community on emergency safety assisted technology.
- Increasing awareness among motorcyclists on anti-lock braking systems (ABS).
- Encouraging young drivers to consider safety as part of their car purchasing decision.
- Supporting the partnership program in delivering the dealership program (Stars on Cars), which provides information on safety ratings and features at point of sale.

In May 2016, the Commission launched a guide to safer vehicles for remote and regional areas.

This guide extends the Commission's existing commitment to safer vehicles, with specific advice for those in remote and regional Western Australia.

The 'Consumer Guide to Safer Vehicles' news article received 175 views from May 5 to June 9 and was the most viewed news item of the month.

Motorcycle clothing project

Important information for motorcyclist and scooter riders about protective clothing is available on the Commission website.

The link to this section is:

<https://rsc.wa.gov.au/Topics/Motorcyclists-Scooter-Riders>

Australasian New Car Assessment Program (ANCAP) testing

Approved budget: \$181,000

ANCAP provides consumers with transparent information on the level of occupant and pedestrian protection and collision avoidance capabilities provided by different vehicle models in the most common types of serious crashes.

Australia and New Zealand automobile clubs, Australian federal, state and territory governments and Insurance Australia Group all provide monies to ANCAP.

The Commission applied for RTTA funding via the Minister for Road Safety to also assist ANCAP to buy and test cars. The results of the test are used to inform Commission recommendation and its 'Stars for Cars' ANCAP program.

The safe vehicles strategy aims to prevent death and serious injury by increasing the purchase of safe vehicles with specific safety features.

Road safety reporting

Road safety reporting provides the community and government with intelligence-supported road safety advice.

Strategic management framework

A strategic management framework has been developed during this reporting period to map the way forward in our quest as a leader in road safety management in Australia. Our new strategic approach will deliver on our vision for road safety between 2016 and 2020.

Program Management Office

In 2015-16, the Program Management Office (PMO) was established within the Commission to formalise the way various road safety programs are managed. The Assistant Director position responsible for the PMO has been advertised and the Principal Programs Officer and Project Officer positions will be advertised during 2016-17.

Tasking and Coordinating Group

A Tasking and Coordinating Group (T&CG) was established and provides a structured forum where road safety applications are assessed, road safety initiatives and campaigns are considered and ultimately recommendations are formalised for consideration by the Minister for Road Safety. The T&CG ensures an accountable and transparent process is adopted for consideration of RTTA expenditure.

Intelligence Centre

The Intelligence Centre (IC) has been developed in 2015-16, designed to identify priority projects or campaigns for consideration of RTTA funding. It will conduct such activities as data analysis, risk assessment, predictive modelling, geospatial analytics, understanding community and stakeholder input and assessment of contemporary road safety reviews or findings by credible road safety organisations.

An objective of the IC will be to improve the coordination, quality, relevance and timeliness of road crash and injury data collection, including the consistency of information from various sources.

Through the T&CG, the IC will also be tasked to work closely with a road safety panel of experts, road safety advisory body, vulnerable road user group, road safety alliances, or any of our key stakeholders who will be part of a formal and collaborative framework to be introduced in 2016-17.

Panel of experts

A small group of accredited road safety experts who will provide advice to the Commission.

Road Safety Advisory Body

This body will be comprised of recognised strategic thinkers, innovators and eminent Western Australians.

Vulnerable Road Users' Advisory Group

Representing the interests of vulnerable road users - this group will include cyclists, motorcyclists, pedestrians, seniors and people with disabilities.

Industry Road Safety Alliances

Involving members of industry, state and local government and RoadWise road safety advisors, the alliances focus on road safety issues in regional WA.

Crash book

The crash book is produced annually by the Commission and provides a statistical breakdown of road crashes in WA. Annual crash statistics are also available to the public on our website:

<https://rsc.wa.gov.au/Statistics-Research/Annual-Crash-Statistics>

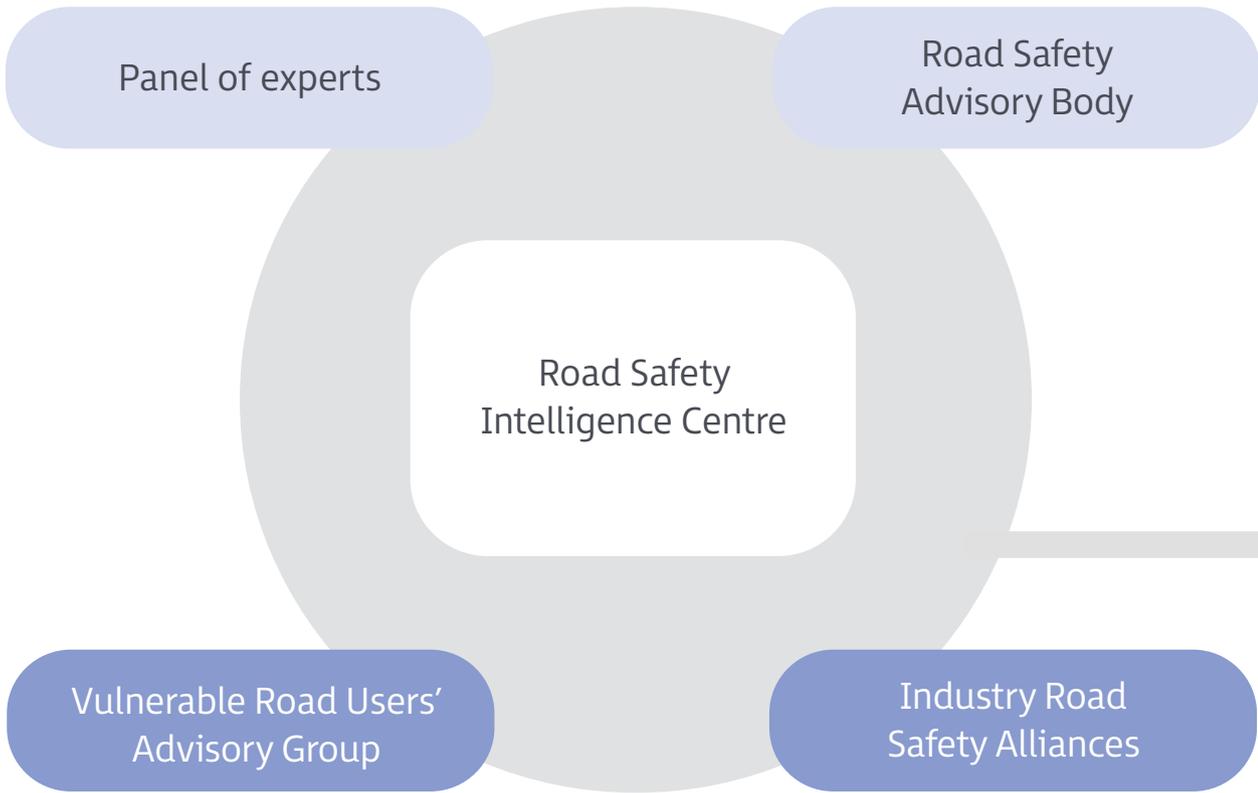
Stakeholder and community engagement

One of our main focus areas for the new Commission is proactive community and stakeholder engagement, and we believe close collaboration with community and stakeholders is fundamental to achieving better road safety outcomes.

Motor vehicle industry

Continual engagement activity with the motor vehicle sales industry, i.e. automotive dealership groups and independent new car dealerships in the metro and regional WA.





- Operational
- Strategic
- Tactical
- Delivery



Road Safety Commission advisory framework

Community engagement process

A committed approach to community engagement resulting in better policy, program development and greater transparency for government and the community.

Key government stakeholders

Various government agencies provide primary sources of road safety data and are responsible for delivering road safety programs, projects and initiatives. These include:

- WA Police
- Main Roads WA
- Department of Education
- Local government / WALGA
- Insurance Commission of WA
- Department of Transport
- Department of Health
- Department of Planning

Inform

Provide WA communities with balanced and objective information.

Consult

Encourage community feedback on initiatives, research and policy.

Involve

Work with communities to ensure concerns and aspirations are understood and considered.

Collaborate

Partner with communities to make decisions, develop alternatives and identify preferred solutions.

Significant issues

Since our inception in June 2015, the Commission has been subject to internal review and restructure, the intent being to better place the organisation to provide WA with a world class road safety advisory and coordinating body that impacts positively on death and serious injury on our roads.

To achieve this goal, a number of initiatives are currently being developed and issues negatively impacting on our way forward are being assessed so that remedial action can be introduced.

Impact on the agency

Data management

To develop and implement successful road safety strategies, it is necessary to analyse how, why, when and where serious crashes and injuries occur. It is particularly important that crash data and statistics can identify the contributing and causal factors present in road crashes. Through this analysis comes the comprehensive understanding of road safety issues that provides for effective and efficient targeting of road safety resources in preventing and mitigating road trauma.

The Commission utilises data from a variety of agencies, including the WA Police, Main Roads, the Insurance Commission, Department of Transport, and Department of Health. However, collation of this data has proved cumbersome due to the disparate nature of these collections, their contents and formats. In December 2013, agencies made changes to the initial collection and processing of data which had unintended consequences for the Commission in that our capacity to access reliable road safety data on serious crashes and injuries was diminished.

Furthermore, each agency collects data for their business requirements, rather than an overarching government road safety agenda. Because of this, changes have been made to data collections that have lost the availability of causal and contributory factors in road safety data provided to the Commission.

As a result of these complexities, data for this financial year and the 2014 calendar year cannot be used to precisely identify the number of persons seriously injured in crashes and contributory and causal factors associated with the crashes. However, there is sufficient historical and contemporary information available to provide guidance towards development of appropriate road safety strategies at the time.

Due to the value of this data, the Commission has made a major priority of rectifying existing deficiencies in content, collection, retrieval and analysis of data held by stakeholder agencies in Western Australia.

In order to address this challenge, the Commission has consulted with the Office of the Government Chief Information Officer to discuss early agency engagement and develop data governance and analytic processes that complement 'Digital WA: State ICT Strategy'.

In addition, the Commission will pioneer a road safety-focused Intelligence Centre (IC). The IC will provide WA with a dedicated bureau responsible for road safety analysis and predictive modelling that will inform future road safety interventions and strategies. The IC will also provide a risk register for evidence-based guidance of the Commission T&CG when determining priority initiatives against available funding through the RTTA.

RTTA funding model

Funds from the Road Trauma Trust Account are allocated to mitigate incidents of road trauma and can involve large infrastructure programs such as road works. These programs often involve a completion date several years in advance of the funding approval date due to the lead time required to plan, commence and complete major projects. In the case of regional road projects there are often environmental approvals to be obtained, which create the potential for significant delays.

The current funding model for the RTTA assumes a one-year basis. This creates a conflict with major projects extending beyond the funded year and requires submission of budget carryover requests.

The Commission intends to work with the Department of Treasury in 2016-17 to introduce a funding model establishing a budget for major infrastructure projects over the forward estimates period.

Legislation

Currently the *Road Safety Council Act 2002* provides legislative direction for the establishment of a Road Safety Council consisting of twelve people appointed by the Minister. The Act outlines the functions of the Council and a commitment to provide the Minister with an annual report on their activities for the financial year. It also provides that funds derived from photograph-based vehicle infringements be credited to the special purpose Road Trauma Trust Account established under the *Financial Management Act 2006*.

As a consequence of recommendations contained in the 'Browne Review', the Office of Road Safety was replaced by the Road Safety Commission in July 2015 and a Commissioner was appointed. There is now a need to review the legislative responsibility of the Council and provide the necessary authority for the Commissioner of Road Safety to more effectively coordinate road safety initiatives in WA.



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UNLESS
OVERTAKING



NEXT 1.5 km



Disclosures and legal compliance

Legal requirements

Legal requirements and legislation relevant to the Commission's operations.

Enabling legislation

The Road Safety Council was established in 1997 and became a statutory body under Section 4 of the *Road Safety Council Act 2002* in June 2002. The Council was established to identify measures to improve the safety of roads and to reduce deaths of people, injuries to people and damage to property resulting from incidents occurring on our roads.

The Act also provides for an agency special purpose account, the Road Trauma Trust Account (RTTA), which was established under the *Financial Management Act 2006* Section 16. Penalties received from photograph-based vehicle infringement notices are credited to the RTTA. The RTTA funds are then applied for purposes determined by the Minister for Road Safety having regard to recommendations of the Council.

Previously it was the responsibility of the Office of Road Safety to support the Minister with the administration of the *Road Safety Council Act 2002* and to manage the RTTA to ensure appropriate outcomes for road safety in WA. In July 2015, as a consequence of the 'Browne Review' recommendations, the Road Safety Commission was formed and assumed the responsibilities of the Office of Road Safety. A Commissioner was appointed as the responsible officer of the Commission and to deliver the *Towards Zero* strategy.

Responsible minister

The Hon. Liza Harvey MLA, Deputy Premier; Minister for Police; Road Safety; Training and Workforce Development; Women's Interests.

Other key legislation

In the performance of its functions, the Commission complies with the following relevant written laws:

- *Auditor General Act 2006*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 2000*
- *State Records Act 2000*
- *State Supply Commission Act 1991*

Administered legislation

The Commission administers the *Road Safety Council Act 2002* and the *Road Safety Traffic Act 1974* for the Minister of Road Safety.

Disclosures and legal compliance

Financial disclosures

Important disclosures and information about the Commission's financial operations.

Employment and industrial relations

Staff profile	2015-16
Full time permanent	11.14
Full time contract	5.0
Part time measured on a FTE basis	1.1
On secondment	2.0
Total	19.24

Workforce data	2015-16
Headcount	19
Male	10
Female	9
<i>Senior Executive Service</i>	
Male	1
Female	1
<i>Median age</i>	
Male	53.3
Female	52.4

Staff development

The Commission has a commitment to the development of its employees. Our strategies are to build a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment. During the financial year, our employees received training to the value of approximately 200 hours of in-house and external training. The types of training included accountable and ethical decision making and code of conduct, leadership in road safety and project management.

Workers compensation

The Commission did not have any claims during the 2015-16 financial year.

Unauthorised use of credit cards

Officers of the Commission hold corporate credit cards where their functions warrant usage of this facility. During the financial year, two employees inadvertently utilised the corporate credit card for personal use. In both instances the employees reported the matter promptly and made arrangements to repay the expenditure incurred. The matter was not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and that the nature of the expenditure was immaterial and characteristic of an honest mistake.

	2016 \$
Aggregate amount of personal use expenditure for the reporting period	123
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	1
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	1
Aggregate amount of personal use expenditure outstanding at balance date	0

Governance disclosures

Contracts with senior officers

At the date of reporting, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Commission other than normal contracts of employment of service.

Other disclosures for consideration

Compliance with public sector standards and ethical codes

The Road Safety Commission in conjunction with the Public Sector Commission conducted accountable and ethical decision making and code of conduct training with its employees

on 20 June 2016. No breaches of the code of conduct were reported during 2015-16.

The Commission completed its obligations under Section 31 (2) the *Public Service Management Act* and completed its Public Sector Entity Survey.

Record keeping plan

The State Records Commission (SRC) wrote to the Road Safety Commission in July 2015 to advise that under the Section 21 of the *State Records Act 2000*, a record keeping plan must be submitted within six months of the agency's establishment.

The Commissioner wrote to the SRC on 16 November 2015, submitting its record keeping plan to comply with the Act.

At its meeting on 10 March 2016, the SRC approved the record keeping plan for the Commission, noting that the plan demonstrated progress towards better practice record keeping and compliance with the minimum requirements of *SRC Standard 2: Recordkeeping Plans* and *SRC6: Outsourcing*.

In accordance with Section 28 of the Act, the Commission is to review its record keeping plan and submit to the SRC by 10 March 2021.

Occupational safety, health and injury management

The Commission strives to be recognised for excellence in the management of Occupational Safety and Health (OSH) practices and the continuous improvement of our safety and health performance.

To achieve this, we will conduct our business in a way which promotes the safety and health of all employees, contractors and others in the community who come into contact with our business.

The Commission will demonstrate safety leadership at all levels and support a culture of commitment and collaboration which actively improves work safety, health and wellbeing.

Senior management will lead by example with a commitment to the establishment of a healthy

and safe workplace and to the integration of health and safety into all workplace activities.

The Commission has an OSH committee comprising a safety coordinator, safety representative and two employee representatives. Meetings are conducted on a monthly basis and employees are encouraged to submit OSH issues to the committee. Workplace inspections are conducted on a monthly basis.

The Commission was established as a separate agency on 1 July 2015, having formerly been a directorate of Main Roads known as the Office of Road Safety. OSH reporting requirements have been included in previous editions of the Main Roads annual report.

The Commission is currently developing return to work plans in accordance with the *Workers' Compensation and Injury Management Act 1981*.

The Commission's reporting requirements for occupational safety and health and injury management will be included once the Commission is established within the agreed timeframes for reporting performance measures.

Measure	Actual results	Results against target
Number of fatalities	0	0
Lost time injury and/or disease incident rate	0	0
Lost time injury and/or disease severity rate	0	0
Percentage of injured workers returned to work		
Within 13 weeks	0%	>/=80%
Within 26 weeks	0%	>/=80%
Percentage of managers trained in occupational safety, health and injury management responsibilities	0%	>/=80%

Key performance indicators

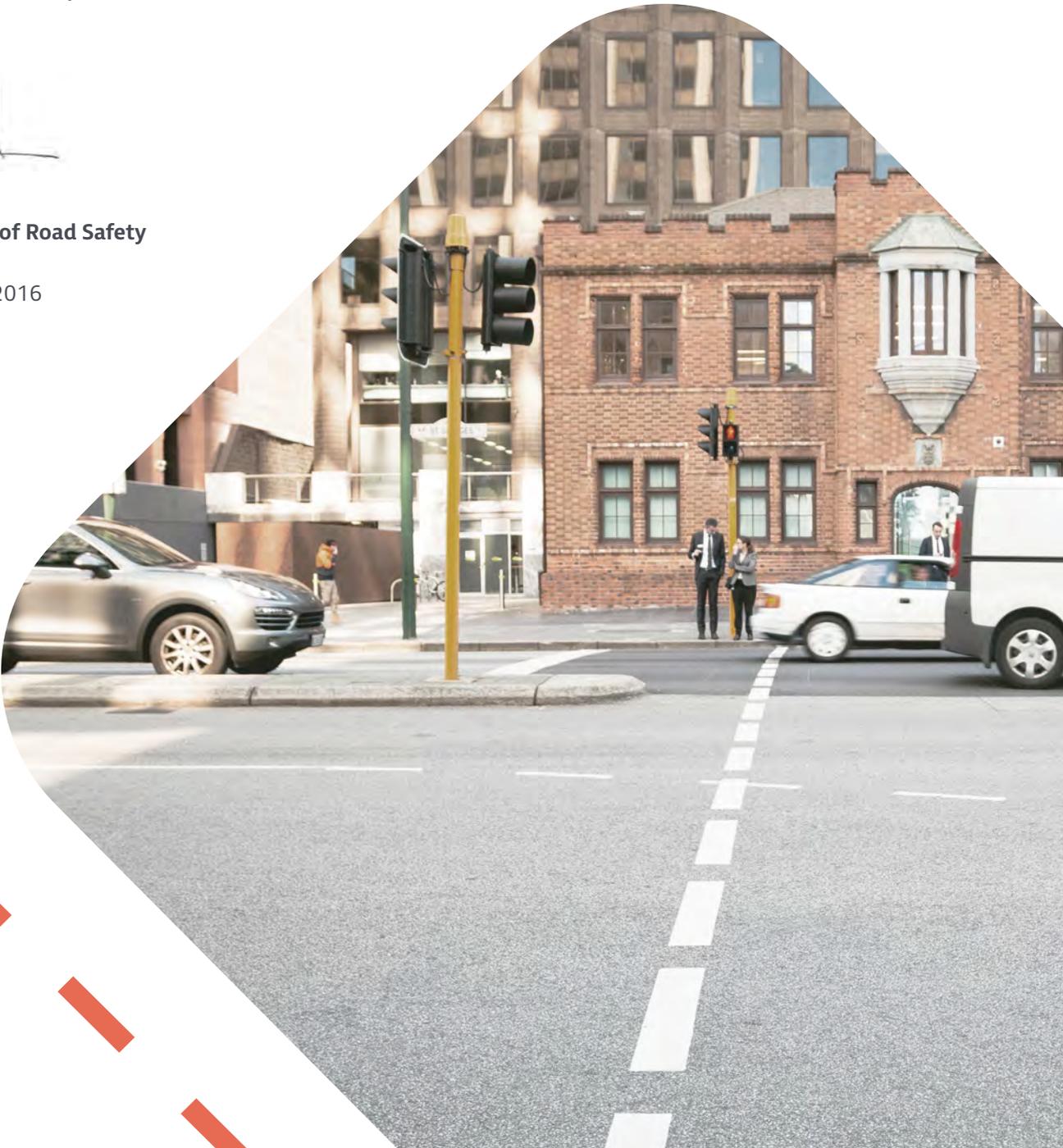
Certification of key performance indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Road Safety Commission's performance, and fairly represent the performance of the Commissioner of Road Safety for the financial year ended 30 June 2016.



Kim Papalia
Commissioner of Road Safety

14 September 2016



Introduction

For the 2015-16 financial year the Commission continued to adopt the Key Performance Indicators (KPIs) that related to the former Office of Road Safety.

The KPIs have been developed in accordance with Treasurer's Instruction 904 to evaluate the Commission's performance in achieving the Government's desired outcome and provide an overview of service provision. The Commission delivers the Road Safety Commission service.

The following table illustrates the relationship between the Commission service and desired outcome to the Government goal:

Service	Desired outcome	Government goal
Road Safety Commission	Improve coordination and community awareness of road safety in WA	Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians



Key effectiveness indicator

Effectiveness of road safety awareness campaigns

This indicator represents the proportion of WA drivers who remember seeing Commission community education campaigns, and was obtained through evaluation surveys undertaken at the end of each major campaign period.

The data was collected independently through professional market research companies. An external research company was commissioned by the Commission to conduct evaluation surveys at the completion of each major road safety campaign, defined as campaigns with a TV commercial component and total spend of at least \$500,000 in media scheduling. The data was collected by way of an online survey using a structured questionnaire prepared by a professional research agency. The measure was based on prompted campaign recognition (percentage of people who remembered seeing any of the core materials for a given campaign).

The population segment researched is Western Australians aged 17 and over. Results for each major campaign are based on a random sample of at least 400 Western Australians in this demographic.

A statewide campaign comprises:
 n=200 responses from the Perth metro area,
 n=100 responses from regional WA,
 n=100 responses from remote WA.

The data collected was weighted to reflect the actual population distribution based on Australian Bureau of Statistics (ABS) statistics.

The weightings were applied in SPSS (Specific Research Statistical Software) and all statistical analysis was run in the SPSS environment.

The weights applied were based on ABS stats and applied individually based on age, gender and geographic location to ensure the data was representative of the WA population.

The KPI measure is calculated as the average percentage of prompted community awareness (recall/recognition), i.e. adding all percentages and divided by the number of campaigns evaluated.

During the 2015-16 financial year, two campaigns were undertaken that met the minimum threshold spend of \$500,000. These campaigns addressed speeding and drink driving.

The speeding campaign was delivered via the 'Post-it Notes' and 'Enjoy the Ride' messaging. Overall, 85 per cent of those surveyed were aware of one or both of the messaging campaigns.

The drink driving campaign was delivered via the 'Just Over' and 'Grow Up' messaging. This campaign had an overall awareness result of 73 per cent.

The overall result for the year was obtained by combining and averaging all campaigns. This resulted in an overall average of 79 per cent, which exceeded the budgeted target for the year.

Key effectiveness indicator

Measure	2012-13 actual %	2013-14 actual %	2014-15 actual %	2015-16 budget %	2015-16 actual %
% Effectiveness of road safety campaigns	83	0*	65	70	79

*Note: During the 2013-14 financial year all campaigns conducted were under the minimum threshold spend of \$500,000.

Key efficiency indicators

Percentage of Road Safety Commission projects completed on time

The Commission runs a number of road safety projects and also funds external bodies via the provision of grants to deliver road safety outcomes. This indicator measures projects that are delivered directly by the Commission and excludes grant funded external projects.

This indicator identifies the percentage of Commission projects that achieve delivery within the targeted timeframe of 90 per cent and is measured on the status of the projects as at 30 June 2016 that were funded during the financial year.

The Tasking and Coordination Group has established a fortnightly project review process that enables awareness of the current status of all business conducted by the Commission. This tracks project performance on a fortnightly basis and reports on any project changes via the 'Change Request' reporting requirement.

For the 2015-16 financial year, research reports under the Curtin/Monash Accident Research Centre (C-MARC) contract were not completed on time. Due to the rebranding of the Commission it was determined to delay the website update to 2016-17. Overall, 92 per cent of projects were completed within the desired timeframe, which was marginally above the budgeted target for the year.

Percentage of Road Safety Commission projects completed on budget

Each year the Minister for Road Safety approves the Road Trauma Trust Account budget, which is made up of individual road safety projects to be delivered by road safety stakeholders, including the Commission. Each project is submitted for approval with agreed deliverables and budget. This indicator will be based on Commission-delivered projects only.

This indicator identifies the percentage of Commission projects that achieve delivery within 10 per cent budget tolerance limit of the annual targeted budget. For the 2015-16 financial year, all Commission projects were delivered within the tolerance limit, resulting in an overall result of 100 per cent.

Key efficiency indicators

Measure	2012-13 actual %	2013-14 actual %	2014-15 actual %	2015-16 budget %	2015-16 actual %
% of projects completed on time	78	83	91	90	92
% of projects completed on budget	100	95	100	90	100

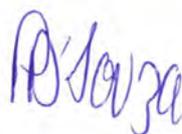
Disclosures and legal compliance

Financial statements

Certification of financial statements

The accompanying financial statements of the Road Safety Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2016 and the financial position as at 30 June 2016.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Philip D'Souza
Chief Finance Officer
14 September 2016



Kim Papalia
Commissioner of Road Safety
14 September 2016

Independent auditor's report

To the Parliament of Western Australia

Road Safety Commission

Report on the financial statements

I have audited the accounts and financial statements of the Road Safety Commission.

The financial statement comprise the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Road Safety Commission at 30 June 2016 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Commissioner's responsibility for the financial statements

The Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements

and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating the overall presentation of the financial statements.

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

Report on controls

I have audited the controls exercised by the Road Safety Commission during the year ended 30 June 2016.

Controls exercised by the Road Safety Commission are those policies and procedures established by the Commissioner to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Opinion

In my opinion, in all material respects, the controls exercised by the Road Safety Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2016.

Commissioner's responsibility for controls

The Commissioner is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions, and other relevant written law.

Auditor's responsibility for the audit of controls

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Road Safety Commission based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Report on the key performance indicators

I have audited the key performance indicators of the Road Safety Commission for the year ended 30 June 2016.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Opinion

In my opinion, in all material respects, the key performance indicators of the Road Safety Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2016.

Commissioner's responsibility for the key performance indicators

The Commissioner is responsible for the preparation and fair presentation of the key

performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Commissioner determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's responsibility for the audit of key performance indicators

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commissioner's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Independence

In conducting the above audits, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Road Safety Commission for the year ended 30 June 2016 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance

on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



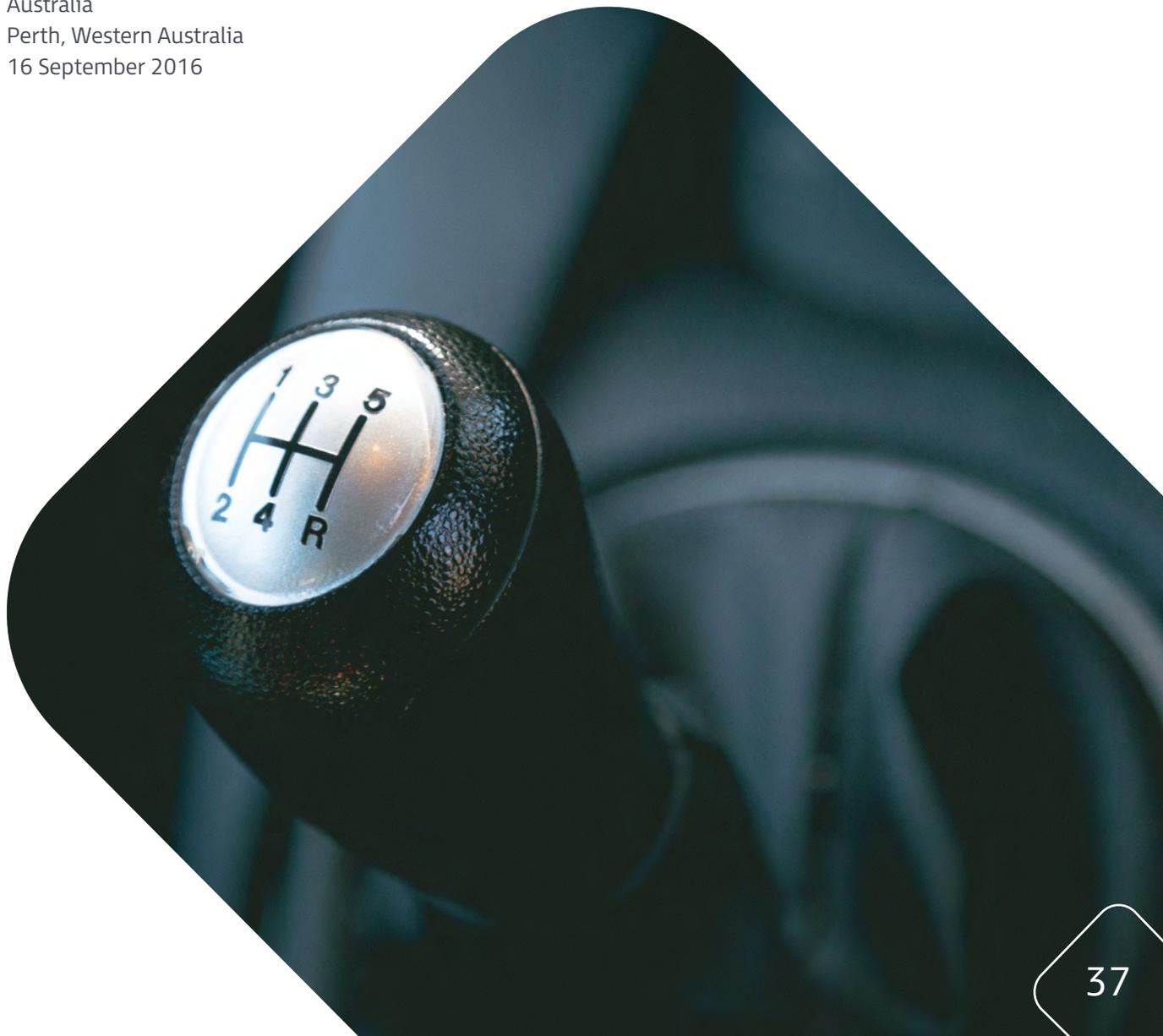
Glen Clarke

Deputy Auditor General

Delegate of the Auditor General for Western
Australia

Perth, Western Australia

16 September 2016



Statement of Comprehensive Income

For the year ended 30 June 2016.

	Note	2016 \$000
Cost of services		
Expenses		
Employee benefits expense	6	3,196
Supplies and services	7	8,457
Depreciation expense	8	14
Accommodation expense	9	218
Grants and subsidies	10	106,248
Other expenses	11	134
Total cost of services		118,267
Income		
Revenue		
Regulatory fines	12	109,647
Interest revenue	13	2,916
Other revenue	14	2,166
Total revenue		114,729
Total income other than income from state government		114,729
Net cost of services		3,538
Income from the state government		
Service appropriation	15	200
Services received free of charge	15	512
Total income from state government		712
Surplus/(deficit) for the period		(2,826)

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2016.

	Note	2016 \$000
Assets		
Current assets		
Cash and cash equivalents	23	-
Restricted cash and cash equivalents	16	95,444
Receivables	17	743
Total current assets		96,187
Non-current assets		
Equipment and furniture	18	16
Total non-current assets		16
Total assets		96,203
Liabilities		
Current liabilities		
Payables	20	13,651
Provisions	21	656
Total current liabilities		14,307
Non-current liabilities		
Provisions	21	114
Total non-current liabilities		114
Total liabilities		14,421
Net assets		81,782
Equity		
Contributed equity	22	84,608
Accumulated surplus/(deficit)	22	(2,826)
Total equity		81,782

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2016.

	Note	Contributed equity	Reserves	Accumulated surplus/ (deficit)	Total equity
Balance at 1 July 2015	22	-	-	-	-
Surplus/(deficit)		-	-	(2,826)	(2,826)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	(2,826)	(2,826)
Transactions with owners in their capacity as owners					
Capital appropriations		-	-	-	-
Other contributions by owners		84,608			
Distributions to owners		-	-	-	-
Total		84,608	-	-	84,608
Balance at 30 June 2016		84,608	-	(2,826)	81,782

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2016.

	Note	2016 \$000
Cash flows from state government		
Service appropriation		200
Net cash provided by state government		200

Cash flows from operating activities

Payments		
Employee benefits		(2,349)
Supplies and services		(7,812)
Accommodation		-
Grants and subsidies		(103,257)
Other payments		(29)
Receipts		
Regulatory fines		109,647
Interest received		2,904
Other receipts		2,166
Net cash provided by/(used in) operating activities	23	1,270

Net increase/(decrease) in cash and cash equivalents		1,470
Cash and cash equivalents at the beginning of the period		93,974
Cash and cash equivalents at the end of the period	23	95,444

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2015.

1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes standards and interpretations issued by the Australian Accounting Standards Board (AASB).

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Partial exemption permitting early adoption of 'AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities' has been granted. Aside from AASB 2015-7, there has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2016.

2. Summary of significant accounting policies

a. General statement

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework,

Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

b. Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention except for land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

Note 3 (Judgements made by management in applying accounting policies) discloses judgements that have been made in the process of applying the Commission's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 (Key sources of estimation uncertainty) discloses key assumptions made concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

c. Reporting entity

The reporting entity comprises the Road Safety Commission.

d. Contributed equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the government (the owner) as contributors by owners (at the time of or prior to

transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 'Contributions by Owners made to Wholly-Owned Public Sector Entities' and have been credited directly to contributed equity.

The transfers of net assets to /from other agencies, other than as a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

e. Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

- **Regulatory fines** - Revenue is recognised based on fines collected.
- **Interest** - Revenue is recognised as the interest accrues.
- **Service appropriations** - Service appropriations are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.
- **Grants, donations, gifts and other non-reciprocal contributions** - Revenue is recognised at fair value when the Commission obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and

some revaluations of non-current assets.

f. Equipment and furniture

Capitalisation/expensing of assets

Items of equipment and furniture costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of equipment and furniture costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

Equipment and furniture are initially recognised at cost. For items of equipment and furniture acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition of an asset, historical cost is used for measurement of equipment and furniture. All items of equipment and furniture are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Equipment and furniture:

Communication equipment	5 years
Office equipment	5-10 years
Furniture and fittings	10 years
Computer hardware/software ^a	3-5 years

^aSoftware that is integral to the operation of related hardware

g. Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of using the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Commission have a finite useful life and zero residual value.

The expected useful lives for each class of intangible asset are:

Software ^a	3-5 years
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^aSoftware that is not integral to the operation of any related hardware

Computer Software

Software that is an integral part of the related hardware is recognised as equipment and furniture. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

h. Impairment of assets

Equipment and furniture and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down

to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to a recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to a recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

i. Leases

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

j. Financial instruments

In addition to cash, the Commission has disaggregated financial instrument into the following classes:

Financial assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables

Financial liabilities

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

k. Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

l. Accrued salaries

Accrued salaries (see note 20 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

m. Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

n. Payables

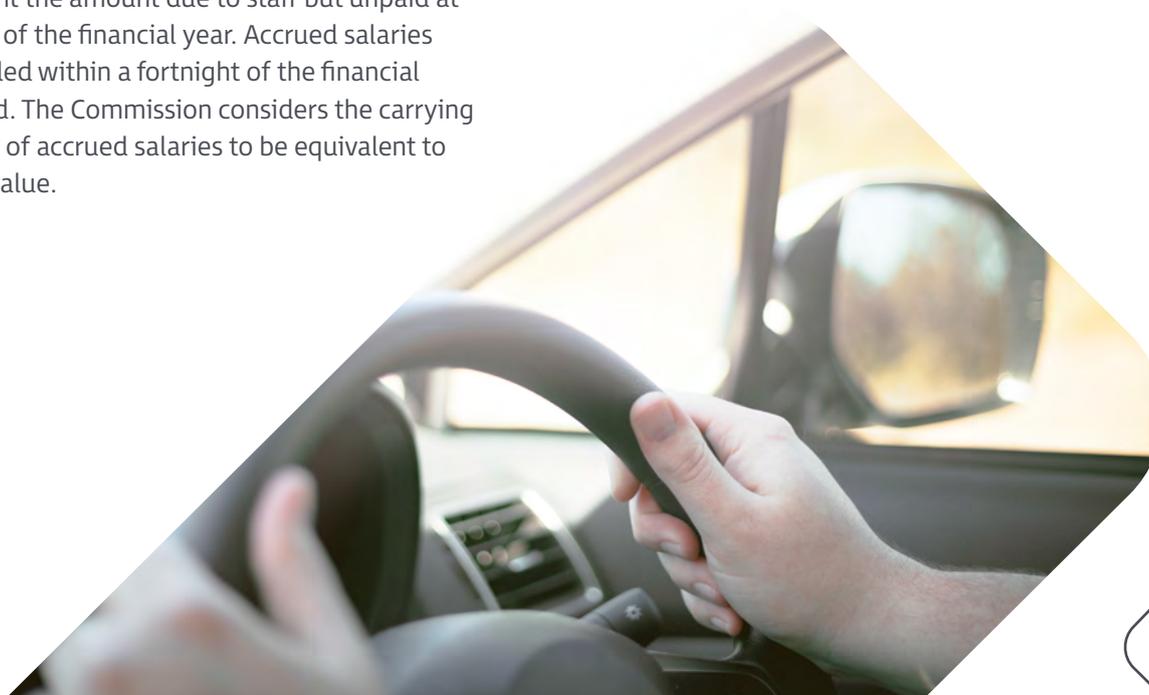
Payables are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

o. Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.



Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of reporting period and is therefore considered to be 'other long term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments, consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Commission

does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Sick leave

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.

Superannuation

The Government Employees Superannuation Board (GESB) and other funds providers administer public sector superannuation arrangements in WA in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing

members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Commission makes contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Commission's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Commission to GESB extinguishes the agency's obligations to the related superannuation liability.

The Commission has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Commission to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

Provisions - other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

p. Superannuation expense

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions

paid to the GSS (concurrent contributions), the WSS, the GESBS, or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

q. Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost that the Commission would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other state government agencies are separately disclosed under income from state government in the Statement of Comprehensive Income.

r. Comparative figures

The Road Safety Commission was established on 1 July 2015 as an independent state government agency. The 2015-16 financial year will be the first year of reporting by the Commission and therefore no comparative figures are available.

s. Insurance

The Commission regularly reviews its insurance arrangements. Currently, insurance covers the below areas:

- Workers compensation
- Property and business interruption
- General, employment and professional liability
- Motor vehicle

3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Commission evaluates these judgements regularly.

Operating lease commitments

The Commission has entered into lease for building and vehicles of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, this lease has been classified as operating lease.

4. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long service leave

The liability for long service leave is measured at the present value of amounts expected to be paid when the liabilities are settled. The assessment of future payments is based on estimated retention rates, remuneration levels and discount rate using current market yields on national government bonds with maturity dates that match the estimated future cash outflows.

5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards effective, or adopted, for annual reporting periods beginning on or after 1 July 2015 that impacted on the Commission.

AASB 2013-9 – Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

Part C of this Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Department has not yet determined the application or the potential impact of AASB 9.

AASB 2014-8 – Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]

This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010), arising from the issuance of AASB 9 Financial Instruments in December 2014. The Department has not yet determined the application or the potential impact of AASB 9.

AASB 2015-3 – Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements' or by an exemption from TI 1101. By virtue of a limited exemption, the Commission has early adopted AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities. Where applicable, the Commission plans to apply the following Australian Accounting Standards from their application date.

AASB 9 – Financial instruments

Operative for reporting periods beginning on or after 1 Jan 2018

This Standard supersedes AASB 139 'Financial Instruments: Recognition and Measurement', introducing a number of changes to accounting treatments.

The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9, and AASB 2014-1 'Amendments to Australian Accounting Standards'. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 15 - Revenue from Contracts with Customers

Operative for reporting periods beginning on or after 1 Jan 2018

This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 16 - Leases

Operative for reporting periods beginning on or after 1 Jan 2019

This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Department has not yet determined the application or the potential impact of the Standard.

AASB 1057 - Application of Australian Accounting Standards

Operative for reporting periods beginning on or after 1 Jan 2016

This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.

AASB 2010-7 - Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]

Operative for reporting periods beginning on or after 1 Jan 2018

This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.

The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2014-1 - Amendments to Australian Accounting Standards

Operative for reporting periods beginning on or after 1 Jan 2018

Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Commission to determine the application or potential impact of the Standard.

AASB 2014-3 - Amendments to Australian Accounting Standards - Accounting for Acquisition of Interests in Joint Operations [AASB 1 & 11]

Operative for reporting periods beginning on or after 1 Jan 2016

The Commission establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.

AASB 2014-4 - Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]

Operative for reporting periods beginning on or after 1 Jan 2016

The adoption of the new Standard has no financial impact for the Commission as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.

AASB 2014-5 - Amendments to Australian Accounting Standards arising from AASB 15

Operative for reporting periods beginning on or after 1 Jan 2018

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2014-7 - Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

Operative for reporting periods beginning on or after 1 Jan 2018

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2014-9 - Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 & 128]

Operative for reporting periods beginning on or after 1 Jan 2016

This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2014-10 - Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]

Operative for reporting periods beginning on or after 1 Jan 2016

This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2015-1 - Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137, & 140]

Operative for reporting periods beginning on or after 1 Jan 2016

These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle in September 2014, and editorial corrections. The Commission has determined that the application of the Standard has no financial impact.

AASB 2015-2 - Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134, 1049]

Operative for reporting periods beginning on or after 1 Jan 2016

This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.

AASB 2015-6 - Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]

Operative for reporting periods beginning on or after 1 Jan 2016

The amendments extend the scope of AASB 124 to entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

AASB 2015-8 - Amendments to Australian Accounting Standards - Effective Date of AASB 15

Operative for reporting periods beginning on or after 1 Jan 2017

This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017.

AASB 2015-10 - Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 & 128

Operative for reporting periods beginning on or after 1 Jan 2016

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. The Department has not yet determined the application or the potential impact of AASB 2014-10.

AASB 2016-2 - Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107

Operative for reporting periods beginning on or after 1 Jan 2017

This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.

AASB 2016-3 - Amendments to Australian Accounting Standards - Clarifications to AASB 15

Operative for reporting periods beginning on or after 1 Jan 2018

This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Department has not yet determined the application or the potential impact.

AASB 2016-4 - Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities

Operative for reporting periods beginning on or after 1 Jan 2017

This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement. The Department has not yet determined the application or the potential impact.

6. Employee benefits expense 2016 \$000

Wages and salaries	2,977
Fringe benefits tax	17
	2,994
Superannuation - defined contribution plans ^a	202
	3,196

^a Defined contribution plans include West State, Gold State and GESBS and other eligible funds.

7. Supplies and services **2016**
\$000

Consultants and contractors	4,703
Plant hire charges	41
Office supplies	25
Communications	12
Legal costs	3
Advertising	3,342
Insurance	8
Travel, meals and accommodation	17
Consumables	20
Other	286
	8,457

8. Depreciation expense **2016**
\$000

Equipment and furniture	14
	14

9. Accommodation expense **2016**
\$000

Lease rentals	218
	218

10. Grants and subsidies **2016**
\$000

Grants and subsidies to state government and other bodies	106,248
	106,248

11. Other expenses **2016**
\$000

Repairs and maintenance	115
Employment on-costs	19
	134

12. Regulatory fine **2016**
\$000

Regulatory fines	109,647
	109,647

This amount represents all moneys from photographic based vehicle infringement notices collected via Department of Transport and Department of the Attorney General. The collections were credited to the Road Trauma Trust Account which was administered by the Commission in accordance with the *Road Safety Council Act 2002*.

13. Interest revenue **2016**
\$000

Road Trauma Trust Account interest revenue	2,916
	2,916

14. Other revenue **2016**
\$000

Return of previous year grants	1,866
Other	300
	2,916

Reconciliations of the carrying amounts of equipment and furniture at the beginning and end of the reporting period are set out in the table below.

2016	Computer hardware \$000	Office equipment \$000	Total \$000
Carrying amount at start of year	-	-	-
Transfers in/(out)	-	-	-
Equity contribution/ (distribution)	20	10	30
Depreciation	(10)	(4)	(14)
Carrying amount at end of year	10	6	16

19. Impairment of assets

There were no indications of impairment to equipment and furniture or intangible assets at 30 June 2016.

The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

20. Payables

2016
\$000

Current	
Trade creditors	55
Accrued expenses	13,596
Total current	13,651
Total payables	13,651

21. Provisions

	2016 \$000
Current	
<i>Employee benefits provisions</i>	
Annual leave ^a	244
Long service leave ^b	407
	651
<i>Other provisions</i>	
Employment on-costs ^c	5
Total current	656
Non-current	
<i>Employee benefits provisions</i>	
Long service leave ^b	113
	113
<i>Other provisions</i>	
Employment on-costs ^c	1
Total non-current	114
Total provisions	770

^a Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2016 \$000
Within 12 months of the reporting period	177
More than 12 months after the end of the reporting period	67
	244

^b Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2016 \$000
Within 12 months of the reporting period	125
More than 12 months after the end of the reporting period	395
	520

^c The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in Note 7, 'Supplies and services'.

Movements in other provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

	2016 \$000
Employment on-cost provision	
Carrying amount at start of period	-
Additional/(reversals of) provisions recognised	6
Payments/other sacrifices of economic benefits	-
Unwinding of the discount	-
Carrying amount at end of period	6

22. Equity

The Western Australian Government holds the equity interest in the Commission on behalf of the community. Equity represents the residual interest in the net assets of the Commission. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

	2016 \$000
Contributed equity	
Balance at start of period	-
<i>Contributions by owners</i>	
Capital contributions (a)	84,608
Total contributions by owners	84,608
Balance at end of period	84,608

a. The breakdown of contributions from owners is as follows:

Assets	
Restricted cash	93,974
Receivables	731
Computer hardware and office equipment	30
	94,735
Liabilities	
Payables	(10,127)
Total contributions	84,608
Total equity at end of period	81,782

Accumulated surplus/(defecit)	
Balance at start of period	-
Result for the period	(2,826)
Balance at end of period	(2,826)
Total equity at end of period	81,782



23. Notes to statement of cash flows

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2016 \$000
Cash and cash equivalents	-
Restricted cash and cash equivalents	95,444
	95,444

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	2016 \$000
Net cost of services	(3,538)
<i>Non-cash items</i>	
Depreciation expense	14
Services received free of charge	512
<i>(Increase)/decrease in assets</i>	
Receivables ^a	(12)
<i>(Increase)/decrease in liabilities</i>	
Payables ^a	3,524
Employee benefits	770
Net GST receipts/(payments) ^b	-
Change in GST in receivables/payables ^c	-
Net cash provided by/(used in) operating activities	1,270

^a Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

^b This is the GST paid/received, i.e. cash transactions.

^c This reverses out the GST in receivables and payables.

24. Commitments

Operating lease commitments

Commitments for minimum lease payments are payable as follows:

	2016 \$000
Within one year	370
Later than one year and not later than five years	1,467
Later than five years	-
	1,837

The Commission has entered into a non-cancellable property and vehicle lease.

The *property lease* has a term of five years with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments must not be less than the rent payable immediately prior to the relevant rent review date. Rent review will be based on 'current market' and first rent review will be on 1st July 2018 and then bi-annually thereafter on this anniversary.

The *vehicle lease* has a term of up to seven years with lease payable monthly in advance. Contingent lease provisions within the lease agreement states that lease is fixed for the duration of the lease terms. An option exists that permit leases to be terminated and rehired under new terms and conditions, often resulting in extended lease terms.

25. Events occurring after the end of the reporting period

There were no events occurring after the end of the reporting period that have any financial effect on the results reported on these statements.

26. Explanatory statements

Major variances between estimates and actual results for 2016 are shown below.

Major variances in the Statement of Comprehensive Income and Statement of Cash Flow are considered to be those greater than 5% and 2% (\$2.2 million) of total cost of services and in the Statement of Financial Position are 5% and 2% (\$2.0 million) of total assets.

Statement of Comprehensive Income

	Variance note	Estimate 2016	Actual 2016	Variance between estimate and actual
		\$000	\$000	\$000
Expenses				
Employee benefits expense		3,513	3,196	(317)
Supplies and services		7,317	8,457	1,140
Depreciation expense		-	14	14
Accommodation expense		-	218	218
Grants and subsidies	1	100,048	106,248	6,200
Other expenses		10	134	124
Total cost of services		110,888	118,267	7,379
Income				
Regulatory fines		112,617	109,647	(2,970)
Interest revenue		2,500	2,916	416
Other revenue		-	2,166	2,166
Total revenue		115,117	114,729	(388)
Total income other than income from the state government		115,117	114,729	(388)
Net cost of services		(4,229)	3,538	7,767
Income from the state government				
Service appropriation		200	200	-
Services received free of charge		-	512	512
Total income from the state government		200	712	512
Surplus/(deficit) for the period		4,429	(2,826)	7,255

Statement of Financial Position

	Variance note	Estimate 2016	Actual 2016	Variance between estimate and actual
		\$000	\$000	\$000
Assets				
Current assets				
Cash and cash equivalents		608	-	(608)
Restricted cash and cash equivalents		98,403	95,444	(2,959)
Receivables		731	743	12
Total current assets		99,742	96,187	(3,555)
Non-current assets				
Equipment and furniture		30	16	(14)
Total non-current assets		30	16	(14)
Total assets		99,772	96,203	(3,569)

	Variance note	Estimate 2016	Actual 2016	Variance between estimate and actual
Liabilities		\$000	\$000	\$000
Current liabilities				
Payables	2	10,128	13,651	3,523
Provisions		516	656	140
Total current liabilities		10,644	14,307	3,663
Non-current liabilities				
Provisions		92	114	22
Total non-current liabilities		92	114	22
Total liabilities		10,736	14,421	3,685
Net assets		89,036	81,782	(7,254)

Equity

Contributed equity		84,607	84,608	1
Accumulated surplus/(deficit)		4,429	(2,826)	(7,255)
Total equity		89,036	81,782	(7,254)

Statement of Cash Flow

	Variance note	Estimate 2016	Actual 2016	Variance between estimate and actual
Cash flows from state government		\$000	\$000	\$000
Service appropriation		200	200	-
Net cash provided by state government		200	200	-

Cash flows from operating activities

Payments				
Employee benefits		(3,513)	(2,349)	1,164
Supplies and services		(7,317)	(7,812)	(495)
Accommodation		(10)	-	10
Grants and subsidies		100,048	103,257	(3,209)
Other payments		-	(29)	(29)
Receipts				
Regulatory fines		112,617	109,647	(2,970)
Interest received		2,500	2,904	404
Other receipts		-	2,166	2,166
Net cash provided by/(used in) operating activities		4,229	1,270	(2,959)

Net increase/(decrease) in cash and cash equivalents		4,429	1,470	(2,959)
Cash and cash equivalents at the beginning of the period		94,582	93,974	(608)
Cash and cash equivalents at the end of the period		99,011	95,444	(3,567)

Major estimate and actual (2016) variance narratives

1. Additional grant funding was approved during the 2015-16 Mid-Year Review for new programs and carryovers from 2014-15. Funding of \$4.7 million was approved during the 2015-16 Mid-Year Review for the Speed Camera Expansion program and \$18.5 million for carryovers relating to the Regional Run-Off Roads program.
2. The increase in payables relates to work completed for road projects to be invoiced by Main Roads WA. This relates mainly to the Metropolitan Intersection Crashes program and the Regional Run-Off Roads program.

27. Financial instruments

a. Financial risk management objectives and policies

Financial instruments held by the Commission are cash and cash equivalents, restricted cash and cash equivalents, loans and receivables, payables, and WATC borrowings. The Commission has limited exposure to financial risks. The Commission’s overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Commission’s receivables defaulting on their contractual obligations resulting in financial loss to the Commission.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 27(c), ‘Financial instrument disclosures’ and Note 17, ‘Receivables’.

Credit risk associated with the Commission’s financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

In addition, receivable balances are monitored on an ongoing basis with the result that the Commission’s exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due.

The Commission is exposed to liquidity risk through its trading in the normal course of business.

The Commission has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission’s income or the value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks. The Commission’s exposure to market risk for changes in interest rates relates to interest earned on RTTA cash.

b. Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2016 \$000
Financial assets	
Cash and cash equivalents	-
Restricted cash and cash equivalents	95,444
Receivables ^a	743
Financial liabilities	
Payables	13,651

^a The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivables).

c. Financial instrument disclosures

Credit risk

The table below discloses the Commission’s maximum exposure to credit risk and the ageing analysis of financial assets. The Commission’s maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information given to senior management of the Commission.

The Commission does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

Ageing analysis of financial assets

	Carrying amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Up to 1 mth	1-3 mths	3 mths - 1 yr	1-5 yrs	More than 5 yrs	
2016	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets								
Cash and cash equivalent	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	95,444	95,444	-	-	-	-	-	-
Receivables ^a	743	743	-	-	-	-	-	-
	96,187	96,187	-	-	-	-	-	-

^a The amount of receivables excludes the GST recoverable from the ATO (statutory receivables).

Liquidity risk and interest rate exposure

The following table details the Commission's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposures and maturity analysis of financial assets and financial liabilities

	Weighted average effective interest rate	Carrying amount	Interest rate exposure			Nominal amount	Maturity date				
			Fixed interest rate	Variable interest rate	Non-interest bearing		Up to 1 mth	1-3 mths	3 mths - 1 yr	1-5 yrs	More than 5 yrs
2016	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets											
Cash and cash equivalents	-	95,444	-	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	2.29	743	-	95,444	-	95,444	95,444	-	-	-	-
Receivables ^a	-	-	-	-	743	743	743	-	-	-	-
	-	96,187	-	95,444	743	96,187	96,187	-	-	-	-
Financial liabilities											
Payables	-	13,651	-	-	13,651	13,651	13,651	-	-	-	-
	-	13,651	-	-	13,651	13,651	13,651	-	-	-	-

^a The amount of receivables excludes the GST recoverable from the ATO (statutory receivables).

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Commission's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 0.25% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

2016	Carrying amount \$000	-25 basis point		+25 basis point	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
Financial assets					
Restricted cash and cash equivalents	95,444	(239)	(239)	239	239
Total increase/ (decrease)		(239)	(239)	239	239

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.



28. Remuneration of members of the accountable authority and senior officers

Remuneration of members of the accountable authority

The number of members of the accountable authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

2016	
Remuneration band (\$)	
240,001 - 250,001	1
	\$000
Base remuneration and superannuation	220
Annual leave and long service leave accruals	15
Other benefits	9
Total remuneration of members of the accountable authority	244

The total remuneration includes the superannuation expense incurred by the Commission in respect of members of the accountable authority.

The remuneration of the incumbent Commissioner is met by the Road Safety Commission.

Remuneration of senior officers

The number of senior officers whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

2016	
Remuneration band (\$)	
100,001 - 110,000	2
	\$000
Base remuneration and superannuation	186
Annual leave and long service leave accruals	21
Other benefits	5
Total remuneration of senior officers	212

Total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers.

29. Remuneration of auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

2016	
\$000	
Auditing the accounts, financial statements and key performance indicators	57
Total	57

30. Affiliated bodies

The Road Safety Council (RSC) is a government-affiliated body that received resource support of \$38,000 from the Commission. The Council is not subject to operational control by the Commission.

31. Special purpose accounts

Road Trauma Trust Account^a

In accordance with section 12 of the *Road Safety Council Act 2002*, the purpose of the Account is to receive and hold funds from parliamentary appropriations, all moneys from photographic based vehicle infringement (via Department of Transport and Department of the Attorney General) and any money lawfully received for the purpose of the Act.

	2016 \$000
Balance at the start of the financial year	93,974
Receipts	114,917
Payments	(113,447)
Balance at the end of the financial year	95,444

^aEstablished under Section 16(1)(b) of FMA.

32. Schedule of income and expenses by service and schedule of assets and liabilities by service

The Schedule of Income and Expenses by Service and Schedule of Assets and Liabilities by Service are not required as the Commission has only one service during the year and the information is available from the Statement of Comprehensive Income and Statement of Financial Position.

33. Contingent liabilities and contingent assets

The Commission did not have any contingent liabilities or contingent assets including any contaminated sites for the financial year 2015-16.



Disclosures and legal compliance

Advertising expenditure

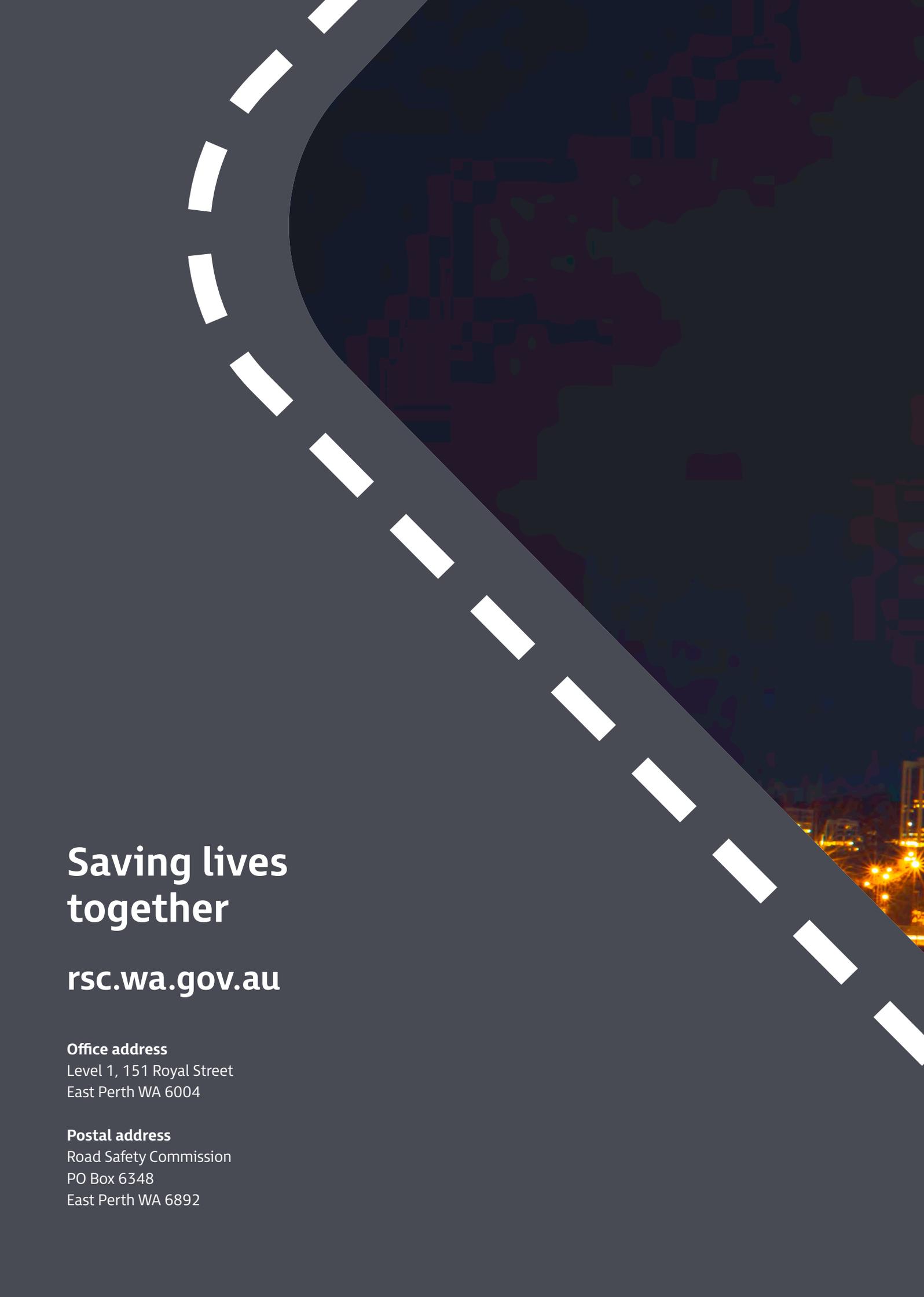
Statement of expenditure

In accordance with Section 175ZE of the *Electoral Act 1907*, the Commission incurred \$3,422,973.52 during 2015-16 in advertising, market research, polling, direct mail and media advertising.

Expenditure was incurred in the following areas:

	Campaign
Advertising agencies	
303 Mullenlowe Group Pty Ltd	258,200.03
Adcorp Australia Limited	4,807.30
Marketforce	250,916.41
Optimum Media Decisions (WA) Pty Ltd	2,907,193.49
Advertising agencies total	3,421,117.23
Direct mail organisations	-
Market research organisations	-
Polling organisations	-
Media advertising organisations	
State Law Publisher	1,856.29
Media advertising organisations total	1,856.29
Total	3,422,973.52





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