



Report 7: 2023-24 | 17 October 2023

**PERFORMANCE AUDIT**

# Management of the Road Trauma Trust Account



**Office of the Auditor General  
Western Australia**

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(to assist people with hearing and voice impairment)

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***The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.***

Image credit: Road Safety Commission

## WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

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### **Management of the Road Trauma Trust Account**

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**THE PRESIDENT  
LEGISLATIVE COUNCIL**

**THE SPEAKER  
LEGISLATIVE ASSEMBLY**

### **MANAGEMENT OF THE ROAD TRAUMA TRUST ACCOUNT**

This report has been prepared for submission to Parliament under the provisions of section 25 of the *Auditor General Act 2006*.

Performance audits are an integral part of my Office's overall program of audit and assurance for Parliament. They seek to provide Parliament and the people of WA with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

This audit assessed if the Road Safety Council and the Road Safety Commission effectively administer the Road Trauma Trust Account to improve road safety and reduce road trauma.

I wish to acknowledge the entities' staff for their cooperation with this audit.

A handwritten signature in black ink, appearing to be 'C Spencer'.

CAROLINE SPENCER  
AUDITOR GENERAL  
17 October 2023

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## Auditor General's overview

Each year more than 150 Western Australians lose their lives on our roads and many more suffer serious injury, trauma and distress. Unfortunately, these figures have remained relatively unchanged over the last 10 years despite Government working to address the issue.

Since 2012-13, a special purpose Road Trauma Trust Account (RTTA), which receives an average of over \$100 million per year, has contributed funding to road safety initiatives. Additionally, in November 2020 the State's Road Safety Strategy set a target to reduce lives lost or seriously injured on WA roads by 50% to 70% by 2030.



This audit examined if the Road Safety Council (the Council) and the Road Safety Commission (the Commission) effectively administer the RTTA to meet legislated obligations and identify initiatives to improve road safety. The audit was part of my office's ongoing focus to ensure monies set aside in special purpose accounts are used for their intended purpose. In the case of the RTTA, the *Road Safety Council Act 2002* (the Act) includes controls to assist in achieving that purpose such as the Minister considering recommendations from the Council and determining how RTTA money will be spent.

While funding has been directed to projects related to road safety, concerningly, we found not all controls have been implemented. The Road Safety Commission has not confirmed or obtained appropriate records of the Minister's final approvals before releasing RTTA funds. It is imperative the Commission acts to address this finding and meet the legislative requirement for ministerial approval.

The Council, supported by the Commission, also needs to improve how it identifies and assesses initiatives to recommend and monitor their impact. This will allow funding recommendations to the Minister to be better aligned and targeted to clear priorities and give the public confidence the RTTA is most effectively used to achieve its intended purpose.

I am pleased the Road Safety Council and the Road Safety Commission have already begun work to address some of the issues we have identified to improve the management of the RTTA. Our audit has come at a time of change and opportunity for road safety in Western Australia with the potential increase in RTTA funding from implementation of new point to point camera technologies. However, three years into the strategy it is clear there is still a long way to go to reach the ambitious targets to reduce lives lost or seriously injured on WA roads by 2030.



# Executive summary

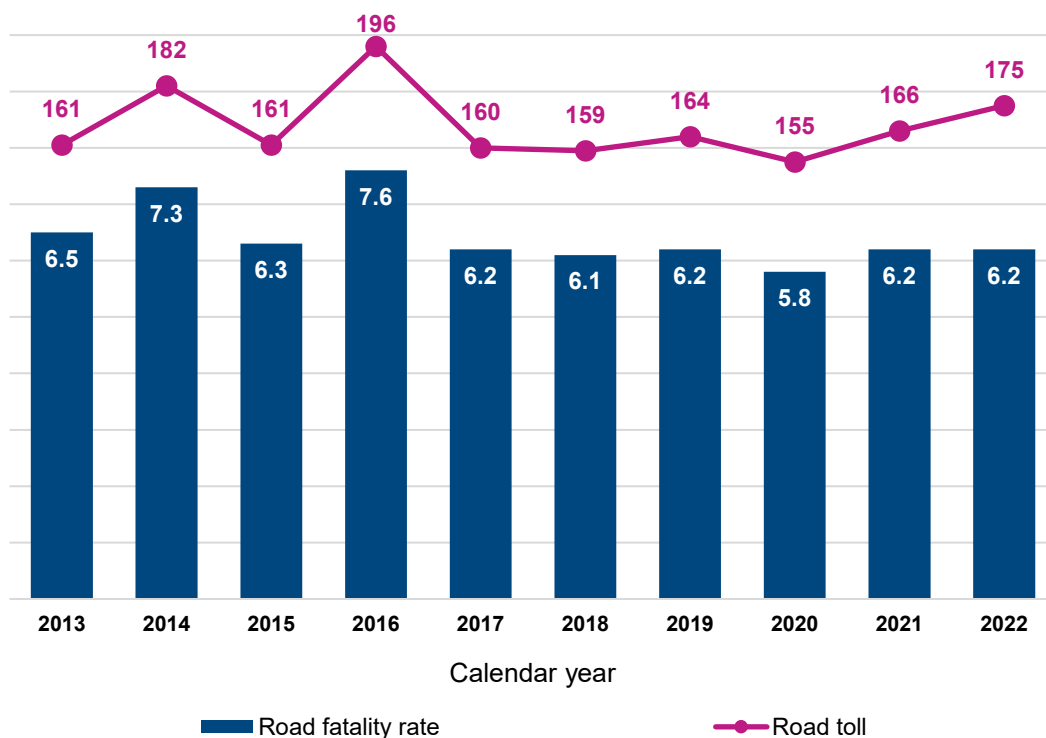
## Introduction

This audit assessed if the Road Safety Council (Council) and the Road Safety Commission (Commission) effectively administer the Road Trauma Trust Account (RTTA) to improve road safety and reduce road trauma. We examined how RTTA funding was administered between January 2020 and June 2023.

We last audited the management of the RTTA in 2012<sup>1</sup> and found the Council did not have a master plan to guide its recommendations for project funding to the Minister for Road Safety (Minister) and did not adequately monitor and evaluate RTTA funded projects. That audit also found that RTTA funds were not appropriately stored in a standalone account.

## Background

Road safety is a significant issue that impacts the lives and wellbeing of all Western Australians. In 2022, WA recorded its highest road toll since 2016, with 175 people losing their lives (Figure 1) and more than 1,500 seriously injured. Our annual rate of fatalities (per 100,000 population) is the third highest across Australia and has seen little change over the last 10 years.



Source: OAG based on WA Road Safety Commission and Australian Transport Safety Bureau data

**Figure 1: Annual Western Australian road toll and fatality rate per 100,000 people**

The State Government is working to improve road safety in line with nationally agreed goals and approaches.<sup>2</sup> In November 2020, the Commission updated the State's strategic

<sup>1</sup> Office of the Auditor General, [Managing the Road Trauma Trust Account](#), OAG website, 14 November 2012, accessed 15 August 2023.

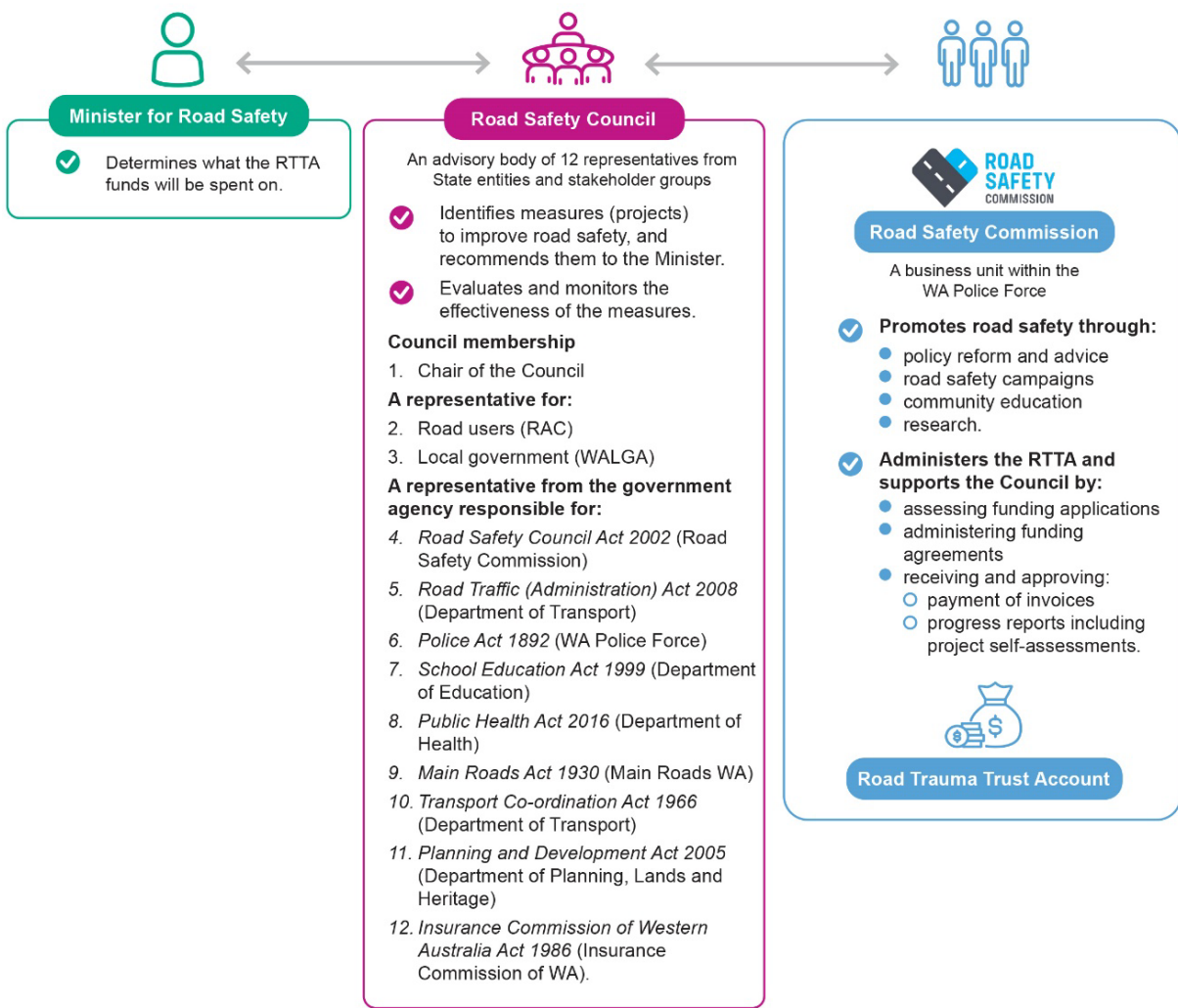
<sup>2</sup> Australian Government Department of Infrastructure, Transport, Regional Development, Communication and the Arts, [National Road Safety Strategy](#), DITRDCA website, n.d., accessed 30 August 2023.



approach, publishing the [Driving Change – Road Safety Strategy 2020-2030](#) (the Strategy) which outlines the 10-year vision and focus areas for government, non-government including private and the not-for-profit sectors, and the community. The Strategy aims to reduce the number of people killed or seriously injured on WA roads by 50% to 70% by 2030.

The RTTA is a special purpose account intended to support initiatives to reduce road trauma.<sup>3</sup> All revenue from photograph-based vehicle infringement notices (e.g. speed cameras) is paid into the account. In 2022-23, the account received \$127 million with a five-year average revenue of around \$108 million. Under the *Road Safety Council Act 2002* (the Act), the Minister determines how the RTTA will be spent, with consideration of recommendations from the Council.<sup>4</sup>

The Council’s roles and responsibilities are outlined in the Act. It is an advisory body of 12 representatives from State government entities and stakeholder groups tasked with identifying ways to improve road safety, and then monitoring and evaluating their effectiveness (Figure 2).<sup>5</sup>



Source: OAG based on Road Safety Commission information and the *Road Safety Council Act 2002*

**Figure 2: High level relationship of entities in the management of the RTTA**

<sup>3</sup> Parliament of Western Australia, *Hansard p7115b-7116a, Road Safety Council Bill 2001 Second Reading*, Parliament of WA website, 13 December 2001, accessed 4 September 2023.

<sup>4</sup> *Road Safety Council Act 2002*, section 12(6).

<sup>5</sup> *Road Safety Council Act 2002*, sections 5(a), 5(d) and 5(e).

The Commission administers the RTTA, provides secretariat and technical support to the Council, and carries out some road safety initiatives such as policy reform and community education. Since 2017, the Commission has operated as a business unit within the WA Police Force.

Each year entities are invited by the Commission to apply for RTTA funding outlining their projects, likely outcomes and budgets. In recent years these invitations have been provided to entities who had already received funding. The Commission assesses project suitability before the Council recommends projects to the Minister for funding. Recipients can apply to continue a funded project beyond its agreed period. Each year recipients can also apply for a variation to their approved funding if it is insufficient.

A trial by the Commission in 2022 of new point-to-point camera systems which detect speed, mobile phone and seat belt use suggested implementation could generate additional annual revenue for the RTTA of up to \$69 million.

## Conclusion

The Council and Commission are not effectively administering the RTTA. While some probity measures have improved since our 2012 report, the road toll has not. Better controls are needed to ensure the nearly \$100 million released from the RTTA each year complies with the Act. The Council also needs a systematic approach to recommending and evaluating projects for RTTA monies to be effective in improving road safety and reducing the road toll.

Under the Act, the Minister determines how the RTTA can be used. However, the Commission cannot demonstrate it is complying with this legislated requirement as it has not obtained the Minister's decisions before releasing funds from the account. Each year the Council makes recommendations to the Minister and projects are included in the Commission's annual State Budget submission. However, this is not a substitute for the ministerial approval the Act requires, as Cabinet is an informal association of ministers and its decisions have no legal force except to the extent individual ministers enact them.

The Council and Commission have not established clear priorities to guide the best use of RTTA funds. A lack of planning for funding recommendations was raised in our 2012 report. Clearer expectations would allow the Council to better target improvements to road safety. Further, funding applications and project outcomes are not effectively assessed and evaluated to inform recommendations to the Minister.

# Findings

## Improvements are needed to better control RTTA funds

### Funds are released without confirming ministerial approval

The Commission does not obtain appropriate records of the Minister's final approval to fund projects. It includes a list of recommended projects in its yearly Budget submission, which is provided to the Minister. We were told the Commissioner discusses projects with the Minister during the drafting process. The Commission assumes the contents of the Budget submission reflect the Minister's decisions, unless it is informed of changes. During our audit period the Commission did not receive the outcomes of the Budget meetings or confirm with the Minister the final list of projects before releasing funds.

Ministerial approval is a legislative requirement. Compliance is an important control to ensure public money is spent lawfully and entities should seek and receive confirmation of decisions before funds are spent. Under section 12 (6) of the Act, RTTA funds can only be applied to purposes determined by the Minister. Inclusion of the projects in the Budget process is not in itself a substitute for the ministerial approval required by the Act. Cabinet is an important convention in our Westminster system, serving as a deliberative body to determine legislative and executive policy of Government. However, it is an informal association of ministers and its decisions have no legal force except to the extent they are put into effect by individual ministers.<sup>6</sup>

Our 2022-23 Independent Auditor's Report for WA Police Force includes a qualified controls opinion due to this significant weakness.<sup>7</sup> WA Police Force has included an associated disclosure in the notes to their financial statements. The Commission has told us it will implement a procedure to obtain formal notification from the Minister before it requests the WA Police Force to release RTTA funds.

### Probity processes are in place and a discrete bank account established

RTTA funds are held in a stand-alone bank account. In 2012, our audit found RTTA funds were in the same account as other operational monies.<sup>8</sup> We confirmed processes are in place to control the release of funds to project recipients following receipt of quarterly invoices and authorisation from senior Commission staff. A separate RTTA bank account improves administration and transparency to whether funds are used for their intended restricted purpose.

The Council has recently appointed an independent chair and refreshed its membership to better align with the requirements of the Act. The Act specifies members should be senior officers from entities<sup>9</sup> and in 2022, the Council changed its membership to include only executives. This change was designed to ensure projects are considered at a sufficiently strategic level.

The Council has also recently enhanced its conflict of interest processes. Since 2022, new members have been provided with guidance on dealing with conflicts of interest and any declared conflicts are documented in a register. Good conflict of interest processes provide

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<sup>6</sup> Department of the Premier and Cabinet, *Cabinet Handbook*, DPC, 2022, accessed 26 September 2023, p. 1.

<sup>7</sup> Western Australia Police Force *Annual Report 2023*, WAPOL website, accessed 11 October 2023, p.52.

<sup>8</sup> Office of the Auditor General, *Managing the Road Trauma Trust Account*, OAG website, 14 November 2012, accessed 23 August 2023.

<sup>9</sup> *Road Safety Council Act 2002*, sections 6(3) to 6(7).

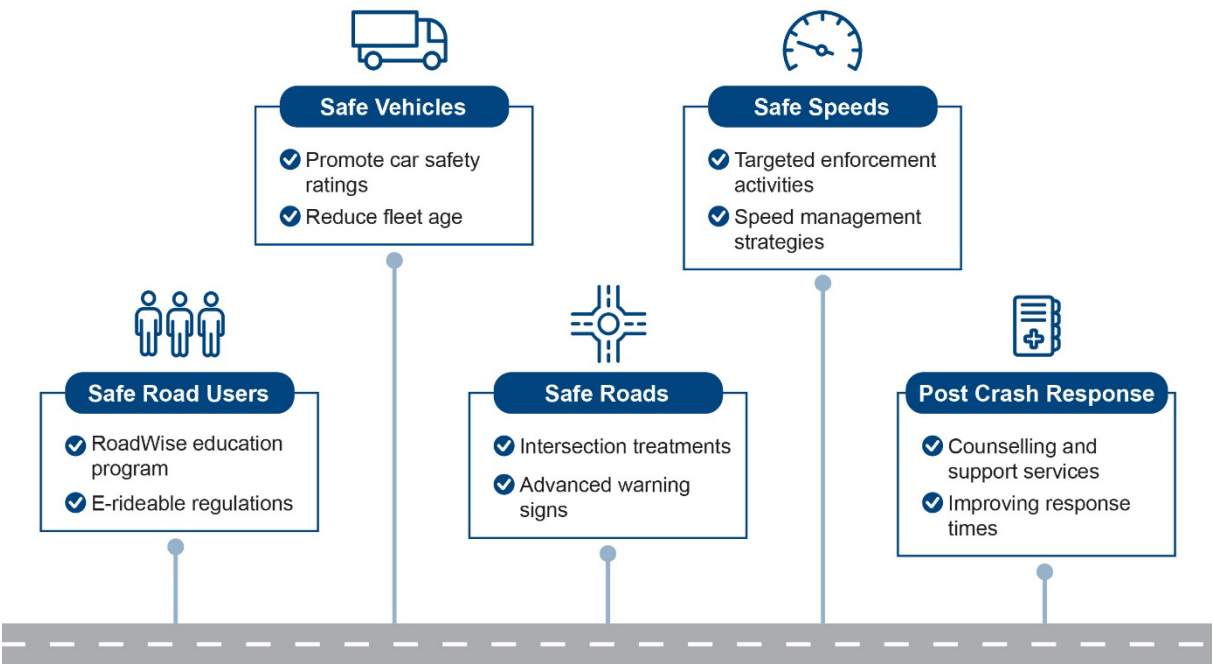
assurance that funding recommendations are appropriate and are not unduly influenced by Council members simply representing their home entities.

The Commission has appropriate conflict of interest processes but could do more to make staff aware of their responsibilities. Staff are required to complete the WA Police Force’s induction, which includes training on governance and ethical decision-making. Conflict of interest processes and registers are also in place and staff are trained in how to use them. However, there are no regular reminders to staff on probity risks and their responsibilities. Maintaining staff awareness of probity risks and responsibilities would further assist the Commission to fairly assess projects and administer the RTTA.

**The Council does not take a systematic approach to recommending projects so the RTTA has the most impact**

**Clear priorities have not been established to guide the use of the RTTA**

The Council has not determined how the RTTA can be best spent. It has not identified the areas within the Strategy where RTTA funding could be most effective or considered how funds will complement the existing road safety activities of other entities. A lack of planning for funding recommendations was raised in our 2012 report. Since then, the Commission has developed a Road Safety Action Plan. While this lists actions by Strategy focus areas (Figure 3), it does not set priorities or propose how the RTTA should be distributed. By setting clearer expectations on where funds will be spent, the Council can be more targeted in improving road safety. The Council advised us it is drafting an investment framework to better guide the distribution of funds.



Source: OAG based on the Strategy

**Figure 3: Focus areas of the Strategy and a sample of actions from the Road Safety Action Plan**

Since 2018-19, an average of \$82 million a year has been allocated to projects and \$18 million (Table 1) to the operation of the Commission and its other work. RTTA funds have been provided to a range of projects including road infrastructure improvements and counselling services for vehicle crash survivors and their families. Between 2019-20 and 2022-23, 23 funded projects were from entities represented on the Council and six from non-Council entities. Funding has been fully committed to ongoing, long-term projects since

September 2021, many of which (65%) have been running for nearly 10 years. Funding has primarily gone to Main Roads WA for road improvements and to the WA Police Force to expand enforcement activities.<sup>10</sup>

	2018-19	2019-20	2020-21	2021-22	2022-23	5-year average
<b>Number of projects funded</b>	25	28	30	20	21	25
<b>Revenue</b>	\$97m	\$98m	\$102m	\$115m	\$127m	\$108m
<b>Allocated funds (total)</b>	\$90m	\$104m	\$113m	\$86m	\$103m	\$99m
Commission operations and other works	\$14m	\$11m	\$18m	\$18m	\$27m	\$18m
Project funding	\$76m	\$93m	\$95m	\$68m	\$76m	\$82m
<b>Closing balance</b>	\$60m	\$54m	\$43m	\$71m	\$95m	n/a

Source: OAG based on entity information

**Table 1: Summary of RTTA revenue and expenditure over five years**

### Funding applications are not effectively assessed

The Commission has not always collected the information it needs to complete assessments. We reviewed 37 applications assessed by the Commission<sup>11</sup> and found none had all the required information. For example:

- 23 (62%) did not have an evaluation plan setting out how the project's effectiveness would be assessed
- 26 (70%) did not include information on economic sustainability
- six (16%) applications, all for continuing funding, did not include the budget breakdowns or details of intended work.

If the Council does not receive complete assessments, it cannot provide sound recommendations to the Minister on which projects should receive RTTA funding.

Training for staff on how to assess applications is lacking. We found:

- Commission staff are not trained on how to assess applications and there is little written guidance available to them. Staff told us they had taught themselves how to assess applications by reviewing what had been done in the past.
- It is unclear to staff who is eligible for RTTA funding. We spoke with Commission staff involved in assessments and found differing understandings. Some told us only entities represented on the Council were eligible, while others believed anyone could apply.<sup>12</sup>

<sup>10</sup> Initiatives include expanded drug and alcohol testing, and road treatments such as audible edge lines and safety barriers.

<sup>11</sup> Eleven applications for new projects considered in 2020-21 and 26 from 2021-22 including seven new projects and 19 continuation applications.

<sup>12</sup> There are some projects that, by their nature, can only be delivered by Council member entities. For example, law enforcement can only be provided by the WA Police Force.

If staff are not trained and provided with guidance, the Council may not receive consistent and correct assessments of projects. A lack of guidance for assessments was raised in our 2012 report.<sup>13</sup> The management of the Commission advised us it has recently established a program of capability improvement, which will include staff training and better procedures and guidance.

### **Project outcomes are not effectively evaluated**

The Council does not receive the information it needs about project outcomes to meet its legislated obligation to monitor the effectiveness of funded projects. The Commission coordinates project evaluations for the Council and relies primarily on annual self-assessments from recipients. However, self-assessments that have been accepted often did not address effectiveness (outcomes) and instead only reported on the delivery of planned works (outputs). We reviewed a sample of 10 self-assessments from 2021-22 and found:

- five (50%) did not include an analysis of how the project had improved road safety
- one (10%) did not include an independent financial certification of spent funds.

If self-assessments that are incomplete or do not address project outcomes, are accepted the Council will not know if funded projects are making roads safer.

The Commission can also conduct independent evaluations of projects. While five evaluations have been completed in the last three years on a range of projects including pilots and continuing projects,<sup>14</sup> the Commission could not provide a rationale for how it chose which projects to evaluate. The Commission has only recently developed a schedule for future reviews.<sup>15</sup> A systematic approach to evaluating projects should better inform the Council and its future recommendations to the Minister.

We also found the Council does not always take past performance into account when considering renewing the funding of existing projects. The Council often does not know if existing projects are effective as the Commission does not provide it with the results of recipient self-assessments. Further, this information may not be available as some long-term projects have never been independently evaluated or included information on outcomes in self-assessments (Case study 1). Without this information the Council cannot be sure it is only recommending renewing funding for projects that are effective.

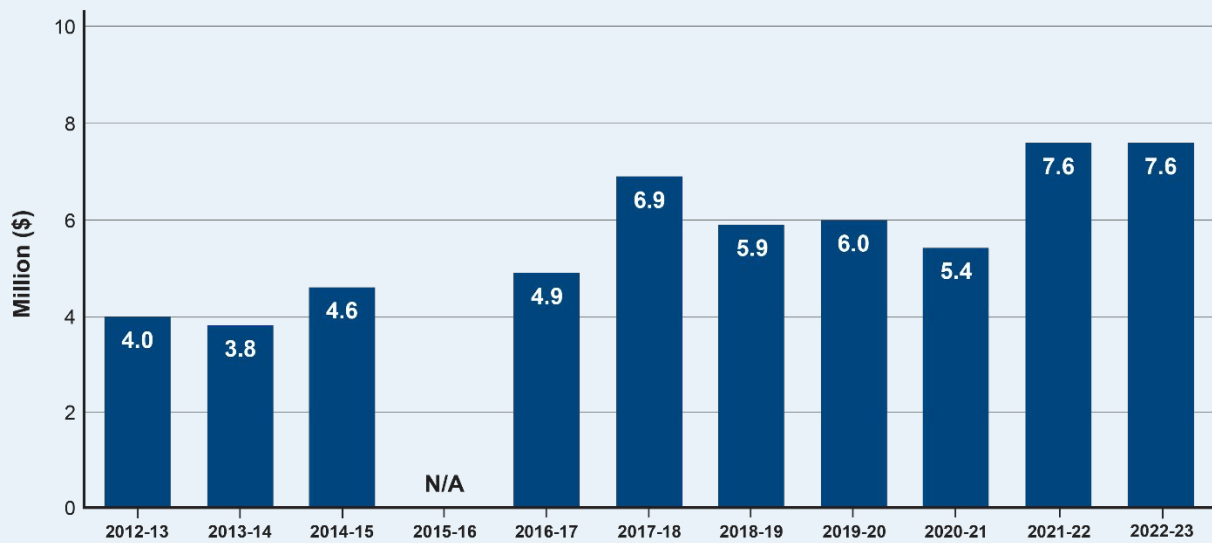
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<sup>13</sup> Office of the Auditor General, [Managing the Road Trauma Trust Account](#), OAG website, 14 November 2012, accessed 23 August 2023.

<sup>14</sup> Three were completed in 2020, one in 2021 and one in 2023.

<sup>15</sup> In June 2023 the Council approved a three to five review cycle and set a forward schedule of works for identifying 12 programs to be review by 2029.

### Case study 1: Lack of project evaluation on a long-term project



Source: OAG based on Commission data

*Note: no budget allocation was reported in 2015-16.*

**Figure 4: Funding to a long-term project since 2012-13<sup>16</sup>**

One long-term project has received \$56.7 million in RTTA funding since 2012-13 (Figure 4). This project is an expansion of the entity's business as usual functions, allowing it to conduct more of the activities they already perform. At 30 June 2022 the project had not been independently reviewed and its self-reporting included no assessment of success in improving road safety. Instead, the entity had only reported how it had progressed in delivering the project outputs.

<sup>16</sup> The project continued in 2022-23 but the case study does not include 2022-23 evaluation information as it was not available at the time of our audit.



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## Recommendations

1. To ensure that the RTTA is as effective as possible and funding recommendations demonstrably target projects of the greatest benefit to improving road safety the Road Safety Council should:
  - a. clarify which entities and projects they consider eligible for funding by the RTTA
  - b. implement a systematic approach to its funding recommendations that includes consideration of clearly defined funding priorities and complete assessments of project applications and effectiveness evaluations.

**Implementation timeframe:** June 2024

**Entities response:**

Supported by the Chair of the Road Safety Council and the Road Safety Commission.

2. In order to ensure RTTA funds are only used for projects approved by the Minister for Road Safety, the Road Safety Commission should:
  - a. obtain written confirmation of the Minister's formal determination of the purposes (projects) to which RTTA funds are to be applied before requesting WA Police Force release funds from the RTTA.

**Implementation timeframe:** November 2023

**Entity response:**

Supported by the Road Safety Commission

3. To ensure that the Road Safety Council has appropriate information to make recommendations, the Road Safety Commission should:
  - a. ensure the project applications it receives are complete and consistently assessed
  - b. establish and document training for staff on how to assess applications
  - c. regularly remind staff of their conflict of interest and other probity responsibilities.

**Implementation timeframe:** March 2024

**Entities response:**

Supported by the Chair of the Road Safety Council and the Road Safety Commission.

## **Joint response from the Road Safety Council and Road Safety Commission**

The Road Safety Council and the Road Safety Commission accept the recommendations and learnings contained in the performance audit.

The Council and the Commission have commenced implementing reforms to strengthen governance, accountability and integrity. These reforms seek to address the inherent complexities within the road safety portfolio. Specifically, whereby the Council has a mandatory role in making recommendations about the allocation of monies in the RTTA, and most members of Council also represent agencies that receive money from the RTTA. Legislative amendments should be considered to ensure legal clarity and to effectively manage risks arising from conflicts of interests.

Key actions that are progressing within the existing legislative environment include:

### **Road Safety Governance Charter**

The Charter describes the respective roles and responsibilities of the Minister for Road Safety, Road Safety Council Chair and Council members, Road Safety Commissioner, and the Road Safety Commission as it relates to the effective and transparent management of the RTTA. The Charter will also address actual and perceived conflicts of interest.

### **RTTA Administration Framework**

This Framework sets out the legislative responsibilities of the Minister for Road Safety, Road Safety Council and the Road Safety Commissioner with regard to the provision of advice regarding the allocation of money from the RTTA for road safety proposals. This Framework will provide a systematic approach to funding recommendations, including consideration of clearly defined funding priorities and assessment of project proposals. It will be supported by a Checklist of actions that must be completed, including Ministerial notification as identified by the Auditor General.

### **RTTA Evaluation Framework**

This Framework specifies the principles, design and parameters for evaluating the effectiveness of road safety programs and initiatives focussed on reducing road trauma, including those funded through the RTTA.

### **Professional Development and Training**

The Commission has commenced providing information sessions to all staff on governance and grant management principles, as well as the RTTA Administration Framework. Training will be provided on an ongoing basis.

## Audit focus and scope

The objective of this audit was to assess if the Road Safety Council and the Road Safety Commission effectively administer the Road Trauma Trust Account (RTTA) to improve road safety and reduce road trauma. The criteria were:

- Are the RTTA's governance and funding arrangements effective?
- Is the effectiveness of RTTA funded projects monitored and evaluated?

During the audit we:

- examined documents including project funding submissions, procedural documents, forms, funding agreements and meeting minutes
- reviewed account revenue and expenditure for the period 1 July 2020 to 30 June 2022
- interviewed staff and met with stakeholders including the WA Police Force.

This was an independent performance audit, conducted under section 18 of the *Auditor General Act 2006*, in accordance with Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*. We complied with the independence and other ethical requirements related to assurance engagements. Performance audits focus primarily on the effective management and operations of entity programs and activities. The approximate cost of undertaking the audit and reporting was \$425,000.

## Auditor General's 2023-24 reports

Number	Title	Date tabled
7	Management of the Road Trauma Trust Account	17 October 2023
6	2023 Transparency Report: Major Projects	2 October 2023
5	Triple Zero	22 September 2023
4	Staff Exit Controls for Government Trading Enterprises	13 September 2023
3	Financial Audit Results – Local Government 2021-22	23 August 2023
2	Electricity Generation and Retail Corporation (Synergy)	9 August 2023
1	Requisitioning of COVID-19 Hotels	9 August 2023

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