

TRANSCRIPT

ROAD SAFETY COMMITTEE

Inquiry into motorcycle safety

Melbourne — 17 October 2011

Members

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Witnesses

Mr D. Pearson, Auditor-General, and

Mr R. Winn, director, performance audit, Victorian Auditor-General's Office.

The CHAIR — I would like to welcome Mr Des Pearson and Mr Ray Winn to the proceedings this morning in relation to the Road Safety Committee's inquiry into motorcycle safety. The committee has received 68 written submissions since releasing the terms of reference and inviting submissions. The purpose of these hearings is to obtain further evidence from selected witnesses covering our terms of reference. You are reminded that anything you say or publish before the committee today is protected by parliamentary privilege; however, once you leave the hearing anything you say or publish outside the room is not so protected. Hansard is recording today's proceedings and will provide a proof version of the transcript to witnesses. Any typographical errors can be corrected. There are a number of observers in the room, which is reflective of the high level of interest in the proceedings. I would like to remind observers again that use of mobile phones, telephones, cameras and recording devices is not permitted, and I ask people to ensure that their mobile phones are turned off.

Mr Pearson, noting that we have had informal discussions beforehand, I invite you to speak in general terms and make some general remarks. I note your advice that you have a PowerPoint submission that you can speak to and make available to the research staff, which is much appreciated. Following your comments we will then proceed to ask a number of questions.

Mr PEARSON — I welcome this opportunity to appear before the committee, and it is gratifying that the committee is conducting an inquiry that one of our performance audit reports is directly relevant to. I will just put it in the context that the public sector's external audit function has two components. There are the financial statement audits; we do an annual financial statement of every agency every year. Complementing that, there is a performance audit program that we publish each year in our annual plan, which is tabled in Parliament each May. We have developed that plan in recent years to a four-year rolling program of performance audits.

This particular audit, motorcycle and scooter safety programs, which we tabled in February 2011 was a topic that was identified a number of years ago in what we call our environmental scanning. It represents a body of work undertaken by a team led by Mr Winn over about a 12-month duration effectively through 2010.

Just before I ask Mr Winn to give us an insight into the overall findings of the report, I just also remind the committee that the role of the Auditor-General, as parliament's auditor, is to audit the efficiency and effectiveness of programs in operation, but our audit mandate does not go to the point of questioning the merits of government policy. So while we get full access to information relevant to our area of inquiry, policy objectives of government are the government's prerogative, and it is not for the auditor to question those merits. Our audit extends to how effectively those policy objectives have been implemented in practice. I just make those as points of clarification and also to explain the way we write our reports. Against that background, if it would help the committee, I will ask Mr Winn to give us a brief overview of the overall findings of the audit and then provide the opportunity for your questions.

Mr WINN — We did this audit because motorcycles and scooters are becoming increasingly popular as forms of transport, because riders and passengers are more vulnerable than other road users and because deaths and serious injuries are significant. We note also that the road toll reported by Victoria Police only covers those crashes that happen on public roads and excludes crashes that happen on many tracks and unclassified roads used by off-road riders.

Our objective was to assess the effectiveness of motorcycle and scooter safety programs. We wanted to see whether agencies had understood the risks, prioritised and implemented initiatives, evaluated the success of these initiatives and achieved progress in reducing those risks and improving safety. Our overall conclusions were that agencies had had mixed success. Along with South Australia, they had been more effective than other states and had achieved reductions in fatalities over previous years. However, recently fatalities have risen again.

Our second conclusion was that agencies had not paid sufficient attention to unreported and off-road crashes and should take action to better understand and address these and their implications for motorcycle safety programs. To round off, the findings were really seeded with this core conclusion that no-one was focusing on off-road crashes, and the evidence we gathered showed that these were highly significant.

In terms of understanding the risks, we found that agencies had gained a good foundation and understanding of reported crashes on public roads, but there were significant gaps that need to be addressed — most significantly

those that were not reported and those that happened off the public road system. We recommended that they improve their understanding of unreported crashes and advise government about the implications for these programs, that they better understand riders' exposure to crash risks — and that goes for off-road and on-road, because without an understanding of exposure, measuring success and framing objective targets it is very difficult — and that they achieve a consistent definition of an off-road accident.

In terms of how well they had prioritised and implemented initiatives, we assessed whether they set clear priorities and adequately planned, implemented and reported on these. Agencies had targeted initiatives to address most of the identified safety risks for riders travelling on public roads. However, again, improving safety for off-road riders had lagged well behind. We recommended that VicPol, VicRoads and the TAC should consult with DSE and the Victorian Motorcycle Advisory Council, as it was then constituted, to understand and address the off-road motorcycling safety risks to coincide with the proposed update of the powered two-wheeler plan for 2012, again with the theme of off-road motorcycling risks. This theme also applied to evaluation, where our two criticisms were that agencies had not gained an adequate understanding of exposure, and that is for both on-road motorcycle safety and off-road safety.

I just want to spend a couple of minutes on the data that was the foundation for our finding about the significance of off-road safety risks. We compared data from VicPol, hospitals and the TAC on injuries caused by motorcycle crashes, and we found that the number of hospital entries was more than double the number of records that VicPol recorded for motorcycle injuries. We further found that the vast majority of this difference was accounted for by off-road motorcycle crashes and injuries that had not been reported to police. The record in the TAC's database of claims was of a similar proportion to VicPol's when compared to hospital accidents. It accounted for well less than half of those accidents and crashes that ended up as hospital injuries. That concludes our brief comments on the conclusions and findings of the report.

The CHAIR — Thank you. In relation to your report, one of the objectives was to measure efficiency and effectiveness. How do you measure efficiency and effectiveness?

Mr WINN — In terms of effectiveness, we looked at trends in fatalities and trends in serious injuries. We found that over the period predating the current powered two-wheeler plan, fatalities had fallen in line with the government's targets but serious motorcycle injuries on public roads had risen. That trend sort of swapped around for the current powered two-wheeler plan, where we saw towards the end of that period and during the course of the audit fatalities increasing significantly but serious injuries falling. Hence we concluded that the effectiveness had been mixed. However, we overlaid on that finding the fact that exposure, in terms of the number of people with registrations and licences actually using motorcycles and scooters, had increased dramatically. That made it more difficult, given that agencies did not have an accurate reading on exposure, to finetune our assessment of effectiveness. Clearly if ridership and the number of kilometres ridden had gone up dramatically, then that made reducing accidents and crashes a more difficult target.

In terms of efficiency, we looked at the effectiveness of individual programs — how well they were couched and how well they were evaluated. We did not produce an overall efficiency measure.

Mr PEARSON — I would just add there on the ultimate test of effectiveness that one test would be: 'Is the situation improving?', and the other test would be: 'Are the interventions working?'. And as Mr Winn has mentioned, for instance, the system was not as acutely aware as one would like to see of the increasing exposure through increasing licensing and registration. That had not been brought into account and interventions and targets had not been modified to take account of that very material change in circumstance.

Mr LANGUILLER — Additionally, what, if anything, prompted the audit of that area?

Mr PEARSON — It is part of a very broad process that we call environmental scanning. As auditors, we have a weather eye to what are the significant issues in public sector program delivery. This one would have come up through the then thriving economy stream as well as health and social welfare. It was coming up in our consultations with a range of stakeholders. We formally consult with the Public Accounts and Estimates Committee, but we also deal with peak industry and welfare bodies and other interest groups. The personal impact of death and serious injuries and the economic and health system impacts came up to the extent that it was identified as a topic worthy of examination.

Mr TILLEY — In particular I am interested in the point you are making about the data between Victoria Police, hospital admissions and the TAC. More particularly, do government agencies and departments measure the effectiveness of that data in the same way that the Victorian Auditor-General's Office does?

Mr PEARSON — I think that is probably a core finding. I see our auditors operating as a catalyst for positive change, because in the public sector, by and large, we are delivering monopoly programs so we do not have a marketplace to keep us honest. Others might disagree with me, but I would argue that a performance audit is a form of enforced consultancy. Typically they are the sorts of findings we find. Public servants, generally speaking, are very capable and conscientious people, but they do not get the market signals that one gets in the private sector. When auditors come along we have a structured approach to it whereby in addition to consulting with the people administering the programs and deciding upon our auditor program we have regard to what stakeholders think. Then we do literature searches and we work up an objective set of criteria to test the program against. What we are seeing here is a very fundamental, basic thing: do they have, within reasonable parameters, all the relevant information? It became evident as we did the audit that they did not.

Mr WINN — They measure fatalities and injuries, and that is undoubtedly the outcome of what they are doing. We have not got a problem with that. It was the completeness of the information they had on that that was the real issue.

Mr PEARSON — If I can add to that, this is a recurring finding in our audits. The public sector is a large and complex system, and you tend to find that people work a little bit in silos. A recurring recommendation I have made in a number of reports is for central agencies and/or portfolio departments to take a more coordinating and what I might call shepherding role. The problem is that, individually, people are doing very good jobs, but nobody is joining it up or there is not enough emphasis on purposely joining it up so that you get the complete picture and then taking a system-level, informed decision to intervene.

Mr LANGUILLER — If I may make the point very quickly, the agencies do not include the off-road incidents, as you are aware.

Mr PEARSON — Yes.

Mr LANGUILLER — They do not include any of those, which appear, according to your report, particularly in terms of hospital collection of data, to be very significant.

Mr PEARSON — Yes, but in explanation, at the end of the day, as the auditor of the public sector, I expect the public sector to pick it up, and while, for instance, the police and VicRoads have not addressed the off-road, the Department of Sustainability and Environment has other interests and is not naturally aligned with those two. The question I am raising is: how do we get the prompt in the system to alert DSE that they are dealing with an issue that two other agencies are well experienced with and get the joined-up effect?

Mr WINN — The audit established that these agencies, VicRoads, VicPol and the TAC, had responsibility or shared responsibility for managing off-road safety as well as safety on public roads. It was something they should be doing. We have said they should change to do this. It was an important point that came out of the audit.

Mr LANGUILLER — Indeed.

Mr ELSBURY — Your audit found that agencies do not adequately understand changes in exposure through the increased popularity of motorcycles and scooters and the impact that has on crashes and injuries. Can you elaborate a little more on that?

Mr WINN — By exposure we mean that if agencies are going to craft programs, set priorities and understand how much of the motorcycling market they are going to affect, not simply in terms of how many bikes or the profile of that activity but in an objective measure of how much activity there is in that technical segment, it is critical for them to understand how effective a measure is likely to be and then to come back and measure how effective it has been in relation to the volume of activity. I talk there about an exposure measure as kilometres travelled.

Mr ELSBURY — So it is a differentiation between the commuter rider and the recreational rider?

Mr WINN — It is, for any of those segments, understanding how much those activities happen and how many kilometres they cover, because given that an activity that includes a lot of riders but many short trips, to take a simple example, would give you a different measure of exposure if you look at kilometres travelled compared to a category which has maybe not as many trips but travels long distances, it is important to understand those exposure characteristics when setting programs and when coming back and saying how successful they have been.

The CHAIR — You mentioned that when advised of differences in data VicRoads stated that they were not relevant to the road toll and TAC stated that they should not happen because of incentives and requirements. What do you think was meant by these statements?

Mr WINN — I think VicRoads said it was not relevant to the public road toll, so they were coming from a position that their concern is crashes and injuries on public roads. The TAC articulated a view that said, 'If you go to hospital with an injury, it is in the hospital's interests for you to become a TAC claimant if you can and if you are able to do that', so from their point of view the hospital system would funnel you down the TAC compensation route if at all possible. Therefore they concluded, 'And if you go down that TAC compensation route, you have to have a police report', so there is a sort of meeting in the circle. If you want to get compensated and we want you to go down that route, then you have got to, even after the event, generate a police report. So their logic was that that system would mean that most people who went to hospital would end up claiming on TAC and generating a police report. That is what those two things meant.

The CHAIR — And there was compliance in law through that process of people being referred through to the TAC process, which then required a police report?

Mr WINN — Clearly not. In terms of compliance with the law, I am not sure what the hospital's obligation legally is in terms of funnelling people through to a TAC claim, but clearly from the numbers most people who went to hospital did not lodge a TAC claim. That is a fact.

Mr LANGUILLER — Just as a supplementary, coming back to the question of off-roads and on-roads, there does not appear to be a clear understanding among some agencies of what their responsibilities are. Is that fair?

Mr WINN — Yes.

Mr PEARSON — I would add that you would question the clarity and you would also question the joining up because VicRoads and VicPol have certainly got targeted approaches that the blind spot was on the off-road, where the responsible agency was not in normal contact with the people who are focused on it. To me, the system learning is to get that cross-fertilisation.

Mr TILLEY — Just in relation to those findings, and thanks for the evidence you are giving the committee particularly in this regard, will you be in a position to follow up in considering this recent audit with future audits in another, say, 12 or 24 months to determine if the agencies are making any changes?

Mr PEARSON — We do not rule it out, but again we are rationing resources across a large program. We will have regard to what the Public Accounts and Estimates Committee does and in this case what your committee does in relation to our report. The second thing we will have regard to is the Minister for Finance's annual report on responses to audit recommendations. They are the primary input to our consideration, and in two to three years time we would have regard to the reported recommendations coming out of this committee's hearing. It is probably unlikely that we would directly follow up those recommendations, but we might scope a slightly different audit that traverses similar territory but hopefully at a higher plain as the systems move forward.

Mr LANGUILLER — What specific outcome or outcomes would you like to see from the committee's work and inquiry?

Mr PEARSON — I am afraid I would be answering at a high level, but I would be looking for the committee's inquiry to result in the public sector addressing motorcycle and scooter safety from a systemic point of view rather than what I might call an input level, which if I typify that, at the stage we did the audit it was pretty much at input-output level, where the police were doing things right, TAC was doing things right,

hospitals were doing things right and DSE was probably a little bit caught off guard in this situation when you look at the significance of where the accidents and casualties come from. As the auditor of the public sector, I would be hoping that the committee's recommendations would lead to a more directed systemic approach to it and to addressing the challenge.

Mr WINN — I think that means that off-road becomes structured and embraced in the same way that crashes on public roads have been in the past so they adopt a similar rigour and approach to addressing those safety risks as well.

Mr ELSBURY — Just going back to my earlier question about the increased popularity and the exposure for riders, you were saying that a rider who rides a great distance is of course exposed to greater risks because they are on the road a lot more. Some of the gentlemen who are in there watching the proceedings now have a much greater exposure because of the kilometres they travel.

But by the same token I am a learner motorcyclist, God help me. I have an increased exposure not because of the kilometres I have travelled but due to lack of experience. I believe there is data that I found in amongst all these submissions suggesting that shorter trip riders, as with cars, have a greater chance of actually being involved in an incident — not necessarily a fatality but certainly an incident. How do we overcome the fact that with 6 hours I have been given a little green piece of paper, and then you have gentlemen here who have decades of experience. How do we try to not so much level the playing field but give me a better chance of survival?

Mr WINN — I was not suggesting that how far you travel is the single measure of exposure; it is a bit more sophisticated than that. But it does give you more information on the segments such as 'learner' or 'inexperienced' riders versus 'experienced' riders. That simplified example of exposure is a simple example; there is more to it than that.

Mr ELSBURY — Basically I am averse to broken bones and death.

Mr PEARSON — At the risk of going a bit broader, I think that is why our fundamental finding about the comprehensiveness of information is so critical — because we are never going to have a perfect knowledge. Like the audit business, we do not have enough resources to check every transaction. But we are very analytical and risk-based in what we do, and I think that is the underlying message we are giving here — that you need a far more comprehensive and reliable overview of what is involved and what is operating to enable you to pick the highest risks to address at the system level.

The risk we have with the situation at the time we did the audit was where you had VicPol and TAC addressing the on-road and DSE not sufficiently addressing the off-road, you could end up with resources going into lower priority on-road issues at the expense of resources going into higher priority off-road issues. That is another outcome I would like to see from this sort of committee inquiry. I am coming back to joining that bit and taking a Victorian-wide look to identify the highest priority risks and through a coordinated and rigorous approach have the limited resources applied to the highest risk areas. So, yes, clearly learners or novice riders would be a particular risk, and we might need an education intervention there, for instance.

Mr ELSBURY — I am yet to have a conversation with my wife about the bike, so that is going to be an interesting one.

Mr PEARSON — It is really getting the system to work so that it has integrity and rationality without the deployment of public resources in the public interest.

Mr LANGUILLER — If I may, I will qualify my question differently to the way in which I asked it on a previous occasion. Under the new multicultural act there is a requirement for government agencies to have an action plan to show what they are doing in terms of multicultural affairs. Will you, when you are doing your auditing in the future, undertake to consult with government agencies in relation to whether they are complying with the new requirements?

Mr PEARSON — Clearly I am very happy to do that. We are in our annual planning process now, so it is timely that you raise the issue. I will ask that it be addressed as we plan and seek topics for audit.

The CHAIR — Thank you for your attendance here. We do not have any further questions. We appreciate your time both today and previously. Should there be any other issues that you may reflect upon that would be worthy of our attention, feel free to keep in touch with the secretariat of the Road Safety Committee.

Mr PEARSON — Thank you, I will do that. Equally, should anything come up in your inquiry that you think we might be able to add to, we would welcome an approach.

The CHAIR — Good, thank you very much.

Witnesses withdrew.