

Review of recommendations made to Department of Transport arising from three reports

24 October 2019



TABLE OF CONTENTS

INTRODUCTION	1
CHAPTER ONE.....	3
A Report on Corruption in respect of Driver Licence Applications.....	3
Recommendation	3
Commission's report.....	3
Department of Transport response.....	3
Commission's review	4
CHAPTER TWO.....	5
Report on the Activities of Certain Vehicle Examiners Contracted by the Department of Transport	5
Recommendation one	5
Commission's report.....	5
Department of Transport response.....	5
Commission's review	6
Recommendation two	6
Commission's report.....	6
Department of Transport response.....	6
Commission's review	7
CHAPTER THREE.....	9
Report on Corruption in respect of Truck Driving Licence Applications	9
Recommendation	9
Commission's report.....	9
Department of Transport response.....	9
Commission's review	10
CONCLUSION	11

INTRODUCTION

- [1] Between 16 December 2016 and 2 November 2017, the Commission tabled three reports in Parliament on serious misconduct and serious misconduct risks within the Department of Transport (Transport):
- *Report on Corruption in respect of Driver Licence Applications*, 16 December 2016;
 - *Report on the Activities of Certain Vehicle Examiners Contracted by the Department of Transport*, 24 January 2017; and
 - *Report on Corruption in respect of Truck Driving Licence Applications*, 2 November 2017.
- [2] The Commission made eight recommendations to Transport relating to vehicle examination practices and the need for regulatory review.
- [3] Transport's response to these recommendations was tabled in Parliament on 4 April 2018.
- [4] Following evaluation of this response, the Commission made a further recommendation that Transport give consideration to the establishment of:
- 'A scheduling facility that provides advance notice of who is to undertake a Practical Driving Assessment (PDA) which can be monitored by Transport if necessary.'¹
- [5] In May 2019, the Commission commenced a review² of Transport's response to this recommendation, and a follow up review of Transport's continued implementation of three of the earlier recommendations.
- [6] Transport has provided the Commission with a comprehensive and transparent response during the review process. The Commission commends Transport for its approach and continuing commitment to reducing serious misconduct risks around driver licensing services in Western Australia.

¹ Corruption and Crime Commission, *Report on Department of Transport Response to Commission Recommendations*, 4 April 2018, p 1.

² *Corruption, Crime and Misconduct Act 2003* (CCM Act) s 41.

CHAPTER ONE

A Report on Corruption in respect of Driver Licence Applications

Recommendation

Department of Transport give consideration to the establishment of a scheduling facility that provides advanced notice of who is to undertake a Practical Driving Assessment, which can be monitored by Transport if necessary.

Commission's report

- [7] The Commission's *Report on Corruption in Respect of Driver Licence Applications* detailed gaps within Transport's regional booking process for Practical Driving Assessment (PDA), which allowed it to be corruptly manipulated for benefit.
- [8] An investigation into the conduct of a contract for service provider driving assessor, operating in the Wheatbelt town of Koorda, identified systemic weaknesses and lax practices which enabled the assessor to maintain control over assessment bookings. The assessor was found to have received payments to pass people for driving assessments when no assessment was conducted.

Department of Transport response

- [9] Following the joint investigation with the Commission, Transport reviewed and strengthened its practices associated with the management and allocation of PDA bookings.
- [10] Transport now receives advanced notification of customer and PDA booking details.
- [11] In regional areas without a Transport office, all PDA applicants are now required to meet and greet Transport agents (such as Shire Officers), before embarking on a PDA with the contracted service provider.
- [12] Additionally, all assessors employed directly by Transport now utilise tablets during each PDA. The tablets contain the 'i-Assess' Transport software platform which captures information, including date, time, duration and GPS route-tracking of each assessment undertaken.
- [13] Transport intends to roll-out the tablets and software to contracted service providers.

Commission's review

- [14] Transport has appropriately tightened its PDA booking processes and in line with the Commission's recommendation, now has advance notice of persons scheduled to undertake a PDA.
- [15] Additionally, the implementation of the 'i-Assess' platform has strengthened audit capabilities and quality control measures over driving assessments.
- [16] **The Commission considers this recommendation to be complete.**

CHAPTER TWO

Report on the Activities of Certain Vehicle Examiners Contracted by the Department of Transport

Recommendation one

Transport obtain photographic evidence of vehicle examinations.

Commission's report

- [17] The Commission's *Report on the Activities of Certain Vehicle Examiners Contracted by the Department of Transport* detailed the corrupt conduct of a number of approved Transport examiners who were found to have:
- failed to conduct vehicle examinations;
 - failed to conduct vehicle examinations to the required standards; and
 - falsified Transport vehicle inspection records.
- [18] In addition to detailing the conduct of the contracted vehicle examiners, the report raised concerns about the level of oversight Transport had of its service providers, who were essentially contracted to perform functions as public officers.
- [19] The Commission recommended Transport adopt a series of measures the agency had proposed, to assist in the monitoring of its service providers, to ensure ongoing compliance. These measures included a requirement for Authorised Inspection Station providers to obtain photographic evidence of vehicle examinations.
- [20] Noting a lack of detail in relation to the progress of this recommendation in Transport's 2018 response, the Commission conducted a follow up review.

Department of Transport response

- [21] Transport has considered this recommendation and determined that it is not feasible for implementation.
- [22] Transport provided a conservative estimate of \$423,000 for system development, as well as ongoing expenses associated with data capture and retention, making the project cost prohibitive.
- [23] Transport has no current plans to implement this recommendation.

Commission's review

- [24] Transport has considered and scoped a proposal for inspection station providers to obtain photographic evidence of vehicle examinations. The Commission notes the work undertaken by Transport and accepts that acceptance or rejection of a recommendation is a matter for Transport.
- [25] **The Commission considers this recommendation to be complete.**

Recommendation two

Department of Transport implement a rigorous audit program of invoices against TRELIS.

Commission's report

- [26] The Commission's report detailed weaknesses in Transport's governance of its contracted service providers, particularly in relation to the recording of vehicle inspections in the Transport Vehicle Inspection System.
- [27] There was evidence that approved Transport vehicle examiners were receiving cash bribes for falsely entering and passing vehicle inspections without sighting or examining the relevant vehicle.
- [28] In recognition of the weaknesses in its processes, which allowed for the falsification of examination information into the Vehicle Inspection System, Transport identified the need for a rigorous auditing of invoices against its Transport Executive and Licensing Information System (TRELIS).
- [29] Noting a lack of detail in relation to the progress of this recommendation in Transport's 2018 response, the Commission conducted a follow up review.

Department of Transport response

- [30] Transport has enhanced its Vehicle Inspection System software and now validates all inspections undertaken by each authorised inspection station.
- [31] A portion of the inspection fee collected by the service provider must be remitted to Transport. This is known as the balance of revenue.
- [32] Payments are made monthly to Transport via automated direct debits which are then reconciled by Transport against TRELIS.
- [33] A vehicle inspection cannot be entered in the Vehicle Inspection System by an Authorised Inspection Station without a valid inspection fee.

- [34] Transport has also enhanced its capabilities in auditing and governance of the authorised inspection stations. Transport has upgraded its field auditing capabilities to include live vehicle audits. Vehicles can be intercepted and re-inspected by Transport compliance officers upon, or shortly after, leaving an inspection station.
- [35] Transport also employs advanced analytical software to identify, monitor and deal with a range of Transport risks. These include high volumes of light vehicle examinations conducted by a single vehicle examiner and single entities presenting multiple vehicles which achieve high pass rates.

Commission's review

- [36] The Commission commends Transport for its improved integrity measures.
- [37] Transport's auditing regime has been strengthened by system enhancements, unannounced live vehicle audits and the use of an advanced analytical software tool, all of which provide Transport with additional controls over contracted services.
- [38] **The Commission considers this recommendation to be complete.**

CHAPTER THREE

Report on Corruption in respect of Truck Driving Licence Applications

Recommendation

The Commission recommends that the Minister for Transport considers an amendment to the *Road Traffic (Authorisation to Drive) Regulations 2014 (WA)* to provide:

A licence issued under foreign law becomes invalid three months after the holder first arrives in Western Australia; and

A Practical Driving Assessment (PDA) failure automatically cancels a foreign or interstate licence.

Commission's report

- [39] The Commission's *Report of Corruption in Respect of Truck Driving Licence Applications* detailed corrupt practices at a truck driving school in Neerabup in the northern suburbs of Perth, which resulted in hundreds of drivers being licensed without having their competence adequately assessed.
- [40] The report outlined weaknesses within the *Road Traffic (Authorisation to Drive) Regulations 2014 (WA)*, which were being exploited by foreign visitors and new residents to Western Australia who continued to drive on foreign licenses well in excess of the three months permitted.
- [41] In early 2018, Transport advised that they were "seeking ministerial endorsement for consideration of regulatory amendment on some eligibility requirements associated with recognition of overseas driver licenses".³
- [42] In recognition of the time it takes for legislative review and change, the Commission decided to conduct a follow up review.

Department of Transport response

- [43] Ministerial approval has been granted to give effect to changes to the *Road Traffic (Authorisation to Drive) Regulations 2014 (WA)*.

³ Corruption and Crime Commission, *Report on Department of Transport Response to Commission Recommendations*, 4 April 2018, p 6.

- [44] The proposed changes will see a licence (issued under foreign law) become invalid 12 months after the holder's arrival into Australia.
- [45] The period of 12 months was arrived at following consideration of a number of factors, including:
- a) The existence of a Memorandum of Understanding with the Commonwealth Government that provides Transport with a more reliable method for determining an individual's date of entry into Australia, as opposed to determining a specific date of arrival into Western Australia.
 - b) The determination that 12 months is seen as a natural distinction between holiday-makers and those seeking longer term residency, employment or education.
 - c) The alignment of the 12 month period with various visas issued by the Commonwealth Government.
- [46] The proposed changes to the regulations will see the State's recognition of an overseas or interstate driver's licence cease automatically following a PDA failure.
- [47] Transport has undertaken significant consultation with the community and internal stakeholders regarding the proposed regulatory amendments.
- [48] The proposed legislative changes are expected to be put before Parliament in the first half of 2020.

Commission's review

- [49] The regulatory reform proposed by Transport is appropriate and logical.
- [50] The Commission acknowledges the factors influencing Transport's decision to set a period of 12 months after which a licence issued under a foreign law will become invalid.
- [51] **The Commission considers this recommendation to be complete.**

CONCLUSION

- [52] Transport has shown a methodical and committed approach to reducing the serious misconduct and corruption risks detailed in the Commission's three reports.
- [53] Transport has considered and, where appropriate, taken steps to implement the Commission's recommendations.
- [54] **The Commission considers all recommendations closed.**
- [55] The cooperation and assistance provided by Transport, in particular the Governance section of the Driver and Vehicle Services Business Unit, was of great value to the Commission's review process.