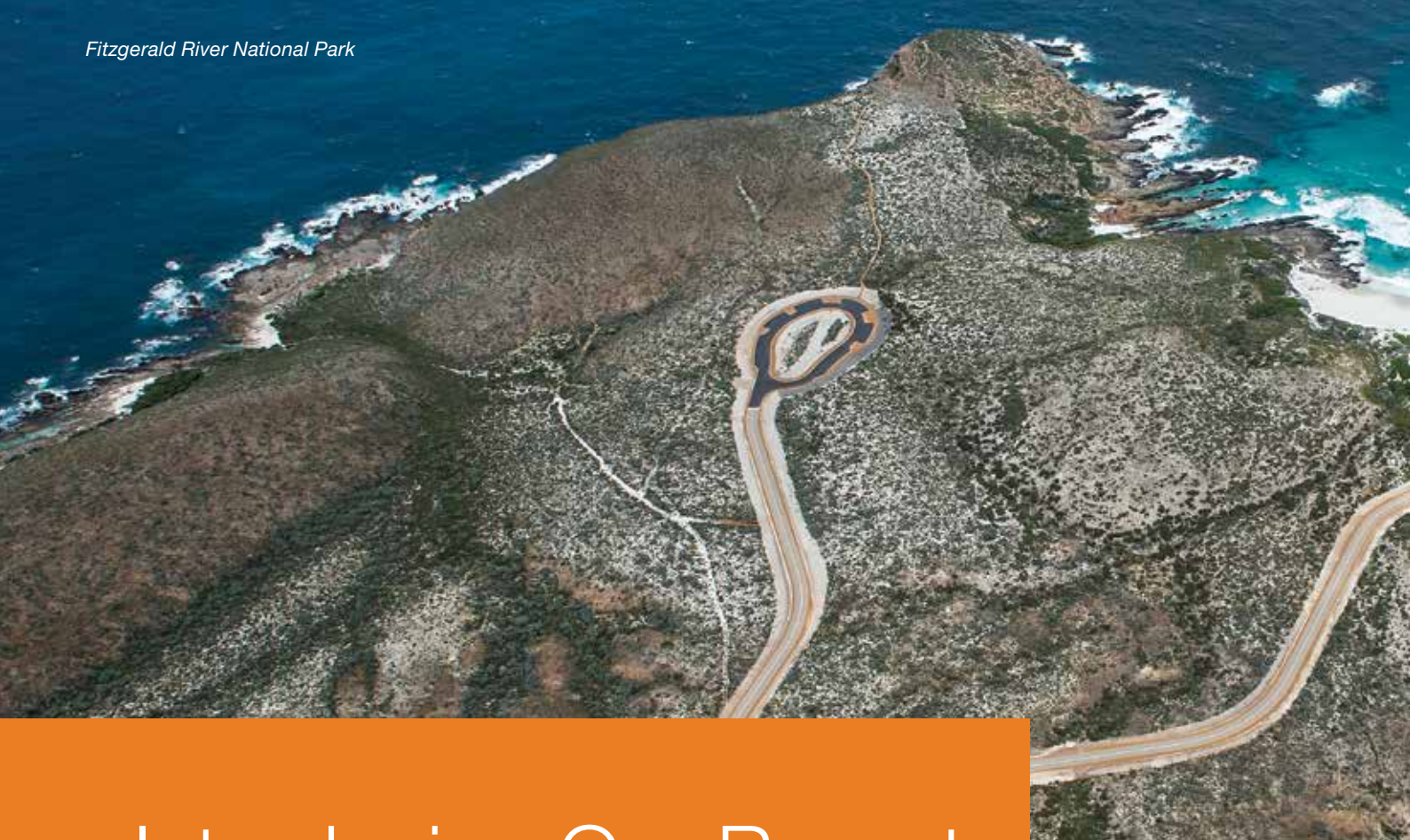




 **mainroads**
WESTERN AUSTRALIA

**ANNUAL
REPORT**
2013



Introducing Our Report



Welcome to our 2012-13 Annual and Sustainability Report. This report provides a comprehensive look at the services that Main Roads delivered to the Western Australian community over the past year in our role as custodians of Western Australia's State road network.

In fulfilling this role, we are committed to being a sustainable, transparent and responsive organisation that keeps our stakeholders, the community and the Government informed of and engaged in our operations. This report highlights, recognises and addresses any successes, challenges and opportunities that we encountered during the year.

We continue to strive towards providing Integrated Reporting including continuing our efforts in sustainability reporting by fulfilling the requirements of Application Level B of the Global Reporting Initiative Index Sustainability Reporting Guidelines. The report content is governed by our reporting processes that cover content materiality and inclusiveness.

We begin with the Snapshot presenting our highlights of the year, a summary of our challenges and opportunities, an overview of our operational and financial performance and a look at our workforce profile.

The remainder of the report is structured in line with our Corporate Governance framework to showcase how we direct and manage our business activities to optimise performance, regulate compliance and deliver value for our customers. This information is set out in the following sections:

- **Our Leaders** – provides an overview from the Commissioner and Managing Director and an introduction to our Corporate Executive team.
- **Our Operational Performance** – reviews the services we provide to the community for each of the Programs for which we receive funding.
- **Our Business Activities** – reports on our activities and our ongoing effort to continuously improve and be innovative in developing our capabilities, our safety and environmental practices whilst enhancing our relationships.
- **Governance** – ensures consistency in our business practices.



Our efforts remain focused on improving the readability and accessibility of our report. The simplified design and layout is maintained in our online Annual Report which provides an enhanced reading experience and quick access to specific sections of the report.

As part of our continuous improvement approach we welcome any feedback you may have on this report. Additionally, your queries on any aspect of the activities undertaken by Main Roads or suggestions on how we can enhance the information we provide are also welcome. To offer your comments or ask a question, please contact the Manager Business Performance and Sustainability by:

Phone: **138 138**

Web: **www.mainroads.wa.gov.au** and click on Contact Us

Mail: Write to us at **Main Roads Western Australia, PO Box 6202, East Perth, WA 6892**

Visit: **Call into any of our offices** located throughout the State.

Online Annual Report

As only limited copies of the Annual Report are produced, you may access our online Annual Report on the Main Roads website in the About Main Roads, Publications section. Our 2013 online report has been designed to take into account the diverse needs of our online audience.

Statement of Compliance

To the Honourable Troy Buswell MLA, BEc
Treasurer; Minister for Transport; Fisheries



In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament the Annual Report of the Commissioner of Main Roads for the year ended 30 June 2013.

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

Steve Troughton
Managing Director of Main Roads
15 August 2013

Reece Waldock
Commissioner of Main Roads
15 August 2013



Introducing Us

Our Purpose is to provide safe and efficient road access that will enhance community lifestyles and ensure economic prosperity.

Our Vision is to be recognised for excellence in customer service and world-class road access.

Our Stakeholders include every person who lives or does business in Western Australia. A wide range of groups are consulted within the course of conducting our business, including community groups, businesses and Government stakeholders and representatives.

Our Strategic Direction aims to achieve excellence through inspiring leadership and strong collaborative relationships. There are five strategic areas of focus that will assist in achieving this:

- Providing the right roads for Western Australia
- Making roads work for the community
- Creating our workforce of the future
- Inspiring leadership
- Enhancing relationships.

Our Values form the foundation upon which Main Roads is built. They represent our culture, guide our behaviours and influence the decision-making process and our relationships with each other, our customers and partners.

Our values are:

Roads Matter

Taking pride in managing the road network for the benefit of the community.

Embracing Challenge

Anticipating and taking up challenges.

Excellence in Customer Service

Understanding and providing what is important to our customers.

Working Together

Enhancing relationships and teamwork.

Professionalism

Providing high levels of expertise in delivering our services.

Family

Respecting and supporting our customers, the community and each other.

Our Role in Western Australia, as the State road authority of one of the most widely geographically distributed road networks in the world, is to manage and provide road access to all road users across the State.

We work closely with our portfolio colleagues and Local Government to plan, build and maintain an integrated and efficient world-class road transport network of just over 18,500 kilometres. We manage more than \$41 billion of assets (road assets valued at \$39 billion) that support the needs of all road users across the State.



We operate from 10 regions located throughout the State:

	Region	Area Covered (Thousand km ²)	Population (Thousand)	State Roads (km)
1	Gascoyne	135	10	995
2	Goldfields-Esperance	941	59	2,202
3	Great Southern	53	59	1,608
4	Kimberley	421	38	2,241
5	Metropolitan	5	1,745	849
6	Mid West	287	54	2,657
7	Pilbara	507	63	2,738
8	South West	29	253	1,746
9	Wheatbelt North	100	50	2,004
10	Wheatbelt South	55	23	1,554
Total		2,533	2,345	18,594

Our Sustainable Approach is to strive to be an organisation that integrates economic, social and environmental aspects into our decision making and seeks positive outcomes in each. Our Sustainability Policy states that, 'Main Roads is committed to creating lasting benefits through an integrated consideration of the social, environmental and economic aspects in all that we do'. We will manage, operate and develop a road transport system that meets the needs of today, without compromising the natural, human and financial capital on which future generations will depend. In embracing our Sustainability Policy and Strategy we will improve and strengthen the way we meet the Western Australian community's needs.

A Sustainability Performance Framework with associated plans and policies is under development. It will clarify our long-term priorities and has been generated from a gap analysis process that utilised staff input from Sustainability Awareness Workshops and external sustainability frameworks. Further details can be found on our website.

To ensure our ongoing performance on sustainability issues of importance to our business and our stakeholders, we conduct an annual materiality review based upon our corporate commitments, our key business and environmental risks, our legislative requirements, our corporate stakeholder engagement processes, and media and ministerial topics. Our key topics can be found in the Sustainability section of the Main Roads website.



Contents



Snapshot.....	6
Highlights of the Year.....	6
Challenges and Opportunities.....	7
Performance Scorecard	10
Finance Summary.....	12
Workforce Profile	13
Our Leaders	14
Commissioner's Review	14
Managing Director's Message.....	15
Corporate Executive	18
Our Operational Performance	23
Road Safety	24
Road Efficiency.....	29
State Development	35
Maintenance	40
Community Access	44
Office of Road Safety	47
Road Management	52
Our Business Activities	59
Environmental Management.....	60
Enhancing Relationships	66
Developing Capabilities	73
Safety, Health & Wellbeing	80
Governance.....	86
Performance Measures and Financial Statements ..	105
Statement of Certification.....	105
Key Performance Measures	109
Financial Statements and Notes	118
Appendices	161
Index.....	167
Glossary	170
Acronyms	172

Highlights of the YEAR

430
kilometres
upgraded

Grain Freight Program

We are managing a total of 64 projects that will see more than 430 kilometres of State and local roads upgraded. Working with 15 Local Governments across the Wheatbelt, majority of the work has already completed.

30,000
extra vehicles
a day

Northbridge Tunnel

Additional lanes were added both ways in April 2013 in the Northbridge Tunnel. Completed under heavy public scrutiny, positive feedback has been received for the project.

\$315
million
committed

Community Working Groups

An initiative of the Transport Minister, Troy Buswell, Community Working Groups have been set up for major infrastructure projects. We have committed \$315 million towards the community's preferred option for the Mitchell Freeway extension.

Australian
first

Great Eastern Highway Upgrade

The City East Alliance delivered the upgrade of Great Eastern Highway between Tonkin Highway and Kooyong Road and achieved a Commendable 'As Built' rating under the Infrastructure Sustainability Council of Australia rating scheme.

reduced
travel by
25%

Dampier Highway Duplication

The \$113 million Dampier Highway Duplication project opened in March 2013 and will benefit local residents by reducing travel times by up to 25%.

30
projects
delivered

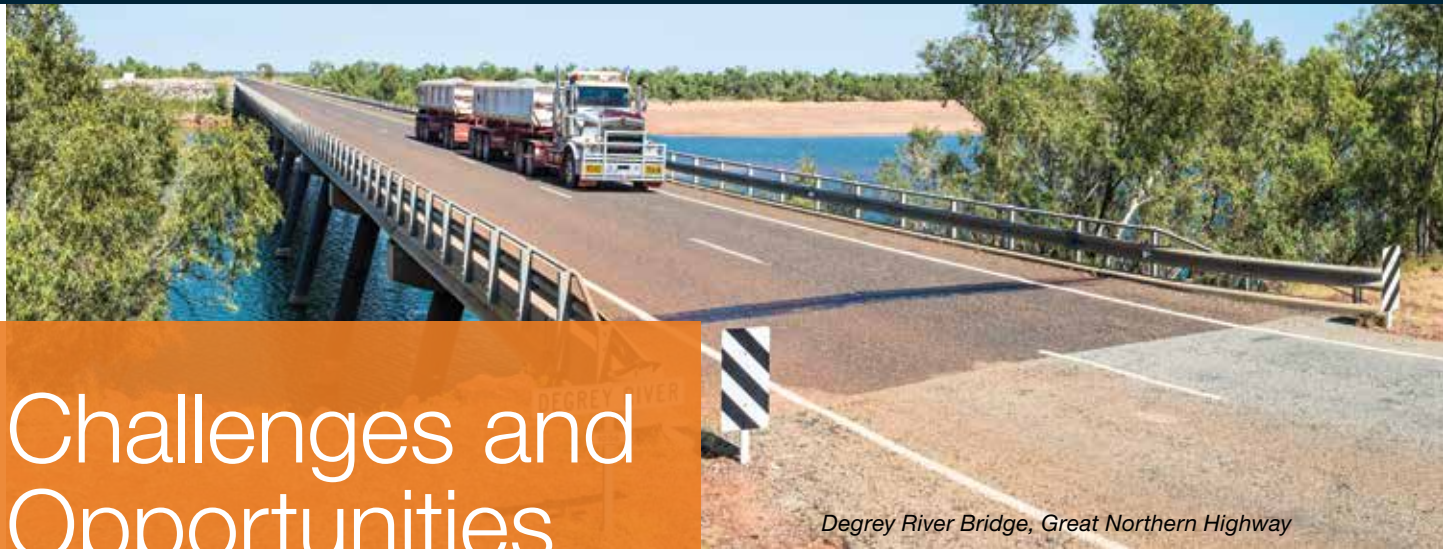
Regional Run Off Road Program

The program looks at reducing run off road crashes across the State road network. 30 projects were delivered this year, achieving 98% expenditure of the program.

most
important
interchange

Gateway WA Underway

Work on our largest ever project, the \$1 billion Gateway WA project commenced in March 2013. Engineers Australia called this project 'the most important interchange where road, rail and air services interact'.



Challenges and Opportunities

Degrey River Bridge, Great Northern Highway

The transport system is an integral part of the everyday lives of all Western Australians and in a State that is as large and diverse as ours, it is a critical component of the lifeblood that makes it all work. The vast distances and sparse population present complex challenges for productivity and sustained prosperity. Whether it is continuing to strengthen our economic success, assisting in improving the quality of life for all or seeking to create a strong foundation for those that come after us, the State road network has a vital role to play.

In seeking to meet community expectations and deliver government outcomes there will always be challenges to overcome and opportunities to recognise and benefit from. The following provides a snapshot of some of these challenges and opportunities and looks at what we might be facing in the future.

Economic

Western Australia exports 46% of the nation's total exports, up some 20% in the last decade, and at some point roads play a part in the supply chain. Whilst much of those exports are represented by bulk movement of freight we also need to be mindful that close to 70% of all freight is actually distributed throughout the metropolitan area by light commercial vehicles.

At Main Roads, we need to ensure that we continue to be well placed in order to achieve the delivery of more than \$8 billion in services over the next four years including, \$3.4 billion of capital works and distributing \$809 million in grants to Local Government. With our Portfolio Partners, Local Government and other agencies we will be working to deliver a range of significant major projects across the State that will not only address exports and freight, but also contribute to improved productivity as we tackle the impacts of congestion.

Whilst major capital projects form a large part of the budget, it is imperative that we achieve the best value and outcomes from the equally important smaller initiatives. In the changing legislative environment we are monitoring the proposed approaches to carbon pricing. However, we believe that the economic impact on our operations will be minimal.

Social

At almost twice the pace of the national average, Western Australia's population increased by 3.5% over the 2012 calendar year and during December alone we had 1,432 new people arriving each week. The latest projections show that our population could increase to possibly 5.4 million by 2056. Furthermore, Perth is forecast to become home to over 75% of the State's population by 2050. Our task is to serve the needs of a growing population while addressing the impacts this will have on meeting the land use and access needs of individuals, the community and business. Responding to this potentially significant change in our urban environment and meeting the new and additional needs of road users is an emergent challenge.

Snapshot: Challenges and Opportunities

The State's vehicle fleet continues to grow at the fastest rate in Australia and in Perth almost 80% of people travel to work by car with only 12% using public transport. Given that 80% of public transport operates on the road network, we have a key role to play within the Transport Portfolio as we aspire to create safe, sustainable transport for the community.

We have a clear and important responsibility in contributing to the solutions that will address these growing concerns. It will be a great challenge to provide services that will enable the community to make more informed travel decisions while also achieving better integration of transport modes to improve productivity, efficiency and safety. We will continue to enable and promote a transport system that supports shared access including walking, cycling, public transport and use of all forms of vehicles.

Environmental

Our natural environment is a valuable asset that is subject to many pressures, including the loss and degradation of native vegetation which is seen as a long-term issue. While developing and managing an extensive road network can create such pressures, this also provides opportunities to make gains in biodiversity, the efficient use of natural resources and reductions in carbon-based emissions. In addressing these challenges, a key focus will be on continuing the development of our people to be more effective in fulfilling their environmental responsibilities. We will be driving more consistent outcomes in land rehabilitation, roadside habitat preservation, and reducing carbon emissions across our business.

In terms of climate change, we are looking to manage the road asset and its use in a way that reduces the contributions that transport makes to carbon emissions and the impact that has on communities, the economy and the environment. Climate change is predicted to have a significant impact on transportation, affecting the way we plan, design, construct, operate and maintain our infrastructure. Decisions taken today related to the redesign and retrofitting of existing infrastructure, or the location and design of new infrastructure, will affect how well our network is able to adapt to climate change into the future.



Looking Ahead

This next year will see the launch of our new Strategic Plan looking out to 2020 and once again we have decided to build our approach on the highly successful scenario-based planning methodology we used in the development of the 2k12 Strategic Plan. One of the new areas of focus is around Creating Value and all of the implications, financial and non-financial, that might encompass. To that end we have begun considering and exploring concepts associated with Social Return on Investment and Natural Capital Approaches to valuing goods and services to open up new ways of thinking about looking at value as more than just money. In the same way that a business plan contains more than just financial projections this new thinking is about exploring changes to the concepts that decisions are made based on their value.

As part of meeting the challenge of embedding sustainable practices into our core business processes we have adopted the Infrastructure Sustainability Council of Australia IS rating tool for all projects greater than \$100 million. This approach is already driving a culture of change that we will build on across all our initiatives under the Transport portfolio.

Whilst taking into account all challenges and opportunities ahead, we will work with our stakeholders and partners to deliver integrated transport solutions, better road services, and an improved travel experience for all Western Australians.



... we will work with our stakeholders and partners to deliver integrated transport solutions, better road services, and an improved travel experience for all Western Australians.

Kwinana Freeway and South Street off ramp

Performance Scorecard



Goldfields Highway

✓	We are achieving our goals
✗	Desired results not achieved – taking action
⊕	Target

Key Performance Indicators are an integral part of managing outcomes in critical business areas. The following is a summary of our success in delivering agreed Government outcomes. The results show that for the vast majority of measures we are achieving our goals. Full explanations on all the measures can be found on the corresponding page reference for each indicator. Other relevant business measures are incorporated throughout the report.

		Level of Achievement	Status	Ref	
Road Safety					
% Community satisfaction of road safety		94%	✓	112	
Black spot location indicator		10.3	✓	112	
% of contracts completed on time		70%	✗	113	
% of contracts completed on budget		95%	✓	113	
Office of Road Safety					
% Effectiveness of road safety awareness campaigns		83%	✓	113	
% of ORS projects completed on time		78%	✗	113	
% of ORS projects completed on budget		100%	✓	113	
Road Efficiency; Road Management					
% Community satisfaction		94%	✓	114	
Road network permitted for use by heavy vehicles	B Double – 27.5m %	97%	✓	114	
	Double RT – 27.5m %	97%	✓	114	
	Double RT – 36.5m %	79%	✓	114	
	Triple RT – 53.5m %	44%	✓	114	
% Network configuration	Roads	89%	✓	114	
	Bridges	Strength	88%	✓	114
		Width	95%	✓	114

Snapshot



	Level of Achievement	Status	Ref	
Road Efficiency; Road Management				
% of contracts completed on time	86%	✓	115	
% of contracts completed on budget	100%	✓	115	
Average \$ cost of network management per million vehicle kilometre travelled	\$4,535	✗	115	
State Development				
Average return on construction expenditure	3.1	✓	115	
% of contracts completed on time	100%	✓	115	
% of contracts completed on budget	100%	✓	115	
Road Maintenance				
% Smooth travel exposure	97%	✓	115	
% Community satisfaction road maintenance	84%	✓	116	
% Preventative maintenance indicator	87%	✓	116	
% Availability of traffic signals, road lighting and emergency phones to February 2013	Traffic signals	99.5%	✓	116
	Road lighting	98.3%	✓	116
	Emergency phones	99.9%	✓	116
Average \$ cost of network maintenance per lane kilometre of road network	\$7,926	✓	116	
Community Access				
% of the year that 100% of the Main Roads' State road network is available	94%	✓	116-117	
% Community satisfaction with cycleways and pedestrian facilities	83%	✓	117	
% of contracts completed on time	80%	✓	117	
% of contracts completed on budget	80%	✓	117	

Finance Summary

Our Financial Summary provides a view of some key elements of our financial statements which complements our 2012-13 financial statements, available at pages 120 to 160.

\$1.6

billion of income received

\$1.9

billion of services delivered

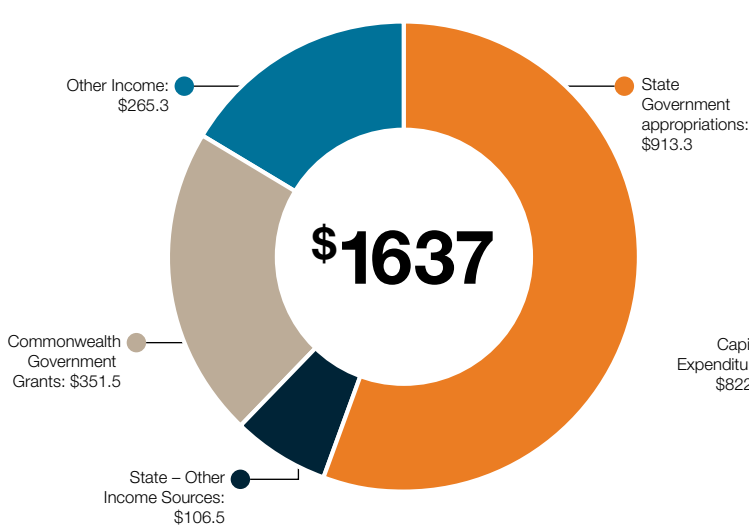
\$261.2

million increase in the value of our infrastructure assets

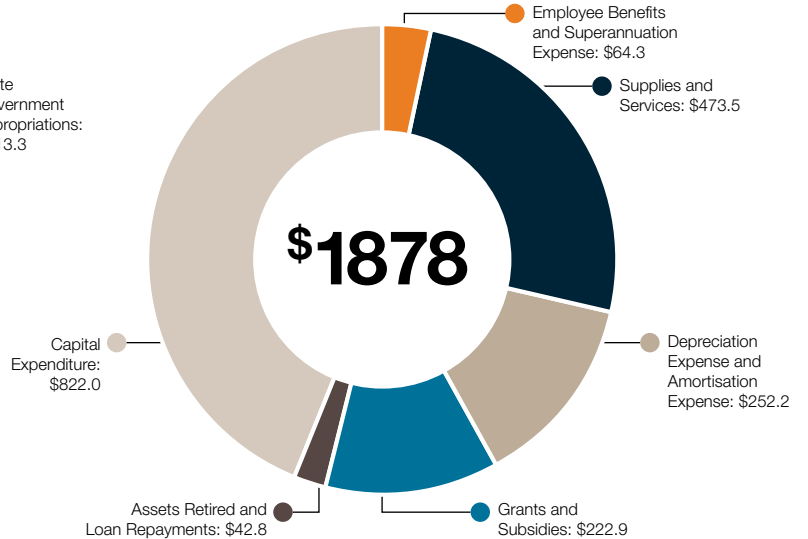
\$822

million invested in capital works

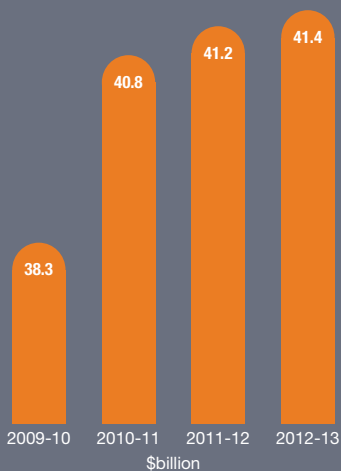
Income Sources (\$ million)



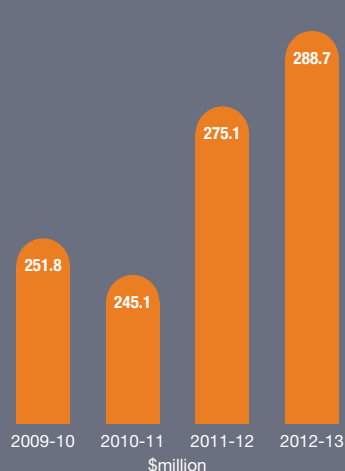
Expenditure by Type (\$ million)



Assets



Liabilities



Workforce Profile

Our Workforce Profile provides a view of some principal characteristics of our people. We have 1,123 permanent employees, 64 part-time employees and 14 fixed-term contractors. For more information see pages 73 to 79.

1,039

Full-time equivalent staff (Average)

1,123

Permanent employees (Headcount, some employees do not work on a full-time basis)

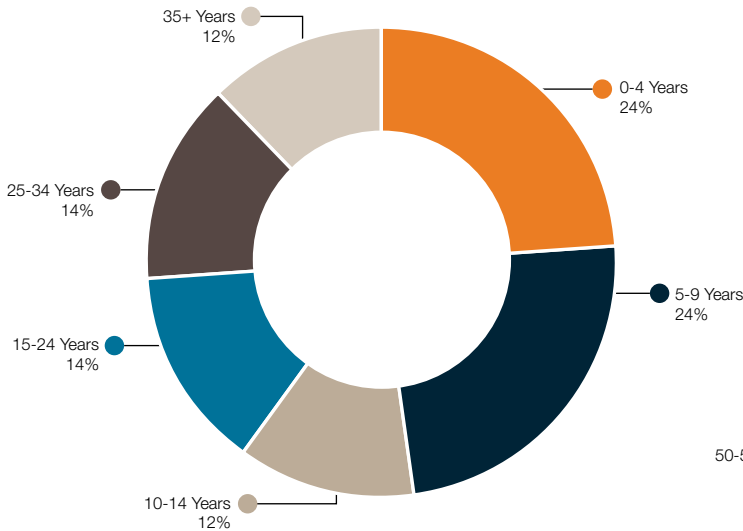
71%

Males (Headcount)

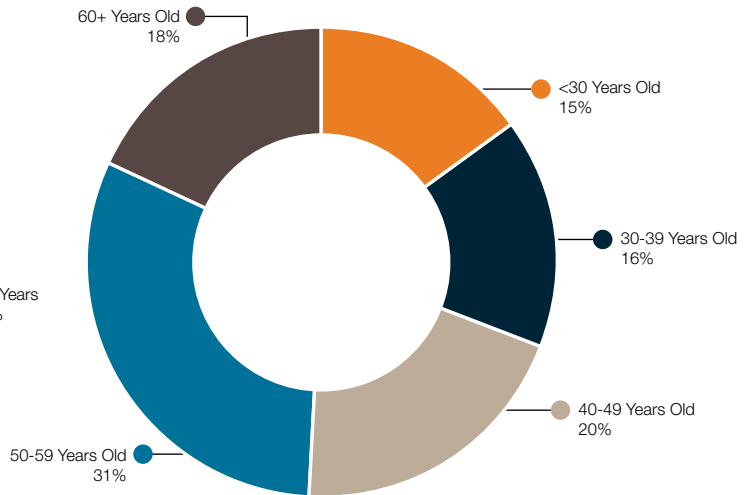
29%

Females (Headcount)

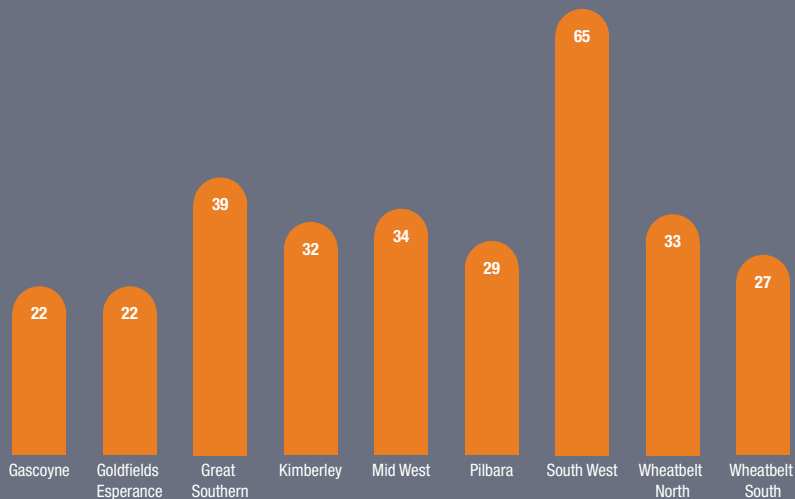
Employee Length of Service



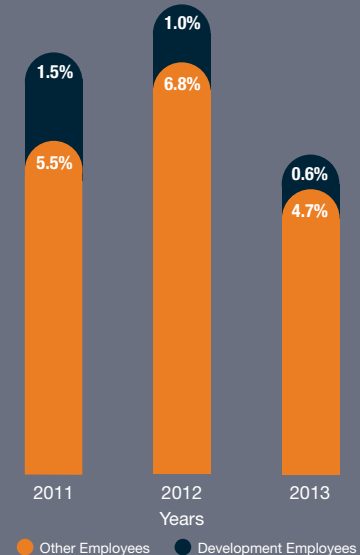
Employee Age Profile



Our regionally based workforce



Our turnover rate



Our Leaders

Commissioner's Review



Transport has been recognised as a priority for the State Government and this continues to be demonstrated through record investment in our road infrastructure and services. With the fastest growing population in the nation and a vast metropolitan area spanning a coastal plain, Perth has its own unique challenges.

Main Roads are putting an enormous amount of effort into tackling issues such as congestion; efficiently moving the massive resources workforce; freight and logistics linkages; connecting Western Australia's 21 ports; and maintaining and upgrading the thousands of kilometres of roads that traverse the nation's largest State.

In December 2012, Menno Henneveld retired as the Managing Director after ten years of service and we welcomed Steve Troughton to the role in early 2013. In a period of significant transformation, multiple projects have started to become a reality and Main Roads has taken a lead role in managing CBD and arterial roadwork planning.

Significant works including the extension of the Northbridge tunnel to carry three lanes of traffic in each direction, an extra lane on the Mitchell Freeway and construction for Gateway WA are focused on tackling congestion and helping to manage the impact of other important CBD developments.

In addition, as part of the Transport portfolio we have implemented a suite of integrated initiatives including priority bus lanes and improved cycle paths to and around the city. A set of tools including a series of traffic maps, weekly updates of current road disruptions and suggested alternate routes are continuously developed to help minimise delays on the network.

In rural Western Australia we saw the opening of a range of projects including the Dampier Highway duplication and Stage Two of the Bunbury Port Access road and the delivery of more than 64 projects in the Wheatbelt as part of the Grain Freight Program.

I commend our many forward-thinking teams for their innovation and leadership and I am proud to lead an organisation recognised as being such a prominent infrastructure agency within State Government.

Across the State, the strong economy continues to be highly reliant on an efficient and productive freight task. Over the past four decades, the freight task has quadrupled with a large proportion transported by roads. As outlined in the *Western Australian Regional Freight Transport Network Plan*, the future freight task will require significant road upgrades and renewal programs, as well as selective road expansion projects.

By realising these short and long-term strategic transport plans, Main Roads together with our portfolio partners, will continue to meet the community's high expectations and build a world-class integrated transport network.

A handwritten signature in black ink that reads "Reece Waldock". The signature is fluid and cursive.

Reece Waldock

Commissioner of Main Roads

Managing Director's Message




I joined Main Roads Western Australia on 11 February. Prior to that, I spent just over five years in Queensland and a number of years in the Middle East and the United Kingdom in infrastructure project management. I began my career as a road and bridges engineer and after working in a range of civil engineering and management roles I can honestly say that taking on the role of Managing Director of an organisation that has such a great history and reputation is something to which I have aspired.

My introduction to Main Roads and Western Australia has made for a fascinating and exciting start. Within the first few weeks of joining the organisation, I found myself in the thick of our incident management processes as we prepared for and responded to the impacts of Cyclone Rusty in the north of the State, followed by bushfires in Upper Swan and around the Bullsbrook area. Around the same time, I joined the Prime Minister to celebrate the official opening of Great Eastern Highway Kooyong Road to Tonkin Highway Project, which was completed on budget and more than six months ahead of schedule. I also had the honour of welcoming the 2012 West Australian 'Australian of the Year' Dr Donna Cross to Main Roads as we celebrated International Women's Day.

Operational Performance

Over the last year we delivered more than \$1.9 billion of road programs and services to the people of Western Australia. Our performance in achieving 99% expenditure against our budget was an excellent outcome and there were many other outstanding achievements throughout the year. The following are some of our more significant accomplishments:

- In October 2012 Minister Buswell, along with his Federal counterpart, announced the alliance partners for delivery of what Engineers Australia has called 'the State's most important interchange where road, rail and air services intersect' – the Gateway WA Project. This \$1 billion project is our largest ever road project which started with the construction of a new on-ramp from Abernethy Road to Tonkin Highway in March 2013.
- The Great Eastern Highway/Roe Interchange project valued at just under \$102 million was completed in September 2012 and came in \$11 million under budget. This intersection carries around 60,000 vehicles per day and will increase to 90,000 by 2021. The completion of these works is an important initiative in improving efficiency and reducing congestion on this part of the network.
- As part of delivering the \$118 million Grain Freight Program, which impacts on 15 Local Governments across the Wheatbelt, we are managing a total of 64 projects that will see more than 430 kilometres of State and local roads upgraded with the majority of work already completed.



The completion of additional lanes in the Northbridge Tunnel and associated works during April was another significant achievement and increased the capacity of the tunnel by 30,000 vehicles per day.

- March 2013 saw the opening of the Dampier Highway duplication project valued at just under \$113 million. The project will benefit local residents by reducing travel times by up to 25%. It also provides benefits to heavy haulage operators who now have safer and more efficient access through the industrial areas on the Burrup Peninsula.
- The City East Alliance delivered the upgrade of Great Eastern Highway between Tonkin Highway and Kooyong Road which has increased capacity on this road by 70%. The project included many innovations and an Australian first in achieving a Commendable 'As Built' rating under the new Infrastructure Sustainability rating scheme.
- In May 2013 Stage Two of the \$170 million Bunbury Port Access Project was officially opened providing improved access to the Port for heavy vehicles and improved safety. The Bunbury Outer Ring Road is delivering better social outcomes with heavy vehicles now being diverted from urban areas.
- The completion of additional lanes in the Northbridge Tunnel and associated works during April was another significant achievement and increased the capacity of the tunnel by 30,000 vehicles per day. Between 2000 and 2013, more than 380 million vehicles have passed through the tunnel. Prior to the upgrade, the Tunnel was already carrying almost 100,000 vehicles every weekday, making it one of the busiest road tunnels in Australia.

We deliver many projects throughout the State aimed at achieving our program outcomes. More information is included throughout this report and is constantly updated on our website and through our Twitter feeds.

Other Business Activities

Our other business activities provide essential support services in the delivery of our projects and ongoing operation and management of the road network. These include environmental management; enhancing our relationships; developing our people; and safety, health and wellbeing. The following are some of our significant achievements in these areas:

- We have once again taken a leadership role in promoting the value and benefits derived from sustainability by adopting and promoting Australia's only comprehensive rating system for evaluating sustainability of our infrastructure. The Infrastructure Sustainability Council of Australia's rating scheme is helping us embed sustainability into our practices.
- We continue to use the Global Reporting Initiative as we remain focussed on our commitment to achieve a fully integrated reporting framework that meets international standards of transparency and accountability.

Our Leaders: Managing Director's Message

- Our strong focus on improving our approach to customer service and community engagement continues to be well received with 94% of the community rating our performance as *okay* or *better*. In addition, this year we carried out our biennial Stakeholder Satisfaction Survey aimed at gauging our stakeholders' satisfaction with their interactions and business dealings with us. It was pleasing to see that 94% of our stakeholders rated us as being *okay* or *better* up from 92% in 2011.
- We continue to enhance our traveller information with an updated website, a growing Twitter following, and we recently launched a You Tube channel. Last year our Contact Information Centre handled more than 150,000 calls and almost 21,000 e-mail enquiries.
- With 48% of our workforce already over 50, and almost 50% of our workforce with fewer than 10 years' experience at Main Roads, our approaches to knowledge capture, knowledge transfer and competency development are important elements of our workforce planning. Throughout the year we have continued to focus on targeted development programs offering a range of learning opportunities through formal academic approaches to on-the-job mentoring and coaching.

Looking Ahead

Our budget next financial year represents our largest ever capital program with more than \$1 billion in works to be delivered. Whilst the enormous construction program that we have seen recently in the resources sector has softened, the delivery of a program of this size represents a significant challenge for Main Roads, but one that we are well positioned to meet.

We have already started work on Gateway WA and there are a range of projects scheduled to alleviate traffic congestion issues including ongoing improvements to providing traveller information. Work will commence on Stage 2 of the upgrade on Great Northern Highway between Muchea and Wubin and we will see the completion of the Esperance Port Access Corridor in December 2013.



Next year will also see the full roll out of the benefits being derived from the increased funding available through the Road Trauma Trust Account as we continue to strive towards delivering 'a safe road system for our children, grandchildren and the community'. For more information on our project activities I would encourage you to visit the Projects Section under Building Roads on our website.

I look forward to the challenges ahead as I serve the people of Western Australia while being so ably supported by everyone at Main Roads.

Steve Troughton
Managing Director

Corporate Executive

Each member of the leadership team heads one of the corporate areas responsible for managing the business. This team provides the direction that ensures we provide safe and efficient road access to the community.



Steve Troughton

Managing Director of Main Roads

Steve joined Main Roads taking over the position of Managing Director in February 2013. He has a Bachelor of Engineering (Honours) and a Masters of Business Administration in Engineering Management. Steve is a member of Engineers Australia and the Institution of Civil Engineers, United Kingdom (UK).

Steve has experience in managing businesses in Australia, the UK and the Middle East with extensive technical expertise in major infrastructure and property.

He began his career as a graduate bridge engineer at Cambridgeshire County Council in the UK. After six years he joined WS Atkins Consultants Ltd, a multi-national engineering and project management consultancy. During this time he was seconded to Bahrain's Ministry of Works and Agriculture as a Senior Bridge Engineer for two years. He then returned to WS Atkins for two years as Group Engineer before relocating to Oman as General Manager.

Returning once more to Bahrain as Principal Project Manager on the Durrat Al Bahrain Resort Project, Steve led a team to project manage, design and supervise the first phase from the initial master plan to construction of the islands and infrastructure.

Steve relocated to Australia in 2007 to join MCD Australia, a project management and property advisory firm as Queensland State Manager, before becoming the Chief Operating Officer.

In 2010, Steve commenced with Kellogg Brown and Root Pty Ltd, an engineering and construction company providing services to the government and private sector and remained there until joining Main Roads Western Australia in February 2013.

He has considerable experience in overall infrastructure project management and delivery in both government and the private section, throughout the Middle East and Australia.

Steve chairs Main Roads' Corporate Executive and the Management Review and Audit Committee. He sits on the Boards of Austroads Ltd, the Planning and Transport Research Centre, the Western Australian Pavement Research Centre and the ROADS Foundation. He is also a member of the Australian Institute of Company Directors.

Leadership Team Change

- After 10 years of service, Menno Henneveld retired as the Managing Director in December 2012.
- Due to structural changes over the past year, the position of Director, Strategic Relationships has been removed and the Director, Budget and Financial Planning now reports to Executive Director Finance and Commercial Services.
- After two years of phased retirement and more than 50 years of service, Phil Ladner, Executive Director Project Delivery Development, retired in November 2012.



Peter Woronzow

Executive Director, Financial and Commercial Services

Peter has been with Main Roads for 33 years. He holds a Bachelor of Arts (Economics), a Graduate Diploma in Public Sector Management, and studied accounting and management at the University of Western Australia. Peter is a member of CPA Australia and is a Fellow of the Institute of Public Accountants.

His Directorate is responsible for developing and managing financial, commercial and corporate solutions that support achieving Main Roads' outcomes.

Peter chairs the Main Roads Business Improvement and Budget Committees. He is also a board member of the Gateway WA and Perth City Link Alliance Boards.



Leo Coci

Executive Director, Infrastructure Delivery

Leo has been with Main Roads for 36 years. He holds a Bachelor of Engineering (Honours), a Master of Business Administration from the University of Western Australia and is a member of Engineers Australia.

His Directorate is responsible for procuring high value and complex road and bridge infrastructure through management of project development and delivery in collaboration with stakeholders and industry participants.

Leo chairs the Gateway WA Alliance and South Metro Connect boards.



Doug Morgan

Executive Director, Planning and Technical Services

Doug has been with Main Roads for 25 years. He holds a Bachelor of Engineering (Electrical), a Masters of Business Administration and is a member of Engineers Australia.

His Directorate is responsible for contributing to sustainable integrated transport through providing engineering, environmental and asset management expertise.

Doug chairs the Main Roads Corporate Safety, Health and Wellbeing Committee and the Road Planning and Investment Committee.



John Taya
Executive Director,
Organisational Development

John has been with Main Roads for 38 years and a member of Main Roads' Corporate Executive for 14 years. He holds a Bachelor of Commerce and a Master of Industrial Relations from the University of Western Australia.

His Directorate is responsible for the strategic planning of the organisation, Human Resource Management, Human Capital Management, Cultural Corporate Governance, Innovation and Internal Communication.

John chairs the Main Roads Corporate Development Committee and the Workforce Management Committee. He also holds a position on the board of the ROADS Foundation, is the Chair of the Management Advisory Board of Curtin University, is on the Advisory Board of the UWA Engineering Futures Foundation, is a member of the Australian Institute of Management Advisory Council and is a member of the Austroads Capability Taskforce.



Des Snook
Executive Director,
Road Network Services

Des has been with Main Roads for 34 years. He holds a Bachelor of Engineering (Civil) and is a member of Engineers Australia and the Australian Institute of Company Directors.

His Directorate is responsible for Traffic Management, Road Safety (including Road Safety Funding Programs), Heavy Vehicle Operations and Customer Service. He is also responsible for the Metropolitan Region and Main Roads' response to Traffic Congestion.

Des is a member of the Road Safety Council, a Director on the Board of Transport Certification Australia Ltd and a member of the Ministerial Heavy Vehicle Advisory Panel. At a national level Des is the State's representative on the High Level Reference Group for the development and implementation of the National Heavy Vehicle Regulator.



John Erceg
Executive Director,
Regional Services

John has been with Main Roads for 30 years. He holds a Bachelor of Engineering (Civil) from the University of Western Australia.

His Directorate is responsible for road asset management, network operation and maintenance and capital delivery outside the Perth metropolitan area. These services are delivered from our nine regional offices.

John holds a position on the board of the ROADS Foundation.



Iain Cameron
Executive Director,
Office of Road Safety

Iain has been with the Office of Road Safety for 13 years. He holds a Bachelor of Physical Education and Diploma of Education from the University of Western Australia, and a Post-graduate Diploma in Health Promotion and Master of Public Health from Curtin University. Iain is a Graduate of the Australian Institute of Company Directors.

His office is responsible for providing policy and strategy advice and support to the Road Safety Council (RSC) and Minister for Road Safety.

Iain is a member of the Road Safety Council and a board member on the Curtin Monash University Accident Research Centre. Nationally, Iain is the Austroads Program Manager chairing the Road Safety Task Force. He also holds a position as an Independent Director on the Board of the Australasian New Car Assessment Program.



Mitchell Freeway



Our Operational Performance

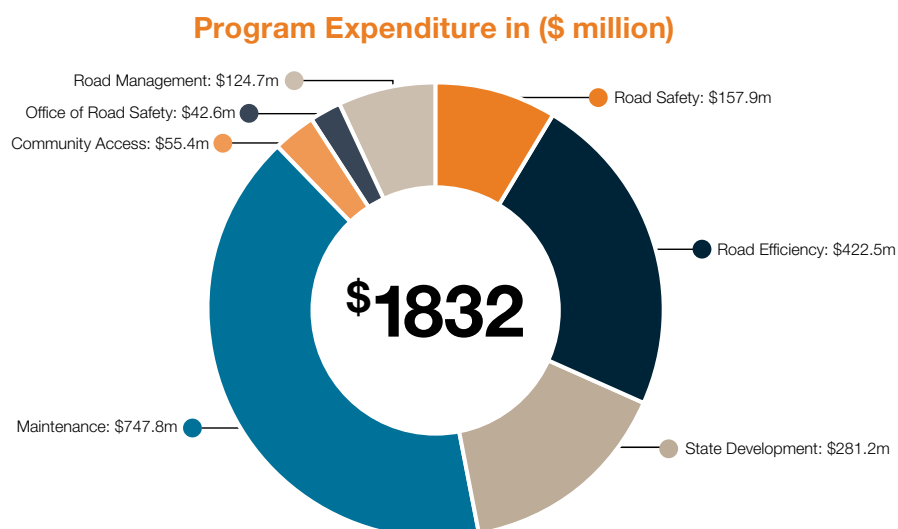
How We Achieve Government Goals

The Government has identified four goals that we must achieve in delivering services to the community. Main Roads delivers these goals through a Program Management approach within which there are seven Programs, each of which drives our outcome-based decision making to achieve the Government's expectations. Key performance measures assist the Government, Main Roads and the community in determining the impact of the delivery of services within each Program.

The following table shows the relationship between the Government's Goals, the services and outcomes we deliver in order to achieve those Goals, and the Program that drives our decision making.

Government Goals	Main Roads Outcomes	Main Roads Program	Page Ref.
Results Based Service Delivery	Providing a safe road environment	Road Safety	24
	Improved coordination and community awareness of road safety	Office of Road Safety	47
	Reliable and efficient movement of people and goods	Road Management Road Efficiency	52 29
State Building – Major Projects	Facilitate economic and regional development	State Development	35
Stronger Focus on the Regions	A well maintained road network	Maintenance	40
Social and Environmental Responsibility	Improved community access and roadside amenity	Community Access	44

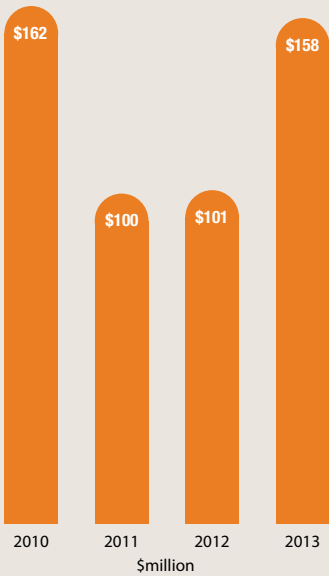
This graph shows the allocation of expenditure attributed to each of our Programs.



Road Safety

Providing a Safe Road Environment

This program seeks to reduce the State's road fatality rate to the lowest in Australia by minimising the road factors contributing to road trauma and reducing the serious crash injury rate.



EXPENDITURE:
\$158 million

8%
OF TOTAL
BUDGET

Key Performance Indicators

	2013 Target	2013 Actual	Result	Ref
% Community satisfaction of road safety	90%	94%	✓	112
% of contracts completed on budget	90%	95%	✓	113

Road Safety

Introduction

The Road Safety program results in infrastructure that provides a safe environment for all road users. It includes all State and National Black Spot projects and other projects aimed at improving the road network that have safety as the main driver. This includes works such as intersection improvements, overtaking lanes, rail crossings and bridge safety improvements. Some of the key projects and road safety initiatives delivered through the program are shown below.

Key Achievements

Project	Total Project Cost (\$ million)	2012-13 Cost (\$ million)	Completion Date	Description
Gascoyne Region				
North West Coastal Highway (Speedway Road intersection)	1.1	1.1	April 2013	Upgrade intersection to cater for road trains. Reconstruct crossover to roadhouse, install pavement marking, upgrade signing and lighting
North West Coastal Highway (north of Pannawonica Road)	12.9	2.2	June 2014	Seal shoulders and install audible edge lines at various locations between Onslow Road and the Gascoyne regional boundary
Goldfields-Esperance Region				
Coolgardie-Esperance Highway	0.8	0.8	November 2012	Widen formation to 10 m and seal to 8 m including extension of culverts from Wannaway Road
South Coast Highway (Dalyup River Bridge to Bates North Road)	3.2	3.2	July 2013	Construct 1 m wide sealed shoulders and install audible edge lines
Great Southern Region				
South Coast Highway (Manypeaks)	2.2	2.2	February 2013	Reconstruct and widen 1.5 km approximately 36 km east of Albany at Manypeaks
Albany Highway (Darkan-Kojonup Road and Robinson Road)	5.3	1.5	May 2013	Construct 1 m wide sealed shoulders
Kimberley Region				
Broome Highway (Broome-Cape Leveque Road and Great Northern Highway)	5.5	4.5	July 2013	Construct 1 m sealed shoulders and install audible edge lines
Metropolitan Region				
Tonkin Highway/ Morley Drive	3.0	0.7	September 2012	Intersection improvement
Electronic School Zone Signals	2.3	2.3	April 2013	Installation of 60 electronic school zone signals

Our Operational Performance: Road Safety

Project	Total Project Cost (\$ million)	2012-13 Cost (\$ million)	Completion Date	Description
Mid West Region				
North West Coastal Highway	8.7	3.1	November 2012	Realignment works to improve horizontal or vertical curves and extension of passing lane
Indian Ocean Drive	3.7	3.7	February 2013	Shoulder reconstruction and seal widening
Mingenew-Morawa Road	2.3	2.1	April 2013	Widening of approximately 11 km of seal
Pilbara Region				
Great Northern Highway	1.2	1.2	April 2013	Construct 1 m sealed shoulders between Wodjina and Port Hedland
Great Northern Highway	2.9	1.7	August 2013	Upgrade four over-size, over-mass parking bays at various locations from Port Hedland to Newman
South West Region				
Vasse Highway	1.5	1.5	January 2013	Seal shoulders to 1 m wide and install audible edge lines
Bussell Highway (Carbanup to Chambers Road)	7.2	4.8	February 2013	Reconstruct including 1.2 km curve realignment and widen to 7 m with 1.5 m sealed shoulders and construct southbound passing lane
Boyanup-Picton Road (Carinya Curve)	1.9	1.7	April 2013	Reconstruct curve and seal shoulders
Wheatbelt North Region				
Indian Ocean Drive (Seabird Road and Greenwood Coast Road)	2.3	2.0	October 2012	Construct southbound and northbound passing lane
Indian Ocean Drive	1.7	1.5	November 2012	Intersection improvements to King Drive, Gingin West and Caraban Road near Woodridge
Brand Highway Upgrades	7.7	7.7	June 2013	Various upgrades and improvements at Dandaragan Road, South Cataby Roadhouse and between Nammegarra Road and Cataby South
Wheatbelt South Region				
Northam-Cranbrook Road (Brookton to Narrogin)	10.2	10.2	May 2013	Construct 1 m wide sealed shoulders and install audible edge lines
Northam-Cranbrook Road (Narrogin to Wagin)	5.1	5.1	June 2013	Construct 1 m wide sealed shoulders
Albany Highway (south of Williams)	3.0	2.6	June 2013	Construct two new overtaking lanes

Our Operational Performance: Road Safety

Black Spot Programs

A total of 141 projects were funded by the State Black Spot Program, with 26 projects on State roads and 115 projects on local roads, representing an investment of \$20 million. In addition, 43 projects were funded from the Nation Building Black Spot Program representing an investment of more than \$7 million.

Railway Level Crossing Upgrade Program

The State spent more than \$11 million to ensure railway level crossing safety. Works undertaken include the upgrade of 14 crossings from passive to active control (flashing lights), and the refurbishment of nine crossings with updated equipment.

Road Trauma Trust Account Programs

The Regional Run Off Roads Program provided funding of \$37 million. In addition, The Metropolitan Intersection Improvements Program provided funding of \$4.5 million. For more information on the Regional Run Off Roads Program, please refer to the Office of Road Safety case study, page 51.

Audible edge lines, Great Northern Highway



Looking ahead

- The State Black Spot Program will have funding of \$10 million on State roads, and \$10 million on Local Roads.
- The Federal Black Spot Program will have \$7 million.
- The Safer Roads and Bridge Improvements Program will have funding of \$35 million.
- Continuation of the re-alignment of Great Northern Highway at the Bindi Bindi curves.

Case Study



IMPROVING
SAFETY ON
14 km
OF THIS
ROUTE

Indian Ocean Drive: Greenhead to Leeman North

The construction of the parking bay allows road users to now safely stop, revive, enjoy the scenery and minimise fatigue.

The Lancelin-Cervantes Road, completed in September 2010, provided a scenic alternative route away from heavy vehicle traffic on Brand Highway. Its popularity has meant a substantial increase in tourists using the road to access the coast and as a through route to the north. As part of ensuring motorists' safety a program of road improvements between Greenhead and Leeman and Brand Highway intersection were identified.

This \$3.7 million project included the widening of the road formation, repair of substandard pavement sections and widening of the road seal surface to improve road safety on the road between Greenhead and Leeman. The works also included the upgrade and widening of the intersection at Eneabba-Coolimba Road, including further seal widening to the south of the intersection, and the construction of a new rest parking bay between Leeman and the Brand Highway intersection.

The Mid West Region procured plant and labour externally with the management, supervision and trainee labour acquired directly from Integrated Services Arrangement personnel. In addition to motorist safety, the project also provided the following benefits:

- provided on-the-job experience for trainees and graduate engineers in road construction and quality management
- employees gained greater project and construction management experience within the operations (not as an external third party)
- by utilising people, plant and materials supplied by Mid West Regional Council members from the Shires of Coorow and Perenjori, it helped reduced cost and improved relationship and contributor capabilities.

Mid West Region will continue its program for improvement to accommodate the increased traffic along this route.

Road Efficiency

Providing Reliable and Efficient Movement of People and Goods

This program seeks to improve the efficiency, capacity and utilisation of the existing road network as part of a total transport network.



EXPENDITURE:
\$423 million

23%
OF TOTAL
BUDGET

Key Performance Indicators

	2013 Target	2013 Actual	Result	Ref
% Community satisfaction	90%	94%	✓	114
% of contracts completed on budget	90%	100%	✓	115
% of contracts completed on time	90%	86%	✓	115

Road Efficiency

Our Operational Performance: Road Efficiency

Introduction

The Road Efficiency Program provides infrastructure that has improvements in freight, levels of service or traffic management as the main driver. This includes projects that deliver geometric improvements, road widening, bridge strengthening and retrofitting of Intelligent Transport System capabilities. Some of the key projects and achievements delivered through the program are shown below.

Key Achievements

Project	Total Project Cost (\$ million)	2012-13 Cost (\$ million)	Completion Date	Description
Gascoyne Region				
North West Coastal Highway (between Minilya and Barradale)	217.5	0.5	June 2017	Widen seal to 7 m with 0.5 m sealed shoulders between Minilya and Barradale
Great Southern Region				
Ravensthorpe Heavy Vehicle Route	30.0	0.5	March 2015	Various including realignment of South Coast Highway north of Ravensthorpe, realign Hopetoun Road intersection and in town site
Kimberley Region				
Great Northern Highway (Deep Creek)	2.5	2.5	November 2012	Widen and strengthen bridge over Deep Creek
Metropolitan Region				
Great Eastern Highway (Kooyong Road to Tonkin Highway)	249.5	71.7	May 2013	Upgrade 4.1 km to a six dual lane carriageway, on road cycle facilities, bus priority facilities and pedestrian paths
Kwinana Freeway Third Lane (Leach Highway to Roe Highway)	57.9	14.8	May 2013	Widening of Kwinana Freeway between Leach Highway and Roe Highway to provide three lanes in each direction
Mitchell Freeway Upgrade (Hepburn Avenue to Hodges Drive)	16.0	5.5	December 2013	Construction of a third lane northbound between Hepburn Avenue to Hodges Drive
Murdoch Drive/South Street Intersection Upgrade	15.0	10.1	December 2013	Upgrade the intersection of Murdoch Drive and South Street as a result of the planned development of Murdoch Activity Centre
Gateway WA – Perth Airport and Freight Access	1004.0	78.4	June 2017	Upgrade Tonkin Highway between Great Eastern and Roe Highway, Leach Highway between Orrong Road and the airport and improvements on Kewdale Road
Mid West Region				
Brand Highway	18.0	0.4	September 2014	Construct new bridge over Greenough River, including tie-ins



Official Opening of Dampier Highway

Project	Total Project Cost (\$ million)	2012-13 Cost (\$ million)	Completion Date	Description
Pilbara Region				
Dampier Highway Duplication (Balmoral Road West to Burrup Road, Stages 2 – 6)	112.0	38.9	February 2013	Construction of 12.5 km dual carriageway, intersection modifications, bridge over Seven Mile Creek and traffic signals
South West Region				
Koombana Drive/Estuary Drive intersection	2.6	2.6	December 2012	Modify intersection and install traffic signals
Forrest Highway (Vittoria Road intersection)	3.6	3.5	May 2013	Install right turn acceleration lane and traffic signals
Wheatbelt North Region				
Great Northern Highway (Muechea to Wubin, Bindi Bindi Section)	40.0	2.1	December 2014	Reconstruction and alignment of 11 km of Great Northern Highway from Bindi Bindi to Lyons East Road
Wheatbelt South Region				
Narrogin-Kondinin Road (Elsinore and Fence)	7.5	6.5	March 2013	Realign, widen and overlay two sections 7 km in total to cater for heavy vehicle traffic
Narrogin-Kondinin Road (Jitarning)	5.4	3.6	April 2013	Widen, seal and overlay 4 km to cater for heavy vehicle traffic
York-Merredin Road (Shackleton and Yarding)	4.5	3.6	April 2013	Widen and overlay two sections of York-Merredin Road to cater for heavy vehicle traffic

Recognition

2012 WA Spatial Excellence Awards

- Winner 'Infrastructure and Construction' – *Mitchell Freeway Widening*
- Overall Industry Winner – *Mitchell Freeway Widening*

2012 WA Engineering Excellence Awards

- Winner 'Management of Engineering' – *Great Eastern Highway/Roe Highway Interchange*
- Winner 'Control Systems, Reports and Procedures' – *Gateway WA*



Looking ahead

- Commence Stage Two of upgrade works on Great Northern Highway between Muchea and Wubin.
- Upgrade North West Coastal Highway between Minilya and Barradale, and construct bridges at Cave and Goodeman Creeks.
- Commence construction of a second carriageway on Reid Highway between Erindale Road and Duffy Road.
- Installation of Managed Freeways technology on Kwinana Freeway and Roe Highway.
- Continue to widen and reconstruct Coalfields Highway between Wellington Dam turnoff and Allanson and Roelands Hill.
- Replacement of the Greenough River Bridge on Brand Highway.



Case Study

\$15 MILLION
ON-RAMP CUTS
4 kms
OFF THE ROUTE

Gateway WA: Stage One Underway

This area is arguably our most important transport interchange where road, rail and air services meet to facilitate the movement of people and goods essential to the economy of the State and the nation.

In February 2013, Western Australia's Transport Minister Troy Buswell and Federal Minister Anthony Albanese turned the sod on the first stage of the \$1 billion Gateway WA Perth Airport and Freight Access Project. This marked the start of construction of the Abernethy Road-Tonkin Highway on-ramp which will provide immediate significant benefits for the freight industry.

The Abernethy Road-Tonkin Highway on-ramp is the first in a series of road upgrades in the Kewdale and Forrestfield industrial areas required to meet an expected doubling in freight movements between now and 2031. The \$15 million on-ramp will provide a direct link for road users to the regional network via Tonkin Highway southbound for the first time. This will cut almost 4 kilometres off the current route thereby reducing travel times and costs for freight providers.

Construction will continue on the full Gateway WA program of works with project completion expected in early 2017. The main project works will focus on the construction of several major interchanges on Tonkin Highway, between Great Eastern Highway and Roe Highway, and Leach Highway, between Orrong Road and Perth Airport.

In addition to assisting the freight industry, the project will cater for expected increases in air passenger travel and Perth Airport's plans for domestic and international airport terminal consolidation. Assessed as a National Priority Project, Federal and State Government contributions of \$686 million and \$318 million respectively have been made in recognition of the economic importance of this strategic transport hub that connects road, rail and air nationally and within Western Australia.

The project is being undertaken by an alliance contract and agreement on the target price was a significant milestone for the project which was reached between Main Roads and the Gateway WA alliance in July 2013.



Case Study

\$118 MILLION
RESULTING IN
430 kms
OF ROADS
UPGRADED.

Grain Freight Improvement Program

As a result of the Grain Freight Improvement Program, no single lane seals remain on the State road network in the Wheatbelt South region.

In November 2010, the State Government announced a \$118 million funding package to upgrade and maintain our Grain Freight Network over a period of four years. The funding allowed for almost \$44 million to upgrade State roads, more than \$60 million was allocated to Local Governments to upgrade their roads and a further \$14 million has been allocated to cover extraordinary maintenance.

In September 2011, the Transport Minister Troy Buswell approved an accelerated delivery program for upgrading State roads that form part of the Grain Freight Network. This sets a target for State roads in the Wheatbelt to be upgraded within two years, with the majority of upgrades completed by mid-2013. One outstanding State road project, delayed by service relocations, is expected to be completed in 2014.

Within the same year, we also worked closely with various Local Governments to review and refine project scopes. During discussions, additional pavement rehabilitation requirements were identified together with a number of safety improvements. To assist Local Governments with the delivery of works, we regularly liaised with the Wheatbelt Shires and provided technical support where required. We have completed 55% of the local road projects and the remainder are expected to be fully completed by mid-2015.

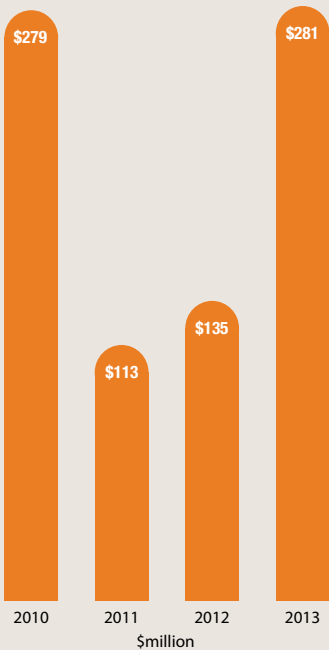
We are managing a total of 64 projects that will see more than 430 kilometres of State and Local Government roads upgraded. There were 17 projects on State roads and 47 projects on local roads, covering 15 Local Governments. At the peak of the delivery program, there were five contract construction crews working simultaneously to deliver State road projects.

For more information regarding the Grain Freight Improvement Program, please visit our website.

State Development

Facilitating Economic and Regional Development

This program seeks to expand the road network in accordance with State and Commonwealth transport and land use strategies that will facilitate the economic and regional development of the State.



EXPENDITURE:
\$281 million

15%
OF TOTAL
BUDGET

Key Performance Indicators

	2013 Target	2013 Actual	Result	Ref
Return on construction expenditure (as an average)	2.5	3.1	✓	115
% of contracts completed on budget	90%	100%	✓	115

State Development

Introduction

The State Development Program includes most expansion, major infrastructure and bypass projects that have economic and regional development support as the primary driver. This program is predominantly made up of the largest and most complex works delivered. The following are some of the key projects and achievements delivered through the program.

Key Achievements

Project	Total Project Cost (\$ million)	2012-13 Cost (\$ million)	Completion Date	Description
Goldfields-Esperance Region				
Esperance Port Access Corridor	120.0	56.2	March 2014	Realignment of railway and Harbour Road, two new grade separated rail crossings, a bridge, a road tunnel over the railway and a bridge connection between Harbour Road and Johns Street
Kimberley Region				
Great Northern Highway (Big McPhees Bridge)	20.5	16.5	December 2012	Replace Big McPhees Bridge
Kununurra Heavy Vehicle Route Stages 1 – 2	6.0	0.8	June 2014	Planning and design for the heavy vehicle route from Victoria Highway to Weaber Plain Road
Metropolitan Region				
Northbridge Tunnel 3rd Lane (Mitchell Freeway Widening)	57.0	24.8	January 2014	Widening the Northbridge Tunnel to three lanes. Widen Mitchell Freeway, resurface and reconfigure lanes and construct a link road from the Loftus Street exit connecting to Mitchell Freeway
Perth Darwin National Highway (Reid Highway to Great Northern Highway)	844.6	0.8	December 2019	Construction of approximately 30 km of new road from the intersection of Tonkin Highway and Reid Highway, and connecting to Brand Highway and Great Northern Highway
Mitchell Freeway Extension (Burns Beach Road to Hester Avenue)	322.0	0.5	December 2017	Planning works for the extension of Mitchell Freeway from Burns Beach Road to Hester Avenue
Mid West Region				
Wubin-Mullewa Road	21.6	0.9	June 2015	Widening of road between Perenjori and Morawa from single lane seal to dual lane seal
Goldfields Highway (between Wiluna and Meekatharra)	20.0	1.0	June 2015	Construction of up to five sealed sections of road to provide safer overtaking opportunities

Our Operational Performance: State Development

Project	Total Project Cost (\$ million)	2012-13 Cost (\$ million)	Completion Date	Description
Pilbara Region				
Great Northern Highway realignment	262.3	98.2	July 2014	An 8 km realignment to the North and West of the Wedgefield Industrial Area. A grade separated interchange, a low level road bridge over South West Creek and a road bridge over the BHP rail
South West Region				
Bunbury Outer Ring Road Stage One	79.3	37.0	May 2013	Construct dual carriageway and seal 10 m wide including two bridges
Bunbury Port Access Road Stage Two (Picton to Bunbury Outer Ring Road)	44.7	11.6	May 2013	Construct single carriageway and seal 10 m wide including one bridge

Bunbury Port Access Road



Looking ahead

- Complete construction of the Esperance Port Access project.
- Construction and sealing of various sections of Goldfields Highway between Wiluna and Meekatharra.
- Complete construction to provide an additional lane in the Graham Farmer Freeway tunnel in both directions and construct an additional northbound lane on Mitchell Freeway from Charles Street east to Hutton Street.
- Continue construction of the realignment of Great Northern Highway in Port Hedland.
- Continue project development and commence construction to extend the Mitchell Freeway from Burns Beach Road to Hester Avenue.
- Continue project development activities associated with the Perth Darwin National Highway – Swan Valley Bypass project and commence construction.



Case Study

Northbridge Tunnel Upgrade: Turning Four Lanes into Six

ADDITIONAL
CAPACITY OF
30,000
EXTRA VEHICLES
PER DAY

With the extra lanes, road users are able to cut their travel time and have been overwhelmingly positive in their response to the completed upgrade.

The Northbridge Tunnel on Graham Farmer Freeway is a \$15 million project funded by the State Government. The upgrade reconfigured to allow a third lane to the tunnel in each direction and was fully functional in April 2013. As one of Perth's top five most well-known road structures, the project was subjected to heavy public scrutiny.

The Northbridge Tunnel upgrade began in mid-2012 in conjunction with the Mitchell Freeway Widening Project as part of a package of transport solutions to improve the CBD road network and address the challenges associated with Perth's increasing population. The upgrade project was delivered by Main Roads and the tunnel 'operate and maintain' contractor Lend Lease.

The tunnel was designed and built to ultimately have six traffic lanes – three eastbound and three westbound. However, converting the existing four traffic lanes and two breakdown lanes into six traffic lanes was a major public concern as there will be no breakdown shoulder. Prior to starting the project, we engaged internal and external stakeholders as well as technical experts in an Operational Risk Review. This review enabled the project team to confirm the risks associated with the project from a construction and operational perspective. Mitigation of the identified risks included:

- Provision of a breakdown response capability called the Incident Response Service to remove broken down vehicles from the tunnel.
- Enhanced community awareness through a campaign advising road users of the new movements within the tunnel using 3-D fly throughs. These were made available to the public via various social media platforms.
- Revision, upgrade and promotion of tunnel signage.
- Implementation of the Stakeholder and Media Communications Plan aimed at minimising the impact of necessary tunnel closures on road users.



Case Study

4,000
VEHICLES CAN
NOW USE
WILLINGE DRIVE
EVERY DAY

Bunbury Port Access Project: Improving Heavy Vehicle Access

Officially opened on 31 May 2013 by Transport Minister Troy Buswell and Federal Labor Senator Sue Lines, Stage Two of this \$170 million project provides a significant improvement in road and port infrastructure in the State's South West region. There is now better access to the Bunbury Port for heavy vehicles as trucks bypass congested sections of the existing road network around Bunbury.

The project involved the construction of the seven kilometre long Willinge Drive (Bunbury Port Access Road) between Estuary Drive and the Bunbury Outer Ring Road, together with a four kilometre section of the Ring Road between South Western Highway and the Boyanup Picton Road. This jointly funded project expects that around 4,000 vehicles will now use the Willinge Drive per day.

Feedback from the transport industry has been that this project has made a major difference to daily commuting.

This section of the network will service the developing industrial areas to the south east of Bunbury, improving inter-connectivity to the industrial areas while also providing direct access to these areas from inter-regional roads.

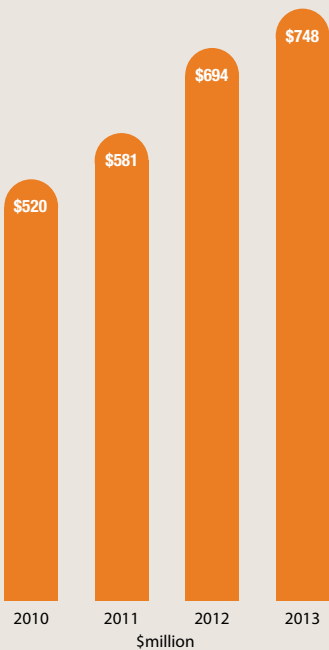
A major safety feature in this construction process was building roundabouts at major junctions of the Bunbury Outer Ring Road with South Western Highway and Willinge Drive, rather than conventional signalised four-way intersections. At the moment, Willinge Drive is a two-lane road with capacity for the southern section to be upgraded to a four-lane dual carriageway. Consideration has also been made for other future upgrade options.

This project will deliver increased efficiency, safety and additional capacity in the regional road network servicing Bunbury and the Bunbury Port. It will also improve the amenity of residential areas by redirecting heavy vehicles away from developed areas.

Maintenance

Providing a Well Maintained Road Network

This program maintains the existing road and bridge network by maximising asset life and minimising whole of life costs.



EXPENDITURE:
\$748 million

40%
OF TOTAL
BUDGET

Key Performance Indicators

	2013 Target	2013 Actual	Result	Ref
% Community satisfaction with road maintenance	90%	84%	✓	116
% Availability of traffic signals	99%	99.5% ¹	✓	116
% Preventative maintenance indicator	85%	87%	✓	116

¹ Result is to February 2013.

Maintenance

Our Operational Performance: Maintenance

Introduction

The Maintenance Program covers the maintenance of all road, bridge and ancillary assets, road verges and reserves. Works include routine and periodic maintenance and reconstruction works where the primary reason is due to pavement failure. Some of the key projects and achievements delivered through the program are shown below.

Key Achievements

Project	Total Project Cost (\$ million)	2012-13 Cost (\$ million)	Completion Date	Description
Gascoyne Region				
Regional Project Maintenance	8.6	8.6	June 2013	Maintenance of network
Various State Roads	0.1	0.1	June 2013	Reseal and resurfacing works
Goldfields-Esperance Region				
Regional Project Maintenance	13.9	14.8	June 2013	Maintenance of network
Various State Roads	2.5	2.6	June 2013	Reseal and resurfacing works
Great Southern Region				
Regional Project Maintenance	11.8	12.5	June 2013	Maintenance of network
Various State Roads	2.5	2.5	June 2013	Reseal and resurfacing works
Kimberley Region				
Regional Project Maintenance	23.3	23.3	June 2013	Maintenance of network
Various State Roads	4.5	4.5	June 2013	Reseal and resurfacing works
Metropolitan Region				
Regional Project Maintenance	46.0	46.0	June 2013	Maintenance of network
Various State Roads	8.7	8.7	June 2013	Reseal and resurfacing works
Brookton Highway	7.8	7.8	July 2013	Construction of Buckingham Bridge and realignment of the Highway
Mid West Region				
Regional Project Maintenance	29.9	29.8	June 2013	Maintenance of network
Various State Roads	5.7	5.8	June 2013	Reseal and resurfacing works
Pilbara Region				
Regional Project Maintenance	27.8	28.1	June 2013	Maintenance of network
Various State Roads	6.5	2.8	June 2013	Reseal and resurfacing works

Our Operational Performance: Maintenance

Project	Total Project Cost (\$ million)	2012-13 Cost (\$ million)	Completion Date	Description
South West Region				
Regional Project Maintenance	17.5	18.4	June 2013	Maintenance of network
Various State Roads	3.2	3.2	June 2013	Reseal and resurfacing works
Wheatbelt North Region				
Regional Project Maintenance	18.0	18.8	June 2013	Maintenance of network
Various State Roads	4.8	5.7	June 2013	Reseal and resurfacing works
Wheatbelt South Region				
Regional Project Maintenance	11.0	10.9	June 2013	Maintenance of network
Various State Roads	4.5	5.0	June 2013	Reseal and resurfacing works

Availability of Electrical Assets

Since 2008, one of the measures used in the context of reporting our progress against the outcome of achieving a well maintained road network has been the percentage availability of traffic signals, road lighting and emergency phones.

The measure was derived from contractual arrangements supporting the Traffic Control Infrastructure Contract (TCIC) and reports the percentage of time that the assets are fully operational. Since 2008, the results have ranged from 96.1% to 99.9% across all three asset classes showing little variation during this period.

In February 2013, the TCIC expired and services were subsumed within our Integrated Service Arrangement. As a result of issues in bedding down systems and processes under the new arrangements, there were issues with data validation from an audit perspective. At no time were actual levels of service in relation to the assets impacted. A new data entry framework and validation process has been established and full year reporting will commence as of July 2013.

Line marking on Northampton Nabawa Road



Looking ahead

- Maintenance of the State road network through the continuing operation of the Integrated Service Arrangements.
- Continue works to recondition formation and gravel on Useless Loop Road.

Case Study



Big McPhee Bridge Replacement

In December 2012, the new bridge at Big McPhee's Creek on the Great Northern Highway was opened to traffic. Located approximately 120 kilometres south of Kununurra, the bridge forms part of the National Highway network, linking Western Australia with the Northern Territory.

The old Big McPhee Bridge had been damaged by flooding on numerous occasions. More recently, in March 2011, a major flood event in the East Kimberley caused structural damage to the bridge which necessitated its closure. Food and fuel needs of local communities and mines required that section of the Great Northern Highway to be re-opened immediately. Within two weeks of closure, temporary repairs to strengthen the bridge were made to allow essential travel, with reduced operating conditions.

Following the damage sustained in March 2011, our Kimberley Region initiated and fast-tracked the planning for a permanent solution. This provided the opportunity to construct a new two lane bridge which was

both longer and higher than the original. The new bridge is 108 metres in length, nearly double the length of the old bridge. Improvements of the new bridge include savings in probable accident costs and delays due to the inadequate width of the single lane bridge and increased serviceability of the crossing as the new bridge is 2.5 metres higher.

Two days of heavy rainfall triggered a major flood event causing structural damage to Big McPhee Bridge.

Community Access

Improving Community Access and Roadside Amenity

This program aims to improve personal mobility and community access needs on the road network.



EXPENDITURE:
\$55 million

3%
OF TOTAL BUDGET

Key Performance Indicators

	2013 Target	2013 Actual	Result	Ref
% of the year that 100% of the State road network is available	70%	94%	✓	116-117
% Community satisfaction with cycleways and pedestrian facilities	90%	83%	✓	117
% of contracts completed on budget	90%	80%	✓	117

Community Access

Introduction

The Community Access Program provides infrastructure including remote access roads; pedestrian and bicycle rider access; improved access and mobility for those with disabilities; integration of public transport initiatives; and improved amenities such as information bays, noise attenuation and landscaping. Some of the key projects and achievements delivered through the program are shown below.

Key Achievements

Project	Total Project Cost (\$ million)	2012-13 Cost (\$ million)	Completion Date	Description
Gascoyne Region				
Carnarvon Flood Levees	60.0	26.3	March 2014	Construction of levees to mitigate damage from flooding of the Gascoyne River
Great Southern Region				
Fitzgerald River National Park	30.0	5.4	April 2013	Construction of Hamersley Drive and associated spur roads near Hopetoun; upgrade and seal sections of roads to Point Ann
Kimberley Region				
Gibb River Road	3.4	3.1	December 2012	Construct to seal various sections totalling 18 km between El Questro Road and Great Northern Highway
Metropolitan Region				
Mitchell Freeway/ Whitfords Avenue	2.4	2.4	May 2013	Construction of amenity walls
South West Region				
Forrest Highway	2.5	2.5	June 2013	Footbridge over Preston River Eelup

Looking ahead

- Construction of levees to mitigate damage from flooding of the Gascoyne River in the Carnarvon Horticultural Area and improvements to the existing North West Coastal Floodway.
- Continue undertaking various improvement works on the Gibb River Road including gravel re-sheeting and drainage improvements.
- Gravel re-sheeting and drainage improvements on Great Central Road between Laverton and Docker River.
- Continue sealing various sections of the Broome-Cape Leveque Road.

Flood mitigation works, Carnarvon





Case Study

\$50 m
TO IMPROVE
THE PRINCIPAL
SHARED PATH
NETWORK

Encouraging Sustainable Transport and Improving Local Access

A total of \$50 million has been committed to the improvement of the Principal Shared Path (PSP) network in the Perth metropolitan area. This fund will allow us to design and construct critical missing sections and existing substandard sections of the PSP network identified in the Draft Western Australian Bicycle Network Plan 2012-21.

This project will make massive improvements enabling more people to ride more often as a result of this work.

The PSP network is a system of interlinked, high quality shared paths; generally located along freeways, highways and rail reserves. The network allows bicycle riders to travel significant distances quickly, directly and with minimal interruptions. PSPs located in rail reserves also improve pedestrian accessibility to suburban railway stations and encourage people to ride rather than drive to their local station.

This State-funded Program will deliver significant improvements to the level of service enjoyed by bicycle riders travelling for transport purposes into the Perth CBD from suburban areas. Since the introduction of bicycle infrastructure, traffic counters located at strategic locations on the PSP network have shown an annual growth of almost 10% in the number of bicycle movements.

The network improvements are expected to result in an increasing growth rate as it will encourage more people to ride. This will have numerous benefits such as reducing road congestion, improving public health and relieving pressure on public transport infrastructure.

We have made considerable progress on the design of many of the substandard or missing sections of PSP identified in the Western Australian Bicycle Network Plan. We are working to roll out the construction of these new sections of PSP as soon as possible.

Office of Road Safety

Leading and Coordinating the State Road Safety Strategy

This program aims to achieve improved coordination and community awareness of road safety in Western Australia.



EXPENDITURE:
\$43 million

2%
OF TOTAL
BUDGET

Key Performance Indicators

	2013 Target	2013 Actual	Result	Ref
% Effectiveness of road safety awareness campaigns	>50%	83%	✓	113
% of contracts completed on budget	90%	100%	✓	113

	2010	2011	2012
WA Road Fatalities	193	179	183
WA Hospitalisations	2,497	2,384	2,449

Office of Road Safety

Introduction

This program is unique within the Main Roads' program structure and represents the activities of a single business unit – the Office of Road Safety (ORS). The ORS is the lead organisation for road safety in Western Australia and has responsibility for developing, coordinating, promoting and monitoring the State's road safety strategy, *Towards Zero*.

We provide road safety policy, research, evaluation and community education. As the body supporting the Minister for Road Safety in the administration of the *Road Safety Council Act 2002* and providing support to the Road Safety Council (RSC) and Government, we are responsible for administering the Road Trauma Trust Account (RTTA) for road safety programs. From July 2012, the RTTA received 100% of the speed and red light camera fines revenue which are provided to agencies and organisations to implement priority safety projects consistent with the Government's *Towards Zero* Strategy. The Office monitors and reports on the implementation and the results being achieved. Together with the RSC, we promote the shared responsibility of road safety with the objective of significantly reducing road trauma on our roads.

Towards Zero Safety Strategy

Towards Zero is the State's Road Safety Strategy. The underlying philosophy of the strategy means we do not accept that any human being should die or be seriously injured on our roads. Realistically, we understand it is not practical to achieve zero fatalities on our roads by the year 2020, but we do not accept any death or serious injury as inevitable. Using a Safe System approach, *Towards Zero* advocates for safe drivers in safe vehicles, travelling at safe speeds on safe roads. If all components of the *Towards Zero* strategy are fully implemented, we have the potential to save 11,000 people from being killed or seriously injured between 2008 and 2020. That is a reduction of around 40% on present day levels. This also represents a potential cost saving to the community of up to \$2.4 billion. For more information visit our website at www.ors.wa.gov.au.

Recognition

2012 Perth Advertising and Design Club Awards

- Silver 'Online Advertising' – *ESC Scroll Down*
- Bronze 'TV/Cinema Social Marketing & Charity' – *Restraints Sashes*

Road Safety Council

The Road Safety Council (RSC) is chaired by Professor Murray Lampard APM and includes representatives from the Departments of Transport, Planning, Education, Health, Main Roads, Western Australian Local Government Association, Office of Road Safety, Insurance Commission of Western Australia, Western Australia Police and the Royal Automobile Club of Western Australia (RACWA) which represents the State's road users. The Council identifies measures to improve road safety; identifies and recommends measures to reduce deaths and injuries resulting from road crashes; evaluates and monitors the effectiveness of these measures; and makes recommendations to Government to improve safety on the State's roads.

Key Achievements

Leading Business Planning and Projects to Reduce Road Trauma in WA

This year, we took the lead in developing a results-focused performance monitoring framework which reports achieved results and links key indicators to monitor the safety of the network. In line with the findings from the Auditor General's review into the management of the RTTA, we identified major projects and prepared business cases for consideration and funding. We will also continue to strengthen reporting to the Government, Parliament and public on the life saving outcomes of projects funded from the RTTA. We gained Government endorsement on the disbursement of funding based on RSC recommendations for projects that will prioritise the types of crashes occurring on our roads.

Australian First Road Crash Analysis

In 2013, we took a different approach to road crash analysis. Rather than examining past crash trends, and adopting a method applied in a Sweden project, we forecast future trends to provide a clear view to our 2020 road safety goals.



Speed bumps installed at Bidyandanga

In conjunction with a visiting Engineer from Sweden, we analysed fatal crashes on State roads to identify which crashes would not occur in 2020 due to road and vehicle safety improvements. This analysis enabled us to look forward to 2020 and forecast potential reductions in the number of people killed and seriously injured. It also allowed us to identify crash areas that are not fully addressed under current programs.

Remote Area Safe System Demonstration Project

We have been involved in the Austroads Remote Area Safe System Demonstration Project in Bidyadanga, south of Broome. The project has mapped the process of improving the safety of roads, vehicles, speed and behaviour in an Aboriginal community.

Key achievements include:

- Constructing a pedestrian crossing and improved lighting at Bidyadanga
- Improving signage, line marking and speed bumps to lower speeds
- Attaining grants for speed and pedestrian safety awareness in the community
- Negotiating improved fencing so that fewer cattle will stray onto the Great Northern Highway near the Bidyadanga access road.

In applying the Safe System in an Aboriginal community, the challenges and lessons learned can inform other communities and partner organisations seeking to improve road safety in their region.

Remote Alcohol Interlock Trial Commenced

We are the lead agency in a trial investigating issues associated with fitting and using alcohol interlocks in remote areas as part of the Government's introduction of alcohol interlocks for repeat drink driving offenders. An alcohol interlock is a device fitted to a vehicle where a driver must blow into the device and register a Blood Alcohol Concentration of below the legal limit before the engine will start.

The Ngarliyarndu Bindirri Aboriginal Corporation in Roebourne was chosen to coordinate the program on the ground. They are promoting a drink driving message and supporting volunteers in the community to fit alcohol interlocks in their cars. A review managed by our Office is expected to be completed by early 2014.

Management of the Road Safety Council Research Program

We fund road safety research to understand the causes of road trauma; identify new and evaluate existing safety measures, and research ways to prevent road trauma. Since 2009, the Curtin Monash Accident Research Centre (C-MARC) has developed programs of work in response to identified needs. During the year, the following reports were produced:

- Sociocultural understanding of young people
- Understanding and documenting the long term consequences of road trauma
- Understanding the high occurrence of serious casualty crashes by location.

For more information on these reports, please refer to the C-MARC website.

ISO 39001 Standard Information Now Available

We played a lead role in contributing to the creation and launch of ISO 39001 in October 2012. ISO 39001 is an international standard for managing and improving road safety performance within an organisation. It provides a structured, holistic approach to road safety that is complementary to existing programs, procedures and regulations.

The standard is expected to support the transfer of knowledge about what works from the perspectives of road safety researchers and practitioners to a wider range of personnel in different types of organisations. This was an international piece of work and representatives from Australia played a lead role in helping to develop the standard.

New ORS Website

The new ORS website was launched in June 2013 following an extensive review process. To achieve our aim of encouraging stakeholders and community members to learn more about the road safety issues in Western Australia, it is essential that the website is informative and easy to use. As the State's official road safety website, it provides the interface to road safety information for all stakeholders and road users including statistical information about fatal and serious road crashes.

Online Partnership Toolbox assists Workplace Road Safety

Increasing pressure is being placed on organisations to ensure that workplace road safety is adequately addressed and managed. We are on the front foot in supplying this information online through the Online Partnership Toolbox.

The toolbox provides a wide range of resources and aims to assist employers to educate and communicate with their stakeholders and employees thereby helping to reduce death and serious injuries on our roads. It also provides access to information on implementing adequate Workplace Road Safety policies and procedures to improve the safety of an organisation's transport activities. Visit our website to access the toolbox at <http://www.ors-wa.com.au/Partnership/Register-for-Toolbox.aspx>.

Community Education

We undertake major education campaigns aimed at raising community awareness and ultimately leading to behavioural changes that will reduce speed and drink driving related deaths in WA. We have once again produced a 16-page print lift out, 'On the Road', to raise awareness on a range of topics including targeted holiday road safety messages for December and January.

Speed campaigns, 'Post It Notes', 'Enjoy the Ride', two drink driving campaigns 'OK is not OK' and 'You Deserve it' ran State wide through mass media and used online components and social media.

In regional WA, a campaign titled 'Sashes' addressed the prevalence of young males killed in crashes when not wearing a seat belt. We have partnered with WIN TV to broadcast 'Off the Boot', WA's only regional football television show. The show, which concluded in September, featured important road safety 'Belt Up' messages, targeting young males in regional and rural WA.

Aboriginal people are disproportionately represented in statistics relating to drink driving and not wearing seat belts. In the Kimberley, we have a strong working partnership with Goolarri Media Enterprises which ran media campaigns to deliver specific road safety messages to Aboriginal Australians. Two culturally appropriate television and radio commercials on drink driving and use of restraints were produced and ran monthly from September 2012 to June 2013.



Looking ahead

- Enhance the monitoring and reporting of road safety results with the new performance indicator framework and improved evaluation and auditing.
- Continue to produce community education campaigns with a focus on priority areas for reducing road trauma in the safe system approach.
- Implement the outcomes of the Government's review of the Road Safety Framework.
- Support Government in implementing the repeat drink driving strategy to enable the use of alcohol interlocks for repeat and high end drink drivers.
- Develop and implement an annual evaluation program to maximise the effective use of RTTA funds.



Case Study

60%
OF ALL ROAD
DEATHS AND SERIOUS
INJURIES ARE SINGLE
VEHICLE RUN OFF
ROAD CRASHES

Regional Run Off Road Program

Towards Zero, the State's road safety strategy for 2008-2020 clearly identified regional run off road crashes as a priority area for reducing the number of people killed and seriously injured. Single vehicle run off road crashes accounted for almost 60% of all road deaths and serious injuries in regional and remote Western Australia from 2008-2012. This year, increased funding from the Road Trauma Trust Account (RTTA) means the Regional Run off Road Program is the largest funded program with \$37 million allocated to its further development and implementation.

Targeting priority sections of rural roads will provide immediate road safety benefits for regional communities.

The Regional Run off Road Program has been guided by work undertaken last year, where State roads with an above average run off road crash risk were identified and prioritised into three tiers. Treatment work on prioritised road lengths across all regions commenced this year.

Reducing run off road crashes addresses a foundation principle of *Towards Zero* and delivers instant and long-lasting results.

The recommended treatments are also a lower cost per kilometre compared with other approaches.

The program is paired with community education programs on safer behaviours and safe vehicles to ensure we are always providing comprehensive solutions. An example is the Electronic Stability Control (ESC) campaign – another initiative designed to reduce death and serious injury on our roads. Run through advertising in various media in regional and remote Western Australia, the campaigns objective was to communicate the importance and generate an understanding of ESC as an essential vehicle safety feature in preventing run-off road crashes.

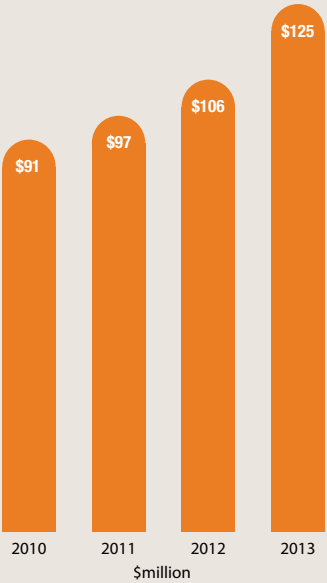
Through the year, 30 projects were delivered across the State road network, achieving 98% (\$36.6 million) expenditure of the program. Proven and effective treatments in reducing run off road crashes included construction of sealed and widened shoulders and the installation of audible edge lining.



Road Management

Providing Reliable and Efficient Movement of People and Goods

This program optimises real-time management of the network, provides traveller information, improves asset management planning, and supports service delivery.



EXPENDITURE:
\$125 million

7%
OF TOTAL
BUDGET

Key Performance Indicators

			2013 Target	2013 Actual	Result	Ref
% of contracts completed on time			90%	86%	✓	115
% of contracts completed on budget			90%	100%	✓	115
% Network configuration	Roads		90%	89%	✓	114
	Bridges	Strength	87%	88%		

Note: Road Efficiency and Road Management both contribute to the outcome of 'providing reliable and efficient movement of people and goods' and so share some key indicators.

Road Management

Introduction

The Road Management Program covers activities associated with the management and operations of the road network including providing technical advice about the road network that cannot be allocated to a specific road project. It includes achievements of the State's Traffic Operations Centre, Road Safety Support, Heavy Vehicle Operations, and Planning and Technical Services. Some of the key projects and research activities delivered through the program are outlined below.

Traffic Operations Achievements

We have continued to roll-out Intelligent Transport Systems (ITS) aimed at providing new opportunities to manage congestion and reduce road crashes and the environmental impacts of transport. Some of the foundation infrastructure delivered through the Efficiency Program as well as other initiatives implemented over the past year include:

- Fifty CCTV cameras installed to assist with Incident Response Management.
- Roe Highway ITS expansion: 16 kilometres of fibre optic cable added.
- Reid Highway ITS expansion: 16 kilometres of fibre optic cable added.
- Five Variable Message Signs installed on Great Eastern Highway and Roe Highway.

Road Safety Support Achievements

All details of our Road Safety policy and guidelines, along with a range of safety tools and information that may be of use to practitioners and the community, are available on our website.

Fatal Crash Investigations

A total of 147 preliminary fatal crash investigations were undertaken over the past year. In addition, 58 comprehensive full reports have been completed. Improvements identified during the assessments are collated into a Corrective Action Report and sent Asset Managers for action.

Recognition

2012 WA Transport Industry Awards

- Winner 'NTI WA Transport Woman of the Year' – *Kellie Houlahan, Project Manager Heavy Vehicle Operations*
- Joint Winner 'Freight & Logistic Council WA Most Outstanding Contribution to the WA Road Transport Industry' – *Pascal Felix, Director Heavy Vehicle Operations*

2012 WA Transport & Logistics Awards

- High Commendation in the 'Innovation Award' category – *Heavy Haulage*

Traffic Management Code of Practice

The Main Roads Traffic Management for Works on Roads Code of Practice was updated and released in June 2013. This release of the Code contains substantial roadwork traffic management improvement initiatives.

We have developed a Provision of Service Agreement for the delivery of accreditation by Registered Training Organisations (RTOs). The service agreement provides a framework that enables us to select, register and monitor the performance of RTOs. This agreement will improve the standard of traffic management throughout the State.

Heavy Vehicle Operations Achievements

Vehicles over 19 metres long, 4.3 metres high, 2.5 metres wide or over 42.5 tonne gross mass are classed as Restricted Access Vehicles (RAVs). Heavy Vehicle Operations (HVO) regulates access to WA's road network for RAVs via a system of notices and permits.





With a strong focus on innovation and cutting red tape, we are increasingly at the forefront of developing and implementing measures aimed at improving efficiency, road safety, community amenity and the preservation of road infrastructure.

The following are some of the initiatives we have undertaken over the last 12 months:

Over-Size, Over-Mass Unit

In April 2012, Transport Minister Troy Buswell announced the introduction of a 'one stop shop' to provide the heavy vehicle industry with a centralised point of contact to process permit applications and approvals required to conduct over-size, over-mass movements.

The Unit is facilitating approvals with a steadily increasing volume of Over-Size, Over-Mass (OSOM) movements more efficiently and effectively, providing industry with the confidence to commit to planned ventures, providing jobs, and supporting the growth of the Western Australian economy.

One particularly innovative feature is the Unit's cost-recovery business model that provides operators with fiscal certainty and the ability to budget effectively, as well as relieving taxpayers of the requirement to underwrite services provided to commercial industry.

Officially launched on 1 January 2013, the OSOM Unit has provided the following immediate and far-reaching benefits:

- Transport operators no longer have to deal with up to four separate agencies to conduct OSOM movements.
- A core team of traffic escort wardens has been established, allowing police officers to return to front line duties.
- A Heavy Vehicle Helpdesk (138 HVO) has been established providing a single point of contact, extended hours of service and first point issue resolution. In its first six months, it received 27,204 calls.
- Since March 2012, following a successful trial in the Pilbara region, night movements of OSOM loads have been allowed in the Perth Metropolitan area, reducing traffic congestion for daytime road users. The Pilbara trial saw over 130 convoys, consisting of up to seven over-size loads between 8.5 metres and 15 metres wide, complete moves from Port Hedland to the Solomon and Jumblebar mine sites.
- Overhead power lines have been relocated underground at eight key locations on the Great Northern Highway and a further seven on the Melville to Mandurah corridor.

Our Operational Performance: Road Management

A program has been put in place to underground more power lines on key high-wide load corridors.

- Five extra pullover and layover bays on the Great Northern Highway between Port Hedland and Newman were provided. Pullover bays are temporary parking spaces for OSOM loads to allow backed-up traffic to overtake, while layover bays allow single loads and convoys to park off-road if required.

On-line Permitting System

Phase One of MOVES, our new online permitting system, was launched in April 2013. The system is a significant cost-cutting initiative and a means of reducing time-consuming administration. MOVES Phase One enabled registered users to seamlessly apply for, pay and obtain Class One RAV Oversize Period Permits and the Class One RAV Oversize Boat Trailer Period Permits; make payments for permits and accreditation; and access a range of user-updated payment, contact and fleet information. Phase Two, released in June 2013, enabled registered users to apply online for complex permits such as Single Trip Combination Permits, Single Trip Oversize Permits and Single Trip Extra Mass Permits; request traffic escort bookings; and add and update vehicle details online rather than submitting a written form.

Accreditation

We assumed responsibility for the accreditation of pilots with the implementation of the OSOM Unit. Pilots provide warnings of an oversize load, direct other road users, and ensure safe passage of the load. Current regulatory arrangements are being reviewed and an improved system to regulate pilots is being developed. The new system will aim to improve the professionalism of pilots across the industry and will provide an effective mechanism to ensure that standards of operation are adhered to. We will take responsibility from training providers for the issuing of pilot accreditation cards in late 2013, with the complete roll out of new operating arrangements in early 2014.

Permits

A significant reduction in red tape came with the consolidation of Prime Mover/Trailer Combination and Truck/Trailer Combination Period Permits – the two most commonly issued permits for restricted access vehicles – into a single Gazette Notice.

The consolidation removed the \$50 permit fee as well as removing the application, renewal and issuing processes, saving industry an estimated \$250,000 a year and bringing us into line with other States.

Compliance

We are responsible for monitoring and improving heavy vehicle compliance outcomes of road safety and infrastructure protection, minimising the impact of road transport on the community, and reducing unfair competitive advantage through non-compliance. The Compliance and Enforcement Legislation (Chain of Responsibility), due to be implemented in 2014, will extend responsibility for the safe movement of freight by road to everyone involved in the transport process. We will run a major communications campaign to provide stakeholders with a comprehensive overview of their responsibilities under the new reforms.

Industry Reform

We participate in various national reform initiatives which will play a major role in shaping the transport industry of the future, including:

- The National Heavy Vehicle Regulator (NHVR) commenced limited services in January 2013. During 2013, all States and Territories (except WA) are expected to pass enabling legislation that applies the Heavy Vehicle National Law in their jurisdiction. Our Government is committed to ensuring that the State's interests are protected and a thorough evaluation of the potential impacts on the State's finances, economy and transport will be conducted before it commits to this major reform. We are participating in the NHVR Project at all levels to ensure the State's position is understood.
- Heavy Vehicle Charging and Investment is a Council of Australian Governments' reform to improve the link between road use and investment by considering alternatives to the current fuel registration-based heavy vehicle charging regime.
- Performance Based Standards focuses on how well the vehicle behaves on the road, rather than how big and heavy the vehicle is. It allows industry additional opportunities to innovate, resulting in improved productivity for a given freight task, safer performance and the least possible effects on roads and bridges.

- Intelligent Access Program is a move towards self-regulation. It gives operators enhanced access to the road network in return for self-monitoring their compliance with access conditions using in-vehicle communications technology.

Accredited Mass and Loading Scheme

We are at the forefront of developing an extra mass loading scheme, replacing the existing 20-year-old framework. Recommended by the Ministerial Heavy Vehicle Advisory Panel, the new Scheme will be rolled out in two stages. Stage One comprises the amalgamation of two existing extra mass schemes and development of a new Accreditation Module. Stage Two will consolidate and include more industry-specific mass schemes, including the Livestock Concessional Loading Scheme and the Import and Export Container Scheme. Underpinning the proposed arrangements will be a new Mass Management module aligned with WA Heavy Vehicle Accreditation. Prescriptive standards for ensuring and demonstrating compliance with mass and loading requirements are included in the provisions of the new *Road Traffic (Vehicles) Act 2012*, to be proclaimed in 2013.

Planning and Technical Achievements

Monitoring the Bicycle Network

We play a key role in monitoring Perth cyclists and released the draft Western Australian Bicycle Network (WABN) Plan in March 2012. The development of the WABN Plan was assisted by data collected from 11 permanent cycle count sites located around the Perth CBD from 2008.

Data from these sites showed a 14% increase in cycle traffic between 2011 and 2012. Cycle count sites are now automated and operate continuously with data available within one week of collection.

The number of permanent count sites on the Perth bicycle network has doubled over the last 18 months to 24 sites, covering both recreational and commuter routes.

For more information on the WABN Plan, please visit this website.

IRIS Data Improvement Project

The Integrated Road Inventory System (IRIS) Improvement Project was initiated to review data management processes. This followed the commencement of the integrated service agreements as Regions resumed responsibility for updating and managing IRIS data.

There was a clear business need to ensure that effective data management processes were in place to undertake sound operational asset management. To drive this change into meaningful outcomes, the project focused on developing new, efficient and sustainable data management practices. The IRIS Assurance Framework is the cornerstone of the project and was developed for the ongoing monitoring and assessment of data management processes. It is encouraging to see the commitment of regions to the framework which ensures the sustainable integrity of corporate asset information.

ikeGPS

The ikeGPS is an all-in-one GPS enabled tool for field data pick up. This initiative allows the regions to streamline field capture of asset information. With the press of a button, the device uses an inbuilt laser to capture the coordinates of any object (accurate to one metre) from a distance of 300 metres. Customised menus can be deployed to the ikeGPS allowing users to control information collected for each asset type. Regions have used the ikeGPS for collecting signs, culverts, parking bays and surfacing information and have found it time saving and easy to use.



Our Operational Performance: Road Management

The Eelup Roundabout

With an internal diameter of 180 metres, the Eelup roundabout is the State's largest and is located at the entrance to the City of Bunbury where it connects four major roads including the main link between Perth and the South West. At 140 crashes per year, the intersection had one of the worst crash histories in the State. During peak periods and more particularly during holiday peaks, motorists experienced considerable delays. The upgrade of the roundabout saw the delivery of Western Australia's first ever fully signalled roundabout. This innovative traffic engineering solution was designed to address both safety and congestion issues. The outcome has surpassed expectations with current data showing a reduction in the crash rate by about 75%, and traffic flowing efficiently even at the busiest times.



Looking ahead

- Develop a process to review traffic signal operation and co-ordination.
- Deploy Network Operation Plans and operational improvements for key congested road corridors.
- Provide a new ITS Control System for the Traffic Operations Centre.
- Implement an interactive training package to ensure Road Traffic Engineering graduates are exposed to the principles of road design and drainage.
- The new Chain of Responsibility legislation is due for implementation in 2014.

Eelup Roundabout, Bunbury



Case Study

\$105 m
CBD PLAN
TO EASE
CONGESTION

Easing Congestion: Active Traffic Management

The \$105 million CBD Transport Plan includes a range of transport solutions to improve the operation of the CBD road network and address the challenge of Perth's rapidly increasing population over the next five years.

This will be the most significant transformation of the Perth CBD in decades and it will change the way traffic moves in the city.

One of the major initiatives of this plan includes providing almost \$48 million towards an Active Traffic Management (ATM) program to improve traffic flows within the Perth CBD. The ATM program includes a dedicated Incident Response Service (IRS) for the Northbridge Tunnel, Perth CBD and inner-city sections of the Mitchell and Kwinana Freeways. The IRS aims to provide drivers with an easier, smoother and more reliable journey by responding efficiently to incidents that impact on the flow of traffic.

Stage One of the IRS was first introduced in November 2012 and has assisted over 170 vehicles in the Northbridge Tunnel as well as clearing debris that posed a risk to drivers. The IRS fleet will continue expanding to include a new fleet of IRS vehicles that operate on Perth CBD roads and on the Mitchell and Kwinana Freeways between the Reid Highway and Roe Highway interchanges.

Other ATM initiatives in the Perth CBD area include the implementation of a towing service to help clear the blockages from illegal Clearway and No Stopping areas and installing additional CCTV cameras.

To support ATM initiatives, a series of new traffic maps have been made available on our website to help road users plan their journeys in and around the Perth CBD. The maps are updated weekly to display current road works and suggested alternative routes.

These projects help ensure the Perth CBD can accommodate major city development projects and a growing population while aiming to keep people moving as safely and efficiently as possible.

Our Business Activities

This Section report on the various support services that are pivotal in the delivery of our projects and ongoing operations and management of the road network. It takes into consideration the management of environmental practices; shows how we have built good relationships with our customers and stakeholders; and details our efforts in the development of our employees, their capabilities and their safety, health and wellbeing. We constantly strive to ensure we improve our support services.

The various components that we are reporting on appear below:

Activity	Page Ref.
Environmental Management	60
Enhancing Relationships	66
Developing Capabilities	73
Safety, Health and Wellbeing	80



Fitzgerald River National Park



Environmental Management

Committed to Responsible Environment Stewardship

Our aims are to protect the environmental values of road reserves; minimise impacts on the natural environment, energy consumption and waste; and conserve natural resources.

Key Performance Indicators

	2011	2012	2013	Ref
GRI Achievements	B (GRI checked)	B (GRI checked)	B (GRI checked)	162
Scope 1 and 2 Emissions (t CO ₂)	28,042	28,368	27,949	62
Electricity Usage (MJ)	108,319,936	112,238,856	109,300,643	62
Fuel Usage (MJ)	46,078,344	39,885,497	47,939,701	62
Gas Usage (MJ)	650,600	1,737,718	1,655,049	62
Area Cleared (ha)	279.7	111.6	256.4	61
Area Re-vegetated (ha)	358.3	116.1	239.2	61

Note: Emissions calculated as per Department of Environment and Conservation requirements which align to the National Greenhouse and Energy Reporting Act 2007.

Environmental Management

Introduction

We recognise that the management of the State road network involves a range of activities that have the potential to negatively impact Western Australia's unique environment.

Our approach to responsibly managing our road operations is to have an informed and committed workforce guided by policy and systems.

Further information can be found on our website.

Our Corporate policy establishes principles of environmental protection, impact minimisation and conservation of natural resources.

The Environmental Policy is implemented throughout the organisation via management systems and processes. Our Environmental Management System addresses all business activity that has environmental aspects and risks. The system defines responsibilities and competencies, procedures and standards, auditing and review. This year a comprehensive independent audit resulted in successful recertification of the system to the international standard ISO 14001:2004 Environmental Management Systems. Our environmental objectives are as follows:

- Implement a systems-based approach to environmental management
- Seek full compliance with all statutory environmental requirements
- Maintain or improve the biodiversity values of roadsides
- Minimise the impacts of noise associated with the road network
- Protect Aboriginal heritage values of road reserves
- Minimise the environmental impacts of materials used in road construction
- Maximise the efficiency of resources used by Main Roads
- Minimise impacts of roads on water quality.

Key Achievements

Transport Portfolio Sustainability Policy

With the creation of the Transport Portfolio aiming to enhance the coordination of the State's transport system and harness the synergies of its three portfolio partners an opportunity exists to develop and deploy an integrated approach to sustainability.

A collaborative project between the Department of Transport, Public Transport Authority and Main Roads has begun delivering a Portfolio Sustainability Policy and action plan. It is expected the policy will be launched in early 2014. Further information can be found on our website.

Property Management

During the course of the year we have continued to design and deliver residential development with a minimum six star energy rating on the Nationwide House Energy Rating Scheme, and have recently completed installation of solar panels to a residential trial site. We have also implemented water efficient measures through the use of Water Efficiency Labelling and Standards scheme rated fittings to wet areas, and through the design and implementation of 'WaterWise' landscaping and irrigation.

From a commercial perspective, construction continues at Wedgefield on a new laboratory that incorporates solar passive design, insulated roof sheet, double skin insulated walls, efficient lighting, heating/cooling systems and a variety of other water and energy savings measures. Refurbishment of the second floor of the Don Aitken Centre was also completed during the course of the year. Every element of the fit-out was considered from an environmental perspective. Furnishings, materials and finishings were assessed against national and international ratings systems to ensure minimal carbon footprint, and contaminant releases to land, air and water. New LED lighting, lighting control systems and supplementary mechanical services systems were installed. These will return substantial energy saving that will be measured over the following 12 month cycle.

Environmental Management of Road Projects

Road planning and project development is subject to environmental impact assessment. Screening and preliminary assessment identifies where more detailed field studies are required. When impacts are likely to be significant, the project will then be referred to State or Commonwealth regulators for statutory approval.

Recognition

2012 WA Environment Awards

- Winner 'Resource and Waste' – *Custom Composts with Main Roads WA; New Perth Bunbury Highway Soil Manufacture for Landscaping and Construction.*
- Finalist 'Biodiversity Conservation' – *Mandurah Entrance Road Project*
- Finalist 'Government Leading by Example' – *Mandurah Entrance Road Project*

The table below indicates the number of road projects and assessment types. There were three instances of non-compliance this year, all relating to the clearing of native vegetation, which are being addressed through compliance improvement actions. There were no penalties or financial sanctions relating to our operations.

Level of Environmental Assessment	2010	2011	2012
Number of road projects subjected to environmental screening	97	83	114
Number of road projects for which environmental impact assessment was conducted	60	44	82
Number of road projects referred for possible assessment under State or Commonwealth legislation	8	2	10
Number of road projects assessed under State or Commonwealth legislation	4	1	1
Environmental Compliance			
Number of environmental non-compliance instances	12	4	3

Results are only available in calendar year.

Carbon Reduction Plan – Climate Change Adaptation and Mitigation

We have developed a Carbon Reduction Plan and Target which aims for 5-15% reduction on 2010 levels by 2020 for our Scope One and Two emissions and have finalised a Climate Change Adaptation Plan for our business. Some initiatives that Main Roads has undertaken include upgrading traffic signals with LED lanterns and replacing fluorescent tubes in the Northbridge Tunnel with LED tubes. Further details of the above initiatives and achievements that reduce our emissions and energy consumption can be found on our website.

Energy Usage and Greenhouse Gas

Scope 1 or 2 and 3	2010-11	2011-12	2012-13
GHG Type (t CO ₂)			
Fuel	3,597	2,914	3,196
Street and Traffic Lights	22,894	23,400	23,031
Buildings	4,816	5,378	4,993
Air Travel	496	513	422
Fuel – Maintenance activities	n/a	n/a	5,402
Offsets	-1,753	-4,535	-1,792
Total	30,050	27,670	35,252

Scope 1 or 2 and 3	2010-11	2011-12	2012-13
GHG Category (t CO ₂)			
Scope 1	3,160	2,803	3,052
Scope 2	24,882	25,566	24,896
<i>Sub total</i>	<i>28,042</i>	<i>28,368</i>	<i>27,949</i>
Scope 3	3,761	3,836	9,096
Offsets	-1,753	-4,535	-1,792
Total	30,050	27,670	35,252

Note: 2013 fleet emissions yet to be offset.

The level of emissions is on target to achieve our 2020 goal. Our aim this year was for our Scope One and Two emissions not exceed 30,965 t CO₂ which was achieved with our calculated emission levels of 27,949 t CO₂. The result is due to initiatives rolled out as part of the Carbon Reduction Plan and largely as a result of the continued roll-out of LED traffic signal lighting on the road network. Our focus for future reductions is from improvements to our street lighting.

Aboriginal Heritage

Australia has a rich heritage of Aboriginal culture, with heritage sites occurring widely across the State. Our planning and development processes include identifying heritage sites and avoiding them wherever possible. Consultation with Aboriginal community representatives is an important step in understanding the extent and significance of heritage localities, particularly when they have not yet been thoroughly recorded. This year there were 10 formal heritage meetings.

Conserving fuel

Main Roads is working together with the providers of our Integrated Service Arrangements (ISAs) to improve energy efficiency from maintenance activities. This ranges from on-the-job practice through to sustainability in procurement processes.

For example each ISA is asked to assess their purchase of new plant on a number of criteria including 20% weighting allocated to environmental. Criteria such as service intervals, fuel consumption, engine emission standards, bio-degradable oil and recyclable components are assessed.

Another example is the specification of all operational utilities include dual batteries so they switch off the vehicle and conserve fuel while still running the rotating beacons.

A reporting regime begun during the year with fuel consumption monitored monthly. Any fuel consumption that exceeds 20% of the predicted consumption is investigated. The reported fuel use during 2012-13 was almost 2.5 million litres. No reductions were able to be measured as there was no benchmark to compare against. We will aim to report fuel reductions from next year.

Electric Vehicle Trial Completed

The WA Electric Vehicle (EV) Trial, initiated and managed by local company CO2Smart and in cooperation with the University of Western Australia (UWA)'s Renewable Energy Vehicle Project team, ran from November 2010 to December 2012. This trial was an Australian first and involved the conversion of 11 Ford Focus vehicles for use in Government and private industry light vehicle fleet.

We participated in the trial and gained experience in using the EV within our vehicle fleet and understood the impact of electric vehicles on the road network. Our involvement in the EV Trial has appeared in two television news stories and a number of newspaper reports. The WA EV Trial report has now been released as of June 2013 and is publicly available at <http://therevproject.com/trialreport.pdf>.

We intend to continue to support EV's as an initiative targeting transport energy security by maintaining EV's within our vehicle fleet where practical. We will continue to provide data for UWA's research purposes from all new EV's added to our fleet.

Sustainability Evaluation in Major Projects

We have adopted the Infrastructure Sustainability (IS) rating tool for major projects valued at \$100 million and over. This tool is Australia's only comprehensive rating system for evaluating sustainability across design, construction and operation of infrastructure. Our commitment to the rating tool will see approximately two major projects undergo formal verification and evaluation under the Infrastructure Sustainability Council of Australia's rating scheme per year. An internal process for evaluating our other major projects for sustainability will be developed based on the IS rating tool.

Supporting schemes such as the IS rating tool directly links to our current approach to sustainability. We have participated in pilot trials during the development of the IS Rating Tool for infrastructure through two major projects. Further to the trials, we achieved a formal rating for the GEH project. For more information on our achievements on the GEH project, please refer to the case study on page 65. We have also registered the Gateway WA project to seek formal ratings. More information on the IS rating scheme can be found on our website.

Resource Conservation

Our main objective in resource conservation is to minimise the environmental impacts of materials used in road construction. Natural materials are crucial in road building, so when obtaining road building materials we endeavour to avoid clearing natural vegetation, particularly high value vegetation. This is achieved through strategic materials searches and extracting material from previously cleared or degraded areas where possible.

Our Business Activities: Environmental Management

The following table details the extent and type of materials extracted over the last three years:

Materials Extracted

Indicator	2010	2011	2012
Imported road construction materials			
Sand (000s t)	842	735	482
Gravel (000s t)	89	1,161	1,013
Crushed rock (000s t)	109	254	2
Limestone (000s t)	320	144	173
Aggregate (000s t)	60	48	26
Asphalt (000s t)	68	83	52
Other (000s t)	159	387	169
Kerbing, barriers, bridges and culverts			
Concrete (cubic metres)	8,549	10,876	26,809
Other (000s t)	4.65	1.49	0.54

Resources Recycled

Indicator	2010	2011	2012
Waste materials to landfill			
Kerbing (m)	10,591	3,640	9,779
Pavement/footpath (m ²)	13,438	3,445	9,041
Existing seal (m ²)	88,817	215,265	227,160
Unsuitable material (m ³)	6,360	77,944	9,683
Other (m ³)	10,060	8,943	767
Recycled Materials			
Total (000s t)	14.66	74.08	59.09

The non-homogenous nature of road projects and wide diversity of materials used across the State mean that it is not possible to make comparisons or draw trend analysis from one year to another.



Great North Highway realignment, Port Hedland

Looking ahead

- Finalise development of a Sustainability Performance Framework.
- Continue deployment of a Carbon Reduction Plan and Climate Change Adaption Plan.
- Develop a Portfolio Sustainability Policy.
- Embed Infrastructure Sustainability framework requirements and roll-out within major projects.



Case Study

City East Alliance achieves Australian first

43%
OF IMPORTED
MATERIALS
USED WERE
RECYCLED

The Great Eastern Highway (GEH) Project, officially opened by the Prime Minister, has been verified to have achieved a commendable 'As Built' rating under the Infrastructure Sustainability Council of Australia's Infrastructure Sustainability rating scheme. Following on from participation in a pilot trial of the rating tool, the City East Alliance (CEA) team is proud to be the first project in Australia to achieve an 'As Built' rating under this new rating scheme.

The City East Alliance team is proud to be part of the first project in Australia to achieve an 'As Built' rating under the Infrastructure Sustainability rating scheme.

The Infrastructure Sustainability (IS) rating tool is Australia's only comprehensive rating system for evaluating sustainability across design, construction and operation of infrastructure. The IS scheme is effectively an independent sustainability auditing process which looks at both 'process' and 'outcome' to determine what extent an infrastructure project has sustainability embedded within it.

Working collaboratively in an Alliance provided an ideal platform for applying the technical requirements and specification reviews of innovations such as warm mix asphalt and crushed comingled recycled concrete sub-base and recycled asphalt pavement. More than a dozen sustainability initiatives were developed by the Alliance and implemented across the project in some capacity. Many of these initiatives involved reducing waste, reusing material

onsite, recycling waste and using recycled products. As a result, no potable water was used during construction and 43% of imported materials by weight were recycled.

The CEA team comprised of Main Roads working with Leighton Contractors, GHD and NRW Holdings. The \$280 million GEH upgrade involved widening a 4.2 kilometre section of road in Belmont and was delivered six months ahead of schedule. Prior to the upgrade, this stretch of road was operating beyond capacity with a crash rate almost twice that of the State average. To learn more about the Infrastructure Sustainability rating tool, refer to the Sustainability page on our website.



Enhancing Relationships

Providing the Right Roads for Our Community

We strive to make roads work for all road users in Western Australia by creating and sustaining an open, supportive and responsive organisation.

Key Performance Indicators

	2011	2012	2013	Ref
% of our commitment to customer service delivery	89%	94%	93%	67
% satisfied with our overall performance	97%	95%	94%	68
% stakeholders satisfied with their interactions with Main Roads ¹	92%	N/A	94%	68

¹ The Stakeholder Satisfaction Survey is conducted biennially.

Enhancing Relationships

Introduction

Our aim is to form strong collaborative relationships based on mutual respect and benefit that lead to solutions and value creation for the community and our partners.

The Principles below form the foundation for enhancing our internal relationships and relationships with our stakeholders and partners:

- Engaging with the community and all partners
- Nurturing internal and external relationships
- Developing trust by delivering commitments, attaining win-win outcomes
- Responding proactively, especially advocating for public service
- Challenging the Status Quo by adopting *wisdom of crowd* approach allowing for emergence of new ideas
- Acknowledging everyone's contribution
- Ensuring the early involvement of key stakeholders
- Achieving our common goals in an environment that engages, informs and connects people
- Developing new relationships to explore new business opportunities.

Key Achievements

Customer Service Strategy

We have a history of delivering excellent customer services supported by strategies such as Excellence in Roads. This strategy aligned operational customer service outcomes to internationally recognised standards thereby providing excellence in front line customer service strategy.

Our new Customer Service Strategy is aimed at the delivery of excellent services to our customers and focuses on building on our operational strengths to achieve road user outcomes. Our new strategy supports our new Strategic Plan, 'Towards 2020', with a strong focus on understanding our customers and their needs. In addition, the new strategy focusses on using technology to improve communication and information delivery and the foster a customer centric culture.

Customer Charter Index

The commitments in the Customer Service Charter are measured by the Customer Charter Index (CCI). The index incorporates a range of measures to deliver our commitments to our customers. We report our performance against these measures quarterly on our website. As we improve processes and technology across the organisation, these measures will evolve to reflect customer needs and to challenge us. The overall result is 93.4% against a target of 100%.

Community Perception Survey

The Community Perception Survey (CPS) has been conducted annually for 18 years to track Main Roads performance on a range of issues such as road safety, cycling and pedestrian facilities and maintenance of the road network.

In 2012, we also started capturing information on what type of issues are priorities for the Western Australia community enabling us to more clearly align the results of the CPS to our business planning cycle and focus our efforts on improving priority areas.



Our Business Activities: Enhancing Relationships

The 2013 CPS was conducted in April and results were reported to Corporate Executive. The following are some highlights of the indicators that were measured:

Satisfaction with	2011	2012	2013
Our overall performance	97%	95%	94%
Road Safety	95%	92%	94%
Providing cycle ways & pedestrian facilities	90%	76%	83%
Road maintenance	94%	90%	84%

Some key points from the 2013 survey report identified that metropolitan road users are concerned with traffic congestion and want easy access to real time traffic information to help plan their journeys or make changes en route. Regional road users are concerned about safety when driving on our roads and the impact that heavy vehicles have on the quality of roads.

As explored elsewhere in this report, we have seen increasing pressure on the services we provide as our population grows and our urban environment continues to change. As we have addressed some of these issues, many infrastructure projects and road improvement initiatives implemented have impacted road users during the last 12 months and caused disruptions to their journeys. This may have been a contributing factor in this year's CPS outcome with the slight downward trend in satisfaction.

Stakeholder Satisfaction Survey

The biennial Stakeholder Satisfaction Survey was conducted in May 2013 with the overall objective being to gauge the satisfaction of stakeholders with their interactions and business dealings with Main Roads. Results of the survey were reported to Corporate Executive and assisted us in prioritising areas for the development of strategic initiatives or interventions to improve our relationships with stakeholders.

The survey was completed by 318 primary stakeholders; an increase of almost 20% from the 2011 survey. More than 2,200 comments were received which included expressions of dissatisfaction, compliments and suggestions for improvement. All comments have been analysed along with the results of the survey and a list of improvement actions put into place.

It was pleasing to see that 94% of our stakeholders consider our interactions to be okay, good or excellent which is slightly higher than the 92% satisfaction achieved in 2011.

Perceptions of our performance on key attributes is positive with between 55% and 88% of stakeholders rating service interactions as good or excellent, 15 of the 26 attributes measured scored 70% or better.

The top five service attributes showing our strongest performance were:

- Responding to your queries in a professional and friendly manner
- The quality of telephone communication
- Providing information that is clear and easy to understand
- The overall ease of doing business with Main Roads (the highest driver of overall satisfaction)
- The quality of face-to-face communication.

Customer Feedback

As an organisation, we use customer feedback to improve our business practices. There are a number of ways customers can provide us with feedback and these can be found on our website. Our new website now enables customers to provide feedback using an online form.

To ensure all employees have the appropriate skills in capturing and actioning customer feedback, a 'customer service' section is now included for all new employees during their induction. This complements our online training in complaints handling and the deliverables in the customer service charter.

We analyse and report monthly to Corporate Executive on complaint trends and customer interactions. The closed loop reporting cycle introduced in 2011 allows the Business Improvement Committee to monitor improvements in customer outcomes as a result of targeted activities around high trending complaints and the actions taken to eliminate or reduce these complaints.

Our Business Activities: Enhancing Relationships

The following shows the types of feedback that we received:

Feedback Type	2012	2013
Complaints	1,783	2,789
Compliments	154	218
Customer Requests	336	456
Business Improvements	100	55

This table shows the top five areas of complaints:

Category of Complaints	2012 (%)	2013 (%)
Traffic Signals	12	10
Planning Issues	10	9
Safety Issues	9	9
Road Works	6	7
Road Condition/Quality	6	7

For more information on our Complaints Handling Process, please refer to our Governance section, page 101.

Online Services

Demand for provision of information on our website continues to grow rapidly with many customers indicating a preference for self service options. Our website underwent a redesign in April 2013 to improve the communication of traffic incidents on the network. Planning has commenced for a project to review the full website and create enhanced customer friendly content and navigation by 2015. We continue to research new channels of communication to continue improving the way we communicate with road users.

Twitter

Twitter is a highly successful method of communication for the delivery of incident and traffic information on our road network. We have a following, which to our knowledge is unmatched by any other road agency in Australia. As at the 30th June 2013, the Perth metropolitan Twitter account now has more than 17,000 followers. The WA Roads Twitter account, which provides regional traffic information, has experienced a steady growth, with this account now having almost 3,000 followers. On average, we tweet 475 times per month.

YouTube

To help our customers gain a greater understanding and awareness of significant changes to our services and network, we now have a You Tube channel. As at the end of June 2013, there are 11 videos to view, which have received more than 8,200 views. This is a new channel of communication that we will continue to explore.

Customer Service Advisory Council

Established in 2006, the Customer Service Advisory Council has supported our improvement in service delivery and challenged us to extend and broaden our thinking in our operations, projects and strategic planning. The Council challenges our various business areas to improve customer outcomes.

During the year, the Council provided feedback and direction on:

- Improvements to how we publish information on our 'Roadside Amenities and Rest Areas'
- The CBD Congestion Strategy (including communications)
- The Incident Response Service in the Northbridge Tunnel
- The upgrading of the Northbridge Tunnel to three lanes in each direction and the widening of the Mitchell Freeway northbound from the City to Powis Street.

The Council is independently chaired by Edd Black, Principal of Huntingdale Primary School and has community and industry members representing our diverse road users.

Customer Information Centre

The Customer Information Centre (CIC) provides a 24 hour, seven days a week service to the community. It provides information using a range of communication tools catering for diverse community needs across the State.

The CIC plays an important role in State-wide incident management providing timely and pertinent information to the public and stakeholders. Cyclones, bushfires, storms and major incidents kept the CIC team busy this year assisting communities and road users in affected areas across the State.

Our Business Activities: Enhancing Relationships

Emails continue to be a major channel of choice by customer with the CIC responding to an average of 1,700 emails per month. All emails are responded to within 24 hours of receipt with 80% of email queries being answered on first reply.

Customer Contact Statistics	2011	2012	2013	Variance
Telephone Calls	239,782	208,140	150,234	-57,906*
Email Enquires	16,014	18,104	20,612	+2,508
Perth Twitter followers	3,670	10,516	17,099	+6,583
Perth Tweets	2,155	6,266	5,098	-1,168
WA Roads Twitter Followers	N/A	748	2,750	+2,002
WA Roads Tweets	N/A	324	619	+295

*HVO Helpdesk commenced service in November 2012.

Calls and emails are analysed monthly to identify why people call and email us. The results are used to improve information and services for customers by targeted improvements in online services, process improvements and the elimination of barriers to customer outcomes.

Disability Access and Inclusion Plan

Main Roads revised Disability Access and Inclusion Plan (DAIP) was launched in 2012 and is valid to 2016. The Plan's main objective is achieving the State Government's vision for a better quality of life for all Western Australians. The DAIP recognises that people with disabilities, their families and carers have the same rights to access our services and employment opportunities as any other member of the community. The Plan adds further emphasis to the significant progress that we have already made in addressing the needs of people with disabilities since its inception in 1995. The DAIP's framework outlines a suite of strategies to enable us to achieve seven outcomes during the five year life of the plan. Our progress on each is reported to the Disability Services Commission annually. The following table details these outcomes and the number of strategies that were planned and, completed as well as those progressed by contractors.

Outcome	Number of strategies planned <i>(Strategies planned, whether implemented or not)</i>	Number of strategies completed <i>(Strategies that were completed, including on-going strategies)</i>	Number of strategies progressed through contractors <i>(Strategies implemented by contractors, not the number of contractors)</i>
Outcome 1: Have the same opportunity as other people to access the services of, and any events organised by Main Roads.	5	5	3
Outcome 2: Have the same opportunity as other people to access the buildings and other facilities of Main Roads.	7	5	3
Outcome 3: Should receive information from Main Roads in a format that will enable them to access the information as readily as other people are able to access it.	6	3	0
Outcome 4: Should receive the same level and quality of service from the staff of Main Roads as other people receive.	6	3	1
Outcome 5: Have the same opportunities as other people to make complaints to Main Roads.	1	1	0
Outcome 6: Have the same opportunities as other people to participate in any public consultation by Main Roads.	6	6	2
Outcome 7: Have the same opportunities as other people to access employment at Main Roads.	1	1	0

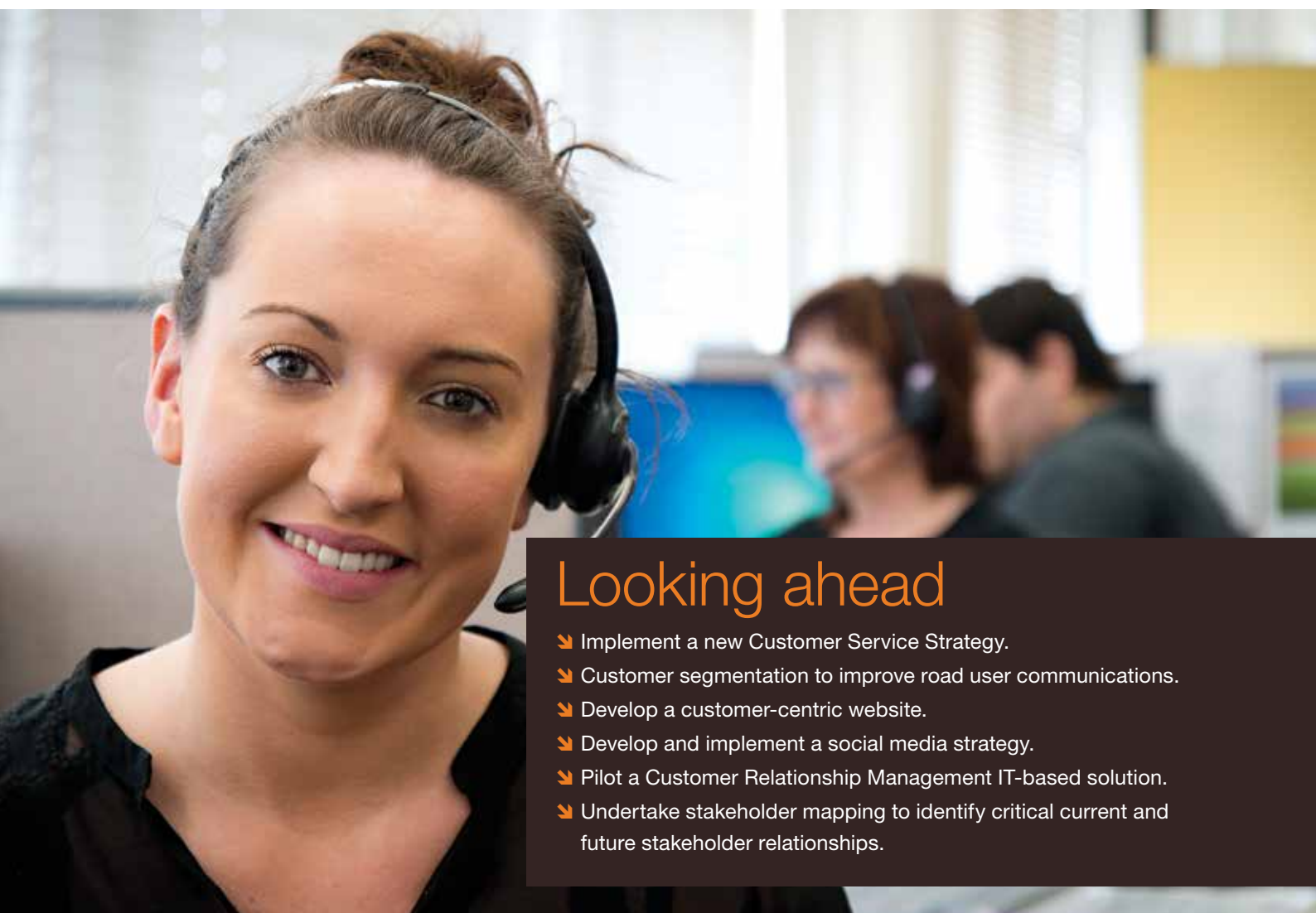
A copy of the current DAIP can be found on our website.

Our Business Activities: Enhancing Relationships

Advisory Groups

To ensure that our operations are open, accountable, fair and flexible, we collaborate with a wide range of customers and stakeholders who provide essential input to operational aspects of our business. The table below lists the various advisory groups that we have and frequency of our meetings with them.

Advisory Group	Meeting Frequency per Annum
Customer Service Advisory Council	4
Cycling and Pedestrian Advisory Group	3
Disability Advisory Group	12
Environmental Advisory Group	2
Western Australian Road Construction and Maintenance Industry Advisory Group	4
State Road Funds to Local Government Advisory Committee	3
Traffic Management for Works on Roads Advisory Group	4
Traffic Management for Events Advisory Group	4



Looking ahead

- Implement a new Customer Service Strategy.
- Customer segmentation to improve road user communications.
- Develop a customer-centric website.
- Develop and implement a social media strategy.
- Pilot a Customer Relationship Management IT-based solution.
- Undertake stakeholder mapping to identify critical current and future stakeholder relationships.



Case Study

\$315 m
COMMITTED TO THE
COMMUNITY'S
PREFERRED
OPTION

Empowering the Community in Investment Decision Making

An initiative of the Transport Minister, Troy Buswell, saw the establishment of leadership forums in the form of Community Working Groups (CWG) for various major infrastructure projects. Implemented in March 2012, and based on a community engagement model, now directly involves the community in the decision process for investment planning.

“The options recommended by the CWG in this comprehensive document will provide guidance about the timing of future extensions of the Mitchell Freeway and will be progressed to the maximum extent possible in the next term of Government.” –
Hon. Troy Buswell,
Transport Minister WA)

CWGs have been established for projects such as the Mitchell Freeway Extension, Tonkin Highway Extension, and Mandurah Bridge Redevelopment. Members of these working groups include key stakeholders across State and Local Government, industry representatives, and the community. Main Roads provides executive support and technical expertise in collaboration with Local Government and is pivotal to the engagement process.

Under the Terms of Reference established by the Minister, the CWG's role is to assist the Government to better understand what the local community sees as priorities in achieving the right transport solution. Working groups are asked to submit a set of recommendations to the Minister as part of a strategic business case developed under the leadership of the group. This leadership is in the form of an appointed executive team and chaired by a local community champion. Their role is to build collaboration with the Local Governments to ensure the process best reflects the needs of the local community.

To date the process has been successful with the Transport Minister committing \$315 million towards the community's preferred option for the Mitchell Freeway Extension, as well as making \$40 million available towards the community's preferred option for the Mandurah Bridge replacement. Additionally, the business case for the extension of Tonkin Highway has been made a priority by the Government.



Developing Capabilities

Creating a Workforce for the Future

Not only do we seek opportunities to develop our present day workforce, but we also work towards 'creating our workforce for the future' as we believe our people can and do make a significant difference in the community.

Key Performance Indicators

	2011	2012	2013	Ref
Women in Leadership (Level 5 & Specified Callings Level 2 and above)	88	101	109	75
Total Employee Retention Rate %	93%	92%	95%	13

Developing Capabilities

Introduction

The 'Creating Our Workforce for the Future' strategy is the key to creating an organisation where people embrace and accept those who aspire to bring innovative ideas, skills and perspectives to work. This strategy expands on one of the key areas of focus from our current Strategic Plan. It aims to ensure that the right people are attracted and retained to address future skill and competency needs that will sustain us into the future. Throughout the year, work continued on implementing a range of innovative, leading edge initiatives aimed at creating a workforce for the future based on a philosophy that our people are the key to a competitive edge.

Recognition

2012 Australian Human Resources Institute Awards

- Finalist 'Dave Ulrich HR Leader, Business with less than 5000 employees' – *John Taya, Executive Director Organisational Development*

2012 Australian HR Awards

- Finalist 'Employer of Choice (Public Sector and NFP)'
- Finalist 'Best HR Strategic Plan'

Australian Institute of Management

- Finalist 'WA Employer of the Year 2012'

Austroroads Awards

- Winner 'Austroroads Medal' – *Menno Henneveld, Managing Director*

2012 WA Engineering Individual Awards

- Winner 'Professional Engineer of the Year' – *Menno Henneveld, Managing Director*

2012 IPAA Achievement Awards

- Finalist 'Murdoch University Leader of the Year Working in State or Federal Government' – *John Taya, Executive Director Organisational Development*

2012 WA Training Awards

- Winner 'Employer of the Year 2012'

2012 WA Transport & Logistics Awards

- Winner 'Innovation Award' – *2012 UWA Engineering Practice Unit*
- High Commendation 'Innovation Award' – *Better Business Project*
- Finalist 'Young Professional of the Year' – *Yaqoob Siddiqui*

Promoting Diversity and Equal Opportunity

We strive to create a rich and diverse workforce. There is strong emphasis on promoting equality to ensure our workplace is free from harassment and discrimination and that all employees have equal access to training, progression and promotion.

Our Diversity Committee continued its focus on Women in Management, Equal Employment Opportunity and deployment of our Reconciliation Action Plan.

Our Business Activities: Developing Capabilities

The following is an update on some key achievements in this area.



Dr Donna Cross (2nd from left) with Executive Director Organisational Development, John Taya and Women in Management team.

Women in Leadership

Once again, we continued our focus on improving our female representation at senior levels.

The Diversity Committee continued to support the implementation of our 'Women in Management' (WiM) Action Plan which aims to attract, retain and develop women across the organisation, particularly in the technical and professional areas. It encourages women to apply for acting, developmental and promotional opportunities.

Since its implementation in March 2011, the representation of women in the workforce has improved. As at June 2013, 29% of our workforce was women with 33% of our permanent female employees in Level 5 and above positions, and 34% of all acting opportunities being filled by women.

Continuing our efforts with our WiM Action Plan, we have:

- Provided professional development opportunities for our women through short lunchtime 'Making of Me' workshops, lunchbox presentations from successful women in a broad range of industries and occupations, and participation in leadership development programs.
- Continued our Professional Women's Speakers Series, targeting successful professional women to speak about their 'Road to Success'.

Two key speakers, Alannah MacTiernan, the Mayor of the City of Vincent and former Minister for Planning and Infrastructure (including Transport), and Dr Donna Cross, WA Australian of the Year 2013 were invited to share their stories with us this year.

- Launched a second mentoring program for Heavy Vehicle Operations (HVO) employees. Originally an initiative for women only, it has now opened up to all HVO and Road Network Services Directorate employees, creating 27 partnerships using senior managers in Main Roads and the Department of Transport as mentors.
- Promoted our flexible working arrangements in external job advertisements and encouraged women and people with diverse backgrounds to apply.

Reconciliation Action Plan

Our second Reconciliation Action Plan was finalised and endorsed by Reconciliation Australia in September 2012 and can be found on both our website and Reconciliation Australia's website. Our Plan is a formalised commitment to a number of successful initiatives. One major focus is on increasing traineeships within the organisation to provide opportunities for Aboriginal youth.

One of the initiatives includes introducing cultural awareness workshops titled – 'Engaging and Partnering with Indigenous People' to increase employees' awareness of Aboriginal culture. We hope that this will assist in developing more inclusive and culturally sensitive communication and relationships with Aboriginal colleagues, clients and stakeholders.

Harmony Week

'A Taste of Harmony' celebrates diversity in Australian workplaces by encouraging colleagues to share food and stories from different cultural backgrounds. Harmony Week allows us to celebrate the vibrant cultures, races and religions that make up Main Roads. All Directorates and Regional offices held morning tea or lunch events with participants bringing in a dish that celebrates their cultural heritage; discussing interesting aspects of other's heritage and generally sharing new information about each other. This has become a highly popular annual event.

The ROADS Foundation

The ROADS Foundation addresses the growing need to promote the value and benefits of training and skills development within the civil construction industry. The Foundation supports creating a training culture within our industry, provides learning and development opportunities for young people from regional areas and marginalised backgrounds and, advocates for a sustainable civil construction workforce.

Since its inception, The ROADS Foundation has successfully assisted and supported 192 young people in civil construction traineeships through 12 road construction contractors/alliances, 17 Local Governments' and across all Main Roads' regional offices.

In the past 12 months The ROADS Foundation has begun supporting an additional eight existing worker trainees and has placed 20 new trainees within DownerMouchel, Abigroup, Leighton Contractors and in the Shires of Carnarvon, Dundas and Trayning as well as in our own organisation.

The ROADS Foundation congratulates the 31 trainees who successfully completed their traineeships last year and continues to support its 61 trainees across the State.

Through the establishment of a new strategic plan for the next three years, The ROADS Foundation will be focusing on developing strong people-focused services to prepare individuals for employment. To learn more, visit their webpage at <http://www.roadsfoundation.com.au/>.

Family Day

Family Day promotes a healthy work-life balance while recognising all contributions to the organisation. Each Directorate and Region puts together a display for visiting family and friends outlining past achievements and current projects as well as new and upcoming projects and events. The day demonstrates the critical role our families play in our success and the value we place on this.

Giving back to the Community

Throughout the year, we support a number of charities including the Starlight Children's Foundation Australia, SIDS and Kids WA and Cancer Council WA to name a few. This complements other initiatives including our 'workplace giving program' which enables staff to donate to selected charities throughout the year.

When the team from the Customer Information Centre (CIC) decided to do a team building exercise, they

wanted to do something a bit different. They elected to participate in a charity event that would not only help to build a stronger team, but also give something back to the community. The CIC visited Ronald McDonald House in Subiaco to help out with some Christmas presents and festive cheer on behalf of Main Roads. This is a great example of our 'family' values' in action.

Attraction and Retention

Workforce Planning

The workforce planning that we have undertaken has once again placed us in a sound position to, forecast and position the strategies needed to appropriately resource the organisation.

We use a comprehensive workforce planning program that revolves around the annual 'Workforce Planning Cycle' to determine a five-year forecast focusing on:

- A profile and scan of the current workforce
- Succession management
- Knowledge management
- Future resource needs
- Environmental factors
- Development employees.

Through the Cycle, we have developed a functional and innovative approach to workforce planning which attracts a higher level of participation from branch managers and supports forecasting for the future, knowledge management, capability and development employee programs in line with our strategic direction.

We also share information with other agencies throughout the year on how we involve our business through this approach. With the establishment of the Transport Portfolio, we have also taken the opportunity to work together with our Portfolio partners and recently embraced a leadership role to integrate workforce planning and build capability across the Transport Portfolio.

Recruitment

Over the past 12 months we advertised 91 positions, receiving 1,653 applications.

Calendar Year	2011	2012	2013
Positions advertised	45	128	91
Applications received	649	1,898	1,653
Average applications per advertised position	14.3	14.8	18.1

The increase in average applications rates reflects the changing economic environment in Western Australia.



Developing Our Employees

Development Employee Leadership

We actively promote the development of our next generation workforce through our Development Employee Graduate and Leadership Program. This program enables graduates to develop their skills while professionally enhancing and building their careers in a practical environment.

Our graduates receive valuable experience on the program through diverse rotations, mentoring, and continued alignment with the Engineers Australia Professional Development program. The formal training component requires participants to undertake a Diploma of Management including a practical workplace project. Our seventh group of participants has successfully completed the program while the eighth group is now partway through. A new contract was recently awarded to deliver the program for a further three groups over the next five years.

Project Management Development

A second cohort completed this innovative program aimed at developing and improving their competencies in the project management discipline. This program is targeted at employees working in business-related areas or on non-infrastructure projects. During 2012-13, 14 employees were awarded the nationally recognised Diploma in Project Management.

Senior Manager Development

In the fourth quarter of the year, we offered two new leadership programs designed to give our senior leaders the tools required to meet the leadership and strategy needs of our new 2020 strategy. A total of 50 places were allocated in this new program and are scheduled to begin in July 2013.

TechXchange

This program is an initiative that has been running successfully since 2005. The one-hour, monthly forum provides an opportunity for technical experts to share their knowledge and experience with other employees and technical partners. The sessions are designed to benefit all staff and stakeholders looking to improve their technical skills and network with our technical experts.

TechXchange has a distribution list of approximately 700 employees and over 400 external people that either attended or have presented at the TechXchange forum. Each session on average attracts around 90 people, with some Special TechXchange presentations attracting an audience in excess of 300 people.

Lunch and Learn Seminars

Our Learning and Development Branch has continued to run 'Lunch and Learn' sessions. Designed to broaden employees' thinking and encourage creativity, these workshops complement key components of our leadership framework and include strategy, innovation, leadership and values. Each 45 minute session allowed employees to leave the sessions with useful tips and tools to apply to their own working life. Presentations were by experienced training and leadership development providers and included kits designed to engage leadership, management, creativity and innovation.

Our Business Activities: Developing Capabilities

Competency Development

Almost 50% of our workforce has fewer than 10 years' work experience with Main Roads; there is therefore a critical need to expedite the competency development of our younger employees who will be our workforce of the future.

The new Competency Development System is a competency-based approach for identifying and targeting the development of leadership and technical competencies of our workforce. This system focuses on the operational and career development needs of our employees. It supports our workforce planning, succession planning, knowledge management and learning and development strategies through our individual performance management and development process.

Inspiring Innovation

We strive to create and foster an environment where innovative thinking is encouraged, recognised and rewarded.

The approach taken with the 2020 strategic planning is in itself an example of innovation at Main Roads.

The use of Catalyst Teams to progress the development of 2020 and create the objectives, success factors and initiatives for the five key areas of focus is an innovation in strategic planning which has been highly successful. For more information, please refer to the Case Study in this section on page 79.

The winners of the 2012 Commissioner's Excellence Award for Innovation were David Landmark, Lou Palandri and Dennis Clarke for their work on the Eelup project in Bunbury. The Eelup Rotary was converted into a signalised roundabout, a first in Western Australia. To read more about this project, please refer to the Road Management section, page 57.

Research and Development

A Research and Development Framework has been developed that looks at the overall coordination and measurement of research and development in across the organisation. This new Framework consists of four elements: driving and encouraging research and development; communication and engagement of research and development; reporting and tracking research and development; and measuring and evaluating research and development.

Work in the next financial year will look at the initiatives and activities that sit under each element.

Looking ahead

- Creating a focus on a 'Culture of Innovation'.
- Developing career progression through competency-based programs.
- Developing ways to capture and measure enhanced productivity.
- Developing and consolidating communication and engagement strategies.



Case Study

2020
IS ABOUT HAVING
CONFIDENCE
TO TACKLE NEW
CHALLENGES

Using Catalyst Teams to develop our Strategic Framework

During the year, we sought out innovative ways to engage a broad cross section of staff in the development of our 2020 Strategic Framework. We created three Catalyst Teams, which were groups of individuals whose objective was to increase the integrity and completeness of the 2020 Strategic Framework. Essentially, they acted as catalysts by challenging existing material, brainstorming possible alternatives, and creating new and different products.

The Catalyst Teams were tasked with two key deliverables:

- To pursue innovative and different ways to achieve identified Key Areas of Focus by reviewing the work already undertaken to test the robustness and completeness of that material.
- To consider the 'Enablers' of Leadership, Innovation, Sustainability and Productivity and identify the attributes and features of each. Then clarify the values, mindsets, principles, beliefs and resources for each Area of Focus which will be required to positively influence the organisation through to 2020.

This approach helped to develop and maintain strong collaborative relationships between subject matter experts across the organisation.

Each Area of Focus is strengthened by the fact that they were developed by Catalyst Teams through collaboration across all levels of the organisation.

It also provided an outcomes-focused approach for the Catalyst Teams and allowed for flexibility in the process so that they could achieve required outcomes. It gave team members space to think and act strategically, learning from past strategic frameworks but without constraining team members. It created opportunities for members to build relationships with our Executive Directors and encouraged innovative ways to achieve required outcomes. This included a blend of workshops, Skype communications, blogs, emails, working sessions and phone hook-ups.

Our new Strategic Plan and the five areas of focus developed by the Catalyst Teams will be launched in August 2013. To see more information about the 2020 Strategic Framework, please visit our website.



Safety, Health & Wellbeing

Think Safe, Work Safe, Home Safe, Drive Safe, Live Safe

The safety, health and wellbeing of our people is essential to the success and sustainability of our business developing such a culture relies on active systems and processes being in place. It involves a commitment to safety by 'living' the ideals in our day to day behaviours.

Key Performance Indicators

Indicators	2012 Actual	2013 Target	2013 Actual	Result	Ref
Fatalities	0	0	0	✓	83
Frequency Rate	2	0 or 10% reduction	2	✓	83
Incidence Rate	0.36	0 or 10% reduction	0.36	✓	83
Severity Rate	0.0	0 or 10% reduction	0.08	✗	83

1. Frequency rate is (the number of LTI/Ds over the previous 12 months)*1,000,000 divided by the number of hours worked during that 12 month period.

2. Incidence rate is (the number of LTI/Ds divided by the number of employees)*100.

3. Severity rate is (the number of LTI/Ds that resulted in 60 days or more lost divided by the total number of LTI/Ds)*100

Safety, Health & Wellbeing



Managing Director, Steve Troughton launches the Safety Commitment initiative with the Corporate Executive.

Introduction

Our corporate safety slogan ‘Think Safe – Work Safe – Home Safe’ was expanded in 2012 to include ‘Drive Safe – Live Safe’. This expansion of our safety ethos illustrates the emphasis we place on behavioural safety, safe work practices and ongoing health, and lifestyle education to support the wellbeing of our people within the workplace, in their homes, and in the wider community.

Key Achievements

Our Commitment and Engagement

We are committed to providing a safe and healthy work environment for its people that is supported by strong collaborative relationships and demonstrative leadership at all levels of the organisation.

The Safety Health and Wellbeing Management System is a multi-layered committee structure at the Corporate, Directorate and Regional levels. Its management plans are based on corporate initiatives, local issues and consultation, ensuring that we are aware of our risks and can manage them effectively. Our committees comprise of executives, senior management, employees and elected safety and health representatives. Regular communication is circulated to the organisation through a Safety Health and Wellbeing (SHW) communique that allows all staff to be informed of corporate SHW matters and upcoming events.

We take the position that safety is everyone’s responsibility and as such encourage a proactive safety culture through participation. All Corporate policies and procedures are reviewed and made available to staff for comment. In some circumstances, working groups have been established to represent staff from all areas of the organisation to allow for consultation.

Initiatives and feedback from the working groups are referred directly to the Corporate SHW Committee for consideration.

An initiative that arose from the SHW communication working group in 2012 was the Safety Commitment Poster and Card. The initiative invited all staff to sign a commitment poster and carry a commitment card that served as a visible reminder not to compromise on safety. This concept not only demonstrated leadership commitment but also allowed individual employees to commit to ensuring their own safety and that of their colleagues. In order to promote a positive safety culture and demonstrate commitment to safety at the highest level of the business, Corporate Executive members were the first to sign and display their safety commitment poster.

Safe Work Week 2012

As in previous years, we proudly participated in Safe Work Week activities in 2012. Our corporate focus is not just on promoting safety but also provides access to a wide range of health and wellbeing initiatives and information. As part of the 2012 Safe Work Week activities, a permanent resource centre was launched within our head office allowing staff to access a wide range of health and wellbeing related information.

The weeklong event included presentations on the topics of 'Lifestyle and Cancer'; 'Secret Men's Business'; 'De-mystifying Mental Health'; and 'Suicide Awareness and Prevention'.

Corporate SHW Management Systems Training

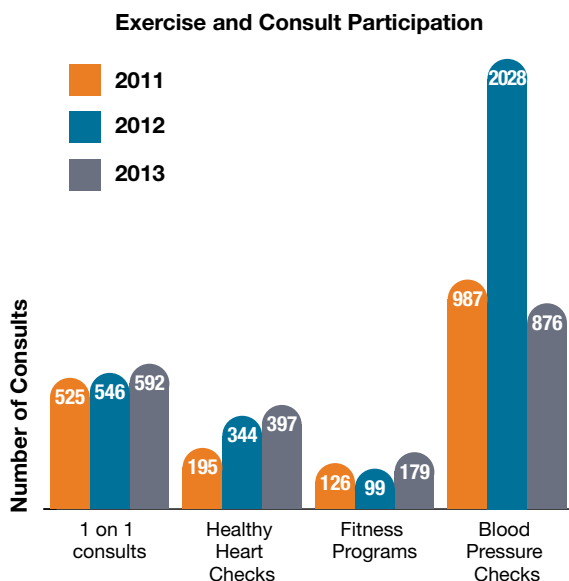
Formally known as 'OSH for Line Managers', this is a tailored one-day intensive training course that is mandatory for all managers. The course contains five modules including 'Safety Law'; 'Safety Management Systems'; 'Hazard Management'; 'Incident and Injury Management'; and 'Safety Leadership, Culture, Communication and Consultation'.

The objectives of the course are to make line managers aware of their legal responsibilities and of potential exposures to legal risk that could impact the organisation. The course also aims to provide managers with SHW management skills enabling them to implement the SHW management systems in their area of responsibility and to effectively carry out their SHW responsibilities. As it is mandatory, all managers must also undergo refresher training every five years.

Taking Proactive Safety, Health and Wellbeing Preventative Measures

At Main Roads we take a proactive approach to helping our people manage their health and wellbeing and as such we continue to expand upon our health and wellbeing program.

The graph below shows the participation of our employees in various initiatives offered by the Health and Wellbeing service provider.



Recognition

2012 IPAA Achievement Awards:

- Finalist 'Department of Health Best Practice in Health and Wellbeing'

2012 IPAA Lonnie Awards:

- Joint Award led by Department of Commerce for Occupational Safety, Health and Injury Management – 2012 Annual Report

Wellbeing workshops continue to be rolled out across the organisation based on overwhelmingly positive feedback from employees. The workshops are designed to provide employees with the skills and motivation to better manage anticipated changes and additional pressures felt through changes in their personal and professional environments. The workshops have been well attended by employees and we are now working towards adapting these workshops to e-Learning.

Main Roads' corporate health and wellbeing calendar once again gave employees the opportunity to participate in community charity events such as the City to Surf, Freeway Bike Hike, Great Bike Ride, HBF Run for a Reason and various State Government-endorsed Corporate Cup activities. Our corporate calendar also notes dates for national awareness campaigns such as 'R U OK' Day, Biggest Morning Tea and Stroke Week. We encourage staff to take part in organised activities to raise funds for such charities or to participate in presentations or activities that will assist the organisation to raise awareness and promote healthy behaviours or interventions.

Our health and wellbeing program service provider continues to educate staff in the use of the online wellness tracker which enables them to track and measure their own progress towards improving their health and wellbeing. This tool has become popular with employees who use it to record their exercise regimes, weight, BMI, glucose and blood pressure levels. Flu vaccinations, skin cancer screenings and healthy heart checks were once again offered to employees, with a total of 543 employees participating across all three programs.

Our Business Activities: Safety, Health & Wellbeing

In addition to the resource centre now available for accessing health and wellbeing related information, we continue providing a confidential Employee Assistance Program. This is an organisation-funded counselling service which provides support to employees who may be experiencing problems, affecting their job performance or personal lives.

As a preventative initiative, ergonomic assessor training was offered to selected staff to enable them to provide brief assessments and make informed workstation adjustments for staff in their work areas.

Third Party and Work Safe Plan Certification

In May 2013, our Occupational Safety and Health Management System was assessed and recommended for re-certification to AS/NZS 4801 which is the Australian and New Zealand Standard for Safety Management Systems. Corporately, we proudly maintain our WorkSafe Plan – Gold Certification.

One Life Pledge

In 2012, we became a pledge partner in support of the State Government's 'One Life Suicide Prevention Strategy'. As a 'Silver' pledge partner, we are committed to distributing suicide prevention awareness and stigma reducing messages to all staff to coincide with World Suicide Prevention Day and 'R U OK' Day. Furthermore, relevant members of the workforce have been trained in Mental Health First Aid and Suicide prevention to ensure that our 'One Life Champions' within the workplace can act as an initial support person to fellow employees.

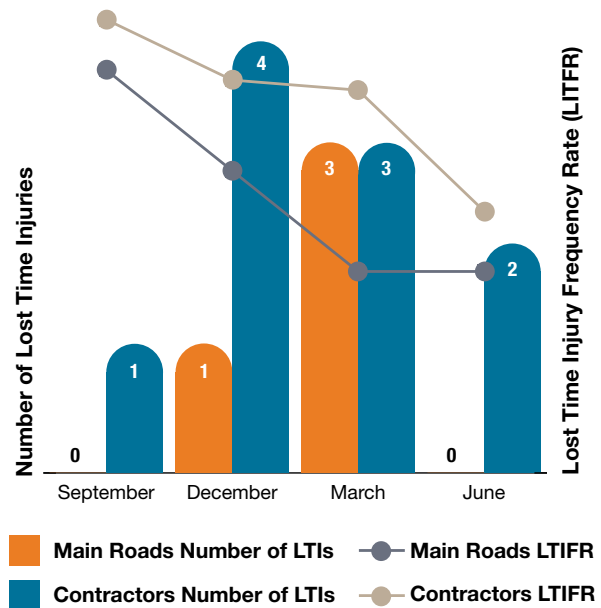
Performance Review

Our reporting processes focus on a combination of lag and lead indicators to capture the outcomes of incidents and identify the proactive behaviours that our employees engage in to determine and manage hazards in the workplace. Some of these indicators include hazards reported, close-out of these hazards, attendance at SHW committee and toolbox meetings, induction of new staff, and undertaking workplace inspections.

Lost Time Injuries

Lost Time Injury/Day (LTI/D) is defined as an injury or disease that results in the affected employee being unable to work for one full shift or longer. The following graph shows our performance and that of our contractors during the year:

OSH Performance by Main Roads and Contractors



* We rely heavily on all contractors to provide accurate information to Main Roads within the required timeframe. LTI Contractor statistics are accurate at the time of reporting and are considered to be estimated.

During the past year, we sustained four LTI/D, resulting in a Lost Time Injury/Disease Frequency Rate (LTIFR) of two serious injuries sustained per million hours worked. Our contractors also sustained 11 LTI/D resulting in their LTIFR to decrease from 5.4 to 2.6 serious injuries sustained per million hours worked.

Although our ultimate goal is for zero harm, we had no change in the number of lost time injuries this year. However, we had fewer non-lost time injuries which are an improvement on our performance from last year. The majority of our serious incidents involved vehicles, equipment, and manual tasks/ergonomics. In the next year, we will again be focusing our attention on minimising the likelihood of these risks recurring.

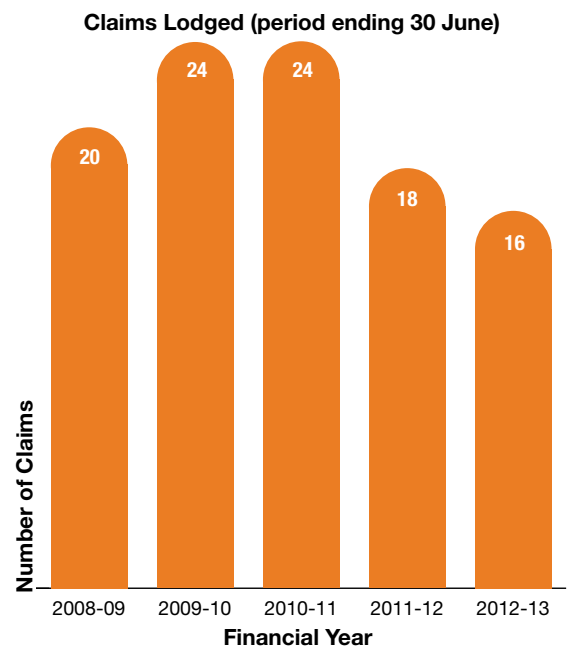
A breakdown of incidents by type is outlined below:

Summary of all incidents by type and severity

Incident Type	Lost Time Injuries	Non Lost Time Injuries	Near Miss Incidents	Total
Vehicle	1	6	11	28
Equipment	–	6	12	18
Ergonomics/ Manual Tasks	3	11	2	16
Other	–	8	6	14
Slips/Trips/ Falls	–	7	4	11
Human Factors	–	2	9	11
Bites/Stings	–	2	1	3
Health	–	–	1	1
System Failure	–	–	1	1
Total	4	42	47	103

Workers' Compensation and Injury Management

During the past year, we incurred 16 workers' compensation claims. Of these, five have been finalised, and two claims have been pended. One claim lodged this financial year was declined and has not been included in the 16 claims reported. We had 33% of injured workers (lost time claims) returning to work within 13 weeks and 33% of injured workers (lost time claims) returning to work within 26 weeks. The graph below compares the total number of claims lodged this financial year to the last five years.



Looking ahead

- Develop a five-year SHW Strategic Plan.
- Review SHW Management System in alignment with the impending Workplace Safety and Health Laws (WA).
- Implement an electronic hazard and incident reporting management system.
- Achieve 100% of managers completing the SHW Management Systems Training.
- Focus on developing Safe Work Method Statements and Job Safety Analysis.





Case Study

BBQs
ARE HELD TO
REWARD STAFF FOR
A POSITIVE SAFETY
RECORD

Developing Safety Awareness in the Goldfields-Esperance Office

Combining the best of Main Roads and Abigroup safety management systems and processes will ensure safety is an ongoing priority for the region.

Safety is on everyone's mind in the Goldfields-Esperance Region. The Region started its Safety and Team Development days in late 2011. This was due to an increasing trend in the number and type of safety incidents recorded in the early stages of deployment of the new Integrated Services Arrangements (ISA).

The aim of the Safety and Team Development days is to reinforce the importance of safety in the workplace. To date, five awareness days have been held, and have been extended to include team development activities and personal wellbeing in the workplace. Since the implementation of this initiative, we have seen an improved safety culture across the entire

Regional team. We believe that this initiative has also contributed to the ISA remaining Lost Time Injury (LTI) free.

A range of safety issues discussed on the development days and have included:

- Manual handling and ergonomics
- Hazard identification, reporting and management
- Plant issues and improvements
- Safety around plant maintenance
- Incident avoidance
- Skin cancer prevention
- Personal protective equipment
- Fatigue management
- Team building and working together
- Nutrition and personal health and wellbeing.

Building on the success of the safety day sessions, the Region has included team development activities to improve the integration of office and field staff. These initiatives have contributed overall to an improvement in safety performance and working as a team.

In addition to these development days, the Goldfields-Esperance Region conducts monthly ISA team safety meetings with field staff to identify safety issues that can be addressed within the team or at a regional or corporate level. Monthly LTI free BBQs are also held in Kalgoorlie and Esperance to reward and recognise staff for a positive safety record.

Governance



Introduction

Main Roads reports against the Good Governance Guide developed by the Office of the Public Sector Standards Commissioner. The guide references the ASX Corporate Governance Principles and helps us to assess and manage compliance with the requirements for accountability across Government. We continue to refine our corporate governance framework within these guidelines and use other best practice standards to adopt a continuous improvement approach to governance.

Recognition

2012 IPAA Lonnie Awards:

- Gold Award – *2012 Annual Report*

2012 Australasian Reporting Awards:

- Gold Award – *2012 Annual Report*
- Winner 'Online Reporting Award, Public Sector' – *2012 Annual Report*
- Finalist 'Sustainability Reporting Award, Public Sector' – *2012 Annual Report*

Principle 1: Government and Public Sector Relationship

Our Governance Model

Our corporate governance system is how we direct and manage our business activities to optimise performance, achieve regulatory compliance and deliver value for customers. We are committed to ensuring that our core corporate governance system and processes are aligned with values-driven management. The framework enables us to govern with integrity, accountability and transparency. Our Governance Model and Organisational Structure can be found on page 89 and shows the relationships between our Minister, Commissioner, Managing Director and members of Corporate Executive.

Performance Agreement

The Managing Director has a performance agreement with the Commissioner while other members of the Corporate Executive have Individual Development Plans with the Managing Director.

Empowering Legislation

Main Roads Act

The *Main Roads Act 1930*, last amended in 1997, establishes the Commissioner of Main Roads as a corporate body and sets out the powers and duties of the office. The Commissioner of Main Roads administers the *Act* and the accompanying Regulations and is accountable to the Minister for Transport.

The Office of Road Safety Empowering Legislation

The *Road Safety Council Act 2002* and the Road Safety Council of Western Australia Governance Charter 2008 are the enabling legislation for the Office of Road Safety.

Other Empowering Legislation

- The *Land Administration Act 1997* provides powers for the resumption of land.
- Section 84 of the *Road Traffic Act 1974* provides a right of recovery for road damage.
- Regulation 297 of the *Road Traffic Code 2000* provides the Commissioner with the power to erect road signs and traffic signals, and install road marking.
- Part 4 of the *Road Traffic (Vehicle Standards) Regulations 2002* provides the Commissioner with the authority to issue permits for restricted access vehicles that exceed certain mass and dimension limits, as defined in the *Regulations*.

We have processes and controls in place to ensure we comply with other State and Commonwealth legislation and regulations that impact on our activities.

Ministerial Directives

There were no directives issued by the Minister for Transport under Section 19B of the *Main Roads Act 1930* during the year.

Principle 2 & 3: Management and Oversight and Our Organisational Structure

Strategic Plan

Our current Strategic Plan, known as 2k12, sets the high-level strategic direction for our organisation up to the end of 2012. This five-year improvement plan has served us well and seen a range of significant improvements deployed across the organization. It drove us as we sought to 'achieve excellence through inspiring leadership and strong collaborative relationships'. The existing Strategic Plan was built around and focused on delivering the following five Strategic Areas of Focus:

Strategic Area of Focus	Objective
Providing the right roads for WA	Planning, developing and delivering effective outcome-based road programs
Making roads work for the community	Ensuring people and freight can move safely, reliably and efficiently across the road network
Creating our workforce of the future	Creating an environment that will attract, develop and retain employees
Inspiring leadership	Creating an environment that develops and recognises leadership throughout the organisation
Enhancing relationships	Enhancing existing and forging new relationships

Our new Strategic Plan, to be known as 2020, has now been fully developed and will be rolled out across the organisation in mid-2013. In developing our new plan we have once again used scenario planning to capture a variety of economic, social, political and technological trends that have the potential to impact on the business. Following extensive internal engagement with our Portfolio partners, employees, suppliers and customers, we have created a new Vision and, Purpose and identified new areas of focus to guide us in the coming years. The latest information on the Plan is available on our website.

We discuss how our Corporate Business Plan keeps track and measures our performance in alignment with our Strategic Plan in Principle 4, page 92.

Delegation of Authority

Our Delegation of Authority Manual exists to clearly define the administrative responsibilities of officers and give them sufficient authority to carry out their day-to-day tasks. The Delegation of Authority is in accordance with the *Main Roads Act 1930* and the principle of public administration set out in Section 7(d) of the *Public Sector Management Act 1994*. Employees are aware that delegation limits are specified in the Manual and that they must not be exceeded.

Corporate Executive

Corporate Executive comprises the Managing Director, all Executive Directors and the Manager Executive Services. Corporate Executive's objectives are to set clear strategic direction to deliver Government priorities, meet our purpose and achieve defined performance goals. It meets monthly to review organisational performance both directly and through a series of formally established sub-committees. Eleven Corporate Executive meetings were held in the last financial year and attendance is shown below.

Corporate Executive Member	Attended Meetings
Menno Henneveld, Managing Director to December 2012	5
Steve Troughton, Managing Director from February 2013	5
John Erceg, Executive Director Regional Services	11
Des Snook, Executive Director Road Network Services	10
Leo Coci, Executive Director Infrastructure Delivery	11
Peter Woronzow, Executive Director Finance & Commercial Services	11
John Taya, Executive Director Organisational Development	11
Doug Morgan, Executive Director Planning & Technical Services	11
Iain Cameron, Executive Director Office of Road Safety	10
Steve Potter, A/Manager Executive Services	11

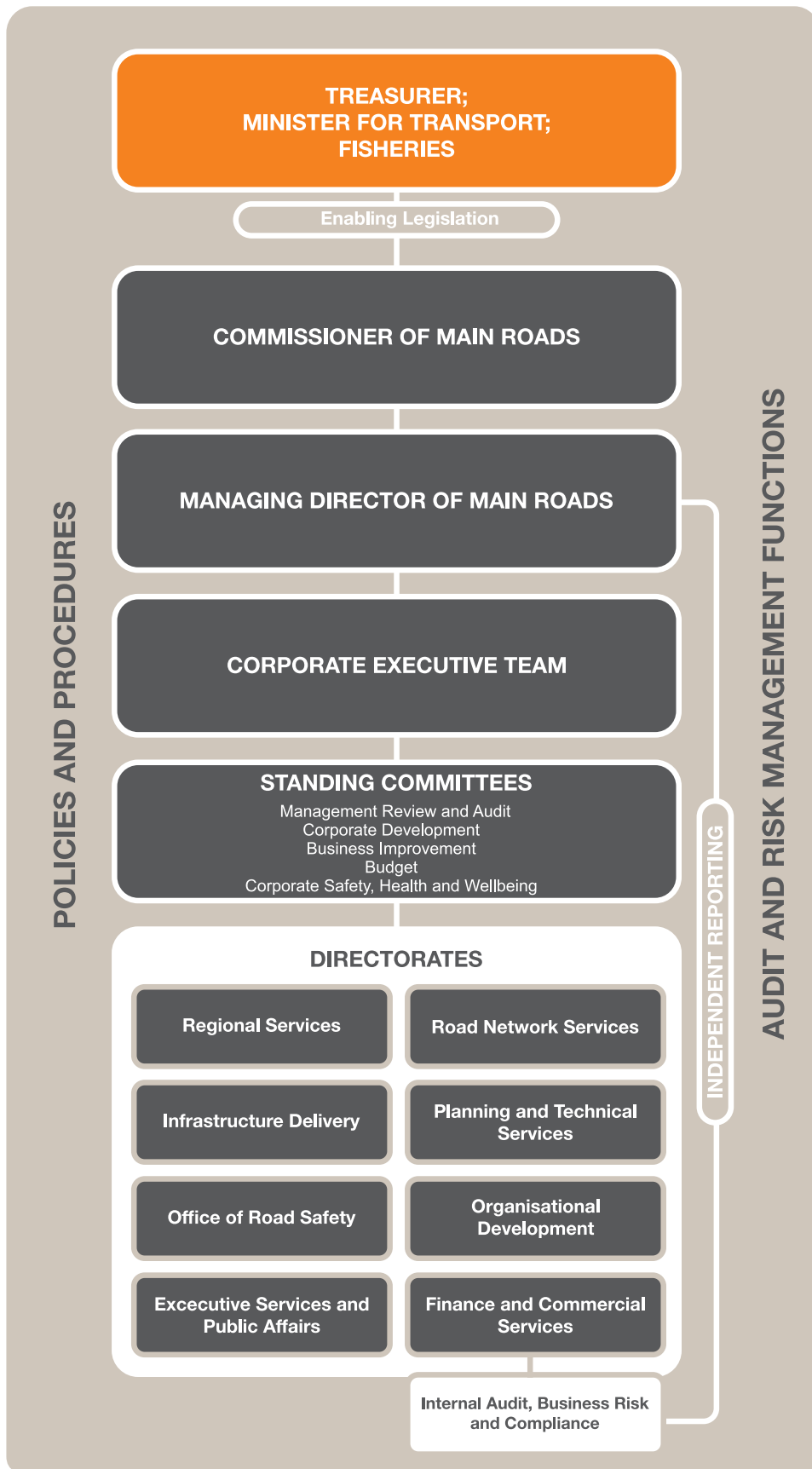
The position of Managing Director was held by Menno Henneveld to December 2012. Our new Managing Director, Steve Troughton was appointed in February 2013. In the absence of a Managing Director, our Commissioner, Reece Waldock chaired the meetings. Due to a minor organisational restructure, the position of Director Budget and Financial Planning and Director of Strategic Relationships no longer form part of the Corporate Executive team.

Corporate Executive's role is to:

- Assist in discharging the Managing Director's responsibilities and to operate as an advisory body to the Managing Director.
- Achieve the best outcomes from strategic decisions; garner Executive commitment to organisational priorities; and model Main Roads' values and behaviours to the organisation.
- Set strategy, oversight, decision-making, leadership, manage organisational performance and ensure capability to deliver road user services.
- Provide a forum to raise issues of corporate relevance and seek the feedback and input of peers.
- Be proactive, oriented to the long term, and outcomes-focused.

In achieving its role, Corporate Executive is supported by five standing committees. Each committee is led by a member of Corporate Executive and reports regularly on its achievements and future direction. These committees provide a mechanism for staff to provide recommendations and direction to Corporate Executive for activities within their function. A table on page 90-91 summaries the main activities undertaken by each committee during the year, membership of each committee, and attendance by relevant Corporate Executive members.

Our Governance Model and Organisational Structure



Standing Committees' 2012-2013 Role and Achievements

<p>Corporate Development Committee Meetings Held: 8</p>		
Membership (Attendance)	Committee Role	
<p>Executive Members: John Taya (Chair) – 6 John Erceg – 7 Des Snook – 3 Leo Coci – 8 Peter Woronzow – 8 Doug Morgan – 8 There are 2 other non-executive standing members in this committee.</p>	<ul style="list-style-type: none"> • Corporate Development, including prioritisation of Learning and Development initiatives and seeking Budget Committee approval for funding of the Learning and Development Investment Plan • Provides leadership and direction on the formulation of the 2020 Strategic Framework • Fosters and provides leadership on innovative research and development initiatives that emerge at Main Roads • Considers recommendations from the Development Employee Committee on permanent placements of Development Employees 	
<p>Business Improvement Committee Meetings Held: 4</p>		
<p>Executive Members: Peter Woronzow (Chair) – 4 John Erceg – 4 John Taya – 2 Doug Morgan – 2 There are 3 other non-executive standing members in this committee.</p>	<ul style="list-style-type: none"> • Ensures that business processes and systems are effective • Promotes efficient use of resources • Supports sound Corporate Governance 	
<p>Management Review and Audit Committee Meetings Held: 3</p>		
<p>Executive Members: Menno Heneveld – 1 (chair to December 2012) Steve Troughton – 1 (chair from February 2013) Peter Woronzow – 3 Doug Morgan – 3</p>	<ul style="list-style-type: none"> • Considers audits and reviews performed by the Management Review and Audit Branch • Ensures audits and reviews are in accordance with the Annual Audit Plan • Reviews and approves the Annual Audit Plan. 	
<p>Budget Committee Meetings Held: 12</p>		
<p>Executive Members: Peter Woronzow (Chair) – 11 John Erceg – 11 Des Snook – 10 Leo Coci – 12 Doug Morgan – 11 John Taya – 8</p>	<ul style="list-style-type: none"> • Decision making body for Investment Planning, Program Development and Delivery • Ensures the best use of funds to achieve strategic outcomes. 	
<p>Corporate Safety, Health and Wellbeing Committee Meetings Held: 9</p>		
<p>Executive Members: Doug Morgan (Chair) – 9 John Erceg – 8 Des Snook – 4 Leo Coci – 8 Peter Woronzow – 7 John Taya – 7 Iain Cameron – 7 There are 10 other non-executive standing members in this committee.</p>	<ul style="list-style-type: none"> • Presides over all safety, health and wellbeing issues from high level strategy through to review of individual incidents • Acts as a primary Occupational Safety and Health channel and reports on full-time and contracted employees to Corporate Executive. 	

2012-13 Achievements

- Further developed and implemented the Employee Development System.
- Reached target of 95% of staff to have completed the Accountable and Ethical Decision Making course.
- Established new Executive Development Program and Middle Manager Development Program.
- Conducted a range of Innovation projects as part of the Development Employees Leadership Program including:
 - A methodology for mobile vehicle emissions monitoring on road works projects.
 - A trial of rural variable messaging with mobile technology as a way to extend the use of – Intelligent Transport Systems in rural areas to mitigate road user risks.
 - Development of a management plan for spatial data collection.
 - A trial of solar powered road delineation markers in rural Blackspot areas.

- Assessment against Global Reporting Initiative and moves towards adopting International Integrated Reporting Council.
- Driving the development of a new Information Communication and Technology Strategy.
- Reviewed, considered and endorsed business improvements arising from customer analysis.
- Oversight of the Third Party Certified Integrated Management System.
- Initiated a project to create an independent Program Management Office.
- Developed and deployed a Social Media policy and guidelines.

- Conducted follow-up audits of initial financial audits and health checks of three Integrated Service Agreements.
- Review of the Office of Road Safety.
- Financial compliance audit of the Gateway WA project.
- Audit of the Line Marking Contracts.
- Review of the Browns Range Alliance.
- Delivery of the agreed Strategic Audit Plan.

- Monitoring and actioning budgetary and financial matters including program strategies and structures to deliver outcomes linked with Government objectives.
- Provision of strategic direction for project development funding and activities.
- Supervision of managed transfer of assets between State and Local Government.
- Approval of the final four-year and 10-year program submissions to Department of Treasury.

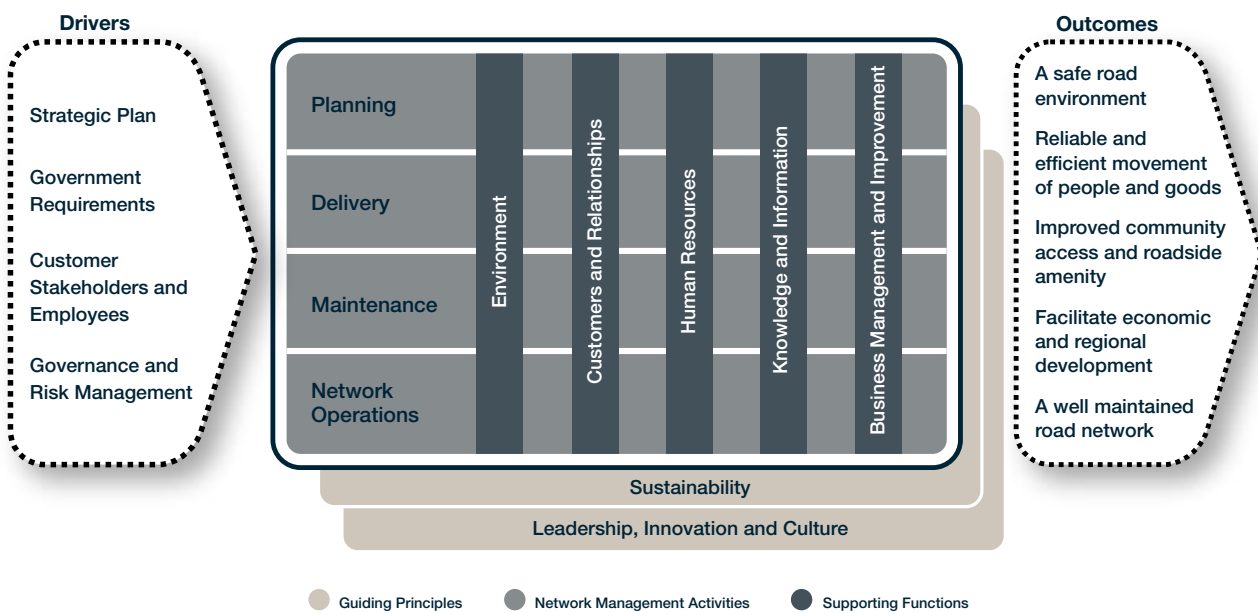
- Maintaining AS/NZ 4801 Safety Management Systems certification.
- Maintaining corporate certification to WorkSafe Gold.
- Successfully implementing improvements to the Alcohol and Other Drugs Policy and Personal Protective Equipment Policy.
- Implementation of functional requirements for high risk roles and fitness for task assessments.
- Rolled-out wellbeing training across the organisation.
- Continued to provide OSH systems and management training to our workforce.
- Continued coordination, improvement and review of the Safety, Health and Wellbeing Management System.

Principle 4: Operations

Corporate Business Plan 2013-2017

We produce a Corporate Business Plan which is aligned to our strategic direction and Government goals and objectives. It forms the basis for all Directorate and Branch Business Plans and will ensure that planning, delivery, maintenance and operational activities are aligned with corporate direction and priorities. This approach is built on meeting our strategic and future needs and achieving a greater integration of strategic, workforce, operational and financial planning needs.

The Business Planning process defines how we go about our business and identifies our annual corporate initiatives and actions within a context of a four year timeframe. The Business Planning model below shows the relationship between internal business management processes and how they interact with our drivers to achieve our Program Outcomes and Government Goals.



The following table explains each of the elements within the business planning model.

Drivers	The drivers represent influences that must be taken into consideration as part of everything that we do. Although there were many drivers we have only identified those which are of greatest significance.
Guiding Principles	Sustainability, Leadership, Innovation and Culture are broad guiding principles that form the backbone of all of our activities. Everyone is expected to consider and apply these principles in understanding any initiatives or actions we engage in.
Activities and Functions	The main element within the model comprises a matrix consisting of Network Management Activities. These activities are considered to be our core functional activities. They are underpinned by a range of supporting functions that exist only to achieve the network management activities.
Outcomes	Program Management is the manner in which our services are delivered to the community. There are seven Programs aligned against the five outcomes sought from each of our services.



Progress against achievements in the Corporate Business Plan are monitored, reviewed and evaluated which is an important element in the entire process. We have in place a range of initiatives to review our progress in achieving our stated aims. The following table provides an overview of the formal processes that are in place.

<p>Monthly</p>	<ul style="list-style-type: none"> • Each month a range of performance measures are reported to Corporate Executive as part of the Corporate Performance Measure Scorecard.
<p>Quarterly</p>	<ul style="list-style-type: none"> • Quarterly performance measures are reported to Corporate Executive as part of the Corporate Performance Measure Scorecard. • A summary of progress by Directorate against each of the elements of the Corporate Business Plan is presented to Corporate Executive as part of the quarterly reports. • This summary is complemented by presentations made to the Budget Committee by each Executive Director. These presentations report on each Directorate’s progress in terms of delivering their contribution towards Program outcomes, FTE Levels and progress against the Corporate Business Plan. • At the Directorate level, a quarterly review of Branch Business Plans is completed and Directorates’ hold management review meetings. • Performance results are communicated to all employees.
<p>Bi-annually</p>	<ul style="list-style-type: none"> • Six monthly Performance Measures are reported to Corporate Executive as part of the Corporate Performance Measure Scorecard. • Each Executive Director meets with the Commissioner to review progress in achieving Directorate level activities. • Performance results are communicated to all employees.
<p>Annually</p>	<ul style="list-style-type: none"> • Annual performance measures are reported to Corporate Executive as part of the Corporate Performance Measure Scorecard. • Each Executive Director meets with the Managing Director to discuss the close out of the annual Directorate Business Plan. • Performance results are communicated to all employees.

Financial Targets: Actuals Compared to Budget

The following table provides a comparison of the financial targets and outcomes against criteria included in the Resource Agreement between the Commissioner of Main Roads, Minister for Transport and the Treasurer.

	2012-13 Target ⁽¹⁾ \$000	2012-13 Actual \$000	Variation ⁽²⁾ \$000
Total Cost of Services	1,888,459	1,872,724	15,735
Net Cost of Services	1,170,241	1,261,586	(91,345)
Total Equity	42,643,364	41,139,566	1,503,798
Net increase/(decrease) in cash held	(143,790)	(167,120)	(23,330)

(1) As specified in the latest budgets statements relating to estimates for 2012-13.

(2) Explanations of variations:

- (a) The variations in relation to Total Cost of Services can be mainly attributed to State funds advanced for the Gateway WA Project.
- (b) The variation in Net Cost of Services relates to reduced Commonwealth grants received under the Nation Building program due to delays in the approval of the Project Proposal Report for Gateway WA, as well as some major capital projects completed ahead of schedule.
- (c) The variation in relation to Total Equity relates mainly to decreases in the value of Land Under Road Reserves required under Accounting Standards to prevailing market based written down replacement costs.
- (d) The decrease in cash being lower than budgeted can be attributed to reduced Commonwealth grants received under the Nation Building program due to delays in the approval of the Project Proposal Report for the Gateway WA Project, as well as some major capital projects completed ahead of schedule.

Further explanations are also contained at Note 41 of the Financial Statements.

Integrated Management System

We have adopted a systematic approach to improving business performance based on quality management principles. The Integrated Management System brings together all of our third-party certified processes into a single structure. During the year we undertook a full audit of our entire Management System achieving re-certification through to 2016. Continuous improvement is the cornerstone of all our management processes and procedures.

We are keeping a close watch on the development of new International Standards for Road Safety and Asset Management. We have people involved in the development and review of the direction of each new standard with a view to adopting them under our Integrated Management System at the earliest opportunity.

Current Certification	
Standard	Processes
Quality Management System AS/NZS ISO 9001:2008	Project Management, Contract Management, Supply, Corporate
Environmental Management System AS/NZS ISO 14001:2004	Environmental
Occupational Health and Safety Management System AS/NZS 4801:2001	Occupational Health and Safety

Completion of Better Business Project

The Better Business review project was introduced in 2009 to increase the efficiency of our business. The intent of the review was to identify where improvements and efficiencies could be made regarding the way we run our business, whilst shifting our culture to embrace change and innovation.

As part of working to complete the 106 recommendations, strong leadership, collaborative relationships and innovation have become embedded in our culture thereby sustaining the efficiency and the effectiveness of our business.



As the project comes to a close, key results include increased productivity through improved processes, employee engagement, and retention of key skills and tacit knowledge. Decision making was enhanced through greater transparency in the organisation and delivery of timely and accurate information. Initiatives focused on current capabilities and future human capital requirements, improving internal customer service whilst also ensuring that we meet community needs and expectations.

Principle 5: Ethics and Integrity

Our Values and Code of Conduct

We have well established Values and a Code of Conduct that guide the way we work. The Code of Conduct establishes our responsibilities and standards of behaviour against our Values. The Code builds upon the fundamental principles contained in the *Public Sector Management Act 1994* and the *Public Sector Commission, Commissioner's Instruction No.7-Code of Ethics* which binds all Western Australian public sector employees, from the Commissioner down. This is the essence of values-based management. All of our employees are responsible for their own conduct and for their interactions with our customers, stakeholders, the community and with each other. Corporate Executive and senior managers are also required to promote our Values.

Our Code of Conduct is based on Main Roads Values and the *Code of Ethics* key principles:

- **Personal Integrity** – We act with care and diligence and make decisions that are honest, fair, impartial and timely, and consider all relevant information.
- **Relationships with Others** – We treat people with respect, courtesy and sensitivity and recognise their interests, rights, safety and welfare.
- **Accountability** – We use the resources of the State in a responsible and accountable manner that ensures the efficient, effective and appropriate use of human, natural, financial and physical resources, property and information.

Ethical and Responsible Decision Making

To support ethical and responsible decision making, Corporate Executive is supplied with appropriate information in a timely fashion before meetings. This information consists of monthly financial management information; quarterly data related to the identification and management of risk; organisational performance information through the provision of a monthly Key Performance Indicator Scorecard; status reports for each Directorate; Occupational Safety and Health Status Reports; and Quarterly Standing Reports from each sub-committee. Each member of Corporate Executive has an annual business plan for their own Directorate, which is linked to the Corporate Business Plan and the Strategic Plan.

The Managing Director has a performance agreement with the Commissioner and other members of the Corporate Executive have Individual Development Plans with the Managing Director.

In addition, we continue to deliver mandatory training in Accountability and Ethical Decision Making to all employees. This has been successful in raising awareness of the importance of decision making in aspects of our business.

Corruption Prevention

We have strategies in place to prevent the misappropriation of funds and inappropriate use of public property that include a comprehensive Annual Audit Plan providing a balanced mix of financial, operational and information technology audits. In addition, risk management is considered an integral part of the annual business planning approach and risks are managed and monitored at all levels.

Conflicts of Interest

Our Code of Conduct states that all employees have a responsibility to ensure our personal, financial and political interests do not conflict with our performance or ability to perform in an impartial manner. Where a conflict of interests occurs, it should always be resolved in favour of the public interest rather than personal interest.

We consider a situation reflects a conflict of interest when:

- Decisions are biased as a result of outside activities or private employment
- Outside activities result in a less than satisfactory work performance or cause breaches of standards such as those relating to occupational safety and health
- Information gained from official employment is used for private gain
- Government resources are used for private gain
- Government time is used to pursue private interests.

Each Corporate Executive member is required to sign a representation memorandum addressed to the Managing Director which includes a section on personal interests in Main Roads' contracts. The Chief Finance Officer, Managing Director and Accountable Authority then sign a Management Representation Letter to the Auditor General addressing various categories including Internal Controls and Risk Management.

In 2012-13, other than normal contracts of employment of service, no senior officers, firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contacts with Main Roads.

Acceptance of Gifts and Benefits

Our policy states that 'Main Roads employees must not be influenced or perceived to be influenced by the receipt of gifts or benefits'. All employees who receive a gift or benefit with an estimated equivalent value of more than \$50 must register the description of the gift, value, name of donor, name of recipient and reason for accepting or declining the gift. The Gift Register is maintained and reviewed by the Manager Legal and Insurance Services.

Misconduct and Inappropriate Behaviour

All employees are expected to abide by the following:

- Public Sector Code of Ethics
- Main Roads Code of Conduct
- Section 7 and 9 *Public Sector Management Act*
- Main Roads Values
- Corruption and Crime Procedures and Guidelines.

When a complaint, alleged inappropriate behaviour or misconduct is reported, management is required to take action through internal processes. This usually requires an initial review of the information or complaint to provide guidance on the severity of the alleged behaviour and the most suitable process to address the issue. We may utilise one of the following processes to further examine or deal with alleged behaviour in breach of any of the above specified requirements:

- Discipline
- Grievance resolution
- Performance management
- Corruption and crime procedures
- Improvement actions.

These processes may necessitate a need for a review or investigation into the behaviour, depending on the severity of the alleged behaviour. Misconduct as defined by the Corruption and Crime Commission is required to be reported to the Commission. Management actions for matters related to misconduct require a more thorough review and more formal processes when examining the alleged behaviour.

Ethical Procurement

Our procurement policies and procedures comply with the requirements of the State Supply Commission and are certified to AS/NZS ISO 9001:2008. Policies are documented in the Procurement Management Manual and all tendering and contract administration procedures are documented in the Tendering and Contract Administration Manual. An ongoing compliance program is in place to ensure that these policies and procedures are implemented. A Tender Committee, comprising two experienced senior officers from our organisation and two senior external Government officials who provide additional assurance that procurement actions comply with policies and standards for high risk, potentially contentious procurements. In addition, we submit all Procurement Plans and Tender Recommendations for Goods and Services arrangements over \$5 million for review and endorsement by the WA Government’s State Tender Review Committee.

Sustainable Procurement and Buy Local

The State Supply Commission Policy on sustainable procurement requires us to demonstrate that we have considered sustainability in our procurement of goods and services. However, we have gone beyond the requirements of this policy to reflect this not only in our processes for procuring goods and services but also in procuring works. In addition, we apply the Buy Local Policy where we consider and give preference to local providers in our purchases as the benefits to industry development and employment are recognised. Buy Local Policy clauses are also included in all our tender documents and tender assessments. Reporting for Buy Local is extracted from information contained within the Department of Finance’s ‘Tenders WA’ website. Data is not yet available for the current year.

Category	2011		2012 ¹
	Metro	Regional	Regional
Awarded to businesses located within the ‘prescribed distance’ of a regional delivery point as defined in the Buy Local Policy	n/a	60%	41%
Awarded to a ‘local business’ as defined in the Buy Local Policy (Target 80%)	98%	93%	90%

¹ Changes to the Buy Local Policy removes the collection of award to a local business for the Metropolitan area from 2012 onwards.

Procurement Grievances

We have a procedure in place for dealing with procurement grievances which is referenced in all tender documents and a copy is accessible from our website. The procedure has been endorsed by the Western Australian Road Construction and Maintenance Industry Advisory Group and provides for a customer-focused, fair, structured and relationship-based approach to reviewing grievances lodged by contractors. During the year, two grievances were received and these have been closed out. The grievances did not highlight any common areas of concern. The low number of grievances, which represented less than 1% of all contracts awarded, is consistent with previous years and indicates that our procurement processes continue to be fair and equitable. The table below lists our major suppliers/contractors and their award value over the past year.

Major Suppliers/Contractors	2013 Award Value (GST Excl) \$million
Gateway WA ¹	900.0
MACA Civil Pty Ltd	59.1
Abigroup Contractors Pty Ltd	32.0
Downer EDI Works Pty Ltd	21.6
Highway Construction Pty Ltd	12.9
Structural Systems (Civil) Pty Ltd	11.0
Bocol Constructions Pty Ltd	7.2
Pavement Management Services Pty Ltd	5.1
303LOWE Australia Pty Ltd	5.0
Marketforce	5.0

¹ The value of the Gateway WA contract is the current estimate.



Principle 6: People

Further information on People can be found in the Developing Capabilities section, page 73-79.

Equal Employment Opportunity Management Plan 2011-2015

We consider diversity to be respecting, recognising and utilising the many different backgrounds, skills, talents and perspectives of our workforce. The Equal Employment Opportunity Management Plan is developed in accordance with Part IX of the *Equal Opportunity Act 1984* and is aligned to the Office of Equal Employment Opportunity’s outcome standards framework.

In 2012, we continued our focus to improve development and promotional opportunities for women through our Women in Management Strategy and Action Plan. For more information on our 2012 initiatives, please refer to the Developing Capabilities section, page 75.

Main Roads has implemented a new framework which enhances our Aboriginal traineeship opportunities across the organisation. Through partnerships with the ROADS Foundation and a streamlined approach, we are able to provide tailored traineeships on an ongoing basis. The Equity Index table below shows how we track areas of diversity.

Areas of Diversity	2011		2012		2013	
	Representation	Index	Representation	Index	Representation	Index
Women	28.6%	54.9	28.6%	54.9	29.1%	54.9
Culturally Diverse Background	9.8%	106.1	9.8%	106.1	17.5%	92.1
People with Disabilities	1.8%	79.1	1.8%	79.1	3.6%	85.1
Aboriginal Australians	0.9%	21.1	0.9%	21.1	1.8%	35.7

**The above data is based on the FTE values as at 30 June 2013.*

Our Recruitment Guidelines

This year was a busy year for our Attraction and Retention Branch. Recruitment commenced for several high level, specialist roles in a variety of technical areas. These roles are crucial to the on-time delivery of our upcoming key infrastructure projects.

Our target was to complete 90% of our recruitment actions within 30 days. While we did not achieve the ambitious target, we did achieve an average nearing 80% providing additional benefits of improving our candidate care, customer service and solidifying relationships across our directorates.

Human Capital Management

We take a strategic and commercial approach to human resource management and aim to link all human resource activities and projects with our new 2020 Strategic Plan. This is done through human capital management strategies that aim to create a competent and knowledgeable workforce, build and sustain effective work practices, improve performance and establish return on investment.

A number of tools measure and track the capability, development and value of our human capital. Whilst some have yet to be developed, they will include the Human Capital and Productivity Dashboard, Operational Analyses and Human Capital assessments of functional areas and projects. Human Capital assessments, for example, aim to identify courses of action that will maximise value for money, improve labour resource allocation and utilise innovation to improve organisational outcomes.

Through the effective and focused analysis of human capital data to drive the productivity of our workforce, we will be better able to respond to and anticipate changes in our external environment, as well as contribute to improved organisational outcomes to benefit the Transport Portfolio and the community.

Individual Development System

The Individual Development Plan (IDP) detects the developmental needs of employees and provides a discussion platform for career planning and progression. It also provides the opportunity to identify how employees specifically contribute towards our Strategic Plan and how personal behaviours reflect our values. At a corporate level, data collected from the IDP is used to uncover and manage skill gaps across the organisation. Combined with workforce planning data, the information is used to develop corporate programs and short training courses.

During the year, 60% of the eligible workforce completed the IDP representing a similar completion level to the previous year. We continued to offer a high degree of access to targeted learning and developmental opportunities. Our new online system has been finalised which should better support the individual development and performance management process. This new system, was piloted mid-June 2013, and will be rolled out with a rebranded IDP process. A main component of the redesigned process is competency development which is aligned to support the achievement of performance objectives. With strong promotion from senior management and its simplified process, it is anticipated that completion rates will be maximised, resulting in more accurate information being gathered for needs analysis.

Compliance with Public Sector Standards and Ethical Codes

Compliance issues that arose during the year regarding the Public Sector Standards included lodgement of five breach claims against recruitment, selection and appointment processes and three against the Grievance Standard. The majority were subsequently dismissed. With respect to one breach, recommendations were made to document the decision making process to demonstrate how employee concerns were considered as part of the process. Every year we take steps to enhance processes to ensure compliance including:

- Providing information about Public Sector Standards and Codes of Conduct on our intranet and including this information in induction material
- Corresponding with applicants on recruitment, selection and appointment processes with details on how to access the Public Sector Standards



- Ongoing training provided to recruitment and selection panel members to ensure compliance
- Providing an experienced independent person on all recruitment and selection panel
- Providing a network of Grievance Officers
- Reviewing and auditing all recruitment, selection and appointment processes both permanent and temporary, to ensure compliance.

Principle 7: Finance

Reporting to the Department of Treasury

There is a requirement to provide monthly, quarterly and annual information to the Department of Treasury, which is subject to audit by the Office of the Auditor General. This also serves as an independent check on the integrity of financial reporting.

Accounting and Financial Management Policies

A comprehensive Accounting Manual containing accounting and financial management policies and procedures is maintained together with Control Self-Assessment Checklists. These documents communicate accountability for procedures within various responsibility areas and enhance the level of internal control. The Manual and Checklists enable management as well as internal and external auditors to monitor compliance with established procedures and together with the *Financial Management Act 2006* and the Treasurer's Instructions, are available online to all employees.

Capital Works

All disclosures in relation to capital works are included in the Financial Statements. Our Strategic Asset Management Plan, produced annually through our Asset Management and Investment Planning processes, details our 10-year investment needs and drivers. The Strategic Asset Plan adheres to WA Treasury's Strategic Asset Management Framework. We assess projects for funding based on their economic, environmental and social impacts. Each capital project follows the national Austroads project evaluation methodology where a Benefit Cost Ratio (BCR) must be conducted. This incorporates quantifiable economic data and is supplemented by simplified economic, environmental and social assessments.

The BCR records information on the benefits of a project in relation to travel time savings, vehicle operating costs and smoother travel, safety, and maintenance. Other benefits and costs are considered via a multi-criteria analysis. Capital works financial progress is reported to the Budget Committee on a monthly basis.

Internal Audit

A comprehensive system of internal controls is in place to ensure that there is an appropriate division of responsibilities to safeguard the assets and financial interests of the organisation. The Management Review and Audit Branch is responsible for managing our internal audit function which provides independent, objective assurance and consulting activities. The Branch aims to add value, improve operations and bring a systematic, disciplined approach to evaluate

and improve the effectiveness of risk management, operational controls and governance processes. The Management Review and Audit Charter establishes the responsibility of the Management Review and Audit function to ensure it performs effectively in the organisation. This Charter identifies that the audit function will provide the Managing Director and Corporate Executive with:

- Objective constructive and independent assessments of the extent to which:
 - financial, human, intellectual and physical resources are managed with due regard to economy, efficiency and effectiveness
 - accountability relationships are reasonably served.
- Assurances as to the reliability of accounting and financial management information and the protection of assets and resources under control.
- Assessment of the organisation's compliance with legislation and relevant policies and procedures.
- Assessment of audit reports issued by the Office of the Auditor General and the relevance and possible impact on Main Roads.
- Independent and confidential advice on remedial action to improve operational effectiveness, efficiency and economy.
- Progress reports regarding remedial action taken by line management.

The Branch reports quarterly to the Management Review and Audit Committee and maintains a regular review of audit plans, reports and working papers.



Statutory Audit

The annual independent external audit on controls, compliance and assurance is carried out by the Auditor General of Western Australia, in accordance with the *Auditor General Act 2006*. The Auditor General's opinion is addressed to both Houses of the Parliament of Western Australia and audits our financial statements, controls and key performance indicators. It provides an independent opinion on whether our financial statements are true and fair and are in accordance with the Australian Accounting Standards and the Treasurer's Instructions.

Management Reporting

Financial reports are tabled monthly and quarterly at the Budget Committee which comprises all Executive Directors and is chaired by the Chief Finance Officer. Particular financial highlights are reported monthly to Corporate Executive along with progress against Key Financial Performance Indicators. In addition, Regions and Branches conduct monthly reviews of their finances with financial reports presented at Directorate Management Meetings.

Pricing Policies of Services Provided

The supply of goods and services we undertake represents works and services carried out for other public sector and private bodies on a cost recovery basis. Further details are available in the Notes to the Financial Statements.

Principle 8: Communication

Internal Communications Plan

Enhancing Internal Communication and Engagement: A Plan for Main Roads was created to improve communication throughout the organisation. It is designed to engage employees via a consultative process rather than simply providing information.

Since the introduction of the plan, we have targeted communications training as identified in our employees' Individual Development Plans. We had 45 employees undertaking the Getting the Best out of Your Communication workshop which equips them with practical skills and strategies for using different communication forms to their best advantage. Another 40 employees undertook the 'Communication and Interpersonal Skills' program which allows participants to be self-aware of their thinking styles.

This helps them to identify critical factors in their ability to communicate effectively.

We have also developed communication strategies for important corporate initiatives such as our 'Main Roads 2020 Strategic Plan'. The relevant communication strategy, '2020 Communication Plan', includes various actions to raise awareness and understanding of our strategic direction over the next eight years. These actions utilise our intranet site, branding, articles, participation from key stakeholders, and provision of two-way feedback opportunities to enhance internal communications.

We have recently conducted an internal branding review to redesign our internal branding. This was piloted with the Development Employee area and feedback received has been very positive. We will extend this branding review to other areas across the organisation.

Social Media Guidelines

We recently established a set of Social Media Guidelines to raise our employees' awareness of their responsibilities when using social media whether in a professional or private capacity. The guidelines will assist employees in identifying opportunities where social media can improve communication for specific events and campaigns.

These guidelines apply to all our employees and contractors and complement the Public Sector Commission Social Media Guidelines. We recognise that social media is evolving as a dynamic and effective way to communicate with internal and external stakeholders and customers. These guidelines will be rolled out to all employees over the next year.

Complaints Handling Process

We are committed to an accessible, fair and equitable complaints handling process that aligns our procedures with the Australian Standard for Complaints Handling (AS ISO 10002 – 2006). Information regarding the Policy is also readily available on our external website. The Corporate standard for response to complaints is 10 working days. Information regarding our process is provided to all employees through our intranet and during the induction process.

A monthly assurance check of this process is conducted via a complaints handling survey.

This survey assesses our customers' experience with their complaints process and how the complaint was handled. Last year, 54% of people interviewed indicated that they were satisfied with how their complaint was handled. For the list of top complaints received, please refer to the Enhancing Relationships section, page 69.

Annual Report

We adopt a full, open and transparent approach when reporting on our operational and financial performance in our annual report. The report is also our medium for informing the public on our performance, expenditure of public funds and of any significant issues that occur. As only limited copies of the hard copy report are produced, an online version is available on our website.

In recognition of our high standard in annual reporting, we received a Gold award for our 2012 report in both the Lonnie Awards (WA) and the Australasian Reporting Awards. We also won 'Best Online Report – Public Sector' for the 2012 report which recognised that our report is accessible in an engaging way.

Managing Our Records

The *State Records Act 2000* requires that we have a Recordkeeping Plan (RKP) which sets out matters about which records are created and how they are being kept. The RKP was approved in September 2010 and provides an accurate reflection of the recordkeeping program established. The Plan covers our recordkeeping system, disposal arrangements, policies, practices and processes reflecting our current functions. The following is a summary of compliance requirements and achievements during the year:

Improving Our Policies and Procedures:

- We have adopted Australian Standards AS ISO 15489 – Records Management best practice recordkeeping and implemented the principles and standards established by the State Records Commission.
- We constantly promote as benchmarks, the Code of Practice for the Management of Contract Records and the Code of Practice for Integrated Service Arrangement Records to participants involved in the Integrated Service Arrangements.
- We developed a Conversion Toolkit, a suite of complementary policies, and processing and procedure documentation, for when the function of invoice processing is returned to us from the Department of Finance, Shared Services.

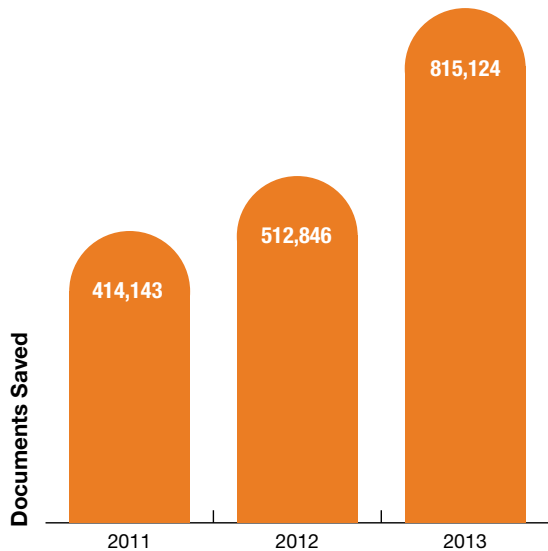
- We have eased data entry loads through automating metadata capture for incoming scanned and emailed documents requiring registration into the recordkeeping system.
- We have also reviewed the existing scan process and added daily hardware integrity checks and quality assurance of converted digital output.
- We continue to face the impact of technology on the conduct of recordkeeping. A TRIM Data Migration Toolkit has been developed to assist in migrating data stored on shared network drives to the recordkeeping system. This follows the conduct of this exercise in two regions using a customised fit-for-purpose data migration tool coupled with software operator and recordkeeping system training.
- A record risk assessment checklist has been developed to assist in managing the use of public web-based cloud services for project collaboration. This will assist in determining a short term and long term strategy to ensure compliance with Main Roads Records Policy. It will also help us meet business needs to support project collaboration and document transfer to and from remote locations when delivering road infrastructure projects.

Retention and Disposition:

- The Retention, Disposal and Archiving program continues to be undertaken in compliance with the Main Roads Retention and Disposal Schedule and General Disposal Authorities. Employees are provided with the necessary tools and resources to identify and manage all record types in each phase of the schedule.
- A compliant process has been developed and implemented as specified in the State Records Commission Standard 8 (Principle 6) so that we can be in a position to destroy source hardcopy records in accordance with the General Disposal Authority for Source Records.
- We continue to use offsite storage facilities made available under the Common Use Agreement (CUA 34504) Storage, Retrieval and Destruction for Paper and Electronic Records.
- The Vital Records Policy identifies the main principles that ensure business continuity through the preservation and protection of core business records. Our Vital Records Register identifies the required level of compliance and remedial measures introduced to protect records listed. The Register continues to be updated.

Our Recordkeeping System:

- We have in place a Business Classification Scheme (BCS) based on the Keyword AAA method of file titling used throughout all tiers of Government. The BCS is directly accessible from the recordkeeping system and complementary thesaurus software supports ongoing user education, system maintenance and reporting.
- The TRIM recordkeeping system is maintained through the conduct of regular ongoing health monitoring, monthly data integrity checks, and regular license review and availability for all linked servers across the State.
- This year more than 815,000 documents have been registered into our recordkeeping system, a 60% increase over the previous year.



Ongoing Recordkeeping Training:

- Mandatory online Records Awareness and Customer Service training occurs for new employees and has been reviewed and updated.
- An online Indexing course continues to be available to records staff centrally and in the Regions.
- Instructor-led system training is offered across the State on a one-on-one, hands-on, tailored, or lecture format basis to all employees. This year a total of 287 end users have attended training sessions, consisting of 224 employees in the metropolitan area and 63 employees in the regional areas.
- The roles and responsibilities of employees under the Main Roads RKP continue to be delivered through induction training for new employees and during Instructor-led training for current employees.

- Our Regional Records officers have taken the opportunity to participate in 'buddy' training with Central Records staff to expand their knowledge of recordkeeping policies, processes, practices and procedures.
- We offered two University Practicum placements in Central Records to students who were able to gain experience and apply information theory and principals in a practical work environment.
- We regularly updated our policies, procedures, quick reference guidelines, fact sheets, frequently asked questions, news items, service provision, availability and contact points which were made available to employees through our intranet site.
- Documents placed on our external website and the intranet are required to be registered and updated in our recordkeeping system prior to publication. Training is provided for this process.

Reinforcing Recordkeeping Practices:

- We have developed and deployed a Corporate Work Program specifying work required to improve recordkeeping across the organisation and a Service Improvement Program specifying work required to improve service delivery to business areas from Central Records.
- We have an internal Help Desk Facility to assist all employees with TRIM technical problems. We also provide remote assistance when required and receive an average of 20 enquiries a day.
- We continue to work with Information Technology Managers to discuss and resolve technical and records-related issues bi-monthly.
- We share recordkeeping knowledge with our Portfolio partners.
- We assist our Regional and Metropolitan Offices through quarterly teleconferences to provide guidance, advice and assistance regarding common recordkeeping issues and concerns.
- The Internal Auditor continues to monitor and provide feedback on our record-keeping practices. Progress is being made on improvement opportunities in the areas of training, security of sensitive records, retention and disposal, and correspondence management.
- The Annual Records Seminar was well received as participants were given the opportunity to network, explore common issues and business processed, and meet and learn from others in an open constructive environment.



Great Northern Highway

- We are currently undergoing an establishment restructure to assist in delivering records management, retention and disposal, records storage, records training and technical system support to all employees.

Freedom of Information

Certain information can be obtained under the *Freedom of Information Act 1992*. An information statement, which has been produced in accordance with the requirements of the *Act*, is available on our website. The statement provides a guide on how to obtain information from us under the *Act* and information that is available without a formal application. During the year, we received 32 applications with the majority of applications related to potential third-party liability claims and land acquisitions matters associated with road projects. The table below provides further statistics on applications received:

Freedom of Information Applications			
Year	2011	2012	2013
Received	38	46	32
Internally Reviewed	4	4	4
Externally Reviewed	2	0	0

Our Freedom of Information Coordinator can be contacted on 138 138.

Public Interest Disclosures

We are committed to the aims and objectives of the *Public Interest Disclosure Act 2003*. We recognise the value and importance of the contributions of staff to enhance administrative and management practices and strongly support disclosures being made by staff regarding improper conduct.

The *Public Interest Disclosure Act 2003* is made available on our intranet to all employees for their information. One matter was received in the last year but upon assessment was deemed not to be a disclosure.

Principle 9: Risk management

Policy

Our Risk Management Policy states that we ‘Manage all risks so that our business outcomes are achieved and our reputation is protected’. We achieve this by adhering to the following principles:

- Making risk management everyone’s responsibility
- Integrating risk management with business planning
- Capturing lessons learnt and implementing continuous improvement
- Establishing on-going control and accountability
- Taking the broadest approach possible, and identifying all risks.

Risk Management Process

We have established a single and systematic approach to enterprise-wide risk management that brings various risk management procedures and processes from across the organisation under one central process. All employees have a responsibility to mitigate risk through managing and identifying risks that are a part of the work we undertake. Our process is aligned to the Australian Standard AS/NZS ISO 31000:2009 – Risk Management.

Risk Management Reporting

As part of the ongoing Corporate Risk Management process, workshops are held across the State to identify important operational and strategic risks facing individual directorates and business units and our project activities. These workshops focus on the strategic and longer term (3-5 years) impacts to our business.

Mitigating actions to address these risks have been incorporated within Directorate and Branch Business Plans and form part of the quarterly reporting and evaluation regime to Corporate Executive and across the organisation.

Performance Measures and Financial Statements

Statement of Certification

Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Commissioner of Main Roads performance and fairly represent the performance of the Commissioner of Main Roads for the financial year ended 30 June 2013.

Financial Statements

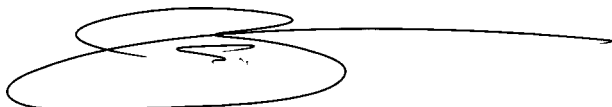
The accompanying financial statements of the Commissioner of Main Roads have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2013 and the financial position as at 30 June 2013.

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.



Peter Woronzow
CHIEF FINANCE OFFICER

15 August 2013



Steve Troughton
MANAGING DIRECTOR OF MAIN ROADS

15 August 2013



Reece Waldock
COMMISSIONER OF MAIN ROADS

15 August 2013



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

COMMISSIONER OF MAIN ROADS

Report on the Financial Statements

I have audited the accounts and financial statements of the Commissioner of Main Roads.

The financial statements comprise the Statement of Financial Position as at 30 June 2013, 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.

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

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 Main Roads' 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.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Commissioner of Main Roads at 30 June 2013 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.

Report on Controls

I have audited the controls exercised by the Commissioner of Main Roads during the year ended 30 June 2013.

Controls exercised by the Commissioner of Main Roads 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.

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

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Commissioner of Main Roads 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 Main Roads 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.

Opinion

In my opinion, the controls exercised by the Commissioner of Main Roads 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 2013.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Commissioner of Main Roads for the year ended 30 June 2013.

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

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

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 qualified audit opinion.

Basis for Qualified Opinion

As a result of the expiry of the Traffic Control Infrastructure Contract and transition to a new delivery arrangement during the financial year impacting on the reliability of data, the Commissioner of Main Roads has elected to not report the actual results for 2012-13 for the following key effectiveness performance indicators; availability of traffic signals, road lighting and emergency phones.

As a consequence the Commissioner has not complied with the requirement to report actual results for all key performance indicators approved by the Under Treasurer.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the key performance indicators of the Commissioner of Main Roads are relevant and appropriate to assist users to assess Main Roads' performance and fairly represent indicated performance for the year ended 30 June 2013.

Independence

In conducting this audit, 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 Commissioner of Main Roads for the year ended 30 June 2013 included on Main Roads' website. Main Roads' management is responsible for the integrity of Main Roads' website. This audit does not provide assurance on the integrity of Main Roads' 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.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
19 August 2013

Key Performance Measures

Introduction

Main Roads uses performance measurement to gain insight into, and make judgements about, the effectiveness and efficiency of its programs, processes and people. We measure our progress in meeting strategic goals and outcomes, gather and analyse performance data and then use that data to drive improvements and successfully measure the deployment of actions into outcomes.

Our performance measures support managerial decision making by providing useful information regarding how efficient and effective our core processes are, if improvements are necessary, to identify potential risk areas, determine if our customers and stakeholders are satisfied and if we are meeting our own and the Government's goals.

We have a well-established outcome based performance measurement framework that seeks to measure the organisation's success in terms of delivering on agreed Government goals and outcomes. Our performance measures are integrated within the monthly performance evaluation process undertaken by the Corporate Executive Leadership team.

Alignment with Government Goals

The Western Australian Government has identified the following goals that Main Roads will contribute to in delivering its stated goals. We achieve the delivery of the Government goals through an outcome based Program Management approach. There are seven programs that drive outcome based decision making to achieve agreed business outcomes. The following table shows the alignment of each Program against the Government's goals.

Main Roads		Government
Program	Outcome	Goal
Road Safety	A safe road environment	Outcome Based Service Delivery
Office of Road Safety	Improved coordination and community awareness of road safety	
Road Management Road Efficiency	Reliable and efficient movement of people and goods	
State Development	Facilitate economic and regional development	State Building – Major Projects
Maintenance	A well maintained road network	Stronger focus on the Regions
Community Access	Improved community access and roadside amenity	Social and Environmental Responsibility



Changes since the last report

During the year Main Roads carried out a minor review of its measures seeking to adopt a number of recommendations identified in the Auditor General's report to Parliament "Beyond Compliance: reporting and Managing KPIs in the Public Sector" and to formalise a number of other amendments including minor changes to improve methodology and moving reporting of the Smooth Travel exposure from annual to biennial. These changes have been reported in the commentary accompanying as they have been adopted. The Deputy Under Treasurer formally approved these various minor amendments in January 2013.

Understanding Community Perception Measures

Four of the measures are derived from an annual Community Perceptions Survey that seeks to reflect the satisfaction levels of customers in both metropolitan and rural areas of the State. These results are used to ensure that Main Roads' projects and customer service initiatives are targeted at the areas of greatest need.

Through the use of an external research company, the data was collected by way of telephone interview using a developed structured questionnaire. The results are based upon a random sample of 1 101 people (201 persons in the Metropolitan area and 900 persons in rural areas – 100 from each Main Roads Region). When extending these results to estimate the percentage of satisfied Western Australians, the margin of error is approximately 2.9% at the 95% confidence level and is also weighted to reflect the actual population distribution based on ABS statistics.

Please note that the structure of the survey questionnaire has changed in 2011-12 however, the questions used to derive the results for this indicator remain unchanged. As such comparability with prior year results is not affected.

The four measures are Community Satisfaction with Main Roads, road safety, maintenance and provision of cycleway and pedestrian facilities.

Understanding On Time and On Cost Measures

The delivery of infrastructure in a State that is as climatically and geologically diverse as Western Australia provides many challenges. Ten of our efficiency measures are based on reporting against the delivery of our contracts in terms of time and cost. To recognise the complexity in achieving this, and consistent with approaches taken in other road agencies, all reporting against these measures includes a 10% margin when calculating the final outcome.

Structure

The following provides a summary of Main Roads' program outcomes and measures for each indicator showing the trend over time as well as providing a status report as to how the results for 2012-13 compared against the targets agreed with Government. The remainder of this chapter provides commentary on the efficiency and effectiveness indicators grouped around the seven outcome based programs.

Summary of Key Performance Measures and Outcomes

		2010	2011	2012	2013 Target	2013 Actual	Ref	
Road Safety Program								
% Community Satisfaction of road safety		96	95	92	90	94	112	
Black Spot location indicator		11.7	11.2	10.7	11	10.3	112	
% of contracts completed on time		59	61	67	90	70	113	
% of contracts completed on budget		95	88	95	90	95	113	
Office of Road Safety Program								
% Effectiveness of road safety awareness campaigns		84	79	60	>50	83	113	
% of ORS Projects completed on time		78	90	87	90	78	113	
% of ORS Projects completed on budget		82	88	97	90	100	113	
Road Efficiency and Road System Management Programs								
% Community Satisfaction		97	97	95	90	94	114	
Road network permitted for use by heavy vehicles	B Double – 27.5m %	99	96	96	96	97	114	
	Double RT – 27.5m %	98	96	96	96	97	114	
	Double RT – 36.5m %	79	78	78	78	79	114	
	Triple RT – 53.5m %	44	44	44	44	44	114	
% Network configuration	Roads	89	89	89	90	89	114	
	Bridges	Strength	n/a	n/a	87	87	88	114
		Width	94	94	95	94	95	114
% of contracts completed on time		44	57	55	90	86	115	
% of contracts completed on budget		89	86	82	90	100	115	
Average \$ cost of network management per million vehicle km travelled		4,300	3,840	3,853	3,743	4,535	115	
State Development Program								
Average return on construction expenditure		2.0	2.7	2.1	2.5	3.1	115	
% of contracts completed on time		40	71	33	90	100	115	
% of contracts completed on budget		100	100	100	90	100	115	
Road Maintenance Program								
% Smooth Travel Exposure		98	98	n/a	97	97	115	
% Community Satisfaction road maintenance		93	94	90	90	84	116	
% Preventative maintenance indicator		87	88	86	85	87	116	
% availability of traffic signals, road lighting and emergency phones	Traffic Signals	99.1	99.1	99.4	99	n/a	116	
	Road Lighting	99.4	97.4	96.1	99	n/a	116	
	Emergency phones	99.9	99.9	99.9	99	n/a	116	
Average \$ cost of network maintenance per lane kilometre of road network		6,183	6,083	7,939	7,400	7,926	116	
Community Access Program								
% of the year that 100% of the Main Roads' State road network is available		96	85	90	70	94	116-117	
% Community satisfaction with cycleways and pedestrian facilities		90	90	76	90	83	117	
% of contracts completed on time		86	50	80	90	80	117	
% of contracts completed on budget		71	100	100	90	80	117	



Great Eastern Highway Widening

Road Safety

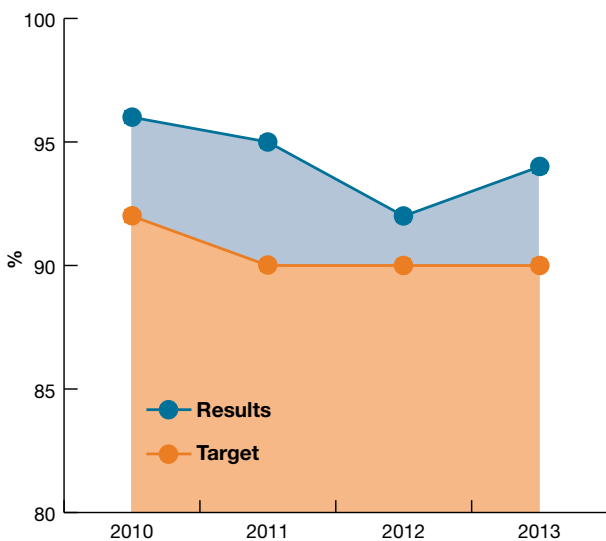
Outcome: Providing a Safe Road Environment

This program seeks to reduce the State's road fatality rate to the lowest in Australia by minimising road factors contributing to road trauma and reducing the serious crash injury rate. We demonstrate this through the following measures:

Effectiveness Indicators

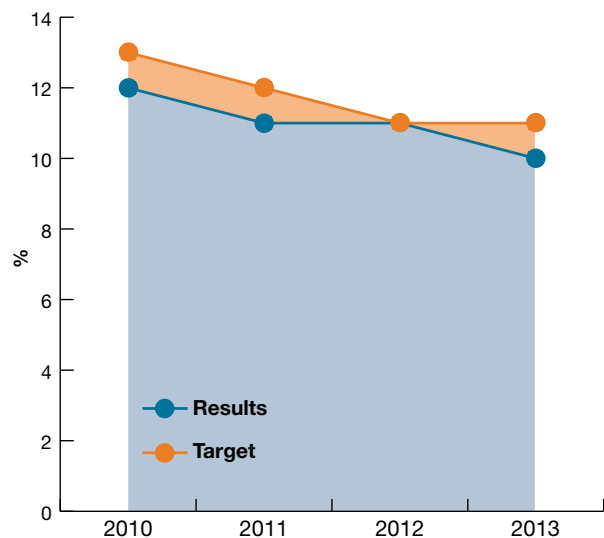
Community Satisfaction with Road Safety

This indicator represents how satisfied the community is with Main Roads' overall performance in the area of road safety. The survey results show that Main Roads' high performance on road safety remains strong rising a further two points since last year to achieve 94% of survey participants rating it as okay or better exceeding the target of 90%.



Black Spot Location Indicator

The indicator gives a measure of the number of locations on the road network that meet State Black Spot criteria based on an analysis of crash history. The measure uses a sliding window to determine whether the number of locations eligible for funding is increasing or decreasing, taking into account the amount of travel in the State and the annual Black Spot funding used to treat those locations. Last year the results for the period 2008 to 2011 were recast to incorporate new information made available by the Australian Bureau of Statistics that amends the vehicle kilometres travelled input. Including this revised information ensures that the results over time remain accurate and comparable. The four year trend continues to show a gradual decline in the number of eligible black spot locations with the current result being the lowest recorded since the implementation of the Black Spot program in 2001, coming in below the estimated target.



Efficiency Indicators

Percentage of Contracts Completed on Time

This indicator represents the percentage of contracts that were delivered on time in the Road Safety Program. Whilst the target was established at 90%, 70% of contracts were delivered on time which is an improvement on the previous year. Of the contracts that were late 10 exceeded the target date by more than 10 days. The following is an explanation of the reasons in each case:

- Two contracts were delayed due to inclement weather combined with increases in scope delaying completion of works
- One due to inclement weather causing some rework
- One due to additional works being undertaken
- One due to delays in service relocations
- Five are currently works in progress arising from factors that include increase in scope of works, inclement weather, delays in procuring materials, service relocations and availability of a line marking contractor.

Percentage of Contracts Completed on Budget

This indicator represents the percentage of contracts delivered on budget in the Road Safety Program. The result of 95% reflects an improvement on the previous year. There were two contracts that exceeded their target value both due to additional works being taken.

Office of Road Safety

Outcome: Improved Coordination and Community Awareness of Road Safety

This program represents the outcomes sought from the Office of Road Safety and their role in supporting the Minister for Road Safety and the Road Safety Council in coordinating and raising community awareness of the road safety effort for Western Australia. We demonstrate this through the following measures:

Effectiveness Indicators

Effectiveness of Road Safety Awareness Campaigns

This indicator represents the portion of Western Australian drivers who remember seeing major road safety community education campaigns (valued at more than \$500 000) conducted by the Office of Road Safety.

The data is collected independently through a professional market research company by conducting campaign evaluation surveys of in excess of 400 responses before and after each major campaign, with a margin of error at plus or minus 5 per cent at the 95 per cent confidence level. This year the data is based on six major campaigns which averaged a penetration rate of 83% which exceeds the target of achieving an audience penetration rate of 50% or greater.

Efficiency Indicators

Percentage of Projects Completed on Time

This indicator represents the percentage of projects approved by the Road Safety Council and the Minister for Road Safety that were delivered on time by the Office of Road Safety, it excludes external bodies grant funded projects. The current year's result shows that 78% of all projects were delivered on time which is below the target of 90%, there was no single cause as to why four of the projects were delivered late. Reasons for the late delivery include impacts of caretaker mode during the election, drafting of legislation taking longer than anticipated, delays in evaluation and award of a tender for publishing crash statistics and reworking of a business case associated with the development of an enhanced road safety information system.

Percentage of Contracts Completed on Budget

This indicator represents the percentage of projects approved by the Road Safety Council and the Minister for Road Safety that were delivered on budget by the Office of Road Safety. The current year's result shows that 100% of all projects were delivered on cost ahead of the target of 90%.

Efficiency and Road System Management

Outcome: Safe and Efficient Movement of People and Goods

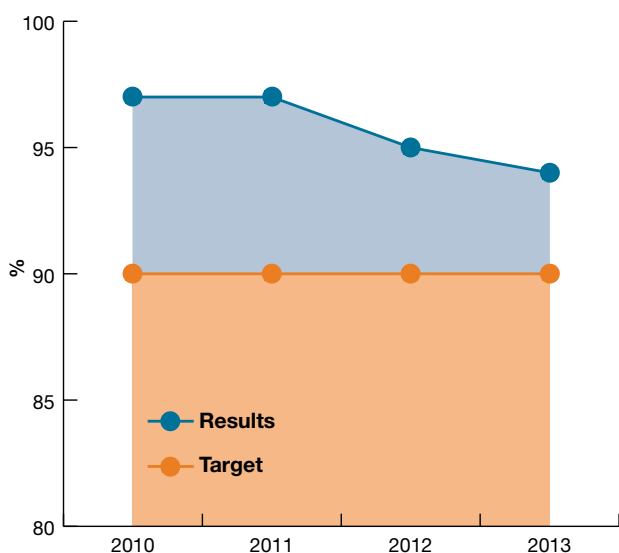
The Efficiency Program seeks to improve the efficiency, capacity and utilisation of the existing road network whilst the Road System Management Program seeks to optimise real-time management of the network, provide traveller information, asset management planning and to support service delivery throughout the organisation. Together these programs contribute to achieving the outcome.

We demonstrate this through the following measures:

Effectiveness Indicators

Community Satisfaction

The Community Satisfaction Indicator represents how satisfied the community is with Main Roads’ overall performance in the management and operation of the State road network. The results are drawn from the Community Perception Survey where respondents were asked to rate Main Roads’ overall performance on a five-point scale, 94% of respondents rate Main Roads’ performance as okay or better. The overall trend remains positive with very strong results over the past four years exceeding the established target.



Road Network Permitted for use by Heavy Freight Vehicles

This indicator relates to the efficient movement of goods within Western Australia and the percentage of available State roads accessed by B-Doubles, Double road trains and Triple road trains. The use of larger vehicles with greater payloads can increase the overall efficiency of freight transport operations, resulting in lower transport costs. However, to maintain road safety and guard against infrastructure damage, restrictions are placed on some trucks. Because of the relatively high efficiency of these vehicles, the proportion of roads accessible to them is an important factor in the overall efficiency of freight transport in this State. Over the past four years the trend has remained relatively consistent with most minor fluctuations in results attributed to changes in ownership of roads between State and Local Government and very minor variations with access categorisation.

Network Configuration-Roads

This indicator shows the percentage of travel undertaken on roads meeting specific criteria for seal width, carriageway width and curve rating. The indicator gives a measure of the ability of Main Roads to plan for and maintain roads to desirable standards. In 2013, 89.4% of travel was undertaken on roads meeting the seal width, carriageway width and curve rating criteria which was very close to the target of 90%. The results over the four-year period are relatively consistent and demonstrate that Main Roads continues to plan and program works to address roads that are below the criteria.

Network Configuration – Bridges

Similar to the roads measure, bridges are assessed for strength and width using agreed investigatory criteria. The monitoring of bridge strength and width needs to ensure a safe and efficient road network relating to improved access and transport efficiencies. These measures are indicators for the number of bridges that meet, or are above, the investigatory criteria, recorded as a percentage of the total number of bridges on main roads and highways. Therefore, the percentage of bridges meeting these network configuration criteria should continue to rise but only slightly in future years. All bridges that do not meet the investigatory criteria for strength or width are considered in assessing, scoping and prioritising works, as part of the ten year bridge strategy.

Strength – The results of this indicator show that 88% of the bridges meet the agreed criteria for strength against a target of 87%. It should be noted that this year’s results reflects the adoption of an approach that compares the strength rating of a bridge based on its strategic role within the road network and its ability to meet that role. This new approach ensures that the information we are reporting against is representative of the actual vehicles requesting access to the bridge and therefore better reflects the use of the asset. It is not possible to report results prior to 2011-12.

Width – In relation to width 95% of bridges meet the criteria against a target of 94% which is consistent with previous years.

Efficiency Indicators

Percentage of Contracts Completed on Time

This indicator represents the percentage of contracts that were delivered on time in the Road Efficiency Program. Whilst the target was established at 90%, 86% of contracts were delivered on time which is a significant improvement on last year. Of the three contracts that were late only one exceeded the target date by more than 10 days. In that instance the scope of works was increased to include an additional pedestrian bridge.

Percentage of Contracts Completed on Budget

This indicator represents the percentage of contracts delivered on budget in the Road Efficiency Program. The result achieved was 100% of contracts being delivered on budget.

Average Cost of Network Management

This indicator measures the financial efficiency of the Road System Management program in terms of cost per million vehicle kilometres travelled to manage the road system. In order to compare current figures with previous years all figures have been adjusted and reported in terms of current year's dollars. The overall four year trend is inconsistent as this program includes occasional one-off development costs that can affect the overall results. In respect of the current year the result of \$4,535 per million vehicle kilometres travelled (mvkt) exceeds the target. The target was established using an estimate of mvkt, now that the actual figures are available it is apparent that the estimate used to establish the target was overstated.

State Development

Outcome: Facilitating Economic and Regional Development

This program expands the road network in accordance with State and Commonwealth transport and land use strategies that will facilitate the economic and regional development of the State. We demonstrate this through the following measures:

Effectiveness Indicators

Return on Construction Expenditure

New road and bridge construction networks add to the capacity of the road network. Return on Construction Expenditure is based on Benefit Cost Ratio (BCR) estimates of a set of projects undertaken each year.

It indicates the extent to which road and bridge construction expenditure will deliver future economic benefits to the community. This indicator represents the expenditure weighted BCR for the State Development Program and Road Efficiency program for which a BCR has been calculated. The result of 3.1 exceeds the target of 2.5.

Efficiency Indicators

Percentage of Contracts Completed on Time

This indicator represents the percentage of contracts that were delivered on time in the State Development Program. The result achieved was 100% of contracts being delivered on time which is an improvement on last years result.

Percentage of Contracts Completed on Budget

This indicator represents the percentage of contracts delivered on budget against a target of 90% in the State Development Program. The result achieved was 100% of contracts being delivered on budget which is consistent with last year's result.

Road Maintenance

Outcome: Providing a Well Maintained Road Network

This program seeks to maintain the existing road and bridge network by maximising asset life and minimising whole of life costs. We demonstrate this through the following measures:

Effectiveness Indicators

Smooth Travel Exposure

This indicator is based on the percentage of travel undertaken on the State road network meeting specific roughness criteria. In 2011 the decision was made to only capture the information used in reporting this data on a biennial basis meaning that this is the first results since the 2010-11 financial year. The result of 97% is consistent with previous years and reflects that the majority of all travel is undertaken on roads that meet the roughness standard.

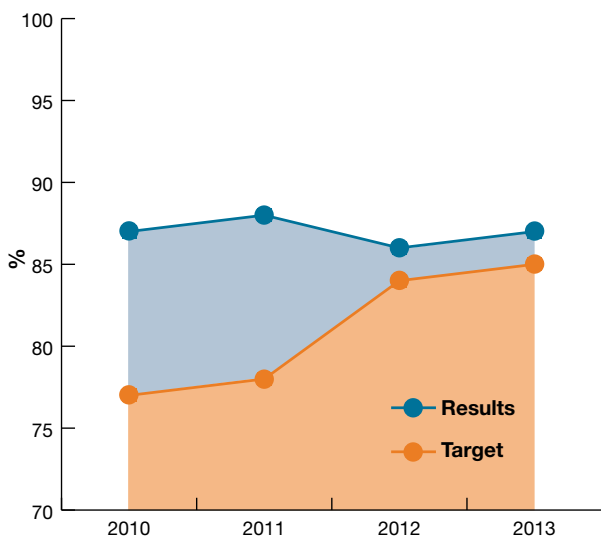
Efficiency Indicators

Community Satisfaction of Road Maintenance

The Community Satisfaction of road maintenance indicator represents how satisfied the community is with Main Roads in the maintenance of the State road network. The results are drawn from the Community Perception Survey. Overall community satisfaction with road maintenance has declined to 84% over the last year against a target of 90%. The survey showed that people in Perth are happier with the maintenance of road surfaces, compared to those in the Gascoyne, Wheatbelt North, Wheatbelt South and Goldfields-Esperance Regions. Responses indicate that one of the primary areas of concern is in relation to “loose gravel and rough surfaces”.

Preventative Maintenance Indicator

The Preventative Maintenance Indicator provides a measure of the proportion of sealed state road network which has a surfacing age younger than its optimal target age. The indicator provides a measure of proactive maintenance undertaken on the network on an annual basis. Sections of the network with a surfacing age younger than target age are classified as ‘Good’. In 2013, the proportion of the network with a surfacing age considered ‘Good’ is 86.7% which is above the target value of 85%. It should be noted that as a result of additional data being available for previous years the results for 2011 and 2012 are slightly higher than reported previously. Overall the results for the four-year period remain consistent.



Availability of Traffic Signals, Road Lighting and Emergency Telephones

Since 2008 Main Roads has been measuring the availability of traffic signals, road lighting and emergency telephones throughout the road network as a percentage of time the assets are fully operational. The measures were reportable outcomes sought under the Traffic Control Infrastructure Contract or TCIC. In March of this year the TCIC expired and services were subsumed within Main Roads Integrated Service Arrangements. Data validity issues arose during this change in process and as a consequence Main Roads will not be reporting on these indicators as part of the annual performance measures.

Average Cost of Network Maintenance per Lane Kilometre of Road Network

This indicator identifies the financial efficiency of road and roadside maintenance works by showing the cost per lane kilometre to maintain acceptable travel conditions on the State roads. In determining the cost basis expenditure on structures and infrastructure depreciation has been excluded. In order to compare current figures with previous years all figures have been adjusted and reported in terms of current year’s dollars which can influence the trend result. The overall trend for this measure remains inconsistent with the current result indicating that the measure came in above target by \$526. The reason for this is largely as a result of excessive unforeseen expenditure arising from declared Natural Disasters.

Community Access

Outcome: Improving Community Access and Roadside Amenity

This program seeks to provide infrastructure that will increase personal mobility and community access. We demonstrate this through the following measures:

Effectiveness Indicators

Unplanned Road Closure on the State Road Network

Generally 100% of Main Roads Road network is available to all road users; however, there are unplanned road closures due to a number of reasons including flooding, cyclones, major bushfires and major road accidents, which may vary in duration.



Perth Arena, Wellington Street

The availability of the sealed road network is measured as a percentage of calendar days that the whole network is available to the road user. Closure is determined by measuring the number of whole days (24 hours commencing from the time the road is closed) that any section of the sealed road network is closed. This year the road network was available 94% of the year which exceeds the 70% target. All closures were due to flooding and rainfall events including Tropical Cyclone Rusty.

Community Satisfaction with Cycleways and Pedestrian Facilities

This indicator represents how satisfied the community is with Main Roads' performance in the construction, maintenance and management of cycleways and pedestrian facilities. The results are drawn from the Community Perception Survey. The overall result shows that community satisfaction regarding provision of cycleway and pedestrian facilities has increased since last year rising 7 points to 83% against the target of 90%.

Efficiency Indicators

Percentage of Contracts Completed on Time

This indicator represents the percentage of contracts that were delivered on time in the Community Access Program. Whilst the target was established at 90%, 80% of contracts were delivered on time. Only one contract was late which was due to technical issues arising from applying coloured road surfacing to the project.

Percentage of Contracts Completed on Budget

This indicator represents the percentage of contracts delivered on budget against a target of 90%. The result of 80% reflects increased costs arising from service relocation and design changes to address additional drainage requirements.

Financial Statements and Notes

Statement of Comprehensive Income	120
Statement of Financial Position	121
Statement of Changes in Equity	122
Statement of Cash Flows.....	123
Notes to the Financial Statements.....	124
1 Australian Accounting Standards.....	124
2 Summary of significant accounting policies	124
3 Judgements made by management in applying accounting policies	131
4 Key sources of estimation uncertainty	131
5 Disclosure of changes in accounting policy and estimates	131
6 Employee benefits expense.....	136
7 Supplies and services	136
8 Depreciation expense of infrastructure assets	136
9 Depreciation and amortisation expense of other assets.....	137
10 Finance costs	137
11 Grants and subsidies.....	137
12 Infrastructure assets retired/replaced	137
13 Regulatory fines.....	137
14 Sale of goods and services	137
15 Commonwealth grants and contributions	138
16 Contributions to roadworks	138
17 Grants from other bodies.....	138
18 Interest revenue.....	139
19 Other revenue.....	139
20 Net gain/(loss) on disposal of non current assets.....	139

21	Income from State Government.....	140
22	Restricted cash and cash equivalents	141
23	Receivables	141
24	Amounts receivable for services (Holding Account)	142
25	Inventories	142
26	Prepayments	142
27	Non-current assets classified as held for sale.....	142
28	Property, plant and equipment	143
29	Infrastructure	145
30	Intangible assets.....	146
31	Impairment of assets	146
32	Payables.....	146
33	Borrowings.....	146
34	Provisions.....	147
35	Equity	148
36	Notes to the Statement of Cash Flows	149
37	Services provided free of charge	150
38	Commitments.....	150
39	Contingent liabilities and contingent assets	150
40	Events occurring after the end of the reporting period.....	151
41	Explanatory statements	152
42	Financial instruments.....	154
43	Remuneration of members of the accountable authority and senior officers.....	157
44	Remuneration of auditor	158
45	Affiliated bodies	158
46	Special purpose accounts	159
47	Supplementary financial information	159
48	Indian Ocean Territories.....	159
49	Schedule of income and expenses by service	160

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2013

	Note	2013 \$000	2012 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	64,335	69,063
Supplies and services	7	473,546	453,659
Depreciation expense of infrastructure assets	8	247,437	218,492
Depreciation and amortisation expense of other assets	9	4,788	6,031
Finance costs	10	900	1,333
Grants and subsidies	11	222,850	177,311
Infrastructure assets retired/replaced	12	36,890	12,670
Total cost of services		1,050,746	938,559
Income			
<i>Revenue</i>			
Regulatory fines	13	84,725	57,887
Sale of goods and services	14	5,901	4,359
Commonwealth grants and contributions	15	351,494	441,161
Contributions to roadworks	16	95,014	18,499
Grants from other bodies	17	63,537	108,478
Interest revenue	18	2,498	1,748
Other revenue	19	13,028	29,592
Total revenue		616,197	661,724
<i>Gains</i>			
Gain on disposal of non-current assets	20	634	1,614
Total gains		634	1,614
Total income other than income from State Government		616,831	663,338
NET COST OF SERVICES		433,915	275,221
Income from State Government		21	
Service appropriations		712,979	671,974
Natural disaster funds		90,584	41,361
Services received free of charge		1,375	732
Royalties for Regions Fund		1,407	1,310
Total income from State Government		806,345	715,377
SURPLUS/(DEFICIT) FOR THE PERIOD		372,430	440,156
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	35	(334,380)	(336,800)
Total other comprehensive income		(334,380)	(336,800)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		38,050	103,356

See also note 49 'Schedule of Income and Expenses by Service'.

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

STATEMENT OF FINANCIAL POSITION

as at 30 June 2013

	Note	2013 \$000	2012 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	36	196,112	384,713
Restricted cash and cash equivalents	22	66,497	45,017
Receivables	23	60,974	32,512
Amounts receivable for services	24	46,907	46,907
Inventories	25	4,027	31
Prepayments	26	15,847	18,646
Non-current assets classified as held for sale	27	5,346	4,906
Total Current Assets		395,710	532,732
Non-Current Assets			
Receivables	23	138	80
Amounts receivable for services	24	1,373,652	1,244,765
Inventories	25	1,360	1,495
Prepayments	26	1,200	949
Property, plant and equipment	28	482,091	509,163
Infrastructure	29	39,163,464	38,902,231
Intangible assets	30	16,376	9,754
Total Non-Current Assets		41,038,281	40,668,437
TOTAL ASSETS		41,433,991	41,201,169
LIABILITIES			
Current Liabilities			
Payables	32	232,142	215,153
Borrowings	33	5,000	5,000
Provisions	34	36,604	35,631
Total Current Liabilities		273,746	255,784
Non-Current Liabilities			
Borrowings	33	10,766	15,766
Provisions	34	4,218	3,630
Total Non-Current Liabilities		14,984	19,396
TOTAL LIABILITIES		288,730	275,180
NET ASSETS		41,145,261	40,925,989
EQUITY			
Contributed equity	35	3,303,418	3,122,196
Reserves		26,052,939	26,387,319
Accumulated surplus/(deficit)		11,788,904	11,416,474
TOTAL EQUITY		41,145,261	40,925,989

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 2013

	Note	Contributed Equity \$000	Reserves \$000	Accumulated surplus/(deficit) \$000	Total Equity \$000
Balance at 1 July 2011	35	2,865,852	26,724,119	10,976,318	40,566,289
Changes in accounting policy or correction of prior period errors		–	–	–	–
Restated balance at 1 July 2011		2,865,852	26,724,119	10,976,318	40,566,289
– Surplus/(deficit)		–	–	440,156	440,156
– Other comprehensive income		–	(336,800)	–	(336,800)
Total comprehensive income for the period		–	(336,800)	440,156	103,356
Transactions with owners in their capacity as owners:					
– Capital appropriations		257,636	–	–	257,636
– Other contributions by owners		716	–	–	716
– Distributions to owners		(2,008)	–	–	(2,008)
Total		256,344	–	–	256,344
Balance at 30 June 2012		3,122,196	26,387,319	11,416,474	40,925,989
Balance at 1 July 2012		3,122,196	26,387,319	11,416,474	40,925,989
– Surplus/(deficit)		–	–	372,430	372,430
– Other comprehensive income		–	(334,380)	–	(334,380)
Total comprehensive income for the period		–	(334,380)	372,430	38,050
Transactions with owners in their capacity as owners:					
– Capital appropriations		200,348	–	–	200,348
– Other contributions by owners		13,114	–	–	13,114
– Distributions to owners		(32,240)	–	–	(32,240)
Total		181,222	–	–	181,222
Balance at 30 June 2013		3,303,418	26,052,939	11,788,904	41,145,261

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 2013

	Note	2013 \$000	2012 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations		537,185	520,092
Capital appropriations		200,348	257,636
Holding account drawdowns		46,907	46,907
Natural disaster funding		90,584	41,361
Royalties for Regions Fund		10,562	1,310
Net cash provided by State Government		885,586	867,306
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(64,310)	(68,589)
Supplies and services		(472,803)	(451,348)
Grants and subsidies		(218,147)	(167,395)
GST payments on purchases		(128,888)	(102,015)
Finance costs		(1,008)	(1,411)
Receipts			
Sale of goods and services		74,967	20,767
Commonwealth grants and contributions		351,494	441,162
Regulatory fines		84,725	57,887
Interest received		2,288	1,700
GST receipts on sales		9,264	4,377
GST receipts from taxation authority		120,637	93,407
Other receipts		10,124	26,887
Rent received		3,884	3,473
Net cash provided by/(used in) operating activities	36	(227,773)	(141,098)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(22,167)	(11,307)
Purchase of infrastructure assets		(806,909)	(516,128)
Receipts			
Proceeds from sale of non-current physical assets		9,142	10,754
Net cash provided by/(used in) investing activities		(819,934)	(516,681)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Repayment of borrowings		(5,000)	(5,000)
Net cash provided by/(used in) financing activities		(5,000)	(5,000)
Net increase/(decrease) in cash and cash equivalents		(167,121)	204,527
Cash and cash equivalents at the beginning of the period		429,730	225,203
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	36	262,609	429,730

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 2013

1 Australian Accounting Standards

General

The Commissioner of Main Roads' (Main Roads) financial statements for the year ended 30 June 2013 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).

Main Roads has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

Main Roads cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by Main Roads for the annual reporting period ended 30 June 2013.

2 Summary of significant accounting policies

(a) General statement

Main Roads 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* 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 Main Roads' 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 Commissioner of Main Roads.

(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 contributions 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 result of 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:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which Main Roads gains control of the appropriated funds. Main Roads 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 Main Roads 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) Borrowing costs

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. Other borrowing costs are expensed when incurred.

(g) Property, plant and equipment and infrastructure

Capitalisation/expensing of assets

Items of property, plant and equipment and infrastructure costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure 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

Property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure 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 as an asset, the revaluation model is used for the measurement of land, buildings and infrastructure and historical cost for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation (buildings and infrastructure only) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Fair value of infrastructure, other than land under roads, has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available. The replacement cost is determined by Main Roads every three years by reference to the cost of a new asset and adjusted in the intervening years by reference to a cost index (ABS Road and Bridge Construction Cost Index or rates obtained by professional estimators specialising in road infrastructure works) to ensure asset values do not materially differ from fair value. The value of roads and principal shared paths (earthworks, drainage, pavements and seals), bridges and road furniture at 30 June 2013 is based on the current depreciated replacement cost determined at 30 June 2011 by Main Roads and a cost index (ABS Road and Bridge Construction Cost Index or rates obtained by professional estimators specialising in road infrastructure works) has been applied to ensure asset values do not materially differ from fair value.

When infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Work in Progress is recognised at cost.

The fair value of land under roads (i.e. land within road reserves) is based on the market value of the land adjoining the road reserve. The land values are provided by geographic location on an annual basis by the Western Australian Land Information Authority (Valuation Services) as follows:

- Metropolitan area – median value for single residential land for each Local Government Area. Land parcels up to 899 square metres are assumed to have a single residential zoning.
- South West Region – nominal unimproved valuation rates covering the south west of the State from Geraldton to Esperance.
- Balance of State – nominal unimproved valuation rates based on leasehold rates for Crown land.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Land acquired for road reserves is initially reported as 'land acquired for roadworks' under 'property, plant and equipment' until the land is required for road construction. It is then transferred to 'land within road reserves' and reported as part of infrastructure assets.

Land determined to be surplus to the requirements of the road reserve is available for disposal and is transferred to 'surplus land' or 'non current assets held for sale' depending on the timetable for disposal.

Wherever possible, the properties are rented or leased until required for roadworks. Income from these properties is recognised as revenue in the financial year it is earned.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 28 'Property, plant and equipment'.

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.

Road earthworks do not generally have a finite life. Physical deterioration and commercial obsolescence are not significant factors. The small percentage of earthworks that are depreciated have been assessed to be substandard in terms of horizontal alignment and therefore impacted by technical obsolescence. An engineering review is completed annually to identify these segments of the network.

Depreciation is calculated using the straight line method, using rates which are reviewed annually.

Estimated useful lives for each class of depreciable asset are:

Road Infrastructure:

Earthworks	Up to 173 years
Pavement, drainage and seals:	
Metropolitan asphalt roads	40 years
Sealed rural roads	50 years
Gravel roads	12 years
Bridges	60 to 100 years
Road furniture	25 to 40 years

Property, Plant & Equipment:

Buildings	10 to 40 years
Plant and vehicles	5 to 10 years
Equipment and furniture	5 to 13 years
Computer hardware and software ^(a)	3 to 13 years

(a) Software that is integral to the operation of related hardware

Land is not depreciated.

(h) 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 utilising 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 Main Roads have a finite useful life and zero residual value.

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

Computer software ^(a) and licences	3 to 10 years
---	---------------

(a) Software that is not integral to the operation of any related hardware

Computer software and licences

Software that is an integral part of the related hardware is recognised as property, plant and equipment.

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.

Drainage easements

Easements secured over properties for the purpose of road drainage have an indefinite useful life.

(i) Impairment of assets

Property, plant and equipment, infrastructure 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 recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As Main Roads is a not-for-profit entity, unless an 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. The exception is road earthworks when the alignment of a section of road may be assessed to be deficient and the useful life of the asset is revised from infinite to finite. 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.

(j) Non-current assets (or disposal groups) classified as held for sale

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

(k) 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.

(l) Financial instruments

In addition to cash, Main Roads has two categories of financial instrument:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Restricted cash and cash equivalents
 - Receivables
 - Amounts receivable for services
- Financial Liabilities
 - Payables
 - WATC Loan

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.

(m) 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.

(n) Accrued salaries

Accrued salaries (see note 32 '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. Main Roads considers the carrying amount of accrued salaries to be equivalent to its fair value.

(o) Amounts receivable for services (holding account)

Main Roads receives income from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(p) Inventories

Inventories held for distribution (for roadworks) are measured at the lower of cost and current replacement cost. Costs are assigned on a standard, average or last known cost basis.

Inventories held for resale are valued at the lower of cost and net realisable value. See note 25 'Inventories'.

(q) 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 Main Roads 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.

(r) Payables

Payables are recognised at the amounts payable when Main Roads 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.

(s) Borrowings

All loans payable are initially recognised at fair value, being the net proceeds received. Subsequent measurement is at amortised cost using the effective interest method.

(t) 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

The liability for annual leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave that is not expected to be settled within 12 months after the end of the reporting period 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 Main Roads does not have an unconditional right to the defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

The liability for long service leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Long service leave that is not expected to be settled within 12 months after the end of the reporting period 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.

Unconditional long service leave provisions are classified as current liabilities as Main Roads 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 Main Roads 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 administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies 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.

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 Main Roads to GESB extinguishes the agency's obligations to the related superannuation liability.

Main Roads 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 Main Roads to the GESB.

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. Main Roads 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 Main Roads' liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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 Main Roads' 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(u) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, or other superannuation fund.

(v) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost are recognised as income at the fair value of the assets and/or the fair value of those services that can be reliably measured and Main Roads would otherwise pay for. 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.

(w) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

(x) **Insurance**

Main Roads regularly reviews its insurance arrangements including areas where self-insurance is deemed to be economically justified. Self insurance covers the risks of natural disasters causing damage to infrastructure assets. Currently, these self-insurance areas are:

- roads, bridges and road furniture

(y) **Property liabilities and commitments**

A liability has been recognised in respect of properties for which a Notice of Resumption under the *Land Administration Act 1997* has been issued and formal possession has taken place but where settlement has not been achieved at the end of the reporting period. Liabilities in such circumstances have been based on valuations and include costs of acquisition. This liability is included in Payables. See note 32 'Payables'.

3 Judgements made by management in applying accounting policies

There were no material judgements made by management in applying accounting policies for the 2012-13 financial year, other than those disclosed at note 2(y) 'Property liabilities and commitments'.

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 and remuneration levels and discounted using current market yields on national government bonds with maturity dates that match the estimated future cash outflows.

Depreciated replacement cost of infrastructure assets

Infrastructure assets, other than land within road reserves, are measured at current depreciated replacement cost by reference to the cost of new assets. The replacement cost is reviewed every three years on the basis of actual contract construction rates and adjusted in the intervening years by applying the Road and Bridge Construction Index published by the Australian Bureau of Statistics.

5 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

Main Roads has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2012 that impacted on Main Roads.

AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]*

This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

Main Roads cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, Main Roads has not applied early any of the following Australian Accounting Standards that have been issued that may impact Main Roads. Where applicable, Main Roads plans to apply these Australian Accounting Standards from their application date.

Operative for reporting periods beginning on/after

AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments. AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i> amended the mandatory application date of this Standard to 1 January 2015. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10 <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i>. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 11	<p><i>Joint Arrangements</i></p> <p>This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and AASB 131 <i>Interests in Joint Ventures</i>. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 13	<p><i>Fair Value Measurement</i></p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2013
AASB 119	<p><i>Employee Benefits</i></p> <p>This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. Main Roads does not have any defined benefit plans, and therefore the financial impact will be limited to the effect of discounting annual leave and long service leave liabilities that were previously measured at the undiscounted amounts.</p>	1 Jan 2013
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 128	<p><i>Investments in Associates and Joint Ventures</i></p> <p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to accounting treatments. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014

		Operative for reporting periods beginning on/after
AASB 1053	<p><i>Application of Tiers of Australian Accounting Standards</i></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013
AASB 1055	<p><i>Budgetary Reporting</i></p> <p>This Standard specifies the nature of budgetary disclosures, the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the GGS. Main Roads will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>	1 Jul 2014
AASB 2010-2	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i></p> <p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 Jul 2013
AASB 2010-7	<p><i>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]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
AASB 2011-2	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i></p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	1 Jul 2013
AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. For not-for-profit entities it applies to annual reporting period beginning on or after 1 January 2014. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

	Operative for reporting periods beginning on/after
<p>AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013
<p>AASB 2011-10 <i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is no financial impact.</p>	1 Jan 2013
<p>AASB 2011-11 <i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jul 2013
<p>AASB 2012-1 <i>Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i></p> <p>This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 Jul 2013
<p>AASB 2012-2 <i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</i></p> <p>This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. There is no financial impact.</p>	1 Jan 2013
<p>AASB 2012-3 <i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i></p> <p>This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.</p>	1 Jan 2014
<p>AASB 2012-5 <i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]</i></p> <p>This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.</p>	1 Jan 2013
<p>AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]</i></p> <p>This Standard amends the mandatory effective date of AASB 9 <i>Financial Instruments</i> to 1 January 2015. Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015 and to consequential amendments arising out of the Standards that will still apply from 1 January 2013. There is no financial impact.</p>	1 Jan 2013

Operative for reporting periods beginning on/after

AASB 2012-7	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, 12, 101 & 127]</i></p> <p>This Standard adds to or amends the Australian Accounting Standards to provide further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general financial statement. There is no financial impact.</p>	1 Jul 2013
AASB 2012-10	<p><i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, & 2011-7 and Int 12]</i></p> <p>This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity’s previous accounting for its involvement with other entities are required and the timing of such adjustments.</p> <p>The Standard was issued in December 2012. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2012-11	<p><i>Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, 2, 8, 10, 107, 128, 133, 134 & 2011-4]</i></p> <p>This Standard makes various editorial corrections to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2). These corrections ensure that the Standards reflect decisions of the AASB regarding the Tier 2 requirements.</p> <p>This Standard also extends the relief from consolidation and the equity method (in the new Consolidation and Joint Arrangements Standards) to entities complying with Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013

	2013 \$000	2012 \$000
6 Employee benefits expense		
Wages and salaries	50,353	54,767
Annual leave	4,877	4,846
Long service leave	2,349	2,483
Fringe benefits tax	1,118	1,092
	58,697	63,188
Superannuation – defined contribution plans ^(a)	5,638	5,875
	64,335	69,063

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

7 Supplies and services

Contractors and Consultants	427,146	402,669
Materials	788	1,598
Plant hire charges	8,978	12,759
Postage, stationery and reprographics	1,017	1,218
Telecommunications	4,292	3,922
Building maintenance and equipment	3,577	5,275
Electricity, gas and water	8,632	6,021
Contributions	34	140
Legal costs	379	328
Advertising	6,879	6,295
Rates and taxes	401	336
Insurance	4,088	2,990
Other	7,335	10,108
	473,546	453,659

8 Depreciation expense of infrastructure assets

Roads – earthworks	840	509
Roads – pavements, drainage and seal	179,923	159,676
Bridges	49,525	45,988
Road furniture	17,149	12,319
	247,437	218,492

	2013 \$000	2012 \$000
9 Depreciation and amortisation expense of other assets		
<u>Depreciation</u>		
Plant, equipment and vehicles	3,057	2,919
Buildings	5,730	7,652
Total depreciation	8,787	10,571
<u>Amortisation</u>		
Intangible assets	1,733	458
Total amortisation	1,733	458
Total depreciation and amortisation	10,520	11,029
Less: depreciation capitalised to infrastructure	(5,732)	(4,998)
	4,788	6,031

10 Finance costs

Interest expense	900	1,333
------------------	------------	--------------

11 Grants and subsidies

Grants and subsidies to local government and other bodies	221,414	167,620
Grants of non-current assets to other bodies	1,436	9,691
	222,850	177,311

12 Infrastructure assets retired/replaced

Earthworks and pavements	33,624	10,503
Bridges	21	–
Road furniture	3,156	209
Work in progress	89	1,958
	36,890	12,670

Infrastructure assets replaced or retired during the year have been expensed at their carrying amount.

13 Regulatory fines

Regulatory fines	84,725	57,887
------------------	---------------	---------------

This revenue represents all moneys in 2012-13 and two-thirds in 2011-12 from photographic based vehicle infringement notices collected via Department of Transport and Department of the Attorney General. The collections are credited to the Road Trauma Trust Account and administered by the Office of Road Safety in accordance with the *Road Safety Council Act 2002*.

14 Sale of goods and services

Sale of goods and services	5,901	4,359
----------------------------	--------------	--------------

This amount represents works undertaken for other public and private bodies and includes the recovery of expenditure from the Commonwealth Department of Infrastructure and Transport, Local Government and Regional Development under service delivery arrangements with the Shires of Christmas Island and Cocos (Keeling) Island. The amounts expended or set aside for expenditure during 2012-13 are summarised at note 48 'Indian Ocean Territories'.

	2013 \$000	2012 \$000
15 Commonwealth grants and contributions		
Nation Building Program	341,881	437,965
Jobs Fund – Infrastructure Employment Projects	6,500	–
Interstate Road Transport Act 1985	3,113	3,196
	351,494	441,161

Nation Building Program

Grants are received from the Commonwealth Government through the *Nation Building Program (National Land Transport) Act 2009*. The objective of this Act is to assist national and regional economic and social development by improving the performance of land transport infrastructure. Programs funded under this arrangement include the Heavy Vehicle Safety and Productivity and the Black Spot Program along with funding for the Local Road and National Road Projects.

Jobs Fund – Infrastructure Employment Projects

Grants are received from the Commonwealth Government through the Jobs Fund. This is an Australian Government initiative to support and create jobs and skill development through projects that build infrastructure and social capital in local communities. This funding is used to deliver the Fitzgerald River National Park Road Upgrade and Walk Trail Project.

Interstate Road Transport Act 1985

A charge is levied under the Act on interstate commercial vehicles that are exempt from State charges and the revenue raised is distributed in accordance with the damage attributed to interstate vehicles in each State.

At 30 June 2013, \$20.215 million of the *Nation Building Program (National Land Transport) Act 2009* grants recognised as revenue remained unspent on approved projects (at 30 June 2012 the amount was \$76.050 million). Refer to note 2(e) ‘Income’.

16 Contributions to roadworks

Contributions to roadworks	95,014	18,499
----------------------------	---------------	---------------

This revenue represents contributions by both public and private bodies towards the cost of works performed on highways and main roads. See note 2(e) ‘Income’.

17 Grants from other bodies

Grants from local government authorities and other bodies

Transferred infrastructure assets at fair value	1,830	91,406
Local Government contribution to traffic signal construction	612	1,354
Developers contribution to roadworks	61,095	15,718
	63,537	108,478

Transferred infrastructure assets at fair value are transfers from Local Government and other bodies to State Government based on formal proclamation. The following assets were transferred during 2012-13: Principal Shared Path (Welshpool Road to Lacey Street).

The developers contribution to roadworks relate to construction costs met by private developers on roads owned by Main Roads. Roadworks include Great Northern Highway (FMG Mainline Bridge), North West Coastal Highway Realignment (Warrambro Mine), Nanutarra-Munjina (Solomon Mine), Goomalling-Merredin Road Intersection Improvements and various traffic signal construction.

	2013 \$000	2012 \$000
18 Interest revenue		
AusLink Accelerated Upgrade Package interest revenue	–	516
Road Trauma Trust Account interest revenue	2,442	1,190
Other interest revenue	56	42
	2,498	1,748

19 Other revenue

Rental income	3,929	3,491
Return of previous year grants	73	125
Other contributions ^(a)	4,850	2,752
Contractual settlements	–	18,500
Other	4,176	4,724
	13,028	29,592

(a) Contributions to the Office of Road Safety by other bodies for road related safety projects

20 Net gain/(loss) on disposal of non current assets

<u>Proceeds from disposal of non-current assets</u>		
Land acquired for roadworks	3,913	8,297
Land and buildings	5,123	503
Plant, equipment and vehicles	168	5
	9,204	8,805
<u>Costs of disposal of non-current assets</u>		
Land acquired for roadworks	5,544	6,553
Land and buildings	2,665	618
Plant, equipment and vehicles	361	20
	8,570	7,191
Net gain/(loss)	634	1,614

	2013 \$000	2012 \$000
21 Income from State Government		
Service appropriations		
Motor vehicle licence fees	528,185	463,839
Untied funds	176,373	200,995
Motor vehicle permit fees	8,054	6,775
Salaries and Allowances Act 1975	367	365
	712,979	671,974
Other funds received from State Government		
Natural disaster funds	90,584	41,361
Services received free of charge from other State government agencies during the period:		
Land Information Authority (Landgate)	765	128
Department of the Attorney General (State Solicitor's Office)	610	599
Department of Finance – BMW	–	5
	1,375	732
Royalties for Regions Fund		
Regional Infrastructure and Headworks Account	1,407	1,310
	806,345	715,377

Service appropriations

Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

Motor vehicle licence fees

Motor vehicle licence fees for cars and light vehicles are raised under the *Road Traffic Act 1974*. The total licence fees collected in 2012-13 was \$616.462 million. An amount of \$528.185 million was received as a service appropriation and the balance of \$88.277 million appropriated as a capital contribution by owners and included under 'Contributed Equity' in the Statement of Financial Position.

Untied funds

Untied funds are appropriations from the Consolidated Fund. The total appropriation from the Consolidated Fund in 2012-13 was \$288.444 million. This includes a service appropriation of \$176.373 million and a capital contribution of \$112.071 million. The service appropriation includes a cash component of \$0.579 million and a \$175.794 million non cash component.

Motor vehicle permit fees

The vehicle standards for dimensions and mass are prescribed under the *Road Traffic (Vehicle Standards) Regulations 2002*. Under the regulations, a permit is required to access certain parts of the WA road network for vehicles that do not meet the standards. Main Roads charges a fee to issue the permits in accordance with *Road Traffic (Charges and Fees) Regulations 2006*.

Other funds received from State Government

Natural disaster funds

Funds provided by the Fire and Emergency Services Authority for the re-opening and re-instatement of roads damaged by declared natural disasters.

Regional Infrastructure and Headworks Account

This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.

	2013 \$000	2012 \$000
22 Restricted cash and cash equivalents		
<u>Current</u>		
Contractor's deposits	1,980	1,544
Road Trauma Trust Account	64,517	43,463
Commonwealth Paid Parental Leave Scheme	–	10
	66,497	45,017

Contractor's deposits

Amounts withheld from contractors payments pending satisfactory completion of works.

Road Trauma Trust Account

Cash held in this Account is to be used only for the purposes as prescribed in note 46 'Special purpose accounts'.

Commonwealth Paid Parental Leave Scheme

Funds held in this account are to be used for purposes of meeting payments to eligible working parents with 18 weeks of Parental Leave Pay.

23 Receivables

Current

Trade debtors	20,536	7,698
Other debtors	3,514	2,259
Allowance for impairment of receivables	(1,815)	(2,110)
Trade debtors – unbilled receivables	14,347	1,526
GST receivable ^(a)	24,114	22,909
Accrued revenue	278	230
Total current	60,974	32,512

Non-current

Trade debtors	138	80
Total non-current	138	80
Total receivables	61,112	32,592

(a) The comparative amount has been restated to reflect the prior year change in note 32.

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of year	2,110	237
Doubtful debts expense	2	1,882
Amounts written off during the year	(236)	–
Amounts recovered during the year	(61)	(9)
Balance at end of year	1,815	2,110

Main Roads does not hold any collateral or other credit enhancements as security for receivables.

	2013 \$000	2012 \$000
24 Amounts receivable for services (Holding Account)		
Current	46,907	46,907
Non-current	1,373,652	1,244,765
	1,420,559	1,291,672

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

25 Inventories

Current

Inventories held for distribution:

– Construction and maintenance materials

Total current

Non-current

Inventories held for distribution:

– Construction and maintenance materials

Total non-current

	4,027	31
	4,027	31
	1,360	1,495
	1,360	1,495

26 Prepayments

Current

Prepayments

Total current

Non-current

Prepayments

Total non-current

	15,847	18,646
	15,847	18,646
	1,200	949
	1,200	949

27 Non-current assets classified as held for sale

Freehold land and buildings

Opening balance

Assets reclassified as held for sale

Assets removed from current disposal program

Assets sold

Write-down of assets from carrying value to fair value less selling costs

Closing balance

	4,906	8,335
	10,826	4,534
	(1,912)	(656)
	(8,200)	(7,172)
	(274)	(135)
	5,346	4,906

	2013 \$000	2012 \$000
28 Property, plant and equipment		
<u>Land</u>		
At fair value ^(a)	109,951	108,529
	109,951	108,529
<u>Buildings</u>		
At fair value ^(a)	97,331	101,815
Accumulated depreciation	(232)	(61)
	97,099	101,754
<u>Buildings under construction</u>		
Construction costs	7,067	1,729
	7,067	1,729
<u>Plant, equipment and vehicles</u>		
At cost	28,385	27,116
Accumulated depreciation	(19,682)	(17,320)
	8,703	9,796
<u>Surplus assets</u>		
At fair value ^(a)	84,011	95,060
	84,011	95,060
<u>Land acquired for roadworks</u>		
At fair value ^(a)	175,260	192,295
	175,260	192,295
Total property, plant and equipment	482,091	509,163

(a) Land, buildings, surplus assets and land acquired for roadworks were revalued as at 1 July 2012 by the Western Australian Land Information Authority (Valuation Services) in conjunction with estimations by Main Roads' management. The valuations were performed during the year ended 30 June 2013 and recognised at 30 June 2013.

The estimations have been made in relation to the value of certain Metro and Rural properties where the values were not available at the end of the reporting period from information provided by Valuation Services for the period 1 July 2011 to 1 July 2012. These properties have been valued based on the average percentage increase for the Metro and Rural areas respectively over the period 1 July 2011 to 1 July 2012. The average percentage increases have been determined by calculating the movement in the value of Main Roads' Metro and Rural properties where Valuation Services have provided a value. The effective date of the valuations is 1 July 2012. In undertaking the revaluation, fair value was determined by reference to market values of Freehold land \$109.951 million and Buildings \$97.099 million.

To ensure the valuations provided by Valuation Services were compliant at 30 June 2013 with the fair value requirements under AASB 116, Valuation Services provided the Department of Treasury (TSY) with information that tracked the general movement of the market value of land and building construction costs from the 1 July 2012 (date of valuation) to 31 March 2013. TSY reviewed the information and determined that the change in fair values from 1 July 2012 (date of valuation) to 31 March 2013 were not likely to have a material impact on the fair values of these assets as recognised at 30 June 2013.

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

	Land \$000	Buildings \$000	Buildings under construction \$000	Plant, equipment and vehicles \$000	Surplus assets \$000	Land acquired for roadworks \$000	Total \$000
2013							
Carrying amount at start of year	108,529	101,754	1,729	9,796	95,060	192,295	509,163
Additions	3,605	4,261	9,892	2,325	568	2,358	23,009
Disposals	–	(9)	–	(361)	–	(362)	(732)
Classified as held for sale	(77)	(608)	–	–	(6,963)	(1,266)	(8,914)
Transfers	(3,289)	–	(4,554)	–	–	(407)	(8,250)
Transfer to infrastructure	–	–	–	–	(887)	(1,198)	(2,085)
Revaluation increments/ (decrements)	1,183	(2,569)	–	–	(3,767)	(16,160)	(21,313)
Depreciation	–	(5,730)	–	(3,057)	–	–	(8,787)
Carrying amount at end of year	109,951	97,099	7,067	8,703	84,011	175,260	482,091
2012							
Carrying amount at start of year	96,686	102,759	3,373	9,322	100,431	201,563	514,134
Additions	1,154	4,149	2,797	3,416	606	846	12,968
Disposals	(1,000)	–	–	(23)	–	–	(1,023)
Classified as held for sale	–	–	–	–	(1,522)	(2,356)	(3,878)
Transfers	(1,451)	–	(4,441)	–	(1,926)	(3,716)	(11,534)
Transfer to infrastructure	–	–	–	–	–	1,204	1,204
Revaluation increments/ (decrements)	13,140	2,498	–	–	(2,529)	(5,246)	7,863
Depreciation	–	(7,652)	–	(2,919)	–	–	(10,571)
Carrying amount at end of year	108,529	101,754	1,729	9,796	95,060	192,295	509,163

	2013 \$000	2012 \$000
29 Infrastructure		
Infrastructure		
At fair value	48,089,927	47,144,793
Accumulated depreciation	(9,638,873)	(8,976,203)
	38,451,054	38,168,590
Infrastructure – work in progress		
Construction costs	712,410	733,641
	39,163,464	38,902,231

The value of roads and principal shared paths (earthworks, drainage, pavements and seals), bridges and road furniture at 30 June 2013 is based on the current depreciated replacement cost determined at 30 June 2011 by Main Roads and a cost index (ABS Road and Bridge Construction Cost Index or rates obtained by professional estimators specialising in road infrastructure works) has been applied to ensure asset values do not materially differ from fair value.

Land within road reserves was revalued at 30 June 2013 using 1 July 2012 values supplied by the Western Australian Land Information Authority (Valuation Services).

Infrastructure work in progress comprises capital project expenditure at cost, which is capitalised following the completion of projects.

Reconciliation

Carrying amount at start of year	38,902,231	38,834,925
Additions	821,679	545,235
Capital contribution	(27,874)	(822)
Land transferred from land acquired for roadworks	2,085	(1,204)
Reclassified to non-current assets	–	–
Revaluation increments/(decrements)	(312,793)	(344,528)
Local roads reclassified as highways and main roads	63,537	108,478
Infrastructure assets retired/replaced	(36,890)	(12,670)
Depreciation expense	(247,437)	(218,492)
Disposals-highways and main roads reclassified as local roads	(1,074)	(8,691)
Transfers to/from operating (prior year adjustments)	–	–
Carrying amount at end of year	39,163,464	38,902,231

	2013 \$000	2012 \$000
30 Intangible assets		
<u>Computer software and licences</u>		
At cost	21,440	13,085
Accumulated amortisation	(5,073)	(3,340)
	16,367	9,745
<u>Drainage easements</u>		
At cost	9	9
	9	9
Total intangible assets	16,376	9,754
Reconciliations:		
<u>Computer software and licences</u>		
Carrying amount at start of year	9,745	4,793
Additions	8,355	5,410
Disposals	–	–
Transfers	–	–
Amortisation expense	(1,733)	(458)
Carrying amount at end of year	16,367	9,745

31 Impairment of assets

There were no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 30 June 2013.

Main Roads held no goodwill during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

32 Payables

Current

Trade creditors	13,631	19,104
Major contracts and services ^(a)	146,856	115,405
Property acquisitions	57,268	63,796
Contractors retention	1,978	1,544
Funds in advance	9,660	12,407
Performance bonds/surety	29	216
Accrued salaries	2,720	2,681
Total current	232,142	215,153

(a) The comparative amount has been restated to include GST (see note 23).

33 Borrowings

Current

WA Treasury Corporation borrowings	5,000	5,000
Total current	5,000	5,000

Non-current

WA Treasury Corporation borrowings	10,766	15,766
Total non-current	10,766	15,766

	2013 \$000	2012 \$000
34 Provisions		
Current		
<i>Employee benefits provisions</i>		
Annual leave	13,856	13,445
Long service leave	22,537	22,072
	36,393	35,517
<i>Other provisions</i>		
Employment on-costs	211	114
	36,604	35,631
Non-current		
<i>Employee benefits provisions</i>		
Long service leave	4,194	3,618
	4,194	3,618
<i>Other provisions</i>		
Employment on-costs	24	12
	4,218	3,630

(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:

Within 12 months of the end of the reporting period	8,967	8,499
More than 12 months after the end of the reporting period	4,889	4,946
	13,856	13,445

(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:

Within 12 months of the end of the reporting period	3,541	3,235
More than 12 months after the end of the reporting period	23,190	22,455
	26,731	25,690

(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.

Employment on-cost provision

Carrying amount at start of period	126	317
Additional provisions recognised	109	(191)
Payments/other sacrifices of economic benefits	–	–
Unwinding of the discount	–	–
Carrying amount at end of period	235	126

	2013 \$000	2012 \$000
35 Equity		
The Government holds the equity interest in Main Roads on behalf of the community. Equity represents the residual interest in the net assets of Main Roads. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.		
Contributed equity		
Balance at start of period	3,122,196	2,865,852
<u>Contributions by owners</u>		
Capital contributions	200,348	257,636
<u>Other contributions by owners</u>		
Royalties for Regions Fund – Regional Infrastructure and Headwork Account	9,155	–
<u>Transfer of net assets from other agencies</u>		
Public Transport Authority	3,250	–
Western Australian Planning Commission	331	339
Department of Regional Development and Lands	225	–
Metropolitan Redevelopment Authority	153	–
Department of Health	–	377
Total contributions by owners	213,462	258,352
<u>Distributions to owners</u>		
Transfer of net assets to other agencies		
Public Transport Authority	31,962	1,538
Department of Environment and Conservation	278	–
Department of Regional Development and Lands	–	470
Total distributions to owners	32,240	2,008
Balance at end of period	3,303,418	3,122,196
Reserves		
<u>Asset revaluation surplus</u>		
Balance at start of period	26,387,319	26,724,119
Net revaluation increments/(decrements)		
Earthworks, Drainage, Pavements and Seals	488,181	740,031
Bridges	90,949	198,881
Land within Road Reserves	(898,620)	(1,296,656)
Road Furniture	6,697	13,216
Land and Buildings	(21,587)	7,728
Balance at end of period	26,052,939	26,387,319
<u>Accumulated surplus/(deficit)</u>		
Balance at start of period	11,416,474	10,976,318
Result for the period	372,430	440,156
Income and expense recognised directly in equity	–	–
Balance at end of period	11,788,904	11,416,474
Total Equity at end of period	41,145,261	40,925,989

2013 \$000	2012 \$000
---------------	---------------

36 Notes to the 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:

Cash and cash equivalents	196,112	384,713
Restricted cash and cash equivalents	66,497	45,017
	262,609	429,730

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

Net cost of services

(433,915) (275,221)

Non-cash items:

Depreciation expense – infrastructure	247,437	218,492
Depreciation and amortisation expense – other fixed assets	4,788	6,031
Grants to other bodies	1,436	9,691
Grants received from other bodies	(63,537)	(108,478)
Services received free of charge	1,375	732
Infrastructure assets retired/replaced	36,890	12,670
Adjustment for other non-cash items	–	2
Net (gain)/loss on sale of property, plant and equipment	(634)	(1,614)

(Increase)/decrease in assets:

Receivables ^(a)	(27,253)	2,311
Inventories	(3,861)	47
Prepayments	2,548	(6,745)

Increase/(decrease) in liabilities:

Payables ^(a)	6,597	5,527
Employee benefits	1,561	(263)

Net GST receipts/(payments) ^(b)	128,701	93,407
Change in GST in receivables/payables ^(c)	(129,906)	(97,687)
Net cash provided by/(used in) operating activities	(227,773)	(141,098)

(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 net GST paid/received, i.e. cash transactions.

(c) This reverses out the GST in receivables and payables.

	2013 \$000	2012 \$000
--	---------------	---------------

37 Services provided free of charge

During the period the following services were provided to other agencies free of charge for functions outside the normal operations of Main Roads:

Department of Transport – inspection of road and car park, and provision of traffic modelling services	29	32
Police Department – traffic forecasts	–	2
Department of Planning – provision of traffic modelling services	15	22
Public Transport Authority – provision of traffic modelling services	11	–
	55	56

38 Commitments

The commitments below are inclusive of GST.

Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Within 1 year	4,565	4,001
Later than 1 year and not later than 5 years	6,430	3,274
Later than 5 years	4	–
	10,999	7,275

Capital expenditure commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year	366,292	309,103
Later than 1 year and not later than 5 years	28,876	236,230
Later than 5 years	–	–
	395,168	545,333

Other expenditure commitments

Other expenditure commitments predominantly comprise maintenance commitments for road infrastructure assets contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:

Within 1 year	423,958	403,422
Later than 1 year and not later than 5 years	524,416	877,898
Later than 5 years	–	–
	948,374	1,281,320

39 Contingent liabilities and contingent assets

Contingent liabilities

The following contingent liabilities are additional to the liabilities included in the financial statements:

Contract claims in dispute	2,095	6,550
Resumption claims in dispute	268,249	261,272
	270,344	267,822

2013 \$000	2012 \$000
---------------	---------------

Contract claims in dispute

Claims have been submitted by contractors in relation to services provided under roadwork contracts. The contingent liability is the difference between the amount of the claim and the liability estimated by Main Roads based on legal advice.

Resumption claims in dispute

Claims have been lodged by owners of property acquired for road construction purposes. The contingent liability is the difference between the owner’s claim and the estimated settlement price determined by Main Roads in accordance with an independent valuation.

Contaminated sites

Under the *Contaminated Sites Act 2003*, Main Roads is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as *contaminated – remediation required* or *possibly contaminated – investigation required*, Main Roads may have a liability in respect of investigation or remediation expenses.

During the year, Main Roads reported thirty three suspected contaminated sites to DEC. Fourteen were classified as possibly contaminated – investigation required, seventeen were classified as contaminated – remediation required and two were classified as remediated for restricted use. Main Roads is unable to assess the likely outcome of the classification process, and accordingly, it is not practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows. Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, Main Roads may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

Contingent assets

The following contingent assets are additional to the assets included in the financial statements:

Contracts in dispute	1,400	1,400
Damages claim in progress	–	–
	1,400	1,400

Contracts in dispute (dispute resolution in progress)

The amount shown relates to claims against various contractors for deficient works, which are currently proceeding through dispute resolution processes. The potential financial effect of the success of the claims cannot be reliably measured at this time.

Damages claim in progress

The damages claim in progress relates to damage to Main Roads infrastructure by a third party. The potential financial effect of the success of the claim cannot be reliably measured at this time.

40 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 financial statements.

41 Explanatory statements

Significant variations between estimates and actual results for 2013 and between the actual results for 2012 and 2013 are shown below. Significant variations are considered to be those greater than 10% and \$5 million.

Significant variances between estimated and actual result for 2013

	2013 Estimate \$000	2013 Actual \$000	Variation \$000
Income			
Commonwealth grants and contributions	413,718	351,494	62,224
Contribution to roadworks	69,975	95,014	(25,039)
Grants from other bodies	40,000	63,537	(23,537)

Commonwealth grants and contributions

The variance is due to delays in the approval of the Project Proposal Report by the Federal Department of Infrastructure and Transport relating to the Gateway WA project which resulted in less revenue than anticipated.

Contribution to roadworks

Main Roads undertook additional work funded by third parties relating to the Fiona Stanley Hospital Project, the Dampier Highway Duplication Project and the widening of Great Eastern Highway between Kooyong Road and Tonkin Highway.

Grants from other bodies

The larger than expected revenue is due to developer grants of infrastructure relating to work on the North West Coastal Highway Realignment which was completed ahead of schedule.

Significant variances between actual result for 2012 and 2013

	2013 \$000	2012 \$000	Variation \$000
Expenses			
Depreciation expense of infrastructure assets	247,437	218,492	28,945
Grants and subsidies	222,850	177,311	45,539
Infrastructure assets retired/replaced	36,890	12,670	24,220
Income			
Regulatory fines	84,725	57,887	26,838
Commonwealth grants and contributions	351,494	441,161	(89,667)
Contributions to roadworks	95,014	18,499	76,515
Grants from other bodies	63,537	108,478	(44,941)
Other revenue	13,028	29,592	(16,564)

Depreciation expense of infrastructure assets

Depreciation expenditure is higher following an increase in completed capital works during the financial year.

Grants and subsidies

The variance is due to a higher level of road project grants paid to local government authorities based on claims submitted during the financial year, as well as grant paid by the Office of Road Safety relating to approved projects funded by the Road Trauma Trust Account.

Infrastructure assets retired/replaced

The increase is a result of greater levels of road reconstruction works during the current financial year.

Regulatory fines

In 2013 Main Roads now receives all Speed and Red Light Camera revenue, which is an increase from the previous year of two thirds, resulting in a substantial increase in revenue.

Commonwealth grants and contributions

The variance is due to a reduction in receipts as a result of a smaller Commonwealth funded capital works program in 2012-13 as well as delays in the approval of the Project Proposal Report by the Federal Department of Infrastructure and Transport relating to the Gateway WA project.

Contributions to roadworks

The increase relates to services rendered on behalf of third parties for the construction of Carnarvon Flood Levees and Fiona Stanley Hospital (Kwinana Freeway Northbound Off-ramp) Works during the financial year.

Grants from other bodies

The variance is due to a significant transaction in the previous financial year related to the transfer of Ravensthorpe – Hopetoun Road from the Shire of Ravensthorpe amounting to \$34m and Indian Ocean Drive amounting to \$42m from shire of Dandaragan and \$16m from shire of Coorow.

Other revenue

The decrease relates to the settlement of contractual disputes associated with pavement failures in the previous financial year.

42 Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

Credit risk arises when there is the possibility of Main Roads' receivables defaulting on their contractual obligations resulting in financial loss to Main Roads.

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 42(c) 'Financial instrument disclosures' and note 23 'Receivables'.

Credit risk associated with Main Roads' financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, Main Roads trades only with recognised, creditworthy third parties. Main Roads 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 Main Roads' 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 Main Roads is unable to meet its financial obligations as they fall due.

Main Roads is exposed to liquidity risk through its trading in the normal course of business.

Main Roads 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 Main Roads' income or the value of its holdings of financial instruments. Main Roads does not trade in foreign currency and is not materially exposed to other price risks. Main Roads' exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations.

All borrowings are due to the Western Australian Treasury Corporation (WATC) and are repayable at fixed rates with varying maturities. Other than as detailed in the interest rate sensitivity analysis table at note 42(c), Main Roads is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing and it has no borrowings other than the WATC borrowings.

(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:

	2013 \$000	2012 \$000
<u>Financial Assets</u>		
Cash and cash equivalents	196,112	384,713
Restricted cash and cash equivalents	66,497	45,017
Loans and receivables ^(a)	1,457,557	1,301,355
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	247,908	235,919

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

(c) Financial instrument disclosures

Credit risk

The following table discloses Main Roads' maximum exposure to credit risk and the ageing analysis of financial assets. Main Roads' 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 provided to senior management of Main Roads.

Main Roads 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 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2013								
Cash and cash equivalents	196,112	196,112	-	-	-	-	-	-
Restricted cash and cash equivalents	66,497	66,497	-	-	-	-	-	-
Receivables ^(a)	36,998	34,330	2,080	96	383	82	-	27
Amounts receivable for services	1,420,559	1,420,559	-	-	-	-	-	-
	1,720,166	1,717,498	2,080	96	383	82	-	27
2012								
Cash and cash equivalents	384,713	384,713	-	-	-	-	-	-
Restricted cash and cash equivalents	45,017	45,017	-	-	-	-	-	-
Receivables ^(a)	9,683	6,575	1,183	1,090	485	27	-	323
Amounts receivable for services	1,291,672	1,291,672	-	-	-	-	-	-
	1,731,085	1,727,977	1,183	1,090	485	27	-	323

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

Liquidity risk and interest rate exposure

The following table details Main Roads' 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	Interest rate exposure							Maturity date					
		Carrying Amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Nominal Amount	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years			
												\$000	\$000	\$000
2013														
<u>Financial Assets</u>														
Cash and cash equivalents	3.40	196,112	-	196,099	13	196,112	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	3.40	66,497	-	66,497	-	66,497	-	-	-	-	-	-	-	-
Receivables ^(a)	-	36,998	-	-	36,998	36,998	-	-	-	-	-	-	-	-
Amounts receivable for services	-	1,420,559	-	-	1,420,559	1,420,559	4	14	29	155	1,420,357	-	-	-
		1,720,166	-	262,596	1,457,570	1,720,166	299,611	14	29	155	1,420,357	-	-	-
<u>Financial Liabilities</u>														
Payables	-	232,142	-	-	232,142	232,142	232,142	-	-	-	-	-	-	-
WATC Loan	5.39	15,766	15,766	-	-	15,766	5,000	-	2,337	8,429	-	-	-	-
		247,908	15,766	-	232,142	247,908	237,142	-	2,337	8,429	-	-	-	-
2012														
<u>Financial Assets</u>														
Cash and cash equivalents	4.81	384,713	-	384,700	13	384,713	384,713	-	-	-	-	-	-	-
Restricted cash and cash equivalents	4.81	45,017	-	45,017	-	45,017	45,017	-	-	-	-	-	-	-
Receivables ^(a)	-	9,683	-	-	9,683	9,683	9,683	-	-	-	-	-	-	-
Amounts receivable for services	-	1,291,672	-	-	1,291,672	1,291,672	4	9	34	188	1,291,437	-	-	-
		1,731,085	-	429,717	1,301,368	1,731,085	439,417	9	34	188	1,291,437	-	-	-
<u>Financial Liabilities</u>														
Payables	-	215,153	-	-	215,153	215,153	215,153	-	-	-	-	-	-	-
WATC Loan	5.63	20,766	20,766	-	-	20,766	5,000	2,000	3,327	10,211	228	-	-	-
		235,919	20,766	-	215,153	235,919	220,153	2,000	3,327	10,211	228	-	-	-

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

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of Main Roads' 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.

	Carrying amount	-25 basis points		+25 basis points	
		Surplus	Equity	Surplus	Equity
		\$000	\$000	\$000	\$000
2013					
<u>Financial Assets</u>					
Cash and cash equivalents	196,112	(490)	(490)	490	490
Restricted cash and cash equivalents	66,497	(166)	(166)	166	166
Total Increase/(Decrease)		(656)	(656)	656	656
2012					
<u>Financial Assets</u>					
Cash and cash equivalents	384,713	(962)	(962)	962	962
Restricted cash and cash equivalents	45,017	(113)	(113)	113	113
Total Increase/(Decrease)		(1,075)	(1,075)	1,075	1,075

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.

43 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:

\$	2013	2012
0 – 10,000	1	1
	\$000	\$000
Base remuneration and superannuation	–	–
Annual leave and long service leave accruals	–	–
Other benefits	–	–
The total remuneration of members of the accountable authority	–	–

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

The remuneration of the incumbent Commissioner of Main Roads is met by the Department of Transport.

Remuneration of senior officers

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

\$	2013	2012
10,001 – 20,000	–	1
80,001 – 90,000	1	–
130,001 – 140,000	1	–
150,001 – 160,000	–	1
180,001 – 190,000	1	–
190,001 – 200,000	1	–
200,001 – 210,000	1	3
210,001 – 220,000	3	3
230,001 – 240,000	1	–
240,001 – 250,000	–	1
350,001 – 360,000	1	–
410,001 – 420,000	–	1

	\$000	\$000
Base remuneration and superannuation	2,020	1,982
Annual leave and long service leave accruals	(32)	36
Other benefits	45	87
The total remuneration of senior officers	2,033	2,105

The total remuneration includes the superannuation expense incurred by Main Roads in respect of senior officers other than senior officers reported as members of the accountable authority. Base remuneration includes accumulated leave and termination payments received by senior officers.

	2013 \$000	2012 \$000

44 Remuneration of auditor

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

Auditing the accounts, financial statements and key performance indicators	193	176
Other audits	23	12
	216	188

45 Affiliated bodies

WA Pavement Asset Research Centre (WAPARC) is a government affiliated body that received a grant of \$0.533 million from Main Roads. The WAPARC is not subject to operational control by Main Roads.

2013 \$000	2012 \$000
---------------	---------------

46 Special purpose accounts

Special Purpose Account ^(a)

Road Trauma Trust Account

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 in 2012-13 and two-thirds in 2011-12 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.

Balance at the start of the financial year	43,463	2,756
Receipts	93,685	62,933
Payments	(72,631)	(22,226)
Balance at the end of the financial year	64,517	43,463

(a) Established under section 16(1)(c) of FMA

47 Supplementary financial information

Write-offs

Bad debts – damage to roads, bridges and road furniture	236	–
Fixed asset stocktake discrepancies	–	–
Inventory – stocktake discrepancies and obsolete/contaminated materials	21	235
	257	235

Gifts of public property

Gifts of public property provided by Main Roads	7	4
	7	4

Restricted Access Vehicle permits ^(a)

Regulatory fees	7,998	6,825
Transfer payments	8,045	6,769
Cash held in lieu of transfer	9	56

(a) Main Roads collects the Restricted Access Vehicle permits fees in accordance with Road Traffic (Charges and Fees) Regulations 2006. The receipts are paid into the Consolidated Fund and is subsequently appropriated to Main Roads.

48 Indian Ocean Territories

Main Roads provides road management services to Indian Ocean Territories under service delivery arrangements with the Shires of Christmas Island and Cocos (Keeling) Islands. The amounts expended or set aside for expenditure during 2012-13 are summarised below:

Amount brought forward for recovery	(12)	1
Amount received during the year	(43)	(47)
	(55)	(46)
Expenditure during the year	25	34
Amount carried forward for recovery	(30)	(12)

49 Schedule of income and expenses by service

Schedule of Income and Expenses by Service for 2011-12 and 2012-13 (All amounts in \$'000)	Road Safety		Road System Management		Road Efficiency Improvements		Infrastructure For Community Access		Road Network Maintenance		Infrastructure For State Development		Office Of Road Safety		Roadworks Capitalised/ Expenses Not Allocated To Outputs		Total			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		
COST OF SERVICES																				
Expenses																				
Employee benefits expense	3,602	3,118	50,809	50,002	10,327	11,133	1,748	2,211	10,627	13,529	6,863	5,290	2,318	2,403	(21,959)	(18,623)	64,335	69,063		
Supplies and services	131,806	81,092	52,896	38,447	363,378	356,690	47,392	22,961	386,786	367,305	272,747	122,319	10,430	11,255	(791,889)	(546,410)	473,546	453,659		
Depreciation of infrastructure assets	-	-	-	-	-	-	-	-	247,437	218,492	-	-	-	-	-	-	247,437	218,492		
Depreciation and amortisation of other non-current assets	492	491	381	508	1,313	1,901	171	163	1,559	2,316	872	652	-	-	-	-	4,788	6,031		
Finance costs	92	108	72	112	247	420	32	36	293	513	164	144	-	-	-	-	900	1,333		
Grants and subsidies	24,277	17,770	4,142	5,818	53,365	27,643	6,479	8,355	107,456	100,670	5,595	7,638	29,666	9,364	(8,130)	53	222,850	177,311		
Infrastructure assets retired/replaced	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,890	12,670	36,890	12,670		
Total cost of services	160,269	102,579	108,300	94,887	428,630	397,787	55,822	33,726	754,158	702,825	286,241	136,043	42,414	23,022	(785,088)	(552,310)	1,050,746	938,559		
Income																				
Revenue																				
Regulatory fines	-	-	-	-	-	-	-	-	-	-	-	-	84,725	57,887	-	-	84,725	57,887		
Sale of goods and services	-	-	1,101	449	1,090	1,046	28	2	3,640	2,800	42	62	-	-	-	-	5,901	4,359		
Commonwealth grants and contributions	11,530	8,288	2,459	-	152,470	302,914	6,500	-	61,883	68,608	116,652	61,351	-	-	-	-	351,494	441,161		
Contributions to roadworks	70	368	2,497	-	25,552	1,086	31,547	5,676	16,938	10,427	18,410	942	-	-	-	-	95,014	18,499		
Grants from other bodies	5,678	7,586	3,837	6,965	15,185	29,417	1,978	2,492	26,718	51,960	10,141	10,058	-	-	-	-	63,537	108,478		
Interest revenue	223	39	151	36	596	151	78	13	1,051	266	399	53	-	1,190	-	-	2,498	1,748		
Other revenue	1,164	1,449	787	1,651	3,114	6,972	405	591	5,479	12,315	2,079	2,384	-	4,230	-	-	13,028	29,592		
Total revenue	18,665	17,730	10,832	9,101	198,007	341,587	40,536	8,774	115,709	146,375	147,723	74,850	84,725	63,307	-	-	616,197	661,724		
Gains																				
Gain on disposal of non-current assets	57	112	39	103	147	441	20	37	269	772	102	149	-	-	-	-	634	1,614		
Total gains	57	112	39	103	147	441	20	37	269	772	102	149	-	-	-	-	634	1,614		
Total income other than income from State Government	18,722	17,842	10,871	9,204	198,154	342,028	40,556	8,811	115,978	147,147	147,825	74,999	84,725	63,307	-	-	616,831	663,338		
NET COST OF SERVICES	141,547	84,791	97,429	85,044	230,476	56,026	15,266	24,911	638,180	555,932	138,416	61,115	(42,311)	(40,285)	(785,088)	(552,310)	433,915	275,221		
INCOME FROM STATE GOVERNMENT																				
Service appropriation	53,668	32,764	98,678	71,116	126,008	72,389	11,677	24,074	418,502	434,497	3,138	35,797	1,308	1,337	-	-	712,979	671,974		
Natural disaster funds	-	-	-	-	-	-	-	-	90,584	41,361	-	-	-	-	-	-	90,584	41,361		
Royalties for Region	-	101	1,052	327	355	36	-	98	-	619	-	129	-	-	-	-	1,407	1,310		
Capital contribution	28,494	36,428	541	147	80,646	159,148	6,327	1,250	4,335	3,554	60,878	55,818	-	-	(181,221)	(256,345)	-	-		
Resources received free of charge	124	51	83	47	329	198	43	17	577	351	219	68	-	-	-	-	1,375	732		
Total income from State Government	82,286	69,344	100,354	71,637	207,338	231,771	18,047	25,439	513,998	480,382	64,235	91,812	1,308	1,337	(181,221)	(256,345)	806,345	715,377		
SURPLUS/DEFICIT FOR THE PERIOD	(59,261)	(15,447)	2,925	(13,407)	(23,138)	175,745	2,781	528	(124,182)	(75,550)	(74,181)	30,697	43,619	41,622	603,867	295,965	372,430	440,156		

Appendices



Appendices

GRI Application Level Check Statements

Please find our third-party level check statements below.
To view our comprehensive GRI Content Index, please visit
<http://www.mainroads.wa.gov.au/AboutMainRoads/AboutUs/Sustainability/Pages/Sustainability.aspx>.



Net Balance Management Group Pty Ltd
ABN 50 121 706 081
Level 4, 460 Bourke Street
Melbourne VIC 3000 Australia
T +61 3 8641 6400
F +61 3 9600 1295
E info@netbalance.com
W netbalance.com

GRI Application Level Check Statement

Main Roads Western Australia (Main Roads WA) commissioned Net Balance Management Group Pty Ltd (Net Balance) to undertake a review of its 2012-2013 Annual Report ('the Report'). The review comprised a third-party application level check against the requirements of the Global Reporting Initiative (GRI) G3 Guidelines.

Objectives

The objectives of the third-party review were to confirm the application level most suitable to the Report and to identify gaps in disclosure.

Methodology

Net Balance examined adherence of the Report's content to the GRI Standard Disclosures (Profile Disclosures, Management Approach and Performance Indicators). For each standard disclosure, Main Road WA's adherence to the GRI requirements was classified as fully reported, partially reported or not reported. Where Profile Disclosures have not been fully reported, Net Balance reviewed if valid reasons for omission were provided. These classifications were then used to provide an opinion on the GRI Application Level for the Report.

Findings & Observations

The following findings and observations were made upon completion of this independent review:

- Main Roads WA adequately reported on the GRI Profile Disclosures required to achieve a GRI Application Level B.
- Main Roads WA reported the details of the Management Approach for each GRI aspect category deemed material. This level of disclosure satisfied the requirements of a GRI Application Level B.
- Main Roads WA reported on sufficient GRI Indicators across a range of categories to meet the requirements of a GRI Application Level B.

Conclusions

According to the above observations, Net Balance concluded that Main Roads WA's 2012-2013 Annual Report fulfils the requirements of a GRI Application Level B. Main Roads WA is encouraged to continue to build upon the work that has been undertaken to improve disclosure and to improve its adherence to the GRI over time.

On behalf of the Net Balance team
3rd September 2012
Melbourne, Australia

Kirsten Simpson
Associate Director and Lead CSAP, Net Balance



Statement GRI Application Level Check

GRI hereby states that **Main Roads Western Australia** has presented its report “Main Roads Western Australia Annual Report 2013” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 6 September 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 29 August 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

Appendices

Road Industry Fact Summary Sheet

Road Industry Fact Summary	WA	Australia	WA (%)
Area (square km)	2,529,875	7,692,024	32.9
Population	2,430,252	22,683,573	10.7
Licensed drivers and riders ¹	1,838,329	N/A	
Vehicles on register including motor cycles	1,977,756	16,741,644	11.8
Annual vehicle kilometres travelled (100 million VKT)	275.0	2,324.5	11.8
Road length excluding DEC roads (kilometres)	150,739	N/A	
Fatalities (for calendar year 2012)	183	1,300	14.1
Fatalities/100 million VKT	0.7	0.6	
Fatalities /100,000 persons	7.5	5.7	
Fatalities/10,000 vehicles	0.9	0.8	
Serious injuries (for calendar year 2012)	2,465	N/A	
Serious injuries/100 million VKT	9.0		
Serious injuries /100,000 persons	101.4		
Serious injuries/10,000 vehicles	12.5		

¹ Active licences only N/A: Not available DEC: Department of Environment and Conservation

Road Classification (as at 30 June 2013)	Sealed (km)	Unsealed (km)	Total (km)	Sealed (%)
National Land Transport Routes	5,104	0	5,104	100
State Highways	5,736	137	5,873	98
Main Roads	6,727	890	7,617	88
Sub-Total	17,567	1,027	18,594	94
Local Roads regularly maintained	37,385	91,057	128,442	29
Local Roads not regularly maintained	55	2,544	2,599	2
Sub-Total	37,440	93,601	131,041	29
Roads managed by DEC	358	36,503	36,861	1
Privately maintained Roads	127	977	1,104	12
Sub-Total	485	37,480	37,965	1
Total WA Road Network	55,492	132,108	187,600	30

Sources: Main Roads Corporate System (IRIS), Department of Environment and Conservation

Appendices

Statement of Expenditure Section 175Ze of the Electoral Act 1907

In accordance with Section 175ZE of the *Electoral Act 1907*, Main Roads Western Australia incurred \$6,287,100 during 2012-13 in advertising, market research, polling, direct mail and media advertising. Expenditure was incurred in the following areas.

ADVERTISING AGENCIES	\$
21cc Broadcast Productions	6,600
303 Lowe Group Pty Ltd	98,7000
4branding Pty Ltd	4,500
ABG Pages Pty Ltd	10,700
Adcorp Australia Limited	227,600
A-Team Printing	1,400
Bladon WA Pty Ltd	4,400
Branded Products	400
Britel Enterprises Pty Ltd	300
Business Promotions	1,800
Colourbox Digital	1,000
Corporate Directory of Australia Pty Ltd	1,000
Createsend.Com	100
Curtin University of Technology	900
Dingo Promotions	11,700
Discus	1,800
Exhibit Exhibitions	2,400
Expo Document	20,000
Hamdon Sound Studio Pty Ltd	2,100
Imagesource	300
Imatec Digital	1,900
Kalgoorlie Boulder Tourist Centre	600
Linkletters	1,000
Market Creations	2,700
Marketforce	232,700
Mayflower	9,700
Mitchell and Partners Australia Pty Ltd	80,700
Morph Media Pty Ltd	3,600
Optimum Media Decisions (WA) Limited	5,399,800
Picton Press	2,100

ADVERTISING AGENCIES	\$
Quality Press WA	6,200
Salmat	600
Snap East Perth	700
State Law Publisher	3,200
Synergy Graphics	400
The Longtail Communications Company	11,100
Veetil Pty Ltd	2,400
Advertising Agencies Total	6,157,100
POLLING ORGANISATIONS	Nil
DIRECT MAIL ORGANISATIONS	\$
Fuji Xerox Australia Pty Ltd	600
Direct Mail Organisations Total	600
MEDIA ADVERTISING ORGANISATIONS	\$
Albany Advertiser	5,500
Albany Weekender	2,800
Angry Chicken Publishing Pty Ltd	600
Collie Mail	300
Cybervale Pty Ltd	1,000
Impact Communications	79,200
Kalgoorlie-Boulder Chamber Of Commerce	100
Kalgoorlie Boulder RC	700
Macquarie Southern Cross	31,400
Pilbara Echo	1,300
Rural Press Regional Media	1,200
Southern Cross Austereo	100
The Muddy Waters	100
West Australian Newspaper	5,100
Media Advertising Organisations Total	129,400

Appendices

Publications List as at June 2013

*Annual Report	Free
*Customer Service Charter 2011	Free
Distance Book ed. 12 (Electronic version free)	POA
*Engineering Road Notes	
*No. 1 Bitumen Absorption by Sealing Aggregate 2003	Free
*No. 3 Surface “Blistering” and Soil “Fluffing” 2003	Free
*No. 7 Bitumen Scrap Rubber Seals 2003	Free
*No. 8 Statistically Based Quality Control for Density in Road Construction. (Includes Asphalt Surfacing) 2008	Free
*No. 9 Procedure for the Design of Road Pavements 2013	Free
*A Guide to Roadside Amenities and Rest Areas on Highways in Western Australia 2009	Free
*Guidelines for Assessing Level of Service for Cycling. Revised 2006	Free
*Public Environment Reports 2003-2008	Free
*Sharing the Road with Trucks: A Guide to Assist all Road Users to Drive Safely 2012	Free
*Strategic Plan 2008-2012 (2k12)	Free
*Traffic Controllers Handbook. 6th edition 2010	Free
*Traffic Management for Events 2011	Free
*Traffic Management for Works on Roads – Code of Practice 2013	Free
*Utility Providers’ Code of Practice for Western Australia 2010	Free
Vital Link: A History of Main Roads Western Australia 1926-1996, by Leigh Edmonds	POA
Vital Link: The Transition Years of Main Roads Western Australia 1996-2006, by Leigh Edmonds	Free

*Available full text on Main Roads internet home page: <http://www.mainroads.wa.gov.au>

All prices GST inclusive.

Note: Main Roads Standards and Specifications are also available as full text on Main Roads internet home page.

Index

Aboriginal	49, 50, 61, 63, 75, 98
Active Traffic Management (ATM)	58, Acronyms
Advisory Groups	71
Alliance	6, 15-16, 19, 33, 65, 76, 91
Assets	2, 12, 41, 42, 91, 102, 116, 118-121, 123-131, 134, 136-139, 142-146, 148-151, 153-157, 160
Auditor General	48, 96, 90-101, 106-108, 110, 158
Austroroads	18, 20-21, 49, 74, 100
Benefit Cost Ratio (BCR)	100, 115, Acronyms
Bicycle	45-46, 56
Biodiversity	8, 61-62
Black Spot	12, 25, 27, 111-112, 138
Bridges	10, 15, 18, 32, 37, 52, 55, 64, 111, 114, 126-127, 131, 136-137, 145, 148, 159
Budget	7, 10-11, 15, 17-19, 26, 29, 35, 40, 44, 47, 52, 54, 88, 90-91, 93-94, 100-101, 113, 115, 117, 133
Bunbury Port Access	14, 16, 37, 39
Business Improvement	19, 68-69, 91
Campaign	10, 38, 47, 50-51, 55, 82, 101, 111, 113
Capital Works	7, 12, 100, 153
Carbon Reduction	62, 64
Climate change	8, 62, 64
City East Alliance (CEA)	6, 16, 65, Acronyms
Community Access	11, 23, 44-46, 92, 109, 111, 116-117, 160
Community Perception Survey (CPS)	67-68, 114, 116-117, Acronyms

Community Satisfaction	10-11, 24, 29, 40, 44, 110-112, 114, 116-117
Community Working Groups (CWG)	6, 72, Acronyms
Competency Development	17, 78, 99
Complaints Handling	68-69, 101
Compliance	Inside front cover, 1, 55-56, 61-62, 88-89, 91, 97, 99-102, 105-106, 110, 130, Glossary
Conflicts of Interest	96
Contractors	13, 38, 65, 70, 76, 83, 97, 101, 136, 141, 146, 151, 170
Corporate Business Plan	88, 92-93, 95
Corporate Development	20, 90
Corporate Executive	Inside front cover, 18-22, 68, 81, 87-88, 90, 93, 95-96, 100-101, 104, 109
Corporate Governance	Inside front cover, 20, 86-87, 90, Glossary
Corruption Prevention	96
Creating Our Workforce of the Future	2, 87
Customer Charter Index	67
Customer Feedback	68
Customer Information Centre (CIC)	69-70, 76, Acronyms, Inside back cover, Back cover
Customer Service	2, 17, 20, 66-68, 71, 95, 98, 103, 110
Customer Service Advisory Council	69, 71
Customer Service Charter	67-68, 166
Cycleway	11, 44, 68, 110-111, 117

Index

Dampier Highway Duplication	6, 16, 31, 152
Delegation of Authority	88
Department of Transport	61, 75, 137, 150, 157, 161
Developing Capabilities	59, 73-79, 91, 98
Development Employee	13, 76-77, 90-91, 101, Glossary
Disability Advisory Group	71
Disability Access and Inclusion Plan (DAIP)	70, Acronyms
Engagement	3, 17, 72, 78, 81, 87, 95, 101, 106, Glossary
Enhancing Relationships	2, 61, 66-72, 87, 102
Environmental Practices	Inside front cover, 59
Environmental Advisory Group	71
Environmental Management	16, 59-65, 94
Equal Employment Opportunity	74, 98
Equity	94, 98, 106, 118-119, 121-122, 124, 133, 135, 140, 148, 157
Ethical and Responsible Decision Making	95
Fatal Crash Investigations	53
Fatalities	47-48, 80, 164
Fatigue	28, 85
Financial Management	1, 95, 99-100, 105, 107, 124
Financial Statements	12, 94, 100-101, 105-106, 108, 111-160
Fleet	8, 55, 58, 62-63
Freedom of Information	104
Freight	6-7, 14-15, 30, 33-34, 53, 55, 87, 114
Fuel Usage	60
Funding	Inside front cover, 17, 20, 27, 34, 48, 51, 90-91, 100, 112, 123, 128, 138, 151
Gateway WA	6, 14-15, 17, 19, 30, 32-33, 63, 91, 94, 97, 152-153
Gas Usage	60
Gascoyne	3, 13, 25, 30, 41, 45, 116, 173
Global Reporting Initiative (GRI)	Inside front cover, 16, 91, 162, Glossary, Acronyms
Goldfields-Esperance	3, 25, 36, 41, 85, 116, 175

Grain Freight	6, 14-15, 34
Great Eastern Highway	6, 15-16, 30, 32-33, 53, 65, 152, Acronyms
Great Northern Highway	17, 25-27, 30-32, 36-37, 43, 45, 49, 54, 138
Great Southern	3, 25, 30, 41, 45, 173
Heavy Vehicle	10, 16, 20, 28, 30 – 31, 36, 39, 53 – 56, 68, 75, 111, 138, Acronyms, Inside back cover
Incident Management	15, 69
Indian Ocean Drive	26, 28, 153
Injury Management	82, 84
Innovation	14, 16, 20, 53 – 54, 65, 74, 77 – 79, 91 – 92, 94, 98
Integrated Management System	91, 94
Integrated Services Arrangements (ISA)	28, 85, Acronyms
Intelligent Transport Systems (ITS)	30, 53, 91, Acronyms
Internal Audit	100
Key Performance Indicators (KPIs)	10, 24, 29, 35, 40, 44, 47, 52, 60, 66, 73, 80, 95, 101, 105, 107 – 108, 158, Acronyms
Kimberley	3, 13, 26, 30, 36, 41, 43, 45, 50, Inside back cover
Knowledge Management	76, 78
Kwinana Freeway	30, 32, 58, 153
Leadership	2, 14, 16, 18, 72-73, 75-79, 81-82, 87-88, 90-92, 94, 109
Legislation	55, 57, 62, 87, 100, 113
Local Government	2, 6-7, 15, 34, 48, 71-72, 76, 91, 114, 126, 137-138, 153
Lost Time Injury (LTI)	83, 85, Acronyms
Maintenance	5, 11, 20, 23, 34, 40 – 43, 62 – 63, 67 – 68, 71, 86, 92, 97, 100, 103, 109 – 111, 115 – 117, 136, 142, 150, 160, 170 - 171
Mentoring	17, 75, 77
Mid West	3, 13, 26, 28, 30, 36, 41, Inside back cover
Ministerial Directives	87
Mitchell Freeway	6, 14, 30, 32, 36 – 38, 45, 69, 72
Nation Building	27, 94, 138

Index

Northbridge Tunnel	6, 14, 16, 36, 38, 58, 62, 69
Occupational Safety and Health	83, 90, 96, Acronyms
Office of Road Safety (ORS)	5, 10, 21, 23, 27, 47 – 51, 87 – 88, 91, 109, 111, 113, 137, 139, 153, 160, Acronyms, Inside back cover
Organisational Structure	87, 89
Outcome-Based	23
Over-Size, Over-Mass (OSOM)	26, 54, Acronyms
Pedestrian	11, 30, 44 – 46, 49, 67 – 68, 71, 110 – 111, 115, 117, Glossary
Pilbara	3, 13, 26, 31, 37, 41, 54, 165, Inside back cover
Principal Shared Paths (PSP)	46, 126, 138, 145, Glossary, Acronyms
Procurement	63, 97
Property Management	61
Public Sector Standards	86, 99
Record Keeping	103, Acronyms
Regional Run Off Road Program	6, 27, 51
Reid Highway	32, 36, 53, 58
Restricted Access Vehicle System (RAVS)	Acronyms
Risk Management	92, 96, 100, 104, 154
Road Efficiency	5, 10 – 11, 23, 29 – 34, 52, 109, 111, 115, 160
Road Industry Fact Summary	164
Road Management	5, 10 – 11, 23, 52 – 58, 78, 109, 159
Road Safety	5, 10, 20 – 21, 23 – 28, 47 – 51, 53 – 55, 67 – 68, 87, 94, 109 – 114, 137, 159 – 160, Acronyms
ROADS Foundation	18, 20, 76, 98
Roe Highway	30, 32 – 33, 53, 58
Safety, Health and Wellbeing (SHW)	16, 19, 59, 80 – 85, 89 – 91, Acronyms
South West	3, 13, 26, 31, 37, 39, 42, 45, 57, 126, Inside back cover
Stakeholders	Inside front cover, 2 – 3, 8 – 9, 17, 19, 38, 49 – 50, 55, 59, 66 – 69, 71 – 72, 75, 77, 92, 95, 101, 109

Stakeholder Satisfaction Survey	17, 66, 68
State Development	5, 11, 23, 35 – 39, 109, 111, 115, 160
State Road Funds to Local Government Advisory Committee	71
Statement of Expenditure	165
Statutory Audit	101
Strategic Plan (2k12, 2020)	8, 67, 74, 76, 79, 84, 87 – 88, 92, 96, 98 – 99, 101, 166
Sustainability	Inside front cover, 1, 3, 6, 8, 16, 61, 63 – 65, 79 – 80, 86, 92, 97, 162, Glossary, Acronyms
Tonkin Highway	6, 15 – 16, 25, 30, 33, 36, 72, 152
Towards Zero	48, 51
Traffic Management	20, 30, 53, 58, 71, 166, Acronyms
Traffic Operations	53, 57
Traffic Signal	11, 31, 40, 42, 57, 62, 69, 87, 108, 111, 116, 138
TRIM	102 – 103
Values	2, 60 – 61, 76 – 77, 79, 87 – 88, 95 -96, 98 – 99, 124 – 126, 143, 145, 151, 157
Website	1, 3, 16 – 17, 34, 48 – 50, 53, 56, 58, 61 – 63, 65, 67 – 71, 75, 79, 87, 97, 101 – 104, 108, Inside back cover
Western Australian Local Government Association	48
Western Australian Road Construction and Maintenance Industry Advisory Group	71, 97
Women	15, 73 – 75, 98
Wheatbelt North	3, 13, 26, 31, 42, 116, Inside back cover
Wheatbelt South	3, 13, 26, 31, 34, 42, 116, Inside back cover
Workers' Compensation	84, 130, 147
WorkSafe	83, 91

Glossary

Word	Definition
Audible Edge Lines	Low bumps, buttons, bars, grooves or strips closely spaced across or immediately adjacent to a street or path that draw attention to a feature or hazard, and can have a vibratory and/or audible effect when travelled over. They are often used as supplementary treatments, as part of a suite of risk reduction measures, e.g. in combination with warning and regulatory signs, entry statements, shared zones and other LATM treatments.
Bypass	An alternative route that enables through-traffic to avoid urban areas.
Carriageway	The portion of a road or bridge devoted particularly to the use of vehicles, inclusive of shoulders and auxiliary lanes.
Community Engagement	Involving communities in the prioritisation and development of services in their own area. Community Engagement includes Community Consultation, but also goes beyond this, to include the more active processes in which communities play a greater role in actually formulating plans or influencing local developments.
Corporate Governance	The way Main Roads balances compliance against risk-taking as it directs, controls and is held accountable for its business performance.
Culvert	One or more adjacent pipes or enclosed channels for conveying a stream below formation level and carrying water under a roadway.
Development Employee	Any graduate, associate, cadet, trainee and scholarship student is considered to be a development employee.
Drainage	The removal of water by flow from the ground or from its surface.
Floodway	A longitudinal section or road designed at, or just above, ground level specially constructed to allow the passage of floodwater across it without damage.
Freeway	A divided highway for through-traffic with no access for traffic between interchanges and with grade separation at all intersections.
Global Reporting Initiative	Global Reporting Strategy
Highway	Highways provide connection between capital cities. They are also principal routes between a city and the major producing regions of the State. Highways also service major transport terminals or significant commercial and industrial centres.
Individual Development Plan	Supports the ongoing learning and development of employees and provides a framework for performance management.
Integrated Service Agreement	The new form of contract in which Main Roads will be working alongside the contractor for road maintenance and rehabilitation.
Main Road	A principal road in the road system.
Maintenance	The work carried out on an existing road and infrastructure to maintain its efficiency or quality.

Glossary

Word	Definition
Overlay	The addition of one or more courses of pavement material to an existing road surface, generally to increase strength, and/or to improve ride quality.
Overtaking/Passing Lane	An auxiliary lane provided for slower vehicles to allow them to be overtaken.
Pavement	That portion of a carriageway placed above the levelled surface or earth or rock for the support of, and to form a running surface for, vehicular traffic.
Performance Indicator	A simple measure that allows objective comparisons to be made. An example is road maintenance costs per kilometre in a region. This can then be compared to other regions and monitored over time.
Principal Shared Paths	Paths covering access all throughout the network for use by pedestrians and cyclists.
Realignment	A change in the geometric form of the original centre-line of a carriageway with respect to the vertical and horizontal axes.
Reconstruction	Rebuilding of a road. Reconstruction is normally undertaken when a pavement has reached the end of its economic life and where the alignment, or formation height, or width is substandard.
Seal	A thin surface layer of sprayed bitumen.
Stakeholder	A person or group of people with a direct interest, involvement, or investment in something.
Strategy	This is how a broad objective will be approached. An example is Main Roads' contracting strategy. It specifies the mix of contract types that will deliver the best outcome for the community.
Sustainability	The long-term balance of social, environmental and economic factors into an organisation's activities, decision-making and investment processes.
Variable Message Signs	Displays information messages to alert drivers of on-road incidences on the road ahead. They are also used to warn road users about weather conditions and other important information.

Acronyms

ATM	Active Traffic Management
BCR	Benefit Cost Ratio
BCS	Business Classification Scheme
CEA	City East Alliance
CIC	Customer Information Centre
C-MARC	Curtin-Monash Accident Research Centre
CPS	Community Perception Survey
CWG	Community Working Group
DAIP	Disability Access and Inclusion Plan
ESC	Electronic Stability Control
EV	Electric Vehicle
FTE	Full-Time Equivalent
GEH	Great Eastern Highway
GRI	Global Reporting Initiative
HVO	Heavy Vehicle Operations
IDP	Individual Development Plan
IRIS	Integrated Road Inventory System
IRS	Incident Response Service
IS	Infrastructure Sustainability
ISA	Integrated Services Arrangements
ITS	Intelligent Transport System

KPIs	Key Performance Indicators
LTI/D	Lost Time Injury/Disease
NFP	Not for Profit
NHVR	National Heavy Vehicle Regulator
ORS	Office of Road Safety
OSH	Occupational Safety and Health
OSOM	Over-Size, Over-Mass
PSP	Principal Shared Path
RACWA	Royal Automobile Club of Western Australia
RAVS	Restricted Access Vehicle System
RKP	Record Keeping Plan
RSC	Road Safety Council
RTOs	Registered Training Organisations
RTTA	Road Trauma Trust Account
SHW	Safety, Health and Wellbeing
TCIC	Traffic Control Infrastructure Control
UWA	University of Western Australia
WA	Western Australia
WABN	Western Australian Bicycle Network
WiM	Women in Management

Contact

24 hr Customer Information Centre: **138 138**
Heavy Vehicle Operations Helpdesk: **138 486**
Website: **www.mainroads.wa.gov.au**
Hearing Impaired TTY: **133 677**

Metropolitan Offices:

Head Office and The Office of Road Safety (ORS)

Don Aitken Centre, Waterloo Crescent,
East Perth, WA 6004
PO Box 6202, East Perth, WA 6892
enquiries@mainroads.wa.gov.au

24 hr Public Affairs/Media

Enquiries: 0419 907 230

Materials Engineering

5-9 Colin Jamieson Drive, Welshpool, 6106
(08) 9350 1444

Heavy Vehicle Permits

(Extra Mass or Oversize Loads)
70 Pilbara Street, Welshpool, 6106
hvo@mainroads.wa.gov.au
(08) 9311 8450

Report Road Hazards

(24 hr free call except from mobile phones)
1800 800 009

Road Condition Reports

(24 hr free call except from mobile phones)
1800 013 314

Regional Offices:

Gascoyne

470 Robinson Street, Carnarvon, 6701
(08) 9941 0777

Goldfields-Esperance

83 Piesse Street, Boulder, 6432
(08) 9080 1400

Great Southern

2-6 Kelly Street, Albany, 6331
(08) 9892 0555

Kimberley

Wodehouse Street, Derby, 6728
(08) 9158 4333

Mid West

Eastward Road, Geraldton, 6531
(08) 9956 1200

Pilbara

Brand Street, South Hedland, 6722
(08) 9172 8877

South West

Robertson Drive, Bunbury, 6231
(08) 9725 5677

Wheatbelt North

Peel Terrace, Northam, 6401
(08) 9622 4777

Wheatbelt South

Mokine Road, Narrogin, 6312
(08) 9881 0566



Don Aitken Centre, Waterloo Crescent,
East Perth, WA 6004
PO Box 6202, East Perth, WA 6892
enquiries@mainroads.wa.gov.au

24 hr Customer Information Centre:

138 138

Hearing Impaired TTY:

133 677

www.mainroads.wa.gov.au