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Financial Statements & Notes

Financial Statements and Notes

Notes to Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2014

	Note	2014 $000	2013 $000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	69,394	64,614
Supplies and services	7	496,794	473,546
Depreciation expense of infrastructure assets	8	251,682	247,437
Depreciation and amortisation expense of other assets	9	4,246	4,788
Finance costs	10	618	900
Grants and subsidies	11	311,161	222,850
Non-current assets retired/replaced	12	19,456	36,890
Total cost of services		1,153,351	1,051,025
Income			
Revenue			
Regulatory fines	13	80,037	84,725
Sale of goods and services	14	9,854	5,901
Commonwealth grants and contributions	15	266,419	351,494
Contributions to roadworks	16	77,020	95,014
Grants from other bodies	17	75,246	63,537
Interest revenue	18	2,437	2,498
Other revenue	19	40,674	13,028
Total Revenue		551,687	616,197
Gains			
Gain on disposal of non-current assets	20	3,191	634
Total gains		3,191	634
Total income other than income from State Government		554,878	616,831
NET COST OF SERVICES		**598,473**	**434,194**
Income from State Government	21		
Service appropriations		816,275	712,979
Natural disaster funds		35,577	90,584
Services received free of charge		1,814	1,375
Royalties for Regions Fund		1,410	1,407
Total income from State Government		855,076	806,345
SURPLUS/(DEFICIT) FOR THE PERIOD		**256,603**	**372,151**
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	36	1,401,667	(334,380)
Total other comprehensive income		1,401,667	(334,380)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,658,270**	**37,771**

See also note 50 '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 2014

	Note	2014 $000	2013 $000
ASSETS			
Current Assets			
Cash and cash equivalents	37	95,393	196,112
Restricted cash and cash equivalents	22	73,054	66,497
Receivables	23	53,601	60,974
Amounts receivable for services	24	47,553	46,907
Inventories	25	2,994	4,027
Prepayments	26	29,515	15,847
Non-current assets classified as held for sale	27	638	5,346
Total Current Assets		302,748	395,710
Non-Current Assets			
Receivables	23	115	138
Amounts receivable for services	24	1,544,651	1,373,652
Inventories	25	1,304	1,360
Prepayments	26	3,242	1,200
Property, plant and equipment	28	529,695	482,091
Infrastructure	29	41,206,446	39,163,464
Intangible assets	31	18,074	16,376
Total Non-Current Assets		43,303,527	41,038,281
TOTAL ASSETS		**43,606,275**	**41,433,991**
LIABILITIES			
Current Liabilities			
Payables	33	298,119	232,142
Borrowings	34	5,000	5,000
Provisions	35	33,787	36,862
Total Current Liabilities		336,906	274,004
Non-Current Liabilities			
Borrowings	34	5,766	10,766
Provisions	35	4,148	4,239
Total Non-Current Liabilities		9,914	15,005
TOTAL LIABILITIES		**346,820**	**289,009**
NET ASSETS		**43,259,455**	**41,144,982**
EQUITY	36		
Contributed equity		3,759,621	3,303,418
Reserves		27,454,606	26,052,939
Accumulated surplus/(deficit)		12,045,228	11,788,625
TOTAL EQUITY		**43,259,455**	**41,144,982**

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 2014

	Note	Contributed Equity $000	Reserves $000	Accumulated surplus/(deficit) $000	Total Equity $000
Balance at 1 July 2012	36	3,122,196	26,387,319	11,416,474	40,925,989
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 July 2012		3,122,196	26,387,319	11,416,474	40,925,989
- Surplus/(deficit)		-	-	372,151	372,151
- Other comprehensive income		-	(334,380)	-	(334,380)
Total comprehensive income for the period		-	(334,380)	372,151	37,771
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**	**11,788,625**	**41,144,982**
Balance at 1 July 2013		3,303,418	26,052,939	11,788,625	41,144,982
- Surplus/(deficit)		-	-	256,603	256,603
- Other comprehensive income		-	1,401,667	-	1,401,667
Total comprehensive income for the period		-	1,401,667	256,603	1,658,270
Transactions with owners in their capacity as owners:					
- Capital appropriations		443,592	-	-	443,592
- Other contributions by owners		61,232	-	-	61,232
- Distributions to owners		(48,621)	-	-	(48,621)
Total		456,203	-	-	456,203
Balance at 30 June 2014		**3,759,621**	**27,454,606**	**12,045,228**	**43,259,455**

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 2014

	Note	2014 $000	2013 $000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations		597,723	537,185
Capital appropriations		443,592	200,348
Holding account drawdowns		46,907	46,907
Natural disaster funding		35,577	90,584
Royalties for Regions Fund		32,113	10,562
Net cash provided by State Government		1,155,912	885,586
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(73,858)	(64,310)
Supplies and services		(480,287)	(472,803)
Grants and subsidies		(196,478)	(218,147)
GST payments on purchases		(149,714)	(128,888)
Finance costs		(678)	(1,008)
Receipts			
Sale of goods and services		112,072	74,967
Commonwealth grants and contributions		266,419	351,494
Regulatory fines		80,037	84,725
Interest received		2,496	2,288
GST receipts on sales		12,552	9,264
GST receipts from taxation authority		134,160	120,637
Other receipts		14,239	10,124
Rent received		4,036	3,884
Net cash provided by/(used in) operating activities	37	(275,004)	(227,773)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(24,342)	(22,167)
Purchase of infrastructure assets		(958,875)	(806,909)
Receipts			
Proceeds from sale of non-current physical assets		13,147	9,142
Net cash provided by/(used in) investing activities		(970,070)	(819,934)
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		(94,162)	(167,121)
Cash and cash equivalents at the beginning of the period		262,609	429,730
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	37	**168,447**	**262,609**

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

1. Australian Accounting Standards.

General
The Commissioner of Main Roads' (Main Roads) financial statements for the year ended 30 June 2014 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 2014.

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 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

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

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

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

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the 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.

Royalties for Regions funds are recognised as revenue at fair value in the period in which Main Roads obtains control over the funds. Main Roads obtains control of the funds at the time the funds are deposited into Main Roads bank account.

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.

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

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 2014 is based on the depreciated replacement cost determined at 30 June 2014 calculated using construction unit rates determined by a professional quantity surveying firm and multiplying these by the units that form the infrastructure asset. A cost index (ABS Road and Bridge Construction Cost Index) has been applied to principal shared paths and certain road furniture assets 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 under roadways, and road reserves, including land under footpaths, nature strips and median strips) 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 and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic 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 under roads' 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'and note 29 'Infrastructure'.

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, except drainage easements, 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 a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. 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 33 '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 holding account receivable balance, resulting from service appropriation funding, is accessible on the emergence of the cash funding requirement to cover asset replacement.

(p) Inventories
Inventories held for distribution (for roadworks) are measured at cost, adjusted when applicable for any loss of service potential. 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 the 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
Annual leave is not expected to be settled wholly within 12 months after the end of reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement

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

The provision for annual leave is classified as a current liability as 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
Long service leave is not expected to be settled wholly 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 providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements.

Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

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

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. 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 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.

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, that Main Roads would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured.

A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(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 33 'Payables'.

3. Judgements made by management in applying accounting policies

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

Fair Value Measurement

In determining the fair value of land, buildings and infrastructure, Main Roads adopts the valuation techniques applied by professional valuers and quantity surveying firms. Refer to note 2(g) for further details.

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 under roads, are measured at 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 2013 that impacted on Main Roads.

AASB 13	*Fair Value Measurement* This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for fair value measurements for non-financial assets and liabilities. There is no financial impact.
AASB 119	*Employee Benefits* This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. Main Roads assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.
AASB 1048	*Interpretation of Standards* This Standard supersedes AASB 1048 (June 2012), enabling references to the Interpretations in all other Standards to be updated by reissuing the service Standard. There is no financial impact.
AASB 2011-8	*Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 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]* 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.
AASB 2011-10	*Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]* This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.
AASB 2012-2	*Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]* 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.
AASB 2012-5	*Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]* This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.
AASB 2012-6	*Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]* This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.
AASB 2012-9	*Amendment to AASB 1048 arising from the Withdrawal of Australian Int 1039* The withdrawal of Int 1039 *Substantive Enactment of Major Tax Bills in Australia* has no financial impact for Main Roads during the reporting period and at balance date. Measurement of tax assets and liabilities continues to be measured in accordance with enacted or substantively enacted tax law pursuant to AASB 112.46-47.
AASB 2012-10	*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]* The Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not-for-profit entities accounting for interests in other entities. There is no financial impact.
AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.* Part A of this omnibus Standard makes amendments to other Standards arising from revisions to the Australian Accounting Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard.

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
Int 21	*Levies* This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for Main Roads at reporting date.	1 Jan 2014
AASB 9	*Financial Instruments* *This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement,* introducing a number of changes to accounting treatments. The mandatory application date of this Standard was amended to 1 January 2018 by AASB 2014-1 *Amendments to Australian Accounting Standards.* Main Roads has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 10	*Consolidated Financial Statements* This Standard, issued in August 2011, supersedes AASB *127 Consolidated and Separate Financial Statements* and Int 112 *Consolidation – Special Purpose Entities*, introducing a number of changes to accounting treatments. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments.* The adoption of the new Standard has no financial impact for Main Roads as it doesn't impact accounting for related bodies and Main Roads has no interests in other entities.	1 Jan 2014
AASB 11	*Joint Arrangements* This Standard, issued in August 2011, supersedes AASB 131 Interests in Joint Ventures, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement. Mandatory application of the Standard was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact for Main Roads as the new standard will continue to require proportional consolidation of Main Road's rights to assets	1 Jan 2014
AASB 12	*Disclosure of Interests in Other Entities* This Standard, issued in August 2011, supersedes disclosure requirements under AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact.	1 Jan 2014
AASB 127	*Separate Financial Statements* This Standard, issued in August 2011, supersedes AASB 127 *Consolidated and Separate Financial Statements* removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. Mandatory application was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.	1 Jan 2014
AASB 128	*Investments in Associates and Joint Ventures* This Standard supersedes AASB 128 *Investments in Associates*, introducing a number of clarifications for the accounting treatments of changed ownership interest. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. The adoption of the new Standard has no financial impact for Main Roads as it doesn't hold investments in associates or and the accounting treatments for joint operations is consistent with current practice.	1 Jan 2014
AASB 1031	*Materiality* This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.	1 Jan 2014

AASB 1055	*Budgetary Reporting* This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. 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.	1 Jul 2014
AASB 2009-11	*Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]* [modified by AASB 2010-7]	1 Jan 2015
AASB 2010-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]* 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.	1 Jan 2015
AASB 2011-7	*Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]* This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 *Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures*. Main Roads has undertaken an analysis of the suite of Consolidation and Joint Arrangements Standards and determined that there is no financial impact arising from adoption of the various Standards.	1 Jan 2013
AASB 2012-3	*Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]* 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.	1 Jan 2014
AASB 2013-3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.* This Standard introduces editorial and disclosure changes. There is no financial impact.	1 Jan 2014
AASB 2013-4	*Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]* This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. Main Roads does not routinely enter into derivatives or hedges, therefore there is no financial impact.	1 Jan 2014
AASB 2013-8	*Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049].* The amendments, issued in October 2013, provide significant guidance to clarify whether determine whether a not-for-profit entity controls another entity when financial returns aren't a key attribute of the investor's relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.	1 Jan 2014
AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.* This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C). Main Roads has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.	1 Jan 2014 1 Jan 2017
AASB 2014-1	*Amendments to Australian Accounting Standards* Main Roads has not yet determined the application or the potential impact of the Standard.	1 Jul 2014 1 Jan 2015 1 Jan 2016 1 Jan 2018

6. Employee benefits expense

	2014 $000	2013 $000
Wages and salaries	54,346	50,353
Annual leave	5,008	4,968
Long service leave	2,619	2,537
Fringe benefits tax	1,186	1,118
	63,159	58,976
Superannuation - defined contribution plans [a]	6,235	5,638
	69,394	**64,614**

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

7. Supplies and services

Contractors and Consultants	440,426	427,146
Materials	5,956	788
Plant hire charges	4,439	8,978
Postage, stationery and reprographics	1,005	1,017
Telecommunications	4,936	4,292
Building maintenance and equipment	4,606	3,577
Electricity, gas and water	15,324	8,632
Contributions	112	34
Legal costs	689	379
Advertising	1,671	6,879
Rates and taxes	290	401
Insurance	4,383	4,088
Other	12,957	7,335
	496,794	**473,546**

8. Depreciation expense of infrastructure assets

	2014 $000	2013 $000
Roads – earthworks	852	840
Roads – earthworks (adjustment)	(651)	-
Roads – pavements, drainage and seal	181,015	179,923
Bridges	52,143	49,525
Road furniture	18,323	17,149
	251,682	**247,437**

9. Depreciation and amortisation expense of other assets

Depreciation		
Plant, equipment and vehicles	3,031	3,057
Buildings	5,446	5,730
Total depreciation	8,477	8,787
Amortisation		
Intangible assets	1,654	1,733
Total amortisation	1,654	1,733
Total depreciation and amortisation	10,131	10,520
Less: depreciation capitalised to infrastructure	(5,885)	(5,732)
	4,246	**4,788**

10. Finance costs

	2014 $000	2013 $000
Interest expense	**618**	**900**

11. Grants and subsidies

Grants and subsidies to local government and other bodies	202,966	221,414
Grants of non-current assets to other bodies	108,195	1,436
	311,161	**222,850**

12. Non-current assets retired/replaced

Buildings	323	-
Land acquired for roadworks	375	-
Earthworks and pavements	16,990	33,624
Bridges	1,484	21
Road furniture	152	3,156
Infrastructure work in progress	132	89
	19,456	**36,890**

Non-current assets replaced or retired during the year have been expensed at their carrying amount.

13. Regulatory fines

	2014 $000	2013 $000
Regulatory fines	**80,037**	**84,725**

This revenue represents all moneys 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	**9,854**	**5,901**

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 2013-14 are summarised at note 49 'Indian Ocean Territories'.

15. Commonwealth grants and contributions

Nation Building Program	263,444	341,881
Jobs Fund - Infrastructure Employment Projects	-	6,500
Interstate Road Transport Act 1985	2,975	3,113
	266,419	**351,494**

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 2014, $6.659 million of the Nation Building Program (National Land Transport) Act 2009 grants recognised as revenue remained unspent on approved projects (at 30 June 2013 the amount was $20.125 million). Refer to note 2(e) 'Income'.

16. Contributions to roadworks

	2014 $000	2013 $000
Contributions to roadworks	**77,020**	**95,014**

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

	2014 $000	2013 $000
Grants from local government authorities and other bodies		
Transferred infrastructure assets at fair value	295	1,830
Local Government contribution to traffic signal construction	283	612
Developers contribution to roadworks	74,668	61,095
	75,246	**63,537**

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 2013-14: Intersection improvement (Albany Highway & Gosnells Rd).

The developers contribution to roadworks relate to construction costs met by private developers on roads owned by Main Roads. Roadworks include Intersection improvements (Coolgardie-Esperance Highway), Bridge over Onslow Salt Ponds, Munjina Rd realignment (Western Turner Syncline), Munjina Rd Improvements (Restricted Access Vehicles), Marble Bar Rd realignment, and North West Coastal Highway Grade Separation (Cape Lambert Expansion).

18. Interest revenue

Road Trauma Trust Account interest revenue	2,378	2,442
Other interest revenue	59	56
	2,437	**2,498**

19. Other revenue

Rental income	4,125	3,929
Return of previous year grants	2,127	73
Other contributions[a]	3,738	4,850
Assets not previously recognised	25,526	-
Other	5,158	4,176
	40,674	**13,028**

(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

	2014 $000	2013 $000
Proceeds from disposal of non-current assets		
Land acquired for roadworks	12,442	3,913
Land and buildings	778	5,123
Plant, equipment and vehicles	41	168
	13,261	9,204
Costs of disposal of non-current assets		
Land acquired for roadworks	9,313	5,544
Land and buildings	745	2,665
Plant, equipment and vehicles	12	361
	10,070	8,570
Net gain/(loss)	**3,191**	**634**

21. Income from State Government

Service appropriations		
Motor vehicle licence fees	551,305	528,185
Untied funds	257,357	176,373
Motor vehicle permit fees	7,234	8,054
Salaries and Allowances Act 1975	379	367
	816,275	712,979
Other funds received from State Government		
Natural disaster funds	35,577	90,584
Services received free of charge from other State government agencies during the period:		
Land Information Authority (Landgate)	928	765
Department of the Attorney General (State Solicitor's Office)	886	610
	1,814	1,375
Royalties for Regions Fund		
Regional Infrastructure and Headworks Account	1,410	1,407
	855,076	**806,345**

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 budgeted depreciation expense for 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 2013-14 was $686.986 million (2012-13: $616.462 million). An amount of $551.305 million (2012-13: $528.185 million) was received as a service appropriation and the balance of $135.681 million (2012-13: $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 2013-14 was $565.268 million (2012-13: $288.444 million). This includes a service appropriation of $257.357 million (2012-13: $176.373 million) and a capital contribution of $307.911 million (2012-13: $112.071 million). The service appropriation includes a cash component of $38.805 million (2012-13: $0.579 million) and a $218.552 million (2012-13: $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 Department of Fire and Emergency Services 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.

22. Restricted cash and cash equivalents

	2014 $000	2013 $000
Current		
Contractor's deposits	740	1,980
Road Trauma Trust Account	72,309	64,517
Commonwealth Paid Parental Leave Scheme	5	-
	73,054	**66,497**

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 47 '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

	2014 $000	2013 $000
Current		
Trade debtors	9,546	20,536
Other debtors	2,481	3,514
Allowance for impairment of receivables	(2,077)	(1,815)
Trade debtors – unbilled receivables	12,232	14,347
GST receivable	31,090	24,114
Accrued revenue	329	278
Total current	53,601	60,974
Non-current		
Trade debtors	115	138
Total non-current	115	138
Total receivables	**53,716**	**61,112**

	2014 $000	2013 $000
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of year	1,815	2,110
Doubtful debts expense	292	2
Amounts written off during the year	(30)	(236)
Impairment losses reversed during the period	-	(61)
Balance at end of year	**2,077**	**1,815**

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

24. Amounts receivable for services (Holding Account)

	2014 $000	2013 $000
Current	47,553	46,907
Non-current	1,544,651	1,373,652
	1,592,204	**1,420,559**

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

25. Inventories

	2014 $000	2013 $000
Current		
Inventories held for distribution:		
- Construction and maintenance materials	2,994	4,027
Total current	2,994	4,027
Non-current		
Inventories held for distribution:		
- Construction and maintenance materials	1,304	1,360
Total non-current	1,304	1,360

26. Prepayments

	2014 $000	2013 $000
Current		
Prepayments	29,515	15,847
Total current	29,515	15,847
Non-current		
Prepayments	3,242	1,200
Total non-current	3,242	1,200

27. Non-current assets classified as held for sale

	2014 $000	2013 $000
Freehold land and buildings		
Opening balance	5,346	4,906
Assets reclassified as held for sale	9,613	10,826
Assets removed from current disposal program	(3,785)	(1,912)
Assets sold	(10,037)	(8,200)
Write-down of assets from carrying value to fair value less selling costs	(499)	(274)
Closing balance	**638**	**5,346**

Information on fair value measurements is provided in Note 30.

Main Roads disposes freehold land and buildings where it is no longer required for road construction, outside the defined road planning requirement or no longer required for operational purposes. If the freehold land and buildings are not required by Government, then they are sold at public auction or tender in the first instance and thereafter by private treaty. Non-current assets classified as held for sale are expected to settle within 12 months.

28. Property, plant and equipment

Land		
At fair value[a]	104,019	109,951
	104,019	109,951
Buildings		
At fair value [a]	101,666	97,331
Accumulated depreciation	(56)	(232)
	101,610	97,099
Buildings under construction		
Construction costs	6,238	7,067
	6,238	7,067
Plant, equipment and vehicles		
At cost	28,761	28,385
Accumulated depreciation	(20,430)	(19,682)
	8,331	8,703
Surplus assets		
At fair value [a]	96,403	84,011
	96,403	84,011
Land acquired for roadworks		
At fair value [a]	213,094	175,260
	213,094	175,260
Total property, plant and equipment	**529,695**	**482,091**

(a) Land, buildings, surplus assets and land acquired for roadworks were revalued as at 1 July 2013 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 2014 and recognised at 30 June 2014.

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 2012 to 1 July 2013. These properties have been valued based on the average percentage increase for the Metro and Rural areas respectively over the period 1 July 2012 to 1 July 2013. 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 2013. In undertaking the revaluation, fair value was determined by reference to market values of Freehold land $104.019 million (2012-13: $109.951 million) and Buildings $101.610 million (2012-13: $97.099 million).

To ensure the valuations provided by Valuation Services were compliant at 30 June 2014 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 2013 (date of valuation) to 31 March 2014. TSY reviewed the information and determined that the change in fair values from 1 July 2013 (date of valuation) to 31 March 2014 were not likely to have a material impact on the fair values of these assets as recognised at 30 June 2014.

Information on fair value measurements is provided in Note 30.

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.

2014	Land $000	Buildings $000	Buildings under construction $000	Plant, equipment and vehicles $000	Surplus assets $000	Land acquired for roadworks $000	Total $000
Carrying amount at start of year	109,951	97,099	7,067	8,703	84,011	175,260	482,091
Additions	1,424	-	8,427	2,692	5,552	3,320	21,415
Disposals	-	(343)	-	(12)	-	(375)	(730)
Classified as held for sale	(1,535)	(388)	-	-	(3,943)	(3,747)	(9,613)
Held for sale removed from disposal program	-	-	-	-	1,838	1,947	3,785
Transfers	150	9,106	(9,256)	-	-	-	-
Transfer (to) / from infrastructure	(378)	-	-	-	4,948	930	5,500
Equity contribution / (distribution)	571	-	-	(21)	(480)	4,667	4,737
Revaluation increments / (decrements)	(6,346)	1,582	-	-	2,204	11,622	9,062
Assets not previously recognised	182	-	-	-	2,273	19,470	21,925
Depreciation	-	(5,446)	-	(3,031)	-	-	(8,477)
Carrying amount at end of year	104,019	101,610	6,238	8,331	96,403	213,094	529,695

2013	Land $000	Buildings $000	Buildings under construction $000	Plant, equipment and vehicles $000	Surplus assets $000	Land acquired for roadworks $000	Total $000
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	(380)	(608)	-	-	(7,456)	(2,382)	(10,826)
Held for sale removed from disposal program	303	-	-	-	493	1,116	1,912
Transfers	(3,289)	-	(4,554)	-	-	(407)	(8,250)
Transfer (to) / from 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

29. Infrastructure

	2014 $000	2013 $000
Roads and principal shared paths		
Earthworks at fair value	12,881,443	12,867,661
Accumulated depreciation	(3,087,162)	(3,081,181)
	9,794,281	9,786,480
Pavement, drainage and seal at fair value	9,344,385	8,963,550
Accumulated depreciation	(5,385,692)	(5,035,127)
	3,958,693	3,928,423
Land under roads		
At fair value	22,342,031	20,946,079
	22,342,031	20,946,079
Bridges		
At fair value	5,200,774	4,857,698
Accumulated depreciation	(1,472,589)	(1,356,003)
	3,728,185	3,501,695
Road furniture		
At fair value	420,085	454,939
Accumulated depreciation	(161,375)	(166,562)
	258,710	288,377
Infrastructure work in progress		
At cost	1,124,546	712,410
	1,124,546	712,410
Total Infrastructure	**41,206,446**	**39,163,464**

The value of roads and principal shared paths (earthworks, drainage, pavements and seals), bridges and road furniture at 30 June 2014 is based on the depreciated replacement cost determined at 30 June 2014 by Main Roads. A comprehensive revaluation has been applied as at 30 June 2014 using construction unit rates obtained from professional quantity surveying firms which represent the fair value to replace the assets, and applying these against the units for each infrastructure category.

For principal shared paths, the value at 30 June 2014 has been determined by applying a cost index (ABS Road and Bridge Construction cost index) on the depreciated replacement cost to ensure the asset value does not materially differ from fair value.

Land under roads was revalued at 30 June 2014 using 1 July 2013 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.

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

2014	Roads and principal shared paths $000	Land under roads $000	Bridges $000	Road furniture $000	Work in progress $000	Total $000
Carrying amount at start of year	13,714,902	20,946,080	3,501,695	288,377	712,410	39,163,464
Additions	390,387	13,745	133,547	42,675	397,641	977,995
Retirements	(16,990)	-	(1,484)	(152)	(132)	(18,758)
Transfer (to) / from land acquired for roadworks	-	(5,745)	-	-	245	(5,500)
Revaluation increments / (decrements)	(73,965)	1,391,699	131,436	(56,066)	-	1,393,104
Highways and main roads reclassified as local roads	(99,400)	(3,677)	(5,118)	-	-	(108,195)
Local roads classified as highways and main roads	58,242	109	16,414	407	74	75,246
Equity contribution / (distribution)	(38,986)	(180)	3,838	1,792	10,707	(22,829)
Assets not previously recognised	-	-	-	-	3,601	3,601
Depreciation	(181,216)	-	(52,143)	(18,323)	-	(251,682)
Carrying amount at end of year	**13,752,974**	**22,342,031**	**3,728,185**	**258,710**	**1,124,546**	**41,206,446**

2013	Roads and principal shared paths $000	Land under roads $000	Bridges $000	Road furniture $000	Work in progress $000	Total $000
Carrying amount at start of year	12,805,810	21,748,698	3,369,885	244,197	733,641	38,902,231
Additions	598,990	93,912	66,421	87,198	(24,842)	821,679
Retirements	(33,624)	-	(21)	(3,156)	(89)	(36,890)
Transfer (to) / from land acquired for roadworks	-	2,085	-	-	-	2,085
Revaluation increments / (decrements)	488,181	(898,620)	90,949	6,697	-	(312,793)
Highways and main roads reclassified as local roads	(1,074)	-	-	-	-	(1,074)
Local roads classified as highways and main roads	34,874	5	23,986	2,045	2,627	63,537
Equity contribution / (distribution)	2,508	-	-	(31,455)	1,073	(27,874)
Depreciation	(180,763)	-	(49,525)	(17,149)	-	(247,437)
Carrying amount at end of year	**13,714,902**	**20,946,080**	**3,501,695**	**288,377**	**712,410**	**39,163,464**

Information on fair value measurements is provided in Note 30.

30. Fair value measurements

Assets measured at fair value: 2014	Level 1 $000	Level 2 $000	Level 3 $000	Fair value at end of period $000
Non-current assets classified as held for sale (Note 27)	-	573	65	638
Land (Note 28)	-	98,550	5,469	104,019
Buildings (Note 28)	-	87,159	14,451	101,610
Surplus assets (Note 28)	-	58,470	37,933	96,403
Land acquired for roadworks (Note 28)	-	162,064	51,030	213,094
Infrastructure (Note 29)	-	-	40,081,900	40,081,900
	-	**406,816**	**40,190,848**	**40,597,664**

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Non-current assets held for sale, Land, Buildings, Surplus assets and Land acquired for roadwords are derived using the market approach. Market evidence of sales prices of comparable land and buildings in close proximity is used to determine price per square metre.

Non-current assets held for sale have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.

Fair value measurements using significant unobservable inputs (Level 3)

2014	Non-current asset held for sale $000	Land $000	Buildings $000	Surplus assets $000	Land acquired for roadworks $000	Infrastructure $000
Fair value at start of period	1,357	4,262	14,827	36,329	51,730	38,451,054
Additions	-	571	-	3,234	8,673	669,421
Revaluation increments/(decrements) recognised in Profit or Loss	-	-	-	-	-	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	50	243	(2,617)	4,447	1,393,103
Transfers (from/(to) Level 2)	(1,292)	719	-	1,020	(13,820)	-
Disposals	-	(133)	(22)	-	-	(179,996)
Depreciation expense	-	-	(597)	(33)	-	(251,682)
Fair value at end of period	**65**	**5,469**	**14,451**	**37,933**	**51,030**	**40,081,900**
Total gains or losses for the period included in profit or loss, under 'Other Gains'	-	-	-	-	-	-
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	-	-	-	-	-	-

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's Instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Fair value for infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is determined 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.

Fair value of restricted use land is based on market value, by either using market evidence of sales of comparable land that is unrestricted less restoration costs to return the site to a vacant and marketable condition (low restricted use land) or, comparison with market evidence for land with low level utility (high restricted use land)

Significant Level 3 inputs used by Main Roads are derived and evaluated as follows:

Selection of land with restricted utility
Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuation Services)

Historical cost per square metre floor area (m^2)
The cost of constructing specialised buildings with similar utility area extracted from financial reports of Main Roads, then indexed by movements in CPI.

Consumed economic benefit/obsolescence of asset
These are estimated by the Western Australian Land Information Authority (Valuation Services)

Historical cost per cubic metre (m^3)
The fair value of road infrastructure comprising of earthworks, pavements (including drainage and seals), bridges and road furniture is calculated using construction unit rates determined by a professional quantity surveying firm and multiplying these by the units that form the infrastructure asset.

Historical cost per cubic metre (m^3)
The fair value of road infrastructure comprising of principal shared paths and certain road furniture are extracted from financial records of Main Roads and indexed by movements in the ABS Road and Bridge Construction cost index.

Selection of land adjoining road reserve
The fair value of road infrastructure comprising of land under roads is determined by comparison with the unimproved land values for land tax purposes maintained by the Western Australian Land Information Authority (Valuation Services).

Information about significant unobservable inputs (Level 3) in fair value measurements.

Description and fair value as at 30 June 2014	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
Land, Surplus asset and Land acquired for roadworks	Market approach	Selection of land with similar approximate utility	\$0.02 - \$1089.22 per m^2 (\$5.06 per m^2)	Higher value of similar land increases estimated fair value
Buildings	Depreciated replacement cost	Historical cost per square metre floor area (m^2)	\$196 - \$4,159 per m^2 (\$2,047 per m^2)	Higher historical cost per m^2 increases fair value
		Consumed economic benfit/ obsolescence of asset	1.35% - 11.14% per year (5.18% per year)	Greater consumption of economic benefit or increased obsolescence lowers fair value
Infrastructure (Earthworks)	Depreciated replacement cost	Historical cost per cubic metre (m^3)	\$20 - \$49 per m^3	Higher historical cost per m^3 increases fair value
Infrastructure (Pavements including drainage and seals)	Depreciated replacement cost	Historical cost per cubic metre (m^3)	\$52 - \$401 per m^3	Higher historical cost per m^3 increases fair value
Infrastructure (Structures)	Depreciated replacement cost	Historical cost per cubic metre (m^3)	\$3,660 - \$8,452 per m^3	Higher historical cost per m^3 increases fair value
Infrastructure (Land under roads)	Market approach	Selection of land adjoining road reserve	\$0.75 - \$2,780 per m^2	Higher value of adjoining land increases estimated fair value

Reconciliations of the opening and closing balances are provided in Notes 28 and 29.

Basis of Valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and Main Roads' enabling legislation.

31. Intangible assets

	2014 $000	2013 $000
Computer software and licences		
At cost	24,783	21,440
Accumulated amortisation	(6,718)	(5,073)
	18,065	16,367
Drainage easements		
At cost	9	9
	9	9
Total intangible assets	**18,074**	**16,376**

Reconciliations:		
Computer software and licences		
Carrying amount at start of year	16,367	9,745
Additions	3,352	8,355
Disposals	-	-
Transfers	-	-
Amortisation expense	(1,654)	(1,733)
Carrying amount at end of year	**18,065**	**16,367**

32. Impairment of assets

There were no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 30 June 2014.

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.

33. Payables

	2014 $000	2013 $000
Current		
Trade creditors	18,111	13,631
Major contracts and services	194,821	146,856
Property acquisitions	57,821	57,268
Contractors retention	740	1,978
Funds in advance	23,389	9,660
Performance bonds / surety	-	29
Accrued salaries	3,237	2,720
Total current	298,119	232,142

34. Borrowings

	2014 $000	2013 $000
Current		
WA Treasury Corporation borrowings	5,000	5,000
Total current	5,000	5,000
Non-current		
WA Treasury Corporation borrowings	5,766	10,766
Total non-current	5,766	10,766

35. Provisions

	2014 $000	2013 $000
Current		
Employee benefits provisions		
Annual leave	13,393	13,947
Long service leave	20,066	22,704
	33,459	36,651
Other provisions		
Employment on-costs	328	211
	33,787	36,862
Non-current		
Employee benefits provisions		
Long service leave	4,108	4,215
	4,108	4,215
Other provisions		
Employment on-costs	40	24
	4,148	4,239

(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	9,101	9,025
More than 12 months after the end of the reporting period	4,292	4,922
	13,393	13,947

(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	5,066	3,567
More than 12 months after the end of the reporting period	19,108	23,352
	24,174	26,919

(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.

	2014 $000	2013 $000
Employment on-cost provision		
Carrying amount at start of period	235	126
Additional provisions recognised	133	109
Payments/other sacrifices of economic benefits	-	-
Unwinding of the discount	-	-
Carrying amount at end of period	**368**	**235**

36. Equity

The Western Australian 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.

	2014 $000	2013 $000
Contributed equity		
Balance at start of period	3,303,418	3,122,196
Contributions by owners		
Capital contributions	443,592	200,348
Other contributions by owners		
Royalties for Regions Fund - Regional Infrastructure and Headwork Account	29,328	9,155
Royalties for Regions Fund - Regional Community Services Account	1,375	-
Transfer of net assets from other agencies		
Public Transport Authority	2,417	3,250
Western Australian Planning Commission	6,237	331
Department of Regional Development and Lands	-	225
Department of Lands	778	-
Metropolitan Redevelopment Authority	4,470	153
Forest Products Commission	570	-
Department of Parks & Wildlife	4,580	-
Department of Health	11,477	-
Total contributions by owners	504,824	213,462
Distributions to owners		
Transfer of net assets to other agencies		
Public Transport Authority	-	(31,962)
Department of Environment and Conservation	(22)	(278)
Department of Parks & Wildlife	(1,170)	-
Department of Lands	(45,126)	-
Metropolitan Redevelopment Authority	(492)	-
Esperance Port Sea & Land	(1,811)	-
Total distributions to owners	(48,621)	(32,240)
Balance at end of period	**3,759,621**	**3,303,418**
Reserves		
Asset revaluation surplus		
Balance at start of period	26,052,939	26,387,319
Net revaluation increments/(decrements)		
Earthworks, Drainage, Pavements and Seals	(73,965)	488,181
Bridges	131,436	90,949
Land under roads	1,391,699	(898,620)
Road Furniture	(56,066)	6,697
Land and Buildings	8,563	(21,587)
Balance at end of period	**27,454,606**	**26,052,939**
Accumulated surplus/(deficit)		
Balance at start of period	11,788,625	11,416,474
Result for the period	256,603	372,151
Income and expense recognised directly in equity	-	-
Balance at end of period	**12,045,228**	**11,788,625**
Total Equity at end of period	**43,259,455**	**41,144,982**

37. 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:

	2014 $000	2013 $000
Cash and cash equivalents	95,393	196,112
Restricted cash and cash equivalents	73,054	66,497
	168,447	**262,609**

	2014 $000	2013 $000
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(598,473)	(433,915)
Non-cash items:		
Depreciation expense - infrastructure	251,682	247,437
Depreciation and amortisation expense - other fixed assets	4,246	4,788
Grants to other bodies	108,195	1,436
Grants received from other bodies	(75,246)	(63,537)
Services received free of charge	1,814	1,375
Infrastructure assets retired/replaced	19,456	36,890
Assets not previously recognised	(25,526)	-
Adjustment for other non-cash items	-	-
Net (gain)/loss on sale of property, plant and equipment	(3,191)	(634)
(Increase)/decrease in assets:		
Receivables [(a)]	14,486	(27,253)
Inventories	1,089	(3,861)
Prepayments	(15,710)	2,548
Increase/(decrease) in liabilities:		
Payables [(a)]	52,316	6,597
Employee benefits	(3,166)	1,561
Net GST receipts/(payments) [(b)]	134,160	128,701
Change in GST in receivables/payables [(c)]	(141,136)	(129,906)
Net cash provided by/(used in) operating activities	**(275,004)**	**(227,773)**

(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.

38. Services provided free of charge

During the year the following services were provided to other agencies free of charge for functions outside the normal operations of Main Roads:

	2014 $000	2013 $000
Department of Transport - accomodation costs and provision of traffic modelling services	9	29
Police Department - traffic forecasts	1	-
Department of Planning - provision of traffic modelling services	1	15
Public Transport Authority - provision of professional services	27	11
Department of Parks and Wildlife - design work review	15	-
Services provided free of charge to other agencies	2	-
	55	**55**

39. Commitments

Non-cancellable operating lease commitments
Commitments for minimum lease payments are payable as follows:

	2014 $000	2013 $000
Within 1 year	4,498	4,624
Later than 1 year and not later than 5 years	5,627	7,649
Later than 5 years	10	4
	10,135	**12,277**

The commitments below are inclusive of GST.

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	500,629	366,292
Later than 1 year and not later than 5 years	373,417	28,876
Later than 5 years	2,702	-
	876,748	**395,168**

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	443,850	423,958
Later than 1 year and not later than 5 years	112,238	524,416
Later than 5 years	-	-
	556,088	**948,374**

40. Contingent liabilities and contingent assets

Contingent liabilities

The following contingent liabilities are additional to the liabilities included in the financial statements:

	2014 $000	2013 $000
Contract claims in dispute	8,639	2,095
Resumption claims in dispute	246,992	268,249
	255,631	**270,344**

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 and recognised 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 and recognised 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 eight suspected contaminated sites to DEC. Three were classified as possibly contaminated - investigation required, one was classified as contaminated - remediation required, three were sites affected from adjacent sites and one is awaiting classification. 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:

	2014 $000	2013 $000
Contract in dispute	2,219	1,400
	2,219	**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 is based on best estimates available.

41. 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.

42. Explanatory statements

Significant variations between estimates and actual results for 2014 and between the actual results for 2013 and 2014 are shown below. Significant variations are considered to be those greater than 10% and $5 million.

Significant variances between estimated and actual result for 2014

	2014 Estimate $000	2014 Actual $000	Variation $000
Income			
Regulatory fines	92,625	80,037	12,588
Commonwealth grants and contributions	351,549	266,419	85,130
Grants from other bodies	135,300	75,246	60,054
Other revenue	24,627	40,674	(16,047)

Regulatory fines

The Regulatory Fines were lower than anticipated during 2013/14 due to over estimate of revenue. Without any operational changes to the enforcement, the effectiveness of the Red light and Speed Cameras was higher than previously anticipated.

Commonwealth grants and contributions

The variation is due to a change in claiming methodology for Commonwealth funded projects not provided in the current year estimates.

Grants from other bodies

The delay is due to timing differences in the transfer of roads from private companies to Main Roads.

Other revenue

The variance is due to the recognition of notional revenue relating to assets not previously recognised in the Statement of Financial Position but not included in the current year estimates.

Significant variances between actual result for 2013 and 2014

	2014 $000	2013 $000	Variation $000
Expenses			
Grants and subsidies	311,161	222,850	88,311
Non-current assets retired/replaced	19,456	36,890	(17,434)
Income			
Commonwealth grants and contributions	266,419	351,494	(85,075)
Contributions to roadworks	77,020	95,014	(17,994)
Grants from other bodies	75,246	63,537	11,709
Other revenue	40,674	13,028	27,646

Grants and subsidies

The increase relates to deproclaimed roads transferred to Local Government having higher value compared with the previous year. This includes Cervantes Road and Jurien Road transferred to Shire of Dandaragan and Dampier Highway transferred to Shire of Roebourne.

Non-current assets retired/replaced

The decrease is a result of greater levels of road reconstruction works in the previous year

Commonwealth grants and contributions

The variation is due to a change in claiming methodology for Commonwealth funded projects.

Contributions to roadworks

Large projects undertaken during the year on behalf of various local authorities include Carnarvon Flood Levees, Wallwork Road Bridge and Victoria Park Drive Upgrade. Variations in contributions align with the construction timelines of these major projects.

Grants from other bodies

The variance is due to road infrastructure transfers to Main Roads during the year including North West Coast Highway Grade Separation from Rio Tinto, Marble Bar Road Realignment from Roy Hill Mining, Nanutarra-Munjina Realignment from Hamersley Iron and Heavy Vehicle Access Improvements on Nanutarra-Munjina Road from Fortesque Mining Group.

Other revenue

The variance is due to the recognition of notional revenue relating to assets not previously recognised in the Statement of Financial Position.

43. 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 43(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 43(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:

	2014 $000	2013 $000
Financial Assets		
Cash and cash equivalents	95,393	196,122
Restricted cash and cash equivalents	73,054	66,497
Loans and receivables [(a)]	1,614,830	1,457,557
Financial Liabilities		
Financial liabilities measured at amortised cost	308,885	247,908

(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

			Past due but not impaired					
	Carrying Amount	**Not past due and not impaired**	**Up to 1 month**	**1-3 months**	**3 months to 1 year**	**1-5 years**	**More than 5 years**	**Impaired financial assets**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
2014								
Cash and cash equivalents	95,393	95,393	-	-	-	-	-	-
Restricted cash and cash equivalents	73,054	73,054	-	-	-	-	-	-
Receivables [(a)]	22,626	19,484	824	79	125	37	-	2,077
Amounts receivable for services	1,592,204	1,592,204	-	-	-	-	-	-
	1,783,277	1,780,135	824	79	125	37	-	2,077
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

(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

		Interest rate exposure				Maturity date					
	Weighted Average Effective Interest Rate	**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**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
2014											
Financial Assets											
Cash and cash equivalents	-	95,393	-	-	95,393	95,393	95,393	-	-	-	-
Restricted cash and cash equivalents	2.84	73,054	-	73,054	-	73,054	73,054	-	-	-	-
Receivables[a]	-	22,626	-	-	22,626	22,626	22,626	-	-	-	-
Amounts receivable for services	-	1,592,204	-	-	1,592,204	1,592,204	8,400	8,600	30,553	162,610	1,382,041
		1,783,277	-	73,054	1,710,223	1,783,277	199,473	8,600	30,553	162,610	1,382,041
Financial Liabilities											
Payables	-	298,119	-	-	298,119	298,119	298,119	-	-	-	-
WATC Loan	5.45	10,766	10,766	-	-	11,444	5,052	-	1,274	5,118	-
		308,885	10,766	-	298,119	309,563	303,171	-	1,274	5,118	-

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

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

		Interest rate exposure				Maturity date					
	Weighted Average Effective Interest Rate	**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**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
2013											
Financial Assets											
Cash and cash equivalents	-	196,112	-	-	196,112	196,112	196,112	-	-	-	-
Restricted cash and cash equivalents	3.40	66,497	-	66,497	-	66,497	66,497	-	-	-	-
Receivables [a]	-	36,998	-	-	36,998	36,998	36,998	-	-	-	-
Amounts receivable for services	-	1,420,559	-	-	1,420,559	1,420,559	4,000	14,000	28,907	154,648	1,219,004
		1,720,166	-	66,497	1,653,669	1,720,166	303,607	14,000	28,907	154,648	1,219,004
Financial Liabilities											
Payables	-	232,142	-	-	232,142	232,142	232,142	-	-	-	-
WATC Loan	5.39	15,766	15,766	-	-	17,079	5,045	-	2,453	9,581	-
		247,908	15,766	-	232,142	249,221	237,187	-	2,453	9,581	-

(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.

		-25 basis points		+25 basis points	
	Carrying amount	Surplus	Equity	Surplus	Equity
2014	$000	$000	$000	$000	$000
Financial Assets					
Restricted cash and cash equivalents	73,054	(183)	(183)	183	183
Total Increase/(Decrease)		(183)	(183)	183	183

		-25 basis points		+25 basis points	
	Carrying amount	Surplus	Equity	Surplus	Equity
2013	$000	$000	$000	$000	$000
Financial Assets					
Restricted cash and cash equivalents	66,497	(166)	(166)	166	166
Total Increase/(Decrease)		(166)	(166)	166	166

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.

44. 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:

$	2014	2013
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:

$	2014	2013
80,001 – 90,000	-	1
130,001 – 140,000	-	1
160,001 – 170,000	1	-
180,001 – 190,000	1	1
190,001 – 200,000	-	1
200,001 – 210,000	-	1
210,001 – 220,000	4	3
230,001 – 240,000	1	1
350,001 – 360,000	-	1
360,001 – 370,000	1	-
	$000	$000
Base remuneration and superannuation	1,882	2,020
Annual leave and long service leave accruals	(139)	(32)
Other benefits	74	45
The total remuneration of senior officers	**1,817**	**2,033**

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.

45. Remuneration of auditor

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

	2014	2013
Auditing the accounts, financial statements and key performance indicators	190	175
Other audits	25	21
	215	**196**

46. Affiliated bodies

WA Pavement Asset Research Centre (WAPARC) is a government affiliated body that received a grant of $0.422 million (2012-13: $0.533 million) from Main Roads. The WAPARC is not subject to operational control by Main Roads.

47. 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 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.

	2014	2013
Balance at the start of the financial year	64,517	43,463
Receipts	88,996	93,685
Payments	(81,204)	(72,631)
Balance at the end of the financial year	**72,309**	**64,517**

(a) Established under section 16(1)(b) of FMA

48. Supplementary financial information

	2014 $000	2013 $000
Write-offs		
Bad debts – damage to roads, bridges and road furniture	30	236
Fixed asset stocktake discrepancies	-	-
Damage to public property	144	-
Inventory – stocktake discrepancies and obsolete/ contaminated materials	-	21
	174	**257**
Gifts of public property		
Gifts of public property provided by Main Roads	4	7
	4	**7**
Restricted Access Vehicle permits [a]		
Regulatory fees	7,138	7,998
Transfer payments	7,109	8,045
Cash held in lieu of transfer	38	9

(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.

49. 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 2013-14 are summarised below:

	2014 $000	2013 $000
Amount brought forward for recovery	(30)	(12)
Amount received during the year	(37)	(43)
	(67)	(55)
Expenditure during the year	22	25
Amount carried forward for recovery	**(45)**	**(30)**

50. Schedule of income and expenses by service

Schedule of Income and Expenses by Service for 2012-13 and 2013-14 (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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
COST OF SERVICES																		
Expenses																		
Employee benefits expense	3,588	3,881	55,823	50,809	13,597	10,327	1,767	1,748	10,581	10,627	6,101	6,863	2,411	2,318	(24,474)	(21,959)	69,394	64,614
Supplies and services	136,004	131,806	57,769	52,896	459,491	363,378	49,098	47,392	434,288	386,786	295,704	272,747	3,058	10,430	(938,618)	(791,889)	496,794	473,546
Depreciation of infrastructure assets	-	-	-	-	-	-	-	-	251,682	247,437	-	-	-	-	-	-	251,682	247,437
Depreciation and amortisation of other non-current assets	267	492	335	381	1,353	1,313	137	171	1,383	1,559	771	872	-	-	-	-	4,246	4,788
Finance costs	39	92	49	72	197	247	20	32	201	293	112	164	-	-	-	-	618	900
Grants and subsidies	(58,427)	24,277	9,354	4,142	109,180	53,365	5,964	6,479	179,981	107,456	7,309	5,595	72,461	29,666	(14,661)	(8,130)	311,161	222,850
Infrastructure assets retired / replaced	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,456	36,890	19,456	36,890
Total cost of services	**81,471**	**160,548**	**123,330**	**108,300**	**583,818**	**428,630**	**56,986**	**55,822**	**878,116**	**754,158**	**309,997**	**286,241**	**77,930**	**42,414**	**(958,297)**	**(785,088)**	**1,153,351**	**1,051,025**
Income																		
Revenue																		
Regulatory fines	-	-	-	-	-	-	-	-	-	-	-	-	80,037	84,725	-	-	80,037	84,725
Sale of goods and services	5	-	2,375	1,101	67	1,090	35	28	7,315	3,640	57	42	-	-	-	-	9,854	5,901
Commonwealth grants and contributions	12,831	11,530	1,723	2,459	201,733	152,470	-	6,500	40,248	61,883	9,884	116,652	-	-	-	-	266,419	351,494
Contributions to roadworks	1,187	70	(737)	2,497	7,089	25,552	34,285	31,547	31,825	16,938	3,371	18,410	-	-	-	-	77,020	95,014
Grants from other bodies	3,014	5,678	4,563	3,837	21,601	15,185	2,108	1,978	32,490	26,718	11,470	10,141	-	-	-	-	75,246	63,537
Interest revenue	2	223	4	151	17	596	2	78	25	1,051	9	399	2,378	-	-	-	2,437	2,498
Other revenue	1,393	1,164	2,110	787	9,990	3,114	975	405	15,027	5,479	5,305	2,079	5,874	-	-	-	40,674	13,028
Total revenue	**18,432**	**18,665**	**10,038**	**10,832**	**240,497**	**198,007**	**37,405**	**40,536**	**126,930**	**115,709**	**30,096**	**147,723**	**88,289**	**84,725**	**-**	**-**	**551,687**	**616,197**
Gains																		
Gain on disposal of non-current assets	128	57	193	39	915	147	89	20	1,380	269	486	102	-	-	-	-	3,191	634
Gain on disposal of other assets																		
Other Gains																		
Total gains	**128**	**57**	**193**	**39**	**915**	**147**	**89**	**20**	**1,380**	**269**	**486**	**102**	**-**	**-**	**-**	**-**	**3,191**	**634**
Total income other than income from State Government	**18,560**	**18,722**	**10,231**	**10,871**	**241,412**	**198,154**	**37,494**	**40,556**	**128,310**	**115,978**	**30,582**	**147,825**	**88,289**	**84,725**	**-**	**-**	**554,878**	**616,831**
NET COST OF SERVICES	**62,911**	**141,826**	**113,099**	**97,429**	**342,406**	**230,476**	**19,492**	**15,266**	**749,806**	**638,180**	**279,415**	**138,416**	**(10,359)**	**(42,311)**	**(958,297)**	**(785,088)**	**598,473**	**434,194**
INCOME FROM STATE GOVERNMENT																		
Service appropriation	50,409	53,668	123,993	98,678	47,509	126,008	4,394	11,677	549,598	418,502	40,372	3,138	-	1,308	-	-	816,275	712,979
Natural disaster funds	-	-	-	-	-	-	-	-	35,577	90,584	-	-	-	-	-	-	35,577	90,584
Royalties for Region	-	-	1,410	1,052	-	355	-	-	-	-	-	-	-	-	-	-	1,410	1,407
Capital contribution	60,298	28,494	1,593	541	219,076	80,646	11,735	6,327	6,250	4,335	144,489	60,878	-	-	(443,441)	(181,221)	-	-
Resources received free of charge	73	124	110	83	521	329	51	43	782	577	277	219	-	-	-	-	1,814	1,375
Total income from State Government	**110,780**	**82,286**	**127,106**	**100,354**	**267,106**	**207,338**	**16,180**	**18,047**	**592,207**	**513,998**	**185,138**	**64,235**	**-**	**1,308**	**(443,441)**	**(181,221)**	**855,076**	**806,345**
SURPLUS/DEFICIT FOR THE PERIOD	**47,869**	**(59,540)**	**14,007**	**2,925**	**(75,300)**	**(23,138)**	**(3,312)**	**2,781**	**(157,599)**	**(124,182)**	**(94,277)**	**(74,181)**	**10,359**	**43,619**	**514,856**	**603,867**	**256,603**	**372,151**