



Annual Report 2015



mainroads
WESTERN AUSTRALIA



Welcome and Highlights

The 2014-15 Annual and Sustainability Report reviews Main Roads' operational, financial and business performance for the financial year ending 30 June 2015.

It showcases our performance against our aspiration to:

Provide world class outcomes for our customers through a safe, reliable and sustainable road-based transport system.

As part of our commitment to best practice reporting, this report is developed in accordance with the principles of the Global Reporting Initiative. Our report has been structured around the following key areas:

A Snapshot of our Year – an overview of our performance and future direction

Our Leaders – find out who our leadership team are

Our Operational Performance – learn about the service we provide

Our Business Activities – find out about the innovative approaches we used to support the delivery of our services

Governance – understand how we exercise fairness, transparency and accountability in the management of our business and people

Statement of Compliance

**To the Honourable Dean Nalder MLA BBus,
GradDip (AppFin&Inv) Minister for Transport**

In accordance with section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament the Report of Main Roads Western Australia for the 2014-15 financial year ending 30 June 2015.

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



Stephen Troughton
Managing Director of Main Roads
20 August 2015



Reece Waldock
Commissioner of Main Roads
20 August 2015

About Us

Our Role

We are one of the largest geographically spread road agencies in the world responsible for more than 18,400 kilometres of road spread over 2.5 million square kilometres. Our role is to plan, build and maintain Western Australia's State road network valued at more than \$46 billion. We work closely with our Portfolio partners and Local Government to support the needs of all road users across the State by providing an integrated world class road transport network.

We operate from eight regions throughout the State.

Region	Area Covered (Thousand km ²)	Population (Thousand)	State Roads (km)
1. Goldfields-Esperance	941	60	2,202
2. Great Southern	49	62	1,608
3. Kimberley	420	39	2,241
4. Metropolitan	5	1,922	849
5. Mid West-Gascoyne	421	67	3,625
6. Pilbara	505	67	2,735
7. South West	29	280	1,756
8. Wheatbelt	157	75	3,470
Total	2,527	2,572	18,486

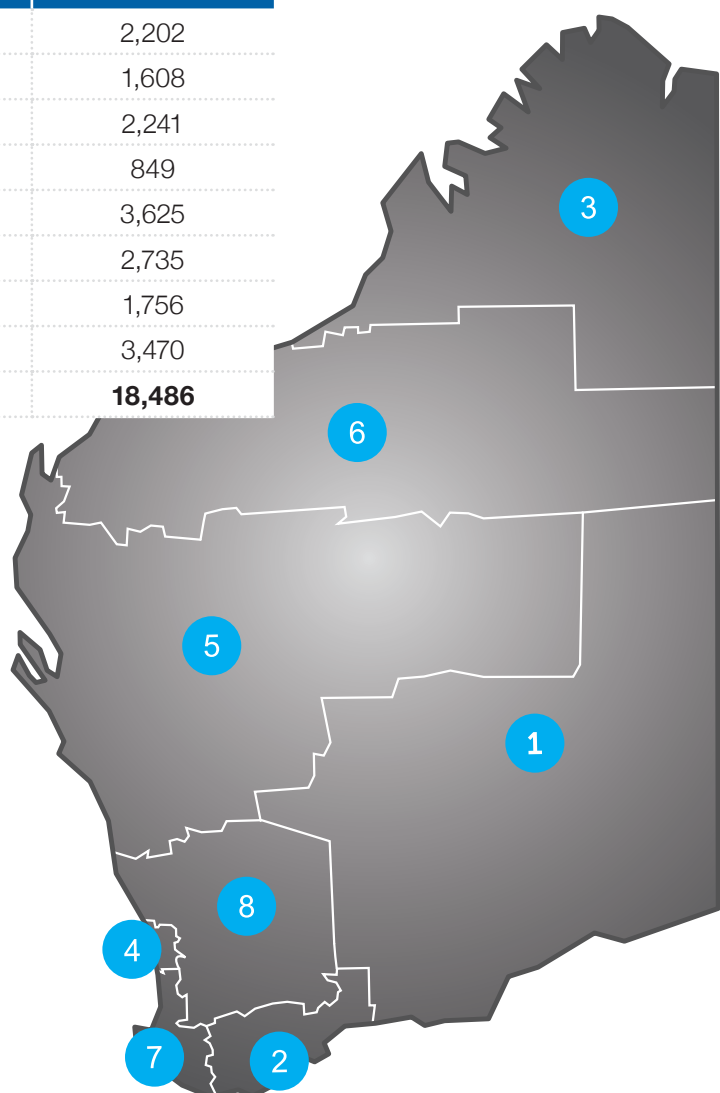
* Our Wheatbelt Regions and our Mid West and Gascoyne Regions were amalgamated on 1 July 2014.

Our Aspiration

To provide world class outcomes for the customer through a safe, reliable and sustainable road-based transport system.

Our Stakeholders

Our stakeholders include every person who lives or does business in Western Australia. We consult many community groups, businesses and Government stakeholders in delivering services that meet the needs of the community.



Our Values

Our values represent our culture, guide our behaviours and influence our decision making processes:

Roads Matter

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

Working Together

Enhancing relationships and teamwork.

Excellence in Customer Service

Understanding and providing what is important to our customers.

Embracing Challenge

Anticipating and taking up challenges.

Professionalism

Providing high levels of expertise in delivering our services.

Family

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

Our Guiding Principles

These are the principles that reflect our values and how we operate as we set our future direction:

- We will strive to improve sustainability and community amenity.
- We will be an agile and responsive organisation that can prosper in a rapidly changing environment.
- We will put the customer and their experience at the centre of everything we do.
- We will develop and invest in leaders that will challenge the status-quo in a real and authentic way.
- We will continue to build and maintain strong relationships with the Transport portfolio to achieve better transport outcomes.
- We will recognise and cultivate innovation to take up challenges and stay ahead.

Our Strategic Direction

Keeping WA Moving sets our strategic direction. To achieve our aspiration these four areas are about creating a focus on delivering value. These choices are based on the needs of our customers and stakeholders:

- Customers – Provide a transport network centred on what our customers need and value
- Movement – Improve mobility of people and the efficiency of freight
- Sustainability – Develop a sustainable transport network that meets social, economic and environmental needs
- Safety – Provide improved safety outcomes for all users of the transport network

Our Sustainable Approach

We consider sustainability in all our decision-making to ensure we manage, operate and develop a road transport system that meets the needs of today without compromising the natural, human and financial capital on which future generations will depend. Our Sustainability Policy and Strategy improves and strengthens the way we meet community needs and manage, operate and develop our business and employees.

We conduct an annual materiality analysis that draws from our corporate commitments, key business and environmental risks, legislated requirements, corporate stakeholder engagement processes and media and ministerial topics. This year's review incorporated additional stakeholder engagement. The key topics can be found in the Sustainability section of our website.

A review of our current drivers for performance in sustainability will be undertaken during 2015-16 reflecting that Sustainability is a key component of Keeping WA Moving.

Contents

WELCOME AND HIGHLIGHTS 1

An overview of our performance and future direction.

About Us.	2
Commissioner's Foreword.	5
Managing Director's Review	6
Highlights of the year.	8
Our Performance	10
Our Finances.	12
Our Workforce	13
What is Driving Us?.	14

OUR LEADERS17

Find out who our leadership team are.

OUR OPERATIONAL PERFORMANCE 20

Learn about the services we provide.

Road Safety	21
Road Efficiency	26
State Development	29
Maintenance	32
Community Access.	35
Road Management	38
Office of Road Safety	43

OUR BUSINESS ACTIVITIES 47

Find out about the Innovative approaches we used to support the delivery of our services.

Environmental Management	48
Enhancing Customer Relationships.	54
Investing in People	60
Safety, Health and Wellbeing.	65

GOVERNANCE 69

Gain an understanding of how we exercise fairness, transparency and accountability in the management of our business and people.

Transparency	70
Accountability	73
Stewardship	79
Integrity.	81

PERFORMANCE MEASURES AND FINANCIAL STATEMENTS 84

Statement of Certification	84
Key Performance Indicators	88
Financial Statements and Notes	96

APPENDICES 146

Glossary	151
Acronyms	152

Commissioner's Foreword



Our road network is vital in keeping Western Australia's people and freight moving for the economic and social prosperity of the State. This is reflected in record State and Federal Government investment in a number of transformational infrastructure projects to be delivered by Main Roads.

The \$1 billion Gateway WA project is on schedule for early completion at the start of 2016 and will provide much-needed improvements to the road network around the airport and Kewdale and Forrestfield industrial areas. As this iconic project draws to a close, construction of both the \$1.12 billion NorthLink WA initiative and the \$1.6 billion Perth Freight Link is expected to commence in early 2016. Together, this \$3.7 billion trio will create a seamless transport freight link from Muchea to Fremantle, cementing Perth's freight corridors as some of the most productive and efficient in Australia.

It is in the interest of all West Australians to ensure that the State has an effective freight network and that key infrastructure can continue to meet the State's freight task to 2031 and beyond. The release of the Western Australian Regional Freight Transport Network Plan 2014 Report Card shows our significant progress made across the State towards the four key themes and 15 strategic directions set out in the plan.

The Perth metropolitan community recognises the management of traffic congestion as one of the highest priorities for Main Roads with 44% of road users believing their journeys are now taking longer. Infrastructure investment across the network is essential but it is only part of the solution.

Main Roads and portfolio partners the Department of Transport and the Public Transport Authority are also committed to planning and prioritisation and better integration and optimisation of our transport network to ensure it can meet future growth and demand. Work has commenced on the Perth Transport Plan for 3.5 million People and Beyond, which will look at options for roads, river crossings, mass transit, cycling, demand management and future technologies and I look forward to finalising this important planning document in 2016. This long-term vision for Perth's transport network will be complemented by the Perth Central Area Transport Plan, which outlines a 10-year strategy for the CBD and surrounding key destinations and activity centres. Both plans will look at innovative ways to manage traffic demand across the network – a key priority now and in the future. Main Roads has continued to implement its Congestion Management Program throughout the year and is set to deliver a \$40 million package of road improvements at hotspots across the metropolitan area to improve traffic flow and traveler information.

At the core of everything we do at Main Roads and across the wider transport portfolio are our travelers - our community. Together, we will continue to strive to deliver the best integrated and intelligent transport services to get each and every West Australian where they need to be as safely and efficiently as possible.

A handwritten signature in black ink, appearing to read 'R. Waldock'.

Reece Waldock
Commissioner of Main Roads

Managing Director's Review



In February this year my family and I were part of more than 1.4 million people from across the State who took part in the “once in a lifetime” visit of The Giants. It was never going to be an easy task dealing with so many people visiting the city at once, but due to significant planning within the Transport Portfolio beforehand and massive communication outputs through Twitter, Facebook, our website and of course traditional media, most things ran pretty smoothly and the event was a huge success.

Earlier in November a series of events were held in Albany to commemorate the 100th anniversary of troops departing Australia for the First World War and marked the start of the National commemorations for the Centenary of ANZAC. More than 40,000 people from around Australia attended this commemoration including the Governor General, the Australian and New Zealand Prime Ministers, the Premier and many other foreign dignitaries attracting worldwide attention to Albany.

Stakeholder engagement and pre-planning was a critical element for both events and our people played a leading role in ensuring strong coordination between key agencies including Police, Local Government and many other stakeholders. I believe our traffic and incident management teams did a fantastic job for both of these events ensuring the community was kept well informed in the lead up and during these events, minimising disruption and delays as much as was possible.

Keeping our customers at the forefront of everything we do is a key part of our strategic direction that was released during the year. Known as Keeping WA Moving, it focuses on creating and delivering value in the areas of customers, movement, sustainability and safety. More information on our strategic direction can be found throughout this report.

Our Operational Performance

This year we invested more than \$1.989 billion in delivering our programs and services, achieving 96% expenditure against our budget which is an excellent outcome. Reece has already mentioned the iconic Gateway Project and I congratulate everyone in the project team as this initiative continues to progress well ahead of schedule. He also mentioned the Perth Freight Link and I would encourage anyone interested to visit the project website to keep up to date with progress on this incredibly important project. This project is delivering not only a strategically important freight route but will also be instrumental in improving safety for all road users, improve access for residents and visitors in an around Fremantle, and will aid in reducing congestion.

In July last year we opened the \$262 million Great Northern Highway Realignment at Port Hedland providing faster and safer trips for the more than 15,000 vehicles using that road every day. In February the 11 kilometre section of Great Northern Highway between Bindi Bind and Lyons East Road was opened improving freight productivity and safety. In May the new Seventh Avenue Bridge was opened replacing the original 1913 structure. The new bridge pays tribute to the historical significance of its predecessor.

Congestion continues to be one of our highest priorities. We have developed a five year Congestion Management Plan and are in the process of implementing a \$40 million program to reduce congestion at key hotspots across Perth. This has included a traffic signal optimisation review program, clearway management, on-ramp merge trial and a work program to reduce traffic flow breakdown on major freeways and highways.

We have also been addressing the improvement opportunities and recommendations identified by the Auditor General. More information on our progress can be found in the Road Efficiency section.

In April we celebrated the Graham Farmer Freeway and Tunnel turning 15. More than a year since the addition of the extra lane either way has seen a marked increase in capacity in the tunnel with no compromise in safety. On average 118,000 vehicles per day use the tunnel, and since it opened, almost 455 million vehicles have gone through the tunnel.

The completion of 3.1 kilometres of additional Principal Shared Path links for pedestrians and cyclists within a 15 kilometre radius of Perth city was a great outcome given the growth in cycling over the last 12 months and goes towards supporting the Government's four year \$72 million investment in cycling.

Our Business Activities

Our business activities provide essential support services focussed around encouraging sustainable practices, enhancing customer relationships, investing in the future capabilities of our people and their safety, health and wellbeing. Some key achievements include:

- Winning the Organisational Leadership Award at the Infrastructure Sustainability Council of Australia Infrastructure Sustainability Awards
- Achieving a 96% community satisfaction rating for our performance
- Carrying out customer profiling and segmentation to better understand metropolitan customers' needs, wants and expectations
- Producing two leading edge "Are we ready?" reports on automated vehicles and connected vehicles. The release of these reports recognises how fast vehicle technology is moving and the potential safety, environmental and productivity benefits this new technology will bring with it.
- Launching a fully funded Innovation and Research Program
- Achieving significant reductions in our lost time injuries rate

Looking Ahead

Work is well underway on a range of significant major projects including commencement of work on Roe 8 and an announcement for the final route for Section Two of Perth Freight Link. We will finalise work on the Reid Highway/Malaga Interchange as part of a much larger \$108 million project on Reid Highway which includes duplication and widening works. The Reid Highway/Malaga Interchange project is seen as a priority as this intersection was the second-worst black spot in the City of Swan.

The Gateway WA project is expected to be completed and open to traffic in early 2016 and work is already well underway on extending Mitchell Freeway to Hester Avenue and Kwinana Freeway widening from Roe Highway to Russell Road. Regionally our projects include upgrading various sections of Great Northern Highway as part of the Muchea to Wubin Stage 2 works; North West Coastal Highway Minilya to Barradale project; and South Western Highway and North West Coastal Highway. To see the latest on these and other works we are doing, please visit the projects section on our webpage.

Once again practical innovation will be high on our agenda as we continue relaxing wet weather asphalt restrictions by working closely with our industry partners to achieve a solution that is right for Western Australian conditions. We will also be enhancing our network performance data to ease traffic congestion, improve traffic flow and make more data available for our customers to assist with journey planning.

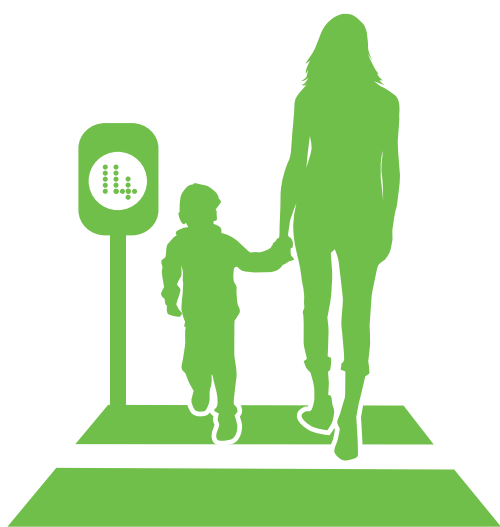
With the Road Safety Commission officially replacing the Office of Road Safety from 1 July 2015, we say farewell to our colleagues from the Office of Road Safety as they move out of Main Roads to form their own entity. We will continue to work very closely with the new Road Safety Commission to improve road safety and achieve the targets in the State's Road Safety Strategy, Towards Zero.

In closing I would once again like to acknowledge and thank all of our people, contractors, suppliers and partners who bring all the planning, projects and support services to life. Their hard work, willingness to work together to solve problems and pride in their work is what allows our organisation to respond so effectively to the needs of our growing State.



Stephen Troughton
Managing Director

Highlights of the Year



Pedestrian Safety

Pedestrian Countdown Timers
launched in CBD in October 2014

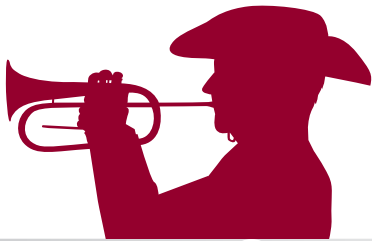


**Main Roads wins the
Organisational Leadership Award**
at the Infrastructure Sustainability
Council of Australia Infrastructure
Sustainability Awards

Sustainability
Organisational
Leadership Award

\$262
million project

**Great Northern Highway
Realignment at Port Hedland**
Official – Opened in July 2014



Perth Freight Link

Business Case endorsed for
\$1.6 billion project

Project endorsed for
\$1.6 billion

ANZAC Convoy Commemorative Event

Major coordination and traffic
dissemination for more than 40,000
people at ANZAC Centenary
celebrations in Albany

Coordinating over
40,000
people

Halfway mark

Gateway WA

Construction passes the
halfway mark



The Giants

Major traffic operation and
management to cater for 1.4 million
people during the Perth Festival

The Giants

NorthLink WA

Long term vision finalised for
\$1.12 billion Perth Darwin National
Highway and Tonkin Highway
Grade Separations

\$1.12
billion vision finalised



















Our Performance

 We have achieved our target
  Desired result not achieved – action is being taken
  Target

Performance information is essential to good management and helps ensure accountability, transparency and aids in decision-making.

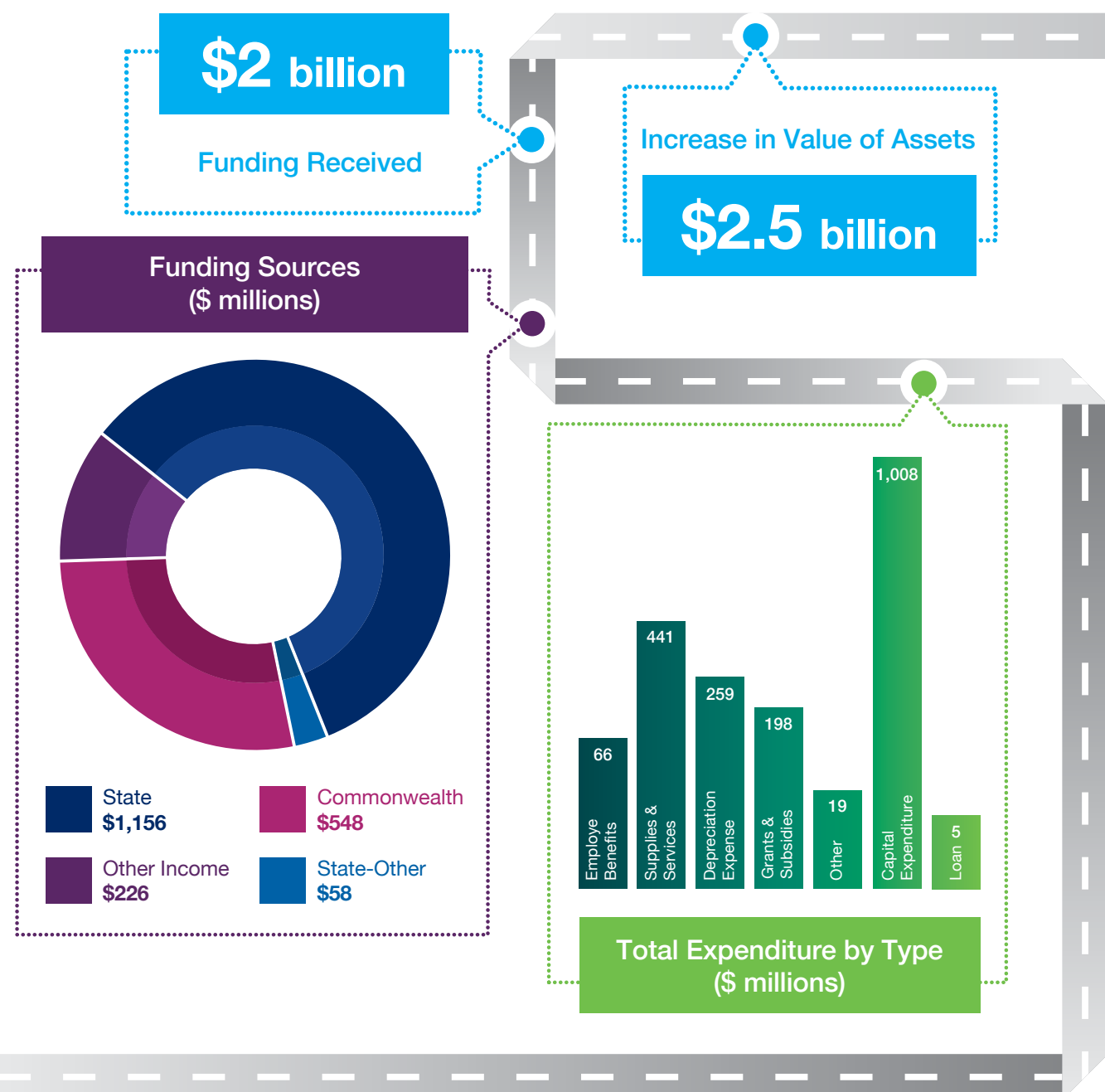
Our Performance Scorecard summarises our performance against agreed measures for the services we provide. More information on the measures, including explanations and analysis of previous year's results, can be found on pages 88 to 95. This report includes a range of other non-audited measures.

				Level of Achievement	Status	Page Ref
🚧 Road Safety Program						
% Community Satisfaction of road safety				<div><div>90%</div><div></div></div>	✓	91
Black Spot location indicator				<div><div>9.2</div><div></div></div>	✓	91
% of contracts completed on time				<div><div>94%</div><div></div></div>	✓	91
% of contracts completed on budget				<div><div>94%</div><div></div></div>	✓	91
🚦 Road Efficiency and Road Management Programs						
% Community Satisfaction				<div><div>96%</div><div></div></div>	✓	92
Road network permitted for use by heavy vehicles	B Double -27.5 m%			<div><div>98%</div><div></div></div>	✓	92
	Double RT -27.5 m%			<div><div>97%</div><div></div></div>	✓	92
	Double RT-36.5 m%			<div><div>80%</div><div></div></div>	✓	92
	Triple RT-53.5 m%			<div><div>45%</div><div></div></div>	✓	92
% Network configuration	Roads			<div><div>91%</div><div></div></div>	✓	92
	Bridges	Strength		<div><div>89%</div><div></div></div>	✓	92
		Width		<div><div>95%</div><div></div></div>	✓	92
% of contracts completed on time				<div><div>72%</div><div></div></div>	✗	92
% of contracts completed on budget				<div><div>100%</div><div></div></div>	✓	92
Average \$ cost of network management per million vehicle kilometre travelled				<div><div>5,451</div><div></div></div>	✓	92

	Level of Achievement	Status	Page Ref
 State Development Program			
Average return on construction expenditure	5.6 	✓	94
% of contracts completed on time	100% 	✓	94
% of contracts completed on budget	100% 	✓	94
 Road Maintenance Program			
% Smooth Travel Exposure	96% 	✓	95
% Community Satisfaction road maintenance	95% 	✓	94
% Preventative maintenance indicator	86% 	✓	94
Average \$ cost of network maintenance per lane kilometre of road network	6,551 	✓	95
 Community Access Program			
% of the year that 100% of the Main Roads' State road network is available	87% 	✓	95
% Community satisfaction with cycleways and pedestrian facilities	76% 	✗	95
% of contracts completed on time	83% 	✓	95
% of contracts completed on budget	92% 	✓	95
 Office of Road Safety Program			
% Effectiveness of road safety awareness campaigns	65% 	✓	92
% of ORS Projects completed on time	91% 	✓	92
% of ORS Projects completed on budget	100% 	✓	92

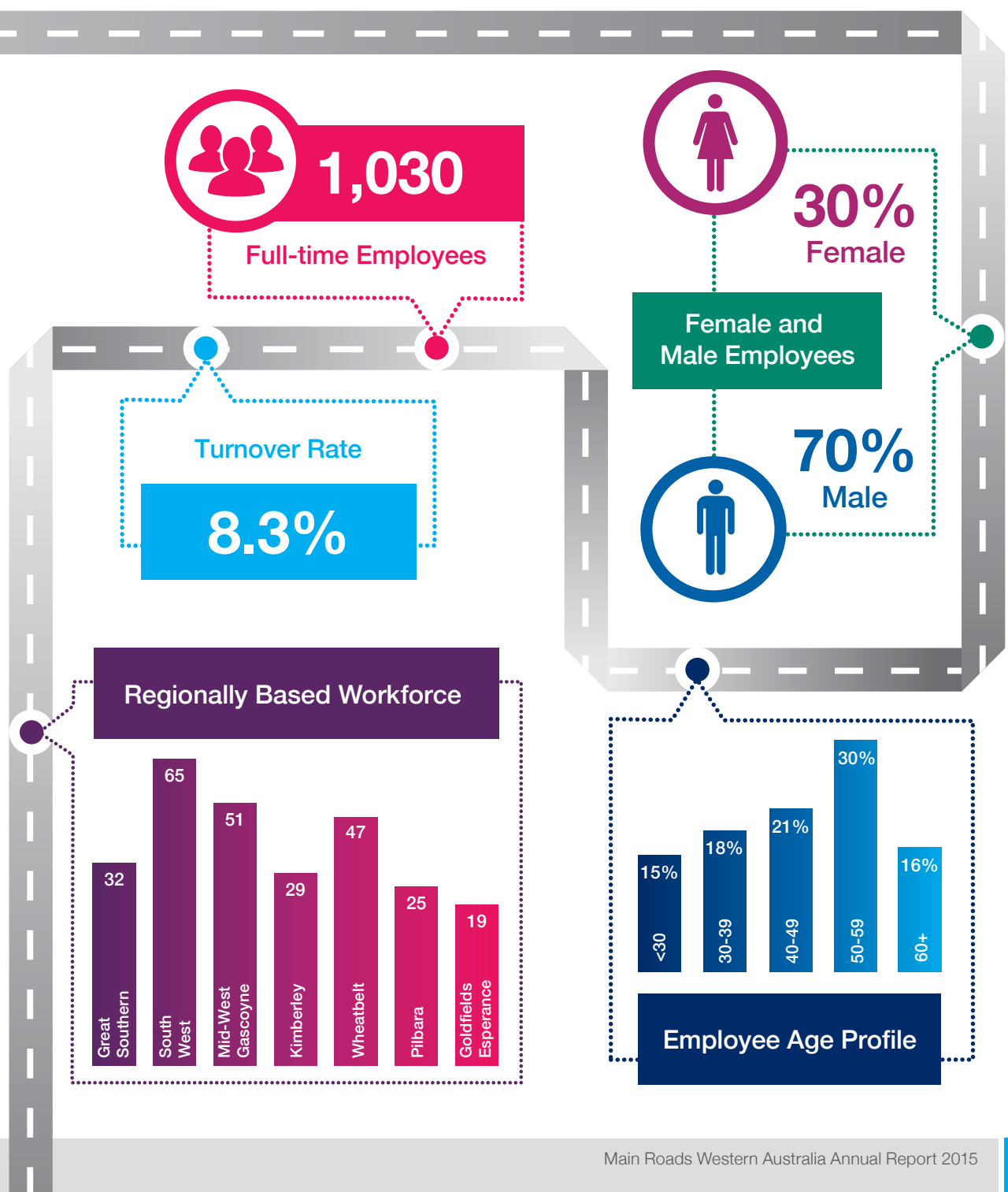
Our Finances

Our Financial Summary shows the key elements of our financial performance. A more in-depth look at our 2014-15 Financial Statements are available on pages 96 to 145.



Our Workforce

Our Workforce Profile illustrates the characteristics of our people and showcases the diversity of our organisation. More information can be found within the Investing in People section on pages 60 to 64.



What is Driving Us?

The transport system is an integral part of the everyday lives of all Western Australians and in a State that is as large and diverse as ours, it is a critical component that makes it all work. The vast distances and sparse population present complex challenges for productivity and sustained prosperity.

Roads policy, planning and practice increasingly needs to be placed in the context of meeting wider economic, social and environmental goals, and delivering positive outcomes and public value across all transport modes and networks. Whether it is continuing to strengthen our economic success, assisting in improving the quality of life for all, or seeking to create a strong foundation for those that come after us, the State road network has a vital role to play as part of a broader integrated transport system.

Meeting both community expectations and Government goals involves challenges and opportunities. Many elements at both the global and local level will influence our focus in the coming years.

Age of urbanisation

The world is entering an age of urbanisation, with Australia already considered to be the most urbanised. Countries are becoming increasingly urban as evidenced by city populations estimated to be growing by 65 million people every year – that is the equivalent of more than 30 new Perth's every year. It is interesting to think that 30 years ago Perth's population lagged behind Adelaide, with Adelaide beating Perth to the one million mark in 1983. Since then Perth's population has more than doubled.

Urbanisation is a real and growing issue for the State. The WA Planning Commission predicts that in the longer term at least 75% of the State's population will be based in the greater Perth area - that number is expected to hit 70% before 2031.

Continued Environmental Pressures

Much of Western Australia's environmental heritage is of significant importance from a global perspective and the interface the environment has with our road asset and projects is ever present. We have a natural responsibility to ensure that we minimise our environmental impacts considering the magnitude of our infrastructure. Road infrastructure and road transport will also be faced with many challenges over the coming decades from an environmental perspective including extreme weather events, climate change, declining natural resources combined with emerging issues related to environmental risk and carbon legislation.

Reshaping economies

Whilst globally forecasters believe that by 2050 around 70% of the planet's population will be urban dwellers, we are also facing a reshaping of the fundamentals underpinning our economies. With emerging economies starting to grow and commodity prices softening, the Western Australian economy is transitioning. While Infrastructure Australia predicts the Australian economy will grow from \$1.4 trillion to \$2.6 trillion by 2031, Western Australia will transition from the large growth in resources construction of the last few years to one of production, as evidenced by projected growth in export volumes of 10%. WA Treasury is still forecasting overall growth to 5% by June 2018.

In July this year the WA Chamber of Commerce and Industry reported \$142 billion of projects still underway throughout the State and an increase in non-mining projects of 12%. These figures suggest some diversification in our economy. Strong growth is expected in gas, agribusiness, education and tourism.

Funding infrastructure

This growth in population, move to urbanisation and new economies will create unprecedented infrastructure challenges. The World Economic Forum has posed the question “are we positioning ourselves to be able to respond to and meet the needs of our own communities and the demands that will arise from this new wave of consumerism at a point in time where globally we are underspending on infrastructure by \$1 trillion US dollars per annum?”

Infrastructure Australia found the value-add attributable to infrastructure services made up 13.3% of Gross Domestic Product in 2011. This is projected to double to \$377 billion in 2031. They went on to say that more than 70% of the value-add was attributable to transport and well over half of that was from urban transport.

This raises the issue of how to provide and fund that infrastructure and prompts the consideration of new forms of financing and a common understanding and desire from customers around their willingness to pay for these services as licensed motor vehicles, road freight volumes and populations grow. The Government is already looking at alternative funding models and arrangements including how it engages with private financing organisations.

Accelerating technological change and innovation

Arup's recent Foresight Report on Future of Highways identified a number of “megatrends” including developments in Nano technology that could lead to self-healing materials. This could completely change the nature of maintenance and infrastructure life and affect our long term asset planning needs and investment. Other futurists are forecasting events like one trillion objects being connected to the internet by 2025, the business value of mobile internet growing from US\$4 trillion to US\$11 trillion and the number of cars connected to the internet growing sixfold from \$23 million to \$152 million in 2020.



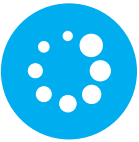

We must continue to consider and determine the right policy and infrastructure to meet the needs of this type of future. We also need to be clear on what these forecasts mean for us as a road agency and a service provider in terms of our systems, our services, our suppliers, our portfolio partners and our customers.



Keeping WA Moving

Keeping WA Moving is our strategic direction which will drive us beyond the next five years and prepare us for a fast changing world. It sets the direction that will take us from our current state, to achieving a future state that is 10, 20 or even 30 years away, and recognises that we need to prepare for that future now.

It helps us to achieve our aspiration to provide world class outcomes for the customer through a safe, reliable and sustainable road-based transport system through four strategic areas. These areas of focus recognise the role that our Portfolio partners have to play and our part in supporting the achievement of an efficient, safe, integrated transport solution for Western Australia.

Focus	We are seeking to	It's about	What does success look like
Customers 	Provide a transport network centred on what our customers need and value.	<ul style="list-style-type: none"> Using data better to understand and communicate with our customers Offering real time information that will improve the whole transport experience Bringing people together to help us improve the transport system. 	<ul style="list-style-type: none"> Clearly defined customer segments Improved feedback on the efficiency and reliability of the network Reporting against value propositions identified and agreed to by our customers.
Movement 	Improve the mobility of people and the efficiency of freight.	<ul style="list-style-type: none"> Realising economic benefits from improved freight productivity and corridor management Improving the environment for cycling and walking, in other words looking beyond just vehicles Using data to inform and make smarter choices Looking at Intelligent Transport System access across the board whether it be in relation to public transport, increasing inter-modality or access to our natural resources Ensuring the security of the transport networks in our regional communities. 	<ul style="list-style-type: none"> An increase in freight throughput at major strategic locations Reduced congestion and increased utilisation of our road space Reduced impacts arising from incidents on metropolitan and regional roads and unplanned closures in our rural regions An increase in the percentage of network users choosing other transport modes as their primary preference.
Sustainability 	Develop a sustainable transport network that meets social, economic and environmental needs.	<ul style="list-style-type: none"> Improving the utilisation of existing road infrastructure Reducing carbon emissions and the impact of noise across our network Creating high quality public spaces that enrich communities and encourage transport options which improve the health of our communities Creating and identifying new funding and financing opportunities. 	<ul style="list-style-type: none"> Reduced carbon emissions Improved community access New revenue from alternative sources Reduced road maintenance backlog Minimised environmental impacts on the transport network.
Safety 	Provide improved safety outcomes for all users of the transport network.	<ul style="list-style-type: none"> Reducing the number of people killed or seriously injured on our roads Integrating a holistic approach to road safety focussed on transformational change through a shared responsibility for a safe system based around the four cornerstones of safe road use; safe roads and roadsides, safe speeds and safe vehicles Improving safety for vulnerable road users. 	<ul style="list-style-type: none"> Reduction in road fatalities and serious injuries Reduction in the number of vulnerable road users that are seriously injured or killed Improved safety rating on State roads.

For more information about our strategic direction please visit our website.

Our Leaders

Corporate Executive

Corporate Executive provides direction to ensure we deliver a safe, reliable and sustainable road-based transport system for our customers.



Stephen Troughton

Managing Director

BEng (Hons), MBA, GAICD, CPEng, CEng, FIEAust, MICE

Length of Service: 2 years

Steve brings a varied engineering and project delivery background to Main Roads. With International management experience of the private and public sectors, he has brought a fresh approach to the organisation as we prepare for the future.



Michelle Bastian

A/Executive Director, Heavy Vehicle Services

BBus, GradCert HRMgt

Length of Service: 26 years

Michelle is responsible for providing safe, efficient and sustainable heavy vehicle access to WA's road network. She has held leadership roles across the organisation and her experience spans human resources, strategic planning, stakeholder relationships and finance.

Leadership Team Change

- After nearly 40 years of service, John Taya resigned as Executive Director Organisational Development in December 2014.
- Iain Cameron finished his role as Executive Director Office of Road Safety on 1 July 2015 when the Office of Road Safety was renamed the Road Safety Commission.
- We welcomed Nicole Walton to head up the new Strategy and Communications area.
- Frances Harrison joined us on 22 June 2015 to lead the Human Resources area.



Peter Woronzow

Executive Director, Finance and Commercial Services
BA (Economics), GDPSM, CPA

Length of service: 35 years

Peter is responsible for managing financial, corporate and commercial solutions. As Chair of the Budget Committee and Chief Finance Officer, Peter oversees the sustained financial prosperity of the organisation. He is a member of CPA Australia and is also a board member of the Gateway WA Alliance and the ARRB Group Ltd.



Des Snook

Executive Director, Road Network Services
BEng (Civil)

Length of Service: 36 years

Des is responsible for high level strategic and operational service in traffic management, road safety (including road safety funding programs) and customer service. He brings extensive knowledge of the road to his management of the Metropolitan Region and traffic congestion.



Leo Coci

Executive Director, Infrastructure Delivery
BEng (Hon), MBA

Length of Service: 37 years

Leo is responsible for delivering high value, complex road and bridge infrastructure throughout Western Australia. He has held leadership roles in bridge design, road planning, project management and contract management.



John Erceg

Executive Director, Regional Services
BEng (Civil)

Length of Service: 32 years

John's experience in engineering and management underpins his leadership of road asset management, network operation, maintenance and capital delivery across our regional areas.



Doug Morgan

Executive Director, Planning and Technical Services
BEng (Electrical), MBA

Length of Service: 27 years

Doug is responsible for contributing to sustainable integrated transport through providing engineering, environmental, strategic asset management and project development expertise. He chairs the Corporate Safety, Health and Wellbeing Committee and the Road Planning and Investment Committee.



Pascal Felix

A/Executive Director, Human Resources
BSC

Length of service: 11 years

Pascal assumed temporary responsibility for human resources and safety, health and wellbeing during 2014. He has led the refocus on human resources in the organisation and has over 20 years' experience in the public sector in areas such as customer service, transformational change and heavy vehicle operations. He is a Fellow of Leadership WA.



Iain Cameron

Executive Director, Office of Road Safety
BPe, DipEd, GDHlthProm, MPH, GAICD, FACRS

Length of service: 15 years

Iain's experience in education, public health, transport and road safety locally, nationally and internationally enables him to provide a leading contribution to policy and strategy, as well as effectively plan and implement initiatives to improve road safety outcomes for our community.



Nicole Walton

Executive Director Strategy and Communications
B.A.Com, EMBA

Length of service: 5 months

Nicole has experience in communications, marketing and strategic planning for global and national businesses across Australia and the United Kingdom. Her commercially driven thinking and innovative approach has been integral in leading this new area.

Our Operational Performance



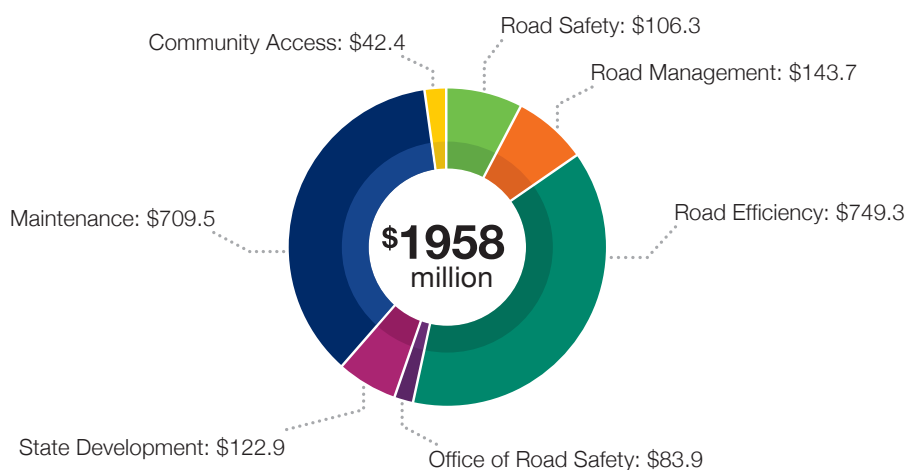
Achieving the Government's Goals

Our commitment to delivering safe, reliable and sustainable services to the community is at the core of everything that we do. To achieve this we have adopted a Program Management approach aligned to four Government goals. These goals are broken into programs and outcomes and allow us to report on and track our performance.

The following table shows how our programs and outcomes align against each goal.

Government Goals	Main Roads Outcomes	Main Roads Program
Results based service delivery	Providing a safe road environment	Road Safety
	Reliable and efficient movement of people and goods	Road Management Road Efficiency
	Improved coordination and community awareness of road safety	Office of Road Safety
State building – major projects	Facilitate economic and regional development	State Development
Stronger focus on the regions	A well maintained road network	Maintenance
Social and environmental responsibility	Improved community access and roadside amenity	Community Access

Program Expenditure in \$ million





Road Safety

Providing a safe road environment

Program Expenditure

\$106 million



Government Goal

Results based service delivery.

Aim

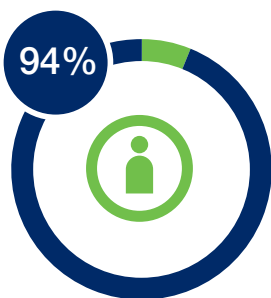
Reduce the State's road fatalities to the lowest in Australia by minimising the road factors contributing to road trauma and reducing the serious crash injury rate.

About the Program

The program includes:

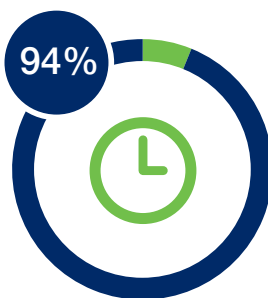
- all State and National Black Spot projects
- intersection improvements
- overtaking lanes
- rail crossings
- bridge safety improvements.

Key Performance Indicators



Community Satisfaction
of road safety

Target 90%



Contracts completed
on time

Target 90%



Contracts completed
on budget

Target 90%

Key Projects

Project	Total Project Cost (\$ million)	2014-15 Cost (\$ million)	Completion Date	Description
Goldfields – Esperance Region				
Coolgardie Esperance Highway	0.7	0.7	February 2015	Widen formation to 11 m and seal 9 m.
Great Eastern Highway and Carins Road intersection upgrade	1.2	1.2	December 2014	Upgrade to accommodate 53.5 m road trains.
Great Eastern Highway and Focus Minerals / FMR Access Road intersection upgrade	1.6	1.6	February 2015	Upgrade to accommodate 53.5 m road trains.
Great Southern Region				
Albany Highway near Narrikup	1.2	1.2	March 2015	Construct south bound passing lane.
Albany Highway near Settlement Road	1.5	1.5	March 2015	Construct north bound passing lane.
Albany Lake Grace Road	2.5	1.1	October 2014	Extend culverts and widen seal to allow for two 3.5 m wide traffic lanes.
Metropolitan Region				
Electronic School Zones Signs	36.0	3.9	June 2017	Install 3,700 Electronic Speed Limit Signs at every school in Western Australia.
Mid West - Gascoyne Region				
North West Coastal Highway Widening – Northampton to Binu	1.7	1.7	May 2015	Widen seal to 9 m and install audible edge lines.
Wubin Mullewa Road upgrade	21.6	7.4	October 2014	Widen road between Perenjori and Morawa to two lane seal.
Pilbara Region				
Great Northern Highway – North of Newman	2.0	2.0	March 2015	Widen and seal shoulders to 1 m and install audible edgelines.
North West Coastal Highway – Why Why Creek and George River	1.0	1.0	June 2015	Widen shoulders and seal to 11 m formation and install audible edgelines.
South West Region				
Brockman Highway	3.6	3.6	May 2015	Realign to improve geometry and widen to a 9 m seal including 1 m sealed shoulders.
Bussell Highway – Carburnup to North Jindong	1.6	1.6	December 2014	Reconstruct and widen to a 10 m seal including 1.5 m sealed shoulders and construct a northbound passing lane.
Coalfields highway	27.5	12.7	June 2015	Realign over Wellington Dam at Hamilton River to provide 11 m seal including 1.5 m sealed shoulders and a 1 m painted centre median.
Collie – Lake King Road	3.0	3.0	November 2014	Seal shoulders 1 m wide and provide edge lines.

Project	Total Project Cost (\$ million)	2014-15 Cost (\$ million)	Completion Date	Description
Wheatbelt Region				
Brookton Highway / McPherson Street, Hyden	0.8	0.4	April 2015	Upgrade intersection to improve turning movement of 36.5 m road trains.
Collie – Lake King Road	2.3	2.3	April 2015	Widen and seal shoulders west of Darkan.
Goomalling – Toodyay Road / Bejoording Road	1.6	1.3	June 2015	Provide right and left turning pockets and relocate intersection to create staggered T-intersections.

Black Spot Programs

- Ninety six projects funded by the State Black Spot Program
 - » seventeen projects on State roads
 - » seventy nine projects on local roads
 - » \$20 million investment.
- Thirty two projects funded by the Australian Government Black Spot Program
 - » \$7 million investment.

Railway Level Crossing Upgrade Program

The State has invested more than \$7 million to improve the safety of railway level crossings, on works such as:

- upgrading five crossings already fitted with flash lights to include boom gate control
- updating equipment on three crossings
- upgrading eight crossings fitted with incandescent flash lights with new LED flash lights
- providing advance yellow flashing warning signs at one crossing.

We ran a series of risk workshops with Public Transport Authority focusing on the risk exposure at electrified rail network level crossings. These workshops resulted in short-term projects to reduce level crossing risks.



Looking Ahead

- > Implement the \$20 million State Black Spot Program (\$10 million on State roads and \$10 million on local roads).
- > Implement the \$19.6 million Federal Black Spot Program.
- > Implement the \$35 million Safer Roads and Bridge Improvements Program.
- > Roe Highway (Berkshire Road) Construct grade separated interchange.



Case Study

Refreshed Approach to Road Safety

Main Roads created the ROSMA (Road Safety Management) framework which uses a systematic approach to managing road trauma, based on Safe System principles.

The Safe System approach recognises that road users are not infallible; they make mistakes and errors of judgement. They also have a limited tolerance to physical impact forces.

The new approach directs us to provide a road network where mistakes do not lead to severe consequences. We can only achieve this by working to reduce the number of mistakes road users make and reduce the consequences of those mistakes. Actions to achieve this include:

- creating infrastructure that is easily understood by road users
- setting appropriate speed limits
- warning road users when they have made a mistake (for example, audible edge-lines)
- giving road users the opportunity to correct their mistakes (for example, sealed shoulders and clear zones)
- managing the severity of any resulting collision (for example, barriers).

Our ROSMA framework consists of policies, procedures and tools to integrate the Safe System approach as part of our everyday business. We have already:

- incorporated Safe System principles into the planning of a number of road projects
- developed a Road Trauma Risk Review Policy to bring Safe System principles to the forefront of road projects
- mapped the current level of road trauma risk on the State road network to identify areas of concern
- implemented a Communications Plan to educate staff on the new way of thinking.

“

We must provide a road network where mistakes by road users do not lead to severe consequences

”



Case Study

Making Coalfields Highway Safer

Works to realign and reconstruct the 2.6 kilometre Hamilton River section of Coalfields Highway between July 2014 and May 2015 improved the overall safety and freight efficiency of the highway.

Our South West Region team completed the project a year ahead of schedule. Works included:

- removing of a series of dangerous curves
- extending the existing westbound passing lane
- constructing sealed shoulders
- widening road shoulders
- building a 1 m painted median
- providing safety barriers.

The highway is now safer for road users and provides more opportunities to easily overtake slow vehicles. The new safety barriers protect roads users from vegetation close to the edge of the road and protect vehicles at steep embankments. The highway also now caters for increased traffic volumes, including heavy vehicles and oversized loads servicing the mining, industrial and agricultural sectors.

The project presented a number of challenges such as extensive earthworks in difficult terrain, an upgrade of road drainage and road gradient improvements. Addressing these challenges resulted in enhanced safety for all road users including commuter cyclists.

The project formed part of the Government's commitment to improve the safety of Coalfields Highway and strengthen the connectivity between Wheatbelt Region and Bunbury Port Facility.

“

The highway is safer for road users and provides more opportunities to easily overtake slow vehicles

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Road Efficiency

Providing reliable and efficient movement of people and goods

Program Expenditure

\$749 million



Government Goal

Results based service delivery.

Aim

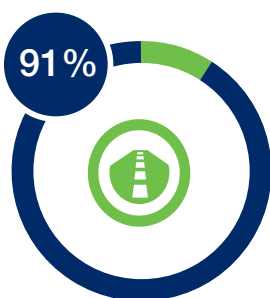
Improve the efficiency, capacity and utilisation of the existing road network as a part of a total transport network.

About the Program

The program includes:

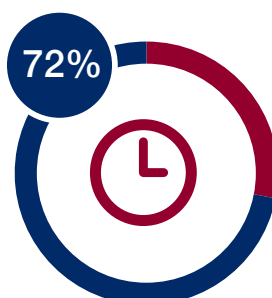
- road widening
- bridge strengthening
- retrofitting to incorporate intelligent transport capabilities
- delivering geometric improvements.

Key Performance Indicators



Network configuration roads

Target 90%



Contracts completed on time

Target 90%



Contracts completed on budget

Target 90%

Key Projects

Project	Total Project Cost (\$ million)	2014-15 Cost (\$ million)	Completion Date	Description
Goldfields – Esperance Region				
Great Eastern Highway – Bullabulling section and Coolgardie West	32.0	32.0	May 2015	Reconstruct overlay and widening including improving geometry and upgrade culverts.
Great Southern Region				
Ravensthorpe Heavy Haulage Route	14.9	9.6	December 2015	Construct heavy haulage route on South Coast Highway.
Metropolitan Region				
Perth Freight Link	1,600.0	9.4	2019	Create a high productivity east - west freight connection between Perth's main industrial centres and Fremantle Port.
Kwinana Freeway Southbound Widening	77.5	31.3	August 2015	Stage One - Roe Highway to Armadale Road.
Lloyd Street Rail Corridor Grade Separation	80.0	38.2	Late 2015	Underpass and associated bridges and road improvements to enhance traffic flow and safety.
Gateway WA	1,000.0	333.9	2016	Upgrade to the road network surrounding Perth Airport and the freight and industrial hubs of Kewdale and Forrestfield.
New Perth Stadium - Victoria Park Drive Modifications	30.1	23.4	July 2015	Adjacent bridge infrastructure is being modified to accommodate rail infrastructure to service the new stadium.
Traffic Control Signals	21.9	2.3	December 2015	Replace Traffic Control Signal Lanterns with LED Technology.
South West Region				
Bussell Highway – Margaret River Perimeter Road	5.6	5.6	May 2015	Construct Stage 1 of the Margaret River Perimeter Road from Bussell Highway to Rosa Brook Road.
Wheatbelt Region				
Great Northern Highway - Batty Bog Road to Walebing Upgrade	80.0	45.2	2019	Upgrade this 21km section including realigning, reconstructing, widening and overlaying the carriageway.



Looking Ahead

- > Improve Marble Bar Road, including upgrades between Newman and Ripon Hills and a new bridge over the Fortescue River.
- > Undertake development activities and construction on Great Northern Highway Upgrade between Muchea to Wubin.
- > Construct interchanges on Tonkin Highway at Benara Road, Morley Drive and Collier Road.



Case Study

Managing Congestion

Perth's increasing traffic congestion over the past five years is due to a surge in the city's population.

In late 2014, the Office of the Auditor General (OAG) initiated an audit to investigate how effectively our infrastructure and traffic management projects were addressing congestion in metropolitan Perth.

Following the audit's completion, the OAG reported that "Main Roads has delivered a number of projects that have mitigated congestion on parts of the network and within the CBD". In line with one of the recommended actions, we have commenced development of a new five-year Congestion Management Plan.

During the year, we completed a number of projects to manage congestion including

- Clearway Management in the CBD helps keep traffic moving and ensures the safety of other road users.
- An on-ramp merge trial and works program reduced traffic flow breakdown on major freeways and highways.
- An upgrade of three interchange off-ramp locations on Roe Highway improved the capacity of the off-ramps and improved traffic flow.
- A Traffic Signal Review Program optimised traffic signals across the arterial road network.
- We delivered new sections and upgrades of Principal Shared Paths (PSPs) along Mitchell Freeway PSP, Midland PSP and Fremantle PSP.
- More technology was introduced across the road network, including closed-circuit television (CCTV) and data collection devices to better manage incidents and congestion.

“

Main Roads has delivered a number of projects that have mitigated congestion on parts of the network and within the CBD

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We are working towards providing a smart, coordinated and proactive approach to managing traffic congestion now and into the future.

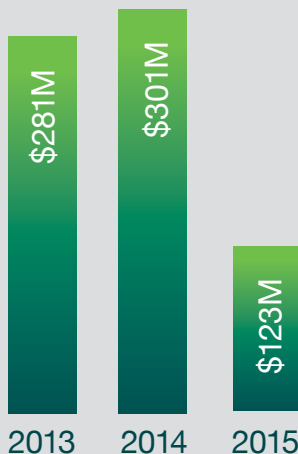


State Development

Facilitating economic and regional development

Program Expenditure

\$123 million



Government Goal

State building – major projects.

Aim

Expand the road network in accordance with State and Commonwealth transport and land use strategies to support the State's economic and regional development.

About the Program

The program includes most expansion, major infrastructure and bypass projects – predominately the most complex works we deliver.

Key Performance Indicators



Average return on construction expenditure

Target 4.3



Contracts completed on time

Target 90%



Contracts completed on budget

Target 90%

Key Projects

Project	Total Project Cost (\$ million)	2014-15 Cost (\$ million)	Completion Date	Description
Metropolitan Region				
Mitchell Freeway Burns Beach to Hester Avenue	261.4	24.0	Mid 2017	Six kilometre extension in both directions with associated works including several new interchanges and principal shared paths
NorthLink WA	1,120.0	41.6	2019	Construction of a new 37km highway link between the junction of Reid Highway / Tonkin Highway and Great Northern Highway / Brand Highway at Muchea
Roe Highway / Berkshire Road - Interchange	45.0	26.0	March 2016	Construct a grade separated interchange and install noise / screen walls
Wheatbelt Region				
Great Northern Highway Bindi Bindi Curves	40.0	21.4	February 2015	Realign and widen



Looking Ahead

- > Mitchell Freeway (Burns Beach to Hester Avenue) extension of freeway.
- > North West Coastal Highway (Minilya to Barradale) widening and construct 2 bridges.
- > Northlink (Swan Valley Bypass Section) Construct new link.



Case Study

Filling the Missing Link

The \$1.6 billion Perth Freight Link project provides the missing link in the Perth Urban Transport Corridor by connecting Perth's industrial areas with the Fremantle Port.

Perth Freight Link is the 85km strategic freight route between Fremantle Port and Muchea. The route consists of a number of major road corridors most of which have been planned to support growth in the Perth Metropolitan and is a key strategic element within the Metropolitan Region Scheme. Together with the \$1 billion Gateway WA project, the \$1.12 billion Northlink WA project, Perth Freight Link is a key enabler of the State's future economic growth.

With current and predicted population growth in Perth's south-west corridor, rises in vehicles per household and increased growth in freight action must be taken. When Roe 8 (Section One) and the Fremantle Link (Section Two) of Perth Freight Link are complete critical improvements will have been delivered to Perth's south-west urban transport network. Congestion from population-driven vehicle growth and increasing freight movements will have been eased and safety for commuters will be greatly improved.

On the ground works for Roe 8 are scheduled to commence in 2016 and be completed by mid 2019 with some infrastructure due to open in mid 2017. During construction the Perth Freight Link project will generate approximately 2,400 direct jobs, creating a positive multiplier effect for local businesses in Fremantle and surrounding suburbs.

WA's freight transport plays a major role in creating and maintaining the State's international competitiveness and its prosperity, and in meeting the lifestyle expectations of our community. This project will result in fewer trucks on urban roads, reduced traffic congestion, improved safety for all road users, significant freight productivity improvements, lower emissions and reduced noise.

“

The combined Perth Freight Link road projects are the largest road infrastructure projects ever to be undertaken in Western Australia

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Maintenance

Providing a well maintained road network

Program Expenditure

\$709 million



Government Goal

Stronger focus on the regions.

Aim

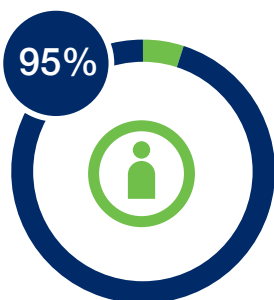
Maintain the existing road and bridge network by maximising asset life and minimising whole of life costs

About the Program

The program requires us to maintain:

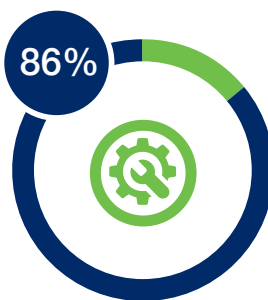
- all road, bridge and ancillary assets
- road verges and reserves, with work including routine and periodic maintenance and reconstruction when the primary reason for maintenance is due to pavement failure.

Key Performance Indicators



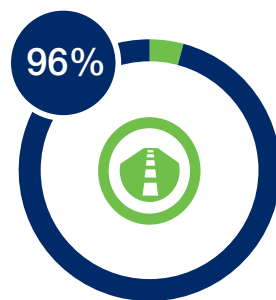
Community Satisfaction of Road Maintenance

Target 90%



Preventative Maintenance Indicator

Target 85%



Smooth Travel Exposure

Target 97%

Key Projects

Project	Total Project Cost (\$ million)	2014-15 Cost (\$ million)	Completion Date	Description
Goldfields – Esperance Region				
Regional Project Maintenance	13.4	14.9	June 2015	Maintenance of the network
	3.7	3.7	June 2015	Reseal and resurfacing works
Great Southern Region				
Regional Project Maintenance	14.3	18.3	June 2015	Maintenance of the network
	1.8	1.8	June 2015	Reseal and resurfacing works
Kimberley Region				
Regional Project Maintenance	19.9	22.2	June 2015	Maintenance of the network
	4.8	4.8	June 2015	Reseal and resurfacing works
Metropolitan Region				
Regional Project Maintenance	34.6	34.6	June 2015	Maintenance of the network
	19.4	19.4	June 2015	Reseal and resurfacing works
Mid West - Gascoyne Region				
Regional Project Maintenance	29.1	30.1	June 2015	Maintenance of the network
	4.7	4.7	June 2015	Reseal and resurfacing works
Pilbara Region				
Regional Project Maintenance	19.0	21.2	June 2015	Maintenance of the network
	1.5	1.5	June 2015	Reseal and resurfacing works
South West Region				
Regional Project Maintenance	14.1	15.2	June 2015	Maintenance of the network
	5.0	5.0	June 2015	Reseal and resurfacing works
Wheatbelt Region				
Regional Project Maintenance	29.9	29.7	June 2015	Maintenance of the network
	5.1	5.1	June 2015	Reseal and resurfacing works



Looking Ahead

- > Maintain the State road network through the continuing operation of the Integrated Service Arrangements.



Case Study

Innovative Bridge Maintenance

After the Southampton Bridge was destroyed by a fire, the new bridging system to replace it was the first of its kind in Western Australia.

The Southampton Bridge was originally a timber structure that required a concrete overlay to strengthen the deck. The bridge was destroyed by fires in the Balingup Greenbushes area prior to work commencing.

With a tight timeframe to rebuild the bridge, we installed a Unibridge proprietary box girder bridging system fabricated and shipped from France. Works were completed between November 2014 and June 2015.

The new structure reinstates freight efficiencies by providing better access between timber plantations and port facilities, which since the loss of the original structure, had resulted in longer routes.

The bridge connects tourist facilities and accommodation in the Blackwood Valley around Balingup and Nannup, with the South West and Metropolitan Regions. It also reinstates a crossing point over the Blackwood River for hikers walking the Bibbulmun Track.

It is also a vital link to the South West and Metropolitan Regions and the Bunbury Port facilities.

“

We installed a Unibridge proprietary box girder bridging system fabricated and shipped from France

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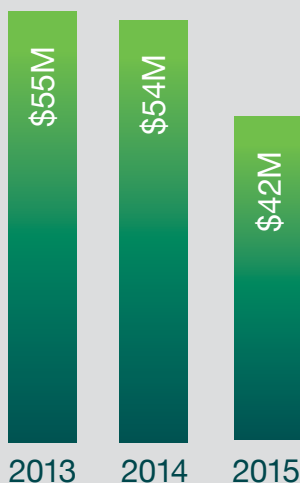


Community Access

Improved community access and roadside amenity

Program Expenditure

\$42 million



Government Goal

Social and environmental responsibility.

Aim

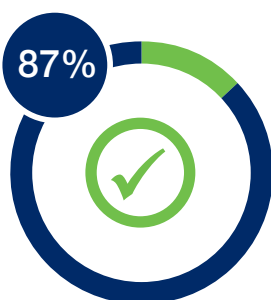
Improve personal mobility and access needs on the road network.

About the Program

The program provides infrastructure including:

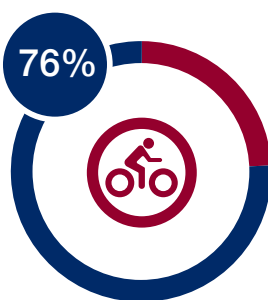
- remote access roads
- walking and cycling access
- improved access and mobility for people with disabilities
- integrated public transport
- improved amenities such as information bays, noise attenuation and landscaping.

Key Performance Indicators



% of the year that 100% of the Main Roads' State road network is available

Target 85%



Community satisfaction with cycleways and pedestrian facilities

Target 90%



% of contracts completed on budget

Target 90%

Key Projects

Project	Total Project Cost (\$ million)	2014-15 Cost (\$ million)	Completion Date	Description
Metropolitan Region				
Bassendean to Success Hill Principal Shared Path	4.1	2.4	November 2014	Construction of new Principal Shared Path.
Mid West - Gascoyne Region				
Great Northern Highway Kirkalocka	0.8	0.8	April 2015	Provide rest area at Kirkalocka.
Greenough River Bridge replacement	11.5	3.8	September 2014	Construct new bridge over Greenough River on Brand Highway including road tie-ins.
Onslow Ring Road	12.0	1.8	February 2016	New road into Onslow.
Pilbara Region				
Marble Bar Road	20.0	17.3	June 2015	Upgrade and seal various sections on the Newman to Ripon Hills Turnoff.



Looking Ahead

- > Undertake improvement works on the Gibb River Road including gravel re-sheeting and drainage improvements.
- > Undertake sealing, gravel re-sheeting and drainage improvements on Great Central Road between Laverton and Docker River.
- > Seal various sections of the Broome-Cape Leveque Road.
- > Undertake upgrade works on remote access roads.
- > Aubin Grove Train Station Access works



Case Study

Meeting the Demands of Cyclists

Demand for Principal Shared Paths (PSPs) is increasing as more people enjoy the benefits of cycling to work or for pleasure.

Public consultation as part of the WA Bicycle Network Plan 2014-2031 showed the greatest impediment to cycling is the lack of cycle paths. As a result, the construction of missing PSP links within a 15 kilometre radius of the Perth CBD was identified as a high priority program.

The following links were completed during the year:

- Mitchell Freeway PSP – Erindale Road to Balcatta (1.3 km)
- Midland PSP – Bassendean Station to Lord Street (1 km)
- Fremantle PSP – Shenton Station to Karrakatta (800 m)

Positive feedback from the community on the completed facilities indicated that they encourage cycling and have a positive impact on congestion.

Construction challenges included the various grades and heights along the PSP routes that required a thoughtful and cost effective approach towards retaining walls and structures. Working close to active railway lines also created challenges to protect the public and workers and retain transport links during construction.

Construction is expected to commence in 2015-16 for:

- Midland PSP – Guildford Station to East Street (1.4 km)
- Midland PSP – Guildford Station precinct (450 m)
- Midland PSP – Railway Parade to Swan River traffic bridge (350 m)
- Fremantle PSP – Karrakatta to Loch Street Station (1.1 km)

Our aim is to complete all missing PSP links within a 15 kilometre radius of the Perth CBD by 2023.



These facilities encourage cycling and have a positive impact on congestion



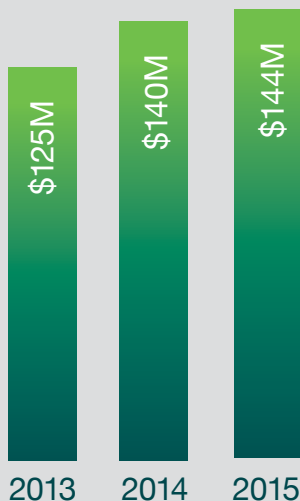


Road Management

Providing reliable and efficient movement of people and goods

Program Expenditure

\$144 million



Government Goal

Results based service delivery.

Aim

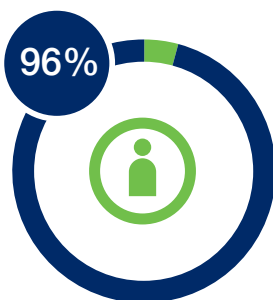
Optimise real-time traffic management of the network, provide traveller information, improve asset management planning and support service delivery.

About the Program

The program includes activities associated with the:

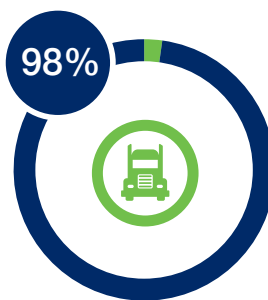
- management and operation of the road network
- traffic Operations Centre, road safety support, Heavy Vehicles Services and Planning and Technical Services.

Key Performance Indicators



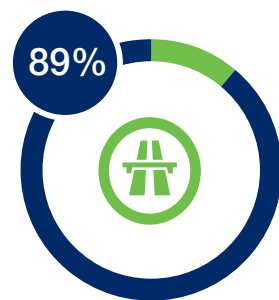
Community Satisfaction with Main Roads

Target 90%



Road network permitted for use by 27.5m B-doubles

Target 96%



Network configuration bridge strength

Target 89%

Traffic Operations Achievements

Traffic Operations Centre

Our Traffic Operations Centre (TOC) monitors and manages the Perth metropolitan road network and is the central contact point for real time traffic information across the State. We refurbished the TOC control room to cater for a 70% increase in workstations. Training has commenced for TOC employees on the new STREAMS integrated incident and traffic management system.

Other improvements through the year included:

- ensuring 24/7 emergency coverage of Heavy Vehicle Services field personnel across the State
- expanding our Intelligent Transport Systems with the addition of 15 new Closed Circuit Television cameras for network monitoring
- transferring 54 traffic signals from obsolete cable communication systems to a third-party optic fibre network and five sites to our own optic fibre network
- managing incidents in regional areas prior to the establishment of regional incident teams
- actively deploying incident response service teams and traffic management teams to support emergency services
- improving operational liaison and working relationships with agencies such as Police, Department of Fire and Emergency Services, Public Transport Authority, Fire Protection Association, Department of Parks and Wildlife and St Johns Ambulance.

Clearway Management Services

As part of our Congestion Management Plan, we implemented a towing service to help clear blockages from illegal clearway, no stopping areas and bus lanes in the Perth CBD. The initiative was launched on 22 August 2014, and following a two week education and awareness program that came into operation on 9 September 2014.

Since then, more than 4,500 vehicles blocking clearways, no-stopping zones and bus lanes have been removed by contract towing services. The initiative has made more traffic lanes available in the CBD during peak periods, improving traffic flow and helping make the roads safer.

Road Safety Support Achievements

Traffic Management for Works on Roads

We updated and released the Traffic Management for Works on Roads Code of Practice in March 2015. The revision streamlines applications for obtaining Worksite Traffic Management Accreditation. The revision was supported by presentations to interested parties and bodies with Instruments of Authorisation and staff who authorise traffic management plans.

Pedestrian Countdown at Traffic Signals

A trial was undertaken as part of our Pedestrian Countdown at Traffic Signals project to remove the flashing red man being shown in the clearance phase at traffic signals, and replace it with countdown numbers to inform users how long they have left to finish their crossing. Five sites were chosen within the Perth CBD at the ends of both Hay Street and Murray Street malls and at the crossing outside Perth Railway Station across Wellington Street. We received a 95% approval from the public through our website for the changes. No crashes were recorded and there was no increase in vehicle and pedestrian conflict during the trial.

Heavy Vehicle Achievements

Vehicles over 19 m long, 4.3 m high, 2.5 m wide or over 42.5 tonnes gross mass are classed as Restricted Access Vehicles (RAVs). Heavy Vehicle Services regulates RAV access to the State's road network via a system of notices and permits, and is developing and implementing measures to improve efficiency, road safety, community amenity and the preservation of road infrastructure. The following are some of the initiatives we have progressed over the past 12 months.

Chain of Responsibility Legislation

Chain of Responsibility legislation was introduced in April 2015 and is a milestone moment for road safety in Western Australia. The legislation aims to promote compliance and road safety, as well as minimise the impact on the road network.

Our ongoing State-wide communications campaign continues to inform industry and other stakeholders of the changes and potential impacts on their businesses. Outcomes include improved road safety, minimised unfair competitive advantage among operators, and better protection for infrastructure and the environment.

Compliance

We monitor and improve heavy vehicle compliance outcomes of road safety and infrastructure protection, minimising the impact of road transport on the community, and reducing unfair competitive advantage through non-compliance. This year, our Transport Inspectors provided support to Police for Austrans, a national heavy vehicle enforcement campaign that took place throughout the State during May and June. The multi-jurisdictional approach by enforcement agencies brought together Main Roads, WorkSafe, Comcare, Department of Mines and Petroleum, Department of Transport and the Department of Fisheries. It targeted heavy vehicles for road breaches including fatigue, mass, dimension, load restraint, permit breaches, speeding, unroadworthy vehicles, as well as unlicensed drivers and vehicles and drug or drink driving offences.

Pilot Accreditation

Regulatory arrangements for the accreditation of pilot vehicle drivers is currently split across three Government agencies and training providers. This fragmented approach is confusing for pilots and the broader transport industry and makes it difficult to manage standards. We are working towards becoming the sole agency responsible for a new pilot accreditation scheme that will include a regulatory framework to incorporate all relevant legislation, regulations and administrative requirements for pilots in Western Australia. This approach will improve the professional standards for pilots, provide consistency and ensure the ongoing safety and sustainability of the road network.

Industry Information Sessions

We developed industry information sessions to meet the shortfall in industry knowledge relating to the administrative and regulatory requirements of operating a RAV within Western Australia. We held the first session in November 2014 and information sessions are now run quarterly. The presentations cover trending topics or issues identified by front line teams and customers, as well as the option for an individual consultation which allows transport operators to discuss specific issues with our subject matter experts. With the continued success of the information sessions, we will be developing and rolling out regional information sessions. For more information visit our website.

Accredited Mass Management Scheme

We are developing an extra mass management scheme to replace the existing 20-year old framework. Accredited Mass Management Scheme seeks to reward operators by permitting them increased axle mass limits, where superior loading controls and management systems can be demonstrated, while continuing to maintain high standards of road safety and infrastructure protection. It also gives transport operators greater flexibility by allowing any type of loading control and any type of product load, whereas the previous scheme required certified weight bridges and was restricted to bulk products. Following approval by the Ministerial Heavy Vehicle Advisory Panel, we rolled out the first stage of the new scheme, which amalgamated several existing schemes with the added benefit of introducing new higher mass limit in line with the national scheme.

Planning and Technical Achievements

In 2014, we won both the Technical Excellence Award and Most Outstanding Project Award for the integration of mobile, terrestrial, airborne lidar and imagery technologies for rapid feature mapping of freeway corridors at the WA Spatial Sciences Excellence Awards. In addition during August 2014, one of our Senior Road Planning Officers, Hannah Ruprecht, was awarded the 2013 VicRoads Prize in Transport Engineering Award.

Bridge Management System

Our Bridge Management System is used to undertake asset management activities through a series of modules which have been enhanced throughout the year, including the deployment of new software on portable tablet devices for staff undertaking annual visual bridge inspections. This means that maintenance work identified in inspection reports can now be automatically uploaded and recorded for inclusion in the maintenance program. Tracking of the number of inspections completed is also now much easier, accurate and transparent. An added efficiency benefit is that the processing time for reports is now five times faster than the previous paper based process. We also implemented improvements to the management and tracking of heavy vehicle load rating information. This allows quick generation of various advice for critical repairs, load posting and construction complete notifications. Enhancements also now enable staff to identify outstanding load ratings and better track progress. These enhances have resulted in significant improvements to processes, availability of bridge data and programming functions as well as substantial efficiency gains.

Skyview Web Application

We developed an innovative web application to provide accurate and high resolution imagery sourced from Landgate to our staff. This new application also allows users to:

- zoom to a particular area of the State
- search for and zoom to an address, road straight line kilometre location or intersection
- measure multiple lengths and areas
- toggle between various images taken at different points in time
- integrate with Google Street View.

Route Strategies

We have started to develop route strategies for the Rural Road Network across the State. Route strategies represent long term (40 year) needs and risk-based development programs. They are designed to:

- align strategic thinking needs
- prioritise capital investment and help secure funding for the programs of treatment
- drive consistency in the development of routes to provide a better road user experience
- provide a line of sight for short, medium and long-term interventions against the vision
- enable forward planning for route development at a program level, not just in time or reactive by project.

We have completed a Route Investment Strategy for Albany Highway and work has commenced on strategies for the Great Northern Highway and Great Eastern Highway in the coming year as we roll out a program to prepare similar strategies for the entire State.

Instrumenting Bridge over Railway

Sensors were installed on a Rockingham Road bridge to provide more information on its performance under vehicular loads. The network of 52 sensors includes strain gauges, displacement transducers, accelerometers, a camera and a weather station. The bridge is part of a designated heavy haulage route that crosses a busy section of the Kwinana marshalling yard. Continuous data has been received on the structure's response to loading since August 2014. The monitoring system has the capability to alert and record events when the structural response exceeds preset thresholds. The bridge will be monitored initially for five years. The project is the first of its kind in Western Australia and illustrates the application of modern technologies for bridge management.



Looking Ahead

- > Expand the use of telematics technology to monitor and enhance heavy vehicle access to the State's road network.
- > Work with Department of Transport and Western Australian Local Government Association to establish regional strategic freight networks.
- > Identify deficiencies, including pinch-points, in the RAV network and develop a program of improvements.
- > Develop a 20-year Network Development Strategy for the metropolitan and regional road network, incorporating the needs of all transport modes.
- > Develop guidelines for Strategic Infrastructure Projects that address transport and freight requirements.
- > Develop a manual of indicative Safe System counter measures.
- > Review, develop and implement a Surfacing Asset Management System.
- > Develop a road map for Strategic Asset Management.
- > Improve asphalt mix designs, and production and construction practices to enhance durability and asset life of asphalt pavements.



Case Study

Improving Journey Planning

We developed an interactive travel map to provide customers with a State-wide view of all road and traffic information.

The travel map delivers up-to-date, accurate and consistent information in a visual format so that road users can plan their journey anywhere in Western Australia. It gives customers a comprehensive overview of road works, incidents and events happening across the Western Australian road network.

The travel map went live in February 2015 in preparation for the largest public Perth Festival event – The Giants. This “once in a lifetime” spectacle brought around 1.4 million people into Perth over three days. We knew from early event planning that accurate traffic information would be critical in enabling commuters and event goers to navigate the complex maze of road closures.

Customer feedback on the new map sought through our website and Customer Information Centre will inform requirements for Phase 2. Additional functionality will include better mobile usability, map loading based on location, improvements to the search function, and an option to close a section of road or geographical location where multiple road closures or long lengths of roads are closed or affected by works. To see the map visit our website.

Our aim is to provide a holistic view of road conditions, events and traffic across Western Australia.

“

The travel map went live in February 2015 in readiness for the largest Perth Festival public event – The Giants

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Office of Road Safety

Improved coordination and community awareness of road safety

Program Expenditure

\$84 million



Government Goal

Results based service delivery.

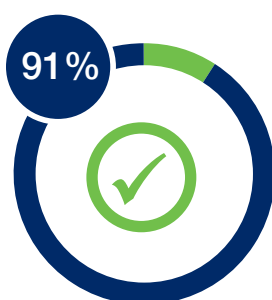
Aim

Leading and coordinating the State road safety strategy.

About the Program

The program represents the activities of the Office of Road Safety and its role supporting the Minister for Road Safety and the Road Safety Council to develop, coordinate, promote and monitor the State's road safety strategy, Towards Zero.

Key Performance Indicators



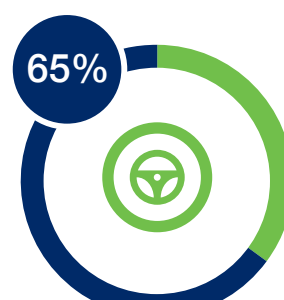
Contracts completed on time

Target 90%



Contracts completed on budget

Target 90%



Effectiveness of road safety awareness campaigns

Target 65%

Introduction

As the organisation supporting the Minister for Road Safety in the administration of the *Road Safety Council Act 2002*, the Office of Road Safety manage the Road Trauma Trust Account to ensure value for money for road safety programs.

The Account receives 100% of revenue from speed and red light camera fines and provides funds to agencies and organisations to implement priority safety initiatives consistent with Towards Zero. The Office monitors and reports on progress and results and together with the Road Safety Council, promotes the Towards Zero principle of shared responsibility of road safety with the objective of significantly reducing road trauma.

Towards Zero Safety Strategy

Towards Zero is the State's road safety strategy. Using a Safe System approach, Towards Zero advocates for safe drivers in safe vehicles, travelling at safe speeds on safe roads. If all cornerstones of the strategy are fully implemented, 11,000 people could be saved from death or serious injury between 2008 and 2020, a 40% reduction on the 2005 to 2007 baseline.

Since the start of the Towards Zero strategy in 2008, the rate of fatal road trauma has dropped by 23%, from 9.4 fatalities per 100,000 population to 7.2 fatalities per 100,000 in 2014. Despite the strong gains in the past five years, the rate of improvement is below that necessary to achieve the aspirational 40% reduction by 2020 under Towards Zero. For more information visit the Road Safety Commission website.

Road Safety Council

The Road Safety Council is chaired by Professor Murray Lampard APM and includes senior representatives from the departments of Transport, Planning, Education and Health, Main Roads, WA Local Government Association, Insurance Commission of WA, Police and the Royal Automobile Club of WA representing the State's road users. The Council identifies, recommends and monitors the effectiveness of measures to improve road safety for the Minister for Road Safety and coordinates the implementation of agreed initiatives.

Key Achievements

Executive Director Office of Road Safety, Iain Cameron, was honoured at the Australasian College of Road Safety Awards, winning the 2014 Fellowship Award.

Enhanced Speed Enforcement

In early 2015, the Government increased mobile camera capacity in regional areas and added five new fixed cameras to enable the existing sites on Perth's freeways to operate 24/7. The Government announced its intention to review the way speed enforcement is delivered in Western Australia as part of a planned expansion of fixed cameras over the next five years.

Cycling and Motorcycle Safety

The Motorcycle Safety Review Group, involving the Office, Police, Insurance Commission of WA, Department of Transport and Main Roads, has analysed 7,500 crashes involving motorcyclists over the past five years to determine problem crash types, factors and locations. The Group is also examining detailed data on the factors associated with the crash together with rider licence and offence history to develop measures to improve rider safety. The Premier and Minister for Road Safety hosted a forum with rider advocacy leaders to discuss issues around cycling safety and priorities for action. Along with this, the Office has delivered a mass media cycling safety campaign and a motorcycling safety campaign.

Wheatbelt Highway Safety Review

The Wheatbelt Region continues to experience high rates of fatal and serious crashes relative to other regions. In response, a cross-agency working group of representatives from the Office, Main Roads, Police and the WA Local Government Association is undertaking a highway safety review of the Wheatbelt Region.

The review will identify and treat travel routes with the greatest number of serious casualties per kilometre rather than attempt to treat every local road. Each agency has contributed data and information such as crash histories, existing road conditions and treatments, traffic volumes and enforcement operations. The review is focusing on Great Eastern Highway and Great Southern Highway, which have high crash densities but differing traffic volumes and road conditions. Technical experts will travel on the designated routes to observe crash locations and road conditions to allow various treatment options and responses to be considered and compared. The review will report on issues identified along the routes, the process undertaken and proposed solutions. Further information is available on the Road Safety Commission website.

Penalty Review

In September 2014, new penalties for speeding and 115 other offences under the *Road Traffic Code 2000* came into effect. Parliament also introduced and passed amendments to the *Road Traffic Act 1974* to allow for an increase in the maximum allowable infringement.

The review of penalties was based on research from the Centre for Accident Safety Research and included recommendations considered for local relevance by a Road Safety Council working group with further consideration given to community acceptability. Penalties were increased for mobile phone offences, red light running, failure to give way (particularly to pedestrians) as well as offences relating to speeding, drink driving for novice drivers, non-use of restraints and motorcycle helmets.

A new offence was created for deliberately altering or obscuring a number plate, an emerging trend that enables drivers to avoid speed camera detection and which features strongly in fuel drive offs and organised crime. The changes aim to improve community safety, deter illegal behaviours and reduce crash and injury risks. A mass media campaign supported the changes, informing the public of the penalty review and the increase in demerit points and fines.

Partnership Program

Improving and promoting road safety requires a partnership approach. During the year, the Office has worked with various Government and commercial partners to promote road safety, focusing on the following areas:

- Regional Road Safety Industry Alliances – Supported three existing Industry Alliances in the Pilbara, South West and Midwest regions to deliver regional road safety initiatives. In addition, Western Australia's fourth industry road safety alliance was launched in the Goldfields-Esperance Region in April 2015.
- The International Drivers' Initiative – From 2014, major car rental companies were encouraged to display keep left information inside hire vehicles and at their reception counters to remind international drivers to keep to the left hand side of the road.

Community Grants Program

The Road Safety Community Grants program provides community groups with grant funding for events or projects that meet set criteria. A Community Grants Committee, led by the Road Safety Council Chair, assesses applications, with recommendations forwarded to the Minister for Road Safety for approval. Over the last year the Minister approved over \$150,000 project and one-off event grants to sporting clubs, local schools and Local Government to deliver road safety messages.

Community Education Program

In addition to the cycling, motorcycling and legislation change road safety campaigns, mass media campaigns covered drink driving enforcement, speeding behaviour and enforcement, mobile phone distractions, restraints, safer vehicles, and fatigue. The Office also implemented recommendations from the Government's 2013 review of the effectiveness of mass media for promoting road safety in Western Australia. The review identified gaps in the way mass media campaigns are developed, and provided guidance and consistency with methodology and best practice nationally and internationally. The Office's community education efforts were recognised at the 2014 Perth Royal Show's Commercial Exhibitor Awards where they won the Design and Presentation Government Department category.



Looking Ahead

- > From 1 July 2015, the Road Safety Commission will officially replace ORS and become a stand-alone department. The launch of the Commission is a key recommendation of the Peter Browne Review into road safety governance in Western Australia. The Commission will lead the implementation of Government policy and road safety initiatives in collaboration with key agencies to address road trauma.
- > The Government has approved a record high expenditure limit of \$111 million for the Road Trauma Trust Account to implement and promote road safety initiatives across the State. A plan is also to be presented at Mid-Year Review for expenditure of the remaining RTTA cash balance to bring about the most immediate reduction in the number of people killed and seriously injured on WA roads.
- > Crash analysis and reporting will identify measures to further reduce serious trauma on our roads.



Case Study

Safer Roads for our Riders

Motorcyclists and bicycle riders are among the most vulnerable on our roads as the popularity of these transport modes grows. Their smaller size in comparison to other motor vehicles and their lack of physical protection place them at risk.

In 2014, 44 motorcyclists were killed as a result of a crash, an increase from 27 in 2013. The eight cycling fatalities was also high compared with previous years.

In conjunction with other Government agencies the Office of Road Safety commenced a comprehensive review of motorcycle safety to identify practical measures to improve safety for riders. A motorcycle safety community education campaign, using television, press and online material sourced from New South Wales, ran from April to June 2015.

A joint cycling education campaign was launched by the Acting Minister for Road Safety and the Minister for Transport in September 2014. The campaign encouraged sharing of the road and responsible use by drivers and cyclists. It involved advertising on bus backs, bus shelters, radio and online, as well as share the path stickers on the PSP network.

In March 2015, a roundtable meeting with the Premier, the Minister for Road Safety, agencies and cycling stakeholder advocates discussed growing concerns about cycling rider safety. The workshop explored achievable options for improving cycling safety, which are currently being considered by Government. If you would like more information visit the Road Safety Commission website.

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A roundtable meeting with the Premier, the Minister for Road Safety, agencies and cycling stakeholder advocates discussed growing concerns about bicycle rider safety

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Our Business Activities

Achieving the Government's Goals

We rely on a variety of strong support services to ensure that the delivery of our projects and ongoing operations and management of the road network are undertaken in a safe, reliable and sustainable way. To achieve this, our key focuses are on environmental management practices; enhancing our customer relationships and investing in our people and their safety, health and wellbeing.



**Environmental
Management**

page 48



**Enhancing
Customer
Relationships**

page 54



**Investing in
People**

page 60



**Safety, Health
and Wellbeing**

page 65



Environmental Management

Committed to responsible environmental stewardship

Aim

To protect the environmental values of road reserves, minimise impacts on the natural environment, reduce energy consumption and waste and conserve natural resources.

Approach

Managing our road operations to ensure that we have an informed and committed workforce guided by policies and systems that recognise that what we do has the potential to negatively impact on the State's unique environment.

Key Performance Indicators

	2013	2014	2015
GRI achievements	B (GRI checked)	G4 core	G4 core
Scope 1 and 2 emissions (t CO ₂)	27,949	27,274	24,803
Electricity usage (MJ)	109,300,643	113,991,430	102,319,321
Fuel and gas usage (MJ)	49,594,750	47,708,108	47,823,922
Vegetation clearing (ha)	256.4	354.1	433.6
Revegetation (ha)	239.2	292.9	154.2
Land acquired for environmental offsets	Nothing settled**	\$12,541 m**	\$1,142,717*
	Nothing settled**	2,424 (ha)**	60.06(ha)

* Data is for the calendar year 1 Jan – 31 Dec.

** Data is for the financial year 1 Jul – 30 Jan.

Introduction

Western Australia has a high level of biological diversity. Road reserves in some locations contain threatened flora and fauna, or habitat suitable for threatened flora and fauna. Our road network often adjoins natural areas and in some locations the road verge itself hosts remnant vegetation with high environmental values.

We recognise that the management of the road network has the potential to impact on our environment. That inspires us to contribute to the conservation of the State's natural assets by avoiding impacts where possible and by rehabilitating and enhancing affected areas. Our website contains information on the total number of threatened flora and fauna, as well as maps showing where our road reserves are adjacent to protected areas and areas of high biodiversity value such as Bush Forever, Black Cockatoo Habitat, Ramsar Wetlands or Low Represented Vegetation.

How we stay on track and accountable

Corporate Environmental Policy

The policy establishes principles of environmental protection, impact minimisation and conservation of natural resources. It is implemented throughout the organisation through management systems and processes.

Environmental Management System

The system addresses all business activity that has environmental aspects and risks, and defines responsibilities, competencies, procedures and standards, auditing and review. It addresses environmental risk across our entire business in all key processes including planning, delivery, maintenance, network operations and supporting services.

Environmental Objectives

Our environmental objectives are to:

- implement a systems-based approach to environmental management
- seek full compliance with all statutory environmental requirements
- maintain or improve the biodiversity values of roadsides
- minimise the impacts of noise associated with the road network
- protect Aboriginal heritage values of road reserves
- minimise the environmental impacts of materials used in road construction
- maximise the efficiency of resources we use
- minimise impacts of roads on water quality

Key Achievements

Aboriginal Heritage

We recognise our rich heritage of Aboriginal culture and our planning and development processes include identifying heritage sites and avoiding them wherever possible. Consultation with Aboriginal community representatives is important to understand the extent and significance of heritage localities, particularly when not yet adequately recorded. Over the last year we established an early risk assessment process and applied it to 318 projects across the State. In anticipation of the finalisation of the State's South West Settlement for native title, we have developed processes to implement the related heritage agreements.

Environmental Management of Road Projects

Recent and significant changes to State and Commonwealth environmental legislation and processes have required us to upgrade our project development processes and review environmental aspects of our road maintenance activities.

All projects are subject to an environmental impact assessment. Screening and preliminary assessments identify where more detailed field studies are needed and when impacts are likely to be significant and require referral to regulators.

The following table presents the number of road projects and assessment level in the past three years.

Level of Environmental Assessment	2012	2013	2014
Number of road projects subjected to environmental screening	114	164	182
Number of road projects for which environmental impact assessment was conducted	82	97	87
Number of road projects referred for possible assessment under State or Commonwealth legislation	10	13	18
Number of road projects assessed under State or Commonwealth legislation	1	2	4

All data is based on calendar year.

Environmental Compliance	2013	2014	2015
Number of significant non-compliance	3	6	5

Data is based on calendar year.

Five significant instances of non-compliance were reported this year. Three related to the clearing of native vegetation and two involved rare flora. There were no penalties or financial sanctions relating to the incidents which are being addressed through compliance improvement actions.

Our environmental management efforts were recognised at the 2014 Premier's Awards where we were a finalist in the Managing the Environment category for the Fitzgerald River National Park improvement project. In addition our Great Southern Region was awarded Best Tended Business as part of the Keep Albany Beautiful Awards.

Restoration Activities

We work closely with the Department of Parks and Wildlife to protect and manage areas of habitat. During 2014 we revegetated 154.2 hectares of land of which 60.6 hectares was revegetated as a biodiversity offset in perpetuity in accordance with the conditions of our State-wide Purpose Clearing Permit CPS818. The size, location and status of this revegetation (on a calendar year) can be found on the DEC website.

Areas of Habitat Protected

We provided \$1.1 million in funds to the WA Offset Fund for the purchase of land that will be added to the conservation estate, to offset impacts on biodiversity habitat in the 2014 calendar year. In addition to the financial contribution, we also protected 60.6ha of habitat through biodiversity offsets during the 2014 calendar year.

Areas of habitat protected as a biodiversity offset to offset native vegetation clearing impacts are recorded on the Government of Western Australia Environmental Offsets Register.

Carbon Reduction Plan-Climate Change Adaptation and Mitigation

We developed a Carbon Reduction Plan and target (5-15% reduction of 2010 levels by 2020) for Scope One and Two emissions and progressed our Climate Change Adaptation Plan. Details of various initiatives and achievements that reduce our emissions and energy consumption can be found on our website under the Climate Change section.

Energy Usage and Greenhouse Gas

Scope 1 or 2 and 3	Year		
GHG Type (t CO ₂)	2013	2014	2015
Fuel	3,196	3,345	3,339
Street and Traffic Lights	23,031	21,830	17,773
Buildings	4,993	4,561	5,109
Air Travel	422	318	255
Maintenance Fuel Use	NA	9,038	9,803
Offsets	-1,792	-4,501	-1,663
Total	29,850	34,591	34,616

Scope 1 or 2 and 3	Year		
GHG Type (t CO ₂)	2013	2014	2015
Scope 1	3,052	3,209	3,202
Scope 2	24,896	24,065	21,583
Sub Total	27,949	27,274	24,785
Scope 3	3,693	11,819*	12,037
Offsets	-1,792	-4,501	-1,663
Total	29,850	25,553	23,122

Our emission levels are on target to achieve our 2020 goal and our scope one and two emissions are 24,785tCO₂ meaning we are not exceeding the 30,670tCO₂ limit. These positive results are due to initiatives rolled out as part of the Carbon Reduction Plan and LED traffic signal lighting on the road network which now sees over 80% of the network upgraded. Our focus for future reductions is based around street lighting.

Sustainability Assessment in Projects and Operations

We adopt the Infrastructure Sustainability (IS) rating tool, Australia's only comprehensive rating system for evaluating sustainability across design, construction and operation of infrastructure, for our highest value major projects. All major infrastructure projects with a value over \$20 million utilise the IS framework as part of project development and evaluation. We have six projects registered for an IS Rating, with Gateway WA achieving an Excellent 'Design' Rating. More information is on our website.

We have introduced annual sustainability reporting for our projects with IS obligations, with public sustainability reports submitted for Gateway WA and Great Northern Highway Muchea to Wubin Stage 2 upgrade. Our website contains more information on IS and our project sustainability reports.

This year, we won the Organisational Leadership in Infrastructure Sustainability category at the ISCA Sustainability in Infrastructure Awards.

Resources for Road Building

Materials

Our main objective in resource conservation is to minimise the environmental impacts of materials used in road construction. We encourage our project partners to recycle and reuse materials and use recycled and environmentally labelled materials.

When obtaining road building materials we endeavour to avoid clearing natural vegetation, particularly high value vegetation. On-site materials unsuitable for use in road construction are used, as appropriate, for rehabilitating areas where road building materials have been obtained from.

We researched the use of waste materials such as recycled construction and demolition waste in construction practice. Our current research activities include:

- in-house monitoring and evaluation of pavement trials, such as recycled pavements tested on Forest Highway
- WA Pavement Asset Research Centre project into improving the performance of recycled asphalt mixes
- a joint Main Roads and Waste Authority project evaluating opportunities to increase the use of construction and demolition waste in road construction
- exploring improving crushed recycled concrete blends with Curtin University
- evaluating glass cullets in earthworks, bedding and drainage applications.

Materials Extracted

Indicator	2012	2013	2015
Imported road construction materials			
Sand (000s t)	482.4	881.2	198.6
Gravel (000s t)	1,013.0	1,187.3	677.8
Crushed rock (000s t)	2.4	75.8	156.3
Limestone (000s t)	173.4	25.1	105.5
Aggregate (000s t)	26.3	23.0	24.8
Asphalt (000s t)	51.6	59.0	123.9
Other (000s t)	169.3	4,015.6	434.9
Kerbing, barriers, bridges and culverts Concrete (cubic metres)	26,809.2	22,162.9	40,254
Other (000s t)	0.5	14.5	

All data is based on calendar year except for 2014 which is the 2014-15 financial year.

Resources Recycled

Indicator	2012	2013	2015
Waste materials to landfill			
Kerbing (m)	9779	11884	0
Pavement/footpath (m ²)	9041	5887	138
Existing seal (m ²)	227,160	109,514	57,490
Unsuitable material (m ³)	9,683	12,686	28,218
Other (m ³)	767	1,928	22,282(t)
Recycled materials			
Rehabilitation Purposes (t) – unsuitable material	No Data	No Data	15,007
Sand/SRA Elizabeth Quay (t)	No Data	No Data	81,890
Road Base (t)	No Data	No Data	1,638
Asphalt/Profiling (m ³)	No Data	No Data	11,004
Steel (t)	No Data	No Data	24
Concrete (t)	No Data	No Data	1,441
Office Waste (t)	No Data	No Data	6
Total (000s t)	59.1	140.7	111,009

All data is based on calendar year except for 2014 which is the 2014-15 financial year.

Water

Water is a precious resource and our State continues to experience the effects of a drying climate. To make sure we do our part in conserving water we encourage practices that reduce our impact on water sources including improving water efficiency and overall water use, utilising recycled water and avoiding the use of potable water. By prioritising the use of non-potable water over scheme water during construction we aim to ease the burden of water scarcity within the communities we work in. The table below shows our water use figures.

Type	2013	2014	2015
Buildings (kl)	29,833	36,784	27,809
Construction Scheme (kl)	NA	NA	9,071*
Construction Groundwater (kl)	NA	NA	66,797.6*
Surface water or recycled water (kl)	NA	NA	15,240*

* A new reporting regime has been initiated for our projects, resulting in some projects unable to report during this period.

Sustainable Built Environment National Research Centre

The Sustainable Built Environment National Research Centre (SBEnrc) is a key research broker between industry, Government and research organisations for the built environment industry. We are a Core Member of the SBEnrc and provide public leadership to encourage the private sector to be a part of industry development. Our membership entitles us to a nominee on the Governing Board. For more information go to our website.

Property Management

Our commitment to constructing sustainable, environmentally friendly buildings continued this year with the design of our new Northam office. The building's design complies with the 5 Star Green Star Office v3 rating, 4.5 Star Energy Base Building rating and 4 Star Water rating. It includes:

- solar and ventilation passive design
- double glazed panels
- high roof and wall insulation performance
- blinds to control and direct solar gain
- solar hot water systems
- water and energy efficient fixtures and fittings
- LED lighting with occupancy and daylight sensors
- 30KW Photovoltaic (solar array) system.

Ceiling fans and temperature sensors minimise the use of mechanical heating and cooling. The landscaping around the building incorporates xeriscape and water-wise principles and addresses the sites solar and prevailing wind properties.

Another project underway is the refurbishment of levels 3, 4, and 6 of the Don Aitken Centre. This project (and all future building projects) has adopted Green Star standards to improve environmental outcomes across the building asset portfolio. The Green Star design considerations will reduce the operational cost and environmental impact.



Looking Ahead

- > Streamline corporate processes to manage environmental approvals and compliance.
- > Implement South West Settlement heritage processes.



Case Study

Sustainability at Western Australia's New Gateway

Extensive recycling of low-grade soils on the Gateway WA project has achieved sustainable financial and environmental outcomes by reusing materials that would otherwise have become landfill.

The \$1 billion Gateway WA Perth Airport and Freight Access Project focuses primarily on upgrading Tonkin Highway between Great Eastern Highway and Roe Highway, and Leach Highway between Orrong Road and Perth Airport. It aims at improving safety and efficiency of one of the State's most important transport hubs where road, rail and air services connect.

As part of the project, over six million tonnes of material was required for select and embankment fill. The project site contained large areas of highly degraded, weed-infested topsoils that could not be used for landscaping. The project also generated quantities of acid sulphate soils which historically would become landfill.

Rather than sending the degraded materials to landfill, we looked into screening and mixing material. Screening of degraded materials took place within a licenced facility on Abernethy Road in Forrestfield. The processing removed large vegetative material as well as oversized inorganic material. The remaining topsoil, subsoils and acid sulphate soils were hauled to site to be blended with imported fill. The blending process reduced the organic percentage ensuring compliance to our specifications.

In total, approximately 83,000m³ of material was screened and utilised in embankment fill, saving over \$4 million. This also reduced Gateway WA's requirements for additional import from virgin material sites, reducing our environmental impact.

“

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”



Enhancing Customer Relationships

Creating an open, responsive & supportive organisation

Aim

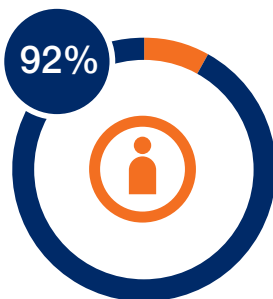
To understand our customer and stakeholder needs, and create a consistent and centralised approach to communication and stakeholder engagement across the organisation.

Approach

We achieve this by

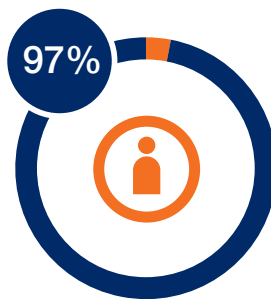
- Working with our customers to understand what they need and value
- Forming strong relationships based on a collaborative approach
- Seeking to improve our customers' experiences

Key Performance Indicators



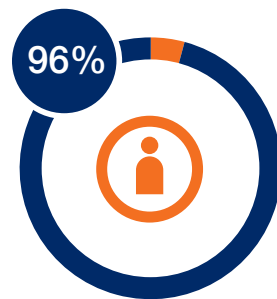
Stakeholder satisfaction with our performance

Target 90%



Feedback on commitment to customer service delivery

Target 100%



Community satisfaction with Main Roads

Target 90%

Introduction

It's a great time for the State as we continue to evolve and plan for a growing population. As we plan for this growth we believe that it is essential to take our customers on this journey with us as we seek to understand their needs and what they value. This section of the report includes information on customer profiling, our community and stakeholder surveys, our advisory groups and customer feedback.

Key achievements

Customer Profiling

Customer profiling and segmentation allows us to better understand how our customers use the transport network and what their information requirements are. While levels of service and service expectations are not yet known, we have identified four customer behaviour and belief profiles for metropolitan residents:

Car Lovers



Nose to the grindstone
(need my car for work)

Working

Not open to other
transport methods



I love my car
(all for the car)

Retired

Not open to other
transport methods

Green



Be the change (aware
of impact of cars)

Working

Open to PT and
active transport



City Hipster
(PT converts open to
greater use)

Working

Open to PT and
active transport

Public Transport users



What works for me?
(open to PT)

Working

Open to PT



Well intentioned
(begun to adopt PT)

Student

Open to PT if
faster and
more direct

Village Life



The simple life
(transport savers)

Retired

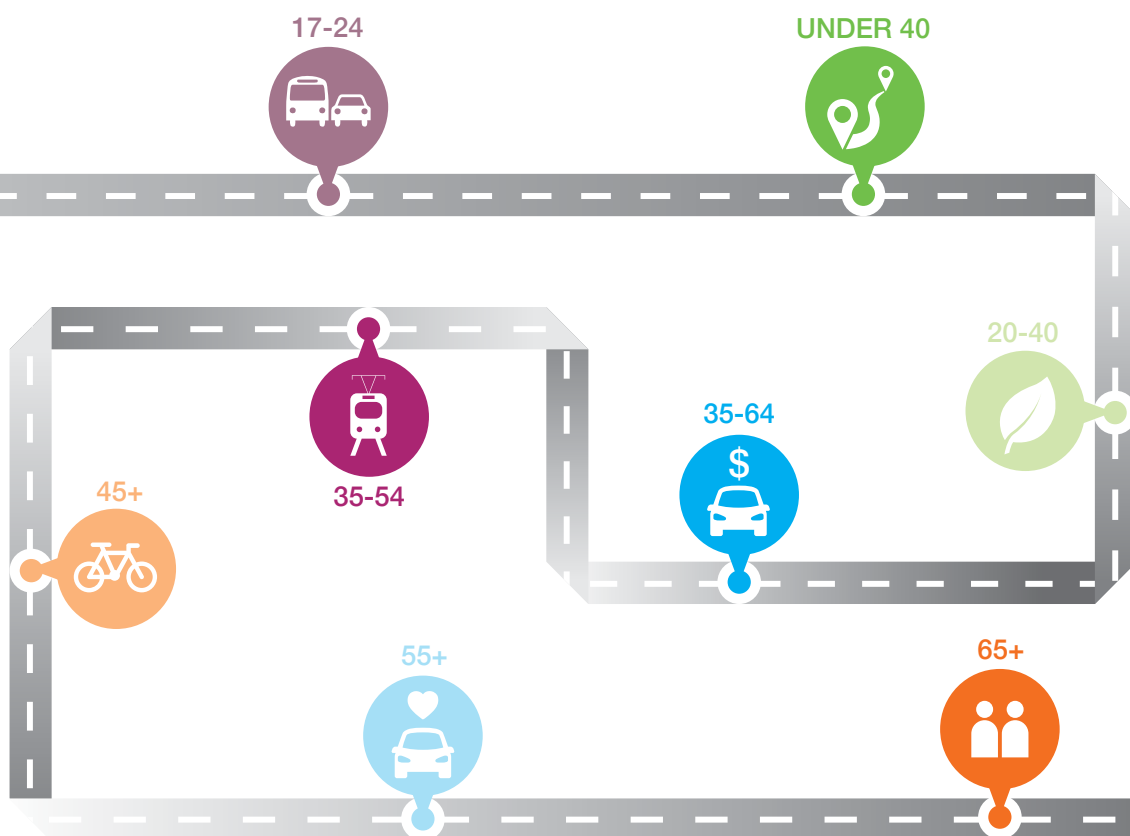
Open to change
behaviour



Active transport
(like to walk and
cycle)

Retired

Open to change
behaviour



Next steps

We will now use this information to help us understand preferences and emerging travel trends within changing demographics and assist us in determining underlying factors impacting travel choices and decisions. It also begins to give us some information around which segments can be influenced and who we can provide more targeted information to. In the future we will be conducting further research to build regional customer behaviour and belief profiles across the State.

Community Perception Survey

We have conducted the Community Perception Survey every year since 1994. It tracks our performance on issues such as road safety, cycling and pedestrian facilities and maintenance of the road network, as well as the community's overall satisfaction of our performance.

Satisfaction with:

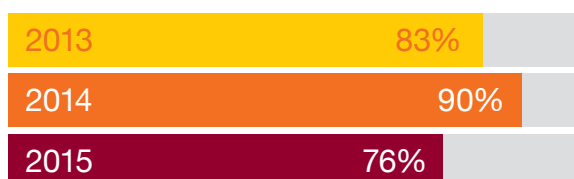
Our Overall Performance



Road Safety



Provision of Cycle Ways and Pedestrian Facilities



Road Maintenance



This year the survey identified the following priority areas:

- traffic congestion
- fixing hazards and faults quickly
- improving the safety on our regional roads
- providing additional or improved cycling facilities.

Stakeholder Satisfaction Survey

To better understand stakeholder needs, we conduct a biannual survey to find out how they rate our interactions and communications. The overall ratings of our stakeholders remain high with 92% considering our interactions to be "okay, good or excellent" in 2015 compared to 94% in 2013.

Customer Information Centre

We provide a 24 hour 365 days a year service through the Customer Information Centre which plays an important role in State-wide incident management and provides timely and accurate information to the public.

The introduction of self service options has improved services for customers. While call volumes are consistent, our reach to the community has improved through the growth in our social media channels and associated online services including the Right Move Perth app and Get the Bigger Picture website.

Customer Contact Statistics	2013	2014	2015
Telephone calls	150,234	117,105	119,400
Email enquiries	18,104	21,118	21,270

Our Customer Information Centre was recognised at the Auscontact Association State Awards this year, winning the Customer Contact Centre Award (under 30 full time employees).

Customer Feedback

We regularly report on, and investigate trends and issues arising from customer feedback to provide insights to business areas. Over the past three years, we've seen large increases in customer requests, with this year double from last year, and seven times more than 2013.

Feedback Type	2013	2014	2015
Complaint	2,789	2,912	3,232
Customer request	456	1,712	3,450
Compliment	218	273	254
Business improvement	55	38	47
Total	3,518	4,935	6,983

The top complaints in 2015 were:

- traffic signals
- construction and projects
- safety issues
- speed zones
- website

For information on our Complaints Handling Process refer to the Governance section or visit our website.

Customer Charter Index

Our customer service standard outlines the minimum levels of service that we provide. We regularly monitor and report on our achievements against these standards using the customer service charter index. This index is made up of a number of operational and strategic measures which align to delivering services to the community. We publically report on these measures every quarter and publish the results on our website.

Social Media

This year we launched a Facebook account to provide updates on what we are doing around the State and to keep in touch with the community, it complements our existing Twitter and YouTube accounts.

Twitter

Twitter is a highly successful method of notifying road users of incidents or disruptions on the road network. We continue to grow our following and our @perth_traffic and @WA_roads accounts are used by other agencies and the media for real time traffic updates.

Our Twitter followers:

- @Perth_Traffic – 37,867 followers
- @WA_Roads – 6,827 followers

Facebook

We launched a Facebook page in September 2014 and have seen a steady growth in likes, shares and comments. In less than a year, 3,106 people like our page, most of which are in the 25-34 age range with slightly more females than males. We post topics ranging from road information, driving tips and the popular Throwback Thursday photos.

YouTube

YouTube allows us to showcase some of the services and network changes that occur as part of business. This year, we uploaded 27 videos ranging from revegetation case studies, 3D fly-through animations of road projects and information for the heavy vehicle industry.

Customer Service Advisory Council

The Customer Service Advisory Council was established in 2006 to provide an independent assessment of our customer service delivery and standards.

The Council meets four times a year and provides us with feedback and direction on:

- the Guide to Rest Areas and Roadside Amenities brochure
- website improvements (including the traffic map)
- Traffic Congestion Management Program initiatives
- road safety campaigns
- Pedestrian Parallel Crossings and associated education campaign.

The Council is independently chaired by Principal of Huntingdale Primary School, Edd Black, and includes community and industry members.

Advisory Groups

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

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

Our aspiration

To provide world class service for the customer through *safe, reliable and fast* road-based transport systems



Main Roads Western Australia
Government Organization

Timeline



5,637 people like this

Alan Colegate and 74 other friends

Invite friends to like this Page

ABOUT

Ask for Main Roads Western Australia's address

138 138

<http://www.mainroads.wa.gov.au/>

Impressum

APPS



Poll

PHOTOS



VIDEOS



Disability Access and Inclusion Plan

Our five-year Disability Access and Inclusion Plan (DAIP) was launched in 2012. The DAIP aims to achieve the Government's vision for a better quality of life for all Western Australians. It recognises that people with disabilities, their families and carers have the same rights to access our services and employment opportunities as any other member of the community. The DAIP emphasises how we have been addressing the needs of people with disabilities since its inception in 1995. It provides a suite of implementation strategies built around seven outcomes.

A copy of the plan and our progress is on our website. The next DAIP, for 2017 to 2021, will be developed during 2016 to continue these outcomes and strategies.

Community Engagement

We engage with the community on major projects where there are high levels of complexity and there are expected to be significant impacts that affect the community or where there is potential for enhancing community outcomes. In accordance with our Community Engagement Policy, each project has Reference/Working Groups that represent the community. We advertise an Expression of Interest to the community to become members of these Groups who are decided through a selection criteria process. More information is available on our website.

Land Acquisition for Road Projects

In instances when extra land is required to improve existing roads or to provide new transport corridors, land is acquired by negotiation or 'formal taking action' under the powers contained in the *Land Administration Act 1997*. The process of acquiring land can have significant community and social impacts. We aim to commence acquisition of land two years prior to construction. Land owners have certain rights under the Act such as they are able to object to the land take proposal, and are entitled to compensation. Further information is available on our website.



Looking Ahead

- > Develop a strategic approach to customer research and analysis.
- > Deploy a Customer Action Plan to support Keeping WA Moving.
- > Upgrade and refine existing digital channels to improve the user experience.
- > Develop a consistent approach to all stakeholder engagement across the State.



Case Study

All Eyes on Albany

More than 40,000 people attended a four-day ANZAC Convoy Commemorative Event in Albany at the end of 2014

For nine months, our Great Southern Region team worked with internal and external stakeholders to prepare for the commemorative event attended by the Governor General, the Australian and New Zealand Prime Ministers, the Western Australian Premier and many foreign dignitaries.

Traffic volumes were monitored during the event along all major routes into Albany through:

- staff at strategic locations
- permanent count station results including tri-daily updates from the permanent traffic stations
- live video
- observation aircraft flying the routes during the day
- information from external agencies.

Other road management activities included electronic Variable Message Boards broadcasting live message updates on the route and the successful trial of traffic lights at Chester Pass Road Roundabout.

We worked with stakeholders such as City of Albany, Department of Fire and Emergency Services, WA Police and St Johns Ambulance to comprehensively update regional emergency management plans. We also sought input from internal stakeholders such as South West Region, Wheatbelt Region, Metropolitan Region and Road Network Services Directorate to mitigate risks to road users and the road infrastructure.

Our effective approach resulted in a crash-free network and minimal congestion and delays giving everyone safe and timely travel to and from the event.

“

The event's traffic management and incident management planning was a complicated task given the forecast, levels of congestion and the heightened security around the event.

”



Investing in People

Aim

To develop and invest in leaders that will genuinely challenge the status quo.

Approach

We achieve this by

- Developing a high performing culture of skilled professionals
- Investing in innovation and knowledge sharing
- Developing skills to meet current and future needs

Introduction

Investing in our people is key to creating an organisation where people embrace and accept those who aspire to bring innovative ideas, skills and perspectives to work. We seek to ensure that the right people are attracted and retained to address our future skill requirements. We are in the process of identifying new skills aimed at finding innovative solutions that will enable us to adopt world class practices that are right for Western Australia. This section includes information on our equity and diversity, attraction and retention, learning and development and restructuring for the future.

Key Performance Indicators

	2013	2014	2015
Full time equivalent (average)	1,039	1,043	1,030
Women in leadership Level 5 and above	109	114	119
Total employee retention rate	95%	92%	92%

Promoting Diversity and Equal Opportunity

We strive to create a rich, diverse workforce and we have a strong emphasis on promoting equality to ensure our workplace is free from harassment, discrimination and that all employees have access to training, progression and promotion. The following is an update on some key achievements in this area.

Women in Leadership

We recognise and value the role of women in the workforce and gender diversity at all levels of the organisation. We are committed to increasing the number of women in management roles. Our Diversity Committee supports the implementation of the Women in Management Action Plan which attracts, retains and develops women within the organisation, particularly in technical and professional areas. We have reached the target we initially identified for “proportion of women in our workforce” and have exceeded the targets for “women working in Level 6 positions and higher”.

- women in the workforce – 30%
- women in Level 5 positions – 28%
- women in Level 6 positions and above – 18%
- women in acting opportunities – 35%

By having an action plan it has:

- provided professional development opportunities for women through various leadership development programs
- created a Professional Women’s Speakers Series, which included a range of speakers presenting on culture, values, decision-making and women in leadership
- promoted flexible working arrangements in job advertisements and encouraged women and people with diverse backgrounds to apply
- recruited and promoted more women in management and high profile roles.

Reconciliation Action Plan and Indigenous Employment

Our Reconciliation Action Plan can be found on our website and Reconciliation Australia’s website. Our Diversity Committee finalised a Welcome to Country and Acknowledge of Country Statement, which is now required for all major Main Roads events. The Plan is currently being reviewed and updated to outline practical actions we can take to build stronger relationships and contribute to enhancing respect between Aboriginal and Torres Strait Islander peoples and other Australians.

NAIDOC Week

We celebrated the history, culture and achievements of Aboriginal and Torres Strait Islander peoples during NAIDOC Week. Our Managing Director opened the event and a welcome to country was delivered by an Aboriginal elder. Some of our contracting partners talked about how they support Aboriginal engagement by working with Main Roads and an informative bush tucker presentation was given by Aboriginal elder, Jim Maher.

The ROADS Foundation

The ROADS Foundation is an independent not for profit charity, supported by Main Roads and West Australian Local Government Association. It is focused on getting young people into jobs and traineeships in the civil construction sector and aims to build a sustainable workforce for the future by engaging with and providing opportunities for people within local communities. The ROADS Foundation’s intensive operating model is driven from community engagement. It includes a range of advice and support to employers about training options, delivers extensive preparation programs before people enter the civil workforce, and provides a high level support network for organisations and individuals engaged in training and new employment. The development and expansion of this model aims to increase the quality of people entering the civil workforce, develop high levels of retention and completion of traineeships, maximise the investment of employers in training, and increase the awareness and interest in civil careers within schools and the broader community.

Family Day

Our annual event, Family Day, promotes a healthy work-life balance and recognises the contributions staff make to the organisation. It involves each directorate and region putting together displays for visiting family and friends outlining past achievements, current and upcoming projects, and events. We also seek involvement from the community. The day helps us to demonstrate our Family value.

Equal Employment Opportunity Management Plan 2011-2015

Our Equal Employment Opportunity (EEO) Management Plan is developed in accordance with Part IX of the Equal Opportunity Act 1984 and aligns with the Office of Equal Employment Opportunity's outcome standards framework.

The following shows our statistics in various area's.

Areas of Diversity	2013 (%)	2014 (%)	2015 (%)
Women	29.1	29.8	30.0
Culturally diverse background	17.5	17.4	18.8
People with disabilities	3.6	3.2	1.1
Indigenous Australians	1.8	1.8	0.7

Attraction and Retention

Workforce Planning Process

Our workforce planning process is continually improving to respond and be flexible to changing demands and service delivery pressures. The implementation of functional based profiling, along with open communication on knowledge management and strategic capability requirements, has built a culture of future planning and sustaining the right skills for the future.

The annual workforce planning cycle helps key areas of our organisation formulate a five-year forecast by prioritising risk factors and developing strategies that support a diverse and sustainable future workforce such as:

- knowledge management in high risk functions
- succession management and career development opportunities
- skill and competency development
- functional growth and monitoring changing service delivery methods
- attraction and retention of entry level employees into high risk functions.

Through the cycle, we've developed a functional and innovative approach to workforce planning which has enabled us to manage its workforce effectively.

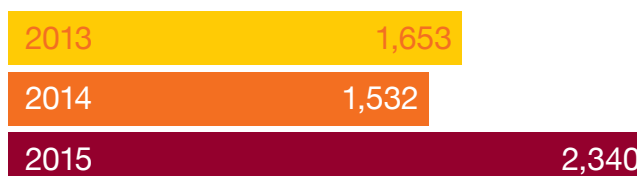
Recruitment

We are moving towards a business partnering approach for human resource services to build relationships, enhance strategic alignment, increase manager engagement with selection, aid in the retention of internal knowledge and increase expertise in selection processes. Over the past year we advertised 117 positions receiving more than 2,300 applications.

Positions Advertised



Applications Received



Average Applications per Advertised Positions



Developing our Employees

Development Employee Leadership

Our Development Employee Program provides recent engineering, technical and business graduates with structured development via job rotations across the organisation, ongoing formal training, coaching, and mentoring with senior leaders and technical specialists. The program is designed to internally develop talent for our next generation workforce and has an excellent retention and success rate.

TechXchanges

TechXchanges are a one-hour, monthly forum that provide an opportunity for technical experts to share their knowledge and experience with other employees and technical partners. The sessions are designed for staff and stakeholders looking to improve their technical skills and network with our technical gurus.

- 12 TechXchanges held
- 1,017 people attended
- 85 people on average attended each one

Individual Performance Agreements

Our Individual Performance Agreements provide the basis for regular and frequent conversations about performance, behaviour and development. They help staff understand how their work fits into the bigger picture and assist in clarifying the roles and expectations of managers and employees. The agreements also support a strong manager-employee relationship and high performance culture. Participation in IPA conversations has been outstanding, with a 95% completion rate last year. A series of training sessions were rolled out and aimed at both managers and employees to assist with skill development in having difficult conversations and managing performance.

Training Evaluation

All our corporate training and leadership programs are evaluated for return on investment against our evaluation framework that enables us to adjust the content and focus of programs based on feedback. This ensures programs continue to align to our learning objectives and corporate strategic direction. During the year, we benchmarked our training program against other organisations through the 2014 Training Awards. We won the Western Australian Employer of Choice category and were a finalist in the Australian Employer of Choice category.

Innovation

Our Innovation and Research Program launched in February 2015 and aims to encourage and promote innovative ideas, assess those that propose or require research and development, and capture the research and development effort across the organisation. Many innovative ideas and research proposals have been submitted since the program's commencement; several of which are currently in progress. All staff can submit an innovative idea or research proposal under the program, via an Ideas Forum on our intranet site. An Innovation and Research Panel evaluates and prioritises ideas and project proposals, recommends downstream initiatives or investment, and endorses innovation strategy. Panel members represent expertise from across the organisation who advocate innovation and improvement.



Looking Ahead

- > Work with universities and professional associations to attract women into non-traditional studies such as construction and engineering, and link female role models and mentors with students.
- > Identify positions for Indigenous Australians by promoting Indigenous opportunities as part of our Recruitment Program and using the Premier and Cabinet's Indigenous Traineeship programs. We aim to increase Indigenous employment to 3%.
- > Tackle our ageing workforce by emphasising succession planning and creating a diverse succession pool.



Case Study

Restructuring for the Future

How we do business is constantly evolving and to deliver the right services in the right ways we have had to look at how we operate and plan for the future.

To support our aspiration and strategic direction we have made structural changes to enable the outcomes we are seeking to be achieved. Addressing congestion remains one of our highest priorities and our new Network Operations Directorate has a specific mandate to optimise the metropolitan road network. This is a key element of the *Movement* area of focus which is about improving the mobility of people and the efficiency of freight.

We have also created a Metropolitan and Southern Regions Directorate that reflects the urbanisation of the State's southern corridor. Equally a focus for the new Central and Northern Regions Directorate ensures that we will meet the unique customer needs in these areas which continue to be so important to the State's future.

Amalgamations have occurred for our two Wheatbelt Regions, and our Midwest and Gascoyne Regions, to improve efficiencies of delivery, the ongoing attraction and retention of staff and to get the best management arrangements in place.

To provide our *Customers* with a transport network centred on what they need and value we have centralised our communications and strategy focus into a single business unit. We are also focussing on creating skills sets to leverage off how we collect and disseminate data to improve customer journeys with a focus on real time information.

These new structures, coupled with a greater focus on asset management planning ensure that we can meet the changing demands on the transport network and develop a *Sustainable* network that meets social, economic and environmental needs.

To provide improved *Safety* outcomes for all road users we have also relocated our safety team into the Planning and Technical Services Directorate as we focus on a shared responsibility for creating a safe system. This will also assist in leveraging off technology to deliver leading safe road infrastructure design.

These changes will ensure our structure supports clear accountabilities aimed at achieving our strategic direction. The new structure will come into effect as of 1 July 2015.

“

We are in the process of identifying capability and new skills aimed at finding innovative solutions that will enable us to adopt world class practices that are right for Western Australia

”



Safety, Health and Wellbeing

Consistently leading safe outcomes

Aim

Preserve the safety, health and wellbeing of our people.

Approach

Creating a mature safety culture that challenges safety complacency built around an ethos of Think Safe, Work Safe, Home Safe, Drive Safe, Live Safe.

Key Performance Indicators

	2014 Actual	2015 Target	2015 Actual
Fatalities	0	0	0
Lost Time Injury frequency rate	7.6	2	1.5
Incidence rate	1.2	1.08	1.28
Severity rate	0.2	0.18	0
Percentage of injured workers that returned to work			
Within 13 weeks	83%	85%	85%
Within 26 weeks	17%	80%	92%

1. Frequency rate is (the number of LTI/Ds over the previous 12 months)*1,000,000 divided by the number of hours worked during that 12 month period.
2. Incidence rate is (the number of LTI/Ds divided by the number of employees)*100.
3. Severity rate is (the number of LTI/Ds that resulted in 60 days or more lost divided by the total number of LTI/Ds)*100.
4. Return to work (RTW) within 13 weeks (number of LIT/D with a RTW outcome with 13 weeks divided by Number of LTI/Ds reported) * 100.
5. Return to work within 26 weeks (number of LIT/D with a RTW outcome with 26 weeks divided by Number of LTI/Ds reported) * 100.

Key Achievements

Safe Observation Conversations

A Safe Observation Conversation allows interaction between a supervisor/manager and an employee/contractor. It provides an opportunity to identify, discuss and prevent workplace hazards and at-risk behaviours before they cause harm. This initiative was implemented in March 2015 to:

- increase visible leadership from senior management and encourage safety communication between colleagues
- empower the workforce to communicate with leaders
- encourage safe and correct working processes and behaviours.

The introduction of Safe Observation Conversations aligns with our transition into a more mature culture that has strong collaborative relationships and leadership demonstrated at all levels.

A Move Towards e-Learning

An ergonomic e-learning module has been developed to assist staff to assess their workstation setup and enable them to mitigate ergonomic injuries. Other safety compliance-based training, such as the Corporate Safety Induction and Asbestos Awareness Training, are being transitioned into e-learning to allow for high-impact training, such as scenario-based training. This will have greater impact in the capability development of our workforce.

Safety Commitment Cards

Safety Commitment Cards promote a positive safety culture and demonstrate commitment to safety at every level of the business. We invite staff to sign a commitment poster within their team, which serves as a tangible and visible reminder of our duty of care as employees and employers.

The concept was developed by a working group that discussed initiatives to promote and lead Safety, Health and Wellbeing across the State.

Taking a Proactive and Preventative Approach

Our health and wellbeing resource centre is regularly updated, aligning with our commitment to providing a confidential Employee and Manager Assistance Program. This organisation-funded counselling service provides support to employees who may be experiencing problems that are affecting their job performance or personal lives.

Our corporate Health and Wellbeing Calendar gives employees the opportunity to participate in community charity events such as the City to Surf, HBF Run for a Reason and various Government-endorsed corporate sports activities. We encourage staff to take part in organised activities to raise funds for charity, and participate in presentations and activities that promote healthy behaviours or interventions.

Petrol Guidepost Rammers

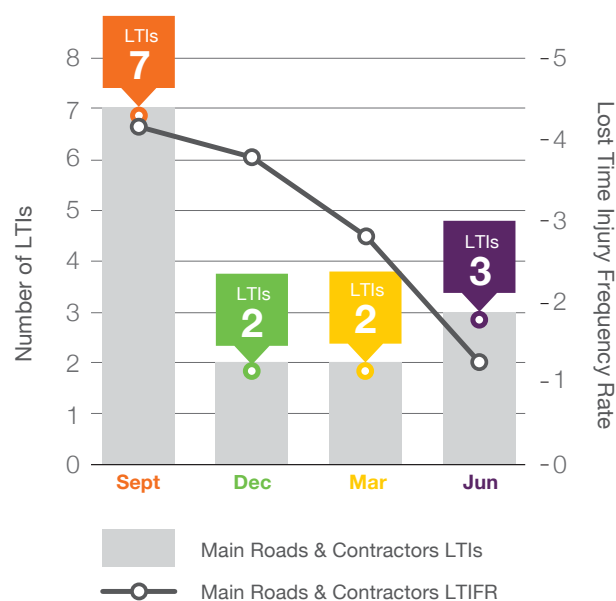
After a number of serious incidents involving manual guidepost rammers, petrol guidepost rammers have been researched and trialled. The implementation of this engineering control has decreased guidepost rammer-related serious incidents, with zero incidents recorded since inception. Manual handling hazards, which were present with manual guidepost rammers, have also reduced.

Third Party and Work Safe Plan Certification

Our Occupational Safety and Health Management System (OSHMS) has been assessed and recommended for re-certification to Australian Standard 4801 in July 2015. Corporately, we maintain a WorkSafe Plan – Gold Certification.

Lost Time Injuries

Lost Time Injury/Date is defined as an injury or disease that results in the affected employee being unable to work for one full shift or longer. The following graph illustrates the combined performance of Main Roads and our contractors during the year.



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

The majority of the serious incidents involved vehicles, plant, and manual tasks/ergonomics. Our focus now is to minimise the likelihood of these risks recurring.

Summary of all Incidents by Type and Severity

Incident Types	Lost Time Injuries	Non Lost Time Injuries	Near Miss Incidents	Total
Vehicle	1	3	17	21
Equipment	3	11	19	33
Ergonomics/manual tasks	5	20	5	30
Other	3	8	21	32
Slips, trips and falls	1	5	7	13
Human factors	1	3	5	9
Bites/stings	0	2	0	2
Environment	0	1	2	3
Health	0	4	0	4
System failure	0	2	0	2
Total	14	59	76	149

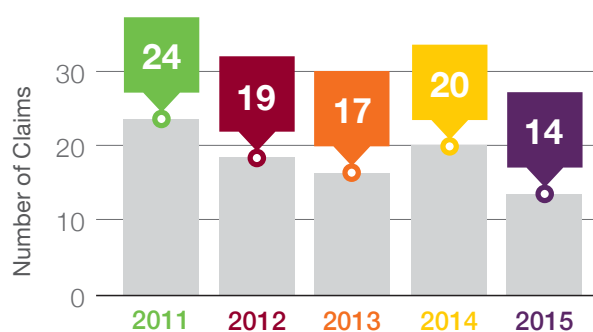
Workers' Compensation and Injury Management

Initiatives developed around injury prevention and management include:

- providing onsite support and guidance for returning employees to assist in their successful return to work
- developing educational material, such as toolbox topics, to build manager and employee awareness and capability
- consulting with new employees who have been identified in the pre-employment processes as needing injury prevention and management assistance.
- Fourteen workers compensation claims of which six have been finalised, two are pending and one was declined

Of our injured workers 85 percent have returned to their pre-injury role and hours within 13 weeks and 92% have returned between 13 and 26 weeks of sustaining their injury.

Total Number of Claims Lodged



Looking Ahead

- > Review our Safety, Health and Wellbeing Management System with a focus on reducing size and complexity.
- > Evaluate the electronic hazard and incident reporting management systems for employees and contractors.
- > Develop and implement Safety, Health and Wellbeing communication methodology, schedule and tools to increase education and awareness.



Case Study

Creating Safer Regions

Four of our regions achieved zero Lost Time Injuries (LTI) during the last year, in what are considered high risk environments. We've also seen an overall improvement in safety delivery across the organisation.

Goldfields-Esperance Region, Great Southern Region, Kimberley Region and Midwest-Gascoyne Region all achieved zero Lost Time Injury Frequency Rates during the last year, with the Goldfields-Esperance Region not experiencing a lost time injury since March 2013.

Local improvement initiatives within the regions, at a directorate level and corporately helped achieve this result. They included:

- safety leadership events in the regions with representatives from contractors, the regions, the directorate and corporately
- new safety measures including lead and lag indicators, benchmarks and targets resulting in lag indicators improving by over 100% and over 15 unused reports no longer required
- combined Main Roads and contractor performance statistics and targets, resulting in a single team approach to managing safety that removes duplication
- visible safety initiatives such as compulsory Safety Moments and Safe Observation Conversations correlating with significant improvements in lag and lead measures.

Our safety and leadership oriented culture has improved through our collaborative approach that has reduced lost time injuries across the whole organisation.

“

Actively improving work safety, health and wellbeing.

”

Governance

We exercise fairness, transparency and accountability in everything we do, over and above our legal obligations. The Governance Institute of Australia defines good governance not only as the system by which organisations are controlled, but the mechanisms by which organisations and those who comprise them are held to account. Governance therefore is vital to making the right decisions.

In reviewing and considering our own corporate governance practices we consider the Public Sector Commission Guidelines as well as the application of ASX Corporate Governance Council principles within our own operating context. This creates an environment that values ethical behaviour, integrity and respect helping us to achieve excellence whilst creating value for our customers.

This year we have used the four key components identified by the Governance Institute of Australia as the basis for reporting and disclosing our activities.



Transparency
page 70



Accountability
page 73



Stewardship
page 79



Integrity
page 81



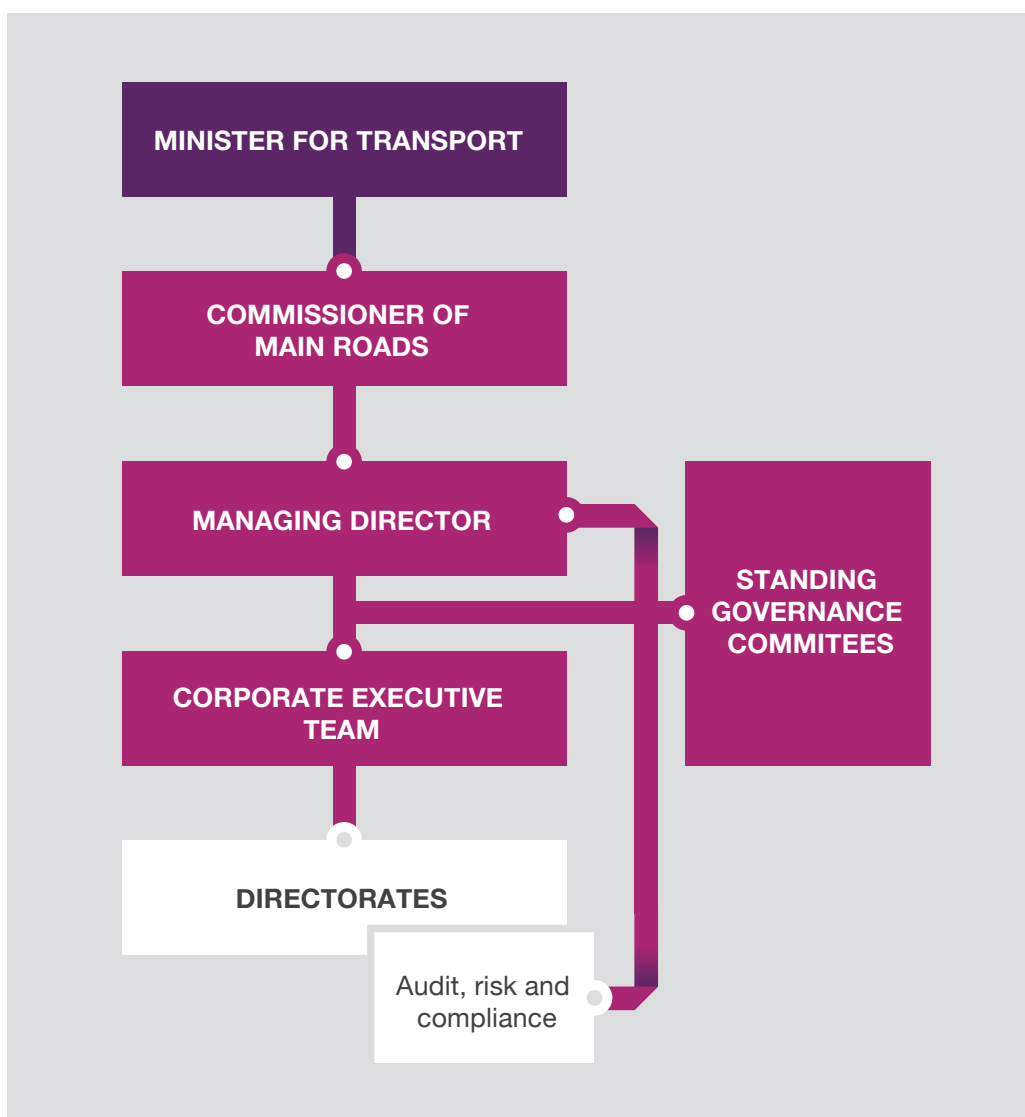
Transparency

Being clear and unambiguous about the organisation's structure, operations and performance, both externally and internally, and maintaining a genuine dialogue with, and providing insight to, legitimate stakeholders and the market generally.

Our Governance Model

Our corporate governance model directs and manages our business activities to optimise performance, achieve regulatory compliance and deliver value for customers. The model and processes align values-driven management, which enables us to govern with integrity, accountability and transparency.

Our Governance Model shows the relationships between our Minister, Commissioner, Managing Director and members of Corporate Executive.



Strategic Direction

Keeping WA Moving is an outcome focussed strategic direction that looks ahead towards the achievement of a desired future state. It is underpinned by our aspiration, guiding principles and four strategic areas of focus – customers, movement, safety and sustainability. These areas of focus are about delivering value and meeting the future needs of our customers. They recognise the roles that our Portfolio partners play and our role in helping to achieve an integrated transport solution to create an efficient and user friendly State-wide transport network.

Key reasons for refreshing our direction:



Clarity of Main Roads Strategy

Create confidence for us to meet the future needs of transport in WA



Changing Landscape

Ensure we have accounted for all the new possibilities and opportunities that are transforming the transportation landscape



Current Workforce Capability

Ensure our workforce capability and capacity is aligned to our needs



Cost Pressures

There will be increasing cost pressure on Main Roads



Transport Portfolio

Continue to improve relationships within the Transport Portfolio



External Engagement

Ensure we understand our customer needs

Annual Report

Our annual reporting is based on a full, open and transparent approach to reporting our operational and financial performance. It informs the public on our performance, expenditure of public funds and of any significant issues. As only limited copies of the hard copy report are produced, an online version is available on our website.

We received a Gold Excellence Award for our 2014 report at the Australasian Reporting Awards and were recognised as a Finalist for Sustainability Reporting in the Public Sector. We also won a Gold Award from the Institute of Public Administration WA for agencies with more than 1,000 employees.

Integrated Management System

Our Integrated Management System brings together our systems and processes into one framework. It:

- provides consistency in how we plan and manage projects, contracts, supply, environment, and occupational health and safety
- clarifies roles and responsibilities
- ensures that our processes procedures and policies align with our business activities
- promotes a culture of continuous improvement

It is certified by an external body which verifies that we follow our documented processes based on quality management principles.

Equal Assurance provides third-party auditing services for Main Roads management system certification.

Current Certification	
Standard	Processes
Quality Management System AS/NZS ISO 9001:2015	Project Management Contract Management Supply Corporate
Environmental Management System AS/NZS ISO 14001:2004	Environmental
Safety, Health and Wellbeing Management System AS/NZS 4801:2001	Safety, Health and Wellbeing

We completed the surveillance audit for the third-party certification in June 2015. The audit findings confirmed that we are on track to achieve re-certification mid-2016.

Internal Audit

Comprehensive systems of internal controls ensure an appropriate division of responsibilities to safeguard our assets and financial interests. Our internal audit function provides independent, objective assurance and consulting activities reporting to the Management Review and Audit Committee chaired by the Managing Director. Our Management Review and Audit Charter identifies the responsibility of the function to provide the Managing Director and Corporate Executive with:

- objective constructive and independent assessments of the extent to which
 - » we manage financial, human, intellectual and physical resources with regard to economy, efficiency and effectiveness
 - » we reasonably serve accountability relationships
- assurances as to the reliability of accounting and financial management information and the protection of assets and resources under control
- assessment of our compliance with legislation and relevant policies and procedures
- assessment of audit reports issued by the Office of the Auditor General and their relevance and impact
- independent and confidential advice on remedial action to improve operational effectiveness, efficiency and economy
- progress reports regarding remedial action taken by line management.

Statutory Audit

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



Accountability

Ensuring that there is clarity of decision-making within the organisation, with processes in place to ensure that the right people have the right authority to make effective and efficient decisions with appropriate consequences for failures to follow those processes.

Delegation of Authority

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

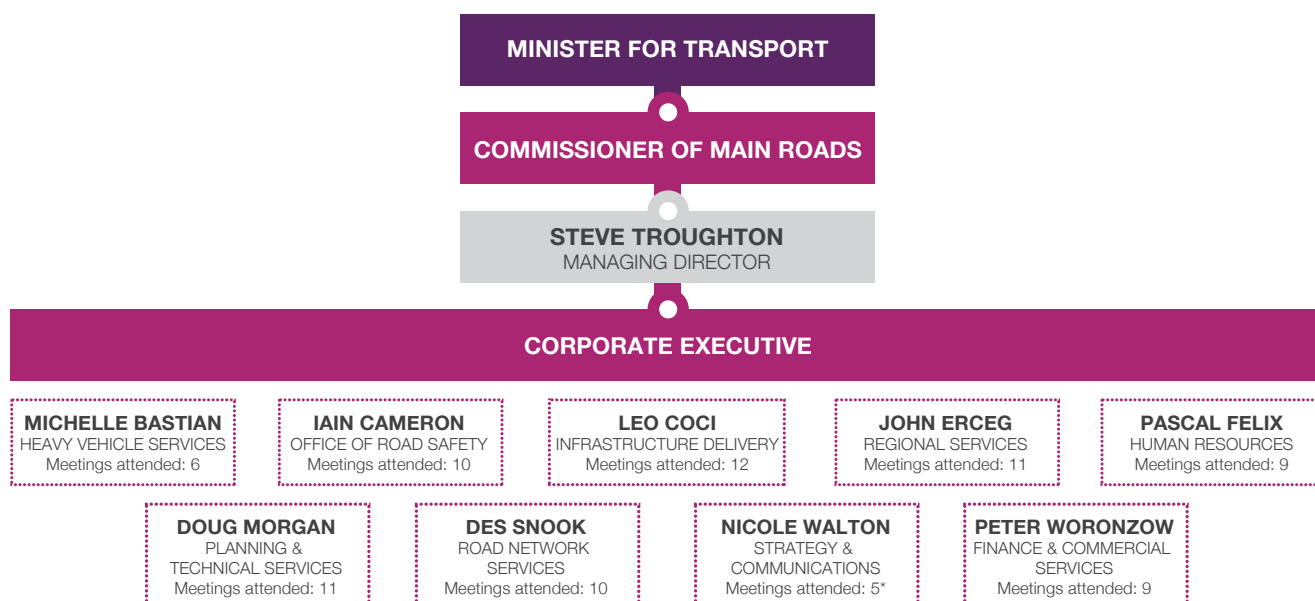
Performance Agreements

The Managing Director has a performance agreement with the Commissioner, while other members of Corporate Executive have Individual Performance Agreements with the Managing Director.

Corporate Executive

Corporate Executive is our peak decision-making body. Its objective is to “set clear strategic direction to deliver Government priorities, meet our aspirational purpose and achieve agreed performance goals”. It:

- assist in discharging the Managing Director’s responsibilities and operate as an advisory body to the Managing Director
- achieve the best outcomes from key decisions, develops executive commitment to key organisational priorities and models our values, guiding principles and behaviours throughout the organisation
- sets strategy, oversight, decision-making and leadership, and manages organisational performance to ensure capability to deliver our services
- provides a forum to raise issues of corporate relevance and seek the feedback and input from peers
- is proactive, with a long-term outlook and a focus on outcomes.



*Nicole Walton did not commence until February 2015.

Corporate Executive's objectives and role are supported by Standing Governance Committees.

Corporate Development Committee Meetings Held: 8	
Membership (Attendance)	Role
<p>Executive Members:</p> <ul style="list-style-type: none"> - Pascal Felix (Chair): 6* - John Erceg: 1 - Des Snook: 3 - Leo Coci: 4 - Peter Woronzow: 3 - Doug Morgan: 5 <p>There are two other non – executive standing members in this committee.</p>	<ul style="list-style-type: none"> • Guides corporate development, including prioritisation of Learning and Development initiatives and seeking Budget Committee approval for funding • Fosters and provides leadership on innovative research and development initiatives • Considers recommendations from the Development Employee Committee on permanent placements of Development Employees
Management Review and Audit Committee Meetings held: 3	
Membership (Attendance)	Role
<p>Executive Members:</p> <ul style="list-style-type: none"> - Steve Troughton (Chair): 3 - Peter Woronzow: 3 - Doug Morgan: 2 	<ul style="list-style-type: none"> • Considers the audits and reviews of the Management Review and Audit Branch • Ensures audits and reviews are conducted in accordance with the Annual Audit Plan • Reviews and approves the Annual Audit Plan
Budget Committee Meetings held: 11	
Membership (Attendance)	Role
<p>Executive Members:</p> <ul style="list-style-type: none"> - Peter Woronzow (Chair): 11 - Steve Troughton: 7 - John Erceg: 11 - Des Snook: 6 - Leo Coci: 10 - Doug Morgan: 11 - Iain Cameron: 6 - Pascal Felix: 8 - Nicole Walton: 3* 	<ul style="list-style-type: none"> • Makes decisions for Investment Planning, Program Development and Delivery • Ensures the best use of funds to achieve strategic outcomes
Corporate Safety, Health and Wellbeing Committee Meetings held: 11	
Membership (Attendance)	Role
<p>Executive Members:</p> <ul style="list-style-type: none"> - Doug Morgan (Chair): 11 - John Erceg: 6 - Des Snook: 3 - Leo Coci: 6 - Peter Woronzow: 2 - Pascal Felix: 8 - Iain Cameron: 4 - Nicole Walton: 1* - Belinda Stopic: 4 - Michelle Bastian: 4 <p>Many other non-executive standing members sit on this committee.</p>	<ul style="list-style-type: none"> • Presides over safety, health and wellbeing issues from high level strategy to reviews of individual incidents • Acts as a primary Occupational Safety and Health channel and reports on full-time and contracted employees to Corporate Executive

* A number of people have been acting as EDOD until Pascal Felix undertook the role from February to June 2015. Nicole Walton did not commence until February 2015.

Achievements

- Developed Corporate Executive Inspiring Leadership session and Senior Manager Forum
- Implemented Leadership Enhancement Program
- Created process to select and approve participants attending external leadership programs
- Updated Managing Employee Performance Guidelines
- Endorsed Commercial Acumen Framework

Achievements

- Reviewed the migration of data from the former Contract Administration System to Con Tracks
- Reviewed Restricted Access Vehicles Stage 2 after implementation
- Conducted the Kimberley ISA close out audit

Achievements

- Monitored and actioned budgetary and financial matters including program strategies and structures to deliver outcomes linked with Government objectives
- Provided strategic direction for project development funding and activities, and allocation of funding to priority projects
- Supervised the transfer of assets between State and Local Government
- Approved the four-year and 10-year program submissions to Treasury
- Endorsed savings arising from Treasury Corrective Measures
- Provided strategic guidance and advice on Maintenance Program Funding

Achievements

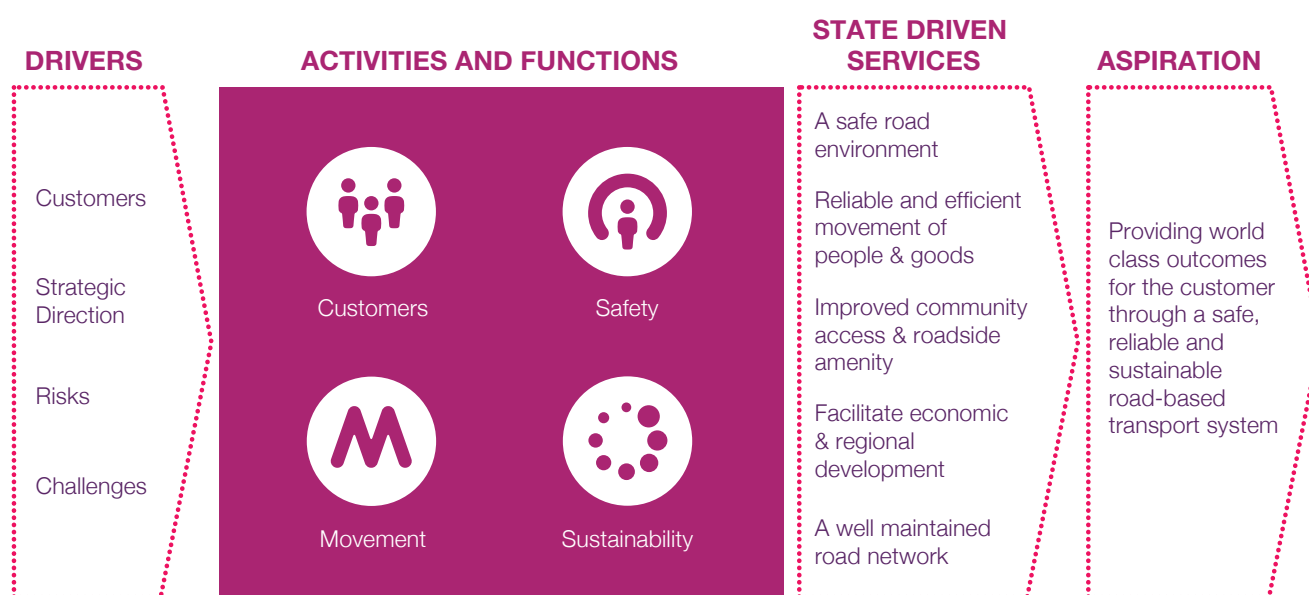
- Maintained AS/NZ 4801 Safety Management Systems certification
- Developed and implemented a safety behavioural initiative to improve visibility of leadership and empower the workforce
- Developed ergonomic e-learning

Corporate Business Plan 2015-2019

Our Corporate Business Plan is aligned to our strategic direction and Government goals and objectives. It forms the basis for all Directorate and Branch Business Plans and aligns planning, delivery, maintenance and operational activities with our corporate direction and priorities. This approach integrates strategic, workforce, operational and financial planning.

The Business Planning process defines how we go about our business and identifies annual corporate initiatives and actions within a four year timeframe. The Business Planning model shows the relationship between internal business management processes and the drivers to achieve program outcomes and Government goals.

We monitor, review and evaluate progress against achievements in the Corporate Business Plan and have established initiatives to review progress against stated aims each month, quarter, six months and year. Reporting varies from scorecard and dashboard style information and analysis through to quarterly staff communiques.



Risk Management

Our Policy

Our Risk Management Policy states that we “manage all risks so that our business outcomes are achieved and our reputation is protected”. We achieve this by:

- making risk management everyone’s responsibility
- integrating risk management with business planning
- capturing lessons learnt and implementing continuous improvement
- establishing ongoing control and accountability
- taking the broadest approach possible, and identifying all risks.

Our Risk Management Process

Our systematic approach to enterprise-wide risk management centralises various corporate risk management procedures and processes from across the organisation.

All employees have a responsibility to mitigate risk by managing and identifying risks that are a part of the work we undertake. We align our process to the Australian Standard AS/NZS ISO 31000:2009 – Risk Management. In addition, major capital works projects incorporate risk management processes to identify and manage project and operational risks where necessary.

Our Corporate Risk Management Reporting

We hold workshops across the organisation to identify key operational and strategic risks facing individual directorates and business units, as well as Main Roads as a whole. These workshops focus on the strategic and longer term impacts to our business.

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

Empowering Legislation

Main Roads Act

The *Main Roads Act 1930*, as last amended in 1996, establishes the Commissioner of Main Roads as a corporate body and sets out the powers and duties of the office. The Commissioner of Main Roads administers the Act and the accompanying Regulations and is accountable to the Minister for Transport.

The Road Safety Council Empowering Legislation and the Office of Road Safety

The *Road Safety Council Act 2002* is the enabling legislation for the Road Safety Council. The Act is administered by the Minister for Road Safety who is supported by the Office of Road Safety. Governance arrangements for road safety are documented in the Road Safety Council Governance Charter, the Road Safety Council Code of Conduct and Office of Road Safety Role Statement approved by the Minister.

Other Empowering Legislation

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

Processes and controls ensure we comply with other State and Commonwealth legislation and regulations which impact on our activities.

Ministerial Directives

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

Financial Targets: Actuals Compared to Budget

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

	2014-15 Target ⁽¹⁾ \$000	2014-15 Actual \$000	Variation ⁽²⁾ \$000
Total Cost of Services	2,075,440	1,989,406	86,034
Net Cost of Services	1,242,368	1,215,449	26,919
Total Equity	43,351,895	46,069,648	(2,717,753)
Net increase / (decrease) in cash held	63,742	113,572	49,830

(1) As specified in the latest budgets statements relating to estimates for 2014-15.

(2) Explanations of variations:

- a) The variation in relation to the Total Cost of Services is mainly due to a reduction in maintenance cash outflows as a result of Treasury corrective measures, some delays in award of capital works contracts, claims from Local Government for works under the State Roads Funding to Local Government Agreement not being received and Motor Vehicle Licence Fees adjustments made by Treasury at 30 June 2015.
- b) The variation in Net Cost of Services is a result of claims from Local Government for works under the State Roads Funding to Local Government Agreement not being received, as well as an increase in operational overheads charged to capital projects.
- c) The variation in relation to Total Equity relates mainly to revaluation increases in the value of Land under Roads required under Accounting Standards to prevailing market based fair values.
- d) The Net increase in cash held being higher than budgeted relates to a reduction in maintenance cash outflows as a result of Treasury corrective measures, some delays in award of capital works contracts and Motor Vehicle Licence Fees adjustments made by Treasury at 30 June 2015.

Further explanations are also contained at Note 42 of the Financial Statements.

Reporting to the Department of Treasury

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

We are also required to report quarterly against financial targets and measures in the Resource Agreement between the Commissioner of Main Roads, Managing Director of Main Roads, Minister for Transport and the Treasurer.

Management Reporting

Financial reports are tabled monthly and quarterly at the Budget Committee comprising the Managing Director of Main Roads, all Executive Directors and chaired by the Chief Finance Officer. Key financial highlights are reported monthly to Corporate Executive along with progress against Key Financial Performance Indicators. In addition, regions and branches review finances each month and present financial reports at Directorate Management Meetings. Financial performance reports are reviewed quarterly by the Department of Transport Portfolio Investment Coordination, as part of portfolio financial reporting to the Minister for Transport.

Accounting and Financial Management Policies

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

Capital Works

Financial statements include all disclosures in relation to capital works. Our Strategic Asset Management Plan details our 10-year investment needs and drivers. The Strategic Asset Management Plan adheres to WA Treasury's Strategic Asset Management Framework.

We assess projects for funding based on their economic, environment and social impacts. Each capital project follows the national Austroads project evaluation methodology that includes a Benefit Cost Ratio (BCR) process, incorporating quantifiable economic data supplemented by simplified economic, environmental and social assessments.

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

Managing our Records

Our best practice recordkeeping processes meet the legislative requirements of the *State Records Act 2000*. Our current Recordkeeping Plan approved in 2010 provides overarching guidance in recordkeeping systems, policies, practices, processes and legal disposal, in line with the changing needs of our workforce and how we do business. The Plan is being reviewed and remains valid until October 2015.

In line with our strategic value of putting the customer and their experience at the centre of everything we do, we have developed a Recordkeeping Framework to assist in educating employees concerning our records programme.

We have adopted the Australian Standard AS ISO 15489 – Records Management for best practice recordkeeping, and actively use the State Records Commission standards and principles. In addition, the ISO 16175 concerning Principles and Functional Requirements for Records in Electronic Office Environments has underpinned upgrade considerations regarding the Electronic Document and Records Management System (EDRMS), the development of corporate business applications/systems, and changes to internal and external websites. This new framework approach towards the management and conduct of recordkeeping provides a solid foundation for appropriate service delivery to our customers and stakeholders in a planned and informed manner.

More information on the services we provide, our response to future trends and our training program can be found on page 148.



Stewardship

Developing and maintaining an enterprise-wide recognition that the organisation is managed for the benefit of its customer, taking reasonable account of the interests of other legitimate stakeholders.

Complaints Handling Process

We provide an accessible, fair and equitable complaints handling process that meets the Australian Standard for Complaints Handling (AS ISO 10002 – 2006). Information regarding our Policy is available on our website. The corporate standard for responding to complaints is 10 working days. Information regarding our process is provided to all employees during the induction process and is available on our intranet.

We conduct a monthly quality assurance check of this process via a complaints handling survey that assesses customers' perception of how we have managed their complaint and whether we complied with the published process. We investigate and resolve reasons for not complying with the process and opportunities to improve the customer experiences.

Last year, 54% of respondents said they were satisfied with how their complaint was handled.

Social Media Guidelines

Our Social Media Guidelines raise employee awareness of their responsibilities when using social media, whether in a professional or private capacity. The Guidelines help employees to identify opportunities where social media can improve communication for events and campaigns.

Sustainable Procurement and Buy Local

The State Supply Commission Policy on sustainable procurement requires us to demonstrate that we have considered sustainability in our procurement of goods and services. We go above the requirements of the policy by reflecting it in not only our processes for procuring goods and services, but also in procuring works. In addition, we apply the Buy Local Policy where we consider and give preference to local providers in our purchases, as the benefits to industry development and employment are recognised. Buy Local Policy clauses are also included in all our tender documents and tender assessments.

Reporting for Buy Local is extracted from information contained within the Department of Finance's Tenders WA website. Data is not yet available for the current year.

Awarded to businesses located within the "prescribed distance" of a regional delivery point as defined in the Buy Local Policy

2011		2012		2013		2014	
Metro	Regional	Metro	Regional	Metro	Regional	Metro	Regional
n/a	60%	n/a	41%	n/a	71%	n/a	57%

Awarded to a “local business” as defined in the Buy Local Policy (target 80%)							
2011		2012		2013		2014	
Metro	Regional	Metro	Regional	Metro	Regional	Metro	Regional
98%	93%	90%	90%	96%	100%	99%	91%

Freedom of Information

Certain documents can be obtained under the *Freedom of Information Act 1992*. An information statement produced in accordance with Act and available on our website provides a guide on how to obtain documents from Main Roads under the Act, as well as information or documents available without a formal application. During the year, we received 50 applications.

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

Public Interest Disclosures

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

The Public Interest Disclosure Guidelines are available online to all staff, and were incorporated into ongoing fraud and awareness training rolled out to all areas of Main Roads throughout 2014.



Integrity

Developing and maintaining a culture committed to ethical behaviour and compliance with the law.

Our Values and Code of Conduct

Our well-established Code of Conduct guides the way we work and establishes our responsibilities and standards of workplace behaviour. The Code builds upon the fundamental principles contained in the *Public Sector Management Act 1994* and the Public Sector Commission, Commissioner's Instruction No.7 – Code of Ethics which binds all Western Australian public sector employees. All of our employees are responsible for their own conduct and for their interactions with our customers, stakeholders, the community and with each other. Our Guiding Principles reflect our values and underpin the delivery of Keeping WA Moving. They look at how we operate as we work towards achieving our future direction.

Ethical and Responsible Decision-Making

To support ethical and responsible decision-making, Corporate Executive receives appropriate and timely information before meetings. This information includes status reports for each directorate, a Safety, Health and Wellbeing Status Report, financial management information and Quarterly Standing Reports for each sub-committee.

Each Directorate's business plan is linked to the Corporate Business Plan and Keeping WA Moving. This coordinates our activities and aligns activities with our strategy. We report risk identification and management data quarterly and organisational performance information in a monthly KPI Scorecard. The Managing Director enters into a performance agreement with the Commissioner, and each member of Corporate Executive has an Individual Performance Agreement with the Managing Director, ensuring individual responsibility and accountability.

The Accountable and Ethical Decision-Making training course is compulsory for all new employees and is delivered via e-learning.

Corruption Prevention

Our strategies to prevent the misappropriation of funds and inappropriate use of public property include a comprehensive Annual Audit Plan that balances financial, operational and information technology audits. In addition, we consider Risk Management an integral part of annual business planning and manage and monitor risks at all levels.

Our Fraud and Corruption Control Plan and a Fraud and Corruption Policy set out the relevant policies and obligations for all employees with respect to preventing, mitigating and reporting instances of fraud and corruption within Main Roads. These documents are available to all employees on our intranet.

A current granular level assessment of all Main Roads business units will identify existing and potential risks of fraud and corruption and the controls in place, and will rate risks against an established risk matrix. Results will lead to a Fraud and Corruption Detection Program for implementation across the agency.

Conflicts of Interest

Our Code of Conduct requires all employees to ensure personal, financial and political interests do not conflict with performance or the ability to perform impartially. Any conflict of interest must be resolved in favour of the public interest rather than personal interest.

Our Conflict of Interest Policy and Register is maintained by the Manager Legal and Insurance Services. We consider a situation to reflect conflicts of interest when:

- decisions are biased as a result of outside activities or private employment
- outside activities result in a less than satisfactory work performance or breach standards such as those relating to occupational safety and health
- information gained from official employment is used for private gain
- Government resources are used for private gain
- Government time is used to pursue private interests
- gift or benefits are accepted
- confidential information obtained during the course of duty is disclosed
- ethics are breached
- favours are granted or received for political, status, relationship, personal or business advantage
- actions jeopardise Government and Main Roads policies and procedures
- actions place Main Roads at risk.

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

Other than normal contracts of employment of service, no senior officers, firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with Main Roads during the financial year.

Acceptance of Gifts and Benefits

Our Procurement Conflict of Interest and Gifts and Benefits Policy states that employees and Contract Personnel engaged by Main Roads must not:

- be influenced, or perceived to be influenced, by the offer or receipt of gifts or benefits
- engage in actions where a conflict of interest, or perceived conflict, arises in the course of their duty or contract obligations.

If a Conflict of Interest (whether actual, potential or perceived) is identified, full details are recorded in the Conflict of Interest Register and the Manager Supply and Transport notified as soon as practical, before the potential conflict can give rise to any material problem or concern.

We do not condone the acceptance of any gift, benefit or hospitality invitation, regardless of value. Employees should not accept offers of gifts, benefits or hospitality invitations from contractors, consultants or suppliers.

All gifts, benefits and hospitality invitations (regardless of value) must be declared in the Gifts and Benefits Register by the officer receiving the offer. The declaration should identify the relationship between the gift offered, the gift giver and the gift receiver.

The Gift and Benefits Register is maintained and reviewed by Manager Legal and Insurance Services.

Misconduct and Inappropriate Behaviour

All employees are expected to abide by the following:

- Public Sector Code of Ethics
- Main Roads Code of Conduct
- Main Roads Values
- Corruption and Crime Procedures and Guidelines

When a complaint or a report of alleged inappropriate behaviour or misconduct is received, management is required to take action through internal processes. An initial review of the information or complaint is done to understand the nature and severity of the alleged behaviour. The outcome of this review determines the most appropriate action which may include:

- discipline
- grievance resolution
- performance management
- Corruption and Crime Commission Procedures
- improvement actions

These processes may necessitate an investigation into the behaviour to enable a fair and equitable decision to be made on the outcomes.

Misconduct as defined by the Corruption and Crime Commission must be reported to the Commission.

Ethical Procurement

Our procurement policies and procedures comply with the requirements of the State Supply Commission and are certified to AS/NZS 9001:2015. Policies are documented in the Procurement Management Manual and all tendering and contract administration procedures are documented in the Tendering and Contract Administration Manual. A compliance program ensures these policies and procedures are implemented.

A Tender Committee, consisting of two senior internal officers and two senior external Government officials, provide additional assurance that procurement actions comply with policies and standards for high risk, potentially contentious procurements. In addition, we submit all procurement plans and tender recommendations for goods and services arrangements over \$5 million for review and endorsement by the WA Government's State Tender Review Committee.

Procurement Grievances

A procedure for dealing with procurement grievances is referenced in all tender documents and is accessible from our website. The procedure is endorsed by the Western Australian Road Construction and Maintenance Industry Advisory Group and provides for a customer-focused, fair, structured and relationship-based approach to reviewing grievances lodged by contractors.

During the year, two grievances were received and have since been closed out. The grievances did not highlight any common areas of concern. The low number of grievances, which represent less than 1% of all contracts awarded, is consistent with previous years and indicates that our procurement processes continue to be fair and equitable.

Major Suppliers

The table below lists our major suppliers/contractors and their award value.

Major Suppliers/ Contractors	2015 Awards Value (GST excl) \$million
ASJV Arup Jacobs Joint Venture	53.0
Axent Global	10.2
BMD / MACA Joint Venture	12.7
Brierty Bocol JV	69.1
Georgiou Group Pty Ltd	65.0
Leighton Contractors Pty Ltd	160.4
Lend Lease Engineering (Formerly Abigroup Contractors)	34.5
MACA Civil Pty Ltd	39.3
NRW Holdings Ltd	10.3
SMS Management & Technology	31.8
York Civil Marine & Civil J.V	21.9
York Rizzani Joint Venture	53.6

Compliance with Public Sector Standards and Ethical Codes

Minimal compliance issues arose during the year regarding the Public Sector Standards, with only two against the Employment Standard and three against the Grievance Standard. All were either dismissed or resolved via conciliation. There were multiple discipline processes and disciplinary actions relating to breaches of the Code of Conduct and Public Sector Code of Ethics.

Steps to enhance processes to ensure compliance include:

- providing information about Public Sector Standards and Codes of Conduct on our intranet and in our induction material
- writing to applicants for recruitment, selection and appointment processes with details on how to access the Public Sector Standards
- ongoing training to recruitment and selection panel members to ensure compliance with relevant Public Sector Standards
- providing a network of Contact and Grievance Officers across the State
- reviewing and auditing all related policies, procedures and guidelines to ensure compliance with Public Sector Standards.

Pricing Policies of Services Provided

Our supply of goods and services represent works and services carried out for other public sector and private bodies on a cost recovery basis. Further details are available in the notes to the Financial Statements.



Performance Measures & Financial Statements

Statement of Certification

Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Commissioner of Main Roads performance and fairly represent the performance of the Commissioner of Main Roads for the financial year ended 30 June 2015.

Financial Statements

The accompanying financial statements of the Commissioner of Main Roads have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2015 and the financial position as at 30 June 2015.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Peter Woronzow

CHIEF FINANCE OFFICER

20 August 2015



Stephen Troughton

MANAGING DIRECTOR OF MAIN ROADS

20 August 2015



Reece Waldock

ACCOUNTABLE AUTHORITY

20 August 2015



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

COMMISSIONER OF MAIN ROADS

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Commissioner's Responsibility for the Financial Statements

The Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Main Roads' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Commissioner of Main Roads at 30 June 2015 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Commissioner of Main Roads during the year ended 30 June 2015.

Controls exercised by the Commissioner of Main Roads are those policies and procedures established by the Commissioner to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Commissioner's Responsibility for Controls

The Commissioner is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Commissioner of Main Roads based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Main Roads complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the controls exercised by the Commissioner of Main Roads are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2015.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Commissioner of Main Roads for the year ended 30 June 2015.

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

Commissioner's Responsibility for the Key Performance Indicators

The Commissioner is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Commissioner determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commissioner's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the key performance indicators of the Commissioner of Main Roads are relevant and appropriate to assist users to assess the Main Roads' performance and fairly represent indicated performance for the year ended 30 June 2015.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Commissioner of Main Roads for the year ended 30 June 2015 included on the Main Roads website. The Main Roads management is responsible for the integrity of the Main Roads website. This audit does not provide assurance on the integrity of the Main Roads website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
20 August 2015



Key Performance Indicators

Introduction

Good performance information is an essential part of good management and assists in ensuring accountability, transparency and aids us in our decision making. At Main Roads we use performance measurement to gain insight into, and make judgements about, the effectiveness and efficiency of our programs, processes and people.

We measure our progress in meeting strategic goals and outcomes, gather and analyse performance data and then use that data to drive improvements and successfully measure the deployment of actions into outcomes. Our performance measures support decision making by:

- providing useful information on how efficient and effective our core processes are
- signalling if improvements are necessary
- identifying potential risk areas
- determining if our customers and stakeholders are satisfied and if we are meeting our own and the Government's goals.

We have a well-established outcome based performance measurement framework that seeks to measure our success in delivering agreed Government goals and outcomes. Our performance measures are integrated within a monthly evaluation process that is reviewed by our Corporate Executive Leadership team.

Alignment with Government Goals

Main Roads contributes towards the achievement of four goals identified by the Western Australian Government. We achieve the delivery of these goals through an outcome based Program Management approach. There are seven programs, or services, that drive outcome based decision making to achieve the delivery of services to our customers. The following table shows the alignment of each Program against the Government's goals.

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

Review of Measures and Changes Since the Last Report

As reported last year Main Roads participated in a review of our outcome based management reporting in consultation with the Department of Treasury. The aim of the review, which was initiated by the Economic Expenditure Review Committee, was to seek greater transparency and alignment with individual programs and areas of activity.

In November 2014 the Treasurer advised that the Department of Treasury concluded that our current reporting structure and measures did not exhibit the generic deficiencies identified as the driving impetus for the Cabinet decision. It was also noted that Main Roads continues to review its measures to ensure they remain best practice. There are no other changes to our measures since the 2014 Annual Report.

Understanding Community Perception Measures

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

Through the use of an external research company, the data was collected by way of telephone interview using a developed structured questionnaire. The results are based upon a random and representative sample of 903 people (203 persons in the Metropolitan area and 700 persons in rural areas – approximately 100 from each Region). When extending these results to estimate the percentage of satisfied Western Australians, the overall sampling error is +/- 3.26% at the 95% confidence interval and is also weighted to reflect the actual population distribution based on ABS statistics. The full survey is available on the Main Roads website.

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

Understanding On Time and On Cost Measures

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

Structure







The following provides a summary of our program outcomes and measures for each indicator showing the trend over time as well as providing a status report as to how the results for 2014-15 compared against the targets from the State Budget Papers. The remainder of this chapter provides commentary on the efficiency and effectiveness indicators for each of the seven outcome based programs.



Looking Ahead

In July 2015 the Minister for Road Safety announced the establishment of the Road Safety Commission, which replaces the Office of Road Safety and creates a new stand-alone department. The launch of the commission is a key recommendation of the Browne Review into road safety governance in WA. This means that this will be the last time that the Office of Road Safety program will be reported as part of Main Roads outcome based measures. We will also be taking a new approach around the collection of our customer perception survey data in the metropolitan area moving to on-line survey responses rather than the traditional telephone based surveys.

Summary

			2012	2013	2014	2015 Target	2015 Actual
 Road Safety Program							
% Community Satisfaction of road safety			92	94	95	90	94
Black Spot location indicator			10.7	10.3	10	9.7	9.2
% of contracts completed on time			67	70	100	90	94
% of contracts completed on budget			95	95	94	90	94
 Office of Road Safety Program							
% Effectiveness of road safety awareness campaigns			60	83	0	65	65
% of ORS Projects completed on time			87	78	83	90	91
% of ORS Projects completed on budget			97	100	95	90	100
 Road Efficiency and Road Management Programs							
% Community Satisfaction			95	94	94	90	96
Road network permitted for use by heavy vehicles	B Double -27.5m %		96	97	97	96	98
	Double RT -27.5m %		96	97	97	96	97
	Double RT-36.5m %		78	79	79	78	80
	Triple RT-53.5m %		44	44	45	44	45
% Network configuration	Roads		89	89	90	90	91
	Bridges	Strength	87	88	89	89	89
		Width	95	95	94	95	95
% of contracts completed on time			55	86	89	90	72
% of contracts completed on budget			82	100	84	90	100
Average \$ cost of network management per million vehicle km travelled			3,583	4,313	4,587	5,451	5,000
 State Development Program							
Average return on construction expenditure			2.1	3.1	5.4	4.3	5.6
% of contracts completed on time			33	100	75	90	100
% of contracts completed on budget			100	100	100	90	100
 Road Maintenance Program							
% Smooth Travel Exposure			n/a	97	n/a	97	96
% Community Satisfaction road maintenance			90	84	90	90	95
% Preventative maintenance indicator			86	87	86	85	86
Average \$ cost of network maintenance per lane kilometre of road network			7,224	7,536	6,063	8 349	6,551
 Community Access Program							
% of the year that 100% of the Main Roads' State road network is available			90	94	96	85	87
% Community satisfaction with cycleways and pedestrian facilities			76	83	85	90	76
% of contracts completed on time			80	80	75	90	83
% of contracts completed on budget			100	80	50	90	92

⚠ Road Safety

Outcome: Providing a safe road environment

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

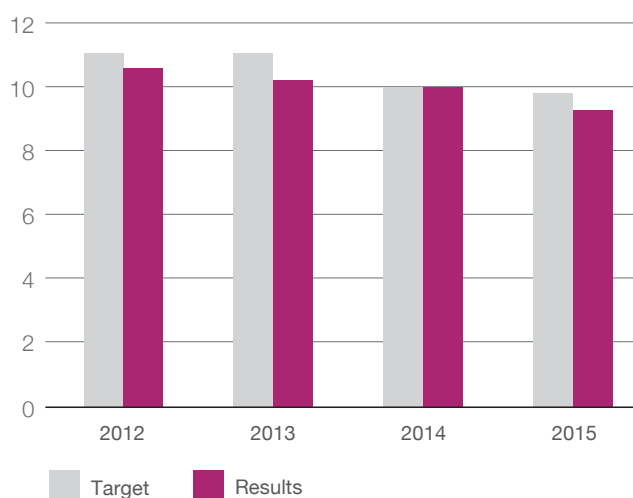
Effectiveness Indicators

Community Satisfaction with Road Safety

This indicator represents how satisfied the community is with Main Roads' overall performance in the area of road safety. The survey results show that Main Roads' high performance on road safety remains strong with 94% of survey participants rating it as okay or better exceeding the target of 90%. The survey showed the greatest area of improvement was the perceptions of road safety in the Kimberley and the Pilbara regions.

Black Spot Location Indicator

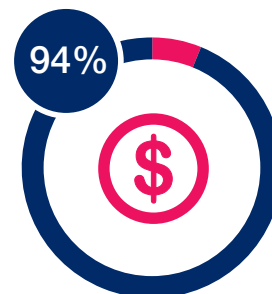
The indicator gives a measure of the number of locations on the road network that meet State Black Spot criteria based on an analysis of crash history. The measure uses a sliding window to determine whether the number of locations eligible for funding is increasing or decreasing, taking into account the amount of travel in the State. The four year trend continues to show a gradual decline in the number of eligible black spot locations with the current result being the lowest recorded since the implementation of the Black Spot program in 2001, coming in below the estimated target.



Efficiency Indicators

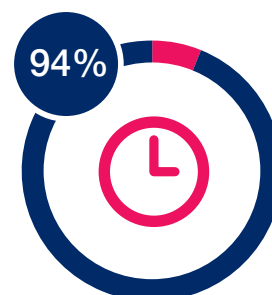
Percentage of Contracts Completed on Time

This indicator represents the percentage of contracts that were delivered on time in the Road Safety Program. The result achieved was 94% of contracts being delivered on time against a target of 90%. Of the four contracts that were late one was due to contractor production and resource issues, one was due to reprioritisation of resources in the Region coupled with inclement weather, one was due to fire bans restricting movement of machinery coupled with contractor productivity issues due to breakdowns and the final contract was late due to additional service relocation and is currently subject to assessment for a formal contractual extension of time to be granted. The overall result is slightly lower than last year but the overall four year trend remains positive.



Percentage of Contracts Completed on Budget

This indicator represents the percentage of contracts that were delivered on budget in the Road Safety Program. The result achieved was 94% of contracts delivered on cost which is above the target of 90%. Of the four contracts that were over budget two were due to a variation in the scope of works whilst the third contract was over budget due to incorrect cost allocations which will be corrected in the next financial year. The final contract is over budget due to non scope variations arising from the replacement of unsuitable materials resulting in extra materials being required. In each circumstance these contracts are being reviewed by the relevant contract manager to determine if variations should be issued however, at the time of preparing the report they remain over budget.



Office of Road Safety

Outcome: Improved coordination and community awareness of road safety

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

Effectiveness Indicators

Effectiveness of Road Safety Awareness Campaigns

This indicator represents the portion of Western Australian drivers who remember seeing major road safety community education campaigns with a mass media budget of more than \$500 000 conducted by the Office of Road Safety. The data is collected independently through professional market research companies by conducting evaluation surveys of in excess of 400 responses before and after each major campaign. This year the data is based on five campaigns (drink driving, speed behaviour, speed enforcement, changes in legislation and mobile phone usage) which averaged a penetration rate of 65% which is in line with the target.

Efficiency Indicators

Percentage of Projects Completed on Time

This indicator represents the percentage of projects approved by the Road Safety Council and the Minister for Road Safety that were delivered on time by the Office of Road Safety, it excludes external bodies grant funded projects. The current year's result shows that 91% of all projects were delivered on time which above the target of 90% and reflects an improvement on last year's result.

Percentage of Projects Completed on Budget

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



Road Efficiency and Road Management

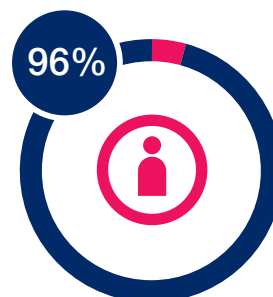
Outcome: Reliable and efficient movement of people and goods

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

Effectiveness Indicators

Community Satisfaction

This indicator represents how satisfied the community is with Main Roads' overall performance in the management and operation of the State road network. The survey results show that Main Roads overall performance remains high with 96% of respondents rating Main Roads' performance as okay or better exceeding the target of 90%. The survey showed the perceptions are most positive among road users in the Mid West – Gascoyne region.



Network Configuration-Roads

This indicator shows the percentage of travel undertaken on roads meeting specific criteria for seal width, carriageway width and curve rating. The indicator gives a measure of the ability of Main Roads to plan for and maintain roads to desirable standards. In 2015, 90.7% of travel was undertaken on roads meeting the seal width, carriageway width and curve rating criteria which is in line with the target of 90%. The results over the four-year period are relatively consistent and demonstrate that Main Roads continues to plan and program works to address roads that are below the criteria.

Road Network Permitted for use by Heavy Freight Vehicles

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

Type of Vehicle	2012	2013	2014	Target	2015
B Double - 27.5m	96	97	97	96	98
Double Road Train - 27.5m	96	97	97	96	97
Double Road Train - 36.5m	78	79	79	78	80
Triple Road Train - 53.5m	44	44	45	44	45

Network Configuration - Bridges

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

Strength - The results of this indicator show that 89% of the bridges meet the agreed criteria for strength against a target of 89%.

Width - In relation to width 95% of bridges meet the criteria against a target of 95%.

Efficiency Indicators

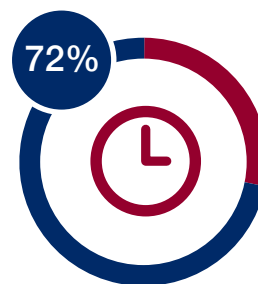
Percentage of Contracts Completed on Budget

This indicator represents the percentage of contracts that were delivered on budget in the Road Efficiency Program. Whilst the target was established at 90%, the result achieved was 100% of contracts being delivered on budget.



Percentage of Contracts Completed on Time

This indicator represents the percentage of contracts that were delivered on time in the Road Efficiency Program. Whilst the target was established at 90%, 72% of contracts were. Of the five contracts that were late two are still in progress whilst a third was over by less than ten days. Of the remaining two contracts one was delayed due to the unavailability of sealing and white lining resources and the other was delayed due to accessing heavy vehicle movement permits, this final contract is subject to review by the contract manager to determine if an extension of time could be granted but at the time of preparing this report it remains outstanding.



Average Cost of Network Management

This indicator measures the financial efficiency of the Road System Management program in terms of cost per million vehicle kilometres travelled to manage the road system. In order to compare current figures with previous years all figures have been adjusted and reported in terms of current year's dollars. In respect of the current year the result of \$5, 000 per million vehicle kilometres travelled which is lower than the target. The trend for this measure is continuing to show a gradual increase which continues to reflect an increase in the provision of non infrastructure services particularly arising from the focus on addressing congestion.

State Development

Outcome: Facilitating economic and regional development

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

Effectiveness Indicators

Return on Construction Expenditure

New road and bridge construction networks add to the capacity of the road network. Return on Construction Expenditure is based on Benefit Cost Ratio (BCR) estimates of a set of projects undertaken each year. It indicates the extent to which road and bridge construction expenditure will deliver future economic benefits to the community. This indicator represents the expenditure weighted BCR for the State Development Program and Road Efficiency program for which a BCR has been calculated. The target for 2014-15 is an expenditure weighted average BCR of 4.3, with the result for 2014 - 15 being 5.6.

Efficiency Indicators

Percentage of Contracts Completed on Time

This indicator represents the percentage of contracts that were delivered on time in the State Development Program. The result achieved was 100% of contracts being delivered against a target of 90%.



Percentage of Contracts Completed on Budget

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



Road Maintenance

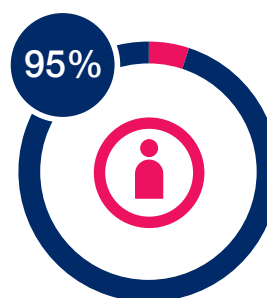
Outcome: Providing a well maintained road network

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

Effectiveness Indicators

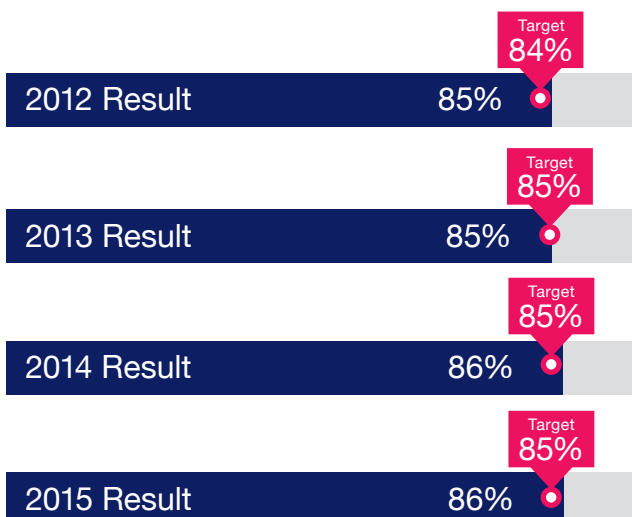
Community Satisfaction of Road Maintenance

This indicator represents how satisfied the community is with Main Roads overall performance in the maintenance of the State road network. The survey results show that Main Roads rating has improved since last year achieving 95% of survey participants rating it as okay or better coming in on target. The survey showed that the largest improvement as well as the highest rating was in the Kimberley region. Although there is greatest room to improve in Goldfields-Esperance and Southwest regions, ratings in both areas improved over the last year.



Preventative Maintenance Indicator

The Preventative Maintenance Indicator provides a measure of the proportion of sealed state road network which has a surfacing age younger than its optimal target age. The indicator provides a measure of proactive maintenance undertaken on the network on an annual basis. Sections of the network with a surfacing age younger than target age are classified as 'Good'.



Smooth Travel Exposure

This indicator is based on the percentage of travel undertaken on the State road network meeting specific roughness criteria. In 2014 - 15, 96% of the total travel on sealed state roads is undertaken on roads that meet the roughness standard. The result was slightly under the established target.

Efficiency Indicators

Average Cost of Network Maintenance per Lane Kilometre of Road Network

This indicator identifies the financial efficiency of road and roadside maintenance works by showing the cost per lane kilometre to maintain acceptable travel conditions on the State roads. In determining the cost basis expenditure on structures and infrastructure depreciation has been excluded. In order to compare current figures with previous years all figures have been adjusted and reported in terms of current year's dollars which can influence the trend result. This year's result shows a 21% variance against the target with the result being lower than estimated. There are two significant factors that have caused the rate to be lower than the target being the reduced funding arising from targeted budget savings and less natural disasters occurring over the last 12 months. Both of these unexpected factors resulted in the target being effectively overstated.



Community Access

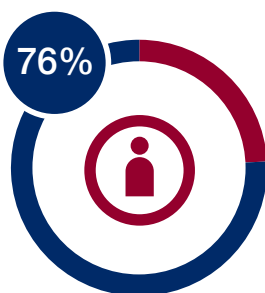
Outcome: Improving community access and roadside amenity

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

Effectiveness Indicators

Community Satisfaction with Cycleways and Pedestrian Facilities

This indicator represents how satisfied the community is with Main Roads' performance in the construction, maintenance and management of cycleways and pedestrian facilities. The survey result shows that Main Roads rating has decreased since last year achieving 76% against the target of 90%. Perceptions of cycleways and pedestrian facilities across Western Australia have declined since last year, with the biggest drops in Goldfields -Esperance and the Pilbara, however perceptions improved significantly in the Kimberley.



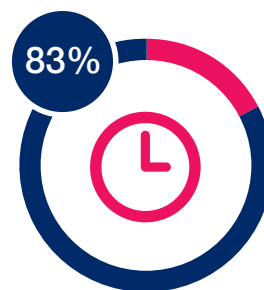
Unplanned Road Closure on the State Road Network

Generally 100% of Main Roads Road sealed network is available to all road users; however, there are unplanned road closures due to a number of reasons including flooding, cyclones, major bushfires and major road accidents, which may vary in duration. The availability of the sealed road network is measured as a percentage of calendar days that the whole network is available to the road user. Closure is determined by measuring the number of whole days (24 hours commencing from the time the road is closed) that any section of the sealed road network is closed. This year the road network was available 87% of the year which exceeds the 85% target which was increased last year.

Efficiency Indicators

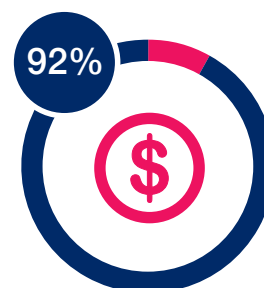
Percentage of Contracts Completed on Time

This indicator represents the percentage of contracts that were delivered on time in the Community Access Program. Whilst the target was established at 90%, 83% of contracts were delivered on time. Only two contracts were late one being for less than ten days and arose due to inclement weather, the second contract is still in progress and has been impacted by defects associated with rock protection resulting in removal and replacement of materials. This will be subject to review by the contract manager at the conclusion of the works but remains late at the time of reporting.



Percentage of Contracts Completed on Budget

This indicator represents the percentage of contracts delivered on budget against a target of 90%, the result was 92%. This is an improvement on last year and reflects that one contract was over budget due to a variation in scope to include an additional retaining wall due to concerns raised by the community.





Financial Statements and Notes

STATEMENT OF COMPREHENSIVE INCOME	98
STATEMENT OF FINANCIAL POSITION	99
STATEMENT OF CHANGES IN EQUITY	100
STATEMENT OF CASH FLOWS	101
NOTES TO THE FINANCIAL STATEMENTS	102
1. Australian Accounting Standards	102
2. Summary of significant accounting policies	102
3. Judgements made by management in applying accounting policies	107
4. Key sources of estimation uncertainty	107
5. Disclosure of changes in accounting policy and estimates	108
6. Employee benefits expense	112
7. Supplies and services	112
8. Depreciation expense of infrastructure assets	112
9. Depreciation and amortisation expense of other assets	113
10. Finance costs	113
11. Grants and subsidies	113
12. Other expenses	113
13. Regulatory fines	113
14. Sale of goods and services	113
15. Commonwealth grants and contributions	114
16. Contributions to roadworks	114
17. Grants from other bodies	114
18. Interest revenue	114
19. Other revenue	114

20. Net gain/(loss) on disposal of non current assets	115
21. Income from State Government	115
22. Restricted cash and cash equivalents	116
23. Receivables	117
24. Amounts receivable for services (Holding Account)	117
25. Inventories	117
26. Prepayments	118
27. Non-current assets classified as held for sale	118
28. Property, plant and equipment.	118
29. Infrastructure	121
30. Fair value measurements	123
31. Intangible assets	127
32. Impairment of assets	127
33. Payables.	127
34. Borrowings.	128
35. Provisions.	128
36. Equity.	129
37. Notes to the Statement of Cash Flows	130
38. Services provided free of charge	131
39. Commitments	132
40. Contingent liabilities and contingent assets	132
41. Events occurring after the end of the reporting period	133
42. Explanatory statements	133
43. Financial instruments	139
44. Remuneration of members of the accountable authority and senior officers	142
45. Remuneration of auditor.	143
46. Affiliated bodies	143
47. Special purpose accounts	143
48. Supplementary financial information.	144
49. Indian Ocean Territories	144
50. Schedule of Income and Expenses by Service	145

STATEMENT OF COMPREHENSIVE INCOME*for the year ended 30 June 2015*

	Note	2015 \$000	2014 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	65,593	69,394
Supplies and services	7	440,573	496,794
Depreciation expense of infrastructure assets	8	254,263	251,682
Depreciation and amortisation expense of other assets	9	4,284	4,246
Finance costs	10	476	618
Grants and subsidies	11	197,844	311,161
Other expenses	12	18,852	19,456
Total cost of services		981,885	1,153,351
Income			
<i>Revenue</i>			
Regulatory fines	13	99,787	80,037
Sale of goods and services	14	11,304	9,854
Commonwealth grants and contributions	15	547,545	266,419
Contributions to roadworks	16	78,328	77,020
Grants from other bodies	17	13,772	75,246
Interest revenue	18	2,756	2,437
Other revenue	19	18,838	40,674
Total revenue		772,330	551,687
<i>Gains</i>			
Gain on disposal of non-current assets	20	1,628	3,191
Total gains		1,628	3,191
Total income other than income from State Government		773,958	554,878
NET COST OF SERVICES		207,927	598,473
Income from State Government	21		
Service appropriation		830,568	816,275
Natural disaster funds		35,210	35,577
Services received free of charge		5,616	1,814
Royalties for Regions Fund		796	1,410
Total income from State Government		872,190	855,076
SURPLUS/(DEFICIT) FOR THE PERIOD		664,263	256,603
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	36	1,865,619	1,401,667
Total other comprehensive income		1,865,619	1,401,667
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,529,882	1,658,270

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 2015*

	Note	2015 \$'000	2014 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	37	186,970	84,845
Restricted cash and cash equivalents	22	95,048	83,602
Receivables	23	51,443	53,601
Amounts receivable for services	24	54,063	47,553
Inventories	25	2,421	2,994
Prepayments	26	21,435	29,515
Non-current assets classified as held for sale	27	7,150	638
Total Current Assets		418,530	302,748
Non-Current Assets			
Receivables	23	96	115
Amounts receivable for services	24	1,698,895	1,544,651
Inventories	25	1,855	1,304
Prepayments	26	1,330	3,242
Property, plant and equipment	28	567,204	529,695
Infrastructure	29	43,729,691	41,206,446
Intangible assets	31	17,725	18,074
Total Non-Current Assets		46,016,796	43,303,527
TOTAL ASSETS		46,435,326	43,606,275
LIABILITIES			
Current Liabilities			
Payables	33	326,348	298,119
Borrowings	34	5,766	5,000
Provisions	35	28,999	33,787
Total Current Liabilities		361,113	336,906
Non-Current Liabilities			
Borrowings	34	-	5,766
Provisions	35	4,561	4,148
Total Non-Current Liabilities		4,561	9,914
TOTAL LIABILITIES		365,674	346,820
NET ASSETS		46,069,652	43,259,455
EQUITY			
Contributed equity	36	4,039,936	3,759,621
Reserves		29,320,225	27,454,606
Accumulated surplus/(deficit)		12,709,491	12,045,228
TOTAL EQUITY		46,069,652	43,259,455

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 2015*

	Note	Contributed Equity \$000	Reserves \$000	Accumulated surplus/ (deficit) \$000	Total Equity \$000
Balance at 1 July 2013	36	3,303,418	26,052,939	11,788,625	41,144,982
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated 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
Balance at 1 July 2014		3,759,621	27,454,606	12,045,228	43,259,455
- Surplus/(deficit)		-	-	664,263	664,263
- Other comprehensive income		-	1,865,619	-	1,865,619
Total comprehensive income for the period		-	1,865,619	664,263	2,529,882
Transactions with owners in their capacity as owners:					
- Capital appropriations		325,471	-	-	325,471
- Other contributions by owners		16,193	-	-	16,193
- Distributions to owners		(61,349)	-	-	(61,349)
Total		280,315	-	-	280,315
Balance at 30 June 2015		4,039,936	29,320,225	12,709,491	46,069,652

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 2015*

	Note	2015 \$000	2014 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		622,261	597,723
Capital appropriation		325,471	443,592
Holding account drawdown		47,553	46,907
Natural disaster funding		35,210	35,577
Royalties for Regions Fund		10,183	32,113
Net cash provided by State Government		1,040,678	1,155,912
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(70,480)	(73,858)
Supplies and services		(441,828)	(480,287)
Grants and subsidies		(189,237)	(196,478)
GST payments on purchases		(146,675)	(149,714)
Finance costs		(403)	(678)
Receipts			
Sale of goods and services		94,594	112,072
Commonwealth grants and contributions		547,545	266,419
Regulatory fines		99,787	80,037
Interest received		2,622	2,496
GST receipts on sales		11,333	12,552
GST receipts from taxation authority		133,814	134,160
Other receipts		12,394	14,239
Rent received		3,978	4,036
Net cash provided by/(used in) operating activities	37	57,444	(275,004)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(27,452)	(24,342)
Purchase of infrastructure assets		(957,948)	(958,875)
Receipts			
Proceeds from sale of non-current assets		5,849	13,147
Net cash provided by/(used in) investing activities		(979,551)	(970,070)
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		113,571	(94,162)
Cash and cash equivalents at the beginning of the period		168,447	262,609
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	37	282,018	168,447

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

1. Australian Accounting Standards

General

The Commissioner of Main Roads' (Main Roads) financial statements for the year ended 30 June 2015 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 2015.

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 of 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 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 2015 is based on the depreciated replacement cost determined at 30 June 2015 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
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(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 accrued amount appropriated 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 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 and is

therefore 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, and 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 2014 that impacted on Main Roads.

Int 21	<p><i>Levies</i></p> <p>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.</p>
AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>The adoption of the new Standard has no financial impact for Main Roads as it does not impact accounting for related bodies and Main Roads has no interests in other entities.</p>
AASB 11	<p><i>Joint Arrangements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 131 <i>Interests in Joint Ventures</i>, 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.</p> <p>There is no financial impact for Main Roads as the new standard continues to require the recognition of Main Roads' share of assets and share of liabilities for the unincorporated joint operation.</p>
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard, issued in August 2011, supersedes disclosure requirements in AASB 127 <i>Consolidated and Separate Financial Statements</i>, AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i>. There is no financial impact.</p>
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. There is no financial impact.</p>
AASB 128	<p><i>Investments in Associates and Joint Ventures</i></p> <p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of clarifications for the accounting treatments of changed ownership interest.</p> <p>The adoption of the new Standard has no financial impact for Main Roads as it does not hold investments in associates and joint ventures.</p>
AASB 1031	<p><i>Materiality</i></p> <p>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.</p>
AASB 1055	<p><i>Budgetary Reporting</i></p> <p>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.</p>

AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. There is no financial impact for Main Roads.</p>
AASB 2012-3	<p><i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i></p> <p>This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.</p>
AASB 2013-3	<p><i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.</i></p> <p>This Standard introduces editorial and disclosure changes. There is no financial impact.</p>
AASB 2013-4	<p><i>Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]</i></p> <p>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.</p>
AASB 2013-8	<p><i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049].</i></p> <p>The amendments, issued in October 2013, provide significant guidance in determine whether a not-for-profit entity controls another entity when financial returns are not 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.</p>
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.</i></p> <p>Part B of 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. It has no financial impact.</p>
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part A of this Standard consists primarily of clarifications to Accounting Standards and has no financial impact for Main Roads.</p> <p>Part B of this Standard has no financial impact as Main Roads contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans.</p> <p>Part C of this Standard has no financial impact as it removes references to AASB 1031 <i>Materiality</i> from a number of Accounting Standards.</p>

Future impact of Australian Accounting Standards not yet operative

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

Operative for
reporting periods
beginning on/after

AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9, and, AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that Main Roads shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2017
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.</i></p> <p>Part C of this omnibus Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. Main Roads has not yet determined the application or the potential impact of AASB 9.</p>	1 Jan 2015
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by Main Roads to determine the application or potential impact of the Standard.</p>	1 Jan 2015
AASB 2014-3	<p><i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</i></p> <p>Main Roads establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.</p>	1 Jan 2016
AASB 2014-4	<p><i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i></p> <p>The adoption of this Standard has no financial impact for Main Roads as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.</p>	1 Jan 2016
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2017

		Operative for reporting periods beginning on/after
AASB 2014-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]</i></p> <p>This Standard makes amendments to AASB 9 <i>Financial Instruments</i> (December 2009) and AASB 9 <i>Financial Instruments</i> (December 2010), arising from the issuance of AASB 9 <i>Financial Instruments</i> in December 2014. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
AASB 2014-9	<p><i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i></p> <p>This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
AASB 2014-10	<p><i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</i></p> <p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in dealing with the sale or contribution of assets between an investor and its associate or joint venture. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
AASB 2015-1	<p><i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</i></p> <p>These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle in September 2014, and editorial corrections. Main Roads has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
AASB 2015-2	<p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i></p> <p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.</p>	1 Jan 2016
AASB 2015-3	<p><i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i></p> <p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.</p>	1 Jul 2015
AASB 2015-6	<p><i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i></p> <p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. Main Roads has not yet determined the application of the Standard, though there is no financial impact.</p>	1 Jul 2016

	2015 \$000	2014 \$000
6. Employee benefits expense		
Wages and salaries	51,504	54,346
Annual leave	4,833	5,008
Long service leave	2,058	2,619
Fringe benefits tax	934	1,186
	59,329	63,159
Superannuation - defined contribution plans ^(a)	6,264	6,235
	65,593	69,394

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

7. Supplies and services

Contractors and Consultants	389,774	440,426
Materials	4,736	5,956
Plant hire charges	4,185	4,439
Postage, stationery and reprographics	739	1,005
Telecommunications	4,824	4,936
Building maintenance and equipment	3,247	4,606
Electricity, gas and water	7,321	15,324
Contributions	33	112
Legal costs	1,460	689
Advertising	4,107	1,671
Rates and taxes	408	290
Insurance	5,038	4,383
Other	14,701	12,957
	440,573	496,794

8. Depreciation expense of infrastructure assets

Roads – earthworks	824	852
Roads – earthworks (adjustment)	-	(651)
Roads – pavements, drainage and seal	179,932	181,015
Bridges	55,947	52,143
Road furniture	17,560	18,323
	254,263	251,682

	2015 \$000	2014 \$000
9. Depreciation and amortisation expense of other assets		
<u>Depreciation</u>		
Plant, equipment and vehicles	2,618	3,031
Buildings	6,041	5,446
Total depreciation	8,659	8,477
<u>Amortisation</u>		
Intangible assets	2,887	1,654
Total amortisation	2,887	1,654
Total depreciation and amortisation	11,546	10,131
Less: depreciation capitalised to infrastructure	(7,262)	(5,885)
	4,284	4,246
10. Finance costs		
Interest expense	476	618
11. Grants and subsidies		
Grants and subsidies to local government and other bodies	185,734	202,966
Grants of non-current assets to other bodies	12,110	108,195
	197,844	311,161
12. Other expenses		
Non-current assets retired/replaced ^(a)	18,304	19,456
Write-down of non-current assets classified as held for sale ^(b)	548	-
	18,852	19,456
(a) Non-current assets replaced or retired during the year have been expensed at their carrying amount.		
(b) Non-current assets held for sale measured at lower of carrying amount and fair value less selling costs.		
13. Regulatory fines		
Regulatory fines	99,787	80,037
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 <i>Road Safety Council Act 2002</i> .		
14. Sale of goods and services		
Sale of goods and services	11,304	9,854

This amount represents works undertaken for other public and private bodies and includes the recovery of expenditure from the Commonwealth Department of Infrastructure 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 2014-2015 are summarised at note 49 'Indian Ocean Territories'.

	2015 \$000	2014 \$000
15. Commonwealth grants and contributions		
Land Transport Infrastructure Projects	544,633	263,444
Interstate Road Transport Act 1985	2,912	2,975
	547,545	266,419

Land Transport Infrastructure Projects

Grants are received from the Commonwealth Government through the *National Land Transport Act 2014*. 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 National Road Projects.

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 2015, \$15.414 million of the *National Land Transport Act 2014* grants recognised as revenue remained unspent on approved projects (at 30 June 2014 the amount was \$6.659 million). Refer to note 2(e) 'Income'.

16. Contributions to roadworks

Contributions to roadworks	78,328	77,020
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This revenue represents contributions by both public and private bodies towards the cost of works performed on highways and main roads. See note 2(e) 'Income'.

17. Grants from other bodies

Grants from local government authorities and other bodies

Transferred infrastructure assets at fair value	1,516	295
Local Government contribution to traffic signal construction	691	283
Developers contribution to roadworks	11,565	74,668
	13,772	75,246

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 2014-15: Wubin-Mullewa Rd (Shire of Morawa).

The developers contribution to roadworks relate to construction costs met by private developers on roads owned by Main Roads. Roadworks include Intersection improvements (Armadale Rd/Fraser Rd), Intersection Improvements (Great Northern Highway/Mount Gibson Rd), Great Northern Highway Realignment (Doray Minerals) and Intersection improvements (Tydeman Rd/ Napier Rd).

18. Interest revenue

Road Trauma Trust Account interest revenue	2,737	2,378
Other interest revenue	19	59
	2,756	2,437

19. Other revenue

Rental income	3,915	4,125
Return of previous year grants	763	2,127
Other contributions ^(a)	190	3,738
Assets not previously recognised	4,311	25,526
Other	9,659	5,158
	18,838	40,674

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

	2015 \$000	2014 \$000
20. Net gain/(loss) on disposal of non current assets		
<u>Proceeds from disposal of non-current assets</u>		
Land acquired for roadworks	5,542	12,442
Land and buildings	298	778
Plant, equipment and vehicles	69	41
	5,909	13,261
<u>Carrying amount of non-current assets disposed</u>		
Land acquired for roadworks	3,957	9,313
Land and buildings	309	745
Plant, equipment and vehicles	15	12
	4,281	10,070
Net gain/(loss)	1,628	3,191
21. Income from State Government		
Service appropriation		
Motor vehicle licence fees	606,463	551,305
Untied funds	216,322	257,357
Motor vehicle permit fees	7,393	7,234
Salaries and Allowances Act 1975	390	379
	830,568	816,275
Other funds received from State Government		
Natural disaster funds	35,210	35,577
Services received free of charge from other State government agencies during the period:		
Land Information Authority (Landgate)	4,629	928
Department of the Attorney General (State Solicitor's Office)	789	886
Department of Housing	184	-
Department of Water	6	-
Department of Finance	8	-
	5,616	1,814
Royalties for Regions Fund		
Regional Infrastructure and Headworks Account	796	1,410
	872,190	855,076

2015
\$0002014
\$000**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 2014-15 was \$804.267 million (2013-14: \$686.986 million). An amount of \$606.463 million (2013-14: \$551.305 million) was received as a service appropriation and the balance of \$197.804 million (2013-14: \$135.681 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 2014-15 was \$343.989 million (2013-14: \$565.268 million). This includes a service appropriation of \$216.322 million (2013-14: \$257.357 million) and a capital contribution of \$127.667 million (2013-14: \$307.911 million). The service appropriation includes a cash component of \$8.015 million (2013-14: \$38.805 million) and a \$208.307 million (2013-14: \$218.552 million) non cash component.

Motor vehicle permit fees

The vehicle standards for dimensions and mass are prescribed under the *Road Traffic (Vehicles) Regulations 2014*. 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 the regulations.

Other funds received from State Government**Natural disaster funds**

Funds provided by Department of the Premier and Cabinet 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**Current**

Contractor's deposits	756	740
Road Trauma Trust Account	93,975	72,309
Commonwealth Paid Parental Leave Scheme	9	5
Royalties for Regions Fund	308	10,548
	95,048	83,602

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.

Royalties for Regions Fund

Unspent funds are committed to projects and programs in WA regional areas.

	2015 \$000	2014 \$000
23. Receivables		
<u>Current</u>		
Trade debtors	6,480	9,546
Other debtors	2,538	2,481
Allowance for impairment of receivables	(2,023)	(2,077)
Trade debtors – unbilled receivables	11,045	12,232
GST receivable	33,137	31,090
Accrued revenue	266	329
Total current	51,443	53,601
<u>Non-current</u>		
Trade debtors	96	115
Total non-current	96	115
Total receivables	51,539	53,716
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of year	2,077	1,815
Doubtful debts expense	125	292
Amounts written off during the year	(163)	(30)
Impairment losses reversed during the period	(16)	-
Balance at end of year	2,023	2,077

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

24. Amounts receivable for services (Holding Account)

Current	54,063	47,553
Non-current	1,698,895	1,544,651
	1,752,958	1,592,204

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

25. Inventories

<u>Current</u>		
Inventories held for distribution:		
- Construction and maintenance materials	2,421	2,994
Total current	2,421	2,994
<u>Non-current</u>		
Inventories held for distribution:		
- Construction and maintenance materials	1,855	1,304
Total non-current	1,855	1,304

	2015 \$000	2014 \$000
26. Prepayments		
<u>Current</u>		
Prepayments	21,435	29,515
Total current	21,435	29,515
<u>Non-current</u>		
Prepayments	1,330	3,242
Total non-current	1,330	3,242

27. Non-current assets classified as held for saleFreehold land and buildings

Opening balance	638	5,346
Assets reclassified as held for sale	11,326	9,613
Assets removed from current disposal program	-	(3,785)
Assets sold	(4,265)	(10,037)
Write-down of assets from carrying value to fair value less selling costs	(549)	(499)
Closing balance	7,150	638

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 equipmentLand

At fair value ^(a)	109,568	104,019
	109,568	104,019

Buildings

At fair value ^(a)	99,402	101,666
Accumulated depreciation	(175)	(56)
	99,227	101,610

Buildings under construction

Construction costs	9,982	6,238
	9,982	6,238

Plant, equipment and vehicles

At cost	34,794	28,761
Accumulated depreciation	(21,199)	(20,430)
	13,595	8,331

Surplus assets

At fair value ^(a)	105,692	96,403
	105,692	96,403

Land acquired for roadworks

At fair value ^(a)	229,140	213,094
	229,140	213,094
Total property, plant and equipment	567,204	529,695

(a) Land, buildings, surplus assets and land acquired for roadworks were revalued as at 1 July 2014 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 2015 and recognised at 30 June 2015.

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 2013 to 1 July 2014. These properties have been valued based on the average percentage increase for the Metro and Rural areas respectively over the period 1 July 2013 to 1 July 2014. 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 2014. In undertaking the revaluation, fair value was determined by reference to market values of Freehold land \$109.568 million (2013-14: \$104.019 million) and Buildings \$99.227 million (2013-14: \$101.610 million).

To ensure the valuations provided by Valuation Services were compliant at 30 June 2015 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 2014 (date of valuation) to 31 March 2015. TSY reviewed the information and determined that the change in fair values from 1 July 2014 (date of valuation) to 31 March 2015 were not likely to have a material impact on the fair values of these assets as recognised at 30 June 2015.

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.

	Land \$000	Buildings \$000	Buildings under construction \$000	Plant, equipment and vehicles \$000	Surplus assets \$000	Land acquired for roadworks \$000	Total \$000
2015							
Carrying amount at start of year	104,019	101,610	6,238	8,331	96,403	213,094	529,695
Additions	11,543	72	7,395	7,588	3,223	4,857	34,678
Disposals	(455)	-	-	(22)	(5)	-	(482)
Classified as held for sale	(330)	(354)	-	-	(2,821)	(7,773)	(11,278)
Held for sale removed from disposal program	-	-	-	-	-	-	-
Transfers	770	2,565	(3,651)	316	-	-	-
Transfer (to) / from Infrastructure	200	-	-	-	916	6,463	7,579
Equity contribution / (distribution)	42	-	-	-	-	281	323
Revaluation Increments / (decrements)	(6,219)	1,375	-	-	6,404	9,477	11,037
Impairment losses	-	-	-	-	-	-	-
Assets not previously recognised	(2)	-	-	-	1,572	2,741	4,311
Depreciation	-	(6,041)	-	(2,618)	-	-	(8,659)
Carrying amount at end of year	109,568	99,227	9,982	13,595	105,692	229,140	567,204

	Land \$000	Buildings \$000	Buildings under construction \$000	Plant, equipment and vehicles \$000	Surplus assets \$000	Land acquired for roadworks \$000	Total \$000
2014							
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

	2015 \$000	2014 \$000
29. Infrastructure		
<u>Roads and principal shared paths</u>		
Earthworks at fair value	13,018,650	12,881,443
Accumulated depreciation	(3,078,276)	(3,087,162)
	9,940,374	9,794,281
Pavement, drainage and seal at fair value	9,597,806	9,344,385
Accumulated depreciation	(5,549,511)	(5,385,692)
	4,048,295	3,958,693
<u>Land under roads</u>		
At fair value	24,211,137	22,342,031
	24,211,137	22,342,031
<u>Bridges</u>		
At fair value	5,269,313	5,200,774
Accumulated depreciation	(1,522,786)	(1,472,589)
	3,746,527	3,728,185
<u>Road furniture</u>		
At fair value	435,410	420,085
Accumulated depreciation	(178,793)	(161,375)
	256,617	258,710
<u>Infrastructure work in progress</u>		
At cost	1,526,741	1,124,546
	1,526,741	1,124,546
Total Infrastructure	43,729,691	41,206,446

The value of roads and principal shared paths (earthworks, drainage, pavements and seals), bridges and road furniture at 30 June 2015 is based on the depreciated replacement cost determined at 30 June 2014 by Main Roads. A review of the cost index (ABS Road and Bridge Construction Cost Index or rates obtained by professional estimators specialising in road infrastructure works) revealed no material movement during the financial year. Main Roads have determined it unnecessary to adjust replacement cost as the asset values do not differ materially.

Land under roads was revalued at 30 June 2015 using 1 July 2014 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.

2015	Roads and principal shared path \$000	Land under roads \$000	Bridges \$000	Road furniture \$000	Work in progress \$000	Total \$000
Carrying amount at start of year	13,752,974	22,342,031	3,728,185	258,710	1,124,546	41,206,446
Additions	455,746	16,663	97,645	30,294	401,062	1,001,410
Retirements	(15,831)	-	(2,201)	(391)	125	(18,298)
Transfer (to) / from land acquired for road works	-	(3,978)	-	-	(3,601)	(7,579)
Revaluation increments / (decrements)	(743)	1,855,478	-	(201)	-	1,854,534
Highways and main roads reclassified as local roads	(10,082)	-	(1,567)	-	-	(11,649)
Local roads classified as highways and main roads	9,665	-	-	3,218	1,073	13,956
Equity contribution / (distribution)	(22,304)	943	(19,588)	(17,453)	3,536	(54,866)
Assets not previously recognised	-	-	-	-	-	-
Depreciation	(180,756)	-	(55,947)	(17,560)	-	(254,263)
Carrying amount at end of year	13,988,669	24,211,137	3,746,527	256,617	1,526,741	43,729,691

2014	Roads and principal shared path \$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 road works	-	(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

Information on fair value measurements is provided in Note 30.

30. Fair value measurements

Assets measured at fair value: 2015	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)	-	7,150	-	7,150
Land (Note 28)	-	103,786	5,782	109,568
Buildings (Note 28)	-	84,952	14,275	99,227
Surplus assets (Note 28)	-	64,582	41,110	105,692
Land acquired for roadworks (Note 28)	-	168,807	60,333	229,140
Infrastructure (Note 29)	-	-	42,202,950	42,202,950
	-	429,277	42,324,450	42,753,727

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 roadworks 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)

2015	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	65	5,469	14,451	37,933	51,030	40,081,900
Additions	-	151	124	683	8,696	616,015
Revaluation increments/ (decrements) recognised in Profit or Loss	-	-	-	-	-	-
Revaluation increments/ (decrements) recognised in Other Comprehensive Income	-	-	325	2,205	1,678	1,854,534
Transfers (from/(to) Level 2)	-	162	13	489	85	-
Disposals	(65)	-	-	(170)	(1,156)	(95,236)
Depreciation expense	-	-	(638)	(30)	-	(254,263)
Fair value at end of period	-	5,782	14,275	41,110	60,333	42,202,950
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	-	-	-	-	-	-

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 (m²)

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 (m³)

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 (m³)

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	Fair value 2015 \$000	Fair value 2014 \$000	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (weighted average) 2015	Range of unobservable inputs (weighted average) 2014	Relationship of unobservable inputs to fair value
Land, Surplus asset and Land acquired for roadworks	107,225	94,432	Market approach	Selection of land with similar approximate utility	\$0.00 - \$1,545 per m ² (\$4.08 per m ²)	\$0.02 - \$1,089 per m ² (\$5.06 per m ²)	Higher value of similar land increases estimated fair value
Buildings	14,275	14,451	Depreciated replacement cost	Historical cost per square metre floor area (m ²)	\$77 - \$3,098 per m ² (\$1,953 per m ²)	\$196 - \$4,159 per m ² (\$2,047 per m ²)	Higher historical cost per m ² increases fair value
				Consumed economic benefit/obsolescence of asset	1.88% - 11.25% per year (4.61% per year)	1.35% - 11.14% per year (5.18% per year)	Greater consumption of economic benefit or increased obsolescence lowers fair value
Infrastructure (Earthworks)	9,940,374	9,794,281	Depreciated replacement cost	Historical cost per cubic metre (m ³)	\$20 - \$49 per m ³	\$20 - \$49 per m ³	Higher historical cost per m ³ increases fair value
Infrastructure (Pavements including drainage and seals)	4,048,295	3,958,693	Depreciated replacement cost	Historical cost per cubic metre (m ³)	\$52 - \$401 per m ³	\$52 - \$401 per m ³	Higher historical cost per m ³ increases fair value
Infrastructure (Structures)	3,746,527	3,728,185	Depreciated replacement cost	Historical cost per cubic metre (m ³)	\$3,660 - \$8,452 per m ³	\$3,660 - \$8,452 per m ³	Higher historical cost per m ³ increases fair value
Infrastructure (Land under roads)	24,211,137	22,342,031	Market approach	Selection of land adjoining road reserve	\$0.03 - \$3,031 per m ²	\$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. In reference to note 29, infrastructure assets have not moved materially as such the range of unobservable inputs is in accordance with prior year measures.

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.

	2015 \$000	2014 \$000
31. Intangible assets		
<u>Computer software and licences</u>		
At cost	27,321	24,783
Accumulated amortisation	(9,605)	(6,718)
	17,716	18,065
<u>Drainage easements</u>		
At cost	9	9
	9	9
Total intangible assets	17,725	18,074
Reconciliations:		
<u>Computer software and licences</u>		
Carrying amount at start of year	18,065	16,367
Additions	2,538	3,352
Disposals	-	-
Transfers	-	-
Amortisation expense	(2,887)	(1,654)
Carrying amount at end of year	17,716	18,065

32. Impairment of assets

There were no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 30 June 2015.

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

Current

Trade creditors	5,512	18,111
Major contracts and services	207,651	194,821
Property acquisitions	83,759	57,821
Contractors retention	756	740
Funds in advance	24,940	23,389
Performance bonds / surety	44	-
Accrued salaries	3,686	3,237
Total current	326,348	298,119

	2015 \$000	2014 \$000
34. Borrowings		
<u>Current</u>		
WA Treasury Corporation borrowings	5,766	5,000
Total current	5,766	5,000
<u>Non-current</u>		
WA Treasury Corporation borrowings	-	5,766
Total non-current	-	5,766

35. ProvisionsCurrent*Employee benefits provisions*

Annual leave	12,812	13,393
Long service leave	16,022	20,066
	28,834	33,459

Other provisions

Employment on-costs	165	328
	28,999	33,787

Non-current*Employee benefits provisions*

Long service leave	4,535	4,108
	4,535	4,108

Other provisions

Employment on-costs	26	40
	4,561	4,148

(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	9,265	9,101
More than 12 months after the end of the reporting period	3,547	4,292
	12,812	13,393

(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	5,701	5,066
More than 12 months after the end of the reporting period	14,856	19,108
	20,557	24,174

	2015 \$000	2014 \$000
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(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 7 'Supplies and services'.

Movements in other provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

Employment on-cost provision

Carrying amount at start of period	368	235
Additional provisions recognised	(177)	133
Payments/other sacrifices of economic benefits	-	-
Unwinding of the discount	-	-
Carrying amount at end of period	191	368

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.

Contributed equity

Balance at start of period	3,759,621	3,303,418
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Contributions by owners

Capital contributions	325,471	443,592
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Other contributions by owners

Royalties for Regions Fund - Regional Infrastructure and Headwork Account	9,387	29,328
Royalties for Regions Fund - Regional Community Services Account	-	1,375

Transfer of net assets from other agencies

Public Transport Authority	5,341	2,417
Western Australian Planning Commission	1,435	6,237
Department of Lands	-	778
Metropolitan Redevelopment Authority	-	4,470
Forest Products Commission	-	570
Department of Parks & Wildlife	-	4,580
Water Corporation	30	-
Department of Health	-	11,477
Total contributions by owners	341,664	504,824

	2015 \$000	2014 \$000
Distributions to owners		
Transfer of net assets to other agencies		
Public Transport Authority	(47,362)	-
Department of Environment and Conservation	-	(22)
Department of Parks & Wildlife	(163)	(1,170)
Department of Lands	(13,824)	(45,126)
Metropolitan Redevelopment Authority	-	(492)
Esperance Port Sea & Land	-	(1,811)
Total distributions to owners	(61,349)	(48,621)
Balance at end of period	4,039,936	3,759,621
Reserves		
Asset revaluation surplus		
Balance at start of period	27,454,606	26,052,939
Net revaluation increments/(decrements)		
Earthworks, Drainage, Pavements and Seals	(743)	(73,965)
Bridges	-	131,436
Land under roads	1,855,478	1,391,699
Road Furniture	(201)	(56,066)
Land and Buildings	11,085	8,563
Balance at end of period	29,320,225	27,454,606
Accumulated surplus/(deficit)		
Balance at start of period	12,045,228	11,788,625
Result for the period	664,263	256,603
Income and expense recognised directly in equity	-	-
Balance at end of period	12,709,491	12,045,228
Total Equity at end of period	46,069,652	43,259,455

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:

Cash and cash equivalents	186,970	84,845
Restricted cash and cash equivalents	95,048	83,602
	282,018	168,447

	2015 \$000	2014 \$000
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(207,927)	(598,473)
<i>Non-cash items:</i>		
Depreciation expense - infrastructure	254,263	251,682
Depreciation and amortisation expense - other fixed assets	4,284	4,246
Grants to other bodies	12,110	108,195
Grants received from other bodies	(13,772)	(75,246)
Services received free of charge	5,432	1,814
Infrastructure assets retired/replaced	18,852	19,456
Assets not previously recognised	(4,311)	(25,526)
Adjustment for other non-cash items	-	-
Net (gain)/loss on sale of property, plant and equipment	(1,628)	(3,191)
<i>(Increase)/decrease in assets:</i>		
Receivables ^(a)	4,284	14,486
Inventories	22	1,089
Prepayments	9,992	(15,710)
<i>Increase/(decrease) in liabilities:</i>		
Payables ^(a)	(17,735)	52,316
Employee benefits	(4,375)	(3,166)
Net GST receipts/(payments) ^(b)	133,814	134,160
Change in GST in receivables/payables ^(c)	(135,861)	(141,136)
Net cash provided by/(used in) operating activities	57,444	(275,004)

(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:

Department of Transport - accommodation costs and provision of traffic modelling services	154	9
Police Department - traffic forecasts	-	1
Department of Planning - provision of traffic modelling services	22	1
Public Transport Authority - provision of professional services	13	27
Department of Parks and Wildlife - bridge inspection services	14	15
Services provided free of charge to other agencies	1	2
	204	55

2015 \$000	2014 \$000
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39. Commitments

Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Within 1 year	4,473	4,498
Later than 1 year and not later than 5 years	4,437	5,627
Later than 5 years	173	10
	9,083	10,135

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	589,502	500,629
Later than 1 year and not later than 5 years	117,794	373,417
Later than 5 years	1	2,702
	707,297	876,748

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	399,096	443,850
Later than 1 year and not later than 5 years	436,292	112,238
Later than 5 years	972	-
	836,360	556,088

40. Contingent liabilities and contingent assets

Contingent liabilities

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

Contract claims in dispute	67,552	8,639
Resumption claims in dispute	229,979	246,992
	297,531	255,631

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.

2015 \$000	2014 \$000
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Contaminated sites

Under the *Contaminated Sites Act 2003*, Main Roads is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as *contaminated – remediation required or possibly contaminated – investigation required*, Main Roads may have a liability in respect of investigation or remediation expenses.

During the year, Main Roads reported thirty-one suspected contaminated sites to DEC. Five were classified as possibly contaminated - investigation required, two were classified as contaminated - remediation required, twenty-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:

Contracts in dispute	119	2,219
	119	2,219

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

Establishment of new Department

In accordance with section 35 (1) of the *Public Sector Management Act 1994* and as per Western Australian Government Gazette notification dated the 3rd July 2015, the Western Australian Government established a new Department and designated it as the Road Safety Commission with effect from 1st July 2015.

42. Explanatory statements

Major variances between estimates and actual results for 2015 and between the actual results for 2014 and 2015 are shown below. Major variances are considered to be those greater than 10% or \$10 million.

	Variance Note	Original Budget 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
Statement of Comprehensive Income						
Expenses						
Employee benefits expense	1	76,148	65,593	69,394	(10,555)	(3,801)
Supplies and services	2,A	517,433	440,573	496,794	(76,860)	(56,221)
Depreciation expense of infrastructure assets	3	285,532	254,263	251,682	(31,269)	2,581
Depreciation and amortisation expense of other assets	4	8,793	4,284	4,246	(4,509)	38
Finance costs	B	500	476	618	(24)	(142)
Grants and subsidies	5,C	211,194	197,844	311,161	(13,350)	(113,317)
Other expenses	6	23,494	18,852	19,456	(4,642)	(604)
Total cost of services		1,123,094	981,885	1,153,351	(141,209)	(171,466)
Income						
<i>Revenue</i>						
Regulatory fines	D	92,625	99,787	80,037	7,162	19,750
Sale of goods and services	7,E	-	11,304	9,854	11,304	1,450
Commonwealth grants and contributions	8,F	485,127	547,545	266,419	62,418	281,126
Contributions to roadworks	9	19,075	78,328	77,020	59,253	1,308
Grants from other bodies	10,G	-	13,772	75,246	13,772	(61,474)
Interest revenue	11,H	400	2,756	2,437	2,356	319
Other revenue	I	18,073	18,838	40,674	765	(21,836)
Total revenue		615,300	772,330	551,687	157,030	220,643
<i>Gains</i>						
Gain on disposal of non-current assets	12,J	200	1,628	3,191	1,428	(1,563)
Total gains		200	1,628	3,191	1,428	(1,563)
Total income other than income from State Government		615,500	773,958	554,878	158,458	219,080
NET COST OF SERVICES		507,594	207,927	598,473	(299,667)	(390,546)
Income from State Government						
Service appropriation	13,K	862,995	830,568	816,275	(32,427)	14,293
Natural disaster funds	14	17,400	35,210	35,577	17,810	(367)
Services received free of charge	15,L	2,700	5,616	1,814	2,916	3,802
Royalties for Regions Fund	16,M	2,005	796	1,410	(1,209)	(614)
Total income from State Government		885,100	872,190	855,076	(12,910)	17,114
SURPLUS/(DEFICIT) FOR THE PERIOD		377,506	664,263	256,603	286,757	407,660
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus	17,N	1,150,030	1,865,619	1,401,667	715,589	463,952
Total other comprehensive income		1,150,030	1,865,619	1,401,667	715,589	463,952
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,527,536	2,529,882	1,658,270	1,002,346	871,612

	Variance Note	Original Budget 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
Statement of Financial Position						
ASSETS						
Current Assets						
Cash and cash equivalents	18,O	45,483	186,970	84,845	141,487	102,125
Restricted cash and cash equivalents	19,P	79,359	95,048	83,602	15,689	11,446
Receivables	20	59,629	51,443	53,601	(8,186)	(2,158)
Amounts receivable for services	Q	51,580	54,063	47,553	2,483	6,510
Inventories	21,R	4,027	2,421	2,994	(1,606)	(573)
Prepayments	22,S	15,847	21,435	29,515	5,588	(8,080)
Non-current assets classified as held for sale	23,T	5,346	7,150	638	1,804	6,512
Total Current Assets		261,271	418,530	302,748	157,259	115,782
Non-Current Assets						
Receivables	24,U	138	96	115	(42)	(19)
Amounts receivable for services	25,V	1,734,070	1,698,895	1,544,651	(35,175)	154,244
Inventories		1,360	1,855	1,304	495	551
Prepayments	26,W	1,200	1,330	3,242	130	(1,912)
Property, plant and equipment	27,X	454,413	567,204	529,695	112,791	37,509
Infrastructure	28,Y	42,729,612	43,729,691	41,206,446	1,000,079	2,523,245
Intangible assets		16,434	17,725	18,074	1,291	(349)
Total Non-Current Assets		44,937,227	46,016,796	43,303,527	1,079,569	2,713,269
TOTAL ASSETS		45,198,498	46,435,326	43,606,275	1,236,828	2,829,051
LIABILITIES						
Current Liabilities						
Payables	29,Z	238,043	326,348	298,119	88,305	28,229
Borrowings	30,AA	5,000	5,766	5,000	766	766
Provisions	31,AB	35,104	28,999	33,787	(6,105)	(4,788)
Total Current Liabilities		278,147	361,113	336,906	82,966	24,207
Non-Current Liabilities						
Borrowings	32,AC	766	-	5,766	(766)	(5,766)
Provisions		4,218	4,561	4,148	343	413
Total Non-Current Liabilities		4,984	4,561	9,914	(423)	(5,353)
TOTAL LIABILITIES		283,131	365,674	346,820	82,543	18,854
NET ASSETS		44,915,367	46,069,652	43,259,455	1,154,285	2,810,197
EQUITY						
Contributed equity	33,AD	4,083,531	4,039,936	3,759,621	(43,595)	280,315
Reserves	34,AE	28,352,999	29,320,225	27,454,606	967,226	1,865,619
Accumulated surplus/(deficit)	35,AF	12,478,837	12,709,491	12,045,228	230,654	664,263
TOTAL EQUITY		44,915,367	46,069,652	43,259,455	1,154,285	2,810,197

	Variance Note	Original Budget	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2015 and 2014
		2015 \$000	2015 \$000	2014 \$000	\$000	\$000
Statement of Cash Flow						
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation	AG	621,996	622,261	597,723	265	24,538
Capital appropriation	36,AH	301,035	325,471	443,592	24,436	(118,121)
Holding account drawdown		47,553	47,553	46,907	-	646
Natural disaster funding	37	17,400	35,210	35,577	17,810	(367)
Royalties for Regions Fund	38,AI	21,033	10,183	32,113	(10,850)	(21,930)
Net cash provided by State Government		1,009,017	1,040,678	1,155,912	31,661	(115,234)
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(76,148)	(70,480)	(73,858)	5,668	3,378
Supplies and services	39,AJ	(497,146)	(441,828)	(480,287)	55,318	38,459
Grants and subsidies	40	(211,194)	(189,237)	(196,478)	21,957	7,241
GST payments on purchases	41	(101,946)	(146,675)	(149,714)	(44,729)	3,039
Finance costs	42,AK	(500)	(403)	(678)	97	275
Receipts						
Sale of goods and services	43,AL	20,017	94,594	112,072	74,577	(17,478)
Commonwealth grants and contributions	44,AM	485,127	547,545	266,419	62,418	281,126
Regulatory fines	AN	92,625	99,787	80,037	7,162	19,750
Interest received	45	400	2,622	2,496	2,222	126
GST receipts on sales	46,AO	1,808	11,333	12,552	9,525	(1,219)
GST receipts from taxation authority	47	99,892	133,814	134,160	33,922	(346)
Other receipts	48,AP	17,573	12,394	14,239	(5,179)	(1,845)
Rent received	49	3,200	3,978	4,036	778	(58)
Net cash provided by/(used in) operating activities		(166,292)	57,444	(275,004)	223,736	332,448
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets	50,AQ	(13,369)	(27,452)	(24,342)	(14,083)	(3,110)
Purchase of infrastructure assets	51	(869,656)	(957,948)	(958,875)	(88,292)	927
Receipts						
Proceeds from sale of non-current assets	52,AR	14,500	5,849	13,147	(8,651)	(7,298)
Net cash provided by/(used in) investing activities		(868,525)	(979,551)	(970,070)	(111,026)	(9,481)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Repayment of borrowings		(5,000)	(5,000)	(5,000)	-	-
Net cash provided by/(used in) financing activities		(5,000)	(5,000)	(5,000)	-	-
Net increase/(decrease) in cash and cash equivalents		(30,800)	113,571	(94,162)	144,371	207,733
Cash and cash equivalents at the beginning of the period		155,642	168,447	262,609	12,805	(94,162)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		124,842	282,018	168,447	157,176	113,571

Major Variance Narratives

Variances between estimate and actual

- 1 Employee benefits was underspent by \$10.5 million (16%) due mainly to a higher level of salary overheads applied to capital projects in comparison to the forecast.
- 2 Supplies and services expense was underspent by \$76.9 million (17%) due mainly to the corrective measures applied against road maintenance during the financial year.
- 3 Depreciation expense of infrastructure assets was underspent by \$31.2 million (12%) due mainly to optimistic assumptions applied in the forecast model.
- 4 Depreciation and amortisation of other assets was underspent by \$4.5 million (105%) due mainly to a higher level of depreciation overheads applied to capital projects in comparison to the forecast.
- 5 Grants and subsidies was underspent by \$13.3 million (7%) due mainly to a 15% reduction in the State Road Funds to Local Government agreement.
- 6 Other expenses was underspent by \$4.6 million (25%) due to less infrastructure assets retired or replaced from road reconstruction or realignment which gives rise to asset retirements.
- 7 Sale of goods and services exceeded estimates by \$11.3 million (100%) due mainly to minor works and services rendered to local government and other bodies.
- 8 Commonwealth grants and contributions exceeded estimates by \$62.4 million (11%) due mainly to funded capital projects achieving agreed milestones.
- 9 Contributions to roadworks exceeded estimates by \$59.2 million (76%) due mainly to the cost of unanticipated third party roadworks for both public and private bodies.
- 10 Grants from other bodies exceeded estimates by \$13.8 million (100%) due mainly to road asset transferred to Main Roads from local government and other bodies.
- 11 Interest revenue exceeded estimates by \$2.3 million (85%) due mainly to higher interest received as a result of a higher interest bearing bank balance.
- 12 Gains from disposal of non-current assets exceeded estimates by \$1.4 million (88%) due to achieving a higher value on the sale of assets during the financial year.
- 13 Service appropriation was under estimates by \$32.4 million (4%) due mainly to corrective measures applied against road maintenance during the financial year.
- 14 Natural disaster funds received exceeded estimates by \$17.8 million (51%) due mainly to unanticipated natural disaster payment claims made during the financial year.
- 15 Services received free of charge exceeded estimates by \$2.9 million (52%) due mainly to increased services provided by Landgate.
- 16 Royalties for Regions Fund was under estimates by \$1.2 million (152%) due mainly to a reduction in funding for district allowances.
- 17 Changes in asset revaluation surplus is over estimates by \$715.6 million (38%) due to the fair value reassessment of land under roads.
- 18 Cash and cash equivalents exceeded estimates by \$141.5 million (76%) due mainly to advanced Commonwealth milestone payments and additional motor vehicle license fees received in the year.
- 19 Restricted cash and cash equivalents exceeded estimates by \$15.7 million (17%) mainly due to increased collection of regulatory fines from red light and speed cameras.
- 20 Receivables was overestimated by \$8.2 million (16%) due mainly to collection of debts.
- 21 Inventories was overestimated by \$1.6 million (66%) due mainly to current material stockpile stores being utilised on ongoing road projects.
- 22 Prepayments exceeded estimates by \$5.6 million (26%) due mainly to principal controlled insurance payments on new capital projects.
- 23 Non-current assets classified as held for sale exceeded estimates by \$1.8 million (25%) due mainly to surplus land available for disposal.
- 24 Receivables was overestimated \$42,000 (44%) due mainly to collection of debts.
- 25 Amounts receivable for services exceeded estimates by \$35.2 million (2%) due mainly to corrective measures applied against road maintenance during the financial year.
- 26 Prepayments exceeded estimates by \$0.1 million (10%) due mainly to principal controlled insurance payments for capital projects.
- 27 Property, plant and equipment exceeded estimates by \$112.8 million (20%) due mainly to more land and buildings acquired in the financial year.
- 28 Infrastructure exceeded estimates by \$1.0 billion (2%) due to revaluation of land under roads infrastructure assets.
- 29 Payables exceeded estimates \$88.3 million (27%) due mainly to increases in land resumption liabilities.
- 30 Borrowings exceeded estimates by \$0.7 million (13%) due to extinguishing of loan borrowings in the next 12 months.
- 31 Provisions was overestimated by \$6.1 million (21%) due mainly to a targeted reduction in long service leave provision for employees.
- 32 Borrowings was overestimated by \$0.7 million (100%) due to extinguishing of loan borrowings in the next 12 months.
- 33 Contributed equity was underspent by \$43.6 million (1%) due mainly to equity transfers of infrastructures in 2014-15.
- 34 Reserves exceeded estimates by \$967.2 million (3%) due to revaluation of land under roads infrastructure assets.
- 35 Accumulated surpluses exceeded estimates by \$230.4 million (2%) due mainly to commonwealth grant milestone payments.
- 36 Capital appropriation exceeded estimates by \$24.4 million (8%) due mainly to increased funding received from motor vehicle licence fees.
- 37 Natural disaster funds exceeded estimates by \$17.8 million (51%) due mainly to unanticipated natural disaster payment claims made during the financial year.
- 38 Royalties for Regions Fund was overestimated by \$10.8 million (107%) due mainly to less grants received for roadwork projects undertaken by Main Roads.
- 39 Supplies and services was underspent by \$55.3 million (13%) due mainly to corrective measures applied against road maintenance during the financial year.
- 40 Grants and subsidies was underspent by \$21.9 million (12%) due mainly to a 15% reduction in the State Road Funds to Local Government agreement.
- 41 GST payment on purchases exceeded estimates by \$44.7 million (30%) due to higher than anticipated GST payments on purchases.
- 42 Finance costs was underspent by \$0.1 million (24%) due mainly to early repayment of the loan principal.
- 43 Sales of good and services was underestimated by \$74.5 million (79%) due to a higher level of work performed on behalf of third parties.
- 44 Commonwealth grants and contributions exceeded estimates by \$62.4 million (11%) due mainly to funded capital projects achieving agreed milestones.
- 45 Interest received exceeded estimates by \$2.2 million (85%) due mainly to higher interest earned as a result of a higher interest bearing bank balance.
- 46 GST receipts from sales exceeded estimates by \$9.5 million (84%) due to a higher level of receipts from sales.
- 47 GST receipts from taxation authority exceeded estimates by \$33.9 million (25%) due to higher than anticipated GST receipts from taxation authority.
- 48 Other receipts was underspent by \$5.2 million (42%) due mainly to a change in payment arrangements from the Insurance Commission of Western Australia towards road safety.
- 49 Rent received exceeded estimates by \$0.7 million (20%) due to increased rental rates.
- 50 Purchase of non current assets exceeded estimates by \$14.1 million (51%) due mainly to land purchases for future capital projects.
- 51 Purchase of infrastructure assets exceeded estimates by \$88.3 million (9%) due to increased expenditure on major projects than estimated.
- 52 Proceeds from sale of non-current assets was less than estimated by \$8.6 million (148%) due mainly to less sales of non-current assets.

Variances between actual results for 2015 and 2014

- A** Supplies and services decreased by \$56.2 million (13%) was due mainly to the corrective measures applied against road maintenance during the financial year.
- B** Finance costs decreased by \$0.1 million (30%) due mainly to early repayment of loan principal.
- C** Grants and subsidies decreased by \$113.3 million (57%) due mainly to a 15% reduction in the State Road Funds to Local Government agreement.
- D** Regulatory fines increased by \$19.8 million (20%) due to penalty increases under the WA Road Traffic Code legislation which came into effect on 26 September 2014.
- E** Sales of good and services increased by \$1.4 million (13%) due mainly to minor works and services rendered to local government and other bodies.
- F** Commonwealth grants and contributions increased by \$281.1 million (51%) due mainly to funded capital projects achieving agreed milestones.
- G** Grants from other bodies decreased by \$61.5 million (446%) due mainly to less road assets transferred to Main Roads from local government and other bodies.
- H** Interest received increased by \$0.3 million (12%) due mainly to higher interest received as a result of a higher interest bearing bank balance.
- I** Other revenue decreased by \$21.8 million (116%) due mainly to the notional revenue of assets not previously recognised in 2013-14.
- J** Gains from disposal of non-current assets decreased by \$1.5 million (96%) due to less disposals during the financial year.
- K** Service appropriation increased by \$14.3 million (2%) due mainly to additional costs of operations.
- L** Services received free of charge increased by \$3.8 million (68%) due mainly to increased services provided by Landgate.
- M** Royalties for Regions decreased by \$0.6 million (77%) due mainly to a reduction in funding for district allowances.
- N** Changes in asset revaluation increased by \$463.9 million (25%) due mainly to the fair value reassessment of land under roads.
- O** Cash and cash equivalents increased by \$102.1 million (55%) due mainly to advance Commonwealth milestone payments and additional motor vehicle licence fees received in the year.
- P** Restricted cash and cash equivalents increased by \$11.4 million (12%) mainly due to increased collection of regulatory fines from red light camera and speed cameras.
- Q** Amounts receivable for services increased by \$6.5 million (12%) due higher drawdown of capital contribution in comparison to the previous year.
- R** Inventories decreased by \$0.5 million (24%) due mainly to current material stockpile stores being utilised on ongoing road projects.
- S** Prepayments decreased by \$8.1 million (38%) due mainly to principal controlled insurance payments on new capital projects.
- T** Non-current assets classified as held for sale increased by \$6.5 million (91%) due mainly to surplus land available for disposal.
- U** Receivables decreased \$19,000 (20%) due mainly to collection of debts.
- V** Amounts receivable for services increased by \$154.2 million (9%) due mainly to corrective measures applied against road maintenance during the financial year.
- W** Prepayments decreased by \$1.9 million (144%) due mainly to principal controlled insurance payments for capital projects.
- X** Property, plant and equipment increased by \$37.5 million (7%) due mainly to more land and buildings acquired in the financial year.
- Y** Infrastructure increased by \$2.5 billion (6%) due to revaluation of land under roads infrastructure assets.
- Z** Payables increased \$28.2 million (9%) due mainly to increases in land resumption liabilities.
- AA** Borrowings decreased by \$0.7 million (13%) due to extinguishing of loan borrowings in the next 12 months.
- AB** Provisions decreased by \$4.8 million (17%) due mainly to a targeted reduction in long service leave provision for employees.
- AC** Borrowings decreased by \$5.7 million (100%) due to extinguishing of loan borrowings in the next 12 months.
- AD** Contributed equity increased by \$280.3 million (7%) due mainly to equity transfers of infrastructure assets in 2014-15.
- AE** Reserves increased by \$1.9 billion (6%) due to revaluation of land under roads infrastructure assets.
- AF** Accumulated surpluses increased by \$664 million (5%) due mainly to commonwealth grant milestone payments.
- AG** Service appropriation increased by \$24.5 million (4%) due to additional motor vehicle licence fees received in the financial year.
- AH** Capital appropriation decreased by \$118.1 million (36%) due to replacement of consolidated funding with motor vehicle licence fees.
- AI** Royalties for Regions Fund decreased by \$21.9 million (215%) due mainly to less grants received for roadwork projects undertaken by Main Roads.
- AJ** Supplies and services decreased by \$38.4 million (9%) due mainly to corrective measures applied against road maintenance during the financial year.
- AK** Finance costs decreased by \$0.2 million (68%) due mainly to early repayment of the loan principal.
- AL** Sales of good and services decreased by \$17.5 million (18%) due to a lower level of work performed on behalf of third parties.
- AM** Commonwealth grants and contributions increased by \$281.1 million (51%) due mainly to funded capital projects achieving agreed milestones.
- AN** Regulatory fines increased by \$19.7 million (20%) due to penalty increases under the WA Road Traffic Code legislation which came into effect on 26 September 2014.
- AO** GST receipts from sales decreased by \$1.2 million (11%) due to lower receipts from sales.
- AP** Other receipts decreased by \$1.8 million (15%) due mainly to a change in payment arrangements from the Insurance Commission of Western Australia towards road safety.
- AQ** Purchase of non-current assets increased by \$3.1 million (11%) due mainly to land purchases for future capital projects.
- AR** Proceeds from sale of non-current assets decreased by \$7.3 million (125%) due mainly to less sales of non-current assets.

2015 \$000	2014 \$000
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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:

Financial Assets

Cash and cash equivalents	186,970	84,845
Restricted cash and cash equivalents	95,048	83,602
Loans and receivables ^(a)	1,771,360	1,614,830

Financial Liabilities

Financial liabilities measured at amortised cost	332,114	308,885
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(a) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

(c) Financial instrument disclosures**Credit risk**

The following table discloses Main Roads' maximum exposure to credit risk and the ageing analysis of financial assets. Main Roads' maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of Main Roads.

Main Roads does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	
2015	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	186,970	186,970	-	-	-	-	-	-
Restricted cash and cash equivalents	95,048	95,048	-	-	-	-	-	-
Receivables ^(a)	18,402	14,170	1,171	1,007	30	-	-	2,024
Amounts receivable for services	1,752,958	1,752,958	-	-	-	-	-	-
	2,053,378	2,049,146	1,171	1,007	30	-	-	2,024

	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
2014	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	84,845	84,845	-	-	-	-	-	-
Restricted cash and cash equivalents	83,602	83,602	-	-	-	-	-	-
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

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

Liquidity risk and interest rate exposure

The following table details Main Roads' interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

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

	Weighted Average Effective Interest Rate	Carrying Amount	Interest rate exposure			Maturity date					
			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
2015	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<u>Financial Assets</u>											
Cash and cash equivalents	-	186,970	-	-	186,970	186,970	-	-	-	-	-
Restricted cash and cash equivalents	2.70	95,048	-	94,740	308	95,048	-	-	-	-	-
Receivables ^(a)	-	18,402	-	-	18,402	18,402	-	-	-	-	-
Amounts receivable for services	-	1,752,958	-	-	1,752,958	1,752,958	10,200	9,600	34,263	203,277	1,495,618
		2,053,378	-	94,740	1,958,638	2,053,378	310,620	9,600	34,263	203,277	1,495,618
<u>Financial Liabilities</u>											
Payables	-	326,348	-	-	326,348	326,348	-	-	-	-	-
WATC Loan	5.57	5,766	5,766	-	-	6,073	1,851	-	1,825	2,397	-
		332,114	5,766	-	326,348	332,421	328,199	-	1,825	2,397	-
2014	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<u>Financial Assets</u>											
Cash and cash equivalents	-	84,845	-	-	84,845	84,845	-	-	-	-	-
Restricted cash and cash equivalents	2.84	83,602	-	73,054	10,548	83,602	-	-	-	-	-
Receivables ^(a)	-	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
<u>Financial Liabilities</u>											
Payables	-	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 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	
2015	Carrying amount \$000	Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
<u>Financial Assets</u>					
Restricted cash and cash equivalents	94,740	(237)	(237)	237	237
Total Increase/(Decrease)		(237)	(237)	237	237

2014	Carrying amount \$000	Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
<u>Financial Assets</u>					
Restricted cash and cash equivalents	73,054	(183)	(183)	183	183
Total Increase/(Decrease)		(183)	(183)	183	183

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:

Remuneration Band (\$)	2015	2014
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 whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

Remuneration Band (\$)	2015	2014
70,001 – 80,000	1	-
160,001 – 170,000	-	1
180,001 – 190,000	-	1
200,001 – 210,000	1	-
210,001 – 220,000	1	4
220,001 – 230,000	2	-
230,001 – 240,000	3	1
310,001 – 320,000	1	-
360,001 – 370,000	-	1
410,001 – 420,000	1	-
	\$000	\$000
Base remuneration and superannuation	2,529	1,882
Annual leave and long service leave accruals	(248)	(139)
Other benefits	82	74
The total remuneration of senior officers	2,363	1,817

Total remuneration includes the superannuation expense incurred by Main Roads in respect of 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:

	2015 \$000	2014 \$000
Auditing the accounts, financial statements and key performance indicators	220	190
Other audits	47	25
	267	215

46. Affiliated bodies

WA Pavement Asset Research Centre (WAPARC) is a government affiliated body that received a grant of \$0.235 million (2013-14: \$0.422 million) from Main Roads. The WAPARC is not subject to operational control by Main Roads.

47. Special purpose accounts

Road Trauma Trust Account ^(a)

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.

	2015 \$000	2014 \$000
Balance at the start of the financial year	72,309	64,517
Receipts	103,358	88,996
Payments	(81,692)	(81,204)
Balance at the end of the financial year	93,975	72,309

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

	2015 \$000	2014 \$000
48. Supplementary financial information		
<u>Write-offs</u>		
Bad debts – damage to roads, bridges and road furniture	163	30
Fixed asset stocktake discrepancies	3	-
Damage to public property	3	144
Inventory – stocktake discrepancies and obsolete/contaminated materials	-	-
	169	174
<u>Gifts of public property</u>		
Gifts of public property provided by Main Roads	11	4
	11	4
<u>Restricted Access Vehicle permits ^(a)</u>		
Regulatory fees	7,326	7,138
Transfer payments	7,326	7,109
Cash held in lieu of transfer	39	38

(a) Main Roads collects the Restricted Access Vehicle permits fees in accordance with *Road Traffic (Vehicles) Regulations 2014*. 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 2014-15 are summarised below:

Amount brought forward for recovery	(45)	(30)
Amount received during the year	(39)	(37)
	(84)	(67)
Expenditure during the year	40	22
Amount carried forward for recovery	(44)	(45)

50. Schedule of income and expenses by service

Schedule of Income and Expenses by Service for 2013-14 and 2014-15 (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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
COST OF SERVICES																		
Expenses																		
Employee benefits expense	3,580	3,588	54,337	55,823	16,173	13,597	1,030	1,767	8,420	10,581	2,446	6,101	2,637	2,411	(23,030)	(24,474)	65,593	69,394
Supplies and services	133,730	136,004	58,645	57,769	730,463	459,491	36,993	49,098	345,387	434,288	120,884	295,704	6,037	3,058	(991,566)	(938,618)	440,573	496,794
Depreciation of infrastructure assets other non-current assets	-	-	-	-	-	-	-	-	254,263	251,682	-	-	-	-	-	-	254,263	251,682
Finance costs	402	267	348	335	1,928	1,353	109	137	1,181	1,383	316	771	-	-	-	-	4,284	4,246
Grants and subsidies	45	39	39	49	214	197	12	20	131	201	35	112	-	-	-	-	476	618
Other expenses	(27,518)	(58,427)	5,181	9,354	16,788	109,180	5,126	5,964	114,147	179,981	1,984	7,309	75,061	72,461	7,075	(14,661)	197,844	311,161
Total cost of services	110,239	81,471	118,550	123,330	765,566	583,818	43,270	56,986	723,529	878,116	125,665	309,997	83,735	77,930	(988,669)	(958,297)	981,885	1,153,351
Income																		
Revenue																		
Regulatory fines	-	-	-	-	-	-	-	-	-	-	-	-	99,787	80,037	-	-	99,787	80,037
Sale of goods and services	68	5	2,111	2,375	23	67	-	35	9,080	7,315	22	57	-	-	-	-	11,304	9,854
Commonwealth grants and contributions	5,722	12,831	-	1,723	458,469	201,733	-	-	49,342	40,248	34,012	9,884	-	-	-	-	547,545	266,419
Contributions to roadworks	1,252	1,187	3,410	(737)	39,859	7,089	14,151	34,285	17,937	31,825	1,719	3,371	-	-	-	-	78,328	77,020
Grants from other bodies	1,136	3,014	843	4,563	5,445	21,601	308	2,108	5,146	32,490	894	11,470	-	-	-	-	13,772	75,246
Interest revenue	2	2	1	4	8	17	-	2	7	25	1	9	2,737	2,378	-	-	2,756	2,437
Other revenue	1,473	1,393	1,094	2,110	7,062	9,990	399	975	6,674	15,027	1,159	5,305	977	5,874	-	-	18,938	40,674
Total revenue	9,653	18,432	7,459	10,038	510,866	240,497	14,858	37,405	88,186	126,930	37,807	30,096	103,501	88,289	-	-	772,330	551,687
Gains																		
Gain on disposal of non-current assets	134	128	100	193	644	915	36	89	608	1,380	106	486	-	-	-	-	1,628	3,191
Gain on disposal of other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total gains	134	128	100	193	644	915	36	89	608	1,380	106	486	-	-	-	-	1,628	3,191
Total income other than income from State Government	9,787	18,560	7,559	10,231	511,510	241,412	14,894	37,494	88,794	128,310	37,913	30,582	103,501	88,289	-	-	773,958	554,878
NET COST OF SERVICES	100,452	62,911	110,991	113,099	254,056	342,406	28,376	19,492	634,735	749,806	87,752	279,415	(19,766)	(10,359)	(988,669)	(958,297)	207,927	598,473
INCOME FROM STATE GOVERNMENT																		
Service appropriation	106,001	50,409	120,925	123,993	46,678	47,509	15,564	4,394	518,531	549,598	22,869	40,372	-	-	-	-	830,568	816,275
Natural disaster funds	-	-	-	-	-	-	-	-	35,210	35,577	-	-	-	-	-	-	35,210	35,577
Royalties for Region	-	-	796	1,410	-	-	-	-	-	-	-	-	-	-	-	-	796	1,410
Capital contribution	35,537	60,298	1,199	1,593	195,622	219,076	9,976	11,735	3,597	6,250	34,383	144,489	-	-	(280,314)	(443,441)	-	-
Resources received free of charge	463	73	344	110	2,220	521	126	51	2,099	782	364	277	-	-	-	-	5,616	1,814
Total income from State Government	142,001	110,780	123,264	127,106	244,520	267,106	25,666	16,180	559,437	592,207	57,616	185,138	-	-	(280,314)	(443,441)	872,190	855,076
SURPLUS/DEFICIT FOR THE PERIOD	41,549	47,869	12,273	14,007	(9,536)	(75,300)	(2,710)	(3,312)	(75,298)	(157,599)	(30,136)	(94,277)	19,766	10,359	708,355	514,856	664,263	256,603

Appendices



Road Industry Fact Summary Sheet

Road Industry Fact Summary	WA	Australia	WA (%)
Area (square km)	2,529,875	7,692,024	32.9
Population	2,573,389	23,490,736	11.0
Licensed drivers and riders ¹	1,746,000	N/A	
Vehicles on register including motor cycles	2,142,307	17,633,493	12.1
Annual vehicle kilometres travelled (100 million VKT) ²	287.4	2,392.3	12.0
Road length excluding DPaW roads (kilometres)	149,430	N/A	
Fatalities (for calendar year 2014)	182	1,154	15.8
Fatalities/100 million VKT	0.6	0.5	
Fatalities /100 000 persons	7.1	4.9	
Fatalities/10 000 vehicles	0.8	0.7	
Serious injuries (for calendar year 2014)	1,716	N/A	
Serious injuries/100 million VKT	6.0	N/A	
Serious injuries /100 000 persons	66.7	N/A	
Serious injuries/10 000 vehicles	8.0	N/A	

1: Active licences only

2: Main Roads Estimates

N/A: Not available

DPaW: Department of Park and Wildlife

Sources

Area: ABS 2012 Year Book Australia (Cat. No. 1301.0)

Population: ABS Australian Demographic Statistics (Cat. No. 3101.0) – June 2014

Licensed Drivers: Drivers and Vehicle Services, Department of Transport – 30 June 2014

Vehicles on Register: ABS Motor Vehicle Census (Cat. No. 9309.0) – 31 January 2014

Road Length: Main Roads Corporate System (IRIS) – 29 June 2015

Fatalities: Main Roads Crash System and BITRE Road Deaths Australia – 31 December 2014

Serious Injuries: Main Roads Crash System – 31 December 2014

Road Classification (as at 30 June 2015)	Sealed (km)	Unsealed (km)	Total (km)	Sealed (%)
National Land Transport Routes	5,114	0	5,114	100
Highways	5,757	114	5,871	98
Main Roads	6,711	791	7,502	89
Sub-Total	17,582	905	18,487	95
Local Roads regularly maintained	38,314	90,405	128,719	30
Local Roads not regularly maintained	59	2,165	2,224	3
Sub-Total	38,373	92,570	130,943	29
Roads managed by DPaW	331	36,547	36,878	1
Total WA Road Network	56,286	130,022	186,308	30

Corporate and Local Extracts as at 29 June 2015 from Main Roads Corporate System (IRIS)

Department of Park and Wildlife

Note: Privately maintained roads have been excluded.

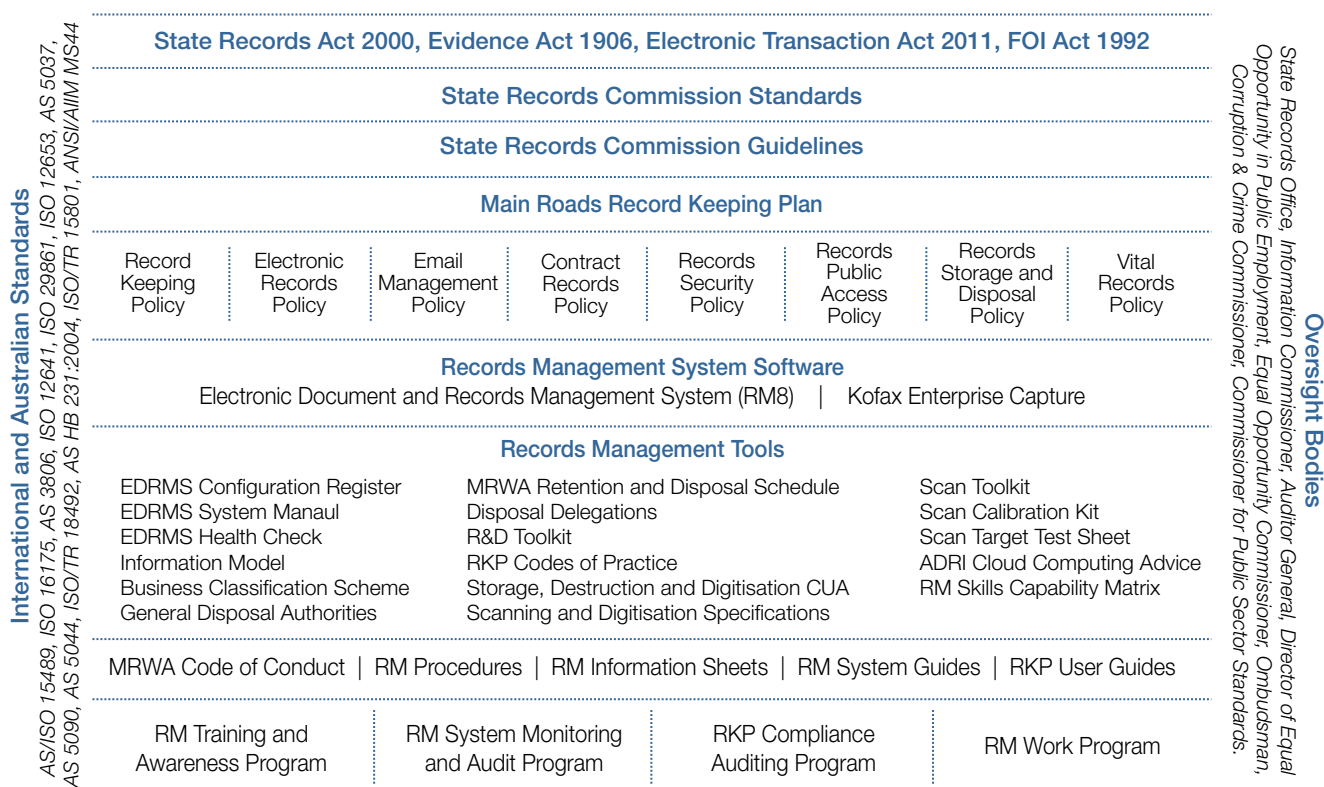
Managing our Records

Our services

We have adopted the Australian Standard AS ISO 15489 – Records Management for best practice recordkeeping, and actively use the State Records Commission standards and principles. In addition, the ISO 16175 concerning Principles and Functional Requirements for Records in Electronic Office Environments has underpinned upgrade considerations regarding the Electronic Document and Records Management System (EDRMS), the development of corporate business applications/systems, and changes to internal and external websites. This approach, balanced against the Public Sector Accountability, Integrity and Ethical Framework, provides a solid records management framework for appropriate service delivery to our customers and stakeholders.

This diagram gives a high level view of our holistic approach to records management.

Main Roads Record Keeping Framework



Our response to future trends

Documents captured over the last three financial years indicate steady ongoing use of the recordkeeping system by staff.

Documents Registered

2013	815,124
2014	1,010,000
2015	976,181

System suitability and dependability is important to the business. We undertook several initiatives that will continue our best practice recordkeeping:

- upgrading the primary recordkeeping system TRIM to the most recent version of RM8
- providing investigation and advices concerning RM8 integration with business systems and technological impacts on recordkeeping such as the gradual ongoing migration to cloud-based systems and services
- reviewing the Main Roads Retention and Disposal Schedule to ensure ongoing legal disposal of records through an authorised approval process
- reviewing the Records Training Program to enable targeted training concerning business needs for recordkeeping
- meeting quarterly with Transport Portfolio partners for information and knowledge sharing concerning records management
- conducting a System Health Check to maximise the usability, reliability and efficiency of the primary recordkeeping system prior to upgrade
- importing the General Disposal for State Government Information into the recordkeeping system for ongoing use by staff across the State
- reviewing and updating the Business Classification Scheme used to catalogue organisational business records
- preparing for the scanning of aged employee records, historical records and waterways to enable quick and easy access of this information to employees

These initiatives support our ICT Plan 2013-2020 and Keeping WA Moving.

Our Training program

Cultivating and consolidating employee knowledge of best practice recordkeeping is paramount in preserving our corporate memory.

To achieve this we offer a range of training services and opportunities including:

- Induction Training for all new employees, contractors and consultants that addresses record keeping responsibilities and compliance with our Recordkeeping Plan
- Online Recordkeeping Awareness and RM8 courses to support the capture of records as evidence of business activity and knowledge of system use
- full day hands-on RM8 training, which is also offered on a one-on-one basis including support through remote online assistance
- one-hour intensive short courses in most metropolitan and regional offices covering RM8 system use and application within respective business areas
- Annual Records Seminar for metropolitan, regional and Transport Portfolio staff
- regularly updated policies, procedures, quick reference guides, FAQs, news items, service provision, availability and contact points on our intranet site.

An overview of participation in various recordkeeping training offered to the organisation this financial year is detailed below:

Training	Participants
Full Day Hands On Trim/RM Training	97
Trim/RM Short Course	216
Trim/RM One on One	125
Recordkeeping Induction	153
Tailored Business Specific Trim/RM Training	61
Online – Recordkeeping Awareness	143
Online – Trim/RM System Training	92
Regional & Metropolitan Buddying	1
Work Experience	1
Annual Records Seminar	24

Land Acquired for Environmental Offsets

Project Name	Street Address	Suburb	Status	Date Finalised	Acquisition Area (Ha)	Agreed Price
Coalfields Highway – Worsley	Coalfields Road	Worsley	Acquired	09/10/2014	6.1	13,845
	Coalfields Road	Worsley	Acquired	09/10/2014	6.9	45,610
Totals					13.0	59,455
Great Southern Highway – Highbury	Great Southern	Narrogin	Dedicated	03/10/2014	1.0	3,194
	Great Southern	Narrogin	Dedicated	25/09/2014	4.1	11,500
Totals					5.1	14,694
Total land acquired for environmental offsets					18.1	74,149

Statement of Expenditure Section 175ZE of the *Electoral Act 1907*

In accordance with Section 175ZE of the Electoral Act 1907, Main Roads Western Australia incurred \$3,849,300 during 2014-15 in advertising, market research, polling, direct mail and media advertising. Expenditure was incurred in the following areas:

Advertising Agencies	\$	Direct Mail Organisations	\$
Abg Pages Pty Ltd	2,400	Esperance Express	200
Adcorp Australia Ltd	94,800	Lasermail Pty Ltd	7,400
Adstream Aust Pty Ltd	900	Direct Mail Organisations Total	7,600
Albany Chamber Of Comm	3,500		
A-Team Printing	6,900	Media Advertising Organisations	\$
Aust 4wd Show	700	Impact Communications	200
Daniels Printing Crft	7,800	Minuteman Press Perth	100
Expo Document	1,000	Mitchell Communication Gr	5,600
Free Tv	800	Regional Publishers	300
G P Wholesale	900	Scitech Discovery Cent	400
Icon Illustration	22,900	Southern Cross Austereo	28,600
Law Image Service	1,600	The West Australian	4,300
Linkletters	8,800	Media Advertising Organisations Total	39,500
Litsupport Pty Limit	9,500		
Market Creations P/I	2,800	Grand Total	3,849,300.00
Marketforce	357,700		
Optimum Media Decisions (WA) Limited	3,240,300		
Picasso Print And Design	3,500		
Premiere Events	7,300		
Preservation Framers	400		
Quality Press Wa	3,700		
Quickcolourprint.Com	200		
Snap East Perth	100		
State Law Publisher	8,300		
The Royal Agricultural	13,400		
WA Hotels and Hospitality	2,000		
Advertising Agencies Total	3,802,200		
Market Research Organisations	Nil		
Polling Organisations	Nil		

Publications List as at June 2015

*Annual Report	Free
*Customer Service Charter 2011	Free
Distance Book ed. 13 (Electronic version free)	POA
*Engineering Road Notes	Free
*No. 1 Bitumen Absorption by Sealing Aggregate 2003	Free
*No. 3 Surface “Blistering” and Soil “Fluffing” 2003	Free
*No 6 Guide to the Design of Bridge Approach Embankments Subject to Inundation – 2003	Free
*No. 7 Bitumen Scrap Rubber Seals 2003	Free
*No. 8 Statistically Based Quality Control for Density in Road Construction. (Includes Asphalt Surfacing) 2008	Free
*No. 9 Procedure for the Design of Road Pavements 2013	Free
*A Guide to Roadside Amenities and Rest Areas on Highways in Western Australia 2015	Free
*Guidelines for Assessing Level of Service for Cycling. Revised 2006	Free
*Public Environment Reports 2003-2008	Free
*Sharing the Road with Trucks: A Guide to Assist all Road Users to Drive Safely 2012	Free
*Traffic Controllers Handbook. 7th edition 2014	Free
*Traffic Management for Events 2011	Free
*Traffic Management for Works on Roads – Code of Practice 2013	Free
*Utility Providers’ Code of Practice for Western Australia 2010	Free
Vital Link: A History of Main Roads Western Australia 1926-1996, by Leigh Edmonds	POA
Vital Link: The Transition Years of Main Roads Western Australia 1996-2006, by Leigh Edmonds	Free

*Available full text on Main Roads website.

All prices GST inclusive.

Note: Main Roads Standards and Specifications are also available as full text on Main Roads website.

Glossary

Word	Definition
Bitumen	A viscous liquid or solid impure mixture, consisting of hydrocarbons and their derivatives, used for road surfacing. It has waterproofing and adhesive qualities.
Bypass	An alternative route that enables through-traffic to avoid urban areas.
Carriageway	The portion of a road or bridge devoted to the use of vehicles, inclusive of shoulders and auxiliary lanes.
Culvert	One or more adjacent pipes or enclosed channels for conveying a stream below formation level and carrying water under a roadway.
Drainage	The removal of water by flow from the ground or from its surface.
Freeway	A divided highway for through-traffic with no access for traffic between interchanges and with grade separation at all intersections.
Highway	Highways provide connection between capital cities. They are also principal routes between a city and the major producing regions of the State. Highways also service major transport terminals or significant commercial and industrial centres.
Incidence rate	The number of Loss Time Injury/Diseases divided by the number of employees * 100.
Main Road	A principal road in the road system.
Median	A strip of road that separates carriageways for traffic in opposite directions.
Overlay	The addition of one or more courses of pavement material to an existing road surface, generally to increase strength, and/or to improve ride quality.
Overtaking/Passing Lane	An auxiliary lane provided for slower vehicles to allow them to be overtaken.
Pavement	The portion of a carriageway placed above the levelled surface or earth or rock for the support of, and to form a running surface for, vehicular traffic.
Realignment	A change in the geometric form of the original centre-line of a carriageway with respect to the vertical and horizontal axes.
Seal	A thin surface layer of sprayed bitumen.
Severity Rate	The number of LTI/Ds that resulted in 60 days or more lost, divided by the total number of LTI/Ds *100.

Acronyms

BCR	Benefit Cost Ratio
CIC	Customer Information Centre
CPS	Community Perception Survey
DAIP	Disability Access and Inclusion Plan
DELP	Development Employee Leadership Program
EDMS	Electronic Document Management System
EEO	Equal Employment Opportunity
FTE	Full-Time Equivalent
GRI	Global Reporting Initiative
HVS	Heavy Vehicle Services
IPA	Individual Performance Agreement
ISA	Integrated Services Arrangements
ITS	Intelligent Transport System
KPIs	Key Performance Indicators
LTI/D	Lost Time Injury/Disease
ORS	Office of Road Safety
OSHMS	Occupational Safety and Health Management System
PSPs	Principal Shared Paths
RAVS	Restricted Access Vehicle System
RSC	Road Safety Council
RTTA	Road Trauma Trust Account
SHW	Safety, Health and Wellbeing
WiM	Women in Management

Contact

24 hr Customer Information Centre: 138 138
Heavy Vehicles Operations Helpdesk: 138 486
Website: www.mainroads.wa.gov.au
Hearing Impaired TTY: 133 677

Metropolitan Offices

Head Office

Don Aitken Centre, Waterloo Crescent,
East Perth, WA 6004
PO Box 6202, East Perth, WA 6892
enquiries@mainroads.wa.gov.au

Media Relations/Public Affairs

Enquiries: 0419 907 230
media@mainroads.wa.gov.au

Materials Engineering

5-9 Colin Jamieson Drive, Welshpool, 6106
(08) 9350 1444

Heavy Vehicle Permits

525 Great Eastern Highway, Redcliffe, 6104
PO Box 374, Welshpool DC WA 6986
hvo@mainroads.wa.gov.au

Report Road Hazards

(24 hr free call except from mobile phones)
1800 800 009

Road Condition Reports

(24 hr free call except from mobile phones)
1800 013 314

Regional Offices

Goldfields-Esperance

83 Piesse Street, Boulder, 6432
(08) 9080 1400

Great Southern

2-6 Kelly Street, Albany, 6331
(08) 9892 0555

Kimberley

Derby Office

Wodehouse Street, Derby, 6728
(08) 9158 4333

Kununurra Office

Messmate Way, Kununurra 6743
(08)9168 4777

Mid West-Gascoyne

Geraldton Office

Eastward Road, Geraldton, 6531
(08) 9956 1200

Carnarvon Office

470 Robinson Street, Carnarvon, 6701
(08) 9941 0777

Pilbara

Brand Street, South Hedland, 6722
(08) 9172 8877

South West

Robertson Drive, Bunbury, 6231
(08) 9725 5677

Wheatbelt

Northam Office

Peel Terrace, Northam, 6401
(08) 9622 4777

Narrogin Office

Mokine Road, Narrogin, 6312
(08) 9881 0566

Don Aitken Centre, Waterloo Crescent,
East Perth, WA 6004
PO Box 6202, East Perth, WA 6892
enquiries@mainroads.wa.gov.au

24hr Customer Information Centre:

138 138

Hearing Impaired TTY:

133 677

www.mainroads.wa.gov.au



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