



mainroads  
WESTERN AUSTRALIA

2022 ANNUAL REPORT

# We're working for Western Australia

## Acknowledgement of Country

Main Roads Western Australia acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, water and community. We pay our respects to all members of these Aboriginal communities, their cultures and to Elders past and present and to their leaders into the future.

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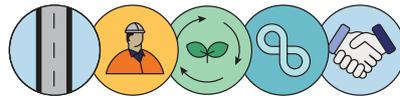


# Colour inspiration

**This artwork is a collective art-piece completed by Main Roads staff and artist and Sister Kates Executive Administrator, Deanne Tann. In presenting the artwork Tjalaminu Mia, CEO of Sister Kates, said that it depicts how staff understand the importance of country and how our communities are connected.**

Peter Woronzow, Commissioner of Main Roads, said he thought the artwork was a good representation of the relationship between the traditional journey ways for Aboriginal peoples and our current road network.

The 5 colour palettes used to denote sections of this annual report are inspired from the colours used in this artwork.



## To the Honourable Rita Saffioti, MLA

Minister for Transport; Plannings; Ports

In accordance with section 63 of the Financial Management Act 2006 (WA), I hereby submit for your information and presentation to the Parliament of Western Australia, the Annual Report of Main Roads Western Australia for the financial year ended 30 June 2022.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act and any other relevant written law.

**Des Snook**

Acting Managing Director of Main Roads  
29 August 2022

**Peter Woronzow**

Commissioner of Main Roads  
29 August 2022

# Welcome

## Welcome to the 96th Main Roads annual report

**Our Annual Report informs the Parliament, Minister for Transport, Western Australians and other stakeholders of the primary functions and responsibilities of Main Roads, the significant activities we have undertaken throughout the year and to highlight specific achievements against our outcomes.**

In addition, we seek to show the value created through the initiatives we have undertaken and identify future opportunities and challenges that will influence our business.

The Annual Report is primarily an online document and summarises the performance and key achievements of each of our outputs for the financial year ended 30 June 2022. We detail our material issues and activities to improve service delivery reflecting the strong commitment we have to our customers.

In preparing this report, we have utilised the Global Reporting Initiative framework 'core' option and have sought to adopt Integrated Reporting. Throughout we use icons to indicate the key resources consumed as inputs for our business activities. We have taken this approach as it allows us to demonstrate how we create value over time and the benefits to stakeholders.

In addition, we have reported in line with the Financial Management Act 2006 (WA) and the 2022 Western Australian Public Sector Reporting Framework.

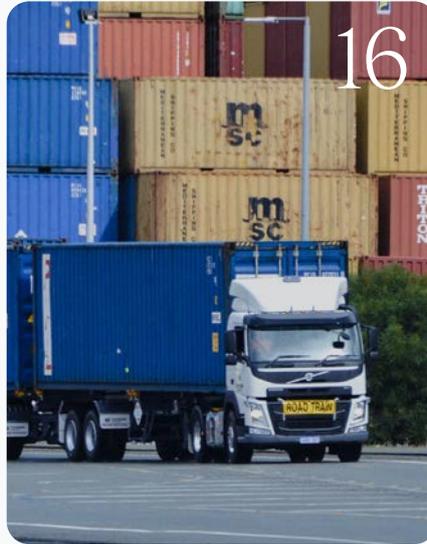
Your comments, thoughts and feedback are welcome on our approach or on any aspect of our Annual Report.

# Our stories



## Creating new opportunities for Aboriginal businesses

The Meet the Buyer and Supplier Forum brought together Aboriginal businesses and contractors operating across the construction and maintenance sector. This is one way we support Aboriginal people to build sustainable businesses within the transport sector.



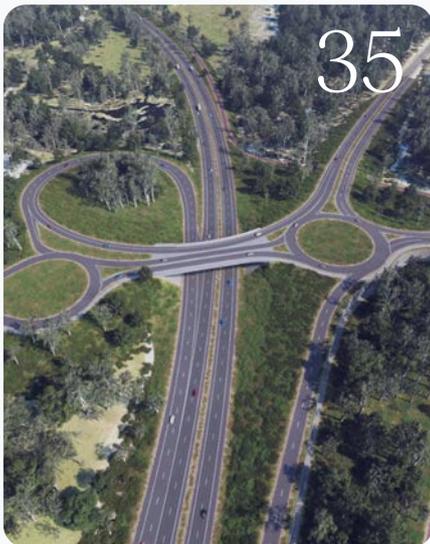
## Responding to a logistics challenge as we were cut off

True collaboration with industry and local businesses supports the continuation of the road supply chain during a prolonged rail network outage from a one-in-200-year flood event in South Australia, maintaining Western Australia's access to essential freight and supplies.



## Community input drives Regional Roadworks Signage Review

The Review looked at how temporary traffic signage at roadworks in regional areas is installed, secured and managed. We enhance safety and improve road user experiences through roadworks as we take the lead in implementing actions from this independent review.



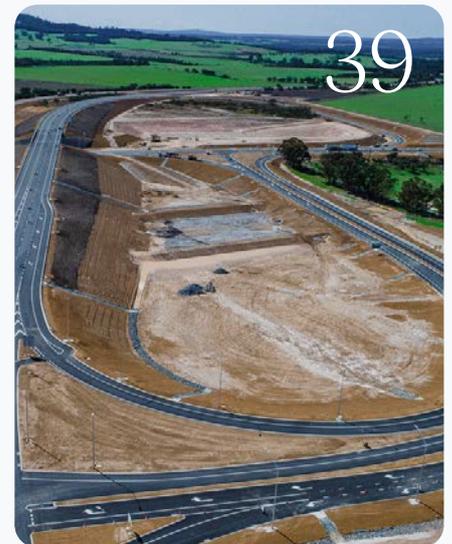
## Bunbury Outer Ring Road - helping people get work ready

The Bunbury Outer Ring Road is South West Region's biggest transport infrastructure project. It creates economic improvements and job opportunities to give unemployed people the skills required for sustaining employment on this project and beyond.



## High Street upgrade improves travel times

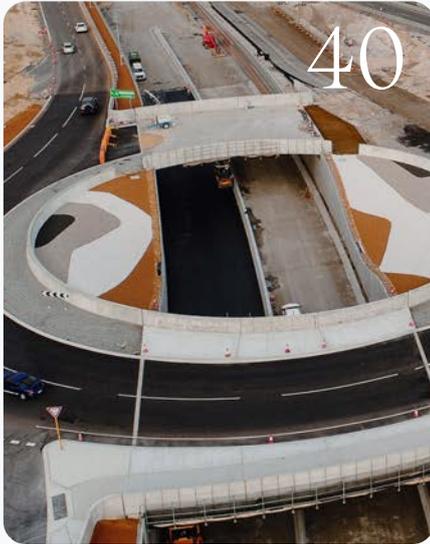
The once heavily constrained and notorious hotspot intersection at High Street and Stirling Highway is now a safer and a more efficient route for locals and visitors travelling to and from Fremantle.



## Albany Ring Road, a game changer

The largest infrastructure project ever undertaken in the Great Southern Region, the Albany Ring Road project is establishing a free-flowing connection, improving freight efficiency and reducing congestion.

# Our stories



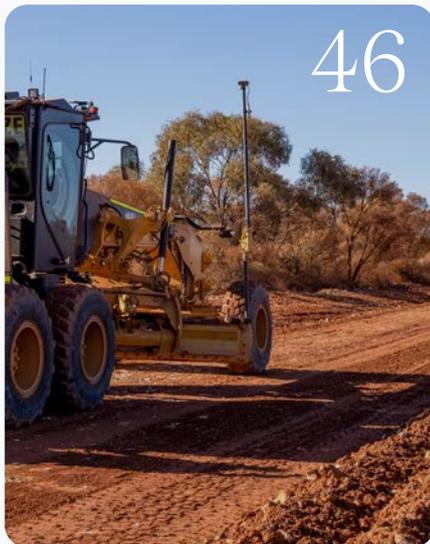
## Ducking and diving on Armadale Road

The 'duck and dive' configuration on the Armadale Road to North Lake Road Bridge project is the centrepiece of an unprecedented program for congestion relief and the first of its kind in Western Australia.



## Maintenance and some minor capital works transition to in-house delivery

We are changing the future of maintenance delivery as we set new arrangements to create 660 permanent jobs. The new model of in-house delivery of road maintenance and some minor capital works is supporting better outcomes, increased economic growth and value for money across the state while also providing opportunities for regional employment.



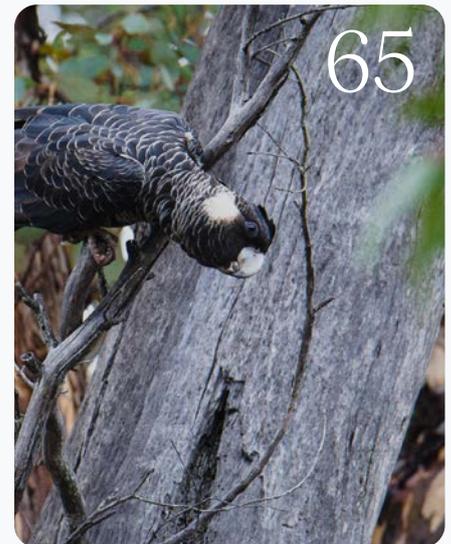
## Outback Way, Australia's longest shortcut

Work along Outback Way is supporting Aboriginal employment and creating business opportunities to benefit local communities and develop the region, with many Aboriginal workers on the project successfully gaining continuous employment on nearby mining projects.



## Our Smart Freeway got a little smarter

The Smart Freeway continues to provide technology innovations on our roads. It's improving the flow of traffic on the freeway, reducing congestion, improving travel times and their reliability, and providing improved incident management service.



## Supporting black cockatoo research

We are supporting the Black Cockatoo Conservation Management Project which is conducting ground-breaking health and ecological research on Western Australia's iconic black cockatoos. The project uses innovative tracking methods to monitor the birds.

# We are Main Roads

**Our job is to ensure that our roads meet the needs of our community, industry and businesses as part of an integrated transport system. We deliver a range of services, projects and network improvements to connect people, communities, and businesses - so you can get to where you need to go.**

We are a statutory authority responsible for Western Australia's state road network, providing safe and reliable travel on our roads, bridges and cycle paths. We are responsible for planning, construction, maintenance and operation of the road network. We work closely with our Portfolio partners, local government, businesses and the community to provide a well-connected, safe and sustainable integrated transport network.

## We manage and maintain:

- Nearly 19,000 km of roads across 2.5 million km<sup>2</sup>
- Including 5,539 km of National Land Transport Routes
- 1,600+ incidents managed on metro roads

## We regulate and provide services:

- 36,000+ heavy vehicle permits
- 4,800+ WA Heavy Vehicle Accredited Operators
- 2,000+ Heavy Vehicle Pilot Licence Holders

## We engage with our customers:

- 42,419 calls and 62,428 email enquiries received
- 369,436 project-related email updates sent to our project subscribers

## We are a diverse and inclusive agency:

- 100+ cadets, trainees and graduates undertaking our Development Employee Program
- \$102m total spend through Aboriginal businesses
- Established the ITS Graduate Program – the first of its kind in WA
- 16% of our workforce self-identify as being from a culturally diverse background



# Performance at a glance

**Improving customer experience**

94%

Of the community satisfied with our overall performance

98%

Of enquiries resolved at first contact with customer centre

**Investing in the community**

\$5.4B

Increase in total value of assets

\$3.2B

Spent delivering services across the state

**Asset Management**

85%

Of the community satisfied with road maintenance

94%

Of the road network meets configuration standards





# Commissioner's foreword

**Peter Woronzow**

Commissioner of Main Roads

**Reflecting on the past 12 months, I am especially proud of how the Transport Portfolio has worked together to continue to deliver exceptional services in what continues to be a challenging time. We have worked hard to keep delivering our infrastructure investment program despite a sometimes volatile and unpredictable operating environment. We continued to support the economy and hit key milestones delivering on 32 major projects and many hundreds of minor projects while creating almost 3,400 jobs and apprenticeships across the state keeping the state moving.**

Our roads continue to be a key part of our integrated transport network and make a valuable contribution to the economy and future of not only the state but the nation. Des Snook will highlight specific achievements in his review but the ongoing work on the Tonkin Gap and Mitchell Freeway extension, the completion of Armadale Road to North Lake Road Bridge, High Street in Fremantle and delivery of the extension of cycling paths across the metropolitan area continue to transform the way we move.

We have been busier than ever in the regions with works underway on Albany Ring Road and good progress being made on sections of the Bunbury Outer Ring Road and Outback Way. Elsewhere across the state we are continuing to see benefits come from the landmark Regional Road Safety Upgrades Program improving the road network and making journeys safer.

While investment in infrastructure drives jobs and opportunities it also allows us to focus on delivering what many perceive as a “once in a generation” opportunity to improve social outcomes.

I am very proud of the work that we are doing as a Portfolio to enable and drive increased and sustainable employment and business opportunities for Aboriginal people across the state.

Over the past 12 months, we have spent more than \$102 million in Aboriginal businesses and delivered more than 640,000 hours in employment for Aboriginal people. To support our endeavours, we hosted a successful Meet the Buyer and Supplier Forum in October, increased the scope of the Main Roads Aboriginal Advisory Group to have a Portfolio perspective and all of this is supported by the creation of a dedicated team to advance Aboriginal engagement and participation in all our projects and activities. These initiatives are focused to ensure delivery of our commitment to award \$700 million worth of contracts and 3.5 million work hours to Aboriginal businesses and people over the next five years.

There is no doubt that COVID-19 has seen a significant shift in the needs, expectations and travel behaviours of our customers. It has highlighted more than ever the importance of social connections for our community and further emphasised our role in connecting people and places.

In January, just when we thought things were looking up, we were hit by a once in 200-year flood event that temporarily closed the critical east-west rail line. Dedicated teams from across the Portfolio worked closely with industry, retailers and other government agencies to reinstate and secure the supply of essential goods into the state.



The flood reinforced the need to have a resilient transport network and the importance of efficient freight movements to ensure our economic prosperity and the provision of everyday goods and essentials for all Western Australians.

The year ahead will provide more new and exciting challenges as we introduced maintenance and minor capital works back into the organisation from October 2022 and will continue through until 2026 as existing maintenance contracts come to an end.

The government has committed a record investment of \$4.4 billion in roads, rail and other projects improving transport across our state over the next 12 months. This investment aims to improve our quality of life

and our economy. We have already come a long way and there's still plenty more to be done.

I am proud to lead a dedicated group of people across all the agencies within the Portfolio and I extend my appreciation and thanks for the commitment they bring to work every day.

There are sure to be new challenges facing us in the coming months and I am confident that working closely with my leadership teams we are well placed to face those challenges as we continue to support the community of Western Australia.

**Peter Woronzow**

Commissioner of Main Roads



# Managing Director's Review

## Des Snook

A/Managing Director of Main Roads

**Transport is essential to Western Australia and we continue to provide connections for our communities, jobs and services, and opportunities for our economy to grow. Over the past 12 months we have continued to focus on delivering integrated transport networks, enabling safe and connected journeys for all Western Australians.**

We deliver more than just a road network. Our infrastructure investments build and grow communities around them and the range of services we deliver provide valuable connections to goods and services, education, family, friends, and tourism.

### Building for tomorrow

This year we once again set a record, investing more than \$3.2 billion in the road network as we continued to oversee more than 345 active contracts valued at \$10.9 billion. Building an integrated transport system is our priority, and as part of this commitment, we want our road network and the services we provide our customers to meet their needs no matter where they live or do business.

Our roads are a key part of a multi-modal transport network making a valuable contribution to Western Australia's economy, the future of our state and, more broadly, the nation. We continue to expand our road network to improve safety and efficiency along some of the state's most important corridors, making it easier, safer, and simpler for Western Australians and visitors to travel and explore our state.

The first of seven kilometres of the new section of Great Northern Highway between Calingiri Road and Seven Mile Hill opened this year as part of the Bindoon Bypass project. Works have begun on the final six kilometres of the Albany Ring Road, Phase 2 of the Stephenson Avenue Extension, and the \$386.5 million Great Eastern Highway Bypass Interchange project.

Work on the Leach Highway - Welshpool Road Interchange project is progressing, with 16 bridge beams, each weighing 165 tonnes, recently lifted into place. We have upgraded Redcliffe Bridge to accommodate eight lanes of traffic and built a new western bridge with two additional lanes as part of Tonkin Gap works. We have also made further improvements to our Intelligent Transport Systems on the Kwinana Smart Freeway to improve user experience, decrease congestion and improve safety.

Our cycle paths are making riding easier and safer across our network. Completion of Kwinana Freeway Pedestrian and Cyclist Path from Leach Highway to Mount Henry Bridge now provides a 74-kilometre continuous link between Perth and Mandurah for the growing numbers of riders and walkers within our community to enjoy.

Our investment in transport infrastructure, maintenance and upgrades has helped many Western Australians get back to work while boosting our economy. I have highlighted above only a small portion completed and continuing work. You can find much more information on these and other projects within this report and on our website.

### Strengthening our regions

I am very pleased that in April the government announced that road maintenance and some minor capital works would return to being delivered by road crews, supervisors and managers employed by Main Roads.

This initiative will see 660 new employees join us over the next few years, 490 in regional Western Australia and 170 in the Metropolitan Region. In-house delivery of routine road maintenance and some minor capital works will build our skills and knowledge, while we become a more informed purchaser.

We will be offering roles to local people while also actively working to attract people to live and work in regional WA. We will be encouraging local spending through increased direct engagement of local businesses and take this opportunity to build on and create great local community connections. A lot of work is being done now to prepare for the first transition of these services in our Wheatbelt and Mid West-Gascoyne regions in October and November 2022 respectively. The final roll-out will be in Kimberley Region in January 2026. We have long recognised the importance of building skills and knowledge to encourage more growth across our state. Through our Infrastructure Ready Skills program, we are working with key industry partners and the education sector to promote roles to Aboriginal people, and young and female jobseekers.

Our major infrastructure projects offer even more opportunities for Aboriginal people and businesses, including the Bunbury Outer Ring Road project, which has so far invested \$14.9 million into Aboriginal businesses and provided support to Aboriginal people through the Yaka Dandjoo program. The program is designed to provide unemployed participants with life skills and on-the-job mentoring to help build sustainable careers within the construction industry.

We made one of the biggest contributions towards the growth of contracts awarded to registered Aboriginal businesses. We significantly exceeded the three per cent target with our results coming in at 12 per cent compared to the states' overall result of 6.5 per cent. The development of our Aboriginal Business Directory is expected to further increase these results in future. This new directory will support our focus on creating and sustaining opportunities for Aboriginal people and businesses.

## Improving safety on our network and worksites

Across the state more than \$518 million in works have been delivered as part of the Regional Road Safety Program upgrading almost 7,000 kilometres of regional roads to significantly reduce the crash rate. We are continuing to deliver this important program, that when completed will result in 60 per cent of the state's regional road network upgraded with one-meter-wide bitumen sealed shoulders which have been proven to reduce fatal and serious injury crashes.

The construction industry had the second highest number of work-related fatalities in the period from 2011 to 2021. For a given hour worked, a person in the construction industry has 1.4 times the average risk across all industries of a work-related fatality. The 2022 WA Transport Works Safety Forum brought together 200 people from across the construction industry to raise awareness of these issues.

While our own Lost-Time Injury rate continues to be low, it was timely to look at approaches around temporary traffic management, creating a culture of good mental health, improving safety in design and openly discussing the challenges associated with delivering in a resource constrained market.

## Looking ahead

Our population is growing, and Western Australia needs a transport system that can service more and different journeys, meet changing travel patterns of the community, and innovate and take advantage of sustainable and new technologies. This year provided a range of challenges. Over the next 12 months, we will continue to adapt to this challenging environment and create opportunities across the state for further growth. We are developing transformative technology that will improve customer experience and deliver easier, safer, and simpler connections for everyone using our network.

Construction will continue with exciting milestones across the Tonkin Gap and Leach Highway – Welshpool Road Interchange project in the coming months. Investment in our productivity and resilience continues as part of the \$50 million Freight Vehicle Productivity Improvement Program meaning critical logistic routes will be supported and rest areas will be upgraded across 13 priority locations in our regions. The next round of our State Black Spot Program has been released, which will see 83 upgrades and safety improvements made to roads across the state. This includes 50 projects on metropolitan roads and 33 projects on regional roads.

While delivery of these major infrastructure projects is a priority, we will continue to develop innovative solutions to support our customers' changing needs and support our communities through greater connections and services. I acknowledge the work done by Corporate Executive this year as we met the challenges of COVID-19 and delivered our \$3.2 billion program. I have appreciated the opportunity to lead a team dedicated to Keeping WA Moving, and I look forward to the future and greater opportunities ahead for Main Roads.

## Des Snook

Acting Managing Director of Main Roads

# Our outcomes

**Timely, accurate performance information provides insights and can enable judgement on the effectiveness and efficiency of our services. We use performance measures as a tool to guide us to achieve or improve the results that matter.**

This is a snapshot of how we are performing against our key areas of focus aligned with our operational activities as identified against our strategic direction; **Keeping WA Moving**. More information including multi-year trends and further analysis is included throughout the report.



## Movement

Improve mobility of people and the efficiency of freight



ASSETS



NETWORK PERFORMANCE



FINANCIAL CAPITAL



OUR PEOPLE



KNOW-HOW

KEY OUTCOMES SOUGHT	RESULTS	TARGET	ACTUAL	STATUS
<b>Facilitation of economic and regional development</b>	Return on expenditure exceeded target and is an improvement from last year's result	2.78	<b>2.91</b>	✓
	Contracts completed on time exceeded target showing an improvement on last year	90	<b>100</b>	✓
	Contracts completed on budget exceeded target showing continued strong performance	90	<b>100</b>	✓
<b>Improved community access and roadside amenity</b>	A major bushfire in Boranup coupled with multiple flooding events in the Pilbara and Kimberley impacted on network availability	95	<b>87</b>	✗
	Contracts completed on budget is within target	90	<b>85</b>	✓
	Contracts completed on time is below target with the most common cause being due to increases in scope of works	90	<b>46</b>	✗
<b>A well-maintained road network</b>	Community satisfaction with road maintenance is within target with a small decrease from last year	90	<b>85</b>	✓
	Our preventative and proactive maintenance indicator met target	85	<b>86</b>	✓
	Average \$ cost of network maintenance per lane-kilometre of road network is within target and higher than estimated	\$7,900	<b>\$8,373</b>	✓
<b>Reliable and efficient movement of people and goods</b>	Road network permitted for use by heavy vehicles			
	B-double – 27.5 m	97	<b>98</b>	✓
	Double road train – 27.5 m	97	<b>98</b>	✓
	Double road train – 36.5 m	80	<b>82</b>	✓
	Triple road train – 53.5 m	45	<b>44</b>	✓
The % of roads that meet network configuration continues to improve	92	<b>94</b>	✓	

KEY OUTCOMES SOUGHT	RESULTS	TARGET	ACTUAL	STATUS
	The % of bridges that meet strength requirements met the agreed target	94	94	✓
	Contracts completed on time is below target and lower than last year's results	90	68	✗
	Contracts completed on budget exceeded target showing continued strong performance	90	91	✓
	Average \$ cost of network management per million vehicle kilometres travelled came in higher than our target	\$5,450	\$6,701	✗



## Customers

Provide a transport network centred on what our customers need and value



CUSTOMERS



OUR PEOPLE



KNOW-HOW

KEY OUTCOMES SOUGHT	RESULTS	TARGET	ACTUAL	STATUS
<b>Providing a transport network centred on what our customers need and value</b>	Community satisfaction with Main Roads is within target with a slight decrease from last year	90	89	✓
	We experienced a decrease in the number of customer subscriptions to our project updates as several large projects were completed	5% increase	33% decrease	✗
	The target for resolving enquires at first point of contact with our customer information centre was achieved	80	98	✓
<b>A well-maintained road network</b>	Community satisfaction with road maintenance is within target with a slight decrease from last year	90	85	✓
<b>Improved community access and roadside amenity</b>	Community satisfaction with cycleways and pedestrian facilities met target	90	88	✓
<b>Provision of a safe road environment</b>	Community satisfaction with road safety remains strong	90	91	✓



## Safety

Provide improved safety outcomes for all users of the transport network



ASSETS



NETWORK PERFORMANCE



FINANCIAL CAPITAL



OUR PEOPLE



KNOW-HOW

KEY OUTCOMES SOUGHT	RESULTS	TARGET	ACTUAL	STATUS
<b>Provision of a safe road environment</b>	Contracts completed on time came in below target however delivered improved results from last year	90	72	✗
	Contracts completed on budget exceeded our target showing continued strong performance	90	97	✓
	Black Spot location indicator is within target and was a slight increase from last year	7.30	7.28	✓



# Creating new opportunities for Aboriginal businesses

**In October, we held our first ever Meet the Buyer and Supplier Forum. This forum held at Perth's RAC Arena brought together Aboriginal businesses and major road and rail contractors operating across the transport construction and maintenance sector.**

The day started with an inspiring Welcome to Country from Neville Collard and a keynote address from the Minister for Transport, who announced the government's commitment for the Transport Portfolio to award \$700 million in contracts to Aboriginal businesses, as well as having 3.5 million work hours completed by Aboriginal workers over the next five years. We then had a question-and-answer session moderated by former Treasurer, Ben Wyatt who facilitated questions from more than 250 attendees to a panel that included representatives from industry peak bodies, government officials and Aboriginal business owners.

The forum then moved into an exhibition style, meet-and-greet session with more than 30 contractors including all the Portfolio's major construction and maintenance delivery partners, and support organisations such as Supply Nation, Aboriginal Business

Directory WA and Wirra Hub hosting booths. Over 200 representatives from Aboriginal businesses across the state participated. The forum, which was coordinated by Known Associates, an Aboriginal owned event management company, is just one way we are supporting Aboriginal people to build sustainable and competitive businesses within the transport sector.

In another initiative, two Aboriginal businesses were selected as part of a pilot program to develop pathways for Aboriginal businesses to progress undertaking larger scopes of infrastructure works. An Aboriginal management consulting business was engaged to work with each company to develop management systems and assist them through the certification process.

As a result of this pilot program, the businesses achieved ISO certification in Occupational Health

and Safety, and Environment and Quality, and are now on a pathway to becoming a nationally recognised prequalified contractor. Given the successful outcome of the pilot, the program will be extended over the next two years to assist a further five Aboriginal businesses.

In addition, Dennis Kickett was announced as Director Aboriginal Engagement (Transport Portfolio) in May 2022, becoming a member of the Transport Portfolio Governance Council and our Corporate Executive. Dennis will continue to work across the Portfolio agencies to support Aboriginal businesses and deliver on the Portfolio's commitments.



# Responding to a logistics challenge as we were cut off

**True collaboration brings together government, industry and local businesses to overcome the logistics challenge that arose due to flooding disrupting the road and rail link between east and west. Importantly, 80 per cent of the freight which comes into WA from the rest of Australia is carried on the East-West rail line.**

In January, a one-in-200-year flood event in South Australia, affected the Trans-Australian Railway, severely damaging multiple locations along a 300-kilometre stretch of track. The prolonged rail network outage caused a logistical nightmare for freight supplies into Western Australia.

The closure of the East-West rail line meant that for a time, road transport became the only way to move freight in and out of WA. This prompted the Minister for Transport to hold a crisis meeting where we collaborated with the National Coordination Mechanism Committee, the National Supply Chain and the WA Freight and Logistics Council to implement steps to ensure the existing road supply chain network into Western Australia was not compromised and supplies continued to arrive from the eastern seaboard.

In February, we began issuing two types of Temporary Special Assistance Permits. The first was to permit 53.5-metre triple road trains to travel from the WA border to the Kalgoorlie Intermodal Terminal, and return. This was part of a 'land bridge' around the rail closure in South Australia, which used triple road trains to transport containers from the rail terminal in Port Augusta to Kalgoorlie. At Kalgoorlie, the containers were put onto trains and transported to the Kewdale Intermodal Terminal.

The second type of permit, which allowed 36.5-metre road trains to travel between Northam and Perth under escort by transport inspectors meant the road trains did not have to drop a trailer at Northam, enabling further movement of containers to distribution centres

More than 500 Flood Relief Permits were issued during the exemption period. Under these special permits we saw road freight increase by 50 per cent. The additional heavy vehicle movements helped increase the amount of stock coming into the state fulfilling a task normally done by the rail network.

The special permits remained in place until mid-March to help clear the backlog as we all worked to get supplies into our shops and homes during this very unusual event.

# About us

## Our Minister, Legislation, Role & Operations

### Enabling Legislation

The Main Roads Act 1930, as amended, establishes the Commissioner of Main Roads as a corporate body and sets out the powers and duties of the office.

### Responsible Minister

**Honourable Rita Saffioti MLA**  
Minister for Transport; Planning; Ports

### Our Role

Our role is to plan, build, maintain and operate Western Australia's state road network valued at more than \$59.6 billion. We work closely with our portfolio partners, the Department of Transport and the Public Transport Authority, as well as local government, to support the needs of all road users across the state by providing an integrated world-class road transport network.

### Extent of Operations

We are one of the most geographically dispersed road agencies in the world, responsible for nearly 19,000 kilometres of road spread over 2.5 million square kilometres. Last year we engaged directly with more than 5,300 suppliers and made in the order of \$2.904 billion in payments. Of our suppliers, 193 were state or local government agencies and 7 were research bodies or universities.

The remainder are classified as contractors, consultants or suppliers and are predominately from the Western Australian economy. Our indirect supply chain is again more extensive with our construction projects engaging with multiple sub-contractors and suppliers.

LOCATION	POPULATION (000)	AREA COVERED (000 KM <sup>2</sup> )	STATE ROADS KM
Goldfields–Esperance	56	770	2,202
Great Southern	64	37	1,609
Kimberley	38	419	2,449
Metropolitan	2,080	5	1,012
Mid West-Gascoyne	67	601	3,625
Pilbara	58	506	2,796
South West	306	25	1,759
Wheatbelt	77	159	3,493
<b>Total</b>	<b>2,749</b>	<b>2,526</b>	<b>18,945</b>

# How we create value

## Our Strategy Keep WA Moving



### 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

## Strategic Initiatives

See pg.22

These are short term priorities helping shape our strategic direction and response.



### FUTURE TRANSPORT TECHNOLOGY



### NET ZERO EMISSIONS



### DIGITAL ENGINEERING SKILLS & CAPABILITIES



### ABORIGINAL ENGAGEMENT & PARTICIPATION



### IMPROVING SOCIAL OUTCOMES

## Key Resources

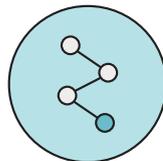
See pg.20



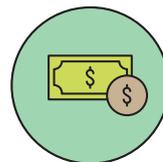
### CUSTOMERS



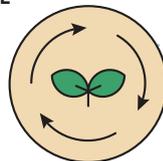
### ASSETS



### NETWORK PERFORMANCE



### FINANCIAL CAPITAL



### NATURAL RESOURCES



### OUR PEOPLE



### KNOW-HOW

## What We Do



## What We Do

## Our Aspiration

Our aspiration is to provide **world class outcomes for the customer through a safe, reliable and sustainable transport system.**

### What we deliver

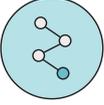
### What we create

SERVICE	OUTCOME	VALUE	
<b>ROAD SAFETY</b>	Provision of a safe road environment	<b>91%</b> Community Satisfaction	Improved safety at 117 black spot locations \$518 million Regional Road Safety Program
<b>ROAD EFFICIENCY</b>	Reliable and efficient movement of people and goods	<b>\$900M</b> In services delivered	Managed more than 16,000 incidents on network 94% of all travel on the network meeting configuration standards
<b>ROAD MANAGEMENT</b>	Reliable and efficient movement of people and goods	<b>36,771</b> Permits issued	89% community satisfaction with Main Roads 94% of bridges reach standard strength criteria
<b>STATE DEVELOPMENT</b>	Facilitation of economic and regional development	<b>\$5.4B</b> increase in assets	44% of Albany Ring Road spend awarded to local businesses Return on investments exceeded our target at 2.91
<b>ROAD MAINTENANCE</b>	A well maintained road network	<b>\$486M</b> In services	85% community satisfaction Increased the extent of the network younger than its optimal age to 86%
<b>COMMUNITY ACCESS</b>	Improved community access and roadside amenity	<b>87%</b> Total state road availability	Community satisfaction with cycleways and pedestrian facilities at 88% Principal shared paths increase by 5% to 313 kilometres
<b>BUSINESS ACTIVITIES</b>	Exemplary environmental management, stakeholder engagement and development of our employees	<b>\$3.2B</b> In services delivered	\$102 million spent with Aboriginal businesses 88% satisfaction with our sustainability practices



# Key Resources

We utilise seven key resources that are inputs to our business creating value now and into the future. This table shows the alignment between our key resources, the six capitals identified in the Integrated Reporting Framework and how we have aligned them to reflect our business activities represented in this report.

RESOURCES	TERM IN REPORT	CAPITALS	WHAT IT MEANS FOR OUR BUSINESS
 <p>OUR PEOPLE</p>	<b>Our people</b>	Human	Strong leadership of a diverse and inclusive values-driven workforce that is operating in a safe environment and has the right skills, capability and training.
 <p>KNOW-HOW</p>	<b>Enhancing Safety, Health and Wellbeing</b>	Intellectual	A strong culture that recognises and cultivates innovation taking up the challenges ahead.
 <p>ASSETS</p>	<b>Operational Performance</b>	Manufactured	A well-maintained road-based transport network that is safe, reliable and sustainable, centred on what our customers need and value.
 <p>NETWORK PERFORMANCE</p>	<b>Operational Performance</b>	Manufactured	Improving the mobility of people and the efficiency of freight through a well-managed and reliable road network.
 <p>NATURAL RESOURCES</p>	<b>Managing the Environment</b>	Natural	The environmental resources used in delivering our services.
 <p>FINANCIAL CAPITAL</p>	<b>Financial Overview Financial Statements</b>	Financial	Sources of funding and appropriations utilised.
 <p>CUSTOMERS</p>	<b>Improving Customer Experience</b>	Social and relationship	Putting the customer and their experience at the centre of everything that we do.

# Linking strategy, future direction & innovation

Keeping WA Moving is our strategic direction; it underpins everything we do. It defines our aspiration: **To provide world class outcomes for the customer through a safe, reliable and sustainable road-based transport system.**

## Area of Focus

Our four focus areas emphasise on delivering value and are based on the current and future needs of 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 Guiding Principles

These principles reflect our values and are about how we operate.

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

## Our Values

These are the foundation upon which our organisation is built. They represent our culture, guide our behaviours, and influence decision-making and relationships with each other, our customers and partners.

**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.

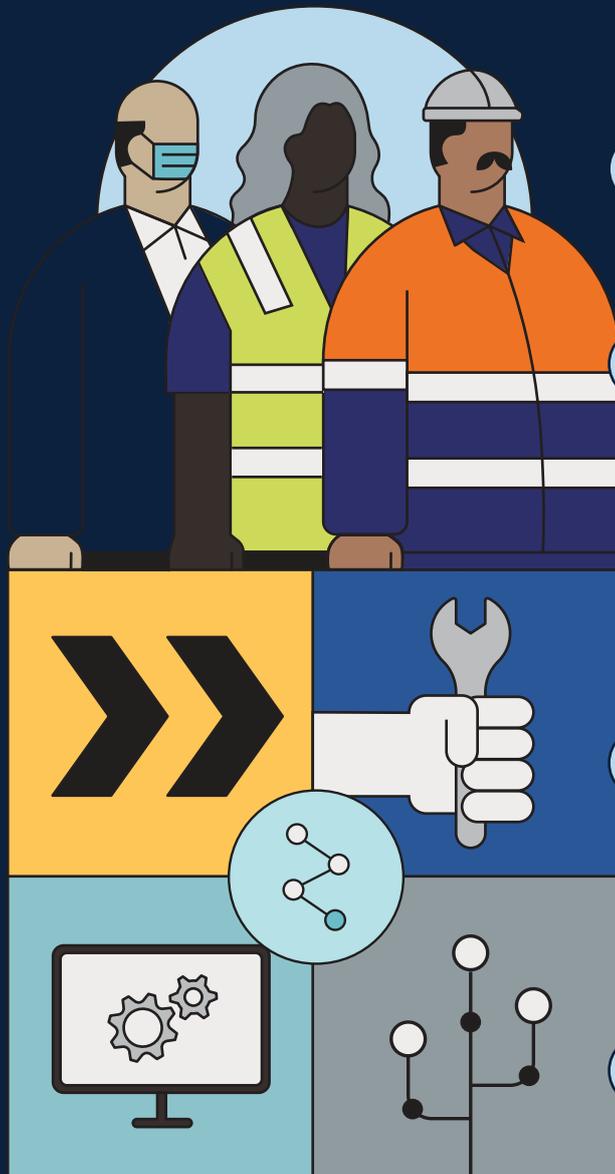
**Professionalism:** Delivering the highest standards of service and expertise.

**Family:** Respecting and supporting our customers, the community and each other.

# Shaping future direction

**In addition to our guiding principles and areas of focus, we also outline Strategic Initiatives which provide short-term priorities to help shape our strategic direction.**

These are reviewed by our leadership team annually and may last only one year, or many years, depending on changing internal and external priorities. The current Strategic Initiatives are:



1

## Future Transport Technology

Further understanding the potential impacts of Connected and Automated Vehicles, Intelligent Transport Systems and future related technologies by removing barriers for adoption and supporting trials where appropriate.

2

## Net Zero Emissions

Helping the transition towards a low carbon and climate resilient WA economy to support the government's aspiration to net zero emissions by 2050.

3

## Digital Engineering Skills and Capabilities

Creating, capturing and using data from digital methods for engineering purposes.

Ensuring that we have the right skills and capabilities to deliver business outcomes now and, in the future including succession planning, knowledge management and development programs

4

## Aboriginal engagement and participation

Ensuring that we are committed to the engagement of Aboriginal people, providing a workplace where Aboriginal cultures and histories are embraced and respected and full participation in our workforce and supply chain is commonplace.

5

## Improving Social Outcomes

Ensuring that we take advantage of our largest ever investment program to deliver on the government's aims of improving social outcomes. This includes diversification of employment in the construction industry, developing infrastructure ready skills and providing opportunities to those most impacted by the COVID disruption, for the culturally and linguistically diverse and people with disability.



# Strategic research, innovation & collaboration

**We undertake significant activity to develop and enhance our collective knowledge of economic, environmental and social topics through a range of partnerships and research collaborations.**

By closely collaborating and partnering with industry and research institutions we undertake leading-edge road and transport research.

These collaborations and partnerships include:

- Austroads
- ARRB
- Western Australian Road Research and Innovation Program (WARRIP)
- Planning and Transport Research Centre (PATREC)
- Sustainable Built Environment National Research Centre (SBENRC)
- Western Australian Centre for Road Safety Research

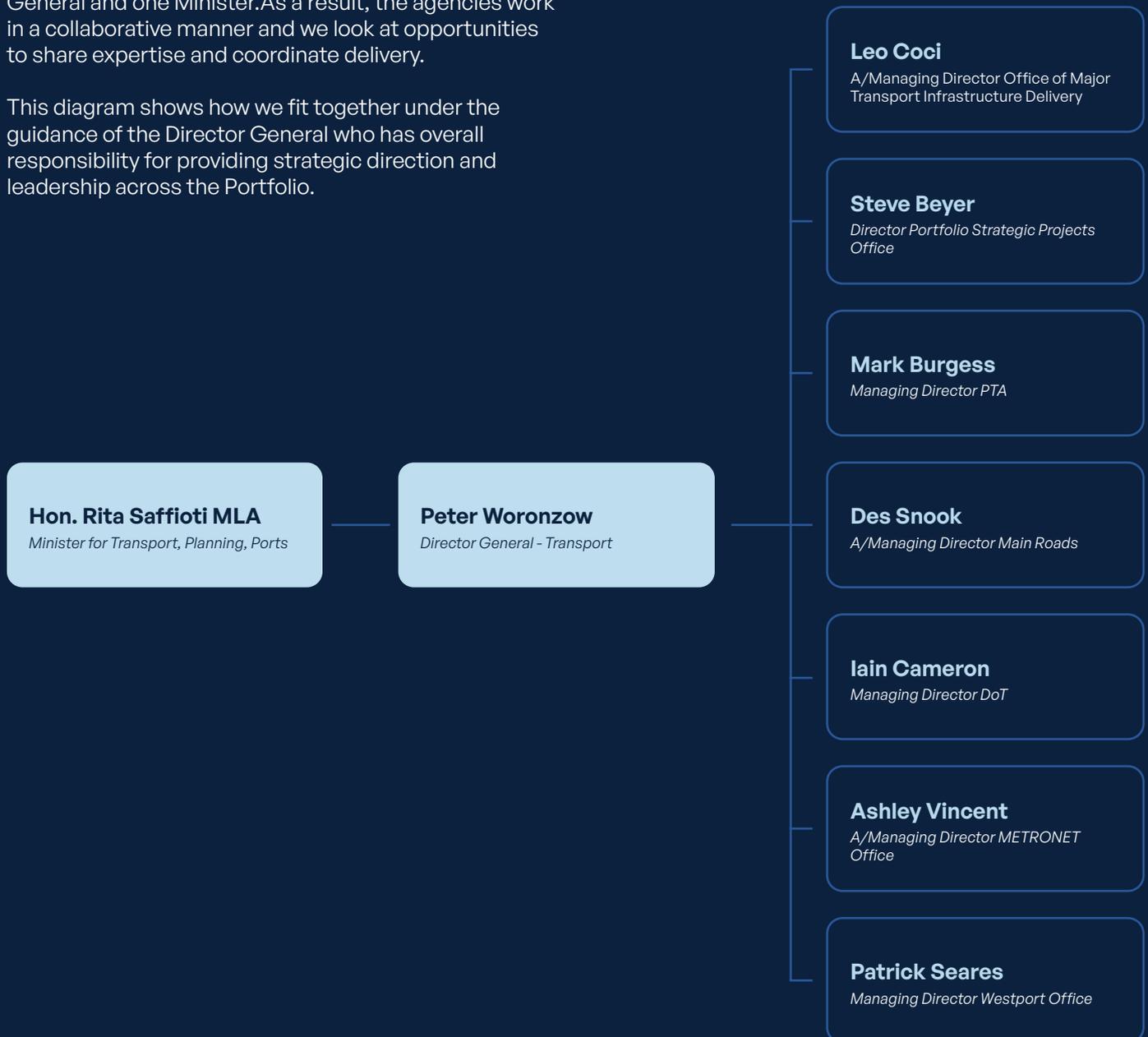
Our internal Innovation and Research Program encourages our people to collaborate, learn, solve problems and explore new and innovative opportunities. This allows us to solve real business problems or explore new opportunities in conjunction with the organisations listed above as well as universities, cooperative research centres and the private sector.

**During the year, nine new projects were approved and we had 22 active projects. Our new projects have a variety of topics and scope; examples include bridge health monitoring, testing of new drainage assets and exploring new technologies.**

# Our structure: Transport portfolio

Since 2010, WA's three key transport agencies The Department of Transport, Main Roads and the Public Transport Authority have worked together as the Transport Portfolio of agencies to enhance the coordination of operations and develop unified policies and regulatory functions. The agencies have different roles and functions but work under one Director General and one Minister. As a result, the agencies work in a collaborative manner and we look at opportunities to share expertise and coordinate delivery.

This diagram shows how we fit together under the guidance of the Director General who has overall responsibility for providing strategic direction and leadership across the Portfolio.



# Our structure: Main Roads

This is the organisational structure for Main Roads. Further information about our Corporate Executive can be found in the Our Leadership Team and Governance and Risk Sections.

**Des Snook**  
Managing Director (Acting)

**Belinda Stopic**

Executive Director  
Infrastructure Delivery (Acting)

- Major Projects
- Project Services
- Business Management

**Neville Willey**

Executive Director Human  
Resources (Acting)

- HR Business Partners
- HR Services
- Employee and Industrial Relations
- Safety, Health and Wellbeing
- Workforce Development
- Aboriginal Employment and Diversity

**Tony Earl**

Executive Director Network  
Operations

- Congestion and Movement Program
- Traffic Management Services
- Traffic and Road Network Performance
- Real-Time Traffic Operations
- Road Planned Interventions
- Intelligent Transport Systems
- Business Management

**Alan Colegate**

Executive Director Strategy  
and Communications (Acting)

- Strategic Communications
- Executive and Corporate Communications
- Media Management
- Strategy
- Business Management

**Peter Sewell**

Executive Director Metropolitan  
and Southern Regions (Acting)

- Metropolitan Region
- South West Region
- Great Southern Region
- Heavy Vehicle Services
- Crisis and Emergency Management
- Level Crossing Safety and Policy
- Road Access Planning
- Business Management

**John Erceg**

Executive Director Central and  
Northern Regions

- Term Contracts
- Kimberley Region
- Pilbara Region
- Mid West-Gascoyne Region
- Goldfields-Esperance Region
- Wheatbelt Region
- Network Management
- Business Management

**Philip D'Souza**

Executive Director Finance and  
Commercial Services (Acting)

- Management Review and Audit
- Program Management Office
- Information Management
- Legal and Commercial Services
- Supply and Transport
- Finance Management
- Property Management
- Aboriginal Engagement
- Business Management

**Doug Morgan**

Executive Director Planning  
and Technical Services

- Road Safety
- Materials Engineering
- Road and Traffic Engineering
- Asset and Geospatial Information
- Structures Engineering
- Road Planning
- Environment
- Project Development
- Business Management



# Our leadership team

**Corporate Executive is our peak decision-making body with an objective to set clear strategic direction for delivering government priorities and our aspiration.**



## Des Snook

Acting Managing Director *BEng(Civ)*

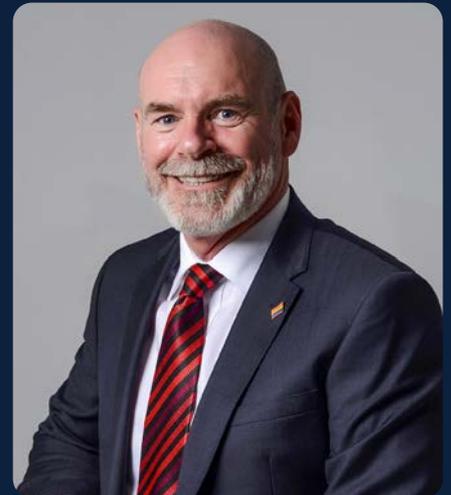
Des has acted in the role of Managing Director since January 2022. He has worked in senior positions within Main Roads in Perth and regional Western Australia, providing him with a good understanding of the functions, responsibilities and services of Main Roads. His substantive position is Executive Director Metropolitan and Southern Regions and Heavy Vehicle Services. He is currently Western Australia's Alternate Director on the boards of Austroads and Transport Certification Australia and continues to hold state-wide responsibility for the delivery of heavy vehicle services.



## John Erceg

Executive Director Central and Northern Regions *BEng(Civ)*

John is responsible for providing asset management, project delivery and maintenance across the Wheatbelt, Goldfields-Esperance, Mid West-Gascoyne, Pilbara and Kimberley regions. He also has state-wide responsibility for corporate asset management, and regional construction and maintenance delivery strategies, policies and functions. In addition to having worked throughout the state, John has held leadership positions in heavy vehicle operations and road network operations. He has also had national leadership responsibility for the Austroads Network Program and international experience as the Australian representative on the World Road Association, Technical Committee for Management of Road Network Operations.



## Alan Colegate

Acting Executive Director Strategy and Communications  
*DipAcc, GBC*

Alan is responsible for corporate strategic planning and policy and the provision of timely, accurate and customer-centred communications and is the Executive LGBTQIA+ Champion. He represents Australia and New Zealand on the PIARC (Permanent International Association of Road Congresses) Technical Committee on Performance of Road and Transport Administrations. Alan is also Chair of the Board of Directors of Australasian Reporting Awards Ltd and continues in his role as a Divisional Coordinator and member of the awards committee.



### Phillip D'Souza

Acting Executive Director Finance and Commercial Services *BCom(Acctg&Fin), GradCertLdshp&Mgt, CPA*

Phillip, as Chief Finance Officer, oversees provision of sustainable and innovative financial, investment planning, business, risk management, integrity and commercial services. He is a member of CPA Australia and of the CPA WA Public Sector CFO Network. He is the Independent Audit and Risk Management Committee Chair for the Department of Planning, Lands and Heritage.



### Doug Morgan

Executive Director Planning and Technical Services *BEng(Elect), MBA*

Doug contributes to sustainable integrated transport through providing leadership in engineering, project development, road planning, environmental services and spatial data management. He has extensive knowledge in traffic operations and road safety and his role includes responsibility for network planning and road classification across the state. Doug is a member of the Board of the Sustainable Built Environment National Research Centre and serves as a member of the Road Safety Commission.



### Martine Scheltema

Manager Environment *BSc (Hons)*

As Environment Manager, Martine provides environmental leadership to the organisation, driving environmental outcomes through systems, procedures and on-ground actions. Martine has extensive experience in environmental impact assessment, environmental management and leadership and is a member of Austroads Environment and Sustainability Taskforce.



### Peter Sewell

Acting Executive Director Metropolitan and Southern Regions *DipSurveying(Eng), GradCert(TechMgt), GradCert(Mgt)*

Peter is responsible for asset management, maintenance and project delivery services for the Metropolitan, South West and Great Southern regions. He also has state-wide responsibility for the delivery of electrical service assets, crisis and incident management, railway crossing safety and the operation of the Graham Farmer Freeway Tunnel. He has worked extensively throughout the state, including as a Regional Manager.



### Tony Earl

Executive Director Network Operations *Traffic Engineer*

Tony is responsible for leading the team, based at our Road Network Operations Centre (RNOC), to optimise the performance of the state road network. This involves facilitating safe and reliable movement of people and goods, with a focus on reducing delays and the cost of congestion in the metropolitan area. He has extensive knowledge of Smart Freeways operations and international experience in developing and implementing road network strategies while building the capability to deliver performance improvements through operational technologies.



### Neville Willey

Acting Executive Director Human Resources *PostGradCertBus, ProfDipHRM*

Neville is a strategic and collaborative human resources professional with many years of experience within Main Roads. He effectively leads and manages the delivery of Human Resources services and programs. With his extensive knowledge of the business, he can achieve critical business objectives which align with the strategies and corporate culture of Main Roads. Neville is focused on building capability, safety and developing a high performing culture of skilled professionals. Neville brings extensive knowledge in the areas of human resource management, workforce planning and employee relations. His success is built on collaboration, commitment and effective decision making.



### Belinda Stopic

Acting Executive Director Infrastructure Delivery  
*BEng(Civ&Struct)(Hons), GradCert(Building&Con-  
strLaw), GradCert(BusMgmt)*

Belinda has extensive experience in road and bridge engineering design, construction and project management experience, multi-skilling across a wide variety of disciplines in government. She has a successful track record for the completion of works through coordinating personnel, developing partnerships, and fostering corporate relationships at all levels of government, as well as collaborating with design houses and construction contractors in the civil construction industry. Her focus and expertise on project, contract and commercial management services ensures Main Roads continues to develop and deliver infrastructure projects – now and in the future.



### Leo Coci

Acting Managing Director Office of Major  
Transport Infrastructure Delivery  
*BEng (Hon), MBA*

As acting MD, Leo brings together major rail and road projects from Main Roads and Public Transport Authority into one expert delivery hub. Under unified leadership, the teams collaborate and share expertise to bring efficiencies to fast-track priority transport and infrastructure projects. Leo is responsible for the procurement and delivery of high-value, complex infrastructure for some of our largest projects across Western Australia. He oversees the delivery of more than \$8 billion worth of transport infrastructure projects and is creating a culture of project delivery excellence. Leo is on the Infrastructure Sustainability Council of Australia Board and is a member of the Aboriginal Advisory Group.



### Carmelo Naso

Chief Information Officer  
*BBus(InfoProc), PSM*

Carmelo, as Chief Information Officer, oversees the organisations diverse technology landscape and provides leadership in ensuring it remains relevant and contemporary in an ever-changing environment. He has extensive experience and knowledge in leading and managing Information Technology and his role includes the management of both the corporate and operational systems and infrastructure.



### Dennis Kickett

Director Aboriginal Engagement  
*(Transport Portfolio) BA(SocSc)*

Dennis, as the Director Aboriginal Engagement (Transport Portfolio), will oversee the Aboriginal business and employment targets over the next five years. This includes \$700 million in contracts to Aboriginal businesses, as well as having Aboriginal workers complete 3.5 million work-hours through our significant capital works, services and maintenance programs for the Portfolio agencies working closely together. These agencies include Main Roads, Department of Transport, Public Transport Authority, Office of Major Transport Infrastructure Delivery, METRONET and Westport.



# Leadership team changes

**There were significant changes to the leadership team throughout the year as Peter Woronzow was appointed as Director General of the Transport Portfolio and Commissioner of Main Roads.**

During the financial year, Doug Morgan and Des Snook both acted in the position of Managing Director, with the latter undertaking the role since January 2022. In addition, Peter Sewell has taken on the role of Acting Executive Director of Metropolitan and Southern Regions.

The Leadership Team recognised the value of diversity of opinion and invited a staff representative to join Executive at their meetings. Martine Scheltema, Manager Environment is the first employee representative and is fulfilling a 12-month term which will expire in September 2022.

In April 2022, recognising the importance of Aboriginal engagement and participation, Dennis Kickett in his capacity as Director Aboriginal Engagement for the Transport Portfolio was invited to become a member of the Executive Leadership team.

# Operations

## Achieving Government Goals

Our commitment to delivering safe, reliable and sustainable transport services to the community is at the core of everything we do. The strategic areas of focus in **Keeping WA Moving** guide delivery of our services:



### 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

Services and outcomes aligned with the **Government's Goals** are shown in the table below:

GOVERNMENT GOAL	EXPENDITURE \$ MILLION	MAIN ROADS SERVICE	MAIN ROADS OUTCOME
<b>Safe, Strong and Fair Communities</b> Develop healthy and resilient communities	372	<b>Road Safety</b>	Provision of a safe road environment
	159	<b>Community Access</b>	Improved community access and roadside amenity
<b>WA Jobs Plan</b> Local manufacturing and production, creating WA jobs and training for the future	483	<b>State Development</b>	Facilitation of economic and regional development
<b>Growing Our Communities</b> Protecting our environment with thriving suburbs and regions	486	<b>Road Maintenance</b>	A well-maintained road network
	900	<b>Road Efficiency</b>	Reliable and efficient movement of people and goods
	192	<b>Road Management</b>	

# Road Safety

## Providing a Safe Road Environment

### Aim of the program

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

### About the program

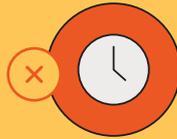
The program comprises initiatives including: state and national Black Spot projects; intersection improvements; construction of or improvements for overtaking lanes, rail crossings, bridge safety, and audible edge lines; and shoulder sealing works.



91%

**TARGET 90%**

Community satisfaction with road safety met target remaining strong



72%

**TARGET 90%**

Contracts completed on time is below target however delivered improved results than last year



97%

**TARGET 90%**

Contracts completed on budget exceeded target showing continued strong performance

\*For more detailed information on our Key Performance Indicators and targets see 'Performance Measures' on pg 111

	2020	2021	2022
Program expenditure \$ million	175	435	372

### Works planned for the next financial year include:

- Deliver the Regional Low-Cost Road Safety Program
- Heavy Vehicle Safety and Productivity Program
- Great Eastern Highway - Walgoolan to Southern Cross Package 1
- Widening and reconstruction to improve sight distance on Albany Highway at Gordon River
- Progress safety improvements along Thomas Road in Oakford
- Commence intersection improvement work at Forrest Highway in Bunbury
- Deliver state and federal Black Spot programs
- Deliver ongoing improvements and upgrades to rail level crossing sites.

Some of these are already underway. Visit the Projects and Initiatives section of our website to find out more.



# Community input drives Regional Roadworks Signage Review

**Important review leads to real action to support greater road safety and road user experiences on WA's road network.**

In late 2020, the Minister for Transport initiated a Regional Roadworks Signage Review to help enhance safety and improve road user experiences through roadworks. The review was undertaken by an independent industry based stakeholder reference group and considered how temporary traffic signage at roadworks sites are installed, secured and managed in regional areas. During the review process, feedback was sought through 16 community meetings and more than 350 responses were received on the MySay Transport Portal.

The final report identified 13 recommendations focusing on providing changes and improvements to address the concerns identified by the community. The government accepted all the findings and

tasked us with deploying the recommendations which were grouped into these themes:

- Road user and road worker safety
- Education, training and support
- Accountability for drivers as well as road and traffic managers/planners
- Technology
- Signage integrity and legibility
- Compliance and enforcement
- Implementation.

The recommendations are underpinned by 21 actions of which seven were considered immediate and have now all been completed. The remaining 14 will be completed by the end of 2023.

As a result of the review, we have improved safety for our road

workers by removing the stop/slow baton use on all state roads, with minor exceptions. In their place we have mandated the use of portable traffic control devices to stop and control traffic through worksites.

Another outcome resulted in working with WALGA on the "Be our eyes on the road campaign". This campaign encourages the community to report fallen, damaged or missing road signs, faulty traffic lights and road surface issues at any time to our customer contact centre.

If you see anything call 138 138 or visit our website and complete a fault report, and help us to keep our roads safer for everyone.

# Key projects

PROJECT	TOTAL PROJECT COST (\$ MILLION)	2021-22 COST (\$ MILLION)	COMPLETION DATE	DESCRIPTION
<b>Great Southern Region</b>				
Low-Cost Safety Program	16.5	16.1	June 2022	Install audible edge lines and shoulder sealing.
State Black Spot Program	0.1	0.1	June 2022	Blackspots on state roads.
Other Road Safety Works	7.3	7.6	June 2022	Deliver safety works.
<b>Metropolitan Region</b>				
Low-Cost Safety Program	19.6	9.5	June 2022	Install audible edge lines and shoulder sealing.
State Black Spot Program	13.1	8.3	June 2022	Blackspots on state roads.
Electronic School Zones	2.6	2.2	June 2022	Upgrade school signs.
Other Road Safety Works	81.6	48.9	June 2022	Deliver safety works.
<b>Mid West - Gascoyne Region</b>				
Low-Cost Safety Program	48.9	30.1	June 2022	Install audible edge lines and shoulder sealing.
State Black Spot Program	1.5	1.4	June 2022	Blackspots on state roads.
Other Road Safety Works	17.4	12.2	June 2022	Deliver safety works.
<b>Pilbara Region</b>				
Low-Cost Safety Program	7.9	2.1	June 2022	Install audible edge lines and shoulder sealing.
Other Road Safety Works	16.2	8.7	June 2022	Deliver safety works.
<b>South West Region</b>				
Low-Cost Safety Program	58.8	60.2	June 2022	Install audible edge lines and shoulder sealing.
State Black Spot Program	1.7	0.8	June 2022	Blackspots on state roads.
Other Road Safety Works	17.3	11.1	June 2022	Deliver safety works.
<b>Wheatbelt Region</b>				
Low-Cost Safety Program	47.8	46.0	June 2022	Install audible edge lines and shoulder sealing.
State Black Spot Program	2.5	2.5	June 2022	Blackspots on state roads.
Other Road Safety Works	13.2	10.7	June 2022	Deliver safety works.
<b>Goldfields-Esperance</b>				
Low-Cost Safety Program	16.4	7.9	June 2022	Install audible edge lines and shoulder sealing.
State Black Spot Program	0.3	0.1	June 2022	Blackspots on state roads.
Other Road Safety Works	16.4	10.7	June 2022	Deliver safety works.
<b>Kimberley Region</b>				
Low-Cost Safety Program	27.9	25.9	June 2022	Install audible edge lines and shoulder sealing.
State Black Spot Program	2.1	2.1	June 2022	Blackspots on state roads.
Other Road Safety Works	13.0	14.7	June 2022	Deliver safety works.
<b>Railway Level Crossing Program</b>				
Railway Level Crossing Upgrade Program	29.8	6.3	June 2024	Upgrade 4 active Flashing Light controlled crossings. Upgrade 1 Stop Sign controlled crossing. Upgrade 8 pedestrian crossings. Renewal of 6 existing active crossings to meet current technical standards.

# Road Efficiency

## Providing Reliable and Efficient Movement of People and Goods

### Aim of the program

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

### About the program

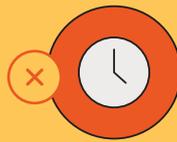
The program includes projects delivering geometric improvements, road widening, bridge strengthening and retrofitting to incorporate intelligent transport capabilities.



94%

**TARGET 90%**

Roads that meet configuration standards for width and curve exceeded target



68%

**TARGET 90%**

Contracts completed on time is below target and lower than last year's results



91%

**TARGET 90%**

Contracts completed on budget exceeded target showing continued strong performance

\*For more detailed information on our Key Performance Indicators and targets see 'Performance Measures' on pg 111

	2020	2021	2022
Program expenditure \$ million	563	589	900

### Works planned for the next financial year include:

- Smart Freeway - Mitchell Freeway Southbound from Hester Avenue to Vincent Street
- Swan River Crossings
- Great Eastern Highway Bypass and Interchanges (Roe Highway and Abernethy Road)
- Tonkin Highway Grade Separations (Hale and Welshpool Roads)
- Mandurah Estuary Bridge Duplication
- Coolgardie to Esperance Highway (Emu Rocks)
- Great Northern Highway (Ord North Section) – Stage 2
- Tonkin Highway Gap (Collier to Stanton Roads) Project and Associated Works
- Roundabout at the intersection of Great Northern Highway and Apple Street.

Some of these are already underway. Visit the Projects and Initiatives section of our website to find out more.



# Bunbury Outer Ring Road

## Helping people get work ready

**South West Region's biggest transport infrastructure project is creating employment opportunities and supporting greater economic investment in the region.**

The Bunbury Outer Ring Road (BORR) will provide a 27-kilometre, four-lane, high standard road, improving local and regional traffic accessing Bunbury Port and existing and proposed industrial areas east of Bunbury. The project will reduce a significant number of trucks from local roads, improving safety for nearby residents, easing congestion and creating more reliable journey times for all road users.

As well as the huge benefits BORR is creating for the economy and the region, the project has also created the Yaka Dandjoo Sustainable Employment Program. Yaka Dandjoo means 'working together' in the Noongar language. This six-stage program is designed to give unemployed, entry level, work ready people the skills and mindset required to sustain employment on BORR or within the South West Region.

While the program has a specific focus on ensuring opportunities for unemployed Aboriginal people, it also seeks to support those most impacted by the pandemic including women, young people and mature aged workers. The Program is unique in that it provides an approach that integrates life skills education with TAFE-based training, workplace exposure, ongoing traineeships and onsite mentoring.

Yaka Dandjoo seeks to create a pipeline of skilled people to support infrastructure delivery, boost sustainable employment opportunities and facilitate traineeships for graduates seeking employment on BORR.

Since it commenced there has been four cohorts resulting in 65 people who have graduated. All together 22 graduates have found employment directly on the BORR project either with the South

West Gateway Alliance or its sub-contractors with a further 30 having found employment elsewhere. In summary we have seen the following demographic who have achieved graduation:

- 18 young people aged 18-24
- 38 females
- 40 Aboriginal people
- 17 people aged 45+
- 5 trainees.

Resourcing, agility, and flexible thinking has been integral to the success of the program with flexible job share options facilitated since many female participants were also principal carers.

To get the information about Yaka Dandjoo, to find out more about employment opportunities on the job or to get updates on the progress of the BORR project visit our website.



# High Street Upgrade improves travel times

**Vital upgrades to High Street have provided safer trips and smoother journey times for road users.**

The High Street Upgrade project has delivered a safer and more efficient route for locals and visitors travelling to and from Fremantle and improved the freight route for heavy vehicles heading to the Port.

High Street is a heavily constrained area. The previous intersection with Stirling Highway was a notorious blackspot with a history of hundreds of crashes and some potentially dangerous heavy vehicle rollovers. In the five years prior to the upgrade, there were 399 crashes on this stretch of road and 72 of these occurred at the intersection of High Street and Stirling Highway.

The project, planned in various forms for more than 20 years, has replaced traffic signals at the intersection of High Street and Stirling Highway with a roundabout, which includes bypass lanes to separate local traffic from traffic

heading to or from Fremantle Port or locations north of the river.

Also included is a series of important safety improvements, including the separation of eastbound and westbound traffic through a mature tree-lined median, which also provides an attractive gateway into Fremantle.

Since its opening in February 2022, the project has significantly improved travel times by eliminating delays at the High Street and Stirling Highway intersection. The 2031 traffic modelling indicates journey times between Carrington Street and Stirling Highway would take up to 14 minutes longer without the project in place.

The project was developed in partnership with local stakeholders and the community. This is reflected in the design of noise

walls and amenity walls, the inclusion of new parking space for netball, the incorporation of Aboriginal and European heritage themes in the project artwork, and the environmentally sustainable drainage solution at Horrie Long Reserve.

New pedestrian underpasses feature artworks from two prominent local Noongar artists – the Peter Farmer Group and Lance Chadd. The large-scale murals tell traditional stories of the area. At Forrest Street, Peter Jnr and Kayley Emery from Peter Farmer Group selected animals and plants representative of the Six Noongar Seasons; while at Montreal Street, Lance Chadd's artwork provides an interpretation of 'Walyalup' – which means the place of Walyo (or Woylie) and is the traditional name for Fremantle.

# Key projects

PROJECT	TOTAL PROJECT COST (\$ MILLION)	2021-22 COST (\$ MILLION)	COMPLETION DATE	DESCRIPTION
<b>Metropolitan Region</b>				
Stephenson Ave Extension	165.0	24.8	Mid 2024	Scarborough Beach Road to Howe Street.
High Street	76.0	14.4	Feb 2022	Upgrade High Street between Stirling Highway and Carrington Street.
Leach Highway and Welshpool Road Interchange	136.0	83.2	January 2023	Construct a new grade separated intersection, a roundabout and a new bridge over Armadale line.
Mitchell Freeway Hodges to Hepburn	76.0	38.9	Late 2023	Construct an additional Lane southbound from Hodges Drive to Hepburn Avenue.
Tonkin Gap Project and Associated Works	290.0	90.5	Late 2023	Upgrade with additional lanes, new interchanges, bridges and a shared path.
<b>Pilbara Region</b>				
Construct Bridge on Roy Hill Munjina Road	32.1	26.0	October 2022	Deliver single span road over bridge over BHP Yandi rail.
Buttweld Road	30.1	20.1	Late 2023	Realignment and road over rail bridge construction.
<b>South West Region</b>				
Bussell Highway Duplication – Stage 1 and 2	85.0	22.5	Mid 2024	Construction of 17 kilometres of dual carriageway between Capel and Busselton
Bunbury Outer Ring Road	1,250.0	186.3	Late 2024	Construction of high standard rural highway.
Mandurah Estuary Bridge Duplication	110.0	1.9	Late 2024	Construction of a new bridge over the Mandurah Estuary.
<b>Wheatbelt Region</b>				
Great Eastern Highway at Walgoolan Southern Cross and Coates Gully	9.8	7.1	Late 2022	Realignment bridge replacement and install overtaking lane.
<b>Goldfields–Esperance</b>				
Coolgardie-Esperance Highway Upgrade Emu Rocks South	52.0	33.3	July 2022	Upgrade 25 kilometres.
<b>Kimberley Region</b>				
Great Northern Highway – Ord River North	98.1	23.2	Late 2024	Staged improvement upgrades.
Broome Cape Leveque Road	5.0	1.6	Mid 2023	Upgrade intersection to roundabout.

# State Development

## Facilitating Economic and Regional Development

### Aim of the program

Expand the road network in accordance with state and Commonwealth governments' 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, predominantly the most complex works we deliver.



2.91%

**TARGET 2.78%**

Return on expenditure exceeded target and is an improvement from last year's results



100%

**TARGET 90%**

Contracts completed on time exceeded target showing continued strong performance



100%

**TARGET 90%**

Contracts completed on budget exceeded target showing continued strong performance

\*For more detailed information on our Key Performance Indicators and targets see 'Performance Measures' on pg 111

	2020	2021	2022
Program expenditure \$ million	563	589	483

### Works planned for the next financial year include:

- Albany Ring Road
- Armadale Line Level Crossing removals
- Manuwarra Red Dog Highway
- Lloyd St Extension Stage 3 (Clayton St - GEH Bypass)
- Mitchell Freeway Extension (Hester Avenue to Romeo Road)
- Tonkin Highway Extension (Thomas Road to South Western Highway)
- Nicholson Road and Garden Street Grade Separation
- Reid Highway (Altone Road, Daviot Rd and Drumpellier Drive Grade Separations)
- Bidyadanga Community Internal Roads Upgrade.

Some of these are already underway. Visit the Projects and Initiatives section of our website to find out more.



# Albany Ring Road, a game changer

**The Albany Ring Road project marked a major milestone in April 2022, with the first of three new interchanges opening to traffic.**

The interchange, comprising a new bridge on Menang Drive over Albany Highway with connecting ramps, is the first grade-separated intersection in the Great Southern Region and its opening marks completion of the first phase of the Ring Road project. It was delivered on schedule and on budget, despite significant challenges during one of the wettest winters on record.

Construction of the final section of the Ring Road, between South Coast Highway and Princess Royal Drive, commenced in February 2022. The alignment had significant design enhancements during 2021 to improve local connectivity and reduce the overall footprint. These improvements also lowered the overall vegetation clearing requirement by almost 50 per cent.

Upon completion in 2024, this \$175 million project will establish an 11-kilometre free-flowing connection

between Albany Highway and Princess Royal Drive, improving freight efficiency and reducing congestion on existing routes. The project will support the long-term viability of the Port of Albany and take heavy vehicles out of the centre of the City providing a safer road network and improve amenities for residents and visitors.

This is the largest infrastructure project undertaken in the Great Southern Region and is a game changer for the area delivering jobs and growing local businesses. To date, 44 per cent of the contract value has been awarded to businesses located within 100 kilometres of the Albany CBD. Approximately 10 per cent of the hours worked have been undertaken by the project's Aboriginal workforce and 40 per cent of project professional staff live within the Great Southern Region.

Winter has delivered us a short window to prepare the next stage of community engagement activities as we prepare the community and stakeholders for the major works that will commence in September. We are continuing our regular engagement program to better understand how the project can limit its impact on residents' daily activities.

In recognition of the strong cycling community in Albany, we are looking forward to providing briefings to local cycling clubs and working to ensure cyclists can safely navigate their way through the works. For more information on the project visit our website.



# Ducking and diving on Armadale Road

**Western Australia's first 'duck and dive' design is providing road users greater access, less congestion, better traffic flow and a safer network.**

The \$259 million Armadale Road to North Lake Road Bridge project is the centrepiece of an unprecedented program to relieve congestion in Perth's southern suburbs. The program includes two freeway widening projects, the Murdoch Drive Connection to Kwinana Freeway and Roe Highway, the widening of Karel Avenue and the widening of Armadale Road.

The heavily constrained site was bounded by a residential suburb directly to the south, commercial businesses and a retail park to the north, one of Perth's biggest shopping complexes and mixed-use development to the west. In addition, the project interfaced directly with one of the busiest railway stations on the Perth network, the Kwinana Freeway and five other major infrastructure projects.

The constrained project location with multiple stakeholder impacts required an ambitious low-impact design, including the sinking of Armadale Road beneath the intersection of Solomon Road, with connectivity on the local road network retained through a ground-level roundabout. This 'duck and dive' configuration, the first of its kind in Western Australia, posed a series of design and constructability challenges, with issues in areas such as ground water, drainage, lighting, utility services, pedestrian access and construction while maintaining traffic and pedestrian access.

Once the concept was identified and proven, we sought input from the community, local businesses and road users through a multi-faceted engagement campaign. This included a combination of traditional and contemporary

engagement forms.

The project was delivered on time and on budget between 2019 and 2021 by the Armadale Access Alliance, comprising of Main Roads, Laing O'Rourke and BG&E.

Upon opening to traffic in December 2021, the new road network has reduced congestion at the Kwinana Freeway, Armadale Road and Beeliar Drive interchange and improved local access to and from the suburbs of Atwell and Treeby, and around the major shopping precinct.

Over time, this will enable full implementation of the Cockburn Central Activity Centre Strategy and the City of Cockburn's strategic vision for the precinct, which were previously inhibited by severe congestion and poor access.

# Key projects

PROJECT	TOTAL PROJECT COST (\$ MILLION)	2021-22 COST (\$ MILLION)	COMPLETION DATE	DESCRIPTION
<b>Great Southern Region</b>				
<b>Albany Ring Road</b>	175.0	68.6	Mid 2024	Construct a heavy haulage freight route around the City of Albany for transport of goods to and from the Port of Albany.
<b>Metropolitan Region</b>				
<b>Mitchell Freeway Extension</b>	232.0	92.7	Mid 2023	Extend freeway from Hester Avenue to Romeo Road.
<b>Wanneroo Road Duplication</b>	25.2	1.3	Late 2023	Widening from Dunstan Road to Romeo Road.
<b>Karel Avenue Upgrade</b>	23.7	0.6	July 2021	Widen to four lanes between Farrington Road and Berrigan Drive, including the bridge over Roe Highway.
<b>Armadale Road to North Lake Road Bridge</b>	259.0	21.3	December 2021	Construction of a new bridge over Kwinana Freeway.

# Road Maintenance

## Providing a Well-Maintained Road Network

### Aim of the program

Maintain the existing road and bridge network in a safe and serviceable condition while maximising asset life and minimising whole-of-life costs.

### About the program

The program covers the maintenance of all road, bridge and ancillary assets, road verges and reserves. Works include routine and periodic maintenance and reconstruction when the primary reason for maintenance is pavement failure.



85%

TARGET 90%

Community satisfaction with road maintenance is within target with a small decrease from last year



86%

TARGET 85%

Our preventative and proactive maintenance indicator met target



\$8,373

TARGET \$7,900

Average cost of network maintenance per lane-kilometre of road network is within target and higher than estimated

\*For more detailed information on our Key Performance Indicators and targets see 'Performance Measures' on pg 111

	2020	2021	2022
Program expenditure \$ million	426	438	486

### Works planned for the next financial year include:

- Rehabilitate switchboards or wiring for lighting circuits which no longer comply with Western Australian electricity regulations
- Progress resurfacing and rehabilitation works
- Progress shoulder reconditioning and sealing works
- Continue work towards the return of delivery of maintenance and minor capital works in-house
- Continue to plan and deliver the regions' 10-year Network Development Plans
- Continue to prepare Metropolitan Road Development and Asset Management Plans.

Some of these are already underway. Visit the Projects and Initiatives section of our website to find out more.



## Maintenance and some minor capital works transition to in-house delivery

**In-house maintenance job opportunities create excitement across our regions, with employment, training, and upskilling opportunities available for all Western Australians.**

In April, the state government announced that we would shift from contracting out road maintenance to a new model involving the in-house delivery of road maintenance and some minor capital works. The new arrangements will create 660 new permanent jobs within our organisation.

The announcement followed an independent financial analysis by Ernst & Young in 2021, which reviewed the future of road maintenance contracts and determined that an in-house delivery model would be value for money and enable delivery of wider objectives such as increased Aboriginal employment and regional economic growth. The move to in-house delivery of road maintenance will see:

- 490 new regional staff and 170 new staff in the Perth metropolitan area.
- Upgrades and expansion of our existing maintenance depots and acquisition of houses in the Wheatbelt, Goldfields-Esperance, Pilbara and Kimberley regions.

- Establishment of new offices/depots in Esperance, Manjimup, Karratha and Broome.
- Establishment of new supply chains and contracts to support the arrangements.

Through the 1990s, road maintenance was contracted out and the greatest impact of this was felt in regional communities as we lost the ability to employ and train local regional people. Contracting out road maintenance also reduced our asset management capability and in-house expertise. The analysis undertaken determined that the return of road maintenance and some minor capital work in-house will:

- Drive jobs and economic growth in the regions
- Enhance Aboriginal employment and engagement outcomes
- Improve education uptake
- Increase our capacity and capability.

It also found that in-house delivery of these works would save more than \$25 million a year when fully implemented, producing major economic benefits and increased employment opportunities for regional Western Australia. This includes increasing gross regional product by up to \$335 million over the next 10 years.

Each Region will transition to the new in-house delivery model as the contract period for their existing Network Contracts comes to an end. This will commence with the Wheatbelt Region in October 2022, followed by the Mid West-Gascoyne Region in November 2022 and be concluded in January 2026. Overview of the project is provided by an Inter-Agency Committee chaired by the Commissioner of Main Roads and includes members from Department of Premier and Cabinet, Department of Treasury, Public Sector Commission and the State Solicitor's Office. Regular updates are available on our website.

# Key projects

PROJECT	TOTAL PROJECT COST (\$ MILLION)	2021-22 COST (\$ MILLION)	COMPLETION DATE	DESCRIPTION
<b>Great Southern Region</b>				
Regional Project Maintenance	31.4	33.0	June 2022	Maintenance of the network.
Maintenance Delivery – Roads	23.2	24.4	June 2022	Delivery of road maintenance.
Reseal Program	4.2	4.6	June 2022	Great Southern Region resurfacing program.
<b>Metropolitan Region</b>				
Regional Project Maintenance	56.5	55.0	June 2022	Maintenance of the network.
Maintenance Delivery – Roads	32.2	33.9	June 2022	Delivery of road maintenance.
Reseal Program	23.2	20.9	June 2022	Metropolitan Region resurfacing program.
<b>Mid West - Gascoyne Region</b>				
Regional Project Maintenance	32.7	32.1	June 2022	Maintenance of the network.
Maintenance Delivery – Roads	20.0	22.1	June 2022	Delivery of road maintenance.
Reseal Program	10.1	8.2	June 2022	Mid West – Gascoyne Region resurfacing program.
<b>Pilbara Region</b>				
Regional Project Maintenance	30.0	32.1	June 2022	Maintenance of the network.
Maintenance Delivery – Roads	23.4	23.5	June 2022	Delivery of road maintenance.
Reseal Program	6.5	8.6	June 2022	Pilbara Region resurfacing program.
<b>South West Region</b>				
Regional Project Maintenance	25.6	23.8	June 2022	Maintenance of the network.
Maintenance Delivery – Roads	17.1	17.9	June 2022	Delivery of road maintenance.
Reseal Program	8.4	5.9	June 2022	South West Region resurfacing program.
<b>Wheatbelt Region</b>				
Regional Project Maintenance	51.4	61.1	June 2022	Maintenance of the network.
Maintenance Delivery – Roads	25.2	32.2	June 2022	Delivery of road maintenance.
Reseal Program	11.5	14.8	June 2022	Wheatbelt Region resurfacing program.
<b>Goldfields–Esperance</b>				
Regional Project Maintenance	31.1	23.2	June 2022	Maintenance of the network.
Maintenance Delivery – Roads	20.5	16.3	June 2022	Delivery of road maintenance.
Reseal Program	5.0	5.5	June 2022	Goldfields–Esperance Region resurfacing program.
<b>Kimberley Region</b>				
Regional Project Maintenance	20.6	22.3	June 2022	Maintenance of the network.
Maintenance Delivery – Roads	12.6	13.8	June 2022	Delivery of road maintenance.
Reseal Program	8.0	8.5	June 2022	Kimberley Region resurfacing program.

# Community Access

## Improving Community Access and Roadside Amenity

### Aim of the program

Improve personal mobility and access needs on the road network.

### About the program

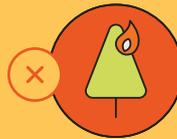
The program provides infrastructure including remote access roads; access for walking and cycling; improved access and mobility for people with a disability; integrated public transport; and improved amenities such as information bays, noise attenuation and landscaping.



88%

TARGET 90%

Community satisfaction with cycleways and pedestrian facilities is within target



87%

TARGET 95%

A major bushfire in Boranup coupled with multiple flooding events in the Pilbara and Kimberley impacted on network availability



100%

TARGET 90%

Contracts completed on budget exceeded our target with strong performance

\*For more detailed information on our Key Performance Indicators and targets see 'Performance Measures' on pg 111

	2020	2021	2022
Program expenditure \$ million	426	438	159

### Works planned for the next financial year include:

- Sealing and improvements on Outback Way
- Causeway Pedestrian and Cycle Bridges
- Improve pedestrian and cycling facilities
- Improve formation and drainage on Gibb River Road
- East Perth Power station footbridge
- Upgrade works on remote access roads.

Some of these are already underway. Visit the Projects and Initiatives section of our website to find out more.



# Outback Way, Australia's longest shortcut

**Outback Way is a 2,720-kilometre iconic route from Laverton in Western Australia, to Winton in Queensland via Alice Springs often referred to as 'Australia's Longest Shortcut'. Approximately half of the route remains 'unsealed', including 736 kilometres in Western Australia.**

The road provides access to the remote Aboriginal communities of Cosmo Newberry, Warburton, Mantamaru, Wanarn and Warakurna, and will facilitate regional development in the north-eastern Goldfields and provide a third strategic sealed access to the east when fully upgraded.

The Outback Way project has a focus on providing opportunities for local and Aboriginal people and businesses. We are committed to enhancing the wellbeing of Aboriginal people through increased employment and business opportunities and as seen throughout this report we have been proactively changing our policies, processes and working arrangements to ensure we make a difference within our industry.

In December 2019, we formed the Wongutha Way Alliance with CareyMC and Central Earthmoving with the Alliance completing a 40-kilometre section near Laverton in October 2021.

Most local Aboriginal people who worked on the project, have since been redeployed on nearby mining projects to provide continuous employment.

The Outback Highway Development Council Inc. was formed in 1998 by local governments along the route who have continuously lobbied the Commonwealth, territory and state governments to seal the road. In 2022, a Commonwealth budget announcement committed \$400 million, plus a \$100 million co-contribution from our state government, towards sealing the remaining 736 kilometres in Western Australia by 2030.

The first 40-kilometre section, completed in October 2021, achieved 40 per cent Aboriginal employment, which has seen an injection of trained workers in the region able to gain longer term employment through mining operations starting up in the area, local government work and the next stages of the project.

The project has enabled notable social and economic gains:

- 27 per cent of the project funds were used to engage Aboriginal businesses
- Substantial reduction in substance abuse issues
- 'Growth experience' for both employees and Aboriginal workers in the region – including establishing a road construction school which is now operating in Laverton
- Local internal and external stakeholders worked more closely together
- Strong, mutually beneficial relationships developed between local Aboriginal Traditional Owners and the wider community.

For more information on this project visit our website.

# Key projects

PROJECT	TOTAL PROJECT COST (\$ MILLION)	2021-22 COST (\$ MILLION)	COMPLETION DATE	DESCRIPTION
<b>Metropolitan Region</b>				
<b>Causeway Pedestrian and Cyclist Bridges</b>	100.0	4.4	September 2024	Construct a new pedestrian bridge alongside the Causeway.
<b>Mitchell Freeway – Civic Place to Reid Highway</b>	15.2	4.0	Late 2022	Provision of a shared path, new underpass at Karrinyup Road and upgrades to intersection of Karrinyup Road and Cedric Street.
<b>Goldfields–Esperance</b>				
<b>Outback Way Seal Priority Sections</b>	46.5	6.5	Mid 2023	Seal Great Central Road – Laverton.

# Road Management

## Ensuring Reliable and Efficient Movement of People and Goods

### Aim of the program

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

### About the program

This program of activities manages and operates the road network, the Road Network Operations Centre, road safety support, Heavy Vehicle Services, Network Operations and Planning and Technical Services.



89%

TARGET 90%

Community satisfaction with Main Roads is within target



98%

TARGET 97%

Network available for use by B-Double - 27.5 metre met target and continues to show strong performance



94%

TARGET 94%

Percentage of bridges reaching standard strength criteria met target

\*For more detailed information on our Key Performance Indicators and targets see 'Performance Measures' on pg 111

	2020	2021	2022
Program expenditure \$ million	426	438	192

### Works planned for the next financial year include:

- Planning and development of emerging priorities as part of Transforming Perth's Freeways Strategic Program
- Finalise the development of a new Intelligent Transport Systems Masterplan 2022-30
- Further development of the Real Time Operating Platform to incorporate user requirements
- Expand the trials for selected vehicle priority at traffic signals
- Launch Traffic WA Broadcasting Application
- Development of the LiDAR solution - involving a 3D portal for road network asset inspection, feature extraction and 3D viewing
- Develop online learning modules for Industry i.e. Heavy Vehicles 101
- As part of the HVS Digital Services Project deploy Traffic Escort Scheduling Solution
- Deploy the Heavy Vehicle Monitoring System as part of the NCIS Program.

Some of these are already underway. Visit the Projects and Initiatives section of our website to find out more.



# Our Smart Freeway got a little smarter

**We saw our first Smart Freeway go live on Kwinana Freeway Northbound in August 2020. Since that time, we have been fine tuning the system and operations to help traffic run smoothly and safely.**

We listened to road user feedback requesting communication improvements and additional messaging on our road network. Opportunities were identified to improve the user experience, including the implementation of colour coded travel times, digital symbols and flashing speed limit signs, while rolling out travel time technology at even more locations.

Upgrades to our existing technology mean that the large digital message boards now display travel times in colour varying from green, amber or red depending on conditions. This allows drivers to make informed decisions based on predicted travel times, potentially reducing the time spent in unexpected congestion. New digital symbols are now used on Smart Freeway large digital message boards to increase awareness of incident notifications.

This technology allows the use of easy to identify symbols along with some text to enhance our messaging.

Another improvement is the adoption of flashing speed limit signs. Overhead electronic signs on the Smart Freeway mostly display speed limits relevant to that section of freeway. However, they can be changed by our operators in response to traffic build-ups or incidents on the freeway - slowing vehicles to allow the clearing of traffic ahead.

When speed limits are changed, the inner red circle surrounding the numbers on the overhead speed limit signs now continuously flash until reverting to normal speed limits.

These enhancements help improve driver awareness and road safety by making it more obvious that the speed limit has changed.

Given the positive impact the new estimated travel time display for key destinations has had on the daily commute, in January this year we rolled out this technology on a further 50 existing variable message signs across the metropolitan road network in Perth.

This project is just one of many where the public will see improvements via the use of technology to meet our Intelligent Transport Systems (ITS) Masterplan Vision of “World class mobility for Western Australians across an intelligent, safe, sustainable and optimised network”.

# Network Operations

## Traffic management ensuring balanced outcomes

We provide leadership and specialist advice on traffic engineering, procedures and practices for all traffic signs, pavement markings, traffic signals, and speed zoning on all public roads in Western Australia. Through collaborative relationships we work to improve the safety of vulnerable road users, while developing policies, and guidelines to support our everyday operations. This is achieved in many ways and a few examples include:

- Working on the Children's Crossings and Road Safety Committee approving 26 Children's Crossing applications of which 13 were installed and warden operated, with a further 71 warranted Children's Crossings recommended for future upgrades.
- Following a review of Perth Metropolitan destination maps, we undertook a major upgrade of various directional signs on both local and state roads. This work resulted in Baldivis now being recognised as a 'destination', with supporting signage installed.
- During the year we completed 112 speed limit reviews which resulted in 80 changes to speed limits state-wide (44 metro and 36 regional) and resulted in 15 Electronic Speed Limit Sign implementation requests including signs for four new schools.
- Introducing touchless sensors at selected pedestrian push-buttons to enable contactless functionality. We are trialling this at 50 traffic signal locations around Perth.

## Improving Situational Awareness

To keep up with our growing population and future demands on WA's road network, we are developing a Real-Time Operating Platform (RTOP). Upon completion, this Intelligent Transport System will be a world-class tool that will integrate our systems into one intuitive interface, providing our operators with sophisticated and real-time data and insights to streamline our capability and improve network efficiency, resulting in better journeys for our customers that are safer and more reliable.

## Intelligent Transport Systems (ITS) Graduate Program

In January, we established the ITS Graduate Program, a first of its kind in WA. The scheme is open to enthusiastic and invested students who are interested in a career in Network Operations.

This program gives graduates the opportunity to be involved in the design and implementation of state-of-the-art technology and use of data to improve decision making in real-time, road network safety, efficiency, environmental performance, and the journey for users of Perth's road network.

The ITS Graduate program has been designed to ensure differing skill sets are trained in the diverse requirements of ITS implementation. Our graduates come from many disciplines including Civil Engineering, Mechanical and Electrical Engineering, Computer Science or Computer Engineering and Data Science or Data Engineering. Our three-year rotational program ensures that Graduates are trained in all aspects of the business ensuring that Western Australia leads the way in the development and deployment of transport systems and infrastructure.

## Safety Camera Trials

Early this year we commenced a 12-month Safety Camera Trial to monitor compliance with new variable speed limits and lane closures displayed on overhead electronic signs on the Smart Freeway - Kwinana Freeway Northbound. The trial is an Australian first for monitoring compliance with Red X closed lanes. On completion a report will be compiled documenting the findings which will be used to inform what, if any, additional measures need to be considered to improve road safety.

## Real-Time Operations and Incident Management

To ensure teams were available to respond and were not impacted by COVID-19 Dual Operations Centres were successfully established, further ensuring continued resilience to meet the network demands. Over the past year we managed more than 19,000 incidents across the metropolitan road network where we saw a:

- nine per cent rise in detected crashes
- 55 per cent increase in breakdowns managed
- doubling of the use of Smart Freeway Emergency Stopping Bays
- 60 per cent increase of vehicles removed from our road network
- seven per cent reduction in clearway removals
- 13 per cent reduction in RAC incident attendance
- 20 per cent rise in traffic broadcast travel information.

# Heavy Vehicle Services

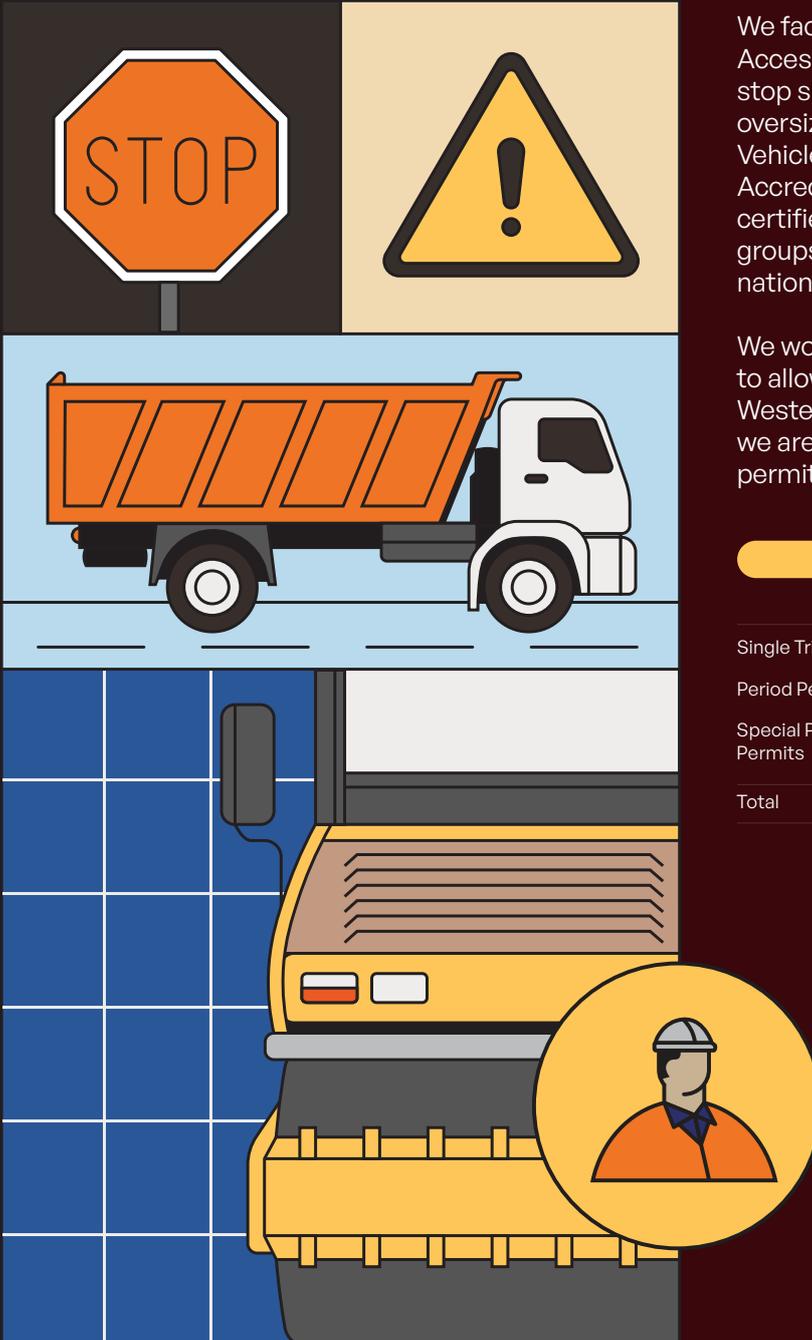
We are the heavy vehicle regulator for Western Australia and are responsible for improving heavy vehicle safety, productivity and the equity of services across the transport industry through compliance, innovation and road asset sustainability.

We facilitate and regulate the movement of Restricted Access Vehicles (RAVs) across the state, provide a one-stop shop for permits and traffic escort services for oversize, over mass movements, administer the Heavy Vehicle Pilot licencing scheme, the WA Heavy Vehicle Accreditation Scheme, the training and certification of certified accreditation auditors, and work with industry groups and other government agencies at a state and national level.

We work with the National Heavy Vehicle Regulator to allow the seamless movement of RAVs between Western Australia and other states. As show below we are continuing to see an increase in the number of permits issued reaching a new high of 36,771.

## TOTAL NUMBER OF PERMITS ISSUED

	2020	2021	2022
Single Trip Permits	13,104	13,706	12,795
Period Permits	18,500	18,951	21,023
Special Purpose Vehicle Permits	2,696	2,559	2,953
<b>Total</b>	<b>34,300</b>	<b>35,216</b>	<b>36,771</b>



## Traffic Escort Scheduling Solution Project

The 'Improving HVS Digital Services (IHDS) Project', which includes replacing and improving our internal and external facing systems, will transform the way we do business with our stakeholders and the Heavy Vehicle Industry. As part of the IHDS project and in recognition of the consistent increase in demand for Traffic Escort Services, we brought forward the development and deployment of the Traffic Escort Scheduling Solution module. We have identified a group of customers, who will assist us in mapping and testing of the functionality and features they want to see in the customer interface.

## Engaging with Our Stakeholders and the Heavy Vehicle Industry

Engagement with the heavy vehicle industry has always been important to us and this year despite COVID-19 restrictions we've managed to maintain strong stakeholder engagement through:

- WA Heavy Vehicle Accreditation Scheme Certified Auditor Online Information Sessions
- WA Heavy Vehicle Accreditation Industry Online Information Sessions
- Online and in-person presentations with our Structures Engineering Branch
- Utilising My Say Transport platform to create an auditor hub and so industry could provide feedback on proposed operating condition changes
- Establishing the Heavy Vehicle Pilot Licence Reference Group to assist in the Pilot Licence Scheme Review
- Developing our customer persona and reviewing our communication channels
- State-wide industry workshop and information sessions
- Seeking industry input on the development of accreditation documentation, new permit products, proposed policy changes
- Seeking industry nominees to participate in different working groups.

## WA Heavy Vehicle Accreditation Scheme Review

The review seeks to identify potential improvements to reflect the needs of the WA environment and will consider key areas of the scheme including:

- Training and Competency Assessment
- The Pilot Code of Conduct, the Introduction of Standards for Audits
- Licensing.

In partnership with the transport industry and other key stakeholders in early 2022 we established a reference group to participate in the considerations arising from the review of the scheme.

The reference group is made up of industry, WA licenced heavy vehicle pilots, training providers and other state government agencies.

## Remote Areas Consultative Group

The Remote Areas Consultative Group is made up of transport, heavy vehicle industry, research bodies and road agency representatives from Western Australia, Northern Territory, Queensland, South Australia, the National Heavy Vehicle Regulator (NHVR) and the Commonwealth. The purpose of the group is to act as an advisory body to provide a remote areas perspective on proposed and existing transport reforms and meets bi-annually.

The management and administration of the RACG is shared with member state jurisdictions chairing and hosting for a two-year term. Over the last two years, as chair of the RACG we have overseen the discussion of topics including the ongoing effects of COVID-19 on the industry, the national truck driver shortage, anticipated impacts of the next emissions standard, heavy vehicle driver training and skills for drivers who are new to the industry and the range of road works and infrastructure projects arising from the economic stimulus. 2022 will see the end of our two-year term and hosting duties will transition to Queensland.

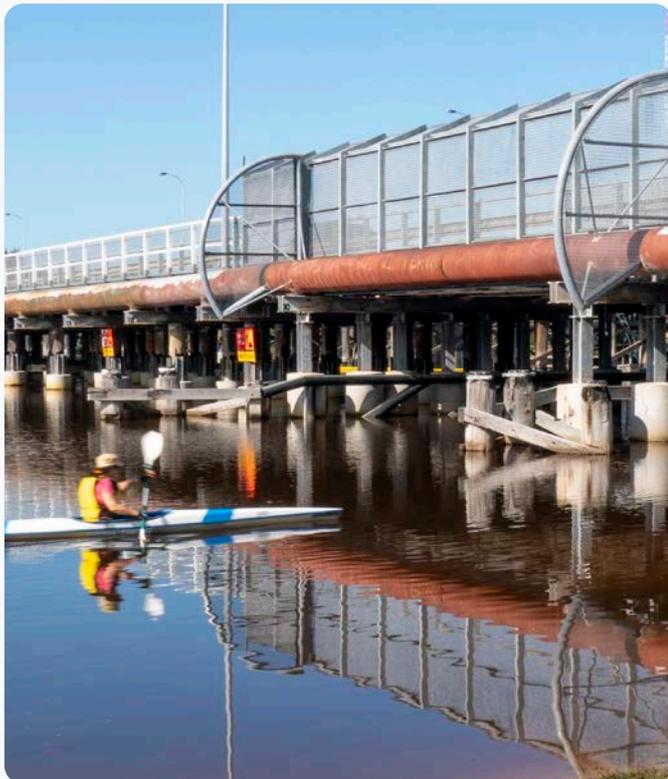
# Planning and Technical Services

## Heritage Management Plan for Garrett Road Bridge

We are responsible for the inspection and maintenance of 1,200 aging timber bridges with some, including Garratt Road Bridge, being heritage listed. Timber bridges can have community, aesthetic, and historical values in addition to those of durability and functionality. Working on timber bridges requires assessment, consideration, and minimisation of environmental and heritage impacts. A detailed inspection of the south bound Garrett Road bridge identified deterioration in the bridge that required maintenance to ensure the ongoing safety of the public.

We worked closely with the Department of Planning and Heritage, and the Heritage Council of Western Australia to develop an Asset Management and Heritage Conservation Plan for the Garrett Road Bridge. The plan guides Main Roads in the maintenance of this heritage listed asset.

Its primary objective is to safely and, in a cost-effective manner, maintain the level of service expected by stakeholders and communities, as well as to prolong the life of the Garratt Road Bridge while preserving its heritage value.



## Data and Research, Driving Trials for the Regional Road Safety Program

Maintaining and improving the state road network is a complex task which requires the collection and analysis of a vast array of data. Analysed data informs decisions about the road network, including investment prioritisation in programs such as the multi-year Regional Road Safety Program. During 2022, the Regional Road Safety Program saw the installation of Audible Tactile Edge Lines and sealed shoulders on road pavement using crash data to identify lengths of road that presented the greatest level of risk to drivers. Almost 3,600 kilometres of road were treated in the past twelve months and these treatments will help reduce the frequency of death and serious injury crashes on the treated roads for many years to come.

Further, research is conducted to evaluate the extent to which new and emerging technologies are suitable for the network and will improve road safety. For instance, in the Pilbara region, the hot ambient temperatures combined with the substantial road-train traffic loads have a detrimental impact on the longevity of the conventional plastic raised Audible Tactile Edge Lines system. A trial of a milled-in solution was developed and tailored to the North-West of the state, with approximately 400 kilometres of pavement milling works undertaken on Great Northern Highway. The increased effective longevity of the system represented a saving over \$3 million to provide the same service from the conventional Audible Tactile Edge Lines treatment on this road section alone.

This means greater capacity of saving lives and reducing serious injuries in the region in the future and a better outcome for the community.

# Sustainability

## Sustainability Outcomes

**In 1987, the United Nations defined sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” We have applied that definition in the context of our own Sustainability Policy where we have made a commitment to ‘creating lasting benefits through an integrated consideration of social, environmental and economic aspects in all that we do’.**



For us, this means meeting the needs of today without compromising the needs of future generations by relying on strong support services to ensure our projects, operations and management of the road network are undertaken in a safe, reliable and sustainable way.

The following scorecard provides a snapshot of how well we performed against our Sustainability key area of focus complementing the reporting against our Operational Activities described earlier.



## Sustainability

Develop a sustainable transport network that meets social, economic and environmental needs



CUSTOMERS



NATURAL  
RESOURCES



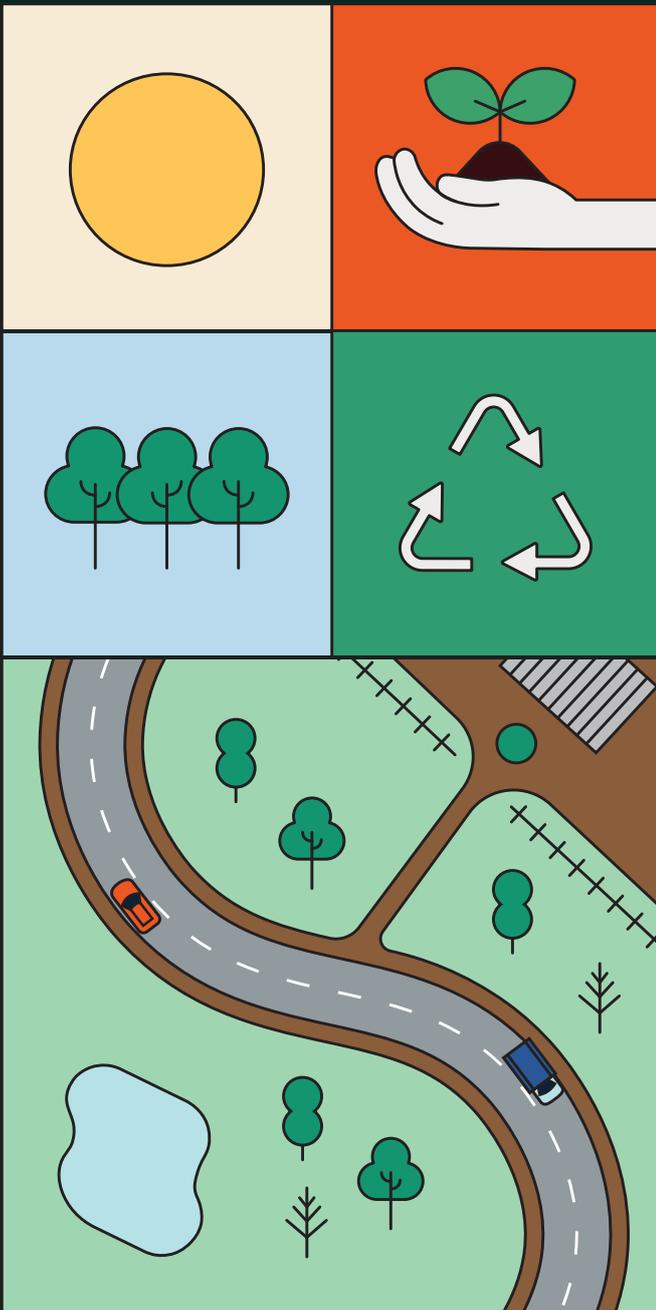
OUR PEOPLE



KNOW-HOW

KEY OUTCOMES SOUGHT	RESULTS	TARGET	ACTUAL	STATUS
<b>To attract, develop and sustain organisational capability through our people</b>	We exceeded our target of women in leadership positions at Level 6 and above	20	<b>23.5</b>	✓
	Completion of Career Conversations is below target and lower than previous years	100	<b>67</b>	✗
<b>Enhancing Safety, Health and Wellbeing by consistently leading safe outcomes</b>	There were no fatalities last year	0	<b>0</b>	✓
	Our Lost-Time injury (LTI) and disease incidence rate <sup>(1)</sup> target was achieved	0 or 10% reduction	<b>0.2</b>	✓
	Our Lost-Time Injury (LTI) and severity rate target was achieved <sup>(2)</sup>	0 or 10% reduction	<b>11.1</b>	✓
<b>Protecting and enhancing the natural environmental and social values in all our activities</b>	Percentage of State-wide Clearing Permit audits of compliance completed and continues to meet target	100	<b>100</b>	✓
	Scope 1 and 2 Emissions (t CO2) are lower than expected and continue to come in under target	29,007	<b>24,052</b>	✓
	Satisfaction with our sustainability practices came within target with a decrease from last year	90	<b>88</b>	✓
	Satisfaction with our performance managing the environment came within target with a decrease from last year	90	<b>88</b>	✓

# Environment and Sustainability Highlights



## 983

Activities screened for potential environmental and heritage impacts

## 36,298

Tonnes of crushed recycled concrete used in our road construction projects, bringing the cumulative amount in excess of 117,000 tonnes

## 1,905

Tonnes of recycled crumb rubber used in projects across metropolitan and regional WA

## 12%

Reduction in Scope 1 & 2 Greenhouse gas since 2021

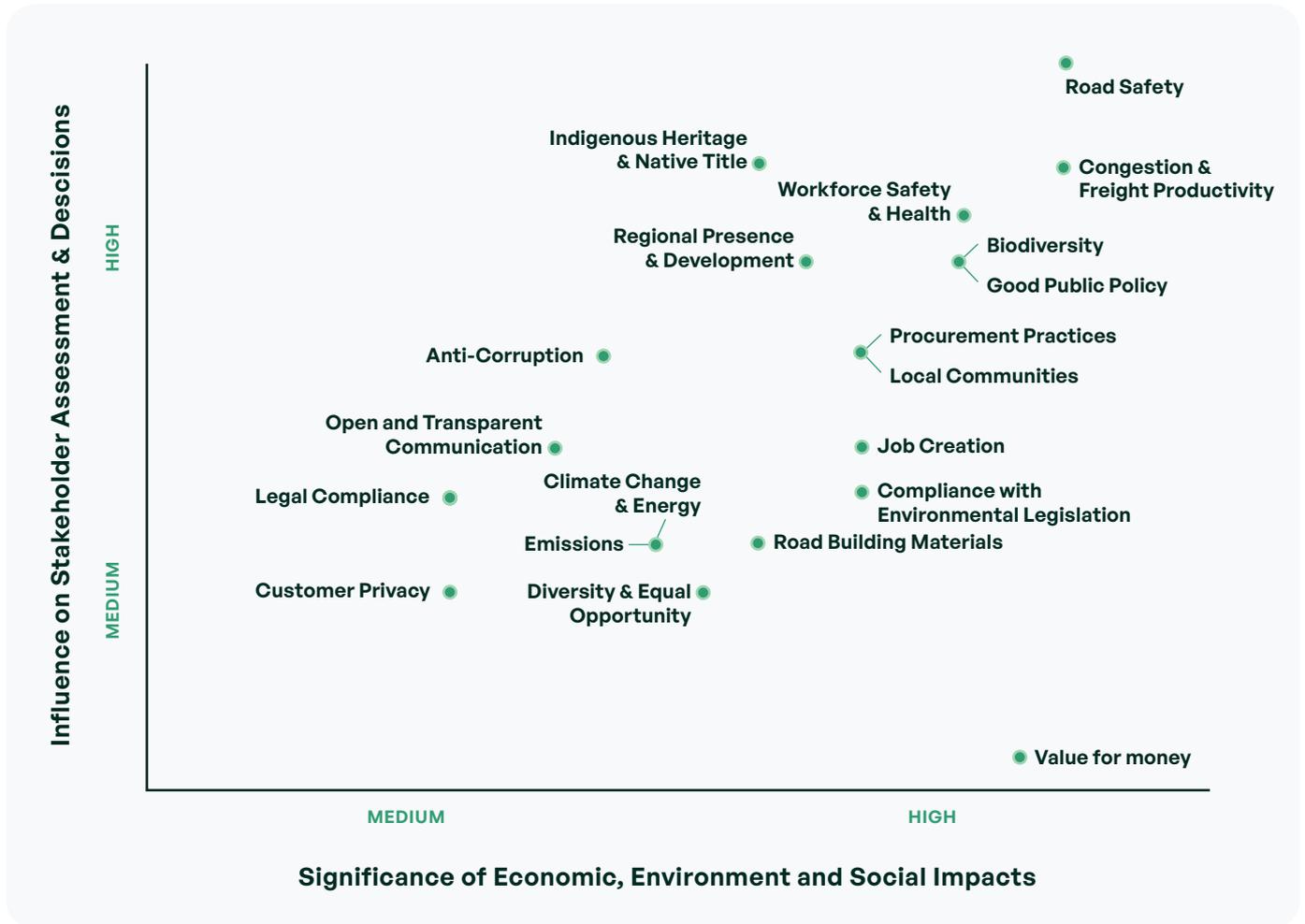
# Our Approach and Material Aspects

**Our Sustainability Policy identifies principles founded on creating lasting benefits for the community across the triple bottom line and is aligned with Keeping WA Moving.**

We ensure the relevance of our approach to sustainability throughout our business and our relationships as reflected in our disclosures identified by a biennial desktop materiality review and stakeholder prioritisation workshops.

To determine our most material sustainability topics, the review draws from our corporate and legislative commitments, key risks, corporate stakeholder engagement processes, media and Ministerial topics and our peers' reporting practices.

## Material Aspects for Sustainability 2022

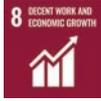
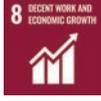




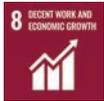
# Addressing our Material Issues

Our approach to addressing our top material issues and alignment with Sustainable Development Goals (SDG) is shown in the table. More information on how these topics relate to Global Reporting Initiative (GRI) indicators including the GRI Content Index and the SDGs can be found in the online version of this report.

MATERIAL ISSUES	KEY IMPACTS	KEY RESOURCES AFFECTED	IMPACTS IN OUR VALUE CHAIN	SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT
<b>Road Safety</b>	The state's road deaths remain above the national average at 5.8 deaths per 100,000 population p.a. We believe no one should die or be seriously injured on the state's road network, and we will seek to minimise the likelihood of road trauma aligned with the State Road Safety Strategy 2020-2030.	 CUSTOMERS  NETWORK PERFORMANCE  ASSETS  OUR PEOPLE  KNOW-HOW	Road Network Use	 3 GOOD HEALTH AND WELL-BEING  11 SUSTAINABLE CITIES AND COMMUNITIES
<b>Congestion and Freight Productivity</b>	We seek to reduce congestion and enhance freight efficiency through the direct actions we take to build and operate our network including procedures we put in place for traffic management during events or all road works. Reducing congestion mitigates impacts including carbon emissions and air pollutants; increased psychological impacts on people and reduced productivity.	 CUSTOMERS  NETWORK PERFORMANCE  ASSETS  OUR PEOPLE  KNOW-HOW	Road Network Use	 3 GOOD HEALTH AND WELL-BEING  8 DECENT WORK AND ECONOMIC GROWTH  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  11 SUSTAINABLE CITIES AND COMMUNITIES
<b>Workforce Safety and Health</b>	Our workforce interacts with the road environment, moving traffic and heavy machinery to deliver our services. The consequence of incidents where safety is compromised can be significant. We seek to ensure the safety of our direct and indirect workforce.	 CUSTOMERS  NETWORK PERFORMANCE  ASSETS  OUR PEOPLE  KNOW-HOW	Asset Maintenance Asset Upgrades/Construction	 3 GOOD HEALTH AND WELL-BEING  8 DECENT WORK AND ECONOMIC GROWTH  11 SUSTAINABLE CITIES AND COMMUNITIES
<b>Biodiversity</b>	Our infrastructure can directly impact our unique flora and fauna. Any new works leads to a permanent change of land use. On every project we seek to mitigate the impacts of our activities on biodiversity to avoid habitat loss, land degradation, loss of species and the impacts of climate change.	 CUSTOMERS  NATURAL RESOURCES  ASSETS  OUR PEOPLE  KNOW-HOW	Asset Upgrades/Construction	 6 CLEAN WATER AND SANITATION  15 LIFE ON LAND

MATERIAL ISSUES	KEY IMPACTS	KEY RESOURCES AFFECTED	IMPACTS IN OUR VALUE CHAIN	SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT
<b>Good Public Policy</b>	We rely on resources and know-how to ensure we have clear, transparent and strong governance approaches that prevent undue influence in the administration of our role and ensure swift, efficient and effective implementation of government policies and strategies.	 <b>CUSTOMERS</b>   <b>OUR PEOPLE</b>	 <b>ASSETS</b>   <b>KNOW-HOW</b>	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Strategic Asset Management</b> </div> <div style="text-align: center;">   <small>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</small> </div> <div style="text-align: center;">   <small>17 PARTNERSHIPS FOR THE GOALS</small> </div> </div>
<b>Regional Presence and Development</b>	In some circumstances, our operations support economic development in regional communities and they rely on our infrastructure to access essential services. Maintaining and enhancing the safety and efficiency of regional roads is a key focus area for us. We recognise the impact we can have on regional towns and their population. Such communities often have high Aboriginal populations and difficulty accessing community services.	 <b>CUSTOMERS</b>   <b>OUR PEOPLE</b>   <b>FINANCIAL CAPITAL</b>	 <b>ASSETS</b>   <b>KNOW-HOW</b>	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Network Asset Operations</b> </div> <div style="text-align: center;">   <small>3 GOOD HEALTH AND WELL-BEING</small> </div> <div style="text-align: center;">   <small>8 DECENT WORK AND ECONOMIC GROWTH</small> </div> <div style="text-align: center;">   <small>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</small> </div> <div style="text-align: center;">   <small>11 SUSTAINABLE CITIES AND COMMUNITIES</small> </div> </div>
<b>Aboriginal Heritage and Native Title</b>	We acknowledge the traditional custodians and aim to protect Aboriginal cultural values while acknowledging our projects may interface with or disturb culturally sensitive areas. We are committed to making a change in our industry and progressing reconciliation.	 <b>CUSTOMERS</b>   <b>OUR PEOPLE</b>	 <b>ASSETS</b>	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Asset Upgrades/ Construction</b> </div> <div style="text-align: center;">   <small>1 NO POVERTY</small> </div> <div style="text-align: center;">   <small>8 DECENT WORK AND ECONOMIC GROWTH</small> </div> <div style="text-align: center;">   <small>10 REDUCED INEQUALITIES</small> </div> </div>
<b>Procurement Practices</b>	We rely on our supply chain to deliver resources critical to our overall success. We engage with many suppliers with varying characteristics. We are aware that we can impact the cash flow and solvency of businesses. We also leverage our relationship with our suppliers to deliver priority government policy which includes training, Aboriginal engagement and supporting local business.	 <b>CUSTOMERS</b>   <b>OUR PEOPLE</b>   <b>NATURAL RESOURCES</b>	 <b>ASSETS</b>   <b>KNOW-HOW</b>	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Asset Maintenance</b> </div> <div style="text-align: center;">   <small>4 QUALITY EDUCATION</small> </div> <div style="text-align: center;">   <small>8 DECENT WORK AND ECONOMIC GROWTH</small> </div> <div style="text-align: center;">   <small>10 REDUCED INEQUALITIES</small> </div> </div>
<b>Local Communities</b>	Our works and operations can impact on communities. Our investments can alter the socio-economic profile by altering traffic flows and local air quality, and impacting community severance. Acquisition of property, construction noise, and business-continuity impacts are examples of issues carefully managed by our projects that can impact on our role as good neighbours.	 <b>CUSTOMERS</b>   <b>OUR PEOPLE</b>	 <b>ASSETS</b>   <b>KNOW-HOW</b>	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Asset Maintenance</b> </div> <div style="text-align: center;">   <small>3 GOOD HEALTH AND WELL-BEING</small> </div> <div style="text-align: center;">   <small>4 QUALITY EDUCATION</small> </div> <div style="text-align: center;">   <small>8 DECENT WORK AND ECONOMIC GROWTH</small> </div> <div style="text-align: center;">   <small>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</small> </div> <div style="text-align: center;">   <small>11 SUSTAINABLE CITIES AND COMMUNITIES</small> </div> </div>

MATERIAL ISSUES	KEY IMPACTS	KEY RESOURCES AFFECTED	IMPACTS IN OUR VALUE CHAIN	SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT
<b>Job Creation</b>	We directly employ 1,221 people, who are spread throughout our metropolitan and regional offices. Of this figure, 31 per cent are female, and 69 per cent are male. Aboriginal employees make up two per cent of our workforce. We provide an estimated additional 23,100 direct and indirect jobs through our construction expenditure.	 <b>OUR PEOPLE</b>  <b>KNOW-HOW</b>		   
<b>Anti-corruption</b>	We assess all our business units to identify any fraud and corruption risks. All employees are presented information on anti-corruption, policies and procedures. Our organisational spend, extensive program of activities, number of suppliers and large asset base, could increase corruption risks without appropriate mitigation.	 <b>CUSTOMERS</b>  <b>OUR PEOPLE</b>  <b>KNOW-HOW</b>		
<b>Road Building Materials</b>	Road construction utilises both naturally occurring and manufactured materials and generates construction and demolition waste. We seek to minimise lifecycle impacts and to be consistent with circular economy principles to reduce direct and indirect impacts from material use. This includes reducing the use of non-renewable materials like bitumen and enhancing our use of recycled materials. We also aim to reduce our embodied and transport energy generation, and the release of volatile organic compounds.	 <b>ASSETS</b>  <b>NETWORK PERFORMANCE</b>  <b>NATURAL RESOURCES</b>		  
<b>Value for Money</b>	We must make effective use of the funding we receive to deliver our services to the community in the most efficient way possible. The road network and construction industry have flow-on effects particularly in creating jobs and strengthening the post-pandemic economy.	 <b>CUSTOMERS</b>  <b>OUR PEOPLE</b>  <b>ASSETS</b>  <b>KNOW-HOW</b>  <b>FINANCIAL CAPITAL</b>		 

MATERIAL ISSUES	KEY IMPACTS	KEY RESOURCES AFFECTED	IMPACTS IN OUR VALUE CHAIN	SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT
<p><b>Climate Change, Energy and Emissions</b></p>	<p>Our road network is exposed to the impacts of climate hazards including bushfires, flooding and storm events. Parts of the network are also at risk of sea-level rise. Developing, operating and using a road network consumes energy and generates emissions. The predominant impacts from energy and emissions fall outside our direct control; that is, impacts arising from use of the network itself. We estimate that the road network generates carbon emissions at a rate of 288.7 t CO<sub>2</sub>-e per million vehicle kilometres travelled (MVKT). 2021-22, MVKT was 27,512 and emissions were approximately 9.1 mt CO<sub>2</sub>-e from use of the WA road network.</p>	<p> CUSTOMERS</p> <p> NETWORK PERFORMANCE</p> <p> ASSETS</p> <p> OUR PEOPLE</p> <p> NATURAL RESOURCES</p> <p> FINANCIAL CAPITAL</p>	<p>Road Network Use</p> <p>Network Asset Operations</p>	<p> 7 AFFORDABLE AND CLEAN ENERGY</p> <p> 13 CLIMATE ACTION</p>
<p><b>Diversity and Equal Opportunity</b></p>	<p>According to the Workplace Gender Equality Agency data explorer, in 2021 the Heavy and Civil Engineering Construction Industry employed more than 62,159 people nationally, of which 14.9 per cent were female. There is a 22.5 per cent total remuneration gender pay gap for full-time employees. Through our projects and maintenance activities, we work to incorporate diversity and equality targets. Our projects set targets to include a diverse group of people, and we carry this through to supply chains to engage companies with diverse foundations where possible.</p>	<p> CUSTOMERS</p> <p> OUR PEOPLE</p> <p> KNOW-HOW</p> <p> FINANCIAL CAPITAL</p>	<p>Strategic Asset Management</p>	<p> 4 QUALITY EDUCATION</p> <p> 8 DECENT WORK AND ECONOMIC GROWTH</p> <p> 10 REDUCED INEQUALITIES</p>
<p><b>Open and Transparent Communication</b></p>	<p>Timely, accurate and effective communications are imperative to our operations. If not done well, this impacts the reputation of and confidence in our agency. When delivered well, it eases the impact of potential socio-economic changes on communities from our infrastructure investment.</p>	<p> CUSTOMERS</p> <p> OUR PEOPLE</p>	<p>Asset Upgrades/ Construction</p>	<p> 16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p> 17 PARTNERSHIPS FOR THE GOALS</p>
<p><b>Compliance with Environmental Legislation</b></p>	<p>Some of our activities are subject to environmental legislation. We may face penalties, reputational damage or loss of stakeholder and community confidence if we do not comply with our obligations.</p>	<p> CUSTOMERS</p> <p> ASSETS</p> <p> OUR PEOPLE</p> <p> KNOW-HOW</p> <p> NATURAL RESOURCES</p> <p> FINANCIAL CAPITAL</p>	<p>Asset Maintenance</p> <p>Asset Upgrades/ Construction</p>	<p> 3 GOOD HEALTH AND WELL-BEING</p> <p> 6 CLEAN WATER AND SANITATION</p> <p> 15 LIFE ON LAND</p>

# Managing the Environment

## Aim

Protect and enhance natural environmental, social and heritage values during all our activities.

## Approach

- Recognise the importance of natural environmental, social and heritage values and the broader benefits for the community
- Foster strategic relationships with community and other stakeholders to contribute to the management of environmental values
- Have strong environmental governance of our activities to deliver broad community benefit
- Communicate publicly our environmental policy and our environmental performance.



100%

**TARGET 100%**

Percentage of State-wide Clearing Permit audits of compliance completed continues to meet target



88%

**TARGET 90%**

Satisfaction with our sustainability practices is within target although decreased from last year



88%

**TARGET 90%**

Satisfaction with our performance managing the environment is within target although decreased from last year

## Projects and activities planned for next financial year include:

- Obtain approvals (environmental and heritage) for projects with challenging time frames
- Continue implementing the Wheatbelt Revegetation Bank
- Develop processes for the new maintenance delivery model
- Contribute to Net Zero Transition Plan
- Continue the dieback eradication trial
- Improve landscaping outcomes
- Continue development and implementation of eLearning modules
- Update processes to reflect changes to Commonwealth and state processes for environmental and Aboriginal heritage matters
- Participate in co-design workshops for the Aboriginal Cultural Heritage Management Act 2021 (WA).



# Dieback Eradication to Save Native Plants and Trees

**Phytophthora cinnamomi is an introduced soil-borne pathogen that causes the dieback disease associated with the death of many native plants and trees in the south-west of Western Australia. It is readily spread in infested soil, including gravel. To minimise the spread of the disease, we only use dieback-free gravel; however, dieback-free gravel is in short supply.**

To address this, we have been working with the Department of Biodiversity, Conservation and Attractions, Curtin University and Culford Agri Industries to trial the eradication of dieback through the application of a soil fumigant, metham sodium.

Small-scale field trials showed that metham sodium eliminates dieback from gravel. The chemical has been registered for this purpose; however, the process needs to be scaled-up before it is commercially viable. A commercially scaled experiment using pine-wood plugs treated with dieback in a gravel stockpile, that had been treated with metham sodium during the stockpile's construction, showed Dieback survived in less than six per cent of the inoculated plugs. Modification of stockpile construction and better surface sealing have further reduced dieback survival.

A DNA-based compliance test has been developed to confirm whether gravel has been treated as required. DBCA is very supportive of this innovative dieback eradication treatment. It is anticipated the treatment will be formally recognised as a means of preventing the spread of dieback in our construction and maintenance operations.

To read about the dieback eradication projects in collaboration with the DBCA, see the Fact Sheet on our website.



# Supporting Black Cockatoo Research

**In addition to programs supporting black cockatoo habitat, we are collaborating on innovative strategies to identify major threats to the species. Murdoch University's Black Cockatoo Conservation Management Project will conduct ground-breaking health and ecological research on Western Australia's iconic black cockatoos, thanks to \$1.5 million in funding from the state government, including \$860,000 from Main Roads.**

Innovative tracking methods will be used to monitor the birds, to determine how habitat is used and to identify threatening processes. Over five years, the team will look at the major threats to survival for three species of black cockatoo, Carnaby's, Baudin's and the forest red-tailed.

The research will also provide guidance about how to manage for sustainable landscapes into the future as we seek to minimise the impact of important infrastructure on the environment, including on black cockatoos.

In addition to supporting this vital research, we are investing in creating additional black cockatoo habitat through the Wheatbelt Revegetation Bank.

Habitat is created along or adjacent to road reserves as part of the Green Jobs program; the program also involves installing artificial nesting hollows and protecting existing black cockatoo habitat.

# Sustainability Assessment in Projects and Operations

**For our highest value major projects, we have adopted the Infrastructure Sustainability (IS) rating tool, Australia's only comprehensive rating system for evaluating sustainability across design, construction and operation of infrastructure.**

All infrastructure projects exceeding \$20 million utilise the IS framework as part of project development and evaluation, and all projects valued at more than \$100 million are officially registered with the Infrastructure Sustainability Council (ISC) for assessment.

We currently have 18 projects registered with ISC to achieve Planning, Design and As-Built Ratings. Each project is at a different rating stage. We have a corporate commitment that our planning projects must achieve at least a Bronze IS rating, while our construction projects must achieve a minimum Silver IS rating for both the design and as-built phases



Stand-alone public sustainability reports are produced for our projects with sustainability obligations. This year, reports have been submitted and are accessible from our online report for the following projects:

- Mandurah Estuary Bridge Duplication (Planning)
- EastLink WA (Planning)
- Manuwarra Red Dog Highway (Planning)
- Swan River Crossings, Fremantle (Planning)
- Armadale Road to North Lake Road Bridge
- Albany Ring Road
- Bunbury Outer Ring Road
- Great Eastern Highway Bypass Interchanges
- High Street Upgrade
- Leach Highway and Welshpool Road Interchange
- Mitchell Freeway Extension: Hester Avenue to Romeo Road
- Smart Freeways – Mitchell Southbound Hester Avenue to Warwick Road
- Smart Freeways – Mitchell Southbound Reid Highway to Vincent Street
- Tonkin Gap Project and Associated Works
- Thomas Road over Rail
- Coolgardie Esperance Highway (Emu Rocks)
- Stephenson Avenue Extension

# Environment and Heritage Management

**We use the precautionary principle in our approach to environment and heritage management and aim to avoid and minimise impacts wherever possible.**

We ensure that all our activities are initially screened for potential environmental and heritage impacts. Activities considered to have a risk of adverse impacts are subject to further investigations while all others are managed using our standard environmental and heritage practices.

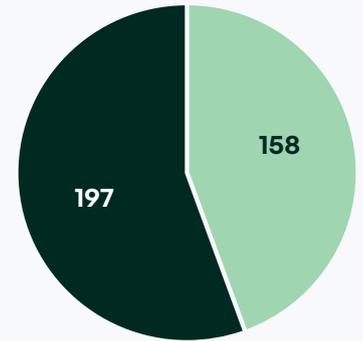
In 2021, we screened 983 activities with more than 33 per cent of these activities requiring further investigations to ensure sound environmental management.



**Environmental Screening of Projects in 2021 Calendar Year**

355 TOTAL

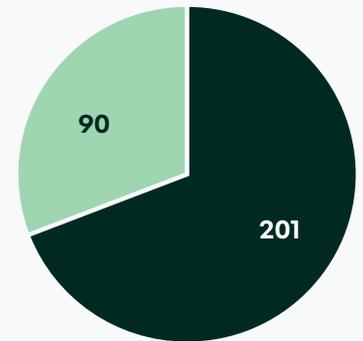
- FURTHER INVESTIGATIONS
- NO FURTHER ASSESSMENT



**Aboriginal Heritage Screening of Projects in 2021 Calendar Year**

291 TOTAL

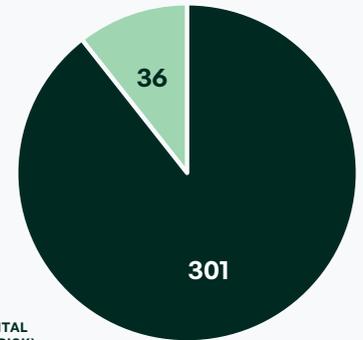
- NO FURTHER ASSESSMENT
- FURTHER INVESTIGATIONS



**Environment and Heritage Screening of Maintenance Activities in 2021 Calendar Year**

337 TOTAL

- PRINCIPAL ENVIRONMENTAL MANAGEMENT REQUIREMENTS (LOW RISK)
- MAINTENANCE ENVIRONMENTAL MANAGEMENT PLANS (HIGH RISK)



Where impacts were unavoidable, we referred activities with potentially significant impacts to the relevant regulatory authorities for assessment and approval. This is a summary of our applications for approvals over the past three calendar years.

Applications for Approval	2019	2020	2021
Aboriginal Heritage approval sought <sup>1</sup>	27	29	28
Aboriginal Heritage approval granted <sup>1</sup>	18	26	27
Historic Heritage approval granted <sup>2</sup>	-	-	5
Project specific clearing permit applications	14	11	7
Project specific clearing permits granted	18	7	5
Projects assessed using Main Roads state-wide clearing permit	101	118	98
Projects referred to the WA Environmental Protection Authority under Part IV of the <i>Environmental Protection Act 1986</i>	6	5	1
Projects approved by the WA Minister for the Environment under Part IV of the <i>Environmental Protection Act 1986</i>	1	1	0
Number of projects referred to the Commonwealth Department of Agriculture, Water and the Environment under the Commonwealth's <i>Environment Protection and Biodiversity Conservation Act 1999</i>	6	7	1
Number of projects approved under the <i>Environment Protection and Biodiversity Conservation Act 1999</i>	2	3	7

NOTE: all approvals granted may include applications made in previous years.

<sup>1</sup>This includes regulation 10 and section 18 applications under the WA Aboriginal Heritage Regulations 1974 or WA *Aboriginal Heritage Act 1972* (respectively) submitted or granted between 1 January and 31 December 2021.

<sup>2</sup>This includes Government Heritage Property Disposal Process approvals and any other type of formal approval from the Heritage Council of WA.

In 2021, we applied for 28 Aboriginal heritage approvals and five project-specific clearing permits. A total of 98 projects were assessed under our State-wide Clearing Permit (CPS 818) in 2021, with 12 projects referred to the Department of Water and Environmental Regulation in accordance with the permit conditions.

One project was considered to have potentially significant impacts and was referred to the Environmental Protection Authority (EPA) for assessment; however, the EPA concluded that this project did not have potentially significant impacts and made the decision to not assess the works. Three other projects referred to the EPA were still under assessment at the close of 2021. No projects were approved by the Minister for the Environment in 2021.

One project was considered to have potentially significant impacts to Matters of National Environmental Significance and was referred to the

Commonwealth Department of Agriculture Water and Environment (DAWE) for assessment which concluded the project did not have potentially significant impacts on Matters of National Environmental Significance and made the decision to not assess the works. Two other projects referred to DAWE were still under assessment at the close of 2021. Seven projects were approved under the Environment Protection and Biodiversity Conservation Act 1999 in 2021.

## Clearing Native Vegetation

While we strive to find a balance between achieving road safety objectives and the environment, it is not always possible to avoid the clearing of native vegetation. When this occurs, we offset negative impacts through revegetation, seeding or planting, purchasing land for contribution to the conservation estate or monetary contributions to the State Offset Fund for the acquisition of land and addition to the Conservation Estate.

This table summarises our clearing, revegetation and offset activities over the past three years. Clearing of native vegetation undertaken in 2021 under our State-wide Clearing Permit (CPS 818) is available on our website.

Clearing, Revegetating and Offsetting	2019	2020	2021
<b>Clearing (ha)</b>	663	210	613
<b>Total revegetation* (ha)</b>	58	214	96
<b>Offset</b>			
Revegetation (ha)	(a) 15	0	0
Land acquisition (ha)	(b) 334	204	108
(Value of land acquired (\$))	\$1,636,895	\$1,528,091	\$1,214,683
Financial contribution	(\$) \$944,800	\$629,976	\$71,519
(Area of land to be acquired using the financial contribution (ha))	(c) (437)	(368)	(32)
<b>Total offset (ha)</b>	(a+b+c) <b>786</b>	<b>571</b>	<b>140</b>

\*Offset bank related revegetation is not included in the Total revegetation figures. (See Wheatbelt Revegetation Bank below.)

During 2021 we cleared 613 hectares of native vegetation for the delivery of 112 projects. We provided offsets in the form of land acquisition and monetary contributions to the Western Australian Environmental Offsets Fund for the purchase and management of a total of 136.08 hectares of native vegetation. We also undertook 102 hectares of revegetation works, 84 hectares of this was not required under a legislative approval and was initiated proactively by us.

## Wheatbelt Revegetation Bank

Our Wheatbelt Revegetation Bank initiative is offering a sustainable solution to the often conflicting needs of improving road safety and conserving roadside vegetation. In the Wheatbelt, many road safety upgrades are planned that may involve clearing of roadside vegetation that may contain remnants that are protected under environmental legislation. Approvals for road upgrades often require us to provide 'environmental offsets' to compensate for the loss of this vegetation. This typically involves the purchase and protection of remnant vegetation on freehold land which is becoming increasingly challenging as the availability of land with quality remnant vegetation is limited and declining.

The Wheatbelt Revegetation Bank offers a sustainable approach to providing environmental offsets and addressing the incremental loss of native vegetation. It involves the purchase and revegetation of cleared farmland abutting road reserves or existing areas of high-value remnant vegetation. The revegetation will be managed to ensure it achieves standards as required by the environmental agencies. The program aims to establish, within 10 years, native vegetation meeting the criteria for the Eucalypt Woodlands of the Western Australian Wheatbelt, a threatened ecological community. These revegetated areas will form an offset bank that will simplify and expedite environmental approvals for future road upgrade programs across the Wheatbelt.

During 2021, a total of 80 hectares was revegetated across five locations in the Wheatbelt. None of the revegetation from the Wheatbelt Revegetation Bank had been utilised as an offset for any of our projects. As areas from the bank are used they will be reported in the Clearing, Revegetating and Offsetting table above.

## Incidents

We are prepared for the possibility of environmental incidents and have systems and processes ready to respond. An environmental incident is any activity that has the potential to have an adverse environmental impact. The following outlines the significant incidents that have occurred in the past three years. Significant incidents are those incidents that are classified with a moderate, major or catastrophic consequence.

### Significant Incidents

#### (Moderate, Major and Catastrophic)

	2019	2020	2021
Incidents caused by Main Roads	10	9	10
Incidents caused by third parties	4	4	10

Transport Portfolio risk classification process includes insignificant, minor, moderate, major and catastrophic. Insignificant and minor incidents have not been reported here.

There were no catastrophic incidents in 2021. There was one major third party incident relating to a truck rollover in the Pilbara resulting in approximately 80,000 litres of diesel being spilled within the road reserve. An environmental consultant was engaged and a report on the site clean-up will be forwarded to all stakeholders once the remediation and sampling has been completed.

The remaining 19 incidents were classified as moderate with 10 caused by our activities and nine caused by third party activities. These 19 incidents related to 11 occurrences of unauthorised clearing of native vegetation (six Main Roads, five third party), two impact to Aboriginal Heritage (one Main Roads, one third party), two spills (two third party), one impact to Historic Heritage (Main Roads), one introduction/spread of weeds, pests or disease (Main Roads), one non-compliance with approval condition - no environmental impact (Main Roads) and one Other (third party).

Of the 11 incidents of unauthorised clearing, six relate to Main Roads incidents resulting in a total of 0.266 hectares of unauthorised clearing of native vegetation and five third party incidents that resulted in a total of 3.102 hectares of unauthorised clearing of native vegetation.

Incidents were reported to the relevant authorities and there were no penalties or financial sanctions related to any of these incidents. To ensure they are not repeated, we have addressed these procedural failures through training, changes in processes and increases in compliance audits.

## Urban Air Quality

Air quality in Perth is generally of a high standard compared with other Australian and international cities. Levels of pollutants have all decreased due to strengthening of national vehicle emission and fuel standards and the management of industrial and domestic air pollution. Our initiatives contributing to the reduction of emissions include:

- Encouraging use of alternative transport through principal shared paths for pedestrians and cyclists
- Optimising traffic management on our network, which minimises emissions due to enhanced traffic flow
- Examining options for an integrated system of roads, rail crossings, mass transit and future technologies
- Supporting uptake of low-emissions technology vehicles, including electric hybrid or other fuelled vehicles that generate less pollutants
- Using strategies to reduce congestion and improve network efficiency, resulting in reduced air pollution from vehicle emissions.

Using the Australian Transport Assessment and Planning Guidelines 2016, we have used data captured internally to estimate emission trends for the six main air pollutants (carbon monoxide, nitrogen dioxide, photochemical oxidants as ozone, sulphur dioxide, lead and particles) from operations and congestion on state and significant local roads in the Perth metropolitan area. A complete breakdown of emissions by type is available in the Additional Environmental and Sustainability Disclosures section of this report.

## Net Zero Transition

Following the release of the Western Australian Climate Policy we have been progressing development of a Net Zero Transition Plan which will guide actions in support of the state's aspiration to achieve net zero greenhouse emissions by 2050. The plan will focus on our operations and infrastructure investments and consider impacts from the use of the road network. The Net Zero Transition Plan will replace our existing Carbon Reduction Plan and Target. Total emissions across our facilities over the past year were 24,052 CO<sub>2</sub>-e, which is significantly below our target of 28,271 CO<sub>2</sub>-e. The table below shows our greenhouse gas emissions (Scope 1 and 2) over the past three years. Detailed information showing data over the last three years by Scope, Source and Intensity are available in the Additional Environmental and Sustainability Disclosures section of this report.

Scope 1 and 2	2020	2021	2022
Greenhouse gas type (t CO <sub>2</sub> )	26,257	27,313	24,052

## Western Australia's Electric Vehicle Strategy

The State Electric Vehicle Strategy for Western Australia is closely linked to the Western Australian Climate Policy as the electrification of transport is considered pivotal to reducing emissions from transport. Following a pilot trial on one of our projects, we are now including contractual requirements on our major projects to ensure a specific percentage of their light vehicle fleet, or heavy vehicle machinery fleet where available, are plug in hybrid or electric vehicles.

This is all working towards developing a broader construction project fleet policy. We are also committed to increasing the uptake of electric vehicles within our own vehicle fleet and supporting the state government target of 25 per cent, of all new light and small passenger, and small and medium SUV government fleet vehicles, to be electric by 2025-26.

## Climate Change Adaptation

We have identified more than 52 kilometres of state roads that have been assessed to warrant more detailed evaluation for the impacts of climate change. The indicative replacement value of this at-risk infrastructure is approximately \$446 million. We are currently revisiting our existing assessment of the road network's vulnerability to climate change. This involves a project to pilot an assessment method to help facilitate a complete network-wide vulnerability assessment and enable capacity building for climate adaptation within our organisation



## Materials for Road Building

In support of the Waste Avoidance and Resource Recovery Strategy 2030, we incorporate recycled content into the significant materials used for road construction. Crushed recycled concrete (CRC) is a road building material which is under-used and makes up 50 per cent of the state's waste stream. In support of the Waste Authority's Roads to Reuse Program we have continued our commitment to use CRC as sub-base under full-depth asphalt on our major projects. We are also aiming to facilitate the broader use of CRC by local governments. A total of 36,298 tonnes of CRC was used over the past 12 months which takes our cumulative total to 117,321 tonnes. We remain committed to increasing our total use of CRC to more than 200,000 tonnes.

Waste tyres are another significant environmental challenge, and this year we have continued our commitment to help facilitate the establishment of a local tyre recycling industry. We mandate the use of Tyre Stewardship Australia endorsed crumbed rubber in resealing works to incentivise local sources using recycled tyres. We have committed to develop and implement alternative crumbed scrap rubber bituminous binders, including binders that may be appealing for local governments to use, and to ensure we are using an amount above our target of over 1,200 tonnes per year. During the last year, we successfully used 1905.20 tonnes of crumbed scrap rubber bituminous binders on our projects and maintenance works.

Other materials that we are seeking to use more of include Fly Ash within concrete mixes, recycled plastic and Food Organics Green Organics as soil conditioner.

Detailed information and data from the past three years is available in the Additional Environmental and Sustainability Disclosures section and covers the following categories:

- Imported road construction material by type
- Imported recycled construction material by type
- Waste material to landfill by type
- Materials recycled by type.

# Improving Customer Experience

## Aim

Providing a transport network centred on what our customers need and value.

## Approach

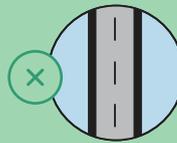
- Understand our customers' needs and how to address them
- Deliver consistent communications
- Improve our customers' experiences at every interaction
- Demonstrate a proactive, whole-of government approach to transport outcomes.



89%

**TARGET 90%**

Community satisfaction with Main Roads is within target with a slight decrease from last year



-33%

**TARGET 5% INCREASE**

We experienced a decrease in the number of customer subscriptions to our project updates as several large projects were completed



98%

**TARGET 80 %**

The target for resolving enquires at first point of contact with our customer information centre was achieved

## Projects and activities planned for next financial year include:

- Facilitate meaningful, early and frequent participation in our projects by enhancing online engagement and survey tools
- Further improve digital experiences through delivery of an online application portal and personalisation options
- Refine our approach to customer insights and analytics to ensure we are working towards better outcomes for the community.



# Reaching Younger Audiences with our Digital First You Wouldn't Like It Campaign

**A more modern marketing approach achieves impressive results, with a new digital-first campaign to provide insights for future targeted communications to reach key audiences.**

Delivered across digital audio and social media platforms, the You Wouldn't Like It campaign encouraged audiences to Look Up, Slow Down, Take Care through roadworks.

In November 2021, we recognised the need for a different approach to tackling the issue of poor driver behaviour through roadwork sites. With a 17 per cent increase in crashes, roadworker fatalities and near misses, we needed to reach the audiences who were missing campaign messages.

Our existing platforms and traditional media channels were not reaching those in the 18 to 25 age bracket. Partnering with &Partners, we began exploring approaches for addressing this gap.

A digital-first campaign was initiated, challenging drivers to imagine the impact of people driving dangerously through their workplaces. Spotify users in the 18 to 25 age bracket, were for the first time, listening to a campaign challenging them to empathise with roadworkers.

The campaign was successful in reaching those otherwise unreachable audiences. All platforms achieved listen through rates well above the average benchmark of 75 per cent, with Spotify coming through as the top performing platform with an almost 100 per cent listen through rate.

Over the five-week campaign period, 96.4 per cent of audio was listened to from start to finish, 28 per cent above the average benchmark for programmatic audio.

The success of the campaign and its approach to reach, at relatively low budgets, otherwise marginalised audiences not only broadened our communications reach, but set the foundation for future digital media planning.



# Engaging with Local Communities

**We are delivering an unprecedented number of projects across both metropolitan and regional areas and while our road network is extensive, our community is just as diverse.**

Engaging with the community and businesses and forming constructive relationships is vital to delivering our services. To achieve this, we run tailored engagement programs to keep everyone informed about upcoming works and disruptions, address local traffic issues, educate the community on road safety, and consult and build conversations around major infrastructure projects and future road networks. These conversations guide our work from local planning through to final delivery while balancing technical and safety requirements and ensuring we deliver services that our community needs and wants.

We continue to provide further opportunities for the community to participate in decision-making through the Transport Portfolio's My Say Transport online engagement portal. Our strong digital presence ensures we provide the community and businesses with avenues to collaborate and stay informed on projects, with changes to the road network shared in real-time. We use our centralised customer relationship management system to share project information and

promote avenues to stay informed on our projects. More than 47,000 Western Australians use this system to stay engaged.

We provide high quality content to show the progress of our projects and the finished product, like the Armadale Road to North Lake Road Bridge wayfinding videos. These videos helped road users navigate the new road network and highlighted routes road users could take to get to key destinations and connecting roads around the project.

Our work can profoundly affect communities around WA by connecting them to more destinations, facilitating access to amenities, providing access to local jobs, and safer networks to travel on. This is why we provide a range of ways for the community and businesses to get involved. We host information sessions, reference groups and face-to-face meetings in addition to our online engagement tools, ensuring that the community, no matter where they live, can be a part of decisions that affect their daily lives.

# Expanding our Customer Focus Reach

**We already have good levels of existing infrastructure for active transport, and the future looks bright with record amounts being invested in upgrades. We are responsible for providing safe and reliable journeys for everyone that uses our road – whether that be in a truck, car, on a bike, by foot or anything in between.**

We're also investing in meaningful engagement with community members of all ages. We know that working with the community is a critical part of our success and believe this statement is equally true for both current and future road users.

Early, innovative engagement allows us to build relationships and gather insights now to help us deliver a transport network centred on what all of our customers need and value. However, engaging in early years also serves another important purpose of encouraging our younger generation of road users, and potential engineers, to contribute to transport solutions of benefit in the future.

## Encouraging future Road Users and Engineering Leaders

Giving new meaning to our promise to 'engage early', we've made it our mission to encourage future big thinkers to consider a career in engineering and how they can contribute to the future of transport.

We partnered with Curtin University this year to showcase future engineering opportunities to a group of female high school students. The students from the Girls Engineering Tomorrow program got a taste for the variety of work we do during a project site visit and tour of our Road Network Operations Centre. The day was capped off by a Q&A session with some of our female engineers and leaders who shared their knowledge and experience, encouraging the group to pursue a career in STEM and consider the pathways and opportunities Main Roads has to offer.

Year five and six students at Perth's Redcliffe Primary School received a special visit from our Tonkin Gap Alliance Team, who spent the day exploring what a future career in major infrastructure construction could look like. Students participated in hands on activities to discover and learn about engineering, community engagement, surveying, geotechnical engineering, environmental management and sustainability.

The initiative doubled as a community engagement opportunity, giving both students and their parents unfettered access to the otherwise 'boots-on-the-ground-busy' Tonkin Gap Project team to learn more about the project and what it involves now and over the next few years.

## Road Safety focus for learner drivers

Good driving habits start early and in 2021, we worked closely with the licensing team from the Department of Transport to update the Drive Safe and Ride Safe Handbooks. Updated handbooks now include guidance on roadwork issues including temporary speed limits, traffic control and roadwork signs to help learner drivers understand WA road rules and how they can travel safely in all conditions. The updated handbooks, one of the 21 actions already completed from the Roadworks Signage Review, are a significant step forward to help some of our most vulnerable workers and road users, drive and arrive safely.



## Providing safe crossing - hearing and visually impaired pedestrians

Facilitating safe pedestrian crossings may not sound glamorous, particularly when compared with the billion-dollar projects in our pipeline. Make no mistake, it's just as important, particularly when you consider hearing and visually impaired users. This year, we rolled out new, sensor technology at selected, high-demand signalised crossings in the Perth metropolitan area. Pedestrians can now hover their hand over the sensor to activate the crossing as an alternative to the push button. The trial locations will continue to have physical push buttons, audible crossing tone and a vibrotactile arrow panel to assist hearing and visually impaired users. Rolled out during COVID-19, the sensors also double as a health and safety measure, reducing or eliminating the need to touch a public shared surface.

## Disability Access and Inclusion

Over the year, we have been working on delivering key actions from the Main Roads Disability Access and Inclusion Plan 2018–2022. The plan recognises that people with disability, their families and carers have the same rights to access our products and services as any other member of the community. During the year 19 actions from the plan were completed. To see some of the actions we have initiated visit our website.

## Multicultural Action Plan

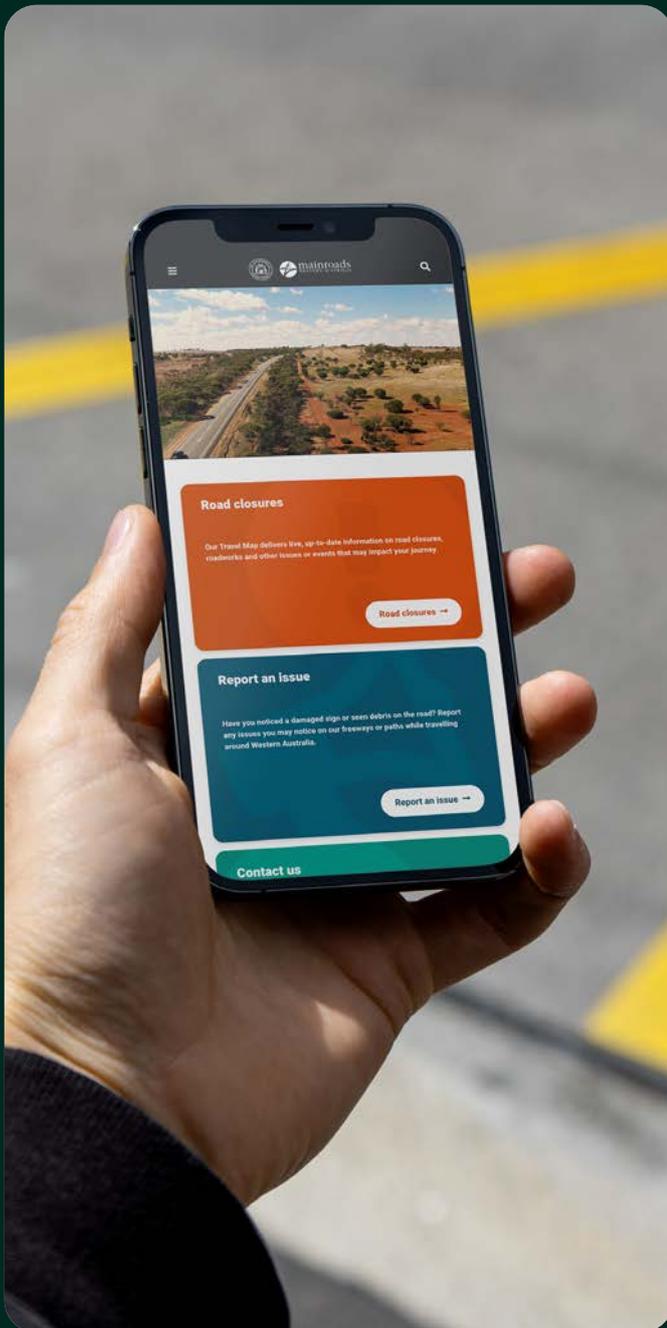
Last year we developed our inaugural Multicultural Plan 2021-2024 which aims to identify new ideas and acknowledge the work we do to create an inclusive environment that meets the needs of culturally and linguistically diverse employees and communities. We developed a range of actions in consultation with customers, stakeholders and employees and during the year completed a further 25 actions including the identification of Culturally and Linguistically Diverse communities within project areas in the Communications and Stakeholder Engagement Strategy templates for all major projects. Another initiative was to ensure all employees understand how to access and engage interpreter services if needed. An outline of our achievements over the year is available on our website.



# Digital Channels

**Over the past year, we have been gathering information to get a better understanding of how our customers use our current digital services.**

These insights set the foundation for future delivery of our digital services, as we strive to improve the digital experience for our customers. As people continue to spend time doing more things online, we're dedicated to continual improvement by developing more efficient customer centric processes.



## 8.2m

**Website Views**

## 1.6m

**Travel Map Views**

(highest day 30 May 470,000 views)

## 67,624

**Followers on Twitter Metro**

generating 32.8 million Impressions

## 75,161

**Followers on our Facebook Corporate Page**

35,595 members on our Facebook Perth Traffic Group

## 4,064

**Followers on Instagram**

# Listening to Our Customers

**We value customer feedback and regularly investigate trends and issues that provide us with insights to improve our business areas. We gather this information in a variety of ways and have included the two primary methods here.**

## Community Perception Survey

Our annual Community Perception Survey has been providing us with valuable insights into customer experiences since 1994. The feedback about how we're performing in the construction, maintenance and management of the road network helps us to plan and deliver projects and services that are wanted, needed and expected. The following table shows this year's results.

Area of activity	2020	2021	2022
Overall performance	90%	92%	89%
Road safety	92%	93%	91%
Provision of cycleways & pedestrian facilities	91%	89%	88%
Road maintenance	86%	89%	85%
Sustainability	89%	91%	88%
Environmental management	90%	91%	88%

At a state-wide level, the community also rated us highly in setting safe speed limits and providing dedicated bus and taxi lanes. Areas for improvement include managing litter on roadsides and verges and the condition of the road surface. To learn more about the Community Perception Survey, visit the Our Community page on our website.

## Customer Complaints

Our complaints handling process meets the International Standard for Guidelines for Complaints Handling (ISO 10002-2018) and is based on seven principles. The focus is to deliver high quality experiences during every interaction. For more information, or to understand our commitments or to make a complaint please visit our website.

This year, 65 per cent of all customer complaints fell into one of 10 categories, as shown. This year we received 4,185 customer complaints with the highest area of concern being traffic signals closely followed by the impact of roadworks on commuters.

The area with the biggest increase this year was damage and reflects several issues associated with the impact of loose stones on the network following roadworks. In response to concerns raised by the community we have streamlined the approach that we take for members of the public to be able to lodge their damages claims via an online service.

We have also found that compared to previous years we have seen a reduction in complaints on signs, speed limits and community engagement.



## Fault Reports

Many customers make contact to report faults, providing valuable assistance to the challenging task of continuously improving the condition and appearance of our road network. Last year we received 23,143 fault reports, the top fault type reported was for traffic signals.

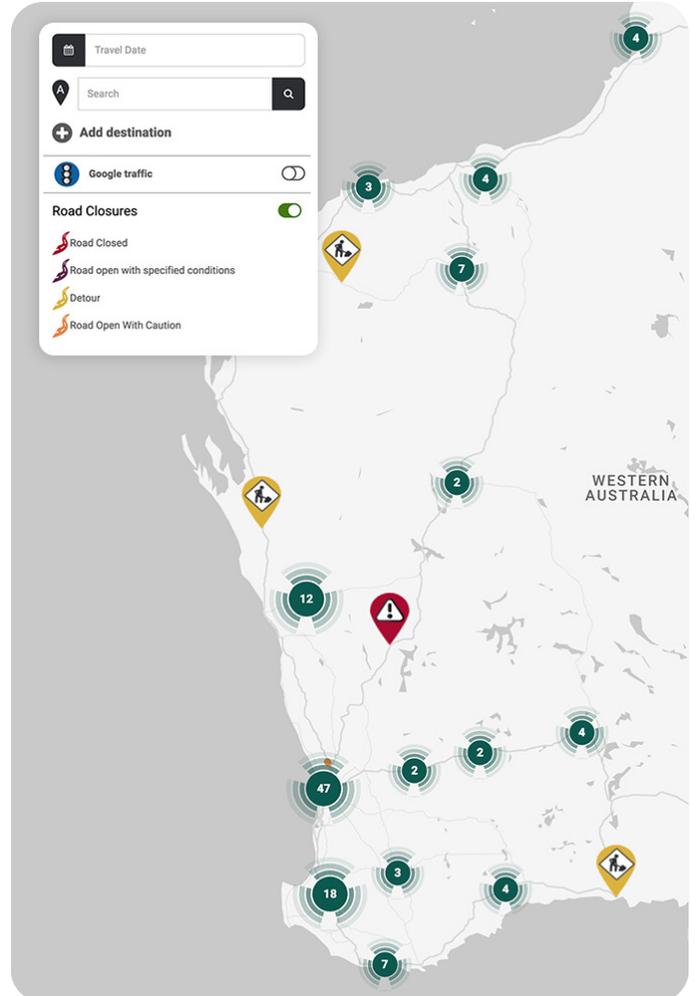
## Contact Information Centre

While the Customer Information Centre continues to play an important role in state-wide incident response and management, especially through providing timely and accurate information to the public, last year has seen a 36 per cent decline in customer calls.

We have attributed this to reduced tourist traffic due to the border restrictions arising from COVID-19, less bushfires and cyclone activity than previous years and continued collaboration with regional offices on improved messaging through building customer confidence in information provided while giving customers regular status updates.

We have also seen the impacts of the ongoing education of customers on digital platforms including promoting the Travel Map for the latest information on road closures and conditions, promoting options to report issues via the website and enhanced messaging via our new phone system.

Customer Contact Statistics	2020	2021	2022
Telephone calls	99,920	88,499	42,419
Calls self-serviced	16,406	14,547	13,530
Email enquiries	55,848	70,014	62,428
Total phone & email enquiries	155,768	158,513	104,847



# Our People

## Aim

Provide solutions-focused advice in partnership with the business to attract, develop and sustain a capable and engaged workforce.

## Approach

- Demonstrating our values through our behaviours
- Creating a positive work environment
- Focusing on solutions
- Engaging with our people
- Sustaining good workforce planning practices.



# 1,221

**LAST YEAR 1,237**

Total number of employees based on headcount is stable



# 23.5%

**TARGET 20%**

We exceeded our target of women in leadership positions at Level 6 and above



# 67%

**TARGET 100%**

Completion of Career Conversations is below target and lower than last year

## Projects and activities planned for next financial year include:

- Meeting the challenge of attracting and retaining appropriately skilled employees
- Improving our recruitment strategy to better position us in the recruitment market
- Consolidating the Regional Engineering Associate Traineeship Program to help build a sustainable workforce in the regions
- Continuing a focus on increased Aboriginal employment and creating pathway programs beyond the traditional university stream
- Continuing workforce planning with a strong focus on providing the information to enable us to make strategic decisions for our future workforce and to ensure workforce capability is appropriate for changing expectations
- Continue to ensure the delivery of cultural awareness training to all new employees.



# Our Development Employee Program is going places

**Working with us has never been more rewarding with a variety of projects and roles available in varying locations throughout Western Australia. We have more than 100 employees in a range of programs built around unique development pathways.**

We have been promoting new opportunities by hosting creative events and strengthening partnerships with communities and educational institutions across the state. We have a strong focus on diversity, we have been connecting with more female high school students to inspire them into science, technology, engineering and mathematics (STEM) subjects and engaging with local Aboriginal students.

We continue to form a close bond with local Aboriginal students through Kulbardi Aboriginal Centre at Murdoch University and the Koolarbi Centre for Aboriginal Students at North Metro TAFE, strengthening our relationships to work together in the future.

We are the main sponsor of Curtin University's Girls in Engineering Tomorrow Outreach program, which targets 45 senior female school students across metropolitan schools and offers exposure to engineering activities, mentoring, and tutoring while instilling the confidence to move forward into a career in STEM. Many of our female engineers have volunteered their time to participate in networking

sessions sharing their personal story and connecting with the girls. We hosted an in-house 'Main Roads Experience' showcasing our Network Operations Centre and visiting road construction sites to connect students with current female employees. Building from this, we have been invited to high school and university campus events to present to student cohorts; this helps drive our commitment to diversity through our development pathways.

Our Mid-West and Wheatbelt regions had a lot of fun participating in the annual Lego League competition, helping support over 50 teams of local regional primary and high school kids by judging the robotic design and functionality teams.

In addition, our long-standing Graduate Program is a structured rotational program combining hands on professional development supported by a diverse mix of responsibility and experiential opportunities. Each graduate is given the technical and personal mentorship to grow and work at their best. To find out more about the pathways that are available visit our website.

# Our Workforce Profile



## Get to know our people

1221 Staff employed

1139 Full-Time equivalent

6.4% Turnover rate

### Demographic Summary

822  
Male employees

399  
Female employees

30  
Indigenous employees

43  
Employees with disabilities

198  
From a culturally diverse background

285  
Aged between 30 and 39

250  
Aged between 40 and 49

287  
Aged between 50 and 59

150  
Are younger than 30, our aim through the Development Employee Program is to increase this number

249  
60+ workforce, we are working to ensure succession plans are in place for when this group retires

### Work Locations



# Developing Our People

**We are committed to attracting capable people and developing their potential. We focus on building a highly skilled, professional and ethical workforce with the ability to adapt to changing business, technology and environmental needs.**

We look to provide the best possible development opportunities including supporting people with nationally recognised qualifications either through fully funded or study assistance options. Due to COVID-19 disruption this year, some development options that involved face-to-face workshops were postponed however these will be delivered as early as possible next year. A greater emphasis on supporting staff wellness and resilience during challenging times was a feature of development options provided this year.

## Learning Management System

LearningHub, our corporate learning management system is continuing to grow with the number of available e-Learning modules. We have more than 50 modules available - covering topics related to safety, environment, compliance, integrity and wellness.

This year the system was expanded to provide access to an external stakeholder group for the first time, enabling the Heavy Vehicle Auditor accreditation process to be brought in-house. Additional external contractor groups will also gain access in coming months.

## New Regional Leadership Programs

A leadership development program with management teams from Mid West-Gascoyne commenced this year and features a combination of personal coaching and group workshops for individual self-awareness and team cohesion. Planning has commenced on the design of a new, cross-regional leadership program with an emphasis on identifying and supporting individuals with a commitment to a region and the potential to move into senior regional management roles over the next few years.

This will support our workforce planning process and lead to rewarding regional career pathways for our high potential future leaders.

## Road Construction Training Program

A new contract was awarded to enable the continued delivery of training for maintenance and project delivery staff and our development employees. This training provides the underpinning knowledge to support the supervision and management of works contracts. Further work is planned once new maintenance delivery teams are appointed to identify any skills gaps that can be addressed through our road construction training contract.

## Cultural Awareness Training

The Walking Together in Partnership brings greater understanding of Aboriginal people's culture and the commitments of our Reconciliation Action Plan and has now been delivered to 260 regional participants. The one-day workshops were conducted with a local perspective component within each region; perspectives were culturally tailored giving consideration to each area's own local, unique, and diverse communities. The trainers worked together with local Elders to provide an immersive learning program which took participants through a journey exploring non-Aboriginal thinking, traditional culture, and its relevance, and keys to cultural competence and cultural safety.

Following the successful cultural awareness training to 848 of our employees across the metropolitan area, a final celebration was conducted by Sister Kate's Home Kids Aboriginal Corporation. We were presented with a triptych Aboriginal painting that all our staff had contributed to during their training experience. Commissioner and the Minister for Transport were also presented with their own 'booka' or decorated kangaroo 'yongah' skin cloak traditionally worn by Noongar peoples during performances or for warmth.

Face-to-face cultural awareness training was also planned for graduates and trainees followed by an Aboriginal cultural tour with Noongar Elder Mervyn Abraham of Warrang-Bridil Enlighten to Acknowledge, which also includes a walk by the shores of Derbal Yerrigan, the Swan River.

# Diversity and Inclusion

**We encourage and recognise that a diverse workforce is integral to our success and value the unique blend of knowledge, skills and perspectives people bring to the workplace. This includes diversity of cultural background, ethnicity, age, gender, gender identity, disability, sexual orientation, religious beliefs, language and education.**

Our Equal Employment Opportunity and Diversity Management Plan focuses on six priority areas to increase engagement and representation of:

- Aboriginal and Torres Strait Islander people
- Women
- People with disability
- Youth
- People from culturally diverse backgrounds
- Lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA+).

## Employment Opportunities for Aboriginal and Torres Strait Islander People

We continue to demonstrate our commitment to create employment opportunities for Aboriginal and Torres Strait Islander people in both metropolitan and regional localities.

In utilising the Equal Opportunity Act 1984 to ensure Aboriginal and Torres Strait Islander people are prioritised throughout key recruitment campaigns, we have successfully deployed several recruitment actions under section 51 and 50D of the Act to recruit Aboriginal and Torres Strait Islander people for entry level to senior roles across the Kimberley, Metropolitan and Goldfields-Esperance regions.

We continue to work with our internal and external stakeholders to create culturally secure recruitment campaigns so these outcomes can be replicated in our other regions.

## Reconciliation Action Plan 2021-2023

We continue to deliver initiatives from our Reconciliation Action Plan (RAP) 'The Road to Jobs and Business Opportunities'. In support of the government's Aboriginal participation policy, our Aboriginal Advisory and working groups are implementing Aboriginal engagement initiatives for procuring goods and services from Aboriginal businesses and engaging Aboriginal groups in design, construction and maintenance activities related to road infrastructure projects. We have an agency wide commitment to achieving the RAP actions. However, we are also focussing our attention on what we can do to increase our direct Aboriginal employment and to support employees who are already with us.

Some of our successful achievements are:

- Development of our Aboriginal Employment and Retention Plan 2021-24 which works to improve the level of direct employment and meaningful Aboriginal and Torres Strait Islander employment and training opportunities. Four Aboriginal people were appointed as engineering associate trainees, three Aboriginal people appointed in trainee roles and three senior Aboriginal people appointed in identified positions to undertake Aboriginal Engagement roles.
- The development of the Mentoring for Aboriginal Peoples Program where we have arranged an Aboriginal provider AIBAG to provide an Elder to mentor Aboriginal employees as when required.
- Cultural Leave awareness and inclusion in job adverts to attract applicants.
- Our provider People Sense liaise with us to request cultural advice to assist them to support Aboriginal employees as part of our Culturally Relative Employee Assistance Program.
- Aboriginal Mental Health will be embedded into our Mental Health and Wellbeing Action Plan.

A copy of our RAP and regular updates are available on our website.

## National Reconciliation Week 2022 – Be Brave Make a Change

To celebrate National Reconciliation Week 2022, we shared a series of stories on our internal website to highlight our involvement and achievements in the reconciliation space through various initiatives and our Aboriginal Participation and Engagement teams. The Office of Major Transport Infrastructure Delivery held a range of activities throughout the week, including a Welcome to Country with didgeridoo and dancing by Mungart Yongah as well as short videos on respect featuring ceremony understanding, the importance of the Mabo Decision made 30 years ago. Once again, we participated in and supported the unique state-wide initiative, supporting the annual National Reconciliation Week Street Banner Project, where hundreds of banners are displayed in prominent locations across Western Australia to celebrate National Reconciliation Week. The 2022 banner features artwork Karlamilyi – My Mother’s Country by Narlene Waddaman, a Nyangumarta woman from Kariyarra country, South Hedland.

## NAIDOC 2021

A bush medicine event celebrated the theme Heal Country, which highlighted the need to seek greater protections for lands, waters, sacred sites and cultural heritage. Noongar Elders Vivienne and Mort Hansen did the Welcome to Country and a bush medicine presentation. The event finished with Indigenous inspired food.

## Women in Leadership

We continue our focus on attracting, retaining, and developing women for greater representation in technical and leadership positions. We recognise that women in positions of influence will lead to increasing numbers of women in leadership. International Women’s Day 2022 was promoted with senior managers interviewed about their perspective on the importance of women in leadership and their advice on career development, challenges faced and management of work-life balance. International Women in Engineering Day on 23 June, was an opportunity for us to acknowledge and celebrate our female engineers.

Women’s Engineering Society figures show that only 16 per cent of engineers are women, Engineers Australia says the national average of female engineers across the Australian workforce is 12 per cent while at Main Roads 17 per cent of our engineers are women. While we still have a long way to go, this is a good start.



## Becoming Disability Recruitment Confident

As part of our commitment to the People with Disability Action Plan to Improve WA Public Sector Employment Outcomes 2020–2025, we have commenced the accreditation process to become a Disability Confident Recruiter. With the support of the Australian Disability Network, this review will ensure all barriers to attracting, employing and retaining people with a disability are removed throughout our recruitment processes.

The review also provides an opportunity for the internal recruitment team and key hiring managers to improve their attraction and selection techniques to promote best practice in promoting inclusivity. The Disability Confident Recruiter accreditation action is in addition to our involvement in the Public Sector Interagency Building the Talent Pool project, which also supports the continual review of our recruitment practices to ensure disability employment confidence and improve employment outcomes for people with disabilities.

## Multicultural Diversity

As part of the Western Australian public sector, we are committed to support the capacity and contribution of people from Culturally and Linguistically Diverse backgrounds.

**We have 1,221 employees, with just over 16 per cent being culturally diverse and we continue to progress with our action plan to raise awareness and promote the benefits of a culturally diverse workforce. Staff across the state proudly wore orange, to show their support for Harmony Week 2022 to celebrate our vibrant multicultural community.**

## LGBTQIA+ Inclusion

In the pursuit of best practice of lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA+) inclusion and the attraction and retention of talent through the adoption of progressive inclusive policy, practice and behaviours, we have committed to an Annual Corporate Membership with Pride in Diversity. The benefits include professional LGBTQIA+ support, and LGBTQIA+ awareness training for staff and networking events. We have appointed an Executive Champion for LGBTQIA+ to promote awareness and inclusion of the theme of being your authentic self.

The International Day against Homophobia, Biphobia, Interphobia and Transphobias (IDAHOBIT) is all about inclusion. To show support for and demonstrate the type of organisation we want to be, this year we produced a short video with personal messages from our people to support IDAHOBIT and LGBTQIA+ inclusion. We also created an internal website which includes information, useful links and videos on LGBTQIA+ inclusion.

# Enhancing Safety, Health and Wellbeing

## Aim

Consistently showing leadership in safety outcomes.

## Approach

We work to establish consistent application of policies, standards and procedures across the organisation, and with our business partners, based on effective risk management.



# 0.2%

**TARGET 0 OR 10%  
REDUCTION**

Our Lost-Time injury (LTI) and disease incidence rate<sup>(1)</sup> target was achieved



# 11.1%

**TARGET 0 OR 10%  
REDUCTION**

Our Lost-Time injury (LTI) and severity rate target was achieved<sup>(2)</sup>



# 100%

**TARGET 100%**

We achieved our target of helping 100 per cent of our injured workers return to work within 13 weeks<sup>(3)</sup>

1. Lost-Time injury (LTI) incidence rate is: (number of LTI/Ds divided by the number of employees) x 100.

2. Severity rate is: (the number of LTI/Ds that resulted in 60 days or more lost divided by the total number of workers compensation claims) x 100

3. Return to work (RTW) within 13 weeks is: (number of LTI/Ds with a RTW outcome within 13 weeks divided by the number of LTI/Ds reported) x 100

## Projects and activities planned for next financial year include:

- A continued focus on delivery of our Safety Health and Wellbeing Plan 2021-24 strategy with the coming years' deliverables focused on:
  - Embedding new Work, Health and Safety (WHS) legislation
  - Reviewing our ISO 45001 accredited Safety, Health and Wellbeing Management System
  - Incorporating WHS requirements into our contractor management and procurement processes
- Review our Mental Wellness Strategic Framework and develop our new Mental Wellness Action Plan 2023-24
- Deliver health monitoring initiatives including mental wellbeing
- Implement workplace safety, health and wellbeing initiatives that address identified psychosocial factors
- Prepare for the return of maintenance and minor capital works to in-house delivery.



# WA Transport Works Safety Forum

**Forum brings together like-minded infrastructure delivery and safety professionals to share and learn about new developments and best practice in safety.**

In his opening address Acting Managing Director, Des Snook, outlined the unprecedented level of roadworks that are being undertaken across the state. Particularly, unusual are the lengths of road being worked on as part of the delivery of the Regional Road Safety Program. With so many works safety is, more than ever, a factor that must be considered by clients, delivery partners and members of the community.

Across Australia, the road transport industry employs more than 500,000 people full-time accounting for over five per cent of Australia's total employment. For every \$1 million invested in the road construction industry approximately seven workers are employed directly or in related industries. The construction industry had the second highest number of work-related fatalities in the period 2011 to 2021. Alarming, for a given hour worked, a person in the construction industry has 1.4 times the average risk across all industries of a work-related fatality and 30% of work-related fatalities were among people younger than 25.

In a collaboration the Transport Portfolio and the Civil Contractors Federation came together to host the Transport Works Safety Forum which brought together more than 185 people from 72 companies representing

traffic management, civil contractors, and consultants from across the road and rail industry.

The forum focused on key topics including updates on current thinking around temporary traffic management, innovations, technologies and how to best ensure consistency across the network. There were also excellent discussions and sharing on what good practice looks like in terms of engaging with employees to deliver better safety outcomes and creating a culture to support good mental health.

The other two areas of focus directly related to today's environment and challenges presented in delivering an accelerated program in a resource constrained market and applying safety in design to deliver immediate and long-term benefits to constructors, operators, maintainers, and users of our infrastructure.

In his closing comments Des Snook reminded everyone that "safety is first and foremost a mindset, it can be supported by tools, processes and procedures but all of us have a role and a responsibility to do what we can to provide a safe work environment".

# Our Safety Performance

**The safety, health and wellbeing of our people, the contractors who work on our behalf and the customers who access our network across the state is our number one priority.**

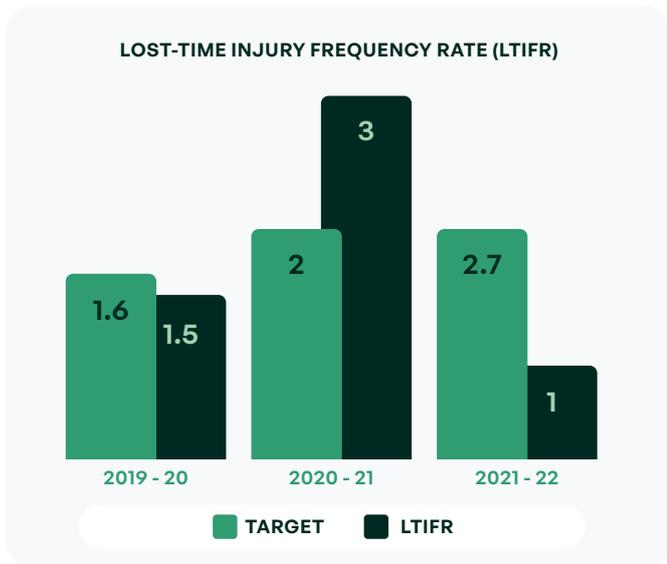
With the embedding of the incident and event reporting system - EQSafe, used by our workers and contractors, there has been a focus on detailed, timely and accurate information being entered into the system. The system's capability is expanding; this, coupled with the strong incident reporting culture of our workers and contractors, has allowed us to analyse safety and health information in more detail.

The number of lost-time injuries reduced across the organisation compared with the previous year. A combination of fewer injuries and a reduction in the severity of injury and illness, coupled with early intervention have lifted performance. This information helps identify critical issues, trends and emerging challenges assisting Corporate Executive to make strategic decisions ensuring the safety of our workforce and those who work to deliver our services.

## Lost-Time Injury Frequency Rate

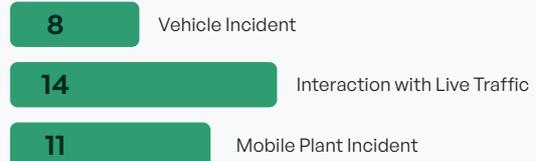
Over the past 12 months, our Lost-Time Injury Frequency Rate has reduced from the previous year and is well below our target having achieved a greater than 10 per cent reduction on the previous year's result.

We will continue to focus on mitigating actions for our critical risks and demonstration of safety leadership across the organisation.



The following graphics show the number and type of serious incidents rated high or very high that occurred most commonly over the past 12 months; also shown are the four main causes of serious incidents from the past year. Such information enables us to focus attention on areas that matter most.

### TOP 3 CRITICAL RISKS (SERIOUS INCIDENTS) LAST 12 MONTHS



### TOP 3 CAUSES (SERIOUS INJURY) LAST 12 MONTHS

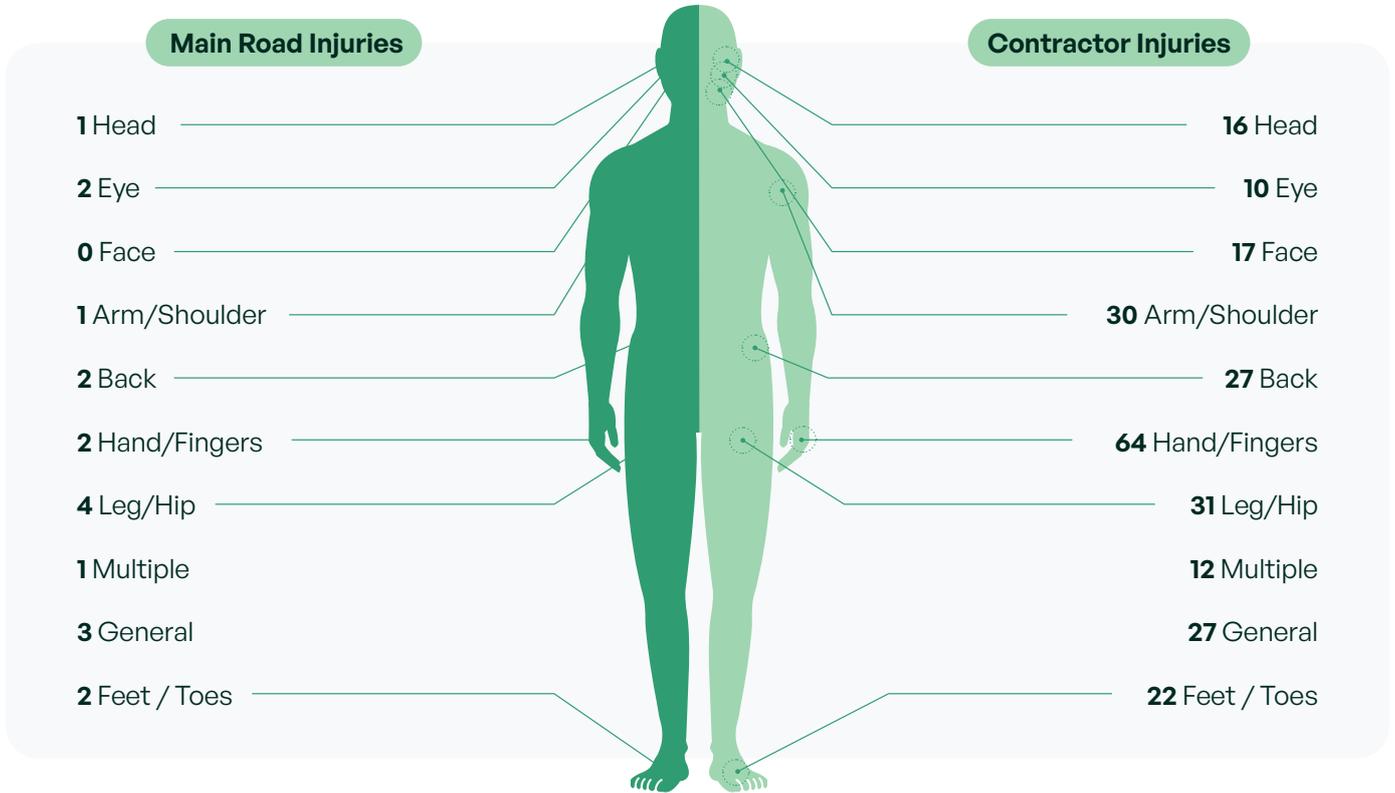


An analysis of the last three years of the three incidents shows that there has been a significant improvement in a reduction in incidents from those risks.

Critical Risk	2020	2021	2022
Mobile Plant Incident	194	206	191
Interaction with live traffic	160	237	150
Vehicle Incident	201	245	135

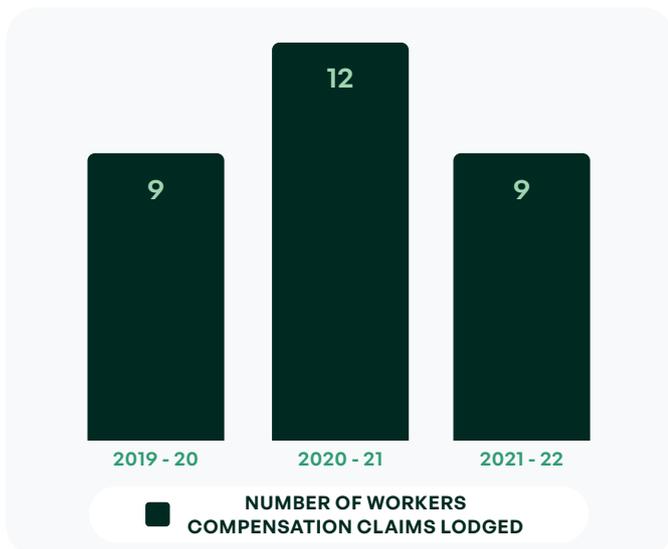
## Total Injuries on Body

An analysis of where injuries occurred shows a slight change from last year with hands and fingers still featuring prominently. Overall, our own staff suffered a lot less injuries while contractor injuries increased reflecting the increase in projects being delivered across the state.



## Workers Compensation and Injury Management

There were nine workers compensation claims lodged across the year. Three were linked to a work-related lost-time injury however, all workers returned to work within 13 weeks.



## Enhanced Reporting and Analysis

We have continued to improve dashboards enabling access to safety and health performance data. This information allows safety champions and our leaders to make informed decisions using lead and lag indicators and trend analysis. Reporting on our performance demonstrates how safety is managed and where improvements are needed.

# Preventative Health & Wellbeing

**We understand a healthy workforce is a happy and productive workforce, able to achieve the challenges ahead of us. During the year, we encouraged healthier habits to prevent illness and chronic disease, and to promote a healthier lifestyle for our workforce we:**

- Gave flu vaccinations to 441 employees
- Delivered 3 lunch and learn sessions
- Provided 188 heart health assessments
- Provided 359 skin cancer screening checks.

## COVID-19 Responses

Throughout the year, our COVID Management Team has reacted swiftly and decisively to COVID-19 with a clear strategy to keep people safe and support employees regardless of where they are located and continue to deliver our services. This has meant doing as much as possible to minimise transmission and to protect one another.

## Mental Health Strategy

We have an organisation-wide Mental Wellness Strategic Framework and a Mental Wellness Action Plan 2019-2022. We assess mental health risks and focus on building a positive workplace culture with internal capability to ensure early access to effective care and rehabilitation. The Framework and Mental Wellness Action Plan will be reviewed in the coming year.

We have in place policies, procedures and guidelines to support employees with mental health conditions. This has been complemented with the development of a Guideline on Psychosocial Hazards, which includes an audit tool, to help manage those risks.

## Thrive at Work

In recognition of the importance of mental wellbeing in maintaining a healthy and engaged workforce, we partnered with the Future of Work Institute at Curtin University to conduct a workplace assessment of mental wellbeing. The Thrive at Work Mental Wellbeing in the Workplace Survey aimed to identify opportunities to promote positive work practices within Main Roads to support employees to thrive, enhance productivity and produce better outcomes.

The results of the survey will form the basis for our new Mental Wellbeing Strategy and Action Plan, which will be developed with extensive consultation with our workforce.

## Employee Assistance Programs

Our Employee Assistance Program allows employees and their families to access registered psychologists to help them cope with challenges they may face, whether work related or not. In addition, a Management Coaching and Development Program provides support and guidance to managers overseeing employees with mental health and other issues.

While confidential, statistics - broadly, show that use of the program is similar between genders and generally attended on a voluntary and self-referred basis.

Overall, there have been significant improvement in the results of wellbeing or referral to more specialised practitioners. We continue increasing the capability of our employees through a Mental Health, Wellbeing and Workplace Program, and continue to create a culture of disclosure and peer support.

# Governance & Risk

## Governing Bodies

The Main Roads Act 1930, as amended, establishes the Commissioner of Main Roads as a corporate body and sets out the powers and duties of the office. The Commissioner reports to the Minister for Transport and the agency's primary governing body is its Corporate Executive.

Our governance processes and behaviours guide us to achieve our Aspiration, conform to all relevant laws and standards and meet public expectations of probity, accountability, integrity and transparency. Our governance approach also directs and manages our business activities to optimise performance and deliver value. Our governance model shows the relationships between our Minister, Commissioner and Corporate Executive supported by subcommittees.



# Corporate Executive

**Corporate Executive is our peak decision-making body. Its objective is to set clear strategic direction to deliver government priorities, meet our Aspiration and achieve agreed performance goals.**

## Role:

- Support the Transport Portfolio Governance Council
- Assist in the discharge of the Managing Directors responsibilities
- Achieve the best outcomes from key decisions, develop Executive commitment to key organisational priorities and model our Values
- Provide strategic oversight, decision-making and leadership
- Manage organisational performance and ensuring capability to deliver services
- Create a corporate culture of integrity and accountability.

## Executive Members:

- Des Shook
- Leo Coci
- Philip D'Souza
- Doug Morgan
- Belinda Stopic
- John Erceg
- Peter Sewell
- Tony Earl
- Neville Willey
- Alan Colegate
- Dennis Kickett
- Carmelo Naso
- Martine Scheltema



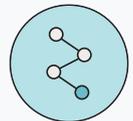
OUR PEOPLE



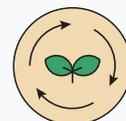
KNOW-HOW



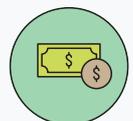
ASSETS



NETWORK PERFORMANCE



NATURAL RESOURCES



FINANCIAL CAPITAL



CUSTOMERS

## Focus areas for Corporate Executive during the past year included:

- Monitor delivery of critical projects and meet performance targets
- Identify and monitor treatment actions against critical risks including integrity breaches and cyber crime
- Champion a culture of diversity and equity
- Identify future state-wide resourcing requirements and key skills and capabilities
- Identify new strategic initiatives aligned with Keeping WA Moving
- Monitor the deployment of activities through the Corporate Business Plan
- Champion and monitor the delivery of Aboriginal participation outcomes
- Champion and monitor the delivery of sustainability outcomes.

Main Roads has established four executive sub-committees to provide support and guidance for specific aspects of the business.

# Management Review and Audit Committee

**Our Management Review and Audit Committee oversees the effectiveness of Main Roads' corporate governance including risk management, control processes and internal audit. It is an independent committee, accountable to the Director General and meets quarterly.**

## Role:

- Assists the Commissioner of Main Roads, the Managing Director and Corporate Executive to ensure that adequate management practices and controls are developed and maintained
- Keeps informed of the strategic and operational risks and the status of improvement actions (treatment plans), providing any recommendations to Corporate Executive for their consideration
- Reviews and approves the Main Roads Annual Internal Audit Plan
- Considers audits conducted by Management Review and Audit
- Monitors implementation of Management Review and Audit recommendations.

## Members:

- Independent Member (Chair) – Nicki Godecke
- Department of Finance
- Independent Member – Julie De Jong
- Department of Mines, Industry and Regulation
- Executive Member – Doug Morgan
- Transport Portfolio Member – Andrew Burchfield



OUR PEOPLE



ASSETS



FINANCIAL CAPITAL

## Focus areas for the Management Review and Audit Committee during the past year included:

- Approved the Main Roads Annual Internal Audit Plan for 2021-22
- Considered the findings and recommendations from 34 internal audits
- Discussed and approved audit progress reports quarterly
- Monitored and approved close out of audit recommendations quarterly
- Monitored outstanding and overdue audit recommendations quarterly
- Reviewed strategic, operational and fraud and corruption risks and monitored the status of action plans to mitigate risks.

# Budget Committee

**Our Budget Committee meets monthly with the objective of ensuring financial management oversight and best use of funds to achieve our strategic outcomes.**

## Role:

- Peak decision-making body for Financial and Budget Management, Investment Planning, Program Development and Delivery
- Accountability for
  - Investment Planning
  - Program Development
  - Annual finance and budget performance

## Executive Members:

- Des Snook (Chair)
- Philip D'Souza
- Doug Morgan
- Belinda Stopic
- John Erceg
- Peter Sewell
- Tony Earl
- Neville Willey



OUR PEOPLE



ASSETS



FINANCIAL CAPITAL

## Focus areas for the Budget Committee during the past year included:

- Future Roads Project (Urban) – Administrative Road Classification Process and Criteria
- Oversight of the Asset Investment Program to ensure project delivery is on target
- Oversight of COVID-19 economic stimulus programs and fast-tracked project delivery
- Oversight of the Road Safety Program WA and ensuring continuity of funding is achieved
- Oversight and governance of the agency's financial outcomes and ensure the outcomes stay within the financial targets as set in the agency's Resource Agreement
- Identify risk and opportunities in the scope of investment planning, program development, program management and project delivery impacting annual finances
- Oversight of forecast cost indices used in escalation of Asset Investment Project cashflows
- Identify risk and opportunities in cashflow management including building relationship with Western Australian Treasury Corporation
- Improved forecasting and adoption of a Corporate Financial Forecast Benchmark Target
- Oversight of tender price outcomes on contracts.

# Corporate Safety, Health and Wellbeing Committee

Our Corporate Safety, Health and Wellbeing Committee directs priorities and overviews the wellbeing of our workforce and the people who work with us.

## Role:

- Presides over safety, health and wellbeing issues from high-level strategy to reviews of individual incidents
- Acts as a primary occupational safety and health governance channel and reports to Corporate Executive on full-time and contracted employees

## Members:

- Neville Willey
- Philip D'Souza
- Doug Morgan
- Belinda Stopic
- Des Snook
- John Erceg
- Tony Earl
- Alan Colegate



OUR PEOPLE



KNOW-HOW



CUSTOMERS

The committee is chaired by the Manager Communities of Expertise and includes the Safety, Health and Wellbeing Manager.

## Focus areas for the Corporate Safety, Health and Wellbeing Committee during the past year included:

- Monitored 2020-23 Safety, Health and Wellbeing Strategic Plan
- Reviewed performance measures and approach
- Reported on WorkSafe improvement notifications and serious incidents including mitigating actions
- Updated senior management on new work, health and safety legislation
- Reviewed Main Roads framework COVID-19 Safety, Health and Wellbeing Plan
- Oversight of the Integrated Management System – Safety, Quality and Environment – annual management review and recertification
- Continued focus into the prevalence of incidents involving traffic management at worksites.

More information on our health and safety activities is included in the Safety, Health and Wellbeing section.

# Investment Committee

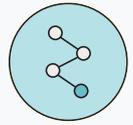
**Our Investment Committee is the peak decision-making body for strategic network development strategy and investment planning, and for overseeing development of the Ten-Year Investment Plan.**

## Role:

- Review and endorse the long-term Network Development Strategy and Plan (20 Year Horizon)
- Establish the investment focus and link organisational strategic objectives with outcomes that address defined needs and problems
- Review and endorse the Ten-Year Investment Plan
- Review and endorse project priorities for the annual Investment Planning and Budget cycle
- Approve the allocation of definition and development funding

## Executive Members:

- Doug Morgan (Chair)
- Philip D'Souza
- Tony Earl
- Leo Coci
- Des Snook
- John Erceg
- Belinda Stopic
- Peter Sewell



NETWORK  
PERFORMANCE



FINANCIAL  
CAPITAL



ASSETS

## Focus areas for the Investment Committee during the past year included:

- Strategic oversight of high priority projects and reporting to the Minister for Transport, for consideration in state and federal budget processes and for submissions for consideration by Infrastructure Australia in the annual refresh of the National Infrastructure Priority List
- Endorsement of all major and complex project scope of works and cost estimates as part of the decision-making requirements associated with the Budget and Investment Planning Framework
- Endorsement of the 2022-23 Strategic Asset Plan
- Oversight of improvements to the Investment Planning Process.

# Risk and Integrity Management

## Risk Management

Our risk management approach takes account of the regulatory, financial, safety, political, economic environment and compliance requirements, reputational exposures and community expectations.

Risk management is integrated into our operations which ensures that risk management is not viewed as a separate discrete activity, but as an inherent part of business processes where everyone is involved and has a responsibility in the management of risk.

Our corporate strategic risk assessment is embedded in the corporate business planning process. This enables resources to be spent on risk management as opposed to risk administration. Corporate strategic risk workshops for all Main Roads directorates and the Corporate Executive are run every year.

Management of risk in our projects is embedded in our project management tools, methodologies and the Enterprise Project Management system. Through risk management workshops at the commencement of projects and quality audits during projects, we ensure that the correct reviews and controls are in place.

RISK THEME	MATERIAL ASPECTS	KEY RESOURCES
<b>Stakeholder Engagement</b> <ul style="list-style-type: none"> <li>Inability to manage community and customer expectation supported by early and ongoing stakeholder engagement</li> <li>Opportunity to enhance efficiency and delivery outcomes through further collaboration between transport agencies</li> </ul>	<ul style="list-style-type: none"> <li>Good Public Policy</li> <li>Local Communities</li> <li>Open and Transparent Communication</li> </ul>	 CUSTOMERS  OUR PEOPLE  KNOW-HOW
<b>Policy</b> <ul style="list-style-type: none"> <li>Failure to set internal position and approach to meet evolving government and community expectation on sustainability</li> <li>Failure to maintain momentum in delivering on Aboriginal engagement commitments</li> </ul>	<ul style="list-style-type: none"> <li>Good Public Policy</li> <li>Aboriginal Heritage and Native Title</li> <li>Climate Change and Energy</li> <li>Biodiversity</li> </ul>	 CUSTOMERS  NATURAL RESOURCES  KNOW-HOW
<b>Asset Management</b> <ul style="list-style-type: none"> <li>Failure to deliver and demonstrate a robust strategic asset management approach</li> <li>Failure to deliver the transition to in house maintenance and minor capital works delivery model.</li> </ul>	<ul style="list-style-type: none"> <li>Road Safety</li> <li>Congestion and Freight Productivity</li> <li>Regional Presence and Development</li> <li>Value for Money</li> </ul>	 ASSETS  FINANCIAL CAPITAL  NETWORK PERFORMANCE
<b>Resource Management</b> <ul style="list-style-type: none"> <li>Inability to fund existing commitments, deliver asset investment program and outcomes</li> <li>Inability to develop and maintain a capable workforce</li> <li>Failure to provide staff safety and support health and wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Procurement Practices</li> <li>Value for Money</li> <li>Workforce Safety and Health</li> <li>Training and Education</li> <li>Job Creation</li> <li>Diversity and Equal Opportunity</li> </ul>	 FINANCIAL CAPITAL  OUR PEOPLE  KNOW-HOW

RISK THEME	MATERIAL ASPECTS	KEY RESOURCES
<p><b>Project Delivery</b></p> <ul style="list-style-type: none"> <li>Time delay and cost pressures due to supply chain constraints</li> <li>Inability of industry to deliver the project and delivery program in a competitive manner</li> <li>Increasing exposure to contractor and sub-contractor failure</li> <li>Failure to deliver effective network management and performance during project delivery, in an improving economy and to customer expectations</li> </ul>	<ul style="list-style-type: none"> <li>Road Safety</li> <li>Congestion and Freight Productivity</li> <li>Regional Presence and Development</li> <li>Value for Money</li> <li>Legal Compliance</li> <li>Procurement Practices</li> <li>Supplier Social Assessment</li> <li>Compliance with Environmental Legislation</li> </ul>	<ul style="list-style-type: none"> <li> ASSETS</li> <li> FINANCIAL CAPITAL</li> <li> NETWORK PERFORMANCE</li> <li> OUR PEOPLE</li> <li> NATURAL RESOURCES</li> </ul>
<p><b>Information Technology</b></p> <ul style="list-style-type: none"> <li>Time delay and cost pressures due to supply chain constraints</li> <li>Inability of industry to deliver the project and delivery program in a competitive manner</li> <li>Increasing exposure to contractor and sub-contractor failure</li> <li>Failure to deliver effective network management and performance during project delivery, in an improving economy and to customer expectations</li> </ul>	<ul style="list-style-type: none"> <li>Congestion and Freight Productivity</li> <li>Road Building Materials</li> <li>Customer Privacy</li> </ul>	<ul style="list-style-type: none"> <li> ASSETS</li> <li> KNOW-HOW</li> <li> NETWORK PERFORMANCE</li> <li> NATURAL RESOURCES</li> </ul>

## Business Continuity Management

All business areas have a Business Continuity Plan in place and function within an overarching corporate business continuity management procedure. Plans ensure that we can respond to, and recover from, any business disruption.

Considering the pandemic and impacts on delivery of essential service throughout the year we continued to ensure they were appropriate and took into consideration the potential of widespread loss of staff due to illness or requirements to self-isolate. We continue to strengthen our ability to mobilise resources to operate from non-traditional locations.

## Integrity Framework

Our Integrity Framework represents our commitment to effective fraud and corruption risk management and the promotion of a culture of integrity. The framework consolidates and clarifies policies and processes in relation to fraud and corruption, gifts and benefits, conflict of interest, contact with lobbyists and misconduct.

Features of the framework include biennial fraud and corruption risk workshops within our organisation’s directorates, a comprehensive integrity data analytics detection program and increased transparency through a central fraud and corruption incident register. The framework was developed in a consultative fashion and is aligned with Australian Standard 8001:2021. The framework is available to all employees via the iRoads intranet site.

## Fraud and Corruption Prevention

We have detection activities and strategic controls in place to help prevent the misappropriation of funds and inappropriate use of public property, including a comprehensive annual Audit Plan, Integrity Detection Plan, Integrity Detection Improvement Plan and a Fraud and Corruption Risk Management cycle.

Our framework clearly sets out the relevant policies and obligations for all employees regarding preventing, mitigating and reporting instances of fraud and corruption.

# Benchmarking our Commitment

**In reviewing and considering our own corporate governance practice, we consider the Public Sector Commission Guidelines as well as the application of ASX Corporate Governance Council principles within our own operating context.**

This table reflects the ASX Corporate Governance Council's Governance Principles and Recommendations 4th Edition. It provides a summary of our commitment against each of these principles, supported by information throughout the report.

PSC GUIDELINES	ASX PRINCIPLES	OUR COMMITMENT
<p><b>1. Government and public sector relationship</b></p> <p>The organisation's relationship with the government is clear</p>		<p>We have structures in place to ensure clear lines of communication with the Minister for Transport, our Portfolio partners and other government agencies including the capture and reporting of interactions.</p>
<p><b>2. Management and oversight</b></p> <p>The organisation's management and oversight is accountable and has clearly defined responsibilities</p>	<p><b>1. Lay solid foundations for management and oversight</b></p> <p>A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.</p>	<p>Keeping WA Moving clearly outlines our Aspiration, Strategic Areas of Focus, Guiding Principles and Values. Corporate Executive has a charter and Performance Agreements are in place across the organisation at all levels.</p>
<p><b>3. Organisational structure</b></p> <p>The organisation's structure serves its operations</p>	<p><b>2. Structure the board to add value</b></p> <p>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</p>	<p>Corporate Executive is our main governance body and is made up of the leader from each directorate and is supported by several subcommittees. Details of their roles and achievements are included in this report including performance reporting.</p>
<p><b>4. Operations</b></p> <p>The organisation plans its operations to achieve its goals</p>		<p>Our Business Planning and Reporting process ensures that our activities are aligned to our strategic plan and achieving the outcomes for each of our services.</p>
<p><b>5. Ethics and integrity</b></p> <p>Ethics and integrity are embedded in the organisation's values and operations</p>	<p><b>3. Instil a culture of action lawfully, ethically and responsibly</b></p> <p>A listed entity should instil and continually reinforce a culture across the organisation of acting</p>	<p>Our Integrity Framework and Code of Conduct ensure our commitment to professional behaviours that are consistent with our values and guiding principles. These are included in all inductions for new employees and contractors into the business.</p>
<p><b>6. People</b></p> <p>The organisation's leadership in people management contributes to individual and organisational achievements</p>		<p>Workforce planning across the Portfolio is a high priority and we invest in leaders who will genuinely challenge the status quo. A culture of diversity and inclusion is actively promoted and supported.</p>

PSC GUIDELINES	ASX PRINCIPLES	OUR COMMITMENT
<p><b>7. Finance</b></p> <p>The organisation safeguards financial integrity and accountability</p>	<p><b>4. Safeguard the integrity or corporate reports</b></p> <p>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</p>	<p>Financial integrity is achieved through our Financial Management Manual, Internal Audit Charter and internal processes. The Budget Committee reviews and manages our financial performance monthly.</p>
<p><b>8. Communication</b></p> <p>The organisation communicates with all parties in a way that is accessible, open and responsive</p>	<p><b>5. Make timely and Balanced Disclosure</b></p> <p>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</p>	<p>To provide consistent communications and services of value we work with the community and our customers by understanding their needs. We have high levels of engagement in conventional, digital and social media and have strong customer complaint handling in place including Freedom of Information and Public Interest Disclosure procedures.</p>
<p><b>9. Risk management</b></p> <p>The organisation identifies and manages its risks</p>	<p><b>7. Recognise and Manage Risk</b></p> <p>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</p>	<p>Our Risk Management process is a part of our integrated annual business planning process. We work closely with our Portfolio colleagues to ensure consistency and enable tracking of high priority risks.</p>

# Performance & Financials

## Our Finances

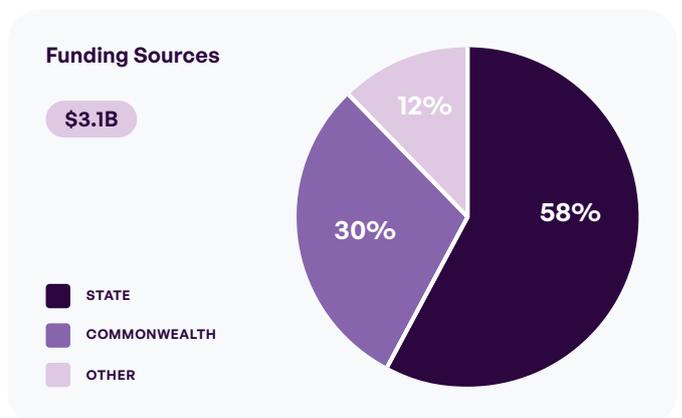
Our financial summary shows key elements of our performance, with further detailed information in the Financial Statements and Notes. This year we received \$3.1 billion in funding and invested more than \$3.2 billion in managing the state road network.

### Funding Sources

The largest contribution to our income is from the State Government totalling just under \$1.8 billion or 55 per cent of total funds received.

Our second highest contribution comes from the Commonwealth Government valued at more than \$941 million. Programs funded through the Commonwealth include the new Regional Road Safety Program, Heavy Vehicle Safety and Productivity and the Black Spot Program along with funding for National Road Projects. Other income sources include the Royalties for Regions Program and contributions to roadworks on our infrastructure made by public and private bodies including PTA for METRONET and associated works.

	2020 \$ million	2021 \$ million	2022 \$ million
State	1,489	1,694	1,797
Commonwealth	667	966	941
Other	190	1,499	367
<b>Total Funding Received</b>	<b>2,346</b>	<b>4,159</b>	<b>3,105</b>



## Expenditure

**I During the year we spent \$3.2 billion delivering services across the state.**

### EXPENDITURE BY SERVICE

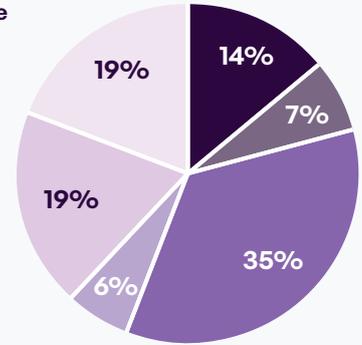
The following shows the allocation of these funds aligned against our six - outcome based Services. Further information on each of the services, the projects delivered, our performance and achievements are included in the Operational Performance section

	2020 \$ million	2021 \$ million	2022 \$ million
Road Safety	175	435	372
Road Management	174	191	192
Road Efficiency	563	589	900
Community Access	36	110	159
Road Maintenance	426	438	486
State Development	461	416	483
<b>Total expenditure</b>	<b>1,835</b>	<b>2,179</b>	<b>2,592</b>

#### Expenditure by Service

\$2.6B

- ROAD SAFETY
- ROAD MANAGEMENT
- ROAD EFFICIENCY
- COMMUNITY ACCESS
- ROAD MAINTENANCE
- STATE DEVELOPMENT



### EXPENDITURE BY TYPE

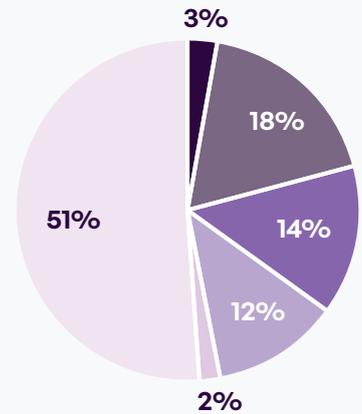
As you might expect, capital works represent our largest expenditure. This is followed by supplies and services associated with asset management, network operations and maintenance of our road network. In addition, due to the size of our asset base, we have a significant amount of depreciation. The next biggest area of expenditure is associated with grants and subsidies primarily to local government assisting with the maintenance and improvement of the local road network.

	2020 \$ million	2021 \$ million	2022 \$ million
Employee benefits and superannuation	66.0	76.0	78.2
Supplies and services	446.9	477.2	586.1
Depreciation expense and amortisation	396.1	415.3	450.2
Grants and subsidies	232.2	356.8	384.3
Other expenses	101.5	48.7	65.8
Capital expenditure	1,221.6	1,430.0	1,618.1
<b>Total expenditure</b>	<b>2,464.3</b>	<b>2,804.0</b>	<b>3,182.7</b>

#### Expenditure by Type

\$3.2B

- EMPLOYEE BENEFITS AND SUPERANNUATION
- SUPPLIES AND SERVICES
- DEPRECIATION EXPENSE AND AMORTISATION
- GRANTS AND SUBSIDIES
- OTHER EXPENSES
- CAPITAL EXPENDITURE

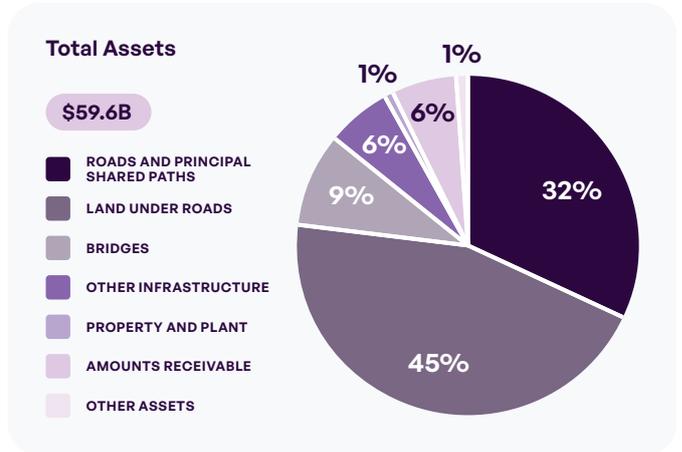


## Our Assets

**This year the total value of our assets is \$59.6 billion which is an increase of \$5.4 billion when compared against last year.**

The major component of our assets is road infrastructure assets, making up 92 per cent of what we own representing \$54.6 billion. Following is a breakdown of the main categories of assets we managed on behalf of the community over the last three years.

	2020 \$ billion	2021 \$ billion	2022 \$ billion
Roads and Principal Shared Paths	15.9	16.9	19.1
Land under roads	22.9	25.2	26.8
Bridges	4.3	4.7	5.3
Other infrastructure	2.5	2.7	3.4
Property and plant	0.4	0.4	0.4
Amounts receivable	3.1	3.5	3.9
Other assets	0.5	0.8	0.7
<b>Total</b>	<b>49.6</b>	<b>54.2</b>	<b>59.6</b>



# 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 2022.

## 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* (WA) from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2022 and the financial position on 30 June 2022.

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.



**Philip D'Souza**

Acting Chief Finance Officer

29 August 2022



**Des Snook**

Acting Managing Director of Main Roads

29 August 2022



**Peter Woronzow**

Accountable Authority

29 August 2022

# Auditor General's Opinion



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

2022

#### Commissioner of Main Roads

To the Parliament of Western Australia

## Report on the audit of the financial statements

### Opinion

I have audited the financial statements of the Commissioner of Main Roads, which comprise:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Commissioner of Main Roads for the year ended 30 June 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

### Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

### Responsibilities of the Commissioner for the financial statements

The Commissioner is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- 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.

In preparing the financial statements, the Commissioner is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commissioner of Main Roads.

### **Auditor's responsibilities for the audit of the financial statements**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **Report on the audit of controls**

### **Opinion**

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Commissioner of Main Roads. The controls exercised by the Commissioner are those policies and procedures established 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 (the overall control objectives).

In my opinion, in all material respects, 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 2022.

### **The Commissioner's responsibilities**

The Commissioner is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

### **Auditor General's responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard

requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

### Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

## Report on the audit of the key performance indicators

### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Commissioner of Main Roads for the year ended 30 June 2022. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Commissioner of Main Roads are relevant and appropriate to assist users to assess the Commissioner of Main Roads' performance and fairly represent indicated performance for the year ended 30 June 2022.

### The Commissioner's responsibilities 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 internal control as the Commissioner determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Commissioner is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

### Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or*

*Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

### **My independence and quality control relating to the report on financial statements, controls and key performance indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Other information**

The Commissioner is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

### **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 2022 included in the annual report on the Commissioner of Main Roads' website. The Commissioner of Main Roads' management is responsible for the integrity of the Commissioner of Main Roads' website. This audit does not

provide assurance on the integrity of the Commissioner of Main Roads' website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. 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 contact the entity to confirm the information contained in the website version.



Caroline Spencer  
Auditor General for Western Australia  
Perth, Western Australia  
29 August 2022

# Performance Measures

## Introduction

Roads are a vital part of our integrated transport network that ensure the smooth running of our daily lives while making a valuable contribution to the economy. Reliable and accessible transport infrastructure is a cornerstone for socioeconomic progress. Our roads are essential in connecting rail, sea, air and inland port facilities to their markets. They enable productivity, growth, reduce journey times and costs, create jobs and connect people and places. We use performance measurement to gain insight into, and make judgements about, the effectiveness and efficiency of the services we provide. Our performance measures are integrated within an evaluation and reporting process that is reviewed monthly by our Leadership team.

## Alignment with Government Goals

We contribute towards three goals identified by the Western Australian Government achieved through a service-based outcome approach. The following table identifies the six services that drive our outcomes to deliver road related services to our customers.

	Main Roads	Government Goals
Service	Outcome	
Road safety	A safe road environment	<b>Safe, Strong and Fair Communities</b>
Infrastructure for community access	Improved community access and roadside amenity	Develop healthy and resilient communities
Infrastructure for state development	Facilitate economic and regional development	<b>WA Jobs Plan</b> Local manufacturing and production, creating WA jobs and training for the jobs of the future
Road system management	Reliable and efficient movement of people and goods	<b>Growing our Communities</b>
Road efficiency improvements		Protecting our environment with thriving suburbs and regions
Road network maintenance	A well-maintained road network	

Following are key effectiveness and efficiency indicators that measure the extent of impact and success in the delivery and use of resources to provide our services.

## Understanding our Measures

The report begins with a summary of our service outcomes and measures for each indicator showing the trend over time and the current year results against the State Budget Papers. Following this is a narrative on each of the efficiency and effectiveness indicators for the six outcome-based services. There have been no changes to the approaches or methodology underpinning our measures this year. The following information gives an overview of the approach taken for two of the more prominent measures featured in this report.

## Community Perception

Four of the measures are derived from an annual Community Perceptions Survey that reflects the satisfaction levels of our customers across the state. An external research company collected the data by way of online interviews, social media interviews and a small number of computer-assisted telephone interviews (CATI) using a developed structured questionnaire.

The population for the purpose of the research is all Western Australian residents 17 years of age and over. A sample of 709 residents from rural areas (100+ respondents from each region) and 638 residents from the Perth metropolitan area were surveyed. A stratified random sample is taken from the population ensuring that each person is given equal opportunity of being selected. The total sample of 1,347 produced a sampling precision of +/- 2.67 per cent at the 95 per cent confidence interval. We are 95 per cent confident that the results would be within +/-2.67 per cent should a census of the population be undertaken.

In each case, respondents had the opportunity to rate Main Roads' performance as terrible, poor, okay, good or excellent in terms of road safety, providing cycleway and pedestrian facilities, road maintenance and overall performance. The reported results represent only the total of okay, good and excellent ratings.

## On Time and On Cost

Eight of our efficiency measures are based on reporting against the delivery of our contracts in terms of time and cost. To recognise the complexity of achieving this and consistent with approaches taken in other road agencies, all reporting against these measures includes a 10 per cent margin when calculating the outcome. A target of 90 per cent has been established for each of the On Time and On Cost measures based on what is an acceptable outcome considering risk and the variable nature of delivering road contracts. A result within the target range indicates that internal processes and procedures are appropriate, working well and deployed, while a result below, warrants further investigation to determine if there are any underlying systemic issues.

## Summary of Key Performance Measures and Outcomes

	2019	2020	2021	2022 Target	2022 Actual	
<b>ROAD SAFETY</b>						
% Community satisfaction of road safety	91	92	93	90	<b>91</b>	
Black spot location indicator	7.46	7.33	7.22	7.18	<b>7.28</b>	
% contracts completed on time	80	87	64	90	<b>72</b>	
% contracts completed on budget	100	100	95	90	<b>97</b>	
<b>ROAD EFFICIENCY AND ROAD SYSTEM MANAGEMENT</b>						
% Community satisfaction	90	90	92	90	<b>89</b>	
Road network permitted for use by heavy vehicles	B Double -27.5m %	97	98	98	<b>98</b>	
	Double RT -27.5m %	97	97	98	<b>98</b>	
	Double RT-36.5m %	80	81	82	<b>82</b>	
	Triple RT-53.5m %	45	45	45	<b>44</b>	
% Network configuration	Roads	92	93	93	<b>94</b>	
	Bridges	Strength	94	94	94	<b>94</b>
		Width	96	96	96	<b>96</b>
% contracts completed on time	100	77	72	90	<b>68</b>	
% contracts completed on budget	97	100	97	90	<b>91</b>	
Average \$ cost of network management per million vehicle km travelled	7,075	6,972	6,821	5,450	<b>6,701</b>	
<b>STATE DEVELOPMENT</b>						
Average return on construction expenditure	4.1	4.3	3.17	2.78	<b>2.91</b>	
% contracts completed on time	75	100	83	90	<b>100</b>	
% contracts completed on budget	92	100	100	90	<b>100</b>	
<b>ROAD MAINTENANCE</b>						
% Smooth travel exposure	97	n/a	98	n/a	<b>n/a</b>	
% Community satisfaction road maintenance	87	86	89	90	<b>85</b>	
% Preventative maintenance indicator	84	85	87	85	<b>86</b>	
Average \$ cost of network maintenance per lane kilometre of road network	12,158	9,319	8,512	7,900	<b>8,373</b>	
<b>COMMUNITY ACCESS</b>						
% of the year that 100% of the Main Roads' state road network is available	91	89	84	95	<b>87</b>	
% Community satisfaction with cycleways and pedestrian facilities	91	91	89	90	<b>88</b>	
% contracts completed on time	86	0	100	90	<b>46</b>	
% contracts completed on budget	100	100	100	90	<b>85</b>	

## Road Safety

### OUTCOME: PROVIDING A SAFE ROAD ENVIRONMENT

This service 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:

	2019 Actual	2020 Actual	2021 Actual	2022 Target	2022 Actual
% Community satisfaction of road safety	91	92	93	90	<b>91</b>
Black spot location indicator	7.46	7.33	7.22	7.18	<b>7.28</b>
% contracts completed on time	80	87	64	90	<b>72</b>
% contracts completed on budget	100	100	95	90	<b>97</b>

### EFFECTIVENESS INDICATORS

#### Community Satisfaction with Road Safety

This indicator represents how satisfied the community is with Main Roads' overall performance in road safety. Main Roads exceeded the target for the fourth year in a row with 91 per cent of participants rating Main Roads okay or better. Several regions improved this year, with Wheatbelt achieving its best result in five years, up seven per cent from 2021 to 78 per cent.

#### Black Spot Location Indicator

The indicator gives a measure of the number of locations on the road network that meet state black spot (high risk locations) 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, considering the amount of travel in the state. Broadly, the decrease in the recorded crash data appears to be a contributing factor in the reduction of the total qualifying locations over time, as well as the flattening of traffic volume since 2017. This corresponds with a more gradual, flattened reduction in Black Spot qualifying Locations per 100MVKT from 2018 onwards.

### EFFICIENCY INDICATORS

#### Percentage of Contracts Completed on Time

This indicator represents the percentage of contracts delivered on time in the Road Safety Service. The result achieved was 72 per cent against a target of 90 per cent with 18 of the 64 eligible contracts not delivered within the expected period. Of these three requests for variation of contract period remains under negotiation while seven contracts were delayed due to inclement weather and because of issues with service relocation. Of the remaining contracts two were late because of poor contractor performance, two were impacted by resourcing and supply chain issues and four had changes to design that did not result in extensions of time being granted. The result is an improvement on the previous year.

#### Percentage of Contracts Completed on Budget

This indicator represents the percentage of contracts delivered on budget in the Road Safety Service. Of the 64 eligible contracts there were two that were not on budget, one request for variation remains in negotiation while the other incurred additional costs because of issues with underground services. The result is above the target of 90 per cent.

## Road Safety Efficiency and Road System Management

### OUTCOME: RELIABLE AND EFFICIENT MOVEMENT OF PEOPLE AND GOODS

The Efficiency Service seeks to improve the efficiency, capacity and utilisation of the existing road network while the Road System Management Service 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 services contribute to achieving the outcome. We demonstrate this through the following measures:

	2019 Actual	2020 Actual	2021 Actual	2022 Target	2022 Actual	
% Community satisfaction	90	90	92	90	<b>89</b>	
Road network permitted for use by heavy vehicles	B Double – 27.5m %	97	98	98	<b>98</b>	
	Double RT – 27.5m %	97	97	98	<b>98</b>	
	Double RT – 36.5m %	80	81	82	<b>82</b>	
	Triple RT – 53.5m %	45	45	45	<b>44</b>	
% Network configuration	Roads	92	93	93	<b>94</b>	
	Bridges	Strength	94	94	94	<b>94</b>
		Width	96	96	96	<b>96</b>
% contracts completed on time	100	77	72	90	<b>68</b>	
% contracts completed on budget	97	100	97	90	<b>91</b>	
Average \$ cost of network management per million vehicle km travelled	7,075	6,972	6,821	5,450	<b>6,701</b>	

## Road Safety Efficiency and Road System Management continued

### 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 rating decreased slightly this year with 89 per cent of survey respondents rating Main Roads' performance as okay or better. Two regions exceeded the 90 per cent target with South West experiencing a significant improvement to achieve a four year high of 96 per cent.

#### 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 the following types of vehicles; B-Doubles, Double road trains and Triple road trains. The use of larger vehicles with heavy loads 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 high efficiency of these vehicles, the proportion of roads accessible to them is a key factor in the overall efficiency of freight transport in our state. Over the past four years the trend has remained consistent with minor fluctuations attributed to changes in ownership of roads between state and local government.

#### 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 2021-22, 94 per cent of travel was undertaken on roads meeting the seal width, carriageway width and curve rating criteria, which is above the target of 92 per cent for that period. The results over the four-year period show a consistent, upward trend and demonstrate that Main Roads continues to plan and program works to improve roads that are below the criteria.

#### Network Configuration – Bridges

Like 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. Bridges that do not meet the investigatory criteria for strength or width are considered in assessing, scoping and prioritising works, as part of the 10-year bridge strategy.

*Strength* – The results of this indicator show that 94 per cent of the bridges meet the agreed criteria for strength against a target of 94 per cent.

*Width* – In relation to width, 96 per cent of bridges meet the criteria against a target of 96 per cent.

### EFFICIENCY INDICATORS

#### Percentage of Contracts Completed on Time

This indicator represents the percentage of contracts delivered on time in the Road Efficiency Service. The result achieved was 68 per cent against a target of 90 per cent with seven of the 22 eligible contracts not delivered within the expected period of which two are still in progress. Of the remaining contracts, two have been delayed because of inclement weather, two are because of poor contractor performance and one was delayed due to concurrent activities within the reseal worksite.

#### Percentage of Contracts Completed on Budget

This indicator represents the percentage of contracts that were delivered on budget in the Road Efficiency Service. Only two of the 22 eligible contracts were not on budget, with one being due to a change in scope and the other impacted by inclement weather. The result for this service at 91 per cent is above the target.

#### 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. 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 \$6,701 per million vehicle kilometres travelled is higher than the target of \$5,450. In response to continued economic recovery there continues to be an increase in project planning and development not originally factored when calculating the target. The outcome is consistent with previous year's results when adjusted applying the Gross State Product Price Index.

## State Development

### OUTCOME: FACILITATING ECONOMIC AND REGIONAL DEVELOPMENT

This service 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:

	2019 Actual	2020 Actual	2021 Actual	2022 Target	2022 Actual
Average return on construction expenditure	4.1	4.3	3.17	2.78	<b>2.91</b>
% contracts completed on time	75	100	83	90	<b>100</b>
% contracts completed on budget	92	100	100	90	<b>100</b>

## EFFECTIVENESS INDICATORS

### Return on Construction Expenditure

New roads and bridge construction adds 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 Service and Road Efficiency Service for which a BCR has been calculated. The result exceeds the target with an expenditure weighted average result of 2.91 against the target of 2.78.

## EFFICIENCY INDICATORS

### Percentage of Contracts Completed on Time

This indicator represents the percentage of contracts delivered on time in the State Development Service. There are no contracts over budget for this service therefore the result achieved was 100 per cent, exceeding the 90 per cent target.

### Percentage of Contracts Completed on Budget

This indicator represents the percentage of contracts delivered on budget in the State Development Service. There are no contracts over budget for this service therefore the result achieved was 100 per cent, exceeding the 90 per cent target.

## Road Maintenance

### OUTCOME: PROVIDING A WELL-MAINTAINED ROAD NETWORK

This service 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:

	2019 Actual	2020 Actual	2021 Actual	2022 Target	2022 Actual
% Smooth travel exposure	97	n/a	98	n/a	<b>n/a</b>
% Community satisfaction road maintenance	87	86	89	90	<b>85</b>
% Preventative maintenance indicator	84	85	87	85	<b>86</b>
Average \$ cost of network maintenance per lane kilometre of road network	12,158	9,319	8,512	7,900	<b>8,373</b>

## 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. 85 per cent of survey participants rate our performance as okay or better. Regionally, Mid West-Gascoyne, South West and Wheatbelt all experienced large improvements on 2021, up seven, nine and eight per cent respectively.

### Preventative Maintenance Indicator

The Preventative Maintenance Indicator provides a measure of the proportion of sealed state road network that has a surfacing age younger than its optimal target age. The indicator provides a measure of proactive maintenance undertaken on the network annually. Sections of the network with a surfacing age younger than the target age are classified as 'good'. This year the analysis shows that 86 per cent of the network is 'good', which exceeds the target of 85 per cent. The 2021-22 result exceeds the established target for the second consecutive year.

### Smooth Travel Exposure

This indicator is based on the percentage of travel undertaken on the state road network meeting specific roughness criteria. However given that we only complete a survey of the network once every two years this year is a non-reporting period. The next result will be available and reported as at 30 June 2023.

## 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 state roads. In determining the cost basis expenditure on structures and infrastructure depreciation has been excluded. To compare current figures with previous years all figures have been adjusted and reported in terms of current year's dollars which can influence the trend result. The inclusion of reseal, rehabilitation and natural disasters makes this KPI sensitive to additional budget being made available to address flood damage and maintenance backlog. This year's result shows a variance against the target with the result being higher than estimated.

## Community Access

### OUTCOME: IMPROVING COMMUNITY ACCESS AND ROADSIDE AMENITY

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

	2019 Actual	2020 Actual	2021 Actual	2022 Target	2022 Actual
% of the year that 100% of the Main Roads' state road network is available	91	89	84	95	<b>87</b>
% Community satisfaction with cycleways and pedestrian facilities	91	91	89	90	<b>88</b>
% contracts completed on time	86	0	100	90	<b>46</b>
% contracts completed on budget	100	100	100	90	<b>85</b>

### EFFECTIVENESS INDICATORS

#### Unplanned Road Closure on the State Road Network

Ideally all Main Roads' sealed road network is available to all road users however there are unplanned road closures for reasons including flooding, cyclones, bushfires and major road crashes. 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 in Western Australia is closed. This year the road network was available 87 per cent of the year, which is below the target of 95 per cent. This was due to a major bushfire in the Boranup area, significant flooding resulting from a Tropical Low across the Kimberley Region and other flooding events across Pilbara and Kimberley regions during the wet season.

#### Community Satisfaction with Cycleways and Pedestrian Facilities

This indicator represents how satisfied the community is Main Roads' performance in the construction, maintenance and management of cycleways and pedestrian facilities. 88 per cent of survey participants rated our performance as okay or better this year, coming in just under our target. The Metropolitan region continues to achieve the highest result for this indicator, although the Wheatbelt region did see a seven per cent improvement on their 2021 result.

### EFFICIENCY INDICATORS

#### Percentage of Contracts Completed on Time

This indicator represents the percentage of contracts delivered on time in the Community Access Service. Of the 13 eligible contracts seven were not on time, with four being due to a change in scope, one impacted by supply chain issues, one by inclement weather and one because of issues gaining service relocation approvals. The 46 per cent result for this service is below the target.

#### Percentage of Contracts Completed on Budget

This indicator represents the percentage of contracts delivered on budget in the Community Access Service. Of the 13 eligible contracts two were not on budget with one being due to supply chain issues and the other because of additional sealing works being undertaken in which a variation is under consideration but not yet approved. The result for this service at 85 per cent is below the target.

# Financial Statements and Notes

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## STATEMENT OF COMPREHENSIVE INCOME

### for the year ended 30 June 2022

	Note	2022 \$000	2021 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	3.1(a)	78,162	76,001
Supplies and services	3.3	586,105	477,203
Depreciation and impairment expenses of infrastructure assets	5.2.1	443,089	405,809
Depreciation, amortisation and impairment expenses – other	5.1.1, 5.3.1	5,942	8,052
Depreciation and impairment expenses – right-of-use assets	5.4.1	1,183	1,500
Finance cost	7.3	283	282
Grants and subsidies	3.2	384,277	356,796
Other expenses	3.3	65,854	48,140
<b>Total cost of services</b>		<b>1,564,895</b>	<b>1,373,783</b>
<b>Income</b>			
Sale of goods and services	4.2	6,646	7,080
Commonwealth grants	4.3	940,907	965,825
Contributions to roadworks	4.4	62,281	39,591
Grants from other bodies	4.5	68,097	1,436,053
Interest income	4.6	108	129
Other income	4.7	17,169	14,692
<b>Total income</b>		<b>1,095,208</b>	<b>2,463,370</b>
<i>Gains</i>			
Gain/(loss) on disposal of non-current assets	4.8	55	(609)
<b>Total gains</b>		<b>55</b>	<b>(609)</b>
<b>Total income other than income from State Government</b>		<b>1,095,263</b>	<b>2,462,761</b>
<b>NET COST OF SERVICE</b>		<b>469,632</b>	<b>(1,088,978)</b>
<b>Income from State Government</b>	4.1		
Service appropriation		1,244,248	1,068,556
Resources received free of charge		1,937	2,712
Income from other public sector entities		267,145	165,285
<b>Total income from State Government</b>		<b>1,513,330</b>	<b>1,236,553</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>1,043,698</b>	<b>2,325,531</b>
<b>Other comprehensive income</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus	9.9	3,932,581	1,542,808
<b>Total other comprehensive income</b>		<b>3,932,581</b>	<b>1,542,808</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>4,976,279</b>	<b>3,868,339</b>

See also note 2 '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 2022

	Note	2022 \$000	2021 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7.1	64,581	190,569
Restricted cash and cash equivalents	7.1	211,741	186,527
Receivables	6.1	284,026	306,379
Amounts receivable for services	6.2	-	-
Inventories	6.3	2,479	2,252
Prepayments	6.4	69,809	44,756
Non-current assets classified as held for sale	9.8	1,495	7,869
<b>Total Current Assets</b>		<b>634,131</b>	<b>738,352</b>
<b>Non-Current Assets</b>			
Receivables	6.1	226	66
Amounts receivable for services	6.2	3,879,023	3,511,303
Inventories	6.3	6,305	4,387
Prepayments	6.4	9,039	8,449
Property, plant and equipment	5.1	448,163	408,961
Infrastructure	5.2	54,657,705	49,510,651
Intangible assets	5.3	6,602	13,670
Right-of-use assets	5.4	7,547	8,355
<b>Total Non-Current Assets</b>		<b>59,014,610</b>	<b>53,465,842</b>
<b>TOTAL ASSETS</b>		<b>59,648,741</b>	<b>54,204,194</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6.5	391,865	411,595
Lease liabilities	7.2	2,603	2,575
Contract liabilities	6.7	6,685	12,270
Grants liabilities	6.8	240,231	231,758
Employee related provisions	3.1(b)	37,424	36,289
Other provisions	6.6	-	-
<b>Total Current Liabilities</b>		<b>678,808</b>	<b>694,487</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	7.2	5,534	6,319
Employee related provisions	3.1(b)	6,017	5,709
Other provisions	6.6	94	94
<b>Total Non-Current Liabilities</b>		<b>11,645</b>	<b>12,122</b>
<b>Total liabilities</b>		<b>690,453</b>	<b>706,609</b>
<b>NET ASSETS</b>		<b>58,958,288</b>	<b>53,497,585</b>
<b>EQUITY</b>			
Contributed equity	9.9	6,659,989	6,175,565
Reserves		33,219,543	29,286,962
Accumulated surplus		19,078,756	18,035,058
<b>TOTAL EQUITY</b>		<b>58,958,288</b>	<b>53,497,585</b>

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 2022

	Note	Contributed Equity \$000	Reserves \$000	Accumulated surplus/ (deficit) \$000	Total Equity \$000
<b>Balance at 1 July 2020</b>		5,730,848	27,744,154	15,709,570	49,184,572
- Surplus		-	-	2,325,531	2,325,531
- Other comprehensive income		-	1,542,808	(43)	1,542,765
<b>Total comprehensive income for the period</b>		-	1,542,808	2,325,488	3,868,296
<i>Transactions with owners in their capacity as owners:</i>					
- Capital appropriations	9.9	430,157	-	-	430,157
- Other contributions by owners	9.9	29,598	-	-	29,598
- Distributions to owners	9.9	(15,038)	-	-	(15,038)
<b>Total</b>		444,717	-	-	444,717
<b>Balance at 30 June 2021</b>		<b>6,175,565</b>	<b>29,286,962</b>	<b>18,035,058</b>	<b>53,497,585</b>
<b>Balance at 1 July 2021</b>		6,175,565	29,286,962	18,035,058	53,497,585
- Surplus		-	-	1,043,698	1,043,698
- Other comprehensive income		-	3,932,581	-	3,932,581
<b>Total comprehensive income for the period</b>		-	3,932,581	1,043,698	4,976,279
<i>Transactions with owners in their capacity as owners:</i>					
- Capital appropriations	9.9	430,015	-	-	430,015
- Other contributions by owners	9.9	65,725	-	-	65,725
- Distributions to owners	9.9	(11,316)	-	-	(11,316)
<b>Total</b>		484,424	-	-	484,424
<b>Balance at 30 June 2022</b>		<b>6,659,989</b>	<b>33,219,543</b>	<b>19,078,756</b>	<b>58,958,288</b>

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 2022

	Note	2022 \$000	2021 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		876,527	700,154
Capital appropriation		428,469	424,847
Holding account drawdown		-	-
Contributions to roadworks		228,522	36,988
Road Trauma Trust Fund		26,211	50,784
Natural disaster funds		539	30,440
Royalties for Regions Fund		88,492	49,588
<b>Net cash provided by State Government</b>		<b>1,648,760</b>	<b>1,292,801</b>
<i>Utilised as follows:</i>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(77,008)	(68,097)
Supplies and services		(601,760)	(432,766)
Grants and subsidies		(358,672)	(282,372)
GST payments on purchases		(252,406)	(188,477)
<b>Receipts</b>			
Sale of goods and services		60,858	35,853
Commonwealth grants		979,528	832,180
Interest received		79	222
GST receipts on sales		31,568	21,726
GST receipts from taxation authority		222,519	156,946
Other receipts		14,525	13,055
Rent received		3,196	3,117
<b>Net cash provided by/(used in) operating activities</b>	7.1.2	<b>22,427</b>	<b>91,387</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current assets		(25,633)	(26,267)
Purchase of infrastructure assets		(1,744,495)	(1,284,950)
<b>Receipts</b>			
Proceeds from sale of non-current assets		2,114	1,720
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,768,014)</b>	<b>(1,309,497)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Principal elements of lease payments		(3,947)	(3,010)
<b>Net cash provided by/(used in) financing activities</b>		<b>(3,947)</b>	<b>(3,010)</b>
Net increase/(decrease) in cash and cash equivalents		(100,774)	71,681
Cash and cash equivalents at the beginning of the period		377,096	305,415
<b>Cash and cash equivalents at the end of the period</b>	7.1.1	<b>276,322</b>	<b>377,096</b>

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 2022

### 1 BASIS OF PREPARATION

The Commissioner of Main Roads (Main Roads) is a WA Government entity, controlled by the State of Western Australia, which is the ultimate parent. Main Roads is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements. These annual financial statements were authorised for issue by the accountable authority of Main Roads on 29 August 2022.

#### Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) The *Financial Management Act 2006* (**FMA**)
- 2) The *Treasurer's Instructions* (**TIs**)
- 3) *Australian Accounting Standards* (**AASs**) including applicable interpretations
- 4) Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been modified.

The *Financial Management Act 2006* and the *Treasurer's Instructions* take precedence over AASs. Several AASs are modified by the Treasurer's Instructions to vary application, disclosure format and wording. Where modification is required and has 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.

#### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case, the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

#### Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

#### Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by Main Roads as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### Contributed equity

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 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 will be credited directly to Contributed equity.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 2 AGENCY OUTPUTS

This section includes information regarding the nature of funding Main Roads receives and how this funding is utilised to achieve the agency's objectives.

	Note
Agency objectives	2.1
Schedule of Income and Expenses by Service	2.2

#### 2.1 AGENCY OBJECTIVES

##### Mission

Our aspiration is to provide world class outcomes for our customers through a safe, reliable and sustainable road-based transport system.

Main Roads is predominantly funded by State parliamentary appropriation hypothecated from Motor Vehicle License Fees raised under the *Road Traffic Act 1974*. It also receives grants from the Commonwealth Government.

##### Services

Main Roads provides the following services:

##### *Service 1: Infrastructure for State Development*

The objective of this program is to expand the road network in accordance with Government transport and land use strategies that will facilitate the economic and regional development of the State.

##### *Service 2: Road System Management*

The objective of this program is to optimise real time management of the network, provide traveller information and support delivery of projects.

##### *Service 3: Road Efficiency Improvements*

The objective of this program is to improve the efficiency, capacity and utilisation of the existing road network.

##### *Service 4: Road Network Maintenance*

The objective of this program is to maintain the existing road and bridge network by maximising asset life and minimising whole of life costs.

##### *Service 5: Road Safety*

The objective of this program is to reduce the road fatality rate to be the lowest in Australia, minimise road factors contributing to road trauma and reduce the serious crash injury rate.

##### *Service 6: Infrastructure for Community Access*

The objective of this program is to provide infrastructure that will improve personal mobility and community access, including increasing the quality of access where appropriate, providing levels of access commensurate with community expectations and meeting minimal levels of appropriate access.

Schedule of Income and Expenses by Service for 2020-21 and 2021-22 (All amounts in \$'000)

	Road Safety		Road System Management		Road Efficiency Improvements		Infrastructure for Community Access		Road Network Maintenance		Infrastructure for State Development		Roadworks Capitalised/ Expenses not Allocated to Outputs		Total
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
<b>COST OF SERVICES</b>															
<b>Expenses</b>															
Employee benefits expense	8,440	10,092	102,732	103,112	23,645	19,574	2,014	2,230	18,228	18,858	7,200	8,470	(84,097)	(86,336)	76,001
Supplies and services	300,653	396,632	85,075	83,927	834,395	498,704	53,867	49,298	467,960	419,715	427,261	356,984	(1,583,104)	(1,328,056)	477,204
Depreciation of infrastructure assets	0	0	0	0	0	0	0	0	443,089	405,809	0	0	0	0	443,089
Depreciation and amortisation of other non-current assets	2,911	3,970	1,379	1,638	7,021	5,306	1,260	912	4,958	5,292	3,781	3,752	(14,184)	(11,318)	9,552
Finance Costs	0	29	90	56	3	27	1	2	179	168	11	0	0	0	283
Grants and subsidies	60,016	25,235	2,666	2,318	35,117	65,955	101,872	57,524	142,051	162,312	45,082	47,049	(2,527)	(3,597)	384,278
Infrastructure assets retired or replaced	0	0	0	0	0	0	0	0	0	0	0	0	65,853	48,139	48,139
<b>Total cost of services</b>	<b>372,020</b>	<b>435,958</b>	<b>191,942</b>	<b>191,051</b>	<b>900,180</b>	<b>589,566</b>	<b>159,015</b>	<b>109,966</b>	<b>1,076,464</b>	<b>1,012,154</b>	<b>483,334</b>	<b>416,255</b>	<b>(1,618,059)</b>	<b>(1,381,167)</b>	<b>1,564,895</b>
<b>Income</b>															
Revenue															
Sale of goods and services	0	738	2,105	1,407	77	682	23	49	4,190	4,203	251	0	0	0	6,646
Commonwealth grants and contributions	224,089	241,588	0	0	507,897	313,077	17,000	41,441	57,378	111,170	134,543	258,548	0	0	940,907
Contributions to roadworks	1,670	95	38	247	12,871	4,394	7,092	5,961	1,827	16,010	38,783	12,884	0	0	62,281
Grants from other bodies	9,303	273,172	4,408	112,689	22,435	365,138	4,026	62,759	15,842	364,136	12,082	258,160	0	0	68,097
Interest revenue	15	25	7	10	36	33	6	6	25	33	19	23	0	0	108
Other revenue	2,346	2,315	1,111	955	5,656	3,094	1,015	532	3,994	5,608	3,046	2,188	0	0	17,169
<b>Total revenue</b>	<b>237,422</b>	<b>517,933</b>	<b>7,670</b>	<b>115,308</b>	<b>548,973</b>	<b>686,419</b>	<b>29,162</b>	<b>110,747</b>	<b>83,257</b>	<b>501,160</b>	<b>188,725</b>	<b>531,803</b>	<b>0</b>	<b>0</b>	<b>1,095,208</b>
<b>NET COST OF SERVICES</b>	<b>134,508</b>	<b>(81,858)</b>	<b>184,309</b>	<b>75,792</b>	<b>350,989</b>	<b>(96,698)</b>	<b>129,813</b>	<b>(754)</b>	<b>993,052</b>	<b>511,149</b>	<b>295,021</b>	<b>(115,442)</b>	<b>(1,618,059)</b>	<b>(1,381,167)</b>	<b>469,632</b>
<b>INCOME FROM STATE GOVERNMENT</b>															
Service appropriation	74,672	55,769	271,990	226,418	27,816	114,524	172,185	38,183	630,477	606,782	67,169	26,880	0	0	1,244,248
Resources received free of charge	265	516	125	213	638	690	115	119	451	688	344	488	0	0	1,937
Other State Government Funds	24,752	53,129	0	0	17,879	19,783	5,015	316	7,260	28,280	0	0	0	0	54,904
Capital contribution	88,565	146,440	1,811	13,194	230,886	88,498	23,918	5,577	80,863	102,949	64,664	98,824	(490,707)	(455,481)	0
Revenue from Other Government Agencies	5,689	144	130	374	43,863	6,654	24,166	9,026	6,226	28,069	132,165	19,511	0	0	212,240
<b>Total income from State Government</b>	<b>193,942</b>	<b>255,998</b>	<b>273,996</b>	<b>240,198</b>	<b>321,082</b>	<b>230,148</b>	<b>225,399</b>	<b>53,220</b>	<b>725,276</b>	<b>766,767</b>	<b>264,341</b>	<b>145,703</b>	<b>(490,707)</b>	<b>(455,481)</b>	<b>1,513,330</b>
<b>SURPLUS/DEFICIT FOR THE PERIOD</b>	<b>59,434</b>	<b>337,857</b>	<b>89,688</b>	<b>164,406</b>	<b>(29,907)</b>	<b>326,846</b>	<b>95,585</b>	<b>53,974</b>	<b>(267,776)</b>	<b>255,618</b>	<b>(30,680)</b>	<b>261,145</b>	<b>1,127,352</b>	<b>925,685</b>	<b>1,043,697</b>

The schedule of income and expenses should be read in conjunction with accompanying notes

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 3 USE OF OUR FUNDING

##### Expenses incurred in the delivery of services

This section provides additional information about how Main Roads' funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by Main Roads in achieving its objectives and the relevant notes are:

	Notes	2022 \$000	2021 \$000
Employee benefits expense	3.1(a)	78,162	76,001
Employee related provisions	3.1(b)	43,441	41,998
Grants and subsidies	3.2	384,277	356,796
Other expenditure	3.3	651,959	525,343

##### 3.1(a) EMPLOYEE BENEFITS EXPENSE

	2022 \$000	2021 \$000
Employee benefits	148,142	146,978
Termination benefits	49	–
Superannuation – defined contribution plans	14,124	15,322
<b>Total employee benefits expenses</b>	<b>162,315</b>	<b>162,300</b>
Add: AASB 16 Non-monetary benefits (not included in employee benefits expense)	174	259
Less: Employee Contributions (per the statement of comprehensive income)	(230)	(222)
<b>Net employee benefits</b>		
Less: capitalised to infrastructure	(84,097)	(86,336)
	<b>78,162</b>	<b>76,001</b>

**Employee benefits** include wages, salaries and social contributions, accrued and paid annual leave entitlements and paid sick leave; and non-monetary benefits recognised under accounting standards other than AASB 16 (such as medical care, housing, cars and free or subsidised goods or services) for employees.

**Termination benefits** are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when Main Roads is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**Superannuation** is the amount recognised in profit or loss of the Statement of comprehensive income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, other GESB schemes or other superannuation funds.

**Capitalisation to infrastructure** is where applicable employee benefit expenses are capitalised to the infrastructure assets.

**AASB 16 Non-monetary benefits** are non-monetary employee benefits predominantly relating to the provision of vehicle and housing benefits that are recognised under AASB 16 which are excluded from the employee benefits expense.

**Employee Contributions** are contributions made to Main Roads by employees towards employee benefits that have been provided by Main Roads. This includes both AASB 16 and non-AASB 16 employee contributions.

## 3.1(b) EMPLOYEE RELATED PROVISIONS

	2022 \$000	2021 \$000
<b>Current</b>		
<i>Employee benefits provisions</i>		
Annual leave	18,969	17,905
Long service leave	18,612	18,549
	37,581	36,454
<i>Other provisions</i>		
Employment on-costs	(157)	(165)
<b>Total current employee related provisions</b>	37,424	36,289
<b>Non-current</b>		
<i>Employee benefits provisions</i>		
Long service leave	6,042	5,735
<i>Other provisions</i>		
Employment on-costs	(25)	(26)
<b>Total non-current employee related provisions</b>	6,017	5,709
<b>Total employee related provisions</b>	<b>43,441</b>	<b>41,998</b>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

**Annual leave liabilities** are 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:

	2022 \$000	2021 \$000
Within 12 months of the end of the reporting period	11,890	11,629
More than 12 months after the end of the reporting period	7,079	6,276
	<b>18,969</b>	<b>17,905</b>

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

**Long service leave liabilities** are unconditional long service leave provisions and 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.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2022 \$000	2021 \$000
Within 12 months of the end of the reporting period	3,542	3,805
More than 12 months after the end of the reporting period	21,112	20,479
	<b>24,654</b>	<b>24,284</b>

The provision for long service leave is calculated at present value as Main Roads does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, employee retention rates and 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.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 3.1(b) EMPLOYEE RELATED PROVISIONS continued

**Employment on-costs:** 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.

Employment on-costs, including workers' compensation insurance premiums, 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', Note 3.3, and are not included as part of Main Roads' 'employee benefits expense'. This year the provision was negative due to refund of overpayments in the previous years. The related liability offset is included in 'Employment on-costs provision'.

	2022 \$000	2021 \$000
<b>Employment on-costs provision</b>		
Carrying amount at start of period	(191)	17
Additional/(reversal of) provisions recognised	9	(208)
<b>Carrying amount at end of period</b>	<b>(182)</b>	<b>(191)</b>

#### Key sources of estimation uncertainty – long service leave

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.

Several estimates and assumptions are used in calculating Main Roads' long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

#### 3.2 GRANTS AND SUBSIDIES

	2022 \$000	2021 \$000
<b>Recurrent</b>		
Grants and subsidies to local government and other bodies <sup>(a)</sup>	258,179	196,806
<b>Capital</b>		
Grants and subsidies to local government and other bodies <sup>(b)</sup>	122,427	81,852
Grants of non-current assets to local government and other bodies	3,671	78,138
<b>Total grants and subsidies</b>	<b>384,277</b>	<b>356,796</b>

(a) Include payments made to Department of Transport. Refer to Note 9.5.

(b) Include payments made to Public Transport Authority. Refer to Note 9.5.

Transferred infrastructure assets at fair value to Local Government and other bodies based on formal proclamation. The transferred assets during the year ended 30 June 2022 include Port Hedland Spoilbank Marine Cartage Access (Town of Port Hedland).

Transactions in which Main Roads provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant and subsidies expenses'. Grants and subsidies can either be operating or capital in nature. These payments or transfers are recognised at fair value at the time of the transaction and are recognised in the reporting period in which they are paid. They include transactions such as: grants, subsidies, other transfer payments made to public sector agencies, local government, non government schools, and community groups.

### 3.3 OTHER EXPENDITURE

	2022 \$000	2021 \$000
<b>Supplies and services</b>		
Insurance	2,996	2,782
Accommodation, plant and equipment hire costs <sup>(a)</sup>	9,097	8,371
Electricity, gas and water	11,173	10,734
Building maintenance and equipment	7,373	6,876
Advertising	321	1,955
Communications	4,810	5,311
Consultants and contractors <sup>(b)</sup>	519,684	411,232
Consumables	2,385	2,334
Materials	1,038	1,940
Expected credit losses/(reversal)	(247)	(128)
Licences, fees and registration	13,975	13,400
Other	13,500	12,396
<b>Total supplies and services expenses</b>	<b>586,105</b>	<b>477,203</b>

(a) Include payments to Department of Finance. Refer to Note 9.5.

(b) Include payments made to Department of Transport. Refer to Note 9.5.

	2022 \$000	2021 \$000
<b>Other expenses</b>		
Non-current assets retired/replaced <sup>(c)</sup>	66,009	47,732
Write-(back)/down of non-current assets classified as held for sale	(331)	382
Write-(back)/down of infrastructure works in progress	176	26
<b>Total other expenses</b>	<b>65,854</b>	<b>48,140</b>
<b>Total other expenditure</b>	<b>651,959</b>	<b>525,343</b>

(c) Includes retirement of Software as a Service (SaaS) of \$6.8 million, refer to note 5.3.

#### Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

#### Accommodation, plant and equipment hire costs include:

- 1) Short-term leases with a lease term of 12 months or less;
- 2) Low-value leases with an underlying value of \$5,000 or less; and
- 3) Variable lease payments, recognised in the period in which the event or condition that triggers those payments occurs.

**Office rental** is expensed as incurred as Memorandum of Understanding Agreements between Main Roads and the Department of Finance for the leasing of office accommodation contain significant substitution rights.

**Building maintenance and equipment** costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

**Expected credit losses** is recognised for movement in allowance for impairment of trade receivables. Please refer to note 6.1.1 Receivables for more details.

#### Other expenses

*Non-current assets replaced or retired:* Non-current assets replaced or retired during the year have been expensed at their carrying amount. Projects include Roe Highway and Kalamunda Road Interchange project, various bridge replacements and roads reseal program.

*Write-down of non-current assets classified as held for sale:* Non-current assets held for sale measured at lower of carrying amount and fair value less selling costs.

*Write-down of infrastructure works in progress:* This amount mainly represents the project development cost written off relating to the Ripon Hills Road Floodway Improvements project.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 4 MAIN ROADS' FUNDING SOURCES

This section provides additional information about how Main Roads obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by Main Roads and the relevant notes are:

	Notes	2022 \$000	2021 \$000
Income from State Government	4.1	1,513,330	1,236,553
Sale of goods and services	4.2	6,646	7,080
Commonwealth grants	4.3	940,907	965,825
Contributions to roadworks	4.4	62,281	39,591
Grants from other bodies	4.5	68,097	1,436,053
Interest income	4.6	108	129
Other income	4.7	17,169	14,692
Gain/(loss) on disposal	4.8	55	(609)

#### 4.1 INCOME FROM STATE GOVERNMENT

	2022 \$000	2021 \$000
Appropriation received during the period:		
Motor vehicle licence fees <sup>(a)</sup>	829,327	690,191
Untied funds <sup>(b)</sup>	404,042	368,402
Motor vehicle permit fees <sup>(c)</sup>	10,453	9,538
<i>Salaries and Allowances Act 1975</i>	426	425
	1,244,248	1,068,556
Resources received free of charge from other public sector entities during the period <sup>(d)</sup> :		
WA Land Information Authority (Landgate)	40	117
Department of Justice (State Solicitor's Office)	1,845	2,383
WA Police Services (Road Safety Commission)	–	178
Department of Finance	45	24
Other	7	10
<b>Total service appropriation received</b>	1,937	2,712
Income from other public sector entities		
Road Trauma Trust Fund <sup>(e)</sup>	24,752	48,965
Natural disaster funds <sup>(f)</sup>	2,353	28,280
Royalties for Regions Fund <sup>(g)</sup>	27,800	24,263
Contributions to roadworks <sup>(h)</sup>	212,240	63,777
<b>Total other funds</b>	267,145	165,285
<b>Total Income from other public sector entities</b>	<b>1,513,330</b>	<b>1,236,553</b>

#### Service appropriations

Service appropriations are recognised as income at the fair value of consideration received 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 in the bank account or credited to the holding account held at Treasury.

#### (a) 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 2021-22 was \$1,120.355 million (2020-21: \$1,047.948 million). An amount of \$829.327 million (2020-21: \$690.191 million) was received as a service appropriation and the balance of \$291.028 million (2020-21: \$357.757 million) appropriated as a capital contribution by owners and included under 'Contributed Equity' (Note 9.9) in the Statement of Financial Position.

*(b) Untied funds*

Untied funds are appropriations from the Consolidated Fund. The total appropriation from the Consolidated Fund in 2021-22 was \$543.029 million (2020-21: \$440.802 million). This includes a service appropriation of \$404.042 million (2020-21: \$368.402 million) and a capital contribution of \$138.987 million (2020-21: \$72.40 million). The service appropriation includes \$36.322 million cash component (2020-21: nil) and a \$367.720 million (2020-21: \$368.402 million) non cash component.

*(c) 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 certain type of vehicles. Main Roads charges a fee to issue the permits in accordance with the regulations.

*(d) Resources received free of charge from other public sector entities*

Resources received free of charge from other public sector entities are recognised as income equivalent to the fair value of assets received or the fair value of services that can be reliably determined and which would have been purchased if not donated.

**Other funds received from State Government***(e) Road Trauma Trust Fund*

Funds provided by Road Safety Commission to undertake road projects improving road safety in Western Australia. Revenue is recognised by reference to the stage of completion of the transaction.

*(f) Natural disaster funds*

Funds provided by the Office of Emergency Management for re-opening and re-instatement of roads damaged by declared natural disasters. Revenue is recognised when a claim is made to Department of Fire and Emergency Services.

*(g) Royalties for Regions Fund*

The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when Main Roads receives the funds. Main Roads obtains control of the funds at the time the funds are deposited into Main Roads' bank account. Main Roads has assessed Royalties for Regions agreements and concludes that they are not within the scope of AASB 15 as they do not meet the 'sufficiently specific' criterion.

*(h) Contributions to roadworks*

This revenue represents contributions by public entities towards the cost of works performed on highways and main roads. Revenue is mainly recognised by reference to the stage of completion of the transaction.

**Summary of consolidated account appropriations**

For the year ended 30 June 2022

	2022 Budget Estimate \$000	2022 Supplementary Funding \$000	2022 Revised Budget \$000	2022 Actual \$000	2022 Variance \$000
<b>Delivery of Services</b>					
Item 82 Net amount appropriated to deliver services	404,042	–	404,042	404,042	–
Section 25 Transfer of service appropriation					–
Amount Authorised by Other Statutes					
– <i>Road Traffic Act 2008</i>	806,660	33,120	839,780	839,780	–
– <i>Salaries and Allowances Act 1975</i>	426	–	426	426	–
<b>Total appropriations provided to deliver services</b>	<b>1,211,128</b>	<b>33,120</b>	<b>1,244,248</b>	<b>1,244,248</b>	<b>–</b>
<b>Capital</b>					
Item 142 capital appropriation	107,923	31,064	138,987	138,987	–
Amount Authorised by Other Statutes					
– <i>Road Traffic Act 2008</i>	291,028	–	291,028	291,028	–
<b>Administered Transactions</b>	–	–	–	–	–
<b>GRAND TOTAL</b>	<b>1,610,079</b>	<b>64,184</b>	<b>1,674,263</b>	<b>1,674,263</b>	<b>–</b>

\$33.1 million supplementary income was received by Main Roads 2021-22

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 4.2 SALE OF GOODS AND SERVICES

	2022 \$000	2021 \$000
Sale of goods and services	6,646	7,080

This amount represents works undertaken for other private bodies and includes the recovery of expenditure from the Commonwealth Department of Infrastructure, Transport, Regional Development, Communications and the Arts under service delivery arrangements with the Shires of Christmas Island and Cocos (Keeling) Island. The amounts expended or set aside for expenditure during 2021-22 are summarised at Note 9.12 'Indian Ocean Territories'.

Revenue is recognised in line with AASB 15 and AASB 1058. Revenue from minor works project is recognised based on percentage completed. However, revenue from the sale of goods and disposal of other assets is recognised when the performance obligations are met and can be measured reliably.

#### 4.3 COMMONWEALTH GRANTS

	2022 \$000	2021 \$000
<b>Commonwealth grants</b>		
– Land Transport Infrastructure Projects	940,907	965,825
	<b>940,907</b>	<b>965,825</b>

##### Commonwealth grants

Income from grants to construct a recognisable non-financial asset to be controlled by Main Roads is recognised when Main Roads satisfies its obligations under the transfer. Main Roads satisfies the obligations under the transfer to construct assets over time as the non-financial assets are being constructed. Main Roads typically satisfies the obligations under the transfer when it achieves milestones specified in the grant agreement or spend the grants in constructing the asset. Amounts received in advance of obligation satisfaction are reported at note 6.8.

##### Land Transport Infrastructure Projects

Specific purpose 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.

#### 4.4 CONTRIBUTIONS TO ROADWORKS

	2022 \$000	2021 \$000
Contributions to roadworks	62,281	39,591

This revenue represents contributions by private bodies towards the cost of works performed on highways and main roads. Revenue is mainly recognised by reference to the stage of completion of the transaction.

#### 4.5 GRANTS FROM OTHER BODIES

	2022 \$000	2021 \$000
<b>Grants from local government authorities and other bodies</b>		
Transferred infrastructure assets at fair value <sup>(a)</sup>	35,855	1,434,628
Local Government contribution to traffic signal construction	573	–
Developers contribution to roadworks <sup>(b)</sup>	31,669	1,425
	<b>68,097</b>	<b>1,436,053</b>

(a) Transferred infrastructure assets at fair value are transfers from Local Government to State Government based on formal proclamation. Transferred assets during the year ended 30 June 2022 include Thomas Roads sections (Shire of Serpentine-Jarrahdale).

(b) The developers contribution to roadworks relate to construction costs met by private developers on roads owned by Main Roads. The roadworks include Great Northern Highway – Wonmunna Iron Ore Mine Access (Mineral Resources grant), South Coast Highway sections (FQM grant) and Armadale Rd-MacFarlane Rd intersection (Development WA grant).

Revenue is recognised at fair value when Main Roads obtains control over the assets.

Capital grants are recognised as income when Main Roads achieves milestones specified in the grant agreement.

#### 4.6 INTEREST INCOME

	2022 \$000	2021 \$000
Land Transport Infrastructure Projects interest revenue	89	122
Other interest revenue	19	7
	<b>108</b>	<b>129</b>

Revenue is recognised as the interest accrues.

#### 4.7 OTHER INCOME

	2022 \$000	2021 \$000
Rental income	3,183	3,156
Traffic escort services	12,016	10,355
Assets not previously recognised	-	84
Other	1,970	1,097
	<b>17,169</b>	<b>14,692</b>

Other revenues are mainly recognised at fair value when rent is accrued or Main Roads obtains control over the assets or performance obligations are achieved.

#### 4.8 GAIN/(LOSS) ON DISPOSAL

	2022 \$000	2021 \$000
<b>Net proceeds from disposal of non-current assets</b>		
Land acquired for roadworks	2,026	1,354
Land and buildings	-	393
Plant, equipment and vehicles	88	3
	2,114	1,750
<b>Carrying amount of non-current assets disposed</b>		
Land acquired for roadworks	1,959	2,161
Land and buildings	81	189
Plant, equipment and vehicles	19	4
Right-of-use asset	-	5
	2,059	2,359
<b>Net gain/(loss)</b>	<b>55</b>	<b>(609)</b>

**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.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

Selling expenses (e.g. sales commissions netted from agency receipts) are ordinarily immaterial. Where the amounts are material, additional disclosure is made accordingly.

Insured non-current assets written-off as a result of an insurable events are treated as other expenses (write-off of assets destroyed by fire/storm/earthquake etc.). The subsequent insurance recovery is treated as other income when it is received or receivable.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 5 KEY ASSETS

This section includes information regarding the key assets Main Roads utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2022 \$000	2021 \$000
Property, plant and equipment	5.1	448,163	408,961
Infrastructure	5.2	54,657,705	49,510,651
Intangible assets	5.3	6,602	13,670
Right-of-use assets	5.4	7,547	8,355
<b>Total key assets</b>		<b>55,120,017</b>	<b>49,941,637</b>

#### 5.1 PROPERTY, PLANT AND EQUIPMENT

	2022 \$000	2021 \$000
<b>Land</b>		
At fair value	72,838	65,955
	72,838	65,955
<b>Buildings</b>		
At fair value	116,081	96,378
Accumulated depreciation	(63)	(21)
	116,018	96,357
<b>Buildings under construction</b>		
Construction costs	9,144	14,861
	9,144	14,861
<b>Plant, equipment and vehicles</b>		
At cost	53,353	49,465
Accumulated depreciation	(37,736)	(34,724)
	15,617	14,741
<b>Surplus assets</b>		
At fair value	71,168	67,635
Accumulated depreciation	-	(2)
	71,168	67,633
<b>Land acquired for roadworks</b>		
At fair value	163,378	149,414
	163,378	149,414
<b>Total property, plant and equipment</b>	<b>448,163</b>	<b>408,961</b>

Information on fair value measurements is provided in Note 8.3.

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.

Year ended 30 June 2022	Land \$000	Buildings \$000	Buildings under construction \$000	Plant, equipment and vehicles \$000	Surplus assets \$000	Land acquired for roadworks \$000	Total \$000
<b>Carrying amount at 1 July 2021</b>	<b>65,955</b>	<b>96,357</b>	<b>14,861</b>	<b>14,741</b>	<b>67,633</b>	<b>149,414</b>	<b>408,961</b>
Additions <sup>(a)</sup>	522	–	15,851	4,803	–	955	22,131
Disposals	–	(761)	–	(19)	(82)	–	(862)
Classified as held for sale	(50)	(105)	–	–	(1,849)	6,752	4,748
Transfers	2,421	19,147	(21,568)	–	–	–	–
Transfer (to)/from infrastructure	(22)	–	–	–	(2,500)	(2,440)	(4,962)
Equity contribution/(distribution)	(126)	–	–	–	(452)	(558)	(1,136)
Revaluation increments/(decrements)	4,237	10,980	–	–	8,692	9,325	33,234
Assets not previously recognised/Grants	(99)	–	–	–	(93)	(70)	(262)
Depreciation	–	(9,600)	–	(3,908)	(181)	–	(13,689)
<b>Carrying amount at 30 June 2022</b>	<b>72,838</b>	<b>116,018</b>	<b>9,144</b>	<b>15,617</b>	<b>71,168</b>	<b>163,378</b>	<b>448,163</b>

(a) Include payments made to Department of Justice (State Solicitor's Office). Refer to Note 9.5.

Year ended 30 June 2021	Land \$000	Buildings \$000	Buildings under construction \$000	Plant, equipment and vehicles \$000	Surplus assets \$000	Land acquired for roadworks \$000	Total \$000
<b>Carrying amount at 1 July 2020</b>	<b>63,912</b>	<b>93,758</b>	<b>3,777</b>	<b>13,940</b>	<b>69,099</b>	<b>157,202</b>	<b>401,688</b>
Additions	1,130	400	14,038	4,059	–	16	19,643
Disposals	(65)	–	–	(4)	–	–	(69)
Classified as held for sale	(136)	(176)	–	–	(1,020)	(4,564)	(5,896)
Transfers	–	2,954	(2,954)	–	–	–	–
Transfer (to)/from infrastructure	–	–	–	–	(678)	(2,374)	(3,052)
Equity contribution/(distribution)	–	–	–	–	–	–	–
Revaluation increments/(decrements)	675	7,026	–	–	929	(866)	7,764
Impairment losses <sup>(b)</sup>	–	–	–	–	–	–	–
Assets not previously recognised	439	(8)	–	(25)	(604)	–	(198)
Depreciation	–	(7,597)	–	(3,229)	(93)	–	(10,919)
<b>Carrying amount at 30 June 2021</b>	<b>65,955</b>	<b>96,357</b>	<b>14,861</b>	<b>14,741</b>	<b>67,633</b>	<b>149,414</b>	<b>408,961</b>

(a) Include payments made to Department of Finance, Department of Communities and Department of Justice (State Solicitor's Office).

(b) Impairment losses are recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised through 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.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 5.2 INFRASTRUCTURE

	2022 \$000	2021 \$000
<b>Roads and principal shared paths</b>		
Earthworks at fair value	16,575,910	14,799,521
Accumulated depreciation	(3,588,111)	(3,238,340)
	12,987,799	11,561,181
Pavement and drainage at fair value	12,266,511	10,758,560
Accumulated depreciation	(7,061,722)	(6,170,709)
	5,204,789	4,587,851
Seals at fair value	2,120,437	1,761,394
Accumulated depreciation	(1,157,685)	(999,920)
	962,752	761,474
<b>Land under roads</b>		
At fair value	26,834,231	25,293,358
	26,834,231	25,293,358
<b>Bridges</b>		
At fair value	7,560,872	6,676,742
Accumulated depreciation	(2,308,926)	(2,014,036)
	5,251,946	4,662,706
<b>Road furniture</b>		
At fair value	989,432	813,066
Accumulated depreciation	(422,569)	(346,585)
	566,863	466,481
<b>Infrastructure work in progress</b>		
At cost	2,849,325	2,177,600
	2,849,325	2,177,600
<b>TOTAL INFRASTRUCTURE</b>	<b>54,657,705</b>	<b>49,510,651</b>

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

Year ended 30 June 2022	Roads and principal shared paths \$000	Land under roads \$000	Bridges \$000	Road furniture \$000	Work in progress \$000	Total \$000
<b>Carrying amount at 1 July 2021</b>	16,910,506	25,293,358	4,662,706	466,481	2,177,600	49,510,651
Additions <sup>(a)</sup>	-	-	-	-	1,683,613	1,683,613
Retirements	(47,938)	-	(8,809)	(1,943)	-	(58,690)
Transfers	730,757	35,999	152,051	92,906	(1,011,712)	-
Transfer (to)/from land acquired for roadworks	-	4,962	-	-	-	4,962
Revaluation increments/(decrements)	1,861,645	1,465,923	518,794	52,984	-	3,899,346
Highways and main roads reclassified as local roads	(3,365)	(6)	(38)	-	-	(3,409)
Local roads classified as highways and main roads	30,513	33,995	77	3,512	-	68,097
Equity contribution/(distribution)	4,529	-	-	(8,131)	-	(3,602)
Assets not previously recognised	-	-	-	-	-	-
Write-down of infrastructure work in progress	-	-	-	-	(176)	(176)
Depreciation	(331,307)	-	(72,835)	(38,946)	-	(443,088)
<b>Carrying amount at 30 June 2022</b>	<b>19,155,340</b>	<b>26,834,231</b>	<b>5,251,946</b>	<b>566,863</b>	<b>2,849,325</b>	<b>54,657,704</b>

(a) Include payments to Department of Justice (State Solicitor's Office) and Western Power. Refer to Note 9.5.

Year ended 30 June 2021	Roads and principal shared paths \$000	Land under roads \$000	Bridges \$000	Road furniture \$000	Work in progress \$000	Total \$000
<b>Carrying amount at 1 July 2020</b>	15,906,601	22,863,929	4,319,157	426,034	2,132,410	45,648,131
Additions	-	-	-	-	1,430,080	1,430,080
Retirements	(42,665)	-	(2,312)	(2,755)	-	(47,732)
Transfers	978,282	95,552	236,866	76,699	(1,387,399)	-
Transfer (to)/from land acquired for roadworks	-	3,052	-	-	-	3,052
Revaluation increments/(decrements)	209,067	1,143,374	177,221	5,382	-	1,535,044
Highways and main roads reclassified as local roads	(67,118)	(7,320)	(3,418)	-	-	(77,856)
Local roads classified as highways and main roads	234,204	1,194,771	7,035	43	-	1,436,053
Equity contribution/(distribution)	(7,848)	-	-	(4,972)	2,536	(10,284)
Assets not previously recognised	-	-	-	-	-	-
Write-back of infrastructure work in progress	-	-	-	-	(27)	(27)
Depreciation	(300,017)	-	(71,843)	(33,950)	-	(405,810)
<b>Carrying amount at 30 June 2021</b>	<b>16,910,506</b>	<b>25,293,358</b>	<b>4,662,706</b>	<b>466,481</b>	<b>2,177,600</b>	<b>49,510,651</b>

(a) Include payments to Department of Biodiversity Conservation & Attractions, Department of Justice (State Solicitor's Office), WA Planning Commission, Water Corporation and Western Power.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### Property, plant and equipment and infrastructure

##### *Initial recognition*

Items of property, plant and equipment and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. 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).

##### *Subsequent measurement*

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of land, buildings and infrastructure.

Land is carried at fair value. Buildings and infrastructure are carried at fair value less accumulated depreciation and accumulated impairment losses. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

##### *Land and buildings*

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Landgate) 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.

Land, buildings, surplus assets and land acquired for roadworks were revalued as at 1 July 2021 by the Western Australian Land Information Authority (Landgate) in conjunction with estimations by Main Roads' management. The valuations were performed during the year ended 30 June 2022 and recognised at 30 June 2022.

##### *Significant assumptions and judgements:*

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 Landgate for the period 1 July 2020 to 1 July 2021. These properties have been valued based on the average percentage increase for the Metro and Rural areas respectively over the period 1 July 2020 to 1 July 2021. The average percentage increases have been determined by calculating the movement in the value of Main Roads' Metro and Rural properties where Landgate have provided a value. The effective date of the valuations is 1 July 2021. In undertaking the revaluation, fair value was determined by reference to market values of Freehold land \$64.736 million (2020-21: \$58.867) and Buildings \$101.339 million (2020-21: \$82.151). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). Please refer to Note 8.3 Fair value measurement for the remaining balance.

##### *Infrastructure*

Infrastructure is independently valued every 3 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 from professional estimators specialising in road infrastructure works) to ensure the carrying values do not materially differ from fair value. The value of bridges at 30 June 2022 is based on the current replacement cost determined at 30 June 2022 calculated using construction unit rates provided by professional estimators and multiplying these by the units of relevant categories that form the infrastructure asset. A cost index (ABS Road and Bridge Construction Cost Index) has been applied to roads and principal shared paths (earthworks, drainage, pavements and seals), bridges and road furniture assets to ensure asset values do not materially differ from fair value.

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 current replacement cost. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence and optimisation (where applicable). Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

##### *Subsequent transfer*

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.

##### *Revaluation model for land and buildings*

###### *(a) Fair Value 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.

(b) Fair value in the absence of market-based evidence:

**Buildings are specialised or where land is restricted:** Fair value of land and buildings is determined on the basis of existing use.

**Existing use buildings:** Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Where the fair value of buildings is determined on the current replacement cost basis, the asset cost is adjusted for consumed economic benefit. Accumulated depreciation is eliminated against the gross carrying amount of the asset and restate the net carrying amount to the revalued amount.

**Restricted use land:** Fair value 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).

#### Revaluation model for infrastructure assets

Fair value of infrastructure, other than land under roads, has been determined by reference to the current 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 third year 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 from professional estimators specialising in road infrastructure works) to ensure the carrying values do not materially differ from fair value. A cost index (ABS Road and Bridge Construction Cost Index) is applied to principal shared paths and certain road furniture assets to ensure the carrying 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 2022 is based on the current replacement cost determined at 30 June 2022. This was calculated as at 30 June 2022 using construction unit rates determined by professional estimators and multiplying these by the units of multiple categories that form the infrastructure asset. A cost index (ABS Road and Bridge Construction Cost Index or rates obtained by professional estimators) was used at 30 June 2022. The revaluation process resulted in gain as at 30 June 2022.

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.

Infrastructure work in progress comprises capital project expenditure at cost, which is capitalised following the completion of projects.

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 (Landgate) 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 sought where the evidence does not provide a clear distinction between market type assets and existing use assets.

#### 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 on a class of assets basis.

#### 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

### 5.1.1 DEPRECIATION AND IMPAIRMENT EXPENSE OF PROPERTY, PLANT AND EQUIPMENT ASSETS

	2022 \$000	2021 \$000
<b>Depreciation</b>		
Plant, equipment and vehicles	3,908	3,229
Buildings	9,781	7,690
<b>Total depreciation for the period</b>	<b>13,689</b>	<b>10,919</b>
Less: depreciation capitalised to infrastructure	(9,016)	(7,067)
	<b>4,673</b>	<b>3,852</b>

As at 30 June 2022 there were no indications of impairment to property, plant and equipment.

**Capitalisation to infrastructure:** Where applicable depreciation expenses are capitalised to the infrastructure assets.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 5.2.1 DEPRECIATION AND IMPAIRMENT EXPENSES OF INFRASTRUCTURE ASSETS

	2022 \$000	2021 \$000
<b>Charge for the period</b>		
Roads – earthworks	493	490
Roads – pavements and drainage	216,926	202,442
Roads – seal	113,889	97,085
Bridges	72,834	71,843
Road furniture	38,947	33,949
<b>Total depreciation for the period</b>	<b>443,089</b>	<b>405,809</b>

There were 257 road seal assets and 2 bridges on the road network which had their useful lives reduced as part of the annual assessment of property, plant and equipment, infrastructure and intangible assets at 30 June 2022. These road seal and assets and bridges are planned to be fully or partially retired during next financial year.

#### Useful lives

All infrastructure, property, plant and equipment 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. The exceptions to this rule include assets held for sale and land.

#### Road Infrastructure:

##### Pavement and drainage:

Gravel roads	12 years
Metropolitan asphalt roads	40 years
Rural sealed roads	50 years
Seals	7 to 19 years
Bridges	60 to 100 years
Road furniture	5 to 50 years

##### Property, Plant & Equipment:

Buildings (includes Surplus buildings)	25 to 40 years
Plant and vehicles	5 to 10 years
Equipment and furniture	5 to 10 years
Computer hardware and software <sup>(a)</sup>	3 to 5 years

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

Road earthworks generally have an infinite life. 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 in accordance with UIG Interpretation 1055 'Accounting for Road Earthworks'.

Land has infinite life and is not depreciated. Depreciation is not recognised in respect of land because the service potential has not, in any material sense, been consumed during the reporting period.

#### Impairment of assets

Non-financial assets, including items of property, plant and equipment and infrastructure assets are tested for impairment whenever there is an indication that the asset may be impaired. 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 through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As Main Roads is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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 declining replacement costs.

### 5.3 INTANGIBLE ASSETS

	2022 \$000	2021 \$000
<b>Computer software and licences</b>		
At cost	36,930	43,654
Accumulated amortisation	(30,337)	(29,993)
	6,593	13,661
<b>Drainage easements</b>		
At cost	9	9
	9	9
<b>Total intangible assets</b>	<b>6,602</b>	<b>13,670</b>
<b>Reconciliations:</b>		
<b>Computer software and licences</b>		
Carrying amount at start of period	13,661	15,780
Additions	3,664	4,285
Disposals <sup>(a)</sup>	(6,827)	-
Transfers	-	-
Amortisation expense	(3,905)	(6,404)
<b>Carrying amount at end of period</b>	<b>6,593</b>	<b>13,661</b>

(a) Includes retirement of Software as a Service (SaaS), refer to note 9.2.

#### Intangible assets

##### Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$250,000 or more that comply with the recognition criteria as per AASB 138.57 *Intangible Assets* (as noted below), 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.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:
- (b) An intention to complete the intangible asset and use or sell it;
- (c) The ability to use or sell the intangible asset;
- (d) The intangible asset will generate probable future economic benefit;
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- (f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

#### Subsequent measurement

The cost model is applied for subsequent measurement of intangible asset, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 5.3.1 AMORTISATION AND IMPAIRMENT EXPENSE OF INTANGIBLE ASSETS

	2022 \$000	2021 \$000
<b>Amortisation</b>		
Intangible assets	3,904	6,404
Total amortisation for the period	3,904	6,404
Less: amortisation capitalised to infrastructure	(2,635)	(2,204)
	<b>1,269</b>	<b>4,200</b>

As at 30 June 2022 one software asset is impaired by reducing useful life.

Main Roads held no goodwill asset with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by Main Roads, except drainage easements, have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

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

Computer software <sup>(a)</sup> and licences 3 to 10 years

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

**Capitalisation to infrastructure:** Where applicable amortisation expenses are capitalised to the infrastructure assets.

#### 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.

#### Impairment of intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in Notes 5.1.1 and 5.2.1.

#### 5.4 RIGHT-OF-USE ASSETS (ROU)

	2022 \$000	2021 \$000
<b>Building and office accommodation</b>		
At cost	6,134	5,877
Accumulated depreciation	(2,805)	(1,744)
	3,329	4,133
<b>State Fleet vehicles</b>		
At cost	9,411	8,179
Accumulated depreciation	(5,193)	(3,957)
	4,218	4,222
Total right-of-use assets	<b>7,547</b>	<b>8,355</b>

Reconciliations of the carrying amounts of right-of-use assets at the beginning and end of the reporting period are set out in the table below.

	Statefleet vehicles \$000	Buildings and office accommodations \$000	Total \$000
<b>Year ended 30 June 2022</b>			
<b>Carrying amount at 1 July 2021</b>	4,222	4,133	8,355
Additions (a)	2,034	257	2,291
Adjustments	659	–	659
Disposals	(43)	–	(43)
Impairment losses	–	–	–
Depreciation	(2,655)	(1,061)	(3,716)
<b>Carrying amount at 30 June 2022</b>	<b>4,217</b>	<b>3,329</b>	<b>7,546</b>

(a) Include payments made to Department of Finance (Statefleet)

	Statefleet vehicles \$000	Buildings and office accommodations \$000	Total \$000
<b>Year ended 30 June 2021</b>			
<b>Carrying amount at 1 July 2020</b>	4,565	4,975	9,540
Additions (a)	1,980	–	1,980
Adjustments	250	185	435
Disposals	(48)	–	(48)
Impairment losses	–	–	–
Depreciation	(2,525)	(1,027)	(3,552)
<b>Carrying amount at 30 June 2021</b>	<b>4,222</b>	<b>4,133</b>	<b>8,355</b>

#### Initial recognition

At the commencement date of the lease, Main Roads recognises right-of-use assets are measured at cost comprising of:

- (a) the amount of the initial measurement of lease liability;
- (b) any lease payments made at or before the commencement date less any lease incentives received;
- (c) any initial direct costs; and
- (d) restoration costs, including dismantling and removing the underlying asset.

This includes all leased assets other than investment property right-of-use assets, which are measured in accordance with AASB 140 Investment Property.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 7.2 Lease liabilities.

Main Roads has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

#### Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

#### Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to Main Roads at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Notes 5.1.1 and 5.2.1.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022 continued

### 5.4.1 DEPRECIATION AND IMPAIRMENT EXPENSE OF RIGHT-OF-USE ASSETS

	2022 \$000	2021 \$000
State Fleet vehicles	2,655	2,525
Building and accommodation	1,061	1,027
<b>Total depreciation for the period</b>	<b>3,716</b>	<b>3,552</b>
Less: amortisation capitalised to infrastructure	(2,533)	(2,052)
	<b>1,183</b>	<b>1,500</b>

**Capitalisation to infrastructure:** Where applicable depreciation expenses are capitalised to the infrastructure assets.

#### Impairment of right-of-use assets

As at 30 June 2022 no right-of-use asset is impaired.

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2022 \$000	2021 \$000
Lease interest expense (included in Finance cost)	283	282
Depreciation expense of right-of-use assets	1,183	1,500
Short-term leases (included in Other Expenditure)	588	253
Gains or losses from right-of-use assets	-	5
<b>Total amount recognised in the statement of comprehensive income</b>	<b>2,054</b>	<b>2,040</b>

The total cash outflow for leases in 2021-22 was \$3.947 million (2020-21: \$3.010 million). As at 30 June 2022 there were no indications of impairment to right-of-use-assets.

*Main Roads' leasing activities and how these are accounted for:*

Main Roads has leases for vehicles, office and residential accommodations.

Main Roads has also entered into a Memorandum of Understanding Agreements (MOU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

Main Roads recognises leases as right-of-use assets and associated lease liabilities in the Statement of financial position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in Note 7.2.

## 6 OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from Main Roads' controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2022 \$000	2021 \$000
Receivables	6.1	284,252	306,445
Amounts receivable for services (Holding Account)	6.2	3,879,023	3,511,303
Inventories	6.3	8,784	6,639
Prepayments	6.4	78,848	53,205
Payables	6.5	391,865	411,595
Other provisions	6.6	94	94
Contract liabilities	6.7	6,685	12,270
Grant liabilities	6.8	240,231	231,758

## 6.1 RECEIVABLES

	2022 \$000	2021 \$000
<b>Current</b>		
Trade receivables	23,087	11,985
Other debtors	31	–
Allowance for impairment of trade receivables	(126)	(373)
Trade debtors – unbilled receivables	30,626	44,263
GST receivable	56,597	49,764
Accrued revenue	173,811	200,740
<b>Total current</b>	<b>284,026</b>	<b>306,379</b>
<b>Non-current</b>		
Trade receivables	226	66
<b>Total non-current</b>	<b>226</b>	<b>66</b>
<b>Total receivables</b>	<b>284,252</b>	<b>306,445</b>

Trade receivables are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. Main Roads holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Main Roads recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit or loss. The ECLs based on the difference between the contractual cash flows and the cash flows that the entity expects to receive. Individual receivables are written off when Main Roads has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, Main Roads recognises an allowance for ECLs measured at lifetime expected credit losses at each reporting date. Main Roads has established a provision matrix that is based on analysing the aged debtor report to identify the trade receivables not expected to receive based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 3.3 for the amount of ECLs expensed in this financial year.

Accrued revenue is recognised when work is delivered under partnership agreement with the Commonwealth or third party but fund is not yet received. Accrued revenue is recognised at the cost of the delivery.

### 6.1.1 MOVEMENT IN THE ALLOWANCE FOR IMPAIRMENT OF TRADE RECEIVABLES

	2022 \$000	2021 \$000
<b>Reconciliation of changes in the allowance for impairment of trade receivables:</b>		
Balance at start of period	373	479
Expected credit losses expense	1	219
Amounts written off during the year	(56)	–
Expected credit losses reversed during the period	(192)	(325)
<b>Allowance for impairment at end of period</b>	<b>126</b>	<b>373</b>

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Financial instruments disclosures'.

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

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022 continued

### 6.2 AMOUNTS RECEIVABLE FOR SERVICES (HOLDING ACCOUNT)

	2022 \$000	2021 \$000
Current	–	–
Non-current	3,879,023	3,511,303
<b>Total amounts receivable for services at end of period</b>	<b>3,879,023</b>	<b>3,511,303</b>

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

The amounts receivable for services are financial assets at amortised cost, and are not considered to be impaired (i.e. there is no expected credit loss of the holding accounts).

### 6.3 INVENTORIES

	2022 \$000	2021 \$000
<b>Current</b>		
Inventories held for distribution:		
– Construction and maintenance materials	2,479	2,252
<b>Total current</b>	<b>2,479</b>	<b>2,252</b>
<b>Non-current</b>		
Inventories held for distribution:		
– Construction and maintenance materials	6,305	4,387
<b>Total non-current</b>	<b>6,305</b>	<b>4,387</b>
<b>Total inventories at end of period</b>	<b>8,784</b>	<b>6,639</b>

Inventories held for distribution (for roadworks) are measured at cost, adjusted when applicable for any loss of service potential. Costs are assigned on weighted average basis.

Inventories are valued at the lower of cost and net realisable value.

### 6.4 PREPAYMENTS

	2022 \$000	2021 \$000
<b>Current</b>		
Contractors' advance	62,456	38,068
Prepaid insurance	7,353	6,688
<b>Total current</b>	<b>69,809</b>	<b>44,756</b>
<b>Non-current</b>		
Prepaid insurance	9,039	8,449
<b>Total non-current</b>	<b>9,039</b>	<b>8,449</b>
<b>Total prepayments at end of period</b>	<b>78,848</b>	<b>53,205</b>

Prepayments represent payments in advance of receipt of goods or services and that part of expenditure made in one accounting period covering a term extending beyond that period.

## 6.5 PAYABLES

	2022 \$000	2021 \$000
<b>Current</b>		
Trade payables	7,392	8,317
Major contracts and services <sup>(a)</sup>	294,553	298,952
Property acquisitions liability <sup>(b)</sup>	78,584	97,235
Contractors' retention	5,877	2,384
Performance bonds/surety	2,615	2,435
Accrued salaries and wages <sup>(c)</sup>	2,844	2,272
<b>Total current</b>	<b>391,865</b>	<b>411,595</b>
<b>Total payables at end of period</b>	<b>391,865</b>	<b>411,595</b>

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 for Main Roads is generally within 15-20 days.

- (a) Major contracts and services liability represents the work performed or services delivered under major contracts but invoice not been paid at the end of the reporting period. The liability is mostly settled within a month of the reporting period end.
- (b) A property acquisition 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.
- (c) Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. Main Roads considers the carrying amount of accrued salaries to be equivalent to its fair value.

## 6.6 OTHER PROVISIONS

	2022 \$000	2021 \$000
<b>Non-current</b>		
Make-good provisions	94	94
Total Non-current	94	94
<b>Total other provisions at end of period</b>	<b>94</b>	<b>94</b>

### 6.6.1 RESTORATION (MAKE GOOD) PROVISIONS

Some leased premises are required to be restored to their original condition at the end of their respective lease terms. A provision needs to be recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs are capitalised as part of the cost of leasehold improvements or right-of-use assets and are amortised over the shorter of the lease term and the useful life of the assets.

Under the lease agreement Main Roads has a legal or constructive obligation to restore the site.

A restoration provision is recognised when:

- 1) there is a present obligation as a result of development activities undertaken;
- 2) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- 3) the amount of the provision can be measured reliably.

The make-good provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date.

### Movements in other provisions

	2022 \$000	2021 \$000
<b>Make-good provisions</b>		
Carrying amount at start of period	94	52
Movement in provisions	-	42
<b>Carrying amount at end of period</b>	<b>94</b>	<b>94</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022 continued

### 6.7 CONTRACT LIABILITIES

	2022 \$000	2021 \$000
Current contract liabilities	6,685	12,270
<b>Total contract liabilities at end of period</b>	<b>6,685</b>	<b>12,270</b>

#### 6.7.1 MOVEMENT IN CONTRACT LIABILITIES

	2022 \$000	2021 \$000
<b>Reconciliation of contract liabilities</b>		
Opening balance	12,270	2,403
Additions	32,084	24,811
Revenue recognised in the reporting period	(37,669)	(14,944)
<b>Total contract liabilities at end of period</b>	<b>6,685</b>	<b>12,270</b>

Contract liabilities primarily relate to funds received by Main Roads to construct roads and infrastructure yet to be constructed.

Main Roads expects to satisfy the performance obligations at the end of the reporting period within the next 12 months.

### 6.8 GRANT LIABILITIES

	2022 \$000	2021 \$000
Current grant liabilities	240,231	231,758
<b>Total grant liabilities at end of period</b>	<b>240,231</b>	<b>231,758</b>

Grant liabilities represent payments received from the Commonwealth for agreed future works under the National Partnership on Infrastructure Projects in Western Australia. Main Roads recognises a grant liability for the excess of the initial carrying amount of a financial asset received in a transfer to enable the entity to construct a recognisable non-financial asset that is to be controlled by Main Roads.

When the obligations of the grant liability are satisfied in accordance with the policy, Main Roads recognises income in profit or loss. Information on Main Roads' obligations can be found in note 4.3.

#### 6.8.1 MOVEMENT IN GRANT LIABILITIES

	2022 \$000	2021 \$000
<b>Reconciliation of grant liabilities</b>		
Opening balance	231,758	197,075
Additions	1,182,984	1,081,821
Income recognised in the reporting period	(1,174,511)	(1,047,138)
<b>Total grant liabilities at end of period</b>	<b>240,231</b>	<b>231,758</b>

#### 6.8.2 EXPECTED SATISFACTION OF GRANT LIABILITIES

	2022 \$000	2021 \$000
<b>Income recognition</b>		
1 year	240,231	231,758
	<b>240,231</b>	<b>231,758</b>

## 7 FINANCING

This section sets out the material balances and disclosures associated with the financing and cashflows of Main Roads.

	Notes
Cash and cash equivalents	7.1
Lease liabilities	7.2
Finance costs	7.3
Capital commitments	7.4

### 7.1 CASH AND CASH EQUIVALENTS

#### 7.1.1 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:

	Notes	2022 \$000	2021 \$000
Cash and cash equivalents		64,581	190,569
Restricted cash and cash equivalents		211,741	186,527
<b>Total cash and cash equivalents at end of period</b>		<b>276,322</b>	<b>377,096</b>
<b>Restricted cash and cash equivalents</b>			
Contractors' deposits <sup>(a)</sup>		5,877	2,384
Land Transport Infrastructure Projects <sup>(b)</sup>		16,237	19,762
Commonwealth Paid Parental Leave Scheme <sup>(c)</sup>		10	9
Future maintenance – Concessional loading <sup>(d)</sup>		54,212	46,681
Metronet SPA <sup>(e)</sup>	9.7	108,732	105,787
Royalties for Regions Fund <sup>(f)</sup>		26,673	11,904
<b>Total restricted cash and cash equivalents at end of period</b>		<b>211,741</b>	<b>186,527</b>

*(a) Contractors' deposits*

Amounts withheld from contractors payments pending satisfactory completion of works.

*(b) Land Transport Infrastructure Projects*

Funds provided as part of National Partnership on Infrastructure Projects in Western Australia. Balance remaining represents interest earned from funds received.

*(c) Commonwealth Paid Parental Leave Scheme*

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

*(d) Future maintenance – Concessional loading*

Amount withheld in the restricted cash account received from private companies to fund future maintenance on roads with accelerated damage due to heavy usage by mining companies.

*(e) Metronet special purpose account*

Unspent funds are committed to fund Metronet road related projects.

*(f) Royalties for Regions Fund*

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

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.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 7.1.2 RECONCILIATION OF NET COST OF SERVICES TO NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES

	Notes	2022 \$000	2021 \$000
Net cost of services		(469,632)	1,088,978
<b>Non-cash items</b>			
Depreciation expense – infrastructure	5.2.1	443,089	405,809
Depreciation and amortisation expense – other assets	5.1.1, 5.3.1	5,942	8,052
Depreciation expense – right-of-use assets	5.4.1	1,183	1,500
Finance cost	7.3	283	282
Grants to other bodies	3.2	3,671	78,138
Grants received from other bodies	4.5	(68,097)	(1,436,053)
Resources received free of charge	4.1	1,937	2,712
Infrastructure assets retired/replaced	3.3	65,854	48,140
Assets not previously recognised		–	(84)
Right-of-use asset related non-cash items		(1)	(643)
Adjustment for other non-cash items		–	(43)
Net (gain)/loss on sale of property, plant and equipment	4.8	(55)	609
<b>(Increase)/decrease in assets:</b>			
Receivables <sup>(a)</sup>		18,175	(113,403)
Inventories		(2,145)	1,114
Prepayments		(25,643)	(40,167)
<b>Increase/(decrease) in liabilities:</b>			
Payables <sup>(a)</sup>		50,368	18,515
Grants and contract liabilities		2,888	44,550
Provisions		1,443	4,367
Net GST receipts/(payments) <sup>(b)</sup>		222,519	156,947
Change in GST in receivables/payables <sup>(c)</sup>		(229,352)	(177,933)
<b>Net cash provided by/(used in) operating activities</b>		<b>22,427</b>	<b>91,387</b>

(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.

## 7.2 LEASE LIABILITIES

	2022 \$000	2021 \$000
Current	2,603	2,575
Non-current	5,534	6,319
	<b>8,137</b>	<b>8,894</b>

### Initial measurement

At the commencement date of the lease, Main Roads recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, Main Roads uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by Main Roads as part of the present value calculation of lease liability include:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable by the lessee under residual value guarantees;
- (d) the exercise price of purchase options (where these are reasonably certain to be exercised);
- (e) payments for penalties for terminating a lease, where the lease term reflects the agency exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by Main Roads if the lease is reasonably certain to be extended (or not terminated).

This section should be read in conjunction with Note 5.4.

### Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

## 7.3 FINANCE COSTS

	2022 \$000	2021 \$000
<b>Finance costs</b>		
Lease interest expense	283	282
<b>Total finance costs expensed</b>	<b>283</b>	<b>282</b>

Finance costs include the interest component of lease liability repayments.

## 7.4 CAPITAL COMMITMENTS

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

	2022 \$000	2021 \$000
Within 1 year	1,007,168	741,901
Later than 1 year and not later than 5 years	669,464	825,799
	<b>1,676,632</b>	<b>1,567,700</b>

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 8 RISKS AND CONTINGENCIES

This note sets out the key risk management policies and measurement techniques of Main Roads.

	Notes
Financial risk management	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2
Fair value measurements	8.3

#### 8.1 FINANCIAL RISK MANAGEMENT

Financial instruments held by Main Roads are cash and cash equivalents, restricted cash and cash equivalents, receivables, payables and lease liabilities. Main Roads has limited exposure to financial risks. Main Roads' overall risk management program focuses on managing the risks identified below.

##### (a) Summary of risks and risk management

###### 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.

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. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. 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.

Other than as detailed in the interest rate sensitivity analysis table at note 8.1(e), Main Roads is not exposed to the interest rate risk. Majority of cash and cash equivalents are non-interest bearing and restricted cash and cash equivalents are interest bearing. Main Roads has no borrowings as at 30 June 2022.

**(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:

	2022 \$000	2021 \$000
<b>Financial assets</b>		
Cash and cash equivalents	64,581	190,569
Restricted cash and cash equivalents	211,741	186,527
Financial assets at amortised cost <sup>(a)</sup>	4,106,678	3,767,984
<b>Total financial assets</b>	<b>4,383,000</b>	<b>4,145,080</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost <sup>(a)</sup>	391,865	411,595
Lease liabilities	8,137	8,894
<b>Total financial liability</b>	<b>400,002</b>	<b>420,489</b>

(a) The amount of financial assets and liabilities at amortised cost excludes GST recoverable from or payable to ATO.

**(c) Credit risk exposure**

The following table details the credit risk exposure on Main Roads' trade receivables using a provision matrix.

	Days past due					
	Total \$000	Current \$000	1- 30 Days \$000	31- 60 Days \$000	61- 90 Days \$000	>91 days \$000
<b>30 June 2022</b>						
Expected credit loss rate		0%	2%	0%	0%	25.09%
Estimated total gross carrying amount at default	23,313	18,709	673	3,644	-	287
Expected credit losses	(126)	(38)	(16)	-	-	(72)
	<b>23,187</b>	<b>18,671</b>	<b>657</b>	<b>3,644</b>	<b>-</b>	<b>215</b>
<b>30 June 2021</b>						
Expected credit loss rate		0%	0%	0%	0%	28.00%
Estimated total gross carrying amount at default	12,051	10,528	202	66	14	1,241
Expected credit losses	(373)	(24)	-	-	-	(349)
	<b>11,678</b>	<b>10,504</b>	<b>202</b>	<b>66</b>	<b>14</b>	<b>892</b>

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 8.1 FINANCIAL RISK MANAGEMENT continued

##### (c) 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.

2022	Weighted Average Effective Interest Rate %	Interest rate exposure			Maturity date					
		Carrying Amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000	Nominal Amount \$000	Up to 1 month \$000	1-3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>Financial Assets</b>										
Cash and cash equivalents	-	64,581	-	-	64,581	64,581	-	-	-	-
Restricted cash and cash equivalents	0.50	211,741	-	211,741	-	211,741	-	-	-	-
Receivables (a)	-	227,655	-	-	227,655	227,655	-	-	-	-
Amounts receivable for services	-	3,879,023	-	-	3,879,023	3,879,023	-	-	-	3,879,023
		<b>4,383,000</b>	<b>-</b>	<b>211,741</b>	<b>4,171,259</b>	<b>4,383,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,879,023</b>
<b>Financial Liabilities</b>										
Payables	-	391,865	-	-	391,865	391,865	-	-	-	-
Lease liabilities (b)	-	8,137	-	-	8,137	8,137	319	1,331	2,764	3,558
		<b>400,002</b>	<b>-</b>	<b>-</b>	<b>400,002</b>	<b>400,002</b>	<b>319</b>	<b>1,331</b>	<b>2,764</b>	<b>3,558</b>

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

(b) The amount of lease liabilities includes \$4.455 million from leased buildings and \$4.439 million from leased vehicles.

2021	Weighted Average Effective Interest Rate %	Interest rate exposure			Maturity date					
		Carrying Amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000	Nominal Amount \$000	Up to 1 month \$000	1-3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>Financial Assets</b>										
Cash and cash equivalents	-	190,569	-	-	190,569	190,569	-	-	-	-
Restricted cash and cash equivalents	0.31	186,527	-	186,527	-	186,527	-	-	-	-
Receivables (a)	-	256,681	-	-	256,681	256,681	-	-	-	-
Amounts receivable for services	-	3,511,303	-	-	3,511,303	3,511,303	-	-	-	3,511,303
		<b>4,145,080</b>	<b>-</b>	<b>186,527</b>	<b>3,958,553</b>	<b>4,145,080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,511,303</b>
<b>Financial Liabilities</b>										
Payables	-	411,595	-	-	411,595	411,595	-	-	-	-
Lease liabilities (b)	-	8,894	-	-	8,894	8,894	477	1,801	5,847	471
		<b>420,489</b>	<b>-</b>	<b>-</b>	<b>420,489</b>	<b>420,489</b>	<b>477</b>	<b>1,801</b>	<b>5,847</b>	<b>471</b>

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

(b) The amount of lease liabilities includes \$5.109 million from leased buildings and \$4.789 million from leased vehicles.

**(e) 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 0.75% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$000	-75 basis points		+75 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
<b>2022</b>					
<b>Financial Assets</b>					
Restricted cash and cash equivalents	211,741	(1,588)	(1,588)	1,588	1,588
<b>Total Increase/(Decrease)</b>		<b>(1,588)</b>	<b>(1,588)</b>	<b>1,588</b>	<b>1,588</b>

	Carrying amount \$000	-25 basis points		+25 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
<b>2021</b>					
<b>Financial Assets</b>					
Restricted cash and cash equivalents	186,527	(466)	(466)	466	466
<b>Total Increase/(Decrease)</b>		<b>(466)</b>	<b>(466)</b>	<b>466</b>	<b>466</b>

**8.2 CONTINGENT ASSETS AND LIABILITIES**

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

**8.2.1 CONTINGENT ASSETS**

The following contingent assets are excluded from the assets within the financial statements:

	2022 \$000	2021 \$000
Remediation for diesel spill	4,522	–
Contract claims in dispute	433	346
	<b>4,955</b>	<b>346</b>

*Remediation for diesel spill*

Main Roads is seeking to recover the cost for a diesel spill caused by third parties.

*Contract claims in dispute*

Claims have been submitted by contractors in relation to services provided under roadwork contracts. The contingent asset is mainly the amounts recoverable from works undertaken by Main Roads.

**8.2.2 CONTINGENT LIABILITIES**

The following contingent liabilities are excluded from the liabilities within the financial statements:

	2022 \$000	2021 \$000
Contract claims in dispute	24,234	13,351
Resumption claims in dispute	339,721	204,334
	<b>363,955</b>	<b>217,685</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022 continued

### 8.2.2 CONTINGENT LIABILITIES continued

#### 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 (under Note 6.5 as property acquisition liability) in accordance with an independent valuation.

#### Contaminated sites

Under the *Contaminated Sites Act 2003*, Main Roads is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER 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 four suspected contaminated sites to DWER. Three sites were classified as possibly contaminated – investigation required and one site was classified as decontaminated. 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.

### 8.3 FAIR VALUE MEASUREMENTS

Assets measured at fair value:	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair value at end of period \$000
<b>2022</b>				
Non-current assets classified as held for sale (Note 9.8)	–	1,495	–	1,495
Land (Note 5.1)	–	64,736	8,102	72,838
Buildings (Note 5.1)	–	101,339	14,679	116,018
Surplus assets (Note 5.1)	–	45,722	25,446	71,168
Land acquired for roadworks (Note 5.1)	–	131,215	32,163	163,378
Infrastructure (Note 5.2)	–	–	51,808,380	51,808,380
	–	<b>344,507</b>	<b>51,888,770</b>	<b>52,233,277</b>

Assets measured at fair value:	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair value at end of period \$000
<b>2021</b>				
Non-current assets classified as held for sale (Note 9.8)	–	7,869	–	7,869
Land (Note 5.1)	–	58,867	7,088	65,955
Buildings (Note 5.1)	–	82,151	14,206	96,357
Surplus assets (Note 5.1)	–	40,184	27,449	67,633
Land acquired for roadworks (Note 5.1)	–	118,019	31,395	149,414
Infrastructure (Note 5.2)	–	–	47,333,051	47,333,051
	–	<b>307,090</b>	<b>47,413,189</b>	<b>47,720,279</b>

#### 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 sale 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 sale prices of comparable assets.

**Fair value measurements using significant unobservable inputs (Level 3)**

2022	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	0	7,088	14,206	27,449	31,395	47,333,051
Additions	-	352	-	-	3,976	1,081,170
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	643	1,201	1,087	(1,294)	3,899,346
Transfers from/(to) Level 2/Level 3	0	18	0	244	(184)	-
Disposals	-	-	-	(3,302)	(1,731)	(62,099)
Depreciation expense	-	-	(728)	(31)	-	(443,088)
<b>Fair value at end of period</b>	<b>0</b>	<b>8,102</b>	<b>14,679</b>	<b>25,446</b>	<b>32,163</b>	<b>51,808,380</b>
<b>Total gains or losses for the period included in profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2021	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	419	7,079	14,240	29,132	38,970	43,515,721
Additions	-	-	-	-	21	2,813,684
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	54	196	645	(565)	1,535,044
Transfers from/(to) Level 2/Level 3	-	5	460	(906)	(5,422)	-
Disposals	(419)	(50)	(10)	(1,399)	(1,609)	(125,588)
Depreciation expense	-	-	(680)	(23)	-	(405,810)
<b>Fair value at end of period</b>	<b>0</b>	<b>7,088</b>	<b>14,206</b>	<b>27,449</b>	<b>31,395</b>	<b>47,333,051</b>
<b>Total gains or losses for the period included in profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Valuation processes**

There were no changes in valuation techniques during the period. However, the valuation processes have been significantly impacted by the COVID-19 pandemic.

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.

**Land, surplus assets and land acquired for roadworks (Level 3 fair values)**

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Landgate) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

**Buildings (Level 3 fair values)**

Fair value for existing use specialised building assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Current replacement cost is the current 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 generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 8.3 FAIR VALUE MEASUREMENTS continued

##### Infrastructure (Level 3 fair values)

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 current replacement cost. Current replacement cost is current 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 third year 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 from professional estimators specialising in road infrastructure works) to ensure asset carrying values do not materially differ from fair value.

##### 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.

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 (Landgate).

##### Historical cost per square metre floor area (m<sup>2</sup>)

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 (Landgate).

##### Historical cost per cubic metre (m<sup>3</sup>)

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 estimator and multiplying these by the units of relevant categories that form the infrastructure asset.

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 (Landgate).

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

Description	Fair value 2022 \$000	Fair value 2021 \$000	Valuation technique(s)	Unobservable inputs
Land, Surplus asset and Land acquired for roadworks	65,711	65,932	Market approach	Selection of land with similar approximate utility
Buildings	14,679	14,206	Current replacement cost	Historical cost per square metre floor area (m <sup>2</sup> ) Consumed economic benefit/ obsolescence of asset
Infrastructure (Earthworks)	12,987,799	11,561,181	Current replacement cost	Historical cost per cubic metre (m <sup>3</sup> )
Infrastructure (Pavements including drainage and seals)	6,167,541	5,349,325	Current replacement cost	Historical cost per cubic metre (m <sup>3</sup> )
Infrastructure (Bridges)	5,251,946	4,662,706	Current replacement cost	Historical cost per cubic metre (m <sup>3</sup> )
Infrastructure (Road furniture)	566,863	466,481	Current replacement cost	Consumed economic benefit/ obsolescence of asset
Infrastructure (Land under roads)	26,834,231	25,293,358	Market approach	Selection of land adjoining road reserve

Reconciliations of the opening and closing balances are provided in Notes 5.1 and 5.2.

## 9 OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	9.1
Changes in accounting policies	9.2
Future impact of Australian Accounting Standards issued not yet operative	9.3
Key management personnel	9.4
Related party transactions	9.5
Remuneration of auditors	9.6
Special purpose accounts	9.7
Non-current assets classified as held for sale	9.8
Equity	9.9
Supplementary financial information	9.10
Services provided free of charge	9.11
Indian Ocean Territories	9.12

### 9.1 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

In July 2022 a new Transport Portfolio Land and Property Services Branch was formed with staff co-locating from the Department of Transport, Public Transport Authority and Main Roads Western Australia's land and properties functions. The Branch was formed on the same basis as the Office of Major Transport Infrastructure Delivery (OMTID) which was established in 2020.

The purpose of the new Portfolio Land and Property Services Branch is as follows:

- Be a centre of excellence for Transport portfolio land transactions, commercial leasing, and corporate building management with experienced and expert staff.
- Be highly responsive to transport infrastructure project priorities, ensuring that land transactions and property services align to project requirements and portfolio land and property asset management strategies.

### 9.2 CHANGES IN ACCOUNTING POLICIES

The IFRS Interpretations Committee (IFRIC) has issued the agenda decisions with respect to accounting for SaaS arrangements. The agenda decision concluded that Software as a Service (SaaS) arrangements are likely to be service arrangements, rather than intangible or leased assets. This is because the customer typically only has a right to receive future access to the supplier's software running on the supplier's cloud infrastructure and therefore the supplier controls the intellectual property (IP) of the underlying software code.

Management assessed all possible SaaS arrangements in Main Roads against IFRIC criteria and identified five intangible assets meeting the criteria of SaaS arrangements. These five assets are written off from the asset register during the financial year of 2021-22. Refer to note 3.3 and 5.3.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 9.3 FUTURE IMPACT OF AUSTRALIAN ACCOUNTING STANDARDS ISSUED 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' or by an exemption from TI 1101. Where applicable, Main Roads plans to apply the following Australian Accounting Standards from their application date.

		<b>Operative for reporting periods beginning on/after</b>
AASB 17	<p><i>Insurance Contracts</i></p> <p>This Standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts.</p> <p>Main Roads is not impacted by AASB 17</p>	1 Jan 2023
AASB 2020-1	<p><i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i></p> <p>This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.</p> <p>There is no financial impact.</p>	1 Jan 2023
AASB 2020-3	<p><i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i></p> <p>This Standard sets out amends: (a) AASB 1 to simplify the application of AASB 1; (b) AASB 3 to update a reference to the Conceptual Framework for Financial Reporting; (c) AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability; (d) AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit and loss, instead of deducting the amounts received from the cost of the asset; (e) AASB 137 to specify the cost that an entity includes when assessing whether a contract will be loss-making; and (f) AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value.</p> <p>There is no financial impact.</p>	1 Jan 2022
AASB 2020-6	<p><i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i></p> <p>This Standard amends AASB 101 to defer requirements for the presentation of liabilities in the statement of financial position as current or non-current that were added to AASB 101 in AASB 2020-1.</p> <p>There is no financial impact.</p>	1 Jan 2022
AASB 2021-2	<p><i>Amendments to Australian Accounting Standards- Disclosure of Accounting Policies and Definition of Accounting Estimates</i></p> <p>This Standards amends: (a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; (b) AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies; (c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; (d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and (e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p> <p>There is no financial impact.</p>	1 Jan 2023
AASB 2021-6	<p><i>Amendments to Australian Accounting Standards- Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</i></p> <p>This standard amends This standard amends: (a) AASB 1049, to require entities to disclose their material accounting policy information rather than their significant accounting policies; (b) AASB 1054 to reflect the updated accounting policy terminology used in AASB 101 Presentation of Financial Statements; and (c) AASB 1060 to required entities to disclose their material accounting policy information rather than their significant accounting policy and to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements.</p> <p>There is no financial impact.</p>	1 Jan 2023
AASB 2021-7	<p><i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i></p> <p>This standard further defers (to 1 January 2025) the amendments to AASB 10 and AASB 128 relating to the sale or contribution of assets between an investor and its associated or joint venture. The standard also includes editorial corrections.</p> <p>There is no financial impact.</p>	1 Jan 2022

#### 9.4 KEY MANAGEMENT PERSONNEL

Main Roads has determined key management personnel to include cabinet ministers and senior officers of Main Roads. Main Roads does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*. The remuneration of the incumbent Commissioner of Main Roads is met by the Department of Transport.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of Main Roads for the reporting period are presented within the following bands:

##### Compensation of members of the accountable authority

Compensation Band (\$)	2022	2021
000,000 – 010,000	2	1

##### Compensation of senior officers

Compensation Band (\$)	2022	2021
310,001 – 320,000	1	–
300,001 – 310,000	–	1
280,001 – 290,000	1	1
270,001 – 280,000	1	1
260,001 – 270,000	4	–
240,001 – 250,000	–	3
230,001 – 240,000	–	2
220,001 – 230,000	3	–
210,001 – 220,000	1	2
70,001 – 80,000*	–	1

	2022 \$000	2021 \$000
Short term employee benefits	2,204	1,970
Post-employment benefits	521	468
Other long term benefits	106	150
<b>The total compensation of senior officers</b>	<b>2,831</b>	<b>2,588</b>

\* The remuneration of one senior officer was met by Main Roads from July to mid-October and by Department of Transport from mid-October.

Total compensation includes the superannuation expense incurred by Main Roads in respect of senior officers. The change in bands comparing to previous year is mainly due to various acting arrangements.

#### 9.5 RELATED PARTY TRANSACTIONS

Main Roads is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of Main Roads include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures, of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB)

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022 continued

### 9.5 RELATED PARTY TRANSACTIONS continued

#### Significant transactions with government related entities

In conducting its activities, Main Roads is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- Income from State Government (Note 4.1)
- Capital appropriation (Note 9.9)
- services received free of charge from other government agencies (Note 4.1)
- income from Road Trauma Trust Fund (Note 4.1)
- income from Natural Disaster Fund (Note 4.1)
- income from Royalties for Regions Fund (Notes 4.1 and 9.9)
- contributions to roadworks (Notes 4.1)
- superannuation payments to GESB (Note 3.1(a))
- remuneration for services provided by the Auditor General (Note 9.6)
- payments mainly for road construction and Metronet to Public Transport Authority amounting \$120.9 million (Notes 3.2)
- payments for property construction, management and fleet leasing to the Department of Finance amounting \$5.8 million (Notes 3.3)
- payments mainly for Bicycle network program to Department of Transport amounting \$9.7 million (Notes 3.2 and 3.3)
- payments mainly for property acquisition used for road construction to State Solicitor's Office amounting \$38.3 million (Notes 5.1 and 5.2)
- payments mainly for service relocation enabling road construction to Western Power amounting \$5.9 million (Note 5.2)

#### Material transactions with other related parties

Outside of normal citizen type transactions with Main Roads, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

### 9.6 REMUNERATION OF AUDITORS

	2022 \$000	2021 \$000
Auditing the accounts, financial statements, controls and key performance indicators	400	357
	<b>400</b>	<b>357</b>

### 9.7 SPECIAL PURPOSE ACCOUNTS

Established under section 16(1)(d) of the FMA. The purpose of the account is to provide a source of funding for the delivery of METRONET road-related transport infrastructure works including all associated costs.

	Notes	2022 \$000	2021 \$000
<b>Balance at start of period</b>		105,787	71,703
Receipts – Contribution from Motor Vehicle License fees		125,303	114,995
Payments		(122,358)	(80,911)
<b>Balance at end of period</b>	7.1	<b>108,732</b>	<b>105,787</b>

### 9.8 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

The following table represents a summary of assets held for sale:

	2022 \$000	2021 \$000
<b>Freehold land and buildings</b>		
Opening balance	7,869	4,717
Assets reclassified as held for sale	1,323	5,971
Assets removed from current disposal program	(6,070)	-
Assets sold	(1,959)	(2,346)
Write-down of assets from carrying value to fair value less selling costs	332	(473)
<b>Total non-current assets classified as assets held for sale at end of period</b>	<b>1,495</b>	<b>7,869</b>

Information on fair value measurements is provided in Note 8.3.

Main Roads disposes freehold land and buildings where they are no longer required for road construction, falls outside the defined road plan or no longer required for operations. These properties are then offered to sale in public auction or through tender process. If the properties remain unsold after auction and tender process, the properties may then be sold under private treaties. Non-current assets classified as held for sale are expected to settle within 12 months.

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. Fair value is provided by the Western Australian Land Information Authority (Landgate) annually.

## 9.9 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.

	Notes	2022 \$000	2021 \$000
<b>CONTRIBUTED EQUITY</b>			
Balance at start of period		6,175,565	5,730,848
<b>Contributions by owners</b>			
Capital contributions		430,015	430,157
<b>Other contributions by owners</b>			
Royalties for Regions Fund – Regional Infrastructure and Headwork Account		60,692	25,324
<b>Transfer of net assets from other agencies</b>			
Public Transport Authority		5,033	1,739
Western Australian Planning Commission		–	2,535
Department of Lands		–	–
<b>Total contributions by owners</b>		<b>495,740</b>	<b>459,755</b>
<b>Distributions to owners</b>			
Transfer of net assets to other agencies			
Public Transport Authority		(9,192)	(14,559)
Department of Planning, Land and Heritage		(545)	–
Department of Treasury		(1,546)	–
Other		(33)	(479)
<b>Total distributions to owners</b>		<b>(11,316)</b>	<b>(15,038)</b>
<b>TOTAL CONTRIBUTED EQUITY AT END OF PERIOD</b>		<b>6,659,989</b>	<b>6,175,565</b>
<b>RESERVES</b>			
<b>Asset revaluation surplus</b>			
Balance at start of period		29,286,962	27,744,154
Net revaluation increments/(decrements)			
Earthworks, Drainage, Pavements and Seals		1,861,647	209,066
Bridges		518,794	177,221
Land under roads		1,465,923	1,143,374
Road Furniture		52,984	5,381
Land and Buildings		33,233	7,766
<b>TOTAL ASSET REVALUATION SURPLUS AT END OF PERIOD</b>		<b>33,219,543</b>	<b>29,286,962</b>
<b>ACCUMULATED SURPLUS</b>			
Balance at start of period		18,035,058	15,709,570
Initial application of AASB 16		–	(43)
Result for the period		1,043,698	2,325,531
<b>Balance at end of period</b>		<b>19,078,756</b>	<b>18,035,058</b>
<b>TOTAL EQUITY AT END OF PERIOD</b>		<b>58,958,288</b>	<b>53,497,585</b>

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 9.10 SUPPLEMENTARY FINANCIAL INFORMATION

##### (a) Write-offs

During the financial year following assets were written off Main Roads' asset register (2021: Nil) under the authority of:

	2022 \$000	2021 \$000
The accountable authority	138	26
	<b>138</b>	<b>26</b>

##### (b) Losses through theft, defaults and other causes

	2022 \$000	2021 \$000
Fixed asset stocktake discrepancies	2	-
	<b>2</b>	<b>-</b>

##### (c) Gifts of public property

	2022 \$000	2021 \$000
Gifts of public property provided by Main Roads	-	24
	<b>-</b>	<b>24</b>

##### (d) Forgiveness of debt

	2022 \$000	2021 \$000
Forgiveness of debt by Main Roads	-	-
	<b>-</b>	<b>-</b>

##### (e) Restricted Access Vehicle permits <sup>(a)</sup>

	2022 \$000	2021 \$000
Regulatory fees	10,470	9,509
Transfer payments	10,489	9,538
Cash held in lieu of transfer	37	18

(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 are subsequently appropriated to Main Roads.

### 9.11 SERVICES PROVIDED FREE OF CHARGE

	2022 \$000	2021 \$000
Department of Transport – accommodation costs and provision of traffic modelling services	16	156
Department of Planning, Lands and Heritage – traffic modelling	178	175
Department of Biodiversity, Conservation & Attractions – consultation	542	620
Public Transport Authority – provision of professional services	44	89
Department of Water and Environmental Regulation – consultation	151	651
Western Australian Police – COVID-19 related traffic management	393	1,327
Rottnest Island Authority – road resurfacing	–	4,773
Services provided free of charge to other agencies	6	21
	<b>1,330</b>	<b>7,812</b>

### 9.12 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 2021-22 are summarised below:

	2022 \$000	2021 \$000
Amount brought forward for recovery	(57)	(30)
Amount received during the period	(32)	(27)
	(89)	(57)
Expenditure during the year	31	–
<b>Amount carried forward for recovery</b>	<b>(58)</b>	<b>(57)</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022 continued

### 10 EXPLANATORY STATEMENTS

This section explains variations in the financial performance of Main Roads.

This explanatory section explains variations in the financial performance of Main Roads undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the dollar aggregate of:

- Total Cost of Services for the previous year for the Statements of comprehensive income and Statement of cash flows (\$13.74 million), and
- Total Assets for the previous year for the Statement of financial position (\$542.02 million)

#### 10.1 STATEMENT OF COMPREHENSIVE INCOME VARIANCES

	Variance Note	Original Budget 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between estimate and actual \$000	Variance between actual results for 2022 and 2021 \$000
<b>Expenses</b>						
Employee benefits expense		69,927	78,162	76,001	8,235	2,161
Supplies and services	A	544,734	586,105	477,203	41,371	108,902
Depreciation and impairment expenses of infrastructure assets		434,679	443,089	405,809	8,410	37,280
Depreciation, amortisation and impairment expenses – other		4,149	5,942	8,052	1,793	(2,110)
Depreciation and impairment expenses – right-of-use assets		4,463	1,183	1,500	(3,280)	(317)
Finance cost		277	283	282	6	1
Grants and subsidies	1	307,089	384,277	356,796	77,188	27,481
Other expenses	2, B	11,404	65,854	48,140	54,450	17,714
<b>Total cost of services</b>		<b>1,376,722</b>	<b>1,564,895</b>	<b>1,373,783</b>	<b>188,173</b>	<b>191,112</b>
<b>Income</b>						
Sale of goods and services		–	6,646	7,080	6,646	(434)
Commonwealth grants		966,151	940,907	965,825	(25,244)	(24,918)
Contributions to roadworks	C	49,812	62,281	39,591	12,469	22,690
Grants from other bodies	3, D	36,399	68,097	1,436,053	31,698	(1,367,956)
Interest income		1,500	108	129	(1,392)	(21)
Other income		11,426	17,169	14,692	5,743	2,477
<b>Total income</b>		<b>1,065,288</b>	<b>1,095,208</b>	<b>2,463,370</b>	<b>29,920</b>	<b>(1,368,162)</b>
<b>Gains</b>						
Gain/(loss) on disposal of non-current assets		–	55	(609)	55	664
<b>Total gains</b>		<b>–</b>	<b>55</b>	<b>(609)</b>	<b>55</b>	<b>664</b>
<b>Total income other than income from State Government</b>		<b>1,065,288</b>	<b>1,095,263</b>	<b>2,462,761</b>	<b>29,975</b>	<b>(1,367,498)</b>
<b>NET COST OF SERVICES</b>		<b>311,434</b>	<b>469,632</b>	<b>(1,088,978)</b>	<b>158,198</b>	<b>1,558,610</b>
<b>Income from State Government</b>						
Service appropriation	E	1,211,128	1,244,248	1,068,556	33,120	175,692
Resources received free of charge		2,700	1,937	2,712	(763)	(775)
Income from other public sector entities	F	265,585	267,145	165,285	1,560	101,860
<b>Total income from State Government</b>		<b>1,479,413</b>	<b>1,513,330</b>	<b>1,236,553</b>	<b>33,917</b>	<b>276,777</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>1,167,979</b>	<b>1,043,698</b>	<b>2,325,531</b>	<b>(124,281)</b>	<b>(1,281,833)</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation surplus		–	3,932,581	1,542,808	3,932,581	2,389,773
<b>Total other comprehensive income</b>		<b>–</b>	<b>3,932,581</b>	<b>1,542,808</b>	<b>3,932,581</b>	<b>2,389,773</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,167,979</b>	<b>4,976,279</b>	<b>3,868,339</b>	<b>3,808,300</b>	<b>1,107,940</b>

## 10.2 STATEMENT OF FINANCIAL POSITION VARIANCES

	Variance Note	Original Budget 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between estimate and actual \$000	Variance between actual results for 2022 and 2021 \$000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents		361,598	64,581	190,569	(297,017)	(125,988)
Restricted cash and cash equivalents		150,589	211,741	186,527	61,152	25,214
Receivables		142,952	284,026	306,379	141,074	(22,353)
Amounts receivable for services		-	-	-	-	-
Inventories		1,551	2,479	2,252	928	227
Prepayments		11,780	69,809	44,756	58,029	25,053
Non-current assets classified as held for sale		4,717	1,495	7,869	(3,222)	(6,374)
<b>Total Current Assets</b>		<b>673,187</b>	<b>634,131</b>	<b>738,352</b>	<b>(39,056)</b>	<b>(104,221)</b>
<b>Non-Current Assets</b>						
Receivables		189	226	66	37	160
Amounts receivable for services		3,879,023	3,879,023	3,511,303	-	367,720
Inventories		6,202	6,305	4,387	103	1,918
Prepayments		1,258	9,039	8,449	7,781	590
Property, plant and equipment		414,980	448,163	408,961	33,183	39,202
Infrastructure	G	51,336,116	54,657,705	49,510,651	3,321,589	5,147,054
Intangible assets		12,635	6,602	13,670	(6,033)	(7,068)
Right-of-use assets		8,393	7,547	8,355	(846)	(808)
<b>Total Non-Current Assets</b>		<b>55,658,796</b>	<b>59,014,610</b>	<b>53,465,842</b>	<b>3,355,814</b>	<b>5,548,768</b>
<b>TOTAL ASSETS</b>		<b>56,331,983</b>	<b>59,648,741</b>	<b>54,204,194</b>	<b>3,316,758</b>	<b>5,444,547</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		269,909	391,865	411,595	121,956	(19,730)
Lease liabilities		2,645	2,603	2,575	(42)	28
Contract liabilities		2,403	6,685	12,270	4,282	(5,585)
Grants liabilities		197,075	240,231	231,758	43,156	8,473
Employee related provisions		36,666	37,424	36,289	758	1,135
Other provisions		-	-	-	-	-
<b>Total Current Liabilities</b>		<b>508,698</b>	<b>678,808</b>	<b>694,487</b>	<b>170,110</b>	<b>(15,679)</b>
<b>Non-Current Liabilities</b>						
Payables		752	-	-	(752)	-
Lease liabilities		6,231	5,534	6,319	(697)	(785)
Employee related provisions		4,925	6,017	5,709	1,092	308
Other provisions		-	94	94	94	-
<b>Total Non-Current Liabilities</b>		<b>11,908</b>	<b>11,645</b>	<b>12,122</b>	<b>(263)</b>	<b>(477)</b>
<b>TOTAL LIABILITIES</b>		<b>520,606</b>	<b>690,453</b>	<b>706,609</b>	<b>169,847</b>	<b>(16,156)</b>
<b>NET ASSETS</b>		<b>55,811,377</b>	<b>58,958,288</b>	<b>53,497,585</b>	<b>3,146,911</b>	<b>5,460,703</b>
<b>EQUITY</b>						
Contributed equity		6,649,350	6,659,989	6,175,565	10,639	484,424
Reserves		29,819,803	33,219,543	29,286,962	3,399,740	3,932,581
Accumulated surplus		19,342,224	19,078,756	18,035,058	(263,468)	1,043,698
<b>TOTAL EQUITY</b>		<b>55,811,377</b>	<b>58,958,288</b>	<b>53,497,585</b>	<b>3,146,911</b>	<b>5,460,703</b>

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2022 continued

#### 10.3 STATEMENT OF CASH FLOWS VARIANCES

	Variance Note	Original Budget 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between estimate and actual \$000	Variance between actual results for 2022 and 2021 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation	H	843,408	876,527	700,154	33,119	176,373
Capital appropriation		398,951	428,469	424,847	29,518	3,622
Holding account drawdown		-	-	-	-	-
Contributions to roadworks	4, I	180,960	228,522	36,988	47,562	191,534
Road Trauma Trust Fund	J	28,160	26,211	50,784	(1,949)	(24,573)
Natural disaster funds	5, K	79,788	539	30,440	(79,249)	(29,901)
Royalties for Regions Fund	L	36,661	88,492	49,588	51,831	38,904
<b>Net cash provided by State Government</b>		<b>1,567,928</b>	<b>1,648,760</b>	<b>1,292,801</b>	<b>80,832</b>	<b>355,959</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits		(67,927)	(77,008)	(68,097)	(9,081)	(8,911)
Supplies and services	M	(566,746)	(601,760)	(432,766)	(35,014)	(168,994)
Grants and subsidies	6, N	(307,089)	(358,672)	(282,372)	(51,583)	(76,300)
GST payments on purchases	7, O	(147,054)	(252,406)	(188,477)	(105,352)	(63,929)
Finance costs		(277)	-	-	277	-
<b>Receipts</b>						
Sale of goods and services	P	47,181	60,858	35,853	13,677	25,005
Commonwealth grants	Q	966,151	979,528	832,180	13,377	147,348
Interest received		1,500	79	222	(1,421)	(143)
GST receipts on sales	8	11,808	31,568	21,726	19,760	9,842
GST receipts from taxation authority	9, R	135,000	222,519	156,946	87,519	65,573
Other receipts		10,907	14,525	13,055	3,618	1,470
Rent received		3,200	3,196	3,117	(4)	79
<b>Net cash provided by/(used in) operating activities</b>		<b>86,654</b>	<b>22,427</b>	<b>91,387</b>	<b>(64,227)</b>	<b>(68,960)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Purchase of non-current assets		(19,095)	(25,633)	(26,267)	(6,538)	634
Purchase of infrastructure assets	S	(1,586,098)	(1,744,495)	(1,284,950)	(158,397)	(459,545)
<b>Receipts</b>						
Proceeds from sale of non-current assets		-	2,114	1,720	2,114	394
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,605,193)</b>	<b>(1,768,014)</b>	<b>(1,309,497)</b>	<b>(162,821)</b>	<b>(458,517)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Payments</b>						
Principal elements of lease payments		(2,790)	(3,947)	(3,010)	(1,157)	(937)
<b>Net cash provided by/(used in) financing activities</b>		<b>(2,790)</b>	<b>(3,947)</b>	<b>(3,010)</b>	<b>(1,157)</b>	<b>(937)</b>
Net increase/(decrease) in cash and cash equivalents		46,599	(100,774)	71,681	(147,373)	(172,455)
Cash and cash equivalents at the beginning of the period		465,588	377,096	305,415	(88,492)	71,681
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>512,187</b>	<b>276,322</b>	<b>377,096</b>	<b>(235,865)</b>	<b>(100,774)</b>

**Major estimate and actual (2022) variance narratives:**

- 1 Grants and subsidies is higher than anticipated by \$77.2 million (25.1%) due to an increase in spending on the Local Government network and Metronet related works (Thornlie Cockburn Link & Yanchep Rail Extension).
- 2 Other expenses is higher than anticipated by \$54.5 million (47.5%) due to additional road assets being retired as a result of road realignments and new projects.
- 3 Grants from other bodies is higher than anticipated by \$31.7 million (87.1%) due to additional road assets being transferred to Main Roads which includes Marriott Road.
- 4 Contributions to roadworks is higher than anticipated by \$47.6 million (26.3%) due to additional third party funding for road works. The work includes Metronet works and additional Principal Shared Path works.
- 5 Natural disaster funding receipts is lower than anticipated by \$79.2 million (99.3%) due to claims for flood damage related road repair not yet finalised.
- 6 Grants and subsidies is higher than anticipated by \$51.6 million (16.8%) due to increase in spending on the Local Government network and Metronet related works.
- 7 GST payments on purchases is underestimated by \$105.4 million (71.6%) due to higher GST payment this financial year as a result of higher level of project delivery.
- 8 GST receipts on sales is underestimated by \$19.8 million (167.3%) due to higher than anticipated input tax credit claims.
- 9 GST receipts from taxation authority is underestimated by \$87.5 million (64.8%) due to higher than anticipated input tax credit claims this financial year as a result of higher level of project delivery.

**Major actual (2022) and comparative (2021) variance narratives**

- A Supplies and services increased by \$108.9 million (22.8%) mainly due to higher level of road maintenance works compared to previous financial year. This included Pavement Repair program and bridge on Roy Hill Munjina Road.
- B Other expenses increased by \$17.7 million (36.8%) due to retirement of replaced infrastructure assets. Completed projects include Roe Highway and Kalamunda Road Interchange project, various bridge replacements and roads reseal program.
- C The contribution to roadworks increased by \$22.7 million (57.3%) due to more projects undertaken for third party during the year compared to previous year. Major projects delivered during the year included the bridge on Roy Hill Munjina Road and Buttsweld Road Realignment & Road Over Rail Bridge Construction (both contributed by BHP Billiton).
- D Grants from other bodies is decreased by \$1.4 billion (95.3%) compared to previous year due to unusually high value infrastructure assets were transferred in 2020-21 from Local Governments. Transfers included Ocean Reef and Gnaragar Road (from Marmion Avenue to Tonkin Highway), Curtin Avenue, Marmion Avenue (from Ocean Reef Road to Yanchep Beach Road), Broome Cape Leveque Road and One Arm Point Road.
- E Service appropriation increased by \$175.7 million (16.4%) predominantly due to the increase of Motor Vehicle Licence Fees – Road Traffic Act (\$139.1 million) and cash appropriation to deliver services (\$36.3 million) compared to 2020-21.
- F Income from other public sector entities increased by \$101.9 million (61.6%) mainly due to contributions by Public Transport Authority for Tonkin Gap project and Byford Rail Extension – Thomas Road Level Crossing Removal and Bridge Construction project. Income also included Department of Transport contribution for Principal Shared Paths (Kwinana Fwy West Side Mt Henry – Cranford) project.
- G Infrastructure assets increased by \$5.1 billion (10.4%) compared to previous year mainly due to revaluation of infrastructure assets applying ABS Road and Bridge construction Cost Index (\$3.9 billion). The increase is also contributed by high value infrastructure project works this year including Tonkin Gap and Bunbury Outer Ring Road.
- H Service appropriation increased by \$176.4 million (25.2%) mainly due to the increase of Motor Vehicle Licence Fees – Road Traffic Act (\$139.1 million) and cash appropriation to deliver services (\$36.3 million) compared to 2020-21.
- I The contribution to roadworks increased by \$191.5 million (517.8%) mainly due to contributions by Public Transport Authority for Tonkin Gap project and Byford Rail Extension – Thomas Road Level Crossing Removal and Bridge Construction project. Income also included Department of Transport contribution for Principal Shared Paths (Kwinana Fwy West Side Mt Henry – Cranford) project.
- J Road Trauma Trust Fund related receipts is lower by \$24.6 million (48.4%) due to less projects delivered under 'Metropolitan Intersection' and 'Regional Run-off Treatment' programs this financial year.
- K Natural disaster funding receipts is lower by \$29.9 million (98.2%) due to low level of claims for road repairs from flood damage during the year.
- L The receipt for Royalties for Regions Fund increased by \$38.9 million (78.5%) mainly due to the delivery of Albany Ring Road Stage 2, Karratha-Tom Price Road – Sealing of 50 km to Millstream, Square Kilometre Access Roads and Moonamang Road.
- M Payments for supplies and services increased by \$169.0 million (39.0%) mainly due to higher level of road maintenance works compared to previous financial year. This included Pavement Repair program and bridge on Roy Hill Munjina Road.
- N Payments for grants and subsidies increased by \$76.3 million (27.0%) mainly due to higher spending on the Local Government network which includes Metronet projects related works (Thornlie Cockburn Link & Yanchep Rail Extension).
- O GST payments on purchases increased by \$63.9 million (33.9%) due to higher GST payment this financial year as a result of higher level of project delivery.
- P Contribution to roadworks is higher by \$25.0 million (69.7%) mainly due to higher delivery of third party works. Major projects delivered during the year included the bridge on Roy Hill Munjina Road and Buttsweld Road Realignment & Road Over Rail Bridge Construction (both contributed by BHP Billiton).
- Q Commonwealth grants increased by \$147.3 million (17.7%) mainly due to the receipt of grants for Road Safety Program – WA, Bunbury Outer Ring Road (Stages 2 and 3) and Tonkin Gap.
- R GST receipts from taxation authority is higher by \$65.6 million (41.8%) due to higher input tax credit claims this financial year as a result of higher level of project delivery.
- S Payments for purchase of infrastructure assets is higher by \$459.5 million (35.8%) due to increased works on the infrastructure projects during in the year. Major projects include Tonkin Gap and Bunbury Outer Ring Road.

# Appendices

## Downloads

**The following additional supporting information is available in the online version of our Annual Report, available on our website.**

- Mandurah Estuary Bridge Duplication (Planning)
- EastLink WA (Planning)
- Manuwarra Red Dog Highway (Planning)
- Swan River Crossings, Fremantle (Planning)
- Armadale Road to North Lake Road Bridge
- Albany Ring Road
- Bunbury Outer Ring Road
- Great Eastern Highway Bypass Interchanges
- High Street Upgrade
- Leach Highway and Welshpool Road Interchange
- Mitchell Freeway Extension: Hester Avenue to Romeo Road
- Smart Freeways – Mitchell Southbound Hester Avenue to Warwick Road
- Smart Freeways – Mitchell Southbound Reid Highway to Vincent Street
- Tonkin Gap Project and Associated Works
- Thomas Road over Rail
- Coolgardie Esperance Highway (Emu Rocks)
- Stephenson Avenue Extension

# Managing our Information Assets

State Records Commission Standards and ISO 15489:2016 Records Management continues to guide best practice recordkeeping supported by ISO16175:2011 Principles and Functional Requirements for Records in Electronic Office Environments. Our amended Recordkeeping Plan 2022 has been submitted to the State Records Commission and provides guidance on the changing needs of our workforce and how we do business.

Our records management application has undergone multiple upgrades and is now TRIM CM 9.4 with 2,401 licensed users. Our records management processes were re-certified in 2022 to ISO 9001:2015 Quality Management and our bulk-scanning and document processing application has been upgraded to the latest version, Kofax TA 7.9.

## Our Service Delivery

Our information assets captured and used by employees to conduct work on behalf of government include 32,000 boxed records offsite, 5,500 boxed records onsite, 470,000 hardcopy and 103,000 virtual files onsite containing 17.9 million digital documents held in a 31 terabyte TRIM database. Library information assets include 23 research databases, 16,500 hardcopy books, 23,500 digital books held in an 8 terabyte DbText library database linked to historical information held within the TRIM database.

A dedicated Main Roads 'Working From Home' internal website provides general users with information to assist in saving and searching for documents using M365 and the TRIM Web Client during COVID restriction periods.

Our Digital Roadmap High priority has been given to application connection between M365 SharePoint Online and TRIM following progressive rollout of MS Teams during implementation of our modern workplace with improved governance processes, collaboration standards, technology and training. Business application databases, including TRIM, are being converted to 64 bit and saved in the cloud as we prepare for our next TRIM upgrade.

An Information Classification Policy has been developed for staged implementation, including:

- target TRIM, M365 and the Data Catalogue and establish labels to comply with WA State Government policy
- engage a specialist records company to review the current TRIM security model and establish classification labels
- engage a specialist M365 company to review sensitivity labels and security controls, set up proof of concept, provide user and administration training and develop an implementation plan.

Our system of capture Kofax TA7, provides bulk scanning and document processing using machine learning to automate the capture and storage of information to TRIM for further processing. All forms of incoming correspondence received at our head office go through Kofax TA7 and this year 49,427 items have been processed with considerable reduction in hardcopy scanning and storage to TRIM, as depicted below.

Year	Supplier Creation	Credit Notes	Accounts Payable	Statements	Invoices	Scanned General	Plans and Drawings	Total
2019-20	63	439	2,022	1,852	35,896	5,927*	1,796	<b>47,995</b>
2020-21	68	534	1,929	1,595	39,151	1,482*	2,490	<b>47,249</b>
2021-22	3	523	1,573	2,921	40,543	985*	2,879	<b>49,427</b>

\* reduced hardcopy scans

Day boxed scanned hardcopy is legally destroyed in accord with the General Disposal Authority for Source Records.

## Our Service Delivery continued

In addition to core activities, best practice recordkeeping and information management was used to complete the following projects and initiatives with these outcomes:

- conducted a TRIM CM 9.4 System Health Check
- amended and submitted our Recordkeeping Plan 2022 to State Records Commission
- upgraded KOFAX TA7 to version 7.9.09 and conducted configuration and testing for introduction of the PEPPOL e-invoicing network with document storage to TRIM
- finalised upgrade of the records management application to TRIM CM 9.4 and required updates to affected procedures and user guidelines
- upgraded, configured and tested third party Sigma applications for data imports, logs, drawings and pictures in TRIM for use with TRIM CM 9.4
- created and implemented Main Roads in-house mandatory Records Awareness training course
- created and implemented Main Roads in-house TRIM CM 9.4 course
- continued State Archiving Strategy – to date, 6,740 boxes and 20 drawing cabinets removed from the Regions and sent to offsite storage, including 2,798 boxes and 2,000 drawings this year
- completed scoping (650 boxes) – Albany archiving
- completed scoping (840 boxes) plus drawings – Kalgoorlie archiving
- continued compactus retirement – reviewed and archived closed bridge and property functional administrative files (5,500) to recover office space
- developed Library Services Manual as a staff mentoring aid
- developed Correspondence Processing Manual to assist Metropolitan and Regional records staff
- developed Archiving Procedures Manual to assist induction of Metropolitan contract records staff
- published the Contract RKP Compliance Guidelines on our website to assist contract companies to complete and submit their Contract RKPs to Main Roads Superintendents

Our Record keeping Code of Practice for the Management of Contract Records is available on our website and guides compliance with SRC Standard 6: Outsourcing. Under this Code, submission of a Contract Recordkeeping Plan is required from contract companies within 28 days for approval. Contract Recordkeeping Plan reviews are conducted by a records practitioner prior to sign off and this year seven reviews were completed.

Records management operations and projects are supported by our TRIM support help desk which performs daily audits to protect critical records from deletion and triage customer enquiries. This year 6,324 TRIM enquiries were received through multiple communication channels with most resolved within 24 hours. Documents and other items stored to TRIM (1.54 million) indicate continued steady growth and audit logs indicate more than 80 per cent of employees consistently use TRIM.

### TRIM ITEMS REGISTERED



## Response to Future Trends

The suitability and dependability of information systems is crucial to the delivery of information, technology and communications in our business.

Services provided to our people and customers are delivered over a complex state-wide technology network consisting of three data centres with 1,300 servers (1,200 virtual), 3,500 end-user devices delivering 350 applications accessing 608 terabytes of data, wireless connectivity and a voice over IP (VOIP) network including MS Teams.

To advance the digital vision of the organisation and play a lead role in technical innovation and collaboration, an Enterprise Architecture Office has been created. In line with this vision, a more holistic approach to managing information is now being taken to improve information lifecycle management, data modelling and effective information governance. This is a prerequisite to the sharing of information between the Transport Portfolio and other government agencies, while also addressing agreed focus areas in our ICT Strategy.

Real-time analytics using large volumes of data requires new skills, tools and processes to link, interpret and extract value from the many data sources available to Main Roads. This requires advanced analytics competency to provide advice, tools and techniques to business areas for decision making purposes. Efforts continue to broaden our data and analytics capabilities.

Cyber security remains challenging in reducing security risks for both federal and state government and we are proactively improving resilience to threats, vulnerabilities and challenges to drive protective security improvements using a systematic and managed approach.

Traditional ICT no longer applies given a rapidly changing technology landscape demanding stability, mobility, agility and responsiveness. This has resulted in considerable change of the ICT structure and how it conducts business. Challenges remain in upgrading aged systems, hardware, and services as we progressively shift focus to cloud storage and technologies.

## Our Training

We support good recordkeeping practices through our training programs providing a suite of training courses, online and localised inductions, business process re-engineering, short courses and a range of delivery methods. Regular updates to policies, procedures, user and system training guides, FAQs, news items, available services and contacts have been provided to users through our internal website and email distribution lists. Individual assistance is also available through remote online support and a dedicated TRIM support helpdesk.

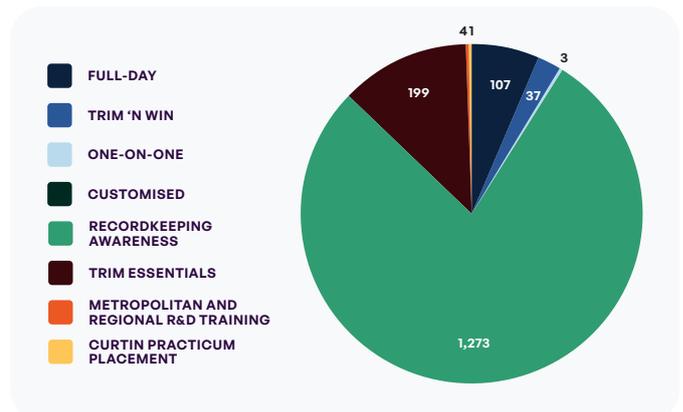
All past documents were updated accordingly with the rollout of TRIM CM 9.4. Our training courses were also scaled down into two new online training courses, released in February 2022 and are now mandatory for all new starters and existing staff. The online courses represent the culmination more than two years of research and development, ensuring our staff have fundamental knowledge of the updated records system and their record keeping obligations.

Together with successful uptake of the online training, we will be working towards increasing the variety of virtual training sessions delivered through MS Teams to further extend the reach of records training to offsite and regional staff.

Uptake, progress and completion of records training continues to be monitored as detailed below:

Training	2020-21	2021-22
Full-Day	25	107
TRIM 'n Win	1	37
One-on-One	0	3
Customised	0	0
Recordkeeping Awareness	0	1,273
TRIM Essentials	0	199
Metropolitan and Regional R&D Training	7	4
Curtin Practicum Placement	0	1
<b>*Total Trained</b>	<b>33</b>	<b>1,624</b>

\* Note: Training paused during 2020/21 due to TRIM Upgrade and COVID



# Additional Disclosures

## Additional Financial Disclosures

### 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 of Transport and the Treasurer.

	2021-22 Target <sup>(1)</sup> \$000	2021-22 Actual \$000	Variation <sup>(2)</sup> \$000
Total cost of services	1,376,722	1,565,498	188,776 (a)
Net cost of services	311,434	473,885	162,451(b)
Total equity	55,811,377	58,958,286	3,146,909(c)
Salary expense limit	61,345	68,247	6,902 (d)
Borrowing limit	-	-	(e)

(1) As specified in the Budgets Statements.

(2) Further explanations are contained in Note 10 'Explanatory statements' to the financial statements.

a) The variation in Total Cost of Services is mainly due to:

- Supplies and services increased by \$41.371 million mainly due to higher level of road maintenance works than anticipated. This included Pavement Repair program and bridge on Roy Hill Munjina Road.
- Grants and subsidies is higher than anticipated by \$77.2 million due to an increase in spending on the Local Government network and Metronet related works (Thornlie Cockburn Link & Yanchep Rail Extension).
- Other expenses is higher than anticipated by \$54.5 million due to additional road assets being retired as a result of road realignments and new projects.

b) The variation in Net Cost of Services is mainly due to:

- An increase in Total Cost of Services as outlined above.

c) The variation in Total Equity is mainly due to:

- The Infrastructure Asset value was underestimated by \$3.400 billion compared to the Original Target.

d) The variation in Salary Expense is mainly due to:

- A reduced number of staff members taking leave due to COVID-19 international border impacts.

e) Main Roads did not borrow any funds during the 2021-22 financial year.

	2020-21 Agreed Limit <sup>(1)</sup> \$000	2020-21 Actual \$000	Variation <sup>(2)</sup> \$000
Agreed Working Cash Limit	47,241	52,309	5,068 (f)

f) The variation in Working Cash Limit was a result of more Commonwealth Milestone Revenue received because of capital project milestones being achieved earlier than anticipated.

### CAPITAL WORKS

All disclosures in relation to capital works are included in the Financial Statements and Notes. Our annual Strategic Asset Plan details our 10-year investment needs and drivers. The Strategic Asset Plan adheres to the Department of Treasury's Strategic Asset Management Framework. Each major capital project follows the national Austroads project evaluation methodology where a Benefit Cost Ratio (BCR) is calculated incorporating quantifiable economic data and is 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 Corporate Executive monthly. Indirect economic benefits are now being measured to assess the wider positive impacts delivered to the economy through enabling infrastructure. We have adopted a post project evaluation framework endorsed by Australian Transport Assessment and Planning and is a key feature of ISCA's Rating Tool, V2.0 to measure project success.

## ETHICAL PROCUREMENT

The Western Australian Procurement Act 2020 (the Act), and Western Australian Procurement Rules (the Rules) came into full operation on 1 June 2021, replacing the State Supply Commission Act 1993 and Policies. Our procurement processes comply with the new requirements and continue to be certified to ISO 9001:2015. An ongoing compliance program is in place to ensure these policies and procedures are adhered to.

In addition to this, we introduced periodical integrity data analytics reviews to enhance the compliance program and any findings are addressed.

A Tender Committee, consisting of two experienced senior officers from our organisation and two senior external government officials, provides additional assurance that procurement actions comply with policies and standards for high-risk and potentially contentious procurements. External probity auditors are engaged for large, complex or controversial procurement activities.

## SOCIAL AND SUSTAINABLE PROCUREMENT

The Government introduced the Western Australian Social Procurement Framework to enable improved social, economic and environmental benefits by leveraging government's procurement activity to improve community outcomes.

The Framework brings together all the state's social and sustainability policies and in conjunction with the Social Procurement Framework Practice Guide gives a clear message that social procurement forms part of value for money decision making. We have a range of practices and internal policies in place to deliver sustainable and social procurement outcomes that exceed the state's requirements.

- We have exceeded the requirements of the State Aboriginal Procurement Policy mandated targets with 43 contracts being awarded to registered Aboriginal business at a value of \$19 million.
- We had minimum mandatory targets for Aboriginal employment and business engagement in our major works contracts. During the year, 586,740 hours were worked by Aboriginal people on our contracts, with an Aboriginal business spend of \$86.4 million.
- The WA Government's Buy Local Policy is applied in the evaluation of tenders and requires the successful contractor to report monthly on Buy Local commitments.
- The Western Australian Industry Participation Strategy is applied to all contracts that meet the value thresholds. Tenderers are required to submit participation plans to detail employment and local subcontracting opportunities that will arise if awarded the contract.

## PROCUREMENT GRIEVANCES

Our procedure for dealing with procurement grievances is referenced in all tender documents and is accessible from our website. Endorsed by the Western Australian Road and Rail Construction and Maintenance Industry Advisory Group, the procedure provides for a customer-focused, fair, structured and relationship-based approach to reviewing grievances lodged by contractors. Only one grievance was received during the year confirming our procurement processes continue to be fair and equitable.

## UNAUTHORISED USE OF CREDIT CARDS

We hold 564 corporate credit cards with transactions reviewed for personal use by incurring and certifying officers during statement processing.

During the financial year there were 26,314 credit card transactions totalling \$10,333,154.48, of which 34 transactions totalling \$1,498.27 were found to be for personal expenditure.

- All transactions were accidental use of the corporate card instead of a personal card and have been repaid by the cardholder.

Due to the nature of the personal expenditure in each instance, no disciplinary action was deemed to be required.

## PRICING POLICIES OF SERVICES PROVIDED

Our supply of goods and services represents works and services carried out for other public sector and private bodies on a cost recovery basis. Details are available in the notes to the Financial Statements. Relevant pricing policies we set are developed in accordance with the Department of Treasury's Costing and Pricing Government Services Guidelines.

## Statement of Expenditure

In accordance with Section 175ZE of the *Electoral Act 1907*, Main Roads incurred expenses of \$431,268.00 during 2021-22 in advertising, market research, polling, direct mail and media advertising. Expenditure was incurred in the following areas:

	\$
<b>Advertising Agencies</b>	<b>Nil</b>
<b>Direct Mail Organisations</b>	<b>Nil</b>
<b>Market Research Organisations</b>	
Metrix Consulting Pty Ltd	236,668
<b>Market Research Organisations Total</b>	<b>236,668</b>
<b>Polling Organisations</b>	<b>Nil</b>
<b>Media Advertising Organisations</b>	
Angry Chicken	2,900
Carat Australia Media Services Pty Ltd	17,200
Facebook	11,500
Initiative Media Australia	163,000
<b>Media Advertising Organisations Total</b>	<b>194,600</b>
<b>Grand Total</b>	<b>431,268</b>

## Additional Environmental and Sustainability Disclosures

### INFRASTRUCTURE SUSTAINABILITY RATING STATUS

We use the Infrastructure Sustainability (IS) Rating Scheme to evaluate sustainability within our highest value major projects. We have mandated that all projects greater than \$100 million will be formally registered to undergo an IS rating. The table below indicates the status of our registered ratings across the project phases of planning, development, design and construction.

We are seeking to expand sustainability practice within our projects. Main Roads' participation as a Pioneer Partner in the Infrastructure Sustainability Councils IS Essentials tool will potentially help facilitate a sustainability rating scheme suitable for smaller infrastructure projects and lead to improved outcomes in the civil construction sector both for Main Roads and for local governments. Main Roads currently has four projects registered for IS Essentials. These are Great Eastern Highway Wooroloo Upgrade; Great Northern Highway – Apple Roundabout; Smart Freeways Mitchell Southbound Reid Highway to Vincent Street; and the Causeway Pedestrian and Cyclist Bridge.

Program	Project	IS Version	Rating Phase	Target Rating	Tracking Status
<b>Great Northern Highway Muechea to Wubin Stage 2 Upgrade</b>	Overall Program	1.2	Certified	Commended	Verified Commended As Built
	Muechea North	1.2	Certified	Commended	Verified Commended As Built
	New Norcia Bypass	1.2	Certified	Commended	Verified Commended As Built
	Walebing	1.2	Certified	Commended	Scoped Out for As Built
	Miling Bypass	1.2	Certified	Commended	Verified Commended As Built
	Miling Straight	1.2	Certified	Commended	Verified Commended As Built
	Pithara	1.2	Certified	Commended	Verified Commended As Built
	Wubin	1.2	Certified	Commended	Scoped Out for As Built
<b>NorthLink WA</b>	Northlink WA Southern Section	1.2	Certified	Excellent	Verified Excellent As Built
	NorthLink WA Central Section	1.2	Certified	Excellent	Verified Excellent As Built
	NorthLink WA Northern Section	1.2	Certified	Excellent	Verified Excellent As Built
<b>Metropolitan Roads Improvement Alliance</b>	Armadale Road	1.2	As Built	Excellent	Verified Excellent As Built
	Murdoch Activity Centre	1.2	As Built	Excellent	Verified Excellent As Built
	Wanneroo Road Duplication	1.2	As Built	Excellent	Verified Excellent As Built
<b>Armadale Road</b>	Armadale Road Northlake Road Bridge	2	As Built	Silver	Verified Bronze Design
<b>Albany Ring Road</b>	Albany Ring Road	2.0/2.1	Design	Silver	Bronze
<b>Bunbury Outer Ring Road</b>	Bunbury Outer Ring Road	2.0/2.1	Design	Silver	Silver
<b>Mitchell Freeway</b>	Mitchell Freeway Extension – Hester Romeo	2.0	Design	Silver	Silver
<b>Tonkin Highway</b>	Tonkin Gap and Associated Works	2.0/2.1	Design	Silver	Silver
<b>Great Eastern Highway Bypass Interchanges</b>	Great Eastern Highway Bypass Interchanges	2.0/2.1	Design	Silver	Silver
<b>Stephenson Avenue Extension</b>	Stephenson Avenue Extension	2.1	Design	Confidential Design and As Built Rating	Confidential Design and As Built Rating
<b>Smart Freeways Mitchell Freeway</b>	Hester Avenue to Warwick Road	2.1	Design	Confidential Design and As Built Rating	
<b>Tonkin Highway</b>	Tonkin Highway Extension	2	Planning	Bronze	Verified Bronze Rating
<b>Swan River Crossings</b>	Swan River Crossings	2	Planning	Bronze	Bronze; awaiting round 2 verification
<b>Tonkin Highway</b>	Tonkin Grade Separations	2	Planning	Bronze	Verified Bronze Rating
<b>Great Eastern Highway</b>	Great Eastern Highway Bypass (Roe Highway and Abernethy Road)	2	Planning	Bronze	Bronze
<b>Karratha-Tom Price Road</b>	Manuwarra Red Dog Highway (Karratha-Tom Price Road Stage 4)	2	Planning	Bronze	Silver
<b>EastLink WA</b>	EastLink WA Package 1: Reid Highway Grade Separations	2	Planning	Bronze	Bronze
	EastLink WA Package 2: Roe Highway to Clackline	2	Planning	Bronze	Bronze
	EastLink WA: Package 3 Clackline to Northam	2	Planning	Bronze	Bronze
<b>Mandurah Estuary Bridge Duplication</b>	Mandurah Estuary Bridge Duplication	2	Planning	Bronze	Bronze

## EMISSIONS BY TYPE DUE TO OPERATIONS AND CONGESTION

A cloud-based data factory has been developed to collate and report road network performance data across major roads in metropolitan Perth. This is part of a commitment to develop a data-driven approach, based on agreed performance metrics and targets for addressing congestion.

The data system collates speed and volume information from multiple data sources across the 4,300 links, which currently represent the Perth major road network. Data is recorded on each link for every 15-minute interval dating back to January 2013. This system has been named the Network Performance Reporting System (NetPReS). Using the Australian Transport Assessment and Planning Guidelines 2016 published by the Transport and Infrastructure Council, NetPReS data has been used to estimate emissions trends on state roads and significant local roads in the Perth metropolitan area.

We directly manage the traffic flow of vehicles, a flow with environmental impacts, including carbon emissions and air quality, through road network use. The following tables reflect the impact of roads we directly manage on energy use and emissions and they give an indication of impact on air quality.

### Annual Emissions due to Operations

#### Estimates for Perth Metropolitan State Road Network and Significant Local Roads

	2020	2021	2022
MVKT	9,644	11,043	10,740
Fuel Consumed (kl)	1,285,000	1,457,000	1,425,000

#### Emissions by Type (tonnes per year)

	2020	2021	2022
CO <sub>2</sub>	2,975,000	3,374,000	3,300,000
CH <sub>4</sub>	389	441	431
N <sub>2</sub> O	90	102	100
NO <sub>x</sub>	1,559	1,767	1,728
CO	11,196	12,695	12,416
NMVOG	3,885	4,405	4,308
SO <sub>x</sub>	204	231	226
PM <sub>10</sub>	36	41	40

### Annual Emissions due to Congestion

#### Estimates for Perth Metropolitan State Road Network and Significant Local Roads

	2020	2021	2022
Fuel Consumed (kl)	50,000	64,000	46,000

#### Emissions by Type (tonnes per year)

	2020	2021	2022
CO <sub>2</sub>	116,000	148,000	130,000
CH <sub>4</sub>	15	19	17
N <sub>2</sub> O	4	4	4
NO <sub>x</sub>	61	78	68
CO	436	558	488
NMVOG	151	194	169
SO <sub>x</sub>	8	10	9
PM <sub>10</sub>	1	2	2

## EMISSIONS METRICS

### Scope 1 or 2 and 3

#### GHG Type (t CO<sub>2</sub>)

	2020	2021	2022
Fuel	3,412	3,755	34,621
Street and traffic lights	20,236	20,303	11,044
Buildings	4,152	3,255	3,303
Air travel*	180	236	313
Projects and maintenance fuel use*	20,670	16,794	40,362
Waste*	6,739	16,788	18,234
Offsets	-3,008	-3,356	-3,185
<b>Total</b>	<b>52,381</b>	<b>57,775</b>	<b>104,692</b>

\* Note: Air travel, project and maintenance fuel usage and waste are Scope 3 emissions

## Additional Environmental and Sustainability Disclosures continued

### EMISSIONS METRICS continued

#### Scope 1 or 2 and 3

GHG Category (t CO <sub>2</sub> )	2020	2021	2022
Scope 1	3,375	3,911	3,531
Scope 2	22,882	23,402	20,713
Sub Total	26,257	27,213	24,052
Offsets	-3,008	-3,356	-3,185
<b>Total</b>	<b>23,249</b>	<b>23,957</b>	<b>20,867</b>
Scope 3	29,132	33,818	83,825

#### Energy Use by Source

Energy Source	2020	2021	2022
Electricity usage (MJ) (within)	123,072,434	125,353,645	125,203,879
Installed Renewable Energy (MJ) (within)	3,202,232	3,590,177	3,948,307
Fuel and gas usage (MJ) (within)	49,182,637	49,006,760	53,008,896
Projects and maintenance (outside)	277,381,557	225,371,098	223,868,024

#### Intensity Indicators

	2020	2021	2022
MJ per km State Road	9,249	9,327	9,499
Scope 1 and 2 t CO <sub>2</sub> per km State Road	1.41	1.46	1.31

### IMPORTED ROAD CONSTRUCTION MATERIALS

Indicator	2020 (000)	2021 (000)	2022 (000)
Sand (t)	175.7	342.1	3,540.0
Gravel (t)	2,408.5	294.9	1,064.7
Crushed rock (t)	895.0	130.7	434.5
Limestone (t)	148.3	23.5	396.6
Aggregate (t)	70.6	23.6	62.7
Asphalt (t)	250.7	217.9	58.8
Bitumen	2,563.8	161.0	95.9
Bitumen cutter	653.4	3.8	15.6
Emulsion	1,775	112.2	78.9
Concrete and steel (t)	44.1	16.2	17.5
Concrete	34.3	34.3	113.5
Cement stabilised backfill	33.2	8.7	34.2
Mulch	2.4	0.4	3.1
Other (steel, paint, glass, primer, topsoil) (t)	13.1	36.2	97.4

### IMPORTED RECYCLED CONSTRUCTION MATERIALS

Indicator	2020 (000)	2021 (000)	2022 (000)
Sand (t)	13.9	259.8	3821.6
Road base (t)	57.2	13.3	34.2
Asphalt/profiling (t)	13.4	8.4	0.3
Crushed glass (t)	56.0	0	0
Rehabilitation purposes (t) – unsuitable material	4.3	3.1	16.8
Other (crumbed rubber, limestone, plastic, concrete, steel, topsoil, mulch) (t)	13.6	70.8	258.4
Imported construction materials with an eco-label (t)	1.5	73	14.4

## WASTE MATERIALS TO LANDFILL (WASTE)

Indicator	2020 (000)	2021 (000)	2022 (000)
Kerbing/concrete (t)	3.1	2.5	2.3
Existing seal (t)	1.2	0.6	0.0
Unsuitable material (t)	27.0	4.7	6.0
Site office/general waste	0.6	0.1	2.7
Contaminated material	77.6	14.3	0.05
Other (roadside litter/waste, plastics) (t)	1.9	24.3	30.3

## MATERIALS RECYCLED

Indicator	2020 (000)	2021 (000)	2022 (000)
Sand (t)	118.3	529.6	36.7
Road base (t)	5.2	5.0	4.5
Asphalt/profiling (t)	2.2	7.7	5.0
Steel (t)	0.8	0.4	1.1
Concrete (t)	12.7	13.5	45.9
Office waste, general, roadside litter (t)	7.7	0.4	0.8
Timber	0.6	0.2	0.3
Rock	0.3	0	0
Other (green waste, plastic, topsoil, hydrocarbons) (t)	3.6	2.3	3.0

Data is based on the calendar year

## WASTE MANAGEMENT: ROADSIDES, BUILDINGS AND FACILITIES

From design, construction, operation and management perspective, we continue to incorporate improved waste management practices in our offices and depots. Design and construction of offices and depots incorporates waste management principles to achieve Green Star and 5-Star NABERS ratings (National Australian Build Environment Rating System). Construction contractors are required to follow specific waste management practices.

From an operational perspective, the separation of general office waste and recyclables is encouraged by providing paper recycling bins (240 L bins in utility areas and smaller bins in office spaces), battery recycling containers and printer cartridge recycling. Documents that contain sensitive or confidential information are collected in secure bins and are then able to be shredded and recycled. Waste collection contractors provide reports on the volumes of general and recyclable waste collected.

A waste separation trial has been successfully completed in our head office at the Don Aitken Centre cafe. This will be rolled out to the building in 2022-23, creating centralised collection points for organics, co-mingled recycling and general waste, plus the removal of individual waste bins at workstations.

The reduction of single use plastics continues to be encouraged, with the use of alternative bin liners, replacing disposable cups with a biodegradable paper product and removing plastic cups from some areas altogether.

Waste avoidance strategies in our office facilities include:

- setting printers and photocopiers to print on both sides by default
- encouraging electronic files rather than hard copy
- encouraging the use of ceramic cups, crockery and cutlery (with the exception of sharing these items during the COVID-19 period) rather than disposable products
- providing mechanical hand dryers as an alternative to paper towel.

Our operational depots also support good practice waste management initiatives by separating different waste categories and either recycling or disposing as appropriate. Depot waste may be a by-product of the depot activities (such as from laboratories) or temporary storage of waste from road projects or maintenance. Our depots have waste management plans for asbestos, concrete, steel, aluminium, batteries and waste oil. Recycling and disposal opportunities depend on the availability of these services in the region the depot is located.

We collaborate with key stakeholders and community groups to reduce litter and illegal dumping through greater community and state and local government agency buy-in. We continue to implement our Litter Prevention Strategy for Western Australia 2020-25. This follows an earlier strategy developed with the primary objective of educating road users to take litter with them, rather than leave it behind. The strategy aims to reduce littering and illegal dumping and has key focus areas of roadsides, rest areas, illegal dumping, loose loads and abandoned vehicles. Implementing the strategy involves boosting public awareness as well as increasing community buy-in and participation in litter reduction programs and behaviours. To facilitate this objective we provide a \$30,000 annual sponsorship to Keep Australia Beautiful.

## Additional Environmental and Sustainability Disclosures continued

### STAKEHOLDER MAP – STAKEHOLDER INCLUSIVENESS

We engage with two broad categories of stakeholders, adjusting our engagement approach to meet their needs.

#### PROJECT STAKEHOLDERS

Project stakeholders are a person, business, organisation or group, interested in or impacted by a project or initiative we are undertaking. Initial identification occurs during the planning stages of a project and new stakeholders are identified through the project lifecycle based on their interest or impact. Project stakeholders can vary from project to project and are tracked and managed in our Customer Relationship Management System (CONNECT).

#### CORPORATE STAKEHOLDERS

Corporate stakeholders are a person, business, organisation or group interested in or impacted by our agency who may partner with us and influence or hamper the work we do. Corporate stakeholders are identified using an annual process involving internal stakeholders across the entire organisation.

Timing of the process aligns with Main Roads business planning cycle, to ensure that stakeholder engagement is a key enabler of business plans at all levels.

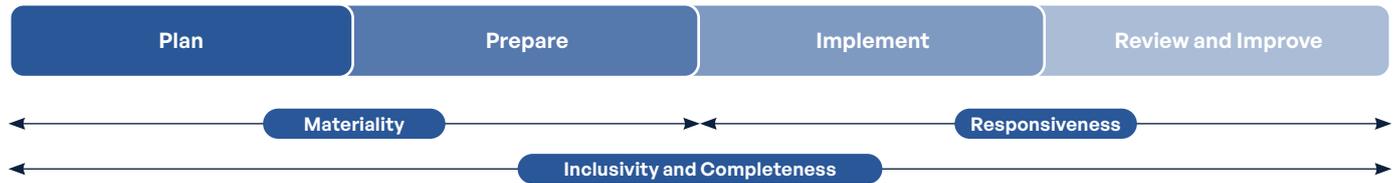
### OUR APPROACH TO STAKEHOLDER ENGAGEMENT

We have adopted the AA1000 Stakeholder Engagement Standard 2015 (AA1000SES) to help us design, implement and assess quality stakeholder engagement delivering integrated, sustainable outcomes.

Our engagement principles of Inclusivity, Materiality and Responsiveness are based on AA1000SES. We have also adopted the principle of Completeness to align with our commitment to sustainability, driven by the Global Reporting Initiative.



The AA1000SES principles, as seen below underpins our engagement process to ensure we can effectively manage expectations about how feedback and involvement will influence decision-making, while considering project, commercial and political realities.



Frequency of engagement with each project stakeholder group depends on the specific concern or method of engagement identified in the Project Communications and Engagement Strategy. Each engagement is tracked and managed through our Customer Relationship Management System. Corporate stakeholder type and frequency of engagement is identified in the annual Corporate Stakeholder Engagement Action Plan and is dependent on the stakeholder concern and priority level.

### PROJECT STAKEHOLDER CONCERNS

Project stakeholder concerns are unique to each project and identified during the stakeholder engagement planning process. These concerns are determined using a desktop approach that interrogates media, ministerial and customer data sources, and usually depend on the risks associated with the project. Responses to topics and concerns are articulated in the project Communication and Engagement Strategy, which differs from project to project.

### CORPORATE STAKEHOLDER CONCERNS

We determine corporate stakeholder concerns using a biennial materiality review, performed in accordance with the Global Reporting Initiative. The review draws from our corporate and legislative requirements, key risks, media and ministerial topics and peer reporting practices to determine what is important to our stakeholders. To view the broad current concerns and how they are being addressed, refer to the Addressing our Material Issues section of this report.

### LAND ACQUISITION FOR ROAD PROJECTS

In instances where 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 in the Western Australian *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. Landowners have certain rights under the Act, such as the ability to object to the land take proposal and are entitled to compensation. Further information is available on our website.

## Additional Governance Disclosures

### OUR LEGISLATION

The *Main Roads Act 1930 (WA)*, as amended, establishes the Commissioner of Main Roads as a corporate body and sets out the powers and duties of the office. The *Act* also has subsidiary legislation under it, namely the *Main Roads (Control of Advertisements) Regulations 1996 (WA)* covering Main Roads powers with respect to advertisements in or near the road reserve and the *Main Roads (Engineering Cadets) Regulations 1982 (WA)* covering the selection of cadets and other particulars. Additional Western Australian legislation guiding, and empowering Main Roads includes:

- the *Land Administration Act 1997 (WA)* provides powers for the resumption of and entry onto land
- section 131 of the *Road Traffic (Administration) Act 2008 (WA)* makes those responsible for damage to the road jointly and severally liable to Main Roads for damages
- Regulation 297 of the *Road Traffic Code 2000 (WA)* provides the Commissioner with the power to erect road signs, traffic signals and install road marking and allow an authorised body to do certain related things
- regulation 291 of the *Road Traffic Code 2000 (WA)* allows Main Roads to temporarily close a road subject to certain conditions
- section 40 of the *Road Traffic (Vehicles) Act 2012 (WA)* provides the Commissioner with the authority to give an access approval for a complying restricted access vehicle to be on a road
- section 33 of the *Road Traffic (Vehicles) Act* provides the Commissioner with the authority to modify a mass or dimension requirement, as provided in the Regulations. *The Road Traffic (Vehicles) Act 2012 (WA)* contains a variety of powers related to heavy vehicles including the power to give an access approval (section 40), accreditation of persons in relation to heavy vehicles (Division 4)
- *Road Traffic (Events on Roads) Regulations 1991 (WA)* set out approvals required from the Commissioner of Main Roads or their delegated authority with respect to events on roads.

We have processes and controls in place ensuring our compliance with other state and Commonwealth legislation and regulations impacting on our activities.

### MINISTERIAL DIRECTIVES

There were no directives issued during the year by the Minister for Transport under section 19(b) of the *Main Roads Act 1930 (WA)*, as amended.

### FREEDOM OF INFORMATION

The *Freedom of Information Act 1992 (WA)* gives a general right to apply for access to documents held by government agencies. An information statement in accordance with the requirements of the Freedom of Information (FOI) Act is available on our website. This statement provides a guide on how to apply for access to documents, as well as information about documents that may be available outside of the FOI process. During the year, we received 61 FOI applications. Enquiries on FOI can be emailed to: [foi@mainroads.wa.gov.au](mailto:foi@mainroads.wa.gov.au).

### CUSTOMER PRIVACY

Main Roads as with all Western Australian Government agencies, is not subject to the Privacy Act 1988 (Cwth) and to date we do not have an equivalent statute. However where possible, we adhere to the Australian Privacy Principles set out in Schedule 1 of the Privacy Act. Work is being conducted by the Department of Premier and Cabinet to introduce new whole-of-government privacy and responsible information sharing legislation for the Western Australian public sector. We value the privacy of our customers and comply with the CCTV Usage Policy that outlines appropriate use and we do not automatically record on our CCTV cameras. We also operate in accordance with the Surveillance Devices Regulations 1999 (WA). Our approach to privacy is available on our website.

### PUBLIC INTEREST DISCLOSURES

We are committed to the aims and objectives of the *Public Interest Disclosure Act 2003 (WA)*. We recognise the value and importance of contributions by staff to enhance administrative and management practices and strongly support disclosures being made by staff regarding improper conduct. The Public Interest Disclosure Guidelines are available on iRoads to all staff.

### CONFLICTS OF INTEREST AND ACCEPTANCE OF GIFTS

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

Where a conflict of interest (whether actual, potential or perceived) has been identified, strict procedures must be followed, including declaration to the Manager Legal and Insurance Services.

We also have a confidential Conflict of Interest Register that is maintained by the Manager Legal and Insurance Services.

Each Corporate Executive member signs a representation memorandum addressed to the Managing Director that includes a section on personal interests in our 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.

To ensure compliance with the Australian Accounting Standard AASB 124, a Related Party Transaction Declaration is signed by all senior officers declaring personal details, controlling interests and transactional details. These records are audited to ensure Internal Control processes are consistently managed.

Our Integrity Framework states that Main Roads' 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 or hospitality
- engaged in actions where a conflict of interest (whether perceived, potential or actual) arises in the course of their duty or contract obligations.

All gifts and benefits received or refused must be declared in the Gifts and Benefits Register that is maintained by the Manager Legal and Insurance Services.

### INTEGRATED MANAGEMENT SYSTEM

Our Integrated Management System brings together our third-party certified systems and processes into a single framework. During the year we undertook a surveillance audit confirming we continue to comply with all requirements.

#### Current Certification

Standard	Processes
ISO 9001:2015 Quality Management Systems	Project Management Contract Management Supply Corporate
ISO 14001:2015 Environmental Management Systems	Environmental
ISO 45001:2018 Occupational Health and Safety Management Systems	Occupational Health and Safety
Australian Government Building and Construction Work Health and Safety Accreditation Scheme – Office of the Federal Safety Commissioner	Occupational Health and Safety

# Road Facts Summary Sheet

	WA	Australia	WA (%)
Area (square km)	2,526,632	7,688,094	32.9
Population	2,749,864	25,688,079	10.7
Licensed drivers and riders <sup>1</sup>	1,911,979	N/A	—
Vehicles on register including motorcycles	2,314,712	20,142,942	11.5
Annual vehicle kilometres travelled (VKT) (100 million VKT)	275.2	2,482.8	11.1
Road length excluding DBCA roads (kilometres)	147,542	N/A	—
Fatalities (for calendar year 2020)	166	1,127	14.7
Fatalities/100 million VKT	0.6	0.5	—
Fatalities /100,000 persons	6.2	4.4	—
Fatalities/10,000 vehicles	0.7	0.6	—
Serious injuries (for calendar year 2020)	1,587	N/A	—
Serious injuries/100 million VKT	5.8	N/A	—
Serious injuries /100,000 persons	59.2	N/A	—
Serious injuries/10,000 vehicles	6.9	N/A	—

<sup>1</sup> Active licences only

N/A Not available

DBCA Department of Biodiversity, Conservation and Attractions

## SOURCES

Area	ABS Regional Population, 2020-21 (Cat. No. 3218.0) – 29 Mar 2022
Population	ABS Regional Population, 2020-21 (Cat. No. 3218.0) – 29 Mar 2022
Licensed Drivers	Driver and Vehicle Services, Department of Transport – 30 June 2021
Vehicles on Register	ABS Motor Vehicle Census (Cat. No. 9309.0) – 30 June 2021
Vehicle Kilometres Travelled	Estimate by Road Safety Branch
Road Length	Main Roads Corporate System (IRIS) – 20 June 2022
Fatalities	Main Roads Crash System and BITRE Road Deaths Australia – December 2021
Serious Injuries	Main Roads Crash System – 20 June 2022

## Road Classifications (as at 30 June 2021)

	Sealed (km)	Unsealed (km)	Total (km)	Sealed (%)
National Land Transport Routes	5,539	0	5,539	100
Highways	5,526	105	5,631	98
Main Roads	7,038	737	7,775	91
<b>Sub-Total</b>	<b>18,103</b>	<b>842</b>	<b>18,945</b>	<b>96</b>
Local Roads regularly maintained	40,375	87,278	127,653	32
Local Roads not regularly maintained	58	886	945	6
<b>Sub-Total</b>	<b>40,433</b>	<b>88,164</b>	<b>128,598</b>	<b>31</b>
Roads managed by DBCA	365	34,737	35,102	1
<b>Total WA Road Network</b>	<b>58,901</b>	<b>123,743</b>	<b>182,645</b>	<b>32</b>

### SOURCES

Corporate and local extracts as at 20 June 2022 from Main Roads Corporate System (IRIS)  
Department of Biodiversity, Conservation and Attractions

### NOTES

Local road lengths are reported information received from local government  
Local roads with cross section type "unconstructed" or "unknown" have been excluded  
Privately maintained roads have been excluded

# Glossary

WORD	DEFINITION
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.
Community Engagement	Involving communities when prioritising and developing services in their own area. This includes consultation as well as more active processes so that communities can help to formulate plans or influence local developments.
Corporate Governance	The way we balance compliance against risk-taking as we direct, control and are held accountable for our performance.
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.
Grade Separation	The separation of road, rail or other traffic so that crossing movements, which would otherwise conflict, are at different elevations.
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 lost-time injury/diseases divided by the number of employees * 100.
Main Road	A principal road in the road system.
Maintenance	The work on an existing road and infrastructure to maintain its efficiency or quality.
Median	A strip of road that separates carriageways for traffic in opposite directions.
MyHR	Main Roads HR self-service interface system for employees.
Overlay	The addition of one or more courses of pavement material to an existing road surface 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.
Performance Indicator	A simple measure that allows objective comparisons such as road maintenance costs per kilometre in a region. This can then be compared to other regions and monitored.
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 – a viscous liquid or solid impure mixture, consisting of hydrocarbons and their derivatives, used for road surfacing.
Stakeholder	Individuals or groups of people with a direct interest, involvement or investment in something.
Strategy	How a broad objective will be approached.
Sustainability	The long-term balance of social, environmental and economic factors into our activities, decision-making and investment processes.

# Acronyms

ACRONYM	DEFINITION
ABD	Aboriginal Business Directory
AEL	Audible Edge Lines
EV	Electric Vehicle
EPA	Environmental Protection Authority
BCR	Benefit Cost Ratio
BORR	Bunbury Outer Ring Road
CaLD	Culturally and Linguistically Diverse
CCTV	Closed-Circuit Television
CIC	Customer Information Centre
CPA	Certified Practising Accountant
CPS	Community Perception Survey
CRC	Crush Recycled Concrete
DAWE	Department of Agriculture, Water and the Environment
EEO	Equal Employment Opportunity
EPA	Environmental Protection Authority
EV	Electric Vehicle
FTE	Full-Time Equivalent
FVPIP	Vehicle Productivity Improvements Program
GHG	Greenhouse Gas Emissions
GRI	Global Reporting Initiative
HVS	Heavy Vehicle Services
IHDS	Improving HVS Digital Services Project
IS	Infrastructure Sustainability
ISCA	Infrastructure Sustainability Council of Australia
ITS	Intelligent Transport System
INWED	International Women in Engineering Day
KPIs	Key Performance Indicators
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual
LTI	Lost-Time Injury
NABER	National Australian Built Environment Rating System
NetPreS	Network Performance Reporting System
OHS	Occupational Health and Safety
PIARC	Permanent International Association of Road Congresses
PID	Public Interest Disclosure
PSPs	Principal Shared Paths
RAP	Reconciliation Action Plan
RAV	Restricted Access Vehicle
RNOC	Road Network Operations Centre
ROSMA	Road Safety Management System
RTW	Return To Work
SHW	Safety, Health and Wellbeing
STEM	Science, Technology, Engineering and Mathematics
WARRIP	Western Australian Road Research and Innovation Program

# Contact Information

Customer Information Centre: 138 138 (24 hrs)  
Heavy Vehicle Services Helpdesk: 138 486  
Hearing Impaired TTY: 133 677  
[www.mainroads.wa.gov.au](http://www.mainroads.wa.gov.au)

## 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](mailto:enquiries@mainroads.wa.gov.au)

### Media Enquiries/Public Affairs

Media Enquiries: 138 138

### Materials Engineering

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

### Heavy Vehicle Services

525 Great Eastern Highway  
Redcliffe WA 6104  
PO Box 374 Welshpool DC WA 6986  
[hvs@mainroads.wa.gov.au](mailto:hvs@mainroads.wa.gov.au)

## Regional Offices

### Goldfields-Esperance

#### Kalgoorlie Office

83 Piesse Street  
Boulder WA 6432  
(08) 9080 1400

### Great Southern

#### Albany Office

2-6 Kelly Street  
Albany WA 6330  
(08) 9892 0555

### Kimberley

#### Derby Office

Wodehouse Street  
Derby WA 6728  
(08) 9158 4333

### Kununurra Office

Messmate Way  
Kununurra WA 6743  
(08) 9168 4777

### Mid West-Gascoyne

#### Geraldton Office

Eastward Road  
Geraldton WA 6531  
(08) 9956 1200

### Carnarvon Office

470 Robinson Street  
Carnarvon WA 6701  
(08) 9941 0777

### Pilbara

#### South Hedland Office

12-16 Brand Street  
South Hedland WA 6722  
(08) 9172 8877

### South West

#### Bunbury Office

Robertson Drive  
Bunbury WA 6231  
(08) 9724 5600

### Wheatbelt

#### Northam Office

Peel Terrace  
Northam WA 6401  
(08) 9622 4777

### Narrogin Office

Mokine Road  
Narrogin WA 6312  
(08) 9881 0566



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