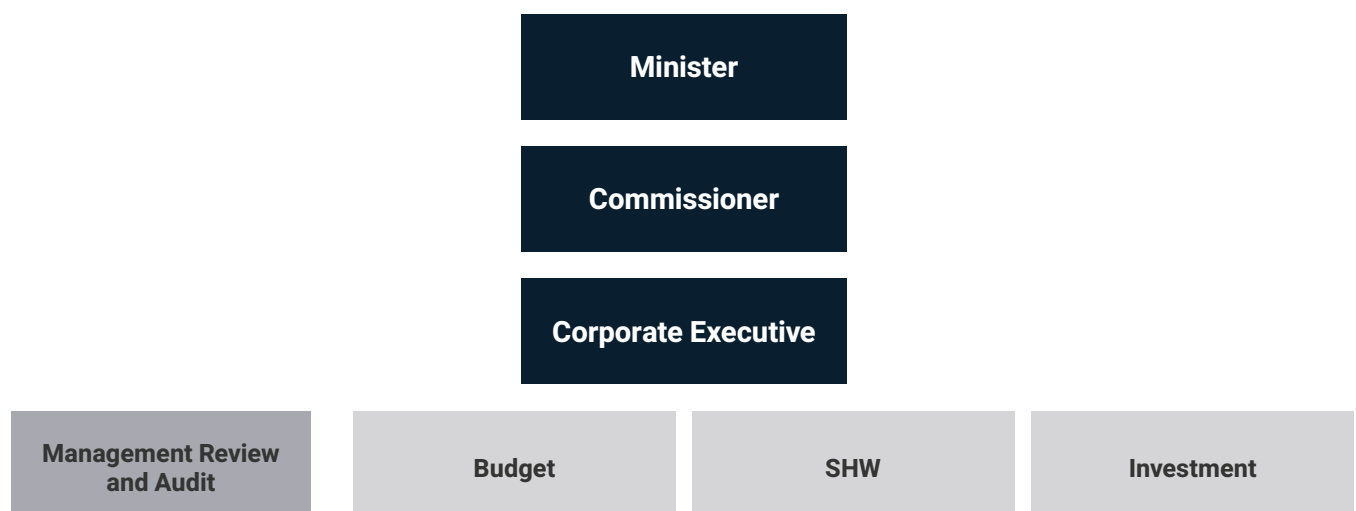


Governing Bodies

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.



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
- Review and approve sustainability reporting content including material issues and approaches towards Net Zero emissions and climate change impacts

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 ensures appropriate management practices and controls are in place, leading to efficient and effective business performance. It provides independent, objective assurance and advice and reports on a quarterly basis.

Our people	Assets	Financial capital
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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 by all levels of management so as to achieve the efficient and effective business performance of the organisation
- 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
- Considers audits and reviews of the Management Review and Audit Branch
- Ensures audits and reviews are in accordance with the Annual Audit Plan
- Reviews and approves the Main Roads Annual Internal Audit Plan

Independent Member (Chair) – Nicki Godecke

Executive Member: – Doug Morgan*

Executive Member – Des Snook

*Note: as Doug Morgan was appointed Acting Managing Director from the 15 January 2021, the Executive Member role was assigned to Des Snook Executive Director Metropolitan and Southern Regions over the period 15 January 2021 to 30 June 2021.

Transport Portfolio Member – Andrew Burchfield

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

- Approved and evaluated the delivery of actions against the comprehensive risk based strategic Annual Audit Plan for 2020-21
- Considered the findings from 38 internal audits
- Assess Roads Audit Committee practices against the Office of the Auditor General's Audit Committees – Better Practice Guide for the WA Public Sector
- Quarterly audit progress reports were discussed and approved
- Quarterly status reports of audit findings were monitored and approved
- Quarterly review of strategic risks, key operational risks and fraud and corruption risks and monitor the status of action plans to mitigate the risks
- Sponsored a Lessons Learnt workshop for Infrastructure Delivery Directorate on common findings from Infrastructure Project financial / commercial audits with a view to improving practice

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.

Our people	Assets	Financial capital
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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:

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

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 Regional State Road Safety Improvement Program
- 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. The committee is chaired by the Manager Communities of Expertise and includes the Safety, Health and Wellbeing Manager.

- Our people
- Know-how
- Customers

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

Executive Members:

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

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

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

More information on our health and safety activities is included in the Enhancing 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.

- Assets
- Network performance
- Financial capital

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

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 2021-22 Strategic Asset Plan
- Oversight of improvements to the Investment Planning Process

Inaugural Transport Portfolio Integrity Forum



Inaugural Transport Portfolio Integrity Forum

In November last year more than 800 employees came together for the inaugural Transport Portfolio Integrity Forum demonstrating our commitment to uphold the highest standards of integrity and accountability.

In his opening address, Peter Woronzow highlighted the leading role that we have in supporting the state's economic recovery from COVID-19 and how our projects account for almost half of the State's Asset Investment Program. Whilst critical to assisting in revitalising the State's economy, increased funding also means increased responsibility and scrutiny.

Peter also encouraged everyone to speak up if something doesn't seem right and reiterated that each agency has processes and systems in place to support staff and contractors who raise any integrity related concerns. He said that 'Integrity is everyone's responsibility and any concerns reported will be investigated and an appropriate response taken if something is not right'.

We also heard from the Commonwealth Bank's Information Security Team who presented an insightful and sobering session called '*Business Email Compromise – Hacking the human, not the machine*'. It was a good reminder to everyone about the potential risks of weak personal online security. The presentation demonstrated how easily weak passwords can be hacked by harvesting personal information from a range of common social media platforms.

The final presentation, from the Corruption and Crime Commission, highlighted the need for good corporate governance and some of the integrity related 'red flags' everyone can look out for at both an individual and organisational level.

The forum concluded with a Q&A panel with Peter, the Managing Directors from each agency and the various presenters taking questions from the audience.

Overall, the forum reminded everyone that it is essential we operate within our governance and integrity frameworks and remain vigilant to ensure good systems, processes and controls are understood, adhered to and maintained. The forum was one part of a larger body of work aimed at strengthening and embedding integrity into all aspects of our work and culture.

Risk and Integrity Management

Risk Management

This table shows our principal risks and opportunities aligned against our most important Material Issues and aligned against our Key Resources potentially impacted by those risks.

Risk Theme	Material Issues	Key Resources
Stakeholder Engagement <ul style="list-style-type: none"> Inability to manage community and customer expectation Lack of a 'One Government' approach to achieving required State Government outcomes Lack of early and ongoing stakeholder engagement 	<ul style="list-style-type: none"> Good Public Policy Local Communities Open and Transparent Communication 	Customers Our people Know-how Network performance
Policy <ul style="list-style-type: none"> Ineffective recognition and delivery of key government policy requirements Failure to maintain momentum in delivering on Aboriginal engagement commitments 	<ul style="list-style-type: none"> Good Public Policy Indigenous Heritage and Native Title Procurement Practices Local Communities Job Creation Diversity and Equal Opportunity 	Our people Know-how Customers
Asset Management <ul style="list-style-type: none"> Failure to deliver a robust Strategic Asset Management approach 	<ul style="list-style-type: none"> Road Safety Congestion and Freight Productivity Regional Presence and Development Job Creation Value for Money Open and Transparent Communication 	Assets Financial capital Network performance
Resource Management <ul style="list-style-type: none"> Inability to manage and achieve budget targets Inability to develop and maintain a capable workforce 	<ul style="list-style-type: none"> Procurement Practices Local Communities Job Creation Value for Money 	Financial capital Our people Know-how
Project Delivery <ul style="list-style-type: none"> Failure to demonstrate network management in middle of project delivery and in an improving economy Failure to effectively deliver priority project program and required outcomes 	<ul style="list-style-type: none"> Road Safety Congestion and Freight Productivity Regional Presence and Development Workforce Safety and Health Job Creation Value for Money 	Assets Financial capital Network performance Our people Know-how
Technology <ul style="list-style-type: none"> Failure to adequately and effectively manage cyber security 	<ul style="list-style-type: none"> Good Public Policy Anti-Corruption 	Our people Know-how

Business Continuity Management

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

We reviewed our business continuity plans (BCP) to ensure they are appropriate in the event of a 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.

Plans are built around our ability to ensure minimisation of consequences from any outage; timely resumption of services; protection of reputation and image; and best allocation of available resources in an effective way. Business continuity management supports the values, principles and corporate focus of our risk management approach.

Last year we had reported that, as a result of the COVID-19 pandemic, our BCP had gaps when it came to dealing with a global pandemic. This shortfall has been addressed.

Integrity Framework

Our Integrity Framework aligned with AS8001:2008 represents our commitment to effective risk management of fraud and corruption and to the promotion of a culture of integrity. Features of the Framework include:

- policies and processes for dealing with fraud and corruption, gifts and benefits, conflict of interest, lobbyists, and misconduct are consolidated and clarified
- mandatory training, for all employees as part of our induction process, on ethical and accountable decision-making
- fraud and risk workshops, held in all areas, on identifying risks, controls and treatment actions within business planning and reporting processes
- a Fraud Detection Plan for detecting and managing fraud and corruption, with regular reporting to Corporate Executive and the Management Review and Audit Committee
- detection activities, such as testing for potential fraudulent suppliers or for employees with potential undeclared conflicts of interest with suppliers
- a central fraud and corruption incident register, bringing increased transparency
- deployment of a Cyber Security Plan and an awareness and information campaign.

The Integrity Framework is available to all employees via our intranet site.

Fraud and Corruption Prevention

We have detection activities and strategic controls in place to prevent the misappropriation of funds and inappropriate use of public property including a comprehensive Annual Audit Plan, Integrity Detection Plan and a Fraud and Corruption Risk Management Cycle. Our Integrity Framework clearly sets out the relevant policies and obligations for all employees with respect to 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* released in February 2019. It provides a summary of our commitment against each of these principles, supported by information throughout the report.

PSC	ASX	Our commitment
<p>1. Government and public sector relationship – <i>The organisation’s relationship with the government is clear</i></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>2. Management and oversight – <i>The organisation’s management and oversight is accountable and has clearly defined responsibilities</i></p>	<p>1. Lay solid foundations for management and oversight – 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>3. Organisational structure – <i>The organisation’s structure serves its operations</i></p>	<p>2. Structure the board to add value – 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>4. Operations – <i>The organisation plans its operations to achieve its goals</i></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>5. Ethics and integrity – <i>Ethics and integrity are embedded in the organisation’s values and operations</i></p>	<p>3. Instil a culture of action lawfully, ethically and responsibly – A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.</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>6. People – <i>The organisation’s leadership in people management contributes to individual and organisational achievements</i></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	ASX	Our commitment
<p>7. Finance – <i>The organisation safeguards financial integrity and accountability</i></p>	<p>4. Safeguard the integrity or corporate reports – 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 on a monthly basis.</p>
<p>8. Communication – <i>The organisation communicates with all parties in a way that is accessible, open and responsive</i></p>	<p>5. Make timely and balanced disclosure – 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>9. Risk management – <i>The organisation identifies and manages its risks</i></p>	<p>7. Recognise and manage risk – 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>

Note: ASX Principle 6 – Respect the rights of security holders and Principle 8 – Remunerate fairly and responsibly are not appropriate in the context of a Statutory Authority such as Main Roads and are excluded from the table.