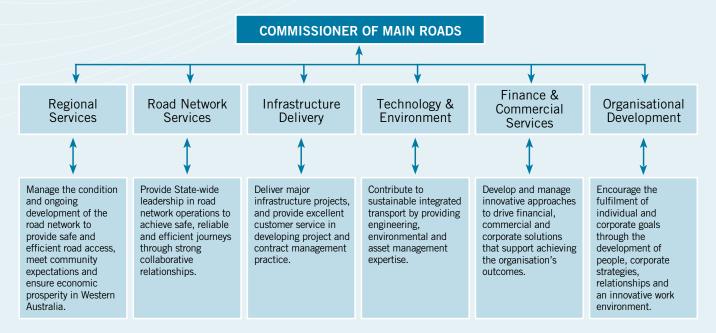
# MAIN ROADS WESTERN AUSTRALIA 2008 ANNUAL REPORT

Main Roads Western Australia is entrusted with providing access to one of the most geographically spread road networks in the world.

#### Who We Are

Main Roads is Western Australia's State road authority, managing a network of some 17 800 kilometres of National highways and State roads with a value of more than \$36 billion. Main Roads works in conjunction with Local Government in order to create an integrated and efficient transport network that supports the needs of all road users.

Main Roads' business is managed through its six Directorates. A full copy of the organisational chart is included in the appendices.



### **Purpose**

To provide safe and efficient road access that will enhance community lifestyles and ensure economic prosperity.

#### **Our Vision**

To be recognised for excellence in customer service and world-class road access.

# **Our Strategic Direction**

Achieving excellence through inspiring leadership and strong collaborative relationships. There are five strategic areas of focus that will assist us in achieving this:

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

#### **Values**

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

- Roads Matter: taking pride in managing the road network for the benefit of the community
- **Embracing Challenge:** anticipating and taking up challenges
- **Excellence in Customer Service:** understanding and providing what is important to our customers
- Working Together: enhancing relationships and teamwork
- Professionalism: providing high levels of expertise and experience in delivering our services
- *Family:* respecting and supporting our customers, the community and each other.

By making decisions for tomorrow, not just today, we will be well positioned to provide the best opportunities for current and future generations.

# Statement of Compliance

### To the Honourable Alannah MacTiernan, MLA, Minister for Planning and Infrastructure

In accordance with Section 61 of the Financial Management Act 2006, I hereby submit for your information and presentation to Parliament the Annual Report of the Commissioner of Main Roads for the year ended 30 June 2008.

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

Menno Henneveld COMMISSIONER OF MAIN ROADS

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26 August 2008

This Annual Report has been structured to inform the community of Main Roads' activities against the Government's Goals identified in Better Planning: Better Futures that are delivered through Main Roads' six outcome based programs.

# Table of Contents

Commissioner's Foreword	. 2`
Highlights	. 4
Financial Highligths	. 6
Significant Issues and Trends	10
Goal 1 – Better Services	12
Road Use Safety Improvements	13
Road Network Operations Management	16
Road Infrastructure for Community Access .	22
Road Use Efficiency Improvements	25
Road Network Maintenance	29
Goals 2 and 4 – Jobs, Economic and Regional Development	33
Road Infrastructure for State Development .	34
Goal 3 – Lifestyle and the Environment	38
Sustainability	39
Building Better Relationships	43
People and Safety	49
Goal 5 – Governance and Public Sector Improvement	56
Corporate Governance	57
Key Performance Indicators	66
Financial Statements	83
Appendices	125
Road Industry Fact Summary	125
Statement of Expenditure Section 175ZE of the Electoral Act 1907	126
Salary and Employee Numbers	126
Major Road and Bridge Projects – in progress and completed	127
Contracts Exceeding \$1 million	132
Management Structure	134
Publications List as at June 2008	135
Maps	136
Feedback Form	139
Main Roads Contacts	141



# Commissioner's Foreword

Managing Western Australia's widespread road network during a year of significant increase in economic activity has been a terrific operational challenge for Main Roads.

Our organisation has responded by making the most of the available funding and resources to achieve the best outcomes for our road network. We rely heavily on industry to provide resources and capability to deliver road projects, which in this busy economic climate, means project delivery has been challenging. While we are able to make some assumptions, spiraling cost escalations of 15 to 20% mean that the longer a project waits, the more expensive it becomes.

#### A Record Year for Investment

This year, we managed the highest level of expenditure in our history by delivering \$1.4 billion of services through our six road programs. Throughout this report you will see many examples of the benefits that the State's investment in the road network has brought to the community and the prosperity of the State. Capital expenditure slightly exceeded \$700 million, while more than \$475 million was spent on maintaining the road network this year. Work is progressing well on the development of the next generation of maintenance contracts.

Overall, Main Roads' staff have responded to this increased pressure to deliver road programs extremely well and have achieved some excellent milestones. The quality of our roads is outstanding given the length and diversity of the network.

# Others recognising our achievements

This year, we were very proud to win a Bronze Award in the coveted Australian Business Excellence Framework Awards. This award has been won only four times in Western Australia, and acknowledges the changes we have made to our organisation that are at the forefront of international good practice in achieving integrated leadership and management systems essential to sustainable organisational excellence. It truly reflects the efforts and commitment of all our people.

Our cultural change in safety was acknowledged with WorkSafe's Occupational Safety and Health Silver Award. In Human Resources, we were recognised at the Australian HR Awards for Best HR Strategy, Best Graduate Program and Employer of Choice, and we won the Australian Human Resource Institute Awards for Excellence. We were also the Western Australian winner of the Customer Service Institute of Australia's Service Excellence Awards.

Our commitment to community engagement was recognised with the project to extend Mitchell Freeway winning the Public Participation Enhanced Decision Making Award from the International Association for Public Participation Australasia. Our Term Network Contracts (TNCs) won the Australian Contracting Excellence Award for relationship contracting in Alliance Service Agreements, which is also an outstanding result.

These awards provide confidence that our organisation is working effectively, which therefore allows the Government and the community to have confidence in our performance.

### **Planning**

Our Strategic Plan – 2k7 – reached the end of its four year cycle in 2007. The outcomes saw intuitive planning and customer service being placed at the forefront of our work. I am particularly proud of our outward focus which resulted in major achievements such as customer service moving from a critical focus to becoming embedded in our day to day operations. Our Strategic Plan for the period 2008 to 2012, 2k12, is now under way.

Main Roads is an organisation loaded with talent and commitment. We are using this in our planning to be more proactive rather than reactive to the economic boom, through improved predictions on the rate of escalation of economic activity.

Examining road, rail and public transport modes has been a key focus to provide an integration of land use, transport planning and transport modes. Western Australia's transport requirements are growing at 6 to 8% faster than the State's growth, which means the impact of the freight task is extensive. The economic boom also means more people and more cars on the roads, greater road user expectations, and more road fatalities. Yet this doesn't necessarily mean providing more roads - instead, it's about better managing the network.

Industry liaison is another key area for us, and we are focusing particularly on improving liaison with the trucking industry as we introduce new measures in the heavy vehicles area. Liaison with other agencies involving service relocation continues to be a challenge in terms of project delivery, timeframes and costs.

Continuing to build on and improve the relationship between Main Roads and the State's 142 Local Governments is critical to ensuring seamless, effective and efficient management of the entire road network.

We completed the review of the Main Roads Act 1930, which is now with Parliamentary Counsel. The review has addressed issues previously not raised in the Act, such as road safety, road users, technology and freight, and will allow us to better meet the needs of the Government and the community into the future.

# Our people

Attraction and retention is a key challenge for our human resource planning and management, as our graduates and key personnel are lured to other positions in this economic climate.

Our overall retention rate is around 95%, yet in the graduate area (employees for one to five years) retention is around 80%. Consequently, we have put significant effort into developing rotation programs for these younger employees, which is providing them with wonderful experiences and opportunities.

Recognising the skills shortages that could transpire due to our aging workforce, we are assessing our workforce planning in terms of our engineering and technical needs in five years, with 25% of our workforce expected to leave during this time. Knowledge transfer is an issue as this 25% – or 250 people – move on. To address this, we have commenced programs to ensure our young engineers work with experienced supervisors on projects such as the Indian Ocean Drive Project (Lancelin to Cervantes); the latter providing a nurturing and mentoring role.

### The year ahead

Community involvement, sustainability, innovation, leadership and empowerment, building relationships and our approach to customer service are key factors underpinning the way we address challenges.

Through our strategic plan we have identified five areas of focus that will drive Main Roads forward. Each has a strategic charter that will provide a clear direction in terms of timing and critical factors for success.

Main Roads is facing what will be its biggest environmental challenge – sustainability. The issue of climate change has grown in stature during the past two years, and in our organisation, we are seeing a cultural change in the way all of our staff are responding to sustainability in their work.

We are assessing what could happen, such as a rise in sea levels, and the impact this has on coastal roads. We will need to design for different flood frequencies and look at the impact of rising groundwater salinity in terms of where we build roads in susceptible areas. The impact of horticulture and agriculture, including decisions on where crops will be grown, will determine where wheat bins are placed and where roads will be needed.

In December 2008, Main Roads will become the first major infrastructure agency to transfer to the Office of Shared Services. While 20 smaller agencies have already transferred, our move will set the standard for larger agencies in terms of training staff in new systems, transferring data and introducing project management systems.

We will continue with our commitment to the Governments Centre of Excellence for Innovation in Infrastructure Delivery, which provides us with an opportunity to share our learnings and experience with the rest of the public service as we seek to raise the bar on delivery of infrastructure assets across the whole of Government works program.

As we face future threats, challenges and opportunities, I am confident we can deal with these through sound strategic and corporate planning. I congratulate and sincerely thank all Main Roads staff for their outstanding contribution in what has been a challenging and landmark year for our organisation. The drive, enthusiasm and commitment of all staff in providing Western Australian with a safe and efficient road network continue to be the keys to our success.

Menno Henneveld

Commissioner of Main Roads

Ch Herry



# Highlights

- The value of assets under Main Roads' control increased to more than \$36 billion and this year delivered its largest ever program providing \$1.4 billion in services to the community
- Significant project achievements included completion of Stage One of Dampier Highway, sealing of 43 kilometres of Broome – Cape Levegue Road and progression of Karratha – Tom Price Road Stage Two
- Work progressed on New Perth Bunbury Highway, Main Roads' largest ever single project, with \$280 million expended this year
- \$89 million spent specifically on road safety initiatives including the funding of 229 projects on State and local roads through the State and National Black Spot Programs
- More than \$475 million was spent maintaining the existing road network
- A total of 15 railway crossings were upgraded at a cost of \$3.3 million
- A major multi-agency exercise to test emergency procedures was held in the Northbridge Tunnel
- Progressive introduction of Period Permits for classes of Heavy Vehicles adopted as part of a move to a network-based approach
- 96% of survey respondents rated Main Roads performance as okay or better during 2007-08

### Highlights



- Main Roads launched its new Customer Service Charter
- Main Roads' Sustainability Strategy was fully deployed with the aim of integrating economic, social and environmental factors into decision making seeking to achieve positive outcomes in each area
- The Regional Education and Careers in Highways (REACH) Foundation assisted 29 young people into traineeships in civil construction
- 66% of Main Roads Travel Smart actions have been implemented
- Main Roads completed the review of the Main Roads Act 1930
- Main Roads was recognised with a Bronze Award at the Australian Business Excellence Awards
- Main Roads wins the Australian HR Award for Best HR Strategy and Best Graduate Program
- Our cultural change in safety was acknowledged with WorkSafe's Occupational Safety and Health Silver Award
- Main Roads continues to be a leader in providing learning and development opportunities
- Development of Main Roads' Reconciliation Action Plan.

# Financial Highlights

Main Roads' services are delivered through Program Management, which drives outcome based decision making to achieve agreed business outcomes. There are six outcome based programs which are aligned with agreed Government Objectives:

- · Road Use Safety Improvements
- Road Network Operations Management
- Road Infrastructure for Community Access
- Road Use Efficiency Improvements
- Road Network Maintenance
- Road Infrastructure for State Development.

Information on the organisation's operational structure and profiles on each of the members of Corporate Executive are included in the section on Corporate Governance.

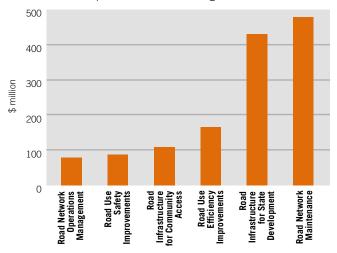
During the year, there were no changes to the Outcome Based Management framework or Performance Measures adopted by Main Roads. The results and commentary against each of the agreed Performance Measures are included in relevant areas throughout the report. A complete listing of all audited Performance Measures is available in the Performance Measures and Financial Statements section of the report.

Main Roads did not specifically share any responsibilities with other agencies during the year other than working cooperatively in the delivery of services.

# **Program and Financial Achievements**

### 2007-08 Expenditure by Program

This year Main Roads delivered \$1.4 billion of services to the people of Western Australia. The following graph shows how the funds were spent across each Program.

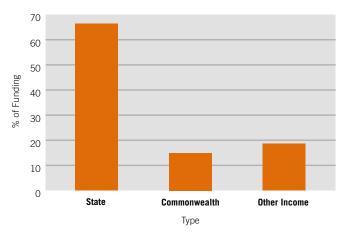


Note: The figure for Road Network Maintenance includes the depreciation expense for infrastructure assets for 2007-08, totalling \$170.5 million.

#### **Funding Sources 2007-08**

The value of Main Roads' net assets is \$36.6 billion, an increase of \$8.3 billion over the previous year. The value of road infrastructure is now \$35.2 billion, an increase of \$8.1 billion over the previous year.

Total funding received in 2007-08 amounted to \$1.406 billion. Main Roads' total cost of services for 2007-08 was \$1.404 billion. The following table shows the various funding sources.

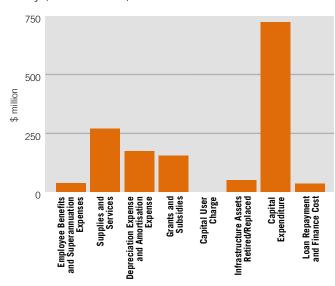


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The following graph shows a breakdown by expenditure type.

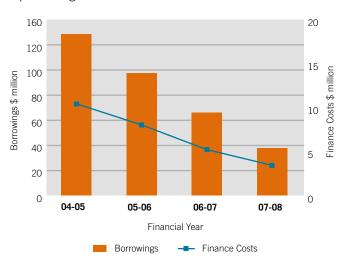
### **Total Expenditure by Type 2007-08** (Capital and Operating)

- \$155.4 million was provided to Local Government as grants, subsidies and transfers. The total includes the transfer of \$54 million of road infrastructure assets under proclamation
- Capital expenditure on road infrastructure was \$724.5 million
- \$32.6 million of loans were repaid during the year. This has lead to a reduction of the interest cost on borrowings by \$1.8 million to \$3.4 million



#### **Loan Borrowings and Finance Costs**

The loan liability as at the end of 2007-08 was \$42.8 million, representing a 43.2% decrease from 2006-07.



#### Financial Targets: Actuals compared to budget targets

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

	2007-08 Target <sup>(1)</sup> \$000	2007-08 Actual \$000	Variation <sup>(2)</sup> \$000
Total cost of services	1 165 796	1 403 941	-238 145 <sup>(a)</sup>
Net cost of services	1 007 191	955 558	51 633 <sup>(b)</sup>
Total Equity	24 724 671	36 575 705	-11 851 034 <sup>(c)</sup>
Net increase / (decrease) in cash held	(48 806)	(37 959)	-10 847 <sup>(d)</sup>

	No.	No.	No.
Approved full time equivalent staff level	1011	993	18 <sup>(e)</sup>

- (1) As specified in the 2007-08 budget statements
- (2) Explanations of variations
- (a) The variations in relation to Total cost of services can be attributed to an increase in the grants and subsidies made to Local Government, infrastructure assets retired/replaced and advanced works on major projects including the New Perth-Bunbury Highway, Lancelin to Cervantes Stage One, and Karratha-Tom Price
- (b) The variation in Net cost of services relates to the receipt of Commonwealth and natural disaster funds being higher than budgeted
- (c) The variation in relation to Total Equity largely arose from a comprehensive revaluation of infrastructure assets and the revaluation of land under roads, whilst account was taken of increasing land values and unit prices the actual rise in prices exceeded original predictions
- (d) The decrease in cash being lower than budgeted is predominantly a result of advanced works on the New Perth-Bunbury Highway project
- (e) The variance relates to technical and engineering positions which are yet to be filled due to the shortage in the Western Australian labour market.

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

# **Summary of Key Performance Indicators: Actuals compared to budget targets**

Governr	nent Goal: BETTER SERVICES	2007-08 Target <sup>(1)</sup>	2007-08 Actual	Variation <sup>(2)</sup>	
<b>Outcom</b> Programs	•				
_	Community satisfaction		90%	96%	+6%
Effectiveness Indicator	Road network permitted for use by heavy	B Double	97%	97.6%	
ludi	freight vehicles	Double RT	96.4%	97.3%	
eness		Triple RT	40.4%	40.2%	
ective	Road standards		45.3%	44.8%	
E	Bridge standards		98.2%	95.4%	
tor	Average cost per lane kilometre of network n	nanaged	\$2 199	\$3 443	+\$1 244
Efficiency Indicator	Average road improvement cost per lane kild	ometre	\$619 000	\$499 097	-\$119 903
cy In	Average cost per intersection improvement		\$249 000	\$167 777	-\$81 223
icien	Average cost of road construction per lane	Rural highway	\$660 000	\$534 230	-\$125 770
## H	kilometre (by road type)	Rural main road	\$596 000	\$896 977	+\$300 977
Outcom Program:	· · · · · · · · · · · · · · · · · · ·				
ess	Community perception of road safety	Metro freeway	90%	93%	+3%
Effectiveness Indicator		Metro highway	90%	94%	+4%
Effectiver		Rural highway	90%	91%	+1%
<b>&gt;</b> , ∟	Average cost of road construction per lane	Rural highway	\$399 000#	\$515 436	+\$116 436
Efficiency Indicator	kilometre (by road type)	Rural main road	\$273 000#	\$474 540	+\$201 540
Effic	Average cost of improvements undertaken		\$145 000#	\$241 019	+\$96 019
Outcom  Program:	Services	y of Essential			
i iogiaiii.	Smooth travel exposure		98.2%	98.4%	
ess	Community perception of ride quality  Metro freeway		93%	96%	+3%
tiven	community perception of flue quality	Metro highway	92%	95%	+3%
Effectiveness Indicator		Rural highway	83%	92%	+9%
	Average cost per lane kilometre of road netw		\$4 400	\$4 937	+\$537
Efficiency Indicator	Werage cost per lane knometre of road fletw	ψ4 400	ψ <del>η</del> 30/	<del>Τ</del> ΨΟΟ <i>1</i>	

Governr	nent Goal: JOBS AND ECONOMIC DE	2007-08 Target <sup>(1)</sup>	2007-08 Actual	Variation <sup>(2)</sup>	
	: A level of infrastructure that promotes econo Road Infrastructure for State Development				
Effectiveness Indicator	Return on construction expenditure	3.97	4.03		
ator	Average cost of road construction per lane	struction per lane Freeways		\$1 741 984	-\$735 016
ndica	kilometre (by road type)	Rural main roads	\$904 000#	\$465 814	-\$438 186
l yor	문 Rural highways		\$1 145 000	\$1 196 797	+\$51 797
Average cost of road construction per lane kilometre (by road type)  Rural main roads  Rural highways  Average cost per square metre of bridges constructed (by concrete and timber bridges)			\$10 400#	\$3 025	-\$7 375

<sup>#</sup> Main Roads WA 2007 Budget Papers incorrectly reported this target. The correct figure is now displayed.



<sup>(1)</sup> As specified in the 2007-08 budget statements.

<sup>(2)</sup> Explanations are contained in the Key Performance Indicators section of this report.

# Significant Issues and Trends

Community expectations are changing rapidly. Consumers have growing access to information about goods and services from around the world as the economy continues to globalise. For the economy to thrive, land transport must be efficient, and ongoing investment in roads is more important today than ever, as an integral part of the production and distribution chain.

#### **Trends**

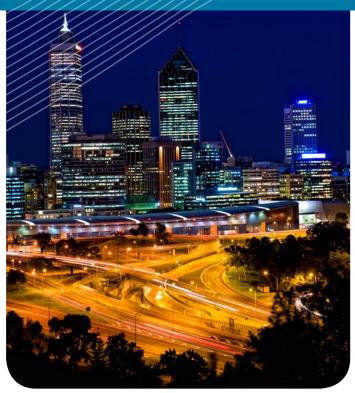
Total travel in Australia has dramatically increased during the past 60 years, with ten-fold growth in urban areas that shows no sign of slowing. Within Western Australia our population, is continuing to grow rapidly and per 1 000 head of population we have the highest car ownership in Australia. With the continuing resources boom, the importance of an integrated transport network supporting production supply chains continues to remain a high priority.

The continuing increase in the road toll remains of concern to everyone in Western Australia, and Main Roads is continuing to work with other road safety agencies to identify and implement new approaches to combat this tragedy. The release of the Government's new road safety strategy, along with the proposed creation of a National Road Safety Council, will provide a strong focus built around the safe systems approach.

The Commonwealth Government has established a new statutory advisory council, Infrastructure Australia, to develop a strategic blueprint for Australia's future infrastructure needs. Infrastructure Australia will identify investment priorities plus policy and regulatory reforms that will be necessary to enable timely and coordinated delivery of national infrastructure investment. Main Roads and the Department for Planning and Infrastructure are working with central Government agencies to ensure that Western Australia's transport infrastructure needs are addressed through Infrastructure Australia.

Main Roads is looking for alternatives to capital solutions to increase the reliability and efficiency of the network through the use of new and emerging technologies such as Intelligent Transport Systems (ITS) to optimise the benefits that can be obtained from the existing road network.

While the Western Australian road network will continue to come under increasing pressure from growth in traffic volumes, workforce management will be a continuing key issue in delivering services to meet the increasing needs of the community. Main Roads, like many organisations, is faced



with an ageing workforce at a time when labour supply is expected to tighten and many innovative approaches are being explored to ensure the organisation's ongoing sustainability.

# **Challenges**

The challenges that come with managing such a widely dispersed and valuable asset as the road network are many and varied. As a service provider, Main Roads is faced with a range of challenges including:

- Attracting and retaining a skilled workforce
- Meeting the greater expectations of a well informed community
- Supporting the creation and deployment of initiatives associated with the national transport policy reform
- Managing increasing traffic congestion
- Making the best use of limited road funds in an environment of increasing and often competing demands
- Creating a road network that provides lasting benefits without compromising future generations
- Managing road freight, which is anticipated to double by 2020
- Improving road safety by minimising road factors as a cause of crashes
- Addressing the impacts of climate change on the road network
- Achieving greater integration of the transport network.

# A Focus on Opportunities and Excellence

In June 2007, Main Roads was awarded a Bronze Award as part of the Australian Business Excellence Awards. The Australian Business Excellence Awards is an internationally recognised award that enables Main Roads to benchmark against leading international business practices. This success demonstrates that the deployment of current business practices is well targeted and contemporary. It is important that Main Roads clearly shows the people of Western Australia that successes are measured, and that Main Roads has the ability to change with the times.

Following on from that success, in 2008, Main Roads received three System Excellence Awards for Quality Management, Customer Service and Environmental Management. This demonstrates that Main Roads remains focussed on improving itself as an organisation as it continues on the path to excellence.

Main Roads operates in an environment that is constantly changing and adapting to new opportunities and challenges. Main Roads' Strategic Plan to 2012, known as 2k12, reflects this dynamic environment, as it positions the organisation to be proactive and flexible in responding to long term planning. 2k12 ensures that Main Roads' operations remain relevant in the current business climate of accelerated change, greater complexity and genuine uncertainty.

The 2k12 Statement of Direction is "Achieving excellence through inspiring leadership and strong collaborative relationships". This statement describes what everyone in Main Roads is seeking to achieve by successfully deploying and delivering the outcomes of 2k12. This will be achieved through five Strategic Areas of Focus:

Strategic Area of Focus	Objective
Providing the right roads for Western Australia	To plan, develop and deliver effective outcome based road programs
Making roads work for the community	Ensuring people and freight can move safely, reliably and efficiently across the road network
Creating our workforce of the future	Creating an environment that will attract, develop and retain employees
Facilitating leadership	Creating an environment that develops and recognises leadership throughout the organisation
Enhancing our relationships	To enhance existing and forge new relationships

Throughout the year, a great deal of work has been done on developing supporting strategies to underpin each area of focus and to identify the actions that need to be carried out during the next five years to achieve the stated objectives. These supporting strategies are being developed in close consultation with key stakeholders and the community to ensure they meet their future needs.

# **Looking Ahead**

A scenario planning approach was used to develop the current Strategic Plan, 2k12. While Main Roads accepts that you cannot always control or accurately predict the future, scenario planning seeks to identify a number of possible different futures and make plans to accommodate those futures.

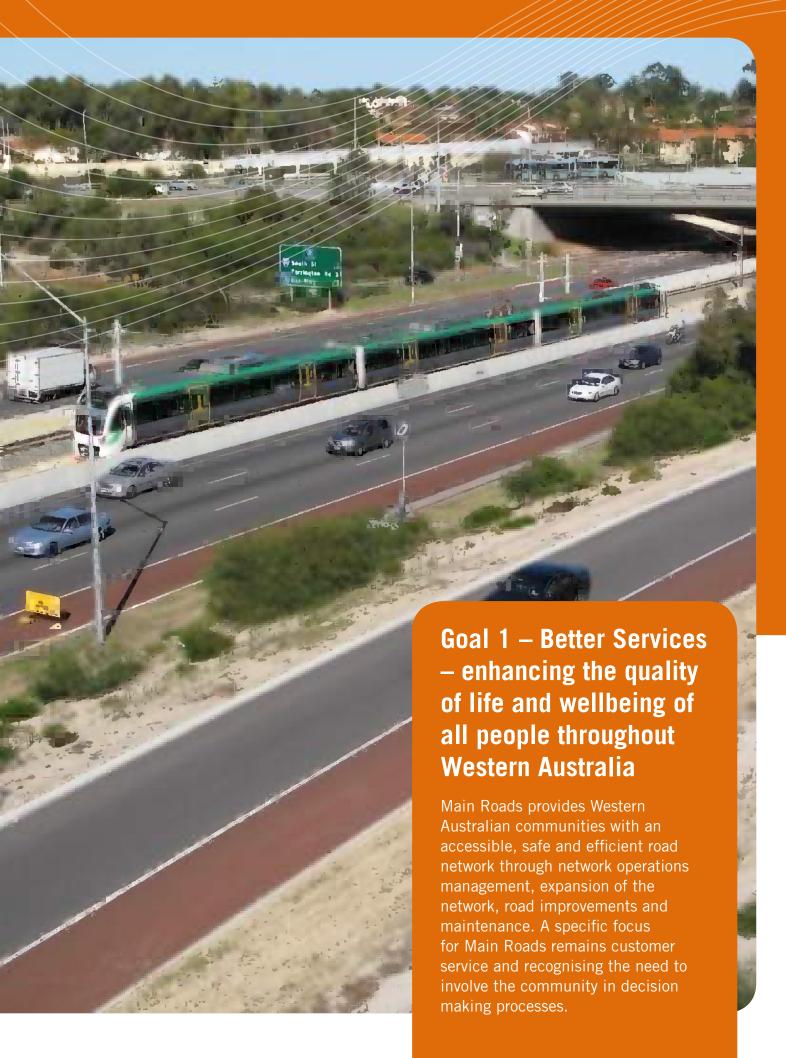
These possible futures are reflected in the approaches taken to developing initiatives to support each of the five strategic areas of focus. The next twelve months will see Main Roads consolidating that approach and earnestly deploying activities to remain focused on meeting the community's needs.

As an organisation, we are committed to adopting the principles of sustainability into our business practices and this will remain a strong focus in the year ahead. Particular attention is being given to the issue of climate change and the impact on the State's infrastructure, along with addressing the reduction of Main Roads' carbon footprint in how we and our industry partners deliver our business needs.

In December 2008, Main Roads will be the first major infrastructure agency to transfer to the Office of Shared Services (OSS). This represents a significant challenge as processes and procedures are aligned to the new systems and extensive training is undertaken to prepare all staff for the new opportunities that the OSS is anticipated to bring.

2008 will also see the introduction of revised performance indicators and measures aimed at better communicating how successful Main Roads has been in achieving its outcomes. This review was undertaken during the last year, and the new measures have been approved by the Government's Outcome Structure Review Group and come into effect as of 1 July, 2008.

Once again, Main Roads will be delivering a budget in excess of \$1 billion including more than \$700 million in capital works. Details of specific initiatives and projects are included in the Report on Operations for each of Main Roads' six outcome based programs.



# Road Use Safety Improvements

# At a glance

#### **Objective**

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

Operating Expenditure: \$89.3 million % of Total Road Program: 7%

#### **Road Fatality Rates**

The accompanying graph shows the number of road fatalities for Western Australia and Australia as a whole per year. The graph displays this information by the number of fatalities per million vehicle kilometres travelled (mvkt).

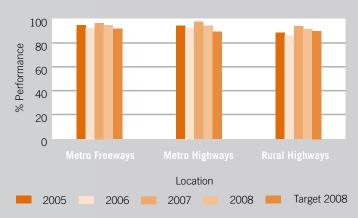
After a decline in the fatality rates from 2003 to 2005, there was a significant increase in the rate thereafter to 1.01 fatalities per hundred million vehicle kilometres travelled recorded in 2007, well above the national average of 0.76.



### **Community Perception of Road Safety**

The accompanying graph shows the extent to which the community of Western Australia is satisfied with road safety, as well as the targets for 2007-08.

The overall safety of freeways among metropolitan users decreased slightly by 3 percentage points, from 96% in 2007 to 93% in 2008. Similarly, the overall safety of highways among metropolitan users fell 2 percentage points, from 96% in 2007 to 94% in 2008.



The following is a representation of projects delivered throughout the State under this program.

Project	Total Project Cost (million)	2007-08 Cost (million)	Completion Date	Description
Wheatbelt South				
Williams – Narrogin	\$0.8	\$0.8	June 2008	Seal shoulders and construct gravel shoulder
Pilbara				
North West Coastal Highway	\$3.0	\$3.0	July 2008	Seal shoulders from Pannawonica Turnoff to Madigan Road, including additional seal and installation of audible edgelines
Metro				
Guildford Road (Ninth Avenue to Caledonian Avenue)	\$1.2	\$1.0	April 2008	Installation of new traffic signals at Falkirk Avenue, channellisation improvements and upgrading of access into adjoining carparks
Reid Highway (Erindale Road to Balcatta Road/ Mitchell Freeway)	\$1.1	\$0.9	April 2008	Construction of a local footpath along Balcatta Road with tie-ins to the intersection of Mitchell Freeway, Balcatta Road and Reid Highway with upgraded pedestrian signal facilities

Project	Total Project Cost (million)	2007-08 Cost (million)	Completion Date	Description
Roe Highway/ Clayton Street	\$1.4	\$1.1	March 2008	Installation of new signals and channellisation improvements
Roe Highway/ Orrong Road	\$1.4	\$1.0	June 2008	Provision of an additional turning lane, modification of turning lanes and provision of a median crossover
Reid Highway (West Swan Road to Great Northern Highway)	\$81.8	\$6.8	December 2009	Construct 2.6 km of 4 lane dual carriageway from West Swan Road to Great Northern Highway including a bridge over the Swan River
South West				
Binningup Shoulder Widening	\$1.2	\$1.2	November 2007	Reconstruction of the sealed pavement and sealing of the shoulders to a width of 10 m
Donnybrook South	\$3.4	\$3.2	March 2008	Widening of a 1.8 km section of South Western Highway and a major upgrade to the intersection with South Western Highway and Donnybrook Kojonup Road
Bussell Highway – Metric Road to Harmans Road	\$2.4	\$1.7	September 2008	Increase the pavement width, improve the vehicle run off zone and construction of a southbound passing lane
Mid West				
Brand Highway	\$2.9	\$2.9	December 2007	Three passing lanes were constructed on Brand Highway
Great Southern				
Muirs Road	\$6.0	\$3.1	May 2008	Reconstruction and widening of the existing seal width and the provision of an east bound passing lane

#### **Black Spot Programs**

Black Spot Programs target improvements to the safety of roads with a proven crash history or a high risk of crashes occurring. Funding for the programs is focused on costeffective treatment of hazardous road locations.

#### **State Black Spot Program**

A total of 180 projects were funded in 2007-08, with 35 projects on State roads and 145 projects on Local roads costing a total of \$20 million. The projects target known crash locations or those with a high risk of crashes.

#### **AusLink Black Spot Program**

A total of 49 projects were funded in 2007-08 from this Federal program at a cost of \$2.2 million. The projects target known crash locations or those with a high risk of crashes on both State and Local roads.

### **Looking Ahead**

In 2008-09, the following are some of the safety projects and initiatives to be undertaken:

- South Western Highway (various safety improvements)
- Reid Highway (West Swan Road Great Northern Highway)
- Muirs Roads (Denmark Mt Barker)
- Continuation of the Black Spot Programs
- Continuation of the Safer Roads Program.



# Case Study: Safer Roads Program

During 2007, 236 people were killed on Western Australian roads and more than 2 000 crashes involved hospitalisation. The estimated cost of crashes amounts to in excess of \$2 billion per year, and this does not take into account the grief and trauma experienced by family and friends as a result of the tragedy.

In rural areas on State highways and main roads, more than 56% of the fatalities and hospitalisations are as a result of single vehicles running off the road and, in some cases, hitting fixed objects such as trees.

One of the objectives of the Safer Roads Program, which commenced in 2005-06, is to reduce and prevent road trauma on State roads by undertaking projects that target predominant road trauma crash types.

During 2007, the Safer Roads Program continued to fund projects designed to reduce and prevent road trauma caused by single vehicle crashes.

# **North West Coastal Highway**

The North West Coastal Highway between the Pannawonica Turnoff and Madigan Road has around 300 vehicles per day and during the last five years there have been 24 single vehicle crashes along this stretch of road. There was no

pattern to the crashes and they appeared to be random in location, which typifies single vehicle crashes – particularly when related to fatigue. To combat this, \$3.3 million has been invested to widen sections of the road to provide sealed shoulders along the entire length, with audible edge lines installed to warn weary drivers that they are drifting off the road. These works are anticipated to save 11 fatalities or hospitalisations from occurring during the next 7 years.

# **South West Highway**

The South West Highway project included widening and sealing shoulders plus the installation of audible edge lines. The works were undertaken because the link was ranked in the top 20% for single vehicle run off road crashes.

Main Roads' approach to targeting single vehicle run off road crashes using the Safer Roads Program will have a positive impact on reducing road trauma in rural areas even when the crash may be a result of driver behaviour. This method adopts the Safe System approach of the Office of Road Safety, which is designed to make roads more forgiving by improving road infrastructure to make crashes less likely to occur and less severe if they do.

# Road Network Operations Management

# At a glance

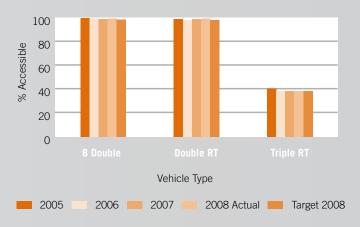
The objective of this Program is to optimise real time management of the network, provide traveller information and support delivery of projects.

Operating Expenditure: \$79.0 million % of Total Road Program: 6%

#### **Road Network Permitted for use by Heavy Vehicles**

The accompanying graph shows the percentage of combined National and State road networks in Western Australia accessible to B Doubles (Class 10), Double Road Trains (Class 11) and Triple Road Trains (Class 12) from 2005 to 2008. It also shows the displays the targets for 2007-08.

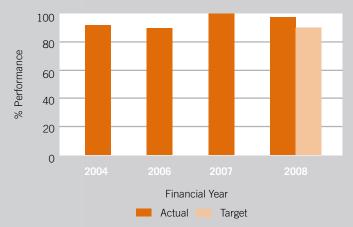
During 2005 to 2008, the total kilometres of the State network accessed by B Double and Double Road Trains has remained consistent at around 17 250 kilometres.



#### **Community Satisfaction with the Provision of Roads**

In 2008, 96% of respondents rated Main Roads' performance as okay or better. This is comprised of 5% of respondents giving a rating of five out of five (excellent), 56% giving a rating of four out of five (good) and 35% giving a rating of three out of five (okay). Only 2% gave Main Roads' performance a poor rating and the remainder gave a 'don't know' response.

The graph shows that the overall performance of Main Roads has fallen slightly; down 3 percentage points, from 99% in 2007 to 96% in 2008. However, the results clearly continue to represent an exceptionally high level of overall performance. Respondents giving a low rating were asked to provide reason, with poor maintenance and traffic congestion the leading two factors attributed.





The following is a representation of projects delivered throughout the State under this program.

Initiatives	Objectives/Key Actions					
	Traffic Operations and Services – Ensure the development of effective traffic management solutions and improvements for the State road network while maintaining the efficient and effective management of real time operations of the metropolitan road network.					
Air Patrols for Traffic Management	To provide a better area of coverage and faster response times to incidents, the use of aircraft was introduced in early 2008. The observations can be relayed back to the Traffic Operations Centre to enable traffic signal timings to be modified and emergency services called in. This approach has been adopted for special events such as managing long weekend traffic travelling to and from the popular South West of the State.					
Claisebrook Bridge	To assist in improving the behaviours of all users of the Claisebrook overpass, innovative pavement markings were installed in May 2008 to provide more information and a lower speed environment. The total cost was \$50 000, and a before and after study will be completed in 2008-09.					
Pedestrian Detection	The pedestrian waiting detection system was installed in April 2008 at the intersection of Stock Road and Leach Highway. This new initiative will accommodate pedestrians who are not able to utilise the usual push button facilities at traffic signals. The total cost was \$20 000.					
Uninterruptible Power Supply (UPS) for Traffic Signals	UPS systems have been installed at 51 priority intersections controlled by traffic signals. UPS provides back-up power to enable traffic signals to remain operational for a minimum of four hours in the event of power failures. The project cost \$1.3 million with \$1.0 million spent this year					
Road Safety – Based arou	und the supporting services required to develop the road works program.					
Railway Crossing Upgrade Program	A total of 15 crossings were upgraded during the year at a cost of \$3.3 million.					
Railway Crossing Renewal Program	New technology equipment was installed at 22 crossings at a cost of \$3.6 million.					
New Incident Management Agreement	The Interface Coordination Agreement between Main Roads and the Public Transport Authority outlines maintenance and emergency response procedures relating to the new Southern Suburbs Railway and Kwinana Freeway. This agreement will provide improved safety for both public transport and road users.					
Driver Speed Behaviours	Completed in February 2008, this study into driver speed behaviour highlighted a decrease in compliance across most speed zones. The largest decrease was in the 110 km/h zone with a 27% drop in compliance. This information will assist in developing future coordinated responses from road safety agencies.					
Intelligent Speed Assistance Trial	This demonstration project has 30 vehicles participating and uses the State-wide electronically mapped speed zones.					
Fatal Crash Investigations	A total of 215 preliminary fatal crash investigations were undertaken and 70 more comprehensive full reports completed to determine the likely causes of crashes and to identify road improvements that seek to prevent reoccurrences.					
Training	A total of 9 training courses were provided through the year on road safety topics including Road Safety Auditing, Crash Investigations, CRASHTool and unsealed roads. 179 people participated in this training during the year.					
National Accreditation of Traffic Management at Roadworks Training	In May 2008, Main Roads fully transitioned existing training modules for traffic management at road works into a national training framework requiring a Statement of Attainment as a prerequisite to obtain a Main Roads 'licence to work'. This improves the training outcomes and skills of practitioners.					

Initiatives	Objectives/Key Actions
	(HVO) – Main Roads is responsible for the regulation of road network access for vehicles in excess 3 metres in height, 2.5 metres in width or 42.5 tonnes gross mass.
Accreditation	Western Australian Heavy Vehicle Accreditation has grown by 15% during 2007-08. Random, second party audits are conducted on a minimum of 5% of accredited operators to monitor compliance with the standards.
Restricted Access Vehicle (RAV) Permits	Main Roads has continued to shift its approach in the management of heavy vehicles from an individual vehicle and route focused approach to a network-based approach. The progressive introduction of Period Permits for Class 1 Oversize, Overmass and Special Purpose Vehicles along with Class 2 and 3 Restricted Access Vehicles has represented a major step forward using the network-based approach.
Heavy Haulage Focus Group	Main Roads, in partnership with Transport Forum WA, has established a Heavy Haulage Focus Group, which primarily represents operators in the road transport industry who move large indivisible loads with Specified Journey (Single Trip) Access Permits. Since its inception, the work done by the Group to address issues has significantly strengthened Main Roads' relationship with this key stakeholder group.
Heavy Vehicle Operations Help Desk	HVO has continued to maintain a Help Desk providing specialised information and advice to the transport industry. On average, HVO's Help Desk responds to more than 400 telephone calls per day.
Compliance	The compliance team enforces mass and dimension limits on the State's road and bridge system, and ensures that vehicles are operating in accordance with the conditions set down under Main Roads' Permits and Accreditation. Key achievements in 2007-08 included a total of 8 630 vehicle inspections, development of an education package containing basic heavy vehicle compliance information, and development of a formal competency-based induction and training program for new Transport Inspectors.
Low Volume Roads Project	After the approval of new <i>Guidelines for Assessing the Suitability of Routes for Restricted Access Vehicles</i> last year, regional workshops were conducted to promote the new Guidelines, to assess priority roads and provide guidance to Local Governments on practical application of the Guidelines. The successful outcome of the Low Volume Roads Project has resulted in excess of 2 000 roads being added to the approved road networks contained in the Class 2/3 RAV Period Permit.
Vehicle Loads System (VLS) Replacement Project	Stage 1 of the new VLS, which will be operational in March 2009, will provide customers with user friendly screens to submit period permit applications via the internet. Guided step by step assistance will be provided to help customers transition to the new system. For more straight forward applications, permits will be issued automatically and will enable HVO staff to focus on the more complex applications, improving customer service and permit turnaround times.
Traffic Operations Centre and incident managemen	<ul> <li>Manages the metropolitan road network and is a central point for real-time traffic information</li> <li>24 hours a day.</li> </ul>
Building Relationships	Main Roads Traffic Operations Centre Awareness Raising Tours foster a greater understanding of Main Roads' objectives and achievements, and promote a closer and more effective working relationship with key partners.
New Media Processes for Traffic Reporting	Several process improvements have been implemented to improve traffic reporting services and media liaison. In addition to the introduction of Public Affairs Coordinator roles, other new services include a pre-recorded traffic information line, a dedicated line to answer media enquiries and air interviews, and an email service to media outlets providing updates on traffic conditions during the AM and PM peak periods.

#### **Initiatives Objectives/Key Actions** Project Management – Provide coordination and assistance in project delivery and review. Recognising To build on Main Roads' very sound infrastructure delivery base, attention turned to improving the up front phases of project delivery. The RO&DS methodology has been developed using Opportunities and **Delivering Solutions** international best practice for a whole of business management framework that includes project inception through to operation and maintenance in a staged approach. RO&DS provides a road (RO&DS) map of the tools, controls and resources to help deliver the right projects, realise their true benefits and ensure ongoing improvement through lessons learnt. Gateway Review The Gateway Review Process is a project assurance methodology focused on assisting public **Process** agencies to improve project management and project delivery by undertaking short, intensive reviews at key points in the life of a project. Main Roads has been an active member of the Steering Committee overseeing the introduction of the Gateway Review Process and has pioneered the process on four of significant Main Roads infrastructure projects.

# **Looking Ahead**

Future Road Network Operations Management initiatives will be aimed at optimising the real-time management of the network. These include:

- Convening a working group with Local Government to develop agreed process improvements for traffic engineering issues that can be applied across the State
- The implementation by Main Roads of a new State Road Safety Strategy which will focus on making roads and roadsides safer by targeting the major crash types of single vehicle run off road crashes and intersection crashes
- The introduction of the Restricted Access Vehicle System, a new information and management system that will integrate permit, accreditation and compliance business.





# Case Study: Northbridge Tunnel Incident Management Exercise

A key service for Main Roads, as the network manager, is to provide and ensure continuity of road access. The delivery of this service is vital to its purpose of providing safe and efficient road access that will enhance community lifestyles and ensure economic prosperity. In addition to Main Roads Regional centres, a number of areas within Main Roads manage road access including Heavy Vehicle Operations and the Traffic Operations Centre. They provide services such as metropolitan traffic reports, road condition reports, heavy vehicle permits, traffic signal coordination and traveller information.

# When Things Go Wrong

Main Roads' role becomes even more critical when 'things go wrong' due to an incident which disrupts road access. During these times, Main Roads recognises that the broader community can incur considerable costs and inconvenience. Its aim is therefore to respond as quickly as possible, working with emergency services to ensure public safety and restore access.

Main Roads has procedures and processes to manage incidents. Fortunately however, large scale incidents are irregular events. To provide assurance to itself and its customers that it is working effectively, regular practice exercises are undertaken.

A major multi-agency exercise was initiated by Main Roads in the Northbridge Tunnel. With more than 90 000 vehicles using the tunnel each day, the simulation was designed to practice procedures and test how well Main Roads works with the emergency services in response to an incident. The exercise was coordinated by the Department of Premier and Cabinet and Police in conjunction with FESA, St John Ambulance, the Department of Health, Local Government and Main Roads. During the exercise, the Northbridge Tunnel was closed to traffic for almost eight hours on Sunday, 4 May 2008 with around 200 emergency services' personnel taking part.

The Tunnel was chosen as the last multi-agency field exercise occurred just prior to the opening of the Northbridge Tunnel. Also, the major incident in Melbourne's Burnley Tunnel last year highlighted the need to be prepared for incidents in a tunnel environment. The simulation involved a multi-car crash on a Monday morning. Crashed cars, smoke and volunteers, some with fake injuries, were used to make the scene more realistic for emergency services. To increase the level of realism, phone calls and requests from media, transport industry and members of the public were simulated.

The actions carried out during the exercise included:

- Activating the Tunnel's emergency systems to ensue the road users within the tunnel were informed of what to do and how to evacuate the tunnel safely
- Activating the incident room within the Traffic Operations Centre to maintain communications with emergency services to ensure there was a coordinated response
- Management of the Tunnel's emergency systems including the ventilation systems to ensure emergency services' personal could safely rescue car crash victims
- Fire and Emergency Services Authority and St John Ambulance Service rescuing and treating 'injured' victims on site prior to transfer to 'hospital'
- Police and Main Roads actioning one of Main Roads' 120 traffic contingency plans designed to minimise the impact of incidents on Perth's major road network by establishing alternative routes
- Providing updates and alternative route information to road users.

# **Identifying Improvements**

The simulated emergency was observed by exercise umpires to identify improvements that could further ensure the safety of the public in the event of an actual incident occurring.

The response to the incident from all agencies was very good, with only a few minor issues identified. These included signage within the tunnel evacuation corridor, the level of co-operation between agencies and plans to manage road users once they have been safely evacuated from the tunnel.

Overall the exercise demonstrated that in the event of an incident, Main Roads and the emergency services are able to respond and work together to ensure the safety of the public and minimise disruption to road users. This emphasised the importance that Main Roads places on relationships with other agencies to ensure that it maintains road access for its customers and highlights some of the diverse activities Main Roads has in its role as a road network manager.

### **Traveller Information**

Road users value real-time traveller information about incidents, congestion and travel times. This service is delivered through a growing range of communication channels such as internet, email, SMS, radio, TV, Variable Message Signs and in-vehicle devices.

Main Roads is collecting a wealth of real-time traffic data through automatic vehicle detection stations and a network of CCTV cameras on the freeways, as well as its traffic-control system. A policy on Supply of Network Operation Data to External Parties was released in February 2008, which will facilitate provision of real-time information to third parties. Main Roads is working with industry to explore innovate ways to deliver real-time traveller information, transforming data into real-time information.

With access to real-time information both prior to a trip and on-route, road users will be able to make informed decisions as to when, how and where they travel.

# **Working Together is a Win-win for All**

An initiative to brief new operators about the WA Heavy Vehicle Accreditation system is proving to be a hit. Transport operators have an opportunity to meet with experienced Accreditation officers and discuss the requirements of the WA Heavy Vehicle Accreditation system.

By targeting recently accredited operators, the consultation visits aim to improve knowledge of the requirements of Accreditation, reinforce the fatigue and maintenance standards, and offer guidance on the auditing and reporting processes. Such is their success that operators are recommending that their peers take advantage of the free service.

# **Building Relationships**

Main Roads Traffic Operations Centre Awareness Raising Tours have been very successful, with tours becoming popular among the community. Tours are often booked out months in advance without any formal advertising.

Main Roads conducts the tours approximately three times per week to a broad cross section of the community that includes schools, staff, retirement groups, emergency services, major stakeholders, industry representatives and professional groups.

These tours help to foster a greater understanding of Main Roads' objectives and achievements, and promote a closer and more effective working relationship with key partners. This benefits the community as a whole by establishing an effective and more integrated traffic management service.

# Road Infrastructure for Community Access

# At a glance

### **Objective**

The objective of this Program is to provide infrastructure that will improve personal mobility and community access. This is achieved by increasing the quality of access by determining what community expectations are and meeting this as a minimum level of appropriate access.

Operating Expenditure: \$110.3 million % of Total Road Program: 8%

#### **Roads Meeting Operational Standards**

The accompanying graph shows the percentage of travel that occurs on roads meeting operational standards, including the targets for 2007-08.

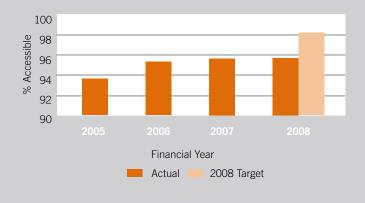
The percentage of travel that occurs on roads meeting operational criteria has decreased 2.7% since last year. This decrease can be explained primarily due to an increase in traffic volumes, requiring roads to meet higher criteria levels.



#### **Bridge Standards – Accessible to National Transport Commission (NTC)**

The following graph shows that in 2008, 95.4% of bridges on main roads and highways are available for NTC vehicles, compared to the target rate of 98.2%.

These results are very satisfactory with the maintaining of small incremental improvements over time.





The following is a representation of projects delivered throughout the State under this program.

Project	Total Project Cost (million)	2007-08 Cost (million)	Completion Date	Description
Kimberley				
Tanami Road	\$5.6	\$1.1	June 2008	Improve formation and drainage
Cape Leveque	\$25.1	\$6.0	April 2008	Various improvements
Great Northern Highway Telegraph and Fletchers Creek Bridges	\$45.9	\$3.4	December 2009	Construct new bridges to replace the existing low level floodways and approaches
Great Northern Highway Fitzroy Crossing to Gogo Section	\$5.0	\$0.8	December 2009 (Pre-construct Only)	Upgrading and widening 11.4 km of Great Northern Highway, including widening or replacement of two single lane bridges and construction of two new bridges
Pilbara				
Karatha-Tom Price Stage 2	\$151.3	\$65.2	August 2008	90 km of new road from Karatha to Barowanna Hill
Wheatbelt South				
Brookton Highway	\$29.1	\$4.6	June 2008	Widen from single lane to two lanes, widen existing seal, Corrigin Townsite
Gascoyne				
Flood Mitigation Works  – Carnarvon	\$24.0	\$3.8	Ongoing	Construction of Phase 1 of the Flood Mitigation Works on North West Coastal Highway at Drag Strip and Six Mile Creek
Carnarvon to Mullewa Road	\$20.0	\$3.3	June 2008	Reconstruction and sealing of 19 km of Carnarvon to Mullewa Road
Metro				
Mitchell Freeway Principal Shared Path (PSP) Lighting	\$0.4	\$0.02	Stage 1 – June 2008 Stage 2 – August 2008 Stage 3 – January 2009	New lighting retrofitted on existing PSPs, including two underpasses and two pedestrian bridges

# **Looking Ahead**

Undertaking Community Access projects aimed at improving personal mobility and community access, including:

- Karratha Tom Price Stage 2
- Goldfields Highway (Lake Raeside)
- Brookton Highway (Corrigin to Hyden)
- Great Northern Highway (Telegraph Creek, Fletchers Creek, Fitzroy to Gogo).



# Case Study: Karratha - Tom Price Stage 2

(Karratha to Barowanna Hill)

Region Pilbara, Cost 2007-08 \$65.2 million, Total Cost \$151.3 million

# **Project Overview**

Karratha – Tom Price Stage 2 comprises 90 kilometres of sealed road linking Karratha to the heart of the Millstream Chichester National Park in Western Australia's Pilbara Region. The new road rises through the rugged landscape of the Chichester Range and delivers travellers to a point just north of the popular Millstream tourism area in one hour, about half the time previously required for the journey.

#### Alliance Model Delivers Results

Karratha – Tom Price Stage 2 was constructed under an Alliance contract by the Millstream Link Alliance, consisting of Main Roads, Macmahon, GHD and Coffey Geosciences. The project has been completed and opened to the public in early August 2008, two months ahead of schedule. This would not have been achieved under a traditional contracting model. The difficult terrain in which the project was constructed presented design complexities, and made it difficult to define the project scope and quantify the risks. Under the Alliance structure, the participants have collective responsibility for all deliverables. They have carried out key activities in conjunction rather than separately, thereby saving vital time. These activities have included:

- Aboriginal heritage studies
- Land acquisition
- Community and stakeholder liaison
- Service relocations
- Geotechnical investigations
- Sourcing of road building materials
- Route optimisation
- Final design
- Construction.

Main Roads has played an integral part in the delivery of the project by filling critical roles in the Alliance project team, including:

- Construction manager
- Human resources co-ordinator
- Alliance manager
- Community and stakeholder manager
- Project engineer
- Construction supervisors
- Drainage designers
- Road geometry designers
- Engineering graduates.

Main Roads' people were accepted into the project team, and empowered in an open and honest manner by the other partners. The aligned project objectives and positive team environment that were fostered have led to excellent outcomes for Main Roads, the other partners, stakeholders and the community. If Main Roads had not played such an integral role in the project, the Alliance may have struggled to fill key positions in a heavily pressured civil construction resources market.

A key benefit of the Alliance structure has been the two-way transfer of skills between Main Roads and the Alliance partners. This has greatly enhanced the skills and knowledge of all involved, making them better prepared for future projects while ultimately delivering efficiencies that will benefit all parties and the community. The process has reinforced Main Roads' belief that management and expansion of the State road asset is done most effectively in co-operation with our industry partners.

Further information and updates are available from the Millstream Link project website at www.millstreamlink.com.au.

# Road Use Efficiency Improvements

# At a glance

#### **Objective**

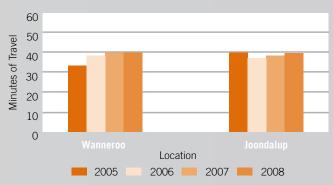
The objective of this Program is to improve the efficiency, capacity and utilisation of the existing road network.

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Operating Expenditure: \$166.5 million % of Total Road Program: 12%

#### **Morning Peak Hour Travel Times**

The results in the following graphs show the trend in morning peak hour travel times from seven metropolitan centres to the boundary of the Perth Central Area. The data indicates a general trend of increasing travel times over the four year period in the Perth metropolitan road network, consistent with growth in population and urban development.

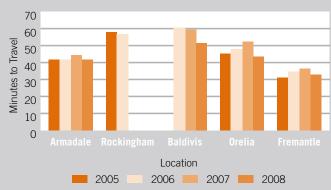


There was a slight increase in the morning peak period travel time on the Joondalup route (from Shenton Avenue to Charles Street on ramp), while the Wanneroo route (from Conlan Avenue to Newcastle Street) has been relatively stable.



2006 2007 2008 2005 Although there was a slight increase in the morning peak hour travel time on the Midland and Kalamunda routes compared to last year, travel times on both routes have been stable during the past four years.

Location



The morning peak hour travel times on the Armadale route (from Armadale Road to Riverside Drive via Albany Highway, Shepparton Road and the Causeway) show a slight decrease from the previous year, but have been relatively stable during the past four year period.

The following is a representation of projects delivered throughout the State under this program.

Project	Total Project Cost (million)	2007-08 Cost (million)	Completion Date	Description
Kimberley				
Gibb River Road	\$49.8	\$6.0	Ongoing	Improve formation and drainage
Great Northern Highway Big Mabel Creek Bridge	\$19.8	\$2.8	December 2009	Construct a new bridge to replace the existing sub-standard single lane bridge
Great Northern Highway Elvire to Sandy Creek Station	\$1.0	\$0.6	December 2009	Carry out design and pre-construction works on 20 km of road reconstruction to improve pavement strength

Project	Total Project Cost (million)	2007-08 Cost (million)	Completion Date	Description		
Great Northern Highway – Bow River Section	\$9.3	\$7.4	December 2009	40km of reconstruction works, 1 bridge replacement and 2 new brdges		
Pilbara						
Dampier Highway	\$11.0	\$8.2	July 2008	Extend dual carriageway Hillview Road to Balmoral Road and construct passing lanes Balmoral Road to Burrup Road		
Dampier Highway	\$1.5	\$1.1	July 2008	Construct new access to Karratha TAFE		
Metro						
Great Northern Highway (Sections 1B and 2)	\$22.9	\$6.7	June 2009	Widening, overlay and reconstruction of 4.1 km of Great Northern Highway between Haddrill Road in Baskerville and Apple Street in Upper Swan		
Fremantle Traffic Bridge (Queen Victoria Street)	\$81.0	\$0.2	June 2013	Improve navigational spans, lane widths and safety, and structural integrity of river crossing at this location		
Great Eastern Highway  – Roe Highway Interchange	\$80.0	\$0.1	2013	Construction of a grade separated interchange with Roe Highway over Great Eastern Highway		
Goldfields-Esperance						
South Coast Highway	\$0.5	\$0.5	April 2008	Construction of a 1.7 km westbound passing lane on the west side of the Young River Bridge		
Eyre Highway	\$63.1	\$32.1	February 2008	Widening, overlay and reconstruction of 91 km of Eyre Highway		
South West						
Passing Lanes Benger	\$3.1	\$1.4	March 2008	Widening of pavement, reconfiguration of intersections and construction of passing lanes		
Wheatbelt North						
Great Eastern Highway  – Tammin to Southern Cross	\$47.0	\$13.0	March 2008	Reconstruction and widening of 60 km of highway between Hines Hill and Walgoolan, and 8km at Moorine Rock		
Great Eastern Highway  – Clackline Bypass	\$9.5	\$3.5	February 2008	Realignment and construction of a 1.5 km bypass at Clackline including a major culvert over Clackline Brook and a pedestrian/equestrian underpass		

# **Looking Ahead**

Undertaking the Road Use Efficiency Improvement projects aimed at improving the efficient movement of people and goods, including:

- Great Northern Highway (Lennard Muchea)
- Eyre Highway (Balladonia East, Heartbreak Ridge)
- Orrong Road Great Eastern Highway Bypass.



# Case Study: ECI Leads to Outstanding Community Outcomes

(Great Northern Highway, Bow River section)

Region Kimberley, Cost 2007-08 \$7.4 million Total Cost \$9.3 million

The Great Northern Highway is the main land transport route between Perth and the Kimberley Region, and the only sealed road connecting Western Australia and the Northern Territory. It is a vital corridor for freight, transport, tourism and defence. The Australian Government has committed AusLink funding to Main Roads to upgrade five sections of the highway between Halls Creek and Kununurra. The work will be undertaken by Team Savannah, which is a consortium of BGC Contracting Pty Ltd, Laing O'Rourke Australia Construction Pty Ltd and Maunsell Australia Pty Ltd.

Due for completion in December 2009, this project includes approximately 40 kilometres of reconstruction works, 1 bridge replacement, and 2 new bridges.

While Early Contractor Involvement (ECI) is a new form of contracting for Western Australia, it has been used in major construction projects elsewhere in the world. During the ECI contract, Team Savannah and Main Roads worked together to determine the preliminary design and the final cost to construct the project.

In October 2007, the ECI contract was awarded to Team Savannah who agreed to provide flexibility to support individuals and groups in engaging with the project and to address community issues to achieve sustainable outcomes.

As part of the ECI bid, Team Savannah developed an innovative sustainability measurement, assessment and recording tool to simultaneously consider the social, environmental and economic issues and opportunities.

Strategies were also developed to appropriately respond to Aboriginal heritage and this led to a productive relationship with the Gija people of the East Kimberley, enabling two constructive agreements and the gift of a 750 year old boab tree.

# **Working with Traditional Owners**

The Gija people are the Traditional Owners and Native Title claimants of the land through which the highway passes. The Warmun community is the main population centre of around 700 people, with others living at outstations nearby. Warmun is a closed community, with a ban on the possession and consumption of alcohol.

Team Savannah decided to place its accommodation camp on a pastoral lease 20 kilometres south of the community. Early consultation with the community identified some potential risks. After exploring the community's needs and understanding how they would like to see the issue managed, a Memorandum of Understanding (MoU) between the Warmun Community Council and Team Savannah was developed. The MoU guided the development of management plans and policies in areas such as Aboriginal heritage, communication, local industry involvement, traineeships, employment, camp management and community access.

Building on this historic accord, Team Savannah suggested the development of a second agreement – an Aboriginal Trainee Employment Strategy. The purpose of the agreement is to define and confirm a commitment to providing training opportunities to local, young Aboriginal people. It also affirmed that where reasonably possible, working conditions would be appropriate to the needs of Aboriginal people, including an understanding of cultural differences, the possible need for cultural leave and an understanding of family obligations.

The REACH Foundation was engaged to assist in identifying and supporting young people to apply for the positions and Main Roads co-signed the agreement. Ten young, local people are commencing work on the project.



# **Boab Tree Gifted to Kings Park**

The design of a new bridge at Telegraph Creek north of Warmun required the removal of a 12 metre high, 36 tonne, 750 year old boab tree that held a special place in the history of the Gija people. They tell stories of generations of families camping in its shade, and using the nuts for food and medicine. When the need to remove the tree was discussed with the community, they understood that a new bridge was important but expressed their sadness at the impending loss of such an impressive icon in their landscape. Sensing this, Team Savannah offered to try to move the tree 100 metres or so out of the way of the machines working in the area.

Needing some expert advice on how to move the tree, Team Savannah contacted Kings Park and Botanic Garden, who immediately expressed an interest in having the tree relocated to the Park.

Team Savannah went back to the Gija people with a new opportunity for them to consider – the gift of the boab tree to the Nyoongar people of the South West of Western Australia, and an invitation for them to attend the Kings Park Festival to share Gija culture and stories of the boab tree.

The Gija people farewelled the tree with a smoking ceremony and the Nyoongar people welcomed its arrival, a little over a week later, at a ceremony in Perth.

The Gija Jumulu Tree (boab) now stands tall and proud at Two Rivers Lookout in Kings Park and Botanic Garden, evidence that co-operation and a commitment to relationships can lead to exceptional project and community outcomes.

The Chief Executive Officer of the Community Council congratulated Team Savannah for its commitment to early engagement with the community and said it confirmed a willingness to work with the community for mutual benefit.

Construction on the project commenced in June 2008, and is due to finish in December 2009. Further information and updates are available from the Team Savannah project website at www.teamsavannah.com.au.

# Road Network Maintenance

# At a glance

### **Objective**

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

Operating Expenditure: \$476.4 million (contains depreciation expenditure for infrastructure assets of \$170.5 million)

% of Total Road Program: 35%

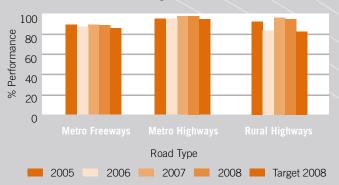
#### **Roads Meeting Roughness Standards**

The accompanying graph shows the percentage of travel that occurs on roads meeting roughness standards across Australia, including the Western Australian targets for 2007-08.

Of the total travel on Western Australian sealed State roads. 98.4% is undertaken on roads that meet the roughness standard. This figure indicates that Western Australia continuously provides smooth travel for road users.

#### **Community Perceptions of Ride Quality**

The accompanying graph shows the extent to which the community of Western Australia is satisfied with the quality of the ride, as well as the target rates for 2007 08.



The results are compatible with the results obtained for the Smooth Travel Exposure Indicator, that is, a large proportion of travel occurs on roads meeting roughness standards. During 2007-08, there was a slight drop in the percentage of respondents that were satisfied with the ride quality of metropolitan freeways, metropolitan highways and rural highways, however, all roads exceeded the 2007-08 targets.



The following is a representation of projects delivered throughout the State under this program.

Project	Total Project Cost (million)	2007-08 Cost (million)	Completion Date	Description
Kimberley				
Great Northern Highway	\$1.3	\$1.1	August 2008	Reconstruct and strengthen Mt Wynne Bridge
Great Northern Highway	\$2.8	\$1.1	Ongoing	Rehabilitation

Project	Total Project Cost (million)	2007-08 Cost (million)	Completion Date	Description
Wheatbelt South				
Collie to Lake King Road	\$1.1	\$0.3	June 2008	Replace and sleeve culverts
Pilbara				
Great Northern Highway	\$2.7	\$2.7	June 2008	AusLink rehabilitation program
Nanutarra Munjina Road	\$0.5	\$0.5	September 2007	Resheeting
Marble Bar Road	\$0.7	\$0.7	August 2007	Resheeting
Ripon Hills Road	\$0.8	\$0.8	June 2008	Preservation works
Goldfields-Esperance				
Longitudinal Linemarking	\$1.1	\$1.1	October 2007	3 100 km of longitudinal linemarking
South West				
Alexander Bridge	\$1.8	\$1.8	July 2008	Refurbishment of the substructure and placement of a concrete deck overlay
Mallokup Bridge	\$2.4	\$1.9	July 2008	Construction of a new concrete structure adjacent to the old timber structure
Great Southern				
Ravensthorpe Nickel Project	\$0.8	\$0.8	April 2008	Widening of the existing seal width
Hopetoun Road	\$0.4	\$0.4	June 2008	Pavement repairs, surface correction and re-surfacing works
Broomehill Jerramungup Road Deadmans Curve	\$2.0	\$2.0	June 2008	Realignment, reconstruction and widening of two substandard curves
Various Bridges	\$0.5	\$0.5	May 2008	Specific maintenance works to four bridges
Denmark River Bridge	\$0.7	\$0.3	August 2007	Replacement of the existing timber deck with reinforced concrete and the installation of a dual use path

# **Looking Ahead**

Undertaking the Road Network Maintenance projects aimed at minimising whole of life road asset management costs, including:

- Great Northern Highway rehabilitation in Kimberley Region
- Maintenance delivery through the Term Network Contracts and development of the Integrated Service Arrangements.



# Case Study: From Maintenance to Integrated Services

#### **Overview**

Main Roads led the world with its innovative delivery of road maintenance and rehabilitation through the introduction of its Term Network Contracts (TNCs) eight years ago. At the time, no other agency had applied outcome-based maintenance contracts to such a large road network. The TNCs covered Western Australia's State highways and main roads, and represented the largest program of road works ever undertaken by contract.

As these contracts come to an end, Main Roads is proposing a new strategy for the next generation of operational asset management and road services delivery. The new arrangements for the provision of integrated asset management, network operations and road maintenance services will ensure the provision of these road management services. They will offer many exciting opportunities for industry, Local Government and Main Roads to collaborate in a manner which will ensure effective provision for growth, development and excellence in road management services for the future.

# A New Approach

Main Roads believes the best way forward is to develop a new approach - integrated services arrangements and working in collaboration with industry to deliver operational asset management, network operations and maintenance delivery services.

These arrangements will build on the successful aspects of the TNCs and will include improvements identified from lessons learnt, new practices and an extensive stakeholder engagement process. Based on these learnings, the future delivery of integrated services will:

- Be founded on relationship contracting principles
- Provide tailored services to meet the needs of each network
- Not just be road maintenance contracts, but will integrate aspects of operational asset management, network operations and customer services
- Have a strong focus on governance and value for money
- Incorporate an outcome focused, performance specified approach
- Provide opportunities for knowledge management and transfer of road competencies and skills for Main Roads and the broader road industry
- Seek every opportunity to engage with Local Government and maximise use of local skills, knowledge and suppliers.

The integrated services model potentially provides a significant benefit in relation to the definition and management of the scope of services. It can provide a more flexible framework for defining the services and for the ongoing management of changes to assets and services. It can also provide the means for Main Roads to have more influence in long term asset management and to better integrate services with other areas and processes within Main Roads.

The term of the arrangements has not yet been set, however, legal issues and Government policy will be examined to determine what is achievable. Avenues being explored include the creation of rolling contracts subject to satisfactory performance, however, the project team is only in early deliberations and consultation on this issue.

### **Local Involvement**

The potential long term benefits that could be obtained by forging even stronger relationships with Local Government are acknowledged and may include:

- Provision of regional employment while ensuring resources (labour and machinery) are located across the network, particularly in remote networks
- Providing greater opportunities for improving the sustainability of some councils
- Leveraging off the inherent and intimate knowledge of local expertise
- Joint management of an integrated seamless road network providing increased economies of scale and improved road network operations for all strategic routes.



It is intended that the new arrangements will create an environment that is flexible and efficient while supporting initiatives to attract new investment, encourage employment creation, and promote training and development to ensure the long term sustainability of the road industry within Western Australia.

Main Roads is actively exploring all opportunities these new arrangements present and is seeking to understand the issues, barriers and cultural differences which may currently inhibit the full potential for local industry involvement and overall community benefit in the short and long term.

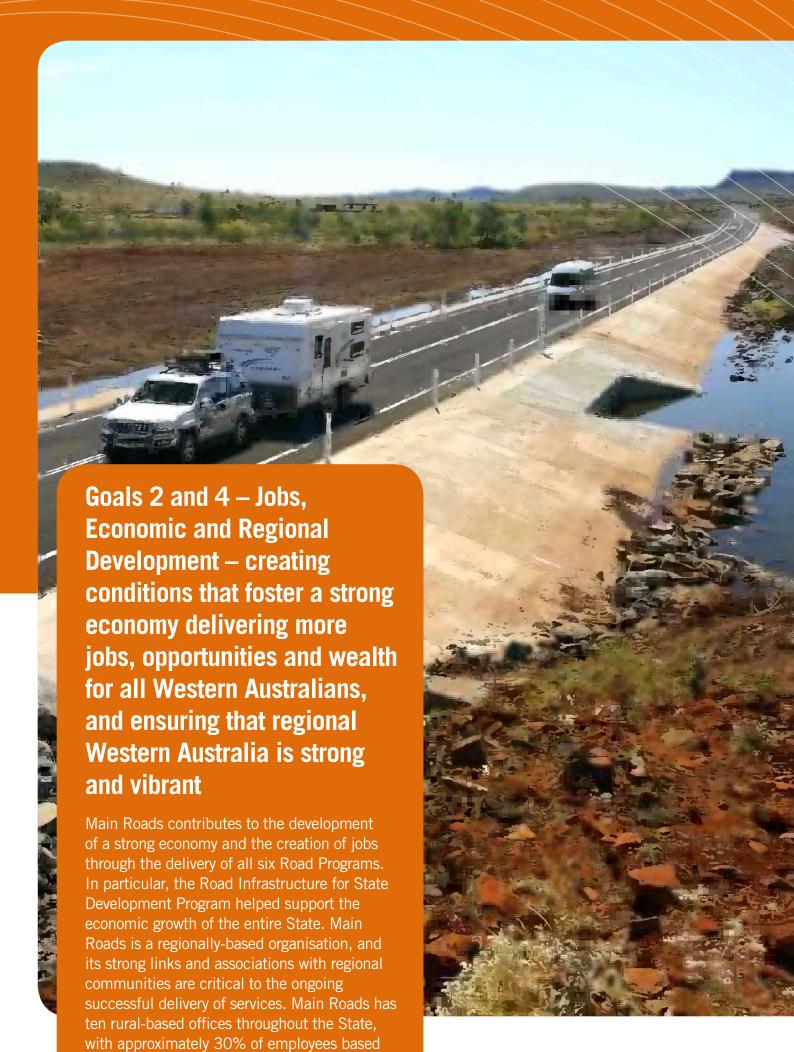
# **Evaluating Performance**

A rigorous evaluation framework for the new arrangements is required and consideration is being given to establishing an independent Performance Evaluation Group. The role of this Group would be to undertake independent evaluation and reporting on the financial, technical, governance and performance aspects of the arrangements.

The possibility of publishing these findings in a separate annual report is also under consideration. These findings would be an essential input into identifying opportunities for improving performance within the arrangements and assessing performance, and could have a major input on the term of the arrangements.

Main Roads' current view is that the Evaluation Group should be external to the arrangement, and be comprised of personnel with appropriate knowledge complemented by industry and evaluation expertise, operating within a sphere of independence.

The emphasis of these new arrangements is on integration not separation.



in rural locations.

# Road Infrastructure for State Development

# At a glance

### **Objective**

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

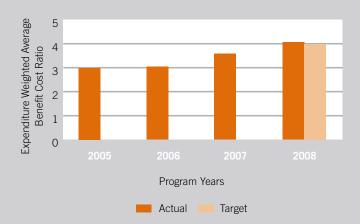
Operating Expenditure: \$429.2 million

% of Total Road Program: 32%

#### **Return on Construction Expenditure**

The graph shows the estimated future economic benefit that each dollar spent on road construction in the program in 2007-08 will bring.

The return on construction expenditure effectiveness indicator has increased since 2006-07, due to the significant increase in construction expenditure on the New Perth Bunbury Highway, which has a high benefit cost ratio.



The following is a representation of projects delivered throughout the State under this program.

Project	Total Project Cost (million)	2007-08 Cost (million)	Completion Date	Description
Kimberley				
Broome Highway	\$14.9	\$14.9	May 2008	Construct and seal Broome bypass
Kununurra Heavy Vehicle Route Stage 1	\$10.0	\$0.8	2009 (Pre- construct Only)	Provide a single carriageway heavy haulage route from Victoria Highway to Weaber Plain Road
Gascoyne				
Coral Bay	\$2.8	\$2.8	October 2007	Construction and sealing of a number of roads, and the carpark and boat ramp
Metro				
Mitchell Freeway – Hodges Drive to Burns Beach Road	\$171.5	\$73.9	September 2008	Extension of the Freeway including interchanges at Hodges Drive, Burns Beach Road and Shenton Avenue, road bridges at Hodges Drive and Shenton Avenue, and a local footbridge to connect Fairway Circle to Winton Road
Goldfields-Esperance				
Goldfields Highway	\$0.2	\$0.2	June 2008	Fencing of 38 km of road reserve on Sherwood Station

34

Project	Total Project Cost (million)	2007-08 Cost (million)	Completion Date	Description
Mid West				
Geraldton Southern Transport Corridor Stage 2	\$60.0	\$0.6	June 2010	Construct 8.7 km of single carriageway from the Stage 1 works at North West Coastal Highway to the Geraldton Mt Magnet Road
Wheatbelt North				
Northam to Pithara Road and Calingiri Road Intersection	\$0.8	\$0.4	December 2008	Service relocations and upgrade of intersection
Mimmegarra Road	\$4.0	\$4.0	December 2007	Construction to sub-base stage, 15 km of new road that will link Indian Ocean Drive to Mimmegarra Road
Lancelin to Cervantes Stage 1 (Indian Ocean Drive)	\$20.2	\$15.4	March 2008	Construction of a new two lane sealed road connecting Lancelin Road to Ocean Farms Estate
Lancelin to Cervantes Stage 2 (Indian Ocean Drive)	\$110.0	\$3.1	June 2011	Construction of a new two lane sealed road with side road connections. Realignments of existing intersections for Hangover Bay Road, Pinnacles Desert Drive, Kangaroo Point Road and Cervantes Road
South West				
New Perth Bunbury Highway (Kwinana Freeway Extension and Peel Deviation)	\$705	\$281.4	December 2009	Design and construction of 70.5 km of dual carriageway
Great Southern				
Mt Barker Bypass	\$11.7	\$6.0	May 2008	Construction of 3.7 km on new alignment, reconstruction and widening of 1.4 km on existing alignment and construction of five new intersections

# **Looking Ahead**

Undertaking the Road Infrastructure for State Development projects aimed at supporting economic and regional development, including:

- Mitchell Freeway (Hodges Drive Burns Beach Road)
- New Perth Bunbury Highway
- Lancelin to Cervantes Stage 2.



# Case Study: Collaborative Effort Drives New Perth **Bunbury Highway Alignment**

Project: New Perth Bunbury Highway (Kwinana Freeway Extension and Peel Deviation)

Region: Metropolitan and South West, Total Cost: \$705.0 million, Cost 2007-08: \$281.4 million

#### **Overview**

The New Perth Bunbury Highway (NPBH) is a dynamic and challenging infrastructure project involving the design and construction of 70.5 kilometres of dual carriageway. NPBH is under construction as a single project, and will extend the dual carriageway from Kwinana Freeway at Safety Bay Road in Baldivis around the eastern side of the Peel Inlet and Harvey Estuary to join the existing dual carriageway on Old Coast Road at Lake Clifton.

The NPBH will be constructed to freeway standard from Safety Bay Road to South Yunderup, a distance of some 32 kilometres. The remainder of the route, 38 kilometres, will initially be built as a rural highway, with the ability to upgrade it in the future as traffic demands increase.

Due for completion in December 2009, the route will link Perth and the South West, bypassing the heavily populated areas in Mandurah and the Dawesville Peninsula, and avoiding inland communities on the existing highway. The result will see the NPBH reduce travel time for road users by around 30 minutes. As the largest infrastructure project ever undertaken by Main Roads, NPBH is expected to greatly benefit Western Australians by enhancing the efficiency and accessibility of the State's road network.

# **Discovery of Rare Orchid**

One of the most significant challenges faced by the New Perth Bunbury Highway project was managing the social and environmental issues surrounding the discovery of a rare orchid, Drakaea elastica (Glossy-leaved Hammer orchid), within the road reservation.

The orchids were first discovered in October 2006 as part of a spring botanical survey undertaken in preparation for the start of construction. The orchid is listed as Declared Rare Flora under both State and Federal law.

It was a condition of the project's Federal environmental approval, granted by the Department of Environment and Heritage in December 2006, that the freeway avoid this regionally significant population of the rare orchid.

During the following 12 month period, the team investigated alternative alignments for the 5.6 kilometre section of the project in order to minimise the impact on the population and habitat of this declared rare flora.

The challenge with selecting an alternative alignment in this area was that the Paganoni section of the project contained a number of environmental constraints including the Serpentine River, Bush Forever, Aboriginal sites of significance and the Paganoni Reserve.

These environmental constraints presented a complex design scenario as each of the options identified was likely to have an impact on at least one of these sensitive areas.

## **Effective Community Consultation**

Preliminary stakeholder consultation highlighted there were differing views on the relative significance of the environmental constraints and, therefore, on which alignment would be deemed most environmentally and socially acceptable.

Recognising this, Southern Gateway Alliance - the organisation undertaking the project on behalf of the State and Federal Governments - welcomed the involvement of key stakeholders in the decision making process.

As part of the consultation, a facilitated workshop was held to raise awareness of the issue with our key stakeholders, obtain a better understanding of the issue and its constraints, and involve stakeholders in the deliberation and identification of a preferred route that could then be submitted for formal environmental approval.

The workshop achieved the above objectives and was instrumental in building understanding among and relationships with, the many key stakeholders affected by this issue.

While the workshop did not result in a consensus decision, it helped to clarify the values and preferences of each stakeholder group plus identify ways the alignment could be improved.

Feedback was that the stakeholders were appreciative of their involvement and recognised the complexity of the decision. They noted the diversity of representation and opinion as strengths of the workshop, and felt it had enabled stronger deliberation.

Following the workshop, the Alliance continued to work collaboratively with Main Roads, environmental stakeholders and the local Indigenous community to identify two possible alignments, which were then considered by the various State and Federal environmental regulators.

A decision on the final alignment was made in February 2008 and the Alliance received approval to clear the main alignment through this section of the project.

The Alliance has continued to work with the local Indigenous community to refine the design and mitigate the impacts of the highway through this environmentally sensitive area.

Construction has commenced on this remaining section and the project, as a whole, is on schedule. Further information and updates are available from the Southern Gateway Alliance website at www.sgalliance.com.au.





# Sustainability

The State Government's Sustainability Strategy has a strong focus on sustainable land use and transport, and defines sustainability as meeting the needs of current and future generations through integration of environmental protection, social advancement and economic prosperity.

Main Roads' business activities typically have a direct impact on the economy, the environment and people, so by adopting its own Sustainability Policy and Strategy, Main Roads will improve and strengthen the way it meets the communities needs. During 2007-08, the Sustainability Strategy was fully deployed, with the main focus being on creating a culture of sustainability within the organisation. The Strategy has six areas of focus:

- Leadership and Corporate Policy
- **Education and Awareness**
- **Business Processes**
- **Partnerships**
- Sustainability Projects
- Performance Tracking and Reporting.

During the year specially tailored Sustainability Awareness Workshops were presented to 670 staff, an intranet site was developed and deployed, and Main Roads participated in events such as Sustainable September and Earth Hour. Several Main Roads' projects have started to embrace sustainability directly into construction contracts. The impacts of these initiatives are yet to be quantified, but early indications are extremely positive.

The following provides an overview of some recent initiatives that emphasise the principles of sustainability and how they are addressed.

#### **REACH Foundation**

The REACH Foundation has been established by Main Roads in order to address the skills shortage in the road industry by facilitating traineeships for regional young people. REACH commenced operations with the appointment of inaugural Chief Executive Officer, Ms Karyn Lisignoli, in April 2007. Since then, the team has been extremely busy travelling around the State, promoting the Foundation and the support it provides to industry and regional young people.

REACH has successfully assisted 29 young people into traineeships in civil construction, with an additional 19 trainees currently in the process of being recruited. In the past 12 months, REACH has placed trainees with four

different contractors - Highway Constructions, Downer EDi Works, Pioneer Road Services and Team Savannah, six different Local Government Authorities and with Main Roads. REACH is currently working with Access Alliance to recruit ten trainees and also with Main Roads to recruit an additional nine trainees for the Lancelin to Cervantes Project.

## **Community Engagement**

Main Roads is committed to harnessing the creativity, knowledge, views and expertise of the community, stakeholders and industry in developing sustainable transport solutions. This has been proven in practice, as reviewed and reported to Parliament by the Auditor General, that a strong commitment to maximising community and stakeholder contributions leads to sustainable outcomes through effective community engagement. Main Roads Community Engagement and Sustainability Policies ensure that it provides effective adaptive and technical leadership, and that its community engagement and relationship building processes are collaborative and realise a diversity of community ideas leading to sustainable communities. These leadership processes improve capacity, capabilities and adaptability both within the community and Main Roads. achieving the excellence sought from 2k12. For further information, refer to the Building Better Relationships section of this report.

# **Indigenous Heritage**

Consultation with Indigenous groups is the most important way of assessing potential impacts on heritage sites, and determining how any unavoidable disturbance can be managed. During the year, there were 39 formal meetings with Indigenous communities and groups about road projects. Ongoing heritage training is also important, and a recent collaborative approach benefited Main Roads staff and contractors who heard directly from local Indigenous people about their personal views on heritage, protection of sites, and Main Roads processes and efforts.



REACH Foundation participants at Lancelin-Cervantes

# **TravelSmart Workplace Travel Plan**

The Main Roads' Plan to Travel Smart Workplace Travel Plan was endorsed by Corporate Executive in October 2007, and outlines a series of strategies and actions identified by employees as potential inducements to changing their travel behaviour.

To date, 66% of Travel Plan actions have been implemented either to completion or on an ongoing basis. Actions considered ongoing are those involving internal promotional, marketing or event-based activities. The remaining 34% consists largely of time-intensive actions; and actions requiring inter-Agency co-operation and advocacy. A number of these are potentially achievable over the medium to long term.

Plan to TravelSmart Workplace Travel Plan



The Plan will undergo an annual review in November 2008 to determine the extent of behavioural change.

#### **Environment**

In responding to Western Australia's road transport demands during the State's strong economic and population growth, Main Roads continues to strive for a balanced approach that adequately protects the State's unique natural environment. Specialist stakeholder groups have a key role in these endeavours and are providing valuable contributions by presenting their views on improving environmental management. The Environmental Advisory Group, comprising external members who provide input at a strategic level, drew attention to the need for improved weed management and for more stakeholder involvement in the early stages of road projects. The support and guidance of groups like the Advisory Group are critical to achieve and meet community expectations.

#### **Environmental Management System**

Main Roads' environmental management system is certified to the international standard ISO 14001:2004, and is the foundation of effective management of environmental risks throughout the business. Significant reviews occurred this year, including the core system procedures and corporate policy. Next year's activity will include preparation of a new policy and a major external audit of the entire system for recertification.

A management review by senior executives found that more attention needs to be given to management of roadside vegetation and weed control. It also noted increasing demand for safer roadsides, and the inevitable tension between road safety and roadside conservation that will need to be addressed.

#### **Biodiversity**

Western Australia's biodiversity remains its natural crown yet is under increasing pressure in these boom times. Main Roads has a role in conserving biodiversity, particularly in road reserves in the agricultural area where broad-acre farming has cleared most native vegetation. Recent work in this area assessed options for long-term on-ground monitoring of high-value remnant native vegetation in road reserves, to supplement the well established monitoring across the entire road network using drive-by digital imagery.

Revegetation plans are now in place for all Regions within the agricultural area, aiming to put back more vegetation each year than is cleared for road construction purposes. A notable project is the New Perth Bunbury Highway where construction is far from complete, but the revegetation program has already started and will be Main Roads' biggest program ever. As part of its endeavours to improve revegetation outcomes, Main Roads reviewed (with stakeholders) how to measure success, and measurement methodologies are now being developed. Plans for next year include a greater focus on how weeds are managed and protection of almost 400 threatened flora locations in our road reserves.

#### **Water Resource Protection**

Main Roads contributed to wider efforts to improve the quality of Perth's rivers and lakes, with the Metropolitan Region continuing its program of fitting pollution control treatments at high priority locations. A water quality monitoring program was also initiated to assist in the selection and design of these treatments that intercept road run off water.

#### **Property Management**

Main Roads' commitment to improving the efficient use of energy and water in its buildings continued throughout the year. Opportunities to introduce efficiency actions in existing buildings were taken, and the design brief for proposed new buildings includes the adoption of environmentally efficient design concepts, materials and utility systems.

Within existing buildings, efficiency actions taken included:

- Alterations, additions, refurbishments and fitouts which maximised the incorporation of ABGR and Green Star principles and initiatives
- Upgrading existing air conditioning systems with more energy efficient models
- Adjusting the operating times and settings of existing air conditioning systems to achieve reduction in energy demand
- Replacing old gas and electric water heaters with solar systems
- Upgrading existing water taps with 6 star models
- Upgrading fixtures and fittings, including toilet cisterns, with water efficient models.

All proposed new buildings were designed to achieve 4.5 stars under the Australian Building Greenhouse Rating system and to maximise the incorporation of Green Star principals. These include:

- Adoption of environmentally sensitive and sustainable designs that maximise the use of natural lighting, ventilation, heating and cooling
- Selection of environmentally sensitive and sustainable building materials
- Incorporation of smart systems to control and monitor energy and water use
- Incorporation of rainwater harvesting and water recycling systems.

Throughout the coming year, water audits are to be undertaken on Main Roads' major buildings while further opportunities to improve the efficient use of energy and water will be investigated.

# **Looking Ahead**

The coming year will see the continued development of a culture of sustainability at Main Roads. Business processes will continue to be improved, including the formal inclusion of sustainability within the Integrated Service Agreements and core processes including project and contract management. Indicators to reflect the organisation's performance will also be developed based around the Global Reporting Initiative. A flow on effect into what Main Roads reports will also occur.

# Sustainable September

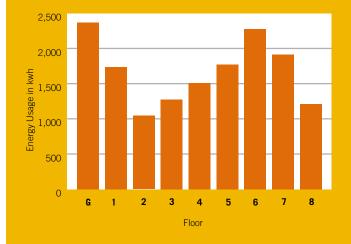
Sustainable September is an annual campaign organised by the WA Collaboration for Sustainability, a partnership of Western Australia's leading non-Government organisations, with the aim of raising awareness about sustainability. In 2007, Main Roads participated in the event by organising various activities during the month of September that captured the attention of many people.

Initiatives for Sustainable September included adopting a topic theme for each week's activities, a series of lunch time talks with guest speakers, video presentations and an information display in the cafeteria area. The level of involvement in the event is evident by the success of the Power Down Your Floor Competition.

The Power Down Your Floor Competition pitted floors in the Main Roads head office building against each other in an effort to reduce electricity consumption. Led by volunteers on each floor, the idea captured the attention of staff and significant power savings were able to be made. The winning floor was able to reduce its power usage by 37.6%. Overall, the competition reduced energy consumption by 15 000 kilowatt hours and saved 14 tonnes of greenhouse gas emissions.

To learn more about the Sustainable September initiative visit www.sustainableseptember.net.au

#### **Power Reductions Per Floor**





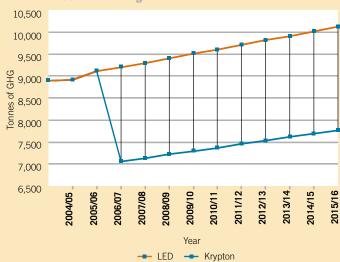
# Case Study: LED Traffic Light Upgrade

Main Roads operates a Traffic Signal Network that predominately utilises Krypton bulb technology. A project is currently being undertaken by the Metropolitan Region that is upgrading the current Krypton bulbs in Traffic Signals to Light Emitting Diode (LED) as the current bulbs burn out. LED bulbs have many benefits for the Traffic Signal Network from a sustainability point of view, including:

- Ongoing maintenance costs associated with the bulbs will be reduced by 71% per year
- Over a ten year period it is estimated that LED type traffic signals will save \$6 million in costs associated with the operation and maintenance of traffic lights
- Greenhouse gas emissions from electricity consumption will reduce by 49.9%
- Significant reductions in the amount of materials sent to landfill
- Over a ten year period it is estimated that LEDs will use almost 1.7 million less bulbs and produce 22 000 less tonnes of CO2 emissions than Krypton traffic signals
- Reduction in contact hours to site for maintenance by 3 000 hours per year
- Visibly easier to see in all conditions.

This graph demonstrates the potential savings in greenhouse gas emissions by upgrading to LED Traffic Signals.

#### **Greenhouse Gas Savings**



LED bulbs are currently being installed across the Traffic Signal Network as the current bulbs need replacing. To date, 36 of the 883 Traffic Signal sites have adopted LED technology.

# **Building Better Relationships**

Main Roads is committed to achieving the State Government's vision for a better quality of life for all Western Australians and plays a key role in ensuring the road network links communities, facilities, industrial, commercial and business development. Working closely with the State's 142 Local Governments is crucial to providing this service.

Additionally, there is a large and diverse internal and external customer base that includes employees, motorists, cyclists, pedestrians, adjacent landowners and professional road users such as couriers, truck, taxi and ambulance drivers.

Main Roads delivers its services through the dedicated efforts and support of employees located in ten regional offices throughout the State. In 2007-08, Main Roads launched its new 2k12 Strategic Plan for 2007 to 2012, and it will guide the organisation in enhancing and building relationships in order to deliver excellence in customer service.

# **Community Involvement**

#### **Community Engagement**

In April 2006, Corporate Executive endorsed testing Main Roads' Community Engagement Policy with approved demonstration projects over 12 months. These projects were:

- New Perth Bunbury Highway
- Mitchell Freeway Extension
- Albany Highway Ring Road Stages 2 and 3
- Brookton Highway Upgrades
- **Broome Bypass**
- Fremantle Bridge.

In April 2008, a workshop was held for people involved in the demonstration projects across the Planning and Infrastructure Portfolio. The aim of the workshop was for participants to discuss their experiences with community engagement and the discoveries made on the demonstration projects. The workshop developed solid outcomes and recommendations to improve community engagement across Western Australia.

The subsequent peer review of the workshop outcomes and Main Roads' Community Engagement Policy has assisted Main Roads and the Planning and Infrastructure

Portfolio to identify strategic and operational opportunities for improving community engagement. With respect to the wider Portfolio, Main Roads Chairs and Co-Convenes the Portfolio's Community and

Stakeholder Engagement Forum with a number of key strategic demonstration projects across the State. The creation of the first Planning and Infrastructure Alliance as a key recommendation from the review of successful demonstration projects serves as a potential model for strong collaborative relationships plus sustainability thinking and approaches in Main Roads' business.

The review of Main Roads' Community Engagement Policy was completed on schedule and endorsed in June 2008. The Community Engagement Team is now developing a strategic outcomes-based standards framework for Main Roads and a Corporate Governance model which will assist in the implementation of the new policy within Main Roads and the wider Planning and Infrastructure Portfolio. The creation of a Community Engagement Alliance with a broad and diverse participation of community stakeholders will be the key to this enhanced model, and the logical progression of the merging of the Community Involvement strategies and the 2k12 challenges and requirements.

#### **Main Roads Advisory Groups**

Working with customers and stakeholders ensures that Main Roads' operations are open, accountable, fair and flexible. Valuable input into various aspects of the organisation's business is obtained from a number of specialist Advisory Groups, including:

- Customer Service Advisory Council
- Cycling and Pedestrian Advisory Group\*
- Disability Advisory Group
- Heavy Vehicle Advisory Group
- **Environmental Advisory Group**
- Western Australian Road Construction and Maintenance Industry Advisory Group
- State Road Funds to Local Government Advisory Committee
- Main Roads Western Australian Local Government Association Liaison Committee.
- \* The successful Pedestrian Advisory Group has been broadened in its Terms of Reference to incorporate cycling matters and the Group membership has been expanded to appropriately reflect the additional scope of expertise required.

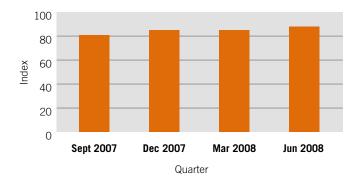
## **Customer Service Improvements**

#### **Customer Service Charter**

In July 2007, Main Roads launched its new Customer Service Charter. The Charter was developed by working closely with an internal working group and the Customer Service Advisory Council. Working with stakeholders and customers enabled the development of a set of customer service commitments that are transparent, accountable, fair and flexible. The Customer Service Charter improves consistency across the organisation, aids in managing expectations and builds on the very successful customer service awareness training conducted last year.

#### **Customer Service Index**

Main Roads' Customer Service Index provides a single corporate key performance indicator that measures and promotes ongoing customer service performance and improvement. The Index incorporates 12 specific customer service measures that serve as basic indicators of the level of service maintained by the organisation. The results are weighted and used to calculate an overall score, with a target Index score of 86. This Index is approved by the Customer Service Advisory Committee, which reviews the results at its quarterly meetings.



#### **Customer Feedback**

Since July 2007, Main Roads has used its corporate electronic document management system to record, track and report on customer feedback, providing an accurate reporting mechanism for all employees. Customer feedback includes compliments, requests and complaints. During 2007-08, Main Roads recorded 1 000 pieces of customer feedback including 15 compliments and 397 complaints, with the remainder related to customer requests for information. The information gathered is used to identify which Main Roads processes and gaps in the system that need to be addressed.

#### **Community Perceptions Survey**

Each year for the past fourteen years, an independent market research company has been commissioned to conduct a Community Perceptions Survey. The purpose of this survey is to gauge the views of Western Australian road users on the State road network, and rate Main Roads' performance in managing it. The results are used by Main Roads to develop and implement strategies and initiatives to target those areas of greatest need, as rated by our customers.

Issue	Proportion of respondents rating Main Roads as performing OK or better		
	2007	2008	
Overall performance	99%	96%	
Provision of roads in your area	91%	93%	
Working to improve user access to roads	92%	89%	
Providing effective communication	84%	84%	

Main Roads is currently in the process of reviewing the survey tool to bring the survey in line with contemporary business practices. This review will consider the organisation's current areas of focus and examine best practice in market research.

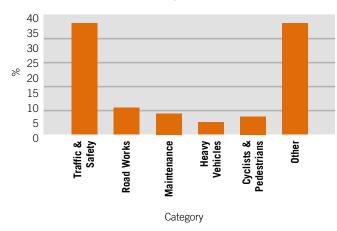
#### **Complaints Handling**

Main Roads has developed and implemented a comprehensive Complaints Handling Policy and associated procedures which promote an accessible and transparent complaints process. This policy and the associated procedures reflect the new Australian Standard on Complaints Handling.

The complaints handling procedures encourage employees to resolve complaints at first contact where possible and view them as an opportunity for improvement. Each quarter, the Customer Contact Centre conducts random surveys to measure customer satisfaction with the way in which their complaint was handled. Of those customers surveyed this year, 70% were satisfied with the process and the way in which their complaint was managed.

The graph below displays the percentage of complaints received in categories during 2007-08.

#### **Customer Feedback and Complaints**



Other includes bridge structure, environment, planning, land and property issues.

During 2007-08, Main Roads exceeded its target of 60% of employees to attend Customer Service Charter and Complaints Handling Awareness Workshops, which were held across the organisation. These workshops provided employees with the tools, techniques and systems to ensure confidence in dealing with complaints. The workshops also raised awareness of the new Customer Service Charter and reinforced Main Roads' commitment to excellence in customer service.

#### **Customer Contact Centre**

The Customer Contact Centre (CCC) provides a 24 hour, seven days a week 'one stop shop' for all road network and customer enquiries to Main Roads. The CCC has now been in operation for three years, improving access for customers and supporting the Main Roads culture of outstanding service.

The CCC is the first point of contact for all customer service interfaces provided in Main Roads. Acting as the customer advocate, the CCC manages information flows between the community, stakeholders and Main Roads specialist areas across all issues on the road network.

The CCC averages between 9 000 and 30 000 calls per month on both the main general enquiries number, and other State-wide contact numbers where the volume depends upon seasonal influences. Additionally, email contact has grown significantly during the last 12 months, with more than 1 000 contacts responded to per month.

Customer Contact Statistics	2006-07	2007-08	Variance
Telephone Calls	115 565	139 732	+21%
Email Enquiries	7 678	12 149	+58%

#### **Transforming the Website to Achieve Service Delivery Goals**

This year, with the release of the Office of e-Government's Website Governance Framework, it became a priority to align with the Citizen Centric Government Electronic Service Delivery Strategy for the Western Australian Public Sector.

As a result of an ongoing relationship with the Office of e-Government, Main Roads established a strong foundation for the redesigned website to provide more personalised and accessible services that are easy for the community to use.

The website plays a key role in supporting each of the five objectives of Main Roads' 2k12 Strategic Plan as its design has been determined by the needs of each customer and stakeholder segment. By improving the delivery and management of information services and moving to a more customer-centric web environment, Main Roads has also achieved the Government's desired outcomes. The new website will be available mid-August 2008.



# **Disability Access and Inclusion Plan (DAIP)**

In July 2007, following extensive internal and public consultation, Main Roads launched its Disability Access and Inclusion Plan 2007 to 2011. The requirement of the DAIP is to facilitate increased independence, opportunities and inclusion within the community.

The DAIP provides a framework outlining a suite of implementation strategies designed to enable Main Roads to achieve six desired outcomes during the lifetime of the Plan. Many of the strategies involve communication between Main Roads and people with disabilities, and include providing information in alternative formats, improving accessibility of communication and expanding methods of communication.

For more detailed information please see the Main Roads DAIP which is available on the Main Roads website. Below are some of the initiatives which have been, or are being, undertaken to address the Government's six desired outcomes:

- Continue to progressively upgrade safety at intersections through audible signals and tactile paving as works arise
- Conduct a new access audit of buildings and facilities, particularly in regional areas, to provide current data and schedule any remaining remedial works to ensure accessibility
- Continue the program of updating accessibility of roadside rest areas, including signage to enhance awareness
- Utilise the National Relay Service to meet the communication needs of people with hearing impairments and ensure staff know how to use the service
- Ensure that Information Radio 6RPH is included on the distribution list for media releases and other public information such as brochures and travel information
- Continue to conduct regular Disability Awareness Training for staff across the organisation. Three training sessions were held in 2007-08
- Review existing grievance/complaints mechanisms, make sure they meet the needs of people with disabilities and ensure staff are aware of the process
- Continue to support the Disability Advisory Group to advise on issues regarding disability access and inclusion
- Continue to consult with disability organisations and networks as required.

Within the first year of implementation, 80% of these initiatives have been either completely or partially incorporated into project development and customer service practices across the organisation.

#### **DAIP Progress after 1st Year of Implementation**



# Recognition

2007 Customer Service Institute of Australia Service **Excellence Awards:** 

- Western Australian winner, State and Federal Government
- Customer Service CEO of the year, Western Australian winner and national High Commendation.

**International Association for Public Participation** Australasia:

Public Participation Enhanced Decision Making for extensive community consultation work on the Mitchell Freeway Extension.

2007 Commissioner's Customer Service Awards, recognising employees that have made considerable effort and contribution in the pursuit of customer service excellence:

- Teamwork Heavy Vehicle Operations Planning Team
- Innovation Joseph Filia, Bruce Clarke, Dale Lansdown, Jeff Bassett, Mark Wheelcock, Peter Grandcourt, William Oxenham and Dennis Dorey
- Professional Excellence Alan Colegate
- Leadership Joe Sivwright and Steve Willis
- Rising Star Kylie Burridge
- Customer Service Mick Edwards and Danni Drzal.

# **Looking Ahead**

In 2008-09, Main Roads' direction in customer service excellence will be closely linked with 2k12, in particular the Enhancing our Relationships strategic area of focus. In 2k12, the core focus has moved from creating a customer service culture to enhancing existing relationships and building new relationships through innovation. Internal and external relationships will be reviewed and opportunities to strengthen relationships identified.

Main Roads will explore new technologies to support and manage customer relationships, and look at business improvement opportunities to bring all customer information together to increase efficiency, quality of service and customer satisfaction.

Main Roads will also apply for certification against the International Customer Service Standard (ICSS). The ICSS provides a means to assess the organisation against four customer service perspectives (service, financial, operational, learning and growth) to measure excellence in all aspects of customer service delivery across the organisation.



# Case Study: Enhancing Relationships

The Enhancing Relationships strategic area of focus is aimed at enhancing existing and forging new relationships. The notion of enhancing relationships is a natural extension of the successes that were achieved through Main Roads' Customer Service Strategy 2004-07 Excellence Inroads. Excellence Inroads raised the profile and importance of relationships in the work that Main Roads does. This area of focus builds upon its culture of customer service. community engagement and relationship contracting.

#### **How Did We Get Here?**

The ideology of "enhancing relationships" was explored with a range of Main Roads employees and external stakeholders, who attended a workshop seeking their input and suggestions on what should be considered as Main Roads' key priorities relating to this strategic area of focus. Following that, the "Enhancing Relationships" strategy was developed, which expands upon the information obtained in the workshop, and will provide a roadmap for Main Roads to drive excellence and achieve 2k12 goals through strong, collaborative relationships.

# **Key Principles for Building Relationships**

The following key principles will support Main Roads in developing strong collaborative and trusting relationships aimed at delivering the services needed and expected by its stakeholders:

- Responding proactively to stakeholder needs
- Developing skills to seek genuine engagement with all stakeholders
- Building and maintaining useful and mutually beneficial partnerships within and outside Main Roads
- Developing trust by making and honouring credible commitments
- Being inclusive and valuing the contributions of all people
- Ensuring all processes encourage early involvement of key decision-makers

Creating a collaborative environment where people are connected, informed and engaged in achieving our common goals.

# Making our Opportunities a Reality

The strategy will provide Main Roads employees with the guidance and empowerment required to engage in dialogues which are based on openness, approachability, mutual understanding and respect. These values are not new in the way Main Roads does business, but in carrying them forward into its relationships, Main Roads will create opportunities for further developing its reputation and responsiveness. Successful implementation of the strategy will result in a greater understanding of the importance of relationships and how they can assist in delivering the projects and services required by the community.

# Centre of Excellence and Innovation in Infrastructure Delivery (CEIID)

In mid 2007, the Government established the Centre of Excellence and Innovation in Infrastructure Delivery (CEIID). The key objectives of CEIID are to establish practices that promote formal collaboration between works agencies on infrastructure related issues, including improved strategic asset management and delivery of major infrastructure. Further, CEIID is also focused on knowledge sharing and assisting with the adoption of a more consistent approach across works agencies systems, processes and standards.

Main Roads is a foundation member of CEIID and a leader in Government in project delivery. It has been an active member on nine of the thirteen projects being undertaken by CEIID, leading two of them. Main Roads has also been active on the knowledge sharing front, hosting a number of the monthly Knowledge Network Forums.

Further information on CEIID can be obtained by visiting www.dtf.wa.gov.au/ceiid.

# People and Safety

Main Roads has implemented a number of innovative, leading edge initiatives aimed at creating a workforce for the future, based on a philosophy that people are the key to a competitive edge. These initiatives have been developed within an extremely competitive environment heavily impacted on by the continuing economic boom and scarcity of skilled resources.

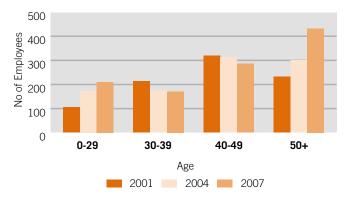
Main Roads has a philosophy that its employees give it the competitive edge, and has identified its culture and capability as key strategic initiatives in its strategic planning approach. This initiative is a key area of focus in Main Roads' Strategic Plan and during the year, a number of innovative, leading edge initiatives aimed at creating a workforce that will take it ahead in the future were developed and implemented. With a focus on creating an environment that will attract, develop and retain employees, these key initiatives have positioned Main Roads so that it is now well placed to deliver the Government's infrastructure program.

The following are some of the many initiatives that Main Roads has implemented throughout the year.

# **Workforce Planning**

Main Roads Workforce Planning underpins all that it does to ensure it has the right skills to meet its strategic objectives, current and future business needs, and Government priorities. An analysis of the ageing profile of Main Roads employees (see table below) has identified that one third of its workforce is already over the age of 50 and therefore eligible, or soon to be eligible, to retire.

**Age Profile** 



Through proactive retention, career enhancement and knowledge management initiatives, Main Roads retirement age has increased to 62, while at the same time recruitment and development at the graduate, trainee and scholarship levels has reduced the average employee age to 43.

Main Roads' objective is to create a sustainable workforce well into the future, so workforce planning projections are the driving force behind many of Main Roads organisational development initiatives.

# **Building Technical Capability**

The Technical Capability Program is an initiative for enhancing the technical capabilities of Main Roads' current and future workforce, and is focused on the following aspects:

- Corporate priority areas of project, contract and asset management
- Materials engineering, traffic engineering, construction and maintenance practices, and design and technical standards
- Experiential learning to achieve identified competencies in targeted areas
- Short courses to supplement experiential on-the-job
- Mentoring and coaching support to facilitate knowledge
- Providing nationally recognised accredited training programs.

Scholarship opportunities represent a further way in which Main Roads provides learning to employees in specialist technical and functional areas to maintain technical excellence. Main Roads is a founding sponsor of the Planning and Transport Research Centre (PaTReC), a unique collaboration between Curtin University of Technology, Edith Cowan University, Murdoch University and the University of Western Australia. Main Roads provides the opportunity for employees to become involved in study as part of the PaTReC Master of Transport Studies Program through a range of scholarships. Arrangements are also in place with a range of other tertiary institutions to enhance employees' skills and competencies.

# **Knowledge Management**

The accumulated knowledge and expertise of Main Roads employees built up during the last 80 years is recognised as its greatest asset. With the ageing of the workforce and projected mass retirements during the next 5 to 10 years. there has been an increased focus on knowledge management and knowledge sharing in particular.

A corporate approach to knowledge management and a wide range of knowledge management initiatives have been developed. The objectives are to:

Create a knowledge sharing culture which values knowledge management, and supports and encourages knowledge sharing at all levels of the organisation

- Provide modern and efficient tools and technology to support knowledge management and knowledge sharing so the accumulated knowledge and experience is captured and made readily accessible to other employees
- Facilitate the retention of corporate technical and professional knowledge before the ageing workforce retires, and give younger employees the opportunity to learn from the "Masters" and gain insight into the lessons learned over the years
- Encourage and reward employees for sharing their knowledge, valuing and appreciating their contribution in building a sustainable future
- Secure intellectual assets and establish a firm knowledge-based foundation for a strong and sustainable workforce and future for Main Roads.

# **Effective Employee Relations**

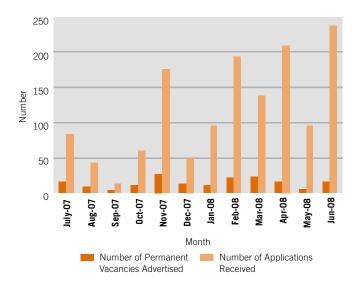
Main Roads strives to empower employees to make personal and professional decisions knowing that the organisation will support them. This is reflected in ongoing negotiations and consultation with Unions regarding the 2007 and future Enterprise Bargaining Agreements (EBAs). Main Roads continues to strive for provisions which enable a competitive advantage in the areas of work-life balance and flexible work arrangements. This gives Main Roads a competitive advantage in attracting and retaining employees.

Main Roads undertook 171 recruitment actions in 2007-08, and these were comprised of 49% internal appointments and 51% external appointments. Its target was 85% success in appointments for advertised positions and it achieved 92%. Main Roads experienced an increase in applications received, which can be attributed to the effectiveness of Main Roads branding plus creative attraction and retention initiatives such as its presence at universities, high schools, career fairs, internal career events and a number of career promotions.

Main Roads continues to work towards a competency-based classification structure which will afford increased flexibility in the classification of jobs and, most importantly, the progression and development of employees. In early 2008, Cabinet approved a pilot program covering Engineering Associates, and further trials are being considered. The introduction of a competency-based classification structure is a strategic initiative that will assist Main Roads in creating the workforce for the future.

# **Vacancies and Applications**

During this period, Main Roads received 1 395 applications, averaging 8.2 applications per advertised position. Comparably, in 2006-07, a total of 131 permanent positions were advertised and 746 applications were received, averaging 5.7 applications per advertised position.



## Diversity For All

Main Roads is committed to Substantiative Equality and has continued to be proactive in this area. During the year, Main Roads assessed and implemented various policies to facilitate improvement in substantiative equality across the organisation.

Working with the Department of Indigenous Affairs and Reconciliation Australia, Main Roads developed a Reconciliation Action Plan (RAP). The RAP seeks to build positive relationships between Indigenous and non-Indigenous Australians, and supports Reconciliation Australia's ambition to close the 17 year life expectancy gap between Indigenous and non-Indigenous children. It focuses on 3 main areas including:

- Enhancing relationships with Indigenous people and communities
- Building mutual respect and understanding that is needed to enhance relationships
- Providing opportunities within Main Roads for Indigenous people.

Main Roads has continued to promote Equal Opportunity Employment (EEO) practices by:

- Renewing the EEO Management plan with improved goals and strategies to enhance the diversity in Main Roads' workforce
- Providing a secondment opportunity as part of the Women in Management Program
- Facilitating discrimination and harassment training for employees.

#### Work-Life Balance

Main Roads promotes a strong family value that recognises the important contribution of family to the lives of all Main Roads employees. Flexible Work Arrangements such as flexitime, purchased leave, parental leave, working from home and job sharing are a continued area of focus for Main Roads. It continues to have a positive impact in terms of increases in attraction, retention and organisational productivity.

## **Health and Lifestyle Program**

Employee Opinion Polls and Individual Development Plans show health and lifestyle have a significant impact on 'on the job' productivity and motivation. They have also shown that through the Main Roads Health and Lifestyle Program, access to professionally delivered health and fitness services to all employees and their families has positively impacted on employees' efficiency and job satisfaction.

The past twelve months have seen many employees make use of the facilities provided by the Exercise Physiologist, such as diet analysis, exercise programming and joining group fitness classes. The 'Mobile Health Check' program has been very successful, with more than 50% of the

workforce participating in the mobile consultation and health check. Main Roads' proactive approach to improving health and lifestyle with blood pressure checks, flu vaccinations and similar initiatives has seen a greater understanding and awareness of personal health and fitness.

# Social Responsibility

As part of a commitment to attraction and development of people from disadvantaged backgrounds, Main Roads has worked together with selected schools that are in low socio-economic areas to promote work experience for their students at Main Roads.

Main Roads also supports employees to undertake voluntary work for social causes. A workplace giving program has been initiated in which Main Roads offers employees the chance to utilise 2 days of personal leave for the purpose of volunteering. The program also includes ten different charities that all employees can donate to tax free.

# **Inspiring Leadership**

A good leadership culture provides a safe environment which allows employees to follow through with their ideas and actions. The development of a leadership culture in Main Roads is delivered through a combination of learning programs and organisational initiatives that aim to enhance the collective leadership capability within the organisation.

#### **Main Roads Leadership Programs**

The Main Roads Leadership Framework has the four principles of strategic values, leadership, management and innovation as key corporate foundations in enhancing and developing leadership behaviours at all levels in the organisation.

#### Work-Life Balance

"One of the main reasons I choose to work at Main Roads as a civil engineer is for the work-life balance. I am raising two young children and want to be part of their lives as a stay-home mum to ensure they become balanced little people. At this same time, I want to progress my career and appreciate that professional development through a variety of experiences and study are the cornerstone of a successful career. Working part-time, both in the office and at home, with flexible working hours per day assists me to achieve these personal goals.

Main Roads has been proactive and encouraged me working from home by supplying the relevant technology to enable me to work from home and an ergonomic assessment to ensure comfort while doing so. My work hours per day are flexible and have changed during the past four years as my children have grown, and Main Roads has accommodated these changes. My Managers, current and past, are supportive and accommodating to my changing working hours and try to organise meetings during my office days. This stems from the culture within the organisation that supports work-life balance through flexible working conditions." – Belinda Stopic, Project Manager



In this way, all of Main Roads' leadership programs have a consistent direction, as shown in the following diagram.



The Senior Executive Development Program is designed to challenge and enhance the leadership thinking of Executive Directors and Senior Managers, and serve as a driver for establishing an innovative, values-based leadership culture. This is a post-graduate level program which, upon successful completion of the units, will qualify the participant for a Graduate Certificate in Business Administration through UWA Business School, and also count as accredited MBA units and Master of Engineering (Asset Management) elective units. Along with Corporate Executive, a further 50 senior managers are also undertaking this program.

The Leaders for the Future Program is a two year program that aims to develop future leaders through best practice leadership and management theory. Participants are encouraged to think corporately, adopt a unified vision, and develop critical skills in leadership and effective communication. The program is structured to link theoretical and organisational learning, and encourages strategic thinking, sharing common goals and demonstration of consistent vision, leadership and communication. More than 60 Main Roads employees have completed the program and were rewarded with a Graduate Certificate in Business from Curtin University Business School.

The Middle Manager Development Program focuses on developing the leadership and management capabilities of our current and aspiring Middle Managers. This program recognises the role that middle managers play in translating strategic plans to action, influencing and motivating employees. Successful participants receive a Diploma of Management.

The Development Employee Leadership Program is a new leadership program being developed by Main Roads focused at Engineering Graduates, Technical Graduates, Business Graduates and Engineering Associates. Assessment will be competency-based, with an emphasis on experiential learning and the application of skills in the workplace. Participants who successfully complete the 12 month program will receive a Diploma in Management. Initially, 65 development employees will be participating in the program.

#### **Individual Development Plans**

Main Roads has continued to review, improve and promote employee commitment to its performance management system and Individual Development Plans which provide the basis of the Main Roads learning culture. The Individual Development Plan process helps facilitate conversation between Managers and employees around Main Roads' strategic direction, values and individual development requirements at a career and personal level. It also promotes innovation and leadership, placing Main Roads at the forefront of these areas.

#### **Making Innovation Real**

With a focus on Creating a Culture of Innovation, 2007 saw Main Roads collaborate with UWA to develop a tool for measuring innovation and creating innovative thinking. Organisation wide benchmarking to measure Main Roads innovation culture, which allows assessment of its culture for innovation across the organisation by work area, was undertaken during the year. Innovation initiatives can then be focused on specific areas with ongoing benchmarking used to gauge success and new areas for improvement. A 'scrapbook' of innovation initiatives will be released in the coming year, and will recognise innovation opportunities that employees have contributed to.



# **Middle Manager Development Program**

"The guidance and advice I received from the mentoring and coaching sessions helped me turn the points identified as areas for improvement in my initial feedback into strengths in my final feedback.

The group-based organisational level projects forced us to apply all the skills we had picked up through the course, rather than just those for the current units. It was a great test of how well we had integrated all we had learnt throughout the course." - Michael Leeks, OSH Manager

## Safety

Main Roads continues to be a leading Government agency in terms of its commitment to high standards of workplace safety. In 2008, Main Roads reviewed its Occupational Safety and Health (OSH) Policy statement and released a new policy that now states "Safety and Health are essential for the wellbeing of our people and the success and sustainability of our business".

During the year, the OSH management system was recertified to AS/NZS 4801 for a further three years and has been recommended for WorkSafe Gold Certificate Status at the corporate level. Several Directorates have also achieved Silver or Gold level WorkSafe Plan certificates, recognising the continued commitment throughout the organisation to not only achieve excellence in safety, but to also continuously improve systems and processes.

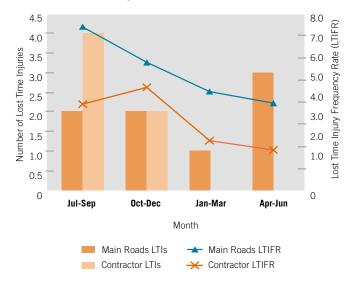
Main Roads is strongly committed to enhancing relationships across the organisation that support valuable consultation in the identification and resolution of OSH and injury management issues. Each Region and Directorate has a local OSH committee that meets regularly. The committees discuss and review incidents and hazards that have been raised and review the progress of their individual OSH improvement plans. The committees are composed of management and employee representatives. They are also regularly attended by members of the Corporate OSH branch, who ensure that local committees are kept abreast of corporate developments and feed issues raised at the local level into the corporate system.

Regions and Directorates also complete a monthly key performance indicator summary that allows them to raise any issues to the corporate OSH management committee. The corporate committee meets monthly and coordinates implementation of the OSH strategy throughout the organisation. Issues are discussed and actioned here and the outcomes fed back to the local committees.

#### **Lost Time Injury Frequency Rates (LTIFR)**

A Lost Time Injury (LTI) is defined as the loss of one or more shifts due to workplace injury or illness. The following graph shows the results for Main Roads and its Contractors during 2007-08.

#### **OSH Performance by Main Roads and Contractors**



# **Development Employee Programs**

Main Roads' Development Employee Programs continue to be a critical component of its strategy to build long term capability. Main Roads currently has more than 150 graduates, cadets, scholarship students and trainees participating in the various Development Employee Programs.

Main Roads is well placed in attracting and recruiting quality talent to the organisation. Evidence of this was the announcement of Main Roads as the winner of the 2007 Best Graduate Intake Program at the Australian HR Awards.

Graduates continually develop through extensive onthe-job training, with a rotational program to ensure exposure to many different parts of the organisation. Graduates are supported by a formal mentor from Senior Management, and an accredited Leadership Program designed specifically for Development Employees ensures graduates are well equipped with the skills and knowledge to become future leaders.

In addition, Main Roads continues to increase the capacity of its Cadetship, Scholarship and Traineeship Programs, which are fundamental in attracting youth to both Main Roads and the road construction industry by encouraging students to study Civil Engineering at TAFE or University. The Development Employee Programs are critical in ensuring that Main Roads has a workforce with the right skills and behaviours for the future.

"I joined Main Roads on an Engineering Cadetship, as the financial support was a great help and the guaranteed work experience gave me practical learning to complement my studies. Upon graduation I joined the Engineering Graduate Program, where the range of experience and support provided through rotations and mentoring really gave me an idea of where I wanted to head with my career." -Natalie Lockwood, Engineer



Main Roads recorded a welcome reduction in its LTIFR from 6.4 to 4.0 LTIs per million hours worked. Contractors have also reported a reduction, from 3.5 to 1.8 LTIs per million hours worked. The table below lists the number of fatalities as well as Lost Time Injury/Disease rates on frequency, incidence and severity.

**Loss Time Injury Rates for Main Roads employees** 

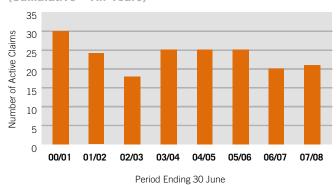
Indicator	2006-07 Actual	2007-08 Target*	2007-08 Actual	Achieve- ment
Number of Fatalities	1	0	0	0
LTI/D frequency rate	6.4	0 or 15% reduction	4.0	37% reduction
LTI/D incidence rate	1.21	0 or 10% reduction	0.74	38% reduction
LTI/D severity rate	15.4	0 or 10% reduction	0.0	100% reduction

<sup>\*</sup>Goal is to achieve 0, however, our target is to achieve the reductions shown.

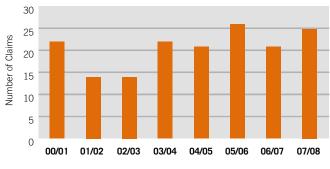
#### **Workers' Compensation**

In 2007-08, Main Roads employees sustained 25 work related injuries which included 8 Lost Time Injuries.

#### **Total Number of Active Claims** (Cumulative – All Years)



#### **Workers' Compensation Claims Lodged** (Approved/Pending per Financial Year)



Period Ending 30 June

Of the 25 claims lodged, 15 have been finalised, 1 is pending and 1 has been declined. The continued implementation of Main Roads' injury management system, in accordance with the Workers' Compensation and Injury Management Act 1981, has assisted in the effective rehabilitation of several employees to their substantive roles, or alternative roles within the organisation. This is achieved through structured return to work programs, often involving external specialists.

The majority of claims were sprain and strain claims from manual handling injuries and poor ergonomics. To help address this hazard there has been an increase in the level of ergonomic assessments of workstations. Main Roads has also embarked on a State-wide manual handling training program as well as undertaking risk assessment and task analysis for high risk manual handling tasks.

There have also been a number of vehicle related incidents, which will hopefully be minimised through a driver training program.

#### **Activities and Projects Undertaken**

The following are some of the initiatives and achievements undertaken throughout the year in relation to safety:

- Continued implementation and improvement of the **OSH Management System**
- Adoption of "Think Safe Work Safe Home Safe" as a safety slogan. The slogan was selected following a competition asking staff to come up with a catchphrase that represented Main Roads safety philosophy
- Continued improvements to the dedicated OSH intranet site containing all OSH and injury management policies and procedures, which is accessible to all employees
- Following on from last year's focus on creating a leadership culture by raising OSH awareness for Executives and Senior Managers, during 2007-08, the focus was on raising OSH awareness of Middle and Line Managers. A Main Roads specific one day course was developed, and has been delivered to approximately 300 employees throughout the State. This training has also been developed to integrate with other Main Roads learning and development initiatives
- Continued support of a driver training program developed for Main Roads' operational requirements. So far, more than 700 employees have undertaken the training. Support has been so positive that a level 2 driver training course has been developed, with a strong focus on journey planning, journey management and regional driving
- An OSH Champions conference was held with a focus on OSH culture and inspirational OSH leadership. The conference was attended by around 100 employees from throughout the State

Continued provision of preventative health initiatives such as flu vaccinations, skin cancer screening and a coordinated Health and Lifestyle Program.

During 2007-08, there were several incidents where Main Roads contractors on roadwork sites under formal traffic management were struck by vehicles driven by members of the public. One of these incidents resulted in the contractor being tragically killed while undertaking line marking. There have also been an increasing number of reports of members of the public speeding through roadwork sites across the State. As a result, Main Roads has been working with industry to look at ways of reducing the risk to workers, as well as minimising the inconvenience to the travelling public. Working groups involving Main Roads representatives, contractors, Police and other Government agencies have been held. Main Roads is taking a leading role in a campaign that will target a review of the current standards, how those standards are applied, education of the public on the dangers of roadwork sites and how traffic regulations are enforced on roadwork sites.

#### **Proactive OSH Indicators**

Main Roads continued its introduction of positive performance indicators this year, adding measures for hazard and incident closeout, attendance at toolbox and OSH committee meetings, and percentage of employees receiving an OSH induction on their first day. Since the introduction of measures capturing the closeout of hazards and incidents, there has been a decrease in the number of minor incidents, near hit incidents and hazards. Completion of monthly workplace inspections continued to be a key positive indicator.

During 2007-08, Main Roads reinstated an OSH reward and recognition program to help encourage safety champions and promote leadership at all levels of the organisation. There was also a greater level of formal recognition given to the role that Safety and Health Representatives play in supporting a strong OSH culture.

# **Looking Ahead**

- Main Roads will continue to refine the OSH management system and strengthen its safety culture. There will also be a focus on principal and contractor relationships to ensure both are working together towards positive OSH outcomes
- Implementation of a nationally accredited Asset Management Development Program. This will be an intensive short course which will be delivered through the Chifley Business School in partnership with GHD and is also linked to a Graduate Certificate in Physical Asset Management specially tailored to suit the needs of Main Roads

- Main Roads will continue to work toward the implementation of a Competency-Based Remuneration System. Cabinet has approved a trial of the system for a pilot group of employees
- Main Roads is committed to attracting suitably qualified and experienced staff through more innovative and targeted recruitment and by making the application process easier for job applicants. A number of positions will be advertised which simply require the applicant to submit a resume and a cover letter, without the need to complete lengthy and often daunting selection criteria
- Communities of Practice groups will be formed around specific projects or issues, to bring different people together to share their knowledge and expertise, learn from each other and build on their accumulated knowledge to identify best practices.
- Main Roads participated in the 2007-08 Hewitt Best Employers in Australia and New Zealand Survey. It is seeking to benchmark itself to measure future improvements in employee engagement in terms of best practice organisations.

# Recognition

#### Australian 2007 HR Awards:

- Best HR Strategy
- Best Graduate Program
- Employer of Choice (Public Sector).

#### **Australian Human Resource Institute Awards** for Excellence:

2007 WA Winner.

#### 2007 ACCI/BCA Work & Family Awards:

National Finalist.

#### Institute of Public Works Engineering Australia:

Innovative Practice in Traffic Safety and Management for Vision Zero Logical Framework developed in collaboration with the Safe Systems Working group (Brendan Marsh).

#### **Wheatbelt Training Awards:**

Wheatbelt School Based Trainee of the Year (Natalie Siddons).



# Corporate Governance

Corporate Governance is the system by which Main Roads directs and manages its business activities to optimise performance. deliver value for customers and comply with applicable regulations, and is accountable for its actions.

There is a strong management team in place within Main Roads to ensure that sound policies and practices exist in relation to the following key governance objectives:

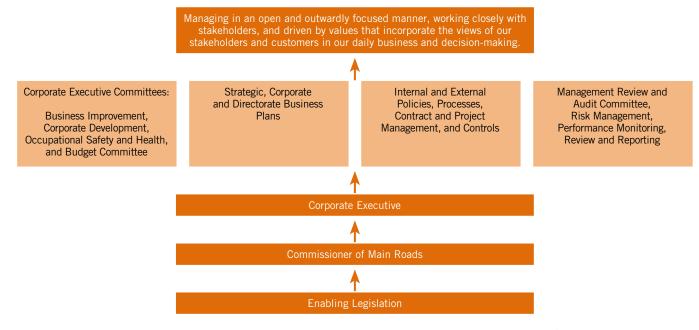
- Guiding strategic aims and direction
- Setting Main Roads' standards and values
- Management and oversight
- Ethical and responsible decision-making
- Safeguarding the financial management and reporting
- Managing risk
- Providing value for money
- Respecting the rights and requirements of stakeholders
- Compliance with all relevant laws.

By committing the organisation to these key governance objectives, Senior Management provides direction for the whole organisation in relation to governance. Achievements during the reporting year included:

- The release and deployment of 2k12, Main Roads' Strategic Plan 2007 to 2012. This new plan reflects sound corporate governance by providing strategic leadership to the organisation based on scenario planning principles
- Compliance with organisational procedures and processes achieved through:
  - Recertification for Occupational Health and Safety Management AS/NZS 4801:2001

- Maintenance of certification to Quality Management System AS/NZS ISO 9001:2000
- Recertification for Environmental Management System AS/NZS ISO 14001:2004
- External recognition of Main Roads business processes against a benchmark of excellence through a Bronze Award at the Australian Business Excellence Awards in 2007. Corporate governance, organisational culture, values and ethics are explicitly considered under the evaluation framework and Main Roads underwent external evaluation by eight people from Government, the private sector and the Australian Securities and Investments Commission
- Further recognition that Main Roads continues on the path to excellence with Australian Business Excellence Systems Awards being received in 2008 for Quality Management, Customer Service and Environmental Management
- Recognition of Main Roads transparency in reporting against a benchmark of excellence through an Australasian Reporting Award 2008 for the Main Roads 2007 Annual Report
- Implementation and adoption of actions identified during a review of good corporate governance practice using four recently published good practice guidelines covering both the public and private sectors from three different countries
- A comprehensive organisation-wide review of Main Roads' Outcome-based Management Framework seeking to better reflect measures of success against Main Roads outcomes was endorsed by the Government's Outcome Structures Review Group.

This diagram shows the Corporate Governance model practised in Main Roads.



# **Enabling Legislation**

#### **Commissioner of Main Roads**

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

#### **Other Empowering Legislation**

- The Land Administration Act 1997 provides powers for the resumption of land
- Section 84 of the Road Traffic Act 1974 provides a right of recovery for road damage

- Regulation 297 of the Road Traffic Code 2000 provides the Commissioner with the power to erect road signs and traffic signals, and install road marking
- Part 4 of the Road Traffic (Vehicle Standards) Regulations 2002 provides the Commissioner with the authority to issue permits for Restricted Access Vehicles that exceed certain mass and dimension limits, as defined in the Regulations.

#### Compliance with other State and Commonwealth **Legislation and Regulations**

Main Roads has processes and controls in place to ensure that the organisation complies with all legislation and regulations which impact on its activities.

## **Members of Corporate Executive at June 2008**



Menno Henneveld, Commissioner of Main Roads

Before his appointment as Commissioner of Main Roads in December 2002, Menno had a 38 year career in the water industry. At the Water Corporation of Western Australia, he held the positions of Director of Engineering Services; General Manager Commercial; General Manager Customer Services; and Group Director, Major Developments.

Menno holds a Bachelor of Engineering (Civil) from UWA; a Postgraduate Diploma in Administration from Curtin University; and is a Fellow of Engineers Australia, the Australian Institute of Company Directors, the Chartered Institute of Logistics and Transport, and the Customer Service Institute of Australia.

Menno is the immediate past Chair of Austroads and in November 2006, he was appointed Australia's First Delegate to the World Road Association (PIARC). Menno is a Member of the National Engineers Registration Board; a Director of ARRB Group Ltd; a Director of the REACH Foundation; and a Director of the Planning and Transport Research Centre.



John Marmion. **Executive Director** Regional Services

Delivers all aspects of road network management throughout Western Australia from 10 regional offices with central support.

John joined Main Roads as a cadet in 1970. After graduating in 1973 with an Associateship in Civil Engineering, he worked in the traffic services and road design branches before country appointments in Carnarvon, Derby and Albany.

John's past appointments include Regional Manager for the Great Southern Region and Superintendent for Term Network Contracts in various regions. He was appointed to the position of Executive Director Regional Services in January 2006.



Des Snook. **Executive Director** Road Network Services

Manages the operation of a safe, reliable and efficient road network that meets customer and stakeholder needs.

Des joined Main Roads in 1979, holds a Bachelor of Engineering (Civil) and is a Member of the Institution of Engineers Australia. Previous appointments include Executive Director Urban Roads; Operations Manager North; and Regional Manager for Wheatbelt South and Pilbara regions.

Des is Main Roads' representative on the Road Safety Council, the peak road safety body in Western Australia. He is also a Director on the Board of Transport Certification Australia Ltd, the national certifying and auditing body for Austroads Intelligent Access Program for heavy vehicles. He was appointed as Executive Director in October 1999.



Phil Ladner, **Executive Director** Infrastructure Delivery

Delivers major infrastructure projects and provides project delivery services to other Directorates in Main Roads.

Phil has over 40 years' of service with Main Roads and joined the organisation as an engineering cadet. He has held various positions including Regional Manager in three regions and Director Contract Management. In 1999, he was appointed Executive Director Major Projects (now Infrastructure Delivery).

Phil holds a Bachelor of Engineering (Civil) and a Master of Engineering Science, and is also a Fellow of Engineers Australia.



Gary Norwell, **Executive Director** Technology and Environment

Contributes to sustainable, integrated transport by providing technical, engineering, environmental and asset management expertise.

Gary has more than 40 years' service with Main Roads. Previous appointments include Executive Director Planning and Practice; Manager Road Maintenance Strategy; and Regional Manager in the Kimberley and Great Southern Regions. He was appointed to his current position in August 1999.

Gary was the National Program Manager for the Austroads Asset Research and Publications Program. He is also a former Chairman of the World Road Association Committee on Road Management. In 2007, he received an Austroads Outstanding Service Award. He holds an Associateship in Civil Engineering, is a Fellow of the Institution of Engineers Australia and is a Certified Practising Engineer.



Peter Woronzow. **Executive Director** Finance and Commercial Services

Develops and manages the financial, commercial and corporate services functions that support the organisation's business and corporate governance objectives.

Peter joined Main Roads 26 years ago and holds a Bachelor of Arts (Economics), a Graduate Diploma in Public Sector Management, and studied accounting and management at the University of Western Australia.

Key achievements include taking a lead role in the establishment of the Supply and Transport and the Legal and Commercial Services Branches, and the implementation of the supply and contract administration systems. He has held the positions of Commercial Manager; Manager Legal and Commercial Services; and Manager Corporate Support. Peter has been in his current role since January 2005.



John Taya, **Executive Director** Organisational Development

Facilitates the fulfilment of personal and corporate goals through strategic planning and aligning the development of people, relationships and an innovative work environment to Main Roads direction.

John started at Main Roads in the regions before moving to industrial relations and human resources management roles. In 1999 he was appointed Executive Director Organisational Development (previously Human Resources).

John has lectured in the Masters of Business Administration programs at the Graduate School of Management at The University of Western Australia and the Graduate School of Business at Curtin University. He also worked at the Department of Premier and Cabinet, and has published papers on industrial relations, human resource management and organisational development. John has a Bachelor of Business and a Master of Industrial Relations.



**Bob Phillips**, Manager Budget and Program Management

Contributes to the development, management and preparation of the budget and programming task, the annual budget and forward works program.

Bob commenced with Main Roads in 1988 and is a Certified Practising Accountant, having also had 22 years' experience in senior accounting positions in the private sector and at the WA College of Advanced Education (now Edith Cowan University).

The role of Manager Budget and Program Management involves considerable liaison on funding matters with the State, Federal and Local Governments.

Bob is a representative on the State Road Funds to Local Government Advisory Committee and also the Federal-State Black Spot Consultative Panel.

# **Corporate Executive Committees**

#### **Management Review and Audit Committee**

The Management Review and Audit Committee meets on a quarterly basis and recently approved the 2008 to 2011 Strategic Audit Plan. Main Roads' Strategic Audit Plan is developed based on business risk exposures and input from Executive Directors and Senior Managers. The plan consists of a balanced comprehensive mix of financial, operational and information technology type audits.

Key achievements in 2007-08 included:

- Operational Review of Heavy Vehicle Operations Road Transport Compliance Section
- Operational Review of Fatal Crash Investigations
- Operational Review of the Southern Gateway Alliance
- Operational Review of the Traffic Operations Centre.

During 2007-08, 26 audits and reviews were performed by the Management Review and Audit Branch. There were no major breaches of legislation or procedures identified during the audits. All minor non-conformances and improvement opportunities have been closed out, and are monitored and assessed by the Management Review and Audit Committee.

#### **Business Improvement Committee**

The Business Improvement Committee ensures that business processes and systems are effective, promotes efficient use of resources and supports sound corporate governance.

Key achievements in 2007-08 included:

- Approval of the new structure and provision of guidance in the development and release of the 2008 Corporate **Business Plan**
- Overseeing the review of Main Roads Outcome Based Management Framework
- Endorsement of a project to assess the feasibility to introduce a Customer Relationship Management System and Framework
- Consideration of a range of matters aimed at improving Corporate Governance practice
- Overseeing the development of improvements to Main Roads Integrated Management System incorporating all core processes
- Ongoing supervision of numerous improvement activities throughout the organisation.

#### **Corporate Development Committee**

The Corporate Development Committee is responsible for leading organisational learning and development as part of creating Main Roads' workforce of the future. This has included a strong focus on leadership development, enhancing technical excellence, and developing future capability through an extensive suite of Development Employee Programs.

Key achievements in 2007-08 included:

- Endorsement of the development and ongoing operation of key leadership programs including the Senior Executive Development Program and Middle Manager Development Program
- Endorsement of the commencement of a new Leadership Program focused on Development Employees
- Endorsement and continued monitoring of the implementation of the Building Technical Capability initiative
- Monitoring of and ensuring ongoing learning opportunities and placements for Development Employees.

#### **Corporate Occupational Safety and Health Committee**

The Corporate Occupational Safety and Health (OSH) Committee focuses on the effective strategic management, development, promotion and review of safety and health across the organisation by monitoring and evaluating safety performance. The Committee also provides advice and guidance to Corporate Executive on occupational safety and health matters, and managing corporate initiatives and issues referred to it.

Key achievements in 2007-08 included:

- Recertification to AS 4801
- Awarded WorkSafe Plan Silver certification and recommended for Gold certification
- Co-ordination of the review and release of a revised OSH Policy statement
- Continued co-ordination of the implementation and review of the OSH management system
- Overseeing the development and implementation of local OSH improvement plans.

#### **Budget Committee**

The Budget Committee is the peak decision-making body for Investment Planning, Program Development and Delivery. Its objective is to ensure the best use of funds to achieve strategic outcomes.

Its key achievements and activities include:

- Approval of appropriate program strategies and structures to deliver outcomes linked with Government objectives
- Provision of strategic direction for alternative funding mechanisms consistent with Government policy and directions
- Approval of the final four and ten year program submissions to Department of Treasury and Finance and five year AusLink Program to Department of Transport and Regional Services.

# **Corporate Executive, Committee Membership and Attendance**

The membership and attendance at Corporate Executive and Committee meetings during 2007-08 is listed below:

	Corporate Executive	Management Review and Audit Committee	Budget Committee	Business Improvement Committee	OSH Committee	Corporate Development Committee
Meetings held	12	2	12	6	11	8
Menno Henneveld Commissioner of Main Roads	11^	2^				
John Marmion Executive Director Regional Services	11		11	4	7	5
Des Snook Executive Director Road Network Services	12		11		6	7
Phil Ladner Executive Director Infrastructure Delivery	11		9		5^	7
Gary Norwell Executive Director Technology and Environment	8	1	8	2	3	4
Peter Woronzow Executive Director Finance and Commercial Services	11	2	12^	5^	1	3
John Taya Executive Director Organisational Development	12		8	1	11	8^
Bob Phillips Manager Budget and Program Management	10		7			
External representative of the Office of Auditor General		2				

Notes: ^ Designates Committee Chair

# **Benchmarking Business Performance**

Main Roads has been using the Australian Business Excellence Framework since 2003 as a structured approach to business improvement. The framework is among the world's most rigorous business excellence models linked to a national awards program.

In June 2007, Main Roads was recognised by Business Excellence Australia at Bronze Award level. The opportunities for improvement raised during the awards process has been incorporated into business improvement and planning activities during 2007-08 and outer years.

To test and assure the organisation that after receiving the Bronze Award it remained on the right path on the road to excellence, a number of Systems Awards were applied for. In June 2008, Main Roads was again acknowledged as being on the path to excellence by receiving Systems Awards, a competitive category, for its Quality Management, Customer Service and Environmental Management Systems.

Main Roads will conduct a self assessment during 2008-09, and will reapply for an external evaluation towards achievement of a higher award in 2010.

<sup>1</sup> Positions listed as of 30 June 2008

<sup>2</sup> In all cases, when an officer listed above could not attend, a representative attended on their behalf

<sup>3</sup> Employee representatives on the committees are not listed.

# **Ethical and Responsible Decision Making**

To support ethical and responsible decision making, Corporate Executive is supplied with appropriate information in a timely fashion before meetings. This information consists of:

- Monthly financial management information
- Quarterly data related to the identification and management of risk
- Organisational performance information through the provision of a monthly Key Performance Indicator Scorecard
- Status reports for each Directorate
- **OSH Status reports**
- Quarterly Standing Reports from each sub-committee.

Each member of Corporate Executive has an annual business plan for their own Directorate, which is linked to the Corporate Business Plan and the Strategic Plan. The Commissioner has a performance agreement with the Minister for Planning and Infrastructure and other members of the Corporate Executive have Individual Developments Plans with the Commissioner.

Corporate Executive insists that all employees adhere to the highest standards of corporate governance practice and ethical behaviour. The Strategic Plan was developed during 2007 and incorporated a review of the Values of the organisation, which were reaffirmed. In early 2007-08, all Main Roads employees received copies of the Strategic Plan and also attend workshops to launch the new strategy. A range of supporting strategies is now being developed to operationalise all elements of the 2k12. This process will serve to strengthen employee knowledge of organisational values and corporate direction, and embed improvement activities within Main Roads' integrated business planning processes.

#### **Compliance with Public Sector Standards and Ethical Codes**

Main Roads has a clear Code of Conduct which is supported by a number of human resource policies that apply to all employees. Procedures are in place to meet the requirements of the Government relating to ethical standards and performance. Main Roads complies with the Notification Guidelines under sections 28 and 29 of the Corruption and Crime Commission Act 2003. A report, as required by Section 31 of the Public Sector Management Act 1994, on the extent to which Public Sector Standards, Codes of Ethics and any relevant Code of Conduct have been complied with, was completed:

Compliance issues that arose during the year regarding the Public Sector Standards included lodgement of three breach claims (Recruitment Selection and Appointment Standard), however, all breach claims were dismissed

No compliance issues arose during 2007-08 regarding either the WA Public Sector or the Main Roads Code of Conduct.

Significant ongoing action is taken every year to monitor and ensure compliance, including:

- Information about Standards and Codes of Conduct is available on the intranet and is included in induction material
- All correspondence to applicants for recruitment, selection and appointment transactions includes details on how to access the Standards
- Ongoing training is provided to persons on recruitment panels to ensure compliance with relevant Standards
- Provision of an experienced independent person from the external environment for all selection panels
- Briefings on the Standards and Codes are provided regularly at branch meetings
- A network of Grievance Officers is in place and they are provided with regular refresher training
- All transactions are reviewed internally to ensure compliance with Standards.

Main Roads will continue to seek further improvement to ensure that compliance with all appropriate Standards, procedures and policies is met and, where possible, exceeded.

#### **Corruption Prevention**

Main Roads has a number of strategies and processes in place to prevent corruption and misconduct, including:

- An annual Audit Plan which includes audits of accounting and management information systems. Auditors consider fraud and corruption issues in accordance with the Auditing Standards
- The consideration of corruption and misconduct as a component of risk management in annual and ongoing risk assessment at a Senior and Executive level.

#### **Conflict of Interest: Personal Interests in Contracts** with Main Roads

At the date of reporting, other than normal contracts of employment of service, no Senior Officers, or firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests, had any interests in existing or proposed contracts with Main Roads or Senior Officers.

# Safeguarding the Integrity of Financial **Management and Reporting**

#### **Delegation of Authority Manual**

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

#### **Financial Management Policies and Procedures**

A comprehensive Accounting Manual containing the accounting and financial management policies and procedures is maintained for use within the organisation. It communicates accountability for procedures within various responsibility areas and enhances the level of internal control by:

- Producing an official statement of accounting policies and procedures
- Reducing the risk of ad hoc procedures being followed
- Enhancing staff awareness of established procedures
- Providing a formal means whereby procedural changes are made and communicated throughout the organisation
- Defining the financial delegations that must be followed.

The Accounting Manual enables management as well as internal and external auditors to monitor compliance with established procedures and, together with the Financial Management Act 2006 and the Treasurer's Instructions, is available online to all employees.

#### **Internal Controls**

A comprehensive system of internal controls is in place to ensure that there is an appropriate division of responsibilities to safeguard the assets and financial interests of Main Roads. The Management Review and Audit Branch provide internal assurance to management that there is satisfactory compliance with internal controls through an internal audit program. In recent years, its focus has been directed at "adding value" by assisting and encouraging improvement within the organisation.

#### **Statutory Audit**

The annual independent external audit on controls. compliance and assurance is carried out by the Auditor General for Western Australia, in accordance with the Auditor General Act 2006. The Auditor General's audit opinion is addressed to the Parliament of Western Australia and audit findings are reported to both Houses of Parliament.

#### **Reporting to Management**

Key monthly financial reports are tabled at the Budget Committee which comprises all Executive Directors and is chaired by the Chief Finance Officer. Key financial highlights are reported to Corporate Executive along with progress against Key Financial Performance Indicators.

#### Reporting to the Department of Treasury and Finance

As well as providing financial reports to management and the Corporate Executive, there is a requirement to provide daily, monthly, quarterly and annual information to the Department of Treasury and Finance. This also serves as an independent check on the integrity of financial reporting.



#### Recognising and Managing Risk

Main Roads has in place a Corporate Risk Management Policy and Procedure to identify, assess, monitor and manage risk throughout the organisation. Identified key risks and associated treatment plans are incorporated in the annual Directorate and Branch Business Plans, and form part of the quarterly reporting cycle to Corporate Executive.

A corporate database and risk management tool, Riskweb, is utilised to provide risk-reporting information to Corporate Executive on a quarterly basis. Riskweb is compatible with the risk management tool which has been developed for reporting, management and monitoring of Occupational Safety and Health risks. Riskweb is also being developed for use in identifying, managing and reporting risks for maintenance and construction projects. The risk management procedure is subject to internal audit and an annual review of the overall risk profile of the organisation is undertaken by Corporate Executive.

#### **Procurement Policies and Procedures**

Main Roads' procurement policies and procedures comply with the requirements of the State Supply Commission and are certified to AS/NZS 9001:2000. Policies are documented in the Procurement Management Manual, and all tendering and contract administration procedures are documented in the Tendering and Contract Administration Manual. An ongoing compliance program is in place to ensure these policies and procedures are implemented. A Tender Committee, consisting of two experienced senior officers from Main Roads and two senior Government officials external to Main Roads, ensures procurement actions comply with policies and standards.

#### **Relationships with Suppliers**

Main Roads has a procedure in place for dealing with procurement grievances. The existence of this procedure is referenced in all tender documents and a copy is accessible from the Main Roads website. The procedure has been endorsed by the Western Australian Road Construction and Maintenance Industry Advisory Group, and provides for a customer focused, fair, structured and relationship-based approach to reviewing grievances lodged by our Contractors.

During 2007-08, four grievances were lodged with Main Roads, and these were all investigated and closed out with our Contractors. The grievances did not highlight any common areas of concern and mostly required clarification with aspects of the tender process, such as Tender Conformity and the Buy Local Policy. The low number of grievances, which represented less than 1% of all contracts awarded, is consistent with previous years and indicates that the procurement processes adopted by Main Roads are fair, equitable and robust.

## **Governance Compliance**

#### Freedom of Information

An Information Statement, which has been produced in accordance with the requirements of the Freedom of Information Act 1992, is available on the Main Roads website. This statement provides guidance on how to obtain information from Main Roads under the Freedom of Information (FOI) legislation as well as information available without a formal FOI application. Main Roads' Freedom of Information Coordinator can be contacted at the Fast Perth office on 138 138.

#### 2007-08 FOI statistics:

- FOIs received 33
- Complaints to the Ombudsman 4
- Complaints to the Ombudsman that were upheld -0.

The majority of applications related to potential third party liability claims and land acquisition matters associated with road projects.

#### **Ministerial Directives**

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

#### **Record Keeping Compliance**

Evaluation of Efficiency and Effectiveness of Main Roads Record Keeping Systems:

- Commenced review of Main Roads Retention and Disposal Schedule, and draft is complete
- Introduced performance indicators to monitor and improve records practices
- Participated in an external audit to assess ongoing compliance of Main Roads' Quality Management System. Records processes were reviewed and the outcome was a recommendation to conduct a customer survey of records users to assess the Section's performance, which will be undertaken in the coming year
- The Code of Practice for the Management of Contract Records was endorsed by Corporate Executive, presented to industry representatives and incorporated into Main Roads contract documents
- A small team undertook visits to Regions to promote TRIM electronic processes, advise on Records Management practices, and provide training and audit storage facilities. Meetings with metropolitan Branch Managers will follow
- Commenced implementing the Records Management recommendations from the Information Management Branch Strategic Plan with the focus on promoting services, customer focus and compliance.

Record Keeping Training Program:

- Record Keeping Awareness (RAT) online training continues
- The TRIM Online Course was updated for TRIM Context 6.1
- Launched Indexing Online Course
- Provided one-on-one training as well as group training sessions to all Main Roads staff for the new rollout of TRIM
- Provided follow up progress reports to Managers on online training
- Held a Records Seminar for all Records staff.

Review of Efficiency and Effectiveness of Record Keeping Training Program:

- Proposed to undertake a satisfaction survey of TRIM online course participants
- Reviewed feedback from online course participants.

Record Keeping Induction Program:

- RAT and TRIM online courses are mandatory for all new employees
- Prepared an induction checklist for new records staff and proposed to use the checklist for all new employees.

#### **Pricing Policies of Services Provided**

The supply of goods and services undertaken by Main Roads represents works undertaken for other public sector and private bodies on a cost recovery basis. Further details are available in the Notes to the Financial Statements.

#### **Capital Works**

All disclosures in relation to capital works are included in the Financial Statements.





# Key Performance Indicators and Financial Statements

#### **Statement of Certification**

#### **Key Performance Indicators**

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Main Roads performance, and fairly represent the performance of the Commissioner of Main Roads for the financial year ended 30 June 2008.

Menno Henneveld

**Commissioner of Main Roads** 

h Hernel

26 August 2008

#### **Financial Statements**

The accompanying financial statements of the Commissioner of Main Roads have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2008 and the financial position as at 30 June 2008.

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

Peter Woronzow

**Chief Financial Officer of Main Roads** 

26 August 2008

Menno Henneveld

**Commissioner of Main Roads** 

Ch Heury e

26 August 2008



#### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

## COMMISSIONER OF MAIN ROADS FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

I have audited the accounts, financial statements, controls and key performance indicators of the Commissioner of Main Roads.

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

#### Commissioner's Responsibility for the Financial Statements and Key Performance **Indicators**

The Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

#### **Summary of my Role**

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

## Commissioner of Main Roads Financial Statements and Key Performance Indicators for the year ended 30 June 2008

#### **Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Commissioner of Main Roads at 30 June 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by Main Roads 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; and
- (iii) the key performance indicators of Main Roads are relevant and appropriate to help users assess the Commissioner of Main Roads' performance and fairly represent the indicated performance for the year ended 30 June 2008.

COLIN MURPHY AUDITOR GENERAL

28 August 2008

# Summary of Government Goals and Outcomes, and Main Roads Programs, Key Performance Indicators and Outcomes

Government				Main Roads		
Goal	Outcomes	Program	Outcomes	Effectiveness Indicators	Efficiency Indicators	
Better Services     Enhancing the quality of life and wellbeing of all people throughout	A Strong and Vibrant Community	Road Network Operations Management	Safe and efficient movement of people and goods	<ul> <li>a) Community Satisfaction</li> <li>b) Road Network Permitted for use by Heavy Freight Vehicles</li> <li>c) Road Standards</li> <li>d) Bridge Standards</li> <li>e) Peak Hour Travel Times</li> </ul>	a) Average cost per lane kilometre of network managed	
Western Australia by providing high quality, accessible services		Road Use Efficiency Improvements	Efficient movement of people and goods		a) Average road improvement cost per lane kilometre	
					b) Average cost per intersection improvement	
					c) Average cost for bridge strengthening per square metre	
		Road Infrastructure for Community	Improved personal mobility and		a) Average cost of road construction per lane kilometre (by road type)	
		Access	community access		b) Average cost of treatment undertaken	
					c) Average cost of bridge deck constructed per square metre	
	A safe community	Road Use Safety Improvements	A safe road environment	<ul><li>a) Road Fatality Rate</li><li>b) Community Perception of Road Safety</li></ul>	a) Average cost of road construction per lane kilometre (by road type)	
					b) Average cost of improvements undertaken	
	A reliable and sustainable supply of essential services	Road Network Maintenance	Minimise whole of life costs of the network	<ul><li>a) Smooth Travel Exposure</li><li>b) Community Perception of Ride Quality</li></ul>	a) Average cost per lane kilometre of road network maintained	
2. Jobs and Economic Development - Creating conditions that	A level of infrastructure that promotes economic growth	Road Infrastructure for State Development	Support economic and regional development	a) Return on Construction Expenditure	a) Average cost of road construction per lane kilometre (by road type)	
foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians	growur				b) Average cost per square metre of bridges constructed (by concrete and timber bridges)	

# Government Goal 1: Better Services

Main Roads' contribution to achieving the Government's goal of "Better Service" is achieved through the following three program outcomes:

- 1. A strong and vibrant community
- 2. A safe community
- 3. A reliable and sustainable supply of essential services.

# **Government Outcome: A Strong and Vibrant Community**

The following Main Roads programs aim to achieve the Government goal of "Better Service" via a strong and vibrant community.

Efficiency Program	Outcome	Description
Road Network Operations Management	Safe and efficient movement of people and goods	The program objective is to optimise real time management of the network, provide traveller information and support delivery of projects. Works include activities of the Traffic Operations Centre, Heavy Vehicle Operations, Metropolitan and Regional road asset management, Road User and Customer Services, emergency telephones, street lighting, intelligent transport systems, traffic signals and road advisory services to the community. During 2007-08, \$79.0 million was expended on Road Network Operations Management, which made up 6% of the total road program.
Road Use Efficiency Improvements	Efficient movement of people and goods	The program objective is to improve the efficiency, capacity and utilisation of the existing road network. Improvements include providing roads of improved standards through geometric improvements, road widening, bridge strengthening and intersection improvements including roundabouts and interchanges. During 2007-08, \$166.5 million was expended on Road Use Efficiency Improvements, which made up 12% of the total road program.
Road Infrastructure for Community Access	Improved personal mobility and community access	The program objective is to provide infrastructure that will improve personal mobility and community access through improving current standards of access, including increasing quality of access where appropriate, providing levels of access commensurate with community expectations, determining what those community expectations are and meeting the minimum level of appropriate access. Works include providing access improvement infrastructure, pedestrian facilities, cyclist facilities, vulnerable roads users' facilities, road user amenities, public transport integration and improvements to address flood closures. During 2007-08, \$110.3 million was expended on Road Infrastructure for Community Access, which made up 8% of the total road program.

#### **Effectiveness Indicators Summary**

Effectiveness Indicator			Resu	lts (per anr	num)		For more
		2005	2006	2007	2008	Target 2008	information see section
Community Satisfaction		92	90	99	96	90	1a
Road Network Permitted for use by	B Double	98	97	97.3	97.6	97	1b
Heavy Freight Vehicles (%)	Double RT	97	96	96.8	97.3	96.4	
	Triple RT	41	40	40.1	40.2	40.4	
Road Standards	Road Standards		47.1	47.5	44.8	45.3	1c
Bridge Standards		93.6	95.3	95.4	95.4	98.2	1d
Peak Hour Travel Times (min)	Wanneroo	34	38	40	40	-	1e
	Joondalup	40	36	37	39	-	
	Midland	28	30	29	30	-	
	Kalamunda	43	44	42	45	-	
	Armadale	42	42	44	42	-	
	Rockingham	58	57	-	-	-	
	Baldivis	-	60	59	51	-	
	Orelia	45	48	52	43	-	
	Fremantle	31	35	36	33	-	

## Government Outcome: A Strong and Vibrant Community – Additional Information

### 1a Community satisfaction

An external research company is commissioned to undertake the Community Perceptions Survey and report on the findings on an annual basis. The data is collected by way of telephone interview using a structured questionnaire.

When a dialled telephone number was not answered or an appropriate person was not available (away, out, answering machine, etc) the telephone number was re-contacted at least three times to ensure each person was given the opportunity to be included in the research.

The population for the purpose of the research is all Western Australian residents 17 years of age and over. A sample of 900 residents from rural areas (100 respondents from each Region) and 250 residents from the Perth metropolitan area are surveyed. A stratified random sample is taken from the population, ensuring that each person is given equal opportunity of being selected. The collected data is then weighted to reflect the actual population distribution based on Australian Bureau of Statistics data.

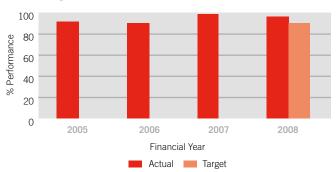
The total sample of 1 150 produces a sampling precision of +/- 2.9% at the 95% confidence interval. That is to say,

there would be 95% confidence that the results are within +/-2.9% should a census of the population be undertaken.

Respondents are asked to rate Main Roads' overall performance on a five point scale, where 1 represents 'terrible' and 5 represents 'excellent'.

In 2008, 96% respondents rated Main Roads' performance as okay or better (a rating of 3 to 5 out of 5). This is comprised of 5% of respondents giving a rating of 5 out of 5 (excellent), 56% giving a rating of 4 out of 5 (good) and 35% giving a rating of 3 out of 5 (okay). Only 2% gave Main Roads' performance a poor rating and the remainder gave a 'don't know' response.

#### **Community Satisfaction**



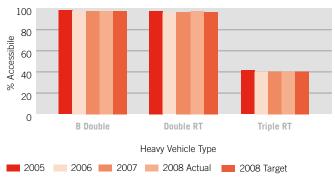
The graph shows that the overall performance of Main Roads has fallen slightly; down 3 percentage points, from 99% in 2007 to 96% in 2008. However, the results clearly continue to represent an exceptionally high level of overall performance. Respondents giving a low rating were asked to provide a reason, with poor maintenance and traffic congestion the leading two factors attributed.

## 1b Road network permitted for use by heavy freight vehicles

The use of larger vehicles with greater payloads can increase the overall efficiency of freight transport operations, resulting in lower transport costs. However, to maintain road safety and guard against infrastructure damage, restrictions are placed on trucks that are larger than Austroads Class 9. These include B Doubles (Class 10), Double Road Trains (Class 11) and Triple Road Trains (Class 12). Because of the relatively high efficiency of these vehicles, the proportion of roads accessible to them is an important factor in the overall efficiency of freight transport in this State.

The accompanying graph shows the percentage of combined National and State road networks in Western Australia accessible to B Doubles (Class 10), Double Road Trains (Class 11) and Triple Road Trains (Class 12) from 2005 to 2008. It also shows the targets for 2007-08.

# Road Network Permitted for use by Heavy Freight Vehicles



During the given time period (2005 to 2008), the total kilometres of the State network accessed by B Double and Double Road Trains has remained consistent at around 17 250 kilometres.

Slight fluctuations in percentages are attributed to changes in ownership of roads between State and Local Governments. During 2008, the acquisition of sections of Thomas Road and Chapman Valley Road have increased the B Double and Double Road Train networks. However, as these routes are not approved for Triple Road Train use, the Triple Road Train statistic has decreased.

#### 1c Road standards

This indicator is a demand related measure of the effectiveness of improvement expenditure. It shows the extent to which vehicles travel on roads which conform to operational criteria for seal width, shoulder width and design speed. These criteria provide for a safe and efficient road network, and are based upon National Standards relating to road usage.

The accompanying graph shows the percentage of travel that occurs on roads meeting operational standards, including the targets for 2007-08.

**Roads Meeting Operational Standards** 



The percentage of travel that occurs on roads meeting operational criteria has decreased 2.7% since last year. This decrease can be explained primarily due to an increase in traffic volumes, requiring roads to meet higher criteria levels.

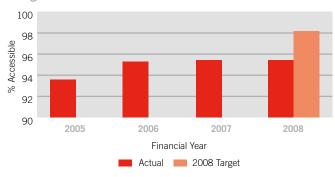
This indicator will be replaced by a new Network Configuration indicator in 2008-09. The Network Configuration indicator will be based on revised criteria for seal width, pavement width and curve rating.

#### 1d Bridge standards

This indicator shows the extent to which National Transport Commission (NTC) vehicles can travel on bridges, governed by strength requirements. This standard provides for a safe and efficient road network and is based upon standards relating to improved transport efficiencies. The bridge standards measure gives an indication of Main Roads' ability to plan for and maintain bridges to meet changing load standards for freight vehicles. Please note, pedestrian bridges, sign gantries and special purpose bus bridges in the Metropolitan area are not included in the total number of bridges as they are not intended to be used or accessed by these vehicles.

The following graph shows that in 2008, 95.4% of bridges on main roads and highways are available for NTC vehicles, compared to the target rate of 98.2%.

**Bridge Standards – Accessible to NTC** 



These results are very satisfactory with the maintaining of small incremental improvements over time.

#### 1e Peak Hour Travel Times

This indicator is a demand related measure of Main Roads effectiveness in facilitating the efficient movement of people and goods in the metropolitan Region as indicated by morning peak hour travel times.

The results in the following graphs show the trend in morning peak hour travel times during the last four years from seven Metropolitan centres to the boundary of the Perth Central Area. The data indicate a general trend of increasing travel times in the Perth metropolitan road network during the four year period, consistent with growth in population and urban development.

A.M. Peak Hour Travel Times: Wanneroo and Joondalup



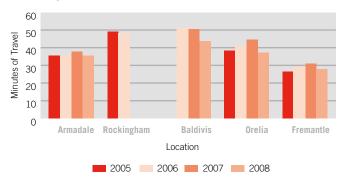
There was a slight increase in the morning peak period travel time on the Joondalup route (from Shenton Avenue to Charles Street on ramp), while the Wanneroo route (from Conlan Avenue to Newcastle Street) has been relatively stable.

A.M. Peak Hour Travel Times: Midland and Kalamunda



Although there was a slight increase in the morning peak hour travel time on the Midland and Kalamunda routes compared to last year, travel times on both routes has been stable during the past four years.

A.M. Peak Hour Travel Times: Armadale, Rockingham, **Baldivis, Orelia and Fremantle** 



The morning peak hour travel times on the Armadale route (from Armadale Road to Riverside Drive via Albany Highway, Shepparton Road and the Causeway) show a slight decrease from the previous year, but have been relatively stable during the past four year period. Travel times on the Baldivis (Safety Bay Road to Spring Street via Kwinana Freeway and Mounts Bay Road) and Orelia route (Thomas Road to Spring Street via Kwinana Freeway and Mounts Bay Road) have both declined compared to the previous two years, which is thought to be largely due to completion of the roadworks associated with the Perth to Mandurah railway.

The morning peak period travel time on the Fremantle route (Queen Victoria Street to Spring Street via Canning Highway, Kwinana Freeway and Mounts Bay Road) has also slightly decreased compared to the previous year.

#### **Efficiency Indicators Summary**

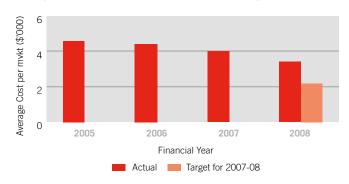
Program	Efficiency Indicator			Result	s (\$ per ani	num)		For more
			2005	2006	2007	2008	Target 2008	information see section
Road Network Operations Management	Average cost per lane kilometre of network managed		4 609	4 447	4 043	3 443	2 199	1f
iency	Average road improvement cost per lane kilometre		369 419	606 850	518 896	499 097	619 000	1g
Road Use Efficiency Improvements	Average cost per inter improvement	Average cost per intersection improvement		226 150	185 709	167 777	249 000	1h
Road U	Average cost for bridg strengthening per squ		-	7	-	-	-	1i
astructure unity	Average cost of road construction per lane kilometre (by	Rural highway	351 028	893 008	413 425	534 230	660 000	1j
Road Infrastructure for Community Access	road type)	Rural main road	769 404	1 178 345	845 568	896 977	596 000	

#### 1f Average cost per lane kilometre of network managed

This indicator represents the financial efficiency of Road Network Operations Management by showing the cost per lane kilometre to manage the operations of the State road network.

The accompanying graph shows the cost to manage the operations of the State road network, as well as the budget target for 2007-08.

**Cost per Lane Kilometre of Network Managed** 



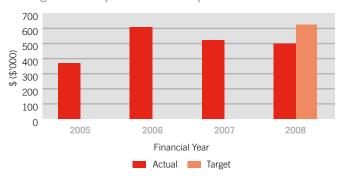
The KPI has also been calculated for the preceding three financial years using the revised methodology and it shows a decline in the cost of road system management during the four year period, reflecting an improvement in financial efficiency. This is due to relative reduction in the present value of Road Network Operations expenditure during the successive years in relation to increasing road use per million vehicle kilometres travelled (mvkt).

#### 1g Average road improvement cost per lane kilometre

This indicator identifies the average cost of improvements undertaken on the State network funded under the Road Use Efficiency program.

The accompanying graph shows the cost by lane kilometre of undertaking improvement works on the State road network, as well as the budget targets for 2007-08.

#### Average Road Improvement Cost per Lane Kilometre



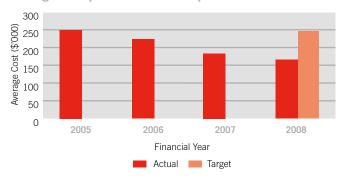
The reduced actual cost compared to the 2008 target is due to works on Great Eastern Highway at Kellerberrin that did not proceed. These works were to be built to an urban road design standard which would have resulted in a higher unit cost per lane kilometre.

#### 1h Average cost per intersection improvement

This indicator identifies the average cost of improvement works on the State network funded under the Road Use Efficiency program.

The accompanying graph shows the average cost of undertaking improvement works on the State road network, as well as the budget targets for 2007-08.

#### **Average Cost per Intersection Improvement**



The 2007-08 target included the anticipated high unit costs associated with the development of a High Wide Loads Corridor. However, expenditure on the High Wide Loads project (\$6.8 million) has been excluded from the calculation, as the expenditure relates primarily to service relocation costs and is not considered to relate specifically to intersection improvements.

#### 1i Average cost for bridge strengthening per square metre

This indicator identifies the average cost of bridge strengthening works on the State network funded under the Road Use Efficiency program during the last four years.

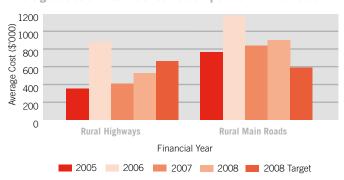
There were no projects in this category undertaken in 2007-08.

#### 1j Average cost of road construction per lane kilometre (by road type)

This indicator identifies the average cost per lane kilometre of constructing various types of roads under the Road Infrastructure for Community Access program during the last four years.

The accompanying graph shows the average cost of constructing rural highways and main roads on the State road network, as well as the budget targets for 2007-08.

#### **Average Cost of Road Construction per Lane Kilometre**



The rural highways KPI has been calculated using data from construction works on Great Northern, Brookton and Goldfields Highways. Although works at Lake Raeside on the Goldfields Highway had a high unit cost, this was offset by the relatively low unit cost for works on Brookton Highway. The upwards trend reflects the general nature of works undertaken rather than any specific issue.

Only one rural main road project was undertaken in 2007-08, being the Karratha Tom Price Link Road in the Pilbara region. Actual cost being higher than the target is due to an escalation in the costs associated with the works, reflecting increasing costs experienced in the north of the State due to the resources boom.

### **Government Outcome: A Safe Community**

The following Main Roads program aims to achieve the Government's goal of better service via a safe community.

Efficiency Program	Outcome	Description
Road Use Safety Improvements	A safe road environment	The program objective is to reduce the road fatality rate to the best in Australia, minimise road factors contributing to road trauma and reduce the serious crash injury rate. Works undertaken have safety as the foremost factor, and include the State and National Black Spot programs plus various projects that improve safety on the existing road network, including passing lanes. During 2007-08, \$89.3 million was expended on Road Use Safety Improvements, which made up 7% of the total road program.

#### **Effectiveness Indicators Summary**

Effectiveness Indicator		Results (per annum)						
		2005	2006	2007	2008	Target 2008	information see section	
Road fatality rate (per million vehicle kilometres travelled)	WA total	0.75	0.89	1.01	-	Target for 2007 was 1.00	2a	
	Aust total	0.79	0.76	0.76	-			
Community perception	Metro freeway	93	90	96	93	90	2b	
of road safety (%)	Metro highway	93	92	96	94	90		
	Rural highway	89	83	94	91	90		

#### **Government Outcome: A Safe Community – Additional** Information

#### 2a Road Fatality Rate

The Road Fatality Rate is one of the most significant indices used to measure and assess overall road safety performance for Western Australia and is compared to the average across all jurisdictions based on travel exposure.

The measure is expressed in terms of the number of fatalities per million vehicle kilometres travelled (mvkt) in any given calendar year. As such the latest results available on both a State and National level are from 2007.

The fatality rates give an indication of effectiveness of road safety initiatives and strategies undertaken during a number of years. The fatality rate has consistently been higher than the average for the country, with an exception in 2005, when the index was lower than the Australian average.

The accompanying table shows the number of road fatalities for Western Australia and Australia as a whole per year. The graph displays this information by the number of fatalities per 100 mvkt.

Year	Western Australia Road Fatalities	Australian Road Fatalities
2005	162	1 626
2006	202	1 601
2007	236	1 612

#### **Road Fatality Rates**



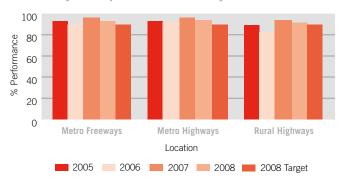
After a decline in the fatality rates from 2003 to 2005, there was a significant increase in the rate thereafter to 1.01 fatalities per 100 mvkt recorded in 2007, well above the national average of 0.76.

#### **2b Community Perception of Road Safety**

The 2008 Community Perceptions Survey (details of the background to this survey are outlined in section 1a of this report) showed that road safety is rated as a very important issue for Western Australians.

The accompanying graph shows the extent to which the community of Western Australia is satisfied with road safety, as well as the targets for 2007-08.

#### **Community Perception of Road Safety**



The overall safety of freeways among metropolitan users decreased slightly by 3 percentage points, from 96% in 2007 to 93% in 2008. Similarly, the overall safety of highways among metropolitan users fell 2 percentage points, from 96% in 2007 to 94% in 2008.

The proportion of rural road users rating the safety of highways has also fallen slightly by 3 percentage points, from 94% in 2007 to 91% in 2008.

The results associated with road safety indicate that the level of satisfaction across both freeways and highways has been maintained. While this year's results may have decreased in comparison to the 2007 figures, the rating still clearly demonstrates that overall, Main Roads' performance in road safety remains high.

Respondents who gave a poor rating in regards to road safety state the decrease in satisfaction can be attributed to driver attitude and skill, lack of signage, poor road design and road conditions for the metropolitan area.

A decrease in satisfaction in rural areas is due to lack of overtaking lanes and signage, narrow roads, road conditions, increased number of heavy vehicles, and the closeness of trees and posts to road edges.

#### **Efficiency Indicators Summary**

Program	Efficiency Indicator		Results (\$ per annum)					
			2005	2006	2007	2008	Target 2008	information see section
Safety ents	Average cost of road construction per lane	Rural highway	367 764	551 054	408 151	515 436	399 000#	2c
Road Use Safe Improvements	kilometre (by road type)	Rural main road	116 584	235 135	287 337	474 540	273 000#	
Road	Average cost of improvundertaken	ements	186 697	223 409	167 215	241 019	145 000#	2d

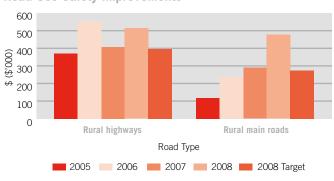
# Main Roads WA 2007 Budget Papers incorrectly reported this target. The correct figure is now displayed.

## 2c Average cost of road construction per lane kilometre by road type

This indicator identifies the average cost per lane kilometre of undertaking various types of improvements funded under the Road Use Safety Improvement program during the last four years.

The accompanying graph shows the cost of improvements on rural highways, rural main roads and urban highways on the State road network. It also includes the budget targets for 2007-08.

#### **Road Use Safety Improvements**



High unit costs for rural highways can be attributed to works on Bussell Highway, which were not included in budget estimates, and the South West Highway. Both projects were affected by resource shortages and escalating costs experienced throughout the construction industry.

Higher than anticipated rural main roads costs can be also be attributed to resource shortages and escalating costs on the Broomehill-Jerramungup Rd (\$1.16 million) and Muirs Highway (\$2.27 million).

No freeways or urban main roads were constructed under this Program in the last four years.

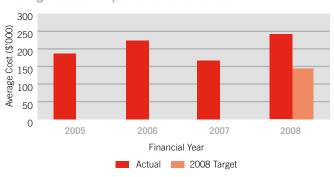
#### 2d Average cost of improvements undertaken

This indicator identifies the average cost per intersection of improvements undertaken on the State network funded under the Road Use Safety Improvement Program during the last four years.

Improvements undertaken on the State network funded under the Road Use Safety Improvements Program incorporate projects funded from a variety of sources including State and National Black Spot, the Network Safety and Improvement Program, and the Safer Roads Program.

The accompanying graph shows the average cost of intersection improvements undertaken on the State road network, as well as the budget targets for 2007-08.

#### **Average Cost of Improvement Treatment**



The increase in trend from 2007 figures to 2008 figures is due to the high value intersection treatments at Wanneroo Road/Ocean Reef Road and Roe Highway/Orrong Road which, due to being larger projects, has impacted on the final result.

## Government Outcome: A Reliable and Sustainable Supply of Essential Services

The following Main Roads program aims to achieve the Government's goal of "Better Service" via a reliable and sustainable supply of essential services.

Efficiency Program	Outcome	Description
Road Network Maintenance	Minimise whole of life costs of the network	The program objective is to maintain the existing road and bridge network by maximising asset life and minimising whole of life costs. Works include routine maintenance (crack patching, patching of potholes, control of declared plants and weeds, graffiti removal, litter collections), periodic maintenance (repairs to pavements, culverts and bridge decks, sealing and resealing of road surfaces, and replacing line markings), rehabilitation works where the primary reason for the works is due to pavement failure, and managing and administering various Term Network Contracts and the Traffic Control Infrastructure Contract. During 2007-08, \$476.4 million was expended on Road Network Maintenance, which made up 35% of the total road program.

<b>Effectiveness</b>	<b>Indicators</b>	Summary
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Effectiveness Indicator			For more				
		2005	2006	2007	2008	Target 2008	information see section
Smooth travel exposure (WA figures only)		98.2	98.2	98.4	98.4	98.2	3a
Community perception	Metro freeway	96	93	97	96	93	3b
of ride quality	Metro highway	92	92	95	95	92	
	Rural highway	89	83	93	92	83	

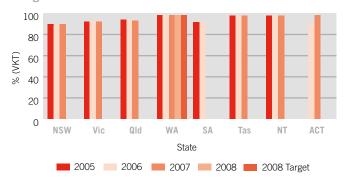
#### **3a Smooth Travel Exposure**

Maintenance works are undertaken to meet recognised benchmark intervention standards, which limit the exposure of road users to unexpected defects. Well maintained roads provide a safer and more comfortable ride, and contribute to lower vehicle operating costs, particularly for heavy vehicles. They are also more likely to achieve their optimum life at minimal total cost to the community. A key measure of road condition is road roughness.

Smooth Travel Exposure is a key indicator of the effectiveness of road maintenance expenditure. It represents the proportion of travel undertaken each year on all roads with surface roughness less than 4.2 IRI (International Roughness Index), the national standard that provides acceptable travel conditions for passenger car users.

The accompanying graph shows the percentage of travel that occurs on roads meeting roughness standards across Australia, including the Western Australian targets for 2007-08.

#### **Smooth Travel Exposure – Roads Meeting Roughness Standards**



Of the total travel on Western Australian sealed National and State roads, 98.4% is undertaken on roads that meet the roughness standard. This figure indicates that Western Australia continuously provides smooth travel for road users.

Prior years' figures from interstate show that Western Australia performs better, for this indicator, than other States. However, it should be noted that this indicator is very specific and should be read in conjunction with the Road Standards Indicator.

#### **3b Community Perception of Ride Quality**

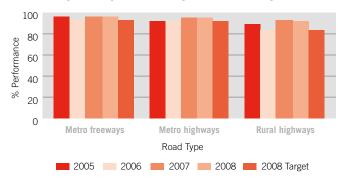
Physical measurements of the road network are further supported by results from the Community Perceptions Survey (details of the background to this survey are outlined in section 1a of this report).

Respondents were asked to rate the condition, or ride quality, of the road network under Main Roads' control. The Ride Quality Indicator summarises the percentage of respondents that were satisfied with the ride quality of the network.

The results are based upon a random sample of 1 150 people (250 persons in the metropolitan area and 900 persons in rural areas). When extending these results to estimate the percentage of satisfied Western Australians, the margin of error is approximately 2.9% at the 95% confidence level.

The accompanying graph shows the extent to which the community of Western Australia is satisfied with the quality of the ride, as well as the target rates for 2007 08.

#### Community Perceptions Survey of Ride Quality



The results are compatible with the results obtained for the Smooth Travel Exposure Indicator, that is, a large proportion of travel occurs on roads meeting roughness standards. During 2007-08, there was a slight drop in the percentage

of respondents that were satisfied with the ride quality of metropolitan freeways, metropolitan highways and rural highways, however, all roads exceeded the 2007-08 targets.

#### **Efficiency Indicators Summary**

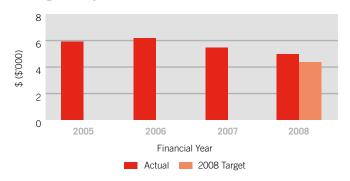
Program	Efficiency Indicator		Results (per annum)				
		2005	2006	2007	2008	Target 2008	information see section
Road Network Maintenance	Average cost per lane kilometre of road network maintained	5 906	6 131	5 494	4 937	4 400	3c

#### 3c Average cost per lane kilometre of road network maintained

This indicator represents the financial efficiency of road and roadside maintenance works by showing the cost per lane kilometre to maintain acceptable travel conditions on State Roads. Works are undertaken on State Roads to preserve the existing road asset to specified standards.

The accompanying graph shows the cost by lane kilometre to maintain acceptable travel conditions on the State road network, as well as the budget targets for 2007-08.

**Average Cost per Lane kilometre of Network Maintained** 



In order to compare 2008 figures with previous years, all figures have been adjusted and subsequently reported in terms of 2008 dollars. Therefore, although the trend for this KPI is downwards, it is being influenced by the Gross State Product (GSP) and overheads rate.

This KPI indicates that the cost of maintaining the road network is declining in terms of 2008 dollars, however, the actual costs being experienced indicate the costs of maintaining the road network continue to rise. The increasing lane kilometre length of the network also impacts this KPI, as there is more to maintain without a proportionate increase in budget.

## Government Goal 2: Creating Conditions That Foster A Strong Economy Delivering More Jobs, Opportunities And Greater Wealth For All Western Australians

Main Roads' contribution to achieving the Government's goal of "Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians" is achieved through the following program outcome:

1. A level of infrastructure that promotes economic growth.

#### **Government Outcome: A Level of Infrastructure that Promotes Economic Growth**

The following Main Roads program aims to achieve the Government's goal of jobs and economic development via a level of infrastructure that promotes economic growth.

Efficiency Program	Outcome	Description
Road Infrastructure For State Development	Support economic and regional development	The program objective is to expand the road network in accordance with State and Federal transport and land use strategies that will facilitate the economic and regional development of the State. These works are mostly aimed at increasing the capacity of the road network through the addition of new links, which include town bypasses. During 2007-08, \$429.2 million was expended on Road Infrastructure for State Development, which made up 32% of the total road program.

#### **Effectiveness Indicator Summary**

Effectiveness Indicator		Results (per annum)				
	2005	2006	2007	2008	Target 2008	information see section
Return on Construction Expenditure	2.97	3.03	3.6	4.03	3.97	4a

#### **Government Outcome: A Level of Infrastructure that Promotes Economic Growth – Additional Information**

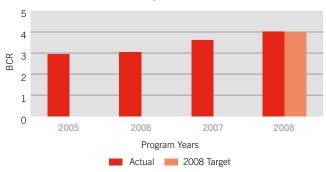
#### 4a Return on Construction Expenditure

New road and bridge construction works add to the capacity of the road network. Return on Construction Expenditure is based on Benefit Cost Ratio (BCR) estimates of a set of projects undertaken each year by Main Roads. 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 all projects exceeding \$500 000 within Main Roads' Road Infrastructure for State Development Program for which a BCR has been calculated.

The graph shows the estimated future economic benefit that each dollar spent on road construction in the program in 2007-08 will bring.

#### **Return on Construction Expenditure**



The Return on Construction Expenditure effectiveness indicator has increased since 2006-07 due to the significant increase in construction expenditure on the New Perth Bunbury Highway, which has a high BCR.

#### **Efficiency Indicators Summary**

Program	n Efficiency Indicator		Results (\$ per annum)					For more
			2005	2006	2007	2008	Target 2008	information see section
Infrastructure for Development	Average cost of road construction per lane kilometre (by road type)	Freeways	0	2 486 832	3 119 510	1 741 984	2 477 000	
		Rural main roads	0	0	0	465 814	904 000#	
		Rural highways	1 148 840	1 270 089	1 100 121	1 196 797	1 145 000	
Road Infr. State Dev	Average cost per squ bridges constructed and timber bridges)		3 126	4 598	3 585	3 025	10 400#	4c

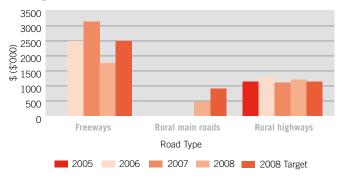
<sup>#</sup> Main Roads WA 2007 Budget Papers incorrectly reported this target. The correct figure is now displayed.

## 4b Average cost of road construction per lane kilometre by road type

This indicator identifies the average cost per lane kilometre of constructing various types of roads funded under the Road Infrastructure for State Development program during the last four years.

As there were no urban highway works undertaken for 2007-08, the accompanying graph shows the cost of constructing freeways, rural main roads and rural highways on the State road network. It also displays the budget targets for 2007-08.

#### **Average Cost of Road Construction**



Although a higher unit rate on the Mitchell Freeway extension contributed to the freeways result, this was offset by a lower unit rate on the extension of the Kwinana Freeway from Safety Bay Road to Lakes Road, part of the New Perth Bunbury Highway project.

Expenditure on rural main roads may be attributed to the Mount Barker Northern Bypass on Muirs Highway which, due to the vast amount of works conducted, has resulted in a reduced overall lane kilometre cost.

# 4c Average cost per square metre of bridges constructed (by concrete and timber bridges)

This indicator identifies the average cost per square metre of constructing concrete bridges on the State network funded under the Road Infrastructure for State Development program during the last four years.

The accompanying graph shows the cost of constructing concrete bridges on the State network, as well as the budget targets for 2007-08.

#### **Average Cost of Bridge Constructed**



The decreased actual expenditure in comparison to the targeted cost per square metre is a direct result of bridges being constructed as part of the New Perth Bunbury Highway project and the Mitchell Freeway extension. The target figure only included a small proportion of bridge works planned, therefore, a significant amount of bridge work on both New Perth Bunbury Highway and Mitchell Freeway extension was not included in the budget target calculations.

## **INCOME STATEMENT**

FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 \$000	2007 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	31 800	31 865
Supplies and services	7	270 372	253 624
Depreciation of infrastructure assets	9	170 549	160 763
Depreciation and amortisation of other non-current assets	10	2 484	1 765
Finance costs	11	3 414	5 248
Grants and subsidies	8	143 036	85 897
Capital user charge	13	-	64 774
Infrastructure assets retired / replaced	12	49 693	27 034
Superannuation	6	4 539	6 369
Total Cost of Services		675 887	637 339
Income			
Revenue			
Contributions to roadworks	16	13 662	7 093
Commonwealth grants and contributions	14	209 664	145 648
Sale of goods and services	19	11 239	21 414
Grants from other bodies	18	155 822	136 986
Interest revenue	15	20 207	19 557
Other revenue	20	9 310	4 423
Total Revenue		419 904	335 121
Gains			
Gain on disposal of non-current assets	17	24 963	5 148
Total Gains		24 963	5 148
Total income other than income from State Government		444 867	340 269
NET COST OF SERVICES	-	231 020	297 070
INCOME FROM STATE GOVERNMENT			
Service appropriation	21	455 070	488 990
Natural disaster funds	21	18 180	13 975
Road Trauma Trust Fund	21	8 000	-
Liabilities assumed by the Treasurer	21	-	2 057
Resources received free of charge	21	451	377
Total income from State Government	_	481 701	505 399
SURPLUS FOR THE PERIOD		250 681	208 329

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

## **BALANCE SHEET**

FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 \$000	2007 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	22	288 275	326 450
Restricted cash and cash equivalents	23	1 225	1 009
Inventories	26	331	4 370
Receivables	24	37 051	26 927
Amounts receivable for services	25	37 269	32 470
Prepayments	27	5 114	4 237
Non-current assets classified as held for sale	28	11 599	17 736
Total Current Assets		380 864	413 199
Non Current Assets			
Inventories	26	6 334	2 966
Receivables	24	299	598
Amounts receivable for services	25	846 024	748 319
Prepayments	27	4 528	-
Property, plant and equipment	29	147 099	121 349
Infrastructure	30	35 161 294	27 055 370
Intangible assets	31	870	514
Land acquired for roads	29	166 545	119 477
Surplus assets	29 _	80 922	51 555
Total Non-Current Assets	_	36 413 915	28 100 148
TOTAL ASSETS	-	36 794 779	28 513 347
LIABILITIES			
Current Liabilities			
Payables	33	144 791	161 879
Borrowings	34	6 730	32 580
Provisions Total Current Liabilities	35 _	26 771 178 292	23 292 217 752
Total Guitent Liabilities		170 232	217 732
Non Current Liabilities Payables	33	587	704
Borrowings	34	36 062	42 792
Provisions	35	4 133	4 649
Total Non-Current Liabilities		40 782	48 145
Total Liabilities		219 074	265 896
NET ASSETS		36 575 705	28 247 451
EQUITY	36		
Contributed equity		1 950 591	1 417 357
Reserves		24 382 627	16 838 288
Accumulated surplus		10 242 487	9 991 806
Total Equity		36 575 705	28 247 451

The Balance Sheet should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 \$000	2007 \$000
Balance of Equity at start of period		28 247 451	22 553 168
CONTRIBUTED FOURTY	36		
CONTRIBUTED EQUITY	30	1 417 257	1 044 270
Balance at start of period		1 417 357	1 044 379
Capital contribution		480 137	283 689
Other contributions by owners		68 039	89 289
Distributions to owners	-	(14 942)	1 417 057
Balance at end of period	-	1 950 591	1 417 357
RESERVES	36		
Asset Revaluation Reserve			
Balance at start of period		16 838 288	11 725 309
Restated balance at start of period		16 838 288	11 725 309
Gains from asset revaluation		7 544 339	5 112 979
Balance at end of period		24 382 627	16 838 288
ACCUMULATED SURPLUS (RETAINED EARNINGS)	36		
Balance at start of period		9 991 806	9 783 480
Restated balance at start of period		9 991 806	9 783 480
Surplus for the period		250 681	208 326
Balance at end of period		10 242 487	9 991 806
Polymer of Free transfer of the stand	_	00 575 705	00.047.151
Balance of Equity at end of period	=	36 575 705	28 247 451

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 \$000	2007 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations		320 097	372 195
Capital contributions		480 137	283 689
Holding account drawdowns		32 470	27 917
Natural disaster funding		18 180	13 975
Net cash provided by State Government		850 884	697 776
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(31 800)	(31 865)
Supplies and services		(295 614)	(238 803)
Capital user charge		-	(64 774)
Grants and subsidies		(86 858)	(83 673)
GST payments on purchases		(101 762)	(71 409)
Finance costs		(3 927)	(5 881)
Receipts			
Sale of goods and services		26 800	29 080
Commonwealth grants and contributions		209 664	145 648
Interest received		19 600	14 643
GST receipts on sales		5 528	4 138
GST receipts from taxation authority		92 872	63 953
Other receipts		6 112	1 599
Rent received		2 210	2 300
Net cash used in operating activities	37 _	(157 175)	(235 045)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		33 278	10 237
Purchase of non-current physical assets		(9 713)	(10 515)
Purchase of infrastructure		(722 655)	(488 950)
Net cash used in investing activities		(699 090)	(489 228)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(32 580)	(35 730)
Net cash used in financing activities		(32 580)	(35 730)
Net (decrease) / increase in cash and cash equivalents		(37 959)	(62 226)
Cash and cash equivalents at the beginning of the period		327 459	389 685
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	37	289 500	327 459

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

## 1. Australian Equivalents to International Financial Reporting Standards

#### General

The Commissioner of Main Roads' (Main Roads) financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework), and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements Main Roads has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

The Australian Accounting Interpretations are adopted through AASB 1048 'Interpretation and Application of Standards' and are classified into those corresponding to IASB Interpretations and those only applicable in Australia.

The AASB has decided to maintain the statements of accounting concepts (SAC 1 and SAC 2) and has continued to revise and maintain accounting standards and the interpretations that are of particular relevance to the Australian environment, especially those that deal more specifically with not-for-profit entity issues and/or do have an equivalent IASB Standard on Interpretation.

#### Early adoption of standards

Main Roads cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by Main Roads for the annual reporting period ended 30 June 2008.

### 2. Summary of Significant Accounting **Policies**

#### (a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act 2006 and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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.

#### (b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

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

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

The judgements that have been made in the process of applying Main Roads' accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 'Judgements Made by Management in Applying Accounting Policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 4 'Key Sources of Estimation Uncertainty'.

#### (c) Reporting Entity

The reporting entity comprises Main Roads and entities listed at note 45 'Related Bodies'. Tarolinta Pty Ltd was deregistered by the Australian Securities and Investments Commission on 4 March 2008, and the Aberdeen Unit Trust was vested under special resolution on 13 April 2008.

#### (d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by Treasurer's Instruction (TI) 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfers of net assets to/from other agencies are designated as contributions by owners where the transfers are non discretionary and non reciprocal. See note 36 'Equity'.

#### (e) Income

#### Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

#### Sale of goods

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

## NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2008

#### Rendering of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Revenue is recognised as the interest accrues.

#### Service Appropriations

Service Appropriations are recognised as revenues at nominal value in the period in which Main Roads gains control of the appropriated funds. Main Roads' gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at the Department of Treasury and Finance (see note 21 'Income from State Government').

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when Main Roads obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes. Refer to note 14.

#### Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non- current assets and some revaluations of non-current assets.

#### (f) Borrowing Costs

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

#### (g) Property, Plant and Equipment and Infrastructure

#### Capitalisation/Expensing of assets

Items of property, plant and equipment and infrastructure costing over \$5,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment (including portable and attractive assets) and infrastructure costing less than \$5,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

#### Initial recognition and measurement

All items of property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

#### Subsequent measurement

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

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

Where market evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

Fair value of infrastructure, other than land under roads, has been determined by reference to the current depreciated replacement cost (existing use basis) as the assets are specialised and no market evidence of value is available. The replacement cost is determined by Main Roads every three years by reference to the cost of a new asset and adjusted in the intervening years by reference to a cost index (ABS Road and Bridge Construction Cost Index) to ensure asset values do not materially differ from fair value. The value of roads and principal shared paths (earthworks, drainage, pavements and seals), bridges and road furniture at 30 June 2008 is based on the current depreciated replacement cost determined at 30 June 2008 calculated using current construction unit rates determined by a professional engineering consultancy firm and multiplying these by the units that form the infrastructure asset. A cost index (ABS Road and Bridge Construction Cost Index) has been applied to principal shared paths and certain road furniture assets to ensure asset values do not materially differ from fair value.

As fair value is measured by reference to the cost of a new asset, when infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Work in Progress is recognised at cost.

The fair value of land under roads (i.e. land within road reserves) is based on the market value of the land adjoining the road reserve.

## NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2008

The land values are provided by geographic location on an annual basis by the Land Information Authority (Valuation Services) as follows:

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

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

Refer to note 29 'Other Non-Current Assets' and note 30 'Infrastructure' for further information on revaluations.

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

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

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

#### Derecognition

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

#### Depreciation

All non-current assets, other than land and road earthworks, are estimated to have a limited useful life and are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

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

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Road Infrastructure:

Earthworks Up to 173 years

Pavement, drainage and seals:

Metropolitan asphalt roads 40 years Sealed rural roads 50 years 12 years Gravel roads Bridges 60 to 100 years

Road Furniture 25 to 40 years

Property, Plant & Equipment:

Buildings 25 to 40 years Plant and vehicles 5 to 10 years 5 to 13 years Equipment and Furniture Computer Hardware and Software (a) 3 to 13 years

Works of art controlled by Main Roads are classified as property, plant and equipment which are anticipated to have very long or indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

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

#### (h) Intangible Assets

#### Capitalisation/Expensing of assets

Acquisitions of intangible assets costing over \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting period indicating that the carrying value may not be recoverable.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. The expected useful lives for each class of intangible asset are:

Software (a) 3 to 5 years Drainage easements Infinite

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

#### Computer Software and Drainage Easement

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

## NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2008

Easements secured over properties for the purpose of road drainage have not been assigned a finite life.

#### (i) Impairment of Assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each balance sheet reporting date. 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. As Main Roads is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. The exception is road earthworks when the alignment of a section of road may be assessed to be deficient and the useful life of the asset is revised from infinite to finite. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance sheet date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairments at each balance sheet date.

Refer to note 32 'Impairment of Assets' for the outcome of impairment reviews and testing.

Refer also to note 2(q) 'Receivables' and note 24 'Receivables' for impairment of receivables.

#### (j) Non current Assets (or Disposal Groups) Classified as Held for Sale

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

#### (k) Leases

Main Roads has entered into a number of operating lease arrangements for rent of land and buildings, vehicles and office equipment where the lessors effectively retain all the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Income Statement over the lease term, as this is representative of the pattern of benefits derived from the leased property.

#### (I) Financial Instruments

Main Roads has two categories of financial instruments:

- Loans and receivables (includes cash and term deposits); and
- Non-trading financial liabilities (payables).

Theses have been disaggregated into the following classes:

Financial Assets

- · Cash and cash equivalents
- · Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial Liabilities

- Payables
- WATC Borrowings

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

Material longer term debts free of interest are initially measured at fair value and then amortised cost using the effective interest rate method.

#### (m) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

#### (n) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. Main Roads considers the carrying amount of accrued salaries to be equivalent to its net fair value.

#### (o) Amounts Receivable for Services (Holding Account)

Main Roads receives funding on an accrual basis that recognises the full annual cash and non cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also note 21 'Income from State Government' and note 25 'Amounts Receivable for Services'.

## NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2008

#### (p) Inventories

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

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

See note 26 'Inventories'.

#### (q) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that Main Roads will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(I) 'Financial Instruments' and note 24 'Receivables'.

#### (r) Payables

Payables are recognised at the amounts payable when Main Roads becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 2(I) 'Financial Instruments' and note 32 'Payables'.

#### (s) Borrowings

All loans are initially recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method. See note 2(I) 'Financial Instruments' and note 33 'Borrowings'.

#### (t) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date. See note 35 'Provisions'.

#### (i) Provisions - Employee Benefits

#### Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the end of the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as Main Roads does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### Sick Leave

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the income statement for this leave as it is taken.

#### Deferred Leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional twelve months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a non-current provision until the fifth year.

#### Purchased Leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional four weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

#### Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes:

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members.

Main Roads has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by Main Roads to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

## NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2008

Employees commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS Schemes become non contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. Main Roads makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and the GESBS Schemes.

The GESB makes all benefit payments in respect of the Pension and GSS Scheme transfer benefits, and is recouped by the Treasurer for the employer share.

See also note 2(u) 'Superannuation Expense'.

#### (ii) Provisions - Other

#### Employment On Costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of Main Roads' 'Employee benefits expense'.

#### Restoration Costs

A provision is recognised where Main Roads has a legal or constructive obligation to undertake restoration work. Estimates are based on the present value of expected future cash outflows.

#### (u) Superannuation Expense

The following elements are included in calculating a superannuation expense in the Income Statement:

- (i) Defined benefit plans Change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and
- (ii) Defined contribution plans Employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

Defined benefit plans - in order to reflect the true cost of services. the movements (i.e. current service cost and, actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS transfer benefits are recognised as expenses. As these liabilities are assumed by the Treasurer (refer note 2(u)(i)), a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement (See note 21 'Income from State Government').

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided in current year.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by Main Roads to GESB extinguishes Main Road's obligations to the related superannuation liability.

#### (v) Resources Received Free of Charge or for Nominal Cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate at fair value.

#### (w) Comparative Figures

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

#### (x) Insurance

Main Roads regularly reviews its insurance arrangements including areas where self-insurance is deemed to be economically justified. Currently, these self-insurance areas are:

- roads, bridges and road furniture; and
- heavy construction plant (except for automatic third party personal injury cover in cases where the plant is licensed for

#### (y) Property Liabilities and Commitments

A liability has been recognised in respect of properties for which a Notice of Resumption under the Land Administration Act 1997 has been issued and formal possession has taken place but where settlement has not been achieved at reporting date. Liabilities in such circumstances have been based on valuations and include costs of acquisition. This liability is included in Payables. See note 33.

## 3. Judgements Made by Management in Applying Accounting Policies

There were no material judgements made by Management in applying accounting policies for the 2007-08 financial year.

## 4. Key Sources of Estimation Uncertainty

The key estimates and assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

#### (a) Provisions

The liability for long service leave is measured at the present value of amounts expected to be paid when the liabilities are settled. The assessment of future payments is based on estimated retention rates and remuneration levels and discounted using current market yields on national government bonds with maturity dates that match the estimated future cash outflows.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

#### (b) Depreciated Replacement Cost of Infrastructure Assets

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

## 5. Disclosure of Changes in Accounting Policy and Estimates, and Disclosure of Errors

Main Roads has applied the following Australian Accounting Standards and UIG Interpretations effective for annual reporting periods beginning on or after 1 July 2007:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. Refer to note 24 and 42.

The following accounting standards and interpretations are not applicable to Main Roads as they have no impact:

101	'Presentation of Financial Statements' (relating to the changes made to the Standard issued in October 2006)
2005-10	'Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, & AASB 1038)'
2007-1	'Amendments to Australian Accounting Standards

arising from AASB Interpretation 11 [AASB 2]' 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments (AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038)'.

> The amendments arise as a result of the AASB decision to make available all options that currently exist under IFRSs and that certain additional Australian disclosures should be eliminated. The Treasurer's instructions have been amended to maintain the existing practice when the Standard was first applied and as a consequence there is no financial impact.

2007-5 'Amendments to Australian Accounting Standard -Inventories Held for Distribution by Not-for-Profit Entities [AASB 102]'

2007-7	'Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]'
ERR	Erratum 'Proportionate Consolidation [AASB 101, AASB 107, AASB 121, AASB 127, Interpretation 113]'
UIG 10	'Interim Financial Reporting and Impairment'
UIG 11	'AASB 2 – Group and Treasury Share Transactions'
UIG 1003	'Australian Petroleum Resource Rent Tax'

#### **Voluntary changes in Accounting Policy**

In accordance with Treasurer's Instruction (TI) 1101, Main Roads elected to expense Portable and Attractive assets costing less than \$5,000 during 2007-08. TI 1101 requires the change in the asset capitalisation to be accounted for as a voluntary change in accounting policy and therefore subject to AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and applied retrospectively. Transactions relating to previous periods have been adjusted in the earliest prior reporting period being 2006-07. The impact of the change on the 2007-08 Income Statement comparatives is as follows:

- Supplies and Services: an increase of \$2.926 million
- Depreciation and amortisation of other non-current assets: a decrease of \$0.984 million
- Gain on Disposal of non-current assets: an increase of \$0.002 million
- Surplus for the Period: a decrease of \$1.940 million.

The impact on the Balance Sheet is as follows:

- Property, plant and equipment: a decrease of \$1.940 million
- Accumulated Surplus: a decrease of \$1.940 million

The impact on the Statement of Changes in Equity is as follows:

Surplus for the period: a decrease of \$1.940 million

The impact on the Cash flow statement is as follows:

- Supplies and Services: an increase of \$1.227 million
- Purchase of Non-Current physical assets: a decrease of \$1.227 million

Refer to note 10, 17, 29, 36, 37 and 41 for where this applies. The impact on future reporting periods is immaterial.

#### **Future impact of Australian Accounting Standards not** vet operative

Main Roads cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, Main Roads has not applied the following Australian Accounting Standards and UIG Interpretations that have been issued but are not yet effective. These will be applied from their application date:

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

Title	Operative for reporting periods beginning on/after
AASB 101 'Presentation of Financial Statements' (September 2007).	1 January 2009
This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. Main Roads does not expect any financial impact when the Standard is first applied.	
Review of AAS 27 'Financial Reporting by Local Governments', 29 'Financial Reporting by Government Departments and 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:	
AASB 1004 'Contributions' (December 2007).	1 July 2008
AASB 1050 'Administered Items' (December 2007).	1 July 2008
AASB 1051 'Land Under Roads' (December 2007).	1 July 2008
AASB 1052 'Disaggregated Disclosures' (December 2007).	1 July 2008
AASB 2007-9 'Amendments to Australian Accounting standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137] (December 2007).	1 July 2008
AASB 123 'Borrowing Costs' (June 2007). This Standard has been revised to mandate the capitalisation of all borrowing costs attributable to the acquisition, construction or production of qualifying assets.	1 July 2009
Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities (December 2007). 1 July 2008	1 July 2008
The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. The new and revised Standards make some modifications to disclosures, otherwise there will be no financial impact	

The following Accounting Standards and Interpretations are not applicable to Main Roads as they will have no impact:

AASB Standards and Interpretations

AASB 3 'Business Combinations' (March 2008)

AASB 8 'Operating Segments'

AASB 127 'Consolidated and Separate Financial Statements' (March 2008)

AASB 1049 'Whole of Government and General Government Sector Financial Reporting'

AASB 2007-2 'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1,

AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]'

AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038)

AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]'

AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101'

AASB 2008-1 'Amendments to Australian Accounting Standard - Share-based Payments: Vesting

Conditions and Cancellations'

AASB 2008-2 'Amendments to Australian Accounting Standards - Puttable Financial Instruments and

Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]'

## NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2008

AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASB 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138, 139 and Interpretations 9 & 107]'

UIG 4 'Determining whether an Arrangement contains a Lease' (February 2007)

UIG 12 'Service Concession Arrangements'

UIG 13 'Customer Loyalty Programmes'

UIG 14 'AASB 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'

UIG 129 'Service Concession Arrangements: Disclosures'

#### **Changes in Accounting Estimates**

There have been no changes in accounting estimates that will impact the current or future periods.

#### **Prior Period Errors**

Main Roads has applied AASB 108 (Changes in Accounting Policies, Estimates and Errors) in the treatment of the following prior period adjustments:

In 2006-07 depreciation expense for Roads - Earthworks and Roads - Pavements, drainage and seal was understated due to an error in the current year date used for the depreciation calculation in the Road Asset Register, as well as some errors in useful lives for certain Pavement, drainage and seal assets. This also impacted the revaluation increment on accumulated depreciation. The 2006-07 comparative for 'Depreciation expense' has been increased by \$10.010 million and the 'Revaluation increment' has been decreased by \$0.482 million. This impacts note 9, 30, 36, 37 and 41.

In 2006-07 Revaluation increments for Land within Road Reserves was overstated due to an error in the treatment of Land within Road Reserves associated with the transfer of Orrong road from Local Government under proclamation. The transfer was inadvertently accounted for under revaluation of Land within Road Reserves where as it should have been treated as Grants from Other Bodies. The 2006-07 comparatives for 'Revaluation Increments' and 'Local roads reclassified as highways and main roads' have been decreased by \$136.628 million and increased by \$136.628 million respectively. This impacts note 18, 30, 36, 37 and 41.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

## 6. Employee Benefits Expense

	2008 \$'000	2007 \$'000
Wages and salaries	27,099	28,035
Annual Leave	2,757	2,647
Long service leave	1,944	1,183
	31,800	31,865
Superannuation – defined contribution plans	4,539	4,935
Superannuation – defined benefit plans	-	1,434
	36,339	38,234

Superannuation - defined contribution plans include West State and Gold State (concurrently paid)

Superannuation - defined benefit plans include Pension scheme and Gold State (pre-transfer benefit)

An equivalent notional income is also recognised for the defined benefits plan expense (See note 21 'Income from State Government'). As at the reporting date there was a net reduction in the liability for the Gold State Superannuation and Pension schemes of (\$926,058). Therefore no expense has been recognised for 2007-2008.

## 7. Supplies and Services

	2008 \$'000	2007 \$'000
Contractors and consultants	243,325	210,953
Materials	461	989
Plant hire charges	5,424	3,578
Fringe benefits tax	775	497
Postage, stationery and reprographics	768	720
Telecommunications	3,814	3,236
Building maintenance and equipment	6,407	6,580
Electricity and gas	2,989	2,894
Contributions	803	4,014
Legal costs	158	184
Advertising	421	443
Rates and Taxes	359	254
Insurance	1,545	1,174
Other	3,123	18,108
	270,372	253,624

### 8. Grants and Subsidies

	\$'000	\$'000
Grants and subsidies to local government	143,036	85,897
	143,036	85,897
In addition to the above resources were provided free of charge to the Department for Planning and Infrastructure. The expense is included in Employee Benefits and Supplies and Services.	572	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

### 9. Depreciation Expense – Infrastructure Assets

	\$'000	\$'000
Roads - Earthworks	370	3,441
Roads – Pavements, drainage and seal	142,447	131,537
Bridges	22,018	20,276
Road Furniture	5,714	5,509
Total depreciation	170,549	160,763

In 2006-07 depreciation expense for 'Roads - Earthworks' and 'Roads - Pavements, drainage and seal' was understated due to an error in the current year date used for the depreciation calculation in the Road Asset Register, as well as some errors in useful lives for certain pavement, drainage and seal assets. The 2006-07 comparative for 'Roads - Earthworks' and 'Roads - Pavements, drainage and seal' depreciation expense has been increased by \$0.174 million and \$9.836 million respectively. This also impacts note 30, 36, 37 and 41.

## 10. Depreciation and Amortisation Expense - Other Non Current Assets

	2008 \$'000	2007 \$'000
Depreciation		
Plant, equipment and vehicles	1,625	1,524
Buildings	2,410	1,838
Total depreciation	4,035	3,362
Amortisation		
Intangible assets	240	253
Total amortisation	240	253
Total Depreciation and Amortisation	4,275	3,615
Less: Depreciation capitalised to infrastructure	(1,791)	(1,850)
Depreciation and amortisation as per Income Statement	2,484	1,765

Refer to note 5 for the impact on the 2006-07 comparative as a result of expensing portable and attractive assets less than \$5,000.

### 11. Finance Costs

Interest paid

2008 \$'000	2007 \$'000
3,414	5,248
3,414	5,248

2008

2007

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

### 12. Infrastructure Assets Retired/Replaced

Earthworks and pavements Bridges

Road furniture

Work in progress

2007 \$'000	2008 \$'000
26,877	17,013
71	32,680
86	-
-	-
27,034	49,693

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

### 13. Capital User Charge

Capital user charge

2008	2007
\$'000	\$'000
-	64,774
-	64,774

The charge was a levy applied by Government for the use of its capital. In 2006-07, the final year in which the charge was levied, a single payment was made equal to the appropriation for 2006-07 less any adjustment relating to 2005-06.

#### 14. Commonwealth Grants

AusLink (National Land Transport) Act 2005 Interstate Road Transport Act 1985

2008 \$'000	2007 \$'000
207,512	143,610
2,152	2,038
209,664	145,648

#### AusLink (National Land Transport) Act 2005

Grants are received from the Commonwealth Government through the AusLink (National Land Transport) Act 2005. This funding is used for the construction and maintenance of the Auslink national road network and for the Road Safety Blackspot Program on approved projects.

#### **Interstate Road Transport Act 1985**

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

At 30 June 2008, \$1.028 million of the AusLink (National Land Transport) Act 2005 grant remained unspent on approved projects. Refer to note 2(e).

#### 15. Interest Revenue

AusLink Accelerated Upgrade Package Interest Revenue Other Interest

2008 \$'000	2007 \$'000
20,018	19,499
189	58
20,207	19,557

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

### 16. Contributions to Roadworks

Contributions to roadworks

2008 \$'000	2007 \$'000
13,662	7,093
13,662	7,093

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

## 17. Net Gain/(Loss) on Disposal of Non Current Assets

	2008 \$'000	2007 \$'000
Costs of Disposal of Non-Current Assets		
Land acquired for roadworks	8,438	5,247
Land and buildings	212	755
Property, plant and equipment	52	
	8,702	6,002
Proceeds from Disposal of Non-Current Assets		
Land acquired for roadworks	33,234	10,236
Land and buildings	400	891
Property, plant and equipment	31	23
	33,665	11,150
Net Gain/(Loss)		
Land acquired for roadworks	24,796	4,990
Land and buildings	188	135
Property, plant and equipment	(21)	23
	24,963	5,148

Refer to note 5 for the impact on the 2006-07 comparative as a result of expensing portable and attractive assets less than \$5,000.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

#### 18. Grants from Other Bodies

Grants from local government authorities and other Bodies:

Transfer infrastructure assets at fair value

2008	2007
\$'000	\$'000
155 000	126,006
155,822	136,986
155,822	136,986

In 2006-07 Grants from Other Bodies was understated due to an error in the treatment of Land within Road Reserves associated with the transfer of Orrong road from Local Government under proclamation. The transfer was inadvertently accounted for under revaluation of Land within Road Reserves. The 2006-07 comparative for 'Transfer infrastructure assets at fair value' has been increased by \$136.628 million. This also impacts note 30, 36, 37 and 41.

#### 19. Sale of Goods and Services

Supply of goods and services

2008 \$'000	2007 \$'000
11,239	21,414
11,239	21,414

Represents works undertaken for other public and private bodies and includes the recovery of expenditure from the Commonwealth Department of Transport and Regional Services under service delivery arrangements with the Shires of Christmas Island and Cocos (Keeling) Island. The amounts expended or set aside for expenditure during 2007-08 are summarised below:

Amount brought forward for recovery

Amount received during the year

Expenditure during the year

Amount carried forward for recovery

8	4
(65)	(83)
(57)	(79)
75	87
18	8

#### 20. Other Revenue

Rents

Other

2008 \$'000	2007 \$'000
2,528	2,582
6,782	1,841
9,310	4,423

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

#### 21. Income from State Government

	2008 \$'000	2007 \$'000
Service appropriation		
Motor vehicle licence fees	272,569	296,833
Untied funds	177,586	187,894
Motor vehicle permit fees	4,596	4,263
Salaries and Allowances Act	319	-
	455,070	488,990
Other funds received from State Government		
Natural Disaster Funds	18,180	13,975
Road Trauma Trust Fund	8,000	
	26,180	13,975
Liabilities assumed by the Treasurer		
Superannuation	-	2,057
	-	2,057
Resources received free of charge		
Determined on the basis of the following estimates provided by agencies:		
Land Information Authority in 2007-08 (estimated for 2006-07 using the 2005-06 amount indexed by the movement in the Consumer Price Index (CPI) for Perth from March 2006 to March 2007)	451	377
	451	377
	481,701	505,399

#### Service appropriations

Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year.

Motor vehicle licence fees for cars and light vehicles are raised under the Road Traffic Act. The total licence fees collected in 2007-08 was \$613.006 million. An amount of \$272.569 million was received as a service appropriation and the balance of \$340.437 million appropriated as a capital contribution by owners and included under 'Contributed Equity' in the Balance Sheet.

#### Untied funds

Untied funds are appropriations from the Consolidated Fund. The total appropriation from the Consolidated Fund in 2007-08 was \$317.286 million. This includes a service appropriation of \$177.586 million and a capital contribution of \$139.700 million. The service appropriation includes a cash component of \$42.613 million and a \$134.973 million non cash component.

#### Motor vehicle permit fees

Motor vehicle permit fees are collected under the Road Traffic Act and fees for heavy vehicles are raised under the Road Transport Reform (Heavy Vehicles Registration) Act. for the issue of permit fees for vehicles that are oversize, special purpose or carry oversize or extra loads.

#### Other Funds Received from State government

#### Natural Disaster Funds

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

#### Liabilities assumed by the Treasurer

The assumption of the superannuation liability by the Treasurer is a notional income to match the notional superannuation expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation Scheme. (The notional superannuation expense is disclosed at note 6 'Employee Benefits Expense')

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2008

As at the reporting date, there was a net reduction in the liability for the Gold State Superannuation and Pension schemes of (\$926,058). Therefore, no revenue has been recognised for 2007-2008.

#### Resources received free of charge

Where assets or services have been received free of charge or for nominal cost, Main Roads recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

### 22. Cash and Cash Equivalents

	2008 \$'000	
Cash at Bank	288,262	2 326,437
Cash on hand	13	3 13
	288,279	326,450

## 23. Restricted Cash and Cash Equivalents

	2008 \$'000	
Current:		
Contractors' Deposits	1,225	1,009
	1,225	1,009

Contractors' deposits - amounts withheld from contractors payments and held in a special purpose account pending satisfactory completion of works.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

### 24. Receivables

	2008 \$'000	2007 \$'000
Current:		
Trade debtors	12,917	2,718
Allowance for impairment of receivables	(200)	(200)
	12,717	2,518
Trade debtors – work in progress	4,663	8,056
GST Refund due from Australian Taxation Office	13,230	10,069
Other Debtors	747	738
Accrued Income	5,694	5,546
	37,051	26,927
Non-current	299	598
Trade debtors	299	598
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of year	200	200
Doubtful debts expense recognised in the income statement	3	2
Amounts written off during the year	(3)	(2)
Amounts recovered during the year	-	-
Balance at the end of year	200	200
Credit Risk		
Ageing of receivables past due but not impaired based on the information provided to senior management, at the balance sheet date:		
Not more than 3 months	556	739
More than 3 months but less than 6 months	5	3
More than 6 months but less than 1 year	2	1
More than 1 year	-	-
	563	743
Receivables individually determined as impaired at the balance sheet date:		
Carrying amount, before deducting any impairment loss	200	200
Impairment loss	-	-
	200	200

Main Roads does not hold any collateral as security or other credits enhancement relating to receivables.

See also note 2(q) 'Receivables' and note 42 'Financial Instruments'.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

### 25. Amounts Receivable for Services

Current

Non-current

2008	2007	
\$'000	\$'000	
37,269	32,470	
846,024	748,319	
883,293	780,789	

Represents the non-cash component of service appropriations (see note 2(o) 'Amounts Receivable for Services' (Holding Account)'). It is restricted in that it can only be used for asset replacement or payment of leave liability.

### 26. Inventories

	2008	2007
	\$'000	\$'000
Current:		
Inventories held for distribution:		
Construction and maintenance materials	331	4,370
Total Current	331	4,370
Non-Current:		
Construction and maintenance materials	6,334	2,964
General Stores	-	2
Total Non-Current	6,334	2,966

See also note 2(p) 'Inventories'.

## 27. Prepayments

	2008	2007
	\$'000	\$'000
Prepayments:	5,114	4,237
Current	4,528	-
Non-Current	9,642	4,237
	,	

Prepayments in 2007-08 include an amount of \$6.545 million for Principal Controlled Insurance Premiums for major works contract.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

### 28. Non Current Assets Classified as Held for Sale

	2008 \$'000	2007 \$'000
Opening balance		<u> </u>
Freehold land and buildings	17,736	16,542
Assets reclassified as held for sale		
Freehold land and buildings	7,554	8,395
Locs access removed from ourrent disposal Brogram		
Less assets removed from current disposal Program	(4.000)	(1.400)
Freehold Land and buildings	(4,988)	(1,426)
Less assets sold		
Freehold land and buildings	(7,879)	(4,987)
		. , .
Less grants		
Freehold land and buildings	-	-
Write down of assets from carrying value to fair value less selling costs		
Freehold land and buildings	(824)	(788)
Closing balance		
	11.500	17.706
Freehold land and buildings	11,599	17,736

Note that all assets in the closing balance are expected to be sold within the next reporting period.

See also note 2(j) 'Non-Current Assets (or Disposal Group) Classified as Held for Sale' and note 17 'Net Gain/(Loss) on Disposal of Non Current Assets'.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

### 29. Other Non Current Assets

	2008 \$'000	2007 \$'000
Property, plant and equipment	Ψ 000	Ψ 000
Freehold land		
At fair value	71,336	51,907
	71,336	51,907
Buildings		
At fair value	69,642	63,897
Accumulated depreciation	(96)	-
	69,546	63,897
Plant and Equipment		
At Cost	18,306	17,635
Accumulated depreciation	(12,089)	(12,090)
	6,217	5,545
Total Property, Plant and Equipment	147,099	121,349
Surplus Assets		
At fair value	80,922	51,555
Total Surplus Assets	80,922	51,555
Land Acquired for Roadworks		
At fair value	166,545	119,477
Total Land Acquired for Roadworks	166,545	119,477
	394,566	292,381

Freehold Land and Buildings were revalued during the year ended 30 June 2008 using values provided by the Western Australian Land Information Authority (Valuation Services) in conjunction with estimations by Main Roads' management.

The estimations have been made in relation to the value of certain Metro and Rural properties where the values were not available at balance sheet date from information provided by Valuation Services for the period 1 July 2006 to 1 July 2007. These properties have been valued based on the average percentage increase for the Metro and Rural areas respectively over the period 1 July 2006 to 1 July 2007. The average percentage increases have been determined by calculating the movement in the value of Main Roads' Metro and Rural properties where Valuation Services have provided a value. The effective date of the valuations is 1 July 2007. In undertaking the revaluation, fair value was determined by reference to market values of land: \$71.336 million and buildings: \$69.546 million.

To ensure the valuations provided by Valuation Services were compliant at 30 June 2008 with the fair value requirements under AASB 116, Valuation Services provided the Department of Treasury and Finance (DTF) with information that tracked the general movement of the market value of land and building construction costs from the 1 July 2007 (date of valuation) to 31 March 2008. DTF reviewed the information and determined that the change in fair values from 1 July 2007 to 31 March 2008 were not likely to have a material impact on the fair values of these assets as recognised at 30 June 2008.

Refer note 2(g) 'Property, Plant and Equipment and Infrastructure'.

When buildings are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

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

Refer to note 5 for the impact on the 2006-2007 comparative as a result of expensing portable and attractive assets less than \$5,000.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	Freehold land \$'000	Buildings \$'000	Plant and Equipment	Sub Total Property Plant and Equipment \$'000	Surplus Assets \$'000	Land Acquired for Roadworks \$'000	Total \$'000
2008							
Carrying amount at start of year	51,907	63,897	5,545	121,349	51,555	119,477	292,381
Additions	587	2,559	2,402	5,548	-	3,672	9,220
Disposals	-	(4)	(52)	(56)	-	-	(56)
Classified as held for sale	(1,241)	(790)	-	(2,031)	2,466	(2,879)	(2,444)
Transfers	-	4	(58)	(54)	861	435	1,242
Transfer to Infrastructure	-	-	-	-	-	(308)	(308)
Transfer to / from Operating (Prior Year Adjustments)	-	(66)	5	(61)	-	632	571
Depreciation	-	(2,410)	(1,625)	(4,035)	-	-	(4,035)
Revaluation increments/(decrements)	20,083	6,356	-	26,439	26,040	45,516	97,995
Carrying amount at end of year	71,336	69,546	6,217	147,099	80,922	166,545	394,566

	Freehold land \$'000	Buildings \$'000	Plant and Equipment	Sub Total Property Plant and Equipment \$'000	Surplus Assets \$'000	Land Acquired for Roadworks \$'000	Total \$'000
2007							
Carrying amount at start of year	37,830	46,900	6,676	91,406	50,410	97,111	238,927
Additions	2,006	2,381	1,961	6,348	-	3,180	9,528
Disposals	-	-	-	-	-	-	-
Classified as held for sale	(366)	(178)	-	(544)	(2,938)	(2,562)	(6,044)
Transfers	16	-	(1,695)	(1,679)	-	(935)	(2,614)
Transfer to Infrastructure	-	-	-	-	-	(414)	(414)
Transfer to / from Operating (Prior Year Adjustments)	-	40	131	171	-	442	613
Depreciation	-	(1,838)	(1,528)	(3,366)	-	-	(3,366)
Revaluation increments/(decrements)	12,421	16,592	-	29,013	4,083	22,655	55,751
Carrying amount at end of year	51,907	63,897	5,545	121,349	51,555	119,477	292,381

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

## 30. Infrastructure

At fair value

Accumulated depreciation

2008	2007
\$'000	\$'000
42,375,394	33,726,242
(7,214,100)	(6,670,872)
35,161,294	27,055,370

The value of roads and principal shared paths (earthworks, drainage, pavements and seals), bridges and road furniture at 30 June 2008 is based on the current depreciated replacement cost determined at 30 June 2008 by Main Roads. In 2007-08 a comprehensive revaluation has been applied as at 30 June 2008 using construction unit rates obtained from an analysis of contracts over a 5 year period, which represent the fair value to replace the assets, and applying these against the units for each infrastructure category.

For principal shared paths (PSP), the value at 30 June 2008 has been determined by applying a cost index (ABS Road and Bridge Construction cost index) on the current depreciated replacement cost to ensure the asset value does not materially differ from fair value.

As fair value is measured by reference to the cost of a new asset, 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.

Land within road reserves was revalued at 30 June 2008 using 1 July 2007 values supplied by the Western Australian Land Information Authority (Valuation Services).

A reconciliation of the carrying amount of infrastructure at the beginning and end of the reporting period is set out below.

	2008 \$'000	2007 \$'000
Reconciliation	<b>+ 555</b>	
Carrying amount at start of year	27,055,370	21,443,391
Additions	724,538	528,213
Capital contribution – assets transferred from/to other government agencies/local government	53,096	89,289
Land transferred from Land Acquired for Roadworks	(993)	413
Revaluation increments	7,447,046	5,058,011
Recognition of Principal Shared Paths	-	-
Local roads reclassified as highways and main roads	155,822	136,986
Infrastructure Assets Retired	(49,693)	(27,034)
Depreciation expense	(170,549)	(160,763)
Disposals – highways and main roads reclassified as local roads	(53,957)	(9,875)
Transfers to / from Operating (Prior Year Adjustments)	614	(3,261)
Carrying amount at end of year	35,161,294	27,055,370

In 2006-07 depreciation expense for Roads – Earthworks and Roads – Pavements, drainage and seal was understated due to an error in the current year date used for the depreciation calculation in the Road Asset Register, as well as some errors in useful lives for certain Pavement, drainage and seal assets. This also impacted the revaluation increment on accumulated depreciation. The 2006-07 comparative for 'Depreciation expense' has been increased by \$10.010 million and the 'Revaluation increment' has been decreased by \$0.482 million. This also impacts note 9, 36, 37 and 41.

In 2006-07 Revaluation increments for Land within Road Reserves was overstated due to an error in the treatment of Land within Road Reserves associated with the transfer of Orrong road from Local Government under proclamation. The transfer was inadvertently accounted for under revaluation of Land within Road Reserves where as it should have been treated as Grants from Other Bodies. The 2006-07 comparatives for 'Revaluation Increments' and 'Local roads reclassified as highways and main roads' have been decreased by \$136.628 million and increased by \$136.628 million respectively. This also impacts note 18, 36, 37 and 41.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

# 31. Intangible Assets

	2008	2007
	\$'000	\$'000
Computer software & drainage easements		
At cost	3,018	2,341
Accumulated amortisation	(2,148)	(1,827)
	870	514

A reconciliation of the carrying amount of intangible assets at the beginning and end of the reporting period is set out below.

	2008 \$'000	2007 \$'000
Computer software:		
Carrying amount at start of year	505	673
Additions	539	88
Disposals	-	-
Transfers	58	(3)
Amortisation expense	(241)	(253)
Carrying amount at end of year	861	505
Drainage easements:		
Carrying amount at start of year	9	9
Additions	-	-
Disposals	-	-
Transfers	-	-
Amortisation expense	-	
Carrying amount at end of year	9	9
Total Intangible Assets	870	514

# 32. Impairment of Assets

There were no indications of impairment of property, plant and equipment, infrastructure and intangible assets at 30 June 2008.

Main Roads held no goodwill during the reporting period and at balance sheet date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2008 have either been classified as assets held for sale or written off.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

# 33. Payables

	\$'000	\$'000
Current		
Trade creditors	26,697	21,302
Major Contracts and Services	64,649	91,656
Property Acquisitions	35,208	35,126
Contractors Retention	1,225	1,009
Funds in Advance	16,474	11,909
Performance Bonds / Surety	538	877
	144,791	161,879
Non-current		
Major Contracts and Services	587	704
	587	704

2008

2007

See also note 2(r) 'Payables' and note 42 'Financial Instruments'.

# 34. Borrowings

	2008	2007
	\$'000	\$'000
Current		
Western Australian Treasury Corporation Loans	6,730	32,580
	6,730	32,580
Non-current		
Western Australian Treasury Corporation Loans	36,062	42,792
	36,062	42,792

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

## 35. Provisions

	2008 \$'000	2007 \$'000
Current		
Employee benefits provision		
Annual leave	12,435	11,952
Long service leave	14,336	11,340
	26,771	23,292
Non-current		
Employee benefits provision		
Long service leave	4,133	4,649
	4,133	4,649
	30,904	27,941

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date More than 12 months after balance sheet date

	3,606	3,466
	8,829	8,486
Ī	12,435	11,952

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date More than 12 months after balance sheet date

2,216	1,919
16,253	14,070
18,469	15,989

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 6 ('Employee Benefits Expense').

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

## 36. Equity

Equity represents the residual interest in the net assets of Main Roads. The Government holds the equity interest in Main Roads on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

	2008 \$'000	2007 \$'000
Contributed equity		
Balance at start of year	1,417,357	1,044,379
Contributions by owners		
Capital contribution	480,137	283,689
Transfer of net assets from other agencies:		
- transfer of bridges by Public Transport Authority	46,871	60,095
- transfer of roadworks by Public Transport Authority	19,010	27,829
- transfer of signals and lighting by the Public Transport Authority	672	-
- transfer of land for road reserves by Western Australian Planning Commission	1,486	1,365
Total contributions by owners	548,176	372,978
Distributions to owners		
Transfer of net assets to other agencies:		
- transfer of land within road reserves to Western Australian Planning Commission	6,000	-
- transfer of explosive magazines to the Department of Consumer and Employment Protection	1,902	-
- transfer of bridges to the Public Transport Authority	3,783	-
- transfer of roadworks to the Public Transport Authority	3,257	-
Total distributions to owners	14,942	-
Balance at end of year	1,950,591	1,417,357
Reserves		
Asset revaluation reserve:		
Balance at start of year	16,838,288	11,725,309
Net revaluation increments/(decrements):	10,030,200	11,723,309
Earthworks, Drainage, Pavements and Seals	670,042	399,448
Bridges	897,215	74,477
Land within Road Reserves	5,865,251	4,579,126
Road Furniture	14,538	4,960
Land and Buildings	97,293	54,968
Balance at end of year	24,382,627	16,838,288
balance at end of year	24,302,027	10,030,200
Accumulated surplus (Retained Earnings)		
Balance at start of year	9,991,806	9,783,480
Result for the period	250,681	208,326
Balance at end of year	10,242,487	9,991,806

In 2006-07 depreciation expense for Roads – Earthworks and Roads – Pavements, drainage and seal was understated due to an error in the current year date used for the depreciation calculation in the Road Asset Register, as well as some errors in useful lives for certain Pavement, drainage and seal assets. This also impacted the revaluation increment on accumulated depreciation. The 2006-07 comparative for Asset revaluation reserve Net revaluation increments/(decrements): 'Earthworks, Drainage, Pavements and Seals' has been decreased by \$0.482 million. Accumulated Surplus has been decreased by \$10.010 million. This also impacts note 9, 30, 37 and 41.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2008

In 2006-07 Revaluation increments for Land within Road Reserves was overstated due to an error in the treatment of Land within Road Reserves associated with the transfer of Orrong road from Local Government under proclamation. The transfer was inadvertently accounted for under revaluation of Land within Road Reserves where as it should have been treated as Grants from Other Bodies The 2006-2007 comparative for Asset revaluation reserve Net revaluation increments/(decrements): Land within Road Reserves has been decreased by \$136.628 million and Accumulated Surplus has been increased by \$136.628 million. This also impacts note 18, 30, 37 and 41.

Refer to note 5 for the impact on the 2006-07 comparative as a result of expensing portable and attractive assets less than \$5,000.

## 37. Notes to the Cash Flow Statement

## **Reconciliation of cash**

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2008 \$'000	2007 \$'000
Cash and cash equivalents	288,275	326,450
Restricted cash and cash equivalents (refer to note 23 'Restricted cash and cash equivalents')	1,225	1,009
	289,500	327,459
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(231,020)	(297,070)
Non-cash items:		
Depreciation expense - Infrastructure	170,549	160,763
Depreciation and Amortisation - other Fixed Assets	2,484	1,765
Grants to Other Bodies	53,958	9,875
Grants Received from Other Bodies	(155,822)	(136,986)
Resources received free of charge (note 21)	451	(130,380)
Liabilities Assumed by Treasurer	-	2,057
Decrease in provision for impairment losses	-	(2)
Non-current assets reclassified(to)/from operating	(1,186)	4,346
Recognition of principal shared paths	-	-
Infrastructure assets retired/replaced	49,693	27,034
Adjustment for other non-cash items		
Net (gain)/loss on sale of property, plant and equipment (note 17)		
- Land Acquired for Roadworks	(24,796)	(4,990)
- In Service Land and Buildings	(188)	(135)
- Property Plant and Equipment	21	(23)
(Increase)/decrease in assets:		
- Receivables	(4,598)	(5,479)
- Inventories	671	463
Increase/(decrease) in liabilities:		
- Payables	(17,194)	4,494
- Employee Benefits	2,963	2,042
Net GST receipts/(payments)	92,872	63,953
Change in GST in receivables/payables	(96,033)	(67,529)
Net cash provided by/(used in) operating activities	(157,175)	(235,045)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

## 38. Commitments

	2008 \$'000	2007 \$'000
Capital expenditure commitments:		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	217,378	358,220
Later than 1 year and not later than 5 years	96,766	292,095
Later than 5 years	-	-
	314,144	650,315
Lease commitments:		
Commitments in relation to leases contracted for at the balance sheet date but not recognised in the financial statements are payable as follows:		
Within 1 year	2,765	2,722
Later than 1 year and not later than 5 years	1,524	1,454
Later than 5 years	-	-
	4,289	4,176
Representing:		
	4,289	4 176
Non-cancellable operating leases	-	4,176
	4,289	4,176
Other expenditure commitments predominantly comprise maintenance commitments for road infrastructure assets contracted for at the balance sheet date but not recognised as liabilities, are payable as follows:		
Within 1 year	56,208	49,580
Later than 1 year and not later than 5 years	49,799	58,379
Later than 5 years	-	-
	106,007	107,959
These commitments are all inclusive of CST		

These commitments are all inclusive of GST.

# 39. Contingent Liabilities and Contingent Assets

In addition to the liabilities included in the financial statements, there are the following contingent liabilities

	2008 \$'000	2007 \$'000
Contingent Liabilities		
Contract Claims in Dispute:	9,873	13,465

Claims have been submitted by contractors in relation to services provided under roadwork contracts. The contingent liability is the difference between the amount of the claim and the liability estimated by Main Roads based on legal advice.

Resumption Claims in Dispute:	211,003	190,992
	220,876	204,457

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2008

Claims have been lodged by owners of property acquired for road construction purposes. The contingent liability is the difference between the owner's claim and the estimated settlement price determined by Main Roads in accordance with an independent valuation.

#### **Contaminated Sites**

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

During the year Main Roads' reported fifteen suspected 'contaminated or possibly contaminated sites' to DEC. A liability has been recognised at Note 33 for remediation of seven of the fifteen sites. Main Roads' is deemed not responsible under the Contaminated Sites Act 2003 for the remaining eight sites. These sites have been classified as possibly contaminated – investigation required and contaminated – remediation required respectively by DEC. It is not practicable to estimate the potential financial effect or to identify uncertainties relating to the amount or timing of any outflows relating to these eight sites.

All sites identified as having potential asbestos contamination were rectified during the year. At 30 June 2008, there were no sites, which had asbestos contamination.

In addition to the assets included in the financial statements, there are the following
contingent assets:

Contingent Assets:

Contracts in Dispute

2008 \$'000	2007 \$'000		
10,000	1,300		
10,000	1,300		

#### Dispute resolution in progress

The amount shown under 2007-08 relates to a claim against a contractor for deficient works, which is currently proceeding through a dispute resolution process. The potential financial effect of the success of the claim cannot be reliably measured at this time.

#### Litigation in progress

In 2006-07 a claim was filed against a contractor for deficient works. This claim has now been settled in 2007-08.

# 40. Events Occurring after the Balance Sheet Date

There were no events occurring after balance sheet date that have any financial effect on the results reported on these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

# 41. Explanatory Statement

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% or \$5 million.

Significant variances between estimated and actual results for 2008

	2008 Estimate	2008 Actual	
	\$'000	\$'000	Variation
EXPENDITURE			
Superannuation	9,800	7,499	2,301
Grants, subsidies and transfers	181,570	148,457	33,113
Supplies and services	952,451	931,429	21,022
Other – depreciation expense	4,485	3,414	1,071
Infrastructure assets retired / replaced	29,444	49,693	(20,249)
REVENUE			
Grants and subsidies	128,347	235,844	(107,497)
Interest received	14,996	20,207	(5,211)
Profit on sale of assets	1,800	24,963	(23,163)
User charges and fees	18,816	25,231	(6,415)
Other income	6,500	8,636	(2,136)
Net Assets transferred in	83,200	156,273	(73,073)
Roadworks capitalised	764,360	724,452	39,908

#### Superannuation

The budgeted increase to meet future liabilities under the unfunded Gold State Superannuation scheme and the Pension scheme was not required as there was an overall reduction in the liability.

#### **Grants, Subsidies and Transfers**

Grants paid to Local Governments were lower than budget due an overall underspend of 17.3% in the local road program.

Works on the Karratha Tom Price project were advanced and funds programmed for 2008-09 were brought forward.

The variance occurred due to the late refusal by the City of Fremantle to accept the de-proclamation of South Street west of Stock Road and an under estimation of the land valuation regarding the transfer of Cockburn and Port Beach Roads.

## **Supplies and Services**

A cash flow change in the State / Commonwealth funding mix for the New Perth Bunbury Highway.	\$12.0 million
Delays in finalising a contract for the Lake Raeside section of the Goldfields Highway due to a requirement to re-scope and re-design the project to reduce the overall cost prior to the contract stage.	\$12.2 million
Stage 1 of the Lancelin to Cervantes project will result in a saving of \$1.5 million, which together with a delay in completing a southbound passing lane and underspends on Stage 2 has resulted in the variance of \$6.9 million for the year.	\$6.9 million

\$(10.3) million

#### **Finance Costs**

Savings resulted from loan repayments being made ahead of the agreed schedule.

#### Infrastructure Assets Retired/Replaced

In 2007-08 there was an increased number of structural assets retired.

#### **Grants and Subsidies**

Commonwealth Funds – AusLink

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2008

AusLink funding of the New Perth Bunbury Highway was brought forward from 2008-09 to meet cash flow requirements in 2007-08, which was to have been covered by borrowings.

#### **Natural Disaster Funding**

Recoup of expenditure incurred on repairing damages caused by declared disasters that occurred during 2005-06 and 2006-07.

#### **Interest Received**

The Commonwealth funding of the Accelerated Upgrade Package that has been invested until required for approved road projects raised more interest income than was predicted.

#### **Profit on Sale of Assets**

The increased sales in 2007-08 relate to land sales that had been delayed in prior years.

#### **Net Assets Transferred In**

The increase relates to an under estimation of the value of the land transferred as part of the proclamation of Thomas Road.

#### **User Charges & Fees**

Works undertaken on behalf of other parties were higher than anticipated. This increase is offset by an equivalent amount of expenditure under supplies and services.

#### Other Income

The increase in 2007-08 is attributable to income received from the settlement of claims relating to contracts.

#### **Roadworks Capitalised**

Actual expenditure on capital works projects was under spent and therefore the amount capitalised was lower than budget. Projects that had the most significant under expenditures are shown below together with the variance percentage:

Goldfields Highway - Lake Raeside Section	94.0%
Cervantes to Greenhead Road - Lancelin to Cervantes Stage 1	38.9%
Great Northern Highway - Muchea to Wubin	24.0%
New Perth Bunbury Highway	5.9%

## Significant variances between actual results for 2007 and 2008

	2008 \$'000	2007 \$'000	Variance \$'000
Income			
Contributions to roadworks	13,662	7,093	6,569
Commonwealth grants and contributions	209,664	145,648	64,016
Sale of goods and services	11,239	21,414	(10,175)
Grants from other bodies	155,822	136,986	18,836
Other revenue	9,310	4,423	4,887
Interest revenue	20,207	19,557	650
Natural disaster funds	18,180	13,975	4,205
Road Trauma Trust Fund	8,000	-	8,000
Expenses			
Supplies and services	270,371	253,624	16,747
Depreciation of infrastructure assets	170,549	160,763	9,786
Depreciation and amortisation of other non-current assets	2,484	1,765	719
Finance costs	3,414	5,248	1,834
Grants and subsidies	143,036	85,897	57,139
Capital user charge	-	64,774	(64,774)
Infrastructure assets retired / replaced	49,693	27,034	22,659
Superannuation	4,539	6,369	1,830

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2008

#### **Contributions to roadworks**

Contributions to roadworks were higher this year due to high value works being delivered, including: Culvert Installation Six Mile/Drag Strip (\$2.905 million), Gibb River Rd works (\$1.5 million), and Karratha TAFE access works on Dampier Hwy (\$1.314 million).

#### **Commonwealth grants and contributions**

A Commonwealth grant of Auslink 1 funding for the New Perth Bunbury Highway was advanced from 2008-09.

#### Sale of goods and services

Income was higher in 2006-07 due to the high value of works associated with New Metro Rail Package E, undertaken on behalf of the Public Transport Authority.

#### **Grants from other bodies**

In 2007-08 there was an increase in the value of infrastructure assets transferred from Local Government under proclamation compared to 2006-07.

#### Other revenue

The increase in 2007-08 is attributable to income received from the settlement of claims relating to contracts.

#### Natural disaster funds

The increase relates to a higher amount of claims approved under Natural Disaster relief arrangements, relating to previous years.

#### **Road Trauma Trust Fund**

In 2006-07 funding from the Office of Road Safety was deferred to 2009-10.

#### **Supplies and services**

The increase in 2007-08 is a result of an increased amount spent on services and contracts relating to recurrent works.

#### **Depreciation of infrastructure assets**

The increase in the depreciation is the result of the increase in the carrying value of assets, as a result of the revaluation at 30 June 2007, and the additions and improvements to the network in the 2006-07 and 2007-08 financial years.

## Depreciation and amortisation of other non-current assets

The increase in 2007-08 relates to the expensing of portable and attractive assets valued under \$5,000.

#### **Finance costs**

Higher repayments of TransformWA loan principal in 2006-07 and 2007-08 has resulted in reduced interest costs.

#### **Grants and subsidies**

The increase in 2007-08 relates to an increase in the value of infrastructure assets transferred to Local Government under proclamation.

## Capital user charge

The capital user charge was abolished by the Department of Treasury and Finance in 2006-07.

#### Infrastructure assets retired / replaced

In 2007-08 there was an increased number of structural assets demolished and retired.

#### Superannuation

In 2007-08, there was a net reduction in the liability for the Gold State Superannuation Scheme, leading to a decrease in superannuation expense compared to 2006-07.

## 42. Financial Instruments

## (a) Financial Risk Management Objectives and Policies

Financial instruments held by Main Roads are cash and cash equivalents, loans, receivables and payables. Main Road's has limited exposure to financial risks. Main Roads' overall risk management program focuses on managing the risks identified below:

### Credit risk

Credit risk arises when there is the possibility of Main Roads receivables defaulting on their contractual obligations resulting in financial loss to Main Roads. Main Roads minimises its exposure to credit risk through a policy that requires either payment in advance or a suitable guarantee. The security arrangements may not be applied to local government, Commonwealth Government or State government agencies.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2008

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at note 42(c).

Main Roads uses the following procedures for managing any past due receivables:

If the receivable has failed to pay the debt within the terms or agreed to an acceptable instalment arrangement within a reasonable timeframe, Main Roads shall:

- send a Letter of Demand to the receivable requesting payment within 7 day otherwise Court action will be commenced; or
- refer the account to a debt collection agency; or
- if satisfied that further recovery action is not economically justified and the debt is below certain levels, the debt is written off.

Provision for impairment of financial assets is calculated based on individual debts, past experience, and current and expected changes in client credit ratings. For financial assets that are either past due or impaired, refer to note 24 'Receivables'.

#### Liquidity risk

Main Roads is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when Main Roads is unable to meet its financial obligations as they fall due.

Main Roads has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

#### Market risk

Main Roads does not trade in foreign currency and is not materially exposed to other price risks. Main Roads exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations. Main Roads borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are at fixed rates with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Main Roads Cash and Cash Equivalents and Restricted Cash Assets are interest bearing and therefore subject to interest rate risk as detailed in the Interest rate sensitivity analysis table at note 42(c).

#### (b) Categories of Financial Instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet dates are as follows:

	2008	2007
	\$'000	\$'000
Financial Assets		
Cash and cash equivalents	289,500	327,459
Loans and receivables	907,412	798,245
Available-for-sale financial assets	-	-
Held-to-maturity investments	-	-
Financial Assets at Fair Value through profit or loss	-	-
Financial Liabilities		
Financial liabilities measured at amortised cost	188,170	237,957
Financial Liabilities at Fair Value through profit or loss	-	-

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

## (c) Financial Instrument Disclosures

## **Interest Rate Risk Exposure**

The following table details Main Roads' exposure to interest rate risk as at the balance sheet date:

	Fixed Interest Rate Maturity									
	Weighted Average Effective Interest Rate	Variable Interest Rate	Within 1 year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	Non- Interest Bearing	Total
2008	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets										
Cash and cash equivalents	6.9	288,262	-	-	-	-	-	-	13	288,275
Restricted Cash assets	6.9	1,225	-	-	-	-	-	-	-	1,225
Receivables			-	-	-	-	-	-	37,350	37,350
Amounts receivable for services	-	-	-	-	-	-	-	-	883,293	883,293
		289,487	· -	-	-	-	-	_	920,656	1,210,143
Financial Liabilities										
Payables		-		-	-	-	-	-	145,378	145,378
WATC/Bank Loans	6.7	-	6,730	5,296	5,000	5,000	5,000	15,766	-	42,792
		-	6,730	5,296	5,000	5,000	5,000	15,766	145,378	188,170

			Fixed Interes	t Rate Matu	rity					
	Weighted Average Effective Interest Rate	Variable Interest Rate	Within 1 year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	Non- Interest Bearing	Total
2007	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets										
Cash and cash equivalents	6.1	326,437	-	-	-	-	-	-	13	326,450
Restricted Cash assets	6.1	1,009	-	-	-	-	-		-	1,009
Receivables			-	-	-	-	-	-	27,525	27,525
Amounts receivable for services	-	-	-	-	-	-	-	-	780,789	780,789
		327,446	-	-	-	-	-	-	808,327	1,135,773
Financial Liabilities										
Payables	-	-	-	-	-	-	-	-	162,583	162,583
WATC/Bank Loans	5.9	-	32,580	6,730	5,296	5,000	5,000	20,766	-	75,372
		-	32,580	6,730	5,296	5,000	5,000	20,766	162,583	237,955

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

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

## **Interest Rate Sensitivity Analysis**

The following table represents a summary of the interest rate sensitivity of Main Roads financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period 2007-08

		Int	erest Rate Sensitivity	Analysis	
			-1% change	+1% change	
2008	Carrying amount	Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and cash equivalents	289,487	(3)	(3)	3	3
Receivables					
Other financial assets	-	-	-	-	-
Financial Liabilities					
Payables	-	-	-	-	-
Borrowings	-	-	-	-	-
Other financial liabilities		-	-	-	-
Total Increase/(Decrease)		(3)	(3)	3	3

		Int	erest Rate Sensitivity	Analysis	
			-1% change	+1% change	
0007	Carrying	D (")		D (")	
2007	amount	Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and cash equivalents	327,446	(3)	(3)	3	3
Receivables					
Other financial assets	-	-	-	-	-
Financial Liabilities					
Payables	-	-	-	-	-
Borrowings	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Total Increase/(Decrease)		(3)	(3)	3	3

### **Fair Values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

# 43. Remuneration of Members of the Accountable Authority and Senior Officers

## **Remuneration of Members of the Accountable Authority**

The number of members of the Accountable Authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

2007

339

\$	2008
330,001 – 340,000	-
340,001 – 350,000	-
350,001 – 360,000	-
360,001 – 370,000	1
The total remuneration of members of the Accountable Authority is (\$'000):	369

The total remuneration includes the superannuation expense incurred by Main Roads in respect of members of the Accountable Authority. No members of the Accountable Authority are members of the Pension Scheme.

#### **Remuneration of Senior Officers**

The number of senior officers, other than senior officers reported as members of the Accountable Authority, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$	2008	2007
100,001 – 110,000	1	-
110,001 – 120,000	-	-
120,001 – 130,000	-	-
130,001 – 140,000	-	-
140,001 – 150,000	-	-
150,001 – 160,000	-	-
160,001 – 170,000	-	1
170,001 – 180,000	-	6
180,001 – 190,000	5	-
190,001 – 200,000	-	-
200,001 – 210,000	-	-
210,001 – 220,000	-	-
220,001 – 230,000	1	-
The total remuneration of senior officers is (\$'000):	1,258	1,208

The total remuneration includes the superannuation expense incurred by Main Roads in respect of senior officers other than senior officers reported as members of the Accountable Authority.

No senior officers are members of the Pension Scheme.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

## 44. Remuneration of Auditor

Remuneration payable to the Auditor General for the financial year is as follows: Auditing the accounts, financial statements and performance indicators

2008 \$'000	2007 \$'000
141	129
141	129

Expense is included at note 7 'Supplies and Services'

## 45. Related Bodies

Main Roads controls the following entities. The financial years of the controlled entities are the same as that of the parent entity.

Name of controlled Entity	Note	Place of incorporation/ formation	Main	alue of Roads tment	of equi	% ity held		ution to plus
			2008 \$	2007 \$	2008 %	2007 %	2008 \$'000	2007 \$'000
Tarolinta Pty Ltd	(a)	Western Australia	-	11	-	100	-	-
The Aberdeen Hotel Unit Trust	(b)	Western Australia	-	10	-	100	-	-

- (a) Tarolinta Pty Ltd was incorporated on 15 June 1995 as a shelf company owned by Clayton Utz, Barristers & Solicitors. The company consented to act as Trustee of the Aberdeen Unit Trust on 4 January 1996. The shares in Tarolinta Pty Ltd were held in Trust for the Commissioner of Main Roads. Tarolinta Pty Ltd was deregistered by the Australian Securities and Investments Commission on 4 March 2008 and the net assets of \$11 were transferred to Main Roads Western Australia.
- (b) The Aberdeen Hotel Unit Trust ("the Trust") was settled on 4 January 1996. The Trust was formed to operate the Aberdeen Hotel that Main Roads acquired to enable access for construction of the Graham Farmer Freeway tunnel. It ceased to operate on 11 February 1998. From that date Northbridge Enterprises Pty Ltd leased the property in the hotel and adjacent properties to the east and west from Main Roads. Northbridge Enterprises Pty Ltd has operated the business of the hotel from 12 February 1998. The lease expired in June 2003. Northbridge Enterprises Pty Ltd then operated the business on a month-to-month lease until 12 December 2003, when the property was sold. The Aberdeen Unit Trust was vested under special resolution on 13 April 2008 and the \$10 investment in units of the trust was transferred to Main Roads Western Australia.

Consolidated financial statements have not been prepared as the net assets of controlled entities are immaterial to the results and financial position of Main Roads.

# 46. Supplementary Financial Information

Write-Offs
Bad Debts – Damage to Roads, Bridges and Road Furniture
Fixed Asset Stocktake Discrepancies
Inventory – Stocktake Discrepancies and Obsolete/Contaminated materials

2008 \$'000	2007 \$'000
3	2
9	9
11	230
23	241

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

# 47. Schedule of Income and Expenses by Service

24					ć						č					
Income Statement by Service for	01 ROAD NETWORK OPERATIONS	WORK IONS	02 ROAD USE EFFICIENCY	USE	ROAD ROAD INFRASTRUCTURE FOR COMMUNITY	D JCTURE MUNITY	04 ROAD USE SAFETY	USE	05 ROAD NETWORK		ROAD INFRASTRUCTURE FOR STATE		Roadworks Capitalised/ Expenses not allocated	apitalised/ t allocated	F	i7. 3C
(All amounts in \$ 000)	2008 2007	MEN 1	2008	2007	2008 2	2007	2008	MEN I S 2007	2008 2007	2007	2008 2007	MEN 1	2008 20	2007	2008	2007
cost of services																1
Expenses	0	, ,	1	00	C	0	, ,	0	(	0	0		000	40	0.00	100
Employee benefits expense	50,049	52,133 25,534	5,657	4,005 136,219	3,764	3,932	3,492	2,888	214 838	10,998	9,627	5,918 196,688	(53,308)	(48,009)	31,800	31,865
Depreciation of infrastructure assets							ı I		170,549	160,763			()		170,549	160,763
Depreciation and amortisation of other	290	302	598	624	336	537	309	270	1,061	1,036	1,618	846	(1,791)	(1,850)	2,484	1,765
Finance costs	232	438	477	806	319	780	247	392	847	1,504	1,292	1,226	1	1	3,414	5,248
	224	348	25,905	13,968	14,643	8,195	22,737	11,879	74,711	47,085	10,235	6,434	(5,419)	(2,012)	143,036	85,897
Capital user charge	•	5,410		11,202		9,629		4,839		18,556		15,138				64,774
Infrastructure assets retired / replaced	1	1	1	1	1	1	1	1	1	1	1	1	49,693	27,034	49,693	27,034
Superannuation	209	764	1,049	1,580	700	1,358	541	683	1,862	2,617	2,838	2,136	(2,960)	(2,769)	4,539	6,369
nu Total Cost of Services	79,005	84,929	166,481	168,506	110,262	145,068	89,350	72,604	476,387	439,026	429,245	228,386	(674,843)	(501,180)	675,887	637,339
Income																1
Revenue																
→ Contributions to roadworks	•	13	3,362	134	4,157	2,014	1,060	1,316	3,860	3,007	1,223	609	•	•	13,662	7,093
Commonwealth grants and contributions	•	•	29,609	34,055	1	18,267	1,837	6,892	35,718	56,208	142,500	30,226	•	•	209,664	145,648
Sale of goods and services	•	•	•	•	3,756	19,687	•	•	•	•	7,483	1,727	•	•	11,239	
Grants from other bodies	9,114	10,219	19,205	20,274	12,720	17,454	10,308	8,736	54,957	52,824	49,518	27,479	•	•	155,822	<b>y</b> 986'981
Interest revenue	1,182	1,459	2,491	2,894	1,650	2,492	1,337	1,247	7,127	7,541	6,422	3,924	1	•	20,209	19,557
Other revenue	545	330	1,147	655	760	564	616	282	3,283	1,706	2,957	887	•		9,308	4,423
Total Revenue	10,841	12,021	55,814	58,012	23,043	60,478	15,158	18,473	104,945	121,286	210,103	64,852			419,904	335,121
Gains		;					,		,	,		,			,	
Gain on disposal of non-current assets	1,460	384	3,077	762	2,038	929	1,651	328	8,804	1,985	7,933	1,033	•		24,963	5,148
Total Gains	1,460	384	3,077	762	2,038	929	1,651	328	8,804	1,985	7,933	1,033	•	•	24,963	5,148
Total Income other than Income from State Government	12 301	12 405	58.891	58 774	25.081	61 134	16 809	18 801	113 749	123 271	218 036	65.885			444 867	340 269
	10011		10000		000		200	100	2	1	000	2010				201/01/0
NET COST OF SERVICES	66,704	72,524	107,590	109,732	85,181	83,934	72,541	53,803	362,638	315,755	211,209	162,501	(674,843)	(501,180)	231,020	297,070
INCOME FROM STATE GOVERNMENT																
Service appropriation	28,169	48,097	13,886	38,776	33,165	50,537	32,981	48,107	177,326	219,327	169,543	84,146	1	1	455,070	488,990
Capital contribution	57,030	22,985	26,756	53,888	43,436	68,384	282,066	32,516	56,605	9,466	14,246	96,450	(480,139)	(283,689)	•	•
Liabilities assumed by the Treasurer	1	155	1	307	•	265	•	132	•	782	1	416	•	•	•	2,057
Natural disaster funds	•	1	6	132	•	•	1	1	18,171	13,843	•	•	•	•	18,180	13,975
Road Trauma Trust Funds	1	1	1	1	•	1	8,000	1	1	•	1	•	•	•	8,000	•
Resources received free of charge	26	29	99	22	37	48	30	24	159	143	143	9/	1	٠	451	377
Total Income from State Government	85,225	71,266	40,707	93,160	76,638	119,234	323,077	80,779	252,261	243,561	183,932	181,088	181,088 (480,139)	(283,689)	481,701	505,399
		0		1	3	1	0		í		í	1				
SURPLUS/DEFICIT FOR THE PERIOD	18,521 (1,258) (66,883) (1	(1,258)	(66,883)	(16,572)	(8,543)	35,300	35,300 250,536	76,976 (	110,377)	26,976 (110,377) (72,194) (27,277)	(21,211)	18,587	194,704	217,491	250,681	208,329

# **Appendices**

# **Road Industry Fact Summary**

	WA		Aust		WA (%)
Area (square km)	2 529 875		7 692 024		32.89
Population	2 105 783		21 017 222		10.02
Licensed drivers and riders (including all MDL)	1 423 222		N/A	***	
Vehicles on register including motor cycles	1 676 495		14 774 921		11.35
Annual Vehicle Kilometres Travelled (100 million VKT)	227.6	*	2 119.6	*	10.74
Road length excluding forestry roads (kilometres)	151 927		N/A	***	
Fatalities (for calendar year 2007)	236		1,618		14.59
Fatalities/100 million VKT	1.04		0.76		
Fatalities/100,000 persons	11.21		7.70		
Fatalities/10,000 vehicles	1.41		1.10		
Serious injuries (for calendar year 2007)	2 784		N/A	***	
Serious injuries/100 million VKT	12.23				
Serious injuries/100 000 persons	132.21				
Serious injuries/10 000 vehicles	16.61				

<sup>\*</sup> Main Roads WA Estimates.

MDL = Motor Drivers Licenced

#### Sources

Area ABS Year Book Australia 2008 (Cat. No. 1301.0)
Population Australian Demographic Statistics June 2007

(Cat. No. 3101.0)

Licensed Drivers WA Licensing Centre 30 June 2007
Road Length Main Roads WA (30 June 2008)

Fatalities Main Roads WA Accidents System and Australian Transport Safety Bureau Database as at 25 June 2008

Vehicles on Register ABS Motor Vehicle Census (31 March 2007)

Road Classification (as at 30 June 2008)	Sealed (km)	Unsealed (km)	Total (km)	Sealed %
Auslink National Networks <sup>1</sup>	4 903	0	4 903	100
State Highways	5 888	142	6 030	98
Main Roads	5 963	963	6 926	86
Sub-Total Sub-Total	16 754	1 105	17 859	94
Local Roads regularly maintained	35 557	90 968	126 525	28
Local Roads not regularly maintained	77	3 859	3 936	2
Sub-Total	35 634	94 827	130 461	27
Forestry Roads	86	26 968	27 054	0
National Park Roads	50	2 373	2 423	2
Privately maintained Roads	123	1 061	1 184	10
Sub-Total Sub-Total	259	30 402	30 661	1
Total WA Road Network	52 647	126 334	178 981	29

<sup>&</sup>lt;sup>1</sup> Auslink National Network contains several sections of local roads, which will be included until the Peel deviation is constructed.

#### Source

<sup>\*\*\*</sup> Information is not available for the rest of Australia.

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

In accordance with Section 175ZE of the Electoral Act 1907, Main Roads Western Australia incurred \$599 000 during 2007-08 in advertising, market research, polling, direct mail and media advertising. Expenditure was incurred in the following areas:

ADVERTISING AGENCIES	\$000s
21CC Broadcast Productions	4
Britel Enterprises Pty Ltd	1
Constable Care Child Safety Project	1
Dingo Promotions	15
Emergency Service Publishing	1
Haymarket	2
Knight Frank	10
Linkletters	1
Lions Club Mingenew	1
Marketforce Express	348
Media Decisions WA	161
Nucolorvue Productions	1
Quality Press	2
WA State Emergency Volunteers	1
Advertising Agencies Total	549

Albany Advertiser  Golden Mail  Kalgoorlie Boulder Racing Club  Radio West Broadcasters Pty Ltd  Rural Press Regional Media  Media Advertising Organisations Total  MARKET RESEARCH ORGANISATIONS  Australian Market Intelligence  45  Market Research Organisations Total  \$\$000s\$  1  Media Advertiser  1  Media Advertising Organisations Total  \$\$500s\$  Australian Market Intelligence  45		
Golden Mail  Kalgoorlie Boulder Racing Club  Radio West Broadcasters Pty Ltd  Rural Press Regional Media  1  Media Advertising Organisations Total  MARKET RESEARCH ORGANISATIONS  Australian Market Intelligence  45	MEDIA ADVERTISING ORGANISATIONS	\$000s
Kalgoorlie Boulder Racing Club  Radio West Broadcasters Pty Ltd  1 Rural Press Regional Media  1  Media Advertising Organisations Total  5  MARKET RESEARCH ORGANISATIONS  Australian Market Intelligence  45	Albany Advertiser	1
Radio West Broadcasters Pty Ltd 1 Rural Press Regional Media 1  Media Advertising Organisations Total 5  MARKET RESEARCH ORGANISATIONS  Australian Market Intelligence 45	Golden Mail	1
Rural Press Regional Media 1  Media Advertising Organisations Total 5  MARKET RESEARCH ORGANISATIONS  Australian Market Intelligence 45	Kalgoorlie Boulder Racing Club	1
Media Advertising Organisations Total 5  MARKET RESEARCH ORGANISATIONS  Australian Market Intelligence 45	Radio West Broadcasters Pty Ltd	1
MARKET RESEARCH ORGANISATIONS  Australian Market Intelligence 45	Rural Press Regional Media	1
MARKET RESEARCH ORGANISATIONS  Australian Market Intelligence 45		
Australian Market Intelligence 45	Media Advertising Organisations Total	5
Australian Market Intelligence 45		
Australian Market Intelligence 45		
ridestation market intelligence	MARKET RESEARCH ORGANISATIONS	
Market Research Organisations Total 45	Australian Market Intelligence	45
	Market Research Organisations Total	45
POLLING ORGANISATIONS Nil	POLLING ORGANISATIONS	Nil

Nil

**DIRECT MAIL ORGANISATIONS Total** 

# **Salary and Employee Numbers**

Salary Range	Men	Women	Total
0 - 38 600	52	43	95
38 600 - 44 542	26	22	48
44 542 - 50 155	39	18	57
50 155 - 55 794	77	49	126
55 794 - 64 927	166	75	241
64 927 - 75 658	93	52	145
75 658 - 85 692	107	16	123
85 692 - 98 179	122	20	142
98 179 - 111 508	94	4	98
Greater than 111 508	58	1	59
Total	834	300	1 134

Note: Some staff do not work on a full-time basis and therefore the total number of employees in this table is higher than the number of Full Time Equivalents (FTEs) reported by Main Roads.

					Tota	al cost of p	oroject		
Road	Project	Description	Expected year of completion	Estimated cost to complete \$'000	Actual \$'000	Current estimate \$'000	Preceding year's estimate \$'000	Variance \$'000	Explanation of major variance
Albany Ring Road	Stage 1	Construct	2007-08		16 019		15 941	78	
Albany Ring Road	Stage 2	Construct	2011-12+	21 786		22 895		22 895	New project
Brookton Highway	Corrigin- Hyden	Widen existing single lane seal	2011-12+	25 215		47 433	28 323	19 110	Scope changes and cost escalations
Broome – Cape Leveque Road	-	Various improvements	2011-12+	16 734		40 614	37 514	3 100	Industry cost escalation
Broome Highway	Broome Bypass	Construct	2007-08		27 291		25 741	1 550	Scope changes (extra intersection/carparks)
Bussell Highway	Vasse- margaret River	Reconstruct and widen	2011-12+	51 472		60 089		60 089	New project
Carnarvon- Mullewa Road	North West Coastal Highway- gascoyne Junction	Construct and seal	2011-12	6 450		30 520	24 070	6 450	Increased costs in road construction from the initial estimate. Construction funding for this project is over a 10 years with no cost escalation
Cervantes- Greenhead Road	Lancelin- Cervantes (Stage 1)	Design and construct	2008-09	2 906		22 267	23 892	-1 625	
Cervantes- Greenhead Road	Lancelin- Cervantes (Stage 2)	Design and construct	2011-12	112 170		121 466		121 466	New project
Coolgardie- Esperance Highway	Esperance Port Access	Reconstruct	2011-12+	124 775		124 793		124 793	New project
Daddow Road	-	Construct bridge	2009-10	23 000		23 719		23 719	New project
Dampier Road	Dampier Highway (Stage 1)	Construct	2011-12	19 060		30 121		30 121	New project
Derby Highway	Derby Spur	Widen and seal	2009-10	10 847		24 341	18 663	5 678	Industry cost escalation project previously under estimated
East-west Heavy Haulage Route	Stage 1	Construct	2011-12+	13 788		41 312	31 766	9 546	Additional funds provide in future years for ongoing works to complete upgrade of Ag Lime Route 2
Eyre Highway	Caiguna East/ Balladonia	Reconstruct	2008-09	2 423		46 414	46 414		
Eyre Highway	Heartbreak Ridge	Reconstruct	2010-11	4 784		38 161	38 161		

					Tota	al cost of p	project		
Road	Project	Description	Expected year of completion	Estimated cost to complete \$'000	Actual \$'000	Current estimate \$'000	Preceding year's estimate \$'000	Variance \$'000	Explanation of major variance
Geraldton-Mt Magnet Road	Geraldton Southern Transport Corridor (Stage 2)	Construct	2010-11	56 224		57 264	63 329	-6 065	Project has been brought forward one year and will be completed in early 2010, hence cost escalation has decreased by \$6 million
Gibb River Road	Derby-Gibb River- Wyndham	Improve formation and gravel	2011-12+	44 448		64 008	46 459	17 549	Scope changes (seal jump-up to accommodate heavy vehicles) and industry cost escalation
Goldfields Highway	Lake Raeside	Reconstruct including bridges	2008-09	22 249		24 982	18 443	6 539	A critical review of the project costing for Lake Raeside completed in November 2007 identified that the estimated cost to construct the new bridge and associated roadworks had risen to \$22.8 million. This identified a deficiency of \$6.5 million against the current budget (\$16.3 million) to fund the works
Great Central Road	Laverton- Docker River	Improve formation and gravel	2011-12+	18 600		28 336	26 236	2 100	The budget increase for the Laverton-Docker River project (Great Central Road) from \$26.3 million to \$28.4 million is the result of adding the funding allocation (\$2.1 million) for 2017 in Program of Works (ie the 10 year funding profile from 2008 to 2017 is \$18.6 million, on top of the \$9.8 million the project has cost to date)
Great Eastern Highway	Kellerberrin- Walgoolan	Reconstruct and widen	2008-09		45 344		42 884	2 460	
Great Eastern Highway	Orrong Road- Great Eastern Highway Bypass	Construct	2011-12+	224 993		225 124		225 124	New project
Great Eastern Highway	Roe Highway Interchange	Construct	2011-12	57 686		62 799	38 338	24 461	Estimate and cost escalation not yet finalised and it is likely project cost will be significantly higher
Great Northern Highway	Big Mabel	Construct bridge	2009-10	17 013		19 772		19 772	New project

				5	Tota	al cost of p	oroject		
Road	Project	Description	Expected year of completion	Estimated cost to complete \$'000	Actual \$'000	Current estimate \$'000	Preceding year's estimate \$'000	Variance \$'000	Explanation of major variance
Great Northern Highway	Bindoon Hill- New Norcia	Reconstruct	2009-10	32 992		33 000		33 000	New project
Great Northern Highway	Bow River Section	Reconstruct	2010-11	40 820		48 964	32 296	16 668	Contract price higher than expected
Great Northern Highway	Elvire-Sandy Creek	Reconstruct and widen	2008-09	1 054		1 859	29 200	-27 341	Scope reduction due to over-expenditure on Bow River Section
Great Northern Highway	Fitzroy Crossing-Gogo	Reconstruct	2011-12+	225 306		227 441	60 590	166 851	Estimate updated, and escalation & LOAF added
Great Northern Highway	Fletchers	Construct bridge	2010-11	24 730		28 800		28 800	New project
Great Northern Highway	Great Northern Highway-Port Hedland	Realignment	2011-12+	194 178		194 431		194 431	New project
Great Northern Highway	Pinga Street- Broome Turnoff	Construct	2009-10	12 034		12 168		12 168	New project
Great Northern Highway	Muchea-Bindi Bindi	Reconstruct	2008-09	24 466		51 100	51 100		
Great Northern Highway	Muchea- Wubin	Reconstruct and widen	2008-09	2 694		14 000		14 000	New project
Great Northern Highway	Roe Highway- Muchea	Reconstruct and widen	2010-11	35 153		66 200	62 863	3 337	Contractor claims and additional works such as resealing and asphalt not included in the original scope of works. Industry pricing costs have risen significantly and are expected to continue to rise
Great Northern Highway	Telegraph	Construct bridge	2010-11	14 038		17 100		17 100	New project
Greenlands Road	-	Reconstruct and widen	2008-09	14 613		14 733		14 733	New project
Karratha-Tom Price	Stage 2	Construct and seal	2008-09	3 757		151 390	125 890	25 500	Project construction costs higher than expected
Leach Highway	Orrong Road Interchange	Construct	2008-09	20		26 121	25 695	426	
Mitchell Freeway	Hodges Drive- Burns Beach Road	Construct	2008-09	32 736		171 580	171 497	83	

				<b>.</b>	Tota	al cost of p	oroject		
Road	Project	Description	Expected year of completion	Estimated cost to complete \$'000	Actual \$'000	Current estimate \$'000	Preceding year's estimate \$'000	Variance \$'000	Explanation of major variance
Mowen Road	Rosa Brook Road-Nannup	Construct and seal	2010-11	8 619		14 296	14 296		
Muirs Road	Denmark-Mt Barker Road To Mt Barker Northern Bypass	Widen and seal	2011-12+	20 730		23 168		23 168	New project
Muirs Road	Mt Barker Northern Bypass	Construct	2008-09	155		13 294	13 294		
Muirs Road	Nyamup- Strachan	Reconstruct	2008-09	4 705		12 904	12 904		
New Perth- Bunbury Highway	Safety Bay Road-Old Coast Road	Construct and seal	2009-10	292 399		705 000	631 342	73 658	The variation of \$75 million was approved by Government to primarily accommodate pavement design changes to Freeway section, pavement design changes to Highway section and alignment changes at Paganoni Reserve to comply with environmental clearance requirements imposed on the project. The changes to the pavements were made to improve their long term performance
Old Coast Road	Australind- Eaton	Construct	2010-11	16 151		17 326	17 326		
Perth-bunbury Highway	Bunbury Outer Ring Road			59 379		60 184		60 184	New project
Perth-Bunbury Highway	Bunbury Port Access	Construct and seal including bridges	2010-11	43 406		45 591	39 526	6 065	Increased cost due to projected increases in cost escalation
Perth-Bunbury Highway	Northern Mandurah Bypass	Construct	2011-12+	129 955		132 906		132 906	New project
Queen Victoria Street	Fremantle Traffic Bridge	Reconfigure navigation span	2011-12+	80 111		81 261	70 448	10 813	The main reason is construction cost increases since the original estimate(s) was done, i.e. industry cost escalation due to the boom. Note that the current funding of \$81 million is inadequate (even for a standard type bridge) and consequently the estimate is being reviewed internally and externally. It is likely that significant additional funding will be required to deliver this project

				Fatimated	Total cost of project					
Road	Project	Description	Expected year of completion \$'000		ion year of complete completion \$'000 Actual estimate estimate		Preceding year's estimate \$'000	Variance \$'000	Explanation of major variance	
Reid Highway	Alexander Drive	Construct	2011-12+	54 055		54 112		54 112	New project	
Reid Highway	West Swan Road-great Northern Highway	Construct	2010-11	74 901		81 896	76 005	5 891	Project went through community consultation phase to address local access concerns from Bandyup Prison and residents. This led to the provision of a road underpass and adjoining connecting roads which increased the cost	
South Coast Highway	Ravensthorpe Nickel Operations	Construct passing lanes	2011-12+	10 823		16 451		16 451	New project	
South Western Highway	Balingup- Greenbushes	Construct and widen	2011-12+	27 298		29 912		29 912	New project	
South Western Highway	Donnybrook- Kirup	Reconstruct and seal	2011-12+	5 213		10 527		10 527	New project	
South Western Highway	Kirup- Balingup	Reconstruct and widen	2011-12+	26 590		29 285		29 285	New project	
Tanami Road	-	Improve formation and drainage	2009-10	2 755		10 399	10 399			
Tonkin Highway	Abernethy Road	Construct interchange	2011-12	16 176		16 319		16 319	New project	
Tonkin Highway	Mills Road West-Thomas Road	Design and construct	2010-11	5 376		156 003	151 029	4 974	Project will now include asphalting works up to Armadale Road to meet environmental commitments	
Various Local Roads	Grain Logistics	Various	2011-12+	29 336		37 308	34 554	2 754	Additional funds provided in future years in anticipation of road works required with an increase of grain cartage onto roads	
Victoria Highway	Kununurra Bypass (Stage 1)	Construct	2011-12+	184 548		186 456		186 456	New project	
Wanneroo Road	-	Construct	2010-11	27 036		28 200		28 200	New project	

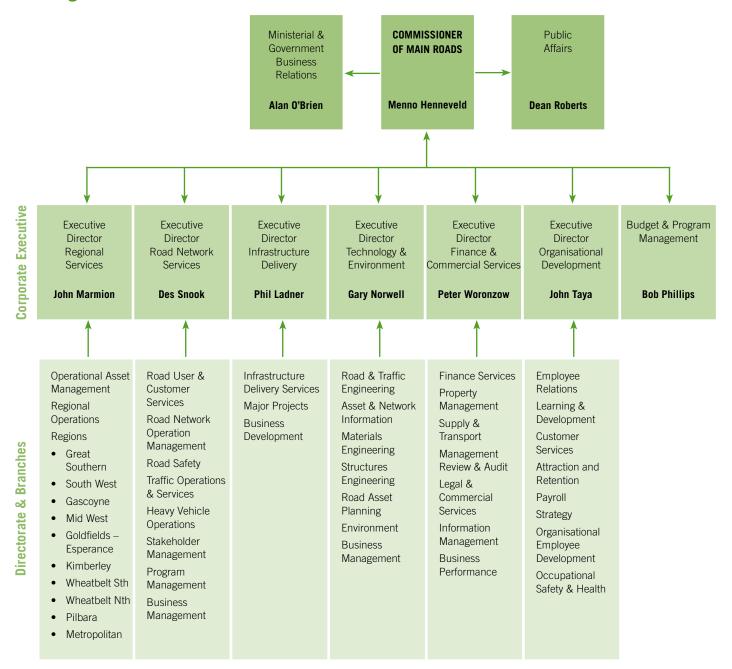
# **Contracts Exceeding \$1 million**

Contract	Contract Description	Award Data	Contractor	Award Value
Number	Contract Description	Award Date	Contractor	Award Value
0005/99-0296	Reconstruction and Passing Lane, Stage 1 Muirs, Greenfields	14-Jan-08	Southern Roads Services	\$1 587 166
0275/06	Replacement of Bridge 3497A on Mallokup Road over Capel River in the Shire of Capel	22-Oct-07	Structural Systems (Western) Pty Ltd (PERTH)	\$1 775 231
0322/06	Bridge Refurbishment Works to Bridges 3318 3526 3710 4862 4723 4814 in South West Region	07-Nov-07	Regional Bridging Pty Ltd	\$1 466 428
0043/07	Bridge Refurbishment Works for Bridge 262 in the South West Region	08-Jan-08	Structural Systems (Western) Pty Ltd (PERTH)	\$1 575 800
0006/99-0159	Reconstruction and Widening - Perth Bunbury Highway (H002) 131.75 to 133.83 SLK (2.08 SLK in length) - northbound carriageway between Binningup Road and Taranto Road	02-Aug-07	Southern Roads Services	\$1 197 612
0006/99-0160	Widening - Overlay and Realignment South Western Highway (H009) 186.5 to 188.3 SLK	20-Sep-07	Southern Roads Services	\$2 869 783
0006/99-0177	Realign, Widen and Seal Muirs Road (M024) 37.24 - 38.86 SLK Perup Section Stage 1	05-Nov-07	Southern Roads Services	\$2 594 220
0006/99-0182	Widening and Passing Lane - Bussell Highway (H043) 77.53 to 80.80 SLK Metricup to Harmans	14-Feb-08	Southern Roads Services	\$1 859 785
0006/99-0184	Realign, Widen and Seal - South Western Highway (H9) 207.50 - 210.01 SLK	27-Feb-08	Southern Roads Services	\$2 301 924
0233/06	Culvert Installation, Cement Stabilisation, Sealing, Cut Off Wall Construction and Rock Protection - North West Coastal Highway (H007)	05-Jul-07	Works Infrastructure Pty Ltd	\$3 250 131
0025/07	Design, Documentation & Technical Support (Pre- Construction for Major Works)	28-Nov-07	GHD Pty Ltd (Perth)	\$1 756 748
0003/99-0805	Construct South Bound Passing Lane - Brand Highway 61.50 - 63.40 SLK	28-Aug-07	CSR Ltd & Vacuum Oil Company Pty Ltd	\$1 219 991
0004/00-0138	Goldfields Highway Passing Opportunity 692 to 704 SLK. (Wiluna Meekatharra Sheeting & Passing Lane Sealing)	09-May-08	Macmahon Contractors Pty Ltd	\$1 310 504
0004/00-0142	Construct Passing Lane No 5 South Coast Highway 397.76 to 399.42 SLK (Stokes Inlet Road to West of Young River Bridge - Yerritup) (Alliance Arrangement)	29-Jan-08	Macmahon Contractors Pty Ltd	\$1 559 459
0197/06	Road Construction Broome Highway Realignment Broome Highway (H042) - Kimberley Region Fairway Drive to Port Drive Section SLK 32640 - 38700	08-May-07	Highway Construction Pty Ltd	\$11 293 658
0369/06	Derby Highway Stage 4 SLK 0.20 to SLK 13.2 - Reconstruction with Overlay and Great Northern Highway H006 - Colourstone Section (2236.4 - 2250.1 SLK)	10-Jun-08	Highway Construction Pty Ltd	\$7 880 811
0001/99-0035	Alignment Improvement Works to the Gibb River Road (various sections) SLK 413.0 - 647.0 for Road Train Movements (MIW 35)	11-May-07	BGC Contracting Pty Ltd	\$1 317 845
0001/99-0036	Road Reconstruction and Drainage Upgrade - Gibb River Road SLK62.28 to SLK 110.40	10-Oct-07	BGC Contracting (Broome)	\$2 694 027

# Contracts Exceeding \$1 million (continued)

Contract Number	Contract Description	Award Date	Contractor	Award Value
0001/99-0037	Road Train Improvement Works Stage 2 Pentecost Range Gibb River Road SLK 573.00 to 577.00 (MIW 37)	27-May-08	BGC Contracting (Broome)	\$1 052 460
0168/06	Dampier Highway Duplication Stage 1A (SLK 7.00 and SLK 9.30) and Construction of Roundabouts at Bathgate Road and Balmoral Road West Intersections	16-Aug-07	Brierty Limited	\$8 890 119
0248/06	Deck Replacements Bridges No 5047, 5048, 5131, 51325 & 5133	02-Jul-07	Densford Civil Pty Ltd	\$1 294 160
0176/07	Highway Rehabilitation Works (Great Northern Highway SLK 1597-1650 and SLK 889-893 and Ripon Hills Road SLK 0-130)	28-Apr-08	Riverlea Corporation Pty Ltd	\$4 759 704
0002/99-0131	North West Coastal Highway Widening and Linemarking (964.94-1097.8 SLK), Karijini Drive Linemarking (0-74 SLK) - (MIW Alliance Arrangement)	09-Apr-08	BGC Contracting Pty Ltd	\$2 937 002
0002/99-0132	Resheeting Works Marble Bar Road (17.475-51.500 SLK) Newman Airport Access Road Slip Lane, Great Northern Highway (1157.37 SLK)	20-Jun-08	BGC Contracting (Pilbara)	\$1 566 268
0093/07	Provision of Specialised Road Research Services	28-May-08	ARRB Transport Research (WA)	\$1 523 760
0105/06	GNH Upgrade Muchea to Wubin 33.00-256.00 SLK	12-Dec-07	Access Alliance	\$85 000 000
0238/06	ECI Agreement - Detailed Planning and Preliminary Design - identify, mitigate and apportion risks and price works for the Design & Construct contract	02-Nov-07	Team Savannah	\$3 500 000
0158/04	Road Widening, Overlay and Reconstruction Great Northern Highway West Swan Road to Apple Street 12.56 SLK to 14.77 (Section 2)	15-Jan-08	Highway Construction Pty Ltd	\$16 826 993
0007/99-0209	Roe Highway, Orrong Road, Welshpool Road Interchange (TNC 7/99 MIW 8837)	03-Jul-07	CSR Ltd & Vacuum Oil Company Pty Ltd	\$1 204 862
0007/99-0217	Kwinana Freeway - Thin Resurfacing North of Anketell Road (TNC 7/99 MIW 8973)	22-Feb-08	Downer EDI Works Pty Ltd	\$1 861 018
0008/99-2026	Roe Highway & Clayton Street Intersection Modifications (TNC 8/99 MIW 8891)	23-Oct-07	Best Roads Group	\$1 038 685
0008/99-2029	Wanneroo Road and Ocean Reef Road Intersection Improvements (TNC 8/99 MIW 8954)	14-Feb-08	Best Roads Group	\$1 974 906
0008/99-2030	Wanneroo Road and Kingsway Intersection Improvements	20-Mar-08	Best Roads Group	\$1 275 644
0515/05	Provision of Systems Support, Enhancements of Existing Systems and Development (TNC 8/99 MIW 8971)	15-Jun-07	Beacon Technology Pty Ltd	\$2 880 000
0076/07	Provision of Microsoft Licences - Enterprise Agreement (Under Department of Treasury and Finance Common Use Arrangement No 3605)	07-Jan-08	Commander	\$2 815 040
0374/06	Supply and Delivery of Sealing Aggregate Pilbara, Gascoyne and Upper Mid West Region	22-Oct-07	Rinker Australia TA Readymix	\$2 165 917
0177/07	Hire of Plant, Gibb River Road, SLK 62.28-110.60. Part of panel contract, with and without Operator	08-May-08	Guerinoni & Sons	\$1 349 840

## **Management Structure**



# **Publications List as at June 2008**

*Customer Service Charter 2007  Distance Book.Ed.10 2006  *ENGINEERING ROAD NOTES  No. 1 Bitumen Absorption by Sealing Aggregate 2003  No. 3 Surface "Blistering" and Soil "Fluffing" 2003  No. 5 Interim Guide to Prediction of Pavement Moisture for Strength of Granular Basecourse and Sub-Base Materials 2003  No. 6 Guide to the Design of Bridge Approach Embankments Subject to Inundation 2003  Pree  No. 7 Bitumen Scrap Rubber Seals 2003  No. 8 Statistically Based Quality Control for Density in Road Construction. (Includes Asphalt Surfacing) 2008  Pree  No. 9 Procedure for Thickness Design of Flexible Pavements 2008  Free  A Guide to Roadside Amenities and Rest Areas on Highways in Western Australia  Free  Guidelines for Assessing Level of Service for Cycling. Rev Nov 1998  Free  *Public Environment Report 2006  *Sharing the Road with Trucks: A Guide to Assist all Road Users to Drive Safely 2007  (only available in electronic form)  *SLK books (for all areas throughout state)  POA  *Strategic Plan 2007 to 2012  Suppliers Guide: Motorised Wheelchairs 2005  Free  *Traffic Controllers' Handbook. 5th edition 2004  *Traffic Management for Events 2008 (only available in electronic form)  *Traffic Management for Works on Roads - Code of Practice 2008 (only available in electronic form)  Free	*Annual Report (only available in electronic form)	Free
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Vital Link: a History of Main Roads Western Australia 1926-1996, by Leigh Edmonds POA	Vital Link: a History of Main Roads Western Australia 1926-1996, by Leigh Edmonds	POA

<sup>\*</sup>Also available full text on Main Roads' internet home page http://www.mainroads.wa.gov.au

All prices GST inclusive.

Note: Main Roads Standards and Specifications are also available as full text on Main Roads' internet home page.

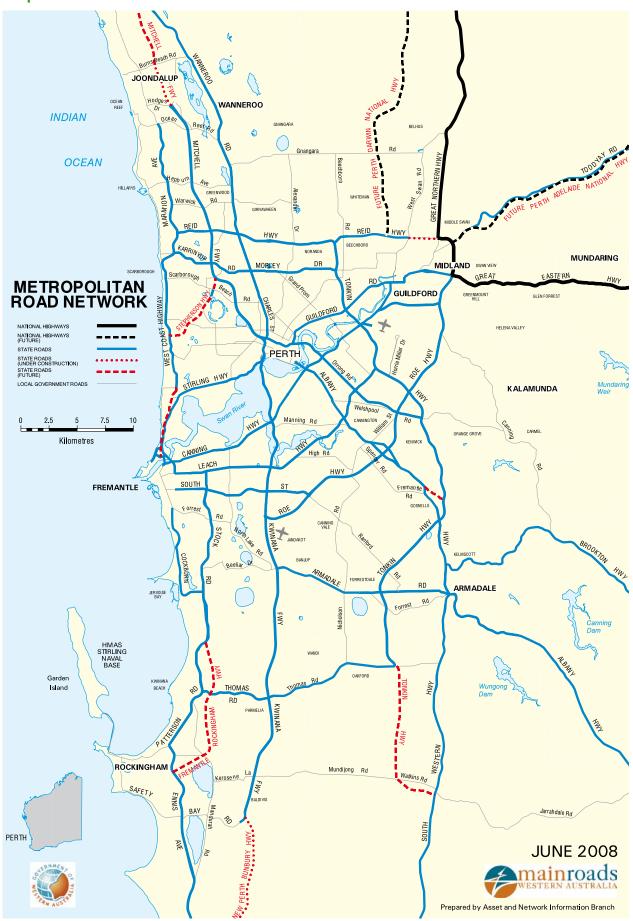
# Maps



# Maps



# **Maps**



# **Feedback Form**

Main Roads Western Australia is interested in your feedback and comments regarding the 2008 Annual Report. This will help us to improve the Report in the future and make it more informative to our readers.

What was your overall impression of this Report?							
☐ Very poor ☐ Poor ☐ Average ☐ Good ☐	Excellent						
Please rate the following elements of the Annual Report, u	sing a number from the rating scale below.						
1-very poor; 2-poor; 3-average; 4-good; 5-excellent							
Ease of understanding (Comments							
Meets your information needs (Comments	)						
Appropriate length (Comments	)						
Clarity of charts and tables (Comments	)						
Relevance of information (Comments	)						
Ease of finding information (Comments	)						
For what purpose did you read or refer to the 2007-08 Ann	nual Report?						
☐ Background information on Main Roads Western Austra	lia						
Information on Main Roads Western Australia's performance in 2007-08							
Information on the future direction of Main Roads Western Australia							
Information on the staff and management of Main Roads Western Australia							
Other (please specify)							
In what ways do you think the Annual Report could be imp	proved?						
Other comments?							
Please indicate the group that best describes you:  Private individual							
Industry association							
Private sector							
Main Roads Western Australia employee	Thank you for participating in the survey.						
Western Australia Government employee	Please return completed form to:						
Other Government employee  Business Performance Branch							
Other (please specify)  Main Roads Western Australia PO Box 6202  FAST PERTH WA 6892							

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## Heavy Vehicle Permits (Extra Mass or Oversize Loads)

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#### **Report Road Hazards**

(24 hr freecall except from mobile phones) 1800 800 009

#### **Road Condition Reports**

(24 hr freecall except from mobile phones) 1800 013 314

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