

Map of Western Australian South West Area Road Network



METROPOLITAN ROAD NETWORK

NATIONAL HIGHWAYS
 NATIONAL HIGHWAYS (FUTURE)
 STATE ROADS
 STATE ROADS (UNDER CONSTRUCTION)
 STATE ROADS (FUTURE)
 LOCAL GOVERNMENT ROADS

0 2.5 5 7.5 10
 Kilometres

MAIN ROADS
 Western Australia

JUNE 2003

Prepared by Asset and Network Information Branch

Corporate Governance

Statement of Corporate Governance

Corporate Governance means the way we balance compliance against risk-taking as we direct, control and are held accountable for the business performance of Main Roads.

This statement outlines the key corporate governance practices in place at Main Roads.

Authority to Act

The *Main Roads Act 1930* establishes the Commissioner of Main Roads as a corporate body and sets out the powers and duties of the office. The Act was last amended in 1997.

Mr. Menno Henneveld was appointed as the Commissioner of Main Roads on 2 December 2002 in accordance with Section 7 of the *Main Roads Act* for a period of 5 years.

Mr. Michael Wallwork, the Executive Director Construction and Maintenance Services, acted as the Commissioner from 25 June 2002 to 2 December 2002 following the appointment of the previous Commissioner, Mr Greg Martin, to the position of the Director General, Department for Planning and Infrastructure.

Enabling Legislation

The *Main Roads Act 1930* provides the powers necessary for the discharge of the functions of the office of the Commissioner of Main Roads. Regulations under the Act provide specific responsibilities in respect of cadets and advertising signs. The *Land Administration Act 1997* provides powers for the resumption of land, Section 84 of the *Road Traffic Act 1974* provides powers in respect of liability for road damage, and Regulation 297 the *Road Traffic Code 2000* provides powers in respect of road signs. Regulation 23 of the *Road Traffic (Vehicle Standards) Regulations 2002* provides the Commissioner of Main Roads with the authority to issue permits for vehicles exceeding the regulatory dimensions and mass of vehicles or loads.

Legislation Administered

The Commissioner of Main Roads administers the *Main Roads Act 1930* and the accompanying Regulations.

Compliance with Relevant Laws

In addition to the corporate governance practices already outlined, Main Roads complies with Federal, State and other legislation in the delivery of the construction and maintenance of Western Australia's National and State Highways.

Federal Legislation

Australian Land Transport Development Act 1988, Interstate Road Transport Act 1985 and Workplace Relations Act 1996.

State Legislation

Aboriginal Heritage Act 1972; Corruption and Crime Commission Act 2003; Civil Liability Act 2002; Conservation and Land Management Act 1984; Construction Industry Portable Paid Long Service Leave Act 1985; Electronic Transactions Act 2003; Environmental Protection Act 1986; Equal Opportunity Act 1984; Financial Administration and Audit Act 1985; Freedom of Information Act 1992; Heritage of Western Australia Act 1990; Highways (Liability for Straying Animals) Act 1983; Industrial Relations Act 1979; Land Administration Act 1997; Labour Relations Reform Act 2002; Land Tax Act 2002; Land Tax Assessment Act 2002; Licensed Surveyors Act 1909; Local Government Act 1995; Local Government Grants Act 1978; Long Service Leave Act 1958; Metropolitan Region Town Planning Scheme Act 1959; Occupational Safety and Health Act 1984; Oil Refinery (Kwinana) Agreement Act 1952; Property Law Act 1969; Public and Bank Holidays Act 1972; Public Interest Disclosure Act 2003; Public Sector Management Act 1994; Radiation Safety Act 1975; Railway (Jandakot to Perth) Act 2002; Railway (Narngulu to Geraldton) Act 2001; Residential Tenancies Act 1987; Salaries and Allowances Act 1975; Standard Survey Marks Act 1924; State Records Act 2000; State Superannuation Act 2000; State Supply Commission Act 1991; State Trading Concerns Act 1916; Strata Titles Act 1985; Town Planning and Development Act 1928; Transfer of Land Act 1893; Waterways Conservation Act 1976; Western Australian Planning Commission Act 1985; and Workers' Compensation and Rehabilitation Act 1981.

Corporate Governance

The following written laws also impact on activities undertaken:

Constitution Act 1889, Constitution Acts Amendments Act 1899, and Interpretation Act 1984.

In the administration of Main Roads, controls have been implemented which provide reasonable assurance of compliance with the requirements of the *Main Roads Act 1930* and other written law. At the date of signing, there are no known circumstances that would render this statement misleading or inaccurate.

Corporate Executive

Members of Main Roads' Corporate Executive and their responsibilities are shown at Appendix 1 (page 130). The Corporate Executive meet every month to provide corporate direction for Main Roads and to review performance relating to program delivery, contracts, finances, human resources and key business improvements including stakeholder concerns and risk management. In addition to these monthly meetings, special meetings are held as necessary.

There is an extended Corporate Executive comprising the Corporate Executive plus the Regional Managers as the regional representatives of the Commissioner.

Corporate Executive Committees

There are 5 Corporate Executive Committees:

- **Audit Committee**

The role of the Audit Committee, which meets quarterly, is to review internal and external audit findings and recommendations and ensure that corrective action is taken to safeguard assets and improve controls and processes in Main Roads.

The Internal Audit Committee Charter, which describes the role of the audit committee, is available online for all staff to see.

This year, 16 audits, including 5 operational audits, were conducted.

A three-year Strategic Audit Plan, covering the period 2003 to 2006, has been developed. Audits identified in the plan consist of a balanced mix of operational and finance activities, based on the organisation's business risk exposures.

The Internal Audit Branch is supported by a 3 year outsourced internal audit contract, which was awarded to Ernst & Young.

- **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. The Committee meets monthly and reports to Corporate Executive or the Commissioner as necessary.

- **Corporate Development Committee**

The Corporate Development Committee ensures a planned approach to employee learning and development across Main Roads. The Committee meets as required to discuss and recommend new learning and development initiatives and changes to current development programs. The committee is responsible for the organisational Learning and Development Strategy 2003-2005.

- **Corporate Occupational Safety and Health Committee**

The Corporate Occupational Safety and Health (OSH) Committee focuses on the effective strategic management, development and promotion of safety and health across the organisation. The committee sets the organisational strategic directions for the safety portfolio, provides advice and guidance to Corporate Executive on occupational health and safety, and manages any corporate initiatives or issues fed through the OSH Committee structure.

- **Dynamic Resourcing Committee**

The Dynamic Resourcing Committee considers and directs workforce planning and resource allocations in Main Roads, based on organisational requirements and employees' overall development needs.

Strategic Plan to 2007

In May 2003 Main Roads embarked on a review of the strategic direction of the organisation through to 2007. It was considered timely to review the purpose, vision, values and strategic objectives to set the direction that will ensure that Main Roads meets the needs of the people of Western Australia.

One of the outcomes from this review will be the development of a Strategic Plan looking forward to 2007. In addition Main Roads will reintroduce an annual Corporate Plan, which will set out strategic initiatives, key performance indicators and the key elements of *Individual Performance Agreements*.

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.

Internal Controls

Procedures designed to safeguard the assets and interests of Main Roads and to provide reliable reports have been established. The system of internal control ensures that there is an appropriate division of responsibilities and provides a reasonable assurance that control procedures are monitored and reviewed.

In 2002-03 financial year Main Roads received the Auditors General's Award for Accountability and Transparency in Annual Reporting.

Internal Audit Branch examines the internal controls in accordance with an established audit plan. See the section on Audit Committee on page 74.

The Accounting Manual, which contains our accounting and financial management policies and procedures, is available on-line to all staff.

The Corporate Executive monitors the operational and financial performance of the business at its monthly meetings. Executive Directors routinely monitor performance within their areas and report personally every quarter to the Commissioner.

Delegation of Authority

A comprehensive, up to date, Delegation of Authority Manual is available on-line to all staff to provide clear and concise direction on authority to transact the business of Main Roads. This document was recently updated following a review to improve operational efficiencies.

External Audit

The Auditor General is responsible for the independent external audit review of Main Roads. The Office of the Auditor General has contracted out the fieldwork to Stanton Partners, Chartered Accountants.

Financial Administration and Audit Act 1985, the Treasurer's Instructions, the Accounting Manual and all other Relevant Legislation

The *Financial Administration and Audit Act 1985* and the *Treasurer's Instructions* are available on-line to all staff. Access to other current legislation is available on the Internet from the Ministry of Justice website.

Ethical Standards and Performance

A Code of Conduct, supported by a number of human resource policies, applies to all staff.

Main Roads Corporate Executive has continued to promote the need for staff to adhere to the highest standards of corporate governance practice and ethical behaviour. Procedures are in place to meet the requirements of the Government of Western Australia relating to ethical standards and performance, including complying with the *Guidelines for Reporting under Section 14 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.

Particulars of any Interest in Contracts

No member of the Corporate Executive (Appendix 1, page 130), or any organisation in which a member of the Corporate Executive has a financial interest, had an interest in any contract entered into or proposed by Main Roads or its associates.

Risk Management

A comprehensive risk management plan is in place. Corporate risks are reviewed annually as part of the business planning process to ensure that it is current and relevant. This information feeds the 3 year Strategic Audit Plan, the annual internal audit program and branch business planning across the organisation. In addition to the normal annual review Main Roads engaged Riskcover, the government insurer, to assist with the overall review of all corporate risks. This involved a series of workshops, which identified a prioritised list of risks across the organisation, which are to be further updated early in the 2003-04 financial year. The updated risks will be entered into a central database known as Riskbase, to allow a more efficient annual review with each business planning cycle.

Corporate Governance

Insurable Risks

Insurance cover is provided by the Insurance Commission of Western Australia (RiskCover) for the following risks:

- Workers' compensation
- Property
- Public liability
- Motor vehicles
- Professional indemnity

Project specific insurance is a requirement in all contracts.

Advisory Groups

Main Roads seeks regular input on issues and policy development from a variety of stakeholder groups. For details see Advisory Groups on page 12.

Certification of Main Roads Management System to AS/NZS ISO 9001:2000

All core business processes are third party certified. Each process is owned and managed by nominated senior staff.

During the year, Main Roads successfully maintained its certification to AS/NZS ISO 9001:2000 standard for the following processes:

- Project Management (Category 1 and 2 contracts)
- Works Contract Management (Category 1 and 2 contracts)
- Supply Processes
- Asset Management Planning
- Budget and Programming, and
- Product Standards.

Information Statement

An Information Statement, which has been produced in accordance with the requirements of the *Freedom of Information Act 1992*, is available from the Library in the Main Roads office in East Perth (see Publications Available to the Public on page 125). This statement provides guidance on how to obtain information from Main Roads under the Freedom of Information (FOI) legislation. Most information is available without a formal FOI request.

The Main Roads Freedom of Information Co-ordinator can be contacted at our East Perth office on telephone number (08) 9323 4268.

Organisation Performance Reporting

A comprehensive suite of approximately 23 performance indicators exist addressing the many dimensions of the business, along with 72 interstate benchmarking indicators as well as output-based reporting to Parliament.

See also *Treasury Reporting Requirements* and *Compliance Returns* on pages 78 and 79.

This is complemented by the Commissioner's performance agreement with the Minister.

Keeping Staff Informed

The Commissioner communicates directly with all staff, via e-mail, on matters of urgency, importance or interest. In addition, a weekly issues newsletter is distributed to managers with instructions to advise staff as appropriate. All staff are actively encouraged to provide feedback to the Commissioner or the Executive Directors on any issues that they may have.

A Human Resource Newsletter is prepared each week and is available on-line to all staff. This newsletter has proved to be a very effective forum for communication of a number of employee related topics.

The Commissioner also issues an online quarterly magazine, called Road Matters, which addresses all other areas of interest in Main Roads. The minutes from the Corporate Executive meetings are also posted online on a monthly basis for all staff to see.

Routine management meetings and periodic regional Corporate Executive meetings complement this process across the organisation.

Austroads

Main Roads is a member of Austroads, which is the association of Australian and New Zealand road transport and traffic authorities. Austroads' purpose is to contribute to the achievement of improved Australian and New Zealand transport-related outcomes. This membership allows Main Roads to compare performance with the Australian and New Zealand industry at large across a comprehensive suite of national performance indicators.

Contracts

Contracts Awarded and Operational Reviews

631 contracts, valued at \$232 million, including two design and construct contracts with a total value of \$134 million, were awarded during the year. This represents a 13% increase in the number and a 70% increase in the value of contracts awarded over last year.

During the year, a review was completed of the 3 Term Consultancy Contracts, the 2 Term Consultancy Contracts Structures and the 2 Term Asset Contracts Structures. As a result of these reviews, the 7 contracts will be reduced to 4 in 2003-04 (2 period contracts for engineering and technical services and 2 period contracts for structural bridge design).

Buy Local Policy

The decentralisation of Main Roads' procurement function across 10 regions, together with the application of the regional preferences available to local businesses under this policy has ensured a high local content. The Buy Local Policy increased its local purchasing target from 70% to 80% from July 2002. During 2002-03, Main Roads purchasing expenditure (including contracts awarded) from local businesses, as defined by the Buy Local Policy, again exceeded the stated Buy Local Policy target of 80%.

State Tenders Committee

Main Roads' Executive Director Construction and Maintenance, Mike Wallwork chaired the State Supply Commission's State Tenders Committee from July 2002. On July 14 2003 Dr Wally Cox, Chairman Environmental Protection Authority, was appointed as the new Chair.

Government Electronic Marketplace Tendering

All tenders over \$50,000 are advertised, and contract award details for contracts over \$10,000 are published on the Government Contracting Information Bulletin Board, which is available to the public on the Internet. Tender documents for service contracts not containing complex plans and drawings are available in downloadable form from the Bulletin Board.

Building Skills and Priority Access Policies

Main Roads Manager of Supply and Transport is a member of the Department of Education and Training's Working Group, which has been set up to consider an amalgamation of Priority Access, Homeswest Apprentice and Building Skills Policies and the feasibility of expanding the Building Skills Policy to apply to a broader range of contracts.

Main Roads' Tenders Committee

A Tenders Committee, comprising two experienced officers from Main Roads and two senior officers from other agencies, ensures that contracting policies and procedures are strictly followed for all tenders over \$50,000.

The membership of the Committee changed during the year with the resignation of Mr Stephen Harvey, Director Facilities and Services (Education Department of Western Australia). Mr Harvey was replaced by Mr Geoff Zimmer, Director Asset Management (Department of Justice), who together with Mr Alex Taylor, Director Service Procurement (Ministry of Justice) make up the external representatives on the committee. Their personal commitment and the willingness of their agencies to contribute to the quality of Main Roads' contracting processes and procedures is appreciated.

Procurement Grievances Process

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 available on the Main Roads web site. 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 responsive approach to reviewing grievances lodged by our contractors.

During the 2002-03 year, 16 grievances (18 in 2002-03) were lodged with Main Roads, equating to 2.5% of all contracts awarded. 15 instances of these grievances were successfully addressed internally. The State Supply Commission assisted with the resolution of the other. None of the grievances lodged were upheld.

Contract Audits

During the year Ernst and Young conducted audits of both contract and procurement functions. Apart from recommendations for minor improvements, their findings were favourable.

Supply Managers Forum

The Manager of Supply and Transport meet regularly with the supply managers of other government agencies and with officers from the Departments of Housing and Works to network and share initiatives and jointly address issues.

Corporate Governance

Light Vehicle Fleet

In line with the State Governments' Sustainable Transport Energy Program, Main Roads acquires 4 cylinder and LPG vehicles unless operational requirements dictate otherwise. For further information, please see page 35 under Environment.

Main Roads has introduced a driver safety and induction program to make new employees aware of the policy and procedures in relation to the light vehicle fleet. In addition, employees who are required to travel in regional areas and/or off road are offered advanced driver training to improve their driving skills and awareness of safety issues.

Customer Focus

See page 12 for a report on our customer-focus activities.

External Reviews/Evaluations

Apart from the statutory audit conducted by the Office of the Auditor General, there were no external reviews of Main Roads during the 2002-03 year.

Employee housing

Main Roads provides residential accommodation to essential transferable employees located in regional centres. All housing units owned or leased for this purpose meet the policy standards for quality, maintenance and rental established by the Western Australian Government's Employee Housing Authority.

Air travel

In accordance with Government policy, all air travel is undertaken on the basis of "best fare of the day" provided by the Government contracted travel agent, and is reported to Government on a monthly basis. All air travel is recorded on the purpose built web-based Air Travel System using email routing, which ensures approval in accordance with delegated authority.

Information Management

A five-year Strategic Information Management Plan was completed in 2000 and implemented in 2001. All recommendations arising out of the plan were actioned in the first two and a half years. A mid-term revision has confirmed and provided strategic directions for the plan into 2005, with updated recommendations consistent with the plan of action to be taken over the final 2 year period.

Main Roads has prepared a Strategic Telecommunications Plan for expanding communications needs for the next 3 years to conduct Main Roads business across the state.

Work is progressing on the development of a Corporate Records Keeping Plan in line with the new *State Records Act 2000*.

Treasury Reporting Requirements

Information has been provided to Treasury, in the format and within the deadlines specified in the Treasury document *Treasury Information Requirements April 1998*. This includes:

- Information required for the formulation of the State budget, the production of the State budget papers and the ongoing monitoring and review of financial and output performance against budget
- A capital works program submitted annually
- Information for the Government Mid-year Financial Projection Statement (Mid-Year Review), which is a requirement of the Government Financial Responsibility Act 2000
- Capital works progress reports, submitted regularly
- Information on an ongoing basis throughout the year as changes occur, or are proposed, in Main Roads' Statement of Outcomes and Outputs, showing the reasons for the change and the output performance
- Annual cash flow profile (and subsequent changes to the profile) for each source of revenue from the Consolidated Fund, and quarterly reporting of actual cash flows against these profiles
- 6 monthly reports on borrowings guaranteed by the Treasurer, other guarantees, indemnities and sureties issued and payments made
- Accrual-based information to enable Treasury to produce the State's consolidated whole-of-government financial statements and finance statistics for both budgetary and financial reporting purposes. Projected outcomes are provided for the current year plus estimates for the budget year and for three forward years. Actual results are reported monthly in the form of Statement of Financial Performance, a Statement of Financial Position and Cash Flows
- Daily and monthly reports of payments and receipts
- Commonwealth Grants Commission information as and when required.

Compliance Returns

A number of compliance returns are prepared in accordance with legislative requirements and directives from Government, including:

- Anti-Corruption Commission: A summary of all reports made to the Commission is submitted each year by 30 June
- Commonwealth Department of Transport and Regional Services: An annual Black Spot Program is developed through the State Consultative Panel for National Black Spot funding, which is then submitted to the Department for approval and followed by two-monthly progress reports
- Commonwealth Department of Transport and Regional Services: Annual, monthly and ad hoc reports are provided under the *Australian Land Transport Development Act 1998*, including a five-year forward works strategy, project proposal reports and project and financial progress reports
- The State Road Funds to Local Government Advisory Committee oversees, monitors and recommends to the Minister for Planning and Infrastructure the distribution of State Funds to Local Government roads. This funding is provided in accord with the *State Road Funds to Local Government Agreement* and Local Government is provided with expenditure reports on a periodic basis
- Department of the Premier and Cabinet: *Human Resource Minimum Obligatory Information Requirements* (HRMOIR) reports are submitted as required (Premier's Circular No. 40/93 and Public Sector Policy Circular No. 1/97)
- National Library of Australia and State Library: Copies of publications created or released are deposited with the National Library and the State Library (Circular to Ministers No. 26/93)
- Office of Equal Employment Opportunity: An annual report is submitted to the Office of Equal Employment Opportunity under Part IX, Section 141 of the *Equal Opportunity Act 1984*, showing information about our workforce
- Office of the Information Commissioner: An annual return is submitted, showing information about applications received under the *Freedom of Information Act 1992*
- State Supply Commission: In accordance with the requirements of the *State Supply Commission Act 1991*, an annual report, which includes a *Statement of Compliance* with the State Supply Commission policies, is submitted. This report provides information about supply activities and expenditure on goods and services purchased
- State Supply Commission: In accordance with the Government's Buy Local Policy a report recording the total value of contracts awarded annually and the percentage of the expenditure which represents contracts awarded to local businesses, i.e. regional businesses, Perth metropolitan businesses and businesses located in other States and Territories of Australia and New Zealand, is submitted and
- Office of the Public Sector Standards Commissioner: In accordance with *Section 31 (1)* of the *Public Sector Management Act 1994* a *Statement of Compliance* is required in the annual report. The report details the extent to which Public Sector Standards, code of ethics and any relevant codes have been complied with by Main Roads for the previous 12 months. See also *Ethical Standards and Performance* on page 75.

Financial Highlights

Key Financial Results

- Total Cost of Services provided was \$598.3 million, compared with \$551.9 million in the previous year.
- A one-off transfer of equity in Road Infrastructure (Ripon Hills Road, Marble Bar) from the Shire of East Pilbara, to Main Roads, of \$83 million.
- Change in Net Assets during the year of \$73.3 million.
- Asset Revaluation increment of \$993.8 million arising from revaluation of infrastructure assets (\$2,405.6 million in 2001-02).
- State Government Appropriations, for the purchases of outputs, increased 17.8% to \$448.3 million, primarily from Motor Vehicle Licence Fees and the Consolidated Fund.
- Additional \$2.0 million funding received from The Road Trauma Trust Fund for the State's Black Spot program.
- Commonwealth based funding for improvements on the National Highway network and declared Roads of National Importance totalled \$87.5 million, a decrease of 9%.
- Total expenditure (operating and capital) decreased by 3.6% to \$771.2 million, due to delays in delivering a number of key construction projects.
- Debt to total equity ratio improved from 1.7% to 1.5%.
- Borrowing costs were lower by 5%, from \$15.4 million to \$14.6 million, due to reduction in interest rates.

Funding

Most of our funding is derived from State and Commonwealth Government annual appropriations. Some revenue is also generated from fee-for-service charges for roadworks undertaken for other public and private bodies. Details of revenue sources are:

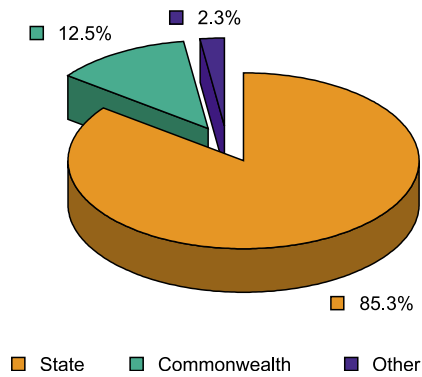
	1998-99 \$ million	1999-00 \$ million	2000-01 \$ million	2001-02 \$ million	2002-03 \$ million
State Government					
Appropriations - Cash	496.2	496.0	502.4	262.7	282.9
Appropriations - Depreciation	-	-	-	118.0	165.4
Capital Contribution	-	-	-	240.0	150.2
	496.2	496.0	502.4	620.7	598.5
Commonwealth Grants	91.5	74.1	75.1	96.1	87.5
Contributions to Road Works	12.4	13.6	46.2	11.2	8.5
Profit on Sale of Fixed Assets	4.4	-	5.5	7.4	1.6
Road Trauma Trust Fund	-	-	-	-	2.0
Natural Disaster Relief Arrangements	-	8.1	21.3	6.5	-
Rents	2.7	2.5	3.0	2.9	2.6
Other	8.9	5.4	2.1	2.5	1.2
TOTAL	616.1	599.7	655.6	747.3	701.9

Note: (i) This summary includes Capital Contributions, which are allocated to Contributed Equity in the Statement of Financial Position.

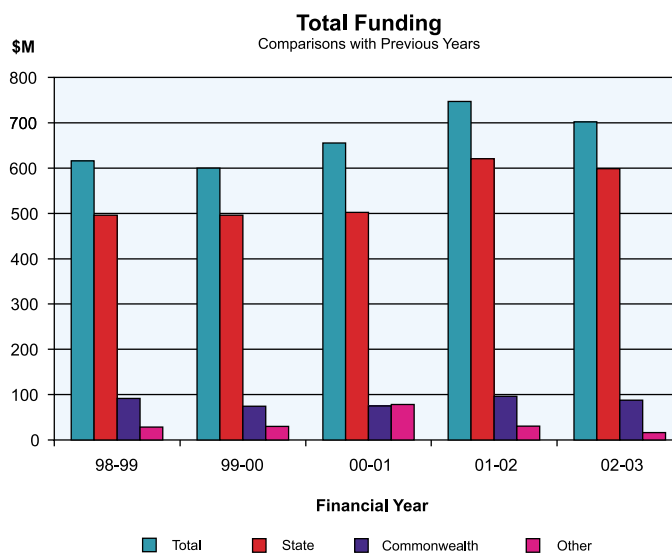
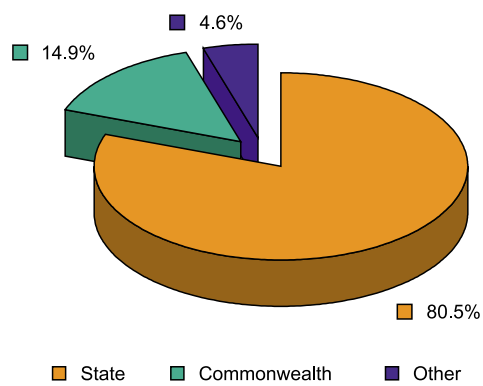
(ii) 2001-02 saw the introduction of accrual appropriations by the Department of Treasury and Finance, resulting in the funding of fixed asset depreciation for the first time. This funding is held in a holding account for the replacement of assets, and may be drawn upon based on a business case.

(iii) In 2000-01 and prior, State Government funds received were all inclusive of both output and capital appropriations.

Funding Sources 2002-03 \$701.9M



Funding Sources 1998-99 \$616.1M



Financial Highlights

Comments on the sources of funding:

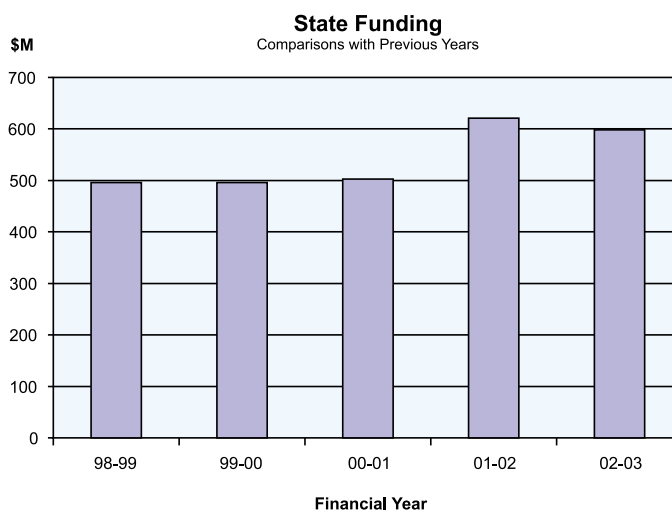
State Sources

State Government funding comes from three primary sources – Motor Vehicle Licence Fees, Consolidated Fund (from the Department of Treasury and Finance) and Motor Vehicle Permit Fees.

Motor Vehicle Licence Fees are collected under the *Road Traffic Act 1974* for cars and light vehicles, and under the *Road Transport Reform (Heavy Vehicles Registration) Act 1997* for heavy vehicles.

Funds received for capital expenditure are treated as Owner's Contributions and are credited directly to Contributed Equity in the Statement of Financial Position, in line with the Financial Reform Program introduced by the Department of Treasury and Finance in 2001-02. This year Capital Contributions totalled \$150.2 million, a decrease of 37% from 2001-02.

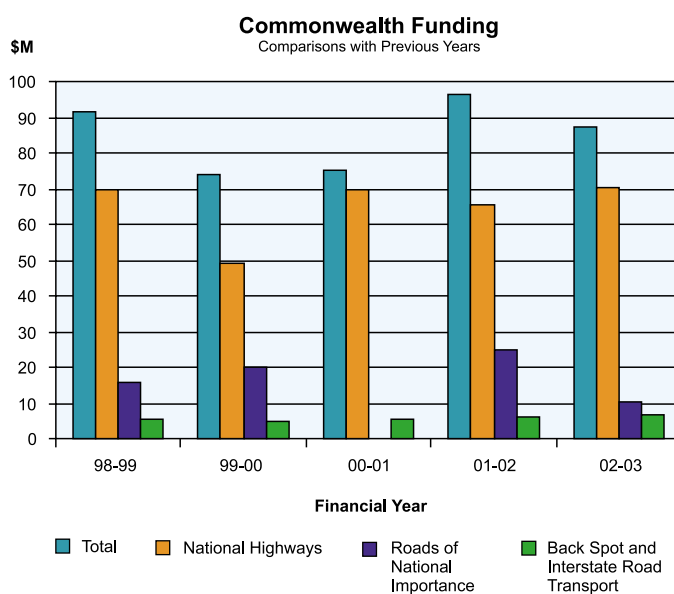
2002-03 saw a 13% increase to \$177.9 million in Motor Vehicle Licence Fees cash appropriations to purchase outputs. Appropriations from Consolidated Fund also increased, by 21% to \$268.1 million. Motor Vehicle Permit Fees, issued for vehicles that are oversize, or special purpose, or which carry oversize or extra loads, increased by 22% to \$2.2 million. The increase in fees is largely due to a small annual fee of \$75 per operator for WA Heavy Vehicle Accreditation, which was introduced on 1 July 2002. Main Roads issued 43,462 permits this year compared to 39,818 permits in 2001-02, an increase of 9.1%.



Commonwealth Grants

Under the existing legislation, grants received from the Commonwealth are restricted to expenditure on specific projects, namely:

	1998-99 \$ million	1999-00 \$ million	2000-01 \$ million	2001-02 \$ million	2002-03 \$ million
Australian Land Transport Development Act 1988					
- National Highways (construction and maintenance)	69.9	49.1	69.6	65.3	70.5
- Roads of National Importance (upgrading)	15.9	20.0	-	24.8	10.6
- National Black Spots Program (road safety)	4.9	4.2	4.5	4.8	5.0
	90.7	73.3	74.1	94.9	86.1
Interstate Road Transport Act 1985 (maintaining interstate transport routes)	0.8	0.8	1.0	1.2	1.4
TOTAL	91.5	74.1	75.1	96.1	87.5



Note: In 2001-02 the increase in revenue from the Commonwealth relates to an increase in Roads of National Importance funding for the Roe Highway extension project.

Financial Highlights

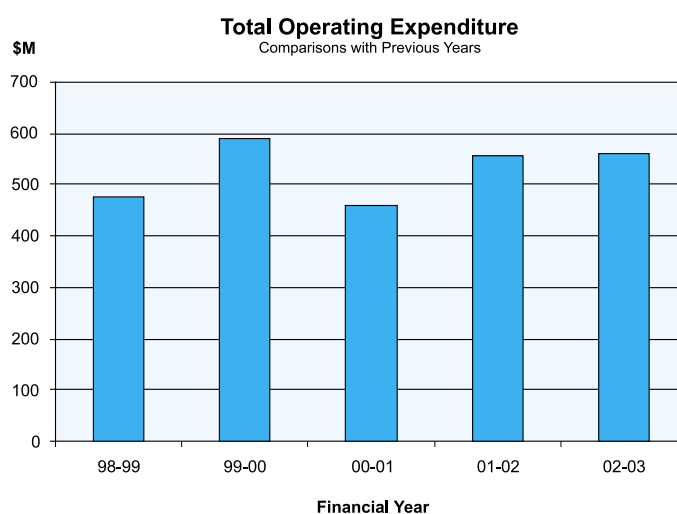
Expenditure

Total Expenditure

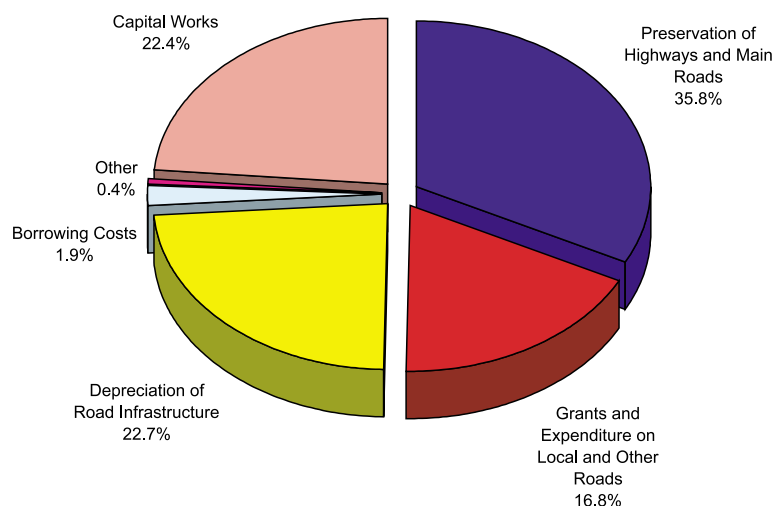
Total expenditure (operating and capital) for the year was \$771.2 million compared with \$800.3 million in 2001-02. The decrease of 3.6% was mainly due to unavoidable external issues, resulting in delays in delivering a number of road construction projects, including extensions to Roe and Tonkin Highways, Karratha – Tom Price (Stage 1) and the Geraldton Southern Transport Corridor. Also, improvements to the Great Eastern and Great Northern Highways were not delivered on schedule. A breakdown of total expenditure is shown below:

	1998-99	1999-00	2000-01	2001-02	2002-03
	\$ million	\$ million	\$ million	\$ million	\$ million
Operating Expenditure					
Preservation of Highways and Main Roads	160.8	279.0	174.8	236.3	276.4
Grants and Expenditure on Local and Other Roads	172.4	158.6	145.5	145.4	129.3
Depreciation of Road Infrastructure	120.4	131.3	115.6	155.7	174.8
Borrowing Costs	7.0	10.9	15.4	15.4	14.6
Past Service Superannuation Costs	6.9	4.1	6.8	4.8	3.2
Loss on Sale of Fixed Assets	-	1.3	-	-	-
Redundancy Costs	7.2	3.7	-	-	-
Other	-	-	0.4	0.3	-
	474.7	588.9	458.5	557.9	598.3
Capital Expenditure on Road Infrastructure	291.7	220.4	394.5	242.4	172.9
TOTAL	766.4	809.3	853.0	800.3	771.2

Note: This view of expenditure is different from that presented in the Statement of Financial Performance which shows the Cost of Services view. Revaluation decrements and Grants to Other Bodies have been excluded from the above figures.

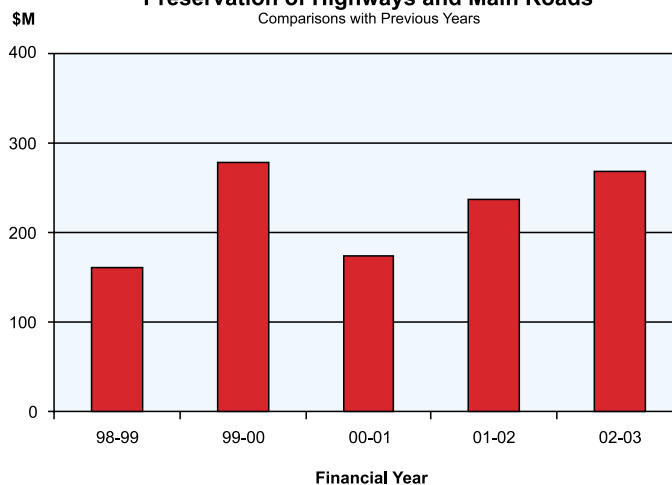


Total Expenditure 2002-03 (Operating and Capital) \$771.2M



Preservation of Highways and Main Roads

Comparisons with Previous Years



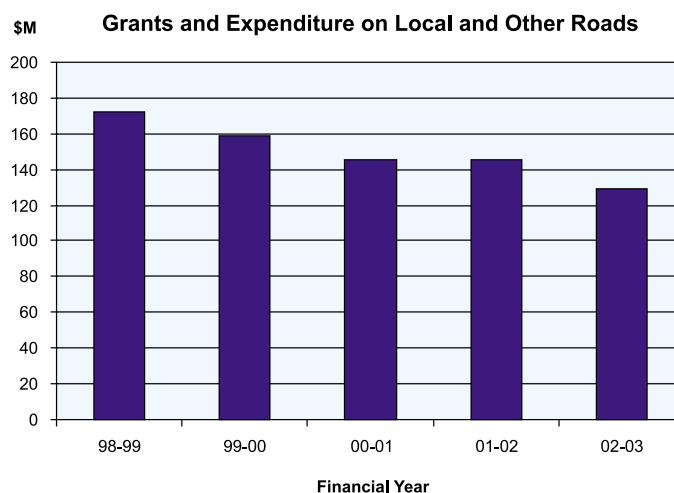
Expenditure on Local and Other Roads

Main Roads has a close partnership with Local Government to provide well-managed roads for a growing and diversified economy. Funding is provided to Local Government in accordance with the State Road Funds to Local Government Agreement 2000-01 to 2004-05.

In 2001-02 there was considerable work done in the Shire of East Pilbara on restoration of local roads due to flood damage, and in the Shire of Kimberley on remote access roads to aboriginal communities.

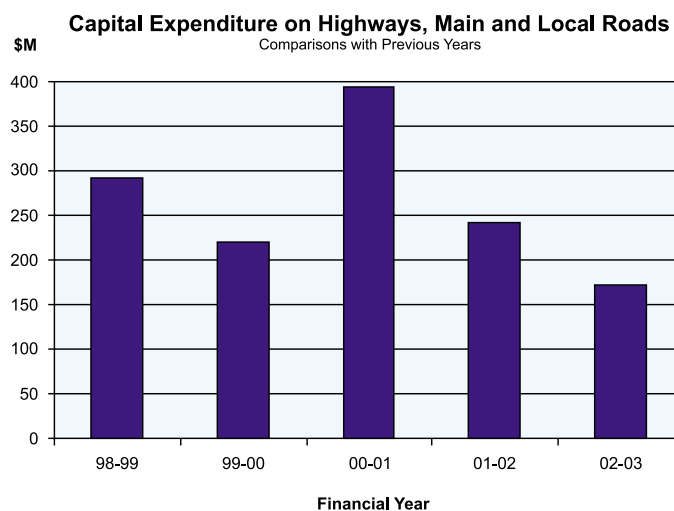
Expenditure in 1998-99 and 1999-00 included significant "State initiated" projects such as Ripon Hills Road and Mount Magnet – Sandstone Road.

Financial Highlights



Capital Expenditure

Expenditure for the year totalled \$172.9 million, a decrease of 28.7% on the previous year (see earlier comment, included in Total Expenditure).



Note: 2000-01 included major works relating to the Kwinana Freeway extension

Borrowing Costs and Debt Repayments

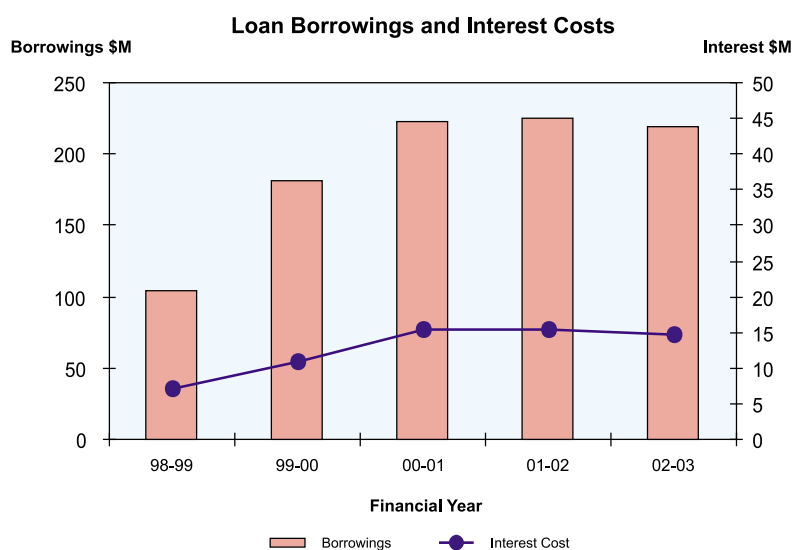
The State Government has provided loan approvals to facilitate earlier delivery of infrastructure projects for community benefit.

A borrowing facility was established to fund projects identified under the Transform WA program. No further drawdowns will be made from this facility. Main Roads has negotiated a five-year repayment arrangement for total program borrowings of \$142.5 million, commencing 1 July 2003.

The total of Main Roads' loan liability as at 30 June 2003 was \$218.9 million.

Interest cost on these borrowings during the year was \$14.6 million, a decrease of \$0.8 million (5.2%) from 2001-02.

	1998-99	1999-00	2000-01	2001-02	2002-03
	%	%	%	%	%
Interest cost to Total Funding %	1.1	1.8	2.3	2.1	2.1
Debt to Total Equity %	1.0	1.8	2.1	1.7	1.5



Financial Statements and Notes

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

The accompanying financial statements of the Commissioner of Main Roads have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the year ending 30 June 2003 and the financial position as at 30 June 2003.

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



Menno Henneveld

COMMISSIONER OF MAIN ROADS
ACCOUNTABLE AUTHORITY

12 September 2003



Kevin Kirk

PRINCIPAL ACCOUNTING OFFICER

12 September 2003

Auditor General's Report and Opinion on Financial Statements



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

COMMISSIONER OF MAIN ROADS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

Audit Opinion

In my opinion,

- (i) the controls exercised by the Commissioner of Main Roads provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commissioner of Main Roads at June 30, 2003 and its financial performance and cash flows for the year ended on that date.

Scope

The Commissioner's Role

The Commissioner is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements 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.

A handwritten signature in blue ink, appearing to read 'D D R Pearson'.

D D R Pearson

AUDITOR GENERAL

September 30, 2003

Financial Statements and Notes

COMMISSIONER OF MAIN ROADS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	Note	2002 - 03 \$'000	2001 - 02 \$'000
COST OF SERVICES			
Expenses from Ordinary Activities			
Employee Expenses	2	38,186	26,311
Supplies and Services	3	222,317	189,658
Grants and Subsidies	4	79,559	91,829
Depreciation - Infrastructure Assets	5	174,782	155,709
Depreciation - Other Non-Current Assets	6	3,253	2,718
Borrowing Costs	7	14,615	15,401
Superannuation Expense	8	8,063	9,402
Carrying Amount of Non-Current Assets Disposed of	14	768	3,704
Revaluation Decrement of Property Held for Resale	9	1,859	313
Infrastructure Assets Retired/Replaced	10	54,910	66,903
Total Cost of Services		598,312	561,948
Revenues from Ordinary Activities			
Commonwealth Grants	11	87,494	96,097
Natural Disaster Funds	12	-	6,571
Contributions to Roadworks	13	8,458	11,199
Proceeds from Disposal of Non-Current Assets	14	2,374	11,151
Grants from Other Bodies	15	83,430	486
Other Revenue from Ordinary Activities	16	39,067	4,122
Total Revenues from Ordinary Activities		220,823	129,626
NET COST OF SERVICES		377,489	432,322
REVENUES FROM GOVERNMENT			
Output Appropriations	17	448,320	380,656
Road Trauma Trust Fund	17	2,000	-
Resources Received Free of Charge	17	501	724
Total Revenues from Government		450,821	381,380
CHANGE IN NET ASSETS	30(b)	73,332	(50,942)
Asset revaluation increment recognised direct in equity	30(a)	993,845	2,405,648
TOTAL CHANGE IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS		1,067,177	2,354,706

Note: The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

COMMISSIONER OF MAIN ROADS
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Note	2002 - 03 \$'000	2001 - 02 \$'000
CURRENT ASSETS			
Cash Assets	18	45,340	56,958
Restricted Cash Assets	18	946	1,078
Receivables	19	11,348	9,665
Amounts Receivable for Outputs	20	12,937	6,155
Prepayments		208	395
Inventories	21	1,809	1,922
Property Held for Resale	22	5,682	1,959
Total Current Assets		78,270	78,132
NON-CURRENT ASSETS			
Road Infrastructure	23	14,173,086	13,107,507
Property, Plant and Equipment	24	32,829	33,974
Land Acquired for Roadworks	25	66,773	76,459
Property Held for Resale	22	9,471	14,595
Amounts Receivable for Outputs	20	264,251	111,865
Inventories	21	7,746	8,984
Total Non-Current Assets		14,554,156	13,353,384
TOTAL ASSETS		14,632,426	13,431,516
CURRENT LIABILITIES			
Payables	26	96,230	104,628
Interest-Bearing Liabilities	27	36,380	6,730
Provision for Employee Benefits	28	27,639	25,968
Total Current Liabilities		160,249	137,326
NON-CURRENT LIABILITIES			
Payables	26	232	-
Interest-Bearing Liabilities	27	182,563	218,942
Provision for Employee Benefits	28	55,814	59,079
Total Non-Current Liabilities		238,609	278,021
TOTAL LIABILITIES		398,858	415,347
NET ASSETS		14,233,568	13,016,169
EQUITY			
Contributed Equity	29	390,268	240,046
Asset Revaluation Reserve	30 (a)	4,713,520	3,719,675
Accumulated Surplus	30 (b)	9,129,780	9,056,448
TOTAL EQUITY		14,233,568	13,016,169

Note: The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Financial Statements and Notes

COMMISSIONER OF MAIN ROADS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

	Note	2002 - 03 \$'000	2001 - 02 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Output Appropriations		282,851	262,651
Capital Contributions		150,222	240,046
Holding Account Drawdowns		6,301	-
Road Trauma Trust Fund		2,000	-
Net Cash Provided by State Government		441,374	502,697
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee Costs		(38,472)	(26,361)
Supplies and Services		(325,773)	(315,230)
Borrowing Costs		(14,719)	(11,762)
GST Payments on Purchases		(43,417)	(46,948)
Receipts			
Commonwealth Grants		87,494	96,097
Natural Disaster Funds		-	6,571
Other Contributions to Roadworks		14,823	16,086
Rent Received		2,636	2,981
Other Income		503	671
GST Receipts on Sales		1,690	2,989
GST Receipts from Taxation Authority		41,201	45,868
Net Cash Used in Operating Activities	33	(274,034)	(229,038)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Non-Current Assets			
Land and Buildings In-Service		(357)	-
Plant, Equipment and Vehicles		(2,979)	(2,942)
Land Acquired for Roadworks		(864)	(1,439)
Infrastructure		(170,282)	(229,265)
Proceeds from Sale of Non-Current Assets			
Land		1,218	4,009
Land and Buildings In-Service		794	6,860
Plant, Equipment and Vehicles		110	216
Net Cash Used in Investing Activities		(172,360)	(222,561)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		-	10,000
Repayment of Borrowings		(6,730)	(6,730)
Net Cash Provided by (Used in) Financing Activities		(6,730)	3,270
NET INCREASE/(DECREASE) IN CASH HELD		(11,750)	54,368
CASH ASSETS AT BEGINNING OF FINANCIAL YEAR		58,036	3,668
CASH ASSETS AT END OF FINANCIAL YEAR	31	46,286	58,036

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

1. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the preceding year.

(a) General Statement

- (i) The financial statements constitute a general-purpose financial report that has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views 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 Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfill the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable the resulting financial effect are disclosed in individual notes to these financial statements.

- (ii) The financial statements have been prepared on the accrual basis of accounting and, with the exception of infrastructure assets which are measured at fair value, have been drawn up using the historical cost convention.

(b) Output Appropriations

Output Appropriations are recognised as revenues 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 into Main Roads' bank account or credited to the holding account held at the Department of Treasury and Finance. Refer to Note 17.

(c) Contributed Equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position. Capital appropriations which are repayable to the Treasurer are recognised as liabilities.

(d) Capital User Charge

A capital user charge rate of 8% has been set by the Government for 2002-03 and represents the opportunity cost of capital invested in the net assets of Main Roads used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Roads and land within road reserves are exempt from the charge. Main Roads did not incur the capital user charge in 2002-03 because the net asset position, adjusted for exempt assets, was negative.

(e) Grants and Other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when Main Roads obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt. Contributions 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.

Financial Statements and Notes

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

(f) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services is recognised when Main Roads has passed control of the goods or other assets or delivery of the service to the customer. Revenue from Contributions to Roadworks is recognised using the percentage of completion method.

(g) Land Acquired for Roadworks

Expenditure relating to property acquired for roadworks is included at cost under Land Acquired for Roadworks until the land is required for road construction. It is then transferred to the infrastructure asset (Land Within Road Reserves). See Note 1(h)(i).

Land determined to be surplus to the requirements of road construction and road reserve is available for disposal and is transferred to Property Held for Resale.

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

(h) Valuation of Road Infrastructure

The Road Infrastructure asset has been valued at fair value on the following basis:

- (i) *Land Within Road Reserves* is valued using valuations provided by the Valuer General's Office at 1 July 2002. Land values were provided by geographic location as follows:
 - Metropolitan area - average land value estimates for Local Government Areas based on R20 zoning for 899 square metre land parcels.
 - 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.
- (ii) *Roads* are valued at fair value determined for the major road components of earthworks, drainage, pavement and seal based on the road location within the State. The fair value at 30 June 2003 is based on the current replacement cost determined at 30 June 2002 by Main Roads, with current year additions based on actual cost. A cost index (ABS's Road and Bridge Construction Cost Index) is applied to assets measured at valuation to ensure asset values do not materially differ from fair value.
- (iii) *Bridges* are valued at fair value based on bridge type and geographic location within the State. The fair value at 30 June 2003 is based on the current replacement cost determined at 30 June 2002 by Main Roads, with current year additions based on actual cost. A cost index (ABS's Road and Bridge Construction Cost Index) is applied to assets measured at valuation to ensure asset values do not materially differ from fair value.
- (iv) *Road Furniture* is valued at fair value based on asset type. The fair value at 30 June 2003 is based on the current replacement cost determined at 30 June 2003 by Main Roads, with current year additions based on actual cost. A rise & fall cost index (based on the Capital Works component of the Traffic Control Infrastructure contract) is applied to assets measured at valuation to ensure asset values do not materially differ from fair value.
- (v) *Work in Progress* is recognised at cost.

(i) Property Held for Resale

Property held for resale is valued at the lower of cost and net realisable value. Cost includes cost of acquisition and interest paid if applicable. All rates, taxes, development and other costs (apart from interest) are expensed in the year that payment is made. Sales revenue is brought to account upon the signing of an unconditional contract of sale.

(j) Acquisition of Assets

The cost method of accounting is used for acquisitions of land and buildings, plant, vehicles, furniture, equipment, computer hardware and software assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost or for nominal consideration are initially recognised at their fair value at the date of acquisition.

(k) Depreciation

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their future economic benefits. Non-current assets are depreciated on a straight-line basis using rates that are reviewed annually.

Road Infrastructure

Earthworks	100 years
Pavement, Drainage and Seals:	
Metropolitan Asphalt Roads	40 years
Sealed Rural Roads	50 years
Gravel Roads	12 years
Bridges	60 to 100 years
Road Furniture	5 to 50 years

Buildings 25 to 40 years

Equipment and Furniture

Computer Hardware and Software	3 to 13 years
Equipment and Furniture	5 to 13 years

Plant and Vehicles 5 to 10 years

Generally, assets costing less than \$1,000 are expensed at the time of purchase.

Road infrastructure work in progress is not depreciated.

(l) Maintenance and Repairs to Road Infrastructure Assets

Expenditure on maintenance and repairs to road infrastructure assets is expensed during the period in which it is incurred.

(m) Leased Assets

Main Roads has entered into a number of operating lease arrangements for 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 Statement of Financial Performance over the lease term, as this is representative of the pattern of benefits derived from the leased property.

(n) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventories on a standard, average or last known cost basis.

Financial Statements and Notes

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

(o) **Receivables, Payables, Accrued Salaries and Interest-Bearing Liabilities**

Receivables are recognised at the amounts receivable and are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubt as to the collection exists.

Payables, including accruals not yet billed, are carried at cost and recognised when Main Roads becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within thirty days.

Loans are recognised and carried at the amount of net proceeds received. Interest is recognised as it accrues.

Accrued salaries and wages represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Main Roads considers the carrying amount approximates net fair value.

(p) **Employee Benefits**

Provision has been made for benefits accruing to employees in relation to annual leave, long service leave, superannuation, redundancy and applicable public service holidays based on relevant employment awards and agreements.

Annual Leave

This benefit is recognised at the reporting date in respect to employees' services up to that date and is measured at the nominal amount expected to be paid when the liabilities are settled.

Public Service Holidays

Employees are entitled to take two days paid leave in lieu of repealed public service holidays. The unpaid benefit at the reporting date is recognised at the nominal amount expected to be paid when the liabilities are settled.

Long Service Leave

A liability for long service leave expected to be settled within 12 months of reporting date is measured at the nominal amounts to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to the expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using interest rates to obtain the estimated future cash outflows.

Superannuation

Staff may contribute to the Superannuation and Family Benefits Act Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. The Government Employees Superannuation Board (GESB) administers all of these schemes.

The liability for superannuation charges incurred under the Superannuation and Family Benefits Act pension scheme, together with the pre-transfer service liability for employees who transferred to the Gold State Superannuation Scheme, are provided for at reporting date.

The liabilities for the superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by fortnightly payments of employer contributions to the GESB.

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The GESB's records are not structured to provide the information for Main Roads. Accordingly, deriving the information for Main Roads is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

Employee Benefit On-Costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses.

Redundancy

In the event of approved redundancies at reporting date, a provision is raised and carried forward to the year of payment.

(q) Resources Received Free of Charge

Resources received free of charge or for nominal value, which can be reliably measured, are recognised as revenues and as assets or expenses as appropriate at fair value.

(r) Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with current year disclosures.

(s) Borrowing Costs

Borrowing costs are expensed as incurred, as borrowings do not relate to specific projects under construction.

(t) 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 road use).

(u) 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 Main Road valuations and include costs of acquisition. This liability is included in Payables. See Note 26.

2. EMPLOYEE EXPENSES

	2002 - 03	2001 - 02
	\$'000	\$'000
Wages and Salaries	31,401	21,241
Annual Leave	3,025	2,059
Long Service Leave	869	928
Other Related Expenses	2,891	2,083
	38,186	26,311

Financial Statements and Notes

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

3. SUPPLIES AND SERVICES

	2002 - 03 \$'000	2001 - 02 \$'000
Contracts for Supplies and Services	188,687	162,504
Materials	3,111	3,464
Payments to Local Authorities for work on Highways & Main Roads	9,076	6,934
Land Acquisition	233	121
Plant Hire Charges	7,906	1,378
Payroll Tax/Fringe Benefits Tax	330	2,569
Postage, Stationery and Reprographics	567	389
Telecommunications	3,170	2,097
Building Maintenance and Equipment	1,400	1,348
Electricity and Gas	2,750	2,155
Contributions	2,662	4,633
Legal Costs	465	479
Advertising	379	226
Rates and Taxes	613	544
Insurance	968	817
	222,317	189,658

4. GRANTS AND SUBSIDIES

	2002 - 03 \$'000	2001 - 02 \$'000
Grants and Subsidies to Local Government	75,544	91,779
Grants to other Entities		
- Ministry for Planning	-	50
- Water Corporation	15	-
- Department of Conservation and Land Management	2,000	-
- Department of Housing and Works	2,000	-
	79,559	91,829

5. DEPRECIATION OF INFRASTRUCTURE ASSETS

	2002 - 03 \$'000	2001 - 02 \$'000
Infrastructure Assets		
Roads – Earthworks	49,541	46,425
Roads – Pavement, Drainage & Seal	105,363	86,519
Bridges	16,029	18,636
Road Furniture	3,849	4,129
	174,782	155,709

6. DEPRECIATION – OTHER NON CURRENT ASSETS

	2002 - 03 \$'000	2001 - 02 \$'000
Buildings In-Service	1,059	1,108
Plant and Vehicles	220	214
Computer Hardware and Software	1,943	2,071
Other Equipment and Furniture	886	555
Total Depreciation	4,108	3,948
Depreciation Capitalised to Infrastructure	855	1,230
Depreciation Expensed	3,253	2,718

Depreciation policies are explained in Note 1(k).

7. BORROWING COSTS

	2002 - 03 \$'000	2001 - 02 \$'000
Average Interest Rate During The Year	6.41%	6.50%
Borrowing Costs During The Year		
Western Australian Treasury Corporation	14,615	15,401
	14,615	15,401

8. SUPERANNUATION EXPENSE

	2002 - 03 \$'000	2001 - 02 \$'000
Pre-transfer service - Gold State Superannuation Scheme	261	1,495
Superannuation and Family Benefits Act Pension Scheme	2,914	3,301
Contributory Scheme - Gold State Superannuation Scheme	3,124	3,132
Non Contributory – West State Superannuation Scheme	1,764	1,474
	8,063	9,402

9. REVALUATION DECREMENT OF PROPERTY HELD FOR RESALE

	2002 - 03 \$'000	2001 - 02 \$'000
Property surplus to requirements and held for resale has been revalued to the lower of cost and estimated net realisable value.	1,859	313
	1,859	313

10. INFRASTRUCTURE ASSETS RETIRED / REPLACED

Infrastructure assets replaced or retired during the year have been expensed at their carrying amount.

	2002 - 03 \$'000	2001 - 02 \$'000
Roads	19,126	22,082
Bridges	2,733	4,998
Land Within Road Reserves	4,174	10,396
Road Furniture	-	101
Work in Progress	28,877	29,326
	54,910	66,903

Financial Statements and Notes

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

11. REVENUE FROM COMMONWEALTH GRANTS

	2002 - 03 \$'000	2001 - 02 \$'000
Australian Land Transport Development Act 1988	86,066	94,855
Grants are received from the Commonwealth Government through the Australian Land Transport Development Trust Fund. This funding is used for the construction and maintenance of National Highways, upgrading Roads of National Importance and for the Road Safety Black Spots Program.		
Interstate Road Transport Act 1985	1,428	1,242
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.		
	87,494	96,097

12. NATURAL DISASTER FUNDS

	2002 - 03 \$'000	2001 - 02 \$'000
Represents a recoup of funds from the Fire and Emergency Services Authority under Natural Disasters Relief Arrangements for amounts expended on local government and State roads to restore the roads to pre-flood damage condition.	-	6,571
	-	6,571

13. CONTRIBUTIONS TO ROADWORKS

	2002 - 03 \$'000	2001 - 02 \$'000
This revenue is derived from roadworks undertaken, on commercial terms, for other public and private bodies, and contributions from both public and private bodies towards the cost of works performed on highways and main roads.	8,458	11,199
	8,458	11,199

14. NET GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS AND INVENTORY

	2002 - 03 \$'000	2001 - 02 \$'000
<i>Carrying Amount of Assets disposed of:</i>		
Land Acquired for Roadworks	(383)	(1,866)
Land and Buildings	(272)	(1,787)
Plant, Equipment and Vehicles	(38)	(23)
Inventory	(75)	(28)
	(768)	(3,704)
<i>Net Proceeds from disposal</i>		
Land Acquired for Roadworks	1,470	4,209
Land and Buildings	794	6,859
Plant, Equipment and Vehicles	53	42
Inventory	57	41
	2,374	11,151
<i>Gains on Disposal of Non-Current Assets and Inventory</i>		
Land Acquired for Roadworks	1,087	2,343
Land and Buildings	522	5,072
Plant, Equipment and Vehicles	15	19
Inventory	-	13
	1,624	7,447
<i>Losses on Disposal of Non-Current Assets and Inventory</i>		
Inventory	(18)	-
	(18)	-
Total Net Gain	1,606	7,447

15. GRANTS FROM OTHER BODIES

	2002 - 03 \$'000	2001 - 02 \$'000
Grants from Other Entities:		
Menzies Court Holdings – Transfer, at fair value, Street Lighting on Perth to Bunbury Hwy/Northport Boulevard, Mandurah	64	-
Mirvac Fini – Transfer, at fair value, Street Lighting for Perth on Bunbury Hwy/Seascapes Boulevard, Mandurah	65	-
J. Perry – Transfer, at fair value, Street Lighting on Perth to Bunbury Hwy/Lord Hobart Drive, Mandurah	64	-
Grants from Local Government Authorities:		
City of Geraldton - Transfer of City of Geraldton's equity (at estimated cost) in land purchases for Spine Road and North-South Road, Geraldton.	-	486
City of Canning – Transfer, at fair value, Traffic Control Signals at Karel Avenue/Apsley Road, Rossmoyne.	90	-
City of Melville – Transfer, at fair value, Traffic Control Signals at Sommerville Boulevard/North Lake Road, Murdoch.	52	-
City of Melville – Transfer, at fair value, Traffic Control Signals at Murdoch Drive/North Lake Road, Winthrop.	51	-
Shire of East Pilbara – Transfer, at fair value, the Ripon Hills Road, Marble Bar.	83,044	-
	83,430	486

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

16. OTHER REVENUE FROM ORDINARY ACTIVITIES

	2002 - 03 \$'000	2001 - 02 \$'000
Rents		
Properties Acquired for Roadworks	2,126	2,449
Employee Accommodation in Rural Areas	464	490
	2,590	2,939
Other		
Contributions for Minor Works and Services	544	424
Other	663	759
	1,207	1,183
Capitalisation of Infrastructure Expenditure Previously Expensed		
Roads	26,740	-
Bridges	8,530	-
	35,270	-
	39,067	4,122

The 2002-03 amounts for roads and bridges represent capital expenditure expensed in previous years.

Contributions for Minor Works and Services include 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 2002-03 are summarised below:

	\$
Amount carried forward for expenditure from 2001-02	(15,928)
Amount received during 2002-03	(59,072)
	(75,000)
Expenditure during 2002-03	93,091
Expenditure carried forward for recovery in 2003-04	18,091

17. REVENUES FROM GOVERNMENT

	2002 - 03 \$'000	2001 - 02 \$'000
Motor Vehicle Licence Fees		
Motor vehicle licence fees for cars and light vehicles are raised under the Road Traffic Act, and fees for heavy vehicles are raised under the Road Transport Reform (Heavy Vehicles Registration) Act. In 2002-03 the total Motor Vehicle licence fees raised was \$280.197 million. This total includes an output appropriation of \$177.950 million, which is incorporated in the Statement of Financial Performance. The balance of \$102.247 million is a capital appropriation and is allocated to Contributed Equity in the Statement of Financial Position.	177,950	157,489

17. REVENUES FROM GOVERNMENT (Continued)

	2002 - 03 \$'000	2001 - 02 \$'000
Untied Funds		
Untied funds are appropriations from the Consolidated Fund.	268,141	221,347
In 2002-03 the total Consolidated Fund appropriation was \$316.116 million. This total includes an output appropriation of \$268.141 million, which is incorporated in the Statement of Financial Performance. The balance of \$47.975 million is a capital appropriation and is allocated to Contributed Equity in the Statement of Financial Position. The output appropriation includes a \$102.672 million cash component and a \$165.469 million non-cash component.		
Motor Vehicle Permit Fees		
Revenue derived under the Road Traffic Act also includes permit fees for vehicles that are oversize for special purpose or which carry oversize loads or extra load.	2,229	1,820
Road Trauma Trust Fund		
Funding provided by the Office of Road Safety from the Road Trauma Trust Fund for State Blackspot projects,	2,000	-
Resources Received Free of Charge		
This revenue comprises the value of resources received free of charge from other government agencies. The value is obtained from estimates provided by the agencies.		
Department of Land Information	501	724
	450,821	381,380

18. CASH RESOURCES

	2002 - 03 \$'000	2001 - 02 \$'000
Cash Assets		
Cash at Bank	45,325	56,943
Cash on Hand	15	15
	45,340	56,958
Restricted Cash Assets		
Contractors Deposits	946	1,078
	946	1,078
Total Cash Assets	46,286	58,036

Contractors Deposits is a Trust Account holding contractors' retentions pending satisfactory completion of works.

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COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

19. RECEIVABLES

	2002 - 03 \$'000	2001 - 02 \$'000
Current		
Trade Debtors	3,184	2,855
Less: Provision for Doubtful Debts	(270)	(458)
	2,914	2,397
Trade Debtors (Work in Progress)	2,378	2,119
Accrued Income	545	166
GST refund due from Australian Taxation Office	5,511	4,983
Total Current	11,348	9,665

Refer also Note 40 - Financial Instruments.

20. AMOUNTS RECEIVABLE FOR OUTPUTS

	2002 - 03 \$'000	2001 - 02 \$'000
Current	12,937	6,155
Non-Current	264,251	111,865
	277,188	118,020

This asset represents the non-cash component of output appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability. Refer also Note 1(b).

21. INVENTORIES

	2002 - 03 \$'000	2001 - 02 \$'000
Current		
Construction and Maintenance Materials (at cost)	1,880	1,907
General Stores (at cost)	2	137
	1,882	2,044
Less: Provision for diminution in the value of Inventories	(73)	(122)
	1,809	1,922
Non-Current		
Construction and Maintenance Materials (at cost)	8,055	9,555
Less: Provision for diminution in the value of Inventories	(309)	(571)
	7,746	8,984

Refer also Note 1(n).

22. PROPERTY HELD FOR RESALE

	2002 - 03 \$'000	2001 - 02 \$'000
Current		
At Lower of Cost or Net Realisable Value	<u>5,682</u>	<u>1,959</u>
Non-Current		
At Lower of Cost or Net Realisable Value	<u>9,471</u>	<u>14,595</u>

Property Held for Resale is valued at 30 June each year by Main Roads officers at the lower of cost and net realisable value.

Refer also to Note 1(i).

A reconciliation of the carrying amount of Property Held for Resale at the beginning and end of the current financial year is set out below.

	Current \$'000	Non Current \$'000	Total \$'000
Carrying amount 1 July 2002	1,959	14,595	16,554
Transfers to Property Held for Resale	6,057	(4,933)	1,124
Revaluation decrement	(1,859)	-	(1,859)
Grants	(15)	(32)	(47)
Disposals	(450)	(141)	(591)
Depreciation	(10)	(18)	(28)
Carrying amount 30 June 2003	<u>5,682</u>	<u>9,471</u>	<u>15,153</u>

23. ROAD INFRASTRUCTURE

	2002 - 03 \$'000	2001 - 02 \$'000
Roads		
Earthworks at Fair Value	5,301,333	4,790,231
Accumulated Depreciation	(1,410,176)	(1,271,503)
Total Earthworks	<u>3,891,157</u>	<u>3,518,728</u>
Pavement, Drainage and Seal at Fair Value	5,070,076	4,421,710
Accumulated Depreciation	(2,626,309)	(2,295,466)
Total Pavement, Drainage and Seal	<u>2,443,767</u>	<u>2,126,244</u>
Total Roads	<u>6,334,924</u>	<u>5,644,972</u>
Land Within Road Reserves		
At Fair Value	6,345,635	5,792,345
Total Land Within Road Reserves	<u>6,345,635</u>	<u>5,792,345</u>
Bridges		
At Fair Value	1,685,095	1,752,732
Accumulated Depreciation	(358,617)	(391,617)
Total Bridges	<u>1,326,478</u>	<u>1,361,115</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

23. ROAD INFRASTRUCTURE (Continued)

	2002 - 03 \$'000	2001 - 02 \$'000
Road Furniture		
At Fair Value	123,892	113,866
Accumulated Depreciation	(48,892)	(44,103)
Total Road Furniture	75,000	69,763
Work In Progress		
At Cost	91,049	239,312
Accumulated Depreciation	-	-
Total Work in Progress	91,049	239,312
Total Road Infrastructure	14,173,086	13,107,507

Roads are valued at fair value based on the current replacement cost determined for the major road components of earthworks, drainage, pavement and seal based on the road location within the State. The fair value at 30 June 2003 is based on rates determined at 30 June 2002 by Main Roads, with current year additions based at actual cost. A cost index (ABS's Road and Bridge Construction Cost Index) is applied to assets measured at valuation to ensure asset values do not materially differ from fair value.

Bridges are valued at fair value based on bridge type and geographic location within the State. The fair value at 30 June 2003 is based on rates determined at 30 June 2002 by Main Roads, with current year additions based at actual cost. A cost index (ABS's Road and Bridge Construction Cost Index) is applied to assets measured at valuation to ensure asset values do not materially differ from fair value.

Road Furniture is valued at fair value based on asset type. The fair value at 30 June 2003 is based on rates determined at 30 June 2003 by Main Roads. A rise & fall cost index (based on the Capital Works component of the Traffic Control Infrastructure contract) is applied to assets measured at valuation to ensure asset values do not materially differ from fair value.

Land Within Road Reserves is based on valuations provided by the Office of the Valuer General at 1 July 2002.

All revaluation increments have been adjusted against the Asset Revaluation Reserve.

Refer also to Note 1(h).

23. ROAD INFRASTRUCTURE (Continued)

Reconciliations of the carrying amounts of road infrastructure at the beginning and end of the current financial year are set out below.

	Roads \$'000	Land Within Road Reserves \$'000	Bridges \$'000	Road Furniture \$'000	Work in Progress \$'000	Total \$'000
Carrying amount 1 July 2002	5,644,972	5,792,345	1,361,115	69,763	239,312	13,107,507
Additions	141,939	3,898	40,142	6,954	63,425	256,358
Retirements	(19,126)	(4,174)	(2,733)	-	(28,877)	(54,910)
Revaluation increment	381,705	530,581	80,267	1,292	-	993,845
Depreciation	(154,904)	-	(16,029)	(3,849)	-	(174,782)
Transfer from Land Acquired for Roadworks	-	8,314	-	-	1,484	9,798
Transfer from Completed Works	(3,638)	-	-	-	3,638	-
Capitalisation of Expenditure Previously Expensed	26,740	-	8,530	-	-	35,270
Re-classification of assets	160,430	-	(160,430)	-	-	-
Transfers from Work in Progress	156,806	14,671	15,616	840	(187,933)	-
Carrying amount 30 June 2003	6,334,924	6,345,635	1,326,478	75,000	91,049	14,173,086

24. PROPERTY, PLANT AND EQUIPMENT

	2002 - 03 \$'000	2001 - 02 \$'000
Freehold Land (i)		
At Cost	3,039	3,087
	3,039	3,087
Buildings (ii)		
At Cost	38,295	38,267
Accumulated Depreciation	(14,834)	(13,949)
	23,461	24,318
Total Freehold Land and Buildings	26,500	27,405
Plant and Vehicles		
At Cost	3,251	3,028
Accumulated Depreciation	(2,182)	(2,101)
	1,069	927

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COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

24. PROPERTY, PLANT AND EQUIPMENT (Continued)

	2002 - 03 \$'000	2001 - 02 \$'000
Computer Hardware and Software		
At Cost	16,503	17,527
Accumulated Depreciation	(13,402)	(14,108)
	3,101	3,419
Equipment and Furniture		
At Cost	10,408	10,054
Accumulated Depreciation	(8,249)	(7,831)
	2,159	2,223
Total Plant, Vehicles, Computer Equipment and Furniture	6,329	6,569
Property, Plant and Equipment	32,829	33,974

In accordance with the disclosure requirements of AAS 36 (8.2), current valuations for Freehold Land and Buildings measured at cost above must be disclosed. The current valuations are as follows:

(i) Freehold Land

- at independent valuation 1 July 2001	\$24.855 million
- at Main Roads valuation 30 June 2003	\$ 1.250 million
Total current valuation for Freehold Land	<u>\$26.105 million</u>

(ii) Buildings

- at independent valuation 1 July 2001	\$17.282 million
- at Main Roads valuation 30 June 2003	\$ 3.186 million
Total current valuation for Buildings	<u>\$20.468 million</u>

(iii) Basis of valuation of Freehold Land and Buildings

Independent valuations were provided by the Valuer General's Office for land and buildings identified in the Government Property Register as being controlled by Main Roads Western Australia. These assets are valued at fair value. The fair value is estimated by direct reference to market evidence of the price at which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, having regard to the highest and best use of the asset. Where no market evidence is available, the cost of replacing the asset's future economic benefits is the fair value of the asset.

Land and buildings not valued in the Government Property Register have been valued by Main Roads based on market buying price, which has been determined using trends in land and building prices and the historical purchase cost.

24. PROPERTY, PLANT AND EQUIPMENT (Continued)

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current year are set out below.

	Freehold Land \$'000	Buildings \$'000	Plant & Vehicles \$'000	Computer Hardware/ Software \$'000	Furniture & Equipment \$'000	Total \$'000
Carrying amount 1 July 2002	3,087	24,318	927	3,419	2,223	33,974
Transfer (to)/from Property Held for Resale	(48)	(125)	-	-	-	(173)
Reclassified as expense	-	-	-	(1)	(94)	(95)
Additions	-	357	383	1,635	924	3,299
Disposals	-	(58)	(21)	(9)	(8)	(96)
Depreciation	-	(1,031)	(220)	(1,943)	(886)	(4,080)
Carrying amount 30 June 2003	3,039	23,461	1,069	3,101	2,159	32,829

25. LAND ACQUIRED FOR ROADWORKS

	2002 - 03 \$'000	2001 - 02 \$'000
Land acquired for roadworks At Cost	66,773	76,459
	66,773	76,459

Refer also to Note 1(g).

In accordance with the disclosure requirements of AAS 36 (8.2), current valuations for Land Acquired for Roadworks measured at cost above must be disclosed. The current valuations are as follows:

(i) Land Acquired for Roadworks	
- at independent valuation 1 July 2001	\$76.426 million
- at Main Roads valuation 30 June 2003	\$29.007 million
Total current valuation for Land Acquired for Roadworks	<u>\$105.433 million</u>

(ii) Basis of valuation of Land Acquired for Roadworks

Independent valuations were provided by the Valuer General's Office for land identified in the Government Property Register as being controlled by Main Roads Western Australia. These assets are valued at fair value. The fair value is estimated by direct reference to market evidence of the price at which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, having regard to the highest and best use of the asset. Where no market evidence is available, the cost of replacing the asset's future economic benefits is the fair value of the asset.

Land not valued in the Government Property Register has been valued by Main Roads based on market buying price, which has been determined using trends in land prices and the historical purchase cost.

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25. LAND ACQUIRED FOR ROADWORKS (Continued)

A reconciliation of the carrying amount of Land Acquired for Roadworks at the beginning and end of the current financial year is set out below.

	2002 - 03 \$'000	2001 - 02 \$'000
Carrying amount 1 July 2002	76,459	76,400
Transfer to/from Property Held for Resale	(951)	(1,486)
Adjustments prior year	204	363
Additions	863	1,464
Disposals (Sales)	(4)	-
Disposals - Transferred to Land Within Road Reserves	(9,798)	(768)
Grants (Refer Note 15)	-	486
Carrying amount 30 June 2003	66,773	76,459

26. PAYABLES

	2002 - 03 \$'000	2001 - 02 \$'000
Current		
Trade Creditors	25,931	35,988
Major Contracts and Services	47,439	45,966
Property Acquisitions	15,974	17,746
Contractors' Retentions	946	1,078
Funds in Advance	5,901	3,771
Other Creditors	4	34
Performance Bond / Surety	35	45
	96,230	104,628
Non-Current		
Major Contracts and Services	232	-
	232	-

Refer also Note 40 - Financial Instruments.

27. INTEREST-BEARING LIABILITIES

Loan borrowings and repayments under Section 9A and 32 (1)(b) of the Main Roads Act 1930.

	2002 - 03 \$'000	2001 - 02 \$'000
Current		
WA Treasury Corporation		
Amounts due for repayment within 12 months	36,380	6,730
	36,380	6,730
Non-Current		
Western Australian Treasury Corporation	182,563	218,942
	182,563	218,942

27. INTEREST-BEARING LIABILITIES (Continued)

	2002 - 03 \$'000	2001 - 02 \$'000
Total Borrowings		
Western Australian Treasury Corporation	218,943	225,672
	218,943	225,672

Main Roads has access to a \$30 million (2002: \$30 million) liquidity facility with the Western Australian Treasury Corporation. The funds are drawn as required and repaid when the cash flow permits. There was no balance outstanding against the facility at 30 June 2003 and 30 June 2002. Refer to Note 40 - Financial Instruments. Refer also to Note 1(s).

28. PROVISION FOR EMPLOYEE BENEFITS

The aggregate employee benefits liability recognised and included in the financial statements is as follows:

	2002 - 03 \$'000	2001 - 02 \$'000
Current Liabilities		
Annual Leave	7,780	7,767
Long Service Leave	6,716	6,163
Superannuation	12,958	11,683
Redundancies	-	355
Public Service Holidays	185	-
	27,639	25,968
Non-Current Liabilities		
Long Service Leave	2,771	3,217
Superannuation	53,043	55,862
	55,814	59,079
Total	83,453	85,047

Details of the movements in the provision are as follows:

	Annual Leave \$'000	Long Service Leave \$'000	Super- annuation \$'000	Redundancy \$'000	Public Service Holidays \$'000	Total \$'000
Provision						
30 June 2002	7,767	9,380	67,545	355	-	85,047
Accrued Benefits						
2002-03	4,166	1,249	3,174	-	185	8,774
Payments						
2002-03	(4,153)	(1,142)	(4,718)	(355)	-	(10,368)
Provision						
30 June 2003	7,780	9,487	66,001	-	185	83,453

The settlement of annual and long service leave liabilities gives rise to the payment of employee on-costs including employer superannuation contributions. The liability for such costs is included here. The associated expense is included under Superannuation Expense at Note 8.

The long service leave liability is measured at the present value of expected future payments and is based on salary and wage inflation of 3.0% and a discount rate of 4.8%.

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28. PROVISION FOR EMPLOYEE BENEFITS (Continued)

The superannuation liability has been established from data supplied by the Government Employees Superannuation Board. Refer also Note 1(p).

The provision for redundancy payments at 30 June 2002 was \$355,000. During 2002-03, \$355,431 was paid from the provision. The redundancy provision was reassessed at 30 June 2003 and no further provision is required to be carried into the following financial period.

Main Roads considers the carrying amount of employee benefits approximates the net fair value.

29. CONTRIBUTED EQUITY

	2002 - 03 \$'000	2001 - 02 \$'000
Opening Balance	240,046	-
Capital Contributions	150,222	240,046
Closing Balance	390,268	240,046

From 1 July 2001, capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited straight to equity in the Statement of Financial Position. Refer also Note 1(c).

30(a) ASSET REVALUATION RESERVE

	2002 - 03 \$'000	2001 - 02 \$'000
Earthworks		
Opening balance	563,588	-
Revaluation increment during the year	236,031	563,588
Closing balance	799,619	563,588
Drainage, Pavement and Seal		
Opening balance	329,963	-
Revaluation increment during the year	145,673	329,963
Closing balance	475,636	329,963
Bridges		
Opening balance	138,346	-
Revaluation increment during the year	80,268	138,346
Closing balance	218,614	138,346
Land within Road Reserves		
Opening balance	2,678,422	1,306,354
Revaluation increment during the year	530,581	1,372,068
Closing balance	3,209,003	2,678,422

30(a) ASSET REVALUATION RESERVE (Continued)

	2002 - 03 \$'000	2001 - 02 \$'000
Road Furniture		
Opening balance	9,356	7,673
Revaluation increment during the year	1,292	1,683
Closing balance	10,648	9,356
Total Closing Balance	4,713,520	3,719,675
Asset Revaluation Reserve Summary		
Opening balance	3,719,675	1,314,027
Revaluation increment during the year	993,845	2,405,648
Closing balance	4,713,520	3,719,675

Land transferred to the Land within Road Reserves Infrastructure Asset during the year was transferred at cost and revalued at 30 June. The increment was credited direct to the Asset Revaluation Reserve.

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(h).

30(b) ACCUMULATED SURPLUS

	2002 - 03 \$'000	2001 - 02 \$'000
Opening Balance 1 July	9,056,448	9,107,390
Change in Net Assets	73,332	(50,942)
Closing Balance 30 June	9,129,780	9,056,448

31. RECONCILIATION OF CASH

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in banks. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2002 - 03 \$'000	2001 - 02 \$'000
Cash Assets	45,340	56,958
Restricted Cash Assets	946	1,078
	46,286	58,036

32. MOVEMENTS IN PROVISIONS

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

	Doubtful Debts \$'000	Stock Obsolescence \$'000	Total \$'000
Opening Balance 1 July 2002	458	693	1,151
Write-back of provisions recognised	(68)	-	(68)
Payments/other sacrifices of economic benefits	(120)	(311)	(431)
Closing Balance 30 June 2003	270	382	652

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

33. RECONCILIATION OF NET COST OF SERVICES TO NET CASH FLOWS USED IN OPERATING ACTIVITIES:

	2002 - 03 \$'000	2001 - 02 \$'000
Net Cost of Services	(377,489)	(432,322)
Non Cash Items		
Depreciation Infrastructure Assets	174,782	155,709
Depreciation – Other Non-Current Assets	3,253	2,718
Revaluation Decrement of Property Held for Resale	1,859	313
Grants to Other Bodies	47	50
Resources Received free of Charge	501	724
Grants Received from Other Bodies	(83,430)	(486)
Decrease in Provision for Doubtful Debts	(188)	(10)
Decrease in Provision for Diminution in the Value of Inventories	(311)	(105)
Non-Current Assets Reclassified to Operating	(109)	(466)
Net (gain)/loss on Disposal of Non-Current Assets		
Land Acquired for Roadworks	(1,087)	(2,343)
In-Service Land and Buildings	(522)	(5,072)
Property Plant and Equipment	3	(32)
Infrastructure Assets Replaced/Retired	54,910	66,903
Capitalisation of Infrastructure Expenditure previously Expensed	(35,270)	-
	114,438	217,903
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	(1,056)	8,269
(Increase)/Decrease in Inventory	1,586	(1,603)
Increase/(Decrease) in Payables	(9,920)	(20,047)
Decrease in Employee Benefits	(1,593)	(1,238)
	(10,983)	(14,619)
 Net Cash Used in Operating Activities	 (274,034)	 (229,038)

34. OPERATING LEASE COMMITMENTS

(a) Payables

As at reporting date the amounts payable under non-cancellable operating leases are as follows:

	2002 - 03 \$'000	2001 - 02 \$'000
Not later than 1 year	1,883	1,994
Later than 1 year but not later than 5 years	811	1,575
	2,694	3,569

(b) Receivables

As at reporting date the amounts receivable under non-cancellable operating leases are as follows:

	2002 - 03 \$'000	2001 - 02 \$'000
Not later than 1 year	2,619	2,770
Later than 1 year but not later than 5 years	433	212
Later than 5 years	1	3
	3,053	2,985

35. EXPENDITURE COMMITMENTS

Expenditure commitments represent the unpaid value of signed major contracts. The majority are long-term contracts awarded to the private sector for periods up to 10 years for the purpose of providing asset management, maintenance and rehabilitation services on roads, bridges and traffic control infrastructure.

	2002 - 03 \$'000	2001 - 02 \$'000
Not later than 1 year	207,970	206,862
Later than 1 year but not later than 5 years	499,371	355,545
Later than 5 years	209,565	222,027
Commitments in respect of signed major contracts	916,906	784,434

36. CONTINGENT LIABILITIES

	2002 - 03 \$'000	2001 - 02 \$'000
Contractor Claims in Dispute	23,799	22,113
Resumption Claims in Dispute	59,181	50,264
Claims arising from construction of the Graham Farmer Freeway and Northbridge Tunnel	-	250
Bank Guarantee	-	230
	82,980	72,857

These amounts exclude claims or parts thereof that Main Roads expects to pay and which have been included as accruals in the Financial Statements.

Contract Claims in Dispute – claims have been submitted by contractors in relation to services provided under roadwork contracts. The contingent liability is the difference between the amount of the claim and the liability estimated by Main Roads based on legal advice.

Resumption Claims in Dispute – claims have been lodged by owners of property resumed 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.

37. CONTROLLED ENTITIES

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	Book value of Main Roads Investment		% of equity held		Contribution to Surplus	
			2003 \$	2002 \$	2003 %	2002 %	2003 \$'000	2002 \$'000
Tarolinta Pty Ltd	(a)	Western Australia	11	11	100	100	-	-
The Aberdeen Hotel Unit Trust	(b)	Western Australia	10	10	100	100	-	-

Financial Statements and Notes

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

37. CONTROLLED ENTITIES (Continued)

- (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 are held in Trust for the Commissioner of Main Roads. Tarolinta Pty Ltd did not trade during the year ended 30 June 2003 and as at that date had net assets of \$11.
- (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 is currently operating the business on a month-to-month lease basis until the property, which is now on the market, is sold.

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.

38. EVENTS OCCURRING AFTER REPORTING DATE

There were no events occurring after reporting date that have any financial effect on the results reported in these financial statements.

39. EXPLANATORY STATEMENT

Section 42 of the Financial Administration and Audit Act requires Statutory Authorities to prepare annual estimates. Treasurer's Instruction 945 requires an explanation of significant variations between:

- the estimates and the actual results; and
- the actual results and those of the preceding year.

(a) Variation Between Estimates and Actual Results for 2002 - 03:

	Estimates \$'000	Actuals \$'000	Variance \$'000
Expenses (including Capital and Operating Expenditure)			
Supplies and Services	466,099	381,815	(84,284)
Grants and Subsidies	74,960	79,559	4,599
Depreciation – Infrastructure Assets	123,300	174,782	51,482
Borrowing Costs	20,810	14,615	(6,195)
Superannuation Expense	11,200	8,063	(3,137)
Carrying Amount of Non-Current Assets			
Disposed of	2,600	768	(1,832)
Infrastructure Assets Retired / Replaced	-	54,910	54,910
Revenues			
Contributions to Roadworks	7,290	8,458	1,168
Proceeds from Disposal of Non-Current Assets	6,500	2,374	(4,126)
Grants from Other Bodies	8,300	83,430	75,130
Other Revenue from Ordinary Activities	2,800	39,067	36,267
Roadworks Expenditure Capitalised	292,000	172,928	(119,072)
Output Appropriations	456,064	448,320	(7,744)

39. EXPLANATORY STATEMENT (Continued)

The major components of these variances are:

Supplies and Services

The decrease is due to delays in delivering a number of construction projects including extensions to the Roe and Tonkin Highways, Karratha Tom Price (Stage 1) and the Geraldton Southern Transport Corridor. Also, improvements to the Great Northern Highway and Great Eastern Highway were not delivered on schedule.

Grants and Subsidies

The State Road Funds to Local Governments Advisory Committee has been actively monitoring the expenditure performance of Local Governments and as a result claims for re-imbursement of expenditure were higher than anticipated.

Depreciation – Infrastructure Assets

The estimate was completed prior to the 2001-02 Annual Report, at which time it was realised that the revaluation of road assets had increased the depreciation charge substantially.

Borrowing Costs

The anticipated borrowings of \$110 million were not drawn down in 2002-03 resulting in lower than anticipated borrowing costs.

Superannuation Expense

The decrease in the superannuation expense is attributed to a reduction in the number of members of the Pension Scheme, together with a reduction in the Pension Scheme liability based on an actuarial valuation supplied by the Government Employees Superannuation Board.

Carrying Amount of Non-Current Assets Disposed of

The carrying amount was less than predicted due to delays in bringing a number of properties to the market. Therefore, property sales were less than anticipated.

Infrastructure Assets Retired / Replaced

The retirement of infrastructure assets is not currently predictable and being non-cash expenditure, estimates are not prepared. The amount includes \$22.964 million for the Mt Magnet to Leinster Road which was classified as work in progress at 30 June 2002 on the basis the road would be classified as a main road. The relevant local government authorities have not agreed to the classification as expected and the expenditure has been expensed in 2002-03.

Contributions to Roadworks

Fewer works were carried out on behalf of third parties than anticipated.

Proceeds from Disposal of Non-Current Assets

Proceeds were lower than predicted due to delays in bringing a number of properties to the market.

Grants from Other Bodies

The majority of this revenue relates to the transfer, at fair value, of the Ripon Hills Road (\$83 million) from the Shire of East Pilbara to Main Roads Western Australia on 1 July 2002.

Other Revenue from Ordinary Activities

The increase is due to the capitalisation of \$35.3 million of road and bridge expenditure expensed in previous years. This adjustment was not anticipated when the estimates were prepared.

Roadworks Expenditure Capitalised

The decrease in capitalised expenditure is due to delays in completing a number of road construction projects and the treatment of the Mt Magnet to Leinster Road, which was included in the estimates as capital expenditure on the basis the road would be classified as a main road. The relevant local government authorities have not agreed to the classification as expected and the expenditure of \$25.8 million on the road during 2002-03 has been expensed.

Output Appropriations

TransformWA funds for bus facilities were transferred to the Department for Planning and Infrastructure, together with a net \$0.8 million to cover employee costs resulting from staff transferred as part of the Machinery of Government arrangements.

Financial Statements and Notes

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

39. EXPLANATORY STATEMENT (Continued)

(b) Variation Between Actual Results for 2002-03 and 2001-02:

	2002 - 03 \$'000	2001 - 02 \$'000	Variance \$'000
Operating Expenses			
Employee Expenses	38,186	26,311	(11,875)
Supplies and Services	222,317	189,658	(32,659)
Grants and Subsidies	79,559	91,829	12,270
Depreciation – Infrastructure Assets	174,782	155,709	(19,073)
Depreciation – Other Non-Current Assets	3,253	2,718	(535)
Superannuation Expense	8,063	9,402	1,339
Carrying Amount of Non-Current Assets Disposed of	768	3,704	2,936
Revaluation decrement of Property Held for Resale	1,859	313	(1,546)
Infrastructure Assets Retired / Replaced	54,910	66,903	11,993
Operating Revenue			
Commonwealth Grants	87,494	96,097	(8,603)
Natural Disaster Funds	-	6,571	(6,571)
Contributions to Roadworks	8,458	11,199	(2,741)
Proceeds from Disposal of Non-Current Assets	2,374	11,151	(8,777)
Grants from Other Bodies	83,430	486	82,944
Other Revenue from Ordinary Activities	39,067	4,122	34,945
Revenues from Government			
Output Appropriations	448,320	380,656	67,664
Asset Revaluation Increment (recognised direct in Equity)			
Asset Revaluation Increment (recognised direct in equity)	993,845	2,405,648	(1,411,803)

The major components of these variances are:

Employee Expenses

Whilst the total cost of salaries, wages and allowances is similar to last year, the amount applied to capital expenditure has decreased due to a reduction in expenditure on capital projects.

Supplies and Services

The variance is attributed to a reduction in the amount applied to capital projects as a result of the lower expenditure on capital projects and an increase in maintenance expenditure to accommodate increases in the rise and fall components of Term Network Contracts and the delivery of various State Black Spot projects.

Grants and Subsidies

In 2001-02 there was a considerable amount of expenditure on restoration of local roads as a result of flood damage.

Depreciation - Infrastructure Assets

The increase in depreciation can be attributed to the revaluation of infrastructure assets in 2001-02, a reduction in the useful life of major culverts and the transfer of the Ripon Hills Road (\$83 million) from the Shire of East Pilbara to Main Roads Western Australia on 1 July 2002.

39. EXPLANATORY STATEMENT (Continued)

Depreciation – Other Non-Current Assets

Whilst the total cost of depreciation on other Non-Current Assets is similar to last year, the amount applied to capital expenditure has decreased due to a reduction in expenditure on capital projects.

Superannuation Expense

The decrease can be attributed to a reduction in the number of members of the Pension Scheme, together with a reduction in the Pensions Scheme liability based on an actuarial valuation provided by the Government Employees Superannuation Board.

Carrying Amount of Non-Current Assets Disposed of

The reduction can be attributed to fewer land and building sales in 2002-03 due to delays in marketing of the properties.

Revaluation decrement of Property Held for Resale

The increase in 2002-03 can be attributed to the revaluation of the Aberdeen Hotel and adjoining properties to the lower of cost and net realisable value based on independent property valuations.

Infrastructure Assets Retired / Replaced

The decrease for 2002-03 is because there was a decrease in expenditure on the reconstruction of roads and the replacement of bridges.

Commonwealth Grants

In 2001-02, the Department of Transport and Regional Services provided increased Roads of National Importance funding for the Roe Highway extension project.

Natural Disaster Funds

During 2002-03 there were no recognised incidences of natural disasters affecting roads, and hence no amounts were recouped from the Fire and Emergency Services Authority under Natural Disaster Relief Arrangements for amounts expended on restoring state and local roads to pre-flood condition.

Contributions to Roadworks

The reduction relates to fewer large-scale works undertaken on behalf of third parties during 2002-03.

Proceeds from Disposal of Non-Current Assets

The decrease relates to a reduction in the number and value of land and buildings sold during 2002-03 due to delays in marketing the properties.

Grants from Other Bodies

The variance relates to the transfer at fair value of the Ripon Hills Road (\$83 million) from the Shire of East Pilbara to Main Roads Western Australia on 1 July 2002.

Other Revenue from Ordinary Activities

The increase is due to the capitalisation of \$35.3 million of road and bridge expenditure expensed in previous years.

Output Appropriations

The increase relates to additional recurrent non-cash appropriations provided for the future replacement of infrastructure assets.

Asset Revaluation Increment (recognised direct in Equity)

The 2002-03 asset revaluation increment represents an increase in the written down replacement cost of infrastructure assets over the 2002-03 financial year to reflect the fair value of the assets, whereas the 2001-02 asset revaluation increment is based on an increase in the written down replacement cost of infrastructure assets over a three year period (1 July 1999 to 30 June 2002) to reflect the fair value of the assets as at 30 June 2002.

Financial Statements and Notes

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

40. FINANCIAL INSTRUMENTS

(a) Hedging

Main Roads has not entered into any financial transactions for the purpose of hedging its exposure to commodity prices, foreign currencies or interest rates.

(b) Interest Rate Risk

Main Roads exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of market interest rates, and the effective average interest rates on financial assets and liabilities, is set out in the following table:

30 June 2003	Fixed Interest Rate Maturing in:					
	Floating interest rate	1 year or less	Over 1 to 5 years	More Than 5 years	Non-Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:						
Cash Assets	946	-	-	-	45,340	46,286
Receivables	-	-	-	-	11,348	11,348
	946	-	-	-	56,688	57,634
Financial Liabilities:						
Payables	-	-	-	-	96,462	96,462
Interest Bearing Liabilities	-	36,380	139,770	42,793	-	218,943
Employee Benefits	-	-	-	-	83,453	83,453
	-	36,380	139,770	42,793	179,915	398,858
Average interest rate	4.94%	5.48%	6.99 %	6.22%		
30 June 2002						
Financial Assets	1,078	-	-	-	66,623	67,701
Financial Liabilities	-	(6,730)	(143,570)	(75,372)	(189,675)	(415,347)
	1,078	(6,730)	(143,570)	(75,372)	(123,052)	(347,646)
Average interest rate	4.90%	5.51%	7.41%	6.31%		

(c) Credit Risk

The credit risk on financial assets recognised in the Statement of Financial Position is the carrying amount, net of provisions for doubtful debts.

Main Roads minimises its exposure to credit risk through a policy that requires either payment in advance or a suitable guarantee. The security arrangements do not apply to Local Government, Commonwealth Government agencies or State Government entities.

40. FINANCIAL INSTRUMENTS (continued)

(d) Fair Value

The carrying amounts and estimated fair values of financial instruments held at 30 June are as follows:

	2003		2002	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Financial Assets:				
Cash Assets	46,286	46,286	58,036	58,036
Receivables	11,348	11,348	9,665	9,665
Financial Liabilities				
Payables	96,462	96,462	104,628	104,628
Interest Bearing Liabilities	218,943	230,415	225,672	232,882
Employee Benefits	83,453	83,453	85,047	85,047

The following methods were used to estimate the fair value of each class of financial instrument:

Cash, Receivables and Payables The carrying amounts approximate fair value because of the short-term nature of these financial instruments.

Interest Bearing Liabilities The fair value of borrowings is the estimated net market value supplied by the Western Australian Treasury Corporation.

Employee Benefits Current risk adjusted market rates.

41. REMUNERATION OF ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

For the purposes of this disclosure Senior Officers have been defined as members of the Corporate Executive team.

	2002 - 03 \$'000	2001 - 02 \$'000
The total fees, salaries, superannuation and other benefits received or due and receivable for the financial year, by members of the Accountable Authority , from Main Roads or any related body.	150	210
The total fees, salaries, superannuation and other benefits received or due and receivable for the financial year, by Senior Officers other than members of the Accountable Authority, from Main Roads or any related body.	894	851

The number of members of the **Accountable Authority** whose total fees, salaries, superannuation and other benefits received or due and receivable for the financial year falls within the following bands:

	2002 - 03	2001 - 02
\$140,001 - \$150,000	1	#
\$210,001 - \$220,000	-	1

Main Roads had a full time Commissioner for only part of the reporting period. Mr Greg Martin, the previous Commissioner, transferred to the Department for Planning and Infrastructure in July 2002. Pending the appointment of his replacement (in December 2002), the position was tenanted by existing Main Roads' Senior Officers.

Financial Statements and Notes

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

41. REMUNERATION OF ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS (Continued)

The number of **Senior Officers** other than members of the Accountable Authority whose total fees, salaries, superannuation and other benefits received or due and receivable for the financial year falls within the following bands:

	2002 - 03	2001 - 02
\$120,001 - \$130,000	-	1
\$130,001 - \$140,000	2	3 *
\$140,001 - \$150,000	2	-
\$150,001 - \$160,000	-	1 *
\$160,001 - \$170,000	1	-
\$170,001 - \$180,000	1 *	1 *

* Includes cash payments for accrued leave entitlements in lieu of taking annual or long service leave.

42. AMOUNTS WRITTEN OFF AND LOSSES

(a) Amounts written off under the authority of the Accountable Authority in accordance with Section 45 of the Financial Administration and Audit Act 1985:

	2002 - 03 \$'000	2001 - 02 \$'000
Bad Debts - Damage to Roads, Bridges & Road Furniture	7	18
Bad Debts - Roadworks for Sundry Debtors	40	5
Bad Debts - Rents	9	8
Fixed Assets stocktake discrepancies	-	34
Stores and road construction/maintenance materials stocktake discrepancies	71	105
Thefts of Property and Equipment	-	1

(c) Amounts written off under the authority of the Minister in accordance with Section 45 of the Financial Administration and Audit Act 1985:

	2002 - 03 \$'000	2001 - 02 \$'000
Bad Debts - Roadworks and traffic signal modifications on behalf of a third party	64	-
	64	-

(d) Changes to the provision for doubtful debts have been made in the Financial Statements, which have not yet received write off approval:

	2002 - 03 \$'000	2001 - 02 \$'000
The increase/(decrease) in the Provision for Doubtful Debts including all known doubtful debts at 30 June.	(188)	(10)
	(188)	(10)

43. AUDITORS REMUNERATION

Amounts received or due and receivable by the Office of the Auditor General for Western Australia for:

	2002 - 03	2001 - 02
	\$'000	\$'000
Audit of the financial statements and performance indicators of Main Roads Western Australia and its controlled entities	108	105
	108	105

44. OUTPUT SCHEDULE OF EXPENSES AND REVENUES

The Department of Treasury and Finance has granted Main Roads Western Australia an exemption from the requirement of TI 1101 (2(viii)) to disclose revenues and expenses by outputs, for the 2002-2003 and 2003-2004 financial years.

Statement of Expenditure

Required Under Section 175ZE of the Electoral Act 1907

	2003 \$000
Advertising Agencies	
21CC Broadcast Productions, AA Media Services, Adcraft Promotional Pty Ltd, Boulos Consulting, Brown James & Associates, Carolyn Walker Public Relations, Corporate Theatre Productions, DTZ Australia (WA) Pty Ltd, Editorial & Publishing, Essential Projects, Hocking & Co Pty Ltd, Impact Communications, Marketforce Productions, Media Decisions WA, Media Monitors (WA) Pty Ltd, The Creative Express	837
Market Research	
Patterson Market Research	12
Direct Mail Organisations	
North Distributors	2
Media Advertising Organisations	
Albany Advertiser, Australian Business Directory, Avon Valley Advocate, Boab Babbler, Broome Advertiser, Bunbury Chamber of Commerce, Carnarvon Community News, Derby Tourist Bureau, Golden Post, Kalgoorlie-Boulder Chamber of Commerce, The Kimberley Echo, North West Radio Pty Ltd, North West Telegraph, Northern Guardian, Port Hedland Chamber of Commerce, Radio West Broadcasters Pty Ltd, Rural Press Regional Media, Sports Media Enterprises, The Weekend Examiner, West Australian Newspapers, West Coast Media Pty Ltd, Western Australian Local Government Association, The Wheel, The York Chronicle	37
Total Expenditure	888

Publications Available to the Public

*Average Weekday Traffic Flows Perth Metropolitan Area	POA	Guidelines for assessing level of service for cycling. Rev. Nov. 1998	Free
*#Annual Report (latest) Electronic only	Free	Guidelines for Local Area Traffic Management – 1990	Free
*Customer Service Charter Electronic only	Free	Materials Testing Manual (full set) *(Individual test methods are available on MRWA Internet home page)	\$88.00
Design of Flood Crossings – 1990	\$27.50	Metropolitan Functional Road Hierarchy – 1999	\$308.00
Distance Book. Ed 9. 2002	\$11.00	Regional Digest (latest) Electronic only	\$27.50
ENGINEERING ROAD NOTES:			
No. 1 Bitumen Absorption by Sealing Aggregate – 1975	Free	SLK Books (for all areas throughout state)	Free
No. 2 The Effect of Power Kerosene on Bitumen – 1975	Free	*Strategic Plan 2002 – 2005 Electronic only	POA
No. 3 Surface “Blistering” and Soil “Fluffing” – 1975.	Free	Suppliers Guide: electric wheelchairs and scooters. 2001	Free
No. 5 Interim Guide to Prediction of Pavement Moisture for Strength of Granular Base course and Sub-Base Materials 1989	Free	*Traffic Management for Roadworks-Code of Practice 2000	Free
No. 6 Guide to the Design of Bridge Approach Embankments Subject to inundation – 1984	Free	*Traffic Patterns – Rural Permanent Count Sites	POA
No. 7 Bitumen Scrap Rubber Seals – 1985	Free	*Utility providers code of practice for Western Australia 2000	Free
No. 9 Procedure for thickness Design of Flexible Pavements – 1988	Free	Vital Link: a history of Main Roads Western Australia 1926 - 1996, by Leigh Edmonds	POA
Flood Estimation Procedures for Western Australia (Technical Report No. 50T) – 1987	\$27.50	*Also available full text on Main Roads Internet home page http://www.mainroads.wa.gov.au	
* Guide to the Management of Roadside Advertising – 1998 Electronic only	Free	# Audio version available on Main Roads Internet home page.	
*A Guide to Roadside amenities and rest areas on highways in Western Australia	\$55.00	All prices quoted are GST inclusive MRWA standards are available on the MRWA Internet site.	

Glossary of Terms

Alignment	The location/placement of a road in relation to the surrounding environment.
Bitumen	A viscous liquid or a solid impure mixture, consisting essentially of hydrocarbons and their derivatives, which is used for road surfacing. It possesses waterproofing and adhesive qualities.
Bypass	An alternative route that enables through-traffic to avoid urban areas.
Carriageway	The portion of a road or bridge devoted particularly to the use of vehicles, inclusive of shoulders and auxiliary lanes.
Corporate Governance	The way we balance compliance against risk-taking as we direct, control and are held accountable for the business performance of Main Roads.
Culvert	One or more adjacent pipes or enclosed channels for conveying a stream below formation level and carrying water under a roadway.
Drainage	The removal of water by flow from the ground or from its surface.
Floodway	A longitudinal section of road designed at, or just above, ground level specially constructed to allow the passage of floodwater across it without damage.
Freeway	A divided highway for through-traffic with no access for traffic between interchanges and with grade separation at all intersections.
Highway	Highways provide connections between capital cities. They are also principal routes between a city and the major producing regions of the State. Highways also service major transport terminals or significant commercial and industrial centres.
Individual Performance Agreements	Support the on-going learning and development of our people and provide a framework for performance management.
Main Road	A principal road in the road system.
Maintenance	The work carried out on an existing road and appurtenances to maintain its efficiency or quality.
Median	A strip of road that separates carriageways for traffic in opposite directions.
Outcome	The effects, impacts, results on, or consequences for, the community or target clients of the goods and services (outputs) produced.
Output	Goods or services, including policy advice, produced for external users.
Overlay	The addition of one or more courses of pavement material to an existing road surface, generally to increase strength, and/or to improve ride quality.

Overtaking/Passing Lane	An auxiliary lane provided for slower vehicles to allow them to be overtaken.
Pavement	That portion of a carriageway placed above the levelled surface or earth or rock for the support of, and to form a running surface for, vehicular traffic.
Performance Indicator	A simple measure that allows objective comparisons to be made. An example is road maintenance costs per kilometre in a region. This can be compared to other regions and monitored over time.
Principal Shared Path	Paths, which are adjacent to freeways, major highways and rail corridors. These paths cater for pedestrians, including those in wheelchairs, and cyclists.
Realignment	A change in the geometric form of the original centre-line of a carriageway with respect to the vertical and horizontal axes.
Reconstruction	Rebuilding of a road. Reconstruction is normally undertaken when a pavement has reached the end of its economic life and where the alignment, or formation height, or width is substandard.
Risk Management	Procedures to ensure that all risks are considered, evaluated and pre-emptive action taken as necessary.
Seal	A thin surface layer of sprayed bitumen.
SLK	Straight line kilometre.
Stakeholders	Individual or group with a direct interest in Main Roads' outputs.
Strategy	This is how a broad objective will be approached. An example is Main Roads' Contracting Strategy. It specifies the mix of contract types that will deliver the best outcome for the community.
Sustainability	The long-term balance of social, environmental and economic factors into an organisation's activities and decision-making and investment processes.
Technical Services	Professional services, other than construction and maintenance works, required maintaining and improving the State Road Network.
Term Network Contracts	A contract to deliver a set of given services for a defined period. Examples include the ten-year Term Network Contracts to maintain sections of the road network and the three-year Term Consultancy Contracts to provide road and structures technical services.
Tri-tri b-double	Is a heavy combination vehicle comprising of a prime mover and two semi-trailers. The two semi-trailers each having a triaxle (triple axle) groups. Its configuration is usually shown as A1-2-3-3. It can be up to 27.5m long and in this configuration has a permitted maximum mass of 62.5 tonne.

How to Contact Us

Please Visit Our Website

www.mainroads.wa.gov.au

Main Roads Website contains a vast range of information, activities and road-related issues including up-to-date traffic and road-condition reports. Real-time traffic information can also be viewed through a number of cameras placed throughout various busy roads in the metropolitan area.



Enhancements:

- An Advance Search option has been added and more audible versions of documents such as the Annual Reports, Disability Plan 2001 and Customer Services Charter.
- The Trafficcam images have been greatly improved through the use of fibre optics, which allows for better definition and continuity of images.
- The Content Management Service is being upgraded that will improve the overall management of website content.

Feedback and Complaints

Please contact the relevant Main Roads Office. If you are still not satisfied with the service offered please contact Main Roads' Customer Advocate.
Tel: (08) 9323 4111
Email: dac@mainroads.wa.gov.au
Fax: (08) 9323 4430

Customer Enquiries

Call (08) 9323 4111
8am to 5pm weekdays

Media Enquiries

Manager Public Affairs
Tel: (08) 9323 4638
Mobile: 0419 907 230
Fax: (08) 9221 0044
Email: dean.roberts@mainroads.wa.gov.au

Emergencies/Traffic Faults

Please report all missing or damaged signs, traffic signal faults, street light problems, potholes or traffic accidents on freecall 1800 800 009 (24 hours)

Road Condition Report

Latest information on road and traffic conditions throughout the State is available on freecall 1800 013 314 (24 hours)

Traffic Issues

Traffic Operations Centre
Tel: (08) 9428 2222
Fax: (08) 9428 2220
TTY: (08) 9428 2230
Email: roadtraff@mainroads.wa.gov.au

Head Office

When calling on general business, our address is:

Don Aitken Centre
Waterloo Crescent
EAST PERTH WA 6004
Tel: (08) 9323 4111
Fax: (08) 9323 4430
TTY: (08) 9311 8430
Email: dac@mainroads.wa.gov.au

When writing, our postal address is:
PO Box 6202
EAST PERTH WA 6892

Heavy Vehicle Operations

For information on extra width or heavy load permits:
2 Adams Drive
WELSHPOOL WA 6106
Tel: (08) 9311 8450

Fax your application to:
Fax: (08) 9311 8455

Pay by Bankcard,
Master Card or Visa.

For emergencies after hours, contact the Heavy Vehicles Operations Manager on:
Tel: (08) 9311 8450

Pavements Engineering

JJG Punch Laboratory
50 Pilbara Street
WELSHPOOL WA 6106
Tel: (08) 9350 1444
Fax: (08) 9451 1400

Gascoyne Region

470 Robinson Street
PO Box 480
CARNARVON WA 6701
Tel: (08) 9941 0777
Fax: (08) 9941 0701

Goldfields-Esperance Region

Lower Hannan Street
PO Box 99
KALGOORLIE WA 6433
Tel: (08) 9080 1400

Fax: (08) 9080 1452

Great Southern Region

Chester Pass Road
PO Box 503
ALBANY WA 6331
Tel: (08) 9892 0555
Fax: (08) 9841 8213

Kimberley Region

Wodehouse Street
PMB 959
DERBY WA 6728
Tel: (08) 9158 4333
Fax: (08) 9158 4334

Kimberley Region

Messmate Way
PO Box 138
KUNUNURRA WA 6743
Tel: (08) 9168 1755
Fax: (08) 9168 1995

Metropolitan Region

2 Adams Drive
WELSHPOOL WA 6106
Tel: (08) 9311 8333
Fax: (08) 9311 8383

Mid West Region

Eastward Road
PO Box 165
GERALDTON WA 6531
Tel: (08) 9956 1200
Fax: (08) 9956 1240

Pilbara Region

Brand Street
PO Box 2256
SOUTH HEDLAND
WA 6722
Tel: (08) 9172 8877
Fax: (08) 9140 1076

South West Region

Robertson Drive
PO Box 5010
BUNBURY WA 6231
Tel: (08) 9725 5677
Fax: (08) 9725 4013

Wheatbelt North Region

Peel Terrace
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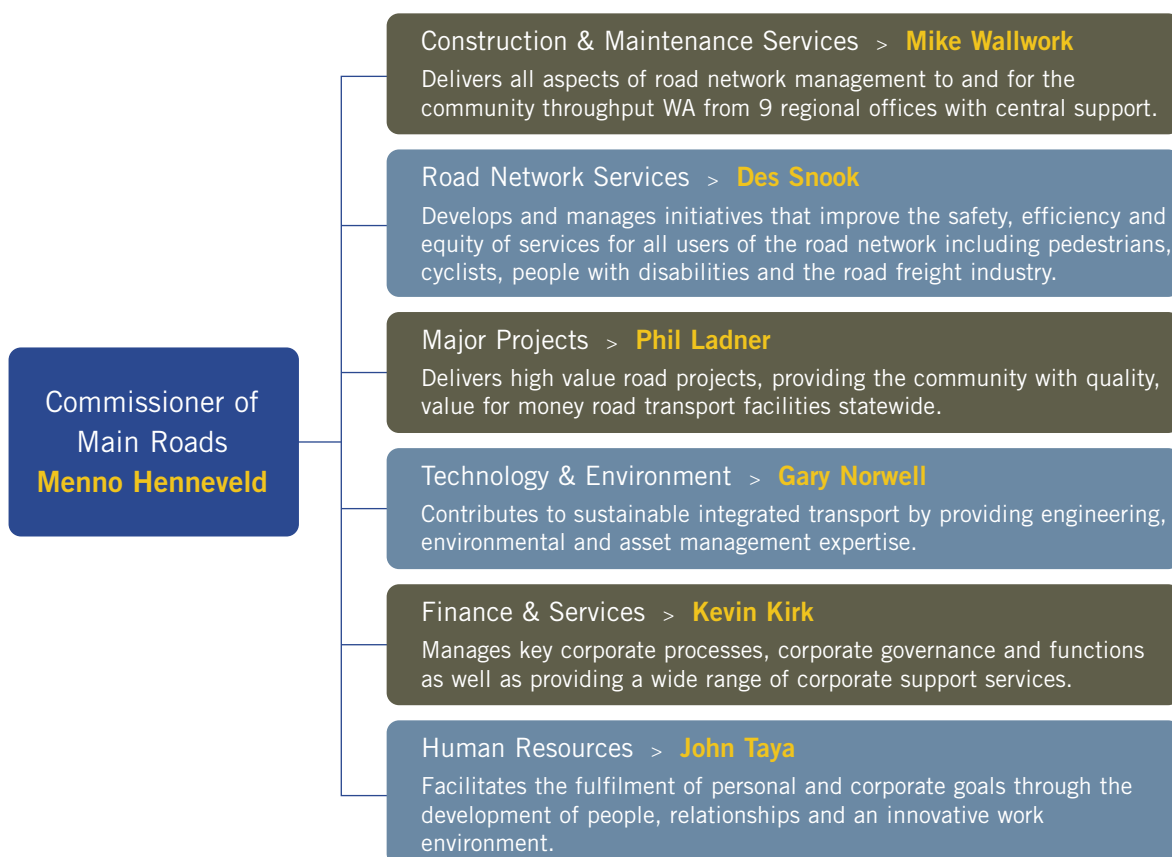
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Appendix 1: Management Structure

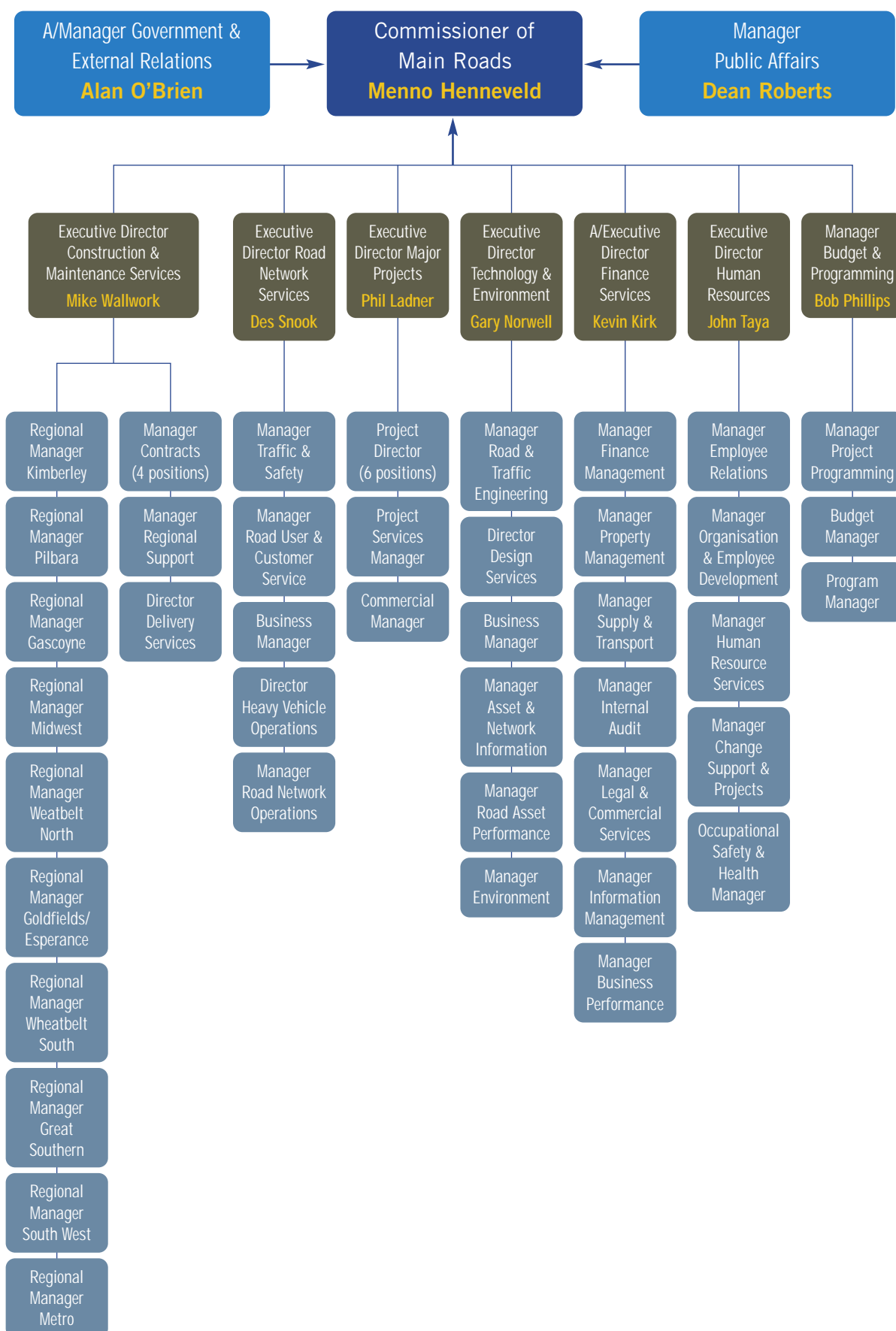
Corporate Executive As at 30 June 2003



L-R: Bob Phillips, Des Snook, Mike Wallwork, Alan O'Brien, Kevin Kirk, Menno Henneveld, John Taya, Phil Ladner and Gary Norwell.



Appendix 1: Management Organisational Chart As at June 2003



Appendix 2: Sustainability Performance Matrix

The table below lists the broad range of indicators used by Main Roads across the three key aspects of economic, environment and social, which constitutes sustainability.

Economic	Environment	Social
Road network permitted for use by heavy freight vehicles*	Community perceptions of environmental performance*	Provision of access to remote communities*
Community perceptions of provision of roads*	Austroads greenhouse gas emissions	Smooth travel exposure*
Austroads lane occupancy (3 indicators)	Austroads traffic noise exposure	Community perceptions of ride quality*
Austroads user-cost distance	Indicators developed, but yet to be published	Peak hour travel times*
Return on construction expenditure*	Vehicle fuel and efficiency	Austroads travel time (6 indicators)
Maintenance and minor modifications cost per lane kilometre*	Total demand for road transport	Austroads social cost of crashes
Improvement expenditure cost per 1,000 million Vehicle Kilometres Travelled (VKT)*	Total road freight demand	Austroads serious casualty crashes (VKT and Population)
Improvement cost per lane kilometre*	Indicators currently under development	Road fatalities and serious injuries (VKT and Population)
Cost per improvement*	Road run-off water quality	Road standards*
Bridge construction cost per square meter of bridge deck*	Roadside vegetation condition	Percentage of bridges meeting operational standards*
Road construction cost per lane kilometre*	WA traffic noise exposure	Community perceptions of road safety*
Achievement Index	Net loss/gain of roadside vegetation	Lane occupancy rates
Delivery of Projects on Time and Within Budget*	Conservation of natural resources and minimisation of waste	Austroads persons hospitalised
Achievement of Output Targets		Indicators currently under development
		Aboriginal cultural heritage
		Employee Opinion Poll
		Non-road interventions
		Breach of Standards Applications*
		Active Claims*
		Lost Time Injury Frequency Rate*

* Information on these indicators is available in this Annual Report.

** Internal survey results, not published externally. All other indicators are available from the suite of over 30 National performance Indicators at Austroads' website www.austroads.com.au.

Appendix 3: Major Road and Bridge Projects completed and in progress greater than \$10 million (As at 30 June 2003)

ROAD	PROJECT	DESCRIPTION	EXPECTED YEAR OF COMPLETION	ESTIMATED COST OF COMPLETE \$'000	TOTAL COST OF PROJECT		PRECEDING YEAR'S ESTIMATE \$'000	VARIANCE \$'000	EXPLANATION OF MAJOR VARIANCE
					ACTUAL \$'000	CURRENT ESTIMATE \$'000			
ALBANY HIGHWAY	BEDFORDALE HILL	CONSTRUCTION DUAL CARRIAGEWAY	2002-03		29 813		29 760	53	
BROOKTON HIGHWAY	CORRIGIN-HYDEN	WIDEN EXISTING SINGLE LAND SEAL	2006-07+	22 852		29 880	31 900	-2 020	
BROOKTON AND HIGHWAY	-	RECONSTRUCT AND WIDEN	2002-03		21 216		25 941	-4 725	PROPOSED WORKS RATIONALISED DIVIDED INTO TWO SEPARATE PROJECTS (KARRAGULLEN-EAST BROOKTON AND BROOKTON EAST)
BROOME CAPE LEVEQUE ROAD	-	VARIOUS IMPROVEMENTS	2006-07	5301		10 210	10 110	100	
BUS PRIORITY MEASURES	-	VARIOUS IMPROVEMENTS	2002-03		3 943		34 548	-30 605	THIS IS A PUBLIC TRANSPORT RELATED PROJECT WHICH THE DEPARTMENT FOR PLANNING AND INFRASTRUCTURE ARE NOW MANAGING.
BUSSELL HIGHWAY	BUSSELTON BYPASS	CONSTRUCT AND SEAL	2002-03		19 532		19 581	-49	
CARNARVON-MULLEWA ROAD	NORTH WEST COASTAL HIGHWAY-GASCOYNE JUNCTION	CONSTRUCT AND SEAL	2006-07+	16 634		24 069	22 694	1 375	
CERVANTES-GREENHEAD ROAD	LANCELIN-CERVANTES	DESIGN AND CONSTRUCT	2006-07+	40 201		42 207	31 507	10 700	COST ESTIMATE REFINED FOLLOWING COMPLETION OF CONCEPT DESIGN.
CITY ACCESS ROADS	-	CONSTRUCT AND SEAL	2002-03		16 942		16 932	10	
DERBY HIGHWAY	DERBY SPUR	WIDEN AND SEAL	2006-07	9 757		10 606		10 606	NEW PROJECT
EAST-WEST HEAVY HAULAGE ROUTE	STAGE 1	CONSTRUCT	2006-07	2 744		25 347	25 366	-19	
FREMANTLE-ROCKINGHAM HIGHWAY	ROCKINGHAM-WATTLEUP	CONSTRUCT BUS WAY LINKAGE	2002-03		4 570		38 931	-34 361	THIS IS A PUBLIC TRANSPORT RELATED PROJECT WHICH THE DEPARTMENT FOR PLANNING AND INFRASTRUCTURE ARE NOW MANAGING.
GERALDTON-MT MAGNET ROAD	GERALDTON SOUTHERN TRANSPORT CORRIDOR (STAGE1)	CONSTRUCT	2005-06	29 252		37 661	86 317	-48 656	COSTS APPLICABLE FOR WORKS ON THE RAILWAY HAVE BEEN EXCLUDED.
GIBB RIVER ROAD	DERBY-GIBB RIVER-WYNDHAM	IMPROVE FORMATION AND GRAVEL	2006-07+	17 233		24 802	26 802	-2 000	
GOLDFIELDS HIGHWAY	MT KEITH-WILUNA	DESIGN AND CONSTRUCT	2002-03		27 163		27 176	-13	
GRAHAM FARMER FREEWAY	MITCHELL FREEWAY TO GREAT EASTERN HIGHWAY	CONSTRUCT	2003-04	2 830		389 046	388 907	139	
GREAT CENTRAL ROAD	LAVERTON-DOCKER RIVER	IMPROVE FORMATION AND GRAVEL	2006-07+	20 476		25 121	25 126	-5	
GREAT EASTERN HIGHWAY	HINES HILL-MERREDIN	RECONSTRUCT	2006-07+	17 554		17 784		17 784	NEW PROJECT
GREAT EASTERN HIGHWAY	MERREDIN-WALGOOLAN	RECONSTRUCT	2006-07	15 812		15 876		15 876	NEW PROJECT
GREAT EASTERN HIGHWAY	NORTHAM BYPASS	DESIGN AND CONSTRUCT	2003-04	500		45 720	46 190	-470	
GREAT EASTERN HIGHWAY	ROE HIGHWAY-SCOTT STREET	WIDEN AND SEAL	2002-03		14 378		14 480	-102	
GREAT EASTERN HIGHWAY	SAWYERS VALLEY-THE LAKES	RECONSTRUCT AND DUPLICATE	2004-05	32 886		34 732	34 733	-1	
GREAT NORTHERN HIGHWAY	ORD RIVER BRIDGE	CONSTRUCT BRIDGE AND APPROACHES	2003-04	110		12 139	10 970	1 169	

Appendix 3: Major Road and Bridge Projects completed and in progress greater than \$10 million (As at 30 June 2003)

					TOTAL COST OF PROJECT				
ROAD	PROJECT	DESCRIPTION	EXPECTED YEAR OF COMPLETION	ESTIMATED COST OF COMPLETE \$'000	ACTUAL \$'000	CURRENT ESTIMATE \$'000	PRECEDING YEAR'S ESTIMATE \$'000	VARIANCE \$'000	EXPLANATION OF MAJOR VARIANCE
GREAT NORTHERN HIGHWAY	ROE HIGHWAY-MUCHEA	RECONSTRUCT AND WIDEN	2005-06	15 651		16 258		16 258	NEW PROJECT
GREAT NORTHERN HIGHWAY	UPPER PANTON, ROSES YARD AND FLETCHERS CREEKS	CONSTRUCT BRIDGES	2005-06	10 653		11 004	11 651	-647	
KARRATHA-TOM PRICE	STAGE 1	CONSTRUCT AND SEAL	2003-04	11 425		24 083	23 200	883	
KARRATHA-TOM PRICE	STAGE 2	CONSTRUCT AND SEAL	2006-07+	79 221		80 120	80 120	0	
MARBLE BAR ROAD	RIPON HILLS-SHAW RIVER	CONSTRUCT AND PRIMERSEAL	2006-07+	13 444	0	46 474	49 835	-3 361	
MITCHELL FREEWAY	HODGES DRIVE-BURNS BEACH	CONSTRUCT	2006-07+	81 902	0	82 000		82 000	NEW PROJECT
MITCHELL FREEWAY	LOFTUS STREET	CONSTRUCT BRIDGE	2003-04	30	0	21 770	21 770	0	
MOWEN ROAD	ROSA BROOK ROAD-NANNUP	CONSTRUCT AND SEAL	2006-07+	12 171	0	14 187	12 066	2 121	COST ESTIMATE NOW INCLUDES A PROVISION FOR RISE AND FALL ALLOWANCES.
MT MAGNET-AGNEW-YOANMI	-	DESIGN CONSTRUCT AND SEAL	2003-04	6 300	0	66 094	67 094	-1000	
MUIRS ROAD	NYAMUP-STRACHAN	RECONSTRUCT	2006-07+	19 500	0	20 882	13 182	7 700	PROJECT STRATEGY HAS BEEN REVIEWED. WILGARRUP REALIGNMENT HAS BEEN WITHDRAW.
NORTH WEST COASTAL HIGHWAY	ASHBURTON RIVER	CONSTRUCT BRIDGE	2003-04	9606	0	10 085		10 085	NEW PROJECT
NORTH WEST COASTAL HIGHWAY	GASCOYNE RIVER	CONSTRUCT BRIDGE	2003-04	146	0	9 324	10 277	-953	
PERTH ACCESS PLAN	-	VARIOUS IMPROVEMENTS	2003-04	216	0	18 057	24 449	-6 392	THIS IS A PUBLIC TRANSPORT RELATED PROJECT WHICH THE DEPARTMENT FOR PLANNING AND INFRASTRUCTURE ARE NOW MANAGING.
PERTH METROPOLITAN REGION BIKE PLAN	STAGE 1	VARIOUS SAFETY AND NETWORK IMPROVEMENTS	2003-04	57	0	15 425	15 403	22	
PERTH METROPOLITAN REGION BIKE PLAN	STAGE 2	VARIOUS SAFETY AND NETWORK IMPROVEMENTS	2006-07+	12 955	0	13 359	18 231	-4 872	THE EXTENT OF THE WORKS EACH YEAR IS DEPENDENT ON FUNDING FROM THE DEPARTMENT FOR PLANNING AND INFRASTRUCTURE.
PERTH-BUNBURY HIGHWAY	BUNBURY PORT ACCESS	CONSTRUCT AND SEAL INCLUDING BRIDGES	2006-07+	17 700	0	17 122	39 442	-22 320	PRECEDING YEAR'S ESTIMATE INCLUDED STAGE 2 WORKS.
PERTH-BUNBURY HIGHWAY	DAWESVILLE DEVIATION	CONSTRUCT DUAL CARRIAGEWAY	2002-03	0	15 014	0	14 894	120	
PERTH-BUNBURY HIGHWAY	PEEL DEVIATION	CONSTRUCT AND SEAL INCLUDING BRIDGES	2006-07+	70 700	0	70 966	70 392	574	
REID HIGHWAY	MARMION AVE-ERINDALE ROAD	CONSTRUCT	2002-03	0	18 693	0	18 658	35	
RIPON HILLS ROAD	-	CONSTRUCT AND SEAL	2002-03	0	65 469	0	64 179	1290	
ROE HIGHWAY	ALBANY HIGHWAY CROSSING	CONSTRUCT	2003-04	297	0	37 833	38 502	-669	
ROE HIGHWAY	NICHOLSON ROAD-SOUTH STREET	CONSTRUCT AND SEAL	2004-05	24 802	0	39 012	40 660	-1 648	
ROE HIGHWAY	SOUTH STREET-KWINANA FREEWAY	CONSTRUCT AND SEAL INCLUDING BRIDGES	2005-06	57 188	0	57 711	58 005	-294	
ROE HIGHWAY	WELSHPOOL ROAD-NICHOLSON ROAD	CONSTRUCT AND SEAL	2003-04	2 178	0	78 514	83 085	-4 571	
ROE HIGHWAY	WIMBLEDON-RUPERT CONNECTION	CONSTRUCT	2003-04	190	0	30 883	30 773	-110	
SOUTH WESTERN HIGHWAY	PINJARRA-WAROONA	RECONSTRUCT, WIDEN AND SEAL INCLUDING OVERTAKING LANES	2002-03	0	10 702	0	11 064	-362	

Appendix 3: Major Road and Bridge Projects completed and in progress greater than \$10 million (As at 30 June 2003)

ROAD	PROJECT	DESCRIPTION	EXPECTED YEAR OF COMPLETION	ESTIMATED COST OF COMPLETE \$'000	TOTAL COST OF PROJECT		PRECEDING YEAR'S ESTIMATE \$'000	VARIANCE \$'000	EXPLANATION OF MAJOR VARIANCE
					ACTUAL \$'000	CURRENT ESTIMATE \$'000			
TANAMI ROAD	-	IMPROVE FORMATION AND DRAINAGE	2006-07+	9 200	0	10 103	10 073	30	
TONKIN HIGHWAY	EXTENSION	DESIGN AND CONSTRUCT	2006-07+	177 419	0	201 781	201 477	304	
VARIOUS LOCAL ROADS	GRAIN LOGISTICS	VARIOUS IMPROVEMENTS	2006-07+	13 270	0	19 753	19 693	60	
VARIOUS LOCAL ROADS	RAIL CROSSINGS	VARIOUS IMPROVEMENTS	2006-07+	21 305	0	34 558	31 983	2 575	
VARIOUS URBAN HIGHWAYS	BROOKTON-ALBANY -SOUTH WESTERN	CONSTRUCT NEW LINK	-	0	5	0	138 005	-138 000	PROJECT DEFERRED BEYOND THE PERIOD OF THE FORWARD ESTIMATES.

Appendix 4: Contracts Awarded Exceeding \$1 million

Contract Number	Contract Description	Contractor	Award Value
0508/01	Construction of the Ord River Bridge and Associated Roadworks.	JJ.McDonald & Sons Engineering Pty Ltd	9 512 153
0112/01	Design and Construct Roe Highway - Nicholson Road to South Street (Stage 6)	Transfield/MacMahon Joint Venture	28 624 987
0600/01	Sealing Works and Installation of Longitudinal Line Road Marking on Perth Bunbury, South Western and Bussell Highway.	Pioneer Road Services Pty Ltd	1 382 119
0498/01	Construction of the Karratha-Tom Price Road, Stage 1, Nanutarra-Munjina Section	Highway Construction Pty Ltd	18 740 223
0528/01	Construction of 2 Passing Lanes and an Intersection Right Turn Treatment, Albany Highway-Mount Barker.	Ertech Pty Ltd	1 245 707
0415/01	Reconstruction and Realignment of Great Eastern Highway, Tammin-Kellerberrin (Stages 1 and 2), 182.89 to 198.40 SLK.	Ertech Pty Ltd	6 564 994
0050/02	Road Reconstruction and Realignment on Eyre Highway 377.9 - 381.6 SLK and 401 - 415.6 SLK.	Highway Construction Pty Ltd	6 466 421
0248/02	Installation of Traffic Signals and Road Widening, Perth-Bunbury Highway at Rockingham and Russell Roads.	Pavement Technology Ltd	1 424 575
0088/02	Road Realignment and Drainage Upgrade - Coolgardie Esperance Highway 48.3 SLK to 50.02 SLK Goldfields Highway 6.00 SLK to 9.6 SLK.	Macmahon Contractors Pty Ltd	1 699 204
0111/01	Design and Construct Tonkin Highway - Mills Road West to Thomas Road.	John Holland Macmahon Joint Venture	105 747 088



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