



MAIN ROADS WESTERN AUSTRALIA 2005 ANNUAL REPORT



STATEMENT OF COMPLIANCE



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

In accordance with Section 66 of the Financial Administration and Audit Act 1985, I submit for your information and presentation to Parliament the Annual Report of the Commissioner of Main Roads for the year ended 30 June 2005.

This Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

A handwritten signature in black ink, which appears to read 'M. Henneveld'.

Menno Henneveld
COMMISSIONER OF MAIN ROADS

30 August 2005





PROFILE OF MAIN ROADS

Main Roads Western Australia is a major statutory authority responsible for the State's highways and main roads which have a replacement value of \$19.3 billion. It is one of eighteen agencies in the Planning and Infrastructure Portfolio created by the State Government to integrate land-use and transport-planning. It is one of the largest geographically spread road agencies in the world, covering 2.5 million square kilometres, with a matching diversity in climate and road-user needs.

VISION

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

PURPOSE

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

VALUES

ROADS MATTER

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

EMBRACING CHALLENGE

Anticipating and taking up challenges

EXTRAORDINARY CUSTOMER SERVICE

Going to extraordinary lengths to understand and provide what is important to our customers

WORKING TOGETHER

Striving to enhance relationships and achieve excellence

PROFESSIONALISM

Providing high levels of expertise and experience in delivering services

FAMILY

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



ABOUT THIS REPORT

This annual report communicates to Parliament, stakeholders, the community and employees our corporate intentions and activities that have progressed the Main Roads 2K7 Strategic Plan, Government goals and ongoing business during 2004-05.

It demonstrates that Main Roads' systems and processes ensure that it conducts its business with honesty, transparency and accountability by reporting on compliance with various legislative and Government policies. This includes presenting financial statements and performance indicators for the year ending 30 June 2005, with comparisons made to previous years.

The structure of this report is based on Main Roads' contribution to Government outcomes and reports on operations according to Main Roads' program management areas. These six program management areas being:

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

These program management areas are the way in which Main Roads delivers its road programs. The outcomes from these programs are directly aligned to Main Roads' and Government's strategic outcomes. Further information describing Program Management is at page 19.

In order to reduce costs and minimise impacts on the environment, copies of the Annual Report are available at www.mainroads.wa.gov.au. The website also includes an audio version of the report.



THE COMMISSIONER'S STATEMENT

For Main Roads, 2004-05 was a year of development and consolidation in aligning with the new directions and priorities established in the Main Roads Strategic Plan 2003-2007.

Significant progress was made with strategic initiatives outlined in the Corporate Business Plan 2004-05. Additionally, Main Roads made a number of significant improvements to the way in which its business is managed, ensuring more effective delivery of government and community desired outcomes.

The introduction of Program Management ensured the organisation provided greater emphasis on program outcomes, with a particular emphasis on community outcomes.

Main Roads achieved a record expenditure of \$946M on programs and services. This expenditure related to achievement of the following Government outcomes:

- \$234M for improving the efficiency of the road network;
- \$43M on improved road safety;
- \$226M to maintain the integrity of the State's \$19.3B road network;
- \$225M for roads supporting economic and regional development; and
- \$218M for road network depreciation and other financial costs.

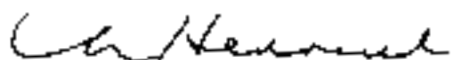
Expenditure on the State Black Spot program returned on average \$4.90 for every dollar invested and expenditure on infrastructure for State development returned on average \$2.95 for every dollar invested. In total the investment of \$946M and the efforts of 925 employees and numerous contractors has meant that the condition of the road network has improved; overall network efficiency maintained and road safety enhanced.

The new Customer Service Strategy entitled "Excellence Inroads" was developed and implemented, generating a number of customer service initiatives. A new Customer Contact Centre was established during the year, providing greatly improved customer access. The introduction of a 24 hour, seven day service during the next year on 138 138 will further enhance customer service for all Main Roads callers.

Main Roads has continued to develop and adopt innovative project delivery methodologies to establish the organisation as a leader in providing infrastructure that will ensure world class road access. The adoption of relationship contracting has been accepted at all levels. The Roe Highway Stage 7 alliance contract has already delivered considerable benefits in terms of enhanced relationships, community involvement, reduced conflict, containment of costs, timeliness of environmental approvals and innovations across a range of socio-environmental considerations.

Considerable progress was also made in developing and implementing strategies to address key challenges in the areas of Network Operations, Occupational Safety and Health, Asset Management, Building and Expanding Capability and Innovation, details of which are included throughout this report.

I am pleased with the outcome of 2004-05 and look forward to continuing further improvements in the future. I commend the attached report which sets out in some detail the environmental, social, safety and economic achievements of Main Roads during the past year.



Menno Henneveld

Commissioner Main Roads

30 August 2005





CHALLENGES

Community expectations are changing rapidly. Consumers have growing access to information about goods and services from around the world and the economy is becoming even more global. For the economy to thrive land transport must be effectively provided for and ongoing investment in our roads is an integral part of the production and distribution chain and is more important than ever.

Road authorities throughout the world are facing a number of similar challenges in providing and maintaining roads in the context of changing social, environmental and economic factors. Some of these challenges as they relate to Western Australia include:

- Rising community expectations that roads will enhance the quality of life and well being of Western Australians including their safety and efficiency
- Changing funding relationships between the public and private sectors impacting on availability of funds to Government for large infrastructure projects
- Changes in both State and Commonwealth funding regimes, where road investment decisions are being

THE FUTURE

ranked against other Government funding priorities including health, education and social order and the need to revitalise other transport modes across Australia

- It is becoming increasingly difficult to deliver successful outcomes with traditional forms of contract. This has been exacerbated by recent shortages in skilled labour and materials in the construction market, necessitating the introduction of more innovative contracting arrangements
- Adoption of new and emerging technologies
- Addressing the maintenance needs of an ageing and expanding road network
- Increasing expectations that the environmental value of road reserves will be protected, that environmental impacts associated with road works are minimised and that the road network be managed in a sustainable manner
- Growth in the road freight task, which is expected to increase at a faster rate than the State's economy
- Demographic trends such as an ageing population and changing population growth patterns
- The need to maintain capability due to the implications of an ageing workforce

STRATEGIC PLANNING

Main Roads has an integrated planning process, which aligns with the State Strategic Planning Framework and links to annual operational planning and reporting. The planning process has identified at the highest level six areas of strategic focus (community, relationships, capability, network operations, asset management and project delivery), that are outlined below.

To complement these strategic initiatives Main Roads produces an annual Corporate Business Plan. The 2004-05 Corporate Business Plan identified the corporate intentions for Main Roads to achieve both the strategic objectives identified in the Strategic Plan, its supporting strategies, and to effectively and efficiently deliver the annual programs, services and activities.

In addition to these areas of strategic focus, Main Roads is moving towards implementing values-based leadership and decision-making. It is a long term plan that requires different types of action at different levels and an innovative thinking style will be critical to success.

Values implementation work will require each individual in Main Roads to fully translate its corporate values and use them to guide and align the

service delivered to Main Roads customers, stakeholders, the community and in how we interact with each other.

This will require development of a strategy to enhance innovation and the integration of the values into every aspect of the business through the corporate strategies and areas of strategic focus.

COMMUNITY AND RELATIONSHIPS

Main Roads' Customer Service Strategy, Excellence Inroads, was launched in August 2004. The Strategy details how Main Roads is going to advance customer focus over the next four years. Excellence Inroads is the vehicle for Main Roads to action the strategic focus areas of Community and Relationships that have been identified in the 2K7 Strategic Plan. The Excellence Inroads Strategy signifies the organisation's renewed focus on pursuing customer service excellence and sets out a number of key projects aimed at building relationships with customers by understanding their needs and continually striving to exceed their expectations.

One of the high priority projects was delivered on 2 May 2005 when Main Roads' new Customer Contact Centre commenced operation. The Customer Contact Centre has already greatly improved access and service for customers and will be expanded to a 24 hour day, seven days a week service in July 2005. Delivering the other projects identified in the Excellence Inroads Strategy, such as customer service awareness workshops for all employees, activating the new 138 138 general enquiries telephone number and establishing a Customer Consultative Committee, will ensure that Main Roads' commitment to customer service is reflected in all of the organisation's activities.

BUILDING AND EXPANDING CAPABILITY

Main Roads' Building and Expanding Capability Strategy reflects the development and strategic positioning of the organisation through the ability to attract, retain and develop employees. It aims at ensuring Main Roads has the right people with the right knowledge, skills and abilities, who are competent and committed to deliver required services. Building capability is a area of key focus as Main Roads takes advantage of the opportunities that flow from evolving operational and business requirements, industry changes and the implications of an ageing workforce.

In addressing these challenges and helping to build and expand Main Roads capability, the following areas of strategic focus have been identified; Internal Alliances, A Learning Organisation, Employer of Choice, Business Delivery Model, Skills Development, and Sustainability of Regional Framework.

Significant work is taking place in order to achieve success in each area of focus. The achievement of Main Roads objectives in each of these six areas within the Building and Expanding Our Capability Strategy will ensure the organisation has the necessary skills, expertise and development capability to deliver world class road access to the people of Western Australia.

ASSET MANAGEMENT

The objective is to increase emphasis on minimising the cost of building and managing the road network. The impending release of the Asset Management Strategy will focus on the achievement of five areas of focus being Leadership, Capability and Skills, Whole of Life Cycle Costs, Improving Processes and Program Management. Significant inroads have been made through the implementation of Capital Investment Planning, the adoption of Program Management and outcome based reporting as highlighted throughout this report. Achievement of the key areas of focus from the Strategy will strengthen and improve Main Roads ability in this important area.

SUSTAINING NETWORK OPERATIONS

Main Roads is currently developing a Network Operations Strategy in consultation with stakeholders and customers. This Strategy will provide a framework for Main Roads to address challenges in relation to rising community expectations, freight task growth, congestion on urban roads and technology developments such as Intelligent Transport Systems (ITS). This strategy will support the achievement of our 2K7 strategic objective of maximising the safety and efficiency of the existing road network. The Strategy will also guide Main Roads through the shift to its emerging role as a "Network Operator", focussed on optimising operation of the road network to provide enhanced services to its customers and the community.

Research has commenced and a series of consultative workshops are proposed with the Strategy expected to be developed by December 2005. The Strategy will provide a framework for ongoing improvements in processes, the application of new technology such as ITS and the delivery of services in the areas of traffic management, network monitoring, real time network operations, incident management, heavy vehicle operations, road safety improvements and provision of traveller and public information.

The Strategy will also facilitate a proactive and coordinated approach to investment in and management of road network operations.

PROJECT DELIVERY

Main Roads is currently preparing a strategy to improve its project delivery. This Strategy will aim to increase community involvement in projects, a desire for building relationships into contracts and a need to improve internal capability and external market capability. The development of this Strategy will support the achievement and delivery of the State road program, ensuring it is delivered on time and within budget. It will also enable Main Roads to evaluate, develop and adopt innovative project delivery methodologies in our effort to become leaders in providing world class road access.

Relationship contracting was introduced in 2003, as it had become increasingly difficult to deliver successful outcomes using the traditional forms of contract. Projects had become more complex due to community involvement, native title, environmental and traffic management issues. These issues made it difficult to produce the required outcomes under the traditional forms of contract, which tend to be inflexible and can lead to adversarial behaviours between Main Roads and contractors.

Relationship contracting is a broad notion, embracing everything from informal partnering arrangements, which can be superimposed over traditional contract structures, to alliances. Main Roads is currently successfully delivering the Roe Highway Stage 7 project as an alliance, and will also deliver the Karratha Tom Price Stage 2 and Perth Bunbury Highway projects as alliances. Less complex projects will continue to be delivered by traditional forms of contract, including design and construct and by contracts with relationship elements. For example maintenance works on the Great Eastern Highway as an alliance.

Alliance contracting is best suited to the state of the current construction market where skilled labour and material shortages are driving up the costs of, and delaying, infrastructure projects. Costs of any project overruns are shared between the project owner and the other alliance participants. Any risks that emerge are managed in a collaborative way and given to the party best able to control them. In addition the no blame no disputes principle encourages innovation and risk taking in pursuit of cost savings and enhanced project performance.

INNOVATION

Innovation has been defined as the implementation of new ideas in the form of new or improved products and services. Main Roads has traditionally focussed on technical innovations. With its change in role from road constructor to road manager, Main Roads' focus has broadened to include innovation in the way business is managed and services provided to customers.

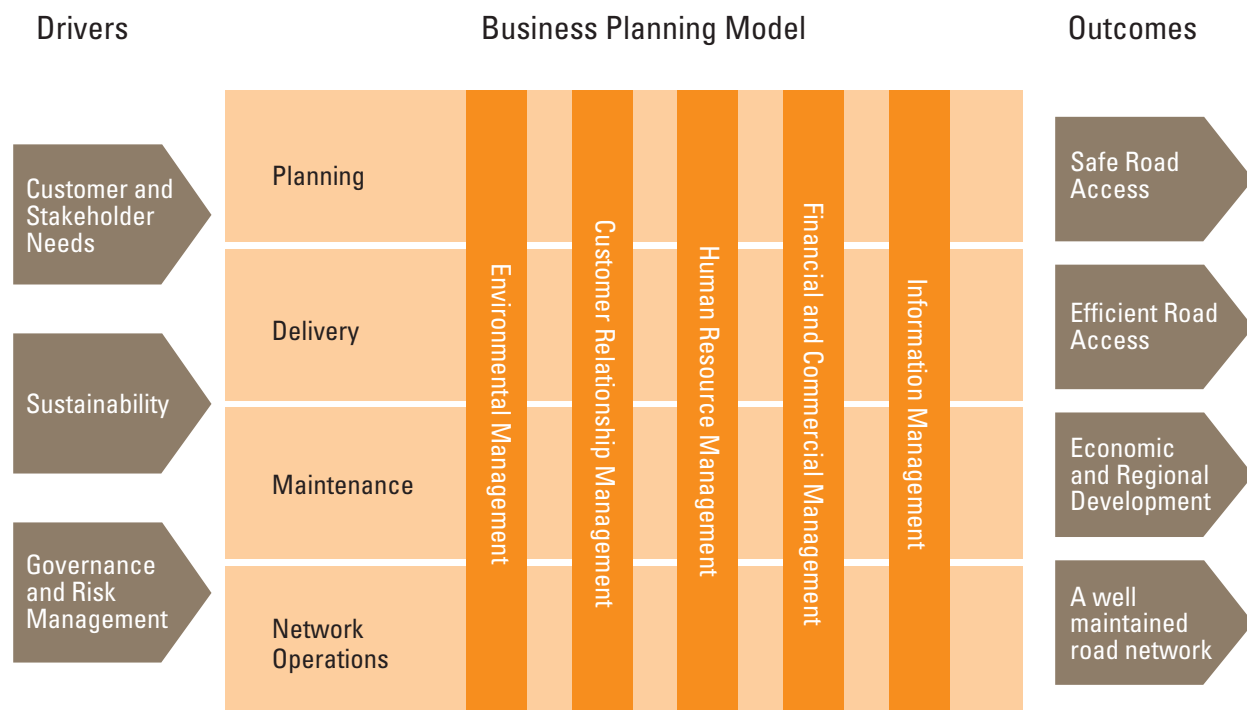
To successfully implement change Main Roads will further enhance innovation by developing and implementing an Innovation Strategy. This Strategy will establish a formal process to foster creativity and innovation. This will be achieved by improving awareness of what innovation is and by engaging

employees through a process of skills development that will allow leaders and teams to unleash their full creative potential and champion innovation.

The key to success will be to develop a culture that encourages employees to challenge the existing norms and to think creatively, which actively supports the implementation of action to support new ideas.

BUSINESS PLANNING

Main Roads' Business Planning Model consists of nine activities. The first four are fundamental asset-management activities associated with the State road network. The remaining five major activities act as support for these fundamental activities. The following represents this model diagrammatically.





Sustainability

The Western Australian State Sustainability Strategy aims to develop and deliver transport initiatives for the benefit of current and future generations. The strategy recognises the need for integrating transport and land use planning, to ensure sustainability is a principal objective in urban and regional transport development.

Main Roads plays a central role in the delivery of sustainable outcomes for transport development with key responsibilities in managing the State's vast primary road network, provision of services to support diversification of transport options and facilitation of community engagement in transport planning.

The challenge of meeting Main Roads objectives for a sustainable future will be achieved through initiatives that include integrated road network planning, environmental management, community engagement and consideration of environmental, social and economic factors in the supply of services and materials. Main Roads future operating environment presents a range of demands to balance economic factors in transport delivery with the community expectation for quality of life and environmental protection.

SUSTAINABILITY

Main Roads specific response to the State Sustainability Strategy and general approach to management of environmental, social (through community involvement) and economic factors is outlined below.

SUSTAINABILITY ACTION PLAN

In response to the State Sustainability Strategy, during 2004-05 Main Roads developed a Sustainability Action Plan that establishes the base from which current initiatives can be built and the capacity to meet the ongoing challenge of sustainability. The Sustainability Action Plan has been provided to the Sustainability Policy Unit of the Department of the Premier and Cabinet and requires Main Roads to report on issues, initiatives and progress. The deployment of the Plan throughout Main Roads is being achieved through the 2005 Corporate Business Plan. An update on progress in implementing the Plan will be included in the 2005-06 Main Roads Annual Report.

ENVIRONMENT

ENVIRONMENTAL MANAGEMENT SYSTEMS

Main Roads has continued development of its Environmental Management System in an effort to meet the AS/NZS ISO 14001:1996 international standard. To enable implementation, the Environment Management System is being integrated into Main Roads' existing core business, processes and systems.

During 2004-05, development of the required documentation and systems has continued, resulting in Main Roads receiving certification to the ISO 14001 standard in June 2005.

New Environmental Guidelines were produced on Air Quality, Wetlands Impact Mitigation and Vegetation Control. The existing Environmental Guideline on Environmental Assessment and Approval was updated.

BIODIVERSITY

Main Roads recognises the biodiversity values often contained in road reserves and has a policy aimed to "protect and enhance the environmental values of road reserves". Main Roads has maintained its existing target of no net loss in the area of native vegetation or wetlands within road reserves. It is recognised that this target may not be achieved on an annual basis due to the different timing for clearing and revegetation works. However, specific management initiatives have commenced aimed at ensuring that this target is achieved over the longer term. A draft Regional Revegetation Plan has been prepared for the



Wheatbelt South region and these plans are intended to be progressively introduced in other regions.

Other important developments during 2004-05 included:

- Conservation of a number of rare orchids affected by the Roe Highway Stage 7 project by translocation and road design changes
- Completion of the roadside vegetation condition assessment for the agricultural regions. This method utilises photographic imagery to obtain a rapid assessment of the condition of roadside vegetation
- Update of our systems to accommodate new legislation introduced under the Environmental Protection Act (1986) to limit clearing of native vegetation
- Progress on developing an agreed approach to the management of roadside trees and vegetation that may pose a safety risk
- Inclusion of the locations of Threatened Ecological Communities on the IRIS (Integrated Road Information System) database.

NOISE

Road traffic noise is an important consideration in the planning and construction of new road developments and major road upgrades. Where target noise criteria might be exceeded, noise reduction measures, such as noise barriers, are adopted. During 2004-05, two kilometres of noise walls were installed along the Geraldton Southern Transport Corridor.

Progress has been made towards the completion of a Traffic Noise Abatement Plan. The Plan will be released for public comment in 2005-06, along with other draft State Planning Policies on transport noise to be released by the Western Australian Planning Commission. Also in 2005-06, Main Roads will commence a program of assessing the existing road network to identify areas exceeding noise criteria.

ABORIGINAL HERITAGE

In 2004-05, Main Roads continued to consider and manage Aboriginal heritage issues in accordance with current procedures when undertaking construction projects. Main Roads maintain guidelines to assist Project Managers to meet the requirements of the Aboriginal Heritage Act (1972) and to be proactive in addressing Aboriginal heritage issues. Progress was made on improvements to the guidelines in two areas:

- The Aboriginal heritage requirements when conducting bridge maintenance
- The requirements for Aboriginal observers during Main Roads activities

RESOURCES FOR ROAD CONSTRUCTION

Use of imported road construction materials varies with the location and requirements of particular road projects. In 2004-05, Main Roads continued collating information about materials used in road construction with a view to better understanding the environmental implications of materials extraction and use. Sand and gravel were again the materials required in the greatest volumes. Due to its limited availability and location in areas of more intensive land uses, gravel remains the resource for which the greatest planning is required.

Main Roads also completed some preliminary studies into the potential for recycling of materials and ways of improving efficiency in gaining access to and using gravel. Further investigations will be conducted during 2005-06.

WASTE PAPER RECYCLING

Main Roads has in place a paper recycling program for its metropolitan offices. The collection of paper is through a whole of government contract for the collection, removal and purchase of waste paper for the purpose of recycling.

Main Roads has recycled 615 tones for the 2004-05 financial year, averaging 3 555 kilo's per month.

ENERGY MANAGEMENT

In accordance with the Energy Smart Government policy Main Roads is committed to achieve a 12% reduction in non-transport related energy use by 2006-07.

The target for 2004-05 was an 8% reduction power consumption on the 2001-02 baseline figure.

To meet the target Main Roads has reviewed and introduced new strategies and initiatives together with a capital works program. The impact of these strategies and initiatives has resulted in a significant reduction in the overall energy consumption. Total energy consumption for Main Roads' for the 2004-05 financial year will be approximately 3% below the



Government's Energy Smart target of 8%. This equates to a total estimated reduction of approximately 11% from the 2001-02 base line figure.

Some of the initiatives to achieve this have been:

- The use of energy champions to promote effective energy management
- Undertaking energy audits to identify opportunities to improve energy consumption
- Conducting employee awareness programs

Energy Smart Government Program	Baseline Data 2001-02	2004-05 Actuals	Reduction
Energy Consumption	17 419 986 MJ	14 782 000 MJ est	15.14%
Energy Cost	\$797 596	\$594 807	25.42%
Greenhouse Gas Emissions	4387 tonnes of CO ₂	3695.5 tonnes of CO ₂	15.76%

WATER QUALITY

Main Roads continued its program of addressing water quality 'hot spots' where there is potential for pollution to enter wetlands and waterways in stormwater run-off from the urban road network. Nine high priority locations have been identified and works are being designed for each of these sites. The top priority site, Stirling Bridge, in East Fremantle, will be treated in 2005-06. The site will be fitted with a hazard spill containment device to reduce the potential risk of environmental harm to the Swan River from runoff and hazardous spills.

Following a review of available information, the criteria for identifying high risk rural roads have also been determined. These criteria are roads where the traffic volumes are greater than 5,000 vehicles per day, and there is kerbed or piped discharge. Main Roads will be examining all such rural sites and identifying those requiring treatment during 2005-06.

STAKEHOLDER RELATIONS

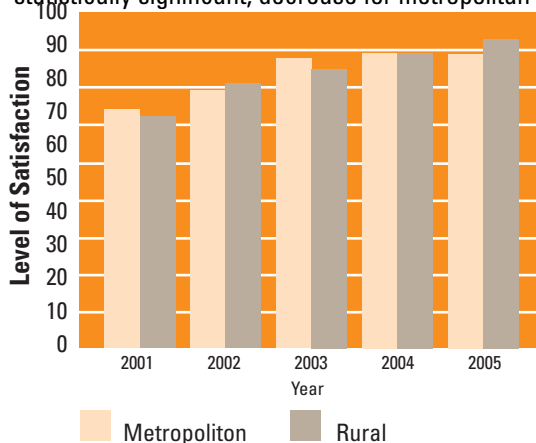
Main Roads continued its long relationship with the Roadside Conservation Committee through active participation and sponsorship.

Two meetings of the Environmental Advisory Group were held. This group was established in 2003 to provide a forum for external stakeholder discussion and input to Main Roads environmental management strategies at the policy level. The group comprises government agencies, advisory groups and community organisations with road-related environmental interests. In 2004-05, the main issues discussed were environmental aspects of particular road projects, revegetation, weed management, sustainability and Main Roads' environmental policy.

Main Roads has released its second Public Environment Report. Copies are available from the Main Roads website.

COMMUNITY PERCEPTIONS OF ENVIRONMENTAL PERFORMANCE

Main Roads conducts annual community perception surveys about a range of road management issues, including environmental performance. The result of the 2005 survey show an increase in the level of satisfaction of rural road users and a slight, but not statistically significant, decrease for metropolitan users.



COMMUNITY INVOLVEMENT

Main Roads is driven by values that incorporate the views of stakeholders, customers and the community in daily business and decision making. It is recognised that the future of the organisation depends on encouraging active community involvement and strengthening relationships with customers and stakeholders in an effort to understand their needs and preferences. Main Roads prides itself on actively involving its customers in key decisions. Some significant achievements over 2004-05 are as follows:



BEST PRACTICE IN COMMUNITY ENGAGEMENT

COMMUNITY INVOLVEMENT SEMINAR

A one day Community Involvement Seminar was held on 12 April 2005. More than 80 people attended the seminar which was opened by the Minister for Planning and Infrastructure, Hon Alannah MacTiernan, MLA. The objective of the seminar was to share experiences with community engagement, promote relationship contracting principles and to capture the lessons learnt to enhance future community engagement processes. The seminar represented a milestone in the transition of Main Roads' work practices under its Customer Service Strategy, 'Excellence Inroads' to ensure community engagement is an integral part of all Main Roads' activities.

An immediate outcome from the seminar was the establishment of a Consultation Working Group to develop an Engagement Policy for Main Roads. An Engagement Toolkit will also be designed and constructed to provide staff with a reference guide to best practice in community engagement.

COMMUNITY INVOLVEMENT IN PROJECTS

ROE HIGHWAY STAGE 7

The Project Team needed to address a number of issues including competing alignment priorities (environment and community), sensitivities with the Government's decision not to build Roe Highway Stage 8 and the requirement to obtain both State and Federal environmental approvals.

Engagement mechanisms used included:

- Independent facilitation
- Establishment of a Community Reference Group and Environmental Reference Group
- Values driven workshopping
- Partnered solutions
- 'Dialogue with the Community' Forums

- Face to face meetings
- Telephone and electronic media
- Flyers and bulletins

This was the first Main Roads alliance contract. The alliance framework provides a flexible, proactive approach leading to innovative solutions to meet project objectives. Alliancing demands an environment of trust, empowerment and fairness. The understanding and trust built between the alliance and the community allows for more creative thinking and enables standards to be tested. Innovation is promoted and ideas are implemented. Customer service feedback is the rule and not the exception. Early community 'buy-in' gives real choice for community needs and preferences to drive outcomes. All of these elements led to community support and enhanced connectivity with the community on the Roe 7 project.

The benefits were realised through cost savings and timely environmental outcomes with land clearing minimised. It is estimated that proactive and effective consultation on Roe 7 has delivered a 5:1 dollar return for the Government, a saving of \$2.1 million through achieving the scope of the project with less infrastructure.

BROOKTON HIGHWAY – CORRIGIN TO HYDEN ROAD

No matter the size or location of a project, there are positive benefits to be had when proper consultation or engagement principles are adopted. A one day Community Prioritisation Workshop was held early in the project. The workshop team of 16 comprised representatives from the Shires of Kondinin and Corrigin and members of the Shires' local communities.

The workshop had an independent facilitator and resulted in unanimous agreement from the community to the priority areas addressing safety issues and traffic mix, e.g. road trains, cars, hire cars/overseas visitors etc.

INCREASING SAFETY ON ALBANY HIGHWAY – SHEPPERTON ROAD TO LEACH HIGHWAY

Albany Highway will ultimately be upgraded to a six lane divided road, but this is unlikely in the medium term. Stakeholders were first consulted about the project in the mid-1990s and the most recent consultation period ended in December 2004, with these community consultation outcomes then presented to a group of 60 community members in June 2005.

Each road project has its own peculiarities, but there are certain themes common to all whether large or small.

- Engage stakeholders early before decisions have been made
- Factor engagement into the project development and planning process
- Involvement saves dollars and time
- Include communities in deliberative processes
- Encourage diverse participation and independent facilitation
- Seek balanced outcomes.

PEDESTRIAN ADVISORY GROUP

The Pedestrian Advisory Group provides valuable advice to Main Roads on pedestrian issues. The group is comprised of representatives from State and Local Government, customers and community interest

Mike Kapitola

Alliancing Manager Mike Kapitola carries out a key role in evaluating, developing and adopting innovative project delivery methodologies that achieve social, environmental and economic outcomes for the Roe 7 Alliance.



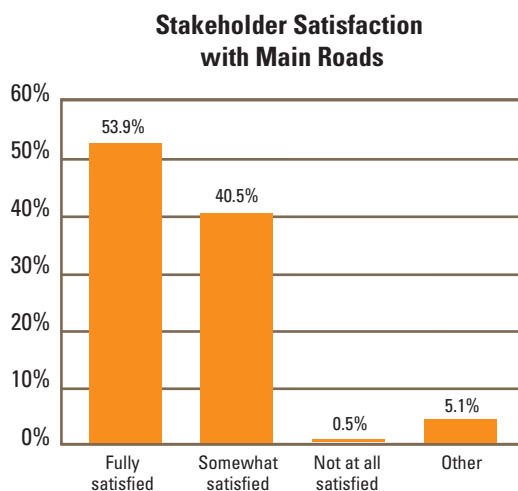
groups such as the Disability Services Commission, RoadWise and the Association for the Blind of Western Australia. The group has provided advice on several issues such as the design of new emergency stopping bays on our freeways and advice on technology such as the pedestrian countdown timer.

STAKEHOLDER RELATIONSHIP MANAGEMENT PLAN

The objective of the Stakeholder Relationship Management Plan is to identify Main Roads' stakeholder groups and provide guidance to staff on how and when to consult with each group. It is aimed at building relationships with stakeholders and strengthening community involvement.

Main Roads invited stakeholders including representatives from State and Local Government, interest groups and private sector organisations to participate and provide information about their interaction with Main Roads. Over 200 responses were received. A database will be created to contain this information and will be placed on the intranet for use by staff for community consultation purposes.

Stakeholders were also asked how satisfied they were with their relationship with Main Roads. 94.3% of stakeholders were either fully satisfied or somewhat satisfied, although many said that there was still room for improvement.



EDUCATION CAMPAIGNS

TURNING VEHICLES MUST GIVE WAY TO PEDESTRIANS

Main Roads, through consultation with its stakeholders, coordinated an education campaign in October 2004 to



remind motorists that they must give way to pedestrians when turning at all intersections. Work is continuing with Main Roads stakeholders to educate both motorists and pedestrians on their rights and responsibilities at intersections.

ROADSIDE MEMORIALS

Main Roads developed and launched a Roadside Memorial policy which aims to balance community expectations while maintaining a safe road environment for road users. During the year, Main Roads has supported the installation of a number of memorials which mark sites where a fatality has occurred. The installation of such a visible reminder of the danger on Western Australia's roads also serves as a road safety reminder to other motorists.

During the year Main Roads managed the removal and reinstatement of a number of existing memorials, relocated due to the extensive New Metro Rail and Great Eastern Highway work. This involved close liaison with families affected to ensure that their needs are addressed and they are comfortable with the outcome.

CYCLING SEMINAR

As part of Main Roads commitment to encouraging alternative forms of transport, three cycling seminars were held during 2004-05. One seminar was held in Port Hedland, one in Carnarvon, and one in Perth. The seminar covers planning, designing, constructing and maintaining bicycle networks and facilities throughout Western Australia. The main objective of this course is to increase skills, knowledge and capacity among planning, engineering and other relevant professional staff in State and Local Governments as well as contractors and consultants. Almost 100 practitioners attended the seminars from various Local Governments, Main Roads, Department for Planning and Infrastructure and representatives from cycling advocacy groups.

ASTHMA WESTERN AUSTRALIA FREEWAY BIKE HIKE

Another demonstration of Main Roads commitment to promote alternative means of transport, Main Roads closed 30 kilometres of Freeway (travelling northbound on the southbound carriageway) from Belmont Racecourse to Joondalup, on Sunday 20 March 2005 for the Asthma Western Australia Freeway Bike Hike.

Main Roads worked closely with event organisers Asthma Western Australia to provide a safe event which catered for all ages, and attracted an impressive 6 700 participants. Entering a large corporate team and promoting Main Roads' support for cycling at the event, provided valuable exposure for Main Roads and has set a framework for future event participation. Main Roads is establishing close ties with community groups, particularly in relation to support for events, and this growing side of its business should lead to some exciting opportunities for promotion and publicity in the near future.

As well as supporting fundraising opportunities for worthy causes, Main Roads actively encourages Western Australians to cycle more often. Main Roads supports cycling as a low cost alternative mode of transport which, as an alternative to motor vehicle use, reduces traffic congestion and pollution.

EQUITABLE ACCESS

Throughout 2004-05 Main Roads has continued to provide and improve access for all road users. Disability Awareness training is provided to new employees and selected Local Government officers both in the metropolitan and regional areas.

During 2004-05 the Disability Advisory Group met 11 times, including three site visits. Two of these meetings were held at the Cities of Wanneroo and Bunbury in line with Main Roads' desire to build strong relationships with Local Governments on access matters.

Main Roads reviewed and released an updated version of the Motorised Wheelchair Brochures as part of its commitment to accessible transport throughout the community. The brochures consist of a Users and a Suppliers Guide. They provide advice on the safe use of motorised wheelchairs, guidelines for suppliers of motorised wheelchairs and helpful tips about public transport, training and insurance.

The Disability Advisory Group provided valuable input on pedestrian access at various intersections in the metropolitan area including sites along Albany Highway and Wanneroo Road. The Group also provided advice and feedback on the Parallel Walks campaign, feedback on the design and use of tactile



ground surface indicators at various intersections and shared paths and advice on the use of audible facilities at signalised intersections. Working with the people in the Disability Advisory Group has greatly assisted Main Roads understanding of the access difficulties faced by people with disabilities.

ECONOMIC CONSIDERATIONS

While economic returns are an essential element of investment decisions, Main Roads strives to seek a balance between economic, social, environmental and safety considerations. In this way Main Roads aims to ensure that the road network is managed in a sustainable manner, while seeking to minimise the whole of life cost of the management of the road network.

Main Roads annual road program attempts to match the highest priority projects with desired outcomes taking into account, social and environmental considerations as well as economic project evaluation methods including the calculation of Benefit Cost Ratios. The new program management approach better enables project prioritisation to be undertaken against the key community outcomes of network efficiency, network safety, minimisation of the whole of life cost of managing the \$19.3 billion asset and economic and regional development. These outcomes are further broken down into the services Main Roads provides to the Western Australian Community in terms of:

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

Details of the Main Roads achievements against these services and outcomes are described under the six Program Outcome headings in this report.



Contribution to Government outcomes – Better Planning: Better Services

INTRODUCTION

Main Roads is committed to achieving the Government's vision for a better quality of life for all Western Australians. It is responsible for the total asset management of the road network; the project delivery associated with the expansion of the network and traffic and road-user management. Main Roads plays a key role in

ensuring the road network links communities, facilitates industrial, commercial and business development, enables efficient access to other modes of transport and contributes to the economic advancement of the State and the Nation.



To undertake this role, Main Roads introduced Program Management in 2004. Program Management seeks to coordinate the management of projects to achieve set business objectives. Over 2004-05, Main Roads has addressed the needs of current and future generations by improving the way in which Western Australia's road network is provided and managed.

The outcomes of all Main Roads' programs and business activities strive to meet the five goals of the Government strategic planning framework Better Planning: Better Services. These five goals relate to People and Communities, The Economy, The Environment, The Regions and Governance.

PEOPLE AND COMMUNITIES

Main Roads strives to provide communities with an accessible, safe and efficient road network through network operations management, road improvements and maintenance. A specific focus for Main Roads has been on customer service this year. This includes recognising the need to involve the community in decision-making processes to enhance the safety, security and wellbeing of the community. For information about how Main Roads has contributed to promoting a safe and efficient road network to Western Australian communities, please refer to the following sections within this report

- Road Network Operations Management
- Road Use Efficiency Improvements
- Road Infrastructure For Community Access
- Road Use Safety Improvements
- Road Network Maintenance
- Customer Service: Excellence Inroads
- Community Involvement.



THE ECONOMY

Main Roads contributes to the development of a strong economy through the provision of road infrastructure. The provision of road infrastructure for State development supports economic growth and regional development. Please refer to the Road Infrastructure for State Development section for examples of how Main Roads has addressed this goal in 2004-05.

THE ENVIRONMENT

During the year, Main Roads has also focused on implementing an Environmental Management System that provides a formalised systematic approach to planning, implementation, reporting and review of processes, programs and procedures for the management of Main Roads' environmental impacts. The Sustainability section of this report discusses in detail Main Roads' approaches and strategies to increase emphasis on environmental protection and ecological sustainability.

THE REGIONS

Main Roads manages its business through a head office located in Perth, one metropolitan regional office and nine rural regional offices located throughout the State. Contact details can be found at Appendix 2.

Outcome	Refer to Section
Government decision-making is based on a thorough understanding of regional issues	<ul style="list-style-type: none"> • Customer Services: Excellence Inroads • Community Involvement • Road Network Operations Management
Planning in partnership for a sustainable future	<ul style="list-style-type: none"> • Sustainability • Our Future
Effective government service delivery to regions	<ul style="list-style-type: none"> • Our Customers – Building Better Relationships
Improved regional infrastructure	<ul style="list-style-type: none"> • Road Infrastructure for State Development • Road-Use Safety Improvements • Community Access
Fair pricing for regional residents and businesses	<ul style="list-style-type: none"> • Appendix 3: Corporate Governance (Buy Local Policy)
Safe regional communities	<ul style="list-style-type: none"> • Road Network Operations Management • Road-Use Safety Improvements • Road Network Maintenance

CONTRIBUTION TO GOVERNMENT OUTCOMES

In 2004-05, Main Roads awarded 394 contracts with a value of \$51.2 million in regional areas. There are 344 employees employed in regional offices. This represents 38% of Main Roads' total employee numbers. A map of Main Roads regional offices can be found at Appendix 7.

Summarised in the previous page are the outcomes and related sections within this report that further demonstrate Main Roads' commitment to the Government's Regional Development Policy.

GOVERNANCE

Main Roads aims to provide effective governance in everything it does in order to uphold a well managed, open and accountable organisation. Examples of the way Main Roads governs its organisation can be found throughout this report, but in particular, the Corporate Governance Summary and Appendix 3 outlines Main Roads' overall approach to Governance.

OVERVIEW OF PROGRAM MANAGEMENT

Main Roads introduced Program Management in 2004 which is the coordinated management of a selection of projects to achieve set business objectives and provide a safe and efficient road network that will enhance community lifestyles in Western Australia.

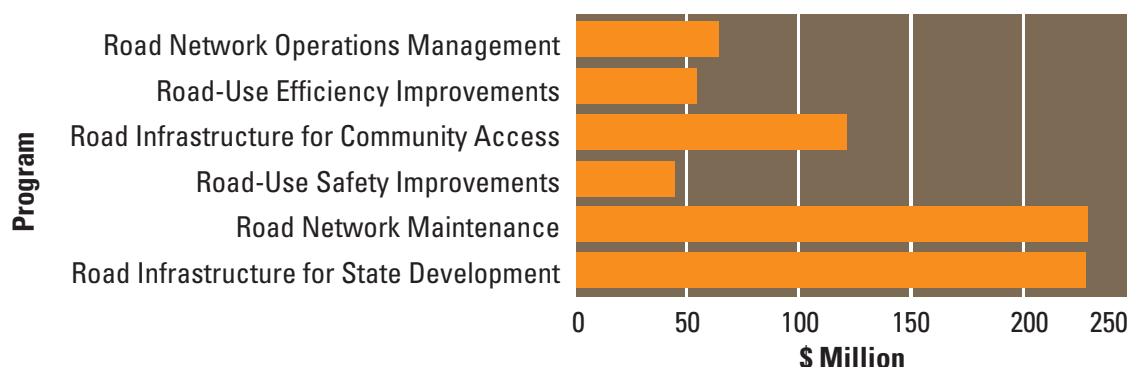
Program Management provides a direct link between Main Roads' key activities and Government objectives. Main Roads' budget estimates are presented to Government based on the Programs listed below.

Whilst Program Management provides a strategic view of Investment Planning and Program Development, it also presents Main Roads' Delivery outcomes. For example, the benefits that Main Roads' programs provide to the community beyond the pure physical asset.

Main Roads Programs		Government Objectives
Program	Objectives	
Road Network Operations Management	To manage the operation of the road network and road-users and to engage with the community	Efficient Road Access
Road-Use Efficiency Improvements	To improve the efficiency of the existing road network	Efficient Road Access
Road Infrastructure for Community Access	To provide infrastructure that will improve personal mobility and community access	Efficient Road Access
Road-Use Safety Improvements	To provide infrastructure that will provide a safe environment for all road-users	Safe Road Access
Road Network Maintenance	To maintain the existing road and bridge network to maximise asset life and minimise whole-of-life costs	A well maintained road network
Road Infrastructure for State Development	To provide infrastructure that increases the capacity of the road network to support economic and regional development	Economic and Regional State Development

Expenditure by Program for 2004-05 has been as follows:

2004-05 Expenditure by Program Management View



These outcomes have been aligned with the Government's Strategic Planning Framework Better Planning: Better Services. This alignment with the Government's goals facilitates the delivery and management of Main Roads' program to achieve these goals.

Program Management assists Main Roads by:

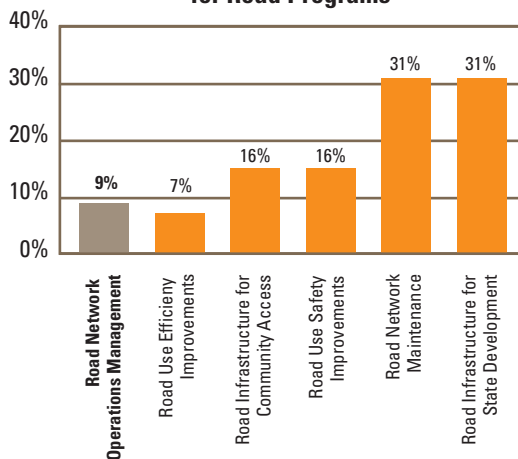
- Facilitating the delivery of its business objectives
- Aligning investment decisions with planned strategic outcomes
- Facilitating the timely delivery of the road program.

ROAD NETWORK OPERATIONS MANAGEMENT

The objective of the Road Network Operation Management Program is to maximise the efficiency and safety of the existing road network. Main Roads aims to provide a safe and efficient network for all road users including motorists, pedestrians, cyclists, people with disabilities, public transport and the road freight industry.

Over 2004-05, \$62 million was expended on Road Network Operations Management that made up 9% of the total Road Program. The following are some of the works undertaken during the year.

**Distribution of Total Funds
for Road Programs**



ROAD SAFETY

Main Roads is committed to ensuring safe and efficient road access to enhance community lifestyles and economic prosperity, and works in close cooperation with other agencies and key stakeholders to achieve these goals.

As part of Main Roads' role of managing the road network operations, Main Roads monitors safety performance and undertakes various research and trials to continually improve its performance.

Main Roads is represented on the State's peak body for road safety, the Road Safety Council, which has produced the Road Safety Strategy for Western Australia. The key initiatives that Main Roads has responsibility for in this Strategy are "Safer Roads" and "Reducing Travel Speeds".

ROAD SAFETY PERFORMANCE STUDY

During the past year, Safety Performance Charts were developed using 1999-2003 crash data. These charts illustrate the crash density and rate on each State road link as well as the maximum crash clustering along the link. In combination, these charts enable a visual interpretation of the crash risk on any given State road. The charts enable asset managers to make comparisons of crash risks within Regions, between Regions and over the whole State Road Network. The charts are a useful tool to prioritise work on road sections with poorer levels of safety. Preparation of Safety Performance Charts for the period 2000-2004 is in progress.

Crash Incident Charts were also developed using 1999-2003 crash data. These charts separately illustrate crash incidence for road-user groups (e.g. pedestrians, cyclists, seniors, etc.) and crash collision types (e.g. rear-end, right angle, etc.). The charts enable a visual interpretation of concentrations (if any) of specific crash user groups and/or collision types. As a result, individual road-user groups and collision types with their associated potential crash risk can be compared across the State road network to assist in identification and work prioritisation of road sections with poorer levels of safety.

RESEARCH

Road safety research continues to be conducted both in-house and externally through a Main Roads research fellowship at the Injury Research Centre at The University of Western Australia.

A trial of perceptual speed reduction treatments is being developed with the aim of reducing travel speeds by changing a driver's perception of what is an appropriate travel speed. Perceptual speed reduction treatments are non-obtrusive, low cost, visual and/or tactile road additions or modifications, usually involving only road marking and/or gravel treatments.

The Injury Research Centre is currently completing an evaluation of the safety benefits of the Road Enhancement Program, and a study into the injuries of 282 vulnerable road-users (i.e. pedestrians, cyclists and motorcyclists) who presented for treatment in the four Perth metropolitan hospital emergency departments over six months in 2004-05.

SPEED MONITORING

Vehicle speed measurements were taken on higher speed roads at approximately 210 sites state-wide to measure compliance and trends over time. The 2004 data were compared with initial readings taken in 2000 and a survey taken in 2003. A report on changes in driver speed-behaviour across the network since 2000 was completed in June 2005.

"SPEED LIMITED AREA" TRIAL

There are currently a number of limitations in applying speed zoning to semi-rural areas, especially where roads with substandard seal widths or unsealed surfaces preclude speed zoning under Australian Standards. A semi-rural precinct was selected in the Swan Valley for a speed-limited area trial. The area was selected to cover a mix of roads and features that could be expected to be found in a semi-rural area including formal speed-zoned roads, school zones, built-up areas, open limit areas, roads with pavement seals less than 5.5 metres and unsealed roads.

In conjunction with Local Government, road asset, road condition, traffic volume, eighty fifth percentile speed and crash data information was collected and reviewed. Public consultation was carried out with an existing community advisory group with invitations also extended to some specifically affected residents.

The speed-limited area trial commenced at the start of 2005 and an evaluation will be carried out for a period of twelve months before wider application of the principle is considered.

RUMBLE STRIPS

A trial of rumble strips (audible pavement markings) commenced in 2002 at 14 regional railway level crossings on high-speed roads with Stop or Give Way signs. Post-installation speed surveys were completed in May 2004. An evaluation report on the effectiveness of rumble strips, measured in terms of driver speed-behaviours at the approaches to railway level crossings six months after treatments, was produced in October 2004.

Additional speed surveys will be carried out on a sample of Give Way protected crossings with an increased number of rumble strip groups in order to further investigate inconclusive findings on the effectiveness of the strips at these types of crossings.

ROAD SAFETY TRAINING AND REPRESENTATION

Main Roads continues to provide administrative and technical support to initiatives across many aspects of road safety in Western Australia. This includes direct involvement in the Road Safety Council,

including several road safety task forces, and training of road safety auditors and road environment investigators for serious crashes. Two risk and crash analysis software programs, the Road Safety Risk Manager (ARRB Group) and CRASHtool (Main Roads) continue to be promoted by Main Roads with updated versions and training for new users of these products.

CRASHTOOL

CRASHtool provides a simple interface with the Integrated Road Information System (IRIS) crash data and has a variety of features to assist in the identification and diagnosis of hazardous locations. It also analyses the effectiveness (crash reductions and trauma savings) of multiple countermeasures at an intersection or road section and then ranks and prioritises results. CRASHtool is also integrated with Black Spot Program nomination processes.

Training in CRASHtool was provided in all Regions in 2004-05, in conjunction with Black Spot Program workshops and was widely accepted by officers responsible for Black Spot project submissions.

RAILWAY CROSSINGS-COMMUNITY EDUCATION PROGRAM

A pilot railway crossing community education program was undertaken in Esperance, Merredin and Swan in conjunction with RoadWise (Western Australia Local Government Association), and the Office of Road Safety. The results of this program were presented at a Railway Level Crossing Safety National Workshop held in Adelaide in April 2005. Also at this workshop, a project team was formulated to develop a national railway crossing education, information and awareness campaign for all stakeholders (public, engineers, police, etc.). The project team will consider developing the awareness campaign in conjunction with other road safety campaigns, such as the US and Canadian "Operation Lifesaver" project.

RAILWAY CROSSINGS-NATIONAL DATABASE

Main Roads is participating in the development of a national web-based Australian Level Crossing Assessment Model (ALCAM), and a national railway level crossing database (WebLX) for assessing and prioritising railway level crossing protection treatments. A State database (LXM) incorporating the ALCAM vehicle and pedestrian risk assessment models has been adopted by all jurisdictions in Australia to provide national consistency in developing and populating the WebLX national database. Over the next three years, around 1300 level crossings will be formally inspected and assessed for safety risk in Western Australia.

TRAFFIC MANAGEMENT

The management of traffic and road-users on the network is a critical role undertaken by Main Roads to ensure the most efficient use of limited infrastructure. Good traffic management will reduce congestion, improve safety and reduce the impact of traffic on the environment.

The physical road network will not be expanded at the same rate that demand for transport grows, therefore traffic management becomes increasingly important to meet community demands for maintaining the environment and providing safe and efficient access.

INTELLIGENT TRANSPORT SYSTEM (ITS) STRATEGY

There is a major shift in emphasis occurring internationally within Road Authorities from focusing solely on construction and maintenance of the road network, to ensuring that the road network is operated effectively. To guide this shift in focus, Main Roads has developed an Intelligent Transport System (ITS) Strategy.

The Strategy outlines how Main Roads will take advantage of new and emerging technologies in the area of ITS in a coordinated and systematic manner to maximise utilisation and operation of the existing network. The Strategy was developed with key stakeholders including emergency services such as Western Australia Police, and road-user groups such as the Royal Automobile Club of Western Australia.

Key objectives of the ITS Strategy are:

- Provision of timely and accurate information to road-users and managers
- Effective control of road-use
- Improved road safety, access and compliance
- Developing ITS capabilities, resources and awareness of new innovations
- Minimise risk to Government.

The ITS Strategy outlines direction and priorities for implementation of ITS. This will ensure that safety and efficiency benefits as well as improved access to traveller information are delivered in a coordinated manner. The positive outcome for the public is a safe and effective road system with access to reliable information to help them plan their journeys. The outcome for Government is a road system that is operating at its optimal level.

Completion of the ITS Strategy is a key component in the 'Sustaining Network Operations' component of the current Main Roads Strategic Plan.



TRAFFIC SIGNAL BATTERY BACK-UP TRIAL

In response to the dangers associated with loss of power to traffic signals and concerns expressed by the public, Main Roads has initiated field testing of battery back-up systems at six traffic-signal sites to allow continuous operation during power outages. These signals sites are located in the Welshpool and Kewdale area and the trial is programmed for 12 months ending in April 2006. A remote monitoring system is in place to record battery usage.

RIVER MONITORING STATIONS (PILBARA REGION)

In consultation with the Department of Environment (Water and Rivers Commission) and other key stakeholders, Pilbara Region is assisting in the establishment of the Marble Bar Road flood-warning network. This will involve the installation of flood-warning stations with telemetry facilities at major floodways between Marble Bar and Port Hedland. The first stage of this project is the installation of a new river monitoring system at the Shaw River floodway on the Marble Bar Road. These new monitoring systems in conjunction with the existing monitoring systems on the Ripon Hills Road will allow the Region to monitor flood levels at major floodways to provide improved safety and increase transport efficiency.

TRAFFIC MANAGEMENT FOR EVENTS

Main Roads is currently developing a code of practice for traffic management at events in consultation with a number of stakeholder groups including the Western Australia Police, Local Government, and professional and volunteer event organisers and participant groups. A Traffic Management for Events Advisory Committee represented by these stakeholder groups has been established to oversee the development of the code which aims to:

- Ensure the safety of all road-users, participants and organisers at events

- Minimise the disruption and inconvenience to road-users resulting from events
- Establish uniform procedures for traffic management at events that can be easily recognised and understood by road-users

The code of practice will describe new temporary warning signs specifically designed for events to supplement commonly used Australian Standard signing for the control and guidance of traffic. The code will also address formal training requirements for those involved in the control of traffic for events. This training is expected to be modelled on training and accreditation currently required for persons undertaking traffic control for works on roads. It will have a reduced level of course duration and assessment, taking into account that traffic control at events usually involves lower traffic volumes and speeds and is often undertaken by volunteer members of community groups and sporting and charity organisations.

In conjunction with advice from the State Solicitor's Office and the Western Australia Police, proposed changes to a number of road traffic regulations are to be pursued to address some shortcomings in the current legal framework for closing roads and controlling traffic and pedestrians at events.

TRAFFIC MANAGEMENT FOR WORKS ON ROADS

The Commissioner of Main Roads has legal responsibility for all road signs and traffic control devices including temporary traffic signs and devices installed at worksites. Under regulations in the Road Traffic Code, the Commissioner is able to assign this authority to 'Authorised Bodies' in the form of an Instrument of Authorisation. Such an Instrument of Authorisation has been offered to all Local Governments, Main Roads Term Network Contractors and major public utility service organisations across the State. As of June 2005, 116 of the total 144 Local Governments have signed the Instrument of Authorisation enabling their employees, agents and contractors to install signs and devices in accordance with Main Roads Traffic Management for Works on Roads Code of Practice.

Since early in 2005, a new Advanced Worksite Traffic Management training course has been made available for those designing traffic management plans for works on roads. The accreditation obtained from this training is a prerequisite for anyone preparing traffic management plans for traffic guidance schemes on all State and Local roads in Western Australia. The course has been approved by the Training Accreditation Council and is endorsed as complying with the requirements of the Australian Quality Training



Framework. This endorsement ensures that the course is delivered to nationally recognised standards and sets the groundwork for future incorporation of the course into a nationally recognised training package for delivery throughout Australia. There are a number of Registered Training Organisations currently accredited to deliver the course in Western Australia. Details of these training organisations are available from the Main Roads website.

HEAVY VEHICLE OPERATIONS

Heavy transport contributes to the prosperity and welfare of the community by delivering goods cheaply, efficiently and safely. Freight vehicles are used for many purposes and are subject to different regulations according to size and weight.

The community has created a demand for the movement of goods and the more prosperous the State becomes, the greater the demand for freight movement.

Main Roads is responsible for the regulation of road network access for vehicles in excess of 19 metres in length, 4.3 metres in height, 2.5 metres in width or 42.5 tonnes gross mass.

This regulation involves a number of tasks, including assessment of the suitability of roads proposed as transport routes, issuing of permits, setting of conditions for certain aspects of heavy transport operations, administration of the Western Australia Heavy Vehicle Accreditation requirements and enforcement of transport laws for heavy vehicles.

Main Roads also has a key role in communicating and consulting with the community, the heavy vehicle transport industry and other key stakeholders including Local Government.

ACCREDITATION

Western Australian Heavy Vehicle Accreditation was implemented in legislation on 1 July 2002. Accreditation became a compulsory requirement



to operate permit vehicles on 1 July 2003 and was implemented with the close involvement of industry and Government. Currently there are over 3 500 accredited operators.

The Western Australian Heavy Vehicle Accreditation scheme is unique to Australia and covers Maintenance, Management for vehicles and Fatigue Management for drivers. In fact, Western Australia is the only jurisdiction where Accreditation is mandatory.

Accreditation is a way of assuring the public that with safer vehicles and safer drivers, the road transport industry operates in a safer manner.

The Business Rules that govern Accreditation were reviewed in 2004-05 through consultative meetings with industry. The main focus of the new Business Rules will be a tougher approach towards non compliant operators of Restricted Access Vehicles (RAVs).

Other improvements include:

- Development and testing of criteria for the suspension/revocation of Accreditation
- Implementation of improvements to the standards including the legislative framework
- Improvement of administrative processes and reporting systems
- An increase in second-party audits of accredited operators by Main Roads.

NOTICES

In response to the increasing demands from industry, Main Roads has been working on the development of Notices over the last eighteen months.

Under Notices, vehicle combinations will be grouped into categories and each category will be assigned a particular network. The initial Class 2 and 3 Notice, when issued will encompass some 27 different vehicle combination types, ranging from 20-metre truck and trailers to 53.5-metre triple road-trains.

The various combinations have been allocated to a series of clearly defined networks, covering some 4 000 roads or nearly 8% of the total State network.

The intention of Notices is to streamline the administrative procedures for RAVs gaining access to the road network whilst ensuring that road safety and preservation of the road asset is not compromised.

Similar to permits, access to Notices will be subject to operators having an Accreditation certificate demonstrating compliance with Western Australian Heavy Vehicle Accreditation standards.

In addition to the Class 2 and 3 Notice, there has also been considerable work undertaken to improve access for Class 1 (oversize/overmass) vehicles.

A two-year Class 1 Period Oversize Permit was implemented in May 2005 and provides for indivisible loads up to:

- 5.5 metres wide
- 5.5 metres high
- 30 metres in length

to operate statewide on a defined road network.

A second period permit arrangement for vehicles up to 78 tonnes is currently being developed and is expected to be available to industry in October 2005.

Hallie Martyn

Transport Inspector, Hallie Martyn, works with heavy vehicle operators to improve road safety, minimise adverse impacts of these vehicles on the road infrastructure, the environment and the community, and promotes a level playing field within the road transport industry.



COMPLIANCE AND ENFORCEMENT

Compliance and enforcement activities are key factors in ensuring effective and safe management of heavy vehicles on the road network.

The compliance and enforcement team controls mass and dimension limits on the State's road and bridge system and ensures that high productivity and oversize vehicles are operating in accordance with the conditions set down under Main Roads permits/notices and Accreditation scheme.

Vehicles are also inspected for roadworthiness, load security, driver and vehicle licensing conditions and, under an arrangement with the Department of Industry and Resources, compliance with the movement of dangerous goods.

In addition to the broad on-road enforcement functions undertaken by the Transport Inspectors, there are also the important roles of educating and working with the transport industry and other agencies and stakeholders to improve standards.

More diverse compliance strategies are being developed as part of the continuous improvement program, with a shifting emphasis between overt, convert and targeted enforcement. The focus is on conducting more road-block style of operations, including joint exercises with other enforcement agencies (e.g. Police, WorkSafe), with greater use being made of portable weigh-in-motion systems to fast track the screening of heavy vehicle mass.

In 2004-05, five additional Transport Inspectors were recruited to meet the Government's commitment to increase the enforcement effort. This brings the total number of Transport Inspectors to 29.

Main Roads is also currently:

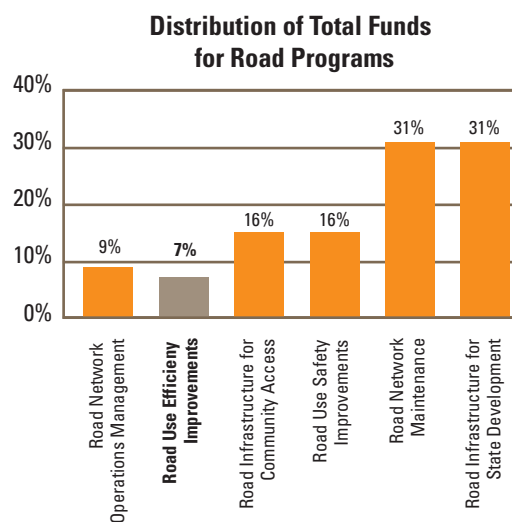
- Working with the Department of Consumer and Employment Protection to provide for the appointment of the Transport Inspectors as Restricted WorkSafe Inspectors for the purpose of policing fatigue management of commercial vehicle drivers
- Positioning itself for the delivery of the National Road Transport Reform (Compliance and Enforcement) Bill in Western Australia, which will fully introduce the principles of "chain-of-responsibility", where off-road parties (consignor, packer, loader and receiver) are held accountable with their on-road counterparts (driver and carrier).



ROAD-USE EFFICIENCY IMPROVEMENTS

The Road-Use Efficiency Improvements Program facilitates more efficient movement of people and goods to meet the requirements of a growing and diversified economy. These improvements also improve the efficiency of traffic flow and may include works such as overtaking lanes, bridge strengthening and intersection improvements. Specific examples are outlined below.

Over 2004-05, \$52 million was expended on Road-Use Efficiency Improvements that made up 7% of the total Road Program.



METROPOLITAN AREAS

GREAT NORTHERN HIGHWAY (RUTLAND ROAD TO THE SWAN – CHITTERING SHIRE BOUNDARY)

Great Northern Highway forms part of the AusLink National Network and is the main link from the Perth Metropolitan area to the northern regions of Western Australia linking the State with the Northern Territory. In addition to being the dedicated AusLink National Network, this link also serves as the classified Heavy Haulage Route for the north of the State.

The suite of widening and reconstruction works being planned and undertaken are to ensure the safe and efficient operation of the AusLink National Network in years to come. Construction commenced in January 2004 on the \$6.2-million project involving the upgrading of the Highway between Rutland Road and the Swan – Chittering Shire boundary and was completed in April 2005.

A contract for the second section between Stock Road and Bullsbrook Road has been awarded and is planned to commence in November 2005 with completion due in April 2006.

Project development work is progressing on the sections between West Swan Road and Apple Street, and Apple Street and Warbrook Road prior to going to tender.

VICTORIA QUAY ACCESS LINK ROAD

This \$2.6-million project involves the construction of a new link between Queen Victoria Street and Beach Street in Fremantle, which will significantly improve access for freight servicing Gate 3 of Victoria Quay.

This new link will improve safety for heavy vehicles and the travelling public and will reduce travel times for the movement of freight.

Construction of the new link commenced in June 2004 and was completed in May 2005.

RURAL AREAS

GREAT NORTHERN HIGHWAY, MUCHEA TO WUBIN (WHEATBELT NORTH REGION)

The Federal Government under the new Auslink Program has committed \$65 million over five years (2004-05 to 2008-09) for priority works on Great Northern Highway between Muchea and Wubin.

Works completed under this project in 2004-05 included the widening of a five-kilometre section of the highway at Walebing and the construction of two passing lanes at Blue Plains Road and Perry Road at a total cost of \$2.3 million.



Project development work is progressing for various other improvements over the length of the highway between Muchea and Wubin.

GREAT EASTERN HIGHWAY, THE LAKES TO NORTHAM (WHEATBELT NORTH REGION)

Great Eastern Highway forms part of the Perth-Adelaide Corridor and is the major east-west road link between Perth and the Eastern States. It also provides a major transport link between Perth and the eastern area of Western Australia and is an important tourist route for traffic from the Eastern States.

A contract for extending the existing westbound passing lane at Bakers Hill and intersection improvements at Hawke Avenue and DeCastilla Road has been awarded. These works will commence in October 2005 and be completed in December 2005.

PERTH BUNBURY HIGHWAY, MANDURAH (SOUTH-WEST REGION)

The reconfiguration of traffic lanes from two to three lanes on the Mandurah Estuary Bridge was completed in October 2004 at a cost of \$600 000. This has greatly improved the southbound traffic flow during peak periods and has removed the need for special traffic control for southbound traffic on holiday weekends.

DERBY HIGHWAY (KIMBERLEY REGION)

A 7.8-kilometre section of Derby Highway was rehabilitated and widened to improve alignments and geometry of crests and curves at a cost of \$3.9 million. The works are part of the project to upgrade the standard of the 35-kilometre Derby Highway to achieve improvements in road safety and extend pavement life.

BRIDGE STRENGTHENING (PILBARA REGION)

A contract to strengthen four bridges on the Paraburdoo – Tom Price Road at Consideration Creek, Dingo Creek, Westside Creek and Minor Creek was completed in December 2004. This project is part of a Federal Government program to strengthen bridges around Australia for strategic purposes and provides increased transport efficiency.

ASHBURTON RIVER BRIDGE (GASCOYNE REGION)

Construction of a new 240m-long two-lane bridge and 2.5 kilometres of road approach works were completed in August 2004 by Macmahon Contractors at a cost of \$8.9 million.

The new bridge replaces the old structure which was the last remaining single-lane bridge on North West Coastal Highway which is the main link between regional centres of Geraldton, Carnarvon, Karratha and Port Hedland and provides access to the economically important Burrup Peninsula.

YORK-MERREDIN ROAD (WHEATBELT SOUTH REGION)

Three kilometres of road widening west of Bruce Rock townsite to widen the seal from 5.6 to 8 metres was completed by the Shire of Bruce Rock with Main Roads' assistance. The works are part of the project to progressively upgrade 14 kilometres of the road.

The road carries a high percentage of heavy vehicles constrained by a narrow road reserve with most of the remnant vegetation within the limited verge space. The road is also a high-wide-load route.

The section of the York-Merredin Road targeted for improvements is located wholly within the Bruce Rock Shire and is a strategic link between the primary receival bins at the towns of Bruce Rock and Quairading and the secondary bins at Ardath and Yarding. The road also acts as an alternative transport corridor to that of the Great Eastern Highway and plays a significant role in the redistribution of grain between many other bins in the surrounding towns. With the closure of the freight rail line that traditionally serviced the receival bins in the District, the York-Merredin Road has gained in importance for the carting of general freight, agricultural equipment and grain with a corresponding increase in heavy vehicle traffic.

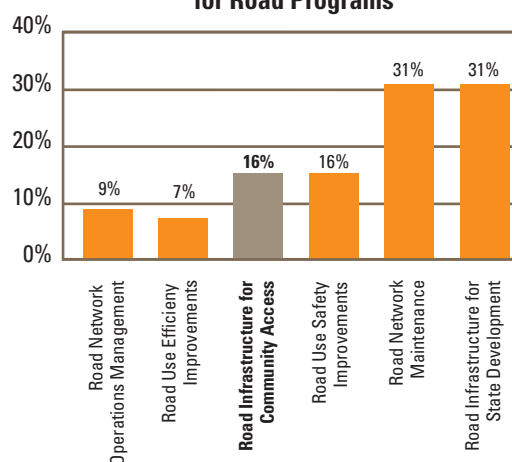


ROAD INFRASTRUCTURE FOR COMMUNITY ACCESS

The Community Access Program enhances the quality of life and wellbeing of all people throughout Western Australia by delivering initiatives aimed at improving community access, personal mobility and road-user amenities. These works can include pedestrian and cyclist facilities, vulnerable road-user facilities and road-user amenities.

Over 2004-05, \$118 million was expended on Road Infrastructure for Community Access that made up 16% of the total Road Program.

**Distribution of Total Funds
for Road Programs**



NEW METRO RAIL PROJECTS

The Public Transport Authority has established the New Metro Rail office to upgrade and extend the Northern Suburbs railway, upgrade the Armadale line, extend a spur line through to Thornlie and construction of the Perth to Mandurah Southern Suburbs Railway.

These projects, in conjunction with delivery of the other rail packages, will encourage people to use public transport and contribute to an integrated

public transport system. It will also significantly reduce journey times, improve the level of service offered by the entire metropolitan rail system and enhance land-use opportunities along its route.

Main Roads is a key stakeholder in the project and is working closely with the New Metro Rail office to ensure delivery of the project to a high standard.

Main Roads involvement has included:

- Providing key employees to the New Metro Rail Project Team
- Project / Contract Management of Package E
- Review and approval of all changes to Main Roads' current and future assets
- Coordination and approval of all traffic management required for construction of the project.

A large proportion of the railway is located on land vested with the Commissioner of Main Roads within operating freeways. This adds to the challenge of constructing the rail project without major disruption to road traffic and existing public transport operations.

These projects will generate approximately \$200 million of new road and bridge assets for which Main Roads will assume responsibility.

NEW METRO RAIL PACKAGE E

Main Roads is managing the delivery of the Southern Suburbs Railway Package E on behalf of the Public Transport Authority and its New Metro Rail Project Team. This project will provide environmental and economic benefits, and contribute to an accessible public transport system.

For part of the larger New Metro Rail project these works will contribute to doubling Western Australia's metropolitan rail network by creating a central corridor in the existing Kwinana Freeway for the railway to be constructed on between the Narrows Bridge and Jandakot.

When passenger services commence in 2007, the railway will connect Perth's commuters to the city and Mandurah via a 47 minute journey. The project will reduce traffic congestion and pollution by providing an integrated transport system that offers time and cost benefits to all Western Australians.

The \$118 million Package E project comprises works to alter and strengthen the Narrows and Mount Henry Bridges, realign the freeway carriageways, construct railway formation and replace the on-ramp bus bridge at Canning Highway.

The contract was awarded in December 2003. On-site construction work at the Mount Henry Bridge commenced in May 2004, with project completion scheduled for December 2005.

The project is now well progressed with segments of the new Mount Henry Bridge widening extending half way across the Canning River from Mount Pleasant. Work has started at the Narrows Bridge and continues on sections of freeway between Leach Highway and South Street.

At Leach Highway and South Street Interchanges, work is being undertaken to realign the freeway on- and off-ramps, construct the railway station car park earthworks and extend the Principal Shared Path network.

Laurie Spagnolo and Les Marchant

Laurie Spagnolo and Les Marchant are responsible for the project management of the delivery of the Southern Suburbs Railway Package E. Package E comprises the design and construction of the civil, structural and drainage works to accommodate the railway in the Kwinana Freeway median between the Narrows bridge and Jandakot including the widening of the Mt Henry bridge and an additional bridge between the existing Narrows bridges.



Work at the Narrows Bridge will see a new bridge constructed between the existing structures to accommodate the southbound railway. The northbound railway will ultimately run on the existing bus transit way.

Package E is one of eight packages set up by the New Metro Rail office to deliver the Southern Suburbs Rail. Main Roads will complete the project by 31 December 2005, in sufficient time to allow the railway to be constructed and passenger train services to commence by 31 December 2007.

PERTH-BUNBURY HIGHWAY, MANDURAH (METRO REGION)

The installation of a Children's Guard Crossing with flashing warning lights was completed during the first school term of 2005. This combined with a reduction in the speed limit from 80 to 70 kilometres per hour has greatly improved the safety and ease of access for primary school children from the Coodanup area who attend the Boundary Road Primary School.

GERARD STREET BRIDGE, CANNINGTON

As part of the New Metro Rail project, the construction of this bridge will provide a link from Welshpool Road, East Cannington to Albany Highway, Cannington.

Construction of the bridge will also provide for the closure of the Crawford Street level crossing, located to the south of the proposed bridge, in advance of the opening of the Thornlie Spur Line by New Metro Rail in early August 2005.

Main Roads managed the design and construction of the bridge which was completed in April 2005. The Public Transport Authority provided funding of \$2.6 million and the balance of \$1.6 million has been provided by the City of Canning.

Connections from the bridge to Gerard Street and Guthrie Street will be constructed by the City of Canning with the new link due to be opened by December 2005.

PRINCIPAL SHARED PATH – KENWICK TO GOSNELLS (METRO REGION)

The Principal Shared Path route for pedestrians and cyclists alongside the Perth to Armadale railway line was extended by the construction of two further sections. The purpose of the Principal Shared Path is to improve pedestrian and cyclist safety and provide another link in the development of what is now considered a high standard cycling network. It will also provide opportunities for residents to use walking and cycling as an alternative mode of travel to local areas, for example schools, shops and recreational facilities. Provision of these facilities for the benefit of commuter and recreational cyclists also reduces conflict with vehicular traffic for the benefit of all road-users.



The first of the projects comprised the construction of 1.5 kilometres of path including construction of a 95m long concrete pedestrian-cyclist bridge across the Canning River between Gosnells Railway Station and Albany Highway. The contract was awarded to Bocol Construction and works were completed in January 2005 at a cost of \$3 million.

The second project comprised the construction of 2.1 kilometres of path between Kenwick and Maddington railway stations. This contract was awarded to Ertech and works were substantially complete in June 2005 at a cost of \$2.5 million.

RURAL AREAS

FOUR BRIDGES ON GREAT NORTHERN HIGHWAY NORTH OF HALLS CREEK (KIMBERLEY REGION)

A \$12.2 million contract was awarded to J J McDonald for the construction of four new bridges and associated roadworks at Elvire River, Palm Creek, Upper Panton River and Roses Yard Creek. This project is part of an ongoing strategy to upgrade GNH between Halls Creek and Victoria Highway. The new bridges provide significant safety and access improvements over the old floodway crossings, which were subject to annual closures of up to three weeks. The construction of the four bridges was completed and open to traffic in February 2005.

GIBB RIVER ROAD (KIMBERLEY REGION)

The Gibb River Road is an important transport route servicing Aboriginal communities, the mining industry and the pastoral industry. The Gibb River Road is also becoming an increasingly popular tourist route.

A total of \$670 000 was spent on improvements to the Gibb River Road during the 2004-05 financial year providing for five kilometres of formation and drainage improvements and reconstruction and sealing of 2.2 kilometres of steep incline at the Galvan's Gorge section of the Philips Range. The works undertaken by Main Roads direct management will improve safety and accessibility during the wet season.

KARRATHA – TOM PRICE ROAD STAGE 2 (PILBARA REGION)

This \$92.6 million project will reduce the travelling distance between Karratha and Curlewis by approximately 48 kilometres. This link road will provide more direct public access between Karratha and Millstream, as well as small mining tenures and existing rail and water infrastructure.

A request for a proposal to deliver the project using an alliance contract was called in October 2004. The selection process was concluded in June 2005 and a preferred proponent was appointed. It is expected that construction will commence in early to mid-2006 for completion by late 2008.

MARBLE BAR ROAD (PILBARA REGION)

A \$600 000 contract was awarded to Concrete Logistics for the construction of two concrete floodways and associated approaches on the Marble Bar Road near Roy Hill Station and Bonney Downs Station.

This project is part of an ongoing strategy to reduce the closure duration in the wet season and the associated maintenance costs for unsealed sections of the Marble Bar Road between Nullagine and Newman. The new floodways provide significant safety and access improvements over the old unsealed floodway crossings, which were subject to annual closures and significant maintenance costs. The construction of the floodways was completed and opened to traffic in January 2005.

CARNARVON – MULLEWA ROAD (GASCOYNE REGION)

This 164 kilometres road services the town of Gascoyne Junction, pastoral properties and the Aboriginal community of Burringurrah east of Gascoyne Junction. The road also provides access to the popular tourist locations of Rocky Pool, Kennedy Ranges and Mount Augustus. The unsealed section of the road can be closed by relatively low rainfalls and this occurs on average for 10 days per year isolating communities and industries. It also performs the function of an important inter-regional link to Meekatharra and the Murchison.

A Financing Agreement is in place between the Shires of Carnarvon and Upper Gascoyne and Main Roads to fund a project to upgrade the road at a total estimated cost of \$20 million over eight years. Construction commenced in 2000 and work is scheduled for completion in 2007-08.

In 2004-05, 15 kilometres of seal and the upgrade of three major floodways were completed at a cost of \$3.8 million bringing the total length of sealed road to 70 kilometres.

GREAT CENTRAL ROAD (GOLDFIELDS- ESPERANCE REGION)

The Great Central Road is the Western Australian section of the Outback Highway, linking Laverton in the North Eastern Goldfields through Uluru and Alice Springs in the Northern Territory to Winton in Queensland. The 890 kilometre-long road within Western Australia has had \$6.7 million of improvements since 1998, with \$780 000 in 2004-05. This has improved the standard of the road servicing numerous Aboriginal communities within the Central Desert area and the increasing tourist traffic.

Mark Hazebroek

Project Director Mark Hazebroek manages the delivery of various major projects, including the contract management of 'Design and Construct' and 'Alliance' contracts.



TANAMI ROAD (KIMBERLEY REGION)

The Tanami Road provides a link between Western Australia and the Northern Territory and is being increasingly utilised for tourism and freight transport.

During most northern wet seasons the flooding of Sturt Creek located about 160 kilometres from Great Northern Highway results in the Tanami Road being impassable for periods that can extend to months.

Funding of \$1million was allocated for improvements in the 2004-05 financial year following expenditure of \$3.4 million in 2003-04. The project has included the installation of culverts and drainage at seven sites, significant improvement of eight kilometres of formation and drainage, and the construction of a more reliable crossing at Sturt Creek.

Main Roads was responsible for Project Management and the construction works by the Shire of Halls Creek. The completion of the project has provided improved accessibility to Aboriginal communities and mining interests.

BIBBAWARRA CROSSING (GASCOYNE REGION)

The Bibbawarra Crossing Project provides for the replacement of the existing two-lane gravel crossing with a low-level concrete bridge. The crossing is under the management of the Shire of Carnarvon however funding has been provided to Main Roads under the State Initiated Projects on Local Roads program. The Bibbawarra Road crossing provides an alternative to the Gascoyne River Bridge for access to the north side of the Gascoyne River.

The gravel crossing was damaged each time the Gascoyne River flowed resulting in it being closed, often for over five months of the year (as has occurred in both 1999 and 2000) and on several occasions in 2004 for extended periods. When the crossing is closed, all traffic must detour around the Gascoyne River Bridge which is a 35 kilometre round trip.

A contract for the bridge construction was awarded to Bocol Constructions Pty Ltd with completion scheduled for July 2005 at a cost of \$6.8 million.

ROADSIDE REST AREAS (VARIOUS REGIONS)

In 2004-05, refurbishment works were completed to three roadside rest areas at a cost of \$160 000 in order to improve the general amenity offered to the travelling public. These improvement works included construction of new roadside toilets, shade structures and access upgrades.

At Galena Bridge and Edagee (south of Carnarvon), Hybrid toilets have been installed in rest areas. The Galena facility is mid-way between Carnarvon and

Wooramel and the improvements will enhance the rest area and encourage more travellers to take a break.

At the Robe River 24 hour rest area, a Clivus Multrum dry composting toilet has been installed to replace the old toilet that was destroyed in the 2004 floods. The whole rest area has been refurbished with a new access road and shade sail.

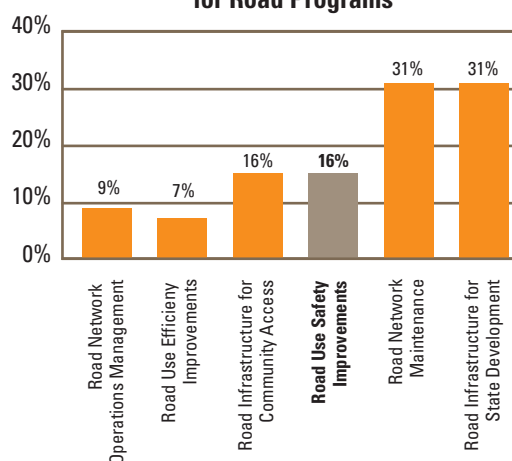
A new truck parking bay was constructed at the intersection of Great Northern Highway and Hillside-Woodstock Road. This will improve the level of service, increase transport efficiency and provide assistance for fatigue management.

ROAD-USE SAFETY IMPROVEMENTS

Main Roads aims to provide an accessible road system in a safe environment for all road-users in a growing and diversifying economy. Works undertaken are with safety as the foremost priority and include State and National Black Spot Programs and various projects that improve the safety on the existing road network.

Over 2004-05, \$42 million was expended on Road-Use Safety Improvements that made up 16% of the total Road Program.

Distribution of Total Funds for Road Programs



The total investment in Road-Use Safety Improvement Program initiatives will assist in reducing the level of road trauma being experienced by the community in terms of both financial and emotional costs.

Initiatives under the program assist in meeting the Government's Road Safety Strategy long-term goal of eliminating road crashes as a major cause of death and serious injury.

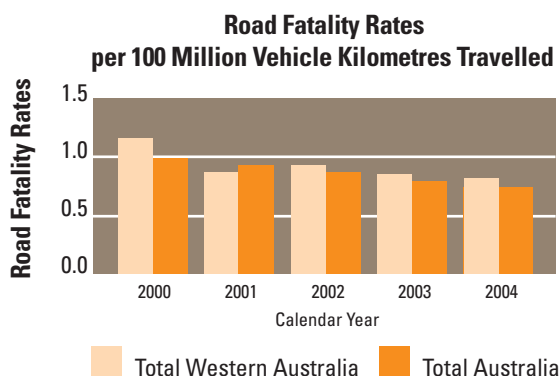
Delivery of the total Road-Use Safety Improvement Program within the financial year is an area that requires improvement. Initiatives to address this

delivery issue are being investigated and include the possibility of partnering arrangements with utility providers (e.g. Western Power and Telstra), increased use of project staging and inclusion of project delivery risk indicators as part of the Program development cycle.

The development and delivery of the Road-Use Safety Improvement Program is in line with Main Roads Strategic Plan key initiative of minimising road factors contributing to road trauma.

ROAD FATALITY RATES

The graph below shows road fatality rates per 100 million vehicle kilometres travelled [100 MVKT] from 2000 to 2004 for Western Australia and Australia-wide. WA fatality rates generally followed a downward national fatality trend. In 2004, the road fatality rate for Australia was 0.76/100 MVKT and in Western Australia the rate was 0.83/100 MVKT.



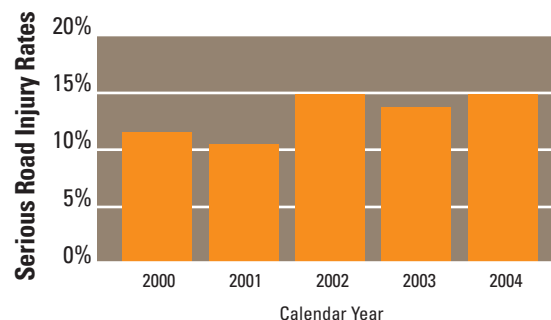
The number of road fatalities occurring in Western Australia over the last five years are tabulated below.

Year	Western Australian Road Fatalities
2000	212
2001	165
2002	179
2003	179
2004	180

SERIOUS ROAD INJURY RATES

As displayed in the graph following, the number of serious road injuries, as measured by an overnight admittance to hospital, per 100 million vehicle kilometres travelled for Western Australia remained fairly constant between 2002 and 2004.

Serious Road Injury Rates per 100 Million Vehicle Kilometres Travelled for Western Australia



SAFER ROADS PROGRAM

While there has been a downward trend in road trauma per 100 million vehicle kilometres travelled (MVKT), there is a strong desire by the community to continue to reduce death and injuries. To enhance the proven approach of Black Spot Programs in reducing road crashes, there is a move within Australia towards a 'Systems Approach'. This approach takes into account the interaction between the road, speed, driver and the vehicle to identify broader network improvements to counter road crashes. This has seen the introduction of Western Australia Safer Roads Program with an overall funding level of \$80 million over four years.

BLACK SPOT PROGRAMS

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

The National Black Spot Program is a Federal Government funded program with total funding for Western Australia of about \$20 million over a four-year period from 2002-03 to 2005-06.

The State Black Spot Program (State roads and local roads) is funded by the State Government with Local Government contributing additional funds for local road projects. In 2004-05 the State Black Spot Program provided \$15 million for road-safety-related works on State and Local Government roads with Local Government contributing an additional \$3.75 million. State Government funding is split between State and Local Government roads on a 50:50 basis.

Major research for Main Roads conducted by the Injury Research Centre included an evaluation of 150 treated sites over the first three years of the State Black Spot Program 2000-2002. The evaluation on these 150 projects found a 28% reduction in casualty crashes, a benefit-cost ratio (BCR) of 4.9 and an estimated \$50.8 million saving in crash costs mostly due to reductions in casualty crashes.

STATE BLACK SPOT PROGRAM

A total of \$15 million was directed towards projects with high safety benefits. A total of 44 projects were undertaken on State roads and 166 projects on Local roads.

Some projects undertaken include:

- Great Northern Highway and Hamilton Road (\$250 000) – install right-turn lane and painted median
- Great Northern Highway – improvements to the intersection of Hamilton Road and Great Northern Highway. The sealed widening works allow for the provision of a right-turn lane increasing traffic efficiency and increased safety
- Reid Highway and Mirrabooka Avenue (\$270 000) – modify traffic signals and install high friction surfacing on the approaches to the intersection
- Goldfields Highway, Shire of Coolgardie (\$180 000) – install advance flashing yellow lights at railway crossing
- Port Hedland Highway – improvements to the intersection of Cooke Point Road and Port Hedland Highway. The sealed widening works allow for the provision of a right-turn pocket increasing traffic efficiency and increased safety
- Dampier Highway – improvements to the intersection of Dampier Highway and the College-High School entrance. The sealed widening works allow for the provision of a right-turn pocket increasing traffic efficiency and increased safety for students accessing the College-High School
- Dampier Highway – upgrade and install additional guardrail at the intersection of Dampier Highway and Burrup Peninsula Road. This work will improve safety for the increased number of vehicles accessing this intersection.

During 2004-05, the 2005-06 State Black Spot Program was developed and approved by the Minister for Planning and Infrastructure. The 2005-06 Program is the first year of an increased annual allocation of \$20 million, an increase of \$5 million from the funding allocation in previous years.

INTERSECTION IMPROVEMENTS (GREAT SOUTHERN REGION)

Significant intersection improvements were completed at the following sites:

- South Coast Highway and Bremer Bay Road in the Shire of Jerramungup
The scope of work included widening to provide for a right-turn and left-turn lanes and associated drainage and pavement markings.

- South Coast Highway and Gairdner South Road in the Shire of Jerramungup

The scope of work included widening to provide for a right lane and associated drainage and pavement markings.

Improvements at these locations provide an improved level of safety for through-traffic and traffic entering and exiting the major roads at these intersections.

NATIONAL BLACK SPOT PROGRAM

The Commonwealth Government approved \$5.4 million of projects enabling 11 projects on State roads and 52 projects on Local roads across the State to be undertaken.

OTHER SIGNIFICANT SAFETY PROJECTS

Other significant road safety projects funded include:

LEACH HIGHWAY INTERSECTIONS (METRO REGION)

A contract to apply high skid resistant surfacing to four intersections on Leach Highway was awarded to Antiskid Industries. High skid resistance surfacing at intersections assists in achieving a safe traffic environment in severe braking and turning situations. The work was undertaken at night and completed in August 2004 at a cost of \$850 000.

BROOKTON HIGHWAY (WHEATBELT SOUTH REGION)

Brookton Highway is a regional route linking Perth and Esperance and provides access to popular tourist attractions. A substantial length of the road between Corrigin and Hyden is sealed to a width of 3.7 metres with deficient horizontal and vertical alignment.

Works to the value of \$2.0 million involved upgrading two sections of the highway totalling seven kilometres located approximately 20 kilometres south-east of the Corrigin Townsite.

BUSSELL HIGHWAY-ROBERTSON DRIVE INTERSECTION, BUNBURY (SOUTHWEST REGION)

A roundabout was constructed to replace the T-junction at this location. The new intersection has resulted in greatly improved traffic flow and safety at this busy intersection and can reduce accidents. This was demonstrated with the safe and efficient traffic flow during the busy Easter season in March 2005. There was a great reduction in delays to that previously experienced during holiday periods. Works were completed in December 2004. The final cost of the works was \$1.8 million.

SOUTH WESTERN HIGHWAY, WAROONA TO HARVEY SECTION (SOUTHWEST REGION)

The construction of two passing lanes immediately north of Yarloop was completed in April 2005 at a cost of \$1.05 million. This work provides a much needed passing opportunity, improving traffic flow and reducing driver frustration and forms part of an ongoing program to provide additional passing opportunities on South Western Highway between Waroona and Bunbury.

TRAFFIC SIGNALS – GREAT EASTERN HIGHWAY AND GATEACRE STREET

Installation of traffic signals on the corner of Great Eastern Highway and Gateacre Street are helping to support safer movement of heavy vehicles in the intersection and the increasing demands of commuter traffic.

ALBANY HIGHWAY (WHEATBELT SOUTH REGION)

As part of the State Black Spot Program a passing lane was constructed and audible edge lines installed three kilometres south of Williams in the south-bound lane. The completion of this project will significantly improve safety and increase transport efficiency. Construction was awarded to the Shire of Williams and was completed in March 2005 at a cost of \$463 000.

ADVANCE FLASHING WARNING LIGHTS-KAMBALDA RAIL CROSSING

Installation of Advance Flashing Warning Lights at the Kambalda Rail Crossing is assisting the safe movement of large trucks and light vehicles between Kambalda and Kalgoorlie-Boulder.

RAILWAY CROSSINGS-RENEWALS AND UPGRADES

Main Roads continued to provide funding for a five year railway crossing renewal program being undertaken by WestNet Rail Contractors. Under this program, 16 active level crossings on public roads in Western Australia were completely refurbished during 2004 05.

In addition, six railway crossings were upgraded by WestNet Rail to provide an increased level of protection by the installation of either boom barriers or flashing lights.

The overall cost of these renewal and upgrade programs was \$3.5 million.

RAILWAY CROSSINGS-SIGNING AND ROAD MARKING UPGRADES

A program to upgrade signing and road markings at all railway crossings on public roads throughout the State was completed to Australian Standards in 2004-05.

ROAD ENHANCEMENT PROGRAM

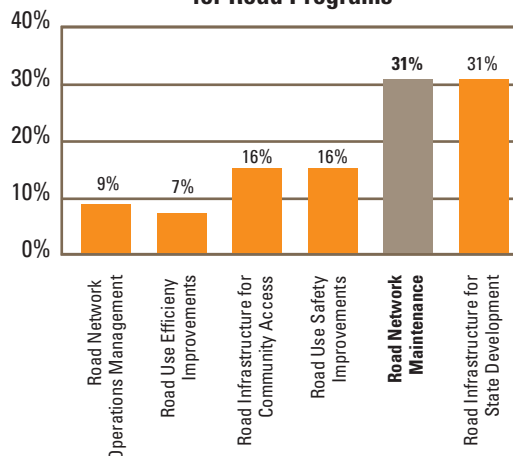
The Road Enhancement Program includes a number of projects that have significantly contributed to improved safety on the urban and rural road network. These include parallel pedestrian facilities, shared bicycle and pedestrian paths, installation of traffic signals, upgrades to school crossings, railway crossing improvements, construction of rest areas and passing lanes, and intersection improvements.

ROAD NETWORK MAINTENANCE

The Road Network Maintenance Program involves works undertaken on the existing road network to provide, improve and maintain the road and bridge surfaces and roadside environment to a specified standard. These works include routine maintenance, periodic maintenance, reconstruction works, managing and administering various Term Network Contracts and the Traffic Control Infrastructure (Maintenance) Contract.

Over 2004-05, \$226 million was expended on Road Network Maintenance that made up 31% of the total Road Program.

Distribution of Total Funds
for Road Programs



TERM NETWORK CONTRACTS (TNC)

Eight regionally based ten-year Term Network Contracts were established to provide road maintenance and rehabilitation services on the AusLink National Network and State road system and for regulatory signs and road lines on local roads. The contracts provide a range of maintenance services to



help ensure that road-users are provided with a safe and efficient road system and that the value of the road asset is preserved. The contracts have been in place for up to six years.

Main Roads and TNC contractors have to work closely to maximise the opportunities to coordinate and integrate contractors' maintenance work with improvements initiated by Main Roads. This provides benefits of improved assets, better resource utilisation for both parties and better value for money for Western Australians.

A total of \$19.3 million of minor improvement works was delivered under the TNCs during 2004-05.

TRAFFIC CONTROL INFRASTRUCTURE CONTRACT (TCIC)

The Traffic Control Infrastructure Contract is a 10-year statewide contract that provides maintenance and improvement services for traffic control infrastructure and road lighting on highways and main roads.

The contract has been in place for over six years and exceeds operational performance targets for reliability of traffic signals and response times. Most other measures are within operational ranges, except for repair time which is below the performance target due to the high number of collisions with traffic signal poles.

Approximately \$2.1 million of traffic control infrastructure improvements, including installation of new traffic signals or modification of existing signals have been undertaken between July 2004 and May 2005 under the TCIC.

Performance Indicator	Target	Actual Note A
Availability the % of time each asset is operational		
• for traffic control signals	99.60%	99.30%
• for road lighting	99.26%	98.88%
Reliability the average number of failures per asset per month		
• for traffic control signals	0.50	0.03
• for road lighting	0.33	0.40
Response Time the average time (hours) taken from notification of fault to arrival on site		
	4.8 h	1.94 h
Repair Time the average time (hours) taken to fix a fault from arrival on site		
	7.5 h	12.40 h

Note A: figures are the average for July 2004 to May 2005.

TROPICAL CYCLONE MONTY – FLOOD DAMAGE

On 3 March 2004, Cyclone Monty passed over the lower Pilbara Region and flooded several major catchments and river systems. In the process floods washed away over 200 metres of the North West Coastal Highway on the approaches to the Maitland River Bridge, destroyed over 500 metres of shoulders and batters and compromised the bridge structure. The road was reinstated with several design improvements to mitigate future damage. The works included reconstruction of the bridge approach embankments with the incorporation of relief floodways, construction of significant rock protection works, and reconstruction and upgrading of the bridge guidebanks.

Cyclone Monty also impacted upon the Gascoyne Region and as a result the North West Coastal Highway was significantly damaged by flood waters. Damage at Robe River included two large sections of highway (250 metres in total length) and a large culvert structure washed out.

The works involved the reconstruction and extension of the approach floodways, construction of a new large culvert system, construction of significant rock protection and the reconstruction of the guidebanks at the bridge. The road reinstatement works were completed in November 2004 at a cost of \$3.8 million.

These design improvements should prevent the extent of future flood damage, extending the life of the bridge structures and reducing isolation of the communities, roadhouses and pastoral stations.

ALBANY HIGHWAY – CAUSEWAY BRIDGES (METRO REGION)

Concrete repairs were undertaken on the Causeway Bridges which involved repairs to abutments, piers and approach plinths. Cathodic protection was also installed to extend the life of the steel reinforcement and also monitor the extent of corrosion.

A contract was awarded to the Kulin Group and the works were completed in April 2005 at a cost of \$850 000. The repairs will minimise whole- of-life road asset management costs.

SHARK BAY AND MONKEY MIA ROADS (GASCOYNE REGION)

Shark Bay and Monkey Mia Roads are maintained in partnership with the Shire of Shark Bay. The maintenance agreement is beneficial for the Shark Bay Region by developing and maintaining road industry skills and assisting with the local economy while at the same time providing Main Roads with value for money.

MIDDLE SWAN ROAD BRIDGE (METRO REGION)

The works comprised major substructure repairs to failing timber elements on the bridge.

A contract was awarded to Structural Systems and works were completed in April 2005 at a cost of \$650 000. The works will minimise whole of life costs for the structure while preserving the necessary level of service along this heavily trafficked route resulting in a well-maintained road network.

BRIDGE MAINTENANCE

The value of bridges on the State road network is \$1.3 billion and represents an important component of the total road asset. Bridge maintenance activities are undertaken with the aim of maintaining the bridge asset at the current level of service whilst maximising whole-of-life-cycle-costs.

Main Roads has a program for inspecting all timber bridges on public roads in the State on a five-yearly cycle and has recently expanded the inspection program to include concrete and steel bridges. The levels of service considered in the maintenance program broadly fall into the categories of aesthetics, durability, strength (timber bridges only) and safety.

Due to the high deterioration rates associated with timber bridges, the majority of the bridge maintenance program is aimed at maintaining the capacity (strength) and durability of the timber bridges. Timber bridges represent one-third of the total number of bridges on the classified road network but only 12% of the replacement value of the bridge asset. Despite representing such a small proportion of the network value, the timber bridge maintenance program typically requires around 80% of the available maintenance funds.

During 2004-05 a total of \$16.5 million was spent on the maintenance of the bridge network (including \$5.7 million on local roads).

The following table identifies the number of bridges managed by Main Roads.

Asset Owner	Number of bridges
Bridges on AusLink National Network and State Roads	977
Local Government bridges	1,020
CALM, Water Corporation and rail bridges	869
TOTAL	2,866

ASSET PRESERVATION PROGRAM

EYRE HIGHWAY (CAIGUNA EAST – BALLADONIA EAST AND WEST)

The Federal Government has committed \$45 million for widening and reconstruction of 67 kilometres of Eyre Highway, Balladonia and Caiguna East sections.

The project is planned for completion by December 2006.

The highway upgrade will improve road safety, enhance transport efficiency and reduce maintenance costs.

RAILWAY CROSSINGS – MAINTENANCE

Main Roads has an agreement with both WestNet Rail and the Public Transport Authority to pay 50% of running costs, maintenance costs and incident (repair) costs for all active railway level crossings.

Under these agreements, in 2004-05 \$1.4 million was spent to ensure that around 500 railway crossings in Western Australia continue to provide road users with an appropriate level of service.

The railway crossing maintenance agreements with WestNet Rail and the Public Transport Authority provide safety to the public and a level of confidence for both Main Roads and Government that railway crossings across the State continue to operate in a satisfactory manner.

The maintenance of railway crossings contributes to the “sustaining network operations” area of strategic focus in Main Roads 2K7 Strategic Plan.

PLANT MAINTENANCE

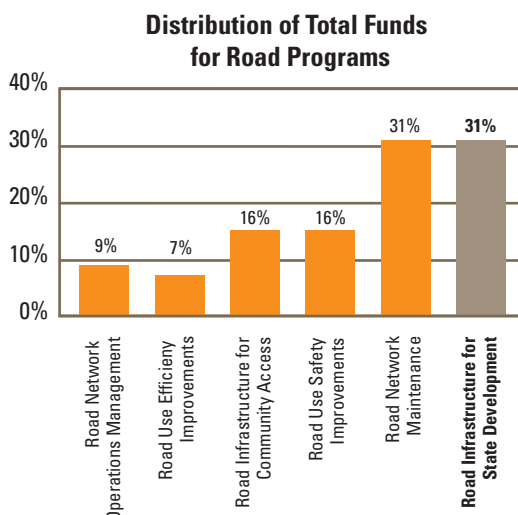
To assist Main Roads in the Road Maintenance Program, Western Power Fleet Services has been awarded a contract for the provision of mechanical services for various items of plant. Main Roads has a number of plant items including trucks, bridge access units and ancillary equipment located around the State. The contract will provide access to 23 workshops and service agents throughout the State for scheduled services, mechanical and electrical repairs, emergency and towing services and plant modifications.

ROAD INFRASTRUCTURE FOR STATE DEVELOPMENT

Road Infrastructure for State Development involves works aimed at increasing the capacity of the road network through the addition of new links and additional continuous lanes to facilitate the economic and regional development of the State. These works include some State initiated major projects on local



roads. Accessibility is the key component in the development of a growing and diversifying economy. By increasing the capacity of the road network, providing new roads and bridges, Main Roads provides infrastructure that facilitates new development in the regions, and in turn delivers economic growth.



Over 2004-05, \$225 million was expended on Road Infrastructure for State Development that made up 31% of the total Road Program.

DELIVERY OF ROAD PROJECTS ON TIME AND BUDGET

During 2004-05, 11 projects (each with a total value exceeding \$2 million) were completed, with a total expenditure over the life of the projects of \$57.1 million. Project time and performance summaries are described below:

Project Delivery Indicators	Number of Projects	Total Expenditure \$ M	% of Projects Weighted by Project Cost
Completed within Budget or within 5 % over budget	11	\$80.9 M	100 %
Completed on Schedule or Ahead of Schedule	8	\$37.0 M	65 %



METROPOLITAN AREAS

GREAT EASTERN HIGHWAY (SAWYERS VALLEY – THE LAKES)

This \$35 million project will provide improved road safety for residents and tourists and a more efficient transportation route to the eastern states and the Goldfields-Esperance region.

The project involves upgrading 13 kilometres of Great Eastern Highway to dual carriageway standard, including the Lakes Turn Off intersection. The Great Eastern Highway forms part of the AusLink National Network route for long-distance traffic travelling east from Perth and also serves as an arterial route for the eastern corridor of the metropolitan area.

Construction works on the section of dual carriageway from Sawyers Valley to two kilometres west of The Lakes turn off intersection commenced during April 2004. Major road works construction commenced in September 2004 with an expected completion date in May 2006.

TONKIN HIGHWAY (MILLS ROAD WEST – THOMAS ROAD)

The 18 kilometre \$148 million extension of Tonkin Highway will provide a bypass to the west of the urban areas that will remove much of the regional traffic and improve residential amenity and road safety by concentrating heavy vehicles on a dedicated freight route.

Extending Tonkin Highway will also facilitate the developing of Champion Lakes and open up the Forrestdale Business Park and more than 1 000 hectares of residential land on the southern boundary of Armadale. This will help to create jobs in local businesses and industry and provide a much needed boost to the southeast corridor.

The first 11 kilometres of the extension was officially opened to traffic by the Premier Geoff Gallop and Planning and Infrastructure Minister Alannah MacTiernan on 2 April 2005. Stage One of the new highway provides a direct route from Mills Road East

in Martin to Armadale Road in Forrestdale and has incorporated:

- Two new interchanges at Albany Highway and Corfield Street
- Bridges over the Canning and Wungong rivers
- New signalised intersections at Mills Road East and West, Ranford Road and Armadale Road, with a connection at Champion Drive due for completion in 2006
- Pedestrian and cyclist facilities, including a Principal Shared Path along the length of the highway.

Work on Stage Two of the project, extending the highway to Thomas Road in Byford, is well advanced and expected to be open to traffic in September 2005, over 12 months ahead of schedule.

As part of the project, an international rowing course almost 2.4 kilometres long and 150 metres wide is being constructed adjacent to the Tonkin Highway extension in the Champion Lake area. Approximately 1.6 million cubic metres of material excavated from the rowing course has been used for fill on the Tonkin Highway extension project. The construction of the rowing course is being implemented under a cooperative arrangement between Armadale Redevelopment Authority, Main Roads, the Western Australian Planning Commission and the City of Armadale.

MITCHELL FREEWAY (HODGES DRIVE TO BURNS BEACH ROAD)

The \$87 million Mitchell Freeway Extension will bring social and transport benefits to the rapidly growing communities north of Perth. The extension will provide much needed infrastructure to support the existing residential and commercial needs of the northwest corridor and help Joondalup reach its full potential. It will stimulate local industry and further development by providing direct access to the Joondalup city centre as well as the northern suburbs of Connolly, Currambine, Iluka, Carramar and Kinross.

The extension will provide relief for northern suburb commuters and the light commercial traffic travelling to these areas by reducing congestion and travel times. A Principal Shared Path will be constructed alongside the freeway to improve pedestrian and cycle connectivity to the Joondalup city centre, local amenities and the Currambine Rail Station.

The project includes:

- A 4 kilometre extension of the freeway
- Road bridges at Hodges Drive, Shenton Avenue and Northern Suburbs Transit System (NSTS) at Moore Drive



- Interchanges at Hodges Drive, Shenton Avenue and Burns Beach Road. An overpass footbridge at Winton Road
- 4 Principal Shared Path underpasses
- Deviation of Hodges Drive
- Relocation of the NSTS to the freeway median between Shenton Avenue and Currambine Station (including a tunnel)
- Extension of 2 underpasses to provide pedestrian access to Currambine Station.

Project development work is progressing with construction anticipated to commence in late 2006 and to be completed in mid 2008.

ROE HIGHWAY (SOUTH STREET TO KWINANA FREEWAY)

Roe Highway offers considerable social, environmental and economic benefits. When completed, it will deliver improved highway safety, improved safety on neighbourhood streets, reduced transport costs, reduced congestion, efficient emergency services and environmental enhancement.

The \$68 million alliance presents an excellent opportunity for Government, Main Roads, Industry and the Community to work in true collaboration and deliver value-for-money outcomes beyond business as usual.

Members of the local community, residents, special interest groups and Local Governments have met regularly with the alliance team to consider issues important to them.

The Roe 7 Alliance contract for the design and construction of 4.5 kilometres of dual carriageway at freeway standard between South Street and the Kwinana Freeway, with grade separations at South Street, Karel Avenue and the Kwinana Freeway, was awarded in November 2003 and construction commenced in December 2004.

ARMADALE ROAD DUAL CARRIAGEWAY

As part of the State Government's commitment to improving safety on Armadale Road, work is being undertaken to construct a dual carriageway between Lake Road and the Forrestdale town centre.

This \$5 million project will have many benefits for both the local community and regional traffic as the duplication will:

- Enhance the safety and efficiency of Armadale Road
- Cater for future traffic volumes that are predicted to increase as further regional development occurs
- Improve access to and from the future Tonkin Highway extension, currently being constructed to Armadale Road and onwards to Thomas Road in Byford.

The above improvements complement the work that is already being carried out on Armadale Road as part of the Tonkin Highway Extension Project. Once complete, the combined works will enable road-users to travel on a dual carriageway from South Western Highway in Armadale to Anstey Road in Forrestdale.

The new duplication is being progressively opened as it is completed with all improvements expected to be finished by September 2005.

RURAL AREAS

GERALDTON SOUTHERN TRANSPORT CORRIDOR STAGE 1 (MID WEST REGION)

The Geraldton Southern Transport Corridor, a road and rail project managed by Main Roads, provides benefits to the City of Geraldton enabling future regional development, growth and revitalisation of associated business, tourism, economic and employment opportunities in the region.

Construction of the \$92.5 million Stage 1 of the project commenced in March 2004 and involves the design and construction of 13 kilometres of single rail alignment, 4.9 kilometres of road works from the Geraldton Port to North West Coastal Highway, five road bridges, one rail tunnel, associated interchanges and connections to the local road system, and beach reclamation works. This project will be completed in late 2005.



LANCELIN-CERVANTES (WHEATBELT NORTH REGION)

The 65 kilometre Lancelin to Cervantes section is the last section of the coastal road link from Perth to Dongara known as Indian Ocean Drive. This project involves construction on a green fields site and includes a realignment of Mimegarra Road (unsealed) and connections to Wedge Island, Grey and Ocean Farm Estate.

Once complete, Indian Ocean Drive will bring social and transport benefits to the local communities along the route and foster economic opportunities for the Central Coast region. It will support the existing residential and commercial needs of the region, in particular the needs of the fishing industry and help to meet the projected population growth and development in the area.

Indian Ocean Drive will also reduce the distance and travel time for local and light commercial traffic travelling between the coastal communities. This will improve access to medical and educational facilities, encourage better use of regional amenities and stimulate local industry by providing direct access between centres with different commercial and administrative functions.

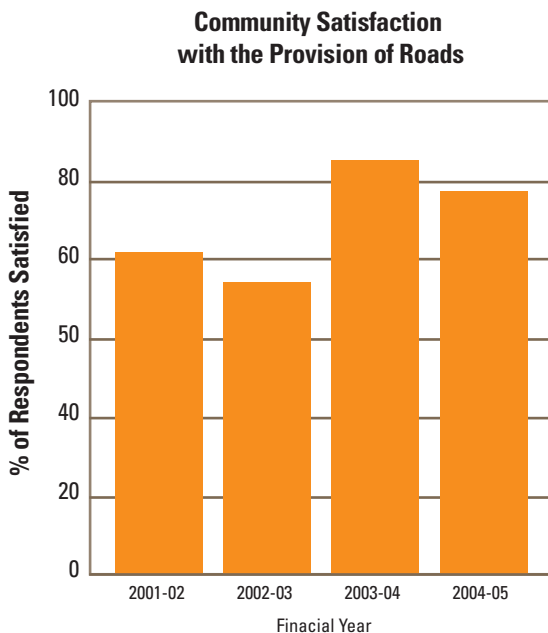
The \$68 million project is to be delivered in two stages with the \$10 million first stage from Lancelin to Ocean Farm Estate to commence in 2007 and the balance to be constructed over the next four years.

MOWEN ROAD (SOUTH WEST REGION)

Ongoing construction and sealing of this local road between Margaret River and Nannup will improve access for tourism and reduce transport costs for the cartage of bluegum plantation timber. Sealing was completed from the west to Sues Road in February 2005 providing a sealed link between Margaret River and Sues Road.



COMMUNITY SATISFACTION WITH PROVISION OF ROADS



There has been a slight decline since the last survey results with the percentage of respondents satisfied with the provision of roads dropping back to the results of the 2002-03 survey. However, despite this decrease, the community continues to be highly satisfied with the provision of roads within the Main Roads network.

THE PERTH-BUNBURY HIGHWAY (KWINANA FREEWAY EXTENSION-PEEL DEVIATION) STAGE 1

The New Perth-Bunbury Highway Project Stage 1 will substantially complete the high standard inter-regional road link between Perth and the South West, bypassing the heavily populated areas in Mandurah and the Dawesville Peninsula.

The 57.5 kilometres of new road will extend the dual carriageway from Paganoni Road, around the eastern side of the Peel Inlet and Harvey Estuary to join the existing dual carriageway on the Old Coast Road near Lake Clifton.

The new Perth-Bunbury Highway will significantly improve transport connectivity and travel times between the metropolitan area and the growing Peel and South West regions.

The new highway will remove much of the regional traffic, including freight vehicles, from heavily populated areas in Mandurah and along the Dawesville Peninsula significantly improving road safety and social amenity.

The new highway will also promote further economic development and preserve the region's attractiveness as a tourist destination by maintaining safe and easy access for the thousands of tourists who travel south each year.

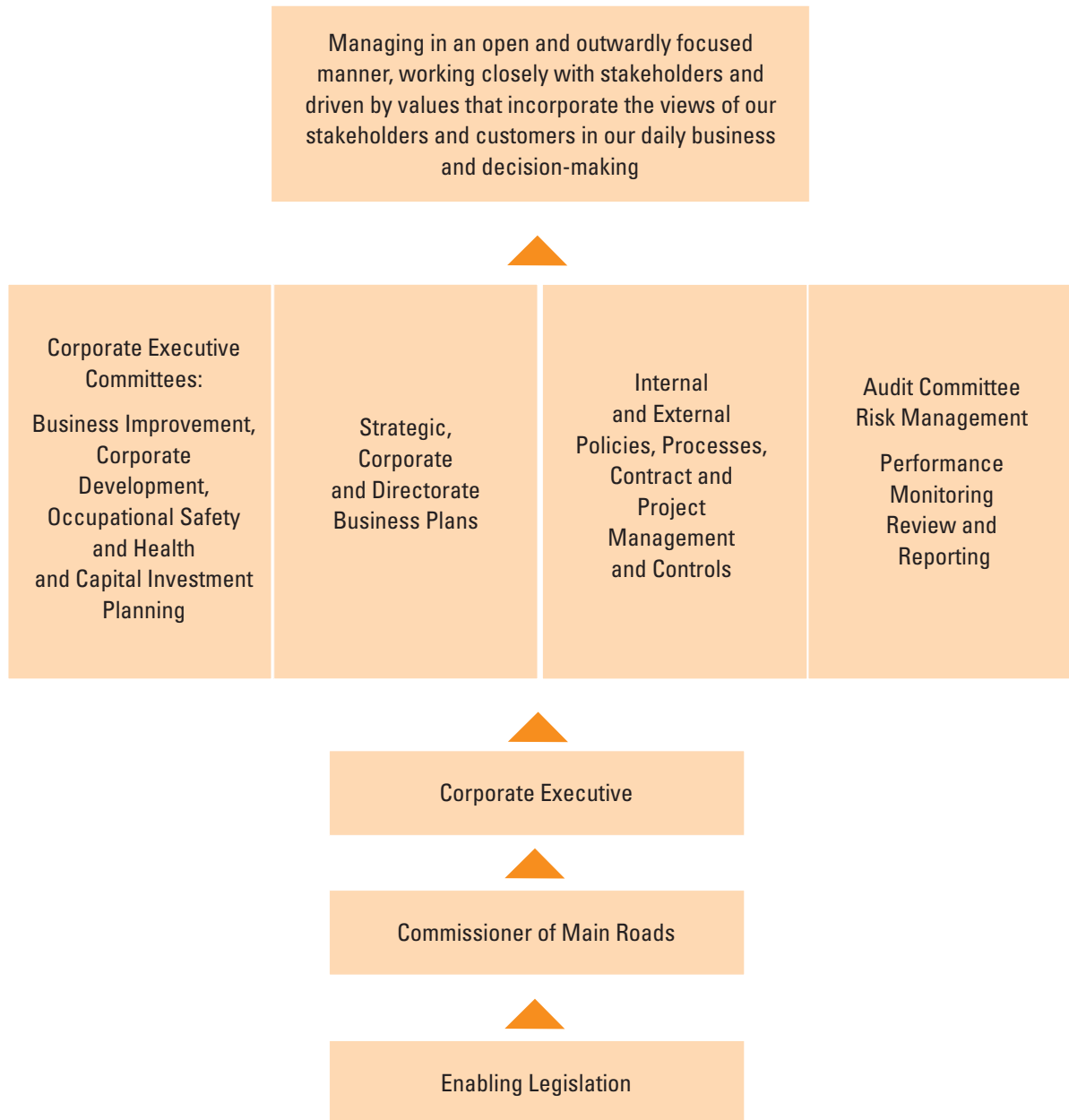
The State and the Federal Government have committed \$370 million (2005 dollars) to the project which will be delivered using an Alliance contracting strategy. Planning and development activities are well underway and construction is scheduled to commence in late 2006.

Doug Vickery

Doug Vickery's role with Major Projects Directorate is to project manage large and complex road, bridge and rail construction projects such as the Geraldton Southern Transport Corridor, and includes being Main Roads' representative on site for the 'Design and Construct' contract delivery.



➤ CORPORATE GOVERNANCE



The above diagram shows the Corporate Governance model practised in Main Roads.

There is a strong management team to ensure that sound policies and practices in relation to management and oversight, ethical and responsible decision-making, safeguarding the financial management and reporting, managing risk, providing value for money and respecting the rights and requirements of stakeholders are in place.

A full description of Main Roads' governance activities is contained in the Corporate Governance section on pages 67 to 75.

FINANCIAL AND COMMERCIAL HIGHLIGHTS

Main Roads funding in 2004-05 amounted to \$925.8 million.

Main Roads spent a record \$945.7 million on expanding, improving and managing the road network. This included \$923.7 million expenditure on our programmed activities, \$16.2 million for the written down value of infrastructure and other assets replaced, \$3.7 million for the value of roads transferred to Local Government Authorities and \$1.7 million for pension payments made by the Department of Treasury and Finance on our behalf and resources received free of charge.

Main Roads built 61 lane kilometres of new roads, enhanced 816 lane kilometres to improve safety, community access and road efficiency, and delivered 13 major projects with a value of \$151 million.

Capital expenditure on the road network was \$303.7 million and \$11.8 million on other assets.

Main Roads repaid \$35.7 million of loans during the year.

Expenditure on maintenance activities was \$182.3 million, and we provided \$124.2 million for expenditure on local and other roads.

The value of road infrastructure at 30 June 2005 was \$19.3 billion. This is an increase of \$2.9 billion over the value at 30 June 2004. This increase was mainly due to revaluation, and particularly the value of land within road reserves which increased from \$8.2 billion to \$10.2 billion.

Main Roads' road infrastructure forms a major part of the total public sector non-financial assets.

The works program this year has been subject to considerable cost pressures. Contract prices have risen considerably, by as much as 30% in some instances, due to the buoyant economy and increases in the price of oil, materials and labour.

Key achievements during the year were:

- Significant improvements were made by the Program Managers in monitoring the delivery of works projects by introducing milestone reporting. Program Managers are now able to better identify delays in project delivery and make recommendations for the reallocation of funds to deliverable projects.
- 121 kilometres of dual use paths (also called principle shared paths), which were expensed previously, were capitalised during the year, resulting in an increase in our infrastructure assets of \$29.4 million, with a corresponding increase in income.
- The Roe 7 project, comprising 4.5 kilometres of dual carriageway at freeway standard between South Street and Kwinana Freeway, is being delivered by an alliance contract, the first entered into by Main Roads for delivery of a major road infrastructure project. The project is progressing extremely well, demonstrating the flexibility to accommodate community and industry requirements that would be difficult to manage in more conventional contract forms. Of particular note is the Premier's commendation of the community involvement process.
- Because of the success of the Roe 7 alliance project, a \$30 million alliance contract was awarded for upgrading works on Tammin to Walgoolan section of Great Eastern Highway, and negotiations were well advanced for the award of an alliance contract for \$80 million for Stage 2 of the Karratha –Tom Price Road.
- As part of its Building Better Government program, the Western Australian Government is to share human resource and financial management systems across the State's public sector. This involves bringing together the relevant processes and services of a group of agencies into a separate organisation called a Shared Service Centre. Main Roads was selected, along with the Department of Fisheries, as one of the two pilot sites to be the first agencies to go live with the shared services. This requires that Main Roads' personnel participate in the designing, building and testing of the new business solution and we have seven of our finance, systems and human resource specialists working full time with the Office of Shared Services. The new business solution will be ready for the commencement of the 2006-07 financial year and will vastly improve our systems, routine processing and reporting in human resource, finance, project and contract administration areas.
- Main Roads has implemented a program to provide general liability and material damage insurance for all works contracts, as well as professional indemnity insurance for alliance works contracts. This insurance cover has been procured through AON Insurance Brokers and replaced the previous requirement for successful tenderers for works contracts to provide similar insurances, the cost of which was included in individual tender prices. Benefits include better value for money, guarantee of insurance coverage, and more efficient and equitable claims management.

- A new Microsoft Windows XP based Standard Operating Environment has been developed for deployment to all desktops and notebooks. Our diligent adherence to standardised hardware and software has enabled significant savings to be made in information technology maintenance and support costs as well as maximising business productivity for staff.
- In 2004-05 Main Roads continued the deployment of the TRIM electronic document management system. TRIM is a vital component of Main Roads strategy to ensure compliance with the State Records Act and its own Corporate Record Keeping Plan. Better utilisation of the imaging and workflow modules of TRIM will continue to build on the realisation of substantial productivity benefits offered by an increased reliance on electronic rather than paper documents.
- Main Roads adopted Voice over Internet Protocol technology (VoIP) with the initial implementation in the Customer Contact Centre. This successful implementation has given rise to plans for further implementations at Main Roads' Heavy Vehicle Operations office in Welshpool and the new Goldfields-Esperance Regional office as well as selected areas of our head office in East Perth. VoIP technology has matured greatly in recent years and will provide savings in communications costs.
- Construction of a new \$3.2 million office for Main Roads Goldfields-Esperance Region commenced in January 2005 and is expected to be completed by September 2005. The current Goldfields-Esperance Regional Office was constructed in 1965. Since that time Main Roads has rationalised our country workforce and significantly changed the operational practices. Over the years transportable offices have



been utilised to meet increased space requirements. This has created an office environment that does not meet current building codes or government accommodation guidelines and benchmarks.

- The construction of the new office complex for the South West Region was completed in April 2005 at a cost of \$3.5 million. The old office accommodation, which included a number of transportable units, was well below an acceptable standard. The main building was built in 1959 and did not meet functional needs and posed occupational health and safety risks. Also, additional accommodation was required for the state-wide timber bridge maintenance function which is now centralised in Bunbury.
- Energy reduction strategies implemented during the year resulted in the reduction of Main Roads' overall energy consumption by 11%, 3% more than the Government target.
- A number of long outstanding compensation claims relating to land acquisition for the Graham Farmer Freeway were resolved satisfactorily.



Corporate Services Reform Project

Six members of the Business Solutions team seconded from Main Roads.

Front: Phil D'souza, Keith Scott, Chu Yu

Back: Kaye Arnold, Greg Hollis, Kevin Pethick



- Savings made during the year from the implementation of common use arrangements, introduced as part of the Government's procurement reform, amounted to \$600 000.
- Interest cost as a percent of total funding reduced from 1.7% in 2003-04 to 1.1% this year, because of

significant loan repayments during the year. Main Roads total debt as a percent of equity is only 0.7%.

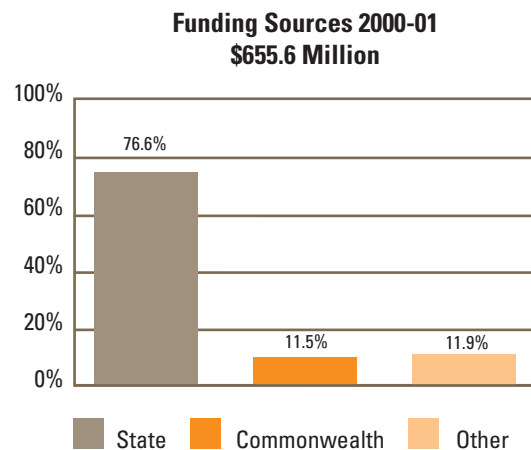
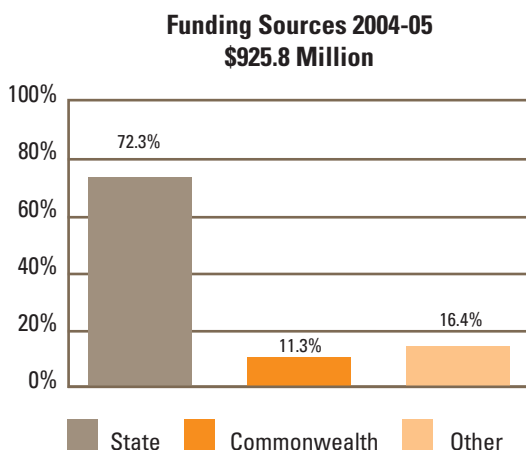
- 94% of all Main Roads suppliers' invoices were paid within the agreed terms of credit, and 97% of all our payments were made by electronic fund transfers.

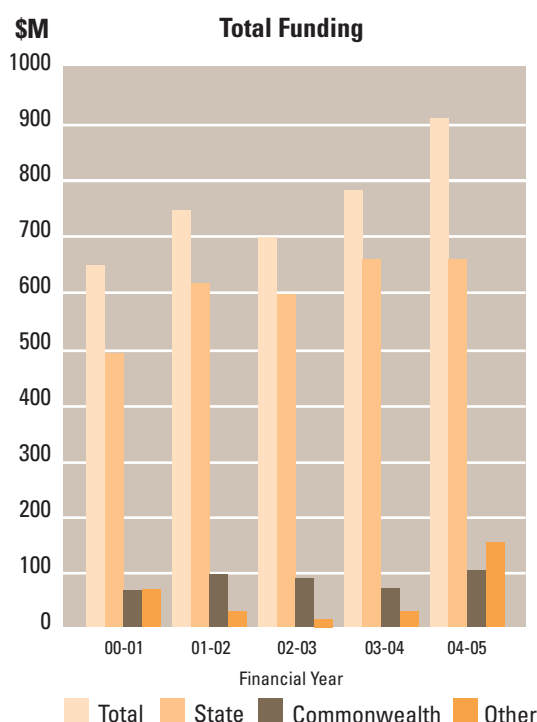
SOURCES OF FUNDING

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
State Government					
Appropriations-Cash	502.4	262.7	282.9	292.4	342.4
Appropriations-Depreciation	-	118.0	165.4	182.0	143.8
Capital Contribution	-	240.0	150.2	189.2	182.9
Road Trauma Trust Fund	-	-	2.0	0.5	0.5
Total State Government	502.4	620.7	600.5	664.1	669.6
Commonwealth Grants	75.1	96.1	87.5	77.0	104.8
Contributions to Road Works	46.2	11.2	8.5	8.7	11.3
Works/Services Supplied	1.1	0.4	0.5	20.0	95.8
Profit on Sale of Fixed Assets	5.5	7.4	1.6	0.5	3.6
Natural Disaster Relief Arrangements	21.3	6.5	-	-	8.8
Rents	3.0	2.9	2.6	2.6	2.4
Other	1.0	2.1	0.7	1.0	29.5
TOTAL	655.6	747.3	701.9	773.9	925.8

Note: This table shows all funding received, including capital contributions but excludes asset valuation increments, resources received free of charge, assets transferred at no cost from Local Government Authorities and other entities. For details of these see the Statement of Financial Performance.

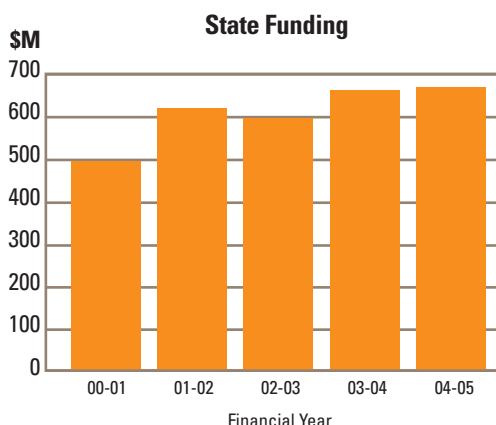
In 2001-02 the Government introduced accrual appropriations, resulting in the funding of fixed asset depreciation for the first time. This funding is held in a holding account for the replacement of assets, and may be drawn upon based on a business case.





\$0.5 million was received from the Office of Road Safety (from the Road Trauma Trust Fund) for State Blackspot projects, same amount as received in the previous year.

This year, Capital Contributions included in appropriations from the Consolidated Fund amounted to \$182.9 million, a decrease of 3.3% from 2003-04.



STATE SOURCES

Funding from State Government comes from three primary sources – Motor Vehicle Licence Fees, Motor Vehicle Permit Fees and other appropriations from the Consolidated Fund. Motor Vehicle Licence Fees are collected by the Department for Planning and Infrastructure and Heavy Vehicle Permit Fees are collected by Main Roads.

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 (Cwlth)* for heavy vehicles. Fees collected during the year amounted to \$319.2 million, compared with \$299.3 million collected in the previous year, an increase of 6.7%.

Vehicle Permits for vehicles that are oversize, or special purpose, or which carry oversize or extra loads, are also collected under the *Road Traffic Act*. \$3 million was collected during the year (49,700 permits were issued) compared with \$2.7 million in the previous year (for 47,982 permits issued).

Other appropriations from the Consolidated Fund amounted to \$346.9 million, including \$143.8 million for depreciation. In 2003-04 \$361.6 million was received from this source, including \$182 million for depreciation.

COMMONWEALTH GRANTS

Commonwealth funding received in 2004-05 totalled \$104.8 million compared with \$77 million received in 2003-04.

Commonwealth funding is provided for the maintenance, improvement and expansion works on Commonwealth Roads.

The allocation for maintenance, safety and urgent minor works was \$29.8 million.

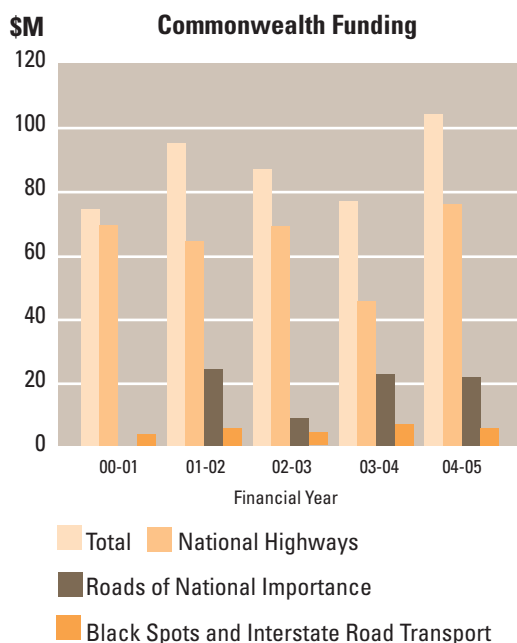
Major works undertaken in 2004-05 from these funds included the following projects:

- Great Eastern Highway, duplication between Sawyers Valley to the Lakes
- Great Northern Highway – Roe Highway to Muchea
- Great Northern Highway – construction of bridges in the Kimberley region at Upper Panton, Roses Yard and at Palm Creek
- Roe Highway – Welshpool Road to Kwinana Freeway, Stages 6 and 7.

BREAKDOWN OF THE FUNDING RECEIVED FROM THE COMMONWEALTH

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
Australian Land Transport Development Act 1988					
- National Highways (construction and maintenance)	69.6	65.3	70.5	46.3	77.5
-Roads of National Importance (upgrading)	-	24.8	10.6	23.1	21.3
-National Black Spots Program (road safety)	4.5	4.8	5.0	6.0	4.3
	74.1	94.9	86.1	75.4	103.1
Interstate Road Transport Act 1985 (maintaining interstate transport routes)	1.0	1.2	1.4	1.6	1.7
TOTAL	75.1	96.1	87.5	77.0	104.8

2001-02 included additional funding for the Roads of National Importance in respect of the Roe Highway extension project.



NATURAL DISASTERS

\$8.8 million was received during the year from the Fire and Emergency Services Authority as the State's contribution towards rectification work following extensive damage to roads caused by cyclones Fay and Monty in the Pilbara and Gascoyne regions

in February and March 2004. Under the State Natural Disaster Relief Arrangements, which are invoked if the Premier declares an event as a natural disaster, the State Government contributes 75% of the expenditure on bringing the State and local roads back to pre-disaster standards.

OTHER SOURCES

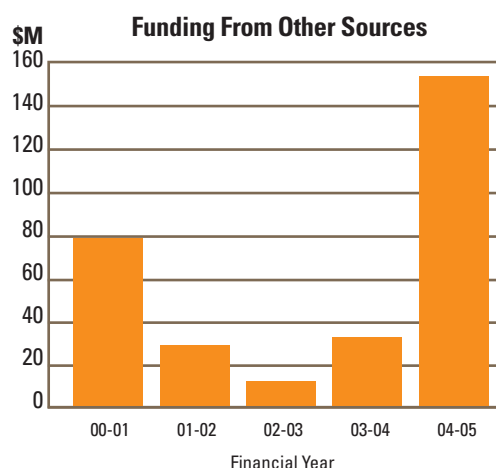
Other sources of revenue are:

- Contributions received from other Government agencies, Local Government and private organisations towards works performed on highways and main roads, for roadwork undertaken on their behalf or for the provision of minor services. During the year, \$107.1 million was received (\$28.7 million in 2003-04).

Major projects included:

- Geraldton Southern Transport Corridor Stage 1. Contributions were received from the Public Transport Authority (\$28 million), Geraldton Port Authority (\$0.9 million) and the City of Geraldton (\$1.7 million)
- New Metro Rail, Package E. Contribution of \$55 million was received from New Metro Rail (Public Transport Authority)

- Construction of Gerard Street Bridge, Cannington. \$2.5 million was received from the Public Transport Authority, and \$1.5 million from the City of Cannington.
- Rents received from staff housing and from acquired properties, which are rented out until required for roadworks. \$2.4 million net rent was received during the year (\$2.6 million in 2003-04).
- Profit on Sale of Fixed Asset during the year was \$3.6 million compared with \$0.5 million in the previous year.
- Other income includes \$29.4 million for Principal Shared Paths capitalised this year which were expensed in the past years.



WHERE THE FUNDS WERE SPENT

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
Preservation of Highways and Main Roads	174.3	169.1	219.0	198.7	182.3
Grants and Expenditure on Local and Other Roads	145.5	145.4	129.3	91.0	124.2
Works and Services Supplied	0.5	0.3	2.5	16.7	89.1
Depreciation of Road Infrastructure	115.6	155.7	174.8	130.6	137.6
Borrowing Costs	15.4	15.4	14.6	13.3	10.4
Capital User Charge	-	-	-	12.1	33.7
Past Service Superannuation Costs	6.8	4.8	3.2	2.8	1.0
Other	0.4	0.3	-	-	-
Assets Retired / Replaced	27.8	66.9	54.9	25.0	16.2
Total of Cost of Services	486.3	557.9	598.3	490.2	594.5
Capital Expenditure on Road Infrastructure	366.7	242.4	172.9	235.4	303.7
Other Capital Expenditure	9.7	4.4	4.2	5.2	11.8
Loan Repayment	6.7	6.7	6.7	36.4	35.7
TOTAL	869.4	811.4	782.1	767.2	945.7

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 non current assets transferred to other bodies have been excluded from the above figures.

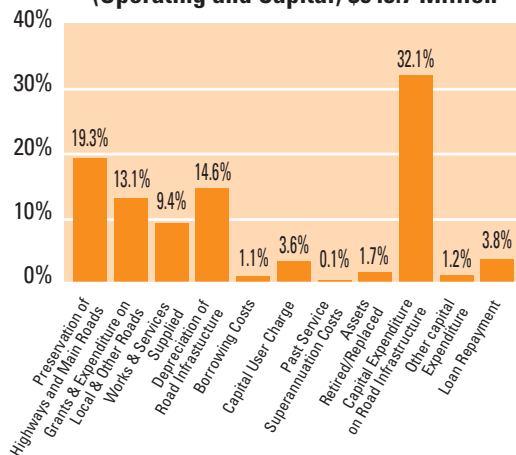
- Total expenditure (operating and capital) for the year was \$945.7 million compared with \$767.2 million in 2003-04.
- Grants and expenditure on local and other roads increased to \$124.2 million, in line with the increase in funding.



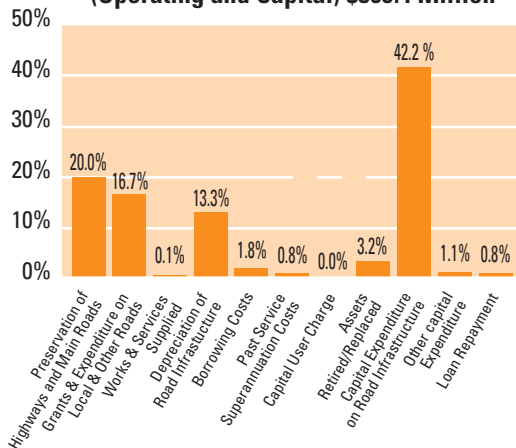
- The infrastructure depreciation charge this year is \$7 million higher than in 2003-04 because of increases in the value of assets.
- The capital user charge is an 8% charge on the average net assets employed, excluding the infrastructure assets, payable to the Department of Treasury and Finance. The objective of this charge is to make agencies more conscious of the cost of the capital employed and encourage prudent asset management.
- Assets retired or replaced relate to assets that are replaced during the year to make way for new works. This amount varies from year to year.
- The capital expenditure on road infrastructure at \$303.7 million was substantially higher than the expenditure in 2003-04. Major projects in this capital expenditure were:
 - Construction of the Bibbawarra Crossing in the Gascoyne region
 - Construction works associated with the Geraldton Southern Transport Corridor project
 - Construction of the Sawyers Valley to the Lakes project on Great Eastern Highway
 - Purchase of land for the extension of the Mitchell Freeway from Hodges Drive to Burns Beach Road
 - Continue construction of Roe Highway – Stages 6 and 7 from Nicholson Road to Kwinana Freeway
 - Construction of Tonkin Highway from Mills Road West to Thomas Road
 - Reconstruction and widening work on Great Eastern Highway between Merredin to Southern Cross
 - Reconstruction and widening of sections of Muirs Road in the Great Southern region
 - Substantial reconstruction works on Derby Highway
 - Continue the program of upgrading and improving safety at rural Railway Crossings
 - Reconstruction and widening of sections of Great Northern Highway from Waddington to Miling.
- Other capital expenditure of \$11.8 million includes the new Regional offices in the South West at Bunbury and in the Goldfields/Esperance region at Boulder, and purchases of IT equipment.

For more details on expenditure, see the section on the Contribution to Government Outcomes.

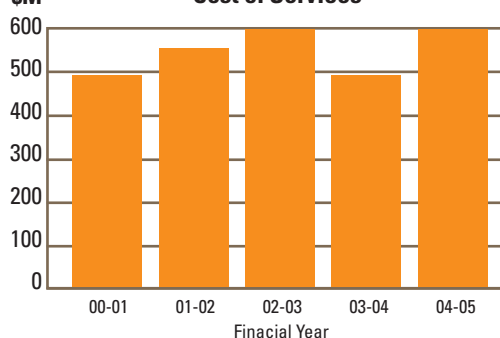
Total Expenditure 2004-05
(Operating and Capital) \$945.7 Million



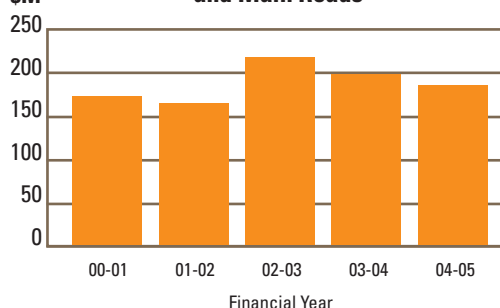
Total Expenditure 2000-01
(Operating and Capital) \$869.4 Million

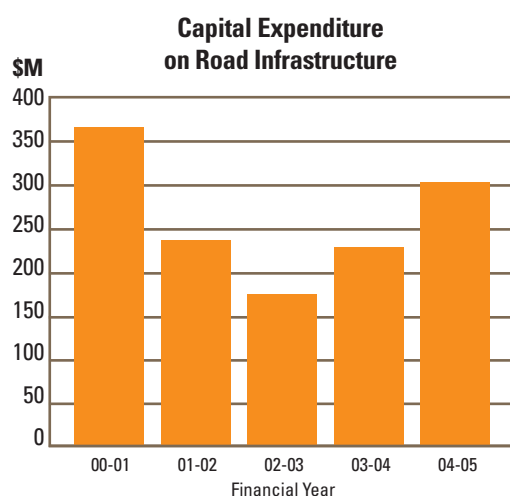
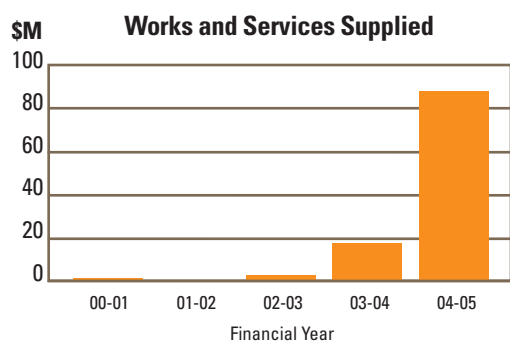


\$M Cost of Services

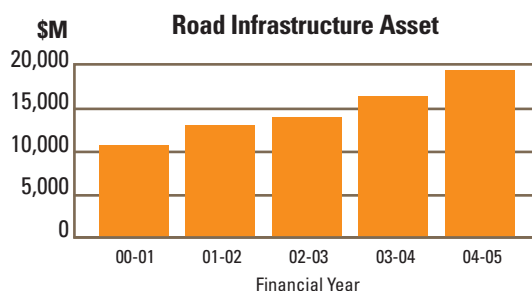
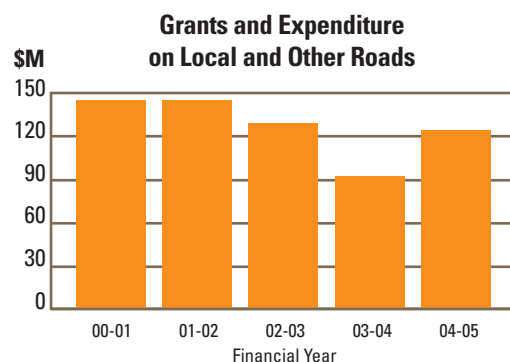


\$M Preservation of Highways and Main Roads





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



BORROWING COSTS AND DEBT REPAYMENTS

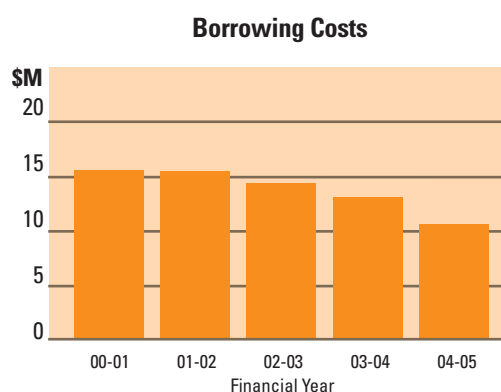
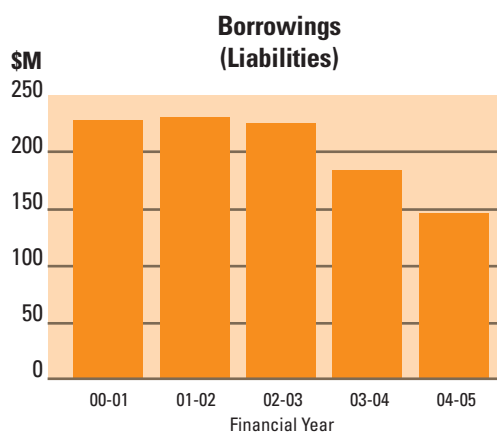
The total loan liability as at 30 June 2005 was \$146.8 million, made up of \$83.9 million for Transform WA and \$62.9 million for capital and special project loans.

The Transform WA loan was taken during the period from December 1999 to August 2001. It was an additional funding program devised by the State Government to address immediate critical needs on the road network and in the public transport which were previously unfunded.

The Transform WA loan is being repaid quarterly, with the aim of paying it off by April 2008. The other loans will be fully paid off by 2019.

There are no current plans to borrow any more funds on a long-term basis.

Interest cost on these borrowings during the year was \$10.4 million, a decrease of \$2.9 million from 2003-04.





ACQUISITIONS AND DISPOSALS

A total of \$25.95 million was invested during the year on properties required for roadworks.

Twenty three properties or parts of properties were acquired in the metropolitan area on a variety of projects including the Tonkin Highway, Great Northern Highway, Great Eastern Highway (Sawyers Valley) and the Mitchell Freeway.

Sixty Two properties or parts of properties were acquired for rural projects including Brookton Highway, South Western Highway, York-Merredin Road, Northam-Cranbrook Road, and Bussell Highway.

A total of 43 surplus parcels of land were sold for \$9.5 million. These properties were no longer required for roadworks or employee housing purposes and

included seven houses and ten vacant lots in the former Fremantle Eastern Bypass reservation.

Main Roads has agreed to sell its surplus land holding within "The Springs" at Rivervale, made surplus because of a realignment of the Graham Farmer Freeway, to Landcorp for \$12.9 million with settlement to occur in July 2005.

PROPERTY MANAGEMENT

A major contract for the management of the 309 commercial and residential properties held for future roadworks was re-let during the year. Gross rental from this source amounted to \$2.4 million. Vacancy rates were less than industry averages and rentals were maintained at market rates.





Our Customers – Building Better Relationships

A PLANNED APPROACH

MAIN ROADS CUSTOMER SERVICE STRATEGY 2004-2007 "EXCELLENCE INROADS"

Main Roads' Customer Service Strategy, Excellence Inroads, was launched in August 2004. The Strategy clearly articulates what Main Roads is going to do to advance customer focus over the next four years. Excellence Inroads is the vehicle for Main Roads to action the strategic focus areas of Community and Relationships that have been identified in the 2K7 Strategic Plan.

The Excellence Inroads Strategy signifies the organisation's renewed focus on pursuing customer service excellence and sets out a number of key

projects aimed at building relationships with customers by understanding their needs and continually striving to exceed their expectations. While there are already a number of successful customer service initiatives in place and employees have demonstrated their commitment to customer service excellence, it is important to examine and improve existing practices to elevate customer service to the next level.



In November 2004, Main Roads was awarded a Service Excellence Award from the Customer Service Council of Western Australia in the category of Service Direction and Cultural Change. This award is in recognition of the progress made with the development of the Customer Service Strategy Excellence Inroads and the progress towards achieving Main Roads' vision 'to be recognised for excellence in customer service and world-class road access'.

The Road-User and Customer Service Branch was awarded a high commendation from the 2004 Commissioner's Award for Outstanding Achievement for its facilitation and development of Excellence Inroads.

COMMUNICATING WITH OUR CUSTOMERS

CUSTOMER CONTACT CENTRE (CCC)

A feasibility study was initiated in 2004 to examine the best way of improving access and service for Main Roads' customers. The study examined current customer interfaces, identified weaknesses in current levels of service, examined alternative solutions and concluded that establishing a Customer Contact Centre (CCC) was the best way of improving access and service for Main Roads' customers. The CCC will be initially located at the Don Aitken Centre.

Actual call volumes and call growth are to be monitored, in conjunction with the marketing of a new general enquiries telephone number, and will provide actual data and trend information necessary to accurately forecast future contact centre requirements. Corporate Executive endorsed this recommendation and included it as a key action in Excellence Inroads and the Corporate Business Plan.



Research of best practice contact centres, such as Brisbane City Council, was undertaken and 11 employees with a strong customer service background have been employed.

An on-line information system Roadbase was developed in-house to provide CCC employees with the latest information on Main Roads activities. The design of the system was based on an assessment of calls and contacts over a four-month period to determine exactly what information customers are seeking.

The new CCC was initiated on Monday 2 May 2005 and operated between 6:30 am and 6:30 pm, Monday to Friday. The CCC provides the following services:

- Accepted calls on 9323 4111, answered as many calls as possible at the first point of contact, and referred calls requiring specialist advice to the appropriate area
- Responded to emails from Main Roads' external website within 24 hours
- Accept calls on the Road Condition Reporting Information line 1800 013 314 that were previously managed with a recorded message

Joan Brierley

Customer Contact Centre Manager, Joan Brierley manages the 24 hour customer contact centre for Main Roads. The CCC is focused on providing an outstanding customer experience for callers to Main Roads. The CCC answers a range of questions from problems on the road network, traffic and traveller information, highway emergency phone response and general questions regarding Main Roads business.



OUR CUSTOMERS – BUILDING BETTER RELATIONSHIPS

- Provide an extended hours service for employees seeking access to STD and ISD numbers.

From 15 July 2005, the CCC became a full 24-hour, 7-days-a-week service with after-hours and weekend services provided from the Traffic Operations Centre in Northbridge. The latest Internet Protocol telephony system enables a seamless transfer between the two sites. The following additional services were added to the CCC function:

- Accept calls on the new General Enquiries number 138 138
- Answer calls from the 400 emergency phones on Freeways and Highways
- Respond to fault and hazard reports on 1800 800 009 and allocate response action to the relevant contractor, Local Government or Main Roads Branch/Region
- Answer all calls on the Road Condition Reporting Information line 1800 013 314 and only a recorded message during emergency situations where call volumes exceed capacity
- Provide an after-hours service for the Regions whereby Main Roads' Regional offices can switch their phones to the CCC when they close business for the day
- Answer after-hours heavy vehicle permit enquiries and general questions about heavy vehicle matters.

The CCC is already providing a consistently high level of customer service for Main Roads' customers and successfully addresses approximately 80% of calls at the first point of contact.

NEW GENERAL ENQUIRIES TELEPHONE NUMBER

In July 2005 Main Roads launched a new general enquiries number, 138 138, which provides customers with an instantly recognisable number and the ability to call from anywhere in Australia for a 25 cent call fee. Marketing of the 138 138 number has been targeted at road-users, with the printing of the phone number on the back of car licensing stickers, and on-road condition reporting maps, variable message signs and selected Main Roads vehicles.

EXTERNAL WEBSITE

Main Roads' website is undergoing a process of continuous improvement with the roll-out of a Content Management System which provides consistent templates that allow individual Branches to publish and maintain their own information. A Senior Website Coordinator was appointed in 2004 to manage

technical aspects of the website. Further improvements for 2005-06 include a design and navigation upgrade to improve access for customers and appointment of an Online Content Consultant to manage the accuracy, currency and consistency of content presented in the Main Roads website – www.mainroads.wa.gov.au.

COMMUNITY PERCEPTIONS SURVEY

An independent market research company was commissioned to undertake the 2004-05 Community Perceptions Survey of Western Australian road-users.

Of those surveyed, 92% indicated they were satisfied with the overall performance of Main Roads, the same number as 2004. However, with regards to the provision of roads and communication, the community satisfaction ratings have dropped slightly since 2004 in three out of four key areas as shown below.

Specific Issue	Proportion of respondents rating Main Roads as performing 'OK or better' (%)	
	2004	2005
Provision of roads in your area	91	88
Working to improve user access to roads	88	86
Providing effective communication	78	77

In regards to Main Roads' performance in the handling of enquiries and complaints, 81% rated Main Roads as performing OK or better in this area, compared to 79% last year.

There was a significant improvement in Main Roads' performance in rural areas, with Main Roads rating higher on ride quality, environmental sensitivity and the overall safety of rural highways. In comparison, the metropolitan users' satisfaction appears static between 2003 and 2005.

Specific Issue	Mean Importance Rating (out of 10)
Information about traffic delays, road closures and rural roads	7.8
Providing traveller information	7.2
Community involvement in new roads	7.5
Handling of enquiries or complaints	7.3
Convenience and access to services	7.1

All of the data collected in the survey will be used to ensure Main Roads projects and customer service initiatives are targeted at the areas of greatest need.

RESPONDING TO OUR CUSTOMERS

CUSTOMER CONTACTS

Statistics relating to Customer Contacts are summarised below:

Visitors to Don Aitken Centre (DAC)	5,708 visitors (3,944 of these are regular visitors) 3,811 staff visitors (from other Main Roads' offices)
Total external answered calls DAC	309,387 (including 39 654 to VoiceMail)
External answered calls reception DAC	1,647
External answered calls switchboard DAC 1 July 2004 to 30 April 2005	44,859
Road Condition Reporting Service 1800 013 314	13 179

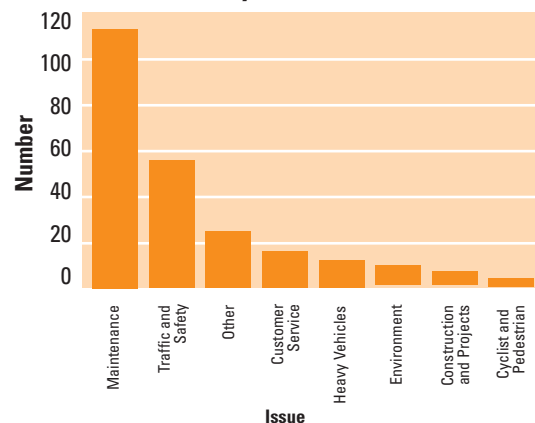
COMPLAINT HANDLING POLICY AND PROCEDURES

Main Roads has developed a document which details its complaints handling policy and procedures and in November 2004 launched a brochure Guide to Making a Complaint or Providing Feedback. Main Roads' complaint handling procedures are based on the Australian Standard. In 2005-06, the procedures will be reviewed against the new International Standard ISO 10002 and any gaps in the current system will be addressed.

The Opportunity For Improvement (OFI) database is currently being used throughout the organisation to record, action and track all different customer feedback types including complaints, general feedback and suggestions for improving services. Recording all customer feedback in OFI, enables employees to address and track customer concerns in a more efficient and accountable manner, sharing information state-wide and identifying opportunities for improving service to customers.

Since July 2004, 1 428 customer feedbacks were entered into the system, including 94 compliments and 241 complaints. The table below displays the categories of the complaints received. 'Other' includes bridge structure, road conditions, planning, land and property issues. Of the complaints received in the financial year, 93% were promptly resolved.

Complaints Entered Into OFI System
July 2004-June 2005



CUSTOMER SERVICE EVALUATION PILOT

As part of an ongoing Customer Service focus, Main Roads commissioned an independent company to carry out a customer service evaluation. In February 2005, five visits and fifty telephone calls were made to Main Roads including all operational areas of the organisation. The assessments were designed to give an objective overview of the customer service Main Roads provides. The Customer Service Evaluation Pilot generally identified Main Roads' employees as friendly and professional; however it identified several areas where there is room for improvement in Main Roads' customer service across the board. As a pilot, the results will be used as a benchmark for improving customer service performance in the future and a catalyst for reviewing customer service guidelines. A more rigorous Customer Service Evaluation program is scheduled for late 2005.

CUSTOMER SERVICE IMPROVEMENT

CUSTOMER SERVICE DEVELOPMENT PROGRAM

The Customer Service Development Program is a key action of Excellence Inroads. The aim of the strategy is to assist Main Roads to achieve its vision “to be recognised for excellence in customer service and world-class road access”. The Customer Service Development Program will play a part in achieving this vision by increasing employee awareness of customer service in Main Roads and in educating and empowering employees to provide excellent customer service.

The Customer Service Development program includes:

- General awareness workshops for all Main Roads employees
- Additional job-specific training for branches that identify a specific need.

CUSTOMER SERVICE AWARENESS WORKSHOPS

Customer Service Awareness Workshops were developed through an intensive consultation process involving employee focus groups, interviews with Corporate Executive, key employees and functional leaders. Two pilot workshops were held in March 2005 to explore alternative facilitation methods for the South West Region and Supply and Transport Branch. Both of these workshops were a success and the results contributed to development of the Customer Service Awareness Workshops, which will commence from July 2005. All Branches and Regions are expected to have participated in the Workshops by December 2005.

“I’D LIKE TO SEE THAT” CUSTOMER SERVICE INITIATIVE

In December 2004, seven members of Corporate Executive demonstrated their commitment to customer service by stepping into the shoes of a frontline customer service role. This challenge was a key initiative of the Excellence Inroads Customer Service Strategy 2004-07.

The Commissioner joined the Highway Emergency Response Officers (HERO) during peak traffic periods and helped in various activities such as escorting a broken down truck into the emergency stopping lane and removing dangerous debris from the roadway.

Executive Directors undertook daily customer service duties such as Head Office Reception, reviewing new pedestrian and cycling improvements from the seat of a bicycle, assisting Transport Inspectors on the road network and assisting on the Customer Help Desk at



Heavy Vehicle Operations in Welshpool. This initiative provided a valuable insight for Corporate Executive members into the work performed by employees in frontline customer service roles as well as considerable entertainment for the employees.

HEAVY VEHICLE OPERATIONS (HVO) HELP DESK

The Help Desk at HVO began operation on 24 May 2004. It is the first point of call for all telephone and in-person queries at Heavy Vehicle Operations. Help Desk members have an extensive knowledge in the areas of Notices, Access to the Network and other related areas. Feedback received to date has shown a significant increase in HVO's level of customer service since the inception of the Help Desk.

CYCLING SEMINAR

As part of Main Roads' commitment to encouraging alternative forms of transport, three cycling seminars were held during 2004-05. One seminar was held in Port Hedland, one in Carnarvon, and one in Perth. The seminar covers planning, designing, constructing and maintaining bicycle networks and facilities throughout Western Australia. The main objective of this course is to increase skills, knowledge and capacity among planning, engineering and other relevant professional employees in State and Local Governments as well as contractors and consultants. Almost 100 practitioners attended the seminars from various Local Governments, Main Roads, Department for Planning and Infrastructure and representatives from cycling advocacy groups.

STRENGTHENING OCCUPATIONAL HEALTH AND SAFETY

Main Roads considers the safety, health and wellbeing of employees, contractors and the community as vital for the sustainability of our business delivery. To achieve this Main Roads is implementing its 2004-2007 Occupational Safety and Health (OS&H) Strategy. Key areas that Main Roads will be focusing on are:

- **Organisational Learning in OS&H** – Build a culture where accident, incident and OS&H performance reporting are encouraged.
- **Leadership in OS&H** – Ensure OS&H roles, accountabilities and responsibilities within the structure of the organisation are identified, understood and accepted by all.
- **Recognition as an Industry Leader in OS&H** – Achieve recognition as an industry leader in the management of OS&H.
- **Building Relationships that Support a Safety and Health Culture** – Develop a safety and health culture that encourages consultation, participation, awareness of stakeholders needs, effective communication between all of our employees, business partners and the broader community.
- **Capabilities in OS&H** – Ensure Main Roads employees and contractors are skilled, developed and equipped to meet the OS&H vision. Ensure that sufficient resources are provided to achieve Main Roads' strategic objectives.



ORGANISATION LEARNING IN OS&H

In an effort to build a culture where accident, incident and OS&H performance reporting are encouraged, Main Roads has focused on developing a method of analysing current OS&H performance, developing a Policy Statement to establish the organisation's commitment to OS&H and various supporting initiatives to promote organisational learning in OS&H.

In 2004-05 Main Roads carried out a preliminary WorkSafe Plan Assessment to evaluate our current OS&H management systems. The assessment identified a strong safety culture within most Branches, but underscored the need for a greater overarching corporate safety system. Implementation of such a system would promote organisational learning as well as embrace best practice and innovation in OS&H management. These findings are supported by the results of the OS&H culture survey conducted in May.

The survey sought input from employees, managers, agency staff and external contractors, and showed that most people are satisfied with the way in which safety and health are managed at Main Roads.

The Main Roads OS&H Policy Statement was developed in November 2004. This Statement commits Main Roads to excellence in Occupational Safety and Health and identifies a strong corporate commitment to safety and to the organisation's desire to lead industry in the continuous improvement of OS&H performance.

To encourage the contribution of our employees and business partners, Main Roads held an OS&H awareness day in February. Consistent with our Values, the IFAP (Industral Foundation for Accident Prevention) calendar was sponsored and distributed to employees to reinforce that the safety, health and wellbeing of our employees is important both within and outside the workplace. A hazard report pocket book has been developed and implemented to simplify and encourage the initial reporting of hazards, the way in which hazards and incidents are recorded, investigated, analysed and reported has undergone a major review.

LEADERSHIP IN OS&H

Leadership in OS&H is about ensuring OS&H roles, accountabilities and responsibilities within the structure of Main Roads are identified, understood and accepted by all. In order to achieve this, over 2004-05 Main Roads has included OS&H in its corporate business planning process, embedding OS&H considerations into all directorate business plans. In addition to this, individual development plans for senior management have been enhanced to include OS&H as a separate component to their other managerial responsibilities. To encourage management participation and involvement within workplace OS&H committees, an OS&H meeting calendar has also been developed.

RECOGNITION AS AN INDUSTRY LEADER IN OS&H

As a result of implementing the OS&H Strategy it is Main Roads' objective to attain Australian Standard 4801 accreditation. This accreditation will support Main Roads' as it strives to be an industry leader in the management of OS&H. By obtaining accreditation, the organisation will achieve:

- Better safety and health consultation for all employees
- A healthier work environment
- Improved safety culture within the organisation
- Better safety leadership
- An easier method to report incidents
- Improved statistical information
- Continuous improvement in safety management

BUILDING RELATIONSHIP THAT SUPPORT A SAFETY AND HEALTH CULTURE

The OS&H Policy Statement was developed and produced in consultation with employees, contractors, WorkSafe, the Industrial Foundation for Accident Prevention (IFAP) and Local Government representatives. This process demonstrates that Main Roads is committed to building on a culture that encourages consultation, participation and effective communication between employees, business partners and the broader community.

CAPABILITIES IN OS&H

Main Roads' OS&H Strategy requires our staff and contractors to demonstrate OS&H leadership. In order to achieve this, we need to ensure that our employees are provided with the ability to acquire appropriate skills and are supplied with the necessary and appropriate equipment to perform tasks safely and effectively. Main Roads undertook a Training Needs Analysis to identify the skill development needs, and required training to meet these objectives. Training programs can now be developed specifically to meet our requirements. For example, a driver training program has just been developed for Main Roads, and will be implemented in the second half of 2005. To assist in ascertaining training program requirements, all employee individual development plans have been amended to include the OS&H component in order to encourage the development of their capabilities in this specific area.

LOST TIME INJURY FREQUENCY RATE (LTIFR) AND LOST TIME INJURIES (LTI) MAIN ROADS TOTAL AND CONTRACTORS

Main Roads has recorded an OS&H performance level for 2004-05 of 6.0 'lost time' injuries per million hours worked (LTIFR). Our Contractors have reported a welcome reduction in the overall LTIFR from 8.2 to 3.3 'lost time' injuries per million hours worked.

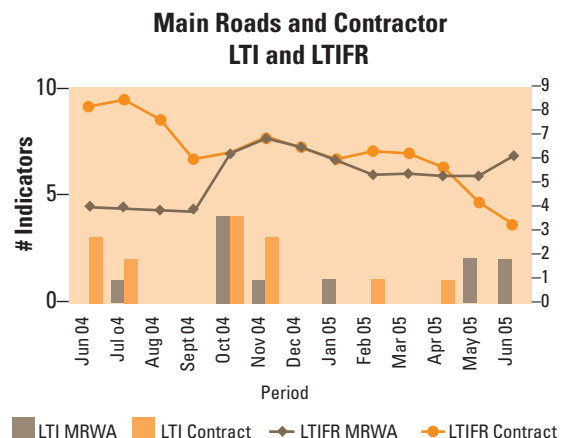
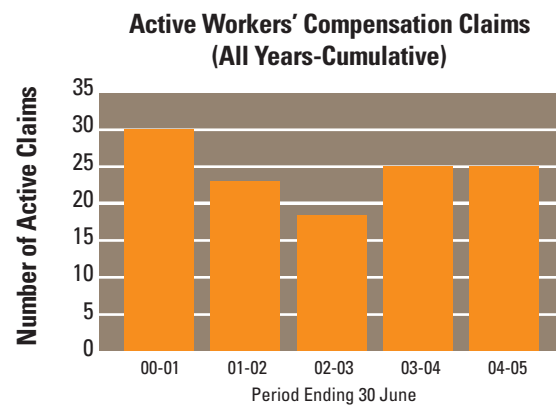
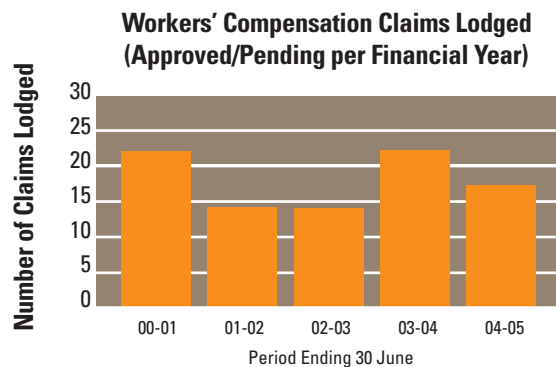
WORKERS' COMPENSATION

During the 2004-05 period Main Roads' employees sustained 19 work related injuries (17 claims lodged) with 8 claims finalised. The injuries sustained were comprised of 11 'lost time' injuries (9 claims lodged). The combined actual and estimated lost time for all 'lost time' injuries accounts for an average 'time lost rate' of 8 (work days lost / 'lost time' injury). Main Roads' estimated Cost of Claims Incurred is 0.40 cents per \$100 payroll with a contribution (premium) rate of 0.29 cents per \$100 of payroll.

Main Roads has experienced an increase in the overall number of 'lost time' injuries during this period and therefore an increase in the 'incident rate' to 1.19 ('lost time' injuries/100 employees) has resulted.

A significant number of incidents have been reported that involved fleet motor vehicles. Main Roads is addressing this issue with the implementation of a Safe Driver policy, reinforcement of fleet procurement standards to ensure all vehicles have a minimum level of safety features. Additionally, a Safe Driver training program is to be introduced that will enhance driver awareness, positive behaviour and driving skills. The Safe Driver program is to be made available to all employees.

Main Roads' injury record continues to compare well with the average for Work Related Lost Time Injuries/Diseases in Western Australia (as reported by WorkSafe). This can be attributed to the importance Main Roads' places on Occupational Safety and Health (OS&H), the corporate OS&H culture, employee and management awareness, vigilance and commitment to safety, health and wellbeing.



EXPANDING OUR PEOPLE CAPABILITY

PLANNING OUR FUTURE WORKFORCE

Through effective workforce planning, Main Roads has been able to identify, analyse and respond to some critical strategic drivers that have impacted significantly on Main Roads over the past 10 years. Critical challenges that impact Main Road's ability to ensure it is equipped with the right resources, skills and competencies to deliver services tomorrow and into the future have been identified. These include:

- An ageing workforce
- Skills shortages
- Labour market trends
- Changes in the external labour environment
- Increased need to enhance workforce diversity
- Positioning the organisation for the future
- Aligning resources to meet business delivery requirements.

Main Roads is developing an integrated approach to strategic workforce planning to meet these challenges. Workforce planning provides a practical link between the Building and Expanding Capability Strategy and the business operations.

BUILDING AND EXPANDING CAPABILITY

Main Roads has identified "Building and Expanding Capability" as a critical area of strategic focus to develop a highly motivated, skilled and sustainable workforce. Our Building and Expanding Capability strategy will:

- Ensure Main Roads has the capability to deliver the road program
- Attract and retain very capable employees, particularly within the regional areas
- Maintain a workforce that has the knowledge and skills base to meet current and future business requirements and addresses the impact of natural attrition
- Meet Main Roads specialist training and development needs
- Increase knowledge sharing between employees and business partners



- Create a dynamic and flexible organisation, responsive to the changing needs of future business requirements.

Main Roads has defined 'Capability' as ensuring we have the right people with the right knowledge, skills and abilities, who are competent and committed to deliver required services. The Building and Expanding Capability Strategy has now been developed and will address:

- **Internal Alliances** – continue to work across functional areas, industry groupings and classifications as 'One Main Roads' to ensure effective response to changing corporate priorities.
- **Create a Learning Organisation** – reinforce a culture of knowledge sharing, learning and development and experiential learning, and introduce initiatives to address the ageing workforce and support youth development.
- **Specific Skills Development** – use workforce planning more effectively to identify Main Roads' most important skill sets and implement strategies to strengthen these.
- **Sustainability of Regional Framework** – strengthen Main Roads regional presence as part of Main Roads' relationship with Local Government and the community.
- **Employer of Choice Status** – position Main Roads as a preferred employer within Government and the Road Construction and Maintenance Industry.
- **Business Delivery Model** – align employee capability and understanding of industry to more effectively deliver the needs of Government and the community.

The Building and Expanding Strategy includes a Capability Index that has been developed to benchmark and monitor the progress. The target is to increase capability within Main Roads from January 2004 to December 2007 by 15%.

CREATING A LEARNING ORGANISATION

Main Roads' encourages leadership that promotes knowledge sharing and development, and provides support to create a learning culture. Over 2004-05 Main Roads has implemented the following initiatives to create a learning organisation:

LEADERS FOR THE FUTURE PROGRAM

The Main Roads Leaders for the Future Program continues to develop and improve management and leadership competence in Main Roads. Since 2000, over 40 participants have achieved a Graduate

Certificate in Leadership and Management. Main Roads provides the opportunity for upcoming leaders to grow and develop, which is a key initiative to attract and retain talent. The Program has been recognised by the Department of Premier and Cabinet as best-practice across the sector.

INDIVIDUAL DEVELOPMENT PLANS (IDPS)

Individual Development Plans (IDPs) form the basis of Main Roads learning culture. The IDPs and 360 degree development feedback have now been implemented. These tools provide the opportunity for managers and employees to discuss Main Roads strategic direction, values and specific development needs. The 2005 Enterprise Bargaining Agreement provides Main Roads with the flexibility to offer more support for employees to undertake learning and development, including part time study.

SCHOLARSHIP / CADETSHIP STRATEGY

A Main Roads Scholarship/Cadetship strategy has been established over 2004-05. Scholarships will be awarded to six Year 12 students at Western Australian high schools in 2005-06 to support them in gaining an undergraduate degree in engineering.

AGEING WORKFORCE AND PHASED RETIREMENT

Main Roads recognises that the Australian workforce is ageing and the growth is slowing. As the population

ages, population, labour force growth and participation rates are all likely to plateau. Through workforce planning, the ages, skills, functions and retirement eligibility of employees are mapped and analysed.

More than 65% of Main Roads workforce are aged 40 years and over. Main Roads Phased Retirement proposal is part of Main Roads' overall Succession Management Strategy and allows for gradual transition through flexible work arrangements such as mentoring young employees, knowledge management and training. It incorporates a reduction in the number of hours worked and aims to:

- Minimise skills shortages particularly at middle and senior management levels
- Retain 'public sector knowledge'
- Provide a system to ensure effective succession management
- Assisting and creating a flexible responsive workforce
- Maximise the return on investment in human capital,
- Increase productivity and efficiency
- Respond to ageing employee's needs and make the transition to retirement easier.

In 2004-05 Main Roads commenced the implementation of its Phased Retirement Program. This program aims to assist in the retention of corporate knowledge through the capitalisation on the skills, knowledge and experience of mature workers.

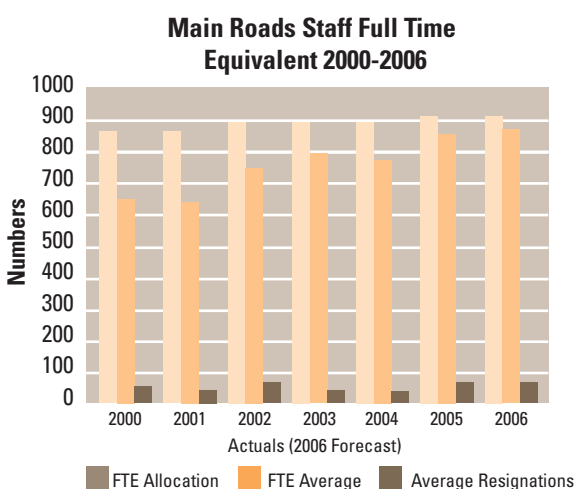
Main Roads Functional Age Profile-Data Table

	< 30	30-40	40-50	> 50	Total
Asset Management	4	8	14	13	39
Business Management	1	3	11	9	24
Business Support	43	33	60	50	186
Customer Management	6	10	6	10	32
Environmental Management		3		2	5
Executive Management		2	4	11	17
Finance Management	1	4	4	1	10
Graduate/Cadet Development	53	7			60
HR Management	6	3	4	1	14
Information/Data		7	12	12	31
Leadership & Management		1	13	18	32
Materials Engineering		8	14	17	39
Other	2		2	15	19
Programming		5	7	8	20
Project/Contract Management	3	27	49	49	128
Road Design & Management	2	12	10	10	34
Structural Engineering	2	6	4	9	21
Surveillance	1	9	27	50	87
Technical Support	10	8	24	18	60
Traffic Management & Road	4	20	44	47	115
Trainee	20				20
Total	159	176	307	348	993

SPECIFIC SKILLS DEVELOPMENT

As mentioned above Main Roads is utilising workforce planning techniques to match resource skills to its business objectives. This involves identifying and prioritising critical functions within Main Roads, identifying external market trends and forecasting future workforce needs.

This graph demonstrates that through workforce planning Main Roads has been able to track the development of its workforce over the past years and develop forecasts for future full time equivalent employee requirements.



DEVELOPING OUR PEOPLE PROGRAM "BUILDING EXCELLENCE IN ROAD NETWORK MANAGEMENT"

Main Roads has developed a program to build and expand corporate capability across the critical areas of Contract Management, Project Management and Asset Management. In 2005, Main Roads' Developing Our People Program commenced with 22 employees involved in Project and Contract Management undertaking a Graduate Certificate in Construction and Building Law. This module is delivered in partnership with the University of Notre Dame College of Law. The qualification will equip employees with the necessary competencies to develop and administer construction contracts.

The program identified the competencies, career paths and development to strengthen the Contract Management, Project Management and Asset Management functions and will be developed by the end of 2005, with implementation commencing in the first half of 2006. Developing Our People Program recognises the importance of consultation and is working closely with Main Roads' employees, unions and other Road Authorities.

RECRUITMENT STRATEGY

A strategy was implemented in partnership with The Association of Professional Engineers, Scientists and Managers, Australia (APESMA) /Engineering, Technology and Management (ETM) Placements to attract interstate technical employees. Thirteen applicants under this strategy have successfully been offered positions throughout the organisation.

Main Road's strong commitment to attract skilled employees has highlighted the increasingly competitive labour market in its industry. This has led to a focus on retaining our existing employees and expands their capability. In 2004-05, Main Roads has provided 18 scholarships for existing employees, in areas such as pavement engineering (in collaboration with the Centre for Pavement Engineering Education) and transport planning/modelling (in collaboration with the Planning & Transport Research Centre).

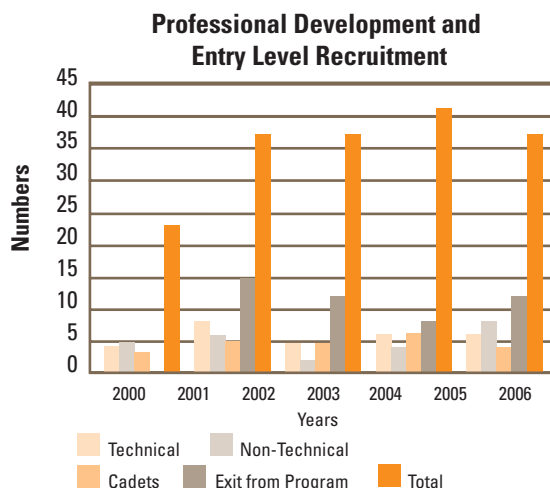
YOUTH INITIATIVES

Main Roads has implemented a significant number of professional development and entry level development strategies to ensure Main Roads has the workforce needed for the future. Main Roads recognises that the youth of Western Australia are a diverse group who require access to opportunities to be able to participate in the workforce at a number of different development stages. Main Roads takes an integrated approach to the way it coordinates its youth programs to ensure the growing proportion of younger employees are given a solid foundation in their career and their broader role in the community.

The total number of current program participants represent 9.2% of the total workforce.

Number at 30 June 2005	
Graduate Development Program (Engineering and Business Graduates)	Engineering Grad-22 Business Grads-22 Environment-5 Total Grads-49
Technical Cadetship Program	6
Engineering Cadetship Program	4
Engineering Associates	6
Technical Trainees	5
Clerical Trainees	9
School Based Trainees	5
TOTAL	84
Main Roads FTE's	914
Percentage of workforce in Development Categories	9.2%

Main Roads recognises that the new generation of professionals will seek a range of work experiences and are unlikely to remain in Main Roads for their entire career. Main Roads has planned for this new workforce dynamic by factoring it into the overall strategy to ensure Main Roads can meet its future workforce needs.



CAREER FAIRS

Over 2004-05 Main Roads has participated in a number of career fairs with the intention of positioning Main Roads as an 'Employer of Choice' and to attract and retain appropriate staff to the Regions.

Main Roads participated in the Department of Education and Training's Career Choices Expo. This event was designed to promote career, education and training opportunities to the public and provided a platform for career, education and training opportunities for young people in addition to people considering career changers.

The Halls Creek Croc Festival's Career Fair aimed to increase the awareness of employment opportunities for individuals attending rural schools, highlight training and employment opportunities within the community. This allowed Main Roads to promote the traineeships, scholarships and apprenticeships to a wide array of individuals. The Halls Creek Croc Festival brought together students from all over the Kimberley with approximately 850 to 900 students, ranging from year 1 – 12 and provided a great opportunity for them to identify with Main Roads in their community.

Both events proved to be highly beneficial at promoting Main Roads and the opportunities available to prospective employees.

SUSTAINABILITY OF REGIONAL FRAMEWORK

It is Main Roads aim to develop a strong and effective regional presence to maintain and develop Local Government and community relationships. It aims to do



this by sustaining and improving the Main Roads regional network to attract and retain appropriate staff in the regions.

REGIONAL DEVELOPMENT POLICY

Main Roads extensively consulted with employees and unions to identify a range of initiatives to encourage regional employment. A number of the identified initiatives were endorsed to be implemented, pending the necessary approvals. Of the endorsed initiatives was a package of conditions making regional employment more family friendly. Main Roads is proceeding through the necessary procedures to allow for implementation of the endorsed initiatives. Some of the initiatives that have been introduced over 2004-05 are:

- Government has supported implementing commuted overtime in regional areas where it does not currently operate. This will be implemented upon registration of the Main Roads Agreement.
- A Regional Development Promotional Video is being produced and will be used as a tool to support recruitment strategies to raise awareness and assist in attracting professionals to Main Roads regions.
- The Main Roads Technical Traineeship Program is a key strategy to build capability in its industry and to strengthen regional communities. It was successfully piloted in the Kimberley Region during 2004 with five trainee participants. The Program provides the opportunity for young people to learn new skills in the road construction industry. The traineeship involves a combination of classroom based learning, practical work experience and mentoring. Main Roads plans to expand this program to other Regions in 2006.

EMPLOYER OF CHOICE

Main Roads strives to be recognised internally and externally as an employer of choice and deliver on expectations to attract and retain employees.



CONSECUTIVE ANNUAL HUMAN RESOURCE AWARD WINNER

Main Roads was once again a winner of State, National and Internationally recognised awards for excellence in the human resource profession. The 2004 Australian Human Resource Award for 'Best Attraction & Retention Strategy' recognised Main Roads' commitment to attract and retain the best people and create a blend of experience and youth. Main Roads was also a finalist in the category of 'Best Work/Life Balance' Strategy which recognised achievements in enabling work/life balance for employees in a wide range of circumstances.

Main Roads also won the Western Australian Human Resources Institute Awards for Excellence in People Management and was a finalist at the National level. The Australian Human Resources Institute Award acknowledges the initiatives, techniques and outcomes that have achieved outstanding results for the organisation, its stakeholders and employees. Main Roads was acknowledged for its strategic systems thinking, stakeholder focus, business outcomes and ability to communicate, influence and apply professional Human Resource knowledge and ethical behaviour. Main Roads was also recognised for initiatives in Learning and Development, Reward and Recognition and Phased Retirement.

EMBRACING OUR DIVERSITY

Main Roads promotes management practices that are free of bias and discrimination to create and maintain a diverse workforce that delivers products and services to meet our customers' needs. Significant achievements in 2004-05 include:

- A new Equity and Diversity Plan 2005-2007 that includes a number of new initiatives that support diversity and work-life balance
- Establishing the Main Roads Diversity Committee to oversee diversity initiatives and ensure the objectives of the Equity and Diversity Plan are fulfilled
- Conducting Corporate Diversity Training to the entire organisation that focussed on emerging trends in EEO and Diversity
- Developing a number of new Regional Family Friendly initiatives and flexible working arrangements in the Main Road Enterprise Bargaining Agreement 2005
- Holding a 'Diversity Day' involving employees in celebrating International Women's Day and Harmony Day.



Main Roads has supported the engineering profession within the Western Australian Indigenous community. A financial contribution towards the sponsorship of Western Australian students to attend the Indigenous Australian Engineering Summer School has encouraged our best Indigenous students to consider an engineering career with Main Roads. Sponsorship for this program supports the building of engineering capability into the future.

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

Main Roads policies and procedures support the public sector standards for human resources management. All Executive Directors and Managers are accountable for compliance with public sector standards and the code of conduct. The Human Resource Directorate monitors and has an advisory role for compliance with the standards.

For the reporting period 2004-05 Main Roads has had no breaches upheld, however nineteen were lodged in relation to the recruitment, selection and appointment standard. Main Roads invited Public Sector Standards to review our process and procedures in this area. As a result, the feedback process has been improved and the Main Road's Training Calendar also provides training for selection panel participants.

Breach of Standard Applications	2004-05	2003-04
Number lodged	19	3
Breaches found	0	1
Multiple breaches	0	0
Applications under review	0	0
Material breaches	0	1
Non-material breaches	0	0

EFFECTIVE LABOUR RELATIONS

In today's competitive labour market Main Roads recognises the need to address issues that qualify an organisation as an "employer of choice" to attract and retain employees who can successfully deliver its programs and services. In order to achieve this, the Main Roads independent agency specific agreement was lodged for registration in June 2005. The package of conditions negotiated in the agreement acknowledges the industry and environment within which Main Roads is operating. The agreement was also successful in settling an existing industrial dispute. The objectives of the agreement addresses a number of issues Main Roads is currently facing including:

- Supporting employees to live and work in the regions
- Developing initiatives around its ageing workforce profile
- Providing a workplace that is flexible and family friendly and supportive of Main Roads 'family' value
- Facilitating an environment that supports learning and development
- Empowering managers to recognise the commitment of employees
- Encouraging innovation
- Providing competitive, fair and sustainable remuneration
- Building relationships both within Main Roads and with the community
- Promoting the concept of the 'One Main Roads' ethos, with emphasis on alignment of employment conditions across the organisation.

SALARY AND EMPLOYEE NUMBERS

Salary Range (\$)	Women	Men	Total
0 – 35,951	35	32	67
35,952 – 41,420	21	40	61
41,421 – 46,640	38	54	92
46,641 – 51,883	46	115	161
51,884 – 60,377	49	119	168
60,378 – 70,355	28	133	161
70,356-79,686	9	22	31
79,687 – 91,298	9	191	200
91,299-103,693	1	42	43
Greater than 103,693	0	9	9
Total	236	757	993

WORK LIFE BALANCE

A very important issue to Main Roads employees is finding a satisfactory work life balance. To assist with this goal Main Roads offers a number of flexible working arrangements. Main Road's Regional Family Friendly initiatives and the Phased Retirement Strategy reinforce Main Roads' workplace culture that encourages employees to balance work and personal priorities. Twenty employees have been granted extended leave to pursue personal goals and some employees now work from home on a regular basis. Main Roads work life balance success is measured by the high calibre of people who seek to work in Main Roads and the low turnover of employees.

HEALTH & LIFESTYLE PROGRAM

The number of employees who participate in the Main Roads Health & Lifestyle Program has doubled in the last twelve months. Employees have the opportunity to improve their health and general quality of life through a range of fun activities and community related events. The partners and immediate family of employees are also invited to participate reinforcing Main Roads' Value of Family and emphasising good health at work as well as at home.

EMPLOYEE ASSISTANCE PROGRAM

The Main Roads Employee Assistance Program assists employees in coping with problems that may affect their personal lives and job performance. These problems may include coping with workplace change, grieving, depression, relationship breakdown, finances, and other issues. The Employee Assistance Program provides both an internal and external counselling service that is strictly confidential and three sessions which are free of charge. Main Roads' aim is for this program to support the well being of employees and enable them to perform to their maximum potential.

OFFICES, DEPOTS AND EMPLOYEE ACCOMMODATION

To assist in building and expanding our capability in regional service delivery and accessibility it is important to provide the necessary work environment. A new office, with sustainable development features, was constructed in Bunbury and accommodates the 71 employees expected to work in the South West Region.

The construction of a new office in Boulder to replace the existing office in Kalgoorlie is presently under way and is expected to be complete by October 2005. This new building has been designed to have an Australian Building Greenhouse Rating (ABGR) of four stars.

MAIN ROADS PERFORMANCE INFORMATION SUMMARY 2004-05

COMMUNITY SATISFACTION

Category	Percentage (%) Satisfaction
Overall satisfaction	92%
Road Safety	90%
Ride Quality	90%
Provision of Roads	85%
Environmental Performance	90%

NETWORK STANDARDS

Increase in the percentage of travel on roads that meet operational standard.

Bridge standards have improved.

SAFETY

Western Australian road fatalities have continued on a downward trend.

NETWORK EFFICIENCY

AM Peak hour travel times across the Metropolitan area have increased due to an increase in travel demand and significant road works on some routes.

EXPENDITURE ON EFFICIENCY

Despite significant increases in construction and industry costs during the year, Main Roads was able to constrain costs and deliver projects within budget through the continued application of innovative project delivery methods such as Term Network Contracts and Relationship Contracting.

RETURN ON INVESTMENT

Main Roads achieved a record expenditure of \$923M on programs and services.

Project expenditure during 2004-05 provided on average the following returns for each dollar invested:

Program / Service	Average return on each Dollar (\$) invested
Infrastructure for State Development	\$2.95
State Black Spot	\$4.9
Federal Black Spot	\$13.3*

* The figures for the Federal Black Spot program were assessed between 1996-1999)

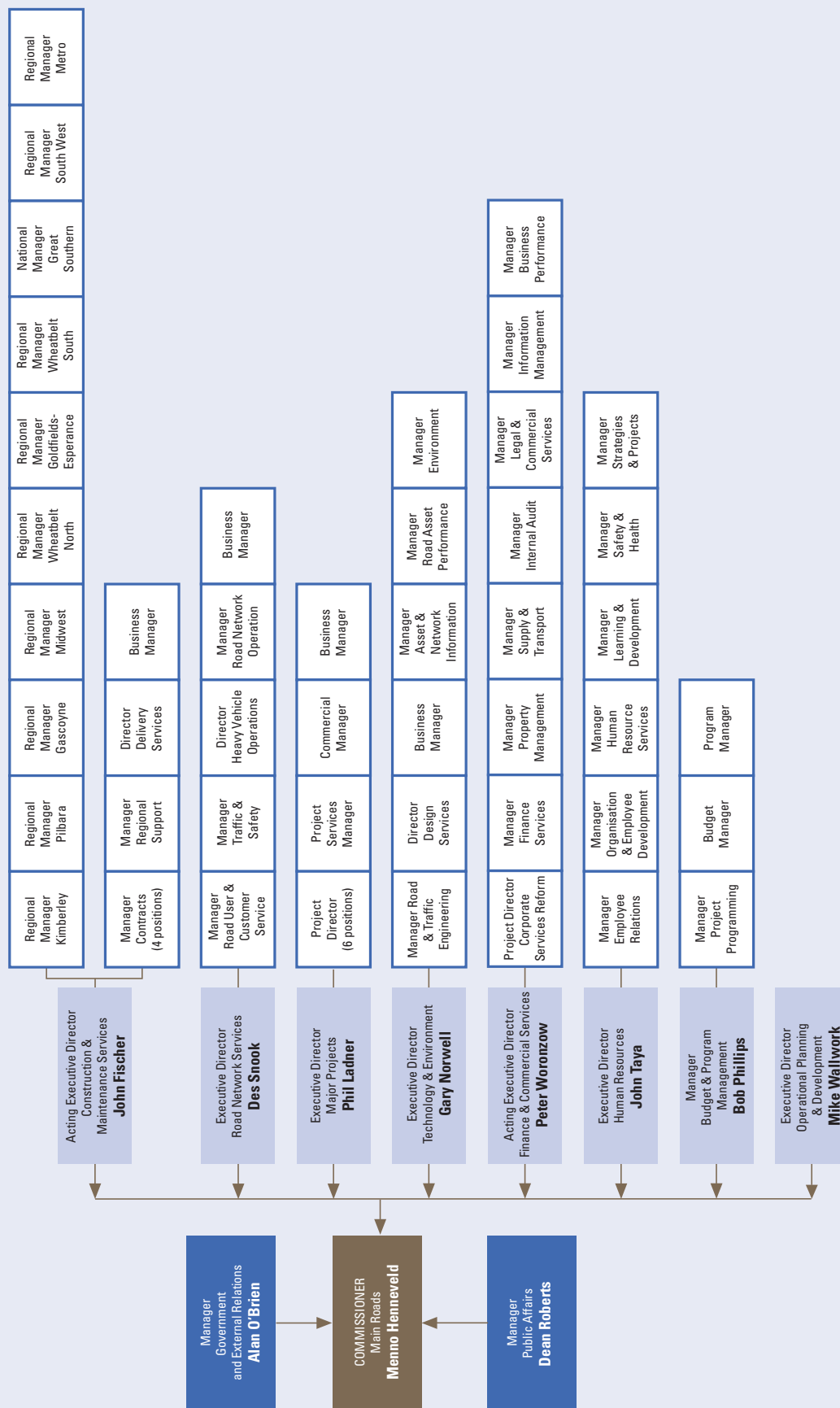
Vanessa Loncar

Vanessa is a significant contributor to Business Improvement within Main Roads. She coordinates performance indicators, quarterly reports to Executive, internal and external management system audits, manages the Opportunity for Improvement (OFI) system and is involved in writing and implementing corporate policy and procedures.



Appendix 1: Management Structure

Management Organisational Chart As at June 2005



Appendix 2: Regional Offices and Contacts

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: 138 138
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 or 9323 4623
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 visiting on general business, our address is:
Don Aitken Centre
Waterloo Crescent
East Perth WA 6004
Tel: 138 138
Fax: (08) 9323 4430
TTY: (08) 9311 8430
Email: dac@mainroads.wa.gov.au
Web: www.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
5-9 Colin Jamieson Drive
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

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
PO Box 333
NORTHAM WA 6401
Tel: (08) 9622 4777
Fax: (08) 9622 3767

Wheatbelt South Region

Mokine Road
PO Box 194
NARROGIN WA 6312
Tel: (08) 9881 0566
Fax: (08) 9881 0503

Library Services

For information from our library, contact our Librarian on:
Tel: (08) 9323 4181
Fax: (08) 9323 4430

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

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

STATUTORY FRAMEWORK

COMMISSIONER OF MAIN ROADS

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.

Main Roads Western Australia has been registered in Western Australia as a business name.

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

Mr Menno Henneveld is the Commissioner of Main Roads.

Mr Henneveld was appointed to the office on 2 December 2002 in accordance with Section 7 of the *Main Roads Act 1930*, for a period of five years. His remuneration is determined by the Salaries and Allowances Tribunal under Section 6(1)(d) and (e) of the *Salaries and Allowances Act 1975*.

The Commissioner is accountable to the Minister for Planning and Infrastructure.

OTHER EMPOWERING LEGISLATION

The *Land Administration Act 1997* provides powers for the resumption of land. Section 84 of the *Road Traffic Act 1974* provides a right of recovery for road damage, and Regulation 297 of the *Road Traffic Code 2000* provides the Commissioner with the power to erect road signs, traffic signals and installation of road marking. Regulation 23 of the *Road Traffic (Vehicle Standards) Regulations 2002* provides the Commissioner with the authority to issue permits for vehicles exceeding the regulatory dimensions and mass of vehicles or loads. 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 (Cth)* for heavy vehicles.

COMPLIANCE WITH OTHER STATE AND COMMONWEALTH LEGISLATION AND REGULATIONS

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

THE CORPORATE EXECUTIVE

The Corporate Executive comprises the Commissioner together with the Executive Directors Finance and Commercial Services, Construction and Maintenance Services, Road Network Services, Major Projects, Technology and Environment, Human Resources, Operational Planning and Development, and Manager Budget and Program Management.

The role of the Corporate Executive is to assist the Commissioner in:

- Ensuring that best-practice corporate governance is practised across Main Roads
- Formulating and implementing the strategic plan
- Establishing directorate business plans and budgets and managing and reporting performance against these plans
- Developing Main Roads personnel to their maximum potential and empowering people to produce value for customers
- Financial management of income, expenditure, assets and liabilities of Main Roads, and reporting on performance against budgets and targets
- Ensuring compliance with all legislation, government policies and directives
- Managing risks
- Fostering a strong culture of being customer-focused
- Setting Main Road's standards of behaviour of personnel, consistent with the public sector code of ethics and its own code of conduct.

The Corporate Executive meets monthly. In addition, special meetings are held as necessary.



MEMBERS OF THE CORPORATE EXECUTIVE AT 30 JUNE 2005

1 MENNO HENNEVELD COMMISSIONER OF MAIN ROADS

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

Menno is Deputy Chairman of Austroads, Chairman of the Australasian Society for Trenchless Technology, Vice President of the International Society for Trenchless Technology and will take over the role of International Chairman in late 2005.

He holds Bachelor of Engineering (Civil) from the University of Western Australia, a Post Graduate Diploma in Administration from Curtin University, is a Fellow of Engineers Australia, a Graduate of the Australian Institute of Company Directors and a Chartered Member of The Chartered Institute of Logistics and Transport.

2 JOHN FISCHER ACTING EXECUTIVE DIRECTOR, CONSTRUCTION AND MAINTENANCE SERVICES

John Fischer joined Main Roads as a cadet in 1971. After graduating in 1973 he worked in the planning branch before country appointments in Albany, Derby, Geraldton, Narrogin and Port Hedland. His recent appointments were as Regional Manager for the

Wheatbelt South and Pilbara Regions, Project Director and Director Design Services. John's achievements include the completion of the Graham Farmer Freeway project, two years of managing organisational change and the redevelopment of technical skills. He holds an Associateship in Civil Engineering and Graduate Diploma of Business (Management).

3 DES SNOOK EXECUTIVE DIRECTOR, ROAD NETWORK SERVICES

Des Snook has 26 years of service with Main Roads, having joined in 1979.

He holds a Bachelor of Engineering (Civil) and is a Member of the Institution of Engineers Australia.

He has experience in road construction and maintenance, project and contract management, and bridge design and construction. He worked in various Regions for 10 years.

His previous appointments include Executive Director Urban Roads, Operations Manager North, and Regional Manager for Wheatbelt South and Pilbara Regions.

In his role as Executive Director Road Network Services he has responsibility in Main Roads for all traffic and safety, heavy vehicle and customer service issues.

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

4 PHIL LADNER
EXECUTIVE DIRECTOR,
MAJOR PROJECTS

Phil Ladner has 38 years of service with Main Roads having joined the organisation in 1967. His previous appointments at Main Roads include Director Contract Management and Regional Manager in three regions. His achievements include key roles in developing contract management initiatives such as partnering and prequalification and delivering major road infrastructure through alliance and design and construct contracts. Phil holds a Bachelor of Engineering (Civil), a Master of Engineering Science, and he is also a Fellow of the Institution of Engineers Australia.

5 GARY NORWELL
EXECUTIVE DIRECTOR,
TECHNOLOGY AND ENVIRONMENT

Gary Norwell has over 35 years of service with Main Roads. His previous appointments at Main Roads include Executive Director Planning and Practice, Manager Road Maintenance Strategy, Regional Manager Kimberley and Regional Manager Great Southern. Gary's achievements include a key role in the development and implementation of asset management planning and capital investment planning in Main Roads and numerous road projects around the State.

Gary is the National Program Manager for the Austroads Assets Research and Publications Program. He is a former Chairman of the World Road Association Committee on Road Management.

Gary holds an Associateship in Civil Engineering from the WA Institute of Technology (now Curtin University), is a Member of Engineers Australia and a Certified Practising Engineer.

6 PETER WORONZOW
ACTING EXECUTIVE DIRECTOR,
FINANCE AND COMMERCIAL SERVICES

Peter Woronzow holds a Bachelor of Arts (Economics) from Murdoch University, a Graduate Diploma in Public Sector Management from Curtin University and studied accounting and management at The University of Western Australia. He joined Main Roads 25 years ago in the Pilbara Region and has had extensive experience in both the operational and corporate support areas of Main Roads. Key achievements include taking a lead role in the establishment of the Supply and Transport and the Legal and Commercial Services Branches, and the implementation of the supply and contract administration systems. He has held the positions of Commercial Manager, Manager Legal and Commercial Services and Manager Corporate Support.

7 JOHN TAYA
EXECUTIVE DIRECTOR,
HUMAN RESOURCES

Upon graduating from University, John Taya joined Main Roads in the Midwest Region and subsequently worked in the Wheatbelt North, Wheatbelt South, Great Southern, Metropolitan and Moora Regions before taking on industrial relations and human resource management roles resulting in his appointment in 1999 as Executive Director Human Resources.

John has also worked overseas and was a lecturer in the MBA programs at the Graduate School of Management at The University of Western Australia, the Graduate School of Business at Curtin University, and more recently, worked at the Department of the Premier and Cabinet. He has written and published papers on industrial relations, human resource management and organisational development.

John has a Bachelor of Business degree and a Master of Industrial Relations degree.

MIKE WALLWORK
EXECUTIVE DIRECTOR,
OPERATIONAL PLANNING AND DEVELOPMENT
(Not in the photograph)

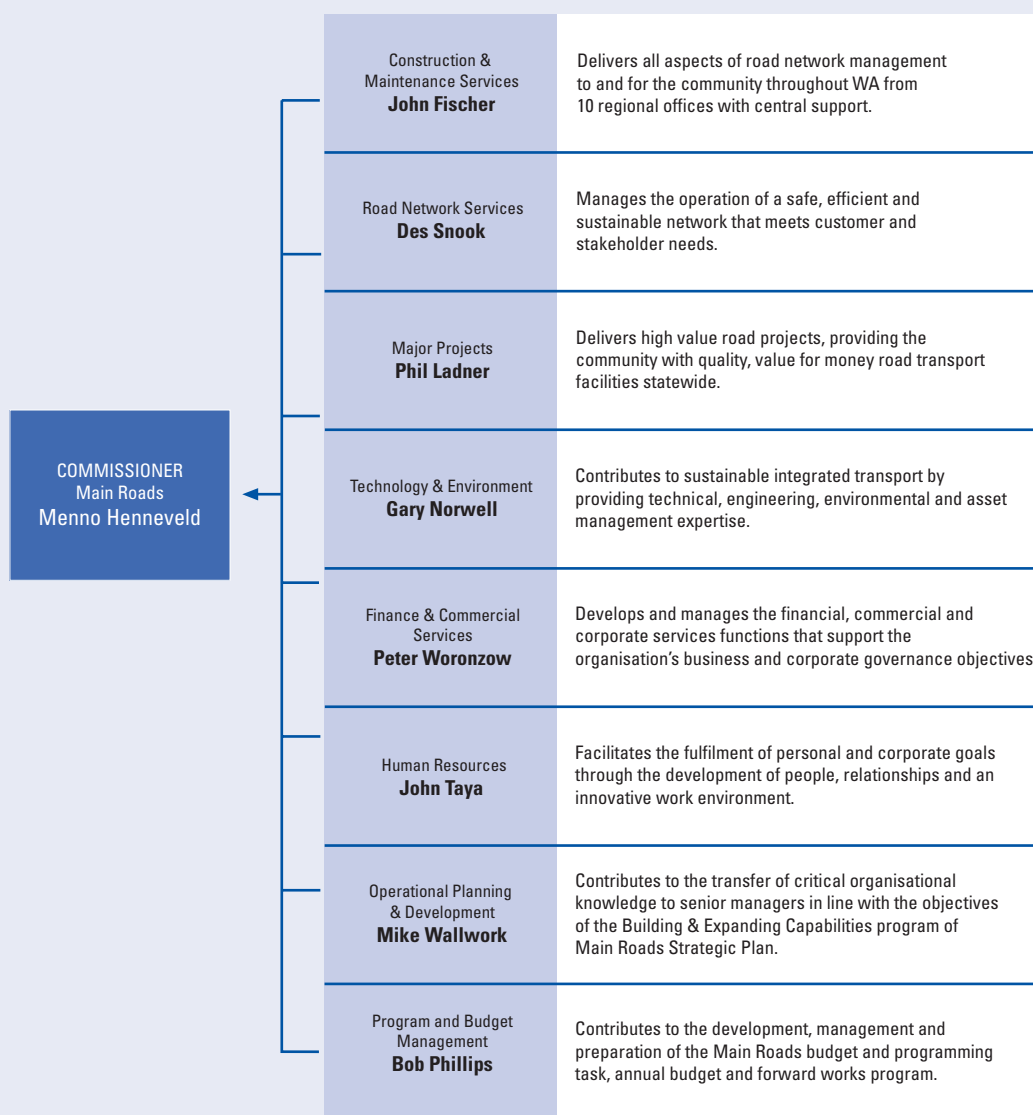
Mike Wallwork joined Main Roads as survey hand in the Albany District in November 1960 for vocational work at the end of second year Engineering at The University of Western Australia. He became a Cadet Engineer in early 1961 and graduated in 1963 with a BE Civil from The University of Western Australia.

Since commencing as an Engineer in the Narrogin Division in 1963, Mike has worked in Narrogin, Kimberley, Albany and Pilbara Divisions. The latter two as Divisional Engineer from 1972-1980 before coming to Perth in 1980.

Mike assisted the Principal Engineer North before being appointed to that position in 1987. Since then, the titles and regional responsibilities have changed and in early 2005 Mike moved from the position of Executive Director Construction and Maintenance Services to the position of Executive Director Operational Planning and Development.

8 BOB PHILLIPS
MANAGER,
PROGRAM AND BUDGET MANAGEMENT

Bob Phillips has 17 years service with Main Roads, having joined in 1988. He is a certified Practising Accountant. In his role as Manager Program and Budget Management he has responsibility for the development, management and preparation of Main Roads budget and programming task, annual budget and the forward works program. Bob is a representative on the State Black Spot Consultative Panel and the State Road Funds to Local Government Advisory Committee.

**Management Organisation Chart
Corporate Executive as at 30 June 2005****CORPORATE EXECUTIVE COMMITTEES**

There are six Corporate Executive Committees.

AUDIT COMMITTEE

The members of the audit committee are:

- Commissioner of Main Roads (Chair)
- Acting Executive Director, Finance and Commercial Services
- Executive Director, Technology and Environment
- Acting Executive Director, Construction and Maintenance Services
- Manager, Internal Audit
- A representative of the Auditor General (Observer).

The Committee is responsible for approving the three-year strategic audit plan and the annual audit plan to ensure adequacy of the planned coverage and work priorities. The Committee also approves any special audit investigations that need to be carried out.

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

Senior personnel from areas subject to internal audit reports are required to attend meetings, on a needs basis, to provide explanations and discuss recommended improvements.

This year, 21 audits, including nine operational audits, were conducted.

A three-year Strategic Audit Plan, covering the period 2005 to 2008 has been developed based on the organisation's business risk exposures.

It is the responsibility of the Committee to ensure that the audit function is carried out by personnel with appropriate qualifications and experience. Manager Internal Audit is a Certified Practising Accountant. Internal audit fieldwork has been outsourced to Ernst & Young, Chartered Accountants. Ernst & Young is now in the final year of a three-year contract.

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 comprises four members of the Corporate Executive, meets monthly and reports as necessary to the full Corporate Executive or the Commissioner.

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 review key corporate learning and development initiatives, including the Main Roads Building and Expanding Capability Strategy.

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 the Corporate Executive on occupational safety and health, and manages any corporate initiatives or issues referred to it through the OSH Committee structure.

CUSTOMER SERVICE COMMITTEE

The Customer Service Committee meets monthly to review and endorse customer service initiatives within Main Roads that promote a service-based culture and lead the organisation towards achieving its vision of being recognised for excellence in customer service. The Committee comprises three members of Corporate Executive and the Manager Road-User and Customer Services.

CAPITAL INVESTMENT PLANNING STEERING COMMITTEE

The role of the Capital Investment Planning Steering Committee is to provide high-level direction for actions necessary to improve:

- Project justification and development of a business case, including considerations of future maintenance requirements
- Determining project priorities for consideration by Government
- Staged funding approvals for the various phases of a project and including definition activities to aid in more thorough and timely scoping of projects
- Responsibilities for capital investment planning, including program management and approval of project scope and cost variations
- Delegation of authority in regard to program management
- Interactions with the asset management planning and program management processes.

Executive Directors Finance and Commercial Services, Major Projects, Technology and Environment, Road Network Services, Construction and Maintenance Services together with Director, Delivery Services, Manager Program and Budget Management and Manager, Road Asset Planning, and the chairperson of the Program Managers Committee are members of this committee.

The committee meets monthly and reports directly to the Commissioner of Main Roads.

ETHICAL AND RESPONSIBLE DECISION-MAKING

BUSINESS PLAN AND PERFORMANCE AGREEMENTS

The Corporate Executive insists that all employees adhere to the highest standards of corporate governance practice and ethical behaviour.

Each member of the Corporate Executive has an annual business plan for their own directorate, which is linked to the Corporate Business Plan and the Strategic Plan.

The Commissioner has a performance agreement with the Minister for Planning and Infrastructure, and other members of the Corporate Executive have a performance agreement with the Commissioner.

PROCUREMENT POLICIES AND PROCEDURES

Main Roads' procurement policies and procedures, which comply with the requirements of the State Supply Commission, are documented in the Procurement Management Manual and strict compliance is monitored by the Supply and Transport Branch. In addition to routine procurement matters, these policies and procedures address requirements and conduct in the following areas:

- Obtaining value for money
- Ensuring that there is open and effective competition
- Contracting approvals
- Integrity, ethics and probity
- Environmental procurement
- Complaints and grievance resolution
- Compliance with other government policies.

In addition, tendering and contract administration procedures are formally documented in the Tendering and Contract Administration Manual.

A Tender Committee, comprising two experienced officers from Main Roads and two senior government officers external to Main Roads, ensures that contracting policies and procedures are followed for all tenders over \$50 000.

Contracts exceeding \$1 000 000 are referred to the State Tenders Committee for review and endorsement prior to award.

CONFLICT OF INTEREST: PERSONAL INTERESTS IN CONTRACTS WITH MAIN ROADS

All senior officers have confirmed in writing that they, or any of their associates, did not have a personal interest in any contracts awarded, or in the process of being awarded, by Main Roads.

ETHICAL STANDARDS AND PERFORMANCE

Main Roads has a clear Code of Conduct, which is supported by a number of human resource policies that apply to all employees.

Procedures are in place to meet the requirements of the Government relating to ethical standards and performance. Main Roads complies with the Notification Guidelines under Sections 28 and 29 of the *Corruption and Crime Commission Act 2003*.

A report, as required by Section 31 of the *Public Sector Management Act 1994* on the extent to which public sector standards, codes of ethics and any relevant code of conduct have been complied with was completed.

EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Main Roads promotes management practices that are free of bias and discrimination to create and maintain a diverse workforce that delivers products and services to meet its customers' needs. Significant achievements in 2004-05 include:

- A new Equity and Diversity Plan 2005-2007 has been developed including a number of new initiatives that support diversity and work-life balance.

- Establishing the Main Roads Diversity Committee to oversee diversity initiatives and ensure that the objectives of the Equity and Diversity Plan are fulfilled.
- Corporate Diversity Training was provided for the entire organisation that focused on emerging trends in EEO and Diversity.
- A number of new Regional Family-Friendly initiatives and flexible working arrangements in the Main Roads Enterprise Bargaining Agreement 2005.
- A 'Diversity Day' was held with very high involvement from employees in celebrating International Women's Day and Harmony Day.

FREEDOM OF INFORMATION

An Information Statement, which has been produced in accordance with the requirements of the *Freedom of Information Act 1992*, is available on the Main Roads website. This statement provides guidance on how to obtain information from Main Roads under the Freedom of Information (FOI) legislation as well as information available without a formal FOI application. The Main Roads Freedom of Information Coordinator can be contacted at the East Perth office on (08) 9323 4268.

2004-05 FOI statistics:

- FOIs received (22)
- Complaints to the Ombudsman (2)
- Complaints to the Ombudsman that were upheld (0).

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.

PUBLIC INTEREST DISCLOSURE ACT 2003

In accordance with Section 23 (1) of the *Public Interest Disclosure Act 2003*, Main Roads has:

- Appointed a Public Interest Disclosure Officer for receiving disclosures made under the Act and coordinating appropriate investigations and reports.
- Implemented policies and procedures for handling public interest disclosures made under the Act.
- Placed the policy and procedures online available to all employees.
- Disseminated information on the requirements and obligations of the Act to employees via a number of briefings and information sessions.

Main Roads Public Interest Disclosure Officer can be contacted at the Don Aitken Centre, East Perth or on (08) 9323 4562.

RECORDKEEPING PLAN

Main Roads' initial Recordkeeping Plan has been approved by the State Records Commission. An evaluation of the recordkeeping systems' efficiency and effectiveness is in progress and will be finalised by October 2005. An online Recordkeeping awareness training program has been acquired and is being implemented to assist all employees in understanding their obligations under the plan. A training program for records management employees is being prepared and will be finalised by October 2005. New employees are informed about their recordkeeping responsibilities as part of Main Roads' induction program. It is proposed to review the efficiency and effectiveness of the recordkeeping training program by June 2006.

SAFEGUARDING THE INTEGRITY OF FINANCIAL MANAGEMENT AND REPORTING

FINANCIAL MANAGEMENT POLICIES AND PROCEDURES

A comprehensive Accounting Manual, which contains the accounting and financial management policies and procedures, is maintained. This manual together with the *Financial Administration and Audit Act 1985* and the Treasurer's Instructions are available online to all employees.

INTERNAL CONTROLS

A comprehensive system of internal controls is in place to ensure that there is an appropriate division of responsibilities to safeguard the assets and interests of Main Roads.

REPORTING TO THE DEPARTMENT OF TREASURY AND FINANCE

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

INTERNAL AUDIT

Internal Audit reviews all aspects of financial management and reports to the Audit Committee (see above under Corporate Executive Committees).

STATUTORY AUDIT

The annual independent external audit is carried out by the Auditor General for Western Australia, in accordance with the *Financial Administration and Audit Act 1985*. The Auditor General's audit opinion is addressed to the Parliament of Western Australia and audit findings are reported to both Houses of the Parliament.

RECOGNISING AND MANAGING RISK

Main Roads has in place a corporate risk management procedure to identify, assess, monitor and manage risk throughout the organisation.

All identified key risks and associated treatment plans are incorporated in the annual directorate and branch business plans and form part of the quarterly reporting cycle.

A corporate database, RiskBase, is utilised to provide risk-reporting information to the Corporate Executive on a quarterly basis.

Main Roads has included the risk of corruption and misconduct as a component of the risk management plan in RiskBase.

RECOGNISING THE INTERESTS OF OUR STAKEHOLDERS

MAIN ROADS 2K7

Main Roads' vision is to be recognised for excellence in customer service and world-class road access, and its purpose is to provide a safe and efficient road access that will enhance community lifestyles and ensure economic prosperity. Main Roads' customer and stakeholder base is large and diverse, and it is recognised that the needs of these customers are a priority.

Main Roads' Strategic Plan (called 2K7) sets direction to 2007, to enable Main Roads to meet the challenges of ever increasing demands and changing social, political, economic, technological and environmental considerations. 2K7 aligns with *Better Planning: Better Services* planning framework for the Western Australian Public Sector and demonstrates a strong commitment to the State Sustainability Strategy.

The following six areas form the focus of Main Roads' drive as it move towards 2007:

- Sustaining network operations – to maximise the safety and efficiency of the road network
- Improving project delivery – to deliver the road program on time and within budget
- Asset management – to increase emphasis on minimising the whole-of-life costs approach to asset management
- Community – to involve the community in key decisions in a timely manner
- Building and expanding capability – to develop a highly motivated, skilled and sustainable workforce
- Relationships – to build better relationships with key stakeholders by working together and aligning goals.

EXCELLENCE INROADS

During the year, as an initiative of the 2K7, a Customer Service Strategy 2004-2007 called *Excellence Inroads* was developed. Areas of focus in Excellence Inroads are:

- Leadership – encourage leadership that embraces challenge and provides direction towards customer service best practice
- Employee participation and support – develop a highly skilled and sustainable workforce that is motivated to provide professional customer service that respects its customers, the community and each other
- Customer involvement – enhance relationships with its customers by understanding their needs and preferences
- Access and information – improve our image and the sharing of knowledge and information with our customers
- Service standards – to consistently provide a high level of customer service throughout the organisation
- Continuous improvement – identify opportunities for continuous improvement in pursuit of customer service excellence.

VALUES-DRIVEN

Main Roads' values were created as part of 2K7. Values form the foundation upon which Main Roads is built. They guide employees' behaviour, decision-making and relationships with customers and stakeholders. Main Roads' values are:

- Roads matter – taking pride in managing the road network for the benefit of the community
- Embracing challenge – anticipating and taking up challenges
- Professionalism – providing high levels of expertise and experience in delivering services
- Working together – striving to enhance relationships and achieve excellence
- Extraordinary customer service – going to extraordinary lengths to understand and provide what is important to our customers
- Family – respecting and supporting our customers, the community and each other.

Understanding the values forms a large part of the Individual Development Plan (IDP) discussions between employees and their managers.

IMPLEMENTATION STRATEGIES AND MEASUREMENT

Key actions, timeframes and key performance indicators have been established for each focus area in 2K7 and Excellence Inroads, and these have been linked to individual Executive Director's business plans to ensure that Main Roads achieves its objectives.

Awareness training for all employees has been provided in relation to 2K7, Excellence Inroads and Building and Expanding Capability Strategy 2005-2007 (see Encouraging Enhanced Performance below).

CUSTOMER CONTACT CENTRE

A customer contact centre has been established to provide an easy telephone and internet access to Main Roads for its customers.

ADVISORY GROUPS

Main Roads seeks regular input on issues and policy development from a variety of stakeholder groups. For details see Advisory Groups on pages 13 to 16.

ENCOURAGING ENHANCED PERFORMANCE

BUILDING AND EXPANDING CAPABILITY STRATEGY 2005-2007

As an initiative of 2K7, the Building and Expanding Capability Strategy 2005-2007 was created. Areas of focus in this strategy are:

- Employer of choice – Main Roads is recognised internally and externally as an employer of choice and delivers on expectations
- Internal Alliances – working across functional areas, industrial groupings and classifications as "One Main Roads" to ensure that it responds effectively to changing corporate priorities
- Creating a learning organisation – to promote flexibility and learning, and manage the loss of corporate knowledge through developing our people and further utilising support systems and processes.
- Specific skills – develop a sustainable skill base and a workforce plan that is flexible and consistent with our infrastructure delivery strategy, asset management strategies and values
- Sustainability of regional framework – develop a strong and effective regional presence, to maintain and develop Local Government and community relationships
- Business delivery model – deliver outcomes as expected by the community.

Key actions, responsibilities and timeframes have been established to ensure that the strategies are implemented.

EMPLOYEE OPINION POLLS

Employee opinion polls are conducted every two years which provide valuable feedback from employees and provide an opportunity to identify areas where improvements need to be made to enhance the performance of the organisation.

INDIVIDUAL DEVELOPMENT PLANS

All employees in Main Roads have an Individual Development Plan (IDP) which is completed by the employee with their manager. The IDP is designed to encourage discussions between the employee and the manager on strategic and business direction, key activities and customer service, learning and development and career development. This discussion

is recorded on the individual's IDP and is reviewed for progress/changes every six months.

SUSTAINABILITY

Main Roads Strategic Plan demonstrates a strong commitment to the State Sustainability Strategy. Details of Main Roads action plan and progress are shown in the section on Sustainability on pages 7 to 15.

STATEMENT OF EXPENDITURE REQUIRED UNDER SECTION 175ZE OF THE ELECTORAL ACT 1907

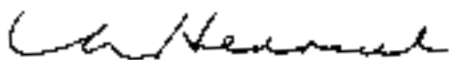
In accordance with Section 175ZE of the *Electoral Act 1907*, Main Roads Western Australia incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

1. Total Expenditure for 2004-05 was \$949 000.
2. Expenditure was incurred in the following areas:

Advertising Agencies	\$000s	Media Advertising Organisations	\$000s
21CC Broadcast Productions	2	Broome Advertiser	1
Adcraft Promotional Pty Ltd	4	Express Publication Pty Ltd	1
Bladon WA	10	Golden Mail Pty Ltd	3
Carolyn Walker Public Relations	39	Hocking & Co. Pty Ltd	5
Corporate Theatre Productions	2	Husen Pty Ltd	3
DTZ Australia (WA) Pty Ltd	10	Kalgoorlie-Boulder Chamber of Commerce and Industry	1
Dingo Promotions	12	Local Business Support and Community Services Pty Ltd	1
Equilibrium	26	North West Expo	1
Essential Projects	151	Radio West Broadcasters Pty Ltd	11
FWA Media Pty Ltd	2	Rural Press Regional Media	1
Haymarket Pty Ltd	31	South West Printing and Publishing Co Pty Ltd	3
Imatec Solutions Pty Ltd	7	The West Australian	2
IRIS Design	1	Tourist Information Distributors Australia	1
Justcall Promotions	1	Transport Expo	1
Linkletters	20	WA Local Business and Community	1
Marketforce Production	391	Westcoast Print and Promotions	2
Media Monitors (WA) Pty Ltd	17	West Australian Publisher	1
Media Decisions WA	7	The Wheel	1
Rehame Australia Pty Ltd	45		
The Creative Express	92		
Advertising Agencies Total	870	Media Advertising Organisations Total	40
		Direct Mail Organisations	Nil
Market Research Organisations			
Australian Market Intelligence	37		
Patterson Market Research	2		
Market Research Organisations Total	39		

KEY PERFORMANCE INDICATORS STATEMENT OF CERTIFICATION

I hereby certify that the following Key Performance Indicators are based on proper records are relevant and appropriate for assisting users to assess Main Roads' performance, and fairly represent the performance of the Commissioner of Main Roads for the financial year ended 30 June 2005.



Menno Henneveld
COMMISSIONER OF MAIN ROADS
ACCOUNTABLE AUTHORITY

30 August 2005



OAG CERTIFICATION OF KEY PERFORMANCE INDICATORS



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**COMMISSIONER OF MAIN ROADS
PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005**

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Commissioner of Main Roads are relevant and appropriate to help users assess the Commissioner of Main Roads' performance and fairly represent the indicated performance for the year ended 30 June 2005.

Scope

The Commissioner's Role

The Commissioner is responsible for developing and maintaining proper records and systems for preparing performance indicators.

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

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it 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 performance indicators.

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

D D R PEARSON
AUDITOR GENERAL
30 September 2005



MAIN ROADS PURPOSE

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

SUMMARY OF OUTCOMES AND KEY PERFORMANCE INDICATORS

OUTCOME	EFFECTIVENESS INDICATORS	ASSOCIATED PROGRAM	EFFICIENCY INDICATORS
1 Efficient Road Access	1.1 a) Community Satisfaction b) Road Network Permitted for use by Heavy Freight Vehicles c) Road Standards d) Bridge Standards e) Peak Hour Travel Times	1.2 Road Network Operations Management	1.2.1 a) Average cost per lane kilometre of network managed
		1.3 Road Use Efficiency Improvements	1.3.1 a) Average road improvement cost per lane kilometre b) Average cost per intersection improvement c) Average cost for bridge strengthening per square metre
		1.4 Road Infrastructure for Community Access	1.4.1 a) Average cost of road construction per lane b) Average cost of treatment undertaken c) Average cost of bridge deck constructed per square metre
2 Safe Road Access	2.1 a) Road Fatality Rate b) Community Perception of Road Safety	2.2 Road Use Safety Improvements	2.2.1 a) Average cost of road construction per lane kilometre (by road type) b) Average cost of improvements undertaken
3 Maintained Network	3.1 a) Smooth Travel Exposure b) Community Perception of Ride Quality	3.2 Road Network Maintenance	3.2.1 a) Average cost per lane kilometre of road network maintained b) Average cost per square metre of bridge deck maintained
4 Road Infrastructure that supports Economic and Regional Development	4.1 a) Return on Construction Expenditure	4.2 Road Infrastructure for State Development	4.2.1 a) Average cost of road construction per lane kilometre (by road type) b) Average cost per square metre of bridges constructed (by concrete and timber bridges)

1. EFFICIENT ROAD ACCESS

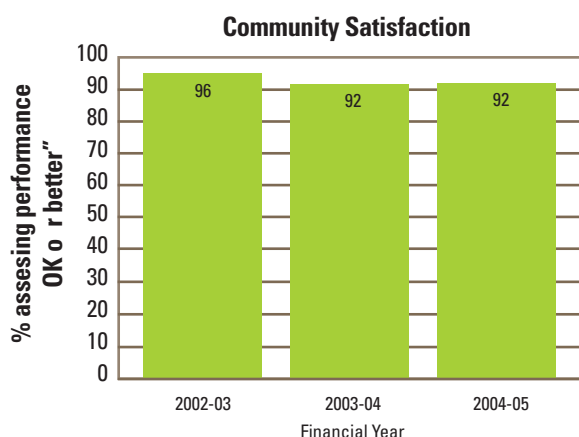
1.1 EFFECTIVENESS INDICATOR

A) COMMUNITY SATISFACTION

The Community Satisfaction Indicator represents how satisfied the community is with Main Roads performance. This indicator reflects the satisfaction level of customers in metropolitan and regional areas.

An independent market research company was commissioned to undertake the 2004-05 Community Perceptions Survey of Western Australian road-users.

All of the data collected in the survey will be used to ensure Main Roads projects and customer service initiatives are targeted at the areas of greatest need.



NB: The total sample of 1,150 produces a sampling precision of +/-2.9% at the 95% confidence interval, that is, we are 95% confident that the results would be within +/-2.9% should a census of the population be undertaken.

Year	2002-03	2003-04	2004-05
Community Satisfaction	96%	92%	92%

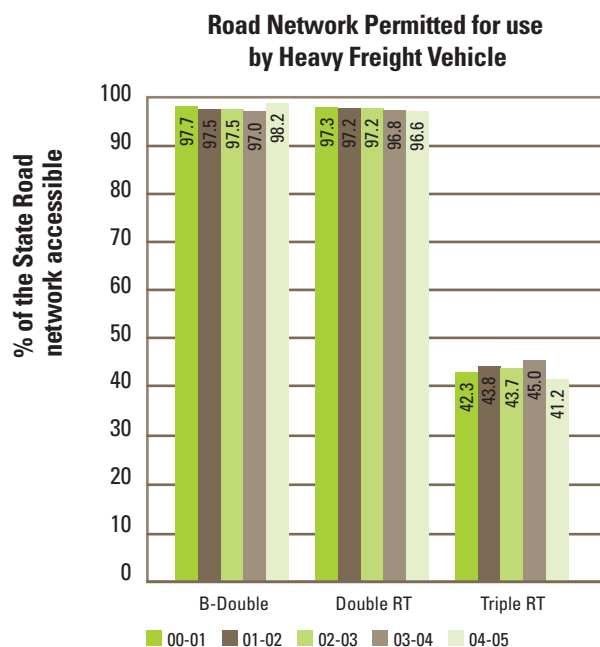
As shown in the figure above, community satisfaction with Main Roads' performance declined from 96% in 2003 to 92% in 2004 but has since remained steady at 92% in 2005.

B) ROAD NETWORK PERMITTED FOR USE BY HEAVY FREIGHT VEHICLES

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

The accompanying chart shows the extent to which the combined National and State road network in Western Australia is accessible to these classes of vehicle. As there are very few B-double roads that are not accessible by double road trains, the B-double statistic is only fractionally larger than the double road train statistic.

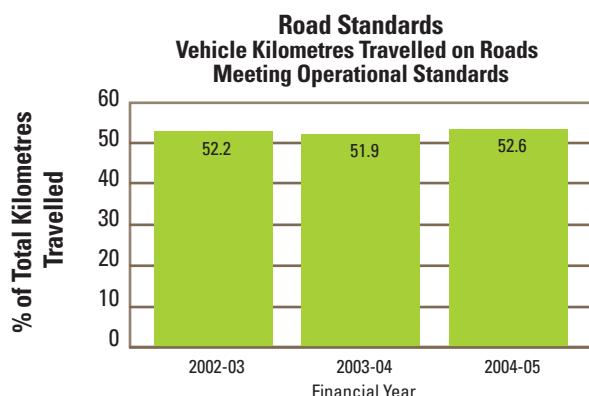
The 2004-05 percentages have been calculated from a new more robust and accurate data base developed in house, whereas previous years were calculated using information from a variety of sources. Whilst the 2004-05 figures for triple road trains show a significant drop in the percentage of National and State road network available, this is purely a result of the improved method of calculation. Triple road trains have not been removed from significant lengths of highways or main roads.



C) ROAD STANDARDS

Indicator 1.1(c) is a demand related measure of the effectiveness of improvement expenditure. It shows the extent to which vehicles travel on roads, which conform, to the operational standards of seal width, shoulder width and design speed. These standards provide for a safe and efficient road network and are based upon National Standards relating to road usage.

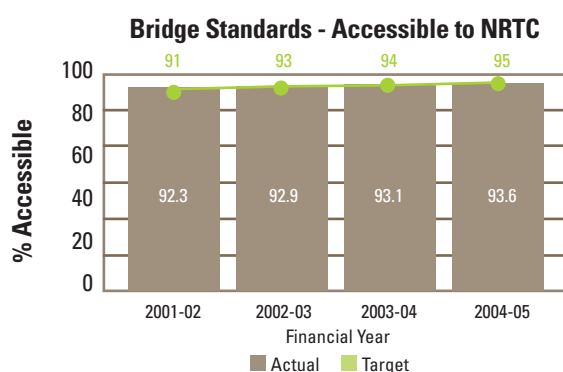
The results in the above graph are based upon a revised methodology for estimating the vehicle kilometres travelled on the network. There has been a slight increase in the percentage of travel that occurs on roads meeting operational standards during 2004-05.



D) BRIDGE STANDARDS

This indicator shows the extent to which NRTC vehicles can travel on bridges, governed by strength requirements. This standard provides for a safe and efficient road network and is based upon standards relating to improved transport efficiencies. The bridge standards indicator gives an indication of Main Roads ability to plan for and maintain bridges to changing load standards for freight vehicles.

The following graph indicates the percentage of bridges accessible to NRTC vehicles, reported over time:-



There is a project under way to upgrade the NRTC deficient bridges, having been identified in a National study titled 'The Effect of the NRTC Mass Limits Review'. Federal funds have been committed to National Highway bridges and some State Road bridges, with further funds being sought on other deficient bridges throughout Western Australia.

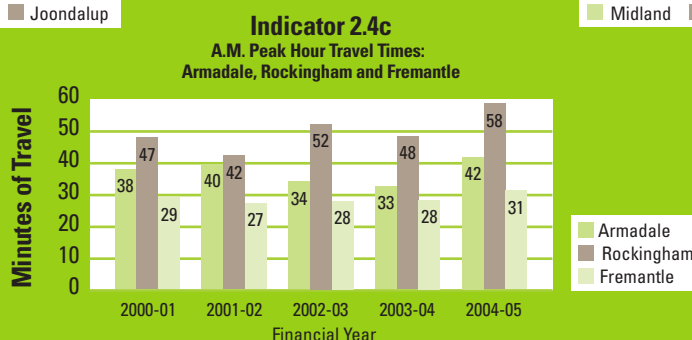
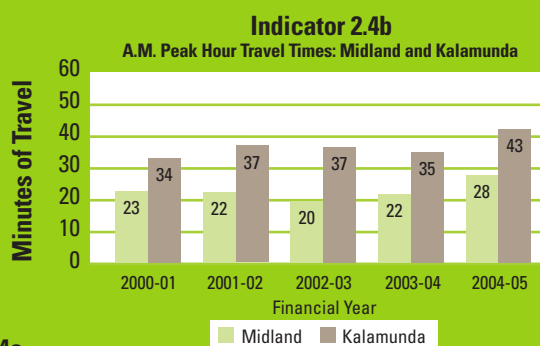
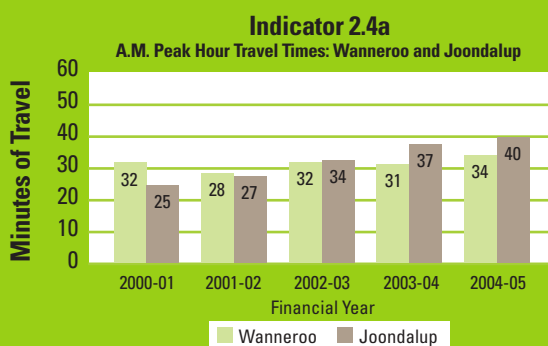
As such, the percentage of bridges accessible to these NRTC vehicles should continue to rise slightly in subsequent years. There is a commitment to open up the road freight network to road friendly suspensions that accommodate higher axle loadings and therefore provide increased freight efficiency.

E) PEAK HOUR TRAVEL TIMES

Main Roads effectiveness in facilitating the efficient movement of people and goods in the Metropolitan region is indicated by morning peak-hour travel times. Indicators 2.4a, 2.4b and 2.4c show the trend in morning peak-hour travel times over the last five years from seven Metropolitan centres to the boundary of the Perth Central Area.

During 2004-05, there was a slight increase in the morning peak-hour travel time from 2003-04 on the Wanneroo and Joondalup routes, due to growth in traffic and associated congestion delay. There was an increase in morning peak-hour travel times for the same period over the Midland, Kalamunda and Armadale routes, caused by general growth in traffic and changes in road network configuration.

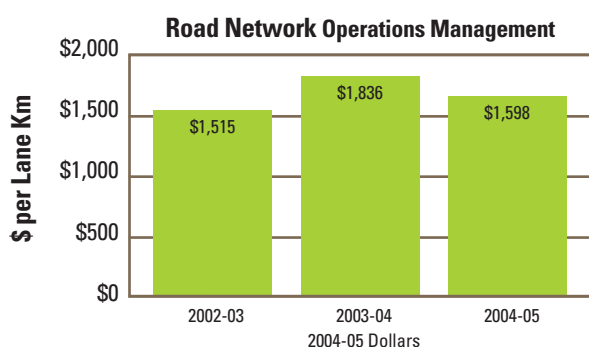
There has also been an increase in morning peak-hour travel times from 2003-04 to 2004-05 over the Rockingham route, mainly caused by roadworks on the freeway associated with construction of Perth Mandurah railway. There was a slight increase in travel time over the Fremantle route for the same period.



1.2 ROAD NETWORK OPERATION MANAGEMENT (ASSOCIATED PROGRAM)

1.2.1 EFFICIENCY INDICATOR

A) AVERAGE COST PER LANE KILOMETRE OF NETWORK MANAGED



Road Network Operations Management includes activities to manage the operation of the State road network, road users and to engage with the community to ensure a safe and efficient road network is provided.

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

Program Management was introduced in 2004 with two years retrospectively aligned to the new program structure using set business rules. While broad comparisons are possible there are some differences between the past years and 2004-05 such as the higher levels of project development activity in 2003-04 which in 2004-05 is reported in other Programs.

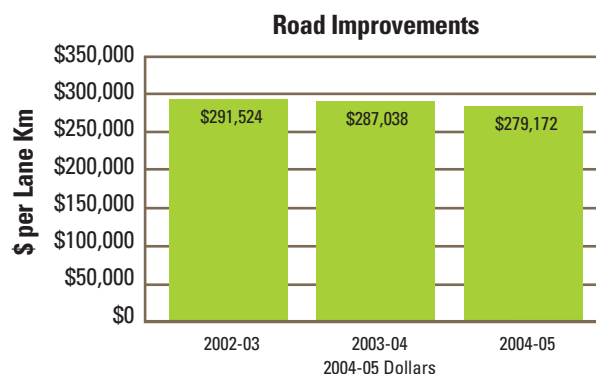
Over the three years there has been a slight increase in Road Management Operations Management expenditure, however, during 2004-05 there were a number of new or expanded services provided including:

- the establishment of the Customer Contact Centre operating 24 hours a day 7 days a week to improve
- access to Main Roads and road information
- an increase in the compliance and enforcement activities undertaken to manage heavy vehicle operations thereby providing assurance to the community that the industry is operating in a safe manner.

1.3 ROAD USE EFFICIENCY IMPROVEMENTS (ASSOCIATED PROGRAM)

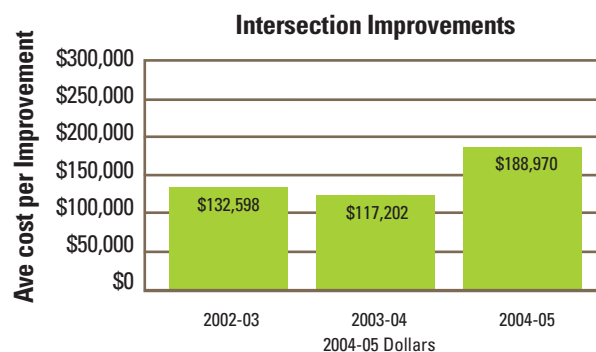
1.3.1 EFFICIENCY INDICATOR

A) AVERAGE ROAD IMPROVEMENT COST PER LANE KILOMETRE



Indicator 1.3.1a shows the cost per lane kilometre to construct improvements during the last 3 years. The works are undertaken to improve the capacity and efficiency of the existing network.

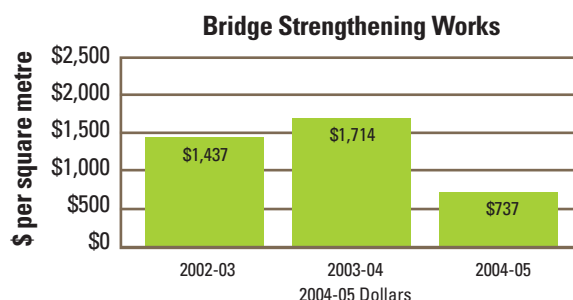
B) AVERAGE COST PER INTERSECTION IMPROVEMENT



Indicator 1.3.1b shows the cost per intersection treatment undertaken during the last 3 years.

The higher than normal cost per treatment in 2004-05 is attributable to the Burrup Peninsula Intersection works-unit rate of \$258 000.

C) AVERAGE COST FOR RIDGE STRENGTHENING PER SQUARE METRE



Indicator 1.3.1c shows the cost per square metre of bridge strengthening works undertaken during the last 3 years. Minor strengthening works were carried out on 2 bridges in 2004-05 which has resulted in the lower than normal cost per square metre.

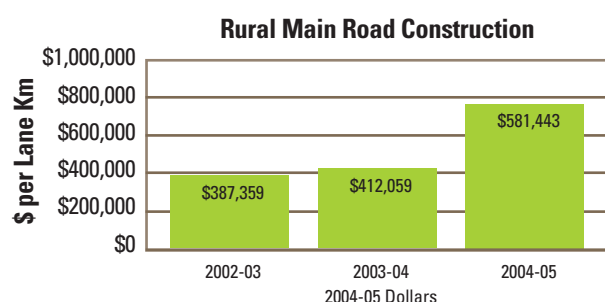
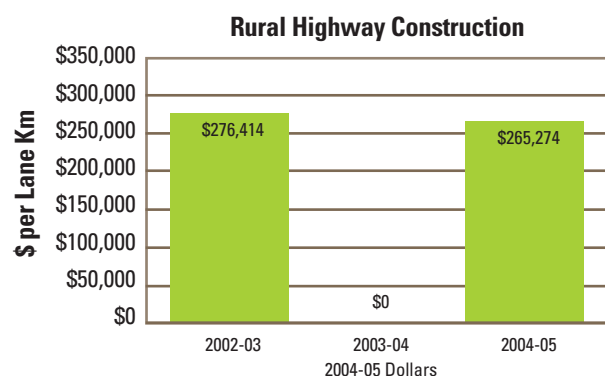
1.4 ROAD INFRASTRUCTURE FOR COMMUNITY ACCESS (ASSOCIATED PROGRAM)

1.4.1 EFFICIENCY INDICATOR

A) AVERAGE COST OF ROAD CONSTRUCTION PER LANE KILOMETRE BY ROAD TYPE

Indicator 1.4.1a shows the cost per lane kilometre of constructing various types of roads over the last 3 years. The works are undertaken to improve community access (especially for remote communities), improve personal mobility, public transport integration and road user amenities.

The 2 graphs below show the unit rates of constructing Rural Highways and Rural Main Roads.



No Freeways, Urban Highways and Urban Main Roads were constructed during the last 3 years under the Road Infrastructure for Community Access Program.

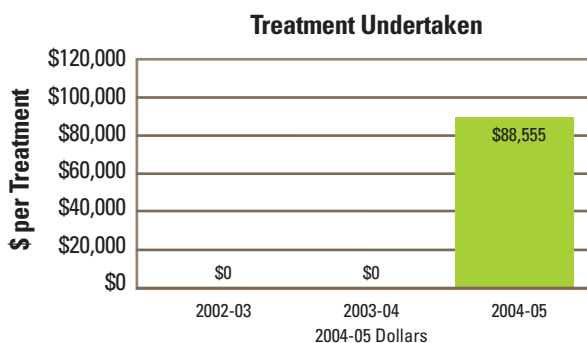
No Rural Highways were constructed in 2003-04 under the Road Infrastructure for Community Access Program.

The 2004-05 unit rate of \$581 443 represents Karratha-Tom Price Stage 1 Project. The prior 2 years unit rates were lower due to the Marble Bar-Ripon Hill to Shaw River Project which has a lower unit rate (approx. \$300 000 per lane kilometre) than the Karratha-Tom Price Stage 1 Project.

B) AVERAGE COST OF TREATMENT UNDERTAKEN

Indicator 1.4.1b shows the average cost per treatment undertaken to improve access. Treatments undertaken in 2004-05 include facilities for vulnerable road users such as installation of puffin and parallel crossings and construction of pedestrian refuge islands.

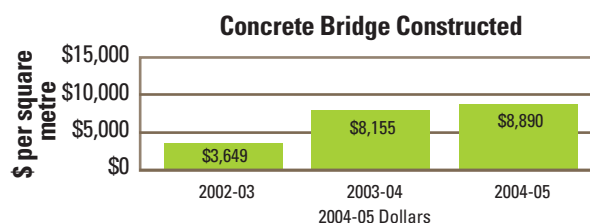
No treatments were undertaken in 2002-03 and 2003-04 under the Road Infrastructure for Community Access Program.



C) AVERAGE COST OF BRIDGE DECK CONSTRUCTED PER SQUARE METRE

Indicator 1.4.1c shows the cost per square metre of constructing new concrete bridges during the last 3 years.

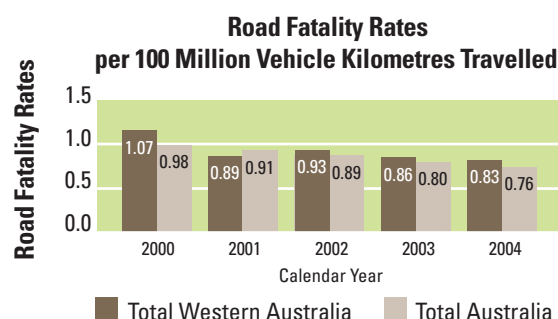
In 2003-04, the high unit rate is attributable to the Karratha-Tom Price Stage 1 Project which has an unit rate of approximately \$9 000 per square metre. In 2004-05, the high unit rate is attributable to the New Metro Rail Project which has an unit rate of approximately \$11 000 per square metre.



2. SAFE ROAD ACCESS

2.1 EFFECTIVENESS INDICATOR

A) ROAD FATALITY RATE



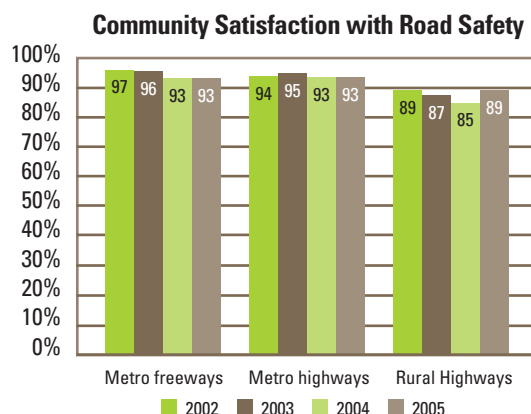
Year	Western Australian Road Fatalities
2000	212
2001	165
2002	179
2003	179
2004	180

The graph in the previous page shows the road fatality rates per 100 million vehicle kilometres travelled [100 MVKT] from 2000 to 2004 for Western Australia and Australia-wide.

WA fatality rates generally followed a downward national fatality trend. In 2004, the road fatality rate for Australia was 0.76/100 MVKT and in Western Australia the rate was 0.83/100 MVKT.

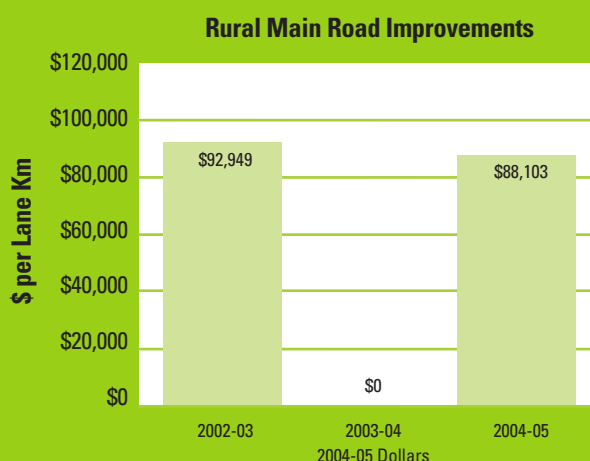
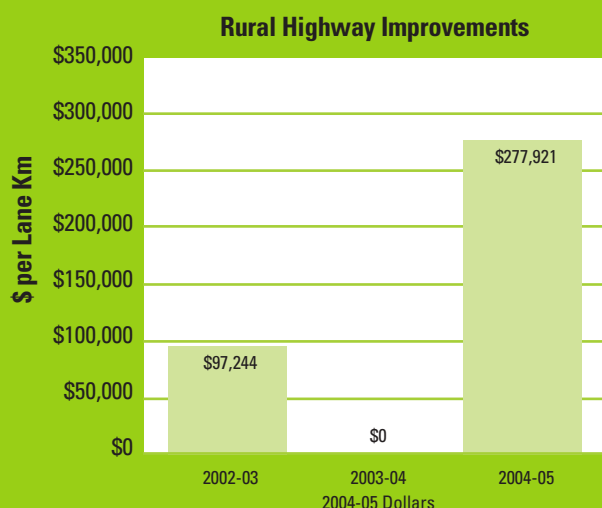
Over the last 3 years WA fatalities have reached a plateau of at around 179/180 fatalities per year.

B) COMMUNITY PERCEPTION OF ROAD SAFETY



The 2005 Community Perceptions Survey shows that road safety is rated as a very important issue for Western Australians.

The survey shows that the community continues to express a consistently very high level of satisfaction with road safety on metropolitan highways and freeways that have decreased slightly to a plateau of 93% for both indices over the past 2 years. It is considered that this decrease in the level of satisfaction continues to reflect the amount of roadworks relating to the New MetroRail project that continues during the period of the survey in 2005 and will continue into 2006. The decrease will continue to be monitored to ensure that community satisfaction levels return to highest levels evident in the 2002 and 2003 surveys.



Satisfaction levels have increased on rural highways back to the highest level of 89% as recorded in 2002 after minor drops in satisfaction levels in 2003 and 2004.

2.2 ROAD USE SAFETY IMPROVEMENTS (ASSOCIATED PROGRAM)

2.2.1 EFFICIENCY INDICATOR

A) AVERAGE COST OF ROAD CONSTRUCTION PER LANE KILOMETRE BY ROAD TYPE

Indicator 2.2.1a shows the cost per lane kilometre of undertaking various types of improvements over the last 3 years. The main driver for the works undertaken is to provide a safe environment for all road users.

The 3 graphs below show the unit rates of improvements on Urban Highways, Rural Highways and Rural Main Roads.

No Freeways and Urban Main Roads improvements were undertaken during the last 3 years under the Road Use Safety Improvements Program.

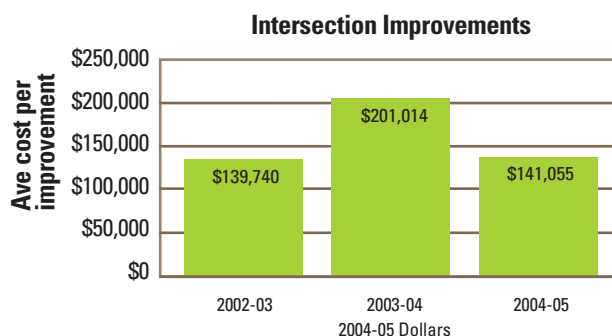
No Urban Highways improvements were undertaken in 2003-04 and 2004-05 under the Road Use Safety Improvements Program.

The high unit rate in 2004-05 is attributable to the passing lanes constructed on the South Western Highway North of Yarloop which has an unit rate of \$585 807 per lane kilometre.

No Rural Main Roads improvements were undertaken in 2003-04 under the Road Use Safety Improvements Program.

B) AVERAGE COST OF IMPROVEMENTS UNDERTAKEN

Indicator 2.2.1b shows the cost per intersection treatment undertaken during the last 3 years.



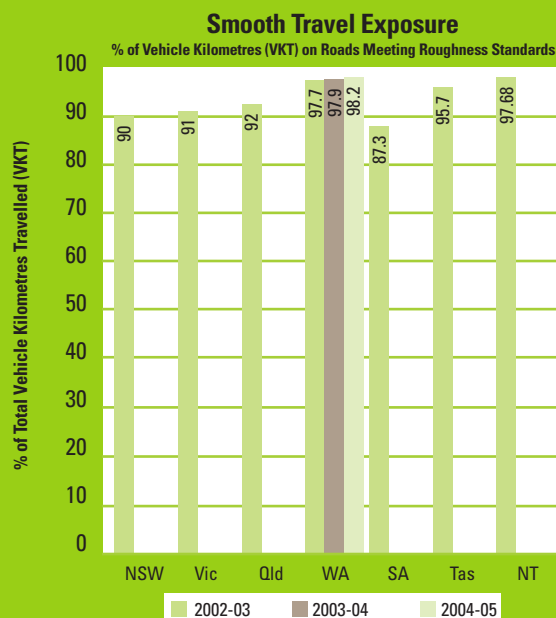
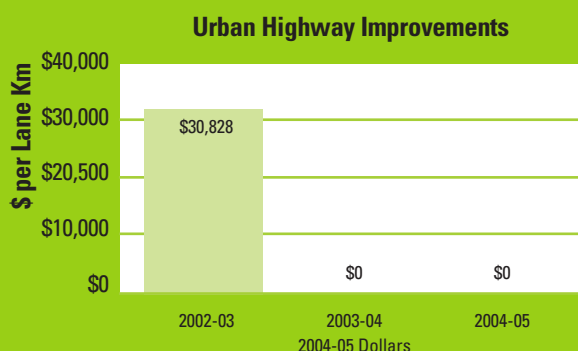
3. MAINTAINED NETWORK

3.1 EFFECTIVENESS INDICATOR

A) SMOOTH TRAVEL EXPOSURE

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

Smooth Travel Exposure is a key indicator of the effectiveness of road maintenance expenditure. It represents the proportion of travel undertaken each

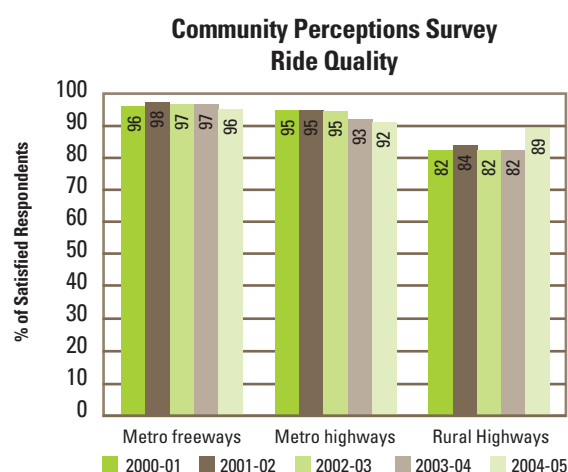


year on all roads with surface roughness less than 110 NRM (NAASRA Roughness Meter), the national standard that provides acceptable travel conditions for passenger car users.

Of the total travel on Western Australian sealed national and state roads, 98.2% is undertaken on roads that meet the roughness standard. From the length perspective, 98.2% of these roads meet the roughness standard. These figures indicate that Western Australia continuously provide smooth travel for road users.

While recent figures are not yet available for other States, prior years' figures show that Western Australia performs better, for this indicator, than other states. However, it should be noted that this indicator is very specific and should be read in conjunction with the Road Standards Indicator at 1.1(c).

B) COMMUNITY PERCEPTION OF RIDE QUALITY



Physical measurements of the road network are further supported by results from the annual Community Perceptions Survey. Respondents were asked to rate the condition, or ride quality, of the road network under Main Roads' control. The Ride Quality indicator summarises the percentage of respondents that were satisfied with the ride quality of the network. During 2004-05 there was a significant increase in the percentage of respondents that were satisfied with the ride quality of rural highways.

The results are based upon a random sample of 1150 people (250 persons in the metropolitan area and 900 persons in rural areas). When extending these results to estimate the percentage of satisfied Western Australians, the margin of error is approximately 3% at the 95% confidence level.

The above results are compatible with the results obtained for Indicator 3.1(a). That is, a large proportion of travel occurs on roads meeting roughness standards.

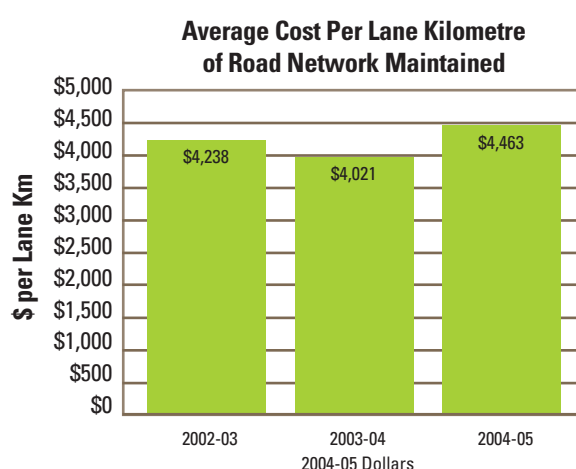
3.2 ROAD NETWORK MAINTENANCE (ASSOCIATED PROGRAM)

3.2.1 EFFICIENCY INDICATOR

A) AVERAGE COST PER LANE KILOMETRE OF ROAD NETWORK MAINTAINED

Works undertaken on State Roads and National Highways to preserve the existing road asset to specified standards.

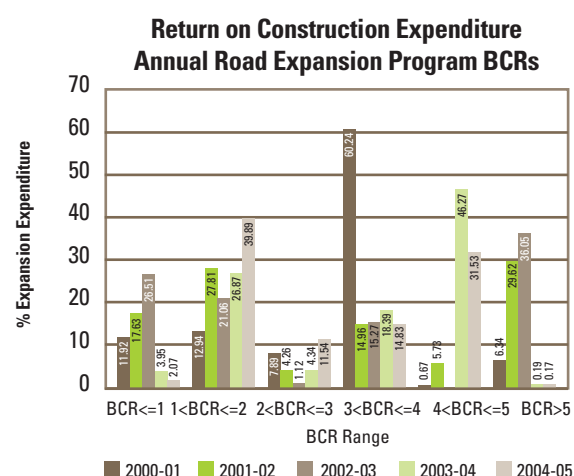
This indicator represents the financial efficiency of road and roadside maintenance works by showing the cost per lane kilometre to maintain acceptable travel conditions on National Highways and State Roads.



4. ROAD INFRASTRUCTURE THAT SUPPORTS ECONOMIC AND REGIONAL DEVELOPMENT

4.1 EFFECTIVENESS INDICATOR

A) RETURN ON CONSTRUCTION EXPENDITURE



New road and bridge construction works add to the capacity of the road network. Return on Construction Expenditure is based on Benefit Cost Ratio (BCR) estimates of a data set of projects undertaken each

year by Main Roads. It indicates the extent to which road and bridge construction expenditure will deliver future economic benefits to the community.

Indicator 4.1(a) represents the distribution of BCRs for all new road and bridge construction projects over \$500 000. The graph expresses the total dollar value of projects with BCRs within each range as a percentage of the total for evaluated works over \$500 000.

During 2004-05, there was a significant increase in the percentage of construction expenditure allocated to two major projects having a BCR between 1 and 2. These projects were the Great Eastern Highway duplication at Sawyer's Valley (from 2% in 2003-04 to 12% in 2004-05) and the Geraldton Southern Transport Corridor (from 3% in 2003-04 to 28% in 2004-05). During the same period the percentage of construction expenditure significantly decreased on the Tonkin Hwy project which has a BCR of 4.7 (from 46% to 32%). These significant changes account for the change in Indicator 4.1(a).

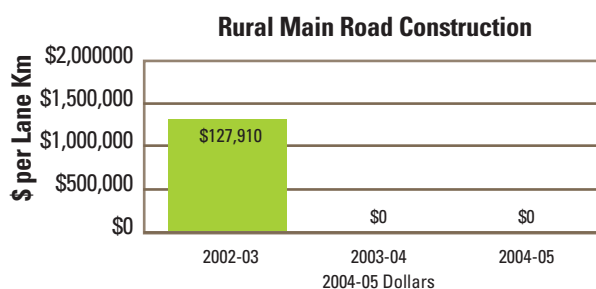
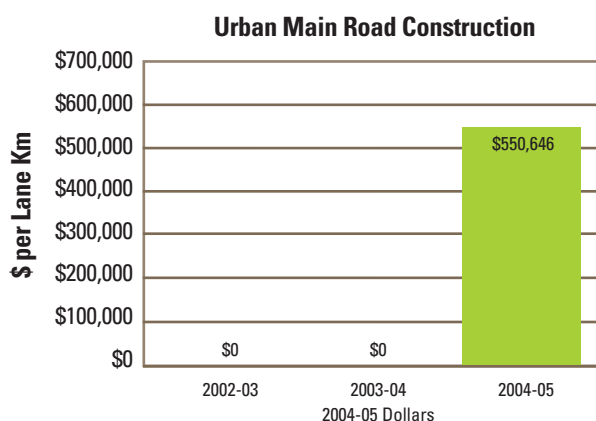
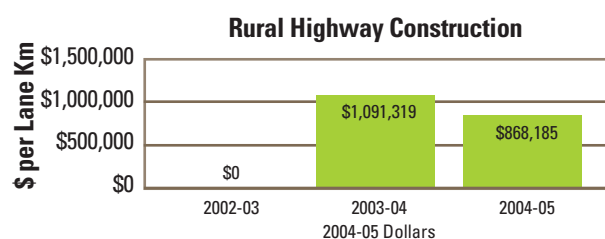
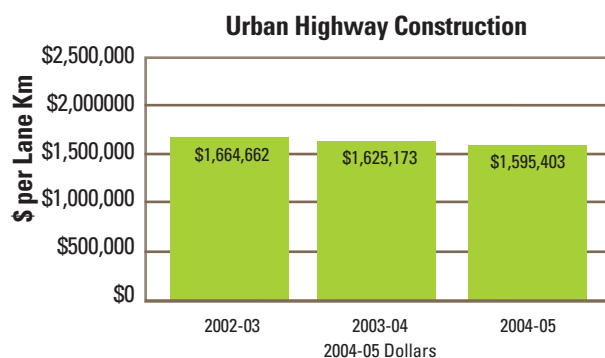
4.2 ROAD INFRASTRUCTURE FOR STATE DEVELOPMENT (ASSOCIATED PROGRAM)

4.2.1 EFFICIENCY INDICATOR

A) AVERAGE COST OF ROAD CONSTRUCTION PER LANE KILOMETRE BY ROAD TYPE

Indicator 4.2.1a shows the cost per lane kilometre of constructing various types of roads over the last 3 years. The works are undertaken to support economic and regional development in the State.

The 4 graphs below show the unit rates of constructing Urban Highways, Rural Highways, Urban Main Roads and Rural Main Roads.



No Freeways were constructed during the last 3 years under the Road Infrastructure for State Development Program.

No Rural Highways were constructed in 2002-03 under the Road Infrastructure for State Development Program.

The lower unit rate in 2004-05 is due to the completion of the Northam Bypass Project in 2003-04.

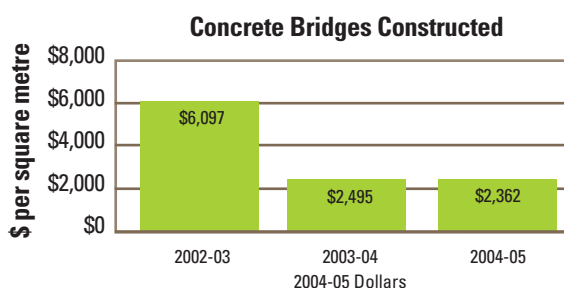
No Urban Main Roads were constructed in 2002-03 and 2003-04 under the Road Infrastructure for State Development Program.

No Rural Main Roads were constructed in 2003-04 and 2004-05 under the Road Infrastructure for State Development Program.

B) AVERAGE COST PER SQUARE METRE OF BRIDGES CONSTRUCTED BY CONCRETE AND TIMBER BRIDGES

Indicator 4.2.1b shows the cost per square metre of constructing new concrete bridges during the last 3 years.

The unit rate of \$6 097 per square metre in 2002-03 relates to the Eddystone Avenue Bridge Project which has a higher unit rate.



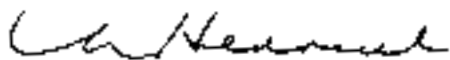
COMMISSIONER OF MAIN ROADS

CERTIFICATION OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2005

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 2005 and the financial position as at 30 June 2005.

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

30 August 2005



Peter Woronzow

PRINCIPAL ACCOUNTING OFFICER

30 August 2005



COMMISSIONER OF MAIN ROADS

AUDITORS GENERAL OPINION

FOR THE YEAR ENDED 30 JUNE 2005



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

COMMISSIONER OF MAIN ROADS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

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 30 June 2005 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.

D D R PEARSON
AUDITOR GENERAL
30 September 2005



COMMISSIONER OF MAIN ROADS

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

	Note	2004-05 \$'000	2003-04 \$'000
COST OF SERVICES			
Expenses from Ordinary Activities			
Employee Expenses	2	27,132	27,750
Supplies and Services	3	276,482	201,738
Grants and Subsidies	4	86,500	68,128
Depreciation - Infrastructure Assets	5	137,573	130,556
Depreciation - Other Non-Current Assets	6	1,678	2,147
Borrowing Costs	7	10,427	13,337
Superannuation Expense	8	4,846	6,809
Carrying amount of Non-Current Assets Disposed of	13	5,181	2,717
Infrastructure Assets Retired/Replaced	9	10,964	24,981
Capital User Charge	11	33,716	12,076
Total Cost of Services		594,499	490,239
Revenues from Ordinary Activities			
Commonwealth Grants	10	104,808	77,014
Contributions to Roadworks	12	11,283	8,652
Proceeds from disposal of non-current assets	13	8,745	3,230
Grants from Other Bodies	14	4,775	413
Supply of Goods and Services	15	95,834	22,636
Principal Shared Paths Capitalised		29,454	0
Other		2,470	1,020
Total Revenues from Ordinary Activities		257,369	112,965
NET COST OF SERVICES		337,130	377,274
REVENUES FROM STATE GOVERNMENT			
Service Appropriation	16	486,207	474,376
Liabilities Assumed By Treasurer	16	906	0
Natural Disaster Funding	16	8,790	0
Road Trauma Trust Fund	16	500	500
Resources Received Free of Charge	16	642	714
Total Revenues from State Government		497,045	475,590
CHANGE IN NET ASSETS	29 (B)	159,915	98,316
Net Increase in Asset Revaluation Reserve	29 (A)	2,807,798	2,205,957
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS		2,967,713	2,304,273

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



COMMISSIONER OF MAIN ROADS

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2005

	Note	2004-05 \$'000	2003-04 \$'000
CURRENT ASSETS			
Cash Assets	17	35,931	35,700
Restricted Cash Assets	17	854	890
Receivables	18	22,298	18,259
Amounts Receivable for Services	19	23,153	18,749
Prepayments		4,729	669
Inventories	20	1,134	1,477
Surplus Land	21	20,694	24,504
Total Current Assets		108,793	100,248
NON-CURRENT ASSETS			
Road Infrastructure	22	19,316,670	16,382,670
Property, Plant and Equipment	23	72,683	56,926
Land Acquired for Roadworks	24	92,316	87,187
Surplus Land	21	66,552	22,681
Receivables		186	316
Amounts Receivable for Services	19	546,549	426,666
Inventories	20	6,935	7,337
Total Non-Current Assets		20,101,891	16,983,783
TOTAL ASSETS		20,210,684	17,084,031
CURRENT LIABILITIES			
Payables	25	100,998	91,023
Interest-Bearing Liabilities	26	35,730	35,730
Provision for Employee Benefits	27	19,663	16,108
Total Current Liabilities		156,391	142,861
NON-CURRENT LIABILITIES			
Interest-Bearing Liabilities	26	111,102	146,832
Provision for Employee Benefits	27	3,614	2,907
Other Liabilities	25	80	2,503
Total Non-Current Liabilities		114,796	152,242
TOTAL LIABILITIES		271,187	295,103
NET ASSETS		19,939,497	16,788,928
EQUITY			
Contributed Equity	28	824,211	641,355
Asset Revaluation Reserve	29 (A)	9,727,275	6,919,477
Accumulated Surplus	29 (B)	9,388,011	9,228,096
TOTAL EQUITY		19,939,497	16,788,928

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



COMMISSIONER OF MAIN ROADS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2005

	NOTES	2004-05 \$'000	2003-04 \$'000
CASH FLOWS FROM GOVERNMENT			
Service Appropriation		342,431	292,376
Capital Contributions		182,856	189,207
Holding Account Drawdowns		19,489	13,773
Natural Disaster Funding		8,203	0
Road Trauma Trust Fund		500	500
Net Cash Provided by Government		553,479	495,856
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee Expenses		(67,159)	(25,677)
Supplies and Services		(308,443)	(280,572)
Borrowing Costs		(11,049)	(13,826)
Capital User Charge		(33,716)	(12,076)
GST Payments on Purchases		(59,738)	(45,339)
Receipts			
Commonwealth Grants		104,808	77,014
Other Contributions to Roadworks		99,782	20,240
Rent Received		2,371	2,504
Other Income		1,242	489
GST Receipts on Sales		10,392	3,693
GST Receipts from Taxation Authority		48,535	41,925
Net Cash Used in Operating Activities	32	(212,975)	(231,625)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Non-Current Physical Assets			
Land and Buildings		(8,412)	(3,478)
Plant, Equipment and Vehicles		(2,967)	(3,743)
Infrastructure		(301,726)	(233,808)
Proceeds from Sale of Non-Current Physical Assets			
Land and Buildings		8,482	3,292
Plant, Equipment and Vehicles		44	191
Net Cash Provided by Investing Activities		(304,579)	(237,548)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		0	0
Repayment of Borrowings		(35,730)	(36,380)
Net Cash Provided by Financing Activities		(35,730)	(36,380)
NET INCREASE/(DECREASE) IN CASH HELD		195	(9,697)
CASH AT BEGINNING OF FINANCIAL YEAR		36,590	46,286
CASH ASSETS AT END OF FINANCIAL YEAR	30	36,785	36,590

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



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

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

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 the 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.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

(B) SERVICE APPROPRIATIONS

Service 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 19.

(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. Refer to Note 28.

(D) 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.

(E) 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.

(F) LAND ACQUIRED FOR ROADWORKS

Expenditure relating to property acquired for roadworks is included 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(g)(i).

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

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

COMMISSIONER OF MAIN ROADS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2005

(G) 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 2004. Land values were provided by geographic location as follows:
 - Metropolitan area—market value estimates for Local Government Areas based on residential zoning for land parcels between 451 and 899 square metres.
 - 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 and Principal Shared Paths are valued at fair value determined for the major components of earthworks, drainage, pavement and seal based on the location within the State. The fair value at 30 June 2005 is based on the current depreciated replacement cost determined at 30 June 2005 by Main Roads, with current year additions based on actual cost. A cost index (ABS 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 2005 is based on the current depreciated replacement cost determined at 30 June 2005 by Main Roads, with current year additions based on actual cost. A cost index (ABS 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 2005 is based on the current depreciated replacement cost determined at 30 June 2002 by Main Roads, with current year additions based on actual cost. A rise and 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.

(H) VALUATION OF LAND AND BUILDINGS

Land and buildings have been revalued from cost to fair value on a progressive basis in accordance with paragraph 8.12(b) of Accounting Standard AASB 1041 "Revaluation of Non-Current Assets". The revaluation commenced in 2003-2004 and was concluded in 2004-2005.

The Valuer General's Office has provided independent valuations for the land and buildings measured 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 assets future economic benefits is then fair value of the asset.

All rates, taxes, development and other costs are expensed in the year that payment is made. Sales revenue is brought to account upon the signing of an unconditional contract of sale.

(I) ACQUISITION OF ASSETS

The cost method of accounting is used for acquisitions of land and buildings, roads, 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.

Assets costing less than \$1,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

(J) DEPRECIATION OF NON-CURRENT ASSETS

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. All non-current assets are depreciated on a straight-line basis using rates that are reviewed annually. The expected useful lives for each class of depreciable asset are:



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

Road Infrastructure	
Earthworks	Up to 173 years
Pavement, Drainage and Seals:	
Metropolitan Asphalt Roads	40 years
Sealed Rural Roads	50 years
Gravel Roads	12 years
Bridges	60 to 100 years
Road Furniture	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
Road infrastructure work in progress is not depreciated.	

(K) 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.

(L) LEASED ASSETS

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

(M) INVENTORIES

Inventories are valued at the lower of cost and net realisable value, except for inventories held specifically for roadworks, which are valued at cost.

Costs are assigned to inventories on a standard, average or last known cost basis.

(N) RECEIVABLES, PAYABLES, ACCRUED SALARIES AND INTEREST-BEARING LIABILITIES

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability of receivables 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. Borrowing costs expense is recognised on an accrual basis.

Accrued salaries and wages represent the amount due to staff but unpaid at the end of the financial year. Main Roads considers the carrying amount approximates net fair value.

(O) EMPLOYEE BENEFITS

Provision has been made for benefits accruing to employees in relation to annual leave, long service leave, superannuation 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 recognised in the provisions for employee benefits, and is measured at the nominal amounts expected 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 recognised in the provisions for employee benefits, and 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 market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

COMMISSIONER OF MAIN ROADS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2005

SUPERANNUATION

Staff may contribute to the Pension 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. Main Roads contributes to this accumulation fund in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

From 30 June 2004, the Treasurer has assumed the liability for pension and pre-transfer benefit superannuation liabilities. The assumption was designated as a contribution by owners under TI 955(3)(iv) on 30 June 2004. (See Note 29).

The superannuation expense comprises the following elements:

- (i) change in the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- (ii) employer contributions paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided by the Authority in the current year.

A revenue "Liabilities assumed by the Treasurer" equivalent to (i) is recognised under Revenues from State Government in the Statement of Financial Performance as the unfunded liability is assumed by the Treasurer. The GESB makes the benefit payments and is recouped by the Treasurer.

The Authority is funded for employer contributions in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. These contributions were paid to the GESB during the year. The GESB subsequently paid the employer contributions in respect of the Gold State Superannuation Scheme to the Consolidated Fund.

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

EMPLOYEE BENEFIT ON-COSTS

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses. (See notes 2 and 27)

(P) 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.

(Q) COMPARATIVE FIGURES

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

(R) 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).

(S) CHANGE IN ACCOUNTING POLICIES

In accordance with Urgent Issues Group Abstract 55 "Accounting for Earthworks" some earthworks have been assessed not to have a limited useful life. It is maintained that earthworks are not subject to material physical deterioration and an engineering review has been completed to assess the impact of technical and commercial obsolescence. A similar review will be conducted on an annual basis.

(T) 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 25.

(U) ROUNDING OF AMOUNTS

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

2. EMPLOYEE EXPENSES

	2004-05 \$'000	2003-04 \$'000
Wages and Salaries	21,458	22,580
Annual Leave	2,581	2,562
Long Service Leave	1,496	1,235
Other Related Expenses (I)	1,597	1,373
	27,132	27,750
Superannuation (see Note 8)	4,846	6,809
	31,978	34,559

(I) These employee expenses include workers compensation premiums and other employment on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee benefit liabilities at Note 27.

3. SUPPLIES AND SERVICES

	2004-05 \$'000	2003-04 \$'000
Contracts for Supplies and Services	252,408	180,707
Materials	1,623	3,021
Payments to Local Authorities for work on Highways & Main Roads	4,882	6,900
Land Acquisition	84	108
Plant Hire Charges	608	276
Fringe Benefits Tax	176	245
Postage, Stationery and Reprographics	1,196	310
Telecommunications	2,683	2,708
Building Maintenance and Equipment	1,700	1,255
Electricity and Gas	4,296	2,637
Contributions	1,786	1,407
Legal Costs	652	254
Advertising	173	212
Rates and Taxes	310	361
Insurance	1,890	1,031
Other	2,015	306
	276,482	201,738



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

4. GRANTS AND SUBSIDIES

	2004-05 \$'000	2003-04 \$'000
Grants and Subsidies to Local Government	86,500	65,117
Grants to other Entities		
- Western Australian Police Service	-	11
- Department of Conservation and Land Management	-	2,000
- Department of Housing and Works	-	1,000
	86,500	68,128

5. DEPRECIATION OF INFRASTRUCTURE ASSETS

	2004-05 \$'000	2003-04 \$'000
Infrastructure Assets		
Roads – Earthworks	3,709	3,595
Roads – Pavement, Drainage & Seal	110,699	105,383
Bridges	18,485	17,391
Road Furniture	4,680	4,187
	137,573	130,556

6. DEPRECIATION – OTHER NON CURRENT ASSETS

	2004-05 \$'000	2003-04 \$'000
Buildings In-Service	1,099	1,059
Plant and Vehicles	353	293
Computer Hardware and Software	1601	1,848
Other Equipment and Furniture	573	493
Total Depreciation	3,626	3,693
Depreciation Capitalised to Infrastructure	1,948	1,546
Depreciation Expensed	1,678	2,147

Depreciation policies are explained in Note 1(J).



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**7. BORROWING COSTS**

	2004-05	2003-04
	\$'000	\$'000
Average Interest Rate During the Year	5.90%	6.32%
Borrowing Costs During the Year		
Western Australian Treasury Corporation	10,427	13,337
	10,427	13,337

8. SUPERANNUATION EXPENSE

	2004-05	2003-04
	\$'000	\$'000
Pre-transfer service – Gold State Superannuation Scheme	-	298
Pension Scheme	905	2,539
Contributory Scheme – Gold State Superannuation Scheme	2,209	2,415
Non Contributory – West State Superannuation Scheme	1,732	1,557
	4,846	6,809

The Pre-Transfer service and Pension Scheme liabilities were taken over by Department of Treasury and Finance as at 30 June 2004.

9. INFRASTRUCTURE ASSETS RETIRED / REPLACED

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

	2004-05	2003-04
	\$'000	\$'000
Roads	9,936	22,712
Bridges	328	-
Land Within Road Reserves	-	3
Road Furniture	129	582
Work in Progress	571	1,684
	10,964	24,981



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

10. REVENUE FROM COMMONWEALTH GRANTS

Australian Land Transport Development Act 1988

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 Spot Program.

Interstate Road Transport Act 1985

A charge is levied under the Act on interstate commercial vehicles that are exempt from State charges and the revenue raised is distributed in accordance with the damage attributed to interstate vehicles in each State.

2004-05 \$'000	2003-04 \$'000
103,095	75,383
1,713	1,631
104,808	77,014

11. CAPITAL USER CHARGE

A capital user charge rate of 8% has been set by the Government for 2004-05 and represents the opportunity cost of capital invested in the net assets of Main Roads used in the provision of services. 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. Payments are made to the Department of Treasury and Finance on a quarterly basis.

2004-05 \$'000	2003-04 \$'000
33,716	12,076
33,716	12,076

12. CONTRIBUTIONS TO ROADWORKS

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.

2004-05 \$'000	2003-04 \$'000
11,283	8,652
11,283	8,652



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**13. NET GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS AND INVENTORY**

	2004-05	2003-04
	\$'000	\$'000
Carrying Amount of Assets disposed of:		
Land Acquired for Roadworks	(4,529)	(2,593)
Land and Buildings	(560)	(27)
Plant, Equipment and Vehicles	(92)	(97)
Inventory	-	-
	(5,181)	(2,717)
Net Proceeds from disposal		
Land Acquired for Roadworks	8,249	2,675
Land and Buildings	452	364
Plant, Equipment and Vehicles	44	188
Inventory	-	3
	8,745	3,230
Gains on Disposal of Non-Current Assets and Inventory		
Land Acquired for Roadworks	3,720	82
Land and Buildings	-	337
Plant, Equipment and Vehicles	-	91
Inventory	-	3
	3,720	513
Losses on Disposal of Non-Current Assets and Inventory		
Land and Buildings	(108)	-
Plant, Equipment and Vehicles	(48)	-
	(156)	-
Total Net Gain/(Loss)	3,564	513

14. GRANTS FROM OTHER BODIES

	2004-05	2003-04
	\$'000	\$'000
Grants from Local Government Authorities:		
Transfer Traffic Control Signals at fair value.	160	413
Transfer Roads at fair value.	4,391	-
Transfer Street Lighting at fair value.	104	-
Grants from Developers:		
Transfer Traffic Control Signals.	80	-
Transfer Street Lighting	40	-
	4,775	413



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

15. SUPPLY OF GOODS AND SERVICES

	2004-05	2003-04
	\$'000	\$'000
Supply of Goods and Services	95,834	22,636
	95,834	22,636

Revenue from the Supply of Goods and Services includes the recovery of expenditure from the Commonwealth Department of Transport and Regional Services under service delivery arrangements with the Shires of Christmas Island and Cocos (Keeling) Island. The amounts expended or set aside for expenditure during 2004-05 are summarised below:

	2004-05	2003-04
	\$	\$
Amount brought forward for recovery/(expenditure)	3,136	18,091
Amount received during year	(65,000)	(78,092)
	(61,864)	(60,001)
Expenditure during year	79,340	63,137
Amount carried forward for recovery	17,476	3,136



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

16. REVENUES FROM STATE GOVERNMENT

	2004-05 \$'000	2003-04 \$'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 2004-05 the total Motor Vehicle licence fees raised was \$319.2 million. This total includes a service appropriation of \$277.935 million, which is incorporated in the Statement of Financial Performance. The balance of \$41.265 million is a capital appropriation and is allocated to Contributed Equity in the Statement of Financial Position.	277,935	184,164
Untied Funds		
Untied funds are appropriations from the Consolidated Fund. In 2004-05 the total Consolidated Fund appropriation was \$346.894 million. This total includes a service appropriation of \$205.303 million, which is incorporated in the Statement of Financial Performance. The balance of \$141.591 million is a capital appropriation and is allocated to Contributed Equity in the Statement of Financial Position. The service appropriation includes a \$61.527 million cash component and a \$143.776 million non-cash component.	205,303	287,493
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.	2,969	2,719
Road Trauma Trust Fund		
Funding provided by the Office of Road Safety from the Road Trauma Trust Fund for State Blackspot projects.	500	500
Natural Disaster Funding		
Funding provided by FESA for the re-instatement of roads damaged by declared natural disasters.	8,790	-
Liabilities Assumed By Treasurer		
This revenue represents the Pension Liabilities assumed by the Treasurer.	906	-
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.	642	714
	497,045	475,590



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

17. CASH RESOURCES

	2004-05	2003-04
	\$'000	\$'000
Cash Assets		
Cash at Bank	35,919	35,685
Cash on Hand	12	15
	35,931	35,700
Restricted Cash Assets		
Contractors' Deposits	854	890
	854	890
Total Cash Assets	36,785	36,590

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

18. RECEIVABLES

	2004 – 05	2003-04
	\$'000	\$'000
Current		
Trade Debtors	4,668	5,558
Less: Provision for Doubtful Debts	(213)	(215)
	4,455	5,343
Trade Debtors (Work in Progress)	12,421	7,474
Accrued Income	146	210
GST refund due from Australian Taxation Office	5,276	5,232
Total Current	22,298	18,259

Refer also Note 39 – Financial Instruments.



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

19. AMOUNTS RECEIVABLE FOR SERVICES

	2004-05 \$'000	2003-04 \$'000
Current	23,153	18,749
Non-Current	546,549	426,666
	569,702	445,415

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

20. INVENTORIES

	2004-05 \$'000	2003-04 \$'000
Current		
Construction and Maintenance Materials (at cost)	1,132	1,542
General Stores (at cost)	2	2
	1,134	1,544
Less: Provision for diminution in the value of Inventories	-	(67)
	1,134	1,477
Non-Current		
Construction and Maintenance Materials (at cost)	7,431	7,766
Less: Provision for diminution in the value of Inventories	(496)	(429)
	6,935	7,337

Refer also Note 1(M).



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

21. SURPLUS LAND

	2004-05 \$'000	2003-04 \$'000
CURRENT		
At Cost		4,497
At Fair Value	20,694	20,007
	20,694	24,504
NON-CURRENT		
At Cost		3,258
At Fair Value	66,552	19,423
	66,552	22,681

Refer also to Note 1(H).

A reconciliation of the carrying amount of Surplus Land 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 2004	24,504	22,681	47,185
Transfers to Property Held for Resale	(651)	4,017	3,366
Revaluation increment (decrement)	1,574	40,636	42,210
Disposals	(4,340)	(741)	(5,081)
Grants	(300)	(6)	(306)
Depreciation	(93)	(35)	(128)
Carrying amount 30 June 2005	20,694	66,552	87,246



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**22. ROAD INFRASTRUCTURE**

	2004-05 \$'000	2003-04 \$'000
Roads and Principal Shared Paths		
Earthworks at Fair Value	6,459,206	5,530,783
Accumulated depreciation	(1,818,586)	(1,460,513)
Total Earthworks	4,640,620	4,070,270
 Pavement, Drainage and Seal at Fair Value	 6,035,660	 5,298,472
Accumulated Depreciation	(3,267,646)	(2,819,571)
Total Pavement, Drainage and Seal	2,768,014	2,478,901
 Land Within Road Reserves		
At Fair Value	10,198,010	8,197,206
Total Land Within Road Reserves	10,198,010	8,197,206
 Bridges		
At Fair Value	1,732,028	1,759,784
Accumulated Depreciation	(380,774)	(389,771)
Total Bridges	1,351,254	1,370,013
 Road Furniture		
At Fair Value	150,462	136,738
Accumulated Depreciation	(60,353)	(54,067)
Total Road Furniture	90,109	82,671
 Work In Progress		
At Cost	268,663	183,609
Total Work in Progress	268,663	183,609
 Total Road Infrastructure	 19,316,670	 16,382,670

Roads and Principal Shared Paths are valued at fair value based on the current depreciated 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 2005 is based on rates determined at 30 June 2005 by Main Roads, with current year additions based at actual cost.

Bridges are valued at fair value based on the current depreciated replacement cost determined according to the bridge type and geographic location within the State. The fair value at 30 June 2005 is based on rates determined at 30 June 2005 by Main Roads, with current year additions based on actual cost.



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

Road Furniture is valued at fair value based on the current depreciated replacement cost determined for each asset type. The fair value at 30 June 2005 is based on rates determined at 30 June 2002 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 2004.

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

Refer also to Note 1(G).

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

	Roads and Principal Shared Paths \$'000	Land Within Road Reserves \$'000	Bridges \$'000	Road Furniture \$'000	Work in Progress \$'000	Total \$'000
Carrying amount 1 July 2004	6,549,171	8,197,206	1,370,013	82,671	183,609	16,382,670
Additions	93,515	635	47,108	5,441	156,975	303,674
Transfers between Asset Classes	(2,334)	-	1,557	777	-	-
Recognition of Principal Shared Paths	27,471	-	-	-	-	27,471
Retirements	(9,936)	-	(328)	(129)	(571)	(10,964)
Revaluation increment/ (decrement)	831,852	1,979,650	(72,615)	2,564	-	2,741,451
Depreciation	(114,408)	-	(18,485)	(4,680)	-	(137,573)
Transfer from Land Acquired for Roadworks	-	4,466	-	-	3,394	7,860
Capitalisation of Expenditure Previously Expensed	61	-	614	-	-	675
Grants to Other Bodies	(3,369)	-	-	-	-	(3,369)
Grants from Other Bodies	4,391	-	-	384	-	4,775
Transfers from Work in Progress	32,219	16,052	23,390	3,081	(74,742)	-
Carrying amount 30 June 2005	7,408,633	10,198,009	1,351,254	90,109	268,665	19,316,670



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

23. PROPERTY, PLANT AND EQUIPMENT

	2004-05 \$'000	2003-04 \$'000
Freehold Land		
At Cost	-	244
At Fair Value	33,929	28,299
	33,929	28,543
Buildings		
At Cost	-	4,238
At Fair Value	31,123	18,925
Accumulated Depreciation	-	(2,063)
	31,123	21,100
Total Freehold Land and Buildings	65,052	49,643
Plant and Vehicles at Cost		
At Cost	5,541	3,668
Accumulated Depreciation	(3,011)	(2,167)
	2,530	1,501
Computer Hardware and Software At Cost		
At Cost	14,116	14,579
Accumulated Depreciation	(10,942)	(10,994)
	3,174	3,585
Equipment and Furniture At Cost		
At Cost	8,229	9,373
Accumulated Depreciation	(6,302)	(7,176)
	1,927	2,197
Total Plant, Vehicles, Computer Equipment and Furniture	7,631	7,283
Property, Plant and Equipment	72,683	56,926

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



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

	Freehold Land \$'000	Buildings \$'000	Plant & Vehicles \$'000	Computer Hardware/ Software \$'000	Furniture & Equipment \$'000	Total \$'000
Carrying amount 1 July 2004	28,543	21,100	1,501	3,585	2,197	56,926
Transfer (to)/from Property Held for Resale	(51)	89	-	-	-	38
Other Transfers	82	(117)	11	-	-	(24)
Adjustments Prior Year	-	2	10	(21)	1	(8)
Additions	-	8,272	1,369	1,288	308	11,237
Disposals	-	(8)	(8)	(77)	(6)	(99)
Grants	-	-	-	-	-	-
Revaluation	5,355	2,756	-	-	-	8,111
Depreciation	-	(971)	(353)	(1,601)	(573)	(3,498)
Carrying amount 30 June 2005	33,929	31,123	2,530	3,174	1,927	72,683

See Note 1(F).

24. LAND ACQUIRED FOR ROADWORKS

	2004-05 \$'000	2003-04 \$'000
Land acquired for roadworks		
At Cost	-	21,821
At Fair Value	92,316	65,366
	92,316	87,187

Refer also to Notes 1(F) and 1(H).

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.

	2004-05 \$'000	2003-04 \$'000
Carrying amount 1 July	87,187	66,773
Transfer to/from Property Held for Resale	(3,404)	(7,367)
Transferred to Land Within Road Reserves	(7,836)	(3,027)
Adjustments prior year	(201)	169
Additions	543	2,040
Other Transfers	-	3
Revaluation	16,027	28,596
Carrying amount 30 June	92,316	87,187



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**25. PAYABLES**

	2004-05	2003-04
	\$'000	\$'000
Current		
Trade Creditors	21,090	20,268
Major Contracts and Services	55,269	49,424
Property Acquisitions	8,668	9,495
Contractors' Retentions	854	890
Funds in Advance	13,429	10,750
Performance Bond / Surety	572	195
Other Creditors	1,116	1
	100,998	91,023
	2004-05	2003-04
	\$'000	\$'000
Non-Current		
Major Contracts and Services	80	2,503
	80	2,503

Refer also Note 39 – Financial Instruments.

26. INTEREST-BEARING LIABILITIES

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

	2004-05	2003-04
	\$'000	\$'000
Current		
WA Treasury Corporation		
Amounts due for repayment within 12 months	35,730	35,730
	35,730	35,730
Non-Current		
Western Australian Treasury Corporation	111,102	146,832
	111,102	146,832
Total Borrowings		
Western Australian Treasury Corporation	146,832	182,562
	146,832	182,562

Main Roads has access to a \$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 2005 and 30 June 2004. Refer to Note 39 – Financial Instruments.



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

27. PROVISION FOR EMPLOYEE BENEFITS

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

	2004-05 \$'000	2003-04 \$'000
Current Liabilities		
Annual Leave	9,882	8,061
Long Service Leave	9,522	7,830
Public Service Holidays	259	217
	19,663	16,108
Non-Current Liabilities		
Long Service Leave	3,614	2,907
	3,614	2,907
Total	23,277	19,015

Employee Benefit Liabilities

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

	2004-05 \$'000	2003-04 \$'000
Provision for employee benefits		
Current	19,663	16,108
Non-Current	3,614	2,907
	23,277	19,015



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**27. PROVISION FOR EMPLOYEE BENEFITS (CONTINUED)**

Details of the movements in the provision are as follows:

	Annual Leave \$'000	Long Service Leave \$'000	Public Service Holidays \$'000	Total \$'000
Provision 30 June 2004	8,061	10,737	217	19,015
Accrued Benefits 2004-05	6,037	3,731	393	10,161
Payments 2004-05	(4,216)	(1,332)	(351)	(5,899)
Provision 30 June 2005	<u>9,882</u>	<u>13,136</u>	<u>259</u>	<u>23,277</u>

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 2.5% and a discount rate of 5.1%.

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

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

28. CONTRIBUTED EQUITY

	2004-05 \$'000	2003-04 \$'000
Opening Balance	641,355	390,268
Capital Contributions	182,856	189,207
Contributions by Owners	-	64,130
Distribution to Owners	-	(2,250)
Closing Balance	<u>824,211</u>	<u>641,355</u>

Refer also Notes 1(C) and 1(O).



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

29. (A) ASSET REVALUATION RESERVE

	2004-05 \$'000	2003-04 \$'000
Earthworks		
Opening balance	942,009	799,619
Revaluation increment during the year	510,839	142,390
Closing balance	1,452,848	942,009
Drainage, Pavement and Seal		
Opening balance	560,474	475,636
Revaluation increment during the year	321,012	84,838
Closing balance	881,486	560,474
Bridges		
Opening balance	266,790	218,614
Revaluation decrement during the year	(72,614)	48,176
Closing balance	194,176	266,790
Land within Road Reserves		
Opening balance	5,056,303	3,209,003
Revaluation increment during the year	1,979,650	1,847,300
Closing balance	7,035,953	5,056,303
Land and Buildings		
Opening balance	80,904	-
Revaluation increment during the year	66,348	80,904
Closing balance	147,252	80,904
Road Furniture		
Opening balance	12,996	10,648
Revaluation increment during the year	2,564	2,348
Closing balance	15,560	12,996
Total Closing Balance	9,727,275	6,919,477
Asset Revaluation Reserve Summary		
Opening balance	6,919,477	4,713,520
Revaluation increment during the year	2,807,798	2,205,957
Closing balance	9,727,275	6,919,477

Land transferred to the Land within Road Reserves Infrastructure Asset during the year was transferred at cost and revalued at 30 June 05. 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(G).



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

29. (B) ACCUMULATED SURPLUS

	2004-05 \$'000	2003-04 \$'000
Opening Balance 1 July	9,228,096	9,129,780
Change in Net Assets	159,915	98,316
Closing Balance 30 June	9,388,011	9,228,096

30. 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:

	2004-05 \$'000	2003-04 \$'000
Cash Assets	35,931	35,700
Restricted Cash Assets	854	890
	36,785	36,590

31. 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 2004	215	496	711
Write-back of provisions recognised	(2)	-	(2)
Additional provisions recognised	-	-	-
Closing Balance 30 June 2005	213	496	709



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

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

	2004-05 \$'000	2003-04 \$'000
Net Cost of Services	(337,130)	(377,274)
Non Cash Items		
Depreciation Infrastructure	137,573	130,556
Depreciation – Other Non-Current Assets	1,678	2,147
Grants to Other Bodies	3,674	10
Resources Received free of Charge	642	714
Liabilities Assumed by Treasurer	906	-
Grants Received from Other Bodies	(4,775)	(413)
Decrease in Provision for Doubtful Debts	(2)	(55)
Increase/(Decrease) in Provision for Diminution in the Value of Inventories	-	114
Non-Current Assets Reclassified to Operating	(466)	(1,424)
Net (gain)/loss on Disposal of Non-Current Assets		
Land Acquired for Roadworks	(3,720)	(83)
In-Service Land and Buildings	108	(366)
Property Plant and Equipment	48	(94)
Recognition of Principal Shared Paths	(27,471)	-
Infrastructure Assets Replaced/Retired	10,964	24,981
	119,159	156,117
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	(7,439)	(7,886)
(Increase)/Decrease in Inventory	745	627
Increase/(Decrease) in Payables	7,427	(2,901)
Decrease in Employee Benefits	4,262	(308)
	4,995	(10,468)
Net Cash Used in Operating Activities	(212,977)	(231,625)

33. OPERATING LEASE COMMITMENTS

(a) EXPENDITURE COMMITMENTS

Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2004-05 \$'000	2003-04 \$'000
Not later than 1 year	2,173	1,855
Later than 1 year but not later than 5 years	958	936
	3,131	2,791



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**(b) REVENUE COMMITMENTS**

Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	2004-05	2003-04
	\$'000	\$'000
Not later than 1 year	2,545	2,111
Later than 1 year but not later than 5 years	864	523
Later than 5 years	528	144
	3,937	2,778

34. 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.

	2004-05	2003-04
	\$'000	\$'000
Not later than 1 year	239,715	384,554
Later than 1 year but not later than 5 years	340,535	526,875
Later than 5 years	15,911	76,952
Commitments in respect of signed major contracts	596,161	988,381

35. CONTINGENT LIABILITIES

	2004-05	2003-04
	\$'000	\$'000
Contractor Claims in Dispute	7,955	20,180
Resumption Claims in Dispute	42,200	46,258
	50,155	66,438

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.

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

36. 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	
			2005 \$	2004 \$	2005 %	2004 %	2005 \$'000	2004 \$'000
Tarolinta Pty Ltd	(a)	Western Australia	11	11	100	100	-	-
The Aberdeen Hotel Unit Trust	(b)	Western Australia	10	10	100	100	-	-

- (a) Tarolinta Pty Ltd was incorporated on 15 June 1995 as a shelf company owned by Clayton Utz, Barristers & Solicitors. The company consented to act as Trustee of the Aberdeen Unit Trust on 4 January 1996. The shares in Tarolinta Pty Ltd are held in Trust for the Commissioner of Main Roads. Tarolinta Pty Ltd did not trade during the year ended 30 June 2005 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 then operated the business on a month-to-month lease until 12/12/2003, when the property was 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.

37. 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.

38. 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.

The actual expenditure reported for comparison with the annual estimates in (a) below does not agree with the Statement of Financial Performance because the annual estimates include both capital and operating expenditure. This format is consistent with the presentation in the Budget Statements.

The actual expenditure reported for the comparison of actual results for 2003-04 and 2004-05 in (b) below excludes capital expenditure and agrees with the Statement of Financial Performance. Significant variations are considered to be those greater than 10% or \$1,000,000.



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**(a) VARIATION BETWEEN ESTIMATES AND ACTUAL RESULTS FOR 2004-05:**

	2005 Actuals	2005 Estimates	Variance
	\$'000	\$'000	\$'000
Expenses (including Capital and Operating Expenditure)			
Employee Expenses	67,610	63,500	4,110
Supplies and Services	536,196	568,068	(31,872)
Grants and Subsidies	86,500	80,347	6,153
Depreciation	141,199	143,773	(2,574)
Borrowing Costs	10,427	11,500	(1,073)
Superannuation Expense	6,381	5,700	681
Carrying Amount of Non-Current Assets Disposed of	5,181	2,000	3,181
Infrastructure Assets Retired / Replaced	10,964	23,846	(12,882)
Capital User Charge	33,716	33,445	271
Total Cost of Services	898,174	932,179	(34,005)
Revenues			
Proceeds from Disposal of Non-Current Assets	8,745	4,000	4,745
Grants from Other Bodies	104,799	132,633	(27,834)
Other Revenue from Ordinary Activities	154,654	122,943	31,711
Roadworks Expenditure Capitalised	303,674	261,773	41,901

The major components of these variances are:

Employee Expenses

The adjustment to the budget overlooked the 5.1% pay increase awarded in February 2005 under the Main Roads Enterprise Agreement, including the optional increase from 37.5-hour week to a 40-hour week. The liability at 30 June 2005 for annual leave and long service were subsequently calculated at the higher rate.

Supplies and Services

The decrease is due to delays in roadwork projects over and above the amounts allowed for in the revised out-turn. The major projects included improvements to Great Eastern Highway, Great Northern Highway, namely the Roe Highway extensions and Eyre Highway.

Grants and Subsidies

The budget did not include (\$0.7 million) resources supplied free of charge and infrastructure assets (\$4.8 million) transferred by local government and developers.

Carrying Amount of Non-Current Assets disposed of

The budget did not include the sale of the Fremantle Eastern Bypass land.

Infrastructure Assets Retired / Replaced

The decrease is due to a reduction in roads reconstructed or realigned in the 2004-05 year.

Proceeds from Disposal of Non-Current Assets

As previously stated, the sale of Fremantle Eastern Bypass land had not been included in the budget. These funds are to be used for the Leach Highway – Orrong Road interchange as part of the Freight Network Review Improvements.

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

Grants from Other Bodies

There was a decrease in funding from the Commonwealth for National Highways Construction and Preservation due to the delays in a number of projects including Great Eastern Highway: Sawyer's Valley to The Lakes and Merredin to Southern Cross, Great Northern Highway: Roe Highway to the Metropolitan Boundary and Muchea to Wubin, Eyre Highway: Caiguna East to Balladonia.

Other Revenue from Ordinary Activities

The major contributor to the increase represents the fair value of Principal Shared Paths recognised as assets (\$27 million) for the first time in 2004-05. The capitalisation was not included as a budget item for the 2004-05 year.

Roadworks Expenditure Capitalised

The increase is due to the improvements in the process for identifying projects for capitalisation, including the addition of Principal Shared Paths which has been under-estimated in the budget.

(b) VARIATION BETWEEN ACTUAL RESULTS FOR 2004-05 AND 2003-04:

	2004-05 \$'000	2003-04 \$'000	Variance \$'000
Operating Expenses			
Employee Expenses	27,132	27,750	(618)
Supplies and Services	276,482	201,738	74,744
Grants and Subsidies	86,500	68,128	18,372
Depreciation – Infrastructure Assets	137,573	130,556	7,017
Depreciation – Other Non-Current Assets	1,678	2,147	(469)
Borrowing Costs	10,427	13,337	(2,910)
Superannuation Expense	4,846	6,809	(1,963)
Carrying Amount of Non-Current Assets Disposed of	5,181	2,717	2,464
Infrastructure Assets Retired / Replaced	10,964	24,981	(14,017)
Capital User Charge	33,716	12,076	21,640
Operating Revenue			
Commonwealth Grants	104,808	77,014	27,794
Contributions to Roadworks	11,283	8,652	2,631
Proceeds from Disposal of Non-Current Assets	8,745	3,230	5,515
Grants from Other Bodies	4,775	413	4,362
Other Revenue from Ordinary Activities	127,758	23,656	104,102
Revenues from Government			
Service Appropriations	486,207	474,376	11,831
Road Trauma Trust Fund	500	500	-
Natural Disaster Funding	8,790	-	8,790
Liabilities Assumed by Treasurer	906	-	906
Resources Received Free of Charge	642	714	(72)

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

The major components of these variances are:

Supplies and Services

The increase is attributed to higher expenditure on the Geraldton Southern Transport Corridor and New Metro Rail projects.

Grants and Subsidies

The increase in expenditure is the direct result of the Government decision in December 2004 to increase funding for local government road project grants.

Depreciation-Infrastructure Assets

The increase in depreciation can be attributed to the revaluation of infrastructure assets in 2004-05 and the depreciation of new assets completed in 2003-04 and 2004-05.

Borrowing Costs

Borrowing costs decreased in 2004-05 due to a decrease in loan principal.

Superannuation Expense

Whilst the total cost of Superannuation is similar to last year, the amount applied to capital expenditure increased because of the increase in capital expenditure in 2004-05.

Carrying Amount of Non-Current Assets Disposed of

During 2004-05 there was an increase in the number and value of surplus properties sold including properties originally acquired for the Fremantle Eastern Bypass project.

Infrastructure Assets Retired / Replaced

The decrease is a result of a reduction in roads reconstructed or realigned during 2004-05.

Capital User Charge

The higher Capital User Charge is the result of an improvement in the net asset position. The net asset position improved because of an increase in the non-current Amount Receivable for Services and the transfer of Main Roads' liability in respect of the Defined Benefits Pension Scheme and Gold State Superannuation Scheme at 30 June 2004.

Commonwealth Grants

The increase in grants is due to progress on approved projects such as the duplication of Great Eastern Highway between Sawyers Valley and The Lakes and construction of bridges at Elvira River, Palm Creek, Upper Panton River and Roses Yard Creek on Great Northern Highway.

Contributions to Roadworks

The increase in revenue is attributed to grade separation works for Principal Shared Paths on Tonkin Highway arising from the Corfield Street extension and other contributions to Principal Shared Paths on Kwinana Freeway and the Perth-Armadale route.

Proceeds from Disposal of Non-Current Assets

The increase relates to the sale of surplus properties originally acquired for the Fremantle Eastern Bypass project

Other Revenue from Ordinary Activities

In 2004-05 there was an increase in works on behalf of third parties relating to the Geraldton Southern Transport Corridor project and New MetroRail project.

Service Appropriation

The difference is an increase in approved funding for recurrent activities and includes additional funding for local authority roads, the Capital User Charge, salary increases, term network contracts, and heavy vehicle operations. The increases were in part offset by a reduction in the non-cash appropriation for infrastructure depreciation. Infrastructure depreciation reduced because of a change in policy in respect to the depreciation of earthworks following the issue, in May 2004, of UIG Abstract 55 "Accounting for Road Earthworks".

Natural Disaster Funding

Represents funding received from Fire and Emergency Services for restoration and flood mitigation works on North West Coastal Highway, The Natiutarra – Munjina Road and other local authority roads in the Gascoyne and Pilbara regions as a result of tropical cyclones 'Monty' and 'Faye'.

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

39. 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:

Fixed Interest Rate Maturing in:

30 June 2005	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More Than 5 years \$'000	Non- Interest Bearing \$'000	Total \$'000
Financial Assets:						
Cash Assets	854	-	-	-	35,931	36,785
Receivables	-	-	-	-	22,298	22,298
	854	-	-	-	58,229	59,083
Financial Liabilities:						
Payables	-	-	-	-	101,078	101,078
Interest Bearing Liabilities	-	71,158	66,005	9,669	-	146,832
Employee Benefits	-	-	-	-	23,276	23,276
	-	71,158	66,005	9,669	124,354	271,186
Average interest rate	5.34%	6.24%	6.28%	5.90%		
30 June 2004						
Financial Assets	890	-	-	-	54,275	55,165
Financial Liabilities	-	(35,730)	(110,770)	(36,062)	(112,541)	(295,103)
	890	(35,730)	(110,770)	(36,062)	(58,266)	(239,938)
Average interest rate	5.16%	6.15%	6.49%	6.27%		

(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.



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**39. FINANCIAL INSTRUMENTS (CONTINUED)****(D) FAIR VALUE**

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

	2005 Carrying Amount \$'000	2005 Fair Value \$'000	2004 Carrying Amount \$'000	2004 Fair Value \$'000
Financial Assets:				
Cash Assets	36,785	36,785	36,590	36,590
Receivables	22,298	22,298	18,575	18,575
Financial Liabilities				
Payables	101,078	101,078	93,526	93,526
Interest Bearing Liabilities	146,832	150,984	182,562	187,301
Employee Benefits	23,276	23,276	19,015	19,015

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

The liability for annual leave, public service holidays and long service leave expected to be settled within 12 months of reporting date is reported at the nominal amount expected to be paid when the liabilities are settled. Long service leave expected to be settled more than 12 months after reporting date is measured at the present value of expected future payments. Refer Note 1(0).

40. 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.

	2004-05 \$'000	2000-04 \$'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.	237	233
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.	785	730

COMMISSIONER OF MAIN ROADS

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

40. REMUNERATION OF ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS (CONTINUED)

REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY

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:

	2004-05	2003-04
\$140,001-\$150,000	-	1
\$230,001-\$240,000	1	-

The superannuation included here represents the superannuation expense incurred by Main Roads in respect of members of the Accountable Authority.

No members of the Accountable Authority are members of the Pension Scheme.

REMUNERATION OF SENIOR OFFICERS

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

	2004-05	2003-04
\$130,001-\$140,000	-	1
\$140,001-\$150,000	1	3
\$150,001-\$160,000	3	1
\$160,001-\$170,000	1	-
\$170,001-\$180,000	-	-

The superannuation included here represents the superannuation expense incurred by Main Roads in respect of members of the Senior Officers other than senior officers reported as members of the Accountable Authority.

No Senior Officers are members of the Pension Scheme.



COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

41. 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:

	2004-05 \$'000	2003-04 \$'000
Bad Debts-Damage to Roads, Bridges & Road Furniture	2	10
Bad Debts-Roadworks for Sundry Debtors	-	29
Bad Debts – Rents	-	18
Fixed Assets stocktake discrepancies	15	38
Stores and road construction/maintenance materials stocktake discrepancies	-	31
Thefts of Property and Equipment	-	7
	17	133

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

	2004-05 \$'000	2003-04 \$'000
The increase/(decrease) in the Provision for Doubtful Debts including all known doubtful debts at 30 June.	(2)	(55)
	(2)	(55)

42. AUDITOR'S REMUNERATION

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

	2004-05 \$'000	2003-04 \$'000
Audit of the financial statements and performance indicators of Main Roads Western Australia.	111	111
	111	111



COMMISSIONER OF MAIN ROADS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2005

43. SCHEDULE OF SERVICES DELIVERED

	01 - ROAD NETWORK OPERATIONS MANAGEMENT \$'000		02 - ROAD USE EFFICIENCY IMPROVEMENTS \$'000		03 - ROAD INFRASTRUCTURE FOR COMMUNITY ACCESS \$'000		04 - ROAD USE SAFETY IMPROVEMENTS \$'000		05 - ROAD NETWORK MAINTENANCE \$'000		06 - ROAD INFRASTRUCTURE FOR STATE DEVELOPMENT \$'000		ROADWORKS CAPITALISED/ EXPENSES NOT ALLOCATED TO OUTPUTS \$'000		TOTAL \$'000	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
COST OF SERVICES																
Expenses from Ordinary Activities:																
Salaries, Wages and Allowances	39,636	38,482	1,577	1,962	3,891	3,039	1,071	1,332	16,525	9,960	4,909	3,401	-40,477	-30,427	27,132	27,749
Supplies and Services	31,433	36,418	28,143	32,307	95,695	45,042	28,100	39,650	157,352	146,119	195,472	104,392	-259,713	-202,190	276,482	201,738
Grants and Subsidies	58	88	19,297	15,069	10,593	13,010	10,407	8,291	39,674	25,955	6,471	5,716	-	-	86,500	68,129
Depreciation - Infrastructure	-	-	-	-	-	-	-	-	137,573	130,556	-	-	-	-	137,573	130,556
Depreciation - Other Non Current Assets	313	1,058	261	286	593	353	212	287	1,128	1,049	1,119	660	-1,948	-1,546	1,678	2,147
Borrowing Costs	898	1,645	751	1,268	1,704	1,565	611	1,273	3,243	4,657	3,221	2,930	-	-	10,428	13,338
Superannuation Expense	550	987	460	761	1,043	939	374	763	1,985	2,794	1,970	1,757	-1,536	-1,191	4,846	6,810
Carrying Amount of Non-Current Assets Disposed	446	335	373	258	847	319	303	259	1,611	949	1,601	597	-	-	5,181	2,717
Revaluation decrement of Land Held for Resale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset valuation decrement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Assets Replaced / Retired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital User Charge	2,905	1,489	2,429	1,148	5,511	1,417	1,974	1,152	10,486	4,217	10,411	2,652	10,964	24,981	10,964	24,981
Total Cost of Services	76,239	80,502	53,291	53,059	119,877	65,684	43,052	53,007	369,577	326,256	225,174	122,105	-292,710	-210,373	594,500	490,240
Revenues from Ordinary Activities:																
Commonwealth Grants	337	154	8,174	8,257	14,163	355	9,610	10,497	30,707	32,916	41,817	24,835	-	-	104,808	77,014
Contributions to Roadworks	-	-	299	264	6,888	4,813	296	695	2,998	2,668	802	212	-	-	11,283	8,652
Proceeds from Disposal of Non-Current Assets	752	371	526	245	1,182	303	425	244	3,640	1,504	2,220	563	-	-	8,745	3,230
Other Income	-	-	-	-	91,761	14,139	-	262	-	5	35,997	9,251	-	-	127,758	23,657
Grants from Other Bodies	-	47	-	31	-	39	384	30	-	191	4,391	75	-	-	4,775	413
Revenues from Operating Activities	1,089	572	8,999	8,797	113,994	19,649	10,715	11,728	37,345	37,284	85,227	34,936	-	-	257,369	112,966
NET COST OF SERVICES	75,150	79,930	44,292	44,262	5,883	46,035	32,337	41,279	332,232	288,972	139,947	87,169	-292,710	-210,373	337,131	377,274
Revenues from Government:																
Output Appropriations	71,154	63,016	12,557	18,199	555	21,729	16,487	18,910	383,537	345,997	1,917	6,525	-	-	486,207	474,376
Capital Contribution	1,828	16,379	20,114	28,213	25,599	29,053	16,457	25,268	5,485	972	113,373	89,322	-182,856	-189,207	-	-
Liabilities Assumed by the Treasurer	78	-	54	-	123	-	44	-	377	-	230	-	-	-	906	-
Natural Disaster Funding	-	-	1,507	-	-	-	-	-	7,283	-	-	-	-	-	8,790	-
Road Trauma Trust Fund	-	-	-	-	-	-	500	500	-	-	-	-	-	-	500	500
Resources received free of Charge	55	82	39	54	87	66	31	53	267	332	163	127	-	-	642	714
Total Revenues from Government	73,115	79,477	34,271	46,466	26,364	50,848	33,519	44,731	396,949	347,301	115,683	95,974	-182,856	-189,207	497,045	475,590
CHANGE IN NET ASSETS	-2,035	-453	-10,021	2,204	20,481	4,813	1,182	3,452	64,717	58,329	-24,264	8,805	109,854	21,166	159,914	98,316

COMMISSIONER OF MAIN ROADS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**44. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO IFRS**

The impact of adopting AIFRS including the key differences in accounting policies

(a) Reconciliation of total equity as presented under previous AGAAP to that under AIFRS:

	30 June 2005 \$'000	1 July 2004 \$'000
Total equity under previous AGAAP	19,939,497	16,788,928
Adjustments to Asset Revaluation Reserve - Increment/(Decrement):		
Reduce value of assets for recognition of impairment losses in respect of infrastructure assets (i)		(77,724)
Increase value of assets for adoption of fair value for land and buildings (ii)		47,767
Adoption of fair value at 1 July 2004 for assets sold/granted/transferred to infrastructure WIP during year (iii)	1,313	
Decrease in accumulated depreciation as result of recognition of impairment losses at 1 July 2004 (iv)	7,430	
Discontinuation of depreciation for non-current assets held for sale (v)	(128)	
Adjustments to Accumulated Surplus:		
Increase in carrying value of assets sold (iii)	(1,605)	
Increase in carrying value of assets granted to other bodies (iii)	(1,316)	
Reduction in earthworks and pavements depreciation expense and reduction in value of pavements replaced (iv)	(7,430)	
Discontinuation of depreciation for non-current assets held for sale (v)	128	
Total equity under AIFRS	19,937,889	16,758,971

(b) Reconciliation of surplus for the period as presented under previous AGAAP to that under AIFRS:

	30 June 2005 \$'000
Surplus/(deficit) for period under previous AGAAP	159,914
Increase in carrying value of assets sold and grants made to other bodies (iii)	(1,605)
Increase in carrying value of granted to other bodies (iii)	(1,316)
Reduction in earthworks and pavements depreciation expense and reduction in value pavements replaced (iv)	7,430
Discontinuation of depreciation for non current assets held for sale (v)	128
Surplus for the period under AIFRS	164,551



COMMISSIONER OF MAIN ROADS

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

The adjustments are explained as follows:

- (i) AASB 136 "Impairment of Assets" requires impairment losses attributed to obsolescence, physical damage or loss of performance identified and recognised direct against the revaluation reserve. A review of the life of earthworks completed in 2004 identified segments that were deficient in terms of road geometry (i.e. technical obsolescence) - those segments assessed to have a useful life of less than the original 100 years qualify as impaired assets and the accumulated depreciation for these assets and the associated pavements has been recalculated to reflect the correct depreciated replacement cost. The condition of pavements had also been measured in recent years using roughness measures. As a result, the useful life of some segments had been reassessed below the original design life. These segments qualify as impaired assets and the accumulated depreciation for these assets has been recalculated to reflect the correct depreciated replacement cost.
- (ii) Paragraph 29 of AASB 116 "Property, Plant and Equipment" requires an entity to adopt the cost model or the revaluation model for measuring property, plant and equipment and shall apply that policy to an entire class of property, plant and equipment. The increase in the value of land and buildings is the result of the adoption of fair value for all land and buildings at 1 July 2004.

Land and buildings were being revalued from cost to fair value on a progressive basis in accordance with paragraph 8.13 of AASB 1041 "Revaluation of Non-Current Assets". The revaluation commenced in 2003-2004 and was concluded in 2004-2005.
- (iii) The adoption of fair value for land and buildings previously measured at cost reduced the accumulated surplus by increasing the carrying value of assets sold and grants to other bodies and reducing the value of land transferred to infrastructure work in progress.
- (vi) Paragraph 25 of AASB 5 "Non Current-assets Held for Sale and Discontinued Operations" requires that an entity shall not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. The discontinuation of depreciation for assets held for sale increased the accumulated surplus.
- (iv) The recognition of impairment losses required by AASB 136 resulted in a reduction in the depreciation expense for earthworks and pavements and the value of pavements reconstructed and replaced.



Appendix 6: Road Industry Fact Summary

2005	Western Australia	Australia	Western Australia (%)
Area (square kilometres)	2 529 875	7 692 024	32.89
Population	1 982 204	20 111 297	9.86
Licensed drivers and riders	1 419 366	N/A***	
Vehicles on register including motor cycles	1 480 206	13 533 071	10.94
Annual Vehicle Kilometres Travelled (100 million VKT)	214.94*	2 112.34*	10.18
Road length excluding forestry roads (kilometres)	150 247**	810 641**	18.53
Fatalities (for calendar year 2004)	179	1 597	11.21
Fatalities/100 million VKT	0.83	0.76	
Fatalities/100 000 persons	9.03	7.94	
Fatalities/10 000 vehicles	1.21	1.18	
Serious injuries (for calendar year 2004)	3 175	N/A***	
Serious injuries/100 million VKT	14.77		
Serious injuries/100 000 persons	160.18		
Serious injuries/10 000 vehicles	21.45		

* Main Roads estimates.

** Western Australia road length as at 30 June 2005, Australia road length as at 30 June 2004 (indicative % only).

*** Information is not available for the rest of Australia.

Sources

Area	Australian Bureau of Statistics (ABS) Year Book 2005
Population	ABS Australia Demographic Statistics (30 June 2004)
Licensed drivers	Western Australia Licensing Centre (30 June 2004)
Road length	ABS Year Book 2005 (30 June 2004) and Main Roads (30 June 2005)
Fatalities	Main Roads Accident System and Australia Transport Safety Bureau (31 Dec 2004)
Vehicles on Register	ABS Motor Vehicle Census (31 Mar 2004)

Road Classification

(as at 30 June 2005)	Sealed (km)	Unsealed (km)	Total (km)	Sealed (%)
AusLink National Networks	4 648	0	4 648	100
State Highways	6 081	169	6 250	97
Main Roads	5 864	1 014	6 878	85
Sub-Total	16 593	1 183	17 776	93
Local Roads regularly maintained	33 160	91 930	125 090	27
Local Roads not regularly maintained	166	3 638	3 804	4
Sub-Total	33 326	95 568	128 894	26
Forestry Roads	70	27 010	27 080	0
National Park Roads	54	2 352	2 406	2
Privately Maintained Roads	116	1 054	1 170	10
Sub-Total	240	30 416	30 656	1
Total Western Australian Road Network	50 159	127 167	177 326	28

Source

Main Roads

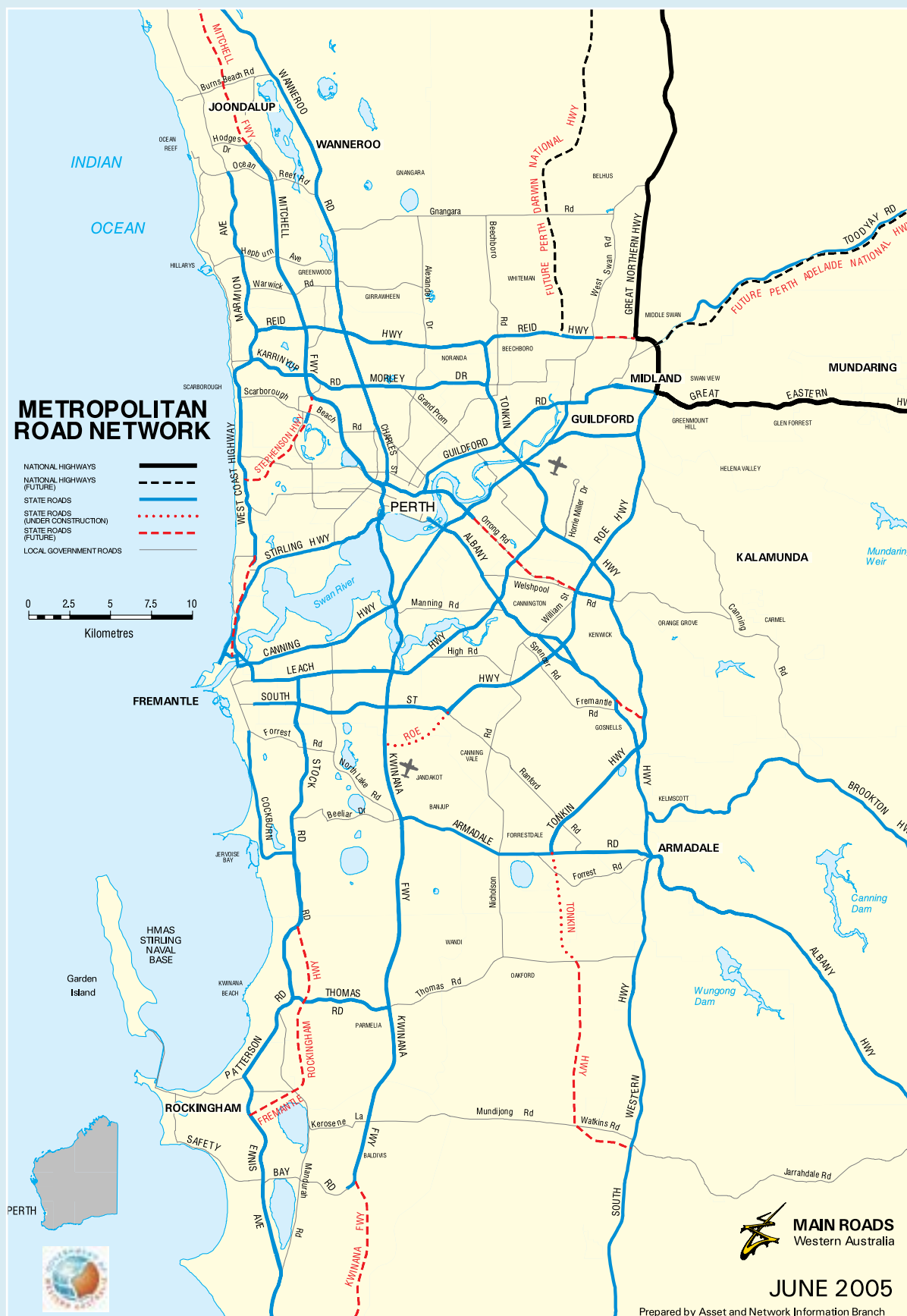
Appendix 7: Maps



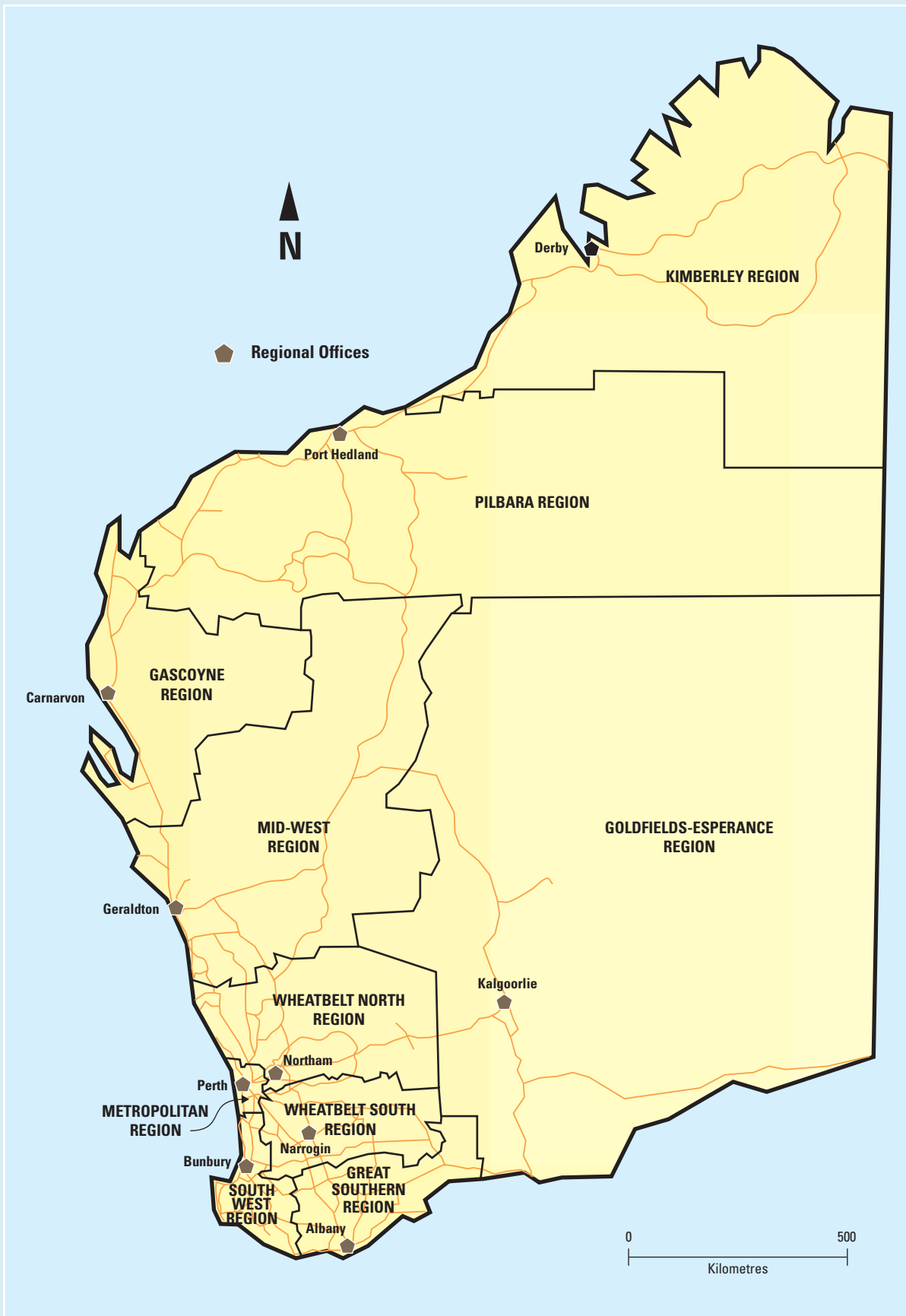
Appendix 7: Maps



Appendix 7: Maps



Appendix 7: Maps



Appendix 8: Publications

*Annual Report (latest) #	Free	Guidelines for Local Area Traffic Management - 1990	\$88.00
*Customer Service Charter - 2003	Free	Guidelines for Managing Truck Movements in Urban Areas	\$11.00
Design of Flood Crossings - 1990	\$27.50	Metropolitan Functional Road Hierarchy - 1999	\$27.50
Distance Book. Ed. 9.- 2002	\$11.00	*Sharing the road with trucks: a guide to assist all road users to drive safely - 2002	Free
*ENGINEERING ROAD NOTES		Straight Line Kilometres (SLK) Books (for all areas throughout the state)	POA
No. 1 Bitumen Absorption By Sealing Aggregate - 2003	Free	Strategic Plan 2003-2007	Free
No. 2 The Effect of Power Kerosene on Bitumen (under development)	Free	Suppliers Guide: electric wheelchairs and scooters - 2005	Free
No. 3 Surface "Blistering" and Soil "Fluffing" - 2003	Free*	*Traffic controllers' handbook. 5th edition - 2004	Free
No. 5 Interim Guide to Prediction of Pavement Moisture for Strength of Granular Basecourse and Sub-Base Materials - 2003	Free	*Traffic Management for works on roads - Code of Practice - 2004 (only available in electronic form)	Free
No. 6 Guide to the Design of Bridge Approach Embankments Subject to Inundation - 2003	Free	*Utility providers code of practice for Western Australia - 2002	Free
No. 7 Bitumen Scrap Rubber Seals - 2003	Free	Vital Link: A history of Main Roads Western Australia 1926-1996, by Leigh Edmonds	POA
No. 8 Statistically Based Quality Control for Density in Road Construction (includes Asphalt Surfacing) - 2003	Free		
No. 9 Procedure for Thickness Design of Flexible Pavements - 2004	Free		
Flood Estimation Procedures for Western Australia (Technical Report No. 50T) - 1987	\$27.50		
*A Guide to roadside amenities and rest areas on highways in Western Australia	Free		
*Guide to the Management of Roadside Advertising	Free		
Guidelines for assessing level of service for cycling Rev. Nov. 1998	Free		

*Also available full text on Main Roads Internet home page along with Main Roads standards and specifications.

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

Audio version available on Main Roads Internet home page.

All prices quoted are GST-inclusive.



Appendix 9: Major Road and Bridge Projects Completed and in Progress greater than \$10 million

ROAD	PROJECT	DESCRIPTION	EXPECTED YEAR OF COMPLETION	ESTIMATED COST TO COMPLETE \$'000	TOTAL COST OF PROJECT			VARIANCE \$'000	EXPLANATION OF MAJOR VARIANCE
					ACTUAL \$'000	CURRENT ESTIMATE \$'000	PRECEDING YEAR'S ESTIMATE \$'000		
BROOKTON HIGHWAY	CORRIGIN-HYDEN	WIDEN EXISTING SINGLE LANE SEAL	2008-09+	14,500		27,217	30,449	-3,232	SCOPE OF WORKS WILL BE AMENDED TO ALIGN WITH GOVERNMENT APPROVED FUNDING OF \$27.2M
BROOME CAPE LEVEQUE ROAD	-	VARIOUS IMPROVEMENTS	2008-09+	8,475		17,646	17,630	16	
CARNARVON-MULLEWA ROAD	NORTH WEST COASTAL HIGHWAY -GASCOYNE JUNCTION	CONSTRUCT AND SEAL	2007-08	10,066		24,070	24,069	1	
CERVANTES-GREENHEAD ROAD	LANCELIN -CERVANTES	DESIGN AND CONSTRUCT	2008-09+	65,000		68,315	42,847	25,468	CONSTRUCTION INDUSTRY COST ESCALATION SINCE 2003
DERBY HIGHWAY	DERBY SPUR	WIDEN AND SEAL	2008-09	8,586		16,556	16,556		
EAST-WEST HEAVY HAULAGE ROUTE	STAGE 1	CONSTRUCT	2008-09+	1,521		27,366	27,424	-58	
GERALDTON-MT MAGNET ROAD	GERALDTON SOUTHERN TRANSPORT CORRIDOR (STAGE 1)	CONSTRUCT	2005-06	2,738		37,661	37,240	421	
GIBB RIVER ROAD	DERBY-GIBB RIVER-WYNDHAM	IMPROVE FORMATION AND GRAVEL	2008-09+	14,303		24,545	25,038	-493	
GOLDFIELDS HIGHWAY	LAKE RAESIDE	RECONSTRUCT INCLUDING BRIDGES	2008-09	10,900		11,470			NEW PROJECT
GREAT CENTRAL ROAD	LAVERTON-DOCKER RIVER	IMPROVE FORMATION AND GRAVEL	2008-09+	12,816		19,461	19,506	-45	
GREAT EASTERN HIGHWAY	HINES HILL-MERREDIN	RECONSTRUCT	2007-08	15,512		16,894	17,743	-849	
GREAT EASTERN HIGHWAY	MERREDIN-WALGOOLAN	RECONSTRUCT	2006-07	10,562		13,156	12,825	331	
GREAT EASTERN HIGHWAY	NORTHAM BYPASS	DESIGN AND CONSTRUCT	2004-05		49,364		49,170	194	
GREAT EASTERN HIGHWAY	SAWYERS VALLEY-THE LAKES	RECONSTRUCT AND DUPLICATE	2005-06	8,108		34,732	34,732		
GREAT NORTHERN HIGHWAY	DUNHAM DEVIATION	CONSTRUCT	2008-09	13,638		14,259		14,259	NEW PROJECT
GREAT NORTHERN HIGHWAY	FITZROY CROSSING -GOGO	RECONSTRUCT	2008-09	11,866		12,103		12,103	NEW PROJECT
GREAT NORTHERN HIGHWAY	WADDINGTON-MILING	RECONSTRUCT	2008-09+	16,183		16,500		16,500	NEW PROJECT
GREAT NORTHERN HIGHWAY	ROE HIGHWAY-MUCHEA	RECONSTRUCT AND WIDEN	2008-09+	28,341		35,749	35,185	564	
KARRATHA-TOM PRICE	STAGE 1	CONSTRUCT AND SEAL	2004-05		25,914		26,150	-236	



Appendix 9: Major Road and Bridge Projects Completed and in Progress greater than \$10 million

ROAD	PROJECT	DESCRIPTION	EXPECTED YEAR OF COMPLETION	ESTIMATED COST TO COMPLETE \$'000	TOTAL COST OF PROJECT			VARIANCE \$'000	EXPLANATION OF MAJOR VARIANCE
					ACTUAL \$'000	CURRENT ESTIMATE \$'000	PRECEDING YEAR'S ESTIMATE \$'000		
KARRATHA-TOM PRICE	STAGE 2	CONSTRUCT AND SEAL	2008-09+	88,415		90,500	81,019	9,481	COST INCREASES DUE TO SIGNIFICANT RECENT INCREASES IN INDUSTRY COSTS FOR MATERIALS AND LABOUR.
KWINANA FREEWAY	INTERCHANGES AND EXTENSION	DESIGN AND CONSTRUCT	2005-06	138		158,338	158,651	-313	
KWINANA FREEWAY	JUDD STREET-MANNING ROAD	DESIGN AND CONSTRUCT BUS TRANSITWAY	2004-05		35,136		35,095	41	
MARBLE BAR ROAD	RIPON HILLS-SHAW RIVER	CONSTRUCT AND PRIMERSEAL	2008-09+	6,000		47,797	47,403	394	
MITCHELL FREEWAY	HODGES DRIVE-BURNS BEACH ROAD	CONSTRUCT	2008-09+	61,614		87,495	83,000	4,495	LAND TRANSFER OF DPI (WAPC) LAND REQUIRED ADDITIONAL FUNDS OF \$4.1M.
MOWEN ROAD	ROSA BROOK ROAD-NANNUP	CONSTRUCT AND SEAL	2008-09	10,581		13,985	14,187	-202	
MT MAGNET-AGNEW-YOUANMI	-	DESIGN, CONSTRUCT AND SEAL	2005-06	127		63,594	63,594		
NEW PERTH-BUNBURY HIGHWAY	SAFETY BAY ROAD-OLD COAST ROAD	CONSTRUCT AND SEAL	2008-09+	334,961		340,280		340,280	NEW PROJECT
NORTH WEST COASTAL HIGHWAY	ASHBURTON RIVER	CONSTRUCT BRIDGE	2004-05		10,044		10,733	-689	
PERTH METROPOLITAN REGION BIKE PLAN	STAGE 2	VARIOUS SAFETY AND NETWORK IMPROVEMENTS	2007-08	4,000		13,558	12,483	1,075	PROGRAM DEPENDENT UPON THE AVAILABILITY OF DPI FUNDING.
PERTH-BUNBURY HIGHWAY	BUNBURY PORT ACCESS	CONSTRUCT AND SEAL	2008-09+	20,890		21,224	17,208	4,016	THE PREVIOUS ESTIMATE HAD NOT BEEN REVIEWED FOR A NUMBER OF YEARS- THE NEW ESTIMATE REFLECTS ESCALATION COSTS.
ROE HIGHWAY	ALBANY HIGHWAY CROSSING	CONSTRUCT	2004-05		37,715		37,402	313	
ROE HIGHWAY	NICHOLSON ROAD-SOUTH STREET	CONSTRUCT AND SEAL INCLUDING BRIDGES	2005-06	683		32,601	37,066	-4,465	PROJECT CAME IN UNDER BUDGET AND ESTIMATED PROJECT COST HAS BEEN REVISED DOWNWARDS.
ROE HIGHWAY	SOUTH STREET-KWINANA FREEWAY	CONSTRUCT AND SEAL INCLUDING BRIDGES	2006-07	37,371		70,250	66,000	4,250	DIRECT COST TARGET HAS BEEN INCREASED AND PRECEDING YEARS ESTIMATE EXCLUDED MANAGEMENT COSTS.
ROE HIGHWAY	WELSHPOOL ROAD-NICHOLSON ROAD	CONSTRUCT AND SEAL	2005-06	420		77,311	78,140	-829	
TANAMI ROAD	-	IMPROVE FORMATION AND DRAINAGE	2008-09	5,000		10,099	10,099		
TONKIN HIGHWAY	EXTENSION	DESIGN AND CONSTRUCT	2008-09+	34,234		174,945	204,861	-29,916	THE NEW CURRENT ESTIMATE FOR TOTAL PROJECT COSTS IS INCORRECT AS IT EXCLUDES ADDITIONAL MONIES THAT WILL BE REQUIRED IN 2015/16 AND BEYOND FOR STAGE 2 OF THE PROJECT. AN ADDITIONAL \$35M WILL BE REQUIRED.
VARIOUS LOCAL ROADS	GRAIN LOGISTICS	VARIOUS IMPROVEMENTS	2008-09+	11,450		19,270	19,753	-483	

Appendix 10: Contracts over \$1 million

Contract Number	Contract Description	Contractor Award	Value (\$)
0025/03	Construction of Principal Shared Path, Kenwick to Maddington Railway Stations	Ertech Pty Ltd	2 212 976
0279/03	Reconstruct and Overlay Derby Highway (H047) Stage 2 (Straight Line Kilometres 19.20 to 26.96)	Highway Construction Pty Ltd	3 730 367
0353/03	Design Documentation and Technical Support for the Mitchell Freeway Extension	Maunsell Australia Pty Ltd	2 281 242
0249/03	Bridge Refurbishment Works Bridge No. 920 over Swan River on Middle Swan Road	Structural Systems Limited	1 296 614
0431/03	Widening Overlay and Reconstruction of Great Northern Highway Stock Road to KI-IT Brook	Brierty Contractors Pty Ltd	3 952 078
0003/04	Bridge Refurbishment Works-Reinforced Concrete Overlay and Substructure repairs and Maintenance Bridge 185 South West Highway	Jonor Construction	1 077 166
0012/04	Supply and Delivery of Precast Concrete Bridge Units, Bibbawarra Crossing Gascoyne River	Rocla Pipeline Products	2 735 857
0021/04	Light Vehicle Fleet Lease	State Fleet	2 814 000
0031/04	Construction of the Bibbawarra Road Flood Crossing over Gascoyne River	Bocol Constructions Pty Ltd	1 653 955
0156/04	Level Crossing Upgrade/Renewals Program 2004-2005	Westnet Rail Pty Ltd	3 482 933
0192/04	Provision of Microsoft Licences-Enterprise Agreement (Issued under Department of Treasury and Finance Contract 106999G)	Volante Systems	1 549 846
0437/04	Supply and Delivery of Crushed Rock Aggregates, Various Locations within Pilbara, Gascoyne and Mid-West Regions	Readymix Holdings (Dampier) and BGC Contracting (Pilbara)	1 485 884 176 725



Appendix 11: 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.
Capital works program	A schedule of projects that will increase the State's asset base through the creation of new assets (new roads buildings etc), the purchase of equipment and the improvement of existing assets (road widening, passing lanes etc).
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 Main Roads balances compliance against risk-taking as it directs, controls and is held accountable for its business performance.
Culvert	One or more adjacent pipes or enclosed channels for conveying a stream below formation level and carrying water under a roadway.
Drainage	The removal of water by flow from the ground or from its surface.
Floodway	A longitudinal section or 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 Development Plan	Supports the ongoing learning and development of our people and provides a framework for performance management.
Main Road	A principal road in the road system.
Maintenance	The work carried out on an existing road and infrastructure to maintain its efficiency or quality.
Median	A strip of road that separates carriageways for traffic in opposite directions.
Outcome	The effects, impacts, results on, or consequences for, the community or target clients of the goods and services (outputs) produced.



Appendix 11: Glossary of Terms

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.
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, decision-making and investment processes.
Technical Services	Professional services, other than construction and maintenance works, required for 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 road network and the three-year Term Consultancy Contracts to provide road and structures technical services.





MAIN ROADS WESTERN AUSTRALIA 2005 ANNUAL REPORT

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