

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

Main Roads

The Committee asked:

Agency Expenditure Review program

- 1.1 How will the savings measures identified in the Budget be achieved by your agency?*
1.2 What are the risks to achieving the savings identified?
1.3 Are there any low priority programs your agency is ceasing or reducing? If so, please provide details.

Answer 1.1 to 1.3: As part of the 2016-17 Budget, the Government announced a third tranche of Agency Expenditure Reviews (AERs) to apply to 54 agencies and deliver savings commencing in 2017-18. The objective of AERs is to ensure that, as circumstances change over time, the programs delivered by agencies remain a Government priority and continue to be delivered in an efficient and effective manner. Savings allocations are to be held at a global level until allocated to agencies as part of the 2016-17 Mid-year Review, with specific savings measures to be announced as part of the 2017-18 Budget. Agency measures to achieve allocated savings will be developed for consideration in the 2017-18 Budget process.

National partnership agreements

- 1.4) Please provide a list of:*
- all national partnership agreements under which your agency receives funding*
 - the expiry dates of those agreements*
 - how much was received in 2015-16 under the agreements and the budgeted amount for 2016-17*
- 1.5) Please provide details of the value of the impact on your agency's budget resulting from the expiry of those agreements.*
- 1.6) Will the State be making up the loss in funding resulting from the expiry of agreements?*
- 1.7) If so, how and, if not, please provide details of any cuts that will need to be made and the implications for service delivery by your agency.*

Answer 1.4 to 1.7: Please refer to Budget Paper 3, Chapter 4 'General Government Revenue' (pp. 81-88) and Appendix 13 (p. 311). Appendix 13 provides a summary list of all National Partnership Agreements (NPAs) and includes funding figures and expiry dates.

As noted in Appendix 13, the NPAs are time limited and it is assumed in the Budget that there is no continued funding (Commonwealth or State) past an NPA's expiry date and that any additional or enhanced services generated by the NP will cease (unless otherwise identified by footnote (c)).



Commonwealth grants

1.8) Please provide the same information requested for national partnership agreements above for any commonwealth grants received by your agency

Answer: Please refer to Budget Paper 3, Chapter 4 'General Government Revenue' (pp. 87-88) and Appendix 2 'General Government Operating Revenue' (p. 235) for details of all Commonwealth grants to the State. General revenue grants and National Specific Purpose Payments are intended to be ongoing.

10 year Strategic Asset Investment Plans

1.9 Please provide a copy of your 10 year Strategic Asset Investment Plan. (F&CS)

Answer: Strategic Asset Plans (SAPs) are prepared for Treasury as part of the Budget process to inform decision making by the Economic and Expenditure Reform Committee and Cabinet. Disclosure of these plans would reveal the deliberations and decisions of both bodies and are therefore considered Cabinet-in-Confidence. Until such time as specific programs within a SAP have been considered and approved to proceed they remain indicative. Additionally and understandably 10 year SAPs are subject to a wide variety of exigencies including but not limited to priorities of the government of the day; changes in circumstances; changes in technologies and external events.

Infrastructure requirements

1.10 What are your agency's infrastructure requirements for the next 10 years? Specifically:

- *What infrastructure needs to be replaced, upgraded or built to meet demand? (F&CS)*
- *What allocation has been made in the Budget for the planning and delivery of these requirements? Is the allocation in capital works? (F&CS)*
- *In what timeframe will the requirements be delivered? (F&CS)*

Answer: Please see Answer to 1.9. Funded infrastructure programs are detailed for each agency in the Asset Investment Program section of their financial statements as reported in Budget Paper No. 2. These programs currently cover the period 2016-17 to 2019-20. Any infrastructure requirements outside this period are subject to further budget deliberations and remain Cabinet-in-Confidence.

Sale of vehicles

1.11 How many vehicles does your agency expect to sell in the 2015-16 financial year?

Answer: Nil

1.12 How many vehicles does your agency expect to sell in the 2016-17 financial year?

Answer: One



1.13 What is the estimated total proceeds from the sales in each of the above financial years and how will those funds be allocated?

Answer: \$5,000. Included in general revenue for the agency.

1.14 Will any of the sales in 2016-17 be part of the Agency Expenditure Review program and, if yes, how many?

Answer: Whilst provisional savings were reflected in the 2016-17 State Budget as part of the Agency Expenditure Reviews – Tranche Three, Main Roads' savings do not come into effect until the 2017/18 financial year. .

*1.15 What will be the impact on agency staff (i.e. what alternative arrangements have been made for their transport)? What will be the cost of any alternative transport arrangements compared to the cost of retaining the vehicles?
Fulltime/contract staff*

Answer: None, no alternative arrangements required.

Full time/contract staff

1.16 What is the estimated total number of FTE staff in your agency for the 2015-16 and 2016-17 financial years?

Answer: 1,014 and 1,018.

1.17 In each financial year, what proportion of your staff are engaged in:

- *A contract of service (permanent staff)?*

Answer:

2015-16: 1,014

2016-17: 1,018

- *A contract for services (contracted staff)?*

Answer:

2015-16: 8

2016-17: 8

1.18 Of those staff that are engaged by a contract for services, please explain why they are not engaged as permanent staff.

Answer: Fixed Term Contractors (FTC) are generally engaged in Main Roads to cover maternity leave and to cover other short-term project requirements.

1.19 What is the cost to the agency of engaging contracted staff, including contract preparation, negotiation, payroll modifications, (i.e. where the contracts are renewed for staff on 6 month contracts) and cost of HR staff who manage the contracts?

Answer: Based on a local applicant, an average cost for Main Roads to engage an FTC is approximately \$1283 per recruitment process.

1.20 Are staff employed as contractors paid at a different rate to those who are permanent employees in a similar role and, if so, please provide details and explain why.

Answer: No

Media monitoring

1.21 How much does your agency spend on media monitoring, for example, newspaper clippings?

Answer:

Jul 15 – Jun 16 (Estimate May/Jun) - \$83,633.36

Jul 14 – Jun 15 (Actual Spend) - \$107,284.49

Jul 16 – Jun 17 (Estimated Spend) – 80,000.00

1.22 Who provides this service to your agency?

Answer: Isentia Media Monitoring

1.23 What types of media monitoring services are provided to your agency? Please provide details.

Answer: Press, Radio, TV and Online monitoring services on a range of issues specifically related to Main Roads as well as wider industry trends, from a comprehensive range of nominated metropolitan, suburban, regional, national and capital city daily newspapers and industry magazines; metropolitan, regional and national radio and television news and current affairs programs and global online news sources

1.24 On what basis is this service provided, i. e. ongoing contract or on a fee for service basis? Please provide details.

Answer: Ongoing contract with charges pending volume of results