Assessment 2: The balanced scorecard

MA5840 – Data Science and Strategic Decision Making for Business

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<u>Executive summary</u>

The balanced scorecard framework has seen widespread adoption by both private and public sector organisations. Originally intended to solve heavy to near-exclusive reliance on financial measures by private sector organisations as the primary indicator of organisational performance (Kaplan & Norton, 1996b), it was later modified to suit the public sector operating environment and then refined into an organising framework for a strategic management system (Australian National Audit Office [ANAO], 2002).

In essence, the current balanced scorecard framework refers to a holistic, strategic planning and management system that assist organisations to plan in a strategic manner, and manage and track the execution of their strategy. Furthermore, if implemented at the corporate level, such an approach aligns the work and activities of employees with the organisational mission and vision, and conveys the strategic goals of the organisation internally to employees and externally to customers and stakeholders (Rohm, 2014).

The core of the balanced scorecard framework is the division of an organisation's performance into four perspectives: financial, customer, internal and learning and growth (Kaplan & Norton, 1996b). In the public sector, these are usually modified slightly to: resources, stakeholder, internal processes and learning and growth to reflect the different focus.

In one of its recent strategic planning meetings, the executive team of Main Roads Western Australia wished to implement a balanced scorecard framework in order to more closely align its overall vision and strategy with the work of the agency. This report is the result of that decision. The first half provide a brief overview of the agency and summarises some of the preparatory work undertaken, including key insights from the PESTLE and SWOT analysis. It also presents a corporate level strategy map, which shows how the agency's vision, mission and strategic themes have been translated into a set of key strategic objectives that are linked together through a set of cause-and-effect relationships across the four scorecard perspectives. The second half presents the scorecard itself – the key performance indicators, targets and initiatives that would be used to measure agency performance along with a proposed engagement plan to achieve widespread adoption of the framework.

However, this report does recommend that the proposed balanced scorecard be implemented on a trial basis in Main Roads as a complement to the current performance monitoring framework in place. As a member of the Australia government, Main Roads is beholden to the current reporting frameworks and processes, which somewhat limits its ability to take full advantage of the balanced scorecard approach. Furthermore, this decision may place an additional and unintended reporting burden on the agency.

<u>Introduction</u>

Along with the Department of Transport and the Public Transport Authority, Main Roads Western Australia (Main Roads) is one of the Western Australian (WA) government's key transport agencies. The agency is responsible for the state's road network and their primary goal is to ensure that all major government roads within Western Australia meet the needs of the WA community, industry and stakeholders (Main Roads Western Australia [Main Roads], n.d.-a). Main Roads also has responsibilities for maintaining road-related infrastructure such as bridges, verges and reserves, optimising real-time road network management including supplying traveller information, and improving community amenity through the provision of infrastructure such as stopping places and public art (Main Roads, n.d.-b).

In the latest round of strategic meetings, Main Road's executive team voted to incorporate a balanced scorecard (BSC) into the internal performance assessment and reporting process as the majority of members felt that there could be better alignment between the current overall strategic priorities and how they deliver on the priorities of the Western Australia government, and the functioning of the agency in delivering those organisational goals.

The following report shows one possible pathway to implement this decision without having to implement a complete agency restructure. It demonstrates how a BSC is often a product of a strategy map, and SWOT and or PESTLE analyses, where elements can be drawn from pre-existing strategic documents such as strategic plans, corporate plans and annual reports. In addition, each of the metrics were constructed based on the SMART criterion[1]. Finally, the report includes a suggested engagement plan in order to assist in widespread adoption of the corporate-level scorecard and alignment of individual business unit activities and objectives.

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[1] Specific, Measurable, Achievable, Relevant and Time-based (Doran, 1981)

Balanced Scorecard Preparation

In 1996, Kaplan and Norton presenting a new approach to strategic performance-management in organisations that came to be known as the BSC. It was organised around four distinct perspectives – financial, customer, internal, and innovation and learning and reflected the balance between a number of other components of holistic performance measurement. These were short- and long-term objectives, financial and non-financial measures, lagging and leading indicators and external and internal performance perspectives (Kaplan & Norton, 1996b).

However, any organisation wishing to use such an approach needs to work through a number of necessary preparatory steps in order to gather the required information as it is far more than a rearrangement of current key performance indicators. In particular, the balanced scorecard approach clearly identifies how every aspect of an organisation contributes to the achievement of its vision and mission (Zastempowski, 2015). Furthermore, the BSC design is slightly different for public sector organisations given that profitability is usually not the key goal, and key strategic objectives are usually a function of mandates set by the government of the day (Rohm, 2002).

As a result, in order to be able to construct the strategy map for Main Roads that is the subject of figure one at the end of this section, it was fundamentally important to first understand the external environment within which the agency was operating as well as performing an internal environmental scan (Rohm, 2002). This was achieved using a PESTLE analysis to help identify key external influences on the agency's activities, and a SWOT analysis to conduct a closer investigation of the agency's internal operations (Focus Admin, 2016). Summarised versions of these analyses are located in the appendix.

The PESTLE indicated that the covid-19 pandemic was continuing to impact on the agency's operations, the key role the agency was playing in contributing to the state government's economic recovery strategy, and the increasing expectation that the agency would contribute to climate change mitigation activities. Equally, the SWOT identified that whilst community satisfaction with the agency was generally very high, there were a number of internal activities that required improvement.

The agency's strategy map (see figure one) was derived from these insights to show how:

- current strategic themes complemented the agency's role and vision, and
- the key strategic objectives that drove the achievement of those themes and how they were linked together in a series of cause-and-effect relationships across the four perspectives of the BSC.

Figure 1 Balanced scorecard corporate strategy map
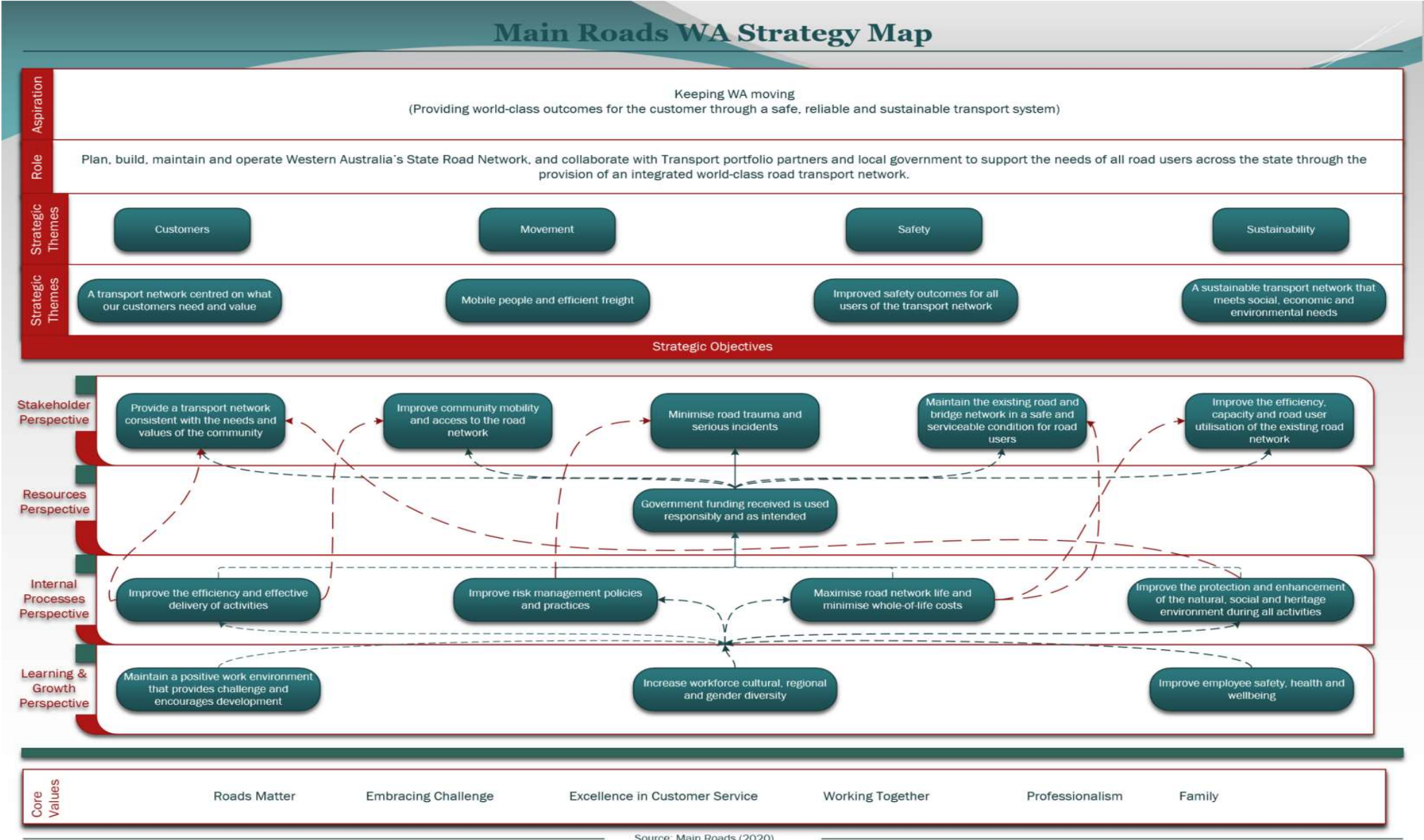
Note. Source: Main Roads (2020a)

The Corporate Balanced Scorecard

The BSC is considered to be one of the most integrated approaches to strategic management due to its holistic approach to performance monitoring and alignment of the entire organisation to the achievement of its long-term vision (Mylona et al., 2018). Whilst it was originally designed as a tool specific to the private-sector context, the public sector found that it could be adapted to fit the operating model of non-profit and public sector organisations. In particular, as will have been noted in the strategy map from the previous section, the stakeholder or customer perspective is usually the most important whereas in the private sector, the financial perspective tends to dominate (Syahdan et al., 2018).

Nevertheless, it has been acknowledged that effective use of the BSC framework can be somewhat more difficult in public sector organisations for six main reasons, including the need to consider a far more complex network of stakeholders, the presence of objectives that can take years to achieve and are often intangible and the presence of cross-agency and cross-jurisdictional outcomes (ANAO, 2002). Furthermore, the extent to which Main Roads can completely restructure its performance management system is somewhat constrained by the Australian government's current use of an outcomes-based reporting framework.

One of the direct results of this constraint was the deliberate attempt to keep the agency's strategic objectives and key performance indicators broadly in line with what was currently in place. This had the added benefit of minimising disruptive adjustments to current reporting systems, and minimising the need to spend time of resources on redesigning systems to collect additional data required for the scorecard.

As such, it was envisaged that the final scorecard as depicted in figure two, could be as a complement to current performance reporting and become a snapshot of agency performance on a wider perspective than just the program outcome performance necessary for the annual budget and report.

Figure 2 Proposed corporate-level balanced scorecard for Main Roads Western Australia

	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTUAL	TARGET	STATUS	REPORTING FREQUENCY	INITIATIVE(S)
STAKEHOLDER	Provide a transport network consistent with the needs and values of the community	Level of community satisfaction with the agency	90%	90%	100.0%	Annual	- implement the Pinch Point Program to reduce congestion and improve road user experience - update the speed zoning policy and guidelines for Western Australia roads - increase the use of recycled materials in road construction - increase resourcing to the Heavy Vehicle Services division to improve services for the state's heavy vehicle customers
		Level of community satisfaction with the agency's sustainability practices	89%	90%	98.9%	Annual	
		Level of community satisfaction with the agency's environmental impact management	90%	90%	100.0%	Annual	
		Rate of increase in community subscription to project updates	14%	5%	280.0%	Quarterly	
	Improve customer mobility and access needs on the road network	Level of community satisfaction with cycleways and predestrian facilities	91%	90%	101.1%	Annual	- continue agreed upgrades infrastructure for walking and cycling, and mobility access for people with a disability - extend the Principal Shared Paths network along freeway and rail corridors
	Minimise road trauma and serious incidents	Level of community satisfaction with the agency's road safety projects and programs	92%	90%	102.2%	Annual	- continue agreed upgrades of intersections, overtaking lanes, rail crossings, bridges, shoulders and edges to improve road safety - continue with the Black Spot Program - implement the Regional Road Safety Improvement and Railway Level Crossing upgrade programs
		Black Spot locations index	7.3%	6.8%	More locations	Bi-annual	
	Maintain the existing road and bridge network in a safe and servicable condition	Level of community satisfaction with road maintainance	86%	90%	95.6%	Annual	- continue agreed road infrastructure geometric improvements, road widening and bridge strengthening - improve incident management
		Percentage of travel undertaken on bridges meeting technical criteria	94%	94%	100.0%	Bi-annual	
		Percentage of travel undertaken on roads meeting technical criteria	93%	90%	103.3%	Bi-annual	
	Improve the efficiency, capacity and utilisation of the existing road network	Level of road network availability	89%	95%	93.7%	Annual	- continue agreed road infrastructure geometric improvements, road widening and bridge strengthening - commence the Great Northern Highway - Muchea North project - continue agreed major projects under the Transforming Perth's Freeways strategic program - commence the Tonkin Highway Gap project
		Proportion of the road network permitted for use by heavy freight vehicles	80.3%	79.8%	100.6%	Annual	
		Smooth travel exposure index	97%	95%	102.1%	Every two years	
RESOURCES	Funding received is used responsibly and as intended	Total cost of services (expense limit)	1,242,505	1,489,935	83.4%	Monthly	- maintain compliance with all relevant state and commonwealth legislation and regulations - implement Integrity Detection Improvement Plan - continue key sub-committees such as the Management Review and Audit, Budget and Investment Committees
		Net cost of services	295,832	518,748	57.0%	Monthly	
		Total equity	49,172,517	50,128,148	98.1%	Monthly	
		Approved salary expense level	59,461	58,429	101.8%	Monthly	
		Agreed borrowing limit	-	-	-	Monthly	
		Agreed working cash limit	36,749	49,894	73.7%	Monthly	
	Funding delivers value for money	Average return on construction expenditure	4.3	4	107.5%	Annual	
INTERNAL PROCESSES	Activities are delivered efficiently and effectively	Percentage of contracts completed on time	66%	90%	73.3%	Bi-annual	- deliver the next phase of the new website, which improves the customer's online experience - refine approach to customer insights and analytics - continue the upgrade of telephony technology services
		Percentage of contracts completed on budget	100%	90%	111.1%	Bi-annual	
		Customer information centre enquiry resolution rate	90%	80%	112.5%	Monthly	
	Improve risk management policies and procedures	Lost-time injury and disease frequency rate	1.5%	1.6%	96.3%	Monthly	- implement key actions from the Safety, Health and Wellbeing Strategy 2020-23 - work with contractors to identify incident trends - develop critical control standard to reflect identified risks - improve traffic management to increase the safety of employees and contractors
		Lost-time injury and disease severity rate	33.3%	0%	Higher	Monthly	
		Serious incident reporting rate	37%	100%	37.0%	Monthly	
		Incident investigation completion rate	53%	85%	62.4%	Quarterly	
	Maximise road network life and minimise whole-of-life costs	Average cost of network management	6,427	5,983	107.4%	Bi-annual	- finalise 10-year Network Development Plans with all WA regions - finalise all Metropolitan Road Development and Asset Management Plans
		Preventative maintenance indicator	85%	85%	100.0%	Annual	
	Protect and enhance the natural, social and heritage environment during all activities	Scope 1 and 2 activity emission levels	26,257	29,302	89.6%	Annual	- maintain commitment to the agency's Sustainability Policy - develop a process to ensure the achievement of environmental and road safety objectives in the agricultural regions of WA - develop an approach for the road network to contibute to the state government's vision for net zero emissions by 2050
LEARNING & GROWTH	Maintain a positive work environment that provides challenge and encourages development	Proportion of women in leadership positions	26%	20%	130.0%	Bi-annual	- implement a Regional Engineering Traineeship Program - review the performance of the Career Conversations process - add additional specialised content to LearningHub - increase awareness of the Innovation and Research program, and increase opportunities for employee collaboration with industry and research institutions
		Career conversation completion rate	96%	100%	96.0%	Annual	
		Agency engagement index score	75	Equal to or better than agencies of a similar size	Higher	Annual	
		Agency innovation index score	55	Equal to or better than agencies of a similar size	Lower	Annual	
	Increase agency cultural, regional and gender diversity	Proportion of female employees	31%	40%	77.5%	Monthly	- deliver key actions from the Disability Access and Inclusion Plan 2018-2022 - improve the agency's recruitment strategy - increase the number of Aboriginal and Torres Strait Islander employees and create additional alternative employment pathway programs into the agency - implement the Connecting People with Culture program
		Regional workforce indicator	30%	23%	130.4%	Monthly	
		Proportion of employees from a culturally diverse background	3.5%	5%	70.0%	Monthly	
	Maintain employee safety, health and wellbeing	Mental first aid workplace ranking	Gold	Gold	Maintained	Annual	- implement key actions from the Safety, Health and Wellbeing Strategy 2020-23 - increase face-to-face interaction between Corporate Safety Branch and regional safety resources and employees
		Employee fatalities	0	0	Maintained	Monthly	
		Return of injured workers rate	66%	100%	66.0%	Quarterly	

Note. Source: Main Roads (2020a)

<u>The Engagement Plan</u>

According to Kaplan and Norton, the only way for a balanced scorecard to create value within an organisation is for it to be integrated into the management and performance reporting system of that organisation (Kaplan & Norton, 1996a). If not, then the entire exercise of creating a scorecard was potentially a waste of time, effort and resources. Furthermore, whilst they envisaged that the process for designing the scorecard and an appropriate organisational implementation plan could be done in about 16 weeks (Kaplan & Norton, 1996a), the actual process of initial implementation could take over 12 months. This is because it potentially includes new systems and responsibilities for capturing and reporting the required data at multiple levels of seniority as well as modifying management processes and even the organisational structure. Given that the corporate balanced scorecard for Main Roads has already been designed in conjunction with the executive team, this section focuses on the subsequent necessary organisational engagement in order for the balanced scorecard to be successfully adopted by the agency. Note that this engagement plan assumes that the priorities of the WA state government do not change significantly during the initial nine-month scorecard embedding process.

The seven main steps of the engagement plan are captured in figure three, and also summarised below:

1. Month 1: Workshop to present the balanced scorecard concept, the corporate scorecard and the proposed implementation plan to the senior leaders of the agency.
2. Months 1 – 3: Business unit executive directors design their own scorecards using the corporate scorecard as a guide. In doing so, activities and internal processes that do not directly align with the scorecards are identified.
3. Months 4 – 5: The executive team review the business unit scorecards and provide iterative feedback until they are finalised.
4. Month 6: The corporate scorecard is adjusted based on the finalised business unit scorecards. The entire package is presented to all senior leaders at a meeting.

5. Month 6: The managing director presents the scorecard package to the entire agency at an all-staff presentation. Employees are provided the opportunity to provide feedback and ask questions.
6. Months 7 – 9: Branch-level workshops to align activities and performance reporting to the new business unit scorecards are held.
7. Month 12 onwards: The executive team commences quarterly reviews of the scorecard and a bigger annual review following the announcement of the state budget. Any results and action items are cascaded through the agency as required.

Figure 3 Possible engagement plan to embed the balanced scorecard into Main Roads' strategic planning and performance reporting

BSC Agency Engagement Plan

	Month 1 (Approximate time required)	Months 1-3	Months 4-5	Month 6	Month 7-9	Month 12 (ongoing)
Deliverables	• Finalised implementation plan • Draft reporting and governance processes • Workshop agenda	• Draft business unit scorecards • Finalised governance and reporting processes	• Finalised business unit scorecards	• Meeting agenda • Agency scorecards package • Realignment of organisational structure	• Performance reporting template at branch level	• Strategic reporting framework • First quarterly review of new process
Primary Stakeholders	• Managing director • Executive Board • Executive directors • BSC design team	• Executive directors • Other senior leaders as required	• Managing director • Executive Board • Executive directors	• Managing director • Executive Board • Executive directors • All staff (for presentation)	• All managers from branch-level down • Executive directors for activity realignment approvals	• Entire agency
Engagement & Activities	Senior leaders workshop (half-day at least)			Senior leaders meeting (couple of hours/half-day) All-staff presentation to agency employees	Performance reporting and governance communications Branch/Division workshops (half-day)	

Conclusion

The balanced scorecard is a strategic performance management framework that has seen widespread adoption by both private and public organisations across the globe. It allows organisations to create direct and visible linkages between their activities, projects and programs, the key performance indicators being used to measure success, the strategic objectives being worked towards, and the overall mission or role and vision or aspiration. These linkages are usually depicted in a strategy map, which then forms the basis of the BSC.

If a BSC and strategy map is constructed at the corporate level, as was done in this report, then it is usually advisable to cascade the framework down through the organisation to ensure maximum buy-in from employees and embed the concept at all levels. This was a major component of the proposed engagement plan, which was estimated to require approximately 12 months from finalisation of the corporate BSC given the size and complexity of Main Roads.

However, since the BSC framework is not entirely replacing existing performance monitoring and reporting arrangements due to state government reporting requirements, the executive team should remain cognisant of the additional reporting burden it is likely to place on the agency. As such, the executive team should monitor the implementation and review the revised performance management system no more than 12 months following implementation to decide on the effectiveness and value of the tool, and how to proceed going forward.

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Appendices

Appendix A – Glossary

TERM	DESCRIPTION
BSC	Balanced Scorecard
Main Roads	Main Roads Western Australia
PESTLE	Political, Economic, Social, Technological, Legal, Environmental
SMART	Specific, Measureable, Achievable, Realistic, Time-bound
SWOT	Strengths, Weaknesses, Opportunities, Threats
WA	Western Australia

Appendix A – Summarised PESTLE analysis

POLITICAL	ECONOMIC	SOCIAL
• The Office of Major Transport Infrastructure Delivery (OMTID) was established as a new portfolio office in May 2020. It is responsible for delivering infrastructure projects valued over $100 million and is made of teams from Main Roads and the Public Transportation Agency (PTA). • Main Roads is one of three state agencies that makes up the Transport portfolio and reports to the Minister for Transport. The Director General for Transport is a direct subordinate and has overall responsibility for providing strategic direction and leadership across the portfolio. • Transport continues to be a major focus of the state government, with over $8 billion of funding currently allocated to transport projects over the next four years.	• The covid-19 pandemic presented a unique challenge for the entire state in a multitude of ways. In February/March of 2020, the state had closed its borders to all international and interstate visitors, residents were asked not to leave their homes, and entire industries had to close. However, the state government is now focused on economic recovery and the agency expects it will be a key player through the delivery of infrastructure projects.	• The covid-19 pandemic meant that new hygiene and safety protocols had to be implemented to protect customers and frontline workers. There are also new restrictions on resident's activities. • There has been a dramatic shift in the way the public transport and road networks are being used due to an increase in the number of people working from home, in online shopping and a reluctance to use shared transportation services.
TECHNOLOGICAL	LEGAL	ENVIRONMENTAL
• The covid-19 pandemic has potentially put a question-mark against the viability of 'robo-taxi' services (a fleet of shared automated vehicles) given the increased risk of contracting the virus and the change in social behaviour as a result of the virus. • There is a global transition to electric and hybrid vehicles from traditional petrol and diesel vehicles underway. • There are a number of trials underway in various parts of the world in transport-related technological innovations, including: - vehicles that 'talk' to each other, to roadside infrastructure and drive themselves - eVTOL passenger drones i.e. a 'flying car' - package delivery using drones by logistics and e-commerce companies - 3D printing of pedestrian bridges.	• There have recently been a number of high-profile integrity breaches in organisations across Australia, which led to the implementation of an Integrity Strategy for Western Australian Public Authorities by the Public Sector Commission.	• The state government has implemented a waste strategy, which is changing how materials are used in the community, economy and industry. • The state government has committed to net zero emissions by 2050, which is in line with increasing expectations by the community and the global economy to contribute to climate change mitigation.

Note. Source: (Main Roads, 2020a, 2020b)

Appendix B – Summarised SWOT analysis

STRENGTHS	WEAKNESSES
• The agency won the Best Practice in Corporate Social Values award at the 2019 IPAA Achievement Awards for its focus and dedication to Aboriginal engagement and participation on its Kimberley regional projects. • Customer satisfaction with the agency, road safety and cycleways and pedestrians is over 90%. • The agency was able to continue implementing projects during the pandemic, and able to achieve several major milestones. • The agency is committed to protecting and enhancing the natural environmental and social values in all its activities, with a 90% community satisfaction rate for the former and an 89% satisfaction rate for the latter. • At the Australasian Reporting Awards, the agency received a Gold Excellence Award and a Bronze Award for Sustainability. The agency was also a finalist in both Online Reporting and Work, Health and Safety Reporting. Main Roads has been able to fast-track the tendering process of 11 major road projects worth $2.37 billion. • The agency prides itself on being able to overcome challenges and identifying new opportunities by being agile and innovative. • There is widespread collaboration from employees and contractors when dealing with the private and public sectors, the community, industry partners and internally.	• Working in the construction industry and/or near the road transport network carries some element of risk. Whilst the agency was fortunate to experience no deaths over the past financial year, this has not always been the case. • AThe number of contracts completed on time over the past financial year was poor. • The average cost of network management over the past financial year was higher than expected. • A series of recent workplace incidents highlighted issues with the agency's operational health and safety management system. • The covid-19 pandemic and a recent survey helped identify the need for a mental health program in the agency. • Regional recruitment is still a challenge and requires a rethink of current recruitment strategies.
OPPORTUNITIES	**THREATS**
• The entire Transport portfolio is playing a key role in the state's COVID-19 economic recovery strategy, with an unprecedented level of investment in road and rail construction projects. • The agency is committed to increasing the involvement of Aboriginal peoples in its projects and embracing their unique culture and traditions. The state government has approved new measures to streamline the awarding of smaller road construction projects up to a value of $20 million. • A new Construction Panel is enabling the expedisation of road projects with a combined value of over $140 million by assisting contractors to plan and program works. • Upgrades to the agency's asset management practices as part of a general digital transformation are enabling the agency to formulate and optimise targeted maintenance works programs. • Successful negotiations between the state and federal governments have secured an additional $223 million for projects that can immediately commence. • Transport continues to be a major focus of the state government, with $8 billion of funding allocated to transport projects over the next four years.	• There have recently been a number of high-profile integrity breaches in organisations across Australia, which led to the implementation of an Integrity Strategy for Western Australian Public Authorities by the Public Sector Commission. • The expansion of Western Australian cities is leading to decreased sustainability and safety due to urban sprawl and population growth, a decrease in human health due to higher air pollution and potential loss of indigenous heritage. • The impact of climate change on infrastructure and human health is increasing. For example, there are periods in which it is too hot for work to proceed on projects, and much of the current infrastructure was not designed to deal with the stresses of today's climate. • The covid-19 pandemic continues to present a significant challenge across the agency in being able to deliver its objectives. • Resources were pulled out of the agency in order to establish the new Office of Major Transport Infrastructure Delivery (OMTID).

Note. Source: (Main Roads, 2020a, 2020b)

Appendix C – Corporate Balanced Scorecard KPI definitions

PERSPECTIVE	KEY PERFORMANCE INDICATOR	DEFINITION/EXPLANATION
STAKEHOLDER	Level of community satisfaction with the agency	The level of community satisfaction with Main Roads overall performance, as measured by the annual Community Perceptions Survey and defined as the total proportion of okay, good and excellent ratings.
	Level of community satisfaction with the agency's sustainability practices	The level of community satisfaction with Main Roads performance with respect to sustainability practices, as measured by the annual Community Perceptions Survey and defined as the total proportion of okay, good and excellent ratings.
	Level of community satisfaction with the agency's environmental impact management	The level of community satisfaction with Main Roads performance with respect to environmental impact management, as measured by the annual Community Perceptions Survey and defined as the total proportion of okay, good and excellent ratings.
	Rate of increase in community subscription to project updates	The rate of increase in the number of customer subscriptions to project updates.
	Level of community satisfaction with cycleways and predestrian facilities	The level of community satisfaction with Main Roads performance with respect to cycleways and pedestrian facilities, as measured by the annual Community Perceptions Survey and defined as the total proportion of okay, good and excellent ratings.
	Level of community satisfaction with the agency's road safety projects and programs	The level of community satisfaction with Main Roads performance with respect to road safety, as measured by the annual Community Perceptions Survey and defined as the total proportion of okay, good and excellent ratings.
	Black Spot locations index	An indicator of the number of locations on the road network that are classified as high risk based on an analysis of crash history.
	Level of community satisfaction with road maintainance	The level of community satisfaction with Main Roads performance with respect to road maintenance, as measured by the annual Community Perceptions Survey and defined as the total proportion of okay, good and excellent ratings.
	Percentage of travel undertaken on bridges meeting technical criteria	The percentage of travel undertaken on bridges meeting strength and width investigatory criteria.
	Percentage of travel undertaken on roads meeting technical criteria	The percentage of travel undertaken on roads meeting known criteria for seal width, carriageway width and curve rating.
	Level of road network availability	The percentage of calendar days that the whole network is available to the user. Closure is determined by measuring the number of whole days (24 hours commencing from the time the road is closed) that any section of the sealed road network is closed.
	Proportion of the road network permitted for use by heavy freight vehicles	The proportion of state roads B doubles, and double and triple road trains are permitted to access.
	Smooth travel exposure index	The proportion of travel undertaken on the road network meeting specific roughness criteria.
RESOURCES	Total cost of services (expense limit)	In ($'000). Total of all administered and departmental expenditure required to deliver on agency reponsibilies. As determined by the Minister for Transport and the Treasurer in the annual Resource Agreement.
	Net cost of services	In ($'000). Total cost of services less any income other than that received from the state government.
	Total equity	In ($'000). Net assets.
	Approved salary expense level	In ($'000). As determined by the Minister for Transport and the Treasurer in the annual Resource Agreement.
	Agreed borrowing limit	In ($'000). As determined by the Minister for Transport and the Treasurer in the annual Resource Agreement. Only applicable if the agency has borrowed funds during the relevant reporting period.
	Agreed working cash limit	In ($'000). As determined by the Minister for Transport and the Treasurer in the annual Resource Agreement.
	Average return on construction expenditure	Average future community ROI from new road and bridge construction expenditure. Calculated using a Benefit Cost Ratio estimates from a set of projects undertaken each financial year.
INTERNAL PROCESSES	Percentage of contracts completed on time	The proportion of all contracts completed as per the agreed project plan schedule. A result close to the target indicates internal processes and procedures are appropriate, working well and deployed. A result below the target indicates some investigation is necessary to determine the presence of any systemic issues.
	Percentage of contracts completed on budget	The proportion of all contracts completed as per the budget set out in the project plan.
	Customer information centre enquiry resolution rate	The proportion of customer enquiries resolved at first point of contact with the customer information centre.
	Lost-time injury and disease frequency rate	The rate at which lost-time injury and disease claims were lodged during the month where one day or shift or more was lost from work.
	Lost-time injury and disease severity rate	A measure of incident or accident prevention and the effectivness of internal injury management processes.
	Serious incident reporting rate	The proportion of serious incidents entered into EQSafe within 24 hours.
	Incident investigation completion rate	The proportion of incident investigations closed within 28 days.
	Average cost of network management	Indicates the financial efficiency of the Road System Management program in terms of the cost per million vehicle kilometres travelled to manage the road system.
	Preventative maintenance indicator	This indicator measures the proportion of sealed state road network that has a surfacing age younger than its optimal target age. It indicates the level of proactive maintenance undertaken on the network on an annual basis, where sections of the network with a surfacing age younger than the target age are classified as 'Good'.
	Scope 1 and 2 activity emission levels	The level of emissions from Scope 1 and 2 activities in tonnes of carbon dioxide.
LEARNING & GROWTH	Proportion of women in leadership positions	The proportion of women in leadership positions at level 6 and above.
	Career conversation completion rate	.
	Agency engagement index score	How engaged employees are with the agency, as indicated by the annual state government 'State of the Service' census.
	Agency innovation index score	The level of innovation in the agency, as indicated by the annual state government 'State of the Service' census.
	Proportion of female employees	.
	Regional workforce indicator	The proportion of the workforce based in regional areas.
	Proportion of employees from a culturally diverse background	The percentage of employees indicating they identify as an Aboriginal or Torres Strait Islander, or are from a culturally-diverse background.
	Mental first aid workplace ranking	The agency's ranking as per the Mental Health First Aid Skilled Workplace program.
	Employee fatalities	The number of employee fatalities during the reporting period.
	Return of injured workers rate	The proportion of employees returning to work within 13 weeks.

Note. Source: (Main Roads, 2020a)