



NHVR
National Heavy Vehicle Regulator

Annual Report **2012-13**



Version 1.0

© National Heavy Vehicle Regulator 2013



<http://creativecommons.org/licenses/by-sa/3.0/au>

This work is licensed under a Creative Commons Attribution-ShareAlike 3.0 Australia Licence. To attribute this material, cite National Heavy Vehicle Regulator, Annual Report 2012-13

Contents

1.0	Australia's heavy vehicle industry	4
2.0	Open for business, delivered for business	6
3.0	Welcome	8
4.0	Letter of transmission	10
4.0	Who we are	11
5.0	About this report	14
6.0	Performance Based Standards Scheme	16
7.0	National Heavy Vehicle Accreditation Scheme	22
8.0	Customer service	26
9.0	Preparations for commencement	30
10.0	Stakeholder engagement	34
11.0	On the horizon	40
12.0	Legal requirements	44
	Appendix A - The work of the Board	46
	Appendix B - Financial statements	51
	Appendix C - Common terms	81

1.0 Australia's heavy vehicle industry

\$18b added to the Australian economy in the 2012 financial year by specialised road transport businesses (Australian Bureau of Statistics 2012, Australian Industry 2010-2011)



180,000 people employed Australia-wide by 50,000 specialised road freight businesses (IBISWorld, Road Freight Transport In Australia, August 2012)

70% of Australia's domestic freight is transported by road (Australian Trucking Association, A future strategy for road supply and charging in Australia, March 2013)

194,033 million tonne-kilometres (tonnes moved multiplied by distance) travelled by freight vehicles in 2012, resulting in 26.0% of the total kilometres travelled by all motor vehicles (Australian Bureau of Statistics 2012, Motor Vehicle Census, Australia, 31 January 2012)

53% increase in registration of articulated trucks over 100 tonnes CCM between 2008 and 2013 (Australian Bureau of Statistics 2012, Motor Vehicle Census, Australia, 31 January 2012)



0.5m

Half a million registered heavy vehicles
(Australian Bureau of Statistics 2012 Motor Vehicle
Census, Australia, 31 January 2012)

One

National Heavy Vehicle Regulator
opened for business 21 January 2013

“Setting up the NHVR is a massive and complex task. It’s inevitable that there will be wrinkles and even some serious problems, such as the delays in issuing NHVAS Stickers in early 2013.

The key however has been the NHVR’s commitment to working closely with SARTA and others to identify and resolve such issues quickly.

We look forward to this close co-operation and our direct input continuing because it is helping to ensure that the industry and the community derive the full benefit from the red-tape Holy Grail – nationally uniform laws implemented uniformly.”

Steve Shearer

Executive Director,
South Australian Road Transport Association.

2.0 Open for business

The National Heavy Vehicle Regulator opened for business with industry on 21 January 2013, managing NHVAS and the PBS Scheme.



7,500

NHVAS applications processed in the first 5 months

61,000

hits to the NHVR website in the first 5 months

66%

of NHVAS applications were lodged online or via email

95%

of phone calls to our national call centre answered in 20 seconds.

Over 9,500

phone calls received by our national call centre.



Delivered for business

The National Heavy Vehicle Regulator delivered better performance for business from 21 January 2013.

NHVR managed 44%

more PBS applications in its 1st quarter than the NTC's last 2 quarters

NHVR approved 23%

more PBS applications in its first 6 months of operation compared to applications received in the last 6 months of administration by the NTC

72%

of NHVAS applications were approved within 14 calendar days of lodgement.

35%

improvement in turn-around times for NHVAS approvals between February and June 2013.

3.0 Welcome to

The National Heavy Vehicle Regulator first Annual Report

We are pleased to release our first Annual Report for the National Heavy Vehicle Regulator (NHVR).

Australia-wide, our nation relies on heavy vehicles to provide our community with access to essential goods and services, to jobs, friends and families.

Our vast geography and the nature of our major industries mean that Australia makes much greater use of road freight than many other advanced economies. In our major cities, and across and between our major regions, heavy vehicles play a vital role in moving freight and public transport services.

The creation of a uniform set of national heavy vehicle laws and regulations and a single national regulator to administer those laws and regulations will generate improvements in the productivity, efficiency and safety of this vital part of the Australian economy.

This report details the NHVRs' operations and performance from 12 October 2012 to 30 June 2013 and is intended to provide interested people information about our activities, achievements and future direction in matters that directly affect the heavy vehicle industry of Australia.

Underpinning this period was the organisational transformation from multi-operations separated both geographically and legislatively, to an amalgamated unit in one location, the introduction of new core systems including a central call centre, and the creation of management teams for both the National Heavy Vehicle Accreditation Scheme (NHVAS), the Performance-Based Standards (PBS) Scheme design and call centre.

The NHVR is progressively establishing itself, in line with the Intergovernmental Agreement on Heavy Vehicle Regulatory Reform (IGA) and greater detail is provided later in the report. In our establishment year there has been material improvement in the delivery of the regulatory reform, improved efficiencies in the delivery of the NHVAS accreditations and applications under PBS, improvements in industry information provision and the NHVR has become the focal point for most matters previously managed by the state and territory road transport.

On 21 January 2013 the NHVR opened for the initial stage of our business. Our customers have experienced the benefits of consistency, standardisation, and efficiency through operational initiatives and reform.

The NHVR Board and NHVR organisation continues to appreciate the significance of effective consultation and engagement, as essential for our success. The first 8 months, since establishment have seen strengthening of our existing networks of stakeholders to ensure there is a range of advice, research and information that will assist the work of the NHVR as an organisation. Seeking feedback on a regular basis will be a key feature of our operations.

We thank Responsible Ministers, officials from states and territories and industry representatives who have maintained their support during the NHVR's establishment period. We acknowledge the NHVR staff and project team who enabled the complex move from idea to implementation.

At the time of writing, we await the Heavy Vehicle National Law (HVNL) taking effect beyond the initial establishment in Queensland. A new Commonwealth Minister responsible for transport will join with the other Responsible Ministers to whom we are accountable. We feel fortunate to be part of an organisation as it creates momentous milestones for the road transport sector in Australia.

We look forward to next year's Annual Report reflecting on these significant events.

I hope you enjoy reading this report and discovering how the NHVR works to encourage and promote a safe, productive and efficient industry.



A handwritten signature in blue ink, appearing to read 'Bruce Baird'.

The Hon. Bruce
Baird AM
(Chair)



A handwritten signature in blue ink, appearing to read 'Richard Hancock'.

Richard Hancock
(CEO)

“As an operator within the transport community for almost 35 years and an industry representative of Livestock and Rural Transport associations for much of that time I feel it is important to acknowledge that the NHVR concept is something industry has been waiting for, for almost 25 years.

The Livestock and Rural Transporters Associations both at a Queensland and National level are very keen to see this organisation up and running and workable into the future. We applaud Richard and his team for the inclusion of “Grass Roots” industry representation within the consultation process and look forward to being involved well into the future.”

Liz Schmidt

President,

Australian Livestock and Rural Transporters Association.



30 September 2013

The Hon Warren Truss MP
Deputy Prime Minister and Minister for Infrastructure and Regional Development
Parliament House
CANBERRA ACT 2600

Dear Deputy Prime Minister

On behalf of the National Heavy Vehicle Regulator (NHVR), I present the Annual Report for the reporting period 12 October 2012 to 30 June 2013.

The report provides a detailed description of NHVR's operations during its establishment year including financial statements and the Queensland Auditor-General's report on those financial statements. The report has been prepared in accordance with the Heavy Vehicle National Law Act 2012 (Qld).

The report is made in accordance with a resolution of the Board which is responsible, under Chapter 12.3 Division 2 Section 693 Annual Report of the Heavy Vehicle National Law Act 2012 (Qld) for the Report's preparation and content.

As referenced in Chapter 12.3 Division 2 Section 693 the NHVR will publish a copy of the Annual Report on the NHVR Website once the report has been tabled by a responsible Minister in at least one House of Parliament.

Please note that I have sent a Letter of Transmission to all responsible Ministers.

Yours sincerely



The Hon Bruce Baird AM
Chair of the Board

Who we are

The National Heavy Vehicle Regulator is Australia's national, independent regulator for all vehicles over 4.5 tonnes gross vehicle mass.

The National Heavy Vehicle Regulator (NHVR) is Australia's dedicated specialist national heavy vehicle regulator, charged with managing the heavy vehicle regulatory regime and delivering its full benefits to the Australian community and economy.

Australia is recognised for its highly sophisticated regulatory regime for heavy vehicles. Australia's heavy vehicle laws have evolved to apply a systemic Chain of Responsibility (CoR) across the market for transport services, while maintaining a traditional focus upon vehicles, drivers and registered operators. These laws will enable the safe use of highly productive and innovative heavy vehicles.

In August 2011, the states, territories and the Australian Government agreed through the Intergovernmental Agreement on Heavy Vehicle Regulatory Reform (IGA) to establish the NHVR. The NHVR was created to administer one set of rules for all heavy vehicles under the Heavy Vehicle National Law Act 2012 (Qld). For the first time there is now a national regulator dedicated to the interests of the heavy vehicle industry along with those of the stakeholders.

Some of the key functions of the NHVR, as detailed in the Heavy Vehicle National Law (HVNL) are as follows:

- a) To provide administrative services for the operation of this Law.
- b) To monitor compliance, investigate possible contraventions and conduct proceedings in relation to contraventions of the HVNL.
- c) To implement and manage heavy vehicle accreditations.
- d) To monitor and review, and report to the responsible Ministers on, the operation of this Law.
- e) To identify and promote best practice methods for managing risks to public safety arising from the use of heavy vehicles on roads and for the efficient road transport of goods or passengers by heavy vehicles.
- f) To work collaboratively with road managers, the National Transport Commission, industry bodies and other law enforcement agencies.

The NHVR recognises the importance of effective and regular consultation and strong partnerships in defining and achieving its detailed objectives in these areas. Consultation will be a core element of NHVR operations.

How we exist

Through the agreement of all levels of participating governments, the NHVR has been formed as a statutory body corporate with perpetual succession. It is not a government corporation nor a departmental body and there are no shareholders. The NHVR was formally established on 12 October 2012. On 21 January 2013, the NHVR commenced managing the National Heavy Vehicle Accreditation Scheme (NHVAS) and the Performance Based Standards (PBS) Scheme for design and vehicle approvals in participating jurisdictions. The NHVR will be managing its full suite of responsibilities once the HVNL is in place in all participating jurisdictions.

In November 2012 Ministers approved the financial arrangements and the commencement of operations from 21 January 2013 and the passage of the HVNL by participating jurisdictions late in 2013. This set the scene for the staged establishment of the NHVR. In May 2013 ministers approved an initial budget for the NHVR covering the 2013-14 financial year, which supported the next establishment stage of the NHVR's initial statutory operations around road network, the continuation of accreditation and PBS activities, access management and compliance and enforcement activities through Service Agreements with state and territory agencies. The NHVR Board is planning for further establishment stages that will include operational capabilities meeting other functions and responsibilities under the HVNL.

The financial arrangements have been supported by the Commonwealth, states and territories providing funding contributions for the project establishment stage and loans from states and territories, excluding Western Australia, for the commencement of operations from 21 January 2013 and enhanced operations following the passage of the HVNL by participating jurisdictions late in 2013. The loans and the full cost of NHVR operations are to be recovered from industry from 1 July 2014 through the heavy vehicle charges and fees for regulatory services.

Covernance

The NHVR has a CEO who reports to a Board which in turn is subject to any directions of the responsible Commonwealth, state and territory ministers under the HVNL. A member of the Board holds office for the period, not more than 3 years. The current board was appointed to serve a period from 12 October 2012 to 11 October 2015.

Our board



The Hon. Bruce Baird AM | Chair

Bruce Baird brings extensive knowledge of the transport industry and high-level leadership qualities to his role as Chair of the NHVR Board. He is also Chairman of the Tourism and Transport Forum, a peak industry advocacy group, which gives him access to the Australia's major transport ministers and influences. Bruce has a long and distinguished political career at both state and federal levels and has held senior roles within large corporations and government organisations. He is a former New South Wales Minister for Tourism and Roads (1993-95) and Minister for Transport (1988-95) with first-hand experience implementing significant transport reform.



Coral Taylor

Coral Taylor has more than 25 years' experience in the motorsport industry and was responsible for managing Toyota Australia's Rally Program for 18 years. Currently responsible for managing the Neal Bates Motorsport Rally Team, Coral holds a heavy vehicle driver licence and is a passionate motoring enthusiast with a strong interest in road safety. Coral is also a non-executive Director of NRMA Motoring and Services, Chair of the NRMA Policy and Advocacy Committee, and a member of the Governance, Compensation and Nomination Committee.



Peter Carske

Peter Carske is CEO of the Queensland Trucking Association, providing effective communications with all levels of government, as well as education and leadership to the heavy vehicle industry itself in the process of industry reform. He is a Director of the Queensland Transport and Logistics Council, a member of the Queensland Workplace Health and Safety Board, Chair of the Queensland Department of Transport and Main Roads' Heavy Vehicle Safety Forum and member of that department's Road Freight Industry Council.



Robin Stewart-Crompton

Robin Stewart-Crompton is the Director of RSC Advising Pty Ltd and is a consultant in the fields of public administration, occupational health and safety (OHS), workers' compensation and industrial relations. Robin was formerly a member and CEO of the National OHS Commission, a member of the Commonwealth Safety Rehabilitation and Compensation Commission and a senior commonwealth public servant.

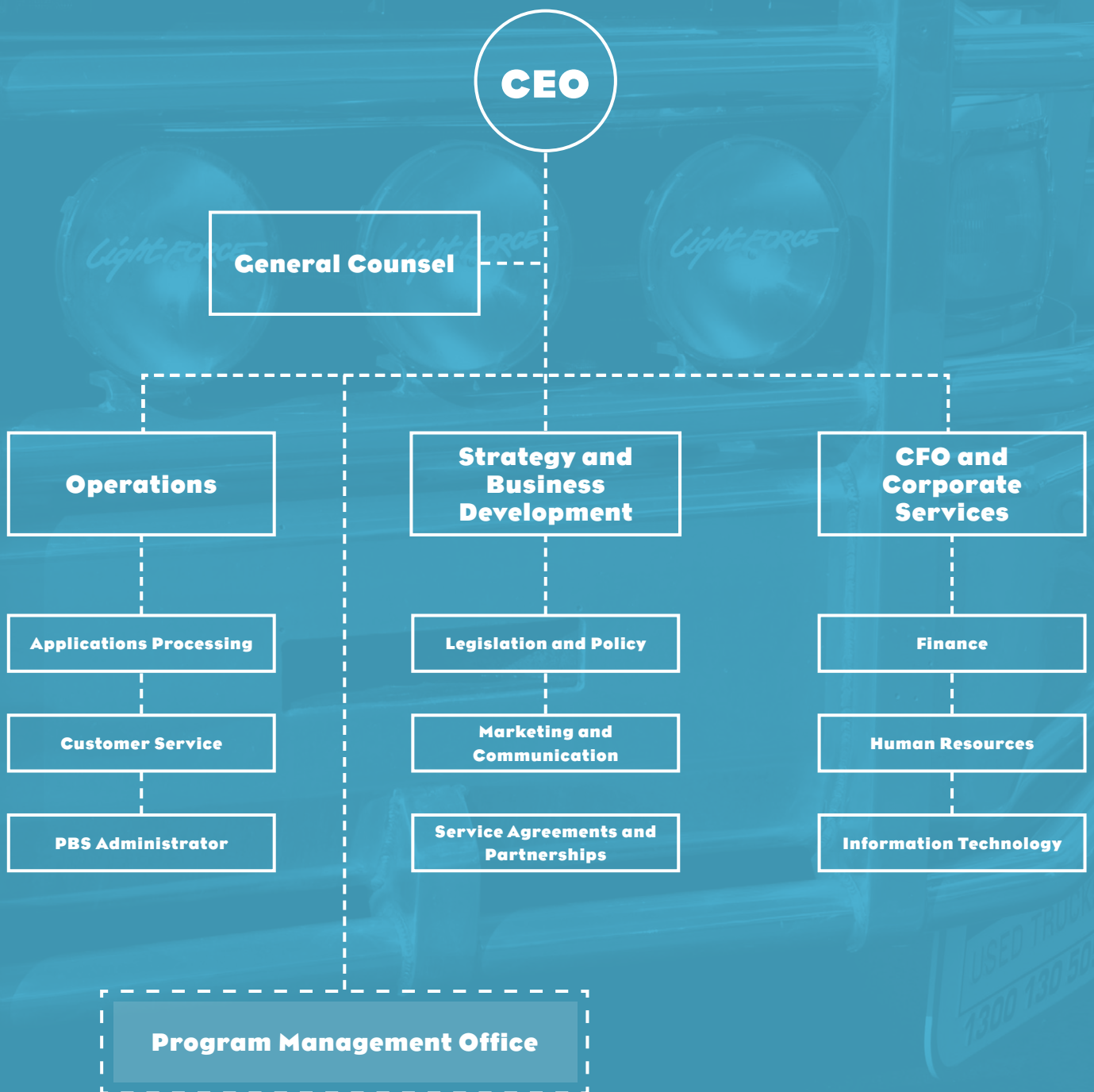


Vincent Tremaine

Vincent Tremaine is CEO of private company Flinders Port Holdings Pty Ltd. In this role he is responsible for Flinders Ports, Flinders Logistics, Flinders Adelaide Container Terminal and HydroSurvey Australia. He is Chairman of Business SA and Vice President of Ports Australia.

A Certified Practising Accountant, Vincent held previous roles in finance, accounting, sales and marketing across the manufacturing, printing, publishing and advertising industries before entering the infrastructure and transport sector.

Our organisation



About this report

Our establishment year

This report provides an overview of the performance of the National Heavy Vehicle Regulator (NHVR) from its establishment on 12 October 2012 through to 30 June 2013.

In July 2013 the NHVR published its inaugural Corporate Plan 2014-2016 which covers the 3-year period from 1 July 2013 to 30 June 2016. The Corporate Plan is guided by the HVNL and contains the objectives, deliverables and strategies which guide the NHVR in the provision of better outcomes across safety, productivity and compliance burden reduction for the heavy vehicle industry and Australia. Also contained in the Corporate Plan are National Performance Measures that enable industry and the community to assess how well the NHVR is performing in delivering on those outcomes.

Given that this annual report covers the period prior to that encapsulated by the Corporate Plan it will describe most of the NHVR's performance in terms of the challenges, successes and operations experienced in meeting the key requirements of the Council of Australian Governments Intergovernmental Agreement on Heavy Vehicle Reform (IGA) and the HVNL.

The NHVR is accountable to its Board, Responsible Ministers in participating jurisdictions and ultimately the Australian people. Through this annual report, the NHVR aims to provide readers with a transparent account of its performance for 2012-13 and an outline of how it is preparing for the future. This report also contains financial statements for operations throughout the year.

The report was prepared in accordance with the HVNL and other relevant legislation.

The heavy vehicle regulatory reform journey

July 2009	July 2010	August 2011	August 2012	January 2013	February 2013	Later 2013/2014
COAC decision	NHVR Project Office established	Intergovernmental agreement on Heavy Vehicle Reform (ICA)	HVNL Bill passed in QLD, establishing the NHVR	NHVR open for business	HVNL Amendment Bill passed in QLD	HVNL commences nationally



6.0

Performance Based
Standards (PBS) Scheme



6.0 Performance Based Standards (PBS) Scheme

Improving Safety and Productivity

6.1 Productivity and Safety through innovative design

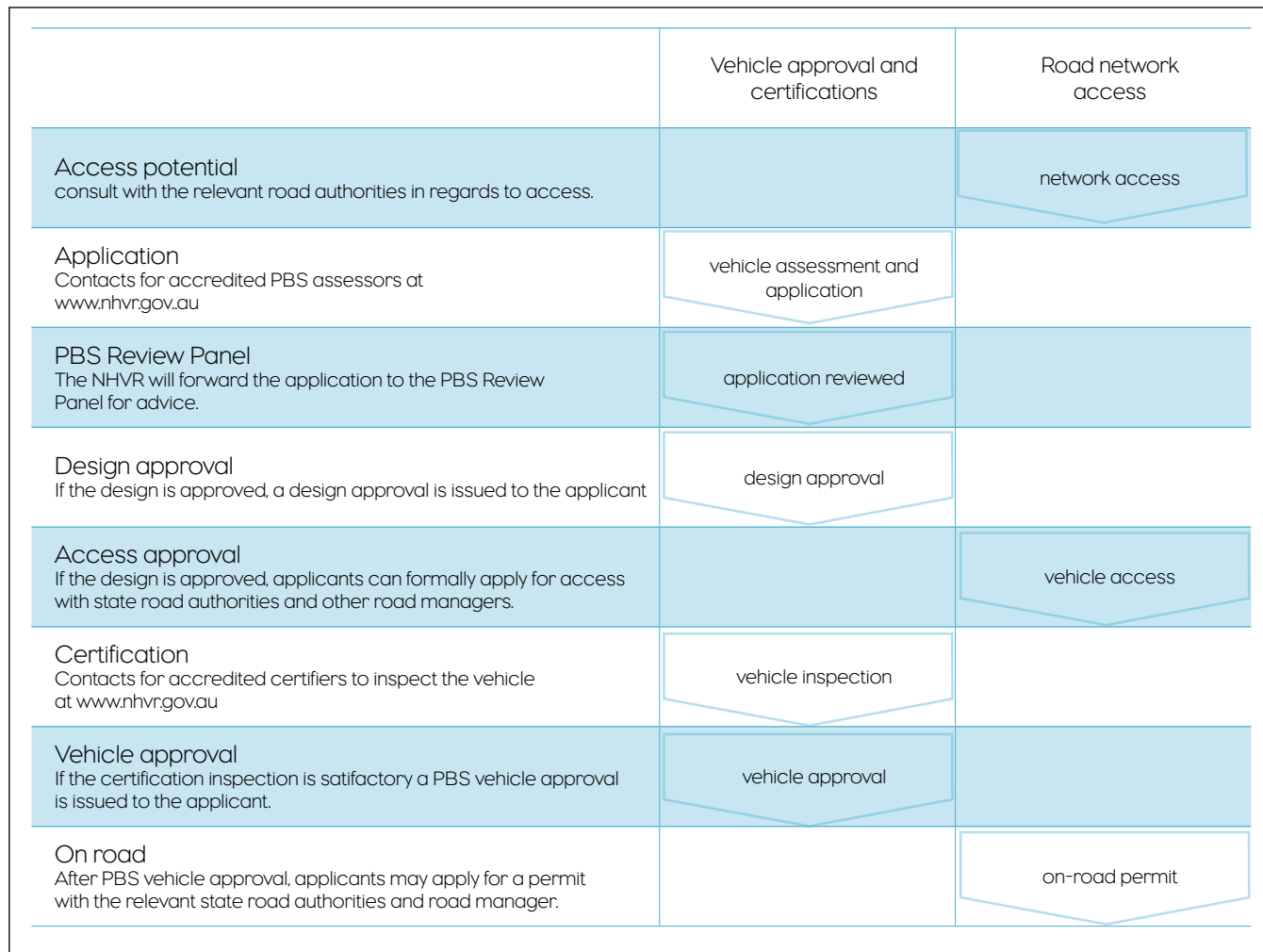
The Performance-Based Standards (PBS) Scheme is a key element of the Council of Australian Government’s (COAG) national reform agenda for transport. The scheme offers the heavy vehicle industry the opportunity to achieve higher productivity and safety through innovative heavy vehicle design, while still complying with the Heavy Vehicle National Law (HVNL).

PBS vehicles are designed to perform their tasks as productively, safely and as sustainably as possible, and to operate on networks that are appropriate for their level of performance. Refer to diagrams in section 8.4 for information on the productivity, economic, safety and environmental benefits of these new vehicles.

PBS vehicles fall into one of four levels, and have corresponding levels of road networks to which they have access. The basic tenet of PBS is matching the right vehicles to the right roads. Innovation is required to meet the challenge of the freight task and PBS promotes innovation.

Under the HVNL the National Heavy Vehicle Regulator (NHVR) assesses and approves PBS designs and vehicles on advice from the PBS Review Panel. The PBS approvals process is detailed in Figure 1.

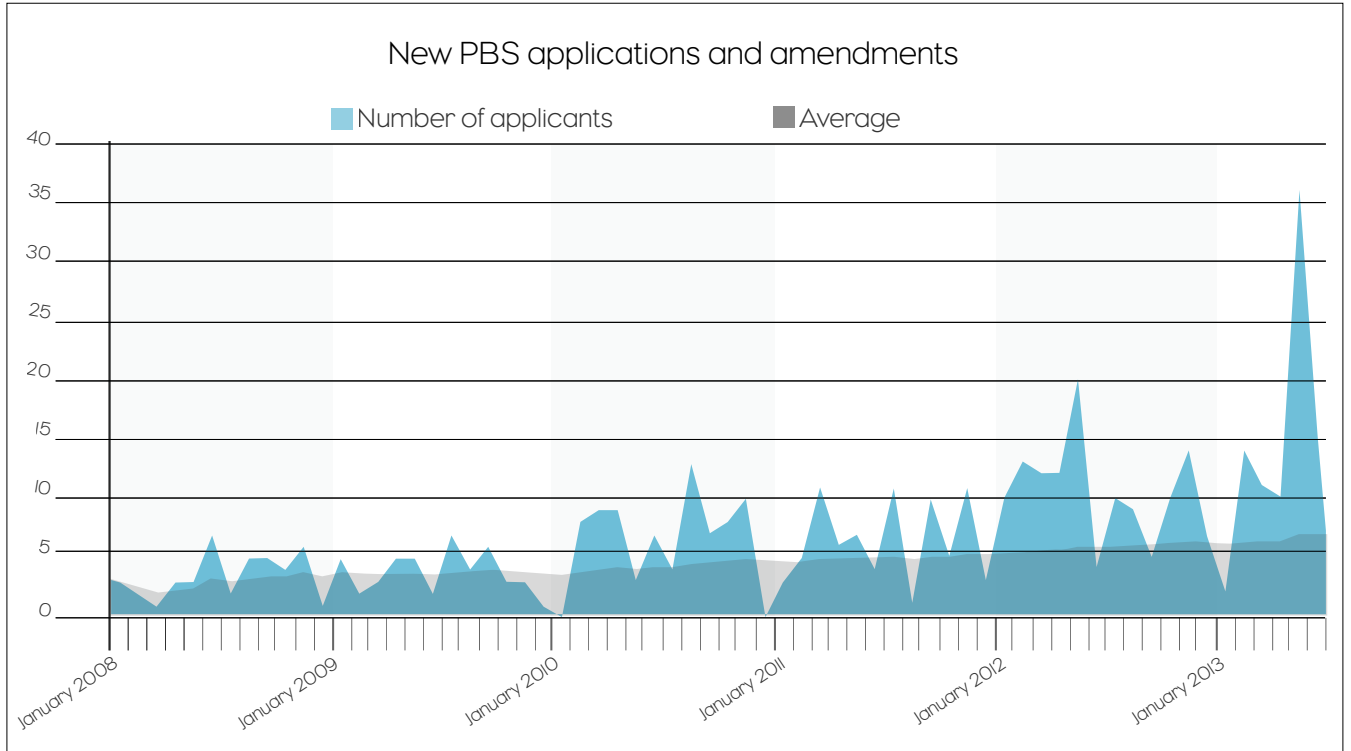
Figure 1 The PBS approvals process



↑ The scheme has been in operation since October 2007 and was previously administered by the National Transport Commission, and has been administered by the NHVR since 21 January 2013.

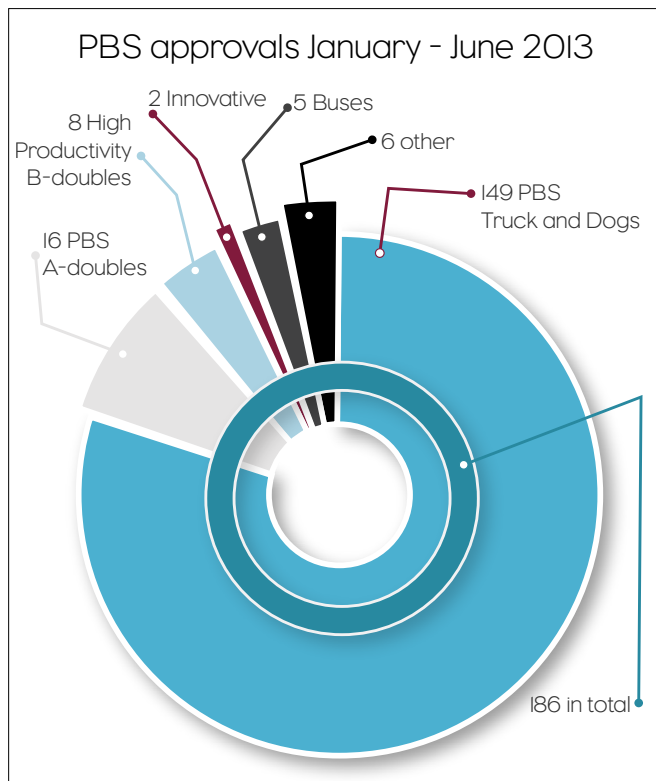
PBS applications have been steadily increasing since the inception of the scheme, with the pace of increase itself steadily growing, as shown in Figure 2 on the next page.

Figure 2 The PBS applications and trend growth



↑ PBS applications and approvals are not evenly distributed with "Truck and Dog" combinations dwarfing all other applications, as shown in figure 3 below.

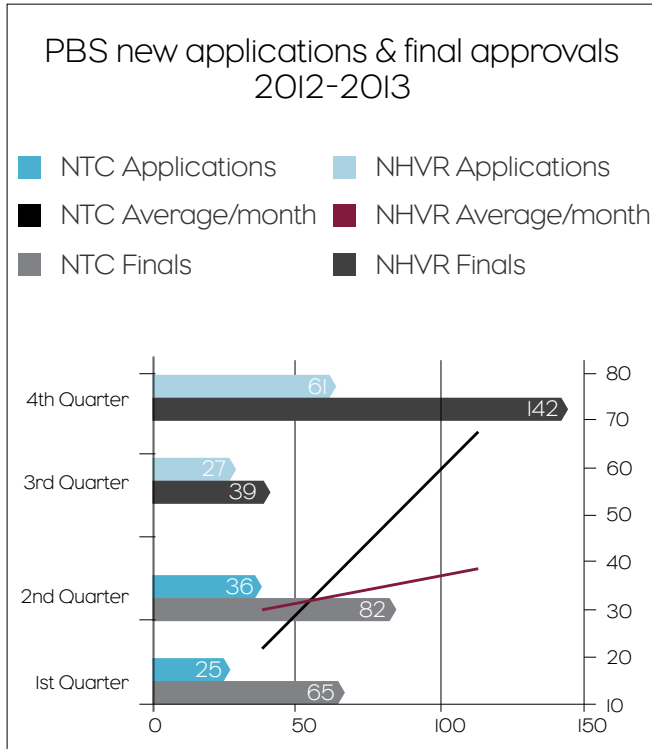
Figure 3 PBS approvals by type 21 January to 30 June 2013



◆ In the financial year 2012-13, 149 new applications were received from industry to the NHVR. Eighty-eight of those applications were received by the NHVR in its first two quarters of operation, 44% more than the preceding two quarters under the previous arrangements.

During this time the NHVR managed to finalise 181 applications. This was a 23% increase from the previous two quarters. Figure 4 below illustrates the trend for the number of PBS application per month for the NHVR and NTC operating periods. It is important to note that NHVR commenced operations on the 21st of January 2013.

Figure 4 PBS applications received and finalised by NTC and NHVR in 2012-13



6.2 Minimum Vehicle Performance Standards and Infrastructure Standards

PBS vehicles are tested against stringent safety standards and infrastructure standards to ensure they fit the existing road network and are safe. PBS vehicles often outperform equivalent vehicles performing the same freight task and have lower environmental and infrastructure impacts for the same freight movements than traditional vehicles:

LONGITUDINAL PERFORMANCE (Low Speed)

- including startability; gradeability; acceleration capability and tracking ability on a straight path.

DIRECTIONAL PERFORMANCE (Low Speed)

- including low speed swept path; frontal swing; tail swing; steer tyre friction demand; static rollover threshold; rearward amplification; high speed transient offtracking; and yaw damping coefficient: The rate of decay of the “sway” from the rearmost trailer after a single pulse steering movement.

INFRASTRUCTURE PROTECTION STANDARDS

- including pavement vertical loading; pavement horizontal loading; tyre contact area; and bridge loading.

6.3 Performance Based Standards

Once the HVNL is in place in participating jurisdictions, the following changes will occur to the PBS Scheme.

6.3.1 A one-stop-shop for PBS design and vehicle approvals and PBS route access approval

NHVR will become the single national point of contact for operators applying to the PBS Scheme. The Regulator will issue all design and vehicle approvals based on advice from the PBS Review Panel and will advise on and request road network access where necessary with the relevant road manager(s).

6.3.2 Streamlined access to PBS networks

Under the NHVR, PBS-approved vehicles will be allowed automatic access to their associated level of approved PBS networks where this has been designated by road managers. This means operators will not have to seek permits and separate access approval from every road owner on their desired route(s) of operation.

6.3.3 Modular assessment

Modular assessment of heavy vehicles will give operators more choice when purchasing pre-approved PBS equipment. It will allow industry to mix and match PBS vehicle components, making it easier for manufacturers to offer a more flexible combination. Operators will be able to use a range of prime movers and trailer combinations as long as they have been PBS approved to match the combination’s specifications.

6.3.3 Manufacturer’s self-certification

Manufacturers will be able to apply to become accredited to perform PBS certifications on their own vehicles. This will remove the requirement and cost for manufacturers to employ a third party to certify each vehicle.

6.4 Productivity, Economic, Safety and Environmental Benefits of PBS vehicles

PBS vehicles are designed to perform their tasks as productively, safely and as sustainably as possible. As can be seen from the three approved PBS vehicles provided as an example below, there are significant benefits to be realised through this scheme. Payload increases between 15% and 100%, operational savings between 15% and 37% and safety improvements, as measured by a reduction in crashes, of between 45% and 60%.

6.4.1 PBS 3-axle dog and 4-axle dog combination



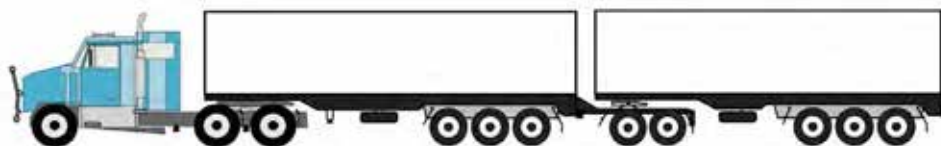
Payload (increased productivity)	15% ¹	↑
Operational savings (fewer vehicle/driver required)	16% ²	↑
Safety benefits(fewer crashes)	45% ³	↑
Reduced environmental impacts (saving in emission)	8% ⁴	↑
1: When compared to a 50t truck and dog combination. 3: Based on operator survey.		2: When compared to existing fleets. 4: Based on a given freight task.

6.4.2 PBS 3-axle dog and 6-axle dog combination



Payload (increased productivity)	39% ¹	↑
Operational savings (fewer vehicle/driver required)	35% ²	↑
Safety benefits(fewer crashes)	50% ³	↑
Reduced environmental impacts (saving in emission)	16% ⁴	↑
1: When compared to a 50t truck and dog combination. 3: Based on operator survey.		2: When compared to existing fleets. 4: Based on a given freight task.

6.4.3 PBS A-doubles



Payload (increased productivity)	100% ¹	↑
Operational savings (fewer vehicle/driver required)	37% ²	↑
Safety benefits(fewer crashes)	60% ³	↑
Reduced infrastructure impacts (saving in road wear)	21% ⁴	↑
Reduced environmental impacts (saving in emission)	38% ⁴	↑
1: When compared to a 50t truck and dog combination. 3: Based on operator survey. 5: Based on a given freight task		2: When compared to existing fleets. 4: Based on a given freight task.



7.0

National Heavy Vehicle
Accreditation Scheme
(NHVAS)



7.0 National Heavy Vehicle Accreditation Scheme (NHVAS)

Improving the compliance system for the heavy vehicle industry

7.1 Transitioning to the National Heavy Vehicle Regulator

On 21 January 2013, the National Heavy Vehicle Regulator (NHVR) became the single administrator and national point of contact for the National Heavy Vehicle Accreditation Scheme (NHVAS). All accreditation granted or renewed before 21 January 2013 was preserved until the expiry date on the existing accreditation certificate.

In the five months of NHVR operation of the NHVAS up to 30 June 2013, almost 7 500 applications were received from industry. During this time the NHVR operated under two approaches for the transition of the scheme from the jurisdictions. These were delegated and non-delegated.

The delegated approach allowed the HVNL to accept the application, payment, enquiries and assess the application to grant accreditation, i.e. full decision making. The participating jurisdictions were Queensland, Victoria, Northern Territory and Tasmania.

The non-delegated approach allowed the NHVR to accept the application, payment, enquiries and forward application for decision from the jurisdiction. The participating jurisdictions were New South Wales and South Australia. Applicants in the ACT applied via New South Wales.

Consultation forms the bedrock of how the NHVR responds to the needs of Australia's heavy vehicle industry. Some of the practical outcomes of that consultation can be seen in the improvements made to the National Heavy Vehicle Accreditation Scheme during our first year.

7.2 Improvements to the scheme

Operators can choose to participate in some or all of the scheme's three existing management modules:

- ◀ Mass Management
- ◀ Maintenance Management
- ◀ Fatigue Management (Advanced and Basic)

Benefits of participation for operators and drivers can include:

- ◀ Concessional mass limits
- ◀ Exemption from programmed vehicle inspections for annual registration
- ◀ More flexible work and rest hours for schedulers and drivers
- ◀ Fulfilling the prerequisite requirements for some permits and schemes.

Once the National Heavy Vehicle Law (NHVL) is in place in participating jurisdictions the NHVR will be able to respond better to the needs of industry through responsive management of all aspects of the scheme.

In preparation for full management responsibilities a number of improvements to the application process were made and took effect on or before 1 July 2013. These improvements were based on industry feedback and included:

- ◀ South Australian operators, who had been using a quote and pay system, were offered the ability to pay online once they had received a quote from the NHVR
- ◀ A simpler, improved, step-by-step process for online applications through the NHVR website (web wizard) that guided applicants to the right forms and prompted them for the right information.
- ◀ Improved form design
- ◀ Using statistical analysis to monitor, predict and respond to application trends, resulting in a 35% improvement in turn-around times in application decisions between February and June 2013.
- ◀ By the end of June 2013 72% of applications were approved within 14 calendar days and 81% were approved within 21 calendar days.
- ◀ Where relevant, operators were able to make their declaration on the application form itself, rather than having to fill out a separate Operator Declaration form.
- ◀ The ability for third-parties to make minor amendments to applications on an operator's behalf.

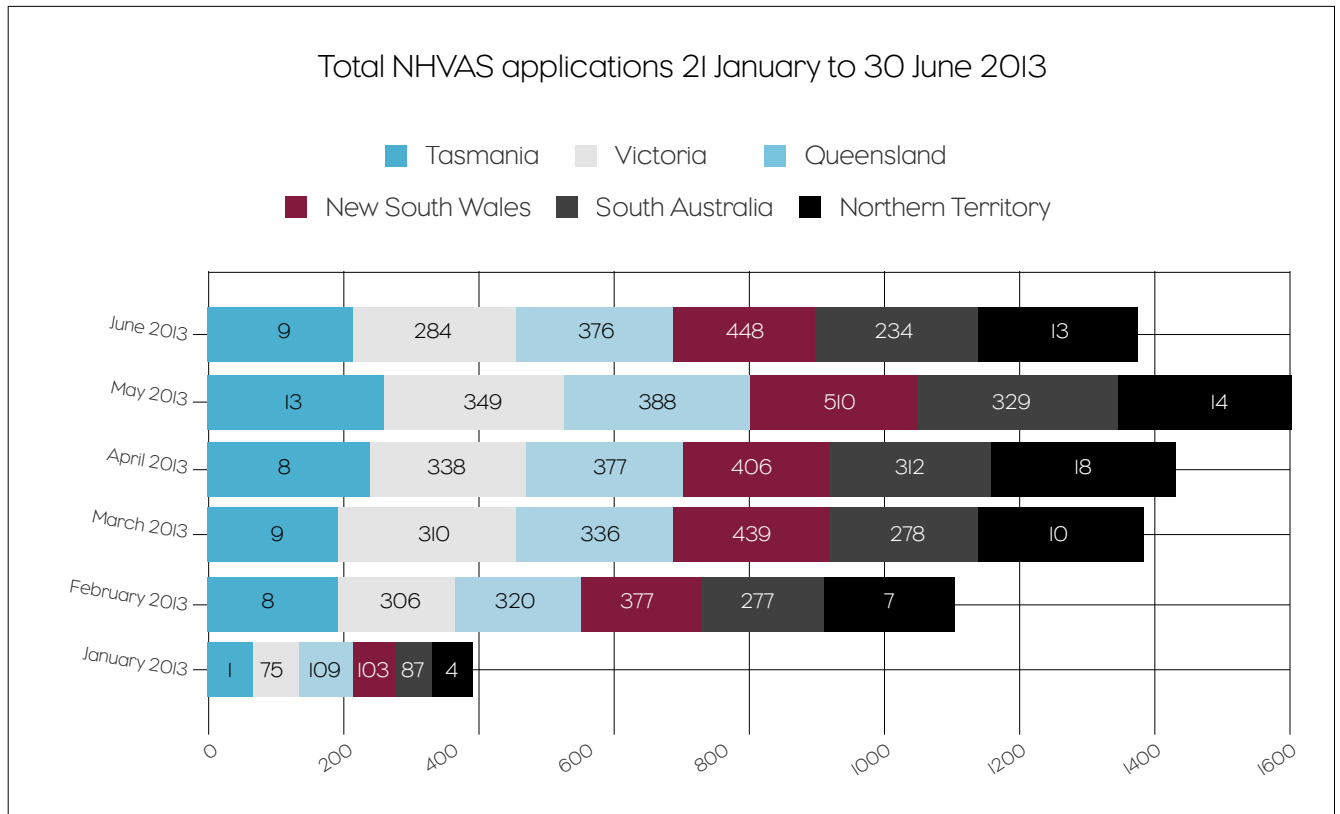
7.3 More applicants and faster approvals

The NHVR received 7482 applications from industry in the period 21 January to 30 June 2013, an average of over 320 per week. The largest type of service provision to industry was for amendments to current nominated vehicle and driver lists. The most popular lodgment method for industry was via email.

Over the five months since the NHVR opened for business the percentage of decisions made on applications within 14 calendar days of lodgment rose from 53% to 72%.

The NHVR's single point of contact was popular with industry. A surge in applications in February and continuing growth for the next 2 months impacted on application approval processing and assessment times. However by May more than half of all applications had approval within 14 calendar days and in June almost three-quarters of approvals were being made within that time. Figure 5 below shows applications by participating jurisdiction while Figure 6 displays NHVAS applications finalised within 14 calendar days from receipt.

Figure 5 NHVAS applications by jurisdiction - 21 January to 30 June 2013

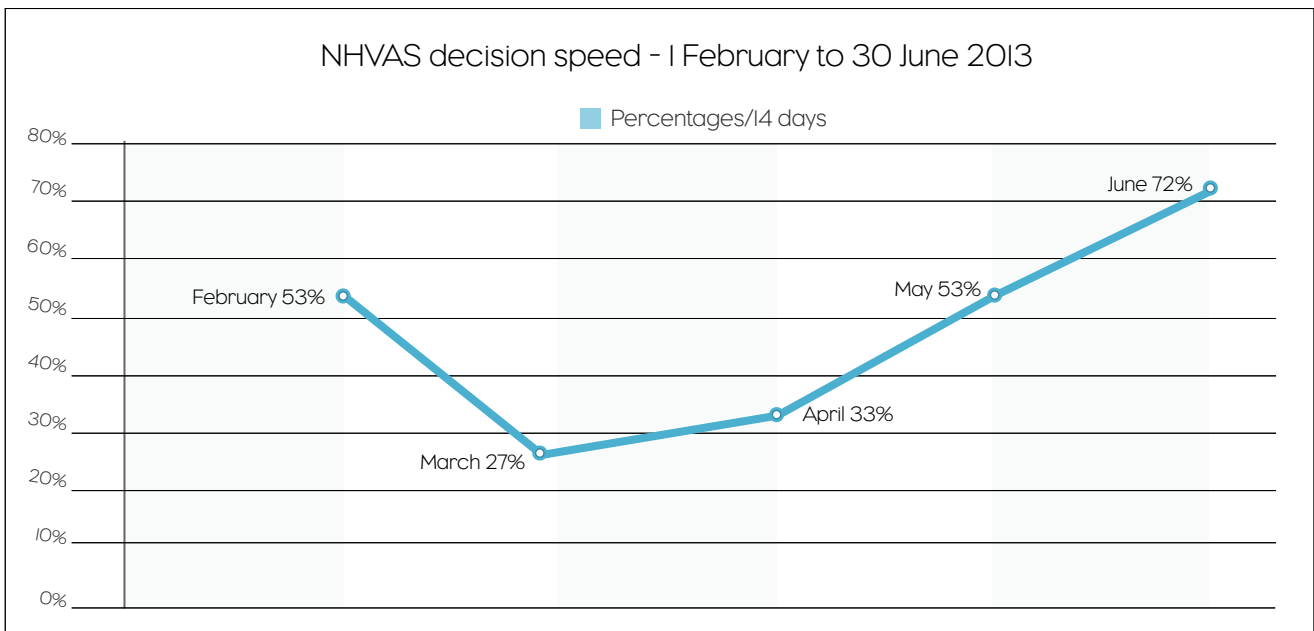


↑ Note to the table: ACT applicants applied via NSW

"A big thank you for the fast turnaround time from NHVR regarding our latest Mass Maintenance label request"

Christine Carter
Compliance Officer,
Buccini Transport Pty Ltd.

Figure 6 NHVAS decision speed - 21 January to 30 June 2013



↑ Note to the table: NHVAS data collection commenced 21 January 2013. January data sets have been excluded from this analysis due to their small number relative to the February to June data sets.

8.0

Customer service



8.0 Customer service

8.1 NHVR Call Centre

The National Heavy Vehicle Regulator (NHVR) call centre has performed a pivotal role in providing a seamless service transition during the establishment year. For heavy vehicle operators it has served as a conduit for the application process.

The call centre activity recorded below shows a large number of callers to the centre and on most occasions callers were responded to within a short time of 20 seconds. Handling times diminished by 16 seconds as call centre operators became more familiar with customers' needs and the product particulars.

This understanding of needs has led to a lower percentage of calls being referred on or escalated. These response outcomes demonstrate NHVR's aim to improve customer experience and provide a seamless national information portal.

Table 1 Call Centre Customer service activity 21 January to 30 June 2013

	January	February	March	April	May	June	Total/ Average
Total calls	877	1905	1893	1678	1779	1465	9597
Grade of service (% of calls answered in 20 seconds)	94%	96%	93%	96%	95%	95%	95%
Average handling time (Minutes : Seconds)	4m:36s	4m:20s	4m:08s	4m:08s	4m:12s	3m:52s	4m:11s
Calls transferred within NHVR	16%	29%	32%	36%	34%	31%	32%
Calls transferred to jurisdictions	3%	1%	2%	2%	2%	5%	3%

↑ Note to the table: Call centre data collection commenced on 21 January 2013 with the opening of the call centre

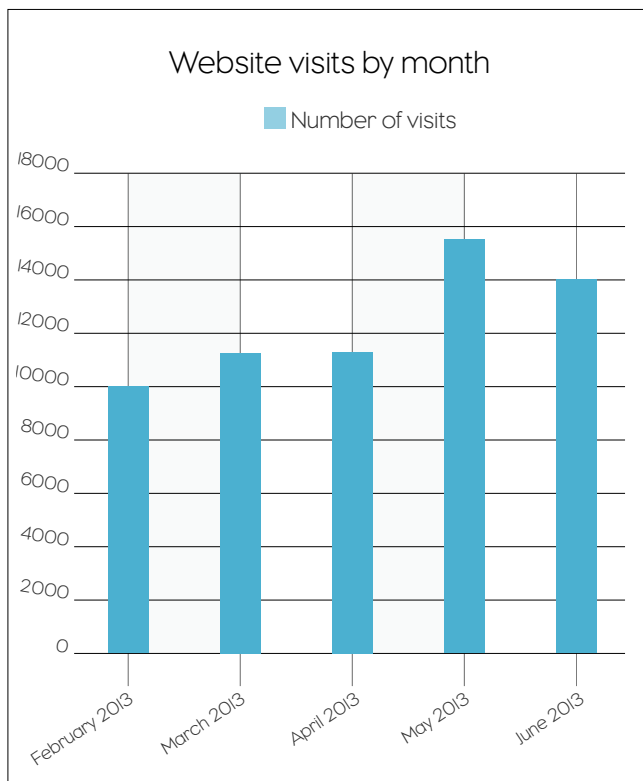
Calls transferred within NHVR includes transfers and escalations within the call centre and transfers to other NHVR officers.

8.2 www.nhvr.gov.au

A key instrument for announcing NHVR's presence and establishing connections with our stakeholders was the commencement of our online engagement. The web site provides quick links to the NHVR and services which streamline operations for heavy vehicle operators and drivers.

As evidenced in Figure 7 and Tables 2 and 3 the web site experienced strong growth in visits and return visits, particularly towards the end of the financial year. During the first five months the NHVR was open for business, dwell time on web pages increased and visits to particular areas of the site, NHVAS, Fatigue management, applications and payments continued to grow as customers became familiar with the site and engaged more with web information and service provision.

Figure 7 Visits to NHVR website 7 February to 30 June 2013



↑ Note to the table: Website data collection commenced on 7 February 2013. Figures for February are for 22 days only.

Table 2 Website visits 7 February to 30 June 2013

	February	March	April	May	June	Total/ Average
Total visits	9969	11134	11080	15441	14101	61725
Page views	47643	52167	51438	65313	63227	279788
Average handling time (Minutes : Seconds)	7m:53s	7m:26s	6m:39s	6m:10s	6m:29s	6m:50s
Average pages viewed per session	4.78	4.69	4.64	4.23	4.48	4.53

↑ Note to the table: Website data collection commenced on 7 February 2013. Figures for February are for 22 days only.

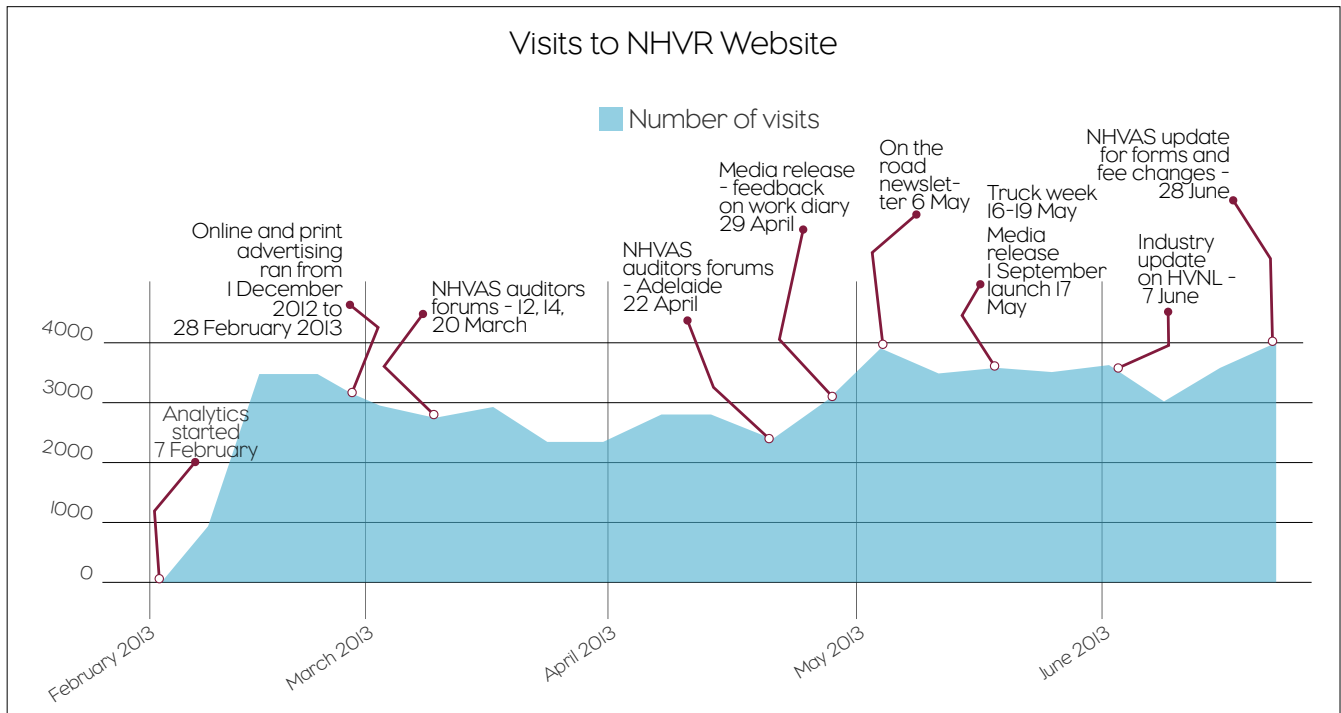
The NHVR's campaign of key event presence, media milestone announcements and online service provision has seen accompanying spikes in web attraction. The data in Table 3 and Figure B below, indicates interest peaks in NHVAS web information aligning with NHVAS auditors' forums.

Table 3 Website views most popular visits by topic 7 February to 30 June 2013

	February	March	April	May	June
Front page	1st 7692	1st 7978	1st 7584	1st 10792	1st 9820
Forms	2nd 3468	2nd 3524	2nd 2973	2nd 3604	2nd 3564
NHVAS landing page	3rd 2856	3rd 3039	3rd 2891	3rd 3172	3rd 2896
Fatigue management landing page	5th 1335	Not in the 'Top 7 for this month'	5th 1439	4th 1874	5th 1721
NHVAS online submissions	6th 1202	4th 1661	4th 1522	6th 1608	Not in the 'Top 7 for this month'
NHVAS online payment	Not in the 'Top 7 for this month'	5th 1503	6th 1418	Not in the 'Top 7 for this month'	Not in the 'Top 7 for this month'
Benefits of NHVAS	4th 1391	6th 1409	7th 1404	7th 1495	6th 1415
Contact us	7th 1080	7th 1384	Not in the 'Top 7 for this month'	Not in the 'Top 7 for this month'	7th 1292
Vacancies	Not in the 'Top 7 for this month'	Not in the 'Top 7 for this month'	Not in the 'Top 7 for this month'	5th 1765	4th 1837

↑ Note to the table: Website data collection commenced on 7 February 2013. Figures for February are for 22 days only.

Figure 8 Visits to NHVR Web after key actions 7 February to 30 June 2013



↑ Note to the table: Website data collection commenced on 7 February 2013. Figures for February are for 22 days only.

While interest in fatigue management appears in March, a spike occurred just after the Truck Show exhibit, media release, 'On the Road' newsletter and an industry HVNL update. Interestingly vacancies, benefits and contact information also experienced growth after these two events, indicating the NHVR's awareness may have been growing in parts of the wider heavy vehicle and governments sectors.

9.0

Preparations
for commencement



9.0 Preparations for commencement

The National Heavy Vehicle Regulator, the Commonwealth, states and territories working together to reduce duplication and inconsistencies across borders

Throughout 2012-13, the National Heavy Vehicle Regulator (NHVR) worked with participating jurisdictions to build a regulatory and operational framework that reduces duplication and inconsistencies across borders.

The NHVR Project Implementation Board (PIB), the High Level Reference Group (HLRG), the Project Management Group (PMG) and the five NHVR reference groups contributed to many of these.

The key ones included:

9.1 Harmonisation of on-road processes for compliance and enforcement

Development of harmonised national compliance and enforcement on-road guidelines including:

- ◀ Driver Fatigue - Work Diary Guideline
- ◀ Defective Heavy Vehicle Guideline
- ◀ Load Restraint Guideline
- ◀ Mass and Dimensions Guideline
- ◀ Restricted Access Vehicle Guideline
- ◀ National Heavy Vehicle Accreditation Scheme (NHVAS) Guideline

^ See sections 10.2.2 through to 10.2.5 for further explanation of these groups

The guidelines are designed to support the implementation of the Heavy Vehicle National Law (HVNL) and to promote consistency of outcomes from compliance and enforcement on-road processes, while allowing flexibility to accommodate local transport authority and police systems and equipment.

9.2 Guidelines for access decision-making

The guidelines will focus on reducing duplication through the development of nationally consistent high-level guidelines for the access decision making process for NHVR and road managers. A report and associated recommendations are planned for delivery to Responsible Ministers in late 2013.

9.3 National Vehicle Classification Framework

Developing a nationally consistent classification of heavy vehicles will:

- ◀ reduce variance in vehicle types across participating jurisdiction borders
- ◀ enable consistent policy to be written and applied.

9.4 Vehicle standards guidelines

Development of high level policy documents that will describe how the NHVR will administer the HVNL and provide guidance to both jurisdictions and industry regarding:

- ◀ Approved Guidelines for Granting Vehicle Standards Exemptions.
- ◀ Approved Guidelines on the Assessment of Defective Heavy Vehicle.

9.5 Development of the NHVR Code of Practice for the approval of heavy vehicle modifications.

The National Heavy Vehicle Regulator Code will detail the types and methods for approving heavy vehicle modifications. It will set out the NHVR's expectations of industry in clear terms.

9.6 National Heavy Vehicle Inspection Manual

The Manual is a compliance tool that provides pass / fail criteria for the inspection of heavy vehicles against the vehicle standards. It is to be used by Authorised Officers and Approved Persons who undertake inspections of heavy vehicles on behalf of the NHVR.

9.7 End-to-end vehicle standards processes

The vehicle standards process models will depict the internal processes to be used by the NHVR to deliver vehicle standards services. They describe each task in the service areas of modification and exemption application processing, including interactions with jurisdictions and the applicant.

9.8 Interaction with non-participating jurisdictions

A high level policy document has been created to describe the way in which the NHVR and participating jurisdictions will interact with non-participating jurisdictions on all matters regarding service touch points related to the HVNL.

9.9 Advanced fatigue management

Development of a risk based approach to the assessment of advanced fatigue management (AFM) applications will provide industry with greater surety of the likely approval or otherwise of their AFM applications. This risk-approach will be a significant improvement over past AFM arrangements which provided little or no guidance on how to assess fatigue risk and develop appropriate counter measures to improve driver safety.

Material which supports the implementation of new AFM arrangements includes:

- ◀ A policy document which includes a risk classification matrix.
- ◀ Terms of Reference for a Fatigue Expert Panel.
- ◀ An Evidence Statement and peer review of the statement.

9.10 Pilot of Advanced Fatigue Management arrangements

In this area of fatigue management:

- ◀ NHVR has sought industry nominations for participation in the Pilot of revised AFM arrangements.
- ◀ NHVR has undertaken an initial Risk Classification System assessment of proposed Pilot arrangements.
- ◀ NHVR identified potential suitable Pilot candidates.
- ◀ NHVR working with Industry to undertake a pilot of the revised AFM arrangements and provide input and direction on how the scheme's operation, supporting material etc. can be improved for more widespread application in the industry.

"The Victorian Transport Association has worked collaboratively with the NHVR to engage directly with industry stakeholders on key implementation issues. NHVR representatives have engaged with hundreds of stakeholders in Victoria through VTA-led industry forums and meetings, including road transport operators, local government representatives, and importantly, with freight customers who ultimately generate the freight and have key road transport safety obligations themselves. We have also facilitated important discussions between the NHVR and Over Size / Over Mass operators who have unique challenges in moving out of gauge equipment and loads long distances across jurisdictional borders in the most efficient manner possible."



10.0

Stakeholder
engagement



10.0 Stakeholder engagement

Building strong relationships with our stakeholders is a key priority for the National Heavy Vehicle Regulator

An intelligent, effective, responsive regulator is dependent on its understanding of the community, industry and governments' needs and expectations. It is through valid collaboration and meaningful analysis of circumstances that this understanding can be forged by the National Heavy Vehicle Regulator (NHVR) into world-class outcomes.

Reporting on consultation and communication activities with the heavy vehicle industry is a requirement of the Heavy Vehicle National Law "statement of the outcome of consultation strategies and activities, including a summary of industry comments" Heavy Vehicle National Law Act 2012 (Qld) Chapter 12.3 Division 2 Section 693 2(a)(v) Annual Report. The NHVR also engages regularly and closely with government to ensure development of a nationally aligned regulatory framework.

In its first year of business, the NHVR further cemented its existing positive relationships originally established by the NHVR Project Office.

10.1 Industry

The NHVR and industry work together to promote a safe, productive and efficient industry. Continued collaboration leads the way to the delivery of services and products that best serve the heavy industry members.

Through industry engagement the NHVR aims to build awareness and understanding of the NHVR's commitment to providing correct, careful, considered information. The NHVR promotes uptake of the products and services developed through collaboration which are available to enhance heavy vehicle productivity and safety.

The NHVR attended or hosted in the vicinity of 120 events since opening for business. This engagement provides an opportunity for NHVR to exchange current thoughts, challenges and ideas with industry stakeholders at the frontline. This knowledge serves as a valuable aid in remaining alert to emerging issues, concerns and needs.

Three key initiatives undertaken by NHVR to enhance its reputation for working together with industry were:

- ◀ a series of NHVAS industry forums throughout March and April 2013
- ◀ a dedicated and high-profile presence at the Brisbane Truck Show in May 2013
- ◀ engagement through the NHVR Bus Industry Taskforce.

10.1.1 NHVAS industry forums

Throughout March and April 2013, the NHVR hosted 15 specialist forums in Brisbane, Sydney, Melbourne and Adelaide. These forums were tailored to National Heavy Vehicle Accreditation Scheme (NHVAS) auditors, in response to issues regarding the NHVAS service and forms.

As a result of the forums, the NHVR committed to continuously improving NHVAS customer service and established a dedicated Business Improvement Program to track performance and identify further opportunities for improvement.

NHVAS Forums

Why

Frontline engagement with industry to:

- ◀ outline services offered now and those offered later in 2013
- ◀ identify any issues industry was experiencing with NHVAS applications
- ◀ explain how to do business quickly and efficiently with the NHVR.

How

Hosted by NHVR with on-the-ground support from the relevant state road transport agency.

Outcomes

Due to industry feedback at the forums, the NHVR:

- ◀ redrafted and improved NHVAS forms and services
- ◀ developed step-by-step guides and new fact sheets to help operators in submitting an NHVAS application
- ◀ committed to provide regular updates for auditors on changes affecting the way they work and to seek their views on proposed service improvements.

By fostering cooperative and collaborative relationships with our partners, we can work together to identify effective and innovative solutions to the country's heavy vehicle transport challenges

10.1.2 The Brisbane Truck Show

One of the premier national events on the trucking calendar, the Brisbane Truck Show is held every two years attracting industry associations, manufacturers, suppliers, operators and drivers.

Organised by the Commercial Vehicle Industry Association of Queensland (CVIAQ) since its inception in 1968, the Truck Show is the largest event of its type in the southern hemisphere.

In 2013, the Brisbane Truck Show was held at the Brisbane Convention and Exhibition Centre (BCEC) from Thursday 16 May to Sunday 19 May 2013, attracting 37,774 local, national and international visitors, as well as 286 exhibitors. While the NHVR Project Office exhibited at the Truck Show in 2011, this was the first show attended by the NHVR since opening for business.

Brisbane Truck Show 2013

Why

- ◀ Establish NHVR as the source of truth for information about national heavy vehicle reform
- ◀ Build strong profile for NHVR with frontline operators and drivers
- ◀ Distribute information and advice about NHVR services now and later
- ◀ Test industry understanding of our services and the benefits of national reform

How

- ◀ Prominent exhibitor stand on main concourse
- ◀ 18 NHVR employees rostered at stand
- ◀ Access to NHVR website
- ◀ Ability to track current NHVAS and PBS applications
- ◀ Extensive and detailed advice to individual queries
- ◀ Industry seminars on NHVR services and work diary consultation sessions

Outcomes

- ◀ Built strong profile for NHVR and awareness of NHVR services
 - ◀ Identified frontline industry issues
 - ◀ Industry feedback on proposed improvements to work diary
 - ◀ Increased awareness of PBS and NHVAS services
 - ◀ Increased website visitation
-

10.1.3 Bus Industry Taskforce

The bus industry plays a critical role in Australia's passenger transport task carrying more than 1.5 billion urban public transport passengers per year with buses making up 5 per cent of the total urban passenger task.

As the only passenger transport sector which comes within the scope of the new national law, it is critical that these passenger movements transition smoothly to new arrangements under the HVNL, whether it be through flexible fatigue management approaches, heavy vehicle accreditation or the take-up of more innovative vehicles.

The NHVR Project Office established the Bus Industry Taskforce (BIT) in late 2011 to work with industry on all matters impacting buses across the scope of the NHVR's business. The BIT continued to meet in April and July 2013. Members of the BIT are represented on the NHVR's Industry Operations Group.

10.2 Government

The enabling of contributions from the many arenas within government and the heavy vehicle industry set the foundation for the delivery of consistent, streamlined and informed regulatory provision. Many of the achievements referred to earlier in Section 11 above, were the result of the combined efforts of the NHVR and these bodies. The initial arrangement which assisted in laying this foundation included the following organisations:

- ◀ The NHVR Project Implementation Board (PIB)
- ◀ The High Level Reference Group (HLRG)
- ◀ The Project Management Group (PMG)
- ◀ Five Reference Groups:
 - ◀ Access Management
 - ◀ Registration and Plates
 - ◀ Compliance and Enforcement
 - ◀ Vehicle Standards.
 - ◀ Fatigue Management
- ◀ Police agencies
- ◀ Local government
- ◀ National Transport Commission (NTC).

10.2.1 NHVR Project Implementation Board

The Project Implementation Board (PIB) was created by Transport and Infrastructure Senior Officials' Committee (TISOC), as agreed on 1 June 2010 and remains accountable to TISOC.

The PIB is comprised of senior transport and road agency officials, has full representation from all states and territories and representation from three key industry representatives.

The role of PIB is to make decisions which will enable it to provide strategic guidance, advice and direction to the National Heavy Vehicle Regulator (NHVR) to accomplish the objectives in the Intergovernmental Agreement on Heavy Vehicle Regulatory Reform (IGA).

PIB will continue to meet on a monthly basis until all matters associated with the creation of a NHVR have been finalised or as otherwise determined.

10.2.2 High Level Reference Group

The High Level Reference Group (HLRG) was created to support and assist the PIB and NHVR in the establishment of the NHVR and national laws. The outcomes generated from HLRG are sent to the PIB for approval.

HLRG membership is comprised of senior executive representatives from each jurisdiction, the Commonwealth, the NTC and the NHVR. Members are required to take a national view when making decisions and balance departmental briefings with the overall objectives of the IGA.

10.2.3 Project Management Group

The Project Management Group (PMG) was established to represent the jurisdictions at a project management level by assisting the NHVR, the HLRG and PIB establish the National Heavy Vehicle Regulator and the national laws.

The PMG meet fortnightly and provide the NHVR's with a forum and mechanism for:

- ◀ The sharing/exchange of information.
- ◀ Communication – update/dissemination of information within their agency.
- ◀ Early identification and resolution of issues and risks.

10.2.4 Reference Groups

Underpinning the PMG, are five reference groups created to provide content-specific expertise on Access Management, Registration and Plates, Compliance and Enforcement, Vehicle Standards and Fatigue Management. These reference groups comprise of jurisdictional business representatives and meet on a regular and ongoing basis, as managed by the NHVR's subject matter experts.

- ◀ Reference groups provided the key consultative mechanism for ensuring a smooth transition to the reform
- ◀ Reference groups provided assistance to the NHVR Project Office in developing processes and procedures.
- ◀ Reference groups facilitated consultation within their respective organisations to enable implementation of the specific national heavy vehicle functions.
- ◀ Reference groups assisted the NHVR in commencing operations seamlessly and consistently with:
 - ◀ Existing jurisdictional systems and processes
 - ◀ COAG, SCOTI and TISOC determinations
 - ◀ Provisions of the HVNL (Heavy Vehicle National Law)

With the NHVR's Board now the key governance body the roles of the above groups (PIB, HLRG, PMG, the five content -specific reference groups) continue in a advisory capacity to the NHVR.

10.2.5 Police services

Compliance with the HVNL is critical to the success of the NHVR and together with transport agency compliance resources, each state and territory police force will play a key role in achieving this. Police and transport agency compliance and enforcement resources have traditionally worked cooperatively. This is a firm foundation for the NHVR to continue that cooperation and coordination of on-road enforcement activities to ensure a safe and productive road freight industry.

Since early 2012, the NHVR Project Office engaged with Australian police agencies at the national level through Australia and New Zealand Policing Advisory Agency's Road Policing Forum (ANZPAA). This group is comprised of senior police officers from each state and territory. This engagement has been complemented by police representation on key NHVR working groups including the Compliance and Enforcement Reference Group and the On-Road Process Working Group.

In 2013, the NHVR continued to work with police agencies through the ANZPAA forum. Key activities included consultation to achieve consistent compliance outcomes and education of police officers in all participating states and territories to ensure preparedness for commencement of the HVNL.

10.2.6 Local government

Local government is the largest owner of Australia's road network. This gives local government a significant role in opening up heavy vehicle access to more freight efficient vehicles, especially on the first and last mile of freight journeys.

It is essential that local government is informed on new arrangements under the HVNL, can respond promptly to requests for heavy vehicle access and is an active participant in strategic discussions on Australia's road freight network.

Since mid-2012, the NHVR has engaged local government at the national level through the Australian Local Government Association's (ALGA's) Road Transport Advisory Committee (RTAC). This committee is comprised of representatives from ALGA and relevant local government associations. The NHVR has attended each meeting of RTAC held in 2012-13, advising on the NHVR work program and to gain the views of local government representatives.

This engagement has been complemented by a rolling program of participation in key local government events nationally and in jurisdictions. The ALGA also has a representative on the NHVR Access Reference Group. The NHVR continues to work with local government on implementation of the reform.

10.2.7 National Transport Commission

The National Transport Commission (NTC) is an inter-governmental agency charged with improving the productivity, safety and environmental performance of Australia's road, rail and intermodal transport system. In its 22 year history it has been a guiding force in Australia's transport reform journey and accordingly is a key partner in achieving the establishment of the HVNL.

The NTC worked closely with the NHVR towards implementation and continues as a major stakeholder legislation amendment, penalties and regulations, implementation strategies for policy reform and is an active participant in operational reference groups.

“The NHVR through the establishment of the NHVR Bus Industry Taskforce has been a great success and allowed the BIC to articulate the differences that exist between trucks and buses, the regulatory framework that both operate and the different task they undertake.

This has provided the scope to make sure that where these differences exist a sensible approach has been adopted across the States, rather than a one size fits all approach for all heavy vehicles.”

Michael Apps
Executive Director, |
Bus Industry Confederation. |



11.0

On the horizon



11.0 On the horizon

The next few years for the National Heavy Vehicle Regulator

11.1 Continuing to deliver for Ministers

The inaugural meeting of the Standing Council on Transport and Infrastructure (SCOTI) was held in November 2011 to consider a range of national initiatives. SCOTI includes Transport, Infrastructure and Planning Ministers from the Commonwealth, states and territories and the Australian Local Government Association (ALGA).

SCOTI, for the first time brought together responsibilities for strategic planning with infrastructure and transport policy and regulation across a wide range of sectors including road, rail, maritime and freight.

During 2011-12 and 2012-13 SCOTI made a number of decisions that gave direction to future policy, planning and work programs of the National Heavy Vehicle Regulator (NHVR).

Some of these key decisions were to:

- ◀ agree a forward work program for considering further reform to the HVNL, to be undertaken by the NHVR and the National Transport Commission (NTC) over the next few years
- ◀ note that further work is required to implement a national registration scheme for heavy vehicles
- ◀ agree that from 1 July 2014 the regulatory charge (a component of the heavy vehicle registration charge) will be dispersed to the NHVR.

11.2 On the path to a consistent national rule book

11.2.1 Enacting the legislation in participating jurisdictions

On 14 February 2013, the Heavy Vehicle National Law (HVNL) Amendment Bill 2012 was passed by the Queensland Parliament. This Bill dealt with a range of policy and technical matters unresolved at the time the first Bill was introduced and effectively replaces the legislation passed in August 2012.

Passage of this second Amendment Bill paved the way for participating states and territories to enact the legislation in their parliaments and create a consistent national rule book in participating jurisdictions.

11.2.2 Agreements for consistent administration and service provision

A key component of a consistent national rule book will be consistent administration and service provision for heavy vehicle regulation.

The NHVR will enter into Service Agreements with participating jurisdictions for them to supply compliance and enforcement regulatory services to the NHVR as Service Providers.

This will give effect to the Intergovernmental Agreement on Heavy Vehicle Regulatory Reform (IGA) agreed by the Council of Australian Governments (COAG) on 19 August 2011 and better deliver 'on the road' outcomes for participating jurisdictions and industry.

Initial service agreements are planned for use in 2013-14 with more comprehensive agreements to be developed for operation from 1 July 2014.

11.2.3 The legislative forward work program

Issues that were outside the scope of the NHVR implementation project or that could not be included in the HVNL have been placed onto a Legislative Forward Work Program.

Matters on the program will be prioritised and investigated (including consultation with stakeholders) with the aim for the resolved issues to be implemented as soon as possible.

The NHVR has been and continues to work closely with the National Transport Commission (NTC) and stakeholders to progress the forward work program.

11.3 Planning and Performance

11.3.1 Creating the first Corporate Plan

Under the HVNL, each year the NHVR must present a three-year corporate plan for approval by responsible ministers. This first corporate plan of the NHVR was released in July 2013 and took account of general consultation undertaken during its establishment. During 2013-14, the NHVR will consult stakeholders for further input into the 2014-15 plan.

11.3.2 Setting clear objectives and deliverables

The HVNL sets four objectives for the NHVR, under which the NHVR has named its initial priority deliverables. They are:

Promote public safety

- a. Implement flexible and safer fatigue management programs.
- b. Recognise and reward businesses that make a real commitment to safety.
- c. Work with industry to improve capability in managing safety, with particular attention to accreditation and Codes.
- d. Develop and implement the NHVR's regulatory business systems.

Promote industry productivity and efficiency

- a. Manage and improve access to the road network, to maximise the safe use of higher productivity vehicles and the economic contribution of public infrastructure, in partnership with industry and road managers.
- b. Develop systems and resources to guide, support, and improve the expertise and effectiveness of decision-making on heavy vehicle access to the road network.

Encourage regulator, government and operator efficiency

- a. Deliver value and regulatory efficiencies to customers, stakeholders and partners, and evaluate the impact and benefits of regulatory programs.
- b. Develop a national registration system.

Manage impact of heavy vehicles on the environment, infrastructure and public amenity

- a. Assess future demands on the road network.
 - b. Support and ensure consistent and professional enforcement.
 - c. Raise the national regulatory effort and capability in CoR and implement pro-active strategies and programs to deliver compliance assurance across selected supply chains.
-

11.3.3 Defining and measuring performance

For each objective in the Corporate Plan, National Performance Measures (NPM's) were identified. These NPM's specified desired outcomes, indicators to measure success in achievement of those outcomes as well as identification of associated challenges and risks.

The NHVR will continue to refine the NPM to ensure consistency applies across the country and effective monitoring of our performance.

Future annual reports from the NHVR will be reporting against these objectives, deliverables and performance measures.

11.4 Evolving into a one-stop-shop

11.4.1 Comprehensive services and information gateway for industry

Once the HVNL takes effect in participating states and territories, the NHVR will be responsible for a comprehensive range of services previously delivered by state and territory road transport authorities.

Customers in industry will have standardised fees and charges for all NHVR services; be able to apply for access permits through a single, national online application process; benefit from nationally consistent penalties and enforcement outcomes and be able to align their business practices with nationally consistent fatigue management laws.

11.4.2 Attention on access

The NHVR will focus on helping industry better utilise the road access management system by providing a complete service from start to finish.

NHVR will be the single point of contact for new heavy vehicle access permit applications, liaising directly with road managers.

For new permits, the system will help applicants choose the right form and submit it online, by mail or by fax. Only one application will be required and a single \$70 fee will apply for the entire journey, no matter how far the trip.

A new online mapping tool, the NHVR Journey Planner, will be available to help operators find approved access routes on the road network and help identify the need to submit an access application. This tool will initially be used for higher mass limits, PBS, B-double, road trains and a selection of commodity routes.

State and Territory Road authorities will still be responsible for determining access to their network and Local governments will have a new statutory role in approving access to their road network including setting certain conditions for access.

Operators will be able to ask for an internal review of the access decision if they are not satisfied with the outcome of their application.

11.4.3 A focus on fatigue

To help drivers, operators and participating jurisdictions better manage fatigue issues a new national driver work diary will be introduced.

The National Transport Commission in partnership with the NHVR, industry and governments, has updated the national driver work diary to reflect the requirements contained within the new Heavy Vehicle (Fatigue Management) National Regulation 2013. Once the HVNL and regulations commence, all drivers of fatigue-regulated heavy vehicles who drive 100km or more from their home base or operate under Basic Fatigue Management or Advanced Fatigue Management must complete a work diary to record their work and rest times.

12.0

Legal requirements

12.0 Legal requirements

On the road to comprehensive reporting

This Annual Report is required under Section 693 of the Heavy Vehicle National Law Act 2012 (QLD).

Certain parts of Section 693 were not triggered in the first year of NHVR operations because the Corporate Plan did not come into effect till 1 July 2013. Reporting against the NHVR Objectives and National Performance Measures was therefore not required.

No reports were requested by the responsible Ministers under Section 694 and no other additional matters were specified for inclusion as required by the National Regulations. All other parts of Section 693 have been reported on throughout the Annual Report.

Heavy Vehicle National Law Act 2012 (QLD) Chapter 12.3 Division 2 Section 693 Annual Report

(1) The Regulator must, within 3 months after the end of each financial year, give the responsible Ministers an annual report for the financial year.

(2) The annual report must—

(a) include for the period to which the report relates—

(i) the financial statements that have been audited by an auditor decided by the responsible Ministers; and

(ii) a statement of actual performance measured against the National Performance Measures (Standards and Indicators) outlined in the current corporate plan under section 695; and

(iii) a statement of exceptions where the National Performance Measures (Standards and Indicators) were not achieved, including a statement of issues that impacted on the achievement of the measures; and

(iv) a statement of trend analysis relating to performance measured against the National Performance Measures (Standards and Indicators); and

(v) a statement of the outcome of consultation strategies and activities, including a summary of industry comments; and

(vi) a statement of the achievements attained in implementing, and the challenges encountered in implementing, the Regulator's objectives stated in the current corporate plan; and

(vii) a statement of the achievements attained in the exercise of the Regulator's functions; and

(viii) a statement of arrangements in place to secure collaboration with State and Territory agencies and the effectiveness of those arrangements; and

(ix) a statement indicating the nature of any reports requested by the responsible Ministers under section 694; and

(x) other matters required by the national regulations; and

(b) be prepared in the way required by the national regulations.

(3) Without limiting subsection (2)(b), the national regulations may provide—

(a) that the financial statements are to be prepared in accordance with Australian Accounting Standards; and

(b) for the auditing of the financial statements.

(4) The responsible Ministers are to make arrangements for the tabling of the Regulator's annual report in each House of the Parliament of each participating jurisdiction and of the Commonwealth.

(5) As soon as practicable after the annual report has been tabled in at least one House of the Parliament of a participating jurisdiction, the Regulator must publish a copy of the report on the Regulator's website.

Corporate Policies

The following corporate policies have been developed and endorsed by the Board:

Organisational Governance

- ◀ CP1.04 Allegations of Regulatory non-compliance interim policy

Financial

- ◀ Cp2.01 Procurement policy
- ◀ CP2.04 Financial Planning and Performance
- ◀ CP2.05 Credit Card Policy
- ◀ MS.2.03 Gifts Management Standard
- ◀ MS2.04 Financial Delegations and Authorisations
- ◀ MS2.06 Mobile Phone Management Standard

Human Resources

- ◀ CP3.01 Recruitment and Selection Policy
- ◀ CP3.02 Workplace Health Safety Policy
- ◀ CP3.03 Performance Planning and Evaluation Policy
- ◀ CP3.04 Dispute Resolution policy
- ◀ CP3.05 Whistleblower policy
- ◀ CP3.06 Fraud and Misconduct policy
- ◀ CP3.07 Code of Conduct
- ◀ CP3.08 Anti-Discrimination Policy
- ◀ CP3.09 Conflict of Interest Policy
- ◀ CP3.11 Travel Policy
- ◀ MS3.01.02 Hiring Short Term Labour Management Standard
- ◀ MS3.02.01 Fitness for Work Management Standard
- ◀ MS3.03.01 Performance Planning Evaluation Management Standard
- ◀ MS3.03.02 Work Arrangements and Leave Management Standard
- ◀ MS3.04.01 Dispute Resolution Management Standard
- ◀ MS3.06.01 Allegations of Corruption Improper Conduct Management Standard
- ◀ MS3.07.01 Code of Conduct Management Standard
- ◀ MS3.08.01 Harassment and Bullying Management Standard
- ◀ MS3.11.1 Travel Management Standard

Information Technology

- ◀ CP4.01 Information Management Policy
- ◀ CP4.02 Information Security Policy
- ◀ MS4.02.03 Information Technology Security Management Standard

Strategy and Business Development

- ◀ CP5.02 External Communication Policy

Whistle-blower and Employee Assistance Program

Whistle-blower and Employee Assistance Program hotlines were established and staff were provided with online access to these services.

Workplace Health and Safety

The Workplace Health and Safety Committee was established and held its first meeting on 20 May 2013. Meetings are held bi-monthly with minutes circulated to both the Executive team and the Senior Managers Group. There is a representative from each area of the business.

There have been no Lost Time Injuries or Medical Treatment Injuries since the Regulator began operating on 21 January 2013.

Right to Information and Information Privacy

At the time of writing the NHVR has received no applications under either the Right to Information Act 2009 (Qld) or the Information Privacy Act 2009 (Qld).

Committees of the Board

NHVR Governance Committee

To assist the Board by dealing with matters relating to governance and to make recommendations to the Board and by taking decisions under delegation from the Board. It meets four times a year or as required. Its membership is currently two Board members, with the CEO and CFO of the NHVR as ex-officio members.

Its role is to consider and make recommendations to the Board concerning:

- ◀ Governance policies in light of best practice, legislative developments and the needs of the NHVR
- ◀ The NHVR's ethical standards, including the Code of Conduct
- ◀ other matters referred to the Committee by the Board.

Finance and Audit sub-committee

To assist NHVR Board (through delegation of appropriate tasks) in monitoring the systems of internal control and to ensure the integrity of financial reporting process of the NHVR.

The sub-committee is comprised of two Board members, with the CEO and CFO of NHVR as ex-officio members and meets quarterly. Membership is reviewed annually by the Board.

It is directly responsible and accountable to the Board for the exercise of duties and responsibilities, including:

- ◀ Review financial statements for appropriateness.
- ◀ Review internal controls and external audit functions.
- ◀ Review NHVR's performance reporting in line with the Financial Performance Management policy.
- ◀ Monitor and review internal audit activities.
- ◀ Review findings and recommendations of external audits, and ensure that internal and external functions do not overlap.
- ◀ Ensure regard for legal and compliance risks as part of risk assessments and management arrangements, and review processes for monitoring NHVR's risk and compliance monitoring.
- ◀ Report on its activities to the Board.

Table AI - NHVR Board meetings during 2012-13

Board Meetings		
Meeting Details	Attendees	
Meeting 1: 2 November 2012, Brisbane	Bruce Baird (Chair) Peter Carske (OLD) Robin Stewart-Crompton (VIC)	Coral Taylor (NSW) Vincent Tremaine (SA) Richard Hancock (Ex Officio)
Meeting 2: 20 November 2012, Sydney	Bruce Baird (Chair) Peter Carske (OLD) Robin Stewart-Crompton (VIC)	Coral Taylor (NSW) Vincent Tremaine (SA) Richard Hancock (Ex Officio)
Meeting 3: 14 December 2012, Brisbane	Bruce Baird (Chair) Peter Carske (OLD) Robin Stewart-Crompton (VIC)	Coral Taylor (NSW) Vincent Tremaine (SA) Richard Hancock (Ex Officio)
Meeting 4: 31 January 2013, Brisbane	Bruce Baird (Chair) Peter Carske (OLD) Robin Stewart-Crompton (VIC)	Coral Taylor (NSW) Vincent Tremaine (SA) Richard Hancock (Ex Officio)
Meeting 5: 15 February 2013, Brisbane	Bruce Baird (Chair) Peter Carske (OLD) Robin Stewart-Crompton (VIC)	Coral Taylor (NSW) Vincent Tremaine (SA) Richard Hancock (Ex Officio)
Meeting 6: 8 March 2013, Adelaide	Bruce Baird (Chair) Peter Carske (OLD) Robin Stewart-Crompton (VIC)	Coral Taylor (NSW) Vincent Tremaine (SA) Richard Hancock (Ex Officio)
Meeting 7: 19 April 2013, Sydney	Bruce Baird (Chair) Peter Carske (OLD) Robin Stewart-Crompton (VIC)	Coral Taylor (NSW) Vincent Tremaine (SA) Richard Hancock (Ex Officio)
Meeting 8: 6 May 2013, Brisbane	Bruce Baird (Chair) Peter Carske (OLD) Robin Stewart-Crompton (VIC)	Coral Taylor (NSW) Vincent Tremaine (SA) Richard Hancock (Ex Officio)
Meeting 8b: 22 May 2013, Circulating Resolution	Bruce Baird (Chair) Peter Carske (OLD) Robin Stewart-Crompton (VIC)	Coral Taylor (NSW) Vincent Tremaine (SA) Richard Hancock (Ex Officio)
Meeting 9: 27 May 2013, Melbourne	Bruce Baird (Chair) Robin Stewart-Crompton (VIC) Coral Taylor (NSW)	Vincent Tremaine (SA) Richard Hancock (Ex Officio) Apologies - Peter Carske (OLD)
Meeting 9b: 14 June 2013, Circulating Resolution	Bruce Baird (Chair) Peter Carske (OLD) Robin Stewart-Crompton (VIC)	Coral Taylor (NSW) Vincent Tremaine (SA) Richard Hancock (Ex Officio)
Meeting 10: 24 June 2013, Brisbane	Bruce Baird (Chair) Peter Carske (OLD) Robin Stewart-Crompton (VIC)	Coral Taylor (NSW) Vincent Tremaine (SA) Richard Hancock (Ex Officio)

Appendix B - Major expenditure on consultants and vendors

Table A2 - Major expenditure on consultants and vendors | January to 30 June 2013

Major expenditure on consultants and vendors

Account Name	Australian Business Number	Total paid (value)
ESRI AUSTRALIA PTY LTD	16008852775	1,162,324
TLC IT SOLUTIONS	41100729977	1,079,388
NERA	34092959665	262,520
BCM PARTNERSHIP	22910524277	220,462
HCL AUSTRALIA SERVICES PTY LTD	72081196983	198,977
VOIP PTY LTD	75091431202	156,443
HUDSON GLOBAL RESOURCES	21002888762	151,365
PRICE WATERHOUSE COOPERS	52780433757	102,040
FIFTH QUADRANT	53088072940	97,775
DELOITTE TOUCHE TOHMATSU	74490121060	96,899
PROMINENCE	18105997715	65,174

↑ Note to the table: Includes all expenditure to consultants and vendors greater than \$65,000 in the period 1 January to 30 June 2013

**National Heavy Vehicle Regulator
Financial Statements
for the period 12 October 2012
to 30 June 2013**

National Heavy Vehicle Regulator

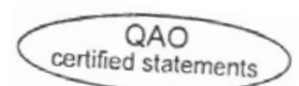
Table of Contents

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income
 Statement of Financial Position
 Statement of Changes in Equity
 Statement of Cash Flows

Notes to the Financial Statements

	General Information, Objectives and Principal Activities of the Authority
Note 1	Summary of significant accounting policies
Note 2	Grants and other contributions
Note 3	Finance income
Note 4	Employee and related expenses
Note 5	Board expenses
Note 6	Third party services
Note 7	Depreciation and amortisation
Note 8	Financing costs
Note 9	Cash and cash equivalents
Note 10	Trade and other receivables
Note 11	Other current assets
Note 12	Plant and equipment
Note 13	Intangible assets
Note 14	Trade and other payables
Note 15	Loan liabilities
Note 16	Accrued employee benefits
Note 17	Deferred revenue
Note 18	Other current liabilities
Note 19	Reconciliation of operating deficit to net cash from operating activities
Note 20	Non-cash financing and investing activities
Note 21	Board members and key management personnel remuneration
Note 22	Commitments for expenditure
Note 23	Contingencies
Note 24	Related parties transactions
Note 25	Agency transactions
Note 26	Events occurring after balance date
Note 27	Financial instruments
	Management Certificate of National Heavy Vehicle Regulator
	Independent Auditor's Report



NATIONAL HEAVY VEHICLE REGULATOR
Statement of Profit or Loss and Other Comprehensive Income
for the period 12 October 2012 to 30 June 2013

	Note	<u>2013</u>
Income from Continuing Operations		
Grants and other contributions	2	4,005,713
Finance income	3	398,396
Other revenues		86
Total Income from Continuing Operations		<u>4,404,195</u>
Expenses from Continuing Operations		
Employee and related expenses	4	3,276,903
Board expenses	5	266,456
Third party services	6	4,778,741
Lease expenses		187,515
Depreciation and amortisation	7	9,951
Financing costs	8	11,450
Other expenses		481,766
Total Expenses from Continuing Operations		<u>9,012,782</u>
Operating (Loss) for Continuing Operations		<u>(4,608,587)</u>
Other Comprehensive Income		-
Total Comprehensive (Loss) for the period		<u>(4,608,587)</u>

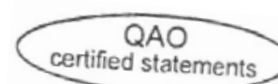
The accompanying notes form part of these Statements



NATIONAL HEAVY VEHICLE REGULATOR
Statement of Financial Position
as at 30 June 2013

	Note	<u>2013</u>
Assets		
Current Assets		
Cash and cash equivalents	9	6,731,739
Trade and other receivables	10	5,757,339
Other current assets	11	15,210
Total Current Assets		<u>12,504,288</u>
Non Current Assets		
Plant and equipment	12	170,864
Intangible assets	13	3,647,024
Total Non Current Assets		<u>3,817,888</u>
Total Assets		<u><u>16,322,176</u></u>
Liabilities		
Current Liabilities		
Trade and other payables	14	2,282,827
Loan liabilities	15	-
Accrued employee benefits	16	288,290
Deferred revenue	17	1,335,069
Other current liabilities	18	5,678,480
Total Current Liabilities		<u>9,584,667</u>
Non Current Liabilities		
Loan liabilities	15	3,750,972
Accrued employee benefits	16	29,731
Deferred revenue	17	7,565,394
Total Non Current Liabilities		<u>11,346,096</u>
Total Liabilities		<u><u>20,930,763</u></u>
Net Assets / (Liabilities)		<u><u>(4,608,587)</u></u>
Equity		
Contributed equity		-
Accumulated surplus / (deficit)		(4,608,587)
Total Equity		<u><u>(4,608,587)</u></u>

The accompanying notes form part of these statements.



NATIONAL HEAVY VEHICLE REGULATOR
Statement of Changes in Equity
for the period 12 October 2012 to 30 June 2013

	Accumulated surplus / (deficit)	Contributed equity	Total
Balance on establishment	-	-	-
Operating Result from Continuing Operations	(4,608,587)	-	(4,608,587)
Contributed Equity	-	-	-
Balance as at 30 June 2013	(4,608,587)	-	(4,608,587)

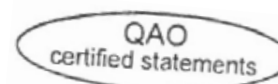
The accompanying notes form part of these statements.



NATIONAL HEAVY VEHICLE REGULATOR
Statement of Cash Flows
for the period 12 October 2012 to 30 June 2013

	Note	<u>2013</u>
Cash flows from operating activities		
<i>Inflows:</i>		
GST refunded from Australian Taxation Office		611,657
Employee Entitlements transferred		77,794
Interest received		61,152
Revenue from jurisdictions for Performance Based Standards		45,713
Other		10,087
		<u>806,402</u>
<i>Outflows:</i>		
Employee and Board related expenses (inclusive of GST)		(2,855,598)
Supplies and services (inclusive of GST)		(5,455,496)
		<u>(8,311,093)</u>
Net cash provided by (used in) operating activities	19	<u>(7,504,691)</u>
Cash flows from investing activities		
<i>Outflows:</i>		
Payments for plant and equipment (inclusive of GST)		(180,309)
Payments for intangible assets (inclusive of GST)		(2,749,237)
		<u>(2,929,547)</u>
Net cash provided by (used in) investing activities		<u>(2,929,547)</u>
Cash flows from financing activities		
<i>Inflows:</i>		
Commonwealth grant funding received		11,567,000
Release 1 operations financing contributions received		4,323,760
Transition to Release 2 operations financing contributions received		782,559
2013-14 Operating Costs financing contributions received		492,658
		<u>17,165,977</u>
Net cash provided by (used in) financing activities		<u>17,165,977</u>
Net increase (decrease) in cash and cash equivalents		6,731,739
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	9	<u><u>6,731,739</u></u>

The accompanying notes form part of these statements.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

General Information, Objectives and Principal Activities of the Authority

Based in Brisbane, Queensland, the National Heavy Vehicle Regulator is Australia's national, independent heavy vehicle regulator for all vehicles over 4.5 tonnes gross vehicle mass. The National Heavy Vehicle Regulator ('Regulator') was established to administer one set of laws for heavy vehicles under the Heavy Vehicle National Law, minimise the compliance burden on the heavy vehicle transport industry and reduce duplication and inconsistencies across state and territory borders. In June 2010, the Project Office commenced to establish the new regulatory regime, build an identity and facilitate transitional activities for delivery of services from participating states and territories. In August 2011, the Commonwealth Government and participating states and territories agreed through the Intergovernmental Agreement for Heavy Vehicle Regulatory Reform to establish the Regulator. It was formally established on 12 October 2012 as a for-profit entity following passage of its enabling legislation, the *Heavy Vehicle National Law Act 2012* on 23 August 2012. The Project Office of the Regulator operated as a unit within the Queensland government Department of Transport and Main Roads until 1 January 2013. Accordingly, expenses incurred prior to transition from Department of Transport and Main Roads were deducted from the Commonwealth Government grant funding prior to transfer to the Regulator (refer Note 2).

On 21 January 2013 the Regulator commenced Release 1 activities under an agency arrangement with participating states and territories. Release 1 activities include managing the National Heavy Vehicle Accreditation Scheme and the Performance Based Standards Scheme for design and vehicle approvals nationally. In Release 2, when the Heavy Vehicle National Law is operational in participating states and territories, business activities of the Regulator will include, in its own right, the issue of permits for heavy vehicle access, national heavy vehicle accreditation scheme approvals, performance based standards vehicle design and access approvals, vehicle inspection standards modifications and exemption permits and administration of a national driver work diary.

There have been four separate financing tranches approved for the Regulator:

- The Commonwealth Government grant of \$15.567 million (refer Note 2) for establishment costs of the Regulator
- Release 1 funding of \$4.793 million from states and territories for operational costs of the Regulator from establishment to 30 June 2013
- Transition to Release 2 of \$1.694 million from states and territories for additional once-off costs in preparation for Release 2 commencement
- 2013-14 funding of \$18.700 million from participating states and territories for operational costs of the Regulator from 1 July 2013 to 30 June 2014.

Of these amounts, Western Australia's share of \$0.469 million (Release 1) and \$0.166 million (Transition to Release 2) were not received as the State of Western Australia elected not to participate in the Intergovernment Agreement on Heavy Vehicle Regulatory Reform.

Note 1 Summary of significant accounting policies

(a) Statement of compliance

The Regulator has prepared these Financial Statements in compliance with the *Heavy Vehicle National Law Act 2012* (the "Act").

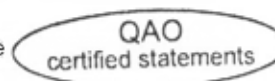
These Financial Statements are General Purpose Financial Statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations.

With respect to compliance with Australian Accounting Standards and Interpretations, the Regulator has applied those requirements applicable to for-profit entities.

The Financial Statements were authorised for issue by the Board of the Regulator on 6 September 2013.

(b) Basis of preparation

The Financial Statements have been prepared on an accrual basis and, except where stated, the principles of historical cost.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

(c) Going concern

The Regulator recorded a net loss of \$4.609 million, a net liability position of \$4.609 million and negative operating cash flows of \$7.505 million in the period from 12 October 2012 to 30 June 2013. There is, therefore, inherent uncertainty that the Regulator will continue as a going concern. The ability of the Regulator to continue as a going concern including paying its debts as and when due, settling its liabilities and realising its assets in the normal course of business at amounts stated in the financial report, is dependent upon the following:

1. The Regulator receives the agreed financing contributions from participating states and territories in relation to 2013-14 operating costs
2. From 1 July 2014, the regulatory portion of heavy vehicle registration charges is received monthly by the Regulator
3. From 1 July 2014, the regulatory portion of heavy vehicle registration charges received by the Regulator recovers the cost of delivering regulatory services
4. From 1 July 2014, the regulatory portion of heavy vehicle registration charges includes full recovery of loan repayments due by the Regulator
5. The Heavy Vehicle National Law is operational in participating states for commencement of Release 2 activities of the Regulator
6. Release 2 operations of the Regulator commence as per the agreed revised date
7. Further financing contributions are received by the Regulator during 2013-14 to cover the additional costs and lost revenue associated with delayed Release 2 commencement
8. Further financing contributions are received by the Regulator during 2013-14 to manage the timing impact between collection and payment of the regulatory component of heavy vehicle registration charges from 1 July 2014

Board members of the Regulator are of the opinion that there are reasonable grounds to believe there will be continuing support from the Commonwealth Government and participating states and territories such that the above requirements can be satisfied. Accordingly the financial report of the Regulator has been prepared on a going concern basis. No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Regulator not continue as a going concern.

(d) Currency

The Authority uses the Australian dollar as its functional and presentation currency.

(e) Revenue

Revenue is recognised when services are provided. Revenues are measured at the fair value of the consideration or contributions received or receivable.

(e) (i) Grants and other contributions

Government grants are recognised in the Statement of Profit or Loss and Other Comprehensive Income on a systematic basis over the periods in which the Regulator recognises as expenses the related costs for which the grants are intended to compensate.

Government grants whose primary condition is that the Regulator should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Statement of Financial Position and transferred to the Statement of Profit or Loss and Other Comprehensive Income on a systematic and rational basis over the useful lives of the related assets.

Unconditional government contributions are recognised as revenue on receipt or when it is probable that the economic benefits will flow to the Regulator and the value of that benefit can be reliably measured.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

(e) (ii) Interest income

Interest income is recognised on an accrual basis when it is probable that the economic benefits will flow to the Regulator and the amount of revenue can be measured reliably.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash and cheques received but not banked at the year end, and deposits held at call with financial institutions.

(g) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase / contract price. Settlement of these amounts is generally required within 30 days from invoice date.

The collectability of debtors is assessed periodically with an allowance being made for impairment. All known bad debts are written off in the same period or at 30 June 2013.

Other debtors generally arise from transactions outside the usual operating activities of the Regulator and are recognised at their assessed values.

(h) Acquisitions of assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with AASB116 *Property, Plant and Equipment*.

(i) Plant and equipment

Items of plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Asset Type	Threshold
Network assets	\$1
Plant and equipment	\$250
Computer hardware	\$1,000

Items with a lesser value are expensed in the year of acquisition with the exception of network assets. Network assets are items that are homogenous in nature and are items that fall below the recognition threshold on an individual basis, yet when considered as a whole are material.

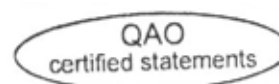
Network assets are typically purchased rather than constructed and have useful lives that are approximately the same as each other.

(j) Intangible assets

Intangible assets with a cost or other value greater than \$1,000 are recognised in the Financial Statements. Items with a lesser value are expensed.

Each intangible asset is fully amortised over its estimated useful life to the Regulator and has a zero residual value.

It has been determined that there is not an active market for any of Regulator's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

(k) Amortisation and depreciation of plant and equipment and intangibles

All intangible assets of the Regulator have finite useful lives and are amortised on a straight line basis.

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Authority.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within plant and equipment or intangible assets as appropriate.

For each class of depreciable asset the following depreciation and amortisation rates are used:

Asset Type	Useful Life (Years)
Intangible assets	3-6
Network assets	3-6
Plant and equipment	3-6
Computer hardware	3-6

(l) Impairment of non-current assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimate future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For purpose of impairment test, assets are grouped together into the smallest groups of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash generating unit).

In assessing the fair value, an estimate of the amount that is expected to be obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing parties is calculated. The cash flows estimated using the value in use approach will be subjected to a range of conditions that may well exist for a purchaser of the Authority's business. Probabilities will be assigned to a number of possible conditions to adjust the future cash flows to better reflect the expectations of a knowledgeable and willing purchaser.

An impairment loss is recognised if the carrying amount of an assets or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Impairment loss in respect of the cash generating unit is allocated to reduce the carrying amount of assets in the unit on a pro rata basis.

(m) Payables

Trade payables are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase / contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

(n) Financial instruments

Recognition

Financial assets and liabilities are recognised in the Statement of Financial Position when the Regulator becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and Cash equivalents - held at fair value through the Statement of Profit or Loss and Other Comprehensive Income
- Trade and other receivables - held at amortised cost
- Trade and other payables - held at amortised cost
- Borrowings - held at amortised cost

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are classified as non-current liabilities to the extent that the Regulator has an unconditional right to defer settlement until at least 12 months after reporting date.

The Regulator does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Regulator holds no financial assets classified at fair value through the Statement of Profit or Loss and Other Comprehensive Income.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Regulator are included in Note 27.

The Regulator assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(o) Employee benefit expenses

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, salaries and sick leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

(o) Employee benefit expenses (cont'd)

Annual leave

A provision for unpaid annual leave is based on the number of working days owing to employees as at the end of the reporting period. The annual leave provision calculation uses the notional cash component of the total employment cost of employees that would be required to be paid if the liability was to be settled at balance date (30 June 2013). This includes oncosts that are required to be paid in conjunction with annual leave. Oncosts comprising superannuation, payroll tax and worker's compensation are included in the calculation of the annual leave provision. The non-current portion of the annual leave provision (to be settled in more than 12 months) is discounted to its present value.

Sick leave

Non-vested sick leave represents unused sick leave entitlements that are not paid out to an employee. Non-vested sick leave is not accrued, and is expensed as paid; payments are made only upon a valid claim for sick leave by an employee.

Long service leave

Long service leave entitlements are accumulated after the qualifying period of service until the leave is taken or paid out. After the qualifying period, long service leave continues to accrue. No legal entitlement to any payment for long service leave exists before completion of the qualifying period by an employee, other than pro-rata long service leave for departure between 7 – 10 years employment.

The provision for long service calculation takes into account the following factors:

- Where an employee has between 1 and 10 years of service, a pro-rata entitlement is brought to account (a probability factor is applied to employees within each year of tenure under 10 years to derive the estimated number of employees that will complete the qualifying period. This factor is applied to amounts sourced from payroll system long service leave reports).
- Where an employee has over 10 years of service, the absolute entitlement is brought to account.

Superannuation

Employer superannuation contributions are recognised in the same period as the related employee remuneration cost is incurred.

The Regulator has some employees included in QSuper defined benefit plans. No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-government basis and reported in those financial statements, prepared pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting, as prepared by Treasury and Trade.

(p) Provisions

Provisions are recorded when the Regulator has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

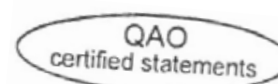
(q) Financing costs

Financing costs incurred on loans provided by participating states and territories are expensed.

(r) Taxation

The Regulator was established under Part 12.2 of the *Heavy Vehicle National Law Act (2012)* as a statutory body corporate and is therefore exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax (GST). The net amount of GST recoverable from the Australian Taxation Office is shown as an asset.

The Regulator pays payroll tax to the Queensland Government on certain activities.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

(s) Judgements

The preparation of Financial Statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have that potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Plant and equipment - Note 1(i) and 12
- Intangible asset - Note 1(j) and 13
- Accrued employee benefits: long service leave - Note 1(o) and 16

(t) Rounding

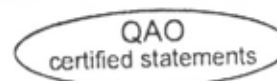
Amounts included in the Financial Statements have been rounded to the nearest \$1 unless disclosure of the full amount is specifically required.

(u) New and revised Accounting Standards

At the date of authorisation of the financial report, significant impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below:

Amendment	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending	Impact
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2015	30 June 2016	The Board of the Regulator anticipates that the application of AASB 9 in the future may have a significant impact on amounts reported in respect of the Regulator's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of AASB 9 until a detailed review has been completed.
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014	The Board of the Regulator anticipates that AASB 13 will be adopted in the Regulator's financial statements for the period ending 30 June 2014 and that the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

All other Australian Accounting Standards and interpretations with future commencement dates are either not applicable to the Regulator's activities, or have no material impact on the Regulator.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

		<u>2013</u>
Note 2	Grants and other contributions	
	Commonwealth Grants	2,666,538
	State Contributions	1,214,175
	Performance Based Standards Funding	125,000
	Total grants and other contributions	<u>4,005,713</u>

In 2012-13, the Commonwealth Government provided a \$15.567 million grant to the State of Queensland to establish the Regulator. Of this amount, \$11.567 million was transferred from Department of Transport and Main Roads, effective 1 January 2013. During 2012-13, a total of \$8.9 million has been deferred (refer Note 17) as it has been specifically used to create an intangible asset. The remaining \$2.667 million of the Commonwealth Government loan has been recognised as revenue.

The State Government of Queensland provided its share of funding by way of a contribution for Release 1 operations and Transition to Release 2 operations. All other participating states and territories provided funding by means of a loan arrangement (refer Note 15).

Note 3	Finance income	
	Fair value adjustment	323,895
	Interest income	74,501
	Total interest income	<u>398,396</u>

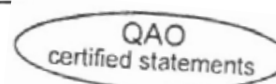
A fair value adjustment has been recognised on the value of loans provided by participating states and territories which were either at below market or on interest-free terms.

Note 4	Employee and related expenses	
	Wages and salaries	2,571,817
	Employer superannuation contribution	279,548
	Payroll tax	132,241
	Travel expenses	180,481
	Other employee related expenses	112,816
	Total employee and related expenses	<u>3,276,902</u>

The number of employees including both full time employees and part time employees measured on a full time equivalent are:

Number of employees:	53
----------------------	----

Note 5	Board expenses	
	Board member fees	211,688
	Travel expenses	53,263
	Other Board related expenses	1,505
	Total employee expenses	<u>266,457</u>



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

Note 6	Third party services	2013
	Contractor costs	3,423,010
	Managed services ⁽¹⁾	557,900
	Equipment purchases	353,591
	Software purchases	164,658
	IT systems support	22,605
	Telecommunication costs	113,325
	Advisory services	143,652
	Total material and services	<u>4,778,741</u>

⁽¹⁾ Managed Services include the outsourced contact centre and the externally hosted financial system.

Note 7	Depreciation and amortisation	
	Plant and equipment	7,355
	Computer hardware	2,596
	Computer software	-
	Total depreciation and amortisation	<u>9,951</u>

Note 8	Financing Costs	
	Accrued interest - VicRoads	11,450
	Total Financing Costs	<u>11,450</u>

Release 1 and Transition to Release 2 funding received from the State of Victoria incurred a 3% interest charge accrued daily with repayments to commence 1 January 2015.

Note 9	Cash and cash equivalents	
	Cash and cash equivalents	<u>6,731,739</u>

(a) Reconciliation to cash at the end of year

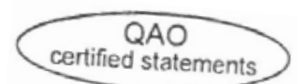
The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows, as follows:

Balance as above	<u>6,731,739</u>
Balance as per Statement of Cash Flows	<u>6,731,739</u>



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

Note 10 Trade and other receivables	2013
Trade receivables	96,498
Grants receivable	5,493,464
Less: provision for impairment	-
	<u>5,589,963</u>
GST receivable	767,070
GST payable	(615,923)
	<u>151,147</u>
Rental bond receivable	2,880
Interest receivable	13,350
Total trade and other receivables	<u>5,757,339</u>
Note 11 Other current assets	
Prepayments	15,210
Total other current assets	<u>15,210</u>
Note 12 Plant and equipment	
a) Classes of plant and equipment	
Plant and equipment:	
At cost	123,683
Less: Accumulated depreciation	(7,355)
	<u>116,328</u>
Computer hardware:	
At cost	57,132
Less: Accumulated depreciation	(2,596)
	<u>54,536</u>
Total plant and equipment	<u>170,864</u>

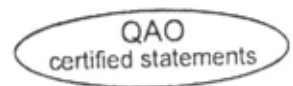


NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

Note 12 Plant and equipment (cont'd)

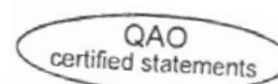
b) Reconciliation of movement in plant and equipment

	Plant and equipment 2013	Computer hardware 2013	Total 2013
Balance as at establishment	-	-	-
Acquisitions	123,683	57,132	180,815
Disposals	-	-	-
Transfers between classes	-	-	-
Depreciation	7,355	2,596	9,951
Impairment losses recognised in operating surplus	-	-	-
Carrying amount at 30 June	116,328	54,536	170,864



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

Note 13 Intangible assets	<u>2013</u>
a) Classes of intangible assets	
Internally generated software:	
At cost	-
Less: Accumulated amortisation	-
	<u>-</u>
Work in progress:	
At cost	3,647,024
Total intangible assets	<u>3,647,024</u>
b) Reconciliation of movement in intangible assets	
Internally generated software:	
Carrying amount at establishment	-
Acquisitions	3,647,024
Amortisation	-
Carrying amount at 30 June 2013	<u>3,647,024</u>
Note 14 Trade and other payables	
Trade payables	<u>240,162</u>
Other payables	
Accrued expenses	1,862,114
Other payables	180,551
	<u>2,042,665</u>
Total trade and other payables	<u>2,282,827</u>
Note 15 Loan liabilities	
Current	
Interest bearing Government loans ⁽ⁱ⁾	-
Non-interest bearing Government loans ⁽ⁱⁱ⁾	-
	<u>-</u>
Non-current	
Interest bearing Government loans ⁽ⁱ⁾	1,601,878
Non-interest bearing Government loans ⁽ⁱⁱ⁾	2,149,095
	<u>3,750,972</u>
Total loan liabilities	<u>3,750,972</u>



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

Note 15 Loan liabilities (cont'd)

⁽ⁱ⁾ The Regulator received two tranches (Release 1 and Transition to Release 2) of interest bearing financing contributions as loans from the State of Victoria totalling \$1,602,977 as its share of the agreed operating costs of the Regulator. The loans are charged at 3% per annum compounding daily and have a repayment grace period with repayments commencing during 2014-15. Accrued interest expense of \$11,450 has been recognised for the interest incurred during the period (refer Note 8). Using prevailing market interest rates for an equivalent loan of 3.62%, the fair value of the loan is estimated at \$1,590,428. The difference of \$12,549 between the gross proceeds and the fair value of the loan is the benefit derived from the below-market interest loan and is recognised as finance income in the Statement of Profit or Loss and Other Comprehensive Income. A breakdown of loans received from participating states and territories by tranche is outlined below.

⁽ⁱⁱ⁾ The Regulator received two tranches (Release 1 and Transition to Release 2) of interest-free financing contributions as loans from various participating states and territories totalling \$2,460,140. These represent their respective share of agreed operating costs of the Regulator. Loan repayment terms vary from 2 to 5 years with repayments commencing during 2014-15. Using prevailing market interest rates for an equivalent loan of 3.62%, the fair value of interest-free loans is estimated at \$2,149,095. The difference of \$311,346 between the gross proceeds and the fair value of the loan is the benefit derived from the below-market interest loan and is recognised as finance income in the Statement of Profit or Loss and Other Comprehensive Income. A breakdown of loans received from participating states and territories by tranche is as follows:

State/Territory	Release 1 Operations	Transition to Release 2 Operations
Victoria	1,183,510	419,467
New South Wales ⁽ⁱⁱⁱ⁾	1,628,160	-
South Australia	371,650	131,311
Northern Territory	48,670	17,196
Australian Capital Territory	78,900	27,878
Tasmania	115,770	40,905
	<u>3,426,660</u>	<u>636,757</u>

⁽ⁱⁱⁱ⁾ A financing contribution from Transport for New South Wales for Transition to Release 2 Operations of \$573,966 was received on 12 July 2013. This was not recorded as a loan as at 30 June 2013.

Note 16 Accrued employee benefits

Current	
Annual leave	200,334
Long service leave	87,956
	<u>288,290</u>
Non-current	
Long service leave	29,731
	<u>29,731</u>
Total accrued employee benefits	<u>318,021</u>

All annual leave and long service leave transferred to the Regulator for employees who have full entitlement to this leave as at 30 June 2013 are recorded as current liabilities. All other long service leave is reported as non-current.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

Note 17	Deferred revenue	<u>2013</u>
	Current:	
	Deferred revenue	1,335,069
	Non-current:	
	Deferred revenue	7,565,394
	Total deferred revenue	<u><u>8,900,463</u></u>

Deferred revenue represents the portion of the Commonwealth Grant (refer Note 2) either incurred in the period 12 October 2012 to 30 June 2013 or expected to be incurred in a future reporting period in constructing an intangible asset. Revenue will be recognised in future periods in line with expected benefits derived from the intangible asset.

Note 18	Other current liabilities	
	Unearned grant contributions	5,669,965
	Unearned revenue	8,515
	Total other current liabilities	<u><u>5,678,480</u></u>

Unearned grant contributions represent grants invoiced but not received in relation to a participating state or territory's share of operating costs of the Regulator for 2013-14.

Note 19	Reconciliation of operating deficit to net cash from operating activities	
	Operating surplus / (deficit)	(4,608,587)
	Adjusted for:	
	Financing contributions received (recognised as revenue)	(3,880,713)
	Fair Value Adjustment	(323,895)
	Depreciation and amortisation	9,951
		<u>(4,194,656)</u>
	Change in assets and liabilities	
	Change in trade receivables - Performance Based Standards revenue	(79,288)
	Change in trade receivables - Interest	(13,350)
	Change in trade receivables - Net GST Receivable	(151,147)
	Change in other receivables	(18,090)
	Change in assets	<u>(261,874)</u>
	Change in trade and other payables	1,233,891
	Change in accrued employee benefits	318,021
	Change in unearned revenue	8,515
	Change in liabilities	<u>1,560,427</u>
	Net cash inflows / (outflows) from operating activities	<u><u>(7,504,691)</u></u>

Note 20 Non-cash financing and investing activities

There have been no non-cash financing or investing activities during the period.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

Note 21 Board members and key management personnel remuneration

Board Members	Position	Appointed	Short Term Benefits	Long Term Benefits	Post Benefits	Total Remuneration
			\$	\$	\$	\$
B Baird	Board Chair	12/10/2012	64,682	-	5,858	70,540
P Garske	Board Member	12/10/2012	32,357	-	2,930	35,287
R Stewart-Crompton	Board Member	12/10/2012	32,357	-	2,930	35,287
C Taylor	Board Member	12/10/2012	32,357	-	2,930	35,287
V Tremaine	Board Member	12/10/2012	32,357	-	2,930	35,287
Total Remuneration			194,110	-	17,578	211,688

Executive Management	Position	Appointed	Short Term Employee Benefits	Long Term Employee Benefits	Post Employment Benefits	Total Remuneration
			\$	\$	\$	\$
R Hancock	Chief Executive Officer	18/11/2012	164,527	2,077	16,035	182,639
M Bailey	Chief Financial Officer (and General Manager Corporate Services)	3/12/2012	131,670	1,783	13,783	147,236
A Draheim	General Manager Operations	2/01/2013	114,428	1,522	9,926	125,876
R Hassall	Legal Counsel	2/01/2013	91,533	1,186	10,118	102,837
P Halton	General Manager Strategy and Business Development	4/03/2013	81,487	1,010	6,085	88,582
Total Remuneration			583,645	7,578	55,947	647,170

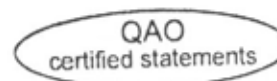
Key executive management personnel

Amounts disclosed equal the amount expensed in the Statement of Profit or Loss and Other Comprehensive Income.

Remuneration packages for key executive management personnel comprise the following components:

- Short term employee benefits which consists of base salary, allowances and annual leave entitlements paid during the period or for that part of the period during which the employee occupied the specified position
- Long term employee benefits include long service leave accrued
- Post employment benefits include superannuation contributions

Total remuneration includes the base and non-monetary benefits, long term employee benefits and post employment benefits.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

Note 22 Commitments for expenditure

2013

(a) Non-cancellable operating lease

Future minimum rentals (inclusive of anticipated GST) payable under non-cancellable operating leases at reporting date are as follows:

Not later than one year	870,943
Later than one year and not later than five years	1,367,552
Later than five years	-
Total	<u>2,238,495</u>

The operating lease relates to office accommodation for level 9, 515 St Pauls Terrace and includes inflation escalation clause and renewal options. A financial guarantee was provided in 2012-13 in relation to the operating lease (refer Note 23).

(b) Capital expenditure commitments

The Regulator is committed to capital expenditure to establish ICT systems (inclusive of anticipated GST) as follows:

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts.

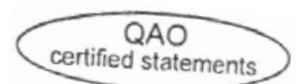
Not later than one year	3,129,875
Later than one year and not later than five years	-
Later than five years	-
Total	<u>3,129,875</u>

(c) Support and maintenance expenditure commitments

The Regulator is committed to support and maintenance expenditure commitments for intangible assets (inclusive of anticipated GST) as follows:

Material classes of support and maintenance expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts.

Not later than one year	2,308,655
Later than one year and not later than five years	9,366,424
Later than five years	504,939
Total	<u>12,180,018</u>



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

Note 22 Commitments for expenditure (cont'd)
(d) Loan liability repayment

Financing agreements have been entered into with the following participating states and territories as at 30 June 2013 (refer Note 15).

	Commencement of Repayments	Loan Repayment Date	Interest Rate	Amount
Release 1 Operations (2012-13)				
Transport for New South Wales	1/07/2014	30/06/2019	0%	1,628,160
VicRoads	1/01/2015	31/12/2017	3%	1,183,510
Department of Transport (Northern Territory)	30/12/2017	30/12/2017	0%	48,670
Department for Planning, Transport and Infrastructure (South Australia)	1/07/2014	30/06/2016	0%	371,650
Office of Regulatory Services, Justice and Community Safety (ACT)	1/07/2014	30/06/2019	0%	78,900
Department of Infrastructure, Energy and Resources (Tasmania)	1/07/2014	30/06/2019	0%	115,770
				3,426,660
Transition to Release 2 Operations (2012-13)				
VicRoads (Victoria)	1/07/2015	30/06/2018	3%	419,467
Department of Transport (Northern Territory)	30/12/2017	30/12/2017	0%	17,196
Department for Planning, Transport and Infrastructure (South Australia)	1/07/2014	30/06/2016	0%	131,311
Office of Regulatory Services, Justice and Community Safety (ACT)	1/07/2014	30/06/2019	0%	27,878
Department of Infrastructure, Energy and Resources (Tasmania)	1/07/2014	30/06/2019	0%	40,905
				636,757
				4,063,417

(e) Loan finance contributions receivables

The following funding has been agreed by participating states and territories but not been received as at 30 June 2013. Financing contributions received as loans from the participating states and territories are not recorded in the Statement of Financial Position until the cash has been received. The following loan finance contributions are expected to be received in the next twelve months.

Outstanding Financing Contribution: Transition to Release 2 Operations (2012-13)	Amount
Transport for New South Wales (NSW)	573,966
Outstanding Financing Contributions: 2013-14 Operating costs	
Transport for New South Wales (NSW)	5,223,110
VicRoads (Victoria)	5,624,553
Department of Transport (Northern Territory)	329,726
Department for Planning, Transport and Infrastructure (South Australia)	1,852,646
	13,604,001

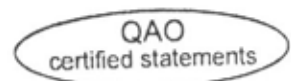
Note 23 Contingencies

Financial Guarantees

A financial guarantee was provided in 2012-13 with respect to the office space lease entered into. The Regulator has a facility with the Commonwealth Bank of Australia Ltd of \$260,870 of which the following guarantee (totalling \$206,266.50) has been issued:

- Cardno (Qld) Pty Ltd (lease for Level 9, Green Square, North Towner, Fortitude Valley).

Guarantees are not recognised in the Statement of Financial Position as the probability of default is remote. Financial guarantee contracts are measured in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

Note 24 Related parties transactions

(a) Transactions with Board members

	12 October 2012 to 30 June 2013		
	Salary and Fees	Superannuation Contribution	Total
	\$	\$	\$
B Baird	64,682	5,858	70,540
P Garske	32,357	2,930	35,287
R Stewart-Crompton	32,357	2,930	35,287
C Taylor	32,357	2,930	35,287
V Tremaine	32,357	2,930	35,287
Total	194,110	17,578	211,688

(b) Other key management personnel transactions:

Key management personnel have not conducted transactions with the Regulator during the period.

(c) Transactions with Commonwealth Government, states and territories

Establishment and financing contributions

	12 October 2012 to 30 June 2013		
	Loans Received	Grants Received	Total
	\$	\$	\$
Commonwealth Government			
- Grant Funding	-	11,567,000	11,567,000
Participating states and territories			
- VicRoads (Victoria)	1,602,977	-	1,602,977
- Transport for New South Wales (NSW)	1,628,160	-	1,628,160
- Transport and Main Roads (Queensland)	-	1,214,175	1,214,175
- Department for Planning, Transport and Infrastructure (South Australia)	502,961	-	502,961
- Department of Transport (Northern Territory)	65,866	-	65,866
- Office of Regulatory Services, Justice and Community Safety (ACT)	106,778	-	106,778
- Department of Infrastructure, Energy and Resources (Tasmania)	156,675	492,658	649,333
Total	4,063,417	13,273,833	17,337,250

Performance Based Standards Revenue received/receivable

	12 October 2012 to 30 June 2013	
	Revenue	Total
	\$	\$
Commonwealth Government	43,750	43,750
States and territories		
- VicRoads	20,125	20,125
- Transport for New South Wales	27,538	27,538
- Transport and Main Roads (Queensland)	15,213	15,213
- Department for Planning, Transport and Infrastructure (South Australia)	6,300	6,300
- Department of Transport (Northern Territory)	825	825
- Office of Regulatory Services, Justice and Community Safety (ACT)	1,338	1,338
- Department of Infrastructure, Energy and Resources (Tasmania)	1,963	1,963
- Main Roads, WA	7,950	7,950
Total	125,000	125,000

QAO
certified statements

NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

Note 25 Agency transactions

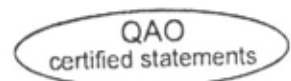
From 21 January to 30 June 2013, the Regulator received fees for service under the National Heavy Vehicle Accreditation Scheme on behalf of participating states and territories. The Regulator is an agent in this transaction and derives no financial benefit. As a result, these transactions have not been separately reported in the financial statements of the Regulator. As at 30 June 2013, the Regulator received fees of \$789,860 and held cash on behalf of participating states and territories for future reimbursement of \$144,384. A summary of the National Heavy Vehicle Accreditation Scheme fees remitted during the period are as follows:

The National Heavy Vehicle Accreditation Scheme Fees Remitted	12 October 2012 to 30 June 2013	
	Fee Paid \$	Total \$
Participating states and territories		
- VicRoads	33,007	33,007
- Transport for New South Wales	203,297	203,297
- Transport and Main Roads (Queensland)	316,150	316,150
- Department for Planning, Transport and Infrastructure (South Australia)	88,433	88,433
- Department of Transport (Northern Territory)	4,590	4,590
- Office of Regulatory Services, Justice and Community Safety (ACT)	-	-
- Department of Infrastructure, Energy and Resources (Tasmania)	-	-
Total	645,476	645,476

Note 26 Events occurring after balance date

On 22 August 2013, the Regulator advised that the start date for Release 2 operations would move from 1 September 2013. A revised date has not yet been announced at the date of signing these financial statements.

The Board of the Regulator is not aware of any other events subsequent to 30 June 2013 that could materially affect the financial statements as presented.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

Note 27 Financial instruments

2013

(a) Categorisation of financial instruments

The Authority has the following categories of financial assets and financial liabilities:

Category	Note	
Financial assets		
Cash and cash equivalents	9	6,731,739
Trade receivables	10	5,757,339
Total		<u>12,489,078</u>
Financial Liabilities		
Trade and other payables	14	420,713
Interest bearing liabilities	15	3,750,972
Total		<u>4,171,685</u>

(b) Credit risk exposure

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment. No collateral is held as security relating to the financial assets held by the Authority.

The following table represents the Regulator's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum exposure to credit risk

Category		
Cash and cash equivalents	9	6,731,739
Trade receivables	10	5,757,339
Less: provision for impairment	10	-
Total		<u>12,489,078</u>

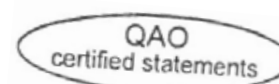
No collateral is held as security and no credit enhancements relate to financial assets held by the Authority.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amount as indicated.

Ageing past due, but not impaired, as well as impaired financial assets are disclosed in the following tables:

Receivables	2013	
	Gross	Impairment
0 - 30 days	5,589,949	-
Past due 31-60 days	-	-
Past due 61-60 days	-	-
More than 90 days	14	-
Total	<u>5,589,963</u>	<u>-</u>



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for the period 12 October 2012 to 30 June 2013

(c) Liquidity risk

The Authority is exposed to liquidity risk in respect of its payables and borrowings from the participating state and territory Governments.

The following table sets out the liquidity risk of the financial liabilities held by the Regulator. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the repayment of the principal and interest amounts at balance date.

2013	Payable in			Total
Financial liabilities	<1 Year	1-5 Years	>5 Years	
Interest bearing Government loans	-	1,776,557	-	1,776,557
Non-interest bearing Government loans	-	2,082,119	378,321	2,460,440
Trade and other payables	420,713	-	-	420,713
Total	420,713	3,858,676	378,321	4,657,710

(d) Market risk

The Regulator does not trade in foreign currency and is not exposed to commodity price ranges. The Regulator is only exposed to interest rate risk through cash deposited in interest bearing accounts.

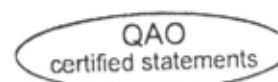
(e) Fair value

The carrying amounts and fair values of interest and non-interest bearing liabilities at balance date are:

2013	Carrying amount	Fair value
Interest bearing Government loans	1,590,428	1,590,428
Non-interest bearing Government loans	2,149,095	2,149,095
Total	3,739,522	3,739,522

None of these borrowings are readily traded on organised markets in standardised form.

Fair value is inclusive of costs which would be incurred on settlement.




Certificate of National Heavy Vehicle Regulator for the period 12 October 2012 to 30 June 2013

These general purpose financial statements have been prepared pursuant to section 693 of the *Heavy Vehicle National Law Act 2012* (the Act) and other prescribed requirements. In accordance with section 693 of the Act we certify that in our opinion:

(a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

(b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of National Heavy Vehicle Regulator for the period 12 October 2012 to 30 June 2013 and of the financial position of the Regulator at the end of that period.

6th September 2013



B Baird
BOARD CHAIR



R Hancock
CHIEF EXECUTIVE OFFICER

QAO
certified statements

INDEPENDENT AUDITOR'S REPORT

To the Board of the National Heavy Vehicle Regulator

Report on the Financial Report

I have audited the accompanying financial report of the National Heavy Vehicle Regulator, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period 12 October 2012 to 30 June 2013, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairman, Chief Executive Officer and Chief Financial Officer.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Heavy Vehicle National Law Act 2012*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.



The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

I have received all the information and explanations which I have required; and
in my opinion –

- (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the National Heavy Vehicle Regulator for the period 12 October 2012 to 30 June 2013 and of the financial position as at the end of that period.

Emphasis of Matter - Inherent uncertainty regarding the entity's ability to continue as a going concern

Without modifying my opinion, attention is drawn to Note 1 (c) to the financial report which identifies that a substantial net loss, net liability position, and negative operating cash flow position occurred in 2012-13. As detailed in the note, the entity relies significantly on funding from participating States and Territories in order to pay its debts as and when due, settle its liabilities and realise its assets in the normal course of business at amounts stated in the financial report. As the source and amount of funding subsequent to 30 June 2013 has not yet been determined, significant uncertainty exists regarding the entity's ability to fund its operational activities.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



O C CLARE FCPA
as Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane

Appendix D - Common terms

Common terms

COAG – Council of Australian Governments

CoR - chain of responsibility

Gross load limit – the maximum loaded mass of a vehicle

Heavy vehicle – vehicle with gross vehicle mass of 4.5 tonnes or more

HLRG – High Level Reference Group

IGA – Intergovernmental Agreement on Heavy Vehicle Regulatory Reform

HVNL – Heavy Vehicle National Law

NHVAS – National Heavy Vehicle Accreditation Scheme

NHVR – National Heavy Vehicle Regulator

NPA – National Partnerships Agreement

NTC – National Transport Commission

PBS – Performance – Based Standards

PIB – Project Implementation Board

PMO – NHVR's Program Management Office

SCOTI – Standing Council on Transport and Infrastructure

TISOC – Transport and Infrastructure Senior Officials' Committee

VSS – The Australian Department of Infrastructure and Regional Development's Vehicle Safety Standards Branch



National Heavy Vehicle Regulator

For more information

- subscribe** www.nhvr.gov.au/subscribe
- visit** www.nhvr.gov.au
- email** info@nhvr.gov.au
- fax** 07 3309 8777
- post** PO Box 492, Fortitude Valley Q 4006
- tel** 1300 MYNHVR* (1300 696 487)

*Standard 1300 call charges apply.
Please check with your phone provider.