



Annual Report
2014-2015





About this Report

The NHVR Annual Report 2014-15 describes the operations of the National Heavy Vehicle Regulator (NHVR) and reviews our performance under the Heavy Vehicle National Law (HVNL) for the year ending 30 June 2015 against the corporate goals identified in the NHVR Corporate Plan 2014-2017.

This report is a key accountability document and serves to fulfil our legislative reporting obligations to responsible Ministers. Publishing the annual report also fulfils an important element of our reporting responsibilities to the wider national heavy vehicle road transport industry and the Australian community.

We aim to provide readers with a detailed account of the organisation's performance for the 2014-15 reporting period. The report also contains audited financial statements for 2014-15 and identifies our plans to meet expected challenges in the year ahead.

We have prepared our report in accordance with the *Heavy Vehicle National Law Act 2014* and other relevant legislation.

Quick navigation guide

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Where to get a copy

This report and other corporate publications can be accessed online at www.nhvr.gov.au

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Acknowledgements

This report reflects the efforts of many people. Special thanks go to the divisional staff involved in contributing, coordinating and validating material, as well as the following specialist contractors:

Graphic Design: JSAcreative

Proofreading: Cheryl Goodenough

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Interpreter service statement



Interpreter

The Regulator is committed to providing accessible services to people from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact the Regulator on 1300 696 487 or info@nhvr.gov.au.

We will arrange an interpreter to effectively communicate the report to you.

Letter of Transmittal

23 September 2015

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

Dear Deputy Prime Minister

In accordance with the *Heavy Vehicle National Law Act 2012* (Qld), I am pleased to present to you the National Heavy Vehicle Regulator's Annual Report for the reporting year 1 July 2014 to 30 June 2015.

The report is structured to reflect delivery against the NHVR's Corporate Plan 2014-17, which has been approved by responsible Ministers. It provides a detailed description of the NHVR's achievements and performance during the 2014-15 financial year in its pursuit of improving the productivity and safety of Australia's heavy vehicle industry.

A snapshot of the NHVR's significant achievements in 2014-15 includes:

- 78,510 access permits issued by the NHVR and jurisdictions
- 648 access pre-approvals administered, affecting 195 councils and unlocking approximately 6,092 kilometres of road network
- 65 notices published in the *Commonwealth Gazette*
- 22,708 applications processed resulting in 6,232 operators and approximately 92,000 vehicles participating in the NHVAS
- 894 vehicle combinations and 3,762 individual units certified under the PBS framework
- 9 vehicle standards modification applications finalised, and 465 exemption permits and 325 in-principle support approvals issued
- 9 organisations approved under the Risk Classification Scheme for Advanced Fatigue Management.

All performance data presented in this report have been verified through an independent performance audit against ASAE 3000, with the outcome outlined in the accompanying Performance Assurance Report, prepared by Grant Thornton.

In presenting the Annual Report, I take the opportunity to acknowledge the professionalism and dedication with which my colleagues have advanced the efforts of this national initiative as we continue to work with industry and partner agencies to build a safer, more productive and innovative heavy vehicle industry.

Yours sincerely



The Hon Bruce Baird AM
Chair of the Board

Performance snapshot 2014-15



78,510¹

access permits issued by the Regulator and jurisdictions



894 vehicle combinations and **3,762** individual units certified under the PBS framework



65

notices published in the Commonwealth Gazette

22,708



applications processed resulting in **6,232** operators and approximately **92,000** vehicles participating in the NHVAS



648 access pre-approvals administered, affecting **195** councils and unlocking approximately **6,092** kilometres of road network

9 organisations approved under the Risk Classification Scheme for Advanced Fatigue Management



52,332

calls received by the call centre



5 videos made available for viewing on our YouTube channel



152 users followed NHVR on Twitter and **3,533** likes on Facebook

9 vehicle standards modification applications finalised, and 465 exemption permits and 325 in-principle support approvals issued

¹ Based on extrapolated data (refer Table A.2 in Appendix A).



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01 Overview

This section of the annual report provides an overview of the people, projects and resources involved in regulating heavy vehicles in Australia nationally and the progress towards our charter to *'drive sustainable improvement to safety, productivity and efficiency outcomes across the industry and the Australian economy'*. Our main achievements in 2014-15 are identified, along with some key initiatives and future challenges.

Message from the Chair of the Board

As Chair of the National Heavy Vehicle Regulator (NHVR), I am pleased to report that 2014-15 was a year of improved business performance for the organisation within its brief of improving the productivity and safety of Australia's heavy vehicle industry.

Financial stability and discipline was required and this was achieved through a mix of heightened internal scrutiny on expenditure, negotiation of payment of contributions from jurisdiction in advance, and prudent investment of incoming funding from participating jurisdictions. Financial certainty will be critical to business certainty going forward for the NHVR to realise its full potential. This will be achieved in future years as the NHVR transitions from being funded by jurisdictions to being funded through a regulatory component of heavy vehicle charges.

In that regard, in 2014-15, the NHVR took a major step towards that goal when it commenced work on the national Cost Recovery Study Project (CRSP) which will ultimately allow the NHVR to regulate more efficiently and effectively. Until then, the NHVR is reliant on funding from states and territories, most of which is returned to fund services provided by states and territories on behalf of the NHVR.

2014-15 also saw the implementation of a new organisational structure, with a new executive leadership team in place from early 2015. This has assisted us in revising our Forward Work Program, with new priorities approved by Ministers and a clearer focus on meeting the needs of our customers and stakeholders.

Significantly, we have continued to support industry to achieve enhanced safety and productivity. Among other things we are promoting more efficient and safer heavy vehicles through the Performance Based Standards (PBS) Scheme which experienced substantial growth in applications. With Australia's freight task predicted to double in the next 20 years, this is one of the important improvements that will be made to heavy vehicle safety and productivity.

We have worked with local governments to improve access for heavy vehicles by the increased use, where appropriate, of notices and pre-approved heavy vehicle routes. This removes the need for operators to obtain permits for such access.

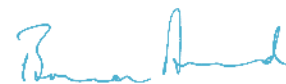
We will continue to develop our working relationships with local governments, the largest owners of infrastructure by kilometre across all levels of government. In this way, significant improvements are being made in the safety and efficiency of Australia's freight network.

Significant progress has been made in developing a new national heavy vehicle access management system, AccessCONNECT. In the 2014-15 financial year we implemented improved internal systems to more closely monitor performance and also commenced pilots of online portals for customers and local government so they can directly monitor progress with individual heavy vehicle access applications. These measures also allow the NHVR to identify where road managers may need assistance to improve their performance in the turnaround of consent requests.

In addition to the CRSP, we are leading work on a number of national projects. These initiatives are described in the report and are progressing well. We will make further reports to ministers in 2015-16.

The NHVR's solid performance in 2014-15 has been achieved in close cooperation with the Commonwealth, state and territory and local governments, as well as the heavy vehicle industry and its representative bodies.

I would also like to acknowledge the hard work and commitment of the NHVR CEO, Sal Petrocetto, and his team in achieving what they have this financial year and for laying a solid platform for the NHVR's work program going forward.



The Hon. Bruce Baird AM
Chair



Review by the CEO of the NHVR

2014-15 has been a year of consolidation and delivery of some major achievements for the National Heavy Vehicle Regulator (NHVR) as we continue to work with industry and partner agencies to build a safer, more productive and innovative heavy vehicle industry.

The NHVR isn't just about managing permits. Our aim is to safely maximise road access to efficiently carry out the freight task while minimising infrastructure impact – across all of our services, which involve access, accreditation, the Performance Based Standards (PBS) scheme and vehicle standards.

Through our lead role in national projects such as the Electronic Work Diary initiative, we are working with industry to develop innovative technological solutions to enhance safety and sharpen productivity outcomes.

Across all of our business areas, the NHVR is putting initiatives in place to ensure heavy vehicles operate safely on Australia's roads.

Some of the key achievements for 2014-15 were:

- a new corporate plan for 2014-17 to set the forward direction for the NHVR and give business certainty to industry about our priorities
- implementation of a more targeted and participative engagement approach to give industry a greater say in our business with a dedicated industry reference forum and four industry operator groups
- greatly improved turnaround times for applications with 93% of NHVAS cases now closed within 10 business days; and 90% of valid access permit applications delivered to road managers in one business day
- a substantial increase in the number of safer more freight efficient heavy vehicles on the road network through the PBS scheme
- ongoing development of a consistent set of national notices for the heavy vehicle industry that promote safety, productivity and efficiency and protect road infrastructure; and replacement of a number of jurisdictional-specific notices and initiatives with single national notices that apply across states and territories
- a reduction in red tape for industry by:
 - facilitating over 700 pre-approvals and gazette requests to reduce the need for seeking consent from road managers for access to the road network
 - introducing new business rules for the NHVAS in March 2015
 - issuing a number of notices which collectively remove the need to apply for hundreds of individual permits
- substantial progress on the AccessCONNECT Program which will deliver a new user-centric, online system for access permits
- a number of compliance and enforcement industry bulletins issued to get greater consistency in enforcement outcomes at the roadside
- conducting the inaugural national compliance and enforcement operational forum attended by representatives of every Australian state and territory enforcement officers and police forces
- the introduction of the first of a proposed suite of Advanced Fatigue Management (AFM) templates, which provides all the materials needed to implement an end-to-end AFM accreditation system, designed to give livestock operators the flexibility to respond to uncertainties or changes while still managing their fatigue risk
- a substantial increase in the number of PBS applications and a national PBS network with PBS-approved vehicles now in all states and territories
- mutual recognition of heavy vehicle modifications in all states and territories
- progress in removing interstate inconsistencies in conjunction with state governments, including:
 - introduction of quad road trains in South Australia
 - agreement to allow tri-axle dollies on road trains in South Australia
 - introduction of a notice for Higher Mass Limits (HML) in New South Wales to open up 98% of the state owned road network to HML vehicles.

- the introduction of updated auditing provisions of the NHVAS to standardise the way audits are conducted, strengthen the quality of audits, ensure more effective safety requirements for heavy vehicles and enhance the standing of auditors.

The Regulator also commenced leading a number of significant national projects in 2014-15. These included:

- the Cost Recovery Study Project (CRSP) to provide better information about the efficiency and effectiveness of regulatory services and to develop a pathway to a truly national heavy vehicle compliance and enforcement architecture
- the National Roadworthiness initiative to deliver consistency on heavy vehicle inspections all over Australia
- the Electronic Work Diary Project to make it easier to manage the safe operation of heavy vehicles
- the National Heavy Vehicle Registration Scheme Project to deliver a single national system, reduce costs to business and remove interstate inconsistencies.

All of these national projects are reaching major decision points at the Ministerial Council meeting scheduled for November 2015.

Across all of the NHVR work programs, I would like to acknowledge the ongoing support of government and industry in their various contributions including the planning for how we can tackle the challenges that will face us in the years ahead.

While the above achievements demonstrate much progress, the NHVR has a lot more to do to realise our goals.

The platform of regulatory consistency through a continually refined single Heavy Vehicle National Law will deliver future productivity.

It will take time, but the structure is in place, and our goal of *'One Regulator – One rulebook'* is becoming a reality.

Sal Petrocitto
CEO



Organisational overview

The National Heavy Vehicle Regulator (NHVR) is Australia's dedicated, independent regulator for all vehicles over 4.5 tonnes gross vehicle mass on the road.

Established under an inter-governmental agreement between all Australian governments, the Regulator's role and powers are set out in the *Heavy Vehicle National Law Act 2012* (Qld) (HVNL) which has so far been given effect substantively in all jurisdictions except Western Australia and the Northern Territory.

With our vision of driving sustainable improvements to safety, productivity and efficiency outcomes across the heavy vehicle road transport industry and thereby for the Australian economy, we aim to deliver:

- **efficiency** – a common set of laws for heavy vehicles for all participating states and territories

- **safety** – a national safety monitoring and reporting system dedicated to heavy vehicles
- **productivity** – ability to provide quick responses to changing industry trends and needs
- **services** – a single point of contact for all heavy vehicle road transport regulation in Australia
- **independence** – an independent, accountable, statutory body corporate established under the HVNL
- **compliance and enforcement** – a unified strategy and responsive approach
- **transparency and accountability** – key decisions reviewed and readily available.

Our key services and products include:

- National Heavy Vehicle Accreditation Scheme (NHVAS) management and accreditations

- Performance-Based Standards (PBS) Scheme vehicle design and access approvals
- heavy vehicle access exemption permit/notices for all freight vehicles and cross-border journeys
- heavy vehicle standards modifications and exemption permits/notices
- a national driver work diary and risk classification system to support Advanced Fatigue Management (AFM)
- notices made under a single, uniform law
- one set of national fees for NHVR services
- one set of national penalties under the HVNL and regulations.

Our office is based in Brisbane and operates with a national contact centre and website. State road transport authorities and other government agencies deliver some frontline services for us. These are managed and tracked through formal service agreements.



Corporate Plan 2014-2017

The NHVR Corporate Plan 2014-2017, required under section 695 of the HVNL, sets out our strategic direction for the next three years.

Within this plan, four strategic goals are identified for achieving the Act's objects. They are:

Strategic Goal 1: *Productive partnerships and engagements*

We will maintain constructive working relationships with state and territory agencies and national bodies and promote effective consultation and communication with the heavy vehicle transport industry. Through educational efforts and information campaigns we will increase awareness of legislative obligations and through improved compliance, we will contribute to achieving higher levels of safety.

Strategic Goal 2: *Safe, productive and efficient heavy vehicle transport industry*

We are committed to delivering a consistent system of heavy vehicle regulation in a fair, professional and efficient manner that ensures improvements in safety and productivity outcomes for industry and the wider community.

Strategic Goal 3: *Efficiency in service delivery and resource allocation*

We will focus on performance and evaluation to support the efficient and effective delivery of our services.

Strategic Goal 4: *Effective governance and continuous improvement*

We will ensure that effective organisational governance arrangements are in place and that we achieve continuous improvement of our business processes.

The Corporate Plan also provides our National Performance Measures. These are standards and indicators to measure how effectively we implement our statutory objectives. We intend to develop and improve our performance management framework to reflect the progressive development of the national system of heavy vehicle regulation. These measures will be refined to provide a better understanding of industry benefits.



02 Report on performance

This section of the annual report provides a detailed account of our performance during the year and how it contributed to achieving our corporate goals and our national performance measure outcomes. It gives an update on our ongoing initiatives, and reports on our approach to enhancing and promoting high standards of safety, productivity and efficiency for the heavy vehicle industry.

To complement the performance report, detailed information on key aspects of our operations is in Appendix A of Part 6: Appendices and references.

Our performance

Section 693 of the HVNL requires us to report on our performance in relation to the achievement of the prescribed national performance measures outcomes. Under s.693(2):

The annual report must—

- (a) *include for the period to which the report relates—*
 - (ii) *a statement of actual performance measured against the National Performance Measures (Standards and Indicators) outlined in the current corporate plan under section 695*
 - (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).*

Details of our full reporting requirements are outlined in Part 6 of this report.

In addition, in this report we provide details of our performance in relation to the key deliverables and priority strategies as set out in our Corporate Plan 2014-2017.

For each of our four corporate objectives, we set out our achievements and performance at a program level against the corporate plan's key objectives and state how we performed against the national performance measures (including a 'snapshot' assessment against each measure). For this purpose we use the following indicators:

- ✓ ✓ ✓ **Achieved**
- ✓ ✓ **Partially achieved**
- ✓ **Not achieved**

In accordance with regulation 42 of the *Heavy Vehicle (General) National Regulation*, all performance data presented have been verified through an independent performance audit, and a letter of compliance is being provided to each responsible Minister with the annual report.

'NatRoad can confirm that the NHVR is rapidly proving its worth to the road transport industry as it increasingly delivers a range of services under one regulator, one rulebook. Significant improvements in its operation and performance over the past twelve months are starting to show much needed improvements in regulatory efficiency and consistency in application, and the emergence of a single national jurisdiction. While much more, of course, needs to be done NatRoad is confident that the NHVR, with the cooperation and support of industry, will continue to expand and improve its delivery of a comprehensive range of heavy vehicle road transport services on a national level. NatRoad congratulates the NHVR on its achievements to date and is confident that this will continue to the case.'

**Grant Johnson,
Policy Director, NatRoad**

Strategic Goal 1: Productive partnerships and engagements

Strategic Goal 1, *Productive partnerships and engagements*, focuses on building and maintaining constructive working relationships with state and territory agencies and national bodies and promoting effective consultation through communication with the heavy vehicle transport industry by way of educational efforts and information campaigns.

Strategy 1 – Responsive relationships with government stakeholders

MEASURE Maintaining sound working relationships with responsible Ministers, Transport agencies and national bodies

RESULT Working relationships with Commonwealth and state jurisdictions built at the ministerial, executive and management levels



Throughout 2014-15 the CEO met regularly with ministers and senior executives of the Commonwealth, state and territory government agencies at the Transport and Infrastructure Council (Ministerial Council) and the Transport and Infrastructure Senior Officials' Committee (TISOC) meetings, as well as out of session. Dedicated briefings were also held in 2014-15 with new ministers in South Australia, Victoria and Queensland. NHVR Board members also met their counterparts from the National Transport Commission (NTC) to discuss matters of common interest, as well as NHVR executive members, who regularly met with senior officials from the Commonwealth, state and territories.

Strategic policy influence

We significantly contributed towards Commonwealth and NTC reform monitoring projects tracking the process of national reform implementation. We also participated in ongoing discussions with transport agencies and the NTC in relation to major projects to ensure they are progressed with consensus and clear direction and prioritised (registration, electronic work diaries, the Cost Recovery Study Project (CRSP), roadworthiness and the Load Restraint Guide Review).

Harmonisation of operational policy

In 2014-15, through ongoing bilateral and multilateral cooperation with transport agencies, we made considerable progress in harmonising access, vehicle standards and regulatory compliance policy.

Strategy 2 – Effective industry engagement

MEASURE Participation in a range of heavy vehicle forums and relevant assistance programs

RESULT Increased participation and presence at heavy vehicle forums



We increased our industry presence to build stronger relationships with operators and their representative bodies, with our staff attending 74 industry-related forums throughout 2014-15.

Establishment of NHVR industry consultative forums

In 2014-15, we established formal industry consultative forums to provide information about and receive advice on a range of policy and operational issues. We see the forums as an integral part of our engagement strategy as they allow us to interact and work with stakeholders on developing and refining policies and services. The forums are:

- Industry Reference Forum (three meetings held)
- Agricultural Industry Operators Group (three meetings held)
- Crane Industry Operators Group (three meetings held)
- Livestock and Rural Transporters Industry Operators Group (one meeting held)
- Oversize/Overmass Industry Operators Group (three meetings held)

Strategy 2 – Effective industry engagement (continued)

MEASURE Effective use of digital and social communications and communities

RESULT



Digital and social media

During 2014-15, our website front page and navigation were upgraded to ensure customers and stakeholders could more easily find information. Website content was also audited to ensure its accuracy and consistency with our legislative responsibilities.

Overall, these enhancements contributed to a 19% increase in traffic compared to 2013-14 (average 38,000 sessions per month) and a 10% reduction in the use of the website search function.

Our Facebook page continued to grow as an information and advice hub, particularly for users who prefer digital communication. As at 30 June 2015 we had 3,533 likes of our Facebook page, an increase of 22% compared to 2013-14 (2,899 likes). Our posts reached an average of 3,400 users per week.

We established a Twitter account in 2014-15, to deliver timely, relevant information from the NHVR and other industry and government sources, as well as to strengthen engagement with traditionally hard-to-reach audiences. As at 30 June 2015, we had 152 followers and our tweets were being viewed by an average of 3,200 users per month.

Strategy 3 – Collaborative leadership and management across government

MEASURE Establishing collaborative reform-leadership working groups in the areas of access; safety and compliance; and information management

RESULT



In 2014-15, we established a number of jurisdictional forums to exchange information and facilitate decision-making through a national approach to the development of operational policy and initiatives.

National Operational Strategy and Policy Advisory Group (NOSPAG)

The establishment of NOSPAG, comprising jurisdictional officers at a deputy director-general level, has reduced the number of high-level working groups. The group's remit includes all operational policy matters within the broader national safety, productivity, efficiency and innovation agendas for heavy vehicle reform.

In 2014-15, NOSPAG collaborated on input to our CRSP and service agreements, established improved communication processes between jurisdictions and the NHVR for TISOC and Ministerial Council-related matters, and provided more clarity about members' respective Forward Work Programs.

National Compliance and Enforcement Operations Forum (NCEOF)

The NCEOF comprises senior representatives of state and territory road transport authorities and police agencies, including those from Western Australia and the Northern Territory. It provides a national forum for reviewing compliance and enforcement (C&E) performance, implementing regulatory reform and driving operational improvements consistent with the intent and objectives of the HVNL and regulations. The NCEOF discussed and endorsed key initiatives including the development of the National C&E Strategy and the National C&E Operating Framework. Working groups have been established to commence work in 2015-16.

Chain of Responsibility (CoR) Working Group

We took the first steps in 2014-15 to establish a CoR Working Group with state and territory road transport and police agency C&E arms to develop nationally-consistent practices for CoR education and awareness, and to address enforcement, investigations and prosecutions to enable more effective cross-border interoperability.

Strategic Goal I: Productive partnerships and engagements (continued)

Strategy 3 – Collaborative leadership and management across government (continued)

MEASURE Establishing appropriate expert advisory bodies to support NHVR activities and systems

RESULT



Technical advisory bodies, committees and forums

During 2014-15, a number of project consultative committees and technical advisory groups were established. These bodies, committees and forums provide us with a mechanism to harness the knowledge and expertise of jurisdictional subject matter and technical experts relating to specific programs, projects and initiatives, leading to collaborative national solutions. These include:

Fatigue, compliance and safety-related technical and advisory groups

- National Compliance and Enforcement Working Group
- National Operational Support Network
- Fatigue Expert Reference Group (FERG)
- Vehicle Standards Reference Group
- Single issue working groups as part of the Australian Motor Vehicle Certification Board (engineering signatories scheme, couplings and safety chains and National Code of Practice heavy vehicle modifications).

Project-related consultative committees and forums

- Forward Work Program workshop
- Operational policy harmonisation working groups (Oversize Overmass (OSOM) notice, Special Purpose Vehicle (SPV) notices and PBS truck and dog notice)
- CRSP Methodological Working Group
- Registration Oversight Working Group
- Electronic Work Diary Implementation Steering Committee
- NHVAS Roadworthiness Implementation Steering Committee
- AccessCONNECT Program Governance Committee
- AccessCONNECT Program Working Group.

'Since the implementation of the OSOM Working Group, the NHVR has taken on board that there need to be changes made to the existing permitting system. As an industry we have put forward many suggestions as to how we as a group would like to see the industry move forward into the future. We have had a lot of assistance from the Permits and Access Team in implementing these changes and we are now seeing these improvements starting to be implemented. There is still a lot of work to be done but I feel confident that with the help of the NHVR we will be able to move forward into the future as we are already seeing benefits to our business with the changes that have been made.'

Nick Simpson, L Arthur Pty Ltd

Strategy 3 – Collaborative leadership and management across government (continued)

MEASURE Establishing and operating structured change management controls for major changes to NHVR operations, or to industry-facing service delivery models

RESULT **National Heavy Vehicle Roadworthiness Program**



In 2014-15, we established the National Heavy Vehicle Roadworthiness Program as a result of the Ministerial Council meeting in May 2015 to expedite national regulatory consistency, as well as compliance improvements and reform across our relevant service delivery functions.

The program consists of a number of scoped projects, for implementation in 2015-16:

- *Review of National Heavy Vehicle Inspection Manual* to ensure it remains relevant, including by reflecting changes in the Australian Design Rules, heavy vehicle technology and legislation.
- *Roadworthiness Data Collection* to identify systems and data to support the development of a national risk-based approach for the targeting of heavy vehicles, operators and industry sectors for roadside and unscheduled roadworthiness inspections or other compliance and enforcement action.
- *National Roadworthiness Baseline Survey* to establish a baseline for measuring the roadworthiness of the national fleet against other heavy vehicle roadworthy and compliance data sets.
- Development of *Roadworthiness Criteria* to guide the conduct of heavy vehicle inspections and the potential issuance of defect notices or formal warnings to create guidance on what constitutes a roadworthy heavy vehicle and the subsequent categorisation of defects in the event that a failed component or system is detected.
- Development of nationally consistent *Inspection Types for Inspection Scenarios* including full roadworthiness, partial on-road inspections (detail and visual), NHVAS maintenance management, bus inspection and rural and remote.
- Development of *Inspection Competency Standards* to establish national competency standards for our service providers, with consistent qualifications and competencies for personnel who undertake heavy vehicle inspections.
- *Management and Clearance of Defects* to develop a nationally consistent approach to heavy vehicle defects, using a formal warning (sub-category of minor), a minor defect notice, a major defect notice, a major grounded defect (category of major) and an improvement notice.
- *Risk-Based Inspection Criteria* to bring together all the elements of the program into a cohesive framework for the identification, frequency, selection and method of inspection for heavy vehicles utilising risk-based criteria (matrix).

Strategy 4 – Promote broad and effective consultation and communication with government and the wider heavy vehicle sector

MEASURE Enhancing NHVR's relationship with road managers and the heavy vehicle sector

RESULT **Strengthened relationships with local government facilitating informed and responsive engagement**



The CEO and senior NHVR executives met representatives of local government including national and state local government associations, and regional groupings of councils at major conferences and meetings.

NHVR officers also met with individual councils. This multi-layered approach has resulted in stronger relationships with more informed engagement and more responsive identification and addressing of issues.

AccessCONNECT stakeholder engagement

During 2014-15, we undertook extensive engagement activities with state and local governments and the heavy vehicle industry which has contributed to understanding stakeholder requirements and expectations. During this period, we met with almost 250 stakeholders at over 100 types of events.

Strategic Goal I: Productive partnerships and engagements (continued)

Strategy 4 – Promote broad and effective consultation and communication with government and the wider heavy vehicle sector (continued)

MEASURE	Exchanging information on important heavy vehicle safety matters and other relevant issues with appropriate consultative forums
RESULT	<p>Participation in national forums</p> <p>We had a strong presence and made significant contributions to a number of national jurisdictional and industry consultative forums. These included:</p> <ul style="list-style-type: none"> • Strategic Vehicle Safety and Environment Group • Australian Motor Vehicle Certification Board • Technical Liaison Group • Multi Combination Advisory Group • Austroads Safety Task Force Safe Vehicle Theme Group • Standards Australia – Committee ME-005-23 • Australian Vehicle Standards Maintenance Group • Roller Brake Test Procedure Group • Load Restraint Guide Review consultation groups. <p>National operational support</p> <p>In 2014-15, we established protocols with state and territory road transport authorities and police agencies to provide for the recording and dissemination of intelligence files reported to us regarding potential contraventions of the HVNL (including protocols regarding informants and whistle blowers).</p>
MEASURE	Fostering an awareness of the importance of freight productivity, heavy vehicle safety and compliance amongst road managers
RESULT	<p>Local government access awareness campaign</p> <p>In 2014-15, we engaged with local governments to raise awareness of the importance of access and freight productivity. This work will continue in 2015-16, with the CEO to participate in peak road freight consultative body meetings in all participating states and territories.</p> <p>Safety alerts</p> <p>In 2014-15, our first safety alert was published, <i>Safety and compliance alert 1a/2014 – 5 September 2014 – Inspection of couplings for dog trailers and road train dollies</i>.</p>

Strategy 4 – Promote broad and effective consultation and communication with government and the wider heavy vehicle sector (continued)

MEASURE Increasing awareness of the importance of compliance in industry

RESULT Compliance and enforcement publications

✓ ✓ ✓

In 2014-15, we developed and published a suite of national C&E industry bulletins and fact sheets:

- *Carriage and presentation of documents*
- *Heavy vehicle defects*
- *Heavy vehicle dimension assessment*
- *Heavy vehicle mass assessment*
- *Restricted Access Vehicles*
- *Notices that must be carried*
- *1-Tonne tri-axle mass transfer allowance*

MEASURE Expanding the range of communication channels for promotional and educational programs, including digital delivery capability

RESULT Promotional and educational programs

✓ ✓ ✓

During 2014-15, we:

- developed and published statutorily-required communication, i.e., notices and legislative amendments
- developed communication collateral to provide advice and guidance to our customers and the heavy vehicle industry about our role and responsibilities, how to do business with us and how to achieve safe and compliant operations under the HVNL and regulations
- undertook proactive and reactive media activity to state our regulatory position, to promote services and achievements, to deliver industry advice and guidance and to strengthen awareness of our presence and reputation
- improved our management of corporate social media channels (Facebook, Twitter and YouTube).

Strategic Goal 2: Safe, productive and efficient heavy vehicle transport industry

Strategic Goal 2, *Safe, productive and efficient heavy vehicle transport industry*, focuses on the delivery of a consistent system of heavy vehicle regulation in a fair, professional and efficient manner that ensures improvements in safety and productivity outcomes for industry and the wider community.

Strategy 1 – Provide safe, productive access to the road network

MEASURE Improving route and access assessments undertaken by road managers

RESULT



Access operations

With strengthened monitoring and reporting tools developed in 2014-15, we now have clear visibility of the access permit application pipeline. As a result, we have been able to identify pinch-points in the application process, triggering our early intervention and support for road managers. This is helping to achieve turnaround timeframes expected by industry.

For applications where road manager consents are received within 28 days, the average consent turnaround time is 7.09 days for local road managers (7.6 days in 2013-14) and 8.7 days for state road managers. In the case of applications where road manager consents are received after 28 days, the average consent turnaround time is 59.98 days for local road managers and 65.09 days for state road managers.

Demand management and analysis

We continue to encourage road managers to grant pre-approvals of access so that it is not necessary to consider applications for specified types or classes of heavy vehicles. This allows road manager resources to focus only on assessments where vehicles or loads are outside the pre-approved categories.

In 2014-15, we administered 648 pre-approvals, maintained 349 pre-approved routes and progressed more than 175 routes for Gazettal, unlocking approximately 6,092 kilometres of road network for heavy vehicle access without new access applications.

MEASURE Ensuring that access decisions are taken correctly

RESULT



Access operations

We review certain decisions by road managers for compliance with the HVNL. In 2014-15, we focused on decisions to refuse access. We also reviewed 895 refusals, with 148 being identified as non-compliant and returned to the road manager for reconsideration.

MEASURE Facilitating improved road network access

RESULT



Streamlined access permit function

In 2014-15, we continued to manage interstate OSOM, SPV applications, all Class applications², Class for Victoria and Queensland³ and all applications for Tasmania.

AccessCONNECT Program

In 2014-15, we initiated the AccessCONNECT Program to deliver a new user-centric process and system for heavy vehicle access. As an integral element of this program, we undertook extensive work with stakeholder groups and improved the service delivery and customer service aspects of the current national access management program.

2 Class 2: Freight-carrying vehicles (B-doubles, B-triples, Road Trains), Buses, Vehicle carriers, Livestock vehicles, Performance-Based Standards (PBS) vehicles.

3 Class 3: Vehicles which, together with their load, do not comply with prescribed mass or dimension requirements.

Strategy 1 – Provide safe, productive access to the road network (continued)

MEASURE Conversion of transitional national notices

RESULT Statutory instrument production and maintenance



In 2014-15, we were responsible for:

- ensuring the Local Productivity Initiatives (LPIs)⁴ embedded in approximately 160 state and territory statutory instruments are effectively maintained under the HVNL
- where practicable, the harmonisation or national extension of the arrangements in these instruments
- improving comprehensibility and legal effectiveness of existing national notices
- the production of notices implementing new local and national policy settings (for mass, fatigue or vehicle standards exemptions) to improve safety and productivity.

Sixty-five notices were published in the *Commonwealth Gazette* in 2014-15.

MEASURE Harmonisation of Local Productivity Initiatives

RESULT Harmonisation of operational policy



Our ongoing program of national harmonisation of operational heavy vehicle regulatory policies in the participating jurisdictions continued in 2014-15. Priority areas included access conditions for OSOM, SPV and PBS truck and dog vehicles. Draft National Notices harmonising conditions were delivered for each of these vehicle types.

In conjunction with the South Australian Department of Planning, Transport and Infrastructure, we also brought South Australia's tri-axle dolly policy into national harmony.

'This is a great outcome for our local industry and in particular the agricultural sector. The removal of red tape and restrictions around operations of tri-axle dollies is vital in meeting the growing freight demands in our very competitive industry.'

David Smith, President, Livestock Transporters Association of South Australia

4 The *Intergovernmental Agreement on Heavy Vehicle Regulatory Reform* under which the NHVR was established required the NHVR to retain 'Local Productivity Initiatives' (LPIs) in place before commencement of the National Law and consider their national extension. An LPI included a local regulation or operational practice that departed from national laws, policies or operational practice to allow a more productive, efficient or sustainable means of carrying out the freight task where local conditions enabled this to occur without:

- compromising local safety or asset protection demands due to the reduced level of risk presented by local conditions; or
- impacting on the national achievement of improved safety or regulatory outcomes.

Strategic Goal 2: Safe, productive and efficient heavy vehicle transport industry (continued)

Strategy 1 – Provide safe, productive access to the road network (continued)

MEASURE Promoting the benefits of innovative and higher productivity vehicles

RESULT



Presentations to local and international industry and government groups on PBS

In 2014-15, we presented at over 20 events on PBS and heavy vehicle productivity and safety to various national audiences including jurisdictions, vehicle manufacturers, industry groups, operators and local governments.

We were also invited to present at the following international conferences:

- 13th Internal Symposium on Heavy Vehicle Transportation Technology and Conception in Argentina in October 2014 presenting both the 'PBS experience in Australia under the new HVNL' and the 'comparison of North American and European Heavy Vehicle Braking Characteristics – an Australian Perspective'
- 21st Century Transportation Forestry Symposium in Chile in November 2014, presenting 'Performance Based Standards in Australia'
- VREF Centre of Excellence for Sustainable Urban Freight Systems Webinar in New York, presenting the 'role of high productivity freight vehicles in metropolitan areas: the Australian experience'.

We also provided technical assistance to the Council for Scientific and Industrial Research, South Africa, regarding the development of a PBS Pilot Project in South Africa by assessing a number of South African PBS vehicle applications in accordance with the requirements of the Australian PBS framework.

Australia is a forerunner in the field of high productivity and PBS combinations and the NHVR is working together with a number of organisations on the establishment of a new Organisation for Economic Cooperation and Development working group on high capacity transport by road and its interaction with other transport modes.

Strategy 2 – Improve safety management capability in industry

MEASURE Monitoring safety performance across the on-road industry and the chain of responsibility

RESULT



Chain of responsibility

CoR is a critical legislative compliance mechanism underpinning the regulation of supply chains under the HVNL. Increasing capability and capacity in this area was a key priority for us in 2014-15, with our resources strengthened through the appointment of a Manager, Chain of Responsibility. A working group was also established with compliance partners to develop nationally-consistent practices associated with CoR education and awareness, enforcement, investigations and prosecutions and to enable effective cross-border interoperability. The working group will also consider and operationalise any changes that come from the NTC's review of the CoR legislative framework.

Outcomes achieved in 2014-15 included:

- continued work with the NTC on *Primary Duties for Chain of Responsibility Parties and Executive Officer Liability – Discussion Paper*
- initial stakeholder outreach and work to develop industry awareness of and educational programs for CoR
- ongoing formulation of plans for national CoR and cross-border operations
- engagement with partner agencies and industry about educational needs
- supported partner agencies with guidance and direction to CoR operations
- development of options for Industry Codes of Practice, in the context of our consideration of the of NTC's CoR duties review⁵
- continued monitoring of issues relating to a number of serious heavy vehicle crashes and other incidents.

5 [http://www.ntc.gov.au/Media/Reports/\(30691D69-BE62-47D3-ACB4-ED02EF21F512\).pdf](http://www.ntc.gov.au/Media/Reports/(30691D69-BE62-47D3-ACB4-ED02EF21F512).pdf)

Strategy 2 – Improve safety management capability in industry (continued)

MEASURE Improved guidance to industry across the chain of responsibility, on effective safety management methods and systems and performance

RESULT

Chain of responsibility



Increasing CoR capability and capacity was one of our key priorities in 2014-15.

We continued our work on determining relevant options for the Industry Codes of Practice, which are developed by industry bodies and guide duty-holders on how to meet their obligations. Given the NTC's CoR Duties Review, this work was necessary to assist industry in its future compliance with the HVNL.

Other outcomes achieved in 2014-15 were:

- stakeholder consultation and preliminary work to develop industry awareness of CoR and appropriate educational programs
- continued work with the NTC on the *Primary Duties for Chain of Responsibility Parties and Executive Officer Liability* discussion paper.

MEASURE Rewarding safe operators

RESULT

Advanced Fatigue Management



Advanced Fatigue Management (AFM) accreditation under the new national provisions, brings a risk management approach to managing driver fatigue. Rather than setting work and rest hours, the AFM scheme offers the flexibility for operators to propose their own hours as long as the fatigue risks of those hours are offset by sleep, rest and other management practices in a compliant fatigue management system.

Operators who can demonstrate safe practices through robust safety management systems are able to apply for accreditation in the AFM module, allowing drivers the flexibility to manage their hours of work and rest outside of standard hours and Basic Fatigue Management (BFM). Our work in 2014-15 is discussed later.

National Heavy Vehicle Accreditation Scheme

We are the single administrators of the NHVAS under which operators with robust management systems may be accredited and benefit from concessional mass limits (CML), annual vehicle inspections (annual requirements for selected states) and extended driving hours. In 2014-15, we closed over 22,000 NHVAS applications with more than 6,200 operators and 92,000 vehicles in maintenance and 30,000 vehicles (truck/hauling unit only) in mass obtaining enhanced benefits from participation in the scheme.

MEASURE Delivering on the review of NHVAS as part of the National Roadworthiness Review

RESULT

NHVAS Review



A review of the NHVAS is part of the National Heavy Vehicle Roadworthiness Program, which is being jointly undertaken by the NHVR and the NTC. The program comprises two reviews:

- a review of the NHVAS, its substantive requirements, governance and especially the audit system (led by the NHVR)
- a complementary review of the roadworthiness inspection regimes in each jurisdiction and nationally (led by the NTC).

The outcomes of the reviews will be considered by the Ministerial Council in November 2015

NHVAS operational changes

At the Ministerial Council meeting on 7 November 2014, ministers approved changes proposed by the NHVR to the NHVAS Business Rules and Standards to strengthen the operational design of the NHVAS and its audit system governance. These aimed to increase the accountabilities of key parties and allow the NHVAS to function as a more effective, risk-based component of an integrated, national roadworthiness assurance system. The new Business Rules took effect from 1 March 2015.

Strategic Goal 2: Safe, productive and efficient heavy vehicle transport industry (continued)

Strategy 2 – Improve safety management capability in industry (continued)

MEASURE Delivering on the review of NHVAS as part of the National Roadworthiness Review (continued)

NHVAS legislative changes

The NTC released a Consultation Regulatory Impact Statement (RIS) for comment (January to April 2015), with a final RIS to be submitted for ministers' decision in July 2015. Four options from status quo to prescriptive regulation have been canvassed for improving the inspection system and the NHVAS. Two proposals for mandating the NHVAS by legislation in certain circumstances have been replaced in the Decision RIS by a proposal to make sampled inspections a requirement for NHVAS re-entry. Changes to the NHVAS provisions of the HVNL and regulations will affect how we undertake our role in its administration.

Deliverables for the NHVAS included:

- new Business Rules including new auditor criteria and registration with the NHVR
- new auditor registration forms and internal processes, including an auditor identification card
- Case Tracking System (CTS) enhancements for auditor registration
- transitional requirements for current heavy vehicle accreditation auditors until 1 July 2016 to meet new criteria
- registration of one new auditor and the transition of seven to the new NHVAS Approved Auditor scheme
- commencing of the development of auditor technical training courses, the audit framework and the auditor code of conduct.

MEASURE Implementing effective Advanced Fatigue Management strategies across industry with the NTC

RESULT **Advanced Fatigue Management**



Operators entering the AFM scheme must be able to demonstrate that they adequately monitor and review fatigue risk through the adoption of fatigue management systems which are assessed against the AFM Risk Classification System (RCS) to determine appropriate levels of risk and mitigation.

Where appropriate, we utilise the expertise of the FERG for the purposes of providing professional advice in regard to applications and fatigue schedules of a more complex nature. In 2014-15, the FERG met four times, to consider 11 applications and review the 160 kilometres exemption requirements for promulgation into Victoria. A total of 12 new applications were received in 2014-15, with nine approvals granted.

Livestock Transport Fatigue Management Scheme

The livestock transport industry has operational requirements not experienced by other sectors of the industry. Welfare requirements and delivery demands can create difficulties for operators while complying with standard or BFM work and rest hours. To address this, the Livestock Transport Fatigue Management Scheme (LTFMS) has been developed, providing the ability to this industry sector to manage a high risk operational requirement via a safety management system designed for the task at hand.

In 2014-15, we developed the LTFMS, providing a pre-approved template AFM accreditation system designed to give livestock transporters flexibility in the complex livestock transport task. It contains a published risk assessment to assess contact points in the CoR and requires policies and procedures to be implemented in the business to offset higher levels of fatigue associated with higher risk activities. The LTFMS commenced on 1 July 2015.

Strategy 2 – Improve safety management capability in industry (continued)	
MEASURE	Establishing arrangements for approving Electronic Work Diary applications
RESULT	Electronic Work Diary Project
✓ ✓	The Electronic Work Diary (EWD) Project is a major initiative intended to deliver significant safety and efficiency benefits for industry and the community. Work in 2014-15 continued with the completion of a detailed project scope, business case and project plan.
Strategy 3 – Improve compliance outcomes and reliable compliance systems	
MEASURE	Evaluating the level of confidence and reliability in available measures and systems of compliance
RESULT	National compliance and enforcement delivery
✓	We identified this as a key need and in 2014-15 the NCEOF was established to build confidence in and reliability of available measures and systems of compliance nationally, including a working group on C&E performance reporting. This group will establish the metrics and framework for future C&E reporting.
MEASURE	Improving national consistency in practice and procedures
RESULT	Compliance and enforcement guidelines and working groups
✓ ✓	In 2014-15, we developed and published a number of national C&E guidelines and National Operational Advice that provide partner regulatory agencies instruction, guidance and information on a broad range of C&E and other operational issues. We also improved the consistency of national C&E outcomes through the continued facilitation of the National C&E Working Group and the National Operational Support Network ⁶ , providing timely and effective support and guidance to partner agencies through the development and dissemination of a broad range of operational information, material and advice.
	Cost Recovery Study Project
	We arranged, with the cooperation of participating jurisdictions, for an analysis of the actual costs of heavy vehicle regulation, which will be used to improve budgeting for the national scheme. By benchmarking services provided under delegation from the NHVR by jurisdictions across the country, CRSP also facilitates improving national consistency in practice and procedures, as well as identifying better practice regulation. The outcomes of the project will be known in 2015-16.
MEASURE	Ensuring consistency in proportionality of enforcement
RESULT	Regulatory compliance operations
✓ ✓	In 2014-15, we established the NCEOF, consisting of senior representatives of state and territory road transport authorities and police agencies, including Western Australia and the Northern Territory. This forum provides a formal mechanism to agree and progress national C&E initiatives and operational improvements, consistent with the intent and objectives of the HVNL. Through the NCEOF, we were able to commence a number of national priority projects, including, with the agreement of our partner regulatory agencies, work to develop the National Heavy Vehicle C&E strategy.

6 The National C&E Working Group comprise representatives of all state and territory road transport authorities, Australia New Zealand Policing Advisory Agency (ANZPAA) and its nominated police agency representatives.

Strategic Goal 2: Safe, productive and efficient heavy vehicle transport industry (continued)

Strategy 3 – Improve compliance outcomes and reliable compliance systems (continued)	
MEASURE	Enhancing the skills and capabilities of authorised officers
RESULT	Authorised officer training
✓ ✓ ✓	<p>We have legally appointed more than 850 officers (excluding police) to exercise powers under the HVNL. These officers are employed by state and territory road transport authorities and provide regulatory services for and on our behalf under the Service Agreements.</p> <p>In 2014-15, we undertook several low-level cross-border training exercises and worked with New South Wales Roads and Maritime Services to develop and implement an <i>HVNL Authorised Officer e-training package</i> for New South Wales local council enforcement officers. Building on initial work undertaken in 2014-15, we will develop and publish national authorised officer training calendar in 2015-16.</p>
MEASURE	Exercising quality assurance over sensitive vehicle modifications
RESULT	Vehicle Standards Program
✓ ✓ ✓	<p>Our Vehicle Standards Program develops, maintains and provides technical advice and exemption services to industry on heavy vehicle standards. Providing leadership and support to jurisdictions through the development of policy, procedures and processes for the transparent and consistent application of vehicle standards nationally, the program deals with applications to approve complex modifications to heavy vehicles, as well as requests for exemption permits and in-principle support for operators importing non-standard vehicles.</p> <p>In 2014-15, nine vehicle standards modification applications were finalised, and 465 exemption permits and 325 in-principle support approvals were issued. The national notices that were implemented in 2013-14 largely contributed to the reduction in the number of exemption permits required to be issued in 2014-15.</p>
MEASURE	Providing enhanced guidelines to better provide guidance to industry around heavy vehicle standards exemptions
RESULT	Vehicle Standards Program
✓ ✓	<p>Our Vehicle Standards Program actively engaged with the industry, states, territories and third party providers to deliver enhanced guidance and information regarding heavy vehicle standards exemptions. In 2015-16, we continue with the development of broader guidance and materials to promote greater understanding of the process and requirements.</p>
Strategy 4 – Industry and stakeholder confidence in administration of the HVNL	
MEASURE	Ensuring fair and accountable exercise of enforcement powers
RESULT	Regulatory compliance operations
✓ ✓	<p>In 2014-15, we developed detailed guidance material for partner regulatory agencies and industry to give effect to various changes to the HVNL (including Amendment Package 4⁷) ensuring all stakeholders have a clear and consistent understanding of the HVNL and their applicable obligations.</p>
MEASURE	Ensuring fair and appropriate provision of reviews of decisions and appeal rights
RESULT	Access operations
✓ ✓ ✓	<p>In 2014-15, we received 110 requests for review of road manager decisions. As at 30 June 2015, 47 of those were pending, 11 had been withdrawn, 21 decisions were overturned and 31 decisions were upheld.</p>

7 Heavy Vehicle National Law – Amendment Bill 2015 (the Bill), also referred to as HVNL – Amendment Package 4. The Bill will amend the HVNL and National Regulations providing for the implementation of further national reforms for the heavy vehicle industry, such as facilitating the introduction of electronic work diaries (EWDs) and greater harmonisation of penalties under the HVNL. The Bill will also make a number of minor and technical amendments identified through the HVNL maintenance process that aim to improve safety outcomes and correct minor errors.

Strategy 4 – Industry and stakeholder confidence in administration of the HVNL (continued)

MEASURE Exercising transparency in the administration of the law

RESULT



We continued to provide a high level of transparency in decision-making, demonstrated through:

- the publication of notices of proposed rule changes in national newspapers and the Commonwealth *Gazette*
- the provision of information notices to applicants where applications for various authorities under the law are refused, made for a period shorter than that sought, or made subject to conditions.

Strategy 5 – Development of a national registration system

MEASURE Confirming the business case and benefits realisation for the system

RESULT



National Heavy Vehicle Registration Scheme Project

The National Heavy Vehicle Registration Scheme Project, established in 2013, aims to develop a national heavy vehicle registration system. This will provide for the identification of vehicles and their registered operators in a single repository that will support integrated service delivery to heavy vehicle operators across a range of functions, including access management, accreditation, vehicle standards and C&E. At present, the registration of vehicles occurs in the various states and territories.

The project focused on the delivery of the following outcomes in 2014-15:

- working with the NTC on the consideration of policy issues identified in the 2013-14 National Heavy Vehicle Registration Scheme high level business case
- establishing the project's governance body, the independent Registration Oversight Group
- developing and establishing the work program for the detailed business case
- commencing data collection and engagement with key jurisdictional and industry stakeholders to support the analysis of the costs and benefits of alternate approaches of delivery
- securing ongoing funding for business case development.

Strategic Goal 3: Efficiency in service delivery and resource allocation

Strategic Goal 3, *Efficiency in service delivery and resource allocation*, focuses on performance and evaluation to support the efficient and effective delivery of services.

Strategy 1 – Ensure the efficient and cost effective delivery of regulatory services	
MEASURE	Determining the appropriate cost of regulatory services
RESULT	Cost Recovery Study Project
✓ ✓ ✓	As outlined previously, we commenced the CRSP, which encompasses the benchmarking of the efficient and effective level of service delivery in heavy vehicle regulation. A key deliverable produced is the draft <i>Stream 1 Report into Efficiency and Effectiveness of NHVR and jurisdictional services</i> . The report is an important step in determining the appropriate cost of nationally harmonised services.
MEASURE	Implementing efficiencies in the delivery of regulatory services
RESULT	National standardisation of fatigue management
✓ ✓ ✓	In 2014-15, Tasmania adopted the HVNL Fatigue Management regulations resulting in heavy vehicle operators travelling interstate being subject to the same fatigue regulations as in mainland Australia. This now means true national consistency has now been achieved with BFM and AFM resulting in greater safety and efficiency benefits, particularly across borders.
	Harmonisation of operational policy
	Throughout 2014-15, in consultation with industry and jurisdictions, we achieved nationally harmonised access policy in a number of key areas, resulting in the publication of statutory notices enabling significant efficiencies. The areas were: <ul style="list-style-type: none"> • a nationally consistent OSOM notice • a nationally consistent SPV notice • a PBS truck and dog notice • technical work underpinning the Roadworthiness Project, particularly in vehicle standards.
Strategy 2 – Industry and stakeholder confidence in administration of the HVNL	
MEASURE	Developing appropriate service agreements and standards
RESULT	Service agreement management
✓ ✓ ✓	In 2014-15, we successfully negotiated the extension of service agreements with all participating jurisdictions for 2015-16.
	<p><i>‘The heavy vehicle industry has a specific need for a coordinated perspective of the HVNL. The NHVR is providing this perspective and bringing certainty to the heavy vehicle industry. This is good for business.’</i></p> <p>Peter Anderson, CEO, Victorian Transport Association</p>

Strategy 3 – Ensure effective and cost efficient delivery of supplier agreements

MEASURE Ensuring supply agreements represent value for money

RESULT Procurement

✓ ✓ ✓

During 2014-15, we focused on enhancing our procurement and supporting activities to ensure value for money outcomes. An internal audit was undertaken of our purchasing activities resulting in better procurement and contract management controls.

MEASURE Ensuring supply contracts are appropriately managed and controlled

RESULT Contract management

✓ ✓ ✓

Our contracts register was established during 2014-15 and is managed by our Procurement and Contract Specialist. In addition to providing a centralised view of organisation-wide supply contracts, supporting processes have been developed to review operational performance of existing contracts and to flag and manage contract renewals.

Strategy 4 – Establish effective agreements with industry and road managers

MEASURE Developing agreed service standards with industry and road managers

RESULT Service standards with road managers

✓

We have not yet settled final service standards with local and state road managers for the route assessments relating to access permit applications. However, we have now put in place reporting on the performance of the road managers' assessment process, with the baseline data providing a foundation for service standards in 2015-16.

MEASURE Monitoring and reporting on agreed performance standards

RESULT Road manager performance

✓ ✓

In 2014-15, we improved monitoring and reporting of decision-making by road managers, improving the transparency of the time taken for obtaining approval of road access applications. The information is assisting us to gain a better understanding of the problems faced by road managers and to identify where assistance may be required. The work undertaken in improving data will also help us to improve access strategies.

Strategic Goal 4: Effective governance and continuous improvement

Strategic Goal 4, *Effective governance and continuous improvement*, focuses on effective organisational governance arrangements to achieve continuous improvement of our business processes.

Strategy 1 – Attract and develop skills and capability	
MEASURE	Improving systems for employee recruitment, development, learning and career enhancement designed to increase organisational effectiveness
RESULT	People and Capability Framework
✓ ✓	In 2014-15, we strengthened our human resource processes with further improvement of our People and Capability Framework under our Corporate Governance Framework. Following a performance review, we are exploring an information system solution after the identification of opportunities to further streamline processes and implement transparent and timely reporting.
MEASURE	Implementing an effective performance management system that is operationally and culturally appropriate
RESULT	Performance Planning and Appraisal Framework
✓ ✓	In 2014-15, we piloted and implemented our Performance, Planning and Appraisal (PPA) Framework. This facilitates our staff aligning their work with our strategic goals. Data from this process will be analysed in 2015-16 to assist with resources planning.
Strategy 2 – Ensure efficient and effective financial management and controls	
MEASURE	Establishing efficient financial targets and enhancing the communication of performance
RESULT	Financial management
✓ ✓ ✓	Our expenditure was managed within the approved operating budget. Our savings target was achieved. In line with our statutory obligations, our annual financial statements were prepared at the appropriate time and in the appropriate form for auditing by the Queensland Audit Office. The Statements appear in Part 5 of this report.
MEASURE	Improving financial information systems to best deliver value and customer efficiencies
RESULT	Financial management
✓ ✓ ✓	During 2014-15, our financial information systems were improved in areas of refund processing and end of month performance reporting.
MEASURE	Identifying and reducing cost of service delivery
RESULT	Cost Recovery Study Project
✓ ✓ ✓	In 2014-15, as mentioned above, a significant benchmarking activity was undertaken under the CRSP that measured the efficiency and effectiveness of services delivered by participating jurisdictions under service agreements. Work also commenced on a new five-year Service Agreement Maturity Model. This is intended to facilitate the move to a national system of heavy vehicle safety, compliance and enforcement and productivity. By identifying the efficient price of regulatory services, the project (in combination with the Maturity Model) is designed to achieve significant improvements in the cost-effectiveness of national regulation.
Strategy 3 – Improve ICT systems and capability	
MEASURE	Developing the business cases for enhanced service delivery of the permit issuance business
RESULT	Service delivery business cases for access management
✓ ✓ ✓	Through the AccessCONNECT Program, we have completed the development of the business case and supporting documentation to guide the key implementation activities required. TISOC has supported the operational improvements and progress of the access permit remediation activities, and agreed to endorse the strategic approach of the AccessCONNECT Program of work and supporting business case.

Strategy 3 – Improve ICT systems and capability (continued)

MEASURE Implementing the enhanced service delivery solution for access permit processing

RESULT



Improved access service delivery model

In 2014-15, we undertook the planning and development of improved service delivery for access management permits. This will support the use of risk-based decision-making processes, better workload management, more easily understood requirements for all stakeholders and an integrated electronic system for permit issuing and compliance processes. It incorporates:

- a simpler interface to create and track permit applications through a single entry customer portal
- a more mature national business model supported by national policy and process harmonisation, service standards and risk-based assessment frameworks
- greatly improved communication between customer and road managers, largely automated through the use of web portals
- supporting local government road managers with appropriate tools to facilitate consistent and efficient decision-making in access applications
- functionality that encompasses electronic lodgement, assessment, future integration, permit tracking and reporting and decision-consistency.

AccessCONNECT prototypes

We have made significant progress in the development of a number of prototypes for different components of the new system solution. The prototypes have been useful for establishing requirements and allowing stakeholders to touch and feel a product during the design stage prior to full development. The prototypes developed to date include a case tracking dashboard for customers and reporting dashboards and case trackers for the NHVR, jurisdictions and local government (with 110 individual users across these stakeholder groups).

A proof of concept for a 'Vehicle Builder' has been developed. This is an online tool that will allow customers to configure their fleet of heavy vehicles and progress through the online application process using smart forms in the new system solution. The project has partnered with Western Australia's Main Roads and successfully converted its business rules into the Vehicle Builder prototype, providing a valuable experience for the program.

We are currently working with NHVR customers to trial and test the prototypes in preparation for releases in 2015-16.

MEASURE Improving information systems, processes and databases

RESULT



Information and communication technology

We made various IT system enhancements in our business areas to improve system performance in operational processing as well as to upgrade desktop and backup applications, including:

- enhancing the existing access management case management system to streamline processing and reduce operator input
- redesigning the website
- adding auditor management capability in the NHVAS case tracking system
- adding remote connection back to NHVR network for laptops
- two major system enhancements resulting in a reduction of 35% in the overall handling time of access applications which we processed
- introducing an automated timekeeper system to streamline time and leave management.

Strategic Goal 4: Effective governance and continuous improvement (continued)

Strategy 4 – Improve the delivery of operational activities, regulatory services and other support functions

MEASURE Standardising processes and procedures to improve consistency and efficiency

RESULT



Corporate Governance Framework

In 2014-15, we developed our formal Corporate Governance Framework, setting out the standards of accountability and transparency expected of the NHVR by our stakeholders and staff. The overall aim is to drive conformance and performance improvement in meeting our statutory and other obligations.

Process Control Framework

As part of the Corporate Governance Framework, in 2014-15 we reviewed the documentation of our corporate and regulatory processes within our Process Control Framework. The framework provides a document hierarchy defining a tiered approach to control document development across all core regulatory, corporate and support business processes. We have commenced a full documentation of those processes, which will improve consistency, efficiency, accountability and risk management.

Strategy 5 – Ensure clearly defined lines of accountability, responsibility and authority across the organisation

MEASURE Embedding a risk management framework and risk-based practices throughout the organisation

RESULT



Corporate Risk Management Framework

In 2014-15, we developed our Corporate Risk Management Framework. This aims to embed risk management into our business processes and ensure that risks are managed consistently, effectively and efficiently to deliver better business outcomes.

Access risk management framework

Developing a risk management framework that supports risk-based access-related decision-making is a key focus for the AccessCONNECT Program, allowing the NHVR and its regulatory partners to focus their efforts on higher risk heavy vehicle access activities. The first stage of the framework was completed in 2014-15, with a high-level risk framework developed for OSOM and piloted in Victoria with VicRoads and the Greater City of Dandenong and City of Whittlesea local governments.

Investment management framework

In 2014-15, we also initiated work on incorporating a risk-based approach to prioritising our work. In addition, the Forward Work Inclusion Proposal (FWIP) template was developed and published for the use of all stakeholders seeking to propose projects for our Forward Work Program. In combination, the Investment Management Framework and the FWIP template will help us to identify and prioritise initiatives which have the best results in achieving safety and productivity.

MEASURE Enhancing robust systems, processes and controls to ensure statutory and other compliance obligations are met

RESULT



Internal audit program

In 2014-15, a series of internal audits were conducted to test the robustness and compliance of our regulatory and business processes. Outcomes of these audits have led to better systems, processes and controls in the programs of procurement, governance, NHVAS, leave management, workplace health and safety, risk management and recordkeeping.

Strategy 5 – Ensure clearly defined lines of accountability, responsibility and authority across the organisation (continued)

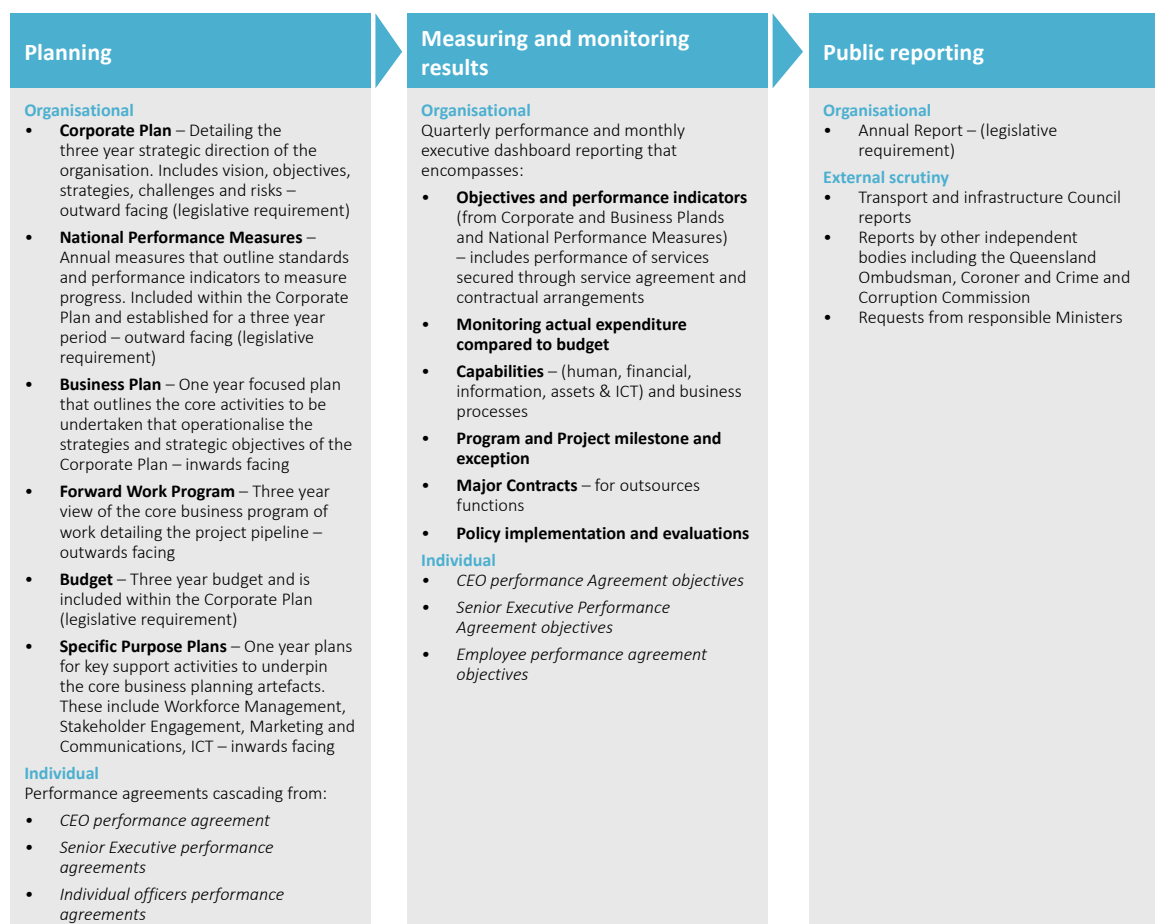
MEASURE Ensuring good governance, oversight and reporting in all business initiatives, programs and projects

RESULT



Performance Management Framework

In 2014-15, we formalised our planning and reporting processes with the development of our Performance Management Framework. This has enabled better alignment between our functions and reduced the need for ad hoc and duplicate reporting.



Project Management Framework

In 2014-15, we commenced improving our project management with the documentation of our Project Management Framework. This will ensure that all projects are managed in a manner that is appropriate for the level of project risk and complexity. This will help us to achieve project outcomes on time and within budget. It will also ensure accountability for outcomes is clear, appropriate controls are in place to minimise risk and limit project duplication and overlap, key project stakeholders are consulted, and outputs and outcomes are monitored and reported.

Performance against national performance measures

Objective 1 – Promote public safety	
INDICATOR	Number of operators and vehicles participating in NHVAS and covered by recognised industry codes and accreditation schemes
RESULT	The number of operators and vehicles participating in NHVAS has increased
✓ ✓ ✓	Participation in the NHVAS has increased by 5% from 2013-14, with 96% of applications completed in accordance with our customer service standard of 14 days.
INDICATOR	Trends in the number and types of heavy vehicle crashes, and heavy vehicles involved injuries and fatalities
RESULT	We continue to work with jurisdictions to establish sources to generate real-time, consistent data to establish baselines on heavy vehicle accidents
✓	Although in 2014-15 we established the NHVR Incident Reporting database containing critical heavy vehicle incidents, it is currently unable to establish real-time reporting from agencies that normally attend on-road incidents. This has resulted in only publicly-available incidents being able to be reported on, reducing data validity. Throughout 2015-16, we will continue to work with partner agencies to establish formal data and information sharing protocols that will assist in streamlining and strengthening serious incident reporting processes and building our national database.
INDICATOR	Trends in the number of detected non-compliant drivers, operators and vehicles; and type of enforcement action (subject to data availability)
RESULT	In 2014-15, we could not obtain national data in relation to non-compliance and enforcement in order to establish national trends
✓	We expect to have the necessary systems and processes in place to collect and analyse relevant data through the further development of a national data strategy and the next generation service agreements with participating jurisdictions.
INDICATOR	Hours of effort allocated to heavy vehicle compliance activity by activity type (subject to data availability)
RESULT	In 2014-15, we could not collect national data on compliance activities
✓	As for the previous indicator, we expect to develop the necessary systems and processes to collect and analyse relevant data through the development of a national data strategy and the next generation service agreements with participating jurisdictions.
Objective 2 – Promote industry productivity and efficiency	
INDICATOR	Length and proportion of road network approved for higher productivity vehicles by network and by class of vehicle
RESULT	We have not yet obtained reliable information to allow us to report on the length and proportion of approved road network in respect of the relevant vehicles
✓	Our current system does not allow us to obtain or analyse data based on the proportion of network approved by class of vehicle. We are working towards improvement to the system in our AccessCONNECT Program so that we have better capabilities for collecting and analysing relevant, valid data.
INDICATOR	Length and proportion of road network approved for special purpose and Oversize Overmass vehicles by network and by class of vehicle
RESULT	As for the previous indicator, our current system does not allow us to obtain or analyse data based on the proportion of network approved by class of vehicle. We are working towards improvement to the system in our AccessCONNECT Program so that we have better capabilities for collecting and analysing relevant, valid data.
✓	

Objective 2 – Promote industry productivity and efficiency (continued)

INDICATOR Number of local productivity initiatives harmonised

RESULT We have successfully harmonised a number of local productivity initiatives that have maintained or improved the level of productivity made available under the relevant access entitlements

✓ ✓ ✓

Within 2014-15, the number of transitional instruments (LPs, state-based notices and permit-based schemes) carried over from the former corresponding laws have been reduced as a result of 65 Gazette notices being published.

INDICATOR Number of access applications denied, by type, location, road manager and reason

RESULT Through data collection and analysis, we have a clearer understanding of the reasons for denial of access permits. This allows us to enhance and pinpoint improvements in the application process and in our IT

✓ ✓ ✓

With a total of 14,800 access permit applications received, 895 were refused after assessment by road managers, representing a 6% refusal rate.

Denied by type

Class 1	11
Class 2	179
Class 2 (PBS)	194
Class 3	17
HML	70
Unknown	424

Denied by location

	Qld	NSW	Vic	SA	Tas	ACT	Unknown
Local government	105	281	49	18	22	0	
State authority	233	110	19	27	17	0	
Total	338	391	68	45	39	0	14

Denied by reason

Risk of adverse effects on the community (e.g., noise, congestion, etc.)	36
Likely to cause damage to infrastructure	483
Significant risk to public safety	338
No response	38

Performance against national performance measures (continued)

Objective 3 – Encourage regulatory, government and operator efficiency	
INDICATOR	Nature and type of NHVR initiatives to encourage efficiency
RESULT	We successfully delivered and co-operated with the NTC and participating jurisdictions on a suite of initiatives that have facilitated regulatory, government and operator efficiency.
✓ ✓ ✓	<p>In 2014-15:</p> <ul style="list-style-type: none"> the NHVAS provided operators with alternative compliance and concessions for mass, maintenance and fatigue we consolidated and harmonised current permit schemes through our Statutory Instrument Production and Maintenance Program we completed the <i>New South Wales Higher Mass Limits Declaration 2015 (No.1)</i> initiative, which resulted in significantly reduced permit demand, thus providing industry with more transparency and efficiency in the access system in that state we completed the <i>New South Wales Restricted Access Vehicle Enforceable Networks Schedule Amendment (Notice) 2015 (No. 1)</i> initiative, which resulted in New South Wales moving to a more accessible and usable online Restricted Access Vehicle mapping system we commenced consultation on the <i>Class 2 Heavy Vehicle Performance Based Standards level 1 and 2 Truck and Dog Authorisation (Notice) 2014 (No.1)</i> initiative, which aims to have a nationally consistent notice for all PBS truck and dog trailer combinations, except for those with 6+-axle dog trailers (it is estimated 1,000 permits will be replaced by this notice, i.e., approximately 70% of all PBS permits) completed the <i>New South Wales Class 3 Grain Harvest Management Scheme Mass Exemption (Notice) 2014 (No.1)</i> amendment notice to promote the safe movement of grain, whilst protecting roads and increasing productivity and efficiency (the scheme also seeks to provide a productivity benefit for growers and a higher degree of visibility to road managers of the use of their road assets) we started consultation on the <i>Class 1 Multi-State Mass Exemption (Notice) 2015 (No.1)</i> and <i>Class 1 Multi-State Dimension Exemption (Notice) 2015 (No.1)</i> notices to consolidate local permit schemes currently regulating the movement of oversized or overmass load class 1 carrying vehicles (it is estimated that between 2,000 and 3,000 permits will be replaced by these notices) we commenced consultation on <i>Class 1 Special Purpose Vehicle Mass and Dimension Exemption (Notice) 2015 (No.1)</i> intended to provide access for many classes of special vehicles from cranes to concrete pumps, eliminating and reducing no fewer than 18 points of variation between jurisdictions the extension of the <i>Victoria Class 3 Heavy Vehicle Livestock Carrier Mass Exemption (Notice) 2014) No.1)</i> to include the carrying of goats was authorised <i>National Primary Production Work Diary Exemption (Notice) 2015</i>, consolidating work diary concessions, were put in place, thus reducing regulatory burden on classes of ‘farm-gate to distribution point’ journeys considered a low-fatigue risk for primary production transport work in New South Wales and Queensland we published and maintained a suite of National C&E industry bulletins and fact sheets, namely: Carriage and presentation of documents, Heavy vehicle defects, Heavy vehicle dimension assessment, Heavy vehicle mass assessment, Restricted Access Vehicles, Notices that must be carried, and 1-Tonne tri-axle mass transfer allowance we had the benefit of 349 pre-approvals relating to road access enabling us to issue permits more efficiently without the requirement to obtain road manager consent our CRSP included benchmarking the efficient and effective level of service delivery in heavy vehicle regulation, which will assist in securing more efficient regulatory services.

Objective 3 – Encourage regulatory, government and operator efficiency (continued)

INDICATOR Benchmarking of the provision of regulatory services by service providers

RESULT We are undertaking comprehensive benchmarking of the regulatory services that we and jurisdictions provide

✓ ✓ ✓

Through CRSP, in 2014-15, the scope and levels of service delivered by the NHVR and jurisdictions were identified and the information was made suitable for comparison and costing. This project, which is the most comprehensive benchmarking exercise undertaken in relation to heavy vehicle regulation in Australia, is expected to be completed and reported to Ministers in 2015-16.

INDICATOR Benchmarking of customer service by NHVR and service providers

RESULT We have benchmarked customer services and are using the information to set performance targets and drive improved customer service across our organisation and with our service providers

✓ ✓ ✓

The achievement of the customer service targets for our contracted call centre has improved across the board compared with last financial year and exceeded the contractual key performance indicators.

We have focused on analysing and improving our customer service targets in the Access Management Unit, with 90% of valid permit applications now being delivered to road managers within one business day.

Several key documents have also been developed to help establish and benchmark customer service standards for 2015-16, including a *Customer Service Charter and Issues Management/Complaint Management Policies*.

INDICATOR Time to process access applications

RESULT We have reduced our processing time for access permit applications

✓ ✓ ✓

For the 14,280 access permit applications completed, the average processing time in 2014-15 was 23.48 days. As a component of this, an average of 4.34 days can be attributed to our internal processing, representing a 1.37 day processing efficiency improvement from 2013-14.

INDICATOR Time to process road manager consents

RESULT We have developed robust systems to accurately capture and monitor road manager consent times

✓ ✓

In 2014-15 there was a 7% reduction in consent times for local governments that responded to access applications within the statutory 28-day period. For state authority road managers, there was an increase of 12.25% response time, for those that responded within the 28-day period.

In 2014-15, there was an approximate 43% increase in the time it has taken state authority road managers to provide consent for cases greater than 28 days.

	No.	Average (days)
Consents received in <28 days		
Local government agencies	10,067	7.09
State road agencies	5,546	8.70
Consent backlog (>28 days)		
Local government agencies	813	59.98
State road agencies	704	65.09

Objective 4 – Manage the impact of heavy vehicles on the environment, infrastructure and public amenity

INDICATOR Development and implementation of management plans for each type of heavy vehicle impact

RESULT We actively manage the impact of each heavy vehicle type

✓ ✓

Through vehicle standards, PBS access management and the Roadworthiness Project, we are actively managing the impact of each heavy vehicle type. Each of these initiatives applies and monitors rigorous standards associated with each type of heavy vehicle and its associated impact.



03 Corporate governance and management

We have a range of measures in place to ensure we are publicly accountable for our actions and provide a safe and rewarding work environment for our staff. In this section of the annual report, we provide details of our corporate governance arrangements, our organisational structure and people. We also describe what we do to engage effectively with our stakeholders.

Corporate governance

Our Corporate Governance Framework provides the context within which we operate to achieve our objectives, ensuring transparent, ethical and accountable evidence-based decision-making and effectively managing risk and our key stakeholder relationships.

Our Corporate Governance Framework is firmly aligned with our governance legislation, the HVNL, and fully reflects all relevant Queensland and Commonwealth legislation and policies that directly affect us in our capacity as the NHVR. The system addresses governing and management arrangements, policy setting, internal and external communication, risk management, continuous improvement processes, and our appointment and management of delegates and authorised persons.

Enabling legislation

The HVNL is enacted through a cooperative applied law scheme. The scheme involves the text of standard provisions promulgated in Queensland being applied or adopted in each participating jurisdiction as if it were a law made in that jurisdiction. The HVNL has been applied or adopted by the following Acts:

- *Heavy Vehicle National Law (ACT) Act 2013* (ACT)
- *Heavy Vehicle (Adoption of National Law) Act 2013* (NSW)
- *Heavy Vehicle National Law Act 2012* (Qld)
- *Heavy Vehicle National Law (South Australia) Act 2013* (SA)

- *Heavy Vehicle National Law (Tasmania) Act 2013* (Tas)
- *Heavy Vehicle National Law Application Act 2013* (Vic).

The following national regulations have been made:

- *Heavy Vehicle (Fatigue Management) National Regulation*
- *Heavy Vehicle (General) National Regulation*
- *Heavy Vehicle (Mass, Dimension and Loading) National Regulation*⁸
- *Heavy Vehicle (Transitional) National Regulation*
- *Heavy Vehicle (Vehicle Standards) National Regulation*
- *Heavy Vehicle National Law (Postponement) Regulation 2014*
- *Heavy Vehicle National Law (Postponement) Repeal Regulation 2015*.

The following local regulations have been made:

- *Heavy Vehicle National Law (ACT) (Transitional Provisions) Regulation 2014* (ACT)
- *Heavy Vehicle (Adoption of National Law) Regulation 2013* (NSW)
- *Heavy Vehicle National Law Regulation 2014* (Qld)
- *Heavy Vehicle National Law (South Australia) (Savings, Transitional and Declaratory) Regulations 2013* (SA)
- *Heavy Vehicle National Law (South Australia) (Expiation Fees) Regulations 2013* (SA)

- *Heavy Vehicle National Law (South Australia) (Fees) Regulations 2013* (SA)
- *Heavy Vehicle National Law (Tasmania) Regulations 2014* (Tas)
- *Heavy Vehicle National Law Application (Infringements) Regulations 2013* (Vic).

To ensure the HVNL can operate consistently in all jurisdictions, some state and territory administrative and machinery legislation is excluded. For example, statutes dealing with the interpretation of legislation, financial matters, auditing and the employment of public servants do not apply to the HVNL. In their place, the HVNL covers these matters.

We remain subject to various statutes generally applying to government agencies and officers, including legislation regulating official misconduct (including whistleblower legislation), work health and safety and maladministration. Under s.696 of the HVNL, we are covered by Queensland's *Information Privacy Act 2009*, *Public Records Act 2002* and *Right to Information Act 2009*.

Responsible Ministers

We report directly to responsible Ministers. The HVNL defines responsible Ministers as a group of ministers consisting of the responsible Minister for each participating jurisdiction (as nominated by that jurisdiction) and the Commonwealth responsible Minister. The responsible Ministers are likely to be members of the Ministerial Council.

We provide the following to responsible Ministers:

- an annual report addressing the matters set out in s.693 of the HVNL

8 As amended by the *Heavy Vehicle (Mass, Dimension and Loading) National Amendment Regulation 2014*

Corporate governance (continued)

- a report about any matter that relates to our exercise of our statutory functions in response to a written direction under s.694 of the HVNL
- a three-year corporate plan, updated each year under s.695 of the HVNL.

Under the HVNL, we must also:

- comply with policy directions given by responsible Ministers under s.651
- provide information to a responsible Minister in response to a referral of a matter by a Minister under s.652.

This report satisfies our obligation under s.693 and we have provided our updated corporate plan to responsible Ministers as required by s.695. In 2014-15, Ministers did not issue any written directions to us, nor refer any matters to us.

NHVR Board

The NHVR Board, established under Part 12.2 of the HVNL, consists of five members appointed by the Queensland Minister on the unanimous recommendation of the responsible Ministers. The current board was appointed on 12 October 2012 for a three-year period.

The Board's functions include:

- deciding the policies of the Regulator
- ensuring the Regulator exercises its functions in a proper, effective and efficient way.

Board members



Bruce Baird

The NHVR's Chairperson, Bruce Baird AM, has extensive knowledge of the transport industry.



Peter Carske

Peter Garske is CEO of the Queensland Trucking Association. He is also a Director of TWU Nominees Pty Ltd, an industry superannuation fund and chairs the fund's investment committee. He is a director of the Queensland Transport & Logistics Council, a member of the Queensland Workplace Health & Safety Board, Chair of the Queensland Department of Transport and Main Roads' Heavy Vehicle Safety Forum and member of the department's Road Freight Industry Council.

Board meetings

During 2014-15, the Board met 17 times, with 12 formal Board meetings and five out-of-session meetings.

All Board members attended each meeting.

Finance and Audit Committee

The Finance and Audit Committee assists the Board in monitoring the systems of internal control and ensuring the integrity of the financial reporting process of the NHVR. The committee, which is chaired by Vincent Tremaine, comprises two Board members with the CEO and CFO as ex-officio members. The committee meets quarterly.

During 2014-15, four formal committee meetings were held.



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.



Coral Taylor

Coral Taylor is a non-executive Director of NRMA Motoring & Services, member and immediate past chair of the NRMA Policy and Advocacy Committee, and a member of its Governance, Compensation and Nomination Committee. Coral Taylor has more than 25 years' experience in the motorsport industry.



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 Chairman of Ports Australia. He is a Certified Practising Accountant.

Governance Committee

The Governance Committee assists the Board in dealing with matters relating to governance and makes recommendations to the Board concerning governance policies in light of best practice, legislative developments and the needs of the Regulator, ethical standards, including the Code of Conduct and other matters referred to the committee by the Board.

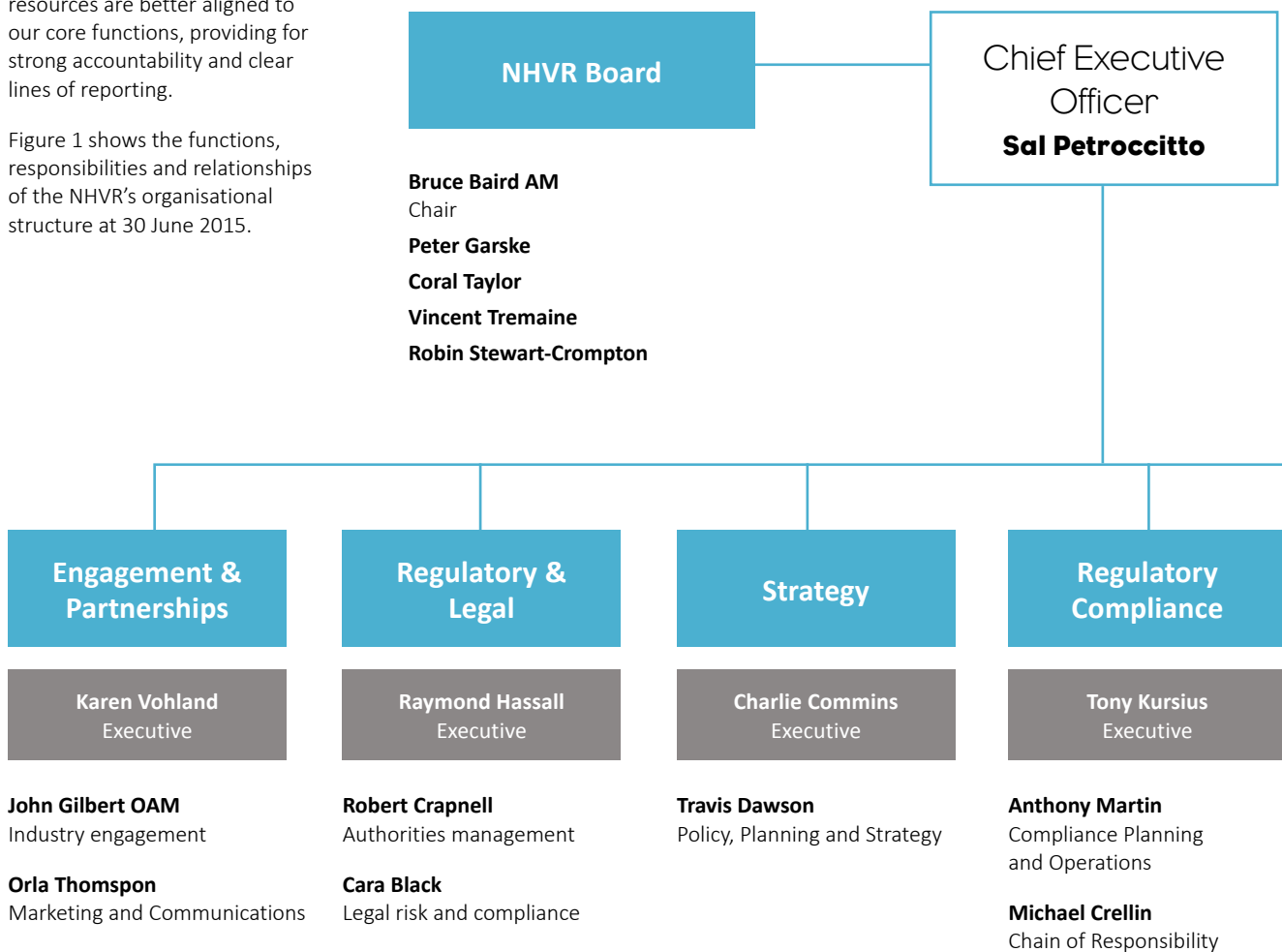
The committee comprises three Board members, with the CEO as an ex-officio member, and meets on a quarterly basis. During 2014-15, the committee, which is chaired by Robin Stewart-Crompton, met formally three times, with one out-of-session meeting.

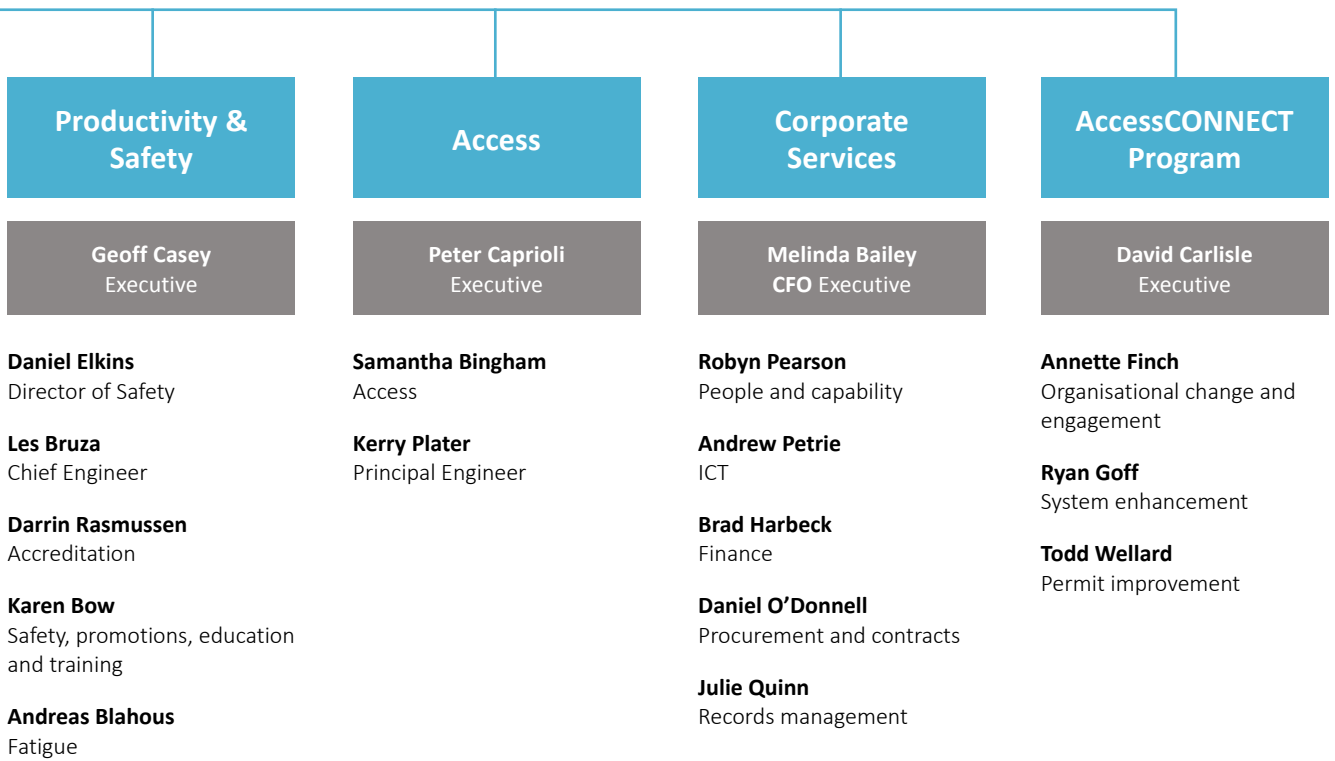
Organisational structure

In 2014-15, we redesigned our structure to ensure that our resources are better aligned to our core functions, providing for strong accountability and clear lines of reporting.

Figure 1 shows the functions, responsibilities and relationships of the NHVR's organisational structure at 30 June 2015.

Figure 1: Organisational structure as at 30 June 2015





Executive Leadership Team



Sal Petrocchio

Chief Executive Officer

Sal Petrocchio was appointed Chief Executive of the NHVR in May 2014.



Geoff Casey

Executive Director, Productivity and Safety

Geoff Casey leads our Productivity and Safety business unit, which deals with the NHVAS, fatigue management, PBS and vehicle standards and safety promotions, training and education.



Tony Kursius

Executive Director, Regulatory and Compliance

Tony Kursius heads the Regulatory Compliance team which is responsible for leading the implementation of heavy vehicle regulatory reform and ensuring the successful delivery of nationally consistent, coordinated and effective compliance and enforcement.



Charlie Commins

Director, Strategy

Charlie Commins leads the Strategy and Business Development function which delivers the policy, strategy and forward work program, funding and strategic project execution functions of the NHVR. The team is also accountable for developing and deploying the Regulatory data strategy and a knowledge management framework to support our role in industry.



Melinda Bailey

Chief Financial Officer and Executive Director, Corporate Services

Melinda Bailey is our Chief Financial Officer (CFO) and also leads our Corporate Services team, overseeing the NHVR's corporate functions including finance, human resources, records, procurement and IT management.

She is also a Director of WorkCover Queensland and is Chair of WorkCover's Risk and Audit Committee.



Raymond Hassall

Executive Director, Regulatory and Legal Services

Raymond Hassall leads the Regulatory and Legal Services business unit that provides advice and legal services for workplace, contract and commercial matters in addition to the delivery of privacy, right to information, and government accountability services.

Corporate governance (continued)



Karen Vohland

Executive Director, Engagement and Partnerships

Karen Vohland leads the Engagement and Partnerships team and provides strategic and specialist advice to the CEO and direction on all matters relating to internal and external relations, including stakeholder engagement and consultation, corporate image, media relations, business position and promotional campaigns and communication frameworks, strategies, policies, processes and standards.



Peter Caprioli

Director, Access

Peter Caprioli leads our Access Operations team, which is responsible for the delivery of an efficient permit application process for heavy vehicle access to the road network.



David Carlisle

Executive Director, AccessCONNECT Program

David Carlisle heads the AccessCONNECT Program, which is implementing a national road access management business model for industry that achieves national consistency, improved transparency and reduced regulatory burden.

Organisational changes

In 2014-15, we undertook the NHVR Renewal Project, to assess what changes were needed to our initial operating arrangements. The review resulted in a new organisational structure that is more appropriate for our current and future aims and responsibilities.

The Board approved the new organisational structure in November 2014. Recruitment for and appointment to senior positions occurred in early 2015. Details of changes in our senior management are outlined in B.7 in Appendix B.

Risk management

The effective management of risk is central to our successfully achieving the NHVR's objectives. Accordingly, we are working to embed appropriate risk management practices into our organisational culture, corporate governance, business processes and ongoing operational activities.

Our *Corporate Risk Management Framework* was adopted and implemented in December 2014. It is a component of our broader corporate governance framework and ensures that risks are managed consistently, effectively and efficiently in the delivery of our business outcomes.

Each business unit maintains an operational risk registers and the overall corporate risk register is regularly reviewed by the Executive Leadership Team with progress reported to the Governance Committee quarterly.

Each business unit will conduct a comprehensive risk assessment at the commencement of each calendar year. Each Executive Director is accountable to the CEO to provide assurance that risk is managed within the framework's tolerance levels.

In 2015-16, an internal review and health check of our Corporate Risk Management Framework will be undertaken.

Internal audit arrangements

Our risk-based internal audit approach entails performance, financial, IT and compliance audits across the organisation. This audit function is undertaken under a three-year outsourced internal audit arrangement, due to expire in June 2016. This is provided by EY.

The internal audit function assists the Board and its committees to effectively execute their responsibilities by providing independent advice, analysis and recommendations concerning our operations and processes. The internal audit charter and annual internal audit plan is approved by the Finance and Audit Committee.

In 2014-15, six internal audits were undertaken to review the design and improve the effectiveness of the control environment. These examined policies, procedures and related documentation. They were audits of

- NHVAS processes
- Chapter 12 HVNL Act compliance
- Governance and risk management
- Data governance and recordkeeping
- Employee leave balances
- Procurement follow-up

A total of 133 recommendations were handed down for management action throughout 2014-15, with 74% completed as at 30 June 2015. Oversight of the audit plan and the progress of process improvement brought about through the implementation of recommendations, continued through regular reporting to the Finance and Audit Committee.

Probity measures

Public interest disclosure

In December 2014, we put in place our *Public Interest Disclosure Policy and Standard* to promote the public interest by facilitating disclosures of wrongdoing. The policy and standard will ensure that public interest disclosures are correctly assessed and, when appropriate, thoroughly investigated and dealt with in accordance with the *Public Interest Disclosure Act 2009* (Qld).

Complaints against a public official

In accordance with s.48A of the *Crime and Corruption Act 2001* (Qld), all Queensland agencies are required to prepare a policy detailing the mechanisms to deal with complaints against a 'public official'.

In April 2015, our *Dealing with a Complaint by a Public Official Policy and Standard* were approved by the Queensland Crime and Corruption Commission (CCC) and subsequently embedded in our Corporate Governance Framework.

Code of Conduct

Compliance with our Code of Conduct is a mandatory requirement for all of our employees, directors and contractors. The code spells out the behaviour that is expected from all employees, directors and contractors, including the maintenance of ethical standards, honesty, teamwork, efficiency, fairness, courtesy and integrity.

The code includes references to our policies and management standards regarding corruption, bribery, discrimination, bullying and harassment, whistleblowing and conflicts of interest.

Corporate governance (continued)

Information about the Code of Conduct and relevant policies and management standards is included in our induction program, with refresher training and compliance awareness conducted annually.

Misconduct

We are subject to relevant misconduct prevention legislation in all states and territories as well as the HVNL, where we have:

- a specific obligation to act honestly, with integrity and in good faith and with a reasonable degree of care, diligence and skill
- a statutory prohibition on improperly using their position or information that comes to their knowledge through the exercise of functions under the HVNL.

An Ethics and Compliance hotline was established in 2013, as an independent, confidential service operated by an external provider for our employees to report any workplace misconduct. Our employees are encouraged to make use of the service if they encounter anything they believe constitutes serious workplace misconduct.

No calls were made to the Ethics and Compliance hotline during 2014-15.

Conflict of interest

We are committed to ensuring conflicts of interest – perceived, real or potential – are properly managed. We have developed a *Conflict of Interest Management Framework* to guide our staff in this area. Employees have conflict of interest training at induction, and annual refresher training.

At each of its meetings, the Governance Committee considers reports on any identified conflicts of interest. No serious conflicts were reported in 2014-15 and no failure of prevention or mitigation controls was identified.

Fraud control

The Governance Committee receives details of any non-compliance with Board-approved policies and management standards and reviews thresholds and appropriateness of all financial delegations annually. No serious breaches were reported in 2014-15.

We observe our duties under the Queensland Crime and Corruption, Public Interest Disclosure, and Ombudsman Acts, through our Regulatory and Legal Services business unit, which manages statutory complaints and investigations.



People management



We implement a range of people-strategies and initiatives to strengthen workforce capability and thereby to help to achieve our goals.

Staffing

On 30 June 2015, we engaged 138 fulltime equivalent employees, compared to 112 as at 30 June 2014. Significant recruitment activity occurred during this period, with a total of 71 new positions appointed throughout 2014-15.

Tables B.1 to B.3 at Appendix B detail employee numbers by establishment profile, classification, gender and skills stability.

Employee turnover

Employee turnover for 2014-15 was 9.4%¹⁰, representing a minor increase from 9% in 2013-14. This is considered by management to be a good result considering the organisation undertook a major restructure during this period.

10 Turnover data only includes those positions that were replaced.

Planned and unplanned absences

Unplanned absences accounted for 5% of productive hours throughout 2014-15, whilst planned absences were 9% for the same period. This represents an approximate total of nine days per annum per employee for unplanned absences, a similar result to that in 2013-14.

Workplace diversity

Workforce diversity is an essential element of our approach to staffing. The ratio of females and males in our staff is 50%.

Training and development

In 2014-15, we implemented our *PPA Framework*. This facilitates employees and managers aligning their work with our strategic goals. Data from this process will be analysed in 2015-16 to assist our workforce planning.

A *Leadership Capability Framework* was developed for implementation in 2015-16. It will strengthen skills and knowledge of employees in key roles to help them in

delivering more effective leadership. Our employees undertook a range of training programs in 2014-15, including:

- Procurement awareness training
- Access training for decision makers
- Accreditation business rules information sessions
- Customer service refresher workshops
- Staff Induction
- Customer management system roll out and refresher sessions
- Certificate IV in Training and Assessment
- Bullying and harassment prevention and management
- Work safety in the construction industry training.

Workplace agreement

We continued to operate under the *NHVR Single Enterprise Agreement*, which was certified in January 2014. As at 30 June 2015, 69% of our employees were covered under the agreement.

Workplace health and safety

We continue to focus on providing a safe and healthy work environment.

Workplace Health and Safety Committee

Our WHS Committee meets monthly and monitors our WHS performance and oversees the identification and mitigation of workplace risks.

Workplace health and safety audit

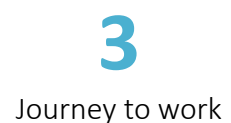
In November 2014 Relay Consulting Services audited our WHS practices. The audit recommended a number of changes and improvements, which are being progressively implemented. The Governance Committee oversees implementation.

Employee Wellness Committee

In 2014-15, we established the Wellness Committee to provide a forum for consultation and the dissemination of information on matters which are likely to affect the health, safety and welfare (HSW) of our employees. This led to a range of initiatives to improve HSW.

Outcomes

In 2014-15, all new employees received induction and face-to-face orientation training for good WHS at work. We provided influenza vaccinations for employees and arranged ergonomic assessments of a number of workstations and took appropriate action. Three incidents, all of which occurred during journeys to work, resulted in claims for workers' compensation, with all claims accepted. Seven employees (5%) used our Employee Assistance Program.



External engagement

We engage with a wide range of external stakeholders in all aspects of our work.

In 2014-15, we reviewed and improved our approach to stakeholder engagement. This is aimed at demonstrating to our stakeholders and clients that our performance is credible, reliable, responsible and trustworthy.

We continued to expand our liaison activities in 2014-15 by engaging directly with local government at the CEO and Mayor level with a number of councils.

By having industry accompany us on these visits, discussions between all parties have been considerably facilitated. This has helped industry to continue to engage at the appropriate level directly with the councils, to share information and raise awareness through practical demonstrations which has resulted in the opening up of further road networks.

We also attended Regional Organisation of Councils meetings which are cluster meetings where a number of councils come together to discuss significant issues including the freight and transport task

at the local and regional levels. At these meetings the HVNL and the road managers responsibilities are discussed in detail at the Mayor and CEO level. We have been able to provide information to foster the uptake of pre-approvals and gazettals of roads.

In 2014-15, we engaged two industry and local government stakeholder specialists to liaise directly with these stakeholders as well as being a point of contact for jurisdictions. This has proven to be an effective approach which has led to many improvements in our relationships at a local level.

External scrutiny

We welcome external scrutiny as a means to confirm what we are doing well and to identify ways to better meet our statutory obligations and achieve our vision.

Parliamentary accountability

In 2014-15, we were not required to attend any parliamentary inquiries.

Judicial decisions

The HVNL was considered in the matter of *RMS v Drelap NSW Pty Ltd* 2015 NSWLC. That case concerned the application of s.116 of the HVNL. The case identified conflict between the intent of the law and the manner of its enforcement. This matter is being adequately dealt through the modification of compliance activity in New South Wales.

Coronial inquiries

Coroners have the authority to investigate deaths, identify other injuries and make recommendations that may prevent deaths and non-fatal injuries. Their findings and recommendations may deal with matters within our responsibility. No new coronial matters were referred to us in 2014-15.

Administrative scrutiny

Investigations by the Queensland Ombudsman

In 2014-15, two matters were referred to us by the Ombudsman and were resolved informally with the complainants.

Investigations by the Crime and Corruption Commission

No matters were referred to us by the Queensland CCC in 2014-15.

Other reports requested by responsible Ministers

No other reports, relating to the exercise of our functions, were requested or provided to responsible Ministers throughout 2014-15.

Complaints

During 2014-15, we received 118 complaints, however many of these complaints were asking for assistance in dealing with transport companies breaching the law, or reviewing the validity of certain jurisdictional enforcement activities. Complaints directed at our operations focused around delays in access permits, criticism of the *Heavy Vehicle (Fatigue Management) National Regulation* and general feedback on how our systems and processes could be improved.

A NHVR Customer Service Charter is being developed to establish minimum service standards for all NHVR staff and an External Complaints Management Policy has been drafted to provide a more consistent approach to managing and resolving issues.



04 Other accountability reporting

This section of the annual report provides information to satisfy the reporting requirements of a range of Queensland and Commonwealth laws and policies that relate to our performance as a statutory body corporate.

Right to information and information privacy

Under s.696 of the HVNL, we are subject to the *Right to Information Act 2009* (Qld) (RTI Act) and *Information Privacy Act 2009* (Qld) (IP Act). We comply with this legislation and the associated guidelines published by the Queensland Office of the Information Commissioner (QOIC).

The RTI Act requires us to make information available to the public proactively and allow people to apply for information. Under the IP Act, we must protect personal information and people can apply for access or amendments to their personal information. We also comply with this legislation and the associated QOIC guidelines. Our *Privacy and Right to Information Management*

Standard spells out the processes, controls and systems that we implement to meet these requirements.

We have a Disclosure Log¹¹ on our web site to provide details of applications that have been made to us under the RTI Act and to make publicly available certain documents that we have already been released under that Act.

In line with the intent of the RTI Act, we will, wherever possible and appropriate, routinely make information available if access would ordinarily be granted on application. Our principle is that applications under the legislation should be only required as a last resort.

Our Publication Scheme¹² will make available information specified within the RTI Act, including the following:

- About us (who we are and what we do)
- Our services (the services we provide)
- Our finances (what we spend and how we spend it)
- Our priorities (what they are and how we are meeting them)
- Our decisions (how we make them)
- Our policies (our policies and procedures)
- Lists (lists and registers).

During 2014-15, no applications under either Act were made.

Purchasing Recordkeeping

We use our procurement policies and practices to advance our strategic priorities and outcomes. In doing this, we aim to achieve value for money and we conduct our procurement activities in a manner which demonstrates probity and accountability.

Depending on the level of expenditure, we use various procurement arrangements to ensure that a competitive process exists to give businesses a full, fair and reasonable opportunity to supply us with goods and services. We align our procurement processes with relevant compliance requirements, sound corporate governance and good financial management practices.

During 2014-15, we took action to strengthen our procurement policies and processes and our purchasing activities.

We are committed to meeting our responsibilities under the *Public Records Act 2002* (Qld) and its underpinning Information Standards¹³. As part of our strategic direction, we are improving and implementing our Records Management Program, including an electronic document and records management system.

The Records Management Program includes:

- establishing the *Records Management Framework* that includes clear, concise and accessible policy, management standards, procedures and guidelines
- managing programs and recordkeeping systems that comply with relevant legislation and government directives, including collaboration and sharing of record keeping tools

- implementing paperless strategies to records management, including greater digitisation and electronic processing of information over the next two years
- implementing organisational change and building capability and capacity, including by supporting our staff with better record keeping resources and training.

The implementation of this program in 2015-16 will strengthen how we manage information and records.

11 <https://www.nhvr.gov.au/law-policies/right-to-information/disclosure-log>

12 <https://www.nhvr.gov.au/law-policies/right-to-information/publication-scheme>

13 Queensland State Archives' Information Standard 40: Recordkeeping (IS40); Information Standard 31: Retention and Disposal of Public Records (IS31); and Queensland Recordkeeping Metadata Standard.

Communication and media

Media

As the national heavy vehicle Regulator, we aim to demonstrate through trade and mainstream media that we are a credible, responsive organisation. Traditional media is also an important channel for our communication of information and advice to heavy vehicle operators, their representative bodies and workers in the sector. We also seek to build community support.

In 2014-15, we refreshed our approach to communications and added resources for engaging with mainstream metropolitan and regional media, for holding media events and providing readily understood advice all road users about our key safety and productivity initiatives.

We issued 31 media statements in 2014-15, including joint statements with industry and government partners. Overall, we consider that media engagement was positive.

Nine of our staff, comprising executives and senior technical staff, undertook specialist media training to expand our range of spokespeople, boost our media outreach and help us to be more proactive in communicating through the media.

Advertising

We will use advertising when we consider it appropriate to provide important information to target audiences. This helps to strengthen awareness and recognition of us as a regulator, to highlight key impacts of the HVNL on the relevant audience and to promote the use of our customer channels for more information.

We did not undertake any campaign advertising in 2014-15, however we continued to undertake statutory advertising highlighting changes to regulatory instruments such as exemption notices, as required by the HVNL, at a total cost of \$13,442.

Sponsorship

We have continued to invest in sponsorship to support events and initiatives that align with our organisational priorities, demonstrate constructive partnerships with industry and government and offer a high level of exposure for our key regulatory messages.

In 2014-15, we sponsored three initiatives for a total of \$12,075: the Truck Right Industry Vehicle, the Australian Local Government Association 2014 National Local Roads and Transport Congress and the 2014 Australasia Bus and Conference Expo.

Digital and social media

Digital and social media continued to be an important platform in raising awareness of us in our capacity as the national heavy vehicle regulator and raising industry and community awareness of our role. Our digital presence is built through the NHVR website, Facebook page, Twitter account and video and audio files hosted on YouTube.

www.nhvr.gov.au

Our website continues to be a key transactional and information channel for customers and stakeholders. A major upgrade to the website's front page and navigation and an audit of website content have ensured that our customers and stakeholders could quickly gain access to the information they need and that we meet relevant legislative responsibilities.

In 2014-15, our website averaged 23,000 unique visits each month, with spikes in activity aligning with proactive media engagement highlighting our release of key safety and compliance information and products.

NHVR Facebook

In 2014-15, our Facebook page remained popular with industry professionals, operators and drivers as an important advice and information hub. It achieved an

average reach of 1,000 people per post, with page likes standing at 3,533.

Twitter

In 2014-15, our Twitter account continued to be a highly efficient social media platform for distributing time-sensitive content and strengthening our connections to media outlets. Through this medium, we provided information about key engagement events and consultation opportunities.

YouTube

Our YouTube channel hosts our video files embedded on our website. In total, there are 51 videos consisting of webinars, forum presentations, system previews and Journey Planner tutorials. In 2014-15, they attracted 15,217 views across all files.

NHVR advice and information

In 2014-15, we provided formal advice and information to a range of industry audiences through nearly 400 publications. They included fact sheets, bulletins, quick reference guides, summaries of penalties and infringements, notices, our corporate plan and annual report, Ministerially approved guidelines, media statements, and video and audio files. All publications are available on our website, along with 48 forms related to NHVR business transactions and legislative requirements.

In 2014-15, we released 91 new publications, including a comprehensive guidance pack to support the new LTFMS template, C&E bulletins and communiques from the our industry operations groups.

We distributed 22 tailored industry updates in 2014-15 to our subscribers advising them of new services, any change in our operations or in response to industry concerns and feedback. Twelve publications, including a pre-approval guidance pack, local government updates and formal feedback from workshops and consultation activities, were developed specifically for local government audiences.

Third party suppliers

In 2014-15 a number of third-party suppliers were engaged for the provision of a range of services and products. A breakdown of categories of suppliers to each of whom we paid over \$100,000 is provided at Table B.8 at Appendix B.

Insurance and indemnities

In 2014-15, we held professional indemnity, travel, directors' and officers' liability, and a range of other relevant corporate insurances. No claims were made in the reporting year.

Professional indemnity

Professional indemnity insurance covers claims arising from breaches of duty by our officers.

Travel insurance

Our travel insurance covers claims arising whilst travelling on business.

Business pack

Our business pack insurance covers claims for property, computer and electronic equipment damage at the NHVR office in Fortitude Valley, Brisbane.

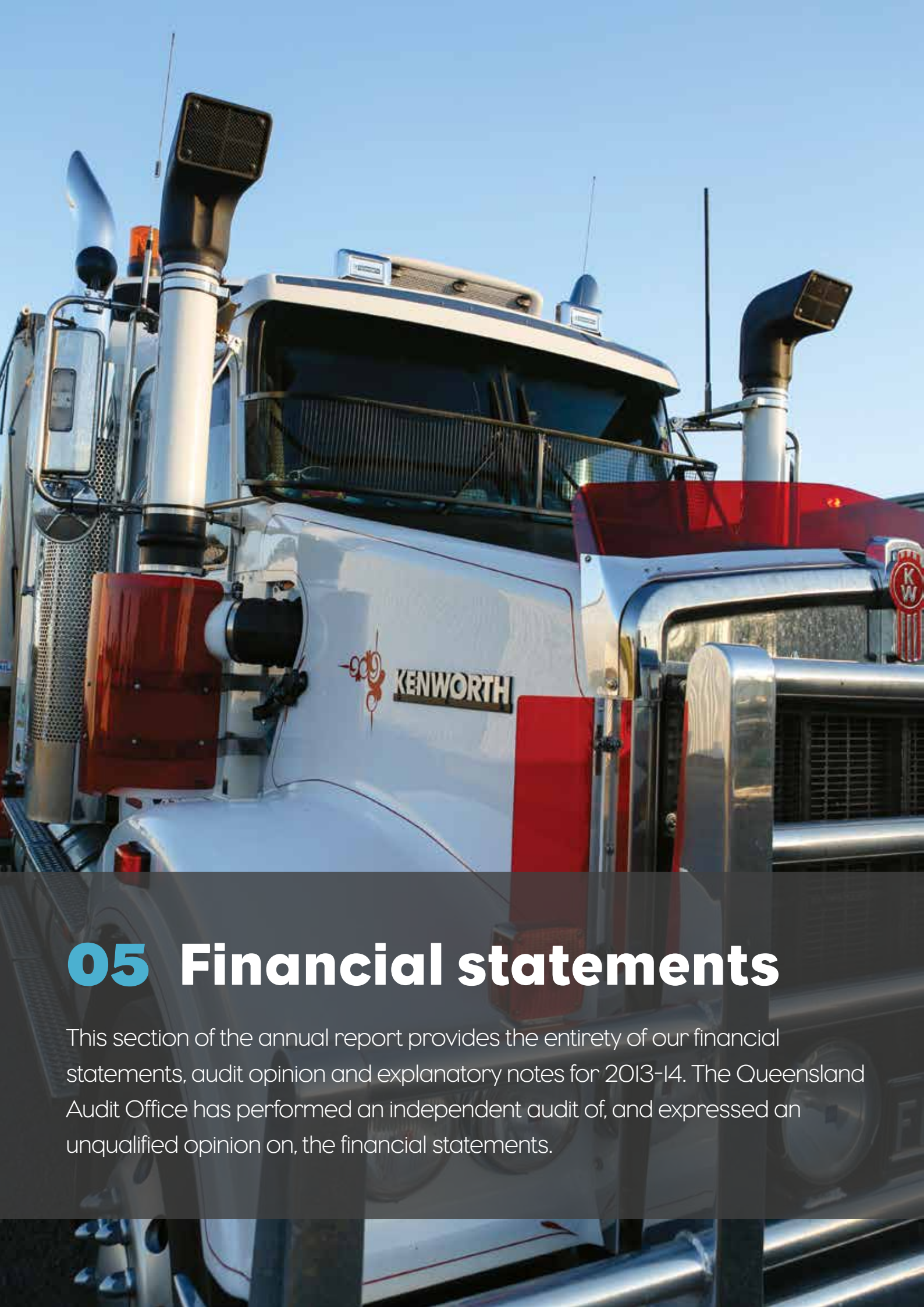
Public and products liability

Our public and products liability insurance provides insurance for compensation in respect of third party personal injury or property damage as a result of an occurrence in connection with our business activities.

Directors' and officers' liability

In 2013-14, we held insurance protecting directors and officers from liability for the consequences of wrongful acts as defined in the Regulator's public and products liability policy.





05 Financial statements

This section of the annual report provides the entirety of our financial statements, audit opinion and explanatory notes for 2013-14. The Queensland Audit Office has performed an independent audit of, and expressed an unqualified opinion on, the financial statements.

Statement by the Chief Financial Officer

The Regulator was formally established on 12 October 2012 following passage of its enabling legislation, the HVNL, in August 2012. Operations commenced on 21 January 2013 under an agency arrangement with participating states and territories, when the Regulator took responsibility for the management of the NHVAS and the PBS for design and vehicle approvals nationally. Agency arrangements continued until 10 February 2014 when the HVNL commenced in participating states and territories of Queensland, New South Wales, Victoria, Australian Capital Territory, South Australia and Tasmania. Business activities of the Regulator now include the issue of permits for heavy vehicle access, NHVAS approvals, PBS vehicle design and access approvals, vehicle inspection standards modifications and exemptions, and administration of a national driver work diary. The following financial statements for the 2014-15 year reflect the Regulator's first full year of operations since the commencement of the HVNL.

The Queensland Audit Office (QAO) has audited our financial statements and has issued an opinion without qualification advising that, in the opinion of the Auditor-General and in accordance with prescribed accounting standards, the financial report represents a true and fair view of the transactions for the year and of the financial position of the Regulator as at 30 June 2015.

In line with its approved annual budget, 2014-15 marked the first year in which the Regulator received regulatory income, representing the regulatory component of heavy vehicle registration charges paid by industry in participating jurisdictions.

The Regulator also reported an accounting surplus for the first time, being the difference between income received and outgoing costs. This was achieved in part as a result of a campaign to reduce costs in order to address the prior year expenditure overrun. The 2014-15 year campaign delivered its \$4 million savings target. In addition, the accounting surplus reflects the unspent component of major project funding which will be carried forward for expenditure in 2015-16. Delayed recruitment of remaining vacancies during 2014-15 together with the aggressive savings campaign delivered the necessary results to stabilise the financial position of the Regulator, which now has a marginal net asset position of \$2.8 million recorded as at 30 June 2015, compared to a net liability position in 2013-14 of \$13.5 million.

Major project funding carried forward from 2014-15 of \$7.0 million has been quarantined for expenditure in 2015-16 with critical major projects now in full swing. The Regulator has also been requested to deliver a review of the NHVAS and accelerate the Roadworthiness Program without further budget allocation. Savings achieved in 2014-15 will partially fund these projects although any further expansion of the Regulator's Forward Work Program in 2015-16 will put pressure on the Regulator's financial position, given the ongoing debt burden to repay more than \$23 million relating to loans put in place to establish the Regulator.

In addition to the agreed regulatory income amount of \$135 million, the Regulator also received \$4.8 million from access permit application fees, NHVAS application fees and interest earnings. From income received, the Regulator paid \$93.8 million back to participating jurisdictions in return for compliance, enforcement and various other regulatory services provided under service agreements.

Looking forward to 2015-16, the Regulator believes it will be in a position to achieve efficiencies necessary to maintain its operating expenditure within last year budget levels. The approved budget for the Regulator includes an income budget of fee for service revenue plus \$135 million in regulatory income, not subject to further loan arrangements. Of this amount \$93.8 million will be paid to participating state and territory road agencies for the provision of regulatory services and \$31.5 million will be available to fund operating expenses of the Regulator. The Regulator expects to continue repayment of loans in the next 12 months noting these will not be repaid in full until 2023.

Melinda Bailey

Chief Financial Officer and Executive Director, Corporate Services

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 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chief Executive Officer and the Chair.

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 *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, 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 including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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.

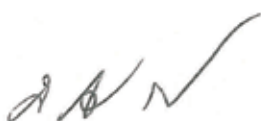
Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) 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 financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

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.



D R ADAMS FCPA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

**National Heavy Vehicle Regulator
Financial Statements
for year ended 30 June 2015**

National Heavy Vehicle Regulator

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NATIONAL HEAVY VEHICLE REGULATOR
Statement of Profit or Loss and Other Comprehensive Income
for year ended 30 June 2015

	Note	2015 \$ (000's)	2014 \$ (000's)
Income from Continuing Operations			
Grants and other contributions	2	-	18,369
Regulatory income	3	135,000	-
Fee income	4	3,192	1,271
Other income	5	1,624	1,742
Total Income from Continuing Operations		139,816	21,383
Expenses from Continuing Operations			
Employee and related expenses	6	13,479	12,669
Service agreement payments	7	93,792	-
Third party services	8	8,378	12,185
Operating leases		879	841
Depreciation and amortisation	9	4,150	1,620
Financing costs	10	720	513
Other expenses	11	2,152	2,407
Total Expenses from Continuing Operations		123,550	30,234
Operating Surplus/(Deficit) from Continuing Operations		16,266	(8,852)
Other Comprehensive Income		-	-
Total Surplus/(Deficit) for the period		16,266	(8,852)

The accompanying notes form part of these Statements

QAO
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NATIONAL HEAVY VEHICLE REGULATOR
Statement of Financial Position
as at 30 June 2015

	Note	2015 \$ (000's)	2014 \$ (000's)
Assets			
Current Assets			
Cash and cash equivalents		17,359	23,146
Trade and other receivables	12	2,684	201
Other current assets	13	486	282
Total Current Assets		20,529	23,630
Non Current Assets			
Plant and equipment	14	297	332
Intangible assets	15	3,711	7,755
Total Non Current Assets		4,009	8,087
Total Assets		24,537	31,717
Liabilities			
Current Liabilities			
Trade and other payables	16	1,172	2,810
Loan liabilities	17	2,608	2,114
Accrued employee benefits	18	1,322	855
Unearned revenue	19	497	22,200
Total Current Liabilities		5,599	27,979
Non Current Liabilities			
Loan liabilities	17	15,794	16,840
Accrued employee benefits	18	339	359
Total Non Current Liabilities		16,133	17,199
Total Liabilities		21,732	45,178
Net Assets / (Liabilities)		2,805	(13,461)
Equity			
Accumulated surplus / (deficit)		2,805	(13,461)
Total Equity		2,805	(13,461)

The accompanying notes form part of these statements.

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NATIONAL HEAVY VEHICLE REGULATOR
Statement of Changes in Equity
for year ended 30 June 2015

	Accumulated surplus / (deficit)	Total
	\$ (000's)	\$ (000's)
Balance as at 30 June 2013	(4,609)	(4,609)
Operating result from continuing operations	<u>(8,853)</u>	<u>(8,853)</u>
Balance as at 30 June 2014	<u>(13,461)</u>	<u>(13,461)</u>
Balance as 1 July 2014	(13,461)	(13,461)
Operating result from continuing operations	<u>16,266</u>	<u>16,266</u>
Balance as at 30 June 2015	<u>2,805</u>	<u>2,805</u>

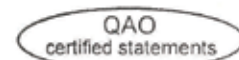
The accompanying notes form part of these statements.



NATIONAL HEAVY VEHICLE REGULATOR
Statement of Cash Flows
for year ended 30 June 2015

	Note	2015 \$ (000's)	2014 \$ (000's)
Cash flows from operating activities			
<i>Inflows:</i>			
Regulatory income		113,285	30,699
GST refunded from Australian Taxation Office		8,201	2,165
Receipts from operating activities (NHVAS and Access)		3,193	1,409
Interest received		1,448	182
Revenue from jurisdictions for performance based standards		-	329
Other		22	172
		<u>126,149</u>	<u>34,966</u>
<i>Outflows:</i>			
Employee and board related expenses		(12,977)	(12,112)
Supplies and services		(117,616)	(16,072)
		<u>(130,593)</u>	<u>(28,184)</u>
Net cash provided by (used in) operating activities	21	<u>(4,444)</u>	<u>6,772</u>
Cash flows from investing activities			
<i>Outflows:</i>			
Payments for plant and equipment		(71)	(230)
Payments for intangible assets		-	(6,557)
		<u>(71)</u>	<u>(6,787)</u>
Net cash provided by / (used in) investing activities		<u>(71)</u>	<u>(6,787)</u>
Cash flows from financing activities			
<i>Inflows:</i>			
Transition to release 2 operations financing contributions (loans) received		-	891
2013-14 operating costs financing contributions (loans) received		-	15,538
		<u>-</u>	<u>16,429</u>
<i>Outflows:</i>			
Loan repayments		(1,272)	-
		<u>(1,272)</u>	<u>-</u>
Net cash provided by / (used in) financing activities		<u>(1,272)</u>	<u>16,429</u>
Net increase / (decrease) in cash and cash equivalents		(5,788)	16,415
Cash and cash equivalents at the beginning of the period		23,146	6,732
Cash and cash equivalents at the end of the period		<u>17,359</u>	<u>23,146</u>

The accompanying notes form part of these statements.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for year ended 30 June 2015

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. The Regulator was formally established on 12 October 2012 following passage of its enabling legislation, the *Heavy Vehicle National Law Act 2012* on 23 August 2012.

On 10 February 2014 the Heavy Vehicle National Law commenced in participating states and territories of Queensland, New South Wales, Australian Capital Territory, South Australia and Tasmania. Western Australia and Northern Territory have not adopted the Heavy Vehicle National Law. Business activities of the Regulator include 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.

Following access permitting system issues encountered on commencement of the Heavy Vehicle National Law, transitional arrangements were put in place for road managers to process certain types of heavy vehicle access applications. These interim arrangements remain in place with state and territory road agencies in Queensland, New South Wales, Victoria, South Australia and the Australian Capital Territory as well as local government (councils) in New South Wales.

From 1 July 2014 the Regulator received regulatory income from participating states and territory government agencies representing the regulatory component of heavy vehicle registration charges.

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, applicable to not for profit entities.

The financial statements were authorised for issue by the Board of the Regulator on 24 August 2015.

(b) The reporting entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Regulator. The Regulator does not have any controlled entities and is a not-for profit entity. Except where stated, the historical cost convention is used.

(c) Going concern

Payment of the Regulator's debts as and when due as well as settling its liabilities and realising its assets in the normal course of business at amounts stated in the financial report remains dependent upon timely receipt of regulatory income funding from participating state and territory government agencies in accordance with agreed payment timeframes and at amounts approved by responsible Ministers.

Notwithstanding the ongoing dependence on participating state and territory government agencies for funding, the Board is of the opinion that the Regulator is a going concern and this financial report is prepared on that basis.

(d) Revenue

(i) Grants and other contributions

Government grants are recognised on a systematic basis over the periods in which the Regulator recognises costs for which the grants are intended to compensate.

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.

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NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for year ended 30 June 2015

(d) Revenue (cont'd)

(ii) Regulatory income

Regulatory income is recognised on a systematic basis over the periods in which the Regulator recognises costs for which the income is intended to compensate. Regulatory income is provided to the Regulator from participating state and territory government agencies, representing the regulatory component of heavy vehicle registration

(iii) Fee income

Fee income is recognised when services are complete and includes application fees associated with the National Heavy Vehicle Accreditation Scheme and application fees for Access permits collected under The Heavy Vehicle National Law. Where payment has been received for services not yet completed or in progress as at reporting date, this is recognised as unearned revenue until such time as the service is completed.

(iv) Finance income

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

(v) 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.

(e) Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash and cheques receipted but not banked at the year end, and deposits held at call with financial institutions.

(f) 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 where appropriate. All known bad debts are written off in the same period or as at 30 June.

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

(g) 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*.

(h) 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.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for year ended 30 June 2015

(i) Intangible assets

Intangible assets with a cost or other value greater than \$20,000 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.

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

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 Regulator.

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

Asset Type	Useful Life (Years)
Intangible assets	2-3
Network assets	3-6
Plant and equipment	3-6
Computer Hardware	3-6

(k) 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.

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 subject to a range of conditions that may well exist for a purchaser of the Regulator's business. Probabilities will be subject 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.

(l) 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.

(m) 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 Profit or Loss
- Trade receivables - held at amortised cost
- Trade 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.

Fair value adjustments were made in prior years to reflect the benefit derived from loans provided at below market rates. The difference between the book value and the fair value of loans represents the fair value adjustment made upon receipt of the funds received at below market interest rate loans less the accumulated amortisation of the benefit derived and is recognised as finance cost in the Statement of Profit or Loss and Other Comprehensive Income under Australian Accounting Standards.

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NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for year ended 30 June 2015

(m) Financial instruments cont'd

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.

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.

(n) Employee benefit expenses

Employer superannuation contributions, annual leave 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 included in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages and salaries

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

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. 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

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:

1. Where an employee has between 7 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 7 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).
2. 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.

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for year ended 30 June 2015

(o) Service agreement payments

In 2014-15 payments were provided to state and territory government agencies for the provision of certain regulatory services in accordance with service agreements. Services include compliance and enforcement, vehicle inspection standards, regulatory audits, access management and customer service.

(p) Financing costs

Financing costs incurred on loans provided by participating states and territory government agencies are

(q) Agency transactions

Fees received by the Regulator from participating state and territory government agencies acting under temporary access delegation arrangements, or under service agreements, are disclosed on the basis of the value of the consideration received. Specifically these relate to fees received for access permit fees and national work diaries with amounts to be returned in full to the providing government agency. Such transactions have been assessed as administrative in nature and amounts received are not recognised as either revenue or expense but eliminated within the accounts. Amounts outstanding as at reporting date, representing monies received but not yet returned are also eliminated from the cash balance and the corresponding payable and have been separately disclosed in the notes to financial statements for information only.

(r) Insurance

The Regulator's risks are insured with premiums being paid on a risk assessment basis with regards to the activities of the Regulator. In addition, premiums are paid to WorkCover Queensland & Worksafe Victoria in respect of its obligations for employee workers compensation.

(s) 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.

(t) Estimates and 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:

- Valuation of intangibles, property, plant and equipment - Note 1 (h), (i), 14 & 15
- Amortisation of intangibles and depreciation of property, plant and equipment - Note 1 (j), 9, 14 & 15
- Accrued Employee Benefits - Note 18
- Loan Liabilities - Note 17

(u) Rounding and comparatives

Amounts included in the Financial Statements are in Australian dollars and have been rounded to the nearest \$1,000 unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(v) New and revised accounting standards

At the date of authorisation of the financial report, new or amended Australian Accounting Standards 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 year ended 30 June 2015

	<u>2015</u>	<u>2014</u>
	\$ (000's)	\$ (000's)
Note 2 Grants and other contributions		
Commonwealth grants	-	8,900
State and territory contributions	-	9,219
Performance based standards funding	-	250
Total grants and other contributions	<u>-</u>	<u>18,369</u>

The Regulator received a combination of grant and loan funding in 2012-13 and 2013-14 as part of establishing the organisation and funding its operating costs. From 2014-15 the Regulator is predominantly funded via regulatory income (refer note 3).

Note 3 Regulatory income		
VicRoads (Vic)	40,545	-
Roads and Maritime Services (NSW)	37,886	-
Transport and Main Roads (Qld)	38,530	-
Department for Planning, Transport and Infrastructure (SA)	13,648	-
Office of Regulatory Services, Justice and Community Safety (ACT)	715	-
Department of Infrastructure, Energy and Resources (Tas)	3,676	-
Total regulatory income	<u>135,000</u>	<u>-</u>

The Regulator received \$135 million in regulatory income representing the regulatory component of heavy vehicle registration charges collected by participating states and territory government agencies.

Note 4 Fee income		
National Heavy Vehicle Accreditation Scheme (NHVAS) fees	2,656	973
Access permit fees	536	298
Total fee income	<u>3,192</u>	<u>1,271</u>

Fees and charges collected under the NHVAS and for heavy vehicle access permits are retained by the Regulator as fee income. Fees and charges collected in 2014-15 represents a full year compared to the prior reporting period February to June 2014.

Note 5 Other income		
Fair value adjustment	-	1,564
Interest income	1,624	178
Total finance income	<u>1,624</u>	<u>1,742</u>

Interest income is received from short term cash deposits and operating cash held.

Note 6 Employee and related expenses		
Wages and salaries	11,499	10,906
Employer superannuation contribution	1,152	1,091
Payroll tax	574	527
Other employee related expenses	254	146
Total employee and related expenses	<u>13,479</u>	<u>12,669</u>

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

Number of employees:	108	105
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NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for year ended 30 June 2015

	2015	2014
	\$ (000's)	\$ (000's)
Note 7 Service agreement payments		
Vic Roads (Vic)	13,000	-
Roads and Maritime Services (NSW)	52,029	-
Transport and Main Roads (Qld)	15,500	-
Department for Planning, Transport and Infrastructure (SA)	9,658	-
Office of Regulatory Services, Justice and Community Safety (ACT)	1,357	-
Department of Infrastructure, Energy and Resources (Tas)	2,248	-
	<u>93,792</u>	<u>-</u>

Note 8 Third party services		
Contractor costs	4,270	6,283
IT systems support	2,217	2,421
Managed services ⁽¹⁾	1,323	1,710
Equipment purchases	12	48
Software purchases	38	177
Telecommunication costs	159	233
Advisory services	154	1,178
Internal audit fees	135	121
External audit fees ⁽²⁾	70	15
Total third party services	<u>8,378</u>	<u>12,185</u>

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

⁽²⁾ Total audit fees will be paid to Queensland Audit Office relating to 2014-15 financial statements are quoted to be \$32,500 (2014: \$37,800).

Note 9 Depreciation and amortisation		
Plant and equipment	44	35
Computer hardware	62	33
Computer software (intangible asset)	4,044	1,551
Total depreciation and amortisation	<u>4,150</u>	<u>1,620</u>

Note 10 Financing costs		
Interest expense on loans	394	227
Amortisation of below market loan funds provided	326	282
Sundry borrowing costs	-	3
Total financing costs	<u>720</u>	<u>513</u>

Interest expense on loans from the State of Victoria total \$375,875. Interest rates vary from 3.00% to 4.20%.

Interest expense on loans from Northern Territory total \$17,903 with an applicable interest rate of 5.255%

Finance costs of \$325,901 have been recognised relating to the amortisation of deemed interest accumulated on loan funding provided in prior years at below market rates from participating states and territory government agencies.



NATIONAL HEAVY VEHICLE REGULATOR
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for year ended 30 June 2015

	<u>2015</u>	<u>2014</u>
	\$ (000's)	\$ (000's)
Note 11 Other expenses		
Office related expenses	611	774
License fees	514	491
Marketing and communication related expenses	78	247
Insurance	110	97
Travel expenses	468	427
Board fees	349	349
Other board related expenses	21	22
Total other expenses	<u>2,162</u>	<u>2,407</u>
Note 12 Trade and other receivables		
Trade receivables	10	29
Less: provision for doubtful debts	-	(5)
GST - net receivable	2,490	168
Interest receivable	184	9
Total trade and other receivables	<u>2,684</u>	<u>201</u>
Note 13 Other current assets		
Prepayments		
Annual license fees	242	243
Insurance	38	28
Support and maintenance	112	12
Rent	94	-
Total other current assets	<u>486</u>	<u>282</u>
Note 14 Plant and equipment		
a) Classes of plant and equipment		
Plant and equipment:		
At cost	201	174
Less: Accumulated depreciation	(86)	(43)
	<u>114</u>	<u>131</u>
Computer hardware:		
At cost	281	237
Less: Accumulated depreciation	(98)	(36)
	<u>183</u>	<u>201</u>
Total plant and equipment	<u>297</u>	<u>332</u>

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Notes to the Financial Statements
for year ended 30 June 2015

Note 14 Plant and equipment (cont'd)

b) Reconciliation of movement in plant and equipment 2014-15

	<u>Plant and equipment</u>	<u>Computer hardware</u>	<u>Total</u>
	\$ (000's)	\$ (000's)	\$ (000's)
Balance as at 1 July 2014	131	201	332
Acquisitions	28	43	71
Disposals	-	-	-
Transfers between classes	(1)	1	-
Depreciation	(44)	(62)	(106)
Impairment losses recognised in operating surplus	-	-	-
Carrying amount at 30 June 2015	<u>114</u>	<u>183</u>	<u>297</u>

Reconciliation of movement in plant and equipment 2013-14

	<u>Plant and equipment</u>	<u>Computer hardware</u>	<u>Total</u>
Balance as at 1 July 2013	116	55	171
Acquisitions	50	180	230
Disposals	-	-	-
Transfers between classes	-	-	-
Depreciation	(35)	(33)	(69)
Impairment losses recognised in operating surplus	-	-	-
Carrying amount at 30 June 2014	<u>131</u>	<u>201</u>	<u>332</u>

Note 15 Intangible assets

a) Classes of intangible assets

Internally generated software:

	<u>2015</u>	<u>2014</u>
	\$ (000's)	\$ (000's)
At cost	9,306	9,306
Less: Accumulated amortisation	(5,595)	(1,551)
Carrying amount at 30 June 2015	<u>3,711</u>	<u>7,755</u>

b) Reconciliation of movement in intangible assets (WIP)

Internally generated software:

Carrying amount at 1 July 2014 (WIP)	-	3,647
Acquisitions	-	5,659
Transferred to asset account	-	(9,306)
Carrying amount at 30 June 2015	<u>-</u>	<u>-</u>

Note 16 Trade and other payables

Trade payables	132	1,260
Other payables		
Accrued expenses	976	1,503
Other payables	65	47
	<u>1,041</u>	<u>1,550</u>
Total trade and other payables	<u>1,172</u>	<u>2,810</u>

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Notes to the Financial Statements
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Note 17 Loan liabilities

	2015 \$ (000's)	2014 \$ (000's)
Current		
Interest bearing Government loans	588	220
Non-interest bearing Government loans	2,020	1,894
	<u>2,608</u>	<u>2,114</u>
Current liabilities reflect loan repayments expected to be repaid in 2015-16		
Non-current		
Interest bearing Government loans	9,137	9,540
Non-interest bearing Government loans	6,656	7,300
	<u>15,794</u>	<u>16,840</u>
Total loan liabilities	<u>18,402</u>	<u>18,955</u>

The Regulator received various tranches of loan funding between December 2012 and May 2014 which have been summarised in the table below:

Summary of loan funding provided by participating states and territories

	ACT	NSW	NT	SA	TAS	VIC	Total
2012-13							
Release 1 operations	78,900	1,628,160	48,670	371,650	115,770	1,183,510	3,426,660
Interest rates	-	-	-	-	-	3.00%	
Transition to release 2	27,878	573,966	17,196	131,311	40,905	419,467	1,210,723
Interest rates	-	-	-	-	-	3.00%	
2013-14							
2013-14 operating costs	-	5,223,110	329,726	1,852,646	-	5,624,553	13,030,035
Interest rates	-	-	5.255%	-	-	4.20%	
2013-14 supplementary funding	35,000	-	-	649,000	-	1,970,000	2,654,000
Interest rates	-	-	-	-	-	4.20%	
Total loan funds received	141,778	7,425,236	395,592	3,004,607	156,675	9,197,530	20,321,418

In 2014-15 the Regulator paid \$1,272,356 in loan repayments to various states and territories. Further loan repayments are scheduled to be made each year until 2023-24.

Interest expense in 2014-15 of \$393,778 has been recognised in relation to interest bearing loans from participating state and territory government agencies (refer Note 10).

Reconciliation of total loan funding received to balance of loan liabilities

Total amount of loan funding received	20,321	20,321
Add accumulated interest expense	833	239
Less accumulated fair value adjustments (prior years)	(1,888)	(1,888)
Add amortisation (finance cost) of fair value adjustments	608	282
	<u>19,674</u>	<u>18,955</u>
Less loan repayments	(1,272)	-
Total loan liabilities	<u>18,402</u>	<u>18,955</u>

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Notes to the Financial Statements
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Note 18 Accrued employee benefits

	2015	2014
	\$ (000's)	\$ (000's)
Current		
Wages and salaries accrued	167	154
Annual leave	880	582
Long service leave	276	119
	<u>1,322</u>	<u>855</u>
Non-current		
Annual leave	-	129
Long service leave	339	230
	<u>339</u>	<u>359</u>
Total accrued employee benefits	<u>1,661</u>	<u>1,214</u>

Any long service leave for employees who have full entitlement to this leave as at 30 June 2015 are recorded as current liabilities. All other long service leave is reported as non-current. In accordance with AASB 119, the annual leave liability has been split between current and non-current based on estimates of leave to be taken in the 2015-16 period.

Note 19 Unearned revenue

Unearned regulatory income ⁽¹⁾	358	22,073
Unearned fee income ⁽²⁾	139	128
Total unearned revenue	<u>497</u>	<u>22,200</u>

⁽¹⁾ Invoices were raised to participating state and territory government agencies prior to reporting date in relation to 2015-16 regulatory income. The value of 2015-16 regulatory income received prior to reporting date has been reported as unearned regulatory income. Invoices issued, but unpaid as at reporting date, have not been recognised as unearned revenue or as a receivable.

⁽²⁾ Unearned fee income represents payments for National Heavy Vehicle Accreditation Scheme and access permit applications for services not completed as at reporting date.

Note 20 Reconciliation of operating deficit to net cash from

Operating surplus / (deficit)	16,266	(8,852)
Adjusted for:		
Fair value adjustment	-	(1,564)
Finance costs (amort of FV and interest exp on loans)	720	513
Depreciation and amortisation	4,150	1,620
	<u>4,870</u>	<u>569</u>
Change in assets and liabilities		
Change in trade receivables - interest	(175)	5
Change in trade receivables - net GST receivable	(2,323)	(16)
Change in other receivables	15	73
Change in other assets	(203)	(275)
Change in assets	<u>(2,686)</u>	<u>(214)</u>
Change in trade and other payables	(1,637)	1,576
Change in accrued employee benefits	448	896
Change in unearned revenue	(21,704)	12,799
Change in liabilities	<u>(22,894)</u>	<u>15,270</u>
Net cash inflows / (outflows) from operating activities	<u>(4,444)</u>	<u>6,773</u>

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Note 21 Key management personnel and remuneration expenses

a) Board members

1 July 2014 – 30 June 2015:

Position	Appointed	Short Term Employee Expenses		Long Term Employee Expenses \$	Post Employment Expenses \$	Termination Benefits \$	Total Expenses \$
		Monetary Expenses \$	Non-Monetary Expenses \$				
Board Chair	12/10/2012	105,770			10,048		115,818
Board Member	12/10/2012	52,910			5,027		57,937
Board Member	12/10/2012	52,910			6,748		59,658
Board Member	12/10/2012	52,910			5,027		57,937
Board Member	12/10/2012	52,910			5,027		57,937
Total Remuneration		317,410	-	-	31,874	-	349,284

1 July 2013 – 30 June 2014:

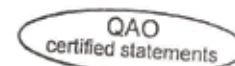
Position	Appointed	Short Term Employee Expenses		Long Term Employee Expenses \$	Post Employment Expenses \$	Termination Benefits \$	Total Expenses \$
		Monetary Expenses \$	Non-Monetary Expenses \$				
Board Chair	12/10/2012	105,770			9,784		115,554
Board Member	12/10/2012	52,910			4,894		57,804
Board Member	12/10/2012	52,910			6,747		59,657
Board Member	12/10/2012	52,910			4,894		57,804
Board Member	12/10/2012	52,910			4,894		57,804
Total Remuneration		317,410	-	-	31,213	-	348,623

b) Key executive management personnel:

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Regulator during 2014-15.

Position	Responsibilities	2014-15	Date Appointed	Date Terminated
		Contract Classification		
Chief Executive Officer	Accountable to the Board of Directors for the overall management and operation of the Regulator	Common law contract	19/05/2014	
Chief Financial Officer & Executive Director Corporate Services	Manages finance, procurement, audit, human resources, IT and facilities	Common law contract	03/12/2012	
General Manager Operations ⁽¹⁾	Manages operational delivery of regulatory services	Common law contract	02/01/2013	17/11/2014
Executive Director Regulatory and Legal Services	Manages legal services, legal risk management and compliance	Common law contract	02/01/2013	
General Manager Strategy and Business Development ⁽¹⁾	Manages strategy, stakeholders, internal and external communications	Common law contract	11/02/2013	10/11/2014
Executive Director Engagement & Partnership	Manages intergovernmental relations, industry engagement, communications, market and data analysis and industry capability and capacity.	Common law contract	09/02/2015	
Executive Director Regulatory Compliance	Manages regulatory compliance and enforcement activities, major accidents investigation and operational planning.	Common law contract	27/01/2015	
Executive Director Productivity & Safety	Manages operational delivery of performance based standards, vehicle standards, accreditation and fatigue management.	Common law contract	23/02/2015	
Director Access	Manages the heavy vehicle access permit process, demand management and infrastructure standards.	Common law contract	07/10/2013	
Director Strategy	Manages strategy and planning, resource modelling, operational agreements, policy and planning.	Common law contract	16/03/2015	
Program Director AccessCONNECT Project	Manages the development and implementation of a national access management framework for heavy vehicles.	Consultancy agreement	29/07/2015	

⁽¹⁾ The General Manager Operations and General Manager Strategy and Business Development positions were made redundant as part of a Board approved organisation restructure.



NATIONAL HEAVY VEHICLE REGULATOR
Notes to the Financial Statements
for year ended 30 June 2015

Note 21 Board members and key management personnel remuneration (cont'd)

c) Remuneration expenses

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

- Short term employee expenses which include:
 - Salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied the specific position.
 - Performance payments recognised as an expense during the year
 - Non-monetary benefits - consisting of fringe benefit tax applicable to the benefit
- Long term employee expenses include amounts expensed in respect of long service leave entitlement earned.
- Post employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination. This includes the value of redundancy payments.
- Total expenses includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

1 July 2014 – 30 June 2015:

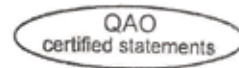
Position	Appointed	Short Term Employee Expenses		Long Term Employee Expenses \$	Post Employment Expenses \$	Termination Benefits \$	Total Expenses \$
		Monetary Expenses \$	Non-Monetary Expenses \$				
Chief Executive Officer	19/05/2014	411,743	1,931	63,184	33,734		510,592
Chief Financial Officer & Executive Director Corporate Services ⁽¹⁾	3/12/2012	269,119	12,667	4,853	20,932		307,570
General Manager Operations	2/01/2013	106,845	1,407	-	7,832	147,040	263,124
Executive Director Regulatory and Legal Services	2/01/2013	223,680	2,223	38,196	21,064		285,163
General Manager Strategy and Business Development	11/02/2013	110,021	1,407	-	7,832	145,712	264,771
Executive Director Engagement & Partnership	9/02/2015	88,394	311	1,239	5,919		95,863
Executive Director Regulatory Compliance	27/01/2015	101,040	390	8,935	8,762		119,127
Executive Director Productivity & Safety	23/02/2015	84,258	225	1,367	7,235		93,085
Director Access	7/10/2013	180,838	816	6,438	20,400		208,491
Director Strategy ⁽²⁾	16/03/2015	71,728	816	3,873	5,948		82,364
Program Director AccessCONNECT Project	29/07/2015	242,500	115	-	-		242,615
Total Remuneration		1,890,164	22,307	128,085	139,467	292,762	2,472,766

⁽¹⁾ The Chief Financial Officer and Executive Director Corporate Services was appointed Acting Chief Executive Officer during the period 3 September - 6 October 2014.

⁽²⁾ The Director Strategy was appointed in an acting capacity from 2 February 2015 and permanently appointed from 16 March 2015. Whilst the incumbent has been on leave, the role has been filled in an acting capacity.

1 July 2013 – 30 June 2014:

Position	Appointed	Short Term Employee Expenses		Long Term Employee Expenses \$	Post Employment Expenses \$	Termination Benefits \$	Total Expenses \$
		Monetary Expenses \$	Non-Monetary Expenses \$				
Chief Executive Officer (19 May 2014 - 30 June 2014)	19/05/2014	44,275		674	3,437		48,386
Chief Executive Officer (1 July 2013 - 14 March 2014)	18/11/2012	444,264	5,033	-	37,474		486,771
Chief Financial Officer (and GM Corporate Services)	3/12/2012	274,815	2,183	5,395	24,043		306,436
General Manager Operations	2/01/2013	250,309	2,366	5,272	20,163		278,110
General Manager Regulatory and Legal Services	2/01/2013	200,741	2,183	4,110	20,552		227,586
General Manager Strategy and Business Development	11/02/2013	277,117	13,442	5,029	19,129		314,717
Total Remuneration		1,491,521	25,207	20,480	124,797	-	1,662,006



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Note 22 Commitments for expenditure

(a) Non-cancellable operating lease

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

	<u>2015</u>	<u>2014</u>
	\$ (000's)	\$ (000's)
Not later than one year	1,064	884
Later than one year and not later than five years	4,496	451
Later than five years	599	-
Total	<u>6,159</u>	<u>1,335</u>

The operating lease relates to office accommodation and includes escalation.

(b) Support and maintenance expenditure commitments

Material classes of support and maintenance expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the financial statements are as follows:

Not later than one year	1,734	2,048
Later than one year and not later than five years	3,790	5,127
Later than five years	-	-
Total	<u>5,523</u>	<u>7,175</u>

Note 23 Contingencies

Financial guarantees

A financial guarantee is in place with respect of the lease for office accommodation. The Regulator has a facility of \$360,870 with the Commonwealth Bank of Australia Ltd of which the following guarantee (totalling \$210,870.00) has been issued:

- Cardno (Qld) Pty Ltd (lease for Level 9, Green Square, North Tower, 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*.

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NATIONAL HEAVY VEHICLE REGULATOR
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for year ended 30 June 2015

Note 24 Related parties transactions

(a) Transactions with Board members and Key Management Personnel

Any transactions between related parties are on normal commercial terms and conditions. Any expense payments have been in relation to reimbursement of business related expenses or in accordance with employment contracts.

(b) Transactions with states and territories

	<u>2015</u>	<u>2014</u>
	\$ (000's)	\$ (000's)
Regulatory Income		
- VicRoads (Vic)	40,545	-
- Roads and Maritime Services (NSW)	37,886	-
- Transport and Main Roads (Qld)	38,530	-
- Department for Planning, Transport and Infrastructure (SA)	13,648	-
- Office of Regulatory Services, Justice and Community Safety (ACT)	715	-
- Department of Infrastructure, Energy and Resources (Tas)	3,676	-
	<u>135,000</u>	<u>-</u>
Financing contributions (grants)		
- VicRoads (Vic)	-	-
- Transport for New South Wales (NSW)	-	1,500
- Transport and Main Roads (Qld)	-	6,856
- Office of Regulatory Services, Justice and Community Safety (ACT)	-	98
- Department of Infrastructure, Energy and Resources (Tas)	-	665
	<u>-</u>	<u>9,119</u>
Financing contributions (loans)		
- VicRoads (Vic)	-	7,595
- Transport for New South Wales (NSW)	-	5,797
- Department for Planning, Transport and Infrastructure (SA)	-	2,502
- Department of Transport (NT)	-	330
- Office of Regulatory Services, Justice and Community Safety (ACT)	-	35
	<u>-</u>	<u>16,258</u>
Performance based standards revenue ⁽¹⁾		
- Department of Infrastructure, Transport, Regional Development and Local Government (Commonwealth)	-	88
- VicRoads (Vic)	-	40
- Transport for New South Wales (NSW)	-	55
- Transport and Main Roads (Qld)	-	30
- Department for Planning, Transport and Infrastructure (SA)	-	13
- Department of Transport (NT)	-	2
- Office of Regulatory Services, Justice and Community Safety (ACT)	-	3
- Department of Infrastructure, Energy and Resources (Tas)	-	4
- Main Roads (WA)	-	16
Total	<u>-</u>	<u>250</u>

⁽¹⁾ Performance based standards funding was provided in 2013-14 to support the PBS review panel and associated activities.

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Note 24 (b) Transactions with states and territories (cont'd)	2015 \$ (000's)	2014 \$ (000's)
Service agreement payments		
- VicRoads (Vic)	13,000	-
- Roads and Maritime Services (NSW)	52,029	-
- Transport and Main Roads (Qld)	15,500	-
- Department for Planning, Transport and Infrastructure (SA)	9,658	-
- Office of Regulatory Services, Justice and Community Safety (ACT)	1,357	-
- Department of Infrastructure, Energy and Resources (Tas)	2,248	-
	<u>93,792</u>	<u>-</u>
Loan repayments		
- VicRoads (Vic)	432	-
- Transport for New South Wales (NSW)	440	-
- Department for Planning, Transport and Infrastructure (SA)	372	-
- Access Canberra - formerly Office of Regulatory Services, Justice and Community Safety (ACT)	28	-
	<u>1,272</u>	<u>-</u>

In 2014-15 financing repayments commenced and were made to state and territory government agencies in accordance with relevant agreements in relation to various tranches of loan funding. Refer also to note 17.

Note 25 Agency transactions

a) National work diary fees

In accordance with service agreements established, the supply and sale of work diaries have been undertaken by participating state and territory government road agencies on behalf of the Regulator. During 2014-15, VicRoads, Roads and Maritime Services (NSW) and Department of Transport and Main Roads (Qld) opted to transfer to the Regulator work diary fees collected. A summary of the fees received, paid (returned) and payable for the period are as follows:

	2015		
	Fees Received	Fees Paid	Fees Payable at 30/06/2015
	\$ (000's)	\$ (000's)	\$ (000's)
National work diary fees			
- VicRoads (Vic)	961	-	961
- Roads and Maritime Services (NSW)	1,587	1,587	-
- Transport and Main Roads (Qld)	1,267	1,267	-
Total national work diary fees	<u>3,815</u>	<u>2,854</u>	<u>961</u>
	2014		
	Fees Received	Fees Paid	Fees Payable at 30/06/2014
National work diary fees			
- VicRoads (Vic)	243	-	243
- Transport and Main Roads (Qld)	400	287	112
Total national work diary fees	<u>642</u>	<u>287</u>	<u>355</u>

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Note 25 Agency transactions (cont'd)

b) Access permit fees

During February and March 2014, the Regulator delegated certain heavy vehicle road access permitting functions to state and territory government road agencies in Queensland, New South Wales, Victoria, South Australia, Australian Capital Territory as well as local government road managers within New South Wales. This delegation continued throughout the 2014-15 financial year.

Under delegation, road managers are responsible for the access decision as well as collection of permit fees and associated administrative functions under the *Heavy Vehicle National Law Act 2012*. VicRoads and Roads and Maritime Services (NSW) opted to transfer to the Regulator fees collected for access permit applications processed under delegation. A summary of fees received, paid and payable for the period are as follows:

	Fees Received	2015 Fees Paid	Fees Payable at 30/06/2014
	\$ (000's)	\$ (000's)	\$ (000's)
Access permit fees			
- VicRoads (Vic)	591	-	591
- Roads and Maritime Services (NSW)	1,552	1,552	-
Total access permit fees	<u>2,143</u>	<u>1,552</u>	<u>591</u>
	Fees Received	2014 Fees Paid	Fees Payable at 30/06/2014
Access permit fees			
- VicRoads (Vic)	212	-	212
Total access permit fees	<u>212</u>	<u>-</u>	<u>212</u>

Amounts reported in relation to work diary and access permit fees transferred by government road agencies to the Regulator represent the full value of the transfer of funds received and have not been separately audited by the Regulator. The Regulator has determined that this transfer of funds is administrative in nature and the risks and rewards of the revenue remain with the government road agency.

As funds transferred have been returned in full, either during the period or in full after the reporting date, without deduction for margin or commission, these amounts have not been recognised by the Regulator as either revenue or expense in the Statement of Profit or Loss and Other Comprehensive Income. The total amount for work diary and access permit fees payable at reporting date has been deducted from the available cash at bank balance. This treatment is consistent with prior financial reporting periods.

Note 26 Events occurring after balance date

The Board of the Regulator is not aware of any other events subsequent to 30 June 2015 that could materially affect the financial statements as presented.



NATIONAL HEAVY VEHICLE REGULATOR
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Note 27 Financial instruments

	<u>2015</u>	<u>2014</u>
	\$ (000's)	\$ (000's)

(a) Categorisation of financial instruments

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

Category	Note		
Financial assets			
Cash and cash equivalents		17,359	23,146
Trade receivables	12	10	29
Total		<u>17,368</u>	<u>23,175</u>
Financial liabilities			
Trade payables	16	132	1,260
Loan liabilities	17	18,402	18,955
Total		<u>18,534</u>	<u>20,215</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		17,359	23,146
Trade receivables	12	10	29
Less: provision for impairment	12	-	(5)
Total		<u>17,368</u>	<u>23,171</u>

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

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.

(c) Liquidity risk

The Regulator 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.

Financial liabilities	2015 Payable in			Total
	<1 Year	1-5 Years	>5 Years	
	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)
Loan repayments				
Interest bearing Government loans	588	6,521	4,787	11,896
Non-interest bearing Government loans	2,020	2,710	5,223	9,954
Total loan repayments	<u>2,608</u>	<u>9,231</u>	<u>10,010</u>	<u>21,850</u>
Trade payables	132	-	-	132
Total	<u>2,740</u>	<u>9,231</u>	<u>10,010</u>	<u>21,981</u>

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Notes to the Financial Statements
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Note 27 (c) Liquidity risk (cont'd)

Financial liabilities

	2014 Payable in			Total \$ (000's)
	<1 Year \$ (000's)	1-5 Years \$ (000's)	>5 Years \$ (000's)	
Loan repayments				
Interest bearing Government loans	220	3,588	8,217	12,025
Non-interest bearing Government loans	1,894	5,086	4,178	11,159
Total loan repayments	2,114	8,674	12,395	23,183
Trade payables	1,260	-	-	1,260
Total	3,375	8,674	12,395	24,444

(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) Interest rates sensitivity analysis

Financial Instrument	Carrying Amount	2015 Interest Rate Risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
Cash and Cash Equivalent	17,359	16,093	2,632	16,440	2,979
Potential Impact		(174)	(174)	174	174

Financial Instrument	Carrying Amount	2014 Interest Rate Risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
Cash and Cash Equivalent	23,146	(9,083)	(13,693)	(8,620)	(13,230)
Potential Impact		(231)	(231)	231	231

Interest rate exposure only relates to interest earning on cash balances. As interest bearing loan liabilities are at fixed interest rates, there is no further interest rate risk exposure.

(f) Fair value

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

Year ended 30/6/2015	2015	
	Carrying amount \$ (000's)	Fair value \$ (000's)
Interest bearing Government loans	9,728	9,725
Non-interest bearing Government loans	9,954	8,677
Total	19,682	18,402

Year ended 30/6/2014	2014	
	Carrying amount \$ (000's)	Fair value \$ (000's)
Interest bearing Government loans	9,766	9,760
Non-interest bearing Government loans	10,794	9,195
Total	20,560	18,955

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

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NATIONAL HEAVY VEHICLE REGULATOR
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for year ended 30 June 2015

Certificate of National Heavy Vehicle Regulator for the period 1 July 2014 to 30 June 2015

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 1 July 2014 to June 30 2015 and of the financial position of the Regulator at the end of that period.

24th August 2015



B Baird
BOARD CHAIR



S Petrocchio
CHIEF EXECUTIVE OFFICER





06 Appendices and references

This section contains appendices that provide details of our operations and address particular reporting requirements under the HVNL and other legislation.

The appendices are followed by reference tools to help the reader to find and use information in the annual report.

Appendix A: Operating statistics

Access operations

Table A.1 Access permits applications end-to-end processing duration

	2014-15		2013-14	
	No.	Average days	No.	Average days
Applications received				
Total applications received	14,800	22.96	7,520	19.63
Assessment pipeline				
NHVR assessment		3.06		4.71
Road manager consents received <28 days				
Local government agencies	10,067	7.09	2,762	7.67
State road agencies	5,546	8.70	3,091	7.75
Road manager consent backlog (received >28 days)				
Local government agencies	813	59.98	75	58.14
State road agencies	704	65.09	117	45.42
NHVR post-assessment		1.17		1.0
Completion				
Applications completed	14,280	23.48	6,697	13.70
Permits issued	9,210	23.89	3,044	17.79

Table A.2 Jurisdictional access permits applications processed under delegation¹⁴

	# received	# approved
Queensland	6,543	6,037
New South Wales	5,943	6,023
Victoria	3,394	2,340
South Australia	2,925	2,925
Aug-Oct 2014 total	18,805	17,325
2014-15 total	75,220	69,300

¹⁴ Data collected over three month period (August 2014 to October 2014) and extrapolated to estimate 2014-15 total

Appendix A: Operating statistics (continued)

Table A.3 Pre-approvals by participating road managers

	2014-15			2013-14		
	Total	# Councils impacted	Kms unlocked	Total	# Councils impacted	Kms unlocked
Queensland	72	28	610	45		
New South Wales	227	69	2,688	52		
Victoria	216	51	450	159		
South Australia	50	24	1,269	46		
Tasmania	80	23	1,075	27		
Australian Capital Territory	3	Nil	Undefined	1		
Total	648	195	6,092	330		

National Heavy Vehicle Accreditation Scheme

Table A.4 NHVAS applications by state

	2014-15		2013-14	
	Created	Closed	Created	Closed
Queensland	6,159	6,210	5,298	5,282
New South Wales	6,645	6,668	6,895	6,968
Victoria	5,176	5,196	5,057	5,111
South Australia	3,984	4,014	4,071	4,062
Tasmania	421	422	264	260
Northern Territory	192	198	160	159
Total	22,577	22,708	21,745	21,842

Table A.5 NHVAS operators, accredited modules and nominated vehicles

	2014-15	2013-14
Number of accredited operators		
Accredited operators	6,232	6,956
Accredited operators by module		
Mass	4,688	4,603
Maintenance	2,705	2,685
Basic Fatigue Management	1,914	1,848
Advanced Fatigue Management	41	34
Nominated vehicles		
Mass	30,945	55,002
Maintenance	92,611	92,923

Table A.6 NHVAS operators, accredited modules and nominated vehicles by state

	Qld	NSW	Vic	SA	Tas	NT	Total
Number of accredited operators							
Accredited operators	1,319	1,612	1,866	1,215	176	44	6,232
Accredited operators by module							
Mass	864	1,143	1,656	862	158	5	4,688
Maintenance	841	710	314	792	4	44	2,705
Basic Fatigue Management	477	723	453	212	35	14	1,914
Advanced Fatigue Management	23	8	4	5	0	1	41
Nominated Vehicles							
Mass	7,587	8,311	9,603	3,995	1,195	254	30,945
Maintenance	35,933	24,634	14,681	15,203	225	1,935	92,611

Performance Based Standards

Table A.7 PBS design and build applications and approvals

	2014-15		2013-14	
	Received	Approved	Received	Approved
New and amended design applications	389	389	189	170
Vehicle build applications	639	639	579	579

Table A.8 PBS new design approvals by vehicle type

Vehicle Type	2014-15	2013-14
A-double	22	27
B-double	52	25
Bus	2	2
Other	1	3
Prime mover and semi	81	36
Road train	6	9
Truck and dog	173	85
Total	337	189

Appendix A: Operating statistics (continued)

Table A.9 Vehicles certified under the PBS framework

	2014-15	2013-14
Vehicle combinations	894	770
Individual units	3,762	2,176

Vehicle standards

Table A.10 Vehicle standards applications and permits issued

	2014-15			2013-14		
	Received	Finalised	Permits issued	Received	Finalised	Permits issued
Vehicle standards exemption (permit)	388	379	434	719	672	621
In-principle support	404	368	297	128	97	85
Modifications	15	9	4	3	2	0

Fatigue management

Table A.11 Advanced Fatigue Management processing

	2014-15
Active RCS assessments	15
AFM applications received	12
Approvals issued under the RCS	9
Extensions granted to current AFM operators	21
Work and rest hour exemptions granted	4

Customer service

Table A.12 Call centre activity volumes

Task	2014-15 Total/Average	2013-14 Total/Average
Calls received by call centre	52,332	45,886
Grade of service % calls answered in 20 seconds	83%	76%
Average handling time per call – minutes:seconds	05:08	6:20
Number of calls transferred to the NHVR	10%	19%
Number of calls transferred to jurisdictions	1%	3%

Notices

Table A.13 Notices of exemption or authorisation made under the Heavy Vehicle National Law

	2014-15 Total	2013-14 Total	Total in existence
National Notices			
Access and vehicle standards	15	15	30
Fatigue	2	0	2
State Notices			
Access and vehicle standards	46	21	67
Fatigue	2	5	7

Table A. 14 Transitional notices made under former corresponding laws

In place February 2014	In place after 30 June 2015
180	143

Appendix B: Management and accountability data

People, capability and wellness

Table B.1 Workforce profile as at 30 June 2015

Establishment profile (positions)	Employment category (people)						
	Total	EA Perm)	EA Temp	Contract#	Seconded	Contractors	Vacancies
Organisational structure – permanent	108	62.5	12	19	1	6.5	7
Organisational structure – temporary	16	0	14	0	1	1	0
Projects	34	1.9	4	2	1	11.5	13.6
Total Establishment	158	64.4	30	21	3	19	20.6

Table B.2 Employees by classification and gender

	Female			Male		
	As at June 2015	As at June 2014	As at June 2013	As at June 2015	As at June 2014	As at June 2013
Executive	2	1	1	5	4	4
Senior manager	2	4	3	12	9	10
Other staff	64	54	31	52.4	40	30
Total	68	59	35	69.4	53	44

Table B.3 Skills stability index as at 30 June 2015

	≤1 yr	>1 yr	Total	SSI
Executive – CEO and business unit heads	3	4	7	57%
Technical managers/specialists	13	14	27	52%
Corporate managers/specialists	8	8.9	16.9	53%
Customer service officers	6	42	48	88%
Corporate officers	7	9.5	16.5	58%
Total	37	78.4	115.4	68%

Table B.4 Unplanned absences – average days per employee

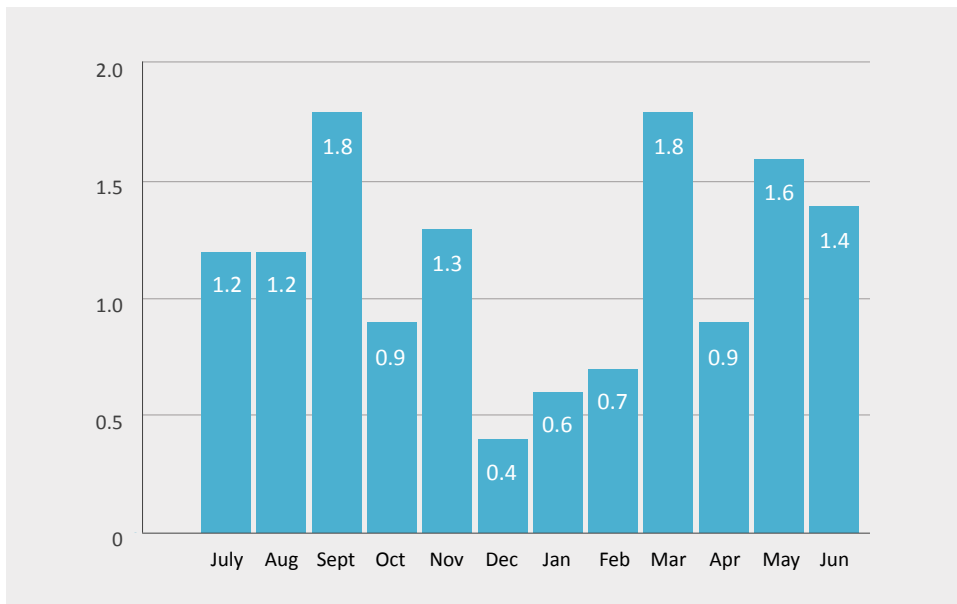
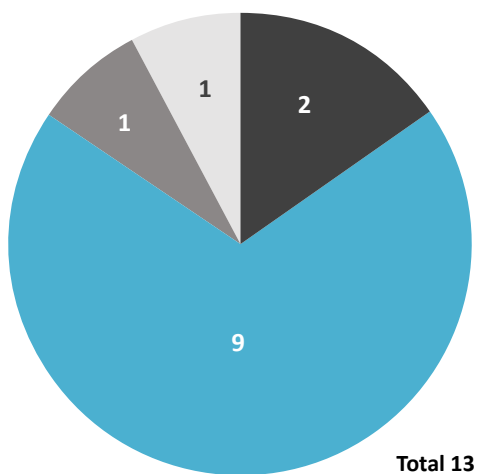


Table B.5 Staff turnover reasons¹⁵



Employment conditions	Resignation
Other	Retirement

Table B.6 Key workplace health and safety statistics

	2014-15	2013-14
Lost time injuries	0	0
Medically treated injuries	1	0
Near misses	0	0
Journey to work	3	0

15 Does not include roles made redundant

Appendix B: Management and accountability data (continued)

Table B.7 Senior manager appointments and departures

Appointments	Departures
Tony Kursius was appointed Executive Director, Regulatory Compliance	Philip Halton, General Manager, Strategy
Geoff Casey was appointed Executive Director, Productivity and Safety	Angus Draheim, General Manager, Operations
Karen Vohland was appointed Executive Director, Engagement and Partnerships	Marion Stefaniw, Manager, Service Level Agreements and Partnerships
Charlie Commins was appointed acting Director, Strategy to cover a period of extended leave by Tanya McDonald	Sergio Kuyznierewicz, Manager, Customer Service
Daniel Elkins was appointed Director, Safety	Anita Sweet, Legal Counsel
Travis Dawson was appointed Manager, Policy, Planning and Strategy	
Michael Crellin was appointed Manager, Chain of Responsibility	

Third party suppliers

Table B.8 Payments made to third party suppliers ≥\$100,000 (\$000)

Vendor Category	Amount
People	2,615
Advisory	2,190
Information technology	4,320
Office	1,038
Outsourced services	1,687
Travel	223
Legal	111
Total	12,184

Media, advertising, sponsorship and direct mail costs

Table B.9 Payments made to media, advertising, sponsorship and direct mail organisations

Vendor	Details	Amount
Media		
isentia	Online services for media monitoring, distribution of media statements and access to a comprehensive media contacts database.	17,632
Advertising		
Blaze Advertising	Statutory advertising in relevant print media	13,442
Sponsorship		
Multiple	Costs related to: <ul style="list-style-type: none"> • Truck Right • Australian Local Government Association (ALGA) 2014 National Local Roads and Transport Congress • 2014 Australasia Bus and Conference Expo 	12,075
Direct mail		
Vision 6	Online services and electronic direct mail platform for maintenance of an NHVR database and distribution of NHVR industry updates, local government updates, newsletters and media statements.	1,695

Table B.10 Sponsorships (\$000)

Initiative & Month	Amount
Truck Industry Vehicle 2012 – 2015	3.0
2014 Australian Local Government Association (ALGA), National Local Roads and Transport Congress 12-14 November 2014, Tamworth NSW	0.08
2014 Australasia Bus and Conference Expo, Gold Coast	8.2

Appendix B: Management and accountability data (continued)

Keynote speeches, presentations and consultation

Table B.11 Keynote speeches, meetings and presentations made by NHVR staff

Date	Market segment/ Organisation	Event/meeting/consultation strategy	NHVR Representative
30 Jul 2014	LGAQ	South West Regional Roads Transport Group and Technical Committee Meeting, Roma, Qld	John Gilbert Kerry Plater
31 Jul 2014	RMS Local Government Forum	RMS Local Government Forum, RMS Local Government Forum, Wollongong, NSW	Angus Draheim John Gilbert
1 Aug 2014	Cement Concrete & Aggregates	2014 Construction Materials Industry Dinner, Cement Concrete & Aggregates, Brisbane, Qld	Sal Petrocchio
5 Aug 2014	Rowland	Rowland Government Insights Breakfast, Rowland, Brisbane, Qld	Sal Petrocchio
6 Aug 2014	Bentley Systems	Executive Roundtable Brisbane, Bentley Systems, Brisbane, Qld	Sal Petrocchio
8 Aug 2014	NSW Road Freight Industry Council	Road Freight Industry Council meeting, Sydney, NSW	Sal Petrocchio
13 Aug 2015	Australian Logistics Council	ALC Supply Chain Safety & Compliance Summit, Australian Logistics Council, Melbourne, Vic	Philip Halton
14 Aug 2014	TMR	Focus on agricultural transport issues, Operational Issues Sub Committee (OISC), Agricultural Transport Industry Council (ATIC), Queensland Department of Transport and Main Roads, Brisbane, Qld	Peter Caprioli
14-16 Aug 2014	NatRoad	NatRoad Conference 2014, Adelaide, SA	Sal Petrocchio
14 Aug 2014	Livestock & Bulk Carriers Association	Farewell dinner to thank Andrew, Emma and Linda Higginson, Livestock & Bulk Carriers Association, Sydney, NSW	Phil Halton
18-19 Aug 2014	Truck Industry Council	Truck Industry Council AGM, Gold Coast, Qld	Sal Petrocchio
21 Aug 2014	Fairfield City Council	WSROC (Western Sydney Regional Organisation of Councils) Traffic Sub Committee meeting, Fairfield City Council, Sydney, NSW	Angus Draheim Peter Caprioli
1 Sep 2014	Dept of State Growth	Department of State Growth, Hobart, Tas	Jan Powning
3 Sep 2014	Australian Tyre Industry Council	ATIC General Meeting, Melbourne, Vic	Les Brusza
3 Sep 2014	Comcare	Meeting with Comcare and various other participating jurisdictions	Tony Martin Peter Rouse
4 Sep 2014	CVIAQ and TMR	Meeting with Brett Wright, CVIAQ & John Wroblowski, QTA and TMR, Brisbane, Qld	Jan Powning
4 Sep 2014	National Bulk Tanker Association	Bulk Tanker Day, Melbourne, Vic	Les Brusza
5 Sep 2014	James Holgate	Consultation, Melbourne, Vic	Jan Powning
6 Sep 2014	Victorian Transport Association	25th Australian Freight Industry Council Awards Dinner, Melbourne, Vic	Bruce Baird
22 Sep 2014	ACT Government	National Road Safety Forum, Canberra, ACT	Les Brusza Andreas Blahous

Date	Market segment/ Organisation	Event/meeting/consultation strategy	NHVR Representative
25 Sep 2014	CICA	CICA Conference, Sydney, NSW	Kerry Plater
29 Sep 2014	Bus Industry Confederation (BIC)	2014 Bus Industry Confederation National Conference, Gold Coast, Qld	Peter Caprioli
Oct-Nov – (various dates)	Institute of Public Works Engineering Australasia Transport for NSW, Local Government NSW, Roads and Maritime Services and ARRB.	TFNSW Route Assessment Workshops, NSW	Matt Elischer
Oct 2014	K&S Easters	NHVAS label size and quality	Productivity and Safety business unit
1 Oct 2014	BP Australia	Logistics site visit/meeting	Productivity and Safety business unit
10 Oct 2014	IPWEAQ	IPWEAQ State Conference, Caloundra, Qld	Sal Petrocitto Ryan Goff David Carlisle
18 Oct 2014	QTA	QTA Awards Night, Brisbane, Qld	NHVR representatives
21 Oct 2014	Workplace Health and Safety Queensland and TOLL	Transport Safety Showcase, Karawatha, Qld	John Gilbert
8 Oct 2014	Bus Industry Confederation (BIC)	2014 Bus Industry Confederation National Conference, Gold Coast, Qld	Tim Hansen
14 Oct 2014	ATA NSW	OSOM operators meeting, Sydney, NSW	John Gilbert
14 Oct 2014	Direct Haul	Site visit/meeting with logistics operator, Northern Territory	Productivity and Safety business unit
14-15 Oct 2014	North East Weight of Loads Group (NEWLOG) – Ballina Shire Council	North East Weight of Loads Group (NEWLOG) Annual Conference, Ballina, NSW	Tony Martin Peter Rouse
23 Oct 2014	VTA	VTA Presidents Dinner, Melbourne, Vic	Sal Petrocitto
24 Oct 2014	Mack Trucks	Mack Pack, Melbourne, Vic	Sal Petrocitto
27 Oct 2014	RMS	RMS PBS RAT workshop – North Coast Group , Ballina, NSW	Matt Elischer
27 Oct 2014	TMR – Roads and Transport Alliance Board	Regional Roads and Transport Group Assembly, Mackay, Qld	Sal Petrocitto
29 Oct 2014	ATA	2014 ATA PACCAR and Dealer Technical Maintenance Conference, Melbourne, Vic	Sal Petrocitto
Nov 2014 – April 2015	Advanced Fatigue Management transitional operators	AFM accredited operators transitioning to RSC Information workshops – Qld, NSW, Vic and SA	Productivity and Safety business unit
Nov – Dec 2014	Local Government agencies, NSW	PBS Route Assessment Tool (RAT) rollout in New South Wales	Strategy business unit
4 Nov 2014	Trucksafe	Meeting with industry association	Productivity and Safety business unit

Appendix B: Management and accountability data (continued)

Date	Market segment/ Organisation	Event/meeting/consultation strategy	NHVR Representative
7 Nov 2014	Department of Infrastructure and Regional Development	Department of Infrastructure and Regional Development, Launceston, Tas	Bruce Baird Sal Petrocchio David Carlisle
6-7 Nov 2014	NHVR	NHVR Compliance and Enforcement On-Road Process Working Group Workshop, Sydney, NSW	Tony Martin Peter Rouse
10 Nov 2014	RMS	RMS PBS RAT workshop – New England/ North West Group, Moree, NSW	Matt Elischer
11 Nov 2014	ANZPAA	ARPF Meeting, Melbourne, Vic	Sal Petrocchio
12-14 Nov 2014	ALGA	ALGA National Roads Congress, Tamworth, NSW	Sal Petrocchio, David Carlisle
17 Nov 2014	RMS	RMS PBS RAT workshop – South West Group, Wagga Wagga, NSW	Matt Elischer
19 Nov 2014	Australian Trucking Association	ATA General Council, Forrest, ACT	Sal Petrocchio
21 Nov 2014	NHVR	Safety Rating System Project National Steering Committee Meeting, Sydney, NSW	Sal Petrocchio Philip Halton
24 Nov 2014	RMS	RMS PBS RAT workshop -Metropolitan West Group, Blacktown, NSW	Matt Elischer
25 Nov 2014	National Road Transport Association (Natroads)	Heavy Vehicle Industry Forum for road transport operators, Mt Gambier, SA	Sal Petrocchio John Gilbert
28 Nov 2014	RMS	RMS PBS RAT workshop -Metropolitan North Group , Metropolitan South Group, Sydney, NSW	Matt Elischer, Annette Finch
3-4 Dec 2014	9th Annual Chain of Responsibility and Heavy Vehicle Safety Conference	Keynote address	Ray Hassall
3 Jan 2015	Comcare	NHVR meeting with Comcare	Tony Kursius Tony Martin Peter Rouse Steve Ziebarth
Feb 2015 – ongoing	Mobile Cranes and other Special Purpose Vehicles industry segment	Consultation on the draft National Special Purpose Vehicle Notice	Strategy business unit
Feb 2015 – ongoing	Oversize and Overmass industry segment	Consultation on the draft National OSOM Notice	Strategy business unit
Feb 2015 – ongoing	Industry – nationally	Consultation on the draft PBS Truck and Dog Notice	Strategy business unit
13 Feb 2015	McAleese (Cootes)	Operator site visit/meeting	Productivity and Safety business unit
Mar 2015 – ongoing	Livestock transporters and primary producers, South Australia	Consultation on '20 metre rule' policy	Strategy business unit
4 Mar 2015	QTA	QTA International Woman's Day Breakfast, Brisbane, Qld	NHVR wrepresentatives
6 – 7 Mar 2015	Livestock and Bulk Carriers (LBCA)	Conference/2015 LBCA Conference, Jindabyne, NSW	Sal Petrocchio John Gilbert

Date	Market segment/ Organisation	Event/meeting/consultation strategy	NHVR Representative
11 Mar 2015	Local Buy (Government Procurement)	6th Government Procurement and Fleet Conference, Brisbane, Qld	Les Bruzsa
11 Mar 2015	NSW Police	National Heavy Vehicle 'Operation AUSTRANS' Briefing, Parramatta, NSW	Tony Kursius Tony Martin
12 Mar 2015	NSW Roads & Maritime Services	ALC Forum 2015, Melbourne, Vic	Sal Petrocitto
12-13 Mar 2015	RMS, NSW	NHVR – NSW RMS Regulatory Compliance Meetings, Sydney, NSW	Tony Kursius Tony Martin
17-18 Mar 2015	VicRoads	VicRoads Regulatory Services Team Workshops, Lancemore Hill, Vic	Sal Petrocitto Tony Martin Peter Rouse
17 Mar 2015	VicRoads	NHVR – Victorian Police Meeting, Melbourne, Vic	Tony Martin Peter Rouse
20 Mar 2015	Victorian Police	Trucking Australia 2015, Hobart, Tas	Sal Petrocitto
21 Mar 2015	Australian Trucking Association	SARTA conference and GALA dinner 2015, Adelaide, SA	Daniel Elkins Geoff Casey
24 Mar 2015	South Australian Road Transport Association	Panel or open forum/Bus Industry Suppliers Summit, Canberra, ACT	Les Bruzsa
24 Mar 2015	Bus Industry Confederation	Consultation forum/Queensland Road Freight Industry Council, Brisbane, Qld	Tony Kursius
27 Mar 2015	TMR	Meeting/ NSW Crane Industry Working Group Meeting, Sydney, NSW	Sal Petrocitto, Matt Bereni
Apr 2015 – ongoing	Local government agencies, Qld	PBS RAT Tool rollout in Queensland	Strategy business unit
1 Apr 2015	VREF Centre of Excellence for Sustainable Urban Freight Systems	International Webinar – PBS in urban areas	Productivity and Safety business unit
12 Apr 2015	QBIC	Queensland Bus Industry Council Gala Dinner, Cairns, Qld	Sal Petrocitto
14 April 2015	QTA	QTA AGM, Brisbane, Qld	Sal Petrocitto Karen Bow Karen Vohland
15 Apr 2015	SAPOL, SA	Regulatory compliance meeting with DPTI and SAPOL	Tony Kursius Tony Martin
16 Apr 2015	ARTSA	Improving heavy vehicle road safety Summit, Melbourne, Vic	Geoff Casey Daniel Elkins
16 Apr 2015	Dept. of State Growth, Tasmania	Regulatory compliance meeting	Tony Kursius Tony Martin
21 Apr 2015	NHVR	International delegation – Sweden, Brisbane, Qld	Geoff Casey Les Bruzsa Daniel Elkins Matt Elischer

Appendix B: Management and accountability data (continued)

Date	Market segment/ Organisation	Event/meeting/consultation strategy	NHVR Representative
21 Apr 2015	National Road Freighters Association	Meeting with industry association	Productivity and Safety business unit
23 Apr 2015	WHSQ	WHSQ Breakfast Forum, Brisbane, Qld	Karen Bow
23 Apr 2015	Ian Harrington Group	Operator visit/meeting	Productivity and Safety business unit
30 Apr 2015	NHVR	Inaugural meeting of the National Compliance and Enforcement Operations Forum, Brisbane, Qld	Sal Petrocchio John Gilbert Tony Kursius Tony Martin Michael Crellin Peter Rouse Ken Cleary Jaylana Taipari Karen Vohland
1 May 2015	NatRoads	Byford New Milk Transport introduction day	John Gilbert Karen Vohland
6 May 2015	SCLAA	Function/ Breakfast function, Brisbane, Qld	
13 May 2015	New Zealand Heavy Vehicle Engineers	Presentation of PBS influence on vehicle design	Productivity and Safety business unit
14 May 2015	ALTRA	NHVR Livestock IOG, Brisbane, Qld	Karen Vohland Tony Kursius Michael Crellin John Gilbert
14 – 15 May 2015	Municipal Association of Victoria (MAV)	2015 National Local Government Infrastructure and Asset Management Conference, Melbourne, Vic	
14 – 17 May 2015	CVIAQ	2015 Brisbane Truck Show, Brisbane, Qld	Tony Kursius Geoff Casey Karen Vohland John Gilbert David Carlisle Sal Petrocchio Bruce Baird
15 May 2015	Mountain Industries	Suppliers Conference	Darrin Rasmussen Wayne Whitmore
19 – 21 May 2015	TWU	TWU Annual National Council, Melbourne, Vic	Michael Crellin
22 May 2015	TIC	TIC Meeting, Sydney, NSW	Bruce Baird Sal Petrocchio
25 – 26 May 2015	Victorian Transport Association	Conference/VTA Conference 2015, Lorne, Vic	Sal Petrocchio
1 June 2015	IPWEA	Congress/2015 NSW Local Roads Congress, Sydney, NSW	Peter Caprioli

Date	Market segment/ Organisation	Event/meeting/consultation strategy	NHVR Representative
1 Jun 2015	NHVR	NHVR Reference Forum, Melbourne, Vic	Sal Petrocitto Karen Vohland John Gilbert Charlie Commins
2 Jun 2015	NHVR	NHVR Crane IOG, Melbourne, Vic	Sal Petrocitto Karen Vohland John Gilbert Charlie Commins
3 Jun 2015	NTC	Load Restraint Guide Review Industry Workshop	Tony Martin Daniel Elkins
4 Jun 2015	South Australian industry sector	Consultation on Quad Road Trains Policy (productivity initiative)	Strategy business unit
5 Jun 2015	Army	Army Day, Melbourne, Vic	Matt Elischer
5 Jun 2015	Australia Post	RMS, NSW Police and NHVR – CoR Presentation, Sydney, NSW	Michael Crellin
6 Jun 2015	Transport Women Australia Ltd	Conference/Transport Women Australia National Conference, Melbourne, Vic	Karen Bow
10 Jun 2015	TOLL	Network event/Toll Group Fleet Safety Network, Melbourne, Vic	Michael Crellin
11-12 Jun 2015	SA Heavy Vehicle Industry	SA Heavy Vehicle Industry Transport Forum, Adelaide, SA	Sal Petrocitto John Gilbert
13 Jun 2015	LRTASA	Conference/Annual Livestock & Rural Transporters Association Conference, Adelaide, SA	Sal Petrocitto John Gilbert Daniel Elkins
14-17 Jun 2015	Australian Local Government Association	ALGA National Assembly, Canberra, ACT	Karen Vohland Todd Wellard
17 Jun 2015	Roads and Maritime Services and NSW Police	Chain of Responsibility Leaders Forum, Sydney, NSW	Michael Crellin
18 Jun 2015	Ministerial Freight Advisory Council	Ministerial Freight Industry Summit 2015, Melbourne, Vic	Sal Petrocitto
23 Jun 2015	Queensland Bus Industry Council	Meeting of Committee, Brisbane, Qld	Geoff Casey
24 Jun 2015	ALC	Australian Logistics Industry Parliamentary Cocktail Party, Canberra, ACT	Sal Petrocitto
24 Jun 2015	NTC	Load Restraint Guide Review, C&E Workshop, Melbourne, Vic	Tony Martin Peter Rouse
26 Jun 2015	Newcastle Freight Group	Newcastle Freight Group Meeting, Newcastle, NSW	John Gilbert Karen Vohland
29 Jun 2015	South Australian industry sector	Consultation on Tri-Axle Dollies Policy (productivity initiative)	Strategy business unit
30 Jun 2015	NTC	Conference/Alertness Summit 2015: A New Framework Driving Heavy Vehicle Safety, Canberra, ACT	Geoff Casey

Appendix B: Management and accountability data (continued)

Stakeholder engagement and communication

Table B.12 Marketing and engagement statistics

	2014-15 Total	2013-14 Total
Keynote speeches and presentations	102	46
Media releases	31	44
Website hits	430,802	303,804
Stakeholder forums	13	0
Local government updates	5	18
Industry updates	22	40

Regulatory and legal

Table B.13 Statutory applications, referrals and complaints

	2014-15 Total	2013-14 Total
Statutory applications	0	0
Statutory complaints	0	2
Coroner notifications as interested persons	2 ¹⁶	3 ¹⁷

16 This figure reflects two matters in respect of which notifications were received but the matter did not proceed to a full enquiry (Mitchell Ian Janke – 2013/00196047, and Sha Liu – 2013/00195996).

17 This reflects coronial enquiries in which responses are being implemented in response to recommendations made in relation to state or territory laws replaced by the Heavy Vehicle National Law and before the establishment of the National Heavy Vehicle Regulator.

Abbreviations list

AFM	Advanced Fatigue Management
BFM	Basic fatigue management
C&E	Compliance and enforcement
CoR	Chain of responsibility
CCC	Crime and Corruption Commission
CML	Concessional Mass Limits
CRSP	Cost Recovery Study Project
CTS	Case Tracking System
EWD	Electronic Work Diary
FERG	Fatigue Expert Reference Group
FWIP	Forward Work Inclusion Proposal
HML	Higher Mass Limits
HSW	Health, safety and welfare
HVNL	Heavy Vehicle National Law
IP	Information Privacy
LTFMS	Livestock Transport Fatigue Management Scheme
LPIs	Local Productivity Initiatives
LTI	Lost time injury
Ministerial Council	Transport and Infrastructure Council
MTI	Medical treatment injury
NCEOF	National Compliance and Enforcement Operations Forum
NHVAS	National Heavy Vehicle Accreditation Scheme
NHVR	National Heavy Vehicle Regulator
NM	Near misses
NOSPAG	National Operational Strategy and Policy Advisory Group
NTC	National Transport Commission
OHS	Occupational health and safety
OSOM	Oversize Overmass
PBS	Performance Based Standards (for heavy vehicles)
PBS RAT	Performance Based Standards Route Assessment Tool
PPA	Performance planning and appraisal
QAO	Queensland Audit Office
QOIC	Queensland Office of the Information Commissioner
RAVs	Restricted Access Vehicles
RCS	Risk Classification System
RIS	Regulatory impact statement
RTI	Right to Information
SPV	Special Purpose Vehicles
TISOC	Transport and Infrastructure Senior Officials' Committee
VSRG	Vehicle Standards Reference Group
WHS	Workplace health and safety

Compliance requirements

Requirement	Reference	Pages
Heavy Vehicle National Law Act 2012 (Qld)		
Financial statements	s 693(2)(i)	74-83
Statement of actual performance against the National Performance Measures (Standards and Indicators)	s 693(2)(ii)	38-41
Statement of exceptions where the National Performance Measures (Standards and Indicators) were not achieved	s 693(2)(iii)	38-41
Statement of trend analysis relating to performance measured against the National Performance Measures (Standards and Indicators)	s 693(2)(iv)	38-41
Statement of the outcome of consultation strategies and activities, including a summary of industry comments	s 693(2)(v)	19-24 85-90
Statement of the achievements attained in implementing, and the challenges encountered in implementing the Regulator's objectives stated in the Corporate Plan	s 693(2)(vi)	11-15 19-41
Statement of the achievements attained in the exercise of the Regulator's functions	s 693(2)(vii)	11-15 19-41
Statement of arrangements in place to secure collaboration with State and Territory agencies and the effectiveness of those arrangements; and	s 693(2)(viii)	19-24
Statement indicating the nature of any reports requested by the responsible Ministers under section 694	s 693(2)(ix)	60
Other matters required by the national regulations	s 693(2)(x)	18

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Advisory bodies, project-related	16	Government stakeholder relationships	15	Performance management framework	33
Advisory bodies, technical	16	Harmonisation of operational policy	14, 21, 28	Performance planning and appraisal framework	30
Authorised officer training	26	Industry consultative forums	14	Planned and unplanned absences	49
Board	40	Information and communication technology	31	Probity measures	47
Board members	40	Insurance and indemnities	55	Procurement	28
Chain of responsibility (COR)	22, 23	Internal audit arrangements	47	Project management framework	33
Chain of Responsibility Working Group	15	Internal audit program	32	Promotional and educational programs	19
Code of conduct	47	Investment management framework	32	Public interest disclosure	47
Communication and media	53	Judicial decisions	51	Purchasing	53
Complaints	51	Livestock Transport Fatigue Management Scheme (LTFMS)	24	Recordkeeping	53
Complaints against a public official	47	Local government access awareness campaign	18	Regulatory compliance operations	25, 26
Compliance and enforcement publications	19	Local government stakeholder relationships	17, 18	Responsible Ministers	39
Conflict of interest	48	Media	53	Right to information and information privacy	53
Contract management	29	Misconduct	48	Risk management	32, 47
Coronial inquiries	51	National compliance and enforcement delivery	25	Risk management, access	32
Corporate governance	39	National Compliance and Enforcement Operations Forum (NCEOF)	15	Road managers	29
Corporate Governance Framework	32	National heavy vehicle accreditation scheme (NHVAS)	23	Safety alerts	18
Cost Recovery Study Project (CRSP)	25, 28, 30	National Heavy Vehicle Registration Scheme Project	27	Service agreement management	28
Demand management and analysis	20	National Heavy Vehicle Roadworthiness Program	17	Sponsorship	54
Digital and social media	15, 54	National Operational Strategy and Policy Advisory Group (NOSPAG)	15	Staffing	49
Electronic Work Diary (EWD) Project	25	National operational support	18	Statutory instrument production and maintenance	21
Employee turnover	49	National performance measures	34	Strategic policy influence	14
Employee Wellness Committee	50	NHVAS review	23	Third party suppliers	54
Enabling legislation	39	Organisational changes	47	Training and development	49
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Fatigue management	28			Workplace health and safety	50
Finance and Audit Committee	40			Workplace health and safety committee	50

For more information

Tel 1300 MYNHVR (1300 696 487)
7am to 5pm (AEST)
Standard 1300 call charges apply
(please check with your phone
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