

NATIONAL
HEAVY
VEHICLE
REGULATOR

ANNUAL
REPORT

2020 - 21



ABOUT THIS REPORT

This Annual Report describes our corporate performance during the 2020–21 financial year. It has been prepared in accordance with the *Heavy Vehicle National Law Act 2012 (Qld)* (HVNL) and other relevant legislation, and fulfils our statutory reporting obligations to responsible Ministers, as outlined in Appendix A on page 71. It outlines our operational performance against the National Performance Measures Standards and Indicators set out in the *NHVR Corporate Plan 2020–2023*, and highlights our significant achievements for the year.

It also communicates our vision and commitments to our stakeholders, recognises the achievements of our employees, and discusses our:

- corporate governance framework
- workforce profile
- workplace health and safety performance
- stakeholder engagement activities
- financial results.

In addition, this report addresses the recommendation of the Productivity Commission’s final report on National Transport Regulatory Reform released on 1 October 2020, that national transport regulators should monitor and report on compliance costs starting in 2021. This information is included as Appendix E on page 77 of this report.

For ease of reference, we have included an alphabetical index and table of abbreviations on pages 78 and 79 respectively.

This report, past reports, the *NHVR Corporate Plan 2020–2023* and other corporate publications can be accessed on our website at www.nhvr.gov.au/publications

For more information, please contact the NHVR by:

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Interpreter service statement

We are committed to providing accessible services to people from all culturally and linguistically diverse backgrounds. Should you have difficulty understanding this report, please contact us and we will arrange an interpreter to communicate it to you.

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2020-21 HIGHLIGHTS

TARGETING THE GREATEST SAFETY RISKS



First **5** Electronic Work Diaries approved

National Heavy Vehicle Accreditation Scheme operators
↑5%

134 operators participated in Fatigue Choices program

1,198 calls to Heavy Vehicle Confidential Reporting Line with **942** reports investigated

15 primary duty charges laid

\$5.5M for **25** Heavy Vehicle Safety Initiative grants

32 We Need Space branded trucks through Coles partnership

INCREASING NETWORK ACCESS



29 new, updated or renewed **ACCESS NOTICES** issued

330 NEW PRE-APPROVALS received from road managers

299 road assets assessed through Strategic Local Government Asset Assessment Project

SMARTER PROCESSES AND VEHICLES



REGULATORY COMPLIANCE MOBILITY SOLUTION rollout completed

100% better fatigue breach targeting with Road Monitoring Tool

↑21% Performance Based Standards vehicles

PROVIDING A BETTER CUSTOMER EXPERIENCE



18% FASTER access permit processing time

CONTACT CENTRE moved in house

Website hits **↑17%**

1.3M social media engagements

LETTER OF TRANSMITTAL



17 September 2021

The Hon Barnaby Joyce MP
Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development
PO Box 6022
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present to you the Annual Report for the National Heavy Vehicle Regulator (NHVR) for the reporting year 1 July 2020 to 30 June 2021.

The report has been prepared in accordance with the requirements of the *Heavy Vehicle National Law Act 2012* (Qld). It demonstrates how the NHVR has driven sustainable improvements to safety, productivity and efficiency across the Australian heavy vehicle road transport sector in line with the commitments made in the NHVR's *Corporate Plan 2020–2023*.

Performance against the National Performance Measures contained in the Corporate Plan has been subject to an independent ASAE 3000 assurance review conducted by O'Connor Marsden.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Duncan Gay'.

The Hon Duncan Gay
Chairperson

A handwritten signature in black ink, appearing to read 'Sal Petrocitto'.

Sal Petrocitto
Chief Executive Officer

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“ Despite the obstacles of the past year, transport operators continued to improve business practices, and we saw increased investment in safety and technology innovations. ”

MESSAGE FROM THE CHAIRPERSON

As the NHVR Chair, and in my former roles, I've always been impressed by the remarkable resilience of the heavy vehicle industry. It never stops providing its vital contribution to the national economy and everyday lives of Australians, no matter what challenges it faces.

Once again, this has been evident in the way industry has successfully managed the ongoing impacts of the COVID-19 pandemic, while continuing to deliver strong safety and productivity outcomes. This performance has placed us in good stead, as we work together to pursue an ambitious and innovative reform agenda to meet the changing needs of the road freight task.

Responding with agility and resilience

Our NHVR staff have also put in an outstanding effort over the past 12 months, working alongside industry to support the safe and efficient delivery of essential services to the Australian community.

Our Safety and Compliance Officers (SCOs) were deployed from their homes through the various state and territory lockdowns, continuing to work with drivers while following strict health directives, to ensure our focus on safety didn't slip.

Our office-based staff assisted drivers to access essential facilities, working through a constant flow of the latest advice from state and territory transport and health agencies to provide a central source of information to help drivers navigate border requirements.

Despite the obstacles of the past year, transport operators continued to improve business practices, and we saw increased investment in safety and technology innovations. This included the unprecedented uptake of safer and more productive vehicles, with Performance Based Standards (PBS) combinations reaching a record 12,000 – a figure not expected to be reached for another 10 years.

The new generic tyre approach agreed during the year will continue to support the new generation of PBS vehicles by giving industry greater flexibility, reducing barriers to entry, and bringing new safety and productivity benefits.

Maintaining our focusing on fatigue

We also saw a continued and improved focus on fatigue, which is still the number one cause of heavy vehicle driver fatalities. The number of industry operators participating in the National Heavy Vehicle Accreditation Scheme (NHVAS) Advanced Fatigue Management (AFM) module grew significantly.¹ We continued to communicate, through one-on-one sessions, the flexibility the scheme offers, which we know enables better management of individual driver fatigue safety risks.

In the year ahead, we'll be expanding our focus on fatigue by undertaking a project to validate the use of technology for managing driver fatigue, in combination with the development and trial of a future standard for fatigue risk management.

Our approval of the first five types of Electronic Work Diaries (EWDs) during the year will also contribute to improved fatigue management – providing drivers with an alternative to the complex written work diary – and we're already seeing good uptake across the industry.

Driving efficiency, productivity and consistency results

Addressing the key safety risks that industry faces, as well as fostering its long-term sustainability, must underpin the new, modern and effective HVNL, which is still being developed. As the 2020 Productivity Commission Report highlighted, the new regime must focus on minimising compliance costs and facilitating innovation by industry to achieve better safety, efficiency and productivity outcomes.

We're continuing to implement fundamental improvements to reduce reliance on access permits, as we know this is pivotal to an efficient freight task and the economy. Through the Strategic Local Government Asset Assessment Project (SLGAAP), we're going 'back to basics' to assess the state of infrastructure on local government roads. This will facilitate the pursuit of a more modern access regime using gazetted networks, thanks to the better knowledge of the condition of these assets.

We continue to strive for borderless on-road operations and consistency as we work with our stakeholders in New South Wales and Queensland to transition relevant regulatory powers and functions to the NHVR. This follows the successful transition of such powers and functions in South Australia, Tasmania, Victoria and the Australian Capital Territory (ACT).

During the year, we reached a significant milestone when the New South Wales Parliament passed legislation to facilitate that transition in their state. This is a huge undertaking that will almost double the size of our workforce, and we're working closely with Transport for New South Wales (TfNSW) with the aim of completing the transition by mid-2022.

Providing an enhanced customer experience

As our organisation grows, we recognise the need to get smarter in the way we deliver a superior customer experience. From July 2021, we'll be operating an in-house contact centre, so we can better understand and respond to our customers' needs, and tailor our services to meet them.

On behalf of the Board, I thank all our NHVR staff, whose dedication has guaranteed the organisation's continued success. The Board also recognises the work of NHVR CEO Sal Petrocchio and his Executive Leadership Team (ELT). Their commitment and collective efforts were never more evident than during the unprecedented environment of the past two years.

Finally, I would like to thank Deputy Chairperson Julie Russell and my other Board colleagues. As we're located in three states, we're not able to meet face to face as often these days but, like all facets of our business, we're adapting and working hard to progress a safer, more productive heavy vehicle industry for all Australians.



The Hon Duncan Gay
Chairperson

¹ The NHVAS is a voluntary scheme offering accreditation in four different modules – Mass Management, Maintenance Management, Basic Fatigue Management and Advanced Fatigue Management – for operators who have robust and auditable management systems in place.



“ I commend the heavy vehicle industry for their dedication and commitment to ensuring families across the country could continue to access essential supplies and put food on the table. ”

CEO'S REPORT

During the past year, we set ourselves an ambitious challenge – to support industry in performing their vital role despite the curve balls thrown by COVID-19, while also pursuing modern reform to address the greatest safety risks and maximise safety and productivity benefits.

I'm pleased to say that, despite the inevitable delays and the additional demands the pandemic placed on industry, for the most part we succeeded.

Working together is essential to delivering positive outcomes

Our priority continued to be ensuring the health and wellbeing of our staff and our industry operators and drivers. The past year continued to highlight the importance of looking out for one another and to speak up when we're struggling.

We did our best to listen to industry's concerns and advocate where possible. Importantly, this included working with state and territory authorities to influence practical outcomes, so drivers could access essential facilities and ensure testing requirements enabled them to continue to travel efficiently across borders.

I commend the heavy vehicle industry for their dedication and commitment to ensuring families across the country could continue to access essential supplies and put food on the table. And I congratulate our staff for working alongside industry to find positive and proactive solutions to ensure freight could get to where it was needed most.

Building our regulatory capability

Through transitioning regulatory services from participating jurisdictions to the NHVR, we've grown our knowledge and capabilities. During the year, we conducted two national operations, 15 regional operations with police and other regulatory agencies, and 24 targeted NHVR operations; all of which provided us with insights into specific localised problems and more widespread issues. Our three-month-long National Roadworthiness Survey, which began in May, will provide us with a comprehensive assessment of the mechanical condition of the national fleet.

Our data capabilities have also advanced in leaps and bounds. We've now automated identification of the operators and vehicles that pose the greatest safety

risk, using a wide range of data from our Safety and Compliance Regulatory Platform (SCRIP). The completion of the rollout of our Regulatory Compliance Mobility Solution (RCMS) app early in the year means we can send alerts to our SCOs about these vehicles when they're on the road, so they can act quickly to arrange targeted intercepts.

It's a great endorsement of the RCMS's effectiveness that Main Roads Western Australia has asked us to provide it to their transport inspectors. This will also give us a more complete national picture to better target safety improvements.

Achieving borderless, seamless regulation

We've also been working hard to achieve consistency in rules and regulation across the states and territories where we operate. Our National Regulatory Model (NRM) and National Training Strategy (NTS) – developed in collaboration with our regulatory partners and rolled out this year – are setting the scene for delivering improved cross-border consistency and operational standards, and common, outcome-focused goals.

We worked with industry and state, territory and local government road managers to deliver 13 national notices, including the *National Road Train Prime Mover Mass and Dimension Exemption Notice 2021*, which have brought about significant efficiencies for operators. Notices are critical for reducing duplication and inconsistencies across state and territory borders, and I thank all those involved for the time and effort you've put into helping us develop workable solutions to often complex issues.

Backing industry initiatives for safer drivers, safer roads and safer journeys

It was our fifth year of administering the Heavy Vehicle Safety Initiative (HVSII) program, as part of the Australian Government's commitment to improving road safety to move towards zero fatalities and serious injuries on our roads. The 2020-21 program provided \$5.5 million in funding for 25 projects; all focused on mitigating risks in the heavy vehicle industry.

It was extremely encouraging to see a shifting focus to heavy vehicle driver safety in the Round 5 HVSII submissions, with 20% of the funded projects tackling the issue of driver health and wellbeing.

In March, we entered into a three-year, \$150,000 partnership with the Healthy Heads in Trucks & Sheds (HHTS) Foundation – one of the first mental health initiatives directly co-driven with industry, customers and others across the complete supply chain at all levels. We're proud to be part of this important initiative, and have cemented our commitment to improving the mental health and physical wellbeing of industry participants by signing a set of Guiding Principles with HHTS.

Strength in numbers

During the year, we worked with industry and our regulatory partners to develop a Heavy Vehicle Safety Strategy, which we'll deliver together. The strategy, which we'll release once the National Road Safety Strategy is published, recognises that education and the encouragement of better safety management practices are just as powerful as enforcement.

Indeed, changing the behaviour of light vehicle drivers remains pivotal to reducing multi-vehicle fatalities involving trucks and cars. I was delighted that Coles chose to partner with us in the second phase of our We Need Space campaign to help us educate more road users about how to share the road safely with heavy vehicles.

Effective partnerships are essential to our success in all that we do. Together we can make a difference, and the NHVR Board, ELT and staff look forward to continuing to work with our customers, regulatory partners and communities to create a safe, sustainable future for Australia's heavy vehicle industry.

Finally, I'd like to thank the NHVR Board for their continued support and guidance throughout a very difficult year. To the NHVR team who have continued to give their all despite the trying time we've experienced, but which ultimately made us a stronger, more mutually supportive team, I also say thank you. Their dedication, skills and expertise will enable us to continue to deliver on our commitments and provide an excellent customer experience in our journey to improving heavy vehicle safety and promoting improved productivity.



Sal Petrocitto
CEO

ABOUT THE NHVR



With national headquarters in Brisbane, the NHVR is Australia's dedicated, statutory regulator for all heavy vehicles.² Our establishment was agreed under an intergovernmental agreement between all Australian governments, and we formally opened for business on 21 January 2013.

Enabling legislation

The HVNL is described as a 'National Law', and its operation depends on its application in participating jurisdictions. This is achieved by each participating jurisdiction enacting legislation through its parliament, which applies the HVNL as one of its laws. Participating jurisdictions include the ACT, Queensland, New South Wales, South Australia, Tasmania and Victoria.

Our purpose and functions are established by the HVNL, and our activities are guided by our statutory mandate. We are accountable under the HVNL to responsible Ministers from the participating jurisdictions and the relevant Australian Government minister.

We work collaboratively with industry, governments and partner agencies to:

- provide leadership and drive sustainable improvement to safety, productivity and efficiency outcomes across the heavy vehicle transport sector and the Australian economy
- minimise the compliance burden, while ensuring the objects of the HVNL are achieved and duty holders meet their obligations
- reduce duplication of, and inconsistencies in, heavy vehicle regulation across state and territory borders.

Our core services

We deliver a comprehensive range of services to the heavy vehicle industry under a consistent regulatory framework. These services include:

- administering and securing compliance with fatigue management requirements under the HVNL
- investigations and prosecutions
- national driver work diaries
- national exemption notices
- NHVAS management and accreditation
- on-road safety, compliance and enforcement
- PBS vehicle design and access approvals
- provision of regulatory and safety information and guidance
- vehicle road access permit application processing
- vehicle standards, modifications and exemption permits.

Some state and territory road transport authorities and other government agencies deliver various frontline services on our behalf. These arrangements are formalised through service agreements and appropriate delegations.

Our customers and stakeholders

We have a very broad stakeholder base, which includes, but is not limited to:

- the heavy vehicle road transport industry
- industry associations
- state and territory transport authorities
- local governments and local government associations
- non-government road managers, such as ports and airports
- police agencies
- our current and prospective employees and contractors.

See page 51 to read how we engage with our stakeholders.

Opportunities

We seek to leverage the following opportunities:

- Deliver a modern regulatory approach that empowers industry and the supply chain to embrace a positive safety culture.
- Partner with regulatory, police and other enforcement agencies to deliver a consistent national approach to compliance activities.
- Acquire, share and use data to target the greatest safety risks and keep safe operators moving.
- Positively influence and support road managers to improve network access for safer and higher productivity vehicles.
- Break down barriers to deliver a safer national fleet and improve infrastructure planning, including rest stops.
- Embrace and encourage the adoption of innovative technology solutions that will deliver improved safety and productivity outcomes.
- Educate the broader community on the importance of shared responsibility for road safety.
- Continue to deliver a workplace culture that attracts, engages and retains capable, experienced and professional people.

Challenges and risks

We appropriately manage our key strategic challenges and risks, which relate to:

- providing access certainty and consistency to achieve improved efficiency and productivity outcomes for industry
- implementing a risk-based, nationally consistent and less-prescriptive regulatory environment
- effective harmonisation of NHVR and state and territory safety agendas
- further developing and applying useful datasets
- delivering a coordinated national approach to the use of technology and data
- effectively engaging with our geographically dispersed workforce
- limited understanding of infrastructure capacity to handle the increasing freight task
- empowering industry participants to deliver behavioural and organisational cultural change that leads to continuous improvement in safety.

² A heavy vehicle is defined in the HVNL as a vehicle that has a gross vehicle mass (GVM) or aggregate trailer mass (ATM) of over 4.5 tonnes. The GVM of a vehicle is the maximum it can weigh when fully loaded, as specified by the manufacturer.

OUR PURPOSE

We provide leadership to, and work collaboratively with, industry and partner agencies to drive sustainable improvements to safety, productivity and efficiency outcomes across the Australian heavy vehicle road transport sector.

OUR VISION

A safe, efficient and productive heavy vehicle industry serving the needs of Australia.

OUR MISSION

Through leadership and influence, we administer a statutory national system that delivers consistent and streamlined regulatory services and administration to the Australian heavy vehicle road transport sector, fostering greater safety and productivity while minimising regulatory burden.

OUR VALUES



People matter

Our employees are our most important asset. We value them and treat them with respect.

We strive to ensure our employees arrive at work safely and return home safely every day.

We encourage and assist our employees to grow professionally and personally.

We recognise each other's efforts and achievements.



Customer first

We fulfil our commitments.

We consistently deliver outstanding service.

We treat our customers with respect, and listen to their needs and concerns to tailor fit-for-purpose solutions.



We add value

We align our activities and actions to the NHVR's strategic goals and objectives.

We focus our efforts on achieving our vision.

We ask ourselves, "How can I be more efficient and effective?"

We add value by embracing diversity and innovation.

At the end of each working day, we feel we have contributed to the NHVR's purpose and goals.



Strong partnerships

We help and support each other to achieve exceptional results.

We actively promote a positive culture, and address issues openly and constructively without fear of retribution.

We share our knowledge with our colleagues.

We are each accountable for our own performance and professionalism.

To deliver on our promises, we hold each other to account.

CORPORATE GOVERNANCE

Our Corporate Governance Framework sets out the standards of accountability and transparency our stakeholders expect of our organisation.

It outlines the principles, elements and mechanisms we use to effectively achieve the two main aims of corporate governance:

- assurance that we are meeting our compliance requirements
- improving our organisational performance.

OUR BOARD

Our Board comprises five members appointed by the Queensland Minister on the unanimous recommendation of the responsible Ministers.

The Board's functions under s.664 of the HVNL include:

- ensuring that the NHVR exercises its functions in a proper, effective and efficient way
- ensuring that adequate and effective governance processes and controls are in place
- oversight of the NHVR's financial activities.

The Hon Duncan Gay
Chairperson



Appointed: October 2018

Duncan was previously New South Wales Minister for Roads, Maritime and Freight, and Leader of the Government in the New South Wales Legislative Council.

As Minister, he championed significant positive change to the safety and productivity of the heavy vehicle sector, enabling New South Wales transport operators and local businesses to catch up with the rest of the country and, in many cases, lead reform of road freight improvements for the benefit of the industry, broader community and, in turn, the national economy.

He understood the importance of working closely with freight supply chain partners to deliver tangible outcomes, particularly for regional and rural New South Wales, and was responsible for vastly increasing access to local freight networks, and giving a strong focus to adopting a respectful culture in roadside heavy vehicle safety and compliance interactions.

Duncan is a Director of Essential Energy, ARC Asia-Pacific RPAS Consortium, the Bush Children's Education Foundation of NSW and the Sir Earle Page Memorial Trust, and an Executive Advisor of the MU Group.

Julie Russell
Deputy Chairperson



Appointed: October 2019

Julie is a Director and third-generation family member of Queensland-based Russell Transport. She has worked both within her family business and in large multinational corporations across roles in risk and compliance, human resources, industrial relations, technology and strategic planning.

She has served on numerous committees and boards to provide a medium-sized family business perspective to road reform and policy proposals, training and workforce planning frameworks, and industry awareness programs. She is a Board Member and immediate past president of the Queensland Trucking Association, and a Board Member and Chair of the Skills and Workforce Committee of the Australian Trucking Association.

Julie was named Queensland Trucking Association Woman of the Year in 2014 and National Trucking Industry Woman of the Year in 2015.

Ken Lay AO APM



Appointed: October 2018

Ken is a professional non-executive Director. His substantial career was with Victoria Police, concluding as the Chief Commissioner (2011-2015). He has since conducted several reviews for both state and federal governments concerning significant social policy, community safety, governance and leadership issues.

His Board portfolio in 2020-2021 included chairing roles with Ambulance Victoria and Forensicare (Victorian Institute of Forensic Mental Health).

From January to April 2020, Ken was Chair of Bushfire Recovery Australia, a new permanent Victorian Government Agency created to work directly with communities to listen, help and deliver what they needed after the 2019-2020 Victorian bushfires.

He is an Officer of the Order of Australia and an Australian Police Medal recipient.

Catherine Scott



Appointed: October 2019

Catherine is a highly experienced Chairperson and Non-Executive Director who has held directorships across a portfolio of organisations in transport, water, education and natural resources. In her prior professional career, she held senior positions in the investment banking and finance industries.

She is a Commissioner at the Australian Transport Safety Bureau and member of the Finance Committee of Edmund Rice Ministries Oceania. She is also a past director and Audit and Risk Committee member of several organisations, including the Office of the National Rail Safety Regulator, V/line Passenger Pty Ltd, Chair of Goulburn Valley Water and a Non-Executive Director of VicWater.


Robin Stewart-Crompton



Appointed: October 2012

Robin is the Director of RSC Advising Pty Ltd and is a consultant in the fields of public administration, occupational health and safety, workers' compensation and industrial relations.

Previously, he was a senior Commonwealth public servant and a legal practitioner.

 Our Corporate Governance Framework provides the context within which we operate to achieve our objectives, ensure transparent, ethical, accountable, evidence-based decision-making, and effectively manage risk and key stakeholder relationships. It is firmly aligned with the HVNL, and fully reflects all relevant Queensland and Commonwealth legislation and policies that directly affect us in our capacity as the national heavy vehicle regulator.

Reports to responsible Ministers

As required by the HVNL, we report directly to responsible Ministers (the responsible Minister for the Australian Government and for each participating jurisdiction). We provide them with:

- an Annual Report addressing the matters set out in s.693 of the HVNL
- a report about any matter that relates to the exercise of our statutory functions in response to a written direction under s.694 of the HVNL
- a three-year Corporate Plan, updated annually, under s.695 of the HVNL.

Since our commencement in 2013, we have also provided reports to each Infrastructure and Transport Ministers' Meeting (ITMM) (formerly the Transport and Infrastructure Council) seeking its guidance or approval of proposed actions, or which Ministers require to be submitted.

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 under s.652.

No written directions or referrals were given or made by responsible Ministers to the NHVR in 2020–21.

Board activities

Board meetings routinely include monthly reports on the NHVR's financial performance, monthly reports on current and emerging issues (through a CEO's report), quarterly performance results against Corporate Plan objectives and key people and safety indicators, and regulatory, commercial and governance decisions requiring resolution. Meetings also regularly include presentations by NHVR staff or invited guests on issues impacting the organisation.

Board papers are distributed electronically one week before the meeting through a Board Portal to enable Board members to request additional information to support their decision-making.

Ten meetings of the Board were held during the year, with all members present for each.

In addition, the Board comes together at the start of each calendar year for a strategy workshop. At the workshop, the ELT provides an overview of the key challenges for the year ahead and an update on the status of major projects underway.

During the year, the Board undertook a performance evaluation, which was externally facilitated. The outcomes of this evaluation have assisted in shaping the 2021–22 Board calendar to include industry site visits, guest presentations and networking opportunities for members to meet informally.

In accordance with our policy, the Register of Board Members' Declared Interests was maintained throughout the year, with declarations of conflict of interest featuring as a standing agenda item at each meeting. During 2020–21, the Board considered four declared interests by members and implemented appropriate mitigations to manage these.

As a requirement for insurance purposes, a new standing item was added to the Board agenda this year, requiring Board members to make declarations of any possible professional indemnity claims being made against the NHVR. No declarations were made.

Finance Risk and Audit Committee

Established by the Board, the Finance Risk and Audit Committee's purpose is to assist the Board to fulfil its corporate governance and assurance responsibilities in relation to financial reporting, risk management, internal controls, external audit, and compliance with relevant laws, regulations and codes.

The Committee meets a minimum of four times a year, and comprises Ken Lay (Chairperson), Catherine Scott, Robin Stewart-Crompton and independent member Geniere Aplin.

During the year the Committee met four times and considered four circulating resolutions.

External audit arrangements

We use PKF as our external auditor to audit our financial statements. As it was the final year of our contract with PKF for these services, preliminary activity began to go back out to market to secure a new contract from 2021–22.

Internal audit arrangements

Our internal audit function is independent from management, and assists the Board and Finance Risk and Audit Committee to execute its respective responsibilities effectively by providing independent advice, analysis and recommendations concerning the NHVR's operations and processes.

O'Connor Marsden carries out the NHVR's internal audit services and was appointed for a three-year term in 2019.

The Committee defines the internal auditor's scope of work through approval of the Internal Audit Charter and endorsement of the Strategic Internal Audit Plan for Board approval. It considers the reports of the internal auditor, and makes recommendations to the Board regarding appointment, evaluation and dismissal.

Both the Finance Risk and Audit Committee and its Chairperson meet regularly with the internal auditor independently of management to ensure free, frank and open conversation about the performance of the organisation.

Our risk-based internal audit approach entails performance, financial, IT and compliance audits across the organisation. During the year, the following internal audits were undertaken:

- Road access permitting
- Customer experience and feedback
- On-road operations work health and safety culture and compliance
- HVSI grant program
- Application of Authorised Powers
- Credit card management.



Deputy Chairperson Julie Russell, CEO Sal Petrocchio and Chairperson Duncan Gay at the Brisbane Truck Show in May 2021.

Risk management

We apply an enterprise-wide approach to risk management that provides a framework to ensure identification, treatment and review of risk are embedded in the organisation at a strategic and operational level.

Our *Risk and Assurance Framework* is reviewed annually to ensure relevance and ease of use, and that it remains aligned to the ISO 31000:2018 Risk management – Guidelines.

With our framework now intrinsically linked to our business planning, each NHVR Division and project undertakes a formal risk assessment prior to the start of the new financial year, with identified risk treatments and regular monitoring activities appearing as line items in business and project plans.

Probity measures

Public interest disclosure

Our policy and procedures on public interest disclosure are consistent with the requirements of the Public Interest Disclosure Acts that apply to the NHVR.

They enable confidential disclosure of matters and protect disclosers from fear or threats of reprisal for making a disclosure.

Corrupt conduct

We are subject to anti-corruption legislation in all participating states and territories (except Tasmania), as well as the requirements of the HVNL, imposing:

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

Our Fraud and Corruption Control Framework provides a clear and transparent statement of our commitment to protecting our customers, employees and standing within the community by effectively preventing, detecting and deterring misconduct, fraud and corruption.

Our policies and procedures relating to any complaints that may be made against our CEO are consistent with the requirements of applicable Anti-Corruption Acts.

Any complaints about corrupt conduct are taken seriously and are reported as required by law.

Code of Conduct

The NHVR Code of Conduct sets out the standards of conduct we expect from our people, and governs our behaviour, decisions and actions. It applies to our employees, our Board, consultants and anyone else engaged by us to undertake an activity for us or on our behalf. On commencing their employment with, or engagement by, the NHVR, they must declare that they will uphold these obligations and they must complete a mandatory induction that includes Code of Conduct obligations. They must also complete mandatory online refresher training.

Conflict of interest

Our Conflict of Interest Policy and Managing Conflicts of Interest Work Procedure ensure our people understand their individual responsibilities and all conflicts of interest are properly managed. If a perceived, real or potential conflict is notified, the employee's leadership team undertakes the necessary assessments, in conjunction with our People, Safety and Culture team, for review and sign-off by the CEO, as required.

Fraud control

We monitor non-compliance with our corporate policies through our assurance activities, and review thresholds and appropriateness of all financial delegations annually.

We observe our duties under anti-corruption legislation, public interest disclosure acts and ombudsman acts through our Legal Services team, which manages statutory complaints and investigations.

Insurance and indemnities

We hold the following insurances: public and products liability, directors and officers liability, professional indemnity, travel, crime, occupational health and safety, and business insurance.

Information privacy and right to information

Under s.696 of the HVNL, we are subject to the *Information Privacy Act 2009 (Qld)* (the IP Act) and the *Right to Information Act 2009 (Qld)* (RTI Act). We are guided by the legislation and the guidelines published by the Queensland Office of the Information Commissioner. We are subject to internal processes and controls through our Right to Information and Information Privacy Policy and Processing RTI or IP Applications Work Procedure.

Individuals can apply for access to personal information under the IP Act and non-personal information under the RTI Act. The Disclosure Log on our website at www.nhvr.gov.au/law-policies/right-to-information/disclosure-log provides details of information released in response to RTI requests.

During 2020–21, we received two applications under the RTI Act.

External scrutiny

Judicial decisions

No applications for judicial review of any NHVR decisions were made during the reporting period, nor were any other civil law decisions published.

Coronial inquiries

We were approached in relation to two coronial matters during the reporting period; one in the Northern Territory, where we were able to refer the coroner to an appropriate expert, and the other in the ACT, where we provided a report and gave evidence.



OUR PEOPLE



SCOs from our Tasmanian team at a truck checking site on the East Tamar Highway at Launceston.

OUR EXECUTIVE LEADERSHIP TEAM

Led by our Chief Executive Officer, Sal Petrocchio, the ELT is responsible for the day-to-day management of our organisation, leading the delivery of our strategic objectives and driving an inclusive, supportive culture.

Sal Petrocchio

Chief Executive Officer



Since joining the NHVR as Chief Executive Officer in May 2014, Sal has created a customer-centric, risk-based, data-driven modern regulator.

By driving a significant program of reform across Australia's heavy vehicle industry, he has enabled a more streamlined approach to service delivery, education, compliance and enforcement, and a greater degree of consistency in how heavy vehicles are regulated.

He has led the NHVR far on its journey to becoming a single national heavy vehicle regulator, successfully transitioning regulatory services from four states and territories.

He has also championed data-sharing, new technologies and innovative practices to deliver enhanced productivity and safety outcomes for governments and industry.

Over five years of the HVSI competitive grants program, he has overseen the provision of \$22.8 million for projects that deliver tangible safety benefits to the industry and the community.

Sal brought to the NHVR extensive knowledge of heavy vehicle policy, strategy and regulation, having held senior leadership roles in transport and logistics, land use, transport and strategic planning across state and local government. This has proved invaluable in understanding the needs of, and building effective relationships with, the NHVR's diverse range of stakeholders.

Don Hogben

Chief Regulatory Policy and Standards Officer



Don joined the NHVR in October 2019 in the role of Chief Regulatory Policy and Standards Officer.

The responsibilities of this role include developing regulatory standards (and associated assurance functions), policy development and research, freight transport productivity initiatives, and the chief engineer function.

Don has extensive experience in transport and infrastructure, including road and bridge construction, transport planning and investment, freight strategy, road safety, inter governmental relations, transport regulation and regulatory reform, especially in freight and heavy vehicles.

He has held a number of senior roles in the South Australian and Victorian public sectors, and has been involved in many national transport reform projects and programs, including the establishment of the HVNL and the NHVR.

He has had a long involvement with Austroads and Transport Certification Australia, and is a former Chair of the World Road Association Freight Technical Committee.

Leigh Pickering

Chief Corporate Officer



Leigh joined the NHVR in August 2018 to take up the position of Chief Corporate Officer, with responsibility for finance, human resources, workplace health and safety (WHS), procurement and property, IT, business solutions, legal services, and performance, governance and risk.

She has extensive experience in delivering major organisational change, leading and managing large teams, and developing and implementing government policies.

Leigh has held a range of senior roles in the Queensland public sector. As Assistant Director-General Human Resources, Department of Education, she led and managed responsibilities of a branch of over 700 staff in multiple locations, focusing on setting the strategic agenda for the delivery of transformative human services and responding to the challenges of supply in the teaching workforce. As Assistant Under-Treasurer, Queensland Treasury, her focus was on assessing and developing major policy initiatives, including setting and implementing the state's fiscal agenda.

Her work at the NHVR has seen the transformation of business practices and processes, particularly in the areas of automation and data-driven decision-making, as well as leading the organisation's culture development activities and maturing its governance practices.

Paul Salvati

Chief Operations Officer



Paul joined the NHVR in March 2019 to take up the position of Chief Operations Officer, with responsibility for the operational elements of the business, including on-road operations, access permits, stakeholder engagement and customer experience.

With over a decade as a senior executive across a range of organisations, Paul's experience is primarily in the field of service delivery, encompassing frontline customer service, regulatory and compliance functions, community policy, infrastructure and services.

He has worked across all three tiers of government and in the private sector, and has consulted domestically and overseas on service delivery transformation. Business units under his leadership have won state, national and international awards for diversity, innovation and customer service excellence.

Prior to joining the NHVR, Paul was the Divisional Manager Lifestyle and Community Services at Brisbane City Council, where he led a multi-disciplinary workforce of more than 1,400 staff with a \$380 million annual operating budget, and responsibility for the city's customer and regulatory services, community services and infrastructure – a \$1.5 billion asset portfolio incorporating more than 600 leased/operational sites.

Joe Fitzgerald

Executive Director,
Corporate Affairs



Joe joined the NHVR in January 2019 as Executive Director, Corporate Affairs.

His responsibilities include enhancing and protecting NHVR's brand and reputation with industry, all levels of government and the general public. This encompasses government affairs, strategic partnerships, media relations, marketing, social media engagement and digital communications services, including the NHVR website.

Joe has extensive leadership and corporate affairs experience across the private and public sectors, and is adept at developing and executing strategic political, social and educational campaigns and projects at a state and national level.

This experience includes the development and leadership of high-performing teams, and working with complex stakeholders in the successful delivery of organisational goals across traditional and social media, advertising and marketing channels.

Ray Hassall

Executive Director,
Statutory Compliance



Ray leads the Statutory Compliance Division of the NHVR.

He has more than 20 years' experience in public administration, and has led the design and implementation of regulatory reform at the state and national levels for all land transport modes. This experience includes legal and regulatory policy design, administrative review, strategic analysis, high-level stakeholder liaison, parliamentary committee appearances, and managing parliamentary and cabinet processes.

Ray has a deep background in regulatory compliance and his experience includes acting as a compliance expert for a legal publisher, as well as a peer reviewer for national and international transport publications, and the design and execution of strategic enforcement functions for the NHVR.

Kelli Walker

Program Executive



Kelli leads the NST Division, working with jurisdictions and NHVR business areas to plan for the transfer of responsibility for frontline delivery of regulatory compliance, enforcement and education activities currently being delivered by states and territories on the NHVR's behalf.

Kelli joined the NHVR in February 2016 to oversee the transition of heavy vehicle regulatory services to the NHVR from the South Australian Government.

She has more than 25 years of experience in senior management roles in state and federal government, with a strong background in transport policy and legislation development, and the planning and delivery of regulatory compliance programs for the heavy vehicle and maritime industries



The NTS Team - Training Support Officer Nicholas Raward, Senior Training Advisor Sean Geaney and e-Learning Developer Jarden Stoetzer - driving a national approach to training for our SCOs.

A snapshot of our people

As at 30 June 2021, we employed 468 people across the ACT, Queensland, New South Wales, South Australia, Tasmania and Victoria - an increase of 11% from 420 in June 2020. This reflects the growth in the industry and the increasing diversification of our business.

Female participation in our workforce was 39%, up from 36% at the end of 2019-20. Female representation on our Board was 40%, and 50% of our senior managers were female. In the year ahead, we will be implementing our Diversity and Inclusion Strategy, developed during the year with our employees' input. Increasing female representation in our on-road teams will continue to be a key focus of our gender balance efforts.

Of our total workforce, 76% are employed under an enterprise agreement. We have two agreements - the *NHVR Administration and Professionals Enterprise Agreement 2020-2023* for our office-based employees and the *NHVR Operational and On-Road Regulatory Compliance Enterprise Agreement 2020-2022* for our SCOs.

The average tenure across our organisation is 9.7 years. While our organisation is only seven years old, the service history of employees from transitioning jurisdictions has been carried across, which more accurately demonstrates the depth of experience our employees have.

While our voluntary turnover at just below 10% is relatively low, to fill vacancies more quickly when they do occur - especially for industry-specific, highly sought-after skills - we reduced our time-to-fill from 80 days to fewer than 40 days during the year by improving candidate care and processing time.

In the year ahead, we will improve our people processes through the execution of a strategic workforce plan, highlighting our core and strategic capabilities. We will also build a candidate-focused e-recruitment process to attract and retain capable employees who fit our desired culture.

Driving a supportive, inclusive culture

Our annual Employee Survey provides important insights into priority areas of focus from our people's perspective. We again had record participation, with 82% of our employees responding to our November 2020 survey.

We are proud of achieving a high employee engagement score, which increased to 72% in 2020 from 71% in 2019. While this was marginally below our target of 75%, we were still pleased with this result as, despite the impacts of the COVID-19 pandemic on morale and the challenges of continuing working-from-home arrangements, it indicates our people felt supported and were constructively engaged in their work at the NHVR.

In addition to tailoring our ongoing Leadership Capability Program, we implemented the following initiatives to drive a more supportive and inclusive culture:

- recruitment and selection techniques and strategies to minimise unconscious bias for leaders
- leadership masterclasses focusing on our 'People Matter' value from a safety perspective
- Managing Performance and Conduct workshops aligned to Just Culture principles
- mental health and workplace bullying, harassment and discrimination awareness training for all our people, including the NHVR Board
- a new 'Old Hands New Heads' employee network to encourage knowledge sharing between new recruits and our long-serving employees
- our annual Employee Awards program, for which we received 56 submissions across the three categories: the CEO's Award for Innovation, Chairman's Award for Excellence and Customer Champion Award.

Our employees have remained resilient and responsive during the ongoing COVID-19 state and territory requirements. They have continued to effectively meet industry needs by working remotely, and continuing on-road operations during ongoing lockdowns and restrictions.

In turn, we try hard to ensure to ensure our employees are provided with the support they may need. Our free, confidential, outsourced Employee Assistance Program is available 24/7 to our employees and their immediate family members. Professionally trained consultants are available to help with a multitude of issues that may be affecting an employee's personal or work life.

We also have NHVR Workplace Contact Officers, who provide a first point of contact for employees who wish to discuss issues that may relate to inappropriate and or unlawful workplace conduct.

Growing our people

During the year, we introduced our National Training Scheme (NTS) to deliver a nationally coordinated, competency-based training regime for our SCOs (see page 48).

We also completed our first Emerging People Leader Program, with 25 of our people graduating from the 12-month program, and our first Mentoring Program reached 15% of the organisation, with 60 participants.

We continued to develop our employees through a series of organisation-wide online learning courses. This included safety, contract management, customer experience, and understanding workplace bullying, harassment and discrimination. Completion rates have been excellent, and the demand for new learning content is growing.

In the year ahead, we will be focusing on a capability uplift in seven key areas identified by our ELT as being essential for building the systems and processes we need to create a safe, fair, high-performing culture at the NHVR. They include:

- Leadership
- Data literacy
- Digital literacy
- Program, project and task management
- Professional communication and systems thinking
- External engagement and education
- Collaboration and partnerships.

Keeping our people safe

Keeping our people safe is our highest priority, and this was borne out by our Employee Survey. We saw a 6% increase in the number of respondents who considered that WHS was seen as a priority at the NHVR – up from 73% in 2019–20 to 79%.

We unfortunately had two Lost Time Injuries during the year,³ although this was one fewer than 2019–20 and resulted in a decrease in our Lost Time Injury Frequency Rate (LTIFR) from 2.93 to 2.80.⁴

Journey-to-work incidents rose from nine to 13, and will be a particular area of focus in the year ahead.

Our Total Recordable Injury Frequency Rate (TRIFR) reduced by 36% to 2.8 injuries per million hours worked.⁵ This remains well below the Public Administration & Safety – Regulatory Services industry standard of 13.1.

While our TRIFR performance is industry leading, it still means some of our colleagues needed treatment by a doctor as a result of workplace injuries. Our commitment to our people is that we will further improve how we identify and manage risk to prevent them from being injured.

During the year, we commenced consultation to move to a Critical Risk Safety Management System, designed to ensure appropriate mitigation of our highest risk areas. In particular, we focused on our SCOs, establishing that driving and human/vehicle interaction are two of the top critical risks they face while carrying out their on-road activities. We have carried out high-level risk assessments

of these two risks to identify critical controls, which we will be workshoping with employees in the year ahead.

This has been supported by an increased focus on driver behaviour in vehicles, supported with Just Culture principles and improved telematics.

The Donesafe Incident Management and Reporting online reporting platform allows all our people to easily report safety-related incidents, near misses and workplace hazards on their computer, smartphone or tablet. We increased reporting during the year; however, we will continue to focus on improvements in near misses reported.

Ensuring our systems meet our organisational needs

We continue to invest in our core corporate solutions. These are essential to support our ongoing national growth and productivity, and ensure we remain a modern regulator. During the year, we:

- implemented the enterprise resource management solution Microsoft Dynamics 365
- rapidly developed a series of digital human resources (HR) forms in response to COVID-19 lockdowns
- upgraded the PC fleet to Windows 10 and Office 365, so our employees could benefit from additional features, such as collaboration tools, which were essential while many of us were working from home due to the COVID-19 pandemic
- moved the NHVR intranet to Microsoft SharePoint, providing a more user-friendly, communication tool with expanded features, empowering employees to communicate more broadly with their colleagues
- automated the accounts payable invoice approval process to free up employees' time and provide a more seamless experience for suppliers.

In 2021–22, our National Payroll Automation Project, in conjunction with the introduction of HR software solutions throughout the year, will improve induction and onboarding experiences.

Keeping information secure

We have an information security management system to assign prioritised controls to manage technology, legislative, physical, people and process risks to information, regardless of its format, throughout the entire information lifecycle. We have also established appropriate internal controls to ensure our accountable officers safeguard information and the assets that process, store, create and manage information.

In addition to meeting the Australian Government Australian Cyber Security Centre's Essential Eight baseline strategies to mitigate cyber security incidents, we employ best practice elements from the Protective Security Policy Framework published by the Attorney-General's Department and the ISO 27001 international standard for information security.

³ A Lost Time Injury (LTI) is a work-related injury or disease resulting in time lost from work of at least one day or shift, a permanent disability or a fatality.

⁴ LTIFR is the total number of Lost Time Injuries and Fatalities in the defined period divided by the number of hours worked in the period, multiplied by one million.

⁵ TRIFR is the total number of Medically Treated Injuries, Lost Time Injuries and Fatalities in the defined period divided by the number of hours worked in the period, multiplied by one million.

OUR PERFORMANCE

In this Annual Report, we have measured our performance against the following four HVNL key objectives:



SAFETY

Promote public safety.



PRODUCTIVITY

Promote industry productivity and efficiency in the road transport of goods and passengers by heavy vehicles.



SUSTAINABILITY

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



REGULATORY CAPABILITY

Encourage and promote regulatory capability through productive, efficient, innovative and safe business practices.




OBJECTIVE 1

SAFETY

As a modern, risk-based regulator, we use data-driven intelligence to identify and target the greatest safety risks relating to heavy vehicles.

By using the right blend of information, education and enforcement, we aim to create positive change in the industry's safety culture and the individual behaviour of all road users, to reduce the likelihood of crashes, fatalities and serious injuries involving heavy vehicles.

Safety priority Promote public safety by positioning the NHVR as the national leader in heavy vehicle safety, and delivering improved and measurable safety outcomes, targeting the greatest safety risks.

National Performance Measure		Reduction in crashes, fatalities and injuries caused by heavy vehicles.			
Performance Standard	Indicators	Target	Result	Target met	Page
Crashes, fatalities and injuries resulting from unsafe operations reduce due to improved compliance with safety requirements across the supply chain.	Compliance rate of different industry sectors	Baseline	See Appendix B	n/a	72
	Rate of recidivist offending ⁶	Baseline	1.7%	n/a	26
	Number of supply chain prosecutions ⁷	Baseline	15	n/a	27
There is increased adoption of risk and safety management systems by industry.	Percentage of respondents to the NHVR's biennial industry safety survey who indicate they have a basic Safety Management System in their business	-	Survey was not scheduled for 2020-21		29
	Number of operators accredited under Advanced Fatigue Management in the NHVAS	5%↑	20%↑		31

Note: Statistics in National Performance Measure tables are rounded.

Focusing on highest risk safety behaviours

During the year, our SCOs conducted 21,083 heavy vehicle intercepts, which showed an overall industry safety compliance rate of 63% and a driver recidivism rate of 1.74%. Most offences related to mechanical, fatigue and load non-compliance.

Allocation to industry sector by load found that vehicles carrying non-dangerous liquid matter and groceries were among the best performing industries at 71% and 69% compliance respectively. Machinery and mining material were the poorest performers at 53% and 52% compliance respectively. See Appendix B on page 72 for more information.

The health, safety and wellbeing of our on-road operations team and the heavy vehicle industry are of the highest importance to us. By adhering strictly to carefully designed WHS procedures, NHVR processes and government guidelines, we were able to safely continue our operations and intercepts, while mitigating the risks posed by the ongoing COVID-19 pandemic.

During the year, we undertook 15 regional operations with police and other regulatory agencies in the ACT, South Australia, Tasmania and Victoria, enabling us to benefit from broader, more efficient use of resources, expertise, data and intelligence.

We also ran 24 targeted NHVR operations in these jurisdictions, focusing on specific localised problems. Pleasingly, we have seen an improvement in driver behaviour and overall compliance with the HVNL, and we will continue to measure these trends.

National operations bring broader perspective

While COVID-19 initially limited our ability to run nationally coordinated enforcement exercises, we were still able to conduct two national operations during the year. The first was fatigue-focused Operation Maton in December 2020, which gave us the opportunity to test and validate our Road Monitoring Tool fatigue data engine. By identifying high-risk vehicle movements based on historic vehicle movement data, the Road Monitoring Tool contributed to better targeting of fatigue-related intercepts (see *Road Monitoring Tool predicts high-risk fatigue non-compliances case study* on page 50).

We also developed additional algorithms to identify vehicles with a higher mechanical risk and operators with a higher rate of recidivism in 2020-21. We will use these algorithms in 2021-22 to better direct our compliance activities to the greatest safety risks.

Operation Blackout in March and April aimed to help us understand to what extent heavy vehicle operators use alternative routes to avoid fixed compliance assets – such as safety cameras and weighbridges – and the benefits of deploying mobile patrols.

In May 2021, we began our National Roadworthiness Survey across all states and territories to undertake a comprehensive assessment of the mechanical condition of the national heavy vehicle fleet through 8,000 intercepts conducted by our SCOs and officers from Queensland's Transport and Main Roads, TfNSW, Western Australia and the Northern Territory.

When the survey is complete in July 2021, we will compare its results with those of the National Roadworthiness Baseline Study we undertook in 2016. This will enable us to assess the impact of safety initiatives implemented since then, and identify changing roadworthiness risk factors and areas requiring continued and future focus.

⁶ Heavy vehicle drivers who have re-offended for the same category of offence.

⁷ Number of defendants charged under Chapter 1A of the HVNL in courts of participating jurisdictions.

CASE STUDY

First Supervisory Intervention Order issued

During an on-road investigation of a heavy vehicle, one of our SCOs discovered the driver had previously been charged with minor risk breaches. Upon inspection, the load of unsecured heavy pieces of metal was deemed a high-level risk, where serious injury or death could occur to the driver or other road users.

Our NHVR prosecutor successfully submitted in court that the accused's previous history and likelihood to reoffend constituted the grounds for a Supervisory Intervention Order (SIO),⁸ and the Magistrate granted and applied the order. The accused was required to consent to mandatory education via an SIO, in addition to receiving a conviction and a \$750 fine.

“The priority of the NHVR is to ensure safety across the industry, not revenue raising. We are committed to providing ongoing education across the board and, in this instance, our recommendation to the judicial system was that the driver seek mandatory education before recommencing work in the industry.”

Ray Hassall, NHVR Executive Director, Statutory Compliance

Prosecuting serious safety breaches across the industry and its supply chain

During the year, we strengthened our prosecution activity, reflecting our greater on-road responsibilities and the wider range of duties and remedies under the HVNL. We finalised 395 matters across the ACT, South Australia, Tasmania and Victoria, despite the challenges COVID-19 presented to our prosecutors, who had to quickly adapt and appear in court in person, by telephone or audio-visual links, or online using Webex and Zoom.

Collaborative partnerships with internal investigators and external investigative bodies helped our Prosecutions Unit lay charges against 15 defendants for breaches of primary duties as a party in the Chain of Responsibility. Defendants comprised operators, consignors, prime contractors and executives. Charges laid were across all participating jurisdictions, and two were Category 1 prosecutions.⁹

We also successfully applied for our first SIO under the HVNL, and prosecuted prescriptive offences in South Australia, Tasmania and Victoria on behalf of our SCOs and state police.

Combining education and enforcement to encourage compliance

As an alternative to prosecution in the event of an alleged contravention of the HVNL, we may accept an enforceable undertaking (EU). An EU is a voluntary statutory agreement that can be used as an alternative to prosecution, where the alleged offender can demonstrate their ability to undertake organisational reform and implement effective safety measures for transport activities.



Joint NHVR/South Australian Police operation in Monteith, South Australia in November 2020

⁸ An SIO is a penalty the court issues instead of a fine. It requires the defendant to take action – such as a training course or an EWD to manage fatigue. To be eligible for an SIO, a defendant must be a repeat offender of the HVNL.

⁹ A Category 1 offence is reckless behaviour that could cause accident or death. A Category 1 prosecution is the only indictable offence for which the defendant could serve time in jail.



CASE STUDY

Improving safety outcomes during Victoria's grain harvest season

From October 2020 to May 2021, our Proactive Compliance Unit administered Victoria's Grain Harvest Management Scheme (GHMS) in Victoria, with the aim of improving the productivity, safety and efficiency of heavy vehicles during the harvest season.

The scheme recognises the difficulty of accurately loading trucks with grain on the farm and was designed to create some flexibility. It allows participants a 5% mass concession above the statutory General Mass Limit for heavy vehicles delivering grain to a participating grain receiver.

During the 2020-21 harvest period, under the GHMS, the total harvest size increased by almost 25% from 4.2 million to 5.2 million tonnes, and grain delivery increased by 9.8%. The overall total breach number decreased from 18.44% to 16.9% from the previous harvest season.

The benefits to the local grain and road transport industries, together with communities, were significant, allowing for an efficient grain harvest while preventing overloading on roads through appropriate administration procedures and compliance activities.

Going forward, our data will continue to be refined to ensure vehicle combinations are correctly identified and communicated to grain receivers and operators.

In September 2020, we accepted an EU from Qube Ports Pty Ltd that saw \$137,000 put towards risk awareness education and other safety initiatives. The EU stemmed from an allegation by TfNSW that, in November 2019, Qube had failed to comply with HVNL mass requirements. However, as there was no evidence of systematic non-compliance with the HVNL, we considered an EU was an appropriate alternative to prosecution, as it would support safety improvements to the local heavy vehicle industry and broader supply chain. The value of the EU was also significantly in excess of any penalty a court would have imposed.

In April 2021, we accepted an EU from YF Waste, whom TfNSW alleged had failed to comply with HVNL mass requirements in August 2020. The \$18,000 EU required YF Waste to conduct training and education for all employees.

For the first time, our Investigations Unit exercised the power to issue prohibition notices in response to imminent serious risks to safety. We also issued improvement notices in response to suspected engine remapping and the unsafe queuing of heavy vehicles on public roads.

Our Heavy Vehicle Confidential Reporting Line (HVCRL) is the first port of call for anyone in the heavy vehicle supply chain to report operational safety issues relating to heavy vehicle transport activities. In 2020-21, we received 1,198 calls to the HVCRL - a decrease of 7.5% from 2019-20. However, these resulted in investigated reports increasing by 6% to 942, which indicates that callers with genuine concerns are using the line for its intended purpose. Matters relating to fatigue, mechanical safety and loading are consistently the most commonly reported.



CASE STUDY

Clearing the air over engine remapping

In June 2021, we launched an education campaign, highlighting the health and safety risks caused by illegal heavy vehicle engine remapping.

Research supporting the campaign indicates that remapped engines can release up to 60 times more pollutants into the atmosphere, which can cause damage to the health and safety of workplaces, communities and the environment. Compliance checks during the year showed up to 10% of all heavy vehicles were operating with illegally remapped engines.

The campaign messages appeared across outdoor advertising, industry publications and on social media, with more than 300,000 impressions and 1,500 comments generated on Facebook in the initial phase of the campaign.

“ You might not immediately realise the dangers of illegal engine remapping, but it’s a serious issue and one the industry as a whole can control and eradicate. I congratulate the NHVR for their stand on this issue and look forward to progress being made. ”

The Honourable Scott Buchholz, MP Federal Assistant Minister for Road Safety and Freight Transport

Building greater compliance on major Victorian infrastructure project

During 2020-21, we worked with the Major Transport Infrastructure Authority (MTIA) to ensure the 274 primary contractors and subcontractors working on Victoria’s Big Build project met their compliance processes and Safety Management System (SMS) obligations. The MTIA is responsible for facilitating the development and delivery of the biggest transport infrastructure program in Victorian history, including 165 major road and rail projects across the state.

We used data sources, such as crash, intercept and weigh-in-motion data, to generate a dashboard to monitor heavy vehicle movements and identify safety risks. This intelligence gathering allowed us to act on proactive compliance opportunities to influence positive behavioural change.

Engaging with industry to communicate safety risks

In September 2020, we released the results of the Industry Safety Survey that we undertook in 2019-20 to better understand how industry and the supply chain were managing their safety responsibilities. The survey enabled us to benchmark the adoption of an SMS by industry, with the results showing that 62% of the 3,972 respondents had a basic SMS in place.

We presented the results at a webinar for heavy vehicle industry participants and other stakeholders who support the industry through research and the provision of safety-related services. We highlighted the areas that showed positive results for businesses, including those that participated in the NHVAS or operated PBS vehicles. We also drew attention to areas of continuing focus across the industry and for specific industry sectors – such as safety risk management, safety assurance, promotion and training, and continual improvement of systems.

In addition, we published a summary of the overall results, as well as sector-specific feedback for owner drivers, subcontractor drivers, general freight, construction and landscape products, and primary production and farming.



15 MINUTES SAVED PER INTERCEPT
1,750 INTERCEPTS PROCESSED
BY RCMS PER MONTH



CASE STUDY

The RCMS app puts the back office in the hands of our frontline staff in real time.

RCMS safety app boosts productivity

Developed in partnership with Motorola Solutions, the RCMS app enables our SCOs to access on-road compliance data on handheld devices connected to our SCRPs and relevant jurisdictional systems.

Our SCOs at the roadside can see at a glance the history of an intercepted vehicle, its driver and company, including whether the vehicle has been intercepted recently in another jurisdiction. They can efficiently record the details of the intercept and, where necessary, electronically issue non-compliance and infringement notices.

In addition, the data that SCOs capture on their mobile devices is presented back to supervisors in real time via cloud services – giving managers and officers nationally instant access, so they can check reports and answer operators' questions quickly and accurately.

Our SCOs use the RCMS five or six times a day and, thanks to the app, save on average 15 minutes each intercept. This is down from 35 minutes prior to the app, providing shorter stoppage times for compliant operators. Fatigue is a major issue for drivers and operators, so shorter stops support both driver wellbeing and the company's bottom line.

To assist industry to respond to the risk of COVID-19 transmission in their workplaces, we worked with Nolan's Interstate Transport, Daryl Dickenson Transport and Woolworths to produce COVID-19 toolbox talk kits. These included videos about hand and vehicle hygiene and keeping workspaces clean. There were also two videos to help industry participants look after their mental health and wellbeing during the pandemic.

The kits were promoted through industry media, our industry newsletter *On the Road* and our social media channels. All materials are available on our website at www.nhvr.gov.au/sms

“ Having the information at our fingertips helps us to assess the best course of action and we can focus our time where it's going to have the most impact on safety. ”

Andrew Robotham, Principal SCO, NHVR Tasmania

“ As a company that prides itself on being compliant, we're finding that we're being intercepted less. We're happy that NHVR officers have a view of our history, because they know that we're a safe operator. ”

Darren Quinn, Operations Manager, Quinn Transport & Spreading

Regulatory Compliance Mobility Solution increases national visibility

Following the successful deployment of the RCMS in Victoria during 2019-20, in August 2020 we completed its rollout in the ACT, South Australia and Tasmania. During the year, the RCMS processed more than 14,785 roadside checks.

Main Roads Western Australia Heavy Vehicle Services has engaged the NHVR to provide the RCMS to its Transport Inspectors. This rollout will complete in 2021, providing the NHVR with real-time information from Western Australian on-road compliance activities, further extending the RCMS's reach and providing an increase in national visibility.

Collaborating to drive a consistent and effective road safety agenda

One of our primary objectives is to promote public safety and, during the year, we continued to collaborate with national road safety groups and authorities who share this common goal.

To help drive a consistent and effective national road safety agenda for the heavy vehicle industry, we contributed to the development of the Office of Road Safety's draft *National Road Safety Strategy 2021-2030* (NRSS) and Action Plan 2021-25, due for publication in early 2021-22.

We also developed our own safety strategy, which is closely aligned with the NRSS. The NHVR *Heavy Vehicle Safety Strategy 2021-2025* (HVSS) sets out our strategic ambitions to lead industry towards a safer future. It supports our agenda to create positive change in individual behaviour and industry safety culture, and to drive uptake of a modern, safer heavy vehicle fleet that reduces the likelihood and impact of crashes.

To develop the HVSS, we consulted industry, jurisdictions and police through regular forums. During a six-week public consultation period in April and May, we received more than 30 written submissions from industry organisations and participants, advocacy groups, jurisdictional partners and police. Their feedback was largely positive and supported the themes set out in the strategy.

In particular, our stakeholders supported the HVSS's collaborative, partnership approach, and they expressed a willingness to work with us to deliver its priority actions over the next five years.

We will publicly release the HVSS after the NRSS is published.

NHVAS accreditation shows continued strong growth

We saw strong take-up of the NHVAS during the year, with accredited operators increasing 5% from 7,611 in 2019-20 to 8,005 in 2020-21. Operators accredited in Basic Fatigue Management (BFM) increased by 6% to 2,604 and in AFM by 20% to 77.

In February 2021, after extensive industry consultation, we implemented the revised NHVAS Business Rules. The revised rules include the requirement for operators to self-report to the NHVR on significant incidents; the rationalising of fatigue management standards for BFM and AFM to allow both to operate under a single set of seven standards; and the implementation of annual inspections for maintenance-nominated vehicles by a qualified mechanic.

New participants are required to comply with the revised rules and standards when lodging their application, while existing participants can implement them over one accreditation cycle.

In response to the continuing COVID-19 pandemic, we extended our temporary arrangements to enable remote audits where required and time allowable for the renewal of driver medicals.

We have also been working with Main Roads Western Australia towards formalising an agreement for mutual recognition between the NHVAS and the Western Australian Heavy Vehicle Accreditation Scheme. We have discussed options to deliver better cross-border cooperation and sharing and, in 2021-22, will be establishing a Mutual Recognition Working Group to develop and implement a roadmap towards mutual recognition.

Supporting industry to develop sector-specific codes of practice

During the year, we reviewed the published guidelines for registered industry codes of practice to find ways to streamline the process of developing a code or practice to the point of registration under the HVNL. The review also looked at ways to improve the quality and usefulness of codes of practice, and incorporated feedback from interested parties and members of the public.

We are liaising with six organisations about developing codes of practice for several industry sectors, including livestock transport, cranes, waste and recycling, agriculture and wine. In late June, a panel of experts began to assess a code of practice for safe load restraint of logs for the forestry haulage industry. The development of these codes is being funded through the HVSI grants program (see page 54).

We are also refreshing our website content, which explains the duties that apply to parties in the Chain of Responsibility and their executives, and which directs them to resources, such as SMS guidance, that will help them comply with those duties.



NHVAS team members - Accreditation Supervisor Avril Stewart and Accreditation Facilitator Laura O'Dea

Improving accessibility to flexible fatigue management options

Recent industry research has shown that, in 2020, fatigue crashes continued their long-term decline.¹⁰ We are encouraged by these findings and have continued to build on our range of fatigue programs, provide expert advice, and publish a range of information resources to support industry to better manage driver fatigue.

Our research has shown that AFM-accredited operators on average have a better safety culture maturity, better compliance with fatigue management requirements and lower crash rates. We therefore welcomed the 20% growth in the number of AFM-accredited operators during the year.

To help encourage this growth, we continued to roll out our Fatigue Choices program to help operators access more flexible work and rest hours - providing they properly manage the risks of driver fatigue. This has involved helping operators assess their business needs and make better use of the existing fatigue laws, including converting from BFM to AFM.

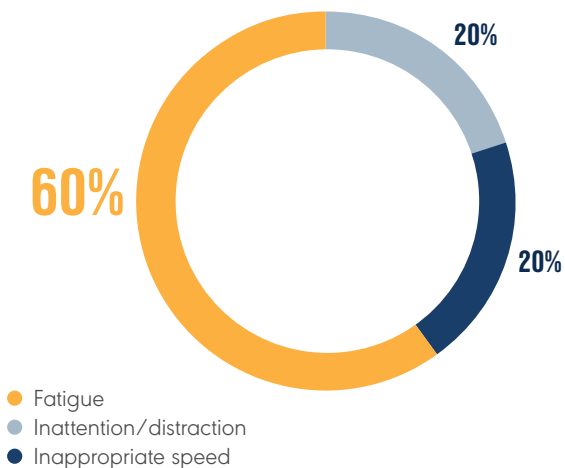
Through Fatigue Choices, we met with 55 operators at 16 locations across Queensland, New South Wales, South Australia and Tasmania, and a further 79 operators online. Feedback from the meetings was very positive, with a 100% satisfaction rating received from the respondents who completed the post-meeting survey.

We also published a new booklet *Advanced Fatigue Management - Preparation to apply*, which is the third in the AFM series to assist operators.

Fatigue distraction detection technology promotion still high on the agenda

Despite the reduction in the overall proportion of crashes due to fatigue, it remains the largest cause of fatalities involving heavy vehicles. During the year, we continued to look at ways to provide regulatory support for the use of fatigue and distraction detection technology in heavy vehicles to help manage fatigue safety risks.

Driver deaths by incident cause¹¹



¹⁰ National Transport Insurance and National Truck Accident Research Centre, *NTI NTARC - Major Accident Investigation 2021 Report*, 2021.

¹¹ Ibid.

¹² GHG Consulting and CQ University, *Fatigue/Distracted Detection Technology Use in the Australian Road Freight Transport Sector*, 2019.



This technology monitors observable biological indicators of fatigue and provides warnings to the driver and nominated third parties, such as a supervisor, before the driver becomes impaired by fatigue.

Our earlier research and fatigue monitoring trial found the use of technology significantly reduced the frequency of fatigue and distraction incidents, and enabled drivers and operators to better identify and address unsafe driving behaviours prior to accidents.¹² Consequently, in 2021-22, we will be undertaking a project to validate the use of technology to better manage driver fatigue, in combination with the development and trial of a future standard for fatigue risk management.

Personal Use Exemption extended after no negative safety impacts identified

In February 2021, we extended the Personal Use Exemption for work and rest hours until 2024. The exemption allows drivers on standard hours a reasonable additional period in which to do things like go to the shops for personal supplies, get to their sleeping accommodation or run personal errands, without worrying about going over their regulated work hours.

Neither we nor any of the participating jurisdictions were able to identify any negative safety impacts that had occurred as a result of drivers using the additional work time available through the exemption.

First five Electronic Work Diaries approved for use

During the year, we approved EWDs from five providers for regulatory use.

An EWD is an NHVR-approved electronic recording system used to record the work and rest times of a driver as a voluntary alternative to the National Driver Work Diary. The written work diary has been a requirement for fatigue-regulated heavy vehicles for more than half a century, and today more than 200,000 Written Work Diaries are used by drivers every year.

In November, Step Global and Teletrac Navman were the first two companies to meet our strict requirements, which were developed in association with technology providers, transport operators, police and transport authorities. Their EWDs were available for use in December 2020. We then approved EWDs for Netstar Australia, MTDData and Kynnection in the second half of the year.

The approvals followed a rigorous assessment process by NHVR experts, as well as review by an expert panel, including technical specialists and police. Approval gives the providers the green light to work with their partners and customers to use their products to legally record work and rest hours.

The rollout of these EWDs will reduce the estimated 60 million pages of work diary paper manually completed per year, and enable companies and drivers to focus on managing their fatigue more effectively.

Helping reduce crash risk by raising awareness of how to safely share the road with heavy vehicles

The National Transport Insurance (NTI) National Truck Accident Research Centre (NTARC) *NTI NTARC – Major Accident Investigation 2021 Report* (NTARC Report) released in June 2021 found that, during the COVID-19 pandemic, Australia’s roads were the safest they had been in years. This was even though the number of freight movements had increased by 55% and heavy vehicles had increased by 51% since the release of the first NTARC Report in 2003.

The NTARC Report also showed that the number of multi-vehicle crashes involving heavy vehicles was down more than 16%. However, consistent with previous years, in 78.3% of fatal crashes involving a truck and a car, the car driver was at fault.

We remain committed to changing this situation and, in April, we officially launched the second phase of our flagship road safety campaign – We Need Space – in partnership with Coles, Toll and Linfox (see *We Need Space message travels further with Coles’ support case study* on page 34).





CASE STUDY

We Need Space message travels further with Coles' support

We were delighted when supermarket giant Coles told us they wanted to partner in our We Need Space campaign to help us educate more road users about how to share the road safely with heavy vehicles.

For the past year, 32 Coles trailers carried by Linfox and Toll have been giant, travelling billboards in metropolitan Queensland, New South Wales and Victoria, displaying We Need Space messaging urging road users to stay out of truck blind spots, learn how to overtake trucks safely, and avoid overtaking turning trucks.

We also jointly produced a series of community service announcements fronted by Supercars Champion Garth Tander, and featuring Toll and Linfox drivers, which we have promoted through partner social media platforms, and which will be shown on screens at Supercars events during the 2021 season.

The videos and other educational resources are hosted on our new partnership website weneedspace.com.au

In May, Coles and Toll joined us at the Brisbane Truck Show, where our dedicated We Need Space exhibit provided the perfect opportunity to tell people about the campaign.

“Our transport operators travel approximately 100 million kilometres each year, delivering goods via our Distribution Centres to more than 800 supermarkets across the country. We want to educate and work with road users to avoid potential incidents, so that the drivers carrying loads for Coles and the communities through which they travel can all stay safe.”

David Brewster, Coles Chief Legal and Safety Officer, Coles Group

Above: Pictured at the launch of the We Need Space Coles supply chain partnership at Port Melbourne are Toll driver Joe Lanza, our CEO Sal Petrocchio, Linfox driver Rachael Topp, Supercars champion Garth Tander, Coles Executive General Manager Central Operations and Transformation Kevin Gunn, Coles Chief Legal and Safety Officer David Brewster and Linfox driver Mick Ross.



LOOKING FORWARD

In 2021-22, we plan to:

- Start to deliver the Heavy Vehicle Safety Strategy Action Plan 2021-2025.
- Implement a model for sharing NHVR data with transitioned jurisdictions and other regulatory agencies.
- Visit operators and other parties in the supply chain – particularly recidivist offenders – to inspect their SMS and compliance processes, and provide targeted education.
- Deliver an external-facing safety assurance program for key areas where regulatory functions are carried out by third-party providers on behalf of the NHVR.
- Promote the uptake of safer fatigue risk management options through our Fatigue Choices program.
- Implement an assurance framework for EWDs and conduct assurance activities on EWD operations.
- Undertake a project to validate the use of technology to better manage driver fatigue, in combination with the development and trial of a future standard for fatigue risk management.
- Provide industry with further and scalable SMS guidance, documents and tools.
- Deliver a nationwide campaign to educate young light vehicle drivers about safely sharing the road with heavy vehicles.



OBJECTIVE 2

PRODUCTIVITY

We are working collaboratively with industry and governments to support and facilitate a national approach to addressing Australia's growing road freight task, which is estimated to almost double by 2030.

By providing a more complete picture of infrastructure condition and network demand, we are helping road managers to make access decisions and participate in alternative access arrangements, cutting through the red tape for industry.

Productivity priorities	Promote industry productivity and efficiency in the road transport of goods and passengers by heavy vehicles. Deliver greater and timely road network access certainty and increased productivity for the heavy vehicle industry.				
National Performance Measures	Improved connections of key networks (origin to destination) for all heavy vehicles. Measurable reduction in regulatory burden for safe and productive network access.				
Performance Standard	Indicators	Target	Result	Target met	Page
Regulatory burden is reduced through pre-approvals and gazette notices to reduce permit requirements and increase heavy vehicle industry productivity.	Number of national notices issued ¹³	2%↑	30%↑	✓	37
	Number of new notices issued ¹⁴	2%↑	3.5%↑	✓	37
	Net kilometres covered by gazetted networks ¹⁵	2%↑	3%↑	✓	37
	Net increase in number of road manager pre-approvals ¹⁶	2%↑	31%↑	✓	37
	NHVR's average turnaround times for permit approvals ¹⁷	2%↓	18%↓	✓	37

Industry feedback helps plot route to a more-productive heavy vehicle road transport sector

In August 2020, we released our *Heavy Vehicle Productivity Plan 2020–2025*. The plan and its accompanying action plan provide a pathway for us to work with our diverse customer base to deliver tangible benefits to address Australia's growing road freight task safely, sustainably, efficiently and productively.

The plan has three key objectives:

- Provide access certainty and consistency.
- Partner with local government to build capability.
- Promote safer and more productive vehicles that are better for the environment and communities.

To develop the plan, we undertook extensive engagement with industry and government agencies at all levels. This was to ensure the productivity improvements we were proposing aligned with their main concerns. We engaged with 55 stakeholders in pre-submission consultation, received 23 formal submissions and held a webinar with 178 registered participants. We also held nine workshops with the Australian Government, all state and territory transport agencies, and all local government associations in participating jurisdictions.

The plan does not include our full work program; instead, it sets out actions over a five-year period based on the priorities requested by our stakeholders. It also incorporates many of the recommendations of the *Commonwealth Government's Review of Oversize Overmass (OSOM) Access Arrangements* report (OSOM Review), and considers the Commonwealth Government's National Freight and Supply Chain Strategy, state and territory government freight plans and strategies, and work by the National Transport Commission (NTC) and Austroads.

13 All national access notices (two or more participating jurisdictions) published on the Commonwealth Gazette during the year. Notices enable certain categories of heavy vehicle to access specific routes according to a set of conditions without needing to apply for a permit.

14 Includes national access notices.

15 This indicator is dependent on external data sources and the result is therefore approximate.

16 Based on number of new pre-approvals put in place during the year, which may or may not include multiple routes or networks, including pre-approvals for PBS networks. A pre-approval is an administrative arrangement whereby a road manager provides in-advance consent for certain vehicles to access their networks for a period of time.

17 Includes NHVR, road manager and customer turnaround times.

Of the plan's 31 actions, by the end of 2020–21, we had delivered nine, 10 were in progress, 11 had been incorporated into our day-to-day business, and one is scheduled to start after 2023. Our performance against these actions during the year is reported in this Productivity section and in the Sustainability section from pages 41 to 46 of this report. A status report for these actions is published on our website at www.nhvr.gov.au/hvpp

“The [Heavy Vehicle Productivity] Plan outlines important objectives, including partnering with local governments to build capability and promoting more productive heavy vehicles that are better for the environment and communities, as well as providing certainty and consistency with access.

Here in South Australia, we're already seeing the benefits of the Notices covered under the South Australia Load Carrying Vehicle's Operator's Guide, updated in July, and the National Class 2 Road Train Notice.

Both updates have allowed increased height, width and mass on dedicated heavy vehicle networks across South Australia, which allows more goods to be delivered safely and reduces the number of vehicles on the road.”

South Australian Infrastructure and Transport Minister
Corey Wingard



Access Facilitators Tammy Carmichael and Trent Ebdon with Director Service Delivery Steven Miller

Permit turnaround times reduced despite unprecedented growth in applications

We coordinate a wide range of road access applications from start to finish, including liaising directly with more than 475 road managers – state and territory road authorities, local governments and private entities – to manage heavy vehicle access applications and to issue permits.

In 2020–21, we received a total of 117,886 permit applications – a 50% increase from 78,622 in 2019–20. These consisted of 69,891 single-route applications and 47,995 multi-route renewals. This increase was due to various factors, including significant growth in the heavy vehicle industry, an increase in single-trip permits due to significant growth in the crane sector, and the return of Class 1 OSOM permits from New South Wales from 1 June 2020, with New South Wales operators required to apply for a new permit from us.

Despite the challenges presented by an unprecedented increase in permit volumes, COVID-19 and natural disasters this year, we maintained our focus on reducing processing times. Average turnaround time for permit approvals reduced by 17.8% from 16.83 days in 2019–20 to 13.82 days in 2020–21.

Our NHVR processing time across all application classes decreased from an average of 3.86 days in 2019–20 to 2.48 days in 2020–21. This was largely achieved by the development of staff, increased system capability and process improvements. Road managers also achieved an improvement in turnaround times, from 11.4 days in 2019–20 to 10.64 days in 2020–21.

We took a proactive approach to this year's natural disasters and, during the New South Wales floods, called affected road managers and operators to assist in road closures and alternative route planning.

In response to the impacts of the COVID-19 pandemic, we also helped manage heavy vehicles transit through border checkpoints

by setting up a dedicated hotline for operators to call to advise when they would be transiting borders. Our website and social media channels were also essential to the provision of up-to-date information specific to the heavy vehicle industry, keeping pace with the complex, rapidly changing and often confusing environment.

Greater access certainty delivered through more pre-approvals and notices

In 2020–21, we obtained 330 new pre-approvals from road managers. Net kilometres covered by gazetted networks increased by approximately 3%, from 580,318km to 597,883km.¹⁸

We also worked with state, territory and local government road managers to deliver 13 national notices and 16 state and territory notices. The most significant of these was the *National Road Train Prime Mover Mass and Dimension Exemption Notice 2021* (see *New notice delivers smarter, more-productive road train transport case study on page 38*).

In conjunction with the Crane Industry Council of Australia, Concrete Pumping Association of Australia and Australian Drilling Industry Association, we partnered with Transport and Main Roads, Transurban and Brisbane City Council to improve access for Special Purpose Vehicles (SPVs) in South East Queensland. Under the *National Class 1 Special Purpose Vehicle Notice 2021*, SPVs can now access the Clem 7, Airport Link and Legacy Way tunnels, provided they meet all the requirements of the Notice and specified dimension limits.

We are also working to maximise the value of existing notices. Grain Producers South Australia and farmers on the Eyre Peninsula helped us identify improvements to the *National Class 1 Agricultural Vehicle and Combination Mass and Dimension Exemption Notice 2019*. We developed a new performance measure for the calculation of tow mass ratio, providing alternative methods to ensure compliance with the notice.

¹⁸ This figure includes the PBS gazetted networks discussed on page 44.



CASE STUDY

New notice delivers smarter, more-productive road train transport

In June 2021, we introduced a new notice for road train prime movers to ease pressure on the road network, improve fatigue management and increase the efficiency of the national heavy vehicle fleet.

The *National Road Train Prime Mover Mass and Dimension Exemption Notice 2021* gives road train prime movers access to more networks when operating in combinations other than a road train, such as B-doubles and single semitrailers, or on their own. It applies in all HVNL-participating jurisdictions, except Tasmania.

The notice provides flexibility for operators when decoupling their road train to continue their travel. Additional length and mass limits allow larger road train prime movers to be used in eligible smaller combinations, avoiding operators having to use a different, smaller prime mover after decoupling.

It also enables road train prime movers to operate at road train steer mass limits in eligible combinations, and longer total combination lengths are permitted to accommodate the additional length of road train prime movers.

The notice resolved several long-standing issues faced by road train operators, and was a great example of stakeholders from across the industry – road managers, operators, industry associations and the NHVR – working together to improve consistency of regulation across state and territory borders.

“ I want to thank the NHVR Policy Team for a great job consulting with industry and creating a workable notice, resulting in a welcomed outcome by industry. The results speak for themselves, much appreciated. ”

David Smith, Chair, Australian Trucking Association

This innovative method, which can be tested using everyday equipment, was accepted by state and territory transport agencies as a safe alternative to previous prescriptive requirements.

We also established the National Notice Advisory Group to provide a forum for us to discuss and progress the development of notices with state and territory transport agencies. This ensures both localised needs and national outcomes are considered in the decision-making process.

Delivering education and tools to support local government road manager decision-making

We recognise that increased education and greater access to information will empower road managers to make quicker, more informed decisions on granting heavy vehicle access to their road networks.

During the year, our engineers delivered a program of eight online technical training sessions to improve local government knowledge and understanding of heavy vehicle mass and dimension, performance and route assessment. Representatives

from more than 270 local government, state and territory, and third-party entity road managers participated.

Following the successful Queensland model, a Heavy Vehicle Access Liaison Officer has been instated in South Australia. In consultation with other state and territory transport agencies, it has been decided that similar roles are not required in their jurisdictions at this time.

During the year, we delivered the Road Access Volume Report in the NHVR Portal. This enables road managers to filter access permit data by various vehicle and permit attributes – such as vehicle type, requested route, approval status and date.

We also have a new Digital Asset Management tool in the NHVR Portal. Developed as part of the SLGAAP (see page 39), road managers can use the tool to access key asset information, and upload engineering reports and asset updates.

Both these tools will help road managers to better understand and manage heavy vehicle access and road freight operations, as well as make decisions about permits, pre-approvals and gazettals.



Our CEO Sal Petrocchio and Federal Assistant Minister for Road Safety and Freight Transport The Hon. Scott Buehholz MP launching the SLGAAP initiative near Boonah.

Bridging the gaps through Strategic Local Government Asset Assessment Project

During the year, we continued to deliver the SLGAAP, for which we received \$7.96 million from the Australian Government in late 2019. The project assists local government road managers across rural and regional Australia to assess their on-road assets, such as bridges and culverts, so they can improve access.

The assessment results give road managers the information they need to make informed, efficient, safe and productive access decisions, and give industry the ability to choose the best route for their heavy vehicle movements.

By the end of June 2021, during the pilot phase and Round 1 of the project, we had completed engineering assessments for 299 local-government-owned assets across 74 council areas. An extension of Round 1 until the end of 2021 will give us the opportunity to conduct up to 100 more assessments under current grant funding.

In May 2021, the Australian Government announced further funding of \$12.1 million over three years for Round 2 of the SLGAAP, enabling us to assess up to 1,000 more assets.

Already we have seen some very good outcomes for operators and councils, with access opening up over previously underrated assets, enabling drivers to use shorter, safer routes.

To enable a common approach by road managers and engineering consultants to assessing and interpreting the capacity of bridges and culverts against countless vehicle configurations, the project also launched the Road Manager Toolkit. This online resource provides learning modules, webinars, frequently asked questions, templates, and tips to consider when making asset-related access decisions.

“ The NHVR’s assessment of Council’s Greendale bridge provides significant benefits to the local community. It improves safety and productivity by enabling heavy vehicle operators to use the bridge. Previously heavy construction plant and high productivity A-double milk tankers would have to take an alternate route using unsealed roads across a flood-prone river crossing. The new assessment has concluded this bridge, which dates from the 1960s, can safely carry modern heavy vehicles directly between farms and depots to the highway, improving safety, reducing travel time and unnecessary wear on vehicles and infrastructure. ”

Richard Cunningham, Structures Engineer at Bega Valley Shire Council, New South Wales





Helping out with access decisions at intersections

At the request of TfNSW, our engineers developed a heavy vehicle intersection and acceleration risk calculator. The calculator enables a comparison of the acceleration performance of a proposed vehicle with an existing vehicle.

The outcome of the assessment includes the intersection clearance time for the proposed vehicle, and then uses these values to calculate the exposure and relative risk based on the productivity of the proposed vehicle compared with other vehicle options.

Other jurisdictions have expressed support for this tool, as it will help them make better access decisions and negotiate access with third parties.

Completing our Oversize Overmass Review responsibilities

The OSOM Review recommended 38 immediate and long-term responses to improve road access and reduce the regulatory burden for OSOM heavy vehicles without compromising safety. By the end of December 2020, we had completed, satisfactorily progressed or incorporated into our day-to-day business all actions assigned to us in the report.

During the year, we actioned the following recommendations, which are discussed in more detail elsewhere in this report:

- replicate the Local Government Association of Queensland model for funding Heavy Vehicle Access Liaison Officers
- progress an internal project to incorporate all mapping data from state road managers' mapping tools into the Route Planner
- work with road managers to identify infrastructure pinch points in their network.

At the May 2021 ITMM, Ministers agreed that the remaining OSOM recommendations would be completed as part of the NTC's work plan for the HVNL Review process. This would avoid having two parallel processes happening at the same time for the same matters - pilots and escorts, heavy vehicle assurance schemes and telematics. We will continue to assist wherever we can.



SCOs from our South Australian team conducting an inspection at the Ceduna truck checking station.

LOOKING FORWARD

In 2021-22, we plan to:

- Deliver and maintain national, state and territory notices, prioritised by safety and productivity benefits, in consultation with government and industry.
- Deliver a new pre-approval and notices module in the NHVR Portal for access permits.
- Conduct a review of road access permits workflow, and adopt a range of technology and data-sharing solutions in consultation with road managers, with a focus on helping road managers to make quicker access decisions.
- Expand the range of education and training material available to road managers.
- Review the outcomes of the SLGAAP to establish a framework for information storage, and ongoing advice for road managers and industry on increased access to networks.



OBJECTIVE 3

SUSTAINABILITY

As heavy vehicle designs evolve, the inclusion of new technology is playing a growing role in helping operators perform the freight task in a safer, cleaner, more productive and efficient way.

We are working with manufacturers and operators to encourage the incorporation of newer, more technologically advanced vehicles into the national fleet, and with road managers to improve road access for these new vehicles.

Sustainability priorities		Manage the impact of heavy vehicles on the environment, road infrastructure and public amenity. Promote the adoption of safer, cleaner and more efficient vehicles and environmental technologies.			
National Performance Measures		Increase in safer, cleaner and more efficient vehicles and technologies in the national heavy vehicle fleet. Continued increase in network accessibility for safer, cleaner and more efficient vehicles.			
Performance Standard	Indicators	Target	Result	Target met	Page
The number of heavy vehicle movements is minimised, and environmental and infrastructure impacts are reduced, through adoption of safer, cleaner and more efficient heavy vehicles.	Net increase in the number of PBS vehicles ¹⁹	2%↑	21%↑	☑	42
	Net increase in kilometres of gazetted PBS networks (Levels 1 and 2) ²⁰	2%↑	3.3%↑	☑	44
	Net increase in number of road manager pre-approvals for PBS vehicles	2%↑	30%↑	☑	44
	NHVR's average turnaround times for PBS permit approvals ²¹	2%↓	9%↓	☑	44

Performance Based Standards scheme continues strong growth

Since 2013, we have administered the PBS scheme – a world-leading program enabling Australia’s heavy vehicle industry to use the latest systems and technologies to design innovative vehicles for specific freight tasks to operate on appropriate networks for their level of performance.

There has been significant acceleration in the uptake of the PBS scheme, with a compound annual growth rate close to 43%. There are now more than 12,000 PBS-approved combinations operating across Australia.

From 2013 to 2019 inclusive, PBS vehicles travelled an estimated 1.6 billion fewer kilometres than conventional vehicles would have travelled to complete the same freight task.²² This huge reduction in distance travelled means improved safety benefits for drivers and communities, and reduces wear and tear on Australia’s roads.

Also, as PBS vehicles are on average almost eight years younger than the prescriptive fleet, this has contributed significantly to the proportion of newer and safer vehicles in the national heavy vehicle fleet.

During 2020–21, the PBS fleet grew by 1,859 combinations, with 8% more combinations certified than during 2019–20. We also saw continued increases in Design Approvals, with 635 processed in 2020–21 – a 27% increase from 2019–20. Tables 6 to 8 in Appendix C on page 75 provide more detail.

However, this growth and the greater complexity of applications, as well as some internal operational challenges, meant it took us longer to turn around approvals.

During 2020–21, we processed an application for a vehicle approval in an average of 14 days, up from 4.9 days in 2019–20; and, at times, it was higher than this. Design approvals processing time also increased from an average of 12.6 days in 2019–20 to 18.5 days, primarily due to the increase in volume. A significant program of work is underway to improve our processing capacity and capability, integrate PBS into the NHVR Portal, and redesign the end-to-end PBS application process to sustain improved turnaround times.

In March, we participated in the Tasmanian Transport Association’s PBS Roadshow, together with the Department of State Growth, industry organisations and the NTI. These free, industry-led information forums focused on the productivity and safety benefits of PBS vehicles, as well as the processes for engineering design, assessment and certification under the PBS scheme. Sessions were held in Burnie, Launceston and Hobart.



¹⁹ Total number of Vehicle Identification Numbers (VINs) for individual vehicles added into the PBS scheme during 2020–21.

²⁰ This indicator is dependent on external data sources and is therefore approximate.

²¹ Includes NHVR, road manager and customer turnaround times.

²² The Chartered Institute of Logistics and Transport and NTARC *Review of Major Crash Rates for Australian Higher Productivity Vehicles: 2015–2019, 2021*.

CASE STUDY

**1.6 BILLION
FEWER KM DRIVEN
OVER 5 YEARS**



47%

FEWER CRASHES WITH PBS RIGID TRUCKS



69%

FEWER CRASHES WITH PBS ARTICULATED COMBINATIONS VEHICLES



Compared with conventional heavy vehicle in the five years from 2015 to 2019.

PBS combinations ease pressure on freight network

PBS combinations help ease the pressure on the freight network by reducing the number of heavy vehicle movements required to complete the freight task. They also bring significant environmental, safety and infrastructure benefits.

Travelling fewer kilometres and using generally newer vehicles means less fuel is required for a PBS vehicle to complete the same freight task compared to its conventional equivalent. We estimate that the PBS fleet will provide annual savings of 210 million litres of fuel and 564,000 tonnes of carbon dioxide emissions. These savings will continue to increase as the PBS fleet size grows.

PBS vehicles are also designed in such a way as to minimise pavement wear and other impacts to infrastructure.

In May 2021, the Chartered Institute of Logistics and Transport Australia and NTARC released their *Review of Major Crash Rates for Australian Higher Productivity Vehicles: 2015-2019*, which was prepared on our behalf. The report shows that, for the five years from 2015 to 2019, on a per 100 million kilometre, major crash basis, PBS vehicles had been involved in 60% fewer major crashes than conventional vehicles.

It also found that by applying safety performance figures from the report, and forecasting over a period from 2013 to 2033, "...this should result in a saving of 143 lives not lost in heavy vehicle involved crashes."





Increasing access for PBS vehicles

In 2020-21, we improved our turnaround time for PBS permit approvals by 2.2 days – a 9.1% reduction from an average of 23.58 days in 2019-20 to 21.38 days.

We also enlarged the PBS network, with 52 new pre-approvals increasing access for PBS customers by 30%.

This significant growth in pre-approvals demonstrates increasing road manager understanding and acceptance of innovative vehicles, and ensures the safest and most productive vehicles are using Australia's roads.

Kilometres of gazetted PBS networks increased by approximately 3.3% from 541,068km to 558,875km.

In May, we released the *National Class 2 PBS Level 1 & 2a Truck and Dog Trailer Authorisation Notice 2021*, authorising the use of three- and four-axle trucks towing three-, four- or five-axle dog trailer PBS combinations on an expanded gazetted network. This updated notice provides greater access and productivity for PBS truck and dogs, through the removal of restrictive conditions in the previous notice.

We have also partnered with state and territory transport agencies to develop a PBS Notice for Tier 1 PBS Vehicles (PBS Levels 1-4), for which the road manager consent process began in May. This notice will facilitate a greater diversity of lower risk PBS vehicles that meet the PBS Tier 1 bridge formulae to have access to approved networks without a permit.

At the same time, we started developing an enhanced PBS Tier 3 Notice, to provide access under notice for heavier PBS vehicles that do not meet the PBS Tier 1 bridge formulae. This notice is due for release before the end of 2021.

Encouraging increased adoption of safer, more-productive vehicles

We have been working to simplify the PBS scheme to provide industry with improved flexibility, greater productivity and reduced operational costs without impacting safety. This will support continued innovation and the take-up of safer, more productive vehicles in the national heavy vehicle fleet.

During the year, we continued reviewing the PBS standards in line with the recommendations of the NTC Policy Paper – *Reforming the PBS scheme*. The review is intended to reduce barriers to participating in the PBS scheme, give industry greater flexibility, and progress the use of technology to comply with the safety standards.

The revised Directional Stability Under Braking standard was endorsed by Ministers at the ITMM in May 2021. This standard improves safety and productivity through the adoption of advanced technologies. Implementation will commence in 2021-22 and include a transition period.

We are working with state and territory transport agencies to finalise the review of the Pavement Horizontal Loading standard. The proposed standard introduces a performance measure, based on a new formula, to limit the horizontal stress of PBS vehicles on a per-tyre basis. The proposal enables greater innovation by removing prescriptive requirements and assures more pavement protection.

The first standard to be amended under the review was Frontal Swing in April 2020.

Also at the May 2021 ITMM, Ministers endorsed a new generic tyre approach for PBS vehicles. This moves away from the prescriptive nomination of tyres on PBS vehicle approvals to an approach allowing industry to use any tyre, subject to passing the relevant modelling and tests (see *Tyres no longer a blocker to PBS take-up case study on page 45*).

We will continue to review the administrative, regulatory, procedural and policy aspects of the PBS scheme to determine how we can ensure the scheme is best positioned to support the next generation of innovative vehicles and further promote industry uptake.



Our Chief Engineer, Les Bruzsa with Principal Professional Leader, Mobility Futures Anthony Germanchev from the Australian Road Research Board conducting testing to consider the effects of varying test conditions on tyre performance.

CASE STUDY

Tyres no longer a blocker to PBS take-up

A new generic tyre approach will enable the PBS scheme to better support the next generation of smarter, safer and more-productive vehicles.

The existing approach requires PBS vehicles to have their on-road performance assessed using specific tyre types and brands. Industry told us it was complicated, created unnecessary costs, had operational limitations and discouraged participation in the PBS scheme.

Responding to this feedback, we will be introducing a standardised, specific set of tyre properties and data for PBS assessments. This will enable any brand of tyre to be used on a PBS vehicle, as long as the assessment shows the design passes the relevant PBS standards.

The new approach will use specifications based on the Michelin XZA tyre, which was used to develop the current PBS standards. Once we have developed the data for different tyre sizes, we will engage with customers about implementation and transition arrangements to allow plenty of time to prepare for the change.

We would like to thank everyone who was part of this initiative, in particular the Australian Tyre Industry Council, Truck Industry Council, Heavy Vehicle Industry Australia and the Australian Trucking Association.



“ Finally! For tyres, at least, this reform of the PBS system will mark the end of what had become an aberrating set of rules.

While most of our members were inconvenienced by this outdated standard, the real beneficiaries will be productivity, as well as freight operators and truck and trailer manufacturers.

We appreciate the efforts of the NHVR in addressing this challenge and look forward to working with regulators to address other challenges. ”

Silvio de Denaro, Acting Chairman, Australian Tyre Industry Council



Continuing to cut Vehicle Standards paperwork

During the year, we continued to simplify our Vehicle Standards processes to reduce the amount of paperwork operators need to submit.

We developed and maintained four notices relating to agricultural, conditionally registered, and waste and recycling collection vehicles. These notices allow operators to self-assess and run on standard conditions without needing to apply for a Vehicle Standards exemption permit. Even with a significant 34% increase in the number of vehicles entering the fleet through the in-principle support process, we still managed to reduce the number of exemption permits required by over half. Modification approvals remained consistent, with 12 in 2019-20 compared to 11 in 2020-21.

54% reduction in Vehicle Standards exemption permits issued (from 100 in 2019-20 to 46 in 2020-21)

34% increase in the number of letters of in-principle support issued (from 127 in 2020-21 to 170 in 2020-21)

Delivering on our Vehicle Safety and Environmental Uptake Plan commitments

Since the release of our Vehicle Safety and Environmental Technology Uptake Plan (Vehicle SETUP) in June 2020, we have continued to find ways to help industry adopt new technologies and safer, cleaner heavy vehicles.

We have progressed a number of regulatory amendments aimed at reducing the barriers that heavy vehicle manufacturers told us they were facing and we developed guidance material explaining the benefits of new technologies.

One key work package from the Vehicle SETUP was removing regulatory barriers to fitting new safety technologies. In February 2021, we implemented length and width amendments to the *Heavy Vehicle (Vehicle Standards) National Regulation* and *Heavy Vehicle (Mass, Dimension and Loading) National Regulation* for Indirect Vision Devices (IVDs) and Blindspot Information Systems.

These changes allow vehicles to be fitted with the latest blind spot reduction technologies available in overseas markets, including IVDs that are compliant with Australian Design Rule (ADR) 14 – such as mirrors and cameras – and bicycle detection technologies that comply with United Nations Economic Commission for Europe (UNECE) R.151 or another approved standard. Bicycle detection

technologies have the added safety benefit of actively alerting drivers to the presence of vulnerable road users.

We have also drafted a Heavy Vehicle Purchasing Guide to help operators make informed decisions when purchasing heavy vehicles. The guide aims to improve their understanding of the currently available – but largely optional – safety technologies, and to encourage companies to include these as requirements when contracting out work. We are consulting with members of our Technical Working Group and small operators on this.

In addition, during the year we contributed to:

- the Commonwealth Department of Infrastructure, Transport, Regional Development and Communications' *Safer Freight Vehicles* – Discussion paper, which identifies possible changes to the ADRs to facilitate increased uptake of safer, more-efficient heavy freight vehicles in Australia
- discussions about autonomous vehicles legislative development, to ensure the specific requirements of heavy vehicles are considered and provide guidance based on the lessons we have learned during the establishment of nationally consistent legislative requirements
- the national discussion on the current and future state of alternative fuel sources in Australia.

We also assisted jurisdictions with trials to allow vehicles to use hydrogen as an alternative fuel source.

LOOKING FORWARD

In 2021-22, we plan to:

- Promote the uptake of PBS vehicles by expanding gazetted networks, and improving design and vehicle approval processes.
- Deliver the policy framework for PBS 2.0 to encourage more operators to include PBS vehicles in their fleets.
- Start implementing the outcomes of the PBS Tyre Management Review.
- Work with road managers and industry to determine how access and productivity can be improved to remove barriers to the uptake of vehicles fitted with modern safety and environmental technologies.
- Provide fleet purchasing guidance and safety and environmental technology education to industry.



OBJECTIVE 4

REGULATORY CAPABILITY

We are working towards a future where we can achieve all the national objectives and benefits of there being a single national heavy vehicle regulator, and our operations are borderless and seamless.

In the meantime, we are working closely with industry, governments and enforcement agencies to build a successful regulatory environment that is consistent, collaborative, transparent and outcome focused.

To strengthen this, we are building an inclusive, supportive NHVR culture in which the safety and wellbeing of our people are paramount, diversity and inclusion are valued, and innovation is celebrated.

Regulatory capability priorities	Encourage and promote regulatory capability through productive, efficient, innovative and safe business practices.				
	Ensure a consistent and streamlined approach to the delivery of services to customers.				
	Build an NHVR culture where employees feel supported and can depend on each other.				
National Performance Measures	Transparent and consistent regulatory approach.				
	Customer engagement with the NHVR is productive, simple and efficient.				
	NHVR employees work in a safe and engaged environment.				
Performance Standard	Indicators	Target	Result	Target met	Page
The NHVR uses productive, innovative and safe business practices to support the operation and growth of the heavy vehicle industry.	Customer satisfaction with the NHVR Portal	Baseline	72%	n/a	49
	Customer satisfaction with the NHVR website	Baseline	63%	n/a	53
The NHVR achieves improved scores in its annual Employee Survey.	Employee engagement	4%↑	1%↑	⊗	22
	Workplace health and safety culture	5%↑	6%↑	⊙	23

National Regulatory Model outlines shared strategic direction for regulatory services

Our NRM provides a shared strategic direction for the provision of heavy vehicle regulatory services. Based on a risk-based approach - relying on valid data, evidence and technology to identify emerging regulatory risks and opportunities - it enables the effective deployment of regulatory activities to secure compliance with the HVNL, including by enforcement where necessary and appropriate.

In early 2020-2021, the NRM was agreed with the jurisdictions and approved by our Board.

It is supported by the three-to-five-year NRM Implementation Program, which outlines the steps and timeframe to achieve national consistency. Since we started implementing the Program in December 2020, we have completed four projects. These include Aligning the Organisational Performance Management Framework to the NRM, Finalising the Business and Technology Capability Strategy 2020+, Finalising the Transformation Strategy - Beyond 2020 and the Data Science Strategy.

Significant milestone reached in transition of services from New South Wales

Since 2016, we have been working closely with participating jurisdictions to transition the delivery of frontline regulatory services from those jurisdictions to the NHVR through the National Services Transition program. In implementing the program, we aim to provide a more streamlined approach to service delivery, compliance and enforcement, and a greater degree of consistency in how heavy vehicles are regulated.

To date, we have transitioned services in four of the six participating jurisdictions - South Australia in 2016, Tasmania in 2018, and the ACT and Victoria in 2019. The formation of this

'Southern Region' has enabled the harmonisation of compliance approaches and the delivery of borderless regulation on some of Australia's key southern freight routes.

New South Wales will be the next state to transition its heavy vehicle regulatory services. We reached a significant milestone in the first half of 2021, with the passage of legislation through the New South Wales Parliament to facilitate the transition. We are working closely with TfNSW to execute the transition of services by mid-2022.

Queensland will be the final participating jurisdiction to transition services, and announced in June 2021 that it would be working with us to start the due diligence phase of the project.

Creating national consistency and borderless operations through the National Training Scheme

During the year, we introduced our NTS to deliver a nationally coordinated, competency-based training regime for our on-road staff. Taking a holistic approach, the strategy details a framework for workforce capability building, comprising four training streams - induction, operational, refresher and professional development.

Harnessing a decentralised workplace training model, the strategy employs regional SCO trainers, mentors and an innovative use of digital technology, which enables new staff to be trained on demand and reduces the requirement to carry vacancies. This delivery approach supports operational coverage in our geographically dispersed workforce. It also facilitates strategic staff mobility for cross-functional secondments and interstate deployments.

As a nationally administered system with centralised, online records management, the NTS plays a vital role in building the capability and culture of our SCO teams, as well as facilitating the integration of their subject matter expertise into the broader NHVR organisation.



*Principal Data Support Analyst
Upinder Mutti and BI Developer
Hsuan Ouyang working on the Road
Monitoring Tool development.*

Final business stream transitioned to NHVR Portal

The NHVR Portal managed almost 118,000 access permit applications during the year. It now digitally stores more than a million registration records and supports more than 40,000 registered customers, who gave it a 72% satisfaction rating in 2020-21.

During the year, we launched PBS into the NHVR Portal as a digital service. This was the last NHVR business stream to be transitioned, so now all current service transactions for the heavy vehicle industry can be conducted through the one digital channel.

The PBS module went live in February 2021, enabling PBS certifiers and assessors to lodge and track the status of PBS applications directly in the Portal. It helps to get vehicles on the road faster by:

- streamlining the processing of applications by reducing manual handling
- providing new options to submit applications via browser or spreadsheet
- increasing transparency in case processing.

Alongside this module, we released the NHVR Developer Portal and Application Programming Interface packages, which provide access to relevant data and services to streamline business operations and processes. This provides users with the opportunity to build their own products for use with our platforms.

Better journey planning ahead through national spatial solution

A key component of the NHVR Portal for access permits is the Route Planner, which enables customers to plan their journeys online and have them approved by road managers. However, our current spatial solution is nearing the end of its life; and so, during the year, we started our National Spatial Program. We will be developing a new national mapping solution – available through the NHVR Portal – for heavy vehicle access related services, enabling industry to create more accurate journey plans.

The new solution will include:

- nationally consistent heavy vehicle network spatial services and standards
- improved road manager heavy vehicle network establishment and management capabilities
- solutions enabling dynamic mapping and intelligent routing.

Following extensive engagement with road managers and customers, we created a proof of concept, which received strong stakeholder support. Subsequently, we have committed to a significant capital investment for the project.

Using data to target higher risk operators and vehicles

Our SCRP provides the foundation for all NHVR safety and compliance information storage, analytics and reporting functions. It combines registration, crash, defect, intercept and infringement data with information from the National Safety Camera Network (NSCN), such as location and direction.

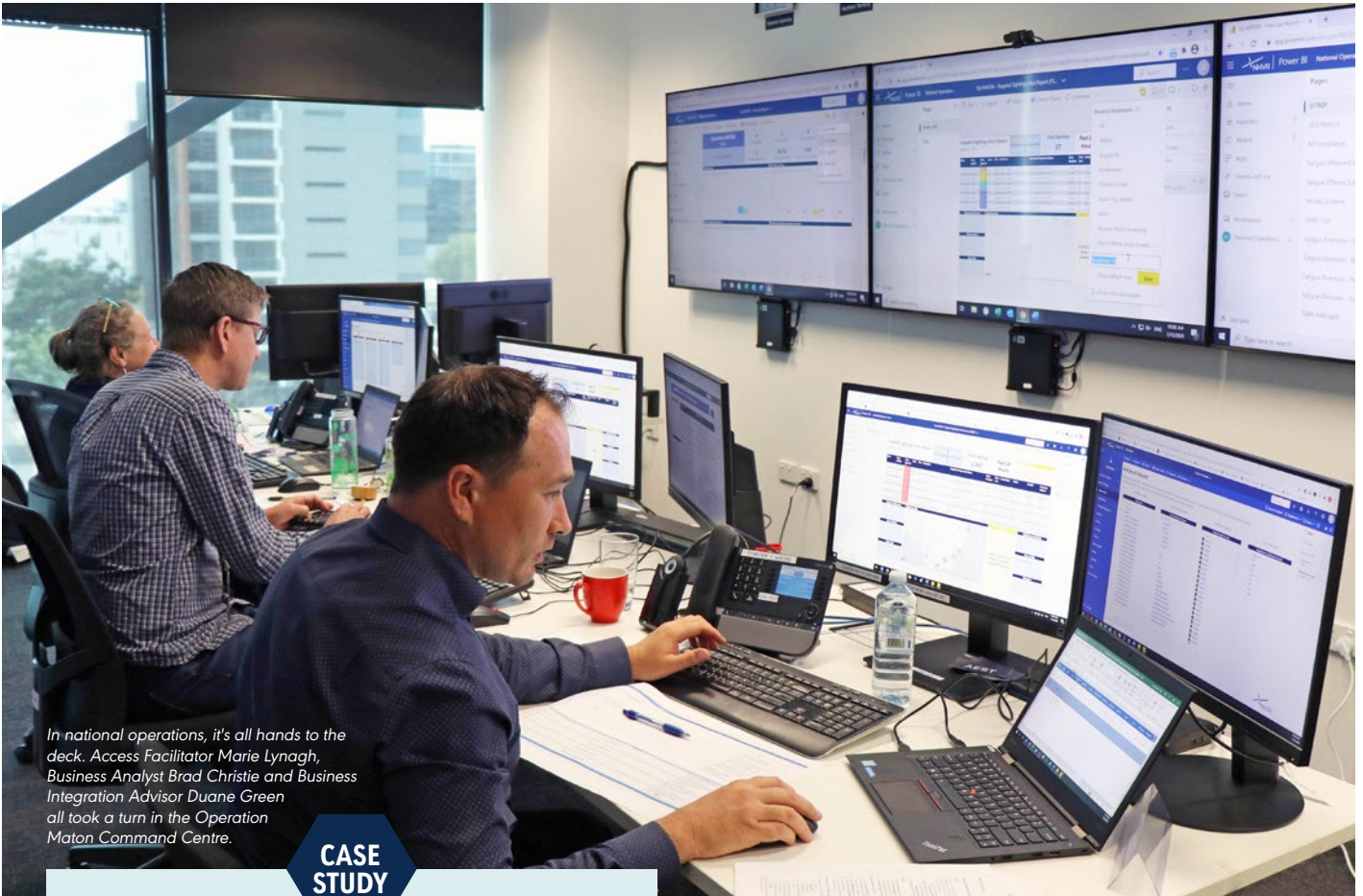
The NSCN is one of the cornerstone data-collection mechanisms for the SCRP, enabling better targeting of higher risk operators and vehicles to optimise compliance and education activities. It is the only system to capture data from across the country, combining data from more than 120 camera sites covering more than 5,800 kilometres across five jurisdictions with an average of more than 4.2 million sightings per month.

We are now using this combined data to generate profiling reports to identify operators, vehicles, drivers and infrastructure of interest. During 2020-21, we started using risk modelling based on the data from these reports to automate the identification of operators and vehicles who pose the greatest safety risk, through our new Road Monitoring Tool.

The Road Monitoring Tool uses sophisticated, automated algorithms to assign levels of risk to journeys, drivers and operators based on multiple factors drawn from the SCRP, validated continuously by field trials. It addresses three priority safety issues – fatigue management, mechanical compliance and repeat offending.

Compliance and safety risks relating to driver fatigue identified through travel time breaches, and mechanical risks detected through vehicle identification, are sent to our SCOs via digital alerts. These are received on their mobile, hand-held devices through the RCMS app, enabling them to plan to intercept the vehicle.

See *Road Monitoring Tool predicts high-risk fatigue non-compliances case study* on page 50.



In national operations, it's all hands to the deck. Access Facilitator Marie Lynagh, Business Analyst Brad Christie and Business Integration Advisor Duane Green all took a turn in the Operation Maton Command Centre.

CASE STUDY

Road Monitoring Tool predicts high-risk fatigue non-compliances

In the lead-up to the busy December holiday period, we coordinated fatigue-focused Operation Maton in partnership with TfNSW and the Queensland Department of Transport and Main Roads.

A total of 892 vehicles were intercepted during the 12-day national safety operation, including 756 fatigue-related vehicles.

The operation enabled us to test our Road Monitoring Tool's fatigue data engine for the first time.

The engine's risk-based algorithm analyses historical national camera data to identify vehicle journey patterns, and predict and target potential future behaviour of high-risk operators, vehicles and journeys.

By using the algorithm during Operation Maton to identify vehicles and operators considered to be at high risk of exceeding work hour limits, we could predict locations and times of high-risk non-compliance. This enabled us to target our intercepts at those drivers who were more likely to be non-compliant or impaired by fatigue. This advice was provided to our SCOs on the ground by our Command Centre in our Brisbane head office.

The algorithm's success in identifying fatigue non-compliance was proven by the fact that, while historically fatigue offences have made up 5.41% of intercepts, during the operation this increased to 11% when the algorithm was applied.



LOOKING FORWARD

In 2021-22, we plan to:

- Deliver the transition program for New South Wales regulatory services against agreed timelines and budgets.
- Complete due diligence for the transition to the NHVR of Queensland regulatory services.
- Complete due diligence for the transition to the NHVR of South Australian heavy vehicle inspection related services.
- Implement the NRM to identify the greatest regulatory risks and options to secure further compliance with the HVNL.
- Implement a national spatial platform for heavy vehicle access related services.
- Undertake a trial providing operators with access to vehicle defect information through the NHVR Portal.

ENGAGING WITH OUR STAKEHOLDERS



Delivering initiatives to increase heavy vehicle productivity - Freight and Supply Chain Productivity Policy Advisor Brayden Soo and Senior Policy Advisor Nick Galton.

Listening to our customers

We value feedback and are committed to responding effectively and efficiently. During the year, we received 59,322 calls from customers through our external call centre and new in-house contact centre, with 9,692 complex queries progressed to our dedicated Hypercare team. Complaints are managed in line with our Customer Complaints Management Policy, which is published on the Contact Us page of our website, where our Customer Service Charter is also located.

We received a total of 65 complaints in 2020-21 - up from 43 in 2019-20. This was mainly due to higher volume of calls during the financial period. Over half of the complaints received related to Class 1 access matters, in particular the processing of Queensland and New South Wales OSOM permit applications through the NHVR Portal, and a quarter related to compliance and enforcement. The average time to resolve complaints rose from five days in 2019-20 to six days in 2020-21. This was due to the time required to investigate a small number of more complex issues.

We also received 25 compliments from customers through our Contact Us page.

Contact centre moving in-house

Since 2014, we have used an outsourced call centre. Following a strategic review of the service, we decided to insource the contact centre operations from 20 July 2021.

The benefits of transitioning to an insourced contact centre include gaining a better understanding of our customers and how our services can be tailored to suit their needs, improving resolution of enquiries at the first point of contact, and greater visibility of customer issues and concerns.

We have partnered with leading local technology providers to support this transition and are committed to ensuring the privacy of our customers.

To ensure operation can continue during a disaster or lockdown, we have implemented cloud-based technology to ensure our team can work from anywhere and our customers are serviced regardless of our staff members' physical location. We are confident that the transition of the contact centre in house will result in a more consistent, complete and efficient customer experience.

Contact Centre Officer Peta Wicks and Coach Brooke Holden-Schulz at work in our new contact centre in our Brisbane Office.



Connecting with our customers to provide critical, up-to-date information

Our social media platforms are also vital engagement channels for anyone seeking specific information, assistance or wanting to air concerns through private messages, and we responded to more than 3,500 messages received in this way during the year.

In 2020-21, our social media platforms saw record growth, with

more than 11.7 million impressions.²³

Our content was strategic and directly related to our key functions, including safety and compliance, productivity and overall awareness of our role.

Our social media posts were engaged with (liked, commented or shared) more than 1.3 million times across Facebook, LinkedIn, Instagram and Twitter, and our audience across these channels

increased by 34% to over 53,000 followers.

As not all our stakeholders follow us on social media, we also publish fortnightly editions of our industry e-newsletter *On the Road*, which now has almost 45,000 subscribers, and *Local Government Update* e-newsletters, as well as running regular columns and advertising in industry publications.

In March, a record Facebook post demonstrated just how powerful social media can be as a road safety education tool. Photos from an intercept conducted by our SCOs in Victoria showed the totally inadequate load restraint on an excavator weighing more than 20 tonnes. Two million people viewed the post, which generated just under half a million engagements and over 3,500 clicks through to the Load Restraint Guide.



National Heavy Vehicle Regulator

4 March · 🌐

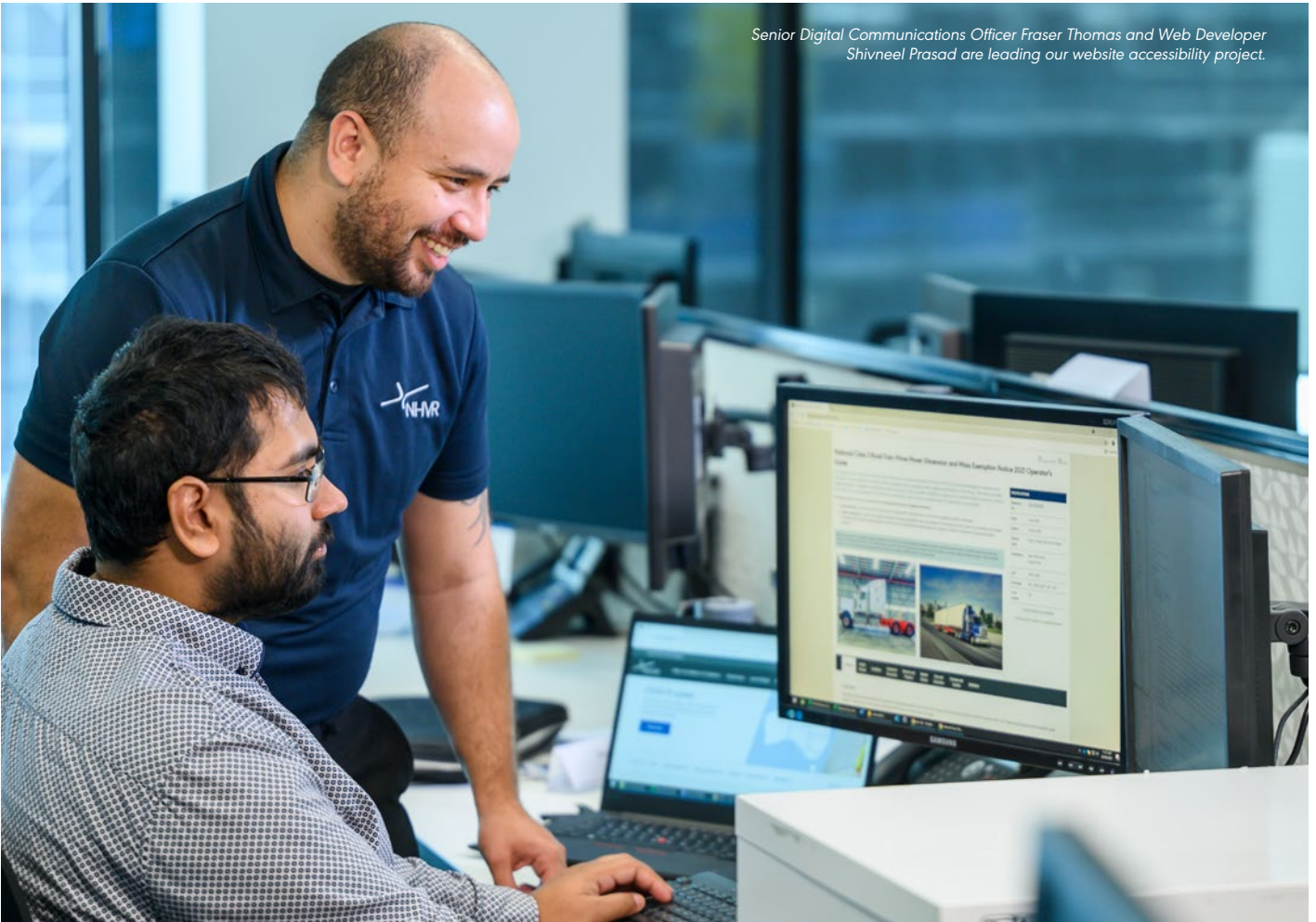
Load restraint at its worst! Our team were assisting Victoria Police down in Mildura when they identified that this operator was using indirect restraint (a clamping force) for a load weighing just over 20 tonnes. Not to mention, they were only using 4 straps to secure the load, when it required 34 straps!

This type of restraint is really problematic with the type of load and weight and the operator should have been using direct restraint (attaching to the vehicle) with chains.

For more information on load restraints, visit 🙌 <https://bit.ly/3qaQ3jf>



²³ The number of times our social media posts appear in our followers' news feed.



In May, we exhibited at the Brisbane Truck Show, which was attended by more than 30,000 people over the four days of the show. We had four displays across two venues – the Brisbane Convention and Exhibition Centre and the Civil Construction Field Days at Hamilton. Every day, there were team members from PBS, accreditation, stakeholder engagement, access and corporate affairs available to provide information and answer questions.

The top areas of interest from the public were fatigue, EWDs, access, PBS and accreditation. A survey of the 24 NHVR people who staffed the displays showed there had been considerable engagement, with the industry's perception of the NHVR being positive (58%) or neutral (33%).

Making our website more accessible

Our website continues to be a primary source of information for customers and stakeholders, with more than 853,525 unique users visiting the site in 2020–21. Ongoing work to improve accessibility and content, as well providing specific and up-to-date news to industry on how COVID-19 restrictions affected them, drove a 17% increase in total website hits to 2,258,355 and a 63% overall satisfaction rating.

Our dedicated COVID-19 information page was consistently the most popular section of our website, being viewed thousands of times a day during peak periods. It had the highest number of unique page views on the website at 107,936.

We continue to improve the way we deliver content by making it more accessible and easier to use. We tested a new online operator's guide for our *National Road Train Prime Mover Mass and Dimension Exemption Notice 2021*, which replaced a collection of PDF guides and fact sheets with one mobile-responsive webpage.

A 92% satisfaction rating from operators and road managers for our online operator's guide means we will now use this format for all notices.

We also rolled out a decision tree to help operators determine whether their vehicle had general or restricted access to the road network, and whether they needed to apply for a permit. By providing simple yes/no answers to key questions, operators are now guided to their answer.

In the year ahead, we will continue to make the NHVR website more accessible and meet the Level AA standard of the Web Content Accessibility Guidelines (WCAG) 2.0 – the internationally recognised benchmark for website accessibility.

Investing in the pursuit of common goals

We form partnerships and invest in sponsorship opportunities that align with our values and organisational priorities and strengthen our partnerships with industry.

In addition to our *We Need Space* partnership with Coles, Toll and Linfox (see *We Need Space message travels further with Coles' case study on page 34*), in 2020–21, we continued to partner with the National Road Safety Partnership Program. The program provides road safety resources to Australia's transport industry, and runs health and wellbeing research projects. During the year, it delivered a series of webinars, including managing the COVID-19 risks, driving fatigued, and how to communicate when suicide occurs in the transport industry.

In 2020–21, we pledged or provided funding support to:

- Transport Women Australia Limited safety duty session for importers

- Victorian Transport Association's Australian Freight Industry Awards Winners Dinner
- TRUCKRIGHT – Road Transport and Road Safety Advocacy
- Queensland Trucking Association's Platinum Partner Golf Day 2021
- TrackSafe Foundation Limited.

In March, we entered into a three-year, \$150,000 partnership with the HHTS Foundation to improve psychological safety and physical health across the heavy vehicle and logistics industries.

HHTS is a not-for-profit organisation that helps industry leaders, managers, business owners and workers tackle industry-specific challenges regarding mental health and wellbeing. It is one of the first mental health initiatives that is directly co-driven with industry, customers and others across the supply chain at all levels.

Our funding will help ensure drivers and logistics workers have access to the best possible information, resources and support. HHTS also receives funding through the HVSI program.

Backing industry safety initiatives

We have delivered the HVSI program on behalf of the Australian Government since 2016. This discretionary, merit-based funding program supports projects that align with heavy vehicle and road safety priorities identified by governments, the NHVR and industry stakeholders, and which deliver safety outcomes either within the industry or for the broader community.

The 2020-21 program funded 25 projects, which included grants for:

- Australian Road Research Board's testing of electronic stability technologies on long-combination heavy vehicles to enable change to scheme rules
- HHTS's work to improve the mental health of heavy vehicle drivers, warehouse and distribution centre staff nationally (see page 55)
- Parkes, Forbes and Lachlan Shire Councils in New South Wales to develop and implement a load restraint public education campaign targeting local transport companies and farmers
- QTA's effort to raise awareness of heavy vehicle driver health and wellbeing, and conduct physical health assessments to help improve heavy vehicle driver health and enhance road safety
- South Australian Road Transport Association's development and purchase of a heavy vehicle simulator for general heavy vehicle skills training, including driving on high-risk routes in South Australia, fatigue management and research.

Over the past five years, the program has provided \$22.8 million across 89 grants. Further information is available on our website at www.nhvr.gov.au/hvsi. A further \$5.5 million has been provided for Round 6 of the program in 2021-22.

In November 2020, we released the guidelines for Round 6, with proponents requested to align their submissions to at least one of three criteria – safer drivers, safer vehicles and safer journeys.

Senior Grants Officer Janelle Kennerley and Grants Support Officer Leanne Gill, who administer the HVSI program, discussing governance matters with Intergovernmental Relations Manager Steve Smith.





Sal Petrocitto and Naomi Frauenfelder signing Guiding Principles outlining our mutual commitment to the heavy vehicle transport and logistics industries to do our part to improve mental health and physical wellbeing.

“Healthy Heads in Trucks & Sheds is working to build a healthier and more thriving industry, by promoting prevention and understanding of mental health issues in truck drivers and logistics workers. This includes equipping them with the skills and confidence to support their colleagues through life’s ups and downs, as well as monitoring their own mental health and seeking help when needed.

We look forward to working with the NHVR to ensure that mental and physical health are a key component of their safety agenda moving forward.”

Naomi Frauenfelder, Chief Executive Officer, HHTS

Keeping abreast of industry issues

We have a regional engagement model in place to engage with participants from across the heavy vehicle industry on strategic national and industry issues. This includes three Regional Working Groups (RWGs):

- Southern Region (the ACT, South Australia, Tasmania and Victoria metropolitan and regional)
- Central Region (New South Wales metropolitan and regional)
- Northern Region (Queensland metropolitan and regional).

The RWGs supplement and support other forms of engagement. Membership is by invitation, and usually includes stakeholders with relevant knowledge and experience from various sectors of the heavy vehicle industry. Key strategic issues raised at RWG meetings are considered by the NHVR’s peak industry advisory body, the Industry Reference Forum (IRF). The IRF also provides a platform to discuss key issues and areas of national and strategic importance.

The Southern, Central and Northern Region RWGs each held two meetings during the year. We also held three online industry working group meetings for owner drivers and OSOM operators.

We continued to collaborate with jurisdictions to conduct 20 Roadside Information Days and five Toolbox Information Sessions across the country. In addition, we held five online Heavy Vehicle Road Safety Forums, with a focus on road safety and compliance, access, PBS, and mental health and wellbeing.

Engaging with our regulatory partners

To facilitate the engagement of transport agencies (including those in the Northern Territory and Western Australia) and police agencies in the strategy and operations of the NHVR, three groups have been established:

- National Operational Planning Group (NOPG)
- National Operations Group (NOG) (of which the Northern Territory and Western Australia are not members)
- National Strategy and Policy Group (NSPG).

The first two are operationally focused, while the NSPG is the mechanism we use to consider and develop nationally significant heavy vehicle regulatory policy, strategy, standards and initiatives. All three groups have representation from jurisdictions, with the National Transport Commission and police invited as observers on the NSPG. Police also attend the NOPG and, by exception, the NOG. We have a separate police forum with senior police representatives from across the country.

We also have Memoranda of Understanding with complementary regulators, including police and Safe Work Australia. These formalise arrangements for cooperation on administration of joint HVNL functions in the case of police, or clarify roles and responsibilities between WHS laws and the HVNL. For other state- or territory-based regulators for WHS or environmental protection, we operate on a case-by-case basis for individual matters, and for coordinated compliance and enforcement action.

Contributing to policy development

We continue to play a key role in contributing to policy development with jurisdictional, industry and government decision-makers, actively proposing policy ideas and briefs, and working collaboratively with stakeholders to provide input to policy positions.

Our Intergovernmental Relations team played a vital role liaising with Ministerial offices and jurisdictions on the constantly changing COVID-19 border crossing requirements. This provided industry with a single source of truth on national requirements and enabled operational decisions to be made with confidence.

Funding for a further three years was secured for the continuation of the SLGAAP project. This additional funding will ensure we can continue this nationally important project.

Wide consultation with jurisdictions and ministerial offices secured us a position on the Infrastructure and Transport Senior Officials’ Committee deputies’ group for the HVNL Review, enabling us to be involved in these crucial discussions on the shape of the new law.

We provided submissions to two parliamentary inquiries during the year: the Parliament of Australia Joint Select Committee on Road Safety’s *Inquiry into Road Safety* and the Queensland Parliament Transport and Resources Committee’s *Inquiry into vehicle safety, standards and technology, including engine immobiliser technology*.

FINANCIAL STATEMENTS



NATIONAL HEAVY VEHICLE REGULATOR FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2021

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Statement of Profit or Loss and Other Comprehensive Income for year ended 30 June 2021

	Note	2021	2020
		\$000	\$000
Income from continuing operations			
Regulatory income	2	181,947	155,368
Other contributions	3	10,348	11,107
Fee income	4	13,207	11,348
Other income	5	3,058	1,512
Total income from continuing operations		208,560	179,335
Expenses from continuing operations			
Employee and related expenses	6	55,056	48,753
Service agreement payments	7	78,421	86,042
Third party services	8	21,721	12,822
Building property and motor vehicle expenses		1,029	1,337
Depreciation and amortisation	9	9,069	5,653
Financing costs	10	191	319
Other expenses	11	12,935	13,888
Total expenses from continuing operations		178,422	168,814
Operating surplus from continuing operations		30,138	10,521
Total surplus for the period		30,138	10,521
Other comprehensive income		-	-
Total comprehensive income		30,138	10,521

Statement of Financial Position as at 30 June 2021

Assets			
Current assets			
Cash and cash equivalents		94,385	53,432
Trade and other receivables	12	28,384	18,130
Other current assets	13	2,236	1,773
Total current assets		125,005	73,335
Non current assets			
Plant and equipment	14	4,183	3,008
Right-of-use assets	16	11,587	12,837
Intangible assets	15	14,332	17,430
Total non current assets		30,102	33,275
Total assets		155,107	106,610
Liabilities			
Current liabilities			
Trade and other payables	17	19,516	2,441
Accrued employee benefits	19	8,524	6,963
Lease liabilities	16	3,894	2,700
Unearned revenue		4,496	3,841
Total current liabilities		36,430	15,944
Non current liabilities			
Accrued employee benefits	19	2,659	2,792
Provision for make good	16	306	306
Lease liabilities	16	8,935	10,928
Total non current liabilities		11,900	14,026
Total liabilities		48,330	29,971
Net assets		106,777	76,639
Equity			
Accumulated surplus		106,777	76,639
Total equity		106,777	76,639

Statement of Changes in Equity for year ended 30 June 2021

	Accumulated surplus	Total
	\$000	\$000
Balance as at 1 July 2019	66,118	66,118
Operating surplus from continuing operations	10,521	10,521
Balance as at 30 June 2020	76,639	76,639
Balance as at 1 July 2020	76,639	76,639
Operating surplus from continuing operations	30,138	30,138
Balance as at 30 June 2021	106,777	106,777

Statement of Cash Flows for year ended 30 June 2021

	Note	2021	2020
		\$000	\$000
Cash flows from operating activities			
Inflows:			
Regulatory income		170,781	153,893
Other contributions		9,671	14,397
GST refunded from Australian Taxation Office		11,219	11,106
Receipts from operating activities (NHVAS and Access)		9,474	11,652
Interest received		461	1,107
Other		7,602	485
		209,208	192,640
Outflows:			
Employee and board related expenses		(54,092)	(52,484)
Supplies and services		(107,279)	(121,677)
Interest expenses		(191)	(319)
		(161,562)	(174,480)
Net cash provided by / (used in) operating activities	20	47,647	18,160
Cash flows from investing activities			
Outflows:			
Payments for plant and equipment		(1,782)	(2,554)
Payments for intangible assets		(1,554)	(7,650)
		(3,336)	(10,203)
Net cash provided by / (used in) investing activities		(3,336)	(10,203)
Cash flows from financing activities			
Outflows:			
Loan repayments	21	-	(6,395)
Lease payments	21	(3,359)	(1,856)
		(3,359)	(8,251)
Net cash provided by / (used in) financing activities		(3,359)	(8,251)
Net increase / (decrease) in cash and cash equivalents		40,952	(294)
Cash and cash equivalents at the beginning of the period		53,432	53,726
Cash and cash equivalents at the end of the period		94,385	53,432

The accompanying notes form part of these statements.

Notes to the Financial Statements for year ended 30 June 2021

Note 1: Basis of financial statement preparation

(a) General information, objectives and principal activities of the authority

Based in Brisbane, Queensland, the National Heavy Vehicle Regulator (Regulator) is Australia's national, independent heavy vehicle regulator for vehicles over 4.5 tonnes gross vehicle mass. The Regulator was established to minimise the compliance burden on duty holders under the Heavy Vehicle National Law ("HVNL"), reduce duplication of, and inconsistencies in, heavy vehicle registration across state and territory borders and to provide leadership and driving sustainable improvement to safety, productivity and efficiency outcomes in the heavy vehicle road transport industry. 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 HVNL commenced in participating states and territories of Queensland, New South Wales, Australian Capital Territory, South Australia, Tasmania and Victoria. Western Australia and Northern Territory have not adopted the HVNL. Business activities of the Regulator include:

- on-road compliance and enforcement;
- NHVAS management and accreditations;
- the PBS scheme, vehicle design and access approvals;
- vehicle road access permit applications;
- vehicle standards, modifications and exemption permits;
- national driver work diary; and
- national exemption notices.

(b) 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 15 September 2021.

(c) 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.

(d) 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 primarily dependent upon timely receipt of the regulatory income component of heavy vehicle registration charges from participating state and territory government agencies in accordance with agreed payment timeframes.

Notwithstanding the ongoing dependence on timely receipt of the regulatory component of heavy vehicle registration charges from participating state and territory government agencies, the Board is of the opinion that the Regulator is a going concern and this financial report is prepared on that basis.

(e) Insurance

The Regulator seeks to insure its risks 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, ReturnToWorkSA South Australia, Worksafe Victoria, iCare Workers and Allianz Insurance in respect of its obligations for employee workers compensation.

(f) Taxation

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

The Regulator pays payroll tax to the Queensland, Victoria, New South Wales, ACT, Tasmania and South Australia governments for a reward for services rendered by employees, deemed employees and contractors where the arrangement is considered a "relevant contract" for payroll tax purposes.

(g) Estimates and judgements

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 14 & 15
- Amortisation of intangibles, depreciation of property, plant and equipment and right of use assets - Note 9, 14, 15 and 16
- Right of Use Asset and Lease Liabilities - Note 16
- Accrued employee benefits - Note 19

(h) 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.

(i) New and revised accounting standards

First time mandatory application of Australian Accounting Standards and Interpretations

The Regulator has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020 and confirmed no material impact to the financial report:

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material [AASB 101 and AASB 108]

AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business [AASB 3]

AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform [AASB 9, AASB 139 and AASB 7]

AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia [AASB 1054]

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Regulator. The Regulator's assessment of the impact of these new standards and interpretations is set out below. These standards are not expected to have a material impact in the current or future reporting periods and on foreseeable future transactions:

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities AS Current or Non-Current (effective 1 January 2022)

AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments (effective 1 January 2022)

AASB 2020-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition Accounting Estimates (effective 1 January 2023)

AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2 (effective 1 June 2021)

AASB 2021-3 Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021)

Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework Software-as-a Service (SaaS) arrangement

The IFRS Interpretations Committee (IFRIC) clarified that any costs relating to a software service provider for a right to access not controlled by the entity, such as ongoing access fees, costs incurred to implement, customise and configure the provider's software, they should be recognised as an expense when incurred. Costs incurred related to software controlled by the entity are capitalised and amortised on a straight-line basis over their useful life.

Management is not expecting any material changes to the financial statement as a result of revising its accounting policy to reflect the above guidance.

Note 2: Regulatory income

	2021	2020
	\$000	\$000
VicRoads (Vic)	61,929	45,065
Roads and Maritime Services (NSW)	51,983	49,605
Transport and Main Roads (Qld)	44,070	42,448
Department for Planning, Transport and Infrastructure (SA)	18,809	13,100
Chief Minister, Treasury and Economic Development (Access ACT)	810	770
Department of Infrastructure, Energy and Resources (Tas)	4,346	4,379
Total regulatory income	181,947	155,368

Accounting policy - Regulatory income

Regulatory income is recognised on a systematic basis over the periods in which the Regulator performs the obligations and 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 charges.

Note 3: Grants and Other Contributions

	2021	2020
Commonwealth contributions ⁽¹⁾	10,348	5,959
State and territory contributions ⁽²⁾	-	5,148
Total grants and other contributions	10,348	11,107

Disclosure - Contributions

⁽¹⁾ The Regulator received a contribution from the Commonwealth of \$5,484,000 in the 2020-21 financial year for Heavy Vehicle Safety Initiatives. This funding has been recognised as revenue on receipt under AASB 1058 as the Regulator's obligations are not sufficiently specific. The funds are used for the broad objectives of the Regulator, that is to implement safety initiatives with the aim to improve safety for the heavy vehicle industry and other road users. The Heavy Vehicle Safety Initiatives is for projects undertaken by third parties.

As at 30 June 2021, \$4,863,915 revenue has been recognised for the Strategic Local Government Asset Assessment Project and \$2,553,949 remains in unearned revenue. The year-end balance of unearned revenue is expected to be wholly recognised in the 2021-22 financial year, when the project is scheduled to be completed.

⁽²⁾ The Regulator received \$5,000,000 in the 2019-20 financial year for the Safety and Compliance Regulatory Platform Program (SCRPP). This funding was recognised as revenue on receipt under AASB 1058 as the Regulator's obligations are not sufficiently specific. The funds were used to develop a non-financial asset (SCRPP) for its own use. The Regulator has discretion as to the development of the SCRPP. There are no state and territory contributions received during the 2020-21 financial year.

Accounting policy - Contributions

Grants, contributions, donations and gifts arise from transactions that are non-reciprocal in nature (i.e. do not require any goods or services to be provided in return).

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the Regulator to transfer goods or services to a third-party on the grantor's behalf, the grant is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred as unearned revenue (contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant or donation is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding. AASB 1058 provided for grants received for capital purposes can be deferred. In 2020-21 financial year, the Regulator continues to receive specific purpose capital grant (Strategic Local Government Asset Assessment Project).

Contributions of assets received from the government and other parties are recognised at fair value on the date of transfer in the Balance Sheet, with a corresponding amount of revenue recognised in the Statement of Comprehensive Income.

Note 4: Fee income

	2021	2020
	\$000	\$000
National Heavy Vehicle Accreditation Scheme (NHVAS) fees	4,618	3,429
Work diaries	4,055	4,031
Access permit fees	4,534	3,888
Total fee income	13,207	11,348

Accounting policy - Fee income

Fee income is recognised when performance obligations are met i.e. services are completed and includes application fees associated with the National Heavy Vehicle Accreditation Scheme, national driver work diary fees 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 they are recognised as unearned revenue until such time as the service is completed.

Note 5: Other income

	2021	2020
Interest income ⁽¹⁾	622	1,037
Sundry revenue	2,436	476
Total other income	3,058	1,512

Disclosure - Other income

⁽¹⁾ Interest income is received from short term cash deposits and operating cash held.

Accounting policy - Other income

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 6: Employee and related expenses

	2021	2020
	\$000	\$000
Wages and salaries	47,110	41,715
Employer superannuation contribution	4,759	4,178
Payroll tax	2,551	2,208
Other employee related expenses	636	652
Total employee and related expenses	55,056	48,753

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

	2021	2020
	No.	No.
Number of employees as at 30 June 2021:	416	384

Accounting policies - Employee expenses

Employer superannuation contributions, annual leave and long service leave 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 provision.

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 leave 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.

Unconditional long service leave is disclosed as a current liability, even where the Regulator does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

Conditional long service leave is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service leave liability is measured at present value.

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 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 the Queensland Treasury. No call has been made by the superannuation fund.

Note 7: Service agreement payments

	2021	2020
	\$000	\$000
Vic Roads (Vic)	2,635	7,800
Roads and Maritime Services (NSW)	54,927	55,880
Transport and Main Roads (Qld)	18,855	20,150
Department for Planning, Transport and Infrastructure (SA)	904	904
Transport Certification Australia	1,100	1,308
Total service agreement payments	78,421	86,042

Accounting policy - Service agreement payments

In 2020-21 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.

Note 8: Third party services

Contractor costs	13,916	4,725
IT systems support	3,311	4,045
Managed services ⁽¹⁾	1,155	1,217
Equipment purchases	541	355
Software purchases	1,442	1,427
Telecommunication costs	634	425
Advisory services	516	419
Internal audit fees	164	169
External audit fees ⁽²⁾	42	41
Total third party services	21,721	12,822

Disclosure - Third party services

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

⁽²⁾ Total fees to be paid to PKF relating to the audit of the 2020-21 financial statements and other audit related services are quoted to be \$39,000 (2020: \$43,500).

Note 9: Depreciation and amortisation

Plant and equipment	608	407
Computer hardware	-	3
Computer software (intangible asset)	4,651	2,290
Right-of-use assets	3,810	2,953
Total depreciation and amortisation	9,069	5,653

Accounting policy - refer to Notes 14 and 15.

Note 10: Financing costs

Interest expense on loans ⁽¹⁾	-	133
Interest expense on lease liabilities	191	187
Total financing costs	191	319

Disclosure - financing costs

⁽¹⁾ Interest expense on loans from the State of Victoria in the 2019-20 Financial year was \$132,635.36 at an interest rate of 4.20%.

Accounting policy - financing costs

Finance costs are recognised as an expense in the period in which they are incurred.

Note 11: Other expenses

	2021	2020
	\$000	\$000
Grants to industry and state governments*	3,491	4,777
Office related expenses	2,982	2,887
Licence fees	1,866	1,090
Marketing and communication related expenses	2,669	2,689
Insurance	540	429
Travel expenses	900	1,531
Board fees	463	461
Other board related expenses	24	24
Total other expenses	12,935	13,888

*Primarily relates to the Heavy Vehicle Safety Initiative program funded by the Australian Government.

Note 12: Trade and other receivables

Trade receivables	27,033	15,748
GST - net receivable	1,071	2,276
Interest receivable	255	95
Other receivables	25	11
Total trade and other receivables	28,384	18,130

Accounting policy - Receivables

Trade receivables are predominantly in relation to the amount due from the jurisdictions.

The collectability of receivables 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 receivables generally arise from transactions outside the usual operating activities of the Regulator and are recognised at their assessed values.

Note 13: Other current assets

Prepayments		
Annual licence fees	846	510
Insurance	222	294
Support and maintenance	410	377
Rent	240	65
Other	67	-
Wages	451	527
Total other current assets	2,236	1,773

Note 14: Plant and equipment

a) Classes of plant and equipment

Plant and equipment		
At cost	5,539	3,757
Less: accumulated depreciation	(1,356)	(748)
	4,183	3,008
Computer hardware		
At cost	105	105
Less: accumulated depreciation	(105)	(105)
	-	0
Total plant and equipment	4,183	3,008

Accounting policy - Recognition

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	\$5,000
Computer hardware	\$5,000

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.

Accounting policy

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 AASB 116 *Property, Plant and Equipment*.

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 asset or its cash generating unit exceeds its recoverable amount.

Disclosure - Depreciation

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

Asset Type	Useful life (years)
Network assets	3-6
Plant and equipment	3-6
Computer hardware	3-6

b) Reconciliation of movement in plant and equipment 2020-21

	Plant and equipment	Computer hardware	Capital works in progress	Total
	\$000	\$000	\$000	\$000
Balance as at 1 July 2020	3,008	-	-	3,008
Acquisitions	1,783	-	-	1,783
Depreciation	(608)	-	-	(608)
Carrying amount at 30 June 2021	4,183	-	-	4,183

Reconciliation of movement in plant and equipment 2019-20

Balance as at 1 July 2019	862	3	-	865
Acquisitions	2,554	-	-	2,554
Disposals	-	-	-	-
Transfers between classes	-	-	-	-
Depreciation	(407)	(3)	-	(411)
Carrying amount at 30 June 2020	3,008	-	-	3,008

Note 15: Intangible assets

a) Classes of intangible assets

	2021	2020
	\$000	\$000
Internally generated software (completed)		
At cost	32,562	32,562
Less: accumulated amortisation	(20,674)	(16,023)
Carrying amount at 30 June 2021	11,888	16,539
Internally generated software (WIP)	2,444	891
Total intangible assets	14,332	17,430

b) Reconciliation of movement in intangible assets

Internally generated software (completed)		
Carrying amount at 1 July	16,539	5,294
Transfers from WIP	-	13,534
Amortisation	(4,651)	(2,290)
Carrying amount at 30 June 2021	11,888	16,539
Internally generated software (WIP):		
Carrying amount at 1 July	891	6,775
Additions	1,553	7,650
Writeback	-	-
Transferred to asset account	-	(13,534)
Carrying amount at 30 June 2021	2,444	891

Accounting policy - Intangible assets and amortisation

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Regulator.

Intangible assets with a cost or other value greater than \$100,000 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.

All intangible assets of the Regulator have finite useful lives and are amortised on a straight line basis over an estimated useful life of between 2 to 5 years.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category that is consistent with the function of the intangible assets.

An internally generated intangible asset software is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Note 16: Leases

	2021	2020
	\$000	\$000
Right-of-use assets		
Buildings		
Opening balance at 1 July	11,175	10,648
Additions	882	3,112
Depreciation charge	(2,805)	(2,585)
Closing balance at 30 June	9,252	11,175
Motor Vehicles		
Opening balance at 1 July	1,662	894
Additions	1,678	1,136
Depreciation charge	(1,005)	(368)
Closing balance at 30 June	2,335	1,662
Total right-of-use assets	11,587	12,837
Lease liabilities		
Current		
Buildings	2,962	2,227
Motor Vehicles	932	474
	3,894	2,700
Non-current		
Buildings	7,520	9,734
Motor Vehicles	1,415	1,194
	8,935	10,928
Total lease liabilities	12,829	13,628

Accounting policy - Lease

At inception of a contract, the Regulator assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The Regulator's incremental borrowing rate is used when measuring the lease liability for the lease of buildings and motor vehicles as the interest rate implicit in the lease cannot be readily determined. The incremental borrowing rate used is the Queensland Treasury Corporation Bond Yield rate that corresponds to the lease's commencement date and lease term.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

If there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs and make good provision. Subsequently, they are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Regulator anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

	2021	2020
	\$000	\$000
Provision for make good	306	306

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 17: Trade and other payables

Trade payables	2,332	654
Other payables		
Accrued expenses ⁽¹⁾	16,904	1,419
Other payables	279	368
	17,183	1,787
Total trade and other payables	19,516	2,441

Disclosure – Accrued expenses

⁽¹⁾ In 2020–21 accrued expenses included \$13,731,650 for an amount owing to Transport for NSW for service level agreement fees. This was paid in the 2021–22 financial year.

Accounting policy – Accrued expenses

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.

Note 18: Loan liabilities

Disclosure – Loan liabilities

The Regulator received various tranches of loan funding between December 2012 and May 2014.

In 2019–20 the Regulator paid \$6,527,643 in loan repayments to VicRoads.

Interest expense in 2019–20 of \$132,636 has been recognised in relation to interest bearing loans from participating state and territory government agencies (refer to Note 10).

Reconciliation of total loan funding received to balance of loan liabilities

Total loan liabilities opening balance	-	6,395
Interest expense	-	133
Amortisation (finance cost) of fair value adjustments	-	-
	-	6,527
Less loan repayments	-	(6,527)
Total loan liabilities closing balance	-	-

Government loans were fully repaid in 2019–20.

Note 19: Accrued employee benefits

	2021	2020
	\$000	\$000
Current		
Annual leave	5,553	4,780
Long service leave	2,971	2,183
	8,524	6,963
Non-current		
Long service leave ⁽¹⁾	2,659	2,792
	2,659	2,792
Total accrued employee benefits	11,183	9,755

Accounting policy – refer to Note 6

Disclosure – Accrued employee benefits

⁽¹⁾ The amounts disclosed are discounted to present values.

Note 20: Reconciliation of operating surplus to net cash from operating activities

Operating surplus	30,138	10,521
Adjusted for		
Depreciation and amortisation	9,069	5,653
	9,069	5,653
Change in assets and liabilities		
Change in trade receivables – interest	(161)	71
Change in trade receivables – net GST receivable	1,204	(1,461)
Change in other receivables	(11,299)	(1,362)
Change in other assets	(463)	(993)
Change in assets	(10,719)	(3,745)
Change in trade and other payables	17,074	(1,242)
Change in accrued employee benefits	1,428	3,346
Change in unearned revenue	656	3,628
Change in liabilities	19,158	5,732
Net cash inflows / (outflows) from operating activities	47,647	18,160

Note 21: Changes in liabilities arising from financing activities

	Borrowings	Lease Liability	Other	Total
	\$000	\$000	\$000	\$000
Balance as at 1 July 2019	6,395	-	-	6,395
Net cash from / (used) in finance activities	(6,395)	(1,856)	-	(8,251)
Leases recognised on the adoption of AASB 16	-	11,236	-	11,236
Acquisition of leases	-	4,248	-	4,248
Other non-cash changes	-	-	-	-
Balance as at 30 June 2020	-	13,628	-	13,628
Net cash from / (used) in finance activities	-	(3,359)	-	(3,359)
Leases recognised on the adoption of AASB 16	-	-	-	-
Acquisition of leases	-	2,560	-	2,560
Other non-cash changes	-	-	-	-
Balance as at 30 June 2021	-	12,829	-	12,829

Note 22: Key management personnel and remuneration expenses

a) Board members

1 July 2020 – 30 June 2021

Position	Date Appointed	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
		Monetary	Non-Monetary				
		\$	\$	\$	\$	\$	\$
Board Chair	12/10/2018	127,203	-	-	12,108	-	139,311
Board Member	12/10/2012	72,311	-	-	6,883	-	79,194
Board Member	12/10/2012	72,311	-	-	9,238	-	81,549
Board Member	12/10/2018	95,408	-	-	9,081	-	104,489
Board Member	12/10/2018	81,020	-	-	7,712	-	88,732
Total Remuneration		448,253	-	-	45,022	-	493,275

1 July 2019 – 30 June 2020

Position	Date Appointed	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
		Monetary	Non-Monetary				
		\$	\$	\$	\$	\$	\$
Board Chair	12/10/2018	118,727	-	-	10,854	-	129,581
Board Member	17/10/2019	45,964	-	-	4,367	-	50,331
Board Member ¹⁾	12/10/2012	28,781	-	-	2,680	-	31,461
Board Member	12/10/2012	67,493	-	-	8,605	-	76,098
Board Member ¹⁾	12/10/2012	21,688	-	-	2,060	-	23,748
Board Member	17/10/2019	60,646	-	-	5,761	-	66,407
Board Member	12/10/2018	75,622	-	-	6,913	-	82,535
Total Remuneration		418,921	-	-	41,240	-	460,161

¹⁾ The contract ended on 17/10/2019.

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 2020–21.

Position	Responsibilities	2020–21 Contract Classification	Date Appointed	End Date
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 Corporate Officer	Manages finance, human resources, IT, procurement & facilities, legal services, corporate governance and the projects portfolio.	Common law contract	27/08/2018	
Chief Operations Officer	Manages the effectiveness of the operational processes and transactions for customers and service users of the Regulator. Accountable for the operational safety and compliance functions across the Regulator.	Common law contract	04/03/2019	
Chief Regulatory Policy and Standard Officer	Manages the development of industry and organisational safety standards (and associated assurance functions), organisational strategy, policy development and research and freight transport productivity initiatives.	Common law contract	28/10/2019	
Executive Director Statutory Compliance	Manages statutory compliance and enforcement activities through investigation and prosecution of significant non-compliance and providing intelligence services.	Common law contract	02/01/2013	
Organisational Alignment Implementation Executive	Manages the implementation of the new functional model and organisational structure.	Common law contract	27/01/2015	31/12/2020
Executive Director Freight & Supply Chain Productivity	Manages the heavy vehicle access policy, freight & supply chain and performance based standards.	Common law contract	02/01/2013	
Executive Director Corporate Affairs	Manages intergovernmental relations and communications.	Common law contract	14/01/2019	
NST Program Executive	Manages the national services transition projects.	Common law contract	27/06/2016	

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.

	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary	Non-monetary				
	\$	\$	\$	\$	\$	\$
1 July 2020 – 30 June 2021	2,484,316	12,501	425,463	220,978	-	3,143,258
1 July 2019 – 30 June 2020	2,570,788	16,651	424,893	237,132	-	3,249,464

d) Performance Payments

No Key Management Personnel remuneration packages provided performance or bonus payments.

Note 23: Commitments for expenditure

Support and maintenance expenditure commitments

The Regulator's ICT contracted systems support and maintenance commitments as at reporting date are as follows:

	2021	2020
	\$000	\$000
Not later than one year	414	1,104
Total	414	1,104

Note 24: Contingencies

Financial guarantees

Financial guarantees are in place with respect of the lease for office accommodation. The Regulator has a facility of \$2,430,000 with the Commonwealth Bank of Australia Ltd of which the following guarantees (\$1,588,162.07) have been issued:

- National Mutual Life Nominees PTY LTD (lease for Level 3 and part of 4, 76A Skyring Terrace, Newstead QLD, 4006) - \$799,684.49
- National Mutual Life Nominees PTY LTD (lease for Level 1 and 2, 76A Skyring Terrace, Newstead QLD, 4006) - \$333,310.01
- National Mutual Life Nominees PTY LTD (lease for Part Level 4, 76A Skyring Terrace, Newstead QLD, 4006) - \$299,582.32
- Perpetual Trustee Company LTD (lease for Part 2, 187 Todd Road, Port Melbourne, VIC, 3207) - \$155,585.25

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.

Note 25: Events occurring after balance date

The transition of the remaining jurisdictions in the next few years increases the potential unfunded liabilities that will be assumed by the NHVR as part of transition. Additionally, the high set up costs in the transition phase increases the need to maintain adequate reserves to fund these additional costs and liabilities.

Other than the above information, the Board of the Regulator is not aware of any other events subsequent to 30 June 2021 that could materially affect the financial statements as presented.

Note 26: Financial instruments

Accounting policies - Financial instruments

Recognition and derecognition

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. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Regulator does not have any financial assets categorised as FVOCI or FVTPL.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Regulator's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

AASB 9 replaced the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. This impairment model applies to the Regulator in relation to financial assets classified at amortised cost, being the trade receivables. Based on the Regulator's assessment of historical provision rates, there is no material financial impact on the impairment provisions on adoption of this standard and no adjustment to retained earnings is required. For the current period, the Regulator has elected to measure loss allowances on trade receivables using a life-time expected loss model which is measured based on historical credit loss experience.

Classification and measurement of financial liabilities

The Regulator's financial liabilities include borrowings, trade and other payables. Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

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 year end, and deposits held at call with financial institutions.

(a) Categorisation of financial instruments

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

	Note	2021	2020
Category		\$000	\$000
Financial assets			
Cash and cash equivalents		94,385	53,432
Trade and other receivables	12	28,385	18,130
Total		122,770	71,562
Financial liabilities			
Trade and other payables	17	19,516	2,441
Total		19,516	2,441

(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		94,385
Trade receivables	12	27,033
Total		121,418

(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	2021 Interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalent	94,385	29,194	105,833	31,081	107,721
Potential impact		(944)	(944)	944	944

Financial instrument	Carrying amount	2020 Interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalent	53,432	9,987	76,105	11,056	77,173
Potential impact		(534)	(534)	534	534

Disclosure – Interest rates

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.

Note 27: COVID-19 implications

As at 30 June 2021 the Regulator has no going concern issues as a result of COVID-19 and has not been significantly impacted by COVID-19.

NHVR produced a total surplus for the period of \$30,138,000 and has a strong balance sheet with net assets of \$106,777,000 in which \$94,385,000 is cash and cash equivalents.

NHVR continues to monitor the financial position on an ongoing basis.

Disclosure – Credit risk exposure

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 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	2021 Payable in			Total
	<1 year	1-5 Years	>5 Years	
	\$000	\$000	\$000	\$000
Trade and other payables	19,516	-	-	19,516
Total	19,516	-	-	19,516

Financial liabilities	2020 Payable in			Total
	<1 year	1-5 Years	>5 Years	
	\$000	\$000	\$000	\$000
Trade and other payables	2,441	-	-	2,441
Total	2,441	-	-	2,441



Certificate of National Heavy Vehicle Regulator for the period 1 July 2020 to 30 June 2021

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 2020 to 30 June 2021 and of the financial position of the Regulator at the end of that period.

15 September 2021

A handwritten signature in black ink, appearing to read 'Duncan Gay'.

The Hon Duncan Gay
BOARD CHAIRPERSON

A handwritten signature in black ink, appearing to read 'Sal Petrocchio'.

Sal Petrocchio
CHIEF EXECUTIVE OFFICER

Independent Auditor's Report to the Members of National Heavy Vehicle Regulator

Report on the Financial Report

Opinion

We have audited the accompanying financial report of National Heavy Vehicle Regulator (the regulator), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the and the directors.

In our opinion the financial report of National Heavy Vehicle Regulator is in accordance with the *Heavy Vehicle National Law Act 2012*, including:

- a) Giving a true and fair view of the Regulator's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Regulator in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other information is financial and non-financial information in the annual report of the Regulator which is provided in addition to the Financial Report and the Auditor's Report. The Board are responsible for Other Information in the annual report.

The Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Other Matter – Electronic presentation of the Audited Financial Report

It is our understanding that National Heavy Vehicle Regulator intends to publish a hard copy of the audited financial report and audit report for members, and to electronically present the audited financial report and audit report on its web site. When information is presented electronically on a web site, the security and controls over information on the web site should be addressed by National Heavy Vehicle Regulator to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial information on the Regulator's web site is beyond the scope of the audit of the financial report. Responsibility for the electronic presentation of the financial report on the Regulator's web site is that of the governing body of National Heavy Vehicle Regulator.

Boards' Responsibilities for the Financial Report

The Board members of the regulator are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Heavy Vehicle National Law Act 2012* and for such internal control as the Board members determine 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.

In preparing the financial report, the Board members are responsible for assessing the Regulator's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Board members either intend to liquidate the Regulator or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at www.auasb.gov.au. This description forms part of our auditor's report.

PKF BRISBANE AUDIT



Cameron Bradley
Partner

Brisbane
15 SEPTEMBER 2021



APPENDICES AND REFERENCES

APPENDIX A: HVNL REPORTING REQUIREMENTS

Under s.693 of the HVNL, the NHVR must provide responsible Ministers with an annual report within three months of the end of each financial year. The report must include the following matters:

HVNL reporting requirements	Reference	Pages
The financial statements that have been audited by an auditor decided by the responsible Ministers	s.693(2)(a)(i)	56-69
A statement of actual performance measured against the National Performance Measures (Standards and Indicators) outlined in the current corporate plan	s.693(2)(a)(ii)	26, 36, 42, 48
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	s.693(2)(a)(iii)	22
A statement of trend analysis relating to performance measured against the National Performance Measures (Standards and Indicators)	s.693(2)(a)(iv)	26, 36, 42, 48
A statement of the outcome of consultation strategies and activities, including a summary of industry comments ¹	s.693(2)(a)(v)	9, 29-32, 36-39, 44-46, 48-49, 53, 55
A statement of the achievements attained in implementing, and the challenges encountered in implementing, the Regulator's objectives stated in the current corporate plan	s.693(2)(a)(vi)	6-9, 11, 24-55
A statement of the achievements attained in the exercise of the Regulator's functions	s.693(2)(a)(vii)	6-9, 24-55
A statement of arrangements in place to secure collaboration with state and territory agencies and the effectiveness of those arrangements	s.693(2)(a)(viii)	7-9, 26, 28, 30-31, 36-40, 42, 44-46, 48, 50, 55
Statement indicating the nature of any reports requested by the responsible Ministers under s.694	s.693(2)(a)(ix)	16
Other matters required by the national regulations	s.693(2)(a)(x)	n/a



¹ Comments have been placed within the Performance section of this report where relevant to the achievements reported.



APPENDIX B: HVNL COMPLIANCE RATE BY INDUSTRY SECTOR

Industry sector	Compliance rate
Aggregate/soil	60%
Building materials/supplies	56%
Car carrier	60%
Dangerous/hazardous goods	64%
Fertiliser	54%
Freight container	62%
Garbage/waste	61%
General	65%
Groceries	69%
Liquid matter (non-dangerous/non-hazardous)	71%
Livestock	67%
Machinery	53%
Mining material	52%
n/a	43%
Other	60%
Primary produce (other)	54%
Steel/metal	54%
Timber	64%
Unladen	67%

APPENDIX C: OPERATING STATISTICS

Access operations

Table 1 Access permit applications and turnaround times

	2020-21	2019-20	2018-19	2017-18	2016-17
Applications received					
Applications total	117,886	78,622	68,013	55,496	-
Single applications from customers	69,891	48,688	41,960	33,365	23,335
Generated applications for multi-route renewals	47,995	29,934	26,053	22,131	-
Application assessment					
Total applications completed	117,144	78,166	67,566	53,525	-
Single applications from customers	69,165	48,304	41,693	32,059	10,999
Generated applications for multi-route renewals	47,979	29,862	25,873	21,466	-
Applications refused	4,389	3,806	2,749	1,649	1,755
Applications delegated	0	653	1,876	6,861	7,947
Applications not required	67,150	37,848	28,682	17,908	-
Single applications from customers	38,759	21,450	16,100	7,644	3,651
Generated applications for multi-route renewals	28,391	16,398	12,582	10,264	-
NHVR processing time - average days	2.48	3.86	4.67	7.11	5.75
Overall end-to-end time - average days	13.82	16.83	18.89	18.89	33.76
	2020-21	2019-20	2018-19	2017-18	2016-17
Road manager consents					
Received within 28 days					
Local government - consents	96,275	66,214	52,323	39,796	14,974
Local government - average days turn around	4.87	4.96	5.51	5.20	7.90
State - consents	62,635	42,941	34,039	25,123	5,642
State - average days turnaround	6.57	5.19	5.01	4.37	8.55
Received after 28 days					
Local government - consents	3,225	3,705	4,141	3,267	1,391
Local government - government turnaround	54.81	83.65	67.38	60.23	67.59
State - consents	3,470	2,584	3,035	3,126	1,125
State - government turnaround	46.74	59.67	67.84	66.83	75.21

Table 2 Total pre-approvals by participating road manager as at 30 June²

State/territory	2020-21		2019-20		2018-19		2017-18		2016-17	
	Total	Impacted road managers	Total	Impacted road managers	Total	Impacted road managers	Total	Impacted road managers	Total	Impacted road managers
ACT	14	1	13	1	13	1	10	1	1	1
NSW	1,113	122	783	112	641	97	588	92	43	30
QLD	622	67	537	67	392	58	414	77	47	31
SA	361	50	303	49	350	49	273	46	1	1
TAS	102	23	120	28	125	28	119	29	45	25
VIC	750	84	596	85	595	85	621	84	47	40
Other ³	-	-	-	-	310	-	-	-	-	-
Total	2,962	347	2,352	342	2,426	318	2,025	329	1,669	128

² Pending gazette requests include mapping requests waiting to be finalised by jurisdictions, gazettal requests for vehicles for which there is not currently a notice, and consents for notices that are currently under consultation but not yet released.

³ Additional pre-approvals as a consequence of the *National Class 1 Agricultural Vehicle and Combination Mass and Dimension Exemption Notice 2019*.

NHVAS

Table 3 NHVAS applications by state/territory

	2020-21		2019-20		2018-19		2017-18		2016-17	
	Created	Closed	Created	Closed	Created	Closed	Created	Closed	Created	Closed
ACT	74	74								
NSW	10,768	10,716	9,426	10,113	10,685	10,057	8,536	8,426	7,725	7,693
NT	186	184	184	193	235	274	277	275	273	273
QLD	8,666	8,621	7,909	8,386	8,573	8,703	7,761	7,657	7,042	7,028
SA	4,591	4,564	4,883	5,232	5,614	5,487	4,663	4,617	4,454	4,436
TAS	559	557	591	659	856	599	671	663	527	525
VIC	7,434	7,367	7,267	7,852	7,913	7,836	6,519	6,435	5,714	5,693
WA	301	300	137	156	18	4	0	0	0	0
Total	32,579	32,383	30,397	32,591	33,894	32,960	28,427	28,073	25,735	25,648

Table 4 Total accredited operators, accredited operators by module and nominated vehicles

	2020-21	2019-20	2018-19	2017-18	2016-17
Number of accredited operators					
Accredited operators	8,005	7,611	7,259	6,946	6,607
Accredited operators by module					
Mass	6,860	6,422	6,052	5,726	5,312
Maintenance	3,653	3,454	3,285	3,075	2,899
Basic Fatigue Management	2,604	2,453	2,303	2,222	2,073
Advanced Fatigue Management	77	64	49	46	47
Nominated vehicles					
Mass	46,146	43,475	41,912	39,443	36,308
Maintenance	121,752	116,764	112,018	106,763	99,421

Table 5 Total accredited operators, accredited operators by module and nominated vehicles by state/territory

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total
Number of accredited operators									
Accredited operators	25	2,347	25	1,565	1,458	192	2,343	50	8,005
Accredited operators by module									
Mass	22	2,001	6	1,156	1,250	187	2,221	17	6,860
Maintenance	8	1,221	24	977	1,009	16	360	38	3,653
Basic Fatigue Management	8	1,004	11	583	308	47	607	36	2,604
Advanced Fatigue Management	-	14	2	42	11	-	8	-	77
Nominated vehicles									
Mass	120	14,295	191	10,218	5,401	1,504	14,289	128	46,146
Maintenance	318	38,040	1,409	43,619	17,101	486	19,184	1,595	121,752

PBS

Table 6 PBS vehicle design and approval applications

	2020-21		2019-20		2018-19		2017-18		2016-17	
	Received	Approved	Received	Approved	Received	Approved	Received	Approved	Received	Approved
Vehicle design applications ⁴	667	635	525	530	471	413	387	387	392	392
Vehicle approval applications	2,259	2,037	1,812	1,787	1,632	1,615	1,486	1,466	1,258	1,249

Table 7 PBS vehicle design applications by vehicle type

Vehicle type	2020-21	2019-20	2018-19	2017-18	2016-17
A-double	111	149	128	112	96
B-double	48	69	62	56	39
Bus	0	2	2	3	0
Other	9	18	6	7	5
Prime mover and semitrailer	71	87	99	44	74
Road train	19	14	10	12	12
Truck and dog	311	131	164	153	166
Total	569	470	471	387	392

Table 8 Vehicles certified under the PBS framework

	2020-21	2019-20	2018-19	2017-18	2016-17
Individual units	11,375	9,102	7,345	7,344	5,281
Vehicle combinations	1,859	1,681	1,720	1,741	1,403

Vehicle Standards

Table 9 Vehicle Standards applications and permits issued

	2020-21			2019-20			2018-19			2017-18			2016-17		
	Received	Finalised	Issued	Received	Finalised	Issued	Received	Finalised	Issued	Received	Finalised	Issued	Received	Finalised	Issued
Vehicle Standards exemption (permit)	188	195	46	206	254	100	333	340	154	411	384	226	452	390	238
In-principle support	358	328	170	214	243	127	388	387	234	382	356	293	290	256	222
Modifications	23	21	11	17	21	12	32	31	25	62	52	46	21	16	18

Notices

Table 10 Notices of exemption or authorisation made under the HVNL

	2020-21	2019-20	2018-19	2017-18	2016-17
Access	29	28	80	18	31
Vehicle Standards	7	8	11	3	4
Fatigue	1	8	6	2	8

Table 11 Number of existing transitional notices made under former corresponding laws

At at 30 June 2021	As at 30 June 2020	As at 30 June 2019	As at 30 June 2018	As at 30 June 2017
2	2	5	73	79

Customer service

Table 12 Call centre activity

Task	2020-21	2019-20	2018-19	2017-18	2016-17
Call volumes ⁵	59,322	59,689	59,897	60,260	53,038
Average call duration - minutes:seconds	6:05	6:21	6:13	6:14	5:48

⁴ Total number of new applications, amendments and variations

⁵ Number of calls received by the external call centre and in-house NHVR Contact Centre.

APPENDIX D: PEOPLE AND INDUSTRY ENGAGEMENT

Our people

Table 1 Workforce profile as at 30 June 2021¹

	ELT	Senior managers	Employed under an enterprise agreement (EA)	Contractor/ agency	Total
Permanent employees	0	0	323	0	323
Temporary employees ²	7	86	0	0	93
Contractor/ agency	0	0	0	52	52
Total	7	86	323	52	468

Table 2 Employees by classification and gender

	Female	Male	Total
Executive	2	5	7
Senior managers	43	43	86
EA employees	126	197	323
Contractor/agency	11	41	52
Total	182	286	468

Table 3 NHVR WHS performance

	2020-21	2019-20	2018-19	2017-18	2016-17
Lost time injuries	3	3	1	0	0
Medically treated injuries	2	1	3	3	9
Near misses	21	24	10	13	3
Journey to work	13	9	15	10	11
Workers' compensation claims lodged	13	4	9	3	4

Industry engagement and communication

Table 4 Industry engagement and communication activities

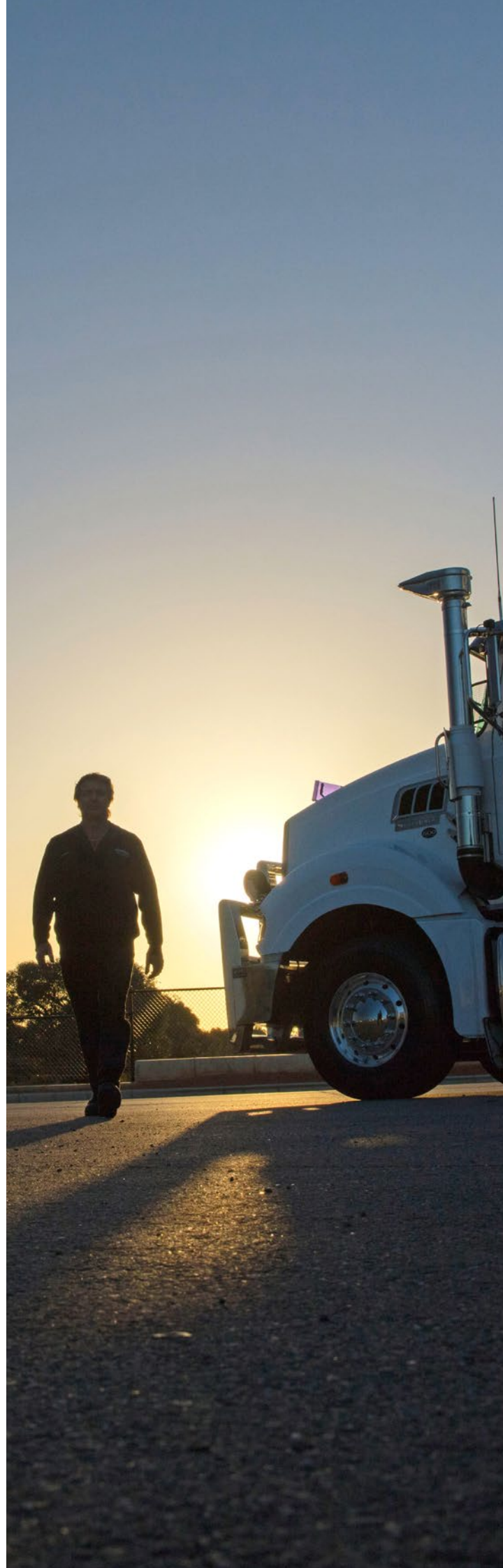
	2020-21	2019-20	2018-19	2017-18	2016-17
Social media reach ³	11,676,138	6,740,982	3,829,261	2,656,081	1,380,460
Website hits	2,258,355	1,932,807	1,780,346	1,481,880	926,906
Media releases	58	51	69	66	56
Industry updates (e-newsletter)	28	30	25	25	30
Local government updates (e-newsletter)	2	2	6	4	5
Stakeholder forums ⁴	9	9	16	11	15
Keynote speeches and presentations	7	33	31	32	41

1 Head count.

2 Maximum-term, non-executive Managers/Directors or Executives.

3 Impressions on Facebook, Instagram, LinkedIn and Twitter.

4 Number of IRF, RWG and industry-specific working group meetings held.



APPENDIX E: KEY REGULATORY ACTIVITIES INCLUDING COMPLIANCE COSTS

The Productivity Commission's final report on National Transport Regulatory Reform was handed to the Australian Government on 7 April 2020 and publicly released on 1 October 2020.

In the report, the Commission found that "a time series of consistent and detailed administrative cost information on the regulation of heavy vehicles, rail and domestic commercial vessels is not available."

It recommended that "The National Heavy Vehicle Regulator, the Office of the National Rail Safety Regulator and the Australian Maritime Safety Authority should monitor compliance costs and report on these costs, disaggregated by key regulatory activity, commencing in 2021."

While the Australian Government is yet to comment on the Commission's recommendations, we agree with this recommendation and have included these costs below.

We have defined compliance costs as being those costs incurred by the NHVR in undertaking its regulatory services, and includes those associated with:

- information, technology and systems;
- data storage and analysis;
- equipment, depreciation and maintenance;
- rent and leases;
- travel and accommodation;
- legal expenses;
- taxes;
- human resources;
- people safety;
- finance administration; and
- communications.

These numbers primarily reflect our heavy investment in developing our information systems and data analytics capability to help us ensure we are a data-driven, intelligence-led regulator.

NHVR Key Regulatory Activity	Compliance Costs	Direct Costs	Total Costs
On-road compliance	\$6,594,709	\$13,278,520	\$19,873,229
Compliance investigations	\$1,678,310	\$2,507,583	\$4,185,892
Prosecutions	\$1,258,732	\$1,571,870	\$2,830,602
Intelligence	\$839,155	\$937,118	\$1,776,272
Distribution of consumables (written work diary sales)	-	\$2,262,320	\$2,262,320
Issue access permits	\$3,386,849	\$3,969,709	\$7,356,558
Strategic and operational policy support	\$4,176,424	\$9,262,184	\$13,438,608
National Heavy Vehicle Accreditation Scheme (NHVAS)	\$1,538,886	\$2,447,666	\$3,986,552
Performance based standards (PBS)	\$647,350	\$961,893	\$1,609,243
Vehicle standards	\$647,350	\$961,893	\$1,609,243
Regulatory compliance	\$890,106	\$1,636,597	\$2,526,704
Fatigue management	\$388,410	\$627,162	\$1,015,572
Customer service	\$3,195,905	\$4,166,080	\$7,361,985
Regulator specific education activities	\$1,784,259	\$3,661,009	\$5,445,268
	\$27,026,445	\$48,251,604	\$75,278,049
Service agreements	-	\$78,420,546	\$78,420,546
Project-based work	\$3,617,069	\$21,106,415	\$24,723,484
	\$3,617,069	\$99,526,961	\$103,144,030
Total	\$30,643,514	\$147,778,565	\$178,422,079

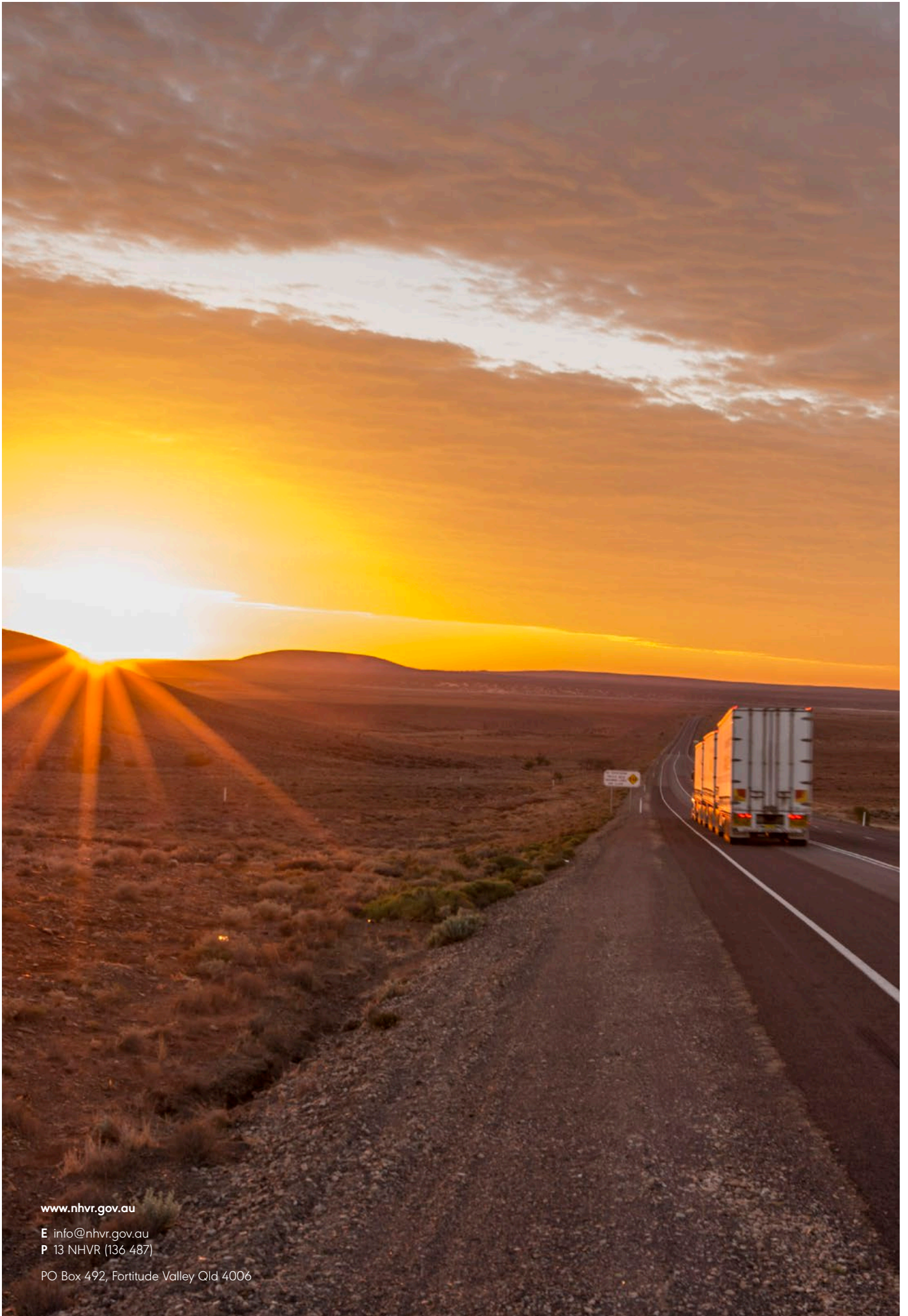
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TABLE OF ABBREVIATIONS

ACT	Australian Capital Territory	NRSS	<i>National Road Safety Strategy 2021–2030</i>
ADR	Australian Design Rules	NSCN	National Camera Safety Network
AFM	Advanced Fatigue Management	NSPG	National Strategy and Policy Group
ELT	Executive Leadership Team	NTARC	National Truck Accident Research Centre
EU	Enforceable undertaking	NTC	National Transport Commission
EWD	Electronic Work Diary	NTI	National Transport Insurance
GHMS	Grain Harvest Management Scheme	NTS	National Training Strategy
HHTS	Healthy Heads in Trucks & Sheds	OSOM	Oversize overmass
HVCRL	Heavy Vehicle Confidential Reporting Hotline	PBS	Performance Based Standards
HVNL	Heavy Vehicle National Law	QTA	Queensland Trucking Association
HVSI	Heavy Vehicle Safety Initiative	RCMS	Regulatory Compliance Mobility Solution
HVSS	<i>Heavy Vehicle Safety Strategy 2021–2025</i>	RTI	Right to information
IP	Information privacy	RWG	Regional Working Group
IVD	Indirect Vision Device	SCO	Safety and Compliance Officer
IRF	Industry Reference Group	SCRP	Safety and Compliance Regulatory Platform
ITMM	Infrastructure and Transport Ministers' Meeting	SETUP	Safety and Environmental Technology Uptake Plan
LTI	Lost Time Injury	SIO	Supervisory Intervention Order
LTIFR	Lost Time Injury Frequency Rate	SLGAAP	Strategic Local Government Asset Assessment Project
MTIA	Major Transport Infrastructure Authority	SMS	Safety Management System
NHVAS	National Heavy Vehicle Accreditation Scheme	SPV	Special Purpose Vehicle
NOG	National Operations Group	TfNSW	Transport for NSW
NOPG	National Operational Planning Group	TRIFR	Total Recordable Injury Frequency Rate
NRM	National Regulatory Model	WHS	Workplace health and safety





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