

ABOUT US



WHO WE ARE

OUR BOARD

The Transport Agency is a Crown entity governed by a board that is appointed by the Minister of Transport.

BOARD MEMBER PROFILES



MICHAEL STIASNY CHAIR (AUCKLAND)

Michael has widespread experience in all matters financial. He has a 40-year background in financial consultancy and is a prominent strategic advisor. Michael is a leading corporate governance practitioner and advocate for sustainability practices.

Michael chairs Tower Limited and Ngāti Whātua Ōrākei Whai Rawa Limited, as well as being a director of several private companies. Michael is a Fellow and past president of the Institute of Directors in New Zealand (Inc) and a fellow of Chartered Accountants Australia and New Zealand.



DAME FRAN WILDE DEPUTY CHAIR (WELLINGTON)

Fran is a non-executive director who also chairs the Remuneration Authority, Wellington Lifelines Group and National Military Heritage Trust. As well, she is deputy chair of the Capital Coast District Health Board and serves on several other boards.

Fran was previously a Cabinet minister, the mayor of Wellington, the chair of the Greater Wellington Regional Council and the chief executive of the New Zealand Trade Development Board.

Fran has chaired several boards, including Housing New Zealand Corporation, Wellington Waterfront and the New Zealand International Arts Festival, and been a director of others, including ANZ, NGC Holdings and Humanware. She was the first regional category winner of the Westpac Women of Influence Awards and is a chartered fellow of the Institute of Directors in New Zealand.



NICK ROGERS (AUCKLAND)

Nick is a geotechnical specialist with expertise in land stability, foundation support and natural disaster assessment. He has over 39 years' experience on major infrastructure projects and in conducting land damage assessments for the Earthquake Commission in New Zealand.

Nick has worked on projects across the Asia-Pacific region and has been a director for Tonkin and Taylor and the international development consulting firm ANZDEC.

Nick was made a Companion of the Queen's Service Order for his services in natural disaster assessment throughout New Zealand and in the recovery work in Christchurch, during and after the Canterbury earthquakes.



ADRIENNE YOUNG-COOPER (AUCKLAND)

Adrienne is a full-time professional director and a chartered fellow of the Institute of Directors in New Zealand. She has a 30-year career in resource management and planning, specialising in spatial planning, metropolitan growth and management (including infrastructure planning and large projects).

Adrienne was the deputy chair of the Auckland Regional Transport Authority (replaced by Auckland Transport) and a board member of Maritime New Zealand until 2011. Her experience and contribution in transport governance is extensive. She also served as deputy chair of Waterfront Auckland.

She chairs the board of Housing New Zealand Corporation, is a director of HLC Limited, Sealink NZ Limited and Queenstown Airport Corporation Limited, and serves on several charitable trusts.



CHRIS ELLIS (AUCKLAND)

Chris chairs Highway Group Limited and serves on the board of directors of WorkSafe New Zealand, Horizon Energy Limited, Steel and Tube Limited and SteelPipe NZ Limited. His background spans the manufacturing, heavy construction and engineering sectors.

Chris has held chief executive roles with Brightwater Group and the Building Products Division of Fletcher Building Limited. He has also held general management roles in Winstone Aggregates and Fletcher Construction.

Chris has a bachelor's degree in engineering from the University of Canterbury and a master's degree in engineering science and management from Stanford University in California.



MARK DARROW (AUCKLAND)

Mark is an experienced businessperson and director, specialising in corporate governance. He holds a Bachelor of Business, is a member of the New Zealand Institute of Chartered Accountants and is a chartered member of the Institute of Directors in New Zealand.

Mark has significant experience across many sectors, including infrastructure, energy, agriculture, education, technology and automotive.

Mark is chair of The Lines Company, Primary ITO, Armstrong Motor Group, Signum Holdings and Courier Solutions (advisory board) and is a director for the Motor Trade Association, Balle Bros Group and Trustees Executors Limited.

Mark is based in Auckland and has family ties to the King Country and Bay of Plenty.

**LEO LONERGAN (WELLINGTON)**

Leo is a retired senior executive from the energy industry who spent most of his career working internationally.

Leo returned to New Zealand in 2013 after a 36-year career with Caltex and Chevron Corporations, including executive assignments in North America, Europe, the Middle East and Asia. He was elected an officer of Chevron in 2005 and most recently led Chevron's worldwide procurement and supply chain organisations with a team of 5,000 people and global spend of US\$40 billion per year.

Leo is a chartered fellow of the Institute of Directors in New Zealand and is deputy chair of the Victoria University Foundation.

**VANESSA VAN UDEN (QUEENSTOWN)**

Vanessa completed one term as a councillor on the Queenstown Lakes District Council before becoming mayor in 2010 until 2016 when she stood down.

Vanessa has re-established her own company, Admin and Business Solutions, through which she provides a wide variety of business services to companies throughout the Queenstown area.

Vanessa has a Master of Business Administration and was awarded the New Zealand Order of Merit in 2017 for services to local government.

She has been a member of the St John Area Committee since 2008, a trustee of the Queenstown Trails Trust and a founding trustee of the Branches Charitable Trust and the Queenstown Lakes Baby Box Trust.

Board members whose terms ended in 2017/18

Chris Moller (Wellington) served as chair from 24 March 2010 to 31 January 2018.

OUR LEADERSHIP TEAM

Executive leadership team



FERGUS GAMMIE CHIEF EXECUTIVE

Fergus joined the NZ Transport Agency in March 2016 from Auckland Regional Transport Authority where he served as chief executive. Previous roles include chief operating officer of Auckland Transport, and both deputy director general transport services and deputy secretary infrastructure and services at Transport for New South Wales.

In this latter capacity, he was responsible for leading a team of 1,450, managing an annual operating budget of AUS\$5 billion and managing infrastructure and systems projects totalling AUS\$11 billion (over four years).



ROBYN FISHER STRATEGIC ADVISOR, CHIEF EXECUTIVE'S OFFICE

Robyn joined Land Transport New Zealand in 2007 and has held several roles as part of the Transport Agency since its inception in 2008, including portfolio management, group business manager, strategy, communications and performance, and national manager, governance. Robyn took up a position in the Chief Executive's Office in late 2014.

Robyn has over 20 years' experience in local government, including land use consent, policy and leadership roles. Her first central government role was with the Office of Treaty Settlements where she was closely involved with the settlement negotiations for Te Arawa (land) and Ngāti Apa.

Robyn has a bachelor's degree with honours in regional planning and a postgraduate diploma in negotiation and mediation.



JENNY CHETWYND GENERAL MANAGER STRATEGY, POLICY AND PLANNING

Jenny joined the Transport Agency in 2008 as a regional director for the central region, progressing to her current role in July 2017. She is accountable for the Transport Agency's strategy, policy and transport system planning functions.

Before 2008, Jenny was the environmental strategy manager for Transpower and held policy and government planning roles with central and local government and in private practice.

Jenny holds qualifications in regional planning and business administration and has completed the Advanced Management Programme at INSEAD (previously, Institut Européen d'Administration des Affaires) in France.



HOWARD CATTERMOLE GENERAL MANAGER INVESTMENT AND FINANCE

Howard joined the Transport Agency in June 2017. Formerly, he was group manager asset management and finance for the Ministry of Education. Howard was also chief financial officer for Transpower New Zealand, which operates the national high-voltage transmission grid.

Before moving to New Zealand from the United Kingdom, Howard spent six years in a variety of investment banking roles, principally as an equities analyst. His early career was spent with the Royal Dutch Shell Group as a petroleum engineer working in the exploration and production sectors of the oil and gas industry.

Howard has an undergraduate degree in mathematics and a master's degree in business administration (with distinction) from London Business School.



BRETT GLIDDON GENERAL MANAGER TRANSPORT SYSTEM DESIGN AND DELIVERY

Brett joined Transit New Zealand before it merged with Land Transport NZ to become the Transport Agency. He is a qualified civil engineer with more than 18 years' experience in infrastructure planning, design and delivery, including maintenance and operations. Brett has been involved in the development of some of New Zealand's largest infrastructure projects including the Northern Busway project, the Northern Gateway Toll Road project (New Zealand's first electronic toll road), the Waterview Tunnel project and Te Ara I Whiti (the Lightpath) cycleway.

Brett is responsible for overseeing design, delivery and management of a single integrated transport system. Brett's vision for the future of the System Design and Delivery Group is one of collaboration, both internally and externally, and continuing to build strong relationships with local authorities, customers and suppliers to become a true integrated transport system delivery group.



CHARLES RONALDSON GENERAL MANAGER CUSTOMER DESIGN AND DELIVERY

Charles joined the Transport Agency in May 2017 having worked for several government departments for over 16 years.

Charles has significant experience in customer-centred service delivery and design, together with leading large customer-facing teams (up to 2,200 people) in the public and private sectors.

He spent 10 years with Inland Revenue and was instrumental in establishing a strong customer focus in the organisation against a compliance backdrop. Before joining the public sector, Charles held various roles in the banking sector.



RAEWYN BLEAKLEY GENERAL MANAGER GOVERNANCE, STAKEHOLDERS AND COMMUNICATIONS

Raewyn joined the Transport Agency in October 2014 after two years as chief executive of Business Central and Wellington Employers' Chamber of Commerce.

From 2008 until 2012, she was chief executive of the Bus and Coach Association and Rental Vehicle Association.

Raewyn has a strong background in leading and managing employer-membership organisations as well as a valuable working knowledge of the transport sector and the broader business community throughout the central region. Raewyn brings to the Transport Agency significant commercial sector and operational management experience along with extensive stakeholder management experience.

She is deputy chair of the Wellington Zoo Trust Board and a non-voting board director at Auckland Transport. Raewyn is also a member of the Energy Efficiency Conservation Authority's Electric Vehicle Contestable Fund Panel.

Raewyn has a bachelor's degree in human nutrition and a postgraduate Diploma of Science from the University of Otago.



BARBARA HARRISON GENERAL MANAGER - PEOPLE

Barbara joined the Transport Agency in August 2016 after working for Northpower for 11 years. She has significant human resources, safety and management experience, as well as extensive experience in leading people and capability teams.

Barbara's career spans leadership roles in infrastructure and industrial environments in New Zealand and Australia. She graduated from Wharton Business School's Advanced Management Program in 2014.



GILES SOWELL GENERAL MANAGER - CORPORATE SERVICES

Giles joined the Transport Agency in June 2017. His previous role was at Inland Revenue as the chief financial officer.

Giles is originally from the United Kingdom, where he worked throughout the public sector from the early 1990s. His roles focused on improving business performance and value for money, identifying service improvements and delivering effective corporate governance and assurance. He moved to New Zealand in 2008 to work for the Office of the Auditor-General where he was responsible for leading work on improving service performance information.

In 2015 and 2016, Giles completed secondments as chief technology officer at Inland Revenue, chief technology and digital services officer at the Ministry of Health, and corporate services group manager at the Ministry for Culture and Heritage.

Senior leadership team



LEIGH MITCHELL DIRECTOR CUSTOMER EXPERIENCE AND BEHAVIOUR

Leigh joined the Transport Agency in 2012, working in Access and Use to improve the services that enable customers to use the transport system safely and effectively. A key focus for Leigh has been partnering with the Ministry of Transport on legislative improvements that support industry productivity and enable the adoption of more customer-centric transport services.

Leigh has extensive experience developing, implementing and administering international, national and local government policy and has worked in a variety of disciplines, including transport, fisheries, heritage, information and environment.

Leigh is passionate about designing systems and services that work for people. Her motto is that all work is about people – their aspirations, their needs, their wellbeing and their impacts on others and the environment. Therefore, people need to be at the centre of a team’s thinking, regardless of what that team is working on.



MARTIN MCMULLAN DIRECTOR CONNECTED JOURNEY SOLUTIONS

Since July 2016, Martin has led the Transport Agency’s approach to innovation and new technology. He is passionate about using data to provide smart solutions that connect people, services and infrastructure.

Martin joined the Transport Agency in 2014 as Zero Harm manager. Working with industry partners, he led the introduction of new technology and data analytics to support the government’s objective to reduce workplace fatalities and serious harm by 25 percent.

Martin has more than 15 years’ experience in the engineering and construction industry. He has also established two technology start-up businesses.

Martin sits on the Construction Safety Council’s board of directors and holds an executive role with the Australian Driverless Vehicle Initiative. Martin is a registered member of the Institute of Directors in New Zealand.



ROBERT BRODNAX DIRECTOR TRANSPORT ACCESS DELIVERY

Robert has been with the Transport Agency since 2009, recently serving as acting group manager planning and investment. Previously, he held a variety of roles at the Waikato Regional Council, including three years as group manager policy and strategy.

He has worked in a wide variety of fields, including waste and contaminated land management, spatial planning and environmental policy development. He has also held a variety of governance roles for not-for-profit trusts such as the Agrecovery Foundation, Product Stewardship Foundation and Maungatautari Ecological Island Trust.

Robert is an experienced public sector manager with a particular focus on leading collaborative processes at the interface between business, communities and public sector agencies.



HARRY WILSON DIRECTOR SAFETY AND ENVIRONMENT

Since July 2016, Harry has led road safety for the Transport Agency as road safety director. He is passionate about improving road safety outcomes by working closely with partners to achieve integrated, focused and aligned efforts that deliver positive results for people in New Zealand.

Harry joined the Transport Agency in 2008 as regional director for the Waikato and Bay of Plenty. He was the main contact with local government and other stakeholders and partners in promoting regional alignment with strategies, plans and government transport policy direction. He was also the Transport Agency's first freight portfolio director, ensuring freight initiatives were integrated and coordinated.

Harry was chief executive of Environment Waikato (now Waikato Regional Council) and held management roles with the former Child, Youth and Family Services of the Department of Social Welfare and IHC.



STEVE MUTTON DIRECTOR REGIONAL RELATIONSHIPS UPPER NORTH ISLAND

Steve has more than 20 years' experience working in critical infrastructure, including electricity, gas and roading networks, and has been with the Transport Agency since 2010.

Steve was formerly the director of the Auckland Motorway Alliance, accountable for the operations and maintenance of the Auckland motorway network.

In 2016, Steve became the Transport Agency's earthquake recovery manager, leading the reinstatement of the South Island transport system after the Kaikōura earthquake.

Most recently, he served as the senior manager, system management and played an active role in the effective maintenance and management of New Zealand's road transport system.



PAKAWHIA MCLEAN DIRECTOR REGIONAL RELATIONSHIPS CENTRAL NORTH ISLAND

Parekawhia has more than 15 years' public policy and public sector management experience, including being an advisor to three prime ministers during her time at the Department of the Prime Minister and Cabinet.

She brings significant stakeholder management and governance experience to her role. For almost seven years, she was director of her own company dedicated to advancing the creative potential of Māori knowledge, people and resources.

Parekawhia has masters' degrees in social sciences from the University of Waikato and in public administration and development policy from the University of Wisconsin.

In 2014, she received a Distinguished Alumni Award from the University of Waikato.

In 2016, she was a finalist in the board and management category for the Westpac-Fairfax Women of Influence Awards.



EMMA SPEIGHT DIRECTOR REGIONAL RELATIONSHIPS LOWER NORTH ISLAND

Emma joined the Transport Agency in July 2017 from her previous role as deputy chief executive social sector at the Ministry of Social Development.

Emma has extensive experience across the public service, including recent roles focused on system-wide issues and delivering results across the social and justice sectors. She also worked at the Treasury in the housing sector and in research, science and technology investment.

Emma has a master's degree with honours in sociology, is a member of the Institute of Directors in New Zealand and is a leadership and development coach.



JIM HARLAND DIRECTOR REGIONAL RELATIONSHIPS SOUTH ISLAND

Jim joined the Transport Agency in February 2011 after 11 years as chief executive of Dunedin City Council. Before this, he held senior roles in local government and the private sector, specialising in strategic thinking and change management.

Jim was a tourism consultant for several years and initiated a tourism planning course at the University of Auckland. The World Health Organization has used Jim's expertise in understanding and leading communities on several occasions to further its Healthy Cities initiative.

He holds a master's degree with honours in town planning, a diploma in town planning from the University of Auckland, and a bachelor's degree in geography from the University of Canterbury. Jim is also a fellow of the New Zealand Institute of Management and a member of the Institute of Directors in New Zealand and the New Zealand Planning Institute.

GOVERNANCE REPORT

BOARD MEMBERSHIP AND COMPOSITION

The Minister of Transport appoints up to eight independent, non-executive members to the NZ Transport Agency Board. Board members are appointed for a period of up to three years, which can be extended. The board selects the membership of its three board committees.



BOARD FUNCTIONS AND OPERATIONS

Board functions

As a Crown entity, the Transport Agency is a legal entity in its own right, separate from the Crown. The board is appointed to govern the Transport Agency and to monitor and be accountable for the Transport Agency's performance. Under the Land Transport Management Act 2003, the objective of the Transport Agency is to undertake its statutory functions in a way that contributes to an effective, efficient and safe land transport system in the public interest.

The board:

- manages the Transport Agency's relationship with the government (particularly, the Minister of Transport) and Ministry of Transport
- appoints and oversees the performance of the Transport Agency's chief executive
- sets the Transport Agency's strategic direction and annual performance expectations, in consultation with the Minister of Transport
- exercises the Transport Agency's powers and functions, including statutorily independent functions
- makes decisions (including allocating and investing funds from the National Land Transport Fund)
- ensures compliance, manages risk and monitors performance in respect of the Transport Agency
- reports to the Minister of Transport.

The board exercises the Transport Agency's powers and functions to make and implement decisions. It does this by itself or through delegation. The board makes major or significant planning, investment and funding decisions in line with the Transport Agency's significance policy. Activities include:

- approving annual budgets
- making significant funding decisions and awarding major contracts
- authorising changes to the organisational structure
- authorising significant changes to processes or procedures for the allocation of the National Land Transport Fund
- reviewing the performance and remuneration of the chief executive.

In the course of making decisions, the board:

- sets sector and organisational direction and policy
- confirms service and financial performance targets
- assesses progress against the Transport Agency's strategy and plans
- assures the quality of key organisational systems, policies and processes
- deals with governance matters
- directs significant planning, investment and operational matters.

The board committees help the board by:

- assuring compliance with policies and controls
- monitoring and advising on delegated investment, operational procedures and projects
- reviewing the performance of the chief executive annually.

The Audit, Risk and Assurance Board Committee has delegated authority to approve the Transport Agency's annual assurance programme.

In addition to the requirements set out in the Crown Entities Act 2004, the board sets clear policies that define the individual and collective responsibilities connected to management, operating structure, lines of responsibility and the areas of authority extended to each.

Operational responsibility is delegated to the chief executive through a formal delegated authority framework. Day-to-day operations are managed by senior managers led by the Chief Executive.

In summary, the board is responsible for the success of the Transport Agency. The formal line of accountability to the Minister of Transport is through the board's chair.

Board member remuneration

Remuneration rates for board members are set by the Minister of Transport in line with the government's fees framework.

Disclosure of interests

Board members must complete a declaration of interests at the start of their appointment. Before each board meeting, board members are asked to check and update (as necessary) the register of interests declared that the board secretariat maintains. Any changes to board members' interests are tabled and reviewed at the opening of every board meeting. This process is considered a part of the overall external audit of the Transport Agency.

Code of conduct

The board endorses the State Services Commission's code of conduct as being consistent with the expectations of board members set out in the Crown Entities Act 2004.

Declaration of interests is a standing item on the agendas for all board and board committee meetings.

Board members' interests are listed on a register of declarations of interests maintained by the board secretariat. Secretariat staff review all draft board and board committee papers to check whether a conflict could arise. If a potential conflict of interest is identified, the board member in question and the board chair are notified, and the member and chair agree whether an issue exists and, if so, how to manage it.

For board decisions relating to procurement for significant projects, any potential conflict issues are discussed with the project's probity auditor.

Policies exist for board members' travel, expenses and acceptance of invitations and gifts. Gifts and hospitality received by members with a value of \$100 or more must be registered on the Transport Agency Probity Register.

Induction

Induction training is provided to all new board members, and all board members are welcome to attend. In early 2018, the Transport Agency updated written induction modules in anticipation of the appointment of a new board chair. The nature and extent of the associated in-person induction programme for a new board member will depend on the experience of the appointee and the type of appointment (chair, deputy chair or member).

Board performance reviews

Each year, the board reviews its overall performance, in a process the chair runs. Individual board member performance is assessed as part of this process.

Governance statement

The board operates according to its charter, which sets out the governance arrangements for the Transport Agency. The charter was developed with guidance from the State Services Commission, the Treasury and the Office of the Auditor-General.

Board activity in 2017/18

The board held eight standard and three special meetings in 2017/18. These meetings were held in Wellington (nine), Auckland (one) and Tauranga (one).

BOARD FUNCTION	HIGHLIGHTS
Setting sector and organisational direction	<ul style="list-style-type: none"> ▪ Maintaining oversight of the Transport Agency's strategy refresh and transformation ▪ Releasing the long-term strategic view externally ▪ Making submissions on the Government Policy Statement on Land Transport ▪ Approving a refreshed Investment Assessment Framework ▪ Endorsing the Transport Agency Regulatory Management Strategy ▪ Approving the Transport Agency Resilience Framework
Confirming service and financial performance targets	<ul style="list-style-type: none"> ▪ Overseeing and approving the Transport Agency interim statement of performance expectations 2018/19 ▪ Endorsing the External Audit Plan 2017/18 ▪ Approving the 2018/19 Assurance Programme ▪ Approving the 2018/19 Business Plan and Budget ▪ Endorsing the Transport Agency's Four-Year Excellence Horizon
Assessing progress against our strategy and plans	<ul style="list-style-type: none"> ▪ Approving the financial results for 2016/17 and the 2016/17 Transport Agency and National Land Transport Fund annual reports ▪ Receiving quarterly progress reports, including financial reports ▪ Receiving the Performance Improvement Framework review report ▪ Receiving the positive outlook indicator result following the mid-term Investor Confidence Rating Assessment
Quality assurance of key organisational systems, processes and policies	<ul style="list-style-type: none"> ▪ Receiving updates on improvements to the business case approach ▪ Confirming the Transport Agency's front-loading policy
Significant planning investment and operational matters	<ul style="list-style-type: none"> ▪ Approving funding for: <ul style="list-style-type: none"> – the Transport Agency Weigh Right Programme – funding for improvements for State Highway 1 Cambridge to Piarere – funding for safety improvements for State Highway 2 Waihi to Tauranga Programme – funding for safety and capacity improvements for State Highway 16 Brigham Creek to Waimauku – the detailed business cases connected to specific Housing Infrastructure Fund projects, such as Hamilton City Council's Peacocke growth area ▪ Opening Waterview Tunnel ▪ Identifying a preferred option as the alternative route following closure of the Manawatū Gorge ▪ Re-opening State Highway 1 to and from Kaikōura , initially for limited hours and then 24/7 ▪ Recommending the 2018–2021 Road Safety Partnership Programme to the Minister of Transport ▪ Maintaining oversight of: <ul style="list-style-type: none"> – the delivery of the 2015–18 National Land Transport Programme – further works connected to the Kaikōura Earthquake Recovery to reinstate State Highway 1 through Marlborough and North Canterbury

Governance matters	<ul style="list-style-type: none"> Implementing a process for disclosing the Senior Leadership Team's interests and managing potential conflicts of interest connected with board matters Appointing attorneys (post-transformation) Ensuring updated induction material is in place for the new board chair Completing a board evaluation and reporting to the Minister of Transport in this regard
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Board and board committee attendance

MEMBER	BOARD COMMITTEE MEETINGS			BOARD MEETINGS
	INVESTMENT AND OPERATIONS BOARD COMMITTEE	AUDIT, RISK AND ASSURANCE BOARD COMMITTEE	REMUNERATION AND HUMAN RESOURCES BOARD COMMITTEE	
Michael Stiasny (chair) ¹	-	-	-	2/11
Dame Fran Wilde (deputy chair)	3/3	-	2/4	11/11
Mark Darrow	-	7/7	-	11/11
Chris Ellis	3/3	-	-	10/11
Leo Lonergan	-	7/7	-	11/11
Nick Rogers	3/3	-	-	11/11
Vanessa van Uden	3/3	-	-	11/11
Adrienne Young-Cooper	-	-	4/4	10/11
FORMER BOARD MEMBERS				
Chris Moller (chair) ²	-	3/7	2/4	7/11

¹ Michael Stiasny's term started on 19 April 2018.

² Chris Moller's term ended on 31 January 2018.

INVESTMENT AND OPERATIONS BOARD COMMITTEE

The role of the Investment and Operations Board Committee is to be a sounding board (which may involve providing recommendations, guidance and perspective) for significant investment and operational matters and policy and project development. This role includes considering investment criteria, the approach and strategy for procurement, and the potential reputational, environmental, social and cultural impacts of the Transport Agency's activities and decisions.

This committee comprises four serving board members.

This committee provides oversight and guidance on matters across all modes of transport within delegations reserved for the board, including:

- the delivery of the National Land Transport Programme by approved organisations and adjustments to programmes to achieve longer-term goals
- procurement, tendering and commencement of state highway projects or other projects approved for funding
- property management and tendering processes, leases and contracts
- tolling operations, integrated ticketing systems and registry operations
- the delivery of legislative compliance and regulated safety regimes
- appropriate regulatory governance and monitoring arrangements
- asset management strategies, risk assessment, environmental audit and performance monitoring of state highways.

This committee met three times in 2017/18.

AUDIT, RISK AND ASSURANCE BOARD COMMITTEE

The role of the Audit, Risk and Assurance Board Committee is to:

- provide independent advice and observations
- ensure the Transport Agency meets its obligations to its stakeholders through appropriate risk management practices and management of risk
- oversee internal and external audit functions
- monitor and advise on financial performance and the integrity of performance information
- obtain assurance and gain confidence that compliance with legislation and other formal requirements is achieved
- advise on operational procedures, projects and business improvement initiatives.

This committee comprises three serving board members. The chief executive, general manager corporate services, general manager investment and finance, and the senior manager, risk and assurance also attend meetings.

The committee's responsibilities include:

- achieving and maintaining confidence that the Transport Agency has suitable risk management practices¹
- monitoring and reviewing significant financial, reporting and other risks
- reviewing and approving the internal audit programme
- achieving and maintaining confidence that the internal audit process is independent, objective and effective
- monitoring and reviewing significant findings arising from internal audits
- receiving and monitoring findings arising from external (independent) reviews
- reviewing the audit programme and monitoring the effectiveness of the external auditor
- receiving reports from the external auditor.

This committee met seven times in 2017/18.

¹ The Transport Agency has adopted enterprise risk management, substantially incorporating the elements of the Joint Australian New Zealand International Standard AS/NZS ISO 31000:2009 *Risk management: principles and guidelines*. Enterprise risk management is an integrated and systematic approach to managing an organisation's risks, including strategic, tactical and operational risks.

REMUNERATION AND HUMAN RESOURCES BOARD COMMITTEE

The role of the Remuneration and Human Resources Board Committee, along with the chief executive, is to provide strategic governance over human resources capability, remuneration, employment relations and core human resources strategies. This committee also helps the board fulfil its responsibilities for remunerating the chief executive and senior management.

To meet its strategic governance responsibilities, this board committee:

- maintains awareness of human resources trends, benchmarks, issues and risks, including employee turnover, engagement, internal capability and succession requirements
- provides advice and guidance for human resource strategies, frameworks and policies, workforce and succession planning, performance management, remuneration, retention and engagement, employment relations, code of conduct and behavioural expectations, and development of human resources delegations
- recommends staff remuneration strategies and overall market position to the board
- oversees organisational compliance with legal obligations.

To meet its responsibility for the chief executive's employment relationship and remuneration, this committee:

- maintains an overview of trends and best practice in executive employment conditions and remuneration
- establishes the annual key performance objectives for the chief executive and reviews the chief executive's annual performance against those objectives
- makes recommendations about the chief executive's performance assessment and remuneration and consults with the State Services Commission about any proposed changes
- establishes and manages the process for chief executive recruitment and appointment, if needed.

This committee met four times in 2017/18.

HOW WE WORK

OUR TRANSFORMATION

In 2016, we undertook a Performance Improvement Framework self-review to determine how well we (as an organisation) were placed to meet future opportunities and challenges and where we needed to improve. The review concluded that we needed to change how we think, act and organise ourselves to provide a transport system that meets the needs of customers and supports a productive New Zealand. Our change programme focused on three critical elements: our strategy, our DNA (culture), and our operating model and structure.

By the end of June 2017, we had firmly set the foundations for an organisational transformation through a programme of work to engage and guide the whole organisation. This included reorganising our functions and leadership roles to align with the new operating model and strategy, reviewing and aligning business processes and delegations, and introducing a new approach to business planning.

OPERATING MODEL AND STRUCTURE

On 3 July 2017, we moved to a new operating model (see figure 1) that shaped how we organise ourselves and our work. The elements of our model are:

- plan the system
- build the system
- operate services.

These elements guide the 11 groups that form our new structure. Six groups with strategy, systems and customer service functions are at our core with two further groups focused on customer experience and behaviour and on safety and the environment. These eight are supported by the three groups corporate services; people; and governance, stakeholders and communications.

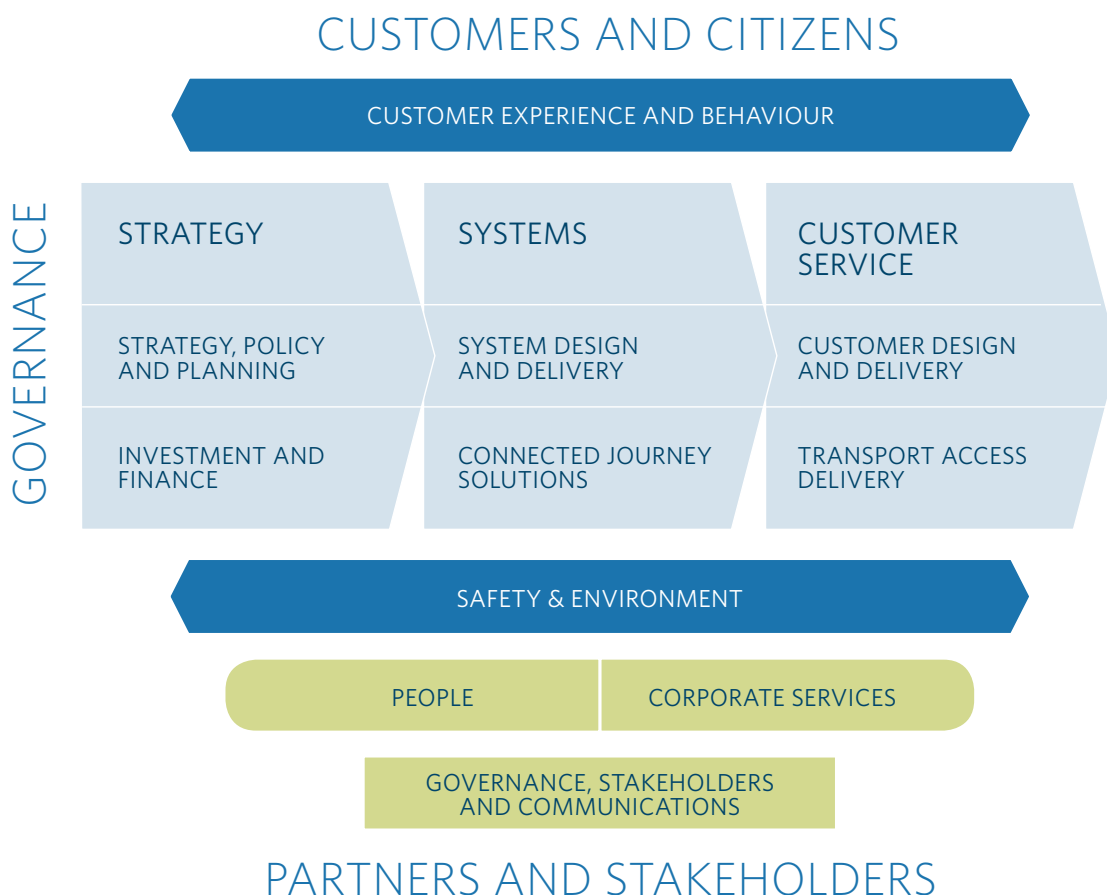


Figure 1 - Transport Agency value-chain operating model

REGIONAL RELATIONSHIP MODEL

Alongside our internal changes, we adjusted how we work in the regions and introduced regional relationship zones (see figure 2). These changes were designed to make it easier for us to provide the right services to the right areas. They help us to provide a more tailored service and a customer-focused approach. This will significantly improve how we plan, design and deliver transport solutions.

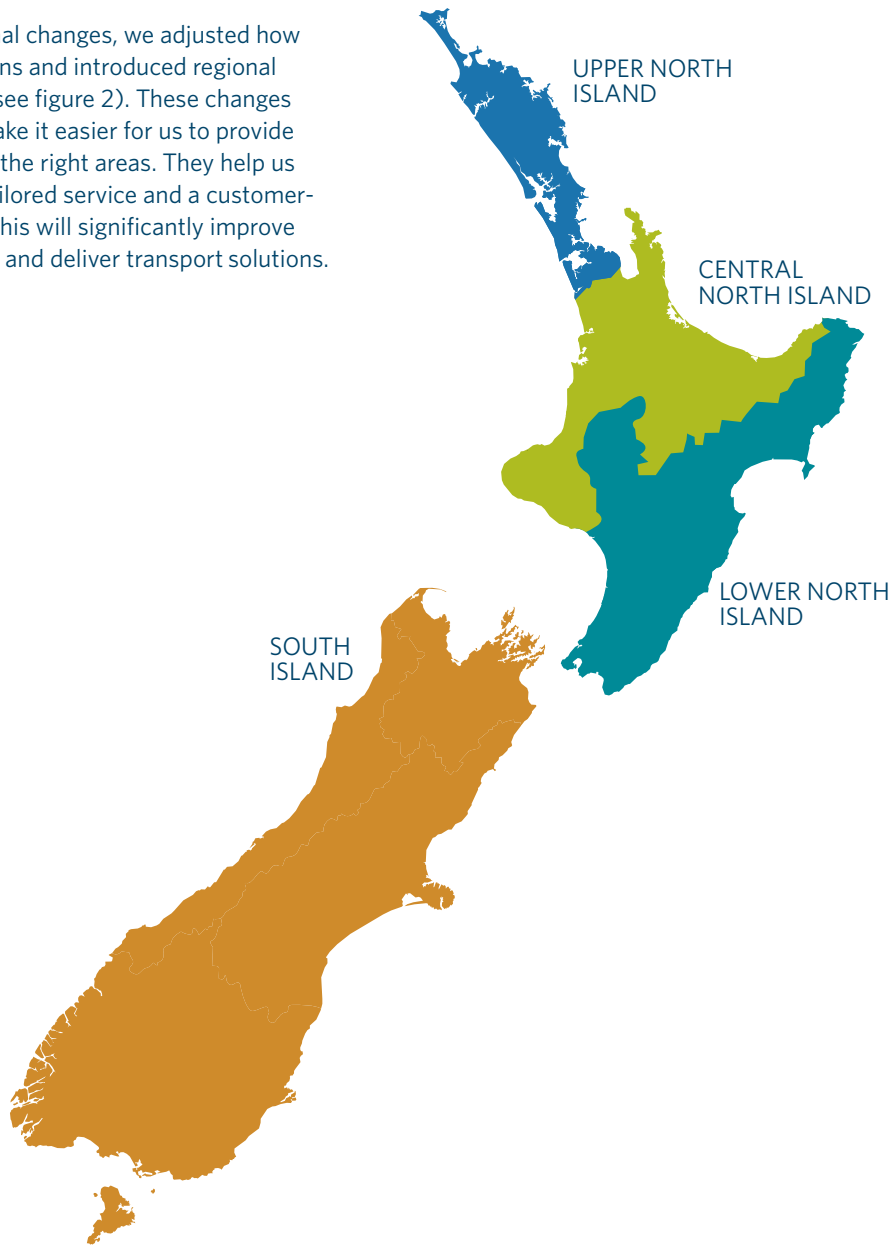


Figure 2 - Transport Agency regional relationship model

OUR DNA

Our DNA is our shared set of beliefs and values that drive the way we deliver on the promises we make to New Zealand in our strategy. It is both who we are now and who we aspire to be. Our three DNA attributes are:

- customer focus to deliver value
- collaborate to achieve as one
- curious to cultivate innovation.

Customer focus is important because delivering value to New Zealand is our biggest customer promise. We need to know who our customers are, care about what’s important to them, enable them to live the best life they can, and role model our safety messages.

Collaborate to achieve as one is important because great ideas come when we work together. We need to understand how our work connects with others, share our knowledge generously, communicate and act with awareness right across the Transport Agency, the transport sector and government, and show respect and empathy.

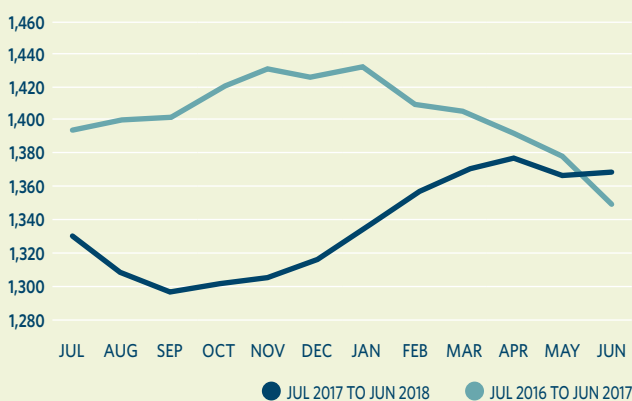
Curious to cultivate innovation is important because innovation starts with curiosity and focusing our creative energy on things that deliver our strategy and make a difference to our customers. We need to ask why and how we could do something better, embrace diversity, and let go when the time is not right.

OUR WORKPLACE

Workforce profile

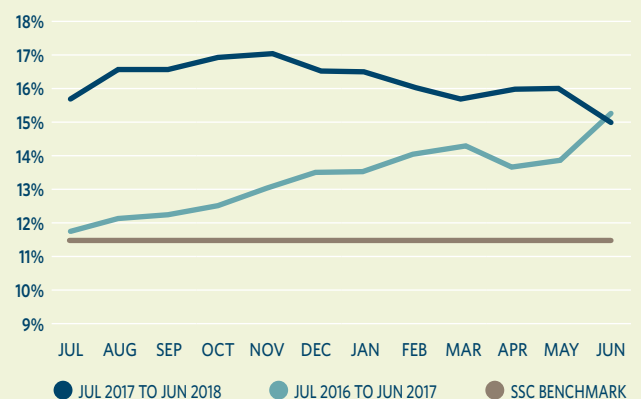
Our people mean a lot to us. In fact, they’re everything. It’s their effort and commitment that enable us to do what we do. Our diverse workforce is located in 21 locations from Whāngārei to Dunedin.

FULL-TIME EQUIVALENT EMPLOYEES



Our full-time equivalent employee (FTE) count at 30 June 2018 was 1,371.9, an increase of 1.4 percent from 30 June 2017. The number of FTEs continued to fall after 30 June 2017 because of increased attrition representing a lag as new people were recruited, but rose again from October. If we took into account roles actively being recruited for at 30 June, the number of FTEs would surpass the peak of 1,432.9 FTEs in January 2017.

ANNUAL TURNOVER OF FULL-TIME EQUIVALENT EMPLOYEES



Our unplanned turnover of FTEs at the end of June 2018 was 15 percent, slightly lower than 12 months ago (15.3 percent). Unplanned turnover of staff with less than two years’ service was 14.7 percent, which is also lower than 12 months ago (18.7 percent).

ETHNIC PROFILE

Ethnic groups (self-identified)

Asian	7.8%
Māori	5.5%
Middle Eastern/Latin American/African	0.6%
New Zealand European/European	71.6%
Pacific peoples	1.3%
Other ethnicity	2.0%
Not stated	11.2%

PAY PROFILE BY GENDER

When considering average remuneration across the Transport Agency, men are paid 2 percent more than women at similar levels in the organisation. The Transport Agency has a targeted plan under development to close the like-for-like gender pay gap across the organisation.

Using the State Services Commission methodology of comparing average pay for women with average pay for men, the Transport Agency has a gender pay gap of 27.4 percent. At an organisation level, the gender pay gap is primarily driven by a larger proportion of male employees in higher salary bands, while lower bands have a higher proportion of female employees.

Median salary of all employees	\$97,349
Average salary of all employees	\$102,423
Gender pay gap (difference between average male salary and average female salary)	27.4%

AGE PROFILE

The average age of our employees (at 30 June 2018) was 45.3 years, with 13.1 percent aged under 30 and 23.0 percent aged over 55.

The average age of our workforce has increased slightly in the past five years and is consistent with the average age of the overall public sector workforce.

AVERAGE AGE (YEARS)

YEAR (AT 30 JUNE)	TRANSPORT AGENCY	NZ PUBLIC SECTOR
2013	44.0	44.6
2018	45.3	Due December 2018

GENDER PROFILE

We have slightly more female employees than male employees (52 percent compared with 48 percent). This is more balanced than across the public sector, which is 61 percent female and 39 percent male.

Of our senior management roles, 38 percent are filled by women compared with 48 percent across all public service senior management roles (as at 30 June 2017).

PEOPLE WITH DISABILITIES

Our workforce profile does not include people with disabilities as this information is not recorded as yet. We are committed to valuing diversity and difference. We recognise, respect and value differences and are committed to equal employment opportunities for all, this includes making reasonable accommodation for people with disabilities.

BEING A GOOD EMPLOYER

We are committed to being a good employer. We recognise, respect and value differences and are committed to providing equal employment opportunities for all. This creates better outcomes for both our people and the people we are ultimately here for – the people of New Zealand.

We are focusing on creating a strategy-led, people-centred organisation that is fit for the future, where our people are proud to be part of creating a better New Zealand. We are committed to being fair, open and transparent and having a workplace where our people are energised and able to perform at their best.

We strive to address barriers to diversity and inclusion in our organisation. We actively engage with our people and their unions when we develop people policies and initiate change programmes, including as we continuously improve our practices as a good employer.²

The following table demonstrates the alignment between our main people policies and practices and the seven elements of being a good employer.

GOOD EMPLOYER ELEMENTS	OUR MAIN PEOPLE POLICIES AND PRACTICES
Leadership, accountability and culture	<ul style="list-style-type: none"> ▪ Our leadership expectations provide clear direction for our leaders. Through these expectations, our leaders are encouraged to embrace diversity, be inclusive, openly share knowledge and information, encourage curiosity and seek out different points of view. ▪ We have created a collaborative flexible 'team of teams' environment, where we work together to unlock diverse thinking so that we deliver customer-focused solutions. ▪ Our chief executive's <i>The Way We Move</i> newsletter, regular video and audio calls, and regular posts on Workplace provide strong leadership and ensures everyone in the Transport Agency has access to the same information. Calls can be listened to, watched live or viewed later. ▪ Senior leader forums are held regularly to provide leaders with the opportunity to work collaboratively and contribute to organisational thinking and decision making. These forums are highly valuable as an opportunity to focus on collective leadership for the organisation. ▪ Our DNA is our shared set of beliefs and values that support the way we work together. The three DNA attributes are customer focus to deliver value, collaborate to achieve as one, and curious to cultivate innovation. ▪ We have introduced Workplace by Facebook as a tool to allow everyone in the Transport Agency to collaborate and contribute to workplace conversations. This tool is popular and provides a measurable engagement channel directly to our people. ▪ We have engaged extensively with our people as part of our organisational change process, including nationwide road shows in all our offices, input labs and opportunities to contribute online. Feedback from our people helped to shape all aspects of our transformational change, including our refreshed strategy, DNA and operating model. ▪ We hold people accountable through robust performance and development planning.

² Human Rights Commission
 Good employer advice www.hrc.co.nz/your-rights/business-and-work/tools-and-research/reporting-crown-entities-good-employers/

Recruitment, selection and induction	<ul style="list-style-type: none"> • Our recruitment and selection processes support our commitment to diversity and inclusion, the elimination of conscious and unconscious bias, and equal employment opportunities. Our Workforce Strategy includes a goal of a workforce broadly reflective of the community. • Videos and profiles on our career website and recruitment collateral feature employees from diverse backgrounds, and we use inclusive language in our online careers pages. • We are an accredited employer with the New Zealand Immigration Service. • Progression within the Transport Agency is based on merit rather than service and is built around competencies and skills. We identify and address barriers to participation and progression. • All new people are invited to the organisation-wide induction to the Transport Agency. • Our development tools for managers who are recruiting include training on recognising and addressing unconscious bias towards applicants. • We actively recruit multilingual people for some of our customer-facing roles.
Employee development, promotion and exit	<ul style="list-style-type: none"> • We promote a culture of learning and continued development at all levels. Development opportunities include project work, acting in other roles, secondments, mentoring and coaching, online learning, and face-to-face learning programmes offered through our centralised learning calendar. • We encourage 'teaming' and for people to work collaboratively. • We value an ongoing process of feedback and two-way communication. • Capability mapping, talent management, succession planning and progression frameworks are in place. • We are an accredited Institute of Professional Engineers New Zealand professional development partner. • We use our LinkedIn page to stay connected with current, former and prospective employees. • We provide access to career planning tools and advice.
Flexibility and work design	<ul style="list-style-type: none"> • We promote balanced work-life responsibilities through flexible working. • Our people can request changes to their working arrangements, including job sharing, compressed weeks, reduced hours, working from home and leave during school holidays. • We encourage people to take annual leave in the year it is accrued and manage their hours to maintain wellbeing.
Remuneration, recognition and conditions	<ul style="list-style-type: none"> • Our remuneration policies and frameworks are based on the principle that pay reflects the market and performance – not tenure, cost of living or other personal circumstances. • We conduct an annual remuneration review, including comparing our remuneration ranges to public sector and other organisations' market data. • We endeavour to make our job evaluation and remuneration practices transparent, equitable and gender neutral. • Recognition is encouraged and we use a variety of ways to celebrate success and recognise people publicly and privately.
Harassment and bullying prevention	<ul style="list-style-type: none"> • We are committed to maintaining a safe working environment for all our people where we experience mutual respect, trust, dignity and security. Ensuring psychological safety is paramount to this. • We have established an employee liaison service in partnership with FairWay, which provides issue resolution services free to all our people. • We worked collaboratively with unions to better understand harassment and provide tools and support for our people dealing with harassment. • Our focus on both physical and mental wellbeing is an important part of our Zero Harm Strategy 2014–2020.

Safe and healthy environment

- Our Zero Harm Strategy 2014-20 supports our belief that everyone who comes to work at the Transport Agency should go home healthy and safe.
- The code of conduct and relevant health and safety and harassment policies are readily accessible.
- Our strong focus on employee health, safety and wellbeing is supported through support services such as:
 - the employee assistance programme for all staff
 - additional services in the event of heightened stress, such as a critical event debriefs, onsite employee assistance programme, change process support and resilience training
 - ergonomic workstation assessments
 - annual free flu vaccination for all our people.
- We have tertiary accreditation from the Accident Compensation Corporation for our workplace safety management practices.

Reviewing policies and procedures

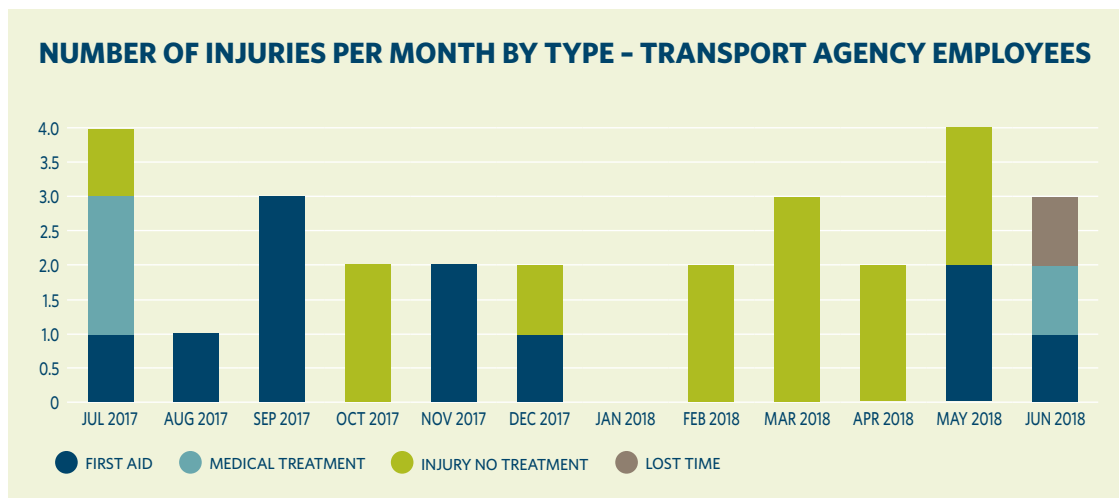
We involve unions in the development and implementation of policies and procedures and consult with our people before making significant changes. To ensure our policies and procedures remain relevant, we review them on a two-yearly cycle or more often if necessary. We are receptive to feedback on our policies at any time.

HEALTH AND SAFETY OF OUR PEOPLE

Health and safety performance: Transport Agency employees

Our employees reported 28 incidents that resulted in injury during 2017/18. This was a reduction from 54 the previous year. Of the 28 injuries, three required medical treatment and one resulted in lost time at work. Injuries were predominately minor burns, slips and sprains within our workplaces.

Three of our people were involved in incidents relating to personal safety in and around our offices. Where improvements have been made in response to local personal security incidents, the Security Governance Group has ensured these improvements are also implemented in other offices.

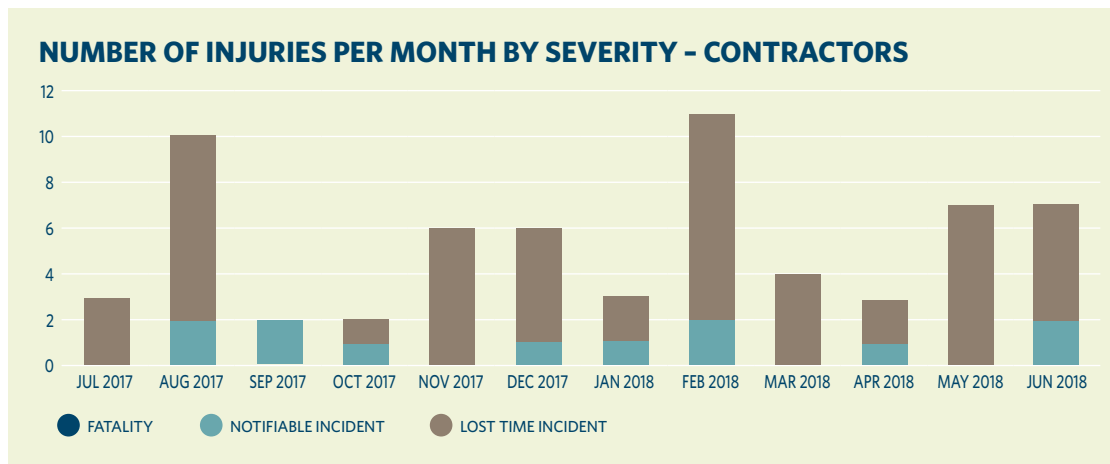


Health and safety performance: Transport Agency contractors

During the year, we experienced no fatalities on any of our construction or maintenance projects, which is an improvement from the two fatalities the previous year. Across all contractor activities, 128 incidents were reported that resulted in injuries that required medical treatment or time off work or both. This is a significant increase from the previous year. However, we also saw improvements in positive performance indicators (such as near miss reporting and traffic management inspections) following a collaborative approach with our contractors to improve health and safety reporting. We believe we are now being notified of all events in a timely manner and that changes to lead and lag indicators this year may be attributed to this improved reporting culture.

Contractors experienced serious harm incidents when or in the process of establishing temporary traffic management sites, and we continue to progress innovations to improve worker and customer safety in these work environments. This work includes an ongoing programme to assess the validity of identified improvement opportunities and incorporate them into the Code of Practice for Temporary Traffic Management.

Environmental conditions and natural hazards also contributed to serious harm injuries. We used our contractor collaboration forums to share details about improvements for assessing and responding to severe environmental conditions that were developed through the North Canterbury Transport Infrastructure Recovery Alliance project after the 2016 Kaikōura earthquake.



Working towards zero harm

Our Zero Harm Strategy 2014–20 has a clear objective: by 2020 all our workers, regardless of employer will go home safe and healthy, every day, without exception. This year, we continued to progress initiatives to help meet this objective.

Health and safety management system

An agency-wide health and safety management information system was implemented from February 2018. This system comprises policies, procedures and other information to enable our people to understand the nature of risks and how to put appropriate controls in place. The system details how the Transport Agency should seek to measure and improve performance through audit, oversight and analysis of performance metrics.

Critical risks

We reviewed and redefined our critical risks as part of the development of our 2018–21 work programme. Our performance reporting dashboard now enables us to measure and monitor the effectiveness of critical risk controls. We agreed with our contractors a suite of critical risk areas that are included in our monthly audit programmes and performance reporting frameworks.

Worker mental health

We rolled out an organisation-wide mental health toolkit for managers and first aid training in workplace health. This means our people leaders are better equipped to recognise the signs of mental illness and injury and to talk to workers and link them to appropriate support resources. We shared the toolkit with other organisations and through the government health and safety forums.

Contractor oversight and audits

Our major construction projects were audited in conjunction with our tier 1 suppliers and in line with our published schedule for such audits. Findings and improvement opportunities were developed into subsequent projects such as an industry-wide approach to reducing the number of service strikes and asset damage caused by excavation.

Partnership and industry collaboration

We continued to lead and facilitate the Zero Harm leadership and industry groups, which met throughout the year. The industry group provided input to the revised monthly reporting framework, which will enable greater trend analysis across the civil construction industry as a whole. The collaborative groups developed a common framework for a consistent approach to fatigue management across our operations.

We ran the fourth Transport Agency knowledge forum in November 2017 with 147 attendees from across our supply chain. The forum provided an opportunity to build skills and knowledge for worker health, specifically strategies for enabling positive mental health at work and how the organisation might better understand and manage fatigue and stress.

Sustaining the journey towards Zero Harm

We completed a significant review of our Zero Harm strategy and developed a detailed programme of work that sets out how we will improve our capability and performance in the three areas of leadership, worker engagement and risk management. We are focused on understanding and controlling our critical risks and using monitoring to measure the effectiveness of controls. Other elements of the work programme will make it easy for our people to contribute to the development of improvements and actively participate in the health and safety management programme.

ASSET PERFORMANCE MEASURES

Cabinet Office Circular CO (15)5 *Investment management and asset performance in the state services* includes requirements to report on asset performance. Agencies must report on relevant asset performance indicators in their annual reports. Agencies must capture and use in internal management and decision-making processes, relevant indicators of past and projected asset performance, such as asset utilisation, condition and fitness for purpose.

Some of our performance measures for our output classes, state highway improvements and state highway maintenance, are also asset performance measures and this is identified in the technical notes for these measures (appendix 2, pages 159-166 notes 29 and 32-35).

Information communications technology asset performance measures

This year we identified measures for critical information communications technology (ICT) services. The ICT asset performance measures were collected from contracts with Revera, Fujitsu and Unisys.

- Fujitsu provides consulting services, support of transport operations centre environments through the all-of-government IT managed services contract and application development and support.
- Unisys support our registers (for example, motor vehicle register, driver licence register, road user charges), provide associated hosting at their datacentres and also provide consultancy services.
- Revera provides hosting for our contact centre, Infohub equipment, Transport Investment Online, Hyperion, integrated testing environment and some of our own infrastructure components (for example, networking).

The measures are, in effect, proxy measures for condition and functionality, and utilisation is measured through capacity. Overall, the contracts for services have met their targets.

MEASURE	INDICATOR	2017/18 TARGET	2017/18 ACTUAL
Unisys: Response time – business-as-usual service delivery service level agreements (eg, motor vehicle registry 85% in four seconds compared with achieved of 99.9%)	Utilisation	85%	100%
Fujitsu: Response times for service level performance (eg phone calls, service portal and email)	Utilisation	90%	97%
Revera: Response times to meet service level agreements	Utilisation	100%	100%
Unisys: Incident response, that is, priority 1 (critical) to priority 4 (low)	Condition	100%	100%
Fujitsu: Incident response priority 1 (critical) within 15 minutes	Condition	95%	100%
Fujitsu: Incident response priority 2 (high) within 30 minutes	Condition	95%	100%
Fujitsu: Incident response priority 3 (medium) within two business hours	Condition	90%	98%
Fujitsu: Incident response priority 4 (low) within four business hours	Condition	90%	98%
Revera: Incident response priority 1 (critical) to priority 4 (low)	Condition	100%	100%
Capacity (ie volume of storage and resilience (back-up etc)) ¹	Functionality (fitness for purpose)	<100%	113%

¹ This measure is from the Unisys contract regarding the backup volumes in the cloud. The target and actual levels have been derived from the baseline and total storage for tiers 1 to 3.