ABOUT US

WHO WE ARE

OUR BOARD (AS AT 20 SEPTEMBER 2019)

SIR BRIAN ROCHE CHAIR

Sir Brian Roche brings extensive governance, leadership and business experience to the Transport Agency.

In 2017, he was named a Knight Companion of the New Zealand Order of Merit for services to the state and business.

He was chief executive of the New Zealand Post Group from 2010 to 2017 and was chair of the NZ Transport Agency Board from 1 August 2008 to 31 March 2010.

NICK ROGERS

Nick is a geotechnical and environmental specialist with expertise in risk, resilience and disaster risk reduction. He has over 41 years' experience on major infrastructure projects.

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.

MARK DARROW

Mark is an experienced businessperson and director, specialising in corporate governance. He holds a Bachelor of Business and is a 25-year member of the New Zealand Institute of Chartered Accountants, a chartered fellow of the Institute of Directors and a Justice of the Peace of New Zealand.

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

Mark is chair of Leighs Constructions, The Lines Company, Primary ITO, Armstrong Motor Group, and Signum Holdings and a director for Balle Bros Group and Trustees Executors Limited.

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

SHERIDAN BROADBENT

Sheridan has been working in executive and governance roles in the infrastructure, technology and energy sectors in New Zealand and Oceania for over 20 years.

A chartered director, Sheridan was also the inaugural graduate of the New Zealand Institute of Directors Future Director programme.

Sheridan is deputy chair of Kordia Group, a director of Transpower and Timberlands, and company secretary and steering group member of the New Zealand Business Leaders' Health and Safety Forum.

LEO LONERGAN

Leo has 40 years' governance and commercial experience with deep knowledge in contracting, supply chain, infrastructure, trading and logistics and has a passion for safety and transparency as foundational to any business.

As a senior executive in the energy industry, Leo was based in North America, Europe, the Middle East and Asia for 27 years. He was elected an officer of both Caltex and Chevron Corporations. As Chevron's chief procurement officer, he led worldwide procurement and a supply chain with $40 billion annual spend. Earlier global roles included president trading and president manufacturing and supply.

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

VANESSA VAN UDEN

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 and was a trustee of the Queenstown Trails Trust and a founding trustee of the Branches Charitable Trust and the Queenstown Lakes Baby Box Trust.

DAVID SMOL

David has over 35 years of experience in New Zealand and the United Kingdom in the public and private sectors. He has worked in the energy sector in both countries, including as director of an Oxford-based energy consulting firm, with clients in the United Kingdom and Europe, including large energy utilities and transmission companies, renewable energy generators, regulatory bodies and government departments.

In 2008, David was appointed as chief executive of the Ministry of Economic Development. From 2012 to 2017, he was the inaugural chief executive of the Ministry of Business, Innovation and Employment, where he was responsible for the stewardship of multiple regulatory systems.

David is an independent non-executive director for Contact Energy and is chair of VicLink, the commercialisation subsidiary of Victoria University of Wellington.

He was made a Companion of the Queen's Service Order in 2018.

GOVERNANCE REPORT

BOARD MEMBERSHIP AND COMPOSITION

The Minister of Transport is entitled to appoint up to eight independent, non-executive members to the 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. 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 itself or through delegation. The board makes major or significant planning, investment and funding decisions in line with the Transport Agency's significance policy. Board 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, and 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 management 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 Cabinet 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. Declaration of interests is a standing item on the agendas for all board and board committee meetings. Any changes to board members' interests are tabled and reviewed at the opening of every board meeting.

As part of the preparation for meetings, board 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.

For completeness, the potential conflict of interest arising from the chair's former role on the Transmission Gully project have been managed in accordance with the board's Disclosure of Interest policy. This has included the chair recusing himself from discussions on Transmission Gully, including any assessment of the claim disclosed in the contingent liabilities note (page 118).

Code of conduct

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

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. The Transport Agency updated its written induction modules in anticipation of the appointment of a new board chair in June 2019. 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. Some of the schedules have been updated during 2018/19.

Risk management

The Audit, Risk and Assurance Committee of the Board has responsibility for:

- overseeing the Transport Agency's risk management processes to assist the Board in the monitoring and review of significant risks and their mitigation
- reviewing and advising on significant risks to protect the Transport Agency's credibility and reputation
- receiving reports, as appropriate, on key risks that affect the Transport Agency operations and treatment plans to reduce risk, including the risks over the Transport Agency's financial control environment and internal controls
- overseeing the operation of the insurance programme and monitoring its ability to address significant insurable risks.

The significant risks reported to the board at 30 June 2019 are:

1. Regulatory: The Transport Agency fails to deliver its regulatory responsibilities to ensure compliance in the land transport system

2. Health and safety: A Transport Agency employee, visitor, or contractor working for the Agency experiences a significant health/safety incident

3. Technology: The Transport Agency's technology systems may stop performing, in part or whole, and may not be recoverable for extended periods (weeks or months)

4. Social licence: The public loses confidence in the Transport Agency's ability to deliver its core functions

5. Cyber: Unauthorised access to the Transport Agency's key systems

6. Road safety outcomes: The Transport Agency does not achieve a significant reduction in deaths and serious injuries over the 2018–21 period

7. Funding sources (short-term): The Transport Agency's funding sources are not sufficient to fund its activities in the short term

8. Funding sources (medium to long-term): The Transport Agency's funding sources are not sufficient to fund demands for investment in the land transport system

Board activity in 2018/19

The board held 10 standard and 4 special meetings in 2018/19. These meetings were held in Wellington (12) and Auckland (2).

BOARD FUNCTION	HIGHLIGHTS
Road safety, health, safety and wellness & environmental matters	• Overseeing implementation of recommendations arising out of a health, safety and wellness governance review • Ensuring steps taken to set expectations in respect of health and safety and strengthen corresponding reporting obligations • Agreeing road safety priorities and activities plan • Undertaking site visits and tours of various projects • Agreeing to speed limit reviews and approving speed limit review decisions • Approving the board's Health, Safety and Wellness Charter • Instigating a review of compliance by contractors with terms of approvals in place for projects • Endorsing work to support and influence changes to improve the safety of the light vehicle fleet on New Zealand roads
Regulatory matters	• Overseeing the stabilisation phase of the regulatory compliance project • Receiving updates on the proposal to update the operational policies for managing any conflicts of interest arising for vehicle inspection organisations and vehicle importers • Strengthening board oversight of the regulatory policy function • Accepting the Dargaville Diesel Inquiry report and ensuring implementation of its recommendations • Agreed a future state rebuild of the regulatory compliance function
Setting sector and organisational direction	• Maintaining oversight of the Transport Agency's further strategy refresh and transformation • Adopting the National Land Transport Programme 2018–21 • Receiving updates on the future of heavy rail in New Zealand • Adopting Te Ara Kotahi / the Transport Agency Māori Strategy • Approving the set of strategic risks for future reporting • Supporting work connected to the Transport Agency mode shift plan • Providing feedback on consultation documents for the new national Road Safety Strategy • Supporting work toward a sustainability direction and implementation plan • Approving an amended Statement of intent 2018–2022, including position statements
Confirming service and financial performance targets	• Overseeing and approving the Statement of performance expectations 2019/20 • Endorsing the External Audit Plan 2018/19 • Approving the 2019/20 Assurance Programme • Approving the 2019/20 Business Plan and Budget
Assessing progress against strategy and plans	• Approving the financial results for 2017/18 and the 2017/18 Transport Agency and National Land Transport Fund annual reports • Receiving quarterly progress reports, including financial reports

BOARD FUNCTION	HIGHLIGHTS
Governance matters	• 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 • Approving revised terms of reference for the Audit, Risk and Assurance Board Committee and Investment and Operations Board Committee • Approving new conflicts of interest guidelines for the Transport Agency Board • Ensuring updated induction material in place for new board members • Agreeing to the proactive release of board papers, subject to grounds available under official information legislation • Undertaking a nationwide stakeholder tour
Quality assurance of key organisational systems, processes and policies	• Completing a review of current tolling arrangements and increasing toll tariffs • Receiving updates on the review work programme connected to the Investment Decision Making Framework (including improvements to the business case approach) • Approving the approach to developing and approving internal policies • Endorsing Transport Agency procurement strategy and policy
Significant planning, investment and operational matters	• Endorsing the final detailed business cases connected to specific Housing Infrastructure Fund projects, such as Auckland Council's North West Growth area • Approving funding to Greater Wellington Regional Council for infrastructure activities for metro rail and inter-regional passenger rail projects • Endorsing the Let's Get Wellington Moving Recommended Programme of Investment as a programme business case • Approving the Hamilton to Auckland passenger rail start-up service business case and funding • Endorsing proposed revised approaches for specific state highway corridors following re-evaluations of projects to align with the Government Policy Statement on land transport priorities • Approving pre-implementation funding connected to the SeaPath project • Delegating enforcement of parking restrictions on state highways to territorial authorities • Endorsing the Safe Network Programme Case • Approving implementation phase of Te Ahu a Turanga / Manawatū Tararua Highway project • Releasing details about proposed Auckland Harbour active mode crossing project • Maintaining oversight of the delivery of the 2018–21 National Land Transport Programme and funding constraints
Oversight of the internal and audit functions and findings	• Approve the recommended steps to increase capacity of the assurance function

Board and board committee attendance

This table includes attendance by board committee members only, and does not include attendance by other board members who are not members of the board committee.

MEMBER	BOARD COMMITTEE MEETINGS ATTENDED			BOARD MEETINGS ATTENDED (OUT OF 14)
	INVESTMENT AND OPERATIONS (OUT OF 3)	AUDIT, RISK AND ASSURANCE (OUT OF 7)	REMUNERATION AND HUMAN RESOURCES (OUT OF 2)	
Sir Brian Roche (chair)[1]	-	-	-	1
Nick Rogers	3	1	-	14
Leo Lonergan		7		14
Mark Darrow	-	7	-	14
Vanessa van Uden	3	-	1	13
David Smol[2]	-	-	-	7
Sheridan Broadbent[3]	1	-	-	7
FORMER BOARD MEMBERS				
Michael Stiassny (chair)[1]	-	6	2	12
Dame Fran Wilde (deputy chair)	0	-	-	6
Adrienne Young-Cooper	-	-	1	6
Chris Ellis	1	-	-	5

1 The term of Sir Brian Roche's appointment to the Transport Agency Board commenced on 11 June 2019.
2 The term of David Smol's appointment to the Transport Agency Board commenced on 1 February 2019.
3 The term of Sheridan Broadbent's appointment to the Transport Agency Board commenced on 1 February 2019.

OUR LEADERSHIP TEAM (AS AT 20 SEPTEMBER 2019)

MARK RATCLIFFE INTERIM CHIEF EXECUTIVE

Mark joined the Transport Agency in January 2019 as interim chief executive until a permanent chief executive is recruited.

Mark is a highly experienced chief executive with considerable expertise in running critical national infrastructure. He was chief executive of Chorus from 2008 when it was part of Telecom and through its demerger, before leaving in 2017.

Mark is a also a director for First Gas Limited and a board member for 2degrees.

ROBYN FISHER DIRECTOR, OFFICE OF THE CHIEF EXECUTIVE

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.

BRETT GLIDDON TRANSPORT SERVICES GENERAL MANAGER

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 20 years' experience in infrastructure planning, design and delivery, including maintenance and operations. Brett has been involved in the development and delivery of some of New Zealand's largest infrastructure projects, including the Northern Busway, the Northern Gateway Toll Road (New Zealand's first electronic toll road), the Waterview Tunnel and Te Ara I Whiti (the Lightpath) cycleway.

In his current role, Brett leads the Transport Services team, who plan, design, build, operate and maintain New Zealand's integrated transport system.

GREG LAZZARO HEALTH SAFETY AND ENVIRONMENT GENERAL MANAGER

Greg joined the Transport Agency in March 2019. His portfolio encompasses road safety where he leads programmes in which he is committed to making a material reduction of deaths and serious injuries occurring on New Zealand roads.

Greg has a vast experience base and moved to New Zealand in 2015 to join Fonterra where he held a global health, safety, risk and resilience role. Previously, Greg was based in Australia where he held senior executive positions in health, safety and environment in Sodexo, UGL in Australia and various roles operational roles in ICI / Orica in Australia for over 10 years.

Greg resides in Auckland with his wife and two teenage children.

Greg holds a degree in chemical engineering.

KANE PATENA REGULATORY SERVICES GENERAL MANAGER

Kane joined the Transport Agency in April 2019 to lead the regulatory compliance group and help shape the future of land transport regulation in New Zealand.

Kane brings with him extensive regulatory experience from the public and private sector. His expertise has been publicly acknowledged as a previous recipient of the New Zealand Compliance Practitioner of the Year award.

Before his appointment, Kane worked as the Wellington City Council's director of strategy and governance. He has also served as a Crown prosecutor and been a partner at law firm Meredith Connell.

CHRIS LOKUM PEOPLE GENERAL MANAGER

Chris joined the Transport Agency in June 2019. Chris is a strategic and commercial senior human resources generalist with over 25 years as a business-focused professional and leader. She has a track record achieving organisational change and growth in organisational capability and providing strategic leadership. Chris has extensive experience in talent management, diversity and inclusion, reward and performance management, restructuring, learning and development, resourcing and coaching leaders.

She has held senior human resources positions in Australia, New Zealand, and the UK. Chris was most recently working for BP across Asia-Pacific as Vice President HR Fuels and recently served on the boards of the National Association of Women in Operations and Australian Terminal Operation Management.

Chris has qualifications in human resources, economics, management and psychology. She has completed executive programmes at Michigan and Cornell Universities and is a member of the Australian Institute of Company Directors.

GILES SOUTHWELL GENERAL MANAGER WORKPLACE AND TECHNOLOGY

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 improvement, 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.

CARL DEVLIN GENERAL MANAGER RAIL AND MASS TRANSIT SERVICES

Carl joined the NZ Transport Agency in February 2019. He is a highly accomplished, forward thinking and results orientated senior executive with more than 25 years' experience in senior leadership roles across the transport and infrastructure sectors in complex commercial, political and organisational environments.

He has built high performing teams, led complex multi-billion pound programmes and run business units within global organisations. His focus on high quality delivery, combined with an absolute focus on safety, stakeholder engagement and corporate responsibility has earned him an exemplary track record. He has worked for global leaders in project development and project delivery; and extensively for owner operator organisations in both the public and private sector in the UK.

High profile projects in the UK have included London to Paris High Speed Rail; Heathrow Terminal 5, Sub-surface Railway Upgrade for London Underground and the development of the Wylfa Newydd Nuclear Power Plant in Wales.

NICK WOODWARD INTERIM GENERAL MANAGER CORPORATE SUPPORT

Nick joined the Transport Agency in February 2019. He is an experienced leader with extensive general management experience. He has operated across a number of sectors and geographies with senior leadership roles in IT, product, sales and service. His most recent roles have been driving improvement in larger operational groups.

LEIGH PEARSON INTERIM GENERAL MANAGER ENGAGEMENT AND PARTNERSHIPS

Leigh joined the Transport Agency in March 2019 in this role until a new manager is recruited. Leigh has an extensive background in external relations in the public and private sectors and has expertise in stakeholder engagement, corporate affairs and media relations.

She is a former journalist. Leigh was a member of the Broadcasting Standards Authority for seven and a half years.

HOW WE WORK

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.

The following figures are as at June 2019 and except for annual turnover, are based on staff count (not FTE employees). The 1477.8 FTE employees are equivalent to 1534 individuals (which is a higher figure because some individuals work part time so are less than one FTE).

STAFF COUNT VS FTE COUNT
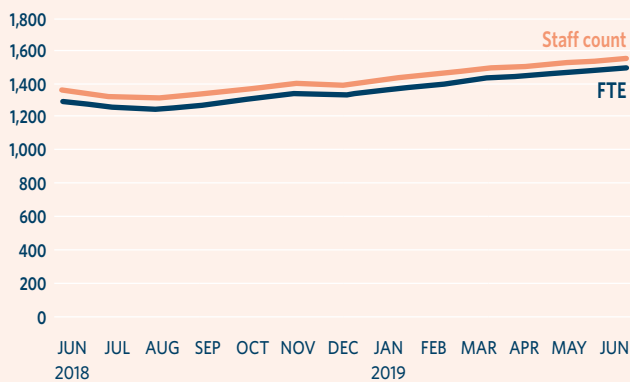
We had 1477.8 FTEs – an increase of 7.7 percent from 30 June 2018. The increase is due to new positions being created and filled to support our extensive delivery programme, including increasing our capacity to deliver our light rail and new regulatory functions.

### ANNUAL TURNOVER OF FULL-TIME EQUIVALENT EMPLOYEES
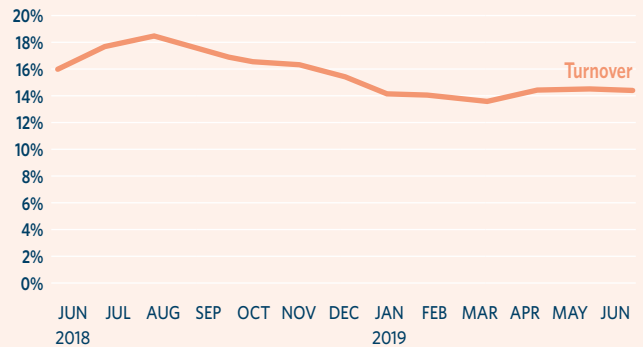
Our annual turnover of FTEs was 14.5 percent, 0.5 percentage points lower than the same time last year. Unplanned turnover of staff with less than two years' service was 38 percent (92 leavers). This is higher than the unplanned turnover of 14.7 percent as at 30 June 2018.

LENGTH OF SERVICE
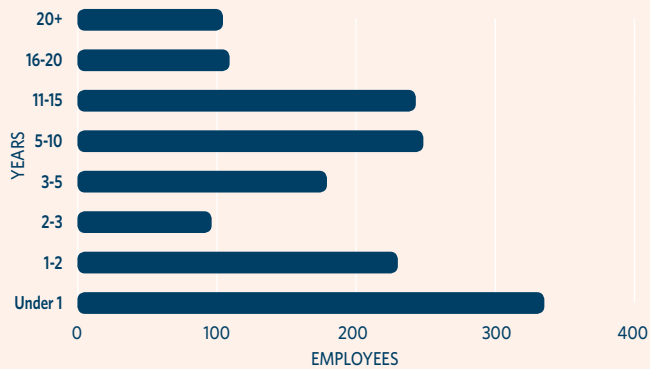
The largest group of our employees (21.58 percent) have less than one year's service with the Transport Agency, while 16.2 percent of our employees have 5–10 years' service. Overall, approximately 40 percent of our employees have over five years' service.

AGE PROFILE
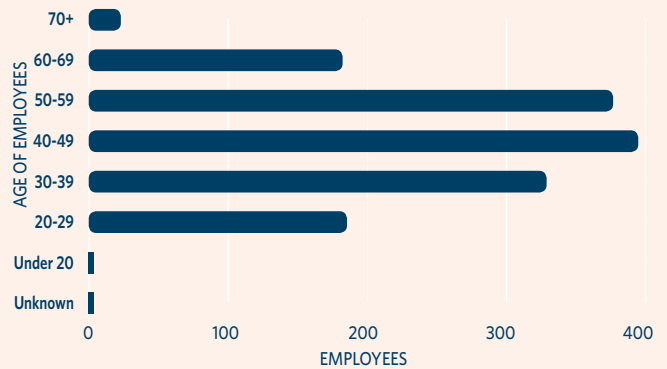
The average age of our employees is 45 with 26.3 percent of employees aged 40 to 49. Employees aged 20 to 29 make up 12.7 percent of our employees.
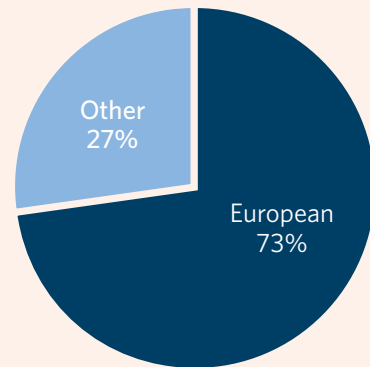
GENDER PROFILE
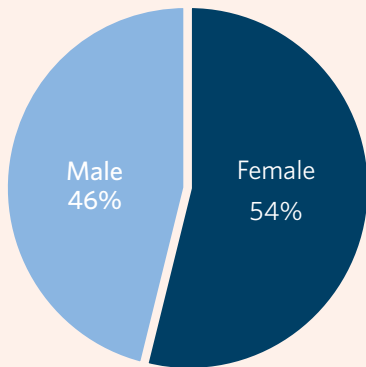
We have slightly more female than male employees (53.5 percent compared with 46.4 percent). The number of female employees increased 1.5 percentage points from the previous year.

Senior management (tiers 1 to 3) is 53 percent female (40 employees) and 47 percent male (36 employees).

ETHNICITY PROFILE (SELF-IDENTIFIED)

Other ethnic groups

Asian	8%	Pacific	1%
Māori	5%	Other ethnicity	1%
African	2%	Not stated	10%

PAY PROFILE BY GENDER

Our gender pay gap is 25.6 percent based on the difference between the average pay for male and female employees. This overall gender pay gap is primarily a result of the over-representation of females in lower job bands and the under-representation of females in higher job bands.

The gender pay gap at a band-by-band level is shown in the table to the right (a negative percentage means that the average pay for female employees is higher than the average pay for male employees).

This information identifies where we need to concentrate our efforts in closing the gender pay gap across the Transport Agency.

Employee job band	Average gender pay gap
11	-0.3%
12	-0.5%
13	-2.8%
14	-0.5%
15	1.8%
16	1.4%
17	2.7%
18	3.7%
19	6.9%
20	-1.1%
21	1.6%
22+	5.8%

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.[13]

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

13 Human Rights Commission, Good employer advice, www.hrc.co.nz/your-rights/businessand-work/tools-and-research/reporting-crown-entities-goodemployers/

GOOD EMPLOYER ELEMENTS	OUR MAIN PEOPLE POLICIES AND PRACTICES
Leadership, accountability and culture	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 we deliver customer-focused solutions. Our chief executive's *The Way We Move* 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 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 hold people accountable through robust performance and development planning.
Recruitment, selection and induction	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 webpages. 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	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.

GOOD EMPLOYER ELEMENTS	OUR MAIN PEOPLE POLICIES AND PRACTICES
Flexibility and work design	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	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	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 work collaboratively with unions to better understand harassment and provide tools and support for our people dealing with harassment. We have stand-alone bullying and harassment and sexual harassment policies, and an online learning module to support employee understanding of these policies.
Safe and healthy environment	The Transport Agency Board endorsed a revised health and safety policy, in which it set out its aspirations and objectives for the Transport Agency's health and safety performance. The board also developed a charter that details how it will understand and meet governance and oversight obligations and activities. A new health and safety strategy for the Transport Agency will be developed in 2019/20 to give effect to the charter. Through our Health and Safety Work Programme, we completed several initiatives to improve health and safety outcomes for our people and contractors during 2018/19. These initiatives include developing health and safety improvement programmes to target specific risks (which include driving, prolonged sedentary work and psychological harm caused by aggressive customers or poor organisational factors). We improved our Temporary Traffic Management Improvement Programme to keep our road workers safe and produced a model for effective health and safety contractor management that we hope will be adopted across the civil construction sector. We work closely with our construction industry partners to improve health and safety practices and outcomes for our contractors and traffic management providers.

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 keep our policies and procedures 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

IMPROVING HEALTH AND SAFETY OF OUR PEOPLE AND CONTRACTORS

This year we re-established seven regional health, safety and wellbeing committees, comprising 118 health and safety representatives. These committees are critical to support our internal wellbeing campaigns that included the national Flu Jab campaign (reaching 1006 out of the 1800 staff) and Pink Shirt day (raising awareness and funds for the Mental Health Foundation), as well as promoting our voluntary bullying and harassment e-learning module (completed by over 190 staff).

As part of our approach towards mental wellbeing in the workplace, we completed a pilot project to train and embed 25 of our people as mental health first aiders. Staff feedback and uptake was positive, and 72 staff are now trained and in place across all our workplaces.

Following the tragic death of four road workers in early 2019, we worked with our construction industry partners and traffic management providers to improve our Temporary Traffic Management programme. The improved programme aims to change people's behaviour when driving in and around road work sites and uses technology to eliminate risks associated with current 'stop–go' practices. We also engage and collaborate with our construction industry partners through regular monthly forums to improve health and safety outcomes for our contractors and traffic management providers.

We are now able to report accurately on our total recordable injury frequency rate (TRIFR) for our employees and contractors due to improvements to reporting systems over the past year.[13] We use TRIFR to track and monitor our health and safety performance for employees and contractors. By tracking and reporting TRIFR, we can more easily benchmark our health and safety performance against that of peer organisations, identify opportunities to prevent incidents, and develop appropriate initiatives for our health and safety work programme.

Our people – TRIFR for 1 July 2018 to 30 June 2019

Our employees reported 60 incidents and near misses, 23 of which resulted in injury or illness. Of these, 7 required medical treatment and 5 resulted in lost time at work. The most common causes of injury to our people were minor falls in office environments and psychosocial factors such as aggressive customers.

Figure 7 TRIFR 12-month rolling average
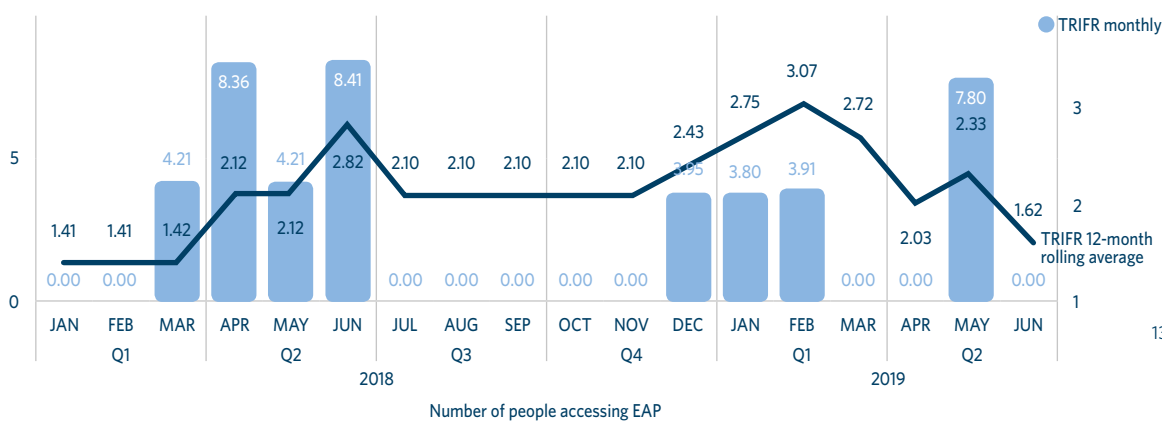
Note: in the figure above, light blue figures show the monthly TRIFR. The dark blue line shows the trend, using 12-month rolling averages.[14]

13 TRIFR is the number of lost-time injuries + restricted work duty injuries and diseases + medical treatment injuries and diseases multiplied by 1 million hours and divided by the exposure hours.

14 Twelve-month rolling averages are used to remove any effects from seasonality or from an extreme result in a single month. To present a measure as a 12-month rolling average, each of the components in the calculation must also be a total of 12 months' duration.

Our contractors – TRIFR for 1 July 2018 to 30 June 2019

Four road workers in Bay of Plenty and Wellington tragically died earlier this year while working on maintenance projects. This is a significantly worse outcome than in the previous year, where we had no fatal incidents.

We have worked with our construction contractors to fully understand the causes of these incidents and to implement system-wide improvements to improve outcomes for workers in maintenance and construction environments.

Our TRIFR on our construction projects and network maintenance operations fell from 8.0 to 5.3 over the year.

Figure 8 TRIFR – 12-month rolling average
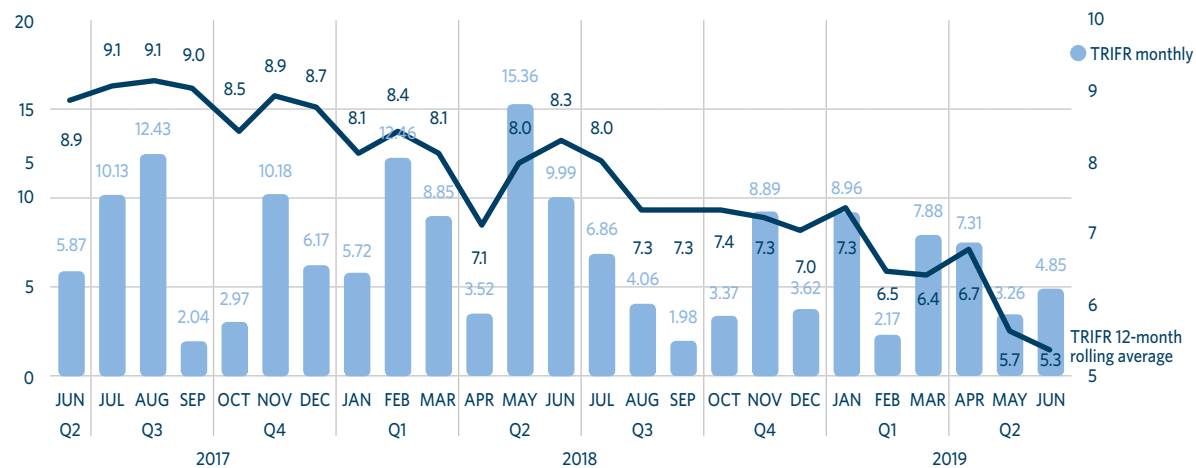
Note: in the figure above, the light blue figures show the monthly TRIFR. The dark blue line shows the trend, using 12-month rolling averages.[15]

Across all construction and maintenance activities, the number of incidents involving injury to workers decreased, from 478 to 383. The number of incidents resulting in lost time or medical treatment also decreased from the previous year.

Contractor health and safety incidents resulting in injury

YEAR	NUMBER OF INCIDENTS	NUMBER OF LOST TIME INJURIES	NUMBER OF MEDICAL TREATMENT	NUMBER OF FIRST AID
2017/18	478	53	73	352
2018/19	383	32	47	304

The number of reported near misses fell during the year, from 4987 to 3771. Of the reported near misses, 266 were classified as serious, meaning they had potential to cause fatal or life changing injuries.

A revised monthly performance reporting framework has resulted in a significant improvement in the quality of health and safety performance information. The improved performance data has enabled us to better understand what critical risks are associated with incidents and near misses and to develop improvement initiatives in conjunction with our contractors.

15 Twelve-month rolling averages are used to remove any effects from seasonality or from an extreme result in a single month. To present a measure as a 12-month rolling average, each of the components in the calculation must also be a total of 12 months' duration.

ASSET PERFORMANCE MEASURES

Agencies, including the Transport Agency, are required to report on the performance of their assets.[16] 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 (see appendix B, page 175).

STATE HIGHWAY ASSET PERFORMANCE MEASURES

The following performance measures for our state highway maintenance output class (reported on page 35), are asset performance measures for the state highway network.

REFERENCE	MEASURE	RESULT	2018/19 ACTUAL	2018/19 TARGET	VARIANCE	2017/18 ACTUAL
SHM3	Network resilience: % of rutting ≥20mm over state highway network	Achieved	1%	≤3%[a]	2%	1%
SHM4	Safe stopping: % of network above skid threshold	Not achieved	97%	≥98%	1%	95%
	While our target was not achieved, the proportion of the road network above the skid threshold improved on last year following increased funding to treat network deficiencies. Additional funding is available for the remaining two years of the 2018–21 National Land Transport Programme to continue working towards this target.					
SHM5	Smooth ride: % of travel on network classed as smooth	Achieved	99%	≥97%	2%	99%
SHM6	Availability of state highway network: % of unplanned road closures resolved within standard timeframes	Achieved	85%	≥75%[a]	10%	82%

a The target was reduced for 2018/19 to take account of extreme weather events, which impact performance against this measure. The target has been revised back to ≥84% for 2019/20 to reflect a more consistent baseline of historic performance.

16 *Cabinet Office Circular CO (15)5: Investment management and asset performance in the state services.* 2015. Wellington: Cabinet Office. https://dpmc.govt.nz/publications/co-15-5-investment-management-and-asset-performance-state-services

INFORMATION AND COMMUNICATIONS TECHNOLOGY ASSET PERFORMANCE MEASURES

This year, we developed a new set of measures for critical information and communications technology (ICT) services. These measures look at availability, utilisation and the condition of our ICT assets and services and replace the proxy measures we reported on in 2017/18.

The ICT asset performance measures were developed in line with Treasury's best practice guidance. We report on our ICT asset performance as these assets are critical to delivering our core services.

REFERENCE AREA	MEASURE NAME	RESULT	2018/19 ACTUAL	2018/19 TARGET	2017/18 ACTUAL
	Cloud-based services: percentage of time cloud service is available (uptime) for the year (Tier 1 cloud services)	Achieved	99.9%	Tier 1 cloud services: 99.0%	New measure for 2018/19

Tier 1 cloud services are applications that run the business and the data bound to those applications. They are critical to the business delivering its services. We are moving our current systems to cloud-based systems as budget permits to address technology risks.

'Cloud-based' refers to applications, services or resources made available to users on demand via the Internet from a cloud-computing provider's server.

Uptime is a measure of system reliability, expressed as the percentage of time a service or application has been working and available, and excludes planned maintenance.

REFERENCE AREA	MEASURE NAME	RESULT	2018/19 ACTUAL	2018/19 TARGET	2017/18 ACTUAL
Availability	Cloud-based services: percentage of time cloud service is available (uptime) for the year (Tier 2 cloud services)	Achieved	99.9%	Tier 2 cloud services: 99.0%	New measure for 2018/19

Tier 2 cloud services are applications that are important for the business to deliver its services. If they are not available, the business's ability to deliver its services is degraded. We are moving our current systems to cloud-based systems as budget permits to address technology risks.

'Cloud-based' refers to applications, services or resources made available to users on demand via the Internet from a cloud-computing provider's server.

Uptime is a measure of system reliability, expressed as the percentage of time a service or application has been working and available, and excludes planned maintenance.

REFERENCE AREA	MEASURE NAME	RESULT	2018/19 ACTUAL	2018/19 TARGET	2017/18 ACTUAL
Availability	Cloud-based services: percentage availability over total business days for the year (Tier 1 cloud services)	Achieved	99.9%	Tier 1 cloud services: 99.0%	New measure for 2018/19

Tier 1 cloud services are the applications that run the business and the data bound to those applications. They are critical to the business delivering its services. We are moving our current systems to cloud-based systems as budget permits to address technology risks.

'Cloud-based' refers to applications, services or resources made available to users on demand via the Internet from a cloud-computing provider's server.

Uptime is a measure of system reliability, expressed as the percentage of time a service or application has been working and available, and excludes planned maintenance.

REFERENCE AREA	MEASURE NAME	RESULT	2018/19 ACTUAL	2018/19 TARGET	2017/18 ACTUAL
Availability	Cloud-based services: percentage availability over total business days for the year (Tier 2 cloud services)	Achieved	99.9%	Tier 2 cloud services: 99.0%	New measure for 2018/19

Tier 2 cloud services are applications that are important for the business to deliver its services. If they are not available, the business's ability to deliver its services is degraded. We are moving our current systems to cloud-based systems as budget permits to address technology risks.

'Cloud-based' refers to applications, services or resources made available to users on demand via the Internet from a cloud-computing provider's server.

Uptime is a measure of system reliability, expressed as the percentage of time a service or application has been working and available, and excludes planned maintenance.

REFERENCE AREA	MEASURE NAME	RESULT	2018/19 ACTUAL	2018/19 TARGET	2017/18 ACTUAL
Availability	Cloud-based services: number of downtime hours in the year (Tier 1 cloud services)	Achieved	0.03% (3 hours total downtime)	Tier 1 cloud services: ≤1% of total time available (no more than 87.6 hours downtime)	New measure for 2018/19

Target of ≤1% of total time available equates to no more than 87 hours downtime, based on the following calculation:

Total hours in 365 days = 8,760 hours

1% of 8,760 hours = 87.6 maximum downtime hours a year

Availability	Cloud-based services: Number of downtime hours in the year (Tier 2 cloud services)	Achieved	0.01% (1 hour total downtime)	Tier 2 cloud services: ≤1% of total time available (no more than 87.6 hours downtime)	New measure for 2018/19

Target of ≤1% of total time available equates to no more than 87 hours downtime, based on the following calculation:

Total hours in 365 days = 8,760 hours
1% of 8,760 hours = 87.6 maximum downtime hours a year

Utilisation	On-premises services: Utilisation measures expressed as: • % of available capacity for storage • % utilisation of data centre server and storage assets • % peak bandwidth usage • % of disk or network utilisation capacity thresholds applicable to the assets being measured	Unable to report	Not available	≥70%	New measure for 2018/19

Cloud-based services allow greater ability to recover from significant events affecting information technology data centres, systems and networks compared with on-premises services. The Transport Agency is focusing investment on moving services to the cloud. Consequently, tools that provide accurate and up-to-date information for on-premises services are limited and no investment in such tools is planned.

Utilisation of any key systems remaining on a physical server on site is monitored as required in line with the applicable upgrade project.

'On-premises services' are applications, services or resources made available to users via a physical server on site.

Condition	On-premises services: Faults as expressed as number of critical faults (priority 1) faults per year	Achieved	95 faults	≤100 faults	New measure for 2018/19

Achieved, but some outages were of several hours' duration.

REFERENCE AREA	MEASURE NAME	RESULT	2018/19 ACTUAL	2018/19 TARGET	2017/18 ACTUAL
Condition	On premises services: Condition rating of the asset expressed as % of Transport Agency ICT assets with a condition rating of poor	Unable to report	Not measured	≤20%	New measure for 2018/19
	Most on-premise key systems are on equipment and operating software that is at end of life and needs to be upgraded. The Transport Agency is moving these applications to cloud-based applications as funding permits.				
Condition	On premises services: Condition rating of the asset expressed as % of infrastructure hardware aged under 5 years	Unable to report	Not measured	≥30%	New measure for 2018/19
	Most on-premise key systems are on equipment and operating software that is at end of life and needs to be upgraded. The Transport Agency is moving these applications to cloud-based applications as funding permits.				
Functionality	On-premises services: % of key on-premises systems with disaster recovery capability in place and tested	Not achieved	Corporate: 64% of systems have disaster recovery capability in place and 18% have been tested. Integrated Transport Systems: 40% of systems have disaster recovery capability in place and 0% have been tested.	100%	New measure for 2018/19
	The Transport Agency is focusing investment on moving to cloud-based services, which provide greater ability to recover from significant events that affect IT data centres, systems and networks compared with on-premises services. Several of our key on-premises systems do not have fully tested disaster recovery capability.				
	On premises refers to applications, services or resources made available to users via a physical server on site. Key on premises systems have been defined as applications that run the business and the data bound to those applications that rely on a physical server.				
Functionality	On-premises services: % of transactions processed within 1–5 seconds (eg, claims management)	Achieved	Average of 99.35%	≥85%	New measure for 2018/19
	These are transactions critical for the Transport Agency to meet its statutory obligations (that is, core services). At least 85 percent of transactions must be processed within 1 –5 seconds (depending on transaction type).				