

# About us

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SECTION D



# Who we are

## OUR BOARD (AS AT SEPTEMBER 2020)

### Sir Brian Roche Chair



Sir Brian brings extensive governance, leadership and business experience to Waka Kotahi.

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 chaired the Waka Kotahi Board from 1 August 2008 to 31 March 2010.

Brian chairs our Waka Kotahi Investment and Delivery Committee and is a member of our Risk and Assurance Committee.

### Cassandra Crowley Deputy Chair



Cassandra is a chartered accountant (Fellow), barrister and solicitor of the High Court of New Zealand and a member of the Institute of Directors.

In addition to her commercial advisory work, she holds non-executive directorship roles across several sectors of the New Zealand economy. These roles include chairing several audit, finance and risk committees and overseeing digital transformation. She is a past president of Chartered Accountants Australia and New Zealand and has been recognised for her leadership and governance contributions with the Supreme Award for Excellence in Governance from Women on Boards.

Cassandra chairs our Risk and Assurance Committee and is a member of our Investment and Delivery Committee.

### Catherine Taylor



Catherine is a chartered accountant and has held senior management positions in the public and private sectors, including five years as Director and Chief Executive of Maritime New Zealand. Catherine understands transport sector regulatory issues and has always been interested in how regulatory tools can be used to achieve safety outcomes.

Catherine's current governance roles include Deputy Chair of the Energy Efficiency and Conservation Authority, Chair of the International Visitor Conservation and Tourism Levy Investment Advisory Group, Deputy Chair of Nelson Airport Limited, chair of Diabetes New Zealand, trustee of the John Nesfield Trust and trustee of the New Zealand Law Foundation.

Her past roles include director of the New Zealand Institute for Crop and Food Research (now Plant and Food Research), member of the Civil Aviation Authority, member of the Building Practitioners Board, member of the Biosecurity Ministerial Advisory Committee and trustee of the Life Flight Trust.

Catherine chairs our Regulatory Committee and is a member of our People and Culture Committee.

## David Smol



David has over 35 years' experience in New Zealand and the United Kingdom in both 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, large energy utilities and transmission companies, renewable energy generators, regulatory bodies and government departments.

In 2008, David was appointed 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 of Contact Energy and Chair of VicLink, the commercialisation subsidiary of Victoria University of Wellington. He was made a Companion of the Queen's Service Order in 2018.

David is a member of our Regulatory Committee.

## John Bridgman



John has over 35 years' experience in engineering and project management roles across Australasia and Asia.

John is Chief Executive of Ōtākaro Limited. He has held a variety of senior leadership positions and governance roles at AECOM (including as industry director - civil infrastructure in Australia with responsibility for the company's involvement in several of Australia's largest infrastructure projects and as managing director for the New Zealand business), as well as governance roles on major infrastructure projects in New Zealand, Australia, Asia and the United Kingdom.

## Ken Rintoul



Ken has over 40 years' experience in the public and private sectors of New Zealand and has extensive knowledge of the construction and civil industries, including business ownership in these industries. Having lived in provincial New Zealand all his life, Ken is also aware of the needs of rural New Zealanders.

In the past 10 years, Ken's governance roles have included Director of Far North Holdings, appointed trustee of Top Energy Ltd, appointed Chair of Northern Rural Fire, Chair of Youth Development Trust (YES programme), trustee of North Point Trust, ministry-appointed advisor to the TKEMK Trust, member of Rural Advisory Forum, advisor to Fire and Emergency New Zealand, trustee of Hundertwasser Trust, member of Northern Transport Committee, and appointed Chair of Northland College Transition Board.

Ken is a member of our Investment and Delivery and People and Culture Committees.

## Patrick Reynolds



Patrick brings extensive expertise in urban form and transport analysis and advocacy, along with public sector governance experience to Waka Kotahi.

He has lectured in urban design at the University of Auckland and written about transport and the urban realm in books and magazines and online, most prominently at Greater Auckland. Patrick is a recipient of the New Zealand Institute of Architects President's Award for his contributions to the debates on Auckland's urban issues.

He has served on boards for Auckland Council, Auckland Transport, and Rotorua Lakes Council.

Patrick is a member of our Investment and Delivery and Regulatory Committees.

## VICTORIA CARTER



Victoria has over 25 years' experience as a director on the boards of NZX, private companies and council entities in the transport, tourism, education, property and arts sectors.

Founder of Cityhop, New Zealand's first and largest carshare business, Victoria is a known expert on mobility as a service.

Victoria is a former Auckland city councillor and an accredited Fellow of the Institute of Directors. In 2016, she was awarded the New Zealand Order of Merit for services to the arts, business and community. She holds a Bachelor of Laws from the University of Auckland.

Victoria chairs our People and Culture Committee and is a member of our Risk and Assurance Committee.

# Governance report

## GOVERNANCE

Our governance framework is established under the Land Transport Management Act 2003 and Crown Entities Act 2004. The Land Transport Management Act sets out our objective and functions, and the Crown Entities Act sets out the rules governing Waka Kotahi as a Crown entity.

As a Crown entity, Waka Kotahi is a legal entity in its own right.

## BOARD FUNCTIONS AND OPERATIONS

The Waka Kotahi Board is the Waka Kotahi governing body with authority to exercise its powers and perform its functions. All decisions relating to Waka Kotahi operations must be made by or under the Board's authority.

The Board is appointed by and accountable to the Minister of Transport and responsible for Waka Kotahi:

- acting consistently with its objectives and functions
- carrying out its functions efficiently and effectively
- operating in a financially responsible manner.

Waka Kotahi has the objective, under the Land Transport Management Act 2003, of undertaking its statutory functions in a way that contributes to an effective, efficient and safe land transport system in the public interest.

### Board membership

The Minister of Transport may appoint up to eight members to the Board. Board members are appointed for a period of up to three years, which may be extended. The Board appoints members to its four standing committees.

### Board functions

The Board operates according to its charter, which sets out its governance arrangements and responsibilities. Our Board's functions are summarised in the following table.

Function	Description
Government and ministerial relationships	Maintaining appropriate relationships with the government (particularly, the Minister of Transport) and Ministry of Transport
Health and safety	Setting the strategy, culture and expectations in relation to health and safety
People and culture	Leading culture 'from the top' Reviewing and approving people and remuneration strategies and structures Appointing, overseeing and reviewing the performance of the Chief Executive (and her remuneration)
Strategy and performance	Setting the Waka Kotahi strategic direction and annual performance expectations, in consultation with the Minister of Transport Monitoring and reviewing Waka Kotahi performance

Significant decisions	<p>Carrying out functions specifically reserved to the Board, including:</p> <ul style="list-style-type: none"> <li>▪ making significant funding decisions and awarding major contracts</li> <li>▪ allocating and investing funds from the National Land Transport Fund</li> <li>▪ authorising significant changes to processes or procedures for the allocation of funding from the National Land Transport Fund</li> </ul>
Financial oversight and risk management	<p>Approving annual budgets</p> <p>Overseeing Waka Kotahi accounting and reporting systems and, where appropriate, approving financial and other reports</p> <p>Overseeing and monitoring the performance of internal and external auditors</p> <p>Setting, monitoring and reviewing the internal audit plan through the Risk and Assurance Committee</p> <p>Ensuring Waka Kotahi has appropriate risk management and regulatory compliance policies</p> <p>Reviewing key risks and risk reports regularly</p>

### Board committees

The Board has established four standing committees: the Risk and Assurance, Investment and Delivery, Regulatory, and People and Culture Committees. These committees assist the Board by focusing on specific matters in greater detail than is possible for the Board as a whole. The committees are governed by a Board approved terms of reference. The Board may establish other standing or ad hoc committees to assist it in carrying out its powers and functions.

## Risk and Assurance Committee

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Role	<p>To assist the Board in:</p> <ul style="list-style-type: none"> <li>▪ ensuring Waka Kotahi operates in a financially responsible manner</li> <li>▪ exercising due care and diligence in relation to Waka Kotahi financial reporting</li> <li>▪ establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of Waka Kotahi financial reporting</li> </ul>
Members	Cassandra Crowley (Chair), Victoria Carter, Sir Brian Roche
Responsibilities	<p>Oversee and monitor Waka Kotahi accounting policies, standards and processes to ensure the integrity of the Waka Kotahi financial statements and its compliance with the law and generally accepted accounting practice</p> <p>Receive, review and report to the Board on Waka Kotahi financial statements and other relevant financial planning, budgeting and reporting documents (including state highway valuations) and, where appropriate, recommend their acceptance by the Board</p> <p>Receive and review reports on any unusual financial activities involving Waka Kotahi (including debt management, overdraft and financing issues)</p> <p>Assess whether procedures are adequate for detecting fraud and controls over special or complex transactions (including related-party transactions)</p> <p>Oversee and monitor the independence, objectivity and overall effectiveness of Waka Kotahi internal and external audit functions</p> <p>Review and approve the annual internal and external audit plans, including by evaluating their adequacy of coverage</p> <p>Receive and review the internal and external auditor's reports, including by reference to approved audit plans</p> <p>Advise the Board on significant issues identified in audit reports, action taken on issues raised and recommend Board actions</p> <p>Oversee and monitor the effectiveness of Waka Kotahi processes and policies for identifying, assessing and addressing risks</p> <p>Receive and review reports on risks, as appropriate</p> <p>Oversee Waka Kotahi financial and non-financial performance measures and the processes to assess and report on them</p>

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### Investment and Delivery Committee

Role	Assist the Board by providing advice and assurance in relation to significant investment and operational matters
Members	Sir Brian Roche (Chair), Ken Rintoul, Cassandra Crowley, Patrick Reynolds
Responsibilities	<p>Oversee and make recommendations on:</p> <ul style="list-style-type: none"> <li>▪ the Waka Kotahi strategy for funding applications, investment decisions and procurement proposals across all modes of transport</li> <li>▪ the delivery of the National Land Transport Programme</li> <li>▪ the development and implementation of asset management strategies, risk assessment, environmental audit and performance monitoring in respect of state highways</li> <li>▪ the strategy for procurement, tendering and commencement of state highway or other projects</li> <li>▪ the development of tolling operations, integrated ticketing systems, registry operations and the delivery of legislative compliance and regulated safety regimes</li> <li>▪ significant procurement, business case and investment decisions;</li> <li>▪ the potential reputational, environmental, social and cultural impacts of Waka Kotahi activities and decisions</li> <li>▪ the Waka Kotahi health and safety risk management framework and policies in relation to its third-party suppliers and their contractors</li> </ul>



### Regulatory Committee

Role	Assist the Board by providing advice and assurance in relation to Waka Kotahi regulatory responsibilities
Members	Catherine Taylor (Chair), David Smol, Patrick Reynolds
Responsibilities	<p>Review and advise the Board on the Waka Kotahi regulatory strategy, annual regulatory plan and regulatory fees and funding reviews</p> <p>Oversee, advise and guide the Board in relation to the Waka Kotahi regulatory approach, frameworks and policies</p> <p>Provide assurance to the Board that Waka Kotahi regulatory processes are effective, and advise the Board of any significant issues</p> <p>Provide general oversight and monitoring of Waka Kotahi regulatory activities, including monitoring the resourcing of the regulatory function and advising the Board of any significant regulatory matters</p> <p>Oversee and monitor the Waka Kotahi road safety programme and its effectiveness</p>

### People and Culture Committee

Role	Assist the Board by providing advice and assurance in relation to Waka Kotahi people policies, practices and strategies, Waka Kotahi people health and safety, and stakeholder engagement and perceptions
Members	Victoria Carter (Chair), Catherine Taylor, Ken Rintoul
Responsibilities	<p>Oversee, advise and guide the Board in relation to Waka Kotahi people strategies, frameworks and policies</p> <p>Oversee, advise and guide the Board in relation to the health, safety and wellbeing of Waka Kotahi people</p> <p>Monitor and report to the Board on Waka Kotahi culture and employee engagement</p> <p>Negotiate the terms of employment for the Waka Kotahi Chief Executive, in consultation with the State Services Commission, for approval by the Board</p> <p>Review the Waka Kotahi Chief Executive's performance and report conclusions and remuneration recommendations to the Board</p> <p>Ensure succession planning for the Waka Kotahi Chief Executive</p> <p>Oversee stakeholder engagement and perceptions</p>

## Delegations

The Board operates through delegation to the Chief Executive. The Chief Executive with the Executive Leadership team are charged with the day-to-day leadership and management of Waka Kotahi. Our Chief Executive sub-delegates authority to the Executive Leadership team and others within specified financial and non-financial limits. Formal policies and procedures govern the parameters and operation of these delegations.

## Board member remuneration

Board member remuneration is set out in the financial statements in this report. The Minister of Transport sets remuneration rates in line with the Cabinet fees framework.

## Disclosure of interests

Before being appointed to the Board, potential Board members must disclose all interests to the Minister of Transport. Following appointment, Board members must disclose all interests as soon as practicable. A register of interests is kept and provided to the Board at each scheduled Board meeting.

## Code of conduct, gifts and expenses

The Board has a code of conduct. The code and the Board charter set out the minimum standards of behaviour expected of Board and committee members.

The Board has approved guidance for Board members' travel, expenses and acceptance of invitations and gifts. Gifts and hospitality must not be accepted where they could compromise, or be seen to compromise, a Board member's integrity or independence. Gifts should also be declined unless they are of nominal value or the gift is from international or cultural signatories or iwi and refusal would cause offence.

Gifts and hospitality received by Board and committee members with a value of \$100 or more are recorded in a register the Board maintains.

## Induction

Induction training is provided to new Board members (which all Board members may attend). The nature and extent of the induction programme varies depending on the experience of the appointee and the type of appointment (that is, chair, deputy chair or member).

## Board performance reviews

The Board regularly reviews its overall performance and the performance of its committees and individual Board members.

## Risk management

Like all entities, Waka Kotahi is exposed to a variety of risks. Our risk management activities aim to ensure we identify, prioritise and manage risks so we can execute our strategies and achieve our goals.

Our Board is ultimately responsible for risk management governance by:

- reviewing key risks annually
- approving and regularly reviewing our risk framework
- providing, through our Risk and Assurance Committee, oversight and monitoring of key risks.

Risks are assessed using a risk profile to identify the likelihood of occurrence and potential severity of impact. Key risks are identified using an enterprise risk management framework that encompasses financial and non-financial risks. These fall into the following broad categories:

- technology risks, for example, around system performance and cybersecurity
- people and culture risks, for example, around health and safety, capability, talent and change management
- regulatory risks, for example around delivering our regulatory responsibilities
- funding risks, for example around short-term and long-term funding (including in respect of the National Land Transport Fund)
- operational delivery risks, for example, around industry capability and capacity, benefits realisation, resilience and road safety outcomes.

## Board activity in the year to 30 June 2020

The Board held 11 standard and 7 special meetings in the year to 30 June 2020.

Topic	Activity
Government and ministerial relationships	Meeting regularly, through the Board Chair and Chief Executive, with the Minister of Transport and Ministry of Transport
Safety, health and environment	Overseeing the development of the Waka Kotahi Road to Zero implementation plan Monitoring, through the Risk and Assurance Committee, the implementation of the Waka Kotahi three-year health and safety workplan Monitoring Waka Kotahi performance against its health and safety goals
People and culture	Appointing and inducting a new Chief Executive Overseeing and developing the Waka Kotahi people strategy and leadership reset programme Reviewing and approving people and remuneration strategies and structures Overseeing Waka Kotahi culture and its people

Topic	Activity
Strategy and performance	<p>Reviewing and developing Waka Kotahi strategy</p> <p>Overseeing the development of, and approving, the new Waka Kotahi regulatory strategy</p> <p>Approving <i>Arataki</i>, the Waka Kotahi plan for the land transport system</p> <p>Monitoring performance against the Statement of performance expectations 2019/20</p> <p>Approving the Statement of performance expectations 2020/21</p> <p>Engaging in the development of the new Government Policy Statement on land transport</p> <p>Overseeing delivery of the National Land Transport Programme</p> <p>Overseeing the implementation of the Waka Kotahi regulatory “back to basics” programme</p> <p>Endorsing new approaches to infrastructure procurement</p> <p>Overseeing the development of Te Hau Ora, the Waka Kotahi digital services revitalisation and governance framework</p> <p>Overseeing the review of Waka Kotahi regulatory fees and funding</p> <p>Engaging in the development of the new Director of Land Transport role and function</p>
Significant decisions	<p>Responding to the COVID-19 environment</p> <p>Overseeing implementation of the new Investment Decision Making Framework</p> <p>Overseeing negotiation and resolution of key public-private partnership project claims</p> <p>Reviewing funding assistance rates for 2021-24</p> <p>Overseeing the development of the role of Waka Kotahi in the New Zealand Upgrade Programme and government stimulus package</p> <p>Approving updated tolling assessment criteria and policy</p> <p>Carrying out functions specifically reserved to the Board, including:</p> <ul style="list-style-type: none"> <li>▪ making significant funding decisions and awarding major contracts</li> <li>▪ allocating and investing funds from the National Land Transport Fund</li> </ul>

Topic	Activity
Financial oversight and risk management	<p>Approving and monitoring performance against the annual budget</p> <p>Approving and monitoring performance against internal and external audit plans and investment audit programme</p> <p>Approving financial results and annual reports for Waka Kotahi and the National Land Transport Fund</p> <p>Monitoring and reviewing Waka Kotahi key risks</p> <p>Monitoring Waka Kotahi technology risks and its insurance programme</p> <p>Regularly reviewing risk management, key risks and risk reporting</p>
Governance	<p>Establishing the Board Regulatory Committee</p> <p>Reviewing and resetting Waka Kotahi internal policies</p> <p>Inducting new Board members</p> <p>Refreshing the Board and Board committee charters</p> <p>Releasing Board minutes proactively</p> <p>Establishing the New Zealand Upgrade Programme Governance Group</p>

### Board and Board committee meeting attendance in the year to 30 June 2020

Function	Regular Board meetings	Special Board meetings	Risk and Assurance Committee	Regulatory Committee <sup>1</sup>	People and Culture Committee	Investment and Delivery Committee
Total meetings held	11	7	5	2	4	4
Current Board and committee members						
Sir Brian Roche	11	6	4	-	-	3
Cassandra Crowley <sup>2</sup>	8	6	3	-	-	3
Catherine Taylor <sup>2</sup>	7	7	-	2	3	-
David Smol	9	5	-	1	1	
Ken Rintoul <sup>2</sup>	8	6	-		2	3
Patrick Reynolds <sup>2</sup>	8	7	-	2	-	3
Victoria Carter <sup>2</sup>	7	6	1	-	3	-
Former Board and committee members <sup>3</sup>						
Leo Lonergan	2	-	2	-	-	-
Mark Darrow	3	-	2	-	-	-
Nick Rogers	2	-	-	-	-	1
Sheridan Broadbent	3	-	-	-	-	1
Vanessa van Uden	3	-	-	-	1	1

<sup>1</sup> The Regulatory Committee is a new committee that met for the first time in March 2020.

<sup>2</sup> Appointed as a Board member from 23 September 2019.

<sup>3</sup> Ceased as a Board member from September 2019.

Board committees were reconstituted following the change in Board membership in September 2019.

# Our leadership team

## **Nicole Rosie** Chief Executive



Nicole joined Waka Kotahi NZ Transport Agency as Chief Executive in February 2020.

Before her appointment, Nicole was the Chief Executive of WorkSafe for three years. She has more than two decades of senior executive experience across the public and private sectors in a variety of industries and functions including transport and commercial firms such as Toll NZ and Fonterra.

Nicole is passionate about making a difference and sees the land transport system and the critical role Waka Kotahi plays across infrastructure, regulation and safety as being at the heart of a successful country.

## **Robyn Fisher** Director Office of the Chief Executive



Robyn joined Land Transport New Zealand in 2007 and has held several roles as part of Waka Kotahi since its inception in 2008, including in portfolio management; as Group Business Manager, Strategy, Communications and Performance; and as 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 in regional planning (honours) and a postgraduate diploma in negotiation and mediation.

## **Carl Devlin** General Manager Rail and Mass Transit Services



Carl joined Waka Kotahi in February 2019. He is a highly accomplished, forward-thinking and results-oriented 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.

Carl has built high-performing teams, led complex multi-billion pound programmes and run business units in global organisations. His focus on high-quality delivery as well as 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 the public and private sectors in the United Kingdom.

Carl's high-profile projects in the United Kingdom included London to Paris High Speed Rail, Heathrow Terminal 5, Sub-surface Railway Upgrade for London Underground, and development of the Wylfa Newydd Nuclear Power Plant in Wales.

### **Brett Gliddon** General Manager Transport Services



Brett joined Transit New Zealand before it merged with Land Transport New Zealand to become Waka Kotahi NZ 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, Northern Gateway Toll Road (New Zealand's first electronic toll road), Waterview Tunnel, and Te Ara I Whiti (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 Transport Services 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.

### **Kane Patena** General Manager Regulatory Services



Kane joined Waka Kotahi in April 2019 to lead the Regulatory Compliance Group and help shape the future of land transport regulation in New Zealand.

Kane brings extensive regulatory experience from the public and private sectors. His expertise has been publicly acknowledged – he is a 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.

### **Greg Lazzaro** General Manager Safety, Health and Environment



Greg joined Waka Kotahi in March 2019. He came here from Fonterra, where he held a global health, safety, risk and resilience role. He has held senior executive positions in health, safety and environment in Sodexo, UGL, in Australia and various operational roles in Orica in Australia for over 10 years.

Greg holds a bachelor's degree in chemical engineering.



## **Giles Southwell** General Manager Workplace and Technology



Giles joined Waka Kotahi in June 2017. His previous role was at Inland Revenue as the Chief Financial Officer.

Giles is originally from the United Kingdom where he had worked across the public sector since 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 Inland Revenue's Chief Technology Officer, the Ministry of Health's Chief Technology and Digital Services Officer, and the Ministry for Culture and Heritage's Corporate Services Group Manager.

## **Chris Lokum** General Manager People



Chris joined Waka Kotahi as General Manager, People in June 2019.

She is passionate about people and culture, and brings a strategic, commercial and business lens to her work. Chris is a human resources generalist with over 25 years of experience, and is known for delivering organisational change, increasing organisational capability and providing strategic leadership.

Chris has qualifications in human resources, economics, management and psychology and has completed executive programmes at Michigan and Cornell Universities. She is a member of the Australian Institute of Company Directors and served on the boards of the Australian National Association of Women in Operations and Australian Terminal Operation Management.

Prior to her appointment, Chris held a number of senior positions in Australia, New Zealand, and the UK including as Vice President HR Fuels in Asia Pacific at BP.

### **Karen Jones** General Manager Engagement and Partnerships



Karen joined Waka Kotahi in March 2020. She is passionate about working in large operational organisations and in roles that make a difference to New Zealanders. She is motivated by our mandate to keep the country moving and to reduce harm through a safer land transport network.

Karen has a strong background in central government leadership. Before joining Waka Kotahi, she was Deputy Director General People and Engagement at the Department of Conservation where she led human resources, organisational development, health and safety, security, customer engagement and office of the executive teams.

Karen's other roles include a secondment to the Department of the Prime Minister and Cabinet as Executive Director Strategy, Governance and Engagement where she led the corporate support functions and assisted with the establishment of the National Emergency Management Agency. She also spent more than five years working in the executive team at New Zealand Police as Deputy Chief Executive Public Affairs, leading internal and external communications, channels, media, social media, engagement and recruitment marketing functions.

### **Matthew Walker** General Manager Corporate Support



Matthew joined Waka Kotahi in April 2020. Before his appointment he was the Group Chief Financial Officer at Auckland Council.

Matthew's career spans the private and public sectors and the investment management, utility and local government sectors in New Zealand and Australia.

Within local government, Matthew's contribution includes helping establish the Local Government Funding Agency, introducing new special purpose vehicle partnership arrangements for greenfield infrastructure development and developing Green Bond debt programmes to finance assets and services that support environmental sustainability.

Matthew is passionate about delivering outcomes that matter to New Zealanders and believes in strong partnerships and collaboration to drive enduring and successful outcomes.

# 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. We have three DNA attributes:



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 Waka Kotahi, 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.

As noted earlier in the report, we are developing a new organisational strategy. We will identify and incorporate values and behaviours that will enable us to achieve our organisational priorities. Our values and behaviours are important to help build a positive culture that supports what we want to achieve as Waka Kotahi. We want values everyone can connect with and build a sense of belonging to what it means to work at Waka Kotahi.

# 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.

### Employee count vs total FTE

**Permanent employees:** As at 30 June 2020, we employed 1874 permanent employees, or 1,814.4 full-time equivalent (FTE) employees, representing an increase in FTE of 23 percent from 30 June 2019. This increase reflects our extensive delivery programme, as well as a proactive effort to convert contractors to permanent roles, especially during the COVID-19 lockdown.

**Fixed term employees:** As at 30 June 2020, we employed 61 fixed term employees, or 60.18 full-time equivalent (FTE) employees. Our use of employees on fixed-term agreements increased by 25 percent from 30 June 2019, the number varying during the year depending on business need. Overall, 3.2 percent of the Waka Kotahi permanent and fixed-term workforce were on fixed-term employment agreements.

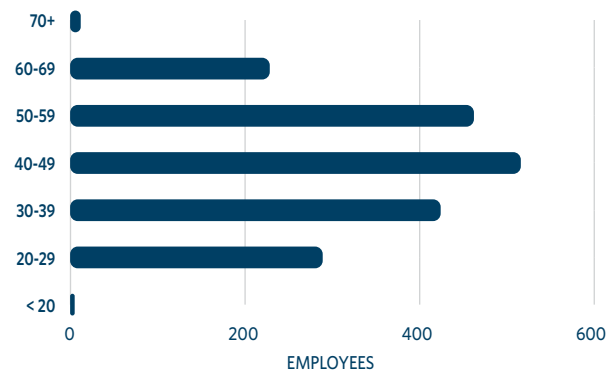
### Voluntary permanent turnover

<b>4.5 YEARS</b>	<b>6.3 YEARS</b>	<b>11.4%</b>
Average tenure (Permanent leavers in past year)	Average permanent tenure (current)	Waka Kotahi voluntary permanent turnover

Our annual voluntary turnover of permanent employees was 11.4 percent, 3.1 percent lower than the same time last year. Voluntary turnover of permanent employees with less than two years' service was 10 percent.

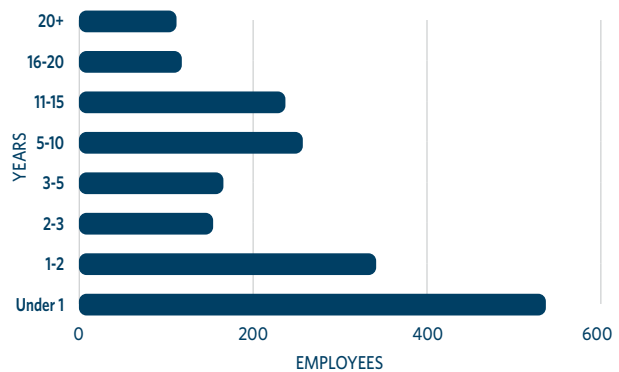
The reduction in voluntary turnover has been influenced by the increase of overall headcount; the impacts of the COVID-19 pandemic and our ongoing efforts to make Waka Kotahi a great place to work.

### Age profile



The average age of our permanent and fixed-term employees was 45 (43 for women and 47 for men). We have 243 employees who are aged 60 and over and five are aged under 20.

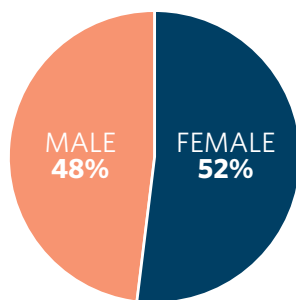
### Length of service



The average tenure of our permanent and fixed-term employees was 6.1 years. As our people numbers increase, the average tenure of our people is slowly decreasing. We have 113 employees who have been with Waka Kotahi and all its predecessors for more than 20 years.

### Gender profile

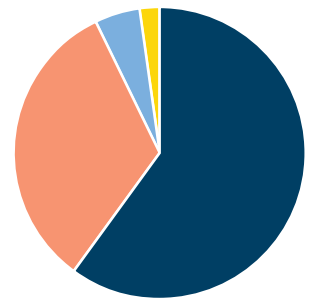
We have slightly more female than male permanent and fixed-term employees (52 percent compared to 48 percent). The proportion of female employees decreased 1.5 percentage points from the previous year.



Of our permanent and fixed-term senior employees (tiers 1 to 3) 48 percent are female (35 employees) and 52 percent are male (38 employees).

### Ethnicity profile (self-identified)

- NZ/NZ European 60%
- Other 33%
- Māori 5%
- Pacific people 2%



Other ethnic groups include:

Asian, Middle-Eastern, Latin-American, African, European and those from the United Kingdom

### Pay profile gender gap

Our overall gender pay gap (the difference between the average pay for male and female permanent and fixed term employees) as at 30 June 2020 was 24 percent, down from 26 percent in 2018/19. This overall pay gap is primarily a result of the over-representation of female employees in lower job bands and the over-representation of male employees in higher job bands.

During 2019/20, Waka Kotahi made a first round of pay adjustments to close the gender pay gap in each band, resulting in all bands below band 20 having a gender pay gap of less than one percent.

Employee job band	Average gender pay gap
11	-0.17%
12	-0.10%
13	-0.69%
14	-0.78%
15	0.60%
16	-0.22%
17	0.74%
18	0.86%
19	0.59%
20	6.00%

# 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 values-led, people-centred organisation that is fit for the future and 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.<sup>1</sup>

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

Good employer elements	Our main people policies and practices
Leadership, accountability and culture	<p>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.</p> <p>We also established foundational leadership requirements, which detail how we expect our leaders to engage their teams, and each year leadership performance is measured against these foundational expectations.</p> <p>We continue to focus on building a collaborative, flexible, trusting environment, where we work together to unlock diverse thinking so that we deliver customer-focused solutions.</p> <p>Our Chief Executive's The Way We Move newsletter, regular video and audio calls, and regular posts on Workplace (by Facebook) provide strong leadership and ensure everyone in Waka Kotahi has access to the same information. Calls can be listened to and watched live, or later.</p> <p>Senior leader forums are held 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.</p> <p>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.</p>

<sup>1</sup> Human Rights Commission Good employer advice [www.hrc.co.nz/your-rights/businessand-work/tools-and-research/reporting-crown-entities-goodemployers/](http://www.hrc.co.nz/your-rights/businessand-work/tools-and-research/reporting-crown-entities-goodemployers/)

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Leadership, accountability and culture (contd)	<p>We have Workplace by Facebook and Microsoft Teams as tools to allow everyone in Waka Kotahi to collaborate and contribute to workplace conversations. These tools are popular and provide an engagement channel directly to our people.</p> <p>We hold people accountable through robust performance and development planning.</p> <p>As part of our leadership response to the COVID-19 pandemic, we established five new guiding principles of trust, care, stability, innovation and hope. As we moved through the Alert Levels these were refreshed to include agility and delivery. These principles guide our communication and engagement with both people leaders and employees.</p>
Recruitment, selection and induction	<p>Our recruitment and selection processes support our commitment to diversity and inclusion, the elimination of conscious and unconscious bias, and equal employment opportunities. Our diversity and inclusion approach includes a goal of a workforce broadly reflective of the community.</p> <p>Videos and profiles on our career website and in recruitment collateral feature employees from diverse backgrounds, and we use inclusive language in our online careers pages.</p> <p>We are an accredited employer with the New Zealand Immigration Service.</p> <p>Progression within Waka Kotahi is based on merit rather than service and is built around competencies and skills. We identify and address barriers to participation and progression.</p> <p>All new people are invited to the organisation-wide induction to Waka Kotahi, and we are increasingly holding pōwhiri and mihi whakatau to welcome our new starters.</p> <p>Our development tools for managers who are recruiting include training on recognising and addressing unconscious bias towards applicants.</p> <p>We actively recruit multilingual people for some of our customer-facing roles.</p> <p>In 2019/20, the Emerging Professionals programme was implemented to identify and engage with the country's emerging talent in the Transport Services, Engagement and Partnerships and Corporate Support business groups.</p> <p>During the COVID-19 pandemic response, induction and onboarding moved online. Additional support was wrapped around our people leaders and new starters, so they could successfully welcome people remotely.</p>

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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 people to work collaboratively, and provide tools and resources to support this.

In response to the COVID-19 pandemic, we provided 600 LinkedIn Learning licences to employees to support personal and professional development. This is enough for a third of all permanent employees to access this learning platform.

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.

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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.

During the COVID-19 pandemic response, most of our people were set up to work from home. For those with roles that could not be completed remotely, or who had other responsibilities such as caring for children or aged parents, we offered special leave allowances and additional online development and learning opportunities.

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Remuneration, recognition and conditions	<p>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 with public sector and other organisations' market data.</p> <p>We completed a gender pay gap review and the first round of adjustments have occurred to progress towards remuneration equality across Waka Kotahi.</p> <p>We endeavour to make our job evaluation and remuneration practices transparent, equitable and gender neutral.</p> <p>Recognition is encouraged and we use a variety of ways to celebrate success and recognise people publicly and privately.</p> <p>In the COVID-19 pandemic environment, we have adjusted our approach to remuneration and demonstrated appropriate restraint. A modest flat-rate salary increase has been offered to those earning less than \$100,000. Those earning \$100,000 or more will receive no increase for the 2019/20 performance year.</p>
Harassment and bullying prevention	<p>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.</p> <p>We have an employee liaison service in partnership with FairWay, which provides issue resolution services free to all our people.</p> <p>We worked collaboratively with unions to better understand harassment and provide tools and support for our people dealing with harassment.</p> <p>We have stand-alone bullying and harassment and sexual harassment policies, and an online learning module to support employee understanding of these policies.</p> <p>We have taken note of the lessons from the Ministry of Transport's Civil Aviation Authority review.</p>

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**Safe and healthy environment**

Waka Kotahi continues to provide support for its people through the Employee Assistance Programme, as well as maintaining its mental health 'first aiders' who are trained to support their colleagues who may be experiencing mental health challenges.

There was a significant impact on our people during the COVID-19 lockdown period. Online formal and informal programmes were delivered to our people remotely, providing access to recognised specialists such as Dr Tom Mulholland, one of New Zealand's most experienced keynote speakers on wellbeing and mental health, and business, motivational and mental health expert, Dr Paul Wood.

We distributed technology and furniture packs to our people working from home and established a process to check in with our people individually to monitor their wellbeing. Frequent, regular communications were provided to our people to keep them updated on events, and other wellbeing initiatives were established such as support networks and helplines. Our people were informed about any changes or decisions that might affect their health, safety or wellbeing and updates on the organisation's response to the COVID-19 situation. Weekly surveys gauged our people's response to these changes and initiatives.

Flu vaccinations were again provided for all of our people (through a voucher system for people to use at their local doctor). Health and Safety Committees continued to hold regular meetings to ensure consistent and ongoing development of health and safety policy, and communication across Waka Kotahi.

We continue to work closely with our construction industry partners to improve health and safety practices and outcomes for our contractors and traffic management providers.

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**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

## Improving the health and safety of our contractors and staff

In 2019/2020, a new health and safety three-year workplan was developed aimed at raising the level of internal health and safety. A new incident reporting system was developed and trialled, aiming to making employee reporting of incidents and near misses more comprehensive. This has led to an expected increase in reporting.

We published the inaugural Waka Kotahi sustainability action plan, *Toitū te Taiao*, and began work on the complementary monitoring report *Tiakina te Taiao*, which will also set sustainability targets for Waka Kotahi over the short and medium-term.

The Waka Kotahi Health and Safety charter was updated, detailing governance and oversight obligations and activities, and a new health and safety policy will be developed in 2020/21 to give effect to the charter.

We continued to work closely with our construction industry partners to improve health and safety practices and outcomes for our contractors and traffic management providers, and is increasing the nationwide team that works on-site with contractors.

## Total Recordable Injury Frequency Rate (TRIFR) for our people

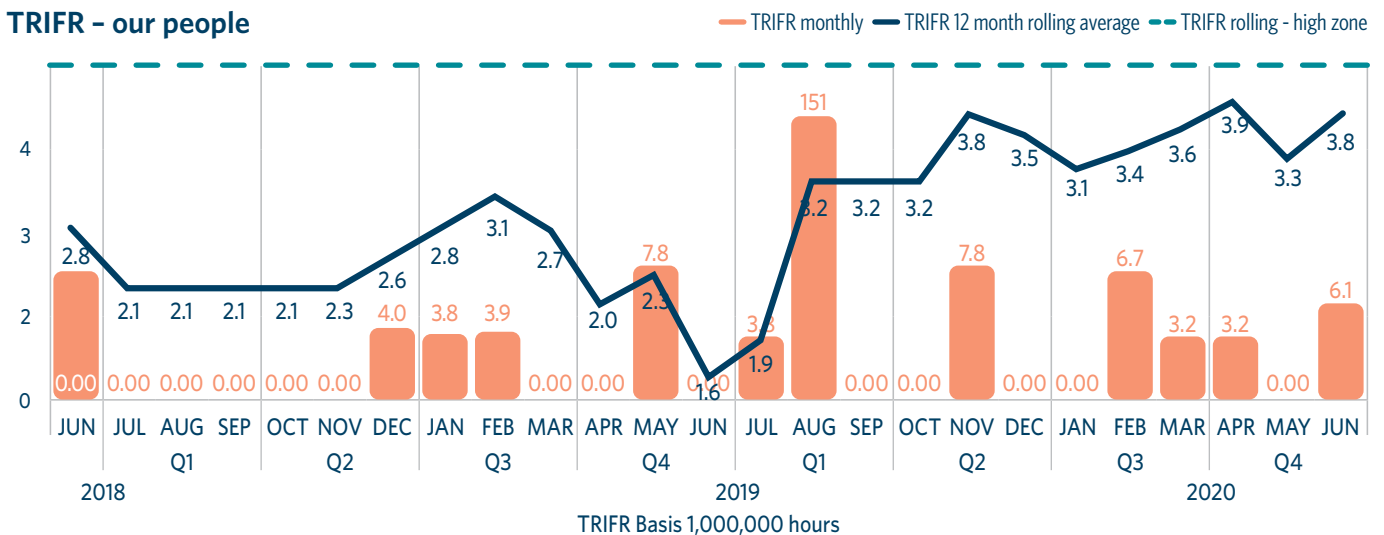
We use TRIFR to track and monitor our health and safety performance for employees and contractors. By tracking and reporting TRIFR, we can more easily benchmark our health and safety performance against that of peer organisations, identify opportunities to prevent incidents, and develop appropriate initiatives for our health and safety work programme

Our employees reported 184 incidents and near misses, and of these 39 resulted in injury or illness. Of the 39, 12 required medical treated and one resulted in lost time at work.

The majority of injuries (physical and psychological) over the year were in three categories;

- Ergonomic injuries related to situations such as poor work-station set-up. (These were more prominent during the lockdown period.)
- Slips, trips and falls
- Psychological harm from aggressive customers. These incidents were the most frequent in our contact centres.

## TRIFR - our people



### Total Recordable Injury Frequency Rate (TRIFR) for our contractors

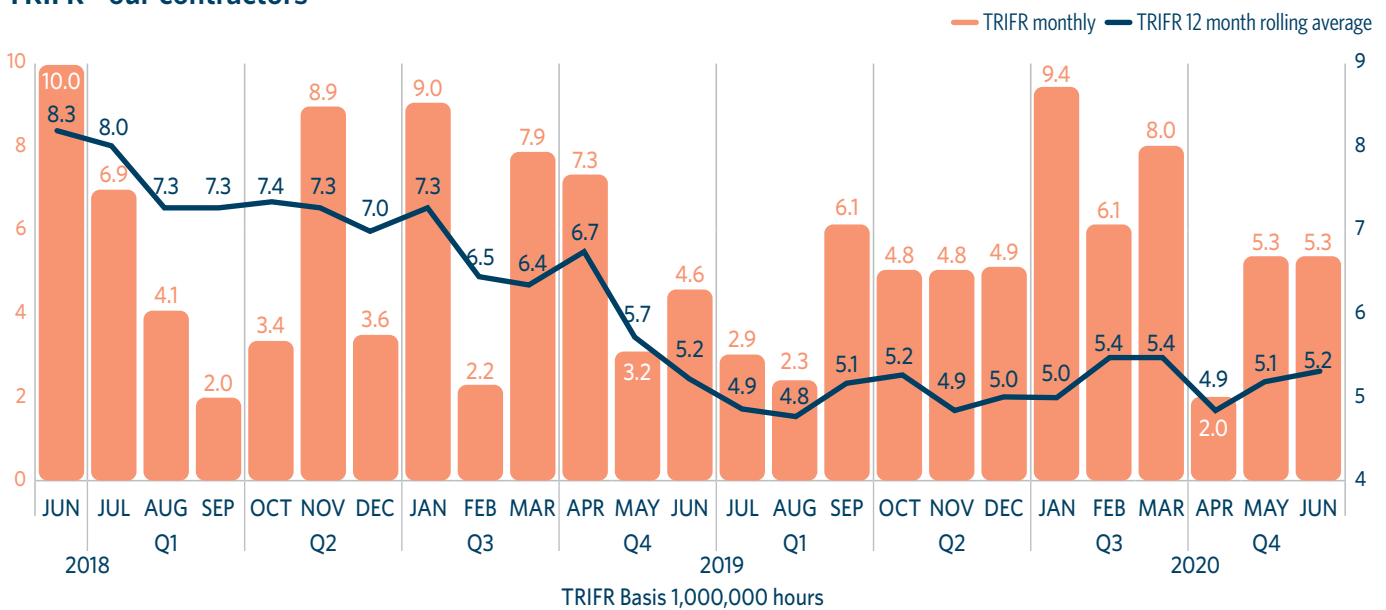
There were no fatalities for this period which is a substantial and important improvement on last year where four roadworkers tragically died while working on maintenance projects.

The TRIFR for our physical works contractors has remained consistent with previous years, with the majority of injuries occurring in three areas:

- contact with objects or equipment
- falls, slips and trips
- and over-exertion and bodily reaction.

The first category covers injuries which occur from being struck by, caught up in or jarred by equipment and objects. The second covers falls on the same level or to a lower level and slips or trips without a fall. The third category covers muscular-skeletal issues that leads to injuries such as sprains and strains.

### TRIFR - our contractors



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<sup>1</sup>.

In October 2019, Waka Kotahi released its contractor expectations document for its construction partners. The expectations were designed to create a framework for partners to apply their own risk management processes, systems and capabilities. Engagement and working together is necessary for managing critical risk and Waka Kotahi committed to increasing the support it provides to its partners in this regard. We recently hired four safety advisors to work in collaboration with its partners to achieve safer outcomes.

<sup>1</sup> 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

## **Temporary Traffic Management**

A review of the Waka Kotahi Code of Practice for Temporary Traffic Management (CoPTTM) was launched in May 2020, with feedback sought from industry and other interested parties relating to its content and application.

Waka Kotahi asked the industry to provide feedback on how CoPTTM could be improved, and to highlight changes that could be made to ensure it remained effective and suitable. More than 700 submissions were received.

The next stage of the review will include analysis and assessment of the feedback, confirmation with the industry, and the development of a revised code. The review is currently scheduled to be completed in late 2021.

CoPTTM is used internally and externally by Waka Kotahi and Local Territorial Authorities (as the predominant Road Controlling Authorities) and many industry groups as the guiding document for the application of Temporary Traffic Management practice in NZ.

The training and competency of temporary traffic management workers is also being redesigned with industry to better clarify roles and responsibilities, knowledge and to align with the review of CoPTTM. Our traffic management workers will soon be able to gain NZQA qualifications, and have a clear career path they can work towards. This will create better depth of knowledge and improved ability to make risk-based decisions based on experience and knowledge.

# Asset performance measures

All government agencies, including Waka Kotahi, are required to report on the performance of their assets. 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 2, page 231).

## STATE HIGHWAY ASSET PERFORMANCE MEASURES

The following performance measures for our state highway maintenance output class (reported on page 69), are asset performance measures for the state highway network.

REFERENCE	MEASURE	RESULT	2019/20 TARGET	2019/20 ACTUAL	VARIANCE	2018/19 ACTUAL
SHM3	Network resilience: proportion of rutting $\leq$ 20mm over state highway network	Achieved	$\leq$ 3% <sup>†</sup>	1%	2%	1%
SHM4	Safe stopping: proportion of network above skid threshold	Not achieved	$\geq$ 98%	95%	3%	97%
<p>The survey to collect this information was conducted 27 November 2019 to 12 February 2020. During this period, the country experienced a hot dry spell of weather. This weather affected the road surface in many regions, causing it to become contaminated and making the survey results about road conditions appear much worse than the actual condition of the road. This condition has happened before. The safe stopping threshold returns to above target levels soon after the road surface temperature has cooled down and the abrasion from vehicle tyres removes the contamination.</p>						
SHM5	Smooth ride: proportion of travel on network classed as smooth*	Achieved	$\geq$ 97%	99%	2%	99%
SHM6	Availability of state highway network: proportion of unplanned road closures resolved within standard timeframes	Not achieved <span style="color: blue;">■</span>	$\geq$ 84%	81%	3%	85%

The target was not met mainly because of severe weather conditions and road crashes. Extended closures in the first half of the year in the South Island were the result of prolonged snow, ice and avalanche hazards over winter, as well as flooding and slips. In quarter three, closures were mainly the result of serious crashes around the country. An improvement in the result was seen in quarter four, which was likely to be the result of limited traffic and travel being undertaken during the COVID-19 lockdown.

■ The result could have been affected by COVID-19 but we are unable to clearly determine this.

## INFORMATION AND COMMUNICATION TECHNOLOGY ASSET PERFORMANCE MEASURES

Last 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.

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

### Explanation of terminology

**Cloud-based** refers to applications, services or resources made available to users on demand via the Internet from a cloud-computing provider's server. Cloud-based services allow flexibility and greater ability to recover from significant events affecting information technology data centres, systems and networks compared with on-premises services. Waka Kotahi is focusing investment on moving services to the cloud.

**Up time** 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.

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

**Utilisation measures** are expressed as the:

- percentage of available capacity for storage
- percentage utilisation of data centre server and storage assets
- percentage peak bandwidth usage
- percentage of disk or network utilisation capacity thresholds applicable to the assets being measured.

### Cloud tiers

**Tier 1** - Applications that run the business and the data bound to those applications. They are critical to the business delivering its services. These are cloud-based systems, and include:

- National Incident and Event Management System (NIEMS)
- Road Performance (TrafficWatcher)
- WeighRight
- Milford Alliance App
- New Zealand Business Number (NZBN).

**Tier 2** - Cloud services are applications that are important for the business to deliver its services. If they are not available, the business' ability to deliver its services is degraded. We are moving our current systems to cloud-based systems as budget permits to address technology risks. These services include Mobility as a Service (trial).

### Investment management and asset performance measures

Reference area	Services	Measure name	Definition	Result	2019/20 actual	2019/20 target	
1	Availability	Cloud-based	Percentage of time tier 1 cloud service is available (uptime) for the year	Uptime	Achieved	99.9%	99.0%
2	Availability	Cloud-based	Percentage of time tier 2 cloud service is available (uptime) for the year	Uptime	Achieved	83.63% Variation over the development and testing activities	99.0%
3	Availability	Cloud-based	Percentage availability of tier 1 cloud services over total business days for the year	Uptime	Achieved	99.9%	99.0%
4	Availability	Cloud-based	Number of downtime hours for tier 1 services in the year	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	Achieved	Less than 3 hours	1% of total time available (no more than 87.6 hours downtime)



Reference area	Services	Measure name	Definition	Result	2019/20 actual	2019/20 target
5	Utilisation	On-premises	Utilisation measures	Achieved	<p>Percentage available capacity for storage - 56.3%</p> <p>Percentage utilisation of data centre server and storage assets - 42.37%</p> <p>Percentage peak bandwidth usage - 43%</p> <p>Percentage of disk utilisation capacity thresholds applicable - Memory - 25.18% CPU - 6.85%</p>	70% of total capacity for the described measures
6	Condition	On-premises	Faults as expressed as number of critical faults (priority 1) faults per year	Achieved	37 faults	100 faults

Reference area	Services	Measure name	Definition	Result	2019/20 actual	2019/20 target	
7	Functionality	On-premises	Percentage of key on-premises systems with disaster recovery capability in place and tested	Disaster recovery	Not achieved There is planned testing of disaster recovery capability as well as business continuity plans to fit in with the Auckland Transport Operations Centre amalgamation. The annual plan has made provision to increase the number of systems that have disaster recovery capability to 60% in 2020/21.	Transport systems: 40% of systems have disaster recovery capability in place and none has been tested.	60%