

SECTION B OUR ORGANISATION

Peter Jackson's
poppies in the
Arras Tunnel



WHAT WE DO

Our purpose is to create transport solutions for a thriving New Zealand.

Our strategy is about shaping the future to deliver on this purpose. We have worked with others in the wider transport sector to agree what that future should look like. While our special focus is on the land transport system, we have signed up with others across the transport sector to create transport solutions and work towards a transport system that is:

- **effective** – moves people and freight where they need to go in a timely manner
- **efficient** – delivers the right infrastructure and services to the right level at the best cost
- **safe and responsible** – reduces the harms from transport
- **resilient** – meets our future needs and endures shocks.

New Zealand thrives when the whole transport system – maritime, aviation and land transport – works together to achieve these enduring sector-wide transport outcomes.

We create transport solutions by:

- **integrating one effective and resilient network for our customers**

We take a one network approach to integrating land use and transport planning so that there are many ways to get around our towns and cities easily and safely – walking, cycling, driving or using public transport. Our experience has shown that by integrating planning and operating the transport network more efficiently we contribute to economic growth and social connectivity.

- **shaping smart transport choices that are safe, efficient and responsible**

We're working cooperatively with our customers, suppliers and partners to help people and business make good choices about their legal obligations, driving, vehicles and travel. We're making compliance easier and empowering people to take responsibility for their actions and how they interact with the licensing and transport network, making the existing network safer and more efficient.

- **delivering efficient, safe and responsible highway solutions for New Zealand road users**

We ensure that each road in the state highway network is playing its part in making New Zealand a more prosperous and safer place, through an ongoing programme of renewal, maintenance and operational management. We're using the Safe System approach and One Network Road Classification to improve the experience that drivers have on the highway and recognise the different needs of freight, commuters, tourists, and business and leisure travellers.

- **maximising effective, efficient and strategic returns for New Zealand**

We make sound, independent investments in the national, regional, and local land transport system to achieve one network transport solutions that best meet the needs of communities both today and into the future. Every day, we ensure that each dollar we spend delivers good transport results for New Zealanders and is cost effective. Every time we allocate funds from the National Land Transport Fund (NLTF) and co-invest with our local government partners, we do the right things, at the right time, for the right price to achieve the results set out in the Government Policy Statement on Land Transport (GPS).

For more information on our strategic direction, see our operating intentions on page 43.

OUR BOARD

BOARD MEMBER PROFILES

The Transport Agency is a Crown entity governed by a Board, which is appointed by the Minister of Transport.

CHRIS MOLLER, CHAIR (WELLINGTON)

Chris is a non-executive director who chairs the boards of Meridian Energy Ltd and SKYCITY Entertainment Group Ltd. He is also a director of Westpac New Zealand Ltd. He was previously Chief Executive of the New Zealand Rugby Union, Deputy Chief Executive of Fonterra Co-operative Group Ltd, and a director of a range of joint venture and subsidiary organisations within the New Zealand dairy industry, both domestically and internationally.

DAME PATSY REDDY, DEPUTY CHAIR (WELLINGTON)

Dame Patsy has been a non-executive director of a wide range of companies in both the public and private sectors over the past 25 years. She is currently Chair of the New Zealand Film Commission and Education Payroll Ltd and is a director of Payments NZ Ltd and Active Equity Holdings Ltd. She is a chief Crown negotiator for Treaty of Waitangi settlements and a lead reviewer for the Performance Improvement Framework for the State Services Commission. Her previous directorships include Telecom Corporation of NZ Ltd, SKYCITY Entertainment Group Ltd, New Zealand Post and Air New Zealand Ltd.

GILL COX (CHRISTCHURCH)

Gill is a chartered accountant and non-executive director. He chairs MainPower NZ Ltd, Transwaste Canterbury Ltd and Ngai Tahu Farming Ltd. He is also a director of a number of privately held businesses involved in manufacturing, warehousing and distribution, infrastructure, property development, medical services, legal services and fishing. Gill is a member of the CERA Community Forum in Christchurch and the Canterbury Earthquake Recovery Advisory Board.

TONY LANIGAN (AUCKLAND)

Tony is a professional civil engineer, project management consultant and former general manager with Fletcher Construction. Tony was the inaugural Chancellor of AUT University and a director of Infrastructure Auckland. He is currently Vice Chair of Habitat for Humanity in New Zealand and Chair of the New Zealand Housing Foundation. He is a director of Watercare Services Limited. Tony is the Group Director - Estates at Auckland University of Technology (AUT) as well as a Senior Research Fellow in the AUT School of Construction Management. Tony is a member of the Ministry of Health's Hospitals Redevelopment Partnership Group for Canterbury hospitals. In March 2015, Tony was elected a Distinguished Fellow of the Institution of Professional Engineers (Dist. FIPENZ).

MARK OLDFIELD (TIMARU)

Mark is a director of Brenchley Farms Ltd in South Canterbury. He has over 30 years' experience working with businesses and communities in the Canterbury region. He also has interests in Nelson/Tasman and Queenstown. From 1997 to 2010, he was a member of the Canterbury Regional Council (including Regional Land Transport, Public Passenger Transport and Road Safety committees). Mark has been a Board member/vice president of the South Canterbury Chamber of Commerce, as well as a Board member of the Energy Efficiency Conservation Authority 2010-2014.

JERRY RICKMAN (HAMILTON)

Jerry is a chartered accountant and professional director. Jerry currently chairs the Boards of HG Leach Ltd, Tidd Ross Todd Ltd, Spectrum Dairies Ltd and is a director of Power Farming Holdings Ltd. He was a member of Telecom's Independent Oversight Group. He has chaired the boards of Waikato Regional Airport Ltd, Waikato District Health Board, Innovation Waikato Ltd and EziBuy Holdings Ltd.

NICK ROGERS (AUCKLAND)

Nick Rogers is a geotechnical specialist with expertise in land stability, foundation support and natural disaster assessment. He has over 34 years' experience on major infrastructure projects and in conducting land damage assessments for the Earthquake Commission in New Zealand. He has also worked on projects across the Asia-Pacific region. Nick has been a director for Tonkin and Taylor, and the international development consulting firm ANZDEC. Nick was made a Companion of the Queen's Service Order for his services in natural disaster assessment throughout New Zealand, and in the recovery work in Christchurch during and after the Canterbury earthquakes.

ADRIENNE YOUNG-COOPER (AUCKLAND)

Adrienne is a businesswoman, professional director and a Chartered Fellow of the Institute of Directors. She has a 30-year career in resource management and planning - specialising in spatial planning, metropolitan growth and management (including infrastructure planning and large projects). Adrienne was the Deputy Chair of the Auckland Regional Transport Authority (replaced by Auckland Transport) and was a Board member of Maritime New Zealand until 2011. Her experience and contribution in transport governance is extensive. She is Deputy Chair of Housing New Zealand Corporation and Chair of the Hobsonville Land Company Limited. She also serves on several charitable trusts.



**MARK
OLDFIELD**



**NICK
ROGERS**



**GILL
COX**



**CHRIS
MOLLER**
Chair



**DAME PATSY
REDDY**
Deputy Chair



**TONY
LANIGAN**



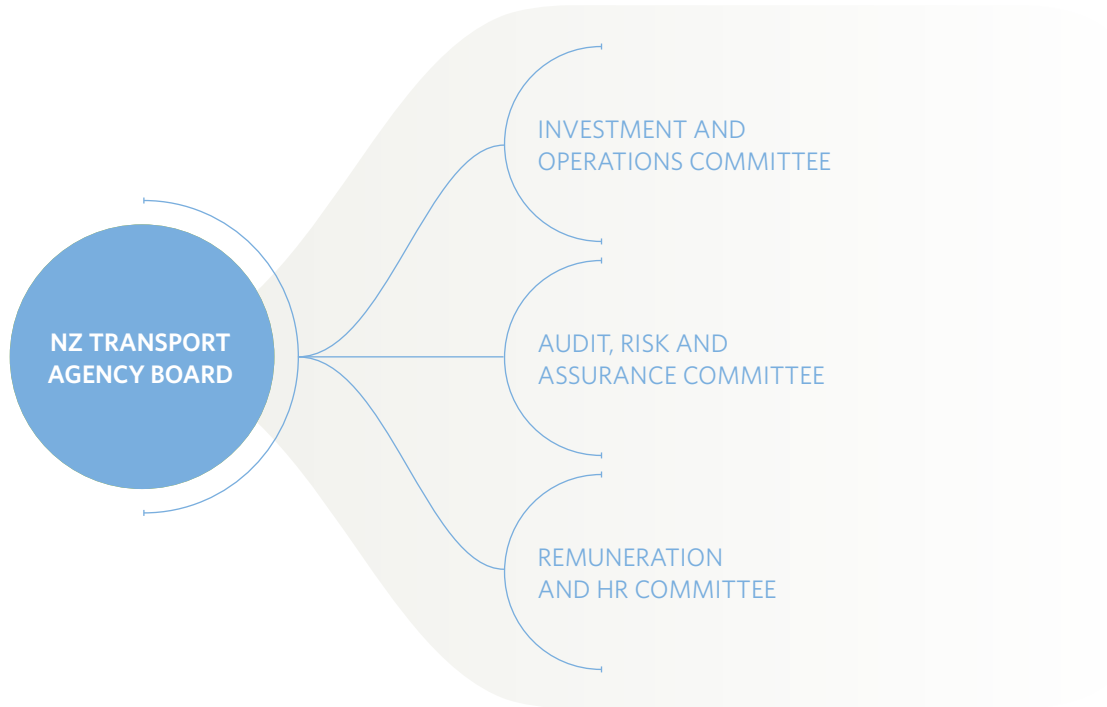
**ADRIENNE
YOUNG-COOPER**



**JERRY
RICKMAN**

BOARD MEMBERSHIP AND COMPOSITION

The Minister of Transport appoints up to eight independent, non-executive members to the Board of the Transport Agency. Board members are appointed for up to a three year period that may be extended. The Board selects the membership of its three committees. A recent review confirmed that the Board should continue with the current structure, but sharpen the focus of the Investment and Operations Committee.



BOARD FUNCTIONS AND OPERATIONS

BOARD FUNCTIONS

The Board performs five functions that direct the operations of the Transport Agency:

1. Setting sector and organisational direction.
2. Confirming service and financial performance targets.
3. Directing significant planning, investment and operational matters.
4. Assuring quality of key organisational systems, policies and processes.
5. Assessing progress against our strategy and plans.

The planning, investment and funding decisions the Board must make are set out in its significance policy. They 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 (NLTF) reviewing the performance and remuneration of the Chief Executive.

The Board sets clear policies that define the individual and collective responsibilities of committee management, operating structure, lines of responsibility and the areas of authority extended to each. Operational responsibility is delegated to the Chief Executive via a formal delegated authority framework. Day-to-day operations are managed by senior managers, led by the Chief Executive.

While the Board committees have no delegated authority, they 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.

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

BOARD MEMBER REMUNERATION

The rates of remuneration for Board members are set by the Minister of Transport, in line with government rates for members' fees.

DISCLOSURE OF INTERESTS

Board members must complete a declaration of interests each year. Any changes to Board members' conflicts of interest are tabled and reviewed at the opening of every Board meeting. The process is independently audited every year.

CODE OF CONDUCT

The Board formulated and adopted a code of conduct for its members in 2010. The code is based on best practice. It is informed by the State Services Commission's Board appointment and induction guidelines and by the Office of the Auditor-General's *Managing conflicts of interest: guidance for public entities*.

BOARD PERFORMANCE REVIEWS

At least every two years, the Board reviews its own overall performance, in a process run by the Chair. Individual Board member performance will be assessed as part of this process.

GOVERNANCE STATEMENT

The Board's governance statement is formally adopted and published on our website: www.nzta.govt.nz/about-us/about-the-nz-transport-agency/our-board/.

BOARD ACTIVITY IN 2014/15

The Board held eight scheduled and two special meetings in 2014/15. The scheduled meetings were held in Wellington (8), Auckland (1) and Christchurch (1). The Board considered 99 separate items. In March, the Board also held a workshop on direction and targets for 2015-19, covering strategic direction, service delivery and financial performance.

BOARD FUNCTION	HIGHLIGHTS
Governance matters	<ul style="list-style-type: none"> ▪ Suggested use of the <i>Register of Board member interests</i> ▪ Board member skill and competency assessment
Setting sector and organisational direction	<ul style="list-style-type: none"> ▪ 2015-18 National Land Transport Programme (NLTP): <ul style="list-style-type: none"> - Inputs to 2015-18 NLTP development <ul style="list-style-type: none"> - process changes - investment signals - Key changes to the Investment Assessment Framework - Māori engagement - Engagement and communications plan - Endorsement of indicative investment levels for programmed activities - Improvement activity and other programmes - Assurance - Adoption ▪ Procurement review – project update ▪ Support for release of draft State Highway Activity Management Plan (SHAMP) to regional transport committees ▪ National speed programme – overview ▪ New Zealand Transport Ticketing Limited – update ▪ Funding Assistance Rate (FAR) review – decision on the methodology for setting normal funding assistance rates ▪ Changing gear in cycling – delivering more through leadership, innovation and partnerships ▪ Road and rail interface – update ▪ Maintenance and operations – overview of market competitiveness ▪ Finalising the Investment Assessment Framework ▪ Delegation of practical driver testing service functions ▪ Motor vehicle registration and licensing delegations ▪ Sector Legislative and Policy Programme update ▪ Regulatory Change Programme – progress report
Confirming service and financial performance targets	<ul style="list-style-type: none"> ▪ <i>Statement of intent 2015-19</i> – reconfirming the goals, objectives and priorities, and related indicators and targets ▪ Confirming <i>Statement of intent 2015-19</i> and <i>Statement of performance expectations 2015-19</i>

Significant planning, investment and operational matters

- Roads of national significance – procurement overview
- Additional Waitemata Harbour Crossing – route protection
- Auckland Southern Corridor improvements – construction funding
- Northland Inland Freight Route – reviewing the function of Mangakahia Road
- Longswamp section – construction funding
- Waikato Expressway (SH1) road of national significance: Hamilton section – detailed design and construction funding
- SH20A to Airport Project – contract award and funding for property, design and construction
- East West Connections – recommended approach
- Christchurch roads of national significance – construction funding approval and programme update
- Maunganui-Girven (SH2) and Te Maunga (SH2 / SH29) intersections improvements – design funding
- Route K (Tauranga) declaration as state highway and tolling
- Western Ring Route – final design and cost adjustments
- East-West Link and Auckland Manukau Eastern Transport Initiative
- Transmission Gully public private partnership (PPP) – financial close
- Ara Tūhono Pūhoi to Warkworth Project – recommendation for procurement as a PPP
 - Update on procurement process and optimisation of borrowing capacity
 - Update on value for money assurance
 - Value for money procurement and property investment approval
- Christchurch rebuild update
 - Christchurch bus interchange construction funding
 - Christchurch City Council – accessible city transport projects phase 1 construction funding
- Accelerated Regional State Highway package update
- Basin Bridge High Court Appeal approval
- Review of long-term financial liabilities policy
- Interim toll pricing principles and Tauranga Eastern Link toll price update
- Administration agreement and delegations to New Zealand Transport Ticketing Limited
- Instrument of Board delegation – ‘Tairāwhiti Roads’ Joint Roading Management Business Unit
- LicenSys NZ Holdings Ltd – contract to manufacture number plates
- Contract to provide practical driver testing services
- Walking and cycling across the Auckland Harbour Bridge
- Sale of registry suite intellectual property
- Upper North Island Freight Plan and freight planning
- Delegation to approved organisations – funding decisions
- Instrument of Board delegation – Wairoa District Council maintenance management of SH38 unsealed sections

<p>Quality assurance of key organisational systems, policies and processes</p>	<ul style="list-style-type: none"> ▪ Improving asset management practices – lessons learnt in other sectors ▪ Review of the NZ Transport Agency significance policy ▪ Transport Agency Road Safety Advertising Programme – overview and effectiveness ▪ Transmission Gully PPP – lessons learnt ▪ Progress on health and safety programme <ul style="list-style-type: none"> - due diligence - guidance for site visits - Zero harm update (Q1) and Board due diligence framework
<p>Assessing progress against plan</p>	<ul style="list-style-type: none"> ▪ Chief Executive’s report (8) ▪ Quarterly progress report, including financial report (4) ▪ Additional financial reports (4) ▪ Media and communications update (7) ▪ Delegation to NZ Driver Licensing (1998) Limited ▪ Assurance to auditors about the Transport Agency’s contribution to NZ Government’s annual financial statements ▪ Approval of the 2013/14 annual report ▪ Budget strategy and value add propositions for 2014/15 ▪ Changes to Board general instrument of delegation and instrument of Board delegation ▪ Confirming the role of the Investment and Operations Committee ▪ 2013/14 Benchmarking Administrative and Support Services (BASS) results

BOARD AND BOARD COMMITTEE ATTENDANCE

MEMBER	BOARD COMMITTEE MEETINGS			BOARD MEETINGS
	INVESTMENT AND OPERATIONS BOARD COMMITTEE	AUDIT, RISK AND ASSURANCE BOARD COMMITTEE	REMUNERATION AND HUMAN RESOURCES BOARD COMMITTEE	
Chris Moller (Transport Agency Board Chair)			3/3	10/10
Dame Patsy Reddy (Transport Agency Board Deputy Chair) (Remuneration And Human Resources Board Committee Chair)			3/3	10/10
Gill Cox		7/7		10/10
Tony Lanigan	4/4			9/10
Mark Oldfield	3/3			9/9
Jerry Rickman (Audit, Risk And Assurance Board Committee Chair)		7/7		10/10
Nick Rogers	4/4			10/10
Adrienne Young-Cooper	4/4			10/10

INVESTMENT AND OPERATIONS COMMITTEE

The Investment and Operations Committee is the steward for the Transport Agency’s investment decisions in the transport network. It oversees the performance of the Transport Agency’s business operations, including its legislative and regulatory responsibilities, and the state highway business. The committee provides advice to the Board by making recommendations on funding applications, investment decisions and procurement proposals across all modes of transport, within delegations reserved for the Board.

The committee comprises five serving Board members and provides business stewardship and guidance on matters including:

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

The committee met four times during 2014/15.

AUDIT, RISK AND ASSURANCE COMMITTEE

The Audit, Risk and Assurance Committee is made up of two serving Board members. The committee is served by the Chief of Assurance and Risk and the Chief Executive. The Group Manager Organisational Support and Chief Financial Officer also attend meetings. The Ministry of Transport's Chief Executive has been appointed by the Board as a committee member, to facilitate his responsibilities under section 101 of the Land Transport Management Act 2003.

The committee's responsibilities include:

- achieving and maintaining confidence that the Transport Agency has suitable risk management practices¹
- monitoring and reviewing significant financial, reporting and other risks
- reviewing and approving the internal audit programme
- achieving and maintaining confidence that the internal audit process is independent, objective and effective
- monitoring and reviewing significant findings arising from internal audits
- reviewing the audit programme and monitoring the effectiveness of the external auditor
- receiving reports from the external auditor
- reporting an overview of the committee's activities to the Board.

The committee met seven times during 2014/15.

REMUNERATION AND HUMAN RESOURCES COMMITTEE

This committee, along with the Chief Executive, provides strategic governance over human resources capability, remuneration, employment relations and key human resources strategies. The committee also helps the Board fulfil its responsibilities for remuneration of the Chief Executive and senior management.

To meet its strategic governance responsibilities, the committee:

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

To meet its responsibility for the Chief Executive's employment relationship and remuneration, the committee:

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

The committee met three times during 2014/15.

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

OUR ORGANISATIONAL STRUCTURE

The Transport Agency is built around three functional business groups and three support groups.

Business groups

- The Access and Use Group (with approximately 480 staff) provides users with access to the transport system (such as driver licences and motor vehicle registration), sets standards for vehicles and drivers, and regulates transport operators and rail.
- The Highways and Network Operations Group (with approximately 390 staff) is responsible for moving people and freight around the state highway network, and for improving the state highway network to maintain its condition, improve travel time reliability and reduce the risk of death or serious injury to motorists.
- The Planning and Investment Group (with approximately 160 staff) manages how the National Land Transport Fund (NLTF) is invested to deliver integrated transport solutions. It does this by assessing and prioritising activities put forward by approved organisations and the Transport Agency for state highways, and influencing land-use planning.

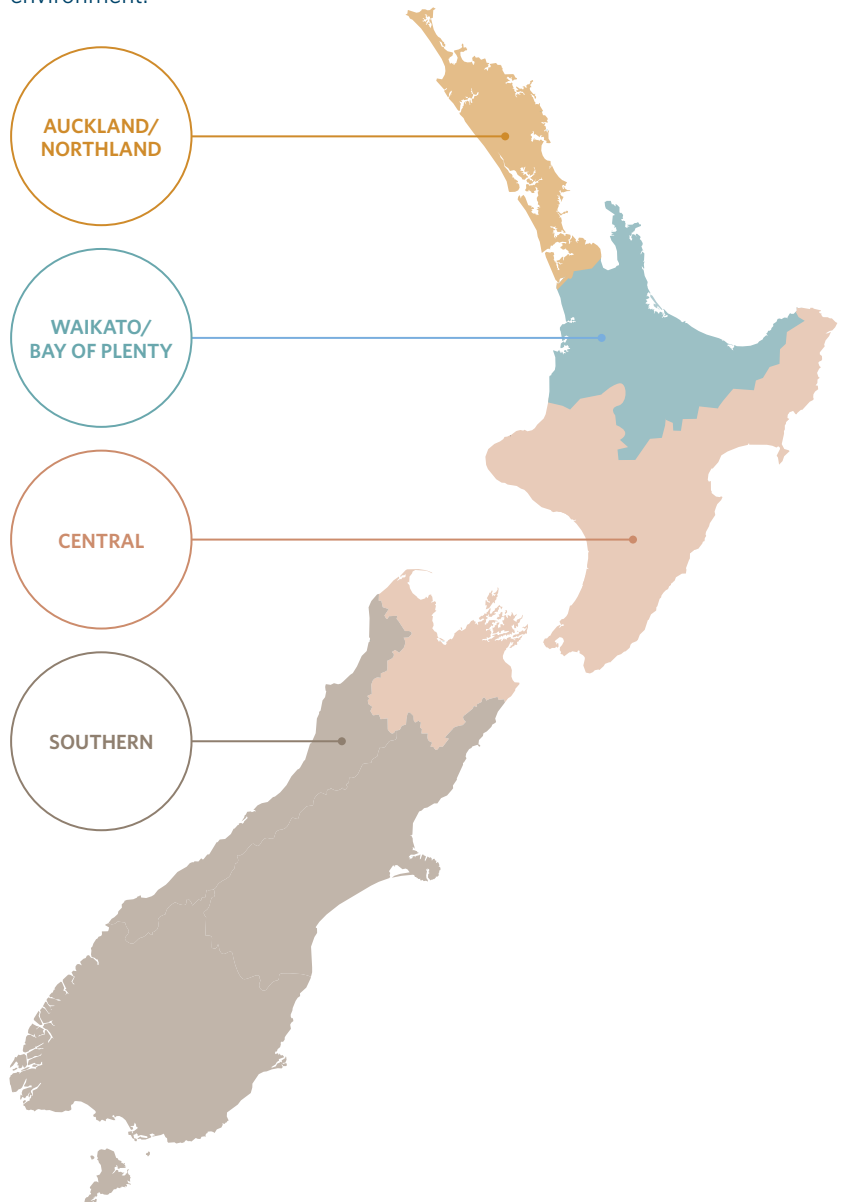
Corporate support groups

Approximately 340 staff make up the following corporate support groups:

- The Strategy, Communications and Performance Group translates government and sector direction into organisational direction, then communicates this direction and our performance against it to staff and stakeholders.
- The Organisational Support Group ensures that the Transport Agency has corporate strategies, policies and systems in place to support organisational capability.
- The People and Capability Group ensures that the Transport Agency can deliver on its organisational direction through its people capability.

NZ TRANSPORT AGENCY REGIONS

We have four regional areas that support a regionally focused planning environment.



OUR LEADERSHIP TEAM

Chief Executive

GEOFF DANGERFIELD

MSc (Resource Management)

Geoff became the first Chief Executive for the Transport Agency in August 2008 and leads the development of the organisation and its approach to integrated transport development. He was previously Chief Executive of the Ministry of Economic Development and Deputy Secretary to the Treasury, and began his public sector career with the Ministry of Works and Development.

Senior Leadership Team

RAEWYN BLEAKLEY

REGIONAL DIRECTOR CENTRAL

Bachelor's Degree majoring in Human Nutrition, Post Grad Diploma of Science

Raewyn joined the Transport Agency in October 2014. Raewyn was previously Chief Executive of Business Central (incorporating the Wellington Chamber of Commerce) in Wellington, after almost five years leading the Bus and Coach Association and Rental Vehicle Association. Prior to that Raewyn was National Operations Manager for the Hospitality Association of New Zealand.

Raewyn brings a strong customer focus, and has an extensive background in fostering collaboration and advocating for continued improvement across the transport, tourism, business and local government sectors.

DAVE BRASH

GROUP MANAGER PLANNING AND INVESTMENT

BSc (Hons) (Geography)

Dave joined the Transport Agency in December 2008 and was previously General Manager of the Emissions Trading Group with the Treasury. His role at the Treasury was a secondment from the Ministry for the Environment, where he was General Manager responsible for central government policy. Dave has 35 years' experience working with central and local government agencies on complex policy reforms and managing change.

SARA BROADHURST

GROUP MANAGER PEOPLE AND CAPABILITY

Sara joined the Transport Agency in 2013, bringing more than 14 years' experience in human resources in New Zealand and the United Kingdom from a wide range of industries including infrastructure, telecommunications, housing, manufacturing, banking and not-for-profit organisations. She has a strong track record of managing organisational change, organisational design, employee relations, recruitment and remuneration.

JENNY CHETWYND

GROUP MANAGER STRATEGY, COMMUNICATIONS AND PERFORMANCE

Bachelor of Regional Planning (BRP) (Hons), MBA

Jenny joined the Transport Agency in 2008, and was previously the Environmental Strategy Manager for Transpower. Jenny has over 20 years' experience working with local government and business in relationship management, public engagement, policy development and project delivery fields.

ALLAN FROST

GROUP MANAGER ORGANISATIONAL SUPPORT

Bachelor of Business Studies, Chartered Accountant, Fellow Certified Public Accountant

Allan joined the Transport Agency in October 2008. Allan has extensive experience in financial and information management executive roles and has worked for over 20 years in senior leadership roles focusing on getting the best from people, information, technology and finance.

JIM HARLAND

REGIONAL DIRECTOR SOUTHERN

Bachelor of Arts, Diploma in Town Planning, Masters Town Planning (Hons), Member NZ Planning Institute, Member Institute of Directors NZ, Fellow NZ Institute of Management

Before taking this position in January 2011, Jim was the Dunedin City Council's Chief Executive for 11 years. He has held a variety of senior roles in local government and the private sector, specialising in strategic thinking and change management. Jim also worked as a tourism consultant for several years and initiated a tourism planning course at Auckland University.

TOMMY PARKER
GROUP MANAGER HIGHWAYS AND NETWORK OPERATIONS

BA (Hons) (Urban Planning), Dip (Urban Planning Implementation), MSc (Transportation Planning and Engineering)

Tommy has been with both Transit and the Transport Agency for over 10 years and has a well-established presence in the Auckland market. He has held various roles including Highways Manager for Auckland and Northland. Tommy has over 20 years' experience in transport planning in both the public sector and private consultancy. His recent appointment as Group Manager Highways and Network Operations provides Tommy with the exciting challenge of embedding many of the recent change initiatives across Highways and Network Operations.

HARRY WILSON
REGIONAL DIRECTOR WAIKATO/BAY OF PLENTY; DIRECTOR OF FREIGHT

Harry has 30 years' professional leadership experience in central and local government. He was the Chief Executive of Waikato Regional Council before taking up this position with the Transport Agency in November 2008.

CELIA PATRICK
GROUP MANAGER ACCESS AND USE; DIRECTOR OF RAIL SAFETY

Grad Dip (Business), MBA

Celia joined the Transport Agency in October 2011. She has more than 20 years' experience working in the financial services sector, including various executive roles with the BNZ. Before joining the Transport Agency, Celia worked for Housing New Zealand Corporation as Director of Operations for Auckland.

ERNST ZÖLLNER
REGIONAL DIRECTOR AUCKLAND/NORTHLAND; DIRECTOR OF ROAD SAFETY

Masters in City & Regional Planning, BCom (Hons) (Economics)

Ernst has worked for 20 years as a consultant, in academia and for local and central governments, focusing on economic and strategic development, as well as infrastructure and urban planning. Before joining the Transport Agency in October 2008, Ernst was the Director of Urban Development and Transport at Wellington City Council.

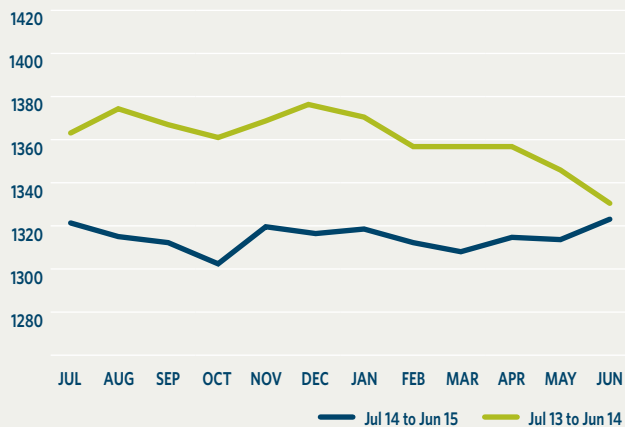


OUR PEOPLE

WORKPLACE PROFILE

Our people mean a lot to us. In fact, they're everything. It's their effort and commitment that enables us to do what we do. Our diverse workforce is located in 14 locations, from Whāngārei to Du nedin.

FULL-TIME EQUIVALENT (FTE) EMPLOYEES



The Transport Agency's FTE count at 30 June 2015 was 1,322.

AGE PROFILE

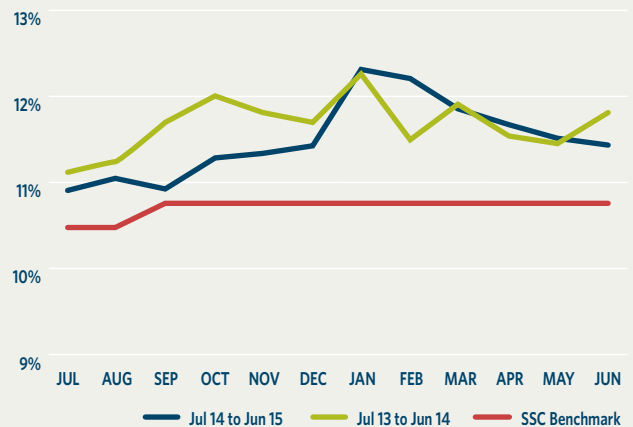
The average age of our employees (at 30 June 2015) is **44.5 years**, with 11.8% under **30 years** and 19.8% over **55 years**. Our average is similar to that of the public sector as a whole.

ETHNIC PROFILE

Ethnic groups (self-identified)

Asian	7.1%
Māori	5.8%
Middle Eastern/Latin American/African	0.5%
Not stated	13.3%
NZ European	54.4%
Other ethnicity	1.8%
Other European	15.6%
Pacific peoples	1.5%

ANNUAL TURNOVER



Our unplanned turnover at the end of June 2015 was 11.4%, which is lower than 12 months ago, when it was 11.7%.

Core unplanned turnover of those with less than two years' service to the end of June 2015 is 10.6%, which is lower than 12 months ago, when it was 14.8%.

GENDER PROFILE

We have an even ratio of male and female employees, compared to the public sector male/female ratio of **40:60**.

Of our senior management roles (tiers 1-3), 41% are filled by females. The average female representation in senior management within the public service was 42% in June 2014.

DISABILITY

Our workforce profile does not include disabilities as this information is not currently recorded; however, we are committed to valuing the diversity of our people.

We recognise, respect and value differences and do not discriminate. This includes making reasonable accommodation for those with disabilities.

EQUAL EMPLOYMENT OPPORTUNITIES STATEMENT

We are committed to ensuring our people have equal access to the employment of their choice and have the chance to perform at their best.

The Transport Agency promotes equal employment opportunities (EEO) to ensure that our people, policies and practices are in line with our obligations as a good employer.

The Transport Agency People Plan 2014-16 provides direction for our people practices and focuses on supporting our people to be high performing. The four key themes of the plan are organisational reputation, culture, engagement, and skills and capability.

Being a good employer means we get better outcomes for our people who are more satisfied with their employment, and the people we're ultimately here for, the people of New Zealand.

The following table demonstrates the alignment between our key people policies and practices and the seven elements of being a good employer.²

GOOD EMPLOYER ELEMENTS	OUR KEY PEOPLE POLICIES
<p>Leadership, accountability and culture</p>	<ul style="list-style-type: none"> ▪ We have created a 'people leader' community for our 300 people leaders, focusing on positive leadership for our people, motivating everyone at the Transport Agency to perform at their best. This is being achieved through monthly meetings, an annual conference for all people leaders and regional people leader conferences throughout the year. ▪ The way we lead provides clear expectations for people leaders and drives our leadership development programmes. ▪ We hold people accountable through robust performance and development planning. ▪ Strong behavioural expectations are provided by our three behaviours: sign up, team up and front up. ▪ We involve our people and their unions at the front end to manage change programmes, develop policies and to continuously improve our practices as a good employer.
<p>Recruitment, induction and selection</p>	<ul style="list-style-type: none"> ▪ We have robust recruitment and selection processes. ▪ Videos and profiles on our career website and recruitment collateral feature employees from diverse backgrounds. ▪ 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. ▪ All new people attend the organisation-wide induction to the Transport Agency.

² Human Rights Commission, Good employer advice: www.hrc.co.nz/your-rights/employment-opportunities/our-work/reporting-crown-entities-good-employers/

GOOD EMPLOYER ELEMENTS	OUR KEY PEOPLE POLICIES
Employee development, promotion and exit	<ul style="list-style-type: none"> • We have a culture of development at all levels. • Development opportunities include project work, acting in other roles, secondment, mentoring and coaching, as well as formal learning programmes offered via our development calendar. • An ongoing process of feedback and two-way communication is encouraged. • Capability mapping, talent management, succession planning and progression frameworks are in place. • We are an accredited IPENZ professional development partner. • We use our LinkedIn page to stay connected with our people, including current employees, former employees and prospective candidates.
Flexibility and work design	<ul style="list-style-type: none"> • We promote balanced work-life responsibilities, through flexible working, including taking opportunities to support the community. • Our people can request changes to their working arrangements, including job sharing, compressed weeks, working from home and leave during school holidays. • We encourage people to take annual leave in the year it is accrued and manage their hours to maintain wellbeing.
Remuneration, recognition and conditions	<ul style="list-style-type: none"> • Our policies and frameworks are similar to many organisations in New Zealand in that they are based on the principle that pay will reflect the market and performance – not tenure, cost-of-living or other personal circumstances. • We conduct an annual remuneration review process, including comparing our remuneration ranges to public sector and other organisations' market data. • Our job evaluation and remuneration practices are transparent, equitable and gender-neutral. • Recognition is encouraged using a variety of ways, including celebrating success, recognising people at team meetings and through resources, such as thank you cards that reflect examples of our three behaviours.
Harassment and bullying prevention	<ul style="list-style-type: none"> • We are committed to maintaining a safe working environment for all our people where we experience mutual respect, trust, dignity and security. • We have worked collaboratively with unions to better understand harassment and provide tools to support people working through issues.



GOOD EMPLOYER ELEMENTS

OUR KEY PEOPLE POLICIES

Safe and healthy environment

- Our Zero Harm Strategy 2014–2020 supports our belief that everyone who comes to work at the Transport Agency should go home healthy and safe.
- The code of conduct and relevant health and safety and harassment policies are readily accessible.
- Our strong focus on employee health, safety and wellbeing is supported through the provision of support services, such as:
 - employee assistance programme (EAP) for all staff
 - additional services in the event of heightened stress, such as critical event debrief, onsite EAP presence, change process support and resilience training
 - ergonomic workstation assessments
 - annual free flu vaccination available for all our people.
- We have tertiary ACC accreditation for our workplace safety management practices.

Reviewing policies and procedures

We involve unions in the development and implementation of policies and procedures and consult with our people before making any 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.

ENSURING HEALTH AND SAFETY FOR OUR PEOPLE

We believe that everyone who comes to work for the Transport Agency should go home healthy and safe and that we should be a leader and key influencer for zero harm in the workplace.

We face the most significant workplace health and safety reform to happen in New Zealand for more than 30 years. As a nation we need to make a step-change in our approach to our health and safety performance so that all New Zealanders go home safe and healthy from work, every day.

As part of the Transport Agency's commitment to keeping our people safe, we have continued to focus on our Zero Harm Strategy. Our objective is to ensure that we carry out services for our customers without sustaining any fatal or lost time injuries for our people, including our contractors.

Our Zero Harm Strategy 2014-2020 has a clear objective:

'By 2020 or sooner all our people, regardless of employer will go home safe and healthy, every day, no exceptions.'

The strategy provides a risk-based approach to health and safety delivering consistent outcomes across the Transport Agency. The initial priority is to focus on the high-risk areas of the organisation.

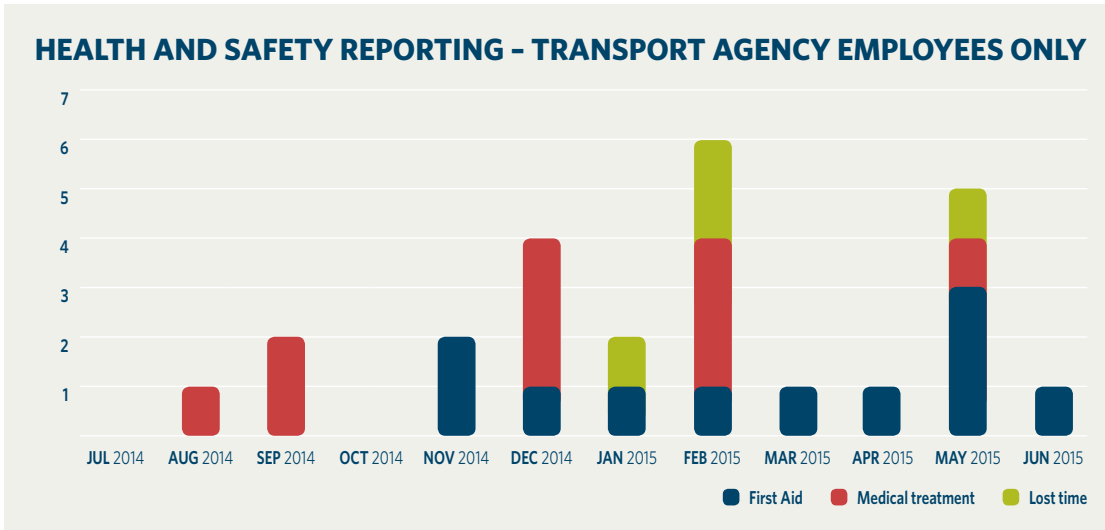
To embed our Zero Harm Strategy, we have put the following in place:

- **Robust corporate governance framework** – risk assessments were carried out, allowing the Board and our people to understand our critical risks and how we mitigate them. We provide a real-time, zero harm dashboard for Board members showing how we are performing against our lead and lag indicators.
- **Training** – our people and their leaders receive training that helps and empowers them to actively engage in health and safety in the office, on the highway, railway, testing stations, or wherever they are working.
- **Systems** – we are making it easier for our people and our industry to do the right thing in health and safety by providing sharp innovative tools and solutions, and easy to implement industry standards. These are available for our own people and anyone else who needs them. We are working with our suppliers to provide leadership, training, information and tools to smaller organisations that lack the resources or specialists.
- **Culture** – we are encouraging our people and our suppliers to sign up, team up and front up to achieve zero harm through the Institution of Occupational Safety and Health Managing Safely course.

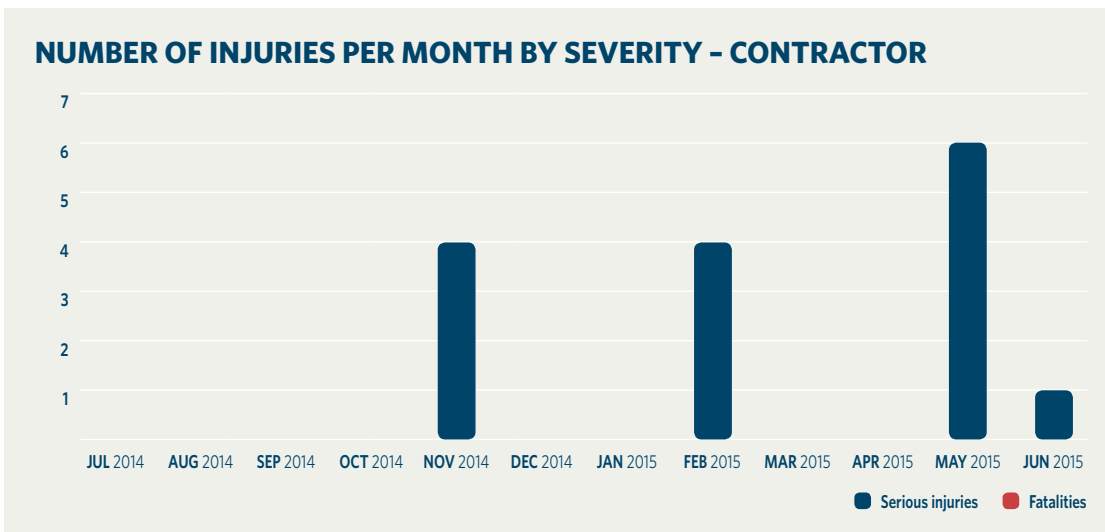
Our contribution to health and safety within our wider industry was recognised in 2015, when our zero harm reporting app was awarded the Impac best significant health and safety initiative by a large organisation at the NZ Workplace Health & Safety Awards 2015. Developed together with an industry working group, the app allows for real-time reporting of incidents that happen in the office, on the network, or on a project site, regardless of employer.

We now have a fully resourced team in place with dedicated zero harm advisors to support our business groups. In addition to this, we continue to ensure that our people are inducted, trained and competent to do their jobs safely. If our people are injured, we will support them and provide an environment that enables them to return to work as soon as they are ready.

As part of our commitment to workplace health and safety, we regularly assess reporting and monitored metrics that demonstrate performance against lead and lag indicators. The data allows us to assess where we are performing well, and highlights areas where we need to improve.



The most common type of injury to our people over the past financial year was caused by slips, trips and falls. The second cause of injury was people burning hands from hot water in kitchens.



The most common cause of serious injuries to our contractors is associated with people interacting with heavy construction plant (machinery). We are working with industry to develop and implement a minimum standard for working around mobile plant to mitigate the risks associated in this area.

OUR SUCCESSES

This year we've been recognised alongside our partners, by a number of leading industry and professional bodies.



NZ TRANSPORT AGENCY WINS AWARD FOR HEALTH AND SAFETY APP

From left to right, starting third left: Rhys Beddow, Mieszko Iwaskow, Nick Rodgers, Michele Berry, Jon Harper-Slade, James Mear, Kaye Clark, Martin McMullan, James Kaye, Anita Collins, Wayne Troughton

The zero harm reporting tool app we developed along with an industry liaison group won the Impac Best Significant Health and Safety Initiative (by a large organisation) at the 2015 New Zealand Workplace Health and Safety Awards.

The tool is an easy-to-use reporting app that allows for real-time reporting of health and safety incidents that occur in the office or on a project site regardless of employer. It's cloud-based so it can be accessed through a range of mobile and tablet devices.

We have made the reporting tool available free to our contractors and industry partners who can adopt the system and tailor it to their own specifications at no cost.

Reporting of health and safety incidents is vital to helping us understand how we can improve. It provides greater visibility of what's happening on the transport network at any given time in offices and on projects.

By collecting data and encouraging industry to proactively report on health and safety performance, the tool helps to paint a true picture of health and safety trends over time. The consistent reporting helps identify and address the root cause of incidents and then assess the effectiveness of corrective actions - a first for the New Zealand roading industry.

Our Zero Harm Manager, Martin McMullan, said 'We're committed to leading the industry towards zero harm in the workplace so that all employees and contractors go home safe and healthy every day'.

REPORTING OF HEALTH AND SAFETY INCIDENTS IS VITAL TO HELPING US UNDERSTAND HOW WE CAN IMPROVE.

SPOTLIGHT ON COLLABORATION



Dave Hadfield, GM Tairawhiti Roads (at right) with his joint team at the opening of their new Gisborne office. Set to manage the maintenance of a combined highways and local roads network - a shining example of true collaboration.

SAVINGS HAVE BEEN ACHIEVED FOR BOTH ORGANISATIONS THROUGH THE NEW JOINT CONTRACTS, AND THERE HAVE ALREADY BEEN IMPROVEMENTS IN CUSTOMER SERVICE AND EVENT RESPONSE TIMES.

The Transport Agency and Hamilton-based consultancy Bloxam Burnett and Olliver were the big winners at the 2015 New Zealand Planning Institute Awards.

Planning practices for the Huntly section of the Waikato Expressway saw them jointly claim the Best Practice Award for District and Regional Planning, and the overall Nancy Northcroft Supreme Best Practice Award.

The Huntly section involves 15km of four-lane expressway, four million cubic metres of earthworks, an 80 metre cut through the Taupiri Range, over 100 hectares of forest, bush and wetland enhancement and permanent protection of a sacred lagoon and two pa sites.

The judges described the project as 'demonstrating outstanding creativity and innovation in an example of best practice planning in an environmentally and culturally sensitive environment'.

Close collaboration and engagement with key affected parties throughout the development phase resulted in no resource consent hearings being required, and only a brief hearing to finalise designation conditions, with no appeals to the Environment Court.

A key focus was the partnership with iwi to ensure the Huntly section recognised the rich cultural history of the area. There was also close collaboration with stakeholders such the Department of Conservation, Waikato Regional Council and Waikato District Council.

A KEY FOCUS WAS THE PARTNERSHIP WITH IWI TO ENSURE THE HUNTLY SECTION RECOGNISED THE RICH CULTURAL HISTORY OF THE AREA.

To manage the maintenance operations of the combined regional roading network, we have embarked on a collaborative venture with Gisborne District Council to establish a joint business unit in a stand-alone Gisborne office.

Officially launched by the Minister of Transport in May 2015, Tairawhiti Roads is the first joint venture of its kind in the country.

Since then the team has been busy tendering two joint Network Outcomes Contracts comprising both state highways and local roads. Savings have been achieved for both organisations through the new joint contracts, and there have already been improvements in customer service and event response times.

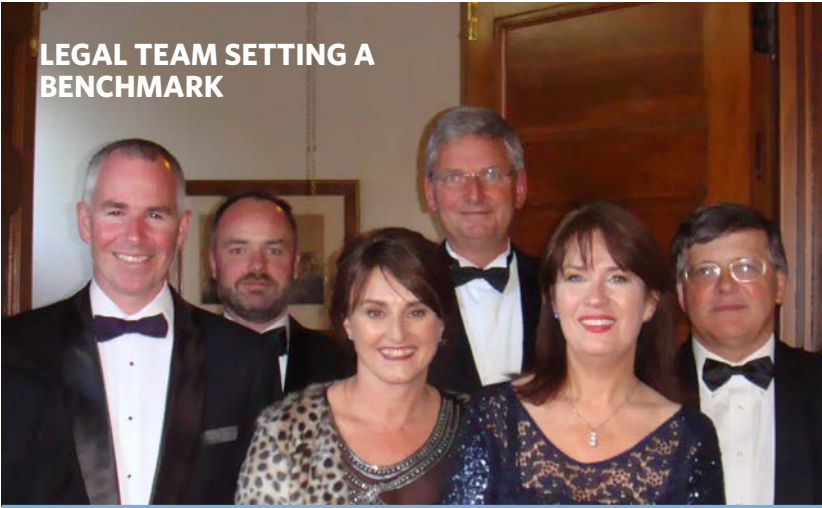
Tairawhiti Roads was established to manage roading maintenance, but will also deliver some regional capital projects on behalf of the Transport Agency. Tairawhiti Roads has been created with the ability to expand further and neighbouring councils will be involved in discussions this year.

CREATIVITY AND INNOVATION HELPS SCOOP TOP PLANNING AWARD



Transport Agency Huntly project manager Mercedes Santos and John Olliver on awards night.

LEGAL TEAM SETTING A BENCHMARK



Members of our in-house legal team, from left to right: Dave Whiteridge, Andrew Thompson, Jane Small, Michael Beedell, Angela Duncan and Alan Malthus.

THE QUALITY OF THE TEAM'S WORK AND THE COLLABORATIVE PARTNERING APPROACH WERE SEEN AS KEY CONTRIBUTORS TO OUR EFFECTIVENESS AND HIGH SUCCESS RATE.

The professionalism and collaboration of our legal team saw them make the finals of the Australasian Law Awards and the NZ Law Awards.

The quality of the team's work and the collaborative partnering approach were seen as key contributors to our effectiveness and high success rate.

As finalists in the In-House Team of the Year, the team was acknowledged for helping to deliver more effective approaches to infrastructure planning, consenting and construction, including:

- New Zealand's biggest roading project, and the largest infrastructure public private partnership
- the first planning alliance involving lawyers as non-owner participants
- driving innovation into New Zealand's most significant planning process.

Against strong industry-wide competition from Fletcher Building, Westpac and others, our Chief Legal Counsel was also recognised. Dave Whiteridge was co-winner of the In-House Lawyer of the Year award.

With the highest number of nominations ever, 2014 was a year of records for the NZ Law Awards, resulting in a group of finalists of the finest calibre.

ALLIANCE PLAYING FAIR AND SAFE



In the past year, the MacKays to Peka Peka Alliance, between the Transport Agency, Beca, Fletcher and Higgins, has been recognised for excellence in safety, innovative construction and community engagement.

The Health and Safety team picked up the Innovation Award at the Construction Health and Safety Awards in 2014 for its innovative approach to training videos that used cartoon clips to help workers engage with important safety issues in a fun and simple way. The clips also took the team to the finalist stage at the Safeguard NZ Workplace Health and Safety Awards in 2015.

The Alliance team also took out two Fletcher Construction Excellence Awards this year. The Piling team picked up the Best NZ Product or Service Innovations Award which recognised the team's success in delivering New Zealand's first three-metre diameter piles. The Stakeholder and Communications team picked up the Living Play Fair Award for its approach to community consultation and communications - being respectful and inclusive in their relationships with fellow employees, customers and communities.

THE ALLIANCE TEAM ALSO TOOK OUT TWO FLETCHER CONSTRUCTION EXCELLENCE AWARDS THIS YEAR.



Winners of the inaugural Community Initiative of the Year at the 2015 Deloitte Energy Awards. The Minister of Transport and representatives from the Transport Agency, CDMP partners AA and Chevron NZ, and the Counties Manukau Sporting Trust, the local provider for the South Auckland programme.

An outstanding initiative that has demonstrated wide-reaching benefits to the Transport Agency and the communities involved was acknowledged at the 2015 Deloitte Energy Excellence Awards.

Chevron New Zealand won the inaugural Community Initiative of the Year Award for the Community Driver Mentor Programme, which is led by the Transport Agency.

The programme addresses the barriers that young people aged 16–24 face when attempting to get their driver licence, such as access to a safe car and fuel for driving practice and an appropriate mentor to teach them safe driving habits. Chevron New Zealand, who market the Caltex brand, have eliminated one of those barriers by supporting the programme with \$100,000 worth of fuel.

Chevron’s Jeremy Clarke said he was proud to be involved. ‘The programme is a true partnership, bringing together the multiple common goal of making a difference to the communities in which we operate. Through that focus and by being actively engaged, the Transport Agency, AA, Chevron and other supporters have seen the success of the programme and we believe it has exceeded expectations with additional social benefits being realised.’

The six programmes around the country involve 18 different partners, all of whom are passionate about helping young people achieve the milestone of having their restricted driver licence. These partnerships are central to the success of the programme, and include the AA who provide professional driving instruction, Hyundai New Zealand who have sponsored cars for the programme, the NZ Police who support the programme and act as mentors, and community groups who do deliver the programme and work with volunteer driving mentors to give learners the driving practice they need.

**THE PROGRAMME IS
A TRUE PARTNERSHIP,
BRINGING TOGETHER THE
MULTIPLE COMMON GOAL
OF MAKING A DIFFERENCE
TO THE COMMUNITIES IN
WHICH WE OPERATE.**



This year we again received worldwide recognition for road safety advertising that supports the Government's Safer Journeys strategy.

The speed campaign 'Mistakes' and the drugged-driving campaign 'Tinnyvision' received accolades at many of the highly acclaimed advertising awards both nationally and internationally throughout the year.

Both campaigns received excellent recognition at the AWARD (Australasian Writers and Art Directors Association) Awards in March 2015 which celebrate the most outstanding creative communications work in the Asia Pacific region. Mistakes also took out the top award of the show, the coveted Chairman's Choice Award.

Along with the drink-driving campaign 'Local Legends', both Mistakes and Tinnyvision received awards at New Zealand's AXIS Creative Excellence Awards in March 2015. Mistakes also received the top award of the night, the Grand AXIS.

The Mistakes advertising campaign, which uses a Safe System approach to encourage people to slow down, has been seen as groundbreaking by road safety organisations around the world with many using it in their own country.

THE MISTAKES ADVERTISING CAMPAIGN, WHICH USES A SAFE SYSTEM APPROACH TO ENCOURAGE PEOPLE TO SLOW DOWN, HAS BEEN SEEN AS GROUND BREAKING BY ROAD SAFETY ORGANISATIONS AROUND THE WORLD WITH MANY USING IT IN THEIR OWN COUNTRY.