

ANNUAL REPORT TO STAKEHOLDERS 2007/2008

I am pleased to present the Annual Report of the New Zealand Utilities Advisory Group for 2007/2008.

In the 2006/2007 report, I introduced the Government's proposed reforms to utilities' access to the road and rail corridors. Since the joint NZUAG/LGNZ seminar in February 2007, both NZUAG and the sector as a whole have been busy on the development of the new National Code to cover utilities access to the transport corridors. This has included involvement with working groups as required, as well as individual discussions, and reviews of existing codes of practice.

The six Directors and their chairman are to be congratulated for the achievement of the draft Code in time for its launch at seminars around the country in February 2008. These were followed by a round of public consultation, with the suggestions in the submissions expected to contribute amendments to the Code before it is released for implementation during 2008/2009.

The process will not stop once we have the Code. Next steps include training and implementation. There is also the management and review of the Code to be determined.

My sincere thanks to all who have participated in the development of the draft Code. You can be justly proud of your achievements.



David Fraser
Chairman

National Code of Practice

The development of the new national code of practice covering utilities' access to the road and rail corridors was NZUAG's key activity in 2007/2008. The Code will be, consistent with the proposed new legislative regime, to be outlined in the Utilities Access Amendment Bill. It will also deliver on the Government's stated public policy objectives.

The key agencies and industry associations signed a Statement of Intent, establishing that the parties would work together in a spirit of goodwill and cooperation to achieve consensus where that could be achieved.

The team established to undertake the work on behalf of NZUAG comprised two representatives each from utilities and local government, and one each from Transit NZ and ONTRACK as follows:

Ewan Gebbie (Vector),
Mark Larsen (Telecom),
Phil Consedine (North Shore City),
Phillip Eyles (LGNZ),
Ian Cox (Transit NZ) and
Michael Curran (OnTrack).

Peter Winefield from MWH NZ Ltd (now from Participate Ltd) was both Project Manager and chairman of the Directors Group. The project sponsor from NZUAG was Stephen Parker. Administrative services were provided by NZUAG, through its Executive Officer Fiona Knight.

The Directors quickly identified the key topics for inclusion on the Code and established working groups to consider these in depth. The two technical groups, comprising representatives from across the sector, met weekly until their chapters were completed. The text

was either developed or reviewed by the Directors themselves.



Directors from left: Mark Larsen, Phil Consedine, Ian Cox, Peter Winefield, Phillip Eyles and Ewan Gebbie.

The Directors were delighted to have several existing codes of practice offered to them for review and inclusion in the new code. These included the Auckland Regional Code of Practice for working in the road, the Standards New Zealand Handbook 2002:2003 Working in the Road, and the Wellington City Council Code. Other councils using the NZ Handbook provided copies of their own requirements which had been issued as supplements to the Handbook.

Reaching agreement was not always an easy task, as directors and working group members focused on their sector needs while simultaneously taking a national perspective. The draft Code reflects considerable investment by these people in understanding the views from all sectors.

Inevitably, such debates take time, and the draft code was completed in December 2007, slightly later than originally planned. It was launched at a series of seminars in February 2008. Following these, NZUAG sought submissions on the content of the Code from the wider sector.

Background to NZUAG

The New Zealand Utilities Advisory Group (NZUAG) is a joint consultative group of network utility service providers (water and wastewater, telecommunications, electricity and gas), territorial local authorities, Transit New Zealand and industry bodies. It was formed in late 2001 to look at issues relating to utilities working in the road corridor, and to provide a forum for interface between the parties.

NZUAG is highly conscious of the need to ensure issues are not only identified and solutions are agreed, but that practical “on the ground” changes occur which achieve smooth and efficient delivery of all utilities in the roading corridor. NZUAG works collaboratively on issues.

Meetings are generally held 3 – 4 times a year in Wellington, with Wellington based representatives hosting meetings as in-kind payment equivalent to the airfares costs of out-of Wellington representatives.

Summary of NZUAG Activities

The NZUAG met in full on six occasions during 2007/2008. This reflects the importance of the development of the draft national Code and the need to ensure that the sector was fully engaged throughout its development.

Key to the success of the project was on-going liaison with officials at the Ministry of Economic Development. Mike Sim and Michelle Cave attended regular NZUAG meetings as well as participated in other discussions and meetings of the Directors Group on request. Their willingness to listen and share policy issues has provided a good foundation for the development of the draft Code.

After considering the range of activities across New Zealand to

address infrastructure resilience, NZUAG decided it was best to maintain a watching brief and provide support as required, rather than duplicate other activities.

Because of the significant commitment required in the development of the draft Code, no new tools or training requirements were considered or addressed. Some activity on training and implementation is expected during 2008/2009.

NZUAG has continued to manage communications with the wider sector in a variety of ways,

- producing its second Annual Report: 2006/2007,
- maintaining the website for external communications,
- providing summaries of meetings and progress reports on the development of the Code for wider sector distribution

NZUAG continues to contribute to topical debate and policy development on a range of relevant issues, and provides assistance resolving concerns between utility operators and RCAs, presents at various meetings and conferences, as well as utility operator training sessions.

Launch of the Code

The draft Code was launched at a series of seminars run throughout New Zealand in February 2008. The venues were:

- Albany (13 February)
- Rotorua (14 February)
- Palmerston North (12 Feb)
- Wellington (18 February)
- Christchurch (20 February)
- Gore (19 February)

Economic Development Minister, Hon Pete Hodgson, took the opportunity of the launch of the Code to offer his congratulations.

“Last year the government consulted on ways to reduce costs and inefficiencies arising from poor coordination between the sectors, and ways to potentially provide increased utility access to rail and motorway corridors while recognising the transport, safety and business responsibilities of local authorities, Transit NZ and ONTRACK.

Industry said they would work collaboratively to resolve some of the issues themselves and that is what they have delivered. I congratulate them on the steps taken to do this.”

Press statement 12 February 2008.

More than 450 delegates attended the seminars, approximately a third each being local road controlling authorities and utility operators (include water utilities). The others included contractors, consultants, and government staff.

Participants rated the seminars highly, with 45% of those completing the Evaluation form giving a very good or excellent rating. A further 37% rated them as good. A Christchurch delegate’s comments summarised the general vies of the Code: *Proactive approach to a sensitive, yet necessary issue – good coverage of diverse concerns – good logical processes and considerations.*

Delegates sought more information on several topics:

- case studies,
- more details on how the code will actually work,
- examples of reasonable conditions
- sharing of issues raised at the different seminars



Participants at the Gore seminar on 19 February 2008.

Update: Directors Group reconvened

The Directors Group was reconvened in April 2008 to review the submissions. Following their consideration, a copy of their responses to the suggestions made in submissions will be made available to submitters on the NZUAG website. This is expected to be August 2008.

Submissions on Draft Code

The 38 submissions received on the draft Code came from various individuals, utility organisations, road controlling authorities, and industry associations.

The stakeholders' initiative of developing a draft Code which is legally enforceable and consistent across the country was universally endorsed, with many submitters acknowledging the difficult decisions made by the Directors. Some commented on the "living" status of the document and that it might be some years before it is fully bedded down. Initially while it may cost every utility/corridor manager time and resources in getting the necessary systems and processes in place to make the code function as it was intended, it should reduce costs for everyone in the medium term as the necessary systems are implemented.

Many submitters also strongly endorsed the principles of cooperation and collaboration, with some citing examples how it had worked well in their locations. The key ingredients of successful integration of services into the road corridors is seen to be contingent on a good relationship between all parties involved. Good relationships are best developed where a sense of equity and justice prevails amongst the parties.

All submitters were appreciative of the opportunity to comment on the draft Code, and had high expectations of the resulting document. Several submitters

wrote positively on the improved relationships and goodwill generated by the development of the Code to this stage, and indicated that this must continue in the future for the code to be effective.

Submitters were asked to identify issues which needed to be addressed in order to ensure a smooth implementation of the Code. Suggestions included a national or regional approach to some of these issues to avoid the duplication of the tasks by up to 73 councils and their local utilities. This would be supported by extensive publicity, and local/regional information, training and workshops.

The transition and socialisation of the Code were seen as paramount.

Engineering Excellence Award

NZUAG has sponsored the Utilities and Networks Award for a third time. The award is for engineering excellence in activities associated with the reliable supply of utility services and/or their distribution networks to communities. Utilities includes water, waste, electricity, gas, oil or coal and/or communications

The Transpower Tower Foundation Strengthening – Upper South Island Grid Upgrade, Construction Techniques Group Ltd was the winner of the 2007 Utilities and Networks Award. It also won the Supreme award for NZ Engineering excellence in 2007.

Pictured below are Peter Cahill of Transpower and Peter Higgins BBR Contech receiving the award from NZUAG Chairman, David Fraser and Transport Safety Minister, Hon Harry Duynhoeven.



Next actions on the Code

The Code will soon be released for voluntary implementation. If there are any discrepancies in the Code, these will be fixed following this transition period before the Code is submitted to the Minister for authorisation. Following this, use of the Code will become mandatory.

Contact us

This Annual Report is produced by the NZUAG, comprising representatives of Utility Network Operators and Road Controlling Authorities (including Transit NZ, Local Government NZ, Ingenium.

Current NZUAG members are:

Chairman

David Fraser, Hastings District Council, representing INGENIUM

Utility network operators

Peter Berry, Electricity Engineers' Ass
Alan Jenkins, Electricity Networks Ass
Stephen Parker, Gas Association
Peter Whitehouse, NZ Water and Wastes Association
Stephen Kerr, Telecom
John Moore, Auckland Utility Operators Group

Road Controlling Authorities

Des Hughes, Auckland councils
David Fraser, Ingenium and HDC
Geoff Swainson, Local Govt NZ
Andrew Dixon, Timaru DC and the RCA Forum
Ian Cox, Transit NZ
Weng Kei Chen, Christchurch City

Government Agencies

Mike Sim, Economic Development
Fiona Illingsworth, Internal Affairs
Kerry Wood, Transport
Lyndon Hammond, Land Transport New Zealand

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