

ANNUAL REPORT TO STAKEHOLDERS 2009/2010

I am pleased to present the Annual Report of the New Zealand Utilities Advisory Group for 2009/2010.

In my first year as Chairman of the NZUAG, we have focused on two main tasks:

- voluntary implementation of the Code of Practice for Utilities' Access to the Transport Corridors, and
- development of the Infrastructure Bill and its progress through the House. A small team presented the agreed submission for NZUAG.

We have also been sorting through the implications of becoming an incorporated society, thus formalizing the NZUAG.

I am pleased to report that over half the local authorities are already using the Code voluntarily. This means they will have an easy transition once the Code is mandated.

In December, staff of the Ministry of Economic Development handed over to Treasury responsibility for the Infrastructure Bill, which when enacted will empower the Code. The handover was smooth and I am pleased that we retain a productive relationship with officials. A warm thank you to all the officials who have worked with NZUAG during the year.



Ian Cox
Chairman

Infrastructure Bill

The Infrastructure Bill was introduced into Parliament on Wednesday 5 August 2009, and had its first reading on 25 August before being referred to the Transport and Industrial Relations Committee for consideration.

The Committee received 37 submissions, of which 14 were presented in person, including NZUAG's. The Bill was reported back to Parliament on 12 November, and had its second reading on 24 March 2010.

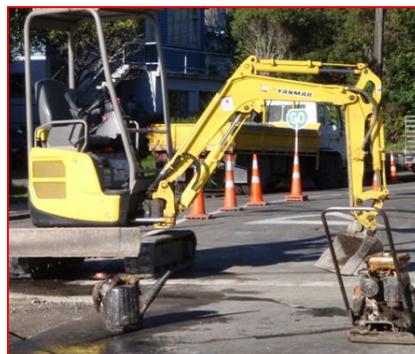
The Bill is currently waiting to undergo the Committee stage in the House, and is expected to be enacted by 1 September 2010.

Implications of the Bill

The Bill states formally the requirements for the content of the Code, and the current version of the Code already meets these requirements.

The Bill also sets out the process for achieving Ministerial approval of the Code. Once approved, use of and compliance with the Code becomes mandatory.

Under the provisions of the Infrastructure Bill, NZUAG must conduct a full round of consultation after the Bill has been enacted.



Pre-Consultation Review

Late in 2009, NZUAG sought comments on the Code from those who have been using the Implementation version. A small review team comprising three utility sector representatives and two corridor manager representatives has reviewed these comments and amended the Code accordingly.

Following advice from officials, the mandatory and guidance sections of the Code are being clearly differentiated.

A second sub-group has been working with KiwiRail staff to refine the chapter on access to the rail corridor.

The Code will be submitted to Treasury for a final review before it is formally released for public consultation in accordance with the Utilities Access Act 2010.

Consultation Process

The consultation process will largely follow the procedures in the Local Government Act 2002. The draft timetable is as follows:

September 2010 – Review by Treasury (3 weeks allowed)

October/November – Code out for consultation (a minimum of 6 weeks allowed for preparing submissions)

December/January – summary and review of submissions by small representative group (excludes 4 weeks for Christmas holiday closures)

February 2011 – debate and acceptance of the revised Code by full NZUAG. Legal check of amended Code before it is submitted to Minister

1 July 2011 – use of Code is mandatory

Summary of NZUAG Activities

The NZUAG met in full on four occasions during 2009/2010.

In addition to Code review activities, several topics were delegated for detailed consideration to a sub-group comprising Wellington based members of NZUAG under the chairmanship of Stephen Parker of GANZ. These included:

- the ongoing management of the Code
- key performance indicators
- role and structure of NZUAG
- mechanisms for funding the activities of NZUAG

On-going liaison with officials at the Ministry of Economic Development was maintained, with Gareth Wilson and Katie Sweetensen attending regular NZUAG meetings as well as participating in other discussions as required. Since 2010, liaison has been with Treasury officials Barry Kidd, Len Starling and Robert Barton.

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

- producing its fifth Annual Report: 2009/2010,
- maintaining the website for external communications,
- providing summaries of meetings and progress reports on the development of the Code for wider sector distribution

As part of the implementation of the Code, NZUAG established a series of meetings held around the country during May 2009. These were well attended across all sectors, including the contracting sector, and feedback on both the meetings and the Code was very positive. NZUAG took the opportunity of

these meetings to seek preliminary views on whether it should become an incorporated society. On the basis of the responses, this concept has been developed further and will; be formally consulted on along with the Code.

NZUAG also made a presentation to all six Local Government New Zealand (LGNZ) Zone meetings, in November 2009 or February 2010. LGNZ members were appreciative of the update and the opportunity to seek clarification, and gave whole hearted support to NZUAG for its ongoing work on the Code. The presenters were the Chairman, Ian Cox, or the Executive Officer, Fiona Knight.

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 providing utility operator training sessions.

Engineering Excellence Award

For the fifth time, NZUAG sponsored one of the Engineering Excellence Awards, this time it was the Young Engineer of the Year Award. Our Awards sponsorship gives us a high profile in a key engineering infrastructure forum alongside many of our member organisations.

This award recognises a young engineer who has made an excellent contribution as both an engineer and leader through their professional role and community involvement.

NZUAG congratulates the winner, Michael Newcombe of the University of Canterbury.

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, New Zealand Transport Agency and industry bodies. It was formed in late 2001 to look at issues relating to utilities' activity in the road corridor, and to provide a forum for interchange 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 paid by representatives from outside of Wellington.



NZUAG members

Chairman

Ian Cox, NZ Transport Agency

Utility network operators

Peter Berry, Electricity Engineers' Association

Tanya Ashby, Electricity Networks Association

Stephen Parker, Gas Association

Peter Whitehouse, Water NZ

Steven Kerr, Chorus

John Moore, Auckland Utility Operators Group

Road Controlling Authorities

Des Hughes, Auckland councils

Braden Austin, Ingenium (from Palmerston North City Council)

Geoff Swainson, Local Govt NZ

Andrew Dixon, RCA Forum (from Timaru DC)
Weng Kei Chen, Christchurch City

Background to the Development of the National Code of Practice

The development and launch of the new national code of practice covering utilities' access to the road and rail corridors has been NZUAG's key activity. Designed to be consistent with the proposed new legislative regime, it also needed to deliver on the Government's stated public policy objectives.

The key agencies and industry associations committed to 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. They then identified the key topics for inclusion on the Code and established two technical working groups to consider these in depth, with both groups comprising representatives from across the sectors.

The team used existing codes of practice offered to them for review and inclusion in the new code. These came from Auckland, Wellington and Standards NZ. Other councils also provided copies of their own requirements.

Reaching agreement was not always an easy task, all team members needed to address their sector's needs while simultaneously taking a national perspective. The Code reflects considerable investment by these people in understanding the views from all sectors.

Acknowledgements

NZUAG acknowledges the contributions made by hundreds of people from across all sectors to the development of the Code, its refinement and current implementation.

Launch of the draft Code

The then Economic Development Minister, Hon Pete Hodgson, took the opportunity of the launch of the Code in February 2008 to offer his congratulations.

"...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.)

Submissions on Draft Code

The 39 submissions received on the draft Code came from various individuals, utility organisations, road controlling authorities, and industry associations.

The 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 to achieve the Code. Submitters noted that while initially 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.

The transition and socialisation of the Code were seen as paramount. Submitters sought a national or regional approach to implementation to avoid the duplication of the tasks by up to 73 councils and their local utilities. This could include extensive publicity, local/regional information, training and workshops.

The Code was released in March 2009 for interim implementation. This provided the opportunity to identify any errors in the Code or impediments to its use throughout New Zealand prior to the enactment of the Infrastructure Bill.

NZUAG activities are funded by the group's representatives. The willingness of each member organisation and local authorities to fund our projects shows their commitment to the principles of NZUAG. This commitment has been vital to achieve such successful outcomes.

Contact us

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