

2002

# New Zealand Utilities CONFERENCE

22-23 APRIL 2002 WELLINGTON

# Conference Papers



utilities in the road  
completing the utility jigsaw

Organised by New Zealanders  
for New Zealanders

# Contents

## Conference Programme

## Utilities Conference Papers

Copies of this publication are available at a cost of \$67 (incl. GST), by contacting, New Zealand Water and Wastes Association, P O Box 13-880, Onehunga, Auckland or email: [water@nzwwa.org.nz](mailto:water@nzwwa.org.nz).

Disclaimer: The opinions expressed in this publication are not necessarily those of the participating organisations or the New Zealand Utilities Advisory Group. Neither do they accept liability for its contents – this extends to any consequences from its use. No part of this publication may be reproduced in any form without the express permission of the publishers.

# NEW ZEALAND UTILITIES CONFERENCE 2002

22-23 April 2002, Duxton Hotel, Wellington

“Utilities in the Road – Completing the Jigsaw”

## FINAL PROGRAMME

### DAY ONE

### FINDING THE PIECES

- |                |   |
|----------------|---|
| 9.15-9.30 am   | Welcome to Wellington<br><i>Andy Foster – Councillor – Wellington City Council</i>  |
| 9.30-9.45 am   | Opening and Welcome<br><i>Basil Morrison, President, Local Government New Zealand</i>   |
| 9.45-10.05 am  | <b>Keynote Address</b><br>A proposed solution for the urgent issues facing utilities in the road.<br><i>Mai Chen, Chen &amp; Palmer</i>   |
| 10.35-11.05 am | Morning tea   |
| 11.05-12.15 am | Big Picture Issues for New Zealand in the Future<br>A model for cooperation/collaboration<br>Changes in the industry<br><i>Mike Underhill, Chief Executive, WEL Networks.</i><br><br>Telecom’s perspective<br><i>Peter Cowper, Telecom Network Delivery</i><br><br>Water, Wastewater, Stormwater (and a few others)<br><i>Anthony Wilson, New Plymouth District Council</i> |
| 12.15-12.50 pm | Roading Corridor Issues<br><i>Dr Robin Dunlop, GM, Transit NZ and Chairman, RCA Forum</i>   |
| 12.50-1.00 pm  | Commentary on the morning from Mai Chen   |
| 1.00-2.00 pm   | Lunch   |

2.00-3.10 pm	<p>The Local Government New Zealand Perspective  The Local Government Bill  Co-operation and collaboration  The RMA and amenity  Valuation and rating  Wider community issues  <i>Peter Winder, CEO, Local Government New Zealand</i></p> <p>Wellington Issues  <i>Cr Alick Shaw, Deputy Mayor, Wellington City Council</i></p>
3.10-3.30 pm	Afternoon tea
3.30-4.00 pm	<p>Utility Response in Major Emergencies – Steps Towards More Effective Co-ordination  <i>David Brunson, National Lifelines Co-ordinator</i></p>
4.00-5.00 pm	<p>Open Discussion/Forum  <i>Facilitation by Mai Chen</i></p>
5.00 pm	<b>Close of Day One</b>
6.30-7.30 pm	Pre-Dinner Cocktails
7.30 pm onwards	Conference Dinner and Entertainment
<b>DAY TWO</b>	<b>PUTTING THE PIECES TOGETHER</b>
9.00 – 9.30 am	<p><b>Keynote Address</b>  Flexibility and Efficiency in a Rapidly Changing Industry  <i>Hon. Paul Swain, Minister of Commerce &amp; Network Facilities</i></p>
9.30-10.30 am	<p>Utilities Regulation in the Australian Capital Territory  <i>Ian Primrose, CEO, Independent Consumer Regulatory Commission (Australia)</i></p>
10.30-11.00 am	Morning tea
11.00-12.00 pm	<p>Utilities and the Road - The UK model  <i>Peter Bielby, Consultant</i></p> <p>Legislative Framework for New Zealand  <i>John Sheppard, Brookfields</i></p>
12.00-12.50 pm	<p>Who looks after the consumer?  <i>David Russell, Chief Executive, Consumers Institute of New Zealand</i></p> <p>Is it Time for Payment from the Opener?  <i>George Fairbairn, Director Public Affairs, AA New Zealand</i></p>
12.30-1.00 pm	Commentary from <i>Mai Chen</i>
1.00-2.00 pm	Lunch

## **COMPLETING THE JIGSAW**

2.00-3.00 pm	The NZ Utilities Advisory Group Collaboration and Co-operation Opportunities and constraints The future model – what it might look like Draft Streetworkz Code of Practice <i>John Hutchings, Chairman, New Zealand Utilities Advisory Group</i>
3.00-4.15 pm	The Way Forward <i>Panel discussion</i> <i>Discussion facilitated by Mai Chen</i>
4.15-4.30 pm	Wrap up – have we got all the pieces together? <i>Mai Chen</i>
<b>4.30 pm</b>	<b>Close of Conference</b>

# *Opening Address*

Cr. Andy Foster  
Wellington City Council

It is a real pleasure to welcome you all on behalf of Wellington City Council to Wellington.

I'm sure most of you will come to Wellington on a regular basis.

However I hope you get the chance to look around while you are here.

Wellington's come a long way in the last decade from being a grey public city, to – yes let's beat the drum here – NZ's top town – at least according to North and South magazine.

If you do get time for a walk - 10 minutes will get you to most of our over 500 cafes and restaurants, entertainment area of Courtenay Place, the Westpac Trust Stadium, Parliament, Te Papa, at least nine theatres and events centres, museums, galleries, the Botanic Gardens, the Town Belt, the Waterfront.

That's just some of the facilities that help make Wellington a great city to live in.

However we all know that none of this could operate without roads, water, power, communications – without the utilities we all provide.

It is good to see a conference involving utilities from across the board.

Wellington City Council is a major utility operator. People occasionally ask what they get for their rates. Much of it is hidden underground – utilities. Wellington City Council operates 650-kms of roads, 59 bridges, 4 tunnels, 600kms of stormwater, 1000kms of sewer pipes and tunnels.

The value of our underground infrastructure alone is almost \$900 million.

This year, just an ordinary year – pipes and drains are costing us \$22.3 million in maintenance and operation, and another \$22.5 million in capital replacement.

In 1997 and 1998 we opened our two sewage treatment plants after 20 years of often acrimonious debate.

Less high profile is the fact that we are now 9 years into a \$70 million sewage pollution elimination project to reduce sewage discharges into harbour and streams.

It's not just traditional infrastructure. We all know that information technology is critical to our economy, especially in a service-based city like Wellington.

*Wellington City was one of some 20 shareholders that co-operated to establish City Link in 1995. The idea was to use our trolley bus wires to string broadband cable throughout the CBD.*

Shall we say that at the time access was very expensive especially for small businesses to the world wide net and to move large amounts of data to each other.

Competing partners, including – Council, Saturn, Clear, Actrix, Sun mircosystems – facilitated the establishment of the company.

We believe this has been a valuable supporter for our emerging creative cluster.

Of course I don't need to remind you that most new jobs now come from small and medium businesses.

There are a number of challenges in regards the way we interface with other utility operators. First let me pick up a hobby horse. While you enjoy your walk around Wellington – take a look at the streets. Some look pristine – others are a veritable patchwork. It seems that no sooner has one operator dug up a street, then a different company comes along to dig up the very same street.

There are very few things calculated to annoy residents, ratepayers, road users, and road controlling authorities - than this seeming lack of co-ordination. I understand that digging up streets, even properly reinstated, reduces the life of the pavement by some 30%.

I would personally like to see some financial incentives to encourage utility companies not to dig up near new road surfaces, except in emergencies. We've mused about the merits of some kind of sliding scale – in this era of user pays - reflecting the depreciated value of the road surface – so the cost of digging up a one year old surface is greater than a five year old surface.

We have been making this point about our ability to protect the ratepayers' roading asset repeatedly in submissions to Government – in the context of the new Local Government Bill. We will make them again in the context of changes to utility Acts.

Rating utilities is a very current issue for Councils. I understand that only two Councils have been rating utilities until this coming financial year. It is one of the issues, which Wellington City Council is going to be consulting utility operators on.

It would be fair to say that

- There is no firm view within Council on how this should be handled
- It is not our intention to use it as a windfall to increase total rate take.

I put to you a proposition.

In the context of Local Government rating legislation – the principle is to equate rates – generally for classes of ratepayers - to the cost of providing services.

What services are consumed by utilities you might well ask?

I go back to my comments about the cost of providing the road corridor. Even prolonging our road surfaces' life by 30% would reduce our roading maintenance bill by \$3.3 million per annum.

Then there are those utilities provided above ground. Overhead cables have been a major headache for us and for Telstra Saturn in the last couple of years. There has been a high profile challenge from residents groups to the consent issued by Council for Telstra Saturn to establish its network.

That has been resolved now. It does leave an ongoing future issue of how best to deal with the need to provide essential infrastructure, while minimising the adverse effects on amenity, and on roading and other infrastructure.

The week before last, Wellington hosted the first Australia – New Zealand Planning Conference. I don't know if many of you consider the relationship between urban form, the shape of our cities, and the cost of providing infrastructure.

The Planning Manager for Brisbane City told us that it the cost of infrastructure per household – and this is just Council infrastructure - costs \$7,000 for inner city suburbs, and \$19,000 outer suburb. As I said that is just Council infrastructure – roads, water, sewage, stormwater.

I know from my days involved in the electricity distribution industry that there is a massive difference in cost of supplying customers when spread across a large area. It seems to me that utility operators should take a close and active interest in encouraging proactive urban planning and an urban form that reduces the cost of constructing and operating their networks.

One of Wellington City's strengths is it's compact CBD and suburban areas being largely constrained by topography. I'd suggest that current new subdivision planning here and elsewhere is antithetical to good planning for utility provision.

Once again I am delighted that you are meeting together as utility operators. I know it is a very competitive industry, but can I say that there are considerable benefits in co-operation at times – especially in such a small country.

I wish you a very enjoyable time in Wellington, and an excellent learning experience through this conference.

**Thank you.**