



# **New Zealand Utilities Advisory Group**

## **Strategic and Business Plan**

**2007/2008**

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# Strategic Planning

## Introduction

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

NZUAG has made solid progress. Branded as “RoadShare”, it has completed a number of projects developing best practice guidelines and tools for all aspects of road management. These projects include:

- a code of practice for working in the road,
- a template for Partnering agreements between the local authority and all utilities using their road corridor
- Guidelines for District Valuation Rolls
- with the MCDEM, best practice guidelines for lifeline utilities and planning for an emergency,
- guidelines for district councils that set out the significant environmental and legal issues under the RMA.

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 road corridor. The challenge then is securing a high level of end user acceptance of all products. Following the Government’s review of utilities’ access to transportation corridors, which includes roads, rail and motorways, NZUAG now takes a perspective wider than just roads.

## Vision and Goals

### *Vision:*

*A self-sustaining co-operative framework for the delivery of all utilities in the land transportation corridors*

The vision will be achieved through delivery of the following goals:

**A. Industry Co-operation** – The industry uses NZUAG as the clearing house for agreeing common issues and how they will be resolved.

It is critical that the industry bring issues to a central point for resolution. NZUAG will take a more deliberate role in sourcing issues by NZUAG members and industry while formalising the selection criteria for commissioning of terms of reference. Performance reporting to members and constituents will be improved to provide assurance that issues are being progressed.

**B. Industry Wide Tools** – The framework of NZUAG tools is accepted as the industry norm.

Producing tools of good quality is important if end-users are to have sufficient confidence in the product to use it. Quality will be maintained through development of formal product review criteria to be applied within an ongoing review process. All products will be developed with end-user input and peer-reviewed before final release.

**C. End-user Acceptance** – Greater understanding of, and attention to, the issues around corridor management would benefit customers and the community.

A programme of seminars, conferences, publications and web updates, along with engagement of individual constituents will increase end-user awareness of NZUAG best practice guidelines and tools. It is intended that if end-users are aware that the recommended practice is widely used, accepted as good practice, and transportable, then the percentage uptake by end-users will increase.

### **NZUAG Governance**

NZUAG is currently structured as a voluntary joint consultative group. In deciding whether an alternative governance structure would assist the aims of NZUAG, members considered the following factors:

1. risk exposure
2. longevity of the NZUAG function
3. security of funding.

There are risks to NZUAG associated with its voluntary status, and the fact that large projects can require significant financial commitments. NZUAG has identified some risk with cash-flow in relation to the development of a new National Code, and is currently addressing this risk.

The NZUAG vision is to put in place “a self sustaining co-operative framework...” and as such a permanent structure which might have greater longevity than the strategy itself has so far been deemed unnecessary by members. This will be reviewed during the current year. In the meantime, the individual members of NZUAG have agreed to seek their constituents’ endorsement of the work of the NZUAG for the next three years.

NZUAG activities have been funded by its members as agreed in 2003 when the initial budget was established in 2003, and from any profits resulting from seminars and workshops. The initiation of the development of the new National Code has highlighted the need for a new agreed process for funding NZUAG activities.

Members apply continuous improvement in NZUAG performance through the business planning process, including:

- Improving the process on *how* we will do things
- Improving project management reporting to NZUAG
- Maintaining progress / status reporting to our constituents
- Ensuring full membership participation at NZUAG meetings
- Improved financial reporting and accountability to members and constituents

## Linkages to the Charter of Understanding

<p style="text-align: center;"><b>Commitment to work together</b></p> <p>Facilitate mutual understanding and respect between network utility Service operators, local government and transportation corridor managers through:</p> <ul style="list-style-type: none"> <li>• Open communication</li> <li>• Leadership</li> <li>• Partnering</li> <li>• Identifying common synergies</li> <li>• Accountability - transparent rights and responsibilities</li> <li>• Coordination, collaboration and cooperation</li> <li>• Sharing of information that is accurate and up to date</li> <li>• Adopting mutually acceptable processes</li> <li>• Sharing experiences and collaborative problem solving</li> </ul>	<p style="text-align: center;"><b>Achieving efficiencies</b></p> <p>We will work together in a spirit of co-operation and collaboration to attain an efficient and well managed transportation corridor and achieve:</p> <ul style="list-style-type: none"> <li>• National consistency</li> <li>• Co-ordination of works in the corridor</li> <li>• Optimisation of costs for end user consumers of utility services</li> <li>• Optimisation of costs for utility services working in the corridor</li> <li>• Optimal levels of self regulation</li> <li>• Accessible utility services where commercially prudent</li> </ul>
<p style="text-align: center;"><b>Technological excellence</b></p> <p>We will embrace the adoption of best practice standards in all aspects of road corridor management by fostering:</p> <ul style="list-style-type: none"> <li>• Technical excellence</li> <li>• Quality in all we do</li> <li>• Continuous improvement</li> <li>• Performance monitoring and measurement</li> <li>• National consistency</li> <li>• Competency in our workforce</li> <li>• Excellent health and safety practices.</li> </ul>	<p style="text-align: center;"><b>Commitment to our communities</b></p> <p>We will respond to the needs of customers and communities by endeavouring to:</p> <ul style="list-style-type: none"> <li>• Minimise inconvenience and reduce delays to corridor users</li> <li>• Minimise 3rd party damage to other facilities</li> <li>• Provide a high quality transportation corridor facility</li> <li>• Provide and maintain affordable and accessible utility services and infrastructure where commercially prudent</li> <li>• Ensure a safe work and travel environment</li> </ul>

## Strategy Map

<b>NZUAG Vision</b>	<b>A self-sustaining cooperative framework for the delivery of utilities in the land transportation corridor</b>		
<b>Goals</b>	<b>A. Industry Cooperation</b> The industry used NZUAG as the clearing house for agreeing common issues and how they will be resolved	<b>B. Industry Wide Tools</b> The framework of NZUAG tools are accepted as the industry norm	<b>C. End-user acceptance</b> The framework of NZUAG tools are accepted as the industry norm
<b>Financial perspective</b>	A membership levy will be used while other funding mechanisms look to off set operating costs through sale of practice tools	Tool development costs will be funded by a mix of membership levy and user fees	
<b>Customer perspective</b>	<b>Members</b> NZUAG provides the opportunity to resolve common issues with minimal dissonance	<b>Corridor / Asset / Utilities Managers</b> NZUAG offers an agreed means of enhancing utility delivery and asset protection while minimising disruption to the community	<b>Individual Users</b> NZUAG offers assurance that the recommended practice is widely used, accepted as good practice, and transportable
<b>Process perspective</b>	Sort issues by: <ul style="list-style-type: none"> <li>• Member</li> <li>• Industry</li> <li>• Government</li> </ul> <p>Prioritise and agree issues against Charter</p> <p>Consult &amp; confirm issues for resolution</p> <p>Ensure member participation</p>	Conduct needs analysis: <ul style="list-style-type: none"> <li>• Local authority</li> <li>• Road controlling authority</li> <li>• Utilities</li> </ul> <p>Develop tools with users</p> <p>Pilot, produce and commission</p> <p>Monitor and report uptake</p>	Run NZUAG seminars Present to industry conferences Engage individual constituents Issue publications and web updates
<b>Learning and growth initiatives</b> <b>2006/2007</b>	A1: Dissemination of MED policy papers on utilities and respond to MED A2: Emergency management and infrastructure resilience A3: Policy development input A4: facilitating issues	B1: Develop model guidelines for setting reasonable terms and conditions B2: Asset protection B3: Training and competence B4: Review of WITR	C1: Promoting partnering agreements C2.1: Improved communications C2.2 Annual Report C3: Take-up of products
<b>Learning and growth initiatives</b> <b>2007/2008</b>	A1: Law reform – work with Government on utilities issues A2: Other NZUAG activities and submissions A3: NZUAG Administration	B1: New national code B2: Other industry tools B3: Training and competence	C1: Manage communications – branding, website, reporting C2: Seminars/workshops to consult on / promote new Code C3: Partnering

## Strategic review for 2007/2008 Business Plan

Environmental Scan 1 April 2007	Vulnerabilities and threats	Opportunities
<b>A. Industry Cooperation</b>		
Improving communications with members' constituents: <ul style="list-style-type: none"> <li>Reporting back to them</li> <li>Getting feedback from them</li> </ul>	<ul style="list-style-type: none"> <li>Revenue stream not matching requirements</li> <li>Lack of awareness of what NZUAG does</li> <li>Perception of low value for money</li> </ul>	Increase partnering Identify cost effectiveness to constituent members Across industry involvement with the development of the new National Code Perception of good value for money
Formalising relationship between NZUAG and AUOG		AUOG becoming formal member of NZUAG
Achieving consensus and cohesiveness in individual industry sectors complex and difficult	<ul style="list-style-type: none"> <li>Member organisations not understanding value of consensus process</li> <li>Increasing numbers of telcos</li> </ul>	Across industry involvement with the development of the new National Code
Huge local government focus on LTCCPs to detriment of other activities		Across industry involvement with the development of the new National Code
Increasing focus on infrastructure resilience	<ul style="list-style-type: none"> <li>Regulatory impediments to investment in infrastructure resilience</li> <li>Need to coordinate the many organisations involved</li> <li>Climate change impacts</li> </ul>	Increased political focus on infrastructure resilience Support work or other groups, and act as clearing house for our sectors
New regulatory/compliance issues	<ul style="list-style-type: none"> <li>Not giving sufficient assurance that self-regulation will achieve their desired outcomes</li> <li>Economic, social and environmental policies such as Telecom unbundling</li> <li>The proposed Utilities amendment bill check title</li> <li>Merger of Land Transport NZ and Transit NZ</li> </ul>	Have input into legislation to ensure it is right first time Create engagement with the ministries involved in sector reform/ restructuring Act as a forum to raise issues that may have cross-industry implications Manage consultation processes re govt strategies and policies <ul style="list-style-type: none"> <li>confidential discussions/papers</li> <li>conduit for wider consultation</li> <li>seminars/workshops</li> </ul> Development of new National Code
Staff shortages and loss of institutional knowledge	<ul style="list-style-type: none"> <li>Insufficient resources to meet expectations on national issues</li> <li>Losing advocacy as constituent members restructure</li> </ul>	Roadshows and seminars will help mitigate some of this loss
Relationships with Government and its agencies	<ul style="list-style-type: none"> <li>Insufficient advocacy at all levels</li> <li>Lack of awareness of what NZUAG achieves</li> <li>Not maintaining NZUAG's political profile</li> </ul>	Cooperative work with government agencies, and agencies outside of NZUAG
<b>B. Industry –wide tools</b>		
Disparate and spasmodic training and education	<ul style="list-style-type: none"> <li>Third party damage and interference</li> <li>Insurance compensating for poor workmanship and lack of ownership of quality issues</li> </ul>	Cooperative work with agencies outside of NZUAG such as contractors and the training and education sector Develop handbook for workers based on new National Code
	External organisations developing industry wide tools do not recognise the consensus role of NZUAG	Industry-led solutions under NZUAG Development of new National Code
<b>C. End-user acceptance</b>		
Relatively low profile of NZUAG	NZUAG achievements not sufficiently branded Communications not reaching the appropriate stakeholder audiences	Raise profile of NZUAG with development of new national Code
NZUAG issues not a high priority for some member organisations	Lack of input or buy-in	Coordinate information sharing/ discussion forums – roadshows and seminars
Where parties are working well together, there is no need for change, while others who are not working well together, have no interest in change	Lack of input or buy-in	Reinforce NZUAG leadership role Improve marketing and branding
Appreciation of the benefits of national documents is increasing	NZUAG documents not sufficiently branded Another agency with different objectives may take the lead	Improve reporting processes Promote and facilitate partnering agreements
Positive feedback from those who are using NZUAG documents	Documents need to be maintained up to date	Review all NZUAG documents
Need to know more about who is using which documents	If people do not know about NZUAG documents, how can they use them?	

## **Business Planning**

### **Performance Assessment to 31 March 2007**

#### **Values Compliance Assessment of 31 March 2007**

- **Responsiveness**
  - implementation of Working in the Road (WITR), formally taken up by 50% of councils, and adapted where required for local conditions
  - Partnering Agreements, standard template, three agreements signed, several groups of councils working jointly on agreements
  - participation in MED policy development,
  - workshop on Utilities' access to the transportation corridor, 19 February 2007
  - Third Party Interference workshop 21 November 2006
  
- **Integrity**
  - get information out to as wide an audience as possible,
  - open to all feedback,
  - neutral and objective (as when making submissions on external documents),
  - NZ Inc viewpoint,
  - disseminate information,
  - room for improvement in branding with more effective distribution of information
  
- **Partnering**
  - establish sub-committees on projects, usually including outside organisations
  - look for win-win solutions,
  - recognising neutrality
  - working with MED and LGNZ on workshop, and policy development
  - facilitating industry self-regulation and solutions
  - work on the basis of consensus-based solutions
  
- **Efficiency**
  - External
    - consider issues from NZ Inc point of view
    - committed to best practice,
    - national documents developed and adopted,
    - address issues of most concern
  - Internal
    - improved communications within NZUAG and to members' stakeholders
  
- **Excellence**
  - high quality products that are relevant to the sector
  - products freely available on website or through links to other websites

## Performance Report to 31 March 2007

Process	Action Plan	Achievement
<b>A: Industry co-operation / clearing house</b>		
A1: MED paper dissemination and response	A1.1 Initial response May 06 A1.2 Seminar/workshops Oct 06 A1.3 NZUAG submissions	A1 – complete
A2: Emergency management	A2.1 EM seminars or report by D Brunsdn – infrastructure resilience	A2 – deferred to 2007/8
A3: Policy development input	A3.1 Road side hazards A3.2 Available to Transit for policy impacting on utilities A 3.3 Land Transport NZ policies	A3 – subsumed in new National Code
A4: Facilitating issues resolution	A4.1 Available on demand	A4 – undertaken as required
A5: New issues	A5.1 Introduce /distribute new issues as they arise	A5 – undertaken as required
<b>B: Industry-wide tools</b>		
B1: Reasonable conditions – model guidelines	B1.1 Agree ToR B1.2 Develop document	B1 – Subsumed in new National Code
B2: Asset protection - 3rd party damage awareness	B2.1 Vector booklet for contractors B2.2 Commission analysis and disseminate	B2.1 – deferred to 2008/2009 B2.2 Workshop completed November 2006
B3: Training and competence	B3.1 Commission analysis and disseminate (incl unit standards and Operate Safe)	B3.1 – part completed
B4: WITR Review	B4.1 Initiate review of WITR B4.2 Monitor uptake of WITR	B4.1 – subsumed in new National Code B4.2 – complete
B5: NZUAG documents	B5.1 carried forward to 2007/2008	B5.1 – carried through to 2008/2009
B6: MED Discussion paper	B6.1 Identify issues arising that will benefit from industry wide coordination B6.2 Establish plan for Code of Practice/ standards/ guidelines	B6 - complete
<b>C: End-user acceptance</b>		
C1: Promoting Partnering Agreements	C1.1 Promote at RCA Forum, and via utility sector representatives, sector newsletters	C1 – achieved
C2: Improved communications, incl Annual Report	C2.1 Formalise communications strategy C2.2 Develop and publish Annual Report C2.3 Establish draft budget C2.4 Maintain website up to date C2.5 Quarterly flyer C2.6 Improve distribution systems	C2.1 – achieved C2.2 – complete C2.3 – achieved C2.4 – ongoing C2.5 – not achieved C2.6 –ongoing
C3: Take-up of products	C3.1 Develop/run promotional campaigns for products	C3.1 – not achieved

## Business Plan 2007/2008

Process	Action Plan	Budget, excl GST		
A: Industry co-operation / clearing house				
		2007/08	2008/09	2009/10
A1: Law reform – work with Government on utilities issues	A1.1 - liaison with MED A1.2 – submission on Utilities Amendment Bill	7000	4000	2000
A2: Other NZUAG activities and submissions	A2.1 Infrastructure resilience	5000	8000	8000
A3: NZUAG Administration	A3: Manage NZUAG meetings, provide secretarial services	20,000	20,000	21,000
Subtotal Goal A		32,000	32,000	31,000
B: Industry-wide tools				
B1: New national code	B1.1 – Manage Project Code - development as a NZ Standard	205,000 20,000	0 50,000	0 0
B2: Other industry tools	- preliminary activities	15,000 0	0 50,000	0 50,000
B3: Training and competence	B2.1 – TBA	5000	5000	5000
B4: “Vector” booklet for workers in the road corridor	B3: liaison with industry and training providers B4.1 develop handbook for workers	0	18,000	0
B5: Review NZUAG documents	B5.1 – review Planning Guidelines, DVR Guidelines and Partnering Agreement	0	2000	0
Subtotal Goal B		245,000	125,000	55,000
C: End-user acceptance				
C1: Manage communications – branding, website, reporting	C1.1 – maintain website, C1.2 – prepare Annual report for 2006/2007 C1.3 – manage the branding as RoadShare of all NZUAG activities	10,000	8000	8000
C2: Seminars/workshops to promote new Code	C2.1 Roadshows to introduce and explain new national code – self-funding	0	0	0
C3: Partnering	C3.1 – promote and facilitate partnering agreements	5000	5000	5000
Subtotal Goal C		15,000	13,000	13,000
Total Budget		292,000	170,000	99,000

## Appendices

### APPENDIX A: Explanation of the one page strategy map

<ul style="list-style-type: none"> <li>• The One Page Strategy Map is based on the principle that a business strategy must be extremely well thought through if it is to be simplified onto a single page without losing its meaning.</li> <li>• The One Page Strategy Map draws on the four perspectives of the Balanced Scorecard to ensure all stakeholder needs are accounted for.</li> <li>• The test of whether a business strategy has been mapped onto a single page in a meaningful way is that it clearly shows the cause-and-effect linkages between “investment” at the Learning &amp; Growth level and “results” at the Vision and Goals level.</li> <li>• These cause-and-effect linkages should combine to tell a simple story about how investment will be translated into results – i.e. the strategy.</li> </ul>	<p style="text-align: center;"> <b>NZUAG Vision</b>              ↓  <b>Goals</b>              ↓  <b>Financial perspective</b>              ↓  <b>Customer perspective</b>              ↓  <b>Process perspective</b>              ↓  <b>Learning &amp; growth initiatives</b> </p>	<p style="text-align: center;"> <b>RESULTS</b>              ↑              ↓  <b>INVESTMENT</b> </p>
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## Appendix B: Summary of Achievements 2006/2007

### Membership Update

- Transit NZ is now represented by Ian Cox

### Seminars and workshops

- **Third Party Interference, 21 November 2006.** This workshop, attended by over 60 delegates, highlighted a number of issues for the various sectors represented at the workshop. Key issues included:
  - ensuring road opening notices are obtained prior to all works,
  - all utility operators having plans with accurate locations of their utilities,
  - monitoring and audit of all works essential,
  - training and competence issues leading to pre-tender requirements,
  - maintaining excellent personal relationships
- **Utilities Access to the transportation corridors, 19 February 2007.** This workshop, sponsored jointly by LGNZ and NZUAG, was attended by some 150 delegates. Delegates discussed the issues relating to the current legislative regime, and how these could best be resolved. The Ministry of Economic Development presented its latest thinking on possible legislative regimes.

### National Code on access to the road and rail corridors

Following the February workshop, NZUAG agreed to sponsor a new project to develop a new national code of practice, consistent with the proposed new legislative regime. The team established to undertake the work on behalf of NZUAG comprises two representatives each from utilities and local government, and one each from Transit NZ and ONTRACK. Details of the project are available on the NZUAG website:

[www.nzuag.org.nz](http://www.nzuag.org.nz)

### Administration

- **First Annual Report.** NZUAG released its first formal report to constituent members, covering its activities for the previous five years.
- **Sponsorship of the Utilities and Networks Award at the 2006 Engineering Excellence Awards.** NZUAG sponsored this award for the second year.

## **Appendix C: Signatories to the Charter 2004**

### **▲ Utility network operators**

- Aurora Energy Limited
- Marlborough Lines
- NGC Ltd
- Orion Group Limited
- Powernet Limited
- Unison Networks Limited
- Vector Networks Ltd
- Wanganui Gas
- WEL Networks Ltd

### **▲ Industry Associations**

- Electrical Engineers Association
- Electricity Network Association
- Gas Association of NZ
- Ingenium
- Local Government New Zealand
- NZ Contractors' Federation
- NZWWA
- Roading New Zealand

### **▲ Local Authorities**

- Auckland Regional Council
- Christchurch City Council
- Hutt City Council
- Manukau City Council
- North Shore City Council
- Porirua City Council
- Rotorua District Council
- Wanganui District Council
- Wellington City Council
- Upper Hutt City Council
- Auckland City Council\*
- Hamilton City Council\*

### **▲ Transit New Zealand**

### **▲ Telecom NZ Ltd**

### **▲ TelstraClear Limited**

### **▲ Works Infrastructure Ltd**

### **▲ Hon Paul Swain, Minister of Communications**

\* Signed up 2006