
New Zealand Utilities Advisory Group

Strategic Plan

2006/2007



Contents



2. Contents
3. Strategy overview
4. Governance
5. One Page Strategy Map
6. Linkages to the Charter
7. Assessment of current performance
8. Performance Report 31 March 2006
9. Environmental Scan to 31 March 2008
10. Business plan 2006/2008

12. Appendices
- A: One page strategy map explanatory notes
- B: Signatories to the Charter of Understanding 2004

2. Strategy Overview

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 to look at issues relating to utilities working in the road corridor. The following quote from NZUAG promotional material to its constituents sums up many of the issues:

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,
- 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,
- district council guidelines 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 roading corridor. The challenge now lies in securing a high level of end user acceptance of all products.

Vision and Goals

Vision: A self-sustaining co-operative framework for the delivery of all utilities in the roading corridor

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

D. 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.

F. Industry Wide Tools – The framework of NZUAG tools are 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 piloted with them before commissioning production.

H. End-user Acceptance – Greater understanding o, 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,

3. NZUAG Governance

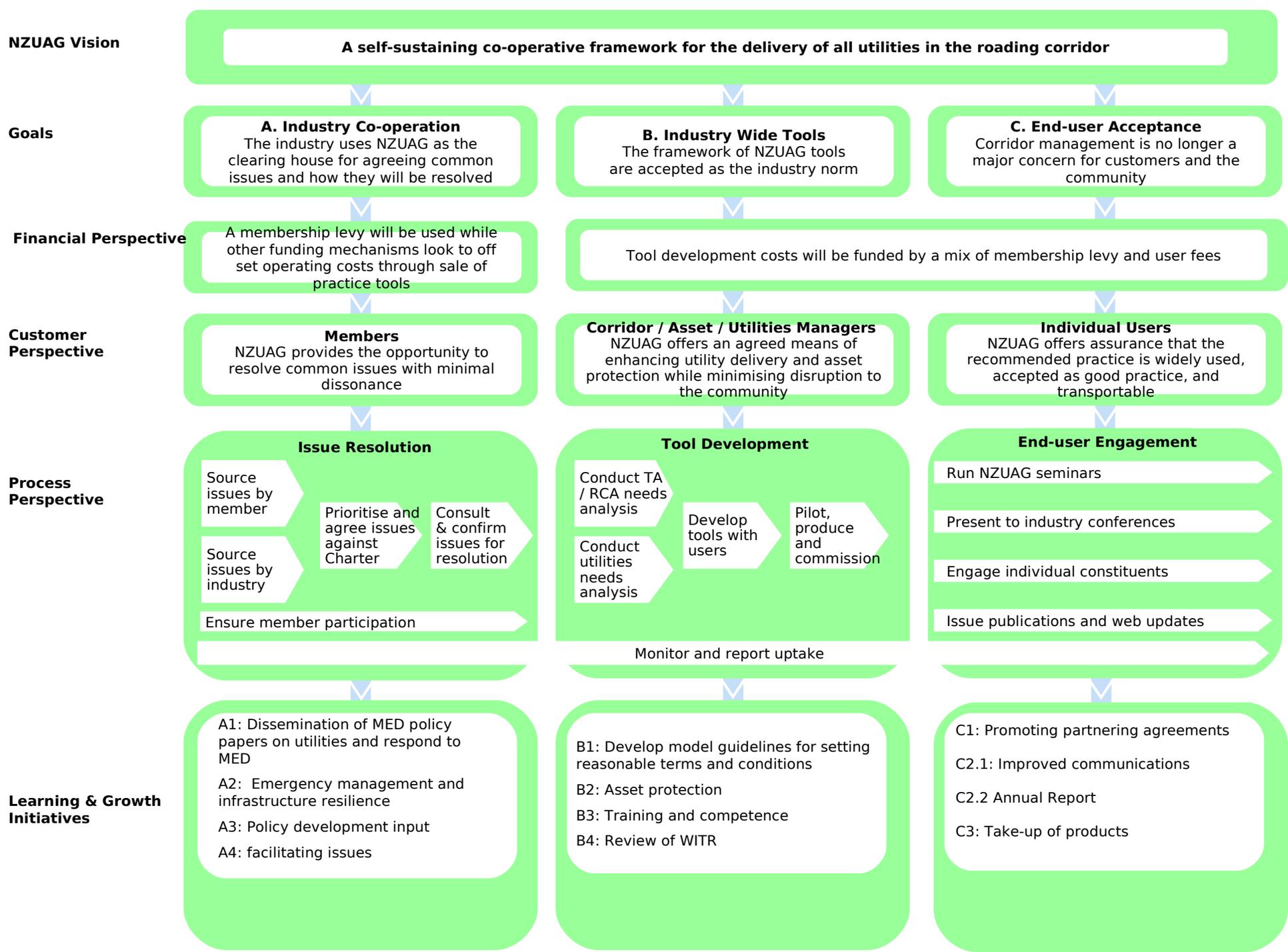
NZUAG is currently structured as a voluntary joint consultative group. In deciding whether an alternative governance structure would assist the aims of NZUAG, members considered the following factors:

1. Risk exposure
2. Longevity of the NZUAG function
3. Improved access to funds.

An analysis of the proposed work programme suggested there is minimal additional risk arising from the scale and nature of current and proposed projects. Secondly, 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 was deemed unnecessary by members. Finally, the proposed NZUAG strategy does not require a significant increase in funding and as such the current financial management arrangements are considered satisfactory.

Rather than structure solutions, members concluded that enhancements to NZUAG performance could be secured more expeditiously by completing the learning and growth initiatives on the NZUAG strategy map including:

- Improving the process on *how* we will do things
- Improve project management reporting to NZUAG
- Improve progress / status reporting to our 329 constituents
- Full membership participation at NZUAG meetings
- Improved financial accountability to members and constituents



5 Linkages to the Charter of Understanding

Facilitate mutual understanding and respect between network utility Service operators, local government and RCAs through:

- Open communication
- Leadership
- Partnering
- Identifying common synergies
- Accountability - transparent rights and responsibilities
- Coordination, collaboration and cooperation
- Sharing of information that is accurate and up to date
- Adopting mutually acceptable processes
- Sharing experiences and collaborative problem solving

We will embrace the adoption of best practice standards in all aspects of road corridor management by fostering:

- Technical excellence
- Quality in all we do
- National consistency
- Competency in our workforce
- Excellent health and safety practices.

We will work together in a spirit of co-operation and collaboration to attain an efficient and well managed roading corridor and achieve:

- National consistency
- Co-ordination of works in the road
- Optimisation of road-related costs for end user consumers of utility services
- Optimisation of costs for utility services working in the road
- Optimal levels of self regulation
- Accessible utility services where commercially prudent

We will respond to the needs of Customers and communities by endeavouring to:

- Minimise inconvenience and reduce delays to road users
- Minimise 3rd party damage to other facilities
- Provide a high quality roading facility
- Provide and maintain affordable and accessible utility services and infrastructure where commercially prudent
- Ensure a safe work and travel environment

6 Assessment of performance to 31 March 2006

Values Compliance

嬪 Responsiveness

- implementation of Working in the Road (WITR), formally taken up by councils, and adapted where required for local conditions
- Partnering Agreements, standard template, three agreements signed, several groups of councils working working on agreements
- Charter of Understanding,
- participation in first MED document development, 200+ delegates to seminars throughout NZ, becoming consultative group for MED
- assistance with training to contractors,
- Valuation Guidelines

嬪 Integrity

- get information out to as wide an audience as possible,
- open to all feedback,
- neutral and objective (eg MED submission),
- NZ Inc viewpoint,
- disseminate information,
- encourage submissions from those with alternative views
- room for improvement in some sectors with more effective distribution of information

Assessment of performance to 31 March 2006 (cont)

嬪 Partnering

- establish sub-committees on projects, often including outside organisations
- look for win-win solutions,
- Standards NZ,
- recognising neutrality
- MED project
- civil defence and emergency management

嬪 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

- room for improvement in communications
- room for improvement in commitment of members' stakeholders

嬪 Excellence

- high quality products
- products freely available on website or through links to other websites

7. Performance Reporting to 31 March 2006

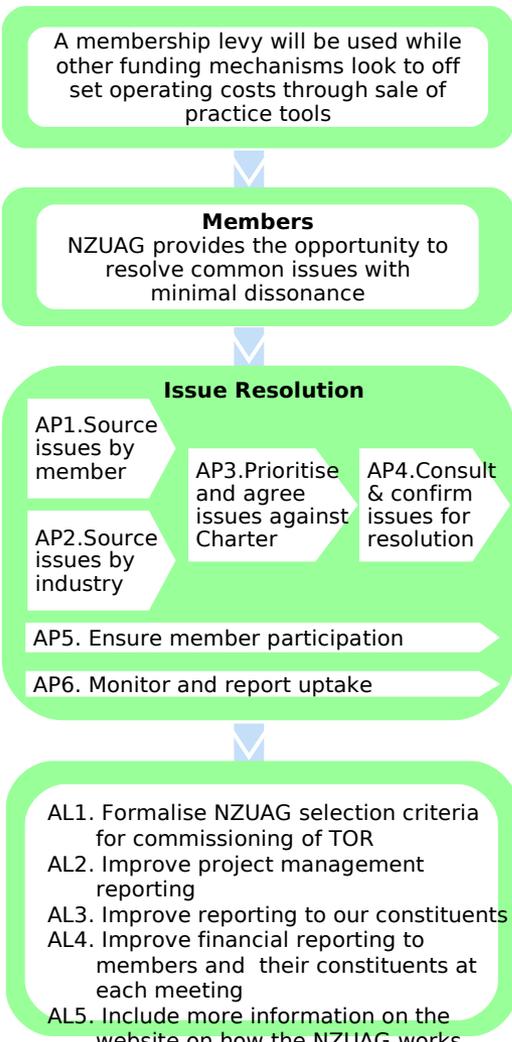
✓ No concerns
 ? Attention needed
 X immediate action
 NM not measured

Goal A. Industry Co-operation:

The industry uses NZUAG as the clearing house for agreeing common issues and how they will be resolved

As at 2004 2006

Financial Perspective
 Client Perspective
 Process Perspective
 Learning & Growth Initiatives



EXPECTED RESULTS

AF1. 10% of NZUAG effort	✓	✓
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AC1. 95% member satisfaction as measured by twice yearly assessment form	NM	NM
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AP1-5. a) Two thirds of TORs are accepted first time as amended	NM	NM
AP1-5. b) Full industry attendance at NZUAG meetings	?	X
AP1-5. c) TOR for three modules signed off at March meeting	?	?

AL1. Commissioned by November 04 meeting and signed off by members	?	X
AL2. Project management reporting improved by November 04 meeting	?	✓
AL3. Improve reporting to constituents by March 05	X	X
AL4. Improve financial reporting to members by November 04 meeting	✓	✓
AL5. Website updated by March 05	✓	✓

7. Performance Reporting (cont'd)

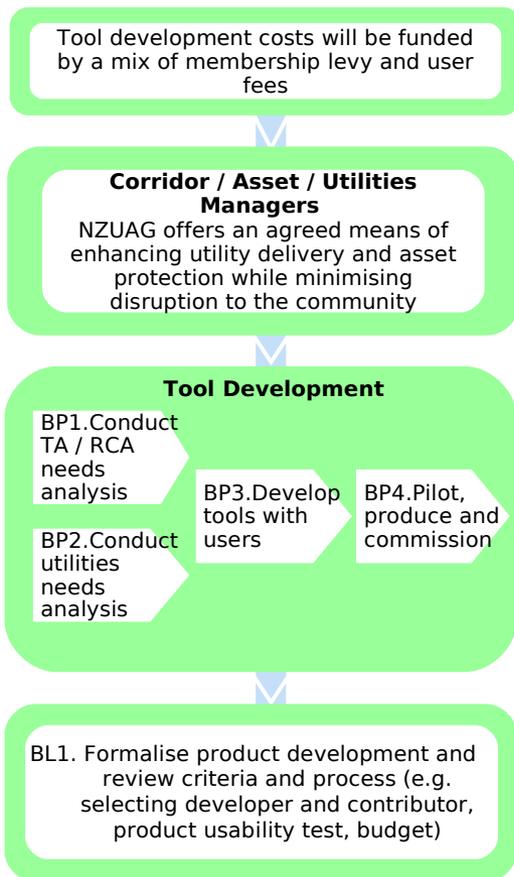
✓No concerns
 ? Attention needed
 X immediate action
 NM not measured

Goal B. Industry Wide Tools:

The framework of NZUAG tools are accepted as the industry norm

As at 2004 As at 2006

Financial Perspective
 Client Perspective
 Process Perspective
 Learning & Growth Initiatives



EXPECTED RESULTS

BF1. 10% of NZUAG effort	✓	✓
BC1. All corridor / asset / utilities managers involved in development of the three modules are willing to advocate the product to colleagues	NA	NM
BP1-4. All three modules are signed off by the steering group assessment as 'high quality' by Dec 2005	NA	X
BL1. Product review criteria signed off by November 04 meeting	?	X

7. Performance Reporting (cont'd)

✓ No concerns

? Attention needed

X immediate action

NM not measured

Goal C. End-user Acceptance:

Corridor management is no longer a major concern for customers and the community

As at 2004 As at 2006

Financial Perspective

Tool development costs will be funded by a mix of membership levy and user fees

EXPECTED RESULTS

CF1. 80% of all NZUAG effort	✓	✓
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Client Perspective

Individual Users
NZUAG offers assurance that the recommended practice is widely used, accepted as good practice, and transportable

CC1. All signatories to the six partnering agreements are implementing the agreement on an ongoing basis as measured by corridor/asset manager feedback	✓	✓
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Process Perspective

End-user Engagement

- CP1.Run NZUAG seminars
- CP2.Present to industry conferences
- CP3.Engage individual constituents
- CP4.Issue publications and web updates

CP1-4. Six 'Category A' TAs / RCAs sign partnering agreement with their constituent utilities by June 2005	✓	X
CP1-4. 20 TAs are using the Code of Practice for working in the road by June 2005 as measured by survey	?	✓

Learning & Growth Initiatives

CL1. Develop a tiered promotion and stakeholder contact approach

- Identify "Category A" councils, utility companies and key individuals within these
- Develop a consistent promotional message which overcomes current obstacles
- Allocate and prioritise "account" responsibility to achieve complementary effort in a region
- Track progress against target

CL1. Tiered promotion and stakeholder contact approach signed off by November meeting	X	X
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8 2006/2007 Business Plan

Environmental scan

嬭 Industry co-operation

- Not reporting back to constituents
- No unanimity/ cohesiveness in industry groups
- Huge local government focus on LTCCPs to detriment of other activities
- Major focus on electricity regulation
- Shortage of staff resources

嬭 Industry-wide tools

- WITR needs review
- Training and education very disparate and spasmodic

嬭 End-user acceptance

- Need to get profile of NZUAG up
- NZUAG issues down in the priority list
- Ones doing it well have no need to change, ones not doing it well have no interest in change
- Do we know the issues the various sectors want us to focus on?
- Overload of documents: easy to write, time consuming to implement
- We don't know what is being used
- NZUAG not getting enough runs on the board
- Is WITR being taken up enough?
- Have had good feedback where our documents are being used

2006/2007 Business Plan

Vulnerabilities

嬪 Industry co-operation

- New lobby groups eg new infrastructure lobby group
- Changing representatives on NZUAG – changing faces has pluses and minuses
- AUOG
- Handling feedback from our constituents on issues/documents
- Lack of commitment/support from members / Core member defections
- Telco representation
- Losing political recognition
- Economic regulators (Commerce/ Electricity/ Telecom unbundling)
- Getting into more difficult issues

嬪 Industry-wide tools

- MoT and Land Transport NZ policy development
- MED paper and its role for NZUAG developing guidelines

嬪 End-user acceptance

- Communications

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Opportunities

嬭 Industry co-operation

- Facilitation
- Relationship and influence with govt agencies, esp MED
- Co-operative work with LTNZ on policies- eg roadside hazards
- To reinforce political support
- Consultation processes re govt strategies and organisational policies
 - Confidential discussions/ papers
 - Conduit for wider circulation

嬭 Industry-wide tools

- Facilitation
- Co-operative work with LTNZ on policies- eg roadside hazards
- MED suggestions: CoP, standards, dispute resolution
- Development of corridor management strategy – getting utility participation

嬭 End-user acceptance

- Reinforce our leadership role
- Information sharing/ discussion forums
- To be self-supporting

9 Business Plan 2006/2007

<p>A: Industry co-operation / clearing house</p>	<p>A1: MED paper dissemination and response A2: Emergency management A3: Policy development input A4: Facilitating issues resolution</p>	<p>A1.1 Initial response May 06 A1.2 Seminar/workshops Oct 06 A1.3 NZUAG submissions A2.1 EM seminars or report by D Brunsden – infrastructure resilience A3.1 Road side hazards A3.2 Available to Transit for policy impacting on utilities A 3.3 LTNZ policies A4.1 Available on demand A5.1 Introduce /distribute new issues as they arise</p>
<p>B: Industry-wide tools</p>	<p>B1: Reasonable conditions – model guidelines B2: Asset protection - 3rd party damage awareness B3: Training and competence B4: WITR Review B5: NZUAG documents B6: MED Discussion paper</p>	<p>B1.1 Agree ToR B1.2 Develop document B2.1 Vector booklet for contractors B2.2 Commission analysis and disseminate B3.1 Commission analysis and disseminate (incl unit standards and Operate Safe) B4.1 Initiate review of WITR B4.2 Monitor uptake of WITR B5.1 carried forward to 2007/2008 B6.1 Identify issues arising that will benefit from industry wide coordination B6.2 Establish plan for Code of Practice/ standards/ guidelines.</p>
<p>C: End-user acceptance</p>	<p>C1: Promoting Partnering Agreements C2: Improved communications, incl Annual Report C3: Take-up of products</p>	<p>C1.1 Promote at RCA Forum, and via utility sector representatives, sector newsletters C2.1 Formalise communications strategy C2.2 Develop and publish Annual Report C2.2 Establish draft budget C2.4 Maintain website up to date C2.5 Quarterly flyer C2.6 Improve distribution systems C3.1 Develop/run promotional campaigns for products</p>

10 Business Plan 2007/2008 – items carried forward

<p>A: Industry co-operation / clearing house</p>	<p>A1: MED paper dissemination and response A2: Emergency management A3: Policy development input A4: Facilitating issues resolution</p>	<p>A1.1 Seminar/workshops ?? A1.3 NZUAG submissions A2.1 EM seminars or report by D Brunsden – Utility Views on Lifelines A3.1 Road side hazards A3.2 Available to Transit for policy impacting on utilities A 3.3 LTNZ policies A4.1 Available on demand A5.1 Introduce /distribute new issues as they arise</p>
<p>B: Industry-wide tools</p>	<p>B1: Reasonable conditions – model guidelines B2: Asset protection - 3rd party damage awareness B3: Training and competence B4: WITR Review B5: NZUAG documents B6: MED Discussion paper</p>	<p>B1.1 B3.1 Commission analysis and disseminate (incl unit standards and Operate Safe) B4.1 Initiate review of WITR B4.2 Monitor uptake of WITR B5.1 Catalogue all NZUAG documents and establish a review programme B6.1 Identify issues arising that will benefit from industry wide coordination</p>
<p>C: End-user acceptance</p>	<p>C1: Promoting Partnering Agreements C2: Improved communications, incl Annual Report C3: Take-up of products</p>	<p>B6.2 Establish plan for Code of Practice/ standards/ guidelines. C1.1 Promote at RCA Forum, and via utility sector representatives, sector newsletters C2.1 Formalise communications strategy C2.2 Continue Annual Report, website C2.5 Quarterly flyer C2.6 Improve distribution systems C3.1 Develop/run promotional campaigns for products</p>

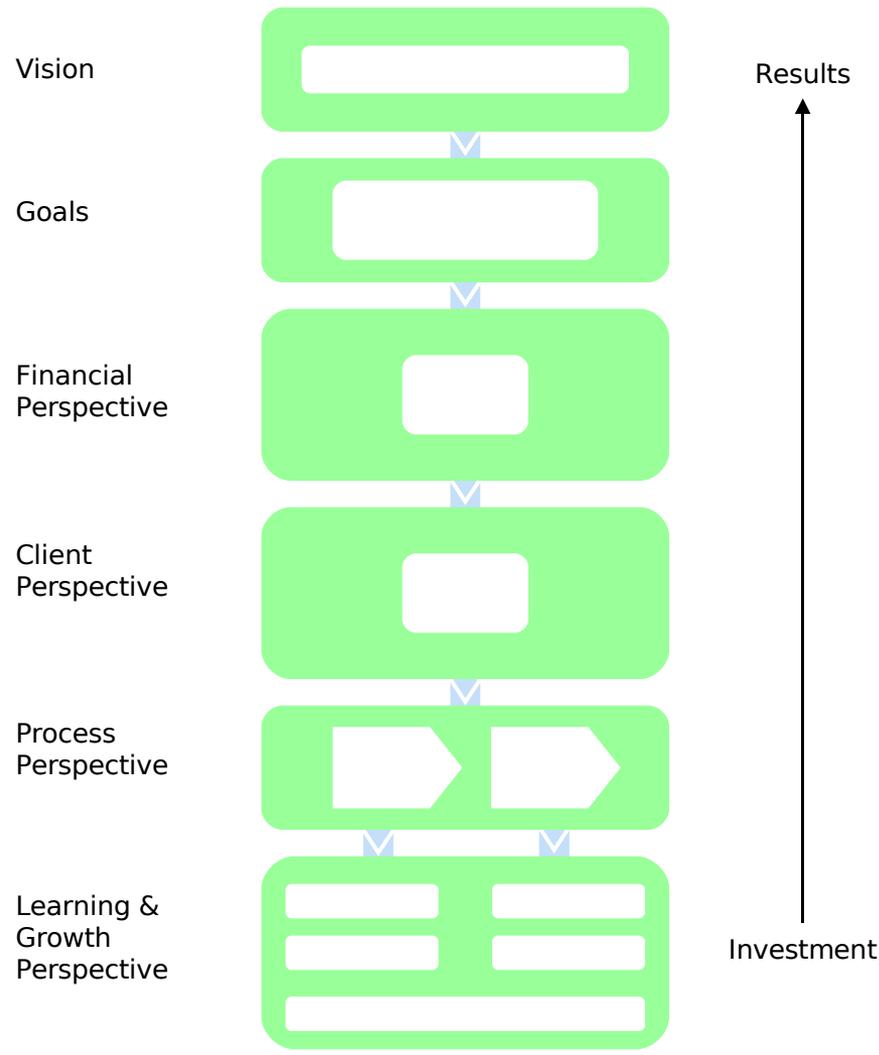
Appendix A: One Page Strategy Map – Explanatory Notes

備 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.

備 The One Page Strategy Map draws on the four perspectives of the Balanced Scorecard to ensure all stakeholder needs are accounted for.

備 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 & Growth level and “results” at the Vision and Goals level.

備 These cause-and-effect linkages should combine to tell a simple story about how investment will be translated into results – i.e. the strategy.



Appendix B: 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
- Roothing 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

TelstraClear Limited

Works Infrastructure Ltd

Hon Paul Swain, Minister of Communications

* Signed up 2006