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Report on the Performance of the

National Code of Practice

for

Utility Operators' Access to Transport Corridors

2017/18

NZUAG

June 2019

INTRODUCTION

Under the provisions of the *National Code of Practice for Utility Operator's Access to Transport Corridors,* (the **Code**) the New Zealand Utilities Advisory Group (**NZUAG**) is required to report to the Minister and industry on the performance of the Code on an annual basis. NZUAG is required to analyse the Code's performance, and to identify whether Code compliance, operational understanding or quality control processes need attention and whether any amendments to the Code are necessary.

This report provides an analysis and interpretation of the 2017/2018 Key Performance Data collected from industry in the latter half of 2018.

SUMMARY

Despite the mandatory reporting requirement in the Code, the data on which this report is based was provided by 46 corridor managers (70% of corridor managers requested to provide data), and 43 utility operators (45% of utility operators requested to provide data). The corridor managers that responded to the information requests cover 83% of the New Zealand population, so the information provided covers much of the population and could be considered reasonably indicative. That is despite the number of corridor manager respondents having reduced slightly from 48 in 2016/17, to 46 in 2017/18.

The number of Corridor Access Requests (CARs) by utility operators in 2017/2018 has remained relatively static. In 2017, CARs by utility operators totalled 38,661, whereas corridor managers have reported receiving a total of 38,083 in 2018. Although the number of CARs has not changed significantly, this level of requests for access to transport corridors does suggest an ongoing high level of infrastructure investment across the country. The majority of corridor managers allow global CARs to be submitted where the utility operator is undertaking a significant amount of work throughout an area. Consequently, the number of CARs submitted by utility operators is only a rough proxy for the level of infrastructure investment being undertaken.

Works Completion Notices (WCNs) were issued for 64% of CARs. This suggests that a significant number of projects have not been formally signed-off by the corridor manager. This is something that all parties may wish to reconsider, as the responsibility and therefore liability for a project site after work has been completed may not be clear.

Corridor managers reported that they required some form of remedial action for 14% of CARs before the works could be signed-off as having been satisfactorily completed. It should be noted, however, that anecdotal information suggests that in many instances where remedial work is required a solution is negotiated between the parties during site visits which negates the need for more formal processes and recording.

The level of third party strikes on utility assets continues to be of concern, with all of the 43 utility operator respondents reporting having reported strikes, with a total of 11,788 strikes against their own assets located within transport corridors for the year under review. This is a significant increase over the 1,791 strikes reported last year.

It is disappointing that after three years of seeking the mandatory annual returns, the NZUAG has received returns from 70% of corridor managers and 45% of utility operators. This is an area that will receive greater attention by NZUAG over the coming year.

BACKGROUND

The *National Code of Practice for Utility Operator's Access to Transport Corridors* is a mandatory Code of Practice established under the provisions of the Utilities Access Act 2010. All corridor managers, and utility operators seeking to access transport corridors, are governed by its provisions. NZUAG is the industry-approved guardian of the Code, and is responsible for its oversight, implementation and review. To assist in monitoring the Code's effectiveness, a set of key performance measures are specified in the Code, against which all corridor managers and utility operators are required to report annually.

The list of required measures is contained in section 8.2.2 of The Code:

- **Corridor Managers** are required to report on:
  - The number of Corridor Access Requests (CARs) submitted each year;
  - The number of completed Works Completion Notices (WCN's) received each year;
  - The number of non-conformance notices (NCN's) issued each year;
- **Utility Operators** are required to report the number of known Third Party Damages incidents against their own assets within transport corridors over the year.

The 2017/18 report on Code performance represents the third year of formal reporting.

2017/2018 Data Collection Methodology

All corridor managers and utility operators were asked to provide data relating to the mandatory reporting requirements. In addition, utility operators were also asked to comment on whether the removal from the Code of the need to have a person 'standing over' during digging operations, had reduced the level of third-party strikes[1].

Local Government Corridor Managers were also asked to identify the size of the population in their respective areas. This information was used as a way of identifying the extent of the coverage of the corridor managers who provided returns. Corridor managers are required to report the length of their transport corridors, but this measurement does not necessarily indicate the level of infrastructure investment in more densely populated urban areas.

The questions used to collect the data are set out in Appendix 1.

Results

	Total number	Number of Respondents 2018 (2017)	Percentage 2018 (2017)
Corridor Managers	**66**	**46 (48)**	**70% (72%)**
Utility Operators	**96**	**43 (66)**	**45% (68%)**

The low level of compliance with the reporting requirements of the Code is disappointing. However, as noted above, the responses from Local Government Corridor Managers cover 83% of the population. Consequently, the number of CARs for infrastructure work is reasonably indicative of the level of infrastructure investment which is occurring.

An important measure of compliance with the Code is the extent to which corridor managers are advised by those seeking CARS that the works have been completed. Corridor managers reported that a total of 24,882 WCN's (64% of CARS) were received during the period. While a 64% notification rate is promising, it still means that in just over a third of cases utility operators are not fulfilling the Code's requirements to advise completion of works within 10 working days.

Corridor managers have not reported a high reliance on the use of Non-Conformance Notices (NCNs) or having required remedial actions be carried out following post-works inspections, for breaches of Code provisions. While only 697 NCNs were reported as being issued during the reporting period, remedial actions were required in 5,465 cases. The wide divergence between NCNs being issued for only 1.8% of CARs being submitted, and remedial works being required in 14.1% of cases, indicates that the formal NCN process has not been used often. It is likely that direct discussion at project sites has resulted in the parties resolving issues to their satisfaction. It is possible that NCNs are being used for more serious issues, although this is something that the NZUAG would like to explore further.

Utility operators reported a total of 11,788 strikes against their own assets located within transport corridors for the year under review. Response rates varied by utility sector, with a breakdown of return numbers and strike rates provide in the table below.

[1] Third-party strikes occur when a contractor is digging in the transport corridor and strikes the assets of another independent party. Such strikes can cause damage to the assets and disruption to consumers.

2018 Response Rates by Utility Type

Sector	no. organisations targeted	no. returns received	Response rate	Total no. Reported Strikes	no. Strikes per 1000 network kms
Electricity	26	20	77%	1221	26.3
Gas	5	5	100%	712	33.4
Telecoms	5	2	40%	9076	35.2
3 Waters	60	16	27%	779	66.3

In 2017, utility operators reported 1,791 third-party strikes on their assets. The increase to 11,788 reported for 2018 is a significant difference. It is not clear whether this increase is a result of better record keeping or reporting by utility operators, or whether some other factor has contributed to this extremely large increase in reported third-party strikes. Unfortunately, the relatively low level of response from utility operators reduces the value of the data related to third party strikes. One of the purposes of the Code is to reduce the incidence, and therefore the cost, of such strikes in transport corridors. The current high level of third-party strikes and reasons for them is an issue that the NZUAG will be examining in more detail.

One action that would arguably reduce the chance of a strike occurring is the relevant contractor obtaining plans from infrastructure owners showing the known location of underground assets. The Code does not require infrastructure owners to issue plans showing asset location, although plans must be provided on request. Utility operators were asked to provide information about how often plans were requested for situations where strikes occurred. That information suggests that plans were requested in 2.6% of the instances where a strike occurred. Although this appears to be an obvious area for improvement, the low level of response from utility operators, and the significant difference in strike rates from last year, suggests that the NZUAG does not have sufficient information to draw clear conclusions. Consequently, the issue of strike rates, and the effectiveness of the Code in reducing these, requires further investigation.

A mandatory requirement to use 'stand-overs' was removed from the Code in 2017. However, the information provided by utility operators does not show a clear correlation between the use of 'stand-overs' during digging operations, and the incidence of strikes. Consequently, it is not clear that the change to the Code has had any effect on the level of third-party strikes.

A list of all corridor manager and utility operator organisations who responded to the request for data is provided in Appendix 2.

CONCLUSION

The annual reporting of Code performance is a requirement of the Code, and is designed to highlight issues that could lead to Code improvements in the best interests of the public, the industry and the New Zealand economy.

The 2017/18 report is the third to be produced. While this report is an improvement on that of the previous year, there are still issues with compliance and data collection that need to be addressed before any meaningful trends can be identified.

NZUAG will be working to improve the reporting regime for the 2018/19 year, and will be encouraging greater participation from industry in the reporting process.

As a part response to this, the 2019 work programme includes the establishment of a Code Effectiveness working group involving NZUAG membership, with a key focus being the improvement of Code Performance reporting.

Appendix 1 – Data Collection List of Questions

Respondent Name
Organisation Name
Job title/ Organisation role
Email address

Corridor Manager Questions

- How many CAR's were submitted for the period 1 July 2017 - 30 June 2018?
- How many of these were submitted in each of the following areas?
    - Utility Operator submitted CARs
    - RCA submitted CARs (eg road maintenance)
    - All other CARs (vertical builds, scaffolding, events)
- How many of these were submitted as a Global CAR under the provisions of the National Code of Practice (s4.3.1.3)?
- Please estimate how many individual site CARs would have had to have been submitted instead of these Global CARs
- Have you received any CARs for multiple streets? Yes/ No
- Please estimate how many individual CARs would have been required if they were submitted for each individual street
- How many Works Completion Notices (WCN's) did you receive for the period 1 July 2017 - 30 June 2018?
- How many of these WCN's were related to each of the following CAR types?
    - Utility Operator submitted CARs
    - RCA submitted CARs (eg road maintenance)
    - All other CARs (vertical builds, scaffolding, events)
- How many non-Conformance notices were issued for the period 1 July 2017 - 30 June 2018?
- How many inspections required remedial actions within each of the following areas?
    - Utility Operator submitted CARs
    - RCA submitted CARs (eg road maintenance)
    - All other CARs (vertical builds, scaffolding, events)
- How many liaison meetings did you facilitate for the period 1 July 2017 - 30 June 2018, in accord with the provisions of the National Code of Practice (s2.7.2)?
- What is the length of your roading network within transport corridors (total centre-line km)?

Utility Operator Questions

- How many Utility Strikes were recorded against your own assets within transport corridors for the period 1 July 2017 - 30 June 2018?
- In how many of these incidents had plans been requested?
- How long is your distribution network within transport corridors (total km)?

Appendix 2 – List of Respondent Organisations

Corridor Managers	Utility Operators
Ashburton District Council	Ashburton District Council
Auckland Transport	Aurora Energy Limited
Central Otago District Council	Central Otago District Council
Christchurch City Council	Chorus
Dunedin City Council	Counties Power
Far North District Council	Eastland Network
Gore District Council	Firstgas
Hauraki District Council	Gasnet
Horowhenua District Council	Gore District Council
Hutt City Council	Horizon Networks
Invercargill City Council	Invercargill City Council
Kaipara District Council	MainPower NZ Limited
Kapiti Coast District Council	Manawatu & Rangitikei District Councils
Manawatu & Rangitikei District Councils	Marlborough Lines Limited
Matamata Piako District Council	Matamata Piako District Council
Napier City Council	Nelson City Council
Nelson City Council	Nelson Electricity Limited
New Plymouth District Council	Network Waitaki
NZTA (6 separate regional responses)	Northpower limited
Porirua City Council	Nova Energy
Queenstown Lakes District Council	Orion NZ
Rotorua Lakes Council	Powerco
Selwyn District Council	Powerco Ltd (GAS)
South Taranaki District Council	Rotorua Lakes Council
South Waikato District Council	Scanpower
Tairawhiti Roads (Opus Consultants) NZTA	South Taranaki District Council
Tasman District Council	Thames-Coromandel District Council
Taupo District Council (2 responses)	Timaru District Council
Thames-Coromandel District Council	Top Energy Ltd
Timaru District Council	Vector
Upper Hutt City Council	Vector
Waikato District Council	Vodafone NZ
Waimakariri District Council	Waipa Networks Limited
Waipa District Council	WEL Networks Limited
Waitaki District Council	Wellington Electricity
Waitomo District Council	Wellington Water

Wellington City Council	Waitaki District Council
Western Bay of Plenty District Council	Horowhenua District Council
Whanganui District Council	Carterton District Council
Whangarei District Council	Taupo DC
	Hastings District Council
	Hutt Valley Water Services
	New Plymouth District Council