



# **2018/19 Annual Report**

## **THE YEAR IN REVIEW**

I am pleased to present the 2018/19 Annual Report.

The Board has been active on behalf of members last year. The Code review was completed successfully with the revised Code approved by the Minister in July. The Board committees have been working well and we established a Code Effectiveness Working Group to investigate how effective the Code has been against its principles and purpose. We welcomed some new Board members, and maintained regular contact with the sector through our quarterly newsletter. Our finances were managed well and we are in a strong position to promote the revised Code to members and the wider industry.

### **Revised Code Approved**

After a comprehensive review of the Code during 2018/19 year, the Minister for Infrastructure Hon Shane Jones approved the revised Code which became effective from 15 July 2019. The Code is available on the website.

The general feeling from submitters was that the Code was working well, but that some technical amendments and clarifications could help to make the Code more effective. Around half of the proposed amendments were accepted by the Committee.

I want to thank all members who took part in the review, especially Chair Ross Malcolm and the Board's Code review team for their outstanding work during the process.

The next review is due in 2022. We are keeping a file of issues that will need to be considered during that review. If you have would like to register an issue for the next review please contact our administrator Colin Lewis at [info@nzuag.org.nz](mailto:info@nzuag.org.nz).

We are planning a series of webinars to promote the revised Code, with details available on the website.

### **Code compliance: 1 July 2018-30 June 2019**

As administrator of the Code, NZUAG is required to collect data annually from industry sectors and report aggregated results on a national basis to NZUAG Members, the industry sectors from whom it is collected, and the Government. The purpose of the data is to identify any issues with the Code implementation and to focus on areas that need attention in the best interests of the industry and the community.

Section 8.2.2 of the Code sets out the data required to be collected on a 1 July – 30 June basis. Corridor Managers are required to report on the number of Corridor Access Requests submitted, the number of Works Completion Notices received and the number of Non-Conformance Notices issued. Utility Operators are required to report on the number of known third party strikes against their assets.

Despite the mandatory reporting requirement in the Code, around 70% of Corridor Managers and 45% of Utility Operators responded to the survey. The responses tended to cover the larger players with around 83% of New Zealand's population covered. While the response rate is still disappointing, the information collected could be considered reasonably indicative of the population as a whole.

Although the number of Corridor Access requests have remained fairly static from the previous year, the level indicates an ongoing high level of infrastructure investment across the country.

The level of third party strikes on utility assets continues to be of concern, with all of the 43 utility operator respondents reporting large numbers of strikes during the year under review.

The Compliance Committee is investigating ways to improve the data collection process for the 2018/19 year.

### **New Zealand Infrastructure Commission Bill:**

The Government proposal to establish the New Zealand infrastructure Commission, was passed in September this year. The Commission's role will be "to coordinate, develop and promote an approach to infrastructure that encourages infrastructure, and services that result from infrastructure, that improve the well-being of new Zealanders". NZUAG presented its submission to Parliament's Finance and Expenditure Select Committee earlier in the year, and pointed out that the purpose of the Commission was well aligned with the purpose of the Code as outlined in the Utilities Access Act. We proposed that Government oversight of the Code should be shifted from Treasury to the Commission.

The Select Committee sought further information on how utility congestion in transport corridors is being managed, which resulted in a further submission from the Board. Both submissions are available on the NZUAG website.

### **Common Asset Data Management Standards**

In 2018 the New Zealand Transport Authority (NZTA) and Local Government NZ (LGNZ) endorsed a business case on the benefits of a common asset management data standard for land transport and water assets. A sector-led project is underway to develop the standards and an implementation plan in which to embed the standards nationally. In the short term, NZTA and LGNZ are leading the governance of this project, but it is recognised that it will have some key touch points with the duties and functions of the NZUAG and potentially the membership in general. An NZTA representative met with the NZUAG Board earlier in the year to outline the project and to discuss options for the potential governance of infrastructure data management standards in the future.

### **Financial Management**

The Board's finances have been managed well during the year by the Finance Committee and Chair Geoff Thorn. The costs associated with revising the Code, including legal costs, and the cost of seminars promoting the review has meant that we have shown a deficit for the financial year. However, the Board considered promotion of the Code and the review to be core business and set the annual budget accordingly. Those costs won't be incurred for the next financial year.

Brett North is standing down at the AGM, and on behalf of the Board I want to thank him for his contribution to the NZUAG Board and Finance Committee over many years. He will be

missed. Brendan Drysdale, representing the Electricity Networks Association, has been appointed to the Finance Committee in Brett's place and we are grateful for his contribution.

## **Changes at the Board**

NZUAG is governed by a 10 member board, made up of equal numbers of Transport Corridor Managers and Utility Sector Operators. In the year under review, Ria Apiata replaced Scott Andrews as the representative of the National Rail Corridor Manager, Brendan Drysdale replaced Ross Malcolm as the ENA representative and Tracy Leigh-Bell replaced Phil Consedine as a local authority representative. My thanks to Scott, Ross and Phil for their contribution and commitment to NZUAG and the Code.

## **RIMS Conference:**

The Roding Infrastructure Management Support (RIMS) forum was held in Auckland on 22 and 23 March. NZUAG was responsible for the day 2 stream on Corridor Management. Ross Malcolm and I presented on the role of NZUAG, the Code and the outcome of the recent review. The conference is now an important event in the NZUAG calendar. My thanks to Brett North from the RCA forum who has been NZUAG's active representative on the RIMS organising committee.

## **NZUAG Newsletters**

The Board has continued to provide quarterly newsletters following each meeting to keep members updated on Board activities and key issues. The newsletters appear on the website a few days after meetings. The Board welcomes feedback on the newsletters so that improvements can be made to the content and format.

## **NZUAG membership**

Currently NZUAG has 24 Corridor Managers and 14 Utility Operators as full members and 14 Associate members who contribute to the work of NZUAG and the Code. On behalf of the Board I would like to thank those organisations for their continued support. Given the benefits to both CM's and UO's of a nationally recognised Code of Practice, we urge all industry groups who are not current members to consider joining to contribute to the work that is vital to our sector and New Zealand.

## **Looking ahead**

The 2019/20 will be focused on promoting the revised Code and supporting Civil Contractors New Zealand (CCNZ) in their drive to improve safety at worksites in transport corridors. We also look forward to receiving the recommendations of the Code Effectiveness Working Group. This group is looking at how at how effective the Code has been since its introduction in 2012, and is separate from the 3 yearly technical review. The objective of the working group is to identify how effective the Code has been in achieving its purpose in line with its principles, and will recommend to the Board in May 2020 any short, medium and long term measures that could improve the Codes overall effectiveness. The recommendations from the group will be used to inform the next review of the Code in 2022 and possible discussions with the Infrastructure Commission/Treasury and the Minister about any proposed changes to legislation.

**In conclusion**, it has once again been a pleasure to serve as the Independent Chair of NZUAG during the year, and I look forward to working with you in the coming year to promote the importance of the Code which is so vital for the economic development of New Zealand.

Paul Swain,  
Independent Chair  
NZUAG  
27/11/2019

**New Zealand Utilities Advisory Group (NZUAG) Inc**



**Special Purpose Financial Report**

**for the year ended 31 March 2019**

## **New Zealand Utilities Advisory Group (NZUAG) Inc**

### **Directory**

**as at 31 March 2019**

Principal activity      Public affairs consultant service

Date of incorporation    14 December 2011

Changes:

Board members	Paul Swain	Independent Chair	
	Laurence Jones	AT / LGNZ	
	Brett North	Wellington CC / RTA Forum	
	Tony Hale	Waipa DC / Water NZ	
	Geoff Thorn	NZTF / Telecommunications sector	
	Ria Apiata	Kiwirail / Rail sector	Appointed 28/11/2018
	Scott Andrews	Kiwirail / Rail sector	Departed 28/11/2018
	Ian Cox	NZ Transport Authority / National Roads	
	Nick Miskelly	Chorus / Utility Operator	
	Rene d'Ath	Gas Assn NZ / Gas sector	
	Tracy Bell	Timaru DC / LGNZ	Appointed 27/02/2019
	Phil Considine	Tauranga CC / LGNZ	Departed 27/02/2019
	Brendan Drysdale	Wellington Electricity / Electricity sector	

Incorporated Society no. 2555924

IRD number              109-503-118

Bankers                  ANZ Bank New Zealand Ltd  
Wellington Commercial Branch  
1 Victoria Street  
Wellington

Insurers                Crombie Lockwood (NZ) Ltd  
Level 3, NEC House  
40 Taranaki Street  
Wellington

Postal Address        P O Box 25 414  
Wellington 6146

Auditor                 Moore Markhams Wellington Audit  
P O Box 24 324  
Wellington 6142

Registered Office     C/- LPG Association  
L12 Davis Langdon House  
49 Boulcott Street  
Wellington 6011

**New Zealand Utilities Advisory Group (NZUAG) Inc**  
**Statement of Financial Position**  
**as at 31 March, 2019**

	<b>2019</b>	<b>2018</b>
<b>Equity</b>	<b><u>\$ 81,021</u></b>	<b><u>\$ 94,137</u></b>
This is represented by:		
<b>Current Assets</b>		
Bank – Current Account	8,078	373
Bank – Call Account	61,835	85,186
Accounts Receivable	17,791	11,934
GST Receivable (Payable)	4,040	3,621
Withholding Tax refundable	1,606	97
Accrued Interest	-	2
Stock of Handbooks	<u>1,807</u>	<u>6,783</u>
Total Current Assets	95,157	107,996
<b>Non-current Assets</b>		
Intangible asset – logo	<u>2,275</u>	<u>2,275</u>
	<u>2,275</u>	<u>2,275</u>
<b>Total Assets</b>	<b>97,432</b>	<b>110,271</b>
<b>Current Liabilities</b>		
Accounts Payable	16,410	16,134
Total Current Liabilities	<u>16,410</u>	<u>16,134</u>
<b>Total Liabilities</b>	<b><u>16,410</u></b>	<b><u>16,134</u></b>
<b>Net Assets</b>	<b><u>\$ 81,021</u></b>	<b><u>\$ 94,137</u></b>

**New Zealand Utilities Advisory Group (NZUAG) Inc**  
**Statement of Changes in Equity**  
**for the year ended 31 March 2019**

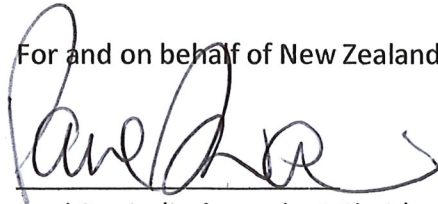
	<b>2019</b>	<b>2018</b>
<b>Opening Equity</b>	94,137	81,628
Net Surplus / (Deficit)	(13,116)	12,509
<b>Closing Equity</b>	<b><u>\$ 81,021</u></b>	<b><u>\$ 94,137</u></b>


The accompanying notes form part of these financial statements.

**New Zealand Utilities Advisory Group (NZUAG) Inc**  
**Statement of Financial Performance**  
**for the year ended 31 March, 2019**

	2019	2018
<b>Income</b>		
Sales	3,515	666
Subscriptions (Note 3)	80,500	71,000
Interest	222	297
Seminar Fees	10,000	-
Total Income	<u>94,237</u>	<u>71,963</u>
<b>Expenses</b>		
Administration (Note 4)	30,449	17,347
Audit Fees	2,950	2,570
Code Education Seminars	22,780	-
Code Review Legal Review	8,341	-
Design Services	-	1,680
Doubtful Debts	-	919
Insurance	1,175	1,100
Printing and distribution	1,944	16
Independent Chair	30,600	30,000
Legal Advice	775	-
Website	893	1,660
Bank fees	-	161
Postage, Stationery & Tolls	241	198
Promotion & Advertising	2,750	2,670
Travel costs	4,455	1,133
Total Expenses	<u>107,353</u>	<u>59,454</u>
<b>Net Surplus / (Deficit)</b>	<u>(13,116)</u>	<u>12,509</u>

For and on behalf of New Zealand Utilities Advisory Group (NZUAG) Inc.

  
Paul Swain (Independent Chair)  
11 / 11 / 2019

  
Geoff Thorn (Finance Committee Chair)  
11 / 11 / 2019

The accompanying notes form part of these financial statements.



**New Zealand Utilities Advisory Group (NZUAG) Inc**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2019**

**Note 1 - Reporting entity**

New Zealand Utilities Advisory Group (NZUAG) is an incorporated society, under the Incorporated Societies Act 1908.

NZUAG was established to assist operators and transport corridor managers in the implementation of the National Code of Practice for Utilities' Access to Transport Corridors.

**Note 2 - Statement of Accounting Policies**

**Reporting basis**

The financial statements have been prepared for the special purpose of providing financial information to its members, and income tax expenses information for completing the tax return for filing with the Inland Revenue and in accordance with the accounting policies stated below.

Unless stated otherwise the financial statements have been prepared on the basis of historic cost and accrual concepts of accounting.

**Specific policies**

a) These financial statements have been prepared on a GST exclusive basis.

b) NZUAG is a tax paying entity on transactions outside the circle of membership and on its trading activities. Tax would be payable on any surplus remaining after losses carried forward are used.

c) Intangible assets

This includes costs involved in developing the NZUAG logo.

The carrying amounts of NZUAG's intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

**Changes in policies**

There has been no change in accounting policies.

**Revenue recognition**

Revenue is measured at fair value of the consideration received of receivable, to the extent it is probable that the economic benefits will flow to the society and revenue can be reliably measured.

Sales and subscriptions are recognised in the period they are invoiced.

Interest has been recognised for on an accrual basis.

**New Zealand Utilities Advisory Group (NZUAG) Inc**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2019**

**Accounts Receivable**

Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Individual debts that are known to be uncollectible are written off in the period that they are identified.

**Stock**

Stock is shown at the lesser of cost or realisable value.

**Depreciation**

NZUAG has no fixed assets and depreciation has not been applied in these accounts.

**Commitments**

There are no known operating or capital commitments at balance date (2018: Nil).

**Material events subsequent to balance date**

There were no material events subsequent to the balance date (2018: Nil).

**Contingent liabilities**

At balance date there were no known contingent liabilities (2018: Nil).

**Related parties**

Related parties exist by virtue of Board representation by Auckland Transport, Wellington City Council, Waipa City Council, New Zealand Telecommunications Forum Incorporated, Kiwirail, NZ Transport Authority, Chorus, Gas Association of NZ Inc, Timaru District Council and Wellington Electricity. These organisations are related parties (in accordance with Financial Reporting Standards). The transactions with these related parties were that they paid subscriptions fees to, and purchased handbooks from the Society.

**Note 3 - Subscriptions**

	<b>2019</b>	<b>2018</b>
Full Members	72,000	62,000
Associate Members	8,500	9,000
<b>TOTAL</b>	80,500	71,000

**New Zealand Utilities Advisory Group (NZUAG) Inc**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2019**

**Note 4 - Administration**

	<b>2019</b>	<b>2018</b>
Committee Secretary	5,346	7,116
Accounts Preparation	2,310	2,257
Executive Officer duties	7,007	3,881
Code Revision - Admin	12,486	-
Membership management	902	43
Website Review	308	505
Compliance Project	2,090	3,441
Education Project	-	104
<b>TOTAL</b>	30,449	17,347

# Independent auditor's report

## **To the Members of New Zealand Utilities Advisory Group (NZUAG) Inc**

### **Opinion**

We have audited the special purpose financial statements of New Zealand Utilities Advisory Group (NZUAG) Inc, which comprise the statement of financial position as at 31 March 2019 and the statement of financial performance, and statement of changes in equity for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of New Zealand Utilities Advisory Group (NZUAG) Inc for the year ended 31 March 2019 are prepared, in all material respects, in accordance with the accounting policies set out in the statement of accounting policies of the special purpose financial statements.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the special purpose financial statements' section of our report.

We are independent of New Zealand Utilities Advisory Group (NZUAG) Inc in accordance with Professional and Ethical Standard 1 (Revised) 'Code of ethics for assurance practitioners' issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than our capacity as auditor we have no relationship with, or interests in, New Zealand Utilities Advisory Group (NZUAG) Inc.

### **Emphasis of Matter: Basis of Accounting and Restriction on Distribution and Use**

Without modifying our opinion, we draw attention to Note 2 of the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to provide financial information to its members and income tax expenses information for completing the tax return for filing with the Inland Revenue and may not be suitable for another purpose. Our report is intended solely for New Zealand Utilities Advisory Group (NZUAG) Inc and its members and should not be distributed to parties other than New Zealand Utilities Advisory Group (NZUAG) Inc or its members.

### **Board's responsibilities for the special purpose financial statements**

The Board are responsible on behalf of New Zealand Utilities Advisory Group (NZUAG) Inc for the preparation of these special purpose financial statements in accordance with the accounting policies set out in the statement of accounting policies of the special purpose financial statements and for such internal control the Board determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible on behalf of New Zealand Utilities Advisory Group (NZUAG) Inc for assessing New Zealand Utilities Advisory Group (NZUAG) Inc's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate New Zealand Utilities Advisory Group (NZUAG) Inc or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the special purpose financial statements**

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these special purpose financial statements.

A further description of the auditor's responsibilities for the audit of the special purpose financial statements is located at the XRB's website at <http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>



**Moore Markhams Wellington Audit** | Qualified Auditors, Wellington, New Zealand  
11 November 2019