



NZ Utilities
Advisory Group Inc

2017 Annual Report

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About NZUAG

The NZ Utilities Advisory Group (Inc) (NZUAG) is a joint consultative group of network utility service providers (water and wastewater, telecommunications, electricity and gas), corridor managers for road and rail, and industry bodies. It was formed in late 2001 to look at issues relating to utilities' activities (initially) in the road corridor, and to provide a forum for interface between the parties. It became an incorporated society in December 2011.

NZUAG is the guardian of the Code of Practice for Utility Operators' Access to Transport Corridors. The Code is a legislated requirement under the Utilities Access Act 2010. The Code applies to the activities of all transport corridor managers and utility operators throughout New Zealand. The Code recognises that the ability of utilities to get in and out of the corridor as efficiently as possible to install, maintain and upgrade network infrastructure is critical to New Zealand's economy and community quality of life.

An updated version of the Code, incorporating minor amendments, came into effect on 16 September 2016, and can be located at www.nzuag.org.nz/national-code



ANNUAL GENERAL MEETING 2017

Notice is hereby given that the Annual General Meeting of the New Zealand Utilities Advisory Group Inc (NZUAG) will be held at the Vector Offices, 101 Carlton Gore Rd, Newmarket Auckland on Wednesday 22 November 2017 commencing at 9:30am. All Full and Associate NZUAG members are invited to attend.

Meeting Agenda

1. Introduction and Welcome from the Chair
2. Recording of Proxies
3. Approval of the Minutes of the 2016 AGM held on 23 November 2016

Motion: that the Minutes of the 2016 NZUAG AGM be approved as a true and correct record of the meeting

4. Matters Arising from the Minutes of the 2016 AGM (not otherwise dealt with on the agenda)

5. Presentation of the 2017 Chairman's Report

Motion: that the 2017 NZUAG Annual Report be received

6. Presentation of the 2017 Audited Accounts to 31 March 2017

Motion: that the 2017 NZUAG audited Annual Accounts (to 31 March 2017) be received

7. Appointment of Auditor

Motion: that Moore Stephens Markhams Wellington Audit be reappointed as Auditors for 2017-18 year

8. Board Appointments

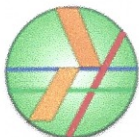
Note: In odd numbered years, appointments for the representative of Central Government Road Corridor Managers, Local Government New Zealand Inc, RCA Forum, and for the utility sector the representative of the Telecommunications Sector, of the Gas Sector and the fifth Utility Operators' slot.

Nominations Received

Central Government Road Corridor Manager	NZTA	Ian Cox
LGNZ (smaller TA)	Tauranga City Council	Phil Consedine
RCA Forum	Wellington City Council	Brett North
Telecommunications Sector	TCF	Geoff Thorn
Gas Sector	GANZ	Rene D'Ath
Fifth Utility Operators slot	Chorus	Nick Miskelly

Motion: that appointments to the representatives of: the Central Government Road Corridor Managers, Local Government New Zealand Inc, RCA Forum, Telecommunications Sector, Gas Sector and the fifth Utility Operators' slot be ratified as listed

9. General Business (none received by closing date)



2016 NZUAG AGM Minutes

Meeting held at Vector Offices, 101 Carlton Gore Road, Newmarket, Auckland
23 November 2016, commencing at 9:30am

Present:

Member Organisation	Representative	Sector Represented
<u>Corridor Managers:</u>		
Wellington City Council	Brett North	LGNZ/ RCA Forum
NZTA	Ian Cox	National Road Corridor Managers
KiwiRail	Greg Hackett	National Rail Corridor Managers
Auckland Transport	Barry Williams Al Christ	LGNZ
Tauranga City Council	Phil Consedine	LGNZ
<u>Utility Operators:</u>		
GANZ	Peter Gilbert	Gas Sector utilities
Waipa District Council	Tony Hale	Water Sector utilities
TCF	Geoff Thorn	Telecommunication Sector utilities
Vector	Ross Malcolm	Electricity Sector utilities
Chorus	Nick Miskelly	5 th Utility Operator position

Other: Paul Swain (Independent Chair), Colin Lewis (NZUAG Administrator)

Tony Hale and Al Christ were welcomed as new faces around the table, along with acknowledgement of Gregg Hackett who was standing in for Scott Andrews (KiwiRail).

Proxies Received:

Member Organisation	Representative	Held by
<u>Utility Operators:</u>		
Electricity Networks Association	Graeme Peters	Ross Malcolm
<u>Corridor Managers:</u>		

Apologies: Nathan Gill (Invercargill City Council)

Motion: that the apologies, as notified, be accepted.

Moved: Barry W

Seconded: Dylan S

Carried

Confirmation of a Quorum

The Administrator advised that as the rules set a quorum as 25% of both Corridor Managers and Utility Operator members eligible to vote (equating to 5 CM's and 4 UO's), the quorum requirements have been satisfied.

Additional Items of General Business

None Received

Approval of the Minutes of the 2015 AGM held on 25 November 2015

***Motion:** that the Minutes of the 2015 NZUAG AGM be approved as a true and correct record of the meeting*

Moved: Barry W

Seconded: Phil C

Carried

Matters Arising from the Minutes

No discussion

Presentation of the 2015 Annual Report

The report was spoken to by the Chair. Highlights for year were:

Code and Constitutional Reviews finalised – These were both time consuming and complex processes. Thanks and acknowledgement for jobs well done to Ross M, Barry W and Ian C.

Code Review Seminar Series – While these fell outside the reporting period for this year's report, the efforts of all Board members, and particularly Ross M needs to be acknowledged. These will be commented on in greater detail in next year's report.

Working Groups – The year started with activities focused around four working groups. Following the final sign-off of the constitutional changes, the Review Team was wound up. As the Seminar Series was focused around the Code and its understanding, the Code Review team took the lead on their coordination and management. The Code Compliance and Enforcement group has maintained its focus, but with the addition of KPI reporting now included within its mandate. Lastly the Website Review group is continuing to work on improvements to content and content management, including consideration of new technologies such as live streaming and webinars, that could add value to the other areas of the Advisory Groups activities.

Newsletters – These have continued to be produced as a follow-on to each Board meeting. Feedback from members on their usefulness and relevance is always appreciated. From what has been received, it would appear that they are considered beneficial and so are worth continuing to produce.

RIMS Conference - Day 2 of this annual event, which NZUAG largely run, has in effect become a de-facto Industry forum for Corridor Managers and Utility Operators. Planning is well underway for the 2017 event, with Brett North again acting as the NZUAG liaison person on the wider RIMS conference planning team. This is significant task and Brett is acknowledged for his involvement in this.

Finances – A positive result was achieved for the year, with greater detail to be provide in the formal presentation of the accounts later in the meeting.

Discussion

It was suggested that for future years Annual Reports, that there is no need for the list of current Board members to be highlighted.

***Motion:** that the 2016 NZUAG Annual Report be received*

Moved: Paul S

Seconded: Ian C

Carried

Presentation of the Annual Accounts

In presenting the Annual Accounts, Finance sub-Committee chair Peter Gilbert highlighted the positive outcome of a \$14,000 surplus, noting that the year in review represented the first full year with Paul as Chair, and a membership fee structure without any Board premium. It that sense it could be considered as a standard year. The Board was happy with the financial results, which showed the organisation was on a stable footing going forward. The financials had also resulted in a clean audit, which a pleasing outcome.

***Motion:** that the audited annual accounts (to 31 March 2016) be received*

Moved: Peter G

Seconded: Geoff T

Carried

Appointment of Auditor

***Motion:** that Moore Stephens Markhams be reappointed as Auditors for the 2016-17 year*

Moved: Peter G

Seconded: Ian C

Carried

KPI Reporting

There was discussion around the degree of robustness to analysis of KPI results received to date, given not all entities have sent in their returns, and we are in the first year of data reporting. Questions were raised about the data collection definitions being used, as for example, different utilities were reporting strike information differently, with not all categories consistent with each other. This reflected the fact that the Code was currently vague on the exact nature of the information to be collected. This especially highlighted the need for collection of additional data to allow meaningful comparisons to be made between organisations. For example utility strike rates needed to have some form of common denominator factor applied to them to allow smaller organisations to be compared to larger ones. There was general recognition that the value from KPI data collection was not in the absolute numbers themselves, but the ability for organisations to compare themselves against industry averages, or norms, along with being able to identify changing trends over time which could hopefully be linked positively to improvements to, and greater awareness of, the National Code of Practice.

It was agreed that as an interim step that the table in the Annual Report containing KPI analysis should be modified to simply reporting the response rates, and so excluding attempts at actual comparative analysis.

The matter would need to be discussed more by the Board, and particularly by the Code Compliance and Enforcement Working Group, which would need to prepare a more comprehensive set of data collection standards in preparation for the 2016-17 reporting period.

Motion: that the KPI report, as amended, be received

Moved: Paul S

Seconded: Phil C

Carried

Board Appointments

These were spoken to and explained by the Administrator.

Motion: that appointments to the representatives of: the National Rail Corridor, LGNZ, Electricity Sector Utility Operators, and Water Services Sector Utility Operators be ratified as listed

Moved: Paul S

Seconded: Ian C

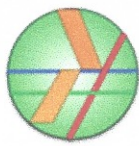
Carried

There being no further business, the meeting was declared closed at 10:25am

Signed as a True and Correct Record of the meeting

Chairperson

Date



2016/17 Annual Report

THE YEAR IN REVIEW

I am pleased to present the 2016/17 Annual Report.

The Board has been active on behalf of members last year, focussing on two key areas: **Code Education and Code Compliance**. We farewelled some long standing Board members, and welcomed new ones. We maintained regular contact with the sector through our quarterly newsletter, and once again our finances were managed well. We are now in a very strong position to conduct the major Code review next year, and we will be working hard to ensure as many people as possible have the opportunity to take part in the process to improve the Code that is so vital for our economic development.

Code Education seminar series

During the year under review, the Board launched a Code seminar series that were held in 9 centres around New Zealand- Auckland, Hamilton, Tauranga, New Plymouth, Napier, Palmerston North, Wellington, Christchurch and Dunedin. Around 350 representatives from Utility Operators (UO's), Corridor Managers (CM's) and Contractors attended.

The objectives of the seminars were to promote the role of NZUAG, to promote the Code and to enhance local relationships. We considered that these objectives were well met. In addition, we were pleased with the open debate and discussion at the seminars, with participants hearing from others about local issues with the Code and suggestions on how the issues might be resolved.

The seminars were led by NZUAG Board members, with the New Zealand Institute of Highway Technology (NZIHT) contracted to provide logistics and support. This was a very successful partnership, and I want to thank board members and NZIHT for the considerable investment of time and resources that ensured the series was such a success.

We plan to conduct a similar series, with the aid of new technology, as part of next year's Code review.

Code compliance

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. CM's 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. UO's are required to report on the number of third known third party strikes on their assets.

An initial attempt to collect such data was made in 2016 for the 2014/15 year. It became apparent that the way in which data was being measured and reported was not consistent across all

respondents. This meant that analysis was limited to simple counts of the number of responders within each question category.

The Board has considered the issues arising from this data collection exercise, and on the advice of the Board's Code Compliance and Enforcement Working Group, has devised a more rigorous and detailed set of questions to be trialled as part of the 2016/17 data collection process. This should mean that we can begin to undertake meaningful analysis of the results, which can then be used to inform any future changes to the Code so that its effectiveness can be improved.

Requests for data as part of the 2016/17 KPI reporting round have been sent out, with results to be returned for collation and analysis during October, ready for reporting to the NZUAG AGM on November 29th.

Managing the finances

The Board's finances have been managed extremely well during the year by the Finance Committee and Chair Peter Gilbert. Despite the costs associated with running the nationwide seminar series we have shown a small surplus at year's end, as noted in the Financial Report. Peter is standing down at the AGM, and on behalf of the Board I want to thank him for his calm and careful stewardship of NZUAG finances and wish him well for the future.

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. It was a very successful event, with great presentations and plenty of discussion and interaction from CM's and UO's on practical issues relating to the Code. The overwhelming majority of attendees felt the day offered value for money. 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.

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, Scott Andrews replaced Greg Hackett as the representative of the National Rail Corridor Manager, Al Christ replaced Barry Williams at the major TA representative, and Noel Roberts replaced Dylan Stuijt as the Water Services sector representative, with Tony Hale attending meetings as his proxy. My thanks to Greg, Barry and Dylan for their contribution and commitment to NZUAG and the Code.

Input from outside groups

The Board has recognised the importance of building relationships with associated groups so that information and ideas can be shared FOR the benefit of NZUAG and the industry as a whole. Consequently, representatives from LINZ, Utility Location Services, Vector and Civil Contractors NZ have presented at Board meetings to encourage discussion and debate. We intend to continue this practice over the coming year.

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 19 Corridor Managers and 13 Utility Operators as full members and 17 Associate members who contribute to the work of NZUAG and the Code. 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.

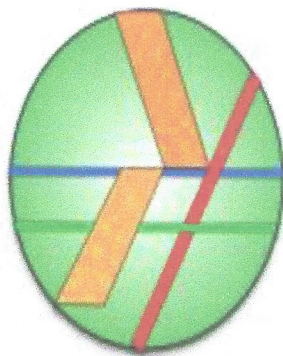
Looking ahead

Next year will be a busy year for the Board and NZUAG as we embark on the second formal review of the Code. We have a programme plan in place, and intend to launch the review at the RIMS Conference in Palmerston North in March 2018. More information on the review, the process and opportunities for engagement will be available to members and the industry following the AGM in November 2017.

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

New Zealand Utilities Advisory Group (NZUAG) Inc



Special Purpose Financial Report

for the year ended 31 March 2017

New Zealand Utilities Advisory Group (NZUAG) Inc

Directory

as at 31 March 2017

Principal activity	Public affairs consultant service	
Date of incorporation	14 December 2011	
Board members	Paul Swain	Independent Chair
	Al Christ	Auckland Transport / LGNZ
	Brett North	Wellington CC / RTA Forum
	Tony Hale	Waipa DC / Water NZ
	Geoff Thorn	NZTCF / Telecommunications sector
	Scott Andrews	Kiwirail / Rail sector
	Ian Cox	NZ Transport Authority / National Roads
	Nick Miskelly	Chorus / Utility Operator
	Peter Gilbert	Gas Assn NZ / Gas sector
	Phil Consedine	Tauranga CC / LGNZ
	Ross Malcolm	Vector / 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 Stephens 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, 2017

	March 2017	March 2016
Equity	<u>\$ 81,628</u>	<u>\$ 78,845</u>
This is represented by:		
Current Assets		
Bank – Current Account	219	3,222
Bank – Call Account	79,788	71,869
Accounts Receivable	5,647	1,710
less Provision for Doubtful Debts	(1,000)	-
GST Receivable (Payable)	1,132	998
Withholding Tax refundable	206	518
Prepayment for Code Training	-	1,950
Stock of Handbooks	-	2,515
Total Current Assets	<u>85,992</u>	<u>82,782</u>
Non-current Assets		
Intangible asset – logo	<u>2,275</u>	<u>2,275</u>
	<u>2,275</u>	<u>2,275</u>
Total Assets	<u>88,267</u>	<u>85,057</u>
Current Liabilities		
Accounts Payable	6,639	6,212
Total Current Liabilities	<u>6,639</u>	<u>6,212</u>
Total Liabilities	<u>6,639</u>	<u>6,212</u>
Net Assets	<u>\$ 81,628</u>	<u>\$ 78,845</u>

New Zealand Utilities Advisory Group (NZUAG) Inc
Statement of Changes in Equity
for the year ended 31 March 2017

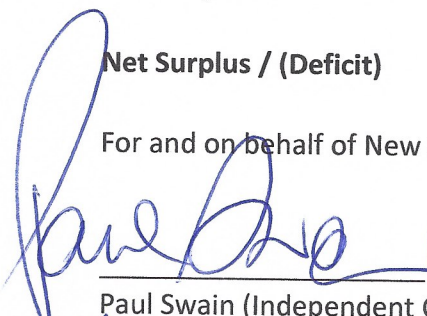
	March 2017	March 2016
Opening Equity	78,845	64,359
Net Surplus / (Deficit)	2,783	14,486
Closing Equity	<u>\$ 81,628</u>	<u>\$ 78,845</u>

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, 2017

	March 2017	March 2016
Income		
Sales	2,815	712
Subscriptions (Note 3)	72,500	72,500
Interest	625	1,572
Seminar Fees	17,050	-
Total Income	<u>92,990</u>	<u>74,784</u>
Expenses		
Administration (Note 4)	18,338	16,208
Audit Fees	2,500	2,000
Code Education Seminars	32,157	-
Design Services	720	-
Doubtful Debts	1,000	-
Insurance	1,100	1,100
Interest	-	32
Printing	1,565	273
Independent Chair	30,000	30,000
Website	766	1,145
Bank fees	65	80
Postage, Stationery & Tolls	290	182
Promotion & Advertising	687	-
Travel costs	1,019	2,760
Constitutional Review	-	6,518
Total Expenses	<u>90,207</u>	<u>60,298</u>
Net Surplus / (Deficit)	<u>2,783</u>	<u>14,486</u>

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


Paul Swain (Independent Chair)
26 / 10 / 2017


Peter Gilbert (Finance Committee Chair)
26 / 10 / 2017

The accompanying notes form part of these financial statements.

MOORE
STEPHENS

New Zealand Utilities Advisory Group (NZUAG) Inc
Notes to the Financial Statements
for the year ended 31 March 2017

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.

The financial statements are special purpose and prepared in accordance with the accounting policies stated below.

Note 2 - Statement of Accounting Policies

Reporting basis

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.

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 (2016: Nil).

Material events subsequent to balance date

There were no material events subsequent to the balance date (2016: Nil).

New Zealand Utilities Advisory Group (NZUAG) Inc
Notes to the Financial Statements
for the year ended 31 March 2017

Audit

These financial statements have been audited for the year ended 31 March 2017.

Contingent liabilities

At balance date there were no known contingent liabilities (2016: Nil).

Related parties

The Independent Chair, Paul Swain, a position carrying no voting rights, may be regarded as a related party because of his expertise and influence. Fees paid during the year were \$30,000. (2016: \$30,000)

Note 3 - Subscriptions

	March 2017	March 2016
Full Members	64,000	64,000
Associate Members	8,500	8,500
TOTAL	72,500	72,500

Note 4 - Administration

	March 2017	March 2016
Committee Secretary	7,140	7,554
Accounts Preparation	2,846	2,849
Executive Officer duties	6,363	4,428
Code Revision - Admin	199	-
Membership management	10	195
Website Review	724	287
Compliance Project	1,056	751
Education Project	-	144
TOTAL	18,338	16,208

Independent auditor's report

To the Members of New Zealand Utilities Advisory Group (NZUAG) Incorporated

Opinion

We have audited the special purpose financial statements of New Zealand Utilities Advisory Group (NZUAG) Incorporated, which comprise the statement of financial position as at 31 March 2017 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) Incorporated for the year ended 31 March 2017 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) Incorporated 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) Incorporated.

Board's responsibilities for the special purpose financial statements

The board are responsible on behalf of New Zealand Utilities Advisory Group (NZUAG) Incorporated 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) Incorporated for assessing New Zealand Utilities Advisory Group (NZUAG) Incorporated'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) Incorporated 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 Stephens Wellington Audit | Qualified Auditors, Wellington, New Zealand
26 October 2017