

Report on the Performance of the

National Code of Practice

for

Utility Operators' Access to Transport

Corridors

2018/19

New Zealand Utilities Advisory Group

April 2020

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 for Infrastructure, NZUAG members and the industry sectors on the performance of the Code annually. 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" (Code 8.2.3)

This report provides an analysis and interpretation of the 2018/2019 Key Performance Data collected from industry in the latter half of 2019.

Summary

As reported last year, despite the mandatory reporting requirement in the Code, the survey return rate was disappointing, with 37 corridor managers (55% of the corridor managers which were requested to provide data), and 40 utility operators (40% of the utility operators which were requested to provide data) responding. This makes cross-yearly comparisons and trend analysis extremely difficult. This is a matter that requires further attention from NZUAG and industry, and we will be seeking advice from external agencies on how this issue can be addressed in future. Having said that, the corridor managers which responded cover 83% of the New Zealand population

The information from the responses suggests that there is still a high level of investment in infrastructure being made across the country, although the number of Corridor Access Requests (CARs) submitted by utility operators is only a rough proxy for the level of infrastructure investment being undertaken. The NZTA, which manages the national road corridor, reports increased activity across New Zealand apart from the upper North Island.

The number of reported CARs by utility operators in 2018/19 has fallen from 151,026 CAR equivalents (see below) in 2017/18 to 124,700 in 2019. This decline in CARs is more likely to be a result of the lower reporting rate than a reduction in activity, although this has not been able to be tested. The number of reported global CARs has increased, suggesting the amendments made to the Code in 2015 allowing for Global CARs have been well received.

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 an issue that all parties need to address. The responsibility and therefore liability for a project site after work has been completed lies with the Utility operator until a works completion notice has been issued. In addition, the lack of formal notification of the completion of work makes Corridor managers' planning and coordination of future work extremely difficult.

Corridor managers reported that they required some form of remedial action for 4.3% of CARs (utility operator submitted CARs plus utility operator submitted Global CARs) before the works could be signed-off. 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 formal Non-Conformance Notices (NCNs) to be issued. As a result, NCN analysis has not been possible, and has not been included in this report. The inclusion of this performance measure in the Code will be considered during the next Code review.

The level of third party strikes on utility assets continues to be of concern, with 35 of the 40 utility operator respondents reporting strikes with a total of 13,572 strikes against their own assets located within transport corridors. This is slightly higher than the 11,788 reported number of strikes in 2017/18. This issue requires urgent action from all parties.

NZUAG has established a Code Effectiveness Working Group that is examining how effective the Code has been against its principles and purpose. The report is expected in May 2020. NZUAG will be

analysing the Working Groups recommendations to determine whether there are additional measures that could be introduced to improve the Code's performance and effectiveness.

NZUAG will also be exploring ways in which it can work with the newly established Infrastructure Commission to promote infrastructure development across the country.

Having said that, it is disappointing that after four years of seeking the mandatory annual returns, the NZUAG continues to receive a lower than 50% response rate from the parties to the Code. Improving the response rate to the annual survey will be a key focus of 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 during that year.

The 2018/19 report on Code performance represents the fourth year of formal reporting.

Methodology

All corridor managers and utility operators were asked to provide data relating to the mandatory reporting requirements. The questions used to collect the data are set out in Appendix 1.

Corridor Access Requests (CARs): In addition to the request for CARs, 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.

In order to allow a comparative analysis between TLA's, and to account for variability between respondents and the fact that the number of responses vary between the two years, a derived measure of *total individual utility operator CAR equivalents per 1000 network km's* has been introduced. This is an amalgamation of:

- a) the reported number of single utility operator CARS submitted,
- b) respondent estimates of the number of individual CARs that would have been required had utility operator global cars not been available; and
- c) respondent estimates of the number of individual CARs that would have been required for the number of Multiple Street utility operator CARS issued.

These numbers were then divided by the centre-line length of each TLA's road network to allow comparability between different TLA's.

Works Completion Notices (WCNs): While the analysis of CARs involved a measure of total equivalent CARs, (including allowances for Global CARs and Multiple Street CARs), reported WCNs that relate to individual CARs have been used as there should be a 1:1 correspondence between CARs and WCNs. This comparability is difficult if Global CARs and multiple street CARs are included in the analysis

Strikes: Utility operators of water, electricity, gas and telecommunications assets were asked to provide the total number of strikes on their assets for 2018/19. These numbers are normalised by dividing total strikes by the total network length for each utility sector, thus allowing cross-utility sector comparisons.

Survey Results and Analysis

Corridor manager CAR numbers

The following table shows the total number of CARs reported by respondents for 2017/18 and 2018/19.

	2018	2019
Single CARs submitted	38,661	46,314
Equivalent individual Global CARs	86,793	59,221
Equivalent individual Multiple Street CARs	25,572	19,165
Total:	151,026	124,700

It is difficult to draw any immediate conclusions based on the data alone. While the overall total equivalent CAR numbers were lower for 2018/19, the number of single CARs submitted was higher. This is despite fewer TLA's responding in 2019. There are also fewer assessed individual CARs per global CAR. As far as the results per 1000 network kms are concerned it is difficult to draw conclusions, given 2018 seeming to have greater mix of TLA returns.

Works Completion Notices (WCN's)

The following table provides a comparison of WCN to Utility operator CARs submitted for 2018 and 2109 years.

Total utility operator CAR WCNs: individually submitted CAR's		
	2018	2019
Utility operator CAR WCN's/ utility operator CARs	0.644	0.440

While the WCN:CAR ratio has decreased, it is not immediately obvious as to what has driven this. It may simply reflect the lower number of Corridor managers submitting returns in 2019. Looking at the spread of results for both years, some differences are apparent. These include that, in 2019, the greatest number of WCN's received by a TLA was 1789 (Dunedin City Council), while in 2018 the highest number was 7092 (Auckland Transport). The high Auckland result arises because Auckland Transport includes retrospective works which do not have a CAR lodged but are notified to them, a sample of which are then inspected. For both years, however, the overall number of WCN's has been around 1000, which is extremely low given the importance of the notices to both utility operators and corridor managers.

Results from the NZTA nationally show that the Work Completion Notices arising from Corridor Access Requests coming from corridor managers are at about 60% whereas those from independent organisations (utility operators, event managers etc) are only about 33%. For all that, it does appear to represent an improvement in performance over the previous year from an NZTA standpoint.

An interesting comparison from the NZTA is for the Marlborough area where the Agency makes a combined return for both the NZTA and Marlborough District because they run a combined office. The results show the highest level of activity nationally (60% greater than the next highest region), the

lowest proportion of Works Completion Notices (just over a quarter) and the highest level of non-conformance for any NZTA office. Given that this is almost NZTA’s smallest area with the lowest number of State highways outside of Wellington, it tends to imply that much of this is related to the local authority input.

Strikes on Utility Operator Assets

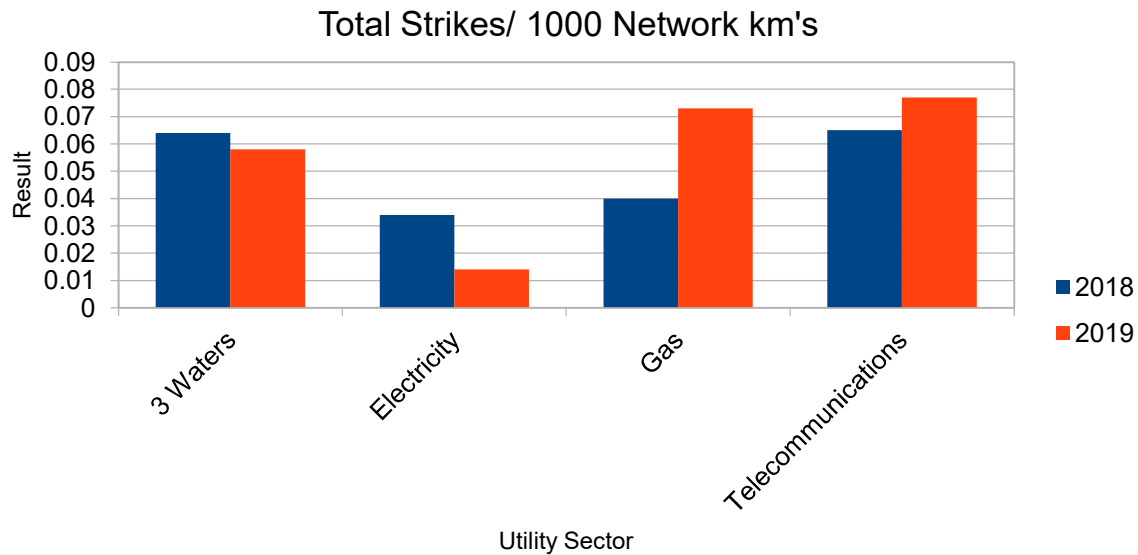
The following table shows the responses by sector and the total number of strikes, while the graph shows the total number of strikes against assets divided by the total network km’s for each utility sector, for both years. The 3 Waters (drinking, storm, and wastewater) reported strikes per 1000 network km figures are 10% lower for 2019 than 2018, despite the number of strikes more than doubling. The reduction in strikes is most likely due to the different mix of respondents over the two years. Further analysis of the data from those utilities that provided returns for both years shows a 31% increase in reported strikes per 1000 network kms between both years. The main reasons for the increase of strike in the 3 Waters sector could be related to the telecommunications fibre roll out, the lack of asset management data and a move to trenchless technologies

For the Electricity sector, the number of respondents halved from 2018 to 2019, while the number of strikes decreased by 69%, with a 58% decrease in strikes per 1000 network kms. This could reflect the difference in actual respondents between the two years. For those providing returns for both years, there is a 77% reduction in reported strikes per 1000 network kms between both years. While this is based on limited data, it could reflect a maturity of the UFB roll out around electrical assets.

For the Gas sector, the 100% response rate for both years allows better comparisons to be drawn, with both the number of strikes and the strike rate per 1000 network km increasing by similar rates.

For Telecommunications, 2 operators responded which means the results need to be treated with caution. The low response rate may reflect the fact that not all telecommunication utilities have fixed assets located in transport corridors. The increase in strikes per 1000 network km is partly due to the methodology of the UFB2 roll out, the accuracy of existing network plans and remote locations.

Utilities Strike Reporting 2018 and 2109						
Sector	2018 responses	2019 responses	2018 strikes	2019 strikes	2018 strikes/ 1000 network km’s	2019 strikes/ 1000 network km’s
3 Waters	16	21	779	2084	0.064	0.058
Electricity	20	10	1221	375	0.034	0.014
Gas	5	5	712	970	0.040	0.073
Telecommunications	2	2	9076	10133	0.065	0.077



Conclusion:

The annual reporting of Code performance is a requirement of the Code, and it is designed to highlight issues that could lead to Code improvements.

The response rate continues to be disappointing, making comparative analysis extremely difficult. This in turn undermines NZUAG's ability to report on Code compliance in a meaningful way, which impacts on the original purpose of the compliance measures outlined in the Code.

Given recent Government announcements on significant investment for infrastructure over the coming years, it is critical that any unnecessary Code-related barriers to that investment are identified and addressed. NZUAG awaits the outcomes of the Code Effectiveness Working Group that will report to the Board in May. It is envisaged that this report will provide guidance on ways to improve the performance and effectiveness of the Code in the lead up to the next Code review in 2022.

NZUAG will also be exploring ways in which we can work closely with the newly established Infrastructure Commission to promote infrastructure investment in the best interest of communities, the industry and the NZ economy.

In the meantime, we will be encouraging greater participation from industry in the reporting process for the 2019/20 year.

Appendix 1 – Data Collection Questions

Corridor manager Questions

Number of Corridor Access Requests (CARs)

- How many Utility-Operator-submitted-CARs were submitted for the period 1 July 2018 - 30 June 2019?
- What percentage of these were submitted as Global CARs 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

Number of Works Completion Notices (WCNs)

- How many of these WCN's were related to Utility-Operator-submitted-CARs for the period 1 July 2018 - 30 June 2019?

Number of non-Conformance Notices

- How many non-Conformance notices were issued for the period 1 July 2018 - 30 June 2019?
- How many Utility-Operator-submitted-CAR inspections required remedial actions?
- How many liaison meetings did you facilitate for the period 1 July 2018 - 30 June 2019, in accord with the provisions of the National Code of Practice (s2.7.2)?
- What is the total centre-line km length of your transport corridors?

Utility Operator Questions

- What utility type are you responding for? (1 only per return) Electricity, Gas, Telecoms, Water
- How many Utility Strikes did you record against your own assets within transport corridors for the period 1 July 2018 - 30 June 2019?
- In how many of these incidents had plans been requested?
- How long is your distribution network within transport corridors (total km)?