



Report on the Performance of the

National Code of Practice

for

Utility Operators' Access to Transport

Corridors

July 2019/ June 2020

NZUAG

February 2021

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 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" (Code 8.2.3)

This report provides an analysis and interpretation of the 2019/2020 Key Performance Data collected from industry in the latter half of 2020.

Summary

As reported in previous years, despite the mandatory reporting requirement in the Code, the survey return rate is not at an acceptable level. This year is an improvement on previous years with 54 Corridor Managers (78% of corridor managers requested to provide data), and 63 Utility Operators (55% of utility operators requested to provide data) responding. This is an increase of 18% on last year's return rate which has primarily been accredited to the support of Water NZ and our commitment to publish those that did not respond in this report (Appendix B).

The variability of responses makes cross-yearly comparisons and trend analysis extremely difficult. This is a matter that requires further attention from NZUAG, and we will be continuing our efforts in raising the data return rates with the aim of providing the industry with useful data on the Code's effectiveness. Having said that, the corridor managers which responded cover 93% of the New Zealand population. 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 responses suggests that there is still a high level of investment in infrastructure being made across the country.

The number of reported CARs by utility operators in 2018/19 has risen from 124,700 CAR equivalents (see below) to 236,015 in 2020. This increase in CARs is more likely to be a result of the increase reporting rate than a definitive increase in activity, although this has not been able to be tested. The number of estimated activities utilising global CARs further cementing that the amendments made to the Code in 2015 allowing for Global CARs has been a success.

Works Completion Notices (WCNs) were issued for 66% of CARs. This suggests that a significant number of projects are not being formally signed-off by Utility Operator's. 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 2.4% 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 49 of the 63 utility operator respondents reporting strikes with a total of 12,681 strikes against utility assets located within transport corridors. This is slightly lower than the 13,572 reported number of strikes in 2018/19. This issue requires urgent action from all parties and will be a key focus of the NZUAG in 2021

NZUAG established a Code Effectiveness Working Group (Working Group) to examine how effective the Code has been against its principles and purpose. The Working Group reported back to the Board in May 2020. NZUAG is currently analysing the Working Group's recommendations as part of the 2021 programme. An early change to the reporting process was that the NZUAG added some voluntary questions in the Annual Data Return to test some of the Working Group Recommendations. One of these voluntary questions was related to obtaining a Net Promoter Score (NPS). The return from all respondents indicated a score of 44 which suggests that, at least for the respondents, the Code is a valuable set of rules.

A key issue commonly raised during the Code Reviews is local conditions and the obligation by Corridor Managers to review these bi-annually. It was pleasing to see that 85% of the Corridor Managers that responded had reviewed these in the last year or planned to do it in the next year.

NZUAG will also continue to explore ways in which it can work with the Infrastructure Commission to promote efficient infrastructure development across the country.

Having said that, it is disappointing that after five years of seeking the mandatory annual returns, the NZUAG continues to struggle with the response rate from the parties to the Code. Continuing the improvements made from last year will be a key focus of the NZUAG in 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 2019/20 report on Code performance represents the fifth year of formal reporting.

Methodology

All corridor managers and utility operators were asked to provide data relating to the mandatory reporting requirements, as well as a Voluntary section based on some of the Code Effectiveness Working Group recommendations. 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 Territorial Local Authorities (TLA's), and to account for variability between respondents and the fact that the number and identity of responses vary between

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 (WCN's): While the analysis of CARs used 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 is 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 2019/20. These numbers are normalised by dividing total strikes by the total network length for each utility sector; 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 and 2019/20

	2018	2019	2020
Single CARs submitted	38,661	46,314	65,625
Equivalent individual Global CARs	86,793	59,221	105,797
Equivalent individual Multiple Street CARs	25,572	19,165	64,593
Total:	151,026	124,700	236,015
Total per 1,000km of centreline roading	3896	1674	2911

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 2019. There are fewer assessed individual CARs in 2020 and a significant increase in the number of Global CARs. The variability over the 3 years has a significant relationship to the level of response rate.

Works Completion Notices (WCN's)

The following table provides a comparison of WCN to UO CARs submitted for 2018 and 2019 years.

Total utility operator CAR WCNs: individually submitted CAR's			
	2018	2019	2020
Utility operator CAR WCN's/ utility operator CARs	0.644	0.440	0.668

While the WCN:CAR ratio has returned to close to its 2018 level, it is not immediately obvious as to what is driving the changes. Looking at the spread of results for this year, the 7 largest areas of CARs submitted, representing the top 10% of Corridor Manager respondents and 43% of all CARs submitted report a WCN percentage of 0.75. This may suggest a lack of compliance to the code in more rural councils or even a lack of understanding of the Code.

Strikes on Utility Operator Assets

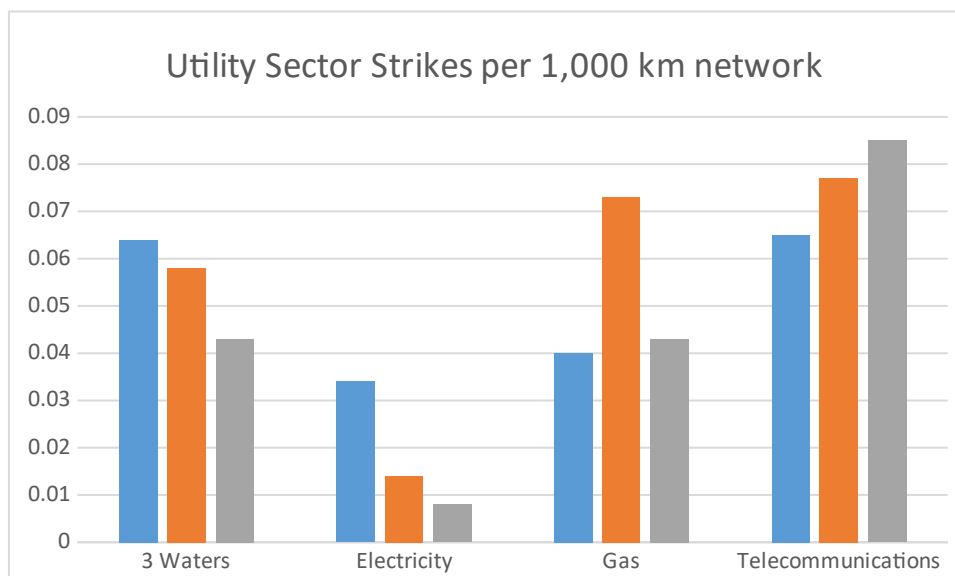
The following table shows the comparative response numbers by sector and the total number of strikes, while the graph shows the total number of strikes against assets divided by the total network km's for each utility sector, for the last 3 years. The 3 Waters (drinking, storm and waste-water) reported strikes per 1000 network km figures are trending down although the number of strikes are increasing which highlights the improved response rate from this sector.

For the Electricity sector, the number of respondents has been inconsistent undermining the ability to draw any conclusions with the significant strike rate reduction since the 2017/18 period.

For the Gas sector, the very good response rate for all three 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, an increase in response is likely the main change to the strike rate, with the Chorus return dominating this sector with their national network.

Utilities Strike Reporting 2018 - 2020									
Sector	2018	2019	2020	2018 strikes	2019 strikes	2020 strikes	2018 strikes/ 1000 network km's	2019 strikes/ 1000 network km's	2020 strikes/ 1000 network km's
3 Waters	16	21	33	779	2084	2471	0.064	0.058	0.043
Electricity	20	10	20	1221	375	1151	0.034	0.014	0.008
Gas	5	5	4	712	970	558	0.04	0.073	0.043
Telecoms	2	2	6	9076	10133	8501	0.065	0.077	0.085



Voluntary questions were included as part of the survey this year. The aim of the questions were to test some of the recommendations made by the Code Effectiveness Working Group in their report tabled in May 2020. Net Promotor Score (NPS) is a common way to measure customer experience and can be used to predict business growth. Respondents are grouped in the following manner;

- Promoters (score 9-10) are loyal enthusiasts who will keep buying and refer others, fuelling growth.

- Passives (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.
- Detractors (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth.

Subtracting the percentage of Detractors from the percentage of Promoters yields the NPS score, which was 44.

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 2019/20 report is the fifth to be produced. 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. The increase in the response rate this year alongside the positive NPS score suggest that continued effort by the NZUAG will likely improve the rate for next years data collection.

There has also been concern expressed in recent reports on whether the compliance metrics themselves are useful in measuring the Code. The Voluntary Questions added to this year's survey will feed into work the NZUAG plan to do investigating this in the lead up to the 2022 Code Review. The Code Review is the appropriate time to revise the data collected as part of the Annual Return.

NZUAG will also be exploring ways in which we can work closely with the 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 2020/21 year.

Appendix 1 – Data Collection Questions

SECTION A: Mandatory

Corridor Manager Questions

Number of Corridor Access Requests (CARs)

- How many Utility-Operator-submitted-CARs were submitted for the period 1 July 2019 - 30 June 2020?
- 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 2019 - 30 June 2020?

Number of non-Conformance Notices

- How many non-Conformance notices were issued for the period 1 July 2019 - 30 June 2020?
- How many Utility-Operator-submitted-CAR inspections required remedial actions?
- How many liaison meetings did you facilitate for the period 1 July 2019 - 30 June 2020, 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 2019 - 30 June 2020?
- In how many of these incidents had plans been requested?
- How long is your distribution network within transport corridors (total km)?

SECTION B: Voluntary

Corridor Manager Questions

- How likely are you to recommend the National Code of Practice for Utility Operators' Access to Transport Corridors (the Code) to fellow Corridor Managers as a means of managing access to the road or rail corridor 0=not at all, 10= definitely
- Are you aware of staff or contractors attending a course on the Code in the last calendar year?
- Do you record attendance at these types of training courses?
- Did you review your Local Conditions in the last year? If no, are you planning to do this within the next year?

Utility Operator Questions

- How likely are you to recommend the National Code of Practice for Utility Operators' Access to Transport Corridors (the Code) to fellow Corridor Managers as a means of accessing the road or rail corridor 0=not at all, 10= definitely
- Are you aware of staff or contractors attending a course on the Code in the last calendar year?
- Do you record attendance at these types of training courses?
- How many different Road Corridor Managers do you deal with within your coverage area?

Appendix 2 – Targeted Organisations

Corridor Managers - respondents	Corridor Managers – non-respondents
Ashburton District Council	Grey District Council
Auckland Transport	Hurunui District Council
Buller District Council	Kaikoura District Council
Carterton District Council	Kapiti Coast District Council
Central Hawkes Bay District Council	KiwiRail
Central Otago District Council	Marlborough District Council
Christchurch City Council	Napier City Council
Clutha District Council	Opotiki District Council
Dunedin City Council	Otorohanga District Council
Far North District Council	Ruapehu District Council
Gisborne District Council	Southland District Council
Gore District Council	Wairoa District Council
Hamilton City Council	Waitomo District Council
Hastings District Council	Whakatane District Council
Hauraki District Council	
Horowhenua District Council	
Hutt City Council	
Invercargill City Council	
Kaipara District Council	
Kawerau District Council	
Mackenzie District Council	
Manawatu District Council	
Masterton District Council	
Matamata Piako District Council	
Nelson City Council	
New Plymouth District Council	
NZTA – Whangarei (Northland & Auck North)	
NZTA – ASM (Auck South)	
NZTA – Hamilton	
NZTA – Tauranga	
NZTA – Gisborne	
NZTA – Napier	
NZTA – Taranaki/Whanganui/Manawatu	
NZTA – Wellington	
NZTA – Nelson/ Tasman Highway Roads	
NZTA – Marlborough	
NZTA – Christchurch	
NZTA – Dunedin	
Palmerston North City Council	
Porirua City Council	
Queenstown Lakes District Council	
Rangitikei District Council	
Rotorua Lakes Council	
Selwyn District Council	
South Taranaki District Council	
South Waikato District Council	
South Wairarapa District Councils	
Stratford District Council	
Tararua Alliance	

<p>Tasman District Council Taupō District Council Tauranga City Council Thames Coromandel District Council Timaru District Council Upper Hutt City Council Waikato District Council Waimakariri District Council Waimate District Council Waipa District Council Waitaki District Council Wellington City Council Westland District Council Westlink BoP Whanganui District Council Whangarei District Council</p>	
Utility Operators - respondents	Utility Operators – non-respondents
<p>Ashburton District Council Aurora Energy Buller Networks Chorus Christchurch City Council Clutha District Council Dunedin City Council EA Networks Eastland Network Electra Firstgas Genesis Energy (electricity) Genesis Energy (gas) Gore District Council Hamilton City Council Hastings District Council Hauraki District Council Horizon Networks Inspire Net Invercargill City Council Kaipara District Council Kapiti Coast District Council Kawerau District Council Mackenzie District Council Manawatu District Council Marlborough District Council Marlborough Lines Masterton District Council Nelson City Council Nelson Electricity Network Waitaki Northpower Northpower Fibre Orion Group Powerco (electricity)</p>	<p>Alpine Energy Buller District Council Carterton District Council Central Hawke's Bay District Council Central Lines Central Otago District Council Christchurch City Council Far North District Council Gasnet Gisborne District Council Grey District Council Horowhenua District Council Hurunui District Council Hutt City Council Kaikoura District Council Kiwirail Kordia Mainpower NZ Matamata-Piako District Council Napier City Council Network Tasman New Plymouth District Council Opotiki District Council Otorohanga District Council Palmerston North City Council Queenstown Lakes District Council Rotorua Lakes Council Ruapehu District Council Selwyn District Council South Waikato District Council Southland District Council Spark Taitokerau Networks Timaru District Council Top Energy</p>

Powerco (gas)	Thames Coromandel District Council
PowerNet	Unison Fibre
Rangitikei District Council	Vocus Group
Scanpower	Vodafone
South Taranaki District Council	Waikato District Council
Spark	Waimakariri District Council
Stratford District Council	Wairoa District Council
Tararua Alliance	Waitomo District Council
Tasman District Council	Wel Networks
Taupō District Council	Westland District Council
Tauranga City Council	Westland Power
The Lines Company	Whakatane District Council
Ultrafast Fibre	
Unison Networks	
Vector (electricity)	
Vector (fibre)	
Vector (gas)	
Waimakariri District Council	
Waimate District Council	
Waipa District Council	
Waipa Networks	
Waitaki District Council	
Watercare	
Wellington Electricity	
Wellington Water	
Western BoP District Council	
Whanganui District Council	
Whangarei District Council	