



1 June 2018

Andrew Knight  
Chief Executive Officer  
Gas Industry Company Limited  
By email

Dear Mr Knight,

**Re: Draft Terms of Reference – Independent Facilitator for GTAC Workshops**

In GIC's 25 May 2018 News Bulletin, GIC invited comments on the draft terms of reference for an independent facilitator to be appointed to assist with the GTAC process. The deadline for those comments is 1 June 2018. This letter sets out GGNZ's comments.

As a preliminary matter, we note that if the next iteration of the GTAC process is to succeed, the practice of providing industry with unrealistically short timeframes for consultation must cease. Although the draft ToR is relatively short, stakeholders still need to make time in their normal business processes to prepare a response and to follow internal sign-off procedures. Therefore, simple matters should be given a minimum of 2 weeks for consultation and other matters a minimum of 4 weeks.

Our view is that the draft ToR is generally fit for purpose. Greymouth considers the following issues should be addressed before the draft ToR is finalised:

**1) Work programme.**

The work programme is to determine the agenda for the GTAC workshops, and therefore much of the GTAC\_v2 content. We consider it critical that the work programme is discussed and (to the greatest extent possible) agreed by industry. In this context, First Gas' previous memo on that topic is just one input into the final work programme.

To ensure the integrity and independence of the process, First Gas should table a proposed work programme accompanied by a detailed project plan. That work programme should be received in advance of, and be considered by the next workshop, and ratified at that workshop or at a subsequent workshop. This will assist industry in ensuring that the workshops and GTAC\_v2 are adequately focused on, and properly reflect, the GIC's final recommendation. Industry must agree upfront the deliverables, requirements, cross-dependencies, and be open to new / emerging issues. This should give industry comfort that the process fairly reflects all views and that the GTAC\_v2 will not be tabled to the GIC until all agreed items have been properly addressed.

Point 6. in the draft ToR should be amended to reflect the above process to ensure there is a robust mandate and framework for the Independent Facilitator to work within.

## **2) Missing detail:**

- a. Point 1. should also refer to new associated arrangements.
- b. The ToR does not refer to the Independent Facilitator's funding or performance measures. If there is a separate agreement concerning those matters, the ToR should refer to it for completeness.
- c. Point 7. should require the facilitator to ensure that all stakeholders are invited to the relevant workshops.
- d. Point 8. needs to clarify how a consensus decision is reached or identified. Additionally, there may be some instances where an item fails to reach consensus and parties agree that no further useful discussion can be had. Those instances should also be recorded as items on which no consensus decision was reached.
- e. Point 14. should also exclude anyone who has previously had an involvement with a party during any stage of the GTAC process to date.
- f. Point 15. should also require minutes to be circulated.

## **3) Timing:**

The work programme and/or the ToR should include a process for determining a go / no go decision either at the 'soft deadline' of October / November 2018 or some other time. There should be certainty around how long the GIC expects the Independent Facilitator will be engaged for.

As part of ratifying the work programme, industry must determine that its timeframes are realistic and its contingency plans.

## **Conclusion**

We consider that a failure by First Gas to adequately allow industry to participate in, and influence, the GTAC\_v1 process contributed to its shortcomings. Our view is that GIC should ensure adoption of a work programme and ToR process that properly accommodates and responds to industry input, as opposed to being primarily a product of First Gas' views.

We consider the above issues are straight-forward and able to be addressed prior to the scheduled workshop on 21 June, at which the work programme could be finalised and ratified.

Yours sincerely

Chris Boxall  
Commercial Manager