

# Draft terms of reference— Independent Facilitator for GTAC workshops

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## Introduction

1. First Gas has been working with stakeholders on the design for a single gas transmission access code (GTAC) to replace the MPOC and VTC. A prerequisite for that code to come into force is an assessment by Gas Industry Company that the GTAC is materially better than the existing arrangements when assessed against the objectives and outcomes in the Gas Act and GPS.
2. On 25 May 2018 Gas Industry Co released its final assessment of the proposed GTAC submitted by First Gas in December 2017. The final assessment found that the proposed GTAC did not meet the “materially better” threshold.
3. There is general stakeholder consensus that it would be useful for the industry to re-engage to address the key issues identified by Gas Industry Co’s final assessment and industry submissions.
4. A significant part of the work to date has been undertaken in a series of workshops which have been used to debate and develop the material that has been prepared by First Gas. Stakeholders have noted that the workshops have been a useful forum and they should be the method of progressing industry engagement on the currently identified GTAC issues. However, a number of submitters called for any future workshops to be facilitated by a person independent of First Gas and other stakeholders.
5. In this light, a number of parties have requested that Gas Industry Co engage an independent facilitator to run the workshops to ensure independence from any of the GTAC parties. Gas Industry Co has agreed to this request on the basis that:
  - (a) facilitation of robust and effective industry engagement is consistent with Gas Industry Co’s role and objectives; and
  - (b) appointment of a facilitator (on the limited basis set out in these Terms of Reference) maintains Gas Industry Co independence, in the context of its role in assessing the recent GTAC proposal and any future proposal that may be put forward.

## Role of Independent Facilitator

6. On 19 April 2018, First Gas issued a memorandum to stakeholders proposing a work programme to address the shortcomings that have been identified by Gas Industry Co’s Preliminary Assessment and submitters’ concerns. That work programme (adjusted to reflect changes in the Final Assessment) will be discussed with stakeholders and will be the basis of successive agendas for workshops.
7. The facilitator will be responsible for ensuring that workshops are conducted in a manner that:
  - (a) deals efficiently with the items on the agenda;

- (b) facilitates discussion that is generative and ensures that issues receive adequate discussion;
  - (c) encourages broad participation from stakeholders and avoids the discussion being dominated by individuals;
  - (d) tests for views from the silent majority at regular intervals so as to identify where the weight of views sits on particular issues; and
  - (e) keeps the discussion focussed on the issues associated with the GTAC design and avoids spending time on peripheral matters.
8. The facilitator will also be responsible for ensuring that:
- (a) each workshop is run so as to adhere to the agenda as far as possible;
  - (b) consensus decisions are recorded;
  - (c) action points are recorded and clearly assigned with completion dates attached;
  - (d) at each workshop the actions outstanding are reviewed and addressed in a manner designed to resolve them satisfactorily; and
  - (e) time is used efficiently and that workshops start and end on time.
9. The facilitator will periodically invite feedback from stakeholders on the conduct and efficacy of workshops and introduce process improvements where possible.
10. The facilitator will:
- (a) act in accordance with these Terms of Reference in facilitating the workshops, but will generally act independently of Gas Industry Co;
  - (b) be cognisant of the fundamental need for Gas Industry Co to maintain its independence from the industry development of the GTAC, and will not seek direction from Gas Industry Co as to the design of any proposed modification of the GTAC; and
  - (c) report to Gas Industry Co as reasonably required by Gas Industry Co as to progress of the workshops and the effectiveness of the facilitator's role.
11. The facilitator will not:
- (a) express a view on, or seek to influence, the design of the GTAC;
  - (b) determine the work programme or the matters to be discussed at each workshop;
  - (c) determine the process relating to the development of the GTAC; or
  - (d) undertake drafting of the GTAC.
12. While the independent facilitator may communicate with Gas Industry Co and other stakeholders individually (including reporting to Gas Industry Co as required), such communications must only be used for the purpose of improving the conduct of workshops and are not to be used to discuss the substance of the GTAC. For the avoidance of doubt, the independent facilitator will only consider views on the conduct of the workshops.
13. The independent facilitator will not speak to the media on any matter relating to the workshops or the design and/or process of developing the GTAC.

## **Qualities of the independent facilitator**

14. The person appointed as independent facilitator must be free of conflicts of interest such as could arise from current involvement: at a senior level in an industry organisation; with parties that act as advisers to such organisations; or by having a material financial interest in an industry organisation. The independent facilitator must inform Gas Industry Co immediately it becomes aware of any potential conflict of interest.

## **Workshop processes and timing**

15. Gas Industry Company is to provide a secretariat service. Agendas are to be prepared and approved by the independent facilitator and circulated to attendees at least seven days ahead of the workshop date. Attendees may nominate agenda items for the workshop.
16. Papers and presentations are to be posted on Gas Industry Company's website as soon as possible after workshops.
17. Workshops will be notified at least two weeks in advance (although exceptions are permitted if an urgent meeting is required).
18. Teleconference facilities will be made available but, as quality cannot be guaranteed, attendees are encouraged to attend in person.
19. Workshops will generally be held at Gas Industry Company's premises (level 8, 95 Customhouse Quay, Wellington).

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