

# QUARTERLY REPORT

Quarter ended 31 March 2020

Kia ora koutou,

Welcome to our March 2020 Quarterly Report.

Gas Industry Co reports to the Minister of Energy and Resources quarterly on the progress made towards meeting objectives and outcomes set for the gas industry by the Government and industry.

The COVID-19 pandemic has created an unprecedented global health and economic emergency. During this time, we have been extensively liaising with our industry participants in relation to security of supply, and the gas industry will continue to provide LPG and natural gas as an essential service to New Zealand during this time.

Gas Industry Co has been providing support to the Ministry of Business, Innovation and Employment (MBIE) by acting as the sector coordinating entity for the gas industry. This has included assessing and collating information in relation to any emergent issues and risks to the New Zealand gas industry arising from the COVID-19 outbreak. Daily updates to MBIE informs its reporting and assist with cross sector planning for critical infrastructure in New Zealand. We want to thank those in the industry who have regularly updated us with their status and information to help with COVID-19 risk assessments.

Like many businesses in New Zealand, Gas Industry Co staff moved to working from home three days ahead of the nationwide lockdown taking effect. Investment in 2019 to cloud-based IT has been invaluable, and we have been able to continue working efficiently with the industry to meet our work programme deliverables, including delivering regulatory oversight, and ensuring management of industry wide processes.

The following is an update on our key work programmes for the three months ended 31 March 2020.

## INFORMATION DISCLOSURE

The current phase of the information disclosure workstream involves the assessment of possible information problems in the wholesale gas sector.

In the *Information Disclosure: Problem Assessment* paper (Problem Assessment paper), information elements identified in the earlier *Options for Information Disclosure in the Wholesale Gas Sector* consultation paper (Options paper) are assessed against the Government's policy objectives for the Gas Sector (as set out in the Gas Act (1992) and the Government Policy Statement on Gas Governance 2008 (GPS)).

Nineteen stakeholder submissions on the paper were received in December last year. The submissions were generally supportive of Gas Industry Co's conclusions on seven of the ten identified information elements. However, as there were three elements where parties had markedly different views, we asked for cross-submissions on those three areas in February and received eleven cross-submissions. To further inform the cross-submissions process, we commissioned Contract Strategies Ltd to draft a paper on the impact of Methanex plant outages on the gas wholesale market. The issues raised will help us further our understanding of information problems in the sector and determine the set of information issues which will eventually be the subject of a Statement of Proposal.

We are currently developing a submissions analysis on the Problem Assessment paper where we will also include Gas Industry Co's next steps for each of the ten information elements.

Concurrent with our workstream, upstream parties consisting of gas producers, gas storage owners and the Petroleum Exploration and Production Association produced a draft Upstream Gas Outage Information Disclosure Code. The Code, although voluntary is intended to operate broadly across the upstream industry as the applicable set of rules for timely, relevant, and accurate information disclosure around upstream gas outages.

Additionally, the Electricity Authority has commenced its wholesale market information disclosure project, which includes the disclosure of generators' thermal fuels positions. It aims to have a consultation paper out mid-2020. Gas Industry Co is working closely with the Electricity Authority on this project.

The industry also continues to post notifications on the Industry Notifications Page on Gas Industry Co's website. In the quarter ended 31 March, twenty-five notifications have been posted.

The Problem Assessment paper referred to above can be found here:

<https://www.gasindustry.co.nz/work-programmes/gas-sector-information-disclosure/problem-assessment-october-2019/>

### GAS PRODUCTION AND MAJOR USER CONSUMPTION

Gas Industry Co has made available gas production and consumption charts showing gas output from most major fields, and the consumption of gas by several large users. These charts are updated three times a week and can be found [here](#).

Information relating to some of the production down-turns in the charts can be found on our Industry Notifications page [here](#).

### GAS TRANSMISSION ACCESS CODE IMPLEMENTATION DEFERRED

On 27 March 2020, First Gas announced that it would delay the implementation project of the Gas Transmission Access Code (GTAC).

First Gas have advised us that it remains firmly committed to delivering the GTAC, and that its decision to delay the project was influenced by two key reasons. First, an under-estimation of the complexity of its current systems and increased customisation of the IT system to meet its needs. Second, the impact of COVID-19 on the GTAC project itself has meant that First Gas's focus and priority is in providing essential services during the lockdown period.

Gas Industry Co has considered First Gas's decision, and we do not believe there are any major risks associated with the delay in implementing the GTAC. We agree with First Gas's desire for a stable and robust IT solution to be in place before the existing arrangements, the Maui Pipeline Operating Code (MPOC) and the Vector Transmission Code (VTC), are replaced.

Information on the development of the GTAC can be found on our website [here](#), and on First Gas's website [here](#).

### CHANGES TO GAS INDUSTRY CO'S BOARD

In January, Gas Industry Co Chair, the Rt Hon Jim Bolger announced the appointment of Parekawhia McLean to the Company's Board to fill a casual vacancy as Independent Director. Ms McLean joins our other Independent Directors: Rt Hon Jim Bolger (Chair), Robin Hill (Deputy Chair), and Andrew Brown.

In March, we welcomed Mike Fuge to the Company's Board as an Industry-associated Director. Mike is Chief Executive of Contact Energy, and his appointment to the Gas Industry Co Board comes following the vacancy left by former Contact Energy Chief Executive Dennis Barnes. Mike has over 30 years' experience in the energy sector, and more recently headed up Refining NZ Ltd. We expect Mike's appointment to be confirmed by the Company's shareholders at the Annual Meeting in November.

## QUARTERLY INDUSTRY PERFORMANCE MEASURES

Gas Industry Co has published its March 2020 Quarterly Industry Performance Measures report, which provides an update on the performance measures that Gas Industry Co monitors regularly.

Through those measures Gas Industry Co tracks the performance of the Gas (Switching Arrangements) Rules 2008, the Gas (Downstream Reconciliation) Rules 2008, and the Gas Governance (Critical Contingency management ) Regulations 2008, both in terms of activity related to these governance arrangements and the competitive outcomes that they foster. The report also tracks transmission pipeline balancing, distribution, and metering measures as a means of informing Gas Industry Co's work on these issues. The full report is available here: <https://www.gasindustry.co.nz/work-programmes/performance-measures/overview/>

## HIGHLIGHTS FROM THE QUARTERLY INDUSTRY PERFORMANCE MEASURES REPORT INCLUDE:

- Three new retailers joined the gas industry in 2019: Hanergy, energyclubnz, and MegaTEL. There are now 14 distinct retail brands.
- In the past 12 months, there have been about 3,600 not withdrawn switches completed per month, which translates to an annual churn rate of about 15.1 percent.
- Over 70 percent of consumer switches are completed within three business days; 97 percent are completed within seven business days.
- Over 99.8 percent of gas customers are connected to a gate where seven or more retailers trade, suggesting that the gas retail sector is generally competitive throughout the North Island.
- Average annual unaccounted-for gas (UFG) over the past year stands at about 0.7 percent (compared with about 2 percent in 2009).
- Genesis is the largest retailer by customer share. Nova has the largest share of commercial and industrial customers.
- Nova is the largest retailer by volume market share.
- Monthly traded volumes on emsTradeport reached a peak of 1,335 TJ in November 2019.

Progress continues to be made in achieving the objectives and outcomes for Gas Industry Co and the industry as set out in Part 4A of the Gas Act, GPS and through the Work Programme included in the Statement of Intent. An updated summary of our work is found below.

Ngā mihi nui,

Andrew Knight  
Chief Executive

Workstream developments during the quarter are summarised in this Quarterly Report. Further details of the developments have generally been reported previously through Gas Industry Co's periodic News Bulletins and are available on our website [www.gasindustry.co.nz](http://www.gasindustry.co.nz).

# PROGRESS TOWARDS OBJECTIVES AND OUTCOMES

1 January – 31 March 2020

This section provides an update of progress towards objectives and outcomes for Gas Industry Co the gas industry body, as set out in the Gas Act 1992 and the April 2008 Government Policy Statement on Gas Governance, particularly as implemented through the Company's FY2020-2022 Statement of Intent.

## Strategic Objective 1: Promote efficient, competitive, and confident gas markets

Project	Rationale	Activity	Status
Retail Gas Contracts Oversight Scheme	<ul style="list-style-type: none"> <li>Improve consumer outcomes by providing clarity around the respective roles and obligations of consumers and industry participants involved in the supply of gas to small consumers.</li> </ul>	<ul style="list-style-type: none"> <li>Administer the Retail Gas Contracts Oversight Scheme.</li> <li>Conduct a full review of retail contracts every 3 years.</li> <li>Review retailers' contracts otherwise on an exceptions basis (i.e. new entrant retailers and changed contracts).</li> <li>Provide additional information to assist new entrant retailers to understand their obligations and governance processes.</li> </ul>	<ul style="list-style-type: none"> <li>Since the Retail Scheme's introduction in 2010, retailers' overall rating has increased from 'Moderate' to 'Substantial' alignment with the benchmarks.</li> <li>The full review conducted in November 2018 showed a similar level of alignment as the 2015 review, with all the terms assessed having substantial overall alignment with the benchmarks.</li> </ul>
Gas Distribution Contracts Oversight Scheme	<ul style="list-style-type: none"> <li>Gas industry participants and new entrants are able to access distribution pipelines on reasonable terms and conditions.</li> <li>Ensure consistency in distribution services arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and report as required to the Minister on the status of distribution arrangements.</li> <li>Develop and publish distribution contract principles.</li> <li>Encourage publication of network services agreements.</li> </ul>	<ul style="list-style-type: none"> <li>The second assessment of distribution contracts issued in May 2014 showed that overall alignment improved from 'Moderate' to 'Substantial'.</li> <li>Gas Industry Co has surveyed distributors to confirm progress with retailers moving to new contracts consistent with the Scheme principles. Responses have been received and we are currently considering these to determine what, if any, further action is required.</li> </ul>

<p>Information Disclosure</p>	<ul style="list-style-type: none"> <li>• In July 2018, the Minister requested that Gas Industry Co consider whether the existing arrangements for industry participants to disclose information that could potentially have an impact on the downstream gas market were adequate.</li> <li>• Gas Industry Co responded that a number of stakeholders shared the Minister’s concern and that we would instigate a workstream to identify and address the issues.</li> </ul>	<ul style="list-style-type: none"> <li>• A workstream considering improvements to information disclosure in the gas sector was initiated in August 2018.</li> <li>• In February 2019, Gas Industry Co released <i>Options Paper on Information Disclosure</i> (Options paper) for consultation. This consultation paper discussed a number of issues relating to information in the gas sector.</li> <li>• The <i>Information Disclosure: Problem Assessment</i> paper (Problem Assessment Paper) was released for consultation in October, building on the feedback from the Options paper. This paper assessed whether there are information problems in ten separate information elements identified in the Options paper process. This paper represents the next step towards the development of a Statement of Proposal (SOP).</li> <li>• Nineteen submissions were received on 9 December. We asked for cross-submissions on three information elements and received 11 responses on 11 March.</li> <li>• In parallel with Gas Industry Co’s work, gas producers and Flex Gas are currently developing industry-led arrangements for the disclosure of production and storage facility outages.</li> </ul>	<ul style="list-style-type: none"> <li>• We are currently drafting a summary of submissions on the feedback received from the Problem Assessment paper process.</li> <li>• Following this step, Gas Industry Co will commence development of a Statement of Proposal on prioritised information elements.</li> <li>• We also intend to complete further work on two information elements where submitters continue to express a range of opinions.</li> <li>• The Electricity Authority has commenced its wholesale market information disclosure project, which includes the disclosure of generators’ thermal fuels positions. It aims to have a consultation paper out mid-2020. Gas Industry Co is working closely with the EA on this project.</li> <li>• Industry is continuing to post notifications on the Industry Notifications Page on Gas Industry Co’s website.</li> <li>• Gas Industry Co will review gas producers’ and Flex Gas’s arrangements as part of the SOP process.</li> <li>• We intend to update the current Notifications Page to accommodate changes requested by gas producers and Flex Gas to support disclosure under industry-led arrangements.</li> </ul>
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<p>Wholesale Market Monitoring</p>	<ul style="list-style-type: none"> <li>emsTradepoint wholesale gas market (eTp) makes a significant contribution to GPS outcome for 'efficient arrangements for the short-term trading of gas'.</li> </ul>	<ul style="list-style-type: none"> <li>Gas Industry Co continues to monitor activity and developments in the wholesale spot market.</li> <li>Gas Industry Co's workstream for information disclosure (see above) is to provide a comprehensive consideration of potential information disclosure issues in the wholesale markets.</li> </ul>	<ul style="list-style-type: none"> <li>Gas Industry Co is continuing to support the Energy Trader Forum.</li> <li>Gas Industry Co produces and updates a set of information graphs three times a week showing the last 12 months of major gas usage and supply by gate station. This is available on our website and is being used by stakeholders and the industry.</li> </ul>
<p>Gas Quality</p>	<ul style="list-style-type: none"> <li>Maintain an acceptable standard of gas quality.</li> <li>Ensure costs of gas quality incidents are met efficiently.</li> <li>Achieve improved transparency on gas quality incidents.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing review of industry arrangements for managing gas quality.</li> <li>Consider options for improving gas quality arrangements.</li> <li>Gas Quality: Requirements and Procedures Document was issued in 2015 and will be reviewed and updated by Gas Industry Co as arrangements change.</li> </ul>	<ul style="list-style-type: none"> <li>In anticipation of the implementation of the GTAC replacing the MPOC and VTC, we have updated the Gas Quality Requirements and Procedures document, including seeking and considering stakeholder comments on the updated document. The document provides an overview of the legal framework and technical standards that govern gas quality and describes how industry participants meet their obligations.</li> <li>Discussions with First Gas have confirmed that they are interested in developing arrangements for dealing with non-specification gas events similar to the Australian Energy Market Operator (AEMO) gas quality guidelines. First Gas hopes to discuss this with stakeholders during the last quarter of 2020. In line with the conclusions of our previous reviews, we encourage this development and will maintain a watching brief.</li> </ul>

<p>Rule Changes</p>	<ul style="list-style-type: none"> <li>Improved industry governance through regular review of existing arrangements and recommending changes where appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain rule change registers.</li> <li>Review Switching, Reconciliation, and CCM rules/regulations once the new GTAC design is sufficiently advanced.</li> </ul>	<ul style="list-style-type: none"> <li>A pilot of day-after (D+1) gas allocation and daily balancing and peaking pool (BPP) information delivery is continuing successfully.</li> <li>The daily allocation working group (DAWG) met in mid-2019 to discuss changes required for GTAC and next steps for the pilot post GTAC go-live. Changes will be consulted on in a paper due to be released by end of FY2020</li> <li>Related to D+1 is the need to explore the viability of increasing the number of large customer sites that report consumption daily. This will also be explored in the D+1 consultation paper.</li> <li>Gas Industry Co will shortly release a Statement of Proposal on changes to the CCM Regulations. The proposals include changes to align with GTAC, revisiting the critical contingency price setting methodology, compliance and offence provisions, curtailment band definitions and several other changes.</li> </ul>
<p>Gas Measurement</p>	<ul style="list-style-type: none"> <li>Workstream arose from industry stakeholder discussions at annual Co-regulatory Forums undertaken in context of GPS outcome of providing efficient market for metering services.</li> <li>In 2019, Genesis &amp; Vector announced a smart meter rollout for Genesis customers due to begin mid-2020.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a minimum voluntary standard for advanced metering.</li> <li>Investigate what changes are required to rules and systems to support the rollout of smart meters.</li> <li>Consider broader implications of smart metering (and data) to the retail market.</li> </ul>	<ul style="list-style-type: none"> <li>Gas Industry Co has established a technical advisory group to develop a minimum voluntary standard for advanced metering.</li> <li>The working group met in December to hear details of the Genesis/Vector roll out and to share initial views of what regulatory and system changes might be required.</li> </ul>

## Strategic Objective 2: Facilitate efficient use of, and investment in, gas infrastructure

Project	Rationale	Activity	Status
Transmission Access	<p>Ensure transmission pipeline access arrangements transparently provide for the efficient utilisation of physical capacity and effectively signal any need for efficient investment in additional capacity.</p>	<ul style="list-style-type: none"> <li>• Address, using regulatory and/or non-regulatory options, any lessening of competition due to transmission constraints.</li> <li>• Improve the quality and availability of pipeline security and supply/demand information.</li> <li>• Promote changes to transmission access arrangements.</li> <li>• First Gas submitted a revised GTAC to Gas Industry Co on 31 October 2018 for assessment.</li> <li>• Gas Industry Co's (FAP) of the 31 October 2018 GTAC concluded that the revised GTAC is materially better than the existing MPOC and VTC.</li> </ul>	<ul style="list-style-type: none"> <li>• First Gas has informed stakeholders that it intends to suspend the GTAC implementation due to issues with the IT project and the COVID-19 lockdown. Indicative commencement date for the GTAC is no earlier than October 2021.</li> <li>• GIC has received confirmation that the OATIS system will be able to continue to support the operation of the transmission system.</li> </ul>
Gas Supply/Demand Studies	<ul style="list-style-type: none"> <li>• Gas Industry Co commissions an update of the Long-Term Gas Supply and Demand Scenarios report every two years to provide industry stakeholders with information that may be useful for making business decisions.</li> <li>• We also develop shorter-term supply/demand studies that focus on particular issues.</li> </ul>	<ul style="list-style-type: none"> <li>• Gas Industry Co commissioned Concept Consulting to produce the 2019 edition of the report. This edition had a particular focus on gas supply issues.</li> </ul>	<ul style="list-style-type: none"> <li>• The final version of the <i>Long-Term Gas Supply and Demand Scenarios – 2019 update</i> was published in September 2019.</li> <li>• We intend to develop a paper that will examine possible issues with gas availability and electricity security of supply over the short – medium term (i.e. 2020 – 2030). To the extent that there may be issues, the paper will review potential mitigating options, including the merits of those options. We aim to complete this paper in the latter part of 2020.</li> </ul>



Transmission Pipeline Balancing	<ul style="list-style-type: none"> <li>Improved industry arrangements. Gas industry participants and new entrants are able to access transmission pipelines under reasonable terms and conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Assess balancing market developments.</li> </ul>	<ul style="list-style-type: none"> <li>Balancing under the GTAC is expected to be more efficient than current arrangements. Mandatory daily cash-outs of Shipper imbalance positions will no longer occur. Instead, there are price incentives to encourage balancing, with cash-outs only occurring where the transmission owner takes a balancing action. GIC will conduct a post-implementation review.</li> </ul>
Transmission Code Change Requests	<ul style="list-style-type: none"> <li>Ensure ongoing relevance and efficiency of multilateral terms of access to transmission pipelines.</li> </ul>	<ul style="list-style-type: none"> <li>Transmission Code Change Requests processed as required.</li> </ul>	<ul style="list-style-type: none"> <li>No changes to the MPOC or VTC are expected while the GTAC is being implemented unless extensions are required to the codes to align with the go-live date.</li> <li>In anticipation of the GTAC being implemented, Gas Industry Co developed and consulted on a paper entitled "Gas Industry Co role in GTAC code changes". The paper deals with how Gas Industry Co will perform its role in GTAC code changes and provides a useful description of how the overall code change process will work.</li> </ul>
Transmission Pipeline Interconnection	<ul style="list-style-type: none"> <li>Improved industry outcomes. Gas industry participants and new entrants are able to access transmission pipelines under reasonable terms and conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Review interconnections as required.</li> <li>Address any concerns regarding reasonable access.</li> <li>Amend Interconnection Guidelines if needed.</li> </ul>	<ul style="list-style-type: none"> <li>Interconnection Guidelines have been in place since 2009. Transmission System Owner policies are largely consistent with those guidelines.</li> <li>First Gas has modified its Interconnection arrangements to align with the GTAC.</li> <li>Gas Industry Co will review how well the revised arrangements agree with the Guidelines.</li> </ul>

Transmission Security and Reliability	<ul style="list-style-type: none"> <li>Gas Industry Co's 2015/16 review of transmission pipeline security and reliability found arrangements were generally appropriate but noted several opportunities for improvement under current arrangements (mainly development of first combined First Gas Transmission Asset Management Plan) and several areas where arrangements were evolving (Commerce Commission price-quality regulations).</li> <li>Security of supply concerns arising from a tighter upstream supply position has raised awareness of the potential impact of upstream infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>Gas Industry Co will continue to review developments and work with stakeholders on further improvements.</li> <li>The impact of changes in the upstream supply dynamic will be considered on an ongoing basis as part of the monitoring of wholesale market activity.</li> <li>Gas Industry Co published an assessment of security and reliability issues in March 2017.</li> </ul>	<ul style="list-style-type: none"> <li>As the GTAC proceeds, Gas Industry Co will revisit our previous security and reliability reviews to determine if further work is necessary.</li> </ul>
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<b>Strategic Objective 3: Deliver effectively on Gas Industry Co's accountabilities as the gas industry body</b>			
Project	Rationale	Activity	Status
Downstream Reconciliation	<ul style="list-style-type: none"> <li>Oversight of the Gas (Downstream Reconciliation) Rules 2008.</li> <li>Improved industry arrangements and consumer outcomes through the objective of fairly allocating, and reducing, unaccounted-for-gas (UFG) and its associated costs.</li> </ul>	<ul style="list-style-type: none"> <li>Oversight of the Reconciliation Rules, including Allocation Agent Service Provider role.</li> </ul>	<ul style="list-style-type: none"> <li>Reconciliation Rules operating well, with Energy Market Services (EMS) performing the Allocation Agent Service Provider role.</li> <li>An audit of the allocation agent was completed in late 2019. The draft report shows a high level of performance and compliance with regulatory and contractual requirements.</li> <li>The latest round of participant performance audits began at the end of 2019. The audit</li> </ul>

**Strategic Objective 3: Deliver effectively on Gas Industry Co's accountabilities as the gas industry body**

Project	Rationale	Activity	Status
			<p>programme will cover all the allocation participants over the next couple of years.</p> <ul style="list-style-type: none"> <li>The audits currently underway have had their timeframes extended to accommodate for the auditors not being able to do their on-site inspections as a result of COVID-19.</li> <li>Annual Unaccounted for Gas (UFG) factors and unusual metering arrangements are reviewed for any significant differences.</li> </ul>
Switching and Registry	<ul style="list-style-type: none"> <li>Oversight of the Gas (Switching Arrangements) Rules 2008.</li> <li>Efficient retail market and improved consumer outcomes by facilitating market contestability through customer switching between retailers.</li> </ul>	<ul style="list-style-type: none"> <li>Oversight of Switching Rules, including Registry Operator Service Provider role.</li> </ul>	<ul style="list-style-type: none"> <li>Switching Rules operating well, with Jade performing Registry Operator Service Provider role.</li> <li>Gas Industry Co's monthly switching statistics report show switching levels remain stable.</li> <li>The latest round of participant performance audits began at the end of 2019. The audit programme will cover all the allocation participants over the next couple of years.</li> <li>The audits currently underway have had their timeframes extended to accommodate for the auditors not being able to do their on-site inspections as a result of COVID-19.</li> </ul>
Critical Contingency Management	<ul style="list-style-type: none"> <li>Oversight of the Gas Governance (Critical Contingency Management) Regulations 2008.</li> <li>Improved industry outcomes through increased market confidence in</li> </ul>	<ul style="list-style-type: none"> <li>Oversight of CCM Regulations including management of Critical Contingency Operator (CCO) Service Provider role.</li> </ul>	<ul style="list-style-type: none"> <li>CCM Regulations operating well, with Core Group performing Critical Contingency Operator Service Provider role.</li> <li>CCO activities are reviewed each quarter.</li> </ul>

**Strategic Objective 3: Deliver effectively on Gas Industry Co's accountabilities as the gas industry body**

Project	Rationale	Activity	Status
	<p>industry's ability to manage critical contingency events.</p>	<ul style="list-style-type: none"> <li>Review effectiveness of the Regulations following events and the annual exercises.</li> <li>Operate critical contingency pool following an event.</li> </ul>	<ul style="list-style-type: none"> <li>Industry training sessions are being held in April, and the annual exercise will be undertaken in May.</li> <li>Upcoming activities: First Gas is expected to submit a revised Critical Contingency Management Plan (to accommodate GTAC) for review and approval; consultation on proposed amendments to CCM Regulations.</li> <li>An audit of the CCO is planned for 2020. It will be undertaken by Hugh Driver of Concept, who has regularly performed the Expert Adviser role under the CCM Regulations.</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>Oversight of the Gas Governance (Compliance) Regulations.</li> <li>Improved industry operations through provision of a compliance and dispute resolution process for industry participants.</li> </ul>	<ul style="list-style-type: none"> <li>Oversight of Compliance Regulations.</li> <li>Appointment of Rulings Panel and Investigator, and management of associated processes.</li> </ul>	<ul style="list-style-type: none"> <li>Gas Industry Co continues to fulfil its role as Market Administrator under the Compliance Regulations.</li> <li>Breach activity remains generally low; a positive indicator of industry compliance.</li> </ul>
Statutory Accountability	<ul style="list-style-type: none"> <li>To ensure stakeholders understand the scope of the company's intended operations and its results to the cost thereof.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare/publish a Statement of Intent that meets statutory requirements.</li> <li>Prepare/publish Annual Reports that meet statutory requirements.</li> <li>Prepare/publish Quarterly Reports to the Minister on 'state and current performance of the industry'.</li> <li>2020-2022 Statement of Intent and the 2019 Annual Report are both published on Gas Industry Co's website.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly Reports and News Bulletins are published regularly.</li> <li>The 2021-2023 Statement of Intent draft is before the Minister for comment.</li> </ul>

**Strategic Objective 4: Build and communicate the New Zealand Gas Story**

Project	Rationale	Activity	Status
NZ Gas Story/State and Performance of Industry	<ul style="list-style-type: none"> <li>Facilitate nexus between industry and Government.</li> <li>Maintain informed industry participants and other stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate, influence, and communicate with the industry and Government.</li> <li>Liaise with other regulatory bodies, agencies and associations with responsibilities and interests encompassing the gas industry.</li> </ul>	<ul style="list-style-type: none"> <li>Regular liaison with MBIE, Electricity Authority, and other relevant regulators. Liaising with Commerce Commission on gas transmission matters.</li> </ul>
Performance Measures	<ul style="list-style-type: none"> <li>Improved industry and consumer outcomes through provision of public information on industry performance.</li> <li>Monitor the effectiveness of governance arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>Determine and publish information on each gas governance arrangement that has been implemented.</li> </ul>	<ul style="list-style-type: none"> <li>The Quarterly Industry Performance Measures Reports are published on Gas Industry Co's website, with highlights included in the Quarterly Reports to the Minister.</li> </ul>