



## COVERSHEET

<b>Minister</b>	Hon Dr Megan Woods	<b>Portfolio</b>	Energy and Resources
<b>Title of Cabinet Paper</b>	Gas Governance (Compliance) Amendment Regulations 2022	<b>Date to be published</b>	30 November 2022

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
3 November 2022	Gas Governance (Compliance) Amendment Regulations 2022	Office of the Minister of Energy and Resources
10 November 2022	Cabinet Minute: LEG-22-MIN-0183	Cabinet Office

### Information redacted

**NO**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

## In Confidence

Office of the Minister of Energy and Resources  
Cabinet Legislation Committee

## Gas Governance (Compliance) Amendment Regulations 2022

### Proposal

- 1 This paper seeks authorisation for submission to the Executive Council of the Gas Governance (Compliance) Amendment Regulations 2022.

### Policy

- 2 In 2021, the Gas Act 1992 (the Gas Act) was amended to allow rules or regulations to be made for the disclosure of information that may have significant downstream impact or may contribute to the risk of critical contingency events.
- 3 On 18 February 2022, in response to these amendments to the Gas Act, the Gas Industry Company (GIC) recommended:
  - 3.1 making new gas governance rules for the disclosure of gas production and storage facility outage information under section 43F(2)(e), 43F(2)(f) and 43Q of the Gas Act; and
  - 3.2 amendments to the Gas Governance (Compliance) Regulations 2008 (the Compliance Regulations), under section 43G(2)(k) of the Gas Act, to refer to the proposed rules.
- 4 On 10 August 2022, the Cabinet Economic Development Committee (DEV) considered the paper "*Gas Governance Regulations on Production and Storage Facility Outage Information Disclosure*" [DEV-22-MIN-0180], and:
  - 4.1 noted that I had accepted the GIC's recommendation to make the new rules in paragraph 3.1, as the recommendation met the statutory criteria of the Gas Act;
  - 4.2 invited me to issue instructions to the Parliamentary Counsel Office (PCO) to give effect to the GIC's recommendation to amend the Compliance Regulations 2008 (paragraph 3.2); and
  - 4.3 Invited me to report back to the Cabinet Legislation Committee with the decision on the final draft of GIC's gas outage information disclosure rules.

## IN CONFIDENCE

### *I have made Gas Governance Rules relating to the disclosure of production and storage outage information*

- 5 On 19 October 2022, I agreed to make new gas governance rules, the Gas (Facilities Outage Information Disclosure) Rules (the Rules), pursuant to section 43Q of the Gas Act.
- 6 In making this decision, I was satisfied that the recommendation implemented the policy intent of the recommendation that I received in February 2022, that no new policy decisions were required, and that the requirements of section 43Q of the Gas Act were met.
- 7 On 25 October 2022, I published a notice in the *New Zealand Gazette* notifying the making of the Rules.
- 8 As the Rules are secondary legislation under the Legislation Act 2019, I intend to present these Rules to the House of Representatives at the next available opportunity.

### *Amendments to the Regulations*

- 9 In support of the Rules being made above, I seek your authorisation to submit the Gas Governance (Compliance) Amendment Regulations 2022 (the Amendment Regulations) to the Executive Council. The Amendment Regulations require no new policy decisions to be made.
- 10 The Amendment Regulations ensure that the monitoring and enforcement regime provided for by the current Compliance Regulations will provide for the new Rules that I noted previously.
- 11 There are two minor changes made by the Amendment Regulations:
  - 11.1 amending Regulation 3 “Purpose” of the Compliance Regulations to include the Rules within scope; and
  - 11.2 amending the definition of “rules” in Regulation 4 to include the Rules.

### **Timing and 28-day rule**

- 12 I intend for the Amendment Regulations and the Rules to come into force at the same time on 1 April 2023. This timeframe enables a new IT platform to be implemented and industry participants who are subject to the Rules to gain familiarity with the platform.
- 13 This date also aligns with the start of a new ‘gas year’ under existing pipeline operating codes, simplifying the implementation of the new regime.

### **Compliance**

- 14 These amendment regulations comply with:
  - 14.1 the principles of the Treaty of Waitangi;

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- 14.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;
- 14.3 the principles and guidelines set out in the Privacy Act 2020; and
- 14.4 the Legislation Guidelines (2021 edition).
- 15 I consider the procedural requirements of the Gas Act have been met in relation to the new Rules, and the Amendment Regulations, as I have noted previously [DEV-22-MIN-0180].

### **Regulations Review Committee**

- 16 There are no grounds for the Regulations Review Committee to draw the Regulations to the attention of the House under Standing Order 327.

### **Certification by Parliamentary Counsel**

- 17 Parliamentary Counsel Office has certified the regulations as being in order for submission to Cabinet.

### **Impact Analysis**

- 18 A Regulatory Impact Assessment was submitted alongside the paper “*Gas governance regulations on production and storage facility outage information disclosure*” [DEV-22-MIN-0180].
- 19 MBIE’s Regulatory Impact Analysis Review Panel has reviewed the Impact Statement prepared by MBIE. The panel considered that the information and analysis summarised in the Impact Statement met the criteria necessary for Ministers to make informed decisions on the proposals.

### **Publicity**

- 20 The Amendment Regulations will be notified in the *New Zealand Gazette*. I am not intending a public announcement of these changes.

### **Proactive release**

- 21 I propose to proactively release this paper in full at the time the amendment regulations are notified in the *New Zealand Gazette*.

### **Consultation**

- 22 Ministry of Justice and the Treasury were consulted on the contents of this paper. The Department of Prime Minister and Cabinet was informed.

## Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** that the Cabinet Economic Development Committee (DEV) noted that I had accepted a recommendation for proposed Rules for the disclosure of gas production and storage facility outage information under sections 43F(2)(e), 43F(2)(f) and 43Q of the Gas Act 1992 [DEV-22-MIN-0180];
- 2 **note** that on 10 August 2022, DEV also agreed to amend the Gas Governance (Compliance) Regulations 2008, under section 43G(2)(k) of the Gas Act 1992, to refer to the new Rules [DEV-22-MIN-0180 refers];
- 3 **note** that on 19 October 2022, pursuant the Gas Act 1992, I agreed to make the Gas (Facilities Outage Information Disclosure) Rules that give effect to the decision in recommendation one;
- 4 **note** that the Gas Governance (Compliance) Amendment Regulations 2022 will give effect to the decision referred to in recommendation two;
- 5 **authorise** the submission to the Executive Council of the Gas Governance (Compliance) Amendment Regulations 2022; and
- 6 **note** that the Gas Governance (Compliance) Amendment Regulations 2022 come into force on 1 April 2023, on the same day as the Rules noted in recommendation three;

Authorised for lodgement

Hon Dr Megan Woods  
Minister of Energy and Resources