

12 June 2019

Resource Markets Policy
Ministry of Business, Innovation & Employment
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Options for amending the Gas Act 1992

Meridian has completed the online summary submission form in respect of the above discussion document.

There is one issue, not raised directly in the consultation questions, that we would like to additionally comment on. It relates to the 'Information disclosure' section of the document. If section 43G of the Gas Act 1992 was amended to enable broader information disclosure gas governance regulations, the relevant regulation-making power would be exercised, as we understand it, by the Minister. Further the Minister would not be limited or constrained in exercising that power by whether the Gas Industry Company (GIC) had made any recommendation relating to such regulations.

However, paragraph 69 of the discussion document states "We envision that the GIC would determine information required under any new governance arrangement, with the empowering provision sufficiently broad to enable the GIC to recommend the disclosure of information as it sees fit." It is not clear to us whether the GIC would remain constrained in making this recommendation by the objectives in section 43ZN of the Act and in particular the principal objective to ensure that gas is delivered to existing and new customers in a safe, efficient and reliable manner. The GIC has other objectives besides the principal objective but they also relate to the gas sector.

If the GIC's deliberations are focused purely on the gas sector and do not take into account the impact that more transparent gas sector disclosure may have on other sectors of the economy (including the electricity sector) and if the Minister's regulation-making power is in turn limited or constrained by recommendations made by the GIC we are concerned that this may drive sub-optimal outcomes.

Please contact me if you have any questions.

Yours sincerely



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