



INDEPENDENT  
MARKET  
OPERATOR

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## CONSTITUTION OF THE GAS ADVISORY BOARD

### 1. Introduction

- 1.1 The Gas Services Information Rules (GSI Rules) are made under the Gas Services Information Regulations 2012 and in accordance with section 8 of the *Gas Services Information Act 2012* (GSI Act).
- 1.2 In accordance with section 6 of the GSI Act, the objectives of the Gas Bulletin Board (GBB) and the Gas Statement of Opportunities (GSOO), the “GSI Objectives”, are to promote the long term interests of consumers of natural gas in relation to –
  - a) the security, reliability and availability of supply of natural gas in the State;
  - b) the efficient operation and use of natural gas services in the State;
  - c) the efficient investment in natural gas services in the State; and
  - d) the facilitation of competition in the use of natural gas services in the State.
- 1.3 The primary purpose of the GBB is to include information relating to short and near term natural gas supply and demand and natural gas transmission and storage capacity in the State.
- 1.4 The primary purpose of the GSOO is to include information and assessments relating to medium and long term natural gas supply and demand and natural gas transmission and storage capacity in the State.
- 1.5 The Independent Market Operator (IMO) is responsible for the operation and administration the GBB and GSOO, including:
  - a) amending the GSI Rules and replacements for them; and
  - b) developing, amending and replacing GSI Procedures.
- 1.6 In accordance with the GSI Rules, the IMO must establish a non-voting Gas Advisory Board.
- 1.7 The purpose of this document is to set out the Constitution of the Gas Advisory Board.
- 1.8 Terms used in this Constitution have the same meaning as defined in the GSI Rules.

1.9 This Constitution has been issued under the GSI Rules and as such if a provision of this Constitution is inconsistent with a provision of the GSI Rules, the provision in the GSI Rules prevails to the extent of the inconsistency.

## **2. Terms of Reference**

2.1 The Gas Advisory Board is a committee comprised of representatives of gas market stakeholders convened by the IMO to advise the IMO in relation to:

- a) Rule Change Proposals and Procedure Change Proposals;
- b) matters concerning the development of the Rules and Procedures;
- c) the operation of the GBB; and
- d) the preparation of a GSOO.

2.2 In carrying out its functions the Gas Advisory Board must have regard to the GSI Objectives and any recommendations made by the Gas Advisory Board must be consistent with the GSI Objectives.

2.3 Gas Advisory Board members or their proxies are required to act in the best interests of the gas industry as a whole.

2.4 Gas Advisory Board members do not vote on issues. Any recommendations of the Gas Advisory Board are based on a consensus of the views expressed by the members, excluding the observers.

2.5 The Gas Advisory Board may establish working groups comprised of representatives of gas market stakeholders to assist the Gas Advisory Board in advising the IMO.

## **3. Membership Rules**

3.1. The Gas Advisory Board will comprise:

- a) A Chairperson (the IMO Chief Executive, or a delegate);
- b) Two members representing gas producers;
- c) Two members representing pipeline operators and owners;
- d) Two members representing gas shippers;
- e) Two members representing large gas users;
- f) The Coordinator of Energy in the capacity of Hazard Management Agency under the Emergency Management Regulations 2006;
- g) One member representing small end-use customers, appointed by the Minister; and
- h) One member from the IMO.

3.2. The Minister may appoint a representative to attend Gas Advisory Board meetings as an observer.

- 3.3. The Economic Regulation Authority may appoint a representative to attend Gas Advisory Board meetings as an observer.
- 3.4. Observers are entitled to speak at meetings of the Gas Advisory Board but are not members and do not formally participate in making any recommendations.
- 3.5. Members who are unable to attend meetings can request that a proxy attend in their place. The proxy must come from an organisation that belongs to the same class as the member, and must have similar skills and experience as the member. Members can not send a proxy by right. Permission to attend is at the Chairperson's discretion.
- 3.6. Observers can send proxies to attend meetings in their place.
- 3.7. The Gas Advisory Board may continue to perform its functions despite any vacancy, provided that the quorum noted in clause 6.3 of this Constitution is met.
- 3.8. Each member is required to attend all meetings. Members who have not attended all meetings may be removed by the IMO under clause 4.10 of this Constitution. Attendance by a proxy is considered to be attendance by the member.
- 3.9. Each member and observer is required to:
  - a) be prepared for all Gas Advisory Board meetings, to read the papers and to actively contribute to the discussions; and
  - b) not use their position or information gained as a member or observer improperly to gain an advantage for themselves or anyone else, or cause detriment to the IMO or the gas industry.
- 3.10. Each member and observer must pay their own expenses associated with participating in the Gas Advisory Board.
- 3.11. At the discretion of the Chairperson, other persons may be allowed to attend Gas Advisory Board meetings as observers from time to time.

#### **4. Appointing and removing members**

- 4.1. The IMO may appoint members and terminate membership of the Gas Advisory Board, other than members appointed under clauses 3.1(a), (f), (g) or (h), in accordance with the GSI Rules, this section 4 of this Constitution and any applicable Gas Advisory Board Appointment Guidelines published by the IMO.
- 4.2. The IMO will advertise for nominations to the Gas Advisory Board on its public website and via direct contact with appropriate industry groups. Any company or individual can make nominations.
- 4.3. An individual may be nominated as a member of the Gas Advisory Board in more than one category, but may only be appointed to one category of membership.
- 4.4. For the year beginning on 1 July 2013, Gas Advisory Board members will be appointed for a one or two-year term as determined by a ballot conducted by the IMO in accordance with the Gas Advisory Board Appointment Guidelines.
- 4.5. Thereafter, each member will be appointed for a two-year term, subject to any earlier termination or resignation.

- 4.6. There are no restrictions on the number of times a member can be reappointed to the Gas Advisory Board.
- 4.7. With the exception of the IMO, not more than one individual from the same employing organisation can hold membership of the Gas Advisory Board at any one time.
- 4.8. When appointing members of the Gas Advisory Board, the IMO must consult with, and take nominations from, Gas Market Participants and gas industry groups that it considers have an interest in the GBB and the GSOO, and choose members from among the persons nominated taking into account the Gas Advisory Board composition. Further details of the nomination process are provided in the Gas Advisory Board Appointment Guidelines.
- 4.9. Each year the IMO will review the performance and attendance of all Gas Advisory Board members. Following the review, the IMO may terminate membership of, or decide to not reappoint, members that it considers have not met the requirements of members as set out in the Constitution or the Gas Advisory Board Appointment Guidelines, and may appoint replacement members.
- 4.10. The IMO may remove a member of the Gas Advisory Board (other than those appointed under clause 3.1(a), (f), (g) or (h)) at any time in the circumstances described in Appendix 1.
- 4.11. A member of the Gas Advisory Board may resign by giving notice to the IMO in writing.
- 4.12. If a position on the Gas Advisory Board becomes vacant the IMO will attempt to appoint a suitably qualified person to fill the vacancy. The IMO will appoint a replacement member for the duration of the previous member's remaining length of tenure. The Gas Advisory Board will continue to perform its functions under the Rules despite any vacancy.

## **5. Convening the Gas Advisory Board**

- 5.1. The IMO will convene the Gas Advisory Board:
  - a) in relation to a Rule Change Proposal or Procedure Change Proposal where the IMO considers that advice is required from the Gas Advisory Board, in which case the IMO will use reasonable endeavours to convene the meeting before the due date for submissions on the proposed changes;
  - b) in relation to a Rule Change Proposal or Procedure Change Proposal where two or more members of the Gas Advisory Board have informed the Secretariat in writing that they consider that advice is required from the Gas Advisory Board;
  - c) not less than once every six months;
  - d) on any occasion when two or more members of the Gas Advisory Board inform the secretariat in writing that they wish to bring a matter before the Gas Advisory Board for discussion; and
  - e) where possible, consistent with the provisional schedule of the Gas Advisory Board meetings, issued annually by the IMO.

## **6. Conduct of Meetings**

- 6.1. The Chairperson may determine procedures for meetings of the Gas Advisory Board.
- 6.2. The Gas Advisory Board may make recommendations on an issue if a consensus is achieved. Any recommendations made by the Gas Advisory Board must be based on the consensus decision of members, excluding the opinion of observers.
- 6.3. Unless a quorum of members is present at the time, no recommendations will be made. A quorum requires at least fifty percent of total current members to be present at the meeting, including at least one representative from each of the gas users, gas shippers, pipeline owners and operators, and gas producers in that quorum.
- 6.4. The Chairperson may, in relation to any matter under consideration by the Gas Advisory Board, require all members and observers to treat the matter as confidential until advised otherwise. All members and observers must comply with that requirement.
- 6.5. Meetings of the Gas Advisory Board may be called or held using any technology determined by the Chairperson and at a location nominated by the Chairperson.
- 6.6. A communication between Gas Advisory Board members constituting a quorum under clause 6.3 of this Constitution by telephone or audiovisual means is a valid meeting of the Gas Advisory Board, but only if each participating member or observer is capable of communicating with every other member or observer instantaneously at all times during the meetings.
- 6.7. The Chairperson may, at his or her discretion, approve late papers for discussion at a Gas Advisory Board meeting.

## **7. Role of the Gas Advisory Board Secretariat**

- 7.1 The IMO will provide the Secretariat for the Gas Advisory Board.
- 7.2 The Secretariat will:
  - a) schedule meetings and maintain the diary of the Gas Advisory Board;
  - b) compile the meeting papers, send them by email to all members and observers of the Gas Advisory Board and publish the papers on the GSI website. The Secretariat will endeavour to send papers to all members and observers, and publish all papers, at least five business days before each meeting (subject to any approved late papers in accordance with clause 6.7);
  - c) prepare the minutes of each Gas Advisory Board meeting and send them by email to all members and observers of the Gas Advisory Board as soon as practicable, after the meeting; and
  - d) subject to the confidentiality status of the matters in meeting minutes, publish the minutes on the GSI website.

## **8. Interaction between the Gas Advisory Board and the IMO**

- 8.1. All written communications related to the activities of the Gas Advisory Board from the members and observers of the Gas Advisory Board to the IMO will be sent to the Secretariat.

- 8.2. Communications between the members and observers of the Gas Advisory Board and the IMO will be via email wherever practical.
- 8.3. The IMO will provide the members and observers of the Gas Advisory Board with information in its possession that is directly relevant to the issues being addressed by the Gas Advisory Board.
- 8.4. In accordance with subrules 135(1) and 159(1) of the GSI Rules, within one Business Day after the publication of a notice of a Rule Change Proposal or Procedure Change Proposal the IMO will notify the members and observers of the Gas Advisory Board, via email, as to whether the IMO considers that advice on the proposal is required from the Gas Advisory Board and the reasons why.
- 8.5. The IMO will include in its Rule Change Reports a summary of the views expressed by the members of the Gas Advisory Board, where the Gas Advisory Board has met to consider a Rule Change Proposal or where a Working Group has been appointed by the Gas Advisory Board to consider a Rule Change Proposal, a summary of the views expressed by that Working Group.
- 8.6. The IMO will include in its Procedure Change Reports a summary of the views expressed by the members of the Gas Advisory Board, where the Gas Advisory Board has met to consider a Procedure Change Proposal, or where a Working Group has been appointed by the Gas Advisory Board to consider a Procedure Change Proposal, a summary of the views expressed by that Working Group.

## **9. Governance Arrangements between the Gas Advisory Board and working groups**

- 9.1 The Gas Advisory Board may establish working groups made up of representatives from member groups to assist the Gas Advisory Board in dealing with any matter. The Gas Advisory Board may establish or disband any working group at any time.
- 9.2 The Gas Advisory Board must determine the scope of work and Terms of Reference for each working group. The Gas Advisory Board may amend the Terms of Reference or membership of any working group at any time.
- 9.3 The Terms of Reference for a working group, will be tailored to the specific requirements of each working group and would typically include the:
  - a) background (reason for the establishment of the working group);
  - b) purpose and scope of the working group;
  - c) roles and responsibilities of members of the working group;
  - d) membership of the working group;
  - e) administration, Secretariat and meeting arrangements for the working group; and
  - f) arrangements for reporting to the Gas Advisory Board.
- 9.4 Working groups must report back to the Gas Advisory Board at least once every two months, or as specified in the Terms of Reference for the group. Reporting will be via the working group secretariat. The working group will report to the Gas Advisory Board at other times requested by the Gas Advisory Board. Day-to-day interaction between the Gas Advisory Board and the working group will be via the IMO.

9.5 Working groups must refer issues outside the scope of the working group's Terms of Reference back to the Gas Advisory Board for consideration.

**[16 May 2013]**

## **Appendix 1 - Removal of Members**

The occurrence of any of the following events will entitle the IMO to terminate a member's membership on the Gas Advisory Board:

- a) the person becomes an undischarged bankrupt;
- b) the person becomes of unsound mind or his or her estate is liable to be dealt with in any way under law relating to mental health;
- c) in the IMO's reasonable opinion the person no longer represents the person or class of persons that they were appointed to represent;
- d) in the IMO's reasonable opinion the person is not actively participating in the Gas Advisory Board;
- e) the person acts in a manner inconsistent with this constitution of the Gas Advisory Board; or
- f) the member is absent from, and has not provided a proxy for, three consecutive meetings.