

## **CHARTER ON ADVISORY GROUPS**

### **1. INTRODUCTION**

The Electricity Commission is aware the electricity industry has a well established tradition of using working groups to advance understanding and agreement on technical, complex and difficult to resolve issues.

The draft Government Policy Statement indicates that the Government expects the Commission to make extensive use of working groups to develop market arrangements and give advice concerning regulations and rules.

The use of working groups for these purposes is also consistent with the Commission's own preferences. Thus, the Commission's draft work programme provides for a number of such groups across several areas of the Commission's policy and operational portfolio.

This charter sets out the Commission's proposed approach to a number of generic issues common to all such groups.

### **2. STATUS OF GROUPS**

The nature of the groups proposed by the Commission is different from the working groups historically operated by the various industry governance bodies. This is because, although these groups can assist the Electricity Commission in the proper and efficient discharge of its statutory responsibilities and duties, they cannot relieve the Commission of these responsibilities.

In the new regulatory environment the role of these groups is to advise the Commission rather than to make decisions. This is reflected in the proposed change of name for "working groups" to "advisory groups".

The Commission values the output of groups which endeavour to find outcomes acceptable to all stakeholders that are consistent with its overall objective for the electricity sector. The Commission will usually undertake formal consultation with its stakeholders on this output. The Commission's final recommendations will reflect the conclusions it reaches following submissions received during consultation and thus may differ from those preferred by a particular advisory group.

It is anticipated that, where practicable, advisory groups will be given the opportunity to participate in the consideration of consultation submissions.

### **3. PROCEDURES and PROCESSES**

The Commission proposes the following procedures in relation to the advisory groups it establishes:

#### **3.1 Establishment**

When each advisory group is established, the Commission will define its relationship with the Commission, its staff, consultants, and other project teams and advisory groups.

It is expected that advisory groups will comprise a mixture of ad hoc groups formed for a specific purpose and standing groups.

#### **3.2 Membership**

The Commission will appoint the members of each advisory group against defined (and published) membership criteria. In making these appointments the Commission will be seeking:

- a balanced representation across stakeholders
- commercial knowledge and experience of the relevant issues
- an ability to contribute effectively to the advisory group's tasks.

Persons will be selected for advisory groups for their individual attributes and not as representatives of organisations. For this reason, the use of alternates to attend advisory group meetings will be actively discouraged.

The general expectation the Commission has of the members of its advisory groups is that the appointees will make themselves available for meetings, read the papers circulated and actively contribute to the discussions of the groups.

The Commission reserves the right to terminate any appointment where it is considered that the appointee by their conduct (eg frequent unapproved absences) is not contributing effectively to the group.

The Commission reserves the right to appoint members to an advisory group to achieve the desired skill set for that group, as the need arises.

Members can resign at any time by written notice to the Electricity Commission.

#### **3.3 Chair**

The Commission will also appoint a Chair to each advisory group. The Commission's preference is for independent Chairs.

The Chair will develop the work plan for the advisory group with the appropriate Electricity Commission Senior Advisor. The work plan must be approved by the Board.

The Chair will have responsibility for the implementation of the approved work plan, efficient meetings of the advisory group and reporting to the Commission on achievement of agreed milestones.

If the Chair has any significant concerns regarding the operation of an advisory group, these should be raised with the Commission's General Manager.

### **3.4 Terms of Reference**

Each advisory group will have well-defined Terms of Reference agreed to by the Commission so that its role is clearly understood. These Terms of Reference would typically include:

- background (reason for establishment of advisory group, link to Commission's overall work plan and priorities)
- objectives and principles for its advice
- key tasks and milestones
- membership
- authority (e.g. to engage/oversee consultants)
- administration and meeting arrangements
- reporting arrangements
- nature of deliverables.

In practice, it is expected each specific Terms of Reference will need to be tailored to meet the requirements of the relevant work stream.

The Commission would like its groups to seek a consensus on its final report but recognises this will not always be possible. In such circumstances the Commission would like a report which addresses the views of the minority as well as those of the majority.

## **4. MEETINGS**

It is expected that advisory groups will meet on a regular basis (normally monthly) having regard to the Commission's reporting cycle.

Papers should be circulated in advance of meeting in a manner which enables their proper consideration by advisory group members.

The Commission will expect progress reports from the advisory group chair at defined milestones.

## **5. SECRETARIAT AND ADMINISTRATIVE SUPPORT**

The Commission will ensure that each advisory group has access to appropriate secretariat, administrative and technical support as is necessary to properly carry out its functions.

Advisory Groups will need the approval of the Commission to commission analysis and commit resources and expenditure.

## **6. REMUNERATION OF CONSUMER REPRESENTATIVES AND INDEPENDENT MEMBERS OF ADVISORY GROUPS**

The Commission supports the remuneration of consumer representatives on advisory groups and people / organisations not otherwise remunerated for their involvement.

Reimbursement of reasonable expenses incurred by these appointees in attending meetings will also be paid.

Remuneration and reimbursement of expenses will be on a basis which is consistent with other similar roles in the public sector.