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19 August 2026
Reference: PRJ0048698

GasNet Limited
8 Cooks Street
Whanganui 4500

Attention: [redacted], Chief Executive

By email only: [redacted]

Dear [redacted]

Compliance advice - information disclosure, asset management plan, and compliance reporting errors

1. The Commerce Commission (the **Commission**) has completed its investigation into whether GasNet Limited (**GasNet**) has complied with requirements under the Gas Distribution Information Disclosure Determination 2012 [2012] NZCC 24 (**ID**), the Gas Distribution Services Default Price-Quality Path Determination 2022 [2022] NZCC 19 (**DPP3**), and the Gas Distribution Input Methodologies Determination 2012 [2012] NZCC 27 (**IM**).

2. Specifically, the investigation related to:

   2.1 GasNet's failure to apply the DPP3 asset life requirement to shorten asset lives in disclosure years (**DY**) 2023 and 2024 under clause 2.2.8(5) of the IM and the Commission's DPP3 final decision, resulting in potential non-compliance in Schedules 1, 2, 3, 4, 5a, 5d and 14 of the ID;

   2.2 GasNet's failure to adjust certain values in Schedules 11a and 11b of its DY 2025–2035 Asset Management Plan (**AMP**), resulting in incorrect disclosures for forecast years up to and including DY 2034; and

   2.3 GasNet’s provision of an incorrect Excel spreadsheet for Schedule 12c of its DY 2025–2035 AMP and, in its Annual Compliance Statement submitted in December 2025, Gasnet’s failure to provide the required Excel schedules.

3. During the investigation, the Commission collected and analysed information provided by GasNet, including its responses to Commission information requests and information relating to the causes of, and remediation undertaken in respect of, the identified issues.

4. Following its consideration of that information, the Commission has reached a view that GasNet failed to comply with clause 2.2.8(5) of the IM, giving rise to possible non-compliance with section 53B(1)(a) of the Commerce Act 1986 (**the Act**) by disclosing information that did not comply with clauses 2.3.1, 2.3.2 and 2.6.1 of the ID.

5. Having considered the circumstances, the Commission has decided to issue GasNet with a compliance advice letter. This letter outlines the Commission's findings, the reasons for its decision, and its expectations regarding future compliance.

Background to the Commission's concerns

6. GasNet is subject to information disclosure and price-quality path regulation under Part 4 of the Act. The applicable requirements are set out in the ID, DPP3 and IM.

7. A Board-to-Board meeting was held in November 2025, attended by Commissioners and GasNet's Board. During that meeting, GasNet acknowledged previous compliance issues and committed to improving its compliance performance.

8. In March 2026, the Commission opened an investigation into several potential compliance issues relating to GasNet's information disclosures (including AMP disclosures) and compliance reporting.

9. In April 2026, GasNet responded to the Commission's request for information.

10. In relation to the asset life issue, GasNet advised that its General Manager and Finance Manager who prepared the original disclosures were no longer employed by the organisation. GasNet stated that incumbent staff completed the DY 2023 and DY 2024 disclosures using the methodology that had previously been applied, which did not include accelerated depreciation.

11. GasNet advised that it was unable to comment definitively on the circumstances that led to the use of incorrect values, but considered it possible that the requirement to shorten asset lives had been interpreted as optional rather than mandatory.

12. GasNet advised that it had engaged Deloitte to review the application of accelerated depreciation and noted that Audit New Zealand had reviewed the affected schedules.

13. In relation to the AMP disclosure issues, GasNet advised that, following a change in General Manager during preparation of the DY 2020 AMP, forecast CPI adjustments were not applied to nominal values. As a result, the same approach was carried forward into subsequent AMPs because no issues had previously been identified.

14. GasNet also provided explanations regarding the incorrect Schedule 12c spreadsheet and the omission of required Excel schedules from its Annual Compliance Statement. GasNet described the internal review and Director sign-off processes that were in place at the time.

15. GasNet advised that it was unable to locate any written policies or procedures governing preparation of the relevant disclosures. GasNet stated that historical disclosures had largely been prepared by former personnel and that successor staff had relied on methodologies and processes established by those personnel when preparing subsequent disclosures.

16. GasNet subsequently corrected, audited, republished and resubmitted the affected information disclosure schedules, AMP schedules and compliance statements to the Commission.

Details of the relevant law

17. GasNet is subject to information disclosure regulation and price-quality path regulation under Part 4 of the Act. The applicable requirements are set out in the ID, DPP3 and IM.

18. Section 53B(1)(a) of the Act requires every supplier subject to information disclosure regulation to publicly disclose information in accordance with the information disclosure requirements set out in the relevant section 52P determination.

19. Clauses 2.3.1 and 2.3.2 of the ID require GasNet to disclose annual information disclosure information, including the prescribed disclosure schedules.

20. Clause 2.6.1 of the ID requires GasNet to disclose an AMP and associated forecast information, including the prescribed AMP schedules.

21. Clause 2.2.8(5) of the IM requires asset lives to be determined in accordance with the requirements specified by the Commission. Under the DPP3 final decision, GasNet was required to apply shortened asset lives for certain assets from disclosure year 2023 onwards.

The Commission's view

22. The Commission's view is that there is sufficient evidence to indicate that GasNet failed to comply with clause 2.2.8(5) of the IM, giving rise to possible non-compliance with section 53B(1)(a) of the Act by failing to disclose information in accordance with clauses 2.3.1, 2.3.2 and 2.6.1 of the ID.

23. Based on the information provided by GasNet, GasNet did not apply the required asset life adjustments in DY 2023 and DY 2024, resulting in potentially incorrect disclosures in Schedules 1, 2, 3, 4, 5a, 5d and 14 of the ID.

24. The Commission also considers that GasNet disclosed incorrect information in AMP Schedules 11a and 11b and provided an incorrect Excel spreadsheet for Schedule 12c of its DY 2025–2035 AMP. In addition, GasNet failed to provide the required Excel

schedules in support of its Annual Compliance Statement submitted in December 2025.

25. Compliance with information disclosure and regulatory reporting requirements is a fundamental obligation under Part 4 of the Act. The Commission considers that GasNet should have had appropriate systems and controls in place to ensure compliance with these requirements.

26. While the Commission accepts that the errors appear to have been inadvertent, it is concerned that multiple compliance issues occurred across a number of disclosure years and disclosure obligations, and that those issues were not identified through GasNet's internal review processes prior to disclosure.

27. The Commission acknowledges that GasNet has cooperated throughout the investigation, engaged Deloitte to review the application of the accelerated depreciation requirements, and has corrected, audited, republished and resubmitted the affected disclosures and compliance statements.

28. We reiterate that the Commission’s view is based on the information it has to hand, and that only a court can determine whether there has been a contravention of an information disclosure requirement in terms of sections 86 and 86B of Act.

Commission’s considerations as to appropriate enforcement outcome

29. Prior to making its final decision in this matter, the Commission provided GasNet with an opportunity to comment on the Commission's investigation findings and proposed enforcement response. GasNet did not provide any further comments.

30. Where we consider that a person or business may have contravened the Act, the Commission has a range of potential enforcement responses available.

31. In determining the appropriate enforcement response in this case, the Commission considered the extent of detriment, the seriousness of the conduct, and the public interest.

32. Having considered all the available information, the Commission has decided to issue GasNet with this compliance advice letter.

Extent of detriment

33. The Commission has not identified any direct consumer pricing impact arising from the identified issues.

34. However, the Commission relies on accurate information disclosures (including AMP disclosures) and compliance reporting to carry out its functions under Part 4 of the Act. Incorrect disclosures can undermine the effectiveness of the regulatory regime and require additional regulatory resources to identify, investigate and correct errors.

Seriousness of conduct

35. The Commission considers the non-compliance warrants a formal enforcement response in the form of a public compliance advice letter, published on the Commission's case register on its website.

36. GasNet should have had appropriate systems and controls in place to ensure compliance with its information disclosure, AMP and compliance reporting obligations.

37. While the identified issues do not appear to have been intentional, multiple compliance issues occurred across a number of disclosure years and disclosure obligations.

38. The Commission notes that GasNet has previously had compliance issues. In 2025, the Commission issued a warning letter to GasNet in relation to breaches of price-quality path and information disclosure requirements between 2020 and 2022.

39. The Commission acknowledges GasNet's explanation that some of the errors may have resulted from methodologies established by former personnel. However, the Commission does not consider this to be an adequate explanation for continuing compliance failures several years later.

40. GasNet engaged Deloitte to review the application of the accelerated depreciation requirements and subsequently corrected, audited, republished and resubmitted the affected disclosures and compliance statements.

41. Although the affected disclosures and compliance statements were audited and approved by Directors, the Commission expects directors to obtain an appropriate level of assurance before signing information disclosures and compliance statements submitted under the regulatory regime.

Public interest

42. The Commission considers there is a public interest in responding to the non-compliance to reinforce accountability and maintain confidence in the accuracy and integrity of information disclosures and compliance statements.

43. Further details on the Commission's approach and options to enforcement responses is contained in our Enforcement Response Guidelines (the **Guidelines**).[1]

44. The Commission has a range of enforcement responses available, including compliance advice letters, warning letters and, where appropriate, court enforcement action under sections 86 to 86B of the Act, which provide for pecuniary penalties, other orders, and offences.

[1] https://comcom.govt.nz/__data/assets/pdf_file/0016/356002/Enforcement-Response-Guidelines-July-2024.pdf

45. The Commission does not consider a warning letter or court action to be warranted in the circumstances, having regard to the limited detriment arising from the conduct, GasNet's cooperation, and the corrective actions taken by GasNet.

46. Compliance advice letters are not routinely published by the Commission. However, given the nature of the conduct and GasNet's history of compliance issues, the Commission's considers that publication of this compliance advice letter is appropriate.

47. The Commission may publish information about this matter, including by way of a media release. Any such publication may include a brief description of the conduct and the Commission's view that GasNet failed to comply with the requirements described in this letter. Further details of the Commission's publication approach are contained in the Guidelines.

48. If further non-compliance with GasNet's obligations under the Act is identified in the future, the Commission will consider escalating its enforcement response, including through warning letters or, where appropriate, court enforcement action.

The Commission's expectations regarding GasNet's future compliance

49. We expect GasNet to maintain appropriate systems and controls in place to ensure compliance with its information disclosure, AMP and compliance reporting obligations.

50. We will take this compliance advice into account if similar issues are found in the future. We may also draw this compliance advice to the attention of a court in any subsequent proceedings involving GasNet.

Further information

51. Information about the Commission's enforcement approach is available in the Enforcement Response Guidelines on our website at www.comcom.govt.nz.

52. Please contact [redacted] by email at [redacted] if you have any questions regarding this letter.

Yours sincerely,

[redacted]
Manager Regulatory Investigations