TIAKI WAI
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Commerce Commission New Zealand
PO Box 2351
Wellington 6140
New Zealand
By Email: wai@comcom.govt.nz

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Tiaki Wai Submission: Resilience Principles for Investment Decision Making

Kia ora,

1. Tiaki Wai broadly supports the development of a resilience framework and welcomes recognition that resilience extends beyond physical infrastructure to include service delivery, organisational capability, preparedness, and long-term planning.

Strategic Implications for Water Utilities

2. The consultation raises an important strategic question for water utilities regarding the balance between resilience and affordability. While resilient infrastructure and services are highly valued by customers and communities, resilience investment decisions ultimately require consideration of willingness and ability to pay, competing service priorities and long-term stewardship obligations. Future regulatory expectations in this area may have significant implications for customer charges and investment programmes.

3. Of note is that future resilience regulation will need to carefully balance accountability and flexibility. If resilience expectations become overly prescriptive there is a risk that organisations focus on demonstrating compliance rather than improving actual resilience outcomes. Tiaki Wai's feedback therefore supports a principles-based framework that encourages sound decision-making and service resilience outcomes rather than reliance on prescriptive metrics or compliance requirements.

4. We note that while currently presented as guidance, the framework may signal the direction of future regulatory expectations regarding resilience expenditure. Over time, resilience principles could influence how investment proposals are assessed, how expenditure is justified to regulators, and how customer affordability and resilience trade-offs are evaluated.

5. Tiaki Wai's submission therefore seeks greater clarity regarding:
   - the long-term role of the guidance within economic regulation;
   - the relationship between resilience and existing regulatory obligations;

- expectations for demonstrating resilience outcomes; and
- how resilience considerations are intended to influence future pricing and investment decisions.

Submission Summary

6. Tiaki Wai has responded in detail to the consultation questions posed by the Commission in its draft guidance document. In summary our submission responds as follows, that the Commission; (enclosed).

6.1 Clarify the resilience-related problem it is seeking to address through economic regulation and explain how the proposed framework is intended to improve investment decision-making and long-term service outcomes.

6.2 Provide greater explanation on how resilience expectations will interact with existing regulatory requirements. Water service providers already face significant obligations relating to drinking water safety, environmental performance, emergency management, asset management and investment planning. The resilience framework should provide a means of integrating these requirements within decision-making rather than creating an additional regulatory obligation.

6.3 Provides greater guidance on which resilience outcomes are the responsibility of the regulated water utilities, and which rely on collaboration with other infrastructure providers, Emergency Management agencies, and communities.

6.4 Recognises the importance of distinguishing between resilience outcomes that utilities are directly accountable for delivering and resilience outcomes that depend on collaborative action by infrastructure providers, emergency management agencies, regulators, communities and other system participants. This distinction is particularly important when considering major emergencies, natural hazards and interconnected infrastructure networks.

6.5 Consider that resilience is assessed through the continued delivery of safe drinking water, wastewater and stormwater services, rather than through the resilience of individual assets.

6.6 Consider a framework that reflects resilience being achieved through integrated network planning operational capability, emergency preparedness, flexibility, redundancy, and demand management not solely through asset hardening

6.7 Put greater emphasis on public health compound and cascading hazards and the critical dependencies between water services and other lifeline utilities.

6.8 Provides clearer guidance for investment decision-making. The framework should explain how resilience is expected to influence pricing and investment decisions recognising the need to balance resilience affordability, statutory obligations, and agreed community service levels.

6.9 Distinguish between resilience outcomes and the interventions used to achieve them. Resilience can be delivered through a range of measures including asset investment, redundancy, operational preparedness, adaptive planning, demand management and collaboration. The framework should support consideration of the most effective combination of measures rather than implying a preference for capital expenditure solutions.

6.10 Promotes long term stewardship and advocates for whole of life investment decisions that consider future replacement obligations, intergenerational equity, uncertainty, and adaptive pathways rather than focusing primarily on individual regulatory periods.

6.11 Provides clear guidance on utility accountability versus broader system influence and on the practical application of Te Mana o te Wai as implementation continues to evolve nationally and locally.

6.12 Consider that resilience be assessed through service outcomes and the ability to continue delivering drinking water, wastewater and stormwater services under a range of future conditions, rather than through the resilience of individual assets or the presence of particular interventions. Asset investment, redundancy, preparedness, flexibility, demand management and adaptive planning are potential means of achieving resilience, not resilience outcomes in themselves.

6.13 Provide greater clarity regarding the distinction between resilience outcomes that utilities are directly accountable for and resilience outcomes that depend on coordinated action across multiple organisations and infrastructure sectors. Regulatory expectations should recognise the practical limits of utility control over broader system resilience.

7. Conclusion

8. Tiaki Wai broadly supports the intent of the guidance with a central request for greater clarity and a more practical outcomes focused framework that reflects the long-term stewardship of publicly funded water infrastructure and the operational realities of delivering resilient water services.

Yours sincerely

[redacted]

Michael Brewster
Chief Executive
Tiaki Wai Limited

Enclosed

- Tiaki Wai submission on Commerce Commission’s Resilience Principles for Investment Decision Making
- Tiaki Wai feedback on ResOrgs Report – Infrastructure Resilience – Key principles for regulating the performance of utilities.