

14 August 2026

The Commerce Commission
44 The Terrace
Wellington 6011
C/o Ellouise Kidd

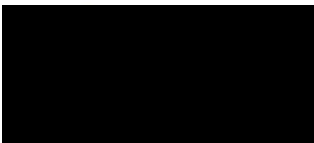
Kia ora Ellouise,

Auckland Council's submission on the Commerce Commission's draft guidance on resilience principles

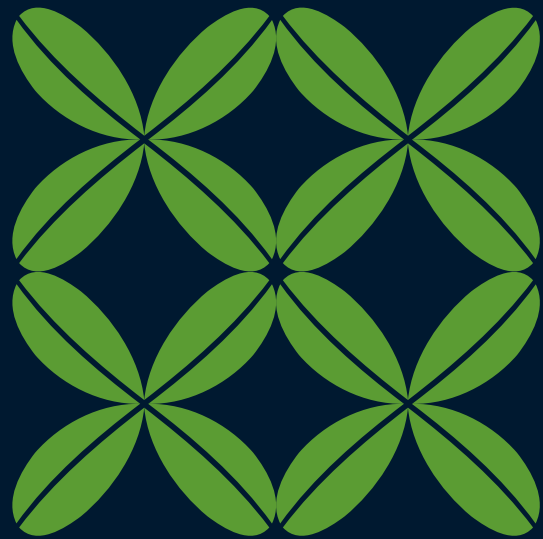
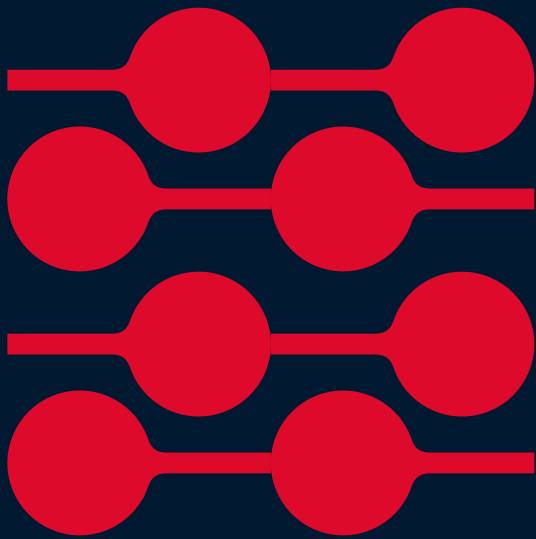
Thank you for providing Auckland Council with the opportunity to submit on the draft guidance on resilience principles. The Auckland Council submission is attached. The submission is a technical submission from Council staff and incorporates feedback from the Auckland Council and its CCO Auckland Transport.

Please contact Megan Howard, Principal Advisor, Wai Ora Strategic Programmes,
[REDACTED], if you have any queries regarding Auckland Council's submission.

Ngā mihi,



Craig Mcilroy
Healthy Waters & Flood Resilience General Manager



Submission to the Commerce Commission

Draft guidance on resilience
principles

14 August 2026



Mihimihi

Ka mihi ake ai ki ngā maunga here kōrero,
ki ngā pari whakarongo tai,
ki ngā awa tuku kiri o ōna manawhenua,
ōna mana ā-iwi taketake mai, tauiwi atu.
Tāmaki – makau a te rau, murau a te tini,
wenerau a te mano.
Kāhore tō rite i te ao.

*I greet the mountains, repository of all that
has been said of this place,
there I greet the cliffs that have heard the
ebb and flow of the tides of time,
and the rivers that cleansed the forebears of
all who came those born of this land
and the newcomers among us all.
Auckland – beloved of hundreds, famed
among the multitude, envy of thousands.
You are unique in the world.*

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Executive summary

We welcome the Commerce Commission's draft guidance and strongly support the development of a common resilience framework for critical infrastructure providers. The document provides a valuable and practical set of principles that encourage infrastructure providers to take a more systematic, evidence-based approach to resilience investment and decision-making. In particular, the focus on interdependencies, community impacts, criticality assessment, and cross-sector prioritisation is well aligned with the work of the last two governments (led by the Department of Prime Minister and Cabinet) on uplifting critical infrastructure resilience and should help improve the overall resilience of New Zealand's infrastructure systems.

Overall, we strongly support the draft guidance and its emphasis on resilience as a system-level outcome. To strengthen the framework and help achieve more efficient and effective resilience outcomes for New Zealand communities we recommend:

- Further consideration of the distinctive role of stormwater infrastructure and the need for cross-sector co-investment mechanisms.
- More explicit recognition of the role of roading in infrastructure resilience.
- Clarity about how the guidance is expected to be implemented, including within organisations like Auckland Council Group that manage both regulated and non-regulated infrastructure systems, along with networks like stormwater that may be regulated in the future.

Introduction

Tāmaki Makaurau context

1. Tāmaki Makaurau is uniquely diverse in its population, economy and geography. With a population of 1.8 million people, the region provides for the vast array of social, cultural and economic activities. It hosts some of the country's most dense urban living environments, together with suburbs of differing densities as well as rural, coastal and island communities.
2. Auckland's rich history of migration means it represents people from a wide array of religious and cultural backgrounds and is home to over 200 ethnicities. Auckland's population reflects a wide diversity in age, language and length of time living in New Zealand, and is also socio-economically diverse, with areas of high deprivation concentrated in the south and west of Auckland, and pockets of deprivation in the east.
3. Auckland is home to the country's largest Māori population, including 40 marae – 22 mana whenua marae, and 18 mataawaka marae. Auckland Council acknowledges and works alongside the 19 mana whenua iwi authorities of Tāmaki Makaurau. Auckland Council is committed to meeting its responsibilities under Te Tiriti o Waitangi / the Treaty of Waitangi (Te Tiriti / the Treaty) and its broader legal obligations to Māori.
4. In addition to being Aotearoa's most populous region, it is also its largest commercial hub and employment centre, including manufacturing, professional and technical services. It is a key entry point for international arrivals, imports and share of exports, and hosts many of the nation's larger events and conferences. It is responsible for a large proportion of the country's Gross Domestic Product (GDP).
5. Located in semi-tropical climate within an active volcanic field along three main harbours together with Hauraki Gulf, the region is also exposed to diverse natural hazards, including ex-tropical cyclones, tornadoes, severe thunderstorms, and resultant flooding and landslips, as well as potential volcanic eruption, tsunami, earthquakes and human pandemic.
6. The increasing intensity of Auckland's urban environment influences risk because higher population densities in urban areas increase the potential consequences of hazards. Auckland's cultural and linguistic diversity also raises important issues for the effective engagement and inclusion with respect to emergency preparedness. Socio-economic disparities can impact people's ability to prepare for emergency events and adapt to a changing climate. There are also varying degrees of social cohesion in the community, with frequency of feeling lonely or isolated varying by age and ethnicity. This results in low levels of individual and community preparedness increase risk.
7. Rural towns and villages vary from small coastal settlements to the satellite towns of Warkworth and Pukekohe. Remote or isolated communities are also vulnerable to the impacts of natural hazards through damage to private property and essential services, including transport and communications networks.
8. Tāmaki Makaurau is therefore highly reliant on critical infrastructure to the functioning of its communities and economy and strongly supports measures to increase its resilience.

Discussion document questions

The discussion document provides 12 questions to prompt feedback. In addition to the general statement above, our submission focusses on four questions where we have identified material issues for feedback.

1. Is the draft guidance clear about its purpose and practical status, including the level of analysis and rigour the Commission expects for more material resilience expenditure proposals?

The discussion document is clear that the guidance is just guidance. However, it also describes ‘what we expect to see’ – this signal of an expectation of disclosure or some other engagement needs clarification. Auckland Council recommends that the guidance identify where there are direct linkages, or expectations of disclosure, and where future expectations are likely. I.e:

- Where they should be demonstrated within existing disclosures
- Where these principles have established additional expectations (and how this is to be demonstrated)
- Or where they are for information to provide support and guidance

2. Is it clear how the draft guidance should be applied proportionately across sectors with different levels of maturity?

Organisations like Auckland Council manage multiple infrastructure types, some regulated and some not. Within the Auckland Council Group are regulated infrastructure systems (water and wastewater), stormwater – which may be subject to future regulation, and non-regulated systems such as transport and solid waste. To avoid duplicated or fragmented resilience planning effort, we recommend clarification of how councils should apply this guidance where we undertake both regulated and non-regulated activities. Planning for these assets and activities are developed under the same Long-Term Plan and Asset Management Plan structures, including the use of the Dynamic Adaptive Policy Pathways (DAPP) tools.

To support use of the guidance within organisations with multiple infrastructure types, we also ask that:

- Terminology is clear. The guidance has a few instances where the term ‘waste’ is used to refer to wastewater (e.g. “drinking, waste and storm water”). Please make this consistent with Local Government (Water Services Preliminary Arrangements) Act 2024, by using the term ‘wastewater’ consistently. This will avoid this being read across into (solid) waste and resource recovery activities – whether council-owned waste assets or the broader waste minimisation and waste management sector.
- Should the Commission or central government consider extending resilience expectations or economic regulation to other sectors, such solid waste infrastructure in the future, we ask that this be signalled and consulted on separately. This will enable the different legislative and funding models for non-regulated sectors to be appropriately considered.

3. Are there implementation barriers, overlaps, or accountability issues in the wider resilience and regulatory landscape that may affect how this guidance is applied in practice?

It is important that any guidance retains flexibility to be able to be applied to different industries and infrastructure systems. From a stormwater perspective, there are several unique characteristics of the service that create challenges when applying some elements of the framework.

Stormwater differs from many other utilities because its primary purpose is not to provide a continuous utility service directly to consumers, but rather to manage rainfall and flooding risk. Consequently, resilience outcomes for stormwater are often expressed as public-good outcomes rather than direct service-level outcomes.

The benefits of stormwater investment typically arise through the protection of people, property, communities, and other critical infrastructure networks. In many cases, the most significant resilience benefit of a stormwater investment is not improved stormwater performance itself, but the reduced risk of disruption to other lifeline services such as transport, wastewater, water supply, electricity, and telecommunications. This aligns strongly with the guidance's emphasis on infrastructure interdependencies and system-wide resilience outcomes.

A challenge for stormwater service providers is that there is currently no nationally consistent service-level expectations for urban stormwater networks. Unlike many regulated utilities, there is no widely accepted benchmark that defines what constitutes an appropriate level of flood protection or resilience. This makes the final evaluation and prioritisation stages of the framework particularly difficult, especially where cost-benefit analysis is expected to underpin investment decisions. While providers can often demonstrate significant avoided damages and resilience benefits, there is less certainty regarding what level of investment should be considered sufficient or efficient from a regulatory perspective.

This challenge is exacerbated by stormwater being an open network reliant on gravity to function. As a result, overall stormwater performance is strongly influenced by private land use and activities, e.g. an inappropriate private fence on an overland flow path or blockages in a private stream will impede the safe conveyance of flows. Property flooding issues can be a result of how the site is laid out and managed rather than failures of the wider stormwater network. Furthermore, the materiality of private property influence on the overall stormwater performance will vary from catchment to catchment as it is dictated by respective historical development and natural features.

We therefore encourage the Commission to recognise that many stormwater investments generate substantial benefits for other regulated infrastructure providers. If resilience assessments focus too narrowly on the direct benefits to individual land parcels or households served by a stormwater network, there is a risk that broader system benefits will be undervalued. This could result in underinvestment in projects that provide the greatest overall resilience benefits to New Zealand communities.

For example, the recent Harania Blue-Green Network Project in Mangere increased flood conveyance capacity under Watercare's Eastern Interceptor. While the project reduced flood risk to surrounding communities, it also materially improved the resilience of a critical wastewater asset. Similarly, upgrades to railway culverts beneath the KiwiRail main trunk line can simultaneously deliver flood mitigation benefits and improve the resilience of nationally significant transport infrastructure.

These types of projects illustrate that resilience outcomes are often shared across multiple infrastructure sectors. However, current accounting, capitalisation, funding, and audit practices can create significant barriers to efficient delivery. Where a project is classified primarily as a "stormwater project", it can be difficult to justify investment in infrastructure owned by another utility, even when that investment delivers the greatest resilience outcome. Likewise, regulatory and accounting practices that discourage cross-subsidy or co-investment between activities can prevent the delivery of the most cost-effective resilience solutions.

We therefore encourage the Commission to further strengthen the guidance's treatment of interdependencies and cross-sector investment. In particular, we recommend that the Commission

consider how its resilience framework could support more streamlined co-investment arrangements between stormwater service providers and other critical infrastructure providers. Where resilience benefits demonstrably accrue across multiple infrastructure sectors, there should be clear regulatory support for shared funding approaches and joint investment programmes.

Reducing financial, accounting, audit, and regulatory barriers to collaborative resilience investment would help ensure that infrastructure providers can pursue the most efficient solutions from a system-wide perspective, rather than being constrained by organisational or regulatory boundaries. Given the unique role stormwater plays in protecting communities and enabling the continued functioning of other critical infrastructure systems, explicit recognition of these characteristics within the resilience framework would significantly improve its practical application.

12. Which cross-sector vulnerabilities and interdependencies should the framework place the greatest emphasis on, and expect infrastructure providers and the Commission to pay closest attention to?

Transport

The largest impact of the failure of stormwater network is its impacts on transport, including roads. Many public roads function as critical utility corridors, hosting water, wastewater, electricity, telecommunications and gas infrastructure, resulting in substantial secondary impacts from stormwater network failures.

As the draft guidance focuses on regulated utilities, roads themselves are generally outside the Commission's regulatory scope. In practice, however, resilience outcomes for utilities may often be most effectively achieved through investment in roading infrastructure rather than utility assets alone. This includes investment in road formation, drainage, retaining structures, seawalls and access routes that both protect utility assets and maintain access to critical facilities such as substations, pump stations and rural water treatment plants.

As a result, there is a risk that the resilience outcomes sought by the Commission cannot be fully realised unless the role of transport infrastructure is more explicitly recognised. This raises several potential policy responses:

1. Consider whether roads should be brought within a broader resilience regulatory framework to ensure resilience priorities and investment are aligned across sectors.
2. Alternatively, provide stronger national guidance (potentially through the Ministry of Transport) that encourages infrastructure providers, road controlling authorities and regulators to jointly plan and invest in resilience outcomes at a system level.
3. Explore mechanisms that enable cross-sector resilience investment and funding decisions where benefits are shared across multiple infrastructure networks.

Auckland Council recommends that, to appropriately recognise interdependencies with roading, the Commerce Commission also considers:

- the need to review and modernise the National Code of Practice for Utility Operators' Access to Transport Corridors, particularly Section 6. We understand that the Ministry of Cities, Environment, Regions and Transport is commencing discussions on a potential review, and this work should align with the resilience objectives outlined in the guidance.
- Where costs fall for road corridor resilience and betterment. We note that road corridor resilience upgrades can be triggered by protection or utility assets, and issues may arise from utility asset

data or asset condition. In such cases a more balanced approach to risk allocation and funding responsibility will be important if the system-of-systems approach is to work effectively in practice.

Solid Waste

Cross-sector resilience planning should also recognise the meaningful interdependencies that exist between the regulated infrastructure sectors and waste and resource recovery infrastructure/services, such as:

- Geographic interdependency: transfer stations, resource recovery facilities, and landfills are frequently co-located with, or exposed to, the same flood plains, coastal, and fault-line hazards as other infrastructure assets, including wastewater assets.
- Access interdependency: kerbside collections and resource recovery facilities that receive waste and recyclable materials depend entirely on the roading network; the same single-point-of-access risk raised for remote communities in the guidance applies directly to waste service continuity.
- Public health and equity: uncollected waste and post-disaster debris/silt management (as experienced during Cyclone Gabrielle) intersect directly with wastewater and stormwater recovery, and can also disproportionately affect rural, isolated communities which often have fewer waste management options and facilities.

We recommend cross-sector interdependency mapping (Principle 3) explicitly reference waste management as an interdependent lifeline service, and that post-event waste management be recognised as a shared resilience function across water, roading and waste providers. Post-event debris volumes affect both stormwater network clearance and public health outcomes.