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Commerce Commission
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Tēnā koe

Tasman District Council submission on Draft Resilience Principles: Decision-making Framework for Critical Infrastructure Providers

Tasman District Council supports the draft guidance and its principles. Council considers that the effectiveness of the guidance will depend on practical implementation tools, clear materiality thresholds and nationally consistent expectations for evidence, assurance and proportionality. Without this support, the guidance may be applied inconsistently across providers with different mandates, capability, funding, data quality and risk profiles. For Tasman, these issues are shaped by geography and scale: a large district, dispersed settlements, long networks, a relatively small population and a constrained rating base.

Resilience decisions therefore need to focus on essential service continuity, community consequences, interdependencies, affordability, uncertainty and residual risk.

Council recommends that the final guidance prioritise:

- ISO 22372-aligned evidence, assurance and maturity expectations;
- service continuity, recovery and residual risk;
- interdependencies, cascading failure, affordability and risk-bearing capacity;
- climate scenarios, forecasting, foresight and adaptive pathways;
- Māori, iwi and hapū rights, interests, knowledge and assets; and
- central and local-government planning alignment.

Council would welcome the opportunity to support practical testing and refinement of the guidance, drawing on Council's in-house capability and regional networks such as Te Uru Kahika to support international best practice and nationally consistent implementation.

2. Summary of recommendations

Tasman District Council recommends that the final guidance provide a practical, nationally consistent framework for resilience investment, with clear expectations for proportionality, evidence, service outcomes, interdependencies, affordability and uncertainty. In particular, Council recommends that the Commission:

1. **Retain the principles-based and proportionate approach**, with ISO 22372-aligned evidence, assurance and maturity expectations scaled by materiality, consequence, uncertainty and investment risk.
2. **Place essential service continuity and community outcomes at the centre**, with measures for disruption, recovery, residual risk, interdependencies and assurance.

3. **Recognise local government and place-based systems**, because regulated utilities depend on council infrastructure, planning, emergency management and community resilience.
4. **Strengthen climate scenarios, forecasting, foresight, adaptive pathways and timing**, so long-lived assets account for uncertainty, thresholds, sequencing, lock-in risk and maladaptation.
5. **Require stronger interdependency and cascading-failure assessment**, including electricity, telecommunications, transport, fuel, contractors, supply chains and restoration access.
6. **Strengthen affordability, equity and risk-bearing-capacity analysis**, especially where rural or isolated communities face higher exposure, fewer alternatives and lower capacity to absorb costs or failure.
7. **Embed Māori, iwi and hapū rights, interests, knowledge and assets** across outcomes, risk assessment, criticality, options, prioritisation, monitoring and residual-risk decisions.
8. **Align future guidance with public-sector planning and investment**, including Better Business Cases, Long Term Plans, infrastructure and financial strategies, activity management and water-services planning.
9. **Strengthen business-continuity expectations for essential businesses and service providers**, including clearer expectations that businesses with critical community functions can maintain or restore essential services during disruption without assuming access to Civil Defence, council or other scarce emergency resources.
10. **Plan for the workforce and support systems needed during emergencies**, including local capacity to feed, accommodate and support emergency personnel, contractors, volunteers and essential workers during prolonged disruption.
11. **Assess proportionality by the decision value of further analysis**, not simply by the scale of risk or the sophistication of the analytical method applied.
12. **Recognise resilience redundancy as efficient expenditure where needed**, including backup assets or capacity that may appear underutilised in normal conditions but prevent unacceptable or irreversible service outcomes during disruption.
13. **Recognise engagement capacity and fatigue**, and encourage coordinated engagement where multiple providers, regulators, councils or agencies seek overlapping input from the same iwi, hapū, communities or local organisations.
14. **Council supports Water New Zealand's key submission points**, particularly the need for the final guidance to be clear in regulatory status, proportionate in its expectations, practical for providers to implement, and aligned with the transition pathway already underway for water service providers.

Responses to consultation questions

Question 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?

Yes, but the final guidance should include clearer practical tests for materiality, evidence, assurance, levels of analysis, risk and options analysis, service and community consequences, governance approval and independent review.

The guidance appropriately states that it is not immediately mandatory but signals the Commission's expectations as resilience and asset-management maturity develops. It also confirms that analysis should be proportionate to the scale, context, materiality and consequences of the investment.

Further clarity would be valuable on:

- defining low-, medium- and high-materiality proposals;
- minimum risk, options and uncertainty analysis;
- evidence of service and community consequences;
- interdependency and cascading-failure assessment;
- treatment of non-monetised benefits; and
- governance approval and independent assurance.

Council recommends that the final guidance include a simple graduated assessment model.

For example, the guidance could distinguish between:

Materiality / consequence level	Indicative expectation
Low	Documented risk, basic options assessment, service consequences and management approval.
Moderate	Multi-hazard assessment, service and community consequences, whole-of-life costs, stakeholder input, sensitivity testing and governance review.
High	System-wide analysis, interdependencies, cascading failures, distributional impacts, alternative futures, adaptive pathways, residual risk, economic assessment and independent assurance.

This would preserve proportionality while improving consistency, transparency and confidence in resilience investment decisions.

Proportionality should also be assessed by the decision value of further analysis. More detailed analysis is warranted where it resolves material uncertainty, differentiates between credible options, identifies material impacts or improves the basis for a decision. Where risks, consequences and feasible responses are already well understood, additional analytical complexity should not be required if it would not materially improve the investment decision.

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

Yes, in principle, but the final guidance should provide more practical direction on how proportionality applies across sectors and providers with different maturity, data quality, capability, funding capacity and risk profiles.

Infrastructure organisations differ significantly in:

- asset-management maturity;
- data quality and modelling capability;
- funding and financing capacity;
- regulatory and governance obligations; and
- community, iwi and impact-assessment capability.

Providers should apply analysis proportionate to their scale, mandate, risk profile and capability. For councils such as Tasman, the challenge is the combination of a large geographic area, dispersed settlements, long rural networks, a relatively small population, a constrained rating base and uneven data maturity across asset classes. All providers should still identify critical services, known hazards, material dependencies, community consequences and residual risks.

Council recommends that the Commission develop a **resilience maturity framework** that distinguishes between:

1. reactive practice;
2. developing risk-based practice;
3. defined organisational practice;
4. integrated investment and service planning; and
5. assured, continuously improved practice.

The framework should recognise staged improvement and capability constraints, while maintaining clear baseline expectations for high-consequence risks and material resilience decisions.

Question 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?

Yes. The main barriers are fragmented responsibilities, misaligned planning and funding cycles, data and information barriers, and unclear allocation of cross-sector costs and benefits.

Fragmented responsibilities

Infrastructure resilience often spans asset owners, councils, central government, regulators, emergency management, lifeline utilities, iwi, hapū, contractors and communities, yet no single entity necessarily has the authority, information or funding to manage whole-system risk. The final guidance should therefore require providers to document:

- controlled, influenced and dependent risks;
- residual-risk ownership; and
- coordination, escalation and review arrangements.

Misaligned planning and funding cycles

Infrastructure providers often operate under different planning, regulatory, funding, consenting and capital-programme cycles.

This can make coordinated investment difficult even where dependencies are understood. The final guidance should support early identification of timing dependencies and alignment with local-government, regulatory and sector planning cycles.

Data and information barriers

Critical infrastructure data may be commercially or security sensitive, incomplete, inconsistent, held in incompatible systems or assessed using different risk methods.

A national approach is needed to enable trusted sharing of essential interdependency information while protecting confidentiality, security and commercial interests.

Cost allocation

One provider may need to invest where the main resilience benefits accrue to another provider, sector or community.

For example, the resilience value of a road may extend beyond transport users to electricity restoration, emergency access, water-infrastructure maintenance, food and fuel supply, public health and telecommunications recovery.

The final guidance should explain how cross-sector costs and benefits can be recognised, attributed and, where appropriate, jointly funded or coordinated through existing planning and investment processes.

Summary of Council's answers to Questions 1–3

- **Q1:** Yes, but the guidance needs clearer practical tests for materiality, evidence, assurance, risk and options analysis, service and community consequences, governance approval and independent review. The low/moderate/high materiality table is Council's main response, reflecting best-practice proportionality.
- **Q2:** Yes, in principle, but the guidance needs more practical direction for sectors with different maturity, data quality, capability, funding capacity and risk profiles. The proposed resilience maturity framework responds directly to this.
- **Q3:** Yes. The draft identifies key barriers: fragmented responsibilities, misaligned planning and funding cycles, data and information barriers, and unclear cross-sector cost allocation.

Question 4: What should the Commission prioritise in further work?

The proposed areas for further work are sound. The key implementation risk is inconsistent application across providers with different mandates, funding capacity, data quality and technical capability unless the final guidance includes practical tools, clear thresholds and implementation support.

Council recommends prioritising practical tools that support consistent, proportionate and transparent resilience investment decisions.

Materiality and business-case guidance

Clarify how proposals should assess materiality, service consequences, community impacts, uncertainty, residual risk and assurance.

The guidance would be strengthened by a practical resilience business-case template or decision pathway that helps providers move from risk identification to a defensible investment proposal. This should clarify how to define the resilience problem, distinguish asset condition from service and community risk, compare a credible range of options, assess monetised and non-monetised benefits, document uncertainty and residual risk, and demonstrate why the

preferred option is proportionate, affordable, timely and aligned with wider public-sector planning processes.

Resilience maturity assessment

Develop a common maturity framework to help organisations assess capability, close gaps and demonstrate progress toward ISO 22372.

The Commission should also encourage clearer business-continuity expectations for businesses and service providers whose failure would place additional pressure on Civil Defence, councils or scarce emergency resources. Where appropriate, business-continuity planning should demonstrate how essential functions can be maintained or restored during disruption without assuming that generators, fuel, staff, equipment or other critical resources will be supplied by Civil Defence or local government.

This is particularly important for businesses that provide essential community services or depend on electricity, refrigeration, telecommunications, transport access or specialised equipment. For example, supermarkets and other food suppliers may require reliable power to maintain refrigeration and food safety, while available generators may need to be prioritised for life-safety, public-health or critical-infrastructure functions.

Resilience planning should also recognise that emergency response depends on people, not only physical assets. Guidance on interdependencies and service restoration should therefore consider whether there is sufficient local capacity to feed, accommodate and support emergency personnel, contractors, volunteers and essential workers during an extended event.

Common resilience measures and reporting

Define resilience measures focused on outcomes, not activity counts or asset-hardening expenditure, including:

- essential service continuity;
- restoration and fallback arrangements;
- redundancy and backup duration;
- isolation risk;
- residual high/extreme risks;
- interdependency and cascading-failure exposure; and
- governance, assurance and post-event learning.

Interdependency information and coordination

Establish a common, secure method to identify cross-sector dependencies, restoration constraints, responsible parties and residual risks requiring coordination.

Adaptive pathways and climate-scenario guidance

Provide clearer guidance for long-lived and climate-sensitive infrastructure on:

- alternative climate futures;
- adaptation thresholds and decision triggers;
- staged investment and sequencing;
- preserving future options;

- avoiding premature lock-in or maladaptation; and
- documenting residual risk and review points.

Question 5: Which aspects are most helpful?

The most useful aspects are those that shift resilience assessment from asset condition alone to service outcomes, community consequences and investment trade-offs.

Multi-hazard risk

The guidance usefully recognises that resilience decisions should consider multiple hazards, compound events and future conditions, rather than relying on a single hazard or recent event.

Risk across scales

This is particularly useful for Tasman, where dispersed settlements, long rural networks and limited redundancy mean a single road, bridge, pump station or telecommunications failure can affect access, safety and essential services across a wider area.

Interdependencies

This is essential. Infrastructure rarely fails in isolation, and community impacts often arise through cascading failures between electricity, transport, telecommunications, water, fuel and emergency-response systems.

Distributional impacts

The guidance appropriately recognises that costs, benefits and risks are not shared equally, and that smaller, rural, isolated or more exposed communities may face greater consequences and fewer alternatives.

Risk tolerance and risk-bearing capacity

This distinction is particularly valuable. A community's limited ability to pay should not be treated as acceptance of risk, especially where exposure is high and service failure would have significant health, safety or wellbeing consequences.

Criticality

Council strongly supports criticality assessments that consider service dependency, public health, environmental, social, cultural and interdependency consequences, not only asset value or replacement cost.

Options and investment timing

The requirement to compare options, document rejected alternatives and consider investment timing is important for defensible long-term decisions, particularly where assets are long-lived, climate-sensitive or difficult to reverse.

Question 6: Which areas could be improved?

Clarify service resilience

The final guidance should state more clearly that the primary objective is resilience of **essential services and community outcomes**, not simply resilience of infrastructure assets.

A damaged asset will not always cause service failure where alternatives exist. Conversely, an undamaged asset may be unable to deliver service if electricity, access, telecommunications, fuel, contractors or staffing are unavailable.

Strengthen climate-change treatment

The final guidance should provide practical examples of expected climate-change assessment. As it does for flood assessment through indicative return periods, the guidance should set clearer expectations for climate-scenario selection, time horizons linked to asset life, and how assumptions, uncertainty and sensitivity testing should be documented for long-lived and climate-sensitive infrastructure.

The guidance should provide clearer expectations for long-lived and climate-sensitive infrastructure, including:

- climate scenarios and time horizons;
- changing hazards and compound events;
- uncertainty and sensitivity testing;
- thresholds and decision triggers;
- adaptive pathways and staged investment;
- lock-in risk and maladaptation.

Better integrate fiscal resilience

Investment decisions should consider project costs alongside wider fiscal exposure, including:

- recovery expenditure and unplanned operational costs;
- debt impacts and cumulative financial exposure;
- insurance availability and affordability;
- effects on rates and charges; and
- intergenerational distribution of costs.

Expand treatment of nature-based and hybrid solutions

Nature-based and hybrid solutions should be more visible within structured optioneering, including where they provide risk reduction, ecological, cultural, amenity, carbon or avoided-cost benefits.

Define assurance expectations

The final guidance should clarify when the following are expected:

- internal review;
- cross-functional review;
- independent technical or economic assurance;
- governance approval; and
- post-event review and learning.

Question 7: Are any principles missing?

The 11 principles are comprehensive, but three cross-cutting requirements should be made explicit.

Service continuity and recovery outcomes

Providers should define the service outcomes that resilience investment is intended to protect, including:

- minimum service levels;
- acceptable disruption limits;
- restoration targets;
- priority customers, communities and facilities;
- fallback arrangements; and
- residual risks.

Without defined service outcomes, it is difficult to assess whether an investment provides adequate resilience or simply improves asset condition.

Governance, accountability and risk acceptance

The framework should require clear accountability for resilience decisions, including:

- ownership of resilience risks;
- governing-body oversight;
- documented risk acceptance and residual risk;
- management accountability;
- independent assurance where material; and
- review following major events.

Learning and continual improvement

The guidance should include an explicit expectation that providers review:

- performance during actual disruptions;
- whether risk assumptions were accurate;
- whether restoration objectives were met;
- which controls failed or performed well;
- whether priorities, design standards or operating arrangements need to change; and
- how lessons are incorporated into future investment decisions.
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These matters could be added as further principles or strengthened as explicit cross-cutting requirements that apply to all 11 principles.

Question 8: Are any frameworks or tools missing?

The guidance already references a useful range of frameworks and tools. Its value would be strengthened by explaining which tools are most appropriate for different types of resilience decisions.

Decision problem	Relevant tools or approaches
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Known hazard and clear service outcome	Cost-benefit analysis, cost-effectiveness analysis, expected annual loss
Multiple objectives and non-monetised values	Multi-criteria analysis, participatory value evaluation, social impact assessment
Strategic futures, emerging risks and long-term system change	Foresight, horizon scanning, scenario planning, forecasting and early-warning indicators
Deep climate uncertainty	Dynamic Adaptive Policy Pathways, real options analysis, robust decision-making, stress testing
Cross-sector disruption and cascading failure	Infrastructure interdependency mapping, systems mapping, MERIT, scenario discovery
Distributional impacts and affordability	Household-level modelling, social impact assessment, participatory approaches, affordability analysis
Nature-based or hybrid options	Natural-capital assessment, ecosystem-service assessment, avoided-cost analysis
Service continuity and recovery	Business-continuity planning, service-restoration planning, post-event review and resilience audits

This would make the guidance more practical by helping providers select tools that are proportionate to the decision, uncertainty, consequences, time horizon and available capability, while distinguishing between forecasting likely trends and foresight for plausible but uncertain futures.

The final guidance should also recognise that redundancy can be efficient where it prevents unacceptable or irreversible service outcomes. Backup assets, spare capacity or standby arrangements may appear underutilised in normal conditions but provide critical value during failure, disruption or recovery. The relevant test should be the consequence of the asset or capability not being available when required, not normal utilisation alone.

Question 9: To what extent are the principles already applied?

Tasman District Council applies some elements of the proposed principles, but not as a complete, mandated or consistently funded resilience-investment framework. Current maturity varies across activities, asset classes and planning processes.

Council's Climate Response and Resilience Strategy seeks to embed climate considerations into Council decision-making and align with the Long Term Plan, Infrastructure Strategy, Financial Strategy and Activity Management Plans. In practice, implementation depends on available funding, data quality, staff capacity and the maturity of individual activities.

Relevant current or developing practice includes:

- natural-hazard, climate, coastal and flood-risk assessment;
- infrastructure and asset criticality;
- activity, infrastructure and financial planning;
- business continuity and emergency management;
- community and iwi engagement;
- service-consequence assessment;
- renewals and capital prioritisation; and
- regional lifeline and emergency-management collaboration.

However, these elements are not yet fully connected into a single resilience-investment decision framework.

Council is developing a road-infrastructure climate-risk pilot to test how climate-risk information can support asset planning, financial planning and investment prioritisation.

Question 10: Are there practical examples that could be shared?

Council does not yet have a fully developed example that applies all of the proposed principles as a single resilience-investment framework.

Council is, however, developing a road-infrastructure climate-risk pilot to test how climate-risk information can support asset planning, financial planning and investment prioritisation. At this stage, it should be treated as an emerging pilot framework rather than a completed model. If successful, the approach could be adapted over time for other Council asset classes and may provide useful learning for other councils facing similar climate, infrastructure and funding constraints.

Question 11: How should the framework reflect iwi, hapū and Māori perspectives?

Māori, iwi and hapū rights, interests, knowledge, relationships and assets should be embedded throughout the framework, not treated only as consultation considerations.

The final guidance should recognise:

- iwi and hapū as Treaty partners;
- mātauranga Māori as a legitimate source of resilience knowledge;
- Māori relationships with whenua, wai, coastal environments and taonga;
- marae as cultural, social and emergency-resilience infrastructure;
- collective and intergenerational risk and wellbeing;
- non-monetised cultural consequences;
- iwi and hapū capability, networks and resilience roles; and
- disproportionate impacts on rural or isolated communities.

Engagement should occur early enough to influence:

- the definition of resilience outcomes;
- risk identification and assessment;
- criticality and consequence assessment;
- options development and evaluation;
- investment prioritisation;
- monitoring, review and assurance; and
- residual-risk decisions.

Meaningful participation requires capability, time, information and resources. Engagement and partnership costs should therefore be treated as legitimate components of resilience planning and investment.

The guidance should also recognise engagement capacity and the risk of engagement fatigue. Iwi, hapū, communities and local organisations may be approached by multiple infrastructure

providers, regulators, councils and agencies on overlapping resilience matters. Coordinated engagement should be encouraged where appropriate and where supported by those being engaged.

Question 12: Which interdependencies require greatest attention?

The framework should give greatest attention to dependencies that can cause widespread, cascading or prolonged failure of essential services.

The Commission should distinguish between direct operational dependencies and cascading dependencies. For example, a pump station may depend directly on electricity, while a road closure may delay electricity, telecommunications and water restoration, leading to wider public-health, emergency-response and community consequences.

Council recommends that material resilience proposals include an interdependency map identifying critical dependencies, responsible parties, failure pathways, restoration dependencies and residual risks requiring coordination.

Priority interdependencies include:

Electricity

Most water, wastewater, telecommunications, fuel, digital and operational systems depend on electricity. Extended power loss can quickly affect public health, communications, treatment processes, pumping, monitoring and restoration capability.

Telecommunications and digital systems

Infrastructure monitoring, control systems, emergency communications, payments, public information and coordination increasingly depend on digital connectivity.

Transport access

Road and bridge access is essential for emergency response, repairs, fuel delivery, food distribution, healthcare access, contractor mobilisation and restoration of other infrastructure services.

Fuel supply

Backup generators, contractors, transport, emergency operations and remote restoration work depend on fuel availability and access.

Water and wastewater

Loss of water and wastewater services can rapidly generate public-health, environmental, cultural and community consequences, particularly where systems depend on electricity, telemetry, treatment chemicals and road access.

Supply chains, specialist contractors and workforce access

Many providers rely on limited technical personnel, replacement components, treatment chemicals, contractors and staff access that may be unavailable during regional or national disruption.

For Tasman, particular attention should be given to rural, coastal and isolated communities where infrastructure failure may quickly affect access, public health, communications and recovery.

- single-access communities;
- long rural electricity and telecommunications networks;
- water and wastewater systems dependent on electricity, telemetry and road access;
- isolated pump stations and treatment facilities;
- regional transport and restoration routes;
- shared Nelson–Tasman infrastructure and services; and
- simultaneous, sequential or compound hazards.

Additional recommendation: applying the guidance beyond regulated providers

Although the guidance is directed primarily at Commerce Commission-regulated infrastructure providers, its principles have wider relevance to local government and place-based infrastructure systems.

Councils are often the place-based integrator of infrastructure, land use, hazard risk, emergency management, community engagement and long-term funding decisions. Communities do not experience infrastructure failure according to regulatory boundaries. Electricity, telecommunications, transport, water, land use, emergency management and community-support systems interact in place. The guidance should therefore be capable of aligning with local-government planning and investment systems.

Council encourages the Commission to work with relevant central-government agencies, regulators, local-government organisations, lifeline utility groups, iwi and Māori organisations to support a broadly consistent national approach.

This should include alignment with:

- Long Term Plans;
- Infrastructure Strategies;
- Financial Strategies;
- Activity Management Plans;
- water-services plans;
- regional spatial planning;
- emergency-management arrangements;
- business-continuity planning; and
- public-sector business cases.

A common approach would reduce duplicated methodologies, improve coordination across regulated utilities and councils, and support more consistent treatment of interdependencies, community consequences, affordability and residual risk.

Conclusion

Tasman District Council supports the direction of the draft guidance. It provides a strong foundation for more consistent, transparent and evidence-based resilience investment. Council supports the key points raised by Water New Zealand, particularly the need for the final guidance to be clear in its regulatory status, proportionate in its expectations, practical for providers to implement, and aligned with the transition pathway already underway for water service providers.

These issues are also relevant to councils, given their role in water services, place-based infrastructure planning, emergency management, community resilience and long-term funding decisions.

Its greatest value lies in shifting resilience assessment beyond asset condition and toward continuity of essential services, community consequences, affordability, interdependencies, uncertainty and long-term investment choices.

To maximise its usefulness, the final guidance should:

- clarify evidence and assurance expectations;
- provide a practical maturity pathway;
- strengthen scenario, forecasting, foresight and adaptive-planning guidance;
- focus on service outcomes, recovery and residual risk;
- address cross-sector dependencies and cascading failures;
- embed Māori, iwi and hapū rights, interests, knowledge and assets;
- align with central and local-government planning; and
- support outcome-focused resilience measures.

Council would welcome the opportunity to work with the Commission as the guidance is finalised and translated into practice. Council can contribute practical in-house capability across climate risk, infrastructure, natural hazards, planning, finance and policy to support targeted testing, peer review and refinement of the guidance against international best practice and the practical requirements of national implementation.

Through regional networks, including Te Uru Kahika, there is also an opportunity to draw on wider professional capability and achieve economies of scope and scale across councils facing similar resilience, infrastructure and funding challenges. This would help ensure the final guidance is technically robust, practical, scalable and capable of supporting consistent implementation across central government, local government and regulated infrastructure systems.

Yours sincerely,
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