

To Commerce Commission
From Tiaki Wai
Date 14.08.2026

Tiaki Wai feedback on ResOrgs Report - 'Infrastructure Resilience - Key principles for regulating the performance of utilities'

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4.4 – Investment Decision-Making	Tiaki Wai supports the identification of investment decision-making as a core resilience enabler. However, the report could more explicitly recognise that resilience investments are often embedded within broader programmes that simultaneously address growth, renewals, compliance, service quality and environmental outcomes. For water services, resilience is rarely delivered through standalone projects. For example, treatment plant upgrades, trunk main renewals, storage expansion and demand management programmes often improve resilience while also addressing multiple service delivery objectives. Regulatory approaches should therefore avoid requiring resilience investments to be assessed as separate expenditure categories where resilience benefits are an integral part of wider investment programmes.
B1.4 – Comprehensive Costs and Benefits Evaluation	Tiaki Wai supports the report's recognition that resilience assessments should consider both direct and higher-order impacts. We recommend strengthening the discussion of public health, environmental and long-term service impacts, particularly for water services. Overseas experience demonstrates the risks of assessing investment primarily through the lens of individual regulatory periods. Significant investment programmes initially focused on meeting compliance obligations and facilitating growth, while the longer-term implications for asset replacement were not fully understood. This contributed to a situation where substantial investment was ultimately required to address ageing infrastructure assets and maintain service levels. Regulators should therefore ensure resilience assessments recognise long-term asset stewardship obligations and intergenerational impacts, not solely costs and benefits occurring within a regulatory control period.

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	For drinking water and wastewater services, resilience benefits may include avoided public health impacts, avoided environmental harm, protection of critical services and communities, and improved recovery from emergency events. These benefits may be difficult to monetise but remain highly material to decision-making.
B1.5 – Accounting for Interdependencies	Tiaki Wai strongly supports the emphasis on infrastructure interdependencies. For water services, resilience depends heavily on electricity supply, telecommunications, transport access, fuel supply and chemical supply chains. Equally, many critical community functions depend on continued water, wastewater and stormwater services. The report should more explicitly recognise that resilience outcomes are frequently dependent on coordinated investment across multiple infrastructure sectors. Regulatory frameworks should avoid assessing resilience investments solely from the perspective of an individual utility where material benefits are realised across the wider infrastructure system.
B1.7 – Risk Tolerance and Risk-Bearing Capacity	Tiaki Wai supports the distinction between risk tolerance and risk-bearing capacity. Overseas experience demonstrates the importance of distinguishing between financing decisions and funding decisions. Borrowing and financing mechanisms can defer costs but do not remove the long-term requirement for customers or taxpayers to fund infrastructure investment. Regulatory frameworks that focus too heavily on short-term affordability may unintentionally increase long-term costs and expose future customers to higher risk. For critical water services, willingness to pay should therefore be balanced with consideration of public health obligations, minimum service expectations and long-term resilience outcomes. Customers may understandably prefer lower costs today, but may also expect reliable and safe services during droughts, earthquakes and major infrastructure failures. A resilience framework should help decision-makers balance these competing considerations transparently.
B1.9 – Structured Optioneering	Tiaki Wai strongly supports the emphasis on structured optioneering and the consideration of a broad range of resilience responses. Investment decisions are influenced by the structure of regulatory periods, potentially leading to a preference for lower cash-cost solutions, incremental remedial works and projects with shorter payback periods. In some cases, innovation opportunities and higher-

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	value long-term solutions may not be pursued because benefits extend beyond the current regulatory period. We recommend that the Commission explicitly encourage whole-of-life decision making, adaptive planning approaches and consideration of intergenerational impacts. For long-life infrastructure such as water networks and treatment plants, resilience is often best achieved through long-term stewardship and adaptive investment pathways rather than optimisation within a single planning horizon.
B2.3 – Value of Lost Load (VoLL)	Tiaki Wai supports the report's acknowledgement of the limitations of applying VoLL approaches across all infrastructure sectors. For water services, interruption costs alone may not adequately reflect the full consequences of service failure. Drinking water and wastewater disruptions can result in public health impacts, environmental harm, social impacts and significant community disruption that extend beyond conventional outage valuation methods. The Commission should make clear that VoLL-type metrics should generally be viewed as one input into decision-making rather than a primary measure of resilience value for water services.
B2.5 – Capturing Economy-Wide Impacts	Tiaki Wai supports consideration of economy-wide impacts where appropriate. Large-scale infrastructure failures can have significant flow-on effects for businesses, communities and other infrastructure providers. However, the level of analysis expected should be proportionate to the scale and significance of the proposed investment. The Commission should consider developing guidance that scales analytical expectations according to investment size, criticality and potential consequences. This would support consistent and practical application across infrastructure sectors of varying size and complexity.
Section C – Resilience Measurement	Tiaki Wai strongly supports the report's distinction between resilience outcomes and resilience capacity. High-quality information and robust data sets are required to support reliable investment planning, performance assessment and asset management decisions. Once developed, these become the foundation of regulatory decisions, asset replacement planning and performance improvement programmes. The report should therefore place greater emphasis on data quality, information confidence and organisational understanding of asset

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	condition and risk. Resilience maturity should not simply measure whether information exists, but whether it is sufficiently reliable to support sound long-term investment decisions. Asset information quality and maturity levels will vary significantly between providers.
C3.1 – Physical System Attributes	Tiaki Wai supports the inclusion of physical system attributes within resilience measurement frameworks. However, we recommend greater emphasis on service continuity capabilities rather than solely asset robustness. For water services, resilience may be delivered through alternative sources of supply, emergency storage, operational flexibility, contingency arrangements and demand management measures. These capabilities can be as important as physical asset redundancy and should be reflected within resilience measurement frameworks.
Part D – Operationalising Resilience	Tiaki Wai supports the report's recommendations regarding resilience reporting, information disclosure and capability development. The relationship between the regulator and regulated entity is very important. Adversarial regulatory approaches can lead to transactional information exchange, reduced trust, greater use of consultants and lawyers, and a focus on short-term compliance rather than long-term outcomes. Conversely, collaborative approaches result in improved understanding of investment needs, more effective information sharing and stronger alignment on customer outcomes. Tiaki Wai recommends that the Commission's resilience framework be implemented in a manner that promotes transparency, trust and continuous improvement. Effective resilience regulation requires robust challenge and accountability, but should also support collaborative problem-solving and shared understanding of long-term system risks. This is more likely to deliver sustainable resilience improvements than adversarial regulatory approaches. Asset replacement and long-term resilience Tiaki Wai recommends that future Commission work place greater emphasis on asset replacement planning as a resilience issue. There is a tendency for economic regulation to focus on compliance obligations, growth and short-term affordability while underestimating long-term asset replacement requirements. Developing a shared and comprehensive understanding of asset replacement needs will likely reveal the need for significantly increased funding to maintain long-term service resilience.

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	For New Zealand, where many water assets are approaching the end of their useful lives, resilience frameworks should explicitly recognise the need to sustain asset stocks over multiple generations rather than focusing solely on resilience investments associated with individual hazards or disruptive events.
General Comment	Tiaki Wai supports the overall direction of the report and its movement away from a narrow asset-focused view of resilience. The report appropriately recognises that resilience is created through organisational capability, planning systems, interdependencies, operational preparedness and infrastructure investment. From a three waters perspective, we encourage the Commission to strengthen recognition of public health outcomes, environmental outcomes, service continuity and cross-sector interdependencies. These considerations are fundamental to efficient resilience decision-making and are particularly important for drinking water, wastewater and stormwater services.