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Level 1, 151 Cambridge Tce  
PO Box 1151  
Christchurch 8140  
New Zealand

+64 3 941 8475  
www.cchl.co.nz

Critical Infrastructure Resilience Team  
National Security Group  
Department of Prime Minister and Cabinet  
Parliament Buildings

**Te Whanganui-a-Tara (Wellington) 6160**

**Via email: [infrastructureresilience@dpmc.govt.nz](mailto:infrastructureresilience@dpmc.govt.nz)**

Kei te rangatira, tēnā koe

### **Strengthening the resilience of Aotearoa New Zealand's Critical Infrastructure System**

1. This submission is submitted by Christchurch City Holdings Limited (**CCHL**) on the Discussion Document entitled "Strengthening the resilience of Aotearoa New Zealand's critical infrastructure system" (**Discussion Document**) released by the Department of the Prime Minister and Cabinet (**DPMC**) for consultation in June 2023.
2. CCHL's ownership of a portfolio of large-scale infrastructure assets, operators and service providers is unique in a New Zealand context. Those investments include shares in Christchurch International Airport Limited, Lyttleton Port Company Limited, Orion New Zealand Limited (electricity distribution network), Enable (fibre network), Citycare Group (construction, maintenance and FM services through Citycare Water and Citycare Property) and EcoCentral (waste management and recycling facilities). All are critical to the to the national and/or regional economy.
3. The unique nature of the portfolio also means we also have a unique number of touchpoints with the critical infrastructure system. Whilst we are submitting in our capacity as owner of an infrastructure portfolio, we are aware that as infrastructure operators, our subsidiaries may also be submitting either in their own right, or as part of sector forums.
4. CCHL is supportive of the objective to enhance critical infrastructure resilience and the underpinning principles of the Discussion Document, particularly as they acknowledge the responsibility of government to partner with industry and enhance resilience at the least cost to businesses, consumers, and government by measures that include:
  - a. using non-regulatory mechanisms (such as information sharing) wherever possible, to better target and prioritise investments in resilience, to deliver optimal improvements for each dollar spent; and

- b. taking advantage of existing sector-based regulatory regimes wherever possible, by identifying and filling gaps in the existing regulatory landscape, rather than replacing them.
5. We also make reference to the broader principles and proposals that are aligned to best practice in accordance with the OECD report on Good Governance for Critical Infrastructure Resilience<sup>1</sup> (**OECD Report**).
6. We are concerned, however, that the substance of the proposed regulatory features does not reflect those underpinning principles, nor best practice identified by the OECD.
7. In particular, the proposed regulatory features appear to largely focus on mandatory policy options at the expense of voluntary policy options. Not only did the OECD report find that voluntary policy tools are those most commonly used by OECD governments, a key focus of the report is the need for governments to find the right combination between mandatory and voluntary frameworks in order to enhance stakeholder engagement in resilience.
8. We further note that the OECD Report includes a best practice toolkit for government policy development<sup>2</sup>. This toolkit was developed in response OECD member countries identifying that the key to successful implementation of recommendations to protect critical infrastructure assets, and ensure quick restoration of service, was to design national critical infrastructure resilience policies through effective partnerships with operators.
9. We submit the toolkit proposes practical guidance and indicators which government can use to forge those effective partnerships with critical infrastructure owners and operators in order to build mutual trust, share information on risks and vulnerabilities and agree on a common vision and policy objectives.
10. As the owner of a unique portfolio of infrastructure assets in Aotearoa New Zealand, we endorse a robust methodology for the determination of infrastructure resilience policies such as:
  - Establishing partnerships between governments and industry to encourage dialogue and the development and definition of a common vision towards resilience in critical infrastructure and shared objectives;
  - Defining a mix of policy tools and mechanisms to advance implementation of resilience objectives, from voluntary frameworks and incentive mechanisms, to regulatory or legal tools, prioritised through robust analysis to inform targeted planning and investment decisions.
11. As noted above we would be concerned with an approach that arrived at mandatory outcomes such as compulsory information sharing, enforceable minimum resilience standards, government monitoring and supervision and enforcement mechanisms that were

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<sup>1</sup> OECD (2019), Good Governance for Critical Infrastructure Resilience, OECD Reviews of Risk Management Policies, OECD Publishing, Paris. <https://doi.org/10.1787/02f0e5a0-en>

<sup>2</sup> OECD Report Chapter 5, *Policy Toolkit on Governance of Critical Infrastructure Resilience* p101 - 113

arrived in the absence of robust methodology or that were not supported by demonstrable best practice.

12. We look forward to discussing the way forward in subsequent consultation as well as other forms of engagement, noting the OECD's observation that further engagement including in regular meetings, institutionalised dialogues, and joint exercises can foster consensus.<sup>3</sup>

Yours sincerely

**CHRISTCHURCH CITY HOLDINGS LIMITED**

**Paul Silk**

Acting CEO

Christchurch City Holdings Limited.

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<sup>3</sup> OECD Report p110