IAWAI - Flowing Waters Limited

BOARD PACK

for

IAWAI Flowing Waters - June Board Meeting

Thursday, 18 June 2026

9:30 am (NZST)

Held at:

Hamilton City Council - Committee Room 1

260 Anglesea Street, Hamilton, New Zealand

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AGENDA

IAWAI FLOWING WATERS - JUNE BOARD MEETING

Name:	IAWAI - Flowing Waters Limited
Date:	Thursday, 18 June 2026
Time:	9:30 am to 3:30 pm (NZST)
Location:	Hamilton City Council - Committee Room 1 , 260 Anglesea Street, Hamilton, New Zealand
Board Members:	Kevin Lavery (Chair), David Chambers, Tim Manukau
Attendees:	Amomai Pihama, Andrew Parsons, Becca Brooke, Jo-Ann Pass, Keith Martin, Louise Lukin, Maire Porter, Natasha Yarrall, Nathan King, Peter Winder, Jackie Colliar

1. Opening Meeting

1.1 01 Welcome and Opening Karakia

9:30 am (2 min)

Supporting Documents:

1.1.a	00 Agenda.docx	9

1.2 03 Confirm Minutes

9:32 am (2 min)

For Decision

To seek approval of the Board minutes from 18 May 2026.

Supporting Documents:

1.2.a	04 UNCONFIRMED Open Minutes 7 May 2026.docx	10

1.3 04 Interest Register

9:34 am (1 min)

For Noting

Supporting Documents:

1.3.a	Interests Register	19

1.4 05 Public Forum

9:35 am (30 min)

For Information

1.5 06 Chief Executive's Report

10:05 am (10 min)

For Information

For the Chief Executive to provide an update on key issues to the Board.

Supporting Documents:

1.5.a	06 Chief Executive's Report.docx	21

2. Standing Items

2.1 07 Establishment Programme Report

10:15 am (10 min)

For Information

For the Board to receive an update on readiness for go-live on 1 July 2026.

Supporting Documents:

2.1.a	07 Establish IAWAI - Report to Board.docx	23
2.1.b	07 Attachment 1.pdf	26

3. Major Decisions and Discussions

3.1 08 Adoption of the Water Services Strategy

10:25 am (10 min)

For Decision

To seek the Board's approval to adopt IAWAI's Water Services Strategy 2026-2036, and associated Fees and Charges schedule, effective from 1 July 2026.

Supporting Documents:

3.1.a	08 WSS 2026-2036 Adoption.docx	28
3.1.b	Attachment 1 - IAWAI Water Services Strategy (Summary Version).pdf	33
3.1.c	Attachment 2 - IAWAI Water Services Strategy (Full Version) for adoption (1).pdf	61
3.1.d	Attachment 3 - Final Fees and Charges 2026 for adoption.pdf	147
3.1.e	Attachment 4 - Final IAWAI Significance and Engagement Policy for adoption.pdf	173
3.1.f	Attachment 5 - Final IAWAI Waiver Policy for adoption.pdf	187

3.2 09 Southern Wastewater Treatement Plant

10:35 am (30 min)

For Decision

To present key recommendations to advance the delivery of new wastewater discharge consents, planning approvals and treatment plants across the IAWAI jurisdiction, including the proposed Southern Wastewater Treatment Plant.

Supporting Documents:

3.2.a	09 Wastewater Treatment Standards, Hamilton-Waikato-Waipa Metro Area Land-use and Growth assumptions and Southern Wastewater Treatment Plant.docx	203
3.2.b	09 Attachment 2a Metro Wastewater Detailed Business Case Growth Assumptions Memo.pdf	215
3.2.c	09 Attachment 2b Southern WWTP Project Growth Assumptions.pdf	255
3.2.d	09e - Attachment 3 SWWTP assessment of alternative Site X -FINAL WITH APPENDICES.pdf	305
3.2.e	09f- Attachment 4 - Overview of Re-entry Location Options - June Board meeting.pdf	375

4. Morning Tea Break

4.1 Morning Tea Break

11:05 am (15 min)

5. Major Decisions (Cont.)

5.1 10 Water Network (Water Metering and Management)

11:20 am (30 min)

For Decision

To seek IAWAI Board approval to proceed with the installation of universal water metering, as provided for in the draft Water Services Strategy 2026-2036

Supporting Documents:

5.1.a	10 Water Network (Water Metering and Management) - Approval to Proceed.docx	385
5.1.b	10a Water Network (Water Metering and Management) - Investment Case.docx	395

5.2 11 Pukete Wastewater Treatement Plant

11:50 am (20 min)

For Decision

To seek approvals relating to the Pukete Wastewater Treatment Plant upgrade programme and its master plan principles and concept.

Supporting Documents:

5.2.a	11 Pukete Wastewater Treatment Plant - Approval to deliver.docx	448
5.2.b	11a - Attachment 1 Pukete WWTP - Approval to deliver.docx	454
5.2.c	11b Attachment 2 Pukete WWTP - Procurement Strategy.docx	484
5.2.d	11c Attachment 3 Pukete WWTP - Key Risks.pdf	499

6. IAWAI Policies

6.1 12 Delegation Policy

12:10 pm (10 min)

For Decision

To seek IAWAI Board approval to a new Delegations Policy, effective from 1 July 2026.

Supporting Documents:

6.1.a	12 Delegation Policy.pdf	502
6.1.b	12 Attachment 1 Delegation Policy.pdf	506
6.1.c	12b Attachment 2 IAWAI Policy - Delegation of Authority to Position Policy 25.07.2025.pdf	567
6.1.d	12c Attachment 3 IAWAI Policy - Financial Delegation Policy.pdf	570

6.2 13 Procurement Policy

12:20 pm (10 min)

For Decision

To seek IAWAI Board approval to a new Procurement Policy, effective from 1 July 2026

Supporting Documents:

6.2.a	13 Procurement Policy.docx	575
6.2.b	13 Attachment 1 Procurement - Management Policy.pdf	579

6.3 14 Treasury Management Policy 12:30 pm (10 min)

For Decision

To seek IAWAI Board approval to a new Treasury Management Policy, effective from 1 July 2026

Supporting Documents:

6.3.a	14 IAWAI Treasury Management Policy.docx	598
6.3.b	14a Attachment 1 Treasury Management Policy.pdf	601

7. Resolution to Exclude the Public

7.1 15 Resolution to Exclude the Public

8. Lunch Break

8.1 Lunch Break 12:40 pm (30 min)

9. Public Excluded Agenda

9.1 16 Water Renewals Contract 1:10 pm (20 min)

9.2 17 Developer Proposed Growth and Fast Track Consents 1:30 pm (30 min)

9.3 18 Insurance Programme Update 2:00 pm (20 min)

9.4 19 Establishment of Day One funding, hedging and security arrangements

2:20 pm (30 min)

Agenda for a meeting of IAWAI Flowing Waters Board of Directors

to be held in Committee Room 1 at Hamilton City Council,
on Thursday 18 June 2026, 9.30am

Item No	Item	Lead	Purpose	Format
Preliminary Business				
1	Welcome and Introductions	Chair	Note	Verbal
2	Apologies	Chair	Note	Verbal
3	Declarations of Interest	Chair	Note	Attached
4	Confirmation of Minutes	Chair	Approve	Attached
Standing Items				
5	Public Forum	Chair	Note	Verbal
6	Chief Executive's Report	Chief Executive	Note	Attached
Establishment Programme				
7	Establishment Programme Report	Gavin Ion	Note	Attached
IAWAI Projects				
8	Adoption of Water Services Strategy	Andrew Parsons	Approve	Attached
9	Southern Wastewater Treatment Plant	Andrew Parsons	Approve	Attached
10	Water Network (Water Metering and Management) - Approval to Proceed	Andrew Parsons	Approve	Attached
11	Pukete Wastewater Treatment Plant	Andrew Parsons	Approve	Attached
IAWAI Policy				
12	Delegation Policy	Becca Brooke	Approve	Attached
13	Procurement Policy	Becca Brooke	Approve	Attached
14	Treasury Management Policy	Nathan King	Approve	Attached
15	Resolution to Exclude the Public	Chair	Approve	Attached

Public Excluded

Item No	Item	Lead	Purpose	Format
16	Waters Network Renewal Contract Award	Andrew Parsons	Approve	Attached
17	Developer Proposed Growth and Fast Track Consents	Andrew Parsons	Approve	Attached
18	Insurance Programme Update	Nathan King Julia Kofoed	Approve	Attached
19	Establishment of Day One funding, hedging and security arrangements	Nathan King	Approve	Attached

IAWAI – Flowing Waters, Board Meeting

UNCONFIRMED OPEN MINUTES

7 May 2026, 9.30am

Minutes of a meeting of the IAWAI – Flowing Waters Board, held at Waikato District Council, on Thursday 7 May 2026 at 9.30am

PRESENT

Chairperson	Kevin Lavery
Members	Dave Chambers
	Tim Manukau
Also Present	Peter Winder, Chief Executive Officer
	Natasha Yarrall, Director Governance and CE Office
	Andrew Parsons, Chief Growth and Strategy
	Nathan King, Chief Financial Officer
	Gavin Ion, Director, Establishment Programme
	Vishal Ramduny, Water Services Strategy Manager
	Keith Martin, Waters Manager, Waikato District Council
	Megan May, General Manager, Waikato District Council

1. **Welcome and karakia**

Tim Manukau opening the meeting with a karakia

2. **Apologies**

None

3. **Declarations of Interest**

The register of interests was noted.

Tim Manukau requested his Membership on the Waikato Regional Water Safety Governance Forum, be added to the register.

Dave Chambers and Kevin Lavery noted new interests since the last meeting (included on the register).

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There were no meeting specific recusals required based on the agenda.

4. **Minutes from previous meeting**

Approved

5. **Public Forum**

None

6. **CE's report**

Peter Winder presented his Chief Executive's report.

He noted the change process underway, with a focus on culture building and change with incoming staff ahead of 1 July 2026. This will inform the behaviours and the way we want to work into the future.

Peter acknowledged the opportunity ELT had to engage on Te Ture Whaimana recently, with an observation that IAWAI provides an opportunity for councils to work together in ways they previously haven't. This will be useful in the context of proposed local government reform coming up.

He noted a sense that councils and IAWAI is in a good space ahead of go live, in 38 days.

Dave and Tim acknowledged they were pleased to see ELT learning and engagement into the community.

Kevin questioned in terms of staffing, whether thought had been given to a staff baseline survey; and requested an update on staff accepting offers.

Peter noted that everyone has accepted their transfer except one – with a couple of contracts still under negotiation. The next step is to fill around 40 vacancies for roles where there wasn't a clear transfer. There has been strong interest internally and externally for these roles.

Although IAWAI is not yet operational, Dave was interested in how IAWAI would be placed if there was a future dry weather event. Andrew noted we actively monitor lake levels in Taupo. Levels are currently very high. The operations team are also in the process of managing water management demands across the network. We are in a good position at the moment.

From Waikato, Keith noted water storage looking forward was also good. He noted some water take from a spring. Seismic risks was a vulnerability here.

More generally, Dave suggested some further consideration and refinement to the length of some of the papers being produced – to reduce unnecessary information/ repetition.

7. **Establish IAWAI Programme Report**

Gavin Ion spoke to this paper.

The overall picture presented is that on 1 July, IAWAI will be operational. Things will work. But there will be some things behind the scenes that will need to be tidied up.

He noted the recent implementation of an upgraded payroll system from HCC which is now in use and functioning well. The IAWAI system has also been set up to go live from 1 July, which there is a level of confidence in. The roll out of the HCC system now gives IAWAI a fallback option with HCC if needed.

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On digital more broadly, there remains a lot of work underway. This is on track. One of the challenges is reporting and populating the data.

Transfer of assets remains straightforward. The freehold land will be transferred by 1 July. Land deferred will transfer later. Contract novation is underway, but a lot more to do, which is being worked through. Consents, designation and notice of requirements are also in hand.

We remain under budget, by around $800,000. This doesn't mean we're compromising things.

The go-live tracker has shifted from a lot of red, to much more green since the last report.

The Board noted relief at the payroll system roll out; discussed ongoing work with central government to resolve some of the challenges faced to transfer land; and the work with councils on bylaws.

They requested that the "still to do" list be built into the reporting rhythm.

They expressed support for the work overall to get to 1 July, with Dave commenting that the transition was "first class" – and offered congratulations to the team.

8. **Insights and Deliberation: Water Services Strategy**

Peter Winder and Vishal Ramduny presented this report.

Peter began by acknowledging and expressing appreciation for the huge amount of work by Vishal to develop the strategy.

He noted the report is long and reflects the seriousness we've taken in responding to submissions.

Vishal noted 125 submissions were received through the formal consultation process undertaken between 3 March and 12 April.

The analysis of the submissions is provided in the attachments to the report. He noted generally the feedback received, including from shareholder and Waikato Tainui was very supportive.

Key themes were:

- Affordability – Broad support for IAWAI's reduced proposed increases in water charges, alongside a strong desire for water and wastewater charges to remain affordable over time.
- Capital delivery – General support for the capital works programme, with submitters seeking greater clarity on the pace of delivery, staging, and prioritisation of projects, particularly in the context of a potential slowdown in growth.
- Environment and resilience – Strong expectations that the services provided by IAWAI will protect the environment and be resilient to future shocks and stresses, including climate-related impacts.
- Growth – Strong support for the principle that growth should pay for growth and for the introduction of water and wastewater growth charges, alongside concerns regarding the timing of implementation, calculation methodology, and certainty for developers and communities.

Other matters raised through general feedback included:

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- General support for the proposed Southern Hamilton Wastewater Treatment Plant, but some concern expressed about its preferred location; and
- Mixed views on the introduction of water meters in Hamilton.

Key quantitative feedback from submissions includes:

- Growth-pays-for-growth - 78% of respondents either support or partially support IAWAI applying a *growth pays for growth* approach for new residential and commercial development, including the use of water and wastewater growth charges to fund growth-related infrastructure.
- Growth charges for secondary dwellings - 67% of respondents either support or partially support the proposal to treat secondary minor dwellings as 0.5 HUEs.
- Significance and Engagement Policy - 61% of respondents either support or partially support IAWAI's proposed Significance and Engagement Policy.
- Waiver Policy – 67% of respondents either support or partially support IAWAI's proposed Waiver Policy.

Staff have considered the feedback and while there is general support, staff have made recommendations for the staff to consider, including:

- Incorporating an explicit reference to Te Mana o te Wai, reflecting IAWAI's acknowledgement of, and commitment to, the national freshwater management framework.
- Incorporating an explicit reference to Te Mana o te Moana, recognising that IAWAI's operations have implications for the health and wellbeing of the marine environment.
- The removal of the non-residential growth charge from this WSS to allow for further consideration as part of WSS 2
- And that a Waiver be applied for new papakaainga developments in 2026/27.

Vishal acknowledged the work of the finance teams in both councils, and others who have contributed to the strategy.

Peter noted that following decisions today, the final WSS will come back for approval at the June meeting, including setting the charges.

In terms of the financials, staff are working through the last generation of shifts in response to work in progress. There will be a revised set of financials. While these are shifts in the detail, they won't affect the substance.

Kevin expressed his support for the work done, noting we're in a good place.

On the Southern Wastewater Treatment Plant, Kevin noted June consideration of the site and consenting strategy for this.

Tim queried the number of submissions received, compared to what a usual process might expect. Vishal acknowledged that the numbers were low, with Peter adding that we had originally planned to use council annual plan consultation and piggyback off that, but councils didn't end up consulting on these.

Peter noted though the good conversations with stakeholders and developers throughout the process through a more targeted engagement, and drop in sessions held. Engagement on

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WSS2 is expected to look a lot different, aligned with a broader campaign of who IAWAI is – and building on lessons learned, and some fundamental issues to raise.

Dave noted the significance of this discussion. He welcomed the changes in response to consultation feedback.

In talking about the strategy, he asked staff not to lose sight of previous prices forecast, and what IAWAI has saved because of this strategy – which is real for people.

He noted that two-thirds of the capital programme is growth, and we should continue to be clear on this, as it shows the significance of the scale of challenge we face.

Finally, he noted wording in the report that "excludes growth charges for non-residential" and instead wanted to be clear that we're not excluding non-residential. Rather we're not ready to introduce this. There are continued bespoke arrangements with developers that growth can pay for growth while further work is done on how these charges will come together for WSS 2. There are no free-kicks, and this is not forgotten about.

Resolved

The Board

1. Received the report acknowledging all submissions received, including feedback from the shareholding councils - Hamilton City Council and Waikato District Council - and IAWAI's iwi partner, Waikato-Tainui, together with the proposed staff response.
2. Agreed to amend the Water Services Strategy, in response to this feedback, to:
    a) Include a more explicit reference to Te Mana o te Wai, reflecting IAWAI's commitment to national freshwater standards and to working with Waikato Waters, whose activities affect the health and wellbeing of both the Waikato and Waipā Rivers; and
    b) Include a more explicit reference to Te Mana o te Moana, acknowledging IAWAI's commitment to ceasing discharge from the Raglan Wastewater Treatment Plant into Whaaingaroa Harbour in favour of a land-based solution, and recognising the implications of IAWAI's commitment to Te Ture Whaimana given that the Waikato River flows into the sea at Te Puaha o Waikato.
    c) Include reference to carbon emissions monitoring, delivered through shared service arrangements.
    d) Review water and wastewater growth charges for non-residential development for consideration in WSS2.
3. Approved the introduction of residential water supply and wastewater growth charges, applying to residential development that creates a net increase in demand where a building consent, or equivalent consent-exempt development pathway is lodged on or after 1 July 2026, in accordance with the application and charging framework set out in the paper to this meeting titled **Growth Charges for IAWAI's Water Services Strategy**.
4. Approved the application of ½ Household Unit Equivalent (HUE) when applying water supply and wastewater growth charges to secondary minor dwellings.
5. Requested that staff review water and wastewater growth charges for non-residential development for consideration in WSS2.

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6. Approved the inclusion of a growth charge waiver for papakaainga developments in the proposed Waiver Policy for 2026/27 and notes the amendments made to the Waiver Policy (**Attachment 3**) to reflect this.

7. Noted that a harmonised Waiver Policy will be considered as part of Water Services Strategy 2 to enable consistent policy provisions to apply across both Waikato District and Hamilton City.

8. Noted the consequential amendments to the Fees and Charges Schedule (**Attachment 2**) to reflect the relevant staff recommendations above.

9. Noted that no changes are proposed to the Significance and Engagement Policy (**Attachment 4**).

10. Noted that staff are completing a further refinement of the capital works programme to reflect the expected year end position immediately prior to the transfer of responsibility, and in consideration of the current global economic and supply chain situation. This will be reflected in the final Water Services Strategy for adoption.

11. Noted that work to complete and verify the allocation of costs associated with shared services will be completed shortly and that the impact of this will be reflected in the final Water Services Strategy for adoption.

12. Noted that any financial amendments to the Water Services Strategy arising from the Board's deliberations and/or corrections to the draft Strategy will be incorporated into the final version for consideration for adoption in June 2026.

9. **Growth Charges for IAWAI's Water Services Strategy**

Peter Winder noted the connection between this paper and the decisions on the Water Services Strategy. This paper was important to set out and agree the detail on how the growth charge would be applied.

Dave noted his comments in line with discussion on item 8, that non-residential development will be charged through bespoke arrangements negotiated while the future charges are worked through.

Resolved:

The Board

1. Approved the introduction of residential water supply and wastewater growth charges as part of the Water Services Strategy, applying to residential development that creates a net increase in demand where a building consent, or equivalent consent-exempt development pathway is lodged on or after 1 July 2026, in accordance with the application and charging framework set out in Attachment 1 of this report.

2. Confirmed that work should continue to consider charging of a water supply and wastewater growth charges for non-residential development, with the intention that these be considered for inclusion in the next review of the Water Services Strategy following further analysis and engagement. Noted that bespoke agreements with developers will continue in the interim to support the growth pays for growth approach.

3. Approved the inclusion of a waiver for residential growth charges for papakaainga developments in the proposed Waiver Policy for 2026/27, and noted amendments made

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to the Waiver Policy attached to the paper considered at this meeting, titled Water Services Strategy 2026-2036 Deliberations Report.

4. Requested staff to continue to work on other tools to move closer to growth paying for growth as part of the wider review of pricing and charging for the next Water Services Strategy.

10**. Conflict of Interest Policy**

Natasha Yarrall presented this policy for approval.

She noted that IAWAI already has an established practice for declaring and managing interests.

Directors are routinely asked to declare interests, including potential conflicts, both on appointment and at each meeting, and those interests have been transparently managed to date.

Under good governance practice, this policy supports formalisation of our approach.

The policy does not introduce a fundamentally new approach. Rather, it formalises what we already do.

Dave questioned the interaction between the policy and the role of the IAWAI Forum. Natasha noted that the intention is for the policy to be owned by the Board, but that it would be discussed with the IAWAI Forum to provide assurances of how IAWAI is managing any conflicts.

The Board sought staff consideration of an additional principle to be included in the policy of regular (for example annual) engagement with the Forum on the policy.

Resolved

The Board

1. Approved the IAWAI Board Directors Conflict of Interest Policy (Attachment 1)

11. **IAWAI Alternate Representation on the Future Proof Implementation Committee**

Peter and Kevin spoke to this decision sought.

Board Chair, Kevin Lavery, is the appointed non-voting member representing IAWAI on the Future Proof Implementation Committee.

The IAWAI Chief Executive currently attends meetings but is not a formally appointed alternate to the Board Chair.

Future Proof has advised that any formal alternate member must be officially appointed by the IAWAI Board.

Resolved

The Board

1.Approved the appointment of the IAWAI Chief Executive, Peter Winder, as an alternate member to the Board Chair, Kevin Lavery, on the Future Proof Implementation Committee, with full ability to attend and participate in meetings in Kevin Lavery's absence.

12**. Consideration of Public Excluded Agenda**

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The Board resolved

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public-excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	**Ground(s) under section 48(1) for the passing of this resolution.**
Operational Technology Cyber Security	Section 7(2)(j) of the Act (to prevent the disclosure or use of official information for improper gain or improper advantage), and section 7(2)(f)(ii) (to protect systems and assets), namely information relating to operational technology cyber security arrangements.
Approval of Chief Executive KPIs	Section 7(2)(a) – protecting the privacy of natural persons Section 7(2)(g) – maintaining effective conduct of public affairs through free and frank expression in an employment context

13. Chief Executive's KPIs

The Board approved the Chief Executives Key Performance Indicators, and approved that these be included in the public minutes (table 1 over page).

They discussed that, for the first year of operations, the KPIs are deliberately activity- and delivery-focused. This reflects the foundational work required to safely establish IAWAI, maintain continuity of critical water services, and put in place the systems, capabilities, and relationships needed for long-term success.

Meeting ended 12:10pm

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Table 1: Chief Execuive KPIs

Safe Transition	•The transfer of all identified staff and roles, assets and liabilities •The novation of all identified contracts, and/or entering into back -to-back contractual relationships with either Council •Entering into licences to occupy with both Councils to secure continuity of operations •Ensuring all necessary digital systems operate and provide the required functionality to continue operations.
Delivery of Capital Works and Renewals Programme	•IAWAI delivers on the outcomes we've promised our communities, with timing of >90% of projects "on track" •Commercial and contractual arrangements established with framework partners within agreed timeframes. •Early renewals programme delivered to plan once partnerships are operational
Price pathway and financial strategy	•Financial strategy for the 2027–2037 Water Services Strategy developed, consulted on, and adopted •Revenue pathway and pricing model approved by the Board, including a clearly defined pathway to price harmonisation •2.5% savings programme quantified, validated, and embedded into the longterm financial model •Capital works and renewals programme aligned with pricing, metering, and funding assumptions •Finance, treasury, and accounting policies finalised and approved to support implementation.
Financial management	•Liquidity maintained above Board approved minimum thresholds at all times •Successful entry into LGFA borrowing arrangements •Shared financial services with HCC and WDC operating effectively, meeting agreed service levels •Effective revenue collection and debtor management through each council.
Business scope decisions	•Board provided with timely, evidence based options papers to support decisions on: ➢Water metering implementation ➢Billing and CRM systems ➢Disestablishment of shared services and standing up of in house service provision ➢Board decisions implemented within agreed timelines once approved.
Operational Performance & Regulatory Compliance	•Operational performance and regulatory compliance maintained •No material enforcement actions, abatement notices, or compliance breaches attributable to the transition •Incident response times and service levels meet or exceed inherited standards.
Working Relationships	•Trusted and effective working relationships established with the Board, Councils, Waikato -Tainui, and key regulators •Constructive engagement frameworks in place with hapuu, marae, other likeminded water organisations, community, and business stakeholders •No material relationship breakdowns that adversely affect IAWAI's ability to operate.
Organisational Health	•A fit for purpose organisational structure, leadership team and delegation framework are established and operating effectively, with clear accountabilities, decision rights and succession coverage for critical roles •A unified organisational culture aligned to IAWAI's purpose and values is actively shaped and embedded, as evidenced through staff engagement and behaviours •Risk management, internal control and assurance arrangements are established at a level appropriate.

Interests Register

IAWAI - Flowing Waters Limited

As of: 18 Jun 2026

Person	Organisation	Active Interests	Notice Date
David Chambers	Board Member - Central Districts Water ltd	Waters CCO	30 Jun 2025
	Board Member - ITM co-op ltd	General reference	25 Apr 2026
	Director GB and DD's Outfit Ltd	General reference	30 Jun 2025
	Former Chief Executive, Watercare (term concluded June 2025)	Waters CCO	30 Jun 2025
Kevin Lavery	Establishment CE, Water Organisation, Western Bay of Plenty District Council & Tauranga City Council	Water CCO	2 Apr 2026
	Group Board Member, Sanctuary, United Kingdom	General reference	30 Jun 2025
Tim Manukau	Registered tribal member of Waikato-Tainui, Ngaati Koroki-Kahukura, Maniapoto	Cultural	30 Jun 2025
	Research Associate, University of Waikato	General reference	4 May 2026
	Trustee of Matawhaanui Trust, Huntly	Cultural	30 Jun 2025

	Waikato Regional Water Safety Governance Forum	Waters	7 May 2026

Person	Organisation	Recently Closed Interests	Closing Date
Kevin Lavery	Member, Advisory Board for Marlborough Waters (now concluded)	Waters CCO	8 May 2026

06 Chief Executive's Report

Prepared and recommended by Peter Winder, Chief Executive Officer

Eight working days until go-live

There are now just eight working days until IAWAI takes responsibility for Hamilton City and Waikato District's water and wastewater services, along with delivery of stormwater services under contract.

The *Establish IAWAI report* that the Board will receive today (item 7), confirms readiness for go-live.

But I also wanted to take a moment to reflect on the significance of where we have got to.

In less than a year we have built a multi-billion-dollar, council-controlled organisation, with a clear purpose: protecting and investing in water services for our communities, now and for future generations. In line with councils' direction, the focus has been on getting the fundamentals right first, with transformation to follow.

The programme of work has been substantial - spanning the transfer of staff, assets, consents, systems, and contracts, alongside the establishment of governance, funding, and operating frameworks.

But there has also been significant "doing" to get us ready for the future. Today the Board will consider transformation projects, from: the value of introducing universal water meters across Hamilton City; a major upgrade of the Pukete Wastewater Treatment Plant; the location of a new sub-regional plant to the south of Hamilton; renewals partnerships; and our approach to Fast Track.

The Water Services Strategy (also on today's agenda) demonstrates IAWAI can deliver on exactly what we have been asked to: Material reductions in previously forecast increases in water charges, while maintaining an ambitious $3 billion capital investment programme.

Collectively, this work reflects a strong and consistent focus on our founding objectives: putting the Waikato River (Te Awa o Waikato) at the heart of decision-making, improving affordability, and accelerating investment to address longstanding infrastructure challenges.

And it shows how IAWAI deliver, quicker, faster and across boundaries than councils could have alone.

I want to offer a heartfelt thank you to all the staff that have passionately worked to get us to 1 July. We could not have done this without each and every one of you.

Introducing IAWAI to our communities

We will shortly begin introducing IAWAI to our communities.

IAWAI's website will launch on 23 June, along with an increased visible presence in the community. We recognise awareness is currently low. Our focus is on clearly explaining why IAWAI matters, the value of water services, and the cost of delivering them.

Planned engagement includes mail drops, dairy posters, and social media.

While organisational change is significant, the customer experience will remain largely unchanged. Water charges will continue to be included in council/Watercare invoices, with existing payment options remaining in place where applicable. Customers can continue to contact councils to report issues, with IAWAI responding.

This is just the beginning.

Over the coming year, IAWAI will work through several complex issues. We are committed to ensuring communities can engage and have their views heard as part of this next phase. Building a strong foundation now, will support this.

Out in the field — visiting our water treatment teams

To support a healthy and safe workplace, I have recently undertaken a series of site visits to meet staff and observe health and safety practices across our operations.

Members of the leadership team and I visited several plants across the Waikato region, including Ngaaruawaahia, Huntly, and Te Kauwhata, followed by Waiora Treatment Plant.

These visits provided a strong sense of assurance. The teams demonstrate a genuine commitment to health and safety, underpinned by robust systems and a culture where ensuring everyone goes home safely each day is paramount.

The Waiora Treatment Plant plays a critical role, supplying drinking water to Hamilton city 24 hours a day, seven days a week. This is made possible by a highly skilled and dedicated team, who take great pride in delivering safe and reliable water services.

These visits complement those undertaken by the Board over the past 12 months. With three new directors joining from 1 July, we look forward to continuing this programme, recognising the importance of staying connected to our people and operations.

New Directors announced

The IAWAI Forum has confirmed the final appointments to the Board.

Joining Chair Kevin Lavery, Tim Manukau, and Dave Chambers are three new independent directors: Hinerangi Raumati-Tu’ua, Jennifer Kerr, and Tim Gibson.

Hinerangi Raumati-Tu’ua is a former CFO and Fellow of Chartered Accountants Australia and New Zealand, with extensive governance experience across regulated sectors including energy, water, and fisheries. She brings strong commercial acumen, infrastructure experience, and an important te ao Māori perspective aligned with our kaupapa.

Jennifer Kerr brings deep governance, regulatory, and operational expertise, with a strong focus on people, customers, and community outcomes. She has led large and complex organisations and holds iwi affiliations to Ngāti Mutunga and Ngāti Tama.

Tim Gibson is the former CEO of Citycare Water, with extensive experience across technical, operational, and governance domains in the water and infrastructure sectors. His background in large-scale service delivery and critical infrastructure is highly relevant to IAWAI.

We look forward to welcoming all three directors from 1 July 2026 as we enter our first year of operation and the significant investment programme ahead.

07 Establish IAWAI Progress Update

Prepared and recommended by Establish IAWAI Programme Director – Gavin Ion and Programme Manager – Natasha Hansen.

Recommendation

1. That the report is received.

Key points

Readiness to operate from 1 July

2. A significant programme of work has been underway since the Councils resolved in June 2025 to establish a joint waters company.
3. With IAWAI's establishment a top priority for councils, work has shown people at their very best, working in strong partnership, and in many ways, paving the way forward for other waters companies.
4. The goal has been clear: A safe transition, while building a waters organisation that has the awa at its heart, that drives affordability for our communities, and while turning the tide on decades of underinvestment on critical waters infrastructure.
5. With less than two weeks until IAWAI commences operations, staff are pleased to confirm that the essentials are in place - and IAWAI will be ready to operate the water and wastewater network, and deliver stormwater services under contract, for Hamilton City and Waikato District from 1 July.

Transfer of staff

6. Staff are critical to everything we do. In line with Transfer Agreements, offers were made to waters staff in March. All accepted.
7. IAWAI's day 1 structure is lean. In a tight workforce, we have focused on what matters most, driving affordability, strengthening commercial thinking, building partnerships, and improving understanding of the value of water with our communities. We have recruited a small number of key roles to support these priorities and give IAWAI a strong foundation.
8. Payroll systems are also in place, mitigating a risk we had been tracking closely, as Hamilton City Council recently went through an upgrade of its own payroll system, upon which IAWAI relies. As the majority of IAWAI staff transferring are already captured in the new system, we are confident it should work well for IAWAI, with the additional transfer of WDC staff.
9. The month of June is focused on the induction and onboarding of IAWAI staff for Day 1.

Financial readiness

10. On 16 March 2026, the New Zealand Local Government Funding Agency (LGFA) approved IAWAI Membership, meaning that IAWAI has access to the favourable borrowing terms available from the LGFA.
11. Core IAWAI financial systems have been established. Both councils will undertake much of the invoicing on behalf of IAWAI and work is nearing completion on billing and purchasing systems, and financial reporting, along with clarification of the supporting responsibilities and processes in both councils and IAWAI. Invoice templates for IAWAI have been developed and are being reviewed from a tax compliance perspective.

Digital readiness

12. The key digital fundamentals are now in place across operational technology and information technology.
13. Corporate digital services will be provided to IAWAI as a shared service by Hamilton City Council. Testing has confirmed that IAWAI staff will have access to the systems they require from 1 July 2026.

14. GIS and data/reporting platform arrangements are in place, with IAWAI continuing to use existing Hamilton City Council and Waikato District Council / Watercare platforms.

Transfer of assets and liabilities

15. A significant programme of work continues to transfer all water and wastewater assets, novate contracts, and provide IAWAI with the necessary authority to operate the network from 1 July 2026.
16. As previously advised, site specific complexities mean some land will take time to transfer, with Council providing a standing consent, or a right for IAWAI to occupy land in the meantime.
17. Key contracts, including notably the contract between Watercare and Waikato District Council, have now been novated to IAWAI.
18. For contracts that cannot be novated, councils have entered Back-to-Back Agreements to pass the councils' rights, powers, remedies, benefits, privileges, immunities, interests, obligations and liabilities under the relevant agreements through to IAWAI.
19. As one of the first Water Organisations, we have identified issues and challenges in the establishment of IAWAI. One of these challenges has been the complexity associated with transferring reserve and endowment land. Under existing legislation (such as the Reserves Act), this is an expensive, resource hungry and long process to achieve what the Local Government (Water Services) Act (LG(WS)A) intended.
20. As a consequence, we engaged with the Department of Internal Affairs (DIA) about a possible legislative solution. The DIA now recognise this is a nationwide issue but advise there is no opportunity to address it this parliamentary term. We have prepared the framework of legislative change to support ongoing discussion on the national solution or to form the basis of a local bill if a national solution is not forthcoming.

Shared services

21. The parties agreed that many back-office functions will be provided by the councils to IAWAI for Day 1. This reduces the risks associated with introducing new systems and is a cost-effective solution leveraging existing staff and processes.
22. Steady progress has been made with the councils to ensure we are ready to deliver shared services from day one. Teams across all three organisations have been working at pace to finalise the complex web of key processes and systems needed to support delivery, and a significant amount of effort has gone into enabling this transition. While there will inevitably be some matters to work through in the early days post 1 July, the foundations are in place to support Day 1 operations. Communication plans are also well underway to ensure customers, stakeholders, and staff are informed of the changes and understand what to expect.
23. It is intended that IAWAI progressively migrates away from shared services over time, but this is intended to be phased and managed to avoid the two councils being left with stranded overheads. The transition of shared services will be driven by the need to integrate Watercare Waikato operations by 30 June 2028, and the timetable for the installation of water meters and a new billing system (up to 5 years).
24. Both councils will continue to manage the direct customer relationship on behalf of IAWAI, including billing and the collection of payments, faults, initiating new connections, etc. This relationship is expected to continue until the roll out of water meters and related billing systems across Hamilton is complete.
25. **Attachment 1** provides an update on progress of key activities

Risks

26. The transition to a new operating model of this scale carries inherent risks, spanning the standup of the workforce on 1 July, operational risks, public and stakeholder transition risk and dependency on shared services.

27. These risks have been actively assessed and mitigated through programme controls, testing, transitional service arrangements, communication planning, and contingency processes. Residual risks are considered manageable and typical for an establishment of this scale, and none are assessed as preventing safe and effective service delivery from 1 July 2026.
28. Due to the complexity and pace of the work, issues will arise and be addressed. Mechanisms are being developed to triage these in a timely manner so they can be dealt with in the new environment.

Finances

29. The establishment budget of $7.35 million, and operations budget of $3.95 million was approved by councils on 29 May 2025 (including staff time). This was shared across both Hamilton City Council and Waikato District Council and includes an allowance for risk. The budget is based on the “minimum viable product” approach, that is, making as few changes to existing systems as possible.
30. The forecast full-year position for establishment costs is in the order of $4.5 million, compared to an approved budget of $7.35 million.
31. The forecast full-year operational costs are projected at $3.5 million, against an approved budget of $3.9 million.
32. Significant savings have been realised in the digital workstream as well as the allowance for risk not being required. In addition, the bulk of the work has been delivered by leveraging staff in business-as-usual roles, which demonstrates the capability of the organisation.

Establish IAWAI Go Live Checklist and Tracker
Date: 2/06/26
Version: 27

Workstream Area / Deliverable	Status	Traffic Lights	Planned Date:	Deadline	Waiting on:
Leadership & Governance					
Shareholder Governance					
Reporting to the Shareholders	Completed	Completed	Completed	Completed	
Monitoring Framework for the Shareholders	Completed	Completed	Completed	Completed	
IAWAI Board					
Day 1 Board Recruitment	Completed	Completed	Completed	Completed	
Day 1 Board Induction	In Progress	On Track	30/07/26	30/07/26	
Board governance framework in place (committees)	In Progress	On Track	30/07/26	30/07/26	Full Board Meeting
GM Appointments					
Induction for Initial GM roles	In Progress	On Track	30/06/26	30/07/26	3 month induction programme underway.
Risk & Assurance					
Risk & Assurance framework & Policy in place	In Progress	On Track	18/06/26	18/06/26	Board approval 18 June
Strategic Risk Register & Controls Confirmed	In Progress	On Track	18/06/26	18/06/26	Board approval 18 June
People, Health and Safety					
Staff Transition					
All transitioning employment agreements concluded	Completed	Completed	Completed	Completed	
Collective Bargaining	In Progress	On Track	1/07/26	1/07/26	
Transitioning Staff Induction	In Progress	On Track	30/06/26	30/06/26	
Transfer complete	Not Started	On Track	30/06/26	30/06/26	
Recruitment					
Recruitment & Induction Plan Agreed	Completed	Completed	Completed	Completed	
Culture Plan					
Culture Plan Agreed	Completed	Completed	Completed	Completed	
Change Management					
Change Management Plan Agreed	Completed	Completed	Completed	Completed	
Health & Safety					
H&S capability in place	Completed	Completed	Completed	Completed	
H&S systems good to go	In Progress	On Track	30/06/26	30/06/26	
Finance					
Financial Systems					
Budget for 2026 - 36	In Progress	On Track	18/06/26	30/06/26	Board meeting alongside WSS decision
Financial Systems - Billing					
Set up Billing for proposed water charges	In Progress	On Track	30/06/26	30/06/26	
Digital & Operating Systems					
Shared Service Systems					
Day 1 HRIS & Payroll					
Fortnightly Payroll - In Production & Ready for Pay Run	Not Started	On Track	27/06/26	27/06/26	
Weekly Payroll - In Production & Ready for Pay Run	Not Started	On Track	29/06/26	29/06/26	
Billing & charges software related to HCC					
Cutover	In Progress	On Track	22/05/26	22/05/26	Progressing slower due to WSS
Billing & charges software related to WDC					
Cutover	In Progress	At Risk	12/06/26	12/06/26	Resource shortage due to resignation.
Asset Management Software					
Confirm & test GIS access at HCC	Completed	Completed	Completed	Completed	
Confirm & test GIS access at WDC	In Progress	On Track	29/05/26	29/05/26	Pending formal sign off
Day 1 Financial Systems - Authority	In Progress	On Track	30/06/26	30/06/26	
H&S and Risk Management Software Changes					
Health and Safety Systems Operational	Not Started	On Track	30/06/26	30/06/26	
Technical User Readiness					

Workstream Area	Deliverable	Status	Traffic Lights	Planned Date:	Deadline	Waiting on:
	System access change	In Progress	On Track	26/06/26	26/06/26	
Data and Reporting						
	Agreed Reporting Plan for Day 1	Completed	Completed	Completed	Completed	
Security						
	IAWAI Current Cyber Posture (includes Watercare, HCC & WDC)	Completed	Completed	Completed	Completed	
	Data Access Agreement	Not Started	On Track	30/06/26	30/06/26	
Shared Service & SLAs						
Shared Services Agreement		Completed	Completed	Completed	Completed	
	Stormwater Definition Agreed	Completed	Completed	Completed	Completed	
Emergency Management				30/06/26		
	Testing - Weather Event simulation	In Progress	On Track	30/062026	30/06/26	
Legal & Contracts						
Transfer Agreement						
	Day 1 Transfer executed / complete	In Progress	On Track	30/06/26	30/06/26	
Comms, Consultation & Customer						
Communication & Engagement Strategy						
	Introduction Campaign - IAWAI Brand & Purpose	In Progress	Off Track	1/06/26	1/06/26	Approved to start 23/6/26
Customer						
	Customer Journey Plan	In Progress	On Track	30/06/26	30/06/26	

08 Water Services Strategy 2026-2036 – Adoption report

Prepared and recommended by: Vishal Ramduny, Water Services Strategy Manager
Approved by: Peter Winder, Chief Executive

Purpose

1. To seek the Board's approval to adopt IAWAI's Water Services Strategy 2026-2036, and associated Fees and Charges schedule, effective from 1 July 2026.

Recommendations

2. That the IAWAI Board:

   a) Adopts IAWAI's inaugural Water Services Strategy 2026-2036 (Attachment 1 – Summary version and Attachment 2 – full version).

   b) Adopts IAWAI's Fees and Charges Schedule (Attachment 3) setting water charges from 1 July 2026 in accordance with the Local Government (Water Services) Act 2025.

   c) Authorises the following penalties and the dates when the penalties are to be added pursuant to Section 103 of the Local Government (Water Services) Act 2025:

      i) A penalty of 10% of the amount due and unpaid on the due date to be added on the day after the due date.

      ii) The dates when penalties will be added are as follows:

A penalty of 10% of the amount due and unpaid on the due date to be added on the day after the due date	**Date penalties added**
Hamilton capital value, fixed water and wastewater charges, growth charges (To be applied quarterly)	4 September 2026, 27 November 2026, 26 February 2027, 28 May 2027
Hamilton metered water charges (To be applied monthly for customers invoiced monthly. To be applied quarterly for all other customers)	21 July 2026, 21 August 2026, 21 September 2026, 21 October 2026, 21 November 2026, 21 December 2026, 21 January 2027, 21 February 2027, 21 March 2027, 21 April 2027, 21 May 2027, 21 June 2027
Waikato fixed water and wastewater charges, growth charges (To be applied three times per year)	22 September 2026, 21 January 2027, 21 May 2027
Waikato metered water charges: (To be applied twice per year)	
Ngaaruawaahia, Taupiri, Horotiu	7 September 2026, 8 March 2027
Huntly	5 October 2026, 5 April 2027
North Waikato, Pookeno	9 November 2026, 10 May 2027
Port Waikato, Onewhero, Tuakau	7 December 2026, 8 June 2027
Southern Districts, Western Districts	6 January 2027, 5 July 2027
Raglan, Te Aakau	9 February 2027, 9 August 2027

iii) Notes that:

a. Charges prior to 1 July 2026 are deemed rates under the Local Government (Rating) Act 2002 and penalties for unpaid rates from prior financial years will be applied in accordance with both councils' rates resolutions.

b. The dates for adding penalties for both councils are subject to the councils adopting the Annual Plan and approving the associated rates resolution.

d) Adopts IAWAI's Significance and Engagement Policy (Attachment 4).

e) Adopts IAWAI's Waiver Policy (Attachment 5).

f) Notes that the development of IAWAI's 2027-2037 Water Services Strategy will commence following adoption of the inaugural Strategy, to align with the 2027-2037 Long Term Plans of the shareholding councils.

g) Notes that the adoption of IAWAI's Development Contributions Policy (based on the relevant water and wastewater provisions of Hamilton City Council's and Waikato District Council's 2025 Development Contributions Policy) will be considered on 1 July 2026 and, if approved, will take effect from that date.

Executive Summary

3. IAWAI was established to deliver better water outcomes and services for our communities than Hamilton City Council (HCC) and Waikato District Council (WDC) could have achieved independently. It is tasked with addressing decades of underinvestment in critical water infrastructure, responding to rapid population growth, and improving long-term affordability for ratepayers. This Water Services Strategy (WSS) provides the foundation to achieve these goals, including proposing a substantial reduction in water charges compared with what was signalled in the Water Services Delivery Plan (WSDP) 2025.

4. Prior to IAWAI's creation, ratepayers were facing significant increases in water and wastewater charges by 2034 - estimated at $8,124 per annum in Waikato District and $2,751 in Hamilton City - while neither council had sufficient debt capacity to fund the level of investment required. The WSDP projected average rate increases of around 22%, rising to approximately 34% when accounting for depreciation funding if assets had remained with the councils.

5. In contrast, the Strategy sets out a $3 billion capital investment programme, including major upgrades to water and wastewater treatment plants, new infrastructure, and the introduction of water metering, with around $2 billion dedicated to supporting growth and unlocking capacity constraints. Together, this integrated approach positions IAWAI to deliver more resilient, efficient, and affordable water services for current and future communities.

6. The Water Services Strategy (WSS) was publicly notified for consultation from 3 March 2026 to 12 April 2026, alongside the Significance and Engagement Policy and the Waiver Policy. A total of 125 submissions were received.

7. The IAWAI Board considered and deliberated on submissions at its meeting held on 7 May 2026.

8. The Board noted that submissions were generally supportive of the Strategy and resolved to make several amendments to the document in response to feedback received.

9. The Board also received the tracked-change versions of the Fees and Charges Schedule and the Waiver Policy, which reflected the staff recommendations considered at the deliberations.

10. The Board also noted the following matters at the time of deliberations, the outcomes of which have since been incorporated into the final WSS:

- Staff were undertaking a further refinement of the capital works programme to reflect the expected year-end position immediately prior to the transfer of responsibility, considering the current global economic environment and supply chain conditions.

- Work to complete and verify the allocation of costs associated with shared services was underway.

11. Staff have completed all amendments to the final documents, including consequential revisions to the financial information arising from the resolutions passed at the deliberations, and clarifications to certain definitions.
12. The finalised Strategy, the Fees and Charges Schedule, the Significance and Engagement Policy and the Waiver Policy are now presented to the Board for adoption.

Background

13. IAWAI's inaugural WSS has been prepared in accordance with the Local Government (Water Services) Act 2025 and in line with shareholder expectations (HCC, WDC, and Waikato Tainui), and national regulatory obligations.
14. It establishes the framework for delivering water services from 1 July 2026 and has been refined through consultation and Board consideration. It includes:
    - IAWAI's fees and water charges
    - A 10-year capital works programme
    - A 30-year infrastructure investment outlook
    - Supporting policies, including the Significance and Engagement Policy and Waiver Policy.
15. The Strategy has been developed using council growth projections and reflects a step-change in how water services will be planned and funded across the sub-region.
16. Public consultation was undertaken from 3 March to 12 April 2026, with 125 submissions received. Submissions were generally supportive of the overall direction of the Strategy.
17. The Board considered submissions and deliberated on 7 May 2026, resulting in a number of refinements to the Strategy and associated documents. These changes have been incorporated into the final documents presented for adoption.

Discussion

18. Following consultation, the IAWAI Board considered submissions on 7 May 2026. While noting general support by submitters, the Board directed a number of refinements to the Strategy in response to feedback as follows:
    - Include a more explicit reference to Te Mana o te Wai, reflecting IAWAI's commitment to national freshwater standards.
    - Include a more explicit reference to Te Mana o te Moana, acknowledging IAWAI's commitment to the health and wellbeing of the marine environment.
    - Include reference to carbon emissions monitoring, delivered through shared service arrangements.
    - Reassess the proposed Water Supply and Wastewater Growth Charge for *non-residential* development to the 2027–2037 Water Services Strategy, subject to further analysis and engagement with key parties.
    - Apply ½ HUE when assessing the residential Water Supply and Wastewater Growth Charge for secondary minor dwellings.
    - Waive the Water Supply and Wastewater Growth Charge for new papakaainga developments in the Waiver Policy for 2026/2027.

19. The Board further noted at its deliberations that:

    - Staff were refining the capital works programme to reflect the expected year end position immediately prior to the transfer of responsibility, and in consideration of the current global economic and supply chain constraints.
    - Work to complete and verify the allocation of costs associated with shared services was underway.
    - Any financial amendments to the WSS arising from the Board's deliberations and/or corrections to the draft Strategy will be incorporated into the final version for consideration for adoption in June 2026.

20. The review of the capital works programme, as requested by the Board at its deliberations meeting, has resulted in deferrals of $1.3m in 2026/27, increases in 2027/28 by $17.6m, increases in 2028/29 by $19.8m and decrease in 2029/30 by $22.4m. The remaining years movements total $0.4m.

21. Staff have also undertaken a verification of the allocation of costs associated with shared services, which has been reflected in the updated financial information. The overall increase in operating costs is $0.1m in 2026/27. This is driven by a reduction in the shared service and stormwater charges by $4.6m and consequential opex by $0.6m, offset by increases in personnel costs by $2.3m, digital costs $0.4m, loss modelling $0.1m and Chief Executive discretionary fund by $2.5m. Depreciation has also increased by $0.4m. The overall revenue reduction is $4.8m. This was due to reduction in interest revenue by $1.8m due to the reduction in expected LGFA borrower notes, reduction in stormwater revenue by $3.1m driven by reduction in the shared service charge to IAWAI, reduction in water and wastewater charges by $0.3m and increase in fees and charges due to additional Design Engineering invoicing of $0.4m.

22. Staff have now completed all required amendments, including consequential revisions to the financial information arising from the deliberations. The final Strategy, along with the Fees and Charges Schedule, Significance and Engagement Policy, and Waiver Policy, is now presented to the Board for adoption.

Te Tiriti o Waitangi / Te Ture Whaimana o Te Awa o Waikato

23. Te Ture Whaimana o Te Awa o Waikato (the Vision and Strategy for the Waikato River), and the health and wellbeing of waterways, waterbodies, and the moana, are central to the WSS. In giving effect to this, IAWAI is guided by its purpose: to care for wai as taonga - sustaining life and safeguarding water for future generations. IAWAI therefore recognises its obligations to Te Ture Whaimana (which takes precedence), as well as to Te Mana o te Wai and Te Mana o te Moana. The implementation of relevant projects within IAWAI's capital works programme that improve the quality of discharges to the awa and/or address wet-weather flows from urban areas will support giving effect to Te Ture Whaimana.

24. IAWAI honours Te Tiriti o Waitangi and the Treaty settlements within its area of operation and is committed to Te Ture Whaimana o Te Awa o Waikato in the delivery of water services in a culturally and environmentally responsible manner. IAWAI acknowledges the Waikato awa as a single, indivisible living entity and will work with Waikato Waters to forge a collaborative, whole-of-awa approach.

25. IAWAI acknowledges the commitments made by its shareholding councils to iwi and hapuu through their respective Joint Management Agreements. Protection of the environment has therefore been a core consideration in the development of the Water Services Strategy.

Financial Implications

26. The Strategy delivers a significant capital investment programme while maintaining a focus on affordability for customers.

27. The updated financial information reflects refinement of the capital works programme, and confirmation of shared services cost allocations.

28. Compared with the WSDP 2025, the Strategy results in materially lower increases in water charges. For 2026/27, the median residential increase is $174 for both councils, representing a significant reduction from previously forecast levels.

29. Future price increases are forecast to remain well below WSDP levels and significantly lower than would have occurred under an in-house council delivery model. This is achieved while continuing to address infrastructure deficits, support growth, and deliver the capital works programme - at a scale that neither council could deliver independently.

30. The introduction of the Water Supply and Wastewater Growth Charge for new residential connections consented on or after 1 July 2026 will support the growth-should-pay-for- growth approach.

Legal requirements

31. The development of the WSS has been undertaken in accordance with the requirements of the Local Government (Water Services) Act 2025.

32. IAWAI has received legal advice confirming that the proposed growth charges are consistent with, and fit within, the charging framework provided for under the Local Government (Water Services) Act 2025.

Engagement and Consultation

33. Formal public consultation on the WSS occurred between 3 March and 12 April 2026. The consultation approach involved the following:

    - Engagement forums
    - Stakeholder communication
    - Community presence
    - Digital channels (including an online platform for submissions)
    - Media
    - Internal communication

Next steps

34. If adopted, the WSS will take effect from 1 July 2026.

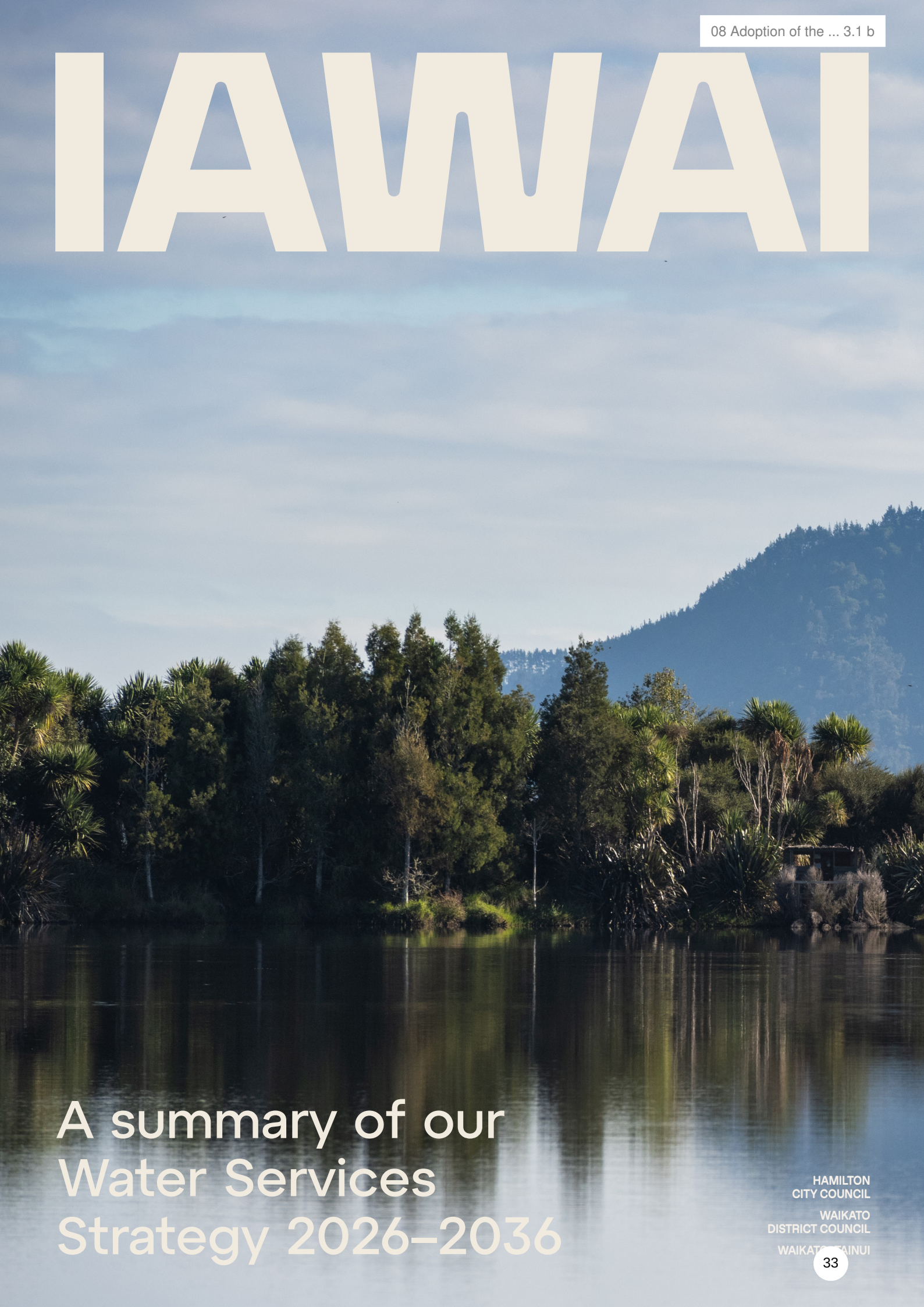
35. On 1 July 2026, the IAWAI Board will consider the adoption of the relevant provisions of the councils' 2025 Development Contributions Policy.

36. Work will commence on developing the 2027-2037 Water Services Strategy.

Attachments

- Attachment 1 - Water Services Strategy 2026-2036 - Summary document
- Attachment 2 - Water Services Strategy 2026-2036 - Full document
- Attachment 3 - IAWAI Fees and Charges Schedule
- Attachment 4 - IAWAI Significance and Engagement Policy
- Attachment 5 - IAWAI Waiver Policy

IAWAI



A summary of our Water Services Strategy 2026–2036

HAMILTON CITY COUNCIL

WAIKATO DISTRICT COUNCIL

WAIKATO-TAINUI

“Tooku awa koiora me oona pikonga he kura tangihia o te maataamuri”

The river of life, each curve more beautiful than the last

Kiingi Taawhiao

For Waikato-Tainui, the Waikato River is a tupuna with its own mana, embodying the mana and mauri of the iwi. It is regarded as a single indivisible living being that flows from Taheke Hukahuka to Te Puuaha o Waikato.

The deep relationship Waikato-Tainui hold with the awa, and the respect they afford it, sits at the heart of their spiritual and physical wellbeing, as well as their identity and whakapapa.

This relationship underpins the shared vision expressed in *Te Ture Whaimana o Te Awa o Waikato:*

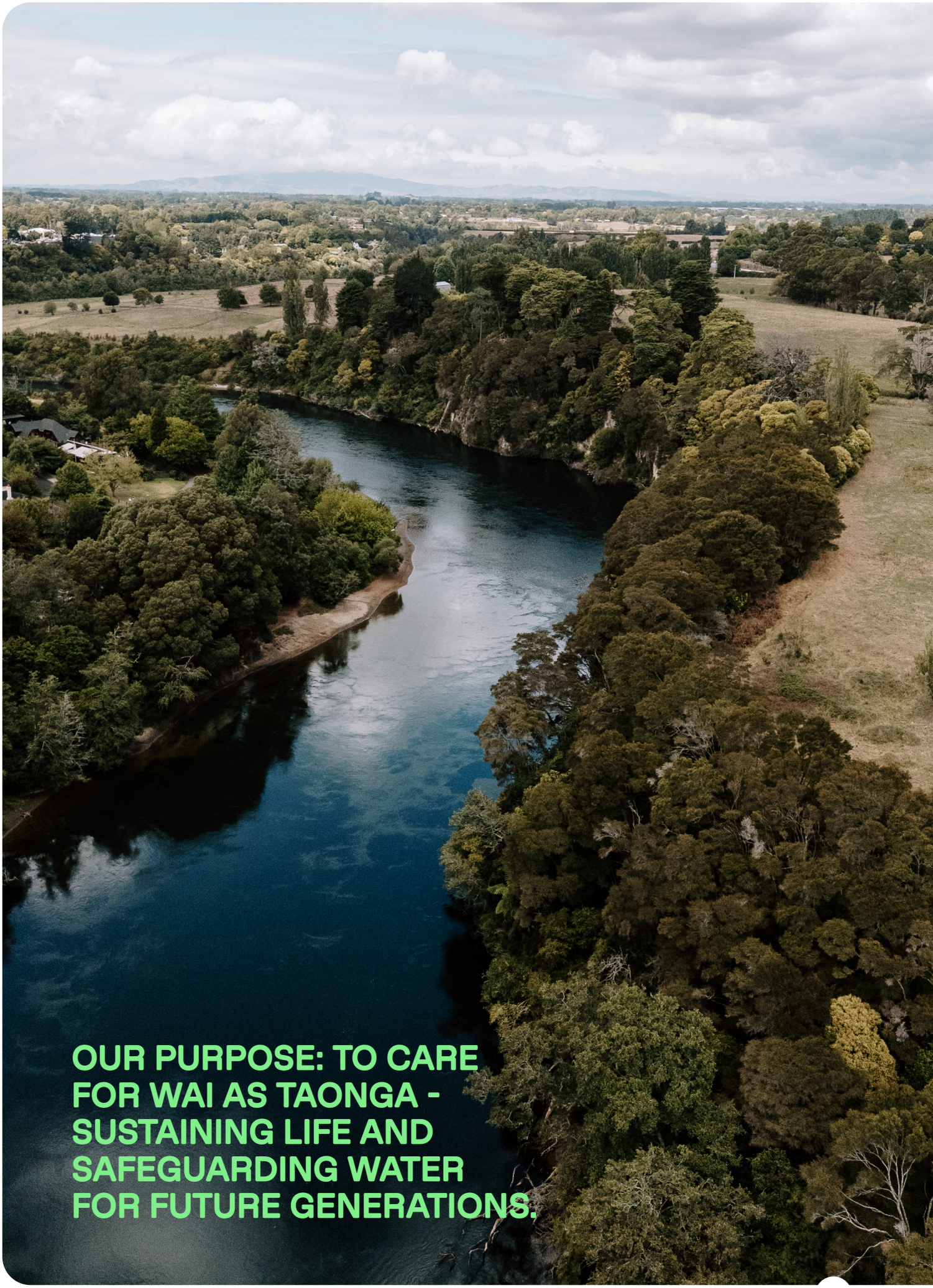
For a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces for generations to come.

Let's work together for better water

Throughout this document there may be variations in te reo Maaori spelling. In the Waikato iwi dialect, double vowels represent long vowel sounds, reflecting local language practices.

In some instances however, macrons are used - particularly in the names of other councils or place names where the official spelling includes a macron. This approach ensures consistency while respecting both iwi and organisational preferences.

When referring to the principal iwi in our sub-region, we use 'Waikato'. 'Waikato-Tainui' is used specifically when referring to our partnership with the tribal organisation.


OUR PURPOSE: TO CARE FOR WAI AS TAONGA - SUSTAINING LIFE AND SAFEGUARDING WATER FOR FUTURE GENERATIONS.

RAARANGI TAKE

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KO WAI A IAWAI

What is IAWAI?

IAWAI is a publicly-owned water company formed by Waikato District Council and Hamilton City Council. We plan, build, manage and maintain drinking water and wastewater services for communities across Hamilton City and the Waikato District. We also manage stormwater for both Councils.

From July 1 2026, IAWAI will own the water and wastewater assets (treatment plants, reservoirs, pump stations, pipes and more) previously managed separately by each Council. Debt related to water services will also be transferred from each Council, to IAWAI. Over time, IAWAI will deliver water services faster, more cost-effectively and more affordably.

We work in partnership with Waikato-Tainui, sharing a strong commitment to restore and protect the health of the Waikato River. IAWAI is governed by an independent Board of Directors.

TE OROKOHANGA O IAWAI

How did IAWAI come about?

Over the past 10–20 years, it's become clear that New Zealand faces serious challenges with water infrastructure. Decades of under-investment have led to failures in some parts of the country, putting people and the environment at risk. The cost of fixing these problems has also continued to rise, placing huge pressure on ratepayers, who have carried most of the burden.

Ratepayers have paid more than their fair share to support growth, but in some areas it hasn't been enough. Councils, which were previously responsible for water infrastructure, haven't been able to build what was needed fast enough.
In many cases this was because communities simply couldn't afford it, or there wasn't enough contracting capacity to do the work.

As a result, last year our shareholding councils forecast increases to water charges of 14.4% (Waikato) and 28.2% (Hamilton) for households over the next decade. Successive governments have recognised that something had to change – and it has.

Last year, Hamilton City Council and Waikato District Council responded to strong direction from the government to make major changes to how water services are delivered. They were encouraged to work together to create a larger, more efficient water services organisation that can invest more over time while keeping costs as low as possible.

After public consultation, IAWAI was formed. We will be fully operational from July 2026 and we are already taking steps to tackle the significant challenges ahead.

"OVER TIME, IAWAI WILL DELIVER WATER SERVICES FASTER, MORE COST-EFFECTIVELY AND MORE AFFORDABLY FOR THE PEOPLE WE SERVE."

HE AHA TE RAUTAKI RAATONGA WAI?

What is our Water Services Strategy?

This document is a summary of our Water Services Strategy. The Strategy, required by law, is a 10-year plan (2026 – 2036) outlining our priorities for the next decade. It sets out how we will deal with huge growth, look after our existing water assets, meet rules and regulations, and provide the critical water and wastewater services the residents and businesses of our communities need.

IAWAI is required to give effect to Te Ture Whaimana o Te Awa o Waikato. This Strategy is the first expression of the works and activities that IAWAI will undertake to help realise the vision for the future health and vitality of the Waikato River and of the communities it sustains.

It outlines where we operate, the services we provide, our plans for the future and our commitment to the Waikato River.

This strategy is a first step. We'll be completely reviewing it again in 2027 (to align with Council long-term plans) to make sure we have it right.

To see a copy of our full Water Services Strategy visit hamilton.govt.nz/IAWAI

This Strategy is supported by the following policies.

- **Significance and Engagement Policy**
  This policy sets out how IAWAI determines the significance of decisions and issues, and outlines when and how the community will be engaged before decisions are made.
- **Waiver Policy**
  This policy sets out the circumstances in which IAWAI may waive fees, requirements, or conditions, and the criteria used to consider and approve waiver requests. Nothing changes for ratepayers under the policy – the same waivers will still apply.
- **Development Contributions Policy**
  From 1 July 2026 IAWAI will have a development contributions policy relating to water and wastewater.

Read these Policies at hamilton.govt.nz/IAWAI





"WE ALL NEED TO BE PART OF THIS STORY... WE ALL HAVE A VESTED INTEREST IN GETTING IT RIGHT."

HE KUPU NAA TE HEAMANA ME TE TUMU WHAKARAE O IAWAI

From our Chair and Chief Executive

This strategy begins and ends with the health and vitality of the Waikato River, the moana (ocean), and the communities these sustain. It is grounded in Te Ture Whaimana o Te Awa o Waikato, the vision and strategy of the Waikato River. For IAWAI this vision is foundational, guiding how water services are planned, delivered and invested in, and ensuring the wellbeing of the Waikato River remains central to all decision making. As you read through the strategy, we hope you too are guided by the principles of Te Ture Whaimana – recognising the river's health and life-giving role.

This is a first cut of a long-term strategy that we know will challenge all of us – our shareholders, our partners, and our wider community.

The issues we face are considerable.

This strategy is designed to address decades of under-investment in water and wastewater infrastructure, while continuing to deliver the critical services our communities need to survive and thrive.

We know we must do our part – quickly and safely – to remove barriers that are already holding back the development of new housing and businesses, which are essential to keeping neighbourhoods and communities viable.

At the same time, IAWAI must manage significant population growth, meet increasingly stringent regulatory standards, and do so in a way that keeps costs as low as possible for those who ultimately fund this work.

We all need to be part of this story – water consumers, property developers, civil contractors, mana whenua, shareholders, and the regulatory agencies who will take a close interest in what we do.

We all have a vested interest in getting this right. That is why we intend to use every tool available to us.

We are proposing an ambitious capital works programme of $3 billion over 10 years. Delivering this will require us to leverage our size and scale, and to build strong, commercial relationships with the construction sector that may not have been possible before.

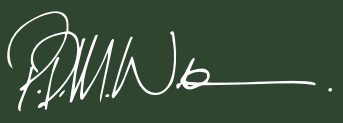
We intend to make smarter use of long-term debt so we can make substantive progress without unduly penalising existing ratepayers. We must drive changes to our financial position.

We are also exploring new revenue streams to ensure growth is paid for by those who drive that growth, rather than by existing water and wastewater users.

At the same time, we have set ambitious savings targets so we can capture efficiencies and minimise the price increases our consumers will face.

This summary of our first-ever strategy outlines what we plan to do, why, and when. We have been transparent about the costs involved and what those costs mean.

Importantly, it signals a material shift in how water and wastewater services in Hamilton City and Waikato District will be managed in the future.



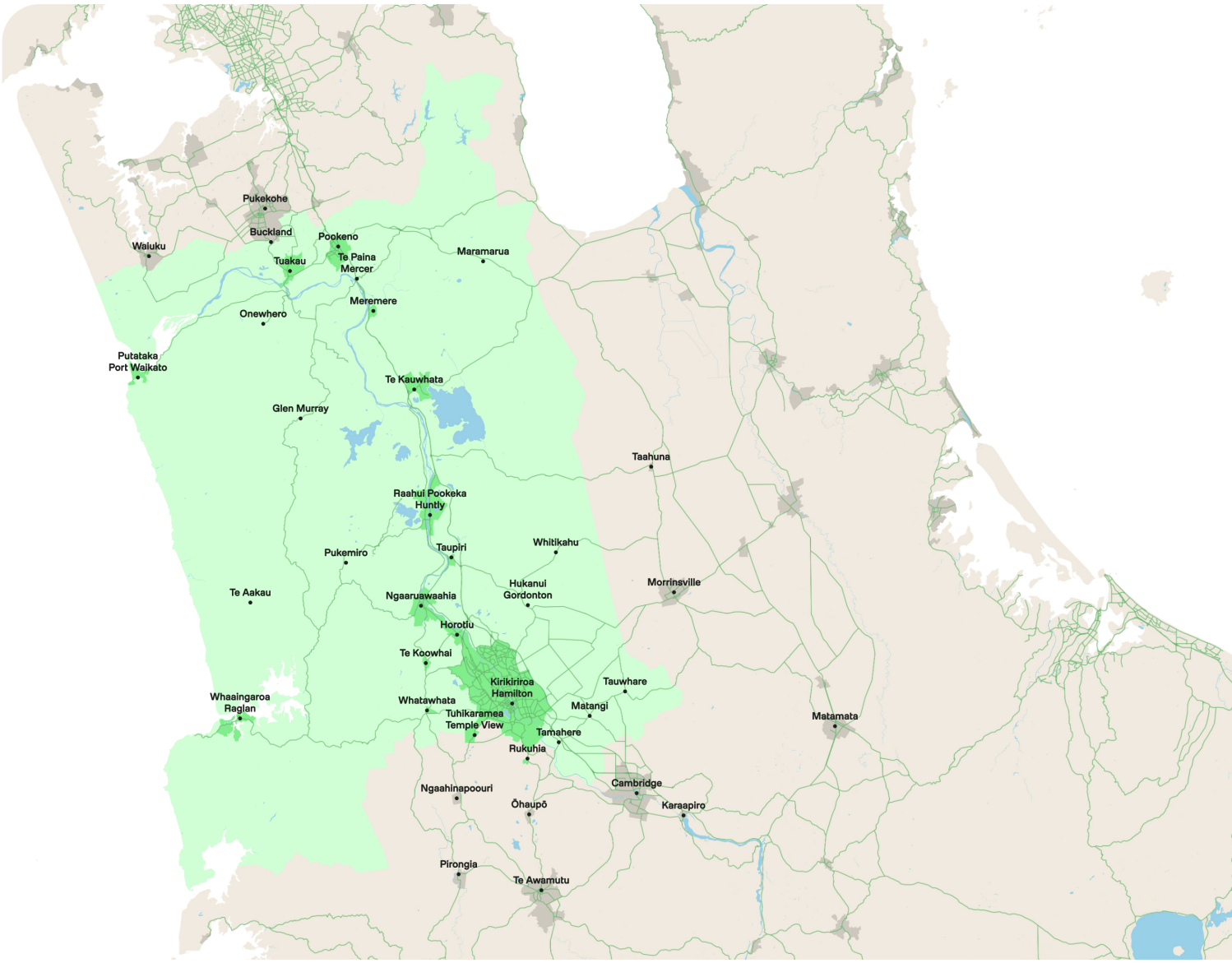
Peter Winder

CHIEF EXECUTIVE



Kevin Lavey

CHAIR ESTABLISHMENT BOARD



TE ROHE WHAKARATO A IAWAI

Where we operate

This map shows the large area (411,000 hectares) covered by IAWAI and the specific areas we service. It includes New Zealand's fastest growing city - Hamilton - plus a number of fast-growing towns. That growth is having a huge impact on our plans for the future, including what we can afford and in what timeframes.

The physical environment we operate in is precious. It is part of a wider river eco-system across the central North Island and includes two internationally significant wetlands and a number of precious waterways, including the Waikato River.

Area serviced

Urban areas serviced

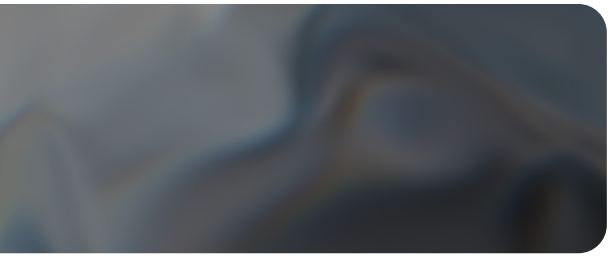
HE AHA TA
TATOU MAHI

What we do



Drinking water

We provide homes and businesses with reliable, clean and safe drinking water. That means we build, manage and maintain infrastructure like treatment plants, pump stations, reservoirs and a vast network of pipes.



Wastewater

We build, maintain and operate wastewater treatment plants, most of which treat used water to a very, very high standard. Where wastewater treatment standards are not already high enough, we have plans in place to fix it.



Stormwater

We also manage stormwater, under contract, for our shareholding councils to help prevent issues like flooding.

This includes things like managing runoff from roads and hard surfaces to reduce flooding and prevent pollution of our waterways.

“WHERE WASTEWATER TREATMENT STANDARDS ARE NOT ALREADY HIGH ENOUGH, WE HAVE PLANS IN PLACE TO FIX IT.”

By the numbers

We're Servicing

222,700
PEOPLE
(AND GROWING)

83,170
HOMES

42
MARAE

20,610
BUSINESSES

90,700
WATER AND
WASTEWATER
CONNECTIONS

8
WATER
TREATMENT PLANTS

10
WASTEWATER
TREATMENT PLANTS

205
WASTEWATER
PUMP STATIONS

1,192 km
OF WASTEWATER
PIPES

21,600
WATER METERS

$3 billion
CAPITAL
EXPENDITURE OVER
THE NEXT DECADE

HE AHA (KO WAI)
HEI ARAHI TAATOU

What (and who) guides us

Life runs on water. Water services are fundamental, we all need safe, sustainable water infrastructure to go about our daily lives.

Rules and regulations

Like all water service providers, IAWAI must comply with strict rules and regulations designed to protect public health, safeguard our environment and ensure high standards are met.

Three main organisations set the rules:

- **Taumata Arowai Water Services Authority** Makes sure all water service providers comply with strict drinking water safety standards.
- **Waikato Regional Council** Manages and protects the region's water by setting rules, monitoring water quality, controlling discharges, allocating water, and working on water protection projects.
- **Commerce Commission** Makes sure charges are affordable for consumers while ensuring water organisations are investing in the right things, at the right time.

Te Tiriti o Waitangi and Te Ture Whaimana o Te Awa o Waikato

The Treaty of Waitangi and the Vision and Strategy for the Waikato River

Clean and healthy water is critical for everyone – protecting public health and vitality, supporting cultural practices, enabling recreation and sustaining the environment. IAWAI is committed to Te Ture Whaimana o Te Awa o Waikato (restoring the health of the Waikato River) and to delivering water services in a culturally and environmentally responsible way. IAWAI honours Te Tiriti o Waitangi (Treaty of Waitangi) and all Treaty Settlements within our area of operation.

Shareholders' Statement of Expectations

Hamilton City Council, Waikato District Council and Waikato-Tainui have jointly developed Statement of Expectations to guide our priorities and performance. The statement reflects our shared commitment to Te Ture Whaimana o Te Awa o Waikato and the partnership that underpins how we work together.

It also sets clear, long-term expectations for how IAWAI operates, including acting transparently, managing finances responsibly, reporting openly and delivering high-quality public services that support communities now and in the future.

To see a copy of the Statement of Expectations go to **hamilton.govt.nz/IAWAI**

The Board's expectations of the Chief Executive

The IAWAI Board has set clear performance expectations for the Chief Executive to ensure the organisation delivers in line with its mandate. The seamless delivery of water services from 1 July 2026 is the top priority.

The Chief Executive will also be assessed against: ensuring charges are as low as practicable, while still making steady progress on the infrastructure deficit; ensuring IAWAI meets its savings target (2.5% by 28/29); embedding a pro-growth culture which is joined at the hip with shareholder partners; building an engaged, high performing workforce with strong talent pipelines and cultural capability.



NGAA WERO HEI WHAKAMANIA

The challenges ahead

Keeping water charges as low as possible Water and wastewater costs are rising faster than many can afford. It's essential we find savings without cutting the essential services we all rely on.

Keeping up with growth Our region is growing fast, but water infrastructure investment has not kept pace. We need to support new homes and businesses without expecting all households to fund that growth.

Ageing infrastructure Much of our network is ageing and needs a lot of work. Decades of under-investment mean tough choices because we can't afford to fix everything at once.

Protecting the Awa Several treatment plants need urgent upgrades to meet environmental standards, maintain public health and protect the Waikato River.

Removing barriers to development Water and wastewater constraints are already holding back development in Hamilton and northern Waikato. Fixing these is essential to unlocking housing and economic growth.

Financial sustainability IAWAI must be financially strong for the long-term. That means managing costs, debt and investment carefully, without making future costs unaffordable.

Building resilience Water services must withstand extreme weather, natural disasters and major disruptions while continuing to deliver safe drinking water and wastewater services.

Establishing a new organisation IAWAI brings together people, systems and processes from two councils. This transition must be done efficiently to keep costs down.

Safety of our people and our communities Our staff and contractors work in high-risk environments, and the services we deliver directly affect public health and safety. We must keep people safe every day.

Connecting with our community We're a new water organisation, we need to build trust and opportunities for genuine engagement that reaches different communities and reflects local priorities.



HE URUPARE KI NGAA WERO

How we plan to respond to these challenges

There's no single fix for the challenges we face. Growth pressures, ageing infrastructure, environmental compliance and cost pressures are deeply connected, and our response must be realistic, fair and financially sustainable.

Our first focus is affordability. We are completely reviewing how and where we spend money to keep water charges as low as possible, while still investing in the infrastructure our communities rely on. This means finding year-on-year operational savings, tightening and reprioritising our capital works programme, and using long-term debt so the cost of major assets is spread much more fairly across generations – not carried solely by today's residents.

Over the next decade, IAWAI will invest more than $3 billion in water and wastewater infrastructure of which $2bn is in response to growth. That scale of investment requires a much more strategic and disciplined approach. There can be no 'fat' in the system – our programme is focused on doing the most important things first.

Operating as a single entity allows us to plan and invest across the region, rather than being constrained by council boundaries. We have greater flexibility around debt and can take a more commercial, long-term view of investment. Our short-term focus is maintaining existing levels of service, while tackling a significant backlog of renewals and planning for growth.

We are placing much greater emphasis on **maintaining and extending the life of existing assets.** This reduces failures, avoids costly emergency repairs and delivers better value over time. We are also changing how we deliver this work, moving to long-term, partnership-based approaches for renewals and maintenance, with a strong focus on compliance and performance.

Protecting the Awa sits at the centre of every investment decision. We have allocated funding to upgrade the Pukete Wastewater Treatment Plant, plan to build a new Southern Wastewater Treatment Plant to support growth in south Hamilton and will upgrade both the Huntly Wastewater Treatment Plant and the Ngaaruawaahia Wastewater Treatment Plant to ensure they meet all standards. These projects are essential for environmental protection, public health and future growth. We also recognise our obligations to Te Mana o te Wai (the national freshwater framework) and to Te Mana o te Moana (the health and wellbeing of the marine environment)

We are also changing how we pay for growth. We intend moving toward a much clearer "growth pays for growth" approach rather than relying on existing ratepayers. This means being explicit about what IAWAI can and cannot fund. For example, we will not budget for, or expect existing water users to fund, fast-track greenfield developments required by the government. Those costs must be met over time by those developments. We are also reviewing our development contributions policy, so it better reflects the true community cost of growth-related infrastructure.

In addition, we are introducing new Water Supply and Wastewater Growth Charges on all new residential builds, designed to recover over time the costs of growth from new developments. With a combined total of $500 per year, for a single household unit equivalent, the growth charges will help fund the infrastructure needed to support new homes, easing pressure on existing households who do not directly benefit from new development. The Water Supply and Wastewater Growth Charge will not be applied to new non-residential developments for 2026/2027. This is to enable IAWAI to have further engagements on this matter with relevant parties as part of the 2027-2037 Water Services Strategy.

You can read more about this on page 22

Addressing water and wastewater constraints that are already limiting development in Hamilton and northern Waikato is another key priority. Capacity issues in the city, Pookeno and Tuakau require solutions and are being prioritised to be resolved over time. In high-growth areas, we are also exploring alternative delivery models, including private partnerships, to share costs more fairly and unlock development sooner

At the same time, **we are strengthening resilience** of our water services so they can cope with extreme weather, natural disasters, earthquakes and cyber threats. This includes better backup systems, stronger emergency response capability and planning for rapid recovery.

Finally, **we are building IAWAI in a cost-conscious way.** By using existing council systems, offices and people, and partnering with other water organisations to share systems, technology and expertise, we can reduce duplication, control costs and deliver better long-term outcomes.

Overall, we are seeking a balanced, practical and very transparent response to the challenges we face – one that focuses on fairness, affordability, environmental protection and long-term resilience.

TE HAPAI O KI MURI

Behind the scenes

There's a lot to do.
On the following pages we outline some of the projects we've prioritised to meet the challenges ahead. We'll be focusing first on those things we need to achieve, quickly.

Behind the scenes, there's also work to be done so we can deliver the best deal for our communities. Our immediate priorities include:

Set water and wastewater charges. Shareholding councils will continue to collect payments on our behalf because for now, it's more cost-efficient to use existing systems.

Explore ways to make savings. We have identified a 2.5% savings programme which will come into full effect from 2028/29.

Make a decision around residential water meters in Hamilton. We'll continue to maintain the thousands of other water meters already in operation across our area.

Gradually reduce the proportion of waters charges based on capital value. This is what the law requires.

Ensure that we enhance our engagement with customers and improve our service delivery.

Develop a staged approach to price harmonisation between Hamilton City and Waikato District for the services we provide. Over time, this will mean consistent prices, irrespective of where people live.

Build strong partnerships with developers and infrastructure companies and take a much more commercial approach to doing business. We need to be able to do more, faster, and at the best possible cost.

Develop and implement a more advanced strategic asset management system. This will help determine what maintenance is needed – when - so we can ensure assets don't fail.

Develop and implement a risk management system. We must always be able to provide critical water and wastewater services.

Completing the integration of water services provided by Watercare into IAWAI.

Confirm how best to support customers struggling to pay water charges. This will be via the government's existing rates rebate programme and IAWAI's Waiver Policy.

Respond to the Commerce Commission's information disclosure requirements. This is required by law.

Over time we will

Send customer water bills direct from IAWAI. This will involve setting pricing irrespective of where people live (price harmonisation) and will need to be agreed by shareholders.

Ensure revenue is enough to cover operational costs, capital expenditure debt servicing and all financial obligations. We need enough money to run the business, including a plan for managing the debt and associated costs.

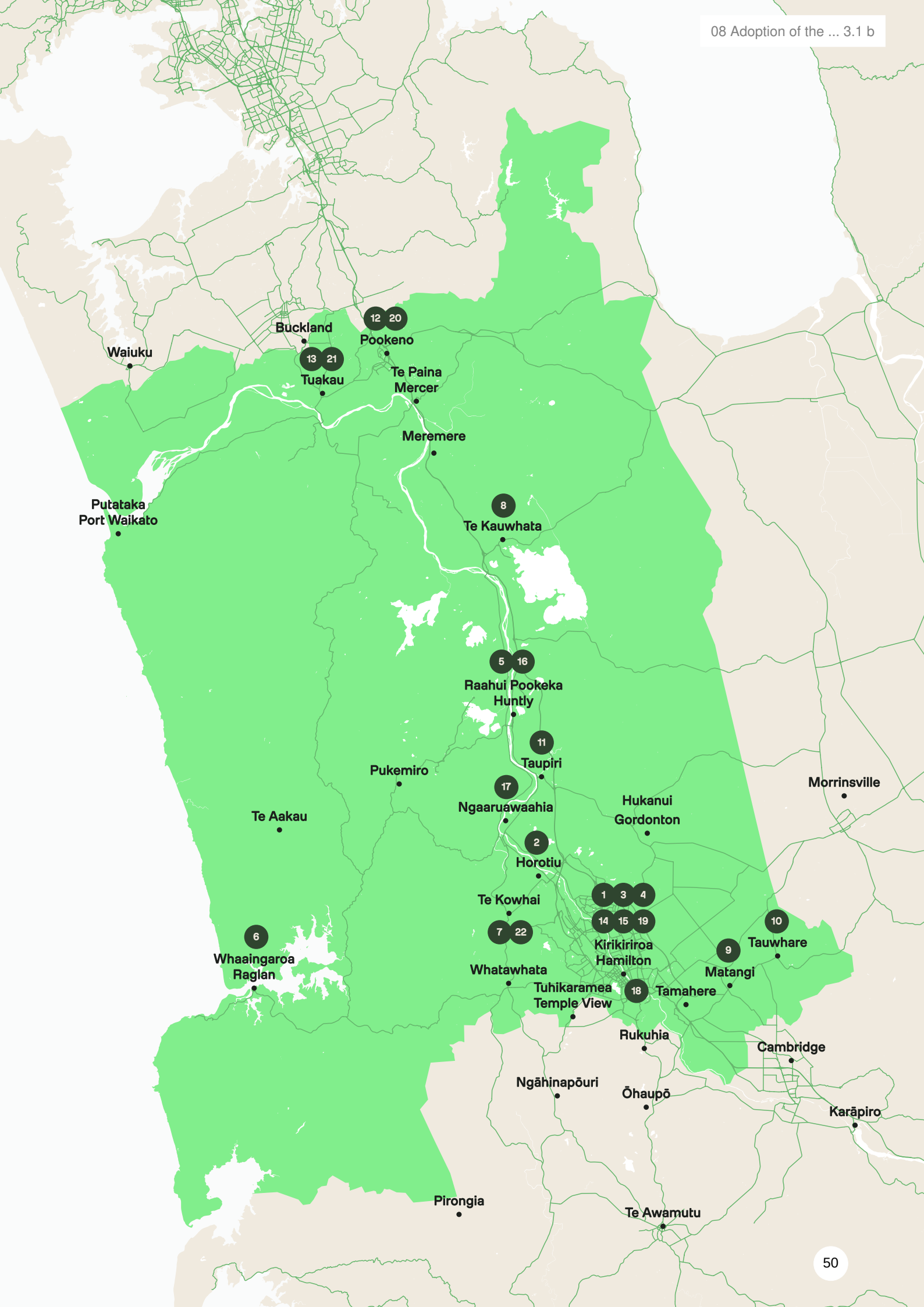
Be financially sustainable (making sure our revenue consistently covers expenses). We need to live within our means.

Continue implementing an ambitious capital works programme. We'll only commit to what we can deliver, and what our customers can afford.

Deliver better customer service and experiences.

Fully leverage digital technologies. That may mean sharing standardised technologies with others, so together we can drive costs down.




Buckland
12 20
Pookeno
Waiuku
13 21
Tuakau
Te Paina
Mercer
Meremere
Putataka
Port Waikato
8
Te Kauwhata
5 16
Raahui Pookeka
Huntly
11
Taupiri
Pukemiro
17
Ngaaruawaahia
Morrinsville
Hukanui
Gordonton
Te Aakau
2
Horotiu
1 3 4
Te Kowhai
14 15 19
7 22
10
Tauwhare
6
Whaingaroa
Raglan
Kirikiriroa
Hamilton
9
Matangi
Whatawhata
Tuhikaramea
Temple View
18
Tamahere
Rukuhia
Cambridge
Ngāhinapōuri
Ōhaupō
Karāpiro
Pirongia
Te Awamutu

NGAA KAUPAPA MATUA

Key Projects

Drinking water and Reservoirs

1. Upgrade the Waiora Water Treatment Plant to increase water storage and introduce a new waste stream solution. Estimated cost (2026-2036) $88.6 million.
2. New subregional water treatment plant to service Hamilton and Ngaaruawaahia initially - $97.5m
3. Build a 25 million litre reservoir for central Hamilton by 2028. This will improve water supply resilience including firefighting capacity, support long-term city growth, and enable around 4000 new homes in the city centre. Estimated cost (2026-2036) $150.6million*
4. A new reservoir, pump station and large water pipes to improve water supply reliability in Hillcrest. The project will reduce water loss, improve efficiency, strengthen resilience to demand changes, and create capacity to support future growth. Estimated cost (2026-2036) $57.2 million.

** This work is funded by the Infrastructure Acceleration Fund – a government fund set up to pay for essential infrastructure that unlocks new housing and supports growth. Hamilton City Council secured this funding in 2022.*

New or upgraded water infrastructure, including treatment plants, pipes, extensions, pump stations:

5. Huntly water works $30.8 million
6. Raglan water works $22.2 million
7. Te Kowhai water works[1] $15.15 million
8. Te Kauwhata water works[1] $63.7 million
9. Matangi water works $13.3 million
10. Eureka water works $5 million
11. Taupiri water works[1] $7 million
12. Pookeno water works[1] $18.8 million
13. Tuakau water works[1] $16.15 million

[1] *Co-funded by other parties*

Fairer charging

14 The Strategy includes funding for the roll out of water meters in Hamilton. The roll out is subject to a Board decision later in 2026, after the completion of pilot water meter initiatives.. This would support the transition from capital value-based charging to volumetric charging, as required by legislation and to move to a fairer user-pays charging method. There are already 4000 commercial and industrial water meters in Hamilton. Waikato District Council has had water meters since 2016; this funding includes upgrading their stock to digital meters. Estimated cost (2026-2036) $108.7 million.

Wastewater treatment plants

15 Major upgrades to Pukete Wastewater Treatment Plant, Hamilton's only wastewater treatment plant, to increase capacity, performance and resilience. This investment will support future population growth, improve environmental outcomes, and service Ngaaruawaahia. Estimated cost (2026-2036) $404million.

16 Upgrade the Huntly Wastewater Treatment Plant to bring it into compliance and support future growth. Estimated cost (2026-2036) $41.6million.

17 Upgrades to the Ngaaruawaahia Wastewater Treatment Plant are needed to make it compliant, support growth in the surrounding area and allow for the future transfer of wastewater to an upgraded Pukete plant. The upgrades are being designed so key components can be reused or relocated to support growth and compliance elsewhere once wastewater is redirected to the Pukete Wastewater Treatment Plant. Estimated cost (2026-2036) $35 million.

New infrastructure

18 Planning and implementation of a new, Southern Wastewater Treatment Plant. Built to modern standards, and in stages to support growing communities, it will treat wastewater to a high standard, reduce pressure on Pukete, and enable new housing and business growth while protecting the Waikato River. Estimated cost (2026-2036) $134.9million.

19 Installation of bulk wastewater storage tanks in Hamilton. This will allow us to manage extra wastewater during heavy rain when the system can become overloaded. A total of seven storage tanks are planned. Four of these will be built between 2026-2036. Estimated cost (2026-2036) $139.4 million.

Planning for growth

20 21 Increasing wastewater servicing capacity for Pookeno and Tuakau. We're exploring a private partnership to deliver a new wastewater treatment plant.

22 Progressing a solution for water, wastewater and stormwater infrastructure in Te Kowhai to support growth.

Water and wastewater renewals

We will keep reinvesting in our existing water infrastructure. We will increase the pace and scale of renewals, prioritising the highest-risk assets and extending the life of what we already have. This will be delivered through long-term partnerships with contractors, giving greater certainty, stronger forward planning, and better value over time.



NGAA AHUMONI

The financials

THE DECISIONS WE MAKE WILL DIRECTLY AFFECT HOW MUCH PEOPLE PAY, AND WHAT WATER AND WASTEWATER SERVICES THEY WILL RECEIVE OVER DECADES TO COME.

Keeping prices as low as possible, while still addressing the infrastructure deficit, and keeping pace with growth, is core to this draft Water Services Strategy.

We know households are facing rising costs, and we're working hard to reduce our own costs as much as possible. We're looking carefully at our capital programme, tightening our operating costs, finding new revenue opportunities (including a growth levy), and using long-term debt responsibly.

Water charges

What's changing?

From 1 July 2026, water charges will be removed from your property rates and shown separately as an IAWAI water charge.

• If you own property in Hamilton, you will still receive one invoice that includes both your rates and your water charges.

• If you own property in Waikato District, you will still receive one invoice with your rates and fixed water charges, and you will continue to get a separate water meter bill twice a year.

You can keep paying the same way you do now – all existing payment methods stay the same.

Property rates (set by Council in June) will still cover all other council services but will no longer include drinking water and wastewater. Councils will continue to rate for stormwater.

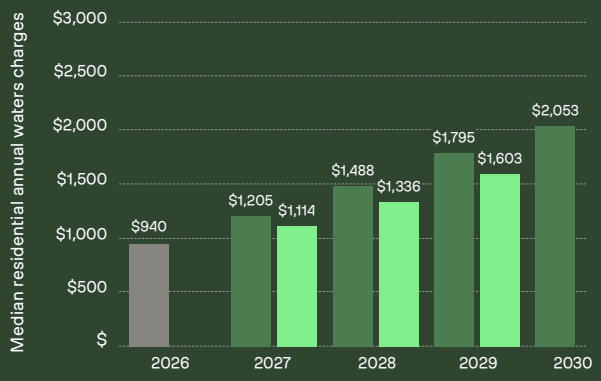
Water charge increases

Water charges are expected to rise significantly across New Zealand due to the growing cost of maintaining, upgrading and expanding water infrastructure.

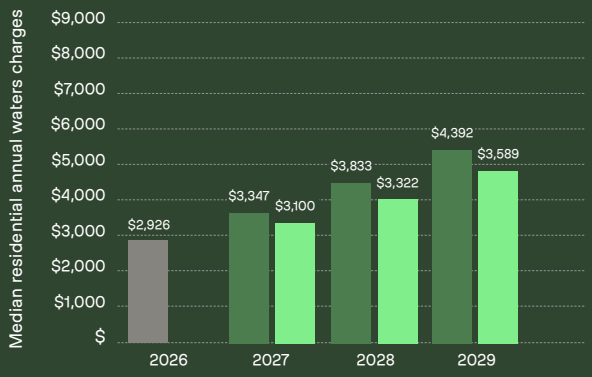
The decision by Hamilton City Council and Waikato District Councils to form a shared water organisation, IAWAI, has helped reduce those increases for our subregion.

By bringing services together under one organisation, IAWAI can plan across the subregion, invest more efficiently and use debt to smooth price increases. A review of our capital programme, revenue and debt settings, has reduced the proposed increases for both councils.

Median residential water charge increase



HAMILTON



WAIKATO

This is what you are currently paying for water services through your property rates.

WSDP $ (Avg)
This is what you would have paid based on previous Council plans

WSS $ (Med)
This is what we're proposing you will pay for waters services under IAWAI.

For Hamilton customers, the average increase* in water charges has dropped from $265 to $174 per year.

For Waikato District customers, increases in water and wastewater fixed charges fall from $364 to $142 per year*. This combined with volumetric charges (based on an average water use**) brings down the previously forecast increase in charges for Waikato District customers to $174.

**when compared to previous forecasts in the Water Services Delivery Plan*

***average water use is 210m³ per annum*

That's a decrease for the median residential household of $91 for Hamilton residents and a decrease of $247 for Waikato District residents.

Increases over the next two years are also well below the levels set out in previous council plans and far lower than if water remained an inhouse Council model.

We've only looked in detail at the next three years because a second Water Services Strategy will be completed in 2027. It's our intention that the 2027 Water Services Strategy will realise further efficiency opportunities and reflect what we learn as we transition into full operations. We remain focused on keeping water charges as low as we prudently can.

We're just getting started, but even under this strategy, the increases in the years ahead remain significantly lower than the stand-alone council model. That's the result of deliberate choices and careful financial management.

Providing clean drinking water, treating wastewater so it can safely return to the Awa, meeting rising regulatory standards, and building infrastructure for fast growing communities is expensive. And it costs more in places where populations are smaller or more spread out. That's why charges have historically differed between Hamilton and Waikato District.

This is exactly where the strength of a single water network under IAWAI comes in. By bringing communities together, building scale, and smoothing price changes, IAWAI will be able to keep future increases lower.

TE WHAKAURU I NGAA UTU TIPU HOU

Introducing new growth charges

Rapid population growth and Government legislation requires us to make big investments in growth-related infrastructure. $2 billion of IAWAI's capital programme is in response to growth.

For many years, existing ratepayers have effectively subsidised growth. We don't think that's fair. Growth should be funded by those creating the demand and benefiting from growth related investments.

To help fund growth, we are to introduce growth charges on new residential builds. They will ease the burden on existing households, generating $39.5 million over 10 years. It's money ratepayers and existing households won't have to find.

How the charges would be calculated

The growth charges are based on the net increase in demand on water supply and wastewater services, measured using Household Unit Equivalents (HUEs). For the purposes of assessing the Water Growth Charge and Wastewater Growth Charge:

• One additional residential dwelling is treated as equivalent to one (1) HUE.

This use of HUEs is aligned with how councils commonly represent relative demand. This simplified approach ensures growth related demand can be assessed and applied in a consistent and administratively efficient manner.

For residential developments:

• A Water Supply Growth Charge of $200 per year for 25 years for new residential builds consented on or after 1 July 2026.

• A Wastewater Growth Charge of $300 per year for 25 years for new residential builds consented on or after 1 July 2026.

The detail:

• Each new dwelling over 70m² is treated as 1 HUE, regardless of the number of bedrooms.

• Each new dwelling of 70m² or less for which no resource or building consent is required (granny flats and tiny homes) is treated as ½ a HUE.

• Multi-unit developments are charged per dwelling.

• Where redevelopment occurs, the charge applies only to the net increase in demand.

• Growth charges related to new papakaainga housing developments are waived for 2026/2027

For non-residential developments:

• Non-residential development will be expected to pay their fair share through private development agreements whilst consideration is given by IAWAI on a Water Supply and Wastewater Growth Charge during the development of the 2027-2037 Water Services Strategy.

• Water supply and wastewater growth charges for new non-residential developments will be considered as part of the Water Services Strategy 2027–2037, through engagement with relevant parties.

This does not fully address the necessary contribution and impact of new major water and wastewater users towards the cost of growth infrastructure. This will be addressed through reviews of charges for major trade waste agreements and major water supply agreements as part of our Water Services Strategy 2027.

Without the Water Supply and Wastewater Growth Charge for new residential developments, we would need to fund growth projects in a different way. It's likely that would require an increase in water charges for everyone and a significant increase in Development Charges.
The new Growth Charges will only apply to new residential development consented on or after 1 July 2026. Where redevelopment occurs the growth charges only apply to the net increase in demand. A development that demolishes one house to build three will only pay for the net increase in demand.

Debt

A core part of IAWAI's business is building big infrastructure, with some treatment plants having 100+ year lives. It is not fair that today's customers to bear the brunt of these costs when much of the infrastructure is being built for the future.

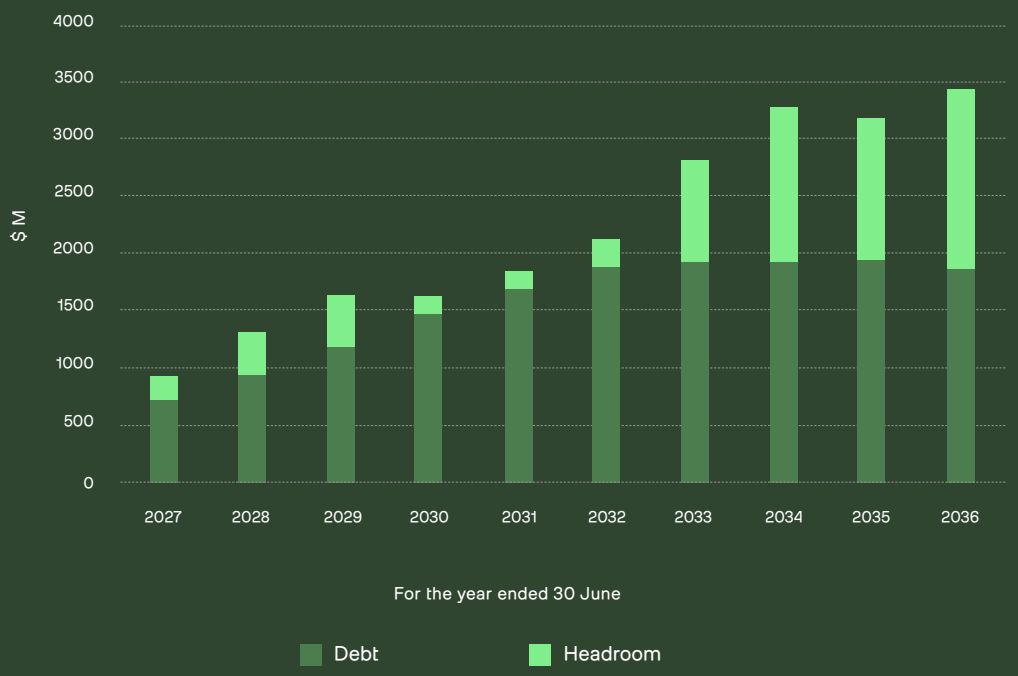
It makes sense that water organisations like IAWAI use long-term debt to help build big infrastructure. It helps spread costs more evenly across the generations that will use the assets. The Government is strongly encouraging this approach and the Commerce Commission is likely to require it.

Our strategy does exactly this.

In addition, IAWAI will deliberately use debt in the early years of its operation to support consumers by smoothing price increases.



Debt and borrowing limits



Fees and charges

Currently, Hamilton City Council and Waikato District Council each have their own separate water fees and charges. From 1 July 2026, these will be combined into one single IAWAI fees and charges schedule. This also includes what was water-related targeted rates.

What's changing?

• Drinking water and wastewater fees and charges will be managed by IAWAI.

• Stormwater charges will stay as part of council rates.

• Where possible, water and wastewater related fees based on hourly rates or for specific connection or consent related activities have been standardised, so Hamilton and Waikato customers are charged the same fees for the same activity or service. In some instances, this has resulted in an increase of slightly more than the rate of inflation for some charges for some customers.

• Trade waste quantitative charges (volumetric and contaminant based) have increased by 15% reflecting significant changes in the operating costs for treatment plants.

Overall, the changes are about bringing everything into one clear, consistent system across both council areas.

To view the full list of fees and charges visit **hamilton.govt.nz/IAWAI**



TITIRO WHAKAMUA

Looking ahead

While this Strategy focuses on the next 10 years, we're taking a longer-term view.

We're already looking 30 years ahead.

The growth being forecast for our operational area is creating challenges and opportunities. We need to consider:

- Where and when to invest
- How to enable and support growth
- Managing infrastructure and construction costs
- Renewing ageing assets
- Responding to extreme weather events
- Meeting strategic priorities
- What our customers can afford.

Everything we do
relies on water.

From brushing our teeth,
running factories, bathing
our kids, or making a cuppa –
water is at the heart
of daily life.

In te ao Maaori, waiora is the
life force, wai is taonga, and
the awa is an ancestor.

Water is the backbone
of our communities and
civic infrastructure.

Life runs on water.

Our job is to keep
that water flowing.

IAWAI

IAWAI

IAWAI Flowing Waters

Water Services Strategy

Te Rautaki Raatonga Wai

2026–2036

Getting Started

Oo rokotiimatanga

"Tooku awa koiora me oona pikonga he kura tangihia o te maataamuri"
The river of life, each curve more beautiful than the last" – Kiingi Taawhiao

For Waikato-Tainui, the Waikato River is a tupuna with its own mana, embodying the mana and mauri of the iwi. It is regarded as a single indivisible living being that flows from Taheke Hukahuka to Te Puuaha o Waikato. The deep relationship Waikato-Tainui hold with the awa, and the respect afforded to it, sits at the heart of their spiritual and physical wellbeing, as well as their identity and whakapapa.

This relationship underpins the shared vision expressed in Te Ture Whaimana o Te Awa o Waikato:
for a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces for generations to come.

Everything we do relies on water.

From brushing our teeth, running factories, bathing our kids, or making a cuppa – water is at the heart of daily life.

In te ao Maaori, waiora is the lifeforce, wai is taonga, and the awa is an ancestor.

Water is the backbone of our comunities and civic infrastructure.

Life runs on water.

Our job is to keep that water flowing.

IAWAI – Flowing Waters.

KO WAI A IAWAI

Who is IAWAI?

IAWAI is a new Council-Controlled Organisation (CCO) created by Hamilton City Council (HCC) and Waikato District Council (WDC) to manage water services for their communities.

We oversee drinking water and wastewater services for 90,700 connections across Hamilton City and Waikato District and provide stormwater services to both councils.

IAWAI was formed under the government's Local Water Done Well programme to deliver water services more efficiently by combining the resources and expertise of HCC and WDC. This approach supports regional growth, improves water quality, strengthens resilience for local communities, and promotes better environmental outcomes.

IAWAI offers scale that helps drive affordability, along with increased commercial flexibility, greater efficiency through specialised expertise, and a more integrated boundaryless approach to improving our environment.

We partner with Waikato-Tainui, reflecting our shared commitment to restoring and protecting the health of Waikato Te Awa (Waikato River), waterways, waterbodies, and the moana.

Governed by a board of directors, IAWAI was incorporated on 1 July 2025 and is fully operational from 1 July 2026.

HE AHA TE RAUTAKI RAATONGA WAI?

What is a Water Services Strategy?

The Water Services Strategy (WSS) is a ten-year plan that explains how IAWAI will meet the Government's requirements for water services. It outlines how we will provide support for growth, renew assets, comply with regulations, and deliver services across Hamilton City and Waikato District.

The WSS is required under the Local Government (Water Services) Act 2025 to ensure water services are:

- Reliable
- Resilient
- High quality and meet consumer expectations
- Fully compliant with regulations

IAWAI is required by its shareholders and partners to give effect to Te Ture Whaimana o Te Awa o Waikato. We are also aware that wastewater discharge into the moana (ocean) should not degrade mauri (life force), impact kai moana (seafood) gathering, and violate tikanga (customary practices).

This WSS is the first expression of the works and activities that IAWAI will undertake to help to realise the vision for the future health and vitality of the Waikato River and of the communities it sustains.

This WSS will be reviewed and updated by 1 July 2027 for the 2027–2037 period to align with the long term plans of our shareholding councils.



Throughout this document you may notice variations in te reo Maaori spelling. In the Waikato iwi dialect, double vowels are used to represent long vowel sounds - reflecting the local language practices of our region. In some instances, however, macrons are used—particularly in the names of other councils or place names where the official spelling includes a macron. This approach ensures consistency while respecting both iwi and organisational preferences.

When referring to the principal iwi in the sub-region, we use 'Waikato' in line with correct convention. The term 'Waikato-Tainui' is used specifically when referring to our partnership with the tribal organisation.

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WAAHANGA 1
Section 1

HE KUPU ARATAKI
Introduction

IAWAI is just getting started. On 1 July 2026, IAWAI becomes the new water services provider for Hamilton and Waikato District. Drinking water and wastewater assets previously managed by HCC and WDC transfer to IAWAI. We will also take responsibility for the management and operation of each council's stormwater services.

This strategy sets out how IAWAI will deliver safe, clean drinking water and reliable wastewater services to our communities. It explains how we will invest wisely, keep services affordable, manage revenue sustainably, and maintain responsible debt levels. These actions will support growth, address infrastructure deficits, and help protect the taiao (environment) across Hamilton City and Waikato District.

We will give effect to Te Ture Whaimana o te Waikato (the health and wellbeing of the Waikato River) and work to improve the quality of discharges into waterways, water bodies, and our moana (ocean). The strategy also outlines charges for the services we provide.

The WSS contains detailed planning and financial information for a ten-year period. It also provides a long term overview of our capital projects—spanning 10 to 30 years— to meet the needs of current and future residents as the subregion grows.

Why change was needed

How Councils deliver water services has been a focus of local and central government for years. Large-scale investment is needed nationwide to keep water safe and affordable in response to rapid growth and regulation.

Under the individual council water services models, addressing the existing infrastructure deficit and meeting increasingly stringent compliance and regulatory requirements – while continuing to deliver affordable water services to current ratepayers – was no longer financially sustainable.

HCC and WDC therefore set up IAWAI to enable a better approach to manage rising costs and support much needed investment in our water services now and into the future through regional collaboration.



HE KUPU NAA TE HEAMANA ME TE TUMU WHAKARAE O IAWAI

Messages from the IAWAI Board[1] Chairperson and our Chief Executive

This strategy begins and ends with the health and vitality of the Waikato River, the moana (ocean), and the communities these sustain. The strategy sets out our part of the work by many peoples and organisations to realise the vision of Te Ture Whaimana o Te Awa o Waikato, the vision for a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces, for generations to come.

This is the first cut of a long-term strategy that we know will challenge all of us – our shareholders, our partners, and our wider community. The issues we face are considerable.

This strategy is designed to address decades of under-investment in water and wastewater infrastructure, while continuing to deliver the critical services our communities need to survive and thrive.

We know we must do our part – quickly and safely – to remove barriers that are already holding back the development of new housing and businesses, which are essential to keeping neighbourhoods and communities viable.

At the same time, IAWAI must manage significant population growth, meet increasingly stringent regulatory standards, and do so in a way that keeps costs as low as possible for those who ultimately fund this work.

We all need to be part of this story – water consumers, property developers, civil contractors, mana whenua, shareholders, and the regulatory agencies who will take a close interest in what we do. We all have a vested interest in getting this right. That is why we intend to use every tool available to us.

We are proposing an ambitious capital works programme of $3 billion over 10 years. Delivering this will require us to leverage our size and scale, and to build strong, commercial relationships with the construction sector that may not have been possible before.

We intend to make smarter use of long-term debt so we can make substantive progress without unduly penalising existing ratepayers. We must drive changes to our financial position.

We are also exploring new revenue streams to ensure growth is paid for by those who drive that growth, rather than by existing water and wastewater users. At the same time, we have set ambitious savings targets so we can capture efficiencies and minimise the price increases our consumers will face.

This, our first-ever strategy, outlines what we plan to do, why, and when. We have been transparent about the costs involved and what those costs mean. It signals a material shift in how water and wastewater services in Hamilton City and the Waikato District will be managed in the future.

1 The IAWAI Board provides independent and strategic governance for water service delivery. It ensures financial sustainability, regulatory compliance, and alignment with the expectations of our share-holding councils. The Board also oversees planning, risk management, and stakeholder engagement, while remaining accountable to the public, our shareholder councils and Waikato-Tainui.

WAAHANGA 2
Section 2

TE MANA WHAKAHAERE ME TE POU TARAAWAHO
Our governance and regulatory framework

Our Shareholders' Statement of Expectations
Ko te tauakii kawatau a ngaa kaiwhaipaanga

The Statement of Expectations sets out the strategic direction and priorities for IAWAI, guiding the Board in delivering the WSS. It provides a mechanism for the shareholding Councils, alongside Waikato-Tainui as a key partner, to influence IAWAI's planning, performance, and long term outcomes.

Constitution and Shareholders Agreement
Ko te hanganga me te whakaaetanga a ngaa kaiwhaipaanga

The Shareholders' Agreement and Constitution are foundational documents for IAWAI. They underpin our operations and guide the transfer of assets and staff from the councils to IAWAI so that IAWAI can take full responsibility on 1 July 2026.

Expectations of the Chief Executive
Te tumanako a te Tumu Whakarae

The IAWAI Board has set clear performance expectations for the Chief Executive to ensure the organisation delivers in line with its mandate. The seamless delivery of water services from 1 July 2026 is the top priority. The Chief Executive will also be assessed against ensuring charges are as low as practicable, while still making steady progress on the infrastructure deficit; ensuring IAWAI meets its savings target (2.5% by 28/29); embedding a pro-growth culture in support of our shareholder partners; building an engaged, high performing workforce with strong talent pipelines and cultural capability.

The Treaty of Waitangi and Te Ture Whaimana o Te Awa o Waikato
Te Tiriti o Waitangi me Te Ture Whaimana o Te Awa o Waikato

Te Ture Whaimana o Te Awa o Waikato (Vision and Strategy for the Waikato River) is a central guiding principle of the WSS. IAWAI honours Te Tiriti o Waitangi and the Treaty Settlements within our area of operation and is committed to upholding Te Ture Whaimana in our role of delivering water services in a culturally and environmentally responsible way.

While Te Ture Whaimana takes precedence, IAWAI acknowledges its obligations in respect of Te Mana o te Wai, the national freshwater management framework that prioritises the health and wellbeing of water bodies, including rivers, lakes, and aquifers.

IAWAI also recognises its obligations in respect of Te Mana o te Moana as they relate to the health and wellbeing of the marine environment.

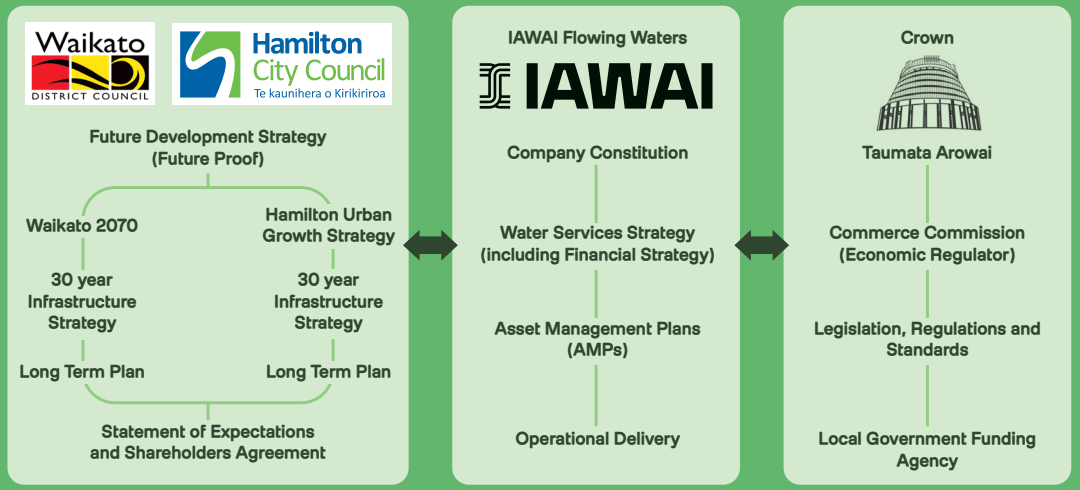


Figure 1: Our relationship with our shareholders and the Crown

The regulatory framework

Te pou taraawaho whakahaerenga

Water providers like IAWAI are guided by three main regulators. Each one has a different role, and together they help keep our water services safe, fair, and environmentally responsible.

- Taumata Arowai - responsible for national standards for wastewater and for making sure our drinking water is safe by setting water quality rules and ensuring water providers meet them.
- Waikato Regional Council – responsible for looking after the health of our rivers, lakes, groundwater, and streams by setting environmental rules, monitoring water quality, consenting and managing water takes and discharges, and supporting community projects like planting along waterways.
- Commerce Commission – responsible for ensuring that water prices and planned investments are fair, transparent, and necessary. The Commission has spending oversight of water organisations and ensures that the right investments are being made to keep services reliable and affordable over time.

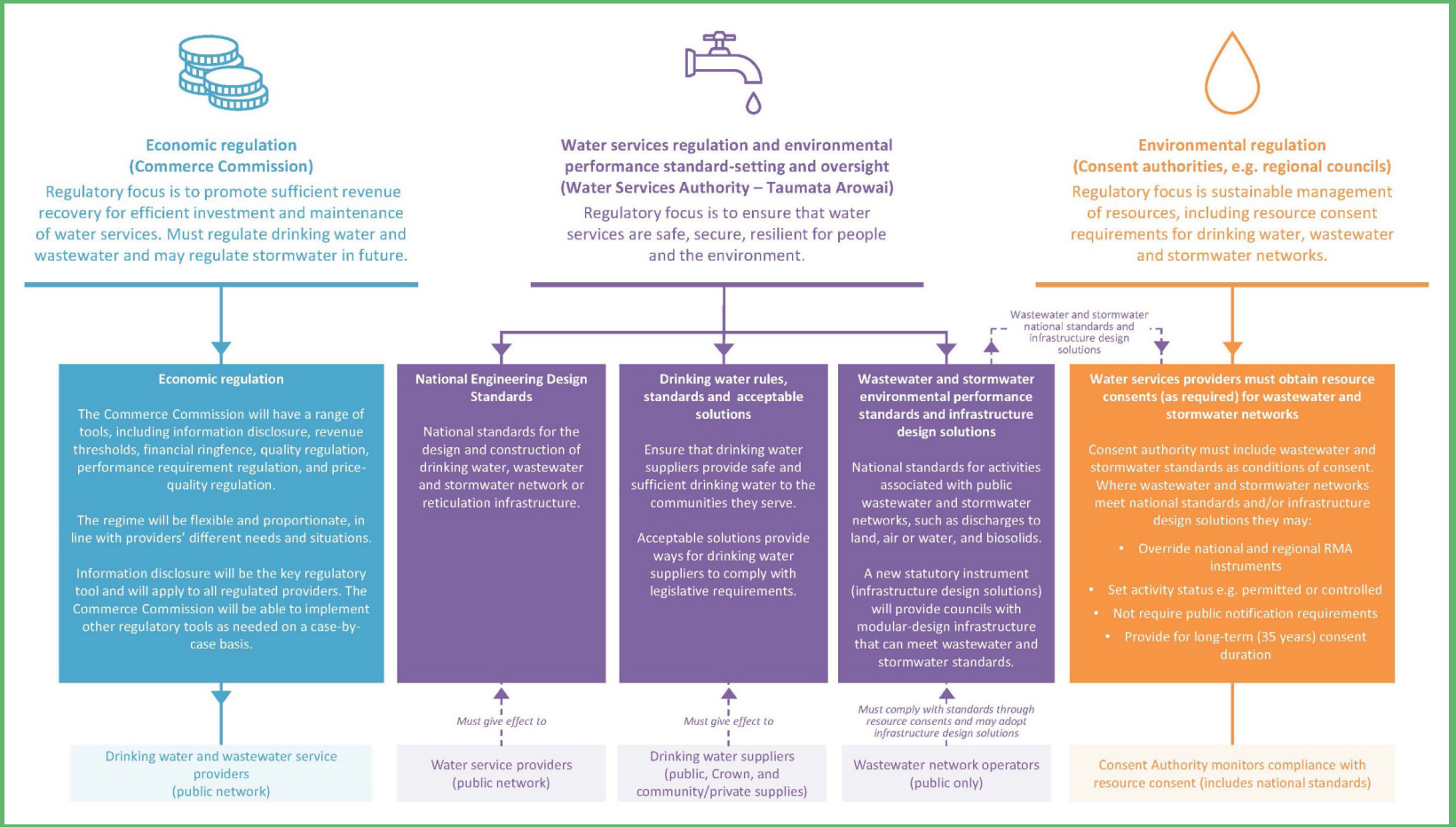


Figure 2: The regulatory framework

WAAHANGA 3
Section 3



HE MEA KAPO TE ROHE TUKU
Snapshot of our service area

The IAWAI service area is extensive, covering both the Waikato District and Hamilton City. We sit at the heart of the 'golden triangle', a strategically significant economic zone between Hamilton, Auckland and Tauranga, and one of the fastest-growing metropolitan centres in New Zealand.

Significant features

The Waikato and Waipā rivers are significant for their historical importance as transportation routes, their spiritual and cultural value to Maaori, and their contemporary role in the environment and economy.

In the eastern part of the Waikato District there is a narrow strip of land along the Firth of Thames—where the ancestral waka Tainui briefly landed at Puukorokoro/ Miranda during its migration. The district includes two internationally significant wetlands designated under the Ramsar[2] Convention: The Whangamarino Wetland and the Firth of Thames Wetland.

Population

There are 284 500 people in the sub-region of which 92 500 are in the Waikato District and 192 000 are within Hamilton City. Within the Waikato District, the main towns are: Tuakau, Pookeno, Te Kauwhata, Raahui Pookeka | Huntly, Ngaaruawaahia and Raglan.

2 An international treaty for the conservation and wise use of wetlands, adopted in 1971 in Ramsar, Iran.

WHAKAAHUA O TE RATONGA

Service snapshot

Our water network

IAWAI operates eight water treatment plants across its service area:

- Waiora (Hamilton)
- Ngaaruawaahia
- Huntly
- Raglan
- Port Waikato
- Te Akau
- Te Kauwhata
- Onewhero

Our reticulated water supply is sourced from a combination of:

- The Waikato River
- Groundwater
- Third-party arrangements, including the Te Kauwhata Water Association and Watercare Services Limited (the latter through the Tuakau Water Treatment Plant)

We provide reticulated water for domestic and commercial use, including dairy and agricultural operations. Urban areas receive an on-demand supply, while surrounding rural areas are served with a restricted supply.

Rural properties beyond our reticulated network rely on bores or roof water collection systems for their water needs.

In addition, we supply several thousand properties in the Waikato District and around Hamilton through a trickle-feed water supply system.

Monitoring and managing risks to water quality and safety is a critical part of our service delivery, ensuring that all communities receive safe and reliable water.

Our wastewater network

IAWAI's wastewater network includes:

- 10 wastewater treatment plants (Pukete (Hamilton), Ngaaruawaahia, Huntly, Te Kauwhata, Raglan, Meremere, Maramarua, Matangi, Tauwhare, and Te Koowhai).
- 205 wastewater pump stations
- 1,192 km of reticulated wastewater pipelines

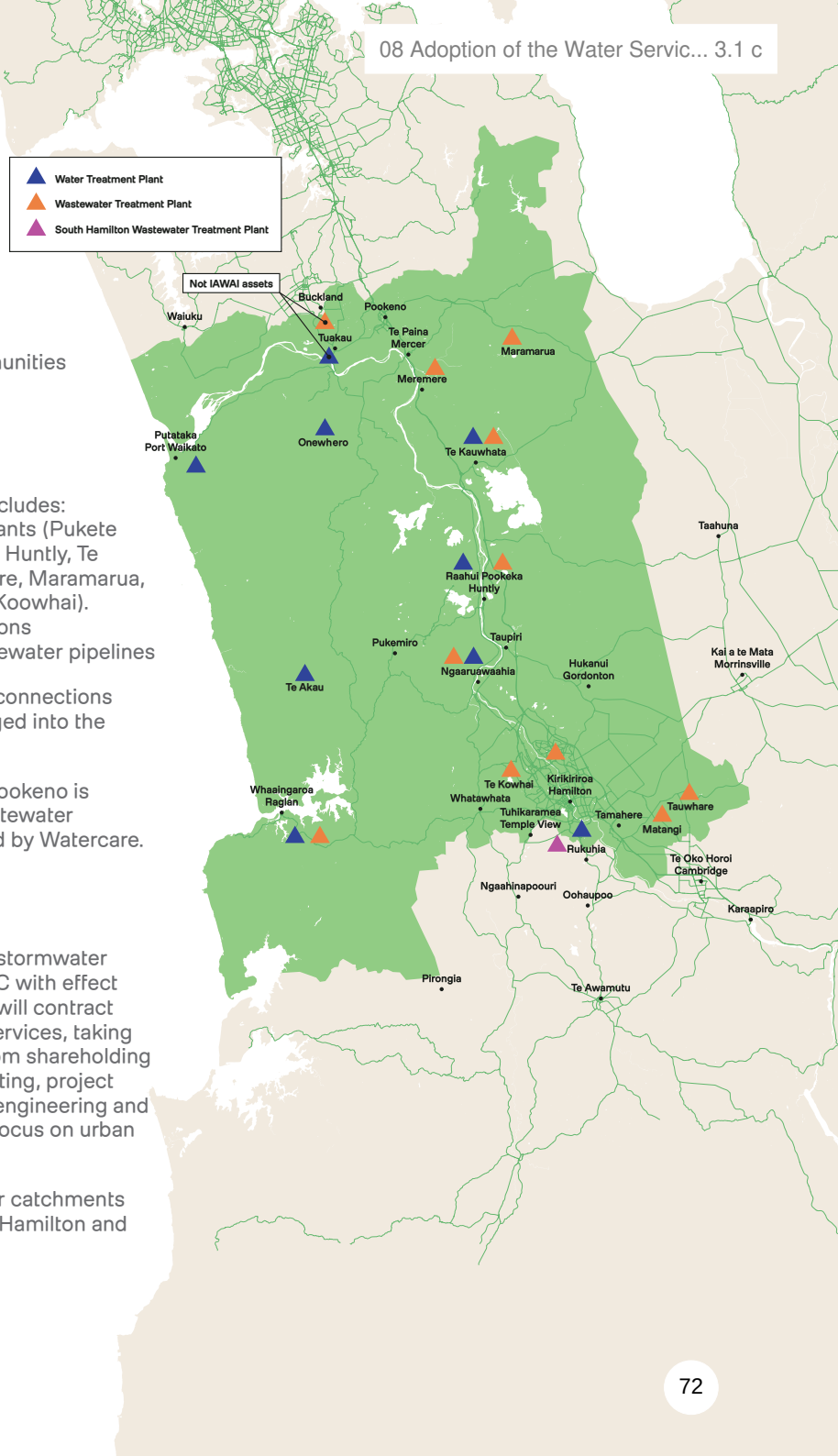
Wastewater from over 64,000 connections is treated before being discharged into the Waikato River.

Wastewater from Tuakau and Pookeno is conveyed to the Pukekohe Wastewater Treatment Plant which is owned by Watercare.

Stormwater

IAWAI is contracted to provide stormwater services for both HCC and WDC with effect from 1 July 2026. Each council will contract IAWAI to provide stormwater services, taking strategic direction and plans from shareholding councils, and delivering consenting, project design, delivery, maintenance, engineering and related services, with an initial focus on urban environments.

There is a total of 21 stormwater catchments in the IAWAI service area (13 in Hamilton and eight in the Waikato).



WAAHANGA 4
Section 4

OO MAATOU WHAINGA, NGAA WERO HEI WHAKAMANIA KO HE URUPARE KI NGAA WERO
Our purpose, challenges and how we will respond

Our purpose

Oo maatou whainga

To care for wai as Taonga – sustaining life and safeguarding water for future generations.

The challenges we must address

Ngaa wero hei whakamania

The IAWAI service area faces significant challenges related to growth, compliance, renewal of aging infrastructure, and resilience.

Addressing these will require substantial investment in three waters infrastructure over the next 10 years and beyond. At the same time, IAWAI is committed to ensuring that water and wastewater services remain affordable.

We recognise that not everything can be done at once, especially since IAWAI is only just being established. However, we are committed to ensuring safe, clean water and reliable wastewater services whilst we address our infrastructure needs, meet our environmental outcomes, and manage affordability.

The key challenges we must address are:

Keeping water charges as low as possible
We are mindful that water and wastewater charges are rising faster than what many people can afford. It's essential we find savings without cutting the essential services we all rely on.

Keeping up with growth
Our region is growing fast. IAWAI's serviced population is expected to rise by 22% by 2033/34–from about 222,700 to 272,000. Service demand is projected to grow at a faster rate than overall population growth, particularly in planned growth areas within and around urban centres that are already connected to water and wastewater networks.

Key growth areas include Hamilton and six towns within the Waikato District:
- Tuakau
- Pookeno
- Te Kauwhata
- Huntly | Raahui Pookeka
- Ngaaruawaahia
- Raglan

Government policy changes under the Going for Housing Growth Programme requires Councils to enable more development in more areas, impacting where and how IAWAI invests. For years, existing revenue sources such as water charges, development contributions and capital revenue have not covered the full cost of growth infrastructure. This has placed pressure on and has led to significant rate increases.

IAWAI needs to support new homes and businesses without expecting all existing households to fund that growth.

Ageing infrastructure
This is the result of decades of underinvestment due to unaffordability. These challenges are now compounded by rapid population growth, an aging community, and increasingly frequent extreme weather events.

Protecting the awa and waterbodies
We have two non-compliant wastewater treatment plants (Huntly and Ngaaruawaahia) that must be upgraded to meet required standards. In addition, the Pukete Wastewater Treatment Plant in Hamilton, whilst currently compliant, needs significant upgrades to meet future demand and compliance requirements.

These upgrades are critical to meeting environmental obligations and improving the quality of discharges into the Waikato River.

We also need to ensure that wastewater discharge into the moana does not degrade mauri (life force), impact kai moana (seafood) gathering, and violate tikanga (customary practices).

Removing barriers to development

Hamilton City
Growth in Hamilton is putting increasing pressure on water storage, water mains, wastewater infrastructure, and consent limits. There are wastewater constraints particularly in the southeastern and southwestern suburbs of Hamilton which need urgent addressing.

Northern Waikato
In Pookeno and Tuakau, wastewater capacity is constrained by the contractually agreed capacity limit at the Pukekohe Wastewater Treatment Plant, which has now been reached. In addition, the trunk main that carries flows from these towns is nearing its maximum capacity. This means that new development projects requiring a wastewater connection are currently unlikely to be approved. A servicing solution for these towns is urgently required.

Achieving financial sustainability

IAWAI must be financially strong for the long term to meet its current obligations, handle unexpected problems, and keep working towards its goals. That means managing costs, debt and investment carefully, without making future costs unaffordable.

Building resilience

The subregion's water and wastewater infrastructure faces significant resilience challenges made worse by ageing assets, vulnerability to extreme environmental events, and severe financial constraints affecting repairs and upgrades. Key risks include over-allocated water resources, imminent consent expirations, and the need to service rapid urban growth.

Establishing a new organisation by bringing staff, systems, processes and plans from two Councils together

Bringing staff, systems, and processes from two councils into one organisation whilst we continue to deliver the services our communities need is a significant undertaking.

A key focus is to ensure a safe, seamless transfer of around 270 staff from WDC and HCC and commence with the harmonisation of systems, processes and plans transferring to IAWAI.

Our response to the challenges

He urupare ki ngaa wero

There is no single fix for the challenges we face. The pressures of growth, ageing infrastructure, environmental compliance, affordability and the establishment of a new organisation are deeply connected. Our response needs to be joined-up, realistic and fair.

Keeping prices as low as practical

We are reshaping how and where we spend money to keep water charges as low as possible, while still investing in the infrastructure our communities rely on. This means finding year-on-year operational savings, carefully prioritising our capital works programme by deferring non-essential spending, and using long-term debt in a measured way so the cost of major assets is spread fairly over time – rather than falling entirely on today's ratepayers.

Before IAWAI, ratepayers were facing steep increases in charges (by 2034: Waikato District $8,124; Hamilton $2,751). Neither council had the debt capacity to fund required investment. The 2025 Water Services Delivery Plan (WSDP) forecasts 22% average rates increase, with a further increase in depreciation funding requirements if assets had remained in councils further (to around 34%).

By reworking the capital and operating programmes, revenue, and debt settings, IAWAI has reduced the median residential increase in 2026/27 for both councils (6% for Waikato District and 18.5% for Hamilton, due to different starting points)compared with the councils Long Term Plan and WSDP forecasts Future increases are well below WSDP levels and far lower than an in-house council model. This is achieved while still tackling the infrastructure deficit, supporting growth, and delivering a $3 billion capital programme – more than either council could deliver alone.

Partnership

There is a lot to do to address the challenges we face. IAWAI cannot do it on its own and it will take time. We will collaborate with councils, iwi, hapuu and the private sector in the way we plan and deliver our services. We are open for business and keen to enable development through commercial partnerships and delivery models both for new infrastructure and our renewals programme.

Operating as a single entity

The establishment of IAWAI enables better planning and delivery of water, wastewater and stormwater services without being constrained by council boundaries. We have greater flexibility around debt and can take a more commercial, long-term view of investment. Our short-term focus is maintaining existing levels of service, while tackling a significant backlog of renewals and planning for growth, and realising every opportunity to benefit from joined-up regional solutions.

Changing how we pay for growth

We intend moving toward a much clearer "growth pays for growth" approach rather than relying on existing ratepayers. This means being explicit about what IAWAI can and cannot fund.

We will not budget for, or expect existing water users to fund, fast-track greenfield developments required by the government. Those costs must be met over time by those developments. We are also reviewing our development contributions policy, so it better reflects the true cost of growth-related infrastructure.

In addition, we are implementing a Water Supply Growth Charge and a Wastewater Growth Charge on new water and wastewater connections consented on or after 1 July 2026

for new residential developments. These growth charges are designed to recover the costs of growth from new developments. They will help fund the infrastructure needed to support new homes, easing pressure on existing households who do not directly benefit from new development.

Addressing the infrastructure deficit

Our investment programme is focused on where the need and risk are greatest. We are prioritising infrastructure that is ageing or near the end of its life, assets that pose environmental or public health risks, and projects that unlock housing and economic growth. Alongside new builds, we are putting greater emphasis on maintaining and extending the life of the infrastructure we already have, to reduce failures and avoid expensive emergency repairs.

Addressing non-compliance

Two non-complying wastewater treatment plants in the Waikato district (Ngaaruawaahia and Huntly) will be brought to compliance standard whilst the Pukete plant in Hamilton will be upgraded to meet future compliance requirements. This is important to improve the quality of discharges into the Waikato River.

Addressing water and wastewater constraints

IAWAI recognises the criticality of Investing in infrastructure to unlock constrained growth areas. We are working on addressing water and wastewater constraints that are limiting development in parts of Hamilton and in Pookeno and Tuakau.

A preferred solution for the northern Waikato is a new wastewater treatment plant. We are considering a possible public private partnership to deliver on the preferred solution to realise cost efficiencies.

Building resilience

We are committed to designing and building infrastructure that is more resilient against threats such as extreme weather events, natural disasters and major disruptions to ensure continuous provision of services. We are therefore looking at improving sub-regional resilience of water and wastewater services through continued investment in our capital works programme. This strategy includes maintaining backup systems, improving emergency response capability and planning for rapid recovery when disruptions occur. The goal is simple: to ensure the continuous supply of safe drinking water and the proper treatment of wastewater—even under the most challenging conditions.

Moving away from capital value-based charging

The strategy includes funding for the roll out of residential water meters in Hamilton to support the transition from capital value-based charging to volumetric charging, as required by legislation. Waikato District already has volumetric charging, but its mechanical water meters will need to be upgraded to digital meters. A final decision on water meters will be made after the pilot, later in 2026.

Levels of Service

We are keeping the targets for both HCC and WDC as they are[3] for 2026/2027 except for changing WDC's target for compliance with resource consents for discharge from its sewerage system from <2 to 0 for 2027/2028 and 2028/2029 to be consistent with HCC's target. This will strengthen IAWAI's commitment to Te Ture Whaimana. Harmonisation of levels of services across both councils will be considered in subsequent water service strategies.

Building IAWAI in a cost-conscious way

By using existing council systems, offices and people, and partnering with other water organisations (including Tauranga City Council and Western Bay of Plenty District Council) to share systems, technology and expertise, IAWAI can reduce duplication, control costs and deliver better long-term outcomes

Bringing staff, systems, processes and strategies and policies from two councils together

While we will initially rely on shareholding councils for functions such as billing, IT, and finance, we need to start building systems and processes that enable efficiency, cost-effectiveness, excellent customer service, and compliance with regulatory obligations.

We will also integrate water strategies and plans from both HCC and WDC into a unified IAWAI framework. During 2026/27, we will develop an IAWAI Strategic Asset Management Plan, a single Activity Management Plan, and an Infrastructure Delivery Plan.

For 2026/2027 the relevant water and wastewater provisions in the HCC and WDC Development Contributions Policy will be applied by IAWAI. This policy will take effect on 1 July 2027.

Finally, bringing people together is just as important as aligning systems. Creating a shared IAWAI culture—focused on delivering the best services while caring for our taiao—will be key to our success.

3 In the respective Long Term Plans

Smooth transition then transformation

Te whakawhiti maeneene ka huri

Our focus is to smoothly transition to making IAWAI operative from 1 July 2026. Over time we will work on transformation. A smooth transition is critical to building our organisation with our end-user at the heart of everything we do. Our goal is to maintain a seamless service experience throughout this journey whilst caring for wai as taonga.

The key financial messages

Ko te karere putea matua

Keeping water charges as low as possible, while still addressing the infrastructure deficit, and keeping pace with growth, is core to this WSS.

We know households are facing rising costs, and we have reduced our own costs as much as possible. We have carefully considered our capital programme, tightened our operating costs, found new revenue opportunities (including a growth charge for new residential developments), and are proposing to use long-term debt responsibly.

For Hamilton households the average increase in water charges has dropped from $265 to $174 per year compared to the WSDP. For Waikato District customers, increases in fixed charges fall from $364 to $142 per year. This combined with volumetric charges (based on an average water use) brings down the previously forecast increase in charges for Waikato District customers to $174 (*average water use is 210m3 per annum).

We also want to move to a genuine 'growth pays for growth' approach through the introduction of a Water Supply Growth Charge and a Wastewater Growth Charge. These charges would apply to new residential developments consented on or after 1 July 2026. The charges are intended to help fund the long-term costs of infrastructure needed to support growth, while ensuring costs are shared fairly between new developments and existing customers. This will ease the burden on existing households by generating an estimated $39.5m over 10 years, meaning it is money that existing ratepayers won't have to find.

The growth charges are based on the net increase in demand on water supply and wastewater services, measured using Household Unit Equivalents (HUEs). For the purposes of assessing the Water Growth Charge and Wastewater Growth Charge:

- One additional residential dwelling is treated as equivalent to one (1) HUE,
- Additional dwellings of 70m2 or less for which no resource or building consent is required (i.e. a secondary minor dwelling such as a granny flat) is treated as ½ a HUE (i.e. half charges will apply)
- Multi-unit developments will be charged on the basis that each additional residential unit is equivalent to one HUE.
- Where redevelopment occurs, the growth charges apply only to the net increase in demand.

This use of HUEs is aligned with how councils commonly represent relative demand. This simplified approach ensures growth-related demand can be assessed and applied in a consistent and administratively efficient manner.

The charges (all inclusive of GST) are as follows:

Residential development

- Water Supply Growth Charge $200 per Household Unit Equivalent (HUE) per year applied over a 25-year period.
- Wastewater Growth Charge $300 per HUE per year applied over a 25-year period.

The Water Supply and Wastewater Growth Charge for non-residential development will be considered during the development of the 2027-2037 Water Services Strategy, through engagement with relevant parties.

We are also leveraging scale to build partnerships with the private sector (developers and suppliers) to secure better value in how we build the infrastructure we need and implement our asset renewal programme.

Our financial information (section 5) provides the details driving our strategy including our commitment to affordability and our charges.

Pricing and charging approach

- **Application to water and wastewater:** The following pricing approaches will apply to both water and wastewater as separate activities.
- **Compliance with legislation and regulation:** In accordance with legislation we will move away from capital value-based charges to fixed and/or volumetric charges where there are none currently charged on this basis. Detail based on the portion of shift to fixed charge is provided within the Pricing Policy (see section 5).
- **Transition to fairer charging:** We will transition Hamilton customers from capital value to fixed + volumetric charging, supported by a funded residential meter rollout (subject to the pilot and a final decision in 2026). Waikato District already uses volumetric charging; mechanical meters will be upgraded to digital.
- **Harmonisation:** There will not be any immediate price harmonisation between Hamilton and Waikato District customers; IAWAI will phase alignment as metering, systems and policies are standardised.
- **Commercial/trade waste:** Charges will continue to reflect cost drivers and regulatory requirements. Revenue sensitivities for trade waste and water by meter and will be considered and refined to avoid unintended cross subsidies, while ensuring recovery of rising input costs.
- **Penalties:** IAWAI will apply penalties for the non-payment of water supply and wastewater charges in a manner aligning with the penalty approaches applied by WDC and HCC for unpaid rates, as set out in their respective Council Rates Resolutions. To give effect to this approach, IAWAI will adopt a penalty resolution at the time water supply and wastewater charges are confirmed.

Funding delivery of services

We will fund everyday operating costs (staff, operations, maintenance, regulatory compliance, interest) from water charges and fees. Capital expenditure (renewals, compliance upgrades, growth) is funded from a mix of water charges and fees, capital revenue (including development contributions and grants) and debt. This aligns with inter-generational equity and expected regulatory settings.

Our Fees and Charges

In previous years, HCC and WDC each maintained their own fees and charges schedules. With the creation of IAWAI, we have combined the water and wastewater fees and charges into a single schedule. Where possible, water and wastewater related fees based on hourly rates or for specific connection or consent related activities have been standardised, so Hamilton and Waikato customers are charged the same fees for the same activity or service. In some instances, this has resulted in an increase of slightly more than the rate of inflation for some charges for some customers. We have also separated stormwater charges (managed by the councils) from wastewater and water supply charges (managed by IAWAI). Quantitative charges—such as water-by-meter and trade waste—have increased by 15% to reflect the rising cost of providing these services.

Overall, the changes are about bringing everything into one clear, consistent system across both council areas.

The full IAWAI Fees and Charges Schedule is attached to this strategy.

Our approach to Development Contributions

From 1 July 2026, IAWAI will adopt the relevant parts of the existing development contributions policies of HCC and WDC for their respective council areas. This interim approach will remain in place until 1 July 2027, when IAWAI will implement its own development contributions policy aligned with the council's 2027/28 Long Term Plan.

Aligning the new policy with the Long Term Plan cycle will ensure consistency with the planning frameworks of both shareholding councils. This alignment will also provide a foundation for IAWAI and the councils to collaboratively develop a new development contributions levies policy, once the relevant legislation is enacted.

WAAHANGA 5
Section 5

KO NGAA MEA KA TUKUNA E MATOU
What we will deliver

This section outlines IAWAI's key planned projects. The levels of service we provide are contained in Appendix 1. Our projects and services are designed to cater for the estimated 22% growth in serviced po pulation within the subregion over the next 8-10 years.

Water projects
Kaupapa wai

We have a range of key projects and initiatives planned to support effective water supply management. These include:

Treatment plant upgrades
- Upgrades to the Wairoa Water Treatment Plant in Hamilton to improve resilience and meet growth demands.
- Planning for a new potential sub-regional water treatment plant to service Hamilton, Ngaaruawaahia and Huntly.

Reservoir construction
- A new 25 million litre reservoir for central Hamilton by 2028, funded through the Infrastructure Acceleration Fund.
- Additional reservoirs are planned for Hillcrest and Matangi.
- Interim upgrades for Huntly, Ngaaruawaahia, and Te Kauwhata treatment plants to support growth and maintain service levels.

Network and pump station upgrades
- Infrastructure improvements in:
  - o Raglan
  - o Tamahere / Matangi
  - o Eureka
  - o Tuakau

- Significant upgrades planned for:
  - o Huntly
  - o Pookeno
  - o Tuakau
  - o Te Kauwhata
  - o Ngaaruawaahia
  - o Raglan
  - o Taupiri

- A funding agreement is being developed for trunk water infrastructure in Te Koowhai.

Fairer charging
- Although a decision has not yet been made, we're currently piloting water meters in Hamilton and have included funding to roll out residential water meters across the city. This would support the transition from capital value-based charging to volumetric charging, as required by legislation and move to fairer use charging method.

Renewals programme
- We will keep reinvesting in our existing water infrastructure. We will increase the pace and scale of renewals, prioritise the highest-risk assets and extend the life of what we already have. This will be delivered through long-term partnerships with contractors, giving greater certainty, stronger forward planning, and better value over time.

The detailed list of water supply projects is shown in the table on the next page.

Water supply projects 2026-2036

CE Code	Type	Sum of YR3 LTP 26/27	Sum of YR4 LTP 27/28	Sum of YR5 LTP 28/29	Sum of YR6 LTP 29/30	Sum of YR7 LTP 30/31	Sum of YR8 LTP 31/32	Sum of YR9 LTP 32/33	Sum of YR10 LTP 33/34	Sum of FY 2035	Sum of FY 2036
CE15128 - Rotokauri Upgrd&New Watermains Stg1	G	1,261	141	998	300	1,641	707	2,595	840	2,102	17
CE15132 - Water ntwrk upgrdes to allow new develop	G	2,857	393	1,314	3,598	2,058	-	-	-	-	-
CE15133 - Water Network Improvements	L	9,918	15,016	11,290	756	1,004	321	328	334	601	613
CE15141 - Wtr Dmnd Mngt - Hillcrest Reservoir Zone	G	2,259	2,175	17,536	39,815	2,927	-	-	-	-	-
CE19047 - Water Demnd Mgmt - Maeroa Reservoir Zone	G	-	-	-	-	-	-	-	-	2,667	11
CE19049 - Wtr Demand Mgmt-Fairfield ReservoirZn	G	1,539	-	-	-	-	-	-	-	-	-
CE21033 - Ruakiwi Pumpstation Upgrade	G	29,008	19,871	17,334	2,461	-	-	-	-	-	-
CE24030 - IAF Water Supply	L	693	-	-	-	-	16,836	-	-	-	-
CE10124 - Watermain Valves & Hydrants Renewals	R	785	2,613	1,506	1,579	1,297	1,157	1,147	964	1,079	1,148
CE10138 - Treatment Plant & Reservoir Renewals	R	2,244	7,376	5,023	4,520	4,160	4,276	8,804	4,432	4,703	6,872
CE10123 - Watermain Renewals	R	4,877	8,392	10,026	10,130	8,782	9,032	9,188	19,645	19,512	23,447
CE19045 - Ruakura Reservoir & Assoc Bulk Mains	G	-	-	-	3,598	10,308	45,151	46,098	-	-	-
CE15139 - Water Trtmt PlntCompliance-MinorUpgds	L	2,218	5,580	2,397	2,552	2,013	669	683	697	711	726
CE19048 - City wide waters programme	G	-	217	223	2,285	-	-	-	-	-	-
CE19073 - Te Rapa Upgrade & New Watermains	G	261	-	-	-	-	-	-	-	-	2,040
CE15126 - Rototuna Upgrade or New Watermains	G	-	-	-	-	897	2,200	699	-	-	-
CE21036 - RotokauriUpgrade&New Watermains Stg2	G	-	-	-	-	387	4,175	2,910	1,971	58	-
CE19046 - Peacocke Watermains Stage 2	G	77	-	-	223	788	1,438	1,493	433	25	-
CE15144 - Upgrade Water Treatment Plant	G	2,093	4,350	13,389	15,995	584	1,254	2,561	26,148	40,005	-
CE15146 - Water Customer Connections	G	56	57	59	60	61	63	64	65	-	-
CE21035 - Strategic Water Demand Management	G	19,305	35,428	36,365	20,687	8,463	-	-	-	-	-
CE15127 - Water Pipe Upgrades	G	579	834	2,231	877	2,338	917	2,439	956	2,540	994
CE15159 - Water Master Plan	G	265	272	279	286	292	299	305	311	318	324
CE26041 - Te Kauwhata Water Improvements	L	4,132	258	-	-	-	-	3,659	4,856	-	-
CE26011 - District Wide Water Infrastructure	G	743	1,087	1,701	1,857	1,110	1,135	1,159	996	1,651	1,684
CE26044 - Water Renewals Waikato District	R	5,845	7,025	12,953	4,753	3,927	4,013	4,829	4,557	8,204	7,591
CE26031 - Eureka Water Improvements	L	-	2,175	3,347	-	-	-	-	-	-	-
CE26032 - Gordonton Water Improvements	L	-	-	-	-	-	-	-	1,370	3,429	-
CE26015 - Pokeno Water Infrastructure	G	530	870	2,231	1,257	3,039	1,194	-	-	5,080	4,404
CE26012 - Huntly Water Infrastructure	G	-	-	2,231	2,056	-	-	-	-	-	-
CE26033 - Huntly Water Improvements	L	4,774	4,948	-	-	-	-	-	-	16,510	-
CE26034 - Matangi Water Improvements	L	2,595	5,002	6,136	914	-	-	-	-	-	-
CE26038 - Raglan Water Improvements	L	1,061	3,806	6,025	-	-	-	-	-	-	-
CE26036 - Ngaruawahia Water Improvements	L	-	-	-	571	1,169	-	-	-	635	1,295
CE26013 - Ngaruawahia Water Infrastructure	G	1,061	2,175	5,858	11,425	35,063	23,890	-	3,922	25,400	4,081
CE26014 - Ohinewai Water Infrastructure	G	-	-	-	-	-	-	366	1,245	-	-
CE26037 - Pokeno Water Improvements	L	-	-	-	-	468	-	-	-	-	-
CE26016 - Raglan Water Infrastructure	G	1,803	3,806	1,674	-	-	-	2,439	2,490	-	1,295
CE26040 - Tauwhare Pa Water Improvements	L	318	-	-	-	-	-	-	-	-	-
CE26018 - Te Kauwhata Water Infrastructure	G	174	178	13,946	19,993	-	-	-	623	22,225	-
CE26019 - Te Kowhai Water Infrastructure	G	318	7,612	8,759	-	-	-	-	-	-	-
CE26042 - Tuakau Water Improvements	L	1,538	-	-	-	701	717	-	-	-	-
CE26020 - Tuakau Water Infrastructure	G	4,243	10,331	-	-	-	-	-	-	-	-
CE26030 - District Wide Water Improvements	L	53	109	-	-	-	-	-	-	-	-
CE15158 - Water Model	R	324	436	337	801	209	213	855	222	205	234
Total Water Supply		**109,808**	**152,533**	**185,167**	**153,348**	**93,687**	**119,657**	**92,620**	**77,079**	**157,661**	**56,778**

Wastewater projects

Kaupapa wai para

To meet growing compliance requirements and community expectations, we are investing in key wastewater infrastructure projects:

Treatment plant upgrades and re-consenting
- Pukete Wastewater Treatment Plant (staged upgrade and re-consenting)
- Huntly Wastewater Treatment Plant
- Ngaaruawaahia Wastewater Treatment Plant

New infrastructure
- Planning and begin construction on a Southern Hamilton Wastewater Treatment Plant to increase resilience and capacity.
- Installation of wastewater storage tanks to manage wet weather events.
- Strategic pipe upgrades in Hamilton.
- Development of a servicing strategy for Pookeno and Tuakau.

Growth servicing
- Increasing wastewater servicing capacity for Pookeno and Tuakau
- Progressing a funding agreement for trunk wastewater infrastructure in Te Koowhai

Discharge consent renewals
- Renewing discharge consents for:
  - Te Kauwhata Wastewater Treatment Plant
  - Raglan Wastewater Treatment Plant

WDC has explored land-based and water-based discharge options in partnership with iwi, special interest groups, and the community. IAWAI is now responsible for implementing the preferred option, following environmental performance investigations.

Renewals programme
- Replacement and upgrade of aging wastewater infrastructure in urban areas to improve:
  - Resilience
  - Reliability
  - Efficiency

The detailed list of wastewater projects is shown in the table on the next page.



Wastewater projects 2026-2036

CE Code	Type	Sum of YR3 LTP 26/27	Sum of YR4 LTP 27/28	Sum of YR5 LTP 28/29	Sum of YR6 LTP 29/30	Sum of YR7 LTP 30/31	Sum of YR8 LTP 31/32	Sum of YR9 LTP 32/33	Sum of YR10 LTP 33/34	Sum of FY 2035	Sum of FY 2036
CE15103 - Wastewater Network Improvements	L	6,102	5,021	1,984	2,032	2,078	2,153	4,829	6,136	2,787	2,843
CE15107 - Rotokauri WW Infrastructure	G	390	5,751	107	837	2,993	5,154	1,181	33	-	-
CE15132 - Water ntwrk upgrdes to allow new develop	G	-	-	-	1,526	614	877	-	-	-	-
CE19043 - Incr capacity WW West Network	G	8,593	2,180	4,435	31,543	40,316	23,135	267	-	10,873	17,209
CE19044 - Increase capacity WW East Network	G	1,751	3,806	17,304	47,714	28,777	14,991	10,957	13,189	9,917	157
CE23004 - IAF Wastewater	G	6,356	1,964	3,691	3,673	3,662	-	-	-	-	-
CE15135 - Peacocke Water Distribution Mains Stg1	G	-	-	-	-	-	-	-	4,171	-	-
CE15104 - Wastewater Pipe Upgrades	G	963	1,939	995	2,285	1,043	2,389	1,088	2,490	1,132	2,591
	L	1,470	-	-	-	-	-	-	-	-	-
CE10101 - Wastewater Asset Renewals	R	10,840	15,465	19,460	25,559	25,874	26,489	28,982	39,457	42,043	47,529
CE10100 - Wastewater PS Asset Renewals	R	1,794	2,359	2,729	2,602	3,368	3,065	3,133	3,292	1,830	1,166
CE10115 - WW Treatment Plant Asset Renewals	R	10,856	10,700	9,959	12,745	7,790	7,831	8,902	8,163	7,877	1,968
CE15120 - Wastewater Treatment Plant Compliance	L	993	4,244	3,071	4,626	4,310	4,885	4,916	3,443	3,514	3,584
CE21073 - Subregional WW Treatment Plant	G	3,214	-	9,461	30,763	52,851	45,987	17,512	-	-	22,443
CE19072 - Te Rapa Wastewater Infrastructure	G	-	-	-	-	-	-	-	-	-	2,720
CE15117 - Upgrade WW Treatment Plant	G	25,332	30,282	50,507	69,597	70,355	76,468	67,582	82,835	207	-
CE19040 - Peacocke WW Infrastructure Stg2	G	1,491	1,860	44	127	950	1,780	2,725	9,578	3,410	278
CE15105 - Rototuna WW Infrastructure	G	-	-	-	-	890	263	356	1,977	-	-
CE15109 - Peacocke WW Infrastructure Stage 1	G	582	-	-	1,602	195	802	39	-	-	-
CE15121 - WW Customer Connections to Network	G	122	125	129	132	135	138	141	144	-	-
CE15160 - Wastewater Model	R	316	328	1,525	781	219	224	409	329	1,736	885
CE15161 - Wastewater Master Plan	G	424	434	446	456	467	477	487	497	507	517
CE15104 - Wastewater pipe upgrades	G	-	-	-	-	-	-	-	4,762	9,524	14,286
CE19042 - Peacocke Wastewater South Network	G	-	-	-	-	-	-	-	-	-	-
CE21073 - Subregional wastewater treatment plant	G	-	-	-	-	-	-	-	-	-	-
CE26021 - District Wide Wastewater Improvements	L	3,193	2,023	1,741	2,068	1,531	1,565	1,598	1,631	1,664	1,697
CE26043 - Wastewater Renewals Waikato District	R	7,528	11,175	7,118	6,055	6,194	6,534	7,049	6,475	6,439	6,581
CE26002 - Horotiu Wastewater Infrastructure	G	-	-	-	-	-	-	-	-	-	-
CE26022 - Horotiu Wastewater Improvements	L	-	-	-	685	-	-	-	-	-	-
CE26023 - Huntly Wastewater Improvements	L	19,095	20,357	8,613	1,371	-	-	-	-	-	-
CE26027 - Rangiriri Wastewater Improvements	L	159	-	-	-	-	-	-	-	-	-
CE26025 - Ngaruawahia Wastewater Improvements	L	21,926	21,205	1,116	-	-	-	-	-	-	-
CE26004 - Ngaruawahia Wastewater Infrastructure	G	-	2,175	-	308	2,126	-	-	-	-	-
CE26001 - Central Districts Wastewater Infrastructure	G	-	544	2,789	11,425	17,531	17,917	4,878	-	-	-
CE26005 - Pokeno Wastewater Infrastructure	G	1,061	4,567	-	-	-	-	-	-	-	-
CE26026 - Raglan Wastewater Improvements	L	4,073	9,199	1,674	-	-	-	-	-	1,798	-
CE26006 - Raglan Wastewater Infrastructure	G	-	3,262	6,350	-	-	-	-	-	-	-
CE26007 - Taupiri Wastewater Infrastructure	G	-	-	-	-	-	-	-	-	381	12,954
CE26028 - Te Kauwhata Wastewater Improvements	L	-	857	669	-	-	-	-	-	-	-
CE26008 - Te Kauwhata Wastewater Infrastructure	G	9,548	13,919	22,314	2,285	-	-	-	-	-	10,363
CE26009 - Te Kowhai Wastewater Infrastructure	G	318	4,329	5,244	4,323	-	-	-	-	-	-
CE26029 - Te Kowhai Wastewater Improvements	L	-	-	-	-	-	-	-	-	6,223	6,348
CE26010 - Tuakau Wastewater Infrastructure	G	1,180	2,175	1,674	-	-	-	-	-	-	-
Total Wastewater		**149,671**	**182,245**	**185,150**	**267,123**	**274,269**	**243,123**	**167,029**	**188,603**	**111,861**	**156,120**

Stormwater

Wai ua

The councils' Long Term Plans outline the extent to which stormwater services are provided to our communities. IAWAI provide stormwater services to both HCC and WDC as required.

- Urban areas such as Hamilton and several towns within the Waikato District receive stormwater flows from catchments outside their boundaries.
- Conversely, some urban areas also contribute stormwater to catchments beyond their boundaries.

Although IAWAI does not own stormwater assets, we deliver this service through contractual arrangements with our shareholding councils.

Service Agreements

Tatuunga kaiwhakarato

The following contractual agreements have novated (transferred) from WDC to IAWAI effective 1 July 2026:

- The contract between WDC and Watercare for the provision of water supply, wastewater and stormwater services.
- Supply contracts for water and wastewater servicing in Pookeno and Tuakau.
- Supply agreement with Te Kauwhata Irrigation Association for raw water to supply Te Kauwhata and Meremere.

IAWAI is contracted to HCC and WDC to provide stormwater services. As part of this, we will be progressing a servicing agreement for a stormwater solution for Te Koowhai.



WAAHANGA 6
Section 6

NGAA TAKE TAHUA
Financial matters

Financial strategy

Rautaki ahumoni

Purpose of this section
To explain how IAWAI will fund and finance safe, reliable and affordable drinking water and wastewater services over the next 10 years; how we will keep prices as low as practicable while remaining financially sustainable; and how we will prioritise investment to meet regulatory obligations, address renewals backlogs, and enable growth in a way that is fair to our communities.

Overview of our funding and financing
Over the coming decade we will deliver about $3 billion of capital investment – likely to be New Zealand's second largest water programme after Watercare - targeted at compliance, renewals and growth enablement. We will use debt prudently to spread the cost of long-life assets across generations and to moderate price shocks for customers, while keeping Funds for Operation (FFO) to Net Debt ≥ 8% (Local Government Funding Agency [LGFA] covenant) and maintaining significant debt headroom across the period.

Compared with water services staying in the councils, our strategic financial approach lowers the near-term price path while still addressing the infrastructure deficit. The median residential increase in 2026/27 is $174 (approx. +18.5% for HCC and +6% for WDC due to different starting points), which is materially below the price path indicated in the WSDP[4].

Establishment and regulatory context

- **Legislative and economic regulation:** IAWAI is established under the Local Water Done Well programme. Taumata Arowai oversees drinking water and wastewater standards; the Commerce Commission will introduce economic regulation (price-quality style tools and mandatory information disclosure). We must show sufficient investment, revenue sufficiency, and financial sustainability quality style tools and mandatory information disclosure). We must show sufficient investment, revenue sufficiency, and financial sustainability.
- **Charging reform:** Under the Local Government (Water Services) Act 2025 (LG(WS)A 2025) we must move away from capital value-based charges to fixed and/or volumetric charges. In additional IAWAI will need to consider the implications of price harmonisation as it amalgamates the historic charging basis of HCC and WDC, much of which will only be possible as metering and systems enable it. This will happen over time.
- **DIA assessment of WSDP:** The Department of Internal Affairs (DIA) accepted the joint WSDP, noting key risks to monitor capital deliverability, steep legacy price path (~240% over 10 years), asset management integration, and wastewater consent noncompliance. This financial strategy commences the pathway to directly respond to these flags while focusing on the key driver of a safe and continuous transition of water services from the councils to IAWAI. It also recognises that additional financial strategic development will be required in the next WSS 2027-2037 due in June 2027.

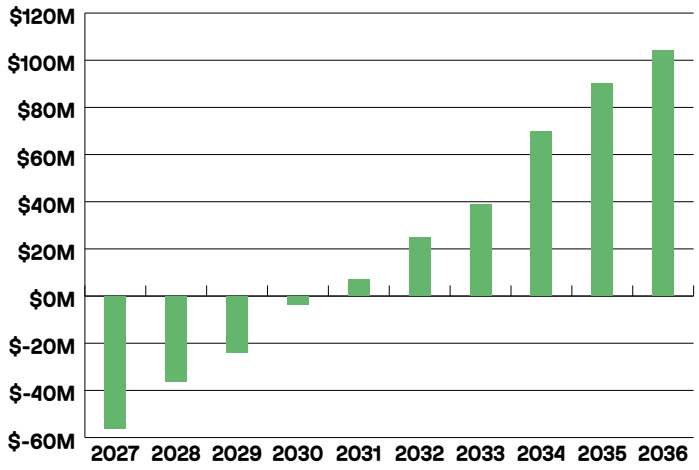
What needs to be addressed

1. **Affordability pressures** - legacy forecasts showed steep increases for customers under council delivery models; IAWAI needs to bend that cost curve without compromising safety or resilience.
2. **Compliance** – Securing funding will be necessary for major upgrades required at the Huntly and Ngaaruawaahia waste water treatment plants; and staged upgrades to the Pukete Wastewater Treatment Plant for reconsenting to meet future standards.
3. **Renewals backlog** – Historic waters infrastructure investment has lifted failure risk; we must increase renewals while maintaining service continuity, quality and financial sustainability.
4. **Growth servicing** - Demand continues to drive rising costs across Hamilton and key Waikato towns; enabling development without it being subsidised by existing customers is a key enabler to maintaining improved price pathways.
5. **Deliverability** - We need a realistic, phased programme and commercial delivery models to scale capability and avoid slippage to capital programme while ensuring funding sources can be utilised to maintain stable financial performance and affordability without sudden financial shocks.

Financial sustainability — our definition and targets
Financial sustainability means water and wastewater operations generate sufficient revenue (excluding capital revenue) to cover operating costs (including depreciation and interest) at prudent service levels, while preserving access to financing for renewals and growth (chart 6.1). In line with the DIA's assessment within the WSDP we are currently projecting to be financially sustainable by June 2031. Over time we must maintain operating surpluses sufficient to both cover operating costs and repay debt.

4 Water Services Policy Water Services Delivery Plans - dia.govt.nz

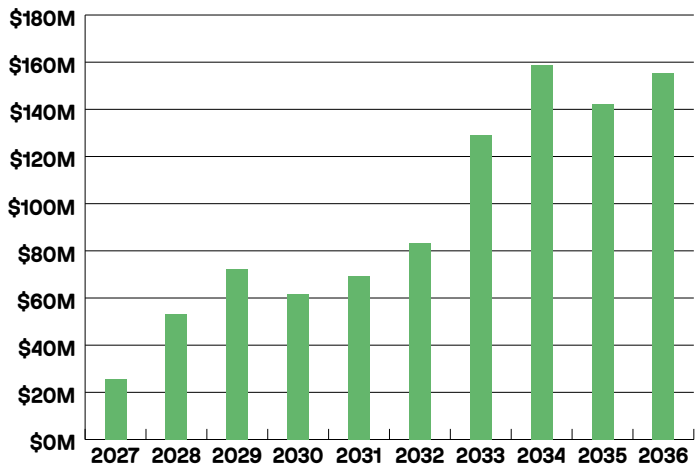
Chart 6.1: Financial sustainability 2026-2036 - Operating surplus/(deficit)



Operating position: Move to positive operating surplus from 2030/31 onward.

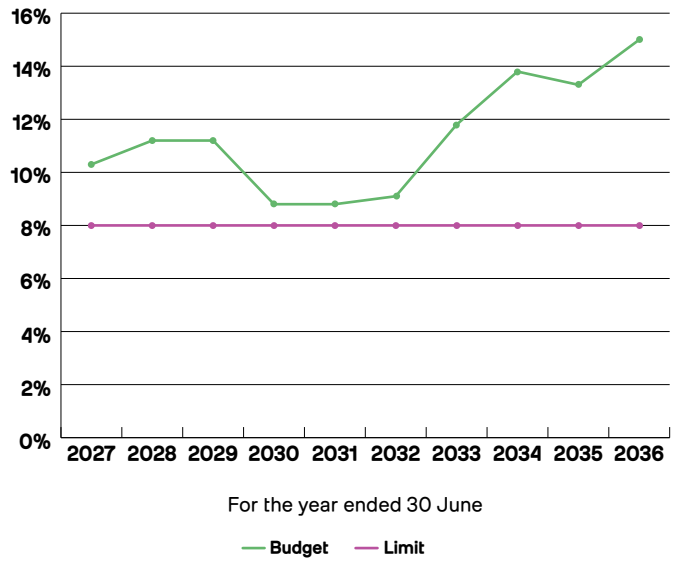
Operating surplus/(deficit): Total revenue (excluding capital revenue) less operating costs (including depreciation and interest).

Chart 6.2: Accounting net surplus / (deficit) 2026-2036



Accounting surplus / (deficit): Total revenue less total expenses.

Chart 6.3 Funds from Operations ratio to Debt 2026-2036



Debt quality: Maintain FFO/Net Debt ≥ 8%

Headroom: Maintain material debt headroom each year to manage shocks.

Chart 6.4: Debt and Debt headroom 2026-2036

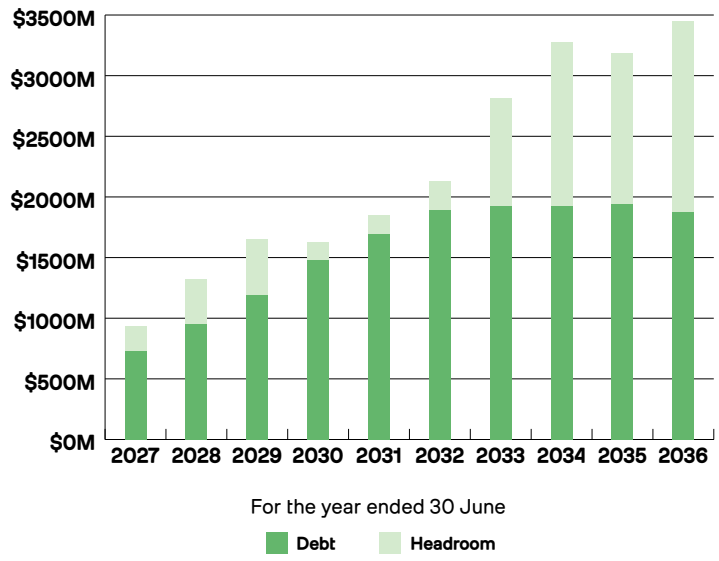


Chart 6.5: Renewals investment to depreciation ratio 2026-2036



Affordability: Keep the 2026/27 median residential increase to ~$174 and hold future increases below the WSDP path while meeting compliance milestones

Chart 6.6: Price pathway (annual changes) median residential household 2026-2036 – Hamilton City Council

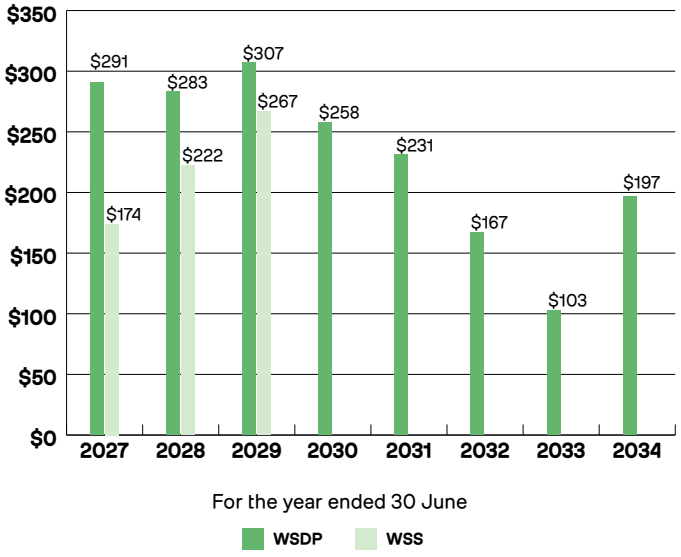


Chart 6.7: Price pathway (annual changes) median residential household 2026-2036 – Waikato District Council

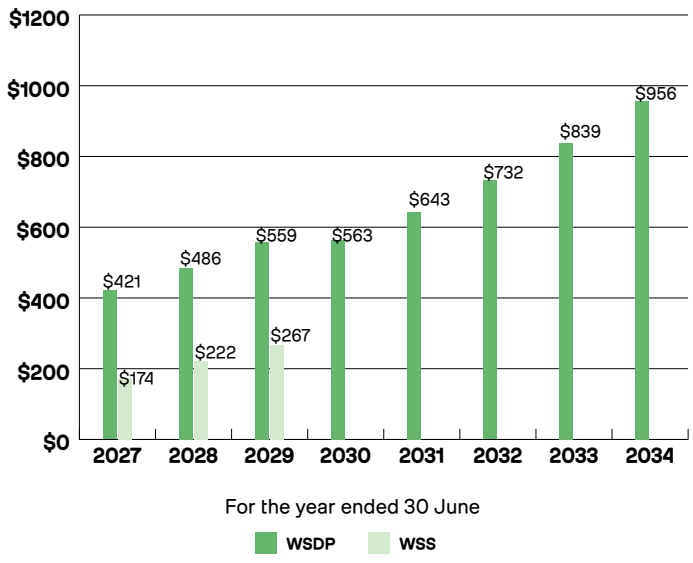
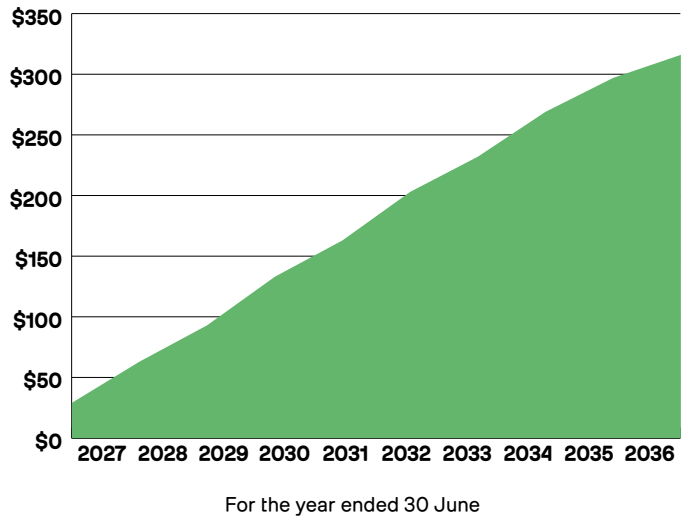


Chart 6.8: Accounting net surplus / (deficit) 2026-2036



Everyday operating cash surplus / (deficit): Operating cash surplus exclude capital revenue, depreciation and financing costs (recognising growth related debt is the primary driver of financing costs).

Pricing and charging approach

- **Application to water and wastewater:** The following pricing approaches will apply for both water and wastewater as separate activities.
- **Compliance with legislation and regulation:** In accordance with legislation we will move away from capital value-based charges to fixed and/or volumetric charges where there are none currently charged on this basis. Detail based on the portion of shift to fixed charge is provided within the Pricing Policy.
- **Transition to fairer charging:** We will transition Hamilton customers from capital value to fixed + volumetric charging, supported by a funded residential meter rollout (subject to the current pilot and final decision in 2026). Waikato District already uses volumetric charging; mechanical meters will be upgraded to digital.
- **Harmonisation:** No immediate price harmonisation; we will phase alignment as metering, systems and policies are standardised.
- **Commercial/trade waste:** Charges will continue to reflect cost drivers and regulatory requirements. Revenue sensitivities for trade waste and water by meter and will be considered and refined to avoid unintended cross subsidies, while ensuring recovery of rising input costs.
- **Penalties:** IAWAI will apply penalties for the non-payment of water supply and wastewater charges in a manner aligning with the penalty approaches applied by WDC and HCC for unpaid rates, as set out in their respective Council Rates Resolutions. To give effect to this approach, IAWAI will adopt a penalty resolution at the time water supply and wastewater charges are confirmed.

Funding delivery of services

We will fund everyday operating costs (staff, operations, maintenance, regulatory compliance, interest) from water charges and fees. Capital expenditure (renewals, compliance upgrades, growth) is funded from a mix of water charges and fees portion, capital revenue (including development contributions and grants) and debt. This aligns with inter-generational equity and expected regulatory settings.

Key levers in this WSS:

- **Savings and efficiency:** Portfolio re-sizing for deliverability; systematic procurement partnering for renewals; conservative but rising savings trajectory across the period.
- **Revenue pathway:** Lower than WSDP across the first three years identified in this financial strategy (e.g., HCC and WDC median bills reduced compared to WSDP forecasts) while preserving compliance and renewals.
- **Debt smoothing:** Deliberate early years use of debt to moderate household impacts, with FFO/Net Debt held above the 8% borrowing threshold and headroom preserved.

Funding everyday operating costs

Operating funding will come primarily from water service charges and fees. The Funding Impact Statements in Section 6 show positive operating funding balances from 2026/27 onward, consistent with sustainability objectives.

* Operating cashflows exclude capital revenue, depreciation and financing costs (recognising growth related debt is the primary driver of financing costs).
Funding renewals

We will increase the scale and pace of renewals, focusing on highest risk assets to reduce service failures and lifecycle costs. A sub regional long term renewals framework will be used to lock in capability, innovation and value. Our financial path lifts renewals toward ≈75% of depreciation across the decade, while improving asset data to refine useful lives and revaluation settings over time.

Funding growth — "growth pays for growth"

IAWAI inherits a significant growth-funding deficit from both councils. This largely reflects historic debt associated with each council— currently estimated at approximately $346M for HCC and $40M for WDC (subject to final confirmation when the councils complete their annual reports for the year ending 30 June 2026).

These deficits stem from previous shortfalls in funding growth-related infrastructure after accounting for development contributions and other capital revenue.

This financial strategy introduces a more structured approach to ensure that existing customers are not required to subsidise new developments that provide them with no direct benefit. Therefore, we will:

- Adopt the HCC and WDC development contributions policies from 1 July 2026 for the respective areas, then implement an IAWAI Development Contributions policy from 1 July 2027 aligned to the councils' 2027/28 LTP cycle.
- Introduce a Water Supply Growth Charge and a Wastewater Growth Charge on new water and wastewater connections for new residential developments consented after 1 July 2026. The two charges combined will amount to $500 per residential connection per year for 25 years and $500 per year for 25 years per HUE based on a tiered pricing structure for non-residential developments. These charges are designed so that the cost of growth infrastructure is recovered from growth over time. The growth charge reduces reliance on general water charges on existing water users as a mechanism for funding growth.
- Remove Fast Track subsidies - Fast Track areas must fund 100% of their growth infrastructure and secure their own water allocations; IAWAI will use developer agreements (with councils) to protect existing users.
- Unfund growth asset depreciation initially - to avoid existing users paying for assets that primarily benefit future customers, growth related depreciation will not be funded until connections materialise; then funding switches on as benefitting users join.

Shareholder transitional financing arrangements

From 1 July 2026 IAWAI becomes operational with assets, people and contract transfers completed; some corporate services (billing, finance, growth and analytics, digital services, customer services, etc.) will initially be provided via the councils to minimise cost and risk. Stormwater remains on the councils' balance sheets, delivered by IAWAI under contract. Internal back-to-back loan arrangements for debt transferred from councils to IAWAI will be unwound over four years as IAWAI progressively borrows directly back-to back loan arrangements.

Debt and insurance – managing risk

- **Debt posture:** IAWAI will use long term debt to finance long life assets and smooth price impacts in the early years. Modelled paths keep FFO/Net Debt above 8% at all times and show significant headroom growing later in the decade as revenue and cash generation strengthen.
- **Headroom and limits:** The Councils retain their own stormwater debt positions and limits. The CCO model provides ample debt capacity to respond to sudden service or financial shock to the provision of water/ wastewater.
- **Insurance:** Underground reticulation is covered through the regional infrastructure policy (natural catastrophe events) with sub limits; above ground facilities are covered under Material Damage and Business Interruption (MDBI). Group renewals and sub limit setting (including for IAWAI) will be updated as loss modelling is refreshed post establishment. Government Civil Defence and Emergency Management (CDEM) co funding may be available for eligible disaster recovery above local thresholds after insurance.

Treasury management

Our approach to the following treasury matters is specified in our Treasury management policy.

- IAWAI's policy on giving security for borrowing; and
- IAWAI's objectives for holding and managing financial investments and equity securities; and
- IAWAI's quantified targets for returns on financial investments and equity securities.

Policy on securities: To borrow cash, we must offer lenders security. Debt is likely to be secured against water and wastewater income. Giving water and wastewater income as security means that our lenders can make us charge customer more to repay debt. That is why it is important to keep our debt at a sustainable level. We may also offer other security, including physical assets, in certain circumstances.

The full policy on giving securities can be found in the Treasury Management Policy on our website.

Investments: We only hold cash investment and no other type of investments. We hold cash investments for three main reasons:

- To ensure strong lines of liquidity and access to cash. Cash is supplemented by committed banking facilities
- To provide the funds for maturing debt. Cash is invested on short-term deposit to manage cash flows and maximise returns.

As part of borrowing from the LGFA, we are required to invest in financial bonds with the agency. We will receive interest on these bonds. Our target is to exceed the average 90-day bank bill rate.

Credit metrics and risk financing

Economic regulation readiness: Our approach aligns with likely price-quality and information disclosure expectations - clear service level outcomes, prudent use of debt, transparent allocation of costs (especially growth), and explainable price path-quality and information disclosure expectations, level outcomes, prudent use of debt, transparent allocation of costs (especially growth), and explainable price paths.

Risk financing: Insurance sublimits will be recalibrated post establishment; we will maintain contingency headroom and use government recovery mechanisms where eligible after major events, if any. Limits will be recalibrated post establishment; we will maintain contingency headroom and use Government recovery mechanisms where eligible after major events, if any.

Where funds come from and what they are used for

Chart 6.9: Funding sources for the ten years 2026-2036

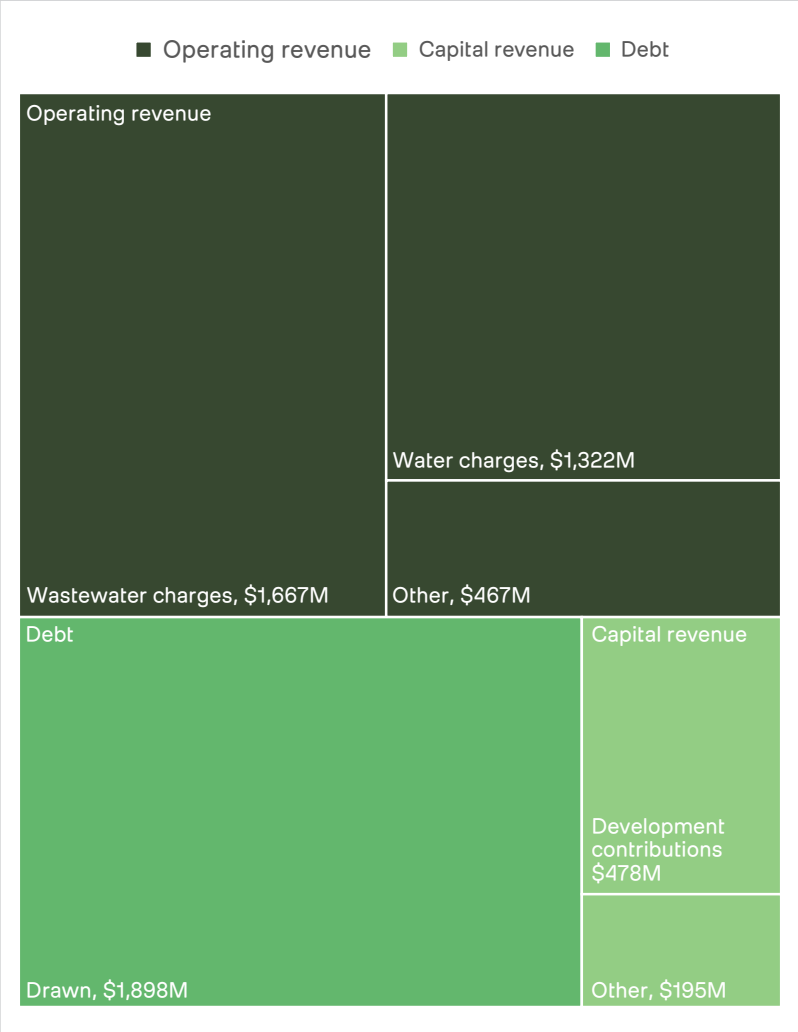
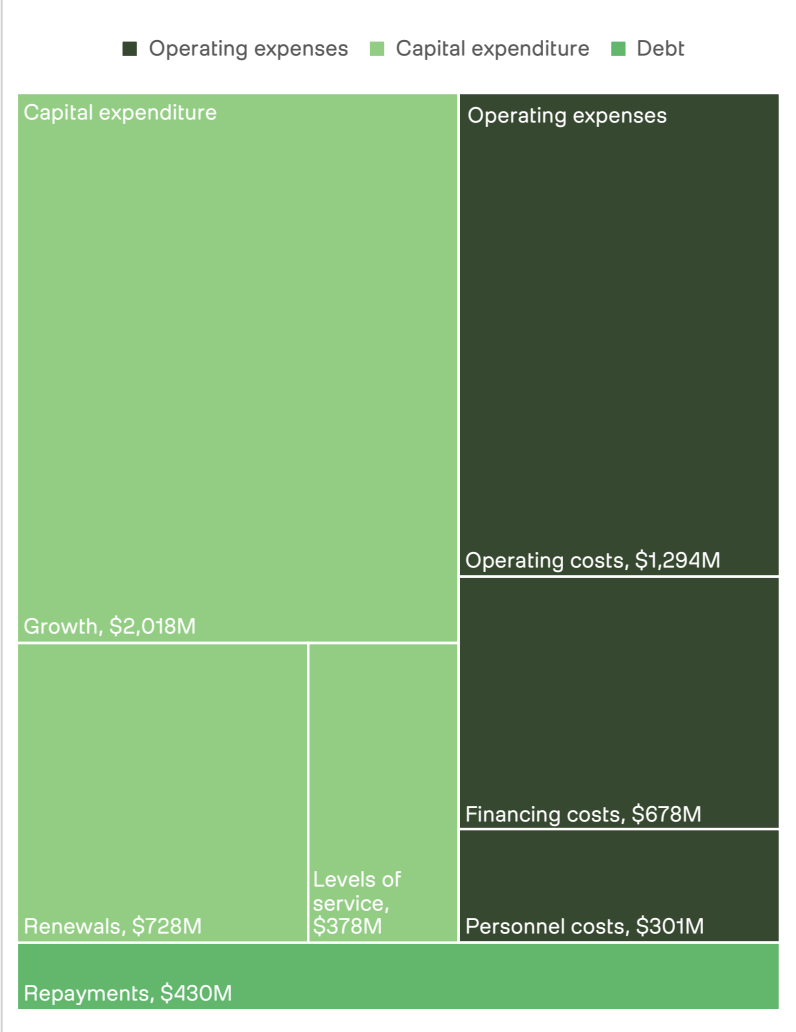


Chart 6.10: Funding applied for the ten years 2026-2036



Prospective financial statements

ALL

Prospective statement of comprehensive revenue and expense - All

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Water charges	62,675	76,266	92,143	108,230	125,512	144,840	159,424	174,973	182,879	195,476
Wastewater charges	81,342	97,366	115,392	136,791	158,420	183,934	200,712	220,864	233,064	238,661
Other operating revenue	28,504	30,962	31,388	35,334	38,474	42,112	46,052	50,760	56,072	62,295
Growth charge	-	1,516	2,369	3,237	4,123	5,016	5,937	6,723	7,593	8,471
Development contributions	31,192	45,022	51,642	54,986	52,158	51,844	52,023	49,847	44,995	44,120
Vested assets	5,655	5,797	5,947	6,091	6,231	6,394	6,435	6,728	7,264	7,187
Other capital revenue	44,893	38,439	38,840	3,865	3,858	201	31,897	32,567	-	-
Total revenue	254,261	295,369	337,721	348,532	388,775	434,340	502,480	542,462	531,867	556,210
Personnel costs	28,256	27,985	28,654	29,178	29,774	30,426	31,024	31,625	31,754	32,263
Operating expenses	114,144	111,871	115,784	116,506	128,181	135,050	140,339	143,266	141,947	146,493
Finance costs	25,757	35,421	45,331	56,565	67,403	83,712	91,913	91,643	90,920	89,446
Depreciation and amortisation	60,441	66,979	75,495	84,692	93,947	101,993	110,041	117,204	125,019	132,530
Total expenses	228,598	242,256	265,263	286,942	319,304	351,181	373,318	383,737	389,639	400,732
Net surplus / (deficit)	**25,664**	**53,112**	**72,457**	**61,591**	**69,470**	**83,158**	**129,162**	**158,725**	**142,227**	**155,479**
Revaluation of infrastructure assets	97,791	111,717	123,094	138,958	155,437	167,780	180,335	197,735	212,345	219,800
Total comprehensive revenue and expenses	**123,455**	**164,830**	**195,552**	**200,548**	**224,907**	**250,938**	**309,497**	**356,460**	**354,572**	**375,279**

Prospective free funds from operations - All

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Operating revenue	217,414	244,550	280,131	287,456	330,386	376,102	444,022	485,886	479,608	504,903
Less Expenses (minus depreciation)	(168,157)	(175,277)	(189,769)	(202,249)	(225,357)	(249,189)	(263,277)	(266,533)	(264,620)	(268,202)
Add back 75% of DC	23,394	33,766	38,732	41,240	39,118	38,883	39,017	37,386	33,746	33,090
Free Funds from operations	**72,651**	**103,039**	**129,094**	**126,446**	**144,147**	**165,796**	**219,762**	**256,738**	**248,734**	**269,791**

Prospective statement of changes in equity - All

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	3034	2035	2036
Equity balance at 1 July	(8,805)	2,683,990	2,848,820	3,044,372	3,244,920	3,469,827	3,720,765	4,030,262	4,386,722	4,741,295
Issue of Share Capital	2,569,341									
Net surplus / (deficit)	25,664	53,112	72,457	61,591	69,470	83,158	129,162	158,725	142,227	155,479
Revaluation gains	97,791	111,717	123,094	138,958	155,437	167,780	180,335	197,735	212,345	219,800
Equity balance at 30 June	**2,683,990**	**2,848,820**	**3,044,372**	**3,244,920**	**3,469,827**	**3,720,765**	**4,030,262**	**4,386,722**	**4,741,295**	**5,116,573**

ALL

Prospective statement of financial position -All

As at 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Cash and cash equivalents	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Other current assets	24,874	27,112	29,343	30,849	32,865	35,103	37,277	39,793	40,763	41,313
Infrastructure assets	3,396,372	3,781,686	4,205,550	4,686,377	5,122,054	5,557,014	5,893,393	6,246,335	6,610,447	6,917,802
Other non-current assets	5,995	9,427	14,296	23,177	30,674	38,545	43,751	49,049	53,408	57,374
Total assets	3,447,240	3,838,225	4,269,189	4,760,403	5,205,592	5,650,662	5,994,422	6,355,176	6,724,618	7,036,489
Borrowings – current	125,794	125,794	125,794	3,940	7,181	18,766	15,663	3,301	4,971	0
Other current liabilities	34,881	35,798	36,732	37,629	38,524	39,410	40,308	41,187	42,032	42,489
Borrowings – non-current	602,433	827,672	1,062,150	1,473,774	1,689,920	1,871,580	1,908,048	1,923,826	1,936,180	1,877,286
Other non-current liabilities	141	141	141	141	141	141	141	141	141	141
Total liabilities	763,249	989,405	1,224,817	1,515,483	1,735,765	1,929,897	1,964,159	1,968,454	1,983,323	1,919,916
Net assets	**2,683,990**	**2,848,820**	**3,044,372**	**3,244,920**	**3,469,827**	**3,720,765**	**4,030,262**	**4,386,722**	**4,741,295**	**5,116,573**
Revaluation reserves	97,791	209,508	332,602	471,560	626,997	794,776	975,111	1,172,847	1,385,192	1,604,992
Retained Earnings	16,859	69,971	142,429	204,019	273,489	356,648	485,810	644,535	786,762	942,241
Shareholder Capital	2,569,341	2,569,341	2,569,341	2,569,341	2,569,341	2,569,341	2,569,341	2,569,341	2,569,341	
Total Equity	**2,683,990**	**2,848,820**	**3,044,372**	**3,244,920**	**3,469,827**	**3,720,765**	**4,030,262**	**4,386,722**	**4,741,295**	**5,116,573**

Prospective statement of cashflows - All

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Cashflows from operating activities										
Water and wastewater charges	142,939	171,788	205,671	243,385	282,226	326,876	358,310	393,662	415,321	433,942
Other operating revenue	28,348	30,462	30,762	34,553	37,431	40,851	44,547	49,107	54,252	60,354
Interest received	60	151	268	429	695	920	1,156	1,313	1,471	1,602
Growth charge	0	1,516	2,369	3,237	4,123	5,016	5,937	6,723	7,593	8,471
Development contributions	31,192	45,022	51,642	54,986	52,158	51,844	52,023	49,847	44,995	44,120
Other capital revenue	44,893	38,439	38,840	3,865	3,858	201	31,897	32,567	-	-
Payments to employees	(27,854)	(27,902)	(28,576)	(29,125)	(29,711)	(30,356)	(30,960)	(31,562)	(31,743)	(32,213)
Payment to suppliers	(114,144)	(111,037)	(114,928)	(115,662)	(127,349)	(134,234)	(139,505)	(142,450)	(141,113)	(146,101)
Interest paid	(24,339)	(33,946)	(43,793)	(54,964)	(65,750)	(82,005)	(90,205)	(90,767)	(90,920)	(89,446)
Net cashflows from operating activities	81,096	114,494	142,255	140,703	157,681	179,112	233,199	268,440	259,857	280,729
Cashflows from investment activities										
Acquisition of other financial assets	(3,028)	(3,478)	(4,878)	(8,401)	(7,459)	(7,871)	(5,206)	(5,297)	(4,359)	(3,967)
Capital expenditure	(259,480)	(334,778)	(370,318)	(420,471)	(367,956)	(362,780)	(259,650)	(265,682)	(269,522)	(212,898)
Net cashflows from investment activities	(262,507)	(338,257)	(375,196)	(428,872)	(375,415)	(370,651)	(264,856)	(270,979)	(273,881)	(216,864)
Cashflows from financing activities										
Increase/(decrease) in borrowings	201,412	223,763	232,941	288,168	217,734	191,538	31,657	2,540	14,024	(63,865)
Net cashflows from financing activities	201,412	223,763	232,941	288,168	217,734	191,538	31,657	2,540	14,024	(63,865)
Net increase/decrease) in cash and cash equivalents	20,000	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning of year	-	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Cash and cash equivalents at end of year	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000

WATER

Prospective statement of comprehensive revenue and expense – water

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Water charges	62,675	76,266	92,143	108,230	125,512	144,840	159,424	174,973	182,879	195,476
Other operating revenue	1,063	1,102	170	261	379	461	583	712	859	1,034
Growth charge	0	606	947	1,295	1,649	2,006	2,375	2,689	3,037	3,389
Development contributions	11,429	18,502	18,156	20,031	19,504	19,754	19,640	18,753	16,323	15,298
Vested assets	1,984	2,034	2,087	2,137	2,186	2,243	2,258	2,361	2,548	2,522
Other capital revenue	44,097	36,350	35,019	60	61	63	64	65	-	-
Total revenue	121,249	134,860	148,524	132,014	149,292	169,368	184,344	199,553	205,646	217,718
Personnel costs	4,188	4,269	4,346	4,425	4,537	4,670	4,787	4,902	4,782	4,859
Operating expenses	54,113	50,000	50,961	52,785	55,321	56,566	57,351	56,770	55,515	56,883
Finance costs	8,632	12,175	16,585	21,355	24,377	28,802	31,168	30,636	31,158	30,810
Depreciation and amortisation	23,677	26,759	31,339	36,553	40,838	43,660	46,540	49,159	51,958	55,960
Total expenses	90,610	93,204	103,231	115,118	125,073	133,698	139,845	141,467	143,413	148,512
Net surplus / (deficit)	**30,638**	**41,657**	**45,292**	**16,896**	**24,219**	**35,670**	**44,498**	**58,087**	**62,233**	**69,205**
Revaluation of infrastructure assets	42,654	49,508	57,872	65,635	71,401	78,642	84,994	91,313	101,240	107,169
Total comprehensive revenue and expenses	**73,292**	**91,165**	**103,164**	**82,531**	**95,620**	**114,312**	**129,492**	**149,399**	**163,473**	**176,374**

Prospective statement of changes in equity - water

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	3034	2035	2036
Equity balance at 1 July	(4,403)	1,152,681	1,243,846	1,347,011	1,429,541	1,525,161	1,639,473	1,768,965	1,918,364	2,081,837
Issue of Share Capital	1,083,792									
Net surplus / (deficit)	30,638	41,657	45,292	16,896	24,219	35,670	44,498	58,087	62,233	69,205
Revaluation gains	42,654	49,508	57,872	65,635	71,401	78,642	84,994	91,313	101,240	107,169
Equity balance at 30 June	**1,152,681**	**1,243,846**	**1,347,011**	**1,429,541**	**1,525,161**	**1,639,473**	**1,768,965**	**1,918,364**	**2,081,837**	**2,258,211**

WATER

Prospective statement of financial position - water

As at 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Cash and cash equivalents	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400
Other current assets	12,552	13,664	14,790	15,799	16,841	17,975	19,078	20,350	20,851	21,148
Infrastructure assets	1,390,662	1,567,978	1,781,765	1,966,332	2,092,769	2,249,652	2,382,984	2,504,578	2,714,068	2,824,576
Other non-current assets	1,538	3,262	5,466	8,312	9,562	11,853	13,924	15,405	17,318	18,259
Total assets	1,412,152	1,592,304	1,809,421	1,997,844	2,126,572	2,286,879	2,423,385	2,547,733	2,759,637	2,871,383
Borrowings - current	44,213	44,213	44,213	1,248	1,631	3,001	2,634	1,555	2,504	-
Other current liabilities	12,297	12,756	13,223	13,671	14,119	14,562	15,011	15,450	15,873	15,898
Borrowings – non current	202,904	291,433	404,918	553,326	585,604	629,788	636,719	612,308	659,368	597,219
Other non-current liabilities	56	56	56	56	56	56	56	56	56	56
Total liabilities	259,471	348,458	462,410	568,302	601,411	647,406	654,420	629,369	677,801	613,173
Net assets	**1,152,681**	**1,243,846**	**1,347,011**	**1,429,541**	**1,525,161**	**1,639,473**	**1,768,965**	**1,918,364**	**2,081,837**	**2,258,211**
Revaluation reserves	42,654	92,162	150,034	215,669	287,070	365,712	450,706	542,018	643,258	750,427
Retained Earnings	26,236	67,893	113,185	130,081	154,300	189,969	234,467	292,554	354,787	423,992
Shareholder Capital	1,083,792	1,083,792	1,083,792	1,083,792	1,083,792	1,083,792	1,083,792	1,083,792	1,083,792	
Total Equity	**1,152,681**	**1,243,846**	**1,347,011**	**1,429,541**	**1,525,161**	**1,639,473**	**1,768,965**	**1,918,364**	**2,081,837**	**2,258,211**

Prospective statement of cashflows - water

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Cashflows from operating activities										
Water charges	61,956	75,344	91,211	107,412	124,659	143,891	158,511	173,885	182,568	195,378
Other operating revenue	998	881	(106)	(79)	(44)	4	53	124	222	344
Interest received	18	46	98	164	249	287	356	418	462	520
Growth charges	-	606	947	1,295	1,649	2,006	2,375	2,689	3,037	3,389
Development contributions	11,429	18,502	18,156	20,031	19,504	19,754	19,640	18,753	16,323	15,298
Other capital revenue	44,097	36,350	35,019	60	61	63	64	65	-	-
Payments to employees	(3,987)	(4,227)	(4,307)	(4,398)	(4,506)	(4,635)	(4,755)	(4,871)	(4,777)	(4,834)
Payment to suppliers	(54,113)	(49,599)	(50,548)	(52,379)	(54,920)	(56,173)	(56,950)	(56,377)	(55,113)	(56,913)
Interest paid	(8,486)	(12,023)	(16,427)	(21,190)	(24,206)	(28,627)	(30,992)	(30,546)	(31,158)	(30,810)
Net cashflows from operating activities	51,911	65,880	74,044	50,916	62,447	76,571	88,302	104,141	111,565	122,372
Cashflows from investment activities										
Acquisition of other financial assets	(951)	(1,724)	(2,204)	(2,847)	(1,250)	(2,291)	(2,071)	(1,482)	(1,913)	(941)
Capital expenditure	(109,808)	(152,533)	(185,167)	(153,348)	(93,687)	(119,657)	(92,620)	(77,079)	(157,661)	(56,778)
Net cashflows from investment activities	(110,759)	(154,257)	(187,371)	(156,195)	(94,937)	(121,948)	(94,691)	(78,561)	(159,574)	(57,719)
Cashflows from financing activities										
Increase/(decrease) in borrowings	66,248	88,377	113,327	105,279	32,491	45,377	6,389	(25,581)	48,009	(64,653)
Net cashflows from financing activities	66,248	88,377	113,327	105,279	32,491	45,377	6,389	(25,581)	48,009	(64,653)
Net increase/(decrease) in cash and cash equivalents	7,400	(0)	(0)	(0)	0	(0)	(0)	(0)	0	(0)
Cash and cash equivalents at beginning of year	0	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400
Cash and cash equivalents at end of year	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400

WASTEWATER

Prospective statement of comprehensive revenue and expense – wastewater

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Wastewater charges	82,252	97,366	115,392	136,791	158,420	183,934	200,712	220,864	233,064	238,661
Other operating revenue	17,503	20,587	21,490	24,929	27,667	30,865	34,599	38,864	43,791	49,607
Growth charge	0	910	1,421	1,942	2,474	3,009	3,562	4,034	4,556	5,083
Development contributions	19,763	26,520	33,486	34,955	32,654	32,090	32,383	31,094	28,672	28,821
Vested assets	3,671	3,763	3,860	3,953	4,044	4,151	4,178	4,368	4,715	4,665
Other capital revenue	796	2,090	3,820	3,805	3,797	138	31,833	32,502	0	0
Total revenue	123,984	151,235	179,470	206,375	229,055	254,186	307,267	331,726	314,798	326,838
Operating expenses	7,953	8,159	8,368	8,519	8,706	8,922	9,111	9,300	9,255	9,404
Finance costs	67,116	68,155	71,036	69,811	78,963	84,532	89,244	92,735	92,726	95,956
Depreciation and amortisation	17,125	23,245	28,745	35,211	43,026	54,910	60,746	61,007	59,762	58,636
Total expenses	36,764	40,220	44,155	48,139	53,109	58,333	63,501	68,045	73,061	76,569
Net surplus / (deficit)	**128,959**	**139,779**	**152,305**	**161,680**	**183,804**	**206,697**	**222,603**	**231,088**	**234,804**	**240,565**
Revaluation of infrastructure assets	60,534	68,425	76,585	90,036	103,428	116,833	127,620	139,535	148,966	110,190
Total comprehensive revenue and expenses	**50,162**	**71,453**	**92,387**	**118,017**	**126,721**	**136,627**	**180,005**	**203,584**	**191,100**	**198,905**

Prospective statement of changes in equity - wastewater

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	3034	2035	2036
Equity balance at 1 July	(4,403)	1,531,247	1,602,700	1,695,087	1,813,105	1,939,826	2,076,453	2,256,458	2,460,042	2,651,142
Issue of Share Capital	1,485,487									
Net surplus / (deficit)	(4,975)	11,456	27,165	44,695	45,252	47,489	84,664	100,638	79,994	86,273
Revaluation gains	55,137	59,998	65,222	73,323	81,469	89,138	95,341	102,946	111,105	112,631
Equity balance at 30 June	**1,531,247**	**1,602,700**	**1,695,087**	**1,813,105**	**1,939,826**	**2,076,453**	**2,256,458**	**2,460,042**	**2,651,142**	**2,850,046**

WASTEWATER

Prospective statement of financial position - wastewater

As at 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Cash and cash equivalents	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600
Other current assets	12,321	13,448	14,553	15,050	16,024	17,128	18,200	19,442	19,912	20,164
Infrastructure assets	2,005,648	2,211,433	2,421,511	2,717,771	3,024,445	3,302,523	3,505,570	3,733,441	3,888,063	4,084,910
Other non-current assets	4,457	6,166	8,830	14,864	21,112	26,692	29,828	33,643	36,090	39,115
Total assets	2,035,026	2,243,647	2,457,494	2,760,286	3,074,181	3,358,943	3,566,197	3,799,127	3,956,665	4,156,790
Borrowings - current	81,581	81,581	81,581	2,691	5,549	15,765	13,029	1,746	2,467	-
Other current liabilities	22,583	23,042	23,509	23,957	24,405	24,848	25,297	25,736	26,159	26,591
Borrowings – non current	399,529	536,239	657,232	920,447	1,104,315	1,241,792	1,271,329	1,311,517	1,276,812	1,280,067
Other non-current liabilities	85	85	85	85	85	85	85	85	85	85
Total liabilities	503,779	640,947	762,407	947,181	1,134,355	1,282,490	1,309,739	1,339,085	1,305,523	1,306,743
Net assets	**1,531,247**	**1,602,700**	**1,695,087**	**1,813,105**	**1,939,826**	**2,076,453**	**2,256,458**	**2,460,042**	**2,651,142**	**2,850,046**
Revaluation reserves	55,137	115,135	180,357	253,680	335,149	424,287	519,628	622,574	733,680	846,311
Retained Earnings	(9,377)	2,078	29,244	73,938	119,190	166,679	251,343	351,981	431,975	518,248
Shareholder Capital	1,485,487	1,485,487	1,485,487	1,485,487	1,485,487	1,485,487	1,485,487	1,485,487	1,485,487	
Total Equity	**1,531,247**	**1,602,700**	**1,695,087**	**1,813,105**	**1,939,826**	**2,076,453**	**2,256,458**	**2,460,042**	**2,651,142**	**2,850,046**

Prospective statement of cashflows - wastewater

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Cashflows from operating activities										
Wastewater charges	81,892	96,444	114,460	135,973	157,567	182,985	199,799	219,777	232,753	238,564
Other operating revenue	17,412	20,307	21,141	24,488	27,047	30,061	33,624	37,799	42,607	48,355
Interest received	43	105	171	265	446	633	801	895	1,009	1,083
Growth charge	-	910	1,421	1,942	2,474	3,009	3,562	4,034	4,556	5,083
Development contributions	19,763	26,520	33,486	34,955	32,654	32,090	32,383	31,094	28,672	28,821
Other capital revenue	796	2,090	3,820	3,805	3,797	138	31,833	32,502	-	-
Payments to employees	(7,753)	(8,118)	(8,329)	(8,493)	(8,674)	(8,887)	(9,079)	(9,269)	(9,249)	(9,379)
Payment to suppliers	(67,116)	(67,722)	(70,593)	(69,373)	(78,532)	(84,109)	(88,812)	(92,312)	(92,294)	(95,534)
Interest paid	(15,853)	(21,922)	(27,366)	(33,774)	(41,544)	(53,378)	(59,214)	(60,221)	(59,762)	(58,636)
Net cashflows from operating activities	29,184	48,613	68,211	89,787	95,235	102,542	144,897	164,298	148,292	158,357
Cashflows from investment activities										
Acquisition of other financial assets	(2,077)	(1,754)	(2,675)	(5,554)	(6,209)	(5,580)	(3,136)	(3,815)	(2,446)	(3,026)
Capital expenditure	(149,671)	(182,245)	(185,150)	(267,123)	(274,269)	(243,123)	(167,029)	(188,603)	(111,861)	(156,120)
Net cashflows from investment activities	(151,748)	(184,000)	(187,825)	(272,677)	(280,478)	(248,703)	(170,165)	(192,418)	(114,308)	(159,146)
Cashflows from financing activities										
Increase/(decrease) in borrowings	135,164	135,386	119,614	182,890	185,244	146,161	25,268	28,120	(33,985)	788
Net cashflows from financing activities	135,164	135,386	119,614	182,890	185,244	146,161	25,268	28,120	(33,985)	788
Net increase/(decrease) in cash and cash equivalents	12,600	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning of year	-	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600
Cash and cash equivalents at end of year	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600

Prospective statement of significant accounting policies

Reporting entity
IAWAI – Flowing Waters Limited (IAWAI) is a water services entity governed by the Local Government (Water Services) Act 2025 (LG(WS)A 2025). Our primary objective is to provide water services for community rather than making a financial return. As such, for the purposes of financial reporting, we are considered a public benefit entity. These prospective financial statements are for IAWAI as a separate legal entity.

Basis of preparation
We authorised the prospective financial statements on 18 June 2026 for consultation. We believe the assumptions underlying these prospective financial statements are appropriate. We accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying these statements and all other required disclosures. No actual results have been included within the prospective financial statements. We do not intend to update the prospective financial statements after they are presented.

Statement of compliance
The prospective financial statements have been prepared in accordance with the requirements of the LG(WS)A 2025, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity. The reporting period for these prospective financial statements is for the 10 years ending 30 June 2036. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand ($000), unless otherwise stated. The accounting policies set out below have been applied consistently to all periods presented here.

The purpose of the prospective financial information is to support our planning.

Measurement base
The basis for measurement applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate. The inflation rates used are from the latest relevant BERL forecasts and the discount rate is our forecast long-term cost of borrowing.

Judgements and estimations
The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy. The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis, and adjustments are made where necessary. Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

Significant accounting policies
Standards issued and not yet effective or early adopted

There have been no standards and amendments issued that are not yet effective and early adopted.

Revenue
Revenue includes water and wastewater charges, other operating activities revenue and other capital revenue. It is measured at the fair value of consideration received or receivable. Revenue may come from either exchange or non-exchange transactions.

Exchange transactions
Exchange transactions are transactions where we receive assets (primarily cash) or services, or have liabilities extinguished, and directly give approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions
Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, we either receive value from or give value to another entity without directly giving or receiving approximately equal value in exchange. An inflow of resources from a non-exchange transaction recognised as an asset is considered revenue, except to the extent that a liability is also recognised in respect of the same inflow.

At times we satisfy a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset. Doing so reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Gains
Gains include additional earnings on the disposal of property, plant and equipment as well as movements in the fair value of financial assets and liabilities. Gains are classified as exchange revenue.

Development Contributions
Development contributions are recognised as revenue when the council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Goods and services tax (GST)
All items in the prospective financial statements are exclusive of GST except receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Taxation
Income tax expense on the surplus or deficit for the year includes current and deferred tax. Current tax is the expected tax payable based on the taxable income for the year. This uses tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods. Deferred tax is provided using the balance sheet liability method. This provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities. It also takes into account the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent it is probable future tax profit will be available against which they can be utilised.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments. The carrying value of cash at bank and short-term deposits with original maturities of less than three months approximates their fair value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables
Short-term receivables are recorded at the amount due less any provision for collectability. A receivable is considered to be uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Inventory
Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the first-in, first-out (FIFO) method), adjusted, when applicable for any loss of service potential. Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower cost (using the FIFO method) and net realisable value.

Property, plant and equipment

Property, plant and equipment include:

Operational assets
These are land, buildings, plant and equipment, and vehicles.

Infrastructure assets
These are the fixed utility systems that we own. Each asset type includes all items that are required for the network to function.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions
The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the net surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs
Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Revaluation
Land and buildings (operational) and infrastructural assets are revalued regularly to ensure that their carrying amount does not differ materially from fair value. These revaluations occur at least every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to make sure they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then in other comprehensive income.

Depreciation

The residual value and useful life of an asset is reviewed and adjusted if applicable at each financial year end.

Heritage assets are not depreciated.

Depreciation is not provided in these statements on the following assets:

- land
- non-current asset held for resale
- work in progress and assets under construction.

The useful lives and associated depreciation rates of major classes of assets are estimated as follows:

Asset type	Year	%
Buildings - structure/fit out/ services	2-200	0.5%-50%
Plant and vehicles	3-15	6.7%-33.3%
Furniture, fittings and equipment	5-50	2%-20%

Asset type	Year	%
Wastewater reticulation:		
Pipes	30 - 100	1% - 3.3%
Manholes	100	1%
Treatment plant	5 - 100	1% - 20%
Valves	40 - 75	1.3% - 2.5%
Pump stations	15 - 100	1% - 6.7%
Water reticulation:		
Bulk main chambers	100	1%
Backflow devices	40	2.5%
Pipes	40 - 100	1% - 2.5%
Valves	40 - 75	1.3% - 2.5%
Treatment plant	5 - 100	1% - 20%
Meters	15	6.7%
Hydrants	50 - 75	1.3% - 2%
Cathodic Protection Device	15 - 100	1% - 6.7%
Reservoirs	15 - 100	1% - 6.7%

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction and not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value, less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Intangible assets

Intangible assets are defined as identifiable non-monetary assets without physical form. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

Intangible assets include:

Software acquisition and development

- Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.
- Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.
- Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

These are capitalised at historic cost and are amortised on a straight-line basis over their estimated useful lives (five years). Costs associated with maintaining computer software are recognised as an expense when incurred.

Consents and designations

- Consents and designations not attributed to a specific asset are capitalised at historic cost. These are amortised on a straight-line basis over their estimated useful lives.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

The useful lives of major classes of intangible assets have been estimated as follows:

Computer software	2-20 years
Consents & designations	10-100 years
Licenses	3-14 years

Impairment of property, plant and equipment
Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. Impairment in term deposits, local authority stock, government stock bonds, general and community loans are recognised directly against the instrument's carrying amounts.

Creditors and other payables
Short-term creditors and other payables are recorded at their face value.

Employee entitlements
Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date to the extent it will be used by staff to cover those future absences.

The provision for retirement gratuities has been calculated on an actuarial basis bringing to account what is likely to be payable in the future. This is in respect of service that employees have accumulated up until twelve months after balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff. These are based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as non-current liability.

Superannuation schemes

Defined contribution schemes

Employer contribution to KiwiSaver is accounted for as defined contribution superannuation scheme and is expensed in the surplus or deficit when incurred.

Provisions
We recognise a provision for future expenditure of uncertain amount or timing when:

- There is a present obligation (either legal or constructive) as a result of a past event.
- It is probable that expenditures will be required to settle the obligation.
- A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. This is done using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost and is included in "finance costs".

Equity
Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Retained earnings
- revaluation reserves
- Shareholder Capital

Retained earnings include accumulated surpluses over the years.

Prospective statement of cash flows
Cash and cash equivalents for the purposes of the cashflow statement include bank balances, cash on hand and short-term deposits with a maturity of three months or less.

Operating activities include cash received from all our non-financial revenue sources and record payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets and investment revenue. Financing activities relate to activities that change our equity and debt capital structure and financing cost.

Public benefit entity financial reporting standard 42 prospective financial statements (PBE FRS 42)

IAWAI has complied with PBE FRS 42 in the preparation of these draft prospective financial statements. The following information is included to satisfy the requirements of PBE FRS 42:

(i) Description of the nature of the entity's current operation and its principal activities:
IAWAI – Flowing Waters Limited (IAWAI) is a water services entity as defined in the LG(WS)A 2025. Our principal activities are outlined within this WSS.

(ii) Purpose for which the prospective financial statements are prepared:
It is a requirement of the Local Government (Water Services) Act 2025 to present prospective financial statements and include them within the WSS. This allows customers the opportunity to review our projected financial results and position. Prospective financial statements are revised annually to reflect updated assumptions and costs.

(iii) Bases for assumptions, risks and uncertainties:
The financial information has been prepared based on best estimate assumptions as to the future events which we expect to take place. We have considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined in section 8 of the WSS

(iv) Cautionary note:
The financial information is prospective. Actual results are likely to vary from the information presented. These variations may be material.

(v) Other disclosures:
These prospective financial statements were adopted as part of the assumptions that form this WSS. We are responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. This WSS is prospective and as such contains no actual operating results.



Prospective funding impact statement – All

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Sources of Operating Funding										
Local authority general rates, uniform annual general charge, rates penalties	-	-	-	-	-	-	-	-	-	-
Local authority targeted rates	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
Fees and charges										
- Water organisation charges	163,805	195,552	229,320	270,184	311,694	359,601	394,593	434,541	459,571	483,635
- other fees and charges	8,656	8,891	9,335	9,741	10,016	10,365	10,439	10,743	10,972	11,195
Transfer in from other water services	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	60	151	268	429	695	920	1,156	1,313	1,471	1,602
Fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-
Total operating funds	172,521	204,594	238,923	280,354	322,405	370,886	406,188	446,596	472,015	496,432
Application of Operating Funding										
Payments to staff and suppliers	142,400	139,856	144,438	145,684	157,955	165,477	171,364	174,890	173,701	178,756
Finance costs	24,339	33,946	43,793	54,964	65,750	82,005	90,205	90,767	90,920	89,446
Other operating applications	-	-	-	-	-	-	-	-	-	-
Transfer out to other water services	-	-	-	-	-	-	-	-	-	-
Total application of operating funds	166,739	173,802	188,231	200,648	223,704	247,481	261,569	265,657	264,620	268,202
Surplus/(deficit) of operating funding	**5,782**	**30,792**	**50,692**	**79,706**	**98,701**	**123,405**	**144,619**	**180,939**	**207,395**	**228,230**
Sources of Capital Funding										
Subsidies and grants for capital	44,893	38,439	38,840	3,865	3,858	201	31,897	32,567	-	-
Development, infrastructure growth charges and financial contributions	31,192	46,538	54,011	58,223	56,281	56,859	57,960	56,570	52,588	52,591
Increase / (decrease) in debt	201,412	223,763	232,941	288,168	217,734	191,538	31,657	2,540	14,024	(63,865)
Repayment of loans from non-water services	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Local authority lump sum contributions	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	277,497	308,740	325,791	350,256	277,873	248,598	121,514	91,677	66,612	(11,274)
Application of Capital Funding										
Capital expenditure:										
- to meet additional demand	129,758	169,110	251,618	335,371	292,862	272,800	170,339	159,677	138,022	98,370
- to improve level of services	84,311	99,799	48,063	15,576	13,273	27,145	16,012	18,468	37,872	17,106
- to replace existing assets	45,410	65,870	70,637	69,524	61,821	62,835	73,298	87,537	93,628	97,422
Increase/(decrease) in working capital	20,771	1,276	1,287	1,090	1,158	1,352	1,277	1,636	126	92
Loans advanced to non-water services	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) of investments	3,028	3,478	4,878	8,401	7,459	7,871	5,206	5,297	4,359	3,967
Total application of capital funding	283,279	339,532	376,483	429,962	376,574	372,003	266,133	272,616	274,007	216,956
Surplus/(deficit) of capital funding	**(5,782)**	**(30,792)**	**(50,692)**	**(79,706)**	**(98,701)**	**(123,405)**	**(144,619)**	**(180,939)**	**(207,395)**	**(228,230)**
Funding balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Prospective funding impact statement – water

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Sources of Operating Funding										
Local authority general rates, uniform annual general charge, rates penalties	-	-	-	-	-	-	-	-	-	-
Local authority targeted rates	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
Fees and charges										
- Water organisation charges	63,720	77,928	93,163	109,622	127,291	147,020	162,026	177,956	186,313	199,378
- other fees and charges	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
Transfer in from other water services	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	18	46	98	164	249	287	356	418	462	520
Fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-
Total operating funds	63,738	77,974	93,261	109,786	127,540	147,307	162,382	178,374	186,775	199,898
Application of Operating Funding										
Payments to staff and suppliers	39,121	39,146	40,747	44,153	46,713	47,932	48,659	47,744	45,923	47,016
Finance costs	8,486	12,023	16,427	21,190	24,206	28,627	30,992	30,546	31,158	30,810
Internal charges and overheads applied	19,180	15,123	14,560	13,057	13,146	13,304	13,479	13,928	14,374	14,726
Other operating applications	-	-	-	-	-	-	-	-	-	-
Transfer out to other water services	-	-	-	-	-	-	-	-	-	-
Total application of operating funds	66,787	66,292	71,733	78,400	84,065	89,863	93,130	92,218	91,455	92,552
Surplus/(deficit) of operating funding	**(3,049)**	**11,682**	**21,528**	**31,386**	**43,476**	**57,445**	**69,252**	**86,156**	**95,321**	**107,345**
Sources of Capital Funding										
Subsidies and grants for capital	44,097	36,350	35,019	60	61	63	64	65	0	0
Development, infrastructure growth charges and financial contributions	11,429	18,502	18,156	20,031	19,504	19,754	19,640	18,753	16,323	15,298
Increase / (decrease) in debt	66,248	88,377	113,327	105,279	32,491	45,377	6,389	(25,581)	48,009	(64,653)
Repayment of loans from non-water services	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Local authority lump sum contributions	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	121,774	143,229	166,502	125,370	52,056	65,194	26,093	6,762	64,331	49,355
Application of Capital Funding										
Capital expenditure:										
- to meet additional demand	68,432	89,797	126,127	126,773	69,958	82,423	63,127	40,001	102,071	14,851
- to improve level of services	27,301	36,894	29,195	4,793	5,354	18,542	4,669	7,258	21,887	2,634
- to replace existing assets	14,075	25,842	29,845	21,782	18,375	18,692	24,824	29,821	33,703	39,293
Increase/(decrease) in working capital	7,965	653	659	561	594	691	654	833	78	272
Loans advanced to non-water services	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) of investments	951	1,724	2,204	2,847	1,250	2,291	2,071	1,482	1,913	941
Total application of capital funding	118,725	154,911	188,030	156,756	95,531	122,639	95,345	79,394	159,652	57,991
Surplus/(deficit) of capital funding	**3,049**	**(11,682)**	**(21,528)**	**(31,386)**	**(43,476)**	**(57,445)**	**(69,252)**	**(86,156)**	**(95,321)**	**(107,345)**
Funding balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Prospective funding impact statement – wastewater

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Sources of Operating Funding										
Local authority general rates, uniform annual general charge, rates penalties	-	-	-	-	-	-	-	-	-	-
Local authority targeted rates	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
Fees and charges										
- Water organisation charges	99,712	118,757	138,133	163,397	188,114	217,174	238,072	262,867	280,401	292,269
- other fees and charges	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
Transfer in from other water services	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	43	105	171	265	446	633	801	895	1,009	1,083
Fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-
Total operating funds	99,755	118,862	138,303	163,662	188,560	217,808	238,873	263,762	281,411	293,351
Application of Operating Funding										
Payments to staff and suppliers	55,526	60,818	64,462	64,881	74,121	79,739	84,457	87,677	87,168	90,185
Finance costs	15,853	21,922	27,366	33,774	41,544	53,378	59,214	60,221	59,762	58,636
Internal charges and overheads applied	19,544	15,496	14,943	13,449	13,547	13,715	13,899	14,358	14,813	15,175
Other operating applications	-	-	-	-	-	-	-	-	-	-
Transfer out to other water services	-	-	-	-	-	-	-	-	-	-
Total application of operating funds	90,923	98,236	106,770	112,105	129,212	146,832	157,570	162,256	161,743	163,996
Surplus/(deficit) of operating funding	**8,832**	**20,626**	**31,533**	**51,557**	**59,348**	**70,975**	**81,304**	**101,506**	**119,667**	**129,356**
Sources of Capital Funding										
Subsidies and grants for capital	796	2,090	3,820	3,805	3,797	138	31,833	32,502	0	0
Development, infrastructure growth charges and financial contributions	19,763	26,520	33,486	34,955	32,654	32,090	32,383	31,094	28,672	28,821
Increase / (decrease) in debt	135,164	135,386	119,614	182,890	185,244	146,161	25,268	28,120	(33,985)	788
Repayment of loans from non-water services	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Local authority lump sum contributions	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	155,723	163,996	156,920	221,649	221,694	178,389	89,484	91,716	5,312	29,610
Application of Capital Funding										
Capital expenditure:										
- to meet additional demand	61,326	79,313	125,490	208,598	222,904	190,377	107,212	119,676	35,951	83,520
- to improve level of services	57,011	62,905	18,868	10,782	7,920	8,602	11,343	11,210	15,986	14,471
- to replace existing assets	31,335	40,028	40,792	47,742	43,446	44,143	48,475	57,717	59,925	58,129
Increase/decrease) in working capital	12,806	622	628	530	564	661	623	803	47	(180)
Loans advanced to non-water services	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) of investments	2,077	1,754	2,675	5,554	6,209	5,580	3,136	3,815	2,446	3,026
Total application of capital funding	164,554	184,622	188,453	273,206	281,042	249,364	170,788	193,222	114,355	158,966
Surplus/(deficit) of capital funding	**(8,832)**	**(20,626)**	**(31,533)**	**(51,557)**	**(59,348)**	**(70,975)**	**(81,304)**	**(101,506)**	**(119,667)**	**(129,356)**
Funding balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Prospective funding impact statement – other

For the year ended 30 June ($,000)	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Sources of Operating Funding										
Local authority general rates, uniform annual general charge, rates penalties	-	-	-	-	-	-	-	-	-	-
Local authority targeted rates	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-
- Water organisation charges	373	382	392	402	412	421	431	440	450	460
- other fees and charges	8,656	8,891	9,335	9,741	10,016	10,365	10,439	10,743	10,972	11,195
Internal charges and overheads recovered	38,421	30,307	29,183	26,179	26,358	26,677	27,027	27,928	28,821	29,527
Transfer in from other water services	-	-	-	-	-	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
Fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-
Total operating funds	47,450	39,580	38,910	36,323	36,785	37,463	37,897	39,111	40,243	41,181
Application of Operating Funding										
Payments to staff and suppliers	47,450	39,580	38,910	36,323	36,785	37,463	37,897	39,111	40,243	41,181
Finance costs	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-
Other operating applications	-	-	-	-	-	-	-	-	-	-
Transfer out to other water services	-	-	-	-	-	-	-	-	-	-
Total application of operating funds	47,450	39,580	38,910	36,323	36,785	37,463	37,897	39,111	40,243	41,181
Surplus/(deficit) of operating funding	-	-	-	-	-	-	-	-	-	-
Sources of Capital Funding										
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Development, infrastructure growth charges and financial contributions	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-
Repayment of loans from non-water services	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-
Local authority lump sum contributions	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding										
Application of Capital Funding										
Capital expenditure:										
- to meet additional demand	-	-	-	-	-	-	-	-	-	-
- to improve level of services	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-
Increase/decrease) in working capital	-	-	-	-	-	-	-	-	-	-
Loans advanced to non-water services	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) of capital funding	-	-	-	-	-	-	-	-	-	-
Funding balance	-	-	-	-	-	-	-	-	-	-

Our pricing framework

To tatou anga utu

Pricing information is provided by reference to the Schedule of Charges (see appendix 2). The Schedule comprises all water-related charges, including those that were previously collected as rates by the respective shareholder councils under the Local Government (Rating) Act 2002.

IAWAI has adopted a mixed pricing model as the most appropriate approach to funding water services. This model reflects the fixed and variable cost drivers of service delivery, as well as the benefits received by both property owners and users. The pricing approach includes a combination of property-based charges, consumption-based charges, fixed charges, and user-pays charges.

Pricing approaches currently differ for properties within the Waikato District and Hamilton City boundary areas to reflect historical funding arrangements and to manage the transition to a new pricing framework in a way that avoids immediate and significant pricing impacts for property owners and water users.

These differences will be progressively standardised over time, as is permitted under the transitional provisions within the water services legislation.

Charges will be reviewed as part of each water services strategy to ensure continued alignment with funding requirements, legislative settings, and principles of equitable cost recovery.

Further definitions, differential categories, and the application of these charges are set out below and are also reflected in the Schedule of Charges (Appendix 2).

Reference to Rating Units, Properties, and the District Valuation Roll
In accordance with the LG(WS)A 2025, IAWAI will apply water supply and wastewater charges to properties where the relevant service is connected, available, or otherwise provided, as those terms are defined in the Act.

References to rating units and information held in the District Valuation Roll (DVR) will continue to be used for charging and categorisation purposes where this supports a practical and administratively efficient approach. This reflects the continued alignment, during the transition, between historic rating based charging frameworks and the new water services regulatory regime.

For the purposes of identifying chargeable properties and administering charges, IAWAI will rely on property information held in the relevant councils' rating information databases and the DVR. This information may be used to support the application of charges to properties where water supply or wastewater services are connected or available.

For administrative and valuation purposes, IAWAI may have regard to the way land and properties are recorded and treated under the Local Government (Rating) Act 2002, including:

- where land is treated as a single rating unit or as multiple rating units, and
- where separate parcels of land are treated together due to contiguous use for the same purpose.

Where appropriate, water supply and wastewater charges may be applied on a corresponding basis, provided this is consistent with the service status of the property under the LG(WS)A 2025.

Any charges calculated on a capital value basis will use the capital value recorded in the DVR as at 30 June each year, consistent with the valuation approach historically used for setting council rates.

Nothing in this strategy is intended to limit or alter the application of the water services legislation. References to rating units and rating information are used solely to support transitional charging arrangements and administrative efficiency during the period provided for under section 89 of the Act.

Note that the figures within this section are inclusive of GST.



Water supply charges

The water supply charges listed below fund expenditure associated with water supply activities.

For properties located within the Hamilton City Council boundary area:
The following water supply categories apply solely to rating units situated within the territorial authority boundary of Hamilton City Council and are used for the purpose of charging for water supply services.

All definitions used within these water supply categories are to be interpreted in accordance with the Hamilton City Council District Plan, unless otherwise specified in this policy.

Hamilton Water Supply Category	Description
Commercial	All rating units: • used solely or principally for commercial or industrial purposes; or • used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, motels, residential clubs, hospital care facilities, hostels, visitor accommodation. Commercial residential purposes are where a property is being provided for residential accommodation at a fee with the average length of stay not exceeding three months; or • used as a chartered club, for any area used for restaurant, bar, or gaming machines; or • used as a mixed-use development, for any area used commercially; or • where land is developed or under development for a commercial use; or • where a commercial development is marketed for sale or lease, but where works have not yet commenced; or • where vacant land is within any Hamilton City Council District Plan zone that is predominantly used for commercial or industrial purposes; or • used as show homes; or • where resource consents require the rating units can only be used for a commercial purpose.
Multi-residential	All rating units used for residential purposes that do not meet the definition of the Commercial Hamilton Water Supply Category; and: • comprise five or more self-contained residential units; or • are used as Residential Centres, Managed Care Facilities, Retirement Villages, Rest Homes; or • are used as halls of residence associated with educational institutions.
Base	All rating units that do not meet the definition of the Commercial or Multi-residential Hamilton Water Supply Categories.

Metered water supply charges

The charges apply to all rating units connected to the water supply system with a metered connection.

The charges comprise:
- a fixed charge per connected meter of $157 per quarter or $52 per month, depending on billing frequency; and
- a volumetric charge of $2.61 per kilolitre of water supplied after the first 60 kilolitres per quarter or 20 kilolitres per month, depending on billing frequency.

The estimated total revenue sought for 2026/27 is $10,958,000.

Commercial non-metered water supply charge

The charge applies to all rating units that:
- meet the definition of the Commercial Hamilton Water Supply Category; and
- are connected to the water supply system without a metered connection.

The charge is a fixed amount of $628 per rating unit.

The estimated total revenue sought is $459,000.

Water supply charges

The charges apply to all rating units that:
- have the water supply system available to them or are connected to it without a metered connection; and
- meet the definition of the Base or Multi-residential Hamilton Water Supply Category.

The charges comprise:
- a fixed charge of $28 per rating unit; and
- a charge per dollar of capital value, set on a differential basis according to the Hamilton Water Supply Category, as described in the table below.

Differential category	Differential factor	Capital value charge (GST inclusive)
Base	1	$0.00075256
Multi-residential	1.1	$0.00082782

The total estimated revenue sought for 2026/27 is $37,960,000.

For properties located within the Waikato District Council boundary area:
The following water supply charges and categories apply solely to rating units situated within the territorial authority boundary of WDC.

Some water supply and wastewater charges are calculated based on a Separately Used or Inhabited Part (SUIP) of the rating unit.

Separately Used or Inhabited Part (SUIP) of a rating unit definition
A SUIP of a rating unit includes any portion inhabited or used by the owner, or a person other than the owner and who has the right to use or inhabit that portion by virtue of a tenancy, lease, license, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental or other form of occupation on an occasional or longer-term basis by someone other than the owner.

For the purposes of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner are usually used as such are defined as 'used'. This includes any part (or parts) of a rating unit that is used or occupied by the ratepayer for more than one single use.

For the purpose of this definition, where the use or inhabitation is an accessory one or is ancillary to another property or part thereof, it is not a separately used or inhabited part. For example:
- Not separately used or inhabited parts of a rating unit.
- A residential sleep-out or granny flat without independent kitchen facilities.
- A hotel room with or without kitchen facilities.
- Motel rooms with or without kitchen facilities.
- Individual storage garages/sheds/ partitioned areas of a warehouse.
- Individual offices/premises of partners in a partnership.

The following are examples of where there may be application of multiple charges because a rating unit is comprised of more than one separately used or inhabited part:
- Houses/flats/apartments.
- Flats that share kitchen/bathroom.

As a minimum, the land or premises intended to form a separately used or inhabited art of the rating unit must be capable of actual habitation or actual separate use.

Water supply charges

Availability Charge
The Availability Charge is a fixed amount of $594.02 per rating unit for availability/service of a water supply to a rating unit (available or serviceable means a rating unit situated within 100 meters of any part of the water network).

Metered Connection Charge
The Metered Connection Charge is a fixed charge of $594.02 per separately used or inhabited part of a rating unit (SUIP) and applies in conjunction with water-by-meter charges per cubic meter of water supplied.

Water by Meter Charge
The Water by Meter Charge is an amount per unit of water (cubic metre of water) consumed or supplied as measured or controlled by a meter. The rate for 2026/2027 is $2.74 per cubic metre.

The estimated total revenue sought for the three charges shown above is $22,509,000.

Wastewater services charges

The wastewater services charges listed below fund expenditure associated with wastewater activities.

For properties located within the Hamilton City Council boundary area:
The following wastewater categories apply solely to rating units situated within the territorial authority boundary of Hamilton City Council and are used for the purpose of charging wastewater services.

All definitions used within these wastewater categories are to be interpreted in accordance with the Hamilton City Council District Plan, unless otherwise specified in this policy.

Hamilton Wastewater Category	Description
Commercial	All rating units: • used solely or principally for commercial or industrial purposes; or • used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, motels, residential clubs, hospital care facilities, hostels, visitor accommodation. Commercial residential purposes are where a property is being provided for residential accommodation at a fee with the average length of stay not exceeding three months; or • used as a chartered club, for any area used for restaurant, bar, or gaming machines; or • used as a mixed-use development, for any area used commercially; or • where land is developed or under development for a commercial use; or • where a commercial development is marketed for sale or lease, but where works have not yet commenced; or • where vacant land is within any Hamilton City Council District Plan zone that is predominantly used for commercial or industrial purposes; or • used as show homes; or • where resource consents require the rating units can only be used for a commercial purpose.
Multi-residential	All rating units used for residential purposes that do not meet the definition of the Commercial Hamilton Wastewater Supply Category; and: • comprise five or more self-contained residential units; or • are used as Residential Centres, Managed Care Facilities, Retirement Villages, Rest Homes; or • are used as halls of residence associated with educational institutions.
Educational	All rating units used for residential purposes that meet the definition of Schedule 1 Part 1 Clause 6 of the Local Government (Rating) Act 2002. This category excludes any residential use, including accommodation provided for staff, caretakers, or students.
Base	All rating units that do not meet the definition of the Commercial, Multi-residential or Educational Hamilton Wastewater Categories.

Wastewater charges

The charges apply to all rating units that have the wastewater system available to them or are connected to it.

The charges comprise:
- a fixed charge per rating unit, set on a differential basis according to the Hamilton Wastewater Category, as described in the table below; and
- a charge per dollar of capital value, set on a differential basis according to the Hamilton Wastewater Category, as described in the table below.

Differential category	Fixed charge differential factor	Fixed charge (GST inclusive)	Capital value charge differential factor	Capital value Charge (GST inclusive)
Base	1	$14.00	1	$0.00073568
Multi-residential	1	$14.00	1.1	$0.00080925
Educational	1	$14.00	1.1	$0.00080925
Commercial	3	$42.00	2.9877	$0.00219799

The total estimated revenue sought for 2026/27 is $67,896,000.

For properties located within the Waikato District Council boundary area:
A District Wide Wastewater Charge is set to fund expenditure on wastewater activities for those properties that receive wastewater services. The Wastewater Charges are differentiated by residential or commercial use. Properties in the residential category are further differentiated by connection or availability of the service.

For the purposes of this wastewater charge:

Residential	Residential is the base differential. Residential is defined as any part of a rating unit that is used primarily for residential purposes and where residential use is permitted activity under the Waikato District Council District Plan. Availability is defined as any rating unit situated within 100 metres of a public wastewater drain to which it is capable of being effectively connected.
Non-Residential Commercial (Commercial Connected)	Commercial (commercial) is defined as any part of a rating unit that is not categorised as residential, commercial (non-rateable) or commercial (assistance for the elderly).
Non-Residential Commercial (Commercial Assistance for the Elderly Connected)	Commercial (assistance for the elderly) is defined as organisations that are supportive of the elderly, including retirement homes, rest homes and Council-owned pensioner flats, as determined by Council.
Non-Residential Commercial (Non-profit or non-rateable Connected)	Commercial (non-rateable) is defined as organisations classified within Schedule 1 of the Local Government (Rating) Act 2002 as fully non-rateable; or not-for-profit organisations where the Waikato District Council has applied the equivalent non-rateable treatment.

Differential category	Differential factor	Fixed charge (GST inclusive)	Basis of charge
Residential – connected (Base charge)	100% of the fixed (base) charge	$1896.59	SUIP
Residential - available	50% of the fixed (base) charge	$948.30	Rating unit
Non-Residential Commercial (Commercial Connected)	100% of fixed charge for the first two pans and, 50% of the fixed charge for the third, and subsequent pans	$1896.59 $948.30	SUIP
Non-Residential Commercial (Commercial Assistance for the Elderly Connected)	100% of charge for the first two pans; and, Third and subsequent pans. 20% of the base charge	$1896.59 $379.31	SUIP
Non-Residential Commercial (Non-profit or non-rateable Connected)	100% of charge for the first two pans; and, Third and subsequent pans. 10% of the base charge	$1896.59 $189.39	SUIP

The estimated total revenue sought for the wastewater activity is $26,631,000.

Wastewater Capital Works Charge - Pookeno Wastewater Scheme

The 2026/27 year represents the final year of the targeted charge established to fund the capital costs and associated interest for the Pookeno Wastewater Scheme upgrades.

Following the transfer of the assets and associated liability from WDC to IAWAI, the final year charge will be invoiced directly by IAWAI.

The charge is a fixed amount of $1,361.90 per connection and applies to connected properties within the Pookeno Wastewater Scheme catchment area where the liability has not been previously discharged.

As this is the final repayment year, the fixed charge represents the remaining principal balance under the agreement, with no interest applied.

The estimated total revenue sought for this charge is $49,028.

Non-payment penalties

IAWAI will apply penalties for the non-payment of water supply and wastewater charges in a manner aligning with the penalty approaches applied by WDC and HCC for unpaid rates, as set out in their respective council rates resolutions.

To give effect to this approach, IAWAI will adopt a penalty resolution at the time water supply and wastewater charges are confirmed.

Watercare Infrastructure Growth Charge

The wastewater networks in Tuakau and Pookeno are serviced by the Pukekohe Wastewater Treatment Plant for septage treatment. This plant is owned by Watercare, not Iawai. Because Watercare cannot charge development contributions within the Waikato District, an Infrastructure Growth Charge (IGC) is applied instead. The IGC represents a contribution toward the capital investment Watercare has made in the Pukekohe treatment plant, and it applies to new or existing customers who increase their demand on the plant. Iawai collects the IGC and passes the cost directly through to Watercare. For clarity, the Tuakau and Pookeno wastewater networks are also subject to wastewater network development contributions, which reflect the required contribution toward capital investment in the conveyance network.

Growth charges for water and wastewater services growth-related infrastructure

IAWAI is introducing a Water Supply Growth Charge and a Wastewater Growth Charge on new water and wastewater connections for new residential dwellings consented on or after 1 July 2026. The charges are intended to help fund the long-term costs of infrastructure needed to support growth, while ensuring costs are shared fairly between new developments and existing customers.

Why the growth charges are required

Hamilton and the wider Waikato region are experiencing rapid and sustained population growth and development activity. This growth places increasing pressure on water supply and wastewater networks, requiring ongoing investment not only to build new infrastructure, but also to upgrade, expand, and maintain system capacity over time.

Not all long-term costs associated with new development are currently funded through existing mechanisms. These unfunded costs include future expansion, renewal, and operational impacts resulting from increased demand on water and wastewater systems. As a result, a portion of growth-related costs has previously been met through borrowing and general water charges. This approach places increasing financial pressure on existing customers.

The growth charges for both water supply and wastewater are intended to address this funding gap by:

- ensuring new development contributes to the long-term costs it creates,
- better aligning charges with the drivers of future infrastructure investment, and
- spreading costs over the period during which the benefits of growth-related infrastructure are realised.

Applying the charges once development is completed and demand begins ensures costs are linked to actual use of water and wastewater services, while avoiding large upfront charges.

Who the charges would apply to

The Water Supply Growth Charge and the Wastewater Growth Charge would apply to all new residential developments that result in a net increase in demand for water and/or wastewater services that are consented on or after 1 July 2026.

The charges apply in addition to standard water supply and wastewater charges and apply equally across both Waikato District and Hamilton City service areas.

A Water Supply and Wastewater Growth Charge for new non-residential developments will be considered through the 2027-2037 Water Services Strategy.

Relationship to development contributions and financial contributions

The growth charges for both water supply and wastewater are separate from, and additional to, any development contributions or financial contributions that may apply under other legislation or council policies.

How the charges would be calculated

The growth charges are based on the net increase in demand on water supply and wastewater services, measured using Household Unit Equivalents (HUEs). For the purposes of assessing the Water Growth Charge and Wastewater Growth Charge:

- One additional residential dwelling is treated as equivalent to one (1) HUE, and
- Additional dwellings of 70m2 or less for which no resource or building consent is required (i.e. a secondary minor dwelling such as a granny flat) is treated as ½ a HUE (i.e. half charges will apply)
- Multi-unit developments will be charged on the basis that each additional residential unit is equivalent to one HUE.
- Where redevelopment occurs, the growth charges apply only to the net increase in demand.
- Although papakaainga housing developments are subject to growth charges as set out in the Water Services Strategy, IAWAI will waive the requirement to pay growth charges where the development meets:
  - Legislation and national direction regarding the enablement of papakaainga housing; and,
  - The intent of the relevant shareholding Council's District Plan definitions.

  The decision to waive growth charges for papakaainga housing aligns with the Government's objectives to support Maaori housing outcomes and papakaainga development.

  The ongoing application and quantum of the annual waiver is subject to review under IAWAI's Waiver Policy.
- The water supply growth charge does not apply to properties on restricted water supply until full connection is achieved.

This use of HUEs is aligned with how councils commonly represent relative demand. This simplified approach ensures growth-related demand can be assessed and applied in a consistent and administratively efficient manner.

The charges (all inclusive of GST) are as follows:

Residential development

- Water Supply Growth Charge $200 per Household Unit Equivalent (HUE) per year applied over a 25-year period.
- Wastewater Growth Charge $300 per HUE per year applied over a 25-year period.

Our financial information (section 5) provides the details driving our strategy including our commitment to affordability and our charges.

When and how the charges would be applied

The growth charges would generally be applied when a building is completed and ready for use, such as:

- when a Code Compliance Certificate is issued, or
- when the property is occupied or added to the rating valuation roll.

Once applied, the growth charges will appear on the IAWAIs property assessment and invoice, which will be charged annually for the full 25-year charging period, unless reassessed due to redevelopment or a change in demand.

The annual growth charges will be reviewed each year for new developments. For developments where the charge has already been applied, the annual charge amount will remain fixed for the full 25-year period, providing certainty for property owners.

The charges are payable annually only, and lump-sum or upfront payment options are not available.

Ownership and sale of property

The growth charges for water supply and wastewater are charged to the property owner and invoiced alongside IAWAI's standard water supply and wastewater charges.

The growth charges are associated with the property, not the owner. Where a property subject to the charge is sold, the new owner becomes responsible for payment of the charge for the remainder of the 25-year term.

Building consent applicants will be informed of the growth charge at the time of any pre-application meeting, and during the process of lodging and completing a building consent application, for all developments consented on or after 1 July 2026.

The growth charge will be recorded on IAWAI's and the relevant council's property file. Details of the charge will be disclosed as part of any Land Information Memorandum (LIM) request for the property.

Compliance statement

This section explains how the funding approach in the WSS meets the requirements of Schedule 3(2)(a)(iii) and Schedule 3, clause 5(5) of the LG(WS)A 2025. It applies to all properties within the service area, including those located within the HCC and WDC boundaries.

Schedule 3 requires the Strategy to explain not only what funding sources and charging mechanisms are used, but why they have been selected, how they are applied across

the service area, and why differences exist between locations where applicable.

As charges are listed above, this compliance statement focuses on the rationale for the funding approach as well as its structure.

Funding Sources and Rationale

Water supply and wastewater services are funded through a combination of:

- fixed charges per rating unit or per Separately Used or Inhabited Part (SUIP).
- volumetric charges based on metered water consumption.
- differentials that reflect differences in service demand between customer groups; and
- capital value-based charges where permitted on a temporary basis during the transition period.

This mix has been selected to balance financial sustainability, equity, and practicality during the transition period allowed for under the Act.

Fixed charges provide stable and predictable revenue to meet the costs of operating and maintaining water networks. Fixed charges have historically been in place for Waikato District Council. In Hamilton City Council, fixed charges have been expanded as a transitional replacement for capital value-based funding, consistent with the Act's transition pathway. Fixed charges are widely used across the water sector, simple to administer, and provide a clear and predictable mechanism for progressing toward service-based charging.

Volumetric charges strengthen the link between actual use of the service and cost recovery, supporting efficient use of water and alignment with service-based charging principles.

Differentials recognise that some customer groups place higher or more intensive demands on water services and should therefore contribute proportionately to costs.

Capital value charges (Hamilton City Council Boundary area only) are retained because the Act permits their temporary use during the transition period. Retaining them avoids abrupt changes in liability for property owners while the shift toward service-based charging is implemented. As part of this transition, 5% of water supply charges and 2.5% of wastewater charges have been moved from capital value to fixed charges.

In addition to the pricing mechanisms described above, water services are also funded through other fees and charges set out in the Fees and Charges Schedule.

They are applied on a user-pays basis for specific activities or services (such as connections, trade waste, and other service specific transactions) and support equitable cost recovery where costs are directly attributable to individual customers or developments.

Application across the service area

Hamilton City Council boundary area
Within Hamilton City, the funding approach for water supply and wastewater services includes fixed charges, volumetric charges, differentials, and capital value-based charges.

Capital value charges are retained only on a temporary basis, as expressly permitted by the Act, because they form part of the historical funding framework and remain an important mechanism for managing the transition without causing sudden shifts in charges for property owners.

Over time, funding is being progressively shifted from capital value charges to fixed and/or volumetric charges. This reflects the move toward charging based on service availability rather than property value, while maintaining revenue stability and affordability. Volumetric charges apply where water consumption is metered, ensuring that customers who use more water contribute more to the costs of supply.

Differentials are applied to recognise higher or more intensive use by different customer groups. The commercial wastewater differential, which was already in place, has been maintained at its previous level to ensure stability across all customer groups, as changing it would shift a greater share of wastewater costs onto other customers during the transition. Multi-residential and educational differentials recognise the higher water demand and wastewater generation typically associated with these activities. The educational differential also reflects a shift from the historical residential rate to a more appropriate level, while remaining below the commercial rate.

Waikato District Council Boundary area
Within Waikato District, water services have historically been funded without reliance on capital value-based charges. The funding approach therefore aligns closely with the long-term direction of the Act and is based on fixed charges (applied per rating unit or SUIP), volumetric charges for metered consumption, and differentials reflecting residential and non-residential demand and levels of service.

Fixed charges reflect the cost of providing network availability, while volumetric charges ensure that actual use is reflected in charges where meters are installed. Differentials support equitable cost allocation between customer groups with different service demands.

Water Supply Growth Charge and Wastewater Growth Charge
Hamilton and the wider Waikato region are experiencing rapid and sustained population growth and development activity. This growth places increasing pressure on water supply and wastewater networks, requiring ongoing investment not only to build new infrastructure, but also to upgrade, expand, and maintain system capacity over time.

Not all long-term costs associated with new development are currently funded through existing mechanisms. These unfunded costs include future expansion, renewal, and operational impacts resulting from increased demand on water and wastewater systems. As a result, a portion of growth-related costs has previously been met through borrowing and general water charges. This approach places increasing financial pressure on existing waters users.

The growth charges are being introduced to ensure the costs of significant growth-related infrastructure are shared fairly between new developments that drive the need for new infrastructure and existing waters users.

The growth charges for new residential developments are preferred to significant increases in Development Contributions because they more fairly align the payments for growth related infrastructure with the period over which the benefits on the investment are enjoyed.

The growth charges are based on an HUE standard measure of demand with each new dwelling being treated as 1 HUE, regardless of the number of bedrooms. New dwellings of 70m2 or less for which no resource or building consent is required i.e. a secondary minor dwelling such as a granny flat, are treated as ½ a HUE. Consideration of the growth charge for new non-residential developments will be given through the 2027-2037 Water Services Strategy.



WAAHANGA 7
Section 7

TITIRO WHAKAMUA - 30 TAU
Looking ahead - A 30-Year view

Long-Term Planning

While this WSS focuses on a smooth transition to get IAWAI started it is important to note that we will also need to take a longer-term view – at least 30 years- for our infrastructure assets. This perspective will be supported by the following two key documents which IAWAI will start developing as part of the next WSS in 2026/2027:

- **Strategic Asset Management Plan (SAMP)[5]**
- **Activity Management Plan (AMP)[6]**

For now, the existing water and wastewater AMPs for HCC and WDC remain in place.

The SAMP and AMP will be implemented through an Investment and Delivery Plan (IDP)[7], which will guide capital expenditure and project execution. Together, these documents form the foundation for managing infrastructure to meet service levels, support growth, and serve our communities.

A 30-year Capital Works Programme

IAWAI's capital works programme sets priorities for the next 10 years and projects them out to 30 years. This integrated approach supports:

- Evidence-based decision-making
- A sustained response to growth and infrastructure challenges
- A commitment to Te Ture Whaimana – the Vision and Strategy for the Waikato River – and the health and wellbeing of our waterways, waterbodies and the moana.

The capital works programme informing this WSS will be reviewed for the 2027–2037 strategy and will guide IAWAI's SAMP, AMP, and IDP.

A 30-year overview of capital projects over $5m and in relation to subsequent WSS cycles (when further decisions are to be made), is provided on the next page.



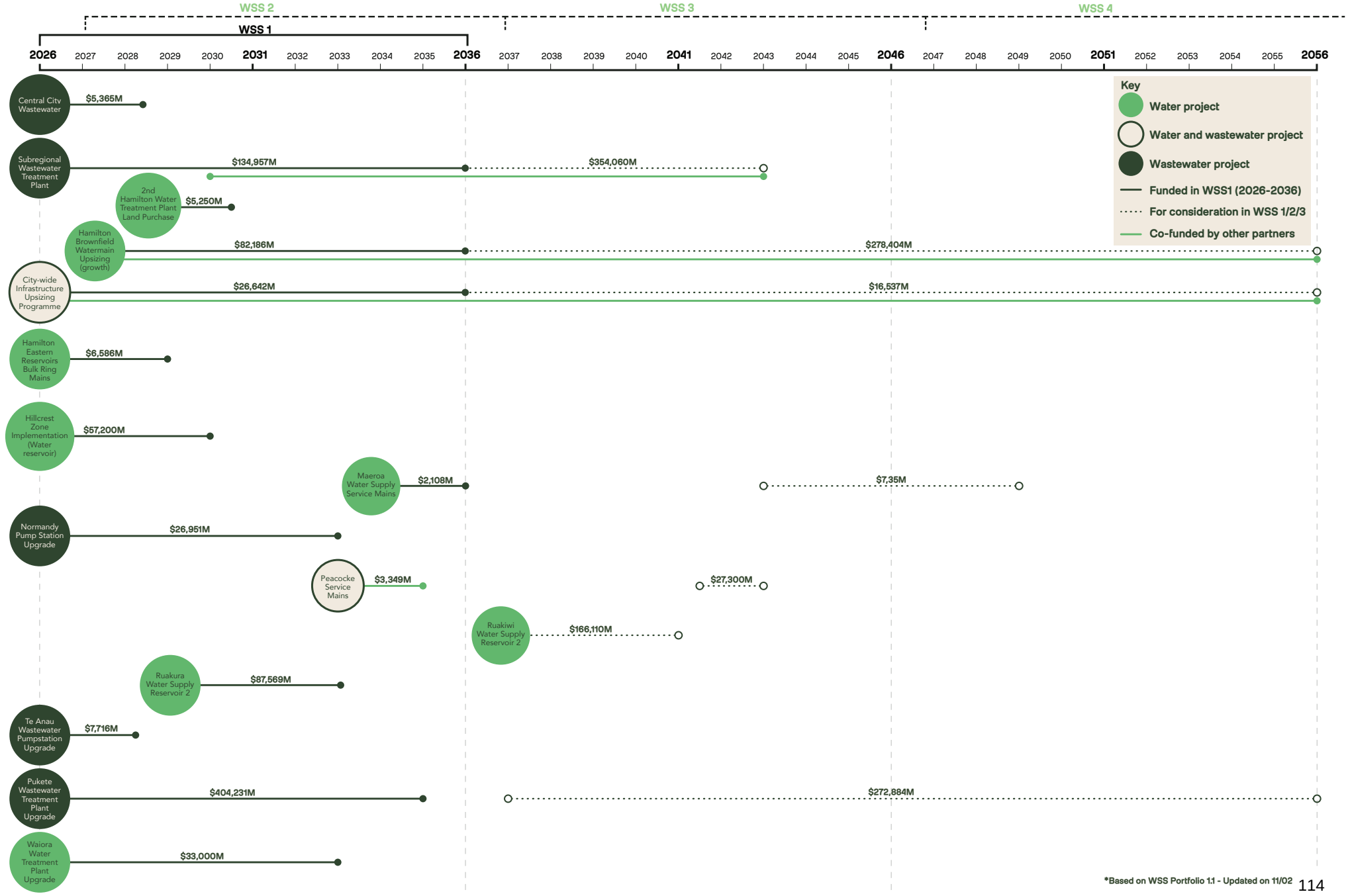
5 A Strategic Asset Management Plan defines the overall direction for asset management within the organisation. It explains how asset management aligns with strategic priorities, objectives, policies, and outcomes.

6 An Asset Management Plan provides detailed, operational guidance for managing assets over time. It translates the SAMP's strategic intent into actionable plans and includes information on long-term asset needs, risk management, condition, performance, maintenance, and renewal requirements.

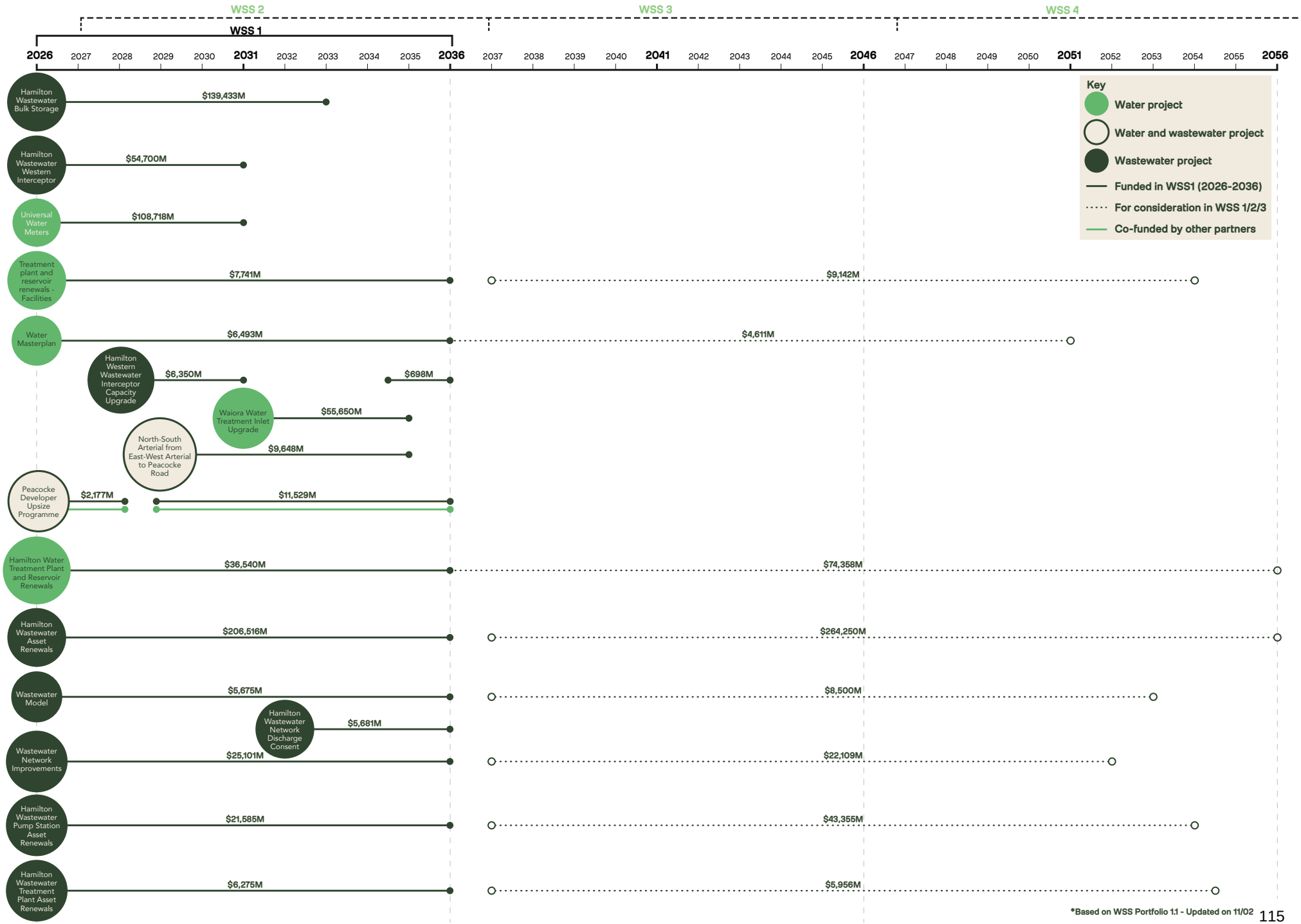
7 An Investment and Delivery Plan justify the 30-year investment programme based on expenditure forecasts. It shows how AMP needs are converted into planned investments and delivery. The IDP includes investment priorities, justification, major projects and programmes, procurement and delivery approaches, and risk management strategies if AMP needs are not funded.

Looking ahead - The next 30 years

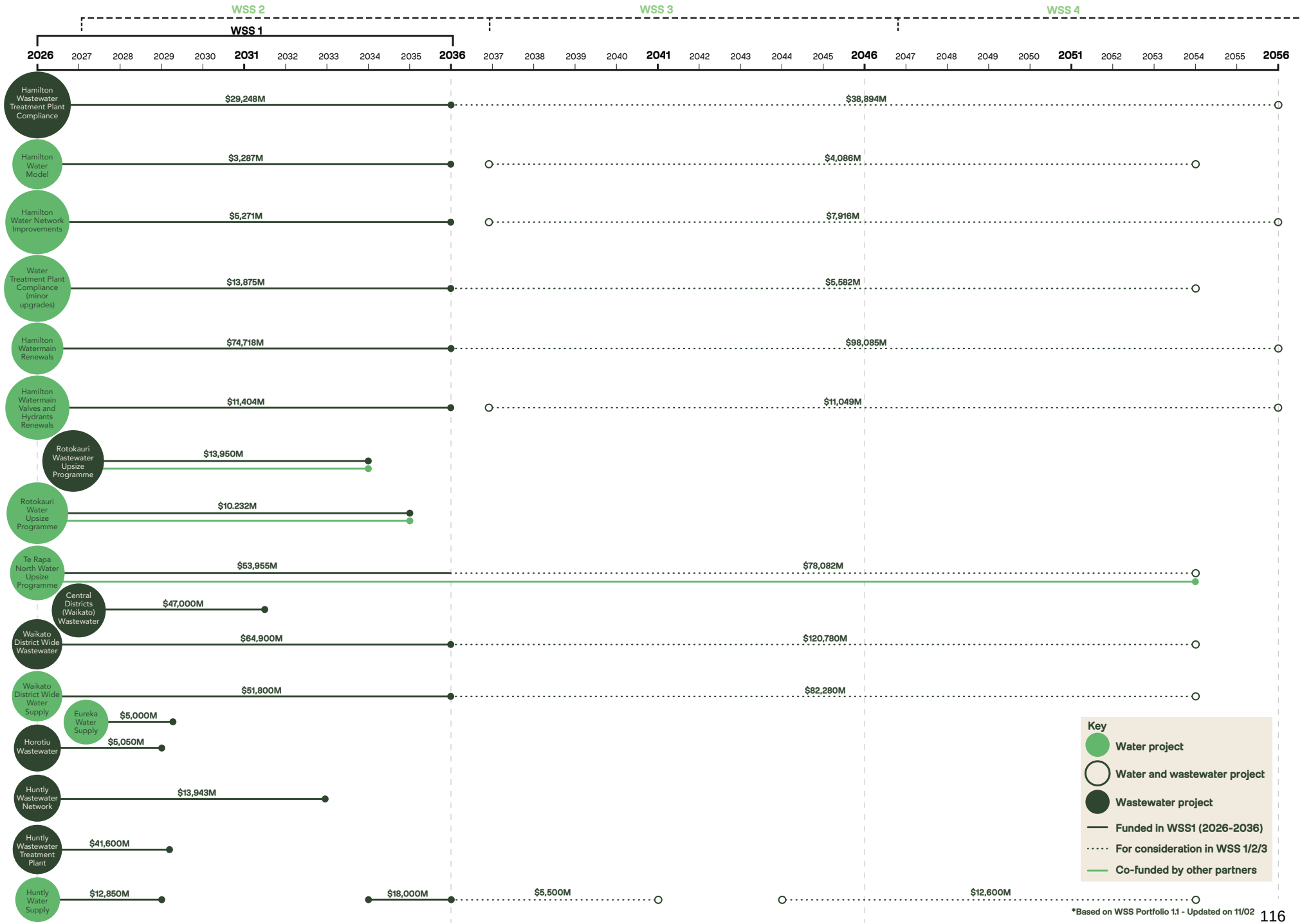
Significant capital expenditure* decisions required over subsequent WSS cycles (only projects over $5m shown and not inflation adjusted)



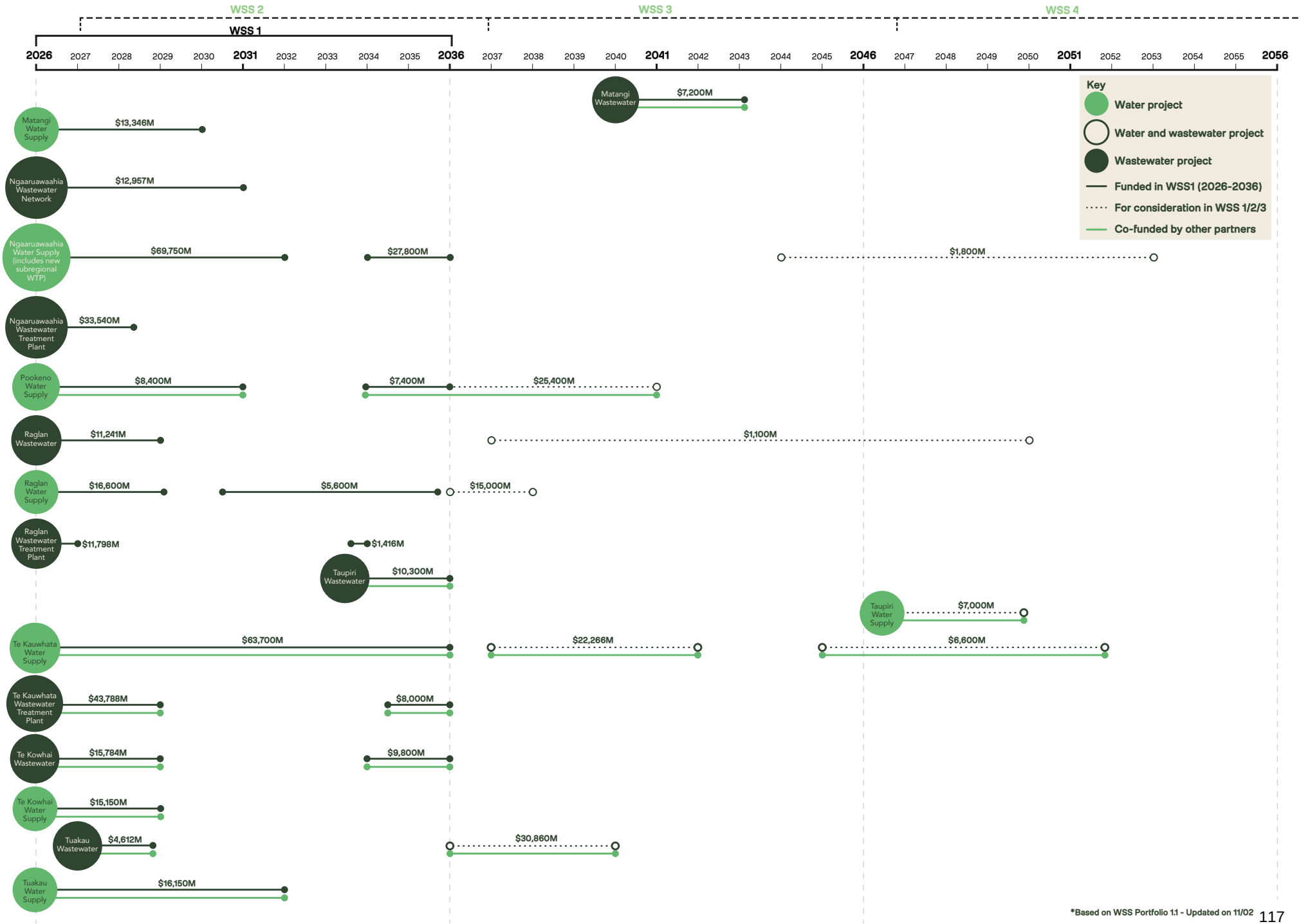
*Based on WSS Portfolio 1.1 - Updated on 11/02



*Based on WSS Portfolio 1.1 - Updated on 11/02



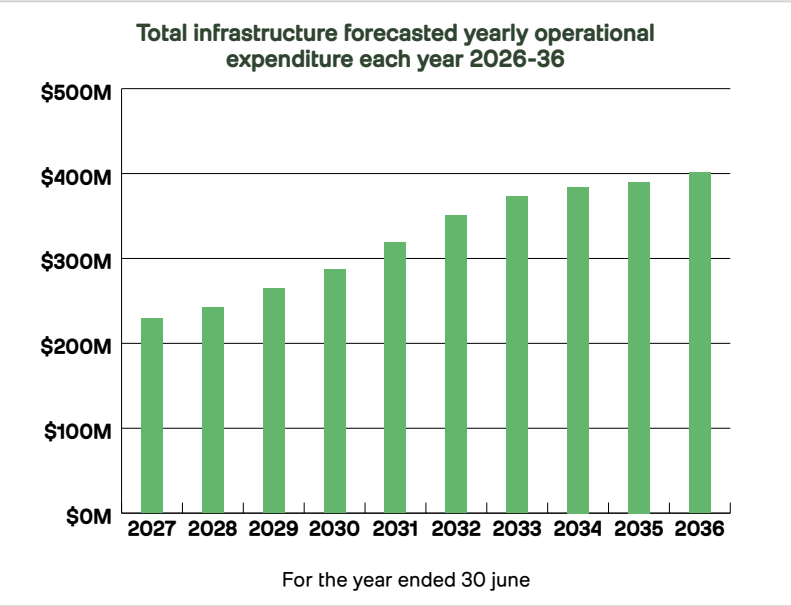
*Based on WSS Portfolio 1.1 - Updated on 11/02

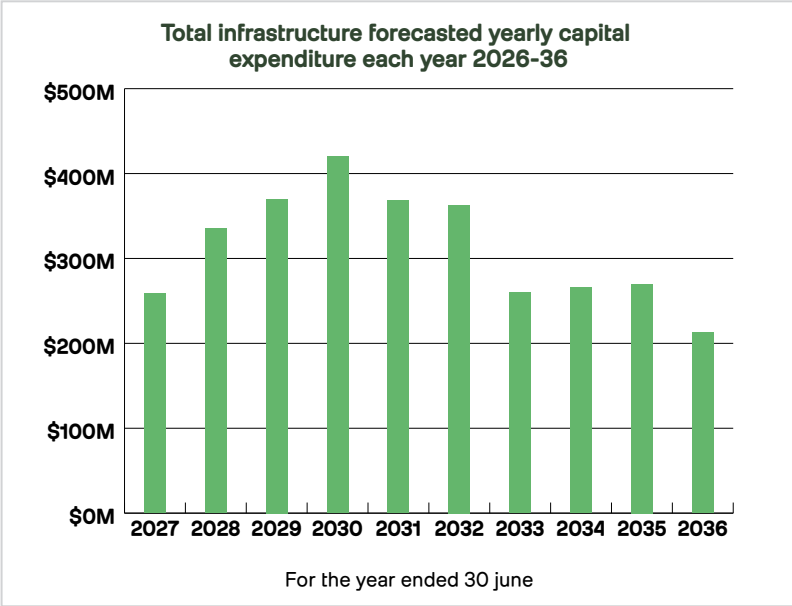


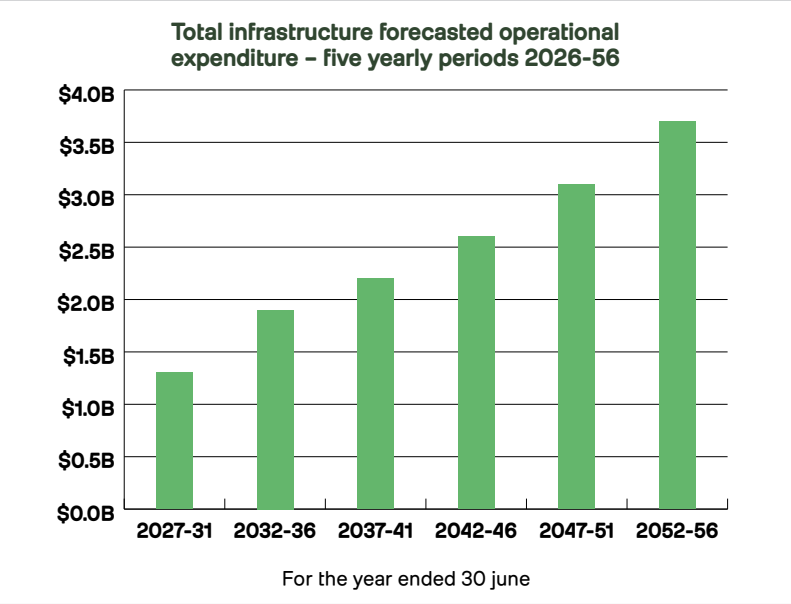
*Based on WSS Portfolio 1.1 - Updated on 11/02

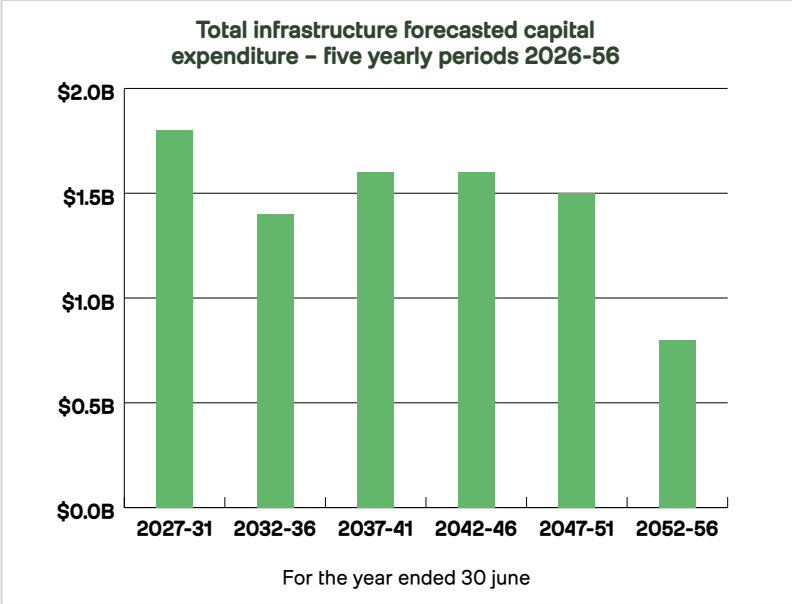
30-year operational and capital forecasts

Operational expenditure for the 30 years has also been estimated. The forecasts for the first 10 years are from the WSS, and longer-term estimates have been based on applying inflation and estimated impacts from the 30-year capital forecasts.









WAAHANGA 8
Section 8

KOORERO AAPITI
Supplementary information

Significant forecasting assumptions

Ngaa Matapae Taapua

Our planning for capital and operational expenditure is based on a set of key assumptions. These ensure consistency across all estimates and forecasts within the WSS and help guide decisions about levels of service and capital project delivery over the next 10 years.

IAWAI's key forecasting assumptions for the 2026–2036 period are outlined below.

Legislative changes
The final pieces of Local Water Done Well legislation, the LG(WS)A 2025 and the Local Government (Water Services) (Repeals and Amendments) Act 2025—were enacted on 26 August 2025.

- The LG(WS)A 2025 establishes the enduring framework for water service delivery.
- The Repeals and Amendments Act modifies existing legislation, including:
  - The Commerce Act 1986 (to enable economic regulation of water services)
  - The Water Services Act
  - The Local Government Act

While this marks a major milestone for IAWAI, Resource Management Act reform is still underway. The Resource Management Act 1991 will be replaced by:

- A new Planning Act
- A new Natural and Built Environments Act

The Fast-track Approvals Act 2024 provides a streamlined process for resource consents and approvals. Several proposed developments near Hamilton are either earmarked for or seeking Fast Track status. This could shift development demand away from planned growth areas and impact growth and financial modelling used by our shareholding councils for their 2027/2028 Long Term Plans. Revised growth projections will inform IAWAI's next WSS (2027–2037).

Uncertainty level: Low

Sources of uncertainty:

- While IAWAI's establishment is legislated and publicly consulted, the complexity of the transition requires a minimum viable product by 1 July 2026 to ensure smooth transition.
- The following five years will be a stabilisation period, during which we will:
  - Establish amalgamated services and systems
  - Transition to a new charging model
  - Build robust systems to meet regulatory requirements

Risk:

- Legislative risk is low due to the enactment of key laws.
- Operational risks remain due to the complexity of service integration and maintaining continuity during transition.

Extreme environmental events
Our region is experiencing a changing climate, with expectations of:

- Increased rainfall intensity
- Higher average temperatures
- Longer, hotter summers
- Shifting wind patterns
- More frequent tropical cyclones

These climate projections have informed our asset and service risk assessments, which are reflected in our Activity Management Plan.

We assume that:

- The government's net zero emissions target by 2050 (excluding biogenic emissions) and current emissions budgets will remain in place throughout the WSS period.
- IAWAI's role in responding to extreme weather events will grow over the life of this plan.
- IAWAI will provide carbon emissions data from its treatment plants to the shareholding councils to support their wider role in monitoring carbon emissions.

Uncertainty level: Medium

Sources of uncertainty:
Timing and scale of climate impacts, including:
- Sea level rise
- Shifting rainfall patterns
- Temperature increases

Risk:
Asset planning and budgeting may be affected by:
- Unforeseen costs
- Project delays
- Need to adjust infrastructure design and resilience strategies

Significant natural disaster / emergency response

IAWAI assumes that a multi-agency approach will be adopted to manage the impacts of significant natural disasters or emergency events within its service area.

In such an event:
- Insurance:
  - Underground water and wastewater assets are insured under the regional Infrastructure Policy, which covers the following natural catastrophe events:
    - Earthquakes
    - Natural landslips
    - Floods
    - Tsunamis
    - Tornadoes
    - Windstorms
    - Volcanic eruptions
    - Hydrothermal and geothermal activity
    - Subterranean fires
  - The policy provides up to 40% of the insured loss, subject to deductibles, individual sublimit and shared group limits. HCC's current sublimit is $250M and WDC's $100M, which include stormwaters assets and key bridges. The group limit is also $300M.
  - Above-ground facilities (e.g., treatment plants, wastewater pump stations and reservoirs) are covered under the MDBI policy subject to deductibles, individual sub limits and shared group limits.
  - IAWAI assets will continue to be covered under the collective Waikato group insurance policy until 1 November 2026. After that, the group will renegotiate limits for the renewal of the policy with loss modelling required to inform individual sub limits, including a sublimit for IAWAI.
- Government Assistance:
  - Under Section 33 of the National CDEM Plan, the Government may fund 60% of eligible repair/rebuild costs above the local authority threshold, after insurance recoveries, subject to Cabinet approval and eligibility criteria (e.g., criticality, network performance).
- Residual Costs:
  - Any shortfall after insurance and Government contribution will need to be met by IAWAI and/or its partner councils.

Uncertainty Level: Low

Source of Uncertainty:
Potential changes in Government policy regarding co-funding arrangements for disaster recovery.

Risk:
Natural events driven by climate change may occur more frequently or with greater severity than currently predicted. This could lead to increased expenditure and higher debt levels.

Growth assumptions

IAWAI's growth assumptions are based on those of its shareholding councils:
- WDC: Based on the 2025–2034 Long Term Plan
- HCC: Based on the 2024 LTP Growth Model Run

Both councils use the University of Waikato NIDEA 2021 High Household and Population Projection, assuming a 1:1 ratio of household growth to new dwellings. This approach aligns with standard practice among Future Proof partner councils. Population distribution and displacement are modelled within each council's jurisdictional boundaries.

Population Projections (rounded)
- Hamilton:
  - 2025: 189,700
  - 2034: 215,380
  - 2054: 275,980

- Waikato District:
  - 2025: 89,760
  - 2034: 101,200
  - 2054: 126,450

These projections inform IAWAI's 30-year demand forecasts in its Activity Management Plan.

Growth areas

Hamilton's primary greenfield growth areas over the next 10 years:
- Peacocke (Stages 1B and 2)
- Rotokauri
- Rototuna
- Ruakura
- Te Rapa North

Additional assumptions for Hamilton growth:
- Hamilton Central: 150 dwellings/ year, supported by the Infrastructure Acceleration Fund (IAF), potentially enabling 4,000 new dwellings within 800m of the city centre.
- Infill vs Greenfield Development: A 50:50 ratio is assumed for the 2023–2068 period, despite current trends closer to 70% infill and 30% greenfield. Due to infrastructure constraints in infill areas, greenfield development is expected to increase over time.

Waikato District growth areas:
- Pookeno
- Tuakau
- Te Kauwhata
- Huntly
- Ngaaruawaahia
- Taupiri
- Horotiu
- Te Koowhai
- Raglan

WDC's growth assumptions are based on the Waikato 2070 Strategy and the Future Proof Growth and Development Strategy.

Fast Track areas

Neither WDC nor HCC have included growth from Fast Track areas in their long term plans. However, it is assumed that any development in these areas will displace growth from within Hamilton and Waikato District, keeping total demand projections unchanged.

Key assumptions for Fast Track areas:

- No new Council services are planned.
- IAWAI assumes 100% of growth-related infrastructure costs will be funded by Fast Track developers.
- Developers must secure their own water allocations.
- IAWAI will negotiate commercial agreements with developers, in collaboration with shareholding Councils, based on an all-of-infrastructure approach.

Capital expenditure forecasts

The councils set project budgets using early cost estimates plus a small buffer, which helps manage financial risk. For major water projects, costs are based on a "P50" estimate—meaning there's an even chance the final cost will be higher or lower.

Operating costs are estimated using the best information available, but these may change as projects progress. Overall, there's a medium level of uncertainty, and actual costs could affect council spending, debt, and service levels.

Growth infrastructure investment

Growth in new areas is expected to be supported by privately funded infrastructure from developers, as councils cannot afford to build everything themselves. The plan assumes developers will provide most growth related infrastructure, supported by development agreements and other funding tools. Any major upgrades needed to support development are also assumed to be funded by third parties.

There is a medium level of uncertainty, and if private funding does not eventuate, growth projects may be delayed or may not proceed. Any major upgrades needed to support development are also assumed to be funded by third parties. There is a medium level of uncertainty, and if private funding does not eventuate, growth projects may be delayed or may not proceed.

No funding has been set aside for extra network upgrades that might be needed if existing greenfield areas grow more densely than originally planned.

Development contributions and infrastructure funding

Both Councils use their respective growth models to calculate development contribution charges, particularly in greenfield areas where infrastructure is primarily growth-related.

If growth exceeds projections in certain areas, IAWAI may face pressure to provide additional infrastructure not currently planned in the WSS. While financial impacts are difficult to quantify, IAWAI will adjust its work programmes as needed to manage these pressures.

Conversely, if growth is lower than expected:

- Development contribution revenue will fall short.
- Growth-related infrastructure projects may be deferred.
- Over-investment in lead infrastructure may result in longer cost recovery periods.
- Rating income may be impacted due to lower household growth.

Uncertainty level: Medium

Sources of uncertainty:
Changes in internal and external migration patterns.

Risks:

- Demographic and societal trends may diverge from projections, leading to different infrastructure demands.
- Under the "growth pays for growth" principle, IAWAI may need to debt-fund enabling infrastructure, with the expectation of future cost recovery. If growth does not materialize, under-recovery becomes a risk.
- IAWAI cannot charge development contributions for Crown-owned land and buildings, though it can charge for water and wastewater services.

Additional considerations

Boundary adjustment:
Should there be a boundary adjustment between HCC and Waipā DC in the future (in accordance with the Strategic Boundary Agreement), IAWAI will apply its development contributions policy to the newly incorporated area.

Authority gap:
For projects outside current boundaries, IAWAI's and the councils lack statutory powers to recover costs. In such cases, bespoke agreements will be required.

Development Contributions Policy

From 1 July 2026, IAWAI will adopt the relevant parts of the existing development contributions policies of HCC and WDC for their respective areas. This interim approach will remain in place until 1 July 2027, when IAWAI will implement its own development contributions policy.

Aligning the new policy with the 2027/28 Long Term Plan cycle will ensure consistency with the planning frameworks of both shareholding councils. This alignment will also provide a foundation for IAWAI and the councils to collaboratively develop a new development contributions levies policy, once the relevant legislation is enacted.

Inflation

Separate inflation rates have been used for the operational, personnel and capital budgets due to the different cost drivers that impact these types of cost. Business and Economic Research

Ltd (BERL) were contracted on behalf of the local government sector to provide information. The Local Government Cost Index Report October 2025 was used in determining the inflation rates. These forecasts are related to the types of costs that the Water, sewer, drainage, and waste services is likely to incur.

Operating expenditure (excluding personnel) and revenue inflation in financial modelling is:

- 2026-27 0.0%
- 2027-28 2.6%
- 2028-29 2.6%
- 2029-30 2.5%
- 2030-31 2.4%
- 2031-32 2.3%
- 2032-33 2.3%
- 2033-34 2.2%
- 2034-35 2.2%
- 2035-36 2.1%

Capital expenditure and revenue (capital subsidies, capital contributions) inflation used in financial modelling is:

- 2026-27 2.6%
- 2027-28 2.5%
- 2028-29 2.6%
- 2029-30 2.4%
- 2030-31 2.3%
- 2031-32 2.2%
- 2032-33 2.1%
- 2033-34 2.1%
- 2034-35 2.0%
- 2035-36 2.0%

Personnel inflation used in financial modelling is:

- 2026-27 0.0%
- 2027-28 1.9%
- 2028-29 1.8%
- 2029-30 1.8%
- 2030-31 1.8%
- 2031-32 1.8%
- 2032-33 1.7%
- 2033-34 1.7%
- 2034-35 1.7%
- 2035-36 1.6%

This assumption has a high level of uncertainty. The risk is inflation could be higher or lower than predicted which will impact on revenue, expenditure, and debts.

Interest on investment

The interest rate applying to cash investments is 3%. It is estimated that an average cash balance of $50 million will earn approximately $1.5 million in interest per annum.

Interest on expenditure

PwC provides these projections based on the projected debt portfolio, incorporating the staged four-year amortisation of the establishment loans and reflecting a proportionate Hamilton City Council and Waikato District Council profile. A 25-basis point was added to capture potential variation in BKBM and debt mix.

Interest rate

- 2026-27 4.39%
- 2027-28 4.39%
- 2028-29 4.39%
- 2029-30 4.39%
- 2030-31 4.39%
- 2031-32 4.85%
- 2032-33 5.03%
- 2033-34 5.03%
- 2034-35 5.03%
- 2035-36 5.03%

The interest assumptions have a medium level of uncertainty. The risk is interest rates could be higher or lower than predicted which will impact on revenue, expenditure and debt.

Asset sales

There are no asset sales assumed. No financial impact is assumed from minor asset sales (e.g. disposal of surplus operational assets). The assumption has a low level of uncertainty. The risk is that assets sales could occur resulting in a gain or loss on sale and a reduction in revenue from the asset.

Revaluation of non-current assets

Revaluations on property, plant and equipment have been calculated on the preceding year's balance as disclosed in the Statement of Financial Position. This includes an inflationary allowance calculated in accordance with the GHD cost escalation report provided to Council as at 31 December 2023, in respect of the capital works programme.

This assumption has a high level of uncertainty due to the significant inflationary pressures on the capital programme in a high inflation economy that has yet to settle. There is also demand pressure on capital resourcing with the additional resource demand caused by the Hawkes Bay and Auckland flood events. Should inflation be higher than the budgeted assumptions for revaluation, insufficient rates may be collected for debt repayment and for future renewals.

Useful lives of significant assets

Assets are depreciated on a straight-line basis over their useful lives with annual depreciation expense included in the total costs for each significant service. We have made numerous assumptions about the useful lives of our assets. These are disclosed in the depreciation note within the Statement of accounting policies, included in the Prospective financial statements. The assumption has a low level of uncertainty. The risk is the useful lives of significant assets could be higher or lower than predicted this will impact on depreciation and the value of asset. Acquisition of significant assets Capital expenditure to replace existing assets (renewal projects) it is recognised that projects will be completed throughout the year. It is assumed half of those projects are completed within the first six months. As such, depreciation is forecast based on six months' depreciation for renewal projects in the year the renewals are first budgeted. For each new capital project, staff have assessed the expected completion date for the project from which time the assets are depreciated.

The assumption has a medium level of uncertainty. The risk is significant assets might be capitalised earlier or later than predicted this will impact on depreciation.

Vested assets

The level of vested assets has been determined using growth expectations and then compared to historical trends for reasonableness. The assumption has a high level of uncertainty. The timing and value of vesting from developers is very hard to forecast as the timing of the completion of developments and then the time

period that developers take to vest the assets is variable. The risk is vested asset could be higher or lower than predicted. There is no cash impact of this, however there can be a depreciation impact depending on the timing of the vesting.

Infrastructure asset condition information
We are spending more on understanding the state of our assets as this helps us make better planning and budget decisions, however, some of our asset data is not as complete as we would ideally like. We are working to improve what we know about our assets, including their age, how well they're performing, and their condition. We use this information to do our planning. As our data improves, we may need to reprioritise some assets for replacement to reduce to risk of unexpected asset failures. Only having one water treatment plant and one wastewater treatment plant means if either was unable to operate, this would have a significant impact on the community. We lessen this risk by continuing to update our asset information, asset criticality, undertake condition assessments and monitor the performance of our assets. We will continue to use this information to reprioritise our replacement and preventative maintenance on our assets, and to ensure we manage the risk of failure for the most critical infrastructure. This assumption has a high level of uncertainty.

The risk is that the condition information of the infrastructure assets could be incorrect which could result in asset failure which would increase expenditure, and assets could also be incorrectly valued.

Activity-specific assumptions

Ngaa Matapae aa-kaupapa mahi

The following activity-specific assumptions will be detailed in IAWAI's Activity Management Plan:

- Drinking Water Standards: Compliance with all applicable national drinking water quality standards.
- Freshwater Quality Standards: Adherence to environmental regulations and standards for freshwater bodies.
- Mandatory Performance Measures: Fulfilment of regulatory performance targets as set by the Department of Internal Affairs.
- Asset Management Interventions: Optimising performance, longevity and value of assets while minimising costs and risks.
- Emergency Management: Preparedness and response protocols for managing emergency events affecting water and wastewater services.
- Resource Consents: Assumptions regarding the availability, renewal, and conditions of resource consents for water abstraction and wastewater discharge. This includes any consents issued under the Resource Management Act with implications for air, stormwater discharge (at treatment plants and water take.
- Financial Sensitivity Analysis: Evaluation of financial impacts under different scenarios, including changes in growth, funding, and regulatory requirements.

Regulatory oversight

Arahanga waeture

Taumata Arowai – Water services regulator
Taumata Arowai sets the standards and rules that IAWAI must comply with in delivering water and wastewater services. These regulatory requirements have been incorporated into the key performance standards outlined in IAWAI's Activity Management Plan. IAWAI assumes full compliance with all current and future requirements set by Taumata Arowai.

Commerce Commission – Economic regulation and consumer protection
The Commerce Commission is responsible for implementing the new economic regulation and consumer protection regime for water services in New Zealand. This includes the introduction of regulatory tools such as mandatory information disclosure to enhance transparency and ensure that investments are directed where they are most needed.

All information presented in this WSS is consistent with the relevant requirements and determinations issued by the Commerce Commission under Part 4 of the Commerce Act 1986.

Key contracts

Ngaa kirimana

The following key contractual agreements have novated from WDC to IAWAI effective 1 July 2026:

- The contract between WDC and Watercare for the provision of water supply, wastewater, and stormwater services.
- Supply contracts for water and wastewater servicing for Pookeno and Tuakau.
- The supply agreement with the Te Kauwhata Irrigation Association for the provision of raw water to Te Kauwhata and Meremere.

The Watercare contract is due to terminate on or before 30 June 2028. IAWAI will determine the future delivery model for beyond this date.

IAWAI is contracted to HCC and WDC to provide stormwater services.

Asset and useful life assumptions

Uara Rawa me ngaa matapae oranga whaitake

IAWAI assumes that the estimated useful life and valuation of its assets will evolve over time as data quality improves. This improvement is expected through targeted investments and increased reporting requirements from regulators such as the Commerce Commission

and Taumata Arowai. These regulatory influences may have significant implications for IAWAI's asset management practices. The initial transfer of assets to IAWAI from the councils will set the value of the assets going forward. This has been undertaken via a combined bottom-up revaluation process, which accurately reflects asset condition and remaining life.

Useful lives are defined for each asset class and are currently assessed based on factors such as:

- Material type (for pipes)
- Age
- Physical condition

As IAWAI's asset maturity improves, additional factors will be incorporated into assessments, including:

- Construction methodologies
- Technological obsolescence
- Economic potential and serviceability

The frequency of asset revaluations will be guided by financial and asset management policies, which are currently under development. However, industry best practice suggests that annual revaluations should be adopted over time.

Strategic Boundary Agreements and future service areas

Tuutohu aa- ripa rautaki me ngaa rohe ratonga aa-mua

Waipā District Council (Waipā DC) and WDC each have separate Strategic Boundary Agreements with HCC. These agreements establish a clear framework and process for transferring identified land parcels and reorganising the respective council boundaries:

- The HCC–WDC agreement was signed in 2020.
- The HCC–Waipā DC agreement was signed in 2022.

With the establishment of IAWAI, the provision of water and wastewater services for both existing and future growth areas across Hamilton and the Waikato District is now considered boundaryless. Significant integration of the Hamilton and Waikato District waters networks will occur over time.

However, it is acknowledged that the Strategic Boundary Agreement between HCC and Waipā DC may, in the future, result in the incorporation of land within the proposed Southern Links Road of National Significance into IAWAI's service area.

For this WSS however, IAWAI has made no provision for servicing such an area.

Asset management planning

Whakamahere tiaki huarawa

Levels of service

Levels of Service refers to the quality of a given service. It is a critical part of activity management and is used to inform infrastructure management strategies.

Activity management planning links levels of service to the cost of service (price/quality relationship) and associated risk. These levels have been previously evaluated by both the shareholding Councils through community consultation. IAWAI will review levels of service as part of WSS 2027/2028, aligning them with shareholder strategies, regulatory requirements, and accountability frameworks.

Defined levels of service will be used to:

- Inform customers of proposed service levels
- Develop strategies to deliver these levels
- Measure performance against defined levels
- Identify costs and benefits of services
- Enable customers to assess value in terms of availability, quality, safety, and sustainability

Service driver

From 1 July 2026, the existing level of service measures and commitments will be maintained until they are reviewed as part of the 2027/2037 WSS.

For IAWAI's water supply and wastewater activities the expectation is that we provide our customers with:

- Water that is safe to drink.
- A water supply system that is managed in a way that minimises the loss/wastage of water.
- A water supply that has adequate clarity, taste, lack of odour, continuity and adequate pressure.
- A timely response and resolution to reported problems with the water supply and wastewater systems.
- A water supply and wastewater system that are sustainably managed.
- A water supply and wastewater system designed, operated and maintained in a way to effectively minimise the risk of harm to the community and the environment.
- A wastewater system operated and maintained to minimise odours and blockages.

We are keeping the Levels of Service targets for water and wastewater the same for Hamilton and for the Waikato district for the next three years except for the number of abatement notices, infringement notices, enforcement orders and convictions received in violation of the territorial authority's resource consents for discharge from its sewerage system. The target for the Waikato District service area has been changed from <2 for year 2 and year 3 to <0 for both years.

Legislation

The management and operation of IAWAI's services are guided and regulated by government legislation. The legislative requirements inform the minimum level of service that IAWAI is required to comply with. The key legislation relevant to the services we provide are:

- Local Government (Water Services Act) 2025
- Local Government (Water Services) Repeals and Amendments Act 2025
- Water Services Act 2021
- Commerce Act 1986
- Local Government Act 2002
- Resource Management Act 1991
- Health and Safety at Work Act 2015
- The Water Services Regulator – Taumata Arowai Act 2020
- Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010
- Nga Wai o Maniapoto (Waipa River) Act 2012
- Utilities Access Act 2010
- Building Act 2004
- Civil Defence Emergency Management Act 2002
- Heritage New Zealand Pouhere Taonga Act 2014
- Local Government Funding and Financing Act
- Goods and Services Tax Act 1985
- Income Tax Act 2007

IAWAI is required to publicly report on the DIA Non-Financial Performance Measures, which have informed our strategic and tactical measures with associated targets.

Taumata Arowai has Network Environmental Performance measures, but no targets have been applied for this iteration of the WSS. However, there is an opportunity when the WSS is reviewed in the future for IAWAI to set targets to demonstrate improvements and service level performance.

The Commerce Commission is expected to finalise its information disclosure regime in early 2026. These will then be included in future IAWAI activity management plans together with relevant targets.

Policies, bylaws, strategies and plans

Strategies, policies, and bylaws are essential tools that provide clarity, consistency, and accountability for IAWAI in delivering agreed services. Strategies define the overall direction and long-term approach, while plans outline the tactical steps and actions required to implement those strategies.

As required by legislation IAWAI has developed the following:

- Water Services Strategy 2026–2036
- Significance and Engagement Policy
- Waiver Policy
- Water and wastewater charging framework
- Relevant provisions from the HCC and WDC Development Contributions Policy (pending adoption by the IAWAI Board)

Additional policies, including management policies, will be developed for the WSS 2027-2037.

HCC and WDC are responsible for establishing water supply and wastewater bylaws but have agreed to delegate administrative responsibilities to IAWAI. Both councils have key bylaws covering water supply, trade waste & wastewater, and stormwater. These bylaws are critical for managing infrastructure, protecting public health and the environment, and ensuring regulatory compliance.

IAWAI will apply these bylaws when assessing and approving customer applications to connect to the three waters infrastructure networks.

In addition to these bylaws, HCC uses a specific policy—the Three Waters Connection Policy—to manage network capacity, water allocation, levels of service, and private infrastructure. This policy is particularly important due to:

- Higher levels of urbanisation
- Network capacity constraints
- Water take consent limits, and
- Alignment with the Hamilton Operative District Plan.

IAWAI will review this policy for application within its service area.

The shareholding councils' waters-related bylaws need to be reviewed and updated to reflect the new requirements of the LG(WS) A 2025. IAWAI will commence work to recommend new bylaws to both councils during 2026-27.

Asset life cycle management

Tiaki toiora Huarawa

The water and wastewater schemes managed by IAWAI vary significantly in size, quality, and age across the service area.

Water supply services

IAWAI provides reticulated water supply to meet the needs of:

- Domestic households
- Commercial and industrial users
- Dairy and agricultural operations

Urban areas—such as Hamilton City and nearby townships—receive an on-demand water supply.

In contrast, rural communities rely on restricted supply systems. Due to water allocation limits, dairy and agricultural operations may face conditions on their water usage.

Firefighting services are only available in urban zones where infrastructure can support the necessary pressure and flow.

Water services are managed through bylaws and supply agreements, which set requirements for flow, pressure, and usage.

Wastewater services

Wastewater services are provided to domestic, commercial, and industrial users across the service area.

Most systems operate through gravity-fed networks. However, in areas with challenging terrain or infrastructure limitations, low-pressure sewer systems are used as an alternative.

These services are managed through bylaws and trade waste consent requirements, which help regulate usage and ensure compliance.

Asset overview

A comprehensive overview of all water and wastewater schemes under IAWAI's management—including asset condition, performance, and future investment priorities—is available in the AMP.

Condition and performance

Both Councils have utilised CCTV methods to assess the condition of gravity pipes, this is the main method of assessment and follows the New Zealand Gravity Pipe Inspection Manual 4th Edition. Ongoing programmes are in place with WDC assessing 1% of the networks and HCC prioritising end of life assets to inform renewals programmes.

Where conditions have not been assessed, condition ratings based on age have been assigned. For above ground assets, both councils utilise visual assessments to determine condition. Following transition, IAWAI will review the current strategies and programmes and implement an aligned approach across all assets.

Operations and maintenance

Currently WDC has a contract with Watercare Services to provide Operations and Maintenance services until 2028, the current focus is maintaining the assets until the contract ends. The investment programme that has been developed focused on capital investment to improve the quality of service to customers.

Both HCC and WDC:

- monitor and operate treatment plants and networks 24 hours a day, seven days a week.
- Investigate and resolve customer issues associated with water services
- Programmes to test, analyse and report on drinking water compliance and resource consents.
- Maintaining, monitoring and enforcing the relevant water service bylaws.

Risk, resilience and sustainability

Tuuraru, manawaroa me te toituutanga

Risk framework

IAWAI is developing a Risk Management Policy and Framework. Until this is in place, the shareholder councils' risk frameworks will serve as the interim basis for managing key water supply and wastewater-related risks.

Risks associated with the management, operation, and long-term resilience of water and wastewater services will initially be addressed through the shareholder councils' existing framework. IAWAI is developing its own comprehensive risk policy and framework. This will encompass strategic, organisational, emerging, and operational risks.

Strategic and organisational risks

Relevant risks have been identified from the shareholder councils' risk registers. IAWAI will review, update, and implement appropriate treatments and controls to mitigate residual risks. This process will ensure alignment with IAWAI's evolving strategic objectives and organisational context.

Operational risks

Operational risks relate to those arising from the day-to-day delivery of water and wastewater services. IAWAI will establish an operational risk register to identify, assess, and manage these risks. The shareholder councils have already identified critical safety risks as part of their respective Health and Safety policy. IAWAI will adopt these from 1 July 2026 after which we will develop our own Health and Safety Policy.

Management of critical assets

Critical assets are those whose failure—regardless of cause or likelihood—could result in significant financial, reputational, environmental, or regulatory impacts. IAWAI will develop its own criticality framework to assess and manage these assets. While there is some commonality with the shareholder councils' existing frameworks, IAWAI will consider specific nuances relevant to its operations and context.

Additional resources

Rawa anoo

The following documents support this strategy:

- Waikato District Council Population and Household Projections LTP 2025
- Hamilton City Council Growth Projection LTP 2024

The following policies are relevant to the strategy:

- IAWAI Significance and Engagement Policy 2026/2027
- IAWAI Waiver Policy 2026/2027
- Hamilton City Council Development Contributions Policy 2025 and Waikato District Council Development Contributions Policy 2025 (pending adoption of water and wastewater provisions by the IAWAI Board)
- IAWAI Treasury Management Policy (2026/27)

AAPITIHANGA 1

Appendix 1

NGAA TAUMATA WHAKARATONGA

Our levels of service

Current Strategic and Tactical Levels of Service - Water Supply

Level of Service Objective WATER SUPPLY	How will we measure our performance	Baseline Result 24/25	Targets		
			Year 1	Year 2	Year 3
Water that is safe to drink	The extent to which the water supplier's drinking water supply complies with the following parts of the drinking water quality assurance rules:				
	a. T1 Treatment Rules	All Met (100%)	All met	All met	All met
	b. Distribution System Rule	All Met (100%)	All met	All met	All met
	c. T2 Treatment Monitoring Rules	All Met (100%)	All met	All met	All met
	d. T2 Filtration Rules	All Met (100%)	All met	All met	All met
	e. T2 UV Rules	All Met (100%)	All met	All met	All met
	f. T2 Chlorine Rules	All Met (100%)	All met	All met	All met
	g. D2.1 Distribution System Rule	All Met (100%)	All met	All met	All met
	a. T3 Bacterial Rules	All Met (100%)	All met	All met	All met
	b. T3 Protozoal Rules	All Met (100%)	All met	All met	All met
	c. D3.29 Microbiological Monitoring Rule	All Met (100%)	All met	All met	All met
Water supply systems that are managed in a way that minimises the loss/wastage of water	The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).				
	Hamilton City (excluding Southern Districts)	14.9%	<16%	<16%	<16%
	Town and Rural Schemes (this covers all 7 schemes including Southern Districts)	26%	<28%	<28%	<28%

Water supply systems that are of adequate clarity, taste, lack of odour, continuity and adequate pressure	The total number of complaints received by the local authority about any of the following: a. drinking water clarity b. drinking water taste c. drinking water odour d. drinking water pressure or flow e. continuity of supply, and f. the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system.				
	Hamilton City (excluding Southern Districts)	5	<7	<7	<7
	Town and Rural Schemes (this covers all 7 schemes including Southern Districts)	14.42	<25	<25	<25
Customers receive a timely response and resolution to reported problems with the water supply systems	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:				
	a. attendance for urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.				
	Hamilton City (excluding Southern Districts)	41 mins			
	Town and Rural Schemes (this covers all 7 schemes including Southern Districts)	44 mins	<60 mins	<60 mins	<60 mins
	b. Resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.				
	Hamilton City (excluding Southern Districts)	2 hrs	<5 hrs	<5 hrs	<5 hrs
	Town and Rural Schemes (this covers all 7 schemes including Southern Districts)	1 hr 45 mins	<4 hrs	< 4hrs	<4hrs
	c. attendance for non-urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site				
	Hamilton City (excluding Southern Districts)	5 working days	<5 days	<5 days	<5 days
	Town and Rural Schemes (this covers all 7 schemes including Southern Districts)	1 day	<5 days	<5 days	<5 days
	d. Resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption				
	Hamilton City (excluding Southern Districts)	6 working days	<10 days	<10 days	<10 days
	Town and Rural Schemes (this covers all 7 schemes including Southern Districts)	2 days	<5 days	<5 days	<5 days
The water supply systems are sustainably managed	The average consumption of drinking water per day per resident within the territorial authority district				
	Hamilton City (excluding Southern Districts)	321 l	<400 l	<400 l	<400 l
	Town and Rural Schemes (this covers all 7 schemes including Southern Districts)	174 l	<250 l	<250 l	<250 l

Current Strategic and Tactical Levels of Service – Wastewater

Level of Service Objective WASTEWATER	How will we measure our performance	Baseline Result 24/25	Targets		
			Year 1	Year 2	Year 3
Customers receive a timely response and resolution to reported problems with the wastewater systems	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: a. Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and				
	Hamilton City	33 mins	<60 mins	<60 mins	<60 mins
	Town and Rural Schemes (this covers all 9 schemes)	44 mins	<60 mins	<60 mins	<60 mins
	b. Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.				
	Hamilton City	2.5 hrs	<4 hrs	<4 hrs	<4 hrs
	Town and Rural Schemes (this covers all 9 schemes)	2 hours, 2 mins	<4 hrs	<4 hrs	<4 hrs
The wastewater systems are designed, operated and maintained in a way to effectively minimise the risk of harm to the community and environment	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.				
	Hamilton City	1.71	<4	<4	<4
	Town and Rural Schemes (this covers all 9 schemes and is a combined score of sensitive and non-sensitive environments)	1.3	<3	<3	<3
The wastewater systems will be operated and maintained to minimise odours and blockages	The total number of complaints received by the territorial authority about any of the following: a. sewage odour b. sewerage system faults c. sewerage system blockages, and d. the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system.				
	Hamilton City	8.8	<20	<20	<20
	Town and Rural Schemes (this covers all 7 schemes including Southern Districts)	6.4	<10	<20	<20
The wastewater systems are designed, operated and maintained in a way to effectively minimise the risk of harm to the community and environment	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of a. abatement notices b. infringement notices c. enforcement orders, and d. convictions received by the territorial authority in relation to those resource consents.				
	Hamilton City	0	0	0	0
	Town and Rural Schemes (this covers all 9 schemes and is a combined score of sensitive and non-sensitive environments)	2	<2	<0	<0

AAPITIHANGA 2

Appendix 2 - Fees and Charges Schedule

1. Introduction

IAWAI's Fees and Charges Schedule includes all water-related charges including those that were previously collected as rates by the shareholder councils under the Local Government (Rating) Act 2002.

Currently, Hamilton City Council and Waikato District Council each have their own separate water fees and charges. From 1 July 2026, these will be combined into one single IAWAI fees and charges schedule. This also includes what was water-related targeted rates.

What's changing?

- Drinking water and wastewater fees and charges will be managed by IAWAI.
- Stormwater charges will stay as part of council rates.
- Where possible, water and wastewater related fees based on hourly rates or for specific connection or consent related activities have been standardised, so Hamilton and Waikato customers are charged the same fees for the same activity or service. In some instances, this has resulted in an increase of slightly more than the rate of inflation for some charges for some customers.
- Trade waste quantitative charges (volumetric and contaminant based) have increased by 15% reflecting significant changes in the operating costs for treatment plants. Overall, the changes are about bringing everything into one clear, consistent system across both council areas.

Further information

IAWAI uses a mixed pricing model to fund water services. This approach reflects both the fixed and variable costs of delivering services, as well as the benefits received by property owners and users. It includes a combination of property-based charges, consumption-based charges, fixed charges, and user-pays charges.

At present, pricing differs for properties in the Waikato District and Hamilton City areas. These differences reflect historical funding arrangements and help manage the transition to a new pricing framework while avoiding sudden or significant cost increases for property owners and water users.

Over time, these differences will be progressively standardised, in line with the transitional provisions of the water services legislation.

Charges will be reviewed as part of each water services strategy to ensure they remain aligned with funding needs, legal requirements, and principles of fair and equitable cost recovery.

3. Water and Wastewater Connections

Any connection to the IAWAI water and wastewater network must be first approved by IAWAI.

3.1 Water and wastewater connection applications

Connection application fees also apply to any disconnections.

Description	Units	Charge 2026/27 per unit
Water and wastewater connection applications – all areas		
Response to customer and developer queries related to connections	per hour	$247.00
Application fee (plus additional hourly rate for time spent over 2.5 hours)	minimum charge	$350.00

3.2 Connections physical works

In Waikato District charges for physical works for water connections above 20mm, commercial water connections, and wastewater connections are at the owner's management and cost.

In Waikato District 'at cost' means the property owner or develop is liable for the total cost of constructing the connection to IAWAI's mains and is also responsible for the physical work in providing the connection. IAWAI's expectation is for the property owner or developer's contractor to complete the connection to the service at the time site works are completed and that the contractor will charge the property owner or developer directly. The work must be completed to IAWAI's standards as stated in the Regional Infrastructure Technical Specification (RITS) and that the works will be inspected as part of IAWAI's approval process. Additional connections may require development contributions or a capital contribution fee.

Connections in Hamilton City will soon be completed by a connections contractor panel at the owner's management and cost. In the interim, physical works completed by IAWAI in Hamilton City will be via quote unless otherwise stated.

Description	Units	Charge 2026/27 per unit
Physical connections work by IAWAI – all areas		
All physical connections-related work completed by IAWAI unless otherwise stated		by quote
Reinstatement of sealed roadways, footpaths and light vehicle entrances		by quote
On site pipe location		by quote
Water connections – all areas		
Flow restrictor temporary removal and/or reinstallation	per application	$169.00
Flow restrictor removal after hours (outside 8am - 4:30pm Monday to Friday)	per application	$338.00
Modification of existing connection to install a flow restrictor		by quote
Water connections – Waikato District only		
20mm full flow water meter connection, including travel, fixtures and fittings costs, labour to install (excludes application fee)	per connection	$1800.00
20mm urban residential/ rural metered	per connection	$2,470.00
Connections above 20mm and commercial	per connection	at owner's management and cost
(In all Waikato District areas all connections costs are borne by the property owner and water systems are installed by the property owner's contractors to IAWAI's standards.)		
Directional drill - water meter connection		by quote
Traffic management - water meter connection		by quote
Wastewater connections – Waikato District only		
Connection fee for standard gravity fed connection		at owner's management and cost
(In all Waikato District areas all connections costs are borne by the property owner and water systems are installed by the property owner's contractors to IAWAI's standards.)		

4.1 Disconnections

Disconnection application processing is charged as for new connections. Connection application charges and physical works charges will apply as for new connections if the property owner wishes to reconnect later.

Description	Units	Charge 2026/27 per unit
Disconnections – all areas		
All disconnections unless otherwise stated.		by quote

4.2 Inspections and monitoring

Description	Units	Charge 2026/27 per unit
Water connections monitoring – all areas		
Bacteria laboratory testing	per sample	$83.00
Inspection fees – Hamilton City		
Quality assurance inspections and monitoring (includes travel to sites up to 8km from the central city)	per site visit	$356.00
Quality assurance inspections and monitoring (includes travel to sites more than 8km from the central city)	per site visit	$459.00

5. Network Capacity and Access

5.1 Network capacity assessment

In some areas there are challenges with how much development the water and wastewater networks can cope with. Where a water and wastewater network capacity assessment is required, charges for that assessment are shown below.

Description	Units	Charge 2026/27 per unit
Water and wastewater network capacity assessment – all areas		
Consultant or specialist		Actual costs
Staff hourly rate (as per hourly rates section)	per hour	$255

5.2 Network access requests

Access to IAWAI's water and wastewater networks is restricted. The following fees provide for applications to shutdown or otherwise access the water and wastewater networks to enable works to occur.

Description	Units	Charge 2026/27 per unit
Water and wastewater network access requests – all areas		
Application fee - water or wastewater network temporary shutdown request	per application	$204.00
Application fee - for an approved contractor to access IAWAI Wastewater and Water assets	per application	$127.00

6. Service Connection and Authorisation

6.1 Service connection and authorisation – Waikato District

The following contributions apply in specific areas of Waikato District in addition to other charges. These charges apply where a property chooses to connect to a newly available wastewater service in these areas.

Description	Units	Charge 2026/27 per unit
Water capital contribution in Waikato District (in addition to boundary connection costs)		
20mm restricted water meter connection Te Ohaaki capital contribution	$	$20,859.00
Wastewater capital contribution in Waikato District (in addition to boundary connection costs)		
Meremere	$	$1,467.00
Pookeno	$	$26,581.00
Rangiriri	$	$4,849.00
Taupiri	$	$4,634.00
Tauwhare Pa	$	$8,751.00
Te Ohaaki Road	$	$3,316.00
Whaanga Coast	$	$26,740.00
The property owner is responsible for all works within the property boundary including installing an approved low pressure pump station and if applicable decommissioning any existing septic tank.		

6.2 Service connection and authorisation – Pookeno and Tuakau

The following Infrastructure Growth Charges provide for the cost of connections to infrastructure for those undertaking development in Pookeno and Tuakau.

Description	Units	Charge 2026/27 per unit
Water connections – Pookeno and Tuakau		
Water service connection and authorisation fee	per household equivalent unit (HEU)	$12,760.00*
Wastewater connections – Pookeno and Tuakau		
Wastewater service connection and authorisation fee	per household equivalent unit (HEU)	$12,760.00*
The property owner is responsible for all works within the property boundary including installing an approved low pressure pump station and if applicable decommissioning any existing septic tank		

* Note: This charge is set by Watercare and is subject to change.

7. Trade Waste and Tankered Waste

Discharge of non-domestic wastewater into the wastewater reticulation system will require a trade waste consent. "Permitted" and "conditional" consents relate to the types and quantities if trade waste that these businesses product.

Tankered waste refers to liquid that is transported by vehicle for disposal.

7.1 Trade Waste and tankered waste application, inspection, independent monitoring, penalties and annual fees

These fees apply across all areas unless otherwise stated.

Description	Units	Charge 2026/27 per unit
Application Fees (Site inspection fees may also apply)		
Conditional Consent including tankered waste (plus additional hourly rate for more than 6 hours time)	per application	$829.00
Permitted/Controlled Discharge (plus additional hourly rate for more than 2 hours time)	per application	$353.00
Renewal Fee (plus additional hourly rate for more than 1 hours time)	per application	$149.00
Special trade waste agreements, variations or renewals	per application	Actual costs
Temporary Discharge (plus additional hourly rate for more than 2 hours time)	per application	$353.00
Variation / Change of Details Request (plus additional hourly rate for more than 30 minutes time)	per request	$75.00
Site Inspection/Audit Fees		
Site Inspection/Audit - Conditional Consent	per site visit	$269.00
Site Inspection/Audit -Permitted/Controlled Discharge	per site visit	$236.00
Site Inspection/Audit - Non Compliance	per site visit	$336.00
Site Inspection/Audit - Temporary Discharge	per site visit	$269.00
Independent Monitoring Fees		
Independent sampling and analysis for consented trade waste discharges and tankered waste disposal at the Wastewater Treatment Plant	per sample collected	Actual costs
Annual Fees (Costs of any independent monitoring (sampling and analysis) is recovered through a separate fee and charge)		
Temporary discharge	per year	$267.00
Conditional/Special/Tankered Discharge - Risk Class 2	per year	$1,435.00
Conditional/Special/Tankered Discharge - Risk Class 3	per year	$2,370.00
Permitted/ Controlled Discharge	per year	$270.00
Tankered Discharge	per year	$920.00
Discharges to Tuakau wastewater treatment plant	per year	Refer to Watercare
Trade waste penalty charges		
Trade Waste penalty charges		As per Agreement

7.2 Trade waste and tankered waste quantitative charges

Quantitative charges apply to conditional consent holders and tankered waste consent holders as described in the following table. Charges vary depending on the location of the activity, the receiving network and the receiving wastewater treatment plant.

Trade waste quantitative charges (volumetric and contaminant-based) are to rise by 15% to reflect significant changes in the operating costs of treatment plants.

Description	Units	Charge 2026/27 per unit
Quantitative charges for Trade Waste conditional consents - Hamilton City		
Flow Volume	per m3	$2.71
Suspended Solids	per kg	$1.17
cBOD5 (Organic loading)	per kg	$0.92
COD (Chemical loading)	per kg	$0.12
Total Kjeldahl Nitrogen (TKN)	per kg	$2.67
Total Phosphorus	per kg	$9.36
Arsenic	per kg	$505.66
Quantitative charges for Trade Waste conditional consents - Tuakau and Pookeno		
Flow Volume	per m3	$1.27
Suspended Solids	per kg	$2.35
cBOD5 (Organic loading)	per kg	$1.05
Total Kjeldahl Nitrogen (TKN)	per kg	$12.66
Quantitative charges for Trade Waste conditional consents – Waikato District (excludes Tuakau and Pookeno)		
Temporary discharge	per year	$267.00
Flow Volume	per m3	$1.62
Suspended Solids	per kg	$1.09
cBOD5 (Organic loading)	per kg	$1.30
Total Kjeldahl Nitrogen (TKN)	per kg	$1.24
Total Phosphorus	per kg	$7.71
Tankered Waste		
Tankered Waste disposal to Huntly or Pukete wastewater treatment plant septage facilities	per m3	$94.00
Note: Tankered Waste may be declined at the discretion of IAWAI		

8. Growth Charges

Growth charges are based on the net increase in demand on water supply and wastewater services, measured using Household Unit Equivalents (HUEs).

Growth charges in this section will be applied by IAWAI for new residential developments for the first time in 2026/27.

The use of HUEs aligns with how councils commonly represent relative demand, and this simplified approach ensures growth related demand can be assessed and applied in a consistent and administratively efficient manner.

For the purposes of assessing IAWAI water and wastewater growth infrastructure charges:
8.1 One additional residential dwelling is treated as equivalent to one (1) HUE, and
8.2 Additional residential dwellings of 70m2 and below for which no resource or building consent is required (i.e. a secondary minor dwelling such as a granny flat) will be treated as a half HUE (i.e. half charges will apply).
8.3 Multi-unit residential developments will be charged on the basis that each additional residential unit is equivalent to one (1) HUE.

Where redevelopment occur, the growth charges apply only to the net increase in demand.

The growth charges will be applied when a building is completed and ready for use, such as when a Code Compliance Certificate is issued, or when the property is occupied or added to the rating valuation roll.

Although papakaainga housing developments are subject to growth charges as set out in the Water Services Strategy, IAWAI will waive the requirement to pay growth charges where the development meets:
- Legislation and national direction regarding the enablement of papakaainga housing; and,
- The intent of the relevant shareholding Council's District Plan definitions.

The decision to waive growth charges for papakaainga housing aligns with the Government's objectives to support Maaori housing outcomes and papakaainga development.

The ongoing application and quantum of the annual waiver is subject to review under IAWAI's Waiver Policy.

Description	Units	Charge 2026/27 per unit
Water supply growth charges – all areas		
Water supply - Residential growth charge	per HUE per year for 25 years	$200.00

Description	Units	Charge 2026/27 per unit
Wastewater growth charges – all areas		
Water supply - Residential growth charge	per HUE per year for 25 years	$300.00

9. Water Supply Charges

9.1 Capital value and fixed water supply charges – Hamilton City

The water supply charges in the following table apply to all rating units that have the water supply system available to them or are connected to it without a metered connection, and meet the relevant Base or Multi-residential Hamilton Water Supply Category.

Description	Units	Charge 2026/27 per unit
Water charge, Base and Multi-residential non-metered supply– Hamilton City		
Base charge	per $ of capital value	$0.00075256
Multi-residential charge	per $ of capital value	$0.00082782
Fixed charge	per year	$28.00

The commercial non-metered supply charge applies to all rating units that meet Commercial Hamilton Water Supply Category definition, are connected to the water supply system and do not pay via water by meter.

Description	Units	Charge 2026/27 per unit
Water charge, commercial non-metered supply– Hamilton City		
Commercial non-metered water supply	per year	$628.00

9.2 Water by meter – Hamilton City

Description	Units	Charge 2026/27 per unit
Water by meter – Hamilton City		
Charge across all of Hamilton City unless otherwise stated	per m3	$2.61
Monthly minimum charge unless otherwise stated – up to 20 m3 (applies to customers that are invoiced monthly)	per month	$52.00
Quarterly minimum charge unless otherwise stated - up to 60 m3 (applies to customers that are invoiced quarterly)	per quarter	$157.00

9.3 Water by meter – Waikato District

The availability fixed annual charge is for availability or serviceability of water supply, defined as being within 100 metres of the water network. The availability fixed annual charge applies to unconnected properties in on-demand areas only.

Description	Units	Charge 2026/27 per unit
Water by meter – Waikato District		
Availability fixed annual charge - Waikato District – on demand areas only	per rating unit per year	$594.02
Fixed annual charge – on demand areas - Waikato District	per separately used or inhabited part of a rating unit per year	$594.02
Fixed annual charge – trickle feed areas - Waikato District	per separately used or inhabited part of a rating unit per year	$594.02
Volumetric charge -in addition to fixed charge – Waikato District	per m3	$2.74

9.4 Water drawn from IAWAI water take points – all areas

Water take points may also be known as bulk filling stations. Those seeking to take water form water take points must first seek a permit from IAWAI to draw that water.

Description	Units	Charge 2026/27 per unit
Volumetric charges – IAWAI water take points		
Hamilton City water take point volumetric charge	per m3	$5.56
Waikato District water take point volumetric charge	per m3	$3.68
Minimum charge – all areas	per quarter	$32.00
Annual permit – IAWAI water take points – all areas		
Annual permit or supply contract to take water from water bulk filling stations	per year	$375.00
Water take point key supply – Hamilton City		
Supply of additional key	per key	$24.00

9.5 Water meters - special reads and meter testing

A property owner or agent can request a special meter reading from IAWAI.

All requests for special water meter reads must be sent to IAWAI with at least 2 business days notice in Hamilton City and 10 days notice in Waikato District so that the reads can be scheduled and so that any invoices can be processed.

Description	Units	Charge 2026/27 per unit
Water meter special reads – all areas		
Water meter special reads	per request	$155.00
Water meter testing		
Water meter special reads	per request	$155.00
Testing provided by a certified independent service provider		by quote

9.6 Backflow prevention

All costs and management for testing of backflow prevention devices in Hamilton City, and in Waikato District any devices above 20mm and all commercial devices, are borne by the property owner/ contractors. Costs and management includes repairs and must be completed to IAWAI standards.

Description	Units	Charge 2026/27 per unit
Backflow prevention all areas		
Backflow prevention device registration	per device	$101.00
Testing backflow preventor 20mm	per device	Actual costs
Testing backflow devices in Hamilton City, and backflow devices above 20mm and any commercial devices in the Waikato District		Owners management and cost
Backflow prevention repair - Waikato District		
Repair of backflow preventor 20mm	per device	Actual costs

10. Wastewater Charges

10.1 Targeted wastewater charges – Hamilton City

The targeted wastewater charge applies to all rating units in Hamilton City that have the wastewater system available to them or are connected to it.

The charge comprises:
a) a fixed charge per rating unit, set on a differential basis according to the Hamilton Wastewater Category; and
b) a charge per dollar of capital value, set on a differential basis according to the Hamilton Wastewater Category.

Description	Units	Charge 2026/27 per unit
Capital value wastewater charge – Hamilton City		
Base charge	per $ of capital value	$0.00073568
Commercial charge	per $ of capital value	$0.00219799
Educational charge	per $ of capital value	$0.00080925
Multi-residential charge	per $ of capital value	$0.00080925
Fixed wastewater charge – Hamilton City		
Base charge	per year	$14.00
Commercial charge	per year	$42.00
Educational charge	per year	$14.00
Multi-residential charge	per year	$14.00

10.2 Targeted wastewater charges – Waikato District

Description	Units	Charge 2026/27 per unit
Fixed wastewater charge – Waikato District		
Non-residential/Commercial – Connected (first two pans)	per separately used or inhabited part of a rating unit per year	$1896.59
Non-residential/Commercial – Connected (third & subsequent pans)	per additional pan per year	$948.30
Residential – Available (not connected but within 100m of public wastewater drain)	per rating unit per year	$948.30
Residential - Connected	per separately used or inhabited part of a rating unit per year	$1896.59
Assistance for the Elderly – Connected (first two pans)	per separately used or inhabited part of a rating unit per year	$1896.59
Assistance for the Elderly – Connected (third & subsequent pans) Additional fixed charge	per additional pan per year	$379.31
Non-rateable (fully non-rateable or non-profit) – Connected (first two pans)	per separately used or inhabited part of a rating unit per year	$1896.59
Non-rateable (fully non-rateable or non-profit) – Connected (third & subsequent pans) Additional fixed charge	per additional pan per year	$189.39

Any property that connects to the reticulated wastewater network must pay an interim charge to reflect the actual period of use between the date of connection and the end of the financial year, and will pay the relevant annual charge thereafter.

Description	Units	Charge 2026/27 per unit
Interim fixed wastewater charges for new connections – Waikato District		
July	per connection	$726.00
August	per connection	$660.00
September	per connection	$594.00
October	per connection	$528.00
November	per connection	$462.00
December	per connection	$396.00
January	per connection	$330.00
February	per connection	$264.00
March	per connection	$198.00
April	per connection	$132.00
May	per connection	$66.00

10.3 Wastewater Capital Works Charge – Pookeno Wastewater Scheme

A fixed charge of $1,361.90 per connection applies to connected properties within the Pookeno Wastewater Scheme catchment area where the liability has not been previously discharged.

The 2026/27 year represents the final year of the targeted charge established to fund the capital costs and associated interest for the Pookeno Wastewater Scheme upgrades.

Following the transfer of the assets and associated liability from WDC to IAWAI, the final year charge will be invoiced directly by IAWAI.

11. Consents and Customer Agreements

Examples of individual customer agreements include high water use, bulk supply and out of district supply. Work associated with customer agreements may also include assessment of water supply and wastewater allocation requests.

Description	Units	Charge 2026/27 per unit
Regional Council consent transfers – all areas		
Pre-transfer inspection of infrastructure and associated works to assess compliance with Waikato Regional Council consent conditions		Hourly rate + corporate mileage

Description	Units	Charge 2026/27 per unit
Individual customer agreements – all areas		
Application fee - new activity or increased allocation (time spent over 6 hours will be charged at the hourly rate)	per application	$1,050.00
Application fee - Existing activity and no increased allocation (time spent over 3 hours will be charged at the hourly rate)	per application	$525.00
Annual fee for individual customer agreements (time spent over 2 hours will be charged at the hourly rate)	per year	$350.00

12. Penalties

IAWAI's shareholding councils have established penalty application practices. IAWAI seeks to align, where appropriate, with those practices.

The penalties apply to all water and wastewater charges assessed and invoiced by IAWAI; and all penalties applied to unpaid water and wastewater charges.

Description	Units	Charge 2026/27 per unit
Individual customer agreements – all areas		
Capital value and fixed water and wastewater charges Penalties will apply to any water and wastewater charges (including growth charges) that remain unpaid after the relevant instalment due date.	percent	10%
Water by meter charges Penalties will apply to any water by meter charges that remain unpaid after the invoice due date.	percent	10%
Further penalties on arrears from previous financial years Penalties will be applied twice a year to any water and wastewater charges (include growth charges) that remain unpaid from prior financial years.	percent	10%

13. Investigation and Compliance

Examples of bylaw investigation and enforcement include inspection to services, tracing illegal discharge, preventing continued non-compliant discharges, cross connection remediation and clean-up, leak repair and blockage remediation.

Description	Units	Charge 2026/27 per unit
Bylaw investigation and enforcement – all areas		
Investigation and Enforcement of Water Supply Bylaw		Actual costs
Investigation and Enforcement of Trade Waste and Wastewater Bylaw		Actual costs
Individual customer agreements – all areas		
Customer agreement penalty charges		As stated in Agreement
Unpermitted use of water – all areas		
Unpermitted use of water (in addition to any investigation costs)	per m3	$12.00
Damage to services and remediation– all areas		
Internal and external costs associated with locating, repairing and reinstating assets will be recovered from the parties responsible for the damage. Actual costs examples include clean up costs, plumbers, consultants, legal fees.		Actual costs

14. Hourly Rates

The following rates apply for staff time spent in providing services on behalf of IAWAI.

Description	Units	Charge 2026/27 per unit
Administration associated with connections and disconnections	per hour	$142.00
Staff time unless otherwise stated	per hour	$142.00
Trade waste and tankered waste administration	per hour	$149.00
Individual customer agreements processing (including high water use, bulk supply, out of district)	per hour	$175.00
Waters engineer (includes development engineering, network capacity assessment, service connection plan certification, building consent application assessment and Property Information Memorandum (PIM))	per hour	$255.00

PAPAKUPU

GLOSSARY

AMP	- Activity Management Plan
CCO	- Council-Controlled Organisation
DIA	- Department of Internal Affairs
CDEM	- Civil Defence Emergency Management
FIFO	- First-in, First-out
FFO	- Funds for Operation
HCC	- Hamilton City Council
HUE	- Household Unit Equivalent
IAF	- Infrastructure Acceleration Fund
IDP	- Investment Delivery Plan
LGFA	- Local Government Funding Agency
LG(WS)A 2025	- Local Government (Water Services) Act 2025
LTP	- Long Term Plan
MDBI	- Material Damage and Business Interruption
SAMP	- Strategic Asset Management Plan
SUIP	- Separately Used or Inhabited Part
WDC	- Waikato District Council
WSDP	- Water Services Delivery Plan
WSS	- Water Service Strategy

IAWAI

LIFE RUNS
ON WATER

Appendix 2

Fees and Charges 2026/27

PRIVATE BAG 3010
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HAMILTON 3204

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1. INTRODUCTION

IAWAI's Fees and Charges Schedule includes all water-related charges including those that were previously collected as rates by the shareholder councils under the Local Government (Rating) Act 2002.

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- Drinking water and wastewater fees and charges will be managed by IAWAI.
- Stormwater charges will stay as part of council rates.
- Where possible, water and wastewater related fees based on hourly rates or for specific connection or consent related activities have been standardised, so Hamilton and Waikato customers are charged the same fees for the same activity or service. In some instances, this has resulted in an increase of slightly more than the rate of inflation for some charges for some customers.
- Trade waste quantitative charges (volumetric and contaminant based) have increased by 15% reflecting significant changes in the operating costs for treatment plants. Overall, the changes are about bringing everything into one clear, consistent system across both council areas.

Further information

IAWAI uses a mixed pricing model to fund water services. This approach reflects both the fixed and variable costs of delivering services, as well as the benefits received by property owners and users. It includes a combination of property-based charges, consumption-based charges, fixed charges, and user-pays charges.

At present, pricing differs for properties in the Waikato District and Hamilton City areas. These differences reflect historical funding arrangements and help manage the transition to a new pricing framework while avoiding sudden or significant cost increases for property owners and water users.

Over time, these differences will be progressively standardised, in line with the transitional provisions of the water services legislation.

Charges will be reviewed as part of each water services strategy to ensure they remain aligned with funding needs, legal requirements, and principles of fair and equitable cost recovery.

2. WATER AND WASTEWATER CONNECTIONS

Any connection to the IAWAI water and wastewater network must be first approved by IAWAI.

2.1 Water and wastewater connection applications

Connection application fees also apply to any disconnections.

Description	Units	Charge 2026/27 per unit
Water and wastewater connection applications – all areas		
Response to customer and developer queries related to connections	per hour	$247.00
Application fee (plus additional hourly rate for time spent over 2.5 hours)	minimum charge	$350.00

2.2 Connections physical works

In Waikato District charges for physical works for water connections above 20mm, commercial water connections, and wastewater connections are at the owner's management and cost.

In Waikato District 'at cost' means the property owner or develop is liable for the total cost of constructing the connection to IAWAI's mains and is also responsible for the physical work in providing the connection. IAWAI's expectation is for the property owner or developer's contractor to complete the connection to the service at the time site works are completed and that the contractor will charge the property owner or developer directly. The work must be completed to IAWAI's standards as stated in the Regional Infrastructure Technical Specification (RITS) and that the works will be inspected as part of IAWAI's approval process. Additional connections may require development contributions or a capital contribution fee.

Connections in Hamilton City will soon be completed by a connections contractor panel at the owner's management and cost. In the interim, physical works completed by IAWAI in Hamilton City will be via quote unless otherwise stated.

Description	Units	Charge 2026/27 per unit
Physical connections work by IAWAI – all areas		
All physical connections-related work completed by IAWAI unless otherwise stated		by quote
Reinstatement of sealed roadways, footpaths and light vehicle entrances		by quote
On site pipe location		by quote
Water connections – all areas		
Flow restrictor temporary removal and/or reinstallation	per application	$169.00
Flow restrictor removal after hours (outside 8am - 4:30pm Monday to Friday)	per application	$338.00
Modification of existing connection to install a flow restrictor		by quote

Description	Units	Charge 2026/27 per unit
Water connections – Waikato District only		
20mm full flow water meter connection, including travel, fixtures and fittings costs, labour to install (excludes application fee)	per connection	$1800.00
20mm urban residential/ rural metered	per connection	$2,470.00
Connections above 20mm and commercial	per connection	at owner's management and cost
(In all Waikato District areas all connections costs are borne by the property owner and water systems are installed by the property owner's contractors to IAWAI's standards.)		
Directional drill - water meter connection		by quote
Traffic management - water meter connection		by quote
Wastewater connections – Waikato District only		
Connection fee for standard gravity fed connection		at owner's management and cost
(In all Waikato District areas all connections costs are borne by the property owner and water systems are installed by the property owner's contractors to IAWAI's standards.)		

3.1 Disconnections

Disconnection application processing is charged as for new connections. Connection application charges and physical works charges will apply as for new connections if the property owner wishes to reconnect later.

Description	Units	Charge 2026/27 per unit
Disconnections – all areas		
All disconnections unless otherwise stated. Includes but is not limited to disconnection from restricted water supply, full flow and over 20mm water supply or for removal or demolition of a building		by quote

3.2 Inspections and monitoring

Description	Units	Charge 2026/27 per unit
Water connections monitoring – all areas		
Bacteria laboratory testing	per sample	$83.00
Inspection fees – Hamilton City		
Quality assurance inspections and monitoring (includes travel to sites up to 8km from the central city)	per site visit	$356.00
Quality assurance inspections and monitoring (includes travel to sites more than 8km from the central city)	per site visit	$459.00

4. NETWORK CAPACITY AND ACCESS

4.1 Network capacity assessment

In some areas there are challenges with how much development the water and wastewater networks can cope with. Where a water and wastewater network capacity assessment is required, charges for that assessment are shown below.

Description	Units	Charge 2026/27 per unit
Water and wastewater network capacity assessment – all areas		
Consultant or specialist		Actual costs
Staff hourly rate (as per hourly rates section)	per hour	$255

4.2 Network access requests

Access to IAWAI's water and wastewater networks is restricted. The following fees provide for applications to shutdown or otherwise access the water and wastewater networks to enable works to occur.

Description	Units	Charge 2026/27 per unit
Water and wastewater network access requests – all areas		
Application fee - water or wastewater network temporary shutdown request	per application	$204.00
Application fee - for an approved contractor to access IAWAI Wastewater and Water assets	per application	$127.00

5. SERVICE CONNECTION AND AUTHORISATION

5.1 Service connection and authorisation – Waikato District

The following contributions apply in specific areas of Waikato District in addition to other charges. These charges apply where a property chooses to connect to a newly available wastewater service in these areas.

Description	Unit	Charge 2026/27 per unit
Water capital contribution in Waikato District *(in addition to boundary connection costs)*		
20mm restricted water meter connection Te Ohaaki capital contribution	$	$20,859.00
Wastewater capital contribution in Waikato District *(in addition to boundary connection costs)*		
Meremere	$	$1,467.00
Pookeno	$	$26,581.00
Rangiriri	$	$4,849.00
Taupiri	$	$4,634.00
Tauwhare Pa	$	$8,751.00
Te Ohaaki Road	$	$3,316.00
Whaanga Coast	$	$26,740.00
The property owner is responsible for all works within the property boundary including installing an approved low pressure pump station and if applicable decommissioning any existing septic tank.		

5.2 Service connection and authorisation – Pookeno and Tuakau

The following Infrastructure Growth Charges provide for the cost of connections to infrastructure for those undertaking development in Pookeno and Tuakau.

Description	Units	Charge 2026/27 per unit
Water connections – Pookeno and Tuakau		
Water service connection and authorisation fee	per household equivalent unit (HEU)	$12,760.00*
Wastewater connections – Pookeno and Tuakau		
Wastewater service connection and authorisation fee	per household equivalent unit (HEU)	$12,760.00*
The property owner is responsible for all works within the property boundary including installing an approved low pressure pump station and if applicable decommissioning any existing septic tank		

* Note: This charge is set by Watercare and is subject to change.

6. TRADE WASTE AND TANKERED WASTE

Discharge of non-domestic wastewater into the wastewater reticulation system will require a trade waste consent. “Permitted” and “conditional” consents relate to the types and quantities if trade waste that these businesses product.

Tankered waste refers to liquid that is transported by vehicle for disposal.

6.1 Trade Waste and tankered waste application, inspection, independent monitoring, penalties and annual fees

These fees apply across all areas unless otherwise stated.

Description	Unit	Charge 2026/27 per unit
Application Fees *(Site inspection fees may also apply)*		
Conditional Consent including tankered waste (plus additional hourly rate for more than 6 hours time)	per application	$829.00

Permitted/Controlled Discharge (plus additional hourly rate for more than 2 hours time)	per application	$353.00
Renewal Fee (plus additional hourly rate for more than 1 hours time)	per application	$149.00
Special trade waste agreements, variations or renewals	per application	Actual costs
Temporary Discharge (plus additional hourly rate for more than 2 hours time)	per application	$353.00
Variation / Change of Details Request (plus additional hourly rate for more than 30 minutes time)	per request	$75.00
Site Inspection/Audit Fees		
Site Inspection/Audit - Conditional Consent	per site visit	$269.00
Site Inspection/Audit -Permitted/Controlled Discharge	per site visit	$236.00
Site Inspection/Audit - Non Compliance	per site visit	$336.00
Site Inspection/Audit - Temporary Discharge	per site visit	$269.00
Independent Monitoring Fees		
Independent sampling and analysis for consented trade waste discharges and tankered waste disposal at the Wastewater Treatment Plant	per sample collected	Actual costs
Annual Fees *(Costs of any independent monitoring (sampling and analysis) is recovered through a separate fee and charge)*		
Temporary discharge	per year	$267.00
Conditional/Special/Tankered Discharge - Risk Class 2	per year	$1,435.00
Conditional/Special/Tankered Discharge - Risk Class 3	per year	$2,370.00
Permitted/ Controlled Discharge	per year	$270.00
Tankered Discharge	per year	$920.00
Discharges to Tuakau wastewater treatment plant	per year	Refer to Watercare

Trade waste penalty charges		
Trade Waste penalty charges		As per Agreement

6.2 Trade waste and tankered waste quantitative charges

Quantitative charges apply to conditional consent holders and tankered waste consent holders as described in the following table. Charges vary depending on the location of the activity, the receiving network and the receiving wastewater treatment plant.

Trade waste quantitative charges (volumetric and contaminant-based) are to rise by 15% to reflect significant changes in the operating costs of treatment plants.

Description	Per unit	Charge 2026/27 per unit
Quantitative charges for Trade Waste conditional consents - Hamilton City		
Flow Volume	per m^3	$2.71
Suspended Solids	per kg	$1.17
cBOD5 (Organic loading)	per kg	$0.92
COD (Chemical loading)	per kg	$0.12
Total Kjeldahl Nitrogen (TKN)	per kg	$2.67
Total Phosphorus	per kg	$9.36
Arsenic	per kg	$505.66
Quantitative charges for Trade Waste conditional consents - Tuakau and Pookeno		
Flow Volume	per m^3	$1.27
Suspended Solids	per kg	$2.35
cBOD5 (Organic loading)	per kg	$1.05
Total Kjeldahl Nitrogen (TKN)	per kg	$12.66
Quantitative charges for Trade Waste conditional consents – Waikato District (excludes Tuakau and Pookeno)		
Flow Volume	per m^3	$1.62
Suspended Solids	per kg	$1.09
cBOD5 (Organic loading)	per kg	$1.30
Total Kjeldahl Nitrogen (TKN)	per kg	$1.24

Total Phosphorus	per kg	$7.71
Tankered Waste		
Tankered Waste disposal to Huntly or Pukete wastewater treatment plant septage facilities	per m^3	$94.00
Note: Tankered Waste may be declined at the discretion of IAWAI		

7. GROWTH CHARGES

Growth charges are based on the net increase in demand on water supply and wastewater services, measured using Household Unit Equivalents (HUEs).

Growth charges in this section will be applied by IAWAI for the first time in 2026/27.

The use of HUEs aligns with how councils commonly represent relative demand, and this simplified approach ensures growth related demand can be assessed and applied in a consistent and administratively efficient manner.

For the purposes of assessing IAWAI water and wastewater growth infrastructure charges:

7.1 One additional residential dwelling is treated as equivalent to one (1) HUE, and

7.2 Additional residential dwellings of 70m^2 and below for which no resource or building consent is required (i.e. a secondary minor dwelling such as a granny flat) will be treated as a half HUE (i.e. half charges will apply).

7.3 Multi-unit residential developments will be charged on the basis that each additional residential unit is equivalent to one (1) HUE.

Where redevelopment occurs, the growth charges apply only to the net increase in demand.

The growth charges will be applied when a building is completed and ready for use, such as when a Code Compliance Certificate is issued, or when the property is occupied or added to the rating valuation roll.

Although new papakaainga housing developments are subject to growth charges, IAWAI will waive the requirement to pay growth charges where the development meets:

a. Legislation and national direction regarding the enablement of papakaainga housing; and,

b. The intent of the relevant shareholding Council's District Plan definitions.

Description	Units	Charge 2026/27 per unit
Water supply growth charges – all areas		
Water supply - Residential growth charge	per HUE per year for 25 years	$200.00

Description	Units	Charge 2026/27 per unit
Wastewater growth charges – all areas		
Wastewater - Residential growth charge	per HUE per year for 25 years	$300.00

8. WATER SUPPLY CHARGES

8.1 Capital value and fixed water supply charges – Hamilton City

The water supply charges in the following table apply to all rating units that have the water supply system available to them or are connected to it without a metered connection, and meet the relevant Base or Multi-residential Hamilton Water Supply Category.

Description	Units	Charge 2026/27 per unit
Water charge, Base and Multi-residential non-metered supply– Hamilton City		
Base charge	per $ of capital value	$0.00075256
Multi-residential charge	per $ of capital value	$0.00082782
Fixed charge	per year	$28.00

The commercial non-metered supply charge applies to all rating units that meet Commercial Hamilton Water Supply Category definition, are connected to the water supply system and do not pay via water by meter.

Description	Units	Charge 2026/27 per unit
Water charge, commercial non-metered supply– Hamilton City		
Commercial non-metered water supply	per year	$628.00

8.2 Water by meter – Hamilton City

Description	Units	Charge 2026/27 per unit
Water by meter – Hamilton City		
Charge across all of Hamilton City unless otherwise stated	per m^3	$2.61
Monthly minimum charge unless otherwise stated – up to 20 m^3 (applies to customers that are invoiced monthly)	per month	$52.00

Quarterly minimum charge unless otherwise stated - up to 60 m^3 (applies to customers that are invoiced quarterly)	per quarter	$157.00

8.3 Water by meter – Waikato District

The availability fixed annual charge is for availability or serviceability of water supply, defined as being within 100 metres of the water network. The availability fixed annual charge applies to unconnected properties in on-demand areas only.

Description	Units	Charge 2026/27 per unit
Water by meter – Waikato District		
Availability fixed annual charge - Waikato District – on demand areas only	per rating unit per year	$594.02
Fixed annual charge – on demand areas - Waikato District	per separately used or inhabited part of a rating unit per year	$594.02
Fixed annual charge – trickle feed areas - Waikato District	per separately used or inhabited part of a rating unit per year	$594.02
Volumetric charge -in addition to fixed charge – Waikato District	per m^3	$2.74

8.4 Water drawn from IAWAI water take points – all areas

Water take points may also be known as bulk filling stations. Those seeking to take water from water take points must first seek a permit from IAWAI to draw that water.

Description	Units	Charge 2026/27 per unit
Volumetric charges – IAWAI water take points		
Hamilton City water take point volumetric charge	per m^3	$5.56

Waikato District water take point volumetric charge	per m^3	$3.68
Minimum charge – all areas	per quarter	$32.00
Annual permit – IAWAI water take points – all areas		
Annual permit or supply contract to take water from water bulk filling stations	per year	$375.00
Water take point key supply – Hamilton City		
Supply of additional key	per key	$24.00

8.5 Water meters - special reads and meter testing

A property owner or agent can request a special meter reading from IAWAI.

All requests for special water meter reads must be sent to IAWAI with at least 2 business days notice in Hamilton City and 10 days notice in Waikato District so that the reads can be scheduled and so that any invoices can be processed.

Description	Units	Charge 2026/27 per unit
Water meter special reads – all areas		
Water meter special reads	per request	$155.00
Water meter testing		
Water meter special reads	per request	$155.00
Testing provided by a certified independent service provider		by quote

8.6 Backflow prevention

All costs and management for testing of backflow prevention devices in Hamilton City, and in Waikato District any devices above 20mm and all commercial devices, are borne by the property owner/ contractors. Costs and management includes repairs and must be completed to IAWAI standards.

Description	Units	Charge 2026/27 per unit
Backflow prevention all areas		
Backflow prevention device registration	per device	$101.00
Testing backflow preventor 20mm	per device	Actual costs
Testing backflow devices in Hamilton City, and backflow devices above 20mm and any commercial devices in the Waikato District		Owners management and cost
Backflow prevention repair - Waikato District		
Repair of backflow preventor 20mm	per device	Actual costs

9. WASTEWATER CHARGES

9.1 Targeted wastewater charges – Hamilton City

The targeted wastewater charge applies to all rating units in Hamilton City that have the wastewater system available to them or are connected to it.

The charge comprises:

a) a fixed charge per rating unit, set on a differential basis according to the Hamilton Wastewater Category; and

b) a charge per dollar of capital value, set on a differential basis according to the Hamilton Wastewater Category.

Description	Units	Charge 2026/27 per unit
Capital value wastewater charge – Hamilton City		
Base charge	per $ of capital value	$0.00073568
Commercial charge	per $ of capital value	$0.00219799
Educational charge	per $ of capital value	$0.00080925
Multi-residential charge	per $ of capital value	$0.00080925
Fixed wastewater charge – Hamilton City		
Base charge	per year	$14.00
Commercial charge	per year	$42.00
Educational charge	per year	$14.00
Multi-residential charge	per year	$14.00

9.2 Targeted wastewater charges – Waikato District

Description	Units	Charge 2026/27 per unit
Fixed wastewater charge – Waikato District		
Non-residential/Commercial – Connected (first two pans)	per separately used or inhabited part of a rating unit per year	$1896.59
Non-residential/Commercial – Connected (third & subsequent pans)	per additional pan per year	$948.30
Residential – Available (not connected but within 100m of public wastewater drain)	per rating unit per year	$948.30
Residential - Connected	per separately used or inhabited part of a rating unit per year	$1896.59
Assistance for the Elderly – Connected (first two pans)	per separately used or inhabited part of a rating unit per year	$1896.59
Assistance for the Elderly – Connected (third & subsequent pans) Additional fixed charge	per additional pan per year	$379.31
Non-rateable (fully non-rateable or non-profit) – Connected (first two pans)	per separately used or inhabited part of a rating unit per year	$1896.59
Non-rateable (fully non-rateable or non-profit) – Connected (third & subsequent pans) Additional fixed charge	per additional pan per year	$189.39

Any property that connects to the reticulated wastewater network must pay an interim charge to reflect the actual period of use between the date of connection and the end of the financial year, and will pay the relevant annual charge thereafter.

Description	Units	Charge 2026/27 per unit
Interim fixed wastewater charges for new connections – Waikato District		
July	per connection	$726.00
August	per connection	$660.00
September	per connection	$594.00
October	per connection	$528.00
November	per connection	$462.00
December	per connection	$396.00
January	per connection	$330.00
February	per connection	$264.00
March	per connection	$198.00
April	per connection	$132.00
May	per connection	$66.00

Wastewater Capital Works Charge – Pookeno Wastewater Scheme

A fixed charge of $1,361.90 per connection applies to connected properties within the Pookeno Wastewater Scheme catchment area where the liability has not been previously discharged.

The 2026/27 year represents the final year of the targeted charge established to fund the capital costs and associated interest for the Pookeno Wastewater Scheme upgrades.

Following the transfer of the assets and associated liability from WDC to IAWAI, the final year charge will be invoiced directly by IAWAI.

10. CONSENTS AND CUSTOMER AGREEMENTS

Examples of individual customer agreements include high water use, bulk supply and out of district supply. Work associated with customer agreements may also include assessment of water supply and wastewater allocation requests.

Description	Units	Charge 2026/27 per unit
Regional Council consent transfers – all areas		
Pre-transfer inspection of infrastructure and associated works to assess compliance with Waikato Regional Council consent conditions		Hourly rate + corporate mileage

Description	Units	Charge 2026/27 per unit
Individual customer agreements – all areas		
Application fee - new activity or increased allocation (time spent over 6 hours will be charged at the hourly rate)	per application	$1,050.00
Application fee - Existing activity and no increased allocation (time spent over 3 hours will be charged at the hourly rate)	per application	$525.00
Annual fee for individual customer agreements (time spent over 2 hours will be charged at the hourly rate)	per year	$350.00

11. PENALTIES

IAWAI's shareholding councils have established penalty application practices. IAWAI seeks to align, where appropriate, with those practices.

The penalties apply to all water and wastewater charges assessed and invoiced by IAWAI; and all penalties applied to unpaid water and wastewater charges.

Description	Units	Charge 2026/27 per unit
Penalty for unpaid water and wastewater charges – all areas		
Capital value and fixed water and wastewater charges Penalties will apply to any water and wastewater charges (including growth charges) that remain unpaid after the relevant instalment due date.	percent	10%
Water by meter charges Penalties will apply to any water by meter charges that remain unpaid after the invoice due date.	percent	10%

Charges applied prior to 1 July 2026 are deemed to be rates under the *Local Government (Rating) Act 2002*. Penalties for unpaid rates from prior financial years will be applied in accordance with both councils' rating resolutions.

Penalty arrears relating to IAWAI will be addressed in future Water Services Strategies.

12. INVESTIGATION AND COMPLIANCE

Examples of bylaw investigation and enforcement include inspection to services, tracing illegal discharge, preventing continued non-compliant discharges, cross connection remediation and clean-up, leak repair and blockage remediation.

Description	Units	Charge 2026/27 per unit
Bylaw investigation and enforcement – all areas		
Investigation and Enforcement of Water Supply Bylaw		Actual costs
Investigation and Enforcement of Trade Waste and Wastewater Bylaw		Actual costs
Individual customer agreements – all areas		
Customer agreement penalty charges		As stated in Agreement
Unpermitted use of water – all areas		
Unpermitted use of water (in addition to any investigation costs)	per m^3	$12.00
Damage to services and remediation– all areas		
Internal and external costs associated with locating, repairing and reinstating assets will be recovered from the parties responsible for the damage. Actual costs examples include clean up costs, plumbers, consultants, legal fees.		Actual costs

13. HOURLY RATES

The following rates apply for staff time spent in providing services on behalf of IAWAI.

Description	Units	Charge 2026/27 per unit
Administration associated with connections and disconnections	per hour	$142.00
Staff time unless otherwise stated	per hour	$142.00
Trade waste and tankered waste administration	per hour	$149.00
Individual customer agreements processing (including high water use, bulk supply, out of district)	per hour	$175.00
Waters engineer (includes development engineering, network capacity assessment, service connection plan certification, building consent application assessment and Property Information Memorandum (PIM))	per hour	$255.00

Significance and Engagement Policy 2026

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HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

Policy Owner:	IAWAI Chief Executive
Date approved:	18 June 2026
Next review date:	18 June 2029
Document number:	IAWAI-SEP-001
Required by legislation:	Local Government (Water Services) Act 2025 Local Government Act 2002

1. PURPOSE

1.1 This policy is required by the Local Government (Water Services) Act 2025 (the Act). The policy content sets out:

a. IAWAI's general approach to determining the significance of proposals and decisions.

b. Criteria or procedures that the organisation will use to assess significance.

c. The organisation's general approach to engaging with consumers and communities, including when engagement will be undertaken by IAWAI or IAWAI's shareholders, WDC and HCC.

d. How the organisation will respond to community preferences about engagement, and

e. IAWAI's approach for engaging with particular communities (for example, iwi, hapuu, and other Maaori organisations in its service area).

1.2 The purpose of the policy is, as set out in s.35(1) of the Act, is to:

a. Enable IAWAI, its shareholders, consumers and communities to identify the degree of significance attached to issues, proposals, water services infrastructure, decisions and activities.

b. Enable the organisation to develop a flexible and locally appropriate approach to engagement.

c. Provide clarity about how and when engagement will occur, including if this will be undertaken by the organisation or its shareholders.

d. At the start of any decision-making process, inform IAWAI about how much engagement should occur before making a decision, who will be involved, and the method of engagement.

2. DEFINITIONS

Act	Local Government (Water Services) Act 2025
Consultation	a process generally required by statute or triggered by the Significance and Engagement Policy framework. This process is generally timebound, transactional, and asks for feedback on a proposal to enable citizen participation. This process aids and informs decision-making.
Community	a group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders.
Decisions	refers to all the decisions made by or on behalf of IAWAI including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of IAWAI decisions will not be deemed to be significant).
Engagement	a term used to describe the process of listening to inform decision making, and is often informal, fluid and built on relationships. This process involves seeking input from or involving the community, particularly those affected by or interested in a decision, to inform and assist in the process of developing proposals.
HCC	Hamilton City Council.
Maataawaka	Maaori residing in the Waikato District and Hamilton City who do not have a genealogical connection to local iwi, hapuu and marae.
Mana whenua	Iwi, hapuu and marae with a genealogical connection to the Waikato District and Hamilton City, and as a result, have ancestral authority over land, water, and other taonga within the Waikato District and Hamilton City.
Public-private partnership	as defined in the Act, a long-term contract for delivering a water service, where: a. Providing the service requires constructing a new water services infrastructure or enhancing existing water services; and b. The construction or enhancement is financed from external sources on a non-recourse basis; and The water service provider acquires or retains full ownership of the infrastructure.
Shareholders	a legal entity that holds ownership shares in IAWAI and has formal rights over the company's financial and strategic decisions. IAWAI's shareholders are Hamilton City Council (HCC) and Waikato District Council (WDC), each holding a 50% ownership stake in IAWAI.
Significance	as defined in Section 5 of the LGA 'in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for, —

	a. the district or region: b. any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter: c. the capacity of the local authority to perform its role, and the financial and other costs of doing so'.
Significant	as defined in Section 5 of the LGA 'means that the issue, proposal, decision, or other matter has a high degree of significance'.
Significant contract	As referenced in Section 22, 23 and 24 of the Act, a contract which is determined to be significant under the criteria set out in this Policy.
Strategic water services asset	As defined in the Act, for a water service provider— a. means water services infrastructure or another asset or group of assets without which the provider is unable— i. to meet its regulatory requirements; or ii. to maintain its capacity to achieve the outcomes set out in its water services strategy; and b. includes an asset or group of assets listed as strategic water services assets in this significance and engagement policy.
WDC	Waikato District Council

3. APPLICATION

3.1 This policy applies to all decisions taken by IAWAI where there is or likely to be an impact on the community within Hamilton City and Waikato District

4. STEP 1 – DETERMINING SIGNIFICANCE OF PROPOSALS AND DECISIONS

4.1 Determining the significance of issues, proposals and decisions

4.2 Significance, in relation to the issues, proposals and decisions of IAWAI, means the degree of importance of an issue, proposal, decision, or matter as assessed by IAWAI in relation to its likely impact on, and likely consequences for:

a. Hamilton City and Waikato District;

b. any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;

4.3 IAWAI will assess the significance of any proposal or decision using the criteria set out in 'Attachment 2 – Determining Significance'.

4.4 When considering the matters listed in Attachment 2, each policy consideration will be rated either 'low', 'medium' or 'high'. Following this assessment, the total level of significance of the matter will be rated as either 'low', 'medium' or 'high'.

4.5 If a proposal or decision is affected by a number of the criteria in Attachment 2, it is more likely to have a higher degree of significance. In general, the more significant a decision, the greater the need for community engagement.

4.6 **District and city wide vs. local significance.**

4.7 IAWAI acknowledges that a decision or proposal can be of 'low' or 'medium' significance at a district and city-wide level but hold 'high' significance with a specific community, town or area.

4.8 Decisions or proposals can still be deemed of 'high' significance when the localised impact and interest are substantial, even if the wider city and district impact is less pronounced.

4.9 **Determining significant contracts**

4.10 To determine whether a contract is a significant contract, IAWAI will undertake an assessment, considering all the following criteria together:

a. Whether the contract is of high in value relative to IAWAI's revenue; and

b. Whether the contract will create a public-private partnership,

c. All matters that are essential to IAWAI's ability to meet its obligations under this Act in relation to which the contract relates.

d. Whether the contract or commitment has an aggregate per annum value of more than 10% of annual operating revenue.

e. A contract providing for the construction of an asset or related assets with a value of more than 25% of the value of IAWAI's property, plant and equipment.

4.11 A contract will only be considered significant after considering all the criteria in Clause 4.10 and the overall impact, value, and importance of a contract. This approach ensures that only contracts with substantial impact on IAWAI's operations, finances, or strategic direction are classified as significant.

4.12 Engagement on significant contracts would generally be limited to:

- Practices and procedures within IAWAI's Procurement Policy and Procedures
- Targeted engagement with relevant stakeholders.
- Direct engagement with shareholders.

4.13 After entering a significant contract, IAWAI will develop performance indicators for the contract. The performance indicators will be reported on in its Water Services Annual Report.

5. STEP 2 – DETERMINING ENGAGEMENT APPROACH

5.1 **General principles for engagement**

5.2 IAWAI acknowledges that community engagement is broader than consultation. Engagement is a process that involves all or some of the community and can be

focused on sharing information, generating ideas, decision making, and/or problem solving.

5.3 IAWAI staff will consider the level of significance of the decision or proposal (low, medium or high) and any relevant information it holds on the community's views and perceptions related to a proposal before undertaking any further community engagement.

5.4 The engagement approach (platform, questions, audiences, tactics, analysis, reporting) and associated communications, will be outlined by IAWAI staff in a communication and engagement plan specific to the proposal.

5.5 Each IAWAI communication and engagement plan will be informed by the proposal details.

5.6 IAWAI will tailor its engagement approach to reflect level of significance (low, medium or high) and the preferences and priorities of the communities it serves, as set out in Attachment 1.

5.7 Engagement techniques will be selected based on factors such as:

- Public awareness and history of the issue or proposal;
- Stakeholder involvement;
- Timing in relation to other events;
- Geographic location of affected communities;
- Existing feedback channels (e.g. WDC community boards, Rural Economic Advisory Panel, HCC and WDC committees); and
- The distinct priorities of IAWAI's communities, from urban centres like Hamilton, to growing towns such as Huntly and Pookeno, coastal settlements like Raglan, and smaller rural areas including Horotiu and Te Kauwhata.

5.8 IAWAI recognises that different communities have different experiences and engagement preferences. These differences will be considered to ensure meaningful participation in decision-making.

5.9 If IAWAI makes a decision that is significantly inconsistent with this policy, the steps identified in Section 38 of the Act will be undertaken.

5.10 **Engaging with Maaori**

5.11 IAWAI acknowledges the unique and enduring relationship of mana whenua with water bodies and taonga within the Waikato District and Hamilton City. In giving effect to Te Ture Whaimana o Te Awa o Waikato, IAWAI is committed to working in genuine partnership with mana whenua, guided by Te Tiriti o Waitangi and the principles of partnership, protection, and participation. IAWAI will recognise the following when engaging with Maaori:

- Te Tiriti o Waitangi settlements, particularly specific identified mechanisms including, but not limited to, Co-Governance Agreements and Joint Management Agreements.

- The status of Te Ture Whaimana as the primary direction setting document for proposals or decisions that impact on Waikato te Awa, the Waikato River.

5.12 In some cases, IAWAI has statutory obligations, through its shareholders as their water services company, to engage with iwi/hapuu/marae (mana whenua). This is required by the Local Government Act 2002 (LGA), Resource Management Act 1991, Waikato Raupatu River Settlement Act 2010, and Ngaa wai o Maniapoto Act 2012. This engagement is primarily through formal agreements such as JMAs and Memorandum of Understandings (MOU).

5.13 To fulfil its obligations, IAWAI will assess the impact of its decisions and proposals on mana whenua and maataawaka, using the criteria outlined in 'Attachment 2 Determining Significance'.

5.14 Based on the assessed level of significance (low, medium or high), IAWAI will select appropriate engagement methods for mana whenua and maataawaka on a case-by-case basis. Engagement will be proportionate to the potential impact and significance of the decision.

5.15 For decisions of higher significance to mana whenua, IAWAI will actively engage with mana whenua throughout the decision-making process. As shown in Attachment 1, engagement channels may include:

- Participation in marae forums;
- Use of iwi communication channels;
- JMA hui; and
- Other methods as required.

5.16 IAWAI will engage with maataawaka through committee hui, and/or other iwi, hapuu and marae forums where appropriate.

5.17 **When IAWAI will not engage with the community**

5.18 There are times when it will not be appropriate to engage with the community on certain issues, proposals, decisions, or matters. Examples of this include:

- Organisational decisions (e.g. staff changes and operational matters) that do not materially affect a level of service;
- Decisions and contracts that are consistent with IAWAI Water Service Strategy, or another policy or plan that has already been subject to consultation, or directives from central government;
- Protection of the privacy and safety of individuals (as provided for in the Privacy Act 2020 and Local Government Official Information and Meetings Act 1987);
- Maintenance of confidentiality and/or commercial sensitivity to enable IAWAI to carry out commercial activity or negotiations without prejudice (as provided for in the Local Government Official Information and Meetings Act 1987);
- Where IAWAI is acting with urgency (for example under the Civil Defence Emergency Management Act 2002);

- Decisions to act where it is necessary to: i. Comply with the law; ii. Save, or protect life, health or amenity and prevent serious damage to property; iii. Avoid, remedy or mitigate an adverse effect on the environment; iv. Protect the integrity of existing and future infrastructure and amenity.
- Decisions in relation to regulatory and enforcement activities, such as water restrictions under the water alert level system.

5.19 The requirements to engage with the community will not apply in circumstances where IAWAI is negotiating and entering unprogrammed public/private partnership development agreements where commercial sensitivity requires confidentiality and the financial triggers in clause 4.10 are not met. In those circumstances, subject to the financial thresholds being triggered (as outlined in paragraph 5.1 of the Shareholders' Agreement), IAWAI will consult with its shareholders.

5.20 Additionally, as noted in s.242 of the Act, IAWAI is not required to consult on its water services annual budget. If a decision relating to the water services annual budget meets the criteria for significance in this policy that would otherwise require consultation, s.242 prevails and consultation is not required.

5.21 Where IAWAI already holds a clear understanding of community views as a result of recent or related consultation, it may choose not to undertake further consultation, even where the proposal or decision is assessed as having a high level of significance.

6. WHO LEADS ENGAGEMENTS

6.1 **IAWAI leads engagement**

6.2 IAWAI is the consultation and engagement lead when the matter falls within its statutory power as a water organisation. When required, IAWAI will inform or seek approval or decisions from WDC and HCC, as shareholders.

6.3 IAWAI will use the Special Consultative Procedure where required to by law, including for:

- A summary of the Water Services Strategy (S.235 of the Act).
- Water service bylaws (Water Supply, Stormwater, and Trade Waste and Wastewater), if the bylaw is assessed as being significant. This is subject to delegations from shareholders.

6.4 IAWAI will consult with the community where required to do so by law or in accordance with the framework as described within this Significance and Engagement Policy, including for:

- A waiver policy (S. 102 of the Act)
- Proposed Trade Waste Discharge Plan, subject to delegations from its shareholders (S. 186 of the Act)
- Amendments to its Water Services Strategy, subject to its Significance and Engagement Policy (S.238 of the Act).

- The adoption, amendment, or revocation of water service bylaws (Water Supply, Stormwater, and Trade Waste and Wastewater) which are of lower significance or lower impact to the public, as assessed by Section 156 of the LGA. This is subject to delegations from shareholders.
- Development contributions policy (s.119 of the Act).
- A stormwater network risk management plan (s.204 of the Act).

6.5 IAWAI will consult with its shareholders HCC and WDC for the following matters:

- Development contributions policy (s.119 of the Act).
- A stormwater network risk management plan (s.204 of the Act).
- Water Services Strategy.

6.6 IAWAI will consult with stakeholders for the following matters:

- The Minister for Treaty of Waitangi Negotiations before purchasing any Crown owned land that is not subject to a Treaty settlement (s. 183 of the Act).
- Medical Officer of Health when making decisions to close or transfer a water service (s.73 of the Act).
- Water Services Authority, Shareholders, Waikato Regional Council and Corridor managers when preparing a stormwater network risk management plan (S. 204 of the Act)
- Before seeking approval from Fire and Emergency New Zealand regarding the location of fire hydrants (S.215 of the Act)

6.7 **Engagement with mana whenua and maataawaka**

6.8 IAWAI will lead engagement with mana whenua and maataawaka when the matters fall within its statutory power as a water organisation. These responsibilities are listed in clause 6.2 to clause 6.6.

6.9 **Shareholders lead engagement**

6.10 WDC and HCC are the engagement lead where legislation places the decision and consultative duty on territorial authorities.

6.11 WDC and HCC will consult with the community on the following matters:

- A Proposed Trade Waste Discharge Plan, unless delegated to IAWAI, under Section 188 of the Local Government (Water Services) Act 2025.
- The adoption, amendment, or revocation of water service bylaws (Water Supply, Stormwater, and Trade Waste) which are of lower significance or lower impact to the public, as assessed by Section 156 of the LGA, unless delegated to IAWAI.
- Preparing a stormwater network risk management plan (S. 204 of the Act), unless delegated to IAWAI.

7. IAWAI STRATEGIC WATER SERVICES ASSETS

7.1 IAWAI will determine over time whether specific water services assets are strategic water services assets for the purposes of section 236(11) of the Act.

7.2 **Schedule of strategic assets**

7.3 The following are IAWAI's strategic assets at the time of adoption of this policy, as required by s. 36 of the Act:

- Water plants, land, reservoirs and reticulation network as a whole; and
- Wastewater treatment plants, land, pump stations and network as a whole.

7.4 **Application of schedule of strategic assets**

7.5 IAWAI takes a group or whole-of-asset approach to the strategic water service assets listed in Clause 7.3.

7.6 This means where a strategic asset is a network or has many components, decisions may be made in respect of individual components within the networks to transfer ownership or control, without those components being regarded as strategic. This is unless such decisions are considered to significantly alter the level of service provided by IAWAI.

7.7 An asset that is part of a network or group that is not integral to the functioning of the whole (i.e. where the rest of the group or network will still enable IAWAI to meet its strategic outcomes) will not be regarded as strategic on its own.

7.8 Decisions relating to strategic assets may have a high degree of significance depending on the extent to which the decision affects IAWAI's ability to deliver key services and achieve strategic outcomes.

7.9 The degree of significance, including for mana whenua and maataawaka, will be assessed against the criteria in Attachment 2, and the consultation and engagement approach will reflect the degree of significance.

7.10 IAWAI will determine the significance of any proposed change to the level of service of a strategic asset using the criteria outlined in Attachment 2.

8. RELEVANT DOCUMENTS

8.1 The following documents may be read alongside IAWAI's Significance and Engagement Policy for information purposes:

- HCC Significance and Engagement Policy;
- WDC Significance and Engagement Policy;
- WDC Maau Taaiko (Maaori Partnerships) Strategy and Plan;
- HCC He Pou Manawa Ora Strategy;
- HCC Te Amorangi Maaori Partnerships Strategy

- IAWAI Maaori Engagement Strategy;
- Treaty Settlement Documents; and
- JMA/Co-Governance Agreements.

9. POLICY REVIEW

9.1 This policy shall be reviewed at three-yearly intervals or as otherwise required by the Chief Executive of IAWAI.

HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

ATTACHMENT 1:

Process to apply the Significance and Engagement Policy

Step 1: Determine significance		
Low significance decision or proposal by IAWAI	Medium significance decision or proposal by IAWAI	High significance decision or proposal by IAWAI
Step 2: Determine engagement approach		
Low or no levels of engagement	Medium levels of engagement	High levels of engagement
Examples: • Any contract to implement any part of the Water Services Strategy • IAWAI submissions to external processes • Land acquisitions • Renewals and maintenance programmes • Management policies • Development Agreements	**Examples:** • External policies, such as Waiver Policy • Water Service Bylaws • Trade Waste Discharge Plan	**Examples:** • Water Service Strategy (WSS)
Channels IAWAI may use: • Website • Social media • Public signage • Letter / Flyer • E-newsletter • Apps	**Channels IAWAI may use:** In additional to channels used for low significance decisions, IAWAI may also use: • Focus groups • Surveys • Social media • WDC community boards and committees • Iwi communication channels • Targeted stakeholder engagement • Marae forum	**Channels IAWAI may use:** In additional to channels used for low and medium significance decisions, IAWAI may also use: • Hui • Online or in person events • Expos or connection at tribal events

HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

ATTACHMENT 2:

Determining significance

- To identify the significance of a decision or proposal, refer to the criteria in the “low,” “medium,” and “high” columns for each policy consideration, shown in Table 1. If multiple considerations indicate higher significance, the overall significance of the proposal or decision increases. Generally, the greater the significance, the more community engagement is required.
- The example values provided under policy consideration ‘Level of financial impact’ are for illustration purposes only. The specific threshold amounts will change each financial year, reflecting changes in IAWAI’s operating and capital expenditure.

Table 1: Criteria for determining significance

Policy consideration	Low	Medium	High
1. Level of financial impact	The proposal or decision has no/minor financial impact on IAWAI budgets, reserves, debt levels or limits in the Financial Strategy.	The proposal or decision has a moderate financial impact on IAWAI budget, reserve, debt levels, but does not result in IAWAI’s Financial Strategy limits being exceeded.	The proposal or decision that would result in unbudgeted operating expenditure with an aggregate per annum value exceeding 10% of annual operating revenue AND/OR The acquisition or construction of any asset or related assets for a price or value exceeding 25% of the value of IAWAIs plant, property and equipment.

Policy consideration	Low	Medium	High
2. Proportion of impact	Impacts an individual person or household.	Impacts subgroup or groups within the community.	Impacts a large portion of the community e.g. the whole district or city / multiple towns / wards.
3. Degree of impact	Low impact on current and future well-being	Moderate impact on current and future well-being	High impact on current and future well-being
4. Level of community interest	Minimal public engagement and discussion.	Moderate public engagement and discussion.	High levels of public engagement and discussion.
5. Degree of impact on the interests, values and aspirations of iwi / hapu / marae (mana whenua) in the district	No impact on land, bodies of water, waahi tapu (sacred sites), plant and animal life and other taonga (sacred treasures), or mana whenua values and aspirations.	Moderate impact on land, bodies of water, waahi tapu (sacred sites), plant and animal life and other taonga (sacred treasures) or mana whenua values and aspirations.	Significant impact in relation to land, bodies of water, sites, waahi tapu (sacred sites), plant and animal life and other taonga (sacred treasures), or mana whenua values and aspirations.
6. Degree of impact on the interests, values and aspirations of maataawaka	No impact on the interests, values and aspirations of Maaori in the district.	Moderate impact on the interest, values and aspirations of Maaori in the district.	Large impact on the interests, values and aspirations of Maaori in the district.

Waiver Policy 2026

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HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

Policy Owner:	IAWAI Chief Financial Officer
Date approved:	18 June 2026
Next review date:	18 June 2029
Document number:	IAWAI-WP-001
Required by legislation:	Local Government (Water Services) Act 2025

1. PURPOSE

1.1. This policy has been adopted under s.102 of the Local Government (Water Services) Act 2025 (the Act).

1.2. This policy recognises the recent establishment of IAWAI as the Water Organisation and is intended to closely align to each Council's existing rates remission polices, ensuring continuation for property owners within each Council's boundary area.

1.3. This policy is specifically intended to cover water charges that were previously deemed to be rates, as defined under the Local Government (Rating) Act 2002, prior the implementation of this policy.

1.4. It is anticipated that further review of this policy will be undertaken over time to establish a consistent approach across the entire IAWAI serviced area.

1.5. The purpose of this Waiver Policy is to guide IAWAI – Flowing Waters Ltd (IAWAI) (and shareholding Councils) when considering requests for waiver in the following situations:

a. Penalties for unpaid water service charges – WDC and HCC.

b. Excess metered water consumption due to a leak – WDC and HCC.

c. Other situations where waivers may be applied:

- Subdivision developments – WDC only.
- Low value properties – WDC only.
- Where there has been a change of property use – HCC only
- Community organisations within retail shops – HCC only
- Natural calamity or disaster – HCC only
- Hardship Relief for Not-for-Profit Community Organisations – HCC only

1.6. The policy also clarifies that IAWAI waive Growth Charges for papakaainga housing in the Waikato district and Hamilton City.

1.7. SCOPE

1.8. This policy applies to rating units within the combined Waikato District Council (WDC) and Hamilton City Council (HCC) territorial authority boundary areas.

1.9. Waivers included within this policy have separate conditions and criteria, dependent upon which territorial authority boundary area (WDC or HCC) the property is located.

1.10. The intention of area specific conditions and criteria is to:

- ensure efficient operation by IAWAI/shareholding Council until such time as charging across boundary areas becomes standardised.
- align to the respective Council's existing practices, and application of their corresponding rates remission and postponement policies.
- provide consistency and certainty to water users in each area.

1.11. This policy does not apply when water is supplied to an adjacent local authority area (not HCC or WDC) under a bulk supply arrangement.

2. DEFINITIONS

Authorised Officer	A representative of IAWAI who has delegation to approve waiver decisions under IAWAI's Delegation Policy.
IAWAI - Flowing Waters Ltd	The water organisation providing water services is a publicly owned council-controlled organisation (CCO) formed jointly by its shareholders, WDC and HCC.
Individual	A water user who is a natural person.
Excess Water consumption	A significant increase in water consumption based on the normal consumption rate, which is directly attributable to a leak in the internal reticulation of a property with a metered connection to the water supply network.
Extraordinary Circumstances	Situations beyond the reasonable control of the water user that justify special consideration under this policy (e.g., natural disasters, severe illness).
HCC Boundary area	All property within the area under the jurisdiction of Hamilton City Council. Territorial Authority boundaries are maintained by Stats NZ and updated annually.
Penalty	Any additional charge imposed on unpaid water charges.
Point of Supply	The location where IAWAI's water services infrastructure connects to the property's internal reticulation system, typically at the water meter.
Ratepayer	Any person or entity liable for rates under the jurisdiction of WDC or HCC.

Rating Unit	Land that is treated as a single unit for the purpose of assessing and collecting local government rates.
Rates Remission	The requirement to pay the rate for a particular financial year is forgiven in whole or in part in accordance with Council's Remission Policy. Remission does not apply to water and wastewater charges set by a water organisation. The equivalent relief for water and wastewater charges is a waiver, which is provided for under this Waiver Policy.
Undetected Leak	A leak which is completely concealed either underground, under a slab or in a wall cavity.
Waiver	Waiver means that the requirement to pay a water organisation charge, set under the Local Government Water Services Act, is forgiven, in whole or in part, in accordance with this Waiver Policy, and is the equivalent of a rates remission for charges that are not rates.
Water charges	For the purpose of this policy, charges for water and wastewater services which, if they were not charged by a water organisation, would otherwise be deemed as rates.
Water User	Any person or entity connected to water and/or wastewater services or are not connected but where these services are otherwise available.
WDC Boundary area	All property within the area under the jurisdiction of Waikato District Council. Territorial Authority boundaries are maintained by Stats NZ and updated annually.

3. PRINCIPLES

3.1. IAWAI has a waiver system that:

a. complies with legislation, the IAWAI Shareholders' Agreement, and IAWAI – Flowing Waters Statement of Expectation

b. fairly and appropriately considers and applies waivers for properties within each shareholding council area

c. is transparent and promotes accountability; and

d. is consistent with respective shareholding councils' rates remission (or equivalent) policies

4. WHEN CAN IAWAI WAIVE PENALTY CHARGES?

4.1. This policy enables IAWAI to consider requests to waive penalties added to unpaid water charges, under specific circumstances.

4.2. This policy is required under section 102 of the Act, which requires IAWAI to adopt a waiver policy allowing the organisation to waive either a water services charge or a penalty for an unpaid water services charge.

4.3. Penalty waivers (WDC area only):

4.4. These criteria apply only to water users within the Waikato District Council territorial authority boundary area.

4.5. Penalty waivers will be considered where an applicant meets any of the following criteria:

a. individuals on benefits or other low-incomes or who have been made redundant/unemployed, have no other means, and have exhausted all other avenues of relief.

b. individuals suffering significant family disruption e.g. serious illness or accident of self or a close family member, death of a close family member or separation/divorce.

c. individuals in cases of extenuating circumstances, e.g. loss of records by fire or theft.

d. individuals who contact the council prior to a penalty date to advise that they will not have funds available to pay the rates instalment until after the due date, and payment is made within fourteen (14) days of the due date. (Limited to one penalty within any two (2) year period for any particular water user).

e. where the council accepts an agreed payment arrangement, penalties added subsequent to the commencement of the payment arrangement may be waived at the end of the relevant rating year, provided that the payment arrangement is being honoured.

f. where the council accepts an agreed payment arrangement to clear accumulated arrears and current water charges, penalties may be waived at the end of each rating year provided the payment arrangement is being honoured and the payments have the effect of reducing the arrears. The penalty waiver may include either instalment penalties, arrears penalties or both.

g. the water user has a good payment history (being two clear years without incurring penalties). IAWAI may consider previous WDC rates payments when establishing payment history.

h. penalties may be waived in other situations where, in the opinion of the IAWAI, it would be just and equitable to do so.

4.6. All applications for waiver of penalties must be in writing and must be made by the ratepayer of the rating unit concerned.

4.7. Penalty waivers (HCC area only):

4.8. These criteria apply only to water charges for properties within the Hamilton City Council territorial authority boundary area.

4.9. Penalty waivers will be considered when the applicant meets the following criteria:

a. where payment has been received after the due date for payment, provided that none of the previous invoices over the prior 12 months were similarly received late. IAWAI may consider previous HCC rates payments when establishing payment history; or,

b. makes satisfactory arrangements for regular and substantial reduction of arrears. (These arrangements are to include the waiver of penalty charges as long as such arrangements are fully met); or,

c. enters into a direct debit payment arrangement; or,

d. provides sufficient information which, if considered genuine and if substantiated with reasonable excuse for late payment, would justify waiver of penalty charges.

4.10. A request for waiver of IAWAI penalties may be considered alongside the request for remission of Council rates penalties.

4.11. Where water is charged via a water meter, penalties may also be waived when the request has been submitted in conjunction with an application to waive water charges resulting from an undetected leak.

5. WHEN CAN EXCESS WATER CHARGES FROM AN UNDETECTED LEAK BE WAIVED?

5.1. The intention of this waiver is to encourage prompt leak repairs, reduce water wastage, and provide fair relief for unexpected water charges caused by leaks.

5.2. This policy enables IAWAI to consider requests for a waiver where excess metered water consumption can be attributed to an undetected water leak.

5.3. This provision applies only to:

e. the property has a metered water connection, and charges are based on actual consumption; and,

f. an application for a waiver is received within six months of the leak being detected; and,

g. the leak has been repaired by a licensed or certifying plumber within 20 working days of being identified, unless evidence is provided that an appropriate repairer was not reasonably available within that timeframe.

5.4. The requirement for leaks to be repaired by a licenced or certifying plumber (in order to qualify for leak waiver) ensures that:

a. all repairs meet appropriate plumbing standards

b. health risks associated with potential contamination are mitigated

c. the likelihood of repeat issues is reduced

5.5. Application for a leak waiver will be reviewed within 20 working days from the date on which the application (including all required information) is received.

5.6. IAWAI will only accept and consider one application for leak waiver from the owner of a property once every five years. However, if the entire supply line between the point of supply and dwelling is replaced, IAWAI may consider a further waiver.

5.7. Method of determining excess water resulting from a leak

5.8. A waiver of charges may be granted where the water usage during the period of the leak is at least 50% higher than normal usage for the property.

5.9. IAWAI reserves the right to decide the most appropriate method to determine what is normal usage, and the quantity of excess water resulting from a leak. This method may include (but is not limited to):

a. Review of previous water consumption based on recent and/or seasonal readings.

b. Note: Typically, the previous two-meter readings would be used, although IAWAI may consider a longer period of time, where seasonal use or a change of use applies.

c. Subsequent meter readings: for example, at time of repair and at further intervals as specified by IAWAI.

5.10. Responsibilities of IAWAI and property owners and ratepayers

5.11. IAWAI is responsible for:

a. ensuring water services are provided to properties within the Waikato District Council and Hamilton City Council territorial boundary areas.

b. ensuring water services meet regulatory standards for safety, quality, and environmental protection.

c. maintaining all water services infrastructure up to the meter.

5.12. The property owner is responsible for:

a. maintaining all water pipes, fittings and/or plumbing and ensuring that it is in working order, after the point of supply (water meter).

b. monitoring consumption and ensure suspected leaks are investigated and repaired.

c. dealing with any visible leaks promptly.

d. protecting against any unauthorised use of accessible supply on your private property - this will not be deemed as a leak.

5.13. Water leak waivers (WDC area only):

5.14. These conditions and criteria apply only to water users within the Waikato District Council territorial authority boundary area.

5.15. Typically, an undetected leak which is eligible for waiver, is one which occurs between the water metered connection and the house, and within the house, or within a garage or outbuildings.

5.16. Water leak waivers of half of the excess charge will be considered where an applicant meets all the following criteria:

a. IAWAI is satisfied that the excessive consumption is caused by a leak on the property (subject to the provision of supporting evidence); and

b. Supporting evidence includes but is not limited to:

- Photos and/or video footage clearly showing the leak (such photos or footage showing extent of the leak with the cause clearly visible); or
- A report from a licensed or certified plumber confirming that the leak has occurred, where and how the leak was found, dates and an opinion as to how long the leak had been occurring.

c. There is proof of the leak being repaired by a licensed or certifying plumber (plumber's invoice); and

d. The plumber's invoice is a GST invoice which relates to the repair of the leak containing:

e. A valid GST number.

- The name of the plumber who completed the repair.
- Contact details.
- The plumber's practising license number; and
- Comprehensive description of the repair work and materials used.

f. water usage during the period of the leak is at least 50% higher than normal usage for the property (typically the normal average usage is based on the previous two bills where an actual read occurred at the property).

5.17. In extraordinary circumstances, non-domestic customers may be considered.

5.18. In extraordinary circumstances where a waiver application would fall outside of the criteria, or where a reduction of more than 50% is appropriate, a waiver may be granted at the sole discretion of IAWAI's Authorised Officer. This may apply in

situations where a water leak waiver application has been declined, and where this could lead to cases of genuine financial hardship for the owner, or where timely detection of a leak could not have reasonably occurred.

Exclusions for water users within the WDC boundary area

5.19. For water users within the Waikato District Council boundary area, this policy is intended to support cases of hardship for residential (domestic) water uses only.

5.20. Waivers for water leaks will not be considered in any of the following circumstances:

a. Water supplied is for any non-domestic use – i.e. farms, commercial, industrial, public service, educational, or social service properties.

b. Repairs have not been carried out by a licensed or certifying plumber and within the required time frame.

c. The property is a vacant lot (i.e. parcel of land which is undeveloped / has no buildings or significant structures on it).

d. Where leaks are, or should be visible, including but not limited to:

i. header tanks,

ii. overflows from toilets,

iii. above ground pipes or fittings,

iv. pipes or fitting attached to raised flooring or in walls or ceilings.

v. where there is no stopcock on a water tank(s).

e. Pipes that supply external water uses outside of the house, such as irrigation, stock water, swimming pools, ponds, landscaping, or similar systems.

5.21. Water leak waivers (HCC area only):

5.22. These conditions and criteria apply only to water users within the Hamilton City Council territorial authority boundary area.

5.23. Water leak waivers of half of the excess charge will be considered where an applicant meets all the following criteria:

a. Application for waiver must be made on the form prescribed.

b. A brief report from a licensed or certifying plumber is required.

c. Each application will be considered on a case-by-case basis. Those applicants that have demonstrated good water supply management (having regard to the nature of the connection) and responsive corrective actions will be considered favourably.

d. Applications will be declined where the water supply has been poorly maintained, damaged through negligence, or where multiple applications for waiver or remission have been made.

e. The maximum waiver for metered connections is 50% of the excess water consumption resulting from a leak on the first affected water billing period.

f. Where a remission or waiver has been applied previously, the Authorised Officer will require the property owner and/or ratepayer to get a condition assessment of the property's pipes. This will be required prior to approval of any subsequent waiver.

6. IN WHAT OTHER SITUATIONS WOULD IAWAI CONSIDER WAIVING WATER CHARGES?

6.1. Water service entities are not bound by the Council rating rules set out in the Local Government (Rating) Act 2002.

6.2. In some circumstances it may be operationally practical for IAWAI to align any mid-year charging adjustments with the relevant Council's established rates remission processes, particularly where both Council rates and IAWAI water charges are administered through the same billing system.

6.3. Using waivers in conjunction with Council rates remissions can reduce administrative complexity for IAWAI and allow for a consistent approach to managing both water charges and Council rates.

6.4. The following waivers apply specifically to properties located within either the Waikato District Council boundary or the Hamilton City Council boundary and are intended to replicate each Council's existing rates remission processes.

6.5. General waivers (WDC area only):

WDC General Waiver 1: Subdivision Development Waiver

6.6. IAWAI will consider waiving water charges to facilitate subdivision development in the Waikato district.

6.7. Developers may apply for remission on the second and subsequent lots of a new subdivision that remain unoccupied or unsold after the end of the rating year in which they are first charged water charges (and rates).

6.8. Waivers will be considered where an applicant meets all the following criteria:

a. The subdivided new lots must be unsold and unoccupied after the end of the rating year in which they are first charged rates.

b. The land must be vacant land.

c. Waiver will apply to the second and subsequent lots of the subdivision.

d. The owner must apply for a waiver and provide reasons why rates relief should be granted and supporting evidence.

6.9. Each application will be considered on its merits, taking into account the following factors:

a. The landholdings of the owner within the Waikato district

b. The extent of the subdivision

c. The impact of the request on development in the district

d. The anticipated sales process of the subdivided lots

e. The rates and water accounts, including any penalty charges, must be up to date prior to application

WDC General Waiver 2: Low Value Property Waiver

6.10. IAWAI will consider waiving water charges for land that has a capital value of less than $1,500, whether or not contiguous with other properties, and to remit water charges in respect of cemeteries of an area exceeding two hectares and not being used for any other purpose than as a cemetery (cemeteries less than two hectares are non-rateable).

6.11. Waiver will be considered where an applicant meets all of the following criteria:

a. Full remission of the water charges is granted where the registered capital value of the rating unit is $1,500 or less.

b. Full remission of the general rates is granted in respect of on land used or set aside for cemetery purposes that has an area greater than two hectares. If circumstances change in respect of the rating unit, the Council will review whether rates remission should still be granted.

c. This policy does not apply to land owned or used by any person or corporation operating a utility of any description on the land.

6.12. General waivers (HCC area only):

HCC General Waiver 1: Change of use – Commercial to residential

6.13. IAWAI will consider waiving water charges when the use of a property has changed from commercial to residential. This applies to show homes and home-based businesses, where a differentiated commercial charge has been applied.

6.14. Show home waiver criteria is as follows:

a. Where a show home has been sold and occupied solely for residential use; and,

b. Is no longer used as a show home; and,

c. Commercial advertising has been removed; and,

d. IAWAI is satisfied that there is no commercial use, as defined within HCC's rating category definitions.

6.15. Home based business waiver criteria applies where a (rating) division has been created for a commercial activity in a rating unit that is otherwise categorised residential; and,

a. the commercial activity has ceased; and,

b. commercial advertising has been removed; and,

c. Property has been reverted to full residential use and where that use is a permitted activity under Council's District Plan.

6.16. Waivers will be considered where an application meets the following criteria:

a. This waiver applies to properties located within the HCC boundary area only, where water and/or wastewater has been charged on a differential basis, according to use.

b. This waiver is consistent with HCC's current Rates Remission and Postponement Policy.

c. The intention of this provision is to adjust value based and fixed charges (which have been set on a commercial differential basis) to those of residential charges, in specific circumstances where the property has changed use part way through a financial year.

d. IAWAI will calculate the difference between the commercial and residential charges from the next instalment, after written notice of change of use.

e. Should the application be received during the last instalment period, IAWAI will adjust the charging category for the start of the following rating year.

f. The property will be inspected to establish the criteria have been met.

HCC General Waiver 2: Community Organisation Operating Retail Shops

6.17. IAWAI will consider waiving water charges for community organisations operating retail shops.

6.18. This waiver applies to properties located within the HCC boundary only, where water and/or wastewater has been charged on a differential basis, according to use.

6.19. The intention of this waiver is to facilitate the on-going provision of the community organisation and their services to the residents of Hamilton.

6.20. This acknowledges the benefits these community groups deliver to Hamilton by way of helping those in need and supplying low-cost items to the community and is consistent with HCC's current Rates Remissions and Postponements Policy.

6.21. Waivers will be considered when an application meets the following criteria:

a. The applicant must be a legally constituted charitable trust or incorporated society not for profit which delivers social benefits to the community.

b. The community retail shops will be rated at standard commercial charges (aligning to Councils Rating category) but shall receive a 50% waiver of Water and Wastewater charges.

c. Applications must be received by 31 May, and successful applications will take effect from the following 1 July.

HCC General Waiver 3: Property affected by Natural Calamity or Disaster

6.22. The objective of this waiver is to assist water payers experiencing extreme hardship as a result of a calamity or natural disaster that affects their ability to pay water charges.

6.23. This waiver ensures that any value-based water charges are treated consistently with Council's existing rates remission approach, so that affected water payers receive fair and equitable relief.

6.24. Waivers approved under this policy do not set a precedent. They will apply only to the specific event and only to properties directly affected by that event.

6.25. IAWAI may waive all or part of any charge on a rating unit (effective from the time of application) where the application meets the following criteria:

Natural Calamity or Disaster

6.26. A waiver may be granted where erosion, subsidence, submersion, or another natural calamity or disaster has affected the use or occupation of the rating unit.

6.27. This applies only to recognised single events and does not apply to erosion, subsidence, or other changes that occur independently of a major natural disaster.

6.28. The extent of the waiver will be determined on a case-by-case basis, depending on the severity and impact of the event

Accidental Residential Fire

6.29. For residential properties where an accidental fire renders the dwelling uninhabitable to the extent that demolition is required.

6.30. The waiver applies to value-based water charges from the date of application to the end of the current rating year and will be calculated as if the value of the affected improvements were excluded.

6.31. It applies only to the portion of the rating year in which the event occurred and does not extend beyond that year.

6.32. IAWAI may set additional or event-specific criteria where considered fair and reasonable. This flexibility recognises that the appropriate response may vary depending on:

a. the nature and severity of the event.

b. the number of properties affected; and

c. available funding at the time.

6.33. IAWAI may also require financial or other supporting documentation as part of the waiver assessment process.

6.34. Application for this waiver must be made by the water payer and only applies to properties located within the HCC boundary area only.

HCC General Waiver 4: Hardship Relief for Not-for-Profit Community Organisations

6.35. The objective of this waiver is to facilitate the ongoing provision of not-for-profit community organisations, operating within the Hamilton city boundary area, recognising their services to the residents of Hamilton, where payment of the full water and wastewater charges may affect the community organisation's viability.

6.36. IAWAI may waive up to 40% of water and wastewater charges in respect of the rating unit, where the application meets the following criteria:

6.37. The organisation is eligible for a 'not-for-profit community organisation' rates remission in accordance with Hamilton City Council's Rates Remissions and Postponements Policy.

a. The organisation must not operate for private pecuniary profit;

b. The organisations must not receive any funding from government agencies or have any contracts for fee for service with government agencies;

c. The organisation must operate on a voluntary basis and have no full-time or part-time paid employees or contractors operating in this capacity;

d. The cost of the full water and wastewater charges will cause the organisation extreme financial hardship and/or cause the organisation to operate at a financial deficit.

6.38. Organisations must provide the following documents with their application:

a. Statement of Objectives;

b. Constitution or Trust Deed;

c. Full financial accounts;

d. Information showing extreme financial hardship and operating position;

e. Information on activities and programmes; and

f. Information on funding sources.

6.39. Each application shall be determined on a case-by-case basis.

6.40. Applications must be received by 31 May to apply from the following 1 July, and must be submitted annually by the community organisation.

7. GROWTH CHARGES FOR PAPAKAAINGA HOUSING

7.1. IAWAI's Water Services Strategy introduces water supply and wastewater growth charges for completed residential developments where a building consent is lodged on or after 1 July 2026.

7.2. Growth charges reflect the additional demand placed on IAWAI's water and wastewater networks and are set based on the number of Household Unit Equivalents (HUEs), as defined in IAWAI's Growth Charge criteria in the Fees and Charges Schedule and apply across Waikato District and Hamilton City.

Papakaainga housing developments:

7.3. Although papakaainga housing developments are subject to growth charges as set out in the Water Services Strategy, IAWAI will waive the requirement to pay growth charges where the development meets:

g. Legislation and national direction regarding the enablement of papakaainga housing; and,

h. The intent of the relevant shareholding Council's District Plan definitions.

7.4. The decision to waive growth charges for papakaainga housing aligns with the Government's objectives to support Maaori housing outcomes and papakaainga development.

7.5. The ongoing application and quantum of the annual waiver is subject to review under this policy.

8. DELEGATIONS

8.1. Decisions under this policy are delegated to authorised officers as set out in IAWAI's Delegations Policy.

9. REFERENCES

9.1. The following documents may be read alongside IAWAI's Waiver Policy for information purposes:

- Local Government Water Services Act 2025.
- Local Government (Rating) Act 2002.
- Waikato District Council Rates Remission and Postponement Policy.
- Hamilton City Council Rates Remission and Postponement Policy.
- IAWAI Delegations Policy
- IAWAI Water Services Strategy.

- IAWAI - Flowing Waters Statement of Expectations.

09 Wastewater Treatment Standards, Hamilton-Waikato-Waipa Metro Area Land-use and Growth assumptions and Southern Wastewater Treatment Plant

Prepared and recommended by Director Strategic Investment Portfolio - Jackie Colliar
Approved by IAWAI Chief Strategy and Planning – Andrew Parsons

Purpose

1. To present key recommendations to advance the delivery of new wastewater discharge consents, planning approvals and treatment plants across the IAWAI jurisdiction, including the proposed Southern Wastewater Treatment Plant.

Recommendations

2. That the IAWAI Board:
   a) Adopt the wastewater treatment standards set out in the 2023 Memorandum of Understanding as the minimum standards for IAWAI (Attachment 1).

   b) Adopt the land use and growth assumptions for the Southern and the Pukete Wastewater Treatment Plants (Attachment 2a and 2b).

   c) Approves 131 & 139 Raynes Road, Rukuhia as the proposed site for the Southern Wastewater Treatment Plant, to enable master planning, designs, consenting and planning approval applications.

   d) Confirm the preferred treated wastewater re-entry environment as the Waikato River, noting that the location, form and cultural treatments required to support this re-entry environment are being worked through collaboratively between the Kaitiaki Roopu and the project team.

   e) Approve three short-listed treated wastewater re-entry locations (Option 2, 4 and 5) to be taken forward for further investigation, development, consideration and evaluation before finalising one of these sites as the preferred location.

   f) Approve the use of the Fast Track Approvals Act 2024 consenting pathway for all approvals required for the Southern Wastewater Treatment Plant, including its construction, designation, operation, discharges, and associated infrastructure and activities.

Executive Summary

3. This paper seeks Board direction on the key settings required to advance the Southern Wastewater Treatment Plant (SWWTP) and the wider metro wastewater programme. Specifically, it asks the Board to confirm the minimum wastewater treatment standards to be applied across IAWAI operations, adopt the land use and growth assumptions for both the Southern and Pukete wastewater treatment plants, confirm 131 and 139 Raynes Road, Rukuhia as the site to progress for the SWWTP, endorse the Waikato River as the preferred treated wastewater re-entry environment, approve three short-listed re-entry locations for further investigation, and confirm the Fast-track Approvals Act 2024 (FTAA) pathway as the preferred consenting route.

4. This matters now because wastewater infrastructure decisions are critical to enabling growth across the Waikato–Hamilton–Waipā metro area while also meeting the councils' and mana whenua's shared obligations to protect and restore the health and wellbeing of the Waikato River. The metro area is experiencing strong growth, existing infrastructure is under increasing pressure, and significant technical, cultural, legal, and strategic work has already been completed to bring the SWWTP project to a point where clear Board decisions are now needed to maintain programme momentum and reduce delivery risk.

5. The key takeaway is that the recommended package represents the most integrated, defensible, and deliverable pathway currently available. Adopting the 2023 Memorandum of Understanding (MoU) treatment standards provides the strongest alignment with Te Ture Whaimana o Te Awa o Waikato, is consistent with the approach already being implemented across other IAWAI wastewater projects, and reduces legal, consenting, reputational, and relationship risk compared with relying on the newer national wastewater standards alone. Updated growth assumptions for Pukete and the SWWTP also provide a practical basis for progressing planning, master planning, and consenting, while preserving flexibility to respond to future growth and staging uncertainty.

6. The work completed to date also supports progressing Raynes Road as the proposed SWWTP site. Although an additional site suggested through community feedback was assessed on a like-for-like basis, it did not displace Site 1 (Sharpe Farm/Raynes Road), which remains the preferred option overall due to its stronger performance across operability, future proofing, conveyance efficiency, greenhouse gas performance, and amenity considerations. Similarly, the assessment of treated wastewater re-entry options found that large-scale land-based options and smaller receiving environments are not practicable at the required scale, leaving the Waikato River as the only feasible primary receiving environment, subject to further refinement of location, form, and cultural treatments in collaboration with the Kaitiaki Roopu.

7. The recommendation to use the Fast-track Approvals Act pathway is intended to provide a more integrated and time-certain route for securing the planning and consenting approvals needed for a project of this scale and regional importance. While this pathway requires greater upfront effort and carries some risks, including public perception and process variability, it is considered the most suitable route to support timely delivery of the SWWTP and associated infrastructure. Delaying decisions at this point would slow the overall programme, prolong infrastructure constraints, and increase risk to growth, service delivery, and the wider metro wastewater strategy.

8. In summary, staff recommend the Board confirm the treatment standards for all IAWAI WWTPs, growth assumptions for the Metro Area, and the proposed site, preferred re-entry environment, short-listed re-entry locations, and FTAA consenting pathway for the Southern WWTP project so the next phase of investigations, design development, consenting, and engagement can occur. This will provide strategic clarity, maintain alignment with partner expectations and previous commitments, and enable continued progress on a critical piece of regionally significant infrastructure.

Strategic Context and Background

9. The Waikato–Hamilton–Waipa Metro Area spans from Taupiri in the north to Te Awamutu and Cambridge in the south, covering the jurisdictions of Waikato District, Hamilton City, and Waipa District. The region has experienced, and is projected to continue experiencing, significant population and economic growth, placing increasing pressure on existing wastewater infrastructure and driving demand for expanded and improved services.

10. In response, a collaborative, boundaryless approach to wastewater planning has been developed, reflecting a broader era of co-management of the Waikato River. This approach recognises the shared responsibility of councils and mana whenua to protect and restore the health and wellbeing of the awa, while enabling sustainable growth across the metro area.

11. Between 2020 and 2023, mana whenua, Waikato-Tainui, Hamilton City Council, Waikato District Council, and Waipa District Council jointly developed the Waikato–Hamilton–Waipa Metro Wastewater Detailed Business Cases (DBCs). These were supported by a 2023 Memorandum of Understanding (MoU), developed over the same period and subsequently approved and signed by all parties.

12. The DBCs and MoU set out a strategic, integrated programme of wastewater infrastructure investment and establish minimum treatment standards aligned with the vision and objectives of

Te Ture Whaimana. The recommendations prioritise “best for river” outcomes, recognising the relationship of taangata whenua with the Waikato River, while supporting the social, cultural, and economic wellbeing of the growing metro community.

13. Through the DBC process, the parties identified preferred wastewater servicing solutions and a pathway for their planning, delivery, and funding. Key components of the programme include development of a new Southern Wastewater Treatment Plant (SWWTP) to service Hamilton and the southern metro area, and upgrades to the Pukete WWTP to meet the needs of Hamilton and the northern metro area.

14. These outcomes are reflected in IAWAI’s Water Services Strategy 2026–2036, which provides for delivery of wastewater treatment plant (WWTP) upgrades to meet the minimum standards set out in the MoU. The strategy also includes a staged programme of upgrades to both the Pukete and Southern WWTPs to meet projected growth demands to 2041, with some elements (including ancillary assets such as control buildings and hydraulic infrastructure) designed to accommodate capacity requirements through to 2061 and beyond.

15. The SWWTP project was initiated as a standalone project in 2022. Since then, significant technical investigations and assessments have been undertaken to progress the project. In the same year, Hamilton City Council acquired land at 131 and 139 Raynes Road, Rukuhia, to enable a range of potential community outcomes, including the potential siting of the SWWTP. This acquisition did not pre-determine the outcome of the site selection process, which has continued independently and acknowledges that an alternative site may ultimately be preferred.

16. Significant investment has already been made to progress the SWWTP project. This work has involved collaboration with a dedicated Kaitiaki Roopuu, engagement of specialist technical consultants, independent peer reviewers, and legal advisors. Together, these inputs have ensured that robust, comprehensive, and well-tested assessments underpin the analysis and recommendations presented in this report.

The Details

Minimum Wastewater Treatment Standards

17. Schedule 4 of the MoU sets out the proposed minimum wastewater treatment standards recommended for adoption for all IAWAI WWTPs (**Attachment 1**). The minimum treatment standards have formed a critical basis for progressing the SWWTP Project, Pukete WWTP Project and other IAWAI treatment plant and consenting activities.

18. Recent WWTP upgrades at Te Kauwhata and Raglan have also adopted these standards. The planned upgrades for Pukete, Rahui Pookeka and Ngaaruawahia will also adopt the MoU standards. Pukekohe, Meremere and Cambridge WWTPs have consents that align with the MoU standards.

19. The new national wastewater standards enabled by the Water Services (wastewater environmental performance standards) Regulations 2025 came into effect on 19 December 2025. The Resource Management Act (s58JB) was amended by the Local Government Water Services (repeals and amendments) Act 2025 to provide a carve out for Te Ture Whaimana. Requirements in documents, such as a regional plan, giving effect to Te Ture Whaimana o Te Awa o Waikato—the Vision and Strategy for the Waikato River prevail over the standards in the new national wastewater standards.

20. In absence of the Waikato Regional Plan prescribing wastewater discharge standards to give effect to Te Ture Whaimana, the treatment standards in the MoU are proposed for SWWTP and are significantly more stringent than the national wastewater new standards. To achieve the MoU criteria requires a step change in the treatment processes. Water Services Strategy 2026-2036 provides for achieving these standards at WWTP scheduled for re-consenting and upgrade.

21. Staff have sought legal advice to inform the recommendation to adopt the MoU treatment standards as a minimum, particularly considering the National Wastewater Environmental Performance Standards (WEPS).

22. The advice highlights that Te Ture Whaimana demands more than neutrality—it requires restoration, protection, and improvement, and recognises the River "should not be required to absorb further degradation." These outcomes must be the "guiding principles" for setting discharge standards, meaning any approach that allows regression or fails to drive improvement is inconsistent with the obligation.

23. On that basis, the legal advice is clear that the WEPS may not be sufficient. If their application would "fail to deliver" on those outcomes, they do not give effect to Te Ture Whaimana. In practice, where they are less stringent than current consents, they risk a "backwards step" and "further degradation," creating legal and consenting risk for IAWAI.

24. The advice identifies the MOU standards as the most credible alternative. While non-binding, they are a "key stakeholder commitment" showing how parties intend to give effect to Te Ture Whaimana, and any retreat would create "serious reputational and relationship risks," particularly with Waikato Tainui.

25. Finally, multiple WWTPs (including Cambridge, Meremere and Raglan) have already adopted MOU-aligned standards. While not a legal precedent, with multiple WWTPs already aligned, a strong "like for like" expectation is emerging.

26. Adopting the MoU standards positions IAWAI in the strongest, most defensible position for planning approvals and meeting the Statement of Expectations.

Land use and Growth Assumptions

27. The Metro Wastewater DBCs set out a single servicing strategy for the wider metro area, and the assumptions for Pukete WWTP and the SWWTP need to be considered together because the long-term servicing approach is interconnected. The SWWTP is intended to service southern Hamilton, parts of north Waipā, and the Tamahere, Matangi and Tauwhare Pa Village communities, while Pukete remains the principal plant for Hamilton City and the northern metro area.

28. Under the long-term strategy, Pukete will continue to meet most of Hamilton's wastewater demand, with flows from other communities progressively diverted away from Ngaaruawaahia to Pukete over time. This means growth projections for both projects are not standalone assumptions, but part of one metro-wide servicing picture.

29. For Pukete, the land use and demand assumptions developed through the Northern Metro WW DBC have not been updated recently but are still considered appropriate for the current phase of master planning and consenting. These assumptions are in Attachment 2a. Those assumptions included allowance for some wet industrial activity in Horotiu, while assuming existing high-wet-load industries in Te Rapa and Horotiu, such as Fonterra Te Rapa, Open Country Dairy and AFFCO, remain self-servicing.

30. While some current fast-track development areas have not been explicitly modelled in the original Pukete growth assumptions, equivalent additional demand has been allowed for to capture likely domestic and commercial growth. On that basis, the current assumptions remain suitable for progressing the project at this stage.

31. For the SWWTP, updated land use and growth assumptions have been developed through workshops and discussions with subject matter experts and planning and growth representatives from Hamilton City Council, Waikato District Council and Waipā District Council. These updated assumptions supersede those used for the Southern DBC and are reflected in the recommended service areas and growth assumptions in Attachment 2b.

32. The revised SWWTP assumptions are intended to provide greater certainty of initial commissioning flows by diverting established southern Hamilton catchments in Stage 1, rather than relying only on future growth in Peacocke, Southern Links or the airport precinct. They also support a modular staging approach using MBR treatment, giving flexibility to respond to uncertainty in the timing and sequencing of growth.

33. The recommended Stage 1 configuration is an approximately 26–35k PE MBR plant, with modular expansion of secondary treatment between 2031 and 2055, and further primary treatment and solids processing upgrades aligned with major flow diversions from around 2040 to 2050. This provides a practical balance between matching real growth, managing operational risk and deferring capital investment until it is needed.

34. The recommended baseline for the full SWWTP service area assumes that all identified catchments are ultimately diverted, equating to approximately 49,000 m³/day or 245,000 PE. Importantly, some allowance has been made in Stage 1 for Waipā demand following discussions with Waikato Waters Ltd and Waipā District Council, although this makes up less than 10 percent of Stage 1 flow and could be reallocated to Hamilton if no servicing agreement is reached.

35. The revised SWWTP approach also marks a change from the Southern DBC, which envisaged a smaller SBR-based plant with initial land discharge. The current recommendation for staged MBR-based treatment better aligns with the long-term servicing strategy, the 35-year consent timeframe, and the wider 80–100 year master planning horizon.

36. Overall, the assumptions proposed for both Pukete and the SWWTP are considered fit for the current planning, master planning and consenting phases, while recognising that they are part of a wider metro-wide servicing strategy. These assumptions will continue to be refined, monitored and stress-tested against updated land use and growth information across the metro area, and any material changes affecting scope, staging or investment decisions will be brought back to the Board

Proposed Southern WWTP Site - Alternative

37. The Southern Metro DBC project included a broad assessment of potentially suitable areas for the proposed SWWTP. Between 2022–2024 the broader list of options was progressively narrowed to a shortlist of four sites, which were then assessed using a Multi-Criteria Analysis (MCA) framework supported by specialist technical inputs, independent reviews and a parallel cultural assessment by the Kaitiaki Roopuu. That process identified Site 1 (Sharpe Farm) as the preferred site. The original site selection report is available here.

38. Following community feedback, the Nukuhau Residents Group proposed an additional site, referred to as Site X, for consideration. IAWAI agreed to review that option and commissioned a like-for-like technical assessment using the same methodology, criteria, assumptions and weighting approach as the original assessment, so that Site X could be directly compared with the four shortlisted sites.

39. The supplementary assessment found that Site X did not displace Site 1 as the preferred option. Site X ranked mid-range (third or fourth) across the five sites assessed, while Site 1 remained the highest-ranked and clearly preferred site overall. The Site X comparative assessment is included as Attachment 3.

40. Site 1 remains preferred because it provides the strongest overall balance across the assessment criteria, including operability, future proofing, conveyance efficiency, and greenhouse gas performance. While Site X showed some strengths in areas such as buildability and some physical site characteristics, it was materially weaker in future proofing, greenhouse gas emissions, pipeline distance and complexity, ecological considerations, productive soils, and especially odour and noise effects arising from the proximity of residential receptors and limited internal buffering opportunities.

41. An updated sensitivity test was also completed using more recent design and discharge assumptions. That further testing did not change the outcome of the assessment. Site 1 remained the preferred site, and Site X remained a lower-ranked option.

42. It is important to note that the like-for-like assessment of Site X was limited to technical site selection criteria and did not include land ownership, acquisition requirements, cost, funding, or other legal and commercial matters. Those matters are still relevant to the Board's overall decision-making. While land ownership was not factored into the comparative technical ranking, IAWAI's sufficient interest in Site 1 (Sharpe Farm) is relevant from an assessment of alternatives perspective, as the legal advice notes that where the requiring authority has sufficient interest in the land, the obligation to establish the adequacy of alternative sites is materially reduced unless significant adverse effects remain.

43. Overall, the original site selection work, the additional assessment of Site X, the updated sensitivity testing, and the cultural review provide a comprehensive basis for decision-making. The outcome of that work is that Site 1 (Sharpe Farm) remains the preferred site for the SWWTP. Independent legal advice has confirmed the evaluation leading to the preferred option is robust and meets the requirements of both the Resource Management Act 1991 and the FTAA.

Preferred Southern WWTP Treated Wastewater Re-entry Environment

44. The long-list options to preferred-option process evaluated potential treated wastewater re-entry environments for the SWWTP against technical, environmental, cultural, social, constructability and strategic criteria. In parallel, the Kaitiaki Roopu applied a cultural framework. Both assessments assumed that treated wastewater would, at a minimum, comply with the MoU standards.

45. The long list considered discharge to surface waterways, indirect discharge to waterways, discharge to land through slow-rate irrigation or rapid infiltration, restored or constructed wetlands, groundwater, and reuse. The long-list options assessment is found here.

46. Several options were removed early because they were high risk, high cost, uncertain, offered limited benefit, or were likely to face significant delivery challenges.

47. Full land discharge was found to be impracticable at project scale. Early screening indicated that slow-rate land discharge would require around 180 hectares for Stage 2b and approximately 1,800 hectares at ultimate flows. That scale of land requirement, combined with land acquisition challenges, conveyance needs, operational complexity, and poor long-term scalability, made the option unfeasible.

48. The three options taken forward for short-list assessment were Nukuhau Stream, rapid infiltration, and discharge to the main stem of the Waikato River. Further assessment found that Nukuhau Stream and rapid infiltration were not feasible at the required scale. Nukuhau does not have the hydraulic or environmental capacity to sustainably receive the proposed discharge and would worsen existing water quality, ecological and flood-related constraints.

49. Rapid infiltration, while requiring less land than full land discharge, was also found to be unworkable. Land requirements were estimated at around 9 to 30 hectares for Stage 2b and 90 to 300 hectares at ultimate scale. The main constraint was land availability, with suitable pumice soils limited, generally privately owned, and unlikely to support a practical and resilient long-term solution.

50. The Waikato River is therefore the only primary environmental re-entry method that remains technically feasible, scalable and practicable to progress, subject to further design refinement, cultural treatments, and site-specific assessment.

51. Progressing the Waikato River option will require further work to support alignment with *Te Ture Whaimana o te Awa o Waikato*. This includes ongoing engagement with mana whenua and the Kaitiaki Roopu to inform the location and form of the re-entry area, develop appropriate cultural treatments, and identify opportunities for restoration and habitat enhancement.

52. Beneficial reuse opportunities — including landscape irrigation, process reuse, and wider non-potable reuse where feasible — will also continue to be pursued alongside the primary discharge pathway to maximise resource recovery and improve overall system sustainability.

53. While the technical assessments and independent peer reviews of the long list to preferred method assessments have been completed, the report is currently being finalised and published when available.

54. The location, form, and cultural treatments required for the Waikato River re-entry environment are continuing to be worked through collaboratively between the Kaitiaki Roopu and the project team, including input into the re-entry location, the form and function of the re-entry method, landscape and restoration responses, and the wider cultural and environmental design approach.

Southern WWTP Short-listed Treated Wastewater Re-entry locations

55. To support evaluation of the short-listed wastewater re-entry environment, potential locations and options for direct or indirect surface water re-entry were identified and feasibility evaluated.

56. These initial sites were selected as they all had some form of existing public access, primarily through roading corridors. These sites were screened based on site investigations and visits and a long list of options recommended for further investigations and evaluation using an MCA process. The MCA process considered Public Health; Environmental Effects; Social and Community Considerations; Physical Feasibility and Constructability; Extent to which each option gives effect to Te Ture Whaimana.

57. A parallel assessment by the Kaitiaki Roopu was undertaken using a cultural framework.

58. Through these evaluation processes, three locations have been short-listed for further development and investigation. These locations are located at Lowe Road, Airport Road (upstream of the Christian Camping Ground) and Lochiel Road.

59. Each of the options represent feasible options and each positive and negative characteristics that will need to be worked through and evaluated to recommend a preferred location to prepare and lodge planning approval applications for.

60. The indicative short-listed re-entry locations are included in Attachment 4. While the technical assessments and independent reviews of the long list to short-listed options process have been completed, the report is currently being finalised and published when available.

Fast Track Approval Consenting Pathway

61. The consenting strategy work for the project has considered and evaluated the three broad consenting and planning approval pathways available for the SWWTP: Traditional RMA, Accelerated RMA path using tools within the RMA (i.e. “Call in” to a Board of Inquiry or Court) and the fast-track path under the FTAA.

62. The SWWTP project will provide critical wastewater treatment capacity to support growth in the Waikato and is well aligned with the purpose of the FTAA, which is to facilitate infrastructure and development projects with significant regional or national benefit.

63. The Fast-track pathway provides a more streamlined alternative to the standard consenting process. Rather than progressing through multiple approval processes, the project can be considered through a single, more integrated pathway with prescribed timeframes, reducing duplication and providing greater certainty for delivery of a regionally significant infrastructure project.

64. Accordingly, the Fast track process is recommended for all planning approvals required to support the delivery, operation and maintenance of the SWWTP and associated discharges. This strategy is also supported by independent legal advice.

65. Proceeding through Fast-track does not remove opportunities for input. Under the legislation, adjacent landowners and occupiers, along with iwi, relevant Ministers, local authorities and other identified parties, are invited to comment on the application, and the decision-making panel has discretion to invite comment from others.

66. In addition, the project team has committed to continuing broader community engagement regardless of the consenting pathway, including through open days, drop-in sessions, letters, emails and other channels. This will remain important as the project develops, particularly in relation to the design of the WWTP and the future use of the wider buffer area.

67. Risks associated with pursuing the fast-track pathway include variability between FTAA panels; public perception – excluding public input; upcoming general election and potential delays in referral decision making or legislative change; high level of upfront effort and cost and resource intensive process and appeal limitations.

Te Tiriti o Waitangi / Te Ture Whaimana o Te Awa o Waikato

68. Contributing to achieving the vision and objectives set out in Te Ture Whaimana o Te Awa o Waikato is a central focus of the DBCs and the MoU. Both the DBCs and the MoU were approved and signed by representatives of Te Whakakitenga o Waikato, Hamilton City Council, Waikato District Council and Waipa District Council.

69. The proposed minimum treatment standards recommended in this paper align with the Metro WW DBCs and 2023 MoU, the objectives of Te Ture Whaimana and improving the health and well-being of the Waikato River.

70. The SWWTP project, the planned diversion of the northern metro communities to Pukete WWTP, and the upgrade of the Pukete WWTP align with the DBCs and the MoU.

71. To uphold commitments under Te Tiriti o Waitangi, the Joint Management Agreements (JMA) with Waikato-Tainui, and to advance Te Ture Whaimana o Te Awa o Waikato, a shared governance approach was adopted for the Metro WW DBCs and continues to be adopted for the delivery of the SWWTP project.

72. This approach ensures mana whenua and iwi are represented at all levels of project decision making through a dedicated Kaitiaki Roopuu. The Roopuu has played a pivotal role throughout the project, including the selection of the preferred site for the treatment plant, the identification of the preferred wastewater re-entry environment and potential locations for further consideration. The SWWTP Kaitiaki Roopu has provided a letter of support for the recommendations presented in this paper.

Financial Implications

73. The 2026 to 2036 Water Services Strategy includes budget allocations for existing WWTP upgrades and the proposed new SWWTP to achieve the recommended minimum treatment standards and to provide for the initial upgrades required to meet the land-use and growth assumptions at Pukete WWTP and SWWTP out to 2041 with some plant elements being sized to meet growth demands out to 2061 and beyond.

74. The 2026 to 2036 Water Services Strategy includes adequate budget allocations to complete the planning and consenting work for the proposed SWWTP.

75. While the fast-track approval process requires significantly more effort upfront in the process and introduces some new requirements (including the referral application process, and Some re-forecasting will be required to reflect the early upfront effort required to support the recommended fast track consenting process.

Risks and Implications

76. The work underpinning the recommendations in this report is robust and comprehensive, having been undertaken by technical experts alongside mandated mana whenua representatives. It has also been subject to independent peer review and supported by legal advice, ensuring a well-tested, defensible basis for these critical recommendations.

77. Material risks associated with the recommendations are:

    a. Legal and consenting risk if IAWAI does not adopt the MoU treatment standards, as a lesser standard may not adequately give effect to Te Ture Whaimana.

    b. Reputational and relationship risk with Waikato-Tainui and partner councils if IAWAI departs from the agreed metro wastewater approach.

    c. Programme delay risk if decisions are deferred, affecting the timing of planning, investigations, consenting and the wider metro servicing strategy.

    d. Growth and capacity risk if growth assumptions are not confirmed, leading to misalignment between infrastructure investment and future demand.

    e. Delivery risk if the project cannot progress a confirmed site, feasible receiving environment, and consenting pathway.

    f. Fast-track pathway risks, including public perception, political uncertainty, panel variability, limited appeal rights, and higher upfront cost and effort.

Partner Expectations

78. The recommended treatment standards, land use and growth assumptions and proposed Pukete WWTP and SWWTP projects are the result of the Metro WW DBC Project and 2023 MoU, developed collaboratively by Hamilton City Council, Waikato District Council, Waipā District Council, and Waikato-Tainui.

79. The DBC and the MoU are underpinned by *Te Ture Whaimana o Te Awa o Waikato*, with co-governance and shared decision-making embedded at all levels of project delivery.

80. The proposed delivery approach for the Southern and upgraded Pukete WWTPs, and the recommendations in this paper, support IAWAI in meeting the Enduring Expectations, Relationship Expectations, strategic priorities, and the outcomes set out in the Statement of Expectations.

81. Land use and growth assumptions presented in this paper have been informed by Council growth and planning teams. These assumptions may evolve over time, and ongoing engagement with these teams will be maintained as the projects progress.

82. The projects are being delivered on a ‘no surprises’ basis, with regular updates provided to Chief Executives and senior staff from Hamilton City Council, Waikato District Council, Waikato-Tainui, and Waipā District Council.

83. Staff from Waikato-Tainui, Hamilton City Council, Waikato District Council, and Watercare are actively contributing to project delivery and the development of the recommendations in this paper.

84. Elected members from Hamilton City Council, Waikato District Council, Waikato-Tainui, and Waipā District Council have been briefed over the past six months, including a briefing on the recommendations in this report in June 2026 ahead of this meeting.

Customers

85. Providing additional wastewater treatment capacity to meet current and future needs of the Waikato-Hamilton-Waipa Metro Area will support a prosperous community, provide for growth and development whilst also protecting and restoring our environment.

86. Confirming the recommendations in this paper, will support the progress of critical projects to be progressed to deliver certainty for the community.

Next Steps

87. Key next steps, subject to the Board approval of the recommendations include

- Initiating site specific investigations for the development of the SWWTP
- Updating the overall programme and project budget forecasts to reflect the fast-track consenting process
- Working alongside the Kaitiaki Roopu to explore and develop potential options for the environmental re-entry location to ensure alignment with Te Ture Whaimana and provide the necessary levels of cultural treatment.
- Initiating further work to evaluate the short-listed environmental re-entry locations to support a recommended preferred location.
- Public engagement on the emerging preferred re-entry location and to seek input into the potential uses/opportunities for the balance of the Sharpe Farm Site.

Attachment 1: Memorandum of Understanding (MoU) for the Hamilton-Waikato-Waipā Metro Area wastewater projects – Schedule 4 – Minimum Performance Standards.

Attachment 2a: Metro Wastewater Detailed Business Case Growth Assumptions Memo

Attachment 2b: Southern WWTP Project Growth Assumptions

Attachment 3: Southern WWTP Assessment of Alternative Site X

Attachment 4: Short-listed Waikato River Re-entry locations for further consideration

SCHEDULE FOUR

MINIMUM PERFORMANCE STANDARDS

PARAMETER	MINIMUM PERFORMANCE STANDARDS FOR DISCHARGES TO WATER
Total Nitrogen	Less than 4.0 milligrams per litre (as annual means).
Total Phosphorus	Less than 1.0 milligrams per litre (as annual means).
Escherichia coli (E.Coli)	Less than 14 cfu per 100 millilitres (as a 95th percentile).
	Noting that the future consents for any water based discharges will likely include specific daily limits on nutrient mass loadings (in units of kg/d rather than concentration limits in mg/l) for both summer and winter flow conditions.

PARAMETER	MINIMUM PERFORMANCE STANDARDS FOR DISCHARGES TO GROUND
Total Nitrogen	Less than 20 milligrams per litre (as annual means).
Total Phosphorus	No specific limit.
Escherichia coli (E.Coli)	Less than 500 cfu per 100 millilitres (as a median).
	Noting that actual parameters will depend on nitrogen and phosphorus loads able to be sustainably discharged to land irrigation systems, and appropriate microbial parameter limits will be dependant on the method and location of discharge to ground.

The minimum treated wastewater quality standards adopted are very high and based on current best practice and delivering “best for river” outcomes which include having a river that is swimmable and safe to gather food from.

In order to give effect to Te Ture Whaimana, alongside these quantitative minimum performance standards, the mauri of the water and land will be protected from adverse effects resulting from any parts of the Projects.

The treated wastewater quality standards would be introduced by 2031 or when the existing discharge resource consent for each wastewater treatment plant expires. Noting that achieving these targets may need to be staged within resource consents to provide sufficient time to upgrade and transition existing plants (i.e., Pukete WWTP) to meet these minimum standards.

For the purpose of completing the DBCs, assumptions have been made regarding discharge methods to be employed at each plant. Appropriate discharge methods will need to be considered and evaluated in detail as part of each Project to support resource consenting of any discharge activities.

Memorandum

10 December 2020

To	Waikato Metro Wastewater DBC Control Group Hamilton City Council		
Copy to	Jackie Colliar		
Author	Claire Scrimgeour and Kate Jackson		
Reviewer	Rob Brodnax	Approver	Sioban Hartwell
Subject	**Growth Assumptions for Waikato Metro Wastewater DBC**	Job no.	12533660/3257177

1 Introduction

The purpose of this technical note is to outline the residential and non-residential growth assumptions proposed to be used for the metro long list and southern short list options stages of the Waikato Metro Wastewater Detailed Business Case (DBC). The DBC will explore potential wastewater strategic options for the wider Hamilton Waikato Waipa Metro Area (the metro area) (see Figure 1-1) and determine a preferred wastewater treatment solution within the southern metro area.

The residential and non-residential growth assumptions as defined within this technical note will inform the development of high level strategic wastewater treatment options. Growth assumptions will provide indications of the size and timing of potential new conveyance systems and wastewater treatment plants and when upgrades are required for existing treatment plants.

The growth forecasts have been updated to incorporate feedback from the Project Control Group.

This technical note has been structured as follows:

1. Introduction
2. Background: Project history and previous investigations
3. Assumptions: List of wider overarching assumptions which have been taken for this project
4. Approach: Detailed description of the population sources, approach and limitations for each council area
    4.1. Residential growth assumptions
    4.2. Non-residential assumptions
5. Metro Area Residential growth: Summary of available projection and capacity information
6. Hamilton City Growth: Summary of Hamilton City population equivalent information and growth areas outside current city boundary
7. Limitations: Discussion of the key limitations and issues with existing sources and approach
8. Recommendations

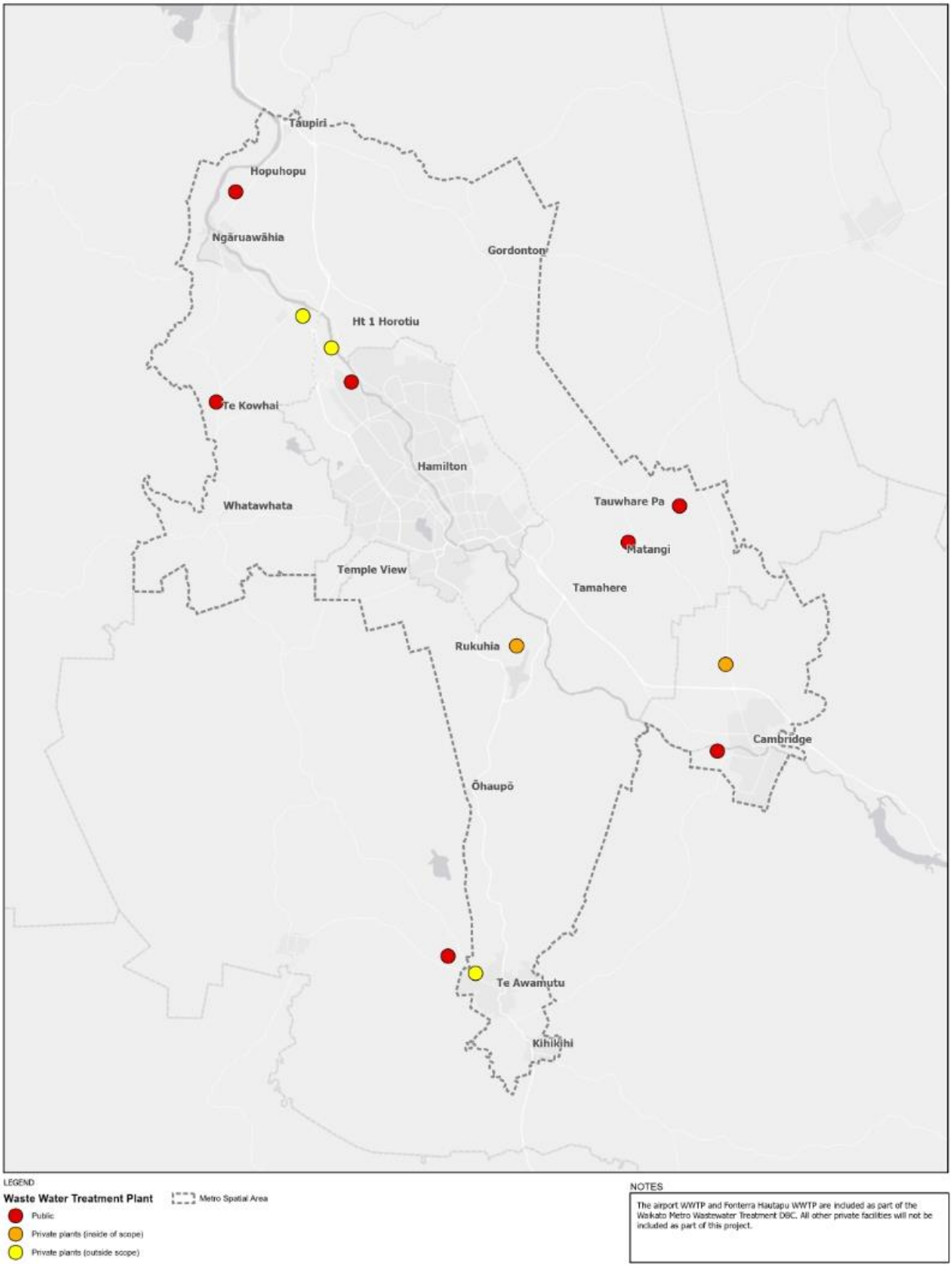


Figure 1-1 Waikato-Hamilton-Waipa Metro Area (Scope Area)

2 Background

High level population assumptions were collated earlier this year as part of the Hamilton Metro Wastewater Treatment Feasibility Study. Population projections were determined for two growth scenarios; the 2045 growth scenario and a 100 year plus growth scenario using a variety of sources.

This assessment provides more recent population projection and capacity information, provides greater granularity for residential and non-residential growth within the metro area and also defines potential longer term growth areas.

3 Assumptions

The following high level assumptions have been taken into account for the purpose of this technical note:

- Growth assumptions have been collated based on information available as of 12th August 2020.
- An 'ultimate' growth capacity scenario has been identified which reflects the largest household projection for an area based on known development areas and expected density and is generally indicative of a 60-100 year growth period.
- Population projections for 10 year incremental periods have been collated starting in 2021 and finishing in 2061 (i.e. 2021, 2031, 2041, 2051 and 2061).
- The residential projections collated for this project focus on the "connected" population to be serviced by wastewater infrastructure.
- Maximum growth capacity is informed by zones in District Plans and additional areas indicated in growth strategies, private plan changes and submissions to Proposed District Plans as at August 2020.
- Significant industrial facilities with private wastewater treatment systems and discharge consents (such as Fonterra Te Rapa, Hautapu and Te Awamutu Plants and Affco Horotiu) within the Metro Area are not included in the population equivalent or trade waste flows described in this memo.

3.1 Available data sources

The growth strategies and growth projection information available for the metro area are summarised in Table 3-1.

Table 3-1 Data sources

Available information	Description
Future Proof Strategy – Planning for Growth (November 2017)	Provides direction of the preferred development pattern for the metro area
Metro Spatial Plan (MSP)	The Metro Spatial Plan, currently under development, seeks to determine a shared 100+ year vision and spatial framework. The MSP is supported by several growth scenarios that spatially distribute a future 500,000 PE residential population across the Metro Area. The figures considered for this memo are based on the 70/30 scenario, i.e. 70% of the additional residential population growth occurring within or immediately adjacent to the future Hamilton City Boundary and 30% distributed across the other communities in the Metro Area.

Available information	Description
Waikato 2070 (May 2020)	Provides future residential and industrial development areas planned in the Waikato District Council for the 3,10 and 30 year time frames
Waipa 2050 Growth Strategy (November 2017)	Provides future residential and industrial development areas planned for the Waipa District to 2050
Hamilton Urban Growth Strategy 2010	Outlines growth cells for Hamilton City.
2013 Census data	The 2013 census data along with land use and economic information was used by NIDEA to develop growth projections at the Census area unit (CAU) level from 2021 to 2061.
2018 Census data	The 2018 Census data is not yet available in sufficient detail to update the NIDEA projections, however, it has been used by Waikato District Council and Hamilton City Council to re-baseline the 2016 NIDEA projections.
Land use, demographic and economic projections for the Waikato region, 2013 to 2063 (NIDEA 2016)	Provides household and population projections for the 2021 to 2061 time period for Waikato District Council, Hamilton City Council and Waipa District Council
Waipa Three Waters Master Plan – Growth Gateway 2019.	Provides baseline projections for Waipa District Council for 2025, 2035 and 2050 timeframes
Waikato Growth GIS model 2020	Provides breakdown of household and population growth projections and capacity for Waikato towns for period between 2021 and 2063.
HCC Growth GIS model 2020	Provides breakdown of household and population growth projections for Hamilton City Council area for period between 2021 and 2063.
Regional Infrastructure Technical Specifications (RITS)	Outlines design requirements for new infrastructure. Of particular relevance to this memo are the population equivalence assumptions included in the RITS for different land use activities.
HCC Wastewater Model and Master Plan V3 (WWMP) 2020	Provides population equivalent (PE) and flow forecasts for catchments in the HCC network for 2021-2081 and city full horizons.
Strategic agreement on future urban boundaries Between Hamilton City Council and Waikato District Council March 2005	Waikato District and Hamilton City Council have agreed to future boundary changes that will shift areas from Waikato District into Hamilton City jurisdiction. The strategic agreement sets out the specific areas, conditions and indicative dates for the boundary changes to occur.
Waikato Tainui Iwi Resilience Plan 2020	Includes development plan for Hopuhopu area including additional residential, commercial and recreational activities.
Future Proof Industrial Land study (GMD March 2020)	A study of industrial land demand vs capacity for the metro area.
Business Development Capacity Assessment 2017 (ME Consulting)	This study focuses on the non-residential development capacity within the urban environments of each of the partnership councils, as required by the NPS-UDC.

Available information	Description
HCC Non-Residential Water and Wastewater Design Flows Report (GHD 2017)	A review of flows and typical design allowances for non-residential demand.

4 Approach

The metro area compromises of communities located within Waipa District Council, Waikato District Council and Hamilton City Council (see Figure 1-1). Each council is responsible for developing future growth and capacity projections. However, the methodology for determining growth projections for each council varies and therefore it is important to document the assumptions taken for each council.

Available information sources were identified by each Council and growth projection and capacity information was provided to the project team. The information was reviewed and collated into a form suitable for use in the project and the proposed approach and assumptions were checked with Council staff.

4.1 Residential Growth Assumptions

The following table provides a more detailed description of the assumptions, sources and approach used by the Councils to supply the baseline and 10 year breakdown of residential growth between 2021 and 2061 and also how an 'ultimate' residential growth number was developed. Refer to section 7 for further details on limitations of residential growth projections.

Table 4-1 Sources and methodology – residential growth area assumptions

	Forecasts	Source	Approach	Limitations
Waikato District Council	Base Population	2018 Stats NZ Estimate (supported by actual dwelling counts)	Census Area Unit data resolved to property parcel level was used to calculate the community base population.	
	Forecasts for 2021 through to 2061	Rebased NIDEA (2016) using 2013 Base Stats NZ	NIDEA Midpoint household projection data provided was converted into population using a factor of 2.7 people per household. This data was provided by Waikato District Council - Mark Davey[1].	Information yet to be adopted by Waikato District Council
	Ultimate Forecasts	GIS capacity model, Waikato 2070	Total available household capacity from the GIS based household capacity model (2020) was used for the ultimate growth horizon with a factor of 2.7 people per household. Additional infill has been added to Ngaruawahia from the MSP projections provided by GMD Consultants – Susan Henderson[2].	Information yet to be adopted by Waikato District Council
Hamilton City Council	Base Population	2018 Stats NZ Estimate	Census Area Unit data resolved to property parcel level was used to calculate the community base population.	

[1] Email dated 12/08/2020

[2] Email dated 1/09/2020

	Forecasts	Source	Approach	Limitations
	Forecasts for 2021 through to 2061	Wastewater Master Plan V3 population equivalent projections for 2021-City Full	Detailed population equivalent projections for each wastewater catchment were prepared for the wastewater model V3. PE data was based on the Hamilton City NIDEA 2016 Population projections, with further modelling completed to spatially allocate the residential and non-residential demands across the city, given planning provisions and infrastructure programmes available at the time. Information provided by Hamilton City Council - Manjit Devgun[3]. This is the primary source of information to be used for the DBC infrastructure sizing. Additional infill has been added to the PE projections 2031-2061 from the MSP projections provided by GMD Consultants – Susan Henderson[4] (see Section 6). This covers the key nodes of Hamilton CBD, Te Rapa (The Base), Frankton, Chartwell, Fairfield and the University. NIDEA 2020 Information provided by Hamilton City Council - Nathan Dalgety[5] has been provided in Table 5-1 for comparison with similar data from Waipa and Waikato Districts but will not be used for technical work as the population equivalent information is considered more suitable for infrastructure sizing.	For the 2021/31 LTP, a new set of population projections has been completed, which are referred to as NIDEA 2020. These projections overall are still very similar to the NIDEA 2016 projections; however some adjustments have been made to net migration in the short term due to the Covid related border closures. Additionally, the NIDEA 2020 projections have been rebased to 2019 Population Estimates for Hamilton City. With the additional MSP infill data included the HCC population trend is more consistent with the medium NIDEA projection.

[3] Email dated 11/8/2020

[4] Email dated 1/09/2020

[5] Email dated 21/7/2020

	Forecasts	Source	Approach	Limitations
	Ultimate Forecasts	Metro Spatial Plan	Indicative ultimate population has been sourced from the Metro Spatial Plan work stream population projections July 2020, and City Full Projections from WWMP V3 (2020). Additional infill has been added to Hamilton ultimate forecast from the MSP projections provided by GMD Consultants – Susan Henderson[6] (see Section 6).	Southern Links and area east of Ruakura are not specifically included in the Metro Spatial Plan estimates.
Waipa District Council	Base population	Waipa Three Waters Master Plan Growth Gateway 2019. Statistics New Zealand 2013 Census Data	The population forecasting predictions for Waipa have been based on an analysis carried out for the Waipa Three Waters Master Plan in 2019.Statistics New Zealand 2013 Census Data was adopted as the starting population estimation for each growth area.	
	Forecasts for 2021 through to 2061	NIDEA 2016 Growth Cell Timing Spreadsheet (provided by WDC, 2019)	NIDEA Population mid-point projections were used to predict population growth to 2021. GIS Information was used to determine the proportion of dwellings that are connected to the network. Growth Cell Timing Spreadsheet (provided by Waipa District Council, 2019) was used to assign growth cell population projections to the 2025, 2035 and 2050 horizons.	Limited infill allowed for reflecting historical trends. Infill allowances consistent with projections in MSP.
	Ultimate Forecasts	Waipa Three Waters Master Plan Growth Gateway 2019	Maximum probable growth for each community was calculated using a sensitivity analysis considering infill, density of new growth cells and potential additional growth cells.	

[6] Email dated 1/09/2020

4.2 Non-residential growth assumptions

Demand projections and available capacity for industrial land are outlined in the Future Proof Industrial Land study (GMD Consultants March 2020). Demand projections for the 2020-30 and 2020-50 periods are based on projections developed in the Business Development Capacity Assessment 2017 (ME Consultants). A summary of the available industrial demand and capacity information from the study is provided in Table 4-2.

Table 4-2 Industrial demand and capacity in the metro area

Location	Industrial demand 2020-2030 ha	Industrial demand 2020-2050 ha	Capacity in current zones (incl deferred) ha
Ngaruawahia/ Hopuhopu	4.1	10.1	39
Taupiri/Horotiu/ Te Kowhai	44.3	102	194
Hamilton	318	524	659
Airport	6.4	16.7	104
Cambridge	26.5	71.9	205
Te Awamutu	12	27.5	49
Total	411.3	752.2	1250

For the metro area as a whole there is expected demand for 411 hectares of industrial land over the next 10 years, increasing to 752 hectares over the next 30 years. There is current capacity of 1,250 hectares indicating that there is enough land capacity to facilitate the demand for industrial growth in the metro area. There are also additional non-residential growth areas identified in Waikato 2070 and Waipa 2050 in Taupiri, Hopuhopu, Horotiu and at the Airport. More detailed capacity and timing information for non-residential areas is required to inform the long and short list options development. Available information for individual non-residential growth cells and additional areas in Waipa and Waikato Districts has been collated in **Table 4-3**. The locations of non-residential growth areas are shown in Figure 4-1 with more detail for small townships in Appendix 1.

The current zone and potential additional areas in Table 4-3 will be used to estimate new non-residential flows (using the population equivalent factor) assuming all non-residential growth cells and additional areas will be serviced and developed. This may result in an over-provision of infrastructure capacity for some areas.

Table 4-3 Non-residential growth area assumptions

Location	Type of development	Current zoned (incl deferred) ha	Potential additional areas ha	Recommended PE/ha	Comments/Expected Timing
Taupiri	Light Commercial		150	30	West 3-10 yrs, East 10-30 yrs
Te Kowhai Airpark	Mixed use	45		30	3-10 yrs
Hopuhopu Business Park	Commercial/light industrial		35	45	10-30 yrs
Waikato Tainui - Hopuhopu	Mixed use		24	Varies (PE estimate provided[7])	1-30 years
Horotiu	Light Industrial/ logistics	194	50	30	3-10 years
Te Rapa North	Industrial	As per WWMP			As per WWMP
Rotokauri	Light Industrial				
Ruakura	Light Industrial/ logistics				
Tamahere[8]	Business zone	8.5		30	1-10 years.
Matangi	Commerical/light industrial	5		30	1-10 years.
Airport	Light Industrial	153	100	45	Titanium Park, Meridian 37 by 2035, Montgomery block to 2050, Northern extension post 2050
Cambridge - Hautapu	Industrial	197		45	Small area currently under development, remainder by 2050
Te Awamutu	Light industrial and commercial	37		45	Bond Rd and Paterangi Rd developed by 2030

[7] Email Jackie Colliar 12/8/20

[8] Waikato District Council S92 Report Tamahere Business Zone 2018

At present, the Metro Area local authorities do not specifically plan for or design infrastructure to include capacity for new wet industrial (or high water use) activities. This project, alongside relevant landuse planning projects provides an opportunity to implement more integrated and considered infrastructure planning approaches.

While the portion of non-residential land capacity which will be allocated to wet industries is uncertain, on an area basis it is expected to be small. The servicing of new high water users (wet industry) will be partly limited by water allocation and water treatment plant/network capacity, rather than land capacity unless there are changes to the allocation regime under the Waikato Regional Plan. There are a number of known future trade waste discharges that have been approved and are included as part of the based PE flow estimates as outlined in Table 4-4.

Table 4-4 New trade waste discharge assumptions

Location	Type of development	Additional Wet Industry/trade waste Allowance m^3/d
Dairy industry new site Hamilton	Industrial	2,160
Innovation park	Science and technology	400
Waikeria/Tokanui	Corrections facility/ residential discharge	700

As part of developing these recommendations, relevant staff from HCC, Waikato DC, Waipa DC and Waikato Tainui discussed and reached consensus on reasonable locations to assume (and provide for) new wet industrial activity may be concentrated:

- Te Rapa North
- Ruakura
- Airport
- Near the existing Cambridge WWTP

Table 4-5 outlines the current industrial flow allowance for these areas through to 2061 using the RITS standard allowances. The HCC Non-Residential Water and Wastewater Design Flows Report (GHD 2017) shows that there is a wide variety of flows and population equivalents (PE) from non-residential sources. The key type of activity that would impact the wastewater system is food processing industries which have a typical flow rate of 4L/s/ha (in a 24hr operation this is 346 m^3/day).

Many different approaches can be taken to estimate potential flows from wet industrial activity. For the purpose of this DBC it is recommended that high water use activities are assumed for 2% of total land area allocated for industrial activities as part of the base growth projection assessments. A sensitivity assessment assuming no specific wet industry provision will also be completed to quantify the impact on infrastructure sizing (and timing) associated with the proposed wet industry allowances. The additional wet industry PE and flow allowances are shown in Table 4-5.

Table 4-5 New Wet Industry growth area assumptions

Location	Type of development	Indicative area (incl deferred and non-zoned) ha	Base Industrial Flow allowance* m^3/d	Base Industrial Flow PE/ha	Additional Wet Industry Allowance m^3/d	Additional Wet Industry PE	Total Industrial flow allowance **m^3/d**
Horotiu	Light Industrial/ logistics	194	931	30	1341	6,705	2,272
Te Rapa North	Industrial	60	432	45	415	2,074	847
Ruakura	General Industrial	225	1,620	45	1,555	7,776	3,175
Airport	Light industrial	253	1,822	45	1749	8,744	3,570
Cambridge (near WWTP)	Industrial	23	165	45	159	795	325

The following assumptions for new non-residential areas are recommended:

- For Waikato and Waipa Districts, non-residential growth will be based on the areas in Table 4-3 spread over expected development timeframes and the population equivalent (PE) factor outlined above.
- For Hamilton City, non-residential growth information has been incorporated into the PE forecasts for the Wastewater Master Plan V3 as outlined in Section 6.
- Existing and known future trade waste/wet industry discharges will be included in the wastewater flow and load projections.
- 45 population equivalent per hectare is used per additional hectare of industrial activity as per the RITS unless a different population equivalent is outlined in the table above. Gross areas will be corrected for non-usable areas such as transport corridors based on structure plans where available.
- For areas where wet industry is preferred to occur, an additional flow/load allowance based on 2% of the area used for food processing type wet industry will be assumed. This results in approximately double the flow compared to the standard industrial flow allowances.

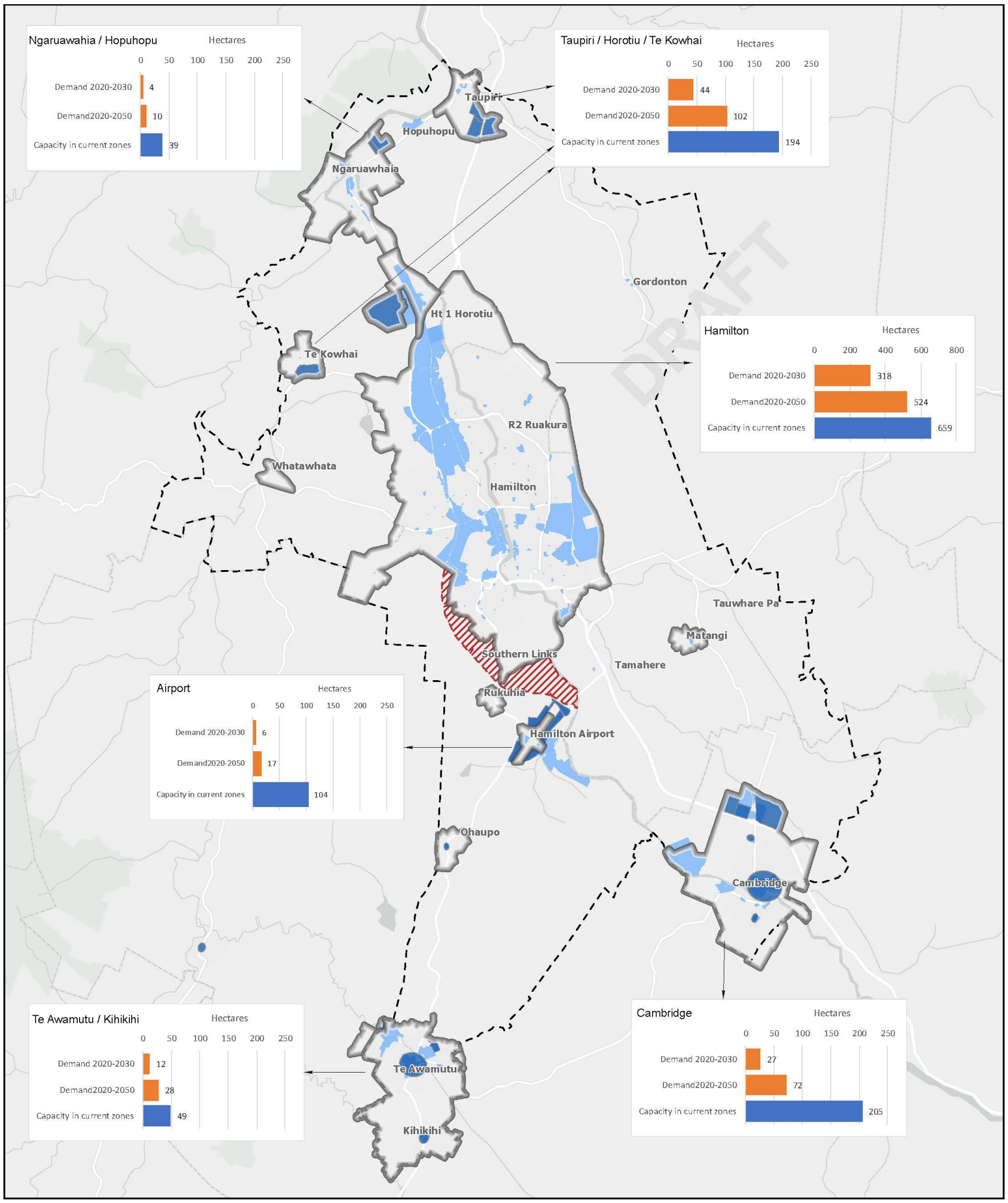


Figure 4-1 Metro Area non-residential growth areas

5 Metro Area Growth

Table 5-1 provides a summary of the residential growth expected for each of the communities in the metro area and the proposed future servicing approach.

Figure 5-1 highlights the areas of residential growth expected within the region and the corresponding population within each area. The figure also highlights the WA, HT1 and R2 areas as preferred longer term areas for residential growth. These are currently outside the current Hamilton City boundary but an agreement is in place with Waikato District for future boundary changes to bring these areas into HCC jurisdiction when specific criteria are met (see Table 3-1).

The Southern Links area and area east of Ruakura are other "Possible Areas" that may be identified for future development. Some discussions have occurred between HCC and Waipa DC around the Southern Links Area.

Residential growth information from the Metro Spatial Plan workstream is provided in Table 5-1 as a comparison with the ultimate forecasts based on capacity information for Waikato and Waipa Districts. The ultimate forecasts for Hamilton City are based on the Metro Spatial Plan information. It is proposed to use the ultimate capacity to inform footprint requirements for new infrastructure only as part of the DBC.

All urban areas will be serviced. Rural residential lots adjacent to towns are currently not serviced for wastewater and this is proposed to continue. Te Kowhai currently has a mixture of on-site (privately serviced) and publicly serviced properties, however, the proposed District Plan signals that Te Kowhai growth areas have the potential for more dense development which would require servicing. It is recommended that Ohaupo, Matangi township and Tamahere commercial flows are included in the wastewater servicing area due to the sensitive environment associated with the peat lakes at Ohaupo and difficult soil conditions in Matangi/Tamahere areas. Little growth is expected in Gordonton, Pirongia and Whatawhata so there would be little benefit in servicing these areas. Rukuhia is a very small community but servicing could be considered in future. Servicing of Tauwhare Pa will continue.

Table 5-1 Metro area residential growth summary

				Residential population projection						
	Area	Current servicing	Future Servicing	2021	2031	2041	2051	2061	Ultimate	MSP (for comparison only)
Waikato District Council	Taupiri	Currently serviced	Yes	2,062	2,776	3,167	3,391	3,656	4,800	
	Ngaruawahia (incl Hopuhopu)	Currently serviced	Yes	6,234	7,277	7,975	8,392	9,892	19,867	28,893 (covers larger area)
	Horotiu	Currently serviced	Yes	650	1,015	1,229	1,436	1,596	1,596	5,468
	Te Kowhai	Small part of township serviced	Yes all new development and existing township post 2030	2,079	2,265	2,649	3,059	3,335	5,670	1,173
	Matangi	Township only serviced	Yes, continue existing township only and include existing commercial area	149	149	149	149	149	711	711
	Whatawhata[9]	Not currently serviced	No	3,092	3,310	3,713	4,136	4,455	4,455	

[9] Large lot or houses in "Country living zone" which are currently serviced by onsite wastewater treatment facilities.

				Residential population projection						
	Area	Current servicing	Future Servicing	2021	2031	2041	2051	2061	Ultimate	MSP (for comparison only)
Hamilton City Council	Gordonton	Not currently serviced	No	103	103	103	103	103	103	
	Tauwhare Pa	Yes, Pa only	Yes, Pa only (allowance for 100 extra houses in ultimate)	119	619[10]	619	619	619	889	
	Tamahere Country Living Zone[11]	Not currently serviced	No, note servicing of Tamahere commercial area see Table 4-3	5,808	5,908	6,156	6,469	6,637	6,637	
	Hamilton	Currently serviced	Yes (includes R2, HT1 and Southern Links)	171,606	194,186	219,737	234,194	248,650	380,000	MSP used for ultimate
	Additional area - East of expressway	Not currently serviced	Yes post 2061						30,000	

[10] Allowance for extra Papakainga housing – 50 houses at 10 person per house occupancy

[11] Large lot or houses in "Country living zone" which are currently serviced by onsite wastewater treatment facilities.

				Residential population projection						
	Area	**Current servicing**	**Future Servicing**	**2021**	**2031**	**2041**	**2051**	**2061**	**Ultimate**	**MSP (for comparison only)**
Waipa District Council	Ohaupo	Not currently serviced	Yes post 2051	547	630	814	1,025	1,031	1,100	720
	Rukuhia	Not currently serviced	No						300	
	Cambridge (incl Hautapu and Karapiro)	Currently serviced	Yes (excluding large lot residential)	20,520	28,311	30,543	33,005	35,144	47,762	39,151
	Te Awamutu & Kihikihi	Currently serviced	Yes (excluding large lot residential)	17,488	19,157	22,073	26,150	27,169	33,179	33,848
	Pirongia	Not currently serviced	No	1,575	1,575	1,575	1,575	1,575	1,698	

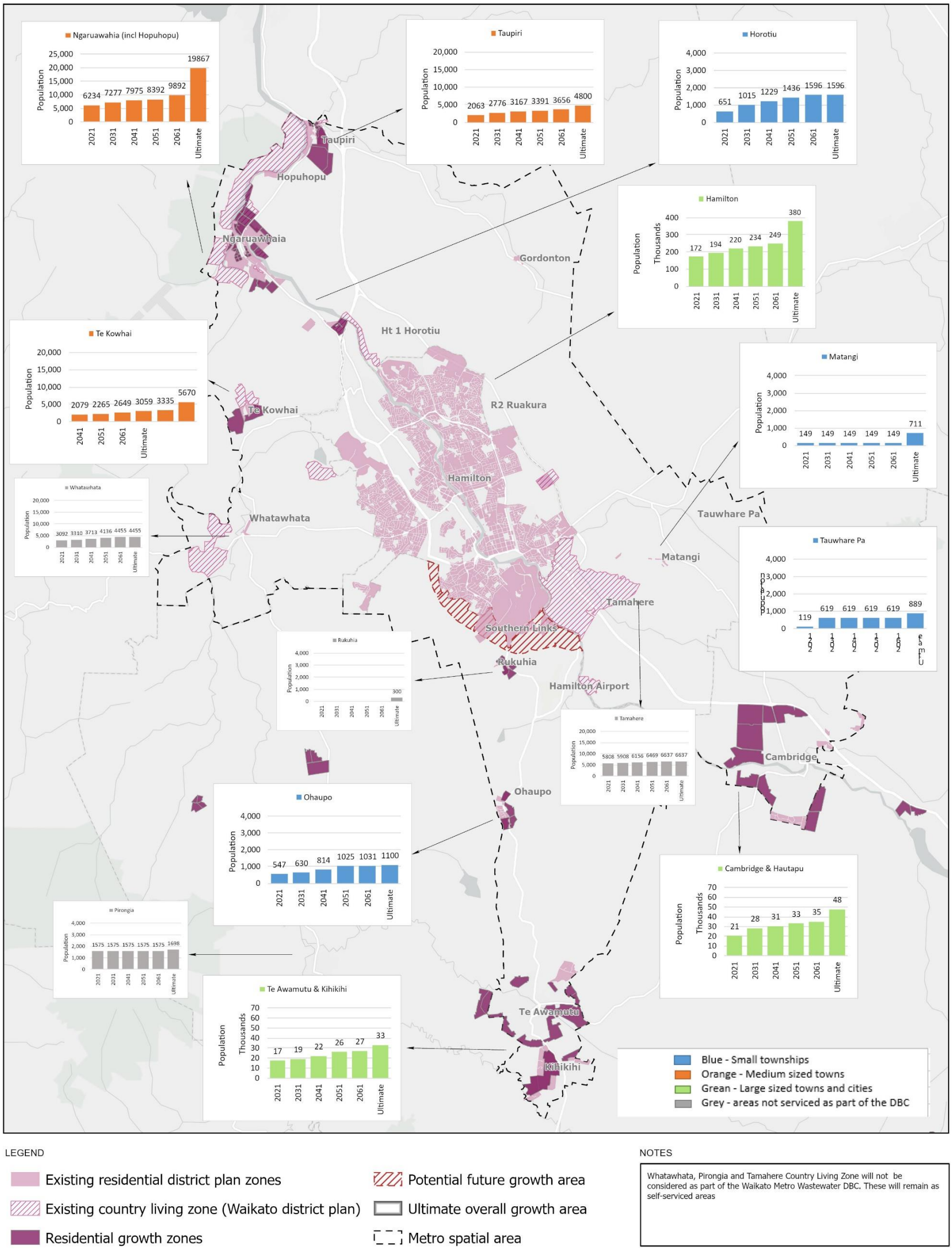


Figure 5-1 Metro Area residential growth

6 Hamilton City Growth

A more detailed breakdown of population equivalent projections was developed for the Hamilton wastewater network model V3 and are recommended for the DBC. Population equivalent includes both residential, commercial and industrial inputs and is available for the main growth cells and infill locations within Hamilton (see Table 6-1).

Figure 6-1 shows where the growth cells are located and the growth expected over time. This information will be used to determine which areas could potentially be diverted to a southern sub-regional WWTP and what flows would continue to be treated at Pukete WWTP. The areas marked * are currently outside the Hamilton City boundary but are subject to an agreement with Waikato District Council regarding future transfer to the city. A detailed breakdown is provided in Appendix 2.

Table 6-1 Hamilton City population equivalent growth breakdown

Growth Cell	2021	2031	2041	2051	2061	City Full
Te Rapa North	1,167	9,073	9,677	10,280	10,884	15,898
Ruakura	6,816	10,127	13,965	17,014	25,697	28,769
Peacockes	1,346	6,532	14,161	18,648	25,489	25,607
Templeview	2,031	2,681	3,550	4,419	5,289	15,860
Rotokauri	2,897	9,129	9,567	19,913	21,570	31,624
Te Rapa	13,892	15,003	15,993	17,290	19,168	39,698
Rototuna	10,433	15,165	15,068	14,972	14,875	15,284
WA*	0	0	0	0	0	1,000
HT1*	0	0	0	8,398	16,796	33,591
R2*	179	179	179	4,725	9,450	9,450
East of Ruakura						30,000
MSP Additional Infill		2,311	6,934	11,557	16,180	72,278
Brownfield	217,377	231,480	239,636	253,447	254,244	339,475

The PE figures for Hamilton City, detailed in Table 6-1 do not include population equivalents for the existing trade waste discharges. The population equivalent figures for Hamilton City do include allowances for schools, hospitals, additional flow within the Ruakura Growth Cell and other existing and planned commercial and industrial activities (not specifically listed in the trade waste discharge list) within the city. The infill nodes in the MSP are outlined in Figure 6-2. The current Hamilton trade waste dischargers are shown in Figure 6-3.

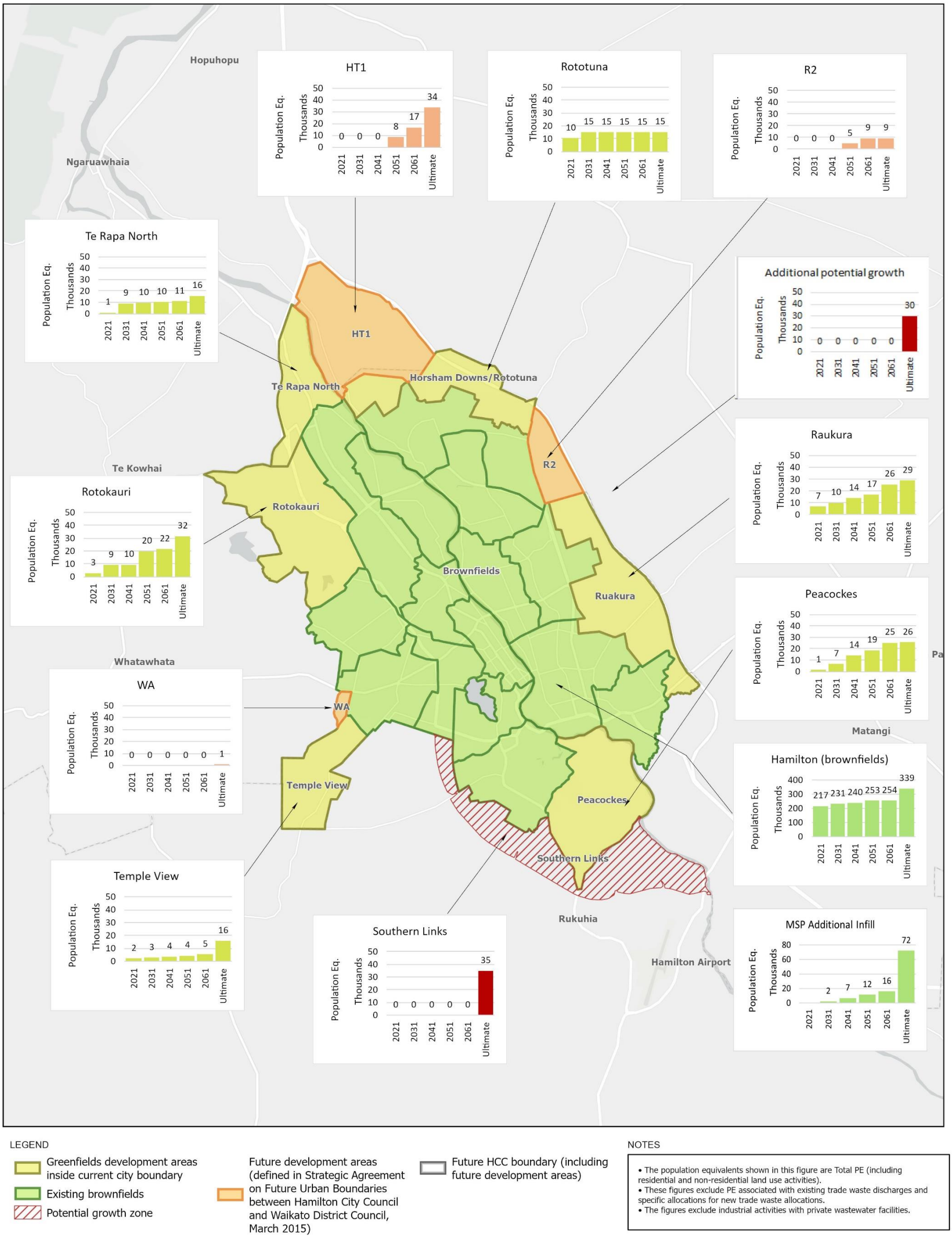


Figure 6-1 Hamilton City growth breakdown

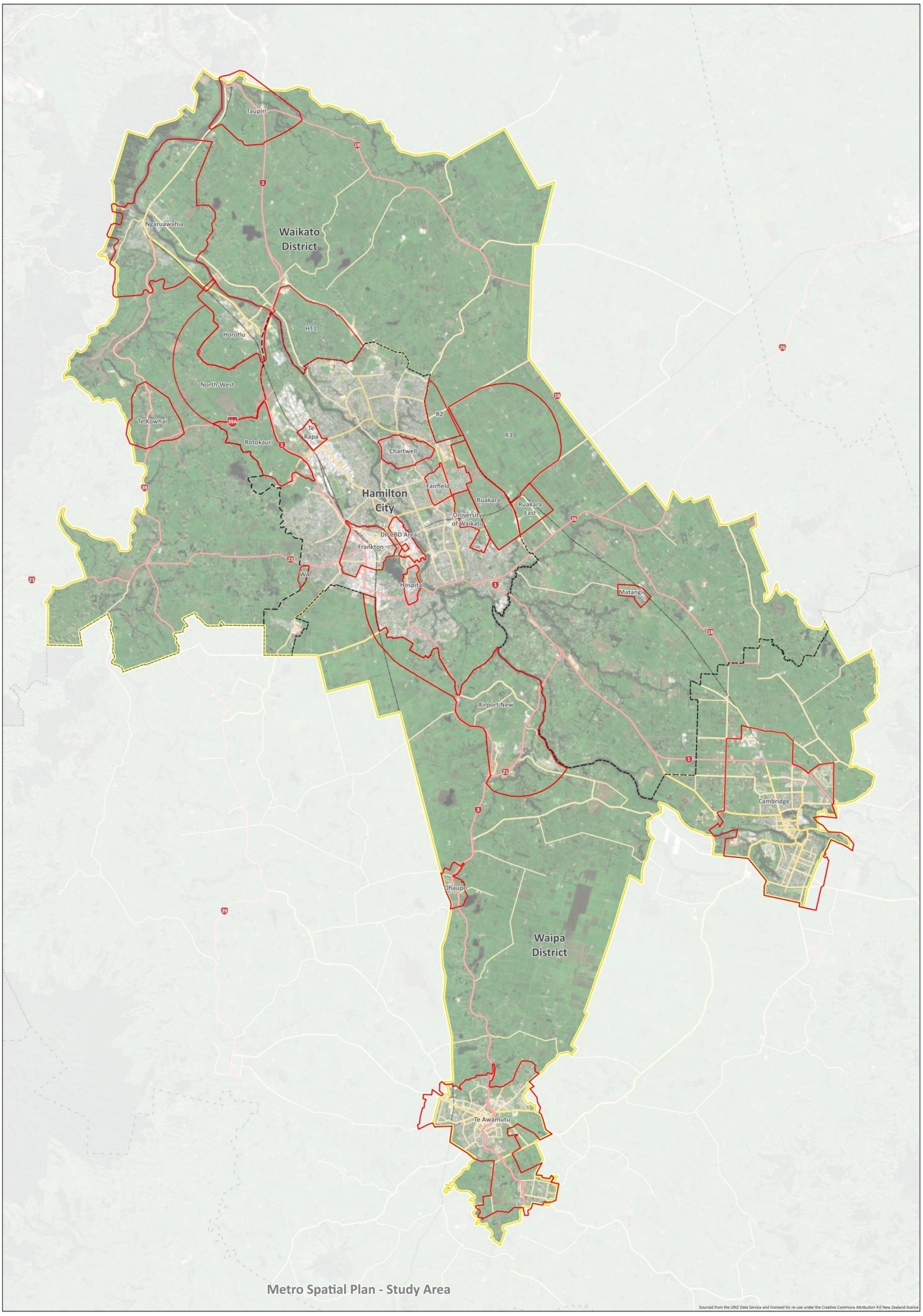


Figure 6-2 MSP Nodes

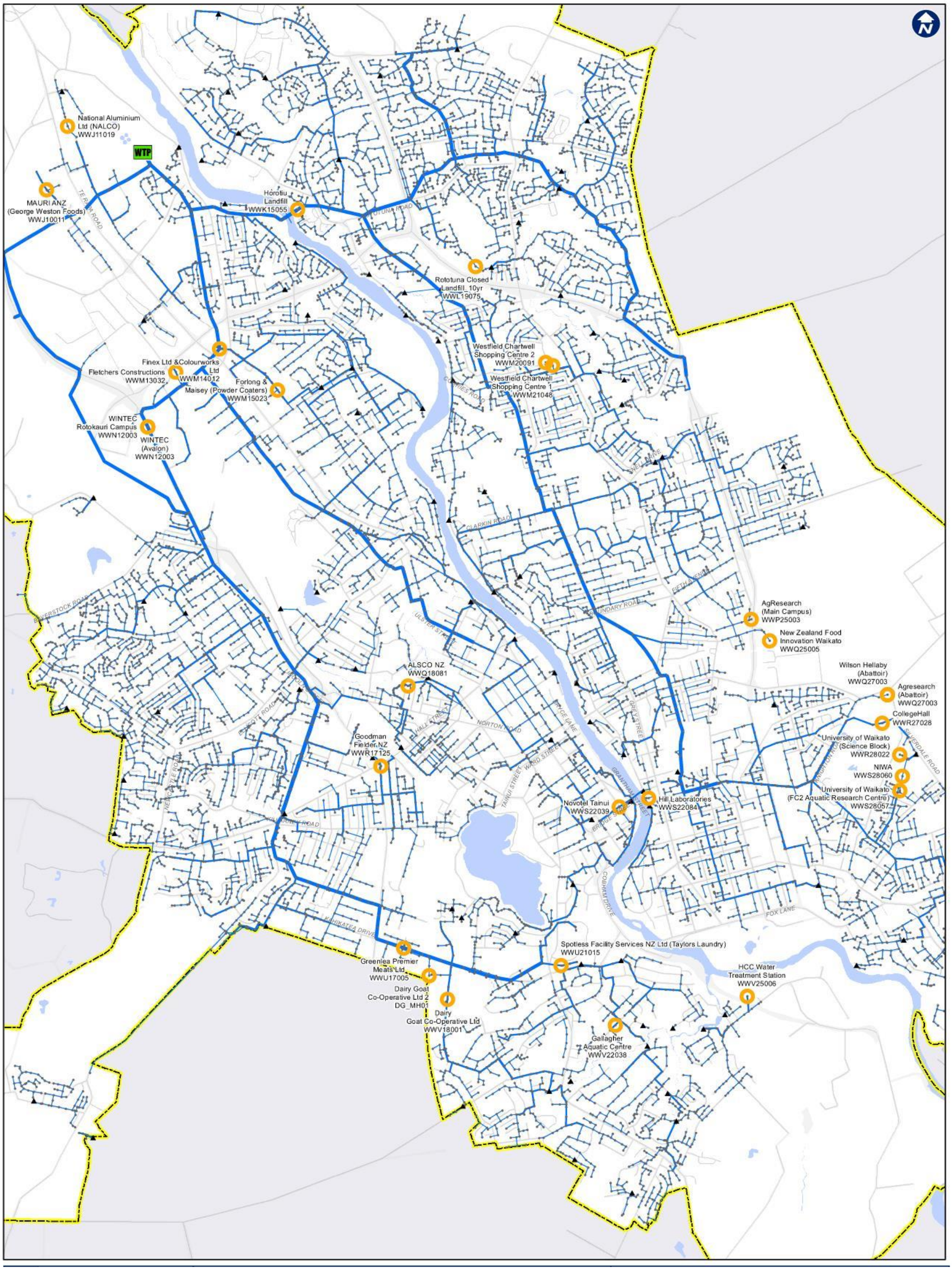


Figure 6-3 Hamilton City Trade Waste Discharges (Aecom 2016)

7 Limitations

Waipa and Waikato District residential growth projections are based on the mid-point NIDEA projections while Hamilton City growth projections are based on the low projection with additional allowance for infill under the Hamilton Waikato Metro Spatial Plan.[12]

The assumptions are consistent with those being used to inform Master Plans and Activity Management Plans (AMPs) feeding into the 2021-2031 Long Term Plans. If residential growth occurs faster than expected, infrastructure upgrades would need to be bought forward. Sensitivity analysis for growth projections will therefore be undertaken for the preferred southern option.

Development of non-residential zones is highly dependent on economic and transport factors. New wet industries in the area are likely to be relatively small scale given the limited water allocation available under current water take consents. Different industries have varying flow profiles and population equivalents. Using the RITS design basis for new non-residential growth cells is consistent with wastewater network modelling methodology. However it is acknowledged that the RITS approach does not adequately capture flows that may be associated with medium or high water use activities and therefore some specific additional provisions are included in the recommended growth figures to be adopted for the DBC. The total non-residential capacity, including the additional areas identified in Waikato 2070, appears to be in excess of expected demand, however, infrastructure will need to be capable of servicing these areas if they could be developed. Additional sensitivity analysis will be carried out at the preferred option stage to confirm the capacity allowance for non-residential areas.

NIDEA household/population projections will be reviewed once full 2018 Census data is available and updated forecasts are expected to be available mid-2021. A staged approach to providing wastewater infrastructure capacity will provide flexibility to adapt if population growth rates change.

COVID-19 – effects on growth projections for the Waikato are expected to be short-term.

Calibrated network models are available for all main serviced areas. These models provide peak flow information and population equivalent data for different catchments. The network models allow for the impact of climate change on peak flows which will be considered during conveyance design. Wastewater treatment plant design for the metro long list stage will be based on average daily flow which is less influenced by climate change.

At the preferred southern option stage, sensitivity analysis is proposed to further investigate how changes in growth affect infrastructure sizing and staging. This will involve estimating expected upper and lower ranges for:

- Infill growth,
- greenfield residential growth,
- industrial/commercial growth and
- wet industry activity (quantity and composition).

[12] **"For Hamilton City, the low NIDEA forecast in 2060 is 226,000, and the medium forecast is 259,000, a difference of 33,000. The DBC has adopted the low NIDEA population forecast of 226,000, with additional allowance for infill of 18,000 in 2060 (and 72,000 for the city full scenario), giving a total of 244,000. The difference between this adopted forecast and the medium NIDEA forecast is relatively minor."**

Once the likely lower and upper flows and loads are calculated, impacts on infrastructure sizing and operations can be assessed.

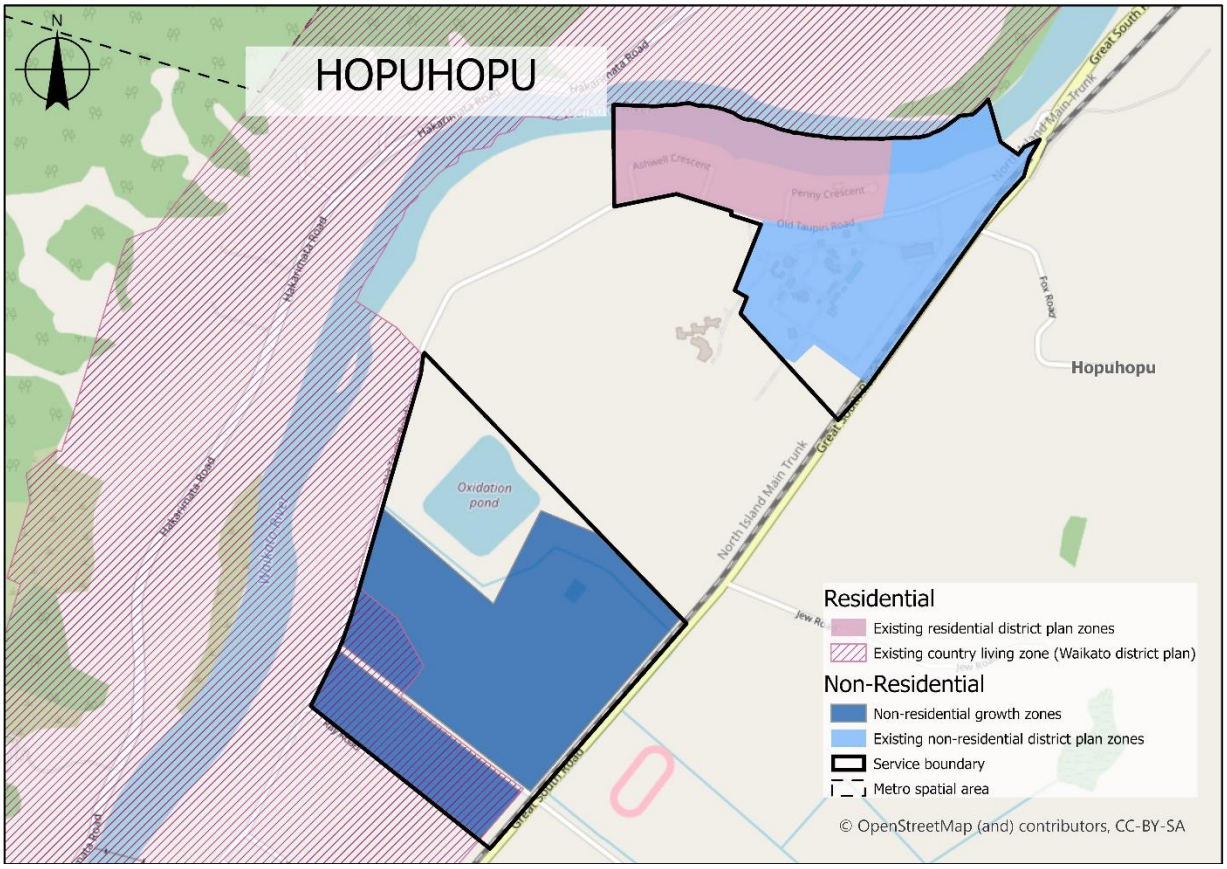
8 Recommendation

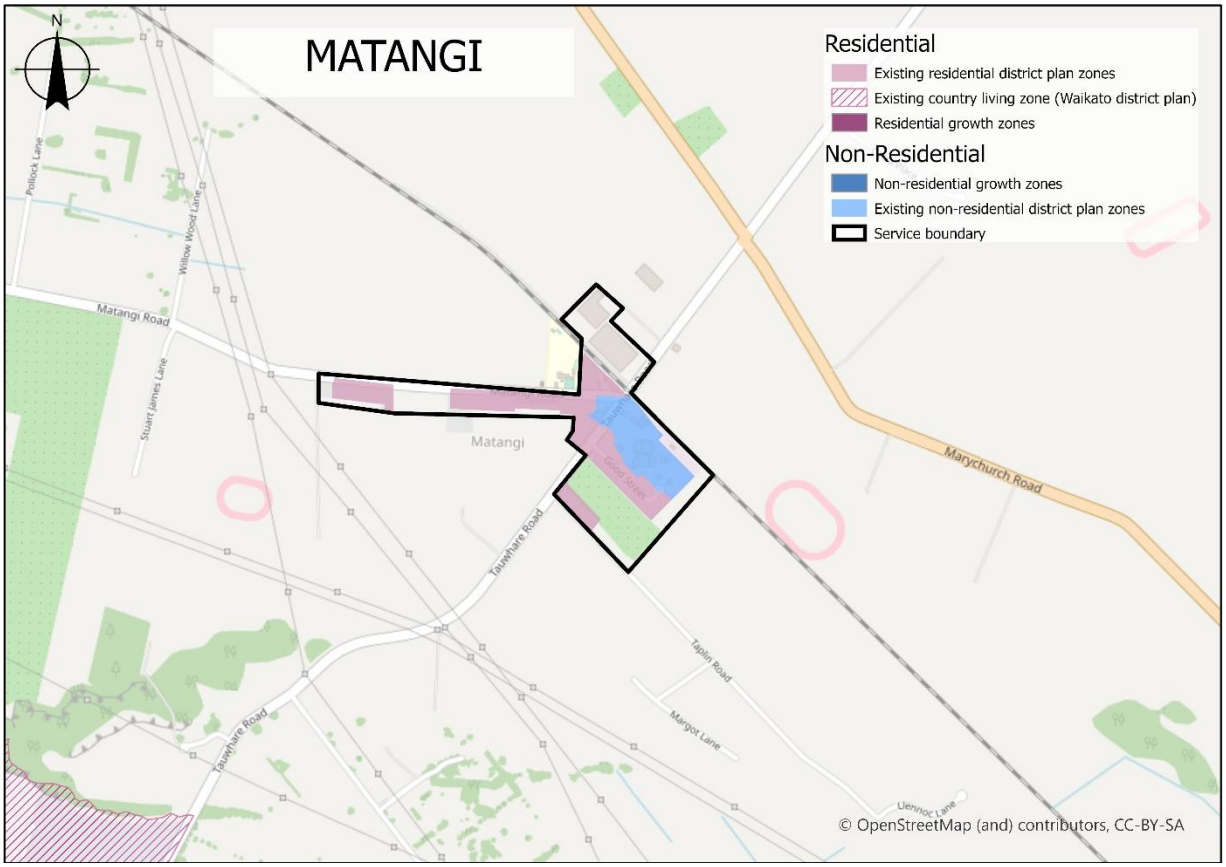
It is recommended that the residential and non-residential servicing and growth assumptions outlined in Tables 4-3, 4-4, 4-5, 5-1, and 6-1 of this technical note are used for the metro wastewater DBC long list and southern short list stages.

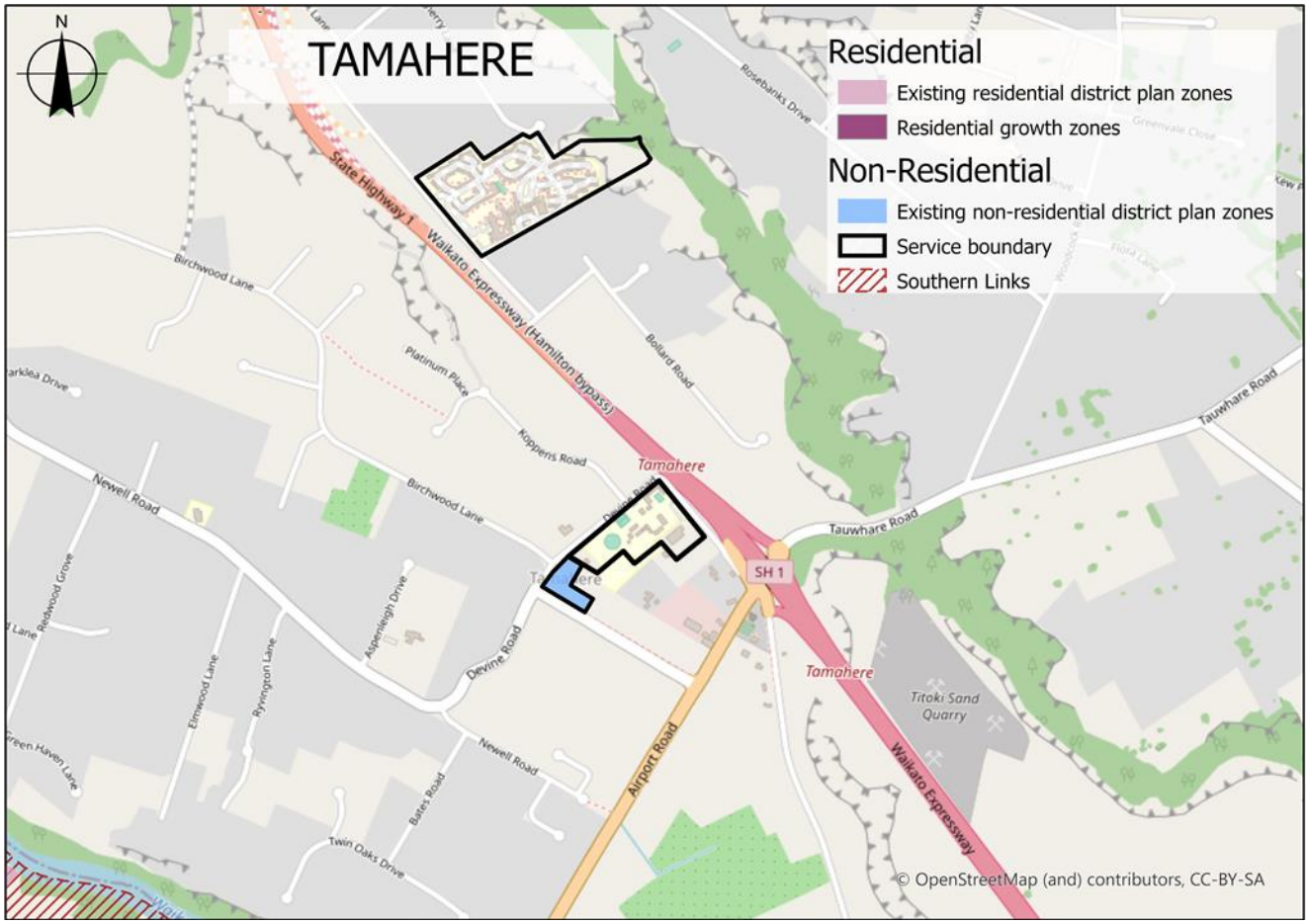
Version Control

Version	Author		Reviewer	Approver
Draft v2	Claire Scrimgeour/ Kate Jackson	13/8/2020	Rob Brodnax	Sioban Hartwell
Draft v3	Claire Scrimgeour/ Kate Jackson	14/8/2020	Rob Brodnax	Sioban Hartwell
Final	Claire Scrimgeour/ Kate Jackson	28/9/2020	Rob Brodnax	Sioban Hartwell
Updated Final	Claire Scrimgeour/ Kate Jackson	5/10/2020	Rob Brodnax	Sioban Hartwell
Final V3	Claire Scrimgeour	10/12/2020	Rob Brodnax	Sioban Hartwell

Appendix 1 – Small towns growth areas



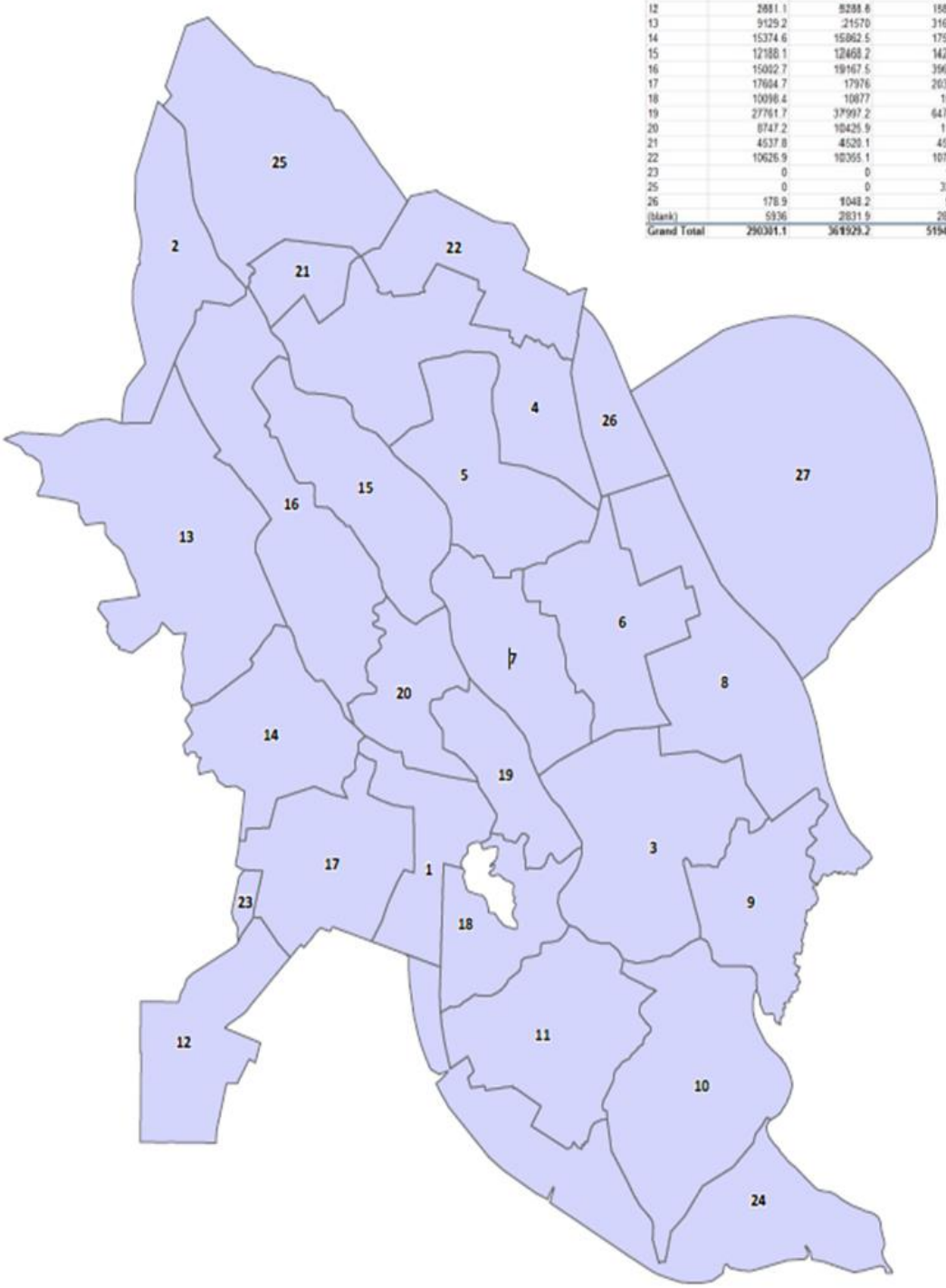



N
TAMAHERE
Residential
Existing residential district plan zones
Residential growth zones
Non-Residential
Existing non-residential district plan zones
Service boundary
Southern Links
State Highway 1
Waikato Expressway (Hamilton bypass)
Birchwood Lane
Platinum Place
Bollard Road
Koppens Road
Tamahere
Newell Road
Birchwood Lane
Tauwhare Road
SH 1
Tamahere
Titoki Sand Quarry
Waikato Expressway
Airport Road
Devine Road
Newell Road
Twin Oaks Drive
Bates Road
Rosebanks Drive
Tauwhare Road
© OpenStreetMap (and) contributors, CC-BY-SA

Appendix 2 – Hamilton Population Equivalent Forecast by Area

Area	PE_2021	PE_2031	*PE_2041*	*PE_2051*	PE_2061	City Full
1	7,567	8,118	*8,690*	*9,283*	9,958	20,222
2	1,167	9,073	*9,677*	*10,280*	10,884	15,898
3	24,730	25,020	*24,786*	*25,373*	24,658	28,584
4	21,763	21,928	*20,622*	*21,720*	21,002	23,301
5	11,996	11,943	*11,843*	*12,087*	11,824	14,107
6	15,637	16,318	*16,606*	*16,894*	17,182	18,814
7	10,958	11,589	*12,091*	*12,715*	12,488	14,506
8	6,816	10,127	*13,965*	*17,014*	25,697	28,769
9	11,371	11,967	*13,178*	*15,084*	13,276	15,562
10	1,346	6,532	*14,161*	*18,648*	25,489	25,607
11	16,913	17,820	*18,409*	*19,720*	19,081	20,732
12	2,031	2,681	*3,550*	*4,419*	5,289	15,860
13	2,897	9,129	*9,567*	*19,913*	21,570	31,624
14	15,181	15,375	*15,537*	*15,700*	15,863	17,546
15	11,940	12,188	*12,406*	*12,413*	12,468	14,283
16	13,892	15,003	*15,993*	*17,290*	19,168	39,698
17	16,181	17,605	*17,728*	*17,852*	17,976	20,349
18	9,238	10,098	*10,358*	*10,617*	10,877	15,022
19	21,625	27,762	*32,271*	*36,655*	37,997	64,800
20	8,386	8,747	*9,118*	*10,042*	10,426	11,951
21	3,464	4,538	*4,532*	*4,526*	4,520	4,547
22	6,969	10,627	*10,536*	*10,446*	10,355	10,737
23	0	0	*0*	*0*	0	1,000
25	0	0	*0*	*8,398*	16,796	33,591
26	179	179	179	*4,725*	9,450	9,450

Identifier	Sum of PE_2031	Sum of PE_2061	Sum of PE_CityFul
1	8118.4	9958	20222
2	9072.9	10884.2	15898
3	25019.8	24657.9	28584.3
4	21927.7	21002.2	23300.6
5	11942.5	11824.4	14107
6	16317.9	17182.2	18813.7
7	11589.2	12488.2	14506.1
8	10126.7	25697.3	28769
9	11967	13276	15661.5
10	6631.8	25489.4	25606.6
11	17819.9	19081.2	20731.5
12	2881.1	5288.8	15880.1
13	9129.2	21570	31624.4
14	15374.6	15862.5	17546.2
15	12188.1	12468.2	14283.2
16	15002.7	19167.5	39697.6
17	17604.7	17976	20348.9
18	10098.4	10877	15022
19	27761.7	37997.2	64799.8
20	8747.2	10425.9	11951
21	4537.8	4520.1	4546.7
22	10626.9	10365.1	10737.1
23	0	0	1000
25	0	0	33591
26	178.9	1048.2	9450
(blank)	5936	2831.9	2848.8
Grand Total	290301.1	361929.2	519487.1



Technical Note

To:	Waikato Metro Wastewater DBC Governance and Control Groups	**Date:**	1 December 2021
From:	Claire Scrimgeour, David Grace and Mhairi Rademaker	**Our Ref:**	3258181-1738775688-93
Copy:	John Crawford, Rob Brodnax, Jackie Colliar		
Subject:	Waikato Metro Northern Wastewater DBC - Assumptions and sensitivity testing		

1 Purpose

The purpose of this memorandum is to confirm the critical assumptions necessary to define and evaluate options for the Waikato Northern Metro Wastewater Detailed Business Case (Northern DBC).

2 Introduction

The Northern DBC will select a strategic wastewater servicing option for the Northern Metro Area. It is proposed that the growth and treatment assumptions made in the Southern DBC in relation to the full Hamilton Waikato Waipa Metro Area (the "Metro Area") are used as the basis for the assumptions for the Northern DBC. Those assumptions are detailed in memoranda titled: *Growth Assumptions for Waikato Metro Wastewater DBC* (10 December 2020) and *Wastewater Treatment Assumptions for Waikato Metro Wastewater DBC* (14 August 2020).

Those assumptions remain broadly relevant for the Northern DBC; however, recent refinement of the metro spatial plan population projections by Futureproof and an improved understanding of technical issues and opportunities at the Pukete and Ngaruawahia Wastewater Treatment Plants (WWTP's) suggest minor refinement and some adjustments would be appropriate.

Beca have engaged with Hamilton City Council (HCC), Watercare Services Limited (Watercare) and Waikato District Council (WDC) to test and refine the assumptions.

Rather than repeat the analysis outlined in the Southern DBC assumption memorandums, we propose to adopt the Southern DBC assumptions with minor adjustments agreed to by the partners and outlined in this memorandum. The revised assumptions are broken into:

- Population assumptions: residential and non-residential assumptions, population equivalents
- Treatment assumptions

The assumptions do not address all possible scenarios (i.e. much faster than predicted population growth or population growth in different locations from those anticipated by Futureproof). To address the risk that the assumptions are not accurate this memo proposes a list of sensitivity tests to be used as part of the evaluation of the preferred option.

3 Population assumptions

3.1 Overview

Appropriate growth assumptions (both quantum and rate of change) are required to inform the development of high-level strategic wastewater treatment options. The growth assumptions will provide indications of the size and timing of potential new conveyance systems and WWTP's and

when upgrades are required for existing WWTP's. They may also dictate the timing and order of layout changes to be made at Pukete WWTP.

While these growth projections will be revisited as part of any detailed investigations needed to implement the recommendations in the Northern DBC, it is important that an appropriate level of endorsement and approval of these assumptions is obtained. The purpose of this is to ensure the DBC is able to be defended and that key inputs used are supported by the partner organisations. Confirmation of these key assumptions (and sensitivity tests) is required to avoid programme slippage or risk of re-work associated with having to consider new growth projections, information or thinking.

The recommended growth assumptions presented in this memorandum have been developed using relevant information sources including growth projections and capacity information provided by each partner Council and Waikato-Tainui.

3.2 Non-residential growth assumptions

We propose to use the high-level assumptions adopted for the Southern DBC except as noted below. The revised assumptions are summarised in **Error! Reference source not found.**, **Error! Reference source not found.** and **Error! Reference source not found.**.

Changes are proposed to the **non-residential growth assumptions** set out in Table 4-3 of the Southern DBC memorandum as shown on **Error! Reference source not found.**. The proposed adjustments address the following matters raised by the partners:

- Allowance for the Ngaruawahia Business Hub (as per Southern DBC).
- For Hamilton City, non-residential growth information has been sourced from the Future Proof Business Demand Capacity Assessment, 2021.
- A reduced industrial land yield for Waikato District zones of 70% (previously assumed at 80%) due to likely areas required for roads and stormwater systems.
- Te Kowhai Airpark – revised to assume 100 dwellings only as not a traditional urban or lifestyle type development.
- A significant proportion of the Horotiu existing industrial zoned land is already used for logistics type operations with low wastewater generation rates. However, for design of pump stations and pipelines and ultimate footprint of any treatment plants it is proposed to consider the RITS standard industry wastewater generation rate.

Trade waste assumptions are shown in **Error! Reference source not found.**, these are made on the basis that:

- Existing and known future significant trade waste discharges in Waikato District and Hamilton City will be included in the wastewater flow and load projections.
- Large industrial facilities with existing private wastewater treatment systems (including Fonterra Te Rapa and AFFCO/Open Country Dairy Horotiu) are excluded. The impact of those loads on Pukete WWTP would be of such significance to the nature of the treatment technology required and scale of the plants that the ability to achieve the expected outcomes/objectives of the business case would be put at risk. These matters are further discussed in Section 6.

Wet industry assumptions are shown in **Error! Reference source not found.**, these are made on the basis that:

- For new areas where wet industry is preferred to occur – being Horotiu and Te Rapa, 2% of the specified area will be assumed for wet industries assuming food processing industry typical wastewater flows.

- Wet industry allowance only for 50ha[1] additional industrial land at Horotiu as water availability is limited at this location.

Higher than anticipated growth or a scenario with wet industry will be captured via sensitivity tests.

[1] The 194ha included in the Southern DBC (Table 4-5) is mostly developed and majority used for low water use logistics purposes.

Technical Note

Table 1: Non-residential growth assumptions (adapted from Table 4-4 of the Southern DBC growth assumptions memorandum with changes shown in strikethrough and underlined[2]).

Location	Type of development	Current zoned (incl deferred) ha	Potential additional areas ha	Recommended PE/ha	Comments/Expected Timing
Taupiri	Light Commercial		150	30	West 3-10 yrs, East 10-30 yrs
Te Kowhai Airpark	Mixed use	45		~~30~~	3-10 yrs *(allowance for 100 houses only – most of area airfield)*
~~Hopuhopu~~ Ngaruawahia Business Park	Commercial/light industrial		35	45	10-30 yrs
Waikato Tainui - Hopuhopu	Mixed use		24	Varies (PE estimate provided[3])	1-30 years
Horotiu	Light Industrial/ logistics	194	50	30	~~3-10 yrs~~ *0-20 years for new areas*
~~Te Rapa North~~	~~Industrial~~	~~As per Wastewater Master Plan[4]~~			
~~Rotokauri~~	~~Light Industrial~~				
~~Ruakura~~	~~Light Industrial/ logistics~~				
Hamilton combined	Mixed use	640	Demand next 30 years 540ha	45	Data provided in Future Proof Business Demand Capacity Assessment[5]

[22] This table only includes the areas relevant to the Northern Business Case. Other areas covered in the Southern Business Case are assumed to be unchanged.

[3] Email Jackie Colliar 12/8/20

[4] *Wastewater Master Plan V3*

[5] Future Proof Business Demand Capacity Assessment, 2021, m.e. consulting (Figures 0.2 and 0.4)

Table 2: Trade waste new discharge assumptions (adapted from Table 4-4 of the Southern DBC growth assumptions memorandum - no changes proposed)

Location	Type of development	Additional Wet Industry/trade waste Allowance m^3/d
Dairy industry new site Hamilton	Industrial	2,160
Innovation park	Science and technology	400

Table 3: New wet industry growth area assumptions (adapted from Table 4-5 of the Southern DBC growth assumptions memorandum with changes shown in strikethrough and underlined)

Location	Type of development	Indicative area available (incl deferred and non-zoned) ha	Base Industrial Flow allowance* m^3/d	Base Industrial Flow PE/ha	Additional Wet Industry Allowance m^3/d	Additional Wet Industry PE	Total Industrial flow allowance m^3/d
Horotiu	Light Industrial/ logistics	~~194~~ *50*	~~931~~ *210*	30	~~1,341~~ *346*	~~6,705~~ *1,730*	~~2,272~~ *556*
Te Rapa North	Industrial	60	432	45	415	2,074	847
Ruakura	General Industrial	225	1,620	45	1,555	7,776	3,175

3.3 Residential growth assumptions

We propose to use the high-level assumptions adopted for the Southern DBC except as noted below. The revised assumptions are summarised in ***Error! Reference source not found.*** *(Metro area growth summary)*. The previous memorandum[6] should be referred to for all maps and a full description of methodologies.

Table 4.1 in *Growth Assumptions for Waikato Metro Wastewater DBC* (10 December 2020) provides a detailed description of the sources and methodology used by the councils to determine base population, forecast growth for 2021 to 2061, and ultimate forecasts. The proposed change to this table is the use of the more up to date information provided by the University of Waikato (UoW) April 2021 'High' projections for the Waikato District and Hamilton City.

A number of changes are proposed to the Waikato District forecasts set out in Table 5-1 of the Southern DBC memorandum:

- Taupiri: Updated to reflect UoW 2021 – High with additional residential growth for the Taupiri residential growth areas indicated in Waikato 2070
- Ngaruawahia and Hopuhopu: Updated to reflect UoW 2021 – High (Note: Hopuhopu allowance under non-residential above also includes some residential allowance)
- Horotiu: Updated to reflect UoW 2021 - High

[6] *Growth Assumptions for Waikato Metro Wastewater DBC* (10 December 2020).

- Te Kowhai: Updated to reflect UoW 2021 - High. The forecast has also been revised to remove the area outside of the township which would not be serviced, estimated at 50% of the total.

For Hamilton City it is proposed to use the UoW April 2021 – High population forecasts combined with the industrial population equivalent forecasts. The Wastewater Model total population equivalent projections used for the Southern DBC are currently being updated to reflect the latest information but will not be available in time for this DBC. As shown in Table 4, the MSP infill data provided in Table 5-2 of the Southern DBC Memo will be added to the population forecasts to provide for intensification at selected nodes signalled in the Metro Spatial Plan.

Implementation of the National Policy Statement for Urban Development may result in changes to rate of development, including infill development. An allowance was made for additional infill based on MSP data; however, it is proposed that sensitivity testing will be used to test scenarios including increased infill and faster growth overall.

Higher projections, potential new developments, or changes in timing of development can be addressed through sensitivity testing discussed below.

The combined residential and non-residential population equivalents are summarised in Table 5.

Technical Note

Table 4: Metro area residential growth summary (adapted from Table 5-1 of the Southern DBC growth assumptions memorandum) with changes shown in strikethrough and underlined[7].

Residential population projection										
	Area	Current servicing	Future servicing	2021	2031	3041	2051	2061	Ultimate	MSP Ultimate (for comparison)
Waikato District Council	Taupiri	Currently serviced	Yes	~~2,062~~ 632	~~2,776~~ 1,423	~~3,167~~ 2,244	~~3,391~~ 3,065	~~3,656~~ 3,065	4,800	
	Ngaruawahia (incl Hopuhopu)	Currently serviced	Yes	~~6,234~~ 5,256	~~7,277~~ 7,332	~~7,975~~ 8,728	~~8,392~~ 10,202	~~9,892~~ 11,676	19,867	28,893 (covers larger area)
	Horotiu	Currently serviced	Yes	~~650~~ 865	~~1,015~~ 1,116	~~1,229~~ 1,204	~~1,436~~ 1,214	~~1,596~~ 1,242	1,596	5,468
	Te Kowhai	Small part of township serviced	Yes – all new urban development around township and existing township post 2030	~~2,079~~ 1,012	~~2,265~~ 1,427	~~2,649~~ 1,767	~~3,059~~ 1,998	~~3,335~~ 2,598	5,670	1,173
Hamilton City Council	Hamilton	Currently serviced	Yes	~~171,606~~ 181,467	~~194,186~~ 210,915	~~219,737~~ 240,358	~~234,194~~ 268,356	~~248,650~~ 294,724	380,000	MSP used for ultimate
	MSP Infill	Currently serviced	Yes		2,311	6,934	11,557	16,180	Included in above	
	Additional area - East of expressway	Not currently serviced	Yes – post 2061						30,000	
	Southern Links[8]	Not currently serviced	Yes – post 2061 unless Stage 2 of Southern WWTP available						*35,000*	

[7] This table only includes the areas relevant to the Northern Business Case. Other areas covered in the Southern Business Case are assumed to be unchanged.

[8] Most of this area is proposed to be serviced through the Southern WWTP

Technical Note

Table 5: Metro area combined growth summary

Total Population Equivalent Projections (Residential and Non-residential)							
	Area	2021	2031	3041	2051	2061	Ultimate
Waikato District Council	Taupiri	632	2,473	4,344	6,215	6,215	7,950
	Ngaruawahia (incl Hopuhopu)	5,256	8,565	11,193	13,035	14,509	22,700
	Horotiu	865	2,691	6,094	6,104	6,132	6,486
	Te Kowhai	1,012	1,677	2,017	2,248	2,848	4,250
Hamilton City Council	Hamilton	181,467	224,531	267,360	308,745	345,960	491,390

4 Treatment Assumptions

4.1 Background

To develop the long list and short list of wastewater servicing options for the Waikato Metro area, assumptions need to be made on the quality of the discharges from the WWTP's. During the DBC, proposed loading (derived from above assumptions) and treated wastewater quality targets will be used to size the likely necessary treatment processes:

- For high level costing
- To demonstrate the ability of the Pukete site (land area) to manage the necessary loads, and
- To assess environmental effects in order to compare options.

We propose to use the treatment assumptions adopted for the Southern DBC and detailed in *Wastewater Treatment Assumptions for Waikato Metro Wastewater DBC* (14 August 2020) with some modifications informed by the Southern DBC and technical work specifically targeted at Pukete WWTP as follows:

- Phosphorus removal from the liquid stream will ultimately (not initially) need to be improved to <0.5mg/L TP to demonstrate betterment in the Waikato River in the longer term. This is able to be achieved with technology currently available.
- **High flow bypass:** In its current configuration, the current Pukete WWTP has a peak flow bypass where extremely high-flows wet weather flows are directed to the Waikato River without treatment (once every one or 2 years). Changing this configuration would imply some form of treatment to a full bypass stream. Such a requirement would be common to all options as the flow originates from the twin 1600mm dia gravity sewers that enter the WWTP – this essentially means the flows cannot be prevented from entering the site and due to the sheer volume of flows these are diverted to the Waikato River to avoid overloading the WWTP process. Because this occurrence would be common,this matter can be considered further at the preferred option stage of the DBC and high-level allowances made at the short list stage.
- **Solids management**: Should also consider that reuse of biosolids on land (as opposed to landfill) may eventually become unacceptable due to trace contaminants (following international trends), driving management strategies such as incineration (with heat recovery) followed by landfilling. For DBC purposes, the strategy thermal conversion will be assumed to provide opportunities for resource recovery.
- **Energy:** Energy recovery, nitrogen and phosphorus removal (biological) all compete for readily degradable carbon substrate (rbCOD). It is likely, to ultimately achieve a TN of <4mg/l (average), that some energy recovery potential will need to be foregone to maximise the rbCOD available for denitrification.

4.2 Summary of Treatment Assumptions

Liquid Stream:

- A level of treatment within that option would provide:
  - A high level of nutrient removal <4mg/L TN and <0.5mg/L TP (as annual means) and
  - A very high pathogen removal (E.coli <14 cfu/100ml as a 95th percentile).
- The treated wastewater quality standards (or equivalent) would be introduced by 2031 or when the existing resource consent for the discharge expires.

Solids Stream:

- A graduated scale of solids management is proposed with complexity and extent of solids destruction and energy potential realisation increasing in steps with population equivalent served.
- For WWTP's up to the digester threshold (currently proposed as 40,000 PE), the extent of treatment would increase to dewatering to a minimum of 19% dry solids, being a 'last resort' standard for landfilling if that had to be adopted temporarily or permanently.
- WWTPs above 40,000PE would adopt anaerobic digestion with one or more forms of energy recovery (and in consideration of nitrogen removal requirements), for example a co-generation engine producing both heat and electrical energy. Above 150,000PE a more advanced form of thermal conversion would be adopted. For WWTPs with digesters, side stream digestate treatment will be provided for.
- Pre-fermentation of sludge may be required at digester sites to maximise rbCOD available for denitrification
- Strategy for large plants needs to remain flexible (for now) should acceptable disposal or reuse pathways be reduced in future.

Atmospheric emissions:

- Proposed provisions for atmospheric emissions are reasonably general but all would require best practice to be implemented. The costs of such initiatives are not able to be differentiated at the Class 5 estimating level, apart from large items such as co-generation plant. These initiatives include:
  - Noise mitigation to levels that are safe for operators and which comply with local ordinances at the boundary
  - No objectionable odours beyond the boundary. However, it is assumed that the owners will do all in their power to create and maintain odour buffers around the WWTPs.
  - Process units and equipment will be specified and configured to minimise the release of fugitive greenhouse gas emissions. For example, use of biogas in boilers, furnaces or co-generation engines and providing for very stable nitrogen removal processes that release a minimum of nitrous oxide (N2O)9.
  - In all process plant development, life cycle emissions will be given due consideration and it is anticipated that the councils will adopt the zero carbon act aspirations and optimization of life cycle emissions generally. And that these will be drivers for initiatives, particularly in the larger plants, for processes that drive the plants towards energy neutrality (Scope 2 reductions) and emissions minimisation, whether on site (Scope 1) or off site for residuals management (Scope 3).

General:

- The treatment plants will be configured such that the limit of capability is not fixed at the initial target performance but can be upgraded by augmentation of processes at appropriate times.

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[9] N_2O appears to be the key operational GHG emission source from WWTP's that remove a large amount of nitrogen and these WWTPs in turn tend to be the highest emission source for the entities that own and operate them. So it is a key emissions issue. The problem is that the science around estimating N_2O release from a given plant is very imprecise and actual measurements are required to better define the estimates produce by the (currently) rather blunt and imprecise estimating process used by IPCC.

- From the Pukete WWTP, it is expected that a recycled water supply would be made available for use outside of the site for industrial or other City uses. It is anticipated that this would need to be treated to equivalent Australian (Queensland, Victoria state) Class A/A+ standard which, for example, is suitable for irrigation of raw leafy (eaten raw) vegetable crops (Class A+ only) or firefighting (Class A+ assumed due to E.coli concerns – TBC) and wash down, but not as a potable water substitute. Indicative relative quality parameters are as follows:

Table 6: Comparison of Queensland Class A & A+ Recycled Water Guidelines

	E.coli (med cfu/100ml)	E.Coli (95%ile)	F-RNA phage 95%ile (pfu/100ml)	Turb (NTU)	TSS (med, mg/l)	TDS (med mg/l)	pH
Class A	<10			<2	<5	<1000	6 - 8.5
Class A+	<1	<10	<10	<2	<5	<1000	6 - 8.5

A Membrane Bioreactor AS plant (using ultra-filtration membranes) would essentially produce a Class A effluent which allows for selected non-potable reuse (purple pipe). However, another treatment stage, such as Reverse Osmosis or some form of advanced oxidation process would be required to take this to the A+ standard which would allow for more extensive non-potable reuse. For the purposes for this business case we have excluded potable reuse due to need to assess public health implications and may require legislative change within New Zealand's Drinking Water Regulatory Framework.

5 Sensitivity Testing

At this stage in the process, it is useful to start documenting key parameters for sensitivity testing based on different assumptions (mostly around location and timing of population growth and types of industry).

Our current proposition is to use the following changes in assumptions to define sensitivity testing:

- Faster growth and more growth across within Hamilton City to reflect that density changes anticipated by the National Policy Statement for Urban Development
- More residential growth north of Hamilton (Te Rapa/Horotiu/Te Kowhai/Taupiri/Hopuhopu)
- Additional wet industry in Horotiu and Te Rapa (from that already included)
- Inclusion of unplanned developed areas - allowance for 10,000 people.

6 Limitations and Exclusions

COVID-19 – effects on growth projections for the Waikato have been considered in the April 2021 UoW population forecasts.

It has been assumed that AFFCO, Open Country Dairy and Te Rapa Fonterra will be excluded and continue to provide their own treatment systems. Both types of industrial load can be co-treated with municipal waste. Morrinsville WWTP, for example, treats waste from Greenlea meats and from Fonterra Morrinsville. It is predominantly an industrial WWTP but with a high domestic flow and small domestic load.

Key reasons for excluding these include:

- The dairy waste produces challenges with major swings in flow, load pH and temperature. A high degree of buffering is required for all aspects of these deviations. It is also seasonal, with two months of essentially zero load. Transitioning away from the load at the end of the season is relatively straight forward but the rapid increase in dairy loading at the beginning of the season is problematic, especially if consent limits are tight. Dairy processing also uses a significant amount of nitric acid based cleaning (CIP) which results in very high levels of influent nitrate, which must be denitrified using available carbon. This can make denitrification down to very low concentrations of TN problematic.
- Abattoir wastes are more balanced than dairy and typically easier to treat than dairy and are generally compatible with municipal waste. There is again seasonality and pre-treatment is required for buffering purposes and to remove slowly degradable waste such as paunch content. Significant quantities of blood in the waste can be problematic with regard to leaving soluble organic material in the treated effluent that can affect UV transmissivity and hence disinfection system performance.
- Biosolids from dairy and meat based industries have a wider variety of end uses available due to more control of source and the absence of 'human origin' material. If wastewater from industrial sources is mixed with municipal wastewater then the end use of biosolids will be much more restricted and costly.

7 Recommendations

It is recommended that:

- The residential and non-residential servicing and growth assumptions outlined in Tables 1, 2, 3, 4, and 5 of this memorandum are adopted for the Northern DBC short list stage
- The treatment assumptions summarised in Section 4.2 are adopted for the Northern DBC short list stage
- Sensitivity tests are used to test significant changes in assumptions such as:
  - Faster growth and more growth across within Hamilton City to reflect that density changes anticipated by the National Policy Statement for Urban Development
  - More residential growth north of Hamilton (Te Rapa/Horotiu/Te Kowhai/Taupiri/Hopuhopu)
  - Additional wet industry in Horotiu and Te Rapa (from that already included)
  - Inclusion of unplanned developed areas - allowance for 10,000 people.

Land Use and Growth Assumptions

Southern Hamilton Wastewater Treatment Plant – Background Review Report

Prepared for Hamilton City Council
Prepared by Beca Limited

24 April 2026



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Appendices

Appendix A – Graphs and Flow Tables
Appendix B – Land Use Assumptions – Presentation Slides

Revision History

Revision N°	Prepared By	Description	Date
A	Violette Edwards	For Comment	09/03/2026
B	Violette Edwards	For Approval	24/04/2026

Document Acceptance

Action	Name	Signed	Date
Prepared by	Violette Edwards		24/04/2026
Reviewed by	John Crawford		24/04/2026
Approved by	Garrett Hall		24/04/2026
on behalf of	Beca Limited		

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1 Executive summary

An agreed set of land use and growth assumptions is required to support staged development of the Southern Wastewater Treatment Plant (SWWTP) site masterplan, NoR and discharge consent applications.

As part of the background review, a series of workshops and discussions with subject matter experts (SME's) was undertaken to gain feedback on the latest projections around land use demand and growth within each of the areas that could contribute to the Southern WWTP.

Updated land use and growth assumptions reflect SME workshops and subsequent Council input. They supersede assumptions used at the time of the Southern DBC.

The fundamental assumptions for land use and growth which influence the approach to staging and sizing of the WWTP prioritises:

- Certainty of initial base flow by diverting existing parts of the Hamilton City south to the SWWTP in Stage 1 rather than relying solely on Waipa/Airport or SL1 growth.
- Flexibility via modular staging of WWTP (MBR-based) to accommodate uncertain growth sequencing in Peacocke and Southern Links.
- Long-term infrastructure investment signals an initial plant (Stage 1) sizing, then regular modular development up to the 35-year consent timeframe and 80–100 year Master Plan horizon (to ~2110).

The recommended Stage 1 is sized at approximately 26–35k[1] Population Equivalent (PE) Membrane Bioreactor (MBR), with secondary modules developed in stages from 2031–2055, and addition of primary sedimentation/solids processing expansions to suit timing of major flow diversions as part of Stage 2 from 2040-2050. This matches growth realities while managing operational risks and deferring capital until needed.

The recommended baseline assumes all areas to be diverted and a total daily flow of: ~49,000 m^3 or 245,000PE. Figure 1, below, shows the area of benefit recommended as part of the background review of land use and growth assumptions.

[1] 27k is the PE at 2030, this increases to 32k PE at 2035 , 35k is the approximate installed capacity the first 2 bioreactors of Stage 1 (n + 1).

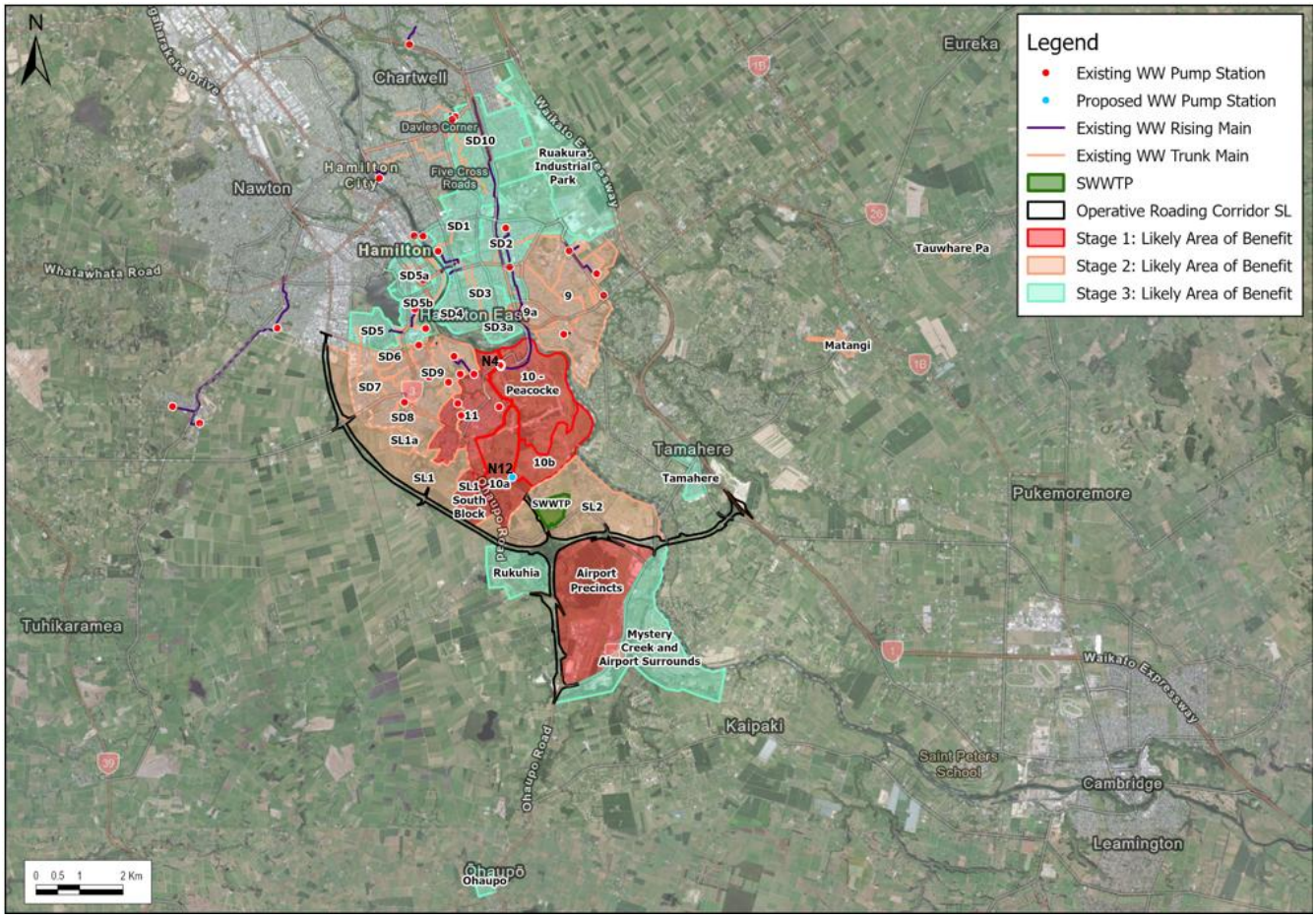


Figure 1: SWWTP – Proposed Areas of benefit

Likely Area of Benefit

2 Introduction

The purpose of this document is to summarise the main considerations, key inputs, assumptions, and sources informing updated land use and growth assumptions for the Southern Wastewater Treatment Plant (SWWTP) service area.

These assumptions form the basis of recommended staging assumptions and their rationale and are aligned to consent, investment, and master planning horizons for:

- Initial stage sizing.
- Consent horizon: 35 years.
- Full site Master Plan: ~80–100 years (to 2110).

2.1 Background and scope

An agreed set of land use and growth assumptions is required to support staged development of the SWWTP site masterplan, NoR and discharge consent applications.

Workshops were held to update land use and growth assumptions since the Southern DBC and to confirm the areas to be served by the SWWTP, including land uses, population densities, and timing.

Expert input (from HCC, Waikato DC, Waipaa DC) was incorporated as well as feedback from HCC to reflect current thinking, and actions were summarised.

The following table summarises the purpose and key takeaways from the two workshops relating to land use and growth assumptions:

Table 1: Workshop Summary - Land use and growth assumptions

Workshop	Purpose	Key Comments and Insights Shared
Land Use Demand & Growth Assumptions #1 14 July 2025	Established updated assumptions for land use, population density, and timing to inform long-term planning for the SWWTP.	• NZTA assumptions are optimistic – staging pushed back for SL1. SL2 has not been an area of developer activity. • Airport tankering solution was assumed for servicing airport for 15years. If connection to SWWTP was possible, it would be used provided if costs are less than tankering. • Development of Peacocke areas is beginning out of the originally envisaged sequence (i.e is progressing from south to north, instead of north to south). • Matangi discharge consent until maximum of 2040 (not currently granted). • Water supply is limiting factor in some areas. • SWWTP concept development needs to consider septage receival and processing.
Land Use Demand & Growth Assumptions #2 11 August 2025	Reviewed and finalized growth projections based on feedback from Workshop #1; documented underlying assumptions.	• The initial treatment plant may be smaller than the required first permanent module/stage size if only new development areas are diverted in the initial stage. • HCC to look more in detail around conveyance in the south to understand what catchments could be diverted in and when as this impacts the initial stage of the WWTP. • As HCC is to provide the majority of the flow to the SWWTP. Flows from Waikato and Waipā are provided but could be looked at as provisional (i.e. include as

Workshop	Purpose	Key Comments and Insights Shared
		allowance for flows), rather than a confirmed commitment. • The need for commercial agreements, especially for areas like the airport, was flagged for future discussion • Assume SL1 uptake to slow development in Peacockes to reflect market competition. • Doubts were raised regarding development within some Southern Links areas due to Peat. Layer of peat around 2.5m-10m (Investigations to 10m depth).
Land Use Demand & Growth Assumptions #3 9 March 2026	Present to project partners the updated assumptions	• SL2 area is likely to be developed. Modify legend to clarify whether Stage 3 areas are "Possible" (dependant on growth) or "Likely" (dependant on timing). • RITS V2 has been released, comment could be made on any impact this may have.

Subsequent to these workshops, this memo captures the final fundamental assumptions for land use and growth which influence the approach to staging and sizing of the WWTP in the sections below. The flow diagram below summarizes the process to arrive at this final document for approval.

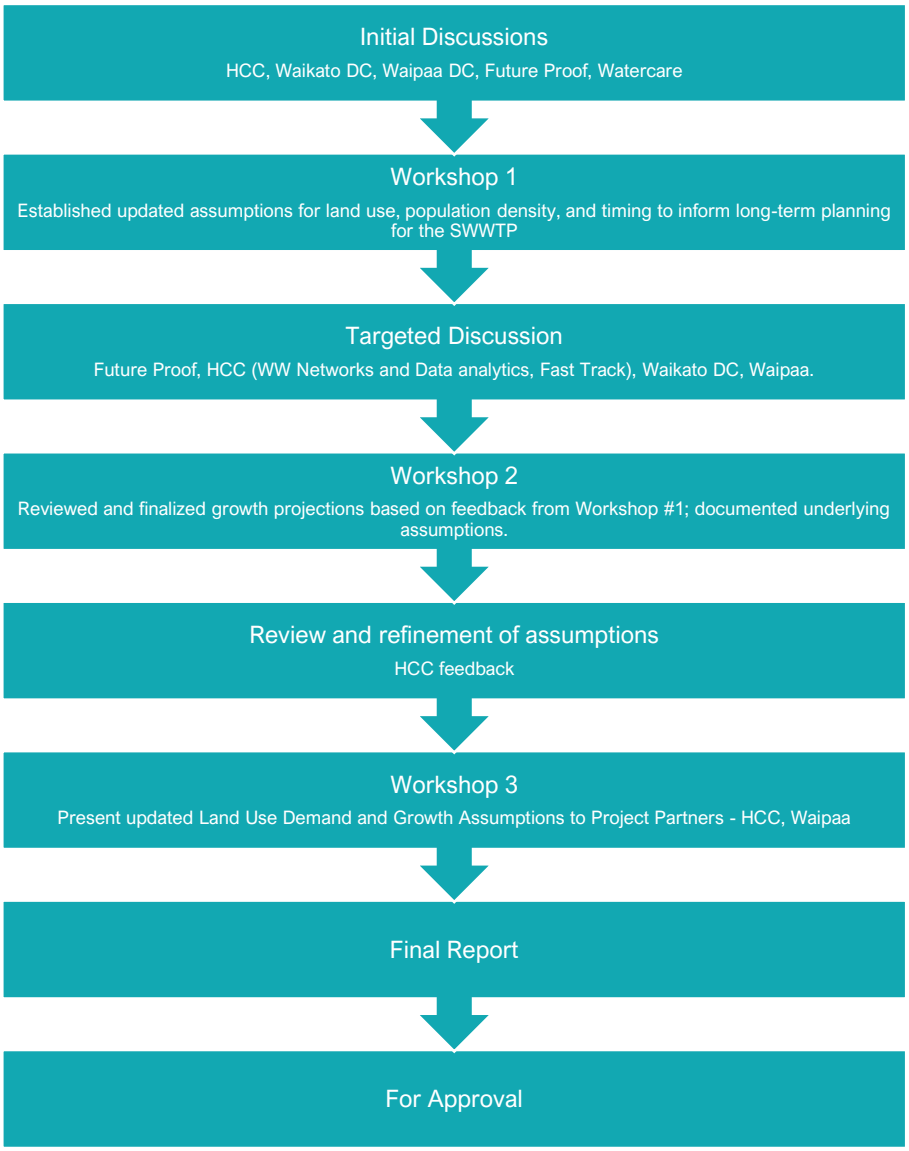


Figure 2: process flow diagram for development of recommended Land Use Demand and Growth Assumptions

3 Key driving factors and assumptions

The main considerations (drivers) identified that sit behind the recommended assumptions and staging are as follows:

- Certainty of initial base flow: More certainty of the amount of flow able to be diverted in the initial stage to the SWWTP.
- Flexibility in staging: Flexibility in the implementation of staging to accommodate uncertain sequencing and to suit timing of flow diversions.
- Long-term investment pathway: Providing for long-term infrastructure investment signals and avoiding stranded capacity.
- Network enablement dependencies: Early infrastructure (e.g., N12 build and N4 turnaround; Te Anau diversion commitment) to enable diversion of existing flows south and relieve Pukete WWTP/trunk interceptor constraints.

Key assumptions and service area framing:

- Stage 1 sizing is not dependent on servicing only Waipa/Airport initial flows (these are small) or SL1 areas (growth uncertain).
- Existing parts of the city south will be diverted to provide a reliable base flow to the SWWTP. Flows from within the Hamilton City sub-region account for 87% of the total flow[2], averaged over Stages 1 – 3. (2032-2110).
- HCC assumptions of growth in Peacocke can continue to be considered, noting likely sequencing and market dynamics.
- Pump station N12 (within the Peacocke growth area) would be built early and is not necessarily dependent only on early growth in Southern Peacocke, but also to service redirection of PS-N4 and other, pre-existing southern catchments.
- For the previous small Stage 1, it was originally expected that thickened sludge would be transferred to the Pukete WWTP. However, with a 26-35k PE Stage 1, this is likely to be less feasible and it is now expected that thickened sludge will be dewatered on site. This is covered in more detail in the Basis of Design report

[2] At Stage 1: 93%, Stage 2: 83%, Stage 3; 84%.

4 Summary of key inputs and data sources

The following table summarises the key data sources and inputs of land use and growth assumptions received from SME's.

It should be noted that the WW catchment areas defined in the HCC South Hamilton Catchment Diversion Report, (Beca, 2022) have been broadly adopted for this study.

Table 2: Land use and growth assumptions – sources of data and description of input provided.

Reference	Description of Inputs
HCC	
SWWTP Growth Assumptions and Memo (Spreadsheet, Data analytics HCC, 2025-08-05)	Dwellings and population per WW catchment with growth projection every five years. For residential capacity it would be realistic to assume that SL1 uptake to slow development in Peacocke to reflect market competition. For the southern links area, we have assumed that 90% demand is consumed from Peacocke.
Houses Completed with Code Compliance Certificates (Housing under construction and completed | Hamilton City Council)	Long-term average new builds ~1,250 per annum (within HCC).
Peak WWF and ADWF Summary Table (Spreadsheet, WW Strategy HCC, 2025-10-06).	Existing catchments calibrated to ADWF (average dry weather flow) and PWWF (peak wet weather flow) from flow gauging
ADD1.1 CON3162-2025_2025-0918_Flow Data for Splitt SPS075 and Te Anau SPS080_Summary (HCC, 20250918)	Te Anau SPS080 Flow Information, used for sense check. Splitt SPS075 Flow Information, used for sense check. Prepared for Splitt / Te Anau Wastewater Diversion Project which has been designed to divert flow to N4 Pump Station to reduce flows to the Western Interceptor.
SWWTP Trade Waste Data (Spreadsheet, Colabsolutions, 20260120) Trade Waste Self Monitoring Report – quarterly reports (Jun–Sep 2025)	Past 5 years of water quality and flow monitoring data for sites consented for 50m^3/day or above, as well as consented volume. Quarterly reports (Jun–Sep 2025) for larger users (Dairy Goat, Greenlea, Melody Dairies, Waikato District Health Board).
• 2025 Rating Data by catchment redacted (spreadsheet) • Dwelling Projections-21-NIDEA High with 50 50 0Split – Temple View Timing Update (spreadsheet)	Parcel Level Data with projections of dwellings. We wouldn't expect it to stifle Peacocke growth entirely just to meet developer expectations for SL1. Slowing of Peacocke will impact sequencing. Currently we expect Peacocke to generally grow from North to South – but if growth in catchment 10 is delayed due to SL1 and Peacocke South (10a) is still infrastructure enabled (by SWWTP or otherwise), we would expect the south (10a) to start developing before the northern catchment 10 does.

Reference	Description of Inputs
Waipa	
Estimate of Waipa Flow Contribution to Southern Hamilton WwTP (Spreadsheet, Waipa, Aug 2025).	A table of estimated flows for each catchment and commentary around uncertainty were provided. Key comments: • Airport Precinct and surrounding likely to connect as soon as SWWTP is available; initial flows ~30–150 m³/d (less than predicted in the Southern DBC). • Flows provided by Waipaa do not adopt RITS standard flow calcs[3]. Predominantly industrial flows of 1.5m³/ha/d considered. • Assumption of all dry industry. Through the workshops with SME's, no evidence regarding the demand for wet industry was presented by the partners. • Rukuhia /Puaawai (some new areas 2040+) and Ohaupo later (some new areas 2050+)
Waikato District Council (WDC)	
WaikatoDC Southern WW Treatment Plant Numbers and Assumptions (Spreadsheet, WDC, Aug 2025).	Dwellings and industrial areas, existing and growth assumptions • Matangi connection assumed by 2040 due to expiry of the existing consent. Focus on Matangi Village /Tauwhare Pa and Tamahere Village • Tamahere rural lifestyle assumed not included
Southern Links (SL1)	
HSL Scenario Testing v1.0 (4 Feb)	Land use modelling scenarios developed with Future Proof partners for traffic modelling. Dwellings and industrial areas; base and growth scenarios.

[3] Waipaa DC includes mainly industrial areas (assumed dry industry) around the airport precinct and rural zones such as Rukuhia and Ohaupo. The lower water demand for dry industry is lower than set out in RITS and is dependent on the types of industry and associated water use remain similar to the current tenants.

The dry industry flows assume Population Equivalent (PE) of 30PE per Ha and 50 L/PE/d, these flows are based on the population density specified in Table 5-3 of the RITS V1 for all commercial zones and wastewater design flows set out in Table H4 AS/NZS 1547:2012 – On-site Domestic Wastewater Management. RITS V2 would now consider 45PE/ha for industrial flows. However, the contributing flow increase from adoption of this change would not be seen to substantially increase the overall flows sent to the SWWTP.

The rural residential areas (e.g.) Rukuhia and Ohaupo area assume 7.5 PE/ha (i.e. parcel size 3,600m²) and 200 L/PE/d. The PE suggested in RITS V1 for general residential (45PE/ha) or in RITS V2 (70PE/ha) is not considered applicable for these areas.

5 Flow Calculation

The following basis has been considered for the calculation of flows, which uses the land use and growth assumptions provided by the SME's.

Note that only ADF (average day flow) and PWWF's have been calculated for basis of design.

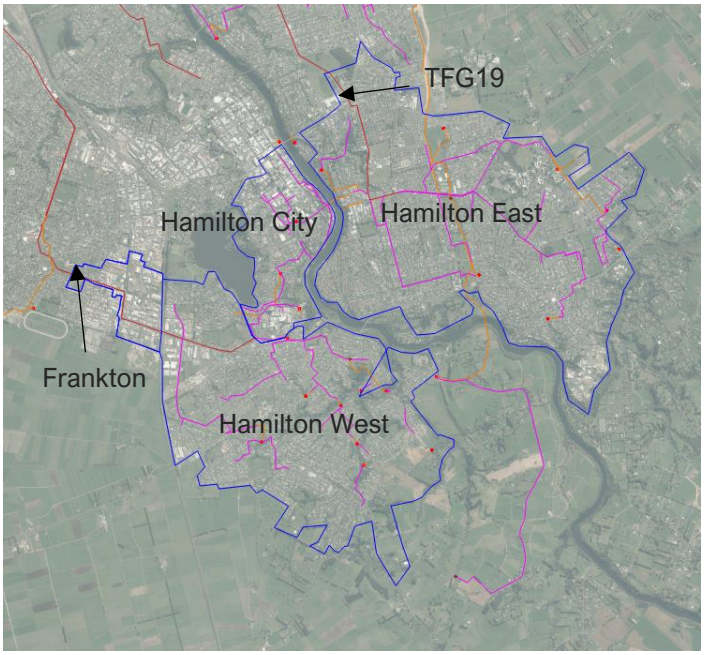
Appendix A includes a summary of tables and figures of the flows and staging related to the Baseline Scenario. Further details can be found within the Powerpoint slides, included as Appendix B.

Table 3: Basis of Design – Flow Calculation

Area	Basis Explanation
SWWTP Trade Waste Data	
ADF (m^3/d)	Average daily flow (available from past 5 years of water quality and flow monitoring data). Wairoa WTP only average of July -Dec 2025 (previous data includes errors or does not include WTP upgrade). Industrial flows from Western and Eastern city also considered included within the adjusted water consumption rate of these catchments.
PWWF (L/s)	Peak wet weather flow considered as the consented maximum volume (m^3/d) adjusted to L/s.
Proposed Developments Catchments	
Including HCC (Peacocke areas), SL and Waikato areas	Current dwellings per catchment and growth projection every five years provided by HCC; RITS V1 calculations were then used to derive ADF and PWWF.[4] RITS V1. Key inputs: 2.7 persons/dwelling, Water consumption 200 L/p/d, Infiltration 2,250 L/ha/d, Surface water ingress 16,500 L/ha/d. Diurnal peaking factor used: 2.5 (approximately average from gauging stations). Proportional developed area used for calculation of infiltration and surface water ingress.
Catchment 11	Updated catchment area based on HCC WW GIS services, this reflects the Te Anau, Splitt and Fitzroy pump station catchment diversion.
Peacocke 10	Split into 10 (North Peacocke) and 10b (potential earlier diversion to SWWTP)

[4] It should be noted that RITS (V2), where for new subdivisions peak wet weather flows are calculated using a factor of 6.7, has not been applied. It is believed 6.7 is too high for an overall area of benefit as compared to an individual sub-division catchment as there will be attenuation within the wider conveyance network. This is supported by Table 4 below where gauged flows indicate peaking factors ranging between 2.7 – 4.3 represents wet weather peaking across the combined sub catchments in the southern parts of Hamilton city.

This is similar to Watercare Standards which specify a peaking factor of 6.7x DWF for network design and 5x DWF for transmission design (pipelines >300 mm diameter).

Area	Basis Explanation
Peacocke 10a	South Peacocke catchment area to N12 pump station by future gravity network.
Growth interaction Peacocke and Catchments	The Peacocke growth assumptions (Specifically Catchment 10) have been reduced by up to 90% of the SL1 projected growth with the following: • 10 (North Peacocke) and 10b (East Peacocke) to allow either or both to be diverted in to represent different sequencing • No negative growth
HCC Existing Catchments	
Current flows	Water consumption was adjusted based on calibration with two of the larger flow gauging catchments, gauges Frankton and TFG_19 as shown below, these were taken as representative of the Western and Eastern catchments of Hamilton, with flows from the City being pumped into Hamilton East (and ultimately contributing to TFG19 flows).  Figure 3: WW flow gauges selected for water consumption adjustment.

Area	Basis Explanation

Table 4: Calculation of adjusted Water Consumption in based on gauged flows

Catchment	1.Average of Observed ADWF (L/s)	2.Average of Observed PWWF (L/s)	3.Peaking factor (PWWF / ADWF)	4.Approx Dwellings (Current)	5.Population (2.7 p/dwg)	6.Adjusted Water Consumption (L/p/d)
Frankton (west of city)	112	303	2.7	9,065	24,475	394[5]
TFG19 (hillcrest/Hamilton east and Hamilton City)	122	521	4.3	12,611	34,050	309[5]
Total diverted south (used for rest of city)	233	824	3.5			

Gauged flow data was supplied in l/s for both average dry weather flow (ADWF) and peak wet weather flow (PWWF). The ADWF is considered representative and used to approximate water consumption l/p/d to allow estimation of average daily flow (m^3/d) in the existing catchments in Hamilton City. The gauged PWWF (l/s) is the instantaneous peak flow measured. The data in column 6 include domestic use, industrial use, and infiltration.

	Key inputs into Flow Calculation: Infiltration considered as 0 (effects of infiltration are already incorporated into the adjusted water consumption rate. Diurnal peaking factor adjusted to allow current PWWF's to approximate gauging flows. Comparison of observed and calibrated flows.

Table 5: Comparison of 2025 Calculated Flows vs Observed (gauged) flows

	Observed Gauged Flows			Calibrated Flows			
Catchment	1.Average of Observed ADWF (L/s)	2.Average of Observed PWWF (L/s)	3.Peaking factor (PWWF / ADWF)	4.Calculated ADF (Current)	5.Calibrated Peaking factor (PWWF/ADWF)	6.Diurnal Peaking factor used (L/p/d)	7.Calculated PWWF (L/s)
Frankton (west of city)	112	303	2.7	96*	2.7	1.1	258
TFG19 (hillcrest/Hamilton east & Hamilton city)	122	521	4.3	122	4.3	2.3	521
Total eventually diverted south (used for rest of city) from these two catchments	233	824	3.5	218	3.6	1.8	780

*Note, observed gauged flows are higher due to larger catchment contributing at wastewater gauging location.

Future flows	ADF calculation uses current flows plus additional future dwellings/population assume consumption of 200 L/p/d. This considers that infiltration will not increase above the total for existing areas. PWWF Peaking factor based on gauged catchments (see Column 5 in table above).

[5] It can be seen here that the adjusted water consumption for the HCC catchments is significantly higher than what RITS water consumption suggests for new development areas, this is due to infiltration in older pipe networks and includes industrial flows.

<table>
<tr><th>Area</th><th>Basis Explanation</th></tr>
<tr><td></td><td>It should be noted that RITS V2 was not applied at this stage, refer Footnote 4.</td></tr>
<tr><td>Percentage of total flow contribution to SWWTP</td><td>The following table shows the percentage of flow outside the IAWAI (HCC and Waikato DC) area
<table>
<tr><th>Percentage</th><th>Stage 1
2030-2040</th><th>Stage 2
2040-2060</th><th>Stage 3
2060-2110</th></tr>
<tr><td>HCC</td><td>93-87</td><td>89-82</td><td>88-83</td></tr>
<tr><td>Waipa (excluding SL)</td><td>0.6-2.1</td><td>2.6-3.0</td><td>1.9-2.0</td></tr>
<tr><td>Waikato DC</td><td>0</td><td>0.5-2.1</td><td>1.2</td></tr>
<tr><td>Southern Links (SL) Areas</td><td>7-11</td><td>8-13</td><td>9-14</td></tr>
<tr><td>Total IAWAI (HCC and Waikato) contribution to SWWTP</td><td>93-87</td><td>90-84</td><td>89-84</td></tr>
</table></td></tr>
</table>

6 Recommended Staging

For the purposes of outlining possible staging of the WWTP, we have considered the following at time of writing:

- Bioreactor sizing based on 5,000 m³ units[6] (will be adjusted during Master Planning and concept design).
- Assumed flow to person ratio of 200 L/p/d. i.e. 5,000m^3 of flow per day is approximately 25,000 Person Equivalents (PE)
- Based on the key driving factors and assumptions (Section 3) we have assumed the following infrastructure diversions will planned for by HCC for the Baseline Scenario:
    - Stage 1 (~2032) Approximately 27k PE: N12 pump station (to be developed) and N4 pump station (to be diverted) and new rising mains are required to allow existing areas to be diverted to SWWTP. Airport precinct connection to SWWTP.
    - Stage 2 (~2040) up to 105,000k PE:
        - Southern links conveyance infrastructure, to enable western city WW catchment diversion, and relieve Pukete WWTP/trunk interceptor constraints.
        - New Clyde St pump station, turnaround of Peacocke pipeline to N4 to allow Hillcrest Riverlea WW catchment diversion.
        - Waikato DC Matangi / Tauwhare Pa / Tamahere connections from the East

Table 6: Summary of Recommended Staging of SWWTP

	Flows	Diversions/ Supporting Infrastructure	Notes on Processes and Plant Make Up
Stage 1 Establish base flow by diverting existing HCC southern catchment 11 via N4 pumpstation;	Approximate Stage 1 26,000- 35,000 PE (5,000-7,000 m^3/day)	• Peacocke: If growth sequencing began in South Peacocke and all Peacocke flows from 10, 10a and 10b were able to get to the SWWTP earlier by other connection, this sums to approximately 1,100 m^3 per day.	Originally envisaged as SBR in the Southern Metro DBC due to assumed land-based discharge; HCC preference is to progress Stage 1 as an MBR based on current discharge options..

[6] The 5,000 m^3/reactor volume is only an initial estimate of the per reactor sizing, it is not based on any modelling, which will be done after the BoD is agreed and the reactor sized accordingly. If the actual rate of consumption of that capacity (after building) is substantially less than currently anticipated, then the reactor capacity can be 'turned down' by a combination of: Reduced blower output, reduced operating level, change of solids retention time / MLSS and temporary internal subdivision of a tank.

	Flows	Diversions/ Supporting Infrastructure	Notes on Processes and Plant Make Up
To provide capacity to service the: *- existing Te Anau area* *- initial development in SL1 and Peacocke,* *- the initial Airport precincts*	Stage 1 Nominal Capacity 35,000 PE	(likely too small for long term reactor sizing). Review into how far this can be dialled back or permanent reactors temporarily divided, is underway. • New N12 Pump Station and Rising main required from 2031 (assumed opening of SWWTP at time of writing). • N4 Pump Station diversion and Rising main required from 2031.	Assumed to include: • Secondary treatment with 1st and 2nd bioreactor. 1st reactor in use, 2nd online, some spare capacity. • Master planned site security fencing. • Basic administration and control building (future proofed) To be extended later. • Waste Activated Sludge (WAS) tank. For the small Stage 1, it was originally expected that thickened sludge would be transferred to the Pukete WWTP. However, with a 20-35k PE Stage 1, this is likely to be less feasible and it is now expected that thickened sludge will be dewatered on site. This is covered in more detail in the Basis of Design report • Blower building (able to be retained until Stage 3 but then be replaced) • Chemical storage (if required) and delivery area. • Site access
Stage 2 (Approx 2040) *To provide flexibility to adapt to increasing population and areas being diverted into the SWWTP from:* *- Western areas via southern links conveyance* *- Hillcrest /Riverlea* *- Waikato areas.* *-Increasing flows from airport / Waipa* *-Matangi/Waikato*	Approximate Stage 2 70,000 PE – 105,000 PE (14,000 – 21,000 m^3/day) Addition of Primary Treatment 75,000 PE – 245,000 PE (15,000 –49,000 m^3/day)	Stage 2 (can include either one of the following areas) • New Southern Links corridor with pumping and rising mains from 2040 – to enable western city flows to SWWTP, or • New Clyde Pump Station assumed from 2040 – to enable Hillcrest and Riverlea flows to be diverted to PS-N4. Trigger point for Primary Treatment is sending both Western catchment and Hillcrest /Riverlea areas. If both were diverted to SWWTP at 2040 this would trigger addition of primary treatment.	Assumed to include Stage 1 processes plus: • Master Planned site security fencing • Secondary treatment with 3rd and 4th bioreactor that can come online as a pair when demand requires. Assumed to include Stage 2 processes plus: • Primary sedimentation and solids processing. • Primary + secondary treatment (3rd and 4th Bioreactors), energy recovery • Primary and secondary capacity likely added as separate sub-stages to match growth curve, rather than together Primary capacity added to align with growth, have spare bioreactor capacity at this stage, depending on how big the jump is

Sensitivity: General

Attachment 2b: Southern WWTP Project Growth Assumptions

	Flows	Diversions/ Supporting Infrastructure	Notes on Processes and Plant Make Up
		If only one is diverted Primary treatment may not be required until both are diverted.	
Stage 3 (Approx 2060-up to 2110) *To provide for diversion other existing areas including up to:* *- Hamilton East* *- Hamilton City, and* *- Snells and Ruakura*	Approximate Stage 3 (140,000PE – 245,000 PE (28,000 – 49,000 m^3/day)	• Additional New Pump Station near HBHS to pump partial flows from City and Hamilton East areas to be diverted to N4 via existing Peacocke rising mains. • Upgraded pump station near Snells and Redirection of Ruakura flows could allow flows to be diverted to PS-N4 via existing Peacocke rising mains.	Masterplanning horizon (to ~2110): allow for future secondary modules and solids processing expansions. The below total capacity would be built over time in stages, as required. Note Primary and secondary treatment normally staggered, not all in same stage. • Primary + secondary treatment (up to 7 Bioreactors), energy recovery • Additional primary tanks and bioreactors to allow for increased flows and loads • Likely 2 additional in 2060.

- Current baseline considers Stage 3 from a flexibility perspective and assumes all areas are to be diverted and a total daily flow of: ~49,000m^3 or 245,000PE.
- If ultimate capacity of SWWTP restricted to 200,000PE, this allows for partial direction of Hamilton East areas to be added at stage 3, and excludes Hamilton City, Snell PS and Ruakura.
- Increasing the flows by 20% has been used as a means of sensitivity for increased growth (to simulated growth without wastewater constraints to be updated by future population projections by HCC): ~63,000m^3 or 315,000PE.
- Note that stages 2 and 3 can be split. These do not imply that both primary and secondary reactor capacity are added together. These can be added as separate sub-stages, as appropriate, to best follow the actual growth curves.

7 Uncertainties and Risks

The following key uncertainties and risks have been identified:

- Infrastructure timing: Any delays in PS-N12/N4 or diversion works (by 2032) would defer achieving base flow to SWWTP. This would mean temporarily adding in extra subdivision to the initial reactors constructed and increasing the 'turn down' ratio available for process equipment, probably requiring an additional, very small, blower. These are not major additional cost items but, operationally, are important to cater for.
- Note this work assumes servicing of airport and SL1 and SL2 areas that are subject to agreement between IAWAI and Waikato Waters Limited. If SL2 is developed earlier than projected here, this is still likely to be small in comparison to the HCC catchment areas. Likely build out to be confirmed by Waikato Waters Limited. Currently, the percentage of flow from outside IAWAI is small (7-14%) which is heavily linked to development projections in SL areas. Flows provided for airport precincts have decreased from previous DBC estimates, these updates reflect data provided by Waipaa DC relating to changes to assumptions around dry industry, these are lower than if calculated with RITS V2.
- Uncertainty in conveyance infrastructure feasibility. Diverting all the baseline areas is dependent on conveyance infrastructure feasibility, e.g. is additional pipe on Peacocke bridge to turn all Hamilton East/City areas feasible.
- Uncertainty in conveyance infrastructure timing. E.g. Baseline assumes western areas (via Southern Links corridor), Hillcrest and Riverlea (via Peacocke existing pipeline) to be diverted by 2040. If one of these were held back, then addition of primary treatment and sludge digestion may be able to be deferred.
- Growth Projections in existing western and eastern suburbs of Hamilton currently consider WW existing constraints. Growth projections to be updated by HCC in May 2026.
- Growth Projections of SL2 changing i.e. areas closer to WWTP having increased uptake earlier.
- Market competition: SL1 Fast Track releases could shift the timing and distribution of Peacocke demand.
- Planning constraints: Dry industry assumptions in Airport Precinct. Changes would affect loading.
- District connections: Matangi Village and Tauwhare Pa timing (2040) and Tamahere Village (~2055+) remain assumptions; actual programmes may vary.
- Trade waste variability: Larger users' flows can fluctuate; ongoing self-monitoring and consented peaks should be tracked. On site pre-treatment and buffering storage should be mandatory in development of trade waste discharge agreements going forward.

8 Conclusions and recommendations

Revised land use and growth assumptions for the SWWTP, aim to achieve dependable commissioning loads and operationally adaptable staging. Diversions from existing southern city catchments (Te Anau/Split) provide the certainty of base flow required for Stage 1, and rely on early conveyance works (PS-N12 development, PS-N4 turn-around) enabling uptake from the new development areas (Peacocke, SL1 Fast Track areas), and the Airport precinct as they materialise.

Adopting secondary treatment, in MBR configuration (multiple bioreactors), allows growth from Stage 1 ≈26-35k PE and aligns with long-term process strategy and investment horizons (35-year consent and ~80–100-year master planning). This varies from the Southern DBC that envisaged a small SBR (sequenced Batch reactor) and land discharge initially. The following are recommended to enable the flows and loads to be finalised for the SWWTP:

- Incorporate updated growth projections within HCC existing catchments after May 2026 update.
- Conduct trunk conveyance concept design to divert existing southern areas and determine logical buildout of Peacocke catchments and develop initial cost profile.
- Finalise the selected baseline flow build-up for Basis of Design.
- Acceptance of flows and staging by project partners

In terms of staging and process sizing of unit processes at the SWWTP the following is recommended:

- Define upgrade trigger points (e.g., sustained ADF thresholds; compliance headroom; network constraints relieved) to operationalise flexible staging.
- Review into smaller division of initial bioreactor at Stage 1. How far can this be dialed back or temporarily divided if required. And, if a second bioreactor was also built, what is the best way of using this in early years? Footnote 6 above lists some methods by which Turn Down can be applied to an initially oversized reactor. The need for this and most appropriate methods will be addressed in the concept Design development.
- It will also be necessary, in the Stage 1 conceptualization, to consider the optimal construction sequencing for bio-reactors as the largest infrastructure items on the site. If pairs of reactors is the optimal solution for cost and space efficiency, this will provide additional volumetric capacity that is not required for a considerable time – but which could be helpful from a redundancy and resilience perspective in light of recent major events at other WWTPs.

Additionally, it is important for council to lock in enabling works programme for N12/N4/Te Anau diversion and confirm commissioning windows are aligned to Stage 1 readiness.

A

Appendix A – Graphs and Flow Tables

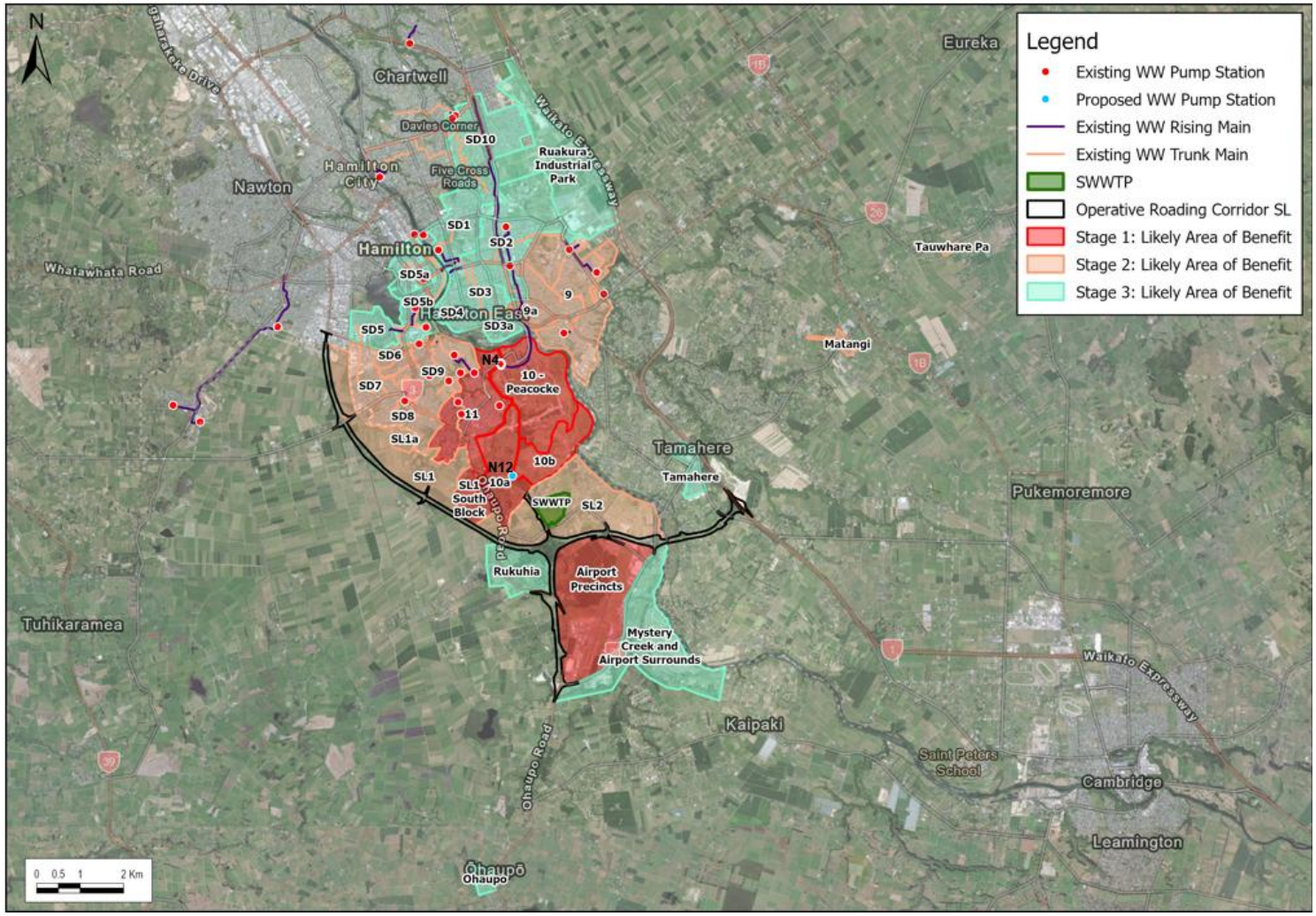


Figure 4: Scenario 1: Baseline

Notes:

1. Areas indicative of WW catchment.
2. Likely area of benefit assumes infrastructure feasibility and funding available at required time
3. Airport precinct sub areas and timing not shown.
4. No agreement between IAWAI and Waikato Waters Limited has been entered into regarding the servicing of any land within the Waipa District. Servicing will only be provided on reaching an acceptable agreement

Table 7: Baseline Flows – Per catchment per stage (BECA, 2026)

			Stage 1	Stage 2	Stage 3	ADF (m3/d)									
Area		Catchment	IN/OUT 2030	IN/OUT 2040	IN/OUT 2060	2025	2030	2035	2040	2045	2050	2055	2060	2065	2110
HCC	Hamilton East	SD1	Out	Out	In	-	-	-	-	-	-	-	2,727	2,770	3,152
HCC	Hamilton East	SD2	Out	Out	In	-	-	-	-	-	-	-	2,493	2,565	2,844
HCC	Hamilton East	SD3	Out	Out	In	-	-	-	-	-	-	-	1,874	1,907	2,207
HCC	Clyde	SD3a	Out	Out	In	-	-	-	-	-	-	-	161	161	161
HCC	Hamilton East	SD4	Out	Out	In	-	-	-	-	-	-	-	1,258	1,316	1,841
HCC	Hamilton City	SD5	Out	Out	In	-	-	-	-	-	-	-	465	465	465
HCC	Hamilton City	SD5a	Out	Out	In	-	-	-	-	-	-	-	1,818	1,903	2,668
HCC	Hamilton City	SD5b	Out	Out	In	-	-	-	-	-	-	-	2,059	2,176	3,234
HCC	Hamilton City Industrial Flows	SD5b IND	Out	Out	In	-	-	-	-	-	-	-	743	743	743
HCC	Hamilton West	SD6	Out	In	In	-	-	-	397	397	397	397	397	397	397
HCC	Hamilton West	SD7	Out	In	In	-	-	-	746	746	746	746	746	746	746
HCC	Hamilton West	SD8	Out	In	In	-	-	-	1,132	1,132	1,132	1,132	1,132	1,132	1,132
HCC	Lorne Street Melville	SD9	Out	In	In	-	-	-	2,987	2,987	2,989	3,117	3,133	3,153	3,333
HCC	Faiview Downs/Snells	SD10	Out	Out	In	-	-	-	-	-	-	-	2,706	2,780	3,376
HCC	Ruakura Industrial Flows	SD10 IND	Out	Out	In	-	-	-	-	-	-	-	540	540	540
HCC	Temple View	SD11	Out	Out	Out	-	-	-	-	-	-	-	-	-	-
HCC	Te Anau / Splitt/ Fitzroy	11	In	In	In	2,608	2,905	3,005	3,048	3,063	3,065	3,069	3,069	3,069	3,069
HCC	Peacockes N4	Reduced 10	In	In	In	78	400	706	706	706	900	1,024	1,029	1,029	1,029
HCC	Peacockes SWWTP	10b	In	In	In	8	35	96	234	295	450	1,062	1,062	1,062	1,062
HCC	Waiora WTP to N4 Industrial Flows	10 IND	In	In	In	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386
HCC	N12	10a	In	In	In	177	280	316	450	804	1,090	1,360	1,523	1,523	1,523
HCC	Hillcrest Riverlea	9	Out	In	In	-	-	-	3,085	3,088	3,094	3,101	3,192	3,235	3,617
HCC	Flynn	9a	Out	In	In	-	-	-	416	416	418	420	483	516	816
FP	SL1	1A	In	In	In	-	180	360	691	871	1,051	1,231	1,411	2,830	4,774
FP	SL1	1B	In	In	In	-	180	360	482	662	842	1,022	1,202		
FP	SL1	Ind	In	In	In	-	-	-	78	78	78	102	102	102	102
FP	SL2	Res	In	In	In	-	-	-	-	-	-	324	810	891	1,620
FP	SL2	Ind	In	In	In	-	-	-	-	-	-	-	104	104	104
Waipa	Northern Precinct	Ind	In	In	In	-	30	95	150	220	220	220	220	220	220
Waipa	Airport and surrounding precincts	Ind	In	In	In	-	-	39	182	182	182	182	275	275	275
Waipa	Rukuhia	Res	Out	In	In	-	-	-	39	39	39	39	102	102	102
Waipa	Ohaupo	Res	Out	In	In	-	-	-	-	-	91	91	91	91	271
Waipa	Puaawai	Res	Out	In	In	-	-	-	20	20	20	20	20	20	20
Waipa	Tabby Tiger	Ind	Out	In	In	-	-	-	-	-	-	-	27	27	27
Waikato	Matangi	Res	Out	In	In	-	-	-	53	79	105	113	121	127	186
Waikato	Matangi	Com	Out	In	In	-	-	-	4	4	4	4	4	4	6
Waikato	Extg Tamahere Commercial	Com	Out	Out	In	-	-	-	-	-	-	1	1	1	1
Waikato	Tauwhare Pa	Res	Out	In	In	-	-	-	23	32	52	54	56	57	62
Waikato	Tamahere Rural Residential (Only So	Res	Out	Out	In	-	-	-	-	-	-	7	23	22	9
Waikato	Tamahere rural Comm	Com	Out	Out	In	-	-	-	-	-	-	6	6	6	6
Waikato	Tamahere South	Res	Out	Out	In	-	-	-	-	-	-	252	263	267	303
Waikato	Tamahere South	Com	Out	Out	In	-	-	-	-	-	-	1	1	1	1
					Total Flow (m3/d)	4,257	5,396	6,362	16,308	17,207	18,350	20,482	38,832	39,717	47,427
					Approx PE	21,287	26,980	31,809	81,538	86,034	91,752	102,408	194,159	198,584	237,137

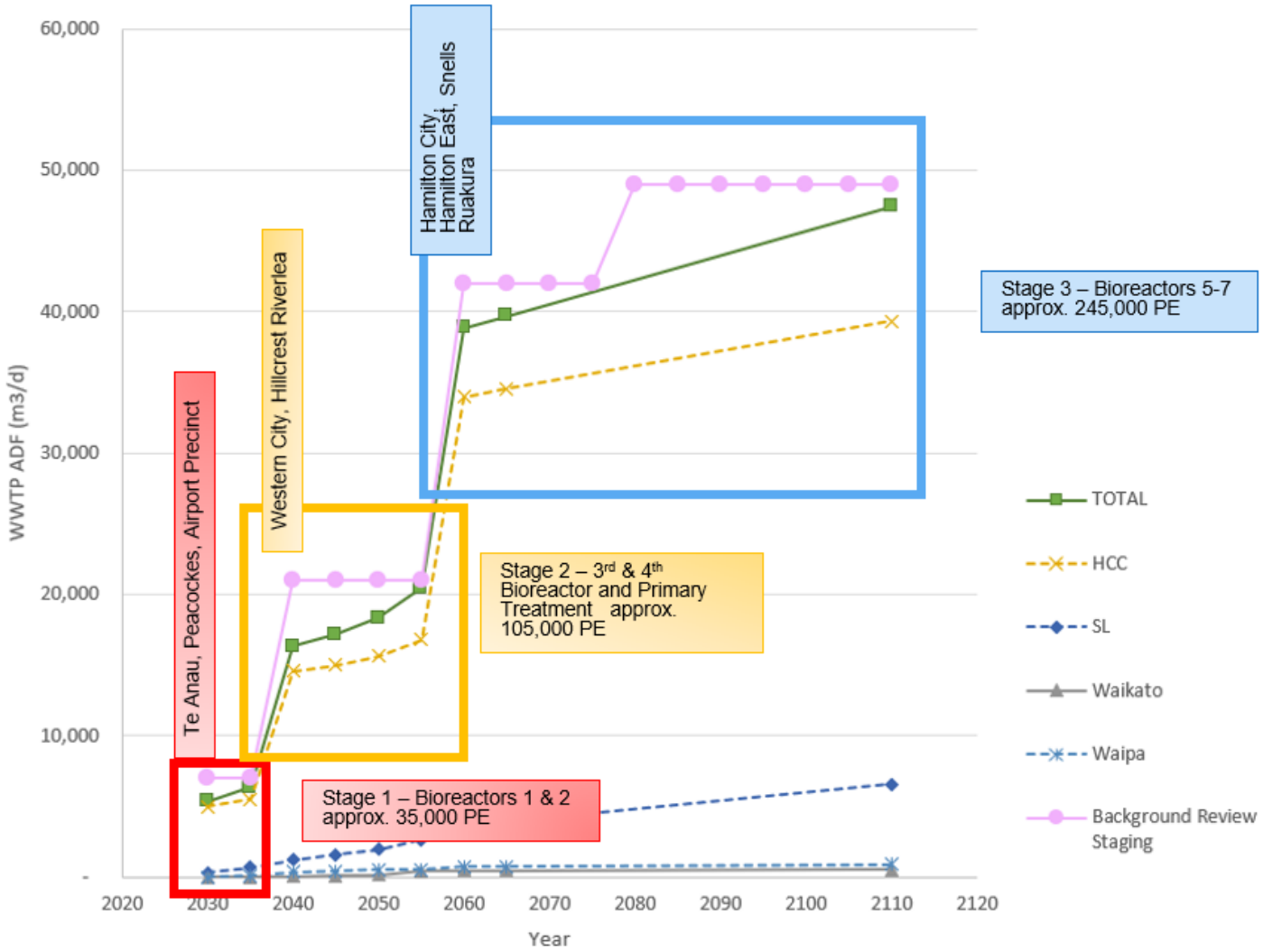


Figure 5: Baseline Flows and Staging

Table 8: Indicative staging of secondary (reactors) and primary treatment addition

Restricted Diversion (maximum 200,000 PE)

	ADF (m3/d)								
	2030	**2035**	**2040**	**2045**	**2050**	**2055**	**2060**	**2065**	**2110**
Total Flow (m3/d)	5,396	6,362	12,668	13,528	14,678	16,641	30,153	30,758	36,021
Approx PE	26,980	31,809	63,339	67,641	73,391	83,204	150,763	153,789	180,106
Primary Treatment	No	No	No	No	No	Yes	Yes	Yes	Yes
No. Reactors (indicative)	2	2	4	4	4	3	5	5	6
Digestion/Gas Production	No	No	No	No	Yes	Yes	Yes	Yes	Yes
Nominal Capacity (PE)	35,000	35,000	70,000	70,000	70,000	105,000	175,000	175,000	210,000

Likely Baseline

	ADF (m3/d)								
	2030	**2035**	**2040**	**2045**	**2050**	**2055**	**2060**	**2065**	**2110**
Total Flow (m3/d)	5,396	6,362	16,308	17,207	18,350	20,482	38,832	39,717	47,427
Approx PE	26,980	31,809	81,538	86,034	91,752	102,408	194,159	198,584	237,137
Primary Treatment	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. Reactors (indicative)	2	2	3	3	3	3	6	6	7
Digestion/Gas Production	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nominal Capacity (PE)	35,000	35,000	105,000	105,000	105,000	105,000	210,000	210,000	245,000

Higher growth -Sensitivity Scenario (20% increase of baseline flows)

	ADF (m3/d)								
	2030	**2035**	**2040**	**2045**	**2050**	**2055**	**2060**	**2065**	**2110**
Total Flow (m3/d)	6,475	7,634	19,498	20,577	22,020	24,578	46,598	47,660	56,913
Approx PE	32,376	38,171	97,491	102,886	110,102	122,890	232,991	238,301	284,565
Primary Treatment	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. Reactors (indicative)	2	3	3	3	4	4	7	7	9
Digestion/Gas Production	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nominal Capacity (PE)	35,000	52,500	105,000	105,000	140,000	140,000	245,000	245,000	315,000

B

Appendix B – Land Use Assumptions – Presentation Slides

Southern Wastewater Treatment Facility

Background Review – Land Use Assumptions

Revised – 4 March 2026

WAIKATO METRO WASTEWATER

Hamilton City Council
Te kaunihera o Kirikiriroa

05

Land Use Demand & Growth Assumptions

Workshops were held to update land use and growth assumptions since the Southern DBC, and to confirm the areas to be served by the Southern Wastewater Treatment Plant (SWWTP), including land uses, population densities, and timing.

Fundamental Land Use Demand and Growth Assumptions Baseline Scenario

Key driving factors

These sit behind the recommended key assumptions for staging

- *Having more certainty of amount of flow able to be diverted in the initial stage to the SWWTP*
- *Flexibility in the implementation of staging*
- *Provide for infrastructure investment in the long term.*

The above driving factors are to inform the flow and sizing for

- *The first initial stage sizing and subsequent step sizes accordingly*
- *The 35yr consent timeframe*
- *Full site Master Plan approx. 80-100 years (up to 2110)*

Comparison to DBC

General

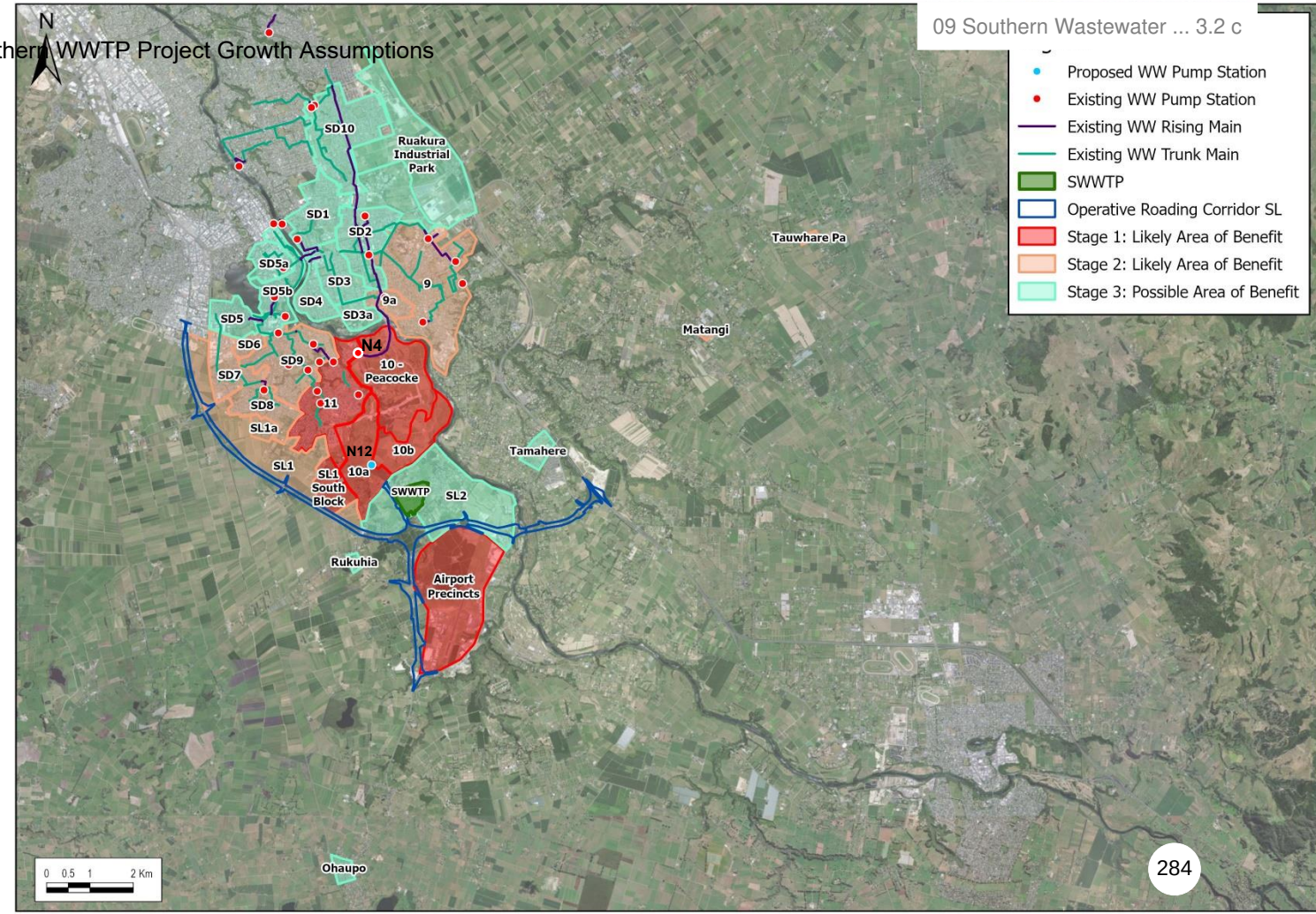
- Current thinking from SMEs captured in Land Use Demand and Growth Assumptions workshop. This updates and supersedes previous growth assumptions at the time the DBC was conducted.
- Initial stage previously to provide capacity to service the existing and planned development in the Airport, surrounding areas. Plan changes assume dry industry (no wet industry provision).
- Originally envisaged as a Sequencing Batch Reactor (SBR) plant by the Southern Metro DBC, HCC's preference is this stage is progressed as a Membrane Bioreactor (MBR) plant consistent with later stages.
- Stage 1 now larger than previous Stage 2 (DBC). Current Stage 35kPE vs Previous Stage 2 (DBC) 20kPE).
- Hamilton East and City considered as potential future service area. These are now incorporated into baseline for Stage 3.

Fundamental Land Use Demand and Growth Assumptions

All Catchments

Areas indicative of WW catchment.

Airport precinct sub areas and timing not shown.



Attachment 2b: Southern WWTP Project Growth Assumptions

Summary of Reference Sources

Organisation	Reference Source	Main data included
HCC	SWWTP Growth Assumptions and Memo (Spreadsheet, Data analytics HCC 20250805). Peak WWF and ADWF Summary Table (Spreadsheet, WW Strategy HCC, 20251006) SWWTP Trade Waste Data (Spreadsheet, Colabsolutions, 20260120)	Dwelling per catchment every 5 years provided in memo. RITS calculations to derive ADF, PWWF. Existing catchments to be calibrated to ADWF and PWWF from flow gauging. Trade waste average flows used. Consented flow used as peak.
Waipa	Estimate of Waipa Flow Contribution to Southern Hamilton WwTP (Spreadsheet, Waipa, August 2025)	Flows provided
Waikato DC	Waikato DC Southern WW Treatment Plant Numbers and Assumptions (Spreadsheet, Waikato DC, August 2025)	Number of dwellings and industrial areas, existing and growth assumptions.
Southern Links (SL)	HSL Scenario Testing v1.0 4 Feb (land use modelling scenarios used by HSL, developed with FP partners for traffic modelling).	Number of dwellings and industrial areas, base scenario and growth assumptions for scenarios.

Summary of Key Land Use Assumptions

HCC:

- Long term average new builds are around 1,250 per annum within HCC.
- HCC to provide revised growth assumptions approx. May 2026 to estimate demand in west and east if wastewater constraints are removed.

Southern Links and Peacocke:

- SL1 uptake would slow development in Peacocke to reflect market competition. Assume that 90% demand is consumed from Peacocke.
- We would not expect SL to stifle Peacocke growth
- Slowing of Peacocke will impact sequencing.

Waikato DC

- Matangi connection assumed yr 2040 due to expiry of consent
- Tamahere rural lifestyle assumed not to connect 2055+

Waipa

- Airport Precinct and surrounding, connection likely as soon as SWWTP available; initial flows 30–150 m³/d Plan changes assume dry industry (no wet industry provision).
- Rukuhia and Ohaupo a lot later on 2060+

Attachment 2b: Southern WWTP Project Growth Assumptions

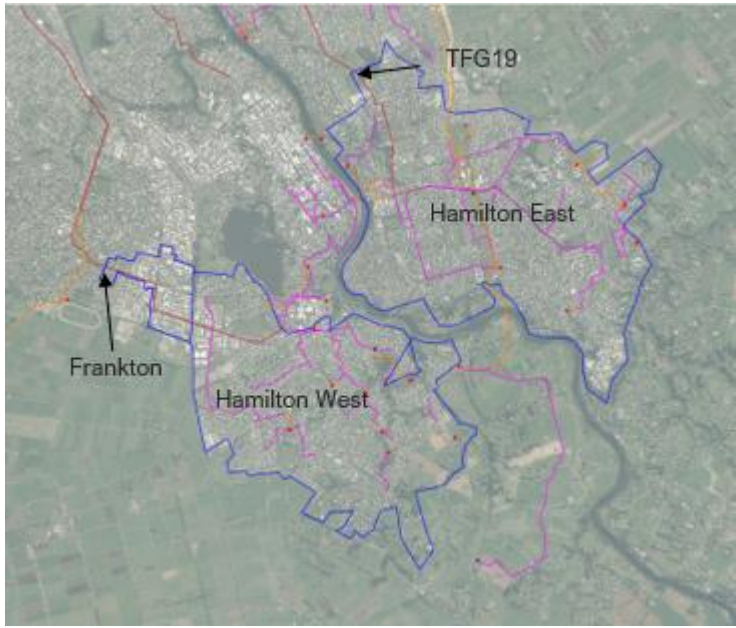
Basis for Flow Calculation – New Developments

Parameter	Value/Description
Project timeline	Assume flow able to be directed to SWWTP at year 2030.
Design life of WWTP	80 yrs i.e. Ultimate scenario at year 2110.
Residential Flow estimation **Use of RITS for New development areas**	2.7 persons/dwelling 200 L/person/day Infiltration (2,250 L/developed hectare/day) included in average daily flow calculations. Development area estimated pro-rata based on Full Development Additional Surface water ingress (16,500 L/developed hectare/day) and diurnal peaking factor included in peak wet weather flow.
Industrial Flow Estimation	Industrial growth assumptions (Waikato DC, Southern Links) assumed as Dry Industry. 1.5 m^3/ha/day Waipa has estimated flows.

Attachment 2b: Southern WWTP Project Growth Assumptions

Basis for Flow Calculation – Existing catchments

Parameter	Value/Description
Residential Flow estimation **Calibration of existing catchments to gauging flows**	Adjusted Water Consumption based on gauged flows calculated for Eastern and Western catchments. Current ADF calculated as per RITS with adjusted Water consumptions and infiltration set to zero (effects of infiltration are already incorporated into the adjusted water consumption rate). Future ADF calculation uses current flow plus additional future dwellings/population with water consumption of 200 L/p/d. Peaking factors calibrated using gauged PWWF's for eastern and western areas and applied to ADF.
Industrial Flow Estimation	Average Daily Flows provided for major users in south HCC. Average daily flow (available from past 5 years flow monitoring data). Wairoa only considers average of July -Dec 2025 (previous data includes errors or does not include WTP upgrade). Industrial flows from Western and Eastern city considered included within the adjusted water consumption rate of these catchments. Consented maximum volumes used for Peak flows.

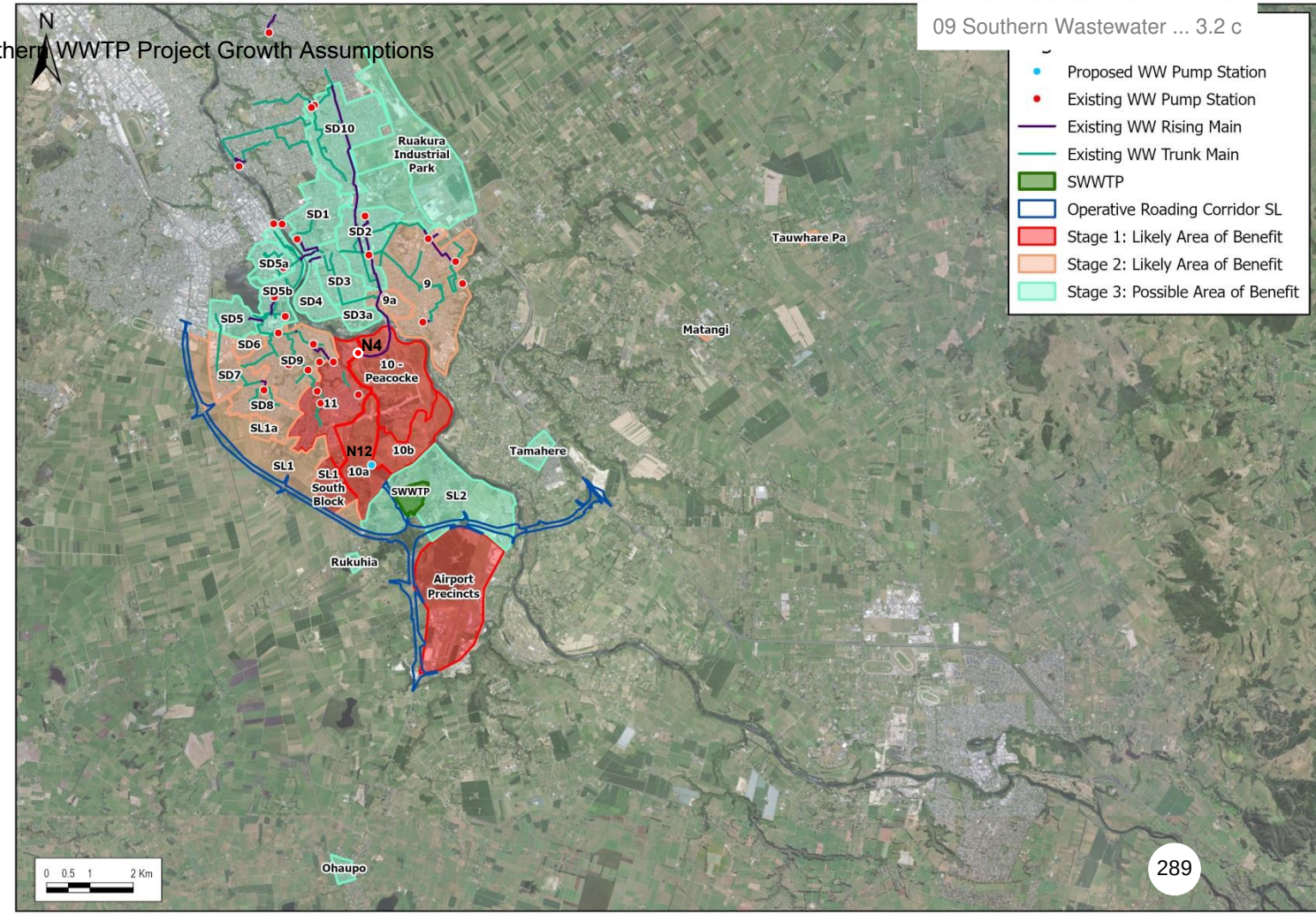


Fundamental Land Use Demand and Growth Assumptions

All Catchments

Areas indicative of WW catchment.

Airport precinct sub areas and timing not shown.

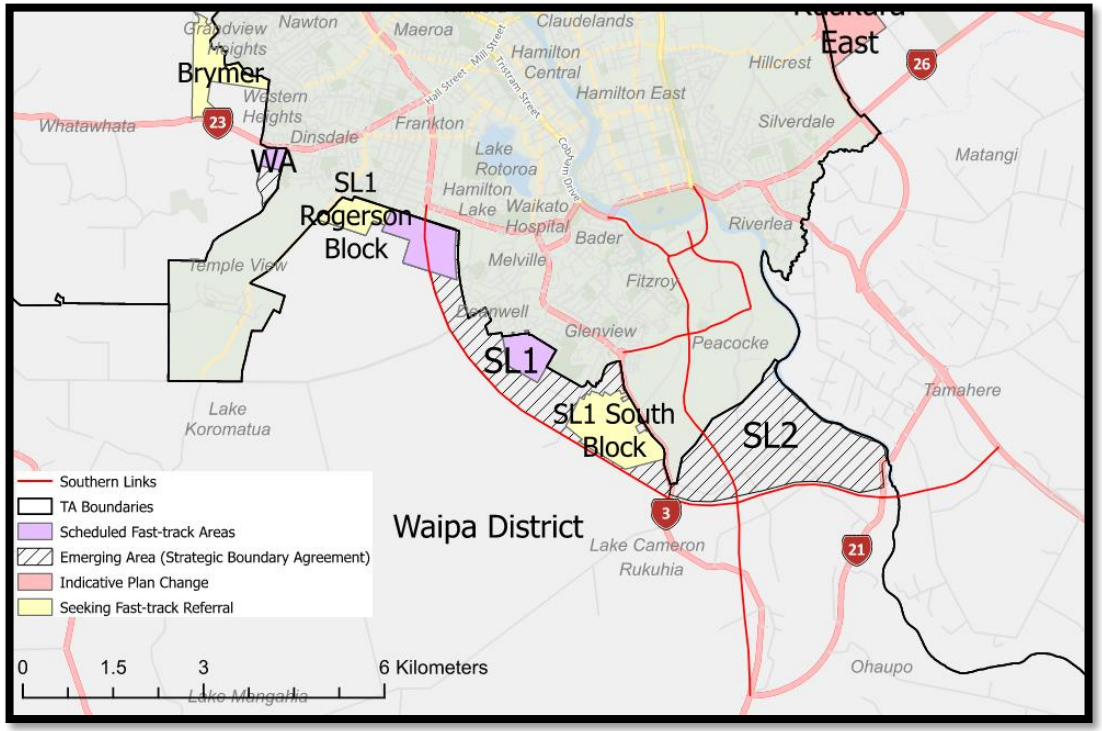


Attachment 2b: Southern WWTP Project Growth Assumptions

Fundamental Land Use Demand and Growth Assumptions

STAGE 1 CATCHMENTS

Southern Links Fast-Track Consenting Areas



Waipa DC Catchments – SL1 initial development

Consenting Activity:
SL1: Fast-Track Approvals Act (FTAA) applications for:
- **48 ha residential** (1,000 homes)
- **66 ha industrial**

Additional fast-track referrals: SL1 South Block & Rogerson Block (residential + industrial) shown in yellow on the figure

Implication:
Fast-track process could accelerate transition to fully urban environment sooner than Future Proof projections.
- Timing of connection to plant: 2032 (Stage 1)
- Conveyance assumptions: Initially pumped via N12 or direct to SWWTP. Later stages via southern links corridor.

06

Staging of Treatment Plant Development

The SWWTP, originally planned to serve 200,000 people, is now a priority with delivery expected in 5–10 years due to changing land use and pressure in South Hamilton may accelerate flows to the plant, speeding up the project. Funding is being confirmed through IAWAI. The plant will be built in stages using equal-sized treatment units for maximum stability, flexibility, and operability.

Updated Staging Requirements

Attachment 2b: Southern WWTP Project Growth Assumptions

Benefits of Smaller Stages

- Flexibility: Easier to match actual population growth.
- Resilience: Better load management if one unit fails.
- Operational Control: More options for maintenance and upgrades. Lower risk of a Stage becoming under or over loaded.
- Trade-off: Higher total capital costs (e.g. concrete, equipment, instrumentation).
- Offset: Capital deferral benefits and time value of money.

Three key growth periods identified:

- 2031 - 2040: first and second bioreactors
- 2040 - 2060: Third and fourth bioreactors

Primary sedimentation and solids processing (deferred if infrastructure to divert flows not available)

- 2060 -2110: Fifth and sixth bioreactors at 2060. Up to 8-9 total reactors depending on total area diverted and final growth rate in area of benefit.

	Flows	Notes on Processes and Plant Make Up
Stage 1 Establish base flow by diverting existing HCC southern catchment 11 via N4 pumpstation. *To provide capacity to service the:* *- existing Te Anau area* *- initial development in SL1 and Peacocke,* *- the Airport and surrounding areas*	Approximate Stage 1 26,000- 35,000 PE (5,000-7,000 m³/day) Stage 1 Nominal Capacity 35,000 PE	Originally envisaged as SBR in the Southern Metro DBC; HCC preference is to progress Stage 1 as an MBR, consistent with later stages. Assumed to include: • Secondary treatment with 1st and 2nd bioreactor. 1st reactor in use, 2nd online, some spare capacity. • Master planned site security fencing • Basic administration and control building (future proofed) To be extended later. • Waste Activated Sludge (WAS) tank. Thickened sludge is proposed to be transferred to the Pukete WWTP. • Blower building (able to be retained until Stage 3 but then be replaced) • Chemical storage (if required) and delivery area. • Site access
Stage 2 (Approx 2040) *To provide flexibility to adapt to increasing population and areas being diverted into the SWWTP from:* *- Western areas via southern links conveyance* *- Hillcrest /Riverlea* *- Waikato areas.*	Approximate Stage 2 70,000 PE – 140,000 PE (14,000 – 28,000 m³/day) Addition of Primary Treatment 75,000 PE – 280,000 PE (15,000 – 56,000 m³/day)	Assumed to include Stage 1 processes plus: • Master Planned site security fencing • Secondary treatment with 3rd and 4th bioreactors that can come online when demand requires. Assumed to include Stage 2 processes plus: • Primary sedimentation and solids processing. • Primary + secondary treatment (4 Bioreactors), energy recovery Primary capacity added to align with growth, have spare bioreactor capacity at this stage, depending on how big the jump is
Stage 3 (Approx 2060- up to 2110) *To provide for diversion other existing areas including up to:* *- Hamilton East* *- Hamilton City, and* *- Snells and Ruakura*	Approximate Stage 3 (140,000PE – 280,000 PE (28,000 – 56,000 m³/day)	Masterplanning horizon (to ~2110): allow for future secondary modules and solids processing expansions • Primary + secondary treatment (8 Bioreactors), energy recovery • Additional bioreactors to allow for increased flows • Likely 2 additional in 2060.

Stage 1

Sizing of Stage 1 Dependent on:

- Existing Flows - Existing areas diverted in
- New Development areas - projected growth

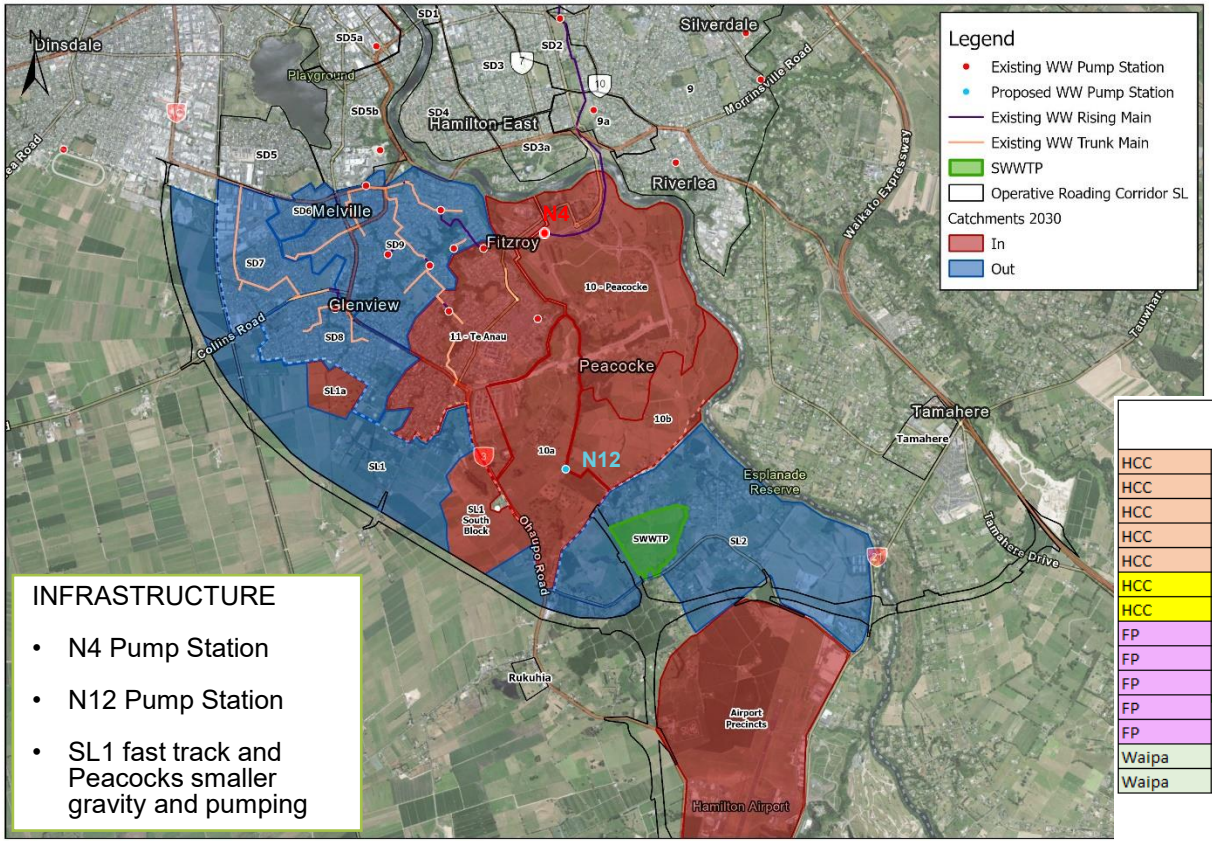
The following slides show the estimation of flows from three options:

Selected Baseline – 26,000-35,000 PE provides sufficient demand to build the first stage the same size reactors as future build out, offsets capacity from Pukete, frees up growth.

	Flows	Notes on Processes and Plant Make Up
Stage 1 Establish base flow by diverting existing HCC southern catchment 11 via N4 pumpstation. *To provide capacity to service the:* *- existing Te Anau area* *- initial development in SL1 and Peacocke,* *- the Airport and surrounding areas*	Approximate Stage 1 26,000- 35,000 PE (5,000-7,000 m^3/day) Stage 1 Nominal Capacity 35,000 PE	Originally envisaged as SBR in the Southern Metro DBC; HCC preference is to progress Stage 1 as an MBR, consistent with later stages. Assumed to include: • Secondary treatment with 1st and 2nd bioreactor. 1st reactor in use, 2nd online, some spare capacity. • Master planned site security fencing • Basic administration and control building (future proofed) To be extended later. • Waste Activated Sludge (WAS) tank. Thickened sludge is proposed to be transferred to the Pukete WWTP. • Blower building (able to be retained until Stage 3 but then be replaced) • Chemical storage (if required) and delivery area. • Site access

Stage 1 –Selected Baseline

N4 Pump Station - Approx 35,000PE plant



INFRASTRUCTURE

- N4 Pump Station
- N12 Pump Station
- SL1 fast track and Peacocks smaller gravity and pumping

Existing flows:

- Airport
- **Catchment 11 (Te Anau Splitt Fitzroy)**
- **Waiora Flows**

New Developments

- Southern Peacocke: Catchment 10a + **Catchment 10** + Catchment 10b
- SL1 Initial Fast Track areas (area shown indicative)

	Area	Catchment	IN/OUT 2030	2030	2035
HCC	Te Anau / Splitt/ Fitzroy	11	In	2,965	3,086
HCC	Peacockes N4	Reduced 10	In	400	706
HCC	Peacockes SWWTP	10b	In	35	96
HCC	Waiora WTP to N4 Industrial Flows	10 IND	In	1,386	1,386
HCC	N12	10a	In	280	316
HCC	Hillcrest Riverlea	9	Out	-	-
HCC	Flynn	9a	Out	-	-
FP	SL1	1A	In	180	360
FP	SL1	1B	In	180	360
FP	SL1	Ind	In	-	-
FP	SL2	Res	In	-	-
FP	SL2	Ind	In	-	-
Waipa	Northern Precinct	Ind	In	30	95
Waipa	Airport and surrounding precincts	Ind	In	294	39
			Total Flow (m3/d)	ɔ,456	6,443
			Approx PE	27,282	32,213

Stage 2

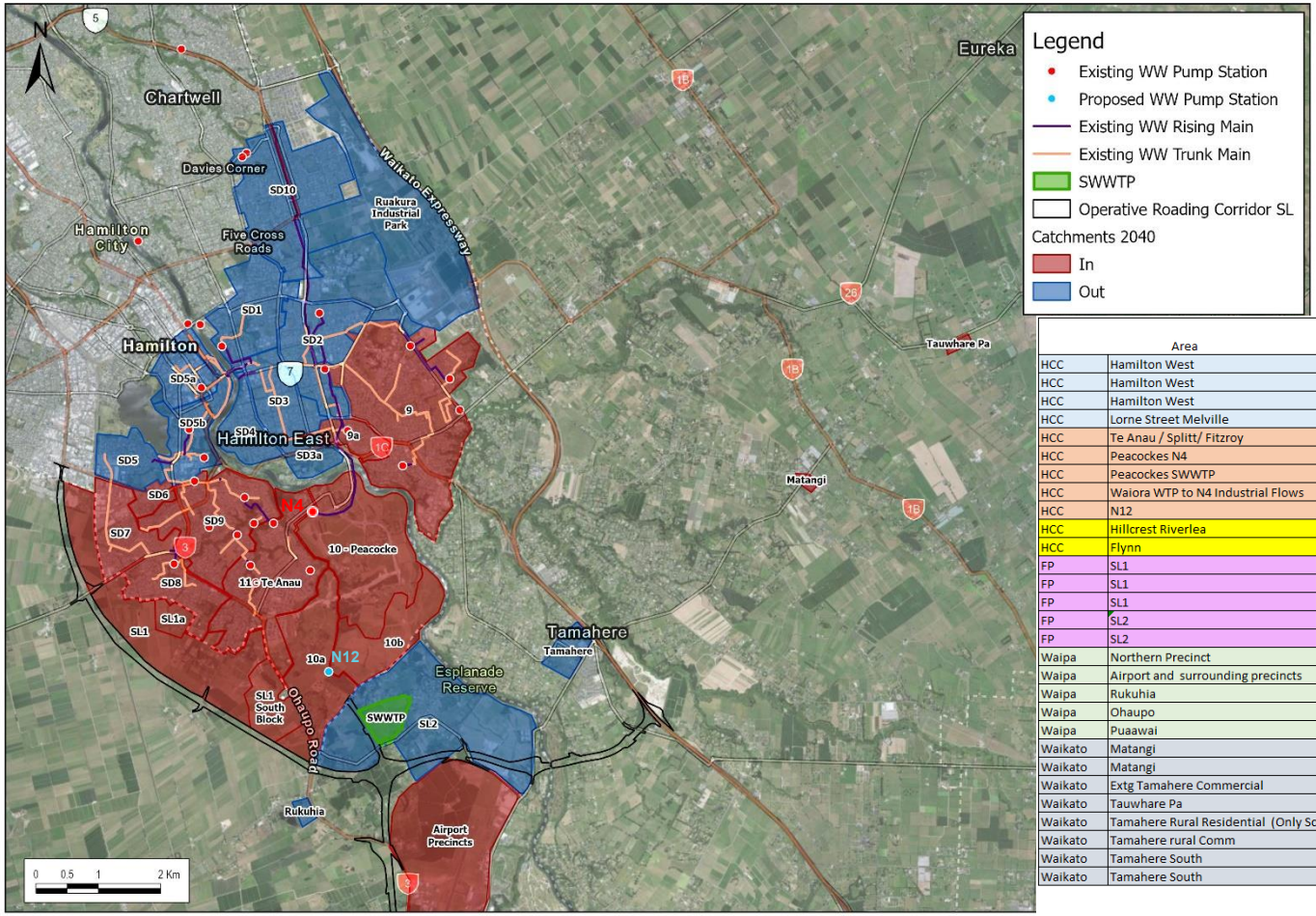
Flexibility of Stage 2 allows:

Ability to adjust build out to suit timing of flow diversions

	Flows	Notes on Processes and Plant Make Up
Stage 2 (Approx 2040) *To provide flexibility to adapt to increasing population and areas being diverted into the SWWTP from:* *- Western areas via southern links conveyance* *- Hillcrest /Riverlea* *- Waikato areas.*	Approximate Stage 2 70,000 PE – 140,000 PE (14,000 – 28,000 m³/day) Addition of Primary Treatment 75,000 PE – 280,000 PE (15,000 – 56,000 m³/day)	Assumed to include Stage 1 processes plus: • Master Planned site security fencing • Secondary treatment with 3rd and 4th bioreactors that can come online when demand requires. Assumed to include Stage 2 processes plus: • Primary sedimentation and solids processing. • Primary + secondary treatment (4 Bioreactors), energy recovery Primary capacity added to align with growth, have spare bioreactor capacity at this stage, depending on how big the jump is

Stage 2 – Primary and Secondary Treatment

Attachment 2b: Southern WWTP Project Growth Assumptions



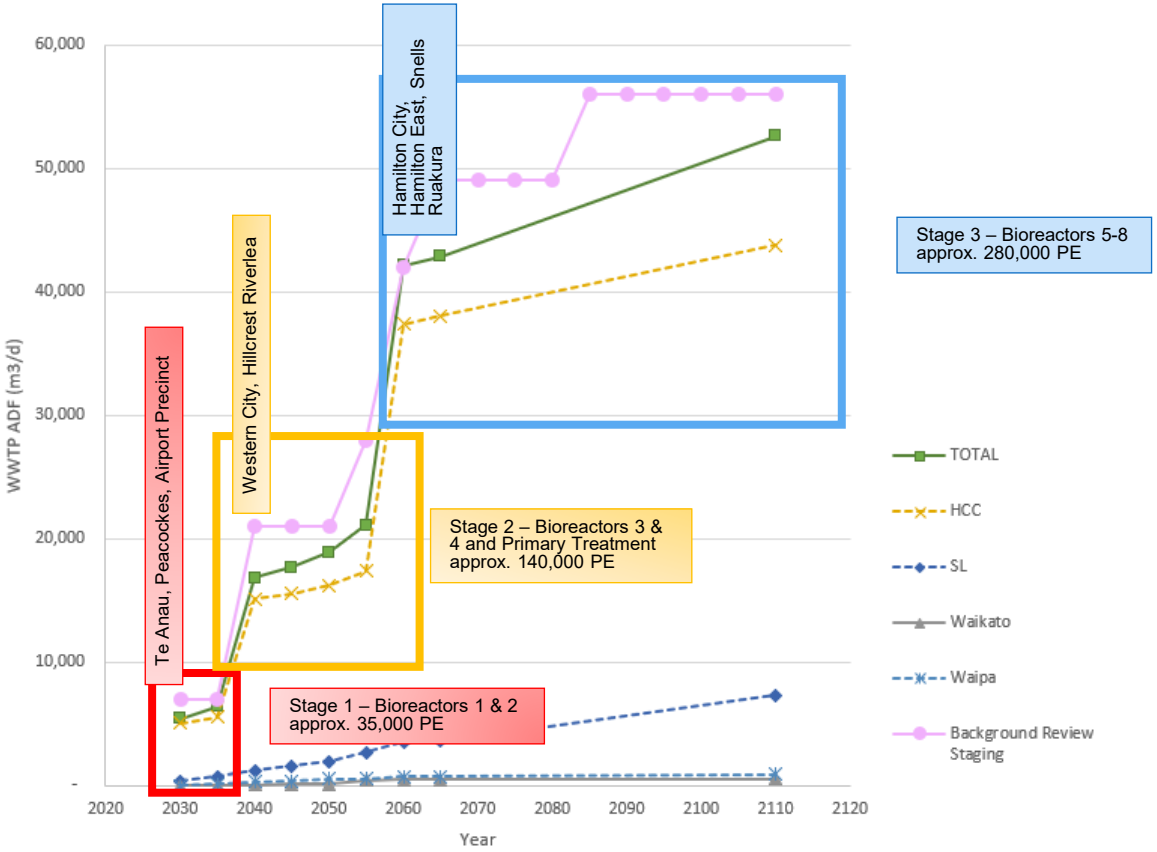
Additional Areas

- Western areas SD6-SD9
- Increased SL areas
- Matangi
- Minor Waipa and Waikato flows
- **Catchments 9 and 9a Hillcrest/ Riverlea & Flynn**

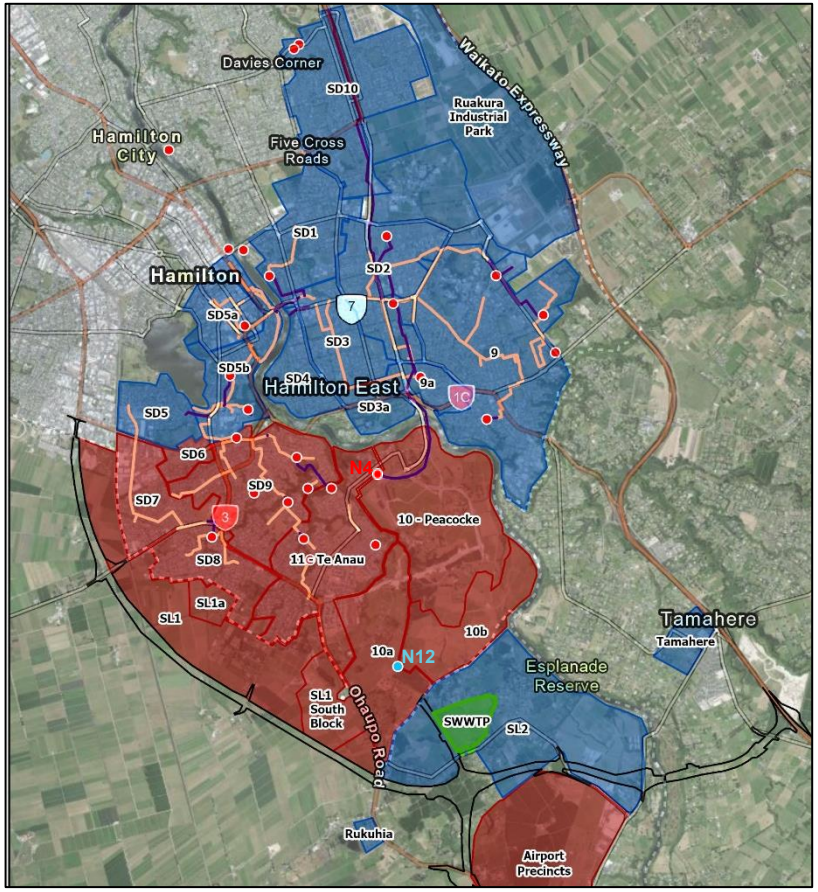
	Area	Catchment	IN/OUT 2040	IN/OUT 2050	2040	2045	2050	2055
HCC	Hamilton West	SD6	In	In	397	397	397	397
HCC	Hamilton West	SD7	In	In	746	746	746	746
HCC	Hamilton West	SD8	In	In	1,132	1,132	1,132	1,132
HCC	Lorne Street Melville	SD9	In	In	2,997	2,997	3,000	3,153
HCC	Te Anau / Splitt/ Fitzroy	11	In	In	3,138	3,156	3,158	3,163
HCC	Peacockes N4	Reduced 10	In	In	706	706	900	1,024
HCC	Peacockes SWWTP	10b	In	In	234	295	450	1,062
HCC	Waiora WTP to N4 Industrial Flows	10 IND	In	In	1,386	1,386	1,386	1,386
HCC	N12	10a	In	In	450	804	1,090	1,360
HCC	Hillcrest Riverlea	9	In	In	3,493	3,497	3,504	3,512
HCC	Flynn	9a	In	In	471	471	473	476
FP	SL1	1A	In	In	691	871	1,051	1,231
FP	SL1	1B	In	In	482	662	842	1,022
FP	SL1	Ind	In	In	78	78	78	102
FP	SL2	Res	In	In	-	-	-	324
FP	SL2	Ind	In	In	-	-	-	-
Waipa	Northern Precinct	Ind	In	In	150	220	220	220
Waipa	Airport and surrounding precincts	Ind	In	In	182	182	182	182
Waipa	Rukuhia	Res	Out	In	-	-	39	39
Waipa	Ohaupo	Res	Out	In	-	-	91	91
Waipa	Puaawai	Res	Out	In	-	-	20	20
Waikato	Matangi	Res	In	In	53	79	105	113
Waikato	Matangi	Com	In	In	4	4	4	4
Waikato	Extg Tamahere Commercial	Com	Out	In	-	-	-	1
Waikato	Tauwhare Pa	Res	In	In	23	32	52	54
Waikato	Tamahere Rural Residential (Only Scho	Res	Out	In	-	-	-	7
Waikato	Tamahere rural Comm	Com	Out	In	-	-	-	6
Waikato	Tamahere South	Res	Out	In	-	296	-	252
Waikato	Tamahere South	Com	Out	In	-	-	-	1
				Total Flow (m3/d)	16,811	17,714	18,919	21,079
				Approx PE	84,057	88,572	94,597	105,397

Attachment 2b: Southern WWTP Project Growth Assumptions

Preferred Baseline Growth Scenario



Stage 2 – Flexibility



Ability to adjust flows to suit the staging/bioreactor upgrades

Stage 2 Flexibility: Bioreactor timing and addition of primary treatment can be advanced or aligned with growth and infrastructure readiness.

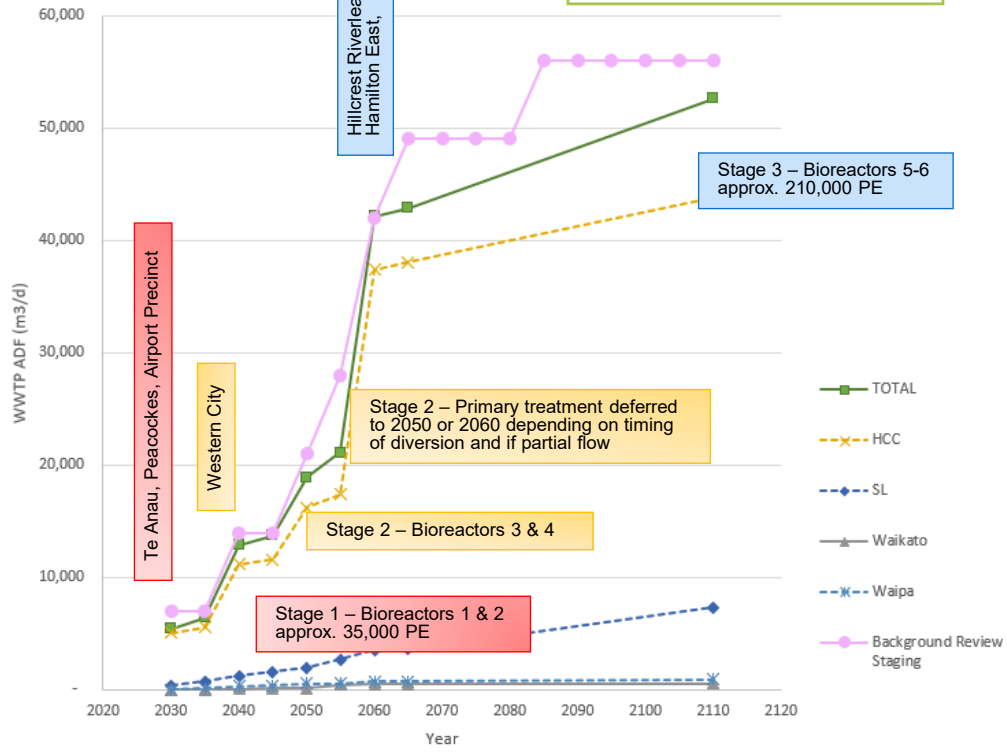
Design for the diversion of the following areas should incorporate a way to divert back.

- Western areas – Partial diversion only. Maintain some going to Western Interceptors.
- Hillcrest and Riverlea – Partial diversion. Area can be split into two main sub catchments.

Stage 2 – Flexibility

INFRASTRUCTURE

- Southern Links Corridor Enabling Western Flows and SL Areas



Additional Areas

- Western areas SD6-SD9
- Increased SL areas
- Matangi
- Minor Waipa and Waikato flows

	Area	Catchment	IN/OUT 2040	IN/OUT 2050	2040	2045	2050	2055
HCC	Hamilton West	SD6	In	In	397	397	397	397
HCC	Hamilton West	SD7	In	In	746	746	746	746
HCC	Hamilton West	SD8	In	In	1,132	1,132	1,132	1,132
HCC	Lorne Street Melville	SD9	In	In	2,997	2,997	3,000	3,153
HCC	Te Anau / Splitt/ Fitzroy	11	In	In	3,138	3,156	3,158	3,163
HCC	Peacockes N4	Reduced 10	In	In	706	706	900	1,024
HCC	Peacockes SWWTP	10b	In	In	234	295	450	1,062
HCC	Waiora WTP to N4 Industrial Flows	10 IND	In	In	1,386	1,386	1,386	1,386
HCC	N12	10a	In	In	450	804	1,090	1,360
HCC	Hillcrest Riverlea	9	Out	Out	-	-	-	-
HCC	Flynn	9a	Out	Out	-	-	-	-
FP	SL1	1A	In	In	691	871	1,051	1,231
FP	SL1	1B	In	In	482	662	842	1,022
FP	SL1	Ind	In	In	78	78	78	102
FP	SL2	Res	In	In	-	-	-	324
FP	SL2	Ind	In	In	-	-	-	-
Waipa	Northern Precinct	Ind	In	In	150	220	220	220
Waipa	Airport and surrounding precincts	Ind	In	In	182	182	182	182
Waipa	Rukuhia	Res	Out	In	-	-	39	39
Waipa	Ohaupo	Res	Out	In	-	-	91	91
Waipa	Puaawai	Res	Out	In	-	-	20	20
Waikato	Matangi	Res	In	In	53	79	105	113
Waikato	Matangi	Com	In	In	4	4	4	4
Waikato	Extg Tamahere Commercial	Com	Out	In	-	-	-	1
Waikato	Tauwhare Pa	Res	In	In	23	32	52	54
Waikato	Tamahere Rural Residential (Only Scho	Res	Out	In	-	-	-	7
Waikato	Tamahere rural Comm	Com	Out	In	-	-	-	6
Waikato	Tamahere South	Res	Out	In	-	-	-	252
Waikato	Tamahere South	Com	Out	In	-	-	-	1
				Total Flow (m3/d)	12,848	13,747	14,942	17,091
				Approx PE	64,238	68,733	74,712	85,457

Stage 3

Flexibility of Stage 3 allows:

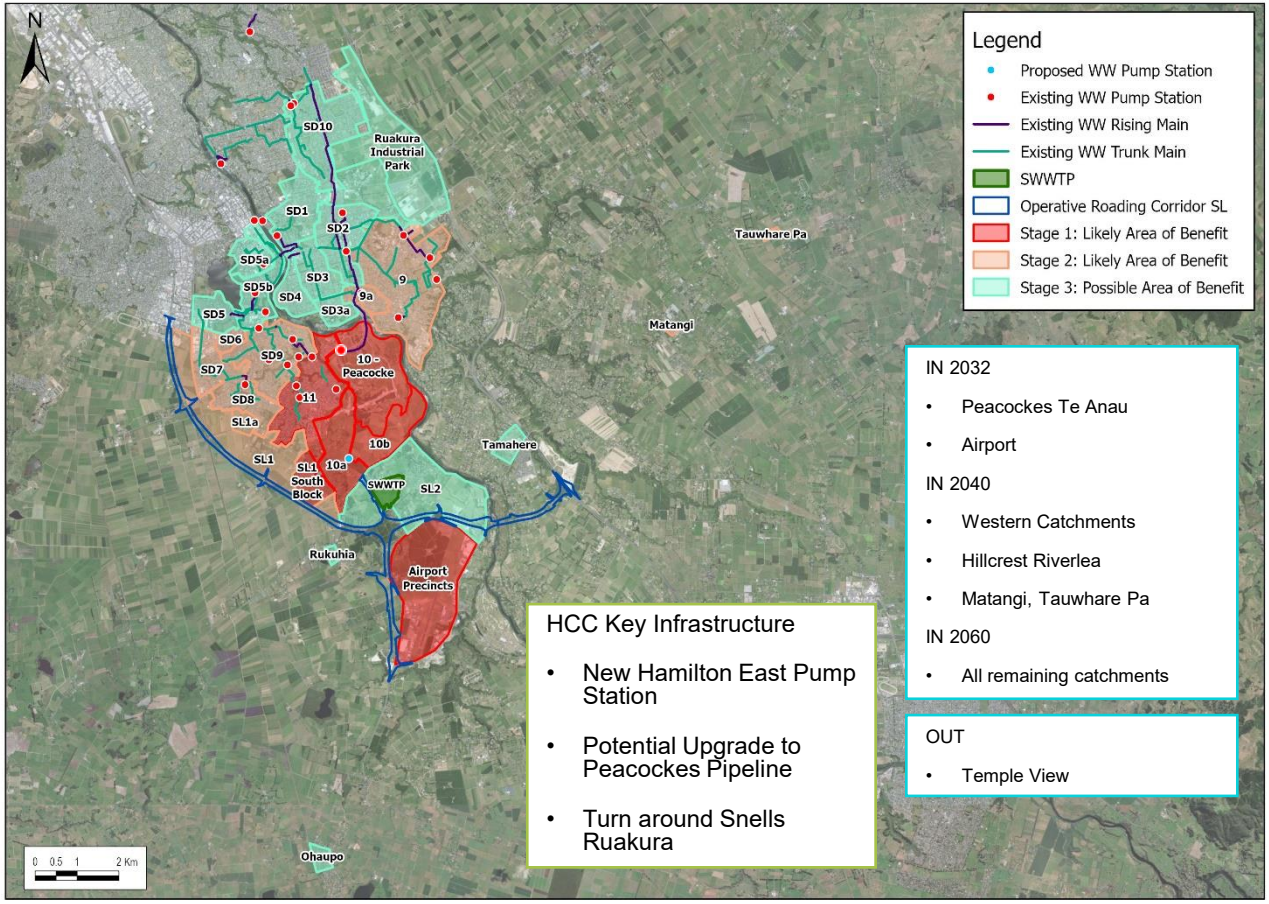
Diversion of additional Hamilton areas

Projected growth increases within diverted area

	Flows	Notes on Processes and Plant Make Up
Stage 3 (Approx 2060-up to 2110) *To provide for diversion other existing areas including up to:* *- Hamilton East* *- Hamilton City, and* *- Snells and Ruakura*	Approximate Stage 3 (140,000PE – 280,000 PE (28,000 – 56,000 m^3/day)	Masterplanning horizon (to ~2110): allow for future secondary modules and solids processing expansions • Primary + secondary treatment (8 Bioreactors), energy recovery • Additional bioreactors to allow for increased flows • Likely 2 additional in 2060.

Attachment 2b: Southern WWTP Project Growth Assumptions

Stage 3 –Baseline (Scenario 1)



Flexibility can be achieved by diverting flows in earlier or later or not at all if capacity is surpassed by higher than baseline growth.

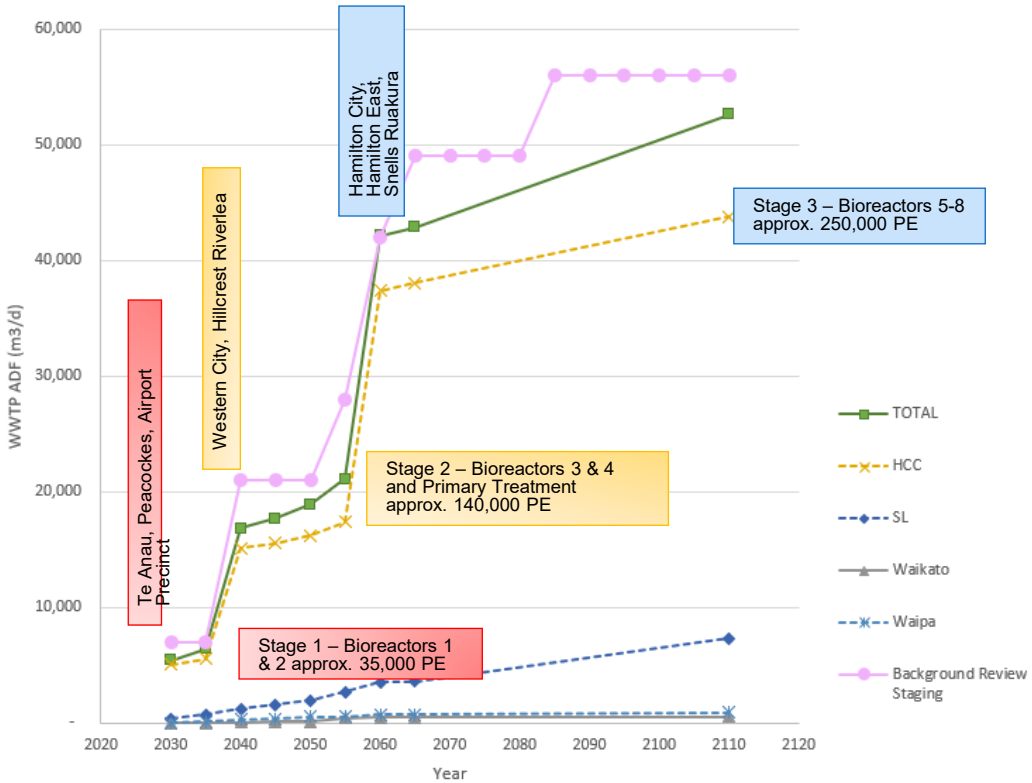
- Hamilton City and Hamilton East – Partial diversion, can split areas.
- Western flows – Retain option to divert some or all flows back to Western interceptor as a resilience measure
- Snells may be able to be diverted into Clyde PS to pump to N4 & on to N12

Attachment 2b: Southern WWTP Project Growth Assumptions

Stage 3 –Baseline (Scenario 1)

OUT

- Temple View



Area		Catchment	IN/OUT 2060	2060	2065	2110
HCC	Hamilton East	SD1	In	3,198	3,250	3,710
HCC	Hamilton East	SD2	In	2,826	2,912	3,248
HCC	Hamilton East	SD3	In	2,159	2,200	2,561
HCC	Clyde	SD3a	In	183	183	183
HCC	Hamilton East	SD4	In	1,452	1,522	2,154
HCC	Hamilton City	SD5	In	560	560	560
HCC	Hamilton City	SD5a	In	2,188	2,290	3,211
HCC	Hamilton City	SD5b	In	2,478	2,619	3,892
HCC	Hamilton City Industrial Flows	SD5b IND	In	743	743	743
HCC	Hamilton West	SD6	In	397	397	397
HCC	Hamilton West	SD7	In	746	746	746
HCC	Hamilton West	SD8	In	1,132	1,132	1,132
HCC	Lorne Street Melville	SD9	In	3,172	3,197	3,413
HCC	Faiview Downs/Snells	SD10	In	3,256	3,345	4,063
HCC	Ruakura Industrial Flows	SD10 IND	In	540	540	540
HCC	Temple View	SD11	Out	-	-	-
HCC	Te Anau / Splitt/ Fitzroy	11	In	3,163	3,163	3,163
HCC	Peacockes N4	Reduced 10	In	1,029	1,029	1,029
HCC	Peacockes SWWTP	10b	In	1,062	1,062	1,062
HCC	Waiora WTP to N4 Industrial Flows	10 IND	In	1,386	1,386	1,386
HCC	N12	10a	In	1,523	1,523	1,523
HCC	Hillcrest Riverlea	9	In	3,622	3,673	4,134
HCC	Flynn	9a	In	551	591	953
FP	SL1	1A	In	1,411	2,830	4,774
FP	SL1	1B	In	1,202		
FP	SL1	Ind	In	102	104	153
FP	SL2	Res	In	810	668	2,257
FP	SL2	Ind	In	-	-	155
Waipa	Northern Precinct	Ind	In	220	220	220
Waipa	Airport and surrounding precincts	Ind	In	275	275	275
Waipa	Rukuhia	Res	In	102	102	102
Waipa	Ohaupo	Res	In	91	91	271
Waipa	Puaawai	Res	In	20	20	20
Waipa	Tabby Tiger	Ind	In	27	27	27
Waikato	Matangi	Res	In	121	127	186
Waikato	Matangi	Com	In	4	4	6
Waikato	Extg Tamahere Commercial	Com	In	1	1	1
Waikato	Tauwhare Pa	Res	In	56	57	62
Waikato	Tamahere Rural Residential (Only Sc	Res	In	23	22	9
Waikato	Tamahere rural Comm	Com	In	6	6	6
Waikato	Tamahere South	Res	In	263	267	303
Waikato	Tamahere South	Com	In	1	1	1
					302	
			Total Flow (m3/d)	42,100	42,881	52,627
			Approx PE	210,499	214,406	263,133

Staging Considerations

Staging Sizing

- Review into smaller divisions of bioreactors, how far can this be dialed back or temporarily divided if required.
- Bioreactor sizing based on 5,000 m³ units (but to be confirmed) (similar to Pukete and Pukekohe WWTPs)
- Sizing to be refined during concept design
- Aim: Add capacity ahead of demand without excess tanks
- Primary treatment increases capacity and is energy positive; avoid excess, energy hungry bioreactors

Technology Opportunities:

- Filters for primary treatment (smaller footprint, better solids capture)
- MABR for increased capacity / reduced footprint and aeration efficiency
- Granular sludge (e.g. inDENSE) for better settling and filtration
- Thermal treatment of biosolids processing (e.g. pyrolysis to biochar). Reduction in mass and destruction of CoECs
- Future technologies to be considered and implemented as appropriate as part of a flexible facility development pathway

Site Development Considerations:

- Buffers: To be considered through Masterplan and Concept Design in detail
- Odour and noise assessments planned
- Traffic access via Raynes Road preferred
- Potential conflict with walking/cycling path to be managed
- Landscape screening and general tree planting to reduce visual impact from nearby homes.

Next Steps

- Incorporate updated growth projections within HCC existing catchments after May 2026 update.
- Conduct trunk conveyance concept design.
- Feedback on preferred staging.
- Finalise the selected baseline flow build-up for Basis of Design.
- HCC approval of baseline proposed populations and flows, with approximate timing.
- Written approval of the Preferred Baseline scenario to be used in Background report (Plant stage sizing and layout to be confirmed at concept stage)
- Next steps of updating the WWTP layout and showing the staging over time

Southern Wastewater Treatment Plant

Assessment of Alternative Site X

Prepared for Hamilton City Council
Prepared by Beca Limited

28 May 2026



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Appendices

Appendix A – MCA Assessment Sheets

Appendix B – Site X WWTP Layout

Revision History

Revision Nº	Prepared By	Description	Date
1	Stephanie Dean John Crawford Nathan McKenzie Emily Lion-Cachet Mathew Noonan Nikki Sandercock Yrish Estoce Sian France Alex Whittaker Sian Keith Garrett Hall	Draft for client review	29/04/2026
2	Garrett Hall Stephanie Dean	Final Draft for client review	20/05/2026
3	Garrett Hall Stephanie Dean	Final for client issue	28/05/2026

Document Acceptance

Action	Name	Signed	Date
Prepared by	Stephanie Dean		28/05/2026
Reviewed by	Garrett Hall		28/05/2026
Approved by	Garrett Hall		28/05/2026
on behalf of	Beca Limited		

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Executive Summary

This assessment has been prepared on behalf of IAWAI/Hamilton City Council to evaluate an alternative location, referred to as Site X, for the proposed Southern Wastewater Treatment Plant (WWTP). The assessment was undertaken in response to a request in early 2026 to review Site X alongside the sites assessed through the 2023–2024 site selection process, using a like-for-like technical methodology. The objective is to determine how Site X compares to previously shortlisted sites.

Site X was assessed using the same technical multi-criteria analysis (MCA) assessment framework applied to the original site selection, alongside a parallel assessment using a cultural framework that is reported separately. The MCA considered operational, conveyance, physical, natural environment and built environment criteria, supported by desktop investigations, site walkovers and specialist technical input. Weighting and sensitivity testing were also undertaken to understand how changes in the relative importance of criteria affect site ranking.

This report is intended to be read in conjunction with 2024 Assessment of Alternative Sites report.

The assessment found that Site X performs well in physical terms, demonstrating high resilience to flooding, good buildability, and generally manageable geotechnical and contaminated land risks. It also performs strongly in relation to natural character (on wetlands and lakes), archaeological risk, and alignment with long-term growth and alternative land uses, indicating that the site is physically robust and strategically compatible with future land use patterns.

However, Site X performs less favourably in several key areas. Operationally, it scores lower than other sites for future proofing, greenhouse gas emissions, and overall operability. Conveyance outcomes are weaker due to longer and more complex pipeline requirements for both influent and treated effluent. Environmental and amenity effects are also notable constraints, with comparatively low scores for ecological effects, groundwater and productive soils, and particularly for odour and noise, reflecting the close proximity of existing residential receptors and limited opportunities to provide effective internal buffers.

The weighted MCA results show that Site X consistently ranks mid-range across all weighting scenarios, with scores remaining stable regardless of whether operational, physical, or environmental criteria are prioritised. Site X performs marginally better when constructability and operability are given greater weighting, but it does not emerge as a preferred option under any scenario.

Based on the outcomes of the technical MCA, Site X ranks mid-range among the five sites assessed. Site 1 remains the top scoring site.

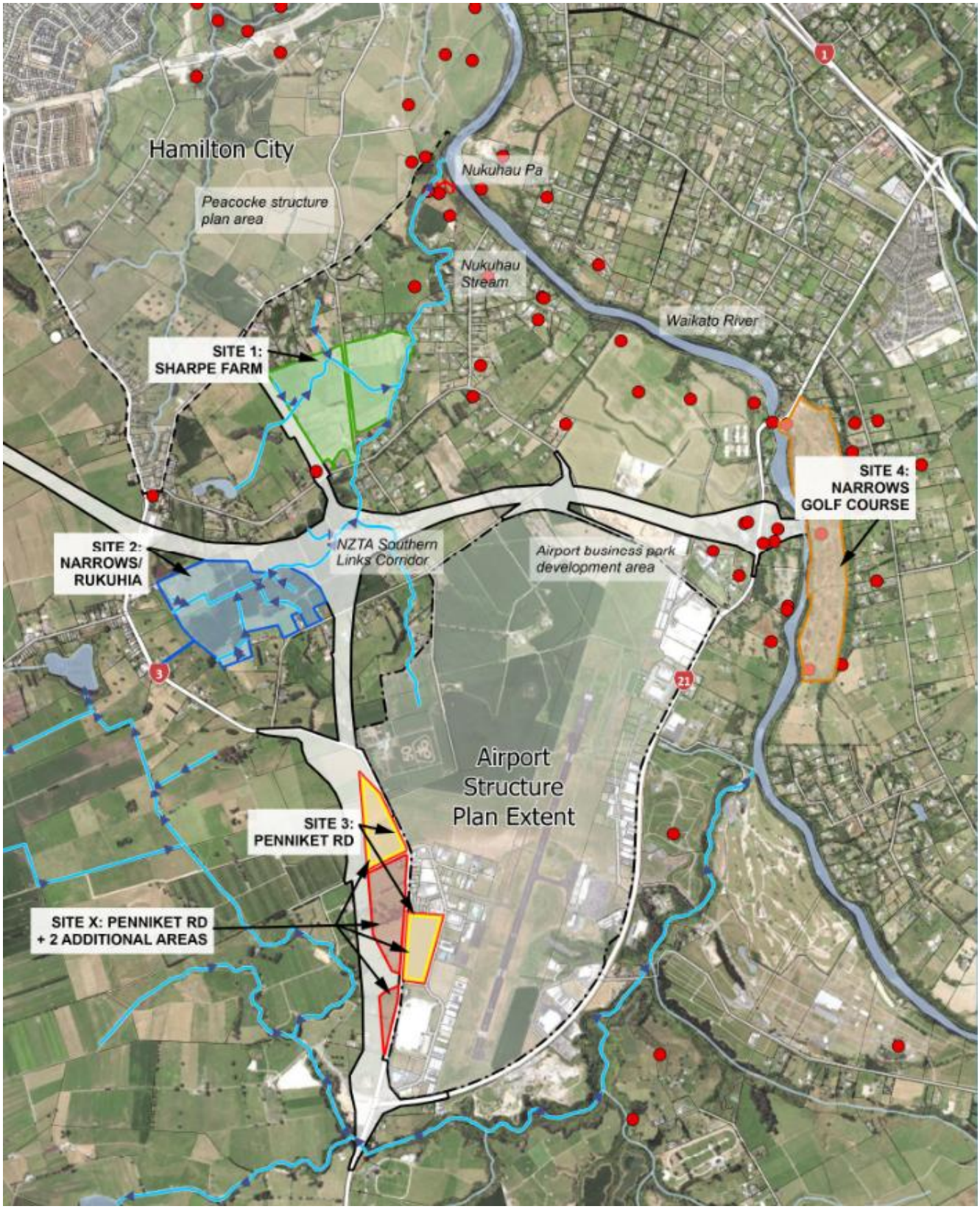


Figure 1: Overview map of the shortlisted sites incorporating alternative Site X

1 Introduction

1.1 Project background

The Waikato region has seen tremendous growth and development in commercial, industrial, and residential areas, placing pressure on existing wastewater services and creating further demand for wastewater treatment and management services. Aging wastewater infrastructure, increasing regulatory requirements and environmental expectations, climate change impacts, and greater growth demands have created a significant investment deficit.

The **Southern Metro Wastewater Detailed Business Case**[1] (Southern Metro DBC) outlines these challenges and recommends a preferred option for managing wastewater from the southern area of the Waikato-Hamilton-Waipā metro sub-region. The preferred option is made up of a programme of works, including four major projects in the southern sub-region.

One of the projects is development of a new wastewater treatment plant (WWTP) in the area immediately south of Hamilton to service future growth in the south of Hamilton City, the Waikato Regional Airport (Airport), and surrounding land use in the northern Waipā District, and parts of Waikato District.

The Southern Metro DBC process included undertaking a site selection process to identify a preferred broad location for the Southern Wastewater Treatment Plant (SWWTP) in the area immediately south of Hamilton. The **Metro Wastewater Detailed Business Case - Site Selection Options Report** outlines the process undertaken to identify and screen potential sites, assess short-list sites, and identify an initial preferred solution in terms of the area where the SWWTP would be best located. That report makes recommendations for further analysis to refine and confirm the preferred option.

A site selection process covering four identified sites was undertaken in 2023 and finalised in 2024. This comprised a Multi-Criteria Analysis (MCA) with an accompanying Site Assessment Report, alongside a separate Cultural Impact Assessment prepared by the projects Kaitiaki Roopuu group. Across the raw MCA scoring, five weighted scoring scenarios and Kaitiaki Roopuu assessment, Site 1 (Sharpe Farm) of the four short listed sites ranked the highest and was confirmed as the preferred site. Hamilton City Council (HCC) subsequently progressed technical investigations and concept design for the Southern WWTP site at Sharpe Farm with a Beca project team in early 2025. As part of the initial tasks for the project, engagement was undertaken with neighbouring landowners and the surrounding community to inform them of the project.

On 27 February 2026, the Nukuhau Residents Society Inc who have an interest in the area where Sharpe Farm is located, presented an alternative site location for the Southern WWTP named ‘Site X’ to the IAWAI Board as the newly formed waters Council Controlled Organisation for Hamilton City and Waikato District. IAWAI/HCC agreed to review the alternative site and on 18 March 2026 instructed Beca to complete a technical review of Site X to assess its suitability for the Southern WWTP.

1.1.1 Approach for the Site X review

Beca has undertaken a like-for-like technical assessment of Site X using the same methodology and assumptions as the previous Site Assessment and MCA. This ensures comparability with the 2023–2024 evaluation by applying consistent criteria, assumptions, scoring scales, and weighting scenarios. **This report is intended to be read in conjunction with 2024 Assessment of Alternative Sites report.**

[1] GHG/Beca, 2022

1.1.2 Scope and limitations

This assessment addresses technical criteria only. It does not consider land availability, cost or legal matters, and assessment of cultural values by the Kaitiaki Roopuu groups is not included here. All findings reflect the information available at the time of undertaking the original site selection assessment.

1.2 Purpose of this report

This report presents a comparative site-selection feasibility assessment of alternative Site X.

The purpose of this report is to:

- Describe Site X
- Describe the assessment methodology used to assess Site X
- Identify potential constraints and risks associated with Site X
- Outline the results of the MCA.

This report will form part of the wider body of evidence that supports the need for a new WWTP to service the south of Hamilton City, Airport, and northern Waipā District that includes:

- Southern Metro DBC: Considers alternative wastewater servicing options and presents a new Southern WWTP as the preferred option.
- Metro Wastewater Detailed Business Case - Site Selection Options Report: Supports the Southern Metro DBC and outlines the process for selecting the area around the airport as the preferred area for the new WWTP.
- Southern Wastewater Treatment Plan Assessment of Alternative Sites, 2024: Considers four sites identified by HCC including the potential to discharge to land on those sites and recommends a preferred site for the WWTP. **This report is intended to be read in conjunction with 2024 Assessment of Alternative Sites report.**
- Future work: Will complete the assessment of alternative methods, sites, and routes for the WWTP infrastructure and discharge to land and/or the Waikato River including consideration of the matters set out in RMA s105 and the Best Practicable Option (BPO).

1.3 Project objectives

The overarching Programme Objectives are set out in the Southern Metro DBC and state:

1. Before 2050 municipal wastewater discharges are no longer impacting on the ability of people to swim and collect kai from the Waikato River and connected waterways, thereby contributing to the restoration and protection of the health and wellbeing of the river.
2. The quality and extent of aquatic and terrestrial habitat and biodiversity in and around water bodies is enhanced through the reduction of wastewater treatment and discharge impacts before 2050.
3. Wastewater treatment solutions contribute to restoring and enhancing cultural connectivity/relationships with the river so that, before 2050, marae, hapū and iwi access to the river and other sites of significance for cultural and customary practice within the Metro Area are no longer impeded by wastewater treatment solutions.
4. Maximise efficient use of resources and resource recovery to contribute to net zero greenhouse gas related emissions from wastewater treatment systems before 2050.
5. The wastewater solution provides sufficient capacity to ensure sustainable growth in the Metro Area in accordance with growth projection assumptions for the next 100 years.

These overarching Southern Metro DBC objectives have been translated into Project-specific objectives for the assessment of alternative WWTP sites. These objectives are:

1. To implement and operate a wastewater treatment and discharge solution for the south of Hamilton City, Airport, and northern Waipā District that contributes to the restoration and protection of the health and wellbeing of the river.
2. To seek restoration opportunities to enhance the quality and extent of aquatic and terrestrial habitat and biodiversity in and around the WWTP and discharge location.
3. To support mana whenua outcomes by taking a tikanga based approach from site selection through to operation.
4. Maximise efficient use of resources and resource recovery to contribute to net zero greenhouse gas related emissions from the wider Metro wastewater network.
5. To provide sufficient wastewater treatment and discharge capacity to enable sustainable and flexible growth in the south of Hamilton City, Airport, and northern Waipā District in accordance with growth projection assumptions.

2 Overview

2.1 Site selection process

Figure 2 below provides an overview map of the short-listed sites identified through the site selection process and alternative Site X shown in red outline which includes the yellow land parcels (which make up original Site 3). The Southern Links NZTA designation, Peacocke development area and the Hamilton Airport Structure Plan extent are also shown.

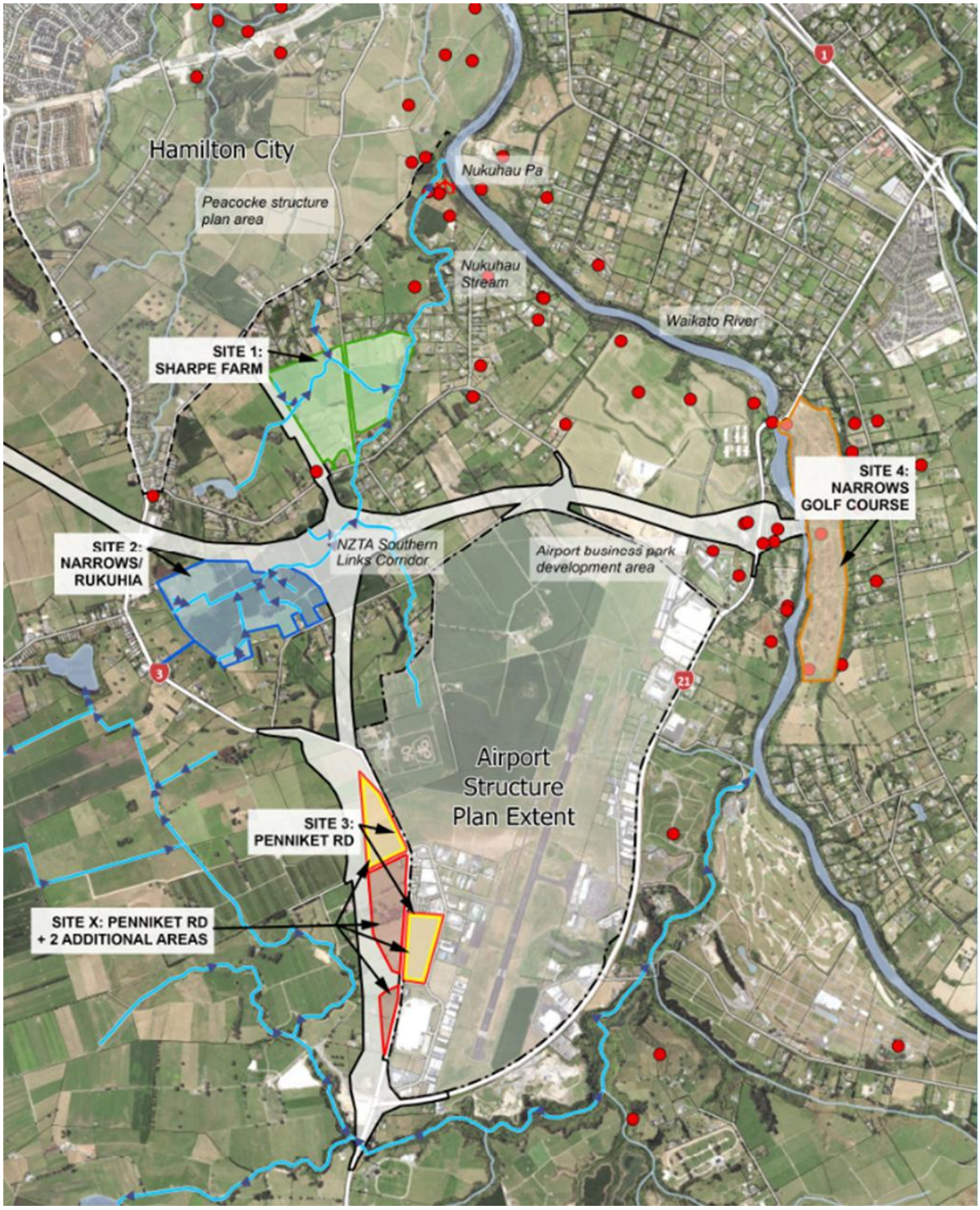


Figure 2: Short-list sites identified through the site selection process and alternative Site X in Red outline and includes the yellow land parcels of Site 3.

2.2 Expected WWTP layout requirements

2.2.1 Footprint

The Southern Metro DBC assumed the SWWTP would be staged over time as shown in Table 1 with an ultimate population equivalent (PE) of 130,000. Since the Southern Metro DBC was completed, additional work has been undertaken by Beca[2] to investigate the area of Hamilton that could be diverted to the SWWTP. As a result of that work, the ultimate sizing has been increased to 200,00 PE for the purpose of site selection. Excluding buffers, site access requirements and based on the processes shown in Figure 3: SWWTP ultimate footprint (200,000 PE) indicative process requirements and layout, a 200,000 PE plant is expected to require 5-6 ha excluding any peripheral buildings and infrastructure. Table 1 describes the staging of the SWWTP as proposed in the Southern Metro DBC, with amendments in italics considered by the Southern Hamilton Catchment Diversion Report.

Table 1: Southern Metro DBC SWWTP concept staging

	Description	Serviced area	Starting demand	Total capacity
Stage 1	Sequential Batch Reactor (SBR) with discharge to land	Airport precinct	400 m^3/day (2,000 PE)	1,000 m^3/day (5,000 PE)
Stage 2a	Membrane Bioreactor (MBR) with discharge to Waikato River	Airport precinct and Mātangi / Tamahere commercial areas	1,200 m^3/day (6,000 PE)	1,900 m^3/day (9,500 PE)
Stage 2b	MBR with discharge to Waikato River (additional reactors and membrane equipment)	Airport precinct, wet industry and Mātangi / Tamahere commercial areas	3,600 m^3/day (18,000 PE)	3,600 m^3/day (18,000 PE)
Stage 3	MBR with energy recovery	Airport precinct, wet industry, Mātangi / Tamahere commercial areas, and southern Hamilton	15,600 m^3/day (78,000 PE)	15,600 m^3/day (78,000 PE)
Ultimate (DBC)	To consider the site capacity and layout that may be required within the next 50 years	As above	130,000 PE	
Ultimate (Southern Diversion)	*To consider future proofing of the site to a realistic maximum*	*As above*	*200,000 PE*	

[2] South Hamilton Catchment Diversion Report (Beca), January 2023.

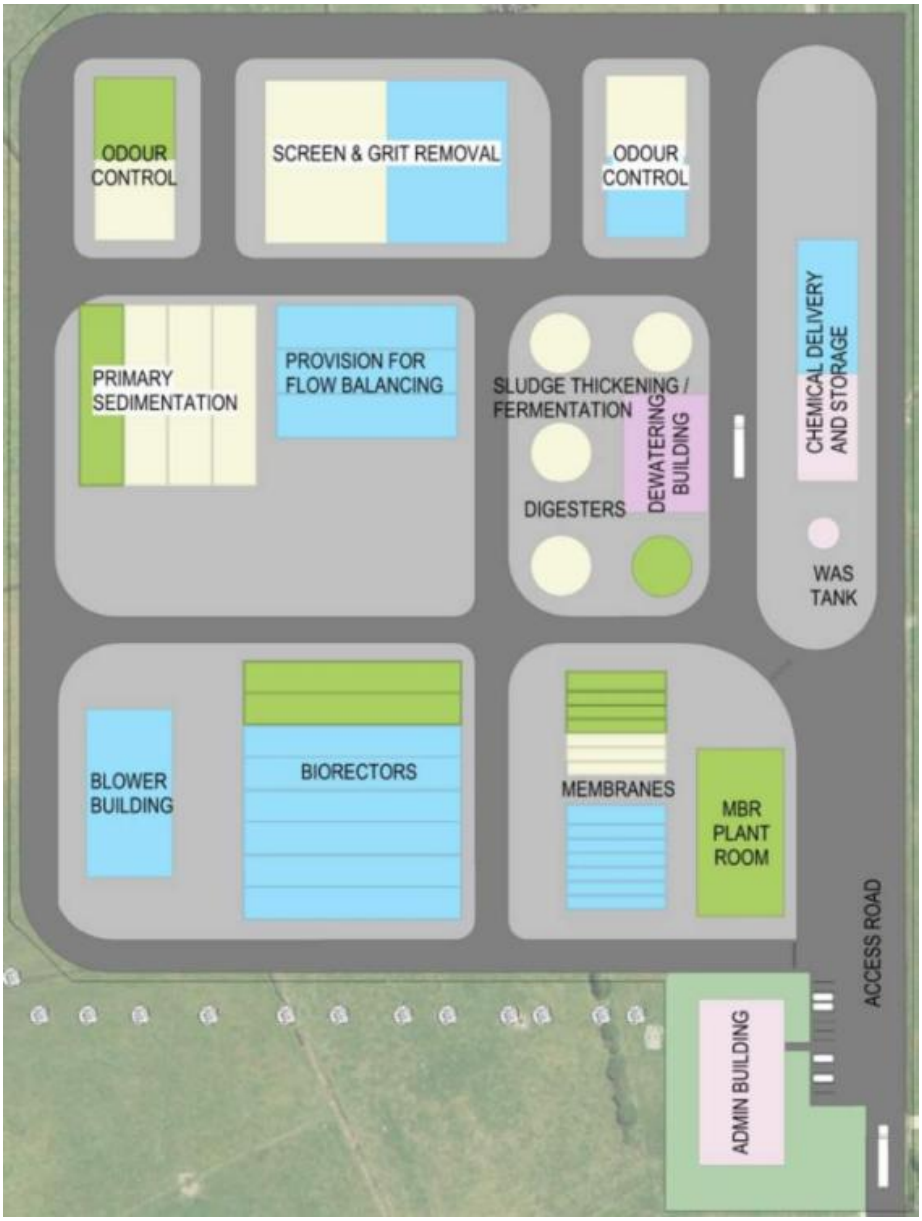


Figure 3: SWWTP ultimate footprint (200,000 PE) indicative process requirements and layout

2.2.2 Buffer distances

Buffers (or setbacks) are commonly used to reduce the risk of adverse effects including odour, noise and visual effects. For WWTPs, the potential for odour effects is usually of particular concern to neighbours and it is the odour effects that typically drive the required buffers.

The general requirement for discharges to air is that the discharge shall not result in odour that is objectionable to the extent that it causes an adverse effect at or beyond the boundary of the subject property.

While odour is subjective, a modern, well designed, operated and maintained WWTP should produce very little odour. Many of the higher risk processes can (and should) be enclosed and vented to odour control units (such as biofilters) to reduce odour discharge. However, there remains a risk of odour discharge during times when the WWTP is operating in ‘upset’ or contingency situations for example as a result of changes to influent quality or following equipment or power failure. In such situations, providing a buffer between the WWTP and neighbours is important to minimise the risk of adverse effects.

There are two buffers that should be considered:

- The internal buffer – how far can the WWTP (and in particular the higher risk processes[3]) be set back from the property boundary?
- The buffer to existing dwellings – how far is the WWTP (and in particular the higher risk processes) from existing dwellings?

There are no New Zealand standards that set required or recommended buffer distances from WWTPs. Water New Zealand has provided recommended separation distances for waste stabilisation ponds (e.g. anaerobic, facultative, and maturation ponds) but not for a tank based WWTP. The recommended separation distances of 150m to the nearest isolated dwelling and 300m to any residential area.

A number of Australia Regulatory authorities have published recommended separation distances for industrial and municipal emission sources, including WWTPs, which are designed to avoid air quality adverse amenity effects from incompatible land uses. The Victorian Environmental Protection Agency (EPA) separation distances are often referred to in NZ when consenting projects. The Victorian EPA recommends a buffer of around 340m from a 40,000 PE MBR WWTP, and 580m a 200,000 PE MBR WWTP. However, these buffer distances are considered overly conservative, particularly for a modern MBR plant.

Other Australian state EPA's typically do not specify recommended separation distances for WWTP with capacities greater than 15,000 PE. The maximum separation distance for a WWTP of 15,000 PE is commonly defined by EPA's to be 300m.

However, it is important to note that the separation distances recommended by the EPAs are not regulatory standards.

Less conservative guidelines are published by the Ontario Ministry for the Environment. For WWTPs with a treatment capacity of between 500 to 25,000 m^3/day the ministry specifies a minimum separation 100 metres to sensitive land uses but recommends this separation distance should be at least 150 metres. A minimum separation distance of 150m is specified for WWTP with a treatment capacity greater than 25,000 m^3/day. However, the Ontario guidelines note that the specified separation distances are not appropriate for dealing with the effects of major treatment plant upsets such as overloading or equipment breakdown.

For the purpose of this report and the previous 2023-2024 site selection process, a buffer of 150m to the site boundary is recommended as a starting point. However, this separation distance may not be sufficient to mitigate adverse odour effect during upset conditions. The separation distance also assumes odour emissions have been minimised through the implementation and maintenance of good odour control systems and management procedures. Mapping of the indicated site layouts with 100m, 200m, and 300m buffers has been used to show the number of dwellings close to the site and to assess the potential risk of odour effects.

Odour dispersion modelling should be undertaken in the next stages of the project to help inform the buffer requirements, and odour control requirements for normal operation conditions.

2.3 Form of discharge

A key issue for the Project during the 2023-2024 site selection process was the assessment of the suitability of the sites for land-based discharge which may form part of the Stage 1 discharge. Malcolm McLeod (Manaaki Whenua Landcare Research) undertook field investigations to ascertain the site-specific nature of soils to inform a preliminary assessment on the suitability of the sites for land disposal of treated wastewater. This report was attached as **Appendix A** to the 2024 Assessment of Alternative Sites Report. This

[3] Higher risk processes include the screens and grit removal, primary sedimentation, digesters, and sludge thickening/fermenting/management.

investigation was undertaken on the four short-listed sites and has been used to inform the most recent site X assessment alongside the S-Map online database.

The 2022-2024 site assessment noted that if discharge to land be considered through the next phases of this project, additional work will be required to ascertain potential application rates, storage requirements, effects on the receiving environment (soils, groundwater and surface water) and the volume of any balance flow that may still need to be discharged to water.

The Southern Metro DBC assumes an ultimate discharge from the SWWTP to the Waikato River (from Stage 2 onwards). This report includes consideration of potential conveyance routes to the river for each site but does not consider the practicality or feasibility of constructing a discharge structure to the river.

Access to the river may be via private land and could have particular cultural, geotechnical or environmental constraints that are beyond this scope of this report (and are likely to be consistent across all WWTP site options).

2.4 Conveyance

Consistent with the 2022-24 assessment, conveyance to the plant and to a discharge location criteria that have been included. The following conveyance scenarios and respective routes have been assessed for the new WWTP:

- Conveying incoming flows from the catchments to the WWTP
- Conveying outgoing treated effluent from the WWTP to the Waikato River

The following criteria were used to identify potential conveyance routes:

- Sizing of pump stations and pipelines were not completed for this study
- Conveyance of incoming flows from the catchments were based on the South Hamilton Catchment Report[4] and should be read in conjunction with this report
- Routes have assessed assuming they follow existing/ paper road corridors. No routes through private property have been considered.
- All flows from the WWTP are being conveyed to the Waikato River (i.e. this assessment of conveyance routes does not consider potential conveyance to other discharge to land or stream sites)
- High level typographical data were used.

2.5 Regional geology and hydrogeology

2.5.1 Geology

Site X under consideration, and the four previously assessed sites, are alllocated within the Hamilton Basin, a depression formed by faulting and uplift of surrounding ranges. The soil and rock types in the area are largely the result of sedimentary infilling of the depression.

The Hamilton Basin has two distinctive terranes: the Hamilton Hills and the Lowlands (Figure 4). All five sites are located in the Lowlands terrane.

[4] South Hamilton Catchment Diversion Report, Beca, January 2023.

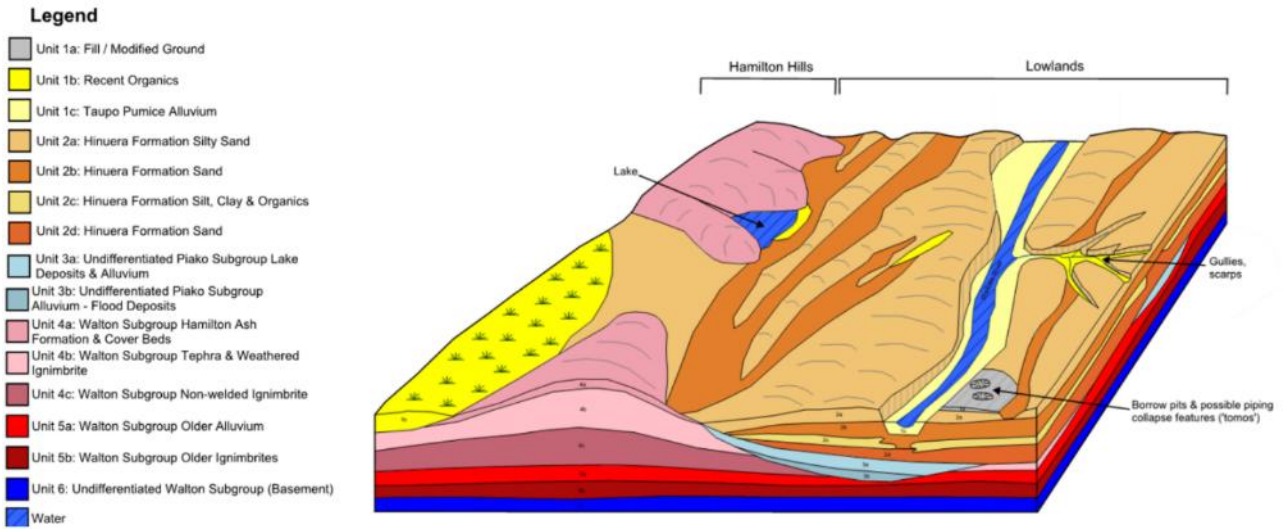


Figure 4: Schematic diagram showing the Hamilton Basin geology (Source: after Lowe, 2010)

The Hamilton Hills are composed of Walton Subgroup deposits that include volcanic ash beds (explosive eruption deposits) and ignimbrites (pyroclastic deposits) from the Taupo Volcanic Zone (2.4 million years to 60,000 years ago). After its formation, the Walton Subgroup underwent uplift and faulting. These deposits were then eroded by the Waikato River channel which redeposited silt and sands between the hills, creating the Lowland areas.

The Lowlands are the valleys between the Hamilton Hills that have been infilled with younger alluvial sediments of the Piako Subgroup, including the Hinuera Formation (late Pleistocene, last 24,000 to 14,000 years). These materials were deposited by the ancestral Waikato River which migrated backwards and forwards within the wider river floodplain, and therefore the lithology of these deposits vary both laterally and vertically and include bedded pumiceous sands, silts, and gravels interbedded with peats. In some areas peat swamps developed on top of the Hinuera Formation.

Within the project area, the Hinuera Formation forms a broad flat surface at approximately 50m RL to 60m RL and is primarily composed of sediments made of low energy alluvial deposits comprising interbedded silt and sand with peat / organic silt lenses (QMap, GNS Science 2014).

2.5.2 Hydrogeology

Groundwater flow within the Waikato area is strongly influenced by the depositional history, which has created lateral and vertical variability in grain size (a mixture of pumiceous sand, silts, and gravels interbedded with clay/peats).

The Lowland areas are typically characterised by highly permeable coarse sand and gravels interlayered with low permeability silty soils, which creates a series of perched groundwater tables above the much deeper regional water table that is connected to the Waikato River.

In general, regional groundwater follows the topography, flowing in a north-westerly direction towards the confluence of the Waikato and Waipā Rivers.

The shallower perched groundwater tables are more closely connected to smaller creeks and streams. Local flow gradients are towards topographic low points, where groundwater discharges, providing a significant component of stream base-flow.

Recharge to the regional aquifer occurs primarily through rainfall to the surrounding higher elevation hills and ranges and from up-gradient aquifers. In the low-lying areas, rainfall recharge will be captured by the perched water tables before slowly infiltrating into the deeper aquifers. The flow rate is likely to be very slow both horizontally and vertically due to the flat topography and presence of low permeability horizons.

2.6 Ecological context

2.6.1 Vegetation

All five sites fall within the Hamilton Ecological District (ED) and the Waikato Ecological Region (ER). An ED is defined as an area where the topographical, geological, climatic, soil, and biological features produce a characteristic landscape and range of biological communities. An ER is an aggregation of EDs with closely related characteristics. Indigenous vegetation within this ED has been severely depleted, with less than 2% of all original indigenous ecosystem remaining. Prior to human settlement and modification, vegetation within this ED mainly comprised of large bogs, scrub, and fernland with smaller areas of swamp forests. Human modification has led to only remnant areas of kahikatea - dominated forests scattered throughout this ED. Clearance of vegetation has occurred primarily for farming practices as well as urbanisation (Hamilton City).

2.6.2 Wetlands

There are numerous wetlands across the Hamilton ED and Waikato ER that are associated within the Waikato River and ranges from low nutrient peat areas, sedge dominated wetlands, raupō reedlands and flax swamps, and riverine wetlands along the riparian margins. Collectively, these wetlands provide numerous ecological benefits, including providing habitat to a variety of plants and animals, enhancing water quality through filtering nutrients and suspended sediment, and storing floodwaters. Within the Waikato River catchment a majority of wetland environments have been drained for farmland or other activities and have reduced in extent by over 75% over the last 160 years.

2.6.3 Avifauna

Within the Waikato ER there are over 124 native species of birds, however, the majority of these species are commonly found Not Threatened species, especially within more highly modified and regularly disturbed areas.

Species identified within an 8 km radius of Site X via desktop review provided in Table 2 below have been screened based on habitat preferences and likelihood of site utilisation.

Table 2: Native avifauna species identified in an 8 km radius of the sites (New Zealand Birds Online, 2013; Robertson et al., 2021)

Common Name	Scientific Name	Conservation Status
Australasian Swamphen	*Porphyrio melanotus*	Not Threatened
Australian Shoveler	*Spatula rhynchotis*	Not Threatened
Grey warbler	*Gerygone igata*	Not Threatened
Grey Teal	*Anas gracilis*	Not Threatened
Spur-winged plover	*Vanellus miles*	Not Threatened
Morepork	*Ninox novaeseelandiae*	Not Threatened
New Zealand Fantail	*Rhipidura fuliginosa*	Not Threatened
New Zealand Pigeon	*Hemiphaga novaeseelandiae*	Not Threatened
Paradise Shelduck	*Tadorna variegata*	Not Threatened
Sacred Kingfisher	*Todiramphus sanctus*	Not Threatened
Shining Bronze-Cuckoo	*Chrysococcyx lucidus*	Not Threatened
Silvereye	*Zosterops lateralis*	Not Threatened
Swamp Harrier	*Circus approximans*	Not Threatened
Tui	*Prosthemadera novaeseelandiae*	Not Threatened
Welcome Swallow	*Hirundo neoxena*	Not Threatened

Common Name	Scientific Name	Conservation Status
White-faced Heron	*Egretta novaehollandiae*	Not Threatened
Whitehead	*Mohoua albicilla*	Not Threatened
New Zealand Falcon	*Falco novaeseelandiae*	At Risk - Recovering

2.6.4 Herpetofauna

There are currently numerous records of native herpetofauna within the Hamilton ED, as well as the wider Waikato ER. Native species within the Hamilton ED include pacific gecko (Not Threatened), elegant gecko (At Risk - Declining), and copper skink (At Risk - Declining) (Bell & Wiles, 2015). Copper skinks are found throughout the North Island in a variety of environments including garden debris/rubbish, thick-rank grass, rocks, logs, and other organic debris (New Zealand Herpetological Society, n.d.-a). Similarly, the elegant geckos are an arboreal species with a wide distribution in the Northland to central North Island area, they are primarily found in forested habitats including swaps, scrubland, and mature forests, although they appear to favour scrubby and re-generating habitats (New Zealand Herpetological Society, n.d.-b). Pacific geckos can be found through north-western North Island and are both arboreal and terrestrial and as such, inhabit a range of environments including swamps, scrublands, mature forests, rocky coastlines, and back-dunes (New Zealand Herpetological Society, n.d.-c).

2.6.5 Bats

There are two species of native bats identified within the Waikato Region, the long-tailed bat (Chalinolobus tuberculatus) (Threatened – Nationally Critical) and the central lesser short-tailed bat (Mystacina tuberculatus rhyacobia) (At Risk - Declining). The latter species primarily resides within the Pureora Forest; however, long-tailed bats are widely distributed within the Hamilton ED and Waikato ER.

2.6.6 The Waikato River

The Waikato River is the longest river in New Zealand at 425 km long with catchment area of 14,260 km^2. Human population pressures have led to the degradation of streams and tributaries of the Waikato River, although, within the Hamilton region there are still sections of good riparian coverage. Ongoing land use changes and modifications has led to an increase in stormwater discharge into streams and tributaries, which eventually flush into the Waikato River, impacting water quality.

Water quality within the Waikato River and tributaries varies across the catchment, however, land use pressures including the clearance of vegetation and intensive farming practices have led to increased inputs of nitrogen and phosphorus into the river system through groundwater infiltration as well as surface water runoff directly into waterways. An exceedance of nutrients within freshwater systems can often lead to the excessive growth of algae which can impact the survival of native species. Other water quality parameters including pH and dissolved oxygen varies across the river system, however, water temperature is noted to be elevated.

3 Site X: State Highway 3

3.1 Overview

Site X comprises four areas that together form the total site. For ease of reference, these have been labelled Areas A–D in Figure 5 below. The four land areas are separated by Penniket Road to the north, SH3 to the east, and the Southern Links designation to the south and west. Areas A, B and D are currently farmland, and Area C lies within the Airport Industrial Precinct but is currently a bare lot. Directly opposite Area B to the east, on the far side of SH3 and bordering Area C to the north, is a cluster of approximately 20 occupied, privately owned residential dwellings accessed via SH3 and Robertson Place. One privately owned residential dwelling is located within Site X (on a separate title to the farm landholding) in the eastern corner of Area B. Table 3 below provides landholding information for Site X from online records.

Table 3: Landholding information for Site X

	Area A	Area B	Area C	Area D
Owner	▪ Carolyn Therese Ingram, Ronald Samwar, Keill Ingram, Robert Stuart McCleery	▪ Rukuhia Land Holdings Limited Partnership. ▪ Claire Iona Spring. ▪ New Zealand Transport Agency.	▪ TGH Industrial Development Limited.	▪ Rukuhia Land Holdings Limited Partnership. ▪ Vicki Ann Peat, William Rodney Peat.
Address	▪ 3454 and 3502 Ohaupo Road, Rukuhia, Hamilton	▪ 7 Penniket Road, Rukuhia, Hamilton. ▪ 3558 Ohaupo Road, Rukuhia, Hamilton. ▪ Hamilton|1/3624 Ohaupo Road, Rukuhia, Hamilton.	▪ Ingram Road, Rukuhia, Hamilton	▪ 2/3624 Ohaupo Road, Rukuhia, Hamilton|1/3624 Ohaupo Road, Rukuhia, Hamilton. ▪ 3/3640 Ohaupo Road, Rukuhia, Hamilton|1/3640 Ohaupo Road, Rukuhia, Hamilton. ▪ 2/3640 Ohaupo Road, Rukuhia, Hamilton.
legal description	▪ Part Lot 3 DP 7672 ▪ Lot 2 DPS 92133 ▪ Lot 1 DPS 15142 ▪ Lot 2 DPS 15142	▪ Lot 2 DPS 1987 ▪ Lot 3 DPS 1987 ▪ Lot 1 DPS 1987 ▪ Lot 1 DP 488969	▪ Lot 1 DP 372243	▪ Lot 4 DP 488969 ▪ Lot 2 DP 473591 ▪ Lot 1 DP 473591
Area	120,352 m2	135,129 m2	104,406 m2	36,623 m2

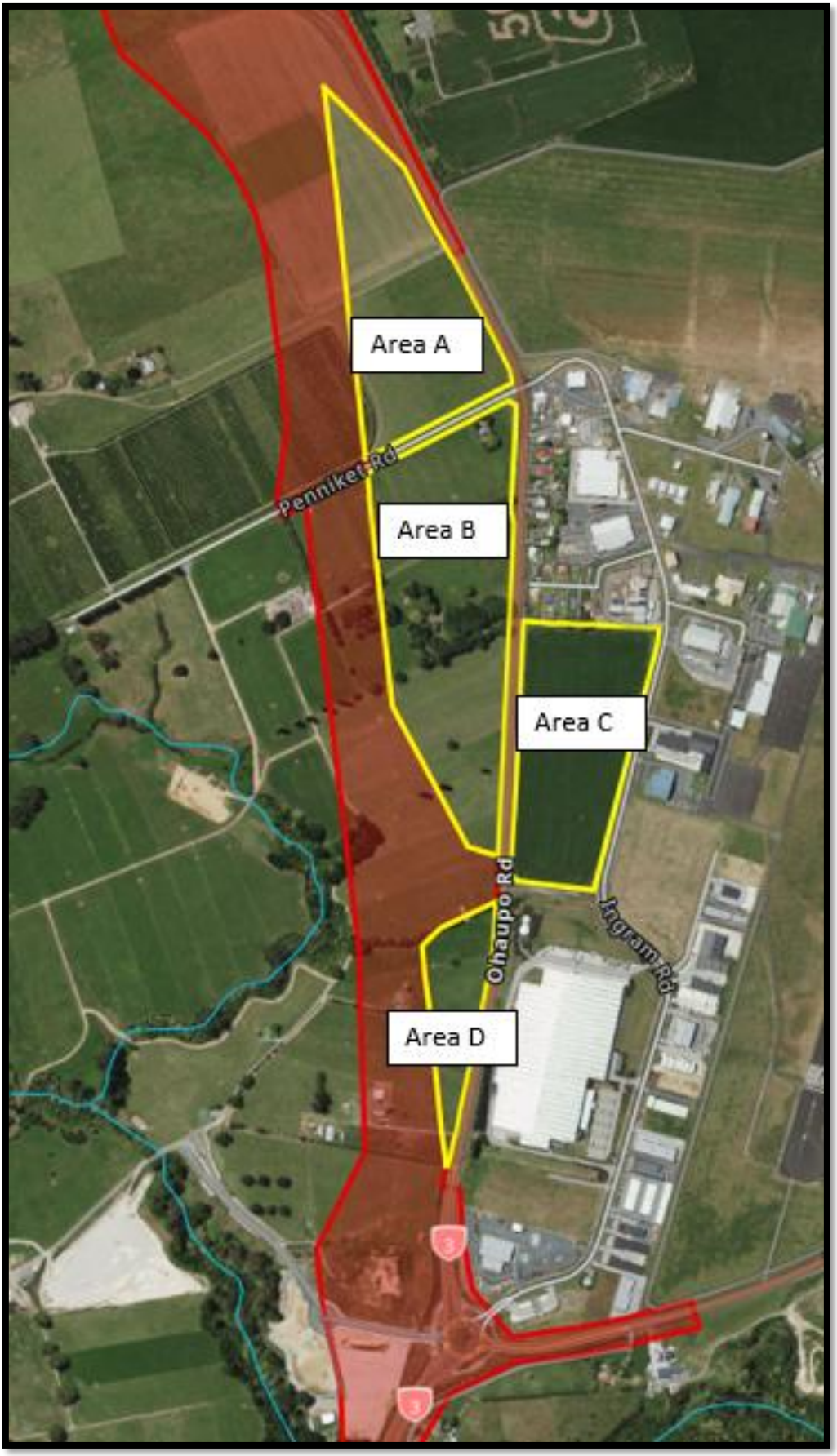


Figure 5: Site X total area in yellow outline, Southern Links designation in red shading, surface water flows in blue line.

The land parcels across Site X extend beyond the site boundaries. Figure 6 below shows the Lot boundaries that incorporate Site X.

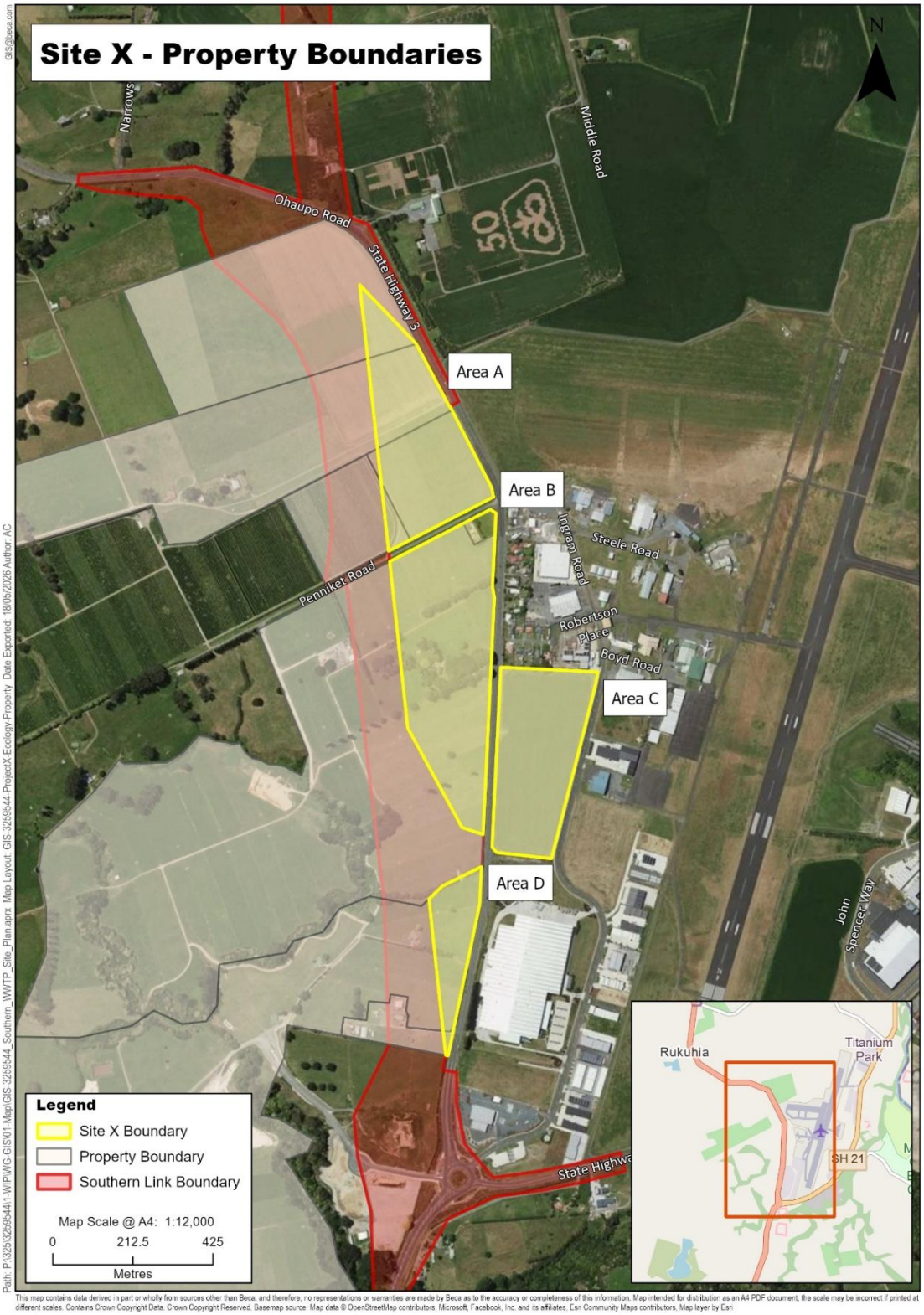


Figure 6: Lot boundaries that incorporate Site X

3.2 Site layout

Figure 7 shows an early conceptual layout for Site X based on the space expected to be required for the "ultimate" design (i.e. 200,000 PE).

The operational main access to the site could be from Penniket Road, or potentially directly from State Highway 3 (SH3/Ohaupo Road) via an existing access point.

Water and 11kV supplies available at the site boundary, although water main capacity is uncertain.

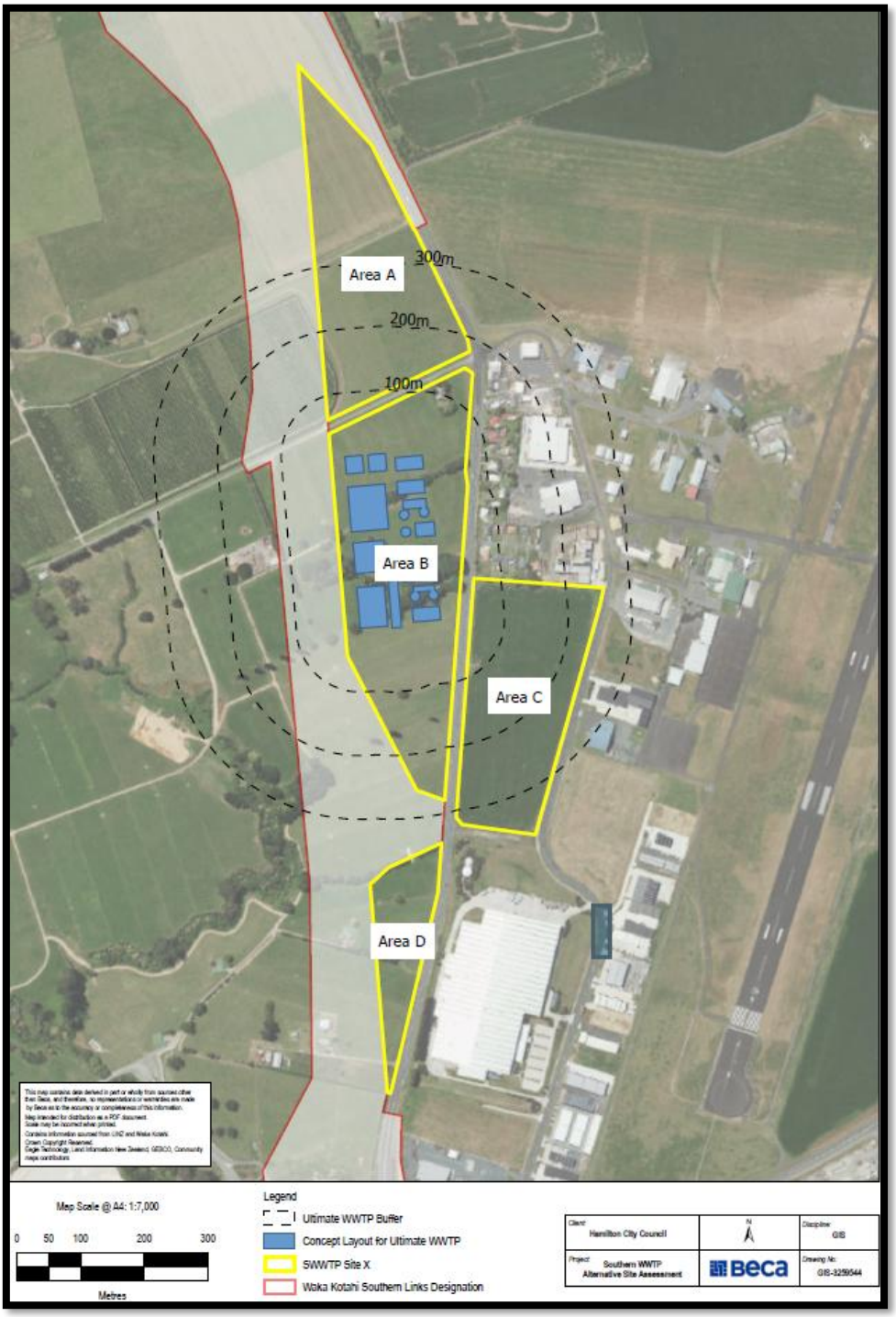


Figure 7: Proposed placement of WWTP within Site X showing 100m, 200m and 300m buffers

3.3 Potential conveyance

Potential conveyance routes are shown in Figure 8. Based on these routes, the distances are as follows:

Catchment Conveyance

- 0.7km long sewer rising main (SRM - No.1) from the N12 sewage pump station (SPS)
- 1.3km long Gravity Sewer (GS - No.1) from SRM – No.1 to the head of GS – No.2
- 3.8km long Gravity Sewer (GS – No.2) to the WWTP.

Treated Effluent Conveyance

- Route Option 1: 5.1km long Rising main (RS- No.1) from the WWTP to the Waikato River
- Route Option 2: 5.4km long Rising main (RS- No.2) from the WWTP to the Waikato River
- Route Option 3: 5km long Rising main (RS- No.3) from the WWTP to the Waikato River.

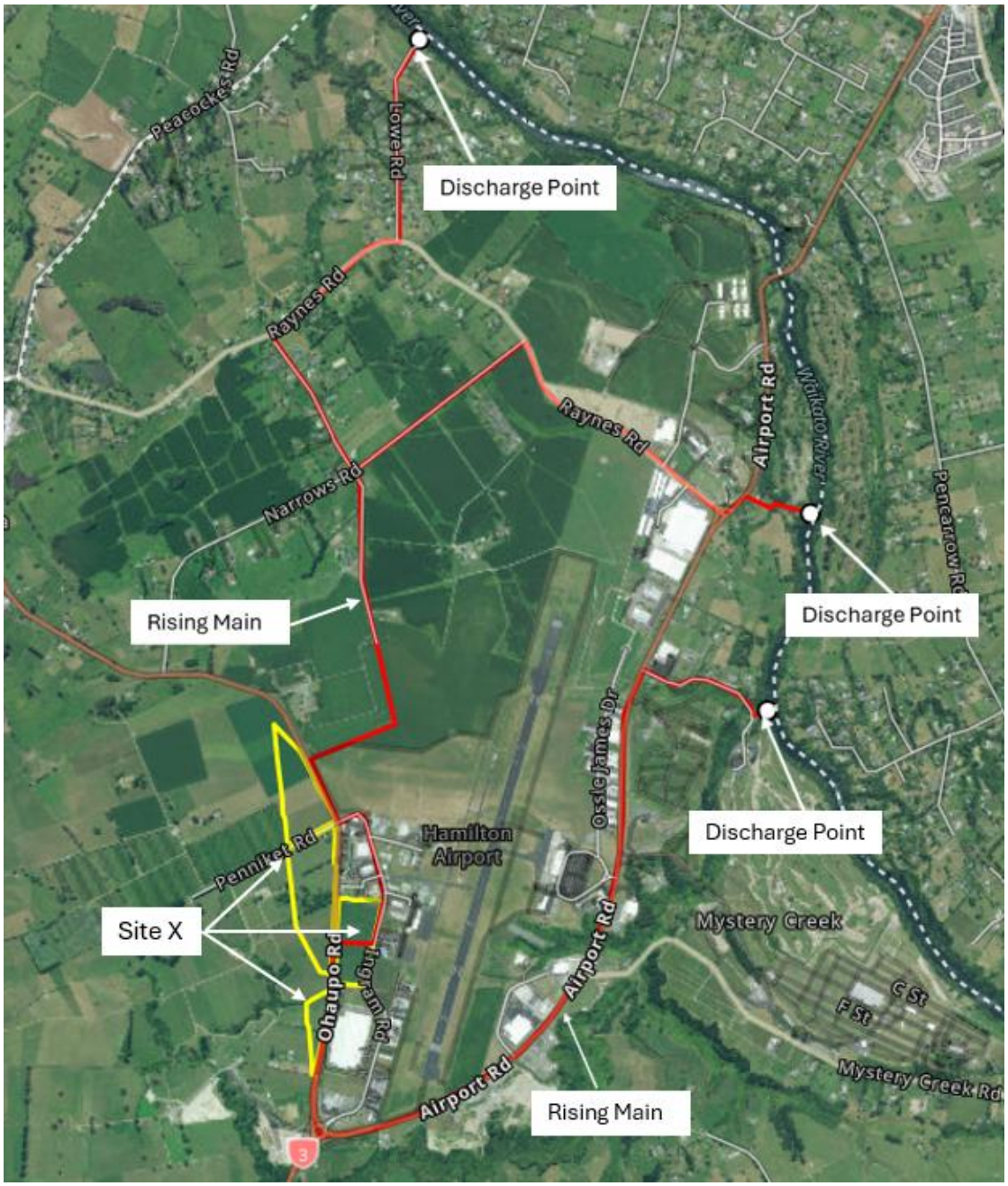


Figure 8: Site X Potential Conveyance Routes

3.4 Locality and topography

Site X is located approximately 2.4 km west of the Waikato River and adjacent to Hamilton Airport. A review of ground elevation contours (Waikato Regional Council LiDAR; 1 m interval) indicates that the site and surrounding area are predominantly flat, ranging from 49 m RL to 52 m RL across Areas A and B. Areas C and D range between 45 m RL and 40 m RL, with a small gully at the southern end of Area D. A tributary of the Waikato River is approximately 175 m southwest of the site, and the topography here drops steeply to a minimum of ~40 m RL.

3.5 Geotechnical

3.5.1 Geology and ground conditions

The published geological maps (Edbrooke, 2005[5], GNS Science QMap 2020) indicate that the site is underlain by sand, silt, gravel, peat, and pumice of the Hinuera formation.

WRC well logs indicate the lithology is dominated by silts and sands to a depth of at least 20m. Clays are identified in the upper 5m, with occasional interbeds of peat in at least one bore log. Surficial soils where water bore logs are available are generally indicated to be silts and sands.

3.5.2 Geotechnical considerations

The potential site area, underlain by soils of the Hinuera Formation, will likely be susceptible to liquefaction in a moderate to large earthquake event. Liquefaction occurs when loose saturated sand lose strength under earthquake loads. Liquefaction effects include lateral spreading near slopes, post-earthquake settlement, low seismic bearing capacity and uplift pressures on buried structures.

This effect of this hazard can be lessened by siting new structures away from slopes, including the existing drainage channels. The actual hazard at any location is variable and would require geotechnical testing and analysis to assess. A wide range of treatments are available to manage liquefaction effects, including ground improvements and strengthened foundations. These can significantly increase the construction cost of the civil-structural works for development.

Weak soils, including soft to firm clays and peat layers, may be present across the site. Where present, these soils would likely require excavation and replacement, preloading, or another engineering treatment below new structures. Such treatments are commonly adopted in these ground conditions and do not preclude development where the associated costs are acceptable.

3.5.3 Hydrogeological considerations

Approach to evaluation

To provide an initial screening of the site, the following potential groundwater effects due to construction and / or operation of a wastewater plant were considered:

- Migration of treated wastewater into down-gradient bores and surface water bodies (where land-based disposal or treatment is used for Stage 1).
- Drawdown from dewatering (or drainage).

[5] Edbrooke, S.W. (compiler) 2005. Geology of the Waikato area. Institute of Geological and Nuclear Sciences 1:250 000 geological map 4. 1 sheet + 68 p. Lower Hutt, New Zealand: Institute of Geological and Nuclear Sciences Limited. ISBN 0-478-09877-4

WRC bore and consent records were reviewed to identity if there are bores that could be down or along - gradient from the site and thus could be a potential receptor for any irrigated wastewater, or which might experience drawdown from any site dewatering activities. Bore details were filtered, and the following bore types were excluded from further assessment:

- Bores with hole diameter less than 90 mm or casing diameter less 50 mm; these are likely to be geotechnical piezometers with no associated water take.
- Bores deeper than 25 m; these are likely to be screened in a much deeper aquifer with slow vertical travel time and some degree of hydraulic disconnect from the surface.
- Bores located on the subject sites; these are assumed to be abandoned / decommissioned as part of the Southern WWTP project for the chosen site.

Of the remaining bores, bores screened within the upper 10 m are considered most likely to be potential receptors as they are more likely to be abstracting water from the same shallow aquifer into which the discharge, or dewatering would occur.

The location of consented water takes have also been reviewed to identify if any are specifically identified for potable supply or could be ignored (e.g., short term diversion consents, or consents located on the site which are assumed to be surrendered as part of Southern WWTP project works). However, as bores can abstract water as a Permitted Activity or under s14b of the RMA, for the purpose of this assessment all bores (even those without an associated take permits) are assumed to be potentially abstracting water for domestic or potable use.

Groundwater flow direction

In the absence of any site-specific data, the direction of shallow groundwater flow is difficult to assess. Deeper regional groundwater flow will be to the north and east towards the Waikato River, but some local component of flow, particularly at shallow depths towards Mystery Creek to the south and an unnamed tributary of Mystery Creek to the southwest could be expected. As there is no clear direction of flow, bores in all directions are considered to be potentially downgradient.

Consents and groundwater bores

There are approximately 27 known bores/wells within 600 m of the site; eight are reported to be screened at a depth <10 m and a further 16 are of unknown depth (and so are considered potentially in hydraulic connection with the site). The location of the closest bores to the site is shown in Figure 9 with a schematic cross-section presented in Figure 10**.** All eight shallow bores are considered potentially down hydraulic gradient, and all are located with within 200 – 300 m of the site boundary.

There is one water take permit (WRC AUTH138851.01.01) located within 200 – 300 m of the site boundary. It does not appear to be associated with a known bore and there is no other information with which to assess its purpose.

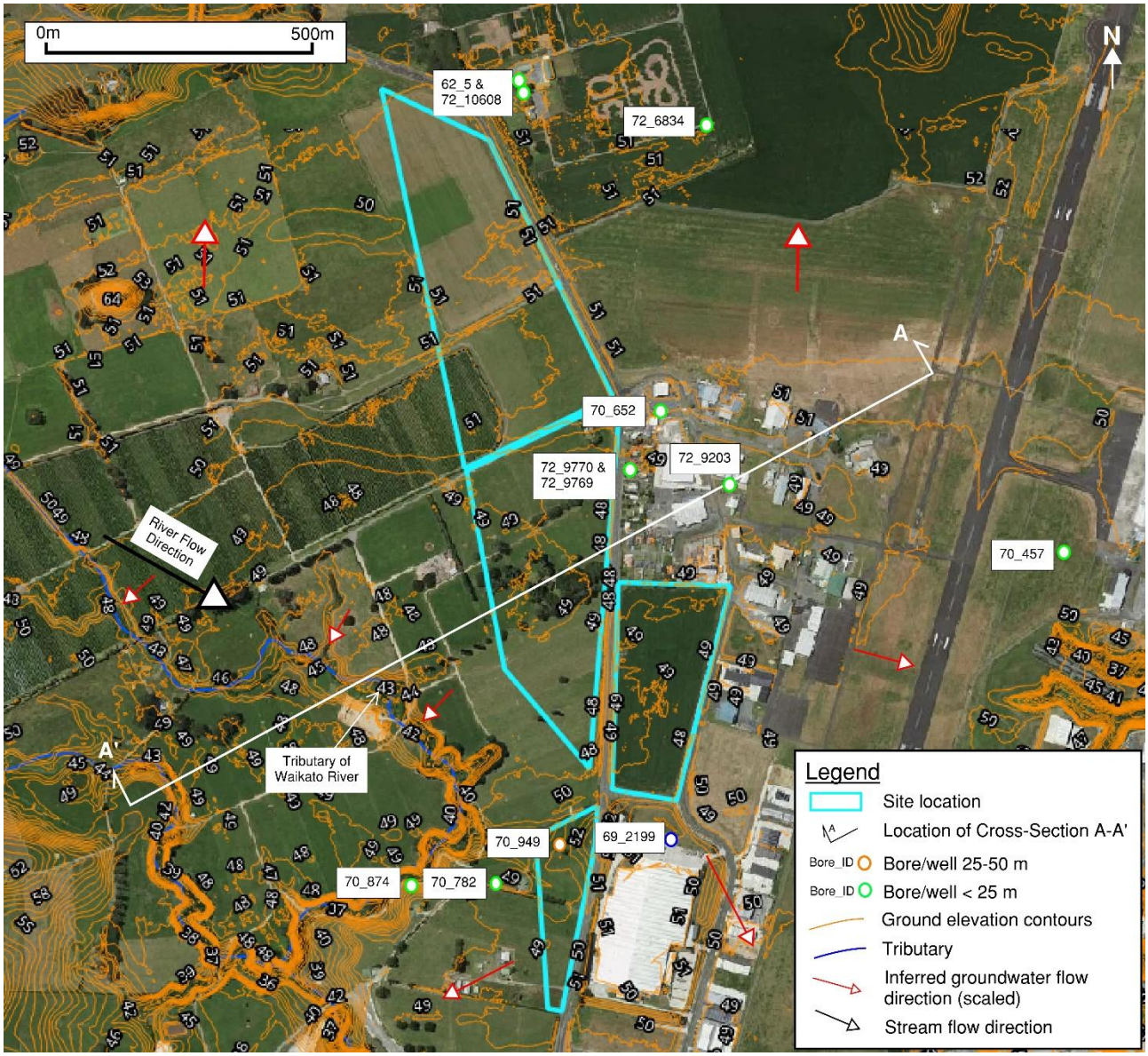


Figure 9: Inferred groundwater flow direction and location of nearest potential groundwater receptors

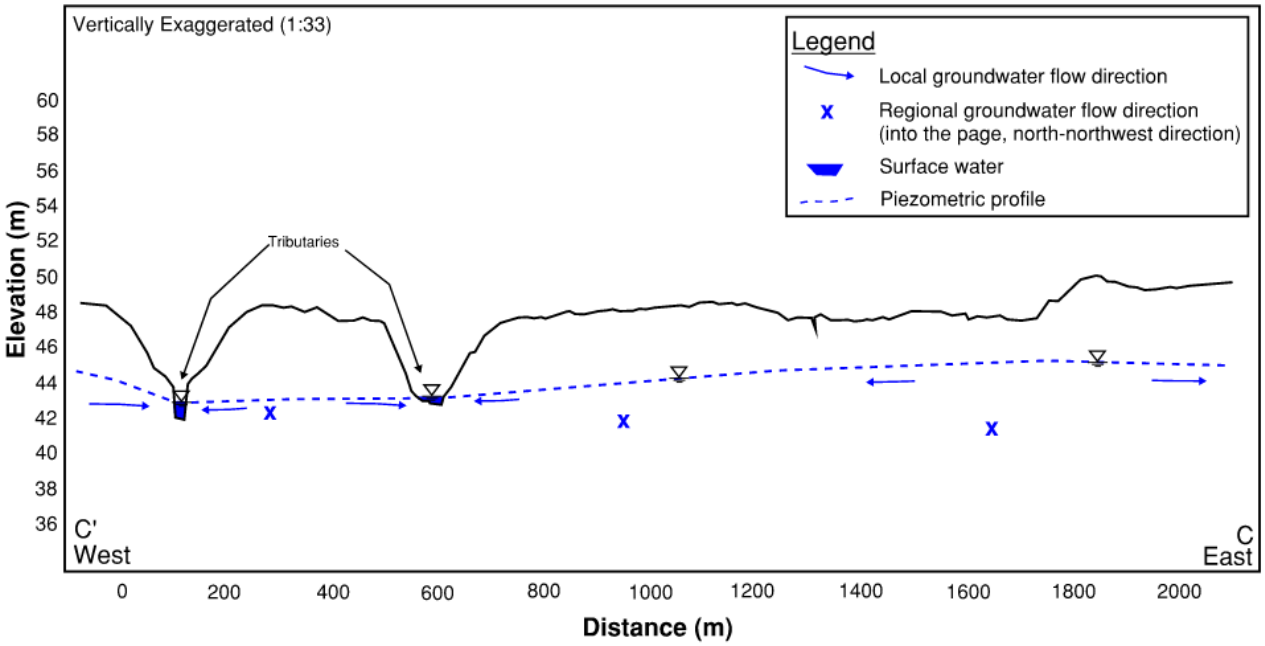


Figure 10: Schematic west-east cross section through site showing inferred shallow groundwater-surface water interaction

Assessment

Possible groundwater receptors of treated wastewater are streams and nearby groundwater users. There are at least eight known shallow bores, and one groundwater take located within 200 - 300 m of the site boundary, all of which could be a potential receptor. Ultimately infiltration rates, level of treatment, soil permeability, and travel time will need to be assessed to determine the actual risk and number of bores potentially affected.

Similarly, depths, construction methods, soil permeability and distances from site works would be required to quantitatively assess drawdown impacts. There are no surface water bodies on or within 600 m of the site. The nearest lake is Lake Maratoto approximately 1750 m southwest, while the nearest stream is the tributary of Mystery Creek, <200 m to the west and southwest at its closest point. Overall, the risk of impacts on surface water bodies is likely to be low or easily managed.

This site has had some neighbouring industrial development, including the airport and so the risk of consolidation settlement damaging private assets, or draw-in of contaminants from adjacent sites, will be greater than that assessed for sites 1 and 2; though it may be possible to manage these to a low risk level via appropriate siting, design and industry standard construction controls.

3.6 Potential for land discharge

Manaaki Whenua Landcare Research undertook a soil investigation in 2023 at Site 3 to determine the potential suitability to discharge treated wastewater to land[6]. The results of that earlier investigation have been used along with a review of S-Map Online mapping to determine the suitability of soils at Site X to discharge to land. Figure 11 shows the soil order and Figure 12 shows the soil drainage categories obtained from S-Map Online for the site and surrounding areas. Table 4 summarises the site suitability for discharge to land for stage 1 flows.

[6] Manaaki Whenua Landcare Research (2023). Soil information for four Hamilton southern wastewater treatment land treatment sites.

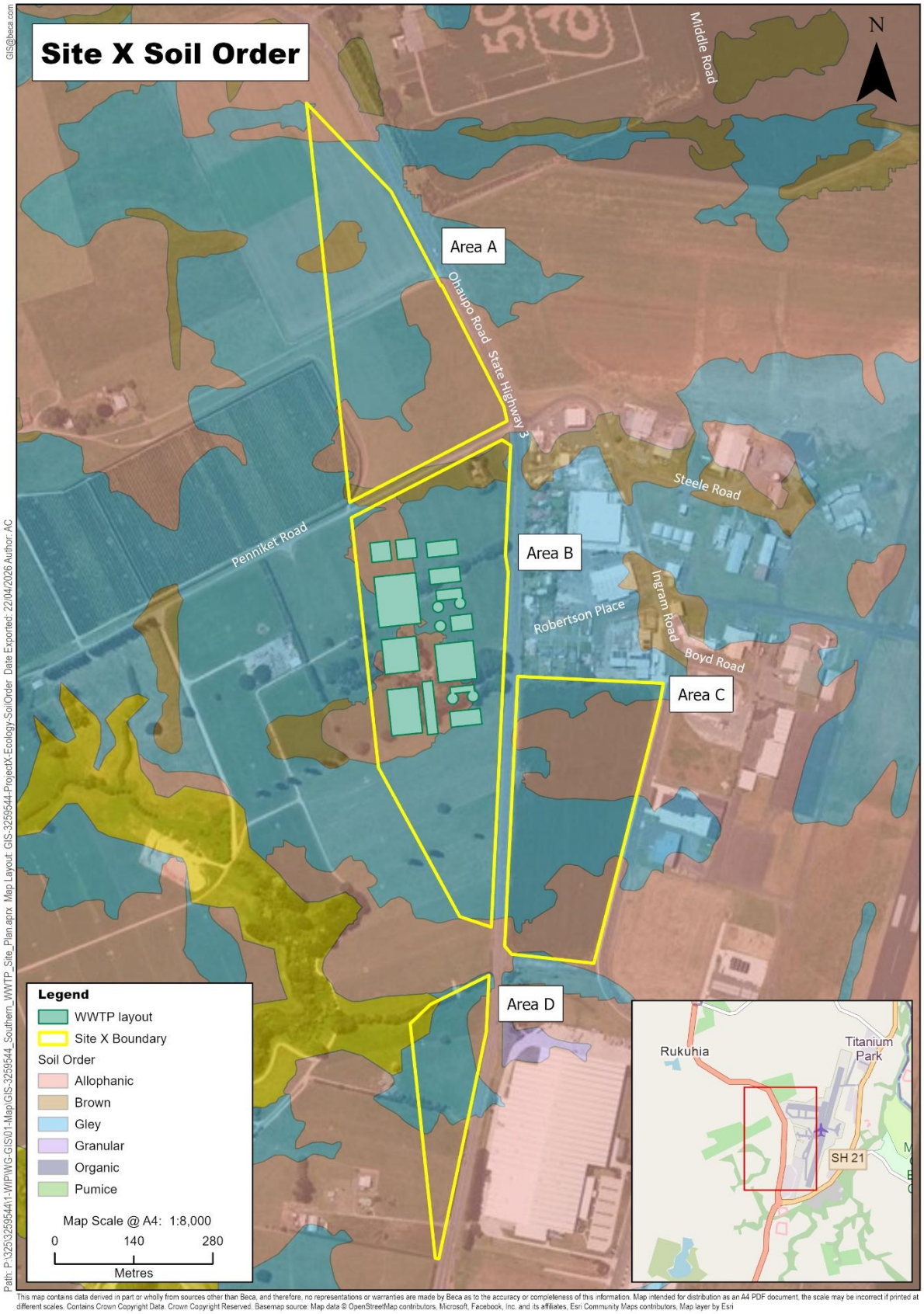


Figure 11: Site X soil order

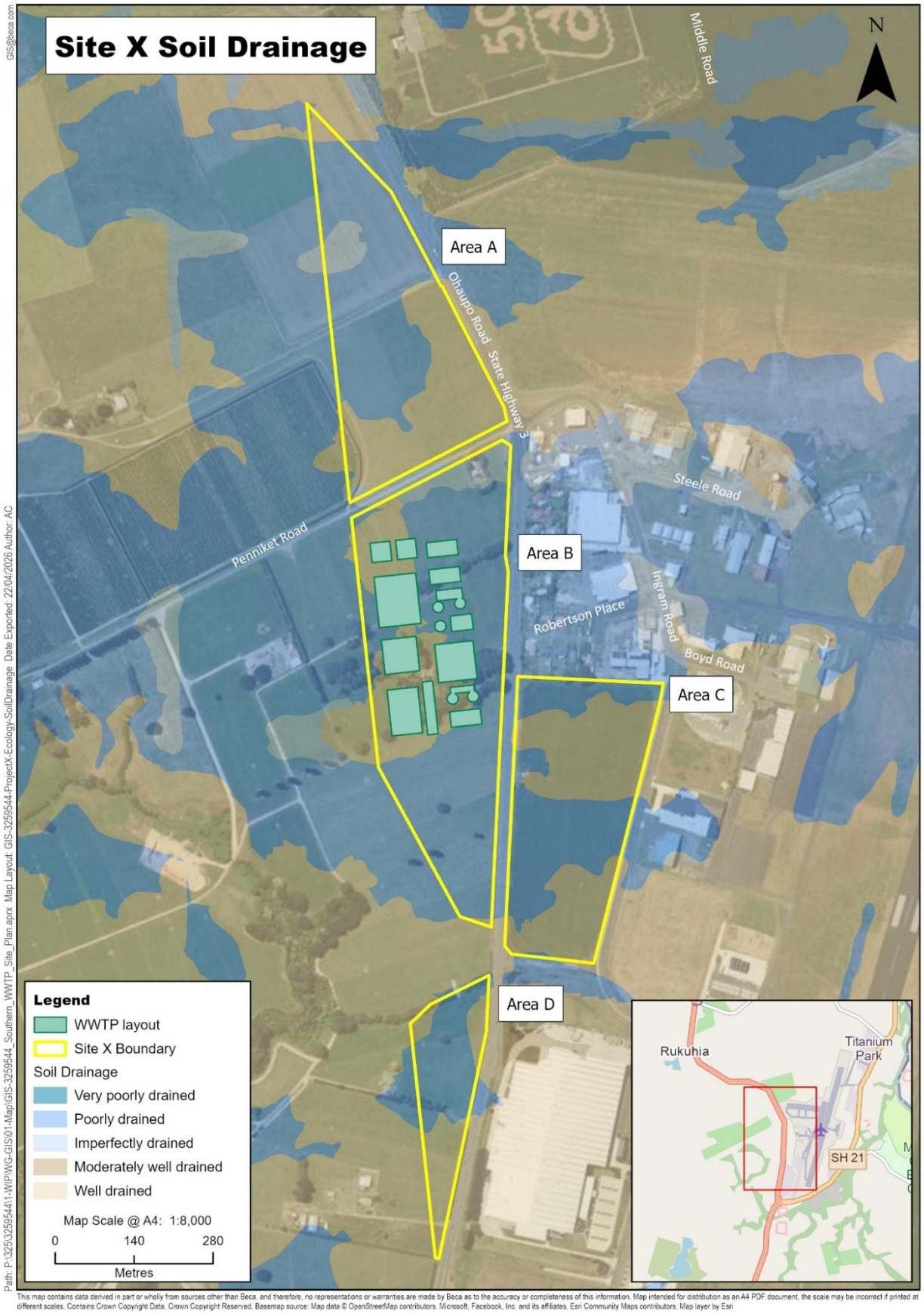


Figure 12: Site X Soil Drainage

Table 4: Site X Summary of Suitability to Discharge to Land

Soils	Constraints	Potential Ability to Discharge Year Round	Implications for Site Selection
Areas of well-drained Otorohanga soils mixed with areas of poorly drained Pukehina soils.	Well-drained soils at Site X will accept treated wastewater on a year-round basis if application rates match the soils' infiltration and permeability. Some long-term removal of phosphorus and pathogens by these soils is expected where upper subsoils are loamy. These well drained soils are however mixed with areas of poorly drained soils, and these areas are unlikely to be suitably for year round discharge as they can be affected by water logging in winter and spring.	Yes, for areas of well-drained soils. Unlikely for areas of poorly drained soils.	An assessment of soil infiltration rates and confirmation of available land areas would be required to determine whether all stage 1 flows could be discharged within the sites, however the well-drained soils are generally well suited, with restrictions on poorly drained soils.

3.7 Contaminated land risk

As the site comprises four separate areas, names were allocated to each area for reporting purposes (‘Areas A – D’, see Figure 5 above).

Historical Aerial Review

Historical aerial photographs for the site have been sourced from:

- Retrolens[7] for the years 1943, 1953, 1957, 1963, 1966, 1971, 1974, 1979, 1986 and 1995.
- Google Earth Pro[8] for the years 2006 and 2016.
- Nearmap[9] for the year 2025.

Aerial photographs have been reviewed to identify noticeable changes in land use activities on the site and surrounding properties. Historical aerial photograph observations are summarised by zone area in Table 5. The on-site identified features of interest are shown on Figure 13 to Figure 15 below.

[7] https://retrolens.co.nz
[8] https://earth.google.com/web
[9] http://www.nearmap.com/nz/en

Table 5: Summary of historical aerial photography observations

Year	On site	Within Surrounding Area
1943	Area A Undeveloped assumed grazing land with an access road transversing the centre of Area A with a north-east / south-west orientation. Area B Assumed dwelling and associated small sheds in the centre of Area B. Section of a small orchard encroaches onto the centre-west of Area B. Remainder of Area B predominantly comprises undeveloped assumed grazing land. Area C Undeveloped land predominantly comprising assumed grazing land, potential for cropping in the south-west. Area D Assumed drains are visible along the northern boundary and transecting across the centre of Area D with a south-east / north-west orientation. These drains appear to flow into a gully situated from adjacent to the north-west. The majority of Area D supports undeveloped assumed grazing land. A section of an assumed residential garden encroaches onto the south of Area D.	Area A Road adjacent to the east, beyond which undeveloped assumed grazing land is located as well as assumed residential/commercial properties from 40m south-east. Further undeveloped assumed grazing land from adjacent to the north and west. Access road adjacent to the south, beyond which further assumed grazing land is located (Area B). Area B Access road adjacent to the north, beyond which assumed grazing land is located (Area A). Road adjacent to the east, beyond which commercial/residential properties and grazing land are located. Small orchard extends off-site to the west. Assumed piggery adjacent to the north-west. Area C Roads adjacent to the south and west, beyond which assumed grazing land is located. Area D A road is located adjacent to the east, beyond which grazing land is located. Further grazing land is situated from adjacent to the north, south and west of Area D. A gully is present from adjacent to the north-west.
1953	Area A No significant changes identified. Area B Two assumed residential properties have been erected in the north-east corner of Area B. Area C A small area in the north of Area C appears to comprise cropping activities. A structure has been erected towards the centre of Area C with assumed livestock holding yards situated adjacent to the north of this structure (indicative of woolshed and potential sheep dip activities). Area D No significant changes identified	Area A Assumed residential properties have been developed approximately 30m south of Area A (on Area B). Land from approximately 25m to the east of Area A forms part of an airport. Area B Further assumed residential properties developed from 30m to the east. Land from approximately 180m to the north-east of Area B forms part of an airport. Area C Land from approximately 130m east of Area C forms part of an airport. Area D No significant changes identified.
1957	Area A No significant changes identified. Area B	Area A Further assumed residential properties have been developed approximately 30m south of Area A (on Area B). Assumed airport building has been erected approximately 200m to the east.

Year	On site	Within Surrounding Area
	A third assumed residential property has been erected in the north-east corner of Area B. The above-mentioned assumed piggery has expanded, now encroaching onto the north-west of Area B. The above-mentioned small orchard encroaching onto the centre-west has expanded slightly northwards. Area C A small structure (assumed shed) has been erected in the south of Area C. Area D No significant changes identified.	Area B Further assumed residential properties developed from 30m to the east. Area C No significant changes identified. Area D No significant changes identified.
1963	Area A No significant changes identified. Area B The above-mentioned assumed piggery appears to have been cleared, forming undeveloped assumed grazing land. Area C Two further structures (assumed sheds) have been erected towards the centre of Area C. The above mentioned small-scale assumed cropping in the north is no longer visible (returned to assumed grazing land). Further assumed small-scale cropping is visible to the south of the structures. The grazing land in the south of Area C has been divided into numerous paddocks. Areas of assumed market gardens encroached onto the west of Area C. Area D No significant changes identified.	Area A Further assumed airport related structures have been erected approximately 200m to the east. Aeroplanes parked approximately 120m to the east of Area A. Area B Further assumed residential properties developed from 30m to the east. Area C Assumed residential properties have been erected from adjacent to the north. The areas of assumed market gardens extended off-site to the west. Area D No significant changes identified.
1966	Area A No significant changes identified. Area B No significant changes identified. Area C Pockets of cropping (assumed animal feed) are visible in the south-east. Above mentioned areas of encroaching assumed market gardens cleared returning to assumed grazing land. Area D	Area A A further assumed airport related structure has been erected approximately 370m east of Area A. Area B No significant changes identified. Area C Above mentioned areas of assumed market gardens extended off-site to the west have been cleared returning to assumed grazing land. Area D Land from 30m south-east has been developed into an assumed orchard.

Year	On site	Within Surrounding Area
	No significant changes identified.	
1971	Area A No significant changes identified. Area B No significant changes identified. Area C Further livestock holding yards are visible towards the centre of Area C (potential for livestock dipping activities cannot be discounted). Above mentioned pockets of cropping no longer present (returned to assumed grazing land). Two small adjacent paddocks with a corresponding elongated feature (use unknown) are visible in the south-east of Area C. Area D The aforementioned drain towards the centre of the site was no longer visible (potentially infilled). A small structure (assumed shed) has been erected near to the eastern boundary of Area D.	Area A Airport related infrastructure from approximately 200m to the east has expanded. Area B Airport related infrastructure has been erected from 280m to the north-east. Area C No significant changes identified. Area D No significant changes identified.
1974	Area A No significant changes identified. Area B The aforementioned dwelling in the centre of Area B appears to have been redeveloped. Area C No significant changes identified. Area D No significant changes identified.	Area A No significant changes identified. Area B No significant changes identified. Area C No significant changes identified. Area D No significant changes identified.
1979	Area A No significant changes identified. Area B One of the three dwellings in the north-east corner of Area B has been cleared. Area C No significant changes identified. Area D No significant changes identified.	Area A No significant changes identified. Area B Further assumed residential properties developed from 30m to the east. Area C Further assumed residential properties developed from adjacent to the north. Area D No significant changes identified.

Year	On site	Within Surrounding Area
1986	Area A No significant changes identified. Area B A further dwelling in the north-east corner of Area B has been cleared. The small orchard encroaching onto the centre-west appears remnant in nature. Area C One of the structures towards the centre of Area C has been cleared. Area D Part of a larger assumed racecourse encroaches onto the southern portion of Area D.	Area A Land from approximately 30m north-east has been redeveloped into intensive horticultural use. Area B Airport related infrastructure has been erected from 300m to the east. Area C Airport related infrastructure has been erected from 70m to the north-east. Area D The racecourse extends off-site to the west. The orchard from 30m south-east has expanded northwards.
1995	Area A Northern portion of Area A appears to be utilised for assumed cropping. Southern portion of Area A comprises row-like pattern (indicative of unconfirmed potential horticultural use). Area B No significant changes identified. Area C The aforementioned two small adjacent paddocks with a corresponding elongated feature (use unknown) in the south-east of Area C has been cleared. Area D No significant changes identified.	Area A The assumed cropping land use extends off-site to the north and north-west. The row-like pattern (indicative of unconfirmed potential horticultural use) extends off-site to the south-west. Area B Row-like pattern (indicative of unconfirmed potential horticultural use) visible from approximately 25m north (on Area A). Further airport related infrastructure has been erected from 300m to the east. Area C Further airport related infrastructure has been erected from 70m to the north-east. Area D No significant changes identified.
2006	Area A Northern portion of Area A appears to be utilised for market garden use. A section of a larger assumed orchard encroaches on the south-west of Area A. The remainder of Area A appears to predominantly comprise undeveloped assumed grazing land. Area B Row-like features (indicative of horticultural land use) are visible in a small area adjacent to the east of the dwelling in the north-east corner of Area B. Area C Much of Area C now supported cropping. The two structures and livestock yards towards the centre and the small she in the south remains. Area D	Area A The assumed market garden land use extends off-site to the north and north-west. The orchard extends off-site to the south-west. Area B Assumed cropping from 25m south-east (on Area C). Wider area from 30m east further developed for residential, commercial and airport uses. Shed has been erected approximately 100m to the west. Area C The airport has expanded. Commercial warehouse-style structures and airport related infrastructure has been erected from adjacent to the north-east. Area D The aforementioned orchard from 30m south-east supports cropping activities.

Year	On site	Within Surrounding Area
	No significant changes identified.	
2016	Area A No significant changes identified. Area B Above mentioned row-like features in the north-east corner no longer visible. Area C No significant changes identified. Area D The aforementioned racecourse is no longer visible, and the area appears to have returned to assumed grazing land.	Area A No significant changes identified. Area B No significant changes identified. Area C Further commercial warehouse-style structures and airport related infrastructure has been erected from adjacent to the east. Area D No significant changes identified.
2025	Area A Northern portion of Area A appears to be utilised for cropping purposes. Area B No significant changes identified. Area C Area C has been cleared. Area D No significant changes identified.	Area A The assumed cropping land use extends off-site to the north and north-west Area B The property 100m west with the above-mentioned shed appears to support an external storage yard. Wider area from 30m east further developed for residential, commercial and airport uses. Area C Further commercial warehouse-style structures and airport related infrastructure has been erected from adjacent to the east. Area D Land from 30m east of Area D has been redeveloped into a large warehouse-style assumed distribution centre.



Figure 13: Features of interest identified on Area A

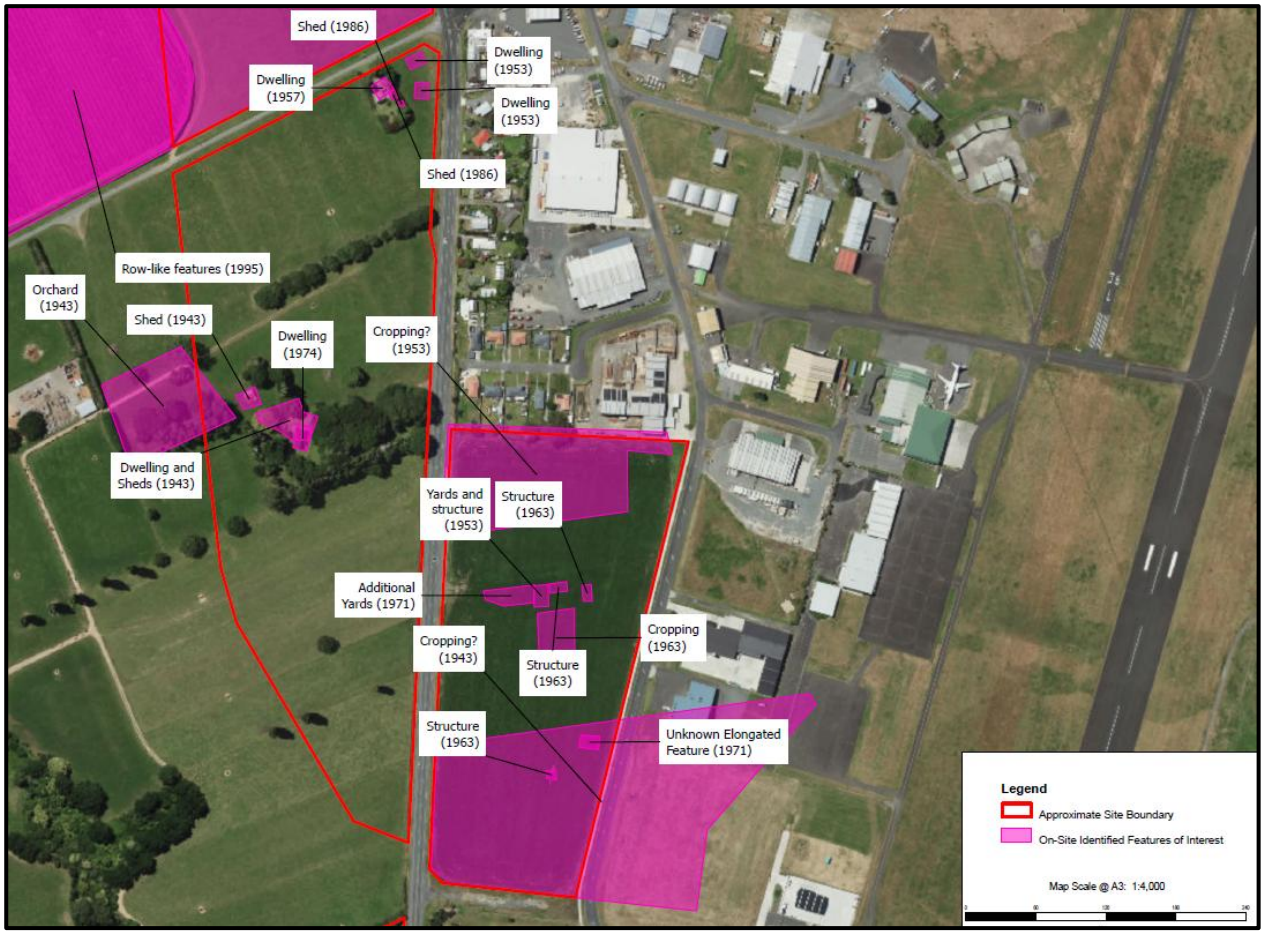


Figure 14: Features of interest identified on Areas B and C

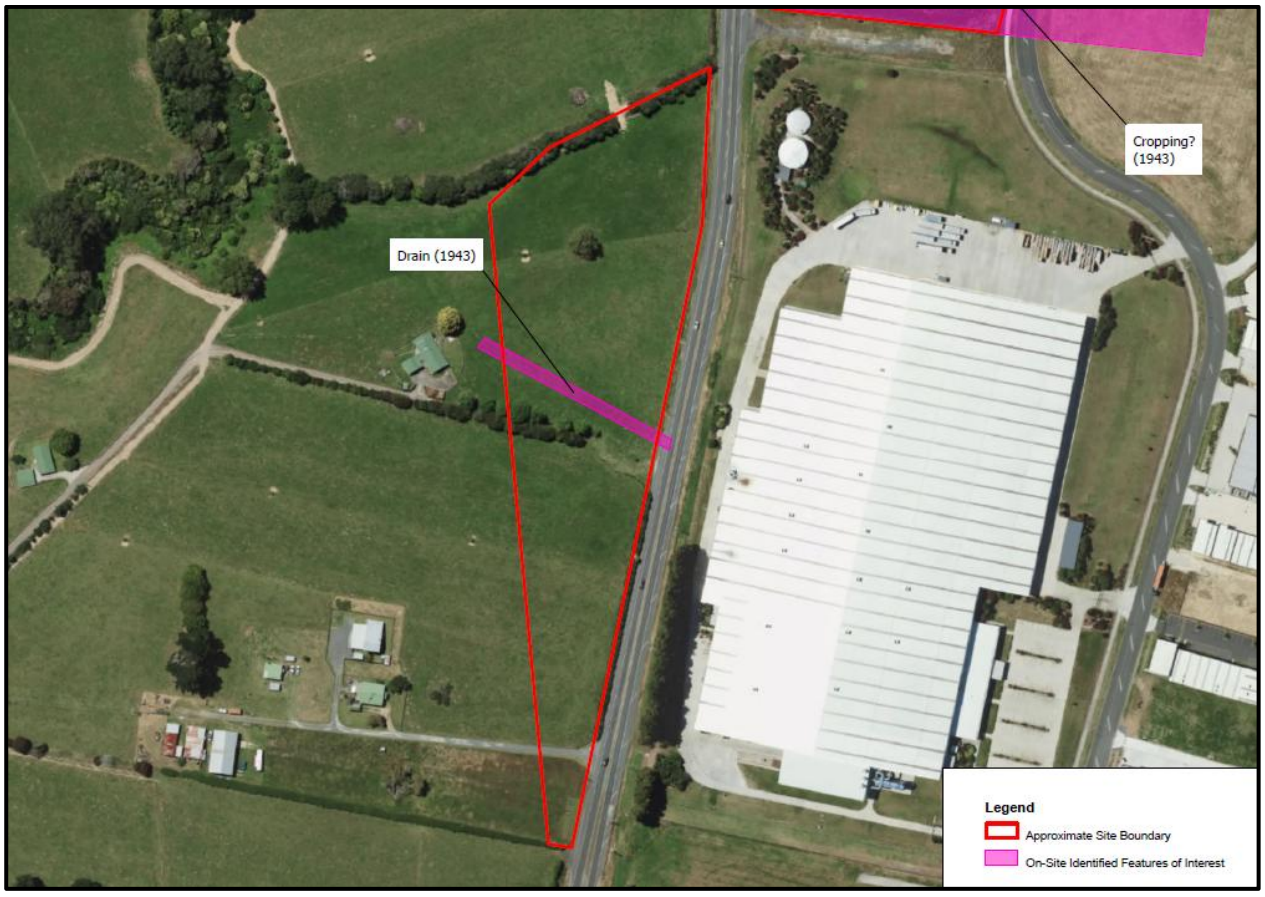


Figure 15: Features of interest identified on Area D

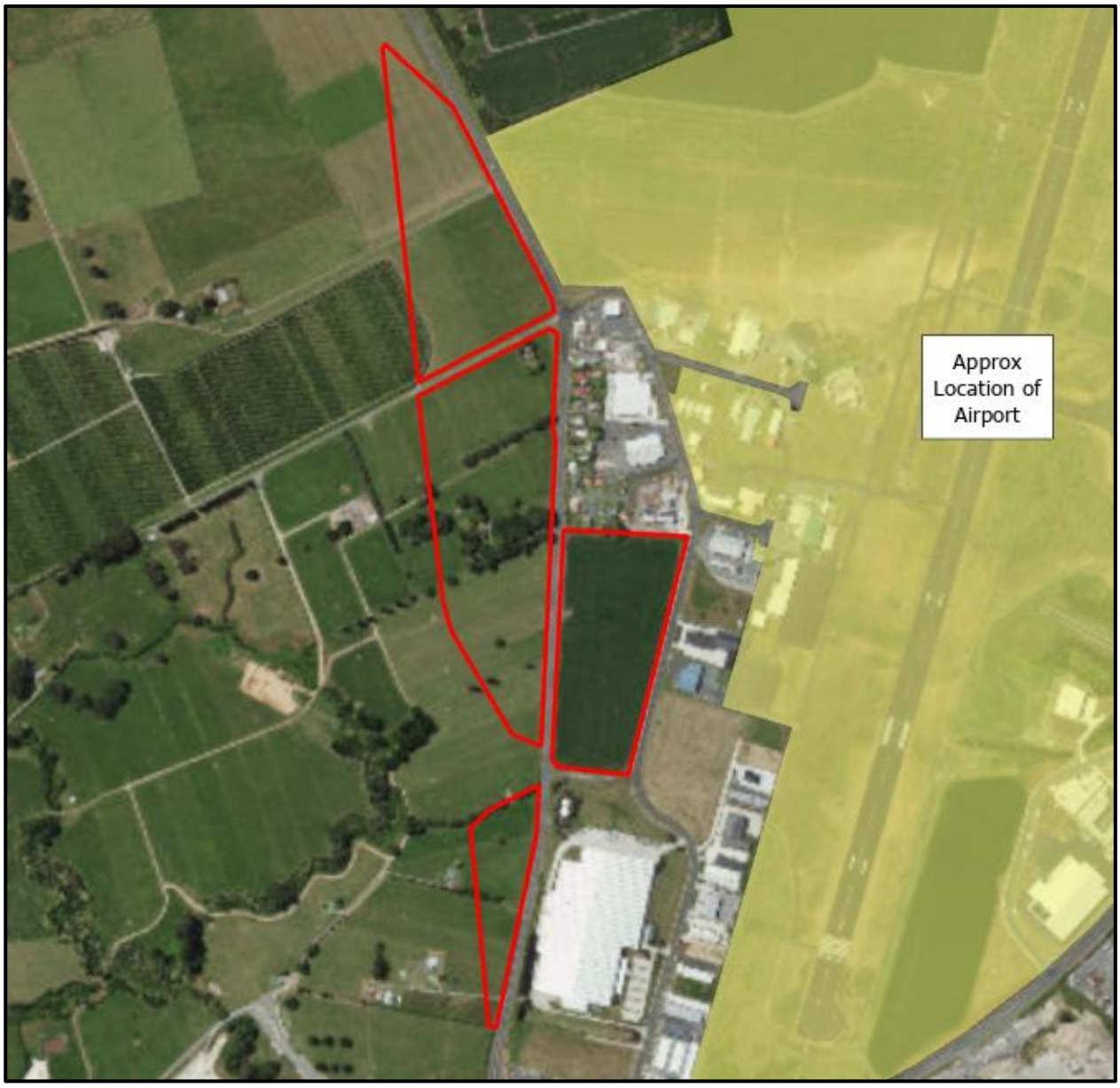


Figure 16: Approximate location of the airport in relation to the site

Waikato Regional Council Land Use Register

Waikato Regional Council were contacted in relation to information held on their land use register regarding the site. The response from Waikato Regional Council received on the 08 of April 2026. The Waikato Regional Council land use register has identified one area of interest within the vicinity. This area is described in Table 6 and the locations in relation to the site are shown in Figure 17.

Table 6: Summary of WRC Land Use Register

WRC REF	Name	Classification	HAIL Code and Description	Distance to site
LUI0357	RSK and CT Ingram	Unverified HAIL	A10. Persistent pesticide bulk storage or use	Encroaching onto the south-west of Area A

The Waikato Regional Council confirmed that Areas B, C and D do not appear on the Land Use Information Register.

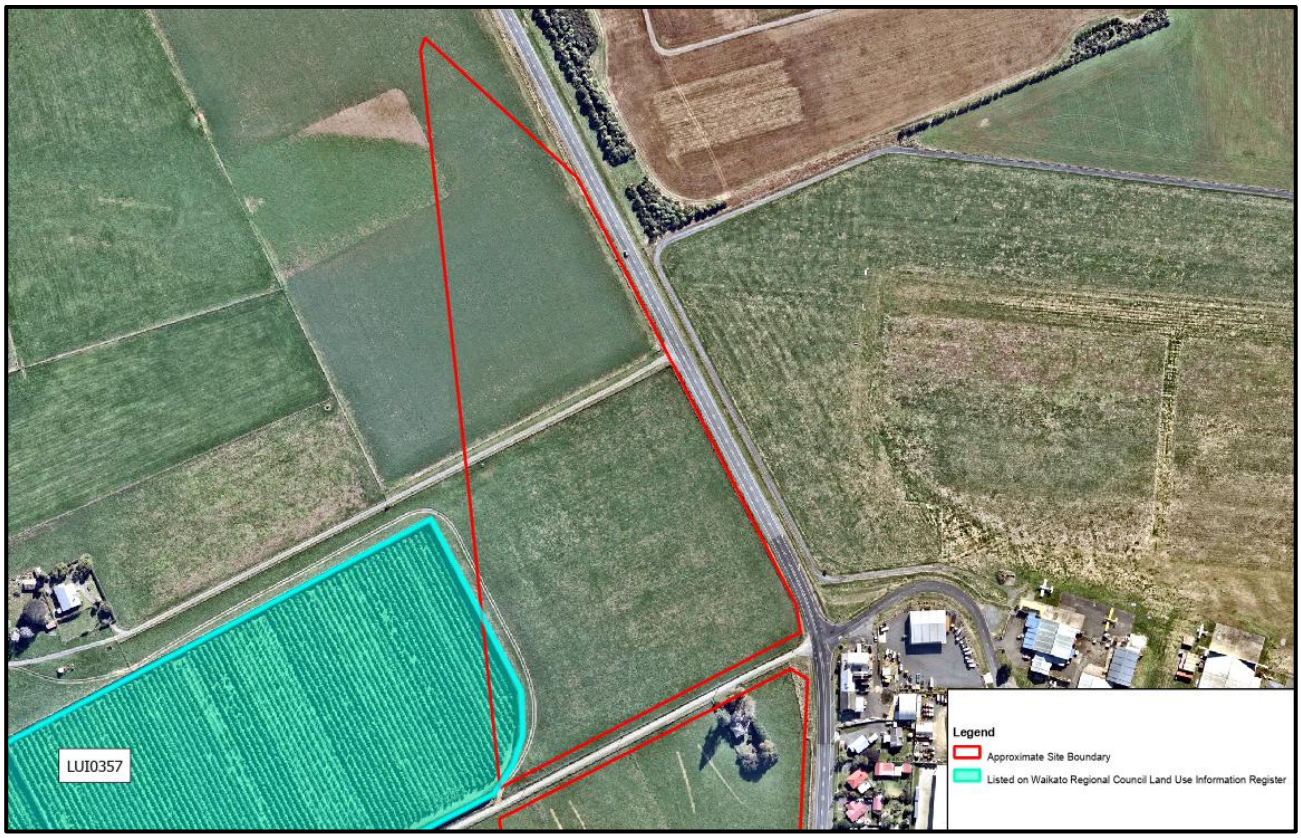


Figure 17: Area identified on Waikato Regional Council Land Use Information Register in relation to Area A

Assessment

Due to the sites proximity to Hamilton Airport, there is a possibility that contaminants that are associated with airports are present in groundwater. The risk of these contaminants migrating to the subject site cannot be wholly discounted at this stage. The main contaminant of concern from airports is Per- and polyfluoroalkyl substances (PFAS) that have historically been present in firefighting foams (AFFF). If site groundwater has been impacted, this may also impact the ease of getting consent for, and disposal options for, dewatering discharge.

Other identified potential sources of contamination identified include livestock holding yards and corresponding structures (potential for livestock dipping activities and chemical/fuel storage), horticultural activities (including assumed market gardens and orchards - potential use of persistent pesticides), old structures (potential for lead and asbestos in soil in the vicinity) and an assumed infilled drain (source of fill material unknown). Soil in these areas (likely localised pockets, and predominantly shallow soils) may require remediation/site management (therefore, potential for some associated cost implications). If Site X is selected to be further assessed, in the first instance, a Preliminary Site Investigation (PSI) is recommended, which will likely conclude a Detailed Site Investigation (DSI) is required. In the event the DSI confirms contamination is present, a Contaminated Soils Management Plan (CSMP) will likely be required.

3.8 Archaeology

Survey plan, the records of the New Zealand Archaeological Association, and aerial photography has been reviewed. There are currently no recorded archaeological sites within the Site X extent. Any unrecorded sites of cultural significance to Māori are not captured in this report.

3.9 Built Environment

3.9.1 Sensitive receptors and buffer distances

The site is located in/adjacent to the Airport Industrial/Commercial area. There are scattered rural residences in the area around the site along with a number of residential dwellings along SH3 and Robertson Place within the Airport Industrial/Commercial area. There is minimal space available for buffers within the site and sensitive receptors (residential homes) are present within 100 and 200 meter of the proposes WWTP location to the site boundaries, as shown on Figure 18.

3.9.2 Odour

The site offers only a very small internal odour buffer between the wastewater treatment processes and the site's boundary.

Residential dwellings and commercial receptors are located to east of site (in the zoned Airport business zone). There would only be a comparatively small separation distance between the dwellings located in this area and the WWTP which would increase the risk of residents being exposed to nuisance odours. Based on the indicate plant layout three dwellings could be located within 100m of the WWTP and approximately 16 within 150m.

These receptors would be also located downwind of the WWTP in the predominant westerly wind direction which would increase the risk of exposure to odour.

However, there are few other dwellings in the area and the ongoing expansion of Titanium Park (the Airport commercial/industrial development) and the Southern Links Road corridor (to the west of the northern site), the risk of future urban development is lower than other sites.

3.9.3 Noise

With limited ability to create setbacks within the site boundary to the residential homes off SH3, achieving prescribed levels at the boundary will be more challenging. Blowers and centrifuges have the highest noise potential, this equipment comes in acoustic enclosures which would be housed within concrete buildings to minimise noise.

This area is likely to have a lower sensitivity to noise due to ambient noise levels associated with SH3 and airport operations. There would be some change to the noise environment and residents may raise concerns about noise. However, this should be considered within the context of SH3 and the future Southern Links Road network which would also result in a change in noise environment so such changes should not be completely unexpected to residents.

3.9.4 Traffic and access

The operational main access to the site could be from Penniket Road, or potentially directly from State Highway 3 (SH3/Ohaupo Road) via an existing access point. Any access connection to SH3 would require early consultation and formal approval from NZTA and would need to consider both current conditions and the future changes to the road environment resulting from the Southern Links Project.

SH3 functions as a high-speed, high-volume strategic transport corridor forming part of the regional freight and inter-regional network. As a result, there are inherent restrictions associated with new or intensified site access, including:

- NZTA's general preference to avoid new or intensified direct property access onto state highways where practicable.
- The need to demonstrate that safe sight distances can be achieved for the posted and operating speed environment.

- Likely requirements for restricted turning movements, such as left-in/left-out operation only, to mitigate right-turn crash risks.
- Potential limitations on construction vehicle movements, including time-of-day restrictions or traffic management requirements.
- The requirement to ensure that site access does not adversely affect the safety, efficiency, or function of SH3, particularly when accounting for future traffic pattern changes following the delivery of the Southern Links Project.

Access from Penniket Road is constrained by the road geometry and speed environment. Turning movements, particularly for heavy vehicles, are challenging due to tight turning radii and limited opportunities to improve alignment. Construction access from Penniket Road may therefore need to be restricted, particularly for right-turn movements, and supported by traffic management measures.



Figure 18: Penniket Road - westbound view (left) and eastbound view (right) from the existing access

The Southern Links Project passes to the east of the site. However, the final alignment and access arrangements are not confirmed at this stage. As such, direct access to Southern Links cannot be assumed and initial discussions between HCC and NZTA have found the likelihood is that the WWTP would not be given direct access. Any potential interface or access opportunity would require confirmation of the final alignment and subsequent consultation with NZTA once design details are available. While Southern Links is expected to reduce traffic volumes on SH3 over time, access arrangements for the site must be appropriate under existing network conditions.

3.9.5 Landscape and visual

The site is located within the State Highway 3 Scenic Corridor identified in the Waipā District Plan as a rural gateway landscape. The primary landscape policy consideration is Part F, Policy 25.3.5.2, which seeks to maintain the open rural character and gateway function of the SH3 corridor between Hamilton and Te Awamutu.

The receiving environment is characterised by open rural land with long-distance views toward Mt Pirongia and a low density of built development. Immediate context includes the airport to the east and adjoining business and industrial land. The site, and therefore the WWTP and associated infrastructure, would be visible from nearby residential properties at 3533–3549 SH3 Ōhaupō Road and Robertson Place, as well as from vehicles travelling along SH3 Ōhaupō Road.

Development of the site would require clearance of a substantial number of mature exotic trees located through the central portion of the site, along with a limited number of mature indigenous trees, estimated to include fewer than five tōtara and kahikatea.

The Southern Links designation already traverses the site and has altered the existing rural landscape. This corridor would form part of the future visual context when viewed from SH3 and adjacent properties, contributing an additional layer of infrastructure within the Scenic Corridor.

Visual mitigation could be achieved through the use of tall shelterbelts consistent with those established elsewhere in the surrounding rural landscape, which have potential to substantially screen the WWTP from SH3 and nearby residences. This approach would, however, result in loss of existing open rural outlooks. The location, extent, and scale of shelter planting would therefore require careful consideration in relation to Scenic Corridor policy objectives.

Overall, the WWTP would contribute to cumulative loss of rural character within the SH3 Scenic Corridor, viewed in the context of existing influences including the airport, surrounding industrial land, and the Southern Links designation.

3.10 Ecology

3.10.1 Vegetation

Site X is predominantly used for agricultural activities, including cropping and livestock grazing. Remaining vegetation is limited and comprises a stand of mature mixed exotic and native trees, shelterbelt plantings, and ornamental garden shrubbery located within Area B. Native tree species present include tōtara (*Podocarpus totara*), kahikatea (*Dacrycarpus dacrydioides*), black māpou / mātipō (*Pittosporum tenuifolium*), and tarata (*Pittosporum eugenioides*). Exotic gymnosperm species include macrocarpa (*Hesperocyparis macrocarpa*), *Pinus radiata*, and Douglas fir (*Pseudotsuga menziesii*). Area D contains rows of shelterbelt vegetation, while scrubby exotic vegetation was identified along the eastern boundary of Area C adjacent to Ohaupo Road (Figure 19). Overall, vegetation across the site is highly modified and typical of an intensively managed rural agricultural landscape.

3.10.2 Bats

There are currently no records of bats within the site, however, there are numerous records of long-tailed bats (*Chalinolobus tuberculatus*; Threatened – Nationally Critical) within the surrounding environment. This includes within the riparian corridor of the watercourse located south of the site, which is a tributary of Mystery Creek.

A number of trees within Area B were identified as having features suitable for bat roosting, including cracks, knot holes, cavities, and dead or broken branches (Figure 19). These trees would be removed as part of the proposed construction works.

Given the presence of suitable roosting features, moderate to high bat activity in the wider landscape, and the proximity of freshwater habitat, there is potential for long-tailed bats to roost within the site. There is also potential for bats to forage within the site and/or pass through the site when commuting between foraging and roosting habitats in the surrounding area.

3.10.3 Herpetofauna

There are no known records of native herpetofauna within or immediately adjacent to Site X. The site is regularly mown or grazed and therefore provides limited suitable habitat for lizards, resulting in a low likelihood of their presence across most of the site.

However, scrubby vegetation along the site boundary, together with the stand of mature trees and garden vegetation, may provide potential habitat for copper skink (*Oligosoma aeneum*; At Risk – Declining). Copper skink are a species that occupy a wide range of habitats throughout the North Island, including rank grass, groundcover vegetation, leaf litter, and areas providing cover such as rocks, logs, or debris (New Zealand Herpetological Society, n.d.-a).

3.10.4 Avifauna

Suitable habitat for a range of avifauna species is present across Site X. Passerine species are likely to utilise the stand of trees and shelterbelt vegetation for roosting, nesting, and foraging. During the site walkover, mallard ducks (*Anas platyrhynchos*; Introduced and Naturalised), pheasants (*Phasianus colchicus*), and several exotic passerine species were observed. Common native passerine species such as silvereye (*Zosterops lateralis*) and New Zealand fantail (*Rhipidura fuliginosa*) are likely to be utilising the site however may be in lower abundance compared to exotic species. Open farmland areas may be used by species such as spur-winged plover (*Vanellus miles*; Not Threatened) for foraging and breeding.

Area C appears to be frequently cropped and is therefore unlikely to provide suitable long-term habitat for avifauna. In addition, the site is located within an active industrial and airport environment and is subject to regular noise disturbance from aircraft operations and traffic, which may further limit habitat suitability for more sensitive bird species.

3.10.5 Wetlands

The initial site walkover undertaken on 26 March 2026 identified an area within Area D that has the potential to meet the definition of an inland wetland under the National Policy Statement for Freshwater Management (NPS-FM, 2022) (refer to Figure 20).

Preliminary observations suggest that ecological values are likely to be low, with vegetation dominated by exotic herbaceous and grass species. Species observed include soft rush (*Juncus effusus*), water pepper (*Persicaria hydropiper*), creeping buttercup (*Ranunculus repens*), weeping grass (*Microlaena stipoides*), water purslane (*Ludwigia palustris*), white clover (*Trifolium repens*), and dallis grass (*Paspalum dilatatum*).

Formal wetland delineation investigations are required to confirm whether this area meets the criteria of a natural inland wetland, and to determine its extent and ecological value.

3.10.6 Freshwater features

Desktop mapping indicates that there are no watercourses present within the site, which was confirmed during the site visit. Several tributaries of Mystery Creek are located approximately 350 m west and 1 km south of the site. Mystery Creek is a significant freshwater system that ultimately drains to the Waikato River.



Figure 19: Shelterbelt along the edge of the Area A (top left), tree containing suitable bat roost feature in Area B (top right), scrub along the edge of the Area C (bottom left), potential wetland located in Area D (bottom right)

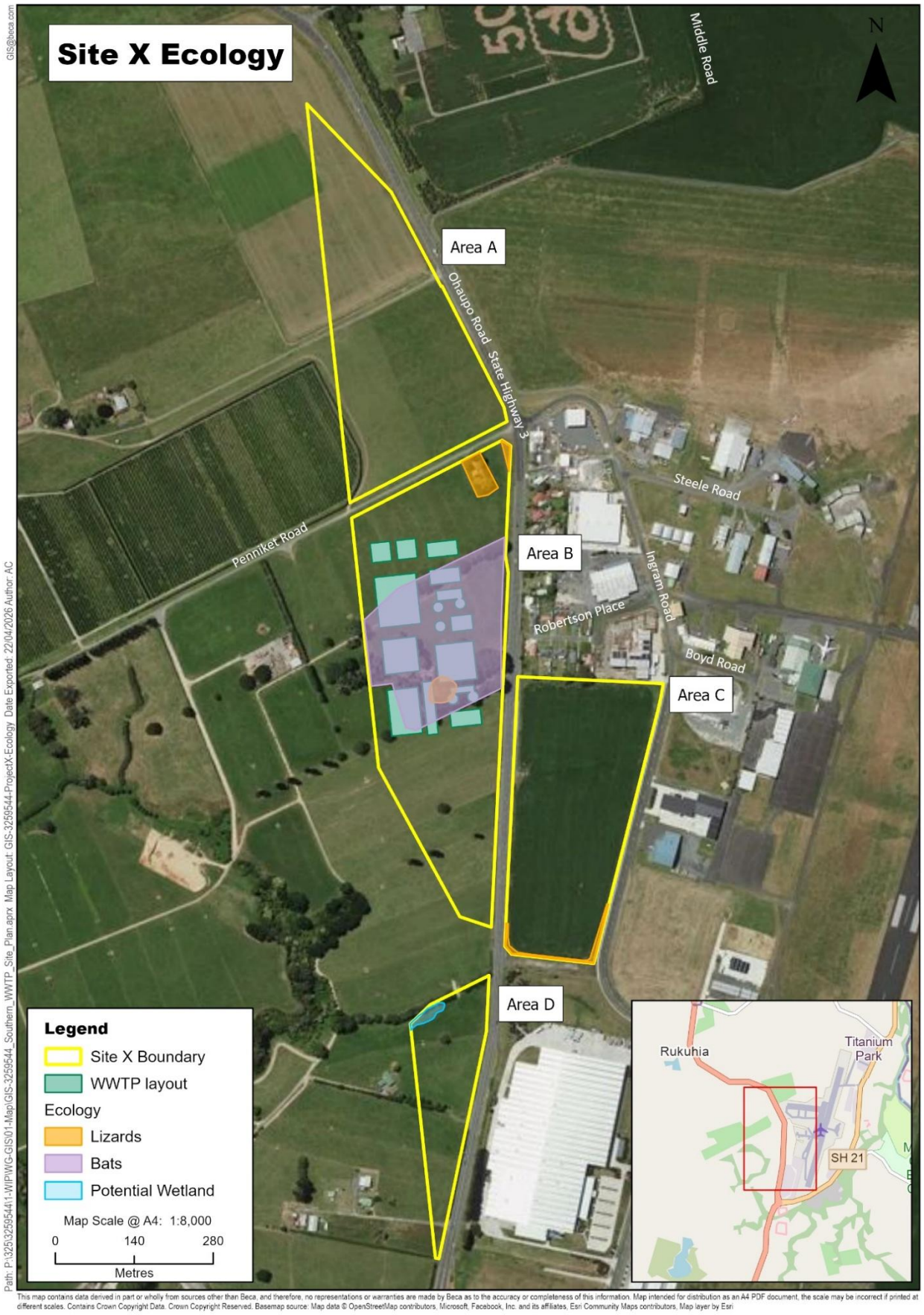


Figure 20: Ecological features identified within the Site X boundary

Area B contains habitat that is potentially suitable for Threatened or At-Risk native bats and lizards, which would be removed as part of the proposed works. Accordingly, the following recommendations are provided for Site X if it is selected as the preferred site for further investigations:

1. **Targeted fauna surveys**
   a. Undertake lizard and bat surveys to determine the presence or absence of these species within the site. Survey design for bats should include each phase of the reproductive cycle to get an understanding of the usage patterns and activity levels within the site.
2. **Mitigation and management (if fauna are confirmed present)**
   If surveys confirm the presence of native bats and/or lizards, the following measures should be implemented:
   a. Application of standard construction environmental management measures to minimise the risk of injury, mortality, and disturbance to native fauna during works;
   b. Implementation of appropriate offset or compensation measures to address the loss of potential bat roosting and foraging habitat;
   c. Preparation and implementation of a Lizard Management Plan, including measures such as habitat enhancement and predator control;
   d. Mitigation of potential lighting and noise effects on bats arising from ongoing WWTP operations, including the use of bat-sensitive lighting design and operational controls where practicable.
3. **Wetland delineation**
   a. Undertake a wetland delineation investigation to confirm the status, extent, and ecological value of the potential wetland identified within Area D.

3.10.7 Restoration potential

Opportunities for ecological restoration within Areas A and C are limited due to existing land use. However, enhancement planting of terrestrial species in practicable areas within Area B could be considered.

In addition, should project discharges extend across Area D, there may be opportunities to improve wetland hydrology and undertake native wetland planting and buffer enhancement. Such measures could mitigate potential adverse effects while enhancing the ecological values of the wetland. Overall, these actions have the potential to result in a positive net ecological outcome for the site.

3.11 Planning

Site X is located within Waipā District and is therefore subject to the Waipā District Plan.

Areas A, B and D are zoned Rural and Area C is zoned Airport Business as part of the Airport Structure Plan Area. The surrounds are Rural and Airport Business Zone. The Southern Links designation runs along the site's western boundary and SH3/Ohaupo road runs along the eastern boundary.

Key features and overlays within the sites include a series of overlays for Hamilton Airport Strategic Node (which are not expected to impact potential development of the sites), and a Viewshaft and SH3 Scenic Corridor which overlays Areas A, B and D.

It is expected that the WWTP and land discharge area would be designated and therefore not subject to the rules of the Waipā District Plan; however, consideration would need to be given to visual effects on the SH3 corridor. Resource consents are expected to be required from WRC for discharge to air (odour), discharge to land/water (land disposal), and potentially earthworks not meeting permitted activity standards (for construction/installation of the disposal field) as an overall discretionary activity under the Waikato Regional Plan.

The National Policy Statement for Highly Productive Land (NPS-HPL) will apply to rurally zoned Areas A, B and D. Area C has a business/commercial zoning, therefore NPS-HPL will not apply). For the rural parcels,

the NPS-HPL framework seeks avoidance of the loss and fragmentation of highly productive soils where practicable, demonstration of any functional or operational need to locate on HPL, and evidence that non-HPL alternatives are not reasonably practicable, with effects minimised through a compact footprint and careful construction. Permanent land take on Class 1 soils carries higher consenting risk and would require significant mitigation.

Table 7: Key district and regional plan characteristics

District Plan	
Zone	Area A, B and D: Rural; Area C: Airport Business Zone (Structure Plan Area)
Adjoining zone	Rural, Airport Business Zone, SH3 and Southern Links designations Road corridor adjoins south of eastern parcel
Zone overlay	Area A: Airport (horizontal surface, outer control boundary, subsidiary strip approach, transitional slope). Area B: Airport (outer control boundary, transitional slope, horizontal surface). Area C: Airport (strategic noise, horizontal surface, night noise boundary, outer control boundary, transitional slope), Airport Structure Plan Area. Area D: Airport (outer control boundary).
Designation	Adjoins Southern Links designation (District Plan reference D156) and SH3 designation (District Plan reference D37), and separated by SH3 from Airport designation (District Plan reference D71) shown in pink outline on zone map
Features	Viewshaft and SH3 Scenic Corridor over northern parcel (shown in purple hash on features map).
Natural hazards	Not located with a District Plan potential flood area
Regional Plan	
Water courses	No watercourses within Site X, unnamed tributary to the west connects to Mystery Creek and then the Waikato River.
Bores	In Area D parcel: Bore 70 – Station 849 and Station 949 No bores recorded on other parcel but a number of bores and bore consents in the surrounding area
Other planning considerations	
NES Freshwater	One potential wetland identified in Area D.
NPS Highly Productive Land	All parcels are classified as LUC 1[10]. The eastern parcel is business/commercial zoning, therefore NPSHPL will not apply to that parcel. The NPSHPL will need to be considered for the rest of the site. (Refer figure 21 below).
NES Contaminated Soils	Sheds previously present on the site may have had contaminating activities operated within or near them including asbestos and storage of fuel and pesticides which could trigger the NESCS.

[10] Land Use Capability 2021 from New Zealand Land Resource Inventory (accessed via LRIS portal April 2026)



Figure 21: Waipā District Plan maps - zoning (left) and features (right)

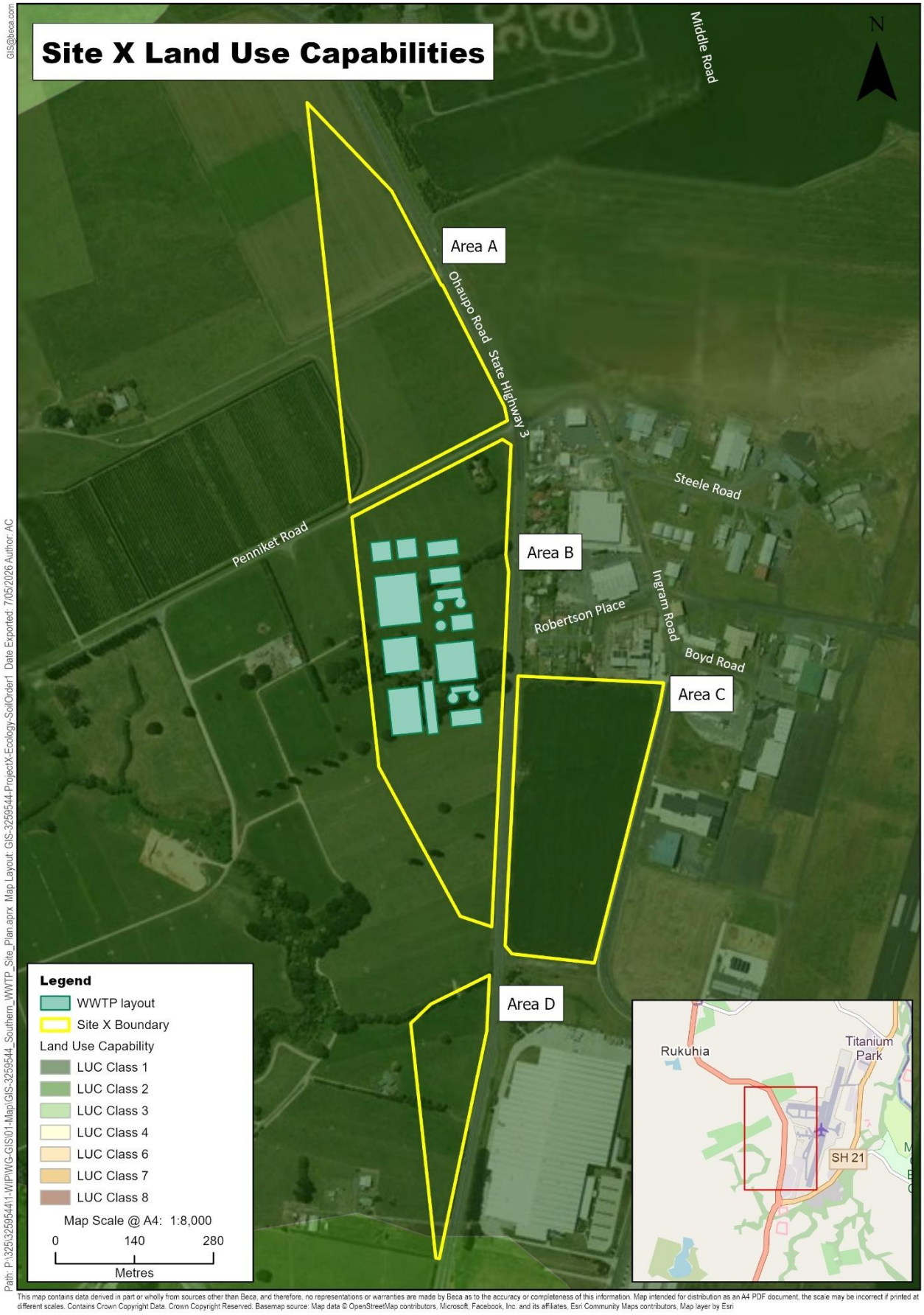


Figure 22: General Site X area under the LUC maps

4 Multi-criteria assessment

4.1 MCA methodology

Site X was assessed using the same Multi-Criteria Assessment (MCA) framework as used for the short-list site selection process in 2023-2024. An MCA process goes beyond assessing monetised or quantifiable benefits and allows for a qualitative assessment of a range of environmental and social benefits. The MCA uses a scoring system to assess each option against project-specific criteria.

Site X assessment criteria, consistent with the previous MCA assessment criteria, is set out in Table 8. A rating scale was implemented to determine compliance with the criteria on a gradual scale ranging from 10 being the 'best' to 1 being 'worst'. A scoring rationale was prepared with input from each of the technical experts to guide consistent decision making from the technical experts (Table 9). The measures, key considerations, assumptions, and exclusions for each criteria were developed prior to scoring and updated as scoring progressed to clearly outline what was and wasn't considered and help drive consistency in scoring.

Table 8: MCA criteria

Ref	Criteria		
Operational		**Natural environment**	
1a	Ability to discharge stage 1 flows to land	5a	Potential for impacts on the natural character of wetlands, rivers and lakes and their margins
1b	Accessibility from transport corridors for operation	5b	Potential for impacts on aquatic and terrestrial ecology including vegetation, fish, birds, bats and lizards
1c	Access to utilities/power	5c	Potential for impacts on groundwater users and surface water quality
1d	Greenhouse gas emissions	5d	Potential for impacts on highly productive soil
1e	Treatment plant hydraulics (ie requirement for pumping)		
1f	Operability and flexibility during operation		
1g	Future proofing		
Conveyance		**Built environment**	
2a	Distance and complexity of pipelines from contributing catchments	6a	Potential for odour effects
2b	Distance and complexity to potential river discharge sites	6b	Potential for noise effects
Mana whenua		6c	Potential for landscape and visual effects
Not assessed. Mana whenua have undertaken a parallel assessment.		6d	Potential for archaeological impacts
Physical		6e	Potential for heritage impacts
4a	Liquefaction and geotechnical risk	6f	Alignment with long term growth / alternative land uses
4b	Potential impacts of contaminated soil		
4c	Flooding risk		
4e	Buildability		

Initially, Beca technical experts were asked to score the criteria in their field of expertise using professional judgement and provide justification for the scoring, including any assumptions. This scoring is based on the desktop reviews undertaken and the site walkovers.

These scores were then presented and challenged in an interdisciplinary MCA workshop with technical experts. Subsequently, a few initial scores were changed.

In the first instance, scoring of the criteria was undertaken on an ‘equal-weighting’ basis as if each of the criteria had the same level of importance.

Once scoring was confirmed, a weighting/sensitivity exercise consistent with the previous MCA weighting process was undertaken to review whether changing the weight assigned to criteria changed the preferred option. This acknowledges that some criterion may have more weight (importance) than others.

Table 9: Assessment criteria for the short list MCA

Number	Criteria	Measures, key considerations, assumptions, and exclusions	Score = 1 (very low)	Score = 2 - 4 (low)	Score = 5 - 7 (medium)	Score = 8 - 10 (high)
Operational						
1a	Ability to discharge stage 1 flows to land	Based on Manaaki Whenua Report "Soil information for four Hamilton Southern WWTP land treatment sites". Considers soil type, drainage, ability of land to take required flows. Assumes discharge to land is via sub-surface drip (avoiding odour and spray drift considerations). Assumes purpose of discharge to land is for disposal only (ie no further treatment is required). Does not include geotechnical risk or groundwater quality effects (covered in 4a and 5c below)	Very limited ability for discharge (i.e. due to poor soils, steep slopes, or waterway buffer exclusions) and/or very impractical layout.	Limited ability for discharge (i.e. due to poor soils, steep slopes, waterway buffer exclusions, inability to discharge in winter/shoulder seasons) and/or impractical layout.	Moderate ability for discharge, however with some limitations (e.g. limited treatment potential through soils, high soil moisture in winter preventing discharge).	Well suited soils to land discharge with only minor limitations
1b	Accessibility from transport corridors for operation	Based on desktop review. Considers access to/from roads suitable for on-going operational access (construction access considered under 4d). Assessment based on current road network but notes where there may be changes in access post-Southern Links (opportunities and limitations). Highlights potential opportunities to improve access. Assumes access available off any point where property boundary meets road reserve but notes where there is a risk (especially on SH).	Very poor proximity to roads and/or inappropriate sightlines and/or significant safety concerns with no options to improve (when compared to other sites)	Relatively low proximity to roads and/or poor accessibility/sightlines (when compared to other sites)	Moderate proximity to roads and average accessibility with reasonable sightlines (when compared to other sites)	Relatively high proximity to roads and good accessibility (when compared to other sites)
1c	Access to utilities/power	Based on desktop review. Proximity to High Voltage power supply and water supply. Further investigation may be required to determine water supply capacity.	Very poor proximity to power supply and/or very poor level of existing services (when compared to other sites)	Relatively low proximity power supply and/or poor level of existing services (when compared to other sites)	Moderate proximity to power supply and average level of existing services (when compared to other sites)	Relatively high proximity to power supply and high level of existing services (when compared to other sites)
1d	Greenhouse gas emissions	Based on high-level consideration of likely pipe and pump requirements. Considers greenhouse gas emissions from conveyance, network power and total emissions. Assumes the imbedded carbon and operational carbon emissions from the WWTP itself will be largely consistent across sites - while there may be a small difference in travel carbon, the key differentiator is conveyance. Noted that this scores a very similar effect to 2a and 2b (which should be recognised in any weighting exercise)	Very high level of greenhouse gas emissions (when compared to other sites)	High level of greenhouse gas emissions (when compared to other sites)	Moderate level of greenhouse gas emissions (when compared to other sites)	Low level of greenhouse gas emissions (when compared to other sites)
1e	Treatment plant hydraulics (ie requirement for pumping)	Based on site topography. Considers treatment plant hydraulic operability and likely pumping requirements based on topography.	NA	Existing slopes likely to result in additional pumping requirements	Limited potential to use existing slopes to minimise pumping through WWTP.	High potential to utilise existing slopes to minimise pumping through WWTP.
1f	Operability and flexibility during operation	Based on site size, shape, and any confining features. Considers ease of operation of the WWTP including consideration of space around processes for operations and maintenance (including parking, deliveries, typical maintenance activities)	Site does not provide sufficient space for operation of the WWTP.	Limited space for operations and maintenance and/or site shape or features expected to present some challenges.	Some restrictions expected due to size/shape/features but not expected to present any significant impediment to operations.	Site large enough and provides plenty of usable space for operations with few restrictions.
1g	Future proofing	Based on site size, shape, and any confining features. Considers the ability to grow the site in future including consideration of space for future expansion and construction of future stages	Site does not have sufficient space for future upgrades.	Limited space for future upgrades/renewals and/or site shape or features expected to present some challenges.	Some restrictions expected due to size/shape/features but not expected to present any significant impediment to operations.	Site large enough to accommodate future expansion including renewals and replacement with few restrictions.

Number	Criteria	Measures, key considerations, assumptions, and exclusions	Score = 1 (very low)	Score = 2 - 4 (low)	Score = 5 - 7 (medium)	Score = 8 - 10 (high)
		beyond 200,000 PE (noting that existing processes need to remain on-line while new processes are constructed) as well as renewals and replacement (again noting that existing plant needs to remain operational while replacements are constructed).				
Conveyance						
2a	Distance and complexity of pipelines from contributing catchments	Ability to and complexity of connecting the site to contributing catchments, based on connecting to network as per Southern Link works.	Very long pipelines and greater pump station requirements (when compared to other sites)	Longer pipelines and greater pump station requirements (when compared to other sites)	Moderate length pipelines and moderate pump station requirements (when compared to other sites)	Shorter pipelines and lesser pump station requirements (when compared to other sites)
2b	Distance and complexity to potential river discharge sites	Potential options to link the site to the Waikato River for a future river discharge. Considers only the length and potential complexity of routes along roads/paper roads as a high-level feasibility consideration. Does not include consideration of the form of discharge structure or any land or engineering requirements associated with such a structure. Assumes that there would be a pump station on the WWTP discharge for all options (ie not gravitating)	Very poor proximity/ease of access to potential discharge sites (when compared to other sites)	Relatively low proximity/ease of access to potential discharge sites (when compared to other sites)	Moderate proximity/ease of access to potential discharge sites (when compared to other sites)	Relatively high proximity/ease of access to potential discharge sites (when compared to other sites)
Mana whenua						
Not assessed. Mana whenua have undertaken a parallel assessment.						
Physical						
4a	Liquefaction and geotechnical risk	Based on desktop review and site walkover. Considers complexity and risk of construction (e.g. suitability of ground conditions, ability to meet requirements of programme and staging), on-going operational stability and earthquake risk, land stability risk associated with discharge to land.	High construction risk/risk of liquefaction when compared to other sites.	Moderate to high construction risk/risk of liquefaction risk when compared to other sites.	Moderate to low construction risk/risk of liquefaction compared to other sites.	Very low construction risk/risk of liquefaction compared to other sites.
4b	Potential impacts of contaminated soil	Based on desktop review of historic land use. Considers risk of human health effects during construction and risk of continued discharge to the environment as a result of land discharge.	Adverse effects of soil contamination are likely to be significantly adverse.	Adverse effects of soil contamination will take considerable effort to mitigate.	Minor adverse effects of soil contamination are relatively simple to mitigate.	Very minor effects of soil contamination (if any) can be avoided.
4c	Flooding risk	Based on District Plan flood mapping and site observations. Considers flooding risk during construction and operation, .	Use of this land would result in a very high probability of flooding during construction or operation	Use of this land would result in a high to moderate probability of flooding during construction or operation	Use of this land would result in a moderate to low probability of flooding during construction or operation	Use of this land would result in a low probability of flooding during construction or operation
4e	Buildability	Consideration of access to the site for construction, likely earthworks/ground preparation requirements, level of environmental controls expected (e.g. erosion and sediment management)	Site topography very poor/ challenging compared to other sites and/or significant construction challenges identified. Very poor proximity to roads and/or very poor internal access (when compared to other sites)	Site topography poor/ challenging compared to other sites or moderate construction challenges identified. Relatively low proximity to roads and/or poor internal access (when compared to other sites)	Site topography generally flat compared to other sites and only minor construction challenges or additional requirements identified. Moderate proximity to roads and average internal access (when compared to other sites)	Site topography generally flat compared to other sites and no notable construction challenges or additional requirements identified. Relatively high proximity to roads and good internal access (when compared to other sites)
Natural environment						
5a	Potential for impacts on the natural character of wetlands,	Based on desktop reviews and site walkover. Considers proximity to natural wetlands, streams, rivers and their margins and potential for impact on character. Considers the potential for restoration	Adverse effects on natural character are likely to be significantly adverse.	Adverse effects on natural character will take considerable effort to mitigate.	Minor adverse effects on the natural character that are relatively simple to mitigate/good mitigation options exist.	Very minor effects on natural character (if any) can be avoided and good mitigation options exist.

Number	Criteria	Measures, key considerations, assumptions, and exclusions	Score = 1 (very low)	Score = 2 - 4 (low)	Score = 5 - 7 (medium)	Score = 8 - 10 (high)
	rivers and lakes and their margins	activities to have a positive impact on natural character.				
5b	Potential for impacts on aquatic and terrestrial ecology including vegetation, fish, birds, bats and lizards	Based on desktop reviews and site walkover. Considers potential for effects on aquatic and terrestrial ecology, flora and fauna and their habitats. Considers the potential for restoration activities to have a positive impact on aquatic and terrestrial ecology.	Adverse effects on aquatic and terrestrial ecology are likely to be significantly adverse.	Adverse effects on aquatic and terrestrial ecology will take considerable effort to mitigate.	Minor adverse effects on aquatic and terrestrial ecology that are relatively simple to mitigate.	Very minor effects on aquatic and terrestrial ecology (if any) can be avoided.
5c	Potential for impacts on groundwater users and surface water quality	Based on desktop review. Considers potential impacts associated with migration of treated wastewater or accidental spills to down gradient bores during operation of the WWTP and/or discharge to land as well as drawdown if dewatering required during construction (including consideration of interference effects, reducing groundwater flow to surface water or wetlands, migration of contaminants, and settlement). Based on presence of downgradient bores rather than use (which cannot always be easily determined.	Adverse effects of ground and surface water contamination are likely to be significantly adverse.	Adverse effects of ground and surface water contamination will take considerable effort to mitigate.	Minor adverse effects of ground and surface water contamination are relatively simple to mitigate.	Very minor effects of ground and surface water contamination (if any) can be avoided.
5d	Potential for impacts on highly productive soil	Based on desktop review. Considers presence of LUC 1-3 soils and change in land use that would result in loss of potential productive capacity (noting that the NPSHPL is based on potential capacity not current capacity). Assumes site is designated therefore there is a pathway through the NPSHPL.	Adverse effects on or loss of highly productive soil are likely to be significantly adverse.	Adverse effects on or loss of highly productive soil will take considerable effort to mitigate.	Minor adverse effects on or loss of highly productive soil are relatively simple to mitigate.	Very minor effects or loss of on highly productive soil (if any) can be avoided.
Built environment						
6a	Potential for odour effects	Based on desktop review, aerial photography, and potential site layouts as outlined in the Site Selection Report. Considers the ability to provide for a 150m odour buffer within the site and number of sensitive receptors beyond 150m, but within 300m of the proposed site. Considers in particular the ability to site high risk treatment processes (inlet works, primary sedimentation, sludge thickening, digestors) more than 150m from site boundary and/or existing dwellings. Assumes dewatering is closed and vented to odour control. Consideration of potential development adjacent site that could increase number of sensitive receptions. Based on potential siting of WWTP within the site with consideration of how shifting the location may change the number of impacted parties.	Minimum 150m odour buffer cannot be provided between nearest dwellings and high risk treatment processes and unable to practicably mitigate potential odour risk leading to very high consentability constraints.	Minimum 150m odour buffer cannot be provided within the site for the proposed high risk treatment processes but there is at least 150m to the nearest existing dwelling. High potential consentability constraints as a result of odour risk (actual or perceived)	Minimum odour buffer of 150m can be provided within the site, but some dwellings located within 300m of the proposed high-risk treatment processes. Moderate potential consentability constraints as a result of odour risk (actual or perceived)	Minimum odour buffer of 150m can be provided within the site, and no dwellings are located within 300m of the proposed high-risk treatment processes. Low potential consentability constraints as a result of odour risk (actual or perceived)
6b	Potential for noise effects	Based on desktop review and potential site layouts as outlined in the Site Selection Report. Considers noise effects on people during operation and construction including noise from the WWTP operation and traffic noise. Qualitative assessment based on proximity of site to sensitive receptors and experience at other WWTPs. Includes consideration of how the future Southern	Adverse effects on noise receptors are likely to be significantly adverse.	Adverse effects on noise receptors will take considerable effort to mitigate.	Minor adverse effects on noise receptors that are relatively simple to mitigate.	Very minor effects on noise receptors (if any) can be avoided.

Number	Criteria	Measures, key considerations, assumptions, and exclusions	Score = 1 (very low)	Score = 2 - 4 (low)	Score = 5 - 7 (medium)	Score = 8 - 10 (high)
		Links Road may impact on the receiving environment.				
6c	Potential for landscape and visual effects	Impact on landscapes and visual amenity. Based on topography and observations during site walkovers. Takes into consideration potential for screening.	Adverse effects on landscape and visual receptors are likely to be significantly adverse.	Adverse effects on landscape and visual receptors will take considerable effort to mitigate.	Minor adverse effects on landscape and visual receptors that are relatively simple to mitigate.	Very minor effects on landscape and visual receptors (if any) can be avoided.
6d	Potential for archaeological impacts	Based on archaeologist review of recorded sites and discussion with landowner	Significant archaeological site(s) expected to be impacted, with significant impacts expected, unlikely to be able to mitigate effects beyond an authority to modify/destroy.	Archaeological site(s) within proximity of the site and effects on archaeological values will take considerable effort to mitigate.	Archaeological site(s) expected to be impacted but effects are relatively simple to mitigate.	Archaeological site(s) present but effects on archaeological values can be easily avoided, or no archaeological site(s).
6e	Potential for heritage impacts	Considers listed heritage buildings and places not covered under archaeology above.	Some heritage sites within proximity of the site and effects on heritage values are likely to be significantly adverse.	Some heritage sites within proximity of the site and effects on heritage values will take considerable effort to mitigate.	Some heritage sites within proximity of the site. Effects on heritage values are relatively simple to mitigate.	Some heritage sites within proximity of the site but effects on heritage values can be avoided; or no heritage sites within proximity of the site.
6f	Alignment with long term growth / alternative land uses	Consideration of whether the site aligns with expected longer term development of the area and whether there are other potentially better uses of the site.	Site significantly impacts on potential long term growth aspirations of Waipā and HCC and/or development inconsistent with growth strategies	Site potentially impacts (to a moderate extent) on potential long term growth aspirations of Waipā and HCC and/or development has some inconsistency with growth strategies	Site potentially impacts (to a low extent) on potential long term growth aspirations of Waipā and HCC and can be managed within growth strategies and/or other potential site uses identified	Site does not impact on potential long term growth of Waipā or HCC and fits within growth strategies and limited other uses of the site available

4.2 MCA scoring

4.2.1 Raw scores

Full detail of the MCA scoring, including rationale, is included in **Appendix A**. The raw scores for Site X and previously assessed short listed sites are summarised in Table 10.

Site X's MCA results show a mixed performance, with clear but relatively narrow areas of differentiation when compared to the other shortlisted sites. While the site scores highly in several areas, many of these strengths are not unique, and are shared across the wider site set.

Site X's strongest performance is in the physical criteria, where it is consistently among the better-performing options. Flooding risk scores 9, which is equal highest across all sites, meaning this is not a distinguishing advantage. However, relatively high scores for buildability (8), liquefaction and geotechnical risk (7), and contaminated soils (7) place Site X among the more physically robust and constructible options overall.

The site also scores well for natural character (on wetlands and lakes) effects (9) and archaeological impacts (9). However, these scores are broadly comparable to other high-performing sites (for example, Site 3 also achieves 10 for natural character (on wetlands and lakes) and 9 for archaeological impacts), meaning Site X does not clearly stand out in these areas. In contrast, Site X is the highest-scoring site for alignment with long-term growth and alternative land uses (7), which represents a more distinct comparative advantage, albeit by a small margin.

While the site also scores highly for potential for natural character (on wetlands and lakes) and archaeological outcomes, most other sites achieve similarly strong results, and all sites score the maximum for heritage impacts (10), meaning these criteria do not meaningfully differentiate Site X.

In contrast, Site X is more clearly differentiated by weaker performance across several operational, environmental, and amenity criteria. Operationally, it underperforms relative to leading sites, particularly for greenhouse gas emissions (4), future proofing (5), and operability and flexibility (6), where other sites achieve substantially higher scores. Conveyance is a notable weakness: pipeline distance and complexity score 4 for both catchment inflows and river discharge, compared to significantly higher scores for leading sites, indicating greater infrastructure challenges.

Environmental criteria also highlight weaker relative performance. Site X scores 4 for ecological effects and 4 for groundwater and surface water impacts, placing it among the lower-performing options in these categories. It also records the lowest score for impacts on highly productive soils (3), making this a clear differentiator relative to all other sites, which score 5.

Amenity effects represent Site X's most significant weakness. It has the lowest odour score of all sites (1) and a relatively low noise score (4), indicating a higher potential for adverse effects on nearby residential properties compared with alternatives.

Overall, while Site X performs well in several physical and planning-related criteria, these strengths are often shared with other sites. Its key points of distinction are therefore more strongly defined by its weaker performance in conveyance, ecological and water quality effects, productive soils, and particularly odour and noise effects.

Table 10: MCA scoring summary (raw scores). Colour code: black - very low, red - low, amber - medium, green - high

	Assessment Criteria	Site 1 Sharpe Farm	Site 2 Narrows / Rukuhia	Site 3 Penniket	Site 4 Golf Course	Site X SH3
Operational						
1a	Ability to discharge stage 1 flows to land	3	3	7	5	8
1b	Accessibility from transport corridors for operation	8	7	6	4	6
1c	Access to utilities/power	7	5	7	6	7
1d	Greenhouse gas emissions	8	6	4	2	4
1e	Treatment plant hydraulics (ie requirement for pumping)	5	7	5	5	5
1f	Operability and flexibility during operation	9	8	2	3	6
1g	Future proofing	9	8	1	7	5
Conveyance						
2a	Distance and complexity of pipelines from contributing catchments	9	7	4	1	4
2b	Distance and complexity to potential river discharge sites	6	5	4	7	4
Mana whenua						
3a	NA					
Physical						
4a	Liquefaction and geotechnical risk	6	5	7	4	7
4b	Potential impacts of contaminated soil	8	9	7	5	7
4c	Flooding risk	9	8	9	9	9
4d	Buildability	7	5	8	4	8
Natural environment						
5a	Potential for impacts on the natural character of wetlands, rivers and lakes and their margins	7	6	10	5	9
5b	Potential for impacts on aquatic and terrestrial ecology including vegetation, fish, birds, bats and lizards	7	3	9	5	4
5c	Potential for impacts on groundwater (and therefore users) and surface water quality	6	5	4	5	4
5d	Potential for impacts on highly productive soil	5	5	5	5	3
Built environment						
6a	Potential for odour effects	5	5	2	2	1
6b	Potential for noise effects (including plant and traffic access)	7	7	5	5	4
6c	Potential for landscape and visual effects	6	5	7	3	5
6d	Potential for archaeological impacts	5	9	9	2	9
6e	Potential for heritage impacts	10	10	10	10	10
6f	Alignment with long term growth / alternative land uses	6	6	6	6	7
	TOTAL	**158**	**144**	**138**	**112**	**136**

4.2.2 Weighting

Following completion of the initial MCA scoring, a weighting/sensitivity exercise consistent with the previous MCA weighting was undertaken to investigate how changing the weighting of the various criteria impacts the overall scoring.

The outcomes are included in Table 11. Across all five weighting scenarios, Site X scores between 57 and 60 out of 100, consistently placing it mid-range compared to the other sites (Sites 1-4). Its relative position remains stable regardless of weighting approach, indicating that changes in emphasis between operational, physical, or environmental criteria do not materially improve its ranking. Site X performs relatively better when constructability and operability are weighted more heavily (Scenario 3, score of 60) and performs slightly worse when natural and built environment criteria are prioritised or when importance-based weightings are applied (Scenarios 4 and 5, scores of 58 and 57).

Table 11: MCA scoring summary (weighting). Colour code: green-amber-orange-red - highest to lowest rank.

	Weighting scenario	Weighted score (out of 100)				
		Site 1 Sharpe Farm	Site 2 Narrows / Rukuhia	Site 3 Penniket	Site 4 Golf Course	Site X SH3
1	Equal weighting (All sub-criteria criteria weighted at 4.3%)	69	63	60	49	59
2	Each “section” assigned equal weighting (ie each operational criteria weighted at 2.9% giving an overall operational weighting of 20%)	70	62	60	48	57
3	Constructability and operability more important (operational / conveyance / physical criteria weighted at 5.6%, others at 2.8%)	70	63	58	49	60
4	Natural and built environment more important (Natural / built environment criteria weighted at 6%, others at 3%)	67	62	62	48	58
5	Weighting based on “importance” of criteria (See below – weighted at 2.5%, 5%, 7.5% and 10% based on low/moderate/moderate-high/high importance)	67	59	59	43	57

Table 12: Criteria “importance” for weighting scenario 5 shown below

	Assessment Criteria	Weighting
Operational (overall 30%)		
1a	Ability to discharge stage 1 flows to land	Moderate importance - would reduce the amount of river discharge in the first stage
1b	Accessibility from transport corridors for operation	Moderate importance - key part of operability
1c	Access to utilities/power	Lower importance - able to be designed around
1d	Greenhouse gas emissions	Scores same effects as 2a and 2b so weighted zero
1e	Treatment plant hydraulics (i.e. requirement for pumping)	Lower importance - able to be designed around
1f	Operability and flexibility during operation	High importance - operability of the treatment plant is critical to HCC
1g	Future proofing	Moderate importance - future proofing is less critical than immediate operations but still of moderate importance
Conveyance (overall 5%)		
2a	Distance and complexity of pipelines from contributing catchments	

	Assessment Criteria	Weighting
2b	Distance and complexity to potential river discharge sites	Lower importance - increases design complexity and operational cost (including carbon cost) but considered lower importance than other criteria
Mana whenua		
3a	NA	
Physical (overall 17.5%)		
4a	Liquefaction and geotechnical risk	Moderate importance - potential for significant impact on cost
4b	Potential impacts of contaminated soil	Lower importance - risks similar to many construction projects and considered to be generally able to be managed
4c	Flooding risk	Lower importance - none of the sites identified as having notable risk and able to be designed around
4d	Buildability	High importance - being able to construct the WWTP is critical
Natural environment (overall 20%)		
5a	Potential for impacts on the natural character of wetlands, rivers and lakes and their margins	High-moderate importance - potential impacts on waterbodies and ecology considered of high importance (note some overlap between 5a and 5b so 7.5% weighting proposed to reflect this)
5b	Potential for impacts on aquatic and terrestrial ecology including vegetation, fish, birds, bats and lizards	
5c	Potential for impacts on groundwater (and therefore users) and surface water quality	Moderate importance - groundwater known to present challenges in this part of the Waikato and can be difficult to mitigate effects
5d	Potential for impacts on highly productive soil	Not a differentiator – zero weighting
Built environment (overall 27.5%)		
6a	Potential for odour effects	High importance - expected that odour will be a critical consideration for consenting and minimising adverse odour effects on surrounding receptors
6b	Potential for noise effects (including plant and traffic access)	Lower importance - expect mitigation can generally be designed to keep noise within allowable limits (but some cost implications)
6c	Potential for landscape and visual effects	High importance - expected to be a major consideration during consenting / designation processes
6d	Potential for archaeological impacts	Moderate importance - effects expected to be manageable but a matter of importance to mana whenua
6e	Potential for heritage impacts	Not a differentiator – zero weighting
6f	Alignment with long term growth / alternative land use	Not a differentiator – zero weighting

4.3 MCA scoring with additional information

Since the original 2023–2024 site assessment and MCA of the four shortlisted sites, the project team has further progressed the overall project. This includes progression of the concept design of the Southern WWTP (including land-use assumptions and basis of design) and undertaken optioneering to identify a shortlist of preferred discharge locations. As a result, several key assumptions have changed since the original MCA, namely:

- Reviewing and confirming land use growth assumption for the project
- Reviewing likely staging of the WWTP
- Developing the basis of design for the WWTP
- Investigating and identifying a shortlist of discharge methods and location

As a result of additional work a number of key assumptions used at the time of the 2022-2024 options assessment are no longer valid or have changed:

- Stage 1 discharge to land is not preferred.
- Three potential discharge locations to the Waikato River have emerged as the preferred shortlist.
- Updated land-use projections indicate the WWTP could potentially cater for a total population equivalent of 245,000, an increase from the 200,000 population equivalent assumed in the previous site selection report.

To assess whether effects the comparative performance of the five sites, the project team re-ran the MCA using the same framework but with revised assumptions. The changes to raw scores are summarised below.

Criteria 1a: Ability to discharge Stage 1 flows to land

- Change: Removed from the MCA.
- Rationale: The Stage 1 land discharge assumed in the Metro Wastewater DBC is no longer preferred, so this criterion is no longer applicable.

Criteria 1f: Operability and flexibility during operation

- Change: Site 3 changes from 2 to 1; Site X changes from 6 to 5.
- Rationale: The updated design basis (ultimate population equivalent of 245,000) increases the required treatment capacity and associated operational demands. Under this higher PE, Site 3 and Site X each lose one point relative to the previous assumptions, reflecting reduced operational flexibility and/or additional complexity at the larger scale. This adjustment aligns the scoring with the current concept design envelope.

Criteria 2b: Distance to and complexity of potential river discharge sites

- Change: Site X and Site 3 each increase from 4 to 6 (same as Site 1: Sharpe Farm).
- Rationale: Given the emerging preferred river discharge locations, the discharge conveyance from Site X and Site 3 are a comparative distance to the emerging shortlist locations to that of Site 1, warranting a higher score.

Criteria 5c: Potential for impacts on groundwater (and therefore users) and surface water quality

- Change: Removed from the MCA.
- Rationale: This criterion was tied to a land-discharge scenario. With land discharge removed from the discharge options, potential groundwater and surface-water effects associated with land application are not applicable to site differentiation and the criterion has been removed.

Criteria 5d: Potential for impacts on highly productive soil

- Change: Site X increases from 3 to 5 (same as Site 3).
- Rationale: The updated footprint confines the WWTP to Area B, with no land discharge on other areas. This reduces the potential for effects on highly productive soils compared with the earlier assumptions and aligns Site X's score with Site 3 for this criterion.

The updated raw scoring is provided in Table 13 below:

Table 13: Updated MCA scoring summary (raw scores). Colour code: black - very low, red - low, amber - medium, green – high.

Assessment Criteria		SITE ONE Sharpe Farm	SITE TWO Narrows / Rukuhia	SITE THREE Penniket	SITE FOUR Golf Course	SITE X SH3
1. Operational	~~1a. Ability to discharge stage 1 flows to land~~	0	0	0	0	0
	1b. Accessibility from transport corridors for operation	8	7	6	4	6
	1c. Access to utilities/power	7	5	7	6	7
	1d. Greenhouse gas emissions	8	6	4	2	4
	1e. WWTP hydraulics	5	7	5	5	5
	1f. Operability	9	8	1	3	5
	1e. Futureproofing	9	8	1	7	5
2. Conveyance	2a. Distance and complexity of pipelines from contributing catchments	9	7	4	1	4
	2b. Distance and complexity to potential river discharge sites	6	5	6	7	6
4. Physical	4a. Liquefaction and geotechnical risk	6	5	7	4	7
	4b. Potential impacts of contaminated soil	8	9	7	5	7
	4c. Flooding risk	9	8	9	9	9
	4d. Buildability	7	5	8	4	8
5. Natural environment	5a. Potential for impacts on the natural character of wetlands, rivers and lakes and their margins	7	6	10	5	9
	5b. Potential for impacts on aquatic and terrestrial ecology including vegetation, fish, birds, bats and lizards	7	3	9	5	4
	~~5c. Potential for impacts on groundwater users and surface water quality~~	0	0	0	0	0
	5d. Potential for impacts on highly productive soil	5	5	5	5	5
6. Built environment	6a. Potential for odour effects	5	5	2	2	1
	6b. Potential for noise effects	7	7	5	5	4

	Assessment Criteria	SITE ONE Sharpe Farm	SITE TWO Narrows / Rukuhia	SITE THREE Penniket	SITE FOUR Golf Course	SITE X SH3
	6c. Potential for landscape and visual effects	6	5	7	3	5
	6d. Potential for archaeological impacts	5	9	9	2	9
	6e. Potential for heritage impacts	10	10	10	10	10
	6f. Alignment with long term growth / alternative land uses	6	6	6	6	7
Total		**149**	**136**	**128**	**100**	**127**

The updated weighted results are shown in Table 14 below.

Table 14: Updated MCA scoring summary (weighting). Colour code: green-amber-orange-red - highest to lowest rank.

	Weighting scenario	Weighted score (out of 100) Site 1 Sharpe Farm	Site 2 Narrows / Rukuhia	Site 3 Penniket	Site 4 Golf Course	Site X SH3
1	Equal weighting (All criteria weighted at 4.3%)	64	59	55	43	55
2	Each “section” assigned equal weighting (ie each operational criteria weighted at 2.9% giving an overall operational weighting of 20%)	65	58	57	43	55
3	Constructability and operability more important (operational / conveyance / physical criteria weighted at 5.6%, others at 2.8%)	66	60	53	43	55
4	Natural and built environment more important (Natural / built environment criteria weighted at 6%, others at 3%)	62	58	57	43	54
5	Weighting based on “importance” of criteria (See below – weighted at 2.5%, 5%, 7.5% and 10% based on low/moderate/moderate-high/high importance)	62	55	52	36	50

Both the updated raw and weighted results did not change the rankings across the five sites.

4.4 Kaitiaki Roopuu Scoring

The Kaitiaki Roopuu has evaluated Site X using a cultural framework, Site 1 remains the preferred site.

5 Conclusion

This assessment of the alternative Site X has been prepared on behalf of IAWAI/HCC to support the site selection process undertaken in 2023–2024 to identify a preferred location for the Southern WWTP.

Site X has been evaluated for the Southern WWTP through a like-for-like technical multi-criteria analysis, alongside an assessment by the Kaitiaki Roopu using a cultural evaluation framework of which the outcomes are summarised in Section 4.4.

An updated MCA scoring exercise has since been undertaken using the current design basis and discharge assumptions. While several individual criterion scores changed, there was no change to the overall site rankings.

Based on the outcomes of the technical MCA, Site X ranks mid-range among the five sites assessed. Site 1 remains the top scoring site.

A

Appendix A – MCA Assessment Sheets

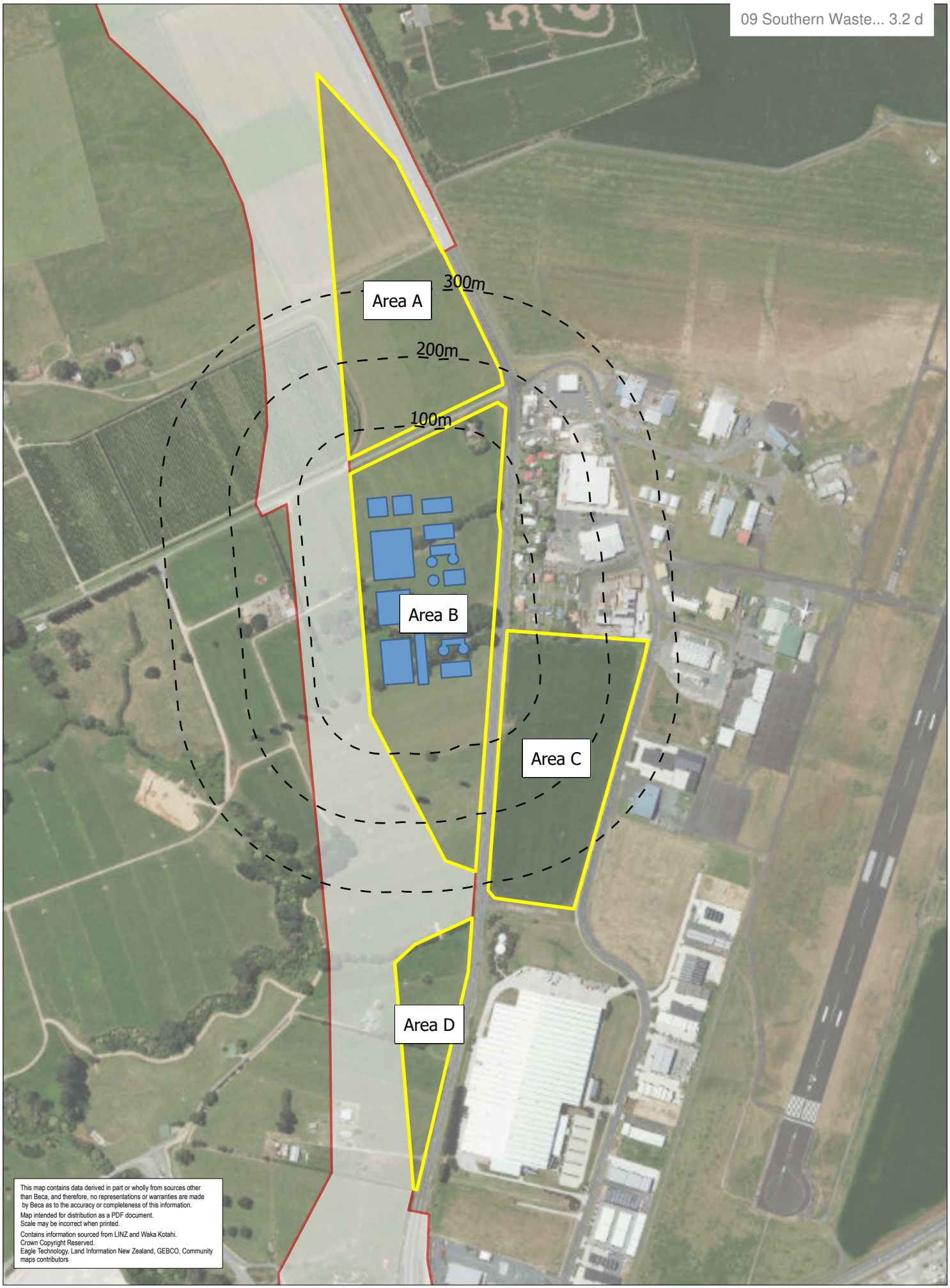
SOUTHERN WWTP - SHORT LIST			Short list assessment for a new wastewater treatment plant and land discharge site for the Southern WWTP									
			SITE ONE: SHARPE FARM		SITE TWO: NARROWS/RUKUHIA		SITE THREE: PENNIKET ROAD		SITE FOUR: GOLF COURSE		SITE FIVE: SITE X	
Assessment Criteria			Ranking	Rationale	Ranking	Rationale	Ranking	Rationale	Ranking	Rationale	Ranking	Rationale
1. Operational	**1a**	Ability to discharge stage 1 flows to land (airport only)	3	Low-lying land at Sharpe Farm has drainage and permeability restrictions while the small area of land above the terraces (southwest part of site) has rolling slopes and restricted subsoil permeability. Some deficit irrigation of topsoils may be feasible.	3	The low lying land has drainage and permeability restrictions while the elevated land has rolling slopes and restricted subsoil permeability. Some deficit irrigation of topsoils may be feasible.	7	Both sites at Penniket Rd will accept treated wastewater when application rates match the soils infiltration. Year round discharge still unlikely because of this and further investigation would be required to confirm whether the site could take all Stage 1 flows under deficit irrigation. (Risk associated with PFAS considered under groundwater criteria 5c)	7	Soils have adequate infiltration characteristics for year round irrigation. Surface applied treated wastewater will potentially move through the soil rapidly to the Waikato River (i.e. possible to discharge to land, not considering potential geotechnical risk associated with such a discharge). The nature of the soil material indicates little renovation is likely but scoring based on high quality discharge not requiring further land treatment to achieve required quality).	8	Soils will likely accept treated wastewater when application rates match the soils infiltration. However, areas of well drained soils are mixed with areas of poorly drained soils. The area of well drained soils is larger than site 3. Year round discharge unlikley across all soils and further investigation would be required to confirm whether the site could take all Stage 1 flows under deficit irrigation. Some non-deficit irrigation may be possible on areas of well drained soils. More land area avalible than Site 3.
	1b	Accessibility from transport corridors for operation	8	Good access available from both Faiping Road (noting "residential" nature) and Raynes Road. Assumed that Raynes Road would be utilised as the preferred.	7	Assumes access either via existing formed access from Narrows Road or (preferably SH3) Narrows Road would be an option for ongoing access but with challenges turning on/off SH3. Property links to SH3 in Rukuhia. No existing formed access (and appears to be some encroachment from neighbouring dwelling) but remains an opportunity. Current access from Raynes Road has some sightline issues and fairly sharp gradient. Raynes Road access will be cut-off with construction of Southern Links but opportunity to work with WK to seek new access.	6	Site access directly off SH3 is convenient. Sightlines are better than Site 4 but SH3 in this location is a high-speed environment and some safety concerns remain.	4	Site access directly off SH21 is convenient; however, the sightlines, proximity to the Narrows Bridge, and traffic speeds make this a dangerous access point (while this would improve post-Southern Links, the timing of those works are too uncertain to include here). Some modifications would be required to the turn in area - possibly opportunity to relocate the access and create a right-turn bay to improve safety (this has not been investigated in detail therefore has not been taken into account in scoring.)	6	Site access directly off SH3 is convenient. Sightlines are better than Site 4 but SH3 in this location is a high-speed environment and some safety concerns remain. The site has a good strategic location, but operational accessibility is constrained. Frequent heavy-vehicle movements may be limited by intersection geometry and sight-distance at Penniket Road. Any new or modified access to SH3 will require approval from Waka Kotahi NZ Transport Agency and may be restricted to left-in/left-out only, reducing flexibility and adding consenting complexity. While accessibility and score could improve if a direct connection to the Southern Links corridor becomes available, this cannot be assumed at this stage, as the final alignment and access arrangements are not yet confirmed and would require further consultation with NZTA. Initial consulation with NZTA is that a connection would be unlikely.
	1c	Access to utilities/power	7	Doubled ended WEL 11kV supply along the paper Faiping Rd, immediately adjacent site. No potable water supply available. 2.9km to HCC SH3 Reservoir. Existing bore on site, no take consent.	5	11kV supply available from SH3, approx. 300m / 11kV supply available on Raynes Rd to north, approx. 800m / 11kV supply available on Narrows Rd to south approx. 600m. No potable water supply available. 2.4km to HCC SH3 Reservoir. Approx 3.5km from WDC supply adjacent SH3 industrial site at Airport. Surface water take consent on site for horticulture purposes. Expires 2030.	7	Water and 11kV supplies on site boundary However, the Water pipeline is 150mm PVC which appears to have been set up for the localised industrial estate and so may have a limited total capacity (potentially fire fighting supply only)	6	WEL and Waipā Networks both have 11kV supplies coming to adjacent the site. Both are single ended and they are not linked for any form of resilience. There is a potable water supply to the northern end of the site. This is a Waikato District OD63mm. Existing bore on site, but no take consent.	7	Water and 11kV supplies on site boundary. 11kV capacity unknown. But WELNetworks have indicated that they are building a new high voltage electrical sub-station to serve growth in that area. However, the Water pipeline is 150mm PVC which appears to have been set up for the localised industrial estate and so may have a limited total capacity (potentially fire fighting supply only).
	1d	Greenhouse gas emissions	8	Shortest conveyance route from contributing catchment with relatively short distance to Waikato River for future discharge (depending on chosen discharge location)	6	Second shortest route from contributing catchment with moderate distance to Waikato River for future discharge (depending on chosen discharge location)	4	Second longest route from contributing catchment with moderate distance to Waikato River for future discharge (depending on chosen discharge location)	2	Furthest from contributing catchments (from Southern links), will require intermediate pump station. Close to potential discharge location.	4	Equivalent to, but slightly worse than 3 as the inlet works would be pushed a few hundred m south.Delivery main from N12 is about 4.2 km longer than the site 1. This is appreciable.
	1e	Treatment plant hydraulics (ie requirement for pumping)	5	Relatively flat site so constrained hydraulic profile through the site. Elevated ILW + main reactors would allow a largely gravity flow through.	7	The sloping sites will allow a predominantly gravity flow through the treatment plant, apart from RAS and general 'site drainage returns'	5	Relatively flat site so constrained hydraulic profile through the site. Elevated ILW + main reactors would allow a largely gravity flow through.	5	Relatively flat site so constrained hydraulic profile through the site. Elevated ILW + main reactors would allow a largely gravity flow through.	5	Relatively flat site so constrained hydraulic profile through the site. Elevated ILW + main reactors would allow a largely gravity flow through.
	1f	Operability and flexibility during operation	9	Large site with usable space around the proposed WWTP location for operational activities	8	Large site with usable space around the proposed WWTP location for operation. Scores lower than site 1 as the remnant forest stands reduce the usable space.	2	Challenges with operating the site within a limited footprint and across two pieces of land	3	Challenges with operating the site across the two parcels (split by future southern links)	6	Larger than site 3 so scores higher, but the site is more narrow and constrained than site 1 and 2 and so scores lower. The more narrow nature of the site may cause operational constraints from time to time.
	1g	Future proofing	9	Large site with usable space around the proposed WWTP location	8	Large site with usable space around the proposed WWTP location. Scores lower than site 1 as the remnant forest stands reduce the usable space.	1	Limited space for future expansion / construction space for building of future stages while plant remains on line / construction of renewals and replacements (again, while plant remains on line)	7	Site is more space constrained due to shape, proximity to Waikato River (and the geotechnical constraints around the river bank) and southern links split.	5	The long narrow nature of the overall site lends itself to more of an elongated site layout than does Site 1. This should work OK. But future proofing may be an issue. That is in terms of difficuly adding additional process units in side by side configuration.
2. Conveyance	**2a**	Distance and complexity of pipelines from contributing catchments	9	Shortest conveyance route, avoids SH3.	7	Short-length along SH3, second shortest conveyance route from Southern Links.	4	Longer length of conveyance, long distance along SH3.	1	Furthest from contributing catchments (from Southern links), will require intermediate pump station and Waikato River crossing (river crossing of raw wastewater).	4	Longer length of conveyance, long distance along SH3. About 4.2km extra based on conveyance from N12. Similar rising main length from Airport North PS and assume this acts as a daisy chain PS for Tamahere / Matangi / tauwhare flows.
	2b	Distance and complexity to potential river discharge sites	6	One option for route to discharge to the Waikato River, assumption to follow roads. Shorter distance than site two.	5	Two options for route to discharge to the Waikato River, one option will require crossing of SH21. Assumption to follow roads.	4	Three options for route to discharge to the Waikato River, route will have to go around the airport. Longest length of pipelines.	7	Close proximity to the Waikato River. Might be difficult to get to the river given incised nature of river at the Narrows.	4	Three options for route to discharge to the Waikato River, route will have to go around the airport. Longest length of pipelines.
3. Mana whenua												
4. Physical	**4a**	Liquefaction and geotechnical risk	6	Site likely to be susceptible to liquefaction in a moderate to large earthquake event, with lateral spreading risk (to stream). A wide range of treatments are available to manage liquefaction effects, including ground improvements and strengthened foundations. Weak soils may be present across the site and require excavation and replacement or another engineering treatment below new structures	5	Site likely to be susceptible to liquefaction in a moderate to large earthquake event, with lateral spreading risk around drainage channels. A wide range of treatments are available to manage liquefaction effects, including ground improvements and strengthened foundations. Risk of weak ground with high groundwater levels.	7	Liquefaction risk, risk of weak soils.	4	The western/riverbank edge of this site is at risk of slope instability, and will require setback distance of 20m to 30m. Localised areas underlain by weak clayey soils swampy areas would be prone to high settlement and low bearing capacity. Potential for loose sandy soils that will be susceptible to liquefaction below groundwater table.	7	Geotechnical risks similar to Site 3, though the larger extent of Site X includes localised areas that have an elevated geotechnical risk. These include localised areas near gullies where liquefaction effects would likely be more costly to mitigate and localised areas where weak near surface soils are likely to be present (i.e. settlement and buoyancy risk for project infrastructure). This scoring assumes these localised areas of elevated risk can be avoided as part of the future WWTP.
	4b	Potential impacts of contaminated soil	8	Agricultural land, several sheds and stockyards. Low risk of contaminated land issues requiring considerable risk assessment or management to enable development.	9	Agricultural land, only one shed observed. Low risk of contaminated land issues requiring considerable risk assessment or management to enable development.	7	Historical use of southern paddocks, dwelling and sheds. Elevated risk in southern portion of site due to observations of potential trials and proximity to Airport. Northern area of Site 3 is low risk. Need to consider potential PFAS in groundwater beneath Airport.	5	Old golf course – broad cast pesticide application and registered HAIL. Likely contains elevated levels of contaminants throughout the site that will require some form of risk assessment and management, largely dependent on the any proposed WWTP design (/earthworks).	7	There is the potential for PFAS to be present in groundwater beneath the nearby airport. Although the risk of PFAS in groundwater on-site is considered to be low, it cannot be wholly discounted at this stage. There will be some localised shallow flow to the west towards the deeply incised stream also. This risk of PFAS in groundwater may also impact the ease of getting consent for dewatering discharge. Other identified potential sources of contamination identified include livestock holding yards and corresponding structures (potential for livestock dipping activities and chemical/fuel storage), horticultural activities (including assumed market gardens and orchards - potential use of persistent pesticides), old structures (potential for lead and asbestos in soil in the vicinity) and an assumed infilled drain (source of fill material unknown). Soil in these areas (likely localised pockets, and predominantly shallow soils) may potentially require remediation/site management (therefore, potential for some associated cost implications). If Site X is selected to be further assessed, in the first instance, a Preliminary Site Investigation (PSI) is proposed, which will likely conclude a Detailed Site Investigation (DSI) is required. In the event the DSI confirms contamination is present, a Contaminated Soils Management Plan (CSMP) will likely be required.
	4c	Flooding risk	9	Not identified as flood hazard area or ponding area in District Plan	8	Not identified as flood hazard area or ponding area in District Plan. However, site observations indicated low lying areas of the site are subject to rainfall pooding especially during winter months	9	Not identified as flood hazard area or ponding area in District Plan	9	Not identified as flood hazard area or ponding area in District Plan	9	Not identified as flood hazard area or ponding area in District Plan.
	4d	Buildability	7	Flat site unlikely to present notable construction challenges, risk of sediment discharge to Nukuhau Stream manageable with normal controls. Good bi-directional access. New culvert on Nukuhau tributary would be required. Assumes access from Raynes Road.	5	Building on the slopes will provide good ground but higher associated earthworks volumes, more sediment control required. Access restricted compared to site 1. Assumes access off Raynes Road, which is likely to require significant modification for construction purposes. Access from SH3 more suitable but would require approval from WK for a new access (as existing unformed) and would impact on neighbour. Access from Narrows also an option but has some challenges with the Narrows-SH3 intersection which would likely require left in/out only.	8	Both sites flat ground, easy earthworks and good, relatively safe access. Construction access would likely require left in/out only.	4	Well drained site likely to be relatively dry, all weather working conditions. Risk of sediment discharge to Waikato River manageable with normal controls but any point source discharge would require careful management in terms of erosion/scour/outfall control. Access to and from SH21 is a problem in terms of public and construction vehicle safety (sightlines, proximity to the Narrows Bridge, and traffic speeds make this a dangerous access point)	8	Both sites flat ground, easy earthworks and good, relatively safe access. Construction access would likely require left in/out only. Main part of new site slopes East to west slightly. The Southern links designation corridor intercepts the drainage path from the site. Thus, stormwater drainage / management would need to be coordinated closely with SL design.

5. Natural environment	**5a**	Potential for impacts on the natural character of wetlands, rivers and lakes and their margins	7	Assume WWTP located to the west of the paper road - which is located within riparian margins of a tributary system but away from Nukuhau main stem (and the associated Significant Natural Area). A potential wetland is identified within the eastern section of the site (likely be 100 m+ away from WWTP), near the Nukuhau Stream main channel. Further wetland delineation would be required. Tributaries of the Nukuhau Stream traverse the site, so there is potential for moderate impacts on the natural character of these waterways. C	6	One watercourse traverses the site. Assume WWTP located at western end of site where waterway is heavily modified. No wetlands identified but noted that it is highly likely there was wetland here in the past and further wetland delineation would be required. Limited impact on natural character of wetlands/rivers, opportunities to provide mitigation that will have a positive impact on natural character through management and planting of existing waterways.	10	No wetlands, watercourses, or lakes identified within the site.	5	No wetlands identified within the site (further survey may be needed if site is chosen). However, one watercourse along the eastern edge of the site and several man-made ponds are present, which likely provide habitat to aquatic fauna and avifauna. Dependent on location of WWTP. Potential for moderate impact on natural character of the Waikato River (and on the identified Outstanding Natural Landscape overlay that runs along the river margin) due to proximity of WWTP.	9	One potential natural inland wetland has been identified in Area D. A formal wetland delineation would be required to confirm the status, ecological value and extent of the potential wetland. Initial observations indicate that ecological values are likely to be low, with exotic herb and grass species dominant. No other natural waterbodies were observed within the site. Assuming the location of the WWTP is in Area B as per concept design, construction would be >300m away from the potential wetland. In the event of discharge to land within Area D, it is assumed any associated earthworks or infrastructure could avoid the wetland, however hydrological assessment may be required to confirm this if excavations are required which could affect the water table. Discharges across Area D would likely contribute to the potential wetland hydrosystem and native wetland and buffer planting provides an opportunity to mitigate and enhance wetland values which could lead to overall positive effects.
	5b	Potential for impacts on aquatic and terrestrial ecology including vegetation, fish, birds, bats and lizards	7	Assume WWTP located to the west of the paper road, some riparian vegetation clearance anticipated of tributary - minimal impacts to birds. No stream diversion expected but some potential for impact on fish. Some impacts for bats (noise, lighting, likely removal of trees in centre of site). Opportunities to provide mitigation that will have a positive impact on aquatic and terrestrial ecology through stream enhancement and riparian planting of existing waterways. Noting that noise (blowers at night) needs to be mitigated quite low anyway for DP requirements. While lights are provided for night vision, they do not need to be turned on as a matter of routine. Restoration opportunities available along the Nukuhau Stream and tributary and well as through usage of the balance land.	3	SNA identified within the site as well as remnant kahikatea stands - which provide important habitat for terrestrial fauna. Assume WWTP can be located around the remnant stands - clearance of any of these trees is considered a no-go. Current proposed location (at western end of site) has high risks on bat and lizard populations within SNA and kahikatea vegetation (if requiring removal). Should watercourse require diversion/damming of watercourse, this will impact any native fish. No significant impacts anticipated for avifauna, which comprise of primarily Not Threatened species. Construction risks to bats from noise and lighting during construction. Opportunities to provide mitigation that will have a positive impact on aquatic and terrestrial ecology through stream enhancement and riparian planting of existing waterways abd enhancement or expansion of the remannt stands. Noting that noise (blowers at night) needs to be mitigated quite low anyway for DP requirements. While lights are provided for night vision, they do not need to be turned on as a matter of routine. Restoration opportunities available around the remnant bush.	9	Impacts on terrestrial ecology are limited to bats - from noise and lighting (tree removal not expected). Low likelihood but potential impact for lizards, which may reside in the scrubby vegetation on the edges of the site. Only Not Threatened avifauna are expected within proximity to the site.	5	Clearance of trees may cause injury to bats and avifauna, and clearance of grassy groundcover may injure native lizards. Potential challenges getting approval for removal of vegetation on site and associated loss of bat habitat. Should WWTP placement require diversion/ damming of watercourse or removal of man-made ponds, this will likely impact native fish. Vegetation within the site is mixed native exotic and is generally scattered throughout. Removal will impact terrestrial fauna. Opportunities to provide mitigation that will have a positive impact on aquatic and terrestrial ecology through stream enhancement and riparian planting of existing waterways and well an enhancement of existing planting	4	The vegetation onsite is not protected through regional or district plans. Vegetation provides suitable habitat potentially supporting native At Risk and Threatened fauna. A large stand of mature trees within Area B contains suitable bat roosting features. Available bat distribution data indicates moderate to high activity in the landscape surrounding the site. Onsite surveys will be required to determine site level utilisation, however at least low levels of bat activity are expected. Scrubby vegetation bordering the site and within the stand of trees in Area B provides suitable lizard habitat. Bat and Lizard surveys would be required to confirm presence/absence of native species within the site. Construction risks to bats including noise and lighting impacts and potential injury/ mortality during vegetation clearance can be addressed through standard mitigation measures and protocols. Standard lighting and noise mitigation measures can be undertaken to reduce operational impacts of the WWTP on bats. Loss of confirmed bat habitat will require offset and compensation commensurate with the level of effect. This can be expensive and require lengthy management timeframes (25 + years), particularly if roosting activity is occurring at the site. Similarly, if a population of native lizards are confirmed within the area of vegetation clearance, standard salvage protocols during clearance will be required and relocation habitat enhancement and management may be required to mitigate effects. Compared to Site 1, a larger area of suitable roosting habitat will be directly impacted by the proposed works resulting in a high risk related to potential effects on bats. If only lizards and minimal bat activity are found within Site X, the ranking may improve by one-two points as mitigation measures are considered to be simpler.
	5c	Potential for impacts on groundwater (and therefore users) and surface water quality	6	Some risk to wetlands and surface water bodies if land discharge progressed and would need to consider appropriate setbacks. Impacts of drawdown on potential wetlands or surface water bodies would need to be addressed, though we have assumed this could be managed to a low risk level via appropriate siting, design and construction controls. Shallow wells directly down-gradient are potential receptors of land discharge or could be in zone of drawdown influence. Given the rural nature of the site the risk of consolidation settlement damaging private assets is likely to be low. The contaminated land assessment also indicates a low risk of contamination requiring significant risk assessment or controls	5	Some risk to surface water bodies if land discharge progressed and would need to consider appropriate setbacks. Higher direct risk to waterbodies from stormwater run off and spills, would require additional management. Shallow wells directly down-gradient are potential receptors of land discharge or could be in zone of drawdown influence.	4	Low direct risk to waterbodies. Risk of discharge to land mobilising PFAS from adjacent sites and/or drawdown during construction having the same effect. Groundwater gradient unclear, at least 8 shallow bores which could be receptors of any site discharge or could be in zone of drawdown influence..	5	Some risk to surface water bodies if land discharge progressed and would need to consider appropriate setbacks. Higher direct risk to Waikato River and watercourse along back of site from stormwater run off and spills, would require additional management. No wells down gradient (geotechnical risk covered above).	4	Same as for site 3, additional land area means now slightly closer to small trib streams to west (associated small increase in risk). But, conversely any dewatering now likely further away from airport but still need to consider risk to residential area
	5d	Potential for impacts on highly productive soil	5	Majority of site classified as LUC2	5	Area where WWTP likely to be located is split across 2, 3 & 4	5	Both parcels classified as LUC 1 - southern parcel has a business/commercial zone, therefore NPSHPL will not apply to that parcel (that parcel would score 10 on its own)	5	Classified as LUC 3, noting that this land is not currently managed as production land so no loss of actual productive land (however, loss of capacity remains)	3	All parcels are LUC Class 1. The eastern parcel is zoned Business/Commercial, so the NPS-HPL does not apply to that parcel; on its own it would score 10. The remaining three parcels are Class 1 (highly productive) and rurally zoned so NPS-HPL applies, and any adverse effects on, or loss of, highly productive soils would require considerable mitigation
6. Built environment	**6a**	Potential for odour effects	5	(Based on current possible layout) High risk odour sources can likely be located more than 150m from the site boundary. Other odour sources, including the reactors, will be closer but there is a sufficient buffer to minimise these risks. Approximately 14 dwellings are located within 300m of high risk odour sources. The rural residential development which is occurring to the north of the site on private roads off Peacockes Rd and also on Faiping Rd will increase sensitivity of the area to possible odour effect in the event of a plant malfunction. May be able to locate high risk units 200m from nearest dwelling. Some consentability risk.	5	(Based on current possible layout) High risk odour sources can likely be located more than 150m from the site boundary. Other odour sources, including the reactors will be closer but there is a sufficient buffer to minimise these risks. Approximately 8 dwellings are located within 300m of high risk odour sources (noting that two of these have been acquired by the crown for the Southern Links project). May be able to locate high risk units 200m from nearest dwellings. Overall there looks to be a lower housing density than site 1 but there are sites within 200m that could be developed as a permitted activity. Commercial land use to the northwest of the plant which would have a lower odour sensitivity. Some consentability risk.	2	Unable to locate high risk odour sources more than 150m from the site boundary. Treatment processes will potentially located adjacent to the boundary. Therefore, the site offers no significant odour buffer. Residential and commercial receptors are located to southeast of the site. These receptors will be generally not located in the predominant downwind direction. However, at least 1 dwelling is likely to be located within 100m of the plant and potentially up to 11 dwellings within 300m of the plant. A number of commercial operators will also be located within 300m of the plant. A positive feature of the site are open fields in other directions. Although this land would not be control by the council and land use could change over time with reverse sensitivity implications. Moderately high consentability risk	2	Unable to locate high risk odour sources more than 150m from the site boundary. Treatment process will be located 30-50m from the site boundary. Residential receptors are located to east of the site which is in the predominant downwind direction. One dwelling may be located within 100m of the plant and potentially up to 19 dwellings could be located within 300m of the plant. A feature of the site is the river running along the site west boundary. Potentially winds and any emitted odour could be channelled along the river. Moderately high consentability risk	1	It is not possible to locate high risk odour sources more than 150m from the site boundary. Therefore, the site offers no significant internal odour buffer. Residential and commercial receptors are located to east of site (in an area zoned Airport business zone under the Waipa District Plan). Multiple dwellings (>16) in this area are located within 150m of the indicative layout of the WWTP, and 3 dwellings within 100m of the WWTP layout. The dwellings are also located downwind of the WWTP in the predominant westerly wind direction. Although located in a business zone these dwellings are still considered to have a high sensitivity to odour. A rural dwelling is currently located within 100m to the west of the site. However, this dwelling is located within the Waka Kotahi Southern Links Designation and would potentially be removed in the future. The risk of nuisance odour considered higher than Site 3 due to proximity of dwellings. A high consentability risk.
	6b	Potential for noise effects (including plant and traffic access)	7	Noise expected to be able to be mitigated to a prescribed level at the boundaries. Blowers and centrifuges are the highest noise potential. Both come in acoustic enclosures which would be housed withing concrete buildings. Potentially higher sensitivity receiving environment due to lower ambient noise; however, Southern Links Designation would already have an impact on the noise environment and therefore residents are aware that there will be a change in noise environment in the future.	7	Noise expected to be able to be mitigated to a prescribed level at the boundaries. Blowers and centrifuges are the highest noise potential. Both come in acoustic enclosures which would be housed withing concrete buildings. Potentially lower sensitivity receiving environment than Site 1 due to proximity to SH3 and the resulting higher level of existing noise. In addition, Southern Links Designation would already have an impact on the noise environment and therefore residents are aware that there will be a change in noise environment in the future.	5	Noise expected to be able to be mitigated to a prescribed level at the boundaries but much more challenging with very limited buffers. Blowers and centrifuges are the highest noise potential. Both come in acoustic enclosures which would be housed withing concrete buildings. Potentially lower sensitivity receiving environment due to proximity to SH3 and the resulting higher level of existing noise as well as the industrial and airport land uses.	5	Noise expected to be able to be mitigated to a prescribed level at the boundaries but much more challenging with smaller buffers than sites 1 and 2. Blowers and centrifuges are the highest noise potential. Both come in acoustic enclosures which would be housed withing concrete buildings. Potentially higher sensitivity receiving environment due to lower ambient noise even with proximity to SH21; however, Southern Links Designation would already have an impact on the noise environment and therefore residents are aware that there will be a change in noise environment in the future.	4	Noise expected to be able to be mitigated to a prescribed level at the boundaries but much more challenging with very limited buffers between the plant layout location and residential properties/sensitive noise recievers to the east. Blowers and centrifuges are the highest noise potential. Both come in acoustic enclosures which would be housed withing concrete buildings. Potentially lower sensitivity receiving environment due to proximity to SH3 and the resulting higher level of existing noise as well as the industrial and airport land uses.

	6c	Potential for landscape and visual effects	6	Highly visible from residential properties to the north. Existing vegetation provides a lot of screening and remaining appear possible to screen from adjacent plant. Also visible from residential properties to the south, but easier to screen.	5	Highly visible including from SH3 and Raynes Road - transient viewers - but impacts on viewshaft in district plan. Highly visible from residential properties to the north and east (including Rukuhia village) but opportunity to screen along edge of site (away from SH3). Future southern links corridor would remove visual audience to the north.	7	Highly visible including from SH3 - transient viewer. Few direct neighbours overlooking site. Expected to have a lower sensitivity than other sites due to the surrounding industrial/airport land uses. More challenging to screen with proximity to SH3 (maintaining vegetation harder in proximity to SH and limit on size of trees acceptable.	3	Smaller visual audience but elevated neighbours would be difficult to screen. Expected to be sensitive to visual effects due to significant change from existing golf course land use. This site will also impact an identified Outstanding Natural Landscape (per the proposed Waikato District Plan)	5	The site is located within the State Highway 3 Scenic Corridor, identified in the Waipā District Plan as a rural gateway landscape. The surrounding site and surrounding rural landscape is characterised by open rural land, long-distance views to Pirongia, and a low density of built form. Immediate site context includes airport and adjacent business and industrial areas. The key landscape policy consideration is District Plan Part F, Policy 25.3.5.2, relating to the SH3 Scenic Corridor between Hamilton and Te Awamutu. The WWTP would be highly visible from nearby residential properties at 3533–3549 SH3 Ōhaupō Road and Robertson Place, and vehicles travelling along SH3 Ōhaupō Road. The Southern Links designation already bisects the existing rural landscape and would form a future backdrop to the site when viewed from SH3 and adjacent properties. Site clearance would involve removal of a substantial number of mature exotic trees through the centre of the site and a small number of mature indigenous trees, estimated at fewer than five Tōtara and Kahikatea. Visual mitigation could be provided through tall shelter belts consistent with those used elsewhere in the surrounding rural landscape, which could substantially screen the WWTP from SH3 and nearby residences. This would, however, result in loss of existing open rural outlooks, and the location and extent of shelter belts would require careful consideration in relation to corridor policy. Overall, the WWTP would result in an adverse effect on rural amenity values and contribute to cumulative loss of rural character within the Scenic Corridor, noting the existing influence of the airport, industrial land, and the Southern Links designation.
	6d	Potential for archaeological impacts	5	Archaeological artefacts have been found on the farm in the past and the current landowner is aware of probable borrow pits on the land. It was not possible to see them during the initial field survey as the grass was very long. It is intended to return to site in autumn to re-assess the nature and extent of the archaeological evidence. Archaeological sites more likely to be present on the eastern half of the site, scoring based on WWTP on western side.	9	No known sites on this land. The research has not lead to the identification of sites and no archaeological sites are anticipated.	9	No known sites on this land. The research has not lead to the identification of sites and no archaeological sites are anticipated.	2	Three known sites within the golf course. This includes two pa (one at north and one at south. South end probably destroyed when existing infrastructure constructed. North end would have been impacted to some degree by the golf course construction) and one extensive garden site.	9	No known sites on this land. The research has not lead to the identification of sites and no archaeological sites are anticipated. There is one dwelling shown in the 1940s aerial dataset at 3558 Ohaupo Rd, and whilst this could have been a pre-1900 dwelling, based on the known settlement patterns of this district it is more likley to be 20th century. Nevertheless it has been surplanted by the current dwelling.
	6e	Potential for heritage impacts	10	There are currently no known heritage sites affected by the proposal (potential archaeological sites covered above).	10	There are currently no known heritage sites affected by the proposal.	10	There are currently no known heritage sites affected by the proposal.	10	There are currently no known heritage sites affected by the proposal (archaeological sites covered above).	10	There are currently no known heritage sites affected by the proposal.
	6f	Alignment with long term growth / alternative land uses	6	Not in an area that is strategically identified Outside immediate development areas but in area that is already becoming rural-residential/large lot	6	Not in an area that is strategically identified Outside immediate development area but directly adjacent large lot residential	6	The Southern portion of Site 3 is located within the existing Airport Business zone Southern precinct, forming part of the sub-regions limited industrial land supply. Through Plan Change 20: Airport Northern precinct extension, HCC has presented expert evidence encouraging the safeguard of Industrial land in the sub-region. HCC's appointed economic expert has identified the importance of Industrial/land adjoining Airport activities to be considered a 'scarce resource' that should be developed to its full industrial potential leveraging the strategic locational advantages the Airport and associated linkages provide.	6	Not in an area that is strategically identified Site appears to present better uses however this is difficult to evidence	7	The eastern parcel of Site X lies within the Airport Business Zone (Southern Precinct) and forms part of the sub-region's limited industrial land supply. Through Plan Change 20 (Airport Northern Precinct extension), HCC has presented expert evidence supporting the safeguarding of this land. HCC's economic expert identifies industrial land adjoining airport activities as a scarce resource that should be developed to its full industrial potential, leveraging the airport's strategic location and linkages. The northern, western, and southern parcels of Site X, whilst currently rural land use and not within an identified development area, are directly adjacent to the Southern Links (SL) roading corridor to the west and to SH3, which is likely to become a local arterial road once SL is established. These currently farmed parcels will be severed by the SL roading corridor and will adjoin the airport industrial area and a small enclave of residential land to the east. This anticipated future land-use context makes the site viable for development and future land uses other than rual. Overall, Site X offers a greater proportion of developable land for alternative land uses than Site 3 and therefore has scored higher in comparison.
			158		**144**		**138**		**112**		**136**	

B

Appendix B – Site X Layouts



This map contains data derived in part or wholly from sources other than Beca, and therefore, no representations or warranties are made by Beca as to the accuracy or completeness of this information.
Map intended for distribution as a PDF document.
Scale may be incorrect when printed.
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Eagle Technology, Land Information New Zealand, GEBCO, Community maps contributors

Map Scale @ A4: 1:7,000

0 50 100 200 300

Metres

Legend

- Ultimate WWTP Buffer
- Concept Layout for Ultimate WWTP
- SWWTP Site X
- Waka Kotahi Southern Links Designation

Client: Hamilton City Council	N	Discipline: GIS
Project: Southern WWTP Alternative Site Assessment	Beca	373 No: 3-3259544

GIS@beca.com

File: P:\325\3259544\1-WIP\WG-GIS\01-Map\GIS-3259544_Southern_WWTP_Site_Plan.aprx Author: bap Date: 8/04/2026

Southern Wastewater Treatment Plant – Shortlisted Environmental Re-entry Locations

IAWAI

LIFE RUNS ON WATER

Purpose

- Outline the long-list to short-list to preferred option evaluation method.
- Outline the preferred option re-entry location option evaluation method and short-listed locations for further investigation, development and evaluation

SWWTP Treated Wastewater Re-entry Options Assessment Process

MINIMUM TREATMENT STANDARDS

TN (Annual Mean): <4 mg/L

TP (Annual Mean): <1 mg/L

E. coli (95th Percentile): <14 cfu/100mL

Options identified and evaluated using MCA and Cultural Evaluation

Long-list discharge options (receiving environment/method)

- Discharge to water locations (including Waikato River, tributaries, wetlands)
- Land discharge locations (WWTP site and other potential sites)
- Discharge to groundwater – deep bore injection
- Discharge to coast– ocean outfall
- Reuse: Non-potable reuse and potable reuse

Short-list discharge options (receiving environment/method)

- Discharge to main stem of Waikato River
- Discharge to land via Rapid Infiltration
- Discharge to Nukuhau Stream

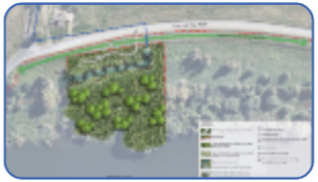
Preferred discharge option – Discharge to Waikato River

Evaluation and investigation into potential locations and form of discharge

Best Practicable Option

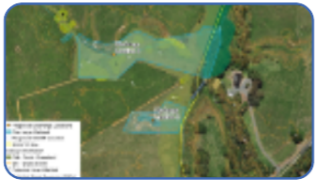
Beneficial Reuse Opportunities to be taken forward

Short-listed Return Pathway Options



Waikato River – Recommended to progress

- Several viable discharge locations are available with potential for land contact prior to discharge
- Some sites offer discharge to tributary prior to Waikato River (Mystery Creek)
- Potential flexibility in discharge volumes
- Further site visits required



Nukuhau Stream – Not recommended to progress

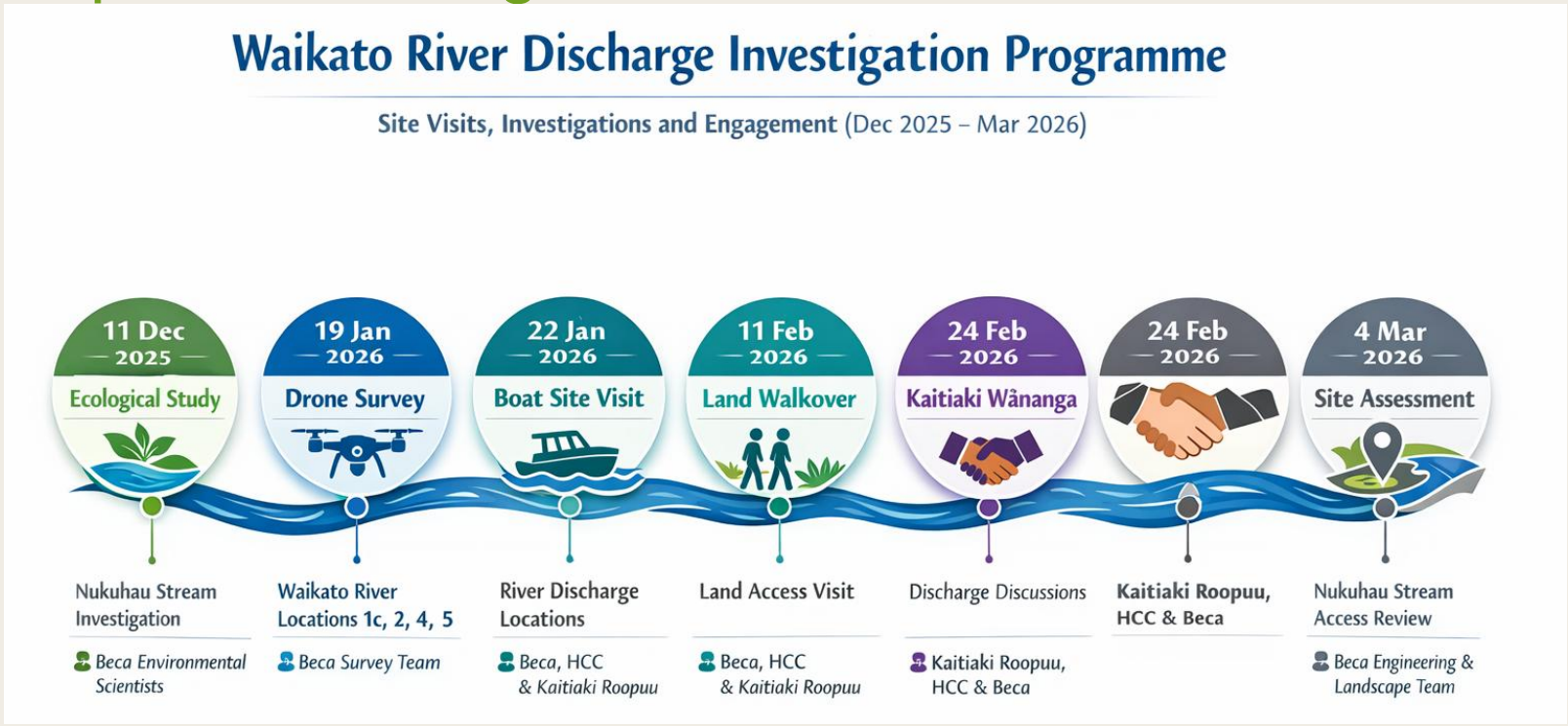
- Cultural sensitivities noted
- Stream flow in drought will be dominated by treated wastewater flow, potentially increasing flood risk
- High ecological value of lower Nukuhau Stream
- Shorter pipeline from SWWTP
- Some alternative sites exist (e.g. Mystery Creek)



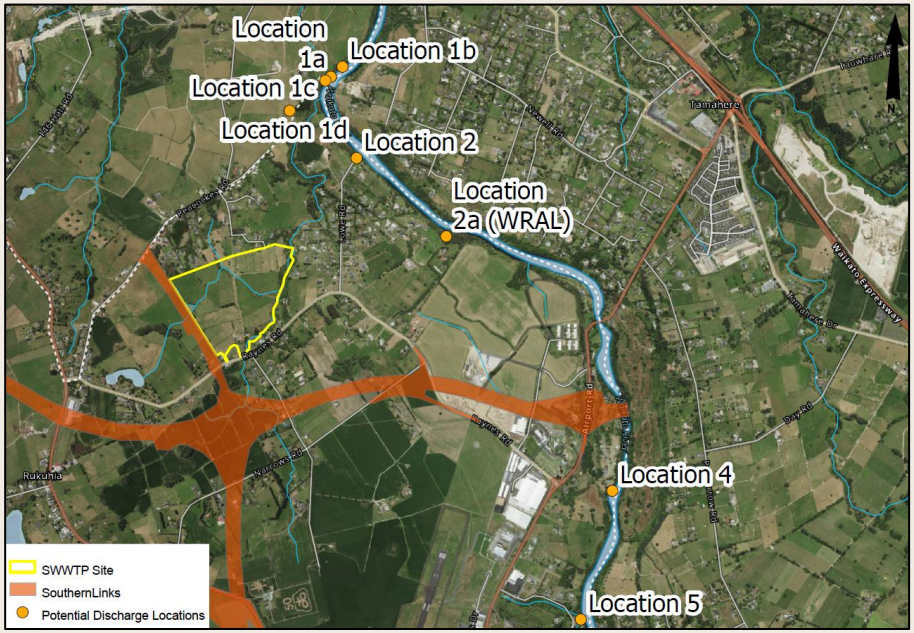
Discharge to Land (Rapid Infiltration) – Not recommended to progress

- Large areas of land required
- Potential investigations on potential groundwater effects are lengthy and complex
- Not realistic in the longer term as not enough well drained land available

Waikato River Re-entry Location Options Investigations

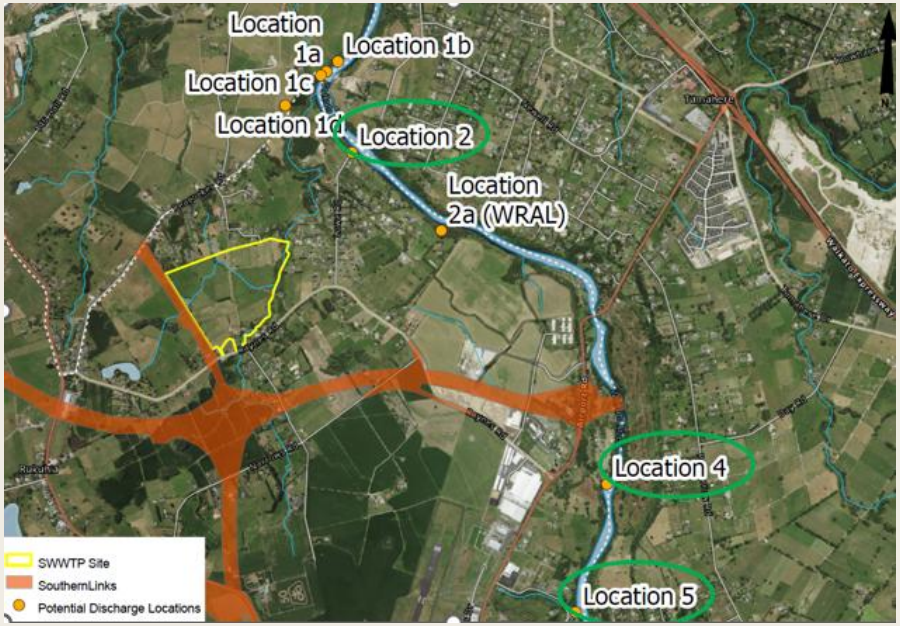


Waikato River Re-entry Location Options Investigations



- Long-Long list of potential locations identified based on a range of characteristics including accessibility.
- Site surveys, walkovers, pre-concept design development and MCA evaluations undertaken to identify long-list for further investigation.
- MCA Framework considered *Public Health; Environmental Effects; Social and Community Considerations; Physical Feasibility and Constructability; Extent to which each option gives effect to Te Ture Whaimana o te Awa o Waikato for the Waikato River*.
- Kaitiaki Roopu completed parallel cultural assessment of the potential re-entry locations.
- Three Short-listed options to be taken forward for further investigation, design development and evaluation:
  - Location 2: Lowe Road
  - Location 4: Airport Road (Camping Ground)
  - Location 5: Lochiel Road (Mystery Cree

Waikato River Re-entry Location Options Investigations



- Three Short-listed options to be taken forward for further investigation, design development and evaluation were identified through the MCA and Cultural Assessment Processes:
  - Location 2: Lowe Road
  - Location 4: Airport Road (Camping Ground)
  - Location 5: Lochiel Road (Mystery Creek)
- Further investigation and development of each option is needed to enable a preferred location to be identified.
- Kaitiaki Roopu noted that further collaboration and co-design of re-entry method options is needed to ensure appropriate cultural treatment is achieved, and that alignment and contribution to Te Ture Whaimana achieved.

Shortlisted Discharge Option – Location 2 Lowe Road







Possible location not to scale (for illustration purposes only)

Shortlisted Discharge Option – Location 4 Airport Road



Possible location not to scale (for illustration purposes only)





Shortlisted Discharge Option – Location 5 Lochiel Road



Possible location not to scale (for illustration purposes only)





10 Water Network (Water Metering and Management Service): Approval to Proceed

Prepared by Lisa Inglis, Programme Lead, Water Metering
Recommended and approved by Andrew Parsons, Chief of Strategy and Delivery

Purpose

1. To seek IAWAI Board approval to proceed with the installation of universal water metering, as provided for in the draft Water Services Strategy 2026-2036.

Recommendations

2. That the IAWAI Board:

    a) Notes the successful conclusion of a small pilot to test water meter technologies in Hamilton East and Te Aakau undertaken during quarter 1 of 2026. The pilot identified and addressed leaks across 19 percent of participating Hamilton properties, equating to an estimated 5.1M litres water saved per annum from this group alone;

    b) Notes that the IAWAI request for proposals process for water meters has concluded. This process reserved the right for IAWAI to alter specifications and services, software and hardware, based on learnings from the pilot. It also reserved the right to tender the next phases from the respondents to the small pilot, the list of respondents from the earlier request for information (RFI), or as a new procurement process;

    c) Notes that the introduction of water meters was included as part of IAWAIs Water Services Strategy 2026 - 2036, consulted from 3 March 2026 – 12 April 2026;

    d) Approves the rollout of universal water meters across Hamilton City in accordance with the attached Investment Case (**Attachment 1),** with a 4 year rollout period;

    e) Delegates to the Chief Executive Officer authority to conclude commercial negotiations with the preferred suppliers; and implement the procurement strategy for programme delivery resources as set out in the Investment Case (**Attachment 1**), page 37 (Section 3.2), and execute and sign all necessary contract, documentation within the cost envelope included in the 2026-36 draft Water Services Strategy, being $108.71M Capex and $46.45M Opex;

    f) Notes that, without the improved water efficiency expected through water metering (estimated at around 20 percent reduction in peak demand), water demand will require accelerated investment in new infrastructure of around $780M across 10 years and 30 years (unbudgeted);

    g) Requests the programme report back to update the Board on any lessons learned following analysis of the Full Pressure Zone Pilot and prior to progressing with the Citywide rollout.

Executive Summary

3. IAWAI is guided by the purpose to care for wai as a taonga - sustaining life and safeguarding water for future generations. Improving the efficiency of water use is essential to delivering on this purpose, while also providing for growth within current allocation consent limits.

4. Based on current growth assumptions, Hamilton’s water demand is expected to exceed its maximum allowable consent limit before 2037, unless a significant reduction in per capita demand

is achieved. We are not using water efficiently when compared to the national average - approximately 1.5 times higher than comparable municipalities, e.g. Tauranga (Water NZ).

5. Water metering is a critical tool to better understand, manage, and reduce water use and loss. It is also widely recognised as a fair and equitable method of charging based on actual usage.

6. Following the successful conclusion of a small pilot to test water meter technologies in Hamilton East and Te Aakau, this paper recommends Hamilton proceed with the decision to introduce universal water meters across Hamilton City.

7. The introduction of water meters is provided for within the draft Water Services Strategy 2026–2036, which was consulted on from 3 March to 12 April 2026. The capital programme incorporates assumed savings from deferred infrastructure investment enabled by improved water efficiency. The Board considered consultation feedback at its meeting on 7 May 2026, and this meeting will approve the final Water Services Strategy.

8. This paper seeks to delegate to the Chief Executive Officer authority to conclude commercial negotiations with the preferred suppliers, including programme delivery resources, and execute and sign all necessary contract documentation within the cost envelope included in the 2026-36 draft Water Services Strategy, being $108.71M Capex and $46.45M Opex.

9. The rollout will happen over a 4 year period, and will be delivered over two phases, with an opportunity to check in with the Board after a full-pressure zone pilot.

10. It is important to note that volumetric charging for Hamilton customers is not included as part of this decision; however the transition away from capital value-based charging will happen as part of the second Water Services Strategy, which will undergo full community consultation in 2027.

Background

11. The Local Government (Water Services) Act sets out a transition period for Water Companies of five years to move away from charging for waters using capital value rating.

12. Waikato District has universal water meters, although many are reaching end of life within the next 10 years. Hamilton does not have residential water meters, although commercial properties are metered.

13. Given the transition required under legislation, plus the perceived benefits of volumetric charging, Hamilton City Council included in its Annual Plan for 2025/26, budget for the development of an investment case and pilot project. In June 2025, a council resolution transferred responsibility of the pilot project to IAWAI.

14. Following Board consideration of the first stage of the investment case for a Water Metering and Management Network in August 2025, approval was given to request proposals for an initial pilot project.

15. While the pilot sites were based within Hamilton City Council and Waikato District Council domains, each Council funded the pilot for their own community from within existing budgets.

16. In December 2025, an update on the request for proposals process was presented to the Board. The Board resolved to Delegate decisions to the Chief Executive to award the Tender for the initial pilot project.

17. The pilot project is now complete. Insights from the pilot, alongside the outcomes of the Request for Proposals (RFP) process, have directly informed the second stage of the investment case, including technology selection, delivery model, and cost assumptions.

The Details

Results of the pilot

18. 200 households volunteered to be part of Hamilton's Water Meter Pilot, which commenced in February 2026.

19. The pilot was to test how meters are installed, how they work, and how customers can track their water use, before committing to a city-wide roll-out. This helps to provide confidence in the process, the technology, the benefits, and the costs.

20. Several aspects of the pilot worked well and contributed towards learnings for implementation, namely;

    a. Volunteer structure; the pilot community were engaged and positive
    b. Partnership approach from, and between most suppliers
    c. Two installation partners completed Hamilton installs ahead of schedule, to a good quality
    d. Experience in a wide range of service connection types, providing an understanding of what can be retained.
    e. Broad range of hardware and network solutions trialled, understanding what works for us and what doesn't
    f. Good learnings (around meter boxes, gate valves, connection renewals)
    g. Great collaboration internally (>100), and externally
    h. Software up and running ahead of schedule, and this was well received by pilot community
    i. GIS layer developed for the project, and used by installers to complete As Builts in context (this meant pre-photos, installation progress, as-builts all gathered electronically)
    j. Leak detection and resolution through visibility of data and Green Plumber incentivisation.
    k. Working with Kainga Ora up front

21. Areas for improvement and risk were also identified, namely;

    a. Suppliers were challenged by supply chain issues, the majority delivered just in time
    b. Select network connectivity issues, but that's why we pilot
    c. Older commercial/industrial water meters not data logger-compatible, therefore cannot be converted to digital meters.
    d. Leveraging economies of scale across sector
    e. Select vendor behaviours (avoidant, lacking urgency, late delivery)

The case for water meters

22. The pilot validated key assumptions regarding installation approaches, customer behaviour, and leak detection benefits. In parallel, the RFP process tested market capability, delivery models, and commercial parameters. These inputs have been incorporated into the second stage of the investment case, which confirms the financial viability, delivery approach, and strategic alignment required to support a citywide rollout.

23. The investment case shows strong alignment to the draft Water Services Strategy, which shapes our 10 year direction - and our purpose to *care for wai as a Taonga – sustaining life and safeguarding water for future generations* and contributes towards addressing many of the challenges outlined in the draft Strategy:

    a. Protecting the awa and water bodies
    b. Keeping up with growth
    c. Removing barriers to development

d. Building Resilience
e. Achieving Financial Sustainability.

24. The investment case notes that the existing water abstraction consent for Hamilton, is insufficient across the term of the consent. Hamilton's water demand is expected to exceed its' maximum allowable consented take of 146 megalitres per day in the next 10 years for the current growth assumptions, unless a significant reduction in per capita demand is achieved, and, before this consent is due for renewal in 2044.

25. When measured against national and international best practice, we are not using water efficiently. Average domestic water consumption for Hamilton is approximately 1.5x higher than comparable municipalities who have water meters in place, e.g. Tauranga.

26. Water meters are expected to reduce peak demand consumption by around 20-25 percent.

27. Reduction in use achieved through metering is infrastructure that does not need to be built, or which can be built later. Without improved water efficiency, demand will require accelerated investment in new infrastructure (accelerates +$780M of new capital programme across 10 years and 30 years). This is also kaitiakitanga expressed in long-term planning, we leave the landscape, the awa, and the public purse in better shape for those who come after us.

Phased roll out of programme

28. Following the pilot, a 4-year programme of work is recommended, with physical works to start in October 2026 and progression in two Phases:

    a. Phase 1 – Full Pressure Zone Pilot, of between 1,000 - 3,000 connections. This will be followed by a checkpoint review and adjustment to integrate learnings across IAWAI and all its' suppliers.
    b. Phase 2 - The full citywide rollout of water meters.

29. The programme approach is to:

    a. **Pragmatically phase physical works,** targeting areas where greater benefit is likely to be achieved, first:
        i. Focussing on brownfield installs in Hamilton City first, to facilitate equity of charging methods across both Districts and to move away from capital-based charging within the required timeframe, before 2030; noting that water meters are already installed across Waikato but that these are manually read.
        ii. Installing in older areas of Hamilton first, to realise benefits associated with leak detection and resolution earlier. This will also provide Customers more time to resolve leaks where they occur on private property, before volumetric charging commences.
        iii. Augment a small number of commercial/industrial water meters in Hamilton to test parallel billing early. The purpose of this is to gain an early understanding of issues and complexity.
        iv. Potentially, augmenting a small number of water meters within Waikato to test parallel billing.

    b. **Reduce waste and spend,** to reduce the cost passed on to Customers, by:
        i. Augmenting existing in-place water meters with data loggers, to convert to digital meters *only where required*, to:
            1. Align asset lifecycles of the water meter and data logger, in the year the existing water meter is due for renewal, thereby minimising write-offs.

2. Understand usage patterns for our highest volume commercial/industrial sites earlier, identifying any higher volume leaks earlier.

ii. Saving materials where we can, by only replacing service connections when required (this means galvanised connections which are known to be brittle)
iii. Challenging configuration where it does not align to national norms (this means removing the second gate valve)
iv. For augmenting existing in-place water meters, considering future integrated meter options where it makes financial sense.
v. Requiring growth to fund growth, to the standards specified or through conditions of Consent.

c. **Maintain a customer- centric lens**, by providing
   i. Communication early on and throughout the programme of work
   ii. Visibility of daily household water usage, water saving tips
   iii. Providing a Green Plumber service for the purposes of helping to identify the source of any customer-side leaks

Te Tiriti o Waitangi / Te Ture Whaimana o Te Awa o Waikato

30. Water metering is more than an infrastructure decision; it is a practical expression of our obligations as kaitiaki.

31. Te Ture Whaimana o Te Awa o Waikato holds a vision for a *future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces, for generations to come*.

32. This is not simply an environmental document. It speaks equally to the wellbeing of people - their economic, social, cultural, and spiritual relationships with the awa. A river that is diminished diminishes the people connected to it. A river that is restored restores something in us too.

33. Te Ture Whaimana also makes clear that this kaupapa is not the responsibility of iwi alone. It calls on all of us, households, businesses, councils, and water services providers to act. Water metering in Hamilton City is one practical, everyday way that responsibility can be lived out.

34. **Manaaki i te mauri o te awa** (protecting the mauri of the river). Every litre we do not take is a litre that remains in Te Awa o Waikato, untreated, unextracted, alive. Metering gives households and businesses real visibility of their consumption, which consistently and demonstrably reduces demand. Less demand means less draw from the awa, and a healthier, more intact ecological and spiritual environment for the river and everything connected to it.

35. A healthy awa means healthy people. When the mauri of wai is intact, the communities that draw from it -- physically, culturally, and spiritually -- are stronger for it. Protecting the river is not separate from protecting our people. It is the same act.

36. **Water is not a commodity, water is a treasured inheritance.** A flat-rate water charge, paid regardless of use, quietly reinforces the idea that water is unlimited and consequence-free. Metering shifts that relationship. When people can see what they are using, they begin to engage with water as something finite and precious, consistent with the understanding that wai is taonga, not commodity.

37. This is a cultural shift as much as a practical one. It moves us closer to the relational understanding of wai that Te Ture Whaimana calls for. One where our economic relationship with water does not override our social, cultural, and spiritual one.

38. **Do not waste what has already been made ready.** Treating water to drinking standard requires significant energy, chemical inputs, and resource. Wasting treated water is a compounded harm, both to te awa (which gave the water) and to the environment (which bears the cost of treatment). Metering reduces waste at the point of use, meaning the investment in treatment is better honoured and the draw on the awa is proportionate to genuine need.

39. **Look to future generations, do not build what is not needed.** Every percentage point of demand reduction achieved through metering is infrastructure that does not need to be built. Reservoirs not required, treatment capacity not expanded, land not consumed, cost not borne by future ratepayers. This is kaitiakitanga expressed in long-term planning: we leave the landscape, the awa, and the fiscal base in better shape for those who come after us.

40. Te Ture Whaimana reminds us that the timeline for restoration is intergenerational. The decisions we make today about how we use water will either compound the harm or begin to reverse it. Water metering is a small lever with a long reach.

41. Te Ture Whaimana asks us to act in ways that restore, not just maintain and it asks that of all of us, not just iwi, not just councils, but every household and business that draws from Te Awa o Waikato.

42. Water metering in Hamilton City is a tangible, everyday mechanism through which that responsibility can be lived. It is not a burden placed on communities, it is an invitation to align how we use water with what we know water to be: a taonga that sustains life, connects us to our tuupuna, and must be passed on intact to future generations. Know what you use. Care for what sustains you.

Financial Implications

43. Commercial negotiations are underway however, the all of life costs of the programme of work are as signalled in the draft Water Services Strategy 2026-2036:

    a. All of life cost of $155.16M over the 15 year life of the water meters. This is comprised of a maximum of:

        i. Capex $108.71M
        ii. Opex $46.45M

44. Benefits are attributed to deferral of investment in infrastructure assets to cater to growth, that would otherwise be required without the implementation of water meters and are expected to result in a payback period of around 8 years for water meters.

45. Without improved water efficiency, demand will require accelerated investment in new infrastructure, of around $780M across 10 years and 30 years. It is important to note that this figure does not represent additional savings, but rather has already been assumed in the capital programme of the draft Water Services Strategy.

Options / Considerations

46. There are three options; 1 - Proceed with the programme, 2 - Defer 5 years, 3 - Do nothing. These options are detailed below.

Option	Summary
1. **Proceed with the programme now** *Preferred*	Alignment with Te Ture Whaimana and contribution towards addressing the challenges outlined in the draft Water Services Strategy. Maintains the IAWAI position, ahead of other Council Controlled Organisations and exploits the resources available to hand which have been vetted through the pilot (installation, hardware, software).

Option	Summary
	Exploits the cadence and knowledge built to date and the positive customer sentiment as a result of the pilot. Creates headroom with the current consented take (peak demand reduction, leak detection and resolution), to contribute towards managing growth. Contributes towards reduction in non-revenue water. Programme costs must be contained to ensure financial sustainability for IAWAI.
2. Defer 5 years *Not preferred*	Defers alignment to Te Ture Whaimana and contributing towards addressing the challenges outlined in the draft Water Services Strategy. Puts IAWAI in competition with other Council Controlled Organisations, whom we are currently ahead of, for installation resources and hardware delivery in the lead up to legislation change. Programme costs likely to increase as a result of competition, if not inflation. Progress to date and cadence built cannot be exploited in 5 years-time. The programme will need to be started afresh. Risks breaching consented take from the awa, if growth continues at the projected rates and without demand management measures in place. Deferred opportunity to identify and resolve leaks (non-revenue water), which were shown the be significant across the pilot (see item 2. a))
3. Do Nothing *Not preferred*	Does not assist in addressing challenges outlined in the draft Water Services Strategy, nor uphold the vision and values of Te Ture Whaimana. Current usage patterns indicate that we will breach our consented take from the awa in the next 10 years, without demand management measures. Not a viable option.

Risks and Implications

47. The top risks are outlined below, along with proposed mitigations.

Risk	Mitigation
There may be public opposition to the implementation of water meters, as has been the case in other areas of New Zealand. This could negatively impact the cost, duration and benefits of the programme and potentially cause reputational harm to IAWAI and Councils.	Strong communications strategy and tactics, to ensure customers are aware of why we are doing this, leaning into and addressing perceptions around the privatisation of water. Benefits and flow on impacts to customers (positive or otherwise) to be communicated - early, often and iteratively throughout programme. Learnings to be taken from others who have been there, done that.
There is likely to be disruption to customers as part of the rollout. This may lead to negative publicity and potentially cause reputational harm to IAWAI and Councils.	Mitigate with early communications around dates of any water outages and duration, to allow customers to prepare. Where work impedes customer access to their homes, mitigate with early comms around dates and duration of work, and have a mitigation plan for access, particularly for medical emergencies.

Risk	Mitigation
	There is an opportunity to schedule residential works outside of peak hours, to ease access for customers (e.g. no work during school and work pick up/drop off), however this would likely come with a cost or timeline trade-off for IAWAI, which is ultimately passed on to customers. Explain this to customers. Consider mitigation by not scheduling works in peak hours in known busy areas (e.g. residential areas adjacent to schools or places of work).
There is a risk that due to a high amount of complex installations, this could lead to time delays vs. planned schedules, leading to time and cost impacts to the project.	Mitigate through planning and pilot, to understand installation types and the likely percentage of complex installations. Actively reduce complexity where possible (as outlined in Item 29.b)). Do not seek to address problems from the past – contain scope to water meter rollout, vs. renewal of service connections, for example. Some developments may be ok to be on a fixed charge for a period of time, or may need to be indefinitely.
National competition for resources. Demand for water meters is likely to increase in the coming years; therefore there will be competition for finite resource to supply, install and support. There is a risk to both cost and timelines for the programme of work, if the supply chain does not have surety of workload and/or has insufficient resource to deliver.	Leverage an ecosystem of suppliers to deliver. Contractually commit to KPIs. Reward performance, positive customer experience and quality outcomes. Decant risk of supply chain to installers to mitigate any risk of cost escalation as a result of bench time.

48. The risk register for the programme is included in **Attachment 1**, section 1.4.

Partner Expectations

49. The Statement of Expectations has been upheld through:

50. Engagement and involvement of staff at Hamilton City Council, Waikato District Council and Watercare in the development of this programme.

51. Engagement with Waikato Tainui in the lead up to the Community pilot to ensure partnership in both consultation and communication.

52. Consultation with local entities to provide Suppliers with an understanding of organisations that will support our rangatahi into the employment opportunities which will be created by the programme (e.g. Oho Mauri, Ministry for Social Development). There will be continued engagement as the programme progresses.

53. Collaboration with other Councils and Council Controlled Organisations on solution(s) and to leverage lived experience.

Customers

54. Consultation on the universal role out of water meters was done via IAWAI's Water Services Strategy 2026 – 2036. There were a mixture of views expressed from those who submitted. However overall feedback on the pilot was positive.

55. Engaging and communicating with customers will be key to the successful roll out of water meters. To this end, the approach so far has been to seek volunteers for the pilot in Hamilton East, via an engagement and opt on process and then, to elicit feedback on their experiences during the installation of meters, as well as perceptions around the value of a Customer App.

56. The engagement campaign included flyers at community based events, direct mail outs to the pilot pressure zone, articles in local newspapers, regular newsletters to the pilot community and a private Facebook page, where volunteers could ask questions and share water saving tips.

57. Leaks amounting to 5.1 million litres per annum were found on the private property side at 32 of the Hamilton East properties on the pilot. This information has been shared with the pilot community to reinforce kaitiakitanga and the very real positive benefits associated with water metering.

58. This level of information around water saved and transparency around why we are doing this, along with the conscious choices made to contain costs, will continue to be shared with IAWAI customers as the programme progresses.

Next Steps

59. Subject to Board approval, the next stage is for the programme to:

    a. Finalise commercial negotiations with the Chief Executive delegated authority to conclude and execute contracts within the budgets specified,

    b. Return to the Board following analysis of the Full Pressure Zone Pilot and prior to progressing with the citywide rollout. Subject to lead times for suppliers, this is expected to be early 2027.

Attachment 1 – Investment Case

IAWAI

Water metering and management network

Investment Case

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Executive Summary

IAWAI is guided by the purpose to care for wai as a taonga - sustaining life and safeguarding water for future generations. Improving the efficiency of water use is essential to delivering on this purpose, while also providing for growth within current allocation consent limits.

Based on current growth assumptions, Hamilton's water demand is expected to exceed its maximum allowable consent limit before 2037, unless a significant reduction in per capita demand is achieved. We are not using water efficiently when compared to the national average - approximately 1.5 times higher than comparable municipalities, e.g. Tauranga.

Despite water itself being free and access to clean drinking water being a basic human right; collecting, treating, holding and distributing drinking water comes at a cost. This cost is largely unknown by ratepayers within Hamilton City, but it is included in annual rates. Waikato District Council have had water meters in place since around 2016 and have been paying volumetrically for water since then.

Legislation has set out a transition period of five years to move away from charging for waters using capital value rating (Hamilton's current charging model). The introduction of water meters is seen as the catalyst for the move to volumetric - and fairer – charging, meaning customers can pay for what they use.

Introducing water metering will change how we pay for and therefore perceive water, with the potential to change behaviours and encourage more sustainable use. Conversely, it can raise questions around a water utility's motivations, therefore it is important to be clear on the reasons for implementing water metering and volumetric charging and the 'why' for their communities.

Hamilton City Council included in its Annual Plan for 2025/26, the development of a universal water metering (UWM) investment case and pilot project. IAWAI included funding for water meters beyond this point, in the draft Water Services Strategy, 2026-2036.

The pilot and investment case for UWM is now complete, along with the first stage of procurement.

High level findings indicate strong strategic alignment to Te Ture Whaimana o Te Awa Waikato; significant sustainability and environmental benefits enacted through sustained behavioural change, alongside good non-cash releasing economic benefits associated with deferred investment into infrastructure which would otherwise be required to accommodate growth should meters not be installed.

There is also strong alignment to addressing the challenges outlined in the draft Water Services Strategy 2026-2036, as well as to Central Government direction setting through Department of Internal Affairs policy and legislation.

In regards to a solution, a water network that supports demand management and leak detection is sought for Iawai and its customers (this is about more than simply installing water meters). A water network will provide near real-time insights into day to day water use for customers, placing them more in control of costs should the shift to volumetric charging occur. A water network will facilitate modern demand management practices for Iawai; with the benefit of creating headroom in the current demand to cater to consented growth. This solution would be staged in its' implementation.

As Waikato District Council have water meters in place, the solution will involve augmentation of in place water meters, as they come up for renewal, to align asset lifecycles and ensure prudent spend. For Hamilton City Council, the majority of meter installs will be brownfields; necessitating meter pits, boxes and peripherals; alongside the creation of a water network.

Prior to a citywide rollout, pilot(s) will be carried out, the first of which is complete. The purpose of these pilots is to carry out due diligence, trial technology in our environment and understand risk and cost, prior to larger investment decisions being made. These pilots will also help to formulate a realistic implementation approach.

Final costs for the programme are subject to commercial negotiations, but are expected to be in line with those published in the draft Water Services Strategy. Costs are $155.16M all of life (over the 15 year life of a water meter). This is comprised of $108.71M capex and $46.45M opex. Costs are offset by benefits - without the improved water efficiency expected through water metering (estimated at around 20 percent reduction in peak

demand), water demand will require accelerated investment in new infrastructure of around $780M across 10 years and 30 years (unbudgeted).

The payback period for water meters is approximately 8 years.

For acronyms and terminology used throughout, see Appendix Nine – Glossary of Terms.

1 Why Change

The Strategic Case – the Case for Change

1.1 STRATEGIC CONTEXT

Te Ture Whaimana o Te Awa o Waikato

Te Ture Whaimana o Te Awa o Waikato holds the primary direction setting vision for the Waikato River and activities which affect it:

for a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces, for generations to come.

This is not simply an environmental document. It speaks equally to the wellbeing of people - their economic, social, cultural, and spiritual relationships with the awa. A river that is diminished diminishes the people connected to it. A river that is restored restores something in us too.

Te Ture Whaimana also makes clear that this kaupapa is not the responsibility of iwi alone. It calls on all of us, households, businesses, councils, and water services providers to act. Water metering in Hamilton City is one practical, everyday way that responsibility can be lived out.

Manaaki i te mauri o te awa (protecting the mauri of the river). Every litre we do not take is a litre that remains in Te Awa o Waikato, untreated, unextracted, alive. Metering gives households and businesses real visibility of their consumption, which consistently and demonstrably reduces demand. Less demand means less draw from the awa, and a healthier, more intact ecological and spiritual environment for the river and everything connected to it.

A healthy awa means healthy people. When the mauri of wai is intact, the communities that draw from it - physically, culturally, and spiritually - are stronger for it. Protecting the river is not separate from protecting our people. It is the same act.

Water is not a commodity; water is a treasured inheritance. A flat-rate water charge, paid regardless of use, quietly reinforces the idea that water is unlimited and consequence-free. Metering shifts that relationship. When people can see what they are using, they begin to engage with water as something finite and precious, consistent with the understanding that wai is taonga, not commodity.

This is a cultural shift as much as a practical one. It moves us closer to the relational understanding of wai that Te Ture Whaimana calls for. One where our economic relationship with water does not override our social, cultural, and spiritual one.

Do not waste what has already been made ready. Treating water to drinking standard requires significant energy, chemical inputs, and resource. Wasting treated water is a compounded harm, both to te awa (which gave the water) and to the environment (which bears the cost of treatment). Metering reduces waste at the point of use, meaning the investment in treatment is better honoured and the draw on the awa is proportionate to genuine need.

Look to future generations, do not build what is not needed. Every percentage point of demand reduction achieved through metering is infrastructure that does not need to be built. Reservoirs not required, treatment capacity not expanded, land not consumed, cost not borne by future ratepayers. This is kaitiakitanga expressed in long-term planning: we leave the landscape, the awa, and the fiscal base in better shape for those who come after us.

Te Ture Whaimana reminds us that the timeline for restoration is intergenerational. The decisions we make today about how we use water will either compound the harm or begin to reverse it. Water metering is a small lever with a long reach.

Te Ture Whaimana asks us to act in ways that restore, not just maintain and it asks that of all of us, not just iwi, not just councils, but every household and business that draws from Te Awa o Waikato.

Water metering in Hamilton City is a tangible, everyday mechanism through which that responsibility can be lived. It is not a burden placed on communities, it is an invitation to align how we use water with what we know water to be: a taonga that sustains life, connects us to our tuupuna, and must be passed on intact to future generations. Know what you use. Care for what sustains you.

IAWAI Water Services Strategy 2026 - 2036

The Water Services Strategy shapes our 10 year direction and our purpose *to care for wai as a Taonga – sustaining life and safeguarding water for future generations.*

A water metering programme supports the Water Services Strategy purpose and helps to address the challenges outlined in the Strategy and in Section 1.2 of this document.

Central Government

The Department of Internal Affairs (DIA) and the Commerce Commission play pivotal roles in shaping the development of Water Services Council-Controlled Organizations (CCOs) across New Zealand. There is strong alignment to Central Government policy, legislation and regulation:

Department of Internal Affairs (DIA)

The DIA provides policy advice and legislation to support the Government's objectives for drinking water, wastewater and stormwater; through Local Water Done Well.

The objectives of the Local Government (Water Services) Act 2025 are to ensure water services are safe, reliable, environmentally resilient, customer responsive and delivered at the least cost to consumers and businesses in a financially sustainable manner to ensure ongoing affordability.[1]

Commerce Commission

The Government has appointed the Commerce Commission as the economic regulator for water services under the Local Water Done Well regime.

The Commerce Commission will be seeking and making publicly available, water service provider performance; related to service quality, asset management, financial performance and pricing. This could include, for example, information on leakage/water loss, asset condition, forecast spend and investment, development contributions, and prices for residential customers.

This would in turn identify and then monitor areas for service provider improvement, enhancing efficiency and quality and incentivising innovation and investment for the long-term benefit of consumers[2].

The Commerce Commission will have enduring price-quality oversight of water service providers.

1.2 THE PROBLEM/OPPORTUNITY

This programme aims to raise customer awareness around the finite nature of water, thereby encouraging good custodianship and reducing water consumption. In turn, this is expected to protect and enhance the natural environment and community values of water and to defer future costs associated with increased demand.

We will contribute to addressing the following challenges as outlined in the Water Services Strategy 2026-2036:

Protecting the awa and waterbodies

The health of the awa is intrinsically linked to the health of our community and vice versa.

[1] Water Services Information and guidance for councils - dia.govt.nz

[2] Commerce Commission - Economic Regulation of Water Services - Information Disclosure

When measured against national and international best practice we are not using water efficiently[3] [4]. This is illustrated by our average domestic water consumption being approx. 1.5 x higher than comparable municipalities who are metered, e.g. Tauranga. Average water use across regions that don't have water meters in place, is simply higher than those who do.

The impact this increased abstraction has on the awa is likely to be exacerbated by the effects of climate change.

Keeping up with growth and Removing barriers to development

Our maximum allowable consented take from the awa is limited to 146 megalitres per day. Based on current growth assumptions, unless a significant reduction in per capital demand is achieved, Hamilton's demand is expected to exceed this maximum daily take between 2025 and 2037; and well before consent expires in 2044[5].

Introducing demand management measures, such as water meters will assist in creating headroom for growth, within our current allowable consented take. This is achieved through identification and resolution of leaks, as well as reduction in total water usage through awareness.

Building resilience

There is currently no data available to help customers understand their household water use. Without visibility of relevant data, reduction in demand and sustainable behavioural change is difficult to achieve.

Introducing water meters and presenting individualised household water use, in a timely manner will help to raise awareness, increase ownership and reduce water consumption; building resiliency into our existing water take.

Achieving financial sustainability

Meeting the increased demand attributed to consented growth; will require the development of further infrastructure, if meters are not in place (the combined estimated cost of this infrastructure is $780M).

Catering to future consented growth will require a reduction in wasteful consumption and bettering demand management practises, to defer this additional capital expenditure into water treatment and distribution assets.

For customers, paying for what is used, vs. paying a percentage of your property's capital value; has reduced ratepayer charges in many cases.[6]

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[3] **Tauranga City Council** - Universal metering was installed from 1999 to 2001. Billing commenced in 2002. Peak daily demand was reduced by 30 percent, average daily demand by 25 percent. It was 17 years before water demand reached pre-metering levels, summer restrictions were required, or a third water source was needed. All this with an additional 40,000 people added to the scheme. Furthermore, notable reductions in dry weather wastewater flow volumes were observed. **Nelson City Council -** water metering was installed from 1996 to 1999. Charging starting from July 1999. Peak daily demand reduced by 37 percent, and seasonal water restrictions are typically not needed. The deferral of a new water source was extended by more than 50 years. Source: Water NZ.

[4] **New Zealanders** are one of the world's highest per-capita water users. The 40% of Kiwis who don't have metered water likely contribute to these high consumption statistics. Auckland has volumetric water charges and per-capita use similar to the UK, Ireland and Switzerland. While Wellington and Hamilton have unmetered water supply and residents use over a third more water. Source: NZ Infrastructure Commission.

[5] Consent 113941 is a 35 year consent, dated the 3 March 2009 and up for renewal in 2044

[6] Tauranga City Council - metering decreased the average cost of water by 40% when compared with projected cost increases. Kāpiti Coast District Council – with the introduction of water metering, 75% of its ratepayers ended up paying less than they would have under the previous fixed-charge system. Source: Water NZ.

1.3 STRATEGIC OBJECTIVES

Programme vision

Our vision is a customer-centred service which provides for fair demand management and for more sustainable access to water now and for future generations. Equally as important is the health of our awa and taonga and our obligations under Te Tiriti o Waitangi and Te Ture Whaimana o Te Awa o Waikato.

We have actively aligned this vision, programme strategic objectives and customer-centred outcomes; to help address challenges outlined in the Water Services Strategy, and to the DIA and Commerce Commission mission statements.

Our four strategic objectives are sustainability, quality, affordability and fairness.

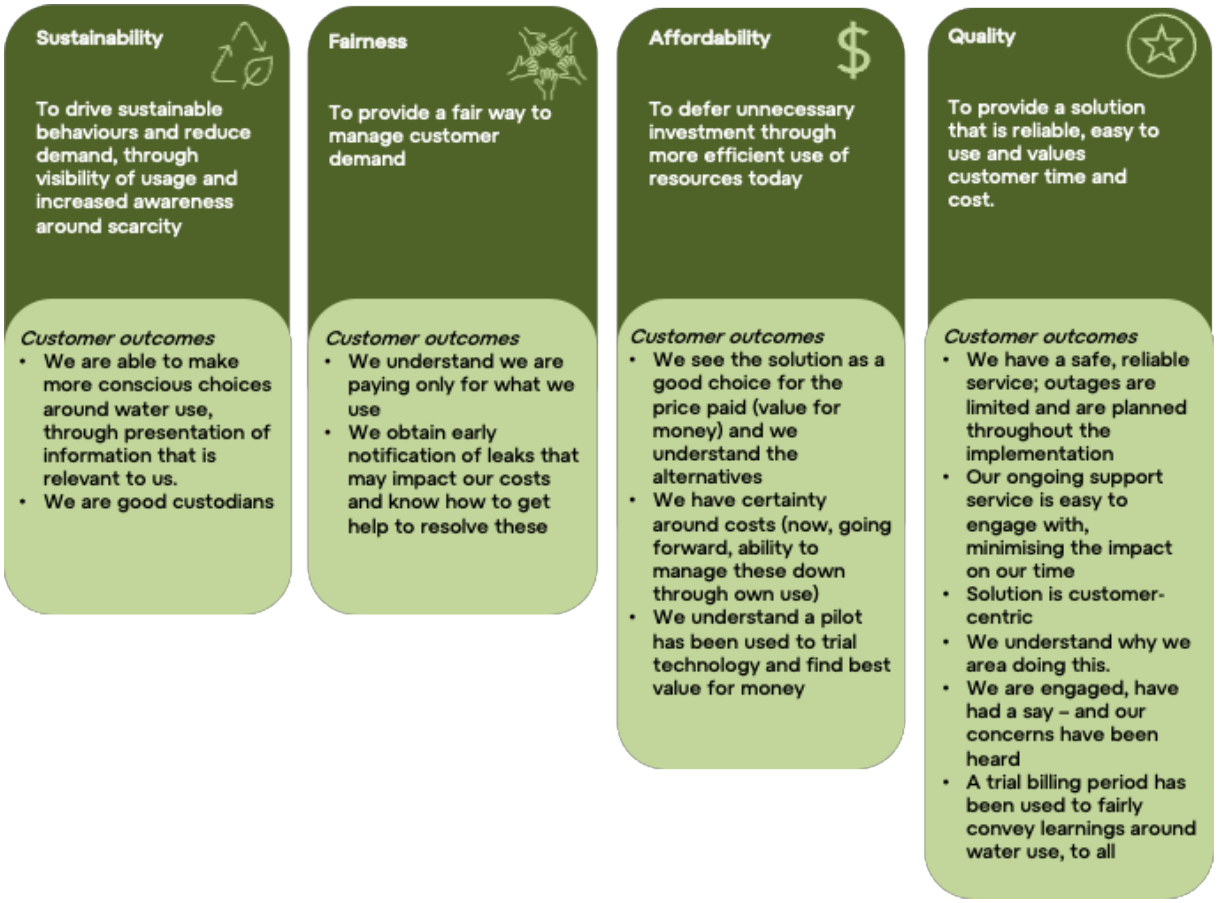


Figure 1 – Strategic objectives underpinned by Customer-oriented outcomes

The Commerce Commission expects water service providers to ensure meaningful, measurable consumer inclusion — moving from a supply-driven to a demand-informed model that prioritises real-world community needs.

Each of our strategic objectives are underpinned by customer-centred outcomes, to ensure we retain our customer focus. These are aligned to DIA and Commerce Commission expectations of a water service.

1.4 MAIN RISKS

The risks to achieving our strategic objectives and associated customer outcomes are outlined below. Existing/other risks have not been re-presented, but can be found at the full and live risk register, in Appendix One.

Ref	Category	Linked to Strategic Objective/Customer Outcome?	Risk Description	Likelihood	Impact	Mitigation
001	Reputational	Affordability	There is a risk that due to the **perceived high costs and low benefits** of the project, this could lead to a major community and councillor pushback which would have a time and cost impact on the project, and potentially cause reputational damage to the council	Likely	Major	Benefits profile and flow on impacts to customers (positive or otherwise) to be calculated and communicated - early, often and iteratively throughout programme. Learnings to be taken from others who have been there, done that.
002	Reputational	N/A	There is a risk that local elections impact the programme due to **metering becoming an election issue.**	Possible	Major	Mitigate by having the indicative BC approved prior to the election and the Detailed BC being approved after the new council is in place. Timing of the release of comms for the programme to be approved by Governance in advance of release.
003	Time	N/A	There is a risk that the implementation of the **new CCO**, planned for July 2026, impacts the delivery of the project and rollout of the physical works. It may also have an impact on staff retention, which would also impact this project.	Possible	Major	Link with CCO representative to keep this group abreast of programme of work and provide opportunity for input if appropriate, plus CCO requirements.
004	Time	Affordability	There is a risk that due to a **high amount of complex installations**, this could lead to time delays against planned schedules, leading to time and cost impacts to the project.	Possible	Major	Mitigate through planning and pilot, to understand installation types and the likely percentage of complex installations. Prioritisation around types of connections to be metered, earlier in the programme, to gain understanding. Some developments may be ok to be on a fixed charge for a period of time, or may need to be indefinitely. Specialisation of duties during pilot - i.e. send an advance team to sort work into 'meter ready' connections vs 'remediation required' connections. Where remediation is required, sort this work further (e.g. concrete required, housing inadequate/too shallow, pipe replacement). Advance team to carry out remediation before installations commence.
005	Achieving outcomes	Quality	There is a possibility, that due to **selecting the wrong meters**, this could result in high ongoing costs post project completion leading to non-achievement of benefits and reputational damage to HCC.	Unlikely	Major	Consultation and engagement with other councils who have implemented water meters, taking learnings from them. Additionally mitigate through pilot, then selection of meters. Liaise with Operations (Asset Management) to ensure the solution takes into account their needs and that they are engaged and on board with the solution which may be handed to them for ongoing management.
006	Economic/ Financial/ Market	N/A	A lack of commitment to ongoing funding (over and above the $1.1m), in future financial years may result in the programme of work not proceeding past the scoping and initiation phase.	Possible	Major	Mitigate through initiation phase, ensuring clarity of costs, so that these may be factored into future financial years.
007	Reputational	Equity	There is a risk that if funds are not secured/earmarked for required maintenance/repairs (e.g. leaks) during the course of the programme, that there will be **significant customer pushback** around fairness of paying and/or reputational harm	Possible	Major	Exploit, factoring in contingency for repairs, and, leverage as opportunity for positive comms to consumers around water conservancy and 'doing right thing' prior to charging customers.
008	Customer sentiment	Quality	There is likely to be **disruption to the customer** with this work, which may result in negative publicity.	Possible	Major	Mitigate with early comms around dates of water outages and duration, to allow customers to prepare. Where work impedes customer access to their homes, mitigate with early comms around dates and duration of work, and have a mitigation plan for access, particularly for medical emergencies. There is an opportunity to schedule residential works outside of peak hours, to ease access for customers (e.g. no work during school and work pick up/drop off), however this would likely come with a cost or timeline trade-off for HCC, which is ultimately passed on to customers. Consider mitigation by not scheduling works in peak hours in known busy areas (e.g. residential areas adjacent to schools or places of work).

Ref	Category	Linked to Strategic Objective/Customer Outcome?	Risk Description	Likelihood	Impact	Mitigation
009	Strategic/ Commercial	Quality	National competition for resources. Water meters are currently in high demand and will be in the coming years; therefore there will be competition for finite resource to supply, install and support. There is a risk to both cost and timelines for the programme of work, if the supply chain does not have surety of workload and/or has insufficient resource to deliver. Following a review of RFI/RFT on GETS; Auckland, Wellington and Christchurch are at RFI stage to varying degrees (lifecycle replacement of large number of meters, significant expansion of existing fleet). This risks a lost opportunity in leveraging economies of scale, and, competition for qualified resource. Note: Christchurch is for a smaller number of high pressure meters, so less comparable/impactful.	Possible	Severe	Consider an 'ecosystem' of suppliers to deliver, or 'as a service' contracts, with clear daily KPIs. Early and affirmative engagement with the market will also assist. Consider approaching other councils and/or water service providers to leverage economies of scale and, to reduce admin overheads with procurement process.
010	Health & Safety	N/A	There is a **potential health and safety risk to subcontractors and/or council staff** while installing meters, from hazards on/near customer properties (e.g. dogs, opposers of water metering etc.).	Almost Certain	Severe	Consultation and engagement with other councils, to understand successfully implemented mitigations. Health and Safety involvement and training for team members who will be based in the field. Taking learnings from Health & Safety; where course modules and safety measures have already been developed for staff based in the field, in the HCC area. Inclusion of animal control database/registered dogs with GIS and water data to identify higher risk properties. Comms and engagement with customers to minimise the element of surprise for both customers and CCO.
011	Economic/ Financial/ Market	Affordability	There is a risk that if underlying data upon which the all of life cost of the programme is based, is inaccurate due to the inaccuracy of master data in IPS (e.g. number of connections with/without manifold, need for larger toby, realignment required or too shallow), that the cost estimates will be inaccurate; resulting in cost blowout.	Possible	Major	Pilot implementation in defined area/suburb. Apply contingency based on learnings from pilot.
012	Economic/ Financial/ Market	Affordability	The 3 month discovery timelines to frame up the initiative do not allow for implementation pilot to inform the implementation plan and complexity, plus, vendor performance; the risk is that costs may balloon during implementation as deeper understanding is gained of complexity and capability.	Possible	Severe	Mitigated through pilots which will be factored into the implementation phase, to check implementation costs remain accurate, complexity has not been underestimated and compare vendor performance. In addition, it may be prudent to factor incentivisation into vendor contracts - where high performing vendors are eligible for additional workload.
013	Economic/ Financial/ Market	Affordability	Master data upon which programme is based cannot be deemed 100% accurate due to the incongruency of the various sources of truth (LINZ data, GIS, IPS/asset database and the authority/billing database), therefore there is a risk that the number of meters factored into the costings are too high or low. This could result in a need to request further funding or, that surplus funding is secured for this programme; to the detriment of other programmes of work.	Possible	Moderate	Apply confidence rating to estimates. Calculate cost should this risk materialise. Set aside contingency associated with this specific risk, to be accessed only if required through a Request for Change Process. Checkpoint following pilot, which should be factored into the implementation phase, to check implementation costs remain accurate. Advance team (maintenance) to check all sites are 'meter ready' prior to sending out contractors of install meters. Work to be divided into 'clusters'. Checkpoint for budget accuracy following completion of each cluster.
014	Environmental	Sustainability	The frequency of meter reading (whether physical or virtual) and the subsequent timeliness and relevancy with which this usage data presented back to customers is critical to changing behaviours and to achieving the sustainability objective. This can be linked to the meter type selected. The risk is that should meters that require manual reading be selected and/or meter reading is too infrequent, that behavioural change leading to sustainability that 'sticks' is difficult to achieve.	Possible	Major	Meter types to be rated using critical success factors that ensure the desired business objectives, outcomes and benefits are achieved. Should manual meters be selected, ensure the frequency of reading is sufficient to achieve the same.
015	Customer sentiment	Equity	Providing for a fair and equitable way to manage demand will likely involve paying for what you use; vs the current UAGC (Uniform Annual General Charge) and General Rate (based off capital value of property) model. Conveying to customers what the UAGC and General Rate fund currently, as far as water services go (and whether these amounts will reduce), will be key to their interpretation of fairness and equity. There is a risk that customers perceive costs associated with water metering as double dipping, unfair and inequitable; resulting in significant pushback and reputational harm to the Councils and CCO.	Likely	Severe	Clear and early; communication, education and engagement with customers is key to mitigating misconceptions around water metering being a revenue generator, and to it costing more than the status quo. Mitigations from other councils have included Engagement and Comms with customers well in advance of any messaging related to water meters. In some cases, this has involved extensive 'eco warrior' campaigns in early childhood facilities and schools. Separately, providing time sensitive and contextual information to customers on the implementation of meters, is key to their ability to reduce wasteful water use and therefore control costs - therefore their perceptions around fairness and equity.

Ref	Category	Linked to Strategic Objective/Customer Outcome?	Risk Description	Likelihood	Impact	Mitigation
016	Customer sentiment	Equity	**Where leaks occur on private property, the timely notification of this to customers is crucial to customer perceptions around fairness**, particularly where customers are expected to pay for this additional water use. There is a risk that if notification does not occur in a timely fashion, the objectives of equity and fairness cannot be achieved.	Likely	Severe	Appropriate meter type selection combined with the ability to report leaks to customers in a timely fashion will mitigate this risk somewhat. Further mitigations from other councils have included a policy to allow for 50/50 payment - i.e. customers pay for 50% of the difference between the higher read and their average monthly water use. Develop a hardship policy in advance of the water-metering programme for vulnerable and high risk customers. It may also be possible to mitigate delays in the resolution of leaks on private property and therefore assist customers in controlling costs, via the Councils/CCO negotiating KPIs with trusted service providers on behalf of their customers for both response and resolution times for leaks (i.e. a panel supplier approach for customers to select from should they choose). This could further present an opportunity to reduce the cost of fixes for customers - due to the volume of work which CCO/Councils can offer per annum.
017	Reputational	Equity	There is a risk that where **visible leaks occur on Council property and these are not resolved rapidly, that the objectives of equity and fairness are not achieved,** further resulting in reputational harm and significant pushback.	Likely	Severe	Mitigation through communication of KPIs for response and resolution times and a water hotline. Applying more stringent KPIs to leaks on Council property may help. Visible comms/sandwich board approach re 'we are aware, this is our plan'
018	Strategic/ Commercial	Affordability	**If leaks are detected slowly, there is a risk that it takes longer to achieve the water savings that are sought for sustainability objectives, and risks the deferral of investment associated with expansion initiatives and therefore affordability** (e.g. water treatment plants).	Likely	Major	Appropriate meter type selection combined with the as near real time ability to detect leaks as is affordable. Couple with KPIs are response and resolution times for fixes. Operational dashboards to track total water usage across CCO remit, track seasonal/peak usage trends and deepen understanding of ability to influence conservancy through lessons learned and education - to assist with planning when expansion initiatives will be required and extent to which deferral is possible (information and insights-based decision making).
019	Strategic/ Commercial	Quality	**Customer perceptions of quality** are linked to: - their interactions with customer service (being heard, their time being valued, ease of use) - the contextual nature of the comms they receive (how is this relevant to me, right now? Is the format right for me?) - price The risk is that if these parameters are not adequately met, that the end to end solution is deemed to be poor, resulting in reputational harm and significant pushback.			Partially mitigate through early engagement, comms and change management. Ensure dedicated FTE in these roles for implementation and beyond. Post implementation of meters, further mitigate through a dummy billing period and wide communication of 'customer stories', so that there is equal opportunity for all to learn and adjust behaviours prior to billing commencing. Partially mitigate through customer app. Gamify water conservancy. Provide near real time contextual information on water use. Partially mitigate through customer council, allowing customers to drive the relevancy of information - what do they want to see and when? Learn from others (NPDC) who have partially mitigated price concerns by publishing volumetric models and asking customers to vote on preferred option.
020	Strategic/ Commercial	Quality	There is a risk in **approaching the market prior to engagement with the public around water metering** may result in negative publicity and pushback, setting public opinion of water metering, before the project commences.	Possible	Major	RFI documentation to ensure there is clarity that the CCO is on a fact finding mission around water metering, vs. as fait accompli.
021	Strategic/ Commercial	Quality	**Early engagement without contract award, or a swift tender process to follow, may demotivate suppliers**, particularly if there are other more attractive RFTs in the market.	Possible	Major	RFT to follow swiftly on post RFT closure. Consider publishing early notice/public service announcement on GETS of dates of RFT release. Consider targeting those who have responded to the RFI as part of the announcement.
022	Achieving outcomes	Quality	Learnings from other councils suggest a 25-30% reduction on peak demand following the implementation of water meters. This reduction in demand needs to be factored into any volumetric cost model. The risk is that **estimated reduction of peak demand is inaccurate** and revenue does not cover operating costs, or conversely, that a profit is made.	Likely	Major	Trial billing period post implementation of water meters, to ensure reduction in peak demand is better understood and can be factored more accurately into the volumetric cost model. Ensure learnings from others are well understood.

Ref	Category	Linked to Strategic Objective/Customer Outcome?	Risk Description	Likelihood	Impact	Mitigation
023	Health & Safety	Affordability, Equity	Learnings from other councils suggest that the balance between fixed annual charge and volumetric charge is an important factor in the daily use of water. **The risk is that if the volumetric charge is too high, demand is significantly reduced, creating a cycle of needing to increase charges further,** to cover operating costs. The further risk is that this disproportionately disadvantages vulnerable populations (lower socio economic, elderly, single income).	Possible	Severe	Trial billing period post implementation of water meters, to ensure the combination of fixed and volumetric charge covers operating costs and does not result in unintended adverse consequences for customers. Remain conscious of the relationship between water conservancy campaigns, which may be used post implementation, and the resulting reduction in consumption - leading to a need to review volumetric charges. Take learnings from Tauranga City Council in this space.
024	Health & Safety	Quality	For public health reasons, qualifications are required to work on the water network (whether it is installing a meter or fixing a service line). The risk is that qualified resource becomes scarce within New Zealand, as a result of the number of councils/CCOs implementing water meters prior to 2030 and that this may mean that unqualified resource is used to install meters. The compounding risk is that the use of unqualified resource results in a public health incident (e.g. contamination of supply and water borne disease).	Possible	Severe	Suppliers required to evidence qualifications of implementation teams. Consider supervision of untrained resource (and training and qualification) as part of the programme, if this not too onerous.
025	Economic/ Financial/ Market	Quality, Affordability	**The billing system is yet to be decided**. There is a risk associated with lead time to select and install a billing system, then test billing. The programme of work has 4 year duration, therefore billing can be phased.	Likely	Moderate	Progress decision making around billing system as early as possible, to allow extended lead time for selection, installation and testing of the software, plus the trial billing process.
026	Achieving outcomes	Affordability	As with all large scale infrastructure projects, which manage multiple suppliers to an outcome, **there is a risk of cost over-run**. The impact of any cost over-run would be amplified with respect to the larger ticket cost items such as hardware (meters), storage and freight of hardware and then implementation labour. This in turn, may negatively impact the NPV of the programme, resulting in a lack of return on investment.	Possible	Severe	Apply confidence contingency to estimates. Checkpoints for NPV during the course of the programme.
027	Achieving outcomes	Affordability	There **may be significant public opposition** to the implementation of water meters, as has been the case in other areas of New Zealand. This could negatively impact the cost, duration and benefits of the programme.	Possible	Severe	Develop a strong comms and engagement strategy, to start prior to physical works occurring and to continue throughout the course of the programme.
028	Achieving outcomes	Affordability	There is a **risk that customers to not engage with the technology**, nor the trial billing period; resulting in a **diminished ability to realise benefits** around fixing customer side leaks.	Possible	Severe	It may be possible to mitigate by extending the trial billing period and/or being more proactive around directing project resource to fixing customer side leaks (i.e. developing reporting for high trial bills and not waiting for customers to report them)
029	Legal/ Regulatory	Quality	There is a risk that it might be perceived that the RFP was not fair due to the separation of hardware procurement and installation services; although this was done intentionally.	Possible	Moderate	Prevent this perception by clearly treating the installation engagement as separate operational matter and ensuring suppliers have no involvement or influence on the selection of data logger supplier. Mitigate impact by documenting the rationale for the approach.

2 The Economic Case

Optimising value for money

The purpose of the economic case is to identify the investment option that optimises value for money. Having determined the strategic context for the investment proposal and established a robust case for change, this part of the economic case:

- identifies critical success factors
- identifies and assesses the programme options (or trade-offs) for delivering the service needs, and identifies a preferred way forward based on the preferred programme

The service investment options are structured around proposed ownership models for the water metering and management network going forward. Ownership models explored through the RFI and RFP were: status quo, own and operate, operate only and full outsource/as a service (aaS).

2.1 CRITICAL SUCCESS FACTORS

Critical success factors are attributes deemed essential to successful delivery of the investment outcomes, against which identified long-list options can be assessed. The following critical success factors are standard for the Better Business Case process.

Critical Success factor	Broad description	Investment case-specific success factors
Strategic Strategic fit and strategic objectives	How well the option meets the agreed investment objectives, related business needs and service requirements, and integrates with other strategies, programmes and projects.	Alignment to Central Government and IAWAI strategic objectives has been covered in Section 1.2 and will not be replicated here.
Economic Value for money	How well the option optimises value for money (i.e. the optimal mix of potential benefits, costs and risks).	The solution will be determined through a robust and objective evaluation, as part of a standard two-stage procurement process and adhering to Government Rules of Sourcing (GROS). The preferred solution will provide the best benefits, costs and value for money as determined by the evaluation panel.
Commercial Supplier capability and capacity	How well the option matches the ability of potential suppliers to deliver the required services and is likely to result in a sustainable arrangement that optimises value for money.	Supplier capability and capacity will be assessed as part of robust and objective panel evaluation.
Financial Potential affordability	How well the option can be met from likely available funding and matches other funding constraints.	The affordability of the investment will be assessed by the IAWAI Executive Team and Board.
Management Potential achievability	How well the option is likely to be delivered given both the consumers and organisations ability to respond to the changes required and matches the level of skill required for successful delivery.	• Appropriate resourcing and skills for large scale change programmes, service design and technology enabled change • Strong leadership and risk management • Strong customer engagement • Appropriate and ongoing governance and oversight

2.2 LONG LIST OPTIONS & INITIAL OPTIONS ASSESSMENT

The long list of ownership options for the new water metering and management network are represented below, by ownership model and proposed business architecture construct. In other words, the programme is to deliver an end to end water network, of which meters are a component. The network is constructed of new business processes (or teams), software and infrastructure.

Light green shaded cells indicate the business processes (or teams) which would be managed and largely resourced by IAWAI, however some of the 'doing' aspects could still be outsourced to suppliers (e.g. meter purchasing and logistics, meter installation and maintenance and meter reading/data collection, could be outsourced in the own and operate model).

Grey shaded cells indicate the business processes which would be resourced by alternative suppliers and managed by IAWAI to ensure the desired outcomes are achieved. The operating model continuum offers a sliding scale from effort driven to outcome driven (i.e. leveraging internal resource vs. managing suppliers to an outcome).

The do nothing scenario has been excluded from this view.

The Request for Information (RFI) and subsequent Request for Proposals (RFP) sought pricing for each of these ownership options in totality, or, components within these options (i.e. suppliers could elect to respond, in regards to hardware supply, hardware installation and software, or any of these components or sub-components (such as installing meters only).

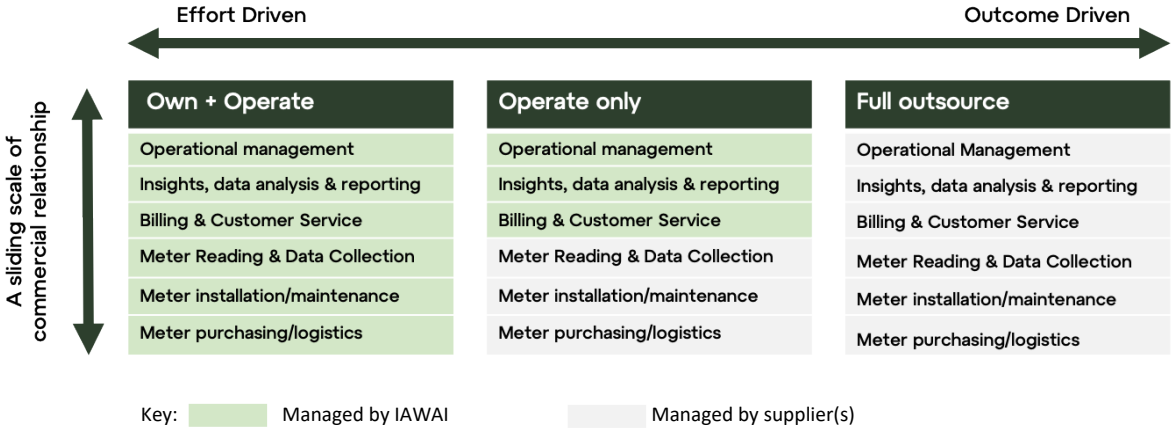


Figure 2 – Ownership models with business architecture layers overlaid

Each of the ownership models is presented in greater detail below, along with the changes that would be required to establish the new service and its' business processes.

Status Quo/Do nothing

Description: Maintain current position. For Hamilton City this translates to, or near to; no residential water meters. Continued renewal of tranches of commercial and industrial meters on an annual basis and as funds permit through the renewal process. These meters are mechanical and are manually read every 3 to 6 months, dependent on usage. Volumetric charging continues for commercial and industrial customers only.

For Hamilton City, the current model of capital value charges for residential water would require review, as this is will no longer be supported under legislation beyond 2030. The volumetric charging model for commercial would continue.

For Waikato District, status quo would mean continued renewal of the in-place residential and commercial meters and a semi-annual manual meter reading and billing process for customers. Water Care is accountable for renewals until the end of FY27/28, in addition to holding the contract for manual meter reading.

Volumetric billing of customers from the financial system of record continues to be carried out by Waikato District and is based off the meter reading data provided by Water Care's sub-contractor.

High level assessment: This is not an option. The risk of doing nothing is that we accept the need for further resource consents to abstract increased volumes of water from the Waikato River, in line with population growth and largely unmanaged demand. Incrementally, this will consume more of our operational expenditure year on year without seeking benefits associated with sustainability. Impact on the environment worsens; acutely so during peak use periods (e.g. summer) when lower river levels result in an increase to water temperature further impacting aquatic life.

Loss of water attributed to customer side leaks is largely unresolved for Hamilton City.

Reduction in water use through a household feedback loop (visibility of data as an education tool) not achieved. Behavioural change cannot be sustained, on the basis that you cannot manage/change what you cannot see.

Difficult to implement fair demand management through pricing. Does not meet Local Water Done Well Legislation to provide financially sustainable water services.

Hamilton City would still need to fund a review of capital charging model for water and carry out community education around this change in billing.

Implementation of commercial meters continues as a business as usual (BAU) exercise. Opex spend not optimised (potential over abstraction and treatment of water to cater to non-revenue water and increase in demand).

For Waikato District, renewal of meters continues to be carried out as contracted activity through Watercare.

Own and Operate

Description: IAWAI governs the water metering programme; which involves scoping, funding, and managing the implementation of commercial and industrial, plus residential metering within Hamilton City, and, renewals for Waikato District Council from FY28/29 onwards.

Suppliers can be used to resource a 'team of teams' approach, for the purchase of meters and the required peripherals (meter boxes, manifolds, telemetry), plus installation services. Consideration given to utilising the in-house infrastructure maintenance team to ensure service connections are 'meter ready' prior to sending in suppliers for meter installation.

Where connections are not meter ready, the necessary work is carried out by the same team, to ensure specialisation of duties, a production line approach and cost efficiency (Kaizen, Toyota) - therefore FTE is to be increased via contract for the duration of the programme.

Meter reading services are contracted if required, else data transfer is achieved through telemetry. IAWAI holds the contract for data delivery and continuity with the network provider. Software to receive data from meters (Headend System (HES), Meter Data Management (MDM), Customer App and Billing) is likely cloud/aaS (with an annual upgrade included in the subscription cost), however contract is to IAWAI.

A new service is designed alongside the implementation, which involves an increase in FTE to ensure operational stability (billing, customer contact centre, operations, management, information technology, asset standards, renewals and maintenance); alternatively, aspects of the service are contracted out.

Volumetric costing model to be harmonised across both Hamilton City and Waikato District, to ensure equity is achieved across the full IAWAI customer base.

High level assessment: Learnings from other Councils and Council Controlled Organisations (CCO) who have been there done that, can be leveraged (e.g. New Plymouth District Council, Tauranga City Council, Auckland City Council, Water Care).

There is potential to form a consortium to leverage collective buying power for water meters and implementation services, alongside other Councils and CCOs.

Management of multiple vendors delivering different parts of the value chain is required, and introduces possible complexity and dependencies, plus risk around cost of bench time for resources if one segment of the value chain is delayed. Efficiencies in logistics may be difficult to achieve.

Lost opportunity to defer bulk up-front capital expenditure.

Local Government agencies would need to consider the risks to their renewals programme in 10-15 years-time, when the same market conditions will occur, plus any options to transfer this risk at a later point in time – noting that the own and operate model does not preclude outsourcing at a later stage.

Depreciation funds renewal when required, therefore burden on ratepayer reduced.

Operate only

Description: IAWAI governs the water metering programme; which involves scoping, funding, and managing the implementation of commercial and residential metering within Hamilton City, and, renewals for Waikato District from FY28/29 onwards.

Suppliers are leveraged via contract to resource a 'team of teams' approach for purchase of meters and the required peripherals (meterboxes, manifolds, telemetry), plus implementation services and project management oversight.

Supplier maintains meters and is funded via depreciation for renewals.

Meter reading services are contracted by supplier if required, else data transfer is achieved through telemetry. Supplier or IAWAI holds contract with network provider (data is delivered to the door).

Software (HES, MDM, Customer App) is likely cloud/aaS (annual upgrade included), however contract is to IAWAI.

A new service is designed alongside the implementation, which involves an increase in FTE to ensure operational stability (billing, customer contact centre, operations, management, information technology and asset standards).

Meter reading as required, plus renewal of meters is contracted out and suppliers managed to KPIs. IAWAI adds value where it has the competitive edge (customer contact and water network expertise) vs. carrying out commodity work.

Volumetric costing model to be harmonised across both Hamilton City and Waikato District, to ensure equity is achieved across the full IAWAI customer base.

High level assessment: Learnings from other Councils and Council Controlled Organisations (CCO) who have been there done that, can be leveraged (e.g. New Plymouth District Council, Tauranga City Council, Auckland City Council, Water Care).

There is potential to form a consortium to leverage collective buying power for water meters and implementation services, alongside other councils and CCOs.

Local Government agencies have the opportunity to transfer the risk associated with meter renewals in 10-15 years-time, when the same market conditions occur.

Full outsource/as a service

Description: IAWAI governs the selected supplier(s) to achieve strategic objectives and customer-oriented outcomes. Effort required from the CCO/programme increases to manage to outcomes, however other operational FTE/effort decreases significantly – full service is outsourced at an annual and ongoing cost over 15 years (the life of the water meters).

The ability for depreciation to fund renewals would need to be considered in the contract construct, as there is no IAWAI owned asset to depreciate.

High level assessment: Contract construct is complex.

Concerns exist re managing affordability for customers and the ongoing quality of service should contract construct not be clearly defined (KPIs, scope).

There is a perceived loss of control over the hardware, network and software selected, but this can be managed somewhat through CCO involvement in the selection of technology.

Data sovereignty and security of customer information likely cannot be fully outsourced (IAWAI will retain a level of accountability).

It may be difficult to bring the service back in house, due to life of assets and potential for this to translate to a 15-year contract term.

This model simplifies vendor management (single contract, outcomes focussed). Upfront investment is reduced substantially, allowing CCO to spread cost of service over the life of the assets (opex), albeit total cost of ownership is higher.

Institutional knowledge and resources may be lost as part of transition, resulting in poorer customer experience when engaging with service earlier on.

2.3 LONG LIST NARROWING POST RFP

Very few suppliers put forward responses for the Full outsource/as a service offering during both the RFI and the RFP. Of those that did, the majority were unwilling to provide an indicative cost for this option, unless entering into commercial negotiations.

The all of life costs for as a Service would allow IAWAI to spread the cost of the investment over a longer period of time and therefore ease the burden of capital up front, however the cost of borrowing for IAWAI as a government entity is lower than suppliers can offer, rendering this option more expensive over the life of the assets.

Options assessed from this point forward are therefore: Status Quo/Do Noting, Defer 5 years (Own + Operate, however ownership model for re-review in 5 years), Proceed Now (Own + Operate)

2.4 LONG LIST SUMMARY OF INVESTMENT OPTIONS

Following the RFP, all options were scored versus the likelihood of achieving the strategic objectives in Sections 1.1 - 1.3 and against the critical success factors outlined in Section 2.1.

The purpose of this is to test alignment to organisational objectives and to addressing published organisational challenges, to facilitate narrowing the options to those that align with the organisations direction and contribute to bettering its' position vs. challenges best; while removing options which will not serve it well (i.e. narrows options from the long to short list) – and to provide this summary view, on a page.

Overall scoring is summarised in the table below, relative to each of the criteria, along with indicative all of life costs for each ownership option. All of life costs are calculated over 15 years (the life of a water meter).

Scoring is assigned, as per the key below.



	Option One - Status Quo/Do Nothing	Option Two – Defer 5 years	Option Three – Proceed Now
Alignment to Strategic Objectives of this Investment			
Sustainability			
Fairness			
Affordability			
Quality			
Alignment to Te Ture Whaimana			
A future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces, for generations to come.			
Addressing challenges outlined in draft Water Services Strategy			
Keeping water charges as low as possible			
Keeping up with growth			
Aging infrastructure			
Protecting the awa and waterbodies			
Removing barriers to development			
Achieving financial sustainability			
Building resilience			
Establishing a new organisation			
Critical Succes Factors			
Strategic - Strategic fit and business needs			
Economic - Potential value for money			
Commercial - Supplier capacity and capability			
Financial - Potential affordability			
Management - Potential achievability			
All of life costs	Cost is assessed as political and the lost opportunity to realise significant benefits associated with deferral of investment into infrastructure to cater to growth with an estimated cost of $780M. The cost of consent renewal, for an increase in take, cannot be estimated.	The cost of deferment/opportunity cost for this investment, cannot be easily monetised as competition in the market for hardware and installation resources will grow in the years leading up to legislation change in 2030, which will likely attract a premium that cannot be quantified if the resources are available at all. If costs increase by approximately 8% per annum, then the benefit of deferral would be fully offset, however a delay would benefit our banking covenants, as this would defer around $3-$5M per annum during our initial set up years. Separately, this option would result in the need for 3 of the 7 investments which have been deferred as a result of the implementation of water meters, to be brought forward. The total cost of these investments is $430M. There is no payback for this option, or at least payback is deferred for 5 years, to be re-assessed.	All of life costs are $155.16M over 15 years. $108.71M capex, $46.45M opex. Payback is achieved within around 8 years vs. when deploying meters, through realisation of benefits outlined in Section 2.10. Benefits are related to deferring investment into infrastructure over the next 10-15 years, that would be needed, without water meters.
Strategic objectives and critical success factors	Does not meet strategic objectives or critical success factors.	Defers alignment to Te Ture Whaimana and contributing towards addressing the challenges outlined in the draft Water Services Strategy. Risks breaching consented take from the awa, if growth continues at the projected rates and without demand management measures in place. Puts IAWAI in competition with other Council Controlled Organisations, whom we are currently ahead of, for installation resources and hardware delivery in the lead up to legislation change.	Substantially meets strategic objectives and critical success factors. Delivers on alignment to Te Ture Whaimana and contributes towards addressing many of the challenges outlined in the draft Water Services Strategy, as outlined in Section 1.1 and 1.2. Puts IAWAI ahead of many other Council Controlled Organisations, with access to resources from the market ready to commit to the programme of work.
Benefits / Disbenefits	**Benefits:** Doing nothing is achievable, albeit costly. **Disbenefits**: Does not allow us to mitigate the risk of breach of maximum daily consented take before consent expires. Lost opportunity to defer $780M in capital investment into infrastructure growth that would otherwise be required should meters not be implemented.	**Benefits:** Arguably, this option may assist in keeping water charges as low as possible in the *short term*, when moving to a fixed charge that is not based on capital value of home. Deferring may assist also with accelerating establishment of a new organisation, allowing IAWAI to focus resources on other priorities, though arguably these would be	**Benefits:** This option achieves payback, as outlined in the all of life costs. Significant soft benefits associated with 20% reduction in peak demand which can be used to cater to growth; plus leak detection and resolution (i.e. a reduction in non-revenue water). This is particularly true in older areas of Hamilton where leaks are likely to be more prevalent. The pilot showcased this with 19% of the 200 properties having leaks with a

	Option One - Status Quo/Do Nothing	Option Two – Defer 5 years	Option Three – Proceed Now
		consumed via acceleration of deferred investments. In addition, this option contributes towards living within our banking covenants. **Disbenefits**: The progress made to date and cadence built cannot be exploited in 5 years-time. The programme will need to be started afresh, attracting additional cost. Deferred opportunity to identify and resolve leaks (addressing non-revenue water), which were shown the be significant across the pilot. It should be noted that 3 of the 7 investments which have been deferred as a result of the implementation of water meters, would need to start within this 5 year deferral period. The total cost of these investments is $430M, therefore the risk of not proceeding may result in these investments needing to proceed in addition to water meters, within the same timeframe.	combined total of 5,000 cubic litres per year. Multiple consequential benefits as outlined in Section 2.8. **Disbenefits:** Disruption to the customer as a result of installing water meters is inevitable, but requires intensive management to ensure this is minimised to the extent that it can be when working on berms and crossings outside private property. Perceptions around privatisation of water are real, as is the potential for reputational harm which will need to be addressed through a strong Communications Strategy.
Score	**Score = 2, Discounted**	**Score = 3, Discounted**	**Score = 30, Shortlisted and preferred**

2.5 SHORTLISTED OPTIONS

The *Status Quo/Do Nothing* option is excluded from further consideration, following this high-level assessment; as it does not allow IAWAI to meet strategic objectives or address challenges outlined in the draft Water Services Strategy, nor does it score well against critical success factors.

The *Defer 5 years* option is also excluded from further consideration, as it does not allow IAWAI to meet strategic objectives or address challenges in the draft Water Services Strategy. This option risks needing to bring forward $780M in capital costs, which have been deferred as a result of installing water meters and appears to be less financially viable for customers and IAWAI.

2.6 OUTLINE OF THE PREFERRED OPTION

Scope

Scope for the preferred option is outlined below. This is not intended to be a restrictive view of scope, rather an outline of deliverables.

Scope	Detail
Hardware supply	Supply of hardware for the programme of work for all endpoints, to include manifolds, meter boxes, couplings, water meters and data loggers. Noting that the risk of continuity of supply will be placed with installers.
Hardware installation	Installation of brownfield installs for Hamilton City (x 59,705) Installation of augmentations for Waikato District (x 1,138 in FY28/29 and FY29/30)
Software, Software implementation	A water network, comprised of: • Meter Data Management Solution to manage all endpoints, providing visibility of water usage across households, pressure zones and reporting on health of network and endpoints. • Customer App, to provide visibility of near real time usage of household data to Customers • Network (telemetry), providing transportation of meter data from endpoints to the Meter Data Management solution and onwards to the Customer App. A hybrid network will be used, to provide resiliency and, because a one size fits all approach will not work across all of IAWAI)
Geographic	IAWAI catchment (Hamilton City and Waikato District)

Key deliverables – Service	Programme Management
	• Delivery of programme to achieve outcomes and benefits as outlined in this Investment Case
	• Staged rollout of meters to minimise impact on customers and to realise benefits at the earliest opportunity
	• Development of project artefacts developed and maintained throughout the programme to enable effective controls and management
	Contractual
	• Composition and management of Goods and/or Service contracts, inclusive of performance KPIs
	Service Design and Build
	• New water network service design, inclusive of resources, components and interfaces
	• Integration to enable interfacing with software systems; avoiding legacy where possible
	  ○ To billing system of record, to enable billing for IAWAI
	  ○ To new Meter Data Management system for lAWAI
	  ○ To the GIS layer for IAWAI
	Master Data

Scope	Detail
	• Updates to systems of record as required, to ensure alignment and to facilitate correct billing – right customer, right bill (IPS, GIS, MDM, Billing) Test • Testing of software as required, inclusive of parallel billing Training • Development of a training plan • Support the development of training artefacts, user guides and other relevant information as part of the project • Training of Super Users

Assessment period, Discount and inflation assumptions, Taxation

The start date for valuation purposes is assumed to be July 2026. The economic life of the proposed assets is assumed to be 15 years; this is the period over which costs and benefits are assessed.

The discount rate is 2.50% per annum, as at the 2026-27 financial year. All costs and benefits are expressed in today's dollar terms.

Estimated costs

A detailed cost breakdown for the preferred option, is provided in Appendix Six. The preferred option is to proceed with the programme now.

The proposed total cost of the project for own and operate is $155.16M over the expected life of the assets; 15 years. This is comprised of capital cost of $108.71M, plus opex of $46.45M. Depreciation, capital charges, interest and other financing costs are excluded from the analysis, until commercial negotiations have concluded.

2.7 BENEFITS

One of the primary objectives of this programme is to drive sustainable behaviours and reduce demand on water, through visibility of usage and increased awareness around scarcity.

In addition, compliance with legislation is as a key driver and although there are alternative mechanisms to achieve this (i.e. a fixed tariff that is not based on capital value, vs. installing water meters), demand management is also required to mitigate growth in current usage patterns and of the city itself. The Local Government (Water Services) Act sets out a five year transition period to move away from charging for waters using capital value rating (Hamilton's current charging model). The introduction of water meters is seen as the catalyst for the move to volumetric - and fairer – charging, meaning customers can pay for what they use.

Based on growth assumptions, if no action is taken prior to 2037, we will breach our maximum allowable daily consented take from the awa and certainly before consent expires in 2044.

Introducing demand management measures, such as water meters will assist in creating headroom for growth, within our current allowable consented take. This is achieved through identification and resolution of leaks, as well as reduction in total water usage through awareness.

To reduce pressure on natural resources attributed to population growth and unconstrained use, and to comply with legislation; a choice must be made to invest in new infrastructure, reduce demand, or both.

A review post the implementation of universal water metering within New Zealand and Overseas (Reed and Hermens, 2013)[7] has shown significant reductions in demand when coupled with tariffs (fixed and volumetric); 25% reduction in average day demand for Tauranga and 30% reduction in peak day demand, a 25% reduction in average day demand for Kapiti, a peak day demand reduction of 37% for Nelson, a 20% reduction in average day demand for Wide Bay Water Corp in Australia, a 22% reduction in average day demand for Southern Water in the UK. A study of the effect of water meters on household demands by Southampton University showed a 16.5% reduction in household demand in the Southern Water area following the installation of water meters.

Water New Zealand's National Performance Review for 2021/22[8] also illustrates a strong correlation between metering and lower average daily residential water use (litres/connection/day). Examples include South Wairarapa (352.2L/c/d), Tauranga (434.7L/c/d), Whangarei (452.7L/c/d), Carterton (455.1L/c/d) and Waipa (495.96L/c/d); in contrast to Hamilton (649.7L/c/d).

The acuity of water usage data and the presentation of this data back to customers to facilitate behavioural change, is the limiting factor to achieving benefits. Digital metering technologies offer great opportunities to reduce demand through insight-driven campaigns, in addition to customer engagement and improved leak identification and resolution.

Later, targeted and time bound use of volumetric tariffs, to gain further improvements in network efficiency can be implemented if necessary.

There are a number of benefits attributed to the implementation of universal water metering, with significant overlap in interests between stakeholder groups. These benefits are depicted by stakeholder grouping in the venn diagram below and are detailed further in Sections 2.8 – 2.11.

[7] https://www.waternz.org.nz/Attachment?Action=Download&Attachment_id=581. Reed J and Hermens K (2013) A review of water metering practice in New Zealand and Overseas. Water New Zealand Conference 2013.

[8] https://www.waternz.org.nz/resourceuseefficiency

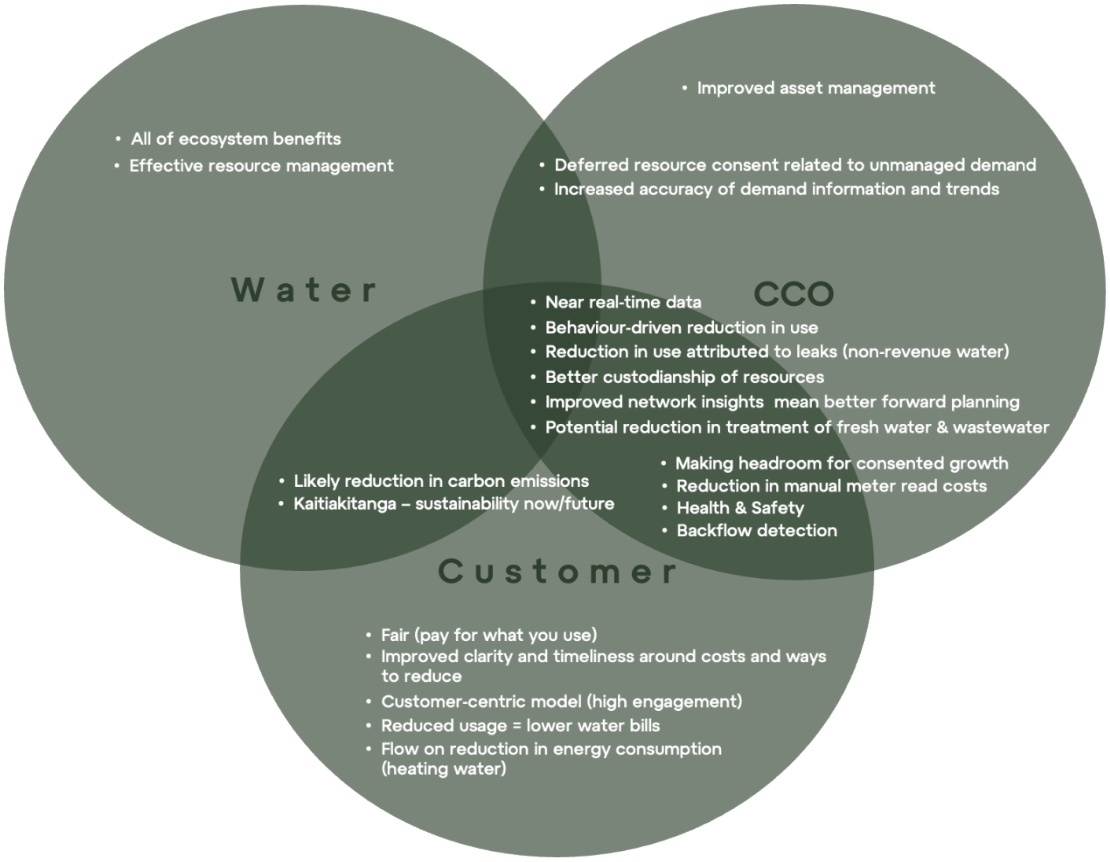


Figure 3 – Venn diagram – Stakeholder groupings and benefits, showing overlap of interests

2.8 ESTIMATING BENEFITS

A high-level overview of benefits is tabled below.

Soft / Non-cash releasing benefits	Non-cash releasing efficiency and effectiveness benefits will be released as a result of this initiative; through: • Kaitiakitanga – alignment to Te Ture Whaimana o Te Awa o Waikato, sustainability now and into future • Reduction in non-revenue water loss, that is attributed to customer-side leak fixes. • Making headroom for consented growth, within our current abstraction (average peak day demand reduction). • All of ecosystem benefits (sustainability, reduction in peak demand during summer months, leaving more water for aquatic life, reduced carbon emissions, reduction in use of chemicals to treat water, reduction in wastewater, delays to increasing abstraction) • Effective resource management • Improved asset management • Increased accuracy of demand information and trends • Near real time data, at an all of network level will improve understanding of demand patterns and will inform town planning activities • Behaviour driven reduction in use, through visibility of near real time data; leading to sustained change in usage patterns • Better custodianship of resources • Improved network insights mean better forward planning • Fair - pay for what you use • Improved clarity and timeliness around costs and ways to reduce • Customer-centric model (high engagement) • Reduced usage = reduced water bills • Likely reduction in carbon emissions • Health & Safety • Backflow detection • Flow on customer energy consumption reduction (and likely cost of power bill reduction) • Value-add services (e.g. reduction in insurance costs, support for social care • Leveraging economies of scale through partnership (HCC, WDC, potential for other organisations) • Compliance with legislation, to move away from capital value based charging for water (Local Government (Water Services) Act)

	These benefits are difficult to quantify and so have not been baselined. See section 2.9 for further detail.
Direct economic non-cash releasing benefits	Conservatively, $163.1M* of direct gross economic **non-cash releasing** benefits will be released over the 15 year life of this initiative through deferral of investment into infrastructure. See Section 2.10 for further detail.

The Benefits Register contains more detailed information including measures, plus detailed year on year breakdown of benefits realisation. This is included as Appendix Three.

The benefits profile will be refined throughout the course of the programme, as additional benefits are identified and existing benefits continue to be reviewed.

2.9 SOFT / NON-CASH RELEASING BENEFITS

Some benefits cannot not be reliably quantified in monetary terms and are described below.

Soft / non-cash releasing benefit	Description
Kaitiakitanga – alignment to Te Ture Whaimana o Te Awa o Waikato, sustainability now and into future	Te Ture Whaimana asks us to act in ways that restore, not just maintain Te Awa o Waikato. Introducing water meters is a practical and tangible mechanism through which that responsibility can be lived.
Reduction in non-revenue water loss, that is attributed to customer-side leak fixes.	During the course of the pilot in Hamilton East, 19% of the 200 properties were found to have a customer-side leak. When combined, these leaks added up to over 5,000 cubic litres per year. Hamilton East is an older area of Hamilton, where it is expected that there will be more leaks than newer areas, so this figure cannot be extrapolated to gain an estimate for the citywide rollout. Water savings will be tracked as the programme progresses and are expected to be substantial.
Making headroom for consented growth, within our current abstraction (average peak day demand reduction).	A 20% reduction in average peak day demand has been conservatively assumed, following the introduction of water meters. This reduction in peak day demand, will be used to create headroom in the current consented take, to allow for consented growth. Literature from studies indicates that 25%+ is more likely. Average peak day means the summer months when water use is at its' highest (December, January, February and March).
All of ecosystem benefits (sustainability, reduction in peak demand during summer months. leaving more water for aquatic life, reduced carbon emissions, reduction in use of chemicals to treat water, reduction in waste water, delays to increasing abstraction)	Better river levels in summer as a result of reduced average peak demand translate to lower water temperatures in summer which benefits aquatic life, particularly when rainfall is at its' lowest. The reduction in wastewater provides environmental benefits in the form of a reduction in chemicals to treat and reduced carbon emissions as a result. The reduction in wastewater has not been calculated.
Effective resource management	Reduced non-revenue water loss attributed to leaks, means a greater percentage of water treated is consumed, and, can be used to better accommodate demand and growth. The same is true for reduction in average peak demand.
Improved asset management	Improved quality of information re assets can be leveraged to manage these better (renewals, faults, leaks)
Increased accuracy of demand information and trends	Continuous flow of data provided by smart meters will provide more continuous and contextual information around demand and network performance (when coupled with and endpoint management tool).
Near real time data, at an all of network level will improve understanding of demand patterns and will inform town planning activities	Continuous flow of data provided by smart meters will provide more continuous and contextual information around demand will help inform timing of future planning activities with increased accuracy (when coupled with and endpoint management tool).
Behaviour driven reduction in use, through visibility of near real time data; leading to sustained change in usage patterns	Using contextual, near real time data gained form smart meters, to drive sustainable behaviour change
Kaitiakitanga - sustainability now and into future	Making more efficient use of what we have now and for future generations, through informed use
Improved network insights mean better forward planning	Near real time data provided for better understanding around demand, trends in use and earlier leak detection, feeding into more informed capital planning.
Equitable and fair - pay for what you use	Pay for what you consume, vs capital value of home
Improved clarity and timeliness around costs and ways to reduce	Near real time, vs. rear view data for customers
Customer-centric model (high engagement)	Smart meters allow for higher customer engagement, through the provision of timely data around usage, empowering customers re costs. Billing cadence is increased, allowing for earlier intervention and prevention of retrospective bill shock. Customer-centric model (engagement first, then meters).
Reduced usage = reduced water bills	Direct correlation between use and cost
Likely reduction in carbon emissions	Reduction in use, means less pumping and treatment of water, which means reduced carbon emissions, likely leading to a flow on reduction in wastewater treated (further carbon emission reductions). In addition, reduction in loss of water means less carbon emissions too. Not quantified vs. the price of carbon.
Health & Safety	Meter readers no longer required to read meters manually, bending down near road-side in cases and/or going onto private properties where there can be hazards (dogs, cars) and commercial properties which require individualised health and safety training on an annual basis (e.g. Fonterra)
Backflow detection	Smart meters will allow backflow from a property into a main to be identified and then resolved earlier, reducing risk of contamination of drinking water
Flow on customer energy consumption reduction (and likely cost of power bill reduction)	It seems likely that a reduction in water usage will lead to a flow on reduction in the energy used attributed to the heating of water. This may in turn reduce customer energy bills.
Value-add services	Value added services from smart metering could include a reduction in insurance costs (because smart meters could detect potentially damaging internal leaks) and also support social care (for example alerting carers to no use over a period or continuous usage). These benefits have not been quantified as a result of lack of evidence.
Leveraging economies of scale through partnership (HCC, WDC)	It seems logical that combining the lifecycle replacement of WDC water meters, with the implementation of water meters for HCC will bring benefits attributed to economies of scale - with the potential to obtain bulk discounts on water meters and peripherals, but also make more efficient use of project labour.
Compliance with legislation	Legislation has set out a transition period of five years to move away from charging for waters using capital value rating (Hamilton's current charging model). The introduction of water meters is seen as the catalyst for the move to volumetric - and fairer – charging, meaning customers can pay for what they use.

2.10 DIRECT ECONOMIC NON-CASH RELEASING BENEFITS

The interest charges from capital deferred, provide payback on this project in approximately 8 years. This excludes the associated depreciation and operating costs of the assets deferred.

Deferred investments, their expected start date without meters, operational year and investment cost are tabled below.

Investment	Start Year (if no meters)	Operational Year	Cost ($M)	Size (ML)	Included in WSS
Hamilton South - Reservoir 2	2041	2051	$150M	12	No
Ruakiwi – Reservoir 2	2030	2036	$80M	30	No
Ruakura – Reservoir 3	2041	2051	$50M	13	No
Rotokauri – Reservoir and pipeline	2031	2041	$300M	20	No
Maeroa – Reservoir	2031	2041	$50M	12	No
Additional Treatment Capacity	2034	2044	$100M	40	No
Bulk Main duplication	2036	2046+	$50-$100M	N/A	No
Total			**$780M**		

Sensitivity and assumptions

The following have been considered to ensure pragmatism in cost planning and benefits realisation.

- A general 10 year advancement has been assumed on the above investments. In some cases the advancement will be longer, or the investment may be not be required at all. These advancements are subject to modelling and detailed assessment.
- The calculated gross benefit of $163.1M, equates to interest not paid, from when the investment was due to start without water meters being implemented, and from that point, to the end of the life of the water meter.
- The benefit does not take into account repayments on principal.
- The analysis is indicative for comparative assessment only.
- The additional costs associated with treating and suppling water are excluded.
- Significant upgrades required on the existing pipe network across the city are excluded.
- Benefits related to the cost of the consenting process for increasing the allowable abstraction from the awa have been discarded. It is not deemed an option to apply for these consents out of cycle. The option is to develop and embed sustainable behaviours with the abstraction that we do have.
- No further soft benefits have been claimed for Waikato District Council for reduction in non-revenue water loss, or average peak day demand reduction; on the basis that water meters have been in place since 2016 and no further savings will be made.
- Note that 3 of the 7 investments (totalling $430M) would be scheduled to commence prior to, or near to, the end of the water meter rollout (in years 2030 and 2031); therefore the risk of bringing these costs forward if meters are not installed, is significant.

2.11 DISBENEFITS

Disbenefits which have been identified are tabled below.

Disbenefit	Description
Cost of living challenges - customers	Home owners with higher deprivation index and/or lower socio-economic or vulnerability factors are likely to be disproportionately impacted by paying volumetrically for water. Policy must be carefully constructed to cater to this to ensure that use of water as a basic human need is not constrained to an unsafe level.
Increased costs for higher usage customers who are not already paying volumetrically	Depending on the volumetric costing model proposed, higher use customers may see an increase in costs attributed to use of water. This may in turn mean that some larger commercial customers are lost, impacting the per cubic meter cost for others. There will be resistance where commercial customers who are not currently paying volumetrically, transition to this model, which could result in negative publicity.
Billing challenges	Transitioning to a metered system will complicate billing processes in the short term, particularly if a common billing solution is not used by IAWAI.
Sensitivity of volumetric cost	In some cases, the introduction of a volumetric costing model, coupled with water conservancy campaigns years beyond the implementation of water meters have led to more aggressive reductions in water use than desired. This has in turn led to an increase in the cost of water per cubic meter as many overheads are largely static, which has exacerbated challenges with covering cost of service.
Installation costs may seem high	Installation costs will be publicly available. These may seem high in the eyes of the public, without context or understanding of why we are doing this, resulting in reputational harm.
Shared dwellings and cross-leases	Consultation is required, to define the best option for multi dwelling parcels and apartments, for example. Equitable splitting of bills across customers and is likely to cause discord; there are other options.
Privacy	Digital water meters can collect data on household water usage, raising privacy concerns. Some households may be uncomfortable with this level of monitoring.
Perception	There are many assertions across social media platforms that water meters equate to the privatisation of water. Although this is not the case, communication will need to be clear to manage this viewpoint and the potential for reputational harm to IAWAI, particularly as a new entity.
Disruption for Customers	Where water meters need to be installed in driveway crossings, or areas where traffic will need to be managed; there will be day to day disruption for customers.

2.12 NPV ANALYSIS – COST/BENEFIT IMPACTS

Subtracting the cost of investment into water meters, the **net non-cash releasing** benefits associated with deferred investment, equate to $8.94M over the 15 year life of the water meters.

In real terms, this means that the cost of installing water meters will be fully offset by not proceeding with infrastructure investments tabled in Section 2.10, and, there will be a non-cash releasing benefit of $8.94M.

Benefits around alignment to Te Ture Whaimana and contribution towards addressing challenges in the Water Services Strategy will be realised, in addition to those associated with 20% peak demand reduction and reduction in non-revenue water loss.

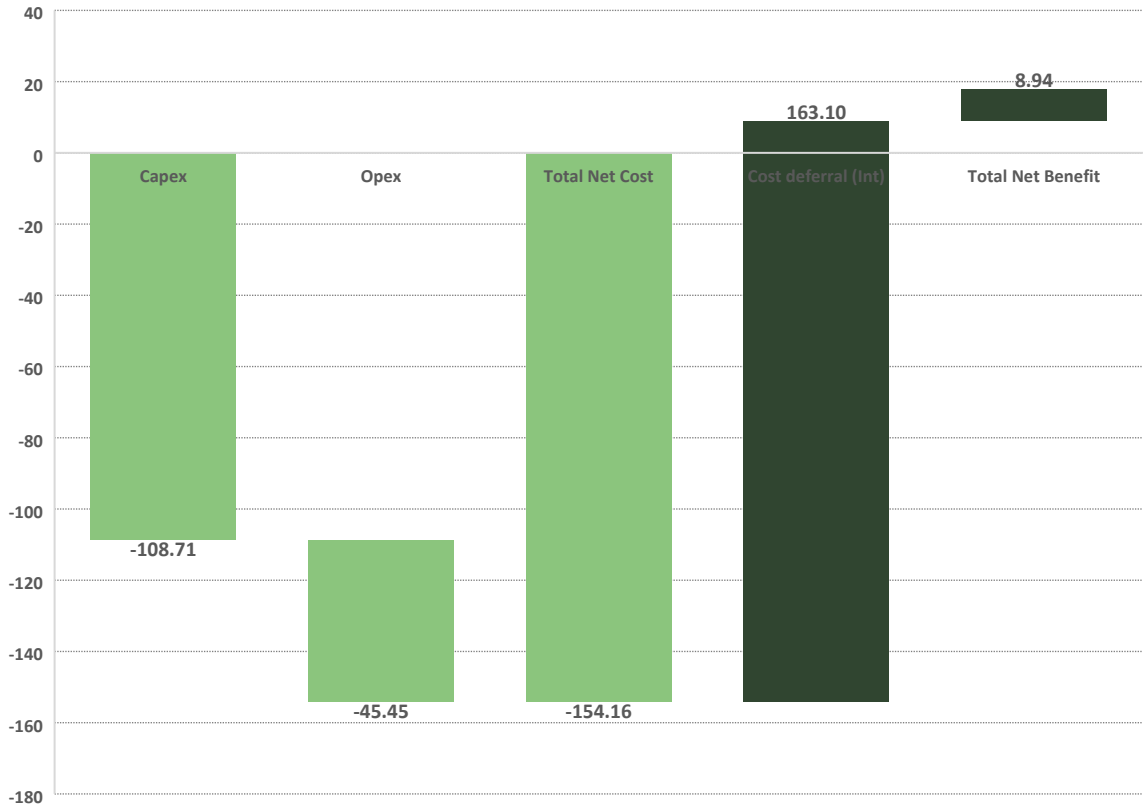


Figure 4 - NPV Analysis of cost/benefit impacts

2.13 RISK ASSESSMENT

The risks to realising benefits are outlined below, along with mitigations. Existing and un-related risks have not been re-presented, but can be found at the full and live risk register, in Appendix One.

Risk	Consequence	Likelihood	Mitigation
There is a possibility, that due to selecting the wrong meters, this could result in high ongoing costs post project completion leading to non-achievement of benefits and reputational damage to IAWAI.	Major	Unlikely	Consultation and engagement with other councils who have implemented water meters, taking learnings from them. Additionally mitigated through pilots, then selection of meters. Liaise with Operations (Asset Management) to ensure the solution takes into account their needs and that they are engaged and on board with the solution which may be handed to them for ongoing management.
Learnings from other councils suggest a 25-30% reduction in peak demand following the implementation of water meters. This reduction in demand needs	Major	Possible	Do not set volumetric tariffs to early and certainly not prior to reduction in peak demand being understood.

Risk	Consequence	Likelihood	Mitigation
to be factored into any volumetric cost model. The risk is that estimated reduction of peak demand is inaccurate and revenue does not cover operating costs, or conversely, that a profit is made.			Trial and parallel billing period post implementation of water meters, to ensure reduction in peak demand is better understood and can be factored more accurately into the volumetric cost model. Ensure learnings from others are well understood too.
As with all large scale infrastructure projects, which manage multiple suppliers to an outcome, there is a risk of cost over-run. The impact of any cost over-run would be amplified with respect to the larger ticket cost items such as hardware (meters), storage and freight of hardware and then implementation labour. This in turn, may negatively impact the NPV of the programme, resulting in a lack of return on investment.	Severe	Possible	Request that suppliers cost the hardware with delivery duty paid, to ensure certainty of costs. Place the risk of bench time with installers. Installers will be accountable for keeping themselves in supply of hardware for the duration of the rollout, at the cost negotiated through the Goods Contract(s). Where continuous supply does not occur, bench time cannot be charged. Checkpoints for NPV during the course of the implementation to ensure this remains positive.
There may be significant public opposition to the implementation of water meters, as has been the case in other areas of New Zealand. This could negatively impact the cost, duration and benefits of the programme.	Severe	Possible	Develop a strong comms and engagement strategy, to start prior to physical works occurring and to continue throughout the course of the programme.
There is a risk that customers do not engage with the technology, nor the trial billing period; resulting in a diminished ability to realise benefits around fixing customer side leaks.	Severe	Possible	It may be possible to mitigate low engagement by funding green plumber labour, for customers to leverage, where a leak is identified. This is a proactive approach, would be managed by IAWAI and doesn't wait for Customers to report leaks.
There is a risk that growth proceeds faster than expected and at a faster rate than the rollout of water meters, meaning that investments tabled in Section 2.10 are brought forward.	Severe	Unlikely	Growth is to fund growth. This means developers will be required to install water meters to the same standard and specification as the programme. In addition, older areas will be targeted first for the installation of water meters. Older areas are more likely to have leaks, which upon fixing will create capacity.

3 Commercial Case

The Procurement route for the preferred option

3.1 PROCUREMENT PLAN

Timelines for the procurement are contained in the Procurement Plan, which can be found in Appendix Five. The proposed approach to market complies with Government Principles of Procurement, the Government Procurement Rules (including consideration of Broader Procurement Outcomes[9]) and Hamilton City Council and Waikato District Council procurement policies.

A three-stage procurement process has been structured. The rationale behind staging the procurement process is tabled below.

Stage	Procurement	Purpose
Stage 1	Request for Information	• Engage early with the market • Understand capability and capacity of suppliers • Understand advances in technology • Seek high level cost estimates for the various ownership models outlined in the Economic Case
Stage 2	Request for Proposals *2a - Small pilot*	• Carry out due diligence of offerings, via a small pilot of water meters, telemetry, software and implementation services within both Hamilton City (Hamilton East, Hillcrest Pressure Zone) and Waikato District (Te Aakau, full catchment) • Gain further information around implementation complexities associated with older service connections (Hamilton East) • Stress test the likely limits of the IT network, with regards to telemetry transmission (Te Aakau) • Refine high level estimates from RFI • To break solution down into the component parts of an end-to-end water metering network, to preserve IAWAI right of choice, for both products and suppliers. Components are hardware supply, hardware installation services, software and software implementation services • Create competitive tension across suppliers
	2b - Full pressure zone pilot	• Carry out further due diligence with a larger pilot • Fine tune implementation services and run rates • Refine implementation estimates further • Increase confidence in technology selected and/or rule out options • Preserve the right of choice around solution components • Maintain competitive tension across suppliers
Stage 3	*Citywide rollout*	• Reserving the right to tender for Stage 3, within the respondents to Phase 2a or 2b, or, to proceed to Stage 3 as a new procurement process. • Award contract for full implementation with greater confidence around costs, timelines and technology, plus supplier capability and capacity to deliver • Confidence that the technology selected represents the best fit and value for money, for both customers and IAWAI

Stage 1 – Request for Information (RFI)

The key outcomes of Stage 1 were to engage the market early during legislative reform, to inform IAWAI on water metering products, market capability and capacity, network options, indicative costs, service delivery and ongoing ownership models (e.g. buy and build, operate only, full 'as a Service') and potential implementation approaches.

[9] https://www.procurement.govt.nz/procurement/principles-charter-and-rules/government-procurement-rules/planning-your-procurement/broader-outcomes/

The market approach was open, did not prescribe a solution and called for responses from suppliers who could offer *components* of an end-to-end water metering and management service, and/or from suppliers who could offer a *full end to end* water metering and management service.

This split format was intentional, to inform IAWAI whether a supplier 'team of teams' approach was indicated (i.e. multiple suppliers, domain specialists), or whether several large suppliers existed within the market that could deliver end to end.

The RFI was an information gathering phase. Information gathered was used to inform the indicative, first stage investment case. No contracts were awarded, therefore responses to the RFI were not assessed.

Stage 1 of procurement is complete. Early findings indicated that there were very few suppliers who offered the full as a Service ownership model; those who could, did not provide indicative pricing. There was evidence of consortiums forming, who could offer all solution components (hardware supply, hardware installation, software and software implementation services).

20 responses were received to the RFI, from within New Zealand and abroad.

Stage 2, Phase 2a – RFP (Small Pilot)

The key outcomes of Stage 2 were to gain real-world understanding (in our environment) of the capabilities of several different types of hardware options, telemetry methods and installation services available; by procuring, installing and testing these on a small scale.

The purpose was to inform future decisions and risk around a city wide metering rollout; to test hardware installation approach and help identify complexity and risk, and refine cost, with learnings to be taken and applied to future rollout stages.

The pilot community opted on via a volunteer basis, for Hamilton City, where views on water meters have been somewhat negative in the past.

The market approach for the small pilot broke the end to end solution down into component parts of hardware supply, hardware installation services and software and software implementation services (Figure 5). Disassembling the service preserved IAWAI right of choice, for both products and suppliers and created competitive tension. In addition, responses were sought from suppliers who could offer a single component; through to consortiums, or suppliers who could offer a full as a Service Solution.

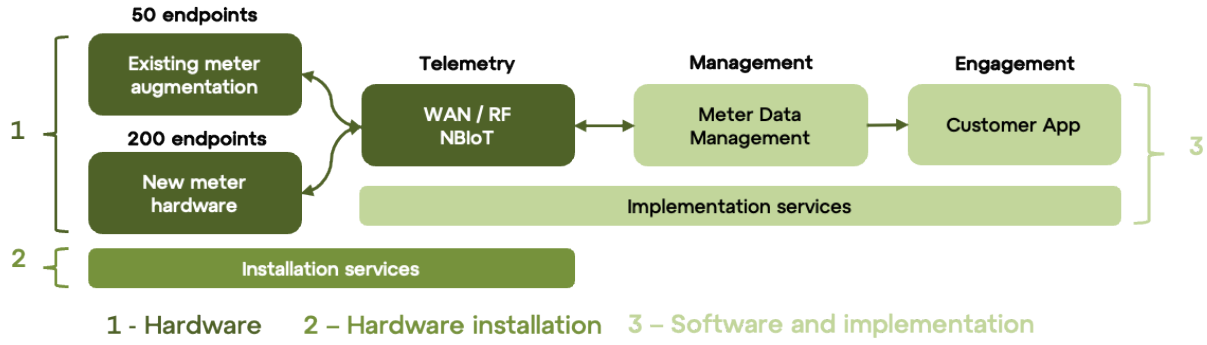


Figure 5 – Stage 2a RFP components by product

Stage 2 was split into two Phases, 2a and 2b and run as a single GETS publication and procurement process.

At least 3 suppliers were shortlisted for each component of the solution. In most cases, 2 suppliers were co-awarded for each component of the Small Pilot and 1 supplier was held in reserve for Phase 2b and Stage 3. Six contracts were awarded in total, for hardware (3 suppliers), hardware installation (2 suppliers) and software and implementation services (1 supplier).

23 responses were received to the RFP, from within New Zealand and abroad. 3 responses were discounted prior to, or during evaluation; therefore 20 responses were evaluated.

A summary of the 20 evaluated responses is tabled below:

a. 11 respondents tendered for 1 component

b. 5 respondents tendered for 2 components
c. 5 respondents tendered for all 3 components

	Component		
Supplier	Hardware supply	Hardware Installation	Software & Software implementation
Supplier A	Y		
Supplier B		Y	
Supplier C	Y		Y
Supplier D			Y
Supplier E	Y	Y	Y
Supplier F	Y	Y	Y
Supplier G		Y	
Supplier H		Y	
Supplier I	Y		
Supplier J	Y	Y	Y
Supplier K	Y		Y
Supplier L			Y
Supplier M	Y		Y (2 options)
Supplier N		Y	
Supplier O		Y	
Supplier P			Y
Supplier Q	Y	Y	Y
Supplier R	Y	Y	Y
Supplier S	Y		Y
Supplier T			Y
20	11	10	13

Figure 6 – Summary of RFP responses by component and supplier

There were 250 endpoints in scope for hardware supply, hardware installation and software and software implementation services in this Phase. The scope was as follows:

Hamilton City

Hamilton East, as an older area of the city was selected. The reason for selection was to identify complexity related to age and composition of service connections.

- 200 brownfield residential installs
- 2 different types of concentric water meter
- 2 different types of data logger
- 3 different types of telemetry
- Up to 23 augmentations of in-place commercial and industrial water meters
- 2 different hardware installation providers

Waikato District

Te Aakau, as a geographically remote full catchment community was selected. The reason for selection was the geographically unique location, at the edge of range for telemetry.

- 27 augmentations of in-place residential water meters
- 1 type of data logger
- 1 type of telemetry
- 1 hardware installation provider

Hamilton City and Waikato District

- Meter Data Management (MDM) capability, to manage water meters and data loggers
- A Customer App, to allow residential customers to see their water usage in near real time.

Stage 2, Phase 2b – RFP (full pressure zone pilot)

Phase 2b will involve a larger pilot of between 1-3,000 connections and will be undertaken within an older area of Hamilton. This will also involve augmentation of in-place water meters to test parallel billing and understand selected, high volume water users.

Further due diligence of products on a wider scale will be undertaken and increase confidence in technology selection. Installation services will be tested further and fine-tuned. Implementation costs will be further refined.

Contract negotiations are currently underway with shortlisted suppliers, for this Phase.

Note that the RFP, reserved IAWAI the right to right to alter specifications and services, software and hardware, based on learnings from Phase 2a. In addition, it reserved the right to tender phase 2b from the respondents to phase 2a, the list of Respondents from the RFI, or as a new procurement process.

Stage 3 – Citywide rollout

The key outcome of the third and final stage will be to award Contracts for the citywide rollout, with certainty around costs and associated risk. This will include the preferred products and services for a water network:

- Water meters
- Data loggers
- Network (telemetry)
- Meter Data Management Solution
- Customer App
- Installation services

Note that IAWAI has reserved the right to tender for Stage 3 within the respondents to Phase 2a or 2b, or, to proceed to Stage 3 as new procurement process.

Probity management

For Phase 2a of Procurement, probity was undertaken.

In addition, probity was managed throughout the procurement process by:

- ensuring compliance with Hamilton City Council's code of conduct
- ensuring that financial authority for the procurement is approved before proceeding to tender
- ensuring everyone involved in the process signs a confidentiality agreement and declares any actual, potential or perceived conflict of interest
- identifying and effectively managing all conflicts of interest
- ensuring that all bids are opened at the same time and witnessed
- numbering copies of suppliers' tenders and returning them to the panel chair once the tender process ends
- retaining one copy of each supplier's tender and destroying remaining copies once the tender process ends
- treating all suppliers equally and fairly
- providing each supplier with a comprehensive debrief at the end of the tender process.

Evaluation team and process

A cross-functional Technical Evaluation Team (TET) evaluated proposals and subsequently recommended shortlisted suppliers to the IAWAI Board and Chief Executive for approval, following the RFP. Voting members of the TET are tabled below.

Role	Name/Title	Organisation
Chief Digital Officer	Jo-Ann Pass	IAWAI
Customer & Relationships Manager, Water Services	Rebecca Jackson	Hamilton City Council
GM Operations, Waikato	Keith Martin	Waikato District Council, IAWAI
Programme Lead	Lisa Inglis	IAWAI

The TET were supported by non-voting subject matter experts and support functions, some of whom provided subject matter expertise as required.

Role	Name/Title	Organisation
Procurement Specialist Chair of evaluation panel	Sarah Quinn	Hamilton City Council
Procurement Administrative support	Meryla Lowther Alexandra Warlow	Hamilton City Council
Legal Counsel	Tompkins Wake	Tompkins Wake
Communication & Engagement	Nicole Nooyen Elsa Bredenkamp	IAWAI Hamilton City Council
Communication & Engagement	Amanda Weatherley	Waikato District Council
Subject matter expert – IT Solution	Francois Combrink	IAWAI
Subject matter expert – IT Security	Sam Dutta Francois Combrink	Hamilton City Council IAWAI
Subject matter expert – Assets	Tracy Massam	Hamilton City Council
Subject matter expert - Maintenance	John Connor	Hamilton City Council
Probity auditor	The Audit Office	The Audit Office

Each supplier was required to meet all of the following preconditions before bids were considered for evaluation:

No	Pre-condition
1.	Respondents have provided a completed and signed the Response Form and no issues have been identified by Council in relation to the Response Form.
2.	All Actual or Potential Conflicts of Interest have been declared and clearly mitigated
3.	Acceptance of Council Contract Terms and Conditions
4.	Solution is well supported within New Zealand. Support is available within the New Zealand time zone
5.	Software solutions have been implemented and used in a production environment, preferably within New Zealand
6.	Adherence to the Hamilton City Council Supplier Code of Conduct.
7.	Evidence of insurance cover to the value stated in the Contracts

For hardware installation respondents, the following precondition also applied.

No	Pre-condition
8.	Pre-qualification with SHE, Tōtika, IMPAC or equivalent.

Bids that meet all the preconditions ('qualifying bids') were evaluated using the following agreed and documented evaluation criteria and weightings.

Criteria	Definition	Weighting
1. Solution	The methods the participant proposed to use to meet or exceed the requirements, manage the risk, in delivering the outputs being procured. Includes use of innovation and response to our challenges.	30%
2. Capability	The qualifications, experience and abilities and previous track record of the organisation(s) that the Participant proposes to use in areas relevant to the outputs being procured.	15%
3. Capacity	The availability of resources and sub-contractors (equipment, labour, facilities, intellectual property, methodology), that the participant proposes to use to deliver the outputs being procured. The installation or software implementation services, and approach to acceleration while maintaining quality. Responsiveness to Our Challenges.	15%
4. Price	The price, based on fee rates and/or price per unit and/or the total cost over the life of the goods/service.	40%
Total weightings		**100%**
5. Local Impact	A bonus score of up to 5% may be awarded based on responsiveness to local impact. The bonus is applied after the standard evaluation scoring (totaling 100%)	Bonus Up to 5%
6. Consumer engagement	A bonus score of up to 5% may be awarded based on responsiveness to consumer engagement. The bonus is applied after the standard evaluation scoring (totaling 100%)	Bonus Up to 5%

3.2 PROCUREMENT STRATEGY, PROGRAMME DELIVERY RESOURCES

The approach to securing programme delivery resources will be to leverage existing, internal full time equivalent (FTE) as the first-priority.

Where this cannot be achieved, and, the resources have not been procured through the RFP process; the approach will comply with Government Rules of Procurement and will leverage resources through an existing framework panel such as the All of Government panel or CoLab Consultancy Services Panel.

Key Role - Programme Lead

The Programme Lead is a key role, which requires extensive subject matter expertise and experience in managing large and complex programmes of work, across multiple suppliers.

It is anticipated that the Progamme Lead will be procured under Contract via the All of Government panel process.

The resource will be required for a 5 year duration at 0.8 FTE (comprising 3 month lead time, 4 year rollout and a 9 month contingency). We have allowed a budget provision of up to $1.87M (comprising $1.56M plus $0.31M contingency). The maximum provision is based on AoG rates for this type of role and work.

Delivery Lead - Infrastructure, Programme Coordinator, Communications & Engagement Advisor

First priority will be FTE that is either internally or externally sourced; to leverage subject matter expertise which exists within the Water domain, across IAWAI and/or our Customer base. This resource will be required for a 4.5 year duration at 1.0 FTE.

Second priority and only if this resource cannot be sourced internally or externally, an existing Consultancy Services Framework Panel will be leveraged.

4 Financial Case

Affordability of the preferred option

4.1 AFFORDABILITY AND FUNDING REQUIREMENTS

The purpose of the Financial Case is to determine the funding requirements of the preferred option and to demonstrate that the recommended deal is affordable.

The own and operate model is preferred, from a lowest total cost of ownership perspective.

4.2 Funding sources

IAWAI proposes that the funding required is provided from the following sources.

Year 0 – Small Pilot (Project Year, FY25/26)

Hamilton City Council included, in its 2025/26 Annual Plan, budget for a Universal Water Metering pilot and first stage Investment Case. These amendments were about reflecting the enhanced water programme to support the work that was being done with the creation of the new CCO. Therefore, funding for Year 0 is sourced from the Hamilton City Council Annual plan and is tabled below. The 2025/26 budget includes inflation.

Year 0 funding was utilised to scope the programme of work, run the first 2 stages of procurement (RFI, RFP), implement a small pilot and to create the first and second stage Investment Cases. Funding for year 0 is tabled below.

$	2025/26
Capex	$597,135
Opex	$516,000
Total	$1,113,135

The cost of the discovery, procurement processes, small pilot and investment case preparation, for Hamilton City is tabled below. This was funded from the total 2025/26 budget allocation. There are a small number of invoices which are yet to be issued, however the pilot is set to close out within the existing budget allocation.

$	2025/26
Capex	$574,678
Opex	$503,753
Total	$1,078,431

Waikato District Council utilised existing operational budgets allocated to Watercare to fund the Te Aakau pilot.

4.3 IMPACTS ON THE FINANCIAL STATEMENTS

The financial impacts of the project are tabled below. **Commercial negotiations are underway and therefore refreshed costs are highly sensitive. The below published costs are reflective of the earlier Request for information, are draft and subject to change**. However, the programme is forecast to come in, within the all of life costs that have been published in the Water Services Strategy. Depreciation and interest costs will be included in the final costs. Costs are expressed here, excluding inflation. The information that follows represents the enhanced programme of work over 4 years, and associated costs; plus the all of life costs of the investment over 15 years (the life of a water meter).

Cost Benefit Analysis	Iawai - Water Metering & Management Service																
Option 1:	Own + Operate (with outsourced implementation services)																
Tuesday, 9 June 2026																	
Key Assumptions:																	
Public Sector Discount Rate 2011	5.50%																
Appraisal period (years)	15	years															
Summary of the Results of the Analysis:																	
Capital Costs	-$108,718,744																
Whole of Life Costs	-$155,165,177																
Present Value of Benefits	$314,822,409																
Present Value of Costs	-$124,655,872																
Benefit Cost Ratio	-2.53																
Net Present Value	$439,478,281																
		6 months (start July)	*12 months*	*12 months*	*6 months - (finish installs June)*												
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Economic benefits - NON CASH RELEASING	**FY25/26**	**FY26/27**	**FY27/28**	**FY28/29**	**FY29/30**	**FY30/31**	**FY31/32**	**FY32/33**	**FY33/34**	**FY34/35**	**FY35/36**	**FY36/37**	**FY37/38**	**FY38/39**	**FY39/40**	**FY40/41**	
Year	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	
Discount factor (mid-year)	0.97358	0.92283	0.87472	0.82912	0.78589	0.74492	0.70609	0.66928	0.63439	0.60131	0.56997	0.54025	0.51209	0.48539	0.46009	0.43610	
Discount factor (start of year)	1.00000	0.94787	0.89845	0.85161	0.80722	0.76513	0.72525	0.68744	0.65160	0.61763	0.58543	0.55491	0.52598	0.49856	0.47257	0.44793	
Investment deferral	$-	$ 42,900,000	$ 42,900,000	$ 42,900,000	$ 42,900,000	$ 42,900,000	$ 42,900,000	$ 42,900,000	$ 42,900,000	$ 42,900,000	$ 42,900,000	$ -	$ -	$ -	$ -	$ -	
Total Non-cash releasing economic benefits (mid-year)	**$ -**	**$ 42,900,000**	**$ 42,900,000**	**$ 42,900,000**	**$ 42,900,000**	**$ 42,900,000**	**$ 42,900,000**	**$ 42,900,000**	**$ 42,900,000**	**$ 42,900,000**	**$ 42,900,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
Present Value of Benefits (mid-yr)	$0	$39,589,371	$37,525,470	$35,569,166	$33,714,849	$31,957,203	$30,291,188	$28,712,026	$27,215,191	$25,796,389	$24,451,554	$0	$0	$0	$0	$0	
Present Value of Benefits	$314,822,409																
Project Cost - OPEX																	
One-off OPEX																	
Programme initiation and pilot																	
Professional Services - Business Case	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Professional Serivces - Programme Management (pilot and field survey)	$ 194,272	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Professional Services - IT Project Manager	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Professional Serivces - Service Design	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Professional Serivces - Field Survey	$ 239,958	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Professional Goods - Comms & Engagement collateral and tactics	$ 5,000	$ 100,000	$ 50,000	$ 50,000	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Professional Services - Legal	$ 8,000																
Incentivisaton allowance (family passes to council facilities)	$ 10,000																
Information Technology																	
Software (Meter Data Management) - one off set up fee	$ 15,000	$ 12,644	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Software (Customer App) - one off set up fee	$ 15,000	$ 41,800	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Software (Customer App) - integration with MDM, one off set up fee	$ 15,000	$ 16,390	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Software (Billing) - one off set up fee	$ -	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Network (e.g. 200 x RF connectivity at manual read price, plus 20 x celluar monthly cost) - 10 added to celluar as contingency	$ 3,770	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Consequential OPEX																	
Information Technology																	
Software (Meter Data Management) - ongoing opex	$ -	$ 61,448	$ 208,922	$ 356,397	$ 356,447	$ 356,447	$ 356,447	$ 356,447	$ 356,447	$ 356,447	$ 356,447	$ 356,447	$ 356,447	$ 356,447	$ 356,447	$ 356,447	
Software (Customer App) - ongoing opex	$ -	$ 46,187	$ 157,036	$ 267,885	$ 267,923	$ 267,923	$ 267,923	$ 267,923	$ 267,923	$ 267,923	$ 267,923	$ 267,923	$ 267,923	$ 267,923	$ 267,923	$ 267,923	
Network (e.g. LoRaWAN connectivity)	$ -	$ 81,705	$ 666,715	$ 1,137,337	$ 1,137,497	$ 1,137,497	$ 1,137,497	$ 1,137,497	$ 1,137,497	$ 1,137,497	$ 1,137,497	$ 1,137,497	$ 1,137,497	$ 1,137,497	$ 1,137,497	$ 1,137,497	
Software (Billing)	$ -	$ 50,000	$ 25,000	$ 25,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	
IAWAI Service																	
Professional Services - Water conservation Officer (2 FTE)	$ 10,000	$ 50,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	
Professional Services - Master data cleanse and maintain (2 FTE)	$ -	$ 50,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	
Professional Services - Green plumber (1 FTE)	$ -	$ 50,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	
Professional Services - Billing	$ -	$ -	$ -	$ 210,000	$ 420,000	$ 420,000	$ 420,000	$ 420,000	$ 420,000	$ 420,000	$ 420,000	$ 420,000	$ 420,000	$ 420,000	$ 420,000	$ 420,000	
Professional Services - Customer Call Centre	$ -	$ -	$ -	$ 80,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	
Professional Services - Meter Maintenance	$ -	$ -	$ 80,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	
Professional Services - Manual meter reads (back up service)	$ -	$ -	$ -	$ -	$ 13,913	$ 13,913	$ 13,913	$ 13,913	$ 13,913	$ 13,913	$ 13,913	$ 13,913	$ 13,913	$ 13,913	$ 13,913	$ 13,913	
Professional Services - Policy Advisor	$ -	$ 40,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Incentives for sustainable water use	$ -	$ -	$ -	$ -	$ -	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	
Meter replacement - outside of warranty and before end of life	$ -	$ -	$ -	$ -	$ -	$ 117,510	$ 117,510	$ 117,510	$ 117,510	$ 117,510	$ 117,510	$ 117,510	$ 117,510	$ 117,510	$ 117,510	$ 117,510	
Leak - detection uplift	$ -	$ 27,500	$ 55,000	$ 55,000	$ 55,000	$ 27,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Leak - resolution uplift	$ -	$ 90,000	$ 180,000	$ 180,000	$ 180,000	$ 90,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Cost of Capital																	
Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Opex Costs (mid-year)	**$ 516,000**	**$ 767,674**	**$ 1,730,406**	**$ 2,719,457**	**$ 3,400,780**	**$ 3,995,219**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	

Project Cost - CAPEX																	
Infrastructure - pilot																	
Hardware - residential (200 units: meter, meter box, manifold)	$ 99,600	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hardware - commercial/industrial (20 units: RTU/data logger)	$ 4,000																
Hardware (280 units meter box and manifolds) - head start	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Network (e.g. RF asset (1 x repeater)	$ 10,000																
Professional Services - pilot																	
Professional services - residential + commercial pilot infrastructure imple	$ 290,908	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional services - pilot RF install	$ 10,000																
Professional Services - Green plumber	$ 10,000																
Professional serices - meter box and manifold implementation - head start	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Infrastructure - implementation																	
Hardware (59,831 units: meter, meter box, manifold - low end quote on me	$ -	$ 3,810,337	$ 7,620,674	$ 7,620,674	$ 3,810,337	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hardware (data logger/RTU) - worst case 18,509 units at worst case cost of	$ -	$ 925,450	$ 1,850,900	$ 1,850,900	$ 925,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional Services - implementation																	
Professional Services - Infrastructure implementation	$ -	$ 9,678,045	$ 19,356,091	$ 19,356,091	$ 9,678,045	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional Serivces - Programme Management	$ 75,000	$ 150,000	$ 150,000	$ 150,000	$ 75,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional Services - Independent Quality Assurance	$ -	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional Services - Penetration Testing	$ -	$ 15,000	$ -	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contingency (25% of infrastructure and infrastructure professional service	$ 97,627	$ 3,603,458	$ 7,206,916	$ 7,206,916	$ 3,603,458	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital Costs (at start of year)	**$ 597,135**	**$ 18,197,291**	**$ 32,579,623**	**$ 32,593,123**	**$ 18,107,291**	**$ 7,241,416**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Costs (OPEX + CAPEX)	**$ 1,113,135**	**$ 18,964,964**	**$ 34,310,029**	**$ 35,312,580**	**$ 21,508,070**	**$ 11,236,635**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**	**$ 3,383,290**
Total Capital Costs	$ 108,718,744																
Total Whole of Life Costs	$ 155,165,177																

4.4 ASSUMPTIONS

The following assumptions have been made in determining cost.

Cost change

The all of life cost of the investment has been calculated over 15 years, in line with the life of a water meter. Costs are valid as at the RFP stage and will require a checkpoint following Phase 2a – Full Pressure Zone.

Regional hardware standards

- Digital meters are preferred, to maximise benefits associated with early leak detection and reductions in peak and total demand.
- The cost of purchasing and installing water meters as a result of consented growth is excluded from the programme. Growth is to fund growth. The Regional Infrastructure Technology Standard (RITS) will be updated to reflect the standards which developers are to follow. Adherence to this standard will not be monitored by the programme.
- A single meter per service connection has been assumed as standard. This includes single service connections which are shared by multiple dwellings. Shared connections are to be billed via policy arrangements.
    - Where a service connection is requested to be split by customers, private-side work will be funded by the customer.
    - Where a service connection is requested to be split by customers, CCO-side work will be undertaken by the programme and expensed to BAU.
- The second valve (known as the gate valve), which is outlined in the regional configuration, will not be installed. During the course of the pilot, all service connections within Hamilton City were found to be non-compliant with this configuration (i.e. there was no second valve installed where a manifold was present).
- Service connections which are not RITS compliant (i.e. that are not MDPE) are to be retained as standard, not replaced. The exception to this is galvanised service connections. The cost of replacement of galvanised service connections is to be expensed to BAU. The physical works to replace service connections will be undertaken by the programme of work, as it progresses and will be expensed to BAU.
- 1m x 1m reinstatement as standard, per the RITS. No colour matching for concrete crossings. This is intended to contain costs and variation to cost.
- Where there is an opportunity to install the water meter in the grass berm, and the toby is located in concrete or asphalt, the toby will not be relocated. This is intended to contain costs and variation to costs.

Hardware – Waikato District Council

- Watercare are funded to renew water meters for Waikato District up to the end of FY27/28 (30th June 2028). It is therefore assumed that the programme will not commence funding renewals or augmentations for Waikato District until 1 July 2028. This means:
    - FY26/27 – Watercare to renew 266 water meters. Top up funding required from Waikato District if these are to be augmented with a data logger. This number includes an additional 100 water meters over and above renewals, to cater to break/fix scenarios.
    - FY27/28 – Watercare to renew 735 water meters. Top up funding required from Waikato District if these are to be augmented with a data logger. This number includes an additional 100 water meters over and above renewals.
    - FY28/29 – Programme to renew 672 water meters. This number includes an additional 100 water meters over and above renewals.
    - FY29/30 – Programme to renew 443 water meters. This number includes an additional 100 water meters over and above renewals.
    - FY30/31 – BAU to renew water meters from this point onwards

- There are a large number of sites across Waikato District, where there is insufficient clearance between the top of the water meter and the meter box lid, to augment with a data logger and convert the in-place water meter to a digital meter. Lowering of service connections would be required. The lowering of service connections is the same cost as a brownfields install in the majority of cases. Lowering of service connections will not be undertaken. Instead, the programme will wait for technology advances to be market tested (i.e. a concentric water meter with an integrated communications module, that is cost effective) and will renew water meters with this option, as they are due, from FY28/29 onwards when Watercare will no longer be funded for this activity. The cost to purchase an integrated concentric water meter has therefore been estimated as $300 per unit.
- Based on information from Watercare, it is assumed that water meters within the areas of Pokeno, Tuakau, Onewhero and Port Waikato are inline; with the remainder of the meter fleet being concentric installations. The follow on assumption is that inline meters will not be converted to a concentric configuration per the RITS. This is intended to minimise the cost passed on to customers and IAWAI; given that conversion would attract a brownfields install cost. Any meters which require renewal in these areas will be replaced with inline meters by Watercare and will also be replaced with inline meters by the Programme.

Decision requests – Waikato District Council

- Where a water meter is being renewed over the next 2 financial years, a decision is to be made to augment with a data logger. This decision would require Waikato District Council to top up renewal funding for Watercare for FY25/26 (i.e. meters that have been replaced and are less than one year old), FY26/27 and FY27/28.
- Where mechanical meters have not yet reached end of life before the end of the programme, a decision is to be made not to augment with a data logger. This is intended to align the asset lifecycles, smooth costs for customers and IAWAI, and to minimise write-offs.

Hamilton City Council

- New commercial/industrial water meters will not be purchased or installed as part of the programme. This work will continue to be undertaken through business as usual (BAU).
- Existing commercial and industrial meters will not be renewed as part of the programme. Renewal will continue to be undertaken through BAU.
- The purchase of data loggers and augmentation of in-place commercial and industrial meters with a data logger will be carried out through BAU. The exception to this, will be 50 commercial/industrial high water use sites, which the programme will purchase and fit a data logger to, to test parallel billing and accelerate benefits associated with leak detection.
- Information on whether a manifold has been installed for residential connections is inaccurate. This is important, as the standard configuration for IAWAI is a manifold plus concentric meter, per the RITS. Programme costs therefore factor in the purchase of a manifold for all residential connections. This will mean that the number of manifolds required has been over-estimated. Field surveys would help to inform the number of manifolds that are needed, but, it is not cost effective to survey all residential connections across Hamilton City before commencing works. The more prudent approach is to order manifolds in blocks, as the programme progresses.
- All installs have been factored in at the mid-rate. The mid-rate is for an asphalt install and reinstatement. The install rate for grass is cheaper and the install rate for concrete is higher.

See Appendix Four for service connection overview, for Hamilton City Council and Waikato District Council.

Software

- The programme is funding a Meter Data Management solution and Customer App, plus the required integration for telemetry.
- Software solutions are expected to function out of the box, thereby limiting customisation and attracting unplanned cost.

- Software solutions are provided as a Service (SaaS), therefore the cost of annual upgrades is included in the subscription costs.
- The programme is not funding a billing system, but will fund integration into this system.

IT Network

- When it comes to telemetry and network connectivity, a one size fits all approach will not work for both Hamilton City and Waikato District. A hybrid approach is therefore required from a network perspective to manage geography and topography challenges. In real terms, this means a variety of connectivity methods are required. In each case, the most cost effective and reliable network option for IAWAI and its' customers will be leveraged.

Programme resources and approach

- A 4-year rollout is preferred to smooth costs for customers and IAWAI.
- The rollout will be continuous and universal across Hamilton City.
- A 3-month ramp up period is required, to assemble installation teams, complete training, build cadence and for the arrival of hardware (noting that suppliers have indicated 12 week lead times).
- Brownfield installs will be prioritised to facilitate moving away from capital-based charging before 2030.
- Older areas of Hamilton will be prioritised in the rollout order, where leaks are likely to be more prevalent. Identifying leaks earlier will give customers a longer lead time to resolve these should volumetric billing be implemented. The further assumption is that Green Plumber resource will be approved and labour will be directed to assist customers with leaks.
- The programme would fund labour for the Green Plumber, not the materials required to fix identified leaks.
- The inclusion of local entities, who will be offered apprenticeship opportunities or job pathways. This will be driven through installers.
- The programme is not funding resources transferred from Councils to IAWAI, which are required for delivery of the programme. For clarity these resources are estimated as:
    - Communication & Engagement Lead
    - IT Project Manager/Architect
    - IT Security Engineer
    - Data Analysts
    - Water Conservation Officers
    - Billing resources
    - Customer Contact Centre
    - Meter Maintenance
    - Meter Readers

Master Data

- There are discrepancies in service connection master data, between systems of record, for Hamilton City. This is not unusual in an environment where swivel-chair integration exists. A desktop survey has been undertaken to identify obvious master data issues. A field survey to inform of detailed issues, will be cost prohibitive. Survey work will be carried out by installers, during pre-installation inspection walks. Master data will be updated through this process and via the As Builts which are to be digitally documented post installation.

4.5 BENCHMARKING COSTS

When benchmarking costs vs New Plymouth District Council ($22M for 24,000 meters, exclusive of contingency; $917 per meter)[10]. It is noteworthy that this cost does not include software (either a meter data management solution, or customer app) and therefore doesn't allow for the tracking and resolution of leaks, or

[10] Cost is exclusive of contingency. New Plymouth District Council deemed comparable as water meters are new installs and service connections have required remediation prior to fitting meters (as would be the case for Hamilton City Council)

tracking reductions in peak demand. These are assumed to have been delivered later, or existing technology leveraged.

At this cost the endpoints required to be installed for IAWAI equates to an estimated purchase and installation cost of $71.8M, exclusive of contingency. Therefore estimates provided by RFP respondents are deemed to be comparable.

Experience from other metering programmes suggest that typical ball-park costs (for budgeting purposes) for installing manually-read 20mm mechanical meters are in the order of $500-700 per unit, depending on scale and extent of existing suitable meter boxes and manifolds[11]; noting that this does not include software, network for data transportation, or day to day operational costs for the water utility. Estimates provided by RFP respondents are deemed comparable in this regard too.

[11] Source: Water NZ, https://www.waternz.org.nz/Story?Action=View&Story_id=2573

5 Management Case

Achievability of the preferred option

The Management Case confirms that the proposal is achievable and details the arrangements needed to ensure successful delivery and to manage project risks, while maintaining a focus on delivery of benefits.

5.1 PROPOSED PROGRAMME GOVERNANCE ARRANGEMENTS

The programme has an established Governance Group which will meet on a monthly basis and comprises key stakeholders. The Governance Group has overall governance of the project, with individual members acting as Change Champions in their respective areas.

The objective of the Project Board is to govern and provide high level direction. For the absence of doubt, the Project Executive is the key decision maker as this role is accountable to the Business and the IAWAI Chief Executive Group for the successful delivery of scope/benefits within the defined budget and schedule.

A monthly Programme Status Report, which will take information from the project report, will be circulated to IAWAI Executive Leadership.

5.2 GOVERNANCE STRUCTURE & REPORTING LINES

The proposed governance structure and oversight for the project are as follows:

Project Governance: for the preferred option to be a success, it is essential that the implementation is business-led. There is clear IAWAI support for the project with an engaged Board. In addition, the Chief of Strategy and Delivery is the Project Sponsor and Executive, plus there is Senior User representation from across disciplines within Hamilton City Council and Waikato District Council. The Project Governance Group will meet monthly, until dissolved by the Project Executive.

Project Team: for the preferred option to be a success, it is again essential that the project team is cross-functional, including experts from communications, waters asset management, GIS and master data analysts, information technology (architecture and security), infrastructure and maintenance, as well as water conservation educators.

Independent Assurance: due to the size and importance of the investment for IAWAI, independent assurance should be undertaken on the Financial Case; and has additionally been factored into the project plan, prior to moving into the full implementation, then again during delivery (before moving into production).

5.3 PROJECT GOVERNANCE ROLES & RESPONSIBILITIES

Project Governance roles and their responsibilities are tabled below.

Role	Responsibility
IAWAI Board	• Provide direction and agree on technology selected • Act as champions of the project • Oversight of all project status reporting
Project Board	• Comprised of Project Sponsor/Executive and the relevant Business Owner (Hamilton and/or Waikato) • Accountable for the success of the project • Agree the critical success factors for the project • Authorise project initiation • Authorise the project to proceed at stage boundaries • Authorise project closure • Oversight of all project status reporting
Project Executive/Sponsor	• Approval of access to project contingency • Provide direction and agree on technology selected • Act as champions of the project • Oversight of all project status reporting • Provide business direction to the project and ensure alignment with the organisation's strategic goals • Sign off the project budget and support its overall objectives within operational areas

Role	Responsibility
	• Overall assurance of project performance and products • Oversight of all project status reporting
Senior Supplier	• Specifying the needs of those who will use the project's products and liaison between users and the project team. • Monitoring that the solution will meet those needs within the constraints of the business case in terms of quality, functionality and ease of use • Commits user resources and monitors products against requirements • Acts as a champion for the project within the business • Resolves user requirements and priority conflicts • Maintain business performance stability during transition from the project to business as usual • Communicating project information as outlined in the stakeholder engagement and communications plan • Assurance of project performance and products aligned to the user role
Project Manager(s) Programme Lead	• Programme Lead: leads day-to-day planning activities, integration across workstreams, and schedule/cost control. • Actively managing the project on a day to day basis to ensure that the project products (outputs) are being delivered on schedule, to budget and to the required quality • Approve and track project costs within project budget • Maintaining a project plan and ensuring any agreed changes / exceptions are incorporated • Identifying and documenting changes impacting the project. • Enabling the appropriate reporting mechanisms and report fully on project status • Identifying and managing all project issues and risks
Benefits Owner	• Accountable for realising the benefits • Identify suitable benefit measures and targets with the Measure Owners • Approve the Benefit Profiles • Monitor the progress of realising the benefit during the entire realisation period • Ensure the business planning activities includes the outcome of the realisation of each benefit • Ensure the benefits are realised
Independent Assurance	• Independently assure the quality of project management, financials and artefacts, to stage gate readiness

Project Team roles for the implementation programme and their responsibilities are tabled below.

Role	Responsibility
GIS Analyst	• Creating and maintaining the GIS layer for drinking water, including overlay of existing and new assets and their location • Provision GIS layer for IAWAI, ensuring all assets are reflected for HCC and WDC • Ensuring appropriate industry standards for GIS layer are adhered to • Suggesting opportunities for improvement to master data records (what data is gathered, where it is stored) • Creating an integration/interface/update process between systems of record and the GIS layer
Master Data Analyst	• Data mining and correction of existing master data, post field surveys and during the course of the programme • Updates to systems of record for the duration of the programme to ensure master data integrity remains in tact
Water Conservation Educator/Officer	• Bolster existing campaign to engage with schools and organisations, to educate on water conservation and efficient use (existing campaign is run through CoLab Water Services – Smart Water) • Engage with households on how to conserve water and what tactics which can be used (e.g. water saving devices for toilets, condensers for clothes dryers, turning taps off when brushing teeth, fixing leaks, replacing tap washers)
Green plumber	• Available on-demand, to customers for the duration of the programme to resolve leaks and customer side issues more rapidly (the materials are at customer expense, labour is funded through the programme).
Cloud Engineer (supplier role)	• Ensuring IAWAI standards are met, with regards to cloud solutions; working in collaboration with IT Security • Providing technical leadership on hosting options and solutions for software • Providing technical leadership on integration options into new software and out of systems of record • Managing technical decisions alongside IT Architecture and Security

Role	Responsibility
IT Architect, IT Security	• Ensuring stakeholders concerns are understood, their needs are met and that they can understand the solution • Specifying the solution framework and design • Supporting delivery and implementation activities • Providing technical leadership • Identifying and mitigating risks, both project and ongoing • Providing a point of translation between the project team / business stakeholders and IT / technology vendors • Managing the technical decisions being made regarding the solution and how they impact the business outcomes • Making sure everyone buys in to the overall technical vision and understands the business vision to which they are contributing. • Ensuring that the solution meets IT security standards

5.4 PROGRAMME STRUCTURE

The proposed programme structure for the full implementation is below. This structure is **draft** – being subject to change, post commercial negotiations and confirmation of supplier and IAWAI accountabilities.

Grey shaded programme delivery roles are to be filled with existing IAWAI, HCC or WDC resource. These roles will not be funded by the programme.

Light green shaded programme delivery roles are new and required to be recruited or contracted for the programme and funded by the programme.

Dark green shaded programme governance roles are to be filled with existing IAWAI, HCC or WDC resource. These roles will not be funded by the programme.

Orange shaded roles are external, independent parties, funded by the programme.

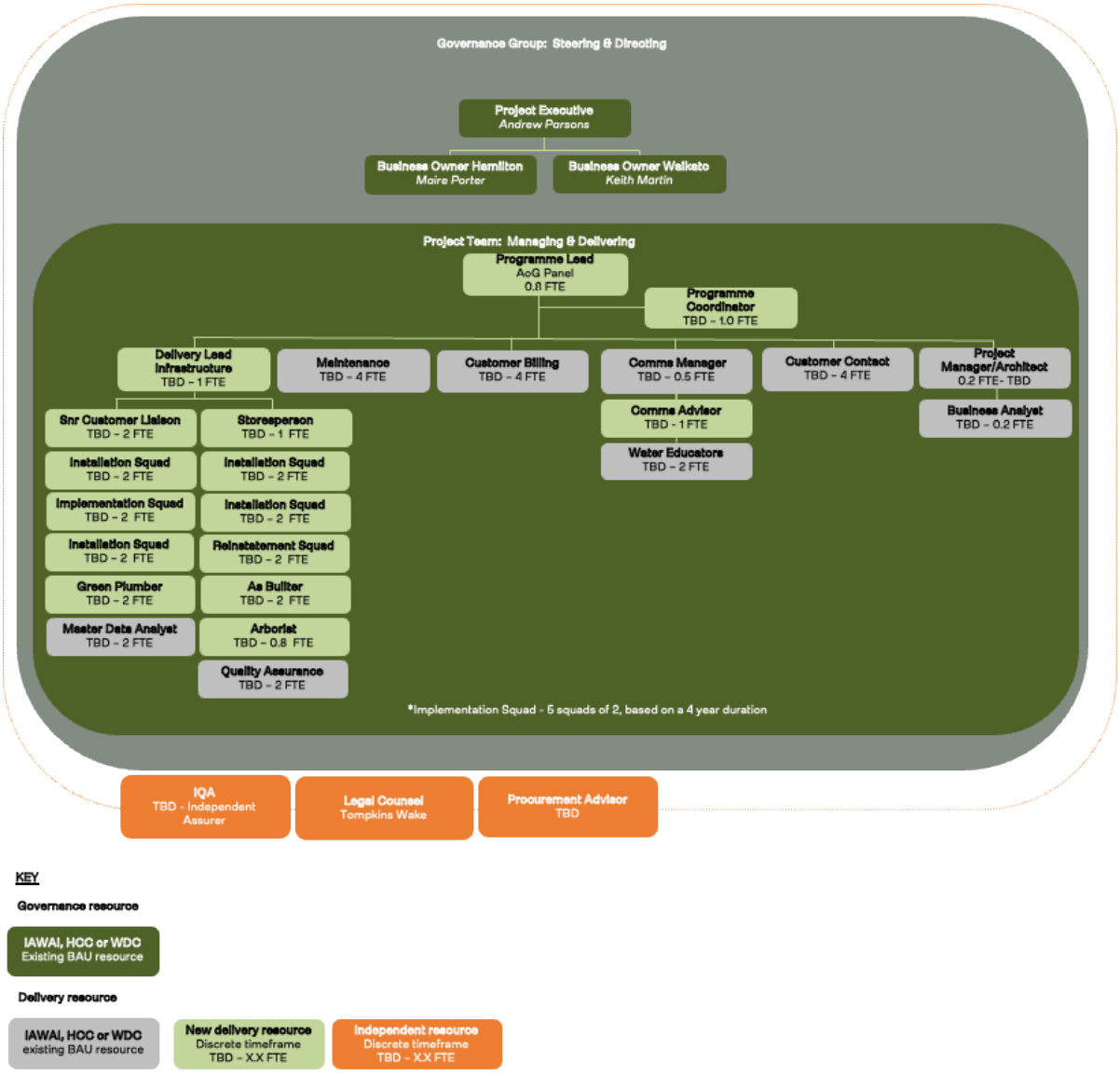


Figure 7 – Summary of RFP responses by component and supplier

5.5 PROGRAMME SCHEDULE & MILESTONES

The programme will be phased, to enable delivery in stages. The implementation stage is estimated to take 4 years, commencing July 2026.

A summary of key milestones is presented below.

Milestones	Planned Date
Procurement Stage 1 – RFI to Business Case	
Publish RFI	15th May 2025
RFI close	11th June 2025
Review and collate RFI outputs	30th June 2025
First draft Iterative Business Case	30th June 2025
Procurement Stage 2a - First Pilot	
Publish RFP	Early September 2025
Assess RFP	October 2025
Award contract for first pilot	Mid November 2025
Commence rollout of infrastructure for pilot (dependent on lead times)	November 2025

Milestones	Planned Date
Present results of pilot to IAWAI	Quarter 2 2026
Second draft Iterative Business Case	Quarter 2 2026
Procurement Stage 2b - Second Pilot	
Funding for implementation programme becomes available	July 2026
Award contract for second pilot	July 2026
Commence rollout of infrastructure for second pilot (dependent on lead times)	October 2026
Procurement Stage 3 – Full implementation	
Checkpoint prior to for full implementation	Quarter 2 2027
Commence rollout of infrastructure for full implementation (dependent on lead times)	Quarter 2 2027
City wide rollout concludes (duration of 4.0 years)	Quarter 2 2030

The realistic scenario is 4.0 years duration, requiring a run rate of 1,270 endpoints per month/62 per day – starting July 2026 and completing in quarter 2, 2030. A 3 month ramp up period, prior to the second pilot commencing has been added to accommodate lead times for hardware and for installers to assemble their teams.

The below run rates have been scaled from the New Plymouth District Council implementation and are indicative. New Plymouth District Council were able to achieve a run rate of 750 meters per month, with 5 contractors. One month has been removed from the overall duration, to allow for learning and gradual ramp up of run rates. All December months have been reduced to 10 working days to allow for the holiday period. The average number of working days per month has been conservatively reduced to 20.

Endpoints	Duration	Run rate/ month	Run rate/ day	Multiplier v NPDC	# Team Members	Squad Structure
59,705	2.5 years	2,059	101	2.7	14	7 squads of 2
59,705	3.0 years	1,706	84	2.3	11	6 squads of 2
59,705	3.5 years	1,456	71	1.9	10	5 squads of 2
59,705	4.0 years	1,270	62	1.7	8	5 squads of 2

Actual run rates and the required number of team members to achieve these, will need to be refined through the second pilot and will be dependent on supplier performance.

The implementation run rate framework has been set up to track required run rates vs actuals. This can be found in Appendix Seven.

5.6 PROGRAMME REGISTERS

Risks, actions, issues and decisions will be logged through the project register. These will be escalated to the Governance Group through the Programme Lead in the first instance.

5.7 RISK MANAGEMENT PLANNING

Risk management will follow best practice process and will encompass the flow depicted below.

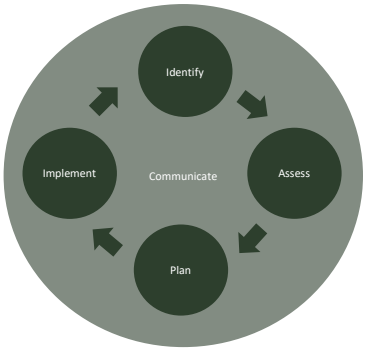


Figure 8 – Risk identification and management cycle

A risk register has been established and will be maintained. This is contained in Appendix One. There will be regular communication of risks and response plans. The risk register will be continuously updated and reviewed throughout the course of the programme. Risks will be reviewed weekly with the project teams, and monthly at the Project Governance Group.

5.8 BENEGITS MANAGEMENT PLANNING

The Benefits Register and Benefits Realisation Plan is attached as Appendix Three.

5.9 PROJECT AND ASSURANCE ARRANGEMENTS

This investment proposal has been assessed as High risk using the Treasury's Risk Profile Assessment[12] tool and moderation process. The Risk Profile Assessment is attached as Appendix Eight.

Due the risk profile, duration of programme and scale, independent quality assurance checkpoints have been factored in for each year of the journey.

5.10 POST-PROJECT EVALUATION PLANNING

The Programme Lead will be required to complete and End Project Report (EPR) which details lessons learnt, performance against baseline budget and timelines, and any requests for change against tolerances. Input into this EPR will be sought from across IAWAI and suppliers.

Project team members and end users will be asked to participate, providing feedback on topics such as project organisation, lessons learned, communication, processes and controls.

12 https://www.treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/investment-planning/risk-profile-assessment-and-strategic-assessment

Appendices

Appendix One – Risk Register
IAWAI - Risk Register

Appendix Two, Three – Cost-Benefit Analysis and Benefits Register
IAWAI - Benefits Register

Appendix Four – Analysis of service connections
Waikato District Council: IAWAI – WDC Service Connections
Hamilton City Council: IAWAI – HCC Service Connections

Appendix Five – Procurement Documentation
Procurement Plan: Hamilton City Council and Waikato District Council Procurement Plan
Request for Information: Hamilton City Council and Waikato District Council RFI
Request for Proposals, Stage 2 and 3: Hamilton City Council and Waikato District Council RFP

Appendix Six – Financials
IAWAI – Draft Financials (subject to commercial negotiations)

Appendix Seven – Implementation Programme run rates
IAWAI – Draft run rate calculations

Appendix Eight – Treasury Risk Profile Assessment
IAWAI – Draft Treasury Risk Profile Assessment

Appendix Nine - Glossary of Terms

Term/Acronym	Meaning
AMI	Advanced metering infrastructure is an integrated system of water meters, communication networks and data management systems that enables two-way communication between meter endpoints and utilities. Unlike AMR, AMI doesn't require utility personnel to collect the data. Instead, the system automatically transmits the data directly to the utility at predetermined intervals. Meter data is sent to utilities via a fixed network. The utility can use the data to improve operational efficiencies and sustainability by effectively monitoring water usage and system efficiency, detecting malfunctions and recognizing irregularities. With a fixed network, utilities work with specific vendors to get their infrastructure and technologies up and running. And today, existing cellular networks, designed to minimize downtime, can be used to make sure meter data is collected securely and without interruption.
AMR	Automated meter reading is the communication technology water utilities use to automatically collect water consumption and status data from water meters. AMR systems can be either walk-by or drive-by. An endpoint is connected to the meter's encoder register. The endpoint captures water flow and alarm data which is collected by utility personnel by walking or driving by with a data receiver in proximity to the device. After collection, the meter data is transferred to a database where utilities can monitor and analyse usage, troubleshoot issues and bill customers based on actual consumption, rather than predictions that were often required with bi-monthly or quarterly manual reads.
CCO	Council Controlled Organisation
Concentric water meter	A concentric water meter is typically used in residential or commercial settings. It is designed for installation in a concentric manifold or on a coaxial base. These meters are characterized by

Term/Acronym	Meaning
	their design, which allows for a single connection point (usually a threaded connection) that fits into a specific manifold configuration. An example of a concentric water meter: 
Data logger or RTU	A data logger or Remote Terminal Unit (RTU) is a device which can be retrofitted to a water meter, to convert it to electronic. The RTU collects data from the water meter and transmits it wirelessly to a central monitoring system for monitoring and management. An example of a data logger: 
DIA	Department of Internal Affairs
HCC	Hamilton City Council
HUE	HUE stands for Household Unit Equivalent – basically, it means “standard house”, which would be a 3 bedroom. Sometimes it is necessary for us to calculate charges that are slightly different from a standard house – for example, a 4-bed might be 1.2 HUEs, which represents 20% more demand because it represents a higher resident population on average which creates more demand. We have HUE conversion tables for different activities (Transport/Waters/etc) to represent how to fairly allocate costs. For interpretation purposes, we equate 1 HUE with 1 Residential dwelling unless there is a good reason not to.
Inline water meter	An inline water meter is a device installed directly into a service connection to accurately measure the volume of water flowing through it. An example of an inline water meter:

Term/Acronym	Meaning
	
LWDW	Local Waters Done Well
Manifold	Introduced inline, at point of supply. Standard manifolds for HCC and WDC include an isolation valve, dual non-testable backflow prevention and a capped thread to accept a future concentric Water Meter. Manifolds come in alloy or composite material. A composite material manifold on the left. The same manifold fitted with a concentric water meter, on the right. 
NBIoT	Narrow Band Internet of Things. A communication technology or mechanism which can be used to get transport data from water meters into a system of record.
NPDC	New Plymouth District Council
Smart meter	A water meter which contains an integrated radio that transmits meter telemetry
Toby	A Toby in the context of water services refers to the water shut-off valve, located on the property boundary, that controls the water supply to your home. It's essentially a valve that allows you to turn off the water to your property in case of emergencies or plumbing work.

Term/Acronym	Meaning
	
SUIP	In a residential situation, an SUIP is defined as: • any part of a rating unit inhabited by virtue of a tenancy, lease, licence or other agreement on an occasional or long-term basis • a flat attached to a single dwelling • two or more houses, flats or apartments on one rating unit • ancillary flat or detached dwellings (as defined in the District Plan) • individually surveyed lots of vacant land on one Certificate of Title offered for sale separately or in groups • residential accommodation rented individually per room. For a residential property to be classified as having additional SUIPs, each part must have a separate bathroom, bedroom or living area, and separate sink. Separately used or inhabited part of a rating unit (SUIP) | Hamilton City Council
Water Meter – Bulk Water Metering	Bulk water meters are large meters used to measure water flow in large pipes, often found in buildings like apartment blocks and industrial sites, and are used for monitoring water usage rather than directly impacting individual bills.
UWM	UWM, or Universal Water Metering, is where all water customers are charged based on their actual water consumption.
WDC	Waikato District Council
WRC	Waikato Regional Council
MDM	MDM, or Meter Data Management, for water meters refers to the system that collects, processes, and analyses data from water meters. It's a crucial component of smart water systems, enabling utilities to efficiently manage water usage, detect leaks, and improve customer service. MDM systems streamline the vast amounts of data generated by water meters, allowing for better understanding of consumption patterns and more informed decision-making.

11 Pukete Wastewater Treatment Plant Upgrade: Master Plan Principles, Macroscope and Approval to Deliver

Prepared and recommended by: Alasdair Gray, Pukete WWTP Upgrade Programme Manager
Approved by: Andrew Parsons, Chief Strategy and Planning

Purpose

1. The purpose of this paper is to seek approvals relating to the Pukete Wastewater Treatment Plant (WWTP) upgrade programme and its master plan principles and concept.

Recommendations:

2. That the IAWAI Board:

    a. Approves the Pukete WWTP master plan key principles and concept (**Attachment 1, Appendix 1**) to guide development of the Pukete WWTP master plan;

    b. Notes the Pukete WWTP upgrade will be delivered following completion of the current existing inlet works in coordination with operations, renewals, and consenting in four tranches summarised in the upgrade macroscope (**Attachment 1, Appendix 2**) sized to manage impact on the plant operations over an indicative programme of approximately 15 years;

    c. Approves the implementation of the Pukete WWTP Upgrade of Tranche 1 macroscope (**Attachment 1, Appendix 3**) as set out in the Approval to Deliver: Pukete Wastewater Treatment Plant Upgrade Tranche 1 (**Attachment 1**), including construction, at an estimated cost up to $182.3 million comprising an expected (50th percentile) estimate of $125.7 million and a funding contingency of $56.6 million;

    d. Approves the investigation and design of the Tranche 2 maintenance and administration buildings (including controls and laboratory activities) to address seismic and space constraints, at an expected (50th percentile) estimated design cost up to $15.7 million with construction subject to future approval by the Board;

    e. Approves the investigation and preliminary design of the Tranche 3 and 4 process activities at an estimated expected cost up to $14.9 million with construction subject to future approval by the Board;

    f. Notes that the estimated costs used in this report reflect estimates developed previously by Future Proof in the 2023 Northern Metro Wastewater Treatment Detailed Business Case, adjusted for inflation and contingencies.

    g. Approves the Pukete Wastewater Treatment Plant Procurement Strategy (**Attachment 2**); and,

    h. Notes the current Extreme and Very High Risks (**Attachment 3**) associated with the Pukete WWTP Upgrade and directs the Chief Executive to manage and report on these monthly.

Executive Summary

3. The Pukete WWTP is currently Hamilton's only WWTP and is one of the most important strategic assets for the Hamilton community. The Pukete WWTP assets are aging, with seismic risks and

operational constraints. Some of these operational constraints are limiting growth. The existing wastewater discharge consents will expire in August 2028. Alongside the delivery of a new Southern WWTP, the Pukete WWTP upgrade is critical to meet current and planned needs of the Hamilton-Waikato Metro Area.

4. The 2022 Northern Metro Wastewater Treatment Detailed Business Case (Northern Metro DBC) sets out Pukete WWTP's future role, including accommodating additional flows from Ngaaruawaahia and other northern areas. A major upgrade is required to meet planned growth demands to 2061, the anticipated discharge standards agreed and unlock the sub-regional opportunities for growth and efficient consolidation of services.

5. The Pukete WWTP upgrade is a complex, multi-year, approximately $675.5 million (inflated) strategic investment that extends beyond the 2026-2036 Water Services Strategy period. The upgrade was approved in Hamilton City's 2024-34 Long Term Plan and the first 10 years of implementation included in the draft 2026 – 2036 Water Service Strategy.

6. Delivery of the upgrade programme needs to manage complex risks that could affect water quality, taangata whenua, environmental, growth, and commercial outcomes and risks. Minimum consent criteria previously agreed by HCC, WDC, Waipā DC, Waikato-Tainui, and taangata whenua, as used in the Northern Metro DBC, provide the basis for planning and design and implementation of staged treatment upgrades. The upgrade is in parallel with renewal of discharge consents and master planning to confirm the treatment processes and performance standards, and implementation schedule.

7. This paper seeks approval of the proposed approach of incremental upgrades to capacity and a change in secondary treatment process type, expected to be some form of membrane bio-reactor (MBR) treatment, and their procurement.

8. The key points to note are:

    a. A decision is required approving construction of initial works to increase hydraulic capacity and target preparation for expected consent requirements.

    b. Future works including buildings will commence design but have construction subject to future Board approvals.

    c. The approval is sought for activities described in an Approval to Deliver (ATD) document (**Attachment 1**), and its appendices including a master plan key principles and concept (ATD Appendix 1), upgrade macroscope (ATD Appendix 2), upgrade Tranche 1 macroscope (ATD Appendix 3).

    d. The Procurement Strategy (**Attachment 2**) sets out the general procurement approach for the main activities, commencing with shortlisting based on quality. It proposes primarily traditional contracting models with early contractor involvement where beneficial and targeting a few trusted advisors/suppliers/constructors for relationship contracting that rewards excellence.

    e. There are risks associated with design and construction in advance of final consent requirements. Key risks (**Attachment 3**) are being managed through packaging, traditional contract models and specific treatment plans.

Strategic Context and Background

9. The Pukete WWTP Upgrade programme is one of the Projects and Programmes for Early Transfer of Responsibility (HCC Council meeting 26 June 2025, Table 1). HCC delegated

responsibility to IAWAI for project scope, design, consenting, reconsenting, designation, land acquisition, procurement of physical works, and procurement of all related professional services.

10. The technically complex, environmentally and culturally sensitive programme within a live treatment plant has a budget of $480.5 million (inflated) for the ten years included in the draft 2026-2036 Water Services Strategy. The upgrade is required to increase treatment capacity and improve discharge quality for expected demands to 2061. It is driven by higher environmental performance expectations for discharge to the Waikato River and forecast growth demands. The total expected (50th percentile inflated) estimated cost of the upgrade required is $675.5 million and reflects the estimates developed previously for Hamilton City Council as part of the 2023 Future Proof Northern Metro Wastewater Treatment Detailed Business Case. The 95th percentile estimate is $979.6 million.

11. The programme has been stretched to extend beyond the ten-year period in the Water Services Strategy 2026-2036. The estimated cost of the work proposed for the 10-year period is $387.0 million for Tranches 1 to 3 and an allowance for approximately $90.0 million of concept design and enabling works from Tranche 4.

12. Implementation of a programme of this scale, complexity and duration requires the establishment of a suitable governance and implementation framework that recognises and manages the risks associated with the upgrade itself and its impact on existing operations.

The Details

13. The upgrade is being delivered to align with concurrent master planning. The master plan key principles and concept layout for approval is **Attachment 1: ATD Appendix 1**. The purpose of the master plan is to:

    a. Ensure strategic alignment with growth, environmental and regulatory goals, and IAWAI strategies and funding;

    b. Optimise infrastructure upgrade sequencing to support operations planning, Opex budgeting and renewals implementation and avoid conflicts;

    c. Align long-term planning for future space, process technology, carbon, energy, resilience, water reuse; and,

    d. Support the reconsenting process and guide design decisions to meet discharge and cultural expectations.

14. Initial master planning remain consistent with the Northern Metro DBC:

    a. Additional treatment capacity is required to accommodate growth;

    b. Change in treatment process is necessary to accommodate growth and meet current and expected treatment standards;

    c. MBR remains the likely best-practicable treatment option; and,

    d. Early hydraulic capacity increases improve resilience and reduce risks for future upgrades.

15. A change from the Northern Metro DBC is that the proposal for interim secondary treatment conversions is likely to be superseded by going directly to increasing hydraulic capacity and

enabling MBR. This improves resilience, reduces the risk of sunk costs, and avoids potential delays in options to significantly change treatment processes.

16. The Pukete WWTP upgrade (macroscope at **Attachment 1: ATD Appendix 2**) is being delivered in tranches to reduce the risks from committing to a significant upgrade while performance standards and growth demands and timing are subject to change. The composition of the tranches will be refined as investigation, design and procurement progresses. Tranche 1 is summarised as a macroscope in **Attachment 1: ATD Appendix 3**.

17. The proposed approach to implementation is described in the Approval to Deliver: Pukete WWTP Upgrade Tranche 1 (**Attachment 1**).

    a. Tranche 1 comprises initial works to increase hydraulic capacity and target preparation for expected consent requirements. Commitment to construction is sought now to allow work to be phased more evenly to avoid the cost and compliance risks of construction over a shorter period, with consequential space restrictions. It also reduces the potential impacts of construction and better protects the operation of the existing WWTP at an acceptable level of performance to support compliance and public health.

    b. Tranche 2 comprises the replacement of maintenance and administration buildings (including controls and laboratory activities) to address seismic and future process upgrade space constraints. There are key strategic decisions affecting the role, scope and locations of the buildings so the approval request is for investigation and design, with construction subject to a separate approval likely to be sought in 12 to 18 months.

    c. Tranches 3 and 4 construction will follow Tranche 1, but investigation and concept design is necessary now to ensure the Tranche 1 works complement and integrates with the overall process. Tranche 3 includes the new water return pathway that is subject to the consents workstream (certainty expected August 2028). Tranche 4 includes further process upgrades to accommodate growth and meet the new discharge requirements. Construction approval of Tranches 3 and 4 will be sought separately, timed to match consent requirements and greater certainty in treatment performance from earlier upgrades and actual/forecast growth.

18. The Procurement Strategy (**Attachment 2**) is based on managing risks to safe and compliant operations. It uses packaging and primarily traditional contracting models with early contractor involvement where beneficial, and targets a few trusted advisors/suppliers/constructors, generally from established panels or framework contracts. Some specialist functions including independent governance and specialist reviewers will be sourced separately.

Te Tiriti o Waitangi / Te Ture Whaimana o Te Awa o Waikato

19. The Pukete WWTP Upgrade is a key contribution to Te Ture Whaimana o Te Awa o Waikato. Taangata whenua are partners in the consenting processes and key contributors to design objectives and principles. The master plan and upgrade engagement is through the Kaitiaki Roopuu convened for the consents workstream.

20. The increased capacity and improved treatment standards from the upgrade will directly contribute to improving the health and wellbeing of the Waikato River.

Financial Implications

21. The 2026 to 2036 Water Services Strategy includes a budget allocation of $480.5 million for the Pukete WWTP Upgrade. Completion of the current inlet works, and the construction and design approvals sought total $219.6million. Further detail is included in the Approval to deliver (**Attachment 1**).

Options / Considerations

22. Delaying commitment to implementation for Tranche 1 would be likely to increase risk and implementation cost. Inadequate treatment capacity could compromise growth opportunities. Separating future Tranches allows time for better informed decisions for design, procurement and implementation phasing.

23. Programme and project management will be resourced using contractors for the first 18-24 months to maintain progress, following which delivery using IAWAI staff (existing or specifically recruited) will be considered.

Risks and Implications

24. The Pukete WWTP upgrade is a technically complex, environmentally and culturally sensitive programme within Hamilton's only treatment plant, which must remain safe, operational and compliant during upgrades that directly affect the existing processes and infrastructure. Without adequate treatment, the safety, environmental and cost risks could be very high or extreme. International experience of mega-projects suggests typical cost over-runs of 35% and delivery delays in years.

25. Key risks and treatments including independent programme governance and three levels of assurance are summarised in **Attachment 3**. The proposed approach is for the Board to note the risks and proposed treatments, and direct staff to actively manage these and report changes and new very high and extreme risks monthly.

26. A key risk is implementing upgrades based on anticipated consent standards while growth forecasts are being updated. The staged approach of implementation in Tranches using traditional procurement models is lower risk than full implementation and an alliance or design/build approach. The programme for delivery has been extended from the initial 10 years to be 15 years to reduce the potential impacts of unexpected delays and allow more time for considered design and construction planning.

27. Managing risks to the safe and compliant operation of the existing plant is a key factor in the approach to the upgrade. This includes increasing redundancy to N+1 before taking process units off-line for extended periods. Subject to detailed investigation and consenting, the provisional target level of service for investigation work is to achieve N+1 to accommodate 99.5th percentile influent flows before treatment is significantly compromised or hydraulic capacity is exceeded, with a planning horizon that allows a five-year lead time for additional infrastructure. The upgrade also provides the opportunity to separate process units and flow paths to reduce reliance on single process flows.

Partner Expectations

28. The proposed upgrade is consistent with the Statement of Expectations and Northern Metro DBC approved by both Councils.

29. The HCC Three Waters Unit Manager has been consulted in preparing this paper.

Customers

30. There will be no direct impacts on customers, other than the budgeted costs and anticipated improvements in capacity and treatment standards.

Next Steps

31. The next step is procurement of professional services for the process upgrades and buildings replacement.

32. Progress and risk reporting will continue. Approval for building construction (Tranche 2) will be sought in 12-18 months. Further construction approvals for future process upgrades (Tranches 3 and 4) will be sought in 2 to 5 years, depending on Tranche 1 progress, discharge consent outcomes and growth needs.

Attachments:

1. Approval to Deliver (ATD): Pukete WWTP Upgrade Tranche 1.

    ATD Appendix 1: Pukete WWTP master plan key principles and concept.
    ATD Appendix 2: Pukete WWTP Upgrade macroscope.
    ATD Appendix 3: Pukete WWTP Upgrade Tranche 1 macroscope.

2. ATD Appendix 4: Pukete WWTP Upgrade Procurement Strategy
3. Pukete WWTP Upgrade: Very High and Extreme Risks.

Pukete Wastewater Treatment Plant Upgrade – Construction Tranche 1:

Approval to Deliver (ATD)

June 2026

HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

Pukete Wastewater Treatment Plant Upgrade - Tranche 1: Approval to Deliver

Document control and sign-off		
Version - status	1.0 For Approval	
Document ID		
Business Case	Northern Metro Wastewater Treatment Detailed Business Case (20230329)	
Prepared by:	Alasdair Gray, Pukete WWTP Upgrade Programme Manager	
Prepared for:	Jackie Colliar, Director Strategic Investments Portfolio Andrew Parsons, Chief of Strategy and Delivery	
Senior Responsible Owner	Andrew Parsons, Chief of Strategy and Delivery, IAWAI	
Decision-making forum	IAWAI Board	
Decision date	18 June 2026	
Decision / outcome	Refer Board minutes	
Conditions (if any)	Refer Board minutes	
Date finalised for decision	11 June 2026	
Alasdair Gray	Programme/Project Manager	
Jackie Colliar	Director Strategic Investments Portfolio	
Andrew Parsons	Chief of Strategy and Delivery	

Purpose and overview of the ATD

The purpose of the Approval to Deliver (ATD) stage is to seek approval from decision-makers (e.g., IAWAI Board, Chief Executive, staff with delegated financial authority) to:

- enter commercial contracts with the suppliers to deliver the investment and draw-down funding
- provide decision-makers with confidence that the investment can be successfully delivered.

Approval of the ATD concludes the planning phase and allows the investment to move into the delivery phase of the investment lifecycle.

HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

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1 Pukete WWTP Upgrade Tranche 1: Approval to Deliver Summary

Pukete is Hamilton's only WWTP. It is an operational site that is critical for the ongoing operation of the city, its people and its economy. Pukete WWTP is nearing capacity and has aging infrastructure. The upgrade programme responds to Te Ture Whaimana and the Northern Metro Wastewater Treatment Detailed Business Case (Future Proof, 2023) for improved environmental outcomes and cultural alignment.

The problem for the Pukete WWTP is that without upgrades will not be able to accommodate the additional wastewater demand from growth while delivering an acceptable treatment standard. The investment objectives are set out in the Northern Metro DBC and summarised for the plant as follows:

- Maintain compliant operations for the treatment plant, including maintenance and renewals
- Improve treatment and discharge quality to meet statutory and resource consent requirements
- Increase wastewater treatment capacity to accommodate expected growth
- Contribute to Te Ture Whaimana o Te Awa o Waikato (Vision and Strategy for the Waikato River).

The Northern Metro DBC selected preferred the Pukete WWTP Upgrade based on whole of life value for money for the best practicable option to meet expected growth and more stringent consent requirements.

The proposed upgrade and initial master planning (Appendix 1) for the Pukete WWTP are consistent with the Northern Metro DBC. Upgrade implementation is in parallel with renewals of three existing discharge consents associated with the operation plant that lapse in mid-2028. Construction needs to commence before the consents are renewed to achieve compliant operations. Design needs to anticipate discharge consent requirements.

The preferred option for this Pukete WWTP Tranche 1 approval to deliver (refer macroscope in Appendix 3) is for the design and construction of Tranche 1 of the upgrade up to $182.3 million and design only of the remaining three tranches up to $30.6 million with their construction subject to separate approvals. Key reference documents are listed at Appendix 7. Tranche 1 (Appendix 2) comprises:

- Replacement of the existing maintenance and administration/control/laboratory buildings elsewhere to release space for treatment processes and respond to seismic deficiencies
- Liquids process upgrades to increases hydraulic capacity to accommodate planned growth
- Process changes to reduce levels of contaminants discharged to the Waikato River
- Solids process upgrades to address capacity and future end use constraints and aspirations
- Associated changes such as site accesses, power, inter-stage pumps, stormwater, roadways designations, consents and securing access to land east of Pukete Road.

Table 1: Key activities/milestones during the Investment delivery phase

Key activities/milestones	Approximate Timeframe / Estimated date
1. Primary sedimentation treatment, additional digesters and secondary treatment design	12 - 24 months starting 2026/27 Q2/3
2. Buildings investigation and design	18 months starting 2026/27 Q2/3
3. Procurement of physical works	In tranches commencing 2027/28 Q1/2
4. Construction – process upgrades	In 1-2-year tranches commencing 2027/28 Q2/3
5. Construction - buildings	Maintenance commencing 2027/28 Q2, then control
6. Construction – new water return pathway	2 years starting 2028 - after consents

The general procurement approach (refer Pukete WWTP Upgrade Procurement Strategy, June 2026), commencing with shortlisting based on quality, is for primarily traditional contracting models with early contractor involvement where beneficial, and targeting a few trusted advisors/suppliers/constructors for relationship contracting that rewards excellence.

2 Strategic Case

2.1 Mandate

The programme was initiated via HCC approval of the 2024-34 Long Term Plan on 4 July 2024. There is a Council-approved IAWAI mandate for the programme from the approved IAWAI Water Services Delivery Plan and agency agreement.

On 26 June 2025, Council:

- transferred responsibility for delivery of Pukete WWTP Upgrade some major waters projects to IAWAI as Council's agent.
- endorsed the IAWAI Water Services Delivery Plan which includes investment and consent renewal in the Pukete WWTP required to respond to growth and align with Te Ture Whaimana.

2.2 Case for Change

The case for change remains consistent with the detailed business case.

- Discharge consents expire (now in 2028 – extended by water reform regulations and amendments to the Resource Management Act)
- The current plant cannot meet nutrient and pathogen limits anticipated in the Memorandum of Understanding and Te Ture Whaimana o Te Awa o Waikato.
- Hamilton's growth will exceed the capacity of the plant to treat the city's wastewater to an acceptable standard.
- Aging infrastructure and cultural commitments require improved treatment and co-designed discharge solutions.

The key problems and opportunities from the detailed business case are tabulated below.

Problem / Opportunity	Benefit	Strategic Response	Solution
1. Capacity constraints at Pukete WWTP due to rapid urban growth	Enable growth in Hamilton's key development areas (Peacocke, Rotokauri, infill)	Expand treatment capacity to meet 2045+ demand	Upgrade Pukete WWTP with increased hydraulic and biological capacity
2. Risk of non-compliance with Te Ture Whaimana and discharge consents	Improved environmental outcomes for the Waikato River	Enhance treatment performance and resilience	Introduce advanced nutrient removal and tertiary treatment processes
3. Aging infrastructure and operational inefficiencies	Reduced OPEX and improved asset resilience	Modernise and optimise plant systems	Replace critical assets and integrate smart monitoring/control
4. Limited resilience and redundancy in regional wastewater network	Increased system resilience and emergency response capability	Align with regional servicing strategy (Metro DBC)	Design for future integration with regional or shared servicing options
5. Need for stronger iwi partnership and co-governance in water infrastructure	Strengthened relationships and cultural outcomes	Embed iwi values and co-design principles	Partner with IAWAI – Flowing Waters Ltd and mana whenua in design and governance

These are wider than the Pukete WWTP but mainly applicable to the Pukete WWTP upgrade.

2.3 Strategic Alignment

The proposal is aligned with IAWAI's statutory obligations and the shareholders' strategic expectations. The key documents are:

- Te Ture Whaimana o Te Awa o Waikato.
- Hamilton City Council LTP (2024–2034).
- Future Proof Growth Strategy
- Northern Metro Wastewater Detailed Business Case Iwi partnership (MoU).

2.4 Investment Objectives

The investment objectives from the detailed business case are tabulated below. Note that the compliance standards are from the MoU and are minimum treatment standards subject to consent.

Objective	Measure	Target
Compliance	TN < 4 mg/L, TP < 0.5 mg/L, E. coli < 14 cfu/100 mL	By 2031
Capacity	PE capacity	103,000 PE by 2061
Resilience	% compliance during construction	100%
Cultural outcomes	Iwi satisfaction	Positive annual review
Resource efficiency	Energy recovery	500kW CHP operational by 2034

3 Economic Case

3.1 Mandated requirements

IAWAI, as HCC's agent and service provider, is mandated to meet regulatory standards including:

- New Wastewater Environmental Performance Standards (2025)
    - Came into force 19 December 2025 under the Water Services Act 2021.
    - Set national environmental performance standards for wastewater discharges (incl. concentration limits for rivers based on dilution classes).
    - Discharges from wastewater treatment plants must comply with these standards and have a resource consent.
- RMA Amendments Linking to the Wastewater Standards (2025)
    - The Water Services Amendments Act 2025 amended the RMA to align consenting and planning rules with the new national standards.
    - Wastewater Standards override all other planning instruments, except Te Ture Whaimana.
- Practical effect in Waikato:
    - Plan provisions implementing Te Ture Whaimana can set higher environmental requirements than the national Wastewater Standards.

3.2 Economic Case

Where there is no option but compliance, the economic case is used to optimise the investment. The economic case in the DBC focussed on identifying the most cost-effective way to deliver the mandatory requirement, including:

- Do Minimum - The "Do Minimum" is the baseline—the bare minimum required to meet the mandatory requirements – in this case the minimum requirements in the MoU.
- Multi-Criteria Analysis (MCA): Shortlist alternative delivery options and score them against non-financial benefits, risks, and strategic fit.
- Sensitivity Analysis: Test how robust your preferred option is to variables like cost overruns or shifting timeframes

There was no explicit Cost-Benefit Analysis (CBA) to determine which one maximises public value. Rather, the economic case and selection of the preferred option in the DBC focussed on the best practicable option to achieve the minimum standards agreed in the Memorandum of Understanding entered into by HCC, Waipa DC, Waikato DC and Waikato-Tainui (Wastewater MoU), consistent with implementing Te Ture Whaimana. Shareholder expectations for IAWAI are clear about delivering on Te Ture Whaimana.

3.3 Best Practicable Option

The existing wastewater discharge consent (114674) Condition 22: Monitoring and technology review, requires Hamilton City Council to assess technology changes and advances to minimise the effects of the discharge. Determining the BPO requires weighing environmental context, financial implications and technical knowledge.

These factors were considered in the DBC and have been re-tested in the preliminary master plan investigations which concluded that an upgrade to membrane bioreactor (MBR) treatment was required to meet the anticipated consent requirements in the MoU (noting that these are minimum requirements and do not confirm disposal options).

Since the best option is accepted as MBR and the environmental context of the river is the same across options, the remaining consideration for the best practicable option is financial implications. That results in three basic drivers for scheduling upgrades:

- The existing consent lapses in August 2028 (extended by Resource Management (Duration of Consents) Amendment Act 2025 (DCAA). That leaves approximately 26 months for investigation, design, procurement and construction of significant infrastructure to enable MBR as the best practicable option, which means that implementation of upgrades must commence now.
- The need to operate an existing WWTP to an acceptable level of performance to protect safety, public health and consent compliance. Since the plant must remain operational it is not practicable to take process units off-line (N-1) for extended periods unless additional capacity is available (N+1). Upgrades must therefore be incremental, and consider the consequences of construction on operations and construction access and space.
- Since it is not practicable to upgrade the entire treatment process at once, it is reasonable to assess the effectiveness of the initial treatment process upgrades when planning the upgrades to the remainder of the plant, and optimise investment in upgrades to match performance, growth and treatment standards.

There is a risk that the performance requirements that result from the consenting process are more challenging than the underlying assumptions in the Northern Metro DBC. An example of this is total nitrogen loading limits by mass loading (e.g. kg/day) in addition to the current concentration limits (mg/litre) This is unlikely to change the preferred option but could require additional treatment that increases costs, or requires accelerated delivery compared to the proposed timing over 15 years.

Subject to detailed investigation and consenting, the target level of service provisionally set for investigation work is to achieve N+1 to:

accommodate 99.5th percentile influent flows before treatment is significantly compromised or hydraulic capacity is exceeded

a planning horizon that allows a five-year lead time for additional infrastructure.

3.4 Proposal for delivery of the best practicable option

The proposed option to address the urgency is for early implementation of MBR following construction of a new aeration basin 6 to provide additional hydraulic capacity and reduce the risk for future upgrades of existing aeration basins (N+1).

This refines the conclusions of the 2023 DBC which had an interim step of introducing 4 stage BardenPho conversions for the existing basins. Master plan investigations indicate that by the time the infrastructure is in place, the treatment standards targeted are likely to require MBR and interim upgrades will not be sufficient and are likely to be superseded. Council has commenced construction of new inlet works.

As the concept and detail design of the MBR option is likely to be more time consuming, and additional primary treatment capacity will be required for the plant, additional grit channel(s) and primary

sedimentation tank(s) are proposed for early implementation. These will be followed, subject to detailed evaluation and design, by an additional aeration basin 6, prepared ready, along with a conversion of aeration basin 5 or one of the other existing basins to be suitable for MBR. Commissioning of MBR will be dependent on the timing of secondary (finer) screening and rerouting discharge flows and disinfection facilities.

Once in operation, in approximately 2032/33, the actual growth rates and influent demands, treatment performance and discharge requirements can be reviewed to inform whether subsequent upgrades are required urgently or delivered incrementally to anticipate demand.

4 Commercial Case

4.1 Procurement approach

The proposed processes comply with Hamilton City Council's Procurement Policies and Procedures, Waikato District Council's Procurement Policies and Procedures, and NZ Government Procurement Rules.

The procurement approach for the Pukete WWTP Upgrade (refer Pukete WWTP Upgrade Procurement Strategy, June 2026) proposes a staged, risk-based, and outcomes-focused approach that recognises the importance of maintaining compliant operations of an active treatment plant. A transformational whole of plant alliance or DBO (combined with the buildings or not) is not appropriate for a brownfield upgrade of an operational treatment plant.

The approved Northern Metro Wastewater Treatment Detailed Business Case Business Case recommended engaging a single design consultant for all major design packages, and a traditional construction only contract model, with the option for an early contractor partner for subsequent packages.

That approach has been refined to engage a single lead consultant with oversight of process inputs, outputs and interactions, and engage another one to three specialist consultants for detailed design and construction management to reduce reliance on a single supplier and maintain opportunities for competition to encourage excellence. That approach has been successfully used for the design of the Hamilton Ruakiwi IAF reservoir

For construction, the aim is relationship contracting starting with shortlisting two to three contractors for packages with early contractor involvement options (quality-based competitive pre-qualification followed by negotiation or closed pricing). Staged construction procurement is anticipated which will allow flexibility and responsiveness to market conditions. Where practicable and it does not compromise competition and value for money, the approach proposed will be to facilitate negotiation of additional work packages with incumbent contractors. This incentivises good whole-of-contract performance and informal alliance behaviours.

4.2 Risk Management

Commercial risk management is embedded in the procurement approach. Staging and packaging is necessary to allow early delivery and manage risks to the plant's operational compliance and the risk of changing consent requirements. The general approach to packaging reflects the different needs of:

- Master planning/investigations, which need to think about the whole plant over a longer timeframe than this upgrade programme.
- Design, requiring comprehensive thinking about large sections of process as a whole to ensure consistency and avoid conflicts/gaps.
- Construction, which needs to protect plant performance and practicality of construction access and space.

A traditional approach is preferred to retain IAWAI control until and through construction contracting, rather than alliance or design and build options. Early contractor involvement will be considered where appropriate to manage the construction risks (safety, environmental and commercial) of tying into an operational wastewater treatment plant.

Sequencing of projects is based on increasing capacity, redundancy and resilience (N+1) to minimise exposure to risks of non-compliance.

4.3 Supplier contract arrangements

Procurement to date has been through:

- Hamilton City Council's Professional Services Panel Framework Contract 2024 (CCCS) with direct appointments for specialists as a secondary procurement process
- Competitive tendering for the inlet works and odour control civils construction (NZS3910)
- Competition and negotiated supply for key mechanical components (screens and odour control unit.

The procurement approach for the upgrade is based on:

- single lead consultant with oversight of process inputs, outputs and interactions (quality-based competitive tendering)
- additional specialist consultants for detailed design and construction management (quality-based competitive pre-qualification followed by negotiation or closed pricing)
- coordination with master planning, consents, operations and renewals
- outsourced breathe in/breathe out framework for programme and project management (mix of direct appointment and quality-based competitive tendering)
- packaging based on urgency, technical similarities/interdependencies, and consenting pathways.

4.4 Procurement Structure & Tranches

The procurement strategy utilises a mix of delivery models and construction in four tranches, sized to moderate the impact of construction on the plant operations, assessed as construction packages of around $80 million over two years, equivalent to two large, separate construction contracts within the existing plant area. Buildings and the new water return pathway provide flexibility for delivery in parallel, subject to operational interdependencies.

Allowing for risk and monitoring, that means the total upgrade of around $675.5 million will extend beyond the 2026-2036 WSS, with incremental upgrades being after that.

5 Financial Case

5.1 Financial analysis and implications

The financial requirements are as modelled in the Water Services Strategy and generally consistent with the Hamilton City Council LTP 2024-34. The key assumptions in the Water Services Strategy budgeting are:

- Initial estimates from Northern Metro Wastewater Treatment Detailed Business Case (DBC) 2022 Technical Report.
- Project allocation to four tranches subject to refinement
- Package definitions match DBC Technical report - these are being refined to reflect concept design and delivery planning
- Base date for the DBC estimates is 1 July 2022. Approx.20% inflation to 1 July 2026 values then WSS inflation profile.

The proposed investment (project costs) are summarised in Table 9. The full list of financial assumptions and current project estimates is included in Appendix 5 and Appendix 6.

Approvals for each stage involving construction are sought at the more conservative 95th percentile estimate (P95), a level that 95% of projects should come under, to manage funding risk. The Water Services Strategy is based on expected estimates (50th percentile P50). Programme estimates will be monitored on a Base, 50th percentile and 95th percentile basis.

Table 2: Investment summary table (WOLC, $m)

Expected cost estimates (50th percentile)	**$m**	**Capex**	**Opex** (26-36)	**Total**
Actual project spend to date:	n/a (pre-WSS)			-
Estimate to complete this project (all phases) Note: Extends beyond 2036.		675.5	194.8	870.3
Estimate to complete this project (design plus Tranche 1 and 2 construction) (inside 2036)		477.0	(Total) 177.0	654.0
Water Services Strategy Budget		480.4	(additional) 13.9	494.3
Project contingency (inside 2036) – nominal 25%		Approx. 40%	nil	109.5
Other whole-of-life operating costs: (renewals budgeted separately ($116.1m)		-	-	-
Total (Capex and Opex) cost (WSS 2026-2036 only)				**571.9**

The forecast spend by financial year is summarised in Table 9. The proposed capital and operating costs over the expected lifespan of the project will be updated progressively following selection of preferred suppliers.

Table 3: WSS budgets and forecast expenditure

$m (NZ$ 2026 inflated)	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**2031-32**	**2032-33**	**2033-34**	**2034-35**	**2035-36**	**Total**
Proposed investment (incl. part of Tranche 4)	26.5	29.5	52.0	77.3	75.3	57.4	56.6	47.6	TBC	TBC	**431.5**
Capital Budget (WSS)*	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	**480.4**
Opex required (additional)			0.2	0.7	1.0	1.9	3.0	2.4	2.3	2.3	**13.8**
Opex from baseline (WSS)			0.2	0.7	1.0	1.9	3.0	2.4	2.3	2.3	**13.8**
Total Investment	**50.5**	**34.9**	**78.6**	**104.3**	**43.1**	**68.9**	**82.5**	**68.6**	**56.2**	**56.2**	**643.8**

Financial year	2026 -27	2027 -28	2028 -29	2029 -30	2030 -31	2031 -32	2032 -33	2033 -34	2034 -35	2035 -36	10-Year Total
Water Services Strategy (May 2026)	**25.72**	**30.75**	**51.29**	**70.67**	**71.44**	**77.65**	**68.63**	**84.12**	**0.21**	**-**	**480.48**
Forecast by Tranche											
Current Inlet works	16.26	0.79	-	-	-	-	-	-	-	-	17.45
Tranche 1: Hydraulic capacity	6.32	19.48	23.40	29.34	29.34	8.95	8.95	0.00	0.00	0.00	128. 56
Tranche 2: Buildings	3.31	5.23	19.65	27.12	25.21	25.21	0.00	0.00	0.00	0.00	108.10
Tranche 3: Process and return pathway	0.00	4.16	6.15	15.75	15.75	18.38	31.44	19.33	Subject to monitoring		172.80
Tranche 4: Incremental process conversions	0.00	0.00	1.69	3.42	3.42	3.63	23.93	27.25	Subject to monitoring		119.10
Upgrade Total (Capital)	**25.89**	**29.66**	**50.89**	**75.63**	**73.72**	**56.17**	**64.32**	**46.58**	Subject to monitoring		**431.46**

Financial modelling is as set out in the Water Services Strategy.

5.2 Contingencies, funding risk and benchmarking

Appropriate contingencies of approximately 43% for capital costs and 0% for operating costs have been made for risks and uncertainties. These include for capital costs:

- ForEx risks for international supply
- Supply chain impacts following Covid
- supply chain disruption

Contingencies have not been confirmed via specific benchmarking for an investment of this nature. The investment cost risks have been benchmarked against international research. Typical “megaproject” overruns (from How Big Things Get Done (Flyvbjerg and Gardner)) for the kind of work Pukete 4 involves (excluding IT upgrades) are:

Project Type	Mean cost Overrun* (%)	% of projects with >50% overrun	Mean overrun of projects that are over 50%
Buildings	62%	39%	206%
Water	20%	13%	124%
Pipelines	14%	9%	110%
Pukete - *Assume even %*	***32%***	***20%***	***145%***
Cost consequence – assuming $0.5B	***$151 million overrun***	***1 in 5 chance of >$250 million overrun***	***If we are 1 in 5 then the overrun could be $725 million***

* Cost overrun excludes inflation and is compared to baseline cost at final business case/investment decision stage

That means that if the Pukete upgrade programme follows the data (for a nominal expected cost of $500 million):

- it is likely (mean) to have a cost over-run >30% after the scope is decided = our P50 is probably wrong
- it stands a 1 in 5 chance of being more than 50% over initial cost estimates = >$250 million
- if it is one of the five likely to be 145% the initial expected cost = $725 million.

5.3 Approvals sought

The approvals are sought (refer Appendix 5) as follows:

- Tranche 1 Hydraulic capacity (Macroscope Appendix 3)(95%ile) $182.3 million
- Tranche 2 Replacement buildings design (50%ile) $22.7 million
- Tranches 3 and 4 Concepts for remaining process (25% of 50%ile design) $14.9 million.

Programme and project management will still target base and expected estimate levels to protect the funding contingency for unexpected events.

5.4 Overall affordability

The proposed whole of life cost of the programme is approximately $690.0 million over the 10-15 years of the expected lifetime of the programme. Note that this extends beyond the duration of the 2026 – 2036 Water Service Strategy.

The estimated costs will be updated as more detailed design, contract and scheduling information becomes available and reported on a 50%ile expected estimate basis to show the expected outturn cost and the 95%ile cost to communicate the potential funding risks.

A cost summary including the project estimates and estimate descriptions is attached (Appendix 5).

6 Management Case

6.1 Project and programme management

The approach and methodology are generally in accordance with Hamilton City Councils Programme and Project Management Framework, including programme and project planning, and change and benefits management.

The organisation's experience with similar investments includes Pukete 3, Ruakiwi IAF reservoir and the Peacocke Network Infrastructure programme.

Managers responsible for programme management, change, benefits, contracts, risks and assurance are appointed and in place. Project managers are yet to be engaged.

6.2 Programme and project governance

The Senior Responsible Owner is Andrew Parson, Chief of Strategy and Delivery (Project Sponsor).

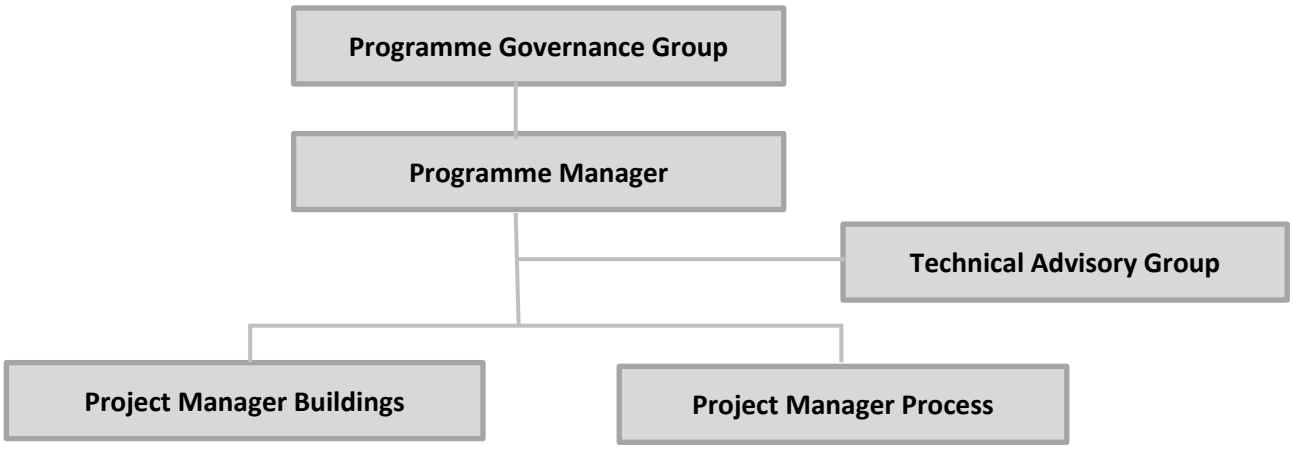
The programme will be managed by Alasdair Gray, Programme Manager, during establishment and leading towards Tranche 1 construction procurement. At that stage, the breathe-in/breathe-out programme and project management model will be reviewed with a view to staff resourcing to build organisational capacity and deliver cost efficiency.

The proposed key governance roles, responsibilities are outlined in Table 10:

Table 4: Project governance

Governance role	Name	Key responsibilities
Programme Sponsor	Andrew Parsons	Decision maker
Business Owner	Maire Porter	Asset owner, plant operations
Portfolio Director	Jackie Colliar	Strategic alignment, consents
Independent Chair	Garry Macdonald	Assurance
Tangata whenua representative(s)	To be confirmed	Partnership

Figure 1: Governance and programme management structure



An independent review of programme governance is under way.

6.3 Stakeholder reporting and communications

Stakeholder reporting and communications will generally follow the consents workstream communications plan.

Upgrade stakeholder engagement will focus on plant operations, renewals, maintenance and commissioning, Change management arrangements

6.4 Risk management arrangements

A detailed risk register and risk management plan have been developed, including key roles and responsibilities, reporting lines, mitigation plans and escalation processes.

The risk register is regularly reviewed and updated, and the current version (as at 10 June) is listed in Appendix 4.

6.5 Contract management arrangements

Resourcing to manage the relationship with the preferred suppliers over the term of the contracts will be through a contract project manager for buildings and a contract project manager for the process upgrades. The need for a specific construction project manager will be decided on commencement of Tranche 1.

Contract change management processes and contingency plans are expected to be based on Council(s) and industry best practice.

6.6 Quality management, Assurance and Gateway Reviews

Assurance will be based on 3 levels of assurance – independent reviews, governance oversight and effective management, including:

- Quality Assurance has been ongoing throughout the detailed business case and early investigations.
- Technical Quality Assurance will continue to be undertaken as required including peer reviews.
- Probity oversight for procurement
- Legal review – contracts, consenting
- Financial assurance in accordance with IAWAI systems and staff delegations
- Governance framework/effectiveness reviews (independent review under way)
- Safety assurance in accordance with IAWAI systems
- Environmental assurance in accordance with consent requirements and cultural expectations
- Independent programme governance representation.

6.7 Post-project reviews

Post-implementation review is planned following Tranche 1 to confirm that the upgrades are operating as intended and delivering the services proposed in the business case, and to identify any lessons learned from the management of the project/tranche that can be applied to future projects or projects

Appendix 1: Master Plan purpose, principles and layout

Approval to Deliver Appendix 1: Pukete Wastewater Treatment Plan Master Plan: Key Principles and Concept

June 2026

IAWAI

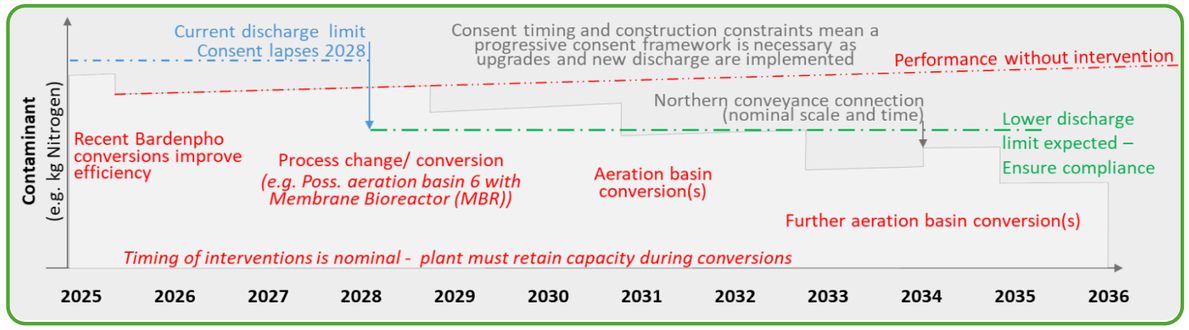
Purpose:

A comprehensive and agreed plan to:

- Support compliant treatment that accommodates planned growth and contribute to Te Ture Whaimana
- Align with strategic growth, environmental and regulatory goals, IAWAI strategies and funding
- Optimise infrastructure upgrade sequencing to support operations planning, budgeting and renewals
- Align long-term planning for future space, process technology, carbon, energy, resilience, water reuse
- Support the reconsenting process and guide decisions to meet discharge and cultural expectations.

Principles:

- Protect current operational compliance and improve reliability and resilience.
- Plan strategically for a nominal 100-year horizon and consider future trends.
- Be adaptable for changes in flow/load, catchment and growth characteristics, and environmental changes.
- Be adaptable for uncertain treatment consent expectations including discharge standards and water return pathway options.
- Design conceptually for a nominal 30-year horizon for process selection and spatial allocation to align with the strategic plan.
- Prioritise space allocation within the existing site for treatment processes.
- Maintain desirable access space for operational, renewal and construction.
- Increase redundancy to N+1 before taking process units off-line (i.e. do not operate at N-1) for extended periods
- Separate process units and flow paths to reduce reliance on single process flows.
- Anticipate bio-nutrient removal and membrane bio-reactors to be part of the best practicable option for secondary treatment.
- Increase direct water re-use and minimise the need for raw river water or potable water for processes.
- Do not preclude likely alternatives for solids processing that will be investigated on a sub-regional basis .
- Transition from "*wastewater treatment and disposal*" to a "*water resource recovery*" concept.



Approach:

- Additional treatment capacity is required to accommodate growth
- Change in treatment process is necessary to accommodate growth and meet expected treatment standards
- Membrane bio-reactors remain the likely best-practicable option
- Early hydraulic capacity increases improve resilience and reduce risks for future upgrades
- Interim secondary treatment conversions are likely to be superseded by changes to enable MBR

Next steps:

- Finalise treatment option selection and confirm spatial allocations
- Finalise master plan in consultation with stakeholders, including process extent and road status/designation
- Monitor actual performance with progressive upgrades, growth forecasts and expected influent characterisation
- Refine scheduling for upgrade implementation taking consent requirements and performance into account.

Spatial Concept:

Short Term – Years 1 - 10

- Inlet works
- Storm water attenuation/treatment
- UV treatment controls, waters, early wins
- Primary Sedimentation Treatment (PSTs) 4-6
- Aeration Basin 6 with Membrane BioReactor
- AB5 to MBR (expected) with SC5 to SF Tank
- Additional digester to enable renewal
- Replace maintenance building
- Replace laboratory and control building
- Second UV New water return pathway
- Storm Flow to Lagoon
- Lagoon Expansion – may be staged

Medium Term – Years 10-40

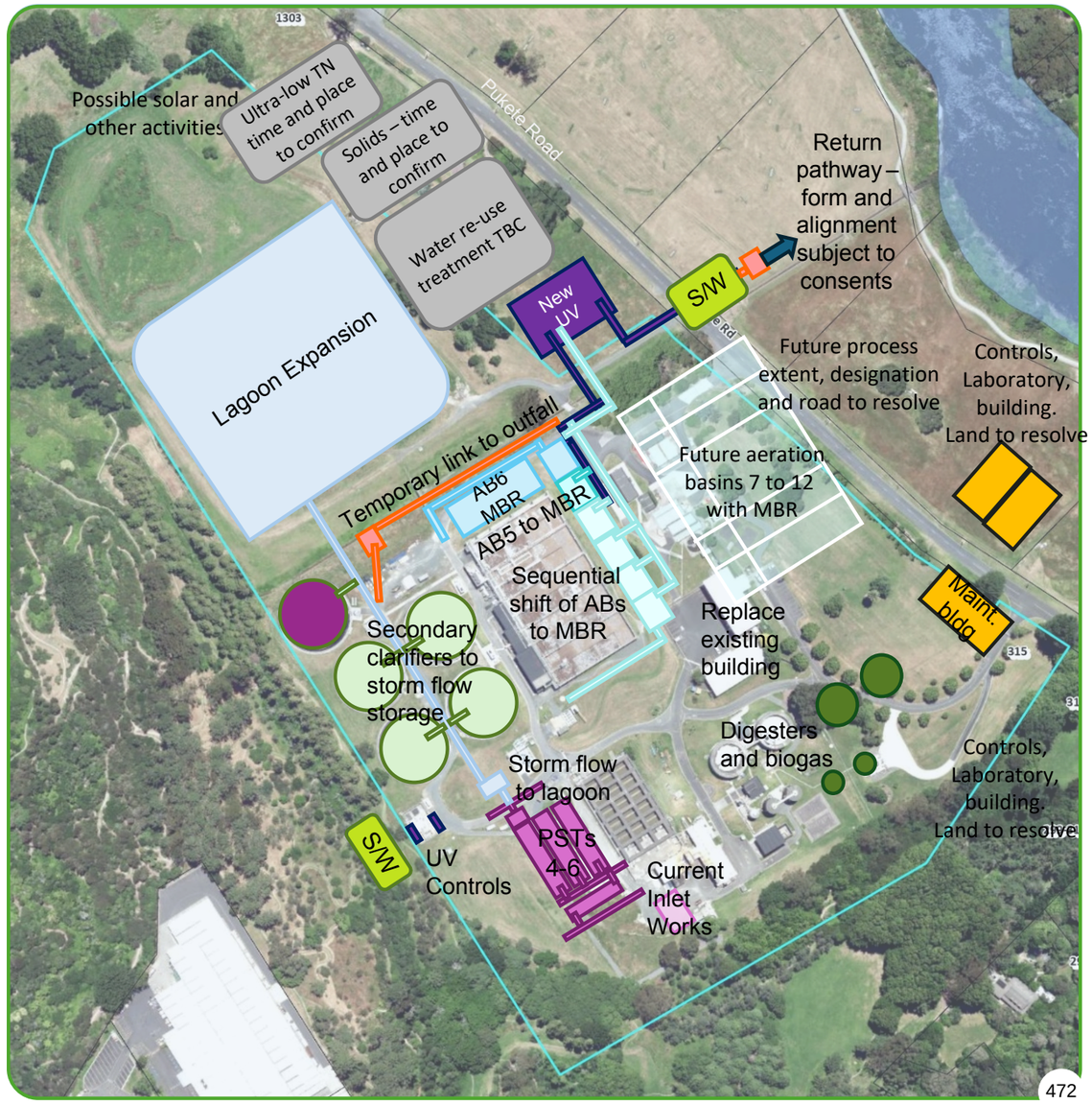
- Sequential shift of AB to MBR (expected), switch to outfall & SC to SF Tanks
- Solids & Chemicals – time and place to confirm
- Remaining Digesters & Biogas

Long term – Years 40 - 100

- Aeration Basin 7-12 & MBR

Other opportunities

- Water re-use treatment facility
- Additional solids treatment (continuing vermiculture or disposal off site assumed)
- Additional high voltage connection to grid
- Alternative power – solar/batteries
- Mortuary waste



Appendix 2: Upgrade Macroscope

Approval to Deliver Appendix 2: Pukete Wastewater Treatment Plant Upgrade: Programme Macroscope

June 2026

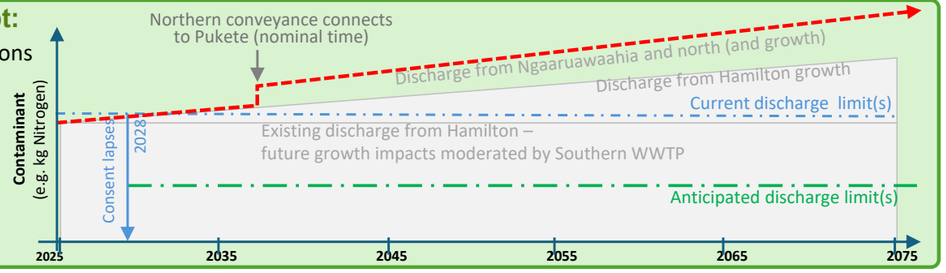
IAWAI

Problem:

- The problem for the Pukete Wastewater Treatment Plant (WWTP) is that it will not be able to accommodate the additional wastewater demand from planned growth while delivering an acceptable treatment standard.

Demand concept:

- Subregional solutions
- Planned growth
- Wider catchment
- Higher standards



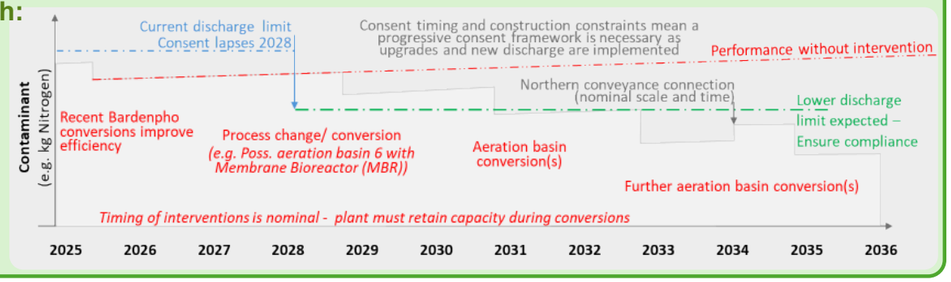
Context:

- Pukete is Hamilton's only WWTP. It is an operational site that is critical for the ongoing operation of the city, its people and economy. Pukete WWTP is nearing capacity, has aging infrastructure, and without upgrades will be unable to meet future discharge consent standards for growth demands by 2028.
- The upgrade programme builds on the Northern Metro Wastewater DBC for improved environmental outcomes and cultural alignment and aligns with master planning to optimise operations and protect future opportunities.
- The Programme's Vision is as stated in Te Ture Whaimana: "Tooku awa koiora me oona pikonga he kura tangihia o te maataamuri" - "The river of life, each curve more beautiful than the last"

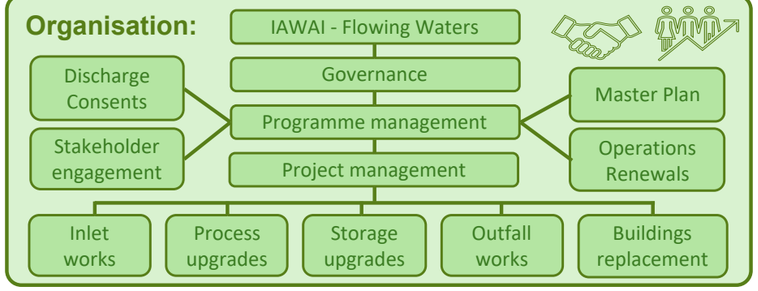
"…a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces, for generations to come.

Upgrade approach:

- Support operations
- Improve resilience
- Increase hydraulic capacity



Organisation:



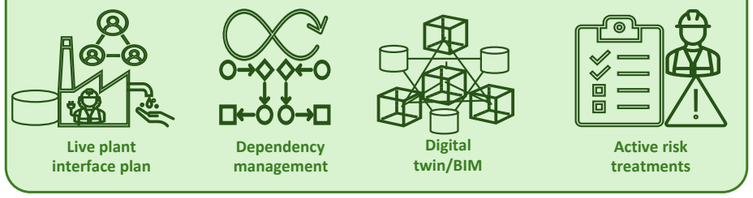
Financials:

Total capital cost (all): (over longer than 10 year Water Services Strategy period)	$690.0 million
Budget (2026-36):	$411.0 million
Estimate (2026-36):	$690.0 million
Opex Budget (2026-36):	$13.9 million
Opex Estimate (2026-36):	To confirm

Procurement:

- Package tranches to moderate risks
- Traditional contract model with elements of Design/Build and Early Contractor Involvement
- Aim for relationship contracting focussed on a few trusted suppliers

Risk and interface management:



Scope, timing and spatial concept:

Note: Allocation to tranches is provisional

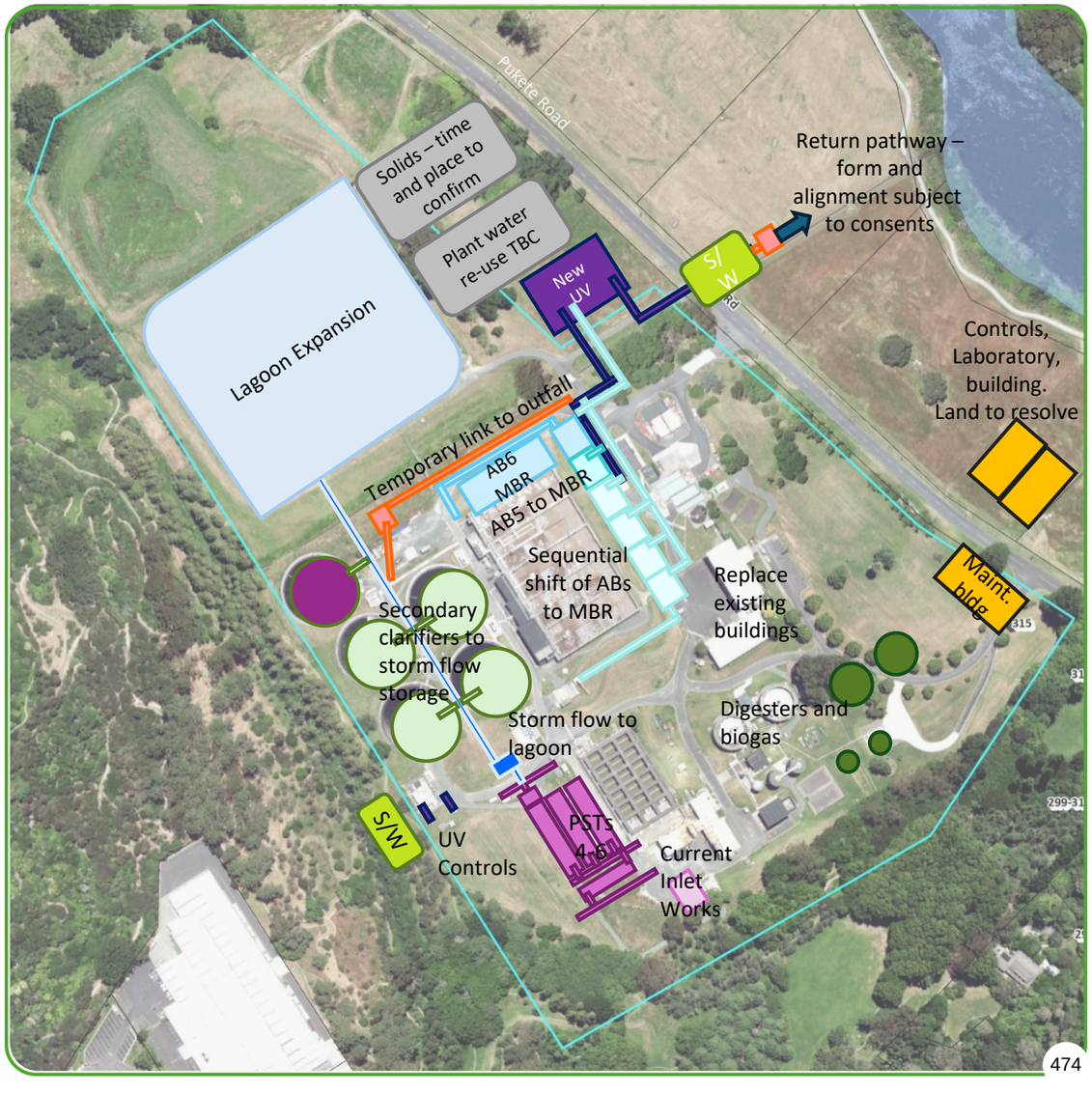
Current construction
(completion mid-2027)
- Inlet works

Tranche 1: Hydraulic and process capacity
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- Storm water attenuation/treatment
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(Design 2026-2031, Construction 2032 – 2036)
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- Storm Flow to Lagoon
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Tranche 4: Process changes and storm flow
(Design 2032 -2036, Construction 2036 on)
- Sequential shift of AB to MBR (expected), switch to outfall & secondary clarifiers to storm flow tanks
- Solids & Chemicals – time and place to confirm
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Appendix 3: Tranche 1 Macroscope

Approval to Deliver Appendix 2: Pukete Wastewater Treatment Plant Upgrade: Programme Macroscope

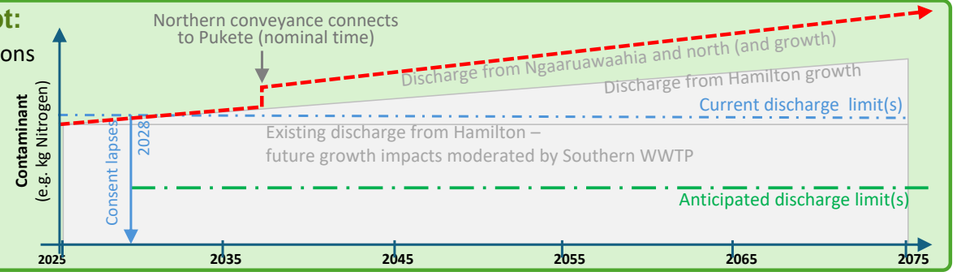
June 2026

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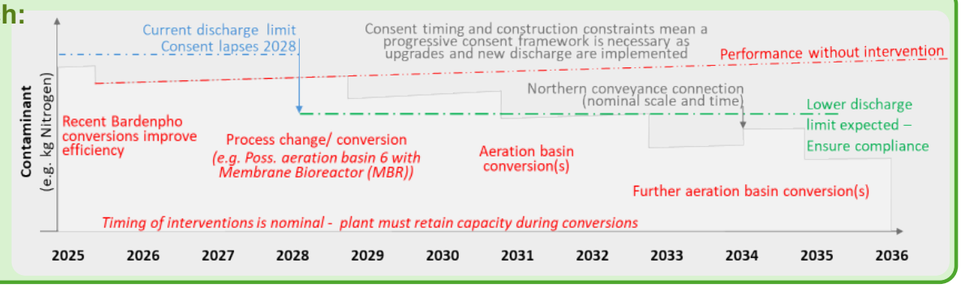
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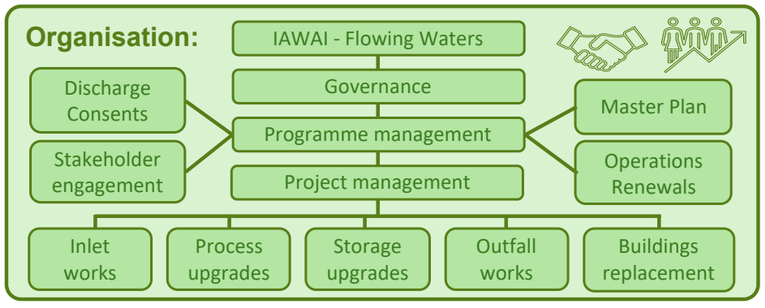
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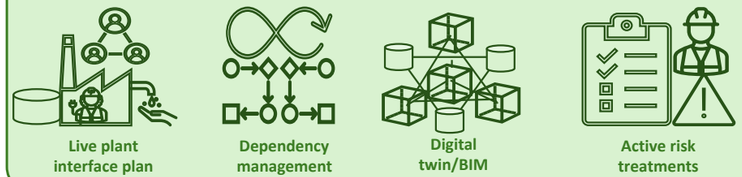
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Scope, timing and spatial concept:

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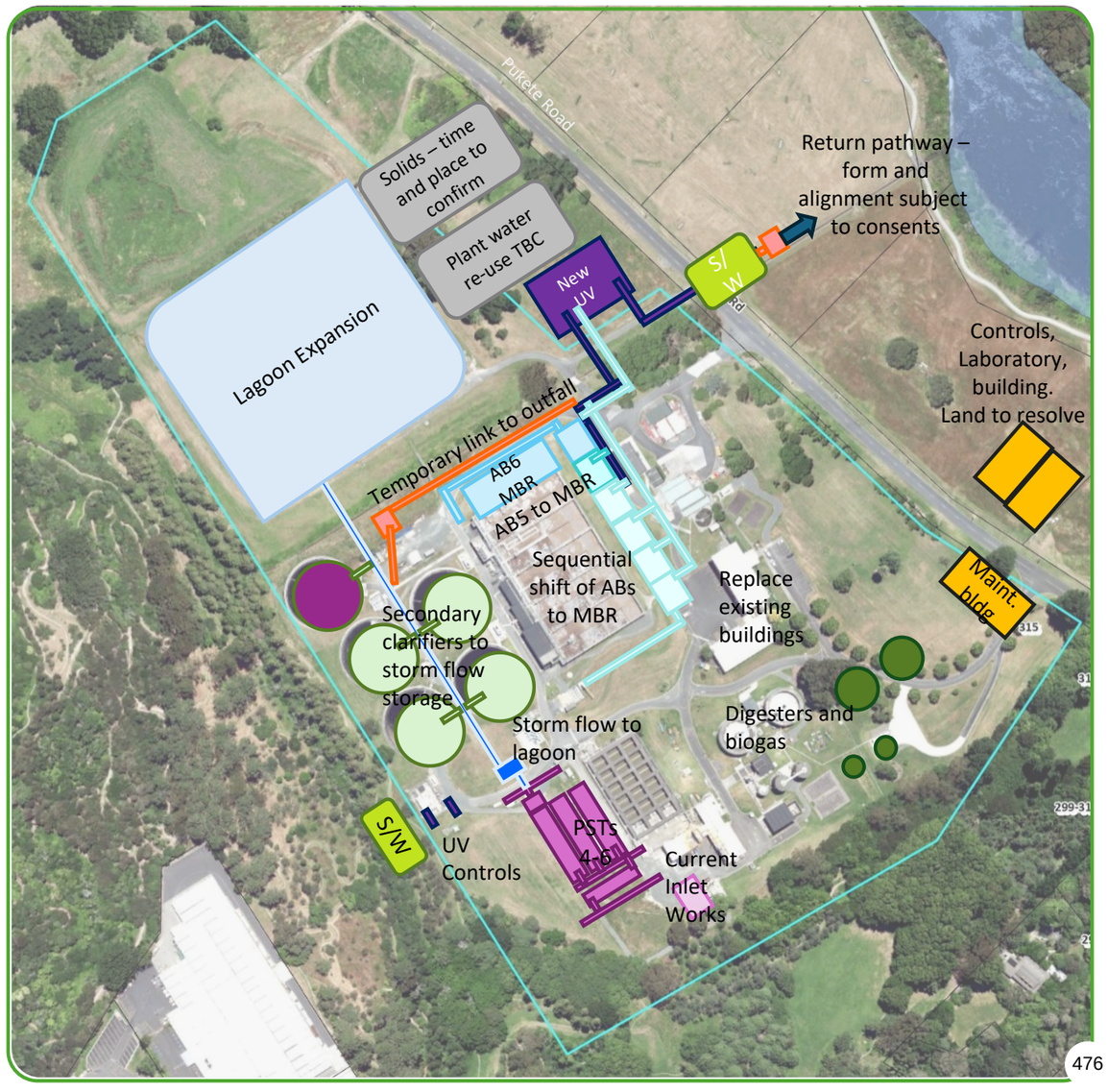
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- Sequential shift of AB to MBR (expected), switch to outfall & secondary clarifiers to storm flow tanks
- Solids & Chemicals – time and place to confirm
- Remaining Digesters & Biogas



Appendix 4: Key Risks (Extreme and Very High)

The residual risk rating is determined following assessment of likelihood and consequence for each risk category using the following matrix. The maximum residual risk rating from this process is then reported on.

		CONSEQUENCE				
		Minor	Moderate	Serious	Major	Catastrophic
LIKELIHOOD	Almost Certain	H	H	VH	E	E
	Likely	M	H	VH	VH	E
	Possible	L	M	H	VH	VH
	Unlikely	L	M	M	H	VH
	Rare	L	L	L	M	H
		L = Low	M = Medium	H = High	VH = Very High	E = Extreme

		CONSEQUENCE				
		Minor	Moderate	Serious	Major	Catastrophic
LIKELIHOOD	Almost Certain	11	16	20	23	25
	Likely	7	12	17	21	24
	Possible	4	8	13	18	22
	Unlikely	2	6	9	14	19
	Rare	1	3	5	10	15

The Target risk relies on project-specific treatments and therefore merit oversight for ongoing effectiveness.

												Semi-Quantitative			Treatment Strategy				Semi-Quantitative			
Rank	RID	Prj ID	Risk Title	Cause:	Description:	Consequence:	Date Raised (xx/xx/xxxx)	Risk Status	Phase	Risk Category	Established Controls	Consq.	Likelihood	Risk Score	Treatment Actions	Risk Owning Org	Responsible Person	Deadline xx/xx/xx	Consq.	Likelihood	Risk Score	Commentary & Closure Statement
1	R01		Failure to respond to a disaster	Cause: natural or human induced disaster event	Description: There is a threat that a lack of preparedness leads to a failure to respond or an ineffective response to a natural or human induced disaster event, resulting in increased costs, delays, compromised programme delivery and outcomes.	Consequence: increased costs (>21%), delays (>1y), compromised programme delivery and outcomes	29/05/26	Live - Treat	Implementation	Operational	Waters Business Continuity Plan Project planning to align with the IAWAI Business Continuity and Disaster Recovery Processes and Organisaition Resilience Policy, Activity Management Plan to be developed, Procurement strategy, Contract structure	Catastrophic	Possible	22	To be developed following drafting of IAWAI Business Continuity Mgmt Framework	IAWAI	Alasdair Gray		Serious	Possible	13	
2	E		Failure to mainteain a safe and healthy work environment	Cause: Inadequate heath, safety and wellbeing systems and practises in place.	Description: There is a threat that workers, contractors, or others are harmed due to inadequate health, safety and wellbeing systems, culture, or practices.	Consequence: serious harm or resulting in fatality.	29/05/26	Live - Treat	Implementation	Health & Safety/Wellbeing	Health and Safety Mgmt Framework including inductions, hazard management, JSEAs and Permit to Work Systems. Regular review of mgmt and HSE risk registers and action. Monthly reporting on H&S including incidents and injuries.	Major	Likely	21	PCBU Coordination framework as part of design and construction engagements.	IAWAI	Alasdair Gray		Major	Unlikely	14	
2	R04		Failure to deliver programme	Cause: Market shortages in expertise and experience and growth in demand from Local Waters Done Well investment	Description: The threat of a shortage of necessary resources (designers, constructors) means we are unable to deliver our work on time/to quality or pay a premium	Consequence: Delays > 6months in design/design approvals (or adequacy) and availability of constructors.	29/05/26	Live - Treat	Implementation	Operational	Procurement strategy, market analysis, pipeline coordination, market engagement	Major	Likely	21	Procurement strategy, market analysis, pipeline coordination, market engagement. Work with IAWAI PMO once established for a coordinated effort. Contibute to the IAWAI Waters Strategy V2	IAWAI	Alasdair Gray		Major	Possible	18	Strong market interest but shortages in key staff/specialists evident.
4	R11		Optimism bias and narrow thinking leads to poor procurement, design and implementation decisions	Cause: Narrow supplier market and HCC history	Description: There is a threat that the narrow supplier market and HCC history leads to optimistic evaluation of costs, benefits and risks and the wrong building/process being selected, benefits being overstated, costs being understated and risks minimised or poorly communicated.	Consequence: Optimistic evaluation of costs, benefits and risk leads to plant preformance being compromised >10% from expected, and/or costs increasing by >10%.	29/05/26	Live - Treat	Implementation	Operational	Governance, including risk and assurance committee reporting	Major	Possible	18	3 levels of assurance (independence (peer reviews), governance (not PMs) and effective management (right people and processes)) Include independence in Portfolio governance and consider for programme governance)	IAWAI	Alasdair Gray		Serious	Unlikely	9	Independent governance in place. Cross-checking of conclusions under way
4	R10		Indirect engagement with Mana whenua and stakeholders	Cause: Lack of clarity on nature / purpose of comms and engagement leading to poor informed (to and from) missing key issues for Pukete-specific effects.	Description: There is a threat that consenting engagement is not accepted by stakeholders as sufficient for plant-specific issues/effects. To avoid confusion, engagement is likely to be at a wastewater portfolio (or treatment plant portfolio) level and not Pukete specific.	Consequence: Flawed decision-making. Poor response / confusion / obstruction from opposing stakeholders which leads the delays or project put on hold until rectified.	29/05/26	Live - Treat	Implementation	Communications and Engagement	Master Plan/Consent/Upgrade coordination. Portfolio level comms and engagement framework.	Major	Possible	18	Align with IAWAI Iwi Consultation Framework and Communication and Engagement Strategy once established. Contribute to IAWAI regular Community Engagement Sessions	IAWAI	Alasdair Gray		Moderate	Unlikely	6	Good alignment and involvement in consents workstream and Kaitiaki Roopuu. Good feedback from first induction.
4	R12		Confusion about programme decisions /commitments	Cause: the significant "rolling" history of Pukete technical advice and it being in discrete reports/memos, of different dates.	Description: There is a threat that there will be confusion about programme decisions / commitments which may lead uncertainty about what decisions are fixed/not and affect design direction/scope and acceptance of construction proposals.	Consequence: Key decisions will be relitigated which may lead to a change in scope and ultimately lead to delays (6-12 months).	29/05/26	Live - Treat	Implementation	Strategic	Master Plan framework pulls information together but does not provide conclusive direction. LTP and DBC scope available but not conclusive.	Major	Possible	18	Independent governance review. Collate existing background material for master plan and categorise . Require background report/gap evaluation as part of master plan and investigation engagements.	IAWAI	Alasdair Gray		Serious	Rare	5	Background reviews and updates part of all engagements.
4	R46 / R75		Potable water supply to project	Cause: Insufficient potable water to supply the project if 3W system fails.	Description: There is a threat that the full flow and pressure requirements for potable water requirements for the project are not met.	Consequence: Additional design costs and construction costs may result (cost increase by 16-20%)	29/05/26	Live - Treat	Implementation	Operational	3 waters storage with inlet screens construction/commissioning.	Major	Possible	18	Undertake potable water flow test, design new feed from treated water main on pukete rd that is dedicated to project - OPerational Team to be involved in capacity planning and testing to identify risk and contingency planning	IAWAI	Daniel Hishon		Major	Rare	10	Investigation under way to increase resilience and plan plant=-wide solution.
4	R02		Changes in standards / processes changes scope and costs	Cause: Changes in consent /discharge standards/IAWAI expectations	Description: There is a threat of changes in compliance requirements from central government and regional council (e.g. TN) resulting in increased costs or delays	Consequence: Delay (3-6 month) from redesign, increase 10 year costs in design or construction by >25%.	29/05/26	Live - Treat	Implementation	Strategic	Sensitivity testing, coordination with Master Planning and consenting workstreams	Major	Possible	18	Sensitivity testing, coordination with Master Planning and consenting workstreams.	IAWAI	Alasdair Gray		Serious	Unlikely	9	
4	A		Complex problem	Cause: Complex programme / Mega project	Description: There is a threat that the programme and its dependencies are not sufficiently planned or understood.	Consequence: Incoherent delivery (including poor / ineffective risk mgmt), increased cost and time to deliver, failure of the WWTP, loss of reputation, negative domestic media coverage	29/05/26	Live - Treat	Implementation	Operational	Accept that the Pukete WWTP Upgrade is a complex problem and deal with it in parts - Triage upgrades for interaction with consents – urgency/importance - Triage upgrades for potential conflict – spatial, energy, hydraulic –and opportunities? - Split upgrades into a now/soon/later with dependency analysis - Build in tranches. Smooth impact on budget and on plant operation. - Build on previous examples, learn from others and work with operations - Chock the wheels - investment case and procurement strategy	Major	Possible	18	Annual programme management external audit	IAWAI	Alasdair Gray		Serious	Possible	13	
4			Conflicting	Cause: Conflicting objectives	Description: There is a threat that conflicting objectives	Consequence: 3-6 month delays										IAWAI	Alasdair Gray					Coordination going well

											Semi-Quantitative			Treatment Strategy				Semi-Quantitative			
Rank	RID	Prj ID	Risk Title	Cause:	Description:	Consequence:	Date Raised (xx/xx/xxxx)	Risk Status	Phase	Risk Category	Established Controls	Conseq.	Likelihood	Risk Score	Treatment Actions	Risk Owning Org	Responsible Person	Deadline xx/xx/xx	Conseq.	Likelihood	Risk Score	Commentary & Closure Statement
10	R05		Conflicting objectives between capital, renewals, maintenance and operations	Cause: Conflicting objectives between capital, renewals, maintenance and operations (urgency, standards, delivery approach, timing), poor comms, misunderstandings	Description: There is a threat that conflicting objectives between capital, renewals maintenance and operations (urgency, standards, delivery approach timing) lead to delays or disruption in design and construction	Consequence: 3-6 month delays or disruption in design and construction	29/05/26	Live - Treat	Implementation	Strategic	Clear governance decision-making, engagement at technical and management levels	Serious	Likely	17	Clear governance decision-making, engagement at technical and management levels.	IAWAI	Alasdair Gray		Serious	Possible	13	Coordination going well. Upgrade will deliver major plant renewals once identified
11	R08		Retrofit for bioreactors to Bardenpho process selction (4 or 5 stage)	Cause: Potential changes in process selection	Description: There is a threat that the budget and current scope is for converted from MLE to the 4-stage Bardenpho process. If a 5-stage Bardenpho was adopted, then any the bioreactor compartment and subdivision modifications could become abortive leading to rework, costs and delays, and missed treatment standard opportunities	Consequence: rework, significant additional funding would be required and 6-12 month delays, and missed treatment standard opportunities.	29/05/26	Live - Treat	Implementation	Operational	Performance monitoring of current conversions. Early investigation and commitment for remaining units before detailed design and implementation.	Major	Unlikely	14	Performance monitoring of current conversions. Early investigation and commitment for remaining units before detailed design and implementation.	IAWAI	Alasdair Gray		Major	Rare	10	
11	R09		Uncertainty in demand timing undermines investment case	Cause: Uncertainty of dates for interdependent projects, and background growth uncertainty	Description: There is a threat that the flow and load splits between Pukete, Ngaruawahia and north, and the proposed Southern WWTP are still to be firmed up. This introduces timing uncertainty as to what upgrading is required at Pukete and when.	Consequence: timing uncertainty for need for/benefit from Pukete upgrades which would mean signifcant milestones are not met.	29/05/26	Live - Treat	Implementation	Operational	Address with sensitivity testing for Investment case and benefits analysis. Upgrades probably needed for consent standards anyway. Master Plan will sort future capacity increases (e.g. lagoons and bypass may need thought).	Major	Unlikely	14	Sensitivity testing for Investment case and benefits analysis. Upgrades probably needed for consent standards anyway. Master Plan will sort future capacity increases (e.g. lagoons and bypass may need thought).	IAWAI	Alasdair Gray		Major	Rare	10	
13	R06		Plant bypass strategy and emergency diversion - construction	Cause: Consent uncertainty and early stages of plant master plan	Description: There is a threat that the overall strategy for managing plant bypass and any emergency diversion to the river (if acceptable) is still to be resolved as part of the consenting strategy. Any changes to current site bypasses could impact the currently planned Inlet works upgrades and associated bypass allowances.	Consequence: impact on committed Inlet works and associated bypass allowances - cost /consent delay (3-6 months)	29/05/26	Live - Treat	Implementation	Compliance / Regulatory	Consent strategy and plant master plan recognise progressively committed infrastructure.	Serious	Possible	13	Rigorous 3-way dependency management. Consent strategy and plant master plan recognise progressively committed infrastructure.	IAWAI	Alasdair Gray		Serious	Unlikely	9	
13	R07		MBR treatment new secondary screening facility impacts on existing	Cause: Inadequate consideration of future flows (to and from the facility) and associated flow paths	Description: There is a threat that the MBR treatment will require the need for a new secondary screening facility which is now included as part of the revised buildout. The flows (to and from the facility) and associated flow paths will require greater scrutiny due to impact on the existing interstage pumpstation and how any pipework ties into the existing lower distribution channels. Further, the methodology / configuration of future interstage pumping has not yet been determined and that will be a task for the master planning process. – significant staging risk	Consequence: Conflicting hydraulic paths and more difficult IPS - increased cost ($500k-$2m) and time (3-6 months) - reduced efficiency/performance	29/05/26	Live - Treat	Implementation	Operational	Master Plan with additional key risk/conflict investigations.	Serious	Possible	13	Rigorous dependency management, master plan (and early investigation)	IAWAI	Alasdair Gray		Serious	Possible	13	
13	B		Poor benefits realisation management	Cause: Lack of quality benefits tracking throughout implementation	Description: There is a threat that insufficient or poor benefits baselining and realisation tracking throughout construction and at handover leads to perception of innappropriate funding allocation / poor manangement team.	Consequence: Lack of condience from Council members	29/05/26	Live - Treat	Implementation	Political	Develop Benefits Realisation Management Plan which includes baselining activities, quarterly reviews and communication/ engagements with key stakeholders on progress and outcomes achieved.	Serious	Possible	13		IAWAI	Alasdair Gray		Serious	Possible	13	
13	C		Delivery doesn't align with consenting requirements	Cause: Failure to deliver the programme in a way (time and performance) that meets consent requirements	Description: There is a threat that the construction sequencing or failure to hit key milestones leads to breaches in consent requirements.	Consequence: Breach in consents, localised environmental incident and reputational damage.	29/05/26	Live - Treat	Implementation	Environmental	Three levels of assurance – plan it and implement it	Serious	Possible	13		IAWAI	Alasdair Gray		Serious	Possible	13	
13	D		Working in a live WWTP	Cause: Upgrades implementation compromises performance of required operations	Description: There is a threat that the upgrades compromise the operation of the current WWTP, especially at critical cut over milestones leads to public health or environmental incident.	Consequence: localised environmental incident, consenting breaches, national media coverage, loss of reputation.	29/05/26	Live - Treat	Implementation	Reputational	Three levels of assurance – plan it and implement it Build in tranches. Smooth impact on budget and on plant operation. Build on previous examples, learn from others and work with operations	Serious	Possible	13		IAWAI	Alasdair Gray		Serious	Possible	13	
13	H		Delays in decision making with new governance structure / political changes	Cause: Transition of project ownership from HCC to new body, IAWAI.	Description: There is a threat that with the new governing body, decisions take longer as organisation is still developing, ie new policies, procedures, people, governance processes.	Consequence: Delays to project (3-6 months) and potential cost increase	29/05/26	Live - Treat	Implementation	Financial	Early communication and provide suggested answers, not just questions. Accept and plan accordingly	Serious	Possible	13	Contribute to IAWAI regular engagement with political and iwi stakeholders to ensure understanding and alignment.	IAWAI	Alasdair Gray		Moderate	Possible	8	
13	R69		Commissioning stage cannot simulate the future flow rates	Cause: Commissioning stage cannot simulate the future flow rates - project objectives not met	Description: There is a threat that the new inlet facility project has key objectives that relate to future hydraulic performance and peak wet weather inflows which are unlikely to be simulated during commissioning - therefore difficult to test project objective and benefit being met.	Uncertainty for performance in extreme events	29/05/26	Live - Treat	Implementation	Operational	None	Serious	Possible	13	Observation/evaluation of performance in different scenarios and for forecast extreme events and contingency planning, secondary flow path consideration	IAWAI	Adam Donaldson		Serious	Possible	13	
	F		Significant negative impact on project finances	Cause: External factors outside of project control (force majure?) impacting project budget	Description: There is a threat that major economic or financial shock event negatively impacts delivery approach and scope meaning not all benefits are delivered.	Consequence: Cost increases (~30%) scope reduction, slower construction, not all benefits achieved.	29/05/26	Live - Treat	Implementation	Financial	Monitor and escalate early as soon as programme team become aware. Contingency management?	Serious	Possible	13		IAWAI	Alasdair Gray		Serious	Possible	13	
	G		Political changes negatively impact strategic direction	Cause: Key stakeholders make unanticipated changes, decisions or take actions that is in opposition to current approvals	Description: There is a threat that Political stakeholders, Iwi Parters, and Shareholders make unacticipated changes, decisions or take actions that is in opposition to the current approvals, which leads to delays, cost increases or stopping works altogether.	Consequence: Delays to project (3-6 months) potential cost increase, or stopping work altogheter which negatively impacts the benefits being achieved.	29/05/26	Live - Treat	Implementation	Political	Proactive communications to key stakeholders, in particular of benefits realisation. Communication to be channeled through IAWAI, not project. Accept this risk to an extent.	Serious	Possible	13		IAWAI	Alasdair Gray		Serious	Possible	13	
~~20~~	~~R03~~		~~Failure to deliver growth and outcomes~~	~~Cause: Step changes in growth requirements or demand or consequences of growth~~	~~Description: There is a threat that with the step changes in growth requirements or demand or consequences of growth, mean avoidable/early upgrades and increased costs.~~	~~Consequence: Adverse reaction to avoidable costs or growth constraints - possible loss of confidence from Council members~~	~~29/05/26~~	~~Live – Treat~~	~~Implementation~~	~~Political~~	~~Sensitivity testing for growth and construction timing~~	~~Serious~~	~~Unlikely~~	~~9~~	~~Sensitivity testing for growth and construction timing, comms strategy~~	~~IAWAI~~	~~Alasdair Gray~~		~~Moderate~~	~~Unlikely~~	~~6~~	

Appendix 5: Estimate Summary

Pukete Wastewater Treatment Plant Upgrade: Summary of estimated costs									Prepared 9 June 2026
Project Estimates – Implementation (2026-2036 LTP Period) as at June 2026[1]				Estimated Costs ($Millions – Excl. GST)[4]				Water Services Strategy Budget	
Proposed construction tranche[2]	Package Description[3]	Completion Status		Base Estimate[5]	Expected (50th Percentile) Estimate[6]	95th Percentile Estimate[7]		Total Available Budget (2026-2036)	Comment
		Design	Construction						
Upgrade Works expected in 2026/27 - 2035/36									
Current	New Inletworks - Pukete 3c	95%	50%	28.4	38.1	55.3			Odour control upgrade being re-phased.
Tranche 1	New, second, longitudinal aerated grit chamber	0%	0%	18.7	25.7	37.3	11.6		Construction with PSTs
Tranche 1	New Primary Sedimentation Treatment (PST)	0%	0%	21.1	29.1	42.2	13.1		Following completion of inlet works
Tranche 1	P050 New sixth Bioreactor	0%	0%	20.6	29.0	42.0	13.0		Including MBR-ready and potential adaption of AB5 to MBR
Tranche 1	Two new digesters - similar to existing	0%	0%	30.2	41.9	60.8	18.9		Only one set of digesters in Tranche 1
Tranche 2	Replacement maintenance building	0%	0%	49.1	67.6	98.0			
Tranche 2	Replacement control, laboratory building	0%	0%	27.7	38.1	55.3			
Tranche 3	New enclosed flare - to replace existing	0%	0%	1.9	2.7	3.9			
Tranche 3	New lift pumpstation - PSTs to secondary screening	0%	0%	13.0	18.1	26.2			
Tranche 3	New secondary screening facility	0%	0%	12.7	17.7	25.6			
Tranche 3	Second River Outfall - Habitat Wetland	0%	0%	41.3	56.8	82.3			
Tranche 3	Modifications to the existing digester roof	0%	0%	5.3	11.7	17.0			
Tranche 3	New UV system - low pressure channel lamps.	0%	0%	7.5	10.5	15.3			
Total for Works expected in 2026/27 - 2035/36				**277.5**	**387.0**	**561.2**		**480.5**	To be confirmed in approved WSS.
Works within scope of Upgrade but after 2035/36									
Tranche 4	*Bioreactor - modifications of the existing reactors*	*0%*	*0%*	*11.0*	*15.3*	*22.1*			Part of estimate applicable to MBR works for AB5
Tranche 4	*New MBR system for 2.4m3/s*	*0%*	*0%*	*119.9*	*167.5*	*242.9*			Part of estimate applicable to MBR works for AB6 and AB5
Tranche 4	*Peak flow screw pumpstation - PSTs to lagoons*	*0%*	*0%*	*25.8*	*35.9*	*52.1*			Some investment will be needed for Clarifier 5 to Storm Flow.
Tranche 4	*Upgrades to the storage lagoons*	*0%*	*0%*	*17.9*	*24.7*	*35.8*			
Tranche 4	*Pukete Rd , culverts, fencing, HV relocation*	*0%*	*0%*	*24.2*	*33.4*	*48.5*			Elements will be required earlier
Tranche 4	*New CHP engine (500kW) and gas conditioning*	*0%*	*0%*	*8.4*	*11.7*	*17.0*			
Total for Works expected after 2035/36				***207.2***	***288.5***	***418.4***			
Total for Works identified in DBC to provide adequate treatment including planned growth to 2061				**484.7**	**675.5**	**979.6**			

Legend

(1) Initial estimates from Northern MetroWastewater Treatment Detailed Business Case (DBC) 2022 Technical Report. The estimated costs will be updated through the design and procurement processes.

(2) Project allocation to tranches subject to refinement

(3) Package definitions match DBC Technical report - these are being refined to reflect concept design and pdelivery planning

(4) Base date for the DBC estimates is 1 July 2022. Approx.20% inflation to 1 July 2026 values then WSS inflation profile.

(5) The Base Estimate is the raw, baseline cost of the project scope without any added allowance for risk or uncertainty. It represents the "most likely" cost to deliver the defined project scope based on current knowledge and market rates.

(6) The Expected (50%ile) Estimate is the base cost estimate plus an objective contingency allowance for known risks and knowledge gaps. This 50th-percentile value has an equal (50%) chance of being either exceeded or underrun

(7) The 95th-percentile Estimate should only be exceeded by the final cost in one out of every 20 occasions (a 5% probability) to understand the total funding exposure if things go wrong.

Appendix 6: Financial Assumptions

1. Initial estimates are from Northern Metro Wastewater Treatment Detailed Business Case (DBC) 2022 Technical Report.

2. Base date for the DBC estimates is 1 July 2022. Approx.20% inflation applied to 1 July 2026 values then WSS inflation profile.

Year	CAPEX	CPI	Source
2022/23		6.78%	Annual inflation at 3.1 percent in March 2026 | Stats NZ
2023-24		4.40%	Annual inflation at 3.1 percent in March 2026 | Stats NZ
2024-25		2.40%	Annual inflation at 3.1 percent in March 2026 | Stats NZ
2025-26	Risk		Additional allowance of $15% on construction components to allow for impact of USA/Iran conflict
2025-26	5.00%		As advised by Lyle

3. The estimated costs will be updated through the design and procurement processes.

4. Project allocation to tranches and construction timing is subject to refinement. WSS budgets are based on construction tranches of approximately $80 million, each with a duration of two construction seasons.

5. Project/package definitions match DBC Technical report - these are being refined to reflect concept design and delivery planning

6. Reporting will be based on Base, Expected and 95%ile estimates:

    a. The Base Estimate is the raw, baseline cost of the project scope without any added allowance for risk or uncertainty. It represents the "most likely" cost to deliver the defined project scope based on current knowledge and market rates.

    b. The Expected (50%ile) Estimate is the base cost estimate plus an objective contingency allowance for known risks and knowledge gaps. This 50th-percentile value has an equal (50%) chance of being either exceeded or underrun

    c. The 95th-percentile Estimate should only be exceeded by the final cost in one out of every 20 occasions (a 5% probability) to understand the total funding exposure if things go wrong.

7. Initial estimates are from Northern Metro Wastewater Treatment Detailed Business Case (DBC) 2022 Technical Report. The estimated costs will be updated through the design and procurement processes.

Year	CAPEX	CPI	Source
2022/23		6.78%	Annual inflation at 3.1 percent in March 2026 | Stats NZ
2023-24		4.40%	Annual inflation at 3.1 percent in March 2026 | Stats NZ
2024-25		2.40%	Annual inflation at 3.1 percent in March 2026 | Stats NZ
2025-26	Risk		Additional allowance of $15% on construction components to allow for impact of USA/Iran conflict
2025-26	5.00%		As advised by Lyle

8. Project allocation to tranches and construction timing is subject to refinement.
9. Package definitions match DBC Technical report - these are being refined to reflect concept design and delivery planning
10. Base date for the DBC estimates is 1 July 2022. Approx.20% inflation to 1 July 2026 values then WSS inflation profile.
11. Reporting will be based on Base, Expected and 95%ile estimates:
12. The Base Estimate is the raw, baseline cost of the project scope without any added allowance for risk or uncertainty. It represents the "most likely" cost to deliver the defined project scope based on current knowledge and market rates.
13. The Expected (50%ile) Estimate is the base cost estimate plus an objective contingency allowance for known risks and knowledge gaps. This 50th-percentile value has an equal (50%) chance of being either exceeded or underrun
14. The 95th-percentile Estimate should only be exceeded by the final cost in one out of every 20 occasions (a 5% probability) to understand the total funding exposure if things go wrong. This is currently allowed for as 45% above expected.

Appendix 7: Supporting Documents

#	Title	Date	Comment
1	Northern Metro Wastewater Treatment Detailed Business Case (DBC) 2023	March 2023	Northern metro DBC_Final.pdf
2	Northern Metro Wastewater Treatment Detailed Business Case (DBC) Preferred Option Technical Report	December 2022	Northern Metro WW DBC - Preferred Option Technical Report Final.pdf
3	Long Term Plan Approval – initiation of programme – Pukete Wastewater Treatment Plant Upgrade	July 2024	LTP Investment Approval
4	Hamilton City Council meeting 26 June 2025 constituting IAWAI and role as transitional agent for strategic infrastructure projects including Pukete WWTP.	June 2025	agenda minutes
5	Memorandum of Understanding Entered into by HCC, Waipa DC, Waikato DC, Waikato-Tainui to sit along site the Metro Wastewater Detailed Business Cases		Memorandum of Understanding

Pukete Wastewater Treatment Plant Upgrade:

Procurement Strategy

June 2026

HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

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Attachment 1: Conceptual illustration of procurement staging **7**
Attachment 2: Master Plan layout, Upgrade Macroscope and Tranche 1 ..... **8**

Document control and sign-off		
Version - status	1.0 For approval	
Document ID	Board Meetings/2026 Board Meetings and Workshops/2026 20 06 20 Board Meeting 11b Pukete WWTP P	
Business Case	Northern Metro Wastewater Treatment Detailed Business Case (20230329)	
Prepared by:	Alasdair Gray, Pukete WWTP Upgrade Programme Manager	
Prepared for:	Jackie Colliar, Director Strategic Investments Portfolio Andrew Parsons, Chief of Strategy and Delivery	
Senior Responsible Owner	Andrew Parsons, Chief of Strategy and Delivery, IAWAI	
Decision-making forum	IAWAI Board	
Decision date	18 June 2026	
Decision / outcome	Refer Board minutes	
Conditions (if any)	Refer Board minutes	
Date finalised for decision	10 June 2026	
Alasdair Gray	Programme/Project Manager	
Jackie Colliar	Director Strategic Investments Portfolio	
Andrew Parsons	Chief of Strategy and Delivery	

1 Summary

Pukete is Hamilton's only WWTP. It is an operational site that is critical for the ongoing operation of the city, its people and its economy. Pukete WWTP is nearing capacity and has aging infrastructure. The upgrade programme responds to Te Ture Whaimana and the Northern Metro Wastewater Treatment Detailed Business Case (Future Proof, 2023) for improved environmental outcomes and cultural alignment.

The proposed upgrade is consistent with master planning for the Pukete WWTP. Upgrade implementation is in parallel with renewals of three existing discharge consents associated with the operation plant that lapse in mid-2028. Construction needs to commence before the consents are renewed to contribute to compliant operations. Design needs to anticipate discharge consent and growth requirements.

This procurement strategy is for Pukete WWTP Upgrade:

- design and construction of Tranche 1 of the upgrade at an estimated cost up to $182.3 million
- Investigation and design of the building replacements Tranche 2 up to $15.7 million with construction subject to separate approvals
- Investigation and concept design only of the remaining two process tranches 3 and 4 up to $14.9 million with their construction subject to separate approvals.

The general procurement approach for the main activities, commencing with shortlisting based on quality, is for primarily traditional contracting models with early contractor involvement where beneficial, and targeting a few trusted advisors/suppliers/constructors for relationship contracting that rewards excellence.

There are current engagements for programme management and support, and for independent governance, that will be extended from 1 July 2026 for 18-24 months to the end of design of Tranche 1.

2 Purpose

The purpose of this procurement strategy is to:

- Enable delivery of the Pukete WWTP Upgrade in a manner that maintains safe and compliant plant operations
- Support staged implementation aligned with the programme macroscope and Approval to Deliver
- Provide a procurement framework that manages risk, maintains flexibility, and supports evolving consent and growth requirements

Approval of this strategy supports:

- Procurement for Tranche 1 construction and supporting services (hydraulic capacity and MBR enabling)
- Procurement of investigation and design for Tranches 2 to 4 (Buildings replacement and remainder of process upgrades).

3 Context

Pukete WWTP is Hamilton's only wastewater treatment plant and must remain operational during all upgrade works. The programme:

- Is delivered over approximately 15 years
- Is sequenced in tranches to manage risk and operational impact
- Must respond to expiring consents and increasing demand
- Requires progressive transition toward membrane bioreactor-based treatment
- Must maintain compliance throughout construction.

The procurement approach must reflect:

- The constraints of a live treatment plant
- The need to stage decisions as consent and growth information evolves
- The importance of protecting operational performance while increasing capacity and resilience.

Table 1: Key activities/milestones during the Investment delivery phase(subject to change)

Key activities/milestones	Approximate Timeframe / Estimated date
1. Primary sedimentation treatment, additional digesters and secondary treatment design	12 - 24 months starting 2026/27 Q2/3
2. Buildings investigation and design	18 months starting 2026/27 Q2/3
3. Procurement of physical works	In tranches commencing 2027/28 Q1/2
4. Construction – process upgrades	In 1-2-year tranches commencing 2027/28 Q2/3
5. Construction - buildings	Maintenance commencing 2027/28 Q2, then control
6. Construction – new water return pathway	2 years starting design in 2028 - after consents

The proposed investment (project costs) are summarised in Table 9. The full list of financial assumptions and current project estimates is included in Attachment 5.

Table 2: Investment summary table (WOLC, $m)

Expected cost estimates (50th percentile)	**$m**	**Capex**	**Opex** (26-36)	**Total**
Actual project spend to date:	n/a (pre-WSS)			-
Estimate to complete this project (all phases) Note: Extends beyond 2036.		675.5	194.8	870.3
Estimate to complete this project (design plus Tranche 1 and 2 construction) (inside 2036)		477.0	(Total) 177.0	654.0
Water Services Strategy Budget		480.4	(additional) 13.9	494.3
Project contingency (inside 2036) – nominal 25%		Approx. 40%	nil	109.5
Other whole-of-life operating costs: (renewals budgeted separately ($116.1m)		-	-	-
Total (Capex and Opex) cost (WSS 2026-2036 only)				**571.9**

4 Procurement Approach

4.1 Overview

The procurement strategy is staged, risk-based and outcomes-focused. It is characterised by:

- Procurement aligned to programme tranches
- Packaging of works to manage interfaces and operational risks
- Use of traditional contracting models with targeted early contractor involvement
- Engagement with a limited number of capable suppliers to support relationship-based delivery

The approach avoids committing to a single whole-of-programme delivery model. This reflects the uncertainty in scope, timing, and consent requirements, and the need to manage interfaces carefully within a live plant environment.

Procurement to date has been through:

- Hamilton City Council's Professional Services Panel Framework Contract 2024 (CCCS) with direct appointments for specialists as a secondary procurement process
- Competitive tendering for the inlet works and odour control civils construction (NZS3910)
- Competition and negotiated supply for key mechanical components (screens and odour control unit.

The procurement approach for the upgrade (refer attachment 1) is based on:

- outsourced breathe in/breathe out framework for programme and project management (mix of direct appointment and quality-based competitive tendering)
- single lead consultant with oversight of process inputs, outputs and interactions (quality-based competitive tendering)
- additional specialist consultants for detailed design and construction management (quality-based competitive pre-qualification followed by negotiation or closed pricing)
- coordination with master planning, consents, operations and renewals
- packaging based on urgency, technical similarities/interdependencies, and consenting pathways

4.2 Contracting Models

The following contracting models will be applied for physical works:

Package type	Model	Application
Clearly defined works	NZS3910	Inlet works, civil works, discrete packages
Buildings	NZS3910, 3916, NZ Architects or staged design and construct – to be confirmed.	Maintenance, laboratory, control buildings
Integrated process upgrades	Early contractor involvement followed by NZS3910 with some design and construct elements	Aeration basins, process upgrades, digester works
Specialist plant integration	Design and construct elements, Original Equipment Suppliers	Screening, pumping, process mechanical systems
Renewals	As above except where there are established Master Service Agreements or Panel contracts	Large renewals incorporated within programme.

Early contractor involvement will be used where desirable to:

- Develop construction methodology
- Plan staging and sequencing
- Identify and manage risks associated with live plant interfaces.

This may include design and construct and Original Equipment Manufacturer (OEM) selection.

Professional services will mainly be from within established panels such as the PSP Framework Contract or All of Government and generally based on the Conditions of Contract for Consultancy Services (CCCS) or the EngNZ/ACENZ Short Form.

Some roles such as independent governance and specialist peer reviews will be based on individual selection and may be from outside the panel frameworks.

4.3 Packaging Strategy by Tranche

Procurement packaging aligns with the programme macroscope and Tranche 1 Approval to Deliver.

Tranche	Scope includes:	Procurement approach:
1: Hydraulic and process capacity	• Storm water attenuation and treatment • UV treatment controls and early works • Grit channel and primary sedimentation tanks • Aeration basin 6 and associated process preparation • Initial membrane bioreactor enabling works • Additional digester to support renewals • Associated civil, power and site infrastructure	• Package early works to enable sequencing of future upgrades • Use NZS3910 for defined civil works • Shortlist contractors base on quality. • Competitive tenders within shortlist for each package. • Use early contractor involvement for integrated process elements • Separate packages to maintain plant performance and access • Maintain option for negotiation of subsequent packages.
2: Buildings	• Replacement maintenance building • Replacement laboratory and control building	• Delivered as a separate workstream • Staged building delivery to release space for process upgrades • Procurement using NZS3916 or staged design and construct • Timing coordinated with solids and process pathways
3: Process changes and return pathway	• New water return pathway • Additional UV systems • Storm flow transfer and lagoon works	• Dependent on consent outcomes • Early investigation and design procurement • Staged construction aligned with operational constraints • Early contractor involvement for integration planning
4: Incremental process upgrades	• Sequential conversion of aeration basins to membrane bioreactor • Further solids and chemical processing upgrades • Storm flow capacity improvements	• Delivered in staged packages over time • Relies on performance and learnings from earlier tranches • Ongoing use of early contractor involvement to manage risk • Maintain flexibility for changes in demand and treatment requirements

5 Risk Management

The procurement strategy is designed to manage the key programme risks associated with delivering upgrades within an operational treatment plant.
Key risks include:

- Failure to deliver the programme due to market constraints
- Disruption to plant operations and compliance
- Optimism bias in scope, cost and programme planning
- Conflicting objectives between operations, renewals and capital delivery
- Health and safety risks.

Risk management is addressed through:

- Staging works into tranches to defer commitment and allow adaptation
- Packaging contracts to reduce interface and integration risks
- Using early contractor involvement to improve planning and constructability
- Maintaining redundancy and capacity before taking assets offline
- Independent assurance and structured governance.

6 Market Strategy

The market strategy is designed to secure capable suppliers and maintain competitive tension.
Key elements include:

- Early market engagement through requests for information
- Prequalification of suppliers based on capability and experience
- Closed competitive processes with a limited number of suppliers
- Engagement of a lead consultant with supporting specialist designers
- Maintaining more than one delivery partner across the programme.

Supplier strategy focuses on:

- Selecting suppliers with proven experience in wastewater treatment upgrades
- Encouraging consistent teams across tranches where performance is strong
- Retaining flexibility to introduce competition in future packages.

7 Governance and Assurance

Procurement activities will operate within the established programme governance framework.
This includes:

- Programme governance group oversight
- Technical advisory input
- Independent assurance
- Alignment with IAWAI and Council procurement policies.

Assurance will be provided through:

- Independent technical and commercial reviews
- Governance oversight separate from delivery teams
- Structured programme and project management processes.

8 Implementation

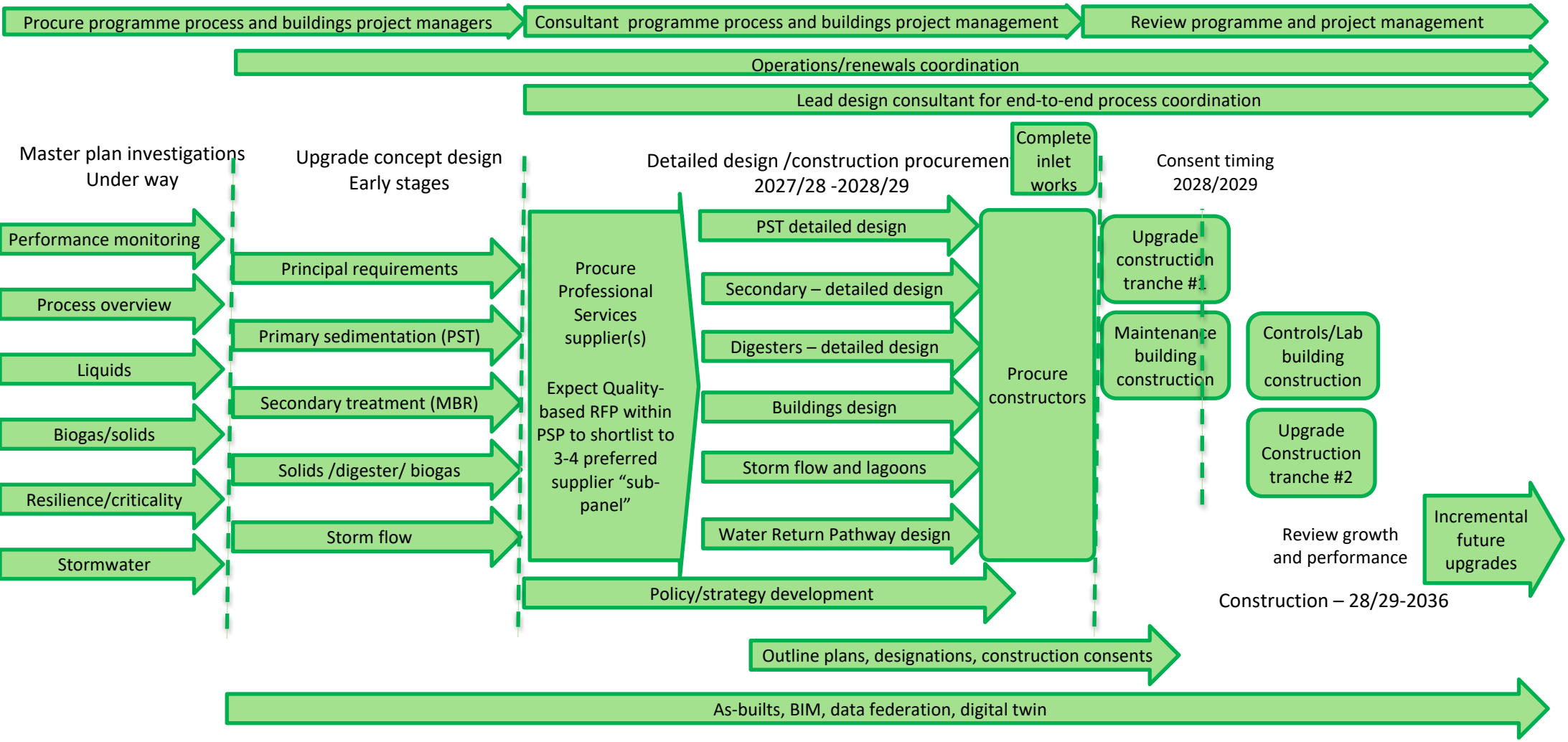
Implementation will initially progress as follows:

- Procure process and building project managers (may be outside panel to manage conflict)
- Shortlist professional services suppliers based on quality for three (max four) for selection of lead consultant (Pukete sub-panel).
- Scope and tender within Pukete sub-panel) for upgrade design work packages.
- Establish contractor prequalification for Tranche 1 activities.
- Extend existing independent governance engagement to complete Tranche 1 design and review.
- Extend programme management and support engagement to complete Tranche 1 design and review.

Subsequent actions include:

- Procure early works and Tranche 1 construction packages
- Implement early contractor involvement for key interfaces
- Develop detailed procurement plans for construction for subsequent tranches.
- Review of programme management and governance resourcing on approach to end of Tranche 1 design.

Attachment 1: Conceptual illustration of procurement staging



Attachment 2: Master Plan layout, Upgrade Macroscope and Tranche 1

Approval to Deliver Appendix 1: Pukete Wastewater Treatment Plan Master Plan: Key Principles and Concept

June 2026

IAWAI

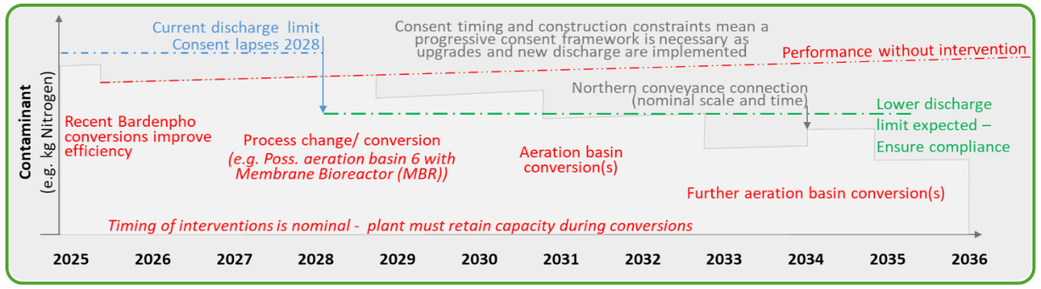
Purpose:

A comprehensive and agreed plan to:

- Support compliant treatment that accommodates planned growth and contribute to Te Ture Whaimana
- Align with strategic growth, environmental and regulatory goals, IAWAI strategies and funding
- Optimise infrastructure upgrade sequencing to support operations planning, budgeting and renewals
- Align long-term planning for future space, process technology, carbon, energy, resilience, water reuse
- Support the reconsenting process and guide decisions to meet discharge and cultural expectations.

Principles:

- Protect current operational compliance and improve reliability and resilience.
- Plan strategically for a nominal 100-year horizon and consider future trends.
- Be adaptable for changes in flow/load, catchment and growth characteristics, and environmental changes.
- Be adaptable for uncertain treatment consent expectations including discharge standards and water return pathway options.
- Design conceptually for a nominal 30-year horizon for process selection and spatial allocation to align with the strategic plan.
- Prioritise space allocation within the existing site for treatment processes.
- Maintain desirable access space for operational, renewal and construction.
- Increase redundancy to N+1 before taking process units off-line (i.e. do not operate at N-1) for extended periods
- Separate process units and flow paths to reduce reliance on single process flows.
- Anticipate bio-nutrient removal and membrane bio-reactors to be part of the best practicable option for secondary treatment.
- Increase direct water re-use and minimise the need for raw river water or potable water for processes.
- Do not preclude likely alternatives for solids processing that will be investigated on a sub-regional basis .
- Transition from "*wastewater treatment and disposal*" to a "*water resource recovery*" concept.



Approach:

- Additional treatment capacity is required to accommodate growth
- Change in treatment process is necessary to accommodate growth and meet expected treatment standards
- Membrane bio-reactors remain the likely best-practicable option
- Early hydraulic capacity increases improve resilience and reduce risks for future upgrades
- Interim secondary treatment conversions are likely to be superseded by changes to enable MBR

Next steps:

- Finalise treatment option selection and confirm spatial allocations
- Finalise master plan in consultation with stakeholders, including process extent and road status/designation
- Monitor actual performance with progressive upgrades, growth forecasts and expected influent characterisation
- Refine scheduling for upgrade implementation taking consent requirements and performance into account.

Spatial Concept:

Short Term – Years 1 - 10

- Inlet works
- Storm water attenuation/treatment
- UV treatment controls, waters, early wins
- Primary Sedimentation Treatment (PSTs) 4-6
- Aeration Basin 6 with Membrane BioReactor
- AB5 to MBR (expected) with SC5 to SF Tank
- Additional digester to enable renewal
- Replace maintenance building
- Replace laboratory and control building
- Second UV New water return pathway
- Storm Flow to Lagoon
- Lagoon Expansion – may be staged

Medium Term – Years 10-40

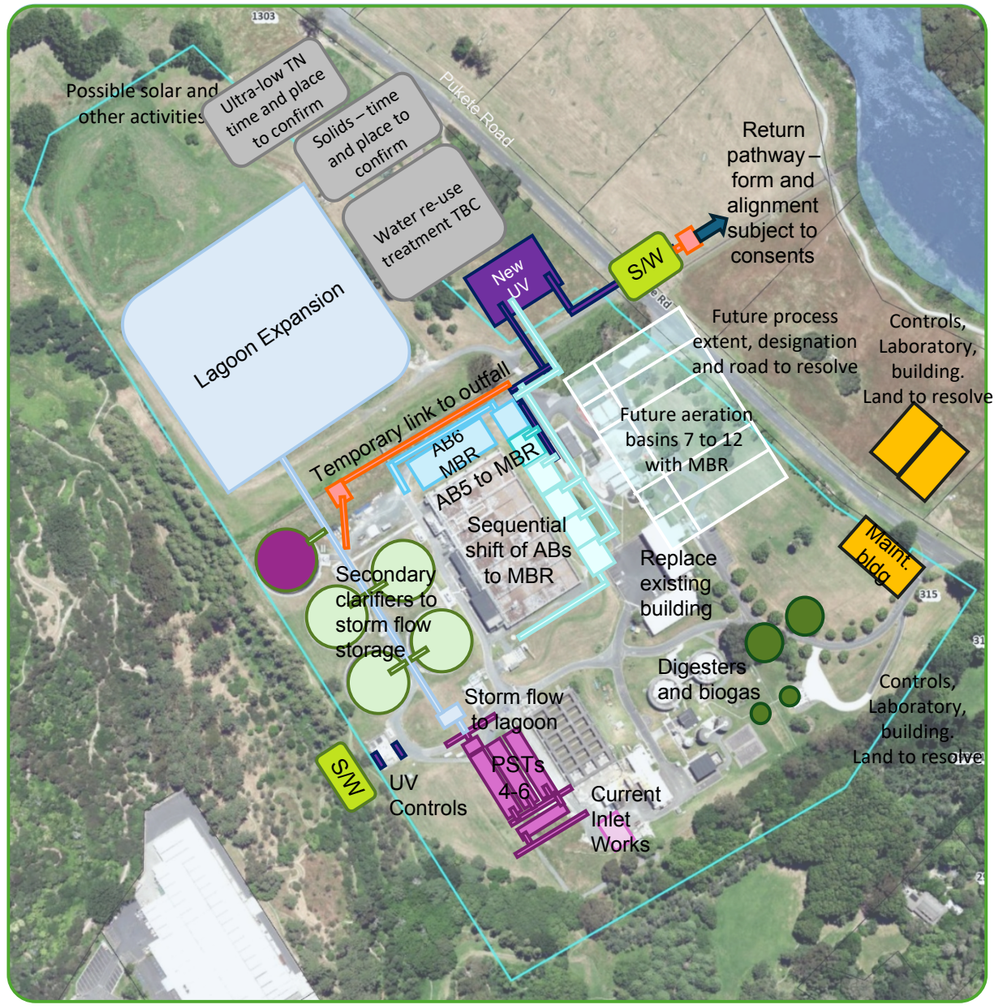
- Sequential shift of AB to MBR (expected), switch to outfall & SC to SF Tanks
- Solids & Chemicals – time and place to confirm
- Remaining Digesters & Biogas

Long term – Years 40 - 100

- Aeration Basin 7-12 & MBR

Other opportunities

- Water re-use treatment facility
- Additional solids treatment (continuing vermiculture or disposal off site assumed)
- Additional high voltage connection to grid
- Alternative power – solar/batteries
- Mortuary waste



Approval to Deliver Appendix 1: Pukete Wastewater Treatment Plan Master Plan: Key Principles and Concept

June 2026

IAWAI

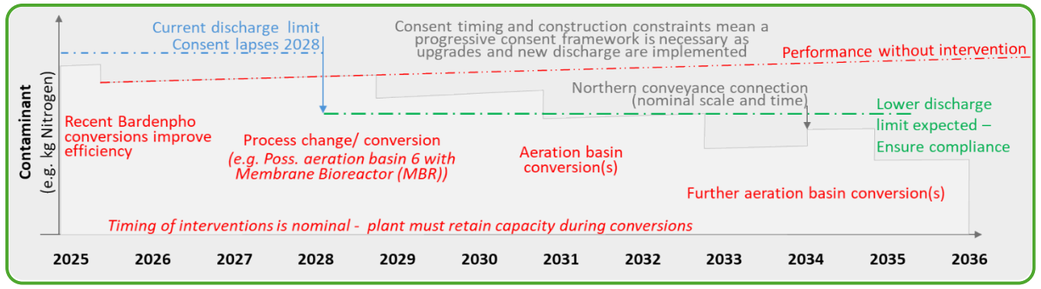
Purpose:

A comprehensive and agreed plan to:

- Support compliant treatment that accommodates planned growth and contribute to Te Ture Whaimana
- Align with strategic growth, environmental and regulatory goals, IAWAI strategies and funding
- Optimise infrastructure upgrade sequencing to support operations planning, budgeting and renewals
- Align long-term planning for future space, process technology, carbon, energy, resilience, water reuse
- Support the reconsenting process and guide decisions to meet discharge and cultural expectations.

Principles:

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Spatial Concept:

Short Term – Years 1 - 10

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- Storm Flow to Lagoon
- Lagoon Expansion – may be staged

Medium Term – Years 10-40

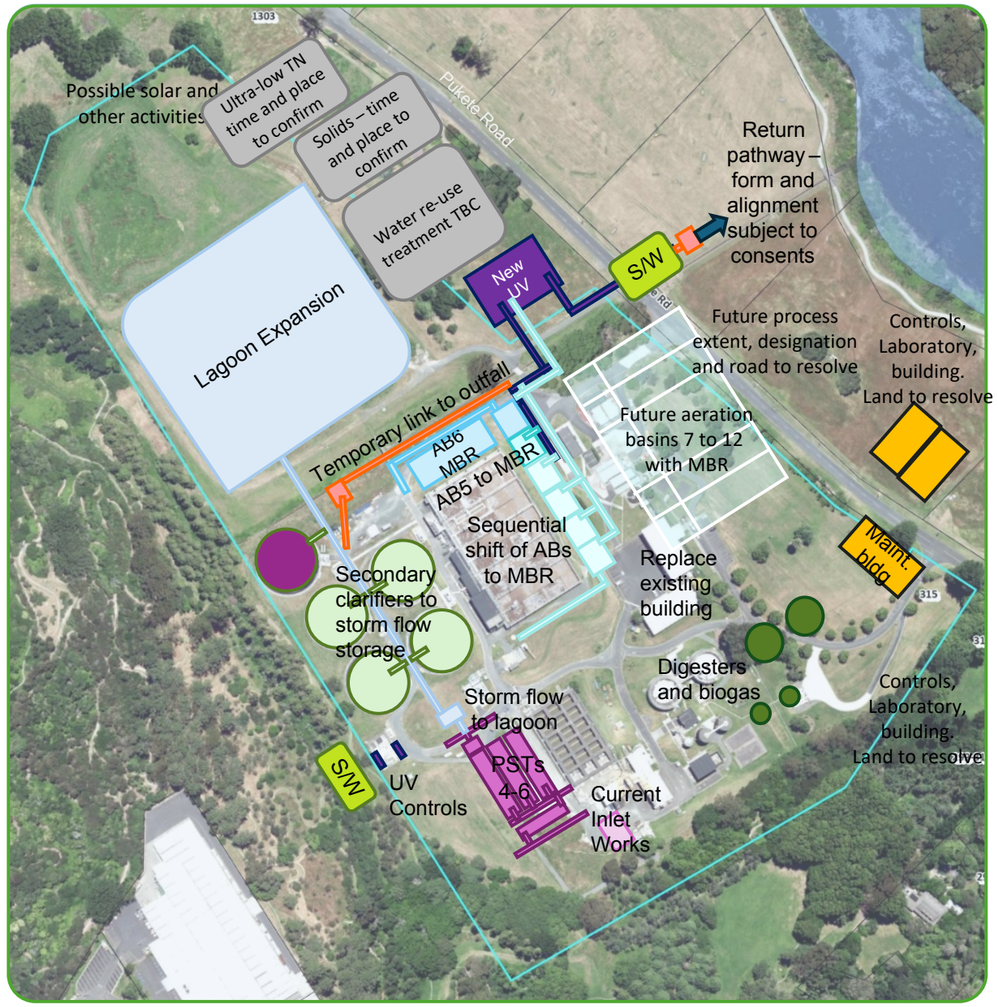
- Sequential shift of AB to MBR (expected), switch to outfall & SC to SF Tanks
- Solids & Chemicals – time and place to confirm
- Remaining Digesters & Biogas

Long term – Years 40 - 100

- Aeration Basin 7-12 & MBR

Other opportunities

- Water re-use treatment facility
- Additional solids treatment (continuing vermiculture or disposal off site assumed)
- Additional high voltage connection to grid
- Alternative power – solar/batteries
- Mortuary waste



Approval to Deliver Appendix 3: Pukete Wastewater Treatment Plant Upgrade: Tranche 1 Macroscope

June 2026

IAWAI

Overview:

The Pukete WWTP upgrade will be delivered in coordination with operations, renewals, and consenting in four tranches sized to manage impact on the plant operations over an indicative programme of approximately 15 years. Delivery in tranches better allows the upgrade to respond to changes in growth rates, catchments served, influent characterisation and treatment standards. The inlet works construction will be completed in mid-2027.

Tranche 1 comprises initial works to increase hydraulic capacity, enable secondary treatment process changes and target preparation for expected consent requirements and planned growth to 2061.

Commitment to Tranche 1 allows the upgrade to be phased more evenly to:

- protect the compliant operation of the plant at an acceptable level of performance to support public health.
- avoid cost and compliance risks from construction over a shorter period, with consequential space restrictions.
- reduce the potential impacts of construction and commercial exposure from operational interaction.

Construction approval is for Tranche 1 only with investigation and concept design approval for the whole process and design approval for the replacement buildings.

Tranche 1 Scope:

- Storm water attenuation/treatment
- UV treatment controls, waters, early wins
- Grit channel and Primary Sedimentation Treatment (PSTs) 4-6
- Aeration Basin 6 with Membrane BioReactor
- AB5 to MBR (expected) with SC5 to SF Tank
- Additional digester to enable renewal
- Associated strategic investigations, servicing and civil/site works
- Building design and Tranche 3, 4 concept design will progress in parallel

Tranche 1 Financials:

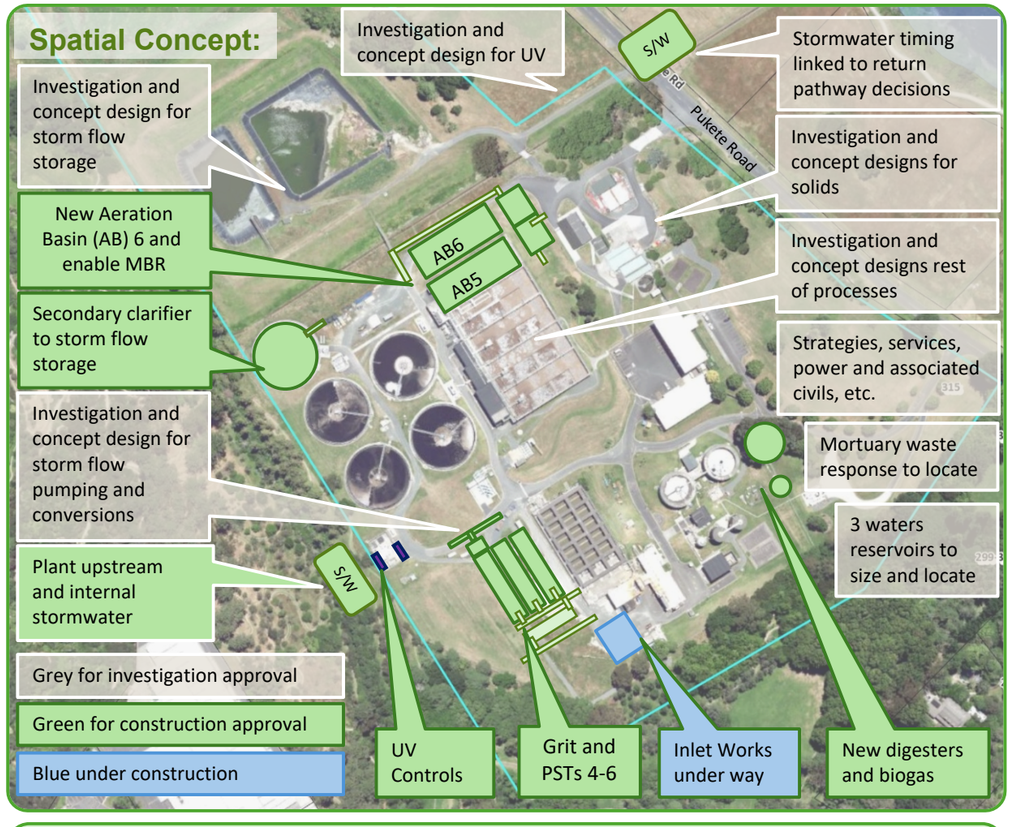
- Estimates are based on the Northern Metro DBC scopes and estimates updated for inflation.
- Estimates will be updated with new costs as scopes and designs are refined

Water Services Strategy 2026-36	Budget
Pukete WWTP Upgrade (10 years)	$480.5 million
Estimated cost including contingency	**Approval**
Tranche 1 design and construction	$182.3 million
Tranches 3, 4 investigation/ concepts	$21.6 million
Total	**$203.9 million**

Programme management and delivery:

- Governance including independent chair
- Initially outsourced programme and project management to review in 18-24 months
- Single lead consultant with oversight of process with another one to three specialists for detailed design and construction management
- Relationship contracting shortlisting two to three contractors for packages with early contractor involvement options.
- Options to negotiate with incumbent contractors to incentivise whole of contract performance.

Spatial Concept:

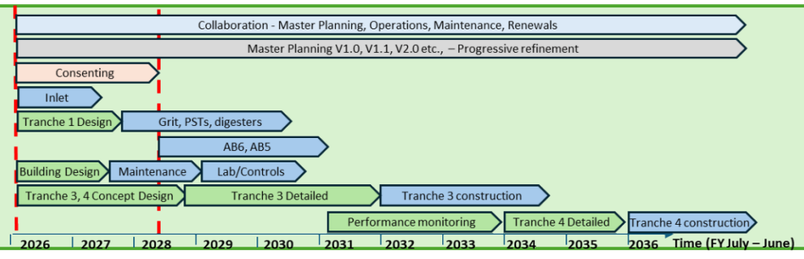


Risk management:

- The overall approach to risk treatments for infrastructure is based on tolerance of "Cautious", for infrastructure delivery, and "Adverse" for impacting on compliance and safety.
- The basic approach to delivery in tranches has a focus on protecting safe and compliant operations.
- Risk escalation will be at project cost and time level over a three-year duration.
- There are no *EXTREME* risks at 1 June 2026. There are 5 *VERY HIGH* risks at 1 June 2026 including:
  - Failure to deliver the programme (resources/costs) – treated by pipeline coordination and engagement
  - Optimism biases lead to poor decisions – treated by independent governance and 3 levels of assurance
  - Poor communication affects consenting – treated by consents workstream leading engagement
  - "Rolling" programme leads to conflicting decisions and delays/costs – master plan and lead consultant
  - Upgrade objectives conflict with operations and renewals – clear governance, RASCI and coordination.
- Estimates include allowance for Forex changes,
- Risks and treatments will be reviewed and reported monthly to programme governance and the IAWAI Board
- Changes in risks that exceed programme tolerance (>HIGH) will be escalated in a timely way.

Delivery programme:

- Conceptual



Next steps:

- Select/procure project managers for process and buildings workstreams
- Collaborate with operations, renewals and consents, map dependencies and plan interface management
- Issue request for proposals to select preferred process overview consultant and shortlist specialists.
- Confirm consent/outline plan requirements for upgrades and coordinate consent/designation/land strategies
- Progress investigations and concepts for Tranches 3 and 4 to inform Tranche 1 decision-making
- Complete investigations and designs for Tranche 1 and commence construction procurement when ready
- Progress investigations and design for buildings for future construction approval.

Pukete Wastewater Treatment Plant - Risk Register

												Current Exposure							Residual (Target)		
												Semi-Quantitative			Treatment Strategy				Semi-Quantitative		
Rank	RID	Prj ID	Risk Title	Cause:	Description:	Consequence:	Date Raised (xx/xx/xxxx)	Risk Status	Phase	Risk Category	Established Controls	Consq.	Likelihood	Risk Score	Treatment Actions	Risk Owning Org	Responsible Person	Deadline xx/xx/xx	Consq.	Likelihood	Risk Score
1	R01		Failure to respond to a disaster	Cause: natural or human induced disaster event	Description: There is a threat that a lack of preparedness leads to a failure to respond or an ineffective response to a natural or human induced disaster event, resulting in increased costs, delays, compromised programme delivery and outcomes.	Consequence: increased costs (>21%), delays (>1y), compromised programme delivery and outcomes	29/05/26	Live - Treat	Implementation	Operational	Waters Business Continuity Plan Project planning to align with the IAWAI Business Continuity and Disaster Recovery Processes and Organisaition Resilience Policy, Activity Management Plan to be developed, Procurement strategy, Contract structure	Catastrophic	Possible	22	To be developed following drafting of IAWAI Business Continuity Mgmt Framework	IAWAI	Alasdair Gray		Serious	Possible	13
2	E		Failure to mainteain a safe and healthy work environment	Cause: Inadequate heath, safety and wellbeing systems and practises in place.	Description: There is a threat that workers, contractors, or others are harmed due to inadequate health, safety and wellbeing systems, culture, or practices.	Consequence: serious harm or resulting in fatality.	29/05/26	Live - Treat	Implementation	Health & Safety/Wellbeing	Health and Safety Mgmt Framework including inductions, hazard management, JSEAs and Permit to Work Systems. Regular review of mgmt and HSE risk registers and action. Monthly reporting on H&S including incidents and injuries.	Major	Likely	21	PCBU Coordination framework as part of design and construction engagements.	IAWAI	Alasdair Gray		Major	Unlikely	14
2	R04		Failure to deliver programme	Cause: Market shortages in expertise and experience and growth in demand from Local Waters Done Well investment	Description: The threat of a shortage of necessary resources (designers, constructors) means we are unable to deliver our work on time/to quality or pay a premium	Consequence: Delays > 6months in design/design approvals (or adequacy) and availability of constructors.	29/05/26	Live - Treat	Implementation	Operational	Procurement strategy, market analysis, pipeline coordination, market engagement	Major	Likely	21	Procurement strategy, market analysis, pipeline coordination, market engagement. Work with IAWAI PMO once established for a coordinated effort. Contibute to the IAWAI Waters Strategy V2	IAWAI	Alasdair Gray		Major	Possible	18
4	R11		Optimism bias and narrow thinking leads to poor procurement, design and implementation decisions	Cause: Narrow supplier market and HCC history	Description: There is a threat that the narrow supplier market and HCC history leads to optimistic evaluation of costs, benefits and risks and the wrong building/process being selected, benefits being overstated, costs being understated and risks minimised or poorly communicated.	Consequence: Optimistic evaluation of costs, benefits and risk leads to plant preformance being compromised >10% from expected, and/or costs increasing by >10%.	29/05/26	Live - Treat	Implementation	Operational	Governance, including risk and assurance committee reporting	Major	Possible	18	3 levels of assurance (independence (peer reviews), governance (not PMs) and effective management (right people and processes)) Include independence in Portfolio governance and consider for programme governance)	IAWAI	Alasdair Gray		Serious	Unlikely	9
4	R10		Indirect engagement with Mana whenua and stakeholders	Cause: Lack of clarity on nature / purpose of comms and engagement leading to poor informed (to and from) missing key issues for Pukete-specific effects.	Description: There is a threat that consenting engagement is not accepted by stakeholders as sufficient for plant-specific issues/effects. To avoid confusion, engagement is likely to be at a wastewater portfolio (or treatment plant portfolio) level and not Pukete specific.	Consequence: Flawed decision-making. Poor response / confusion / obstruction from opposing stakeholders which leads the delays or project put on hold until rectified.	29/05/26	Live - Treat	Implementation	Communications and Engagement	Master Plan/Consent/Upgrade coordination. Portfolio level comms and engagement framework.	Major	Possible	18	Align with IAWAI Iwi Consultation Framework and Communication and Engagement Strategy once established. Contribute to IAWAI regular Community Engagement Sessions	IAWAI	Alasdair Gray		Moderate	Unlikely	6
4	R12		Confusion about programme decisions /commitments	Cause: the significant "rolling" history of Pukete technical advice and it being in discrete reports/memos, of different dates.	Description: There is a threat that there will be confusion about programme decisions / commitments which may lead uncertainty about what decisions are fixed/not and affect design direction/scope and acceptance of construction proposals.	Consequence: Key decisions will be relitigated which may lead to a change in scope and ultimately lead to delays (6-12 months).	29/05/26	Live - Treat	Implementation	Strategic	Master Plan framework pulls information together but does not provide conclusive direction. LTP and DBC scope available but not conclusive.	Major	Possible	18	Independent governance review. Collate existing background material for master plan and categorise . Require background report/gap evaluation as part of master plan and investigation engagements.	IAWAI	Alasdair Gray		Serious	Rare	5
4	R46 / R75		Potable water supply to project	Cause: Insufficient potable water to supply the project if 3W system fails.	Description: There is a threat that the full flow and pressure requirements for potable water requirements for the project are not met.	Consequence: Additional design costs and construction costs may result (cost increase by 16-20%)	29/05/26	Live - Treat	Implementation	Operational	3 waters storage with inlet screens construction/commissioning.	Major	Possible	18	Undertake potable water flow test, design new feed from treated water main on pukete rd that is dedicated to project - OPerational Team to be involved in capacity planning and testing to identify risk and contingency planning	IAWAI	Daniel Hishon		Major	Rare	10
4	R02		Changes in standards / processes changes scope and costs	Cause: Changes in consent /discharge standards/IAWAI expectations	Description: There is a threat of changes in compliance requirements from central government and regional council (e.g. TN) resulting in increased costs or delays	Consequence: Delay (3-6 month) from redesign, increase 10 year costs in design or construction by >25%.	29/05/26	Live - Treat	Implementation	Strategic	Sensitivity testing, coordination with Master Planning and consenting workstreams	Major	Possible	18	Sensitivity testing, coordination with Master Planning and consenting workstreams.	IAWAI	Alasdair Gray		Serious	Unlikely	9

Pukete Wastewater Treatment Plant - Risk Register

												Current Exposure							Residual (Target)		
												Semi-Quantitative			Treatment Strategy				Semi-Quantitative		
Rank	RID	Prj ID	Risk Title	Cause:	Description:	Consequence:	Date Raised (xx/xx/xxxx)	Risk Status	Phase	Risk Category	Established Controls	Consq.	Likelihood	Risk Score	Treatment Actions	Risk Owning Org	Responsible Person	Deadline xx/xx/xx	Consq.	Likelihood	Risk Score
4	A		Complex problem	Cause: Complex programme / Mega project	Description: There is a threat that the programme and its dependencies are not sufficiently planned or understood.	Consequence: Incoherent delivery (including poor / ineffective risk mgmt), increased cost and time to deliver, failure of the WWTP, loss of reputation, negative domestic media coverage	29/05/26	Live - Treat	Implementation	Operational	Accept that the Pukete WWTP Upgrade is a complex problem and deal with it in parts - Triage upgrades for interaction with consents – urgency/importance - Triage upgrades for potential conflict – spatial, energy, hydraulic –and opportunities? - Split upgrades into a now/soon/later with dependency analysis - Build in tranches. Smooth impact on budget and on plant operation. - Build on previous examples, learn from others and work with operations - Chock the wheels - investment case and procurement strategy	Major	Possible	18	Annual programme management external audit	IAWAI	Alasdair Gray		Serious	Possible	13
10	R05		Conflicting objectives between capital, renewals, maintenance and operations	Cause: Conflicting objectives between capital, renewals maintenance and operations (urgency, standards, delivery approach timing) lead to delays or disruption in design and construction	Description: There is a threat that conflicting objectives between capital, renewals maintenance and operations (urgency, standards, delivery approach timing) lead to delays or disruption in design and construction	Consequence: 3-6 month delays or disruption in design and construction	29/05/26	Live - Treat	Implementation	Strategic	Clear governance decision-making, engagement at technical and management levels	Serious	Likely	17	Clear governance decision-making, engagement at technical and management levels.	IAWAI	Alasdair Gray		Serious	Possible	13
11	R08		Retrofit for bioreactors to Bardenpho process selction (4 or 5 stage)	Cause: Potential changes in process selection	Description: There is a threat that the budget and current scope is for converted from MLE to the 4-stage Bardenpho process. If a 5-stage Bardenpho was adopted, then any the bioreactor compartment and subdivision modifications could become abortive leading to rework, costs and delays, and missed treatment standard opportunities	Consequence: rework, significant additional funding would be required and 6-12 month delays, and missed treatment standard opportunities.	29/05/26	Live - Treat	Implementation	Operational	Performance monitoring of current conversions. Early investigation and commitment for remaining units before detailed design and implementation.	Major	Unlikely	14	Performance monitoring of current conversions. Early investigation and commitment for remaining units before detailed design and implementation.	IAWAI	Alasdair Gray		Major	Rare	10
11	R09		Uncertainty in demand timing undermines investment case	Cause: Uncertainty of dates for interdependent projects, and background growth uncertainty	Description: There is a threat that the flow and load splits between Pukete, Ngaruawahia and north, and the proposed Southern WWTP are still to be firmed up. This introduces timing uncertainty as to what upgrading is required at Pukete and when.	Consequence: timing uncertainty for need for/benefit from Pukete upgrades which would mean signifcant milestones are not met.	29/05/26	Live - Treat	Implementation	Operational	Address with sensitivity testing for Investment case and benefits analysis. Upgrades probably needed for consent standards anyway. Master Plan will sort future capacity increases (e.g. lagoons and bypass may need thought).	Major	Unlikely	14	Sensitivity testing for Investment case and benefits analysis. Upgrades probably needed for consent standards anyway. Master Plan will sort future capacity increases (e.g. lagoons and bypass may need thought).	IAWAI	Alasdair Gray		Major	Rare	10
13	R06		Plant bypass strategy and emergency diversion - construction	Cause: Consent uncertainty and early stages of plant master plan	Description: There is a threat that the overall strategy for managing plant bypass and any emergency diversion to the river (if acceptable) is still to be resolved as part of the consenting strategy. Any changes to current site bypasses could impact the currently planned Inlet works upgrades and associated bypass allowances.	Consequence: impact on committed Inlet works and associated bypass allowances - cost /consent delay (3-6 months)	29/05/26	Live - Treat	Implementation	Compliance / Regulatory	Consent strategy and plant master plan recognise progressively committed infrastructure.	Serious	Possible	13	Rigorous 3-way dependency management. Consent strategy and plant master plan recognise progressively committed infrastructure.	IAWAI	Alasdair Gray		Serious	Unlikely	9
13	R07		MBR treatment new secondary screening facility impacts on existing	Cause: Inadequate consideration of future flows (to and from the facility) and associated flow paths	Description: There is a threat that the MBR treatment will require the need for a new secondary screening facility which is now included as part of the revised buildout. The flows (to and from the facility) and associated flow paths will require greater scrutiny due to impact on the existing interstage pumpstation and how any pipework ties into the existing lower distribution channels. Further, the methodology / configuration of future interstage pumping has not yet been determined and that will be a task for the master planning process. – significant staging risk	Consequence: Conflicting hydraulic paths and more difficult IPS - increased cost ($500k-$2m) and time (3-6 months) - reduced efficiency/performance	29/05/26	Live - Treat	Implementation	Operational	Master Plan with additional key risk/conflict investigations.	Serious	Possible	13	Rigorous dependency management, master plan (and early investigation)	IAWAI	Alasdair Gray		Serious	Possible	13
13	B		Poor benefits realisation management	Cause: Lack of quality benefits tracking throughout implementation	Description: There is a threat that insufficient or poor benefits baselining and realisation tracking throughout construction and at handover leads to perception of innappropriate funding allocation / poor manangement team.	Consequence: Lack of condience from Council members	29/05/26	Live - Treat	Implementation	Political	Develop Benefits Realisation Management Plan which includes baselining activities, quarterly reviews and communication/ engagements with key stakeholders on progress and outcomes achieved.	Serious	Possible	13		IAWAI	Alasdair Gray		Serious	Possible	13
13	C		Delivery doesn't align with consenting requirements	Cause: Failure to deliver the programme in a way (time and performance) that meets consent requirements	Description: There is a threat that the construction sequencing or failure to hit key milestones leads to breaches in consent requirements.	Consequence: Breach in consents, localised environmental incident and reputational damage.	29/05/26	Live - Treat	Implementation	Environmental	Three levels of assurance – plan it and implement it	Serious	Possible	13		IAWAI	Alasdair Gray		Serious	Possible	13
13	D		Working in a live WWTP	Cause: Upgrades implementation compromises performance of required operations	Description: There is a threat that the upgrades compromise the operation of the current WWTP, especially at critical cut over milestones leads to public health or environmental incident.	Consequence: localised environmental incident, consenting breaches, national media coverage, loss of reputation.	29/05/26	Live - Treat	Implementation	Reputational	Three levels of assurance – plan it and implement it Build in tranches. Smooth impact on budget and on plant operation. Build on previous examples, learn from others and work with operations	Serious	Possible	13		IAWAI	Alasdair Gray		Serious	Possible	13

Pukete Wastewater Treatment Plant - Risk Register

												Current Exposure							Residual (Target)		
												Semi-Quantitative			Treatment Strategy				Semi-Quantitative		
Rank	RID	Prj ID	Risk Title	Cause:	Description:	Consequence:	Date Raised (xx/xx/xxxx)	Risk Status	Phase	Risk Category	Established Controls	Consq.	Likelihood	Risk Score	Treatment Actions	Risk Owning Org	Responsible Person	Deadline xx/xx/xx	Consq.	Likelihood	Risk Score
13	H		Delays in decision making with new governance structure / political changes	Cause: Transition of project ownership from HCC to new body, IAWAI.	Description: There is a threat that with the new governing body, decisions take longer as organisation is still developing, ie new policies, procedures, people, governance processes.	Consequence: Delays to project (3-6 months) and potential cost increase	29/05/26	Live - Treat	Implementation	Financial	Early communication and provide suggested answers, not just questions. Accept and plan accordingly	Serious	Possible	13	Contribute to IAWAI regular engagement with political and iwi stakeholders to ensure understanding and alignment.	IAWAI	Alasdair Gray		Moderate	Possible	8
13	R69		Commissioning stage cannot simulate the future flow rates	Cause: Commissioning stage cannot simulate the future flow rates - project objectives not met	Description: There is a threat that the new inlet facility project has key objectives that relate to future hydraulic performance and peak wet weather inflows which are unlikely to be simulated during commissioning - therefore difficult to test project objective and benefit being met.	Uncertainty for performance in extreme events	29/05/26	Live - Treat	Implementation	Operational	None	Serious	Possible	13	Observation/evaluation of performance in different scenarios and for forecast extreme events and contingency planning, secondary flow path consideration	IAWAI	Adam Donaldson		Serious	Possible	13
	F		Significant negative impact on project finances	Cause: External factors outside of project control (force majure?) impacting project budget	Description: There is a threat that major economic or financial shock event negatively impacts delivery approach and scope meaning not all benefits are delivered.	Consequence: Cost increases (~30%) scope reduction, slower construction, not all benefits achieved.	29/05/26	Live - Treat	Implementation	Financial	Monitor and escalate early as soon as programme team become aware. Contingency management?	Serious	Possible	13		IAWAI	Alasdair Gray		Serious	Possible	13
	G		Political changes negatively impact strategic direction	Cause: Key stakeholders make unanticipated changes, decisions or take actions that is in opposition to current approvals	Description: There is a threat that Political stakeholders, Iwi Parters, and Shareholders make unanticipated changes, decisions or take actions that is in opposition to the current approvals, which leads to delays, cost increases or stopping works altogether.	Consequence: Delays to project (3-6 months) potential cost increase, or stopping work altogheter which negatively impacts the benefits being achieved.	29/05/26	Live - Treat	Implementation	Political	Proactive communications to key stakeholders, in particular of benefits realisation. Communication to be channeled through IAWAI, not project. Accept this risk to an extent.	Serious	Possible	13		IAWAI	Alasdair Gray		Serious	Possible	13
~~20~~	~~R03~~		~~Failure to deliver growth and outcomes~~	~~Cause: Step-changes in growth requirements or demand or consequences of growth~~	~~Description: There is a threat that with the step-changes in growth requirements or demand or consequences of growth, mean avoidable/early upgrades and increased costs.~~	~~Consequence: Adverse reaction to avoidable costs or growth constraints - possible loss of confidence from Council members~~	~~29/05/26~~	~~Live - Treat~~	~~Implementation~~	~~Political~~	~~Sensitivity testing for growth and construction timing~~	~~Serious~~	~~Unlikely~~	~~9~~	~~Sensitivity testing for growth and construction timing, comms strategy~~	~~IAWAI~~	~~Alasdair Gray~~		~~Moderate~~	~~Unlikely~~	~~6~~
							Closed	0					Zero	0						Zero	0
							Blank	0													
							TOTAL	**0**													

12 IAWAI Delegation Policy

Prepared and recommended by Hannah Beaven, IAWAI Planning, Bylaw and Policy Lead
Approved by IAWAI Director of Business Performance – Becca Brooke
Consulted with Waikato District Council and Hamilton City Council

Purpose

1. To seek IAWAI Board approval to a new Delegations Policy, effective from 1 July 2026.

Recommendations

2. That the IAWAI Board:

    a) Adopt the IAWAI Delegation Policy (the proposed Policy) (Attachment 1), effective from 1 July 2026.

    b) Revoke the IAWAI Delegation of Authority Policy and IAWAI Financial Delegation Policy (Attachment 2 and 3), effective from 1 July 2026.

Key points

3. Staff have prepared a proposed IAWAI Delegation Policy. The proposed Policy ensures IAWAI has a clear, transparent and accurate record of delegations within IAWAI.

4. The proposed Policy consolidates ten separate delegation policies and is adapted to reflect IAWAI's structure. It also integrates new powers under the LGWSA 2025 and removes delegations that were repealed or amended through the LGWSA, as well as making other consequential changes.

5. Financial delegations (Schedule 1 and 2) within the proposed Policy are intended to support timely and efficient financial decision-making. This Policy enables executive-level staff to approve higher value expenditure and contracts to enable delivery of IAWAI's substantial capital works programme and operational programme, noting that all expenditure must still align with IAWAI's Procurement Policy.

6. The proposed Policy also includes operational and statutory delegations (Schedule 3) needed to support IAWAI's management of water services, such as acquiring land for infrastructure, participating in planning and consenting processes, undertaking enforcement action, entering land, roads and properties to carry out works, and responding to emergencies.

7. Adoption of the proposed Policy will enable transferring and newly appointed staff to hold the statutory and operational delegations relevant to their roles (Schedule 3).

8. If approved, the Policy will be published on IAWAI's intranet, staff will be advised of their delegations, and relevant system and recruitment updates will be made.

Background

9. Over 1,000 delegations were compiled from HCC and WDC records for existing roles related to water services, including those under WDC's contract with Watercare. These delegations were assessed with the help of HCC, WDC, and IAWAI staff for their relevance to IAWAI, continued or new legislative authority, and the prospective corresponding role or level of authority within IAWAI.

10. The proposed draft IAWAI Delegation Policy document largely reflects the approach in existing HCC policies, incorporates relevant information from WDC and initial IAWAI policies, and combines them all into one comprehensive document.

The details

11. The proposed Policy establishes a clear record of the exercise and delegation of financial and decision-making authority, both statutory and operational, within IAWAI.

12. The proposed Policy includes changes (compared with HCC's and WDC's Delegation Policy) needed to align with IAWAI's role as a water organisation, its responsibilities to the shareholding councils, and its powers and duties primarily under the Local Government (Water Services) Act 2025, as well as other legislation.

Proposed changes to financial delegations (Schedule 1 and 2)

13. The proposed Policy supports efficient financial decision-making within IAWAI by establishing clear financial delegations and enabling executive-level staff to approve higher value expenditure and related contracts. This is intended to support efficient delivery of IAWAI's substantial capital works programme and operational programme.

14. The proposed Policy is intended to give staff the financial delegations needed to deliver work where decisions are generally consistent with Board direction set through the Water Service Strategy, Procurement Strategies, and other key documents. As drafted, the proposed financial delegations minimise unnecessary reporting to, and approval from, the Board.

15. Key aspects of this proposed approach are outlined below:

    A. Delegations for 'Budget Expenditure (Operating and Capital)' are increased for the Chief Executive Officer (CEO) and Executive Leadership Team, compared with the HCC Delegation Policy. This change includes allowing the CEO to approve budgeted expenditure without limit where it is within the approved budget and consistent with the approved Procurement Strategy. All expenditure must still comply with the IAWAI Procurement Policy, and deviation from the Procurement Policy or an approved Procurement Strategy would require Board approval.

    B. The CEO can approve 'Unbudgeted Expenditure (Operating and Capital)' up to $5,000,000. All other staff members do not have this delegation.

    C. Lower-level Development Agreements may be approved by the CEO, General Manager Growth and Delivery, Chief Engineer and the Principal Engineer, up to certain financial limits, for efficient decision-making. The financial limits are higher if the Development Agreements are consistent with Board approved Development Agreements Terms.

    D. Land acquisition and disposal may be approved by the CEO without limit where it is within the approved budget and consistent with the approved scope and Procurement Strategy. The Chief Financial Officer and General Manager Growth and Delivery may approve land acquisition and disposal up to $2,000,000. However, any decision to pursue compulsory acquisition of land must be made by the Board.

    E. The proposed Policy allows the CEO and General Manager Growth and Delivery to manage the Renewals and Compliance Programme within a three-year financial envelope. This is to allow delegated officers to make decisions such as adjusting budget timing of projects to changing circumstances, reallocate underspent funding provision to new identified renewal priorities and make necessary changes to budgets and timing of projects This approach is currently undertaken by HCC.

    F. The requirement to receive Board approval for legal proceedings does not apply to legal proceedings relating to the Public Works Act, Resource Management Act 1991 or Fast-Track Approvals Act 2024. This is because the Board will have been briefed and approved the risks associated with these processes as decisions are made under these Acts.

Proposed changes to Delegations of Authority to Positions (Schedule 3)

16. The proposed statutory and operational delegation generally reflects the same approach as HCC and WDC. Staff have ensured that transferring staff maintain the same level of statutory delegation to ensure continued operational management of water services.

17. Other key aspects of the policy include:

    A. Statutory powers that apply exclusively to local authorities, and which cannot legally be delegated to a water services organisation, have been removed.

    B. The proposed Policy incorporates new statutory powers granted to water services entities under the LGWSA.

    C. Delegations based on legislation that was repealed or amended by the LGWSA have been removed and replaced with the updated, legally compliant clauses.

    D. Warrants for compliance and enforcement are now enabled by the LGWSA and are delegated to the CEO.

    E. Amendments to reflect the structure of IAWAI, position titles and the preferred level of decision-making authority.

Instrument of Delegation

18. As part of the legal review on the internal IAWAI Delegations Management Policy, legal advice identified a limited number of residual statutory powers that IAWAI cannot lawfully undertake without further delegation from Councils.

19. As a result, the Instrument of Delegation, which is an ancillary document to the Transfer Agreement, was amended and approved by HCC on 28 May 2026 and by WDC on 9 June 2026.

Risks and opportunities

20. The proposed Delegation Policy provides key risk mitigation for IAWAI including:

    A. Providing a comprehensive and unified resource to track and understand delegated authority within the organisation.

    B. Ensuring clear links to legislative authority.

21. The proposed Delegation Policy provides IAWAI with strategic opportunities including:

    A. Operational and financial transparency and efficiency.

    B. Leadership for other water organisations.

Te Tiriti o Waitangi / Te Ture Whaimana o Te Awa o Waikato

22. The proposed Policy supports IAWAI's commitments under Te Tiri o Waitangi and Te Ture Whaimana o Te Aware o Waikato by establishing a clear decision-making framework for the powers and functions relating to water services.

Financial Implications

23. Adoption of the proposed Policy does not in itself create new financial implications. Instead, it establishes the delegation framework for approving and managing expenditure and in accordance with the IAWAI Procurement Policy. As noted above, the general intent of the proposed financial delegations is to enable executive level staff member to make higher value financial decisions and increase efficiency in the delivery of IAWAI's programmes.

24. Any financial decisions outside the proposed Policy remain with the Board, including any Water Service Strategy and Annual Budget, as set out in the Board and committee Terms of Reference.

Consultation

Partners

25. Staff have consulted the following units in the development of this Policy: Finance (HCC), Growth Funding (HCC and WDC), Activity Management Team (HCC), and current Waters Operational Teams including Watercare (HCC and WDC).

Customers

26. No external customer engagement has been undertaken.

Next steps

27. If the proposed Policy is approved by the Board, the Policy will be published on IAWAI's intranet and external website. Staff will be advised of the delegations applicable to their roles, and relevant financial delegations will be implemented within IAWAI's financial system to ensure expenditure approval limits align with approved delegated authority.

28. Recruitment processes will be updated to refer to the Policy and warrants will be issued.

Delegation Policy 2026

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HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

Policy Owner:	IAWAI Chief Executive
Date approved:	18 June 2026
Next review date:	18 June 2029
Document number:	IAWAI-DP-001
Required by legislation:	Statutory requirement

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PART 1. INTRODUCTION

1.1 Purpose

a. Delegations enable IAWAI to:

- operate effectively and efficiently,
- carry out IAWAI functions openly and transparently,
- provide delegates with the necessary authority to effectively carry out responsibilities,
- properly observe all statutory responsibilities.

b. The purpose of this policy is to establish clear guidelines, rules and requirements for the exercise and delegation of:

- Financial authority (including expenditure and revenue/pricing decisions), and
- Decision-making authority.
- This includes ensuring that revenue and pricing decisions are made in a way that reflects both financial sustainability and appropriate consideration of community and iwi perspectives.

c. This policy sets out all delegations for IAWAI and its staff. This includes:

- Financial delegations.
- Delegations of authority to positions, which include:
  i. Statutory delegations, including, but not limited to, the following legislation:
     - Local Government (Water Services) Act 2025
     - Water Services Act 2021
     - Resource Management Act 1991
     - Public Works Act 1981
  ii. Operational delegations.

d. All delegations under this policy are subject to board-approved budgets, approved business cases, and confirmed funding availability. Delegated authority does not in itself provide authority to incur expenditure outside of these approvals.

1.2 Legal Basis

a. The functions, powers and duties of IAWAI are prescribed by the Local Government (Water Services) Act 2025 and by IAWAI's shareholding councils, Hamilton City Council (HCC) and Waikato District Council (WDC), in the Transfer Agreement, the Instrument of delegation, Service Level Agreements and Shared Service Agreements.

b. The delegations in this policy are made in accordance with the Local Government (Water Services) Act 2025, the Water Services Act 2021, the Local Government Act 2002 and all other relevant legislation.

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c. The following documents provide additional context and should be referred to for information and awareness:

- The Transfer Agreement,
- The Instrument of Delegation,
- Novation Agreement
- Service Level Agreements
- Shared Service and Partnership Agreements
- HCC and WDC Delegation Policies
- IAWAI – Flowing Waters Governance Structure
- Reserved Matters in the Shareholder agreement

1.3 Shared Service Agreements

a. IAWAI uses a shared service framework to support efficiency and to ensure alignment with its shareholder councils. The provider of shared services will ensure the delivery of systems and processes is appropriate and relevant to IAWAI and in alignment with this and other IAWAI policies.

b. These delegations apply to functions and decisions within IAWAI. The shareholding Councils' shared service arrangements and partnerships, including roles and responsibilities, are set out in the relevant shared service and partnership agreements.

c. This policy should be read in conjunction with the Shared Service Agreements, Partnership Schedules, including Finance Schedule, and the Shared Services and Partnership Relationship Agreements.

1.4 Application of Policy

a. This policy will take effect from 1 July 2026.

1.5 Scope

a. This policy applies to delegations from the IAWAI Board to the Chief Executive Officer and from the Chief Executive Officer to staff and officers.

b. This policy includes:

- Delegations of financial authority including:
  i. From the Board to the Chief Executive Officer
     - by approval of a schedule to this policy, or
     - in writing outside of this policy.
  ii. From the Chief Executive Officer to officers:
     - by approval of a schedule to this policy, or

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- in writing outside of this policy.

- Delegations of authority to positions including:
  i. Statutory delegations to officers.
  ii. Operational delegations:
    - from the IAWAI Board to the Chief Executive Officer, and
    - from the Chief Executive Officer to IAWAI officers.

1.6 Definitions

Approved Contract Sum	as at the date of approval, the aggregate of all amounts most likely to be paid to the other party (including retentions made, or to be made in respect of a contract) or amounts received from the other party (as applicable), for that contract, over the life of the relevant contract.
Capital Expenditure (CAPEX)	Costs incurred to acquire, investigate, design, upgrade, extend, or renew long-term assets that are capitalised (recorded on the balance sheet/asset register) and depreciated over their useful life.
Contract	Any agreement in writing which purports to be legally binding upon IAWAI, including memoranda of understanding, letters of agreement, purchase orders, guarantees, leases (as lessor or lessee), licences (as licensor or licensee) and deeds. A contract includes any subsequent extensions, renewals or variations to the agreement.
Delegation	The assignment of a function, power or duty to act to another person or body, including the authority to carry out that function or exercise that power.
Delegate	The person or body that has a delegation. Delegates must ensure that all decisions are consistent with approved budgets, funding constraints, and IAWAI's liquidity position. Financial authority must not be exercised where sufficient budget or funding is not available.
Delegator	The person or body that has granted a delegation.
Financial Delegation	The level of financial decision-making authority delegated to the Chief Executive Officer or an officer as detailed in this policy.
IAWAI Board	The governing body of IAWAI, comprising the directors appointed in accordance with IAWAI's founding/constitutional arrangements, and responsible for the organisation's governance.
Master Agreement	An umbrella agreement that sets the general terms for future purchases or engagements with a supplier.
Operational delegation	Delegation of decision-making authority to facilitate the efficient and effective operation of the organisation.
Operational Expenditure (OPEX)	Day-to-day operating costs incurred in delivering services and running the organisation that are expensed in the period incurred and are not capitalised as an asset.

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Statutory Delegation	A power, duty or function specifically referenced in legislation and conferred to a given role or position.

PART 2. PRINCIPLES

2.1 General Principles of Delegation

a. Delegators retain the authority to exercise the function, power or duty and may exercise this concurrently with the Delegate.

b. No delegation relieves IAWAI or the person making the delegation of the liability or legal responsibility for the performance of the delegated responsibility, duty or power.

c. IAWAI adopts a disciplined approach to financial management, with a strong expectation of delivery within approved budgets. Variances are expected to be actively managed, with tighter tolerance applied to overspend than underspend to support financial sustainability, organisational reputation, and lender confidence.

d. All financial decisions must consider IAWAI's cash flow, liquidity position, and funding constraints, not solely budget availability.

e. Delegations are attached to an officer's position and/or level as agreed in their employment contract. The delegation will survive any change in the person occupying the office to which the delegation was made. Where any delegation refers to a position title and the name of the position title subsequently changes without substantial changes being made to the position holder's job description (in respect of the function to which the delegation relates), all delegations in the name of the previous position title are and shall be effective for the position holder of the new position title.

f. Delegates act in their own names on behalf of IAWAI when exercising delegated authority. In doing so, the delegate must:

- act in accordance with all relevant legislation; and
- comply with all relevant IAWAI policies, financial limits and reporting or other procedural requirements.

g. Subject to any legislative restrictions, a responsibility, duty or power delegated to an officer is also delegated to all officers in a direct line of authority above that officer and to any officer who is in an acting capacity for that officer.

h. It is not compulsory to exercise a delegation. An officer may choose to refer any matter to a higher level, including to the Chief Executive Officer or through the Chief Executive Officer to the IAWAI Board, for decision.

i. Unless a delegation has been made and included in the Delegations Register and Schedules of this policy, or where an officer is uncertain whether a matter falls within their delegated authority, the decision should be referred to the Chief Executive Officer for direction and, if appropriate, to the IAWAI Board.

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j. Unless specifically time-limited, a delegation will continue in force until revoked or varied by the Delegator or the Chief Executive Officer. A delegation may be revoked at any time without notice.

k. Where there is any ambiguity between the wording of a legislative function and the delegation of that function, the wording of the legislation will prevail.

l. Delegations approved via this policy include any ancillary responsibilities, duties, or powers necessary to give effect to that delegation.

m. Unless otherwise expressly stated, all financial values in this policy and its schedules are GST exclusive.

n. Changes to this policy including its schedules must be approved as follows:

- Changes to delegations of financial authority as set out in Part 3, and Schedules 1 and 2 of this policy, must be approved by the IAWAI Board.
- Changes to delegations from the IAWAI Board to the Chief Executive Officer as set out in Part 4.1 and Schedule 3 of this policy, must be approved by the IAWAI Board.
- All other changes to this policy and delegations can be approved by the IAWAI Chief Executive Officer.

2.2 Alignment with IAWAI policies

a. Any exercise of delegated financial and/or operational decision-making authority must comply with the applicable IAWAI policy.

2.3 Monitoring and Implementation

a. All approvals must be documented and retained for audit purposes.

b. All unbudgeted expenditure and material budget variances must be monitored and reported regularly to the Chief Executive Officer and IAWAI Finance Committee in accordance with financial reporting requirements.

c. Material budget variances must be forecast and communicated proactively.

d. The policy will be reviewed every three years to ensure it remains effective and relevant.

e. The Chief Executive Officer is responsible for ensuring compliance with this policy and is required to report instances of non-compliance to the IAWAI Board.

f. Breaches of this policy may result in disciplinary action.

PART 3. DELEGATIONS OF FINANCIAL AUTHORITY

Delegations of financial authority are set out in Schedule One.

3.1 Financial responsibilities of the IAWAI Chief Executive Officer and staff

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a. Any contract or agreement that creates binding financial obligations on IAWAI can only be executed by an officer whose position holds the appropriate Delegated Financial Authority, as set out in Schedule One.

b. Except where expressly prohibited by legislation or the terms of the delegation from the shareholder councils, the Chief Executive Officer may delegate their Delegated Financial Authority to officers to enable efficient and effective decision-making.

c. Delegated Financial Authority must be recorded in writing and is effective from the time and date when the Chief Executive Officer gives written approval.

d. Delegated Financial Authority granted via this policy may be temporarily sub-delegated to any other person or position for a specified period, provided that the sub-delegating officer must ensure that any applicable processes and procedures are followed in order to record the terms of the temporary sub delegation in writing. A temporary sub-delegation granted via this policy must not be further sub delegated without approval from the Chief Executive.

3.2 Ad-hoc Financial Authority Delegated via the Chief Executive Officer outside of this Policy.

a. Where the Chief Executive Officer delegates financial authority to an officer outside of this policy for a specific project, contract or purpose, the officer must adhere to this policy and the terms of the specific delegation.

b. In the event of inconsistency between this policy and the terms of a delegation from the Chief Executive Officers, the terms of the delegation will prevail. For the avoidance of doubt, where the Chief Executive Officer has specifically delegated financial authority to an officer that is in excess of that officer's financial authority under this policy, the officer may execute a contract or approve an invoice in excess of that officer's financial authority set out in this policy without having to refer the contract back to the Chief Executive Officer.

3.3 Levels of Financial Delegation

a. Delegations are generally assigned to tiers or levels within the organisational hierarchy as set out in the table below.

Level of delegation	IAWAI positions
Level 1	Chief Executive Officer
Level 2a – Chief Officers, General Managers (GM)	Chief Officer – Finance GM – Growth & Delivery
Level 2b – General Managers (GM)	GM – Operations Hamilton GM – Operations Waikato
Level 2c – Executive Directors	GM - Digital Executive Director Transformation & Business Performance Executive Director Governance & Government Relations

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Level of delegation	IAWAI positions
	Pou Aronui
Level 3 – 3LT	Generally, heads of teams or managers reporting to Executive Directors, GMs or Chief Officers, with direct reports
Level 4 – Contract Managers and People Leaders	Generally, contract managers within IAWAI who are responsible for managing a contract throughout its lifecycle or people leaders within IAWAI who are responsible for leading and supporting employees.
Level 5	These roles may include team leaders, managers, or executive assistants.
Level 6	These roles may include administrators or technical staff with low-level budget responsibilities.

PART 4. DELEGATIONS OF AUTHORITY TO POSITIONS

Delegations of authority to positions, both statutory and operational, are set out in Schedule 3.

4.1 Delegations for the IAWAI Board to Committees

a. The terms of references and delegations for the IAWAI Board and committees are governed by the 'IAWAI – Flowing Waters Governance Structure'.

4.2 Delegations from the IAWAI Board to the Chief Executive Officer

a. Delegations from the IAWAI Board to the Chief Executive are specified in the Register of Delegations (Schedule 3).

b. Delegation does not preclude the Chief Executive Officer from referring any matter to the IAWAI Board for decision if the matter is particularly significant, of political importance or sensitivity, of special community interest, or for any other reasons the determines.

c. Limitations:

- The Chief Executive Officer must report regularly to the Board on performance, risks, and compliance.

4.3 Delegations from the Chief Executive Officer to officers

a. Except where prohibited by legislation or the terms of the delegation from the IAWAI Board, the Chief Executive Officer may further delegate their Delegated Authority to officers to enable efficient and effective decision-making.

b. Limitations:

- Any decisions above delegated financial limits must be referred to the Chief Executive Officer for approval.

4.4 Procurement Policy and Financial Delegations

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a. The IAWAI Procurement Policy and Financial Delegations must be read and implemented together. Staff are required to consider both when undertaking any procurement.

b. Irrespective of the level of financial delegation that an officer may hold, anyone exercising a Financial Delegation must use the procurement method that is required by the Procurement Policy for the expected value of the contract / commitment under consideration.

c. When approaching a procurement, the following steps must be followed:

Step 1: Determine the appropriate procurement method

- Staff must first identify the required procurement approach in accordance with the Procurement Policy.

Step 2: Confirm the approval authority under Financial Delegations

- Once the procurement method is confirmed, staff must identify who has the authority to approve the contract under the Financial Delegations.
- Approval requirements may vary depending on both contract value and procurement method and must be confirmed in each case.

d. Approved exceptions to standard procurement processes may still apply and must be considered where relevant and can only be approved in accordance with the Procurement Policy.

e. For the avoidance of doubt, the Board retains full discretion to make decisions it considers appropriate in relation to procurement. This includes procurement decisions which are outlined in a procurement strategy approved by the IAWAI Board or relevant IAWAI committee. The delegations referred to in this section are officer-level delegations only.

4.5 Other Requirements and Definitions

Approved Contract Sum

For this Policy, the value of a contract is the “Approved Contract Sum”. At the date of approval, this is the total of all amounts most likely to be paid to (including retentions) or received from (as applicable) the other party over the life of the contract. Artificial splitting of contracts, programmes of work, or procurement activities to avoid delegation limits is strictly prohibited.

For contracts that involve both expenditure and revenue, the Approved Contract Sum is the higher of the expenditure or the revenue (no offsetting).

Variations

An officer may approve a variation that increases the total value above the Approved Contract Sum, provided the total approved value (including the original Approved Contract Sum) remains within the officer’s delegated contract limit. Variations may be approved provided the total contract value remains within the delegate’s approved financial authority.

Any variation that:

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- increases the total contract value by more than 10%; or
- materially changes the scope, risk profile, or intent of the contract

must be escalated and re-approved at the appropriate delegation level, regardless of remaining financial delegation.

Contracts approved by Board resolution

If a contract has been approved by IAWAI Board resolution, the Chief Executive Officer or relevant General Manager/Executive may:

a. execute the contract;

b. authorise payments up to the Approved Contract Sum, or delegate payment authorisation to a nominated position;

c. (if applicable) correct and re-issue invoices, issue credit notes, or refunds up to the Approved Contract Sum for revenue receivable under an approved contract; and

d. approve a variation that exceeds the Approved Contract Sum by no more than 5%, up to a maximum of $250,000, provided the new Approved Contract Sum remains within budget. Any use of this delegation will be reported to the appropriate IAWAI Board Committee.

Contracts approved under this Policy

If a contract is approved under this Policy:

a. payments and invoice corrections must be authorised by an officer with the appropriate delegated authority; and

b. a brief summary of such contracts must be reported quarterly to the IAWAI Finance Committee (no reporting is required under this section for contracts approved by the IAWAI Board or Board Capital Works Committee).

Information technology hardware, software and services

Delegation for the purchase of information technology, hardware, software and services is held within the Digital Functions under the Chief Digital Officer. This includes spending on ‘as a Service’ solutions such as ‘Software as a Service’ or ‘Platform as a Service’ and purchasing new applications for use within the organisation.

PART 5. SCHEDULES

1. Register of financial delegations
2. Notes for financial delegations
3. Register of delegations to positions

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HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

Schedule 1: Register of Financial delegations

Please read Table 1 together with the notes in Schedule 2.

Table 1: IAWAI Financial Delegations

Note	Description	Chief Executive Officer	Chief Financial Officer / GM Growth & Delivery	General Manager Operations	Chief Digital Officer / Executive Directors / Pou Aronui	3LT	Contract Managers and Team Leaders		
	Level	**1**	**2a**	**2b**	**2c**	**3**	**4**	**5**	**6**
1	Budgeted Expenditure (Operating and Capital)	Unlimited within approved budget	$5,000,000	$3,000,000	$750,000	$300,000	$50,000	$10,000	$1,000
2	Unbudgeted expenditure (Operating and Capital)	$5,000,000	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position
3	New Capital Expenditure Brought Forward	$5,000,000	$300,000	$300,000	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position
4	Development Agreements consistent with Board approved Development Agreement Terms	$10,000,000	$3,000,000 *General Manager Growth and Delivery only*	Non-delegable to this position	Non-delegable to this position	$750,000 *Chief Engineer Only*	$300,000 *Principal Engineer -Deals only*	Non-delegable to this position	Non-delegable to this position

Note	Description	Chief Executive Officer	Chief Financial Officer / GM Growth & Delivery	General Manager Operations	Chief Digital Officer / Executive Directors / Pou Aronui	3LT	Contract Managers and Team Leaders		
	Development Agreements where Board approved Development Agreement Terms are not available	$3,000,000	$1,500,000 *General Manager Growth and Delivery only*	Non-delegable to this position	Non-delegable to this position	$400,000 *Chief Engineer Only*	$150,000 *Direct reports to the Chief Engineer only*	Non-delegable to this position	Non-delegable to this position
5	Land Acquisition and Sale	Unlimited within approved budget and approved Scope and Procurement Strategy	$2,000,000	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position
6	Debt and Water Charges Write-off	$100,000	$50,000	$5,000	$5,000	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position
7	Legal Proceedings	$250,000	$100,000	$100,000	$100,000	$50,000	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position
8	Development Contributions: remissions or postponements	$1,500,000	$1,000,000	$1,000,000	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position	Non-delegable to this position

HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

Note	Description	Chief Executive Officer	Chief Financial Officer / GM Growth & Delivery	General Manager Operations	Chief Digital Officer / Executive Directors / Pou Aronui	3LT	Contract Managers and Team Leaders		
9	Reprioritisation Budget – Renewals and Compliance Program	For the Chief Executive Officer and GM Growth and Delivery as outlined in Note 9.							

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Schedule 2: Notes for financial delegations

Financial delegations

Delegations are assigned to tiers within the organisational hierarchy and may only be exercised within the officer's area of responsibility (see Table 1).

All financial values stated in the Policy are GST exclusive. All expenditure must comply with IAWAI's Procurement Policy.

Note: Finance system transaction limits may differ from the financial delegation limits set out in Table 1. These system limits operate as an internal control to manage fraud and cybersecurity risk and do not reduce, amend, or override the financial delegations conferred under this Policy, which remain authoritative.

Note 1: Budgeted Expenditure (Operating and Capital)

Delegation for Operating and Capital Expenditure, including deferred Capital Expenditure (approved by IAWAI Board resolution) that has been budgeted in the applicable Water Service Strategy or Annual budget and is not yet spent.

This delegation applies to:

1. Expenditure commitments including contracts, MOUs, letters of agreement, purchase orders, guarantees, leases, licences, and deeds and includes any extensions, renewals, or variations; and
2. Contracts related to projects or programmes for which there is a Board-approved Scope and Procurement Strategy provided that:
    a. The contract forms part of an overall capital works programme supported by a business case, scope, and procurement strategy approved by the IAWAI board or relevant committee.
    b. The contract amount is consistent with the approved budget within the business case and scope, and the Water Service Strategy – noting that these are likely to be multi-year commitments.

Despite the delegation to the Chief Executive Officer, and any Board-approved Procurement Strategy, no single contract or undertaking can exceed the thresholds that require shareholder approval as set out in the Shareholder Agreement and the IAWAI Constitution.

Note 2: Unbudgeted Expenditure (Operating and Capital)

Delegation for unbudgeted expenditure (operating and capital) that:

a) exceeds the amount budgeted for that item in the applicable Water Service Strategy / Annual Budget; or

b) is not budgeted but is required to deliver the level of service and outcomes outlined in the applicable Water Service Strategy / Annual Budget. E.g. contract or project cost increases.

Please note:

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- There is a cumulative cap of $5,000,000 per financial year for the aggregate total (whole of IAWAI) of all unbudgeted items, overspends and operational expenditure (Opex) brought forward and approved under delegated authority during that financial year for which there is no offsetting saving or reallocation.
- This delegation applies to the total value of the budget/event/matter being approved (as applicable), not to individual line items.
- A Chief Executive Officer has an uncapped delegated financial authority in the event of a declared or non-declared emergency, subject to the conditions and reporting provisions in this Policy. If as a result of the emergency the Chief Executive Officer is unable to exercise this delegation it may be exercised by either the Chief Financial Officer, or the relevant General Manager of Operations. The Chair of the Board must be notified of the use of this delegation by someone other than the Chief Executive Officer.
- All managers should, as a first step, identify any available compensating budget from elsewhere before seeking approval for unbudgeted expenditure.
- The financial delegation applies to the total value of the budget for the project, program, or matter being approved (as applicable), not to individual budget lines.

Any significant overspends or underspends will be recorded and reported to the IAWAI Board or relevant committee on a quarterly basis, for noting and/or approval purposes.

Note 3: Capital Expenditure Brought Forward

Delegations for new projects occurring in financial periods in advance of the planned expenditure timeframe in the applicable WSS, provided the movement is able to be accommodated within the financial strategy.

Note 4: Development Agreements

For the purposes of applying the delegation threshold in Table 1, the total value of a Development Agreement is the combined aggregate of a) any IAWAI contribution made and, b) any IAWAI contribution, revenue or payments received.

Development Agreements may include both enforceable undertakings and expenditure commitments from IAWAI and enforceable undertakings from developers which may include payments, the vesting of land, and the construction and vesting of assets in IAWAI.

The Board will from time to time adopt Development Agreement Terms which set out the expected outcomes to be achieved from the negotiation of Development Agreements. These will include:

- expectations around the nature and limits to any IAWAI contribution
- expectations around the extent and nature of developer commitments and contributions
- a standard form of development agreement.

Delegations to negotiate and approve Development Agreements are framed in relation to the value of IAWAI contributions, the value of infrastructure charges, and whether the proposed agreement is consistent with the Board's Development Agreement Expectations. It is expected that high value

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development agreements will require Board approval, with a lower threshold for Board approval applying where the proposed agreement is not consistent with the Board's Expectations.

The delegations relating to Development Agreements also apply to undertakings and/or support agreements entered into in relation to fast-track proposals.

Development Agreement delegations to staff shown in Schedule 1 at the level of 3LT, Contract Managers and Team Leaders apply only to the Chief Engineer (Commercial) and direct reports to that position.

Note 5: Land acquisition and land sales

The delegated authority to enter into a land purchase or sale applies only where the transaction is provided for in the relevant Water Service Strategy (WSS), or in the Annual Budget (either separately or as part of a project), or in a programme for which there is a Board-approved Scope and Procurement Strategy, or where it is authorised by an IAWAI Board or relevant committee resolution.

In exercising this delegation, an officer is permitted to negotiate the sale and purchase of land to the delegated financial authority limit specified in this Policy, where appropriate:

a. Sale of Land: at not less than 10% below of the estimated market value determined by a registered valuer;

b. Purchase of Land: for not more than 10% above the estimated market value determined by a registered valuer.

The purchase and sale of land includes the acquisition or disposal of land under the provisions of the Public Works Act 1981. Initiating the compulsory acquisition of land under the Public Works Act must be authorised by the Board.

The Strategic Property Manager is delegated to sign Authority and Instruction Forms for LINZ E-dealing conveyancing on advice from Council's solicitors.

Note 6: Debt, fee and charge write-off

Considered in the circumstances where an undisputed debt exists, and IAWAI does not expect to recover payment. The delegated financial authority limit applies on a 'per debtor' basis and the value of the debt being written off. The Chief Executive Officer, General Managers, Executive Directors, and Finance Director have delegated authority to write-off bad debts, all such debts written off must be reported to the next Finance Committee meeting on an aggregate basis for each Group.

Discretionary adjustment

In addition to the IAWAI Waiver Policy, the Chief Executive Officer, General Managers and Executive Directors are each delegated authority to waive fees and charges for their respective areas of responsibility provided:

a. the waiver and the amount are recorded and available for audit purposes;

b. the circumstances of the specific waiver will not create a precedent;

c. the act of waiving such fees and charges reflects 'good citizen' conduct;

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d. any waiver in excess of $25,000 (calculated on a monthly aggregate basis per Group) are to be reported to the next relevant IAWAI Finance Committee meeting.

For clarity, development contributions are not within the scope of the delegated authority detailed in this section.

Credit Notes

Credit notes are deemed to be an operational activity and are generated where a correction is required to an invoice that has been previously raised.

Credit notes must be authorised by the applicable business unit, where the authoriser holds the appropriate delegated financial authority in accordance with Schedule 1. The applicable delegation level must reflect whether the adjustment relates to budgeted or unbudgeted revenue.

Refunds

Refunds are deemed as an operational activity and are generated where a debtor account has a credit balance, or where a credit note has previously been raised and it is appropriate to refund. To ensure the appropriate checks have been made, refunds require sign off from the applicable business unit, where the authoriser has the financial delegated authority as stated within their role-based employment agreement.

Note 7: Legal proceedings

The delegated financial authority is determined per proceeding. This includes commencing or defending, negotiating, settling, or withdrawing legal proceedings (including prosecutions and claims) on IAWAI's behalf in any New Zealand court or tribunal. It also includes enforcing any court or tribunal judgment in favour of IAWAI and recovering debts owing to IAWAI, subject to the delegated limit.

The delegated financial limits do not apply to legal proceedings relating to the Public Works Act, Resource Management Act 1991 or Fast Track Approvals Act 2024. For these activities normal delegations relating to capital and operating expenditure apply.

However, all legal claims or other proceedings by, or on behalf of, IAWAI for an amount over $250,000 must be reported to the next IAWAI Board meeting, or the relevant Board committee, for noting. This reporting requirement includes legal proceedings relating to the Public Works Act 1981, Resource Management Act 1991, or Fast-track Approvals Act 2024.

Note 8: Development Contributions remissions or postponements

IAWAI's adopted Development Contributions Policy applies only to water and wastewater development contributions. Accordingly, this financial delegation is limited to remissions or postponements of water-related (excluding stormwater) development contributions.

Subject to the development contributions provisions in the Local Government Act 2002, Local Government (Water Services) Act 2025 and IAWAI's Development Contributions Policy, relevant officers may assess and invoice Development Contributions that are consistent with the policy to the limits set out in Schedule 1.

Subject to the adopted Development Contributions Policy relevant staff may approve a remission, postponement, or refund of a development contribution up to their delegated limit. All remissions,

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postponements, and refunds must be reported to the next IAWAI Finance Committee meeting for noting. For clarity, IAWAI has not delegated to the Chief Executive Officer or officers any powers for hardship remissions or remissions not provided for in the IAWAI Development Contributions Policy.

Development Contributions delegations to staff shown in Schedule 1 at the level of 3LT, Contract Managers and Team Leaders apply only to the Chief Engineer (Commercial) and direct reports to that position.

Note 9: Reprioritised budget – Renewals and Compliance Programme

This delegated authority allows the Chief Executive Officer and General Manager Growth and Delivery to manage the Renewals and Compliance Programme within a three-year financial envelope. It allows the delegated officers to make decisions such as adjust budget timing of projects to changing circumstances, reallocate underspending of funding provision to new identified renewal priorities and make necessary changes to budgets and timing of projects without requiring low-value administrative processes resulting in costly delays.

Officers with delegated authority must approve budget reprioritisation for the programme, which may be:

a) Between projects and / or activity classes, to the extent permitted by stormwater SLA for the stormwater activity.

b) Related to timing of expenditure on a project (e.g. prioritised from year two to year one)

This delegation sits under the following controls:

- Any decision is subject to normal procurement processes; and
- The total 3-year budget for renewals and compliance will be the financial limit for the programme; and
- Any reprioritisation of expenditure (and related revenue) will need to fit within the Financial Strategy parameters for borrowing.

Any reprioritisation of budgets should be reported to relevant IAWAI Board or relevant Committee following use of this delegation. Reporting should include:

a) Programme expenditure confirming that the 3-year funding provision is not exceeded and there is a net-zero impact over the three-year period.

b) Providing assurance that the limits in the Financial Strategy are not breached by any expenditure changes from the Water Service Strategy Renewal and Compliance budgets.

c) Reporting according to the Water Service Strategy to give assurance that the Renewals and Compliance expenditure for the 3-year period is spread appropriately IAWAI services.

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Schedule 3: Delegations of Authority to Positions

IAWAI Executive Leadership Team

Chief Executive Officer

Legislation	Section	Summary
Local Government (Water Services) Act 2025	101	Power to waive charges and penalties in accordance with financial delegation (Table 1)
	136	Power to recover costs of objections or waive or remit costs payable under this section, in accordance with financial delegation in Table 1.
	138-139	Authority to make or agree a request to enter development agreement, in accordance with financial delegations set out in Table 1.
	144	Powers of water organisation if development contributions are not made
	145	Duty to refund money and return land if development does not proceed
	152	Requirements for internal review of decision under bylaw for purposes of connection
	152(2)	CE can appoint person to undertake internal review
	162	Authority to give notification of proposed entry and work
	173	Authority to give notice requirement before working on any road
	178	Power to appeal about conditions relating to work on roads and level crossings
	214	Power to restrict water flow where water charges are not paid and other recovery actions have failed, under the IAWAI Debtor Management Policy.
	239	Power to request a report from the Auditor-General on the water services strategy
	278	Appointment of compliance officers
	290	Power to issue written warrants authorising compliance officers to enter private land of behalf on the water organisation.
	291	Power to delegate the issuing of warrants to compliance officers
	297	Chief Executive may serve compliance order on any person
	300	Power to vary, or cancel compliance order
	302, 303	Power to take remedial action related to compliance order

Legislation	Section	Summary
	304	Power to recover costs of remedial action
	306	Chief Executive may delegate any power under subpart 2 Compliance and enforcement to an officer
Public Records Act 2005	40	Powers as administrative head relating to disposal of protected record
	45-46	Powers as administrative head to classify local authority records
	49	Powers as administrative head to prohibit public access to local authority archive
Public Works Act 1981	17	Agreements for sale and purchase, according to financial delegations (Table 1)
	18	Power to sign notice of desire to acquire land or interest in land
	19	Power to sign a compensation certificate or discharge of compensation certificate
	Schedule 2	Power to make statutory declaration in support of request
	34	Power to agree to requests from landowner to take other land; power to sign all documents to give effect to the taking, subdivision, development, or disposal
	40	Power to offer to sell land no longer required for a public work to the person from whom it was acquired or the successor of that person; power to sign all documents to complete the sale
	42	Power to sell land not required for a public work
	45	Power to grant a lease, tenancy, or licence to occupy land held for a public work and to accept surrender of any such lease, tenancy, or licence (provided for in LTP or within CE's financial delegations) up to a limit
	48	Power to grant an easement in, through, over, or under land held for a public work
	50	Power to enter into an agreement for the transfer of an existing public work to the Crown or another local authority value of the asset
	52	Power to set aside land held for a public work
	79	Power to sign notice of intention to Land Valuation Tribunal to determine compensation
	103, 105-107A	Power to grant an easement in lieu of compensation; power to grant a lease or licence as compensation; power to enter into an agreement for exchange of land (CE's financial delegations)
	114	Power to give consent for land being declared as Road as an adjoining land owner;
	224	Power to enter into an agreement with the Crown for the acquisition, execution, control, and management of any public work
Resource Management Act 1991	9(4)	Power as requiring authority to give consent to contravene sections 176, 178, 193, or 194

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Legislation	Section	Summary
	37A(2)	Power to agree or request an extension of time limit
	136	Power as holder of water permit to transfer water permit
	137	Power as holder of discharge permit to transfer discharge permit
	138	Power as holder of resource consent to surrender a consent
	145(3)	Power to lodge a notice of requirement for a designation or to alter a designation with the EPA
	168	Power as requiring authority to give notice in the prescribed form to a territorial authority of its requirement for a designation— (a) for a project or work; or (b) in respect of any land, water, subsoil, or airspace where a restriction is reasonably necessary for the safe or efficient functioning or operation of such a project or work.
	172	Make decisions relating to IAWAI as a requiring authority
	186	Compulsory acquisition powers as requiring authority
	176	Power to exercise decisions including submissions and consent as a requiring authority related to designations
	176A	Requirement to submit an outline plan of the public work, project, or work to be constructed on designated land
	180	Responsibility for any relevant designation for a project or work or network utility operation transferred to IAWAI as requiring authority
	181	Power as a requiring authority to give notice to the territorial authority of its requirement to alter the designation.
	182	Authority as requiring authority to give notice to remove a designation
	198B	Requiring authority must request the relevant territorial authority to allow the requirement to be the subject of a decision by the Environment Court
	198E	Powers as requiring authority related to decision of the Environment Court
	330	Authorise the undertaking of emergency works of a preventative or remedial nature.
	357	Right of objection, as requiring authority, against certain decisions by territorial authority
	Schedule 1	Powers, as requiring authority, related to the preparation, change, and review of policy statements and plans
	N/A	Make decisions relating to IAWAI as a resource consent applicant

HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

Legislation	Section	Summary
Trespass Act 1980	N/A	Authority to exercise responsibilities and powers as the owner and/or occupier under the Trespass Act 1980
	N/A	Authority to sub-delegate powers as the owner and/or occupier under the Trespass Act 1980
Operational	N/A	Approve operational policies and procedures.
		Exercise delegated responsibilities within portfolio; enter contracts within financial authority; sub-delegate; establish staff working groups; act for CE in emergencies
		Implement strategic plans and policies approved by the Board.
		Make decisions on staffing, budgeting, and procurement within approved limits.
		Make decisions relating to project scope, design, consenting, reconsenting, designations, land acquisition, procurement of physical works, and procurement of all related professional services that would normally be made by the Council Chief Executive;
		Manage day-to-day operations and organisational resources.
		Represent the organisation in external matters, subject to Board oversight.
		Authority to operate (including opening and closing accounts) all of IAWAI's bank accounts, investment accounts, loan accounts, special funds tax related matters, and other financial matters including exercising signing authority where appropriate, subject to IAWAI management policies. This delegation includes the ability to sub-delegate responsibility as a bank account signatory and responsibility for making authorised payments.
		Financial decision-making relating to transferred projects, as approved in shareholding council reports. This includes all expenditure and the purchase/sale of land at the existing level of delegations provided as set out in the HCC Financial Delegations from the Chief Executive to Officers Policy.
		Authority to issue water services invoices and other invoices on behalf of IAWAI where the charge, fee, price, or amount is set in accordance with an approved fees and charges schedule, adopted policy, approved contract, or other approved arrangement;

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Chief Digital Officer

Legislation	Section	Summary
Local Government (Water Services) Act 2025	101	Power to waive charges and penalties within financial delegations listed in Table 1.
Operational	N/A	Exercise delegated responsibilities within portfolio; enter contracts within financial authority; sub-delegate; establish staff working groups; act for CE in emergencies

Chief Financial Officer

Legislation	Section	Summary
Local Government (Water Services) Act 2025	101	Power to waive charges and penalties in accordance with financial delegations, set out in Table 1.
	136	Power to recover costs of objections or waive or remit costs payable under this section
	137	Authority to exercise requirements for use development contributions by water organisation
	144	Powers of water organisation if development contributions are not made
	145	Duty to refund money and return land if development does not proceed
	304	Power to recover costs of remedial action
Public Works Act 1981	42	Power to sell land not required for a public work
Trespass Act 1980	N/A	Authority to exercise responsibilities and powers as the owner and/or occupier under the Trespass Act 1980
Operational	N/A	Exercise delegated responsibilities within portfolio; enter contracts within financial authority; sub-delegate; establish staff working groups; act for CE in emergencies
		Authority to operate (including opening and closing accounts) all of IAWAI's bank accounts, investment accounts, loan accounts, tax related matters, and other financial matters including exercising signing authority where appropriate.
		Authority to operate (including opening and closing accounts) all of IAWAI's bank accounts, investment accounts, loan accounts, special funds tax related matters, and other financial matters including exercising

Legislation	Section	Summary
		signing authority where appropriate. This delegation includes the ability to sub-delegate responsibility as a bank account signatory and responsibility for making authorised payments.
		Power to waive penalties or charges under the IAWAI Waiver Policy.
		Power to approve debt write off up to $5,000, under the Debtor Management Policy.
		Authority to make decisions on Development Contribution objections

General Manager Growth and Delivery

Legislation	Section	Summary
Local Government (Water Services) Act 2025	101	Power to waive charges and penalties in accordance with financial delegations, set out in Table 1.
	138-139	Authority to make or agree a request to enter development agreement in accordance with financial delegations, set out in Table 1.
	144	Powers of water organisation if development contributions are not made
	145	Duty to refund money and return land if development does not proceed
	161	Power to enter land and carry out work
	162	Authority to give notification of proposed entry and work
	172	Power to enter road and carry out work
	173	Authority to give notice requirement before working on any road
	176	Power to enter a level crossing and carry out work
	177	Urgent work permitted in emergency
	178	Power to appeal about conditions relating to work on roads and level crossings
	213	Authority to give consent for discharge of trade waste
	214	Restriction of water service to person who commits offence, in line with the Debtor Management Policy.
	215; 217	Water service providers must instal fire hydrants and consult with territorial authorities and the fire service; Water service providers must ensure water in pipes and available for extinguishing fires
	271	Authorisation to issue infringement notices

	278	Appointment of compliance officers
	281	Authority to exercise compliance powers, for one or more of the following purposes listed in s.281 of the Act.
	282	Power to take and test samples
	286	Powers of entry and inspection for compliance officers
	287	Power to enter without a search warrant
	289	Power to enter with consent or search warrant
	290	Power to issue written warrants authorising compliance officers to enter private land of behalf on the water organisation.
	291	Delegation of power to issue warrants to compliance officers
	295	Power to ask for assistance
	306	Authority to exercise any power under subpart 2 Compliance and enforcement delegated by the Chief Executive
	302, 303	Power to take remedial action related to compliance order
Land Drainage Act 1908	General	All of the council's responsibilities, duties and powers under this Act where delegated to IAWAI
Local Government Act 1974	337	Power to require the raising, lowering or other alteration to pipes, drains, and any other apparatus on or under a road, to make the alteration where not made within a reasonable time, and recover the costs.
	451	Power to enter into an agreement with a person proposing to build or carry out any work, for drainage works to be diverted, altered, protected, or replaced at the cost of that person.
	459	Power and duties to require owners of land to provide private drains or do any of the other things specified in section 459(1), to give notice, and to exercise all of the Council's powers under this section.
	460	Powers and duties to enter private land (following resolution of Council) to lay a private drain; payment of costs/cost recovery/compensation to adjoining owners, legal proceedings, etc.
	467	Power to replace, repair, remove or alter property destroyed or damaged by unlawful connection of a private drain and recover the costs of the work and the amount of any damage done or caused by the person committing an offence under section 467.
	468	Powers and duties in relation to tree roots obstructing public drains; cost recovery; registration of charges, etc.

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	511-514	Powers and duties in relation to the removal of obstructions from any drainage channel or in any watercourse that is not under the control of the council including: entering land; cost recovery; registration of charges; court proceedings etc, in the circumstances prescribed.
	515	Powers and duties concerning the removal of obstructions in watercourses under the control of council which extend beyond the city boundary and its obstruction is likely to cause loss of life, injury or damage to property within the city including entering land; cost recovery; registration of charges; court proceedings etc, in the circumstances prescribed.
	516 & Schedule 14	Powers and duties concerning the construction or maintenance of waterworks, drainage works, trade waste systems, and drainage channels, and laying gas pipes or electricity cables, and erecting poles on roads and works not under the control of the Council, in the manner prescribed.
	Part 26	Authority to exercise all the Council's functions, powers, and duties relating to sewerage and stormwater drainage
Local Government Act 2002	162	Power to apply to District Court for an injunction.
	163	Power to remove/alter work constructed in breach of a bylaw and recover costs.
	167	Power to determine whether or not to return seized property.
	168	Power to dispose of seized property.
	175	Power to recover costs for wilful/negligent destruction or interference.
	185(1)	Power to approve doing of work by occupier where owner defaulted.
	186	Power to execute works if owner/occupier defaults or work is urgent.
	187	Power to recover costs of works from person in default.
	213, 215, 222, schedule 14	Powers/duties regarding applications to District Court for removal of fences/vegetation.
	241	Power to lay information for an offence under this Act.
Public Works Act 1981	17	Agreements for sale and purchase - according to financial delegations (Table 1)
	Schedule 2	Power to make statutory declaration in support of request
	34	Power to agree to requests from landowner to take other land; power to sign all documents to give effect to the taking, subdivision, development, or disposal

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	40	Power to offer to sell land no longer required for a public work to the person from whom it was acquired or the successor of that person; power to sign all documents to complete the sale
	42	Power to sell land not required for a public work
	45	Power to grant a lease, tenancy, or licence to occupy land held for a public work and to accept surrender of any such lease, tenancy, or licence (provided for in LTP or within CE's financial delegations) up to a limit
	48	Power to grant an easement in, through, over, or under land held for a public work
	50	Power to enter into an agreement for the transfer of an existing public work to the Crown or another local authority value of the asset
	52	Power to set aside land held for a public work
	79	Power to sign notice of intention to Land Valuation Tribunal to determine compensation
	103, 105-107A	Power to grant an easement in lieu of compensation; power to grant a lease or licence as compensation; power to enter into an agreement for exchange of land (CE's financial delegations)
	114	Power to give consent for land being declared as Road;
	224	Power to enter into an agreement with the Crown for the acquisition, execution, control, and management of any public work
Resource Management Act 1991	9(4)	Power as requiring authority to give consent to contravene sections 176, 178, 193, or 194
	37A(2)	Power to agree or request an extension of time limit
	136	Power as holder of water permit to transfer water permit
	137	Power as holder of discharge permit to transfer discharge permit
	138	Power as holder of resource consent to surrender a consent
	145(3)	Power to lodge a notice of requirement for a designation or to alter a designation with the EPA
	168	Power as requiring authority to give notice in the prescribed form to a territorial authority of its requirement for a designation— (a) for a project or work; or (b) in respect of any land, water, subsoil, or airspace where a restriction is reasonably necessary for the safe or efficient functioning or operation of such a project or work.
	172	Make decisions relating to IAWAI as a requiring authority.

	176	Power to exercise decisions including submissions and consent as a requiring authority related to designations
	176A	Requirement to submit an outline plan of the public work, project, or work to be constructed on designated land
	180	Responsibility for any relevant designation for a project or work or network utility operation transferred to IAWAI as requiring authority
	181	Power as a requiring authority to give notice to the territorial authority of its requirement to alter the designation.
	182	Authority as requiring authority to give notice to remove a designation
	198B	Requiring authority must request the relevant territorial authority to allow the requirement to be the subject of a decision by the Environment Court
	198E	Powers as requiring authority related to decision of the Environment Court
	330	Authorise the undertaking of emergency works of a preventative or remedial nature.
	357	Right of objection, as requiring authority, against certain decisions by territorial authority
	Schedule 1	Powers, as requiring authority, related to the preparation, change, and review of policy statements and plans
	N/A	Make decisions relating to IAWAI as a resource consent applicant.
Fast-track Approvals Act 2024	N/A	Authority to recommend conditions to the Fast-track Panel under the Fast-track Act 2024
	N/A	Authority to provide technical advice to the Minister on the impact of Fast-track projects on the water supply
	N/A	Authority to apply for Fast-track referral status under the Fast-track Act 2024
Trespass Act 1980	N/A	Authority to sub-delegate powers as the occupier under the Trespass Act 1980
	N/A	Authority to exercise responsibilities and powers as the owner and/or occupier under the Trespass Act 1980
Utilities Access Act 2010	General	Duty in relation to water and wastewater infrastructure performance.
Water Services Act 2021	21	Duty to ensure drinking water is safe and take steps if unsafe.

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	22	Duty to ensure drinking water complies with standards.
	23	Duty as owner of drinking water supply to ensure supply is registered.
	24	Duty to supply drinking water that complies with aesthetic values.
	25	Duty to ensure sufficient quantity of drinking water is provided.
	25 (3)	Power to restrict or interrupt the supply of drinking water.
	26	Duties if ability to maintain sufficient quantity is at imminent risk.
	27	Duty to ensure supply arrangements protect against backflow.
	28	Duty where end-point treatment is used for acceptable solution.
	29	Duty to exercise due diligence regarding statutory duties.
	30-31	Duty to prepare and implement a drinking water safety plan.
	35(2)	Duty to take steps immediately after aware of notifiable risk.
	36(1)	Duty to notify Taumata Arowai if ceasing to be owner/supplier.
	36(3) & (4)	Duty to notify Taumata Arowai of unregistered supply/failure.
	37	Duty to keep and maintain records for Taumata Arowai.
	38(1)	Duty to provide info to customers and maintain complaints process.
	38(2)	Duty to ensure complaints are dealt with efficiently.
	43(1), (2), (3)	Duty to prepare/implement source water risk management.
	44(1)	Duty to monitor source water quality at abstraction point.
	44(3)	Duty to report source water quality results to Taumata Arowai.
	45	Power to apply to register a drinking water supply.
	45(3)	Duty to inform local authorities of risks affecting safe drinking water.
	49(3)	Duty to comply with all applicable compliance rules made by Taumata Arowai.
	56	Duty to apply to renew registration every 12 months.
	59(7)	Duty to advise affected consumers about a drinking water emergency.
	62(4)	Duty to comply with directions/prohibitions during an emergency.
	63(4)	Duty to inform consumers of any exemption granted during an emergency.
	73(1)	Duty to use an accredited laboratory to analyse source/raw/drinking water.
	89-92	Power to apply to Taumata Arowai for an internal review.

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	93	Power to appeal to the District Court.
	104(2)	Duty to comply with directions issued by a compliance officer.
	105(4)	Duty to comply with directions issued by compliance officer where serious risk to public health exists
	110(2)	Duty to answer questions for the purpose of ensuring compliance or investigating potential contamination
	121	Duty to comply with compliance order
	130-135	Power to give, vary or withdraw an enforceable undertaking
	204(1)(b)	Power to provide Taumata Arowai with info relating to performance or exercise of statutory functions
HCC Water Supply Bylaw 2013	10.2	Power to approve time extension for approved application for supply.
	10.3	Power to undertake all actions outlined within clause 10.3 as related to connecting to and drawing from the water supply.
	10.8	Powers and duties as it relates to water metering.
	10.1.4	Power to approve or refuse an application for supply.
		Power to assess against a Waters Connection Policy in order to determine a connection approval.
	10.1.6	Power to require a customer to enter into an Individual Customer Agreement and supply and implement a Water Conservation and Demand Management Plan based on the Customer's water demand requirements.
	10.1.7	Power to impose conditions and restrictions on a permit.
	10.5.1(a)	Duty to maintain service pipes and fittings up to the point of supply.
	10.5.2(a)-(b)	Power to approve location and number of points of supply.
	10.5.3	Power to agree to the location of the point of supply in multiple ownership situations.
	10.5.4(c)	Power to relocate a point of supply where deemed necessary or at the request of the customer.
	10.5.4(d)	Duty to maintain responsibility for the relocation of the point of supply and pipework and fittings from the new point of supply to the existing customer supply pipe for 6 months from the time of relocation.
	10.6.1(b)	Duty to provide 48 hours' notice to the customer of work outside of the hours noted in clause 10.6.1(a).
	10.7.8(b)	Power to authorise extraordinary supply.
	10.9.3(a)	Power to test meters as and when required.
	10.9.3(c)	Power to test meters on request by a customer.
	10.9.4	Power to adjust Customer's account.

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	10.9.5	Power to estimate consumption.
	9.1.2(a)	Power to issue a permit to connect to the Council water supply system.
	9.1.6(a)	Power to seize and impound any equipment used by an unauthorised person to gain access to or draw water.
	9.1.6(a)-(c)	Power to recover costs related to value of water drawn, remediation of contamination, or repair costs.
	9.1.7(b)	Power to impose terms and conditions on any person wishing to excavate in the vicinity of Council's services.
	9.1.7(c)	Power to mark out within 0.5m of Council's services and nominate restrictions in writing to protect system.
		Power to recover costs to complete the work carried out in clause 9.1.7(c).
	9.1.7(d)	Power to require the independent supervision of works.
	9.1.7(f)	Power to recover costs where reinstatement of excavation work has not met Council specifications.
	9.1.7(g)	Power to recover costs for repair, and other costs incurred, as a result of damage to Council services.
	9.2.2	Power to request removal of items that may potentially contaminate or leach into water supply.
	9.2.3	Power to recover the costs for removal of the items from the owner, occupier, or both.
	9.2.3	Power to remove items that have not been removed within the timeframe specified.
	10.9.6	Duty to adjust incorrect accounts using best information available.
	10.9.7	Power to charge for all water registered on a meter since previous reading.
	10.1	Duty to supply water in accordance with Schedule 2 and clause 10.10.
	10.11.1	Duty to take practicable steps to ensure adequate supply during restrictions.
	10.11.4	Powers and duties in relation to maintaining and repairing water assets.
	10.13	Power and duties in relation to fire protection connections.
	10.14	Powers and duties in relation to backflow prevention.
	10.15.1(a)	Power to recover the cost of damage to the water supply system from owner/occupier.
	10.16(b)	Power to approve equipment which may cause pressure surges or fluctuations.
	10.17	Powers and duties in relation to the prevention of water loss and wastage.
	10.18.2	Power to recover all unpaid water charges from the owner or occupier.
	10.19.3	Power to approve supply of water drawn by a customer to another party.
	10.19.4	Power to approve transfer of Individual Customer agreements.
	10.20.	Duty to record new owner and power to reassess conditions of supply.

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	11.1.2(a)-(c)	Power to serve notice for breach of Bylaw and take specified actions.
	11.1.2(d)	Power to disconnect supply for health and safety reasons following breach.
HCC Stormwater Bylaw 2021	8.1(a)	Power to permit discharge, other than stormwater, into the stormwater system

General Manager Operations Hamilton, General Manager Operations Waikato

Legislation	Section	Summary
Local Government (Water Services) Act 2025	101	Power to waive charges and penalties in accordance with financial delegations, set out in Table 1.
	144	Powers of water organisation if development contributions are not made
	145	Duty to refund money and return land if development does not proceed
	161	Power to enter land and carry out work
	162	Authority to give notification of proposed entry and work
	172	Power to enter road and carry out work
	173	Authority to give notice requirement before working on any road
	176	Power to enter a level crossing and carry out work
	177	Urgent work permitted in emergency
	178	Power to appeal about conditions relating to work on roads and level crossings
	213	Authority to give consent for discharge of trade waste
	214	Restriction of water service to person who commits offence, in line with the Debtor Management Policy.
	215; 217	Water service providers must instal fire hydrants and consult with territorial authorities and the fire service; Water service providers must ensure water in pipes and available for extinguishing fires
	271	Authorisation to issue infringement notices
	278	Appointment of compliance officers
	281	Authority to exercise compliance powers, for one or more of the following purposes listed in s.281 of the Act.
	282	Power to take and test samples

	286	Powers of entry and inspection for compliance officers
	287	Power to enter without a search warrant
	289	Power to enter with consent or search warrant
	290	Power to issue written warrants authorising compliance officers to enter private land of behalf on the water organisation.
	291	Delegation of power to issue warrants to compliance officers
	295	Power to ask for assistance
	306	Authority to exercise any power under subpart 2 Compliance and enforcement delegated by the Chief Executive
	302, 303	Power to take remedial action related to compliance order
Land Drainage Act 1908	General	All of the council's responsibilities, duties and powers under this Act where delegated to IAWAI
Local Government Act 1974	337	Power to require the raising, lowering or other alteration to pipes, drains, and any other apparatus on or under a road, to make the alteration where not made within a reasonable time, and recover the costs.
	451	Power to enter into an agreement with a person proposing to build or carry out any work, for drainage works to be diverted, altered, protected, or replaced at the cost of that person.
	459	Power and duties to require owners of land to provide private drains or do any of the other things specified in section 459(1), to give notice, and to exercise all of the Council's powers under this section.
	460	Powers and duties to enter private land (following resolution of Council) to lay a private drain; payment of costs/cost recovery/compensation to adjoining owners, legal proceedings, etc.
	467	Power to replace, repair, remove or alter property destroyed or damaged by unlawful connection of a private drain and recover the costs of the work and the amount of any damage done or caused by the person committing an offence under section 467.
	468	Powers and duties in relation to tree roots obstructing public drains; cost recovery; registration of charges, etc.
	511-514	Powers and duties in relation to the removal of obstructions from any drainage channel or in any watercourse that is not under the control of the council including: entering land; cost recovery; registration of charges; court proceedings etc, in the circumstances prescribed.
	515	Powers and duties concerning the removal of obstructions in watercourses under the control of council which extend beyond the city boundary and its obstruction is likely to cause loss of life, injury or damage

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		to property within the city including entering land; cost recovery; registration of charges; court proceedings etc, in the circumstances prescribed.
	516 & Schedule 14	Powers and duties concerning the construction or maintenance of waterworks, drainage works, trade waste systems, and drainage channels, and laying gas pipes or electricity cables, and erecting poles on roads and works not under the control of the Council, in the manner prescribed.
	Part 26	Authority to exercise all the Council's functions, powers, and duties relating to sewerage and stormwater drainage
Local Government Act 2002	162	Power to apply to District Court for an injunction.
	163	Power to remove/alter work constructed in breach of a bylaw and recover costs.
	167	Power to determine whether or not to return seized property.
	168	Power to dispose of seized property.
	175	Power to recover costs for wilful/negligent destruction or interference.
	185(1)	Power to approve doing of work by occupier where owner defaulted.
	186	Power to execute works if owner/occupier defaults or work is urgent.
	187	Power to recover costs of works from person in default.
	213, 215, 222, schedule 14	Powers/duties regarding applications to District Court for removal of fences/vegetation.
	241	Power to lay information for an offence under this Act.
Resource Management Act 1991	37A(2)	Power to agree or request an extension of time limit
	136	Power as holder of water permit to transfer water permit
	137	Power as holder of discharge permit to transfer discharge permit
	138	Power as holder of resource consent to surrender a consent
	330	Authorise the undertaking of emergency works of a preventative or remedial nature.
Trespass Act 1980	N/A	Authority to sub-delegate powers as the occupier under the Trespass Act 1980
	N/A	Authority to exercise responsibilities and powers as the owner and/or occupier under the Trespass Act 1980

Utilities Access Act 2010	General	Duty in relation to water and wastewater infrastructure performance.
Water Services Act 2021	21	Duty to ensure drinking water is safe and take steps if unsafe.
	22	Duty to ensure drinking water complies with standards.
	23	Duty as owner of drinking water supply to ensure supply is registered.
	24	Duty to supply drinking water that complies with aesthetic values.
	25	Duty to ensure sufficient quantity of drinking water is provided.
	25 (3)	Power to restrict or interrupt the supply of drinking water.
	26	Duties if ability to maintain sufficient quantity is at imminent risk.
	27	Duty to ensure supply arrangements protect against backflow.
	28	Duty where end-point treatment is used for acceptable solution.
	29	Duty to exercise due diligence regarding statutory duties.
	30-31	Duty to prepare and implement a drinking water safety plan.
	35(2)	Duty to take steps immediately after aware of notifiable risk.
	36(1)	Duty to notify Taumata Arowai if ceasing to be owner/supplier.
	36(3) & (4)	Duty to notify Taumata Arowai of unregistered supply/failure.
	37	Duty to keep and maintain records for Taumata Arowai.
	38(1)	Duty to provide info to customers and maintain complaints process.
	38(2)	Duty to ensure complaints are dealt with efficiently.
	43(1), (2), (3)	Duty to prepare/implement source water risk management.
	44(1)	Duty to monitor source water quality at abstraction point.
	44(3)	Duty to report source water quality results to Taumata Arowai.
	45	Power to apply to register a drinking water supply.
	45(3)	Duty to inform local authorities of risks affecting safe drinking water.
	49(3)	Duty to comply with all applicable compliance rules made by Taumata Arowai.
	56	Duty to apply to renew registration every 12 months.
	59(7)	Duty to advise affected consumers about a drinking water emergency.
	62(4)	Duty to comply with directions/prohibitions during an emergency.

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	63(4)	Duty to inform consumers of any exemption granted during an emergency.
	73(1)	Duty to use an accredited laboratory to analyse source/raw/drinking water.
	89-92	Power to apply to Taumata Arowai for an internal review.
	93	Power to appeal to the District Court.
	104(2)	Duty to comply with directions issued by a compliance officer.
	105(4)	Duty to comply with directions issued by compliance officer where serious risk to public health exists
	110(2)	Duty to answer questions for the purpose of ensuring compliance or investigating potential contamination
	121	Duty to comply with compliance order
	130-135	Power to give, vary or withdraw an enforceable undertaking
	204(1)(b)	Power to provide Taumata Arowai with info relating to performance or exercise of statutory functions
HCC Water Supply Bylaw 2013	10.2	Power to approve time extension for approved application for supply.
	10.3	Power to undertake all actions outlined within clause 10.3 as related to connecting to and drawing from the water supply.
	10.8	Powers and duties as it relates to water metering.
	10.1.4	Power to approve or refuse an application for supply.
		Power to assess against a Waters Connection Policy in order to determine a connection approval.
	10.1.6	Power to require a customer to enter into an Individual Customer Agreement and supply and implement a Water Conservation and Demand Management Plan based on the Customer's water demand requirements.
	10.1.7	Power to impose conditions and restrictions on a permit.
	10.5.1(a)	Duty to maintain service pipes and fittings up to the point of supply.
	10.5.2(a)-(b)	Power to approve location and number of points of supply.
	10.5.3	Power to agree to the location of the point of supply in multiple ownership situations.
	10.5.4(c)	Power to relocate a point of supply where deemed necessary or at the request of the customer.
	10.5.4(d)	Duty to maintain responsibility for the relocation of the point of supply and pipework and fittings from the new point of supply to the existing customer supply pipe for 6 months from the time of relocation.
	10.6.1(b)	Duty to provide 48 hours' notice to the customer of work outside of the hours noted in clause 10.6.1(a).
	10.7.8(b)	Power to authorise extraordinary supply.

	10.9.3(a)	Power to test meters as and when required.
	10.9.3(c)	Power to test meters on request by a customer.
	10.9.4	Power to adjust Customer's account.
	10.9.5	Power to estimate consumption.
	9.1.2(a)	Power to issue a permit to connect to the Council water supply system.
	9.1.6(a)	Power to seize and impound any equipment used by an unauthorised person to gain access to or draw water.
	9.1.6(a)-(c)	Power to recover costs related to value of water drawn, remediation of contamination, or repair costs.
	9.1.7(b)	Power to impose terms and conditions on any person wishing to excavate in the vicinity of Council's services.
	9.1.7(c)	Power to mark out within 0.5m of Council's services and nominate restrictions in writing to protect system.
		Power to recover costs to complete the work carried out in clause 9.1.7(c).
	9.1.7(d)	Power to require the independent supervision of works.
	9.1.7(f)	Power to recover costs where reinstatement of excavation work has not met Council specifications.
	9.1.7(g)	Power to recover costs for repair, and other costs incurred, as a result of damage to Council services.
	9.2.2	Power to request removal of items that may potentially contaminate or leach into water supply.
	9.2.3	Power to recover the costs for removal of the items from the owner, occupier, or both.
	9.2.3	Power to remove items that have not been removed within the timeframe specified.
	10.9.6	Duty to adjust incorrect accounts using best information available.
	10.9.7	Power to charge for all water registered on a meter since previous reading.
	10.1	Duty to supply water in accordance with Schedule 2 and clause 10.10.
	10.11.1	Duty to take practicable steps to ensure adequate supply during restrictions.
	10.11.4	Powers and duties in relation to maintaining and repairing water assets.
	10.13	Power and duties in relation to fire protection connections.
	10.14	Powers and duties in relation to backflow prevention.
	10.15.1(a)	Power to recover the cost of damage to the water supply system from owner/occupier.
	10.16(b)	Power to approve equipment which may cause pressure surges or fluctuations.
	10.17	Powers and duties in relation to the prevention of water loss and wastage.
	10.18.2	Power to recover all unpaid water charges from the owner or occupier.

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	10.19.3	Power to approve supply of water drawn by a customer to another party.
	10.19.4	Power to approve transfer of Individual Customer agreements.
	10.20.	Duty to record new owner and power to reassess conditions of supply.
	11.1.2(a)-(c)	Power to serve notice for breach of Bylaw and take specified actions.
	11.1.2(d)	Power to disconnect supply for health and safety reasons following breach.
HCC Stormwater Bylaw 2021	8.1(a)	Power to permit discharge, other than stormwater, into the stormwater system
	8.1(a) - (d)	Power to approve discharge of swimming or spa pool water and impose conditions
	8.2(b)	Power to approve modification, interference, or removal of items listed in clause 8.2(a)
	8.3	Power to approve actions related to obstruction or capacity of the stormwater system
	8.4	Power to approve new building works over or within five metres of the Public Stormwater System
	8.5	Power to approve connection to the Public Stormwater System
	8.6(b)	Power to give approval to a person to allow stormwater to enter the wastewater system
	8.6(g) & (h)	Power to request the information specified
	8.6(i)	Power to issue a Defect Notice to require owner/occupier to fix or upgrade private stormwater system
	8.6(j)	Power to authorise reduction in effectiveness, or removal, of a private stormwater system
	8.7(f)	Power to inspect a pollution control plan kept by a high-risk facility.
		Power to require submission of or approve a pollution control plan from owner/occupier of high-risk facility
	8.7(j) & (k)	Power to require a pollution control plan to be revised in specified circumstances.
	8.7(m)	Power to monitor, sample and analyse stormwater discharges and the receiving environment.
	11.4	Power to withdraw Approval or use other means of enforcement in the event of breach of the Bylaw.
HCC Trade Waste & Wastewater Bylaw 2023	8.3	Powers and duties in relation to processing a trade waste application for consent.
	7.1	Power to approve or refuse connection to the Council wastewater system.
	7.2(e)	Power to agree to a reasonable alternative method or to physically prevent discharge into the wastewater system where any breach of clause 7.2(a)-(d) has occurred.
	7.4(a)	Power to approve modification, stoppage, obstruction, or interference with the wastewater system.

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	7.4(f)	Power to approve covering of an Access Point.
	7.5(a)	Power to require an owner of a private drain to fix or upgrade their private drain.
	7.5(e)	Duty to reimburse the owner of a private drain for the reasonable cost of unblocking work for which the owner has paid, subject to the criteria in clause 7.5(e) being met.
	8.1(d)	Power to enter into a trade waste agreement for the discharge and reception of trade wastes with an occupier.
	8.5(c)	Power to, by written notice, vary any condition of a consent to such an extent as Council considers necessary.
	8.7	Powers and duties in relation to pre-treatment requirements.
	8.8	Powers and duties in relation to flow metering.
	8.9	Powers and duties in relation to estimating discharge.
	8.1	Powers and duties in relation to sampling, testing, and monitoring.
	8.12(a)	Power to approve transfer, point of discharge to serve other premises, or wastewater from any other party to be discharged.
	8.12(b)	Power to suspend or cancel any consent at any time after providing not less than 20 working days' notice to the consent holder or person discharging trade waste.
	8.12(c)	Power to suspend or cancel any consent immediately by giving notice if any of the circumstances outlined in clause 8.12(c) i-vi apply.
	8.12(d)	Power to require a consent holder to disconnect their premises from the wastewater system, at their expense, if any of the circumstances in clause 8.12(d)i-iii apply.
	9	Power to approve or refuse application for consent to discharge tankered waste into the wastewater system.
	12.3	Power to physically prevent discharge to the wastewater system in the case of a non-compliance with the Bylaw, a consent or a trade waste agreement.
WDC Water Supply Bylaw, Trade Waste and Wastewater Bylaw	Various	Authority to administer and enforce bylaws within the scope of the position
Operational	N/A	Make decisions relating to project scope, design, consenting, reconsenting, designations, land acquisition, procurement of physical works, and procurement of all related professional services that would normally be made by the responsible General Manager;

		Exercise delegated responsibilities within portfolio; enter contracts within financial authority; sub-delegate; establish staff working groups; act for CE in emergencies
		Authority to make decisions on Development Contribution objections

Pou Aronui, Executive Director Governance & Government Relations, Executive Director Transformation and Business Services

Legislation	Section	Summary
Local Government (Water Services) Act 2025	101	Water organisation may waive charges and penalties
Trespass Act 1980	N/A	Authority to exercise IAWAI's responsibilities and powers as the owner and/or occupier under the Trespass Act 1980
Operational	N/A	Exercise delegated responsibilities within portfolio; enter contracts within financial authority; sub-delegate; establish staff working groups; act for CE in emergencies

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IAWAI staff

Chief Engineer

Legislation	Section	Summary
Local Government (Water Services) Act 2025	138-139	Authority to make or agree a request to enter development agreement in accordance with financial delegations, set out in Table 1.

Commercial Manager (Watercare)

Legislation	Section	Summary
Local Government Act 2002	175	Recover for damage to water infrastructure assets
Local Government Act 2002	Various	Functions, powers or duties of an Enforcement officer to the extent that they relate to offences under the Waikato District Council Water Supply Bylaw 2014 or Waikato District Council Trade Waste and Wastewater Bylaw 2016 or an offence under the Local Government Act relating to water, water races, or private drains.

Compliance Advisor (Watercare)

Legislation	Section	Summary
Local Government (Water Services) Act 2025	161	Power to enter land and carry out work
	172	Power to enter road and carry out work
	176	Power to enter a level crossing and carry out work
	177	Urgent work permitted in emergency
	213	Discharge of trade waste
	271	Authorisation to issue infringement notices

Legislation	Section	Summary
	272, 273	Compliance officer may issue infringement notice, revoke infringement notice, subject to the compliance officer being authorised under s.271.
	281	Authority to exercise compliance powers, for one or more of the following purposes listed in s.281 of the Act.
	282	Power to take and test samples
	283-285	Power to obtain information, require name, date of birth, and address, and to question
	286	Powers of entry and inspection for compliance officers
	287	Power to enter without a search warrant
	289	Power to enter with consent or search warrant
	290	Authority to act, under warrant, to enter private land on behalf of a territorial authority or water organisation
	295	Power to ask for assistance
	302, 303	Power to take remedial action related to compliance order
WDC Water Supply Bylaw, Trade Waste and Wastewater Bylaw	Various	Authority to administer and enforce bylaws within the scope of the position

Compliance Manager - Three waters

Legislation	Section	Summary
Local Government (Water Services) Act 2025	161	Power to enter land and carry out work
	172	Power to enter road and carry out work
	176	Power to enter a level crossing and carry out work
	177	Urgent work permitted in emergency
	213	Discharge of trade waste
	271	Authorisation to issue infringement notices

Legislation	Section	Summary
	272, 273	Compliance officer may issue infringement notice, revoke infringement notice, subject to the compliance officer being authorised under s.271.
	281	Authority to exercise compliance powers, for one or more of the following purposes listed in s.281 of the Act.
	282	Power to take and test samples
	283-285	Power to obtain information, require name, date of birth, and address, and to question
	286	Powers of entry and inspection for compliance officers
	287	Power to enter without a search warrant
	289	Power to enter with consent or search warrant
	295	Power to ask for assistance
	302, 303	Power to take remedial action related to compliance order
	306	Authority to exercise any power under subpart 2 Compliance and enforcement delegated by the Chief Executive
Water Services Act 2021	21	Duty to ensure drinking water is safe and take steps if unsafe.
	22	Duty to ensure drinking water complies with standards.
	23	Duty as owner of drinking water supply to ensure supply is registered.
	24	Duty to supply drinking water that complies with aesthetic values.
	27	Duty to ensure supply arrangements protect against backflow.
	29	Duty to exercise due diligence regarding statutory duties.
	30-31	Duty to prepare and implement a drinking water safety plan.
	37	Duty to keep and maintain records for Taumata Arowai.
	35(2)	Duty to take steps immediately after aware of notifiable risk.
	38(1)	Duty to provide info to customers and maintain complaints process.
	38(2)	Duty to ensure complaints are dealt with efficiently.
	43(1), (2), (3)	Duty to prepare/implement source water risk management.
	44(1)	Duty to monitor source water quality at abstraction point.
	44(3)	Duty to report source water quality results to Taumata Arowai.

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Legislation	Section	Summary
	45	Power to apply to register a drinking water supply.
	45(3)	Duty to inform local authorities of risks affecting safe drinking water.
	49(3)	Duty to comply with all applicable compliance rules made by Taumata Arowai.
	56	Duty to apply to renew registration every 12 months.
	73(1)	Duty to use an accredited laboratory to analyse source/raw/drinking water.
	121	Duty to comply with compliance order
HCC Stormwater Bylaw 2021	8.1(a) - (d)	Power to approve discharge of swimming or spa pool water and impose conditions
	8.5	Power to approve connection to the Public Stormwater System
	8.6(b)	Power to give approval to a person to allow stormwater to enter the wastewater system
	8.6(g) & (h)	Power to request the information specified
	8.6(i)	Power to issue a Defect Notice to require owner/occupier to fix or upgrade private stormwater system
	8.7(f)	Power to inspect a pollution control plan kept by a high-risk facility.
		Power to require submission of or approve a pollution control plan from owner/occupier of high-risk facility
	8.7(m)	Power to monitor, sample and analyse stormwater discharges and the receiving environment.
	8.7(j) and (k)	Power to require a pollution control plan to be revised in specified circumstances.
HCC Trade Waste & Wastewater Bylaw 2023	8.3	Powers and duties (as council) in relation to processing a trade waste application for consent.
	7.2(e)	Power (as council) to agree to a reasonable alternative method or to physically prevent discharge into the wastewater system where any breach of clause 7.2(a)-(d) has occurred.
	7.4(a)	Power (as council) to approve modification, stoppage, obstruction, or interference with the wastewater system.
	7.5(a)	Power (as council) to require an owner of a private drain to fix or upgrade their private drain.
	7.5(e)	Duty (as council) to reimburse the owner of a private drain for the reasonable cost of unblocking work for which the owner has paid, subject to the criteria in clause 7.5(e) being met.
	8.1(d)	Power (as council) to enter into a trade waste agreement for the discharge and reception of trade wastes with an occupier.

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Legislation	Section	Summary
	8.5(c)	Power (as council) to, by written notice, vary any condition of a consent to such an extent as Council considers necessary.
	8.7	Powers and duties (as council) in relation to pre-treatment requirements.
	8.8	Powers and duties (as council) in relation to flow metering.
	8.9	Powers and duties (as council) in relation to estimating discharge.
	8.1	Powers and duties (as council) in relation to sampling, testing, and monitoring.
	8.12(a)	Power (as council) to approve transfer, point of discharge to serve other premises, or wastewater from any other party to be discharged.
	9	Power (as council) to approve or refuse application for consent to discharge tankered waste into the wastewater system.
	12.3	Power (as council) to physically prevent discharge to the wastewater system in the case of a non-compliance with the Bylaw, a consent or a trade waste agreement.
HCC Water Supply Bylaw 2013	10.1.7	Power (as authorising officer) to impose conditions and restrictions on a permit.
	9.1.2(a)	Power to issue a permit to connect to the Council water supply system.
	9.1.6(a)	Power to seize and impound any equipment used by an unauthorised person to gain access to or draw water.
	9.1.6(a)-(c)	Power to recover costs related to value of water drawn, remediation of contamination, or repair costs.
	9.1.7(c)	Power to recover costs to complete the work carried out in clause 9.1.7(c).
	9.1.7(f)	Power to recover costs where reinstatement of excavation work has not met Council specifications.
	9.1.7(g)	Power to recover costs for repair, and other costs incurred, as a result of damage to Council services.
	9.2.2	Power to request removal of items that may potentially contaminate or leach into water supply.
	9.2.3	Power to recover the costs for removal of the items from the owner, occupier, or both.
	9.2.3	Power to remove items that have not been removed within the timeframe specified.
	10.14	Powers and duties in relation to backflow prevention.
	10.15.1(a)	Power to recover the cost of damage to the water supply system from owner/occupier.
	10.17	Powers and duties in relation to the prevention of water loss and wastage.
	10.18.2	Power to recover all unpaid water charges from the owner or occupier.
	10.19.3	Power to approve supply of water drawn from Council supply by a customer to another party.

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Legislation	Section	Summary
	10.20.	Duty to record new owner and power to reassess conditions of supply.
	11.1.2(a)-(c)	Power to serve notice for breach of Bylaw and take specified actions.
WDC Water Supply Bylaw, Trade Waste and Wastewater Bylaw	Various	Authority to administer and enforce bylaws within the scope of the position

Head of Activity Management

Legislation	Section	Summary
Local Government Act 1974	451	Power to enter into an agreement with a person proposing to build or carry out any work, for drainage works to be diverted, altered, protected, or replaced at the cost of that person.
	459	Power and duties to require owners of land to provide private drains or do any of the other things specified in section 459(1), to give notice, and to exercise all of the Council's powers under this section.
	467	Power to replace, repair, remove or alter property destroyed or damaged by unlawful connection of a private drain and recover the costs of the work and the amount of any damage done or caused by the person committing an offence under section 467.
Local Government Act 2002	186	Power to execute works if owner/occupier defaults or work is urgent.
Utilities Access Act 2010	General	Duty in relation to water and wastewater infrastructure performance.
Water Services Act 2021	24	Duty to supply drinking water that complies with aesthetic values.
	25	Duty to ensure sufficient quantity of drinking water is provided.
	25 (3)	Power to restrict or interrupt the supply of drinking water.
	29	Duty to exercise due diligence regarding statutory duties.
	30-31	Duty to prepare and implement a drinking water safety plan.
	43(1), (2), (3)	Duty to prepare/implement source water risk management.

Legislation	Section	Summary
HCC Water Supply Bylaw 2013	10.8	Powers and duties as it relates to water metering.
	10.5.2(a)-(b)	Power to approve location and number of points of supply.
	10.5.3	Power to agree to the location of the point of supply in multiple ownership situations.
	10.5.4(c)	Power to relocate a point of supply where deemed necessary or at the request of the customer.
	10.9.5	Power to estimate consumption.
	9.1.2(a)	Power to issue a permit to connect to the water supply system.
	9.1.7(c)	Power to mark out within 0.5m of Council's services and nominate restrictions in writing to protect system.
	10.13	Power and duties in relation to fire protection connections.
	10.14	Powers and duties in relation to backflow prevention.
	10.16(b)	Power to approve equipment which may cause pressure surges or fluctuations.
HCC Stormwater Bylaw 2021	8.4	Power to approve new building works over or within five metres of the Public Stormwater System
	8.5	Power to approve connection to the Public Stormwater System
	8.6(b)	Power to give approval to a person to allow stormwater to enter the wastewater system
HCC Trade Waste & Wastewater Bylaw 2023	7.4(f)	Power to approve covering of an Access Point.
WDC Water Supply Bylaw, Trade Waste and Wastewater Bylaw	Various	Authority to administer and enforce bylaws within the scope of the position

Head of Strategy & Planning

Legislation	Section	Summary
Resource Management Act 1991	N/A	Make decisions relating to IAWAI as a resource consent applicant
	172	Make decisions relating to IAWAI as a requiring authority

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Legislation	Section	Summary
Water Services Act 2021	204(1)(b)	Power to provide Taumata Arowai with info relating to performance or exercise of statutory functions
	21	Duty to ensure drinking water is safe and take steps if unsafe.
	22	Duty to ensure drinking water complies with standards.
	25	Duty to ensure sufficient quantity of drinking water is provided.
	29	Duty to exercise due diligence regarding statutory duties.
	37	Duty to keep and maintain records for Taumata Arowai.
	38(1)	Duty to provide info to customers and maintain complaints process.
	38(2)	Duty to ensure complaints are dealt with efficiently.
	43(1), (2), (3)	Duty to prepare/implement source water risk management.
	44(3)	Duty to report source water quality results to Taumata Arowai.
	45	Power to apply to register a drinking water supply.
	45(3)	Duty to inform local authorities of risks affecting safe drinking water.
	49(3)	Duty to comply with all applicable compliance rules made by Taumata Arowai.
	30 & 31	Duty to prepare and implement a drinking water safety plan.
	89-92	Power to apply to Taumata Arowai for an internal review.
Operational	N/A	Make decisions relating to project scope, design, consenting, reconsenting, designations, land acquisition, procurement of physical works, and procurement of all related professional services that would normally be made by the responsible Head of Function;
		Exercise delegated responsibilities within portfolio; enter contracts within financial authority; sub-delegate; establish staff working groups;

Head of Maintenance Delivery

Legislation	Section	Summary
Local Government Act 1974	511-514	Powers and duties in relation to the removal of obstructions from any drainage channel or in any watercourse that is not under the control of the council including: entering land; cost recovery; registration of charges; court proceedings etc, in the circumstances prescribed.

Legislation	Section	Summary
	515	Powers and duties concerning the removal of obstructions in watercourses under the control of council which extend beyond the city boundary and its obstruction is likely to cause loss of life, injury or damage to property within the city including entering land; cost recovery; registration of charges; court proceedings etc, in the circumstances prescribed.
Local Government Act 2002	163	Power to remove/alter work constructed in breach of a bylaw and recover costs.
Water Services Act 2021	29	Duty to exercise due diligence regarding statutory duties.
HCC Water Supply Bylaw 2013	10.5.1(a)	Duty to maintain service pipes and fittings up to the point of supply.
	10.5.4(d)	Duty to maintain responsibility for the relocation of the point of supply and pipework and fittings from the new point of supply to the existing customer supply pipe for 6 months from the time of relocation.
	10.6.1(b)	Duty to provide 48 hours' notice to the customer of work outside of the hours noted in clause 10.6.1(a).
	10.9.3(a)	Power to test meters as and when required.
	10.9.3(c)	Power to test meters on request by a customer.
	9.1.7(c)	Power to mark out within 0.5m of Council's services and nominate restrictions in writing to protect system.
	9.1.7(d)	Power to require the independent supervision of works.
	9.1.7(f)	Power to recover costs where reinstatement of excavation work has not met Council specifications.
	10.11.4	Powers and duties in relation to maintaining and repairing water assets.
WDC Water Supply Bylaw, Trade Waste and Wastewater Bylaw	Various	Authority to administer and enforce bylaws within the scope of the position

Head of Operations and Process

Legislation	Section	Summary
Local Government Act 1974	451	Power to enter into an agreement with a person proposing to build or carry out any work, for drainage works to be diverted, altered, protected, or replaced at the cost of that person.

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Legislation	Section	Summary
	459	Power and duties to require owners of land to provide private drains or do any of the other things specified in section 459(1), to give notice, and to exercise all of the Council's powers under this section.
	467	Power to replace, repair, remove or alter property destroyed or damaged by unlawful connection of a private drain and recover the costs of the work and the amount of any damage done or caused by the person committing an offence under section 467.
	468	Powers and duties (as council or principal administrative officer) in relation to tree roots obstructing public drains; cost recovery; registration of charges, etc.
	511-514	Powers and duties in relation to the removal of obstructions from any drainage channel or in any watercourse that is not under the control of the council including: entering land; cost recovery; registration of charges; court proceedings etc, in the circumstances prescribed.
	515	Powers and duties concerning the removal of obstructions in watercourses under the control of council which extend beyond the city boundary and its obstruction is likely to cause loss of life, injury or damage to property within the city including entering land; cost recovery; registration of charges; court proceedings etc, in the circumstances prescribed.
	516 & Schedule 14	Powers and duties concerning the construction or maintenance of waterworks, drainage works, trade waste systems, and drainage channels, and laying gas pipes or electricity cables, and erecting poles on roads and works not under the control of the Council, in the manner prescribed.
Local Government Act 2002	163	
	175	Power to recover costs for wilful/negligent destruction or interference.
	186	Power to execute works if owner/occupier defaults or work is urgent.
Water Services Act 2021	21	Duty to ensure drinking water is safe and take steps if unsafe.
	22	Duty to ensure drinking water complies with standards.
	23	Duty as owner of drinking water supply to ensure supply is registered.
	24	Duty to supply drinking water that complies with aesthetic values.
	25	Duty to ensure sufficient quantity of drinking water is provided.
	25 (3)	Power to restrict or interrupt the supply of drinking water.

Legislation	Section	Summary
	27	Duty to ensure supply arrangements protect against backflow.
	28	Duty where end-point treatment is used for acceptable solution.
	29	Duty to exercise due diligence regarding statutory duties.
	30-31	Duty to prepare and implement a drinking water safety plan.
	35(2)	Duty to take steps immediately after aware of notifiable risk.
	36(3) & (4)	Duty to notify Taumata Arowai of unregistered supply/failure.
	37	Duty to keep and maintain records for Taumata Arowai.
	38(1)	Duty to provide info to customers and maintain complaints process.
	38(2)	Duty to ensure complaints are dealt with efficiently.
	43(1), (2), (3)	Duty to prepare/implement source water risk management.
	44(1)	Duty to monitor source water quality at abstraction point.
	44(3)	Duty to report source water quality results to Taumata Arowai.
	45	Power to apply to register a drinking water supply.
	45(3)	Duty to inform local authorities of risks affecting safe drinking water.
	49(3)	Duty to comply with all applicable compliance rules made by Taumata Arowai.
	56	Duty to apply to renew registration every 12 months.
	59(7)	Duty to advise affected consumers about a drinking water emergency.
	62(4)	Duty to comply with directions/prohibitions during an emergency.
	63(4)	Duty to inform consumers of any exemption granted during an emergency.
	73(1)	Duty to use an accredited laboratory to analyse source/raw/drinking water.
	89-92	Power to apply to Taumata Arowai for an internal review.
	93	Power to appeal to the District Court.
	104(2)	Duty to comply with directions issued by a compliance officer.
	105(4)	Duty to comply with directions issued by compliance officer where serious risk to public health exists
	110(2)	Duty to answer questions for the purpose of ensuring compliance or investigating potential contamination
	121	Duty to comply with compliance order
	130-135	Power to give, vary or withdraw an enforceable undertaking

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Legislation	Section	Summary
	204(1)(b)	Power to provide Taumata Arowai with info relating to performance or exercise of statutory functions
Utilities Access Act 2010	General	Duty in relation to water and wastewater infrastructure performance.
HCC Water Supply Bylaw 2013	10.2	Power to approve time extension for approved application for supply.
	10.3	Power to undertake all actions outlined within clause 10.3 as related to connecting to and drawing from the Council water supply.
	10.8	Powers and duties as it relates to water metering.
	10.1.7	Power to impose conditions and restrictions on a permit.
	10.5.2(a)-(b)	Power to approve location and number of points of supply.
	10.5.3	Power to agree to the location of the point of supply in multiple ownership situations.
	10.5.4(c)	Power to relocate a point of supply where deemed necessary or at the request of the customer.
	10.5.4(d)	Duty to maintain responsibility for the relocation of the point of supply and pipework and fittings from the new point of supply to the existing customer supply pipe for 6 months from the time of relocation.
	10.6.1(b)	Duty to provide 48 hours' notice to the customer of work outside of the hours noted in clause 10.6.1(a).
	10.9.3(a)	Power to test meters as and when required.
	10.9.3(c)	Power to test meters on request by a customer.
	10.9.5	Power to estimate consumption.
	9.1.2(a)	Power to issue a permit to connect to the Council water supply system.
	9.1.6(a)	Power to seize and impound any equipment used by an unauthorised person to gain access to or draw water.
	9.1.6(a)-(c)	Power to recover costs related to value of water drawn, remediation of contamination, or repair costs.
	9.1.7(b)	Power to impose terms and conditions on any person wishing to excavate in the vicinity of Council's services.
	9.1.7(c)	Power to mark out within 0.5m of Council's services and nominate restrictions in writing to protect system.
		Power to recover costs to complete the work carried out in clause 9.1.7(c).
	9.1.7(d)	Power to require the independent supervision of works.
	9.1.7(f)	Power to recover costs where reinstatement of excavation work has not met Council specifications.
	9.1.7(g)	Power to recover costs for repair, and other costs incurred, as a result of damage to Council services.

Legislation	Section	Summary
	9.2.2	Power to request removal of items that may potentially contaminate or leach into water supply.
	9.2.3	Power to recover the costs for removal of the items from the owner, occupier, or both.
		Power to remove items that have not been removed within the timeframe specified.
	10.9.6	Duty to adjust incorrect accounts using best information available.
	10.9.7	Power to charge for all water registered on a meter since previous reading.
	10.11.4	Powers and duties in relation to maintaining and repairing water assets.
	10.13	Power and duties in relation to fire protection connections.
	10.14	Powers and duties in relation to backflow prevention.
	10.15.1(a)	Power to recover the cost of damage to the water supply system from owner/occupier.
	10.16(b)	Power to approve equipment which may cause pressure surges or fluctuations.
	10.17	Powers and duties in relation to the prevention of water loss and wastage.
	10.18.2	Power to recover all unpaid water charges from the owner or occupier.
	10.19.3	Power to approve supply of water drawn from Council supply by a customer to another party.
	11.1.2(a)-(c)	Power to serve notice for breach of Bylaw and take specified actions.
HCC Stormwater Bylaw 2021	8.1(a) - (d)	Power to approve discharge of swimming or spa pool water and impose conditions
	8.2(b)	Power to approve modification, interference, or removal of items listed in clause 8.2(a)
	8.3	Power to approve actions related to obstruction or capacity of the stormwater system
	8.4	Power to approve new building works over or within five metres of the Public Stormwater System
	8.5	Power to approve connection to the Public Stormwater System
	8.6(b)	Power to give approval to a person to allow stormwater to enter the wastewater system
	8.6(g) & (h)	Power to request the information specified
	8.6(i)	Power to issue a Defect Notice to require owner/occupier to fix or upgrade private stormwater system
	8.6(j)	Power to authorise reduction in effectiveness, or removal, of a private stormwater system
	8.7(f)	Power to inspect a pollution control plan kept by a high-risk facility.
	8.7(f)	Power to require submission of or approve a pollution control plan from owner/occupier of high-risk facility
	8.7(j) & (k)	Power to require a pollution control plan to be revised in specified circumstances.

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Legislation	Section	Summary
	8.7(m)	Power to monitor, sample and analyse stormwater discharges and the receiving environment.
	11.4	Power to withdraw Approval or use other means of enforcement in the event of breach of the Bylaw.
HCC Trade Waste & Wastewater Bylaw 2023	8.3	Powers and duties in relation to processing a trade waste application for consent.
	7.2(e)	Power to agree to a reasonable alternative method or to physically prevent discharge into the wastewater system where any breach of clause 7.2(a)-(d) has occurred.
	7.4(a)	Power to approve modification, stoppage, obstruction, or interference with the wastewater system.
	7.4(f)	Power to approve covering of an Access Point.
	7.5(a)	Power to require an owner of a private drain to fix or upgrade their private drain.
	8.1(d)	Power to enter into a trade waste agreement for the discharge and reception of trade wastes with an occupier.
	8.5(c)	Power to, by written notice, vary any condition of a consent to such an extent as Council considers necessary.
	8.7	Powers and duties in relation to pre-treatment requirements.
	8.8	Powers and duties in relation to flow metering.
	8.9	Powers and duties in relation to estimating discharge.
	8.1	Powers and duties in relation to sampling, testing, and monitoring.
	8.12(b)	Power to suspend or cancel any consent at any time after providing not less than 20 working days' notice to the consent holder or person discharging trade waste.
	9	Power to approve or refuse application for consent to discharge tankered waste into the wastewater system.
	12.3	Power to physically prevent discharge to the wastewater system in the case of a non-compliance with the Bylaw, a consent or a trade waste agreement.
	7.5(e)	Duty to reimburse the owner of a private drain for the reasonable cost of unblocking work for which the owner has paid, subject to the criteria in clause 7.5(e) being met.
WDC Water Supply Bylaw, Trade Waste and Wastewater Bylaw	Various	Authority to administer and enforce bylaws within the scope of the position

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Head of Service Delivery Waikato (Watercare)

Legislation	Section	Summary
Local Government Act 2002	175	Recover for damage to water infrastructure assets
	Various	Functions, powers or duties of an Enforcement officer to the extent that they relate to offences under the Waikato District Council Water Supply Bylaw or Waikato District Council Trade Waste and Wastewater Bylaw or an offence under the Local Government Act relating to water, water races, or private drains.
Resource Management Act 1991	330	Authorise the undertaking of emergency works of a preventive or remedial nature
	237C	Close to the public any esplanade strip or access strip during periods of emergency or public risk

Lead Customer Care Representative (Watercare)

Legislation	Section	Summary
Local Government Act 2002	175	Recover for damage to water infrastructure assets
	Various	Functions, powers or duties of an Enforcement officer to the extent that they relate to offences under the Waikato District Council Water Supply Bylaw or Waikato District Council Trade Waste and Wastewater Bylaw or an offence under the Local Government Act relating to water, water races, or private drains.
WDC Water Supply Bylaw, Trade Waste and Wastewater Bylaw	Various	Authority to administer and enforce bylaws within the scope of the position

Operations Manager Network Operations

Legislation	Section	Summary
Resource Management Act 1991	330	Authorise the undertaking of emergency works of a preventive or remedial nature
	237C	Close to the public any esplanade strip or access strip during periods of emergency or public risk

Operations Manager Operations (Facilities)

Legislation	Section	Summary
Operational	N/A	Authority to act as Engineer to the contract, Principal's Representative, or manage the Engineer to the Contract.
		Authority to authorise the commencement of works, services, and expenditure of monies provided for in the Annual Plan or Long Term Plan
		Authority to certify and authorise contract claims up to the value of the accepted contract sum.
		Authority to issue a letter of acceptance for the purpose of creating a contract where it has been approved by the IAWAI Board or under delegation to accept any tender or quotation
		The establishment of procedures to carry out IAWAI policies and any enforcement thereof

Property Portfolio Principal

Legislation	Section	Summary
Public Works Act 1981	34	Power to agree to requests from landowner to take other land; power to sign all documents to give effect to the taking, subdivision, development, or disposal
	48	Power to grant an easement in, through, over, or under land held for a public work
	52	Power to set aside land held for a public work
	114	Power to give consent for land being declared as Road;

Three Waters Support Engineer

Legislation	Section	Summary
Local Government Act 1974	Part 26	Authority to exercise all the Council's functions, powers, and duties relating to sewerage and stormwater drainage

Legislation	Section	Summary
WDC Water Supply Bylaw, Trade Waste and Wastewater Bylaw	Various	Authority to administer and enforce bylaws within the scope of the position
Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010	17	Duty to ensure particular regard is had to the vision and strategy for the Waikato River in any function performed pursuant to the enactments listed in Section 17 of that Act
Operational	N/A	Authority to act as Engineer to the contract, Principal's Representative, or manage the Engineer to the Contract.
		Authority to authorise the commencement of works, services, and expenditure of monies provided for in the Annual Plan or Long Term Plan
		Authority to certify and authorise contract claims up to the value of the accepted contract sum.
		Authority to issue a letter of acceptance for the purpose of creating a contract where it has been approved by the IAWAI Board or under delegation to accept any tender or quotation
		The establishment of procedures to carry out IAWAI policies and any enforcement thereof

Trade Waste Officer

Legislation	Section	Summary
HCC Trade Waste & Wastewater Bylaw 2023	8.3	Powers and duties in relation to processing a trade waste application for consent.
	8.1(d)	Power to enter into a trade waste agreement for the discharge and reception of trade wastes with an occupier.
	8.5(c)	Power to, by written notice, vary any condition of a consent to such an extent as Council considers necessary.
	8.7	Powers and duties in relation to pre-treatment requirements.
	8.8	Powers and duties in relation to flow metering.
	8.9	Powers and duties in relation to estimating discharge.

Legislation	Section	Summary
	8.1	Powers and duties in relation to sampling, testing, and monitoring.
	8.12(a)	Power to approve transfer, point of discharge to serve other premises, or wastewater from any other party to be discharged.
	9	Power to approve or refuse application for consent to discharge tankered waste into the wastewater system.
WDC Water Supply Bylaw, Trade Waste and Wastewater Bylaw	Various	Authority to administer and enforce bylaws within the scope of the position

Waters Engineering Manager

Legislation	Section	Summary
Land Drainage Act 1908	-	Authority to carry out and undertake the Council's operational functions, powers, or duties under the Act
Local Government Act 1974	Part 26	Authority to exercise all the Council's functions, powers, and duties relating to sewerage and stormwater drainage
Resource Management Act 1991	330	Authority to authorise the undertaking of emergency works of a preventive or remedial nature
Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010	17	Duty to ensure particular regard is had to the vision and strategy for the Waikato River in any function performed pursuant to the enactments listed in Section 17 of that Act
Operational	N/A	Authority to authorise the commencement of works, services, and expenditure of monies provided for in the Water Services Strategy
		Authority to issue a letter of acceptance for the purpose of creating a contract approved by the IAWAI Board or under delegation to accept any tender or quotation
		Authority to set or establish adopted engineering standards, procedures, or guidelines for water supply, wastewater, and stormwater services.
		Authority to undertake emergency works outside the current water budget where the health and safety of life or property is affected

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Legislation	Section	Summary
		The establishment of procedures to carry out IAWAI policies and any enforcement thereof

Warranted Compliance Officer

Note: The table below provides all potential statutory powers available for a Warranted Compliance Officer. Not all powers may be appropriate for every officer. Please refer to individual warrants for those powers which have been authorised for each warranted officer.

Legislation	Section	Summary
Local Government (Water Services) Act 2025	161	Power to enter land and carry out work
	172	Power to enter road and carry out work
	176	Power to enter a level crossing and carry out work
	177	Urgent work permitted in emergency
	213	Discharge of trade waste
	215; 217	Water service providers must instal fire hydrants and consult with territorial authorities and the fire service; Water service providers must ensure water in pipes and available for extinguishing fires
	271	Authorisation to issue infringement notices
	272, 273	Compliance officer may issue infringement notice, revoke infringement notice, subject to the compliance officer being authorised under s.271.
	278	Appointment as compliance officer under s 278(1)(a) or (b), and any conditions or limitations specified in the notice of appointment under s 278(2).
	282	Power to take and test samples
	283-285	Power to obtain information, require name, date of birth, and address, and to question
	286	Powers of entry and inspection for compliance officers
	287	Power to enter without a search warrant
	289	Power to enter with consent or search warrant

Legislation	Section	Summary
	290	Authority to act, under warrant, to enter private land on behalf of a territorial authority or water organisation
	295	Power to ask for assistance
	297	Power to serve compliance order
	300	Power to vary or cancel a compliance order
	302, 303	Power to take remedial action related to compliance order
	306	Authority to exercise any power under subpart 2 Compliance and enforcement delegated by the Chief Executive
Public Works Act 1981	110, 111	Powers of entry for survey and investigation purposes
WDC Water Supply Bylaw, Trade Waste and Wastewater Bylaw	Various	Functions, powers or duties of an Enforcement officer to the extent that they relate to offences under the Waikato District Council Water Supply Bylaw or Waikato District Council Trade Waste and Wastewater Bylaw or an offence under the Local Government Act relating to water, water races, or private drains.
HCC Water Supply Bylaw, Trade Waste and Wastewater Bylaw	Various	Functions, powers or duties of an Enforcement officer to the extent that they relate to offences under the Hamilton City Council Water Supply Bylaw or Hamilton City Council Trade Waste and Wastewater Bylaw.

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IAWAI Delegation of Authority Policy

APPROVED 25 JULY 2025

Ko te Puutaketanga Purpose

To establish a clear framework for the delegation of decision-making authority from the Board of Directors to the Chief Executive, and from the Chief Executive to IAWAI senior managers, ensuring effective governance, operational efficiency, and accountability.

Ko te Whaanuitanga Scope

This policy applies to all members of the Board of Directors, the Chief Executive (or Executive Chair of the Board in the Chief Executive's absence), and IAWAI senior managers.

It should be read in conjunction with the Shareholders' Agreement, which sets out the delegation of decisions in the establishment phase – including reserved matters (section 5) - decisions that require the unanimous agreement of the Shareholders; and the Shareholders obligations during the establishment period to obtain the Board's agreement on certain decisions and commitments (section 6).

It should also be read in conjunction with shareholder council papers which transfer the delegation of decision making (below council level) on some major projects. This policy confirms decision making within IAWAI, in relation to those projects.

Ko ngaa Tikanga Whakahaere Kaupapahere Principles of Policy

- **Accountability** remains with the delegating authority.
- **Transparency** in decision-making processes.
- **Alignment** with strategic objectives and legal obligations.
- **Competence** of the delegate to make informed decisions.

Ko ngaa Tikanga Policy

Delegation from Board to Chief Executive

The Board delegates authority to the Chief Executive (or Executive Chair of the Board in the Chief Executive's absence) to:

- Implement strategic plans and policies approved by the Board.
- Manage day-to-day operations and organisational resources.
- Make decisions on staffing, budgeting, and procurement within approved limits.
- Represent the organisation in external matters, subject to Board oversight.
- Approve operational policies and procedures.
- Make decisions relating to project scope, design, consenting, reconsenting, designations, land acquisition, procurement of physical works, and procurement of all related professional services that would normally be made by the Council Chief Executive;

- Make decisions relating to the Council as a resource consent applicant that are currently delegated the Chief Executive as set out on pages 41-51 of the Council Policy: Delegations to Officers Specific to the Resource Management Act 1991;
- Make decisions relating to the Council as a requiring authority that are currently delegated to the Chief Executive as set out on pages 62-69 of the Council Policy: Delegations to Officers Specific to the Resource Management Act 1991;

Limitations:

- Strategic decisions, mergers, acquisitions, and capital expenditures above $3,000,000, as set out in the financial delegation's policy, require Board and, where applicable, shareholding councils, approval.
- The CE must report regularly to the Board on performance, risks, and compliance.

Delegation from Chief Executive to IAWAI Chief Officer

The Chief Executive delegates authority to Chief Strategy and Planning to:

- Make decisions relating to project scope, design, consenting, reconsenting, designations, land acquisition, procurement of physical works, and procurement of all related professional services that would normally be made by the responsible General Manager;
- Make decisions relating to the Council as a resource consent applicant that are currently delegated the responsible General Manager as set out on pages 41-51 of the Council Policy: Delegations to Officers Specific to the Resource Management Act 1991;
- Make decisions relating to the Council as a requiring authority that are currently delegated to the responsible General Manager as set out on pages 62-69 of the Council Policy: Delegations to Officers Specific to the Resource Management Act 1991;

Delegation from Chief Executive to IAWAI Chief Officer and Director (Tier 2 Managers)

The Chief Executive delegates authority to Tier 2 Managers to:

- Execute operational plans within their respective workstreams.
- Manage staff, budgets, and resources within approved limits.
- Make decisions on service delivery, customer engagement, and internal processes.
- Recommend improvements and innovations to the CE.

Limitations:

- IAWAI Tier 2 Managers may not make decisions that alter strategic direction, exceed delegated financial authority, or involve legal commitments without CE approval.
- IAWAI Tier 2 Managers must report to the CE on performance metrics, risks, and compliance issues.

Documentation and Review

- Delegations are subject to annual review or as required due to organisational changes.
- Any changes to delegated authority must be approved by the delegating authority.

Compliance and Breach

- Non-compliance with this policy may result in disciplinary action.
- Breaches must be reported to the next level of authority and addressed promptly.

Effective Date and Review

- This policy is effective from the date of Board approval and will be reviewed before 1 July 2026 – being IAWAI Day 1 Operations.

IAWAI Financial Delegations to Officers Management Policy

APPROVED 25 JULY 2025

Ko te Puutaketanga Purpose

The purpose of this policy is to establish clear guidelines for the delegation of financial authority for IAWAI - Flowing Waters (IAWAI) between 1 July 2025 (Day 0) and 30 June 2026.

Ko ngaa Tikanga Whakahaere Kaupapahere Principles of Policy

This policy is specific to IAWAI, although should be read alongside Hamilton City Council's "Management Policy – Financial Delegations from the Chief Executive to Officers Policy" if clarification is required.

Ko te Whaanuitanga Scope

This policy applies to all employees of IAWAI, including employees that are seconded to IAWAI, carrying out work on behalf of IAWAI.

This policy includes financial delegations for IAWAI operating costs, and costs related to transferred projects (as approved through Hamilton City Council 26 June 2025, and Waikato District Council 30 June 2025 Council reports) from 1 July 2025 to 30 June 2026.

Other establishment costs and budgets remain joint decisions between Hamilton City Council, Waikato District Council and IAWAI made through the Establish IAWAI Programme Control Group/ Programme Steering Group.

Ko ngaa Tikanga Policy

Hamilton City Council and Waikato District Council have approved via council resolutions, the budget for IAWAI establishment costs, and operating costs for 2025/26 financial year.

Hamilton City Council will fund these costs, which will be transferred to IAWAI from 1 July 2026.

Councils have also approved IAWAI to exercise financial decision-making relating to expenditure on a series of transferred projects, including on to the purchase / sale of land (for decisions at Chief Executive level and below).

IAWAI must operate within this agreed budget, and within delegations approved, unless further council resolutions agree otherwise.

For avoidance of doubt, the Executive Chair is delegated the approvals of the Chief Executive, until a Chief Executive is appointed.

Operational expenditure

All operational expenditure, and recruitment of new employees needs to be approved by the IAWAI Chief Executive (Level 1) or Chief Officers (Level 2) or Directors (Level 3) within agreed budget, and in line with the limits set out in Table 1.

Transferred projects

The Chief Executive and Chief Strategy and Planning will exercise financial decision-making relating to transferred projects, as approved in shareholding council reports.

This includes all expenditure and the purchase/sale of land at the existing level of delegations provided to as set out in the HCC Financial Delegations from the Chief Executive to Officers Policy.

Table 1: The following delegation limits will apply (in line with the HCC Policy):

Category	**Chief Executive (Level 1)**	**Chief Officers (Level 2)**	**Directors (Level 3)**
Operating Expenditure (Budgeted)	Limited to approved budget	Limited to approved budget	Limited to approved budget
Operating Expenditure (Unbudgeted)	$250,000	$200,000	Non-delegable to this position
Capital Expenditure (bought forward)	$500,000	$300,000	Non-delegable to this position
Reprioritisation Budget – Renewals and Compliance Programme	$1,000,000 (Within years 1-3 of any approved 10-Year Plan)	$1,000,000 (Within years 1-3 of any approved 10-Year Plan)	Non-delegable to this position
Contracts	$3,000,000	$1,500,000	$500,000 (5 years)
Contracts not procured through an open tender process	$500,000 ($3,000,000 where note 1 exclusions apply)	$300,000 ($1,500,000 where note 1 exclusions apply)	$150,000 $500,000 where the protocol in note 4 (HCC policy) exclusions apply
Legal Proceedings	$250,000	$100,000	$50,000
Development Contributions (Developer Contributions Agreements)	$1,500,000	$1,000,000	Non-delegable to this position
Land Acquisition and sale	$3,000,000	$1,500,000	Non-delegable to this position
Debt write off	$10,000	$10,000	Non-delegable to this position

Category	Chief Executive (Level 1)	Chief Officers (Level 2)	Directors (Level 3)
Financial Operations (Admin Disbursements)	Limited to the approved budget	Limited to the approved budget	Non-delegable to this position

Table 2: Specific IAWAI positions related to delegation Levels

Delegation Level	IAWAI Positions
Level 2 - Chief Officers	• Chief Officer – Strategy & Delivery • Chief Officer – Finance • Chief Officer – Digital
Level 3 - Directors	• Director Business Performance • Director Communications • Director CE Office & Governance • Director Strategic Investment Portfolio

Board decisions

The IAWAI Board will be responsible for establishing debt level, entering into loans, approving material transactions, appointing the Chief Executive and other key Officers, approving budgets, approving new revenue streams or changing to pricing structure and awarding tenders.

Financial Operation
The Chief Executive and Chief Financial Officer are each delegated the authority to operate (including opening and closing accounts) all of the IAWAI's bank accounts, investment accounts, loan accounts, tax related matters, and other financial matters including exercising signing authority where appropriate.

Contracts
The delegated financial authority limit for contracts applies on a 'per contract' basis. A contract is any agreement in writing which purports to be legally binding upon the IAWAI, including memoranda of understanding, letters of agreement, purchase orders, guarantees, leases (as lessor or lessee), licences (as licensor or licensee) and deeds. A contract includes any subsequent extensions, renewals or variations to the agreement. For clarity, the delegated financial authority limits apply to contracts involving revenues receivable by IAWAI, including contracts and agreements with promoters and organisers of events.

Approved Contract Sum
The value of the contract for the purposes of this Policy is referred to as the "Approved Contract Sum". The Approved Contract Sum is, as at the date of approval, the aggregate of all amounts most likely to be paid to the other party (including retentions made, or to be made in respect of a contract) or amounts received from the other party (as applicable), for that contract, over the life of the relevant contract. Disaggregation of supplies or contractual arrangements in order to comply with this requirement is expressly prohibited.

For the purposes of determining whether a specified officer has the necessary delegated financial authority in relation to a contract that involves both;
(a) expenditure (payable by IAWAI) and
(b) revenue (receivable by IAWAI), the Approved Contract Sum for that contract is the greater of either the expenditure or revenue in that contract. That is, there must be no offset of expenditure and revenue.

Variations
An officer may approve variations that result in an increase to the total value of the contract that exceeds the Approved Contract Sum, provided that the total value approved (inclusive of the original Approved Contract Sum) does not exceed their delegated financial authority limit for contracts.

Contracts approved by Board Resolution
If a contract has been approved by Board resolution, the Chief Executive, or officer (as appropriate), has delegated authority to:

a. execute the contract (other than those contracts required to be signed under the Council's seal);
b. authorise payments up to the Approved Contract Sum or delegate the authorisation of payments to a nominated position; or
c. (if applicable) correct and re-issue invoices, issue credit notes or refunds up to the Approved Contract Sum, in relation to revenue receivable by IAWAI under an approved contract;
d. approve a variation that results in the Approved Contract Sum being exceeded by no more than 5%, up to a maximum of $250,000, provided the new Approved Contract Sum remains within budget. Any exercise of this delegation will be reported to the Board.

Note 1 - Contracts not procured through an open competitive process
The delegated financial limit for contracts not being procured through an open competitive process shall not apply and the officer's general delegated authority limit for contracts shall apply in the following situations:

a. For Private Developer Agreements, where the IAWAI is contributing additional costs to upsize or deliver infrastructure on behalf of IAWAI in a new subdivision or development that will eventually vest in the IAWAI. This excludes infrastructure that will not be owned by the IAWAI. E.g. transport assets etc;
b. For appointment of utility service providers to relocate, connect or alter utility services for the purpose of budgeted capital works, where a provider is the only possible supplier by virtue of being the owner of, or otherwise being legally responsible for, the relevant utility infrastructure. Examples of such utility service providers include, but is not limited to, Transpower, WEL Networks and Kiwirail. The officer must ensure that appropriate mechanisms are in place and implemented to ensure, as far as is reasonably possible, the IAWAI obtains Best Value from any appointed utility service provider.
c. For secondary procurement, where IAWAI is purchasing under a collaborative contract such as an All-of-Government contract or a syndicated contract where the original arrangement was established through an open competitive process. This includes panel arrangements where the terms of the panel allow for direct appointment as a secondary procurement process. is purchasing under a collaborative contract such as an All-of-Government contract or a syndicated contract where the original arrangement was established through an open

competitive process. This includes panel arrangements where the terms of the panel allow for direct appointment as a secondary procurement process.

Ko te Aroturukitanga me te Whakatinanatanga Monitoring and Implementation

All approvals must be documented and retained for audit purposes.

The policy will be reviewed annually to ensure it remains effective and relevant.

The Executive Chair is responsible for ensuring compliance with this policy (until the Chief Executive or Chief Financial Officer are appointed) and is required to report instances of non-compliance to the Establishment Board.

Breaches of this policy may result in disciplinary action.

Ko ngaa Tohutoro References

Hamilton City Council policies

Management Policy – Financial Delegations from the Chief Executive to Officers
Council Policy: Delegations to officers specific to the Resource Management Act 1991 ('RMA')
Treasury Management Policy
Procurement Policy and Procedures Manual
Public Works Act delegations to officers Policy

Schedule of Amendments to Financial Delegations to Officers Management Policy

Management Policy Approved 25 July 2025

Date	Section	Amendment/Addition/Deletion	Authorisation
18/09/2025	Table 1	Amendment to table 1 to reflect level 2 and level 3 delegation levels in line with the HCC Policy (including delegations related to specific position titles).	Approved by the IAWAI Board – 18/09/25
	References	Addition of Schedule of Amendments table.	
	Transferred Projects	Deletion of reference to obsolete HCC General Managers Financial Delegation Policy	
	Operational Expenditure	Amendment to delegation references to reflect changes made in table 1	

13 IAWAI Procurement Policy

Prepared and recommended by Hannah Beaven, IAWAI Planning, Bylaw and Policy Lead
Approved by IAWAI Director of Business Performance – Becca Brooke
Consulted with Waikato District Council and Hamilton City Council

Recommendation

1. That the IAWAI Board:

    a) Adopt the IAWAI Procurement Policy (the proposed Policy) (Attachment 1), effective from 1 July 2026.

Key points

2. Staff have prepared a proposed IAWAI Procurement Policy. The proposed Policy provides a clear framework for sourcing, approval, and contract management.
3. The proposed Policy is closely based on the HCC Procurement Policy, with some targeted changes to reflect IAWAI's operating context, improve clarity, and support efficient procurement processes while maintaining appropriate probity and oversight.
4. Key proposed changes include:

    A. a clearer structure for financial sourcing thresholds, including separate treatment of secondary appointments from panel suppliers.

    B. an increase in the direct appointment threshold for secondary appointments from $500,000 under the HCC Policy to $750,000 under the proposed IAWAI Policy.

    C. an increase in approval thresholds to approve procurement approaches which deviate from the preferred approach in the proposed Policy.

    D. a limited exception for payments to Watercare Waikato and other water services CCOs where appropriate procurement processes have already been followed.

    E. a new requirement to monitor repeated low-value purchase orders to the same supplier.

5. The proposed Policy retains key checks and balances from the HCC Procurement Policy, including requirements for approvals where an open competitive process is not used, use of the Procurement Contract Risk Assessment Tool, and the expectation that physical works are undertaken under contract.
6. As noted in the Policy, the Board has full decision-making authority in procurement matters and can deviate from the proposed Policy at its discretion, through approval of a Procurement Strategy.
7. If approved, the Policy will be published on IAWAI's intranet and website, relevant staff will be informed of its requirements, and supporting implementation and training actions will be undertaken.

Background

8. IAWAI must approve a Procurement Policy for its establishment date of 1 July 2026 to enable procurement activities to take place.

9. Under the Finance Shared Service Agreements:

    A. Procurement for IAWAI is a shared service provided by Hamilton City Council (HCC). HCC will manage all administrative and process aspects of the procurement function where requested by IAWAI.

    B. IAWAI is the decision-maker in relation to water services and wastewater procurement. IAWAI is the decision-maker in relation to stormwater services procurement as agreed with Councils.

    C. These decision-making principles are outlined in the HCC Procurement Shared Services Guidelines as a guide for staff.

10. IAWAI must develop a robust procurement policy and process, with appropriate checks and balances, consistent with its role as a council-controlled organisation and its responsibility for managing public funds.

The details

11. As HCC provides procurement services to IAWAI under shared services, the existing HCC Procurement Policy has been used as the basis for IAWAI's draft Policy.

Procurement Strategies

12. While the proposed Policy sets out IAWAI preferred approach for procurement, the IAWAI Board or Capital and Asset Management Committee has full decision-making authority in procurement matters and can deviate from the proposed Policy at its discretion, including in association with approval of a Procurement Strategy. Hamilton City Council also retained the same decision-making authority.

13. A procurement strategy is a written plan for how a procurement will be carried out. It explains the sourcing approach, how options will be assessed, what approvals are needed, the main risks, and any other information needed to make a well-informed decision. Approval of the procurement strategy will be sought by the IAWAI Board or the Capital and Asset Management Committee and procurement activities will be undertaken in accordance with this strategy.

Proposed changes to the IAWAI Procurement Policy

14. The proposed Policy is based on the HCC Procurement Policy but includes some targeted changes to better reflect IAWAI's operating context. These changes are intended to improve efficiency, provide greater clarity for staff, and maintain appropriate probity and oversight in IAWAI's procurement and financial decision-making.

15. The following changes have been made for clarity:

    A. Financial sourcing thresholds have been reworked. A new structure (Table 1 in the proposed Policy) now distinguishes between procurement from non-panel suppliers and secondary procurement from a supplier on a panel arrangement. This reflects similar requirements included in the HCC Procurement Policy, but in a clearer format.

16. The following changes have been made for efficiency reasons:

    A. There is a more permissive approach for procurement for secondary appointments. The limit increases from $500,000 under the HCC Policy for direct appointments to $750,000 under the proposed IAWAI Policy. This is because

panel suppliers have already been assessed for capability, capacity, and value, supporting a direct appointment process.

B. The Policy clearly articulates who can approve deviations from the Preferred Approach for procurement. These limits previously sat in the Delegation Policy for HCC. Approval to proceed with a non-preferred procurement approach must be given by the next-level managepr oof the staff member who has delegated financial authority to approve the contract, under the IAWAI Delegation Policy

C. Clause 11.1(f) adds a limited exception to the requirement for an open competitive process for payments to Watercare Waikato and other water services CCOs. The exception applies only where IAWAI is satisfied that the partner organisation has followed an appropriate approval and procurement process, and it cannot be used to avoid the requirements of the Policy.

17. The following changes have been made for probity purposes:

A. A new requirement about repeated low-value purchase orders is proposed. The proposed Policy now includes a new requirement that repeated purchase orders to the same supplier must be actively monitored.

B. Where the cumulative value of purchase orders to the same supplier over the previous 12 months exceeds $75,000, there is requirement for staff to consider the best way to secure services and whether a contract for services or another form of arrangement would deliver better value.

18. The proposed Policy retains many of the ‘checks and balances’ that the HCC Procurement Policy includes, such as the requirement to fill out a ‘Request to not Procure through an Open Competitive Process’ where the preferred procurement approach in the Policy is not complied with.

19. Additionally, the Policy still requires use of the Procurement Contract Risk Assessment Tool, and states that all physical works should be carried out under contract.

IAWAI Delegation Policy

20. The IAWAI Procurement Policy must be read alongside the IAWAI Delegation Policy. When approaching a new contract, the following steps must be followed:

Step 1: Determine the appropriate procurement method

A. Staff must first identify the required procurement approach in accordance with the IAWAI Procurement Policy.

B. If the Preferred Approach is not taken, this must be approved through a ‘Request to not Procure through a Competitive Process’ for specific reasons such as an emergency.

Step 2: Confirm the approval authority under Financial Delegations in the IAWAI Delegations Policy

C. Once the procurement method is confirmed, staff must identify who has the authority to approve the contract.

21. While the proposed Policy does not significantly change IAWAI’s procurement requirements compared to HCC, the proposed changes to the IAWAI Delegations Policy amend who and what level of delegation can approve contracts.

Risks and opportunities

22. The proposed Procurement Policy and related delegation changes present a number of opportunities for IAWAI, including:

    A. Providing a clear procurement framework for IAWAI from establishment, including defined sourcing thresholds, approval pathways, and minimum process requirements.

    B. Strengthening oversight of repeated low-value purchasing by requiring active monitoring.

23. The proposed Procurement Policy and related delegation changes also raise some key risks and implementation matters for IAWAI, including:

    A. Implementation will require clear internal guidance, staff training, and disciplined application of the policy and delegations to ensure procurement decisions are made by the correct approval authority.

    B. There will need to continue to be strong communication between HCC and IAWAI in the delivery of the Procurement Shared Service function.

Te Tiriti o Waitangi / Te Ture Whaimana o Te Awa o Waikato

24. The proposed Policy supports IAWAI's commitments under Te Tiriti o Waitangi and Te Ture Whaimana o Te Awa o Waikato by supporting opportunities for Maaori businesses to participate in procurement processes.

Financial Implications

25. Adoption of the proposed Policy does not in itself create new financial implications. However, the proposed Policy creates the framework for procurement decision-making. All expenditure must still be approved through appropriate financial delegations in the IAWAI Delegation Policy.

26. Any procurement decisions outside the proposed Policy remain with the Board, as set out in the Board and Committee Terms of Reference.

Consultation

Partners

27. Staff have consulted the following units in the development of this Policy: Finance and Procurement (HCC).

Customers

28. No external customer engagement has been undertaken.

Next steps

29. If the proposed Policy is approved by the Board, the Procurement Policy will be published on IAWAI's intranet and external website. Communications will be issued to relevant staff and training for key staff will be undertaken at up-coming leadership events.

30. As part of the shared services arrangements, the Chief Financial Officer, supported by the Procurement Specialist, procurement management across HCC, WDC and IAWAI will continue to be reviewed as part of ongoing continuous improvement.

Procurement Management Policy 2026

HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

Policy Owner:	IAWAI Chief Executive
Date approved:	18 June 2026
Next review date:	18 June 2029
Document number:	IAWAI-PMP-001
Required by legislation:	N/A

1. PURPOSE

1.1 The purpose of this Policy is to:

a. Provide a framework for staff to engage in open, transparent, and effective Procurement in accordance with best practice public sector guidance.

b. Ensure IAWAI delivers value for money goods and services and economic benefit, including positive social, environmental and cultural outcomes for the community.

c. Provide full and fair opportunity for suppliers.

1.2 The objectives of this Policy are to support and provide for the following:

a. **Roles and responsibilities**. All IAWAI staff and people leaders should be aware of their tasks and obligations across all procurement and purchasing activity when spending money or committing the IAWAI to financial or other obligations.

b. **Spend management**. This Policy and the IAWAI Delegations Policy enables robust spend management in delivering fit for purpose outcomes for the IAWAI while supporting transparency and accountability.

c. **Risk management**. Through effective process management and contract outputs, risk can be appropriately managed and assessed by the business ensuring results are not compromised nor is spend or IAWAI reputation.

d. **Accountability**. All staff must carry out their roles and responsibilities in line with this and other policies ensuring they can account for decisions, documents, results, behaviour and can justify reasons for procurement related activity.

e. **Operational efficiency**. The application of this policy with supporting procurement systems and tools are best designed to enable the efficient procurement operations of the IAWAI promoting best practice procurement.

f. **Social procurement and local economic benefit**. IAWAI staff must look at opportunities to engage Māori, local businesses and social enterprises in their procurement and make it easy for them to do business with the IAWAI for local economic benefit.

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g. **Sustainability and emissions reduction**. IAWAI staff and people leaders must consider sustainability and emission reduction opportunities across all procurement and purchasing activity.

2. SHARED SERVICE ARRANGEMENT

2.1 IAWAI uses a shared service framework to support efficiency and to ensure alignment with its shareholder IAWAIs. The provider of shared services will ensure the delivery of systems and processes is appropriate and relevant to IAWAI and in alignment with IAWAI policy.

2.2 Under a transitional shared service arrangement with Hamilton City IAWAI (HCC), HCC will provide the Financial Shared Service for IAWAI until IAWAI develops the inhouse capability to take full ownership of this function.

2.3 HCC is responsible for manging all administrative and process aspects of the procurement function if requested by IAWAI. IAWAI is responsible for decision-making in relation to water services, wastewater and stormwater procurement.

2.4 This policy should be read in conjunction with the following shared service agreement:

- Finance Shared Service Schedule

2.5 Additionally, how procurement support provided by Hamilton City Council to IAWAI is governed by the HCC Procurement Shared Services – Guidelines. Those Guidelines support the implementation of this Policy by setting out the roles, responsibilities, working arrangements, and escalation pathways between IAWAI and HCC Procurement.

2.6 For further detail on the shared service arrangement please refer to the Shared Services and Partnership Relationship Agreement and schedules.

3. DEFINITIONS

Approved Contract Sum	Is the sum total, exclusive of GST, of an individual agreement purchase, requisition, purchase order, disbursement, payment authorization certificate or payment made to a supplier over the full term of the contract, including rights of renewal, including any contingency agreed to be financially committed by the delegated financial authority, that may or may not be expended.
Approved Supplier	Is a supplier set up and approved for use in the Authority financial system.
Authorised Supplier	Are suppliers that have been put in place with a formal Contract for the supply of a category of goods, services or works for a period of time. Examples of these types of arrangements include the supply of stationary, supply of travel or the IAWAI's Professional Services Panels.
Capital Works	means the construction, renewal, upgrade, replacement, or improvement of physical infrastructure or assets of a capital nature, including associated

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	design, engineering, project management, and related services where they form part of a capital project.
Conflict of Interest	Exists where two different interests are at odds or where responsibilities as an employee at IAWAI or an external party acting on behalf of IAWAI (such as a Consultant acting as a Tender Evaluation Team member) could be affected by some other separate interest or duty. These conflicts may arise out of situations such as: • Having responsibilities with other organisations • Monetary (financial) interests
Contract	Shall mean any and all contracts, agreements, memoranda of understanding (or agreement), letters of agreement, or any other document which purports to be binding upon the IAWAI as generally defined in the Contracts Enforcement Act 1975 - Including any subsequent extensions, renewals, or modifications to a Contract.
Delegated Authority	The person with the authority to approve the total Contract commitment, as set out in IAWAI Delegations Policy. The entire term includes the initial term plus any renewal periods contemplated at the commencement of the contract. Delegated Authority is completed by signature or electronic signoff within the IAWAI's finance systems. All non-electronic signatures must be accompanied by the printed name, position of the Delegated Authority as well as the date of signatory.
IAWAI Capital Works Committee	An IAWAI board committee receiving regular reporting on the capital programme and responsible for endorsing the Procurement Strategy, approach for capital works programme, and associated business cases.
Lowest Price Conforming sourcing Three	Quote method chosen where price will be the determining factor. Three quotes of comparable goods or services, the lowest priced will be chosen.
P-Card	Purchasing Card. A IAWAI credit card used by certain positions as required. Purchases for goods and services are approved by IAWAI Delegations Policy using the BNZ System and limits are clarified in IAWAI P-Card Guidelines.
Panel Arrangement	A panel arrangement includes the following situations: • Using an authorised supplier with pre-negotiated rates • All of Government (AOG) Market Place • Supplier Panels already tendered (e.g. CO-Lab Professional Services Panel (PSP)) • Deal Registered IT (where the reseller has approached the primary vendor and registered the sales opportunity and secured advantageous discounting)
Private Developer Agreement	A contract with a developer to upsize or deliver infrastructure on behalf of the IAWAIin a new subdivision or development that will eventually vest in. These are entered into by the IAWAI when there is benefit for IAWAIin upsizing the level of infrastructure from delivering infrastructure beyond the minimum requirement in the Infrastructure Technical Specifications to allow for future growth. IAWAI shall only pay for the difference in cost in the minimum requirements and the IAWAI's upsized requirements. In entering into any

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	Private Developer Agreement, IAWAI shall demonstrate the value for money obtained by IAWAI and ensure funds are available within existing budgets.
Private RFx	Limited numbers of Tenderers are invited by the IAWAI to submit a tender without public advertisement of Contract.
Premium Value sourcing three quotes	A quotes sourcing method with a minimum of three comparable quotes. Basic non-price attributes can be chosen to determine the chosen winning quote. The final supplier selection can be based on which supplier provides a premium product or service which can be more expensive than the cheapest quote, however a full justification will be required, and the differences will be reported on quarterly. The premium will be required to be proportionate and appropriate. Rationale for not choosing lowest priced quote which conforms will be documented.
Procurement not procured	A supplier selection method that involves selecting a contract with a single Supplier, without going through an open process or considering other suppliers' offerings (previously referred to as Direct Appointment).
Procurement Strategy	A documented approach for undertaking a procurement activity or programme of procurement. It sets out the proposed sourcing approach, evaluation method, governance and approval requirements, key risks, and any other matters necessary to support an informed procurement decision. A procurement strategy must be approved by the IAWAI Board or relevant IAWAI committee.
Professional Services	A service provided by a supplier that require specialised knowledge, expertise, qualifications, or professional judgment, and where the primary value is the intellectual or advisory service being provided rather than the supply of goods or physical works. This includes, for example, legal, financial, advisory, consultancy, and other specialist services.
Purchase Order	Legal document for purchase of goods, services or works issued from the IAWAI's electronic purchasing systems following approval by the relevant Delegated Financial Authority. Terms and conditions are governed by IAWAI Purchase Order terms and conditions.
Public RFx	A publicly advertised RFx (Request for Quotation, Request for Expression of Interest, Request for Proposal or Request for Tender) that any party may respond to. For the purposes of this Policy, an open tender or open public tender means a Public RFx.
RFx	A generic abbreviation that covers all 'Request for' "processes" (Request for Quotation, Request for Expression of Interest, Request for Proposal or Request for Tender). Specifies what the IAWAI wishes to purchase, the terms and conditions plus instructions on how to bid and respond.
Local Social Outcomes sourcing three quotes	A minimum of three quote evaluation process, selection based on non-priced and priced components. The non-priced attributes to be local economic impact based (e.g. local impact / Maaori business / pathways to employment opportunity / paid internships). Rationale for not choosing lowest priced quote which conforms will be documented.

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Supplier	The person or organisation responsible for the supply of goods, services or works as required to the IAWAI. Also known as vendor, contractor, consultant, or provider.
Syndicated Procurement Contract	Syndicated procurement is when a government agency or local body contracts with a supplier on behalf of other entities. This can lead to economy of scale advantages for IAWAI. The IAWAI is part of a number of syndicated arrangements.
Variation	Written changes to the scope, price, or term of a Contract.

4. PRINCIPLES

4.1 Procurement Principles are the foundations for good practice at all stages of the procurement lifecycle, from initial planning through to the end of the contract/life of the goods, services or works purchased.

4.2 IAWAI staff will take these principles into account when buying goods, services or works.

4.3 IAWAI's six Procurement Principles are:

a. Plan and Manage for Great Results

- Identify what the IAWAI needs and then plan how to get it
- It is a requirement that the teams and IAWAI staff chosen to be involved in a procurement process have had the appropriate training, and have the right mix of skills and experience
- Take the time to understand the market and the IAWAI's effect on it. Be open to new ideas and solutions
- Choose the right process - proportional to the size, complexity and any risks involved

b. Be Fair to All Suppliers

- Create competition and encourage capable suppliers to respond
- Treat all suppliers equally
- Make it easy for all suppliers (small and large) to do business with the IAWAI
- Be open to subcontracting opportunities in large projects
- Clearly explain how supplier's proposals will be assessed - so they know what to focus on
- Communicate to unsuccessful suppliers so they can learn and know how to improve for next time

c. Get The Right Supplier

- Be clear about what is needed and fair in how suppliers are assessed

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- Choose the right supplier who can deliver what is needed, at a fair price and on time
- Build demanding, but fair and productive relationships with suppliers
- Make it worthwhile for suppliers - encourage and reward them to deliver great results
- Identify relevant risks and identify the right person(s) to manage them

d. Get The Best Deal for Everyone

- Get best public value for money - account for all benefits over the lifetime of goods and services
- Make balanced decisions - consider the social, economic, and environmental effects of the deal
- Encourage and be receptive to new ideas and ways of doing things
- Take calculated risks and reward new ideas
- Have clear performance measures - monitor and manage to make sure great results are achieved
- Work together with suppliers to make on-going savings and improvements
- Procurement more than just agreeing the deal - be accountable for the results

e. Play By the Rules

- Be accountable, transparent, and reasonable
- Make sure everyone involved in the process acts responsibly, lawfully and with integrity
- Stay impartial - identify and manage conflicts of interest
- Protect suppliers commercially sensitive information and intellectual property

f. Take care of the local community and natural world

- Deliver local economic benefit to Hamilton, Kirikiriroa and Waikato district
- Contribute to environmental benefits to the city and the district
- Contribute to positive social and cultural community outcomes.

5. SCOPE

5.1 This policy covers activities associated with the procurement of all physical work, consultancy and all goods and services required by IAWAI.

5.2 The policy applies to:

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- All IAWAI staff, including temporary staff, staff contractors and consultants, and sub-contractors.
- Any person who is involved in the operation of the IAWAI, including Board Members, volunteers, or those with unpaid status
- Every business, service, or activity of the IAWAI; except for employment contracts

5.3 Contracts for the sale and purchase of land and other property interests by IAWAI, legal settlements, assignments, and non-contractual obligations of the IAWAI are outside the scope of this policy.

6. KEY REQUIREMENTS

6.1 IAWAI has the following key requirements for Procurement activity:

a. Value for Money – accountability for the costs and benefits of any procurement and ensuring practises maximise value for ratepayers' money.

b. Accountability - ensures both staff and suppliers are accountable for their performance.

c. Openness - all procurement is made in an open and transparent manner.

d. Fairness - all procurement is carried out in a fair manner and decisions are seen to be made with impartiality and without bias.

e. Integrity - all IAWAI staff undertaking procurement do so ethically and with behavioural standards of the highest levels.

f. Lawfulness and Risk- ensures that all procurements are within the law and meet IAWAI's legal and contractual risk management obligations, the HCC's Supplier Code of Conduct, and delivered safely, meeting all legislative requirements under the Health and Safety at Work Act 2015.

g. Sustainability - encourages environmental and socially sustainable procurement. IAWAI.

h. Local economic benefit including positive social and cultural outcomes.

7. OUR APPROACH TO PROCUREMENT, SOURCING AND RISK

7.1 The IAWAI's approach to, and objectives and principles for procurement are publicly notified via its 'Procurement Guide for Suppliers and our Community'.

7.2 The IAWAI's procurement lifecycle guides its procurement approach. Each aspect of this lifecycle should be considered when conducting a procurement activity for the IAWAI.

7.3 Guidelines on tenders and sourcing methods, including deviations form standards sourcing, are contained within its 'Procurement Sourcing Guide' for IAWAI staff.

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7.4 IAWAI staff will ensure an active approach to contract risk management is an integral part of good procurement practice and assess contract-related risk using the Procurement Contract Risk Assessment Tool (Attachment 1).

7.5 IAWAI staff will complete a formal contract risk assessment using the Contract Risk Assessment Tool to protect IAWAI's position when engaging goods and services and reduce any potential exposure to risk. Criteria for when a procurement contract risk assessment is required include:

- Potential risks need to be actively managed
- Key performance measures need to be captured
- Complex specifications, timeframes, or deliverables exist
- Other special Terms and Conditions are involved e.g. non-standard payment terms, amended liability provisions

7.6 All physical works should be carried out under contract irrespective of the value or risk.

8. LOCAL SOCIAL PROCUREMENT AND ECONOMIC BENEFIT

8.1 IAWAI will aim to balance procuring goods and services efficiently, cost effectively, and with the appropriate consideration of risk, whilst striving for a sustainable and vibrant local economy.

8.2 IAWAI will ensure its procurement approach makes it easy for Maaori businesses to compete for contracts.

8.3 IAWAI will aim to:

a. Seek sustainable, long-term behavioral changes in procurement practices to identify and remove barriers to competition for Maaori business.

b. Be supportive of Hamilton and Waikato district business and requiring suppliers to demonstrate in tenders how they will deliver economic benefit to Hamilton and the Waikato district.

c. Support and enable the inclusion of Maaori business for new and ongoing opportunities as suppliers to the IAWAI.

d. Size the scale of opportunity where possible to provide opportunity for local and Maaori businesses- particularly in larger tender opportunities, or through sub-contracted opportunities to include effective engagement with Maaori business.

e. Consider splitting larger contracts into smaller sub-contracts, to provide smaller local business and Maaori business opportunities to compete.

f. Consider engaging with suppliers on larger contracts on how they can incorporate Maaori business into their supply chain (whilst maintaining equal opportunity to compete).

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g. Ensure open and advanced notice of tendering and social procurement-based opportunities are available to the business public via the IAWAI's media/social media.

h. Provide enablement of simplified engagement via additional Procurement methodologies (covered in 'Financial Sourcing Thresholds' below).

i. Give careful and due consideration to suppliers who are responding to sustainable outcomes and emissions reductions and support low carbon options.

8.4 The non-priced attributes to be considered and assessed under local social procurement are to include local economic impact (local impact / Maaori business / pathways to employment opportunity / paid internships).

8.5 The rationale for not choosing lowest priced quote which conforms will be documented by IAWAI staff.

9. FINANCIAL SOURCING THRESHOLDS

9.1 The following financial limits and requirements (and possible exemptions) apply to all procurements specified in the scope of this policy as shown in Table 1 and 2.

9.2 Financial sourcing thresholds shown in Table 1 and 2 are distinguished between 'Non-panel supplier procurement' and 'Secondary procurement from a supplier from a Panel Arrangement'.

9.3 The Financial Sourcing Thresholds for 'Secondary procurement from a supplier from a Panel Arrangement' are higher because the Panel Arrangement gives IAWAI confidence that the supplier has already been assessed as having the relevant capability, capacity, and ability to deliver value.

9.4 The authority to approve or make decisions in relation to any level of procurement is subject to the financial thresholds and requirements contained in IAWAI's Delegations Policy, and this Policy must be interpreted consistently with those delegations. For the avoidance of doubt, the Board retains full discretion to make decision it considers appropriate in relation to procurement. The delegations referred to in Table 1 and 2 are officer-level delegations only and do not apply to decisions a board approved procurement strategy.

9.5 Tables 1 and 2 set out preferred sourcing approaches only. IAWAI may, at its discretion, choose to use a more robust sourcing method than that shown in the relevant table where it considers this appropriate having regard to the value, risk, complexity, or strategic importance of the procurement.

9.6 Only staff holding Level 1 to Level 4 financial delegation in the IAWAI Delegation Policy may make direct appointments.

9.7 **Financial Delegations within the IAWAI Delegation Policy**

9.8 The authority to approve or make decisions in relation to any level of procurement shown in Table 1 is subject to the financial thresholds and requirements contained in IAWAI's Delegations Policy under 'Budgeted Expenditure (Operating and Capital).

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Table 1: Financial thresholds for Non-Panel Supplier Procurement

Value	Preferred Procurement Approach	Who can approve use of a non-Preferred Procurement Approach*
Under a value of $75,000	• No specific requirement.	Not applicable
Between $75,000 and $300,000	• Minimum three quotes using the Lowest Price Conforming / Premium Value / Social Outcomes method for supplier selection (closed); OR • A traditional tender process (closed or open tender)	IAWAI Procurement and Level 2c and higher
$300,000 to $499,000	• Not less than three quotes using the Lowest Price Conforming / Premium Value / Social Outcomes method for supplier selection (closed); OR • A traditional tender process (closed or open tender)	IAWAI Procurement and Level 2b and higher
$500,000 to $750,000	• Closed tender or open tender	IAWAI Procurement and Level 2b and higher
$750,000 to $3,000,000	• Closed tender or open tender	IAWAI Procurement and Level 2a and higher
$3,000,000 to $5,000,000	• Open tender	Chief Executive Officer (Level 1)
$5,000,000+	• Open tender	IAWAI Board or relevant committee

** Approval is given via the 'Request to not procure through a competitive process' form*

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Table 2: Secondary Procurement from a Supplier from a Panel Arrangement

Value	Preferred Approach	Who can approve non-Preferred Procurement Approach*
Up to and including $750,000	• No specific requirement.	Not applicable
$750,000 to $1,500,000	• Three quotes requested from the Panel using the Lowest Price Conforming / weighted attributes method for supplier selection (closed), OR • Closed or open tender process	IAWAI Procurement and Level 2b and higher
$1,500,000 to $3,000,000	• Six quotes requested from the Panel using the Lowest Price Conforming / weight attributes method for supplier selection, OR • Closed or open tender process	IAWAI Procurement and Level 2a and higher
$3,000,000 to $5,000,000	• Six quotes requested from the Panel using the Lowest Price Conforming / weight attributes method for supplier selection; OR • Closed or open tender process	Chief Executive Officer (Level 1)
$5,000,000 or greater	• Closed tender inviting all panel members or open tender	IAWAI Board or relevant committee

** Approval is given via the 'Request to not procure through a competitive process' form*

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10. SECONDARY PROCUREMENT PROCESS

10.1 The evaluation method for a Secondary Procurement can be lowest price conforming, or weighted attributes. A group of three IAWAI staff at a minimum will be required to assess the non-priced attributes, and moderation can be handled by the IAWAI's Procurement Team.

11. REQUEST TO NOT PROCURE THROUGH AN OPEN COMPETITIVE PROCESS

11.1 The following justifications apply for seeking a "Request to not procure through an open competitive process":

a. *Emergency Procurement:* A genuine emergency. Urgent situations that are created by staff such as lack of advance planning, do not constitute an emergency.

b. *Following an open competitive process:* if

- the project was openly advertised in the last 12 months; and
- it has not substantially changed the core procurement requirements.

c. *Only one supplier*: If the goods, services or works can be supplied by only one supplier and there is no reasonable alternative or substitute

d. *Additional goods, services or works*: Goods, services or works additional to the original requirements that are necessary for complete delivery. This rule applies where all three of the following conditions are met:

- The original contract was openly advertised; and
- a change of supplier cannot be made for economic or technical reasons; and
- a change of supplier would cause significant inconvenience or substantial duplication of costs for the IAWAI.

e. *Unsolicited unique proposal:* Where staff receive an unsolicited proposal and all of the following apply:

- the proposal is unique; and
- the proposal aligns with IAWAI's objectives; and
- the goods, services and/or works are not otherwise readily available in the marketplace; and
- the goods, services and/or works are not otherwise readily available in the marketplace; and
- the proposal represents public value.

11.2 Irrespective of the limits in Table 1, direct appointments can be approved in the following situations, in line with financial delegations in the IAWAI Delegation Policy:

a. For Private Developer Agreements, which is a contract with a developer to upsize or deliver infrastructure on behalf of the Council in a new subdivision or development that will eventually vest in the Council;

b. For appointment of utility service providers to relocate, connect or alter utility services for the purpose of capital works budgeted within the applicable Water Service Strategy, where a provider is the only possible supplier by virtue of being the owner of, or otherwise being legally responsible for, the relevant utility infrastructure.

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Examples of such utility service providers include, but is not limited to, Transpower, WEL Networks and KiwiRail. The IAWAI staff member must ensure that appropriate mechanisms are in place and implemented to ensure, as far as is reasonably possible, IAWAI obtains Best Value from any appointed utility service provider; or

c. For payments to Watercare Waikato and other Council-Controlled Organisations delivering water services, IAWAI may rely on a limited exception to the requirement for an open competitive process where it is satisfied that the partner organisation has followed an appropriate approval and procurement process. This exception cannot be used to avoid the requirements of this Policy; or

d. For legal services, IAWAI may appoint and engage legal service providers that have already been approved as IAWAI's legal providers without undertaking a further procurement process. This exception applies only where the engagement is within the scope of the approved appointment and the relevant financial delegation requirements are met.

12. EMERGENCY PROCUREMENT

12.1 In an emergency it may be necessary for IAWAI to dispense with parts of its procurement process, so that IAWAI staff can react quickly to unforeseen events. Under the IAWAI Delegation Policy, the Chief Executive Officer has an uncapped delegated financial authority in the event of a declared or non-declared emergency.

12.2 IAWAI notes however that emergency procurement should only be used in genuinely unforeseen circumstances.

12.3 IAWAI notes that poor planning or organisation for a procurement does not justify dispensing with parts of this policy.

12.4 In the context of this policy an emergency is defined as an event which results in:

a. IAWAI staff, public, property or equipment being placed in immediate risk;

b. Standards of health or safety having at IAWAI to be re-established without delay;

c. The significant impairment of service delivery if IAWAI failed to respond promptly; and/or

d. A declared or undeclared response to an 'emergency' as defined in the 'Civil Defence and Emergency Management Act 2002.

12.5 Emergency procurement should be limited to what is required by IAWAI to cope with the emergency.

12.6 Emergency procurement must be authorised by a staff member with the appropriate financial delegation as soon as practicable following the purchase.

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13. CONFLICT OF INTEREST

13.1 As part of the general obligation to act fairly, IAWAI staff must also take care that their decision-making processes at the IAWAI cannot be challenged on the basis of actual or perceived bias, particularly in relation to Conflicts of Interest.

13.2 IAWAI staff need to be aware of and abide by the *IAWAI's Conflict of Interest - Management Policy* and the potential for conflicts of interest throughout the entire procurement process.

13.3 A conflict of interest in a Procurement process could include, but is not limited to:

a. Relatives of IAWAI staff involved with tenderers;

b. Maintaining shares in companies who are responding;

c. A financial interest;

d. Acting as a consultant, or in any advisory capacity;

e. A close relationship (i.e., friendship) with respondents;

f. Informal conversation at social functions;

g. Accepting any gift or gratuity from a tenderer, of any form during an RFx or contract negotiation process;

h. Accepting any discount from a supplier that is not offered to all IAWAI staff through

i. the 'Staff Benefits Scheme' administered by People Safety and Wellbeing; or

j. Responding to questions asked by tenderers that do not follow the formal tender rules.

13.4 IAWAI requires its staff, Board Member and/or any third party to declare any potential conflict of interest which may affect, or could be perceived to affect, their impartiality in any aspect of their work by using the Declaration of Potential Conflict of Interest Form contained in IAWAI's Conflict of Interest - Management Policy. The default position for IAWAI staff is 'if in doubt declare'.

13.5 Any declared conflict of interest will be assessed by the relevant IAWAI Executive Team Member to determine, mitigate, and effectively manage the extent of the conflict.

13.6 Under no circumstances should a procurement process allow a IAWAI staff member to receive preferential treatment in a contracting situation.

13.7 Receipt of gifts, hospitality, or other incentives from suppliers during a procurement process is subject to IAWAI's Gifts and Hospitality - Management Policy, and whilst conducting such a process, IAWAI staff shall take steps to help ensure that they are not exposed to potential conflict of interests.

14. REPEATED LOW-VALUE PURCHASE ORDERS

14.1 Repeated purchase orders to the same supplier must be actively monitored.

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14.2 Where the cumulative value of purchase orders to the same supplier over the previous 12 months exceeds $75,000, staff must consider the best way to secure the services, and whether a contract for services or another formal arrangement would deliver better value, and the appropriate form of contract.

15. REFERENCES

- IAWAI Delegation Policy
- Health and Safety at Work Act 2015
- Office of the Auditor General's Procurement Guide for Public Entities
- IAWAI Conflict of Interest - Management Policy
- IAWAI Gifts and Hospitality - Management Policy
- IAWAI Health & Safety - Management Policy
- Procurement Guide for Suppliers and our Community
- Hamilton City Council Procurement Sourcing Guide (or IAWAI's, if approved)
- Hamilton City Council Procurement Procedures (or IAWAI's, if approved)
- Hamilton City Council Procurement Contract Risk Assessment Tool (or IAWAI's, if approved)

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ATTACHMENT 1: PROCUREMENT CONTRACT RISK ASSESSMENT TOOL

An active approach to contract risk management is an integral part of good procurement practice. A formal contract risk assessment protects IAWAI's position when engaging goods and services and reduces ay potential exposure.

Criteria for when a procurement contract risk assessment is required:

1. Potential risks need to be actively managed
2. Key performance measures need to be captured
3. Complex specifications, timeframes, or deliverables exist
4. Other special Terms and Conditions are involved e.g. non-standard payment terms, amended liability provisions
5. All physical works should be carried out under contract irrespective of the value or risk

When determining which contract to use for procurement, it's important to consider what the risks of the works/services are. This enables us to have better and more stringent contract protections (or requirements for contractors). The level of risk is determined through assessing which of the Low, Medium, or High categories are most relevant to your contracted works.

At IAWAI we are taking a 'cautious' approach to procurement risk, therefore, to assess the level of risk it is the maximum level in any of the categories, e.g. if the works are High Risk for Service Delivery and Assets but Low risk for all other categories – the contract will be treated as High Risk.

Use the tables below for guidance on how to determine which contract will be suitable for your works

a. The level of risk involved with this contract
b. Which contract type is most suitable given the level of risk

The Legal Services and Procurement teams are available for all staff to contact to discuss contract reviews and development.

The earlier you reach out the better!

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RISK MATRIX -TABLE

		CONSEQUENCE				
		Minor	Moderate	Serious	Major	Catastrophic
LIKELIHOOD	Almost Certain	H	H	VH	E	E
	Likely	M	H	VH	VH	E
	Possible	L	M	H	VH	VH
	Unlikely	L	M	M	H	VH
	Rare	L	L	L	M	H
	Key:	L= Low	M= Medium	H= High	VH= Very High	E= Extreme

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Contract Risk Categories	Low Risk	Medium Risk	High Risk
Financial	Cost of Contract *<$75,000* Insurance is able to be placed, and financial risks are insurable	Cost of Contract *$75K-$500K* Unable to place insurance – minor uninsured risks	Cost of Contract *$500K+* Unable to place insurance / significant uninsured risks
Service Delivery and Assets	Works are in an isolated area where any disruptive events would have minimal impact to service delivery and works are regarding non-critical assets	Service delivery could be impacted for key business units in the event of a failure. Asset value between 100k and 1M	Works to be completed on or near critical assets or critical parts of business unit delivery. Assets involved are highly specialised or worth greater than 1M
Social and Community	Potential impacts on public is minor and localised e.g. cleaning services for one site	Potential impacts on public are widespread but not significant e.g.	Major potential impacts to public and community e.g. works involving the city's drinking water supply
Reputational and Political	Little to no political or media backlash for delays and delivery of contract. Impacts are low profile.	Sustained level of negative political or media backlash. Impacts result in high level of engagement for a short-medium time	Substantiated and sustained levels of negative political and media pressure and backlash. Major news item and widespread public profile.

14 IAWAI Treasury Management Policy

Prepared and recommended by Nathan King, IAWAI CFO
Approved by IAWAI Chief Executive – Peter Winder
Consulted with: HCC (Treasury/Finance), WDC, IAWAI ELT, PwC (treasury advisors to HCC)

Recommendations

1. That the IAWAI Board:

    a) Approves the IAWAI Treasury Policy (**Attachment 1**).

    b) Notes the Policy provides a comprehensive framework for managing funding, liquidity, interest rate, FX and counterparty risks.

    c) Approves a transition period of up to 12 months to achieve full compliance with Policy limits.

    d) Notes reliance on HCC shared services, supported by PwC treasury advisory expertise, during the transition period.

Key points

2. IAWAI – Flowing Waters (IAWAI) requires a formal Treasury Management Policy (the Policy) to support prudent financial management, lender compliance, and long-term infrastructure funding.

3. The Policy establishes clear risk appetite, limits, governance, and controls aligned with LGFA expectations and reflects input from PwC as treasury advisors to HCC.

4. A transition period is required given IAWAI's establishment and inherited debt profile.

5. Approval enables a consistent, best-practice treasury framework and supports an investment-grade financial profile.

Background

6. As a Water Services Council Controlled Organisation, IAWAI must comply with the Local Government Act 2002 and Water Services legislation.

7. Treasury activities are currently delivered via a shared service arrangement with Hamilton City Council, with PwC providing treasury advisory support, ensuring alignment with sector best practice.

8. Adoption of a Treasury Policy is a core governance requirement and supports lender and regulatory expectations.

9. The draft Policy was brought to an informal workshop of the IAWAI Board on 30 April 2026 for feedback. At that meeting, the Board directed staff to set the initial-year guardrail change at 9.0% within the proposed policy. This change has been made to the Policy.

10. Additionally, staff have made changes to the Policy to capture the shared serviced arrangements for financial services across Hamilton City Council, Waikato District Council and IAWAI.

11. Staff note that the Board requested that Policy be reviewed with the Water Services Strategy 2 (WSS2) to ensure alignment between the parameters of the policy and the financial strategy. Staff confirm this will be actioned as requested.

The details

Purpose and Scope

12. The Policy covers:
    - Debt funding and refinancing
    - Liquidity and cash management
    - Interest rate and FX risk
    - Investment of surplus cash
13. All treasury activity must be non-speculative and linked to underlying exposures.
14. The core framework includes:
    - Financing: Diversified sources; max 40% maturities within 24 months
    - Liquidity: Minimum 110% coverage of 12-month peak debt
    - Interest Rate Risk: Managed via fixed-rate bands and derivatives
    - FX Risk: Hedging required for exposures >NZD 250k; 100% once committed
    - Counterparty Risk: Minimum A rating; exposure limits
    - Controls: Segregation, DoA, reporting, audit

Key Risks and Mitigations

Risk	Mitigation
Transition delays	Phased plan and Board reporting
Shared service reliance	Supported by PwC expertise; capability build
Market volatility	Hedging framework and liquidity buffers

Te Tiriti o Waitangi / Te Ture Whaimana o Te Awa o Waikato

15. This Policy supports sustainable and resilient financial management of water services, enabling long-term infrastructure investment and affordability outcomes for communities, including iwi

Financial Implications

16. There is no direct cost to adopt this Policy.
17. Supported by HCC shared services and PwC advisory input, the Policy strengthens:
    1. Borrowing cost efficiency
    2. Risk management
    3. Covenant compliance

Consultation

18. Partners have been consulted including:
    - HCC Treasury and Finance teams

- WDC Finance
- IAWAI leadership
- PwC (treasury advisors to HCC)
- Feedback informed liquidity settings, transition approach, and risk parameters.

Next steps

19. Implement Policy immediately.

20. Operate under HCC shared services (with PwC advisory support).

21. Begin quarterly Board reporting.

22. Review in 1 year.

Treasury Management Policy 2026

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HAMILTON CITY COUNCIL WAIKATO DISTRICT COUNCIL WAIKATO -TAINUI IAWAI LIFE RUNS ON WATER

Policy Owner:	IAWAI Chief Executive
Date approved:	18 June 2026
Next review date:	18 June 2027
Document number:	IAWAI-TMP-001
Required by legislation:	N/A

1. INTRODUCTION

1.1 This Treasury Policy ("Policy") establishes the framework within which IAWAI – Flowing Waters ("IAWAI " or the "Company") identifies, measures, manages, and reports financial and treasury-related risks.

1.2 Treasury activities are an integral part of IAWAI as a Water Services Council Controlled Organisation ("WS-CCO"), supporting service delivery, infrastructure investment and long-term financial sustainability.

2. SHARED SERVICE ARRANGEMENTS

2.1 IAWAI uses a shared service framework to support efficiency and continuity of service delivery.

2.2 This policy should be read in conjunction with the following shared service agreement:

a. Finance Shared Service Schedule

2.3 As detailed in the Finance Shared Service Schedule, financial planning, management of investment, asset information management, procurement and insurance, accounting and treasury activity and regular reporting and assurance are all part of the Finance function that Hamilton City Council (HCC) will provide as a shared service to IAWAI. Waikato District Council (WDC) will provide a shared service to IAWAI only in terms of waters billing and some accounts receivable services for customers in the Waikato District.

2.4 While HCC will deliver the overarching Finance functions, it is expected IAWAI leadership will be in control of strategic planning, priority setting and decision-making in relation to its finances and operational service delivery.

2.5 Where additional service needs arise beyond those currently provided to support water service delivery the Council and IAWAI CFOs will engage in discussions to agree on an appropriate approach for managing these.

2.6 For further details on the shared service arrangement please refer to the Shared Services and Partnership Relationship Agreement and schedules.

3. PURPOSE

3.1 The purpose of this Policy is to:

a. Set out principles, objectives and limits for the management of:

- Liquidity and funding
- Working capital and cash management
- Debt financing and refinancing
- Treasury investments and liquidity portfolio
- Interest rate risk
- Foreign exchange risk
- Counterparty credit risk
- Operational risk related to treasury activities.

b. Define delegated authorities, responsibilities and governance arrangements for treasury activities.

c. Ensure compliance with applicable legislation, lender covenants and other contractual obligations.

d. Provide assurance to the Board and shareholders that treasury risks are managed prudently and consistently.

4. SHARED SERVICE ARRANGEMENT

4.1 IAWAI uses a shared service framework to support efficiency and to ensure alignment with its shareholder councils. The provider of shared services will ensure the delivery of systems and processes is appropriate and relevant to IAWAI and in alignment with IAWAI policy.

4.2 Under a transitional shared service arrangement with Hamilton City Council (HCC), HCC will provide the Financial Shared Service for IAWAI until IAWAI develops the inhouse capability to take full ownership of this function.

4.3 HCC will provide Finance shared services to IAWAI, including financial planning, investment management, asset information management, procurement and insurance, accounting, treasury, and reporting and assurance. WDC will provide water billing and some accounts receivable services for Waikato District customers. IAWAI leadership will set strategy and priorities and make financial decisions.

4.4 This policy should be read in conjunction with the following shared service agreement:

- Finance Shared Service Schedule

4.5 For further detail on the shared service arrangement please refer to the Shared Services and Partnership Relationship Agreement and schedules.

5. POLICY APPLICATION

5.1 This Policy applies to all treasury-related activities undertaken by or on behalf of IAWAI, including:

- Debt funding and refinancing
- Liquidity and cash management
- Interest rate and foreign exchange risk management
- Investment of surplus cash/liquidity portfolio
- Relationships with banks, LGFA, capital markets investors and the security trustee.

5.2 It does not apply to non-financial business risks (e.g. operational, health and safety, environmental), except to the extent they intersect with treasury and financial market exposures.

5.3 Transition Period

5.4 IAWAI is a newly formed entity with a significant debt transfer and is operating within an evolving regulatory environment. Accordingly, subject to Board (and, where required, lender) approval, IAWAI may apply a transition period of up to 12 months (or such other period as agreed) from the Policy approval date to achieve full compliance with the risk parameters and limits set out in this Policy.

5.5 During the transition period, management will implement an agreed transition plan and will report progress and any exceptions to the Board in accordance with the Treasury reporting requirements.

5.6 **Review**

5.7 *Annual desktop review:* The Policy must be reviewed in a desktop fashion at least annually to confirm it remains fit for purpose, compliant, and aligned with IAWAI's risk appetite and financial strategy. This will include a detailed review of the roles and responsibilities to ensure it aligns with the team and core roles can be met, as outlined in this Policy.

5.8 *Fundamental review:* A comprehensive review will be completed at least every three years or earlier if:

- material changes occur in legislation, regulation or LGFA requirements (e.g. confirmation of regulatory framework),

- there are significant changes to the capital structure of IAWAI or risk profile, or
- the Board directs an earlier review.

5.9 This review will be completed across all aspects of the Policy and ensure it remains fit-for-purpose.

5.10 The Board will receive a review report and approve or reject any proposed Policy amendments.

6. RISK PHILOSOPHY AND SCOPE

6.1 Risk Philosophy

6.2 IAWAI does not seek to profit from treasury activities. Treasury's purpose is to:

- Support the delivery of water services and infrastructure investments
- Protect and prudently manage underlying business cash flows
- Maintain financial resilience and an investment-grade credit profile.

6.3 All treasury activities must be undertaken to manage genuine underlying exposures. Any activity that does not relate to a documented underlying exposure is deemed speculative and is strictly prohibited.

6.4 Scope of Treasury Risk Management

6.5 This Policy covers the following financial risks arising from treasury activities:

- Financing risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk
- Counterparty credit risk
- Operational risk (treasury-specific)

6.6 The Policy defines:

- Approved instruments
- Approved counterparties
- Risk limits and risk control parameters
- Delegated authorities and processes.

6.7 The Policy applies to all IAWAI personnel, including contractors. It does not apply to its shareholding entities, which are managed under their own treasury policies, as well as Investment and Liability Management policies.

7. STATUTORY AND FINANCIAL OBJECTIVES

7.1 Statutory Objectives

7.2 As a WS-CCO, IAWAI is required to comply with:

- Local Government Act 2002 (particularly Part 5 – Council-controlled organisations and council organisations)
- Local Government (Water Services) Act 2025
- Local Government (Water Services) (Repeals and Amendments) Act 2025
- Relevant Commerce Commission and Taumata Arowai regulations and determinations (as they evolve)
- Any other applicable statutes, regulations, directives and guidance.

7.3 Financial Objectives

7.4 This Policy supports the financial strategy and objectives of IAWAI by:

- Supporting achievement of Statement of Intent (“SOI”) financial targets.
- Obtaining and maintaining borrowing facilities at acceptable cost, tenor and flexibility and in a transparent manner.
- Ensuring compliance with lender covenants and relevant financial metrics.
- Seeking to reduce the volatility and cost of borrowing over the medium term.

7.5 Treasury Functional Objectives

7.6 The specific objectives of the treasury function are to:

- Ensure sufficient and reliable cash flow, liquidity and funding to execute IAWAI’s long-term financial water service strategy and capital programme.
- Optimise the cost and structure of funding within Policy risk parameters.
- Operate in a manner consistent with an investment-grade financial profile (defined as long-term credit rating of BBB or better, actual or shadow).
- Proactively manage interest rate, foreign exchange and counterparty credit risks within approved limits.
- Minimise operational risk through robust internal controls, systems and competencies.

- Project a professional, well-controlled financial management profile to stakeholders, lenders and investors.
- Provide timely, accurate and meaningful reporting on exposures, risks, performance and compliance to the Board.

8. RISK APPETITE AND RISK FRAMEWORK

8.1 Risk Preference Levels

8.2 IAWAI's treasury risk appetite is articulated through three preference levels:

Preference	Description
High	IAWAI is prepared to accept these as they are central to achieving key financial and service objectives. Managing these is a core competency.
Medium	IAWAI accepts these risks on a controlled and measured basis as they support key objectives but are not core.
Low	IAWAI has limited appetite for these risks and will minimise or avoid them where practicable.

8.3 Risk Appetite Statement by Risk Type

Risk Type	Definition / Risk of Loss Arising From…	Risk Preference
Financing Risk (incl. refinancing)	Inability to raise debt at an acceptable price or tenor; inability to finance capex.	High
Interest Rate Risk	Variability in interest expense due to changes in interest rates.	High
Liquidity Risk	Inability to meet financial obligations without material disruption or costs.	Medium
Counterparty Credit Risk	Default/non-performance of a bank or financial counterparty.	Medium
FX Risk	Changes in the NZD value of foreign currency purchases.	Low
Operational Risk (Treasury)	Losses or errors due to inadequate processes, people, systems or events.	Low

8.4 Link to Limits and Controls

8.5 The qualitative risk appetite above is implemented through:

- Specific limits and parameters in Sections 6–11.
- Approved instruments and treasury counterparties.
- Clear roles, segregation of duties and operational controls.

9. GOVERNANCE, ROLES AND DELEGATED AUTHORITIES

9.1 Governance Principles

9.2 Treasury governance is based on:

- Clear roles and responsibilities
- Appropriate segregation of duties
- Documented delegations and authorities
- Transparent and regular reporting
- Active Board oversight.

9.3 Roles and Responsibilities

9.4 Board of *Directors*

- Approves the Treasury Policy and all material amendments.
- Approves the annual financial budget, borrowing programme and funding strategy.
- Approves security and charging arrangements (including the security trustee).
- Monitors treasury performance, risk and compliance (at least quarterly).
- Approves any material waiver or remediation plan for covenant or policy breaches.

9.5 Chief Executive (CE)

- Ultimately responsible to the Board for treasury risk management.
- Approves opening and closing of bank accounts.
- Approves authorised signatories for bank accounts and treasury transactions within delegated limits.
- Approves addition or removal of treasury counterparties (subject to Board-approved list and criteria).

9.6 Chief Financial Officer (CFO)

- Responsible to the CE for overall treasury and treasury risk management.
- Ensures adequate and documented financial and treasury controls are in place.
- Manages IAWAI's long-term financial position in line with Board requirements.
- Receives advice on Policy breaches and significant treasury events; escalates material issues to CE/Board.
- Approves risk management strategies, including interest rate risk management and liquidity.

9.7 Treasurer and Treasury Operations (equivalent role(s) / may be outsourced)

- Manages day-to-day treasury operations and implements this Policy in a prudent manner.
- Ensures structure, staffing, responsibilities and training are adequate for treasury's mandate.
- Maintains professional relationships with LGFA, banks, investors, insurers and financial intermediaries.
- Prepares treasury reports and analysis for the CFO, CE and Board.

9.8 Treasury Operations / Back Office [may be outsourced]

- Confirms and settles transactions in accordance with documented procedures.
- Maintains accurate records of deals, limits, exposures and valuations.
- Performs reconciliations and exception reporting.
- Is operationally separate from deal execution/front office where practicable.

9.9 Delegated Authorities

9.10 Delegated authorities for borrowing, investments, derivatives and bank account operations are approved by the Board and documented in a separate Delegations of Authority (DoA) schedule.

9.11 The DoA schedule must:

- Specify monetary limits per role and per instrument type
- Define who can approve, execute, and settle transactions
- Require dual approval/authorisation for material transactions and settlements.

9.12 No person may approve and execute or execute and settle the same transaction.

10. FINANCING RISK MANAGEMENT

10.1 Definition

10.2 Financing risk is the risk that IAWAI is unable to raise or refinance debt at an acceptable cost, tenor or on acceptable terms to fund operations and capital expenditure.

10.3 Objective and Scope

10.4 The objective of financing risk management is to:

- Ensure the capital structure and funding profile are sustainable and resilient.
- Avoid excessive concentration of debt maturities.

- Maintain sufficient flexibility to respond to changes in investment needs, regulatory settings and financial markets.

10.5 This Policy applies to all external borrowing, including:

- LGFA bonds, loans and facilities
- Bank facilities and overdrafts
- Debt capital market instruments (e.g. Medium Term Notes, commercial paper), if and when established.

10.6 Financing Strategy and Funding Sources

10.7 Funding sources may include:

- New Zealand Local Government Funding Agency (LGFA)
- Board-approved New Zealand-registered banks
- Domestic/offshore wholesale debt capital markets.

10.8 Preference is generally given to:

- LGFA borrowing (to reduce execution risk and align with local government sector practice)
- Diversified sources of term funding where appropriate and cost-effective.

10.9 Refinancing Risk and Maturity Profile Limits

- Debt refinancing obligations must be spread to avoid excessive concentration in any 12-month period.
- No more than 40% of total external debt may mature within the following 24-month period.
- Rolling Evergreen facilities are excluded from the above calculation so long as the maturity date continues to extend and does not have a fixed maturity date.
- A profile outside these limits that will self-correct within 90 days is not treated as a breach; otherwise Board approval is required.

10.10 Prefunding

10.11 IAWAI may prefund expected debt requirements (including refinancing) up to 18 months in advance, where:

- It is economic to do so; and
- Liquidity and counterparty limits are respected.

10.12 The net position resulting from any prefunded amounts will be included when considering the Maturity Profile Limits.

10.13 Financial Covenants

10.14 IAWAI must at all times comply with LGFA and other lender financial covenants, including (but not limited to):

Metric	External covenant level	Internal guardrail
Funds From Operations (FFO) / Net Debt	≥ 8.0%	≥9.0%
FFO / Cash Interest Coverage Ratio	≥ 1.5x	≥2.0x

10.15 Definitions are set out in Appendix 1 and must be consistent with lender documentation and the IAWAI Statement of Intent.

- Covenants must be monitored and reported at least quarterly to the Board.
- Any actual or projected breach must be reported immediately, with an options and remediation plan.

10.16 Security and Guarantee Arrangements

- Any security provided for loans and risk management facilities must be approved by the Board.
- IAWAI will not grant security over assets other than what is required under existing security arrangements, including any Specific Security Deed / GSA held by a security trustee for the benefit of lenders.
- Any changes to security arrangements or the security trustee require Board approval.
- IAWAI is required to maintain Shareholder guarantees for all LGFA debt. Additional guarantees may also be considered and provided for non-LGFA debt.

10.17 Approved Funding Instruments

10.18 IAWAI may employ the following funding instruments:

- Bank overdraft
- Committed bank funding facilities
- Committed LGFA stand-by facilities
- LGFA bonds and loans (fixed and floating)
- LGFA commercial paper
- Debt capital markets instruments (FRNs, Fixed Rate Bonds or CP)

11. LIQUIDITY RISK MANAGEMENT

11.1 Definition

11.2 Liquidity risk is the risk that IAWAI cannot meet its financial obligations as they fall due, or only by incurring unacceptably high cost or loss (e.g. forced asset sales).

11.3 Objective and Scope

11.4 The objective of liquidity risk management is to:

- Ensure IAWAI holds or has access to sufficient liquid assets and committed facilities to meet short- and long-term obligations.
- Maintain an appropriate buffer to absorb shocks, delays or unexpected cash flow variations.

11.5 Liquidity Coverage and Policy Limits

11.6 IAWAI must:

- For prudent liquidity management purposes IAWAI's total committed undrawn debt facilities and liquid assets must be maintained at all times at an amount that is a minimum of 110% of projected peak debt levels over the following twelve months.
- The above definition excludes term deposits or investments held for prefunding of specific debt maturities from the liquidity coverage calculation.

11.7 Liquid assets and sources of liquidity comprise:

- On-call cash balances
- Undrawn committed bank and LGFA facilities
- Bank term deposits maturing within 30 days

11.8 Liquidity Risk Recognition and Cash Flow Forecasting

11.9 IAWAI recognises three dimensions of liquidity risk:

1. Day-to-day cash management
    - Daily visibility of bank balances and cash position
    - Cash flow forecasts covering at least **three months**.
2. Short-term liquidity management
    - Monthly rolling **12-month** cashflow and liquidity forecasts, including committed liquid assets and facilities.
    - Inclusion of expected capex, debt drawdowns, refinancing and debt service.
3. Long-term liquidity management

- Annual forecasting of cash requirements for **at least three years**, aligned to budgets and long-term plans.
- Regular updates for changes in capital programme, regulatory decisions and revenue profile.

11.10 Forecasts must be updated promptly for known events (e.g. government announcements affecting capital investment), with updated assessment of liquidity coverage and covenants.

11.11 Management of Liquidity Investments

11.12 Financial assets held as a result of prefunding and cash management are treated as liquidity and/or funding instruments, not as a standalone investment portfolio. As a result, priorities in managing this portfolio are:

1. Capital preservation
2. Liquidity (ability to convert to cash quickly and securely)
3. Diversification
4. Optimising return within Policy risk parameters.

12. CASH MANAGEMENT

12.1 Definition

12.2 Cash management is the day-to-day control of cash inflows and outflows to meet obligations efficiently and cost-effectively. It is a key component of, but narrower than, liquidity management.

12.3 Objective

12.4 The objective is to:

- Provide timely and accurate visibility of cash position
- Optimise use of surplus cash to minimise borrowing and idle balances
- Ensure efficient and controlled execution of receipts and payments.

12.5 Cash Management Practices

12.6 IAWAI will:

- Maintain full visibility of all bank accounts and review regularly for appropriateness.
- Operate a rolling cash flow forecast (minimum three months, extended as required) to identify anticipated borrowing/investment needs.
- Align the timing of receipts and payments where practical to reduce timing mismatches.

- Optimise account structures, sweeps and offsets to minimise interest and fees.
- Monitor actual vs forecast cash flows monthly, analyse variances and improve forecasting accuracy.
- Ensure payment authorisation controls align with Delegations of Authority and banking mandates.

13. INTEREST RATE RISK MANAGEMENT

13.1 Definition

13.2 Interest rate risk is the risk of variability in interest expense arising from changes in market interest rates.

13.3 Objective and Scope

13.4 The objective is to contain financing costs over the medium term and reduce the volatility in interest expense and covenants within acceptable parameters.

13.5 The risk control limits below reflect the current uncertainty in the regulatory environment and assume that this will eventually align with Cost of Debt methodology that includes reference to a rolling risk-free-rate (e.g. over five or 10 years). Over time, the interest rate risk settings will be reviewed and assessed to ensure that these aligned to the regulatory framework once determined by the Commerce Commission (expected in 2028, with implementation to be determined

13.6 Core vs Non-Core Debt

13.7 The interest rate hedging framework applies to core external gross debt, including on a forecast basis.

- Core debt: Borrowings expected to remain drawn for more than 12 months.
- Non-core / short-term debt: Working capital or temporary borrowing expected to be repaid within 12 months or that fluctuates within one month to the next (e.g. peak to trough within a month).

13.8 Interest Rate Risk Control Limits

13.9 Forecast gross external debt must be managed within the following fixed interest rate exposure bands:

13.10 Definitions and conditions

- Fixed rate exposure: Interest obligations that are not reset by market rates during the period (including fixed-rate loans and the fixed leg of swaps and options deemed “in the money” per Policy).
- Floating rate exposure: Interest obligations subject to periodic resets based on market floating rates (e.g. BKBM).

13.11 The CFO is responsible for approving the debt forecast for the purposes of interest rate risk management. Any material changes (>10%) must be reported and explained at the next Board meeting.

13.12 The fixed-rate profile is calculated on the basis of:

- Average fixed obligations over the period
- Relative to average actual gross core debt for that period
- Excluding prefunded amounts.

13.13 A fixed-rate profile that temporarily falls outside limits but will self-correct within 90 days (e.g. due to market movements or timing of drawdowns) is not treated as a breach. Otherwise, Board approval is required for remediation.

13.14 The maximum term of a hedge with derivative instruments is restricted to 10 years. Hedging beyond 10 years is allowable under this Policy through fixed rate borrowing only, where the associated borrowing costs are deemed economically valuable and

Bucket	Minimum Fixed	Maximum Fixed
0 – 12 months	50%	90%
12 – 24 months	40%	80%
24 – 36 months	30%	70%
36 – 48 months	20%	65%
48 – 60 months	10%	60%
60 – 72 months	0%	50%
72 – 84 months	0%	40%
84 – 96 months	0%	30%
96 – 120 months and beyond	0%	20%

align with IAWAI’s financial and treasury objectives.

13.15 Approved Interest Rate Instruments

- Fixed and floating rate loans
- Forward Rate Agreements (FRAs) on bank bills
- Interest rate swaps (fixed-to-floating and floating-to-fixed)
- Forward start interest rate swaps

- Interest rate options:
    - Caps (purchased only)
    - One-for-one collars
    - Swaptions (purchased only)

13.16 Use of Instruments – Additional Rules

13.17 Forward start swaps and collar strategies must have a start date no more than 24 months from transaction date unless directly linked to the expiry of an existing instrument of no greater notional.

13.18 Interest rate options must not be sold outright. Sold options are only permitted as part of a 1:1 collar structure where:

- Notional and maturity match the purchased option
- The sold option leg can be closed out independently (repurchased)
- The sold option is not in-the-money at inception.

13.19 Purchased swaptions must mature within 12 months.

13.20 Interest rate options maturing beyond 12 months with strike rates more than 2.00% above the relevant swap rate cannot count towards fixed-rate cover calculations.

13.21 Swap extensions, deferrals, shorteners and restructures are permitted strategies within Policy limits subject to applicable accounting standard adopted.

14. FOREIGN EXCHANGE RISK MANAGEMENT

14.1 Definition

14.2 Foreign exchange (FX) risk is the risk of loss due to movements in exchange rates affecting the NZD value of foreign currency transactions or commitments.

14.3 Objective and Scope

14.4 The objective is to:

- Minimise volatility in NZD cash flows arising from foreign currency-denominated exposures.
- Ensure FX risk is only taken where directly linked to an underlying business need.

14.5 This Policy applies primarily to:

- Imported capital expenditure
- Foreign currency operating expenditures where material
- Other foreign currency exposures as approved by the CFO.

14.6 Speculative FX transactions (i.e. without underlying exposure) are strictly prohibited.

14.7 Recognition of FX Exposures

14.8 FX exposures are recognised when:

- A contract is signed; or
- A purchase order is raised; or
- A capital project with foreign currency components is formally approved.

14.9 Exposures are identified based on:

- Total contract value by currency
- Scheduled payment dates or milestones
- NZD equivalent at market spot/forward rates on the recognition date.

14.10 Hedging Threshold and Principles

- Exposures above **NZD 250,000 equivalent** (including aggregated milestone payments for a single project) must be managed under this Policy.
- Hedging should reflect:
  - Payment schedule
  - Degree of cost certainty
  - Project timing and risk.

14.11 FX Risk Control Limits

14.12 Committed currency exposures (legal commitments) must be hedged as follows:

Milestone	Hedged by FEC or Options	Hedged by Purchased Options
1. Initial recognition of exposure	Nil	Max 50%
2. Specific item / project formally approved	Up to 50%	Up to 100%
3. Contract executed (legal commitment)	100%	

14.13 Additional guidance:

- Before specific item approval: Up to 50% of budgeted foreign-currency capex may be pre-hedged using options only.
- After item approval but before purchase order: Up to 100% may be hedged using purchased options.

- After legal commitment: 100% of exposure must be hedged using Forward Exchange Contracts (FECs) to scheduled payment dates. Any existing options must be exercised, cashed in or rolled forward into FECs.

14.14 Approved FX Instruments

- Spot foreign exchange
- Forward exchange contracts (including par forwards)
- Foreign currency deposit accounts
- Purchased foreign exchange options

14.15 Use of FX Instruments – Additional Rules

- FECs may be delivered early and rolled forward for up to 90 days beyond original maturity. Or as long as the counterparty allows (e.g. 180 days).
- FX options cannot be sold outright.
- Premiums may be paid upfront or delayed to expiry where agreed with counterparties.

15. COUNTERPARTY CREDIT RISK

15.1 Definition

15.2 Counterparty credit risk is the risk of financial loss due to the failure of a bank, issuer or other counterparty to meet its financial obligations, or due to deterioration in perceived credit quality.

15.3 Objective and Scope

15.4 The objective is to:

- Limit exposure to counterparties with unacceptable credit risk.
- Diversify exposures to avoid undue concentration.
- Align with the risk appetite of IAWAI and obligations under relevant Acts and lender documents.

15.5 This Policy covers:

- Bank deposits and call accounts
- Derivative transactions (interest rate and FX)
- Other securities or instruments held as liquidity investments.

15.6 Eligibility Criteria

15.7 All banks must be:

- Regulated by the Reserve Bank of New Zealand (RBNZ), and
- Rated at least **A** long-term by Standard & Poor's or equivalent.

15.8 In the event of split ratings, the **lowest** rating prevails for limit-setting.

15.9 Approved banks are listed in **Appendix 2**.

15.10 The direct obligations of the **New Zealand Government** are exempt from credit limits.

11.4 Counterparty Limits

Long-term Rating (S&P equiv.)	Maximum Investments ($m)	Maximum Risk Management Instruments ($m)	Maximum Total Exposure ($m)	Max Limit as % of IAWAI Equity
AA / AA–	150	150	200	[20%]
A+ / A	75	75	100	[10%]

15.11 Exposure calculation methods:

- Investments (e.g. bank deposits): Notional x 100%
- Interest rate derivatives: Notional x (Maturity in years x 3%)
- Foreign exchange instruments: Notional x (√Maturity in years x 15%)

15.12 Where practicable, exposures should be diversified across more than one bank.

15.13 Monitoring and Downgrades

15.14 Counterparty credit ratings and exposures must be monitored on an ongoing basis.

15.15 If a counterparty rating falls below the eligibility threshold:

- Its limits are immediately reduced to zero.
- No new transactions may be entered into.
- The CFO is notified and exposures are actively managed down over a reasonable timeframe.

15.16 Any reinstatement of a counterparty must follow fresh due diligence and CFO approval.

16. OPERATIONAL RISK MANAGEMENT

16.1 Objective

16.2 IAWAI seeks to minimise operational risk in treasury by maintaining strong controls over people, processes, systems and documentation.

16.3 Key Controls

16.4 IAWAI will:

- Maintain documented treasury policies and procedures, reviewed at least every three years.
- Maintain adequate segregation of duties, ensuring (where practicable) that deal execution, confirmation and settlement are performed by separate individuals or functions.
- Maintain up-to-date Delegations of Authority and authorised signatory lists.
- Ensure sufficient treasury staffing, competencies and training, including succession planning.
- Maintain appropriate treasury systems (TMS, spreadsheets, banking platforms) with robust access controls.
- Undertake periodic internal or external audits of treasury operations.
- Monitor and comply with all legal, accounting, regulatory and trustee obligations.

16.5 Delegated Authorities and Authorised Personnel

16.6 All counterparties must hold up-to-date standard settlement instructions, including:

- Authorised dealers and signatories
- Standard bank accounts for settlement
- Contacts for confirmation and disputes.

16.7 Delegations and authorised signatories must be reviewed at least every six months.

16.8 Written notification of changes must be sent promptly to counterparties, particularly where authorised signatories leave IAWAI.

16.9 Settlement Process

16.10 Treasury settlements are to be executed via NZClear or approved electronic banking platforms.

16.11 No single person may both execute and settle the same transaction.

16.12 All deals must be supported by treasury tickets and counterparty confirmations.

16.13 Treasury Front/Back Office operations

16.14 If activities are outsourced under a Services Contract to a third party these are set out in Appendix 3).

16.15 Legal and Documentation Risk

16.16 IAWAI will:

- Use standard dealing and settlement instructions for all counterparties.
- Maintain and regularly review (at least three-yearly) all core legal documentation including:
  - Transactional banking agreements
  - Facility agreements
  - Security documentation
  - ISDA Master Agreements and relevant schedules.
- Obtain independent legal review of all new or significantly amended treasury documentation.
- Only transact with counterparties where appropriate legal agreements are in place.

16.17 Financial Covenants and Reporting Obligations

16.18 IAWAI must not enter into any transaction that would cause or materially increase the likelihood of breaching financial covenants.

16.19 Any forecast technical breach must be immediately notified to the Board and a remediation strategy developed.

16.20 All obligations and reporting requirements under funding, risk management and security arrangements must be met in full and on time.

17. PERFORMANCE MEASUREMENT AND TREASURY REPORTING

17.1 Performance Measurement

17.2 Key performance indicators for the treasury function include:

17.3 Operational Performance

- Zero unauthorised or speculative transactions.
- Compliance with Policy limits (with all breaches reported and remediated).
- Treasury reporting delivered on time and to required quality.

17.4 **Borrowing Cost Performance**

- Actual interest cost vs budgeted cost (YTD and full year).
- Actual weighted average borrowing rate vs budget and/or strategy benchmark (e.g. LGFA curve).

17.5 **Risk Management Performance**

- Maintenance of interest rate, liquidity and refinancing metrics within Policy bands.

- Covenant compliance and adequate headroom.
- Counterparty exposures within limits.

17.6 Treasury Reporting

17.7 Minimum reporting requirements:

Report / Content	Frequency	Prepared By	Recipient
Daily/weekly cash position and liquidity snapshot	Observed daily/weekly; summarised monthly	Treasury Function	CFO, *Treasurer*
Rolling cash flow forecast (at least 3 months; extended as needed)	Monthly / Quarterly	Management / Treasury	CFO, *Treasurer*
12-month rolling cashflow and debt forecast; annual borrowing programme update	Quarterly	Treasury Function / CFO	Board
Funding and interest rate risk position; hedge profile vs Policy limits	Quarterly	Treasury Function / CFO	Board
Liquidity position and Policy limits (coverage ratios, facility headroom)	Quarterly	Treasury Function / CFO	Board
Debt metrics and lender covenant compliance	Quarterly	Treasury Function / CFO	Board
Counterparty credit exposure and limits	Quarterly	Treasury Function	CFO / Board
Foreign currency exposures and hedge positions	As required / Quarterly if relevant	Treasury Function	CFO / Board
Derivative valuations and mark-to-market summary	Quarterly	Treasury Function / External valuer	CFO / Board
Exceptions and breach report (Policy or covenant breaches and remedial actions)	As required; minimum Quarterly	Treasury Function / CFO	Board

APPENDIX 1 – COVENANT DEFINITIONS

17.8 Funds From Operations (FFO) to Net Debt

17.9 Measures leverage and ability to repay debt from core cashflows.

17.10 **FFO** is defined as EBITDA less:

- Cash interest expense, and
- Development contributions,
  plus the allowed proportion of Development Contributions (per lender definitions, i.e., up to 75% of Operating Revenue).

17.11 **Net Debt** is gross debt less:

- Cash, and
- LGFA borrower notes.

17.12 **FFO to Cash** Interest

- An interest coverage multiple calculated as:
  (FFO + cash interest expense) / cash interest expense.
- Measures ability to service debt from available cashflows.

17.13 **Cash Interest Expense**

- Interest paid on debt less any interest income received.

APPENDIX 2 – APPROVED BANKS AND RATINGS

Bank	Standard & Poor's	Fitch (S&P equiv.)	Moody's (S&P equiv.)
ANZ	AA–	AA-	Aa3
BNZ	AA–	AA-	Aa3
Westpac	AA–	AA-	Aa3

Additional approved banks and their ratings will be listed here and updated as necessary, subject to Section 11.

15 Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	**Reasons for passing this resolution in relation to each matter**	**Ground(s) under section 48(1) for the passing of this resolution.**
Waters Network Renewal Contract Award	To enable IAWAI to carry out commercial activities without disadvantage; to enable IAWAI to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7 (2) (h) Section 7 (2) (i) Section 7 (2) (j)
Developer Proposed Growth and Fast Track Consents	To enable IAWAI to carry out commercial activities without disadvantage; to enable IAWAI to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7 (2) (h) Section 7 (2) (i) Section 7 (2) (j)
Insurance Programme Update	To enable IAWAI to carry out commercial activities without disadvantage; to enable IAWAI to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7 (2) (h) Section 7 (2) (i) Section 7 (2) (j)
Establishment of Day One funding, hedging and security arrangements	To enable IAWAI to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7 (2) (i) Section 7 (2) (j)