



Agenda for a meeting of IAWAI Flowing Waters Board of Directors

to be held in Committee Room 1 at Waikato District Council,
on Thursday 7 May 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	Verbal
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	Insights and Deliberations on Draft Water Services Strategy	Vishal Ramduny	Approve	Attached
9	Introduction of Water and Wastewater Growth Charges	Matthew Bell	Approve	Attached
IAWAI Policy				
10	Conflict of Interest Management Policy	Natasha Yarrall	Approve	Attached
11	IAWAI Representation on the Future Proof Implementation Committee	Natasha Yarrall	Approve	Attached
12	Appointment of Account Owners and Signing Authority	Natasha Yarrall	Approve	Attached
13	Resolution to Exclude the Public	Chair	Approve	Attached

Public Excluded

Item No	Item	Lead	Purpose	Format
14	Operational Technology Cyber Security	Gavin Ion	Approve	Attached
15	Chief Executive Key Performance Indicators	Chair	Approve	Attached



HAMILTON
CITY
COUNCIL

WAIKATO
DISTRICT
COUNCIL

WAIKATO
-TAINUI

IAWAI

LIFE RUNS
ON WATER

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03 Interests Register

For noting

IAWAI – Flowing Waters Limited (9352435)

DIRECTORS INTERESTS REGISTER

Companies Act 1993, section 189(1)(c)

Entry No.	Name	Interests	Date of Inclusion
1	Kevin Lavery	<ul style="list-style-type: none"> Establishment Chief Executive Officer, Joint Water Organisation - Western Bay of Plenty District Council and Tauranga City Council. Member, Advisory Board for Marlborough Waters Group Board Member, Sanctuary, United Kingdom 	2 April 2026 1 March 2026 30 June 2025
3	Dave Chambers	<ul style="list-style-type: none"> Board Member - ITM co-op ltd Board Member - Central Districts Water ltd Director GB and DD's Outfit Ltd Former Chief Executive, Watercare (term concluded June 2025) 	25 April 2026 17 March 2026 June 2025 June 2025
4	Tim Manukau	<ul style="list-style-type: none"> Research Associate, University of Waikato. Trustee of Matawhaanui Trust, Huntly. Registered tribal member of Waikato-Tainui, Ngaati Koroki-Kahukura, Maniapoto. 	4 May 2026 30 June 2025 30 June 2025

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04 Confirmation of Minutes

Recommendation: That the Board approve the minutes of the meeting held 19 March 2026 as a true and correct record of that meeting.

IAWAI – Flowing Waters, Board Meeting

UNCONFIRMED OPEN MINUTES

19 March 2026, 9.30am

Minutes of a meeting of the IAWAI – Flowing Waters Board, held via audio-visual link, on Thursday 19 March 2026 at 9.30am

PRESENT

Chairperson Kevin Lavery
Members Dave Chambers
 Tim Manukau

2. Apologies

None

3. Declarations of Interest

None

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 significant milestones in the last fortnight, with approval of the Transfer Agreements and the Shared Services Agreement by both shareholder councils, and acceptance of membership of the Local Government Funding Agency.

He noted IAWAI is in the process of offering roles to staff transferring, with a number of staff having accepted.

Kevin congratulated Peter and the team on the work that has gone into getting the Transfer Agreements across the line, noting unanimous support from both councils. He noted the Board is looking forward to staff having certainty and preparing for 1 July.

Peter noted the team effort that had gone into these achievements, particularly the ongoing work of the establishment team.

Kevin noted conversations with the development community to test the structure of the proposed growth charges – and ensure that that these work. This was genuine engagement and a collaborative approach with councils to ensure we stay joined up.

Tim referenced the recent poowhiri to welcome new staff – and acknowledged those who attended.

7. Establish IAWAI Programme Report

Natasha Hansen, Establish IAWAI Programme Manager, presented this report on behalf of Gavin Ion.

Natasha noted the recent milestone with approval of the Transfer Agreements and Relationship Agreements. She acknowledged the scale and complexity of what was delivered, three months ahead of the original schedule, and formally thanked all those involved in the development of these documents.

The focus for the team now shifts to the implementation of changes required for 1 July. She explained that tasks showing as not delivered on time in Attachment 1 were reprioritised, while staff focused on the Transfer Agreements. These were not time critical, but staff can now return to focus on them.

The team are reviewing the programme ahead, which will result in a changed Attachment 1.

She noted the forecast financials remain under budget.

Kevin sought an update on items marked as red, particularly around revenue collection and financial reporting. Natasha commented that these are now on track, processes are there.

Dave asked about digital licences that require an alternative solution. Natasha noted these relate to contracts, and that staff are working through licensing agreements.

Tim expressed his comfort with the process, and noted the importance of IAWAI being in the best position at 1 July 2026.

The Board thanked Natasha for the report, acknowledged the work that has been done, but referenced the work ahead. IAWAI is one of only a couple of water entities that are going live, and is well placed.

8. Waters Network Renewal Programme Update

Andrew Parsons, Chief Strategy and Delivery, presented this report, providing an update following the Board's approval on 14 November 2025 of the renewals procurement strategy and next steps.

He noted that the programme is in hand, however one of the HCC renewals contracts expires on 1 June 2026. If we're to maintain pace with the programme, IAWAI need to extend that contract term by three months. There is no financial implication, it's just an extension of time.

Kevin thanked Andrew for the report, and noted the progressive investment in renewals referenced in the report, which is at the heart of what water reform is about. He noted this is a big step forward.

Tim asked about the market briefing held on 2 March 2026. Andrew commented that this was well attended, with approximately 50 participants present, and there was a lot of interest in the opportunity – with around a half billion-dollar investment over the decade.

Resolved

The Board

1. Noted the progress made towards establishing the new contractor framework panel for the delivery of renewals from 1 July 2026.
2. Requested that Hamilton City Council approve a time extension (with no cost) for existing Contract No. 1377-20222, to 30 September 2026. The purpose of the extension is to ensure a smooth transition for IAWAI into the 2026/27 financial year and its new contractual arrangements.

9. Endorsement of IAWAI Development Contributions Policy 2026

Hannah Beaven, Planning, Policy and Bylaw Lead, presented this report.

She noted that from 1 July 2026, IAWAI needs the ability to recover future water growth infrastructure costs via Development Contributions (DCs), and in the future development levies (DLs).

Consistent with the approach discussed in October 2025, staff have developed a proposed Policy (Attachment 1) which adopts the relevant parts of the Hamilton City Council (HCC) and Waikato District Council (WDC) DC Policies. Staff are seeking endorsement of this policy.

She noted that there is no requirement to consult on the proposed Policy under the Act or IAWAI’s proposed Significance and Engagement Policy, as IAWAI is adopting the relevant parts of existing DC policies and there is a continuation of the current approach.

The Policy needs to be adopted via resolution by IAWAI Board on 1 July 2026. A resolution to adopt the proposed Policy will be brought to the IAWAI Board at this time.

The Board endorsed the IAWAI Development Contributions Policy 2026 (Attachment 1).

10. Resolution to Exclude the Public

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	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution.
Confirmation of Public Excluded Minutes	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)

The Board approved that minutes from the meeting on 28 February regarding Board agreement of the terms of the Transfer Agreement can now be released.

RELEASED FROM PX MINUTES FROM MEETING OF IAWAI BOARD ON 28 FEBRUARY 2026

16. Negotiation of Transfer Agreements

Gavin Ion presented this report.

A formal Transfer Agreement between councils and IAWAI is critical to ensuring IAWAI has appropriate ownership and control over the waters network from 1 July 2026. Approving the agreement now enables the actual transfer process to start, including giving staff certainty.

While the Transfer Agreement is a complex legal document, it is largely technical in nature. It has been developed by legal and subject matter experts. Key decisions have been made collaboratively by the two Council CFOs and the IAWAI Chief Executive.

The agreement reflects the requirements of the Local Government (Water Services) Act 2025 (LGWSA) and the principles agreed in the IAWAI Shareholders' Agreement and Constitution (approved by HCC on 26 June 2025, and WDC on 30 June 2025).

To the best of our knowledge, following a significant process of investigation, review and assurance, the Transfer Agreement and its schedules provide everything required for IAWAI to operate and have appropriate levels of control over the waters business from 1 July 2026.

The Agreement itself allows for the transfer of anything missed, that should have been included, at any future date.

Councils would consider the report at their meetings on 11 and 12 March.

Resolved

The Board:

1. Agreed to the proposed terms and conditions set out in the draft Transfer Agreement and draft ancillary documents (**Attachment 1**), for the transfer of staff, assets, liabilities from shareholder councils to IAWAI from 1 July 2026;
2. Noted that Councils are set to approve the Transfer Agreement and associated documents at their upcoming meetings (Waikato District Council 11 March 2026; Hamilton City Council 12 March 2026);
3. Delegated authority to the IAWAI Chief Executive to work with shareholder councils to update / finalise schedules to the Transfer Agreement, in line with the intention set out in the Agreement (*Clause 4.5 Post-signing adjustments to the Schedules*);
4. Agreed to the proposed terms and conditions set out in the draft Shareholder Completion Transition Loan (**Attachment 2**), subject to any additional requirements of LGFA (expected in March);
5. Approved the proposed terms set out in the Back-to-Back Agreements (**Attachment 3**), which facilitates a pass through to IAWAI of things that won't transfer to IAWAI;

6. Approved the Shared Services and Relationship Partnership Agreement (**Attachment 4**), setting out how the councils and IAWAI will work together to ensure effective operation and seamless continuity of waters service delivery to Hamilton and Waikato communities from 1 July 2026 onwards;
7. Delegated authority to the IAWAI Chief Executive to work with shareholder councils to update the Shared Services and Relationship Partnership Agreement over time, as is necessary;
8. Approved the Stormwater Service Level Agreement (**Attachment 7**) and provides the delegation to the Chief Executive to sign the agreement;
9. Noted the transfer of responsibilities from Waikato District Council and Hamilton City Council to IAWAI, as set out in the Instrument of Delegations (Bylaws) (**Attachment 5**),
10. Approved that, as set out in the Transfer Agreement, IAWAI will issue shares to each Council on 1 July 2026, to settle the equity component of the Purchase Price:
 - a. 50 \$1 voting shares will be issued to each council, ensuring shared governance and equal shareholder voting rights.
 - b. The remaining value of each Council's equity contribution will be settled through the issue of \$1 nonvoting shares, representing the balance of each Council's ownership interest based on the Purchase Price formula in Schedule 7.

Meeting ended 10:00am

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06 Chief Executive's Report

Today is another significant meeting for the Board, with the opportunity to formally consider the feedback received on the Water Services Strategy and provide direction to staff on how IAWAI responds to this.

In addition to the 125 formal submissions received, it's been encouraging to see the level of interest in IAWAI and quality of conversations had when out and about speaking to key stakeholders.

These engagements have highlighted support for IAWAI's strong focus on long-term sustainability, affordability, and the broader wellbeing of our communities. There's also a clear recognition of the importance of water as a taonga and the responsibility we carry in caring for it.

As we continue to say, this Water Services Strategy is just the start for IAWAI. There will be an opportunity to continue to work out how IAWAI can deliver differently for our communities through Water Services Strategy 2.

Establishment Progress and Building Our Culture

We're continuing to make good progress with establishment, and it's great to see strong interest in roles currently in the market. The level of interest reflects well on the organisation and highlights the opportunity people see in the work we're doing.

At the same time, culture workshops are now taking place with staff transferring to IAWAI. These sessions are helping teams come together early on to talk about how we want to work, what matters to us, and how our values show up in everyday behaviour. The feedback so far has been very positive, and the conversations are setting a strong foundation for the culture we're aiming to build.

ELT Learning – Te Ture Whaimana

The Executive Leadership Team from IAWAI, Hamilton City Council and Waikato District Council recently took part in training on Te Ture Whaimana, and it was an incredibly enriching experience.

A standout of the programme was visiting Taupiri maunga. Being on the whenua and learning about the cultural and historical significance of the area gave real depth to our understanding. It brought the kaupapa to life in a very tangible way.

This experience has helped strengthen our understanding of our role as leaders and how the principles of Te Ture Whaimana and Te Mana o te Wai should guide the way we think, decide, and act.

The day has already sparked good reflection and discussion within the ELT, and it will continue to influence how we embed these principles across the organisation.

Looking Ahead

Overall, the combination of strong strategy engagement, meaningful leadership learning, and steady progress with establishment gives us good momentum. There is a growing sense of alignment between our purpose and how we work together.

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Establish IAWAI Progress Update

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

Approved by IAWAI Chief Strategy and Planning – Andrew Parsons

Recommendation(s)

1. That the report is received.

Background

2. As shareholding councils, Watercare and IAWAI work towards a fully operational waters company from 1 July 2026, there is a significant amount of work to prepare for the transfer, while also setting the company up with a long-term strategy.
3. The Establish IAWAI programme is responsible for ensuring the successful transfer of people, assets, liabilities and shared services arrangements from 1 July 2026. This is separate from the work IAWAI needs to do to set up its operations. This report relates to the Establish IAWAI work programme.

Key points

4. This report covers the period 10 March 2026 to 10 April 2026.
5. Overall, the Programme is on track, but workloads are relentless with little capacity for unexpected events. Key progress over the period includes:
 - a. Adoption of the Transfer Agreement, Back-to-Back Agreement, Shared Service and Relationship Partnership Agreement, Stormwater Service Level Agreement and Instrument of Delegations.
 - b. People, Health and Safety: Work this period has included the Health and Safety Framework and Remuneration Strategy and Framework. The day 1 IAWAI structure, offers to staff were made before the end of March. All but 3 staff have accepted already. Recruitment for 40 new positions is underway at present.
 - c. Digital:
 - i. User Readiness: Pilot-based approach confirmed with technical team to validate system access, connectivity, and workflows ahead of broader rollout. The fundamental question is “Do staff from both councils have access to the technology used by IAWAI”?
 - ii. HCC Billing & Finance Software: core environment and configuration complete. Rates testing underway.
 - iii. WDC Billing Software: Charge code and reporting setup in progress.
 - iv. Health & Safety Software: Confirmed existing environment is feasible with vendor. Configuration design progressing.
 - v. HRIS and Payroll: Organisation structure confirmed, test plan being developed, configuration underway.
 - vi. Access across multiple software systems: 17 complete, 18 underway, 9 not yet started.
 - vii. Licensing: 14 contracts resolved, 17 being worked through, 7 require an alternative solution.

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- d. Legal advice received relating to
 - i. Practical options to transfer rights to varying types of land with water and wastewater services
 - ii. Clarification of new legislation with respect to By-laws
 - iii. Significance and Engagement Policy and Waiver Policy are being consulted on with the community alongside the Water Services Strategy.
 - iv. Transfer Agreement drafting, ancillary documents and related matters including delegations and license to occupy.
 - v. collection of Development Contributions across policies and organisations.
- 6. Priorities for the next period include:
 - a. Following adoption of the Transfer Agreement, the workstreams are undertaking a review and reset of all activities.
 - b. Implementing changes required to support shared services and transfer land, legal and contract matters.
 - c. Reassessing minimum viable product in the light of current progress.
- 7. **Attachment 1** provides an update on progress of key activities. Note deliverables and deadlines have been subject to a review and reset.

Risks

- 8. **Attachment 2** outlines the top risks that the Programme Steering Group is tracking.

Finances

- 9. Programme costs (in line with council approved budget of \$7.35 million for establishment) are on track.
- 10. The current Forecast Estimate at Completion (EAC) on 30/6/26 is:

As at	Forecast EAC ¹ Cost	Allowance for risk	Forecast EAC + Contingency	Council approved Budget	Forecast Under- or (Over-) spend
14/04/2026	6,348,000	553,000	6,901,000	7,354,388	603,705

- 11. Key changes relate to:
 - a. Additional resourcing and legal advice for Bylaws and Shared Services implementation
 - b. Legal engagements in support of the transfer and loan documentation
 - c. Updates to contingency arising from changed risk profile
- 12. Key remaining cost risks include:
 - a. legal advice and fees associated with transfer of individual assets (notably land), contracts, environmental approvals etc.
 - b. unanticipated changes to software or associated licencing and cost of backup plan related to payroll
 - c. new activities not budgeted because they were not identified, or emerge from changing regulatory environment

¹ EAC is Estimate at Completion at 30/6/26

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Attachment 1: Go Live Tracker

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Establish IAWAI Go Live Checklist and Tracker

Date: 21/04/2026

Version: 22

Work Area	Deliverable	Status	Traffic Lights	Planned Date:	Deadline	Waiting on:	Governance			Management			
							IAWAI Board	Forum	HCC	WDC	IAWAI	HCC	WDC
Leadership & Governance													
Shareholder Governance													
	Reporting to the Shareholders	Completed	Completed	Completed	Completed		Engage	Engage	Decide	Decide	Engage	Engage	Engage
	Monitoring Framework for the Shareholders	In Progress	On Track	30/06/2026	30/06/2026	IAWAI Forum Meeting	Inform	Decide	Inform	Inform	Engage	Engage	Engage
IAWAI Board													
	Day 1 Board Recruitment	In Progress	On Track	8/05/2026	8/05/2026	IAWAI Forum Meeting	Inform	Decide	Inform	Inform			
	Day 1 Board Induction	In Progress	On Track	30/07/2026	30/07/2026		Engage				Decide	Inform	Inform
	Board governance framework in place (committees)	In Progress	On Track	30/07/2026	30/07/2026	Full Board Meeting	Decide				Engage		
GM Appointments													
	Induction for Initial GM roles	In Progress	On Track	30/06/2026	30/07/2026	3 month induction programme underway.	Inform				Decide		
Risk & Assurance													
	Risk & Assurance framework & Policy in place	In Progress	On Track	7/05/2026	7/05/2026		Decide				Engage		
	Strategic Risk Register & Controls Confirmed	In Progress	On Track	7/05/2026	7/05/2026		Decide				Engage		
People, Health and Safety													
Staff Transition													
	All transitioning employment agreements concluded	Dependent	At Risk	30/04/2026	30/04/2026	IAWAI Immigration status	Inform	Inform	Inform	Inform	Decide	Inform	Inform
	Collective Bargaining	In Progress	On Track	2/06/2026	1/07/2026		Inform				Decide	Inform	Inform
	Transitioning Staff Induction	In Progress	On Track	1/06/2026	30/06/2026		Inform				Decide	Engage	Engage
	Transfer complete	Not Started	On Track	30/06/2026	30/06/2026		Inform				Decide	Inform	Inform
Recruitment													
	Recruitment & Induction Plan Agreed	Completed	Completed	Completed	Completed		Inform				Decide	Engage	Engage
Culture Plan													
	Culture Plan Agreed	In Progress	On Track	30/04/2026	30/04/2026		Inform				Decide		
Change Management													
	Change Management Plan Agreed	In Progress	On Track	30/04/2026	30/04/2026		Inform				Decide		
Health & Safety													
	H&S capability in place	Not Started	On Track	29/05/2026	30/06/2026		Inform				Inform		
	H&S systems good to go	Not Started	On Track	29/05/2026	30/06/2026		Inform				Inform		
Finance													
Financial Systems													
	Budget for 2026 - 36	In Progress	On Track	18/06/2026	30/06/2026	Board meeting alongside WSS decision	Decide	Engage	Engage	Engage	Engage	Inform	Inform
Financial Systems - Billing													
	Set up Billing for proposed water charges	In Progress	On Track	30/05/2026	30/06/2026		Inform				Decide	Engage	Engage

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Work Area	Deliverable	Status	Traffic Lights	Planned Date:	Deadline	Waiting on:	Governance			Management				
							IAWAI Board	Forum	HCC	WDC	IAWAI	HCC	WDC	
Digital & Operating Systems														
Shared Service Systems							Inform	Inform	Inform	Inform				
Day 1 HRIS & Payroll														
	Fortnightly Payroll - In Production & Ready for Pay Run	Not Started	On Track	27/06/2026	27/06/2026		Inform				Inform	Inform	Inform	
	Weekly Payroll - In Production & Ready for Pay Run	Not Started	On Track	29/06/2026	29/06/2026		Inform				Inform	Inform	Inform	
Billing & charges software related to HCC														
	Cutover	In Progress	On Track	1/05/2026	22/05/2026		Inform				Inform			
Billing & charges software related to WDC														
	Cutover	In Progress	On Track	12/06/2026	12/06/2026		Inform				Inform			
Asset Management Software														
	Confirm & test GIS access at HCC	In Progress	On Track	29/05/2026	29/05/2026		Inform				Inform			
	Confirm & test GIS access at WDC	In Progress	On Track	29/05/2026	29/05/2026		Inform				Inform			
	Day 1 Financial Systems - Authority	In Progress	On Track	31/05/2026	30/06/2026		Inform				Inform	Inform		
H&S and Risk Management Software Changes														
	Health and Safety Systems Operational	In Progress	On Track	30/06/2026	30/06/2026		Inform				Inform			
Technical User Readiness														
	System access change	In Progress	On Track	26/06/2026	26/06/2026		Inform				Inform			
Data and Reporting														
	Agreed Reporting Plan for Day 1	In Progress	On Track	8/05/2026	8/05/2026						Decide			
Security														
	IAWAI Current Cyber Posture (includes Watercare, HCC & WDC)	In Progress	On Track	8/05/2026	15/05/2026		Inform				Engage			
	Data Access Agreement	Not Started	On Track	30/05/2026	30/06/2026		Inform				Decide	Decide	Decide	
Shared Service & SLAs														
Shared Services Agreement														
	Stormwater Definition Agreed	In Progress	On Track	20/05/2026	5/06/2026		Inform		Inform	Inform	Decide	Decide	Decide	
Emergency Management														
	Testing - Weather Event simulation	In Progress	On Track	30/05/2026	30/06/2026	Deferred due to Civil Defence emergency	Inform	Inform	Inform	Inform	Engage	Engage	Engage	
Legal & Contracts														
Transfer Agreement														
	Day 1 Transfer executed / complete	In Progress	On Track	30/06/2026	30/06/2026		Inform	Inform	Inform	Inform	Decide	Decide	Decide	
Comms, Consultation & Customer														
Communication & Engagement Strategy														
	Introduction Campaign - IAWAI Brand & Purpose	In Progress	On Track	1/06/2026	1/06/2026		Inform		Inform	Inform	Inform	Inform	Inform	
Customer														
	Customer Journey Plan	In Progress	On Track	30/05/2026	30/06/2026		Inform				Decide			

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Attachment 2 Key Risks

Risk	Controls (Implemented)	Planned Treatment	Actions implemented this period
<p>Pace & capacity impacting operations</p> <p>There is a risk due to the scale of changes and lack of resource and time to deliver, roles and operating procedures are not well defined or understood creating impacts on future IAWAI operations.</p>	<ul style="list-style-type: none"> - Minimise changes to existing functions - Extend and novate the Watercare contract to 30 June 28 - Messaging advising no change unless explicitly approved. 	<ul style="list-style-type: none"> - Resource to review position descriptions that are changing - Resource to review operating procedures, focusing on those that cut across boundary between Councils and CCO - Resource to implement changes to digital and operating technology and manage associated change for people 	<ul style="list-style-type: none"> - Underway on reviewing current Position Descriptions to assess the extent of the work required to update all the IAWAI PDs. - Developing specific change implementation plan to increase communications and address changes to ways of working
<p>Wellbeing</p> <p>Due to the speed and scale of change there is an increased risk to health for impacted staff.</p>	<ul style="list-style-type: none"> - CEs reinforce messages to Elected Members regarding minimising expectations from staff - CEs reinforce messages to staff regarding prioritising work and escalating health issues - Psychological Safety training - Identify roles requiring backfill - Detailed resource plan and plan for recruitment for project - Resist changes that are not essential - MVP approach especially re: digital, & Watercare 	<ul style="list-style-type: none"> - Active management of workload and expectations 	<ul style="list-style-type: none"> - Targeted communications across multiple channels to ensure that staff feel supported and aware of how the change impacts them. This includes drop-in sessions as well as email address to capture any queries. - At HCC, GM I&A has held 'leadership through change' workshops every month with the leaders providing them with tools for change and change team in place.
<p>Poor Level of Service delivered by Shared Services</p> <p>There is a risk that due to complexity, competing priorities, poor scope definition, Councils are unable to provide the level of service that the CCO requires which may lead to significant operational challenges and or compromise financial and asset management and/or failure to realise benefits.</p>	<ul style="list-style-type: none"> - Project plan and extensive work to develop scope and resourcing requirements with SMEs - Project management framework to ensure effective governance and oversight of progress - Reporting framework that will enable early intervention - CE reinforce priority to be given to the programme - Workshops to define shared services focussed on existing ways of working - Complete shared services agreement 	<ul style="list-style-type: none"> - Define levels of service and KPIs - Culture change plan to programme to support service delivery - Complete changes to authority & IPS to support financial and asset management 	<ul style="list-style-type: none"> - Working closely with managers across HCC and WDC to develop detailed implementation plans for each shared service and partnership schedule, including identifying key actions and assigning clear ownership to ensure readiness for day one. - Work is also underway to map workflows for the more complex interactions and processes.
<p>Revenue Risk</p> <p>Due to complexities associated with moving from rates to water charges and diminished powers relating to unpaid charges, the CCO is unable to collect the water revenue that it requires or expects, or customers refuse to pay charges.</p> <p><i>Complexities around revenue processes require significant time to work through and the required decisions may delay confirmation of the scope of system changes.</i></p>	<ul style="list-style-type: none"> - Consultation material on CCO vs alternatives was clear that all options come with an increase in cost. Water service delivery option selected to minimise costs. - Communication education regarding the value of water. - Decision to use existing Council rate systems for billing. - Existing direct debits with Councils now confirmed as feasible for customer payment of water charges. 	<ul style="list-style-type: none"> - Implement systems changes 	<ul style="list-style-type: none"> - Changes to revenue software are progressing within both Councils

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08 Water Services Strategy 2026-2036 Deliberations Report

Prepared and recommended by: Vishal Ramduny, Water Services Strategy Manager

Reviewed by: Natasha Yarrall, Director of Chief Executive Office Governance

Approved by: Andrew Parsons, Head of Strategy and Delivery

Recommendations

1. That the Board:
 - a) Receives 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.
 - b) Agrees to amend the Water Services Strategy, in response to this feedback, to:
 - 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
 - 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 Whaaingarua 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.
 - Include reference to carbon emissions monitoring, delivered through shared service arrangements.
 - *Exclude* water supply and wastewater growth charges for non-residential development.
 - c) Approve 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**.
 - d) Approves the application of ½ Household Unit Equivalent (HUE) when applying water supply and wastewater growth charges to secondary minor dwellings.
 - e) Confirm that water supply and wastewater growth charges for non-residential development are excluded from this Water Services Strategy, with the intention that these be considered for inclusion in the next review of the Water Services Strategy following further analysis and engagement.
 - f) Approves the inclusion of a growth charge waiver for papakaainga developments in the proposed Waiver Policy and notes the amendments made to the Waiver Policy (**Attachment 3**) to reflect this.

- g) Notes 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.
- h) Notes the consequential amendments to the Fees and Charges Schedule (**Attachment 2**) to reflect the relevant staff recommendations above.
- i) Notes that no changes are proposed to the Significance and Engagement Policy (**Attachment 4**).
- j) Notes 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.
- k) Notes 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.
- l) Notes 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.

Key points

2. This report presents an analysis of submissions received during consultation on the draft Water Services Strategy (WSS) 2026–2036 and proposes amendments to the WSS in response to feedback received.
3. The WSS was publicly notified for consultation from 3 March 2026 to 12 April 2026. 125 submissions were received. Submissions can be found here:
<https://hamilton.govt.nz/your-city/share-your-voice/published-submissions/iawai-water-services-strategy>
4. During consultation, IAWAI sought feedback on the following matters:
 - General comments on the WSS.
 - Support for a *growth-pays-for-growth* approach, including the proposed water and wastewater growth charges for new residential and commercial developments.
 - The proposal to treat secondary dwellings as ½ HUEs when applying the residential growth charge.
 - Feedback on IAWAI's draft Significance and Engagement Policy; and
 - Feedback on IAWAI's draft Waiver Policy.
5. Overall, submitters were generally supportive of the Water Services Strategy.
6. Feedback from Hamilton City Council (HCC), Waikato District Council (WDC) and Waikato-Tainui were very supportive of the Strategy.
7. Key themes arising from general submitter feedback included:

- **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 and funding fairness** – 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.

8. Other matters raised through general feedback included:

- 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.

9. 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.

10. Staff have considered the feedback. While the strategy is generally supported, staff recommend the following amendments to address concerns relating to environmental outcomes:

- 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.

- Including a reference to IAWAI's role in monitoring and managing carbon emissions associated with its treatment plant operations.
11. In addition, staff recommend removing the proposed non-residential growth charge from this WSS to allow for further consideration as part of WSS 2. Staff also recommend including a minor clarification that the water supply growth charge does not apply to new properties on restricted water supply until full connection is achieved.

Background

12. This is IAWAI's first WSS. It is intended to support IAWAI's operations from 1 July 2026 and has been developed in response to legislative requirements, shareholder and partner Statement of Expectations, and central government regulatory mandates for water service providers. The strategy has been consolidated through IAWAI's engagement and consultation processes.
13. The WSS sets out IAWAI's proposed fees and water charges, a 10-year capital works programme for water and wastewater services, and a 30-year forward view of future investment that will require further consideration and decision-making through subsequent WSS cycles. It also includes the proposed Significance and Engagement Policy and Waiver Policy.
14. The strategy signals a material shift in how water and wastewater services in Hamilton and the Waikato District will be planned, funded, and managed in the future. It responds to decades of under-investment in water and wastewater infrastructure, while continuing to deliver critical services to communities in an affordable manner.
15. At the same time, IAWAI must manage significant population growth, meet increasingly stringent regulatory and environmental standards, and do so in a way that keeps costs as low as practicable for consumers.
16. IAWAI is proposing a considered capital works programme of approximately \$3 billion over 10 years, supported by a stronger and more strategic use of long-term debt. This approach is intended to enable substantive progress on infrastructure renewal and growth without unduly burdening existing water and wastewater users and reflects the need to materially change IAWAI's financial position over time.
17. The WSS also proposes new revenue streams, including a residential growth charge, to ensure that growth is funded by those who drive that growth rather than by existing users. In parallel, IAWAI has adopted ambitious savings and efficiency targets to capture operational efficiencies and minimise the price increases faced by consumers.
18. The WSS is supported by two key policies: the Significance and Engagement Policy and the Waiver Policy. In addition, IAWAI will adopt the relevant development contributions provisions relating to water and wastewater from both Hamilton City Council and Waikato District Council.
19. IAWAI is required to adopt the WSS by 1 July 2026, after which it will develop a second WSS aligned with the long term plans of the shareholding councils for 2027-2037.

Discussion

20. Engagement on the draft WSS was wide-ranging and multi-channel, including targeted pre-engagement and events with developers, media and digital communications, and

direct outreach to stakeholders, communities, and staff. This included media releases, regional media coverage, radio interviews, online engagement, stakeholder and sector-specific emails, and participation at community events and marae. Engagement also occurred internally with staff and strategically with key partners, including Hamilton City Council, Waikato District Council, Waikato-Tainui, and the Future Proof partnership.

21. A total of 125 submissions were received through the formal consultation process undertaken between 3 March and 12 April. An analysis of the submissions is provided in the Insights Report (Attachment 1).
22. A strategic analysis of the submissions is provided in the table below, informing the recommendations of this report.

23. Strategic analysis of submissions to inform recommendations to the Board.

STRATEGIC ANALYSIS	
SUBMISSION QUESTIONS	SUMMARY OF KEY MATTERS RAISED AND STAFF RESPONSE
<p>General comments on the Water Services Strategy</p>	<p>Comments are largely supportive of, and understand the need for, the Water Services Strategy with broad support for the lowering of charges through the creation of IAWAI.</p> <p>Some concern about water charges remaining affordable once IAWAI harmonises prices between Waikato district and Hamilton city with questions raised about how IAWAI will assess affordability. We note that affordability is a shared responsibility across water charges, rates, and broader cost-of-living pressures, requiring coordinated action with shareholding councils.. A collaborative approach is considered both necessary and appropriate.</p> <p>IAWAI remains accountable and committed to its communities and shareholding councils for managing affordability over time. However, economic regulation by the Commerce Commission will provide an additional layer of oversight for regulated water service providers, including requirements for transparency in pricing and expenditure. This framework is intended to support accountability and comparability across providers, alongside IAWAI's own governance and engagement responsibilities. From June 2026, regulated water suppliers, including IAWAI, will be required to publicly report on their prices and charges, as well as on expenditure related to network maintenance and asset management.</p> <p>Some submitters have requested additional detail on financial matters and the capital works programme (information which is contained in the detailed version of the strategy rather than the summary document which these comments were based on).</p> <p>There is general support for IAWAI's capital works programme, however, there are requests for more details on scheduling and sequencing of works (growth planning and servicing plan) for servicing growth areas. These, however, are operational rather than strategic issues. Additional questions on to the capital projects relate to what thresholds or indicators would trigger the rephasing or deferral of projects and how will prioritisation decisions be made when tradeoffs are required within a constrained funding environment.</p> <p>The detailed version of the Water Services Strategy already provides an overview of the staging of the major capital works over a 30-year period but if more detail is required IAWAI is happy to provide this separately as such detail is not required in a strategic document such as the WSS.</p> <p>IAWAI must also develop an Investment and Delivery Plan (IDP) for Water Services Strategy 2. The IDP will provide greater detail on how projects are prioritised and sequenced and is a requirement under the Commerce Commission's information disclosure framework. This document will be publicly available and will include project prioritisation, financial forecasts, and procurement, delivery, and performance information. Water Services Strategy 1 already indicates that an IDP will be produced for Water Services Strategy 2.</p> <p>The current site and site selection process for the proposed southern Hamilton wastewater treatment plant was raised by some submitters. The site and selection process for the plant is out of scope for the Water Services Strategy, but this matter is being addressed separately by IAWAI, and engagement sessions have already been held with the public and stakeholder groups. There are also submissions which support the southern WWTP in general with a request that</p>

STRATEGIC ANALYSIS	
SUMMISSION QUESTIONS	SUMMARY OF KEY MATTERS RAISED AND STAFF RESPONSE
	<p>it be considered to support development in the northern Waipā district (several submissions have advocated for the plant to service Rukuhia). Although the proposed plant will be capable of servicing the northern part of the Waipā district, it is a decision that the Waipā District Council will need to make. IAWAI will then respond accordingly. The Water Services Strategy already acknowledges this servicing potential of the southern WWTP.</p> <p>Some submitters have used the consultation process to express opposition to the creation of IAWAI and concern about council rates increases but such matters are out of scope for the Water Services Strategy. However, there is an opportunity for further joint communications by both IAWAI and the councils on water charges and rates for forthcoming long term plans and water services strategies.</p> <p>Some submitters sought commitment from IAWAI that environmentally sensitive areas, culturally significant places, and downstream public health concerns will carry real weight in decision-making. IAWAI is committed to this with regards to its obligations for Te Ture Whaimana, the health and wellbeing of the Waikato River. However, IAWAI is also committed to giving effect to Te Mana o te Wai and Te Mana o te Moana and will strengthen reference to the latter two in the Water Services Strategy.</p> <p>There is a mix of views on the proposed roll-out of water meters in Hamilton, but the IAWAI Board will only be making a decision on water meters later this year - after the conclusion of the water meter pilot programme in Hamilton.</p> <p>Some respondents also raised concerns about the potential slowing down of growth and the implications this may have for infrastructure delivery. IAWAI will recalibrate these assumptions for Water Services Strategy 2 when the shareholding councils develop their updated growth projections as part of LTP 2027–2037.</p> <p>Submitters are supportive of 'growth-paying-for-growth,' but many have raised a concern about the proposed growth charge (see below).</p> <p>Some submitters expressed a desire to see a stronger emphasis on climate change within the Strategy. We note that climate resilience is already identified as a key challenge for IAWAI, and the Strategy outlines a range of actions intended to strengthen resilience to climate-related risks over time.</p> <p>The strategy also commits IAWAI to designing and building infrastructure that is more resilient to threats such as extreme weather events, natural disasters, and major disruptions, to ensure the continued provision of services. Sub-regional resilience will be strengthened through ongoing investment in the capital works programme.</p> <p>In addition, the strategy outlines actions including maintaining backup systems, improving emergency response capability, and planning for rapid recovery following disruptions. Extreme environmental events, natural disasters, and emergency response are also referenced under the Significant Forecasting Assumptions.</p> <p>As far as monitoring carbon emissions are concerned HCC and WDC currently calculate this holistically (including for water use). This will continue as part of the shared services arrangement as IAWAI will need to provide the data from its treatment plants to the councils. It is expected that the planned upgrades to treatment plants and the consequent use of improved technology will reduce carbon emissions.</p> <p>Implications of wider macroeconomic factors for IAWAI has been raised. Updated economic insights will be used to inform each IAWAI water strategy and aligned to the councils growth forecasts.</p>

STRATEGIC ANALYSIS	
SUMMISSION QUESTIONS	SUMMARY OF KEY MATTERS RAISED AND STAFF RESPONSE
<p>Ascertaining support for the 'growth-pays-for-growth' approach and comments on the proposed growth charges for new residential and commercial developments.</p>	<p>A lack of confidence about IAWAI's 'procurement process' has also been expressed. However, IAWAI will only become operative on 1 July 2026 and one of the company's key priorities is to develop its own procurement system. Until this is in place, IAWAI will utilise HCC's procurement process.</p> <p>The majority of submissions (80 out of 102 responses – 78%) either support or partially-support a 'growth-pays-for-growth' approach and the growth charges for residential and commercial developments.</p> <p>However, some of those who have expressed support or partial support for the growth charge are concerned about 'administrative complexity and unpredictable costs' and have suggested that the growth charge represents an additional long term operating cost for developers which impacts on business feasibility. Consequently, some submitters have requested delaying the implementation of the growth charge until 1 July 2027 on the basis of the following:</p> <ul style="list-style-type: none"> a) IAWAI would have developed its own development contributions policy by then and b) It will enable transitional arrangements and implications for existing development agreements to be considered before such a charge can be applied. <p>Others have questioned why they have to pay a growth charge for new builds when they are already paying development contributions.</p> <p>Some submitters have asked for IAWAI to consider increasing the growth charge from the proposed \$500 per year.</p> <p>The relationship between the HUE and development contributions and a call for not considering all developments the same is a common theme.</p> <p>Some submitters have suggested that there is no evidence provided that existing ratepayers are financing growth. There are also suggestions that the growth charge be indexed to inflation.</p> <p>Requests have also been made for the Water Services Strategy to be clearer on the growth charge trigger (this information is in the Fees and Charges Schedule).</p> <p>The impact on the growth charge for housing affordability has also been raised with a request that more research be done on this.</p> <p>In response to submissions received, staff propose removing the non-residential growth charge from this iteration of the strategy to enable further engagement and more detailed consideration as part of the development of WSS 2.</p>
<p>Treating secondary dwellings as ½ a household equivalent unit.</p>	<p>Most (66 out of 102 responses – 67% either support or partially support treating secondary dwellings at ½ HEU generally referring to it as a pragmatic approach.</p> <p>There are requests that IAWAI consider a discounted 'retirement village HUE factor' for independent living units and flexible payment options (including an option to pay up front) should the charge be implemented. Some submissions have indicated that secondary dwellings are part of the same property and should not be treated differently.</p> <p>Others said that using 0.5 HUE is too simplistic and have called for a more flexible and equitable approach for applying the charge to secondary dwellings as follows: to 50m² = 0.25 HUE, between 50-70m² = 0.5 HUE and anything above 70m as 1 HUE.</p>

STRATEGIC ANALYSIS	
SUMMISSION QUESTIONS	SUMMARY OF KEY MATTERS RAISED AND STAFF RESPONSE
	<p>The submission from the Waikato Housing Initiative strongly recommends changing the classifications for HUE's, on the basis that they are currently unfair to lower socio-economic groups and affect different dwellings disproportionately.</p> <p>Some submitters have suggested that IAWAI retain the ½ HUE approach as a baseline, but introduce a full waiver for minor dwellings delivered as part of community housing provider-led affordable housing developments and developments that meet defined affordability criteria.</p>
Ascertaining support for the Significance and Engagement Policy	<p>The majority of submitters (59 out of 96 respondents – 61%) indicated support and partial support.</p> <p>Submitters were particularly appreciative of the level of community engagement that would be triggered by the policy whilst some respondents are critical of the engagement regarding the southern wastewater treatment plan (not understanding that this policy only comes into effect on 1 July 2026 after IAWAI becomes operational).</p> <p>Some have expressed scepticism about the outcome of any engagement that the policy may trigger or it not being supportive of early engagement (<i>which will happen for any new IAWAI project anyway or has been done the councils for projects inherited by IAWAI. IAWAI has committed to engage at place where required</i>).</p> <p>Others have questioned IAWAI only consulting on projects worth more than 10% of IAWAI's annual budget or over 25% of all assets.</p> <p>Some have called for 'standard engagement pathways for common development scenarios' in the policy but engagement by IAWAI with developers will happen anyway through any development proposal, servicing solution and funding agreements.</p>
Ascertaining support for the Waiver Policy	<p>63 out of 94 respondents (67%) either support or partially support the Waiver Policy commending IAWAI for understanding that not all ratepayers are equal and that there will be special circumstances where fees and charges may need to be waived.</p> <p>Concern has been raised that the policy is too open-ended and relies on discretionary judgement calling for stricter guidelines and accountability measures such as eligibility categories for social housing, verified hardship and community services.</p> <p>Submitters have noted that the proposed policy would apply differently to residents of Hamilton and the Waikato District. However, IAWAI's goal is to have a single Waiver Policy but the focus right now is on transition and not transformation (a point which some submitters have acknowledged). The potential roll out of water meters in Hamilton will also have a bearing on moving to an integrated IAWAI waiver policy in the future.</p> <p>In the consultation material the public was advised that IAWAI is considering creating a new waiver policy that could apply to the proposed water growth charges for papakainga housing, 'depending on negotiations and the specific context'. A minority of submitters have indicated their opposition to such a waiver for papakainga.</p>

STRATEGIC ANALYSIS	
SUMMISSION QUESTIONS	SUMMARY OF KEY MATTERS RAISED AND STAFF RESPONSE
	<p>Staff are recommending that the Board resolves to waive growth charges for papakaainga developments for the 2026/2027 financial year, noting that an implementation process will need to be developed to give effect to this decision. This will also require a consequential amendment to the Fees and Charges Schedule.</p>
<p>Fees & Charges Schedule (not a consultation question)</p>	<p>The Fees & Charges Schedule was consulted on as part of the Water Services Strategy document.</p> <p>In the consultation material the public was advised that IAWAI is considering applying a waiver (through the Waiver Policy) to exclude papakaainga housing from the proposed growth charge. However, should the Board proceed with the growth charge, it is recommended that this exclusion be referenced in the Fees and Charges Schedule for Water Services Strategy 1. Any further consideration of this matter can be undertaken for Water Services Strategy 2.</p> <p>For the purposes of the Water Services Strategy papakaainga is a term describing housing on ancestral Maaori land and can include other activities associated with the nature and function of the papakaainga. For example, a marae, shared gardens, or commercial activities that provide jobs and income to support those living in the papakaainga.</p>
Submission from Hamilton City Council	
<p><u>Acknowledgement of work undertaken</u></p> <p>1. HCC acknowledges the substantial work undertaken by IAWAI to establish the organisation and develop its first Water Services Strategy, including collaboration with shareholder councils and elected members, and delivery in line with the agreed Statement of Expectations. This marks an important milestone in the transformation of water service delivery for our communities.</p> <p><u>Support for the Draft Strategy</u></p> <p>2. Council supports the direction and intent of the Draft Water Services Strategy and recognises it as a strong platform for delivering resilient, affordable, and sustainable water services over time.</p> <p><u>Staged nature of the Strategy and future Council input</u></p> <p>3. While framed as a ten-year document, Council notes that the Draft Strategy is necessarily more developed in its early years. Council supports the staged approach and the importance of ongoing partnership with shareholder councils as future iterations refine areas of focus and optimisation. IAWAI will prepare a further Water Services Strategy covering the period 2027–2037, aligned with Council’s Long-Term Plan, which will provide a further formal opportunity for Council input.</p> <p><u>Strong support for improved affordability outcomes</u></p> <p>4. Council strongly supports the lower water charges proposed for Hamilton households compared to previous plans and historic Water Services Delivery Plan forecasts and considers these improved affordability outcomes to be a significant benefit of the new delivery model.</p>	<p>The feedback from Hamilton City Council (HCC) is supportive of the Water Services Strategy.</p> <p>In relation to the request for greater clarity on how capital projects are prioritised and sequenced, we note the detailed version of the Water Services Strategy provides an overview of the staging of major capital works over a longer-term horizon, categorised according to growth, levels of service, and renewals. Where further clarity is sought, this can be provided through supplementary material and related planning documents, recognising that the Water Services Strategy is intended to remain a high-level, strategic framework.</p> <p>IAWAI would also like to draw HCC’s attention to the development of an Investment and Delivery Plan (IDP) for Water Services Strategy 2. The IDP will provide greater detail on how projects are prioritised and sequenced and is a requirement under the Commerce Commission’s information disclosure framework. This document will be publicly available and will include project prioritisation, financial forecasts, and procurement, delivery, and performance information.</p> <p>At the staff level, responsibility for project delivery sits with the General Manager for Growth and Delivery, the Head of Infrastructure Strategy and the Head of Capital Planning and Delivery. They will work closely with relevant operational teams and contractors to ensure effective delivery. Each project will be monitored against key milestones to identify risk and appropriate remedial action to be taken at the project level.</p> <p>Where rephasing or deferral of projects is required, this will be reported to the soon-to-be-established Capital Programme and Asset Management Committee. This committee will receive quarterly reporting on project delivery, including cost and schedule performance, and will provide a forum for considering any necessary trade-offs between projects. We don’t believe this level of detail needs to be in the WSS.</p> <p>In addition, the Statement of Expectations requires IAWAI to provide shareholding councils with quarterly reporting on progress, delivery of major projects, operational performance, and emerging risks. This will ensure councils retain appropriate governance oversight of project delivery.</p> <p>Further consideration of trade-offs between capital projects can also occur when the capital works programme is reviewed and financially modelled for future water services strategies</p>

STRATEGIC ANALYSIS	
SUMMISSION QUESTIONS	SUMMARY OF KEY MATTERS RAISED AND STAFF RESPONSE
<p><u>Affordability and debt settings require clearer guardrails.</u></p> <p>5. Council supports the use of debt to smooth price impacts and promote intergenerational equity and encourages IAWAI to continue providing clear and accessible information over time on peak debt levels, sensitivities, and affordability guardrails.</p> <p><u>Greater clarity is needed around project prioritisation and sequencing.</u></p> <p>6. Council supports clearer differentiation between compliance-driven investment, renewals, and growth-enabling projects, and greater visibility of how trade-offs will be managed if costs escalate or delivery capacity is constrained.</p> <p><u>Growth should pay for growth, with continued transparency.</u></p> <p>7. Council supports the principle that growth should contribute to the costs it creates and encourages continued transparency regarding growth charges, Development Contributions, and distributional impacts.</p> <p><u>Price harmonisation impacts must be transparent and well-managed</u></p> <p>8. Council recognises that price harmonisation will be a key focus of future Strategy iterations and encourages clear communication on impacts, timeframes, and equity considerations as this work progresses.</p> <p><u>Affordability impacts and vulnerable households require stronger future recognition</u></p> <p>9. Council considers it important that future iterations of the Strategy more explicitly define how affordability will be assessed, monitored, and communicated over time, including the cumulative impacts of water charges and related costs on different household cohorts, and how hardship support mechanisms will operate in practice.</p> <p>Note: Three Hamilton City elected members also made individual submissions.</p>	<p>A pathway towards price-path harmonisation will be considered as part of WWS2 and subsequent water services strategies.</p> <p>IAWAI has also noted the Council's request that future iterations of the strategy to more explicitly define how affordability will be assessed, monitored, and communicated over time. This includes consideration of the cumulative impact of water charges on different household cohorts. IAWAI notes, however, that cumulative affordability impacts extend beyond water charges alone and include rates, and therefore this work will need to be undertaken collaboratively with the shareholding councils to enable a holistic approach. A collaborative approach is considered both necessary and appropriate.</p> <p>In relation to water charges specifically, the Commerce Commission will provide economic regulation to ensure that water service providers are not overcharging, rather than determining whether charges are "affordable" for individual households. From June 2026, regulated water suppliers, including IAWAI, will be required to publicly report on their prices and charges, as well as on expenditure related to network maintenance and asset management.</p> <p>The Commerce Commission will analyse and publish comparative information to enable consumers, councils, and communities to benchmark their water provider's performance and pricing against others, supporting the identification of inefficiencies or unusually high costs. In addition, the Commission will have the ability to set both maximum and minimum revenue limits, establishing clear expectations for the level of revenue providers can recover to operate, maintain, and upgrade water infrastructure.</p>
<u>Submission from Waikato District Council</u>	
<p><u>Council position</u></p> <p>1. WDC supports the overall direction, objectives, and strategic intent of the Strategy.</p> <p>2. WDC acknowledges that affordability remains a significant challenge for communities and supports IAWAI's efforts to manage cost pressures on</p>	<p>IAWAI assures WDC that climate adaptation is already factored in asset management, investment prioritisation, and service planning but IAWAI will ensure that when it develops a Strategic Activity Management Plan and an Activity Management Plan (which are both requirements of the Commerce Commission) that climate adaptation will be a key consideration to ensure that waters services remain resilience, reliable and sustainable over time.</p> <p>IAWAI both acknowledges and appreciates the importance of the shared services commitment by the Council.</p>

STRATEGIC ANALYSIS	
SUMMISSION QUESTIONS	SUMMARY OF KEY MATTERS RAISED AND STAFF RESPONSE
<p>households and ratepayers while continuing to meet service, investment, and regulatory requirements.</p> <p>3. WDC recognises the role of IAWAI in delivering sustainable and affordable water services and strongly supports a shared services approach across the shareholder councils and IAWAI, with a focus on leveraging existing capability, avoiding duplication, and making best use of scarce specialist expertise.</p> <p><u>Environmental Stewardship and Te Tiriti o Waitangi Relationships</u></p> <p>4. WDC strongly supports IAWAI's commitment to environmental stewardship and improving the health of the Waikato awa, including giving effect to Te Ture Whaimana o Te Awa o Waikato and working in genuine partnership with Waikato-Tainui.</p> <p>5. WDC supports the Strategy's emphasis on long-term, region-wide planning to address climate-related risks including increased flood events, drought, coastal and riverine impacts.</p> <p>6. Embedding climate adaptation into asset management, investment prioritisation and service planning will be critical to ensuring waters services remain resilience, reliable and sustainable over time.</p> <p><u>Assets and Infrastructure</u></p> <p>7. Council supports the Strategy's position that a publicly owned, regionally focused water services entity will, over time, enable more efficient, cost effective, and affordable service delivery.</p> <p>8. Council supports the integration of council work programmes through IAWAI to deliver a coordinated capital and operational programme, maximise economies of scale, improve efficiency, and the inclusion of year-on-year efficiency targets is supported.</p> <p>9. Maintaining affordability remains a key priority, and Council supports IAWAI's intention to outline a clear pathway to water and wastewater price harmonisation in the second iteration of the Strategy to be released in 2027.</p> <p>10. WDC agrees that aligning prices is an important goal shared by all shareholders. However, any move to harmonise prices needs to fairly reflect the level of service communities receive from IAWAI's assets. Council considers is important that both current and future charges continue to appropriately reflect community differences. Further work is needed by IAWAI, in collaboration with shareholders, to determine where service-based charging differentials should still apply, including in relation to development contributions and water flow rates.</p> <p><u>Growth Charges and Unfunded Capital Works</u></p>	<p>IAWAI acknowledging the matters WDC would like to see addressed in subsequent water services strategies including the impact of price harmonisation and an assessment of service-based differential charging; and consideration of the impact of verified undetected leaks on households facing significant financial hardship in a future unified Waiver Policy.</p> <p>IAWAI will also bring to the Council's attention that the Commerce Commission will provide economic regulation to ensure that water service providers are not overcharging, rather than determining whether charges are "affordable" for individual households and that regulated water suppliers, including IAWAI, will be required to publicly report on their prices and charges, as well as on expenditure related to network maintenance and asset management.</p>

STRATEGIC ANALYSIS	
SUMMISSION QUESTIONS	SUMMARY OF KEY MATTERS RAISED AND STAFF RESPONSE
<p>11. WDC supports the introduction of water and wastewater growth charges to ensure that growth-related costs are appropriately met by growth, reducing financial impacts on existing ratepayers. Council also supports the prudent use of debt to smooth price increases over time and promotes intergenerational equity.</p> <p>12. WDC considers the growth-pays-for-growth approach appropriate, including the interim approach to collecting Development Contributions until 1 July 2027.</p> <p>13. WDC supports the proposed annual Water Supply Growth Charge and Wastewater Growth Charge for residential development, including provisions for papakainga housing and net-increase charging for redevelopments, noting the alignment with Council's Development Contributions Policy (DCP) 2025.</p> <p><u>Waiver Policy</u></p> <p>14. WDC supports the Waiver Policy as an appropriate transitional measure that maintains existing support for customers and provides reasonable relief for leaks, consistent with Council's current Remission Policy.</p> <p>15. In developing a future unified waiver framework, Council encourages IAWAI to consider provisions for sustained water quality issues, essential medical-related water use, and appropriate protections for households facing significant financial hardship due to verified undetected leaks, including options such as capped customer liability or enhanced hardship support in extreme cases.</p> <p><u>Proposed Significance and Engagement Policy</u></p> <p>16. WDC supports the intent of the Significance and Engagement Policy and recognises that strong relationships with communities, mana whenua, and stakeholders are fundamental to effective water services planning and delivery.</p>	
<p><u>General</u></p> <p>1. Waikato-Tainui supports the general direction and intent of the Water Services Strategy and acknowledges the opportunity it presents to strengthen the long-term management of water services across our rohe.</p> <p>2. The Strategy represents an important step toward more coordinated, resilient and sustainable delivery of drinking water and wastewater services while responding to growth, infrastructure pressures and regulatory change.</p> <p><u>Te Ture Whaimana</u></p> <p>3. Central to our support is the continued recognition of Te Ture Whaimana, which provides the overarching framework for the protection and restoration of the Waikato River.</p>	<p>Waikato-Tainui's support for the Water Services Strategy and the importance it places on Te Ture Whaimana is appreciated. IAWAI commits to ensuring ongoing recognition of the interconnected relationship between people, water, and the Taiao to ensure that infrastructure design, wastewater management, and water abstraction practices actively contribute to the restoration objectives of Te Ture Whaimana.</p> <p>The tribe will take comfort in noting that implications for Te Ture Whaimana is a key consideration in every report that the IAWAI Board considers. This is a non-negotiable for IAWAI.</p> <p>With regards to reporting and accountability, the tribe will also take comfort in the fact that IAWAI is establishing a Capital Programme and Asset Management Committee, which will receive quarterly reporting on project delivery, including cost performance. IAWAI will seek direction from this committee on matters relating to these issues. In addition, the Statement of Expectations requires IAWAI to provide shareholding councils with quarterly reporting on progress, the delivery of major projects, operational performance, and emerging risks.</p>

STRATEGIC ANALYSIS	
SUMMISSION QUESTIONS	SUMMARY OF KEY MATTERS RAISED AND STAFF RESPONSE
<p>4. Waikato-Tainui emphasises that the health and wellbeing of the river must remain the primary consideration guiding all water service planning, investment, and operational decisions.</p> <p>5. The Strategy should therefore continue to recognise the interconnected relationship between people, water, and the Taiao to ensure that infrastructure design, wastewater management, and water abstraction practices actively contribute to the restoration objectives of Te Ture Whaimana.</p> <p><u>Reporting and Accountability</u></p> <p>4. Waikato-Tainui also encourages the inclusion of clear accountability mechanisms within the Strategy, including regular reporting on environmental, cultural, social, and economic outcomes.</p> <p>5. This should include measures aligned with Te Ture Whaimana, as well as indicators that reflect iwi values, maatauranga Maaori and community wellbeing.</p> <p>6. Transparent monitoring will be critical to ensuring that the Strategy delivers on its intended outcomes over time.</p> <p><u>Mana Whakahaere</u></p> <p>7. Waikato-Tainui also supports the Strategy's commitment to partnership and acknowledges the importance of meaningful and ongoing engagement across all areas of implementation.</p> <p>8. This includes not only early and sustained iwi involvement, but also meaningful participation in co-design, co-governance, and decision-making processes across all aspects of implementation.</p> <p>9. Waikato-Tainui expects that partnership will extend beyond consultation to include shared influence over priorities, investment decisions, and service delivery outcomes, consistent with mana whakahaere and the principles of Te Tiriti o Waitangi. This includes early and sustained iwi involvement in strategic planning, infrastructure development, environmental monitoring, and operational decision-making.</p> <p>10. Embedding Waikato-Tainui maatauranga, values and practices alongside technical and scientific expertise will strengthen the Strategy and ensure that water services management reflects the cultural, environmental, and historical significance of the river.</p> <p>11. In addition, the Strategy provides opportunities to realise broader economic and social benefits for the region. Waikato-Tainui encourages IAWAI to actively support procurement and investment pathways that enable iwi and iwi businesses and organisations to participate in the delivery of water infrastructure, environmental restoration, and associated services.</p> <p><u>Surplus and Redundant Assets</u></p>	<p>IAWAI assures Waikato-Tainui that it does not view its partnership with the tribe from merely a consultation perspective and that our partnership is intrinsic to the way we work. This partnership extends to our existing governance arrangements through the IAWAI Forum and the IAWAI Board. This is important to IAWAI.</p> <p>IAWAI also commits to engaging with hapuu and mana whenua at place and will continue fostering and strengthening the partnerships established by HCC and WDC for key projects (e.g., wastewater and water treatment plant upgrades). We also recognise the Joint Management Agreements that both the shareholding councils have with the tribe and see this both as an important accountability mechanism and an extension of our Treaty obligations.</p> <p>IAWAI has noted the tribe's request that when infrastructure assets become redundant, underutilised, or no longer required that priority consideration be given to the return, transfer, or repurposing of land and assets to mana whenua, hapuu and marae within whose rohe those assets are located.</p> <p>IAWAI also notes the tribe's request that that affordability remain a central consideration in the design and implementation of the Strategy. Whilst we have reduced water charges for year 1 of the Water Services Strategy compared to the 2025 Water Services Strategy developed by HCC and WDC, the affordability criteria will continue being a key consideration for our pricing structure informing Water Services Strategy 2.</p> <p>IAWAI will engage with the tribe on our pricing structure informing Water Services Strategy 2 and subsequent strategies through the IAWAI Forum, at a Board level and at through the respective JMAs to ensure comfort with any pricing structure proposed.</p>

STRATEGIC ANALYSIS	
SUMMISSION QUESTIONS	SUMMARY OF KEY MATTERS RAISED AND STAFF RESPONSE
<p>12. Waikato-Tainui considers it important that the Strategy addresses the future management of water infrastructure assets that become redundant, underutilised, or no longer required as a result of system consolidation or network changes. In such instances, priority consideration should be given to the return, transfer, or repurposing of land and assets to mana whenua, hapuu and marae within whose rohe those assets are located.</p> <p>13. This approach recognises the enduring relationship of Waikato-Tainui with its whenua and waterways and provides an opportunity to support local development aspirations, including papakaainga, environmental restoration, and community use.</p> <p>14. Early engagement with iwi on asset transition planning will be essential to achieving mutually beneficial outcomes and avoiding the permanent alienation of land that may hold cultural, historical, or strategic significance.</p> <p>15. Such opportunities contribute to regional economic development while supporting the growth of Maaori enterprise and capability within the water services sector.</p> <p><u>Affordability and cost of living</u></p> <p>16. Waikato-Tainui emphasises that affordability must remain a central consideration in the design and implementation of the Strategy, particularly in the context of increasing cost of living pressures facing whaanau across our rohe.</p> <p>17. Rising water charges and associated rates increases have the potential to disproportionately impact Maaori communities, including marae, papakaainga and low-income households. Without deliberate intervention, these reforms risk compounding existing inequities.</p> <p>18. Waikato-Tainui therefore strongly encourages the development of equitable pricing frameworks, including targeted support mechanisms, transitional funding arrangements, and protections for vulnerable communities to ensure that access to safe and reliable water services remains affordable for all.</p> <p>19. Affordability must not be achieved solely through efficiency measures but through conscious design choices that uphold social equity and Te Tiriti principles.</p> <p>20. Waikato-Tainui also seeks greater transparency and engagement in relation to proposed pricing models, funding structures and projected rates impacts.</p> <p>21. This includes early visibility of cost implications, opportunities to influence pricing approaches, and assurance that revenue models do not disproportionately burden marae, or collectively owned whenua or Maaori landowners where income-generating capacity may be limited.</p> <p>22. A partnership approach to pricing design is essential to ensuring fairness, sustainability and community acceptance.</p>	

STRATEGIC ANALYSIS	
SUMISSION QUESTIONS	SUMMARY OF KEY MATTERS RAISED AND STAFF RESPONSE
<p>23. Waikato-Tainui also highlights the need for the Strategy to address longstanding infrastructure inequities experienced by marae and papakainga, particularly in rural areas.</p> <p>24. This includes barriers to connection, affordability challenges, and the need for fit-for-purpose, culturally appropriate servicing solutions.</p> <p>25. Targeted investment and tailored delivery models will be required to ensure these communities are not left behind.</p> <p><u>Climate Resilience</u></p> <p>26. Waikato-Tainui emphasises the importance of ensuring that water services infrastructure is designed and managed to respond to the impacts of climate change, including increased flooding, drought and environmental stress.</p> <p>27. Building climate resilience must be integrated with the restoration of natural systems, recognising the role of wetlands, waterways and whenua in supporting long-term sustainability.</p> <p><u>Governance</u></p> <p>28. Waikato-Tainui emphasises the importance of maintaining strong governance and partnership arrangements as a direct recognition of our mana whakahaere as it relates to the Waikato River. Continued Waikato-Tainui representation in governance structures and strategic decision-making processes will ensure that iwi perspectives remain integral to the implementation and evolution of the Strategy. This reflects the enduring partnership between Waikato-Tainui, the Crown and Local Authorities and supports the collective responsibility to protect and restore the Waikato River for present and future generations.</p>	

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

24. 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.
25. 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.
26. 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

27. Several submitters raised understandable concerns over the impact of the current global economic situation and its impact on the cost of living as well as the cost of construction and the viability of historic supply chains. In response to the current situation staff are undertaking a further review of the proposed capital works programme to reflect what we expect the year-end position to be immediately prior to the transfer of responsibility, what we understand of the impact of the current global economy and the potential disruption of supply chains. This will be reflected in the final WSS for adoption.
28. During the consultation period work to confirm the allocation of overheads and the cost of shared services has been on-going. This work will be completed this week and will be reflected in the final WSS for adoption.
29. The Board has been clear that prices must be kept as low as possible while still ensuring customers receive the water services they need. This has been achieved through the introduction of a 2.5% savings programme year on year (reaching full effect by 2028/2029), the development of a right-sized capital works programme, a commitment to the prudent use of debt and a longer pathway to financial sustainability, and a strong focus on organisational efficiency.
30. Prior to the establishment of IAWAI, ratepayers were facing steep increases in water and wastewater charges (by 2034: \$8,124 for Waikato District and \$2,751 for Hamilton City). Neither council had sufficient debt capacity to fund the required investment. The 2025 Water Services Delivery Plan (WSDP) forecast an average 22% increase in rates, with depreciation funding requirements increasing further (to approximately 34%) had assets remained with councils.
31. By reworking capital and operating programmes, revenue settings, and debt assumptions, IAWAI has reduced the median residential increase in 2026/27 to \$174 for

both councils. This equates to a 6% increase for Waikato District and an 18.4% increase for Hamilton City, reflecting different starting points.

32. For Hamilton City customers, this represents a reduction of \$91 compared with LTP/WSDP forecasts (down from \$265). For Waikato District customers, proposed increases in water and wastewater fixed charges reduce from \$364 to \$142 per annum. When combined with volumetric charges (based on average water use of 210m³ per annum), the previously forecast increase for Waikato District customers is similarly reduced to \$174.
33. Future 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.
34. The introduction of water supply and wastewater growth charges for new residential connections consented on or after 1 July 2026 will ensure that growth pays for growth.

Legal requirements

35. The development of the WSS conforms to the requirements of the Local Government (Water Services) Act 2025.
36. IAWAI has received legal advice that confirms the proposed growth charges fit within the legal framework of charging set out in the LGWSA.

Engagement and Consultation

37. Formal public consultation on the WSS occurred between 3 March and 12 April 2026. The consultation approach (details of which are in the previous section) involved the following:
 - Engagement forums
 - Stakeholder communication
 - Community presence
 - Digital channels (including an online platform for submissions)
 - Media
 - Internal communication

IAWAI has noted the public's feedback with regards to how they would prefer to be engaged in the future.

38. After this deliberation, the key upcoming milestones for the WSS are as follows:
 - 18 June 2026 – The IAWAI Board to consider adoption of the WSS (including Fees and Charges), the Significance and Engagement Policy, and the Waiver Policy.
 - 1 July 2026 – WSS 1 takes effect and, development of WSS 2 commences.
 - July 2026 – The IAWAI Board to adopt the relevant provisions of the councils' 2025 Development Contributions Policy.

Attachments

- Attachment 1 - Insights Report
- Attachment 2 - Amended IAWAI Fees and Charges Schedule with tracked changes

- Attachment 3 - Amended IAWAI Waiver Policy with tracked changes.
- Attachment 4 - IAWAI Significance and Engagement Policy



Water Services Strategy

Insights Report

22 April 2026

VERSION 3

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1. OVERVIEW

IAWAI has released its first ever Water Services Strategy, outlining its priorities for the next decade. It sets out how we will deal with huge growth, look after our existing assets, meet new rules and regulations, and provide the critical water and wastewater services the residents and businesses of our communities need.

Alongside the Water Services Strategy, we also consulted on two 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 proposed policy — the same waivers will still apply.

Consultation ran from 3 March – 12 April 2026.

2. RESULTS

There were 125 responses to the survey. Given the opt-in nature of the survey, the responses are not necessarily representative of the views of all residents in Hamilton and Waikato District.

Comments have been themed and a summary of top themes provided below. Verbatim responses will be published on Hamilton City Council's website.

3. WATER SERVICES STRATEGY

Do you have any feedback on the IAWAI Water Services Strategy?

We received 110 responses to this question. Respondents were not asked whether they support or oppose the Water Services Strategy. Therefore responses were analysed for themes only, not support or opposition to the Strategy.

We received 17 submissions that referenced the Southern Wastewater Treatment Plant.

The top 10 themes of responses:



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Themes	Example comments
Concerns about the governance, transparency and decision making (n=44)	"HCCs lack of consultation & communication towards the properties of those involved in changes to water services is appalling. Your lack of research into where wastewater will be going, which has a huge impact on the environment and water ways of the Waikato is shocking."
Affordability and cost-of-living pressure (n=35)	"Yes because it's going to cost more for water. I've seen the cu price of water rise from \$1.00 to \$ 2.65 per cu . That is a rip off and no doubt you will expect us ratepayers to pay more because of your reckless management"
Equity of cost allocation (incl. user-pays / growth-pays-for-growth) (n=33)	"I am generally supportive of the strategy I am not supportive of the calculations used to determine water charges for existing households. While all households are facing increases to fund the provision of water services, the increased costs are disproportionate."
Feedback on water charges (n=28) <i>This theme contains both positive and negative sentiment</i>	<p>Positive "I generally support the use of water meters to create a fair system for paying for water."</p> <p>Negative "Please don't make us pay for water it's hard enough for the cost of living already please don't make the ones already suffering suffer more."</p>
Southern wastewater treatment plant (n=17) <i>This theme contains both positive and negative sentiment</i>	<p>Positive "Planning for capacity and connection from the Southern Wastewater Treatment Plant to Rukuhia Village to allow for future growth."</p> <p>Negative "I also have serious concerns regarding the impacts of proposed new wastewater infrastructure on public health and the health and vitality of the Waikato River (including its tributaries). As an example, the current proposal for the new Southern Wastewater Treatment Plant sites this infrastructure dangerously close to the Waikato River and its tributaries and has serious impacts on local flora and fauna."</p>



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<p>Public health risk from wastewater discharges/environment impact (n=17)</p>	<p>"IAWAI's Strategy identifies a list of key drinking water and wastewater projects that are intended to address compliance, environmental outcomes, and growth enablement. It highlights major upgrades to wastewater treatment plants, new or expanded servicing solutions in high-growth areas and wet-weather storage capacity initiatives."</p>
<p>Resilience & infrastructure risk (n=16)</p>	<p>"The strategy does not appear to adequately reflect the current risk environment, including economic pressures, interest rate uncertainty, and global supply chain risks. These factors materially affect affordability and project delivery and should be central to decision-making."</p>
<p>Enabling growth through infrastructure (n=16)</p>	<p>"Support the enablement and early investment within the 10-year period (2026-2036) for the Southern Wastewater Treatment Plant which would unlock critical infill housing opportunities in Hamilton and enable greenfield Fast-Track projects to realise full potential."</p>
<p>Support for sub-regional, boundaryless water governance(n=4)</p>	<p>"This submission as the applicant, support the move to the subregional entity IAWAI, which intends to plan, build, manage and maintain drinking water and wastewater services, along with managing stormwater for both Hamilton City Council and Waikato District Council from July 1, 2026."</p>
<p>Cultural values and community wellbeing (n=4)</p>	<p>"Embedding Waikato-Tainui maatauranga, values and practices alongside technical and scientific expertise will strengthen the Strategy and ensure that water services management reflects the cultural, environmental and historical significance of the river."</p>



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SUMMARY OF FEEDBACK FROM THE STAKEHOLDERS, HCC, WAIKATO DISTRICT COUNCIL AND WAIKATO TAINUI

Submission from Hamilton City Council	
Acknowledgement of work undertaken	HCC acknowledges the substantial work undertaken by IAWAI to establish the organisation and develop its first Water Services Strategy, including collaboration with shareholder councils and elected members, and delivery in line with the agreed Statement of Expectations. This marks an important milestone in the transformation of water service delivery for our communities.
Support for the Draft Strategy	Council supports the direction and intent of the Draft Water Services Strategy and recognises it as a strong platform for delivering resilient, affordable, and sustainable water services over time.
Staged nature of the Strategy and future Council input	While framed as a ten-year document, Council notes that the Draft Strategy is necessarily more developed in its early years. Council supports the staged approach and the importance of ongoing partnership with shareholder councils as future iterations refine areas of focus and optimisation. IAWAI will prepare a further Water Services Strategy covering the period 2027–2037, aligned with Council’s Long-Term Plan, which will provide a further formal opportunity for Council input.
Strong support for improved affordability outcomes	Council strongly supports the lower water charges proposed for Hamilton households compared to previous plans and historic Water Services Delivery Plan forecasts and considers these improved affordability outcomes to be a significant benefit of the new delivery model.
Affordability and debt settings require clearer guardrails	Council supports the use of debt to smooth price impacts and promote intergenerational equity and encourages IAWAI to continue providing clear and accessible information over time on peak debt levels, sensitivities, and affordability guardrails.
Greater clarity is needed around project prioritisation and sequencing	Council supports clearer differentiation between compliance-driven investment, renewals, and growth-enabling projects, and greater visibility of how trade-offs will be managed if costs escalate or delivery capacity is constrained.
Growth should pay for growth, with continued transparency	Council supports the principle that growth should contribute to the costs it creates and encourages continued transparency regarding growth charges, Development Contributions, and distributional impacts.
Price harmonisation impacts must be transparent and well-managed	Council recognises that price harmonisation will be a key focus of future Strategy iterations and encourages clear communication on impacts, timeframes, and equity considerations as this work progresses.



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<p>Affordability impacts and vulnerable households require stronger future recognition</p>	<p>Council considers it important that future iterations of the Strategy more explicitly define how affordability will be assessed, monitored, and communicated over time, including the cumulative impacts of water charges and related costs on different household cohorts, and how hardship support mechanisms will operate in practice.</p>
<p>Submission from Waikato District Council</p>	
<p>Acknowledgement of work undertaken</p>	<ol style="list-style-type: none"> 1. WDC supports the overall direction, objectives, and strategic intent of the Strategy. 2. WDC acknowledges that affordability remains a significant challenge for communities and supports IAWAI’s efforts to manage cost pressures on households and ratepayers while continuing to meet service, investment, and regulatory requirements. 3. WDC recognises the role of IAWAI in delivering sustainable and affordable water services and strongly supports a shared services approach across the shareholder councils and IAWAI, with a focus on leveraging existing capability, avoiding duplication, and making best use of scarce specialist expertise.
<p>Environmental Stewardship and Te Tiriti o Waitangi Relationships</p>	<ol style="list-style-type: none"> 1. WDC strongly supports IAWAI’s commitment to environmental stewardship and improving the health of the Waikato awa, including giving effect to Te Ture Whaimana o Te Awa o Waikato and working in genuine partnership with Waikato Tainui. 2. WDC supports the Strategy’s emphasis on long-term, region-wide planning to address climate-related risks including increased flood events, drought, coastal and riverine impacts. 3. Embedding climate adaptation into asset management, investment prioritisation and service planning will be critical to ensuring waters services remain resilience, reliable and sustainable over time.



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<p>Assets and Infrastructure</p>	<ol style="list-style-type: none"> 1. Council supports the Strategy’s position that a publicly owned, regionally focused water services entity will, over time, enable more efficient, cost effective, and affordable service delivery. 2. Council supports the integration of council work programmes through IAWAI to deliver a coordinated capital and operational programme, maximise economies of scale, improve efficiency, and the inclusion of year-on-year efficiency targets is supported. 3. Maintaining affordability remains a key priority, and Council supports IAWAI’s intention to outline a clear pathway to water and wastewater price harmonisation in the second iteration of the Strategy to be released in 2027. 4. WDC agrees that aligning prices is an important goal shared by all shareholders. However, any move to harmonise prices needs to fairly reflect the level of service communities receive from IAWAI’s assets. Council considers it important that both current and future charges continue to appropriately reflect community differences. Further work is needed by IAWAI, in collaboration with shareholders, to determine where service-based charging differentials should still apply, including in relation to development contributions and water flow rates.
<p>Growth Charges and Unfunded Capital Works</p>	<ol style="list-style-type: none"> 1. WDC supports the introduction of water and wastewater growth charges to ensure that growth related costs are appropriately met by growth, reducing financial impacts on existing ratepayers. Council also supports the prudent use of debt to smooth price increases over time and promotes intergenerational equity. 2. WDC considers the growth-pays-for-growth approach appropriate, including the interim approach to collecting Development Contributions until 1 July 2027. 3. WDC supports the proposed annual Water Supply Growth Charge and Wastewater Growth Charge for residential development, including provisions for papakainga housing and net-increase charging for redevelopments, noting the alignment with Council’s Development Contributions Policy (DCP) 2025.
<p>Waiver Policy</p>	<ol style="list-style-type: none"> 1. WDC supports the Waiver Policy as an appropriate transitional measure that maintains existing support for customers and provides reasonable relief for leaks, consistent with Council’s current Remission Policy.



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	<p>2. In developing a future unified waiver framework, Council encourages IAWAI to consider provisions for sustained water quality issues, essential medical-related water use, and appropriate protections for households facing significant financial hardship due to verified undetected leaks, including options such as capped customer liability or enhanced hardship support in extreme cases.</p>
Proposed Significance and Engagement Policy	<p>1. WDC supports the intent of the Significance and Engagement Policy and recognises that strong relationships with communities, mana whenua, and stakeholders are fundamental to effective water services planning and delivery.</p>
Submission from Waikato-Tainui	
Acknowledgement of work undertaken	<p>Waikato-Tainui supports the general direction and intent of the Water Services Strategy and acknowledges the opportunity it presents to strengthen the long-term management of water services across our rohe.</p> <p>The Strategy represents an important step toward more coordinated, resilient and sustainable delivery of drinking water and wastewater services while responding to growth, infrastructure pressures and regulatory change.</p>
Support for the Draft Strategy	<p>Council supports the direction and intent of the Draft Water Services Strategy and recognises it as a strong platform for delivering resilient, affordable, and sustainable water services over time.</p>
Reporting and Accountability	<p>Waikato-Tainui also encourages the inclusion of clear accountability mechanisms within the Strategy, including regular reporting on environmental, cultural, social, and economic outcomes.</p> <p>This should include measures aligned with Te Ture Whaimana, as well as indicators that reflect iwi values, maatauranga Maaori and community wellbeing.</p> <p>Transparent monitoring will be critical to ensuring that the Strategy delivers on its intended outcomes over time.</p>
Mana Whakahaere	<p>Waikato-Tainui also supports the Strategy's commitment to partnership and acknowledges the importance of meaningful and ongoing engagement across all areas of implementation.</p> <p>This includes not only early and sustained iwi involvement, but also meaningful participation in co-design, co-governance, and decision-making processes across all aspects of implementation.</p> <p>Waikato-Tainui expects that partnership will extend beyond consultation to include shared influence over priorities, investment decisions, and service delivery outcomes,</p>



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	<p>consistent with mana whakahaere and the principles of Te Tiriti o Waitangi. This includes early and sustained iwi involvement in strategic planning, infrastructure development, environmental monitoring, and operational decision-making.</p> <p>Embedding Waikato-Tainui maatauranga, values and practices alongside technical and scientific expertise will strengthen the Strategy and ensure that water services management reflects the cultural, environmental, and historical significance of the river.</p> <p>In addition, the Strategy provides opportunities to realise broader economic and social benefits for the region. Waikato-Tainui encourages IAWAI to actively support procurement and investment pathways that enable iwi and iwi businesses and organisations to participate in the delivery of water infrastructure, environmental restoration, and associated services.</p>
<p>Surplus and Redundant Assets</p>	<p>Waikato-Tainui considers it important that the Strategy addresses the future management of water infrastructure assets that become redundant, underutilised, or no longer required as a result of system consolidation or network changes. In such instances, priority consideration should be given to the return, transfer, or repurposing of land and assets to mana whenua, hapuu and marae within whose rohe those assets are located.</p> <p>This approach recognises the enduring relationship of Waikato-Tainui with its whenua and waterways and provides an opportunity to support local development aspirations, including papakaainga, environmental restoration, and community use.</p> <p>Early engagement with iwi on asset transition planning will be essential to achieving mutually beneficial outcomes and avoiding the permanent alienation of land that may hold cultural, historical, or strategic significance.</p> <p>Such opportunities contribute to regional economic development while supporting the growth of Maaori enterprise and capability within the water services sector.</p>
<p>Affordability and cost of living</p>	<p>Waikato-Tainui emphasises that affordability must remain a central consideration in the design and implementation of the Strategy, particularly in the context of increasing cost of living pressures facing whaanau across our rohe.</p> <p>Rising water charges and associated rates increases have the potential to disproportionately impact Maaori communities, including marae, papakaainga and low-income households. Without deliberate intervention, these reforms risk compounding existing inequities.</p> <p>Waikato-Tainui therefore strongly encourages the development of equitable pricing frameworks, including</p>



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	<p>targeted support mechanisms, transitional funding arrangements, and protections for vulnerable communities to ensure that access to safe and reliable water services remains affordable for all.</p> <p>Affordability must not be achieved solely through efficiency measures but through conscious design choices that uphold social equity and Te Tiriti principles.</p> <p>Waikato-Tainui also seeks greater transparency and engagement in relation to proposed pricing models, funding structures and projected rates impacts.</p> <p>This includes early visibility of cost implications, opportunities to influence pricing approaches, and assurance that revenue models do not disproportionately burden marae, or collectively owned whenua or Maaori landowners where income-generating capacity may be limited.</p>
<p>Climate Resilience</p>	<p>Waikato-Tainui emphasises the importance of ensuring that water services infrastructure is designed and managed to respond to the impacts of climate change, including increased flooding, drought and environmental stress.</p> <p>Building climate resilience must be integrated with the restoration of natural systems, recognising the role of wetlands, waterways and whenua in supporting long-term sustainability.</p>
<p>Governance</p>	<p>Waikato-Tainui emphasises the importance of maintaining strong governance and partnership arrangements as a direct recognition of our mana whakahaere as it relates to the Waikato River. Continued Waikato-Tainui representation in governance structures and strategic decision-making processes will ensure that iwi perspectives remain integral to the implementation and evolution of the Strategy.</p> <p>This reflects the enduring partnership between Waikato-Tainui, the Crown and Local Authorities and supports the collective responsibility to protect and restore the Waikato River for present and future generations.</p>



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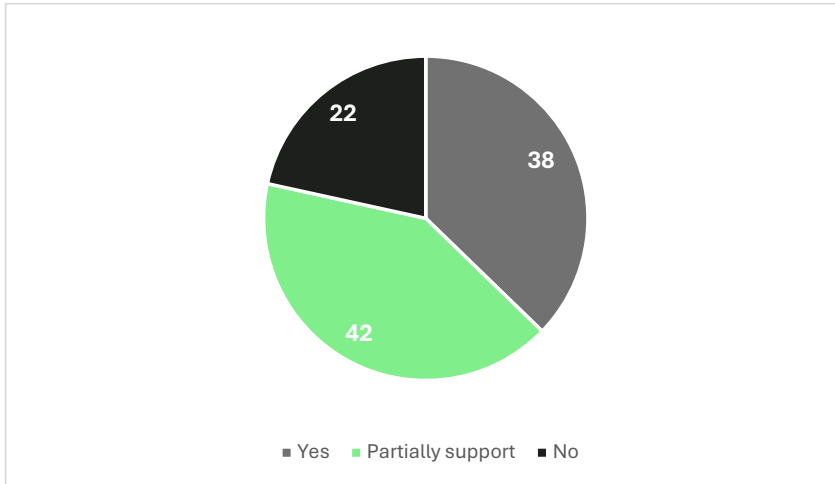


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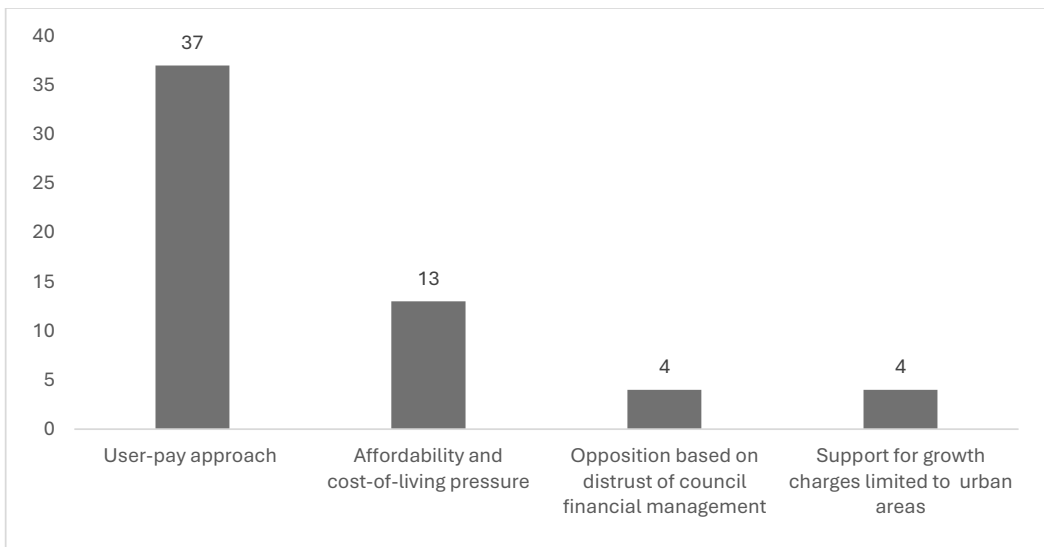
4. GROWTH CHARGES

Do you support a growth pays for growth approach for new residential and commercial developments, including the use of growth charges to help fund growth-related infrastructure and services?

We received 102 responses to this question.



We received 82 comments on this question. Top 4 themes from individual responses for growth charges to help fund growth related infrastructure and services were:





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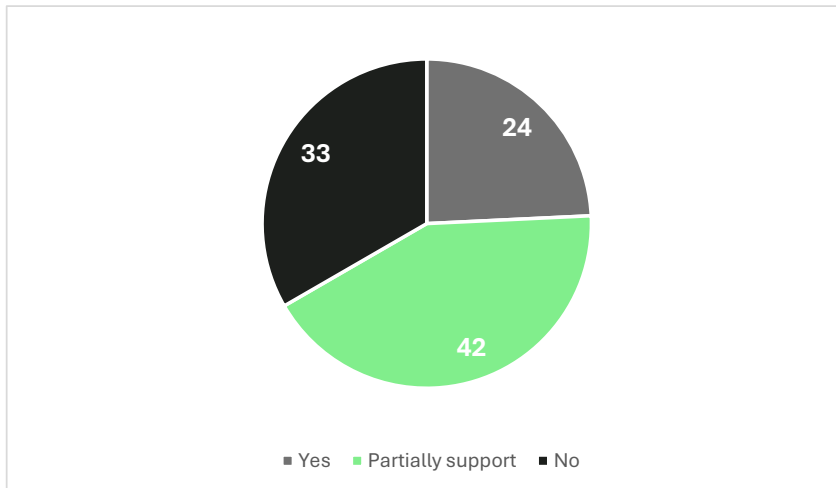
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Themes	Comments
User pays approach(n=37)	Yes, new areas need to pay for infrastructure to provide them with all services
Affordability and cost-of-living pressure(n=13)	"I'm a mom of 2 and doing it solo I'm currently on a benefit and will likely go bankrupt trying to afford another bill I've just gotten my home through Kainga Ora a year ago and it's already hard enough please don't make us pay"
Opposition based on distrust of council financial management (n=4)	"Councils can't manage money as it is until you bring your reckless spending and ideas under control."
Support for growth charges limited to serviced urban areas(n=4)	"This must apply to city and town infrastructure only. I cannot apply to rural housing where the owner provides their own wastewater and water infrastructure."

5. GROWTH CHARGES FOR SECONDARY DWELLINGS

In the current residential growth charges proposal secondary minor dwellings (i.e. minor dwellings as ½ HUE)? If you have an alternative proposal, please explain.

We received 99 responses to this question.



We received 74 comments on this question. Top 5 themes from individual responses for growth charges to help fund growth related for secondary dwellings:



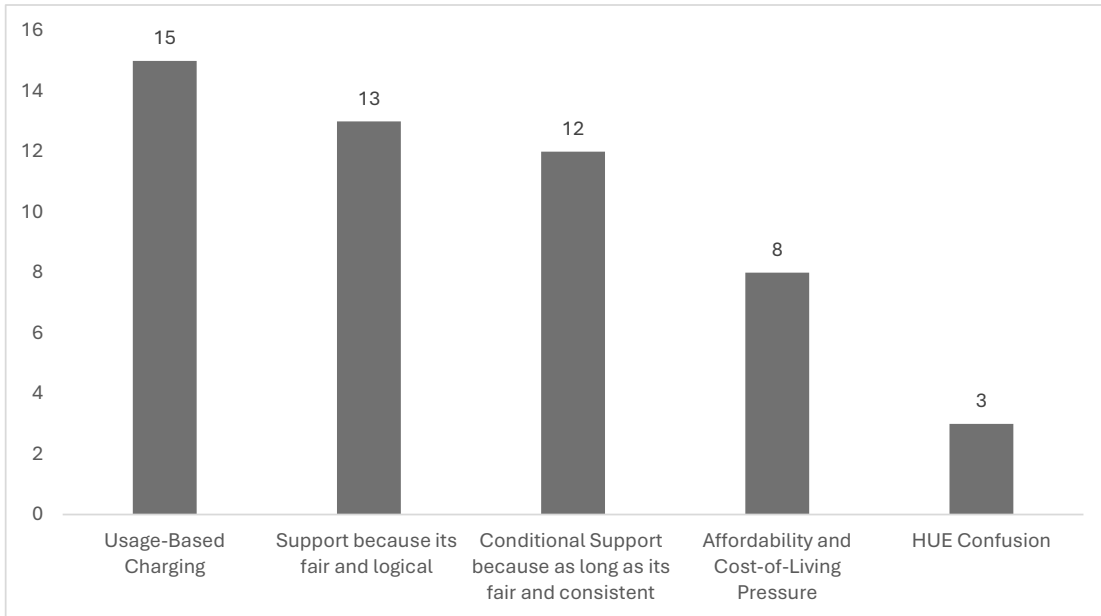
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Themes	Comments
Usage-based charging (n=15)	I believe growth charges should be based on actual use and demand, they need to be clear and well explained and remain affordable for households.
Conditional support because as long as it is fair and consistent (n=12)	"As long as it is applied fairly and reflects the real demand these dwellings place on infrastructure, I partially support treating secondary minor dwellings, such as granny flats, as ½ HUE. Such dwellings often used to support older family members or extended families and make better use of existing homes. They generally have less people living in them and place less demand on services than a full home. Charging policies should take this into consideration. The risk of not applying this fairly would discourage this housing option which can provide positive social and housing outcomes. A one-size-fits-all approach risks unfair outcomes it could also lead to the reduction in a housing option that currently provides positive social and housing options."
Support because its fair and logical (n=13)	"We support recognising that smaller dwellings generate lower infrastructure demand and therefore support the principle of reduced charging (½ HUE) for minor dwellings."
Affordability and cost-of-living pressure (n=8)	"The cost of living is already hard enough on the whole of NZ the ones that can't work and have valid reasons are trying to make ends meet already adding another cost will likely send us all into debt."



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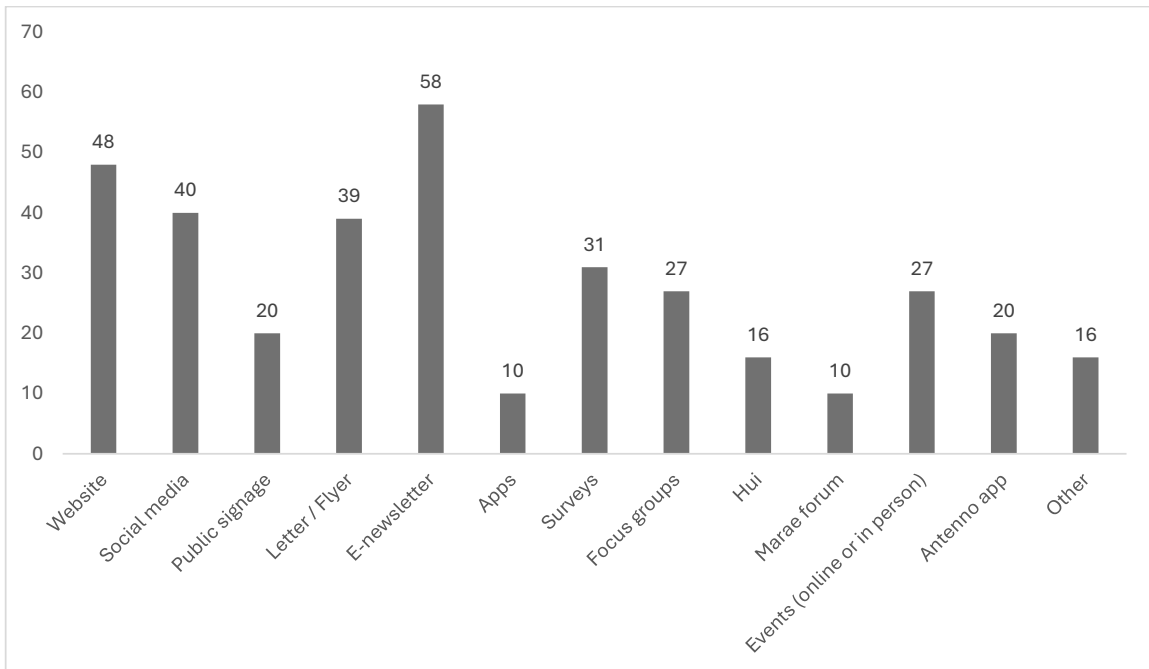


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6. ENGAGEMENT PREFERENCES

How would you prefer IAWAI engage you?

We received 103 responses to this question. Respondents could select more than one option.





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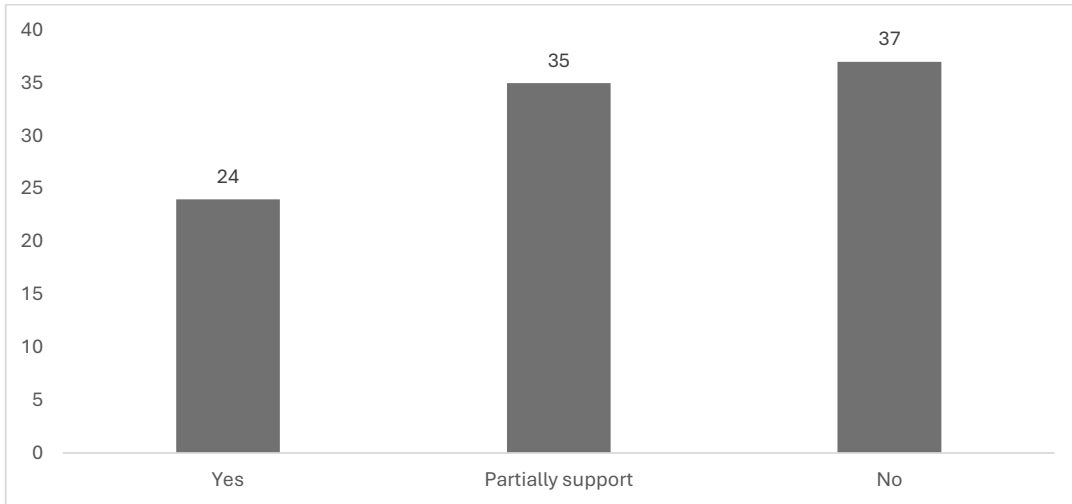


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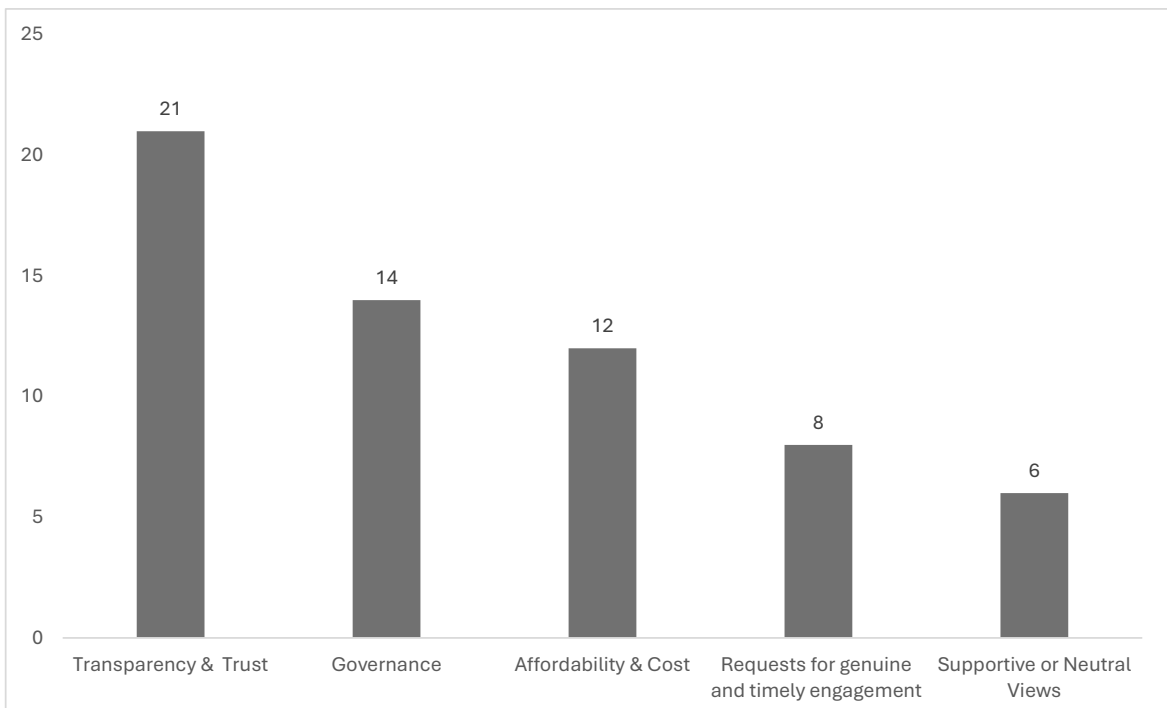
7. SIGNIFICANCE AND ENGAGEMENT POLICY

Do you support IAWAI's Significance and Engagement Policy?

We received 96 responses to this question.



We received 72 comments on this question. Top 5 themes from individual responses for significance and engagement policy:





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Themes	Comments
Transparency & trust (n=21)	The Significance and Engagement Policy is a critical framework for guiding how IAWAI determines the importance of decisions and the appropriate level of community engagement. I support its intent to provide clarity, consistency, and transparency in how engagement is approached across different types of decisions.”
Affordability & cost (n=12)	“what does it actually mean to a ratepayer and where have the figures come from?”.
Governance (n=14)	“This was never voted for”.
Requests for genuine and timely engagement (n=8)	“The Significance and engagement policy does not appear to deliver genuine early engagement, as the community is often informed after key decisions have already been made. In practice, this feels more like consultation on pre-determined outcomes rather than meaningful participation in shaping decisions. This approach reduces transparency, limits community influence, and undermines trust. The policy should require earlier, more open engagement with clear options presented so the community can genuinely contribute to decision-making”.
Supportive or neutral views (n=6)	“I support the policy. However, I don’t feel like I have seen a lot of it around.”



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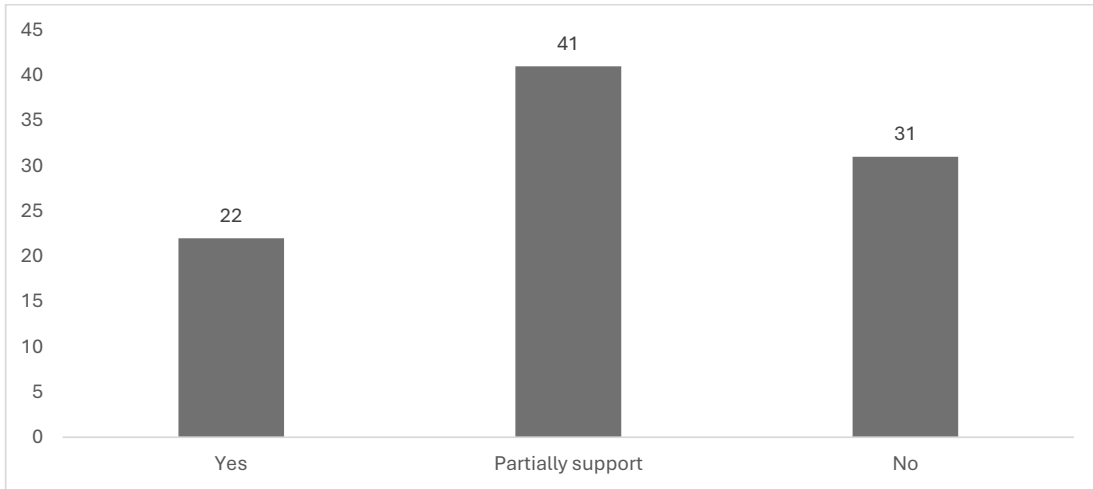


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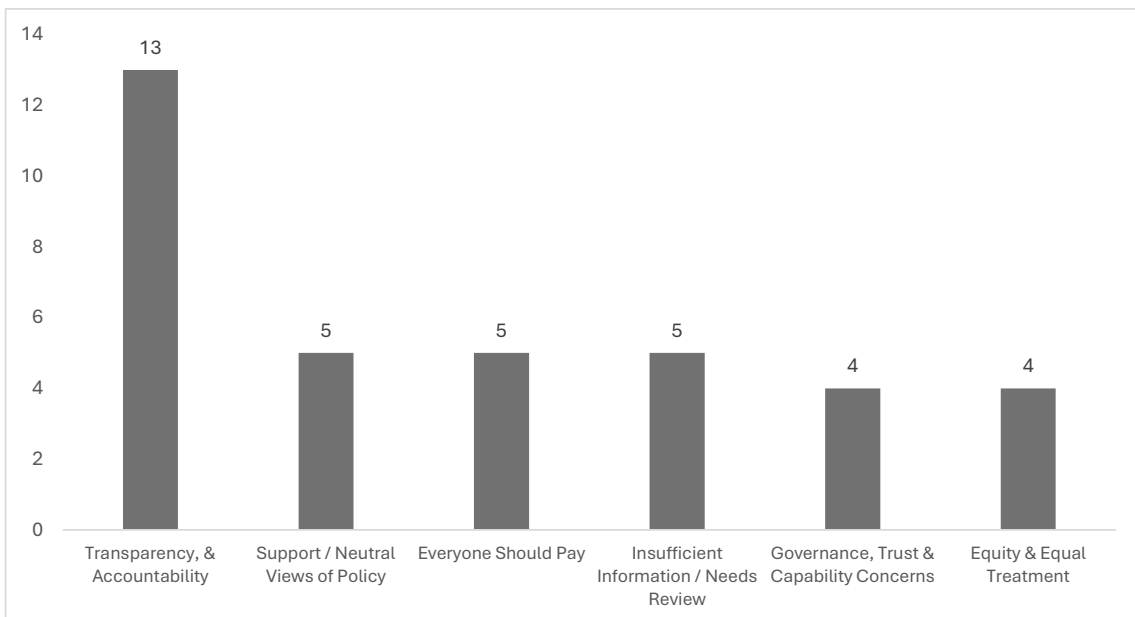
8. WAIVER POLICY

Do you support IAWAI'S Waiver Policy?

We received 94 responses to this question.



We received 64 comments on this question. Top 6 themes from individual responses for IAWAI's Waiver Policy:





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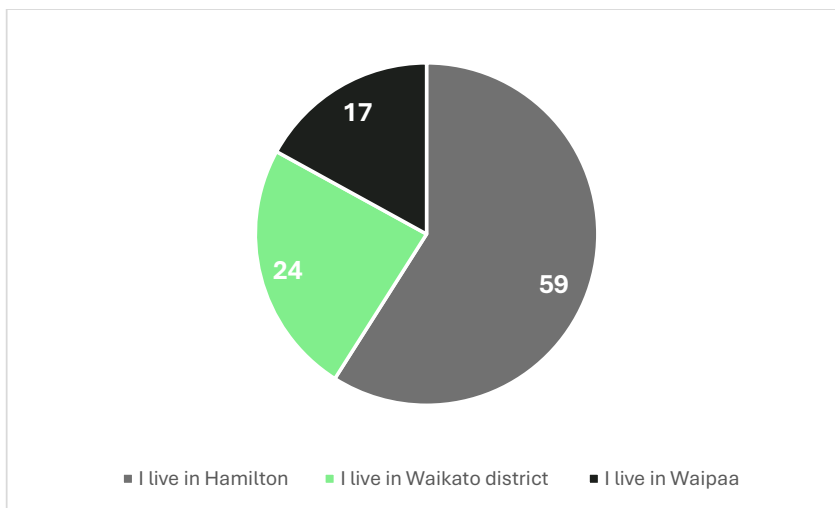
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Themes	Comments
The policy lacks transparency and clear criteria (n=13)	"As it stands the proposed waiver policy appears vague, lacks transparency and clear criteria, there is a risk that decisions will be made inconsistently and without public accountability."
Support / neutral views of policy (n=5)	"No - Fully support the waiver policy in the current format."
Everyone should pay (n=5)	"Usage is usage. There should be NO waivers."
Insufficient Information / needs review (n=5)	"Again, too hard to read and understand."
Governance, trust & capability concerns (n=4)	"Explain to the ratepayers do not hide them."
Equity & equal treatment (n=4)	"No household should be disadvantaged simply because they fall on one side of a council boundary rather than the other."

9. ABOUT THE RESPONDENTS

We received a total of 125 submissions – 104 from individuals and 19 representatives of organisations.

59 respondents were from Hamilton, 24 respondents from Waikato District and 17 from Waipaa.





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Appendix 2

Proposed Fees and Charges 2026/27

PRIVATE BAG 3010
HAMILTON 3240

260 ANGLESEA STREET
HAMILTON 3204

INFO@IAWAI.CO.NZ
HAMILTON.GOV.T.NZ/IAWAI

07 838 6699



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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.

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 proposed 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.



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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	Proposed 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 developer 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.



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Description	Units	Proposed 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



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Description	Units	Proposed 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.)		

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	Proposed 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



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4.2 Inspections and monitoring

Description	Units	Proposed 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



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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	Proposed 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	Proposed 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



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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	Unit	Proposed Charge 2026/27 per unit
Water capital contribution in Waikato District <i>(in addition to boundary connection costs)</i>		
20mm restricted water meter connection Te Ohaaki capital contribution	\$	\$20,859.00
Wastewater capital contribution in Waikato District <i>(in addition to boundary connection costs)</i>		
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	\$	\$2,6740.00 <u>\$26,740.00</u>
<i>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.</i>		



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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	Proposed Charge 2026/27 per unit
Water connections – Pookeno and Tuakau		
Water service connection and authorisation fee	per household equivalent unit (HEU)	\$12,720.00*
Wastewater connections – Pookeno and Tuakau		
Wastewater service connection and authorisation fee	per household equivalent unit (HEU)	\$12,720.00*
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 of trade waste that these businesses produce.

Tanker waste refers to liquid that is transported by vehicle for disposal.

7.1 Trade Waste and tanker waste application, inspection, independent monitoring, penalties and annual fees

These fees apply across all areas unless otherwise stated.

Description	Unit	Proposed Charge 2026/27 per unit
Application Fees		
<i>(Site inspection fees may also apply)</i>		
Conditional Consent including tanker waste (plus additional hourly rate for more than 6 hours time)	per application	\$829.00



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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 <i>(Costs of any independent monitoring (sampling and analysis) is recovered through a separate fee and charge)</i>		
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



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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 proposed to rise by 15% to reflect significant changes in the operating costs of treatment plants.

Description	Per unit	Proposed 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

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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
<i>Note: Tankered Waste may be declined at the discretion of IAWAI</i>		



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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 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 Non- residential development is assessed at one (1) HUE per 100 square meters of gross floor area.
- 8.3 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).
- 8.4 Multi-unit residential developments will be charged on the basis that each additional residential unit is equivalent to one (1) HUE.

~~8.5 For non-residential development the annual growth charges are calculated using the tiered structures based on each additional 100 m² of gross floor area as set out in the table below.~~

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.

~~Growth charges related to papakainga housing may be discounted or waived subject to negotiation, the specific context, and any prior agreements relating to servicing.~~

Although new papakainga 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 papakainga housing; and,
- b. The intent of the relevant shareholding Council's District Plan definitions.

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Description	Units	Proposed 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
Water supply – Non-residential growth charge first 100 m² (first HUE)	per HUE per year for 25 years	\$200.00
Water supply – Non-residential growth charge per additional 100 m² (for HUEs 2 to 50)	per HUE per year for 25 years	\$40.00
Water supply – Non-residential growth charge per additional 100 m² (for HUEs 51 and above)	per HUE per year for 25 years	\$20.00

Description	Units	Proposed Charge 2026/27 per unit
Wastewater growth charges – all areas		
Wastewater - Residential growth charge	per HUE per year for 25 years	\$300.00
Wastewater – Non-residential growth charge first 100 m² (first HUE)	per HUE per year for 25 years	\$300.00
Wastewater – Non-residential growth charge per additional 100 m² (for HUEs 2 to 50)	per HUE per year for 25 years	\$60.00
Wastewater – Non-residential growth charge per additional 100 m² (for HUEs 51 and above)	per HUE per year for 25 years	\$30.00



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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	Proposed 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	Proposed 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	Proposed 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



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Quarterly minimum charge unless otherwise stated - up to 60 m ³ (applies to customers that are invoiced quarterly)	per quarter	\$157.00
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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	Proposed 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

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 from water take points must first seek a permit from IAWAI to draw that water.

Description	Units	Proposed Charge 2026/27 per unit
Volumetric charges – IAWAI water take points		
Hamilton City water take point volumetric charge	per m ³	\$5.56



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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

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	Proposed 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



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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	Proposed 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



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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	Proposed 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



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10.2 Targeted wastewater charges – Waikato District

Description	Units	Proposed 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)	per additional pan per year	\$379.31
Additional fixed charge		
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)	per additional pan per year	\$189.39
Additional fixed charge		



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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	Proposed 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.



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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	Proposed 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	Proposed 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



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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	Proposed 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%
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%



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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	Proposed 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



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14. HOURLY RATES

The following rates apply for staff time spent in providing services on behalf of IAWAI.

Description	Units	Proposed 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



Proposed Waiver Policy 2026

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Policy Owner: IAWAI Chief Financial Officer

Date approved: TBC

Next review date: TBC

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 policies, 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 papakaaingā housing in the Waikato district and Hamilton City.](#)



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- 2. SCOPE** This policy applies to rating units within the combined Waikato District Council (WDC) and Hamilton City Council (HCC) territorial authority boundary areas.
- 2.2. Waivers included within this policy have separate conditions and criteria, dependent upon which territorial authority boundary area (WDC or HCC) the property is located.
- 2.3. 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.
- 2.4. This policy does not apply when water is supplied to an adjacent local authority area (not HCC or WDC) under a bulk supply arrangement.

3. 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.



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Rating Unit	Land that is treated as a single unit for the purpose of assessing and collecting local government rates.
Rates Remission	<p>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.</p> <p>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.</p>
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.

4. PRINCIPLES

4.1. 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



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5. WHEN CAN IAWAI WAIVE PENALTY CHARGES?

- 5.1. This policy enables IAWAI to consider requests to waive penalties added to unpaid water charges, under specific circumstances.
- 5.2. 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.

5.3. Penalty waivers (WDC area only):

- 5.4. These criteria apply only to water users within the Waikato District Council territorial authority boundary area.
- 5.5. 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.



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- 5.6. All applications for waiver of penalties must be in writing and must be made by the ratepayer of the rating unit concerned.
- 5.7. Penalty waivers (HCC area only):**
- 5.8. These criteria apply only to water charges for properties within the Hamilton City Council territorial authority boundary area.
- 5.9. 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.
- 5.10. A request for waiver of IAWAI penalties may be considered alongside the request for remission of Council rates penalties.
- 5.11. 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.
- 6. WHEN CAN EXCESS WATER CHARGES FROM AN UNDETECTED LEAK BE WAIVED?**
- 6.1. 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.
- 6.2. This policy enables IAWAI to consider requests for a waiver where excess metered water consumption can be attributed to an undetected water leak.
- 6.3. This provision applies only to:
- a. the property has a metered water connection, and charges are based on actual consumption; and,
 - b. an application for a waiver is received within six months of the leak being detected; and,
 - c. 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.



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- 6.4. 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
- 6.5. 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.
- 6.6. 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.
- 6.7. Method of determining excess water resulting from a leak**
- 6.8. 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.
- 6.9. 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.
- 6.10. Responsibilities of IAWAI and property owners and ratepayers**
- 6.11. 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.
- 6.12. 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.



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- 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.

6.13. Water leak waivers (WDC area only):

- 6.14. These conditions and criteria apply only to water users within the Waikato District Council territorial authority boundary area.
- 6.15. 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.
- 6.16. 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).
- 6.17. In extraordinary circumstances, non-domestic customers may be considered.
- 6.18. 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



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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

- 6.19. 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.
- 6.20. 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.
- 6.21. Water leak waivers (HCC area only):**
- 6.22. These conditions and criteria apply only to water users within the Hamilton City Council territorial authority boundary area.
- 6.23. 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.



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- 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.

7. IN WHAT OTHER SITUATIONS WOULD IAWAI CONSIDER WAIVING WATER CHARGES?

- 7.1. Water service entities are not bound by the Council rating rules set out in the Local Government (Rating) Act 2002.
- 7.2. 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.
- 7.3. 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.
- 7.4. 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.
- 7.5. **General waivers (WDC area only):**
 - WDC General Waiver 1: Subdivision Development Waiver**
 - 7.6. IAWAI will consider waiving water charges to facilitate subdivision development in the Waikato district.
 - 7.7. 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).
 - 7.8. 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.
 - 7.9. Each application will be considered on its merits, taking into account the following factors:



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- 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

7.10. 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).

7.11. 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.

7.12. General waivers (HCC area only):

HCC General Waiver 1: Change of use – Commercial to residential

7.13. 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.

7.14. 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.

7.15. 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,



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- 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.

7.16. 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

7.17. IAWAI will consider waiving water charges for community organisations operating retail shops.

7.18. 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.

7.19. The intention of this waiver is to facilitate the on-going provision of the community organisation and their services to the residents of Hamilton.

7.20. 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.

7.21. 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.



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- 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

- 7.22. 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.
- 7.23. 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.
- 7.24. 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.
- 7.25. 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

- 7.26. 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.
- 7.27. 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.
- 7.28. 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

- 7.29. For residential properties where an accidental fire renders the dwelling uninhabitable to the extent that demolition is required.
- 7.30. 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.
- 7.31. It applies only to the portion of the rating year in which the event occurred and does not extend beyond that year.
- 7.32. 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.
- 7.33. IAWAI may also require financial or other supporting documentation as part of the waiver assessment process.



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7.34. 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

7.35. 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.

7.36. IAWAI may waive up to 40% of water and wastewater charges in respect of the rating unit, where the application meets the following criteria:

7.37. 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.

7.38. 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.

7.39. Each application shall be determined on a case-by-case basis.

7.40. Applications must be received by 31 May to apply from the following 1 July, and must be submitted annually by the community organisation.



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8. GROWTH CHARGES FOR PAKAAINGA HOUSING

8.1. 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.

8.2. 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:

8.3. 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:

a. Legislation and national direction regarding the enablement of papakaainga housing; and,

a. The intent of the relevant shareholding Council's District Plan definitions.

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

8.5. The ongoing application and quantum of the annual waiver is subject to review under this policy.

9. DELEGATIONS

9.1. Decisions under this policy are delegated to authorised officers as set out in IAWAI's Delegations Policy.

10. REFERENCES

10.1. 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.



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- IAWAI - Flowing Waters Statement of Expectations.

DRAFT



Proposed Significance and Engagement Policy 2026

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Policy Owner: IAWAI Chief Executive

Date approved: TBC

Next review date: TBC

Document number: TBC

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.



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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: <ul style="list-style-type: none"> 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, —



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	<ul style="list-style-type: none"> 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	<p>As defined in the Act, for a water service provider—</p> <ul style="list-style-type: none"> a. means water services infrastructure or another asset or group of assets without which the provider is unable— <ul style="list-style-type: none"> 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'.



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- 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



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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.



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- 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);



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- 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).



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- 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.



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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 (Maori Partnerships) Strategy and Plan;
 - HCC He Pou Manawa Ora Strategy;
 - HCC Te Amorangi Maori Partnerships Strategy



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- 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.

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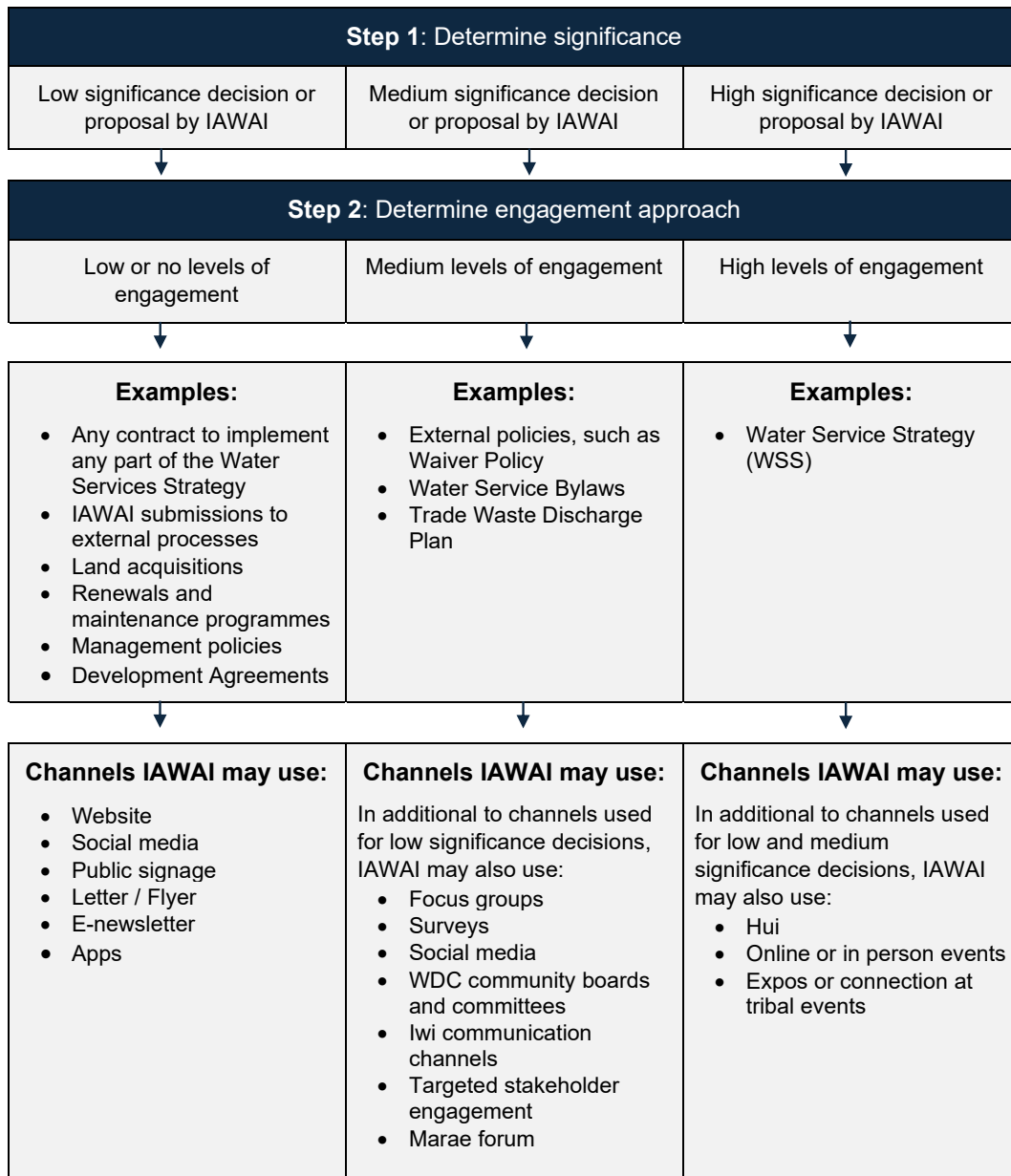
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ATTACHMENT 1:

Process to apply the Significance and Engagement Policy





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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 IAWAI’s 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.

Board meeting 07 05 2026

Public session

09 Growth Charges for IAWAI's Water Services Strategy

Prepared and recommended by: Matthew Bell

Approved by Nathan King, Chief Financial Officer

Purpose

1. To seek Board approval to introduce residential water supply and wastewater growth charges as part of IAWAI's Water Services Strategy; and outline the proposed scope, timing, and application of the residential growth charges.

Recommendations

2. That the Board:
 - a. Approves 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.
 - b. Confirms that water supply and wastewater growth charges for non-residential development are excluded from this Water Services Strategy, with the intention that these be considered for inclusion in the next review of the Water Services Strategy following further analysis and engagement.
 - c. Approves the inclusion of a waiver for residential growth charges for papakainga developments in the proposed Waiver Policy, and notes amendments made to the Waiver Policy attached to the paper considered at this meeting, titled **Water Services Strategy 2026-2036 Deliberations Report**.
 - d. Requests 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.

Key Points

3. Sustained population growth in Hamilton and Waikato has, for some time, driven significant investment in water and wastewater infrastructure. \$2,009m of IAWAI's

capital programme is forecast to fund growth. However, Development Contributions are only expected to generate \$478m, leaving a significant funding gap.

4. While this issue is not new, IAWAI has signalled its intent to move closer to a growth paying for growth approach where those customers who are generating the additional demand on the network pay their fair share. This approach will reduce cross-subsidisation by existing customers supporting long term financial sustainability and affordability.
5. During consultation on IAWAI's draft Water Services Strategy, IAWAI asked if customers supported this approach. A clear majority of respondents - 80 of 102 (78%) either supported or partially supported a growth-pays-for-growth approach. Some major developers expressed support for the growth charges. A number of substantive submissions, including one from the Property Council opposed the proposed growth charges and presented arguments relating to economic impacts and impacts on individual developments.
6. Feedback from one on one meetings with developers included concerns over the proposed non-residential growth charges, and in particular the extent to which they fairly reflect differences between wet industrial activities and warehousing or other low water use activities.
7. Based on this feedback, this paper sets out the recommended approach to growth-related water and wastewater charges, including scope, application, timing, and exclusions. Non-residential growth charges are proposed to be excluded at this stage, pending further analysis and consideration through the 2027–2037 Water Services Strategy.
8. It is recommended that, in the first instance, water and wastewater growth charges apply to new residential development that creates a net increase in demand, for consents lodged (or consent exempt) on or after 1 July 2026.
9. Charges will be annual fixed charges, applied over 25 years, and triggered when new demand on the network begins, rather than being front-loaded at subdivision stage. Development that is complete or nearing completion, together with network connection, is treated as the point at which new demand on the network begins.
10. For residential development, a simplified approach applies a total charge of \$500 per additional dwelling (including GST), comprising \$200 for water supply and \$300 for wastewater.
11. Clear signalling of the charge at the point of consent lodgement also allows property owners to make informed development and investment decisions, recognising that the charge will apply as a future, ongoing obligation.

12. Typically, new minor dwellings and secondary minor dwellings will incur residential growth charges. However, where a secondary minor dwelling is consent exempt under the relevant legislation, a reduced (half HUE) charge applies.
13. While the \$500 annual charge is not expected to fully address the growth-related funding gap, it is expected to make a meaningful contribution over time. The charge has been calibrated to be affordable for property owners, with costs spread over time to balance the growth pays for growth principle against affordability and housing supply impacts.
14. While the consultation also proposed non-residential growth charges, which was generally supported, there was some concern raised about ensuring that charges consider the differing types of business and industry, and the varying demands they may place on the network.
15. Further work is required to better understand the range of commercial and industrial uses and the differing demands these activities may place on the water and wastewater network.
16. Accordingly, it is recommended that non-residential growth charges be considered as part of the next review of the Water Services Strategy, following further analysis and engagement.

Background

17. Sustained population growth in Hamilton and Waikato has and is anticipated to continue to drive major infrastructure investment. Population across Hamilton and Waikato District is projected to increase by approximately 22% over the next decade, requiring substantial investment in headworks and trunk mains infrastructure.
18. Historically, growth has not fully paid for growth. While Development Contributions and private development agreements contribute toward new water and wastewater infrastructure, they have not recovered the full cost of growth-related investment. This reflects both timing differences between when infrastructure is provided and when growth occurs, and a range of policy and methodological factors. These include development contribution settings and caps applied from time to time by territorial authorities, differences between estimated and actual infrastructure and financing costs, and the requirement to apply the development contributions policy in force at the time applications are lodged rather than when development occurs. As a result, funding shortfalls have been met through increased debt and financing costs, which are ultimately borne by existing customers.
19. This approach raises two key issues:

- a. Equity - existing customers subsidize new development that does not improve their level of service.
 - b. Intergenerational fairness - today's customers are paying for long life infrastructure that will primarily benefit future users.
20. Without change, continued growth will exacerbate these pressures, placing increasing strain on affordability and long-term financial sustainability.
21. As a result, staff were requested to investigate options and technical requirements to enable growth charges to be developed and considered through consultation on the draft Water Services Strategy.

Consultation and feedback

22. IAWAI consulted on a "growth pays for growth" framework as part of the Draft 2026-2036 Water Services Strategy, including proposed water and wastewater growth charges for residential and non-residential development.
23. Overall support was strong, with 78% of submitters either supporting, or partially supporting this direction.
24. Support was strongest for applying growth charges to residential development, with submitters generally agreeing that additional demand should contribute more directly to the cost of growth-related infrastructure.
25. While non-residential growth charges were generally supported in principle, submitters raised concerns about how differing scales and types of commercial and industrial development place different demands on the network.
26. Further work is therefore recommended before implementing non-residential growth charges.
27. Feedback also sought clarity on:
- a. how growth charges interact with Development Contributions.
 - b. administrative simplicity and predictability; and
 - c. treatment of papakaainga and minor dwellings.
28. Submitters, including shareholder councils, also sought a waiver for papakaainga housing.

Recommended Response

29. In line with the proposal consulted on, and the support received, staff recommend proceeding with the proposed residential growth charges as follows:

- a. Water Supply Growth Charge of \$200 per year for 25 years for new residential development where a building consent, or equivalent consent exempt development pathway, is lodged on or after 1 July 2026; and
 - b. Wastewater Growth Charge of \$300 per year for 25 years for new residential development where a building consent, or equivalent consent exempt development pathway, is lodged on or after 1 July 2026.
30. Household Unit Equivalents (HUEs) are used as the basis for setting growth charges, with the number of HUEs determining the number of growth charges applied.
31. For the purposes of the residential growth charge:
- a. each new dwelling is treated as one HUE, regardless of the number of bedrooms.
 - b. each dwelling in a multi-unit development is treated as an individual HUE.
32. Each new dwelling of 70 m² or less that is consent exempt under the relevant legislation (for example, a secondary minor dwelling such as a granny flat) is treated as 0.5 of a Household Unit Equivalent (HUE).
33. Where redevelopment occurs, the growth charges apply only to the net increase in demand created by the development.
34. Water supply and wastewater growth charges may be applied independently, depending upon the services to which a property is connected.
35. A restricted water supply connection (such as a trickle feed) is not considered as a full water supply connection. Accordingly, water supply growth charges do not apply until a full water supply connection is established.
36. The application of growth charges aligns with the intent to progressively recover unfunded growth costs over time in a way that is fair, transparent, and administratively efficient.
37. Detail around the charging structure, application rules, penalties and examples are provided in **Attachment 1** of this document.

Papakaainga

38. Papakaainga is nationally recognised as supporting Maaori land use outcomes, improving housing affordability, and supporting cultural and social wellbeing. This is housing is developed on collectively held Maaori land subject to unique tenure and servicing constraints recognised in law.
39. Government policy and existing council settings, including Development Contribution remissions, already seek to reduce barriers and compliance costs for papakaainga development. Growth charges for papakaainga housing may therefore be discounted

or waived where consistent with Treaty settlement obligations, prior servicing agreements, or the land tenure conditions that apply to Maaori customary land, and subject to the specific context

40. Staff recommend inclusion of a waiver for residential growth charges for papakaainga developments within the Waiver Policy to reflect feedback received through formal submissions as well as direct stakeholder engagement, including specific consideration of papakaainga development.

Alignment with Te Ture Whaimana

41. The proposed growth charges are consistent with the outcomes and principles of Te Ture Whaimana o Te Awa o Waikato, particularly the emphasis on safeguarding the health and wellbeing of the Waikato River for present and future generations.
42. By ensuring that new growth contributes appropriately to the cost of water and wastewater infrastructure, the approach supports more sustainable infrastructure provision, reduces pressure on existing systems, and helps avoid deferred investment that could adversely affect environmental outcomes. This reinforces intergenerational equity and responsible stewardship, which are central to Te Ture Whaimana's vision.

Financial considerations

43. \$2,009m of IAWAI's capital programme is forecast to fund growth. However, Development Contributions are only expected to generate \$478m, leaving a significant funding gap.
44. This policy is forecast to generate \$39.5m over the 10-year period.
45. While this does not fully address the growth-related funding gap, it makes an important contribution. The charge has been calibrated to be affordable for property owners, with costs spread over time to balance the growth pays for growth principle against affordability and housing supply impacts.
46. Further work is required to consider other tools to move closer to growth paying for growth, including for non-residential properties as part of the wider review of pricing and charging for the next Water Services Strategy.

Legal considerations

47. The proposed charges are developed under the Local Government (Water Services) Act 2025 and relate directly to the costs incurred in providing water supply and wastewater services to new demand.

48. Consistent with the Act, the charges:

- a. apply only to properties receiving water supply and/or wastewater services from IAWAI;
- b. are intended to recover costs associated with growth-related infrastructure investment;
- c. are not calculated by reference to property values; and
- d. have been consulted on through the Water Services Strategy process.

49. Independent legal advice from Tompkins Wake confirms that the proposed growth charges are lawful and an appropriate charging mechanism under the Act.

Risks and Assurance

50. The introduction of residential growth charges may increase the cost of new housing and create perceptions of double-charging alongside Development Contributions. There is also some administrative and reputational risk associated with implementing a new charging regime.

51. These risks are mitigated by:

- limiting the application of growth charges only to net increases in demand;
- recovering costs over time rather than imposing upfront charges;
- aligning with charges with existing billing systems; and
- consulting on the proposed approach through the draft Water Services Strategy.

52. Independent legal advice confirms the proposed charges are lawful under the Local Government (Water Services) Act 2025.

Attachment 1 - Application of Residential Growth Charges

This attachment sets out how residential water supply and wastewater growth charges will be applied. Non-residential growth charges are not included at this stage.

Scope

Residential growth charges will apply to new residential building development that creates a net increase in demand on water supply and/or wastewater services:

- The Water Supply Growth Charge will apply to new residential buildings that are connected to the water supply network and for which a building consent is lodged on or after 1 July 2026,
- The Water Supply Growth Charge will also apply to new minor dwellings which are consent exempt¹ that are connected to the water supply network after 1 July 2026, and for which a network connection must be approved
- The Wastewater Growth Charge will apply to new residential buildings that are connected to the wastewater network and for which a building consent is lodged on or after 1 July 2026,
- The Wastewater Growth Charge will also apply to new minor dwellings which are consent exempt that are connected to the wastewater network after 1 July 2026, and for which a network connection must be approved.

Eligibility is determined by the date the relevant building consent is lodged, or in the case of new minor dwellings the date the relevant connection request is lodged. This is to ensure applicants are aware of the charges prior to, or at the time of, lodgement.

Charges and Duration

For residential development, the proposed annual charges per additional Household Unit Equivalent (HUE) are:

- Water Supply Growth Charge: \$200 per HUE per year (for 25 years)
- Wastewater Growth Charge: \$300 per HUE per year (for 25 years)
- Total: \$500 per HUE per year (including GST)

Once applied to a property, the charge remains fixed at its initial annual value for the full 25-year period. Charges applying to *future* new units of demand may be reviewed from

¹ *References to a consent-exempt development pathway capture secondary minor dwellings that do not require a building consent under current legislation (for example, detached minor dwellings of 70 m² or less), but for which a Project Information Memorandum (PIM) or other formal notification to the territorial authority is required. The term is also used to future-proof the policy should Central Government widen consent-exempt development pathways, so that growth charges continue to apply where new demand on the network is created.*

time to time as part of IAWAI's wider water and wastewater charging reviews and the setting of water charges.

Household Unit Equivalent (HUE) Approach

For residential development, a deliberately simplified HUE approach is used for administrative clarity and predictability:

- One HUE represents one dwelling, regardless of size or number of bedrooms.
- This is a policy choice for simplicity, not an assessment that all dwellings place equal demand on the network.

Application of HUEs

- Each new dwelling is treated as one HUE.
- Each dwelling in a multi-unit development is treated as an individual HUE.
- Where redevelopment occurs, charges apply only to the net increase in dwellings (net increase in HUEs).

For example: If one dwelling is demolished and two dwellings are built, charges apply to the net increase of one HUE, with each of the two new dwellings attributed half of the growth charge.

Secondary Minor Residential Dwellings

Recent legislative changes enable detached secondary minor dwellings of 70 m² or less (such as granny flats) to be consent exempt where they meet the requirements of the National Environmental Standard for Detached Minor Residential Units (NES-DMRU).

To reflect the generally lower demand created by these dwellings:

- Qualifying (consent exempt) secondary minor dwellings are treated as 0.5 HUE for growth charging purposes.

This results in an annual charge of:

- Water: \$100 per year
- Wastewater: \$150 per year
- Total: \$250 per year for 25 years

Net Increase in Demand

To maintain fairness and reinforce the growth pays for growth principle:

- Growth charges apply only where development creates additional demand on the water supply and/or wastewater network.
- Where redevelopment occurs, existing baseline demand is recognised, so charges apply only to the incremental increase, not to demand that already exists.
- In practice, this means that demolished or existing dwellings establish a baseline, and growth charges are applied only to any additional Household Unit Equivalents (HUEs) created by the development.

When Charges Are Applied

Charges are applied after construction, using completion of development and connection to the network as a practical proxy for when new demand on the network is expected to begin.

This aligns charging with:

- the point at which the development is capable of being used and serviced; and
- when the owner or occupier begins to benefit from growth-related infrastructure investment.

Trigger for Charging

For consents lodged on or after 1 July 2026, growth charges are intended to be triggered when a building is completed and ready for use. This may include whichever occurs first:

- issue of a Code Compliance Certificate (CCC);
- occupation or use of the building;
- addition of an improved value to the District Valuation Roll (DVR);
- another clear indicator that construction is substantially complete and demand has commenced.

Eligibility is determined by the consent or connection agreement (for consent exempt minor dwellings) lodgement date, while charging is triggered by the commencement of use, or an administrative proxy for that commencement.

Where secondary minor dwellings do not require a building consent, the addition of growth charges may instead be implemented when identified through processes such as a Project Information Memorandum (PIM) or similar mechanisms.

Administrative and Billing Arrangements

In the initial period, shareholding councils will apply and collect growth charges on IAWAI's behalf through existing rating and water billing systems.

This approach:

- leverages existing systems and workflows;
- supports timely implementation; and
- avoids unnecessary duplication of billing platforms.

Because systems and billing processes differ across councils, invoicing practices may vary initially. For example:

- If a charge commences part-way through a financial year, it may be invoiced for the remaining period via a separate invoice or included from the next instalment period.
- Where a separate invoice is issued initially, charges are intended to be incorporated into the council's combined rates and water invoicing from the start of the following financial year for the remainder of the 25-year term.
- In some cases, there may be a short timing gap between the commencement of demand and the first invoice being issued.

At a practical level, administration is expected to rely on existing datasets and processes, including:

- District Valuation Roll updates, and
- existing Development Contribution and HUE assessment processes.

Penalties for non-payment

Unpaid growth charges will be subject to the same penalty and recovery processes as other IAWAI water supply and wastewater charges, in line with shareholding council practices and IAWAI's Penalty Resolution.

Property changes

If a property was to change use or is significantly redeveloped during the charge period in a way that affects demand on water or wastewater services, the growth charge will be reassessed based on the new HUE count.

Where a growth charge already applies, any increase in demand will result in additional charges for the remaining years of the 25-year period. If demand permanently decreases due to further redevelopment, the charge may also be reassessed and reduced for the remainder of the charge period.

A change of ownership during the charge period does not reset or remove the growth charge. Any existing growth charge remains attached to the property, not the owner, and continues to apply for the remainder of the 25-year period. The new owner assumes

responsibility for any remaining charges, including any future adjustments if the use of the property changes.

Examples

These examples are illustrative and included to show how the residential growth charges will apply in practice.

Actual chargeable HUEs would be confirmed through the relevant council assessment processes.

Residential new development - 1 dwelling per rating unit:

Annual charge: \$200 water + \$300 wastewater = \$500 per year for 25 years.

Over 25 years: \$5,000 water + \$7,500 wastewater = \$12,500.

Residential new development - 4 dwellings per rating unit:

Annual charge: \$200 x 4 water + \$300 x 4 wastewater = \$2,000 per year for 25 years.

Total per dwelling charge over 25 years: \$5,000 water + \$7,500 wastewater = \$12,500

Total development charge over 25 years: \$20,000 water + \$30,000 wastewater = \$50,000.

Residential redevelopment - 1 dwelling replaced with 3 dwellings:

Net increase is 2 dwellings (2 x HUE). Charges apply only to the net increase, not the baseline dwelling but the charges apply to each of the three new dwellings as set out below.

Annual charge on net increase: \$200 x 2 water + \$300 x 2 wastewater = \$1,000 per year for 25 years.

Total per dwelling charge over 25 years: \$3,333 water + \$5,000 wastewater = \$8,333

Total development charge over 25 years: \$10,000 water + \$15,000 wastewater = \$25,000

Board meeting 07 05 2026

Public session

10 Conflict of Interest Management Policy

Prepared and recommended by Natasha Yarrall, Director Governance and CE Office

Approved by Peter Winder, Chief Executive Officer

Consulted with Waikato District Council and Hamilton City Council

Recommendation(s)

1. That the Board
 - a. Approves the IAWAI Board Directors Conflict of Interest Policy (Attachment 1)

Key points

2. Conflicts of interest involving Board Directors are unavoidable in IAWAI's operating environment and must be actively and transparently managed.
3. A formal Conflict of Interest Policy has been developed in response to good-practice guidance.
4. The Policy establishes clear requirements for disclosure, assessment, documentation, and proportionate management of conflicts.
5. Board approval is sought to formally adopt the policy and enable consistent implementation and assurance reporting.

Background

6. IAWAI is operating in a governance environment where specialist skills are required of Board Directors; the pool of suitably qualified directors is limited; and cross appointments and sector affiliations are common across the water and infrastructure sectors.
7. The IAWAI Forum has sought assurances regarding how conflicts of interest involving Board Directors would be proactively identified and managed. While Directors have been proactively registering Conflicts of Interest, Attachment 1 seeks approval to the specific policy around managing and mitigating conflicts.
8. While relevant legislation restricts certain appointments (for example, prohibiting Directors from being employees of shareholder councils), other overlapping roles are not expressly prohibited. Nevertheless, unmanaged conflicts, whether actual or perceived, pose reputational and governance risks that must be carefully addressed.
9. The Office of the Auditor General recognises that conflicts of interest are often unavoidable, particularly in small and interconnected sectors, and that the key issue is how well those conflicts are identified, documented, and managed.

The details

10. In line with best practice, IAWAI has developed a Conflict-of-Interest Policy for its Board of Directors (Attachment 1). This policy establishes a clear, structured process for managing conflicts.
11. The Policy:

- a. requires early and ongoing disclosure of interests by Directors;
 - b. maintains a formal Conflicts of Interest register with recorded risk assessments and mitigations;
 - c. applies meeting specific conflict management, including declarations against agenda items and targeted recusals where required;
 - d. assesses the seriousness of conflicts using Auditor General aligned criteria, including directness, significance, influence, and public perception;
 - e. establishes an on-going disclosure and approval process to ensure that IAWAI partners are satisfied that any significant new potential conflict can be managed before that conflict arises; and
 - f. applies proportionate, risk-based mitigation, rather than automatic exclusion.
12. The Policy aligns with the principles used across IAWAI for employee conflicts of interest, while recognising the role of Board Directors, in particular their legal obligations to act in the best interests of the company.
13. Through the Policy, the Board Chair (or Chair of Audit and Risk Committee – where the conflict relates to the Chair will provide ongoing assurance to the IAWAI Forum that conflicts of interest are:
- a. identified;
 - b. recorded;
 - c. assessed; and
 - d. managed in accordance with the adopted policy and good-practice guidance.
14. Any significant or systemic conflict risks, including those involving the Chair or senior governance roles, will be escalated to the IAWAI Forum for visibility.
15. Approval of the Policy will enable consistent application across Board activities and provide a clear basis for assurance reporting to the IAWAI Forum.

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

16. The Policy supports transparent, culturally informed decision making while appropriately managing situations where iwi organisations have a direct interest in Board decisions.

Financial Implications

17. There are no direct financial implications arising from approval of this Policy. Implementation will be managed within existing governance and secretariat resources.

Consultation

18. The Policy has been developed by IAWAI management, informed by Forum discussions and good-practice guidance.

Next steps

19. The Policy will be effective immediately.
20. Directors will complete updated declarations of interests.
21. The Chair will provide assurance reporting to the IAWAI Forum in accordance with the Policy.



Board Directors Conflict of Interest Management Policy 2026

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Policy Owner: IAWAI Board of Directors

Date approved: TBC

Next review date: TBC

Document number: TBC

Required by legislation:

1. PURPOSE

- 1.1 The purpose of this policy is to ensure that actual, potential, and perceived conflicts of interest involving the IAWAI Board Directors are identified early, transparently disclosed, appropriately assessed, and proportionately managed.
- 1.2 This policy supports:
 - a. integrity of Board decision making;
 - b. public, shareholder, and iwi confidence in governance; and
 - c. compliance with the Companies Act 1993 and good practice guidance issued by the Office of the Auditor-General.

2. SCOPE

- 2.1 This policy applies to:
 - a. all Directors of IAWAI – Flowing Waters Limited.
- 2.2 This policy does not apply to employees, who are subject to IAWAI's Conflict of Interest Management Policy for employees.

3. PRINCIPLES

- 3.1 This policy is intended to enable IAWAI to attract and retain high quality Directors while maintaining robust safeguards to protect governance integrity and public confidence.
- 3.2 IAWAI operates in an environment where Board Directors are required to have a particular set of skills and experience. At the same time New Zealand has a relatively small pool of professional directors with the required experience, and a highly interconnected local government community.
- 3.3 As a result, there is a likelihood that IAWAI Directors may hold governance roles across other water or infrastructure related organisations and/or have other



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professional, commercial, iwi, or sector affiliations that may give rise to perceived or potential conflicts.

- 3.4 The Local Government (Water Services) Act prohibits Directors from being employees of shareholder councils, however, it does not prohibit other overlapping appointments.
- 3.5 The Companies Act 1993 is clear that directors must not take improper advantage of their position, and they are legally required to act in the best interests of the company.
- 3.6 The reputational and governance risks arising from unmanaged conflicts remain significant and must be carefully addressed.
- 3.7 The Auditor General good practice guidance on managing conflicts of interest in public entities, recognises that in such environments:
 - a. having conflicts of interest is normal and often unavoidable, particularly in a small country; and
 - b. the critical issue is not the existence of a conflict, but how well the risks arising from it are identified, documented, and managed.
- 3.8 The management of conflicts of interest for Board Directors is guided by the same core integrity principles that underpin IAWAI's employee conflict of interest policy, adapted for the governance context and the statutory duties of directors.
- 3.9 IAWAI will apply the following principles to ethically identify and manage interests:
 - a. **Fairness and ethical conduct**
Conflicts are managed objectively and, in a manner, consistent with directors' fiduciary duties.
 - b. **Recognition of actual, potential, and perceived conflicts**
Perceived conflicts are treated with the same seriousness as actual conflicts, recognising the importance of public confidence.
 - c. **Early and ongoing disclosure**
Disclosure is a continuing obligation and must occur as soon as practicable.
 - d. **Acceptance that some conflicts are unavoidable**
Particularly in a constrained governance market, conflicts may be inherent and must be actively managed rather than avoided.
 - e. **Proportionate, risk-based management**
Mitigation measures are selected based on the seriousness of the conflict and the context of the decision.
 - f. **Individual responsibility supported by collective oversight**
Directors are responsible for disclosure; the Board is responsible for ensuring effective management.



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4. PROCEDURE – IDENTIFY, DECLARE AND MANAGE

- 4.1 A conflict of interest exists where a Director's duties to IAWAI conflict, or could reasonably be perceived to conflict, with another interest the Director has.
- 4.2 Conflicts may be:
 - a. Actual – the conflict currently exists;
 - b. Potential – the conflict could arise in the future; or
 - c. Perceived – a reasonable observer could consider the Director's independence to be compromised.
- 4.3 Conflicts may be financial or non-financial.

5. DISCLOSURE OBLIGATIONS

- 5.1 On appointment, each Director must complete a Declaration of Independence and Conflict of Interest, disclosing all relevant interests.

5.2 Ongoing Disclosure

- 5.2 Directors must:
 - a. disclose any new or changed interests as soon as practicable; and
 - b. review and update their declaration at least annually.

5.3 Potential Conflicts Arising from Possible New Interests

- 5.3 Where a director is considering a new appointment or interest that has the potential to create a significant actual or perceived conflict of interest (for instance a shareholding or directorship of a significant supplier to IAWAI), the director must:
 - a. disclose the possible new conflict of interest;
 - b. propose an approach to the successful management of the conflict of interest;
 - c. seek the approval of the IAWAI Forum for the management of the conflict of interest; and
 - d. if the IAWAI Forum approves the proposed management of the conflict of interest ensure that the necessary actions are taken to implement the management of the conflict; or
 - e. if the IAWAI Forum is not satisfied that the proposed management of the conflict of interest adequately protects IAWAI, either decline the appointment that would create the conflict of interest, or resign from their role as a Director of IAWAI.



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6. CONFLICTS OF INTEREST REGISTER

6.1 A Conflicts of Interest Register will be maintained by the Executive Director, Governance and Government Relations.

6.2 The register will:

- a. record disclosed interests;
 - b. categorise the conflict (actual, potential, perceived);
 - c. document the assessed risk level; and
 - d. record agreed mitigation actions.
- a. [letter bullet]
 - [sub bullet]

7. MEETING SPECIFIC CONFLICT MANAGEMENT

7.1 Before each Board meeting

- a. Executive Director Governance and Government Relations to review agenda and papers prior to papers being issued to determine if any likely conflicts could arise based on the agenda, proposed papers and the existing interests register. If concerns arise then discuss with, CE and Chair to resolve accordingly.

7.2 At each Board meeting:

- a. Directors must declare any interests relevant to agenda items. *For avoidance of doubt, even if listed on the Interests Register, directors/management must declare any conflicts relating to items on the agenda before the matter is discussed or as soon as the item is raised.*
- b. If a director considers that another person may have an undeclared conflict, then they may request an adjournment of the meeting to discuss this matter with the chair.
- c. The Board Chair is responsible for leading the initial assessment of whether a conflict exists and determining appropriate mitigation. Where the Chair has a conflict, or where there is disagreement, the matter will be determined by the non-conflicted Directors.
- d. The primary obligation to determine the appropriate next steps, and to direct the affected person accordingly, lies with the Directors.
- e. Declarations and agreed mitigations will be formally minuted; and
- f. In determining whether a conflict is present or not, Directors will consider:
 - Would a reasonably informed, objective observer infer from the circumstances that the director's professional judgement is likely to be compromised?



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- Am I able to fairly, impartially and objectively represent the interests of the organisation when making decisions without being influenced or impacted by my interest?

8. ASSESSING THE SERIOUSNESS OF A CONFLICT

- 8.1 Consistent with Auditor-General guidance, the seriousness of a conflict will be assessed by considering:
- a. how direct the overlap is between the interests;
 - b. the significance of the decision;
 - c. the extent of the Director's influence;
 - d. whether the interest is financial or non financial; and
 - e. public and stakeholder perception.

9. MITIGATION OPTIONS

- 9.1 Based on the assessment of the conflict of interest, mitigation measures will be proportionate to the assessed risk and may include:
- a. no further action (where overlap is minimal);
 - b. disclosure only;
 - c. restricted participation in discussion;
 - d. abstention from voting;
 - e. exclusion from specific agenda items or committees; or
 - f. relinquishment of an external role / declining an appointment to an external role (in rare cases).
- 9.2 Directors must not use or disclose confidential or non-public information obtained through their role with IAWAI for the benefit of any other organisation or role. This obligation applies during and after a Director's tenure.
- 9.3 Mitigation decisions will be documented in the register and meeting minutes.

10. CHAIR SPECIFIC CONFLICTS

- 10.1 Where the Chair has a conflict of interest:
- a. responsibility for managing the conflict and relevant agenda items will be delegated to Chair of Audit and Risk (or another Director as specified);
 - b. the conflict will be clearly recorded; and



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- c. enhanced transparency and review may be required where the risk is assessed as high.

11. COLLABORATION AND SHARED INTEREST ENVIRONMENTS

11.1 Although IAWAI operates within a collaborative sector environment, shared objectives do not remove conflict-of-interest considerations. Conflict management focuses on:

- a. Decision specific impacts;
- b. allocation of benefits, costs, or risks;
- c. information stewardship; and
- d. accountability and public perception.

11.2 Participation or recusal will be determined on a case-by-case basis.

12. TRANSPARENCY, ASSURANCE, AND REVIEW

12.1 This policy will be reviewed at least every two years, or earlier where material changes occur in governance arrangements, legislation, or risk profile.

12.2 The Board Chair will provide assurance to the IAWAI Forum that conflicts are:

- a. identified;
- b. recorded;
- c. assessed; and
- d. managed in line with good practice.

12.3 Significant or systemic conflict risks, including conflicts assessed as high risk, or involving the Chair or Chief Executive, will be explicitly noted in assurance reporting to the IAWAI Forum.

13. BREACHES

13.1 Failure to disclose or appropriately manage a conflict of interest may constitute a breach of this policy and may result in Shareholder or Board action, including reconsideration of committee roles or directorship.

14. RELATED DOCUMENTS

- a. Declaration of Independence and Conflict of Interest (Directors)



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- b. IAWAI Conflict of Interest Management Policy (Employees)
- c. Companies Act 1993
- d. Office of the Auditor-General – Managing Conflicts of Interest
- e. A Conflicts of Interest Register will be maintained by the Executive Director, Governance and Government Relations.



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DECLARATION OF INDEPENDENCE AND ANY CONFLICT OF INTERESTS

In signing the above, I declare that to the best of my knowledge (having taken all reasonable care to ensure that this is the case), the information provided in this form is true and complete.

<p>(a) Please set out the details of any matter that may, or may be perceived to, affect your independence as a director of IAWAI – Flowing Waters Limited (Company).</p> <p><i>Considerations that are relevant to determining your status as an independent director include whether you:</i></p> <ul style="list-style-type: none"> (i) <i>Are an officer of, or otherwise associated directly with, Hamilton City Council, Waikato District Council and/or Waikato-Tainui (each an Appointer and together, the Appointers);</i> (ii) <i>Are employed or have previously been employed in an executive capacity by any of the Appointers, and there has not been a period of at least three years between ceasing such employment and serving as an officer;</i> (iii) <i>Are currently, or have within the last three years been, a principal of a material professional adviser or a material consultant to the Company or the Appointers, or an employee materially associated with the service provided;</i> (iv) <i>Are currently, or have within the last three years been, a material supplier or customer or otherwise associated directly or indirectly with a material supplier or customer;</i> (v) <i>Have a material contractual relationship with the Company or the Appointers other than as a director; or</i> (vi) <i>Have close family ties with anyone in the categories listed above.</i> 	
<p>(b) Please describe any actual or potential conflicts which you have, including any contracts with the Company or the Appointers, which have not already been described above.</p>	

Board meeting 07 05 2026

Public session

11 IAWAI Alternate Representation on the Future Proof Implementation Committee

Prepared and recommended by Natasha Yarrall, Director Governance and CE Office

Approved by Peter Winder, Chief Executive Officer

Recommendation(s)

1. That the Board
 - a. approves 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.

Key points

2. Board Chair, Kevin Lavery, is the appointed non-voting member representing IAWAI on the Future Proof Implementation Committee.
3. The IAWAI Chief Executive currently attends meetings but is not a formally appointed alternate to the Board Chair.
4. Future Proof has advised that any formal alternate member must be officially appointed by the IAWAI Board.
5. This paper seeks approval to formally delegate the IAWAI Chief Executive as alternate to ensure continuity of representation.

Background

6. Future Proof is the joint spatial planning programme for the Waikato, bringing together partner councils, iwi and other agencies to coordinate long-term land use, infrastructure and growth planning. IAWAI participates as a partner where outcomes intersect.
7. Board Chair, Kevin Lavery has been appointed as IAWAI's non-voting representative on the Future Proof Implementation Committee. The IAWAI Chief Executive currently attends meetings in a Chief Executive capacity; however, this role is informal, subject to the Chair's discretion, and does not constitute a recognised alternate appointment.
8. Future Proof has confirmed that a formal alternate must be appointed by the IAWAI Board.

The details

9. Appointing the IAWAI Chief Executive as the formal alternate for the Board Chair will:
 - a. provide continuity of IAWAI representation when the Chair is unavailable;

- b. clarify IAWAI's governance role and participation rights at the Future Proof table;
and
- c. support informed contribution through IAWAI's participation
- d. build on the Chief Executive's in depth understanding of Future Proof developed during his term as the Implementation Advisor for the Future Proof Partnership.

10. No other alternates are proposed.

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

11. This proposal supports effective participation in collaborative regional planning and enables IAWAI to continue contributing to decision-making in a manner consistent with its statutory and partnership obligations.

Financial Implications

12. There are no financial implications associated with this proposal.

Consultation

13. This recommendation reflects discussions with Future Proof representatives regarding committee membership and alternate arrangements.

Next steps

14. This recommendation reflects discussions with Future Proof representatives regarding committee membership and alternate arrangements.

Board meeting 07 05 2026

Public session

12 Appointment of Account Owners and Signing Authority

Prepared and recommended by Natasha Yarrall, Director Governance and CE Office

Approved by Peter Winder, Chief Executive Officer

Recommendation(s)

1. That the Board
 - a. Approve the appointment of the following officers as authorised account owners for all IAWAI – Flowing Waters Limited (IAWAI) bank accounts:
 - i. Peter Winder – Chief Executive (CEO)
 - ii. Nathan King – Chief Financial Officer (CFO)
 - b. Approve that Peter Winder and Nathan King have signing authority on IAWAI bank accounts, in accordance with any applicable bank mandate and internal financial delegations.
 - c. Authorise any one Director to sign and provide this resolution, together with the completed Authority of Account (AOA) form, to IAWAI's banking provider to give effect to this decision.

Key points

2. In order to support effective financial management and meet the bank's requirements, the Chief Executive Officer and Chief Financial Officer are required to be established as authorised account owners with signing authority.
3. The bank has advised that a formal Directors' Resolution is required to accompany the Authority of Account (AOA) form.
4. This resolution confirms the Board's approval that CEO Peter Winder and CFO Nathan King should be set up as authorised account owners for all IAWAI bank accounts, and have signing authority on IAWAI bank accounts, in accordance with any applicable bank mandate and internal financial delegations.

Certified as a true and correct resolution of the Board

5. Signature: _____
Name: _____
Title: Board Chair / Director
Date: _____

13 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	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