



New waters growth charges from 1 July 2026

What are the waters growth charges?

The waters growth charges are new charges for water and wastewater infrastructure needed to support growth. They help ensure new development contributes to the cost of the infrastructure it requires, rather than those costs being met by existing ratepayers.

How much are the charges?

The combined waters growth charge consists of a Water Supply Growth Charge of \$200 per year and a Wastewater Growth Charge of \$300 per year, per dwelling, for new residential builds consented on or after 1 July 2026. Combined, the charge is \$500 for a new dwelling.

If the development is a secondary minor dwelling, such as a granny flat, and where a building consent is not required, half water and wastewater growth charges (\$250 combined) will apply.

The charges will be applied to the property as an ongoing annual charge for 25 years from the time building is complete and connected to the network. If a property is only connected to either the water supply or wastewater network, only the relevant portion of the growth charges will apply.

Why are these charges being introduced?

The charges are being introduced to ensure growth pays for the infrastructure it creates. This reduces the cost burden on existing ratepayers and supports a more sustainable and affordable system over time.

When do the charges apply?

The charges apply to residential building consents lodged on or after 1 July 2026.

The lodgement date determines whether the development is eligible for the charges.

The charges are then triggered once the development is complete or near completion. This may include when:

- a Code Compliance Certificate (CCC) is issued
- the property is occupied or connected to services
- updated valuations confirm the development is complete.

Once triggered, the charges are applied annually over 25 years as part of ongoing water charges.

How are the charges applied in practice?

Once a building consent is issued, the property is tracked through the valuation process. When the development is complete or near completion, updated valuations are reviewed to confirm:

- that the work relates to the consent
- the consent lodgement date

- any increase in dwelling numbers.

The growth charges are then applied based on the additional demand created.

When do I know if my development will be charged?

You can determine whether your development will be charged based on the building consent lodgement date. If your consent is lodged on or after 1 July 2026, the development will be eligible for the growth charges. The charges will not be applied until the development is complete or near completion.

Do the combined water charges apply to all building work?

No. The charges do not apply to replacement builds (for example, rebuilding an existing home) or to alterations and extensions that do not increase demand. Where a site is redeveloped, the charges apply only to the net increase in demand, such as when additional dwellings are added. Standard dwelling extensions do not trigger the charges. However, if an extension effectively creates a separate, self-contained dwelling, it may be treated as an additional dwelling and incur charges.

How is 'net increase in demand' measured?

Net increase in demand is based on the number of dwellings (or units) on a site before and after development. Each dwelling is treated as one unit of demand, whether it is standalone or part of a multi-unit development (for example, a duplex counts as two dwellings). The waters growth charges apply only to the additional demand created. For example:

- If one dwelling is replaced with one new dwelling, no growth charges apply.
- If one dwelling is replaced with two dwellings, the charges apply to the additional dwelling.

Each additional dwelling results in one combined growth charge being applied. This ensures that existing demand is recognised, and only additional demand created by development is charged.

Does this apply to multi-unit developments?

Yes. Each dwelling within a multi-unit residential development is treated as a separate unit of demand.

How are growth charges applied when a property is redeveloped into multiple units?

Growth charges are based on the net increase in dwellings. For example, if one existing dwelling is demolished and four new units are built, this represents a net increase of three dwellings. As a result, three growth charges apply. Where the new units are on separate titles (separate rating units), the intention is to apply the charges as transparently and fairly as possible. If it is not practical to identify which unit represents the original dwelling, the total value of the three growth charges will be apportioned evenly across all four units.

What happens if a property is subdivided after growth charges have already been applied?

If a property is subdivided or unit titles are created after growth charges have been applied, the total value of those existing charges does not change.

Instead, the remaining growth charge is allocated across the newly created rating units. This ensures the charges continue to apply in a way that is transparent and fair, with each unit carrying a proportionate share of the original charge.

Is this the same as Development Contributions?

No. The water and wastewater growth charges are separate from and additional to, development contributions. Not all long-term costs associated with new development are currently funded through existing mechanisms (including development contributions). These unfunded costs include future expansion, renewal, and operational impacts resulting from increased demand on water and wastewater systems. As a result, a portion of growth-related costs has previously been met through borrowing and general water charges.

Can I pay the charges upfront?

No. The charges are applied as an annual cost over 25 years and cannot be paid off in a lump sum.

What happens if I sell my property?

The charges stay with the property. If the property is sold, the remaining payments transfer to the new owner, for the remainder of the original 25-year period.

Once applied, will the amount of the charges change over time?

No. The combined annual growth charge is fixed for the full 25-year period for that property.

What happens if the property is redeveloped again?

If a property is redeveloped in a way that changes demand during the 25-year period, the growth charges may be reassessed to reflect the new level of demand.

Are there any exceptions?

The charges do not apply to non-residential developments in 2026/27. It also does not apply to qualifying papakaainga housing in the first year. These settings will be reviewed through future planning and consultation.

Are there other changes to water charges?

Yes. Alongside the water growth charges, IAWAI has introduced more consistent fees for water-related services such as connections and advising on consents across Hamilton City and Waikato District Councils. These changes are aimed at improving transparency and ensuring customers are charged consistently for the same service, regardless of location. You may see Councils passing on these charges to customers where they apply.

Where can I find more information?

Contact your Council if you have questions about your specific situation.