

# I A W A I

An aerial photograph of a town and its surrounding landscape. The town is visible in the upper middle section, with a dense cluster of buildings and a road leading through it. The foreground and middle ground are dominated by large, green agricultural fields, some of which are divided into smaller plots. A river flows along the right side of the image, bordered by trees and vegetation. The sky is clear and blue, and the overall scene is bright and sunny.

# Six monthly report

1 JULY  
2025  
-  
31 DEC  
2025

HAMILTON  
CITY COUNCIL  
WAIKATO  
DISTRICT COUNCIL  
WAIKATO -TAINUI

Everything we do  
relies on water.

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

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

Water is the backbone  
of our communities and  
civic infrastructure.

Life runs on water.

Our job is to keep  
that water flowing.



## "I AM CONFIDENT IN THE PATH WE ARE SHAPING TOGETHER"

### HE KUPU NAA TE HEAMANA ME TE TUMU WHAKARAE O IAWAI

### From our Chairperson and Chief Executive

Nau mai, haere mai

Thank you for taking the time to read IAWAI's first six-monthly report.

IAWAI was created by Hamilton City Council and Waikato District Council on 1 July 2025, in response to the Government's Local Water Done Well reform, and the need to take a different approach to water services delivery.

We have a huge task ahead. There's no single fix for the challenges the water industry faces. Growth pressures, ageing infrastructure, environmental compliance and cost pressures are deeply connected. IAWAI creates the opportunity to do things differently. How we respond must be realistic, fair and financially sustainable.

In the pages that follow, you will read about IAWAI's immediate focus on establishing strong governance for IAWAI, setting a clear strategic direction, advancing key transformational projects across the network.

A big focus over the past 6 months has been preparing for the responsibility we will take on from 1 July 2026, when we become responsible for planning, building, managing and maintaining drinking water and wastewater services for communities across Hamilton city and the Waikato district, and managing stormwater for each Council.

Our work is guided by a clear set of expectations developed jointly by our shareholder councils and Waikato-Tainui.

The pace is fast. The momentum is growing. I am confident in the path we are shaping together, one built on collaboration, transparency, and a long-term commitment to the health and wellbeing of our people and our awa.

This report reflects the collective effort of many, and the steady progress we are making.

Ngaa mihi nui,

Peter Winder

**CHAIRPERSON AND CHIEF EXECUTIVE**



**“OVER TIME, IAWAI  
WILL DELIVER WATERS  
SERVICES FASTER, MORE  
COST-EFFECTIVELY AND  
MORE AFFORDABLY FOR  
THE PEOPLE WE SERVE.”**

## Our Activities and Achievements

The period 1 July 2025 to 31 December 2025 has been busy, with a mixture of getting the team into place, and strategic planning on what the future for IAWAI looks like.

### Establishing strong Governance

In June 2025, shareholder Councils together with Waikato-Tainui appointed three Directors to the establishment Board.

The Board has come up to speed quickly on issues through a regular series of engagements:

- **5 Establishment Board meetings** publicly broadcast [here](#).
- **16 informal workshops** – focused on understanding IAWAI's business, framing strategic choices, and the choices we have in tackling major issues going forward.
- **Ongoing engagements** with Elected Members, Waikato – Tainui representatives, stakeholders and staff to seek advice and test our thinking
- **Site tours of existing infrastructure** major projects and growth areas across Hamilton City and Waikato District.

### The IAWAI Board

The Board provides independent and strategic governance for water service delivery. It ensures financial sustainability, regulatory compliance, and alignment with the expectations of our shareholding councils

The Board also oversees planning, risk management, and stakeholder engagement, while remaining accountable to the public, our shareholder councils and Waikato-Tainui

Shareholders will appoint remaining members of the Board to commence from 1 July 2026.



## Water Services Strategy

A key expectation from shareholders is the development of IAWA's Water Services Strategy.

IAWA is on track to sign off our draft Water Services Strategy by the end of February 2026. This will then go through formal consultation with each Council and the wider public.

A key focus for the Board has been finding the right balance between setting water charges as low as possible, having prudent levels of debt, and at the same time delivering a capital works programme that removes existing compliance issues, responds to growth, and delivers the necessary investment in renewals.

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

The Board is committed to taking a more commercially minded approach to align costs with revenue. This includes moving closer to the principle that growth pays for growth, reviewing major accounts, and looking at how we achieve long term financial sustainability.

There will be a big focus on boosting renewals, right sizing the capital programme to ensure it is deliverable and looking at the best approach to fund depreciation.

Given the evolving nature of the water services regulatory environment, we will need to do a full 10-year update of the water services strategy next year (2027/28).

The draft strategy will be submitted to shareholder Councils by 1 March 2026, ahead of consultation with the community.

# Together, we'll keep it flowing

## Day One Structure

While a small team of staff are already supporting IAWAI, waters staff from Hamilton City Council and Waikato District Council will transfer from 1 July 2026. A focus for IAWAI has been confirming IAWAI's organisational structure to give staff certainty.

Key leadership roles recruited, or with recruitment underway include a Chief Executive, Chief Financial Officer, Chief Digital Officer, and Pou Aronui.

## Digital Partnerships

IAWAI is working with Tauranga and Western Bay of Plenty to procure a common digital platform for water services under an agreed digital partnership.

This work is progressing well and is evidence of collaborative working.

## Transferred Projects

While IAWAI won't be operating the network until 1 July 2026, responsibility for a number of transformational projects was transferred to IAWAI to enable IAWAI to plan and leverage the benefits of working across boundaries.

### Treatment plants

Planning for major upgrades to Hamilton's only wastewater treatment plant in Pukete to increase capacity, performance and resilience is well advanced, with contracts expected to be awarded in February 2026. The upgrade of Pukete will be one of IAWAI's single largest spends, and will support significant future population growth, improve environmental outcomes, and will be a step towards our first sub-regional plant.

Upgrades to the Huntly and Ngaaruwaahia Wastewater Treatment Plants to bring these into compliance and support future growth is also progressing well. Contracts to design and build are also expected to be awarded in February 2026.

A preferred site has been selected for a new, Southern Wastewater Treatment Plant. The Plant will be built to modern standards, and in stages to support growing communities, it will treat wastewater, reduce pressure on Pukete, and enable new housing and business growth while protecting the Waikato River.

### Reservoirs

IAWAI is on track to deliver on Hamilton City Council's contract with the Government to build a 25 million litre reservoir for central Hamilton by 2028.

This will improve water supply resilience including firefighting capacity, support long-term city growth, and enable around 4000 new homes in the city centre.

New reservoirs, pump station and large water pipes to improve water supply reliability are also a key priority. The Hilcrest Reservoir project will reduce water loss, improve efficiency, strengthen resilience to demand changes, and create capacity to support future growth, including the University of Waikato's needs for the new priority Medical School.

### Planning to reducing capacity constraints

Decades of underinvestment in infrastructure, coupled with faster than ever growth, has left areas of Hamilton City and Waikato District constrained.

Joined up with Councils, IAWAI is developing at pace plans for the partnerships and infrastructure required to support greater servicing capacity across parts of the network. This will take time, but there are some exciting partnership opportunities. Keep an eye out to hear more on this.

### Residential water metering

IAWAI has taken its first step toward exploring the benefits of residential water metering

IAWAI has commenced a water meter pilot, with 200 households onBoard. This is all about testing and learning before any Hamilton city-wide rollout. We'll be trialling multiple meters and software options in Hamilton East – chosen for its tricky mix of copper pipes, trees, and aging infrastructure. The pilot also includes 23 commercial properties and 27 households in Te Akau – chosen to test the technology in a rural setting.

# Growth is thirsty

## The future of our network

As IAWAI looks at the future, one of the benefits that can be achieved is the ability to manage water takes and discharges over a longer stretch of the Waikato River, leading to more effective control and mitigation of environmental impacts.

IAWAI is rebuilding its capital programme to make the most of the opportunities that exist from a single, joined up network.

The priority for the next six months is to finalise the Water Services Strategy, to ensure a clear direction of effort for IAWAI going forward. Community consultation on the strategy is expected in March 2026.

IAWAI's service area is extensive, covering both the Waikato District and Hamilton City. We significant challenges related to growth, compliance, renewal of aging infrastructure, and resilience. Addressing these challenges will require substantial investment in three waters infrastructure over the next 10 years and beyond.

The first few years will be critical to building IAWAI with our customers at the heart of everything we do. Our goal is to maintain a seamless service experience throughout this journey, guided by a consistent focus on our strategic outcomes and objectives.



## Financial statements

A detailed budget for the 2025/26 financial year was prepared and approved by shareholder councils on 29 May 2025, reflecting the full establishment work programme across both councils.

The total cost to establish IAWAI for the 2025/26 financial year is budgeted at \$7.35 million. The budget also anticipates operating costs in the first year (2025/26) of \$3.95 million.

Costs are debt-funded by Hamilton City Council and the debt will then be transferred to IAWAI as part of the transaction to transfer waters assets, liabilities, and staff (i.e. the net deficit shown in this report will become part of the waters related debt that IAWAI takes on through the transfer).

These financial reports show operating budget costs incurred by IAWAI only. Other costs will be on-charged to IAWAI as part of the transfer on 1 July 2026.

# Statement of Comprehensive Income and Expense

	2025	2024
Revenue	\$0	\$0
Water charges	-	-
Fees & charges	30	-
<b>Total operating revenue</b>	<b>30</b>	<b>-</b>
Capital revenue	-	-
Development and Capital contributions	-	-
Vested assets	-	-
<b>Total capital funding</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>	<b>30</b>	<b>-</b>
<b>Expenses</b>		
Personnel costs	193	-
Operating & maintenance costs	462	-
Professional costs	256	-
Administration and Property costs	28	-
<b>Total direct expenses</b>	<b>940</b>	<b>-</b>
Net financing costs	-	-
Depreciation and Amortisation	-	-
<b>Total Expenditure</b>	<b>940</b>	<b>-</b>
<b>Net Surplus / (Deficit)</b>	<b>(910)</b>	<b>-</b>

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2025 (UNAUDITED)

# Statement of Financial Position

	2025	2024
	\$'000	\$'000
<b>Current assests</b>		
Cash & cash equivalents	-	-
Receivables	15	-
Other current assets	-	-
<b>Total current assets</b>	<b>15</b>	<b>-</b>
<b>Non-current assests</b>		
Property plant and equipment	-	-
Investment property	-	-
Other non-current assets	-	-
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>15</b>	<b>-</b>
<b>Current liabilities</b>		
Payables and deferred revenue	253	-
Employee entitlements and provisions	25	-
<b>Total current liabilities</b>	<b>278</b>	<b>-</b>
<b>Non-current liabilities</b>		
Borrowings	647	-
Other liabilities	-	-
<b>Total non-current liabilities</b>	<b>674</b>	<b>-</b>
<b>Total liabilities</b>	<b>925</b>	<b>-</b>
<b>Net assets</b>	<b>(910)</b>	
<b>Equity</b>		
Share capital	-	-
Retained earnings	(910)	-
Revaluation reserves	-	-
<b>Total equity</b>	<b>(910)</b>	<b>-</b>

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2025 (UNAUDITED)

## Statement of Changes in Equity

	Share Capital \$'000	Retained Earnings \$'000	Revaluation Reserves \$'000	Total \$'000
<b>Opening balance - 1 July 2024</b>	-	-	-	-
Net profit/(loss) after tax	-	-	-	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-
<b>Closing Balance - 31 December 2024</b>	-	-	-	-
<b>Opening balance - 1 July 2025</b>	-	-	-	-
Net profit/(loss) after tax	-	-	-	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-
<b>Closing Balance - 31 December 2025</b>	-	-	-	-

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2025 (UNAUDITED)

# Life runs on water

## Our purpose

To care for wai as taonga -  
sustaining life and safeguarding  
water for future generations.



## Working together for better water

The name IAWAI centres around a local whakataukii 'Me te IAWAI e rere ana' – like flowing water.

It speaks to how water moves through our environment: from underground springs to rivers, through catchments, and into our communities. Everything is connected to the source.

IAWAI is about collective effort. Just as water flows and connects us all, delivering safe water relies on many working together – councils, communities, and partners – to maintain and care for this essential resource for generations to come.

'Ia' means current or flow – movement, life, energy.

'Wai' means water – the heart of everything we do.

And IAWAI is a palindrome – the same forwards and backwards. Like water, it flows in cycles.

**IAWAI**

