

# I A W A I



A summary of our  
Water Services  
Strategy 2026–2036

HAMILTON  
CITY COUNCIL  
WAIKATO  
DISTRICT COUNCIL  
WAIKATO -TAINUI

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

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

Kiingi Taawhiao

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

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

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

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

# Let's work together for better water

**Share your views on our  
Water Services Strategy**


**Feedback is open from  
3 March - 6 April 2026.**

**Head to [hamilton.govt.nz/IAWAI](https://hamilton.govt.nz/IAWAI)**

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

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

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

An aerial photograph of a wide river flowing through a lush, green landscape. The river is the central focus, winding through dense forests and rolling hills. The sky is filled with soft, white clouds, and the overall scene is vibrant and natural. The text is overlaid in the bottom left corner in a bold, green, sans-serif font.

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

RAARANGI TAKE

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## KO WAI A IAWAI

# What is IAWAI?

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

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

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

## TE OROKOHANGA O IAWAI

# How did IAWAI come about?

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

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

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

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

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

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

## HE AHA TE RAUTAKI RAATONGA WAI?

### What is our Water Services Strategy?

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

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

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

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



To see a copy of our full Water Services Strategy visit [hamilton.govt.nz/IAWAI](https://hamilton.govt.nz/IAWAI)

#### We're also consulting 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.

However, IAWAI is considering creating a new waiver policy that could apply to the proposed water growth charges for papakaainga housing, depending on negotiations and the specific context.



Read these Policies and share your feedback at [hamilton.govt.nz/IAWAI](https://hamilton.govt.nz/IAWAI)



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

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

**From our  
Chair  
and Chief  
Executive**

This strategy begins and ends with the health and vitality of the Waikato River, the moana (ocean), and the communities these sustain. It is grounded in Te Ture Whaimana o Te Awa o Waikato, the vision and strategy of the Waikato River.

For IAWAI this vision is foundational, guiding how water services are planned, delivered and invested in, and ensuring the wellbeing of the Waikato River remains central to all decision making. As you read through the strategy, we hope you too are guided by the principles of Te Ture Whaimana – recognising the river’s health and life-giving role.

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

The issues we face are considerable.

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

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

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

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

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

every tool available to us.

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

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

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

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

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

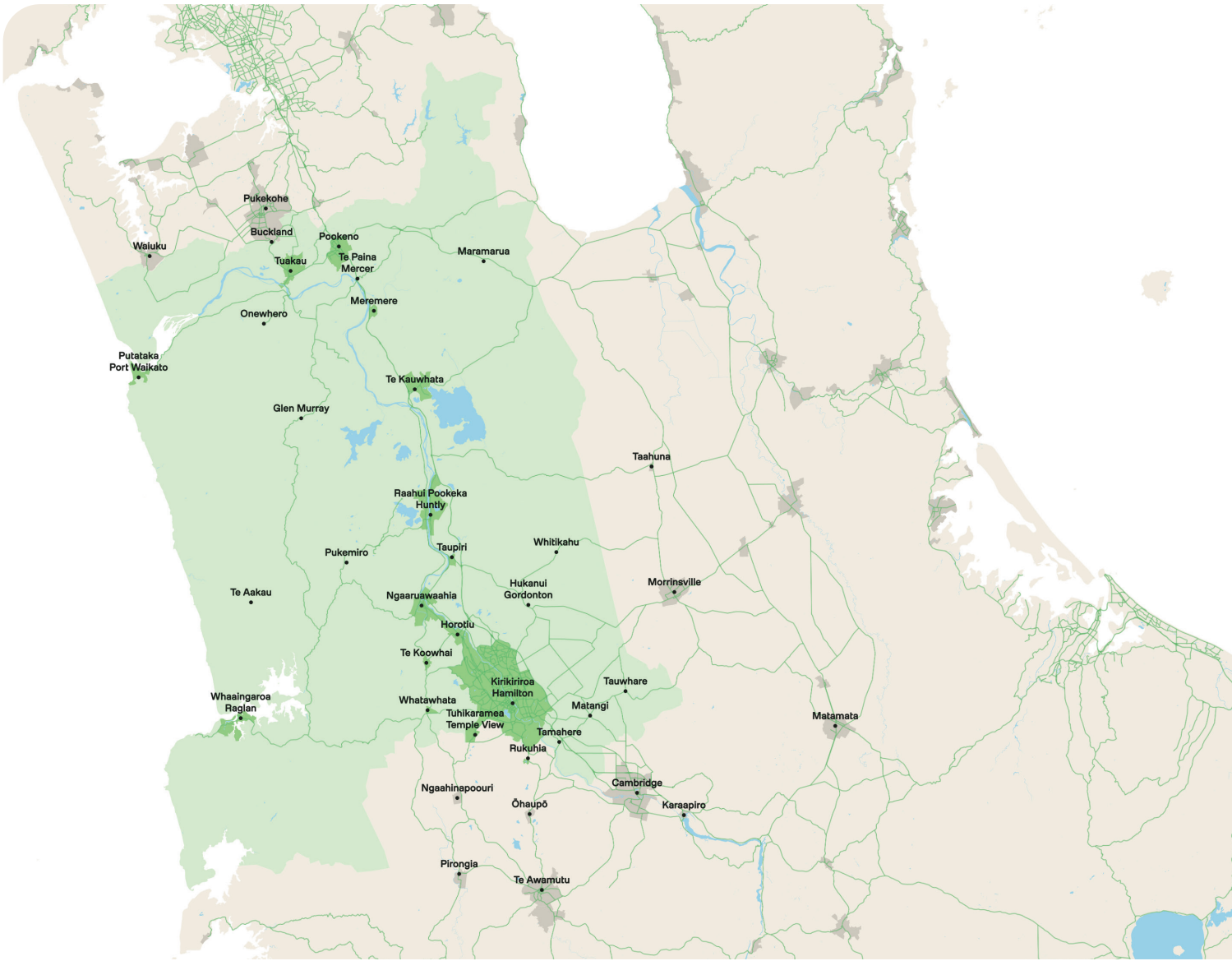
Importantly, it signals a material shift in how water and wastewater services in Hamilton City and Waikato District will be managed in the future. Your feedback on what we have proposed matters, and we look forward to hearing your views.

Peter Winder

**CHIEF EXECUTIVE**

Kevin Lavey

**CHAIR  
ESTABLISHMENT BOARD**



TE ROHE  
WHAKARATO  
A IAWAI

Where we  
operate

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

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

- Area serviced
- Urban areas serviced

## HE AHA TA TATOU MAHI

### What we do

#### **Drinking water**

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

#### **Wastewater**

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

#### **Stormwater**

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

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

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

# By the numbers

## We're Servicing

**222,700**  
PEOPLE  
(AND GROWING)

**83,170**  
HOMES

**42**  
MARAE

**20,610**  
BUSINESSES

**90,700**  
WATER AND  
WASTEWATER  
CONNECTIONS

**8**  
WATER  
TREATMENT PLANTS

**10**  
WASTEWATER  
TREATMENT PLANTS

**205**  
WASTEWATER  
PUMP STATIONS

**1,192 km**  
OF WASTEWATER  
PIPES

**21,600**  
WATER METERS

**\$3 billion**  
CAPITAL  
EXPENDITURE OVER  
THE NEXT DECADE

## HE AHA (KO WAI) HEI ARAHI TAATOU

# What (and who) guides us

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

### Rules and regulations

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

Three main organisations set the rules:

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

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

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

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

### Shareholders' Statement of Expectations

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

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



To see a copy of the  
Statement of Expectations go to  
[hamilton.govt.nz/IAWAI](https://hamilton.govt.nz/IAWAI)

### The Board's expectations of the Chief Executive

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

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



## NGAA WERO HEI WHAKAMANIA

### The challenges ahead

#### **Keeping water charges as low as possible**

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

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

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

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

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

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

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

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

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

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



## HE URUPARE KI NGAA WERO

### How we plan to respond to these challenges

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

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

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

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

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

**Protecting the Awa** sits at the centre of every investment decision. We have allocated funding to upgrade the Pukete Wastewater Treatment Plant, plan to build a new Southern Wastewater Treatment Plant to support growth in south Hamilton and will upgrade both the Huntly Wastewater Treatment Plant and the Ngaaruawaahia Wastewater Treatment Plant to ensure they meet all standards. These projects are essential for environmental protection, public health and future growth.

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

In addition, we are proposing new Water Supply and Wastewater Growth Charges on all new builds, designed to recover over time the costs of growth from new developments. With a combined total of \$500 per year, for a single household unit equivalent, the growth charges will help fund the infrastructure needed to support

new homes and businesses, easing pressure on existing households who do not directly benefit from new development.



You can read more about this proposal on page 22

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

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

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

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



You can provide feedback on our response to key challenges at [hamilton.govt.nz/IAWAI](https://hamilton.govt.nz/IAWAI)

## TE HAPAI O KI MURI

# Behind the scenes

### **There's a lot to do.**

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

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

### **Set water and wastewater charges.**

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

### **Explore ways to make savings.**

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

### **Make a decision around residential water meters**

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

### **Gradually reduce the proportion of waters charges**

based on capital value. This is what the law requires.

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

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

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

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

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

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

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

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

## Over time we will

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

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

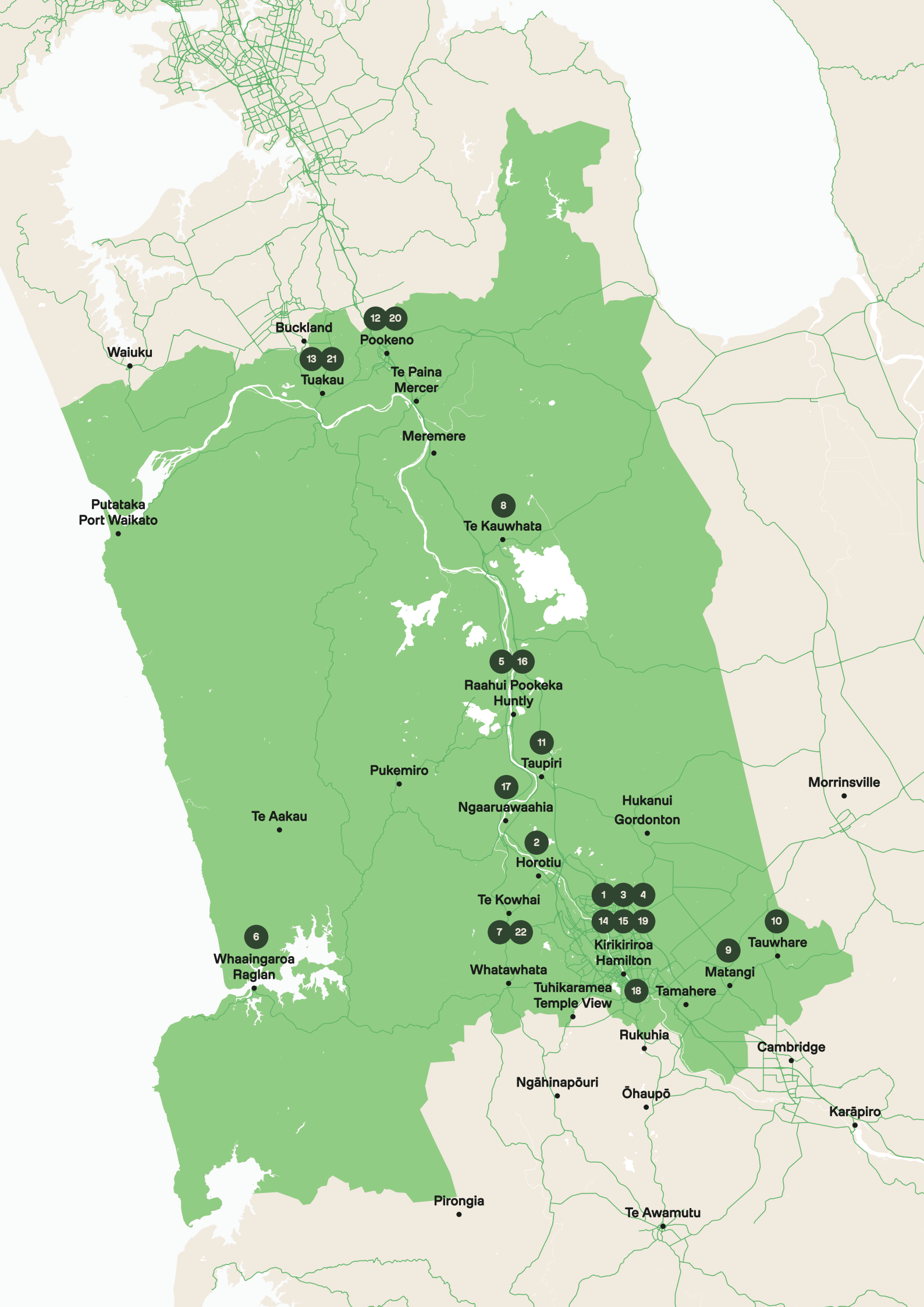
**Be financially sustainable** (making sure our revenue consistently covers expenses). We need to live within our means.

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

**Deliver better customer service and experiences.**

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





Waiuku

Buckland

Pookeno

Tuakau

Te Paina Mercer

Meremere

Putataka Port Waikato

Te Kauwhata

Raahui Pookeka Huntly

Pukemiro

Taupiri

Te Aakau

Ngaaruawaahia

Hukanui Gordonton

Morrinsville

Horotiu

Te Kowhai

Whaangaroa Raglan

Whatawhata

Kirikiriroa Hamilton

Matangi

Tauwhare

Tuhikaramea Temple View

Tamahere

Rukuhia

Cambridge

Ngāhinapōuri

Ōhaupō

Karāpiro

Pirongia

Te Awamutu

NGAA KAUPAPA MATUA

# Key Projects

## Drinking water and Reservoirs

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

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

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

- 5 Huntly water works \$30.8 million
- 6 Raglan water works \$22.2 million
- 7 Te Kowhai water works<sup>1</sup> \$15.15 million
- 8 Te Kauwhata water works<sup>1</sup> \$63.7 million
- 9 Matangi water works \$13.3 million
- 10 Eureka water works \$5 million
- 11 Taupiri water works<sup>1</sup> \$7 million
- 12 Pookeno water works<sup>1</sup> \$18.8 million
- 13 Tuakau water works<sup>1</sup> \$16.15 million

<sup>1</sup> Co-funded by other parties

## Fairer charging

**14** Although a decision has not yet been made, we're currently piloting water meters in Hamilton and have included funding to roll out residential water meters across the city. This would support the transition from capital value-based charging to volumetric charging, as required by legislation and to move to a fairer user-pays charging method. There are already 4000 commercial and industrial water meters in Hamilton. Waikato District Council has had water meters since 2016; this funding includes upgrading their stock to digital meters. Estimated cost (2026-2036) \$108.7 million.

## Wastewater treatment plants

**15** Major upgrades to Pukete Wastewater Treatment Plant, Hamilton's only wastewater treatment plant, to increase capacity, performance and resilience. This investment will support future population growth, improve environmental outcomes, and service Ngaaruawaahia. Estimated cost (2026-2036) \$396.4million.

**16** Upgrade the Huntly Wastewater Treatment Plant to bring it into compliance and support future growth. Estimated cost (2026-2036) \$30.6million.

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

## New infrastructure

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

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

## Planning for growth

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

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

## Water and wastewater renewals

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



NGAA  
AHUMONI

## The financials

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

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

### Water charges

#### What's changing?

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

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

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

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

#### Proposed water charge increases

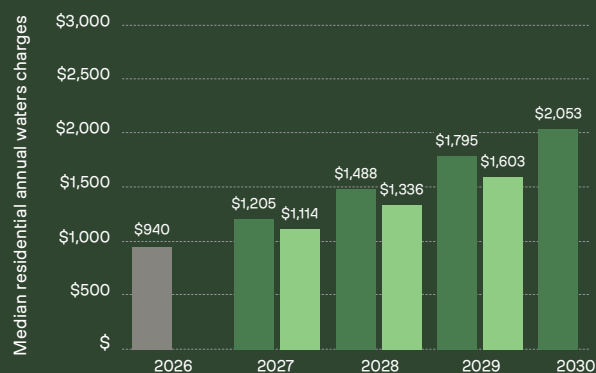
Water charges are expected to rise significantly across New Zealand due to the growing cost of maintaining, upgrading and expanding water infrastructure.

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

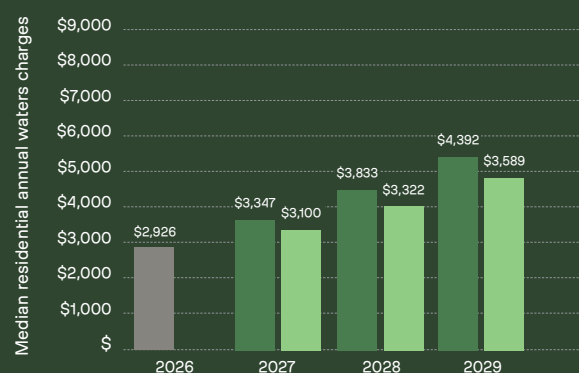
By bringing services together under one organisation, IAWAI can plan across the subregion, invest more efficiently and use debt to smooth price increases. A review of our capital programme, revenue and debt settings, has reduced the proposed increases for both councils.

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

# Proposed median residential water charge increase



HAMILTON



WAIKATO

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

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

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

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

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

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

\*\*average water use is 210m<sup>3</sup> per annum

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

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

We've only looked in detail at the next three years because a second Water Services Strategy will be completed in 2027. It's our

intention that the 2027 Water Services Strategy will realise further efficiency opportunities and reflect what we learn as we transition into full operations. We remain focused on keeping water charges as low as we prudently can.

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

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

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

## Introducing new growth charges

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

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

To help fund growth, we are proposing to introduce growth charges on new builds. They will ease the burden on existing households, generating \$46.3 million over 10 years. It's money ratepayers and existing households won't have to find.

### How the charges would be calculated

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

- One additional residential dwelling is treated as equivalent to one (1) HUE, and
- Non residential development is assessed at one (1) HUE per 100m<sup>2</sup> of gross floor area.

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

### The proposal

#### For residential developments:

- A Water Supply Growth Charge of \$200 per year for 25 years for new residential builds consented on or after 1 July 2026.
- A Wastewater Growth Charge of \$300 per year for 25 years for new residential builds consented on or after 1 July 2026.

#### The detail:

- Each new dwelling over 70m<sup>2</sup> is treated as 1 HUE, regardless of the number of bedrooms.
- Each new dwelling of 70m<sup>2</sup> or less for which no resource or building consent is required (granny flats and tiny homes) is treated as ½ a HUE.
- Multi-unit developments are charged per dwelling.
- Where redevelopment occurs, the charge applies only to the net increase in demand.
- Growth charges related to papakainga housing may be discounted or waived subject to negotiation, the specific context, and any prior agreements relating to servicing.

#### For non-residential developments:

A graduated Water Supply Growth Charge of:

- \$200 for the first 100m<sup>2</sup> (first HUE)
- \$40 per additional 100m<sup>2</sup> for HUEs 2 to 50, and
- \$20 per additional 100m<sup>2</sup> for HUEs 51 and above.

**A graduated Wastewater Growth Charge for non-residential development of:**

- \$300 for the first 100m<sup>2</sup> (first HUE),
- \$60 per additional 100m<sup>2</sup> for HUEs 2 to 50, and
- \$30 per additional 100m<sup>2</sup> for HUEs 51 and above.

The non-residential growth charges are also for a period of 25 years.

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

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

**Debt**

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

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

**Our strategy does exactly this.**

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



# Proposed debt and borrowing limits



## Fees and charges

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

### What's changing?

- Drinking water and wastewater fees and charges will be managed by IAWAI.
- Stormwater charges will stay as part of council rates.
- Where possible, water and wastewater related fees based on hourly rates or for specific connection or consent related activities have been standardised, so Hamilton and Waikato customers are

charged the same fees for the same activity or service. In some instances, this has resulted in an increase of slightly more than the rate of inflation for some charges for some customers.

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

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



To view the full list of proposed fees and charges visit [hamilton.govt.nz/IAWAI](https://hamilton.govt.nz/IAWAI)



TITIRO  
WHAKAMUA

## Looking ahead

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

We're already looking 30 years ahead.

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

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

Everything we do  
relies on water.

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

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

Water is the backbone  
of our communities and  
civic infrastructure.

Life runs on water.

Our job is to keep  
that water flowing.

**I A W A I**

