



Proposed Waiver Policy 2026

PRIVATE BAG 3010
HAMILTON 3240

260 ANGLESEA STREET
HAMILTON 3204

INFO@IAWAI.CO.NZ
HAMILTON.GOVT.NZ/IAWAI

07 838 6699



Policy Owner: IAWAI Chief Financial Officer

Date approved: TBC

Next review date: TBC

Document number: TBC

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



2. SCOPE

- 2.1. 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.
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



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.



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.

5.12. When can IAWAI waive water charges due to water leaks?

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.
- 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.
 - 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 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.
- 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:
- 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,
- 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.
- 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.
- 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.



8. DELEGATIONS

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

9. REFERENCES

- 8.2. 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 Water Services Strategy.
- IAWAI - Flowing Waters Statement of Expectations.