



Changes to Water Charges

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NPDC





Water Meter Billing

We are seeking your feedback on proposals for how we will charge households for water use through water meters.

In December 2020, as part of the Long-Term Plan 2021-2031, we made the decision to install water meters on residential properties across the district, along with shifting to volumetric billing (paying for how much water a household actually uses).

To date there are more than 23,000 meters in the ground with the rest to be installed by the end of this year.

Water meters and volumetric charging, now common throughout New Zealand, have proven to be the most effective tool in water use reduction, and been seen to be a fairer system because you pay for what you use. Low-to-medium users will no longer subsidise high-users.

Using less water not only benefits the environment but will defer expensive investment in water infrastructure, saving ratepayers significant money in the long-term. It will also help us retain consents to take water from the environment to supply residents and businesses.

At the moment most ratepayers pay a yearly fixed charge for water supply through their rates, currently those annual charges are \$547 for water.

When water billing starts from July 2027, *this charge will be removed* and replaced by the new water meter charge so that people pay for their actual usage.

To help understand the changes, once the volumetric structure is confirmed there will be 12 months of mock billing to enable you to track your water use and your estimated future costs based on that use, and to fix any leaks that are detected ahead of real billing starting.

We expect that most households, once billed by volume, will see a decrease in what they pay for water compared to the fixed charge system we use now.

Households seeing an increase will be the minority – tending to be those that use water outside, such as swimming pools or regularly watering a garden or lawns with irrigation or sprinklers.

Now that we have a tool to measure water usage, it's time to discuss different charging structure options. There are three options we want you to consider when we start billing by meter:

Option One: Fixed charge + volumetric charge

Option Two: Fixed charge + volumetric charge with a daily allocation of water (100 litres)

Option Three: Fully volumetric charge

Other issues being considered

Should we take this opportunity to change how we charge for our wastewater services?

We also want to discuss how these options will affect different users. Some of you may share a meter with a neighbour, and we want your feedback on what you think is the fairest way for your properties to be billed.

It's important that we support vulnerable households in our community too, making sure they are not unreasonably affected by the shift to volumetric billing.

Commercial customers pay by volume, but the proposed options may change how they are currently charged, this could be more or less.

We want to hear from you on which options you prefer so when we reach 1 July 2026 for mock billing, our charging structure decisions have considered what you, our community, has told us you want to see. Then by 1 July 2027, when actual volumetric billing begins, you will understand what the transition from paying a yearly fixed charge to volumetric billing means for your home.

Your feedback is important

It's important that we get your input into building the different charging structure for your future water bills. We want your feedback on:

1. What the charging structure should look like when we start billing by water meter – three options are being considered.
2. Whether we should also charge for our wastewater service based upon the water meter readings or stay with the status quo (a yearly fixed charge).
3. Other related options that affect specific communities:
 - Charging options for properties with shared meters.
 - How we deal with leaks and repairs on private property.
 - How we support the more vulnerable households through potential policy amendments.



Three options for billing

We want your feedback on the following three options for volumetric charging (meaning you'll pay for what you use). NPDC doesn't make a profit from water charges. We only charge enough to cover the actual cost of treating and supplying safe drinking water across the district. This won't change with volumetric billing; we will still only collect what's needed to cover these costs.

Meters would be read, and bills sent each quarter (every three months). The three options are:



Option One

Fixed charge + volumetric charge

Households pay a fixed yearly charge plus a volumetric charge per cubic meter of water as measured by their water meter.

Each year, a fixed charge per cubic meter would be set to cover certain fixed costs like meter replacement and administration. Like fully volumetric billing, this method still encourages water conservation since most costs are still based on use.

Option Two

Fixed charge + volumetric charge with an allocation of water (100 litres)

Like Option 1 except that each property would receive a daily allocation of 100 litres of water per household per day. All water above this amount would be charged at the volumetric charge.

The allocation of 100L per property per day provides some water to cover basic needs of a single-person household but still allows some room to save water and costs.

This allowance will be the same for all properties regardless of occupancy and use.



Option Three

Fully volumetric charge

There would be no fixed charge and no daily allocation of water. Households would be charged for the water used.

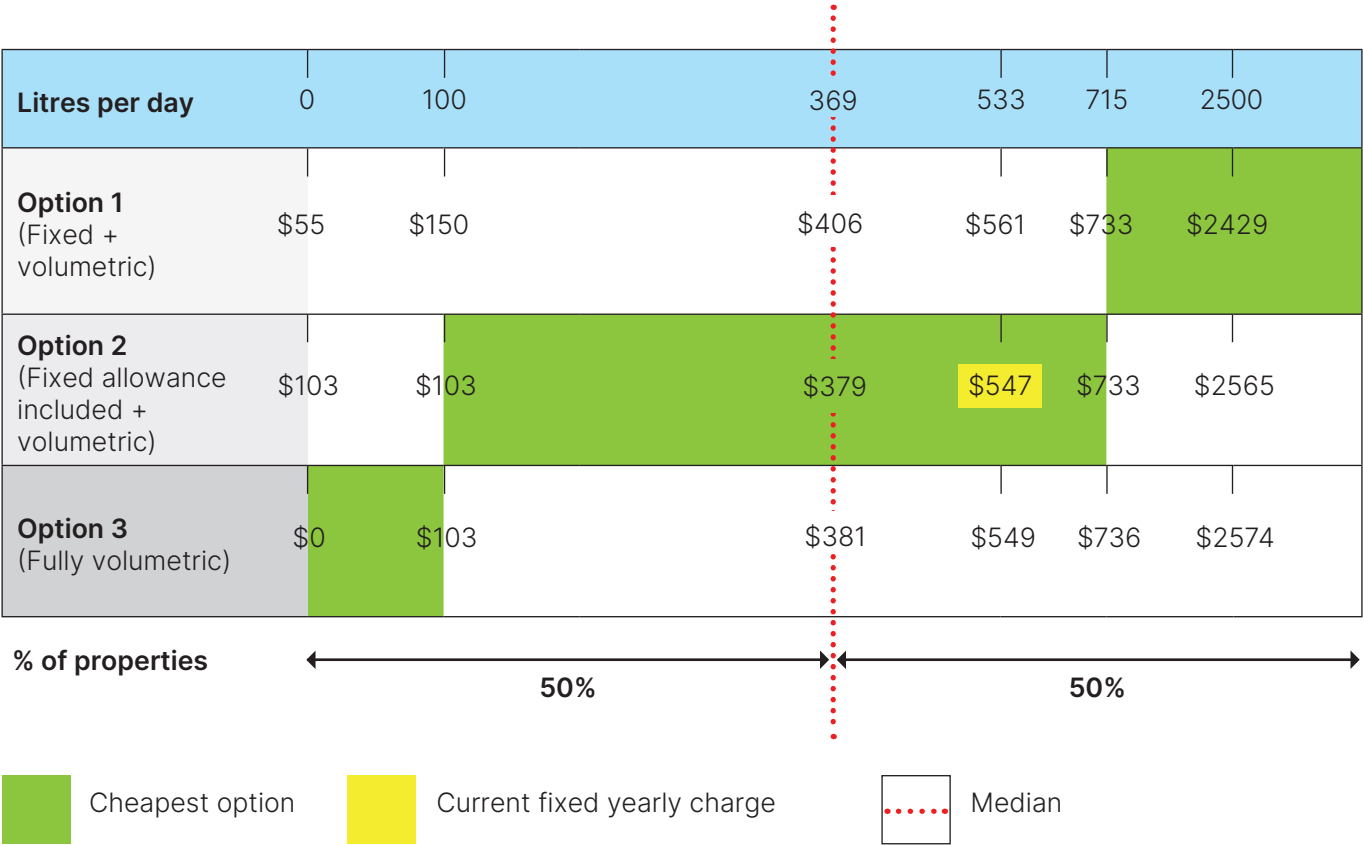
Households that reduce their water use will also lower their water bills.

This is the best option for water conservation.



Summary of estimated yearly charges for various water use for each option

This table shows the cheapest option between different levels of water use. It also shows that when we save water, almost 78 per cent of residents would pay less than they would if we continued with the current fixed yearly charge. This is because most people will use less water than they do now.





Summary of the water billing options

Option	Pros	Cons
Option 1 Fixed Plus Volumetric Charge	Cheapest option for high users of water. Balance with some fixed cost recovery but mostly volumetric to encourage water savings. Those who have a connection but use very low amounts of water (such as holiday homes) still pay a small charge.	Not the cheapest for low or most medium users of water.
Option 2 Fixed Plus Volumetric Charge for water use above 100L	Cheapest option for most medium water users. Ensures a base amount of water to cover basic indoor use for single occupancy household Small charge still paid by very low users.	Not the cheapest for low or high users of water. By providing an allocation of water we reduce the incentive to save water.
Option 3 Fully Volumetric Charge	Cheapest option for low water users. Best way to encourage people to save water.	Not the cheapest for high or medium users of water. Owners of empty houses don't pay but get benefits of supply.

More details about volumetric charging are in our Supporting Information document.



Wastewater

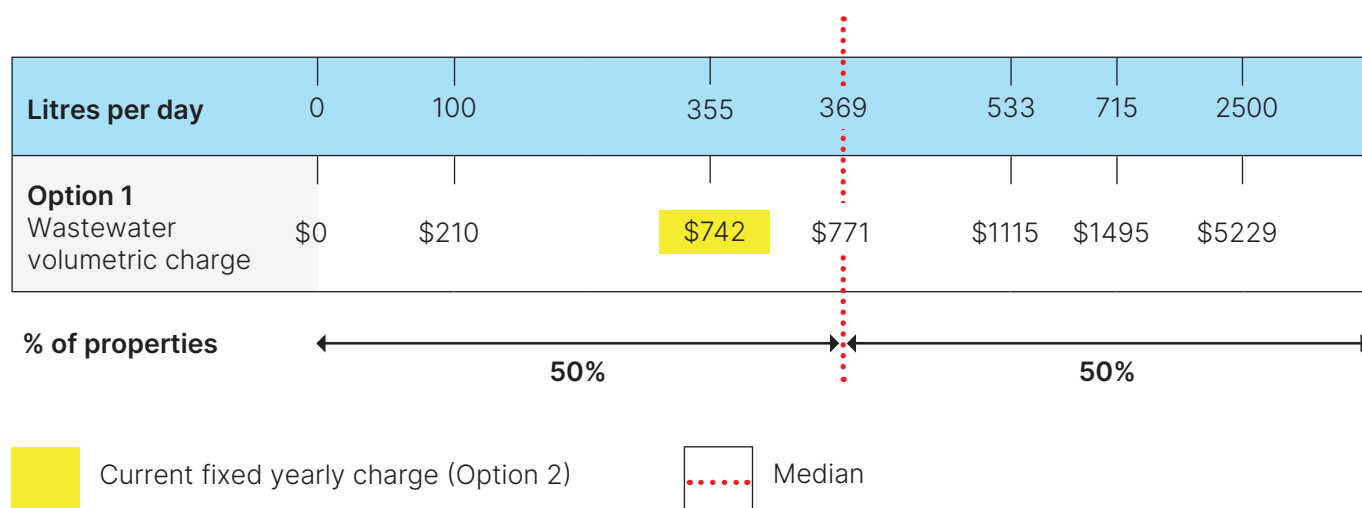
All residential properties and most commercial properties pay a fixed yearly charge for wastewater. Water meters make it possible to change how we charge for our wastewater service, so we are asking whether we should change the current fixed yearly charge (currently \$742) to a volumetric charge. There are two options we are seeking feedback on:

Option One: Volumetric Wastewater Billing

Option Two: Continue with a fixed yearly charge

Under option one property owners would be charged for wastewater based on a portion of their water use. We would calculate this using a conversion factor based on the estimated amount of water that goes down the drain, which becomes wastewater. In Auckland, this is 78.5% of water coming into a property. This way, it recognises that across the district, some water is used to water a garden or other uses, which does not turn into wastewater.

The amount of water use is based upon your water meter; you don't need another meter for wastewater.



1. Dollars are annual cost incl GST.
2. All costs are based upon the 2024/25 budget, i.e. to recover enough for this year's wastewater operations.

Summary of wastewater billing options

Option	Pros	Cons
Option 1 Bill by Meter	Maximises the incentive to save water.	Large increases for those people at the higher end of the water use, e.g. if you use a lot of water outside, they are paying higher wastewater charges than they may actually generate.
Option 2 Fixed Yearly Charge	Familiar to users. No impact on commercial charges.	Reduces the opportunity to incentivise water conservation.



Tailored options for specific communities

Shared water meters

Shared water meter properties have a single meter at the property boundary because only one connection serves multiple dwellings. Typically, these are in cross-lease properties or apartments.

Under volumetric charging, each property that shares a water meter would still get their own bill.

Option one: Shared Meter Reading

The amount of water used, is split equally between each property sharing the meter. Each property will pay an equal amount.

Option two: Fixed Yearly Charge

All properties connected to a shared meter continue to pay a fixed yearly charge. Each property pays the same amount, and this would be set by the Council for each year. This is the same as you pay now.

Option three: Shared Meter Reading with Remissions Policy

The water meter reading is split equally between each property sharing the meter. In a situation where a household is experiencing financial hardship due to splitting the bill, for example, a neighbour clearly has high water use compared to them, we could consider a Rate Remission. See the proposed amendment to the Rates and Remission Policy.

Option four: Household's Choice

If options 1 or 3 are chosen by the Council, should we give property owners with a shared meter the choice to remain on the yearly fixed charge?

Summary of shared water meter properties

Option	Pros	Cons
Option 1 Shared Meter Reading	Encourages reduction in water use. Most households will pay less than they do now.	Could be unfair if the water consumption in the households differ greatly.
Option 2 Fixed Annual Charge	No change to how people pay now.	Does not encourage reduction in water use. Most households will pay more than they pay now.
Option 3 Shared Meter Reading with remissions policy	Encourages reduction in water use. Provides protection for vulnerable customers.	New or amended remissions policy will be required.
Option 4 Household's Choice (split equally or fixed charge)	Property owners have ability to choose.	If users select the fixed charge option, this does not encourage reduction in water use. Increased administration costs.

More details about shared water meters are in our Supporting Information document.



Vulnerable users

These are households that could include those on low or fixed incomes, renters, elderly residents or people with medical conditions that require a higher-than-average use of water.

For some, paying a volumetric water bill may be tough. We are proposing amendments to Council policies to support those who might experience financial hardship.

Other policies will be amended to accommodate this, including updating the Leakage Remission Policy (see separate options for this), the Revenue and Financing Policy and the schedule of Fees and Charges.

There are two options we are seeking feedback on.

Option 1: Continue with the current Rates Remission and Postponement Policy

We would continue to apply the rate remissions as per the current policy for general rates rather than water.

Option 2: Specifically Include Water Rate Remission for Vulnerable Households

Amend the Rates Remission and Postponement Policy to specifically include a new Water Rate Remission for Vulnerable Households.

This would ensure that hardship due to water bills is specifically included along with appropriate conditions.

Summary of vulnerable user properties

Option	Pros	Cons
Option 1 Continue with the current Rates Remission and Postponement Policy	No change to current processes. Some policies will need to be updated.	May mean water related hardship "falls through the cracks".
Option 2 Option 2: Specifically Include Water Rate Remission for Vulnerable Households	Ensures water related hardship specifically covered. Could allow tenants to apply for a remission.	Requires changes to policies.

Water leaks and repairs

Water leaks can account for a lot of wasted water. Water meters are a great tool to identify and fix leaks to minimise potential damage to your property and avoid high water bills when volumetric charging starts.

If you find that you're suddenly paying excess water charges due to finding a leak, there is support we can offer through the Leakage Remission Policy. We are asking your feedback on the amendments we need to make to that policy to help us support you.

There are five options we are seeking feedback on. All apply only after a leak is fixed.

Option 1: Include Residential Users in Existing Policy

The only change under this option would be to include residential users. The current policy provides a 50 per cent remission on water bills due to leaks to commercial users.

Option 2: Only Residential Users Get a Remission of 50 per cent

Change the policy to exclude commercial customers, making residential users eligible for the 50 per cent leak remission.

Option 3: Only Residential Users Get a Remission of 100 per cent

Implement a 100 per cent leak remission policy but would remove the current 50 per cent remission for business users.

Option 4: Residential 100 per cent Commercial 50 per cent

Introduce a 100 per cent leak remission policy for residential users and retain the existing 50 per cent remission for commercial users.

Option 5: All Users get a 100 per cent remission

Increase the remissions to 100 per cent of the cost of the leak water for all users.

Summary of options for leaks remission

Option	Pros	Cons
Option 1 Include Residential Users in Existing Policy Both get 50% Remission	Accommodates residential users with no change for commercial users. Incentive to fix leaks promptly.	Lower level of remissions for residential users who may be less able to pay compared to commercial users.
Option 2 Only Residential Users Get a Remission of 50%	Helps residential users. Incentive to fix leaks promptly.	Commercial users get a change to how they have been treated to date.
Option 3 Only Residential Users Get a Remission of 100%	Maximum help for residential users who may be less able to pay. Incentive to fix leak promptly for commercial users.	Commercial users get a change to how they have been treated to date. Less incentive to fix leaks promptly for residential users.
Option 4 Residential 100% Commercial 50%	No change for commercial users. Incentive to fix leak promptly for commercial users. Maximum help for residential users who may be less able to pay.	Less incentive to fix leaks promptly for residential users.
Option 5 All Users Get a Remission of 100%	Maximum help for residential users who may be less able to pay.	Less incentive to fix leaks promptly for both residential and commercial users.

More details about policy amendments are in our Supporting Information document.



Proposed amendments to other policies and fees and charges

Should a minimum charge be applied to very low users?

This recognises that there is a benefit of having a water connection and a cost to providing it. Although it may seem unfair to those not using the water, it assists with cost recovery for the network infrastructure and recognises the value of a connection.

Should a part-charge continue to be applied to properties within 100m of a serviceable pipeline that are not connected?

A part-charge is a service fee applied to properties within 100m of a serviceable pipeline. The availability of reticulated water adds value to these properties. Should this charge be continued?

Proposed amendment to Fees and Charges – should NPDC continue to pay for water meter installations at existing properties with shared meters?

It is simple and easy for Council to manage further installations of water meters and may be considered fairer to provide time for owners to install an additional pipe, however it could mean higher costs for ratepayers in the long-term.

Noting that property owners would pay for the costs of infrastructure within their private boundaries.

For commercial customers:

Option one: Introduce a new rates remission policy for commercial customers who experience an increase (if any) in water billing costs due to the introduction of residential water billing. This could help the business over a few years.

Option two: Introduce a rates postponement policy for commercial customers who experience an increase in water billing costs due to the introduction of residential water billing to smooth the effect of this over a few years.

What happens next?

After the consultation period closes, and submissions are heard, all feedback will be collated into a report to the Council, who will then make a decision at its meeting on 12 August 2025. All final details and any changes to the policies will be determined before the end of the mock billing period.

Over the 12 months of mock billing, if you have concerns you can raise them with us. It's important to note that every single home connected to the water supply network and those on restricted flow will see their own household data on usage and the cost on your mock bill. This gives you time to fix any leaks and make changes to reduce water use ahead of actual billing in 2027.

Submissions on policy change matters will inform future decisions prior to the implementation of actual charging from 1 July 2027.

The final tariff structure will be subject to:

- The Long-Term Plan 2027-37.
- Applicable policy changes.
- Outcomes of the Local Waters Done Well consultation (establishment of new water service delivery entity).

Timeline

Community Consultation
02 June – 20 June 2025

Public Hearings: **Dates TBC**

Report to Council: **10 July 2025**

Council decision on Water Charges for Mock Billing: **12 August 2025**

12-month Mock Billing period
01 July 2026 – 30 June 2027

Go Live Billing From **01 July 2027**



Visit npdc.govt.nz/HaveYourSay to complete the online submission form or download a copy to return via email to enquiries@npdc.govt.nz

