

FAQs for 2021 price change

How will the price increase affect me?

Our water and wastewater charges will increase by 7% on 1 July 2021. This means a typical household will pay about \$1.50 more each week for their water and wastewater services. In addition, our IGCs will increase by 12% (see further details on page 4).

When do the new prices take effect?

All prices are effective from 1 July 2021, so your July bill will contain the new pricing.

How much will prices increase in the years to come?

There will be a further rise of 7% on 1 July 2022, followed by an annual increase of 9.5% through to 2029.

Why have the prices increased?

To continue to deliver our daily operations as well as continue the rollout of our 20-year plan, we need to increase our service charges and IGCs. As you will be aware, Covid-19 is impacting Auckland Council group's revenue and we are all working to reduce our borrowings. That's why our charges are increasing by 7% this year rather than the typical 3% as previous years.

What does my money go towards?

For every dollar we receive from you, 49 cents is used to maintain and upgrade our assets, 38 cents is used to run our plants and operate our network and 13 cents is used to service our debt.

Does this year's price increase mean residential customers are paying for growth?

We know that our existing domestic customers do not want to pay for growth-related infrastructure. Therefore, we are working to fully recover the cost of servicing growth through our infrastructure growth charges.

IGCs and borrowings help to pay for projects to support growth so that our existing customers are not faced with excessive water and wastewater charges. Our IGCs will progressively rise over the next four years until we achieve a full recovery in 2025.

Is Watercare making a profit from this price increase?

We do not set out to make a profit or to pay a dividend to our shareholder, Auckland Council. Every dollar you pay us for water and wastewater services is used to deliver those services, safely and reliably.

How much is Watercare investing in growth, replacing assets and improving service in the next 20 years?

In the first decade, 46% of the investment relates to growth, 45% relates to replacing ageing assets, and 9% relates to improving levels of service.

In the second decade, 44% of the investment relates to growth; 49% relates to replacing ageing assets, and 7% relates to improving levels of service.

How much would it cost to deliver the full programme outlined in the Asset Management Plan?

Over the next 20 years, we will invest about \$18.5 billion (\$2.5 million each day on average) to build and maintain water and wastewater infrastructure for a growing Auckland. This will enable the region to grow sustainably in the face of a changing climate, without a drop in water or wastewater service reliability or quality. You can find more information in our Asset Management Plan on our website 1 July.

What if I can't afford to pay my bill?

We recommend you get in touch with the Water Utility Consumer Assistance Trust (WUCAT). It provides financial support to our domestic customers who are struggling to manage their water and/or wastewater bills.

How do I know if I'm eligible for financial assistance?

You are eligible if you:

- live in the property
- are a domestic Watercare customer. Please note the Trust can only consider applications where there is a debt to Watercare. We cannot assist if the debt is for water/wastewater owing to a property manager or landlord.
- have not refused to pay your Watercare bill, and have generally paid your Watercare bills in the past
- have not received assistance from the Trust in the last 18 months
- are prepared to share your financial details with the Trust and work with a budget advisor
- agree to Watercare contacting your landlord

How can I apply?

You can contact WUCAT on **(09) 625 8176 / 0800 625 8176** or email **info@waterassistance.org.nz**. Alternatively, application forms are available online at **www.waterassistance.co.nz** or at WINZ offices, your local Citizen's Advice Bureau and many budgeting service providers.

How do I pay my water and wastewater charges?

We send you a bill for your water, wastewater and other associated charges every month via email or post. Your bill will include a breakdown of how these charges are calculated. Your July 2021 bill will use the new prices.

How are water charges calculated?

We charge per 1,000 litres (= 1 kilolitre) of water supplied to your property, as measured by your water meter.

The volumetric charge is for the amount of water you use during the month, as measured by your water meter.

How are domestic wastewater charges calculated?

The fixed wastewater charge is a *pro rata* (proportional) wastewater charge for that billing period (number of days).

Domestic wastewater volume is calculated at 78.5 per cent of the incoming water volume, as measured by the water meter.

The volumetric charge is for the amount of wastewater you use during the month.

We base the wastewater charges on 78.5 per cent of the water volume coming into your property, as measured by the water meter. This assumes that, on average throughout the year, 78.5 per cent

of the water becomes wastewater by going down the drain via your kitchen sink, dishwasher, shower, bath, washing machine, toilet, etc.
We do not charge for the remaining water (21.5 per cent). We allow this for your outdoor activities.

How are commercial wastewater charges calculated?

The charges are calculated using a fixed charge per water meter per year, plus a volumetric charge per kilolitre (kL) of wastewater discharge.

We calculate the volume of wastewater outflow for each water meter by looking at how the water is used, and assigning an [industry type with a corresponding wastewater percentage](#).

This percentage represents the proportion of your water use that will be charged for volumetric wastewater services, ranging from 5 per cent to 95 per cent. The exact figure depends on the type of industry you operate in.

Why is wastewater charged at a higher rate?

The charge is higher because wastewater requires more treatment than water.

[Find out more about how we treat wastewater.](#)

What does domestic and commercial mean?

You are a domestic customer when the activity at your property involves only living and sleeping. You are a commercial customer when the activity at your property includes activities typically undertaken by businesses. Indicators that there is a business at the property include:

- signage advertising the business
- being GST registered
- designated parking
- a business website
- requiring potable water to meet government and local government regulations (e.g. for food hygiene).

Why are apartments charged at 90-95 per cent?

We normally base residents' wastewater charges on 78.5 per cent of the volume of water used on the property. This leaves an allowance of 21.5 per cent for typical outdoor activities such as watering the garden, washing the car or filling a pool, where the water does not enter the wastewater network.

Residents in apartment complexes don't typically use water for these activities – most water they use drains directly into the wastewater network. There is an allowance of 5-10 per cent for drinking water in apartments.

What is a notional charge?

When you don't have a water meter, but you are connected to the wastewater network.

How do the pricing plans for commercial customers work?

The wastewater tariff system has [four wastewater pricing plans for businesses](#).

If you are a business (commercial) customer, your optimal wastewater pricing plan has been selected (either by you or by us if we didn't hear from you) for each of your meters based on the expected volume of wastewater discharge.

The plan covers the annual fixed charge and the volumetric charge. The volume of discharge is calculated according to industry type. [View industry wastewater percentages](#)

Under this system, you can:

- choose the plan that best suits your organisation and volume of wastewater discharge
- switch between plans once a year (in May/June) if your wastewater discharge varies
- select a different plan for each water meter if you have more than one.

What about charges for trade waste?

Trade waste is charged as wastewater under the non-domestic wastewater tariff. This means there are no separate charges for carrying and treating trade waste.

[Find out more about trade waste charges.](#)

What is an infrastructure growth charge (IGC)?

An infrastructure growth charge is a contribution towards our investment in infrastructure to serve new or existing customers who increase their demand on our services.

The IGC means the cost of increasing our infrastructure is paid for by those who increase demand on the system now, rather than by existing customers or future generations.

Without the IGC, we would need to recover a greater proportion of our growth-related costs through our operational charges. All customers would have to pay a lot more for their water and wastewater services. For more information about IGCs click [here](#).

Why are IGCs necessary?

Refer to the [graphic](#) on our website.

How much will IGCs increase by in the years to come?

2021	2022	2023	2024	2025	2026	2027
12%	8%	8%	8%	8%	8%	8%

Why are IGCs going up by 12% when water and wastewater service charges are only going up by 7%?

We believe our existing customers should not overly subsidise new customers or future generations. That's why we pay for our building projects using a combination of service charges, IGCs and borrowings.

Currently, our IGCs do not recover the cost of providing for growth. However, our IGCs will progressively rise over the next four years until we achieve a full recovery in 2025.

Can I pay for developments ahead of the new pricing on 1 July?

Yes, so long as you meet the following guidelines:

- You apply for the new connection before 30 June 2021, providing all the information required to review your application.
- You receive a bill from us before 31 July 2021 and pay it by the due date.
- You apply for a building consent from Auckland Council before 30 June 2021.