

Water Pricing of Selected Local Councils in New Zealand

A TDB Advisory Working Paper

TDB Advisory Limited
L5, Wakefield House
90 The Terrace
Wellington
New Zealand

Email: info@tdb.co.nz

Contacts for this report:

Phil Barry
phil.barry@tdb.co.nz
021 478 426

Ben Shen
ben.shen@tdb.co.nz
022 100 2894

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Key findings

1. At least 22 local councils in New Zealand charge consumers directly for water supply rather than funding their water services costs from rates.¹ Most of the 22 councils have an annual fixed charge for water supply plus a volumetric charge for each cubic meter of water supplied.
2. There is substantial variation in the level of volumetric water supply charges across the local councils. The average volumetric charge across the 19 local councils that disclose their rates on their websites as of early 2026 was \$2.25 per cubic meter, with the charges ranging across the country from \$0.96 per cubic meter in Timaru District Council to \$3.83 per cubic meter in the Far North District Council.² Christchurch City Council has a 900-litre daily allowance of ratepayer-funded water supply before volumetric charges start to apply.
3. At least four councils have a separate charge for wastewater: Auckland Council (Watercare)³, Hauraki District Council, Palmerston North City Council and Tasman District Council.
4. Watercare has the most comprehensive pricing structure for water, with fixed and volumetric charges for both water supply and wastewater.

Q and A

Q1: How many councils use volumetric charging for water?

A: Of the 67 local councils in New Zealand, this report focuses on the 19 local councils that disclose on their websites their volumetric charges for water supply. Three other councils that we are aware charge consumers directly for water but do not disclose their volumetric water supply charges on their website.

Q2: Which councils have an annual fixed charge for water services and how much is it?

A: Twelve of the 19 local councils covered in this report have an annual fixed charge for water services in addition to a volumetric charge. The annual fixed charges range from \$595.36 p.a. for Central Otago District Council to \$49.57 p.a. for Whangarei District Council with the average fixed charge for the 19 councils⁴ being \$209.11 p.a.

Those councils without annual fixed charges are Christchurch City Council, Far North District Council, Gisborne District Council, Horowhenua District Council, Tauranga City Council, Thames Coromandel District Council and Western Bay of Plenty District Council.

Q3: What charges do the different councils have for wastewater?

A: Of the 19 councils covered in this report, Auckland Council (Watercare), Hauraki District Council, Palmerston North City Council and Tasman District Council have separate charges for wastewater. Watercare has a separate fixed charge and volumetric charge for wastewater, while the other three councils only have an annual fixed charge and not a volumetric charge for wastewater.

¹ There may be more than 22 local councils in New Zealand that charge consumers directly for water supply. However, our report focuses on the 22 local councils that publish their water supply charges online.

² All dollar figures in this report exclude GST and are for FY2026.

³ Watercare Services Ltd (Watercare) is a council-controlled organisation wholly owned by Auckland Council. Watercare supplies water services and sets and collects water supply charges (including charges for wastewater) in the Auckland region.

⁴ Including those councils with no fixed charge for water services.

For customers with water meters, wastewater in Auckland is charged at an annual fixed rate of \$288.70 plus a volumetric charge of \$3.47 per cubic meter. For customers without water meters, wastewater is charged at an annual rate of \$887.83.⁵

The annual fixed charges for wastewater at Hauraki District Council, Palmerston North City Council and Tasman District Council are \$737.00, \$345.22 and \$876.09 respectively.

Introduction

While all New Zealanders pay for water services, not all local government authorities charge for water based on the volume of water used, ie, volumetric charging. As of early 2026, at least a third of local authorities in New Zealand (22 out of 67) charge for water based on the volumes used. The 22 local authorities that we are aware of that charge on a volumetric basis account for around 60% to 65% of NZ's population, with three of the major cities – Auckland, Christchurch and Tauranga – charging consumers directly for their water use. Wellington, Dunedin and many other Councils however continue to fund water services using rates.

Water reform is an important issue in New Zealand. Key policy developments in recent years include Labour's Three Waters reform which started in late 2021. The Three Waters reform was subsequently repealed by the current Coalition government in 2025 and replaced by its own reform package called Local Water Done Well. Against this backdrop of water reforms, there is a potential move to more reliance on volumetric water charges by local authorities.

There are also good economic and environmental reasons to charge consumers directly for their water usage. A recent report by the Infrastructure Commission found that volumetric charging tends to reduce water use which in turn leaves more water in rivers and aquifers and helps defer investment.⁶ As New Zealand's population continues to grow and local councils face increasing financial pressure to invest in water infrastructure, volumetric charging can help ease the burden on local councils by reducing water use.

This report looks at those local authorities that charge users directly for water rather than through rates and the structure of those user-charges.

The most common form of user charges for water supply is to charge consumers based on the volume of water supplied. Such charging generally consists of both a fixed fee plus a volumetric charge based on the volume of water supplied. Fixed fees are often quoted as dollars per annum, whereas volumetric charges are often quoted as dollars per cubic meter of water supplied.

Those territorial authorities without direct charges for water recover water services costs through rates. There is no single model for recovering water services costs through rates — some councils use flat uniform charges, some rely on property-value-based rates, and many use a hybrid of both.

With more than 60 territorial authorities in New Zealand, we have had to be selective in our coverage. This report does not cover all local government councils in New Zealand. However, we are confident the 19 local councils examined in this report⁷ present an informative picture of direct water charges in New Zealand.

It is important to note when considering the prices that different councils charge for water supply that high prices do not imply high or low levels of efficiency in service delivery. High prices may reflect high costs of supply or higher percentages of cost recovery, or both.

⁵ Watercare assumes wastewater is 78.5% of the water supply volume.

⁶ Valuing water: Sustainable water services and the role of volumetric charging. Wellington: New Zealand Infrastructure Commission/Te Waihangā.

⁷ Kaipara District Council, Waipa District Council and Kapiti Coast District Council charge on a volumetric basis but do not disclose on their website the actual charges.

Lastly, it is worth noting that when people talk about volumetric water charges, they often mean “direct” water charges, i.e. councils or water providers like Watercare invoicing users directly for water services costs rather than funding water services through council rates. Most councils that charge directly for water services have a volumetric component and in many cases a fixed component for their water services charges. To the best of our knowledge, Marlborough District Council is the only local council that only has a fixed component for water services charges, and the dollar amounts are not disclosed.

This report

This report covers 19 local councils in New Zealand that disclose their volumetric water charges. The councils covered are Auckland Council (Watercare), Nelson City Council, Tauranga City Council, Christchurch City Council, Waikato District Council, Western Bay of Plenty District Council, Palmerston North City Council, Far North District Council, Whangarei District Council, Gisborne District Council, Selwyn District Council, Timaru District Council, Central Otago District Council, Hauraki District Council, Ōtorohanga District Council, Whakatāne District Council, Thames Coromandel District Council, Horowhenua District Council and Tasman District Council.

All monetary figures in this report exclude GST. Where applicable the charges are for residential households, not industrial or commercial users.

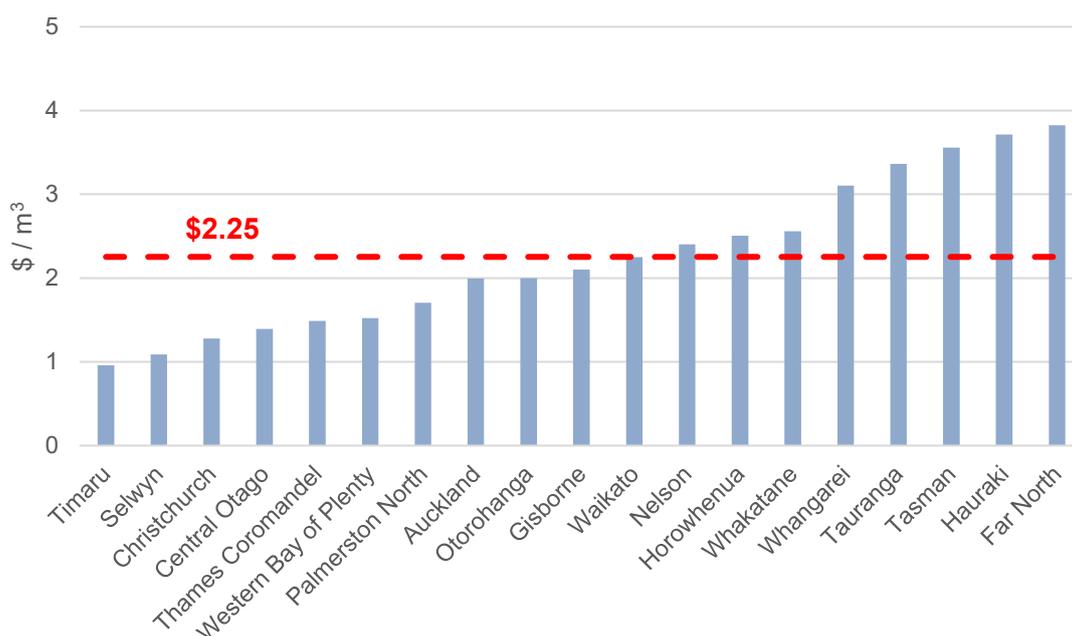
Figure 1 below shows the volumetric charges for a cubic meter⁸ of water supplied across 19 local councils in New Zealand as at early 2026. As discussed in Q3 in the Q and A section above, only four councils out of the 19 have separate charges for wastewater (Auckland Council, Hauraki District Council, Palmerston North City Council and Tasman District Council) while the other 15 councils do not charge separately for wastewater.

There is substantial variation in volumetric water supply charges across local councils. Timaru has the lowest volumetric charge at \$0.96 per cubic meter, followed by Selwyn at \$1.09 per cubic meter and Christchurch at \$1.28 per cubic meter. At the other end, the Far North District Council has the highest volumetric charge at \$3.83 per cubic meter followed by Hauraki at \$3.71 per cubic meter and Tasman at \$3.56 per cubic meter.

The average volumetric charge across all 19 local councils is \$2.25 per cubic meter, represented by the red dotted line in Figure 1.

⁸ A cubic meter of water is equivalent to a kilolitre (1,000 litres) of water.

Figure 1. Volumetric charges for water supply across selected local councils, \$ / m³, excl GST



The data in Figure 1 is presented in Table 1 below.

Table 1. Volumetric charges for water supply across selected local councils, \$ / m³, excl GST

Council	Water charges⁹, \$ / m³
Timaru	\$0.96
Selwyn	\$1.09
Christchurch	\$1.28
Central Otago	\$1.39
Thames Coromandel	\$1.49
Western Bay of Plenty	\$1.52
Palmerston North	\$1.71
Auckland	\$2.00
Ōtorohanga	\$2.00
Gisborne	\$2.10
Waikato	\$2.25
Nelson	\$2.40
Horowhenua	\$2.50
Whakatāne	\$2.56
Whangarei	\$3.10
Tauranga	\$3.37
Tasman	\$3.56
Hauraki	\$3.71
Far North	\$3.83
Average	\$2.25

⁹ Excluding GST.

Figure 2 below shows the annual fixed charges for water supply across the 19 local councils. Seven of the 19 councils do not have an annual fixed charge, instead relying on volumetric charges only.

There is substantial variation in the annual fixed charges across the councils. Central Otago has the highest fixed charge at \$595.36 p.a. followed by Timaru at \$572.17 and Waikato at \$489.15. On the other hand, Whangarei has the lowest annual fixed charge at \$49.57. The average annual fixed charge for water supply across all 19 councils is \$210.46, as represented by the red dotted line in Figure 2.

The data in Figure 2 is presented in Table 2 below.

Figure 2. Fixed charges for water supply for selected local councils, \$ p.a. excl GST

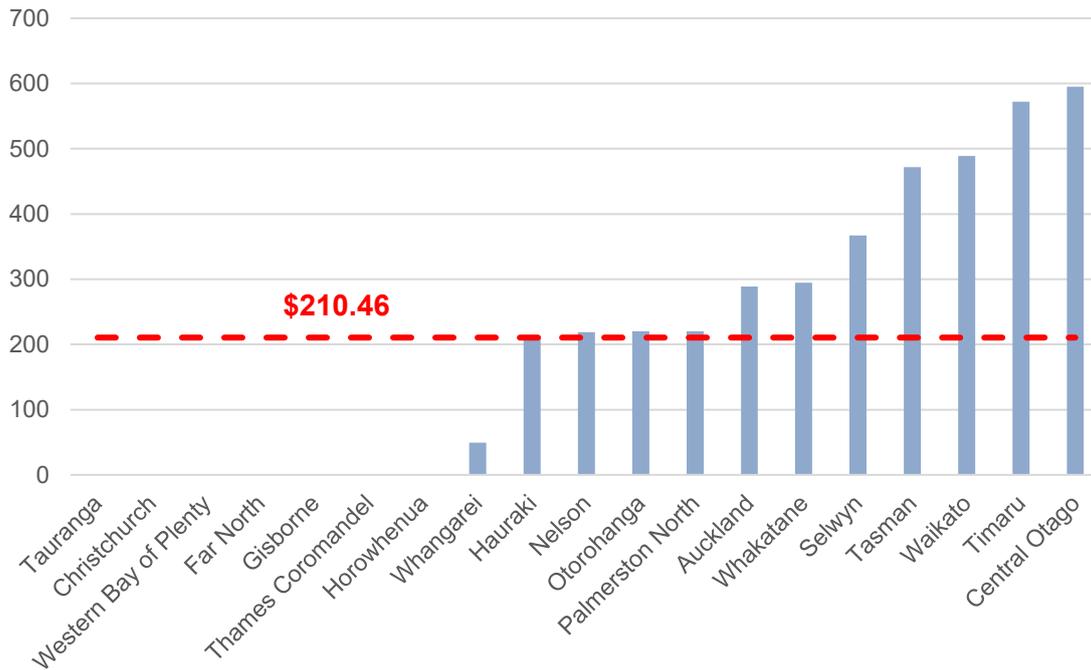


Table 2. Annual fixed charges for water supply for selected local councils, \$ excl GST

Council	Annual fixed charges, \$ p.a.¹⁰
Tauranga	\$0
Christchurch	\$0
Western Bay of Plenty	\$0
Far North	\$0
Gisborne	\$0
Thames Coromandel	\$0
Horowhenua	\$0
Whangarei	\$49.57
Hauraki	\$211.62
Nelson	\$218.83
Ōtorohanga	\$220.00
Palmerston North	\$220.00

¹⁰ Excluding GST.

Auckland	\$288.70
Whakatāne	\$294.60
Selwyn	\$366.96
Tasman	\$471.83
Waikato	\$489.15
Timaru	\$572.17
Central Otago	\$595.36
Average	\$210.46

Figure 3 below shows the combined fixed and volumetric total water charges (on a monthly basis) by council.

There is substantial variation in the indicative monthly total water charges across the councils depicted in Figure 3. Tasman District Council has the highest monthly total water charge at \$165.67, followed by Hauraki District Council at \$134.75. These relatively high charges are driven by the high annual fixed charges for wastewater at these councils. On the other hand, Gisborne District Council has the lowest monthly total water charge at \$31.50 followed by Horowhenua at \$37.57.¹¹

The average (including Christchurch) monthly total water charge¹² among the 19 local councils in Figure 3 is \$61.07, as represented by the red dotted line.

¹¹ The indicative total monthly water charge is zero for Christchurch as the assumed monthly water use (15 cubic meters) is below the threshold where volumetric charges start to apply (900 L * 30 = 27 cubic meters). Thames Coromandel District Council and Western Bay of Plenty District Council do not disclose fixed charges for water services. Thames Coromandel and Western Bay of Plenty have been coloured orange in Figure 3.

¹² Including charges for water supply and wastewater where applicable.

Christchurch	\$0.00
Thames Coromandel*	\$22.30
Western Bay of Plenty*	\$22.83
Gisborne	\$31.50
Horowhenua	\$37.57
Selwyn	\$46.88
Ōtorohanga	\$48.33
Tauranga	\$50.48
Whangarei	\$50.70
Nelson	\$54.29
Far North	\$57.39
Timaru	\$62.03
Whakatāne	\$62.95
Central Otago	\$70.48
Palmerston North	\$72.71
Waikato	\$74.54
Auckland	\$94.90
Hauraki	\$134.75
Tasman	\$165.67
Average	\$61.07

* Excludes fixed charges.

Conclusions

In conclusion, there is substantial variation in water supply pricing (including charges for wastewater where applicable) among the 19 local councils covered in this report. Most of the councils covered in the report only charge for water supply, while four of the councils have separate charges for wastewater.

Watercare has the most comprehensive pricing structure for water with fixed and volumetric charges for both water supply and wastewater. On the other hand, Christchurch City Council's volumetric charges for water supply only start to apply after a 900-litre daily allowance of ratepayer-funded water.

The levels of the volumetric charges for water supply vary substantially among the 19 councils. Far North District Council has the highest volumetric charge at \$3.83 per cubic meter whereas Timaru District Council has the lowest volumetric charge at \$0.96 per cubic meter. The average volumetric charge of the 19 councils is \$2.25 per cubic meter.

In terms of annual fixed charges for water supply, Central Otago District Council has the highest fixed charge at \$595.36 p.a. whereas Whangarei Council has the lowest fixed charge at \$49.57 p.a. The average fixed charge of the 19 councils is \$210.46.

For customers with water meters, wastewater in Auckland is charged at an annual fixed rate of \$288.70 plus a volumetric charge of \$3.47 per cubic meter. For customers without water meters, wastewater is charged at an annual rate of \$887.83. The only other councils to charge directly for wastewater are Hauraki District Council, Palmerston North City Council and Tasman District Council and all use fixed charge only, with the charge being \$737.00, \$345.22 and \$876.09 p.a. respectively.

Combining fixed and volumetric charges, a household that uses 15 cubic meters of water per month would pay an average of \$61.07 per month.