

Hamilton City Council

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Hamilton, 3204

**By Email**



**Waikato  
wellbeing  
project**

Hinonga  
toiora o  
Waikato

Research . Knowledge . Storytelling

## **Re: The Future of Water Services**

Thank you for the opportunity to provide feedback on the proposal for Hamilton City Council and Waikato District Council to form a joint CCO to deliver 3 waters services. This process reflects the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024, and the need for the council, by September 2025, to submit detailed Water Service Delivery Plans which show how they will meet existing and significant new regulatory requirements for water services. In this regard the Local Waters Done Well Business Case and the proposed jointly owned CCO with Waikato District Council is noted<sup>1</sup>.

Our interest in this process is to ensure that the outcomes and impacts of the new Water Services Entity are as intended by the legislation and align with what communities of the Waikato might reasonably expect in terms of real-world results, especially in terms of affordable housing. These outcomes are somewhat defined in the legislation Section 8<sup>2</sup>) as:

*(b) (i) ensures that the territorial authority will meet all relevant regulatory quality standards for its water services; and*

*(ii) is financially sustainable for the territorial authority; and*

*(iii) ensures that the territorial authority will meet all drinking water quality standards; and*

*(iv) supports the territorial authority's housing growth and urban development, as specified in the territorial authority's long-term plan.*

Ultimately, infrastructure provision is at best a means to an end. While water 'managed' well is extremely important, local government also needs to keep a watchful eye on the ends (impacts) which that infrastructure is intended to facilitate. If the ends are not being met, the means need to change.

In 2018-19 the WWP developed a series of wellbeing goals and targets. These were supported by community conversations across the region, and expert technical analysis. These provide an indication of the real-world outcomes people of the Waikato region expect from local and central government, amongst others.

These can be summarised as (with relevant Sustainable Development goals in parentheses):

- *None of our children are hungry (SDG 1/2)*
- *Our people are healthy and well (SDG 3)*

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<sup>1</sup> [Local Water Done Well Business Case](#)

<sup>2</sup> [Local Government \(Water Services Preliminary Arrangements\) Act 2024 No 31, Public Act Part 2 Water services delivery plans and foundational information disclosure requirements – New Zealand Legislation](#)

- *All of our young people are engaged and productive, they are learning or learning a livelihood, their mana is enhanced, and they are on a positive pathway to have many life options (SDGs 4/8/10)*
- *“I am the river, and the river is me. If the river is unwell, I am unwell” (SDG 6)*
- *All of our people, including those on fixed incomes (like the elderly and unemployed), can live in a warm energy efficient home, with reliable affordable clean energy. (SDG 7)*
- *All of our people will be well housed, meaning timely access to habitable, affordable, accessible, culturally appropriate, appropriately located, housing with security of tenure. (SDG 11)*
- *Our region is producing less waste through designing waste out of our daily lives, we’re reusing things where we can, and we’re using innovative and effective systems for recycling (SDG 12)*
- *Our people will be doing their part to transition to a cleaner, healthier, climate resilient region. (SDG 13)*
- *Our coastal ecosystems are healthy reflecting the mauri from the mountains to the sea and provide for the enjoyment by people for swimming, collecting food and other activities (SDG 14)*
- *Our land is restored, our water is clean, and our native vegetation and flora and fauna thrive. (SDG 15)*

These are similar in many ways to Hamilton City’s 2021-31 community outcomes, with outcome 1- “shaping a city that’s easy to live in” including reference to “affordable housing options”.

While the UN Declaration on Sustainable Development (2015) notes that all 17 goals are integrated and indivisible, it describes eradicating poverty “*in all its forms and dimensions, including extreme poverty... the greatest global challenge and an indispensable requirement for sustainable development.*”

The WWP is focused on a subset of the SDGs, reflecting both the significant importance of poverty<sup>3</sup> reduction but also the fundamental human right of access to good food and affordable housing. Our work in these areas is set out in our 2025-26 Business Plan<sup>4</sup>.

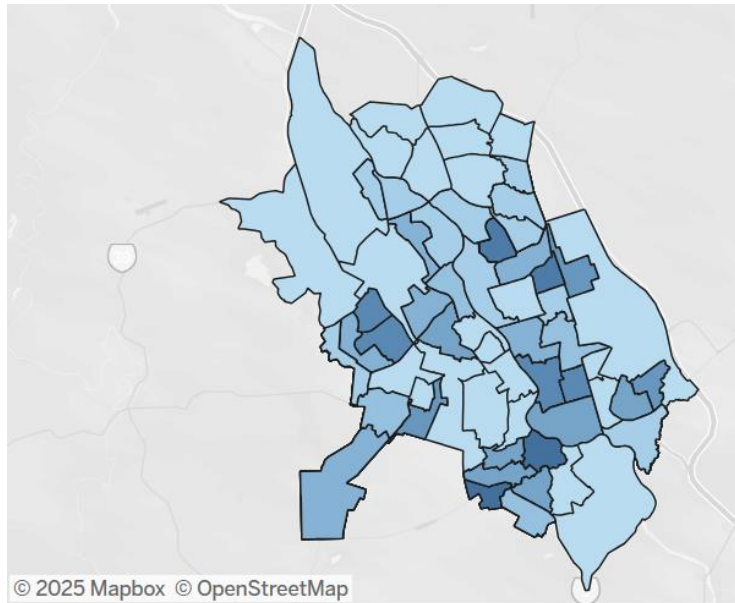
Research undertaken by the WWP in late 2024 has shown that food deprivation affects at least 18,000 households in the Waikato and between 10 and 12% of its population. This effect will not be felt evenly and will tend to be concentrated in those areas of deprivation. According to the Census 2023 Socioeconomic Deprivation Index, more than 38,000 Hamilton residents are in the highest deprivation quintile (dep 9,10), representing 36% of the city’s total population. The map below shows the geography of deprivation in the city, where darker colours represent higher levels of deprivation.

Food deprivation is not an issue of individual choice. From the perspective of almost every household/whanau, having sufficient income available for food is the end-result of the affordability of all other household items, especially housing costs. This is why poverty metrics are calculated both before and after housing costs are accounted for. The affordability of housing affects both people’s ability to have shelter, and their ability to feed themselves and their family.

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<sup>3</sup> As a high-income economy, New Zealand, measures relative poverty. This is defined in the Child Poverty Reduction Act (2018) as the percentage of children living in households with less than 50 percent of the median equivalised disposable household income, before and after housing costs are deducted. This is different to absolute poverty.

<sup>4</sup> [WWPBusinessPlan2025-26FINAL.pdf](#)



Research by the WWP has shown that while food prices in New Zealand are high compared to other countries, paradoxically, the rate of food price increase between 2014 and 2024 has been less than the increase in the median household income over the same period. The household factors which have increased much faster than incomes in that time are house prices and especially rents<sup>5</sup>. The Waikato's food insecurity issues are in many ways a housing affordability issue at their root.

### **Affordable Housing is Key to Wellbeing**

Hamilton City's 2021 Housing Strategy frequently refers to the need for affordable housing- for example stating that its purpose is to ensure "*Hamiltonians can live in good quality homes that they can afford*", as well as a stated outcome of "*more affordable homes*"<sup>6</sup>

The test of these strategies therefore needs to be: can Hamiltonians afford good housing?

Ministry of Housing and Urban Development data shows housing (either to own or rent) is, on average, unaffordable in Hamilton. The chart below shows a range of housing related metrics and their changes (in percent) since December 2003:

- **Average house prices** have increased 282%
- **Average interest prices** have risen 215%
- **Median household incomes** have risen 122% (i.e. house prices have risen at more than twice the rate of incomes)
- **The rent price index** had increased by 110% (i.e. relatively close to changes in income)
- **Rental affordability** has improved by 5%
- **Mortgage serviceability** has reduced by 30% and **deposit affordability** has reduced by 42%

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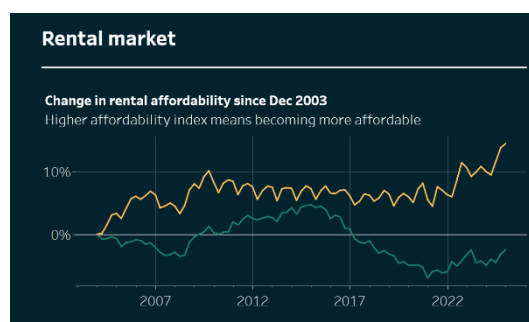
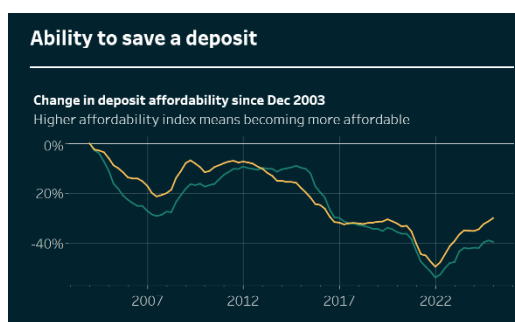
<sup>5</sup> Other factors such as domestic energy, insurance and rates have also outpaced either wages growth or inflation.

<sup>6</sup> [Housing-Strategy.pdf](#)



Compared with the rest of New Zealand, the Waikato has gone from being more affordable than the rest of New Zealand, to being persistently less affordable. As examples below, while the ability to save a deposit in the Waikato region has improved in the past 2 years, it has reduced by 40% in the Waikato (green line), and only by 30% for the rest of New Zealand (yellow line) since 2003.

Significantly, since 2003, rental affordability in the Waikato has reduced by 3%, but has improved for the rest of New Zealand over the same time by 14%. In other words, renting is 17% less affordable in the Waikato than for the rest of New Zealand. This will be a function of absolute prices but also relative income differences.



“Affordable” is a product of income and house price/rent cost. Households with higher incomes therefore will have greater housing options across the housing continuum and will also spend less of their income on housing related costs. Households with lower incomes are less able to enter and stay in the the market (either to rent or to own) and there are fewer options for them.

Data from the Waikato Housing Initiative<sup>7</sup> shows that in 2023 Hamilton City had a housing shortfall of more than 3,000 houses. Work undertaken by Market Economics for FutureProof evaluated current and future capacity as is required by the National Policy Statement on Urban Development (NPS-UD 2022). The most recent assessment includes an analysis of how

<sup>7</sup> [Stocktake\\_FINAL](#)

planning decisions and provision of infrastructure affects the affordability and competitiveness of the local housing market.

For Hamilton City, the report <sup>8</sup> projects a generally improving level of affordability for the city out to 2052, as more capacity is made available. However, the supply improvements are not even, as shown in the figure below. In real terms, there is already a shortfall of about 9,500 homes under \$400,000 in Hamilton, relative to demand. By 2052, this shortfall grows to 25,000 homes less than \$700,000. To put this in perspective, the mean household income in Hamilton is currently \$122,136 and the median household value is \$804,810, an income: price ratio of 6.6<sup>9</sup>. This ratio is defined by Demographia as “severely unaffordable”<sup>10</sup>

	2022	2025	2032	2052
<b>Value Band</b>	<b>Dwellings</b>			
\$0-99	-4360	-8000	-7930	-9220
\$100-199	-4350	-3940	-3310	-9200
\$200-299	-810	-2150	-1290	-3330
\$300-399	-70	-520	-440	-2390
\$400-499	110	420	50	-470
\$500-599	480	510	410	-340
\$600-699	520	4500	500	-160
\$700-799	2890	3550	1960	4850
\$800-899	2500	2250	3570	5170
\$900-999	1320	1280	2450	4250
\$1000-1099	730	790	1530	3800
\$1100-1199	370	410	800	2080
\$1200-1299	210	270	560	1440
\$1300-1399	120	160	290	1150
\$1400-1499	80	110	200	500
\$1500-1599	60	90	190	440
\$1600-1699	40	60	160	520
\$1700-1799	40	40	100	360
\$1800-1899	30	30	60	170
\$1900-1999	20	30	40	160
\$2000-2199	10	20	30	80
\$2200-2399	10	10	20	70
\$2400+	0	0	0	10
<b>Net Outcome</b>	<b>-50</b>	<b>-70</b>	<b>-60</b>	<b>-30</b>
<b>Shortfall</b>	<b>-9590</b>	<b>-14610</b>	<b>-12970</b>	<b>-25110</b>
<b>Surplus</b>	<b>9540</b>	<b>14530</b>	<b>12920</b>	<b>25050</b>

Note: Includes current estimated shortfall

The provision, or absence, of 3-waters infrastructure in certain parts of the city strongly influences the availability and affordability of housing. And as described above, the unaffordability of housing can, in turn, exacerbate other significant wellbeing issues including food insecurity.

A report<sup>11</sup> presented to the Council’s April Strategic Growth Committee noted parts of the city do not have sufficient wastewater capacity to enable further development. In the tables below, these are compared to the most deprived SA2 areas in Hamilton as reported in the WHI Housing DataLake. A larger list of SA2 areas is shown as the wastewater limited areas as likely to merge several SA2 areas:

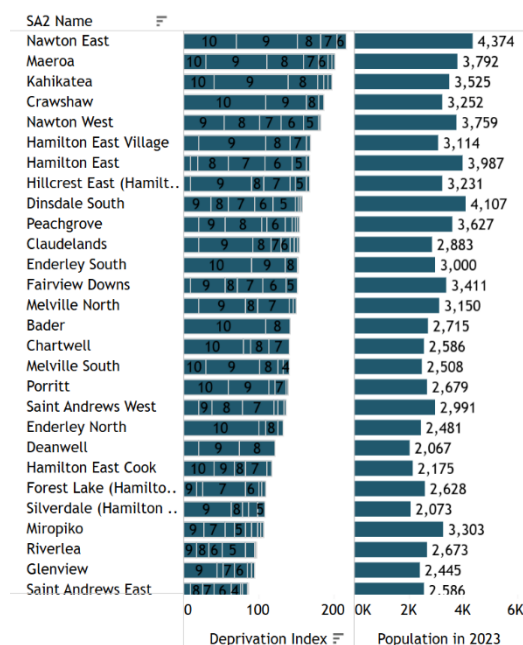
<sup>8</sup> [waikatorc.sharepoint.com/sites/FutureProofAdministration/Shared Documents/Forms/AllItems.aspx?id=%2Fsites%2FFutureProofAdministration%2FShared Documents%2FGeneral%2FFDS Special Consultative Process%2FFINAL Residential HBA - December 2023%2Epdf&parent=%2Fsites%2FFutureProofAdministration%2FShared Documents%2FGeneral%2FFDS Special Consultative Process&p=true&ga=1](https://waikatorc.sharepoint.com/sites/FutureProofAdministration/Shared Documents/Forms/AllItems.aspx?id=%2Fsites%2FFutureProofAdministration%2FShared Documents%2FGeneral%2FFDS Special Consultative Process%2FFINAL Residential HBA - December 2023%2Epdf&parent=%2Fsites%2FFutureProofAdministration%2FShared Documents%2FGeneral%2FFDS Special Consultative Process&p=true&ga=1)

<sup>9</sup> ‘Affordable’ is usually defined as a multiple of income to house price of between 3 and 5

<sup>10</sup> [Demographia International Housing Affordability, 2024 Edition](#)

<sup>11</sup> [Agenda of Ordinary Strategic Growth Committee Meeting - Tuesday, 8 April 2025](#)

Wastewater Limited Areas
Nawton
Melville
Deanwell
Glenview
Fitzroy
Hamilton East (outside Stage 1)
Claudelands
Fairfield
Hillcrest
University area
St Andrews
Rototuna
Bader



Many of the areas with limited wastewater capacity (especially if Enderley is included) are also deprived. There is a risk that the areas of Hamilton City where the wellbeing benefits of further housing provision and regeneration could be greatest, are also the areas of the city where these improvements are currently being restricted by a lack of adequate 3 waters infrastructure.

Anything that enables the provision of affordable housing, especially in higher deprivation/lower income areas need to be addressed with urgency, to ensure both the shortfall and the lack of affordable housing is not exacerbated and ideally reversed. To ensure equitable housing and wellbeing outcomes, the new joint waters CCO needs to ensure that improvements in 3 waters services are focused on enabling an outcome of affordable houses right across the housing continuum, especially in high deprivation areas.

The Waikato Wellbeing project requests:

- That the Statement of Intent for the joint 3-wates CCO includes a commitment to improving housing affordability in Hamilton City, by ensuring that infrastructure capacity is prioritised in areas with higher deprivation and less opportunity/capacity at present for affordable housing development.
- That Hamilton City reports to the public on a regular basis on housing affordability and the relative contribution its infrastructure and services, including a new joint water CCO, are making to improving affordability.

Harvey Brookes

Executive Director

Waikato Wellbeing Project