

Auckland: A city divided by income

By [Simon Collins](#)

5:30 AM Monday Feb 6, 2012

Auckland has changed from an equal city to an unequal one in less than a generation with the income gap between rich and poor widening dramatically over the past 25 years.

Whereas most people's incomes were bunched tightly around the average in 1986, the spread has become increasingly vast, according to data prepared for the Herald by Statistics New Zealand.

Not only is the gap steadily increasing, but so too is the number of people who do not have enough money to eat.

The super-rich - such as the Chrisco hamper company owners who rented their \$30 million Coatesville mansion to Kim Dotcom - have built sprawling homes on a scale the city had never dreamed of in the 1980s.

At the other extreme, food charity was unheard of in New Zealand, outside a tiny minority served by inner-city soup kitchens, until welfare benefits were cut in 1991.

But hunger in a land of plenty has become a blot on our national day along with the associated family violence that former Governor-General Dame Silvia Cartwright once labelled "our dark secret".

Nationally, Work and Income gave out 144,000 food grants in the first full year they were recorded, 1992-93, but last year this had increased to 554,000, including 150,000 in Auckland.

Just over 20,000 Auckland families and individuals queued for food parcels from the Auckland City Mission and the Salvation Army.

Even for families who are not considered poor, parents are having to do without to make sure their children are fed and clothed.

Auckland couple Craig and Carla Bradley often have only \$150 a week left for food. "We have gone two days without food just so the kids can eat. That's when I was pregnant, too," says Mrs Bradley, 29.

The couple buy meat and fresh vegetables sparingly. "We use noodles for the kids or eggs on toast. We might have rice risotto or macaroni cheese, things like that," Mrs Bradley says.

A graph prepared for the Herald by Statistics New Zealand shows how the gap between rich and poor has stretched out.

A generation ago, in 1986, median incomes in the vast majority of the region's 300-odd census area units - specific geographical suburbs and areas - were bunched tightly around the average.

Just over half (52 per cent) of the area units had median incomes within 10 per cent of the regional median of \$23,100 (after adjusting for inflation to 2006 dollars), and 93 per cent had median incomes within 30 per cent of that figure.

By the last Census in 2006, that bunching had completely disappeared. By then, only 26 per cent of area units had median incomes within 10 per cent of the regional median of \$26,800, and only 78 per cent were within 30 per cent.

In 1986, the richest area unit, the then newly developed Lucken Point at the western end of the Waitemata Harbour, had a median income of \$33,570, or less than one and a half times the overall median.

By 2006, the number of area units with median incomes over 30 per cent above the regional median had trebled from 16 to 46, and the \$48,800 median in the richest area, now St Marys Bay, was almost double the regional median.



A man sleeps out the shops on Queen Street. Photo / Brett Phibbs

These figures are based on the personal incomes of all adults aged 15 and over, so they understate the total gap between a family with two fulltime earners in St Marys Bay and a family where there may be no fulltime earners in Otara West - where the median personal income in 2006 was just \$14,700.

Income gaps on this scale have both human and economic consequences.

In human terms, the Herald will reveal - in a six-part series starting today - that childhood skin infections and other infectious diseases associated with poverty and overcrowding more than doubled in the decade after the benefit cuts in the 1990s. They levelled off in the first decade of this century, and are now rising again.

And economically, many economists now see reducing inequality as a prime economic goal - both to harness our full human potential and to dampen boom/bust cycles caused by excessive lending by people who have more than they need to people who need the loans but can't afford them.

A survey for last month's World Economic Forum in Davos, Switzerland, rated "severe income disparity" as the biggest risk facing the world in the next decade.

In Auckland, the formation of a single "Super City" council 15 months ago has mandated the city's leaders for the first time to adopt a unified "spatial plan" covering social as well as economic development.

The first draft Auckland Plan, due to be finalised by the council next month, proposes a vision of "a strong and equitable society". Mayor Len Brown says the plan will aim for "equality of opportunity".

"I'm setting a platform in place so that everyone feels included in the city. That in this city, no matter where they are living, they have the very best opportunities for getting an excellent education, then opportunities for jobs, and then opportunities for raising their families and living a great life."

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