

Public Health Association Media release

1 September 2011

OECD-leading growth in income gap worsening social ills

If New Zealand narrowed its income gap between its highest and lowest earners to that of the most equal countries in the OECD, it could help to substantially reduce social problems, including more than halving the incidence of mental illness and halving the number of people in prison, the Public Health Association conference heard today.

A policy advisor with the Council of Christian Social Services, Paul Barber, told delegates at Lincoln University that New Zealand's income gap has grown faster than any other country in the OECD in the past 25 years, going from one of the most equal to one of the most unequal countries.

"International research has found the income gap is a major contributor to health and social problems such as obesity, mental illness, infant mortality, teen pregnancy and imprisonment rates.

"In New Zealand it is having such a pervasive effect that it is reducing or even completely countering the effectiveness of other policy interventions in health, education and justice.

"A generation of New Zealanders has grown up with widening income inequality and there are clear signs of how this now affects our whole society. We have rates of obesity and mental illness twice as high as countries with low income inequality, and the infant death rate is also much higher than those countries. Rates of teen pregnancy and imprisonment are more than three times those of more equal countries and New Zealand also exhibits the largest disparities in educational achievement in the OECD.

"The country's very high rates of childhood infectious diseases, such as rheumatic fever, are also related to inequality and poverty."

Mr Barber told delegates that inequality cannot simply be explained as wrong choices – inequality of resources and opportunity are powerful background forces.

"We need to increase access to secure employment at fair rates of pay. There needs to be improved access to quality childcare, a reduction in transport costs and an emphasis on training and education, particularly for young people.

"Individuals, organisations, iwi, local bodies and central government can demonstrate leadership by showing restraint when deciding on their pay and rewards in comparison to those on the lowest incomes. Establishing a High Pay Commission to investigate the factors in growing income inequality would help identify how to go about reducing that gap. Increasing the minimum wage, expanding access to tax credits from Working for Families and introducing taxes, such as capital gains tax, are also options to look at.

"Otherwise, inequality is set to grow further as the incomes of the wealthiest are growing the fastest. Closing the income gap is about both fairness and self interest, because social problems inevitably affect all of us, even the highest income earners."

Media are invited to attend the whole or any part of the conference.

To arrange interviews with Paul Barber or any Conference speaker, please contact Penny Cooper (Conference media liaison): 0274 547 584.

Links:

- [Conference website](#)

- [Conference handbook and programme](#)
- [Presenter abstracts and information](#)
- [Presenter abstracts only.](#)