

Stark wealth inequality in New Zealand

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Statistics released late last month show that New Zealand's richest households have expanded their wealth significantly, even as the country's economy has gone into reverse and the majority of workers are experiencing a major decline in their real incomes.

According to Stats NZ, New Zealand households increased their wealth by an average of 33 percent between June 2021 and June 2024. This largely reflects a bubble in the housing market, driven by low interest rates that have fuelled speculative activity, as well as a share market boom.

The vast majority of the gains went to the richest layers of society. For the bottom 40 percent of households—i.e., those less likely to own a house, let alone financial and other assets—there was no statistically significant change.

The poorest 20 percent of households own a median of just \$11,000 in assets. Some 109,000 households, the poorest 5.4 percent, own less than zero assets, indicating large amounts of debt.

The wealthiest 20 percent of households, meanwhile, increased their wealth by 19 percent, or \$386,000, to a median \$2.4 million. This layer holds around two-thirds of New Zealand's total household wealth.

Wealth is highly concentrated in the hands of the richest 1 percent—about 40,000 people—who control 17.5 percent of the country's wealth, down slightly from 19.9 percent in 2021. People in this super-rich group last year had a median net worth of \$7.191 million—47.6 times that of the median worker, who owns just \$151,000 in assets.

The top 1 percent have increased their fortunes by about 16 percent since 2018, when they had a median \$6.2 million in assets, according to researcher Max Rashbrooke.

The official statistics, however, understate the concentration of wealth because Stats NZ's surveys do not count the very richest. Rashbrooke pointed out in

his 2021 book *Too Much Money* that the largest fortune counted in the 2017–2018 Household Economic Survey was \$20 million, but the *National Business Review* "Rich List" profiled hundreds of people worth more than \$50 million. He estimated that the top 1 percent actually controlled 26 percent of New Zealand's wealth.

According to the 2025 "Rich List," just 119 individuals and families own a combined \$102.1 billion in assets, equivalent to 4.9 percent of the net wealth owned by all households (as measured by Stats NZ).

The Stats NZ figures do not capture the impact of the sharp economic downturn over the past year, during which, according to a recent survey by fintech company Revolut, 42 percent of New Zealanders said their financial situation had worsened.

Unemployment increased from 4.7 to 5.2 percent and wages rose, on average, just 2.4 percent—less than the inflation rate of 2.7 percent and well below the 5 percent increase in food prices.

The National Party-led coalition government is actively driving down wages. It increased the minimum wage, paid to roughly 140,000 people, by just 1.5 percent, representing a significant pay cut for the country's lowest-paid workers.

The Salvation Army released a report on food insecurity last month which noted that "the rate of food insecurity among households with children almost doubled in the two years to June 2024." While New Zealand exports enough food to feed 40 million people, more than one in four children, 27 percent, live in households "where food runs out sometimes or often."

At the time of the 2023 Census, 112,496 people were "severely housing deprived," either homeless or living in overcrowded or unsafe conditions. The situation has worsened since then, as the government has restricted access to emergency housing and cancelled hundreds of projects which would have built 3,500 new public

houses.

Auckland Council has found that homelessness in the country's major city increased by 90 percent in the past year. Last month the government announced it would lease 300 housing units nationwide to accommodate homeless people in Auckland, Hamilton, Wellington and Christchurch, but in Auckland alone more than 800 people are sleeping rough, according to the City Mission.

Soaring social inequality and poverty are driving working people into significant struggles. Tens of thousands of nurses, doctors and teachers have all held nationwide strikes over the past two months after receiving pay-cutting offers from the government. A one-day strike scheduled for October 23 by education and healthcare workers could involve more than 100,000 people, making it the biggest stoppage in more than 40 years.

The objective of the union bureaucracy, however, is not to lead a sustained industrial and political fight against austerity. It is seeking to impose sellout agreements which will not address the cost of living crisis or the running down of public services. The well-paid union officials are promoting illusions that workers can simply wait until next year's election and vote for the Labour Party and its allies, the Greens and Te Pahi Mori.

Speaking to the Bradbury Group podcast this week, Labour Party leader Chris Hipkins said, "We can't afford three more years of this government, it will do so much damage to New Zealand." He refused to explain what Labour would do differently, saying its policies would be released next year. The party lost the 2023 election in a landslide after presiding over rising unemployment, soaring living costs, and increased homelessness and child poverty.

The last Labour government refused to increase tax on the super-rich, despite evidence that the country's wealthiest 311 billionaires and multi-millionaires were making enormous profits during the COVID-19 pandemic while paying an effective tax rate of just 8.9 percent—less than half what the average worker paid.

The Labour Party and the Public Service Association, the largest union, are also supporting the government's decision to double military spending to prepare New Zealand to join US-led wars, above all against China. The diversion of \$12 billion to the military over four

years is being paid for by the working class through cuts to public services.

To conduct a real struggle against austerity and militarism, workers need new organisations. Rank-and-file committees must be built in every workplace, democratically controlled by workers themselves and independent and opposed to the union bureaucracy and the capitalist parties.

In every country, the ruling class is seeking to resolve the economic crisis by drastically lowering living standards and launching catastrophic wars to redivide the world. To fight back, the working class must build a revolutionary socialist and internationalist party, uniting workers in all countries to put an end to the capitalist system itself.



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