About NZIER

NZIER is a specialist consulting firm that uses applied economic research and analysis to provide a wide range of strategic advice to clients in the public and private sectors, throughout New Zealand and Australia, and further afield.

NZIER is also known for its long-established Quarterly Survey of Business Opinion and Quarterly Predictions.

Our aim is to be the premier centre of applied economic research in New Zealand. We pride ourselves on our reputation for independence and delivering quality analysis in the right form, and at the right time, for our clients. We ensure quality through teamwork on individual projects, critical review at internal seminars, and by peer review at various stages through a project by a senior staff member otherwise not involved in the project.

Each year NZIER devotes resources to undertake and make freely available economic research and thinking aimed at promoting a better understanding of New Zealand’s important economic challenges.

NZIER was established in 1958.

Authorship

This paper was prepared at NZIER by Todd Krieble and Dion Gamperle.

It was quality approved by John Stephenson.

The assistance of Deborah O’Connor and Sarah Spring is gratefully acknowledged.
Key points

*Pacific Economic Trends and Snapshot* 2016 updates our 2013 Snapshot and provides new insights that can be used to inform policies, programmes and further research. This 2016 update includes new statistics on housing and Pasifika businesses.

The key message is that gaps are closing in some areas of education and workforce participation but more is needed to support higher tertiary qualifications and pathways into occupations with higher wages. Gains in education and workforce participation have not yet materialised in significant improvements to Pacific peoples’ economic wellbeing. Pacific people continue to report significantly lower net worth than all other groups which is intimately connected with significantly lower rates of home ownership and lower incomes. These factors, along with a strong concentration in a small number of unskilled and low skilled industries, contribute considerably to the vulnerability of Pacific communities in times of economic recession. These considerations require urgent attention if median household incomes for Pacific people are to improve in line with MBIE’s goal to raise median household incomes 40 per cent by 2025.

The 2013 Snapshot highlighted structural factors that remain, but are having less of an effect each year, and include age structure, difference in skills and qualifications and a high proportion of migrants in the Pacific workforce as causes of a gap between Pasifika and overall economic performance.

**A new strategy to drive and understand Pasifika economic performance**

The Ministry of Business, Innovation and Employment’s *Pacific Economic Strategy 2015-2021* provides a framework for Pasifika economic development. Aligned with the *Business Growth Agenda*, the Pacific Economic Strategy targets three key outcomes for Pasifika: more sustainable job opportunities, more affordable and suitable housing and more sustainable Pacific-owned businesses. This Snapshot provides information and insights to progress towards these outcomes.

**Positive signs in jobs and wage growth**

This Snapshot shows that Pasifika early childhood education (ECE) participation rates have improved to 91.8 percent, but still sit at 6.3 percentage points below Europeans, who have the highest rate. Closing this gap means Pasifika will improve the chances of later achieving better outcomes at the tertiary level, where a gap also persists.

Unemployment rates for both Pasifika men and women have improved in the last few years, dropping from 12.2 percent to 8.6 percent for Pasifika men and from 14.3 percent to 12.1 percent for women between 2011 and 2016.

A very promising sign, although small, is the closing wage gap. Between 2008 and 2015 Pasifika wages experienced a compound annual growth rate of 3.1 percent for Pasifika, compared to 2.7 percent for the total population. Closing the wage gap further is critical if Pasifika are to put themselves in a position to improve net worth, as wages continue to be the main source of income for Pacific households.
Areas to work on

In the schooling sector 20.4 percent of Pasifika school leavers achieve university entrance, compared to 38.4 percent of total leavers. This is reflected in occupational choices and ultimately has an impact on future income.

Pasifika net worth is low, due to low levels of assets rather than high levels of liabilities. Pasifika hold little mortgage debt and are more likely to have non-mortgage debt.

Pasifika home ownership rates are dropping and Pasifika report high levels of dissatisfaction with housing. Quality housing is important for well-being, more work should be done to understand whether home ownership supports better labour market outcomes for Pacific people and its potential influence on domestic/overseas labour mobility. This is an area for future investigation.

Understanding Pasifika business demographics

This Snapshot provides a first attempt at a very basic understanding of Pasifika businesses by industry and employee count. Assessing progress towards developing more sustainable Pasifika businesses depends on being able to initially identify Pasifika businesses and then understand the dynamics of these businesses, including the conditions for, and barriers to, their growth.

The 252 ‘Pasifika’ businesses identified in this Snapshot have an industry and employment profile that differs from that for New Zealand businesses as a whole. Having identified these businesses there is now the potential to follow their progress over time.

So what next?

The data and discussion in this Snapshot suggest that efforts need to continue to:

- Lift Pasifika participation rates in education to enhance achievement at all levels, particularly at level 5 and above
- Ensure that learning is fit for purpose and builds learners that are work ready with transferable skill-sets
- Provide good career information and support for Pasifika learners to turn skills, experience and qualifications into meaningful employment
- Close the wage gap through better pipelining and upskilling of Pasifika into high wage career pathways
- Understand the drivers of NEET rates for Pasifika particularly for Pasifika females
- Examine the role of labour mobility and neighbourhood mobility on education, employment and housing
- Formalise an enduring collection of Pasifika business demographics to gain better insights into ways to support Pasifika business and entrepreneurship
- Research into understanding the return on investment for education and the protective factors that ensure economic resilience despite economic hardship in Pacific communities
- Develop definitions and benchmarks in the three Pacific economic strategy outcome areas for future progress updates.
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NZIER report – Pacific economic trends and snapshot 2016
Pasifika demographic trends

Pasifika population growth continues
The number of Pasifika in New Zealand is expected to grow on average 1.7 percent per annum over the next two decades – reaching a population level of more than half a million. This will see Pasifika making up 11 percent of the New Zealand population by 2038, up from 7.8 percent at present.

All ethnicities of the Pasifika population continue to grow. Pasifika were the fourth-largest major ethnic grouping in 2013, behind the European, Māori, and Asian ethnic groups. Since 2006, this group has grown in both number and proportion of the population. In 2013, 7.8 percent of the New Zealand population (344,400 people) identified with one or more Pacific ethnic groups, compared with 7.2 percent (301,600 people) in 2006. However, the rate of growth for Pacific peoples’ ethnic group slowed across recent Censuses, growing 15.2 percent between 2001 and 2006 but only 14.2 percent between 2006 and 2013.

Young and local
More than half (54.9 percent) of the Pacific population are younger than 25 years old. Almost half (45.5 percent) are under 20, compared to 27.5 percent for the total population. Pasifika collectively have the highest proportion of children aged 0-14 years, at 35.7 percent. Although the median age of Pacific peoples (22.1 years) slightly increased from 2006 (when it was 21.1 years), Pacific peoples remain a youthful population.

Over two thirds (62 percent) of the Pasifika population is now New Zealand born. This is very different from the Pacific demographics of the 1950s and 60s where most Pacific people were born in the Pacific islands. This changing dynamic creates a broad set of perspectives and experiences that will impact on the characteristics of the Pacific community in New Zealand now and into the future.

Auckland is at the heart of a wider Pacific community
Most Pacific peoples (92.9 percent or 274,806 people) lived in the North Island in 2013. Almost two-thirds (65.9 percent or 194,958 people) of those who identified with at least one Pacific ethnicity lived in the Auckland region, (Auckland also holds the biggest Polynesian population in the world), and 12.2 percent (36,105 people) in the Wellington region. In contrast, only 7.1 percent of Pacific peoples (21,135 people) lived in the South Island in 2013.

The New Zealand Pasifika economy has close ties to Pacific island economies, primarily through wealth transfers such as remittances, gift-giving and church donations.

Remittances, at NZ$220 million, accounted for one-quarter of Samoa’s GDP in 2012/13 (Aiavao, 2014). Remittances are provided to support families in the Pacific Islands, and cover health and education services. A third of remittances are retirement savings, and may include business or real estate investment.
Figure 1: Pasifika are a diverse ...

Five of the largest Pacific ethnic groups in New Zealand by number of people

<table>
<thead>
<tr>
<th>Year</th>
<th>Samoan</th>
<th>Cook Islanders</th>
<th>Tongan</th>
<th>Niuean</th>
<th>Fijian</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Statistics New Zealand, Census 2013

Figure 2: ... rapidly growing ...

Growth of the Pacific population in New Zealand by proportion of total population

Source: Statistics New Zealand, Population estimates 2016

Figure 3: ... young population ...

Population age structure by percentage of total

Source: Statistics New Zealand, Census 2013

Figure 4: ... of migrants and NZ-born people

Percentage of New Zealand born and overseas born Pasifika as a proportion of all Pasifika


Figure 5: Two-thirds of Pacific people live in Auckland ...

Residence of Pasifika by region

Source: Statistics New Zealand, Census 2013

Figure 6: ... and it’s a social and economic hub for the Pacific

Population of selected urban areas in the Pacific

<table>
<thead>
<tr>
<th>City</th>
<th>Pasifika population</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland</td>
<td>194,958</td>
<td>2013</td>
</tr>
<tr>
<td>Nasinu</td>
<td>76,064</td>
<td>2007</td>
</tr>
<tr>
<td>Suva</td>
<td>74,481</td>
<td>2007</td>
</tr>
<tr>
<td>Honiara</td>
<td>64,609</td>
<td>2009</td>
</tr>
<tr>
<td>Sydney</td>
<td>53,308</td>
<td>2011</td>
</tr>
<tr>
<td>Apia</td>
<td>36,735</td>
<td>2011</td>
</tr>
<tr>
<td>Nuku’alofa</td>
<td>24,571</td>
<td>2012</td>
</tr>
</tbody>
</table>

Pasifika qualifications and skills

More Pasifika are getting an early start

Pasifika early childhood education (ECE) participation rates increased significantly between 2000 and 2015. ECE enrolments of children aged 0-4 increased from 75.8 percent to 91.8 percent of the population. Pasifika are still 6.3 percentage points below Europeans, who have the highest participation rate.

Mixed results in youth employment and training

Pacific women are more likely than Pacific males to not be in employment education or training (NEET). The number of Pasifika youth not in employment, education or training (NEET) since 2010 has dropped slightly from 21.1 to 20.9 percent for women and dropped for men from 15.2 to 11.7 percent.

Qualifications and career choices affect future income

Of Pasifika school leavers, 20.4 percent achieve university entrance, compared to 38.4 percent of total leavers. This is a sizeable gap that has an impact on tertiary education enrolments and outcomes and, ultimately, has an impact on future income.

The mix of qualifications may affect career outcomes. We also know that field of study and industry make a big impact on the income premium gained from tertiary qualifications. MBIE’s Occupational Outlook is a handy guide for students and parents to refer to when making tertiary education choices, as it provides advice on employment prospects, study costs and earnings potential.

Increasing proportion with a Bachelor’s degree

The proportion of the Pasifika population with a Bachelor’s qualification or higher has increased from 1 percent in 1991 to 8 percent in 2014. During the same period, the percentage of Pasifika with no qualifications has dropped from 56 to 34 percent, compared to a drop of 34 to 24 percent in the total population.

There is a trend of increased growth in the Pacific population. As at September 2014, 34 percent of Pacific people were in skilled occupations, up from 27 percent in September 2013. Age-adjusted tertiary participation rates are also on par with national averages (12 percent). However, participation is concentrated at the lower end of qualifications, and completion rates are lower for Pacific people (around 10 percent lower than national average).

For those who gain higher qualifications, employment outcomes are positive. A 2014 report from the Ministry of Education found that the median annual earnings of young Pacific people who hold tertiary qualifications tends be similar or, in some instances, slightly more than the median annual earning for non-Pasifika young people. This same report found that young Pasifika graduates were more likely to be on a benefit than their non-Pasifika counter parts, especially after completing qualifications at lower levels.

---


2 Includes managerial, professional, trades, and technicians' occupations.
Figure 7: More are getting an early start to their education ...

Early childhood education participation rates by ethnicity

Source: Education Counts, Ministry of Education, 2014

Figure 8: ... but a qualifications gap exists amongst school leavers

Highest school qualifications of school leavers

Source: Education Counts, Ministry of Education, 2014

Figure 9: Qualification levels though are improving

Percentage of population by highest qualification


Figure 10: NEET rates have dropped for Pasifika, but remain higher for women

Percentage of population not in employment, education or training

Source: Statistics New Zealand, Household labour force survey 2016

Figure 11: Higher qualifications tend to lead to higher earnings ...

Income five years after studying

Source: Education Counts, Ministry of Education, 2014

Figure 12: ... continues to be concentrated in particular industries

Percentage of population by occupation

Source: Statistics NZ, Census 2013
Pasifika assets, income and jobs

Unemployment rates have dropped

Unemployment rates for both Pasifika men and women have improved in the last few years, dropping from 12.2 percent to 8.6 percent for Pasifika men and 14.3 percent to 12.1 percent for women (between 2011 and 2016).

Over the same period, unemployment rates for the total population dropped from 5.9 percent to 4.9 percent for men and 6.4 percent to 5.8 percent for women.

Pasifika income gap closes slightly

The median weekly wage for Pasifika rose 23.9 percent to $767 between 2008 and 2015, compared to the median weekly wage for the total population which rose 20.7 percent to $880 over the same period.

The average Pasifika weekly wage rose 22.7 percent to $825 between 2008 and 2015 compared to the total weekly wage rising 22.3 percent to $1031 over the same period.

This amounts to a compound annual growth rate of 3.1 percent for Pasifika and 2.7 percent for the total population.

Low net worth

Individual Pasifika net worth, at a median of $12,000, sits well below the $87,000 median for all New Zealanders. Statistics New Zealand reports that adjusting for the younger age structure of the Pasifika population does not have a material impact on net worth.

Lower net worth is reflected in lower levels of non-wage and -salary income. Only 31 percent of Pacific people have income from other sources, such as business ownership and investments, compared with 66 percent nationally, so wages still comprise the majority of Pacific peoples’ income and wealth creation.

Pasifika net worth is also lower due to having proportionally fewer assets rather than having more liabilities. Most Pasifika debt is non-mortgage debt. Pasifika mortgage debt is low because 70 percent do not own a home, compared to 40 percent of the total population. While 74 percent of Pasifika don’t own a home, 10 percent have mortgage debt in the $250,000 to $399,999 band. Only 9 percent of Pasifika are mortgage free compared to more than 25 percent of the total population.

More than 26 percent of Pasifika hold $20,000 or more of non-mortgage debt compared to 13 percent of the total population.

Lower understanding of what happens with money and interest over time

A lot can be done about improving the financial literacy of Pacific peoples. While the financial literacy of much of the total population could be improved, less than one-third of Pasifika understand how compound interest works, according to the Commission for Financial Capability and a 2014 Ministry of Education report found that 15-year-old Pacific students were lagging behind other students in their financial literacy performance (Whitney et al, 2014).
Figure 13: Pasifika unemployment has dropped since the GFC

Unemployment rates by percentage of population

Source: Statistics New Zealand, Household labour force survey 2016

Figure 14: Pasifika incomes are growing faster than overall

Income growth by weekly earnings

Source: Statistics New Zealand, NZ income survey 2016

Figure 15: Pasifika net worth is low

Assets, liabilities and net worth by ethnicity ($000s)

Source: Statistics New Zealand, Household economic survey 2015

Figure 16: Pasifika are more likely to have non-mortgage debt

Percentage of population with non-mortgage debt by ethnicity

Source: Commission for Financial Capability and ANZ, 2013

Figure 17: Pasifika hold little mortgage debt ...

Mortgage debt by percentage of population

Source: Commission for Financial Capability and ANZ, 2013

Figure 18: ... with low understanding about time and compound interest

Understanding of financial concepts by percentage of population

Source: Commission for Financial Capability and ANZ, 2013
Pasifika business and enterprise

To assess the sustainability of Pasifika businesses we need first to know which businesses are Pasifika. For the purposes of this Snapshot, 252 ‘Pasifika’ businesses have been identified. These businesses are a collection of enterprises that are either self-identified as being Pacific businesses (being owned or partially owned by at least one Pacific person) or have been identified through the Companies Register as being owned or partially owned by known Pacific people in the business community.

It is a first attempt to better understand Pasifika business demographics, in the absence of an official statistical collection.

Pasifika businesses have a different profile from business enterprises in general.

The majority (57 percent) of Pasifika businesses have no employees, indicating that the owners are likely to be self-employed. Twenty-four percent of Pasifika firms employ 1-5 employees. This can be seen clearly, for example, in the rental and hiring industry category, where there is a large enterprise count but few employees.

Nearly two-thirds of the Pasifika businesses in the cohort are based in Auckland. This matches the proportion of the Pasifika population based in Auckland.

Industry profile of the identified Pasifika businesses

Three industries account for 38 percent of the 252 identified Pasifika businesses. These top three industries are professional, scientific and technical (45 businesses), rental, hiring and real estate (30 businesses) and construction (21 businesses). This industry profile differs from that of New Zealand as a whole, and this is worthy of further investigation.

Table 1 Pasifika businesses by top three industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Pasifika</th>
<th>New Zealand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional, scientific, technical (45)</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>Rental, hiring, real estate (30)</td>
<td>12%</td>
<td>21%</td>
</tr>
<tr>
<td>Construction (21)</td>
<td>8%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: NZIER / MBIE, 2016

The 252 Pasifika businesses identified employed 2,040 people (of all ethnicities) in 2016; more than a fifth of these workers are employed by health care and social assistance businesses.

Table 2 Distribution of employees in Pasifika businesses

<table>
<thead>
<tr>
<th>Industry</th>
<th>Pasifika</th>
<th>New Zealand total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health care and social assistance</td>
<td>22%</td>
<td>11%</td>
</tr>
<tr>
<td>Transport, postal and warehousing</td>
<td>17%</td>
<td>4%</td>
</tr>
<tr>
<td>Professional, scientific and technical</td>
<td>16%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: NZIER / MBIE, 2016
Future understanding of Pacific enterprise


The three outcome indicators identified as part of the framework are:

- Pacific businesses that have operated for more than three years are high performing and sustainable
- More Pacific people accessing business mentors and business networks increases
- Research and development for Pacific increases.

To monitor progress and offer assistance, a formal collection of statistics will be required. The best way to achieve this may be through a voluntary register of businesses that self-identify as Pasifika so that these can be linked to Statistics New Zealand’s data for business demographic analysis. There is a trade-off between formalising the process to achieve a complete listing, and a pragmatic approach that captures those businesses most interested and able to benefit from business support.
**Figure 19: Pasifika enterprises**

Pasifika business count by industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Selected pacific enterprise</th>
<th>All enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry, &amp; fishing</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Construction</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Retail trade</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Accommodation &amp; food services</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Transport, postal &amp; warehousing</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Information media &amp; telecoms</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Financial &amp; insurance services</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Rental, hiring, &amp; real estate</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Professional, scientific, &amp; technical</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Administrative &amp; support services</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Education &amp; training</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Health care &amp; social assistance</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Arts &amp; rec services</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Other services</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Industries no specified</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Source: Statistics New Zealand, NZIER, MBIE, 2016

**Figure 20: Pasifika employment**

Employment count by Pasifika business by industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Selected Pacific enterprise</th>
<th>All enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Construction</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Retail trade</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Accommodation &amp; food services</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Transport, postal &amp; warehousing</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Information media &amp; telecoms</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Financial &amp; insurance services</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Professional, scientific, &amp; technical</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Administrative &amp; support services</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Education &amp; training</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Health care &amp; social assistance</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Other services</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Industries no specified</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Source: Statistics New Zealand, NZIER, MBIE 2016

**Figure 21: Small businesses abound**

Pasifika businesses by number of employees

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Total</th>
<th>Pacific enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>100+</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>50–99</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>20–49</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>10–19</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>6–9</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>1–5</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>0</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Source: Statistics New Zealand, NZIER, MBIE, 2016

**Figure 22: Most Pasifika enterprises are in Auckland**

Regional distribution of Pasifika businesses

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
<th>Pacific enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Waikato</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Bay of Plenty</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Hawke’s Bay</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Taranaki</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Wellington</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Canterbury</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Rest of NZ</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

Source: Statistics New Zealand, NZIER, MBIE, 2016
Pasifika housing & home ownership

Home ownership rates dropping
In 2013, fifty percent of New Zealanders owned homes, down from 55 percent in 2001. Over the same period, Pasifika home ownership rates dropped from 26 percent to 18 percent. This will be affected by age, the high proportion of Pacific people living in Auckland where housing affordability is poorest, and lower incomes.

Few places where Pasifika home owners predominate
There are only a handful of neighbourhoods where Pasifika own homes proportionally more than the total ownership rate for that neighbourhood.
It would be helpful to understand more about this finding. Why and under what conditions, could Pasifika people buy homes? Can these conditions be the basis for increasing Pasifika home ownership rates across other neighbourhoods?

Housing is the main asset for most New Zealanders, and Pasifika presently have relatively small amounts of assets, due to a lower rate of home ownership.

Neighbourhoods matter
The neighbourhoods within which parents raise their children matter a great deal to those children’s outcomes. The effect of neighbourhood on income is 50-66 percent of the effect of a parent’s income on a child’s future income. Rothwell and Massey (2015) report that the neighbourhood effects of being raised in a top quintile neighbourhood rather than a bottom quintile neighbourhood on lifetime earnings is stronger than the difference between average university and high school graduate.

With a very minor positive shift, Pasifika live in an average 7.5 decile neighbourhood, up from 7.6, between 2001 and 2013. A move to higher decile neighbourhoods puts Pasifika in a position to benefit from positive neighbourhood effects. These effects can include access to better performing schools and peer effects, for example.

Further research is required to look at the factors in high quintile neighbourhoods that could be replicated to help improve social and economic outcomes for Pacific communities in lower quintile neighbourhoods and identify the policy levers available to affect change.

Higher rates of dissatisfaction with housing
Of Pasifika home owners, 9.7 percent are dissatisfied with their housing. Pasifika home owners are twice more likely to be dissatisfied with their housing than the total population. For renters, 18.8 percent of Pasifika are dissatisfied with their rental accommodation compared to 13.8 percent of the total population.

The 2013 Census shows 40 percent of Pacific households were living in overcrowded conditions. In the Auckland region, over-crowding was higher still, at 45 percent of Pacific households or 82,000 Pacific people, according to Statistics New Zealand. The exception being Fijian households. Pacific people are also over-represented in social housing (25 percent of Housing New Zealand tenants nationally).
Figure 23: Pasifika home ownership rate is dropping...

Pasifika home ownership rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Owned</th>
<th>Rented</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>2013</td>
<td>18%</td>
<td>82%</td>
</tr>
</tbody>
</table>

Home ownership rates for total population

<table>
<thead>
<tr>
<th>Year</th>
<th>Owned</th>
<th>Rented</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>2013</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: Statistics New Zealand, Census 2013

Figure 24: ... at a faster rate than for the total population

Figure 25: Very few neighbourhoods where Pasifika owners predominate

Pasifika home ownership rates by total home ownership rates

Figure 26: Lower rates of housing satisfaction for Pasifika home owners

Home owner housing satisfaction for Pasifika and total population

<table>
<thead>
<tr>
<th>Satisfied</th>
<th>Neutral</th>
<th>Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific Peoples</td>
<td>91.4%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Total</td>
<td>88.7%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

Source: Statistics New Zealand, Census 2013

Figure 27: ... and even lower housing satisfaction for Pasifika renters...

Renter housing satisfaction for Pasifika and total population

<table>
<thead>
<tr>
<th>Pacific Peoples</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfied</td>
<td>Neutral</td>
</tr>
<tr>
<td>18.8%</td>
<td>13.8%</td>
</tr>
<tr>
<td>12.5%</td>
<td>68.8%</td>
</tr>
</tbody>
</table>

Overcrowding in Auckland by percentage of population by ethnicity

Source: Statistics New Zealand, NZ general social survey 2013

Figure 28: ... and high rates of overcrowding in Auckland

Source: Statistics New Zealand, Housing in Auckland 2015
Appendix A Bibliography


https://www.educationcounts.govt.nz/publications/schooling/2543/pisa-2012/148116