



**Pacific women and
men in business**

Disclaimer

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Sections

Ministers' forewords **4**

Hon Jan Tinetti,
Minister for Women

Hon Aupito William Sio,
Minister for Pacific Peoples

1 *Background and methodology* **6**

New Zealand research on Pacific business activity

This report

2 *Insights, challenges and opportunities for Pacific business* **10**

3 *Stories of Pacific women in business* **12**

4 *Rate of Pacific working proprietors* **18**

A higher proportion of Fijians work in their own businesses

Higher rate of working proprietors in middle-aged Pacific peoples

Higher rate of working proprietors in Northland

5 *Characteristics of Pacific working proprietors* **22**

Pacific working proprietors are likely to be New Zealand born, and older

Four in 10 Pacific working proprietors are Samoan

Half of Pacific working proprietors live in Auckland

Half of Pacific working proprietors have a certificate as their highest qualification

Pacific working proprietors have higher income

One in four Pacific working proprietors are in the construction industry

Many Pacific businesses operate without employees, and a single proprietor

6 *Conclusion* **34**

References **35**

Ministers' forewords



Hon Jan Tinetti
Minister for Women

Talofa lava, Kia orana, Mālō e lelei, Taloha ni, Fakaalofa lahi atu, Fakatalofa atu, Ni sa bula vinaka, Tēnā koutou kātoa and warm Pacific greetings.

Pacific women are celebrated as mothers, essential workers, and critical providers within their communities and, with this report, they can now be celebrated for their entrepreneurial contribution to Aotearoa New Zealand's economy.

This report provides the first view of Pacific business women and men in the economy. It shows that Samoan, Cook Islands, Tongan, Niuean, Fijian, Tokelauan, and Tuvaluan communities all have women who own, and are active in, economically sustainable businesses in New Zealand. The data in this report shows us that Pacific women are also present in all the same industries as Pacific men.

Auckland is the business hub for Pacific people, with two-thirds of Pacific residents and over half of Pacific business owners located there. This snapshot of Pacific entrepreneurship is an important baseline for recovery and support of business, particularly after the economically destructive effects of the COVID-19 pandemic. Pacific women have been disproportionately affected by COVID-19.

The report makes it clear that Pacific women and men are positioned to take advantage of opportunities arising from the Government investment in infrastructure. The biggest share of Pacific business activity is in construction – the most common industry for Pacific men and the second most common for Pacific women.

With this report, we can better understand Pacific peoples' place in the economy, how they are contributing to, and benefiting from, our post-COVID-19 recovery.

Hon Aupito William Sio

Minister for Pacific Peoples



Talofa lava.

It is estimated Pacific individuals and businesses, across a variety of industries, contribute \$8 billion to the New Zealand Gross Domestic Product (GDP).

Pacific peoples in Aotearoa are significant contributors to the economy despite facing adversity, challenges and inequities they experience in areas such as health, education, housing and employment.

This new report provides the most detailed examination of Pacific business activity in New Zealand and aims to inform public agencies and non-profit organisations who work to boost and support Pacific business, as well as the Pacific and business communities more generally.

The report also provides a first view of Pacific women's contribution to the economy, and their presence in all the same industries as Pacific men. They play an integral part in the economy.

Imagine what could be achieved by Pacific Aotearoa if existing inequities they face frequently were addressed.

The New Zealand Government is striving to do just that: to support more Pacific peoples into business; to assist them with employment training; to encourage them to study areas such as STEM, where there is an evident need for more Pacific peoples; and to assist with the development of entrepreneurial skills and business acumen.

The impact of the COVID-19 pandemic on the New Zealand business landscape has been unprecedented.

Pacific peoples have been hit hard and the existing inequalities they face have been exacerbated by the pandemic.

This resonates even more deeply for Pacific women, who are also more likely to shoulder additional financial and caring responsibilities for their extended families.

Pacific peoples have been disproportionately affected by previous economic downturns, and this will likely be true again in the wake of COVID-19.

Providing quality, culturally appropriate business support and wellbeing measures for Pacific peoples at this time is essential and, using this report, the Ministry will work with its stakeholders to ensure Pacific peoples can continue to contribute to New Zealand's economy and, most importantly, benefit from that contribution.

Fa'afetai lava.

1 Background and methodology

New Zealand research on Pacific business activity

This new report provides the most detailed examination of Pacific business activity in New Zealand.

In 2018, the Treasury¹ estimated that “Pacific individuals and businesses work in a variety of industries, contributing \$8 billion to the New Zealand Gross Domestic Product (GDP)”. A key message from its report *The New Zealand Pacific Economy* was that Pacific peoples in New Zealand were contributing significantly to the economy despite the many challenges and inequities they experienced in areas such as health, education, housing and employment. It reflected on what more could be achieved by the Pacific peoples’ community if these inequities were addressed.

The Treasury report discussed areas in which improvement would have direct impact on economic prosperity, wealth and improved health and wellbeing of Pacific peoples. Supporting more Pacific peoples into business, the development of entrepreneurial skills and business acumen were areas noted that would contribute to financial, physical, human, and social capital.

The Auckland Council commissioned two projects in 2017 to explore Pacific entrepreneurship in Auckland. The first project (Tuatagaloa & Huang, 2017) used results from the 2013 Census to provide a profile of Pacific peoples aged 15 years and over in Auckland who stated they were either *self-employed* (and not employing others) or *employers*.

The analysis provided insights into the characteristics of Pacific businesses including the issues, practices and outcomes in order to enhance the effectiveness of initiatives aimed at promoting Pacific businesses in Auckland. The research showed that both Auckland Pacific self-employed and employers were older, had higher levels of qualifications and higher incomes compared to Auckland Pacific peoples in employment. The industry profile of Pacific self-employed and employers in Auckland showed that they were more likely to be employed in construction and professional, scientific and technical services than total Pacific peoples in employment.

The second project (Tuatagaloa, 2017) investigated and documented detailed information on Pacific entrepreneurs including insights into their experiences of establishing and running their businesses. By better understanding the characteristics and experiences of Pacific entrepreneurs, it was hoped that Auckland Council and central government would be better placed to work with communities and businesses to find ways to increase the levels of entrepreneurship among Pacific peoples in Auckland, and to help them to succeed. As part of this study, an online survey completed by 64 Pacific entrepreneurs in Auckland showed that Pacific businesses without employees were more likely to have been in operation for less than five years and have an annual turnover of less than \$100,000 per year compared with Pacific employers.

¹ *The New Zealand Pacific Economy* available at <https://treasury.govt.nz/sites/default/files/2018-11/nz-pacific-economy-nov18.pdf>

This report

This report aims to inform those public agencies and non-profit organisations working to boost and support Pacific business, as well as the Pacific and business communities more generally.

It was achieved through a data partnership between the Ministry for Pacific Peoples and Manatū Wāhine Ministry for Women, and continues the analysis started by the Ministry for Women in its 2019 report *Ngā wāhine kaupakihi: He tirohanga Māori women in business: Insights*.

The report continues the exploration of business activity for Pacific men and women in New Zealand using data from the IDI (Integrated Data Infrastructure) and Longitudinal Business Database (LBD) managed by Stats NZ. It links tax information about working proprietors to Census ethnicity data and other administrative sources to provide detailed and confidentialised information about those active in the Pacific economy.

This research expands on previous studies by examining the total population of Pacific business owners nationally. It disaggregates its results by gender of proprietor, and by New Zealand region.

The population of interest consists of Pacific working proprietors in the tax year ending March 2017 who are in the New Zealand usually resident population. Consequently, those operating businesses offshore but filing taxable income in New Zealand will not be included in the population of Pacific working proprietors. In terms of age, this population includes all Pacific working proprietors aged 15 years and over.

For the purpose of this report, a working proprietor is a person who works in a business that they own or part own. This definition of working proprietor at a firm is summarised in Jaffe and Chappell (2018) as follows:

An individual is counted as a working proprietor if [they]: pay themselves in the Employer Monthly Schedule (the payer and payee identifiers are the same); report self-employment income in the IR3 tax form; report a share of partnership income in the IR7P tax form; or is a company owner receiving payment in the IR4S tax form. Working proprietor relationships are assumed to be permanent, though the labour input from a working proprietor can be zero in a particular year.

The development of the dataset of Pacific working proprietors was based on intermediate datasets created by Fabling and Maré in the IDI which set a minimum earnings threshold of \$15,000² for working proprietors. Furthermore, working proprietors are identified through the LBD which only includes economically significant businesses. Therefore, working proprietors are, more strictly speaking, the *working proprietors of economically significant businesses*³.

Chapter 2 provides a summary by Pelenato Sakalia of the Pacific Business Trust of the challenges and opportunities faced by Pacific businesses in the post-COVID-19 environment. Stories from a selection of Pacific women in business are presented in Chapter 3. Chapter 4 examines the rate of Pacific working proprietors as a proportion of the population of Pacific peoples, and Chapter 5 outlines the characteristics of Pacific working proprietors and their businesses. Concluding remarks are presented in Chapter 6.

For further information on this report, contact:
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2 “(in real 2000 dollars, deflated using the CPI), determined with reference to the distribution of actual payments”.

3 Stats NZ deems an enterprise to be economically significant if it meets any of the following conditions:

- (1) >\$30,000 annual GST expenses or sales (to avoid existing enterprises repeatedly changing their economic significance indicator, a buffer zone of \$25,000 to \$35,000 has been established);
- (2) more than 3 paid employees (BF rolling mean employment variable);
- (3) in a GST exempt industry, other than residential property leasing and rental (affected units are primarily in the finance and insurance industry, and property operators and developers);
- (4) part of a BR group;
- (5a) a new GST registration and has registered for salaries and wages PAYE but has not yet started filing GST returns. These enterprises then have a 12-month window as live units (with economic significance as yes) before the other economic significance criteria are applied;
- (5b) a new GST registration and part of an IRD GST group return;
- (6) has a live geographic unit classified to agriculture (typically these units will be registered for GST and/or have paid employees);
- (7) IR10 income >\$40K.



2

Insights, challenges and opportunities for Pacific business



Pelenato Sakalia from the Pacific Business Trust shares his thoughts on challenges and opportunities for Pacific business as we recover from the impacts of COVID-19.

Pelenato Sakalia

The impact of the COVID-19 pandemic on the New Zealand business landscape has been unprecedented. COVID-19 has impacted virtually every industry at different levels, both in New Zealand and globally.

Pacific people are already impacted by existing inequalities which have been exacerbated by the pandemic. This resonates even more deeply for Pacific people women, who are also more likely to shoulder additional financial and caring responsibilities for their extended families. Pacific people have been disproportionately affected by previous economic downturns, and this will likely be true again in the wake of COVID-19.

Providing quality, culturally appropriate business support for Pacific people women is key to businesses' recovery. Pacific Business Trust (PBT) is proactively reaching out to Pacific communities to help overcome these challenges. It aims to facilitate access to the range of support that Pacific entrepreneurs and businesses need, including wage subsidies and business continuity advice.

While the pandemic is creating negative impacts for businesses, there are also opportunities arising in the new landscape.

PBT provides targeted economic support to the Pacific communities of New Zealand with an objective of lifting Pacific businesses' productivity and lifting their profitability. We support Pacific businesses and entrepreneurs so they can prosper and grow. We offer grants to Pacific businesses for them to engage with PBT's services and offerings which include workshops, personalised support and advisory services.

For more information on PBT, please visit PBT's website at www.pacificbusiness.co.nz



The top three opportunities PBT sees for Pacific businesses are:



Digital

Improving the ability of Pacific businesses to use digital tools and apply them to their operations and marketing will help them to increase efficiency, get greater value from their resources and marketing efforts, and ultimately improve their productivity, resilience and profitability.



Procurement

A major economic opportunity for Pacific businesses over the next decade is the large pipeline of construction and infrastructure projects. The Government has identified major construction contracts, and buildings and building materials, as purchasing areas it wants to target to achieve broader outcomes (e.g., skills development).



Professional services

There has been a rise in the number of Pacific people professional advisory firms being established. These firms deliver sought after advisory services to government organisations. There is an opportunity for Pacific women to establish businesses and/or grow their businesses to partake in this rise.

3

Stories of Pacific women in business



Renuka Kumar

To highlight the emerging population of Pacific women in business, Manatū Wāhine Ministry for Women has spoken to five women business owners. Here they share their stories, and their advice for women starting out in self-employment.

A desire to be able to work from home and care for her two children led Fijian-born Renuka Kumar to start a successful Pacific clothing business. “Back home Pacific attire is what we wear even in formal settings. I know how people should feel when they’re wearing my clothes,” she says.

Having learned how to sew from her mother, Kumar added to her skills by studying fashion and design, building the business steadily over the past 15 years. “I think the advantage is that I didn’t rush my progress. This came from planning and knowing why I was doing what I was doing and foreseeing what I wanted to do next. I think planning is so important and having the backing of your family is fundamental as well. You can have the best of both worlds if you have these two things.”

She has many loyal return customers who have given her positive feedback. “I’ve never had to advertise; it’s always been word of mouth and I love that because it tells me that my work is quality. I now have part-time workers with me.”

Business took a surprise turn with COVID-19, making urgent sewing and delivery of masks a top priority. “We made and sold a lot of masks. Whatever was left over we donated to different community groups like churches and homeless shelters. For me it makes me feel good knowing I’m able to give back to my community.”

Kumar would like to further expand the business so she can offer employment and an income to others. Sewing classes for adults are also in the pipeline.

“My next step is to take a course on how to teach adults. I would like to run classes teaching people how to sew so they can do things for themselves, either to try and generate an income or to mend things without spending a lot of money.”

Her advice to young women starting out in business: “Don’t lose hope, it may take time, but you’ll get there.”



Falute Lene

Inspiration for going into business came early for tech company founder and director Falute Lene. Growing up in Samoa she watched her parents striving to build a successful business. “We grew up seeing my Dad constantly working and being able to do all the things expected to keep the business going...I learnt the different elements and the work required in business through that.”

A qualified accountant and former Miss Samoa, Lene worked for Bank South Pacific Samoa for 10 years, rising to Senior Dealer in Financial Markets. Married with six children, she and her husband shifted their family to New Zealand three years ago for their children’s education, and in search of greater opportunities.

“Being in New Zealand with six children, I didn’t have the support system I had in Samoa. My time here was spent looking after my kids but I wanted to do something that would help us financially.”

Spotting the untapped potential of e-commerce in Pacific communities sparked the idea for tech start-up Pacific40. Lene’s husband was able to offer technical expertise, complementing Lene’s operational and commercial know-how. The company also had the support of The Pacific Business Hub and the Samoa Business Network.

“The e-commerce space is very challenging in terms of our culture...there is that fear of the unknown. But more and more people see the benefit of internet banking and

doing things online. An advantage for us is definitely the language, being able to explain things, we’re able to build a connection and that makes it easier for people. They trust us and we do our best to make sure they’re looked after,” says Lene.

Launching in July 2019, the company’s first initiative was to create online vouchers for payment of goods and services from New Zealand to various industries in Samoa.

“I believe we came into the market at the right time because our platform thrived during COVID-19. Our communities came to us online to be able to send things to family in the Pacific...we could meet the need.”

She finds the challenge lies in balancing the needs of family and a growing business. “As a Mum, family time with my kids is so important to make sure they’re not missing out. From a business perspective, the struggle has been finding funding to allow the business to expand across the Pacific.”

Asked if she could advise her younger self, Lene has this message for young women: “Be innovative and don’t be afraid to tap into areas where there is a gap in the market. Be courageous. You may have doubts but surround yourself with positive-minded business people.”



Kristy Morgan

Barrister

Barrister, mother of three and director of Pacific dance company, Embrace, Kristy Morgan wears many hats. She describes her upbringing as “growing up in two cultures” with a Cook Island mother and New Zealand European father.

“I was raised in Papa’a (New Zealand European) culture and had an awesome childhood growing up on the East Coast. My parents provided me with a warm, stable, loving environment.”

It wasn’t until Morgan moved to Auckland in 2000 that she immersed herself in Cook Island culture. Learning three languages, studying aspects of Pacific culture as well as law at the University of Auckland was life changing. “It gave me a deeper connection to who I am and where my ancestors come from. I was like a sponge. I took it all in and loved it,” she says.

Practising law since 2008, Morgan followed a well-marked legal career pathway, rising up the ranks in respected law firms. However, she recently broke away to go into practice on her own. “I was blessed to work in some really great firms and learn from senior practitioners in the family law sector, but I came to a place where I felt like I wanted a new challenge. As scary as it was, I took a leap of faith, faith in God and faith in myself.”

The family’s sole breadwinner, Morgan wanted to show her children that “even when we face battles in life, we can aspire to do great things and do it ourselves”.

Setting up her own business, she had moral support from her parents. Having a friend also starting out in her own practice also proved helpful. “It’s reassuring when you’re going through a journey with someone else because you learn from each other.”

Having gone through the start-up experience, Morgan advocates finding mentoring and business advice as early as possible to others. “Mentors can help keep you uplifted throughout the journey.”

The switch from employee to business owner does present challenges. “As an employee, 95 percent of my time was practising as a lawyer. Running my own practice there’s all this other stuff, including admin...now I have administrative support.”

COVID-19 came as a shock. “I was very stressed, but I reached out to other practitioners and realised everyone was in the same boat. The second lockdown I made a conscious decision to be kind to myself.”

Morgan’s long-term ambition for her practice is to give a hand up to other Pacific lawyers and legal staff. “I would like to employ a lot more people and mentor others through their legal career.”



Ruth Sio-Lokam

Manukau-based chartered accountant Ruth Sio-Lokam says that she has always been mindful of Pacific values but it wasn't until she went into business for herself that she felt able to express these core values in her professional life.

Born of Cook Island parents, and married to a New Zealand-born Samoan, she says, "Practising in a western culture – it's very individualistic. As a company owner, I feel like I'm finding myself, I am my own boss, there are no challenging western concepts, it can be more about other people, and prioritising my family."

After working for 14 years as an employee in medium and small accountancy practices, motherhood sparked the decision to take the plunge and set up her own business. "When I worked for a big practice, I was earning good money. Now I don't earn as much but I'm living comfortably and the value I place on family time outweighs any earnings. I can do the school pick-ups and drop-offs."

Respect for her parents also motivates her. "I am their legacy, so I try to do the best that I can based on the values and culture in which they brought me up."

Starting out on her own, Sio-Lokam had confidence in her professional skills, but says the administrative side of the business was a learning curve. "I think 80 percent of your own business is based around your own skills. The other 20 percent is small things like setting up a bank account or getting the legal structure in place. A big milestone was raising my first invoice...the little successes make me happy."

She's also learnt that part of being in business for yourself is knowing when to reach out for help to people who specialise in different areas. "It's about understanding that is okay."

Without any active marketing, her business has thrived on word-of-mouth recommendations from clients. "As I'm a sole trader I don't need volume – for me it's quality not quantity."

With the first COVID-19 lockdown hitting around tax return time, she found herself very busy. "I think there was the initial shock, but things carried on and it was learning about different ways to deliver. I think the resilience to push through, and having the right support networks really helped."

Her advice to her younger self on going into business: "Do it earlier, don't wait. If it doesn't work the first time that's OK, go out and do something else, and if your heart is still there come back to it."



Sao Timaloa

Family lawyer Sao Timaloa puts her choice of career down to “three significant women” who encouraged her to go to university when she was working as a clerk at the Auckland High Court. The only daughter in a family of five, New Zealand-born Samoan Timaloa had left school 10 years earlier to support her parents when they became ill.

“I did the New Start programme – a foundation programme, thinking I was going to be a social worker but ended up taking my chance on law. At school, my strengths were in Maths, not English, but I really wanted to finish [the degree] and help my people. People would ask what law do you want to practice, and I would always say Family Law.”

Graduating in 2005, Timaloa initially worked for a small Henderson firm, moving on to the Mangere Community Law Centre. She was then shoulder-tapped by Grey Lynn barrister Nicole Walker. “I stayed with her for two years – she was the one who encouraged me to go out on my own. I really believe that God has put certain people in my pathway; Nicole helped me organise the administrative side of the business itself.”

Timaloa says she always had a vision of going into business for herself. Naming her practice Timaloa Law was to “honour my father’s name. He died when I was 19 and his legacy is something I want to carry on. My Dad used to plant things in my heart. He would say, ‘you are going to be a teacher’... and in a way I will be.”

She says many barristers won’t take on new lawyers because they don’t have the time to train them. “My dream is to train Pacific lawyers so that they are employable. It’s not a money-making exercise for me, it really is about the outreach.”

“My culture is very important – I would consider myself very Samoan. My oratory has helped me build leadership skills and to be visionary. That was the background work that has made me the person I am now. I love my culture; I understand it and it makes complete sense for me.”

The COVID-19 lockdowns didn’t faze her. In fact, she says Zoom and email may have made the court process more efficient. “I had four court matters to attend to in different parts of Auckland and I could do that from the comfort of my home.”

Her advice to young women: “Spend lots of time with the people you love; for me that was my Dad. Stay true to your values, don’t lose yourself in the work and never forget the people who will celebrate your successes and pick you up during your failures.”





Rate of Pacific working proprietors

Overall, the study found 3,831 Pacific working proprietors from a population of 258,840 Pacific peoples aged 15 years and over in 2017 (see Table 4-1). This means that 1.5 percent of Pacific peoples are working proprietors. An earlier report from the Ministry of Business, Innovation and Employment (2015) reported that 1.6 percent of New Zealand's Pacific population were either self-employed or an employer. By comparison, a study of Pacific peoples in self-employment in Auckland using the 2013 New Zealand Census data, Tuatagaloa and Huang (2017) found that 2.6 percent of Pacific workers in Auckland aged 15 years and over were either self-employed without employees or employers⁴.

Given the tight definition in this report of working proprietors of economically significant businesses with a minimum earnings threshold of \$15,000, we would expect

the rates of Pacific working proprietors in this report to be lower than the rate of Pacific peoples in self-employment.

While the overall rate for Pacific people as working proprietors is much lower than the rate for all New Zealanders, of around 8 percent⁵, it is an important baseline rate and a foundation for Pacific peoples to encourage and support others to run their own businesses.

A key goal of this investigation was to produce detailed ethnic and gender breakdowns of Pacific business engagement. This is outlined in Table 4-1 below.

Comparing the rates of Pacific working proprietors by gender, we find that women make up one-third of Pacific business owners. Overall, 0.9 percent of Pacific women own businesses, compared with 2 percent of Pacific men.

Table 4-1: Pacific working proprietors by gender and ethnicity

| Ethnic group | Pacific working proprietors | | | Pacific population | | | Percent who are working proprietors | | |
|----------------------|-----------------------------|--------------|--------------|--------------------|----------------|----------------|-------------------------------------|------------|------------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Realm countries | 663 | 327 | 990 | 33,123 | 35,796 | 68,919 | 2.0 | 0.9 | 1.4 |
| Cook Islands | 435 | 231 | 663 | 22,836 | 24,525 | 47,361 | 1.9 | 0.9 | 1.4 |
| Niuean | 195 | 87 | 282 | 8,631 | 9,339 | 17,970 | 2.3 | 0.9 | 1.6 |
| Tokelauan | 39 | 6 | 48 | 2,451 | 2,814 | 5,268 | 1.6 | 0.2 | 0.9 |
| Non-realm countries | 1,944 | 897 | 2,841 | 96,735 | 93,183 | 189,921 | 2.0 | 1.0 | 1.5 |
| Samoan | 1,113 | 537 | 1,650 | 55,434 | 57,183 | 112,617 | 2.0 | 0.9 | 1.5 |
| Tongan | 420 | 150 | 570 | 23,772 | 23,151 | 46,923 | 1.8 | 0.6 | 1.2 |
| Fijian | 228 | 120 | 351 | 6,459 | 6,252 | 12,711 | 3.5 | 1.9 | 2.8 |
| Tuvaluan | 21 | 18 | 33 | 1,215 | 1,308 | 2,523 | 1.7 | 1.4 | 1.3 |
| Total Pacific | 2,607 | 1,224 | 3,831 | 129,861 | 128,979 | 258,840 | 2.0 | 0.9 | 1.5 |

Note: Numbers have been rounded (to base 3) to protect the privacy of individuals.

⁴ An employer is defined as a self-employed person who hires one or more employees.

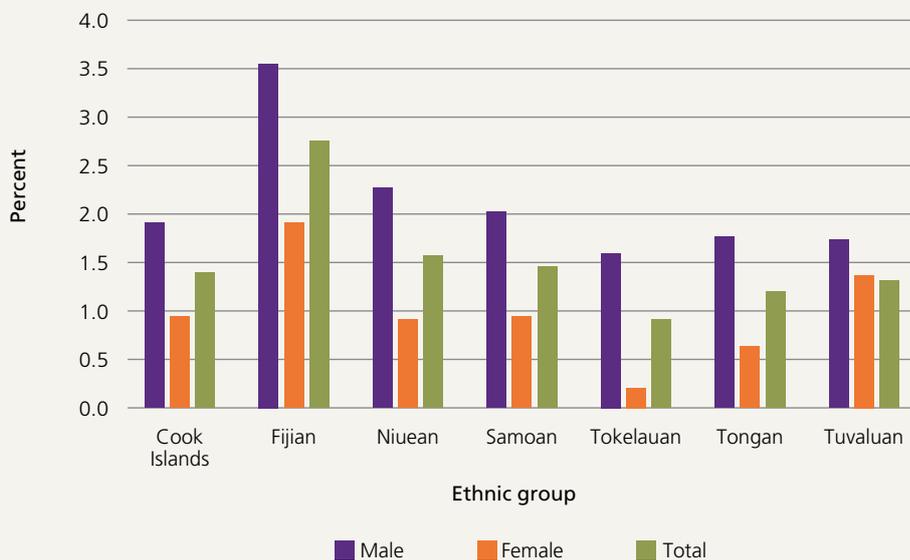
⁵ Extracted from the New Zealand Household Labour Force Survey for the 2020 June quarter at [Stats NZ Infoshare](#).

A higher proportion of Fijians work in their own businesses

In terms of the ethnicity of working proprietors, Figure 4-1 shows that Fijians (2.8 percent of whom are working proprietors) are more likely to work in their own businesses compared with other Pacific ethnic groups. This is true for both women and men. Fijian women have the highest rate of business ownership across Pacific women at 1.9 percent, and Fijian men have the highest rate amongst men at 3.5 percent. Niueans and Samoans followed with business ownership rates of 1.6 and 1.5 percent respectively.

The rates of working proprietors between realm and non-realm countries are very similar. Please note that the rates of working proprietors for Tokelau and Tuvalu should be treated with caution given the small number of working proprietors (fewer than 50) for each of these groups. The rates of Pacific working proprietors for realm and non-realm countries are very similar.

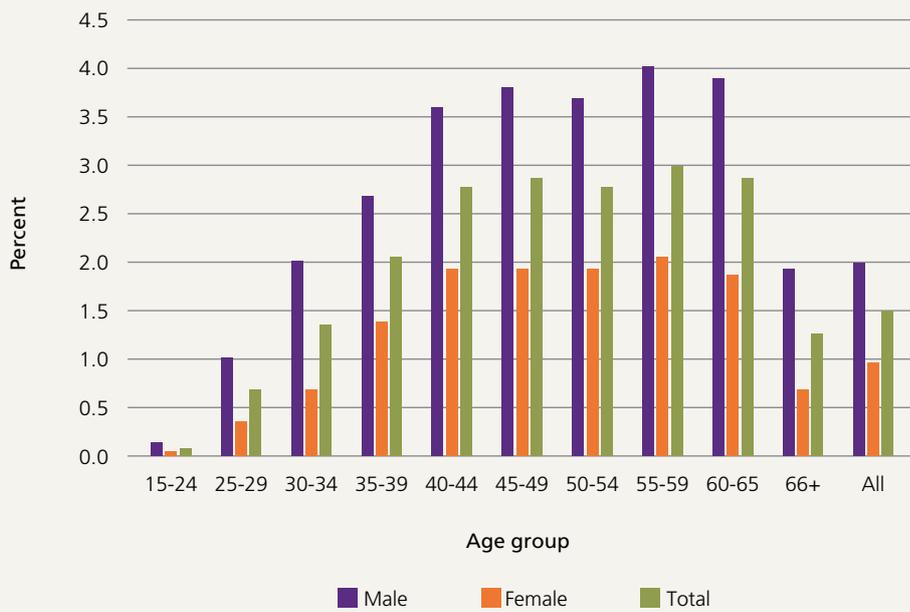
Figure 4-1: Proportion of Pacific peoples who are working proprietors by ethnic group



Higher rate of working proprietors in middle-aged Pacific peoples

Figure 4-2 shows the proportion of Pacific peoples who are working proprietors by age group and gender. Looking across age groups, Pacific people aged between 40 and 65 have higher proportions of working proprietors compared with other age groups. This could be the result of people starting their own businesses at a later age once they have saved sufficient capital (Tuatagaloa & Huang, 2017). This is also true across the age structure of all business owners (for all population groups) in New Zealand, which is older and clustered around age 55⁶.

Figure 4-2: Proportion of Pacific peoples who are working proprietors by age group



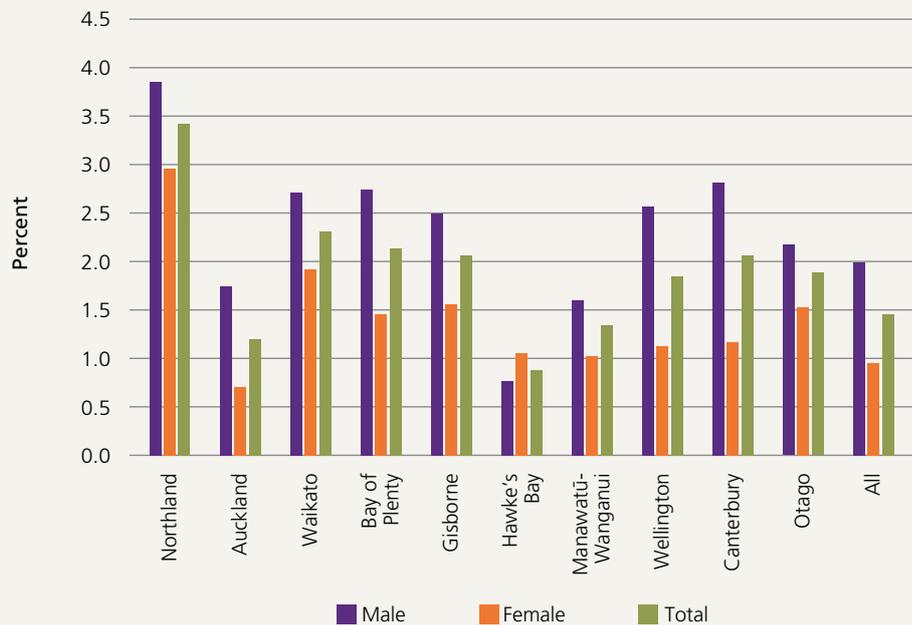
6 Stats NZ, Dataset: Earnings from wages and salaries and self-employment, by sex, age groups and ethnic groups

Higher rate of working proprietors in Northland

The rate of Pacific people as working proprietors varies across regions, as shown in Figure 4-3. Northland has the highest rate of Pacific working proprietors with 3.4 percent (3.9 percent of men in the region, and 3.0 percent of women).

The rate for Auckland (1.2 percent) is lower than the overall rate of 1.5 percent; it is also lower compared with all other regions except for Hawke’s Bay. In part, this may be because Auckland offers a greater range of wage and salary opportunities. It is worth noting (as we will see later, in Figure 5-3) that while the rate of Pacific working proprietors in Auckland is low, Auckland has the highest number of Pacific working proprietors, and is the hub of Pacific business within New Zealand.

Figure 4-3: Proportion of Pacific peoples who are working proprietors by region



5

Characteristics of Pacific working proprietors

Where the previous chapter examined rates of business ownership, this chapter looks at the number and characteristics of Pacific working proprietors themselves, and of the businesses they run.

Table 5-1 presents the age and gender composition of Pacific business owners, together with their country of birth. Subsequent analysis will examine the regions in which Pacific working proprietors run their businesses, and the main industries of the businesses.

Table 5-1: Pacific working proprietors by gender, ethnicity and country of birth

| Whether born in New Zealand | Age 15-34 | | | Age 35 and above | | | Age 15 and above | | |
|---------------------------------|------------|------------|------------|------------------|--------------|--------------|------------------|--------------|--------------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Number | | | | | | | | | |
| NZ born | 309 | 114 | 423 | 1,113 | 630 | 1,743 | 1,422 | 744 | 2,166 |
| Overseas born | 165 | 36 | 201 | 1,020 | 444 | 1,461 | 1,182 | 483 | 1,665 |
| Total Pacific | 474 | 153 | 624 | 2,136 | 1,071 | 3,204 | 2,607 | 1,224 | 3,831 |
| Column percent | | | | | | | | | |
| NZ born | 65 | 75 | 68 | 52 | 59 | 54 | 55 | 61 | 57 |
| Overseas born | 35 | 24 | 32 | 48 | 41 | 46 | 45 | 39 | 43 |
| Total Pacific | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Row percent by gender | | | | | | | | | |
| NZ born | 73 | 27 | 100 | 64 | 36 | 100 | 66 | 34 | 100 |
| Overseas born | 82 | 18 | 100 | 70 | 30 | 100 | 71 | 29 | 100 |
| Total Pacific | 76 | 25 | 100 | 67 | 33 | 100 | 68 | 32 | 100 |
| Row percent by age group | | | | | | | | | |
| NZ born | 22 | 15 | 20 | 78 | 85 | 80 | 100 | 100 | 100 |
| Overseas born | 14 | 7 | 12 | 86 | 92 | 88 | 100 | 100 | 100 |
| Total Pacific | 18 | 13 | 16 | 82 | 88 | 84 | 100 | 100 | 100 |

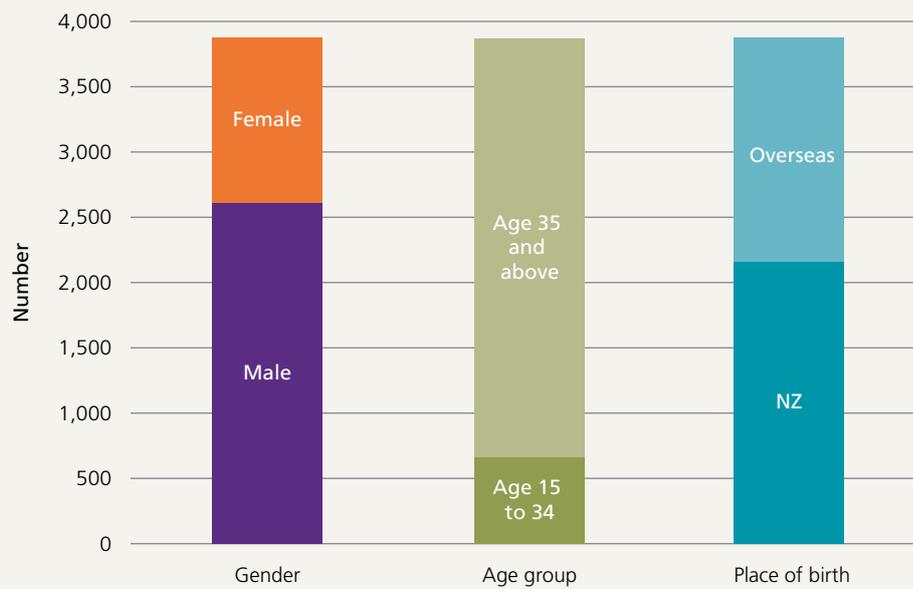
Note: Numbers have been rounded (to base 3) to protect the privacy of individuals.

Pacific working proprietors are likely to be New Zealand born, and older

One-third of Pacific working proprietors are women, while 84 percent are aged 35 years and above.

Just over half of business owners (57 percent) are born in New Zealand, a higher proportion than the number of Pacific people aged over 15 in New Zealand generally (54 percent). This difference is even more pronounced among women business owners – 61 percent of Pacific women working proprietors are New Zealand born.

Figure 5-1: Characteristics of Pacific people working proprietors



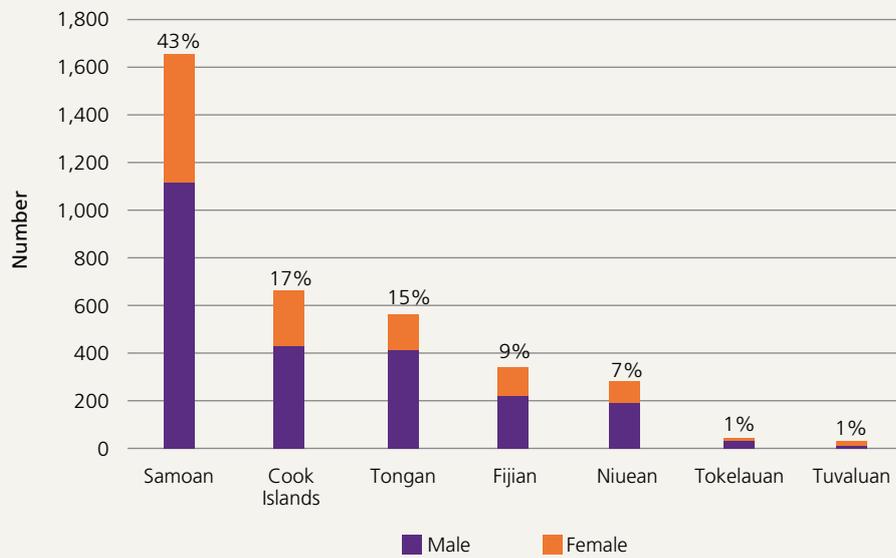
Four in 10 Pacific working proprietors are Samoan

Figure 5-2 shows that 43 percent of all Pacific working proprietors are Samoan. The next most common ethnicities for business ownership are Cook Islands (17 percent) and Tongan (15 percent).

The proportion of Pacific working proprietors who are Samoan is slightly lower than the percentage of the Pacific population aged 15 years and above who are Samoan (47 percent).

Within the Auckland region, 44 percent of Pacific working proprietors are Samoan; using 2013 Census data, and without a minimum earnings threshold, Tuatagaloa and Huang (2017) found that 51 percent of self-employed Pacific peoples in Auckland were Samoan.

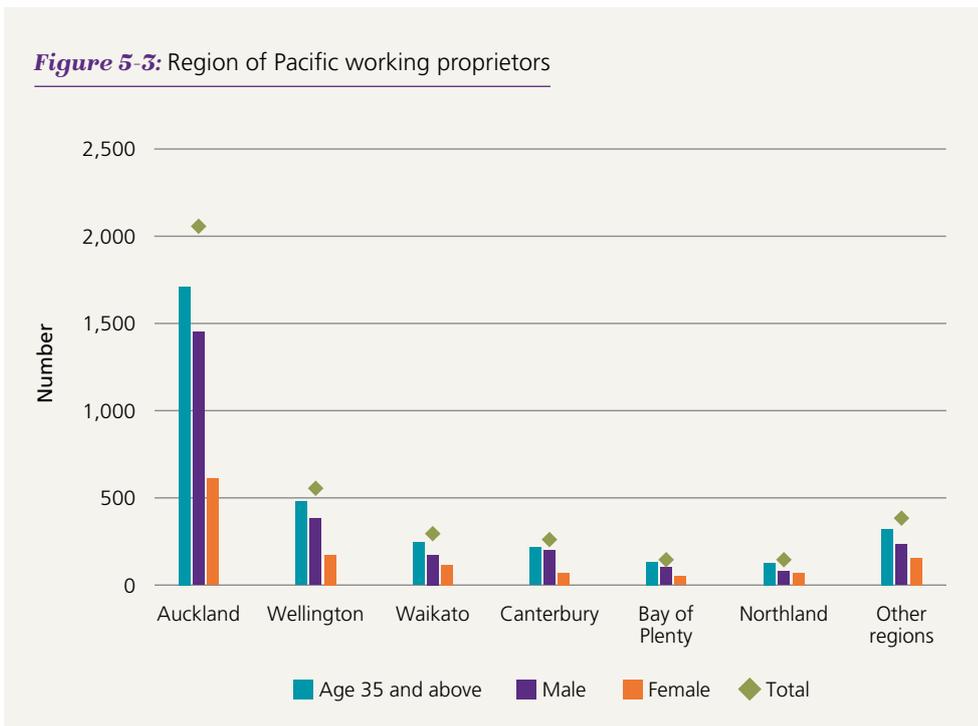
Figure 5-2: Ethnicity of Pacific working proprietors



Half of Pacific working proprietors live in Auckland

Figure 5-3 shows that 55 percent of Pacific working proprietors live in Auckland. The next most popular regions are Wellington (15 percent), Waikato (8 percent) and Canterbury (7 percent).

Figure 5-3: Region of Pacific working proprietors

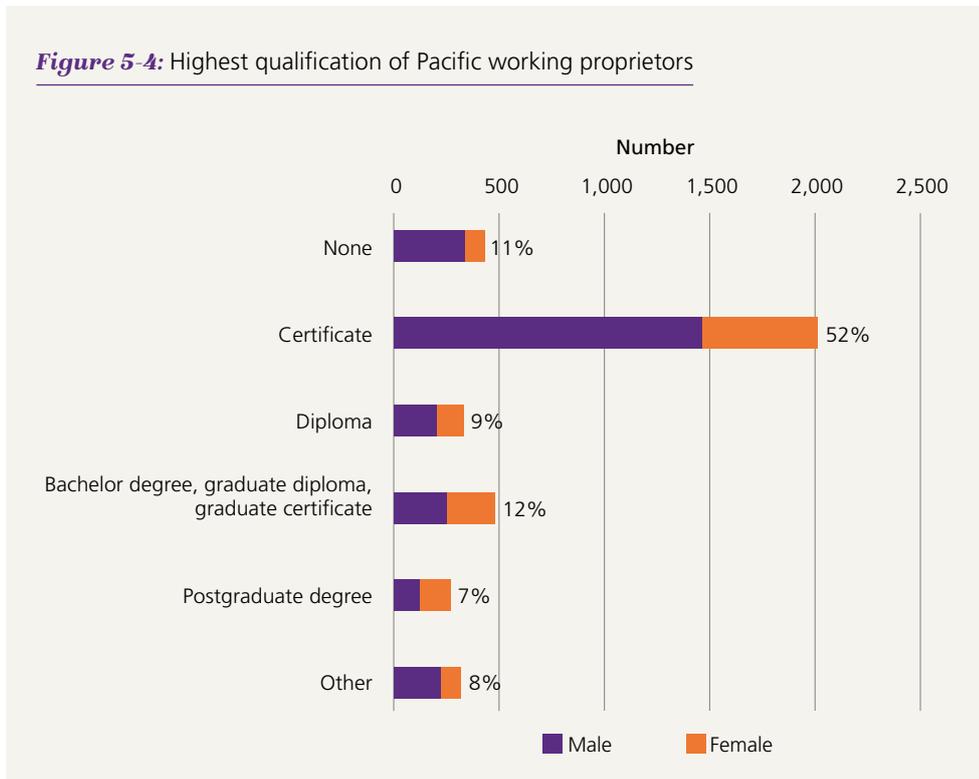


Half of Pacific working proprietors have a certificate as their highest qualification

As their highest level of qualification, 52 percent of Pacific working proprietors have a certificate and another 11 percent had no qualifications at all (see Figure 5-4). This indicates a basic qualification is sufficient to set up a business.

In terms of an age comparison, 60 percent of Pacific working proprietors aged 15 to 34 have a certificate and 15 percent have a bachelor's degree, graduate diploma or graduate certificate, so younger people are more likely to be qualified.

Figure 5-4: Highest qualification of Pacific working proprietors

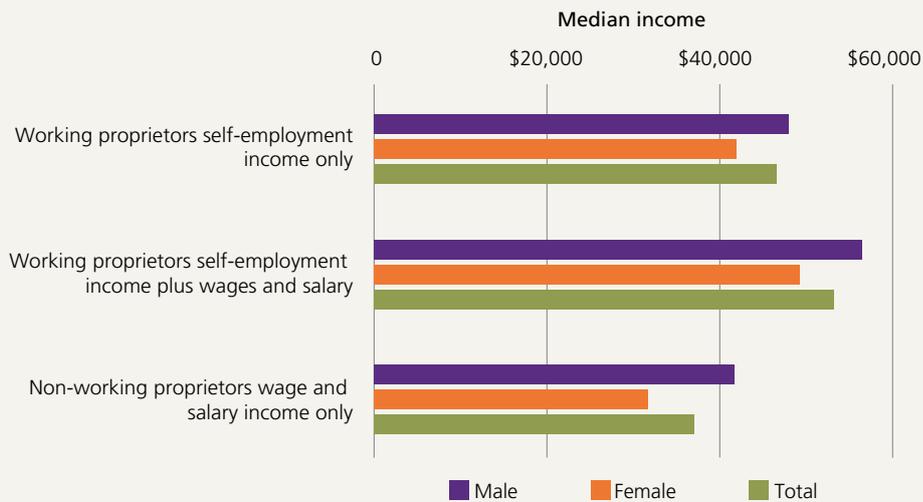


Pacific working proprietors have higher income

The annual median income of Pacific business owners who earned income through self-employment only is \$47,350 – this is about \$10,000 higher than the median income of Pacific people who didn’t own businesses, and earned incomes through wage and salaries only (see Figure 5-5).

A third group are the Pacific working proprietors who earn wages and salaries in addition to their self-employment income. For these business owners, the combined annual median income increases to \$53,910, making them the highest-earning category.

Figure 5-5: Number of Pacific people as working proprietors by industry

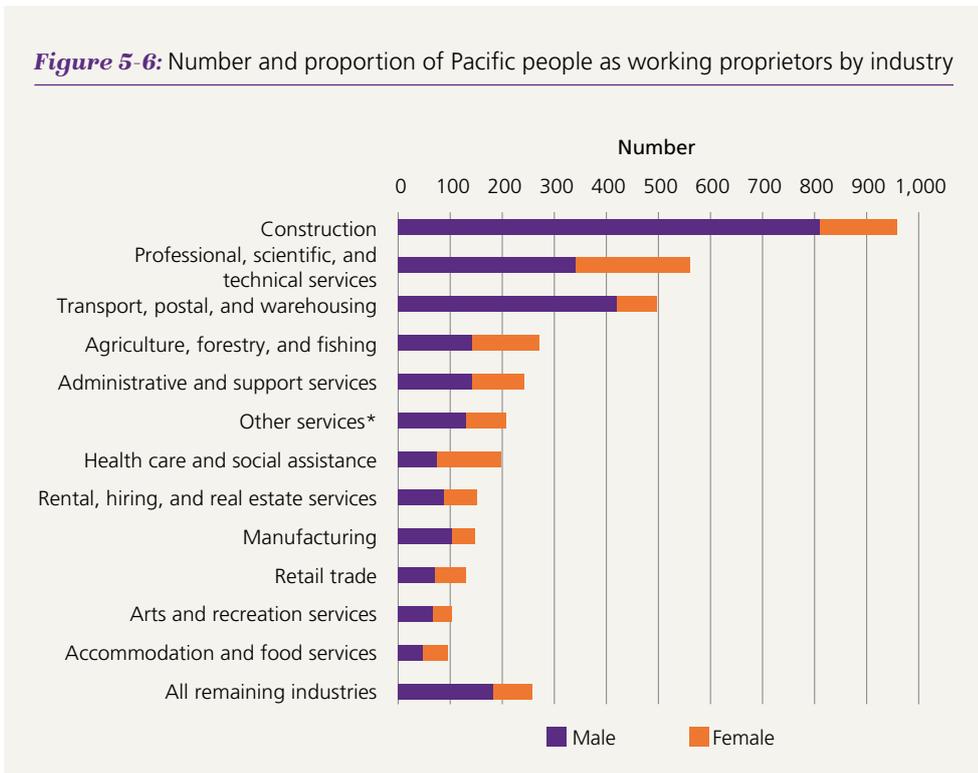


One in four Pacific working proprietors are in the construction industry

Figure 5-6 shows that the top three industries for Pacific working proprietors' businesses are construction (26 percent), professional, scientific, and technical services (15 percent) and transport, postal, and warehousing (13 percent). These three industries cover about half of all Pacific owners' businesses.

While most industries have higher proportions of male owners, women make up the majority (61 percent) of business owners in the health care and social assistance industry.

Figure 5-6: Number and proportion of Pacific people as working proprietors by industry



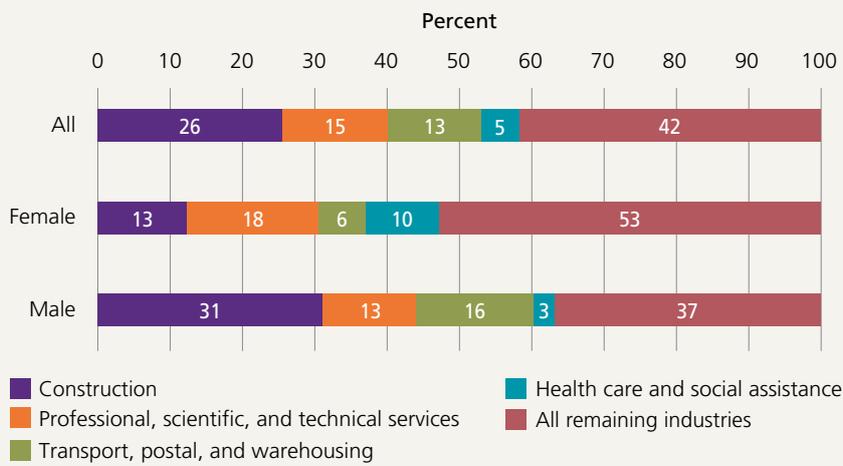
* NB: The "Other services" industry includes repairs and maintenance, personal services, and private households employing staff.

Looking at the distribution of industries by gender (see Figure 5-7), we can see that 31 percent of men working proprietors work in the construction industry with 16 percent in transport, postal, and warehousing, and 13 percent in the professional, scientific, and technical services industry.

The most popular industries for women are professional, scientific, and technical services (18 percent), construction (13 percent) and health care and social assistance (9 percent).

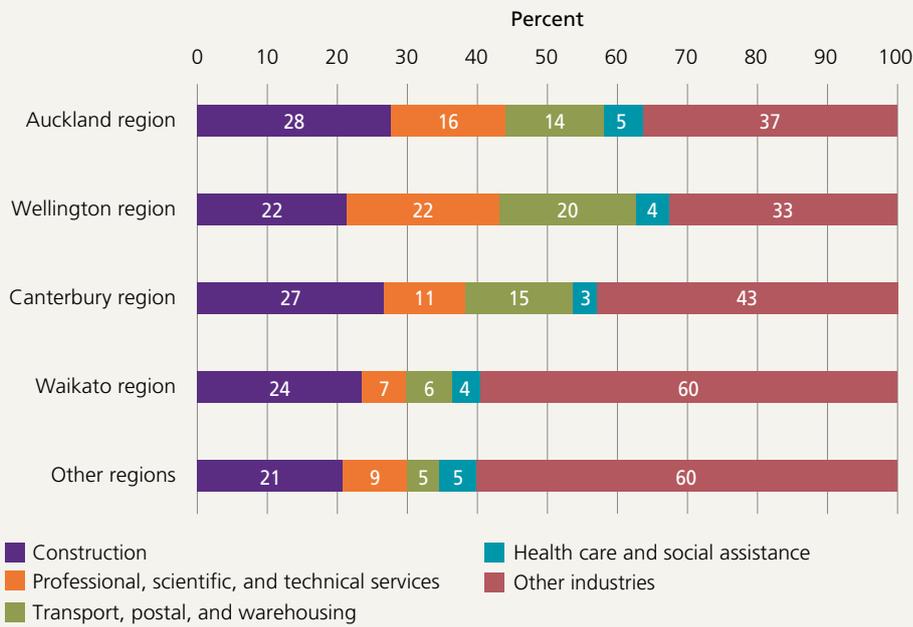
Some of these working proprietors are co-owners of businesses. Co-ownership is especially common in the construction industry; the 13 percent of women owning businesses in this sector may be managing the business while a partner works in building or a trade.

Figure 5-7: Distribution of Pacific working proprietors by industry and gender



When we consider the distribution of industries within the regions (see Figure 5-8), construction is the main industry in the Auckland, Canterbury, and Waikato regions. In the Wellington region the top three industries (construction; professional, scientific, and technical services; and transport, postal, and warehousing) are more equally represented, with each contributing 1 in 5 Pacific working proprietors.

Figure 5-8: Distribution of Pacific working proprietors by industry and region



Many Pacific businesses operate without employees, and a single proprietor

Figure 5-9 below looks at the characteristics of the businesses owned by these Pacific working proprietors. Two-thirds of Pacific working proprietors are self-employed and do not employ other people.

A majority of businesses (66 percent) have only one owner, and 42 percent of businesses have been operating for 11 years or more.

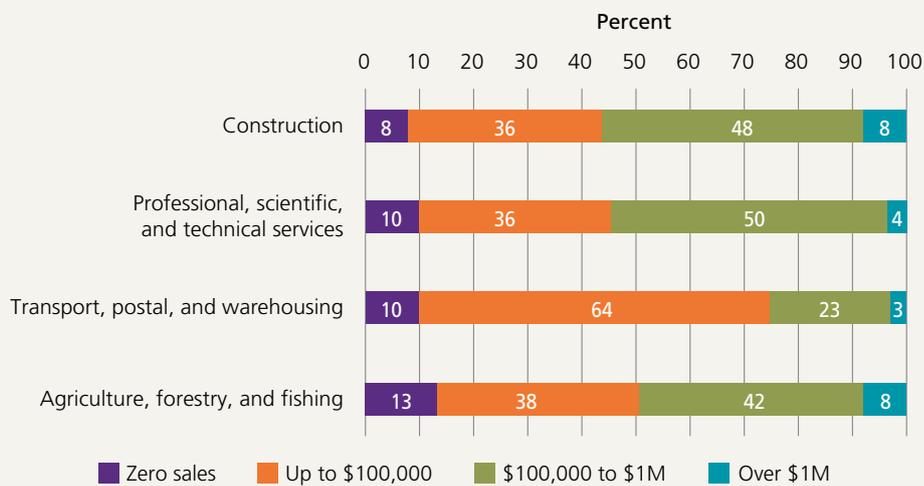
Figure 5-9: Characteristics of businesses



The distribution by domestic sales (see Figure 5-10) gives an indication of the size of the business by domestic sales.

About half of the businesses in construction and professional, scientific, and technical services are medium-sized businesses with domestic sales of at least \$100,000. Businesses operating in the transport, postal, and warehousing industry tend to be smaller, with 64 percent having domestic sales of up to \$100,000 for the year.

Figure 5-10: Domestic sales





6

Conclusion

This report has provided an overview of Pacific entrepreneurship in New Zealand through working proprietors. While the rate of Pacific business owners is low, it provides a good foundation in promoting entrepreneurship amongst Pacific peoples.

Fijians, with a higher rate of business ownership, may have something to teach the Pacific business community about setting up and running an enterprise. The higher rate of business ownership in the Northland region may also provide insights on Pacific peoples' access to resources in setting up a business, which could be explored further.

And while the current profile of Pacific working proprietors shows that business owners tend to be older, and New Zealand born, younger people may play an important role in the future of Pacific business, given better educational opportunities, and their understanding of both new technology and the future needs of business. This could mean the focus of Pacific business may shift away from construction-based enterprises to more technology-based industries.

This report has also provided a first view of Pacific women's contribution to the economy. Samoan, Cook Islands, Tongan, Niuean, Fijian, Tokelauan and Tuvaluan women are found as working proprietors throughout New Zealand, and are present in all the same industries as Pacific men.

Most of Pacific business owners are self-employed with no other employees. Over time, these self-employed Pacific proprietors need support to grow, and to move into becoming employers. With a large proportion of Pacific peoples living in Auckland, and low rate of Pacific business ownership in that region, there is a need for local and central government to support and grow entrepreneurship in Auckland.



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