

# Economic contribution of ethnic minority communities to Auckland 2001–2023

Growing, educated and \$23b of unrealised potential

Report to:

New Zealand Government's Auckland Policy Office

Ministry of Business, Innovation and Employment

Ministry for Ethnic Communities

Waitakere Ethnic Board

Shamubeel Equb & Nihal Sohanpal

15 January 2026



EAQUB & EAQUB

**Auckland  
Policy Office**



**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
HĪKINA WHAKATUTUKI



Ministry for  
**Ethnic  
Communities**  
Te Tari Mātāwaka



## Foreword

Kia ora,

Tui, tui-tuia ngā herenga tangata – weaving the threads that bind us together.

Since the release of the first report in 2021 commissioned by the Waitakere Ethnic Board, Aotearoa New Zealand has continued to evolve, and so too have the stories and contributions of our ethnic communities. What was once seen primarily through the lens of cultural celebrations is now increasingly recognised as a force shaping our nation's economy, innovation, and future.

This updated report again shines a light on the remarkable impact of New Zealanders of African, Asian, Continental European, Latin American, and Middle Eastern backgrounds. It highlights not only the richness of culture but also the skills, knowledge, and enterprise that strengthen Aotearoa in tangible, measurable ways.

Ethnic communities are no longer to be thought of as "add-ons" to our society – they are central to who we are and where we are heading. From driving businesses, to excelling in education, to enriching the arts and civic life, their role is both indispensable and inspiring.

On behalf of the Executive Committee of the Waitakere Ethnic Board, the Ministry for Ethnic Communities, the Ministry for Business Innovation and Employment and the Auckland Policy Office, we acknowledge and thank Shamubeel Equb, Statistics New Zealand and all those who contributed to this important body of work.

This report is for you – the individuals, families, and communities who bring your skills, your stories, and your spirit to Aotearoa. Share it proudly. It reflects not only your contributions to date but also the promise of what we will continue to achieve together.

Waiho i te toipoto, kaua i te toiroa – let us keep close together, not wide apart.

Ngā mihi

**Gurdeep Talwar**

President

Waitakere Ethnic Board

**Mervin Singham**

Chief Executive

Ministry for Ethnic Communities

**Michael Quinn**

Head of the Auckland Policy Office

**Robyn Henderson**

General Manager Economic Growth

Ministry of Business, Innovation and  
Employment

## Key points

Minority ethnic communities (MEC) make substantial economic contribution to Auckland, but there is massive unrealised potential.

- \$50 billion contribution to Auckland's GDP in 2023 (around one-third share).
- \$23 billion upside if persistent gaps in incomes and entrepreneurship were closed.

Auckland is the most ethnically diverse region in New Zealand. Ethnic minority communities (Asian, Continental European, Middle Eastern, Latin American and African) make up 42% of Auckland's population, and their contribution to the region's economy has grown rapidly.

Auckland's ethnic mix continues to change quickly. Asian communities are the fastest growing, with Indian and Chinese groups now approaching the size of the Māori population. These communities are also significantly younger and in family formation ages, meaning they make up a rising share of Auckland's prime working-age population and future workforce.

Ethnic minority communities have high employment and participation rates, exceeding or matching Auckland averages. They contribute across a wide range of industries, including hospitality, health care, ICT, business services and logistics.

Yet structural barriers persist. Middle Eastern and African communities experience higher unemployment. Managerial representation is low across several groups, despite high levels of education. Income gaps remain significant and cannot be explained by location, occupation, qualifications or experience alone.

Minority communities are more likely to hold tertiary qualifications. However, these skills do not translate into equivalent earnings. This represents a large unrealised economic opportunity for Auckland.

Many communities begin in industries with low barriers to entry (food services, cleaning, transport) and gradually diversify into construction, health care and technical services. But entrepreneurship rates remain below average overall, and limited access to capital, networks and market information continues to slow growth.

Auckland is uniquely positioned to lead national progress. The region's complexity, deep labour market and strong business networks mean improvements made here can benefit the entire country.

Delivering on this potential requires:

- Recognising overseas qualifications more effectively
- Increasing leadership and management pathways
- Supporting entrepreneurship with targeted capital and network access
- Strengthening inclusive hiring and reducing discrimination
- Investing in acculturation as a two-way process

- Each of these requires a nuanced listening and learning approach, because ethnic groups aren't a monolithic one, rather an amalgam of significant variety and complexity.

Ethnic minority communities are driving Auckland's growth. They bring skills, energy and ambition. The economic gains already visible are substantial, but the unrealised potential is even greater. With deliberate action, Auckland can unlock this potential and move toward a more productive, more inclusive and more prosperous future for all.

## Contents

<b>1. Introduction</b> .....	<b>6</b>
1.1 Care in ethnicity classification .....	6
1.2 Ethnicity needs to be seen in the context of acculturation.....	7
1.3 Understanding the unique context of Auckland.....	8
<b>2. Contribution to GDP</b> .....	<b>17</b>
2.1 Results .....	17
<b>3. Population trends: growing, diversifying &amp; educated</b> .....	<b>20</b>
3.1 Age structure: younger and prime working age.....	23
3.2 Regional distribution: Important for Auckland and for ethnic minority communities.....	25
3.3 Qualifications: highly qualified.....	26
<b>4. Labour market outcomes: successes and barriers</b> .....	<b>28</b>
4.1 Employment: highly active .....	28
5.2 Unemployment and participation: suggestions of barriers.....	31
5.3 Industries & occupations: pathways, ease of entry & worrying lack of progression.....	33
5.5 Incomes: large unexplained income penalty .....	37
<b>5. Entrepreneurship: low but diversifying</b> .....	<b>39</b>
<b>6. Strategic Next Steps</b> .....	<b>42</b>
<b>7. Conclusion: gold in them hills</b> .....	<b>43</b>
<b>Appendix A: Labour market areas for 2023</b> .....	<b>44</b>
<b>Appendix B: Government as a system</b> .....	<b>45</b>

## Figures

Figure 1: There are many possible outcomes from a changing ethnic mix of a country and community ....	7
Figure 2: Auckland is an unusually large and complex economy .....	9
Figure 3: For those with few qualifications, there is no lifetime income premium in Auckland.....	9
Figure 4: Auckland population growth masks significant movements.....	11
Figure 5: Net migration flows hide considerable exchange of people taking place through Auckland .....	11
Figure 6: Auckland lose more people to other parts of New Zealand, except for Porirua .....	12
Figure 7: Exchange across ethnic group, but positive net flows for ethnic minorities .....	14
Figure 8: Auckland attracts lots of young people, but exports older European and Māori ethnic groups..	14
Figure 9: Auckland is connected to other regions through business connections.....	15
Figure 10: Auckland is a highly connected and in the centre of the web of connections.....	15
Figure 11: Auckland attracts people to work, even if they don't live there .....	16
Figure 12: Labour market areas are different to political boundaries. There are three key clusters in Auckland, with the northern and southern ones spilling over into neighbouring regions .....	16
Figure 13: Minority ethnic communities contributed 33% of GDP Auckland in 2023 .....	18
Figure 14: Ethnic minorities make up 33% of Auckland's economy .....	18
Figure 15: New Zealand's population is growing across all ethnicities ... ..	20
Figure 16: New Zealand's ethnic mix is projected to keep diversifying further .....	21
Figure 17: Many migrants have been in New Zealand for a long time .....	21
Figure 18: ... and the ethnic composition of population is becoming more diverse .....	22
Figure 19: Population growth has been dominated by Asian ethnicities.....	22
Figure 20: Auckland is the youngest region in New Zealand .....	23
Figure 21: Ethnic minorities are more likely to be at prime working age ... ..	24
Figure 22: Asian babies are now the most prevalent.....	24
Figure 23: Major urban areas have the highest concentration .....	25
Figure 24: Auckland is the most important region .....	26
Figure 25: Ethnic minority communities are more likely to be qualified ... ..	27
Figure 26: ... especially tertiary level .....	27
Figure 27: Most ethnic minority communities are likely to be in work .....	29
Figure 28: There has been an impressive increase in employment rates ... ..	29
Figure 29: ... across all ethnic minority groups.....	30
Figure 30: Some groups are more likely to be in part-time work.....	30
Figure 31: Labour force participation has trended higher.....	31
Figure 32: There is persistently higher unemployment among Latin American and African ethnicities ....	32
Figure 33: Unemployment has trended lower and converged .....	32
Figure 34: Ethnic minority communities are more likely to work in hospitality and many professional industries .....	33
Figure 35: A more detailed industry breakdown shows concentrations of employment.....	34
Figure 36: Occupation differences ... ..	36
Figure 37: ... paint a mixed picture of economic success and plenty of upside potential.....	36
Figure 38: Ethnic minorities on average earn less in Auckland, except for continental Europeans... ..	37
Figure 39: ... reflected in the distribution of incomes.....	38
Figure 40: Pay difference cannot be explained by typical drivers, suggesting systemic barriers.....	38
Figure 41: Ethnic minority communities are generally less likely to be entrepreneurs.....	39
Figure 42: Entrepreneurship rates have fallen from 2001 ... ..	40
Figure 43: ... which we define as those who are sole traders and those who have employees .....	40
Figure 44: European ethnicities are more likely to be sole traders, and Middle Eastern ethnicities are more likely to be both sole traders and employers .....	40
Figure 45: Asian ethnicities are more likely to be in hospitality, and African ethnicities are more likely to be in transport and logistics.....	41
Figure 46: Concentration of entrepreneurship shows interesting patterns, particularly in Hospitality, Transport & Logistics, Education, and Healthcare .....	41
Figure 47: Complete labour market areas for New Zealand .....	44

# 1. Introduction

This report was commissioned<sup>1</sup> to understand the economic picture of Auckland’s already diverse and changing ethnic mix. The focus is on broader ethnic minority communities (those who are not Pākehā, Māori or Pasifika).

This report is a companion to a New Zealand analysis, which provides a broad approach to looking at the economic contribution of ethnic minority communities.<sup>2</sup> This report only looks at direct economic outcomes, not wider contributions or costs through, for example, trade, cultural vibrancy and social inclusion. Other research projects are looking to shed light on some of these issues.<sup>3</sup>

For this report, the ethnic minority communities (also referred to as minority ethnic communities or MEC) include the following broad groups and their constituents: Asian, European (other than NZ European or Pākehā), Middle Eastern, Latin American and African. This excludes those who choose the ethnicity category ‘other’, which is highly variable over time.

We exclude NZ European (Pākehā), Māori and Pasifika. Pākehā are the largest group, meaning this group’s effect dominates published data, and we exclude Māori and Pasifika as there are targeted institutions focused on these groups – specifically, Te Puni Kōkiri<sup>4</sup> and Ministry for Pacific Peoples.<sup>5</sup> At a policy and government level, the groups that are the focus of this report are represented by the Ministry for Ethnic Communities.

## 1.1 Care in ethnicity classification

Ethnicity is a self-defined concept. Stats NZ Census collects ethnicity information of all those living in New Zealand. Each person may pick more than one ethnicity. This report draws from ethnicities provided to the Census. The availability and quality of the data at detailed ethnicity levels is variable. We focus on ethnic group level data and provide commentary on groups that are particularly large (for example, Indian and Chinese ethnicities) or changing rapidly (Latin American ethnicities for example).

The Stats NZ ethnicity classification differs from that defined by Cabinet for the Ministry for Ethnic Communities. We rely on a broad range of data from Stats NZ to derive these estimates, so it was not practicable to use the more detailed Ethnic Communities Cabinet definition, based on the data received. and compatibility to data from past years. This means that analysis in this paper may not be directly comparable to the definitions and data published by the Ministry for Ethnic Communities.

---

<sup>1</sup> Commissioning partners are the New Zealand Government’s Auckland Policy Office, Ministry of Business, Innovation and Employment, Ministry for Ethnic Communities and the Waitakere Ethnic Board.

<sup>2</sup> <https://www.mbie.govt.nz/dmsdocument/31550-economic-contribution-of-ethnic-minority-communities-2001-2023>

<sup>3</sup> <https://www.ethniccommunities.govt.nz/our-communities/our-communities-in-the-data>

<sup>4</sup> <https://www.tpk.govt.nz/en>

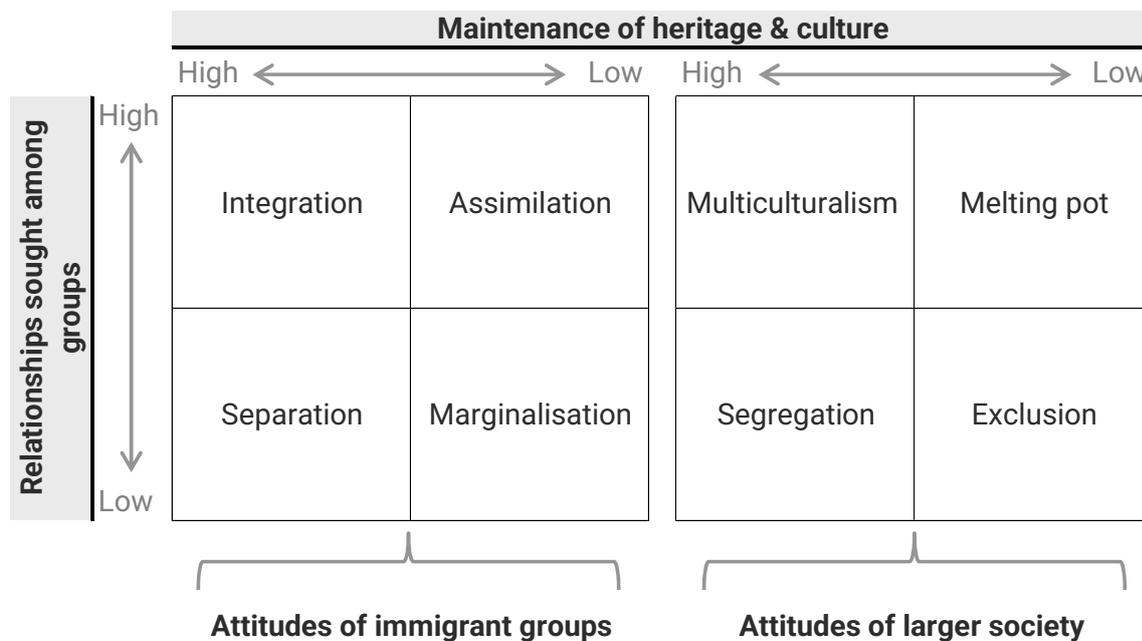
<sup>5</sup> <https://www.mpp.govt.nz/>

There are tensions around what constitutes ethnicity, and this does not necessarily correspond to country of birth or culture, nor is it fixed. For example, Indian ethnicity can apply to those who are born in India, Fiji or New Zealand. The aggregated ethnicity classifications hide a multitude of variations. The Asian grouping, for instance, contains significant diversity of language, culture and geographic origin. Some people identify with different ethnicities over time. Therefore, ethnic groups should not necessarily be seen as distinct and separate identifiers.

## 1.2 Ethnicity needs to be seen in the context of acculturation

Ethnicities and culture have complex interactions, both for the culture within ethnic groups and the culture of the wider society. In this report, we look to measure the visible economic aspects of this interaction – for example, any differences in participation in economic activity (through employment and entrepreneurship) and economic outcomes (through incomes earned, profits realised and career progression).

**Figure 1: There are many possible outcomes from a changing ethnic mix of a country and community**



Source: Sam, D. & Berry, J. (2010). Acculturation: When individuals and groups of different cultural backgrounds meet. *Perspectives on Psychological Science*, 5(4), 472-481. <https://doi.org/10.1177/1745691610373075>.

There is a much wider perspective of acculturation that is a useful framework (Figure 1) to understand the role of different cultures in a society, with a need to look at it through the perspective of a specific ethnicity (but applicable to any group or culture) and the perspective of the larger society. Which state we are in and which state we aspire to are the result of how different groups integrate into the economy and society. This process of integration involves adjustment and participation on the part of the host society as well as the newcomer.

Survey data suggest that the impact of diversity is not viewed uniformly across New Zealand. In Auckland 60% say *migrant diversity makes New Zealand stronger* (similar rates in Wellington and outside of Canterbury in the South Island).<sup>6</sup> But closer to 50% in the rest of the North Island (excluding Wellington) and Canterbury. Negative views of diversity tend to be more prevalent among those who have fewer close friends; are struggling financially; hold specific political views; Māori and Pākehā. These differences suggest that rapidly growing ethnic diversity needs to be accompanied by deliberate efforts at acculturation to harness potential benefits of diversity (which we show in the analysis that follows).

### 1.3 Understanding the unique context of Auckland

The focus of this paper is on what can be measured to create a common base to understand economic connection, contribution and opportunities for improvement.

There is also a need to understand the unique context of Auckland. There are three specific dimensions of uniqueness: it is complex (it has specialisations across a broad range of industries); deep (a function of scale); and highly networked with the rest of New Zealand. This means that what happens in Auckland can be different to other parts of New Zealand, but also what happens in Auckland can spill over to other parts of New Zealand – both positives and negatives. While this analysis focusses on Auckland, but it cannot be totally removed from the rest of New Zealand – the connections are real, large and dynamic.

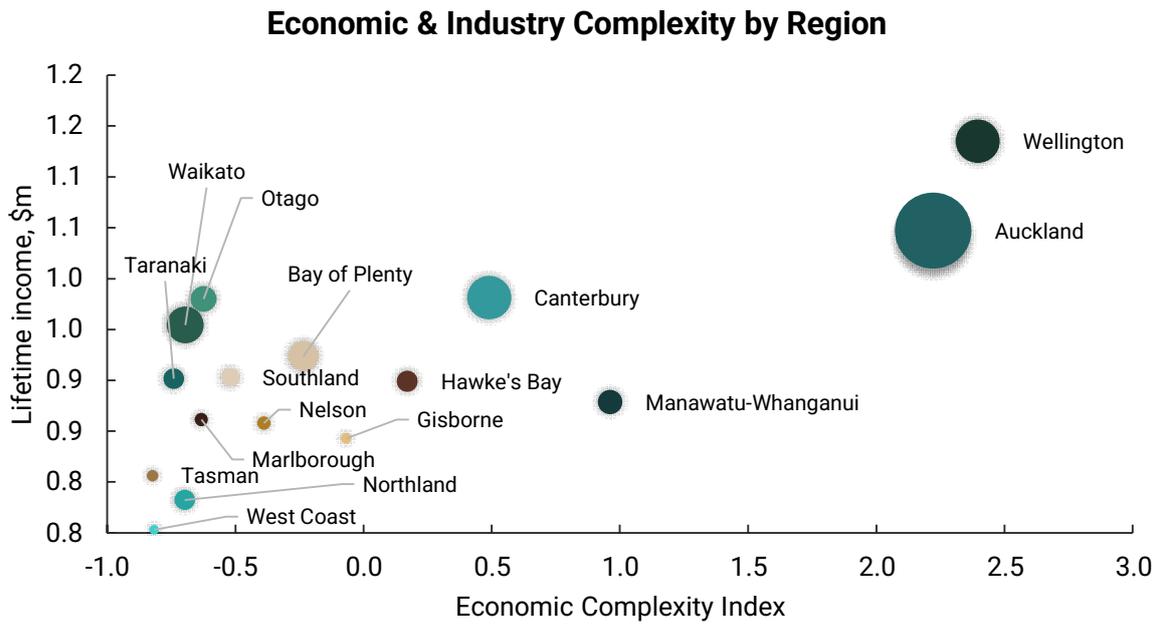
Complexity in this instance is defined as a region that enjoys both specialisation and ubiquity.<sup>7</sup> That is, the region is good at many things and has things that not many other places have. Figure 2 illustrates that Auckland stands out among New Zealand's regions as a highly complex economically, and across industries. Wellington is also complex, mainly because of its political capital function. Auckland in contrast, is the economic capital.

---

<sup>6</sup> Source data analysis of: Equb, S., & Collins, R. (2025, April 1). Social cohesion in New Zealand. Helen Clark Foundation. <https://www.helenclark.foundation/research/social-cohesion-in-new-zealand>

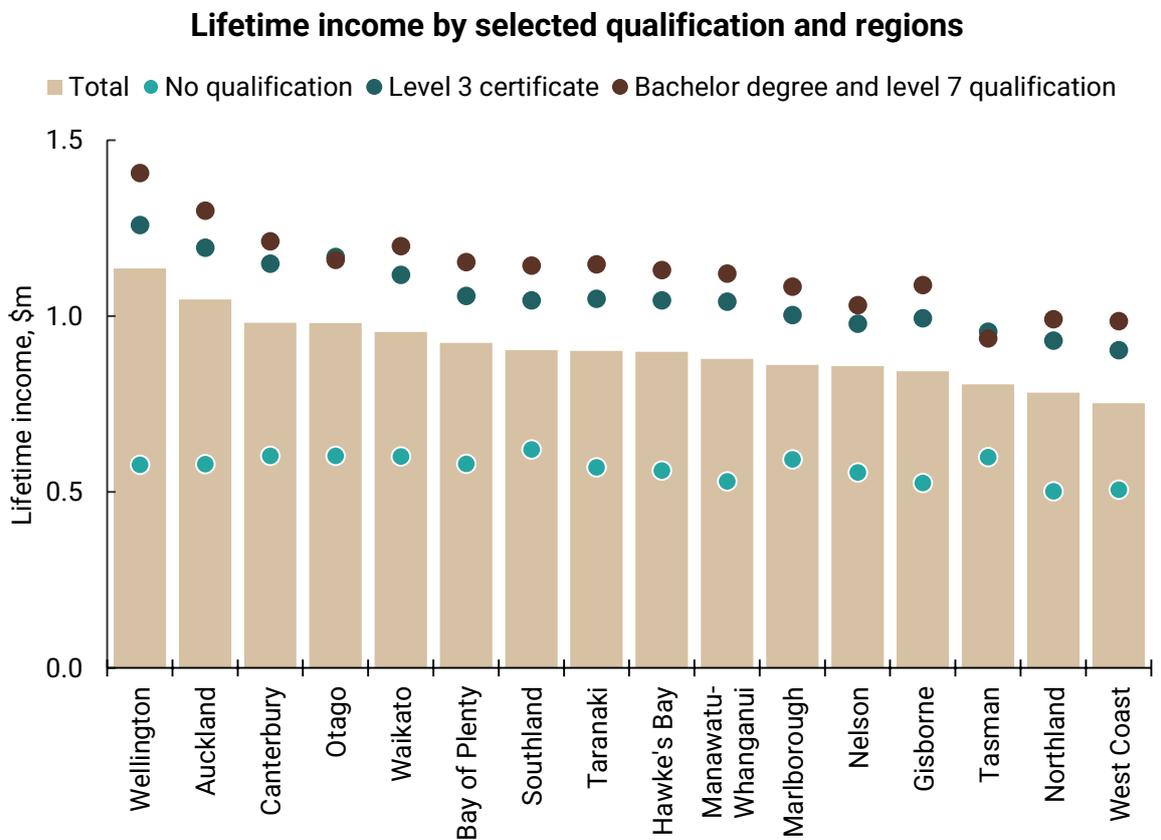
<sup>7</sup> Economic complexity is calculated using filled jobs data from Business Demographics database from Stats NZ. The method follows: Hidalgo, C. A., & Hausmann, R. (2009). *The building blocks of economic complexity*. *Proceedings of the National Academy of Sciences of the United States of America*, 106(26), 10570–10575. <https://doi.org/10.1073/pnas.0900943106>

Figure 2: Auckland is an unusually large and complex economy



Source: Author's calculations.

Figure 3: For those with few qualifications, there is no lifetime income premium in Auckland



Source: Author's calculations.

Auckland's complexity and large size means that it enjoys a deep labour market. It has a large pool of people and jobs in one location, with diverse skills, and a market characterised by high mobility and adaptability. This makes it attractive for businesses and people to locate there. This is especially true for international migrants and young New Zealanders from outside of Auckland. The benefit of complexity and scale is reflected in high average lifetime incomes (sometimes referred as human capital) in Auckland (although Wellington is even higher because of its concentration of professional occupations).<sup>8</sup>

However, this benefit is not equally felt, and there are factors that push people out.

Those with no or low qualifications do not experience a lifetime income premium, but those with more qualifications do (Figure 3). This shows the importance of education and training to benefit from Auckland's opportunities.

Further, there are push factors such as high housing costs and traffic congestion. Figure 4 shows that Auckland consistently faces net *emigration* with the rest of New Zealand, where more people move out, than move in from other regions. This is partly explained by relatively unaffordable housing in Auckland. While average lifetime incomes in Auckland are around \$100,000 higher than in Waikato, the median house price in Waikato is around \$250,000 cheaper.

Figure 5 shows the considerable movement of people both in and out, via regional and international migration. That is, net migration flows mask considerable exchange of people into and out of Auckland from the rest of New Zealand and the world.

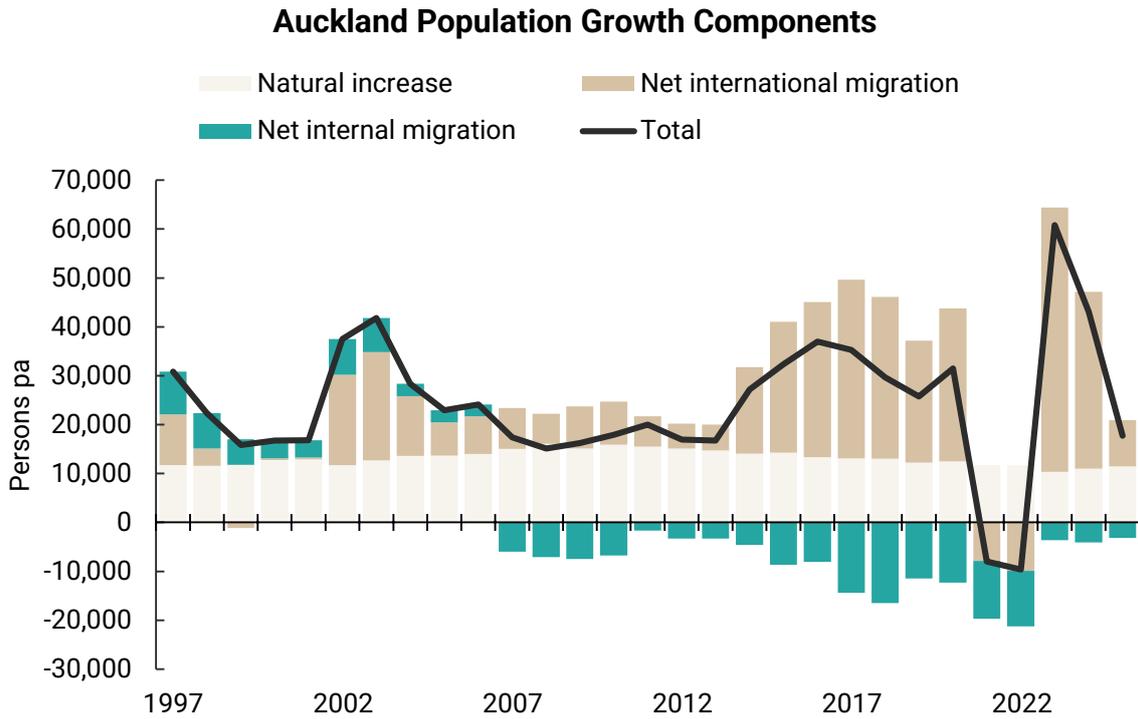
The flow of people to the rest of New Zealand matters, because it includes international migrants and exchange of diverse ethnicities to the regions, and the spread of peoples' experiences of ethnic diversity (acculturation dynamics of the host community) to the rest of New Zealand. This means that successful acculturation practices in Auckland would benefit all of New Zealand.

The net position tells the story of the cumulative effect over time. Looking at the change in address from 5 years ago shows that Auckland had net emigration to all districts of New Zealand except Porirua in 2023 (Figure 6). This net regional emigration is not consistent across age groups: Auckland net imports people under 30 from the rest of the country, but net exports people over 30 to the rest of New Zealand (Figure 8).

---

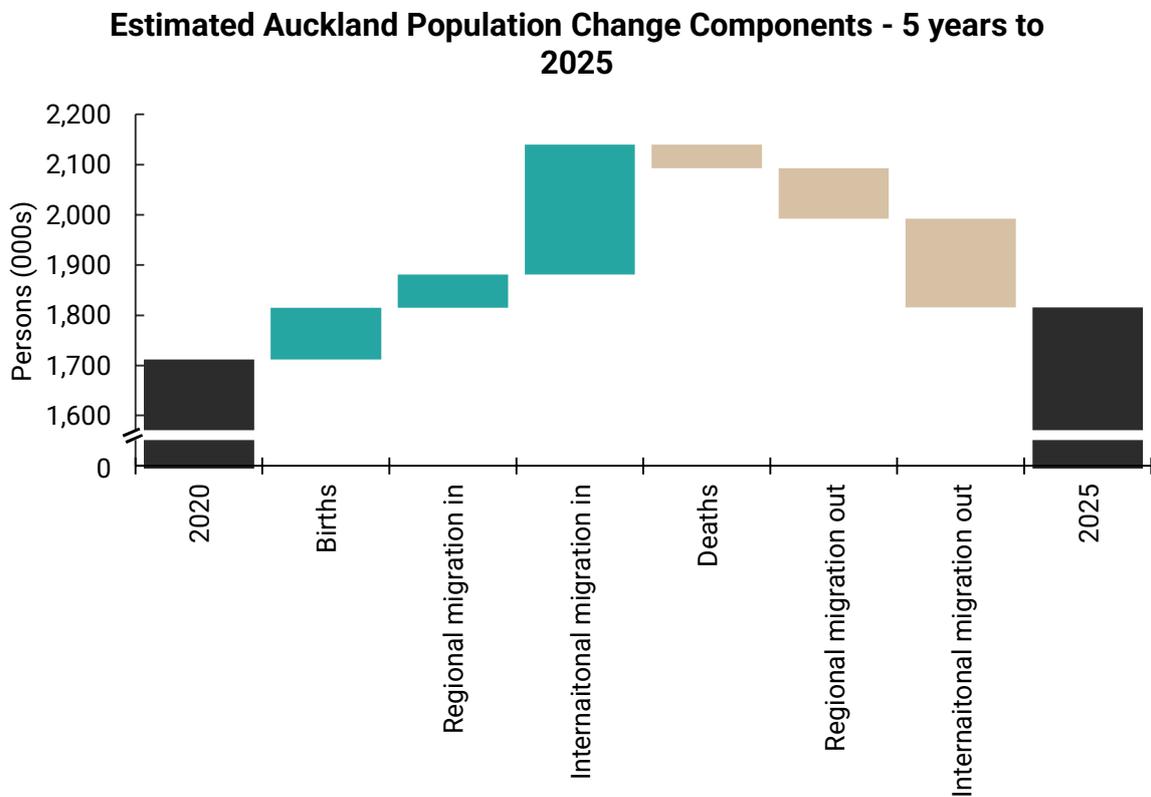
<sup>8</sup> We use regional NZ data and utilise the approach in: Liu, G. (2011). *Measuring the stock of human capital for comparative analysis: An application of the lifetime income approach to selected countries* (OECD Statistics Working Paper No. 41). OECD Publishing. <https://doi.org/10.1787/5kg3h0jnn9r5-en>

**Figure 4: Auckland population growth masks significant movements**



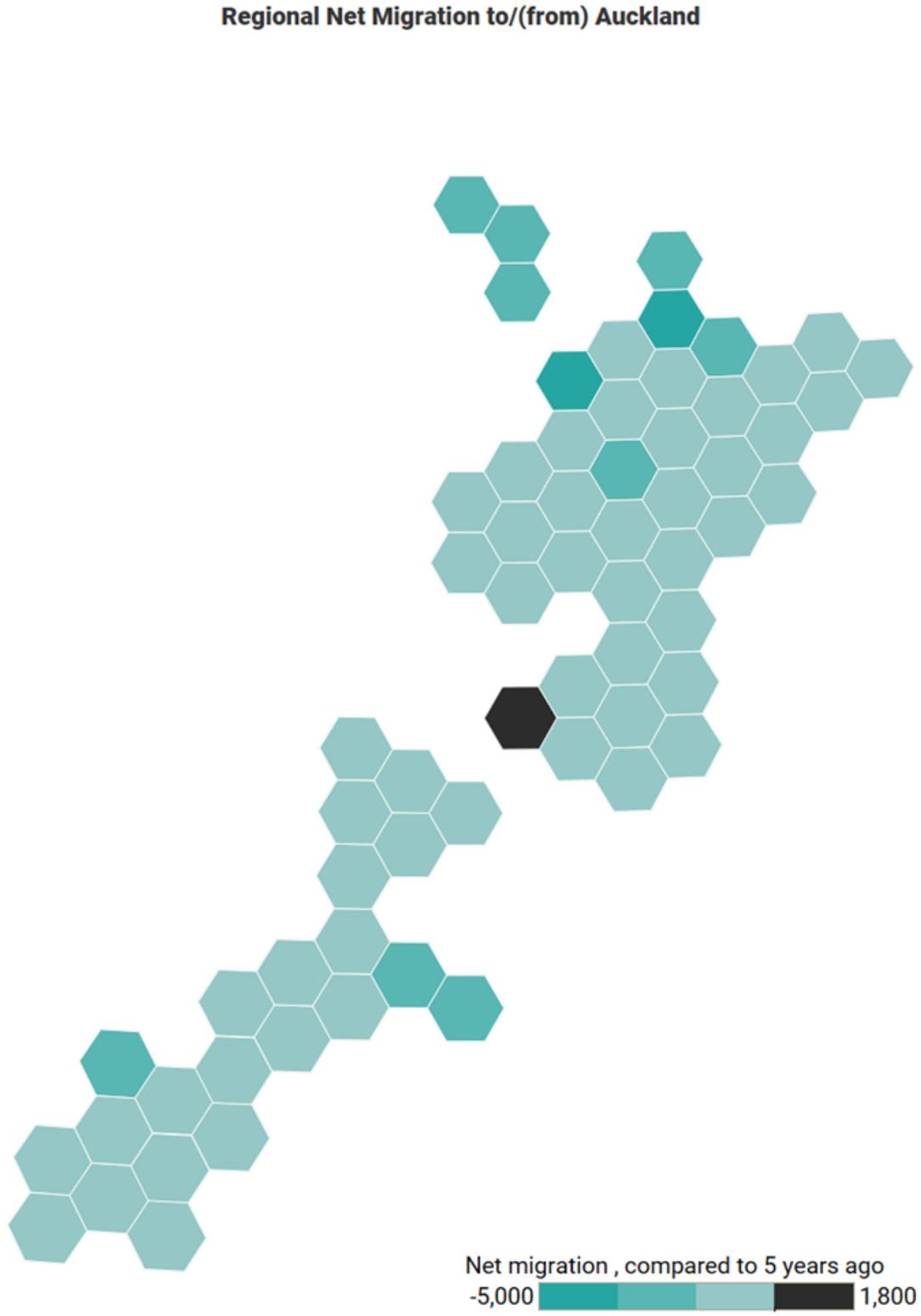
Source: Stats NZ.

**Figure 5: Net migration flows hide considerable exchange of people taking place through Auckland**



Source: Stats NZ.

**Figure 6: Auckland lose more people to other parts of New Zealand, except for Porirua**



Source: Stats NZ.

The exchange of people across the country is also visible across ethnicities (Figure 7). While this data was not available at more detailed ethnicities, the broad pattern is still helpful to understand. There is a net outflow of European (Pākehā and other European) who are largely older, but net inflow of Pasifika and Asian groups across all ages.

Figure 8 breaks down the net flow of people to and from New Zealand by age group. There is a consistent net inflow of young people (university and starting work age groups), but then the pattern diverges across ethnicities. European and Māori are more likely to move out age 30 onwards, although the effect shifts in much older age groups (over 80).

The connection between Auckland and the rest of New Zealand also happens in other ways. While not easily visible in the data, we know that firms trade (buy and sell) across regional boundaries. There are also more direct connections via enterprises with multiple sites and people commuting across regional boundaries.

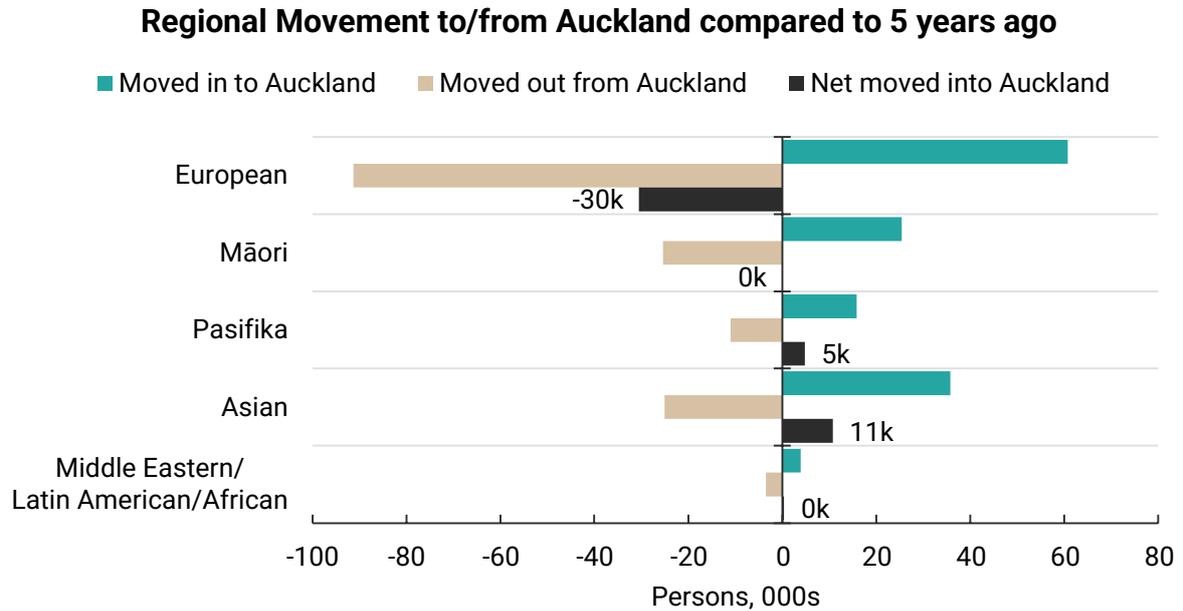
Business connections create strong economic connections between regions, and opportunities for people to move to other locations. In 2023, Auckland enterprises had around 43,000 jobs in other sites across NZ. There are close to 10,000 jobs in Auckland, which are headquartered elsewhere (Figure 9). These business connections are strongest with Wellington, Canterbury, Waikato, Bay of Plenty, Otago and Manawatu-Wanganui.

The pattern of connections show that Auckland is the dominant hub, as well as the main bridge (Figure 10). This shows up as the biggest participant in the network of business connections across New Zealand, as the key gateway for regional connections, and is the most influential node. That is, without Auckland the connections between New Zealand's regions are otherwise fragmented and often localised. Auckland is not just the economic capital; it is also a vital business connector that knits New Zealand's regions together.

Finally, there are also people who commute across regional boundaries. Around 35,000 people commute into Auckland for work in 2025. This shows that regional boundaries are porous (Figure 11). There are Labour Market Areas or geographic clusters (Figure 12) that span across Auckland's boundaries. This is where there is a strong connection between where people live and work. The Northern cluster stretches up from Puhoi into Northland, and the Southern cluster stretches down from Onehunga into Waikato.

Constant flow of people, ideas, business and economic activity, combined with Auckland's size, complexity and connectivity means that Auckland has an outsized influence on the rest of New Zealand. In this paper's context, unlocking the economic potential of ethnic minority communities in Auckland may very well hold the key for doing the same in the rest of New Zealand.

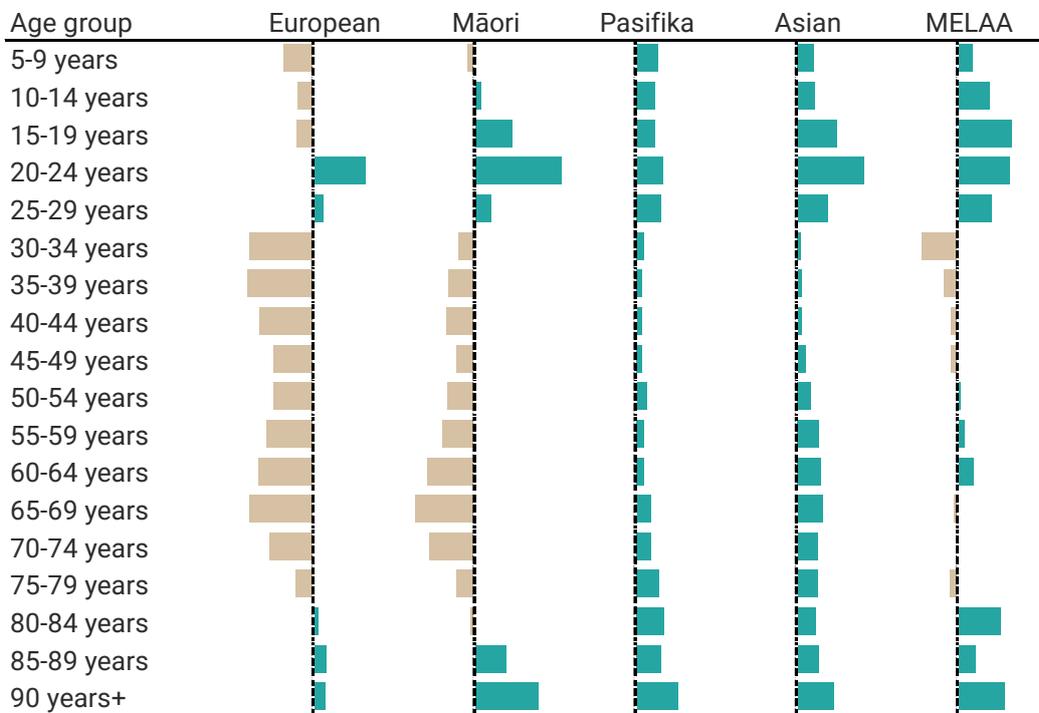
**Figure 7: Exchange across ethnic group, but positive net flows for ethnic minorities**



Source: Stats NZ.

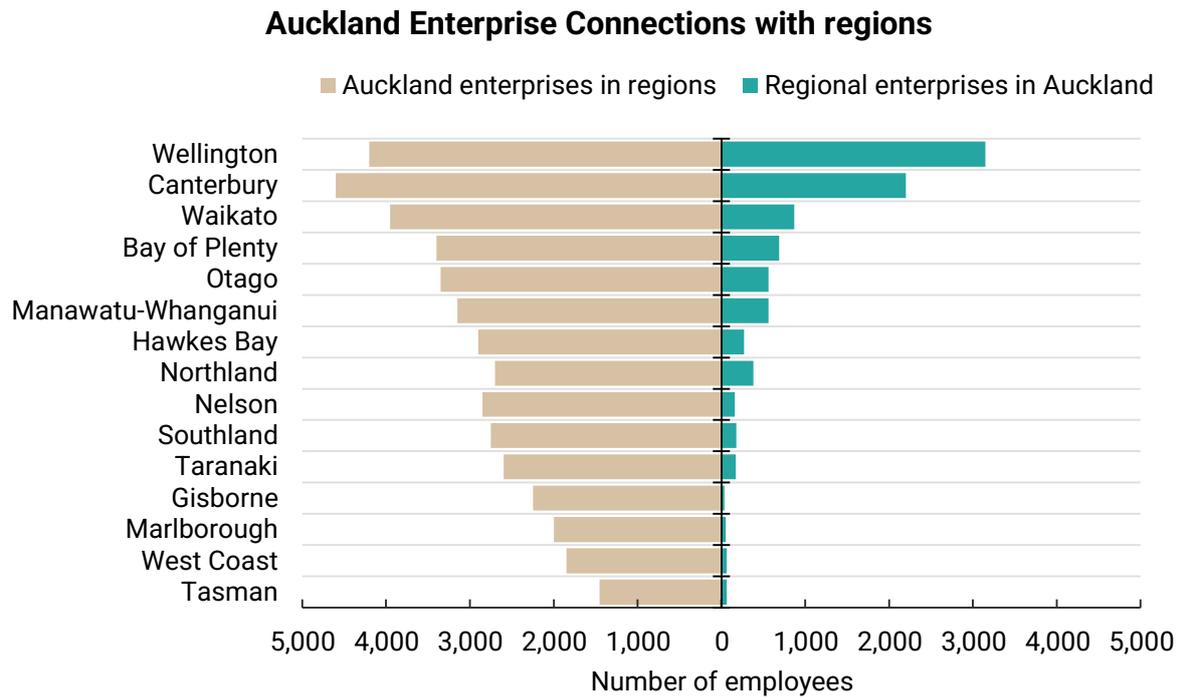
**Figure 8: Auckland attracts lots of young people, but exports older European and Māori ethnic groups**

**Net regional migration into Auckland over 5 years**



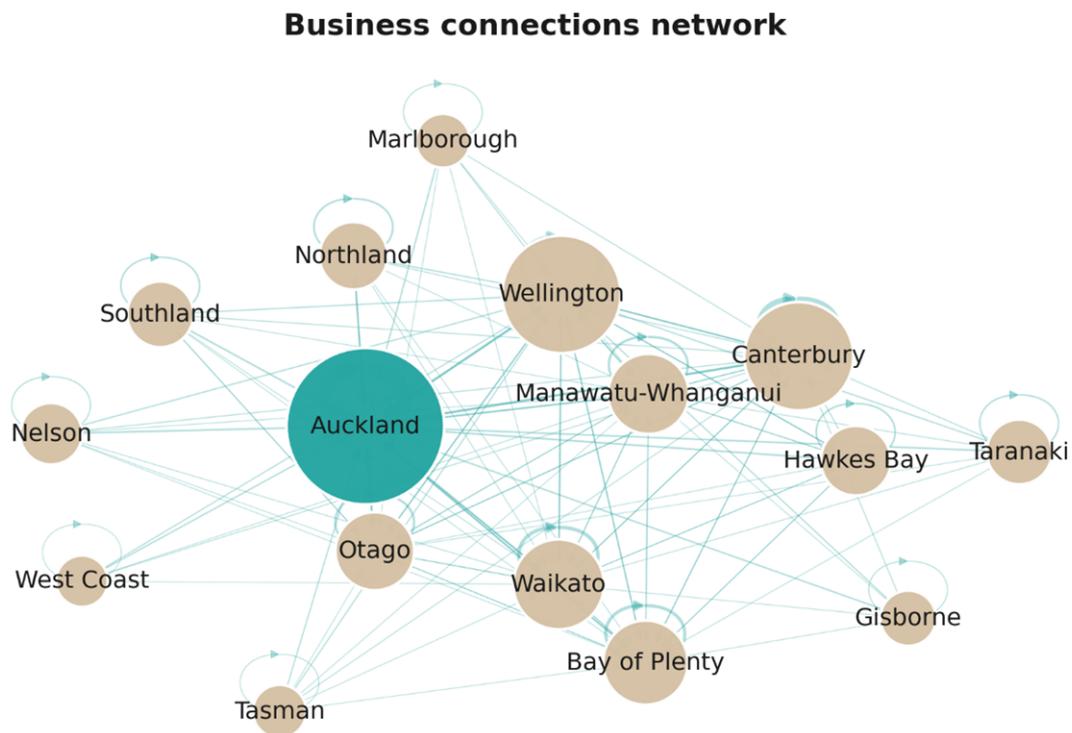
Source: Stats NZ.

**Figure 9: Auckland is connected to other regions through business connections**



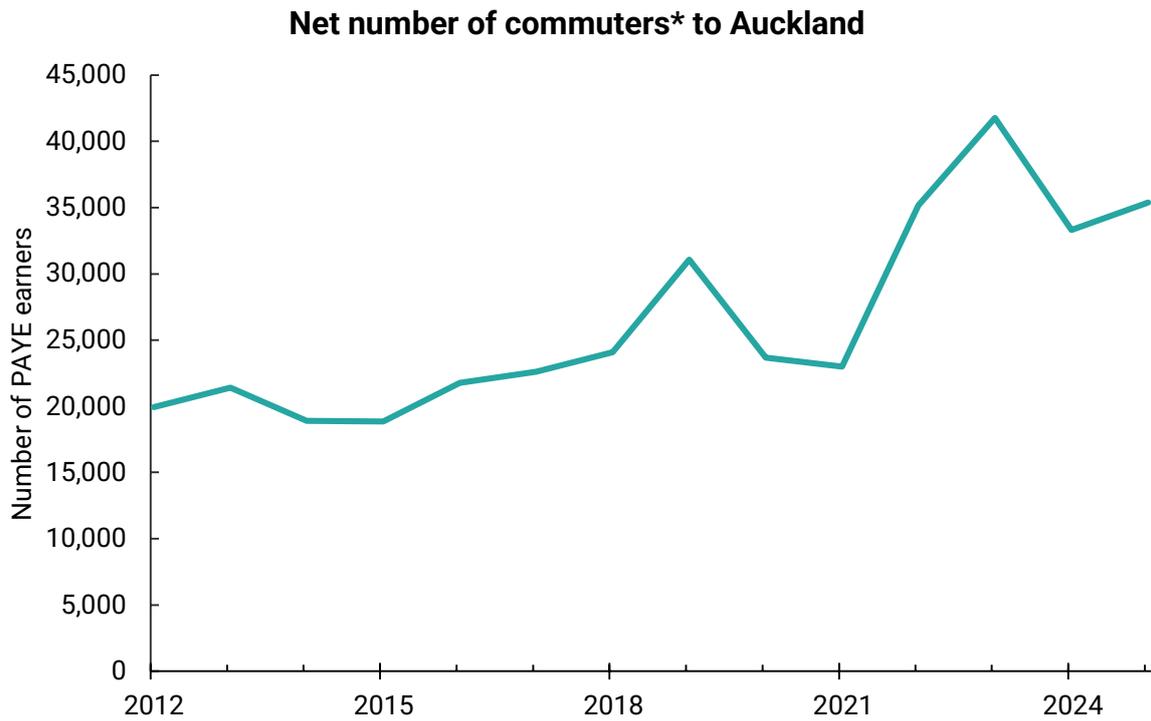
Source: Stats NZ.

**Figure 10: Auckland is a highly connected and in the centre of the web of connections**



Source: Author estimates from enterprise and sibling geographic unit custom data from Stats NZ.

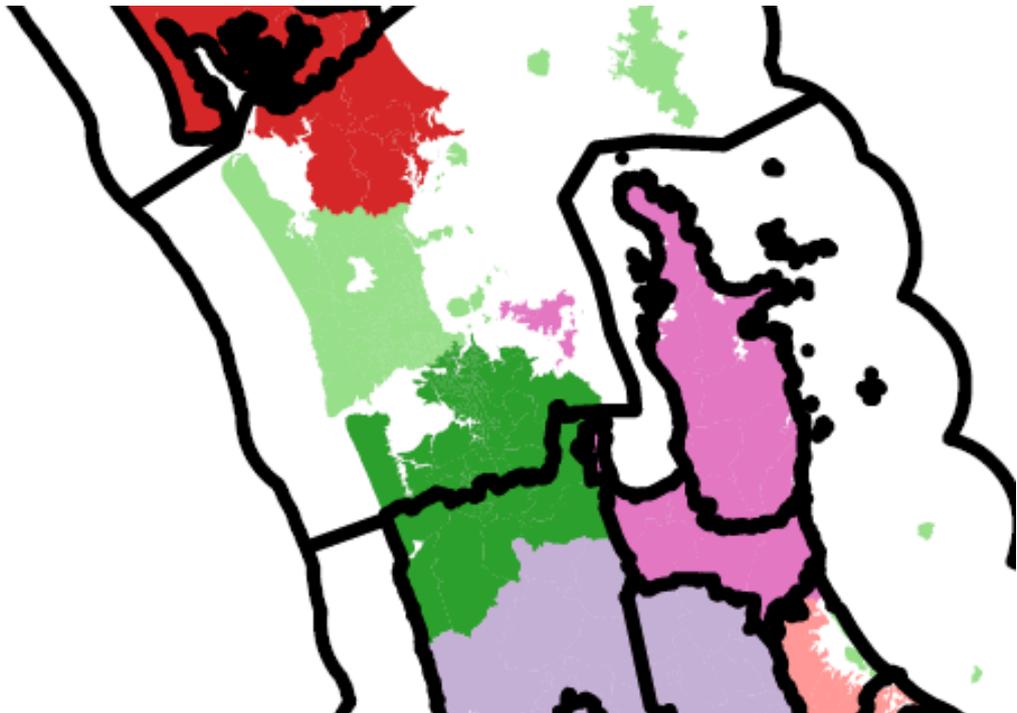
**Figure 11: Auckland attracts people to work, even if they don't live there**



\* The difference between workplace location and tax residence.

Source: Stats NZ.

**Figure 12: Labour market areas are different to political boundaries. There are three key clusters in Auckland, with the northern and southern ones spilling over into neighbouring regions**



Source: Authors' estimates of LMAs from commuter data from Stats NZ.

## 2. Contribution to GDP

The focus of this paper is on what can be measured to create a common base to understand economic connection, contribution and opportunities for improvement. Gross Domestic Product (GDP) is the summary measure.

We also provide a broader set of indicators to paint a picture of the make-up of different ethnicities and their contribution to the Auckland economy. Our estimates of the contribution to gross domestic product (GDP) should be seen within and the broader canvas of strong regional connections outlined in section 2.

GDP is a handy proxy for economic prosperity but has many known weaknesses. It does not measure the benefits and costs of cultural diversity, or non-monetary factors such as contributions to community, volunteering, cultural fabric, etc.

GDP alone gives a stilted picture, because it is one measure to bring many economic factors. But it offers a good opportunity to delve into more human and business facing metrics when positioned in the context described above.

GDP is effectively the sum of the returns on labour and capital. That is the wages and salaries that accrue to workers, and the profits (and mixed income) that accrues to entrepreneurs and business owners.

This report provides a richer picture than simply GDP. We look at the size, composition and change in the population over time. Where possible, we do this from 2001 onwards (some classifications have changed over time, making comparison challenging). Looking at labour, we look at the population, including age, location, qualifications, participation in work and incomes.

### 2.1 Results

Ethnic minorities contributed \$50b or a third of Auckland's GDP in 2023, lower than the 40% share of the population. This is explained by a variety of factors: youthful population, meaning a chunk of the population is not yet in the workforce; low but improving rates of entrepreneurship; and low incomes but high levels of qualifications and employment.

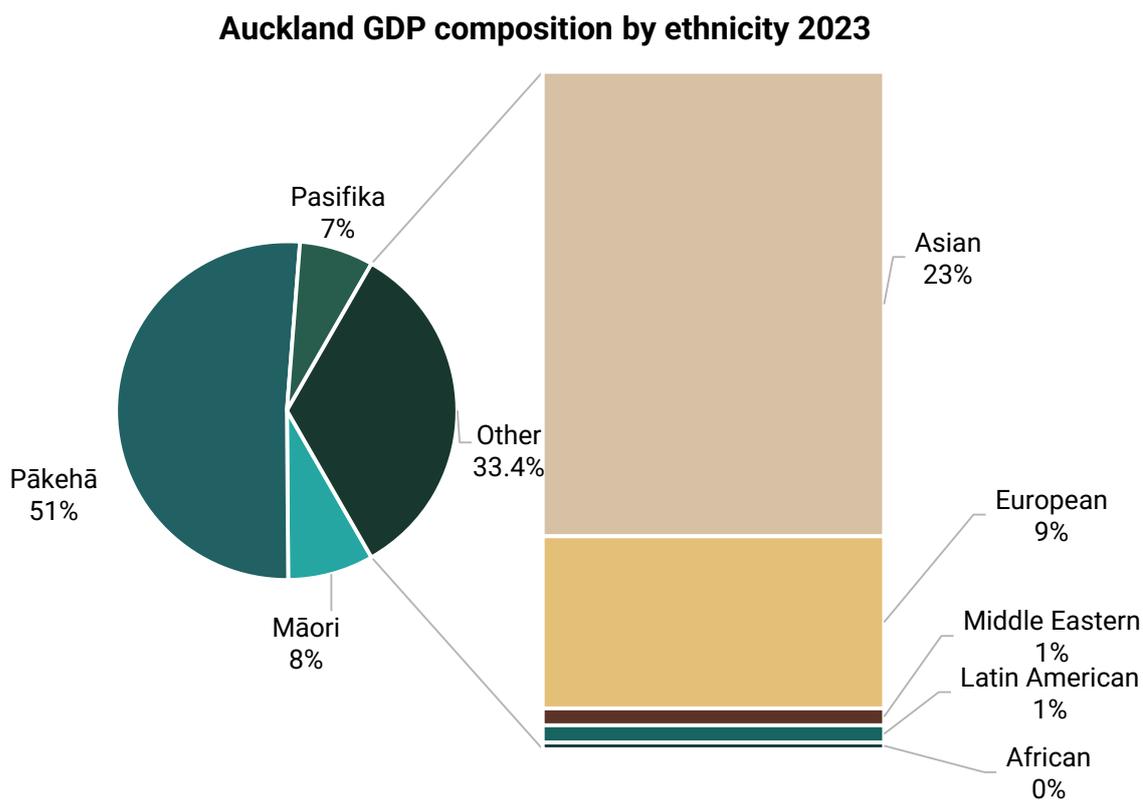
The picture is one of high participation rates but unrealised potential. This potential is both from better utilising the skills and qualifications that are available, as well as the future potential possible. There is an encouraging trend of convergence. That is, the GDP gap between ethnic minority communities and Pākehā is gradually closing over time. This is a gap in GDP contribution compared to the relative ethnic minorities' population size. If the current gap closed, it would lift Auckland's GDP by \$23b or 15%. This would be equivalent to the current size of the finance and real estate sectors in Auckland added together.

**Figure 13: Minority ethnic communities contributed 33% of GDP Auckland in 2023**

Ethnicity	GDP	Share of total	Population	GDP per capita
Māori	12,098	8%	203,544	59,438
Pākehā	76,344	51%	726,822	105,038
Pasifika	10,446	7%	312,615	33,414
<b>MEC</b>	<b>49,666</b>	<b>33%</b>		<b>72,002</b>
Asian	34,054	23%	523,953	64,994
European	12,606	8%	120,903	104,263
Middle Eastern	1,248	1%	19,797	63,020
Latin American	1,260	1%	15,741	80,016
African	500	0%	9,402	53,172

Source: Author’s calculations.

**Figure 14: Ethnic minorities make up 33% of Auckland’s economy**



Source: Author’s calculations.

## Method and limitations

We estimate GDP contribution by broad ethnic group. This is built up from partial data on engagement in the labour market, incomes earned, entrepreneurship and ownership of businesses. We allocate national GDP to ethnic groups.

Most regularly measured economic contribution by an ethnic group is for Māori, reflecting the unique importance of tangata whenua in New Zealand. The latest report measured contribution to GDP (incomes and profits) but also highlighted the importance of tikanga and indigenous culture, which places greater value on capitals that are often poorly measured (social capital and natural capital in particular).<sup>9</sup> Academic literature has argued for a wider wellbeing approach that also applies to Māori values,<sup>10</sup> which may also be relevant for other ethnic groups.

This paper updates previous work on understanding and valuing the economic engagement of people and businesses by ethnic groups. Because the definitions are broad and the data quality variable, the estimates should be considered indicative.

To calculate the economic contribution of ethnic groups, we need to understand both their ownership of capital and supply of labour. This gives us an understanding of the contribution of the stock of economic drivers (capital and labour). This then allows us to understand the returns from these stocks, mainly in terms of income from work and profits from the ownership of businesses.

**Income from labour:** We allocate to ethnicity and region by Household Income Survey and Census data. While there is a body of literature on the value of unpaid and voluntary work, they are not captured in formal measures of economic activity. We acknowledge there is value of other work, but this is not captured in the following analysis.

**Income from capital:** We allocate to ethnicity and region by detailed estimates of self-employment, direct business ownership and indirect New Zealand business ownership through financial savings. This includes an estimated return on homeownership – a national accounts measure.

---

<sup>9</sup> <https://www.mbie.govt.nz/business-and-employment/economic-growth/te-ohanga-maori-the-maori-economy>

<sup>10</sup> <https://www.mbie.govt.nz/business-and-employment/economic-growth/tuhoe-economic-worldview-mapping-to-an-orthodox-framework>

### 3. Population trends: growing, diversifying & educated

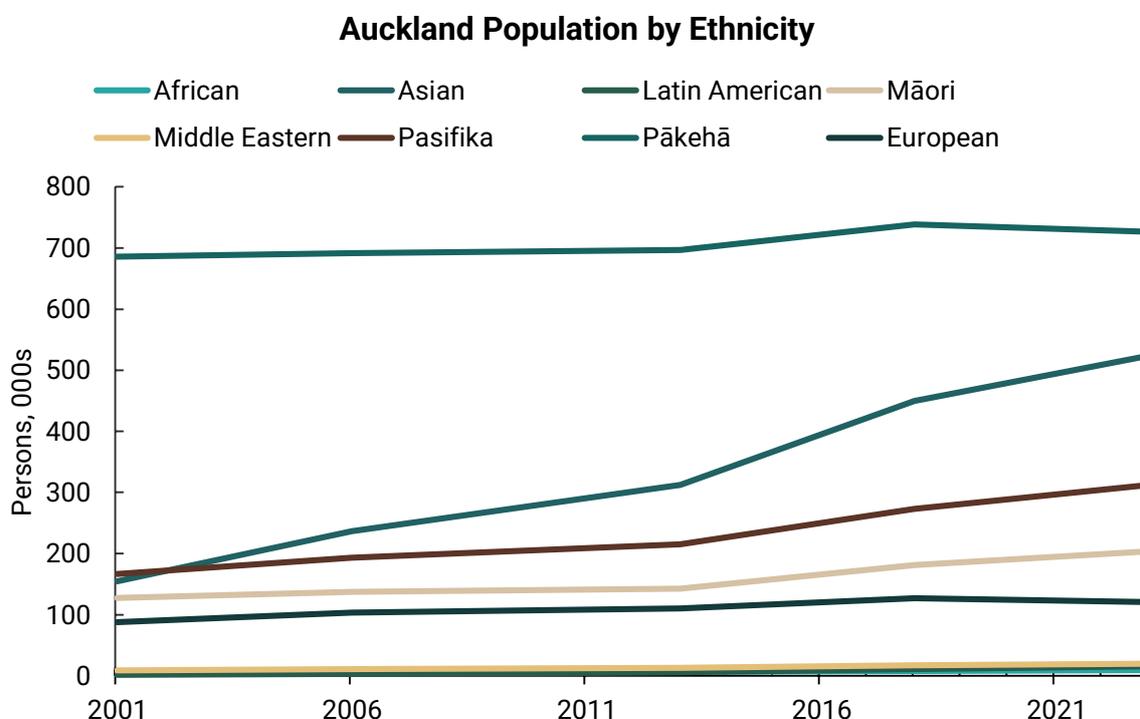
Auckland’s population is growing and diversifying over time. As noted in Section 2, this growth over time masks significant exchange of people to and from Auckland, both from overseas and other parts of New Zealand.

Figure 15 shows population trends by ethnic groups over time. While Pakeha are the largest group, the mix is changing rapidly as ethnic minority communities are growing rapidly. Figure 16 shows more detailed ethnic groups, where Chinese and Indian populations are approaching the same size as the Māori population.

Figure 17 shows that while the growth has been rapid, they are from different sources. Latin American growth has been more due to recent immigration. African more due to babies born here. For Asian and European groups, it is a mix of those born here, those where a long time (over a decade) and recent migrants. This composition is a reminder that ethnicity is not a direct corollary to only recent migration patterns. Rather, there is a changing story of accumulated exchange of people, some of whom have stayed, and some who have had families of their own.

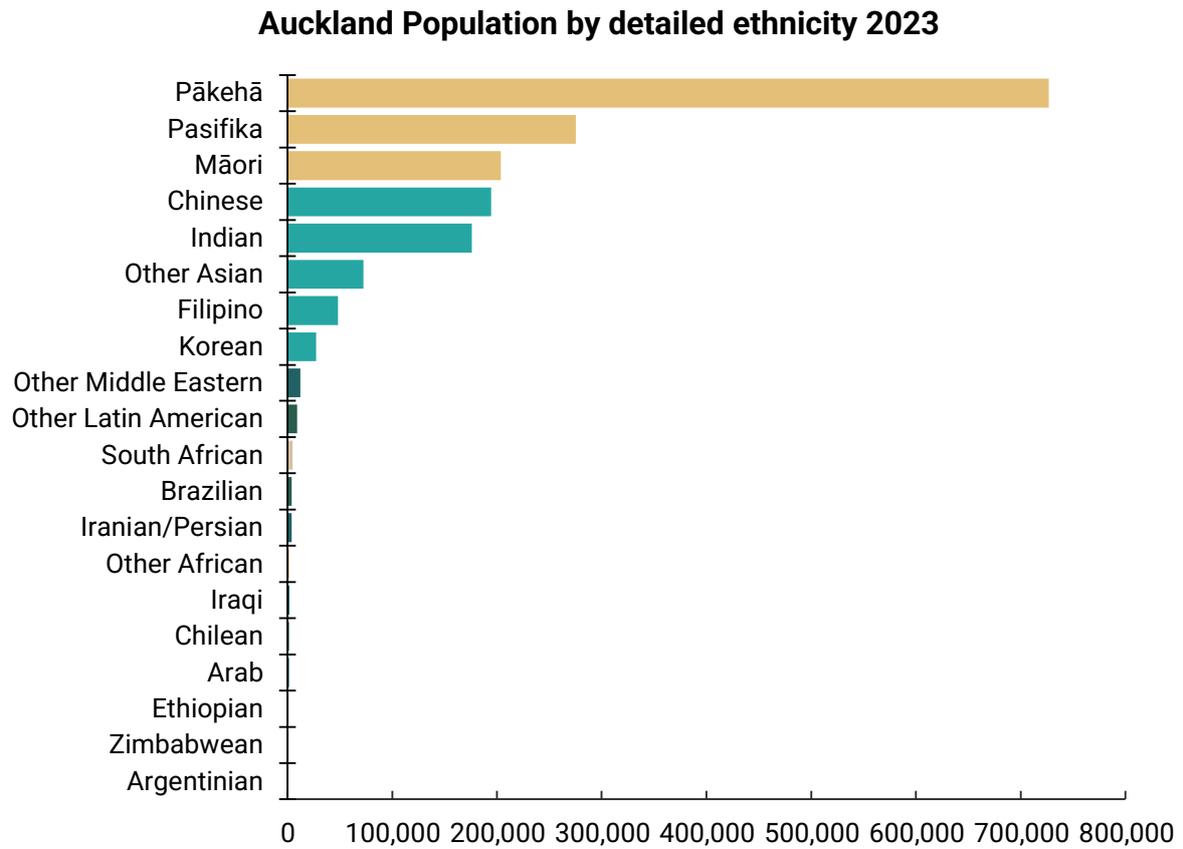
This changing mix of the population can be clearly seen in Figure 18, where the Pākehā share of the population is falling, mainly because of the rapid growth of Asian population and little growth in the Pākehā population (Figure 19).

**Figure 15: New Zealand’s population is growing across all ethnicities ...**



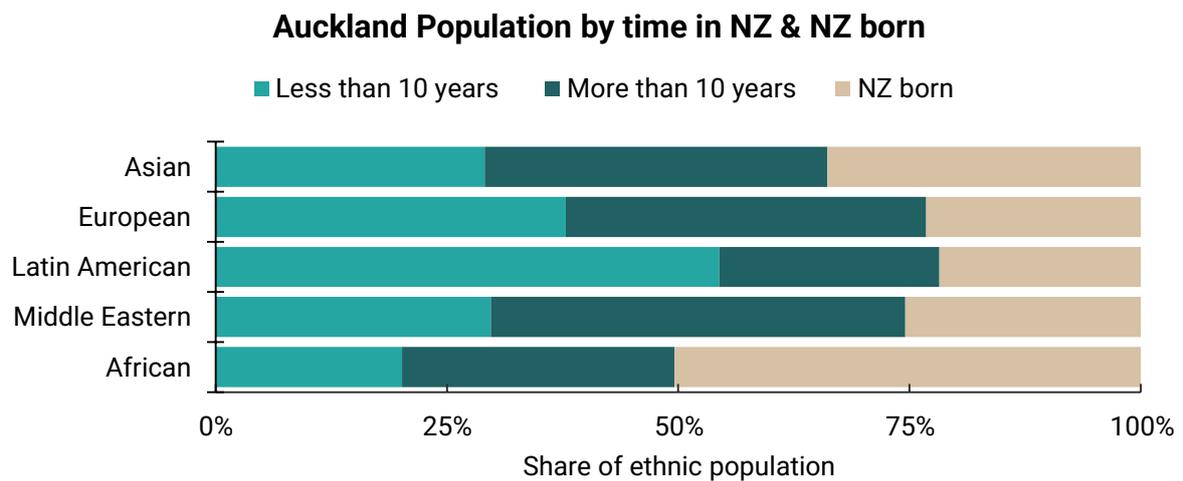
Source: Stats NZ.

**Figure 16: New Zealand’s ethnic mix is projected to keep diversifying further**



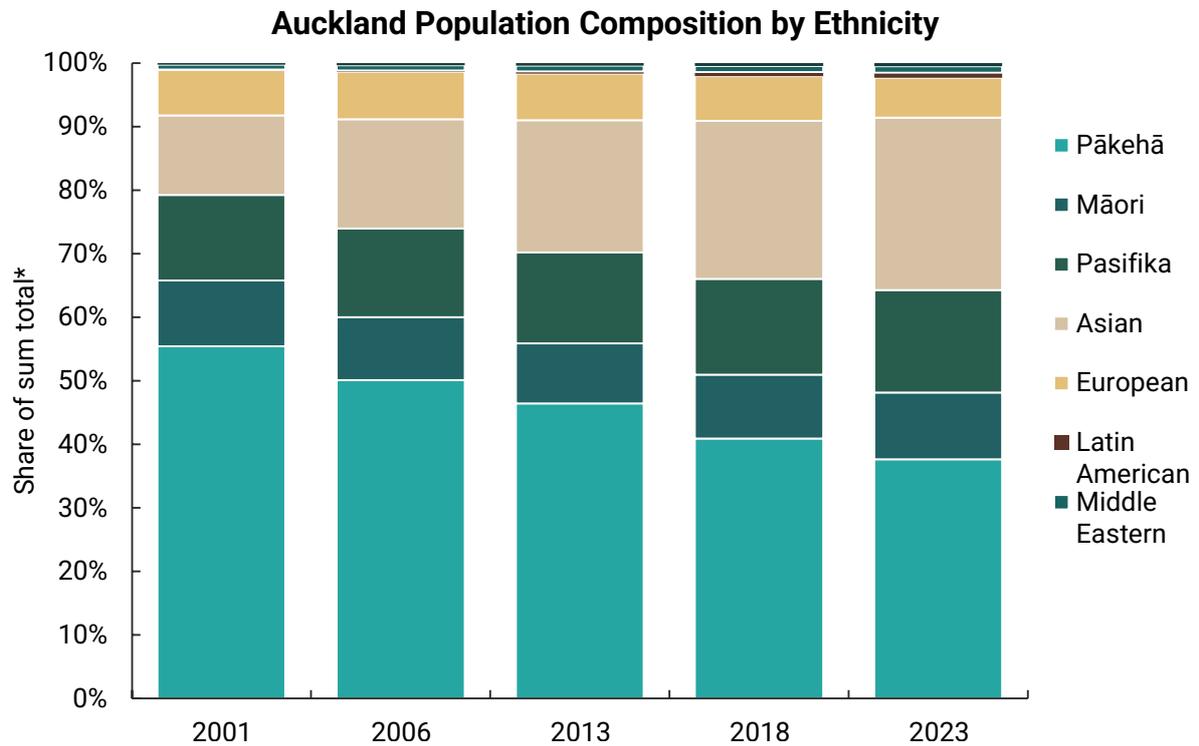
Source: Stats NZ.

**Figure 17: Many migrants have been in New Zealand for a long time**



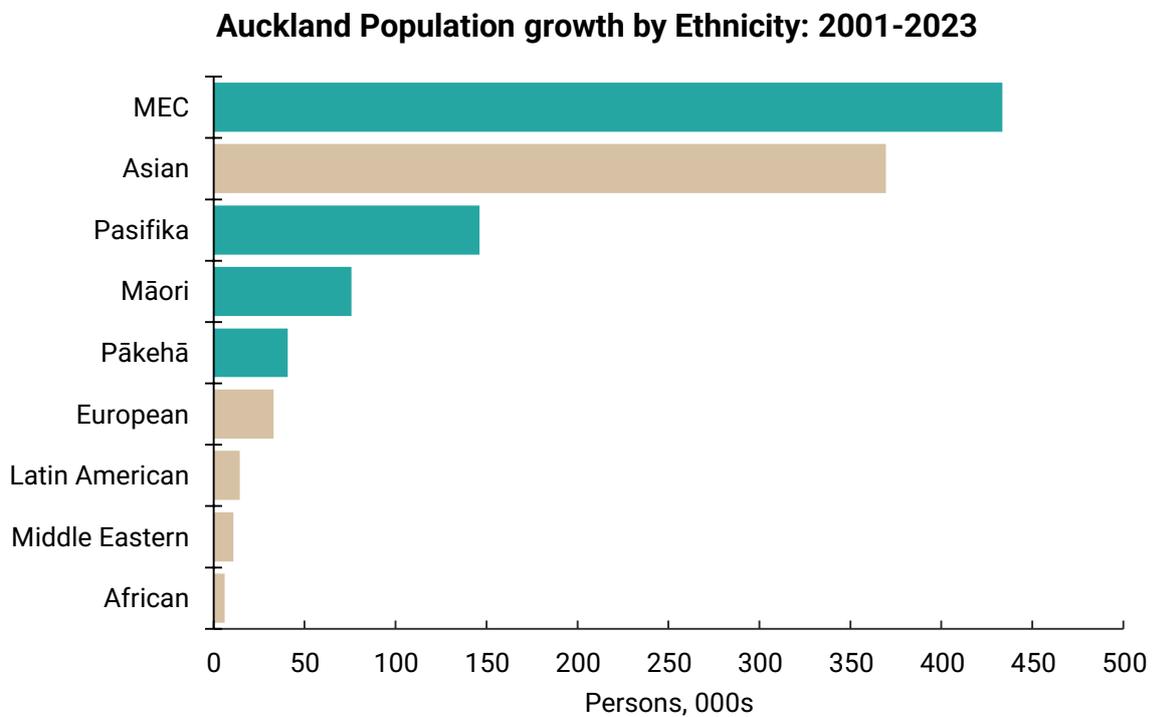
Source: Ministry for Ethnic Communities, Stats NZ. (\* Note that this is from the Ministry for Ethnic Communities definition of ethnicity rather than those usually published by Stats NZ.)

**Figure 18: ... and the ethnic composition of population is becoming more diverse**



Source: Stats NZ. (\*Because people can belong to multiple ethnicities, the share of population will add to more than 100%. Here we have shown it as the share of sum total to better illustrate the trends).

**Figure 19: Population growth has been dominated by Asian ethnicities**



Source: Stats NZ.

### 3.1 Age structure: younger and prime working age

The age composition of the population is also changing. While many of New Zealand’s regions are ageing rapidly, Auckland is getting older more slowly and has the lowest median age of all regions (Figure 20).

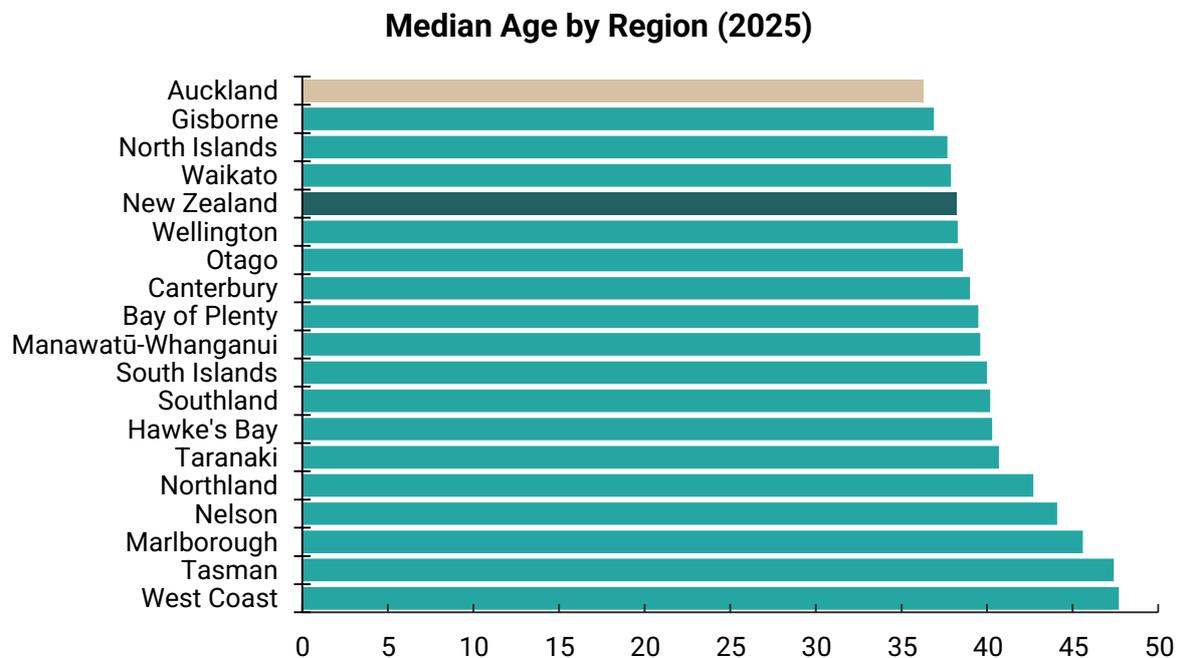
Figure 21 shows that older age groups are dominated by Pākehā, but the reverse is true for younger age groups. This is because inward migration tends to be concentrated among those in their 20s to 40sq, and these family formation age groups are now having babies. In 2025, the most prevalent ethnicity of birth was Asian, taking over the mantle from European (Figure 22).

This youthful population is important from an economic perspective, because they represent the much of the economic potential of the region. Future and current workers and entrepreneurs.

For policy makers, this means listening and responding to unique Auckland issues (Appendix B) outlines the many roles policy makers can play, especially ‘softer’ responses. For example, it could mean greater demand for schools with multicultural support, language services, and youth health programmes. Or it could focus efforts on social cohesion through integration policy, and community development.

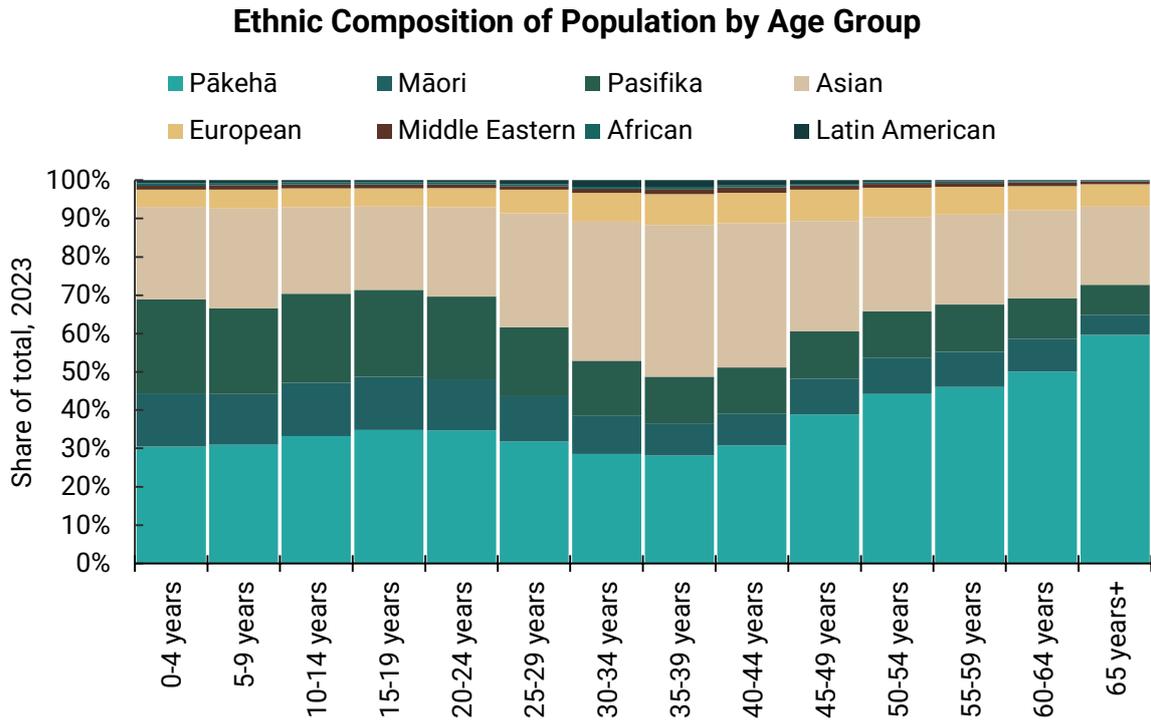
This implies a responsiveness to unique local factors that are not yet needed across New Zealand. Getting right in Auckland will have future benefits for all New Zealand.

**Figure 20: Auckland is the youngest region in New Zealand**



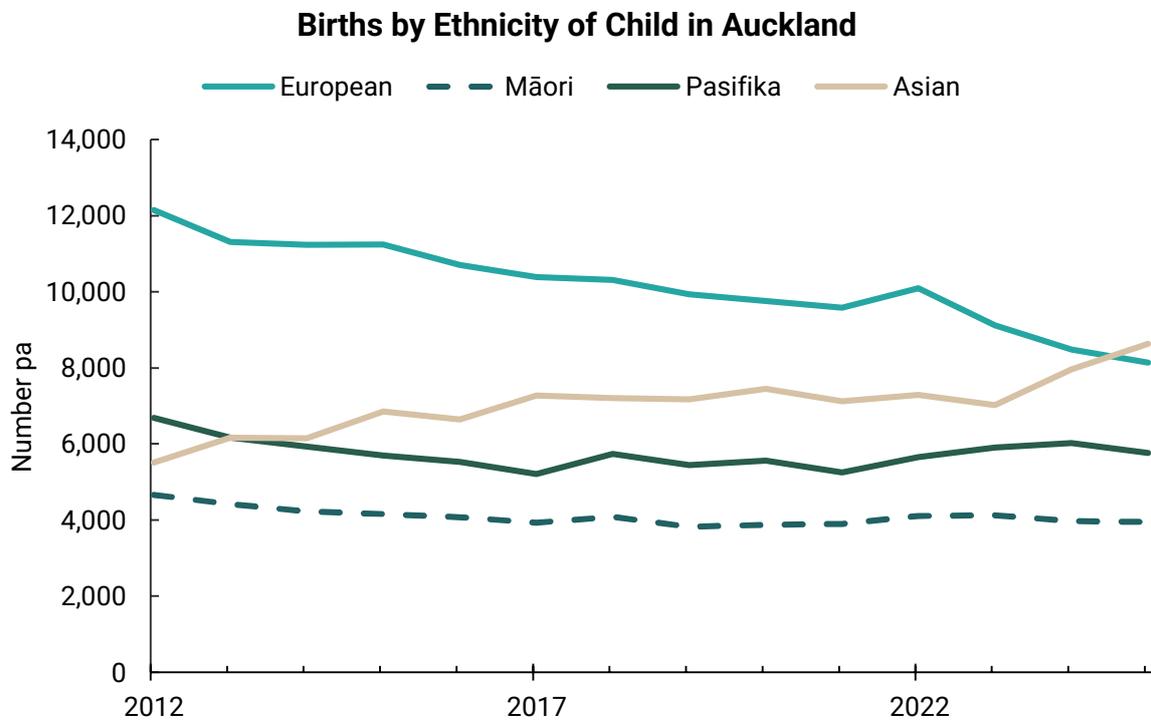
Source: Stats NZ.

Figure 21: Ethnic minorities are more likely to be at prime working age ...



Source: Stats NZ.

Figure 22: Asian babies are now the most prevalent



Source: Stats NZ.

### 3.2 Regional distribution: Important for Auckland and for ethnic minority communities

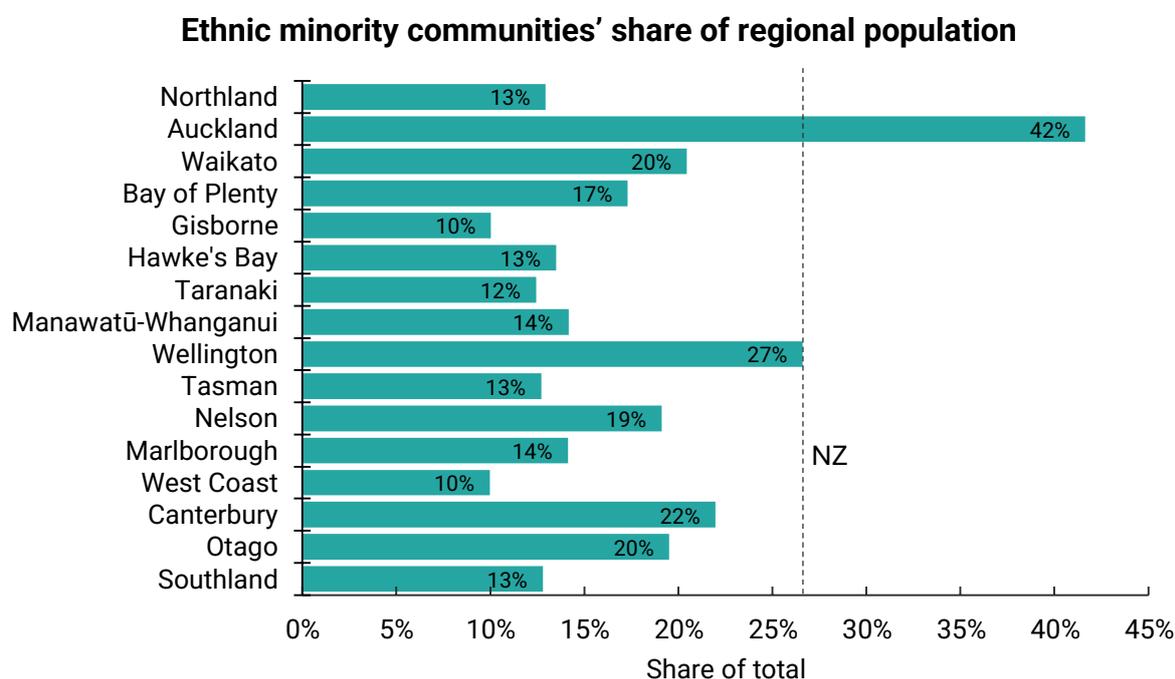
Ethnic minority communities make up 42% of the Auckland population, compared to 27% for all of New Zealand (Figure 23 and Figure 24). Ethnic minority communities make up more than a fifth of the population in only the biggest regions: Auckland, Wellington, Canterbury and Waikato. In smaller regions, the share is much smaller (between 10% and 17%).

This is unsurprising, given greater economic opportunities, deep labour markets and the potential for higher incomes in larger economic centres.

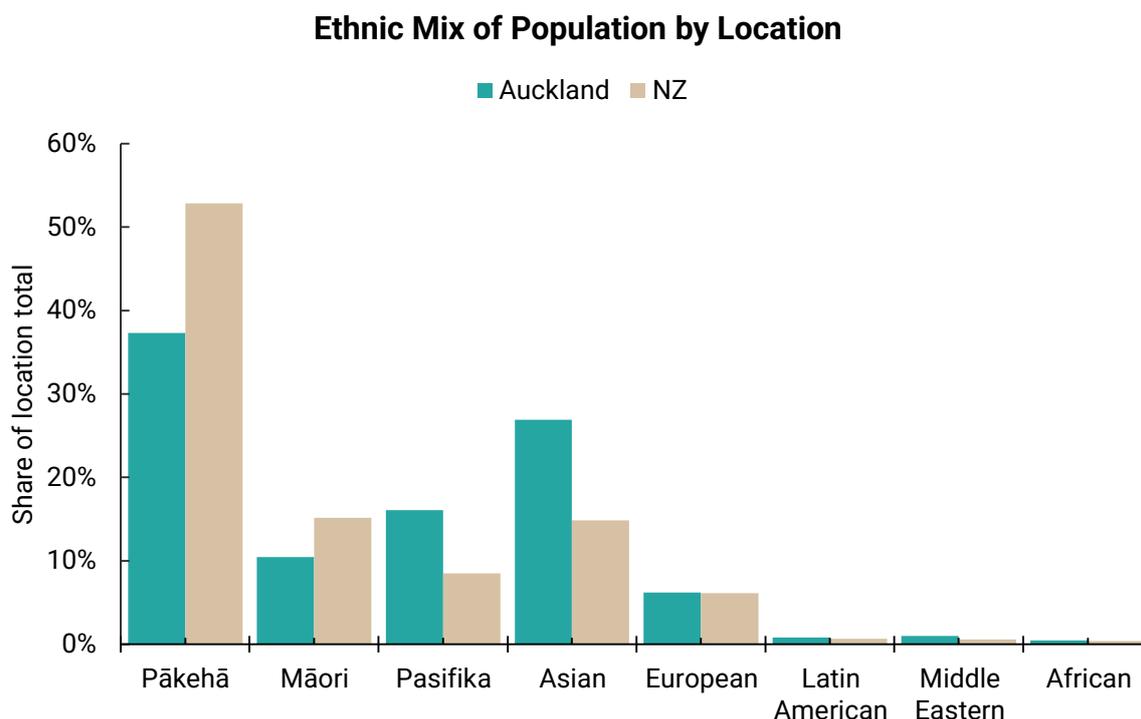
There are also practical reasons, such as social networks and path dependence. Diaspora community networks can smooth settlement frictions for new migrants, such as finding housing, job leads and cultural familiarity. There is also a broad array of education pathways in Auckland.

But this ethnic population is not static, rather there is significant exchange of people across New Zealand. This reinforces Auckland’s importance as an engine of ethnic integration, with implications for all of New Zealand, which requires deliberate and thoughtful planning, policies and approaches.

Figure 23: Major urban areas have the highest concentration ...



Source: Stats NZ.

**Figure 24: Auckland is the most important region ...**

Source: Stats NZ.

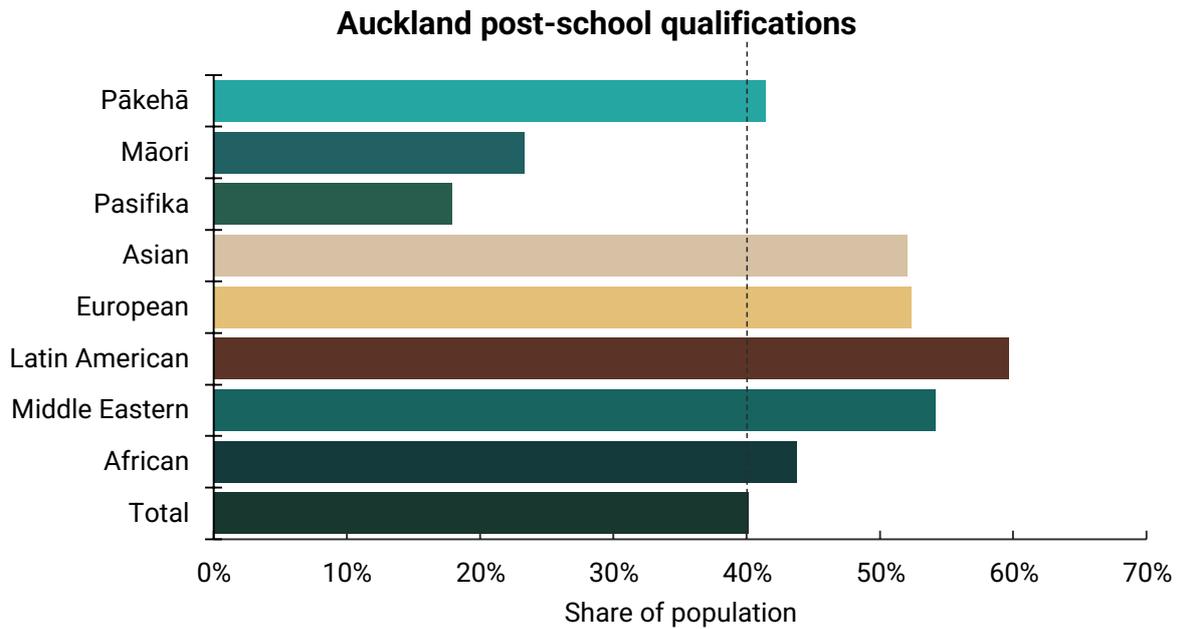
### 3.3 Qualifications: highly qualified

Ethnic minorities are highly qualified (Figure 25), with particularly high shares of post school qualifications among Latin American and Middle Eastern. A more detailed look shows that ethnic minorities are more likely to hold tertiary qualifications than the Auckland average. However, as we show below, these higher qualifications do not translate to higher incomes, which cannot be explained by visible factors. There appear to be other barriers, such as qualifications not being recognised or valued, lack of ‘local’ experience, and discrimination or racism.

While qualifications aren’t everything, they are usually a strong predictor of incomes in the New Zealand labour market. A highly qualified minority community thus represents a substantial economic opportunity, if current barriers can be ameliorated.

There is a need to listen carefully and consider how these barriers could be reduced over time. Literature suggests three broad themes: enhancing recognition of overseas credentials; supporting pathways to gain local work experience; and actively combating discrimination in the recruitment process. This will require coordinated efforts from employers, policymakers, and community organisations, and policy makers can usefully play convening, coordinating and doing roles.

Figure 25: Ethnic minority communities are more likely to be qualified ...

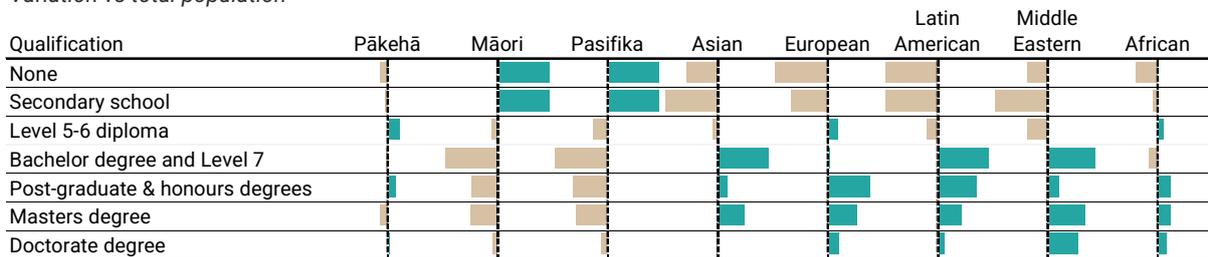


Source: Stats NZ.

Figure 26: ... especially tertiary level

**Qualification level by ethnicity, 2023**

*Variation vs total population*



Source: Stats NZ.

## 4. Labour market outcomes: successes and barriers

Ethnic minority communities are highly engaged in Auckland’s labour market. Employment rates have risen strongly across all groups, and most now sit close to or above the Auckland average. These gains reflect a young population, high qualifications and strong participation in the region’s diverse economy.

Despite this progress, some groups still face barriers. Middle Eastern and African communities continue to experience higher unemployment. Participation is rising unevenly. These patterns suggest structural challenges around recognition of overseas experience, weaker professional networks and discrimination.

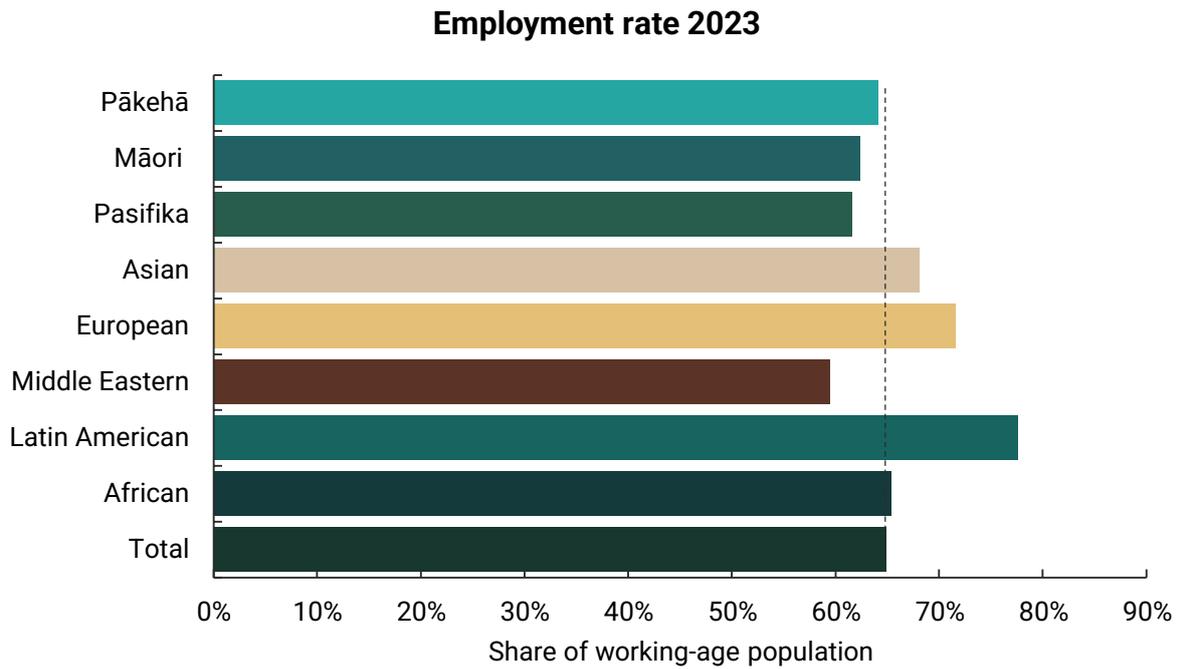
Ethnic minority communities are concentrated in sectors shaped by immigration pathways and ease of entry. They are more likely to work in hospitality, health care and professional industries. Some of these provide early opportunities, while other provide long-term potential. Unless early opportunities progress to unlock the full potential of peoples’ skills and qualifications, it is a loss to both the individual and society.

Occupational outcomes similarly show a mix of success and unrealised potential. Many communities are strongly represented in professional roles, especially ICT, business and health. Yet managerial roles remain less accessible for several groups. Closing these gaps would improve equity and unlock significant productivity gains for Auckland.

### 4.1 Employment: highly active

Ethnic minority communities are strongly engaged in Auckland’s labour market. The working-age population is defined as those aged 15+. Most groups record high employment rates, and these rates have risen steadily over the past decade (Figure 27, Figure 28, Figure 29). The trend is broad-based: Asian, Middle Eastern, Latin American and African groups have all seen gains, and most now sit close to or above the Auckland average. This reflects both the youth and qualifications profile of these communities, as well as the concentration of job opportunities in Auckland’s large and diverse economy. Minority ethnic communities are working, contributing and increasingly embedded in the region’s labour market.

**Figure 27: Most ethnic minority communities are likely to be in work**



Source: Stats NZ.

**Figure 28: There has been an impressive increase in employment rates ...**

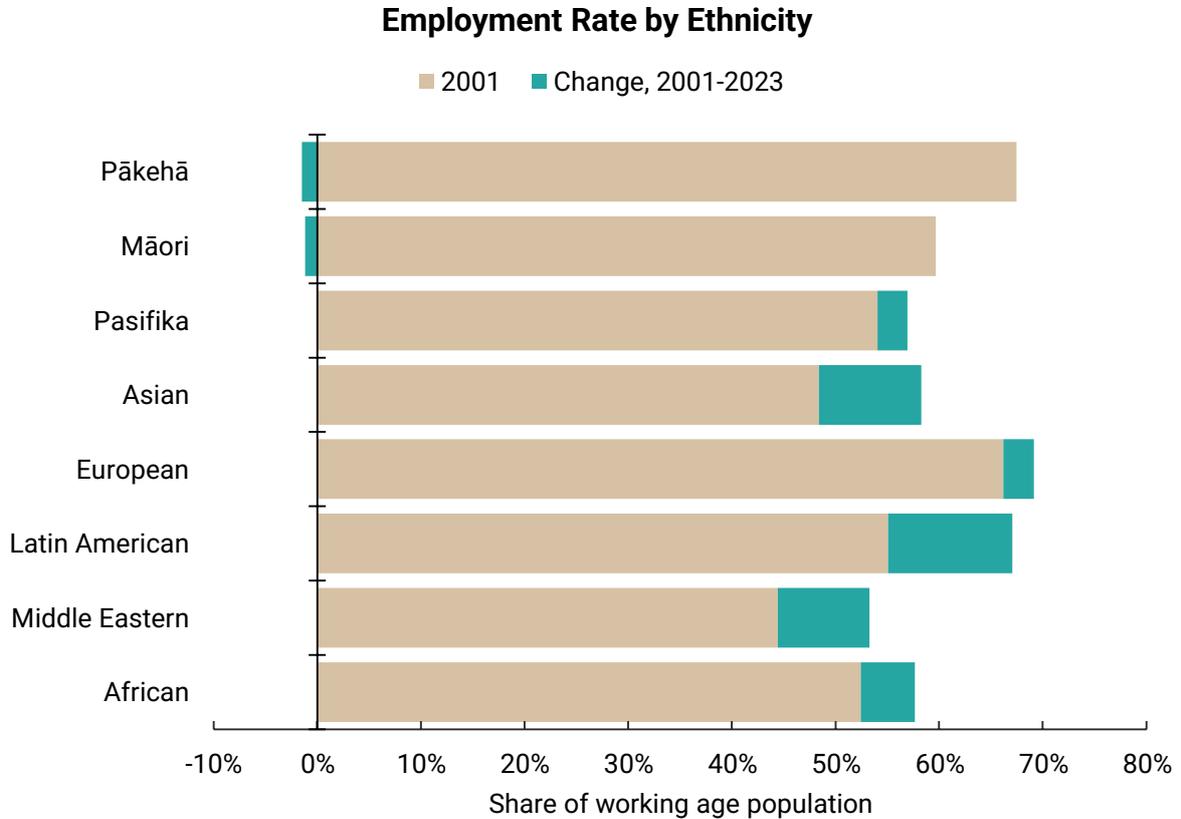
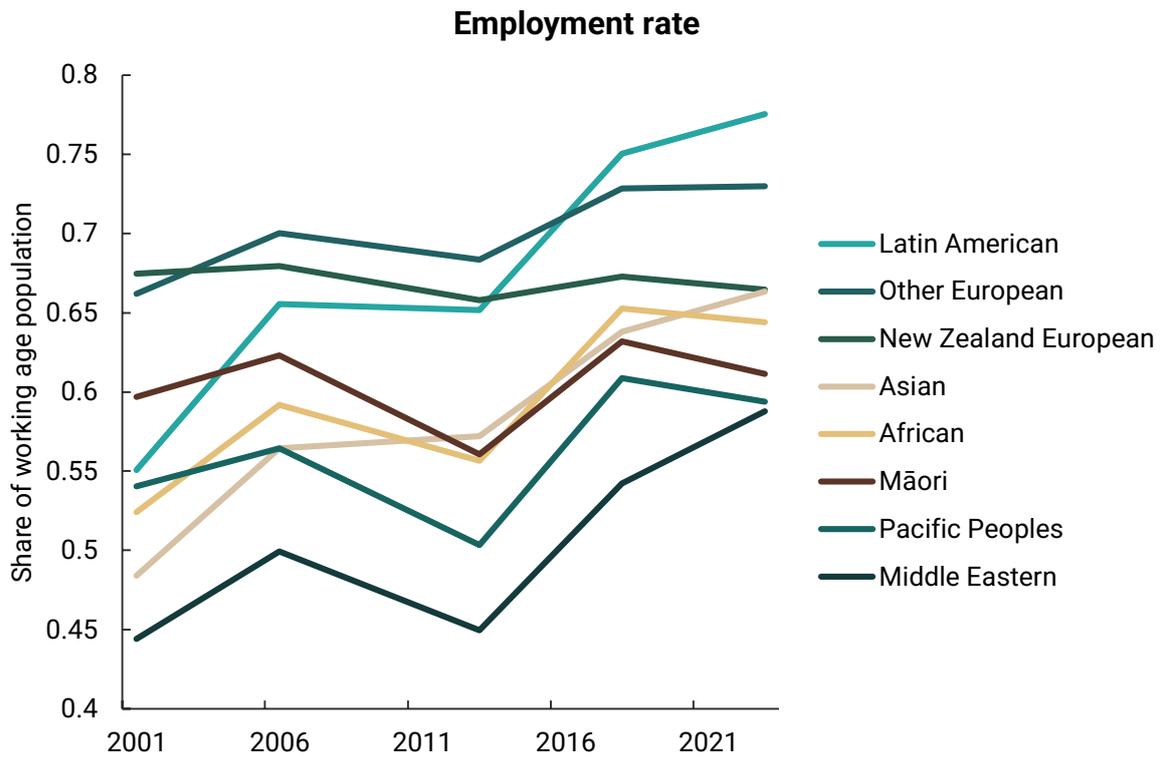
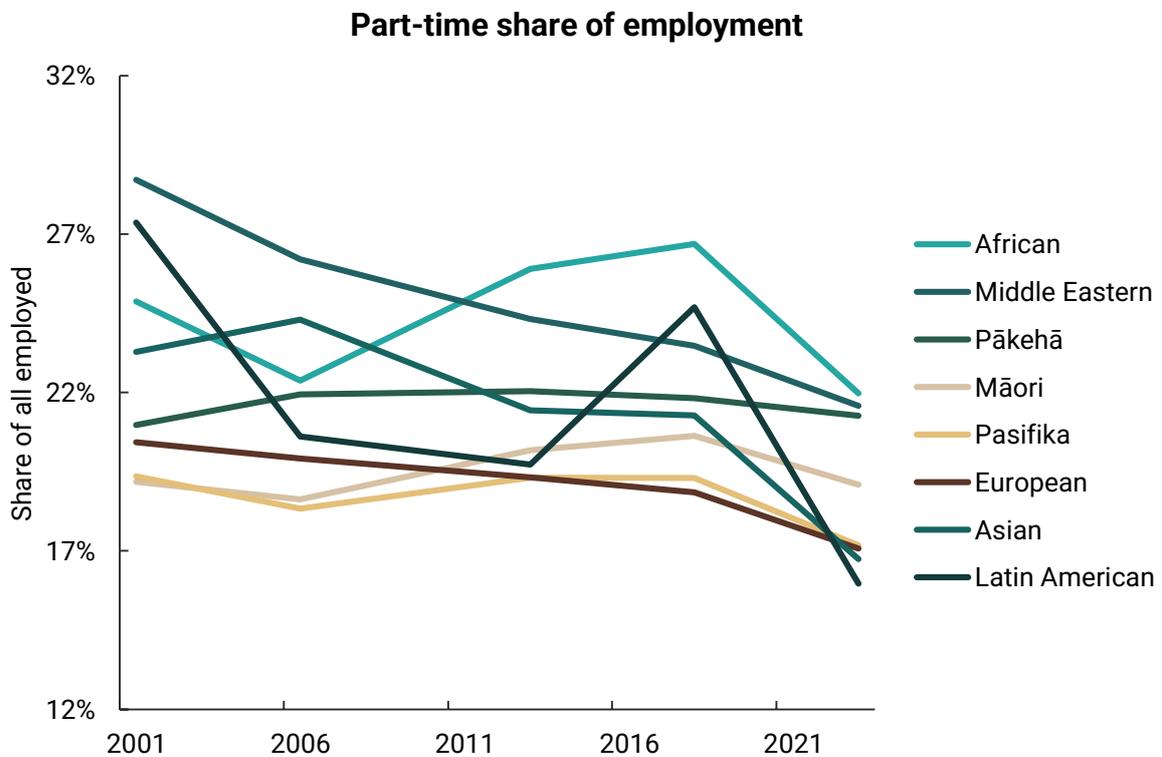


Figure 29: ... across all ethnic minority groups



Source: Stats NZ.

Figure 30: Some groups are more likely to be in part-time work



Source: Stats NZ.

## 5.2 Unemployment and participation: suggestions of barriers

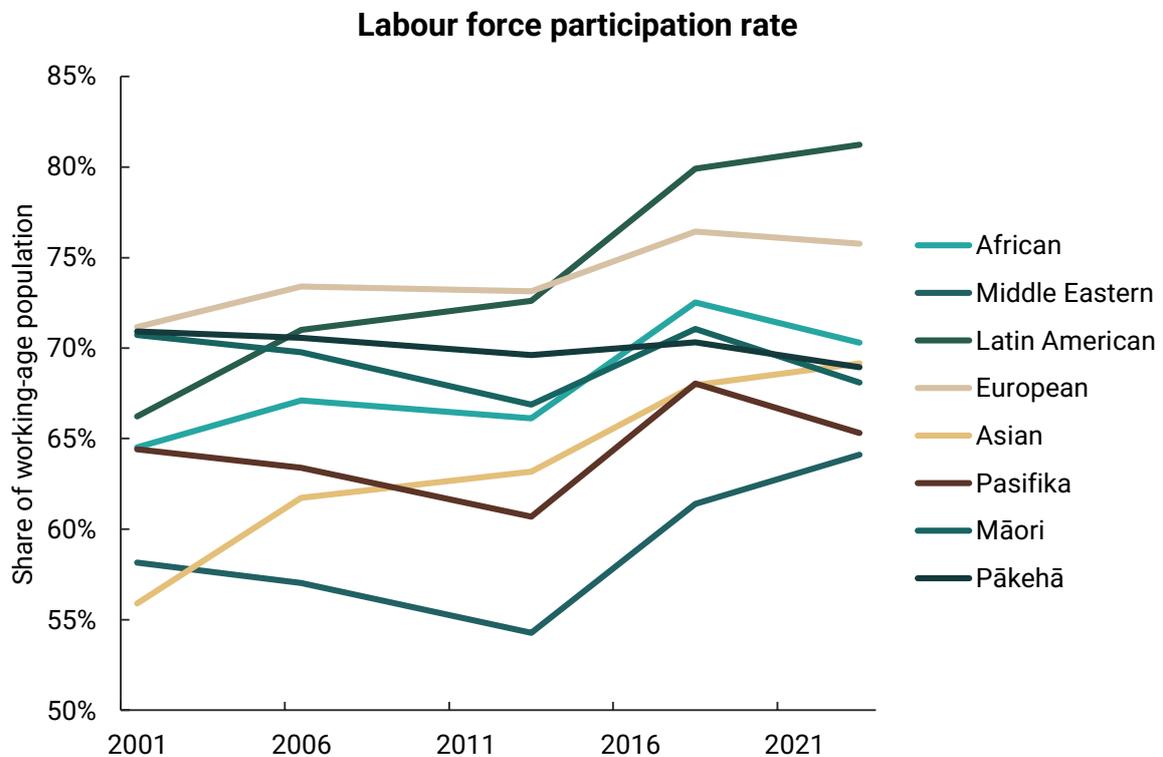
Despite high levels of employment, there are still gaps. Labour force participation rates have improved (Figure 31) but patterns suggest persistent barriers.

Unemployment patterns tell a similar story. Latin American and African groups experience higher unemployment rates than other minorities and the Auckland average (Figure 32).

While unemployment has fallen and converged across communities over time (Figure 33), the gap remains visible.

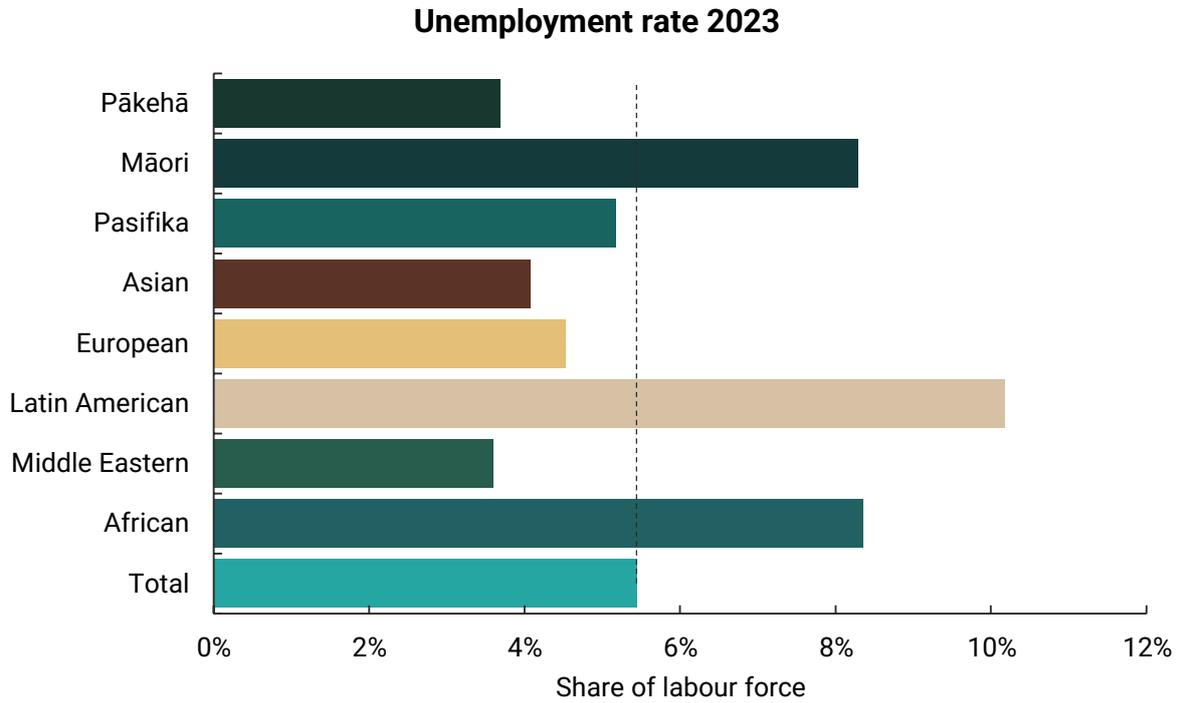
These patterns suggest frictions beyond skills or willingness to work. These can include as employer bias, limited networks, non-recognition of overseas qualifications and mismatches between skills and available roles.

**Figure 31: Labour force participation has trended higher**



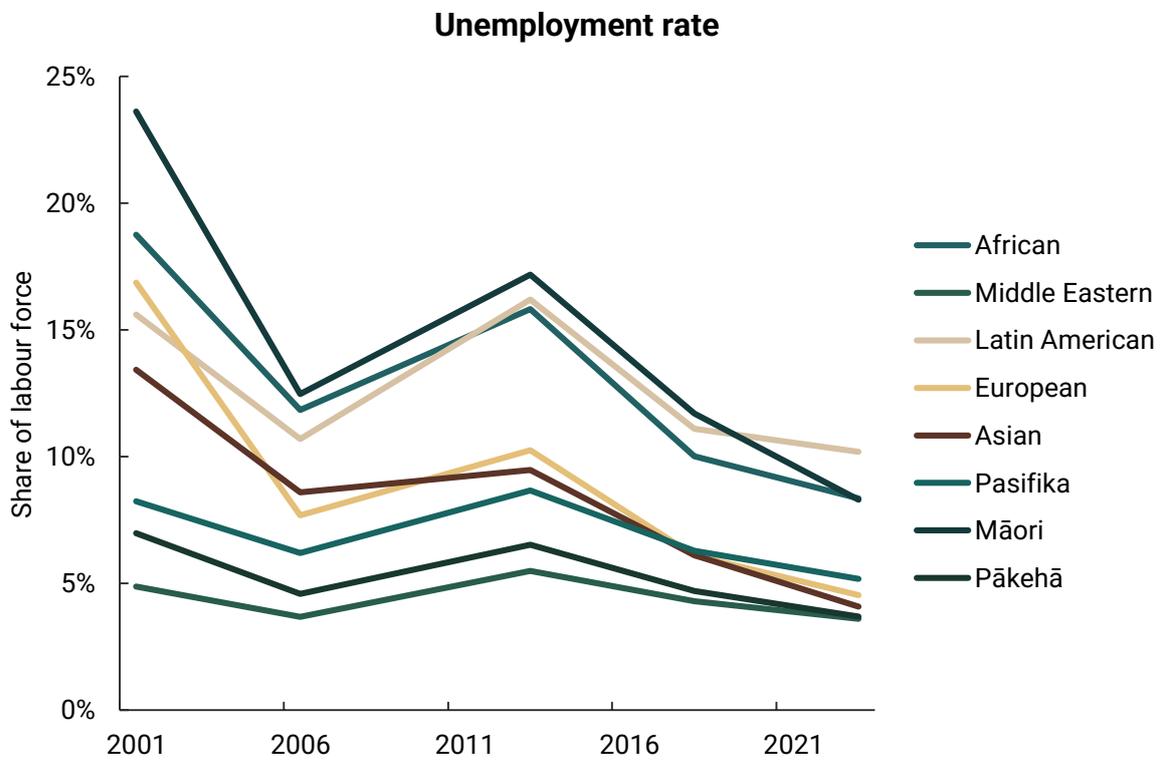
Source: Stats NZ.

**Figure 32: There is persistently higher unemployment among Latin American and African ethnicities**



Source: Stats NZ.

**Figure 33: Unemployment has trended lower and converged**



Source: Stats NZ.

### 5.3 Industries & occupations: pathways, ease of entry & worrying lack of progression

Minority ethnic communities show distinct industry patterns shaped by immigration pathways and the ease of labour market entry. Many are concentrated in hospitality, health care and professional services, with higher representation than the Auckland average (Figure 34).

A more detailed industry view highlights clear clusters such as strong Asian representation in hospitality and professional industries, African workers in transport and logistics, and Latin American communities in food services (Figure 35).

An occupational view broadens this picture. There is wide variation across groups, but consistent themes emerge. Many communities are over-represented in professional occupations, particularly ICT, business and health roles, which is consistent with immigration settings. However, several groups (especially African and Southeast Asian communities) remain under-represented in managerial roles, even when qualifications are high (Figure 36, Figure 37).

High participation, rising employment and strong representation in technical roles are positive. But the lack of progression into leadership roles signals structural limits that constrain long-term economic contribution and reduce return on human capital.

**Figure 34: Ethnic minority communities are more likely to work in hospitality and many professional industries**

**Propensity of industry of employment by ethnicity, 2023**  
Variation from total population (Auckland)

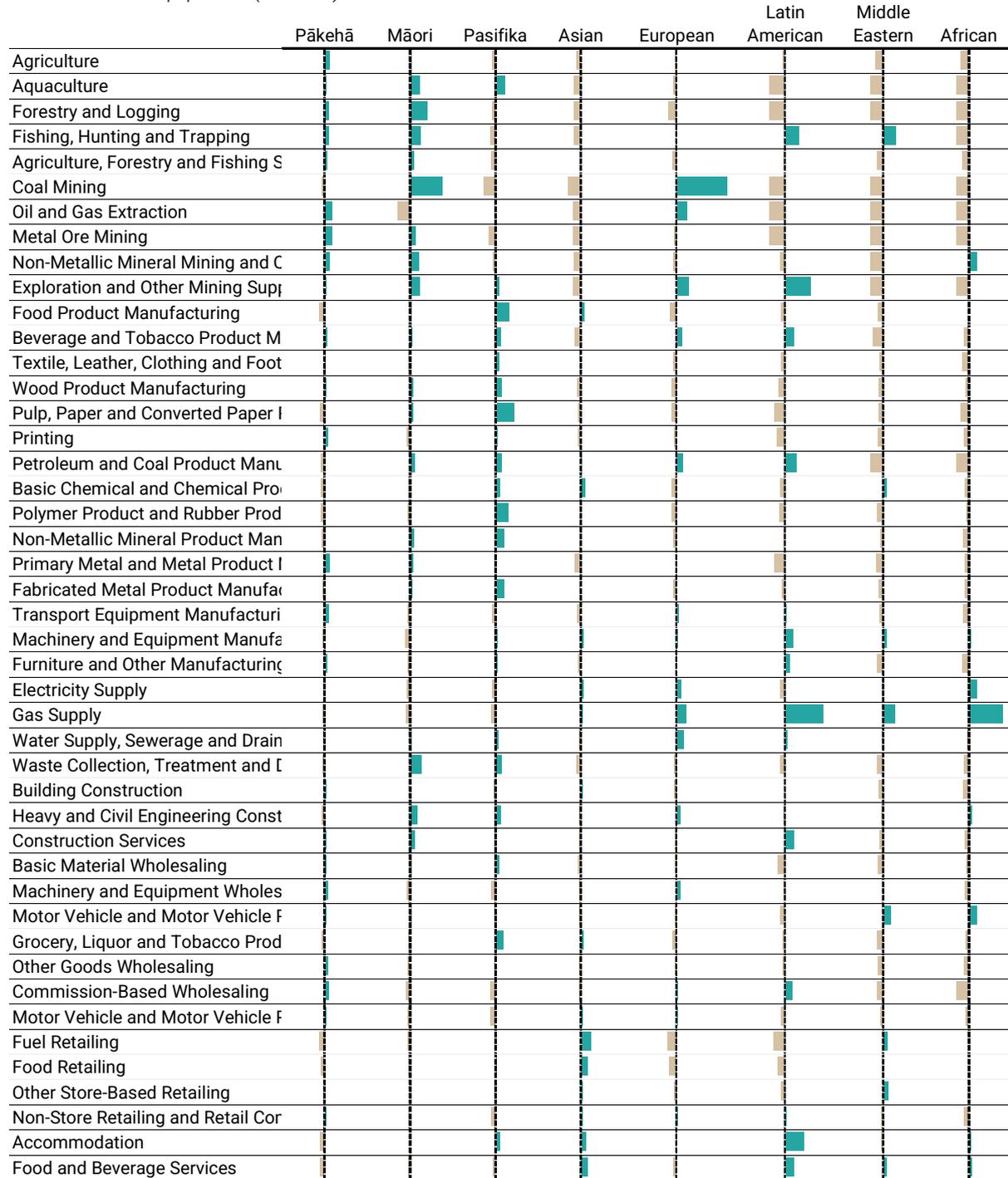


Source: Stats NZ.

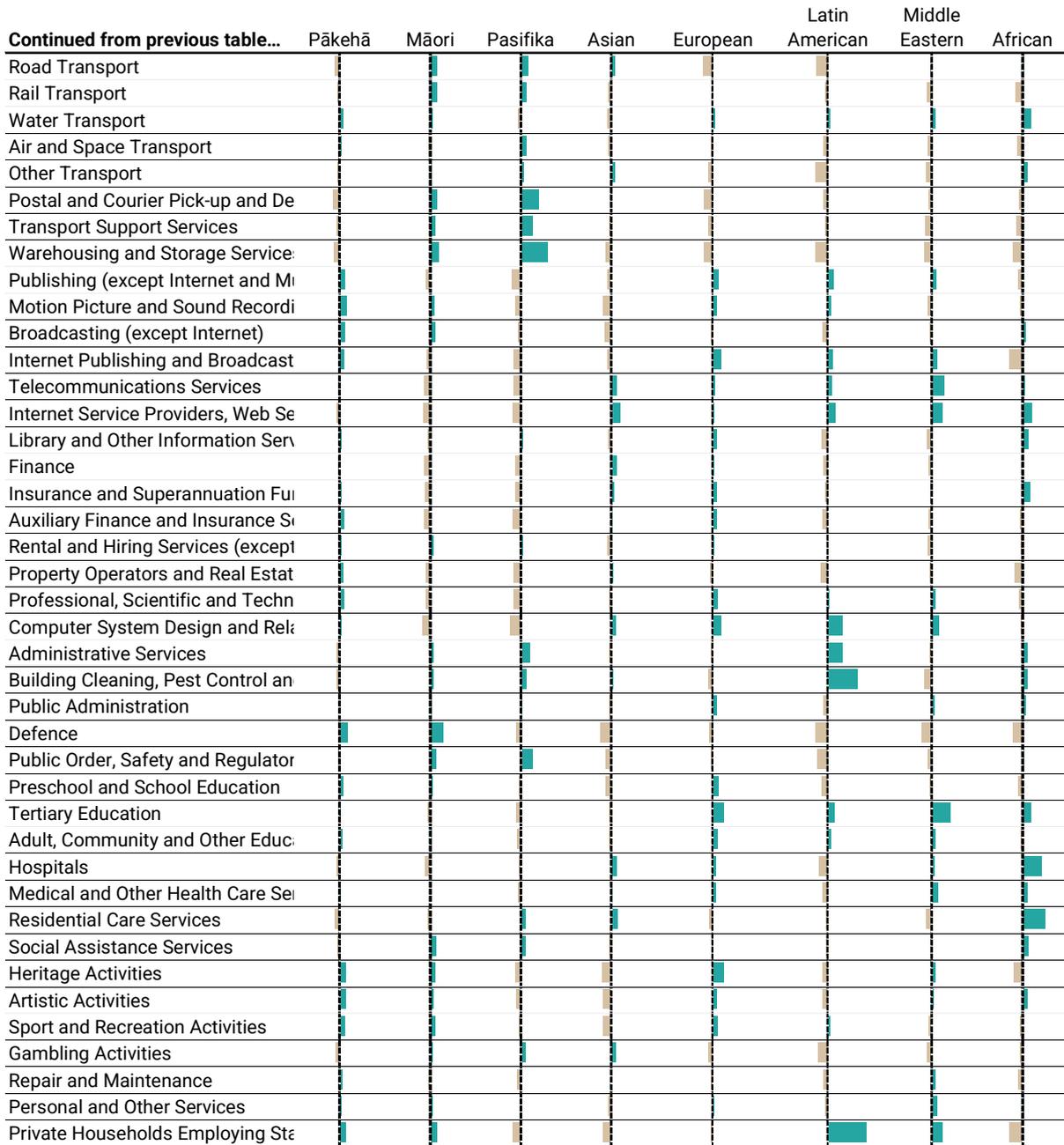
**Figure 35: A more detailed industry breakdown shows concentrations of employment**

**Propensity of detailed industry of employment by ethnicity, 2023**

*Variation from total population (Auckland)*



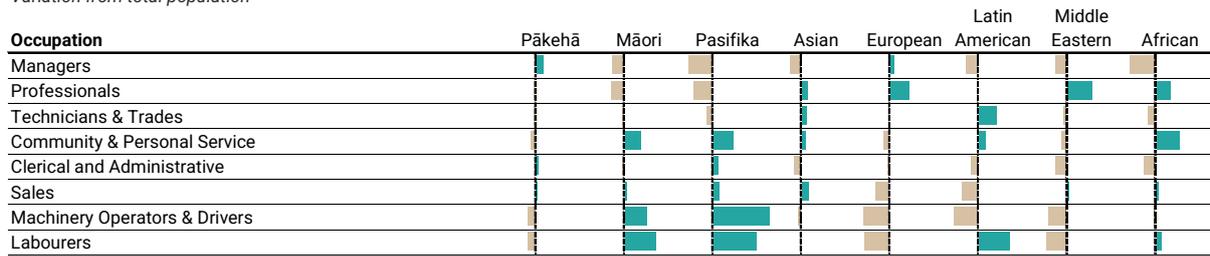
Continued on next page



Source: Stats NZ.

**Figure 36: Occupation differences ...**

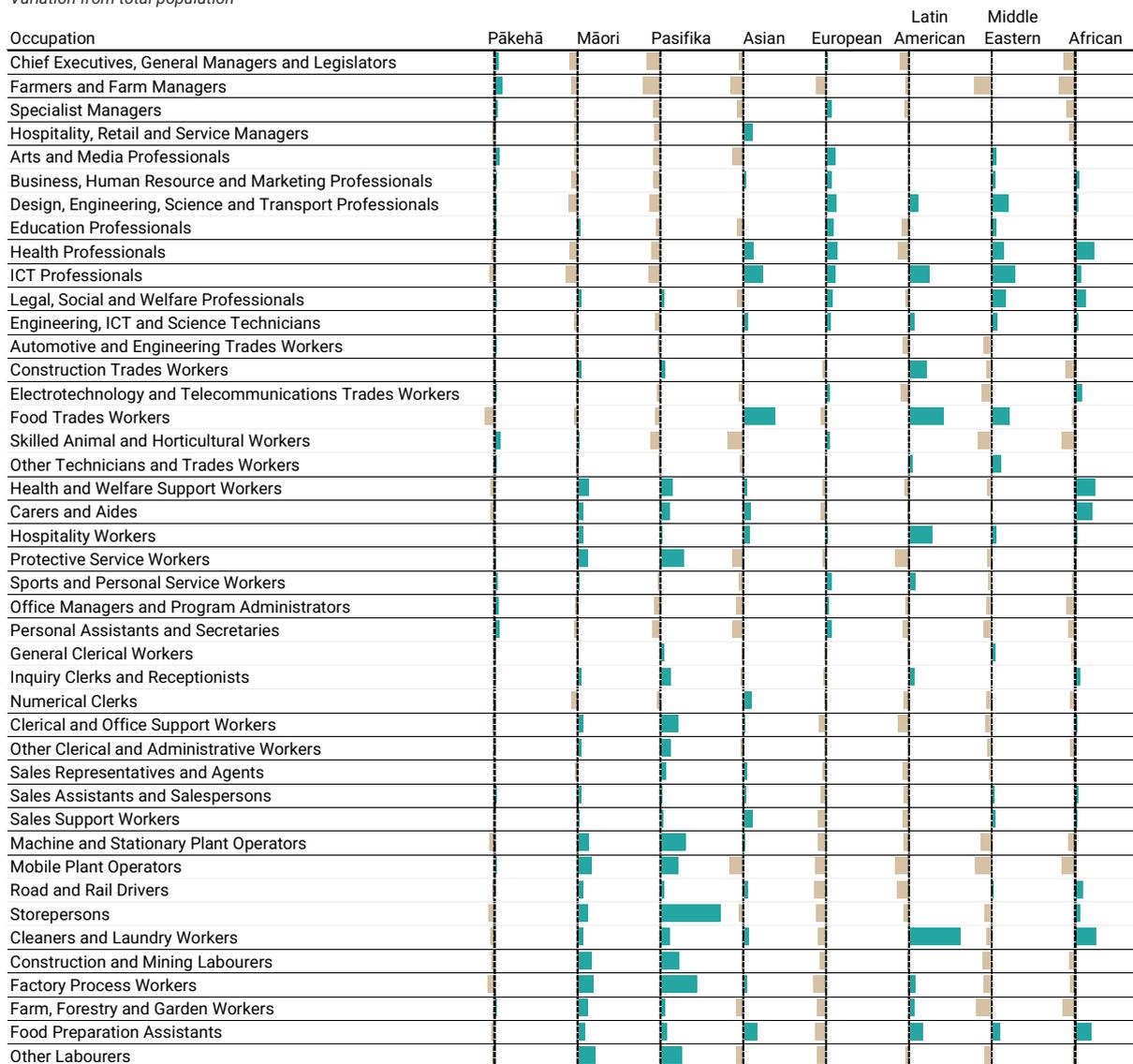
**Propensity of occupation of employment by ethnicity**  
*Variation from total population*



Source: Stats NZ.

**Figure 37: ... paint a mixed picture of economic success and plenty of upside potential**

**Propensity of detailed occupation of employment by ethnicity**  
*Variation from total population*



Source: Stats NZ

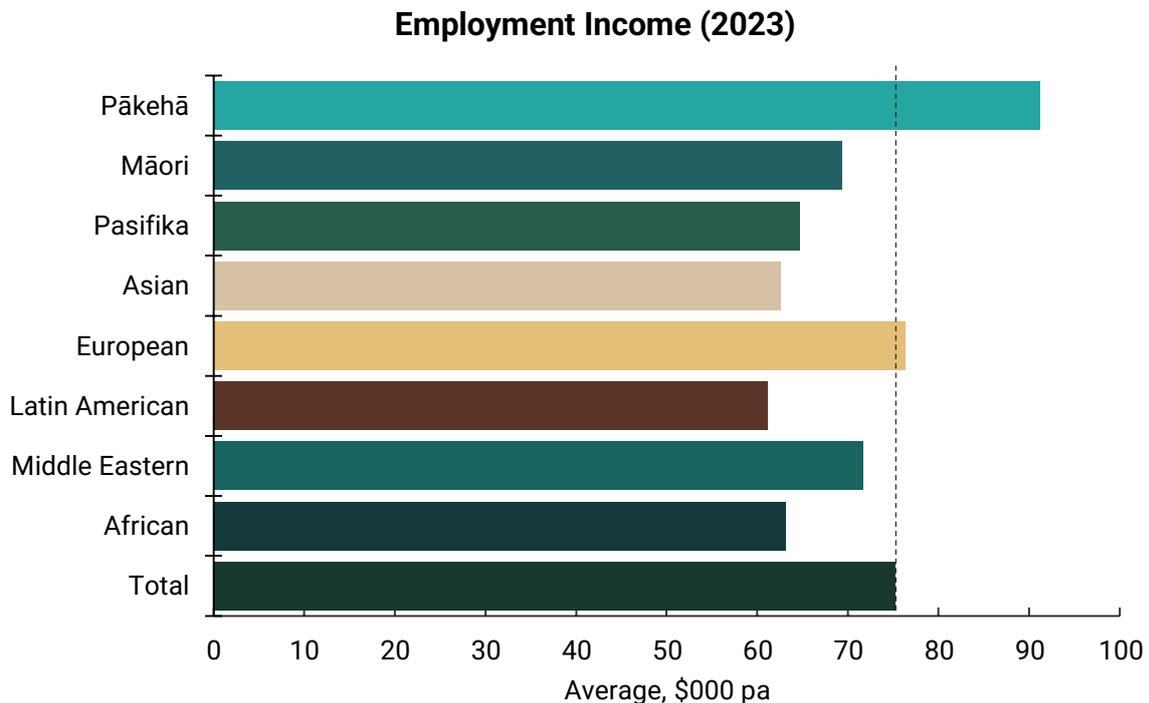
## 5.5 Incomes: large unexplained income penalty

Incomes in Auckland show the same pattern seen nationally: ethnic minority communities earn less on average than the wider population, despite holding higher qualifications (Figure 38).

Averages mask even deeper variations. Ethnic minority communities are more likely to be in lower income brackets and less likely to occupy higher income brackets, even within the prime working ages of 30–59 (Figure 39). Latin American communities are over-represented at both the low and high ends. Others, including many Asian communities, sit disproportionately in lower brackets.

Industry and occupation explain part of the gap, but they do not explain it all. National analysis shows an 8% pay difference between ethnic minority communities and Pākehā that remains after accounting for location, industry, occupation, qualifications and work experience (Figure 40). This “unexplained” component strongly points to systemic barriers: non-recognition of overseas qualifications, limited access to networks that influence hiring and promotion, and discrimination (both conscious and unconscious).

**Figure 38: Ethnic minorities on average earn less in Auckland, except for continental Europeans...**

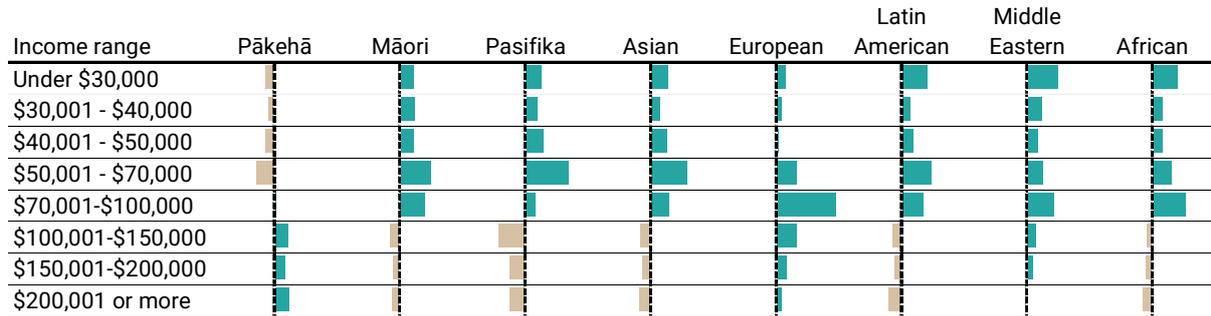


Source: Stats NZ.

**Figure 39: ... reflected in the distribution of incomes**

Personal income relative to population total, for those age 30-59

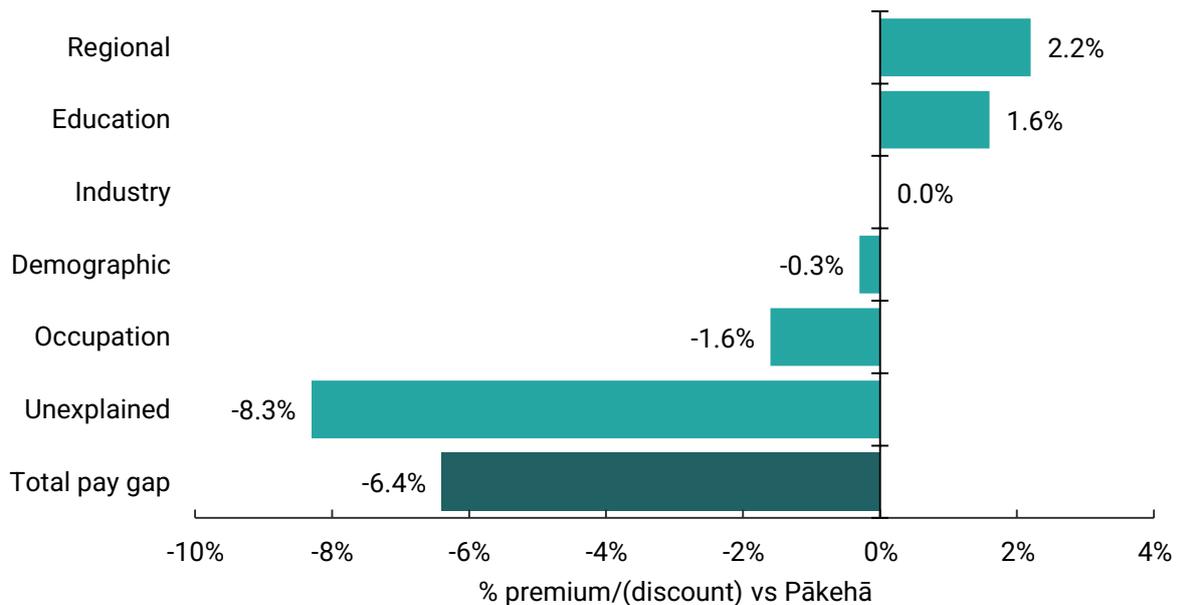
Share of ethnicity in income group, versus total population



Source: Stats NZ.

**Figure 40: Pay difference cannot be explained by typical drivers, suggesting systemic barriers**

**Drivers of ethnic communities pay difference versus Pākehā**



Source: Iusitini, L. & Meehan, L. (2025). *Pay gaps among ethnic communities in Aotearoa New Zealand*. New Zealand Policy Research Institute.

[https://www.ethniccommunities.govt.nz/\\_data/assets/pdf\\_file/0027/82593/Pay-gaps-among-Ethnic-Communities.pdf](https://www.ethniccommunities.govt.nz/_data/assets/pdf_file/0027/82593/Pay-gaps-among-Ethnic-Communities.pdf)

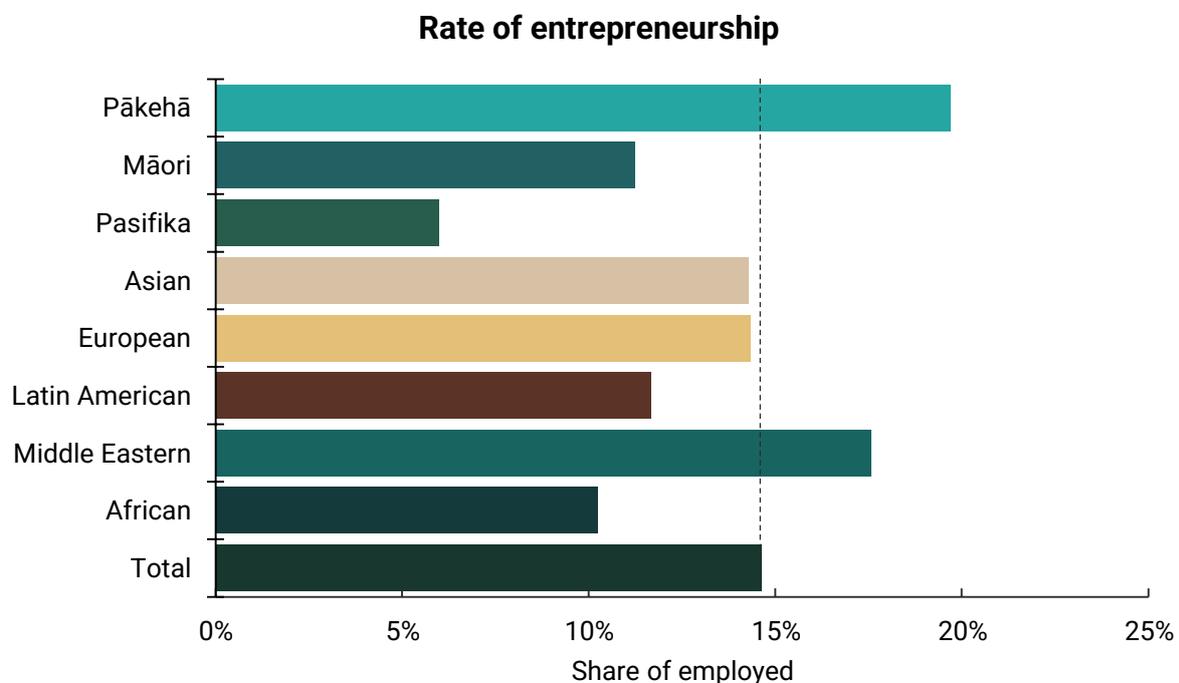
## 5. Entrepreneurship: low but diversifying

Entrepreneurship rates among ethnic minority communities are generally lower, compared to the Auckland average. There has been a broad based decline in entrepreneurship rates, suggesting broader shifts in the Auckland economy.

There are differing patterns of entrepreneurship across ethnic groups. European ethnicities are more likely to operate as sole traders, while Middle Eastern communities are more likely to be represented among both sole traders and business owners with employees. Asian ethnicities have a pronounced presence in the hospitality sector, whereas African communities are more commonly found in transport and logistics industries. These concentrations suggest that certain sectors are more accessible to specific groups, often due to lower barriers to entry or established community networks.

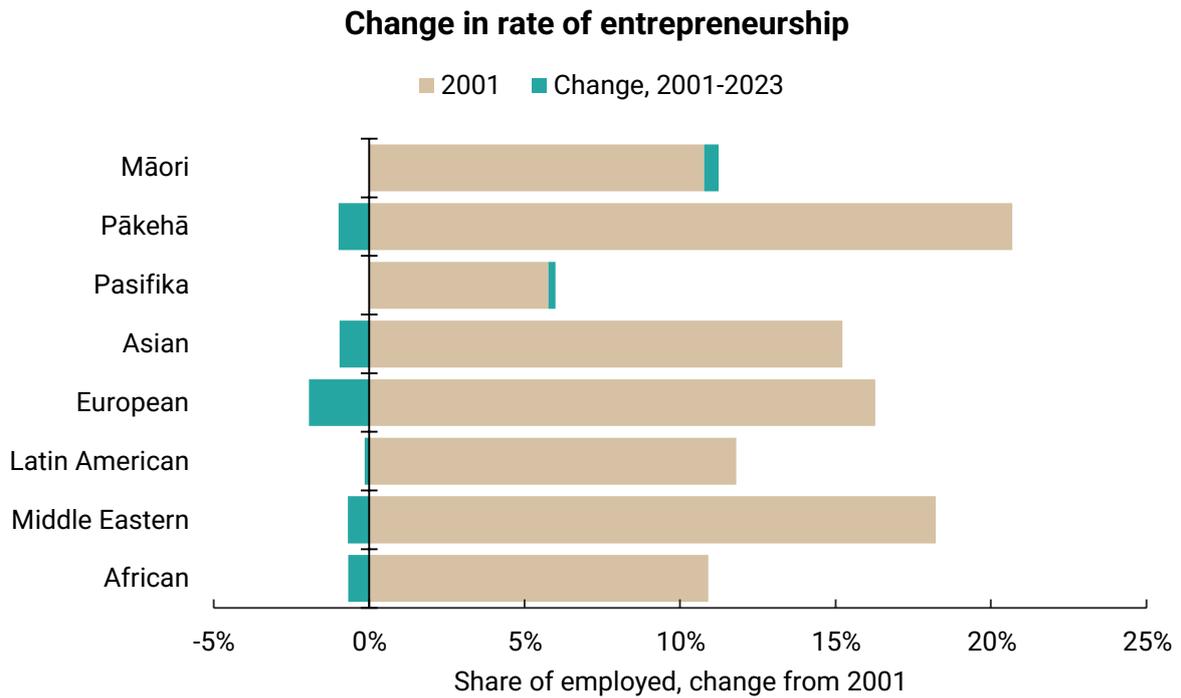
Looking deeper, there are hot spots of change. Construction has surged for Chinese, Southeast Asian, Other Asian and Indian entrepreneurs, although not always to industry-average levels. African and Middle Eastern entrepreneurs are expanding into health care and social assistance, building on strong occupational representation in caring roles. Professional, scientific and technical services have become an anchor sector for European and Middle Eastern groups. These shifts show the importance of barriers to entry and path dependency from employment to entrepreneurship.

**Figure 41: Ethnic minority communities are generally less likely to be entrepreneurs**



Source: Stats NZ.

Figure 42: Entrepreneurship rates have fallen from 2001 ...



Source: Stats NZ.

Figure 43: ... which we define as those who are sole traders and those who have employees

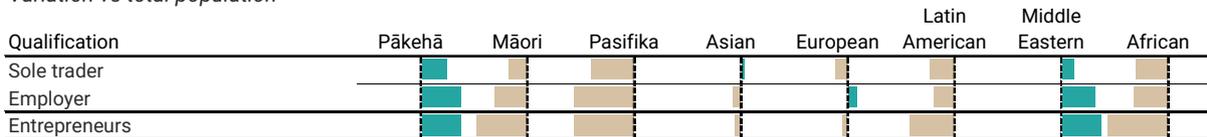
Entrepreneurship by ethnicity, 2023  
Share of total employed by ethnicity

	Pākehā	Māori	Pasifika	Asian	European	Latin American	Middle Eastern	African
Sole trader	6%	3%	1%	4%	4%	3%	5%	2%
Employer	14%	8%	5%	10%	11%	9%	12%	8%
Entrepreneurs	20%	11%	6%	14%	14%	12%	18%	10%

Source: Stats NZ.

Figure 44: European ethnicities are more likely to be sole traders, and Middle Eastern ethnicities are more likely to be both sole traders and employers

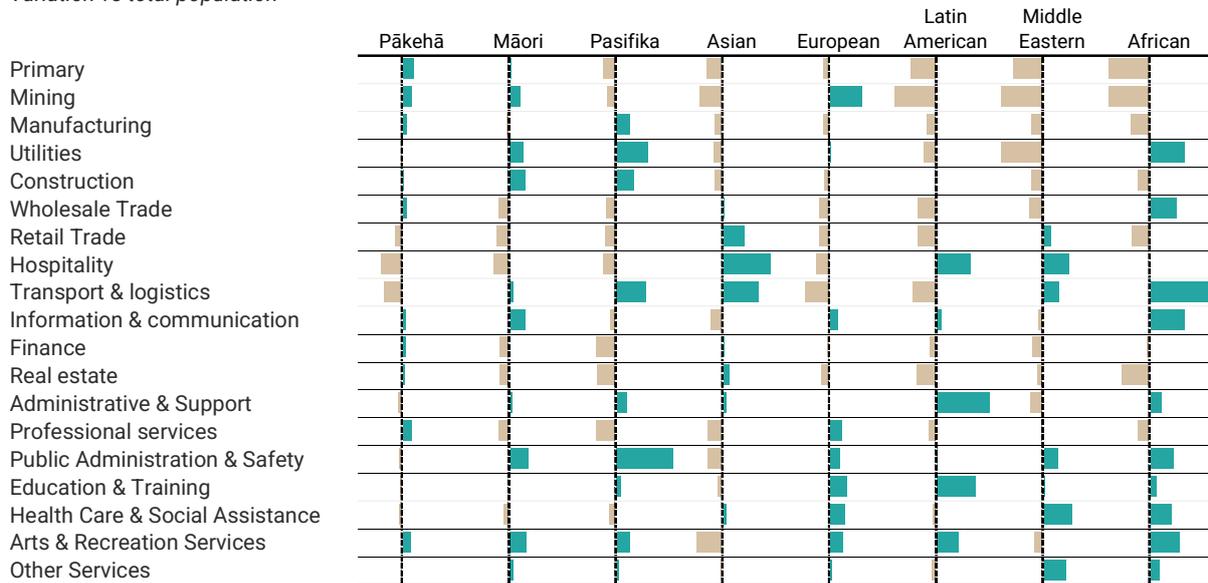
Entrepreneurship by ethnicity, 2023  
Variation vs total population



Source: Stats NZ.

**Figure 45: Asian ethnicities are more likely to be in hospitality, and African ethnicities are more likely to be in transport and logistics**

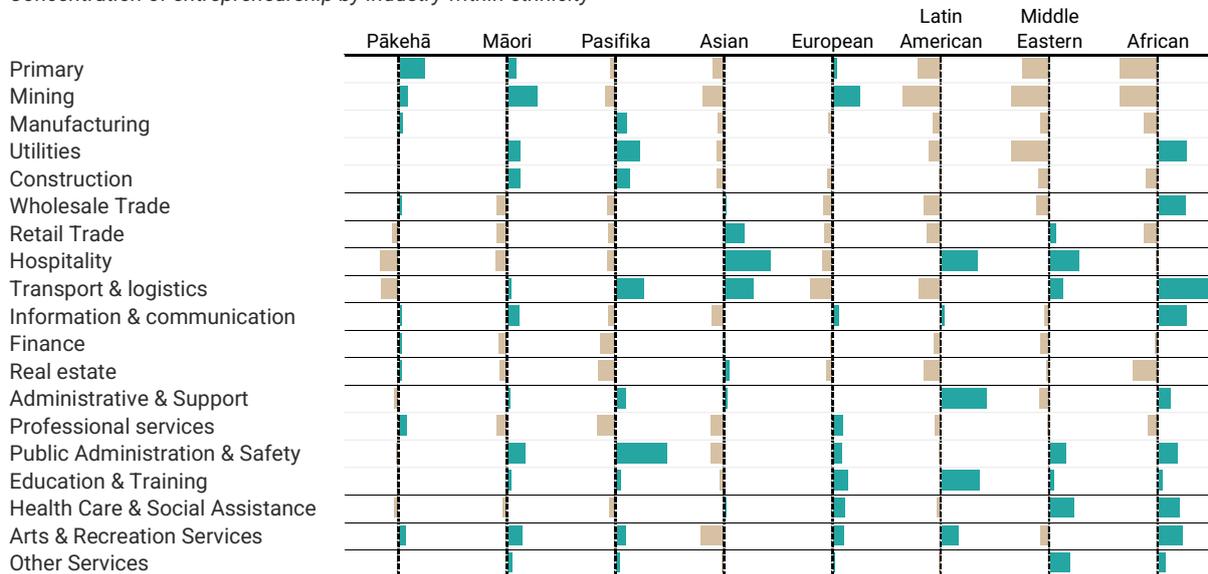
**Propensity for entrepreneurship by ethnicity, 2023**  
*Variation vs total population*



Source: Stats NZ.

**Figure 46: Concentration of entrepreneurship shows interesting patterns, particularly in Hospitality, Transport & Logistics, Education, and Healthcare**

**Concentration of entrepreneurship by ethnicity, 2023**  
*Concentration of entrepreneurship by industry within ethnicity*



Source: Stats NZ.

## 6. Strategic Next Steps

This report has focussed on outlining the economic context of Auckland and the role of, and influence on, ethnic minority communities. While not exhaustive, this report has highlighted a range of potential policy avenues to explore:

Unlock Human Capital: Fix the "Qualifications-Income" Mismatch

- **Recognise Overseas Qualifications:** A primary barrier to economic contribution is the "unexplained income penalty" and the under-utilisation of skills. Auckland can lead the way to close this mismatch between skills and qualifications, and income.
- **Target hiring practices:** Active labour market literature shows barriers are highest at the point of recruitment. This suggests investing in inclusive hiring practices and actively reducing discrimination in the workplace will help.

Break the "Glass Ceiling": Career Progression

- **Create Leadership Pathways:** While participation in professional roles is high, representation in management remains low for several groups (particularly Southeast Asian and African communities). Business leadership has a critical role to play here.
- **Leverage Professional Networks:** Limited access to professional networks is a key barrier to progression. Interventions should focus on mentoring and connecting ethnic talent with *established* business networks.

Supercharge Entrepreneurship: Beyond "Low Barrier" Sectors

- **Access to Capital & Networks:** Entrepreneurship is growing but often confined to low-margin sectors like hospitality and cleaning due to ease of entry. To help businesses diversify into higher-value sectors, targeted support for **access to capital** and **market information** is essential<sup>11</sup>.
- **Support Sector Diversification:** There are already "green shoots" of diversification—e.g., Chinese and Indian entrepreneurs moving into construction and ICT. Policy should actively support this shift, helping business owners transition from survival sectors to high-growth industries.

Invest in Acculturation as a "Two-Way Street"

- **Two-Way Process:** Integration isn't just about migrants adapting; it requires the host society to adapt as well. Auckland needs to invest in acculturation as a mutual process, ensuring that the wider business community understands the value of diverse cultural capital.
- Because Auckland is the "economic connector" for New Zealand, successful integration policies here will naturally flow outward to the rest of the country. Success in Auckland effectively "de-risks" diversity for the regions.

---

<sup>11</sup> Reid, A., Yadav, U., & Hunt, S. (2025). Ethnic communities' barriers to business. BERL (Business and Economic Research Limited). [https://www.ethniccommunities.govt.nz/\\_data/assets/pdf\\_file/0023/82607/Ethnic-communities-barriers-to-business.pdf](https://www.ethniccommunities.govt.nz/_data/assets/pdf_file/0023/82607/Ethnic-communities-barriers-to-business.pdf)

## 7. Conclusion: gold in them hills

Auckland's ethnic minority communities are playing an increasingly central role in the economy. They are young, highly qualified and active in the labour market. Their contribution to the economy continues to rise, and their presence is reshaping Auckland's workforce, industries and future economic potential. The region's scale, complexity and deep labour market make it a natural destination for new migrants and a place where skills can be matched to opportunity. Relatedly, the diversity of the Auckland population gives it greater proximity to the global economy, further enhancing Auckland's role as an 'international city'.

But the gains are not yet fully realised. Income gaps remain, even when qualifications, occupation and experience are similar. Managerial representation is low for many groups, and some industries and occupations still act as entry points rather than career pathways. Entrepreneurship is growing but uneven across sectors, mirroring the structural barriers seen in employment. These gaps represent lost economic value for both ethnic minority communities and the region.

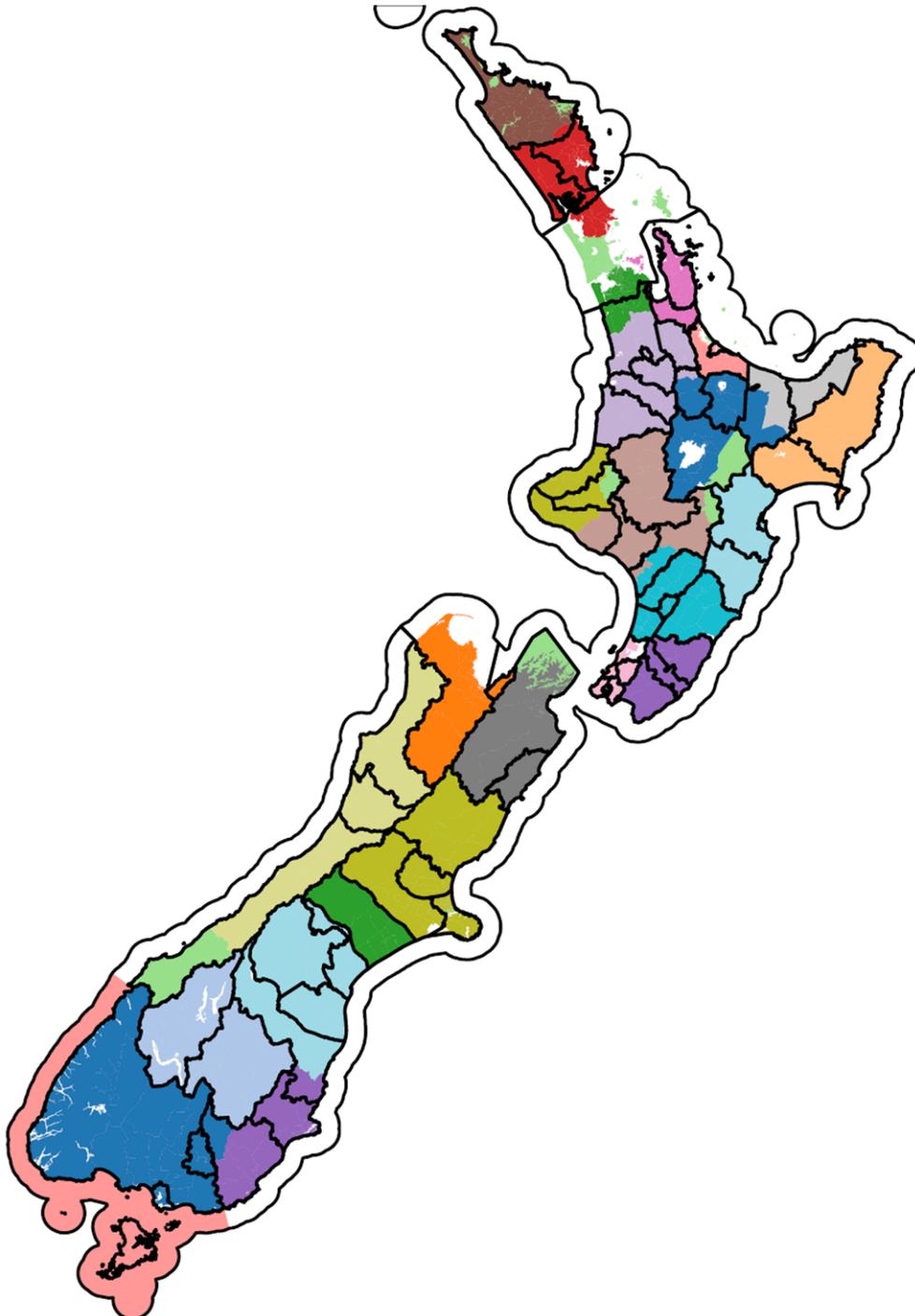
Auckland's advantage is that it sits at the centre of New Zealand's economic and social networks. Changes made here on skills recognition, inclusive hiring, leadership pathways, business support and acculturation will flow outward to the rest of the country. The potential of ethnic minority communities is large. Unlocking it will require deliberate effort, but the returns will be substantial: stronger productivity, higher earnings, more resilient communities and a more dynamic Auckland economy.

There is, quite literally, gold in them hills in the energy, enterprise and ambition of the communities who now call Auckland home. Realising this value is not only an economic opportunity; it is a chance to shape a more confident, inclusive and prosperous future for Aotearoa.

## Appendix A: Labour market areas for 2023

We used 2023 Census data to track where people live versus where they work. By mapping these commute paths, we identified natural 'employment hubs.' We then used a clustering algorithm (Louvain) to group suburbs together based on these patterns, effectively drawing new boundaries that represent functional Labor Market Areas rather than just political or historical ones.

Figure 47: Complete labour market areas for New Zealand



Source: Stats NZ.

## Appendix B: Government as a system

Governments have a wide range of possible actions and domains relevant to collaboration, particularly those that strengthen capacity and responsiveness. Unlocking the potential benefits of ethnic diversity in Auckland requires government to see its role beyond the hard 'doing' roles on the right side of the matrix, and include those 'softer' aspects to the left.

**Table 1: Government has a broad menu of roles and actions; not all are used to their full potential**

Influence	Engage	Design	Develop	Resource	Deliver	Control
Advising	Listening	Connecting	Championing	Charging	Nudging	Devolving
Lobbying	Informing	Engaging	Agreeing	Incentivising	Educating	Providing assurance
Agenda setting	Consulting	Analysis	Partnering	Contracting	Building	Licensing
Role modelling	Convening	Forecasting	Planning	Co-funding	Providing	Regulating
Auditing	Collaborating	Modelling	Commissioning	Targeting	Reforming	Intervening
Governing	Negotiating	Testing	Interpreting	Investing	Safeguarding	Enforcing
Publishing	Running elections	Piloting	Drafting	Funding	Preventing	Sanctioning
Scrutinising	Setting standards	Evaluating	Legislating	Recovering	Protecting	Prosecuting

Source: UK Policy Lab. (2020, March 6). Introducing a 'Government as a System' Toolkit. UK Policy Lab Blog. <https://openpolicy.blog.gov.uk/2020/03/06/introducing-a-government-as-a-system-toolkit/>

**Auckland  
Policy Office**



Ministry for  
**Ethnic  
Communities**  
Te Tari Mātāwaka



**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
HĪKINA WHAKATUTUKI

