

A NEW NEW ZEALAND

Paul Spoonley

Distinguished Professor Emeritus/Co-Director, He Whenua Taurikura
Estate and Taxation Planning Council

March 2023

SETTING THE SCENE

New Zealand's social and demographic structure began to change from 2010. By the 2030s, a very different Aotearoa/New Zealand will have emerged.

What challenges will you face?
How will you respond?

In 2030 there may be six million of us. One and a half million of us will live overseas. We will be clustered in Auckland, dependent on migration, and worried about a shortage of workers. **We haven't planned for this.** We need to.

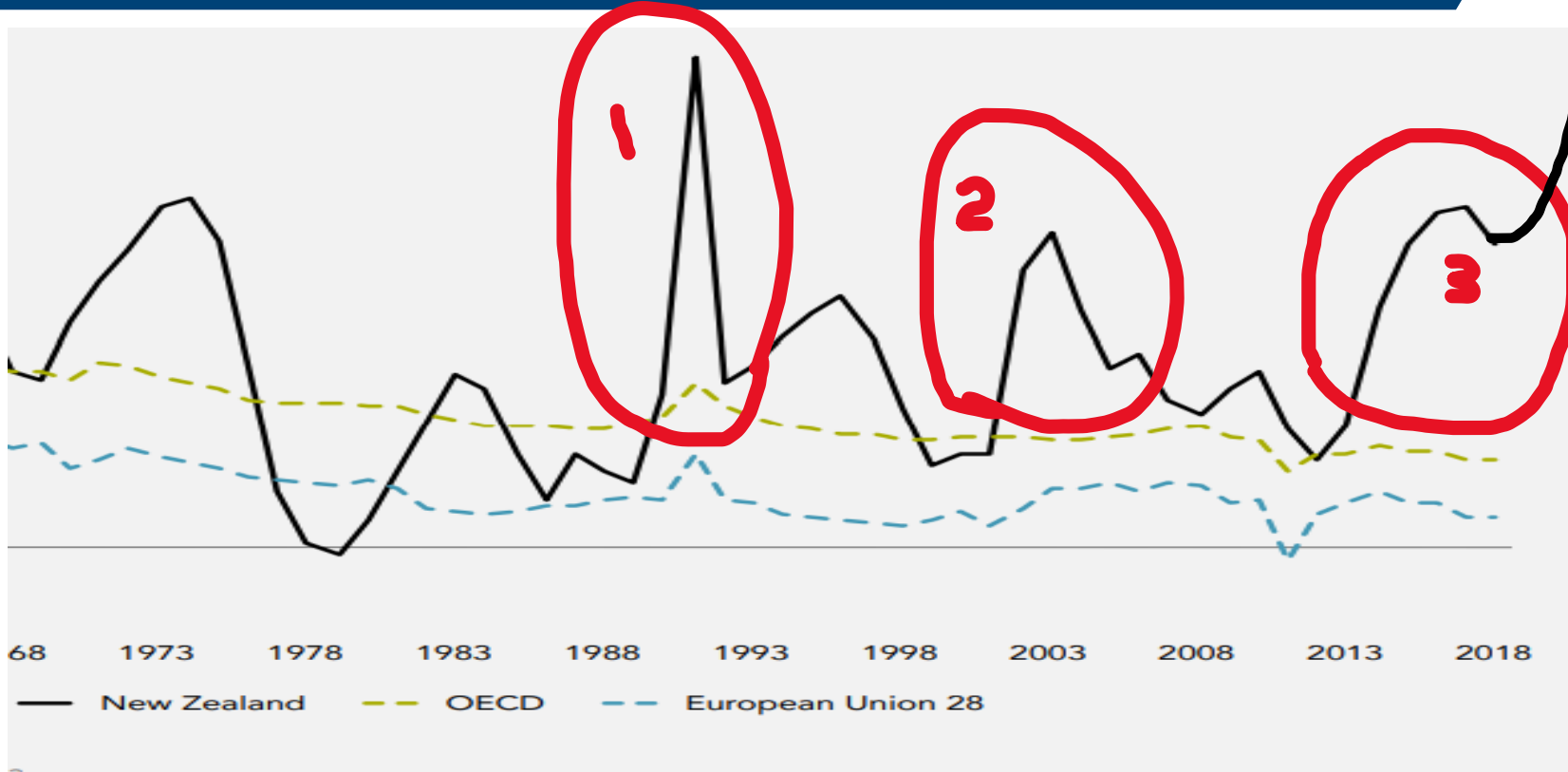
The New New Zealand.
Facing demographic disruption.
Paul Spoonley.

DEMOGRAPHIC TRANSFORMATION

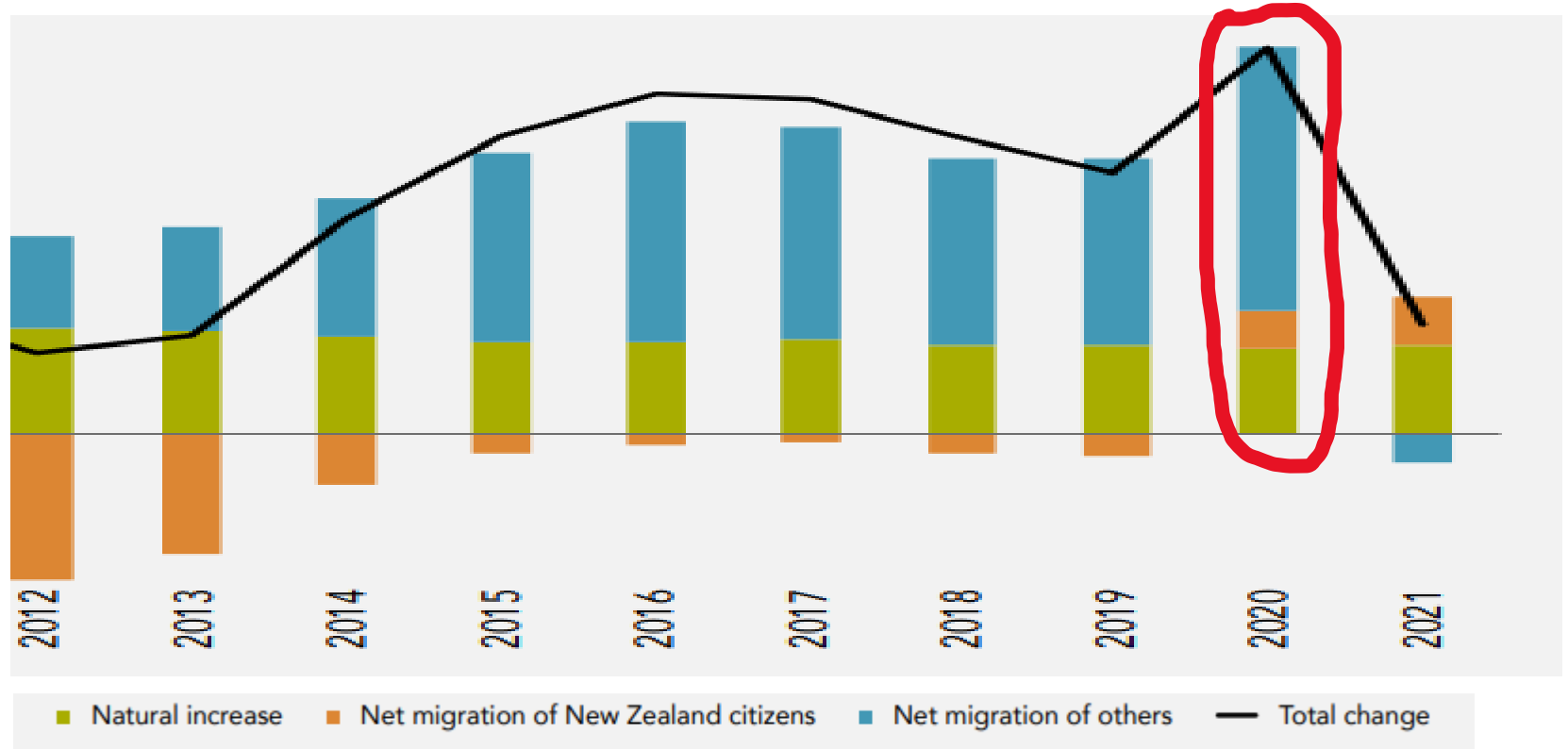
1. **Ageing population and declining fertility**
(doubling of 65+, sub-replacement fertility)
2. **Ongoing urbanisation** – with concentration in top of the North Island (**Auckland effect**) and regional population stagnation/decline
3. Constrained **labour** and **skills supply** – ongoing shortages
4. **Immigrant-led diversity** (rapidly growing diversity plus Māori-led economic and cultural development)



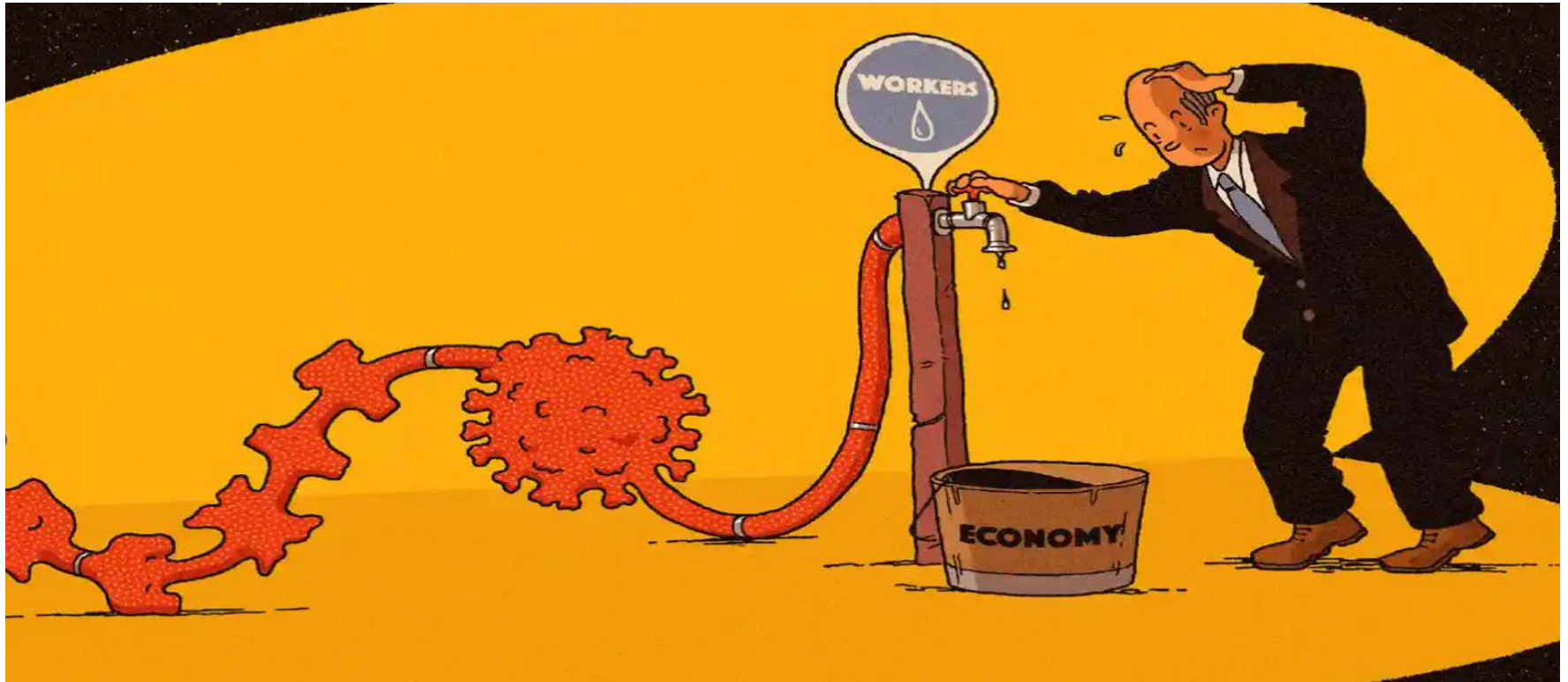
POPULATION – ANNUAL GROWTH RATE (PC, JUNE 2021)



POPULATION GROWTH AND IMMIGRATION (PC, JUNE 2021)



AN INTERNATIONAL “LABOUR CRUNCH”



NHS facing 38,000 nurse shortage even if government hits recruitment target

20 JULY, 2022 | BY GRAHAM CLEWS

There will be a shortfall of almost 40,000 nurses in England by 2023-24 even if the government hits its target of securing 50,000 more nurses by that year, new analysis suggests. The Health Foundation's REAL Centre workforce

MĀORI – YOUNGER AND GROWING

Aroha - 22 years of age, living in Gisborne

- Part of a still growing Māori population (2% pa)
- Fertility rate is dropping but still relatively high
- Gisborne is predominantly Māori (70%)
- 20% of all New Zealanders identify as Māori but 25% of workforce, 35% of all U15 year olds
- Fluent Te Reo speaker (level of fluency and rates have gone up with more than 250,000 speaking Te Reo) and heavily involved in kapa haka



MĀORI – YOUNGER AND GROWING

Aroha - 22 years of age, living in Gisborne

- Aroha is employed part-time in precarious work in retail
- Underutilisation of Māori talent pool and skills because of geographical location, educational levels and skills training
- Public sector significantly ahead of private sector in acknowledging and using Tikanga and Te Reo and recruiting/retaining Māori



PĀKEHĀ – AGEING AND WEALTHY

Bruce – 70 years old, lives in Thames

- 1.3 million aged over 65 (nearly 25% of total population) and 222,000 aged over 85
- Lives in a hyper-aged town (nearly 50% aged over 65)
- Owns his own house plus two rental properties (net worth of 65+ in 2021 was \$433,000)
- Living much longer (23.4 years from the age of 65, was 14 years in 1956)

BRIEFING TO THE INCOMING MINISTER

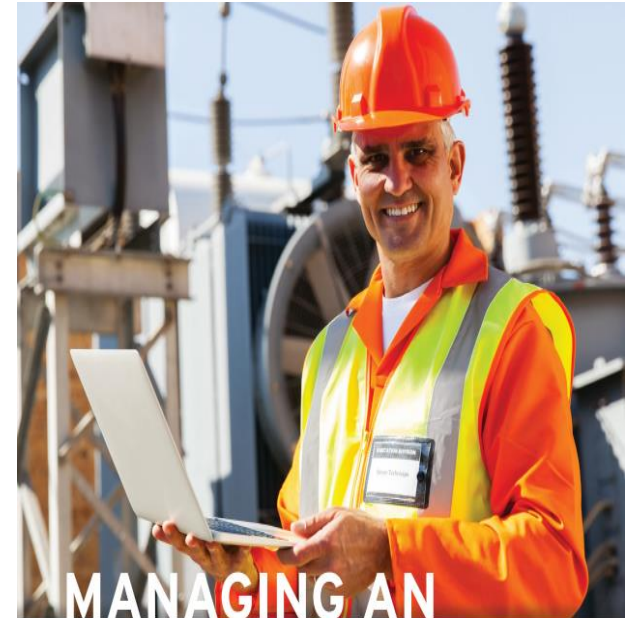


New Zealanders: getting older, doing more

PĀKEHĀ – AGEING AND WEALTHY

Bruce – 70 years old, lives in Thames

- Still in paid work – over 65 year olds now 12% (300,000) of workforce and a quarter remain in paid employment past 65
- Superannuation now costs about \$36 billion per year and represents 25% of core government spending – still not means tested or age of eligibility increased
- Part of politically active but conservative generation

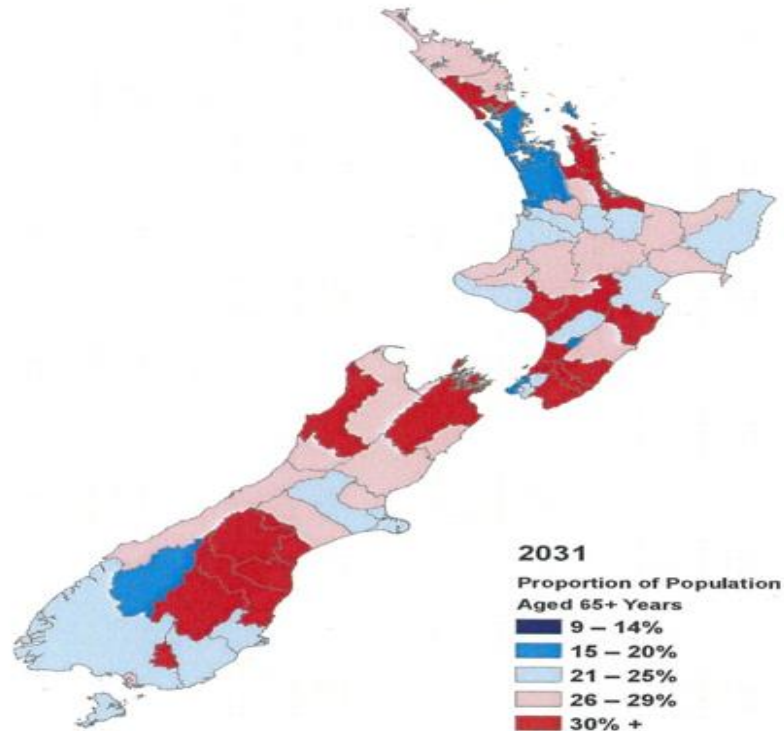


MANAGING AN AGEING WORKFORCE

A Future of Work Programme report in conjunction
with the Equal Employment Opportunities Trust

AN AGEING POPULATION

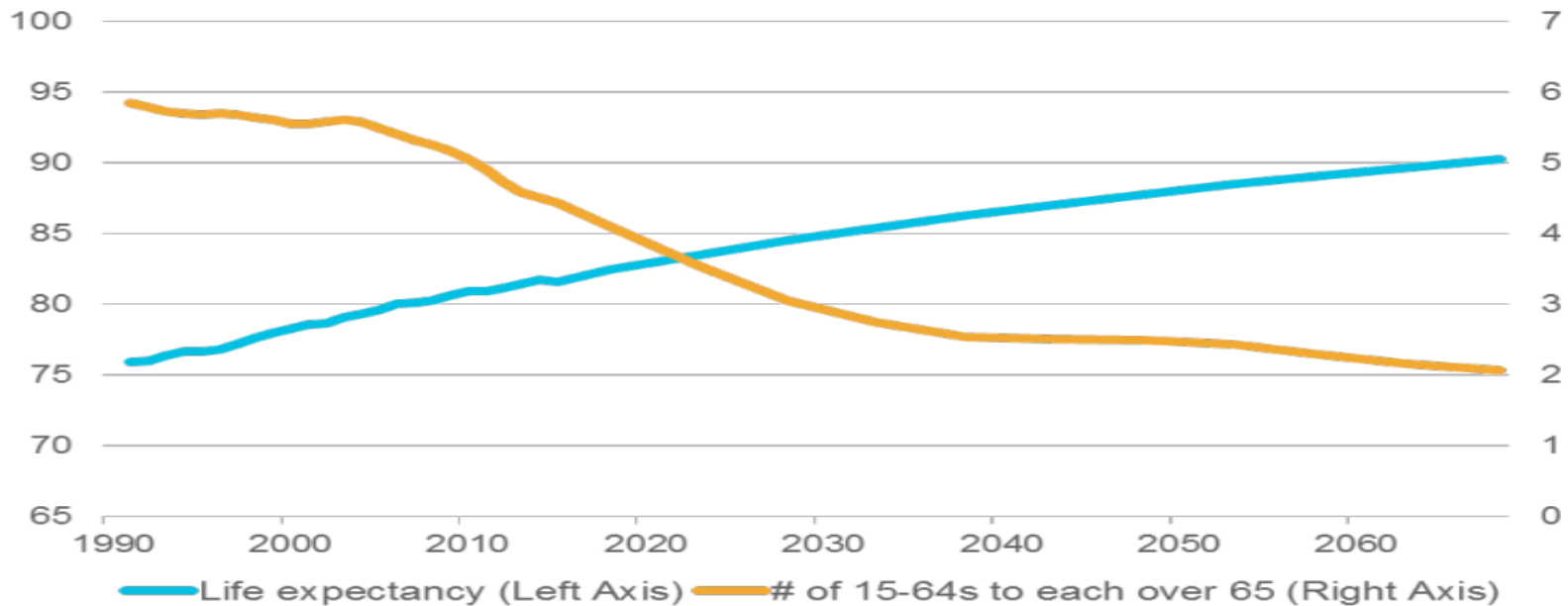
Proportion of population aged 65+, by territorial authority area, mid-range projection 2031



Source: Statistics New Zealand

AGEING AND A DECLINING DEPENDENCY RATIO

Figure 1: New Zealand life expectancy and age profile, 1990-2070



Source: Statistics NZ

CHINESE – A SUPERDIVERSE AOTEAROA

Lily – 33 years old, lives on the North Shore

- Born in China but is 1.5 generation
- Member of one of the dominant Asian communities who now make up 25% of New Zealand's population, and 38% of Auckland's
- 31% of the NZ prime working age population are from one of the Asian communities
- In 2030s, Asians 7% of 65+ population, Pākehā 75%



CHINESE – A SUPERDIVERSE AOTEAROA

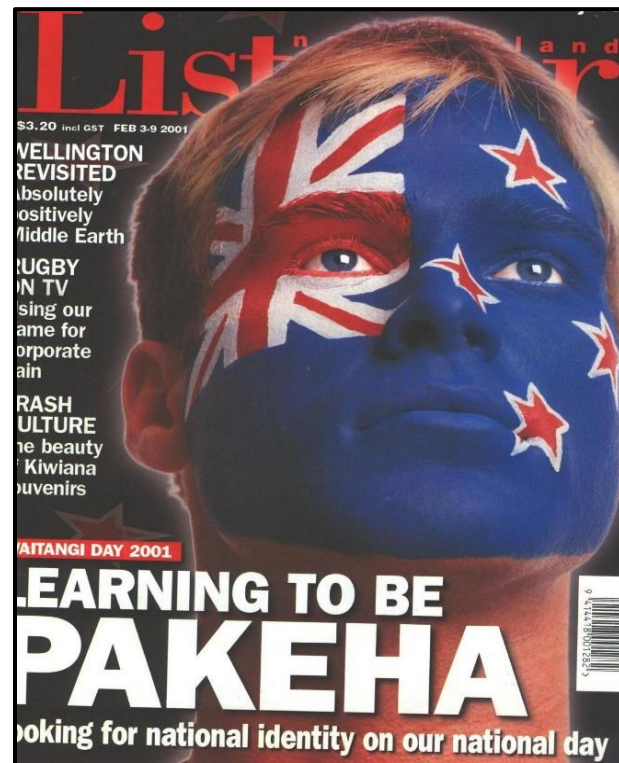
Lily – 33 years old, lives on the North Shore

- Plays table tennis (114,000 in Auckland while 59,280 played rugby in 2019)
- Does not watch, listen to and read any mainstream New Zealand media but is very active on social media
- Visits Beijing 2-3 times per year but has never visited Hamilton



SUPER DIVERSITY (2013-2038)

0-14 Year Olds	2013	2038
European/Pākehā	71.6%	68.2%
Māori	25%	35%
Asian	12%	21%
Pasifika	13%	18%



PĀKEHĀ – MILLENNIALS AND GEN Z

Louise – 42, lives in Wellington

- Gen Z, one of 1.134 million
- Has a partner but does not own a property. Still paying off student debt. Living in beanpole family household
- Has chosen not to have children (even though more children are born to women aged over 40 than to women 20 and under)

one and done

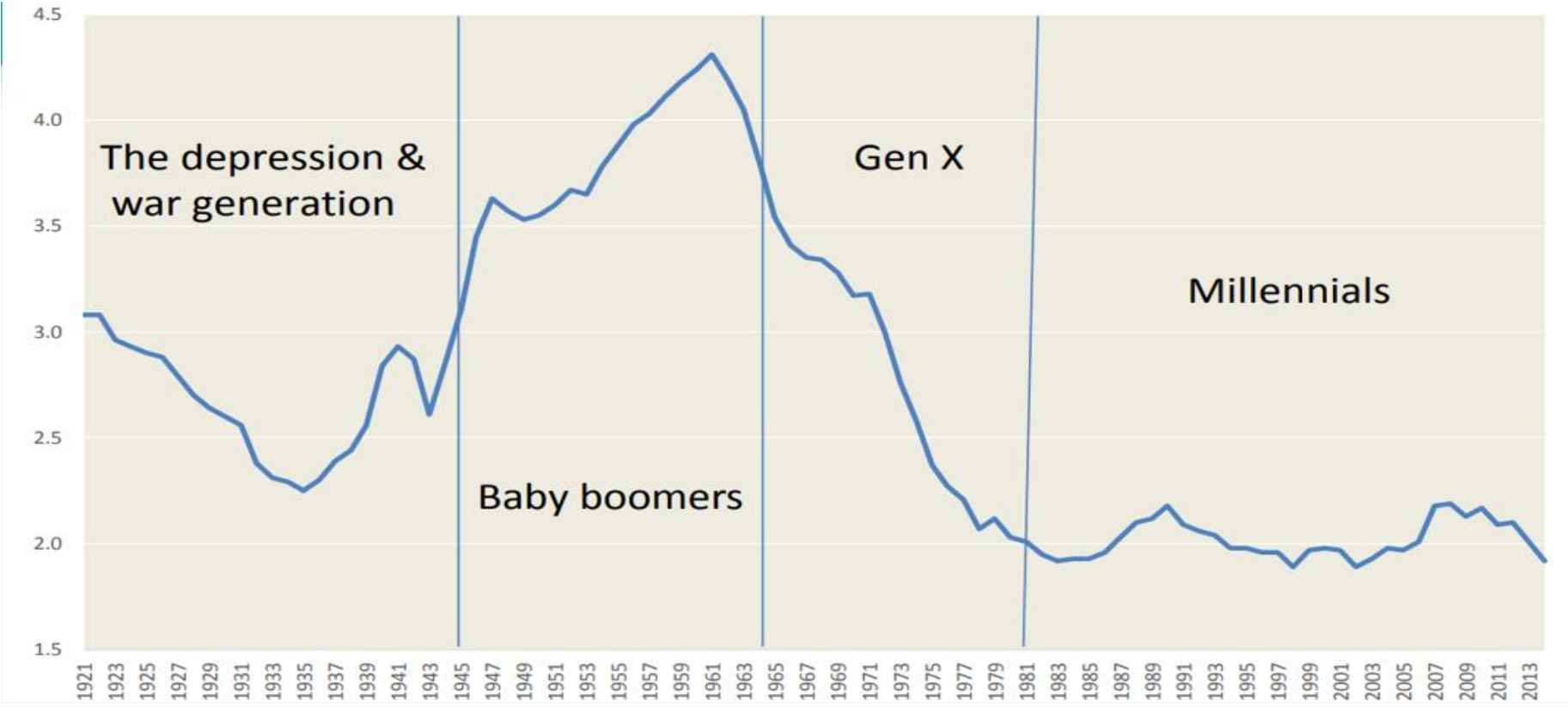
Would you be happier with just one child?

Canvas 13 Jan 2018

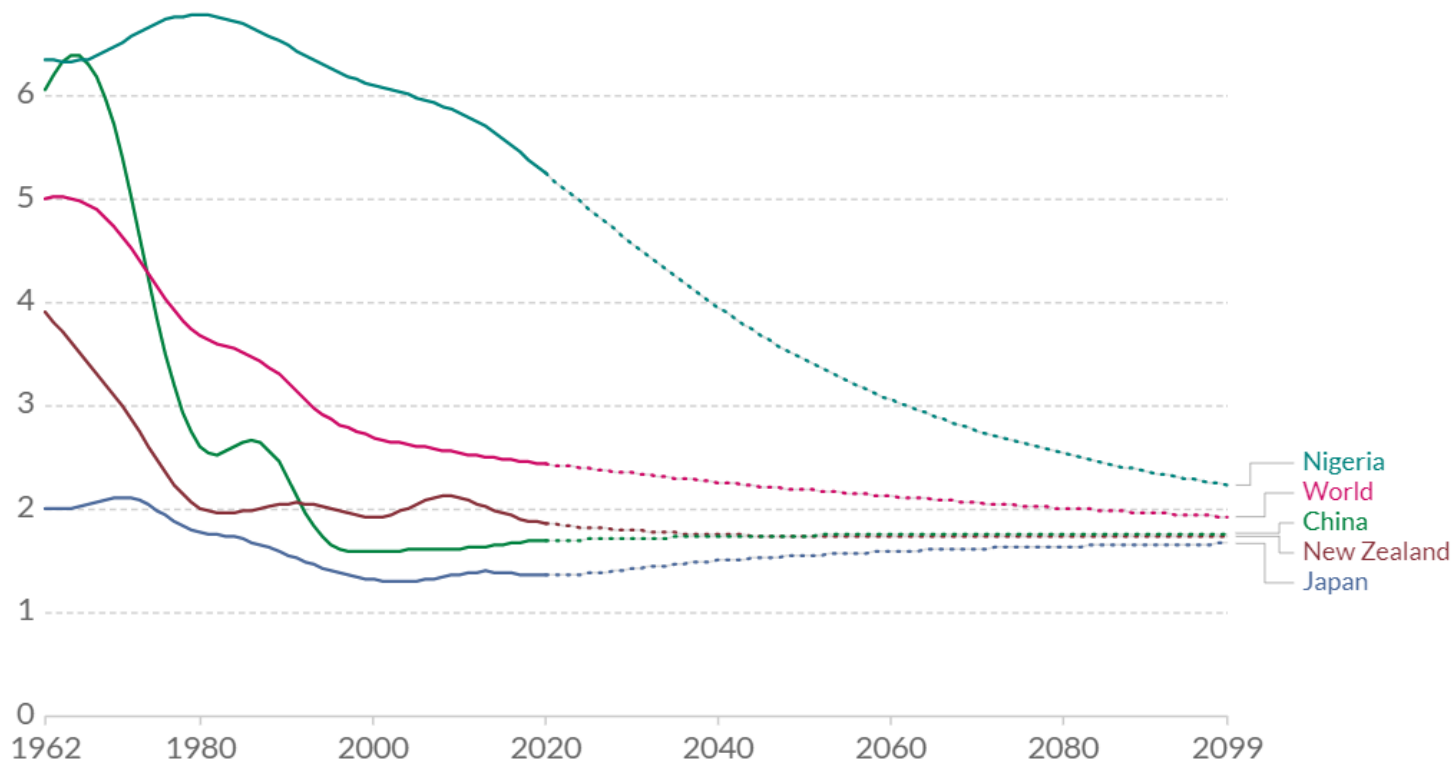


Having babies never rated highly on my list of priorities. It wasn't until I was approaching 40 that the biological equivalent of Big Ben chimed loudly in my

PĀKEHĀ – MILLENIALS AND GEN Z



DECLINING FERTILITY



Source: UN Population Division (2010 Revision)

CC BY

PĀKEHĀ – MILLENIALS AND GEN Z

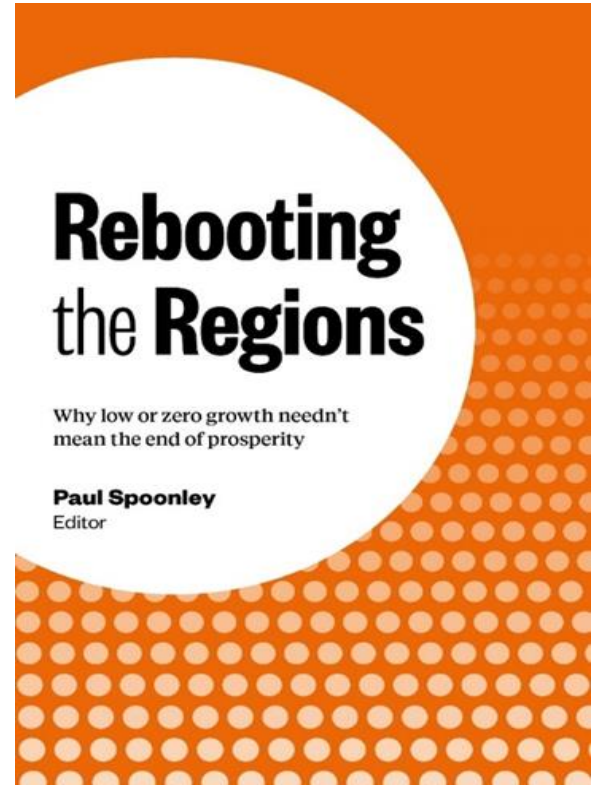
Louise – 42, lives in Wellington

- Spent 8 years at university (5-8 years on average)
- Got first job – at a call centre – when 26 and did not get current job (government department) until mid-thirties
- Entered labour market during Covid pandemic – labour market scarring
- Environment a major concern and frustrated at slow progress in 2020s. Vegetarian.

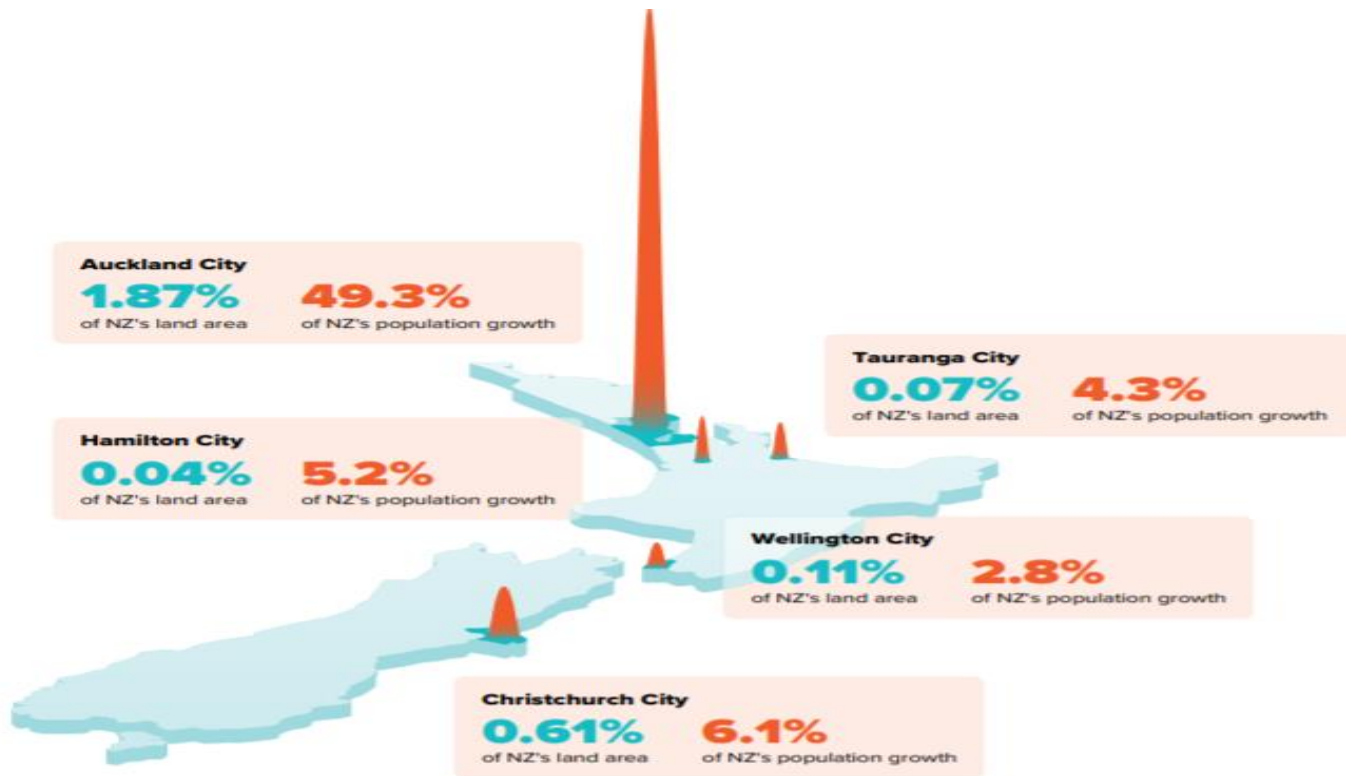


ONGOING URBANISATION & REGIONAL STAGNATION

- Two-thirds of regions will experience ageing plus population **stagnation** or **decline**
- Main regional towns will grow – although growth will slow – while regions will experience population stagnation or decline in smaller towns and rural areas
- More **65+** than **0-14** year olds
- **What are the implications for cities, towns and regions? And the people who live there?**



GROWTH CENTRES IN NEW ZEALAND OVER 2 DECADES



FIRM/ORGANSIATIONAL/SECTOR RESPONSIVENESS

How are managers/firms/sectors responding to these demographic changes?

- What will Aotearoa/New Zealand look like in the 2030s?
- How are sectors responding to these changes?
- What will be the key demographic issues that need to be considered?
- What does it mean to be a New Zealander in the 21st century?

