



*cutting through complexity™*

**Cisco Live**

**Australia's Demographic Change  
Predictions and How They Will Affect  
Business Through the 2020s**

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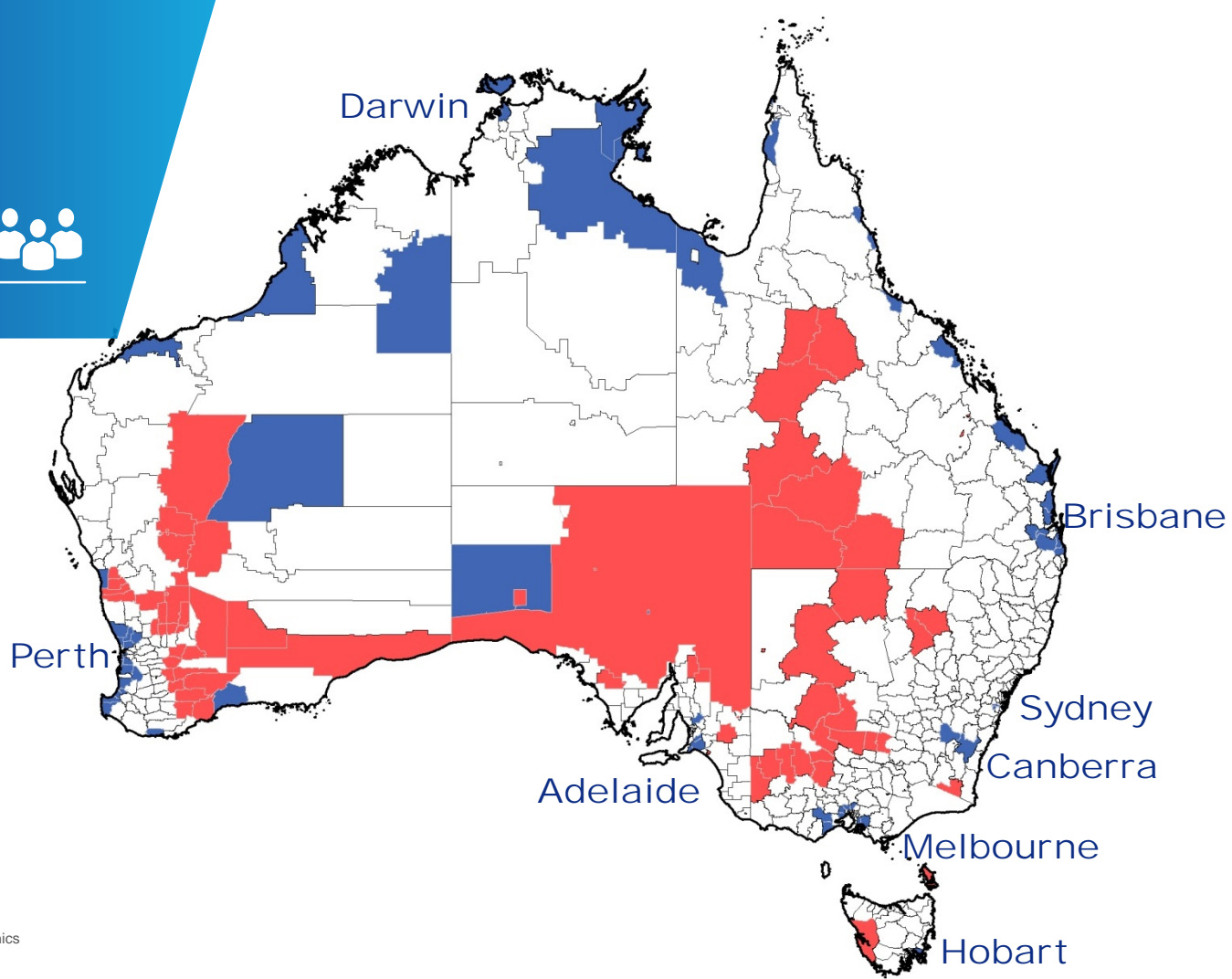
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# Australians have always been driven by lifestyle

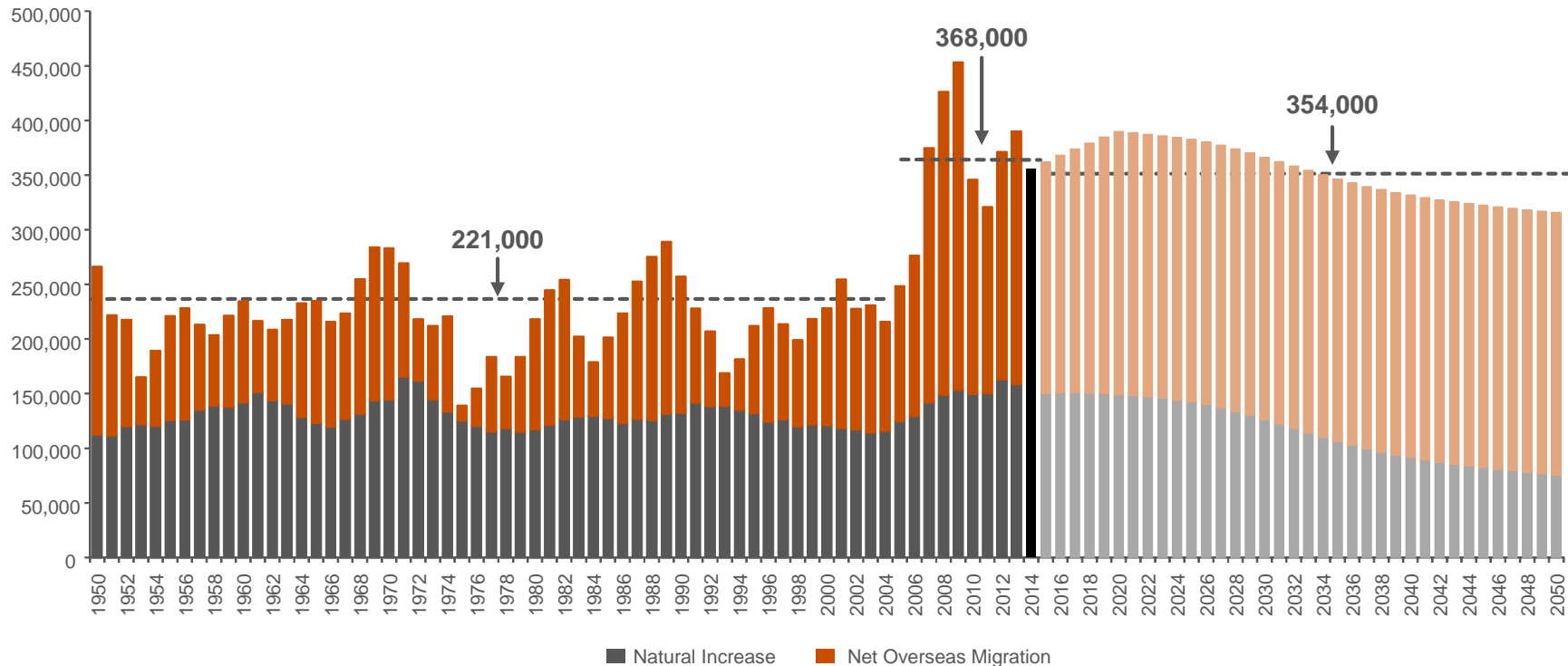


Areas of high population growth (>2% pa) and loss (<-1% pa) between 1992 and 2013

-  WINNERS
-  LOSERS



# Strong population growth is driving household formation



Actual and projected net annual population growth for Australia between 1950 and 2050

# Australia is now an Anglo-Mediterranean-Asian-Indian fusion culture

1



**United Kingdom**  
1.2 million

6



**Philippines**  
211,000

2



**New Zealand**  
609,000

7



**Italy**  
199,000

3



**China**  
428,000

8



**South Africa**  
174,000

4



**India**  
370,000

9



**Malaysia**  
149,000

5



**Vietnam**  
215,000

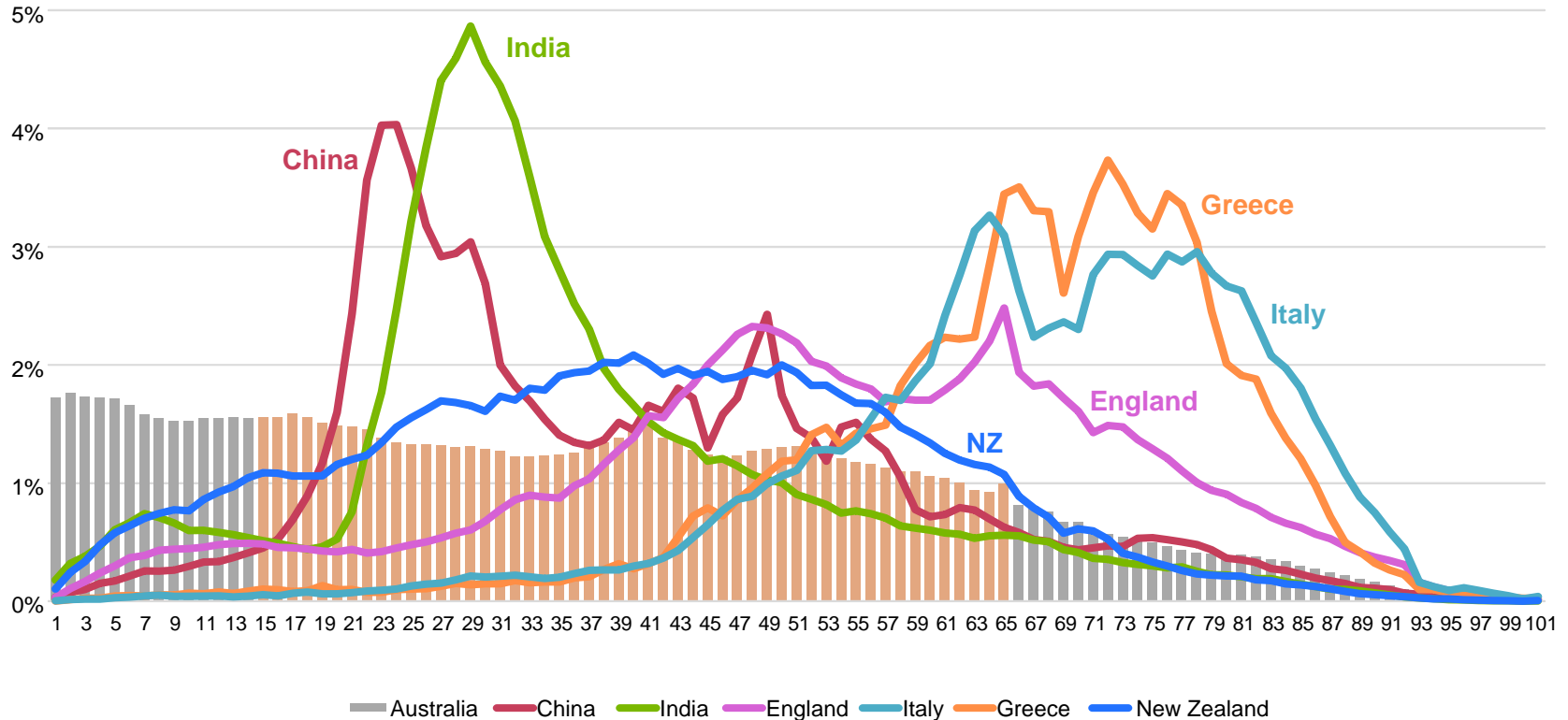
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**Germany**  
128,000

## Top 10 population by country of birth in Australia 2013

# Recent migrants are in the household formation stage of the lifecycle



## Age of population by country of birth 2011

# New acronyms for our newest tribes



## **PUMCINS ...**

**Professional Urban Middle Class In Nice Suburbs**

## **...NETTELS**

**Not Enough Time To Enjoy Life**



## **KIPPERS ...**

**Kids In Parents Pockets Eroding Retirement Savings**

## **...LOMBARDS**

**Lots Of Money But A Real Dickhead**



# Most growth takes place in the middle Australia of middle suburbia

	Hipster	Middle Australia		McMansion	Total Growth
	<5km	5-15km	15-25km	>25km	
Sydney	8,000	22,500	22,300	28,200	81,000
Melbourne	17,300	19,900	28,800	29,500	95,500
Brisbane	5,800	10,700	13,400	15,200	45,100
Perth	5,100	21,800	18,600	22,000	67,500
Adelaide	1,500	6,400	1,100	4,100	13,100
<b>Big Capitals</b>	<b>37,700</b>	<b>81,300</b>	<b>84,200</b>	<b>99,000</b>	<b>302,200</b>
<b>Balance</b>	-	-	-	-	<b>104,800</b>
<b>Total Australia</b>	-	-	-	-	<b>407,000</b>

- Net population growth in concentric zones around the CBD of our largest cities over the year end June 2013



# New business opportunities are being shaped by changes in the Australian demographic profile

■ 2003-2013: 3.4 million (19.7m to 23.1m)

■ 2013-2023: 4.2 million (23.1m to 27.3m)

## Kids & teenagers



Suburbia & school

## Young adults



Social media & connectivity

## Mature adults

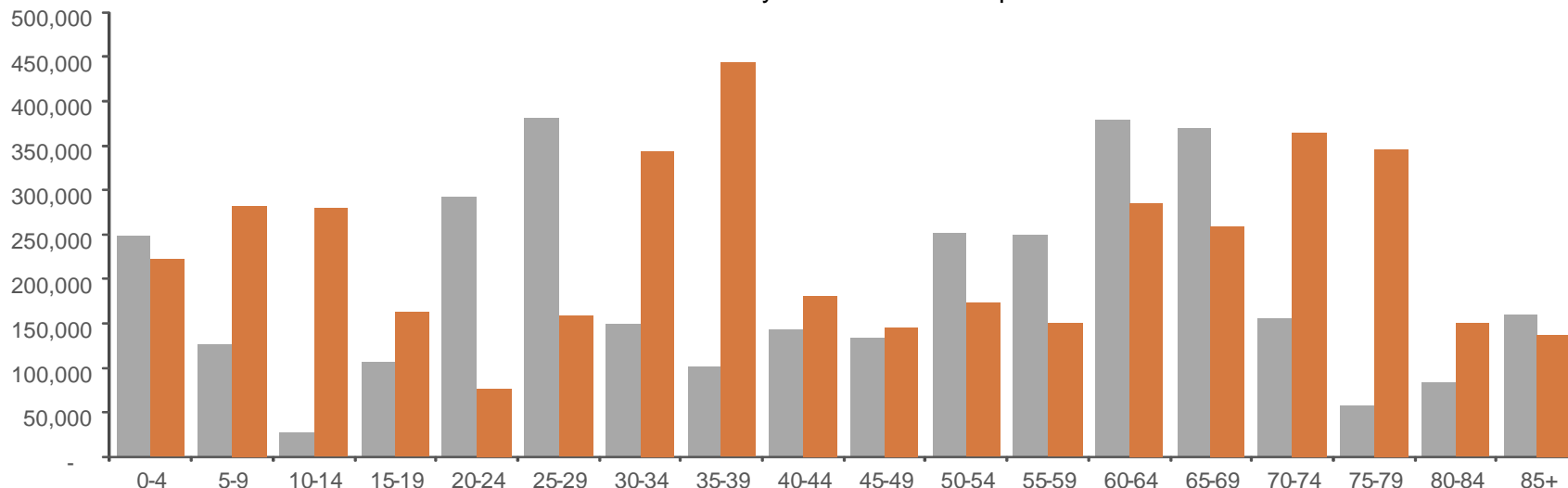


Premium products

## Active retirees

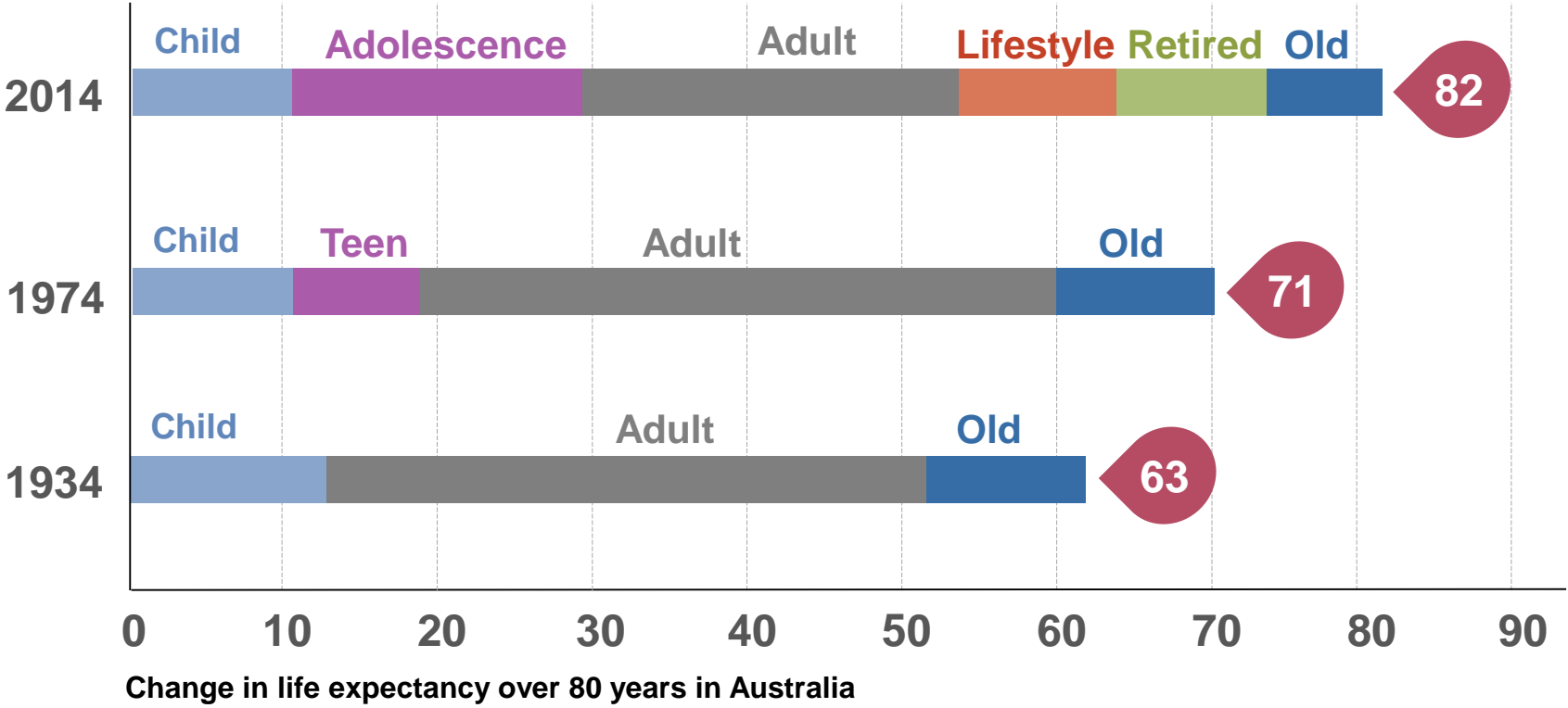


Travel & wellness



**Net change in Australian population by 5-year age group over 10 years to 2013 and 10 years to 2023**

# Australians are dividing the lifecycle into 'thirds'



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Source: Based on Australian Bureau of Statistics data; KPMG Demographics

# From Boomers to Xers and Ys ... and finally to Zeds

## BABY BOOMERS

- Born 1946 – 1964
- Today 50 – 68

Hierarchical  
Indulged their kids  
Depression era parents  
Sandwich generation

## GENERATION X

- Born 1965 – 1982
- Today 32 – 49

Forgotten generation  
Wrong place ... wrong time  
No workplace guilt  
Angsty about Ys

## GENERATION Y

- Born 1983 – 2000
- Today 14 – 31

Special ... bubble-wrap  
Chaotic connection  
Entrepreneurials  
Disappointed generation?

## GENERATION Z

- Born 2001 – 2019
- Today 0 – 13

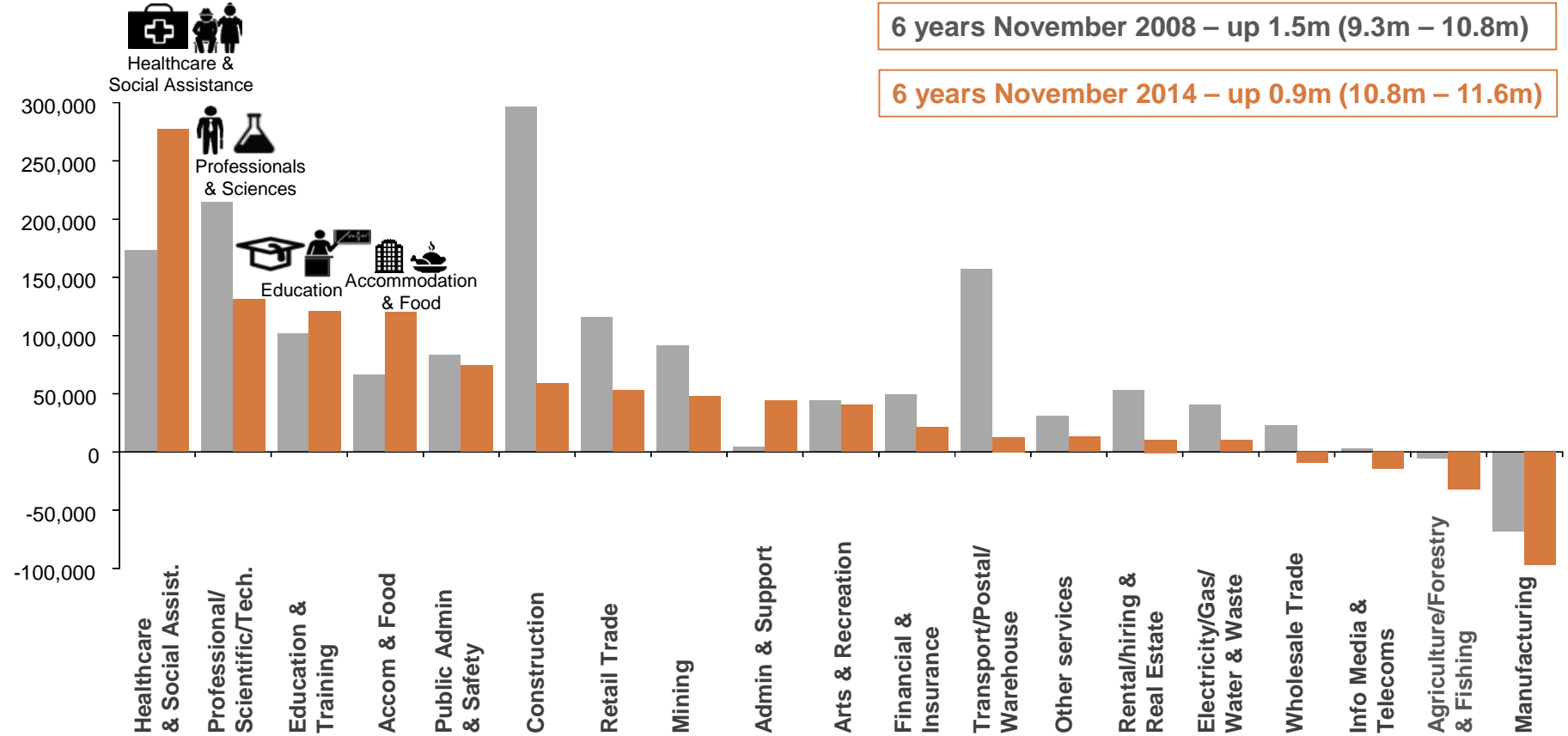
Parents results-oriented  
Youth in straitened times  
Highly educated, global  
Pragmatists ... fixers

# Sometimes business just isn't fair ... who's doing well and who isn't?

Industry	2005-2015	2010-2015	2014-2015
Liquor	121.0%	21.1%	3.0%
Cafes, restaurants & catering	100.7%	49.9%	4.6%
Pharmaceutical, cosmetic & toiletries	89.6%	26.8%	0.7%
Supermarket & grocery stores	75.8%	24.5%	3.4%
Takeaway food	73.2%	16.9%	7.4%
Recreational goods	50.9%	16.1%	-3.3%
Clothing	47.1%	21.1%	0.1%
Hardware, building & garden supplies	44.4%	36.6%	8.6%
Electrical & electronic goods	39.1%	4.0%	11.6%
Furniture, floor coverings, housewares, textiles	37.3%	16.7%	6.3%
Footwear & other personal accessories	31.1%	8.2%	13.6%
Department stores	18.0%	0.1%	1.4%
Newspapers & books	-23.5%	-26.3%	-12.7%
<b>Total (incl other)</b>	<b>58.3%</b>	<b>20.5%</b>	<b>4.0%</b>

## Per cent change in retail sales in Australia for 13 categories over ten and five years and over 12 months to Jan-2015

# There has been a shift in the Australian economy towards knowledge workers

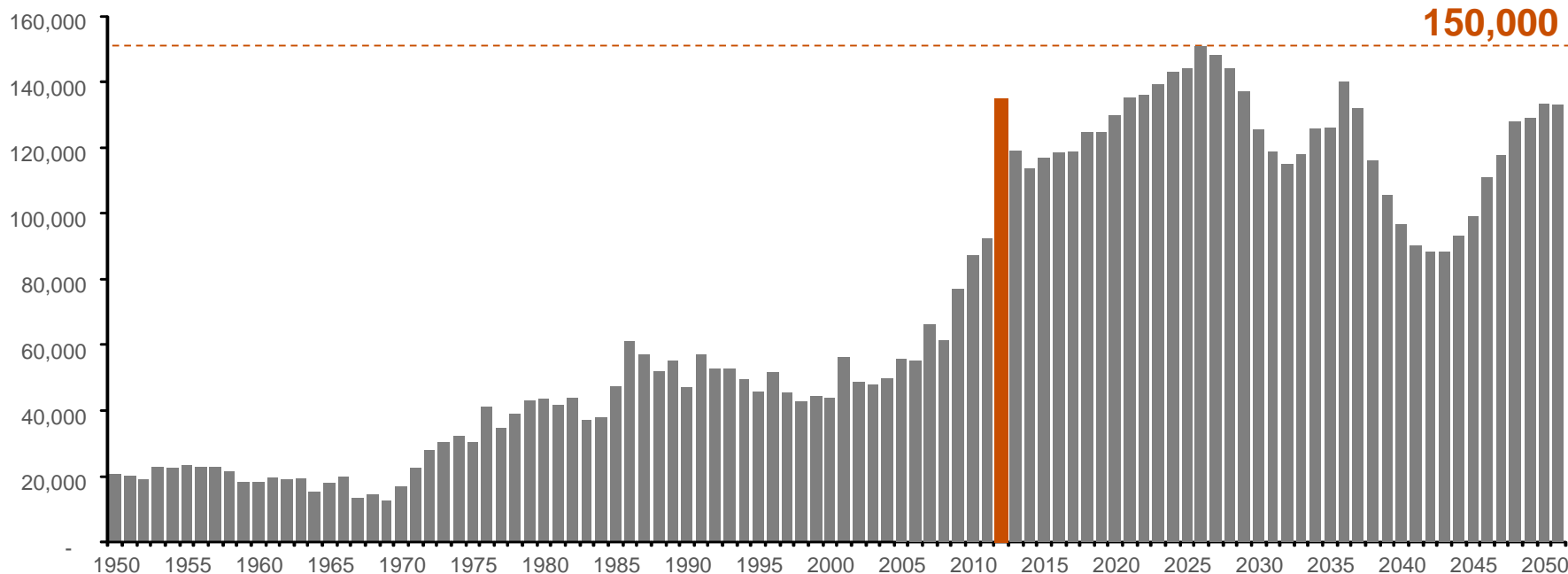


# Boomers set to tip beyond work and into the “lifestyle” stage of the lifecycle

1950

2000

2050




150,000


Net growth in population aged 65+ over 100 years in Australia (based on 2013 projections)

# Where are the opportunities in 2015


 Population growth at close to **record levels** ... business opportunities in household formation and infrastructure means tradies doing well

 The consumer and lifestyle models are changing ... **new retail and housing formats** evolving and especially in the inner city

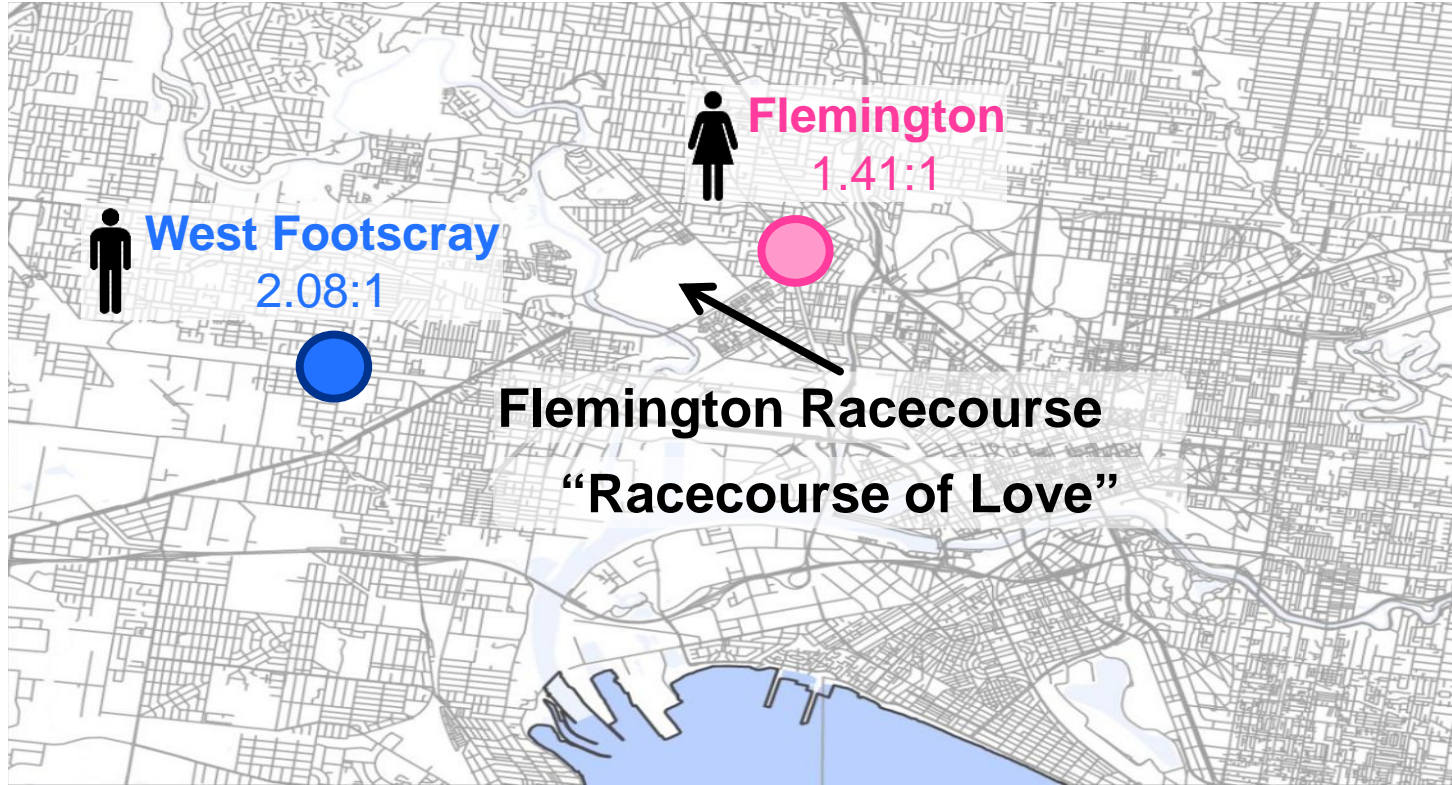
 Cultural shifts in Australia are resulting in an Anglo-Mediterranean-Asian fusion culture ... look to more **Asian influences** in the future especially China

 Specific opportunities in healthcare, education, building & construction, retirement financial planning and **succession planning** services

 Australians are optimistic about the future ... but they will want to **protect wealth** and mitigate risk

 Reasons to be **positive** ... low interest rates, low dollar, low petrol prices, no natural disasters ... time to move on from the GFC

# Introducing Melbourne's bachelor hotspot ...



## Hotspot suburbs for single men and women aged 25-34 at the 2011 Census





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