

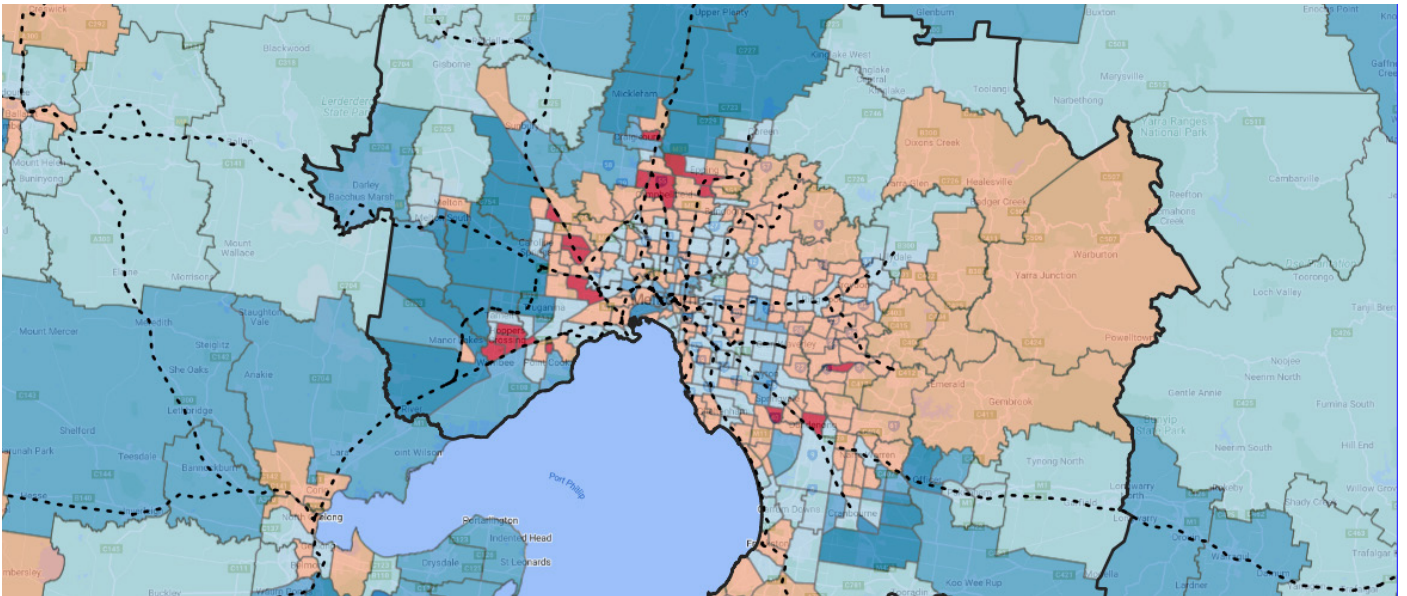


THE **NEWDAILY**

***The New Daily* has just marked its first decade, this is what the next 10 years holds for Australia**

With Simon Kuestenmacher, *The Demographics Group*

Where will we be living?



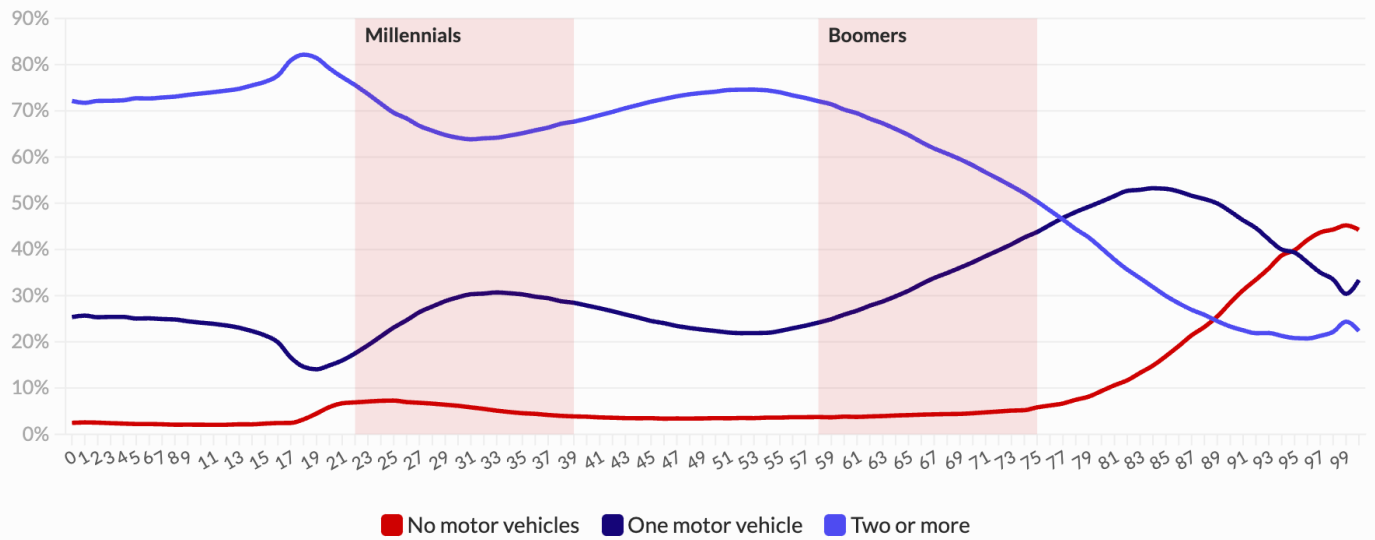
Map of Melbourne 2021-22 arguing that roughly the same pattern of growth dominated the 2020s

- Between 2023 and 2033 Australia's huge Millennial generation leave inner-city apartments to urban fringes with young families.
 - Millennial families smaller than ever but they need large homes: one bedroom for their parents, one for each child and one as study/home office.
 - Urban fringe booms in the last decade, commercial properties struggle for years after the pandemic, overseas migrants move to inner-city.
 - Regional towns within a two-hour drive of CBD also grow, low-income earners priced out of these lifestyle towns. That sees prolonged war on AirBnBs, big taxes on holiday homes, and reluctant embrace of higher density to make these towns more accessible.
 - Only at the start of the 2030s will Baby Boomers start downsizing, then middle suburbs start their densification journey.
 - Housing more affordable in 2033 than it was in 2023 but we won't see major price collapses.
- Pre-fab homes make up sizeable minority of new dwelling stocks by this time.
 - Policy in 2020s was heavily geared to making housing more affordable and stamp duty will be a thing of the past.
- "Millennials hipsterised the urban fringe** where they raise their kids as very involved parents."
- "Gen X was stretched thin financially** throughout the 2020s."
- "Baby Boomers stayed put** during the 2020s and are only downsizing now."
- "Regional towns within a two-hour radius of the CBD did really well."**
- "SEQ just hosted the Olympics** and significantly strengthened its brand on the global stage."
- "An ongoing mining boom created prosperity in Perth,** but economic diversification stalled due to a lack of necessity for change."
- Simon Kuestenmacher

What will we be doing?

The Australian love affair with their cars will be strong in the 2020s.

Share of the population living in households with no, one, or several cars as of August 2021 Data: ABS Census 2021



- We will continue transition towards a knowledge economy. More jobs than ever require will university-level training.
- AI will make knowledge jobs much more interpersonal, leading to a surprise comeback of the office.
- Universal free TAFE, and prolonged skills shortage, means great careers for young people, especially tradies.
- Automation and robotization could make several low-skilled jobs more efficient but won't lead to mass unemployment.
- Push for the four-day work week won't amount to anything because skills shortage stubbornly persists.
- Hybrid work the norm where possible. National business model should deliver prosperity so there's little pressure to diversify the economy – especially the case for mining powerhouse WA.
- Social media feeds flooded by cheap AI-written narratives. News sources act as curators of ideas and as public demands human experts.
- Self-driving cars won't be the norm, and transport network will look much like it does today – 2020s saw more cars on the road than ever before.

“As AI made the world of work more interpersonal it wasn't STEM skills that set workers up for success but critical reasoning and communication skills.”

“Theatre is the subject in school that best prepared students for our AI-heavy future.”

“Australia is more educated than ever.”

“Hybrid work still is a thing, but AI drove more of us back into the office.”

“News organisations now act as a curator of content as they scan through mountains of AI-created articles.”

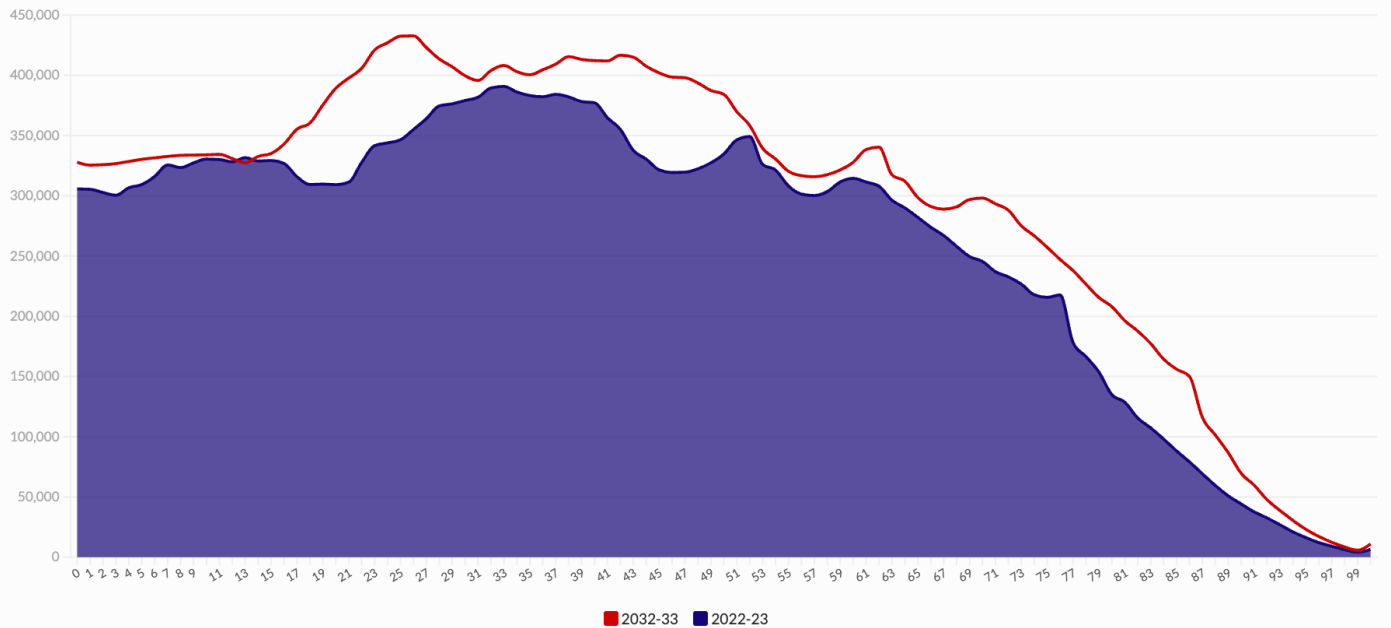
“No, self-driving cars haven't taken over yet. We move around in much the same way as ever.”

– Simon Kuestenmacher

Who will we be?

By 2033 Australia will be bigger, more youthful, and older

Australian population by age in 2023 and 2033. Data: ABS and Centre for Population



- By 2033 Australia will add over 3.5 million people, and has population above 30 million.
- Majority of this growth comes from young Asian migrants. We'll be more diverse and are increasingly comfortable with those changes.
- 2031 Census will record majority of people as atheists.
- We'll live comfortable lives as high commodity prices guarantee wealth.
- Pets will be the rage as we see many more single-person households.
- Census data will show Australia has more Indigenous people, and more same-sex attracted people.
- Reflects people being increasingly safe or comfortable in their identity, rather than huge indigenous birth rates or shifting sexual preferences.
- National obsession with lifestyle will

remain and drive consumer choices more than ever.

“Australia became **more culturally diverse** and shifted its migration profile towards Asian nations. The first generation experienced some snarky comments, but **the second generation is well integrated into Australian society.**”

“Embracing of **foreign cuisines was the first step to full social acceptance** yet again.”

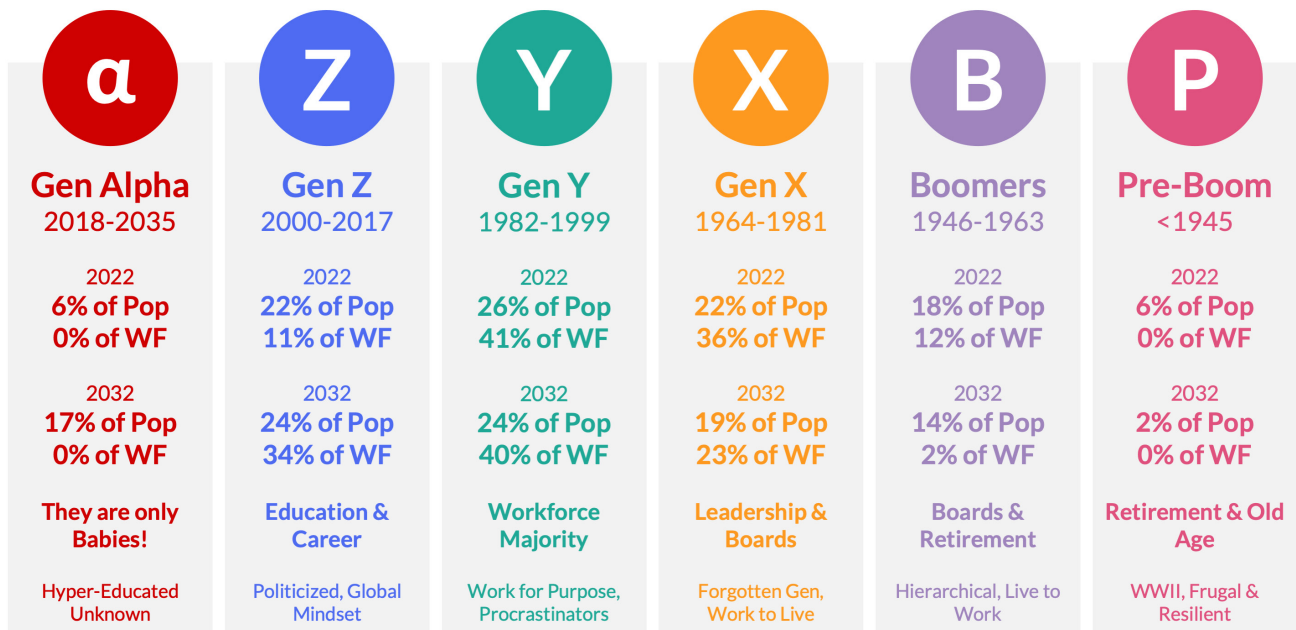
“**We live in the age of the pet.** As the number of one-person households continued to grow companion animals became much more popular.”

“**We embrace diversity** and openly identify with our cultural heritage and sexual preference.”

“Religion is on an all-time low in Australia, and **more than half of the nation identify as non-believers.**”

– Simon Kuestenmacher

How will we live



Population and workforce by generation (2022 & 2032). Data: ABS and the Centre for Population

- By 2033 climate change and generational shifts have reshaped life in Australia.
- We live through increasingly frequent extreme weather events. Adapt to this by adjusting built environment and daily routines.
- Water management, bushfire preparation, agriculture are big challenges but hardly felt by the urban majority.
- By 2033 we might already have some pockets of uninsurable stretches of land.
- As ageing of Australia speeds up more of us live alone – the loneliness pandemic among our elderly population will be severe.
- By 2033 all Baby Boomers will be of retirement age.
- Gen X will dominate positions of political leadership and set policy direction. Consider gender pay gap completely closed by 2033.
- Parenting done mostly by involved Millennials who also make up biggest voter block. Politics will cater to their needs, and we can expect universal free childcare and more radical policy reforms being demanded: 4-day work week (unlikely), taxation of wealth rather than income (baby steps), and severe housing reforms (likely).
- Gen Z find their pessimism of 2023 to have been largely misplaced, as they enter workforce with great pay and slowly softening house prices.

“Due to extreme weather events, we might have stretches of land that are uninsurable and need to decide how to treat populations that are still settled there.”

“Baby Boomers are reinventing retirement, and we must update all stereotypes about old people.”

“Under Gen X leadership we will have closed the gender pay gap by 2033.”

“Millennials will successfully have pushed for the introduction of universal free childcare.”

“Gen Z find their pessimism of 2023 to have been largely misplaced.”

Australia where?

- Australian business model of creating wealth through mining, agriculture, international education, and tourism will continue to create economic growth.
- Isolated geography shields us from unmanaged migration as increasing numbers of people are forced to move due to climate change.
- Australia can't follow Japanese model of growing the economy while shrinking workforce and the population. Japan operates different business model and can produce wealth through robotization of high-tech manufacturing and moving factories overseas to utilise non-Japanese labour.
- While Australian businesses will undoubtedly increase use of automation and AI, will still rely heavily on local labour.
- This guarantees high migration policies for next decade. Challenges that come with high migration are real but predictable, meaning we can tackle them head on.

“Mining is shifting from an evil, dirty, polluting industry to a green industry empowering the electrification of the global transport network.”

“Our national business model guarantees that we will be operating under a high migration regime for the foreseeable future.”

“With high migration come big challenges. We need to grow our housing stock and infrastructure accordingly, we must integrate new migrants into our social fabric, and we must do all this in an environmentally sound way.”

“In times of global economic uncertainty, of increased unmanaged population flows due

to climate change and political destabilisation, **Australia isn't suffering the Tyranny of Distance** but benefits from its big moat.”

The largest 20 companies by market cap in \$b (USD) listed in Japan and Australia, respectively.

Data: companiesmarketcap.com

Rank	Japanese companies	Australian companies
1	Toyota (\$236b)	BHP Group (\$139b)
2	Sony (\$103b)	Commonwealth Bank (\$104b)
3	NTT (Nippon Telegraph & Telephone)(\$99b)	CSL (\$72b)
4	Mitsubishi UFJ Financial (\$98b)	National Australia Bank (\$57b)
5	Keyence (\$86b)	Atlassian (\$48b)
6	Fast Retailing (\$69b)	ANZ Bank (\$48b)
7	Mitsubishi Corporation (\$64b)	Westpac Banking (\$46b)
8	Sumitomo Mitsui Financial Group (\$64b)	Woodside Energy (\$42b)
9	KDDI (\$62b)	Fortescue (\$42b)
10	Tokyo Electron (\$62b)	Macquarie (\$40b)
11	SoftBank (\$61b)	Wesfarmers (\$37b)
12	Shin-Etsu Chemical (\$58b)	Woolworths Group (\$28b)
13	Hitachi (\$56b)	Telstra (\$28b)
14	Mitsui Bussan (\$54b)	Goodman Group (\$25b)
15	Daiichi Sankyo (\$53b)	Transurban (\$23b)
16	Itōchū Shōji (\$52b)	Aristocrat (\$16b)
17	Honda (\$52b)	Santos (\$16b)
18	Oriental Land (\$51b)	QBE Insurance (\$14b)
19	Chugai Pharmaceutical (\$48b)	Newcrest Mining (\$14b)
20	Nintendo (\$47b)	REA Group (\$13b)