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Challenge and Opportunity with the Retirement of the Baby Boomer Generation

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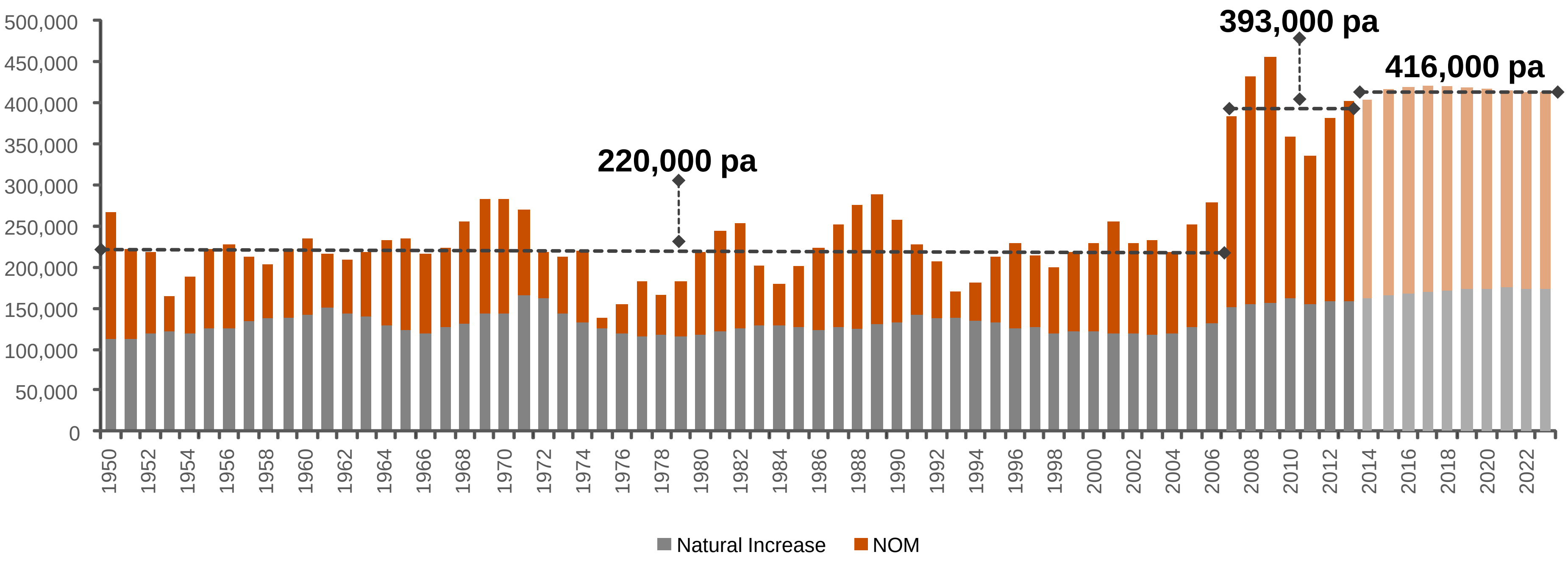
Strong population growth is driving household formation at a national level

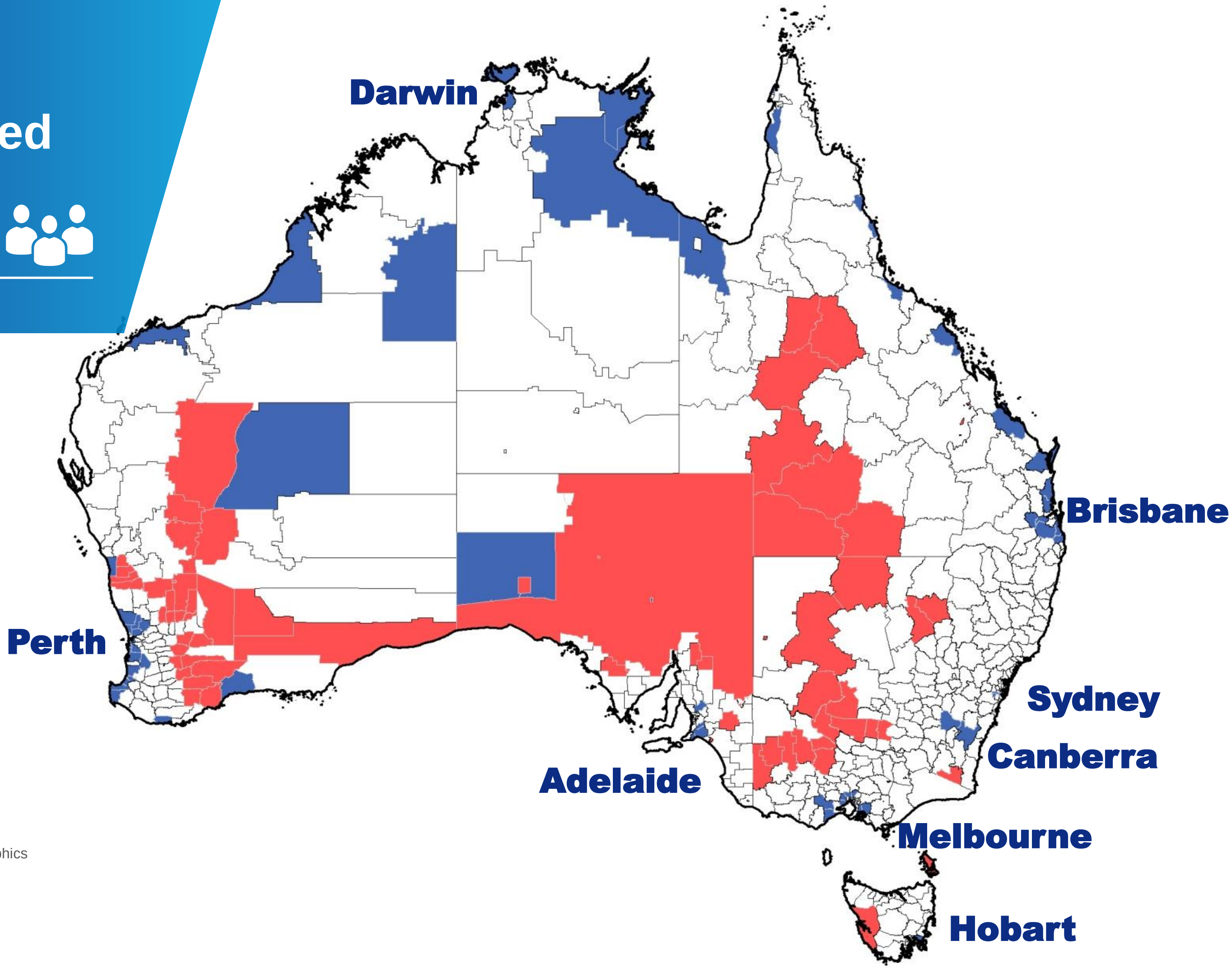


Net population growth for Australia between 1950 and 2023 (based on ABS 2013 projections)

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

We are an urban people with city-based jobs and interests

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



WINNERS

LOSERS

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

The Chinese and the Indians are shaping Australia's ethnic mix

Country of Birth	2013
United Kingdom	1,219,900
New Zealand	608,800
China	427,600
India	369,700
Vietnam	215,500
Philippines	210,800
Italy	199,100
South Africa	173,800
Malaysia	148,800
Germany	127,700

Top 10 ethnicities in Australia between 2008 and 2013

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

New acronyms for our newest tribes

PUMCINS …

Professional **U**rban **M**iddle **C**lass **I**n **N**ice **S**uburbs

…NETTELs

Not **E**nough **T**ime **T**o **E**njoy **L**ife

KIPPERS …

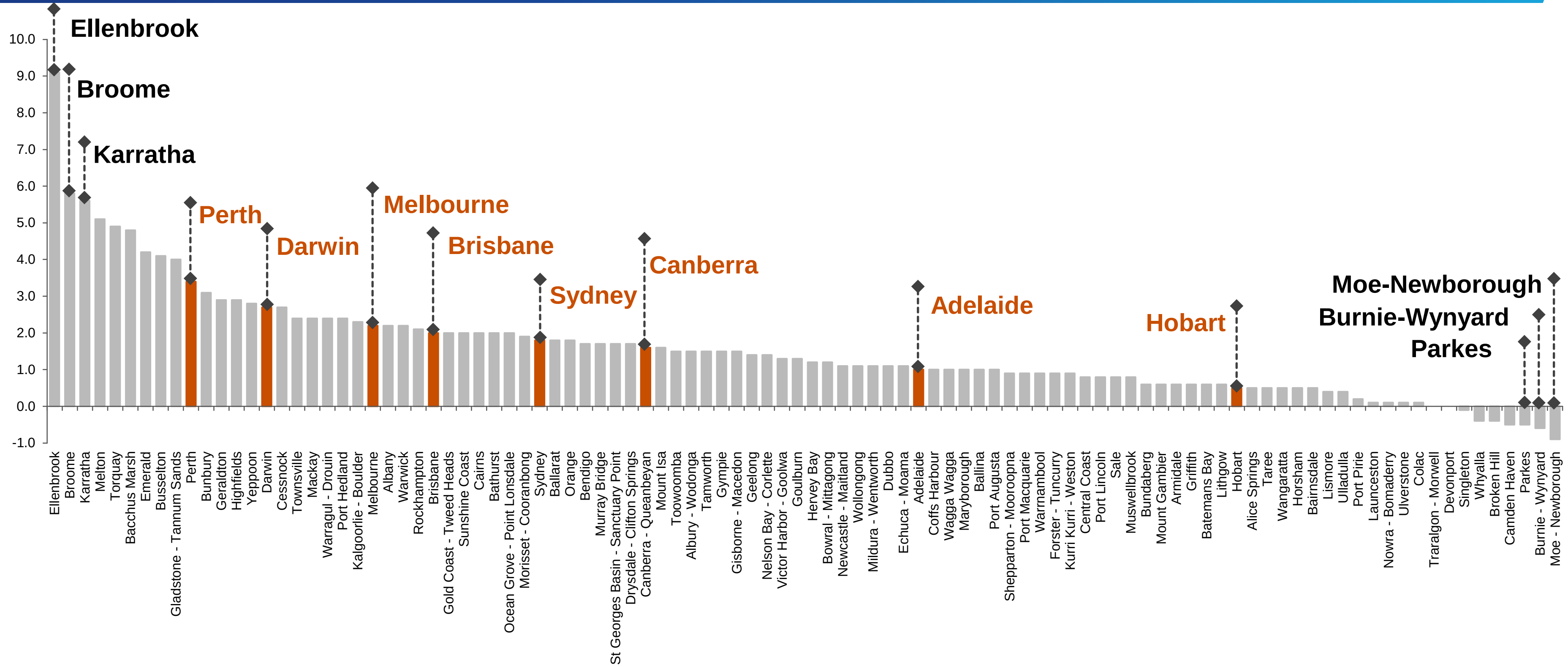
Kids **I**n **P**arents **P**ockets **E**roding **R**etirement **S**avings

…LOMBARDS

Lots **O**f **M**oney **B**ut **A** **R**eal **D**ickhead

Source: KPMG Demographics

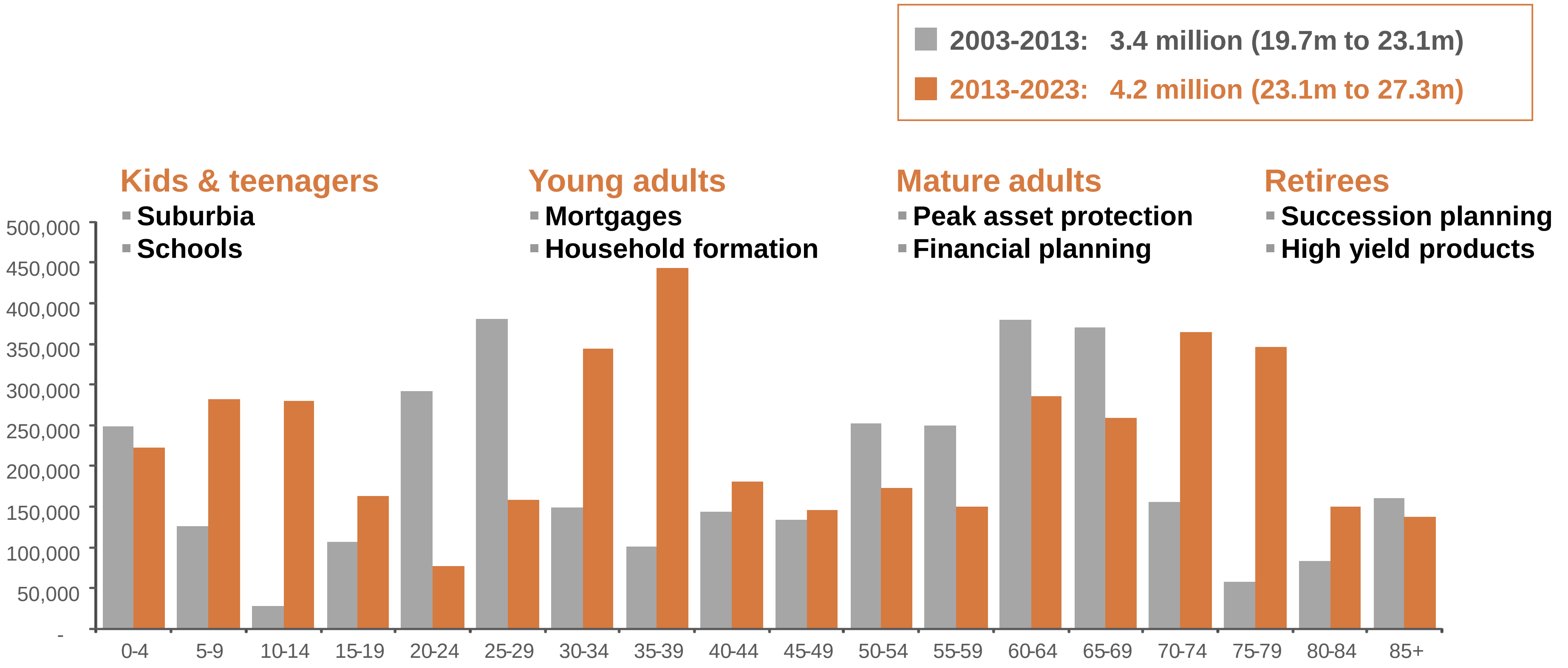
It’s lifestyle, resources and commuting that drives population growth and business opportunity



- **Percentage growth in population over 12 months to June 2013 for the 100 largest significant urban areas (SUA) in Australia**

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

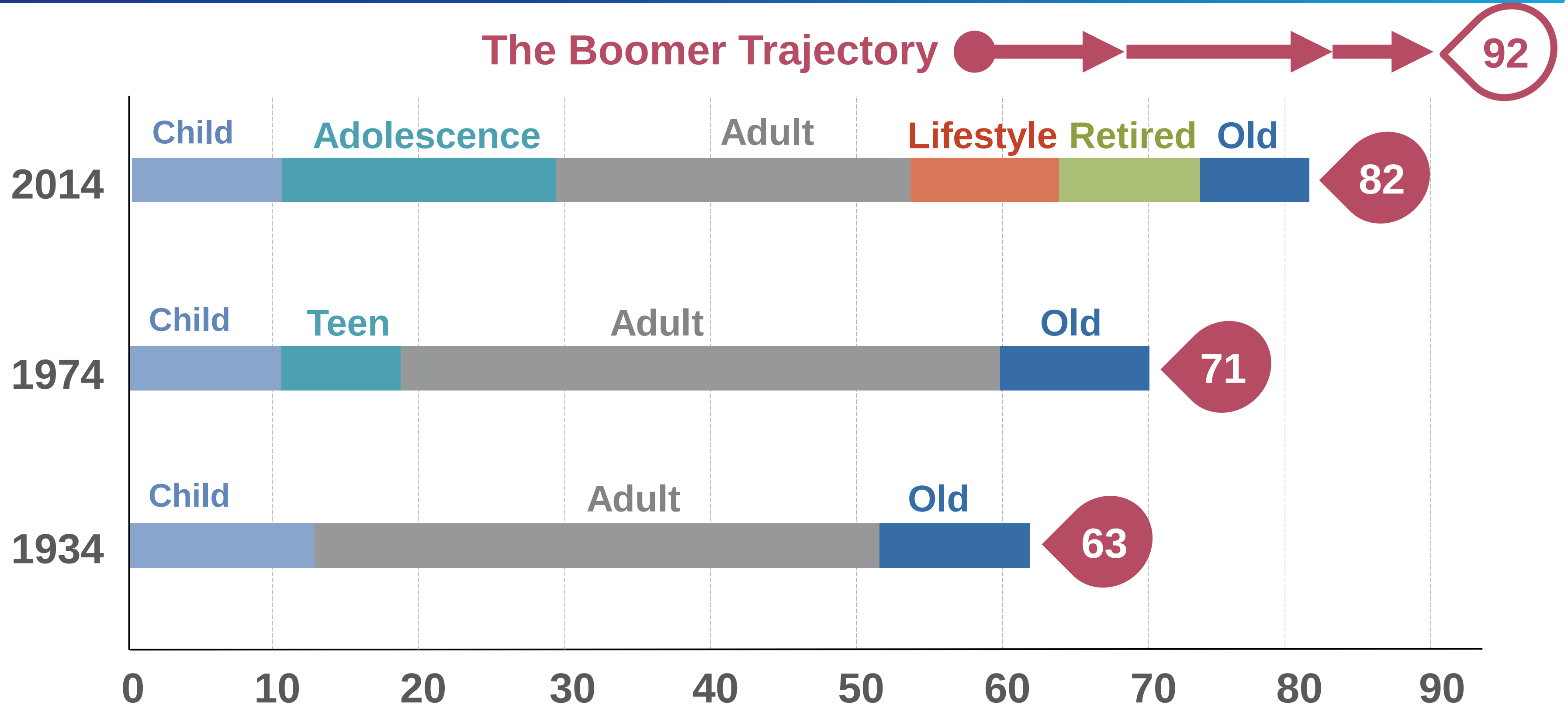
Financial and investment services are needed at all stages of life



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

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

Australians are dividing the lifecycle into 'thirds'



Change in life expectancy over 80 years in Australia

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?

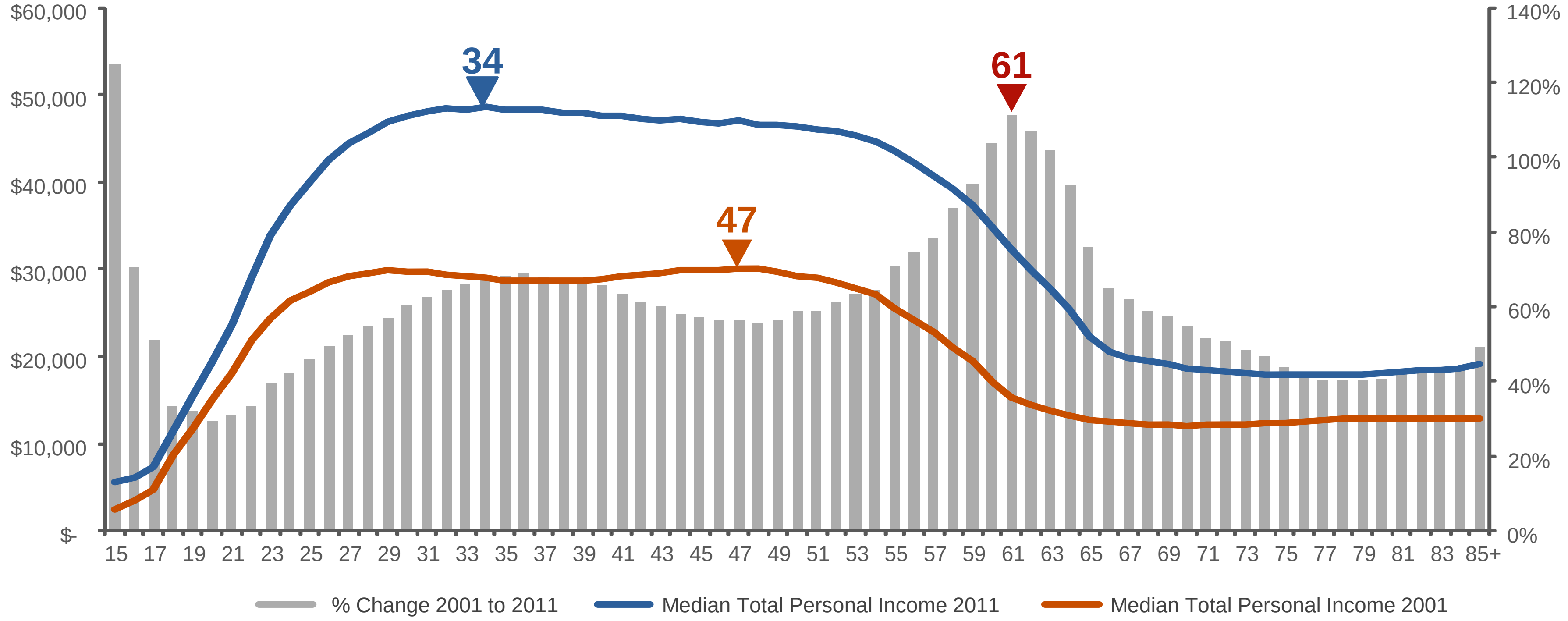
GENERATION Z

- Born 2001 – 2019
- Today 0 – 13

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

Source: KPMG Demographics

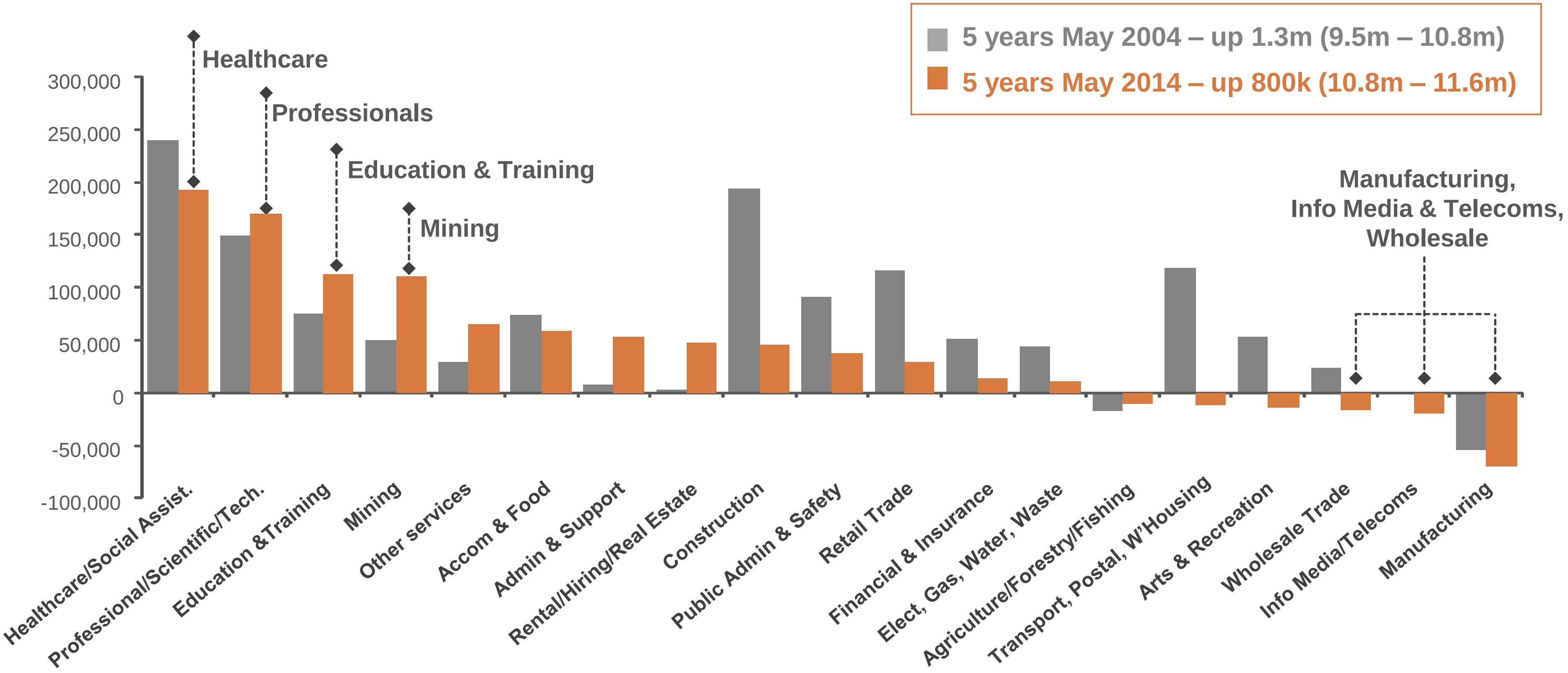
Baby boomers are re-imagining how life is lived in the late 50s and early 60s



Percentage change in personal income by age of income earner (>$1 p.a.) between 2001 & 2011 with average income per person in 2001 & 2011

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

There has been a shift in the Australian economy … away from manufacturing and towards healthcare and social assistance



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

Australia is growing jobs in caring, selling, managing and "doing" …

		Number Change 2006-2011
1	Aged or Disabled Carer	**30,800**
2	General Clerk	**30,100**
3	Child Care Worker	**21,000**
4	Electrician (General)	**20,100**
5	Checkout Operator	**20,000**
6	Accounts Clerk	**17,600**
7	Program or Project Administrator	**16,000**
8	Office Manager	**16,000**
9	Truck Driver (General)	**14,400**
10	Sales Assistant (General)	**14,000**

Net change in employment by occupation in Australia over 5 years to 2011

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

… but is contracting jobs in typing, assembling, farming and “filling”

Number Change 2006-2011					
1	Secretary (General)	**-28,700**	11	Dairy Cattle Farmer	**-3,000**
2	Corporate Services Manager	**-14,400**	12	Sewing Machinist	**-2,600**
3	Product Assembler	**-7,800**	13	Safety Inspector	**-2,500**
4	Mixed Shelf Filler	**-6,400**	14	Switchboard Operator	**-2,500**
5	Crop & Livestock Farmer	**-6,600**	15	Mixed Livestock Farmer	**-2,400**
6	Medical Laboratory	**-5,500**	16	Credit or Loans Officer	**-2,200**
7	Office Cashier	**-4,700**	17	Residential Care Officer	**-2,200**
8	Metal Engineering Process Worker	**-4,500**	18	Analyst Programmer	**-2,100**
9	Real Estate Representative	**-3,500**	19	Integration Aide	**-2,000**
10	Vineyard Worker	**-3,100**	20	Telecommunications Technician	**-1,900**

Net change in employment by occupation in Australia over 5 years to 2011

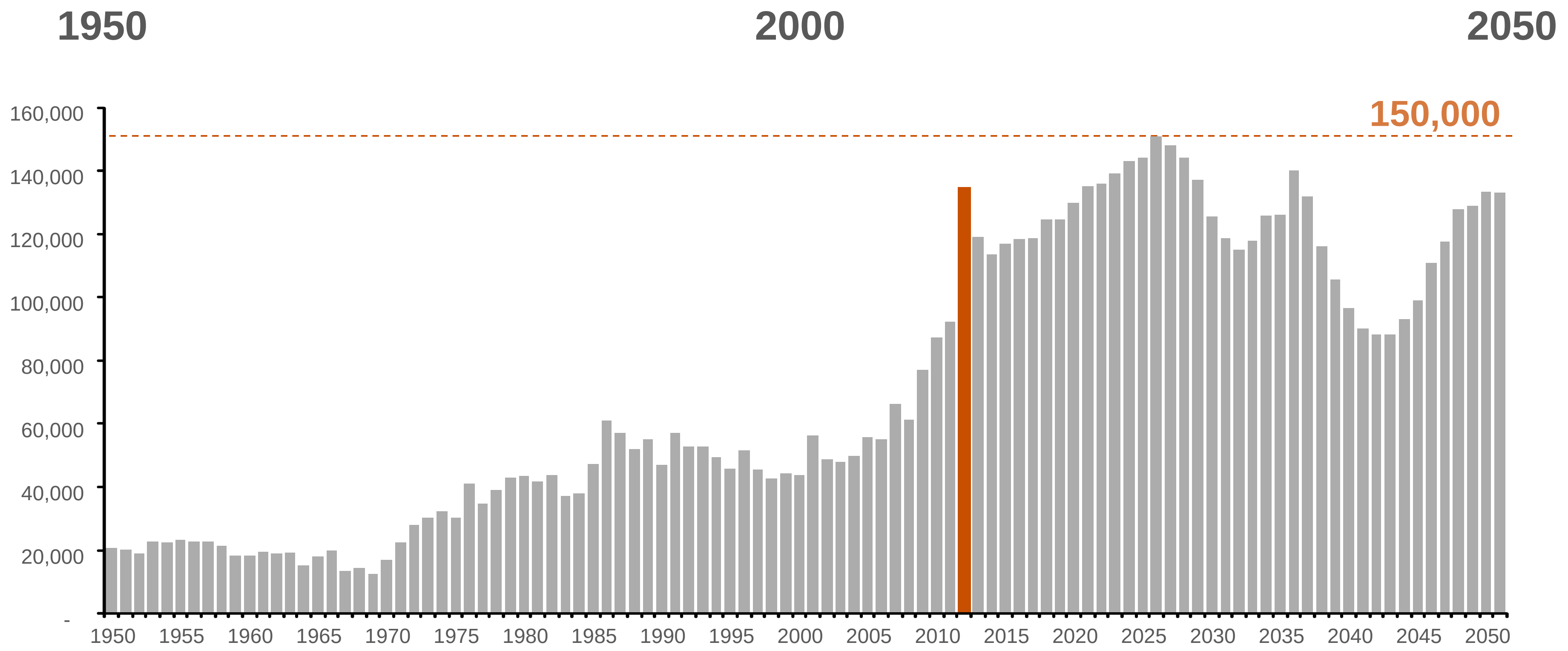
Source: Based on Australian Bureau of Statistics data; KPMG Demographics

There are ‘triggers’ to financial decision-making at each stage of the lifecycle

40	50	60	70	80	90+
Divorce	Divorce	Retirement	Grand-children	Power of Attorney	Spiritual focus
Teenagers	Kids leave home	Children marry	Children divorce	Institutional care	
Work peak	Health scare	Death of friend	Death of partner		
Work frustration	Inheritance	Seachange			

Source: KPMG Demographics

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



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

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

Common themes in the business world

‘More for Less’ … customers want you to deliver **more** and to pay you less

Competition from left field … often associated with new **technology**

Globalisation … new **players** discovering Australia

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