

Disruptor Scan

August 2023



Political

- **Social wellbeing policy** – National indicated it is a backing out of bipartisan support for a denser housing policy. As a consequence, Labour may change densification rules. This may lead to greater urban sprawl. Housing likely to be an important election issue.
- ↑ **Status of public funding** – Labour, National and Act have ruled out introducing wealth taxes in the next parliamentary term, but the Greens and Te Pāti Māori have included them in their election manifestos. Significant changes in taxation seem unlikely over the short term. Victoria and Alberta withdraw from hosting CWGs given cost and competing priorities – raising viability concerns about mega-event hosting.
- ↑ **Evolution of Treaty Partnership** – A report on the future for local government recommends the Local Government Act be amended to explicitly recognise local authorities as Treaty partners. Some political parties criticising the use of te reo on traffic signs, and the use of ethnicity as one factor in prioritising hospital waiting lists.
- **Other policy issues** – Waiting times for some specialists, treatments & surgeries continue to increase. Significant shortages of healthcare workers remain, with government releasing a recruitment strategy.
- **Governance policy initiatives** – New operating model for Local Government recommended by a local government panel, as is a change in relationship between central and local government to improve financial viability, local delivery and responsiveness. New Charities Amendment Act aims to reduce compliance requirements for small charities, but some charities concerned it may complicate reporting.



Social

- **Increasing ethnic, age and gender diversity** – British Rowing have banned transgender women from competing in female events. An open competition category for transgender and non-binary athletes has been created. Right wing opposition to transgender people and policies in the US continues, which will likely influence some groups in NZ.
- ↑ **Changing nature of work** – Support for flexible working remains high with workers, but about 90% of NZ workers now spend at least 3 days a week in the workplace. Considerable speculation over how middle-class jobs may be affected by generative AI applications.
- ↑ **Social and community resilience** – Home buyout scheme announced for properties affected by this year's extreme weather events. Only 59.5% of students met the criteria for regular attendance at schools and kura in term one. Rising crime and gang tensions testing resilience.
- ↑ **Changing leisure patterns** – Recent NZ research finds that kids spend on average 1/3 of their after-school time using digital devices. Rangatahi cite 'other interests' as reason for not being physically active in Active NZ research, pointing to changes in demand.
- **Changing demographics** – No exodus of kiwis to Australia after barriers to citizenship reduced in April. NZ had net migration gains over the past year, reversing the slump of 2021/2022. Most new migrants came from India, Philippines, China, and South Africa.
- **Individual wellbeing** – US Surgeon General advisory highlights risks of social media harms for young people. Kiri Allan's accident and resignation refocused attention on workplace mental health and wellbeing and the rising incidence of intense psychological distress.



Economic

- **National outlook** – Inflation rate fell slightly this quarter, the third quarter in a row, supporting predictions that inflation has peaked last year. Moody's credit rating agency held NZ's rating at AAA stable, saying the fiscal position is healthy – countering speculation of a fiscal hole.
- **Socio-economic inequality** – The fuel tax subsidy was removed in June, but the public transport subsidy remains for some. Discussions on removing GST on fruit or food, but unlikely to be any substantive changes that reduce inequality over the short term.
- **Māori economy** – In May Callaghan Innovation and Whāriki have entered a strategic partnership to accelerate the commercialisation of innovation in Māori enterprise. This will support investment in mātauranga Māori business pathways and innovative Māori firms.
- ↑ **Disposable income** – Pay rises for nurses and teachers may soon be settled, which will benefit a significant proportion of the population, but cost of living, and inflation remains a challenge for many. –
- **Changing business patterns** – Many firms and sectors adopting or thinking about using AI, often to augment human productivity. Some firms reducing working from home options, while others are increasing flexibility.

- ↑ Strengthening
- ↓ Weakening
- No change
- New item



Technological

- **Gaming and interactive experiences** – Some eSports appear to be struggling, with some teams or leagues unprofitable and staff being laid off. In the US viewership declined 13% between 2021 and 2022. On the other hand Formula 1 is developing virtual racing teams and held a race off between Sebastian Vettel and its best virtual driver (who won). Some F1 teams see virtual races as a way to attract new talent and broaden the audience base.
- **Human augmentation** – Anti-aging and longevity enhancing developments & hopes from Silicon Valley are currently attracting more attention than augmentation.
- ↑ **Digital and surveillance** – Expanding use of generative AI is increasing the risk of hackers deploying more sophisticated malware and phishing attacks. The CCTV video analysis company the NZ Police use to identify people and vehicles is being enhanced with AI in surveillance applications overseas.
- ↑ **Increased automation** – Google is using AI to train robots to make them more adaptable in real world situations without needing complex instructions. Many sectors and firms experimenting to see how ChatGPT and similar systems could improve productivity or efficiency, alongside or instead of human staff.
- ↑ **Advances in health and medical drugs** – Micro-dosing psychedelics to improve mental health is becoming popular but lacks scientific evidence of efficacy. A drug that potentially mimics the effects of exercise is being studied. Very large investments being made into anti-aging research.



Environmental

- ↑ **Climate change consequences** – Fires, floods and record temperatures (July hottest on record) in the northern hemisphere linked to changing climate. Sea temperatures seeing record highs, along with more extensive algal blooms. Fish, birds and sea mammal deaths being linked to temperature rises and toxic algae.
- ↑ **Climate change response** – UN Secretary-General now saying earth in era of "global boiling". But in Europe and US states there are signs of increasing "greenlash" by political parties, with UK gov't proposing opening new oil & gas fields. In NZ, the main political parties have not announced substantive greenhouse gas reduction actions or plans. Government is developing a National Adaptation Plan as part of framework to address impacts of extreme weather and other natural hazards.
- ↑ **Space and place dynamics** – Initiatives that encourage housing densification look to be weakened. Aspects of *Let's Get Wellington Moving* may be at risk after the election. The Future of Local Government report recommends central government increase funding to local authorities, and to consider amalgamating some authorities for efficiencies and cost savings. Digital twins being used to monitor and redesign cities overseas.
- **Active Transport** – Major parties still focusing on road building & maintenance in run up to election. Fire & Emergency is warning people to take care when charging e-scooters & e-bikes after recent fires. Reports of fires from e-vehicles overseas are rare enough that they still make the news and may influence risk perceptions.



Sector

- **Social licence for sport and recreation** – Submissions on the Integrity Sport & Recreation Bill are being considered. Netballers are concerned that traditional female sports, like netball, are finding it hard to compete for players due to "cashed up" male-dominated sports investing in women's teams. Pole vault coach Jeremy McColl banned from athletics for 10 years for "improper & inappropriate actions." CWG's hosting arguably challenging the relative importance of sport.
- ↑ **Athlete and participant wellbeing** – A 4-month dispute between Western Springs Football club and its premier women's team over unfair treatment of women players was resolved in June with the help of a mediator. Women's Football World Cup highlighting that work still needed to reduce inequalities between men's & women's sports.
- ↑ **Workforce (including volunteers)** – AI systems like ChatGPT may be increasingly used for sports analytics and to develop coaching strategies and personalised training plans, according to some commentators. AI is already widely used to create media content summarising games. HAL roles may be viewed as less attractive given teacher salary increase.
- **Changes in geopolitical power** – Speculation that Saudi Arabia to make substantial investments in other sports events to build sports tourism there.
- **International travel** – The number of flights globally has doubled since 2020 but are still about 15% below 2019 levels. Compared to 2022, flight cancellations are lower, but flight delays are higher.