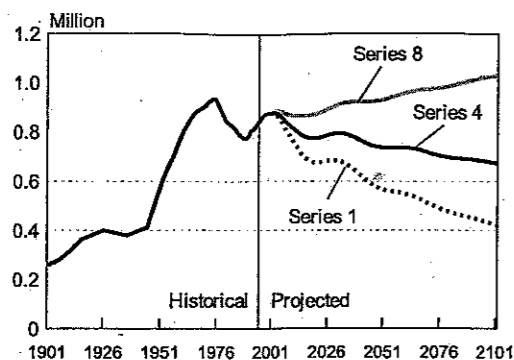


Figure 3

**Population Aged 0-14 Years
1901-2101**



Changes in age structure

All projection scenarios point to significant changes in age-sex structure with New Zealand's population taking on an older profile in the future. This section examines likely changes in various broad age groups over the next 100 years.

Children (0-14 years)

For most of the 20th century the number of pre-school and school-age children has increased (Figure 3). However, this increase is unlikely to continue in the long term. Under the medium scenario, the number of children under 15 years is projected to fall from an estimated 875,000 in 1999 to 737,000 in 2051 and then to 674,000 by 2101.

Children will comprise a decreasing share of the New Zealand population in the future, down from 23 percent in 1999 to 16 percent from the early 2040s onwards.

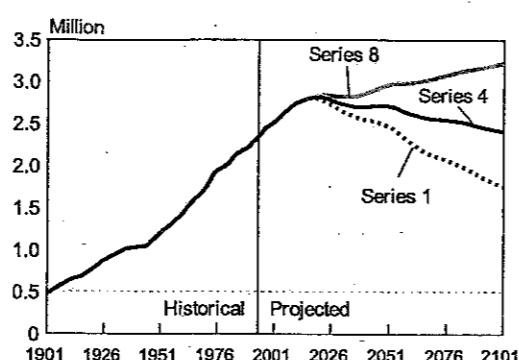
Working-age population (15-64 years)

An important development in recent years has been the removal of the upper age limit for employment. For convenience of analysis, the working-age population is taken here as those aged 15-64 years, and has historically included the majority of people in the labour force.

The working-age population is projected to increase by 330,000 over the next two decades, from 2.49 million in 1999 to 2.82 million in 2020 (Figure 4). Over three-quarters (or 250,000) of the gain is expected to occur by 2010, as those born from 1985 to 1995 move into the working ages, and the smaller cohorts born in the decade prior to 1946 move out of the working ages. The

Figure 4

**Population Aged 15-64 Years
1901-2101**



number of workers will then decline slowly to slightly less in 2101 than in 1999, reflecting the exit of baby boomers from the workforce. Currently, the working-age population represents 65 percent of the total population. Their share is projected to drop to about 58 percent by the late 2030s and then decrease very slowly to 57 percent by 2101.

Significantly, the working-age population will take on an older profile. For example, those aged 40-64 years will make up 52 percent of all working-age people by 2051, compared with 44 percent in 1999.

Older New Zealanders (65+ years)

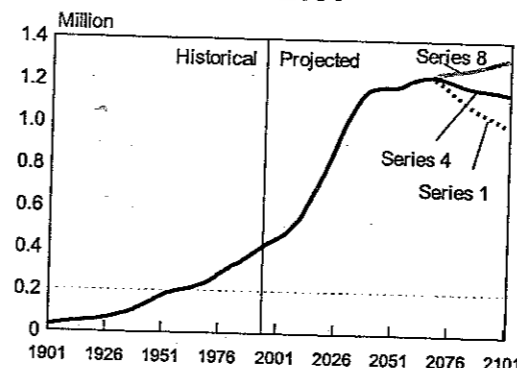
In 1999, New Zealanders aged 65 years and over numbered 0.45 million, up from just 30,000 in 1901 (Figure 5). Improvement in mortality resulting in increased life expectancy - has been an important element in this growth. Over the next 50 years, the 65+ population will more than double to 1.18 million by 2051, and will peak at 1.23 million in the late 2060s. The largest increases will occur during the decades ending in 2021 (up 215,000) and in 2031 (up 250,000), when the baby boom cohorts reach this age group. There will then be a slow and steady decrease to 1.15 million by 2101.

Currently the 65+ segment makes up 12 percent of all New Zealand residents (or roughly 1 in 8). By 2051, this will have risen to 26 percent (or about 1 in 4), a proportion that is likely to vary only slightly over the following five decades.

The 65+ group will not only grow substantially in size, but it will also get older, mainly as a result of the ageing of the baby boomers and further improvements in longevity. The 85+ age

Figure 5

**Population Aged 65+ Years
1901-2101**



group will surge from 45,000 in 1999 to 293,000 in 2051, and thereafter hover around that level. The number of centenarians is projected to climb from 300 in 1999 to 12,000 in 2051 and 18,000 by 2101. These changes have direct implications for health expenditure because of the significant rise of disability with age, and the increased need for health treatment and social services.

Population ageing

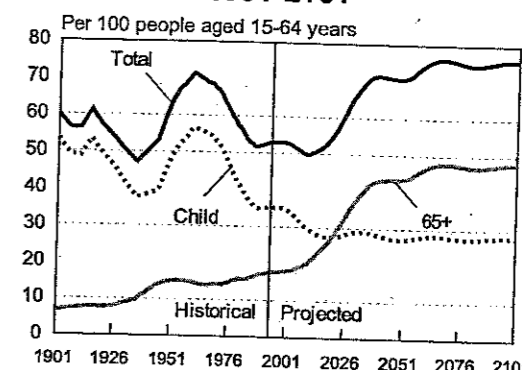
The substantial shifts described above point to further ageing of New Zealand's population in future, a feature shared with Australia, Canada, USA, UK and other European nations. These shifts are caused by the movement of the baby boomers up the age scale, the assumed continuation of sub-replacement levels of fertility and increasing life expectancy. By the mid-2040s, half of our population will be older than 45 years, compared with a median age of 34 years in 1999. The median age is projected to remain fairly stable from 2050 onwards. Large gains in net migration are unlikely to retard the effects of the ageing process significantly, although a shift from medium to high fertility would have a greater impact.

Dependency ratios

Demographic dependency ratios are often used to relate the number of people in dependent age groups (such as 0-14 years and 65 years and over) to the working age population (15-64 years). They are crude measures because they do not recognise that some people aged 15-64 years may not be in the workforce and that some people aged 65 years and over may still be in the workforce.

Figure 6

**Demographic Dependency Ratios
1901-2101**



Nevertheless, over the next four decades the 65+ dependency ratio will more than double, from 18 people aged 65+ years per 100 people aged 15-64 years in 1999, to 43 per 100 in 2040 (Figure 6). After this time the ratio will continue increasing, but at a much slower pace, to reach a level of 47 per 100 in the early 2060s, and then remain steady. Meanwhile the child dependency ratio will remain relatively stable during the 21st century.

specific vocabulary relevant to the report

Conclusion - sums up report

Timeless

impersonal objective language