

Disruptor Scan

May 2025



Political



Social wellbeing policy

A new \$190m Social Investment Fund has been announced to change the way social services are delivered to vulnerable groups. The NZ government is working to introduce restrictions on the use of social media by under 16-year-olds. The government's sudden decision to raise thresholds for pay equity claims and stop current claims has generated widespread protest.



Evolution of Treaty Partnership

The government has announced a review into the Treaty of Waitangi Act 1975 and the Waitangi Tribunal to refocus the scope and purpose of the Tribunal. The Auditor-General has found that every public agency has had trouble meeting its Treaty obligations to iwi and hapu. The draft Regulatory Standards Bill does not mention the Treaty, raising concerns that the Crown will further limit the role of the Treaty in decision making.



Governance and regulation

18,000 incorporated societies, many sport and recreation clubs, have yet to re-register as part of the updated Incorporated Societies Act. International online gambling firms will soon start operating in NZ. There are concerns this will reduce Class 4, TAB sports betting and lotto revenues.



Strengthening



Weakening



No change



Status of public funding

The 2025 budget delivers targeted increases in funding for health, education, disability support, and law enforcement, alongside new infrastructure investment and cost-of-living relief for low- to middle-income households. It also introduces tighter eligibility for some benefits and reduces KiwiSaver government contributions. Social services receive significant boosts, particularly for disability support and abuse survivors, but some areas—such as pay face cuts.



Other policy issues

The draft Planning and Natural Resource Acts, which replace the RMA, prioritise private property rights. Where Councils set environmental protections (such as water quality and species conservation) above national minimums then ratepayers would end up paying compensation to affected landowners. Councils may therefore decide to keep environmental and other protections at minimum levels.



Geopolitical events

Geopolitical uncertainty and the risk of conflicts are increasing, spurred by policy and strategic changes in the USA, and the wars in Ukraine and Gaza. Australia's security intelligence service expects increasing local protests and communal violence, driven by worsening economic conditions, misinformation, eroding social cohesion, and foreign interference.

Social



Increasing diversity

The UK Supreme Court's recent ruling on the definition of "woman" in their Equality Act is having broader implications for transgender people globally, including more exclusions from female sport. Diversity, equity and inclusion practices continue to be challenged globally by some politicians and their supporters, as is online abuse and trolling of women and minorities.



Social and community resilience

Australia is now outscoring NZ on every measure for social cohesion, according to the Helen Clark Foundation. In response, NZ has rolled out programmes like "Resilience to Organised Crime in Communities" to address local harms and improve inter-agency cooperation. Privileges Committee's unprecedented recommendation to suspend three Te Pāti Māori MPs for a haka protest has raised concerns about procedural fairness.



Wellbeing

A UNICEF report ranks NZ 32nd out of 36 countries for overall child wellbeing. A mental health initiative for school children, called Mitey, has been rolled out in Bay of Plenty schools. The programme embeds mental health education for Years 1-8. It is hoped that this will expand to include all primary schools. A recent international study found that NZ's sexual violence rates are higher than Australia's and the global average. The Impact of Dementia and Equity in Aotearoa study has found that thousands of kiwis have undiagnosed dementia and are not receiving appropriate support. The research project has four more years to run. The Smokefree 2025 goal of having only 5% of the population smoking is unlikely to be achieved, with at least 80,000 kiwis needing to stop smoking this year.



Changing nature of work

The last three months have seen the New Zealand workforce move from a period of uncertainty toward cautious optimism. While the job market is stabilising and certain sectors are rebounding, the overall environment remains challenging, with skills shortages, wage pressures, and high employee mobility. The rapid integration of AI and the solidification of flexible work arrangements are reshaping how and where Kiwis work.



Changing leisure patterns

In New Zealand, more young people are choosing to socialise without alcohol. This is leading to greater interest in saunas and other wellness activities as social activities. Other changes include new freedom camping regulations to protect natural areas, and a rise in flexible recreation like gym workouts and self-guided activities.



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Weakening



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Economic



National outlook

The economy is set to recover from this year's downturn, with GDP projected to grow 2.9% next year, 3% in the year to June 2027, and 2.9% in the year to June 2028. GDP per person is not expected to return to its 2022/23 peak until around 2028. Unemployment is forecast to reach 5% this year and 4.8% next year. Wage growth has been revised down to 2.6% next year. House prices are expected to rebound strongly, with growth of 6.7% in 2027.



Māori economy

The contribution of the Māori economy nearly doubled between 2018 and 2023, to \$23 billion. The major contributors to the Māori economy are now administrative and professional services, a shift away from agriculture, forestry, and fishing. Entrepreneurship among Māori still lags the national average. For the first time since 2006 Māori workers now hold more "high skilled" than "low skilled" jobs.



Changing business patterns

National and international business changes are anticipated due to the US raising tariffs and disrupting trade agreements and supply chains. Reduced customer spending and increasing costs, alongside supply chain disruptions, may threaten the viability of many small firms. AI adoption in businesses is increasing, though often without significant benefits for productivity, services, or profitability due to poor strategy and/or neglect of staff capability needs. However elite business schools in the US are finding that MBA graduates are taking longer to secure jobs, which has been partly attributed to AI taking over some of their tasks. Large tech companies are facing increased regulatory challenges in the EU and US over anti-competitive behaviours



Socio-economic inequality

The government's sudden change to pay equity thresholds has stopped 33 current cases largely affecting women. The expansion of online gambling to include international operators, and the expected rise in associated advertising, is likely to result in a decrease in community funding. A NZ financial survey found about one third of people had \$50,000 or less in savings or investments, while 15% had over \$500,000, excluding property.



Disposable income

An April IPSOS survey found that a quarter of New Zealanders are still finding life financially difficult, with 47% worried about job security. Research by the Financial Services Council found that, overall, New Zealanders' financial situations have worsened year-on-year. It also found that concern about job security has also increased over the last two years (but only to 20%, contrasting with IPSOS's results).



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Technological



Gaming and interactive

Low-cost cloud services and AI are driving increasing access to and engagement with digital games. More dynamic, personalised game paths and narratives are being incorporated, and AI is also speeding up game development while reducing production costs.



Digital and surveillance

Google and Apple have lost significant anti-trust or anti-monopoly cases in US courts. Meta is also facing stronger legal scrutiny. This could result in some of their business units being broken up. A study by New Zealand's Classification Office found that encountering extremely harmful content is part of the online experience for young people, and there is a lack of support and guidance to help them. Most NZ retail firms support greater use of facial recognition technologies to help address rising crime and anti-social behaviour. Meta's next AR glasses may include facial recognition technology.



Health and medical

No Duff Charitable Trust in NZ has created a chatbot for military veterans and trained it to provide crisis support, mindfulness and breathing modules. International studies are showing that under well-regulated conditions some AI systems can help improve the mental health of patients. Two recent studies have indicated that the shingles vaccine could also reduce the risk of dementia and cardiovascular disease, although further research is required. Part of Meta's AI strategy is to use AI to help people be "better friends", although critics fear that Meta will use AI to displace real relationships. In the US, WeightWatchers has filed for bankruptcy, citing the impact of weight-loss drugs. However, its weight-loss medications division has been doing well.



Human augmentation

Exoskeletons for the consumer market are becoming more available and affordable. Recreational uses for these are growing. A tourist site in China is renting exoskeletons out to hikers, while in the US less bulky products that utilise AI to adapt to the wearer's needs and abilities are also now available.



Artificial Intelligence

The NZ government has released a framework for the use of AI in the public service, based on OECD principles. Agentic AI, which perform tasks rather than just create content or respond to queries are becoming more popular, but there is great uncertainty about how firms can use them to add real value. There are growing calls to protect human creativity as a "natural resource" in the face of growing use of AI. The increasing use of AI by students could lead to many graduates being essentially illiterate and unable to think critically. AI is also anticipated to replace traditional search engines, posing a significant threat to Google's core business and revenue source.



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Environmental



Climate change consequences

Research has quantified how rapidly NZ coastland is sinking, and how this varies around the country. Christchurch has the greatest sinking rate, attributed to the 2010/11 earthquakes. Researchers have also been able to attribute particular climate change impacts to specific emitters, which can help with litigation. The Insurance Council of NZ has identified 675,000 homes are already in flood prone areas. An international survey found widespread public support for climate actions. A major global insurer has highlighted the risk of non-insurability, and the need to rethink economic policies.



Environmental outlook

The Our Environment 2025 report concludes that 76% of NZ's freshwater fish, 68% of freshwater birds, 78% of terrestrial birds, 93% of frogs, and 94% of reptiles are threatened with extinction or at risk of becoming threatened. Local community-led "rewilding" conservation efforts for native birds, involving collaborations and partnerships with multiple groups, continue to show signs of success.



Active Transport

Waka Kotahi is developing an "Evidence Pack" to develop a better understanding of the transport network, including challenges, potential solutions, and their effectiveness. Cycleways are likely to be a contentious point of debate during some Council elections later this year, especially in Wellington. Potential candidates have already indicated they favour removing some existing bike ways and halting further developments where vehicles and parking are to be reduced.



Strengthening



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Climate change response

The International Maritime Organisation created a legally binding global climate agreement for oceans, despite the US and some other nations not supporting it. Gaps between the Natural Hazards Commission and the Building Act mean that some home owners may not be compensated for unliveable houses following natural disasters. In NZ a national climate adaptation framework is being developed, although councils want flexibility for local adaptation plans. Porirua Council used a citizens assembly to identify potential climate solutions.



Space and place dynamics

Resource Management Act reforms, new freedom camping rules, and changes to shooting club regulations, all impacting access to recreation and sport spaces. Auckland faces an ongoing shortage of indoor courts despite new funding. Wet weather has caused temporary field closures, while community planning and park upgrades continue.

Sector



Social licence for sport and rec

Sport and recreation has faced heightened scrutiny over issues like concussion protocols, inclusivity, and the influence of gambling and alcohol sponsorship. These pressures are compounded by new forms of sport-as-entertainment, such as the Enhanced Games (scheduled to commence in 2026) and the Runit Championship League, which directly challenge the sector's social license—the broad public acceptance that underpins sport's legitimacy and support.



Athlete and participant wellbeing

Recent months have seen heightened risks to athlete and participant wellbeing in New Zealand, with the launch of the controversial Runit Championship League, rising concussion claims among youth, and growing restrictions on transgender participation in sport. Social media-driven trends are also increasing unprepared backcountry hiking incidents. These developments, alongside neuroscientist warnings about new high-impact sports, highlight escalating concerns for safety, inclusion, and health across both traditional and emerging sporting activities.



Workforce (including volunteers)

Between 2022 and March 2025, over 1,100 incorporated community sport organisations in New Zealand were dissolved by the Registrar of Incorporated Societies. New reporting requirements under the revised Incorporated Societies Act may make it harder to recruit and retain volunteers, as increased administrative demands deter people from taking on committee and governance roles. This legislative change, combined with ongoing workforce challenges, could significantly impact the sustainability and operation of sport and recreation organisations, including their reliance on volunteers.



International travel

Higher inflation or a global recession are likely to impact international events and travel. Recent tensions in the Middle East, Eastern Europe, and Southeast Asia are also disrupting travel. Additionally, new regulations such as the UK's ETA and the EU's biometric entry system are creating extra hurdles for travelers. A significant drop in tourists visiting the US could further influence airfares and flight availability, with effects that may be either positive or negative depending on demand and airline responses.



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