

NAB CONSUMER SENTIMENT SURVEY Q3'21

INSIGHTS INTO CONSUMER STRESS, ATTITUDES, SPENDING PATTERNS & BEHAVIOURS



NAB Behavioural & Industry Economics

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CONSUMER STRESS EASED DESPITE RISING CONCERNS OVER GOVERNMENT POLICY, NOW THE TOP CONCERN FOR THE FIRST TIME IN OVER 5 YEARS AS VISIBILITY OF GOVERNMENTS HEIGHTEN DURING COVID. DESPITE INFLATIONARY FEARS, LIVING COSTS VIEWED AS STABLE OR FALLING. MAJOR PURCHASE EXPECTATIONS UP, PARTICULARLY HOLIDAYS & HOME RENOVATIONS. LESS PASSIVE, MORE ACTIVE CONSUMERS - MORE TIME ON DEVICES, SHOPPING LOCAL, BUYING AUSTRALIAN, RESEARCHING MORE.

The **NAB Consumer Stress Index** fell to 55.5 pts in Q3 2021 (from 57.8 in Q2 & well below the survey average 59.0), as concerns eased, particularly those around funding retirement and health. Cost of living and job security stress was also down, but worries over government and public policy continue to rise, which at the time of sampling coincided with lockdowns and other COVID restrictions in much of eastern Australia. Consumer stress was down in most states, led by NSW/ACT (56.0) and QLD (54.3) and remains lowest in WA (at 53.2 and the only state to report lower stress over government policy), and highest in NSW/ACT and VIC (56.5). Stress rose sharply in TAS (56.5). Women (56.0) report higher stress than men (55.0, driven by retirement funding and cost of living concerns) and eased across all age groups (highest for those aged between 30-49 at 59.0), and lowest by a considerable margin among the over 65s to a survey low 44.3). The gap between lower (63.1) and higher income groups (51.6) also narrowed a little.

Amidst ongoing debate whether global price increases relating to COVID-19 supply chain disruptions are temporary, or becoming embedded in higher actual and expected inflation, consumer perceptions of **cost of living** eased. Overall, consumers viewed prices in Q3 as either stable or falling. Costs remain highest for groceries (a net balance of +49 vs. +48 in Q2 & +40 in Q3 2020) and utilities (+48 vs. +48 in Q2 & +39 Q3 2020). Relative to the previous quarter, cost perceptions moderated in all other expenditure categories, most noticeably children, transport, eating out, travel and holidays, rent, personal goods and entertainment.

Consumer spending is critical to the economic recovery. With lockdowns now over across the country, businesses can expect an initial surge in demand across a range of spending categories, particularly travel, personal services, and hospitality, with many consumers building up a considerable savings buffer. This will be welcome news for many businesses with **household spending patterns** remaining conservative in Q3. NAB's overall spending indicator was -7 in Q3 (vs. -6 in Q2 & -12 in Q3 2020). Spending patterns were weaker in NSW/ACT, SA/NT & WA, stronger in QLD & TAS and unchanged in VIC.

Spending remains dominated by essentials but a little less so (+9 vs. +12 in Q2), after rising in each of the previous 3 quarters. Utilities (+24) and groceries (+18) were however both up strongly on Q2. Consumers continue to cut back on non-essentials (unchanged at -19), while financial spending eased a little (+2 vs. +5 in Q2). However, spending on medical expenses eased (+10 vs. +13 in Q2), along with transport (-8 vs. +9 in Q2) and children (-4 vs. +1 in Q2). For non-essentials, the biggest cutbacks were on entertainment (-36 vs. -29 in Q2), eating out (-24 vs. -18 in Q2) and travel & holidays (-33 vs. -28 in Q2), while cut backs in charitable donations (-14 vs. -19 in Q2), major household items (-13 vs. -18 in Q2) and home improvements (-3 vs. -5 in Q2) eased.

Against lower consumer stress, consumer **expectations around major household purchases** over the next 12 months were generally more positive. With COVID travel restrictions starting to loosen, there was a large jump in the share of consumers expecting to spend more on holidays (+15 vs. +2 in Q2). Expectations also rose for home renovations (+9 vs. +7 in Q2), other investments aside from property (+6 from -3 in Q2), residential property (+3 vs. -2 in Q2), investment property (+1 vs. -8 in Q2) and major household items (+1 vs. -9 in Q2). Improvements were also seen for cars (-1 vs. -6 in Q2) and school fees (-4 vs. -5 in Q2), but were a little weaker for private health insurance (-1 vs. +1).

The recovery in consumer spending will be uneven based on circumstances, geographies, age and income. For example, while there was a large jump in the overall net number of Australian consumers who expected to spend more on holidays in the next 12 months, the share was far higher in the \$100,000 p.a. income group (+29). Expectations were also much more positive for home renovations (+20), other investments excluding property (+14), major household items (+9) and residential property (+9).

The pandemic continues to shape **consumer behaviour** driving unprecedented levels of channel switching, a strong shift towards contactless payments, virtual meetings, video conferencing and telehealth, more considered and frugal spending, and a greater focus on community, health/wellness, sustainability, transparency and safety in product and supply chains. Consumers are spending more time on digital services, are more informed about price and value, and more open to change and experimentation. But, it would be unwise to assume all behaviours formed during the pandemic will become permanently entrenched, or that all consumers will behave the same way. So, for example, while some people will continue to exercise at home (having invested in fitness equipment and virtual classes), many other fitness enthusiasts will be comfortable returning to gyms. Similarly, while some consumers are likely to remain uncomfortable engaging in routine activities prior to the pandemic, including visiting cafes, movie theatres and large shopping centres, most will return. But, more “normal” spending patterns in some categories may take some time.

Many businesses have a basic misunderstanding about the forces that shape consumer behaviour. The best way to learn what consumers want is simply to ask them about their preferences and changing habits. NAB monitors over 40 consumer behaviours and attitudes including whether Australians have switched or tried a new product, brand, store, channel, attitudes to cost, value, convenience, safety, environmental, social or privacy issues, time on screens & devices, social media, whether we are working more or less from home, dining at restaurants and visiting major shopping centres.

What are consumers doing more? The top response in Q3 was the amount of time spent on screens and devices (a net +47% of Australians reported more of this behaviour). Consumers aged 30-49 were the heaviest users of screens, but all age groups reported a significant uplift in time on devices and this pattern was evident across all income levels. While lockdowns in Australia’s two largest states have no doubt contributed to this result, there are indications this trend will continue, even as the pandemic retreats. Before COVID, the majority of media content was being consumed on screens, with multiple devices often being used at once. When TV is being watched, often another screen is used. Google research has highlighted growth in sequential usage of screens, and the importance for business to keep customers engaged across devices and beyond the device where they were initially engaged (for example, the ability to save progress, retain shopping carts, signed-in experiences, etc). While the growing use of screens presents more opportunities for businesses to interact with consumers, it also presents challenges. For example, presenting information as clearly as possible on a small screen, the right message at the right time and providing consumers with one consistent omnichannel experience, across devices, platforms, and in-store.

Other important positive behavioural changes include supporting local businesses (+43%), cooking more at home (+42%), being more conscious of buying Australian-made (+40, rising to +51% in the 65+ group), and being more mindful and careful where we spend money (+37%). Lockdowns and working from home orders have negatively impacted CBD retailers, and in particular department stores. With more people working from home during the pandemic more consumers have been shopping locally to support local producers, cafes and restaurants. Increasingly, stores and big brands might have to come to us rather than expecting us to go to them. Consumers are also prioritising locally made Australian products due to concerns around safety standards and environmental sustainability of foreign products, global manufacturing and supply disruptions and export barriers for some Australian products.

While value for money continues to be a key factor affecting buying behaviours, sustainability and ethics have gained further relevance since COVID as part of a trend towards more “conscious consumerism”. There has also been growing popularity of veganism, vegetarianism and diets that incorporate more plant-based and organic alternatives and wellness products more generally. NAB research shows that around 4 in 10 Australians believe they are prioritising their own health more since COVID, particularly men. But, more women than men are making purchasing decisions based on supporting local businesses, buying Australian made and climate and sustainability issues. Higher income earners are also much more likely to be influenced by these issues. For many businesses, sustainability must become part of the brand experience. The once more passive consumer is now a much more active consumer, aided by the shift towards working from home but also one that saw their neighbourhood businesses struggle, and wanted to help out. It remains to be seen whether pricing becomes more of an issue in consumers ability to stay local as the economy continues to open up. Businesses must increasingly articulate their value proposition (both in terms of price and quality), as well as their values (which is becoming a more important factor in brand switching and loyalty). Businesses must also manage “COVID fatigue” among consumers, with more positive messaging around recovery and reconnection likely to resonate going forward.

The shift towards online shopping is also expected to continue. NAB estimates that in the 12 months to September 2021, Australians spent \$52.04 billion on online retail, a level around 14.3% of the total retail trade and 28.3% higher than in the 12 months to September 2020. In year-on-year terms, the strongest on-line growth categories have been department stores, takeaway-food and grocery & liquor. Before the pandemic, we were cooking less due to a perceived lack of time. COVID-19 has caused a shift in many aspects of life including food practices.

Even as Australians return to dining out (both indoor and outdoor), home cooking is likely to remain more popular than pre-COVID. This trend is part of a broader shift towards the home as a hub for work, fitness and entertainment. This has seen an increase in purchasing for furniture and home furnishings, groceries and gardening. The pandemic has prompted many people to make long-lasting improvements to their homes, particularly to support more multi-use spaces and home offices. NAB research shows that with more people working from home since COVID, almost 1 in 5 Australians believe having a study or work area is important when buying a property. Others have decided they are not living where or how they want to and have decided to move. Almost 1 in 10 Australians have either moved within their own or another state or territory because of COVID and are not planning to return. The pandemic and the opportunity to work remotely has seen many people re-evaluate their lives resulting in movement away from big cities.

Looking forward many consumer behaviours will be influenced by the speed with which workers return to the office. High income earners and consumers under 50 led the way for working more from home, but while more men also worked from home (+21%), the net number of women working from fell (-5%).

What are consumers doing less? With COVID restrictions firmly in place in many states and concern over the virus increasing, holidays (-56%), dining at restaurants (-43%), visiting major shopping centres (-43%) were the top responses. Far consumers in the 50-64 age group (-57%), women (-56%) and low-income earners (-53%) dined in at a restaurant or ate out. Fewer women (-51%) also visited a major shopping centre compared to men (-34%). While some caution will remain beyond the pandemic (particularly travel to international destinations), consumer demand for travel and experiences will return.

Previous NAB research suggests that over 1 in 2 Australians intended to take a holiday over the next 12 months, with younger Australians leading the way. Around 8 in 10 are planning to holiday at home (46% interstate, 33% in their own state), while 15% are looking to head overseas. Australia's international border is set to be loosened further with two-way quarantine-free travel to South Korea and Japan being considered after Singapore which is scheduled for November 21. Around 1 in 4 people plan to holiday in luxury in a 4-5 star hotel or resort (26%). But, with COVID having prevented so many from seeing their loved ones, staying with family and friends (25%) is the next most common choice. Travellers are clearly going to be more conscious about their safety, with many airports and airlines already responding with more touchless technology and off-site check-in options. In the US, there has been a significant increase in demand for car rentals which could reflect travellers wanting more personal safety. As with other sectors, travel must become more environmentally and socially conscious. Business travel is likely to continue to struggle in the months ahead as many business leaders rethink corporate travel policies. Many consumers are also less eager to resume business travel.

KEY TABLES

NAB CONSUMER STRESS INDEX (100 = extremely concerned)

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Consumer Stress Index	57.0	55.6	56.6	57.8	55.5
- Job security	50.2	48.0	47.0	46.3	45.0
- Health	56.1	56.7	56.4	57.6	53.5
- Ability to fund retirement	56.8	56.7	58.8	60.6	55.9
- Cost of living	61.1	59.9	62.0	63.5	61.4
- Government policy	60.7	56.6	59.0	60.8	61.8

HOUSEHOLD SPENDING PATTERNS (net balance - spending more/less)

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Non-essential spending	-25	-19	-15	-19	-19
Essential spending	5	9	11	12	9
Financial spending	0	2	6	5	2
Overall Spending Behaviours	-12	-7	-4	-6	-7

HOUSEHOLD SPENDING PATTERNS - SPENDING CATEGORY (net balance - spending more/less)

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Travel/Holidays	-40	-31	-23	-28	-33
Eating out	-32	-20	-18	-18	-24
Entertainment	-41	-32	-23	-29	-36
Groceries	19	18	18	18	24
Home improvements	-7	-3	0	-5	-3
Major household items	-19	-14	-14	-18	-13
Utilities	19	17	16	18	24
Personal goods	-18	-13	-13	-15	-11
Medical expenses	8	10	13	13	10
Transport	-14	0	8	9	-8
Children	-4	-2	2	1	-4
Paying off debt	8	10	13	14	8
Use of credit	-10	-7	-6	-8	-8
Savings, super, investments	1	4	10	7	7
Charitable donations	-19	-16	-17	-19	-14

EXTENT COSTS HAVE CHANGED IN LAST 3 MONTHS (net balance - costs more/less)

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Travel/Holidays	-26	3	6	12	0
Eating out	-16	12	15	20	6
Entertainment	-30	-7	3	6	-8
Groceries	40	47	49	50	49
Home improvements	14	28	31	36	30
Major HH items	4	18	20	23	21
Utilities	39	39	40	48	48
Telecoms	20	25	28	32	29
Personal goods	3	20	24	23	16
Medical expenses	19	26	30	35	28
Transport	-11	14	28	34	17
Children	4	16	27	29	12
Mortgage	4	6	12	14	10
Rent	10	16	25	34	25
Other debt	8	18	22	24	18

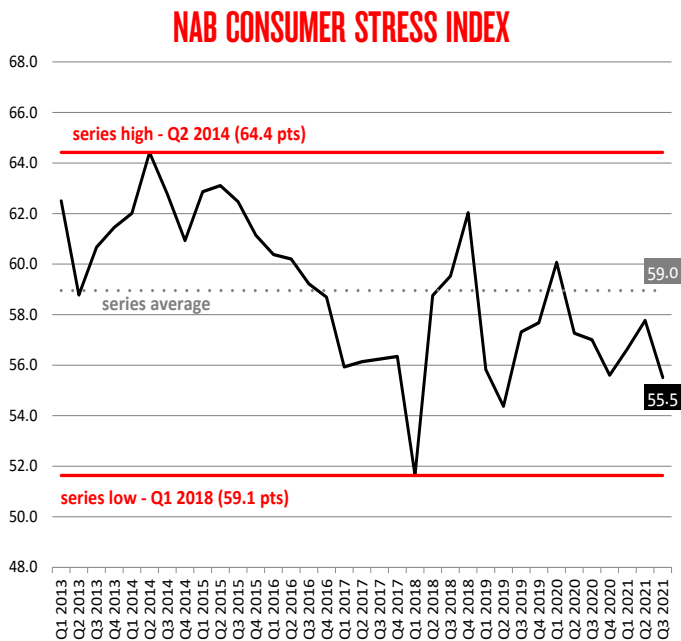
ADDED MOST TO COST OF LIVING IN LAST 3 MONTHS (% of all responses)

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Travel/Holidays	4%	5%	7%	6%	4%
Eating out	12%	16%	16%	17%	14%
Entertainment	4%	4%	5%	4%	4%
Groceries	66%	62%	59%	60%	65%
Home improvements	14%	16%	14%	14%	13%
Major HH items	9%	10%	8%	9%	8%
Utilities	52%	46%	45%	47%	50%
Telecoms	18%	15%	16%	14%	17%
Personal goods	12%	11%	12%	11%	11%
Medical expenses	19%	20%	18%	22%	18%
Transport	14%	17%	22%	23%	21%
Children	5%	6%	11%	8%	6%
Mortgage	12%	14%	13%	17%	11%
Rent	15%	17%	18%	15%	16%
Other debt	7%	7%	6%	9%	7%

EXPECTATIONS FOR MAJOR PURCHASES IN NEXT 12 MONTHS (net balance - spend more/less)

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Major household	-7	-6	-6	-9	1
Car	-8	-1	-6	-6	-1
Property (residence)	0	2	3	-2	3
Property (investment)	-7	-9	-6	-8	1
Home renovation	6	3	3	7	9
School fees (Private & Catholic)	-7	-4	-7	-5	-4
Holiday	-7	2	7	2	15
Private health insurance.	1	-2	4	1	-1
Other Investments (excluding property)	-2	-4	0	-3	6

NAB CONSUMER STRESS INDEX

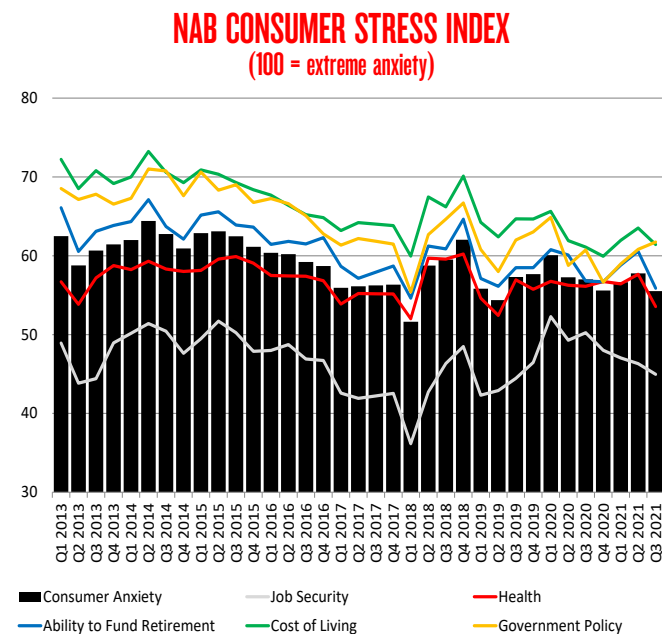


There are a number of consumer confidence measures frequently published in Australia. Consumer confidence is a lagging, not leading indicator, with changes in the economy often only “felt” by consumers months later. NAB’s measure of consumer sentiment is based on typical household stresses around job security, health, ability to fund retirement, cost of living and government policy and how consumers believe these factors are impacting spending and savings plans.

The **NAB Consumer Stress Index** fell to 55.5 pts in Q3 2021, down from 57.8 pts in the previous quarter and 57.0 pts in the same quarter a year ago. The Index was also well below the survey average (59.0 pts). The improvement was led mainly by reduced stress about the impact on future savings and spending plans arising from ability to fund retirement which eased to 55.9 pts (60.6 pts in Q2) and health which dipped to 53.5 pts (57.6 pts in Q2). Modest reductions in stress arising from cost of living (down 2.1 pts to 61.4 pts) and job security (down 1.4 pts to 45.0 pts) were also recorded. Stress arising from government policy however rose to 61.8 pts (60.8 pts in Q2), replacing cost of living as the biggest driver of stress for all Australians for the first time in over 5 years.

Stress fell in most states in Q3, led by NSW/ACT (down 3.3 pts to 56.0) and QLD (down 3.1 pts to 54.3). Despite reporting the biggest fall, it remained highest in NSW/ACT, followed by VIC (down 1.5 pts to 56.5). Stress was lowest in WA (down 2.4 pts to 53.2 pts), which was also the only state to report lower stress over government policy. Stress rose sharply in TAS (up 4.4 pts to 56.5), underpinned by a significant jump in concern over job security (up 7.6 pts) and cost of living (up 6.5 pts). Stress levels in SA/NT were largely unchanged (55.8 pts). Job security (47.2 pts) and government policy (63.4 pts) caused most stress in VIC (47.2 pts), health (56.6 pts) and cost of living (62.7 pts) in TAS, and retirement funding in SA/NT (58.8 pts). WA reported the lowest stress for all measures, except job security where it was lowest in TAS - see individual state charts in Appendix 1.

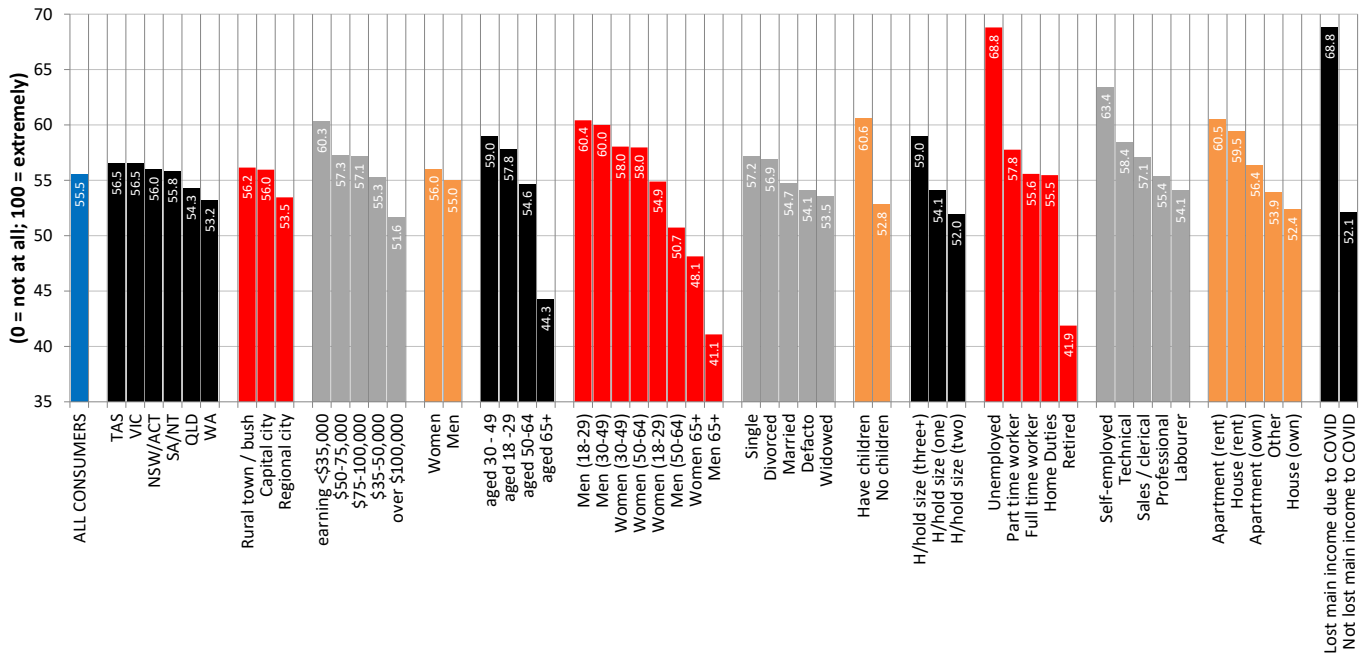
Stress fell in all regions, led by regional cities where it was lowest overall (down 3.8 pts to 53.5 pts). Consumer stress levels in capital cities (56.0 pts) and rural areas (56.2 pts) were broadly on par. Concern over job security was significantly higher in capital cities (46.6 pts), but people living in rural areas reported much higher stress arising from cost of living (64.3 pts) and government policy (64.5 pts).



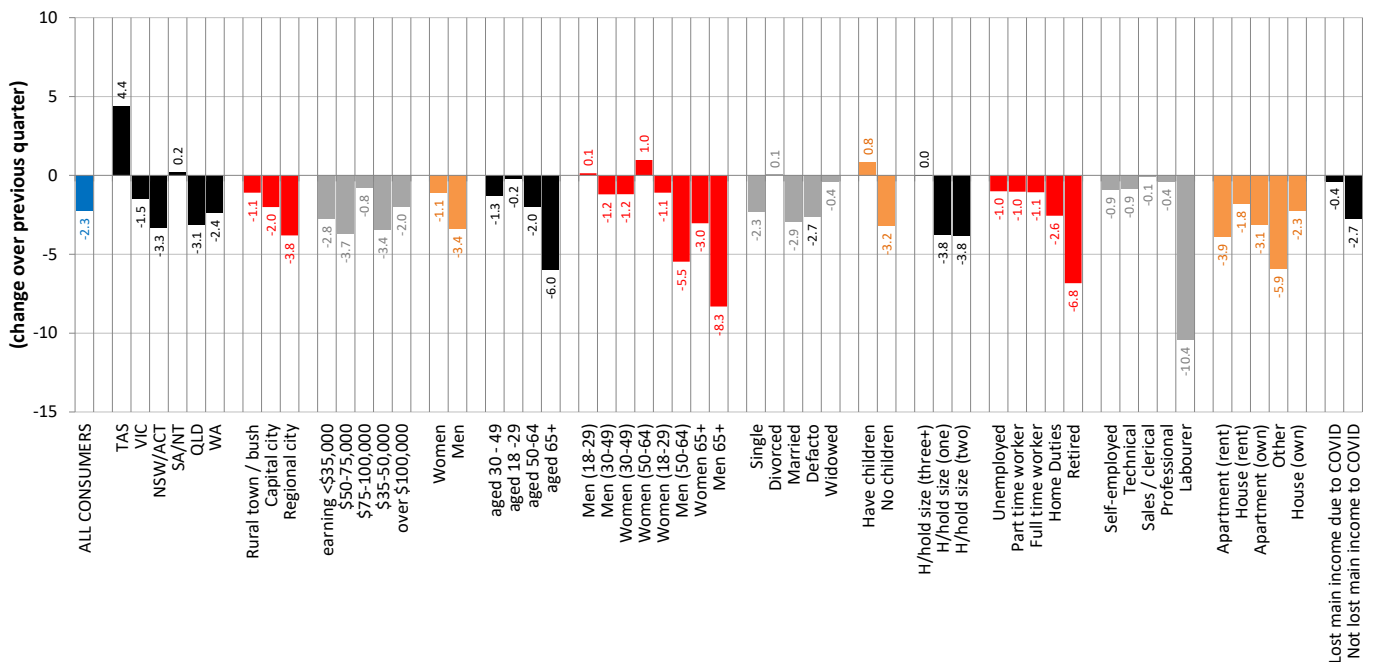
Women (down 1.1 pts to 56.0) reported higher stress than men (down 3.4 pts to 55.0 pts) for the first time since Q4 2020. Men however still report much higher stress over job security (46.4 men; 43.6 pts women) and government policy (62.6 pts men; 60.9 pts women), and women for retirement funding (58.4 pts women; 53.3 pts men) and cost of living (63.3 pts women; 59.4 pts men). Stress eased in all age groups but remained highest in the 30-49 age group (down 1.3 pts to 59.0), and lowest by a considerable margin in the over 65 group (down 6.0 pts to a survey low 44.3 pts). Consumers in the 18-29 group worried most about job security (52.2 pts) and health (56.0 pts), the 30-49 group about cost of living (66.1 pts) and retirement funding (62.6 pts), and the 50-64 group about government policy (63.0 pts).

In other findings, the gap between lower and higher income groups narrowed a little to 8.7 pts as stress for consumers earning less than \$35,000 p.a. (down 2.8 pts to 2.4 pts to 63.1) fell more than for those earning over \$100,000 p.a. (down 2.0 pts to 51.6). However, stress levels for low incomes earners remains higher for all measures, particularly cost of living (68.2 pts low income; 55.8 pts high income) and retirement funding (61.4 pts low income; 51.2 pts high income). Unemployed consumers and those who lost their main source of income due to COVID reported the highest stress of all groups (68.8 pts) and men over 65 the lowest (41.1 pts). Stress fell most in Q3 for labourers (down 10.4 pts) and men over 65 (down 8.3 pts) and rose most in TAS (up 4.1 pts).

NAB AUSTRALIAN CONSUMER STRESS INDEX - ALL CATEGORIES



NAB AUSTRALIAN CONSUMER STRESS INDEX - ALL CATEGORIES (CHANGE ON PREVIOUS QUARTER)



GENERAL LEVEL OF CONCERN OVER THE ECONOMY

With large parts of the country in lockdown during Q3, a very sharp fall in activity in Q3 is locked in - NAB expects a fall of around 3.5% - concentrated in NSW and VIC. We continue to expect a solid rebound in Q4 with the two largest states (NSW and VIC) on track to reopen early-to-mid quarter.

While we don't expect a full rebound in Q4, we see strong growth continuing into early-2022 such that the Q2 2021 level of GDP is recovered by Q2 2022.

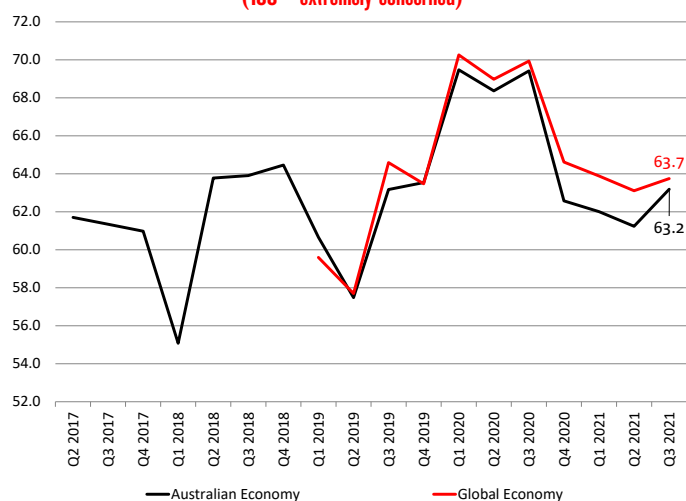
We also expect the labour market to resume its prior trajectory (after deteriorating noticeably as lockdown began to bite), with the participation rate normalising and the unemployment rate continuing its path south. NAB has also revised its global economic forecasts lower, with the downward revisions in part driven the by persistence of supply bottlenecks in the global economy.

Against this backdrop, consumers were also more anxious about the impact on their future spending and savings plans arising from the domestic (up 1.9 pts to 63.2) and global (up 0.6 pts to 63.7) economies.

Rising concern over the domestic economy was led mainly by a large spike in NSW (up 5.5 pts to 66.1 pts and was highest in the country), with concern also higher in QLD (up 1.9 pts to 62.6 pts).

The level of concern fell most in TAS (down 1.9 pts to 59.6 pts) and WA (down 1.6 pts to 57.1 pts and was lowest in the country). It was basically unchanged in VIC (63.2 pts) and SA/NT (61.4 pts).

LEVEL OF CONCERN ABOUT ECONOMIC SITUATION (100 = extremely concerned)



LEVEL OF CONCERN ABOUT AUSTRALIAN ECONOMY

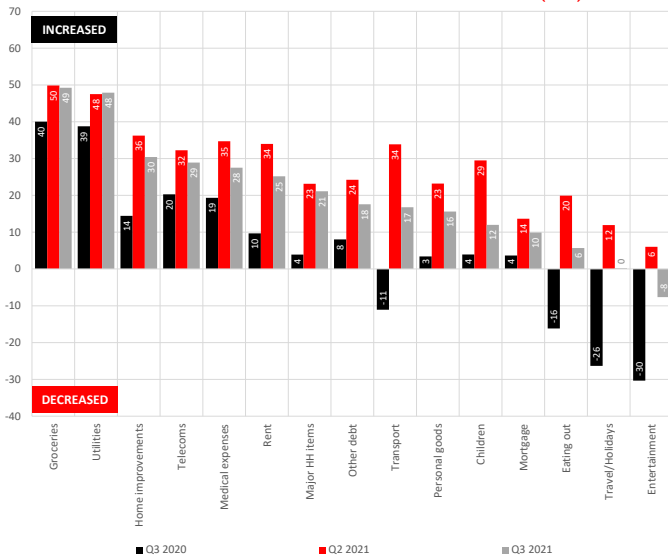
	NSW	VIC	QLD	WA	SA/NT	TAS
Q3 20	69.2	70.7	69.5	67.9	69.7	62.4
Q2 21	60.7	63.3	60.7	58.7	61.6	62.5
Q3 21	66.1	63.2	62.6	57.1	61.4	59.6

LEVEL OF CONCERN ABOUT GLOBAL ECONOMY

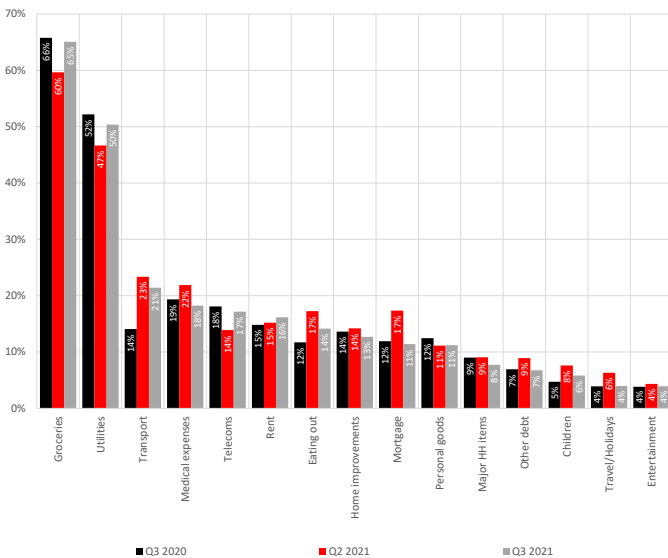
	NSW	VIC	QLD	WA	SA/NT	TAS
Q1 21	70.5	71.6	67.1	71.3	70.7	72.8
Q2 21	63.7	62.9	63.0	63.5	60.9	64.4
Q3 21	65.8	63.0	62.7	62.0	63.4	61.0

COST OF LIVING PERCEPTIONS

EXTENT COSTS HAVE CHANGED OVER PAST 3 MONTHS (NET)



ADDED MOST TO COST OF LIVING PRESSURE



How customers perceive prices is often as important as the price itself. To help better understand this, NAB’s consumer stress survey looks at cost of living perceptions among Australians consumers. When asked how living costs had changed in the last 3 months, perceptions were again highest for groceries at net +49, basically unchanged from Q2 (+48) but higher than at the same time last year (+40). Utilities was next at +48, unchanged from Q2 but also up from +39 at the same time last year.

Relative to the previous quarter, perceptions about costs in Q3 moderated in all expenditure categories, most noticeably in regard to children (+12 vs. +29 in Q2), transport (+17 vs. +34 in Q2), eating out (+6 vs. +20 in Q2), travel and holidays (0 vs. +12 in Q2), rent (+25 vs. +34 in Q2), personal goods (+16 vs. +23 in Q2), and entertainment where more consumers said costs had actually fallen than increased (-8 vs. +6 in Q2).

Consumers were also asked to identify the top 3 things that added most to their own cost of living in the past 3 months. The bottom chart on the left shows that not only was the cost of groceries perceived to have increased by most consumers in Q3, it also added most to their cost of living pressures according to 65% of all Australians - and this was up slightly from 60% in the previous quarter. Utilities was the next biggest contributor to cost of living pressure according to 50% of all consumers (47% in Q2).

Other categories that added to cost of living pressure for most Australians included transport (21% vs. 23% in Q2), medical expenses (18% vs. 22% in Q2), telecoms (17% vs. 14% in Q2), rent (16% vs. 15% in Q2), and eating out (14% vs. 17% in Q2).

Aside from groceries and utilities, telecoms and rents were the only other categories identified by more Australians as adding to their cost of living pressures than in the previous quarter.

The extent costs changed was highest for groceries and utilities in most states. However, the net number of consumers who said prices increased ranged from +51% in QLD to +44% in WA, and for utilities from +64% in VIC to +38% in TAS. TAS bucked the national trend, with most consumers pointing to increased rents in the past 3 months (+50%), which was considerably higher than in any other state - see tables below.

Among other differences was the much higher number citing higher telecom costs in VIC (+32%) and NSW/ACT (+31%), medical costs in TAS (+37%) and QLD (+35%), transport costs in QLD (+46%) and TAS (+45%), major household items in QLD (+31%), and personal goods in SA/NT (+26%) and QLD (+23%). The impact of lockdowns on cost changes were also evident in VIC and NSW/ACT, where far fewer consumers were impacted by cost increases in relation to entertainment, travel & holidays, eating out and transport than in other states.

When looking at what added most to cost of living pressures, around 7 in 10 consumers in NSW/ACT (68%), VIC (68%) and TAS (67%) put groceries at the top of the list, compared to just over 5 in 10 (54%) in WA. Utilities added to the cost of living pressures for noticeably more consumers in VIC (60%) - and for nearly twice as many than in TAS (38%) or QLD (38%).

Among other differences, a significantly higher number cited transport costs in QLD (39%), rents (31%) medical expenses (27%) and major household items (12%) in TAS, eating out in SA/NT (20%) and TAS (19%), personal goods in NSW/ACT (14%) and VIC (13%), and entertainment in SA/NT (8%).

EXTENT COSTS HAVE CHANGED OVER THE PAST 3 MONTHS: STATE (net balance)

	AUS	NSW/ACT	VIC	QLD	WA	SA/NT	TAS
Groceries	49	50	49	51	44	50	45
Utilities	48	51	54	40	46	39	38
Home improvements	30	29	24	39	30	37	33
Telecoms	29	31	32	26	28	20	24
Medical expenses	28	23	26	35	28	30	37
Rent	25	23	24	27	22	32	50
Major household items	21	20	14	31	20	24	26
Other debt	18	17	18	21	17	12	19
Transport	17	-2	4	46	35	37	45
Personal goods	16	8	15	23	19	26	14
Children	12	0	13	24	17	24	27
Mortgage	10	13	9	7	3	14	22
Eating out	6	-8	2	19	20	20	7
Travel/Holidays	0	-12	-7	18	15	11	6
Entertainment	-8	-18	-16	5	7	5	3

ADDED MOST TO COST OF LIVING PRESSURES OVER PAST 3 MONTHS: STATE (% of total responses)

	AUS	NSW/ACT	VIC	QLD	WA	SA/NT	TAS
Groceries	65%	68%	68%	64%	54%	63%	67%
Utilities	50%	53%	60%	38%	47%	48%	34%
Transport	21%	14%	14%	39%	27%	23%	28%
Medical expenses	18%	17%	16%	22%	18%	19%	27%
Telecoms	17%	20%	18%	15%	12%	12%	19%
Rent	16%	15%	15%	18%	15%	20%	31%
Eating out	14%	13%	15%	12%	15%	20%	19%
Home improvements	13%	13%	11%	13%	14%	14%	5%
Mortgage	11%	12%	10%	10%	13%	15%	9%
Personal goods	11%	14%	13%	7%	7%	10%	5%
Major household items	8%	7%	9%	8%	7%	6%	12%
Other debt	7%	6%	8%	8%	6%	7%	8%
Children	6%	4%	5%	7%	10%	7%	6%
Travel/Holidays	4%	3%	2%	7%	6%	5%	0%
Entertainment	4%	3%	3%	5%	4%	8%	3%

We also looked at how costs changed and added to cost of living pressures for 4 groups with relatively levels of overall consumer stress - the unemployed, those who lost their main source of income due to COVID, self-employed people and those in the lowest income group (under \$35,000 p.a.).

Compared to the national average, noticeably more unemployed people in net terms said costs had changed in relation to eating out (+22%). Low income earners were disproportionately impacted by groceries (+53%), major household items (+34%) and personal goods (+31%), while more self-employed people saw their costs rise in relation to other debt (+33%) and travel & holidays (+23%). More Australians who lost their main source of income due to COVID said their mortgage costs had risen (+23%). Utilities also impacted more people who lost their main source of income due to COVID (+52%) and low-income earners (+50%), with rising transport costs a bigger issue for the unemployed (+33%) and low-income earning Australians (+32%).

In terms of what added most to their cost of living pressures, Utilities (55%) and rent (31%) added disproportionately more for the unemployed, transport for low income earners (26%), personal goods (22%), eating out (20%), children (13%) and major household items (11%) for self-employed people, and transport costs for low income earners (26%). Rising costs associated with major household items were also significant for those who lost their main source of income due to COVID (10%).

EXTENT COSTS HAVE CHANGED OVER THE PAST 3 MONTHS: HIGH STRESS GROUPS (net balance)

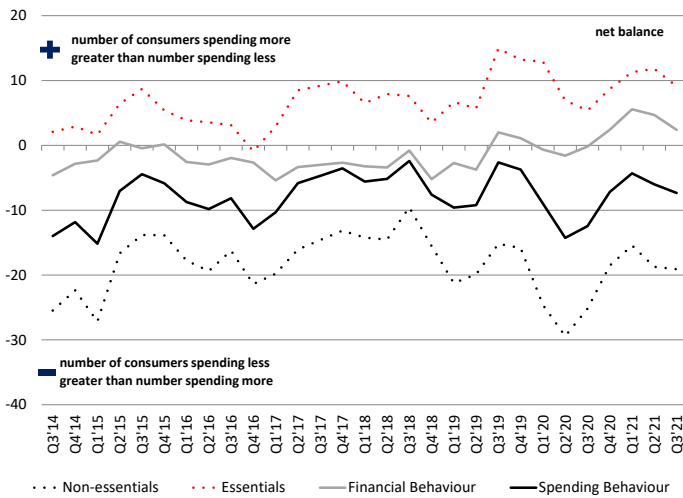
	AUS	Unemployed	Lost main income due to COVID	Self-employed	Low income
Groceries	49	42	44	35	53
Utilities	48	36	52	39	50
Home improvements	30	17	32	35	30
Telecoms	29	22	33	27	33
Medical expenses	28	23	36	25	33
Rent	25	17	30	24	30
Major household items	21	18	22	26	34
Other debt	18	12	27	33	24
Transport	17	33	18	18	32
Personal goods	16	20	16	14	31
Children	12	2	17	17	7
Mortgage	10	4	21	17	15
Eating out	6	22	4	13	15
Travel/Holidays	0	12	4	23	13
Entertainment	-8	10	0	11	8

ADDED MOST TO COST OF LIVING PRESSURES OVER PAST 3 MTHS: HIGH STRESS GROUPS (% of total responses)

	AUS	Unemployed	Lost main income due to COVID	Self-employed	Low income
Groceries	65%	61%	60%	49%	64%
Utilities	50%	55%	47%	35%	46%
Transport	21%	19%	18%	18%	26%
Medical expenses	18%	16%	15%	15%	16%
Telecoms	17%	23%	17%	16%	20%
Rent	16%	31%	22%	12%	23%
Eating out	14%	14%	14%	20%	9%
Home improvements	13%	10%	14%	17%	7%
Mortgage	11%	9%	16%	14%	4%
Personal goods	11%	8%	14%	22%	10%
Major household items	8%	4%	10%	11%	3%
Other debt	7%	10%	7%	3%	7%
Children	6%	6%	8%	13%	2%
Travel/Holidays	4%	0%	4%	10%	2%
Entertainment	4%	15%	8%	13%	3%

HOUSEHOLD SPENDING PATTERNS & EXPECTATIONS

HOUSEHOLD SPENDING PATTERNS: AUSTRALIA



Overall household spending patterns were more conservative Q3. NAB's measure of household spending patterns (which counts the number of consumers that spent more on a range of items against those that spent less) showed an increase in the net number of consumers (on balance) cutting back spending relative to the previous quarter.

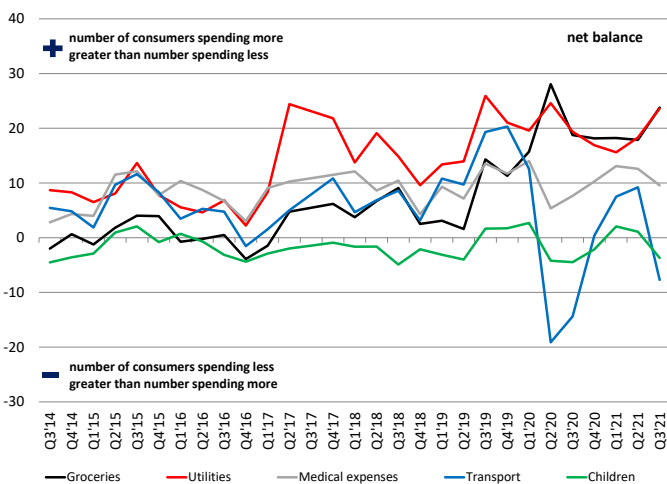
NAB's overall spending indicator fell to -7 in Q3, down from -6 in Q2 but up from -12 at the same time last year. Spending continued being driven by essentials (+9), though the net number spending more in this category fell from the previous quarter (+12). The net number cutting back on non-essentials was unchanged at -19, and financial spending eased to +2 (+5 in Q2).

The table below shows overall spending patterns were more conservative in NSW/ACT, SA/NT, and WA, less conservative in QLD and TAS and unchanged in VIC.

HOUSEHOLD SPENDING PATTERNS: OVERALL (NET)

	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Australia	-12	-7	-4	-6	-7
NSW/ACT	-11	-8	-3	-4	-8
VIC	-14	-5	-3	-5	-5
QLD	-14	-9	-5	-11	-6
WA	-13	-6	-6	-6	-8
SA/NT	-8	-7	-7	-5	-13
TAS	-10	-6	-11	-13	-8

HOUSEHOLD SPENDING PATTERNS - ESSENTIALS



Overall, the net number of consumers spending more on essentials fell to +9, after rising in the previous 3 quarters.

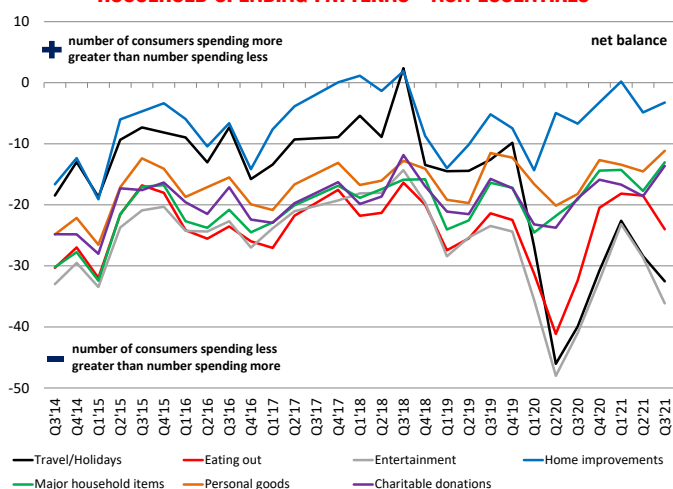
The net number that increased spending on utilities and groceries rose strongly - both rising to +24 from +18 in Q2. However, those spending more on medical expenses fell to +10 (+13 in Q2), while those spending less on transport (-8 vs. +9 in Q2) and children (-4 vs. +1 in Q2) exceeded those spending more.

The table below shows the net number spending more on essentials outweighed those spending less in all states. But while it increased in QLD (+15 vs. +9 in Q2) and TAS (+8 vs. 0 in Q2), it was lower in SA/NT (+1 vs. +11 in Q2), NSW/ACT (+8 vs. +13 in Q2), VIC (+9 vs. +14 in Q2) and WA (+9 vs. +12 in Q2).

HOUSEHOLD SPENDING PATTERNS: ESSENTIALS (NET)

	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Australia	5	9	11	12	9
NSW/ACT	7	9	13	13	8
VIC	1	9	11	14	9
QLD	7	6	11	9	15
WA	2	10	11	12	9
SA/NT	8	11	9	11	1
TAS	14	12	2	0	8

HOUSEHOLD SPENDING PATTERNS - NON ESSENTIALS



The net number that cut back their non-essential spending was unchanged over the quarter at -19 but improved from -25 in Q3 2020.

The net number cutting back on non-essential spending was mixed across categories. The highest number pared back spending on entertainment (-36 vs. -29 in Q2), eating out (-24 vs. -18 in Q2) and travel & holidays (-33 vs. -28 in Q2).

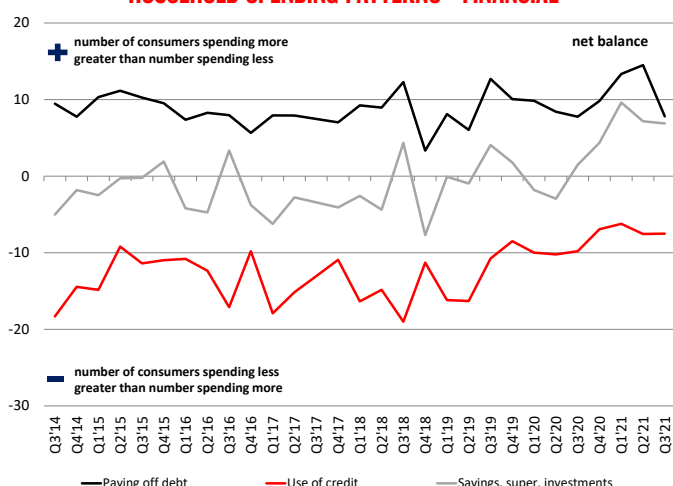
The number cutting back however improved for charitable donations (-14 vs. -19 in Q2), major household items (-13 vs. -18 in Q2) and home improvements (-3 vs. -5 in Q2).

The table below shows the number that cut back non-essential spending rose in NSW/ACT (-21 vs. -16 in Q2), WA (-22 vs. -18 in Q2) and SA/NT (-23 vs. -17 in Q2). However fewer people cut back in TAS (-18 vs. -22 in Q2) and VIC (-17 vs. -19).

HOUSEHOLD SPENDING PATTERNS: NON-ESSENTIALS (NET)

	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Australia	-26	-19	-15	-19	-19
NSW/ACT	-26	-20	-14	-16	-21
VIC	-27	-16	-13	-19	-17
QLD	-29	-20	-16	-24	-21
WA	-24	-19	-17	-18	-22
SA/NT	-20	-19	-18	-17	-23
TAS	-27	-20	-22	-22	-18

HOUSEHOLD SPENDING PATTERNS - FINANCIAL



Overall financial spending patterns (paying off debt, using credit cards and savings, investments & superannuation) were positive in Q3, though the overall net number who increased spending in this eased to +2 (+5 in Q2).

Overall, the net number of consumers paying off debt fell to +8 (+14 in Q2). The number spending more on super, savings or investments (+7), and cutting back on their usage of credit (-8) were both unchanged.

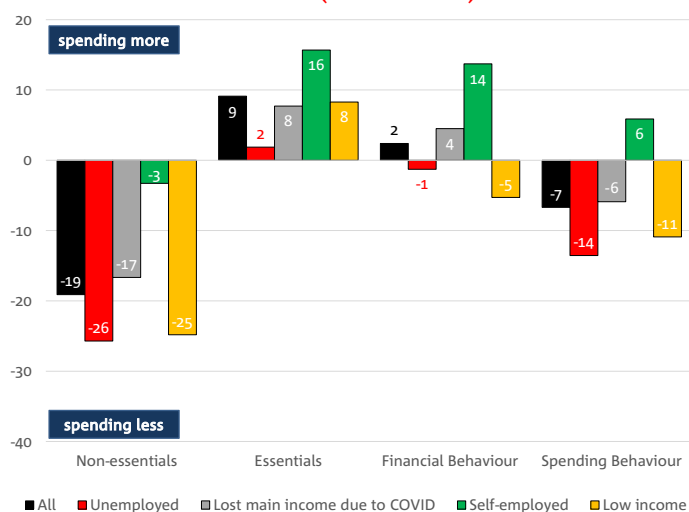
Financial spending was positive and highest in VIC (unchanged at +5). It was positive but fell in NSW/ACT (+3 vs. +6 in Q2), QLD (+2 vs. +4 in Q2) and WA (+1 vs. +5).

In TAS (-7 vs. +8 in Q2), the number cutting back exceeded those spending more, with those cutting back also growing in SA/NT (-3 vs. -1 in Q2).

HOUSEHOLD SPENDING PATTERNS: FINANCIAL (NET)

	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Australia	0	2	6	5	9
NSW/ACT	0	3	7	6	3
VIC	4	2	6	5	5
QLD	-4	1	4	4	2
WA	-2	4	6	5	1
SA/NT	-2	3	3	-1	-3
TAS	-8	-5	-1	8	-7

HOUSEHOLD SPENDING PATTERNS: HIGH STRESS GROUPS (NET BALANCE)



Overall household spending patterns differed considerably in high stress groups.

In Q3, NAB’s measure of household spending patterns stood at -7. But for the unemployed (-14), people on low incomes (-11) the number was lower. Overall spending patterns for among those that lost their main source of income due to COVID were broadly on par with the national average (-6). But, the number of self-employed people who spent more exceeded those who spent less (+6).

In net terms, more consumers across Australia (-19) cut spending on non-essentials. However, the number of unemployed (-26) and low income earners (-25) that cut back was much higher. Those that lost their main source of income were again broadly on par with the average (-17), while far fewer self-employed Australians cut back relative to the Australian average (-3).

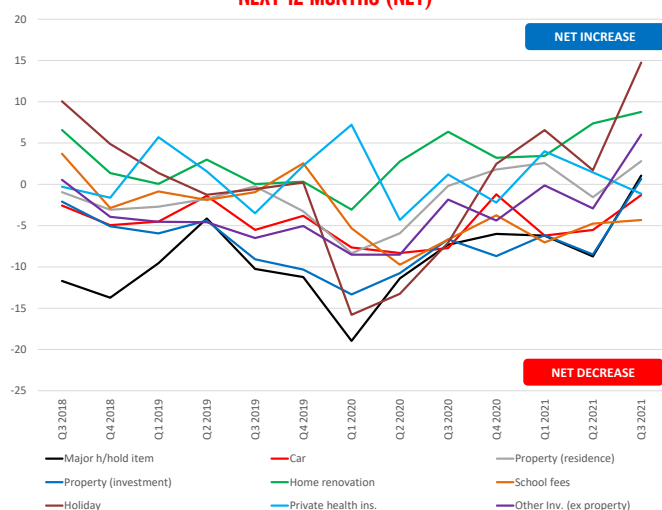
Spending on essentials did however weigh more heavily on self-employed consumers (+16), with those consumers who lost their main source of income due to COVID (+8) and on low incomes (+8) on par with the national average. The net number of unemployed Australians spending more was much lower (+2). When it came to financial spending, more people in the low income (-5) and unemployed (-1) groups cut back than spent more, while more consumers on who were self-employed (+14) or lost their main income due to COVID (+4) spent more.

HOUSEHOLD SPENDING PATTERNS - SPENDING CATEGORIES: HIGH RISK GROUPS Q3 2021 (NET)

	All	Unemployed	Lost main source of income due to COVID	Self-employed	Low income
Groceries	24	9	21	24	16
Utilities	24	16	26	23	25
Medical expenses	10	1	8	18	10
Paying off debt	8	8	7	15	2
Savings, super, investments	7	-9	6	17	-10
Home improvements	-3	-17	-4	7	-16
Children	-4	-5	2	9	-7
Use of credit	-8	-3	0	9	-8
Transport	-8	-13	-18	4	-2
Personal goods	-11	-18	-10	1	-8
Major household items	-13	-16	-8	-3	-20
Charitable donations	-14	-24	-14	-1	-22
Eating out	-24	-33	-20	-8	-36
Travel/Holidays	-33	-29	-30	-9	-34
Entertainment	-36	-42	-31	-9	-37

The table above highlights differences in spending by high stress groups by individual categories. Though most Australians spent more on groceries and utilities (+24), in high risk groups spending on groceries was noticeably lower for the unemployed (+9) and those on low incomes (+16). Spending in these groups was broadly on par for utilities except for the unemployed (+16). Fewer unemployed also people spent more on medical, and low income earners paying off debt. Noticeably more unemployed and low income earners also cut back on savings, super & investments, home improvements, charitable donations and eating out. Also noticeable was the higher number of self-employed people who spent more on paying off debt, children and transport, personal goods. Far fewer self-employed consumers also cut back on all non-essentials, especially travel & holidays, entertainment, eating out and charitable donations.

EXPECTATIONS IN REGARDS TO MAKING MAJOR PURCHASES IN NEXT 12 MONTHS (NET)



Expectations for major purchases in the next 12 months were more positive in Q3.

With COVID travel restrictions starting to loosen, there was a large jump in the net number of consumers expecting to spend more on holidays (+15) than in Q2 (+2).

More consumers also said they expect to spend more on home renovations (+9 from +7 in Q2), other investments aside from property (+6 from -3 in Q2), residential property (+3 vs. -2 in Q2), investment property (+1 vs. -8 in Q2) and major household items (+1 vs. -9 in Q2).

In other areas, the number who expect to spend less outweighed those who intend to spend more, particularly for cars (-1 vs. -6 in Q2), with a more modest improvement for school fees (-4 vs. -5 in Q2).

The outlook for private health insurance was however a little weaker (-1 vs. +1 in Q2).

EXPECTATIONS FOR MAKING MAJOR PURCHASES IN THE NEXT 12 MONTHS (NET)

	AUST	<\$35,000 p.a.	\$35-50,000 p.a.	\$50-75,000 p.a.	\$75-100,000 p.a.	\$100,000+ p.a.
Holiday	15	4	5	14	5	29
Home renovation	9	1	-10	7	4	20
Other Investments (excluding property)	6	0	-5	6	1	14
Property (residence)	3	-1	-8	0	3	7
Major household item	1	1	-13	-6	5	9
Property (investment)	1	3	-17	4	-7	5
Private health ins.	-1	1	0	1	-2	-3
Car	-1	3	-7	0	-2	-2
School fees	-4	-10	-6	4	-6	-5

Income was a significant differentiator for expectations about making major purchases in the next 12 months - and not surprisingly stronger in the highest income growth.

For example, while there was a large jump in the overall net number of Australian consumers who expected to spend more on holidays in the next 12 months (+15), the net number who expected to do so was far higher in the \$100,000 p.a. income group (+29), particularly when compared other income groups (except the \$50-75,000 p.a. group at +14).

Expectations for making major purchases in the highest income group were also much more positive for home renovations (+20), other investments excluding property (+14), major household items (+9) and residential property (+9).

Interestingly, expectations in all these areas were lowest in the \$35-50,000 p.a. income group, where more consumers expected to spend less on these items, particularly major household items (-13) and home renovations (-10). This income group was also by far the most negative for property investment (-17).

Consumers in the lowest income group were the most negative for school fees (-10), with consumers in the \$50-75,000 p.a. income group the only ones expecting to spend more on school fees (+4). Consumers in the lowest income group were the only group with net positive expectations for buying a car (+3), with the \$35-50,000 p.a. group the most negative (-7).

More Australians earning over \$75,000 p.a. expect to spend less on private health insurance, with expectations among consumers earning less than \$75,000 p.a. broadly balanced.

HOUSEHOLD SHOPPING, PURCHASING & OTHER BEHAVIOURS

In this section, we explore how consumer behaviours and habits have changed over the past 3 months in relation to a number of issues. In particular, we explore whether they switched or tried new products, brands, stores, or ways of purchasing, if their household has been influenced by various cost, value, convenience, safety environmental, social or privacy issues, and whether behaviours had changed around more general themes.

SWITCHED OR TRIED A NEW PRODUCT, BRAND, STORE OR WAY OF PURCHASING IN THESE AREAS OVER LAST 3 MONTHS (NET BALANCE)



To establish how behaviours had changed, consumers were asked to rate the extent they switched or tried a new product, brand, store, or way of purchasing in the following areas compared to previously.

On balance, online was the big winner with a net +30% indicating they purchased items online they would normally purchase in store (i.e. the number of consumers who did more of this outweighed those who did less).

The next biggest change was shopping on a new website, where +19% of all consumers did more, tried a new product or brand (+14%), purchased from their primary grocery store (+12%), and from smaller or lesser known brands (+11%). Overall behaviours in relation to shopping at other grocery stores (+1%) and trying new retailers (+1%) was basically unchanged.

In contrast more consumers on balance -18% indicated they purchased less items in-store normally purchased online.

SWITCHED OR TRIED A NEW PRODUCT, BRAND, STORE OR WAY OF PURCHASING: KEY GROUPS

	Overall	18-29	30-49	50-64	65+	Men	Women	Low Income	High Income
Purchased items online normally purchased in-store	30%	38%	37%	27%	11%	25%	34%	21%	42%
Shopped on a new website	19%	33%	27%	18%	-6%	18%	20%	7%	32%
Tried a new product or brand	14%	24%	22%	7%	-2%	13%	15%	5%	20%
Purchased from my primary grocery store	12%	21%	15%	5%	6%	11%	13%	16%	13%
Purchased from smaller/lesser known brands	11%	18%	17%	7%	-2%	10%	12%	0%	17%
Shopped at other grocery stores	1%	2%	7%	-1%	-9%	1%	1%	-4%	5%
Tried a new retailer	1%	12%	8%	-5%	-16%	3%	-1%	-9%	9%
Purchased items in-store normally purchased online	-18%	-13%	-16%	-24%	-19%	-12%	-23%	-17%	-22%

By age, noticeably more consumers under 50 altered their behaviour towards trying new products, brands, stores, or ways of purchasing over the last 3 months than did those over 50, particularly trying new products or brands, purchasing from their primary grocery store, buying from smaller or lesser known brands, or trying new retailers. Behavioural change was less apparent among older consumers, except purchasing items in-store normally purchased online (where far more consumers in net terms were doing less) or trying a new retailer (particularly in the 65+ group). In older age groups, far more people in the 50-64 group purchased items online normally purchased in store or shopped a new website than those over 65.

By gender, behavioural change was broadly aligned, except purchasing items online normally purchased in-store, where substantially more women (+34%) did so than men (+25%), and for purchasing items in-store normally purchased in store where more women (-23%) also did less than men (-12%).

Income also influenced behaviour with a lot more consumers in the highest income group signalling they did more of most of these things than low income earners (except purchasing from their primary grocery store where it was about the same), and in terms of shopping at other grocery stores and trying new retailers which low income earners did less and high income earners more.

INFLUENCED BY THESE COST, VALUE, CONVENIENCE OR SAFETY ISSUES OVER LAST 3 MONTHS (NET BALANCE)



When asked how much their household had been influenced by a range of cost, value, convenience or safety issues, the net number who indicated they were more influenced by these factors outweighed those who were less influenced.

Consumer caution was particularly evident, with a net +37% saying they were mindful or careful of where they spent their money. Significantly more on balance also researched brand and product choices before buying (+25%), made purchases because of great deals (+23%) and changed to less expensive items to save money (+22%).

Convenience was also influential, with a net +28% indicating they purchased online to avoid going into a store, +22% bought a product based on availability, and +17% simply due to convenience. A net +20% of all consumers were influenced by delivery time and costs.

COVID appears to have also influenced consumer behaviour, with +15% buying online and picking up in store, while +13% visited stores based on social distance, safety and hygiene.

INFLUENCED BY THESE COST, VALUE, CONVENIENCE OR SAFETY ISSUES: KEY GROUPS

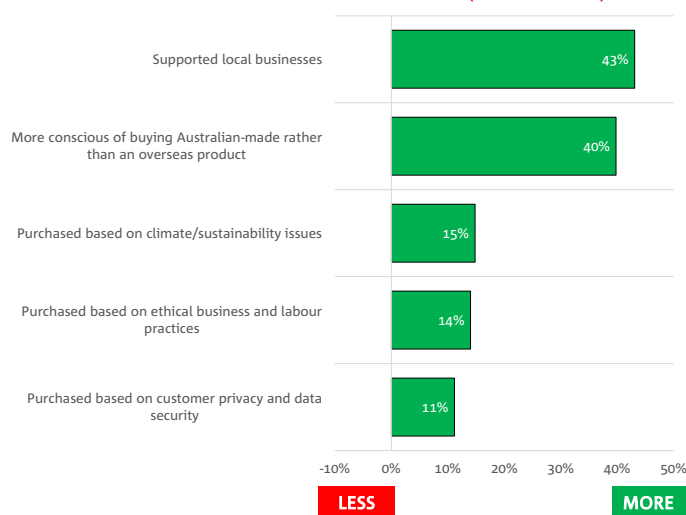
	Overall	18-29	30-49	50-64	65+	Men	Women	Low Income	High Income
Was mindful/careful where I spent my money	37%	34%	40%	40%	33%	33%	42%	34%	38%
Purchased online to avoid going into a store	28%	38%	34%	28%	8%	24%	32%	23%	41%
Researched brand & product choices before buying	25%	30%	30%	22%	14%	26%	24%	18%	31%
Made purchases because of great deals	23%	29%	30%	19%	8%	20%	25%	15%	27%
Changed to less expensive products to save money	22%	26%	28%	21%	10%	16%	28%	26%	19%
Purchased a product based on availability	22%	26%	30%	19%	7%	19%	25%	14%	29%
Purchased product based on delivery time or cost	20%	33%	28%	19%	-3%	16%	24%	11%	30%
Purchased a product due to convenience	17%	30%	24%	9%	1%	16%	19%	9%	23%
Bought online and picked-up in store	15%	22%	25%	11%	-6%	14%	15%	7%	23%
Visited stores based on social distance, safety, hygiene	13%	13%	17%	11%	8%	9%	17%	8%	14%

By age, more consumers under 50 were influenced more by most factors than those over 50, with the exception being mindful or careful about where they spent their money which played a bigger role in the 30-49 and 50-64 age groups (+40%). A broadly similar number in the 18-29 and 30-49 age groups were influenced more by researching brands and choices, great deals and purchasing less expensive products to save money. The 18-29 group was also influenced somewhat more by purchasing products online to avoid going into a store (+38%), delivery times or cost (+33%) and buying for convenience (+30%), and the 30-49 group by product availability (+30%) and visiting stores based on social distance, safety and hygiene issues (+17%). In other findings, consumers over the age of 65 were the only group to report a net decline in the number influenced by delivery time or cost (-3%) and buying online and picking up in store (-6%) - also the only categories to report a net decline in any age group.

Significantly more women than men were influenced by being mindful and careful about their spending (+42% vs. +33%), purchasing online to avoid stores (+42% vs. +33%), great deals (+25% vs. +20%), changing to less expensive items to save money (+28% vs. +16%), availability of product (+25% vs. +19%), delivery times or cost (+24% vs. +16%), and visiting stores based on social distancing, safety and hygiene (+17% vs. +9%).

Income was again a key differentiator, with more high-income earners influenced to do more of these things in all categories, with the exception of changing to less expensive products to save money, which influenced noticeably more low-income earners (+26% vs. +19%).

INFLUENCED BY THESE ENVIRONMENTAL, SOCIAL OR PRIVACY ISSUES OVER LAST 3 MONTHS (NET BALANCE)



When asked how much their household purchasing decisions had been influenced by a range of environmental, social or privacy issues, the net number who indicated they were more influenced by these issues outweighed those who were less influenced.

Most influential in terms of decision making according to a net +43% was supporting local business. This was closely followed by being more conscious of buying Australian-made rather than an overseas product (+40%).

A net +15% said they purchased based on climate or sustainability issues such as carbon footprint, waste management, energy use, disposable packaging etc., and +14% by ethical business and labour practices such as fair trade, fair hours of pay or work, child labour etc.

Purchases based on customer privacy and data security had the least influence on consumer behaviour (+11%).

INFLUENCED BY THESE ENVIRONMENTAL, SOCIAL OR PRIVACY ISSUES: KEY GROUPS

	Overall	18-29	30-49	50-64	65+	Men	Women	Low Income	High Income
Supported local businesses	43%	35%	43%	47%	47%	38%	48%	36%	49%
More conscious of buying Australian-made rather than an overseas product	40%	28%	38%	43%	51%	35%	45%	35%	44%
Purchased based on climate/sustainability issues	15%	22%	19%	9%	7%	11%	19%	9%	20%
Purchased based on ethical business and labour practices	14%	18%	17%	10%	9%	12%	16%	12%	18%
Purchased based on customer privacy and data security	11%	13%	15%	9%	6%	10%	13%	8%	12%

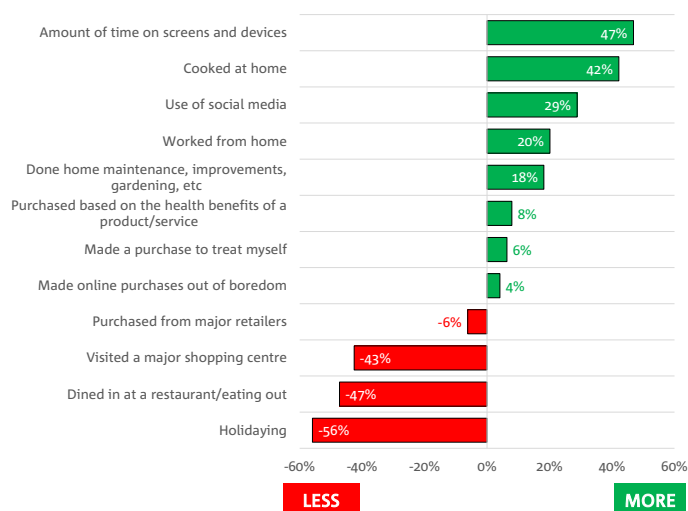
Support for local business was influential for the highest number of consumers in all age groups, ranging from +47% in the 50-64 and over 65 group to 35% in the 18-29 group. Noticeably more older Australians were also influenced to buy products because they were locally made (reaching +51% in the 65+ group), particularly when compared to the 18-29 group (+28%).

In contrast, purchasing decisions for people under 50 were more widely influenced by climate and sustainability issues, ethical business and labour practices and customer privacy and data issues than for Australians over 50).

By gender, significantly more women than men also made purchasing decisions than men based on supporting local businesses (+48% vs. +38%), buying Australian made rather than overseas (+45% vs. +35%) and climate and sustainability Issues (+19% vs. 11%).

By income, we noted some large discrepancies in the net number of consumers influenced by supporting local businesses (49% high income; 36% low income), climate and sustainability issues (+20% high income; 9% low income) and buying Australian made (+44% high income; +35% low income).

EXTENT BEHAVIOURS CHANGED FOR EACH OF THE FOLLOWING OVER LAST 3 MONTHS (NET BALANCE)



When consumers were asked how their household behaviours had changed around a series of other themes, the role of COVID (and lock down in key states) was evident.

Overwhelmingly, consumers spent more time on screens and devices (+47%), cooking at home (+42%), using social media (+23%) and working from home (+20%).

With travel and social restrictions in place, the number who spent less time holidaying greatly exceeded those that holidayed more (net -56%), as did the number who dined in a restaurant or ate out (-47%) or visited a major shopping centre (-43%).

Over the last 3 months, more consumers on balance also spent more time doing home maintenance, improvements, gardening and the like (+20%), made a purchase based on its health benefits (+8%), to treat themselves (+6%) or an online purchase out of boredom (+4%). Fewer consumers on balance however purchased from a major retailer (-6%).

OTHER HOUSEHOLD BEHAVIOURAL CHANGES: KEY GROUPS

	Overall	18-29	30-49	50-64	65+	Men	Women	Low Income	High Income
Amount of time on screens and devices	47%	49%	50%	48%	38%	40%	54%	42%	53%
Cooked at home	42%	43%	46%	45%	33%	39%	45%	33%	48%
Use of social media	29%	40%	37%	24%	8%	24%	34%	21%	37%
Worked from home	20%	34%	31%	14%	-6%	21%	-5%	2%	39%
Done home maintenance, gardening, etc.	18%	17%	24%	19%	9%	16%	20%	9%	30%
Purchase based on health benefits of product/service	8%	12%	15%	1%	0%	9%	7%	3%	13%
Made a purchase to treat myself	6%	26%	10%	-5%	-9%	10%	3%	-4%	18%
Made online purchases out of boredom	4%	21%	15%	-5%	-22%	1%	7%	-1%	16%
Purchased from major retailers	-6%	11%	-2%	-17%	-19%	-1%	-11%	-8%	-2%
Visited a major shopping centre	-43%	-28%	-42%	-54%	-47%	-34%	-51%	-41%	-44%
Dined in at a restaurant/eating out	-47%	-28%	-46%	-57%	-58%	-39%	-56%	-53%	-46%
Holidaying	-56%	-40%	-55%	-67%	-63%	-47%	-64%	-55%	-58%

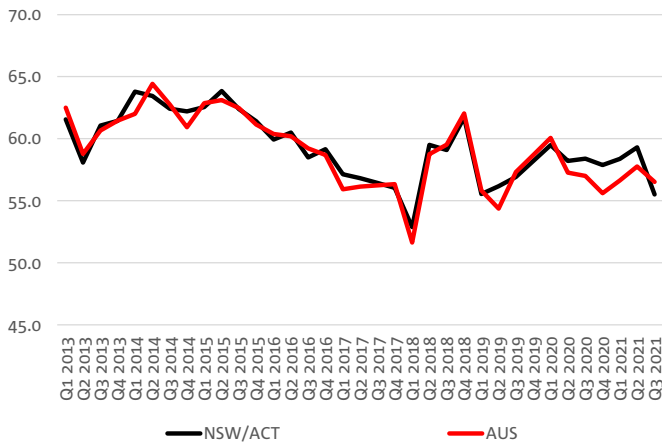
In terms of doing more, change was most apparent for time on screens in all age groups (ranging from +50% in the 30-49 group to +38% in the over 65 group), by gender (+54% women; +40% men) and in high (+53%) and low-income groups). Cooking at home was next, though the net number who did so in the over 65 age group (+33%), for men (+39%) and low-income earners (+33%) was somewhat lower when compared to their peers. Use of social media also increased for many people, particularly in the 18-29 (+40%) and 30-49 (+37% age groups), for women (+34%) and high-income earners (+37%). High income earners and consumers under 50 led the way for working more from home, but while more men also worked from home (+21%), the net number of women working from fell (-5%).

We also noted a much higher number in the 30-49 age group who did home maintenance (+24%). More people in the 18-29 group (+26%) and men (+10%) made a purchase to treat themselves (+26%), and people aged 18-29 (21%) and high-income earners (+16%) out of boredom.

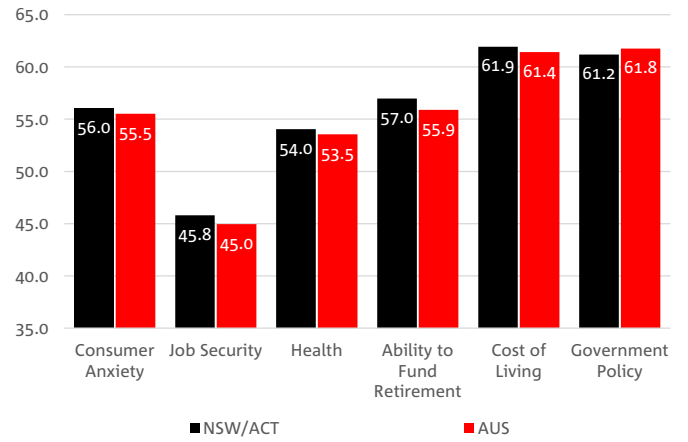
In terms of doing less, holidays suffered most, particularly in the 50-64 (-67%), over 65 (-63%) age groups, and for women (-64%). Noticeably fewer consumers in the 50-64 age group (-57%), women (-56%) and low-income earners (-53%) dined in at a restaurant or ate out. Fewer women (-51%) also visited a major shopping centre compared to men (-34%). Far fewer people in all age groups (bar the 18-29 group) also purchased from major retailers, and over people over 65 (-22%) purchased online out of boredom.

APPENDIX 1: CONSUMER STRESS: STATES

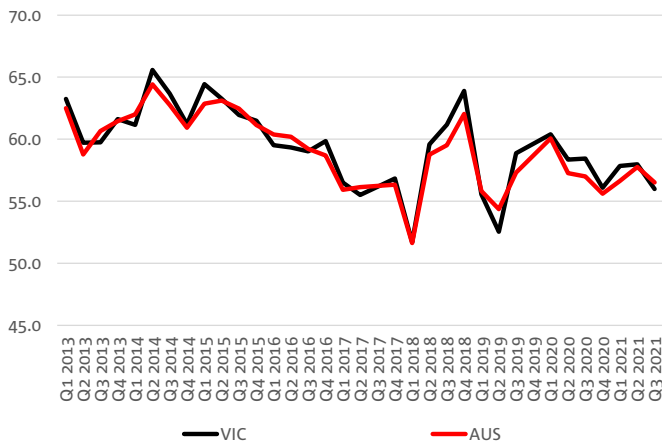
CONSUMER STRESS: NSW/ACT



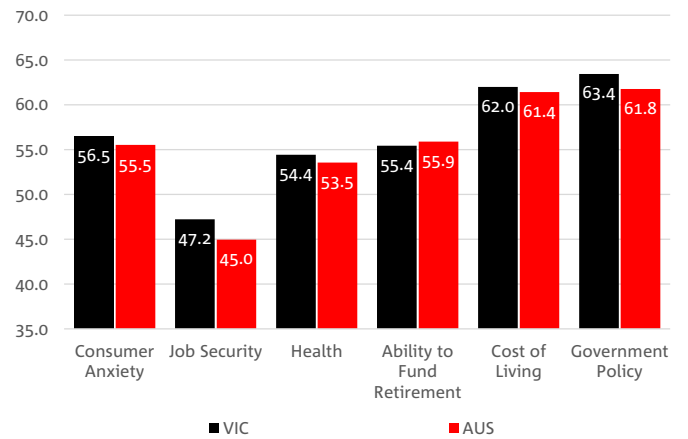
CONSUMER STRESS: NSW/ACT (Q3 2021)



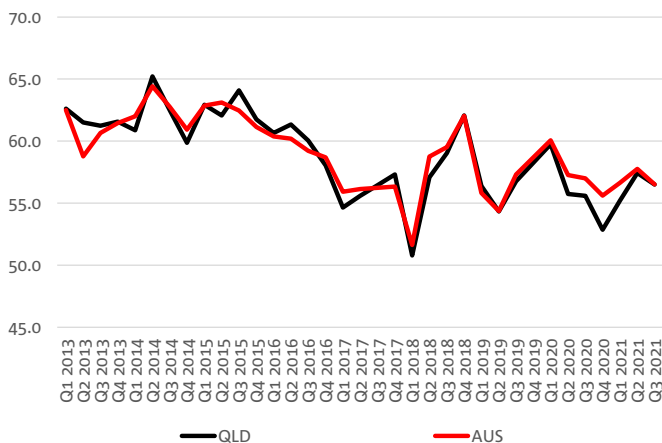
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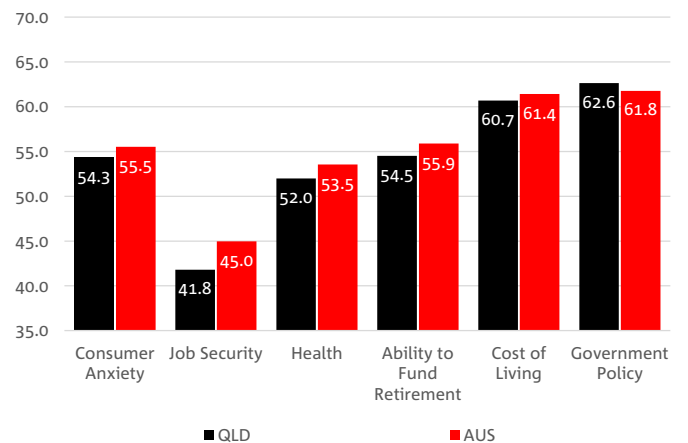
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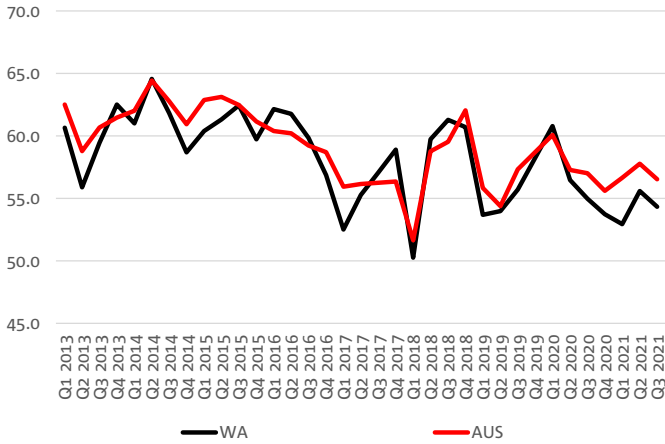
CONSUMER STRESS: QLD



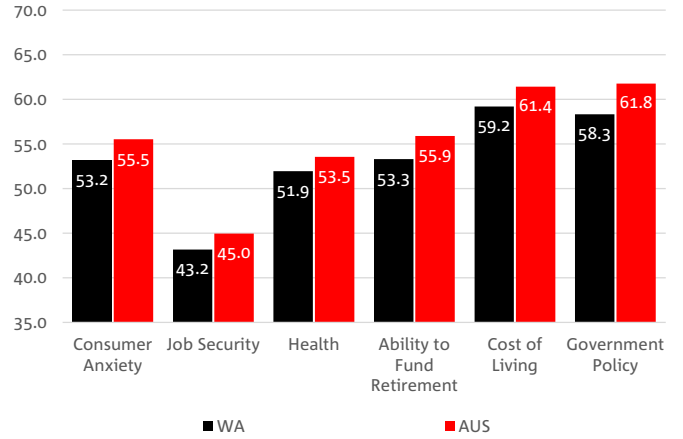
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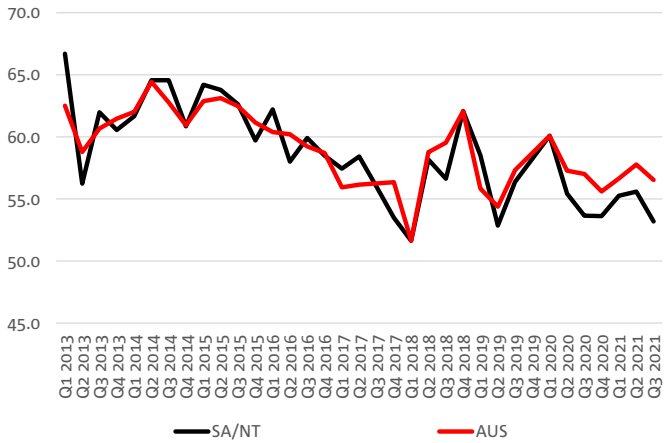
CONSUMER STRESS: WA



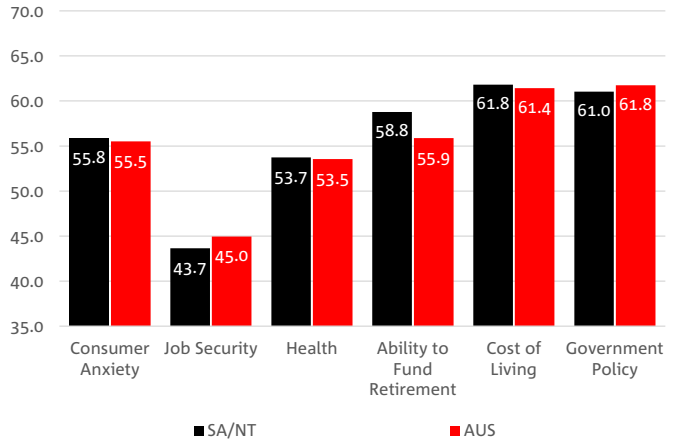
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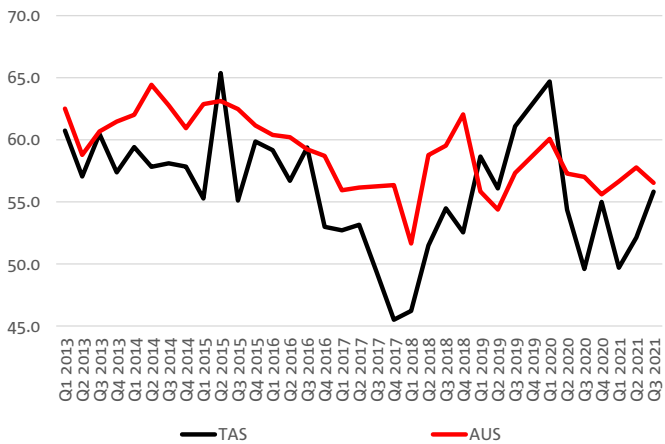
CONSUMER STRESS: SA/NT



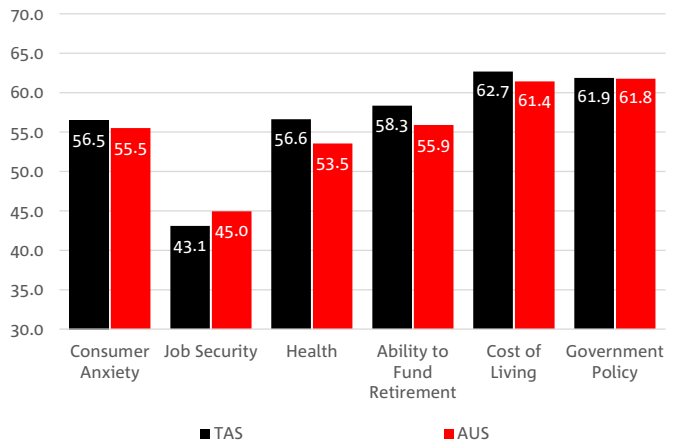
CONSUMER STRESS: SA/NT (Q3 2021)



CONSUMER STRESS: TAS

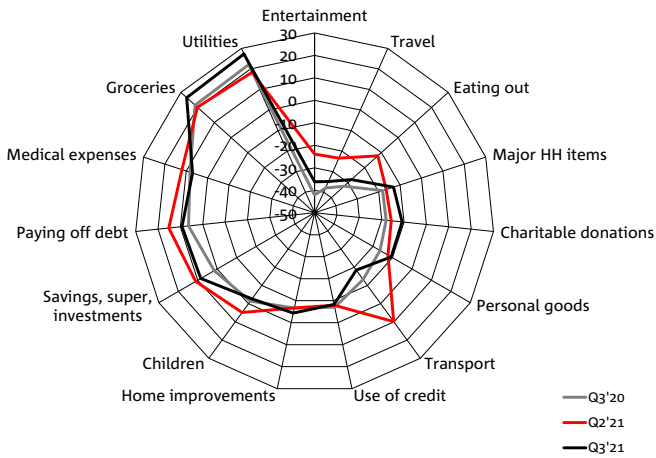


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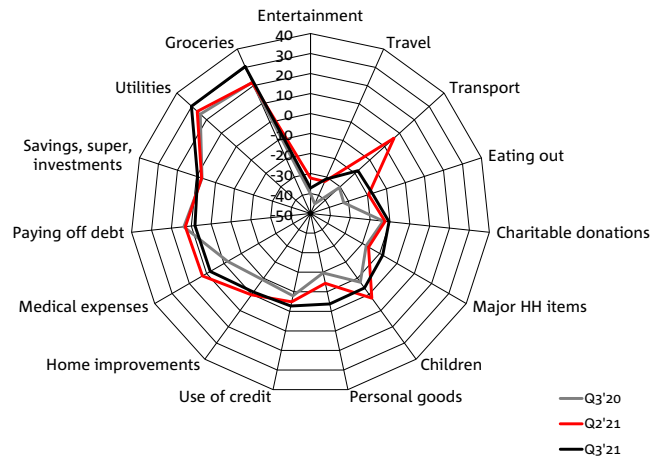


APPENDIX 2: CHANGES IN SPENDING PATTERNS: STATES

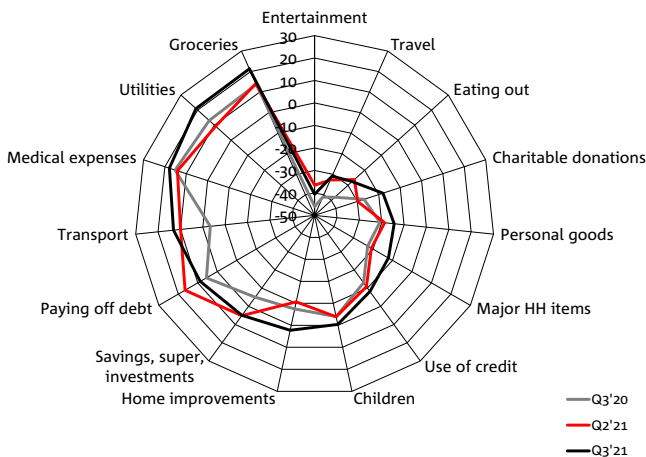
NSW/ACT: CHANGES IN SPENDING PATTERNS (net balance)



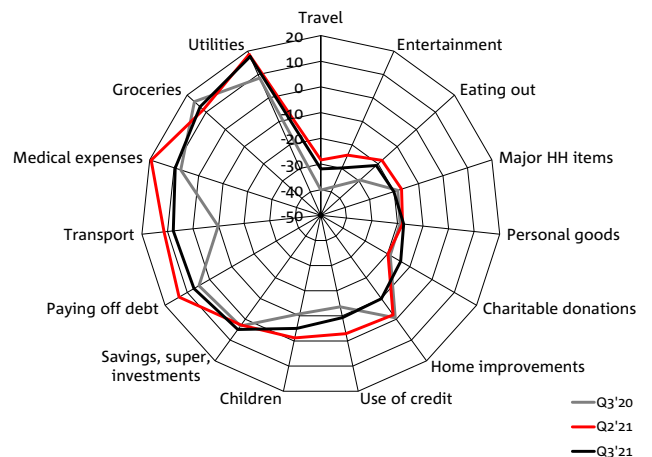
VIC: CHANGES IN SPENDING PATTERNS (net balance)



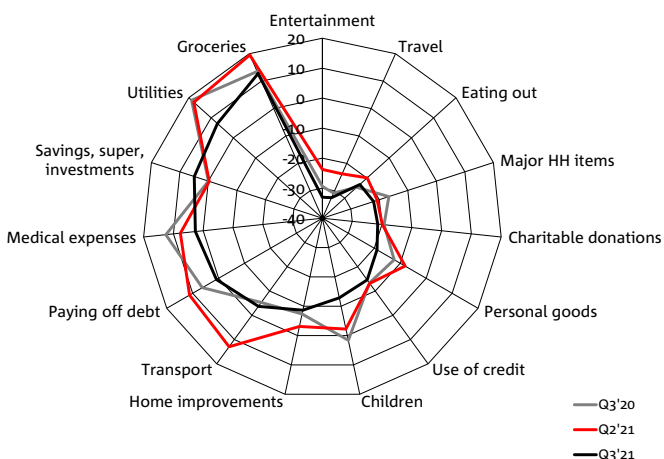
QLD: CHANGES IN SPENDING PATTERNS (net balance)



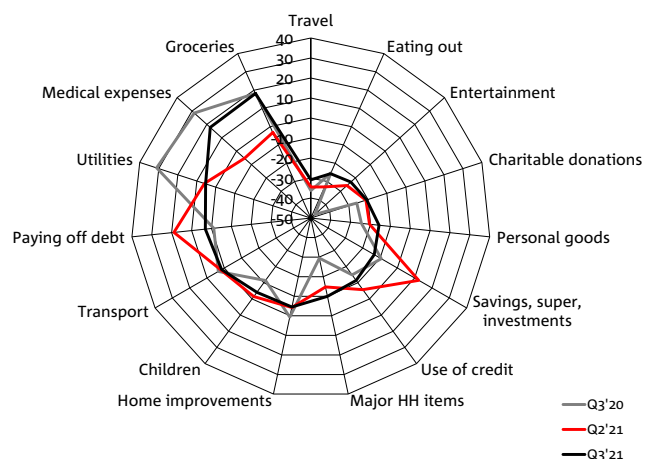
WA: CHANGES IN SPENDING PATTERNS (net balance)



SA/NT: CHANGES IN SPENDING PATTERNS (net balance)



TAS: CHANGES IN SPENDING PATTERNS (net balance)



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