



INSIGHTS INTO A “NEW NORMAL” FOR WHOLESALERS

What can human behaviour and NAB data tell us about the economy, business, & the consumer post the pandemic?

NAB Behavioural & Industry Economics

June 2022 |

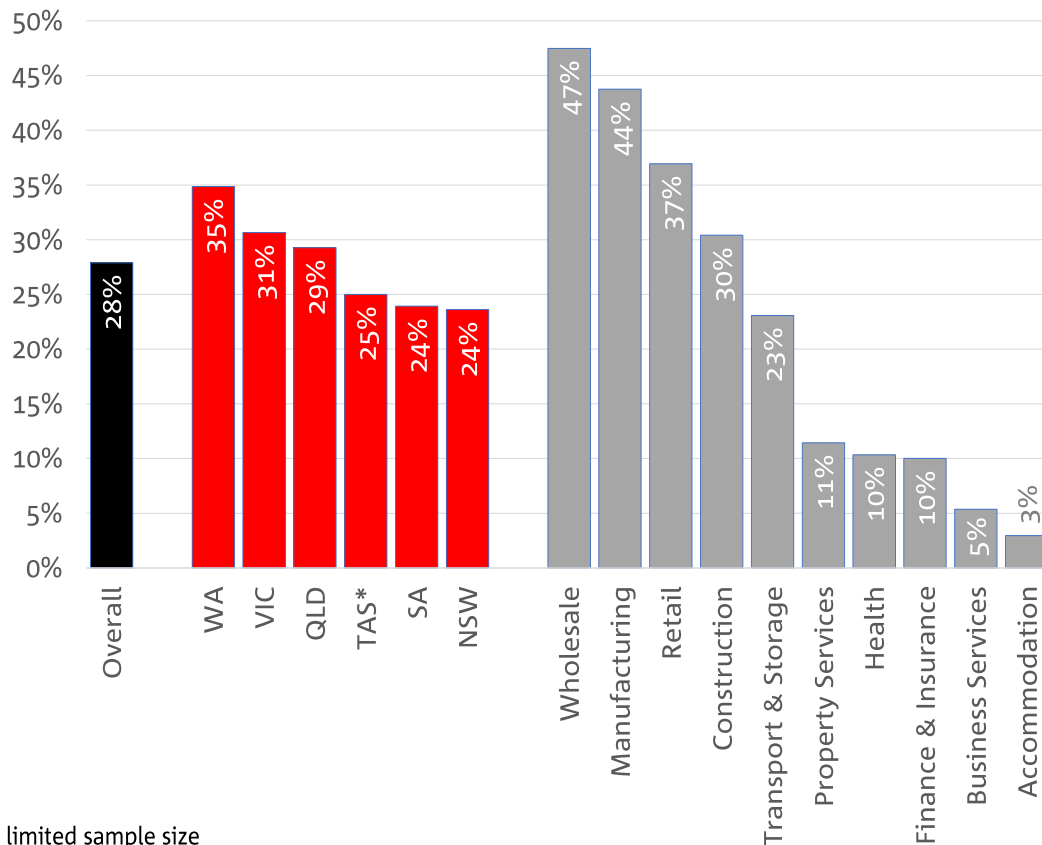
Dean Pearson, Head of Behavioural and Industry Economics, Group Economics

SUPPLY CHAIN (A BUSINESS PERSPECTIVE)



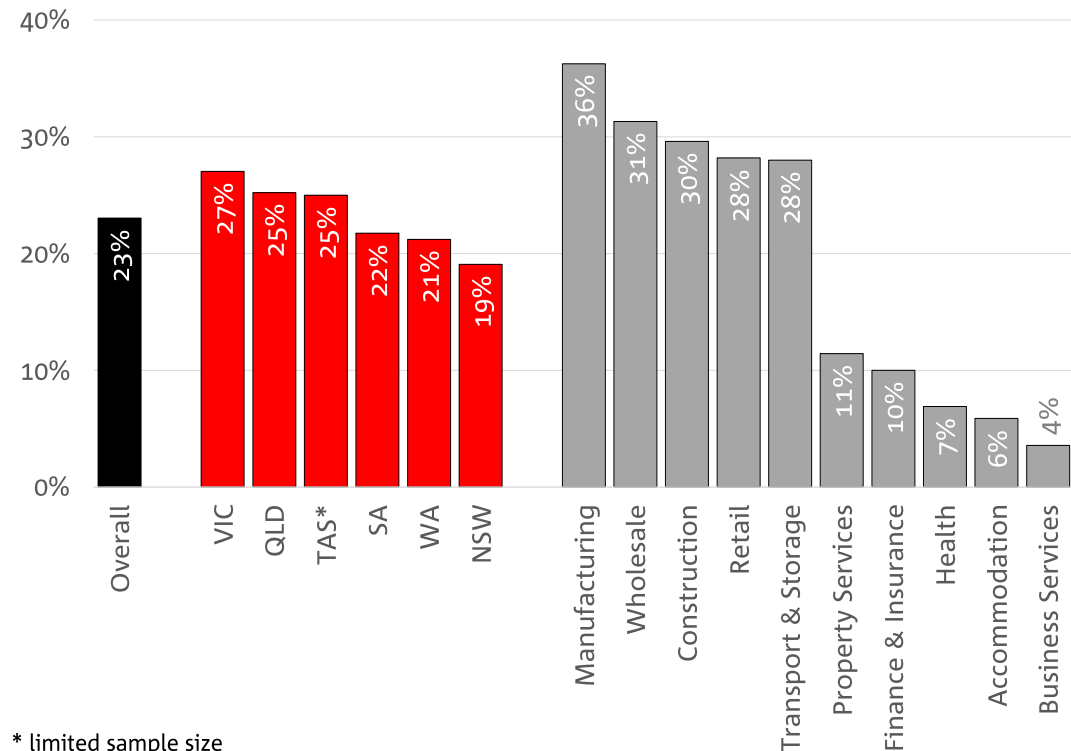
Supply chains remain a “significant” issue for almost 3 in 10 SMEs, rising to almost 1 in 2 in Wholesale & also problematic for a large number in Manufacturing, Retail and Construction. 1 in 4 SMEs still expect supply chain to be a significant concern in 12 months’ time.

Extent supply chain currently an issue for your business (% scored "significant")



* limited sample size

Extent supply chain is expected to be an issue for your business in next 12 months (% scored significant)



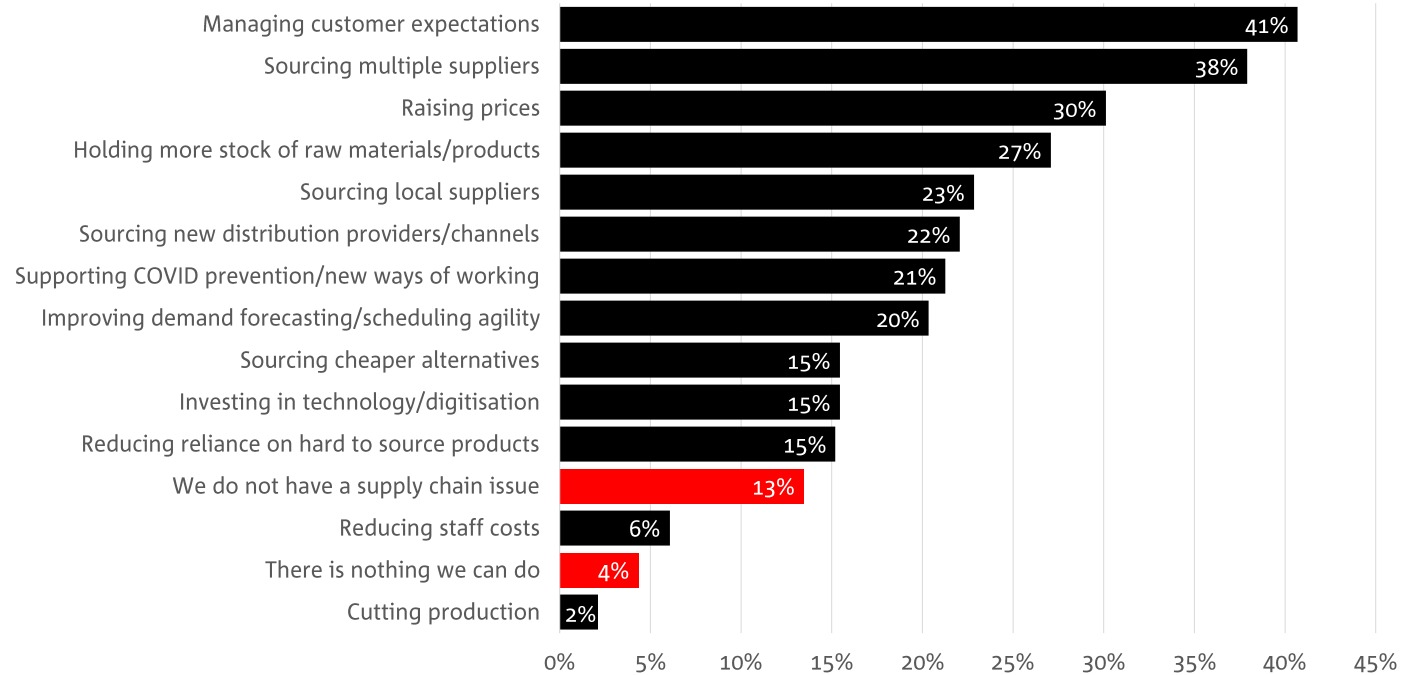
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WHAT SHOULD BE DONE - A BUSINESS VIEW

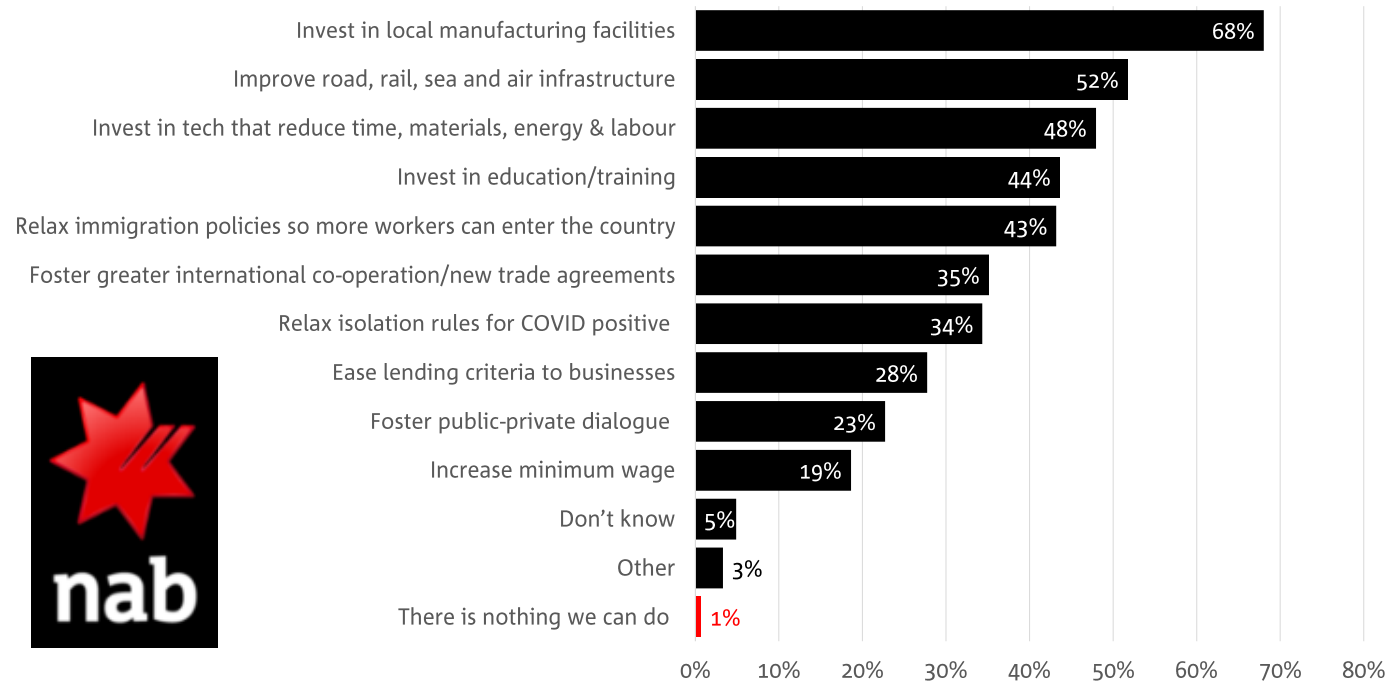
What can business do? The most common response is to manage customer expectations and source multiple suppliers. Around 3 in 10 were looking to or had already raised prices.

What can Australia do? Overwhelmingly most SMEs said more investment in local manufacturing facilities was key.

Which of these strategies is your business looking to implement or already implemented to help overcome the impact of supply chain issues: All SMEs



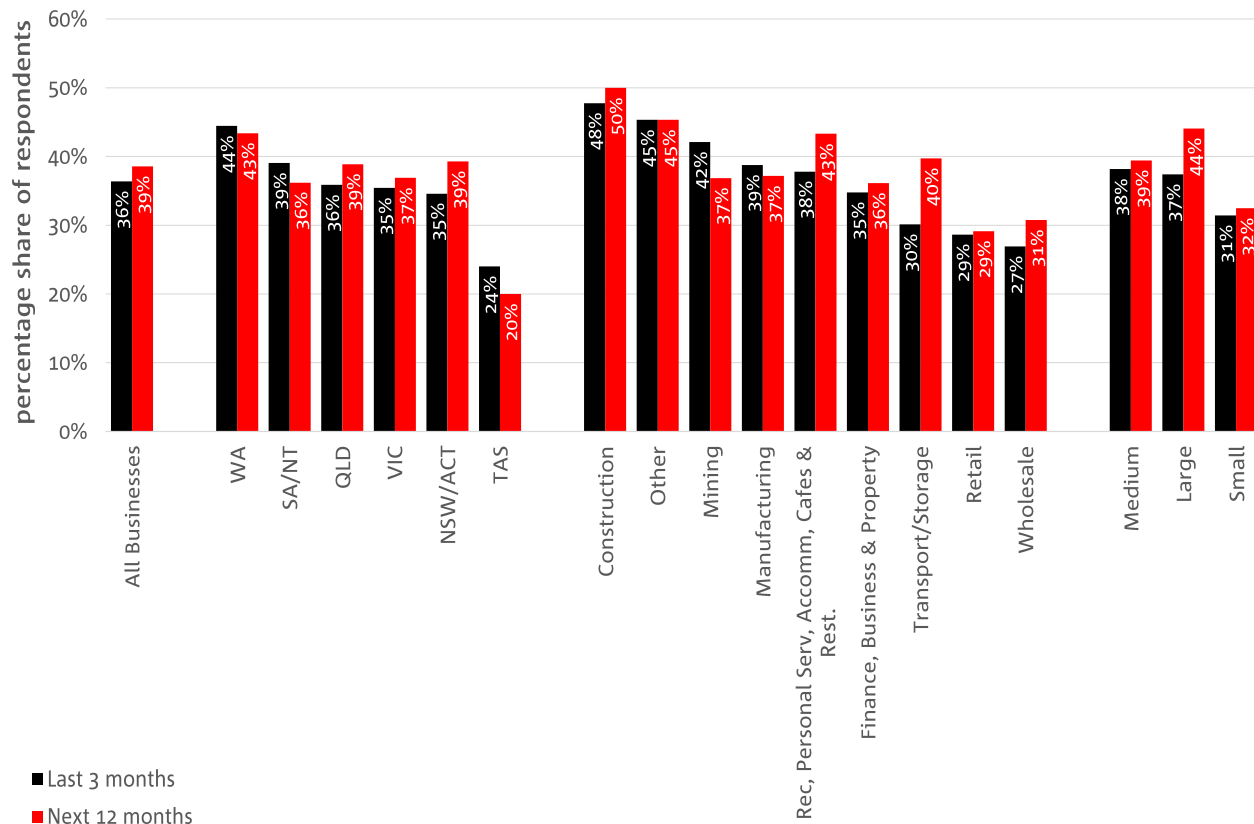
As a country, what strategies do you believe Australia should be implementing to deal with current & future supply chain issues: All SMEs



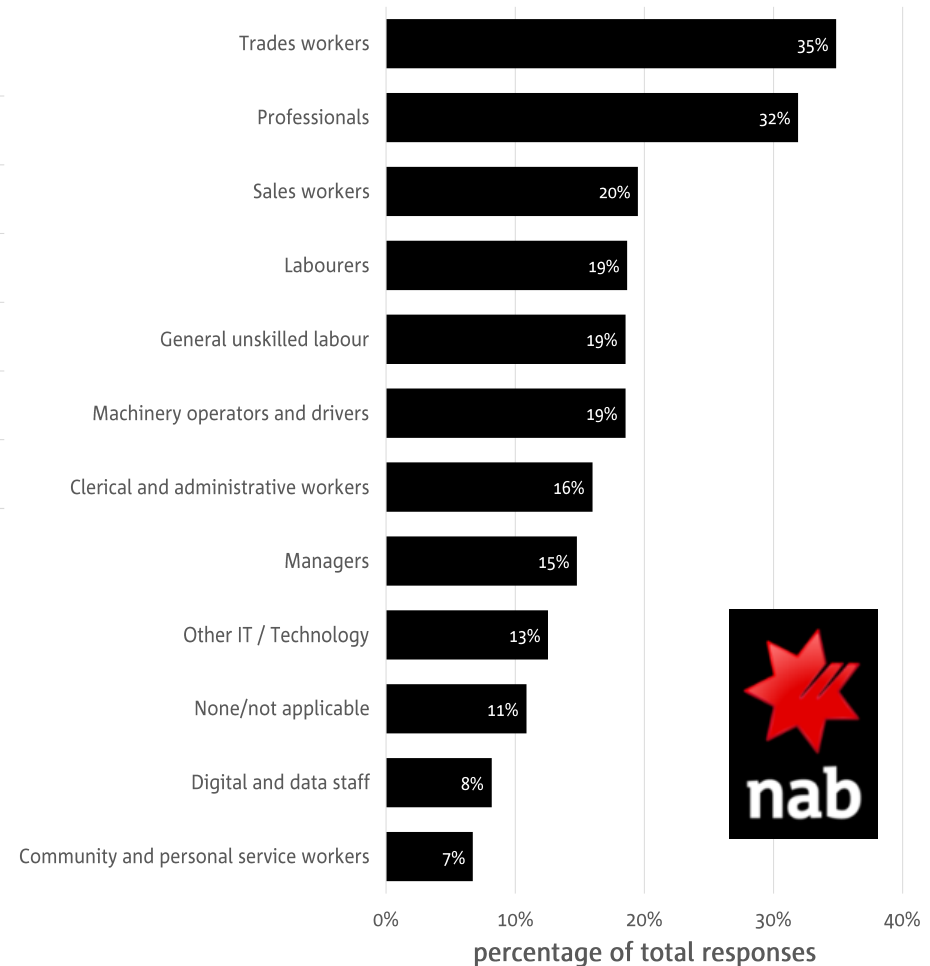
LABOUR SHORTAGES (A BUSINESS PERSPECTIVE)

Almost 4 in 10 Australian businesses believe labour shortages are having a “very significant” impact on their business, with little confidence the problem will be solved over the next 12 months. By industry, the Construction sector appears to be under the most strain.

Extent labour shortages are an issue: all businesses
(rated very significant at 8-10 pts)



Types of labour shortages being experienced or expect to experience: all businesses

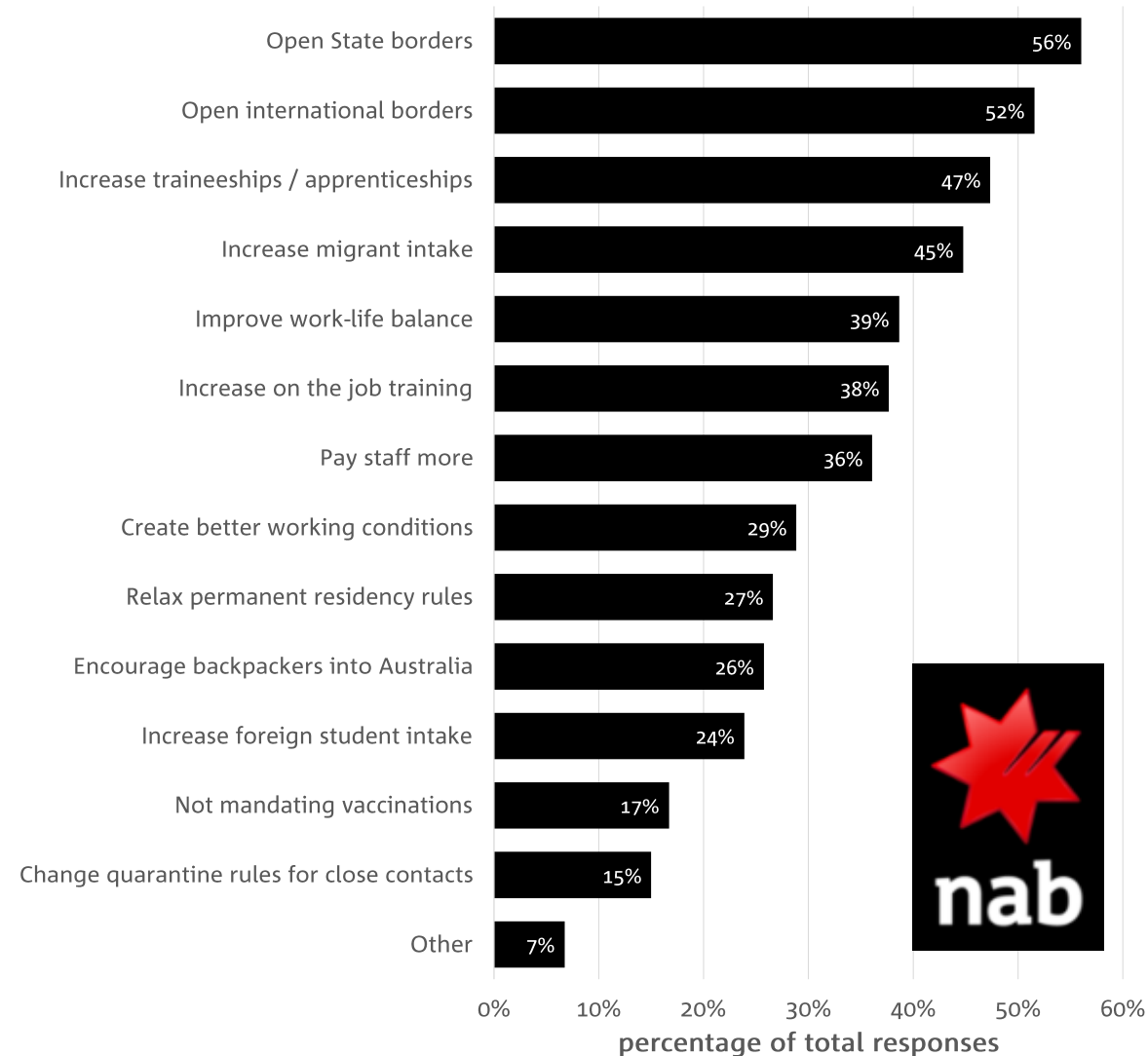


WHAT SHOULD BE DONE (A BUSINESS VIEW)

Australian businesses sent a clear message about how labour shortages can best be solved with over 1 in 2 wanting state and international borders open. But, almost 1 in 2 also identified increased traineeships & apprenticeships and migrant intake as key solutions.



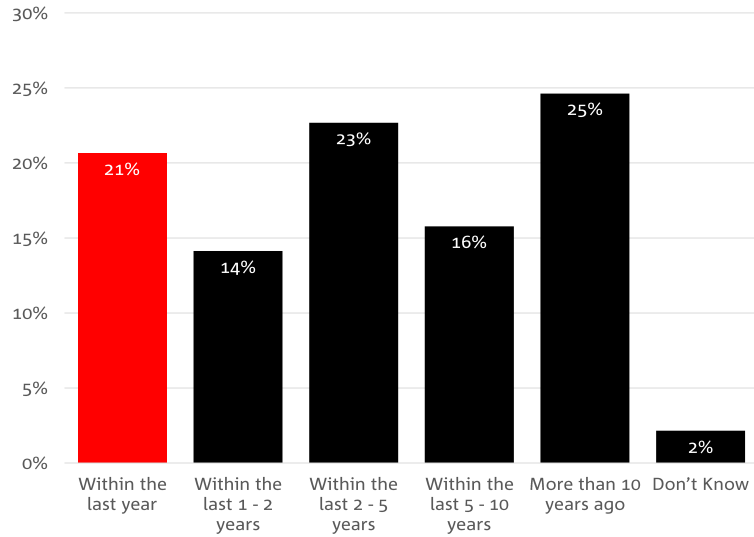
How can labour shortages be solved: all businesses



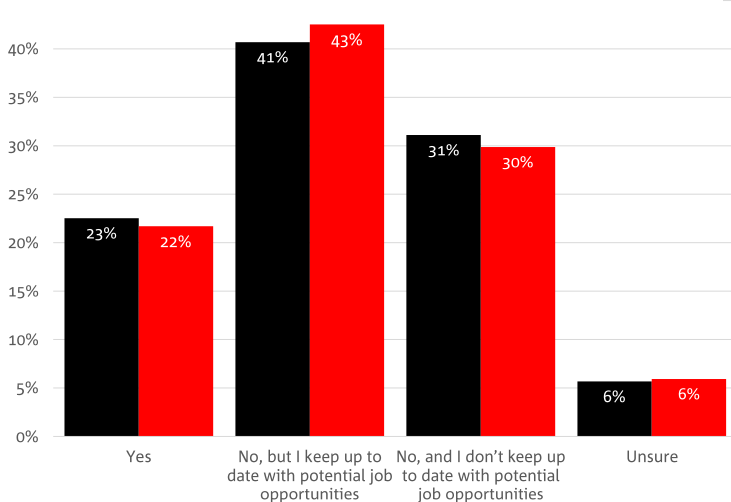
IS AUST EXPERIENCING A GREAT RESIGNATION?

After decades of low employee turnover there is a very sizeable share of the adult working population who have left or are considering leaving their current job.

Last time you changed jobs: overall

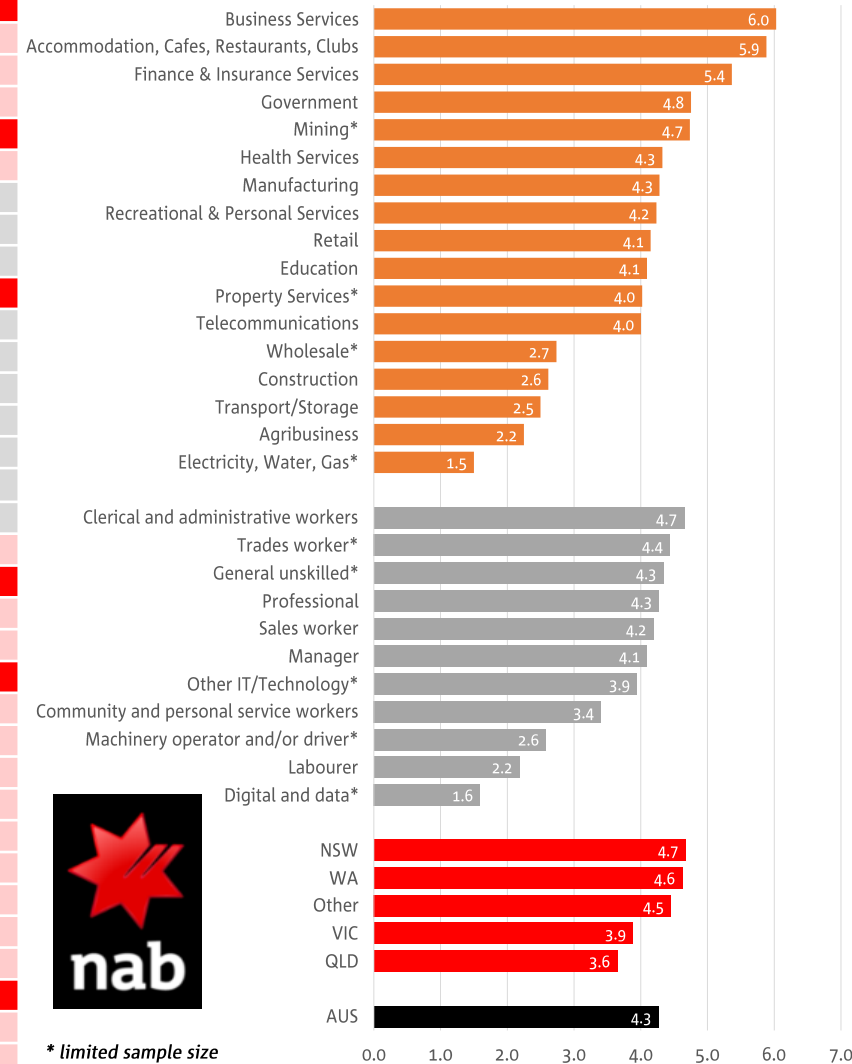


Considering leaving current place of employment: overall



AUS	22%
NSW	21%
VIC	19%
QLD	27%
SA	24%
ACT	18%
WA	20%
TAS	33%
NT	18%
Manager	22%
Sales worker	26%
Professional	26%
Machinery operator &/or driver	42%
Digital and data	31%
Other IT/Technology	24%
Labourer	25%
General unskilled	19%
Trades worker	31%
Community/personal services	18%
Clerical/administrative workers	16%
Education	15%
Agribusiness	40%
Mining	28%
Manufacturing	18%
Construction	39%
Retail	22%
Wholesale	11%
Transport/Storage	28%
Finance & Insurance Services	19%
Business Services	21%
Property Services	15%
Accomm, Cafes, Restaurants	18%
Recreational & Personal Services	16%
Electricity, Water, Gas	22%
Telecommunications	42%
Health Services	11%
Government	27%

When are you considering leaving your current place of employment (months)

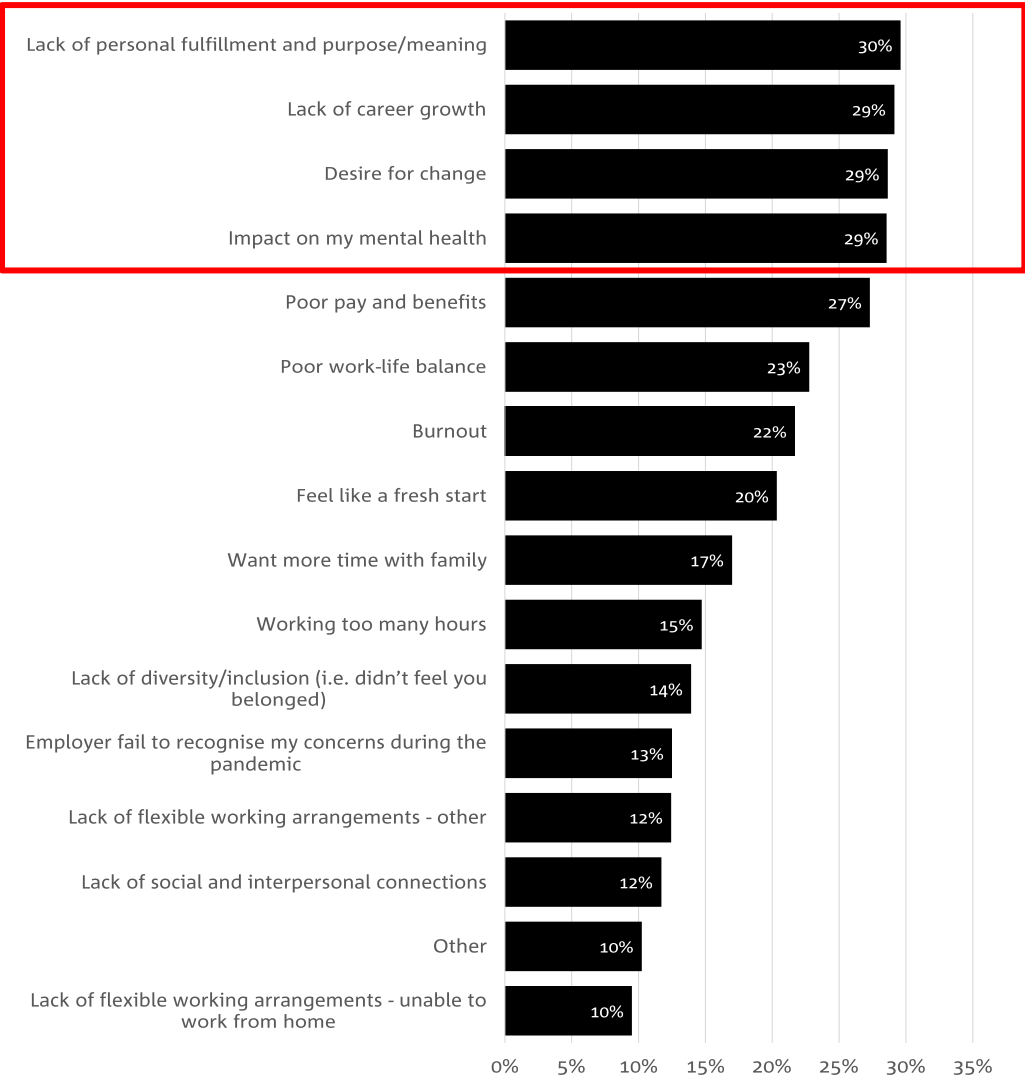


* limited sample size

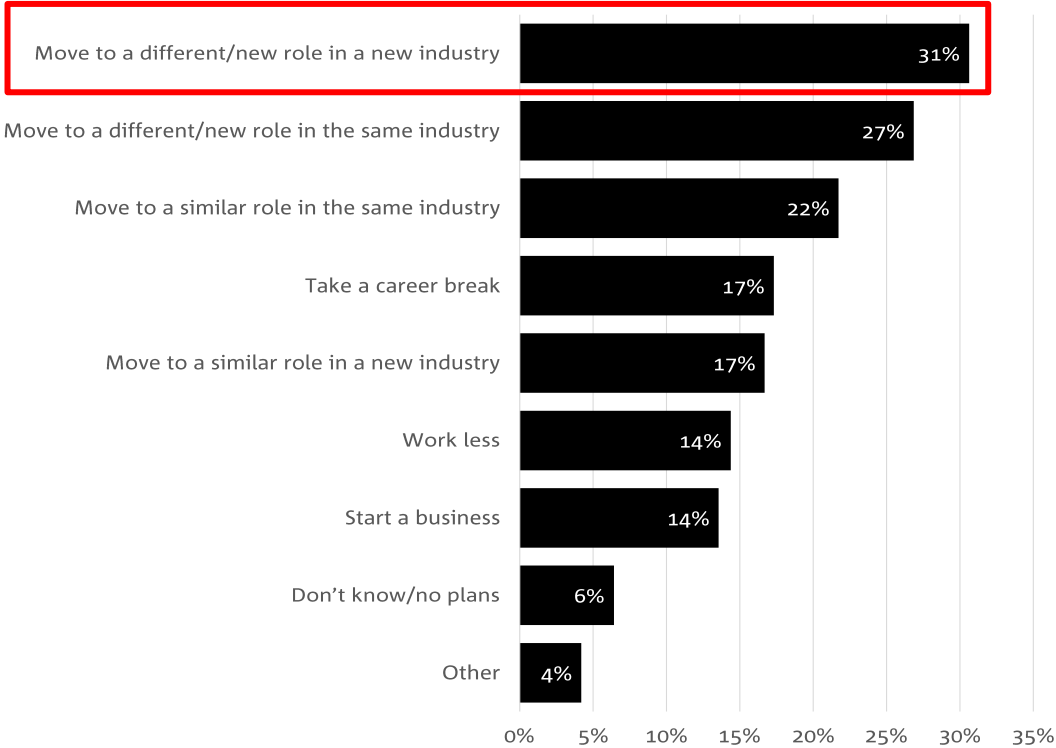
WHY ARE WORKERS CONSIDERING LEAVING?

Around 3 in 10 workers were considering leaving their current job due to a lack of personal fulfillment and purpose or meaning, lack of career growth & the impact of on their mental health.

Main reasons you're considering leaving your current place of employment



What are you going to do when you leave

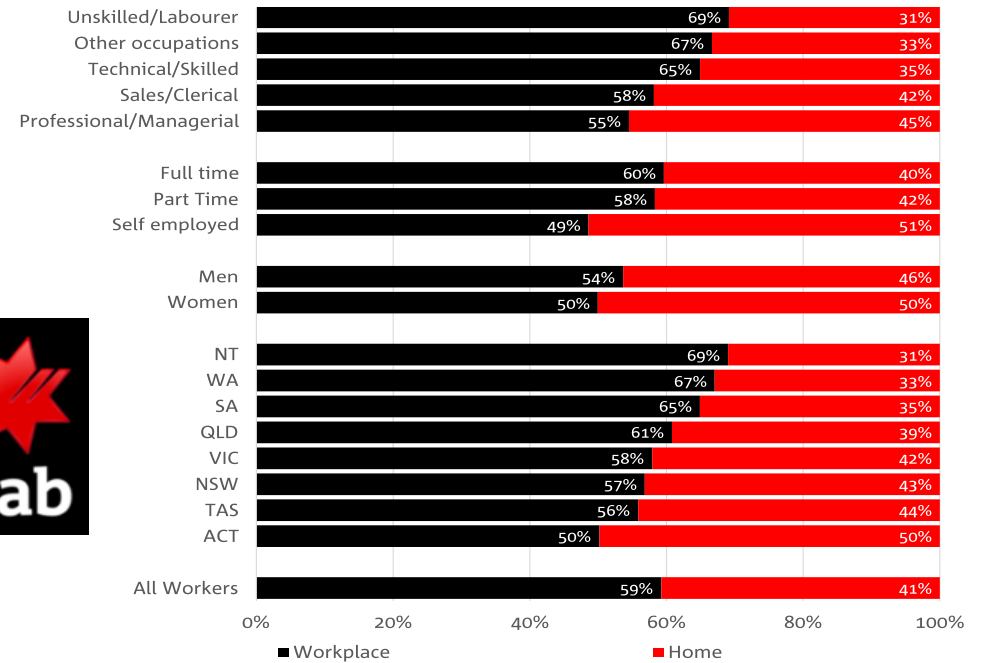


WORKING FROM HOME

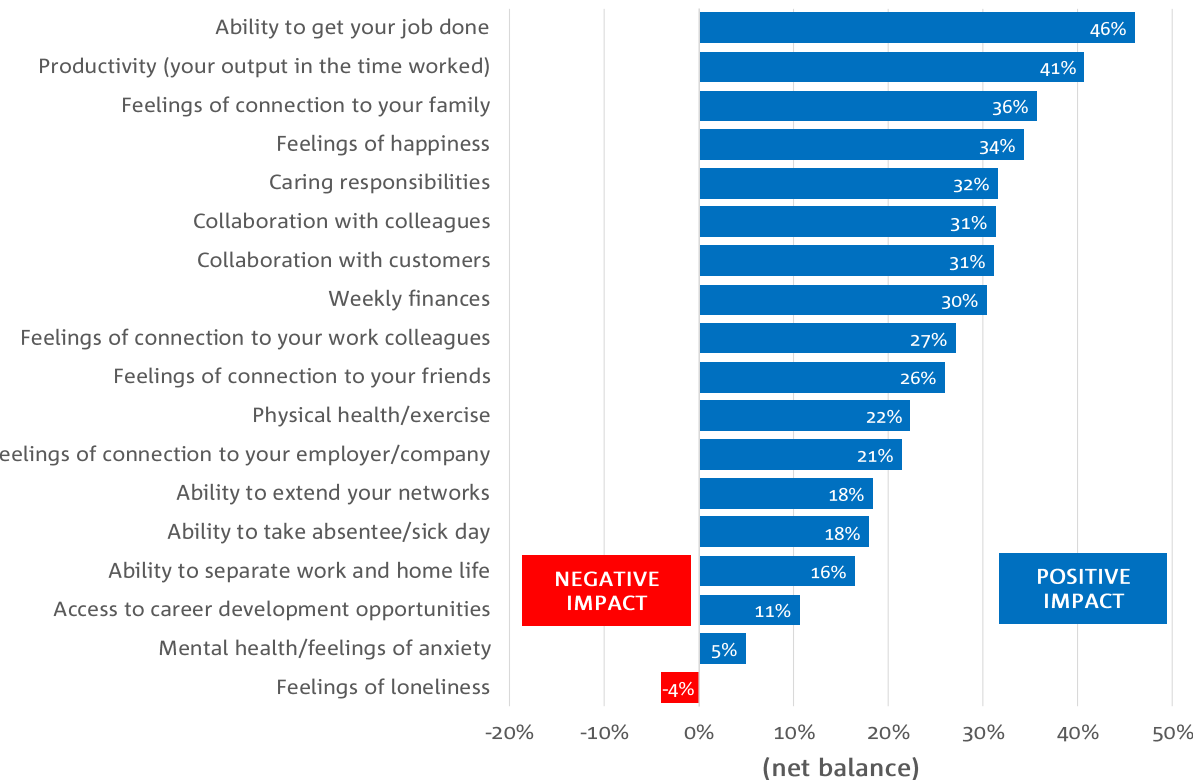
The impact of COVID-19 on working arrangements has been profound. When Australians were asked what their ideal work situation would look like in the future, the split is 56% of time at the workplace and 44% at home.



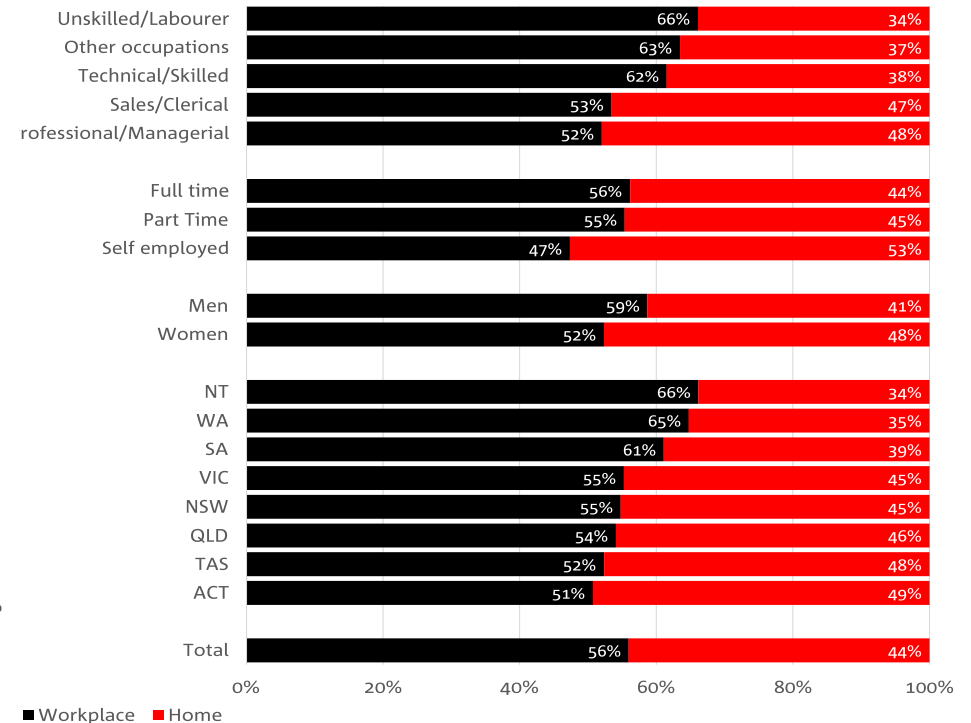
Percentage of time spent during average work week spent working at workplace & home



Extent current work situation is impacting the following



Ideal working situation in the future

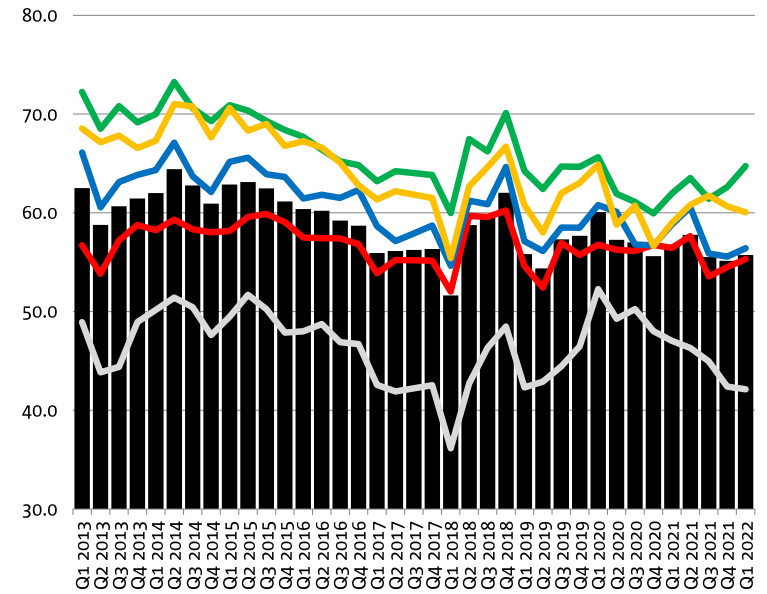


CONSUMER STRESS

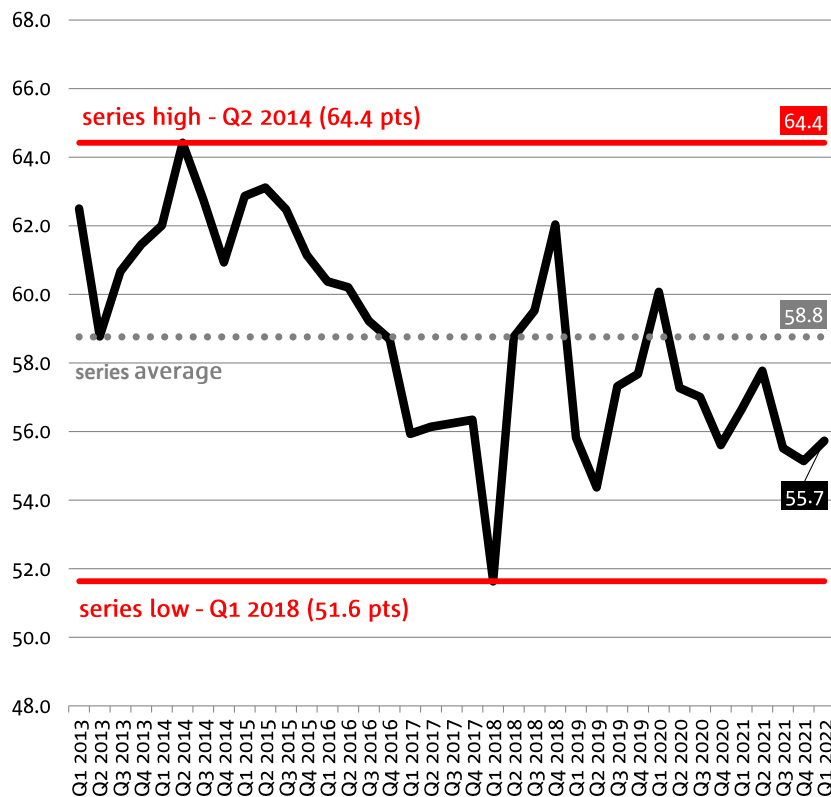
Consumer confidence is a lagging, not a leading, indicator - i.e. it is not good at predicting future economic trends. NAB's measure of consumer sentiment is based on typical household stresses around job security, health, ability to fund retirement, cost of living and government policy. The NAB Consumer Stress Index rose in Q1 2022 due to rising concerns over the cost of living (at a 2-yr high).



NAB Consumer Stress Index
(100 = extreme stress)

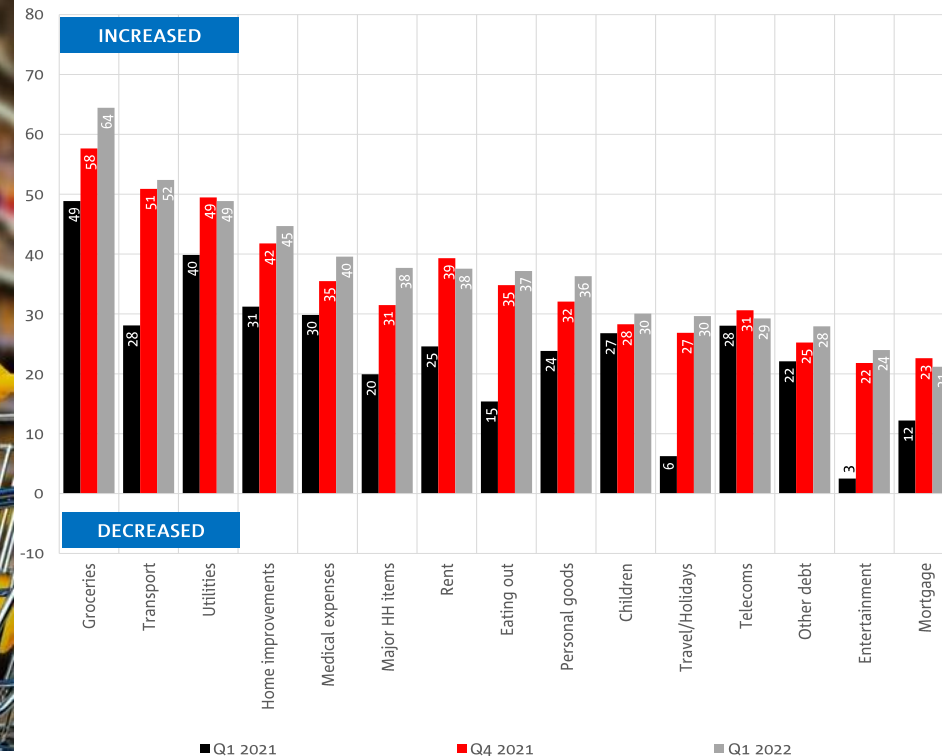


NAB Consumer Stress Index



■ Consumer Anxiety ■ Job Security ■ Health
■ Ability to Fund Retirement ■ Cost of Living ■ Government Policy

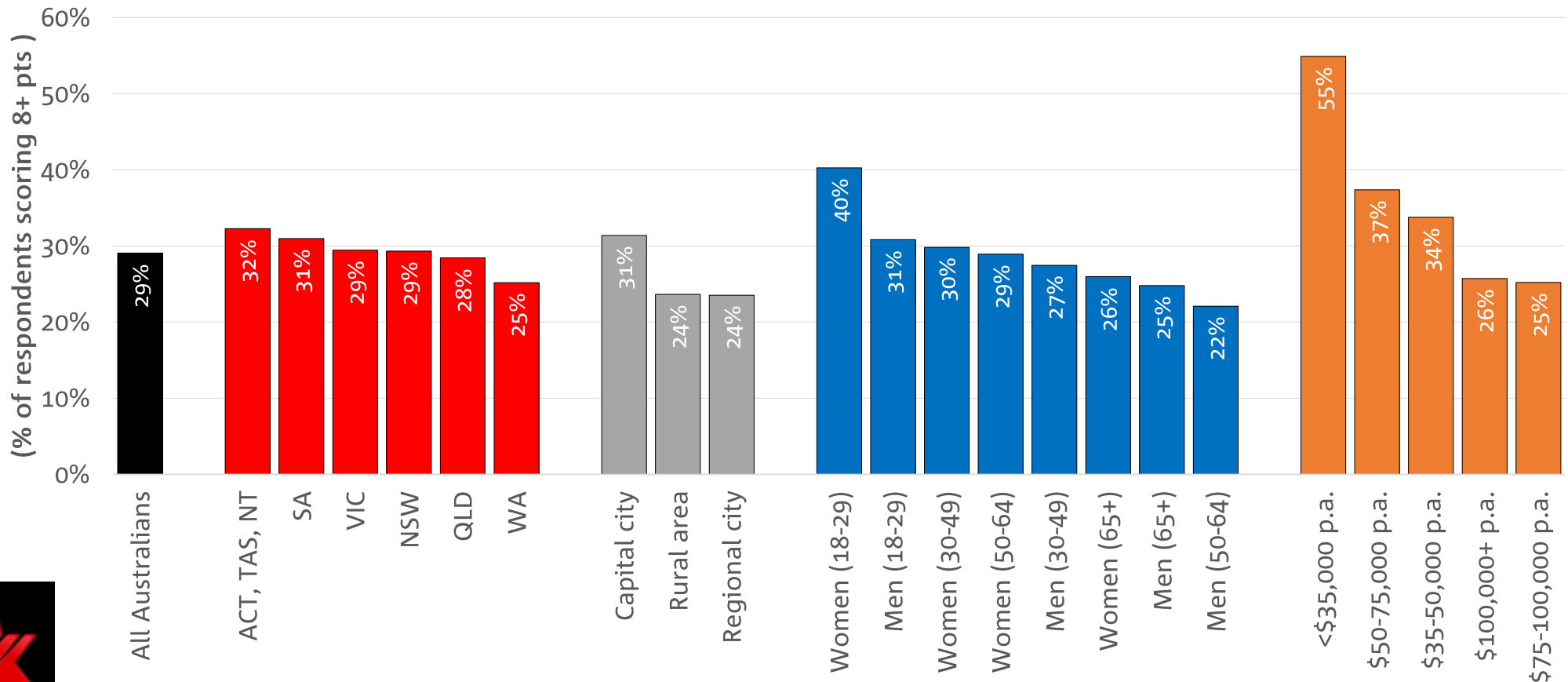
Extent costs have changed in past 3 months (net)



MORTGAGE STRESS & INTEREST RATE RISES

On average, Australian home owners are only moderately stressed over the prospect of interest rate rises. But 3 in 10 are highly concerned, rising to 5 in 10 among lower income earners.

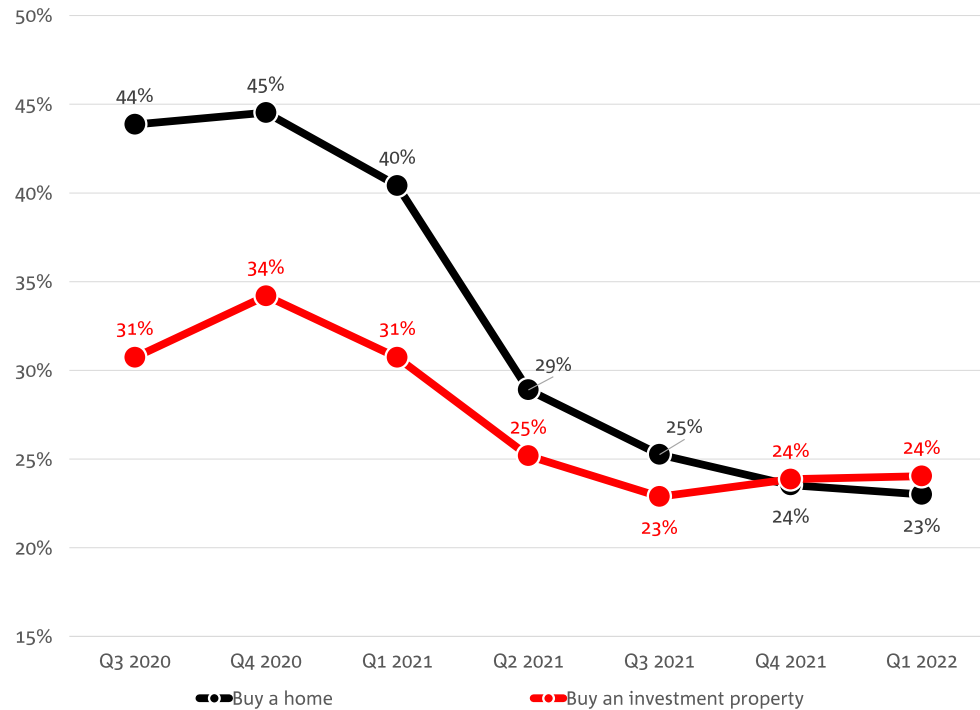
Percentage of Australians with "high" level of concern or stress over their home loan debt should interest rates rise



PROPERTY PERCEPTIONS - TIME TO BUY?

The number of Australians who think now is a good time to buy a home fell for the fourth consecutive quarter to just 23% in Q1 2022, well below the same time last year (40%). The number who thought it was a good time to buy an investment property remain stable at 24%, compared to 31% at the same time last year.

Is it a good time to buy property now - Yes



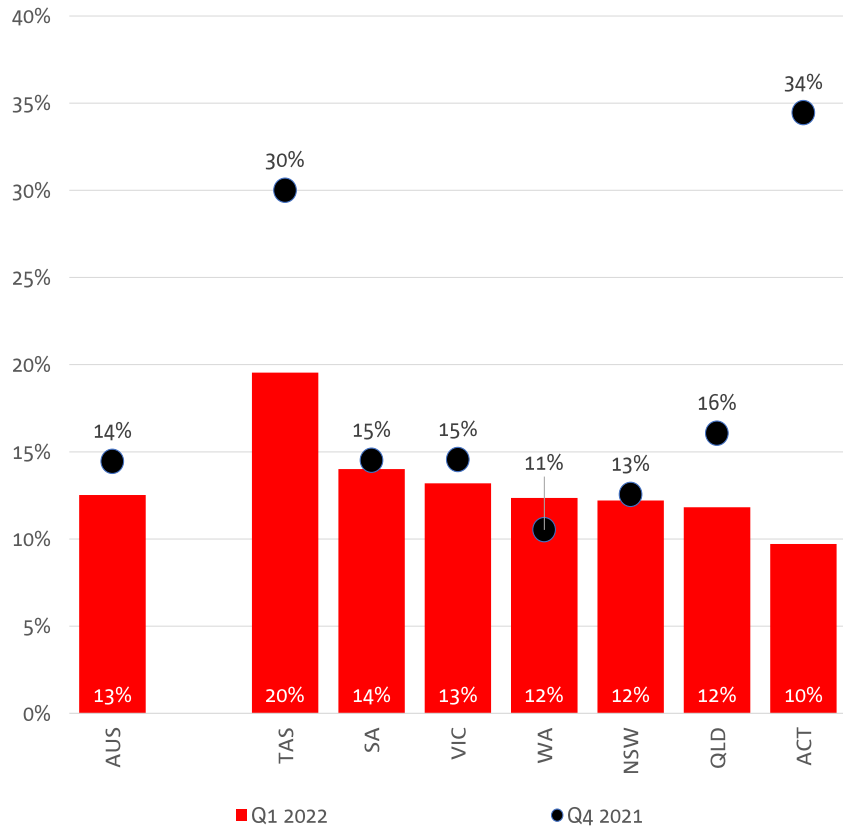
		NSW	VIC	QLD	SA	WA	TAS	ACT
Good time to buy a home	Q1 2022	21%	25%	20%	17%	32%	15%	25%
	Q4 2021	22%	25%	21%	20%	29%	26%	17%
	Q3 2021	23%	27%	26%	25%	26%	17%	28%
	Q2 2021	26%	32%	23%	35%	36%	25%	24%
	Q1 2021	38%	38%	44%	44%	44%	36%	44%
	Q4 2020	40%	47%	48%	41%	53%	41%	34%
	Q3 2020	43%	41%	46%	36%	56%	41%	35%
Investment property	Q1 2022	24%	24%	23%	19%	32%	15%	27%
	Q4 2021	24%	25%	21%	26%	22%	22%	30%
	Q3 2021	23%	22%	25%	25%	20%	15%	23%
	Q2 2021	25%	26%	22%	28%	26%	26%	27%
	Q1 2021	30%	26%	32%	34%	35%	40%	29%
	Q4 2020	32%	36%	40%	29%	29%	32%	20%
	Q3 2020	32%	29%	33%	22%	34%	26%	32%



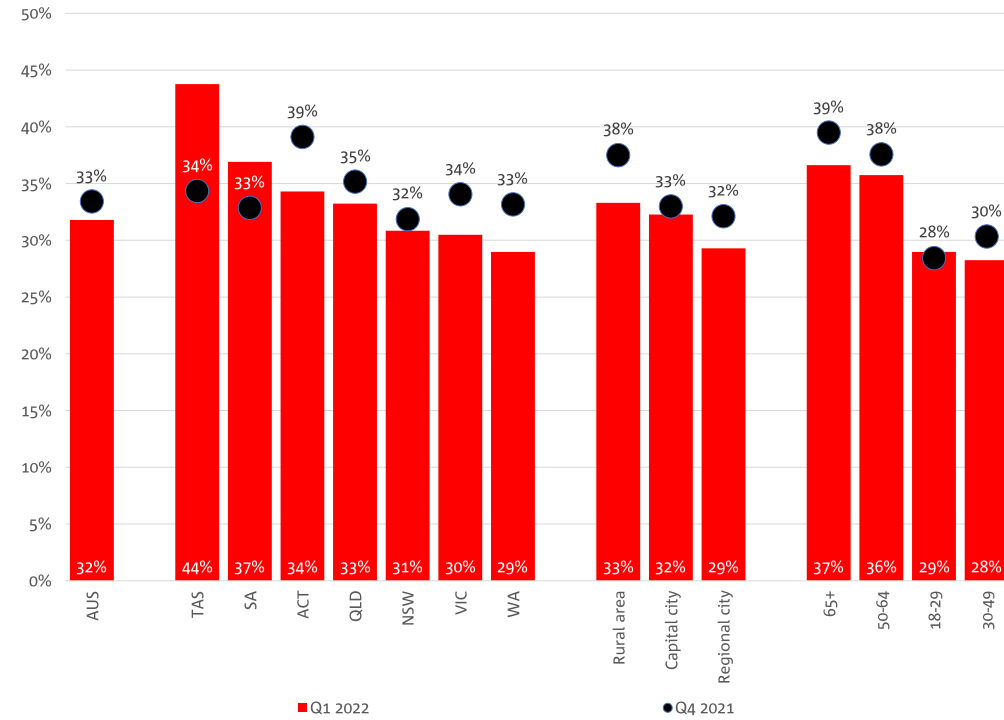
PROPERTY PERCEPTIONS - RENOVATE?

Around 1 in 3 Australians still believe now is a good time to renovate a property despite over 1 in 2 reporting that it had become more expensive. With travel plans off the cards for the past 2 years, many have turned to improving and investing in their homes.

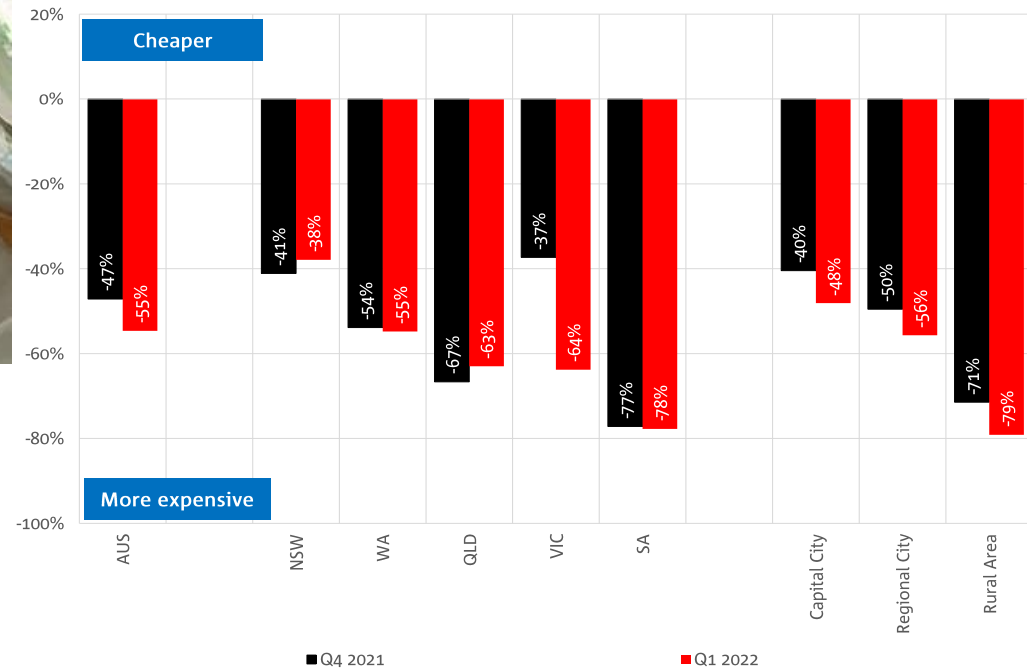
Currently renovating a property (%)



Is now a good time to renovate a property - Yes



Has it become cheaper or more expensive to complete a renovation in last 3m (net balance)

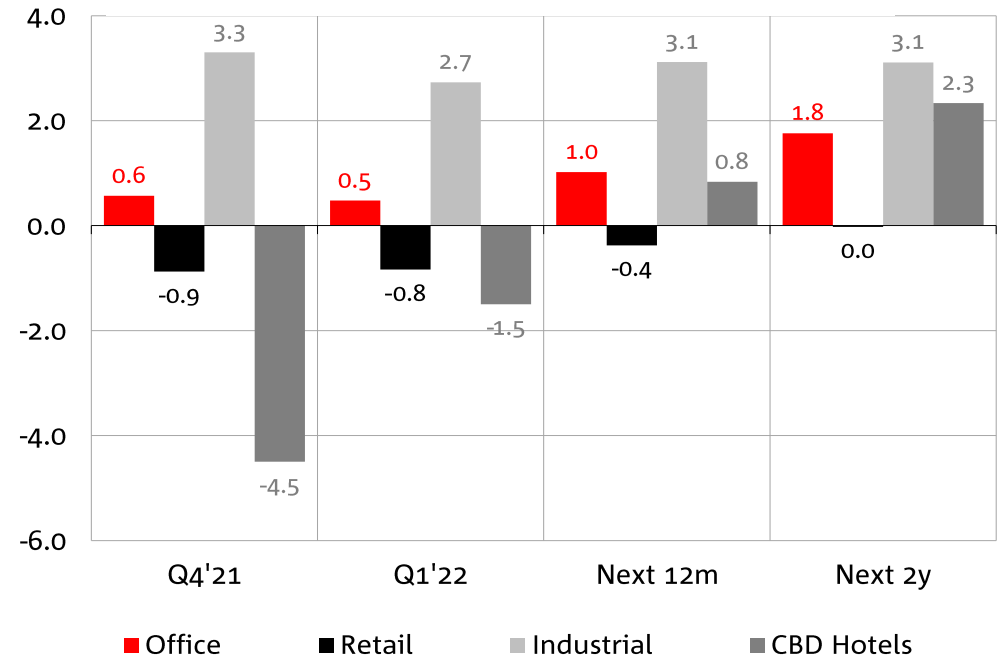


NAB COMMERCIAL PROPERTY SURVEY

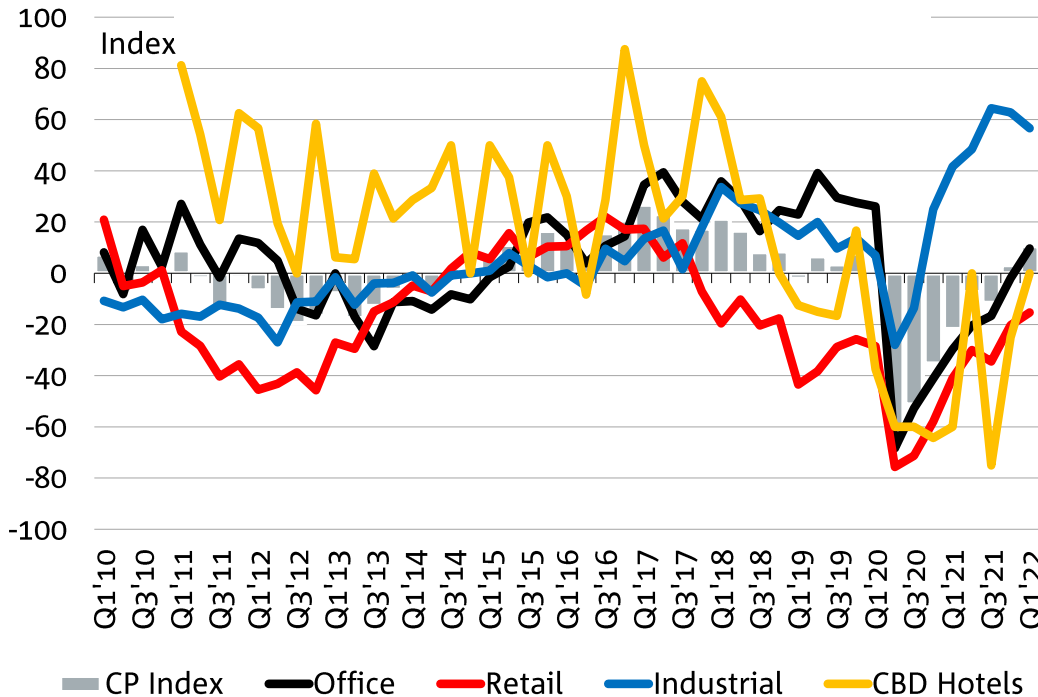


The NAB Commercial Property Index continues to rise underpinned by elevated levels of sentiment in Industrial property markets, where demand for logistics space continued unabated, driving accelerating rental growth. Many businesses are looking at bigger, more complicated & bespoke warehouse facilities.

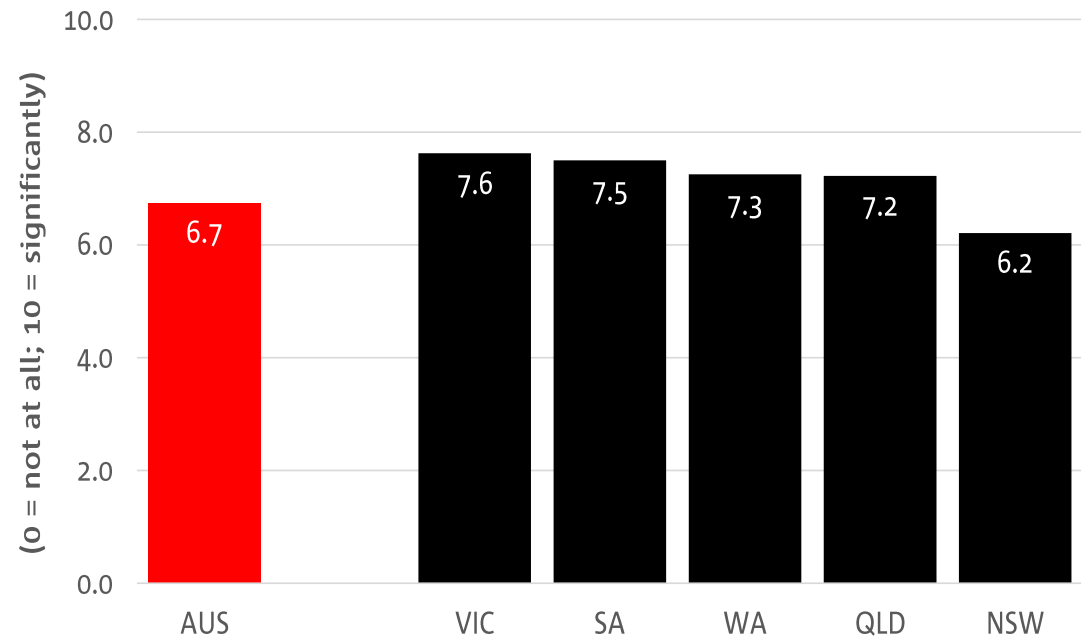
Capital Value Expectations (%)



NAB Commercial Property Index



Extent demand for warehousing space is being driven by supply chain & shipping issues



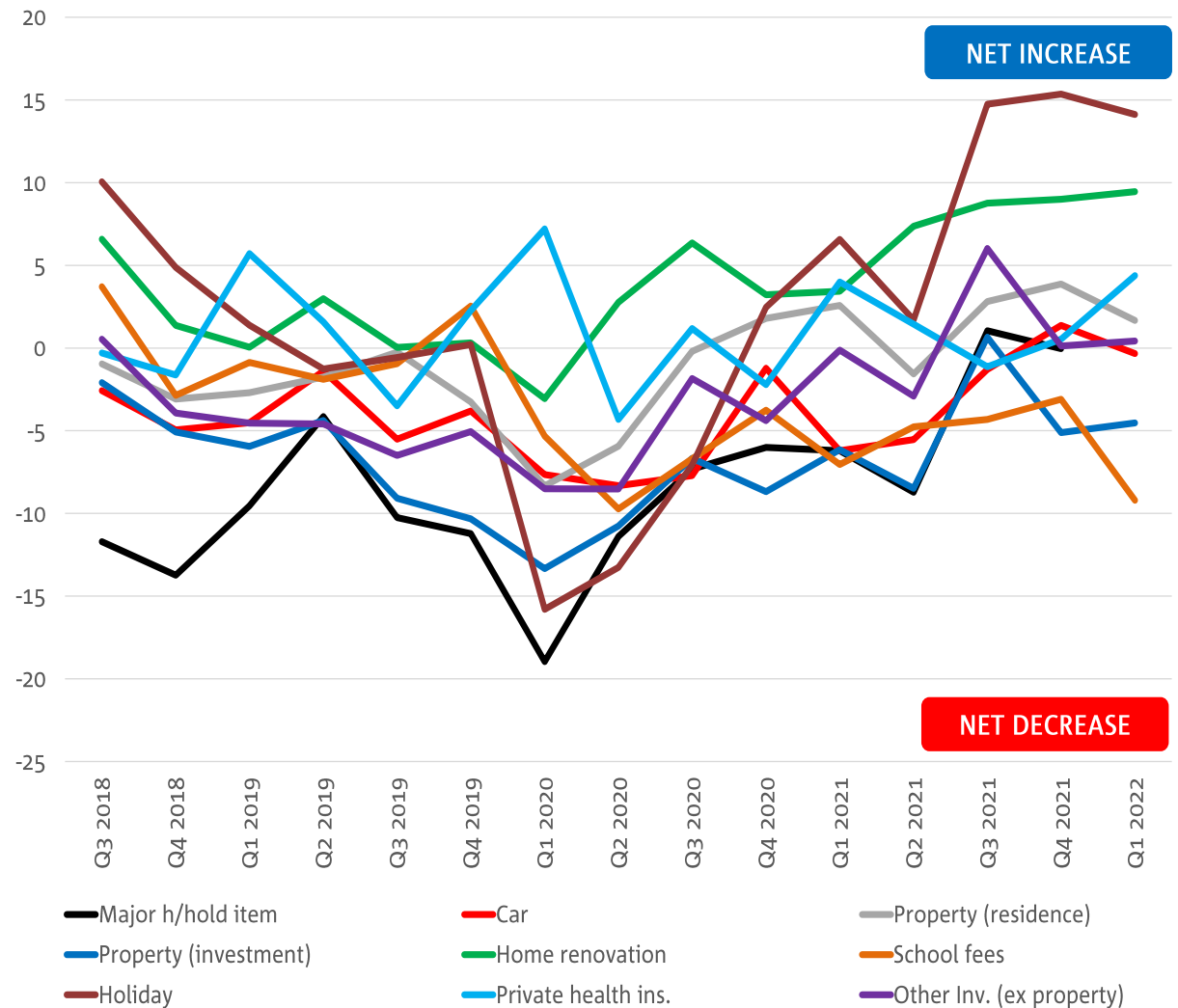
CONSUMER SPENDING EXPECTATIONS



What major purchases do consumers expect to make in the next year? With COVID travel restrictions loosened, expectations are most positive for holidays & home renovations.

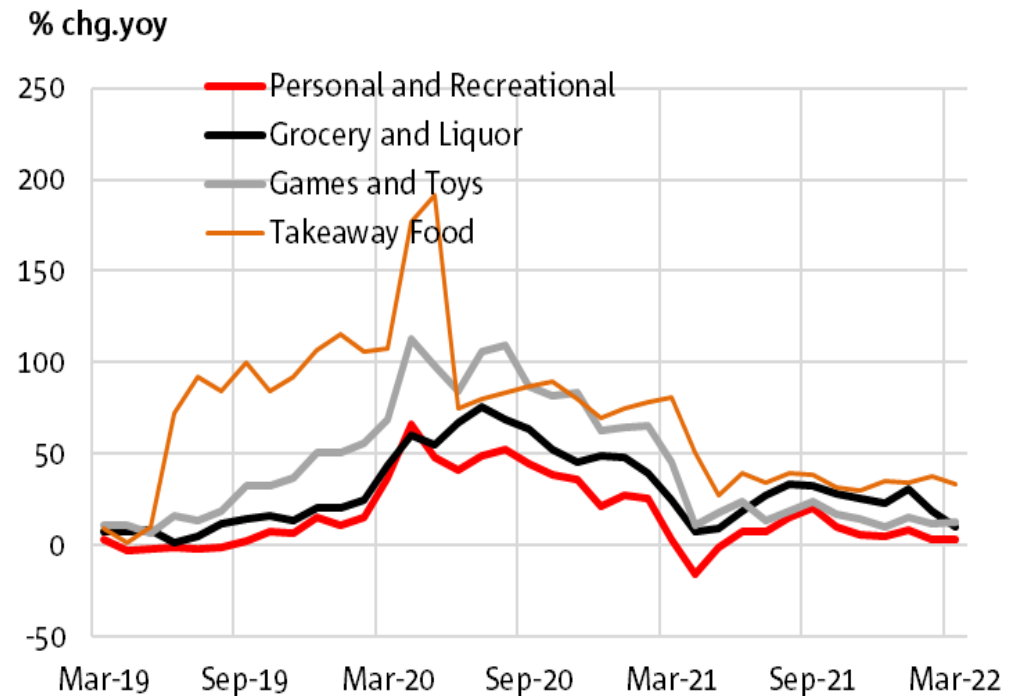
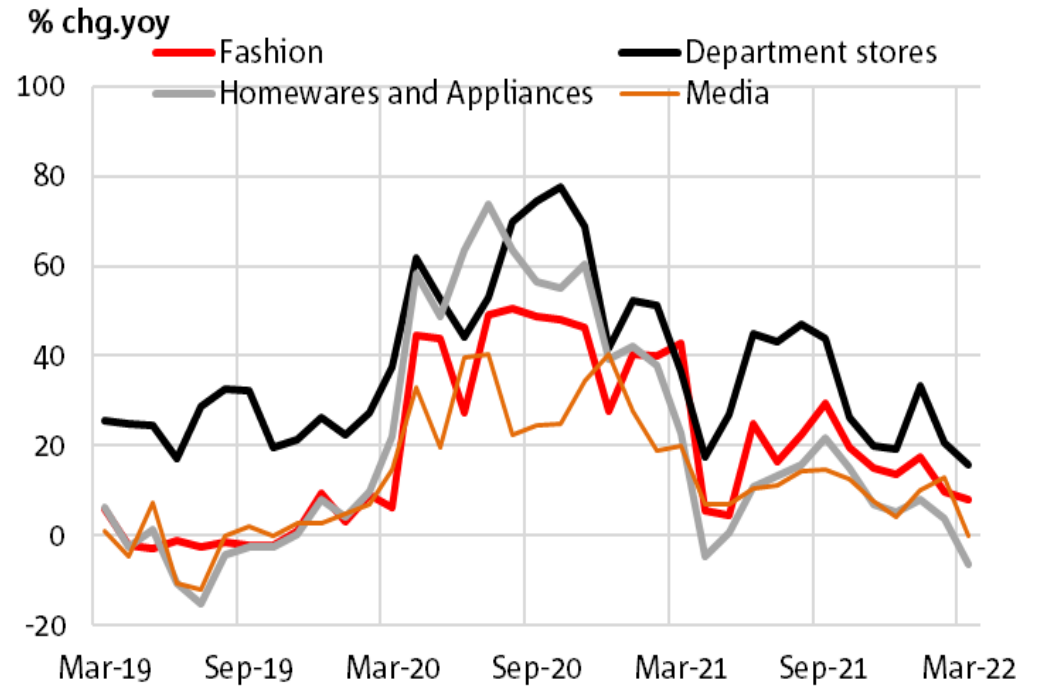
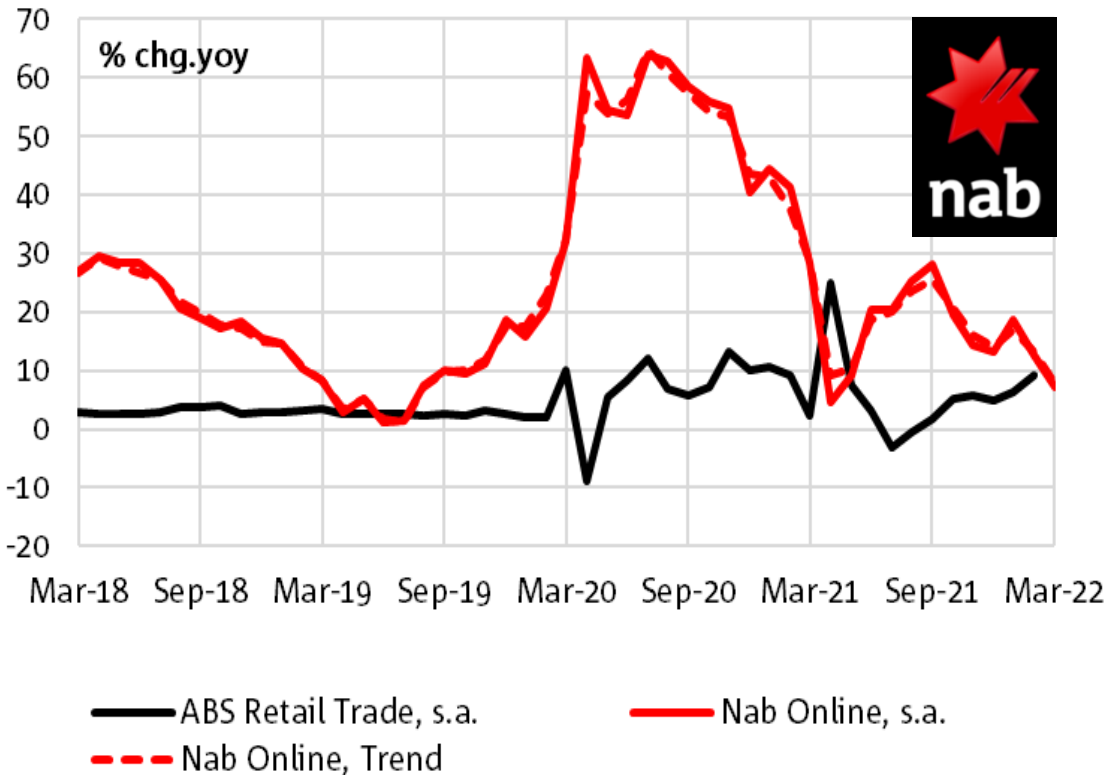


Expectations in regards to making major purchases in next 12 months (net balance)



ONLINE RETAIL SALES

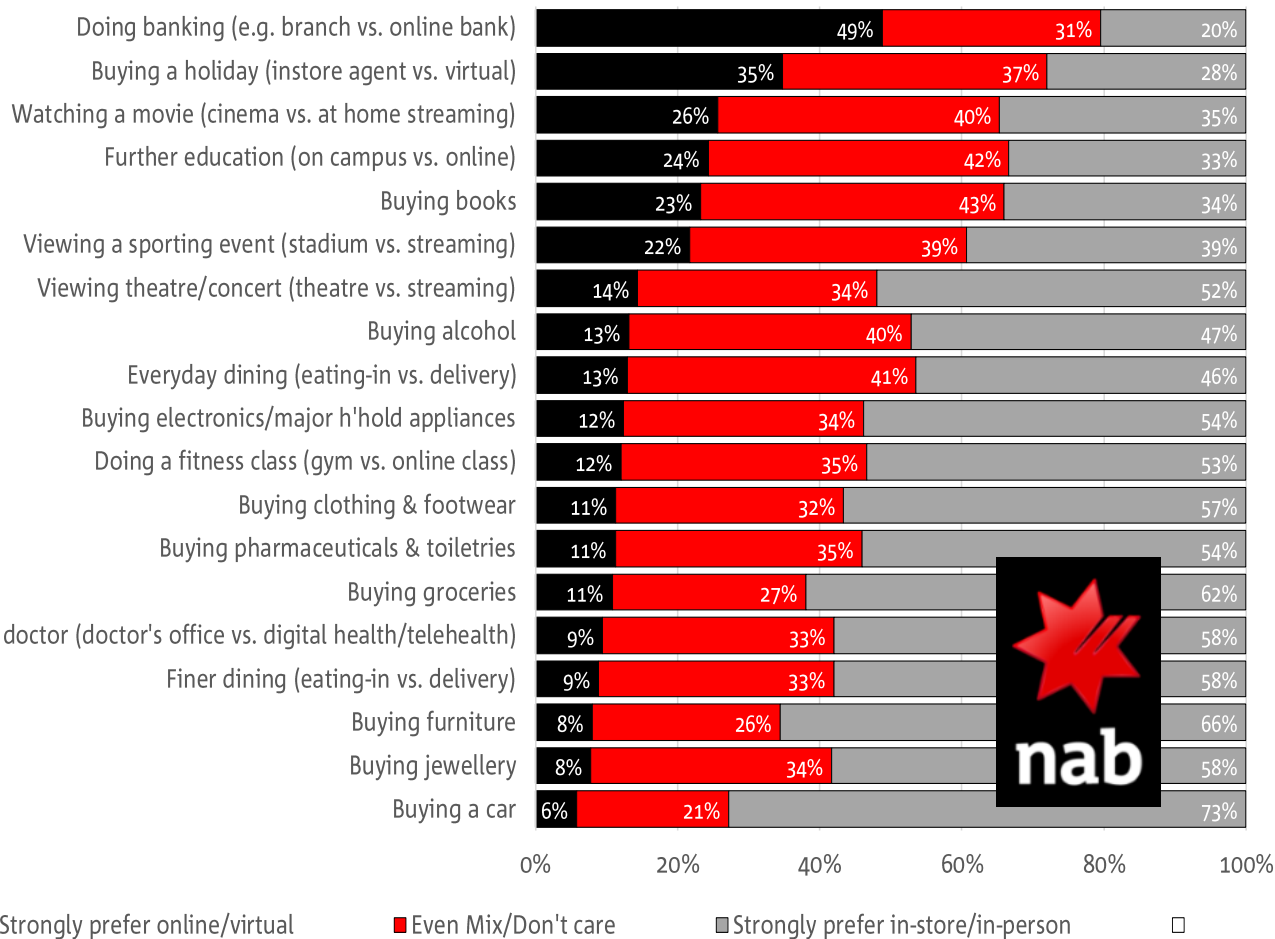
NAB estimates that in the 12 months to April, Australians spent \$57 billion on online retail, around 15.1% of total retail trade and 19.6% higher than the 12 months to April 2021. In mth-on-mth terms, the NAB Online Retail Sales Index contracted for a 3rd consecutive month, but has been volatile.



IN-PERSON/IN-STORE vs. ONLINE/VIRTUAL - WHICH DO AUSTRALIANS REALLY PREFER?

The lines between physical and digital are dissolving. The path-to-purchase for consumers will increasingly have multiple touchpoints between the physical and digital worlds.

Preferences for interacting in each of the following areas?

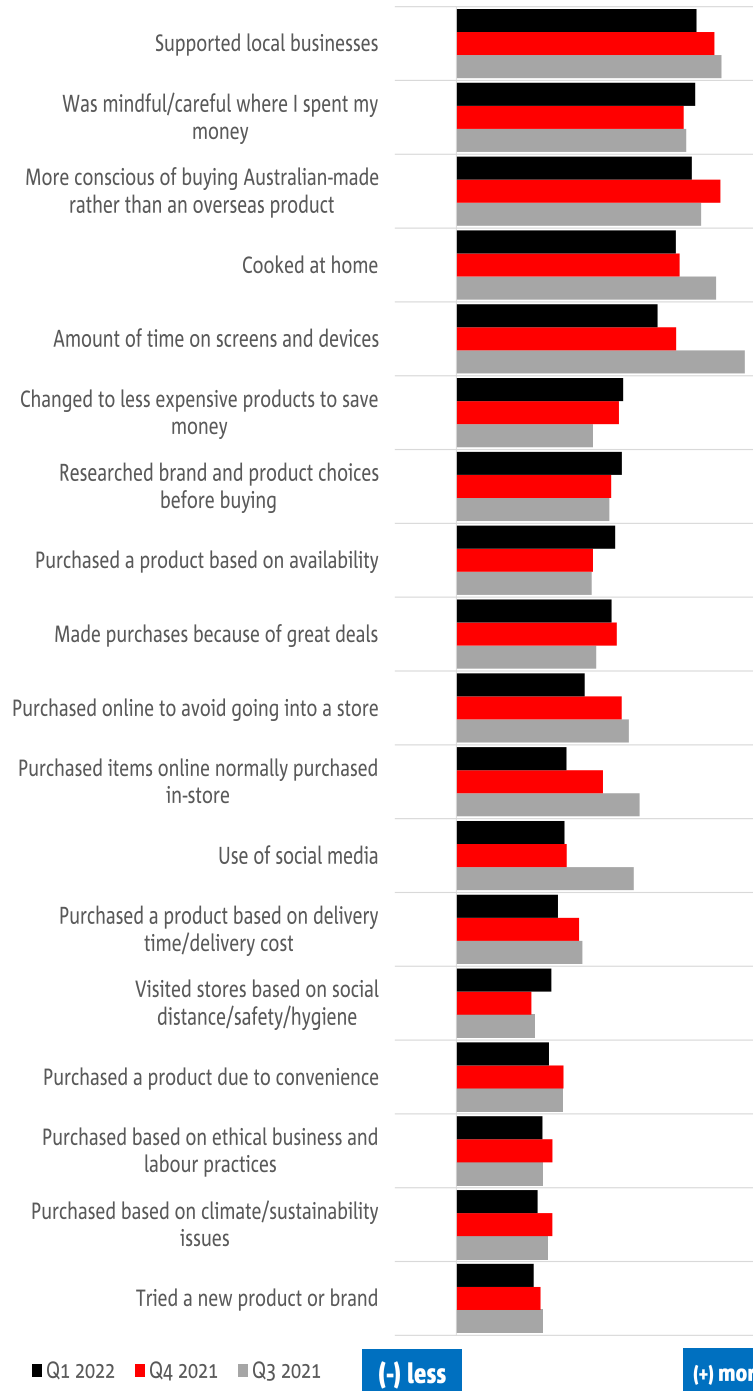


CONSUMER BEHAVIOURS ARE CHANGING

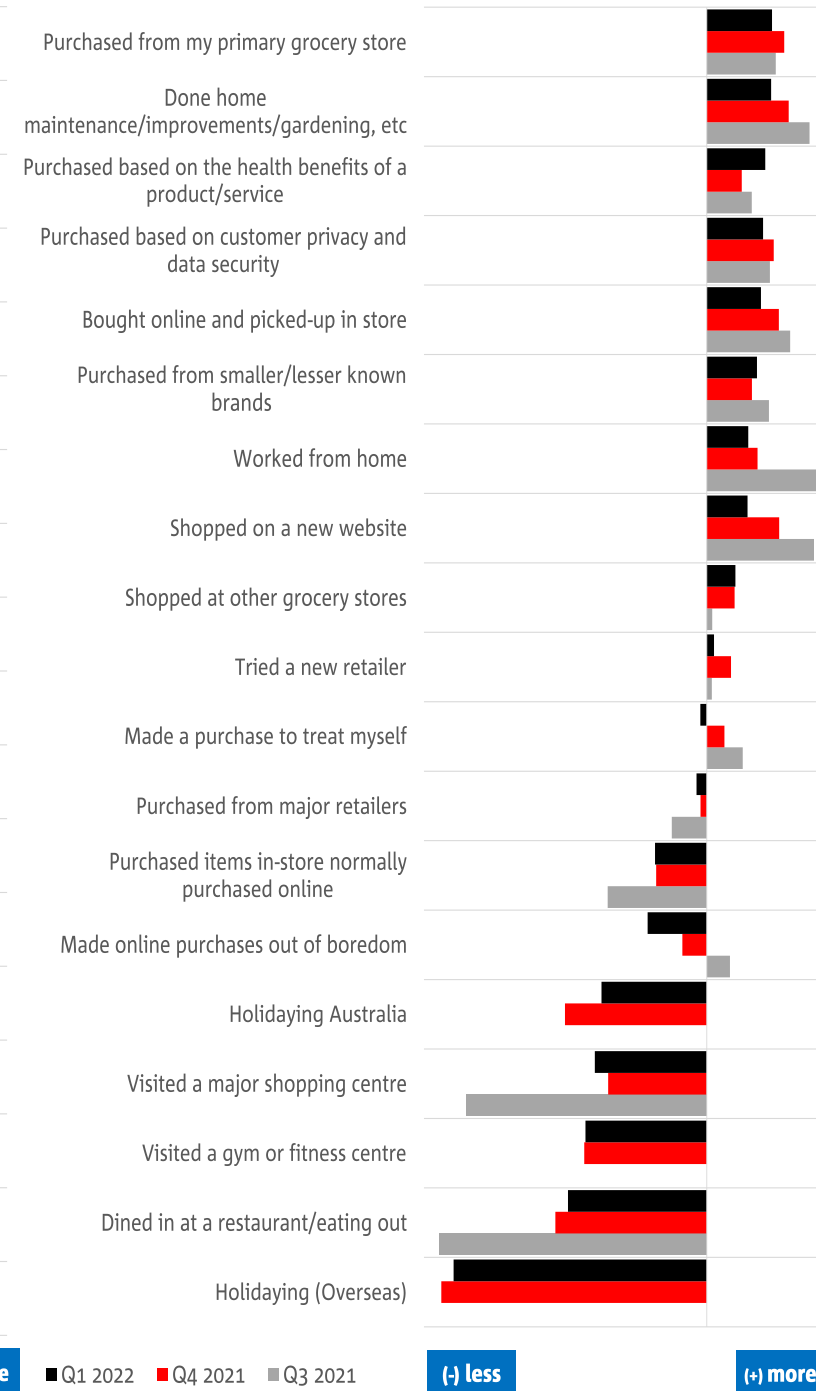
The pandemic continues to shape consumer behaviour driving unprecedented change. Many habits formed during the crisis are likely to endure well beyond it, presenting businesses with the opportunity to align to changing consumer mindsets and shape emerging habits.



Extent behaviours have changed (net balance - more or less)



Extent behaviours have changed (net balance - more or less)



IMPORTANT INFORMATION

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