

# AUS LIANOW

Report: December 2022

# Understanding AustraliaNOW

Using cultural tracking expertise and leveraging 25 years of insights generated from AustraliaSCAN, AustraliaNOW provides an ongoing understanding of **Australians' attitudes and perceptions of life in Australia today.**

Capturing emergent themes, how they co-exist and inter-relate, AustraliaNOW **explores and defines what this means for organisations and brands** to help them prepare for and navigate the days, weeks and months ahead.

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## Method

- Online survey closely tracking the rapidly changing sentiment of Australians
- 2,000 interviews per month from October 2022 onwards (previously 1,000 interviews per week from March 2020 – September 2022)
- **This report draws from over 131,000 interviews**
- All interviews with those 18 years and over and weighted to a representative national sample
- Integration of 25 years of AustraliaSCAN to provide deep context
- Fieldwork timing for this report: 26<sup>th</sup> March 2020 –22<sup>nd</sup> November 2022



# This month in summary

## How are Australians feeling?

Heading into the holiday period, Australians are mindful of cost pressures and what this will mean for their way of life as we move to a new year. Cost of living continues as the number one issue: 56% of Australians want Government action on it (the highest level we've seen since we began tracking).

The environment/climate change is a secondary issue for Australians. It has converged with public healthcare, the economy and housing affordability to make up a second tier of issues that remain in the shadow of inflation.

Global uncertainty has begun to creep into the mindset of Australians signaling the end of the honeymoon period for the new Federal Government. There is increasing skepticism about the direction of the country and confidence in leadership has decreased in States where residents are most concerned about their financial position.

## Where do we sit on environmental issues?

Despite the environment and climate change now sitting bundled with other issues in the shadow of cost of living concerns, Australians continue to show increasing concern about all key environmental issues particularly floods (coinciding with the flood events across Australia).

However a greater proportion of Australians feel impartial regarding key climate-related issues compared to results in July. This may stem from a growing perceived urgency of addressing inflation over environmental issues as price rises pinch.

## What does spending look like?

Financial confidence over the next five years, while low compared to earlier in the year, has been higher in aggregate for 2022 than the previous two years. However, bill stress is on the rise, with 56% of Australians now struggling to pay at least one bill over the next three months. This is likely to put a dent on Christmas spending for some cohorts.

We've seen rebounded spending intentions across both essential and non-essential categories but rather than a positive sign, this is likely to be a function of rising costs, and higher spend during the Christmas/holiday period.

## What does 2023 hold for Australia?

Compared to previous years, Australians are less optimistic about their future personal circumstances for 2023, off the back of two very challenging years.

As we head into the most 'normal' type of Christmas compared to the previous two years (and without wanting to be the nay-sayers), it does appear that the pent-up demand for experiences post-pandemic is easing and the pandemic-era retail boom is coming to a close.

From AustraliaNOW, we know that Australians have shown up as a resilient and typically optimistic bunch. The signs suggest that in 2023, given price rises, consumers will seek creative ways to achieve their goals (travel, leisure, shopping) and demonstrated value rather than price per se will be critical to capture spend in the year ahead.





# SENTIMENT



***“This is the most complex, disparate and cross-cutting set of challenges that I can remember in the 40 years that I have been paying attention to such things.”***

*- Former US Treasury secretary Lawrence Summers*



# A diversity of issues

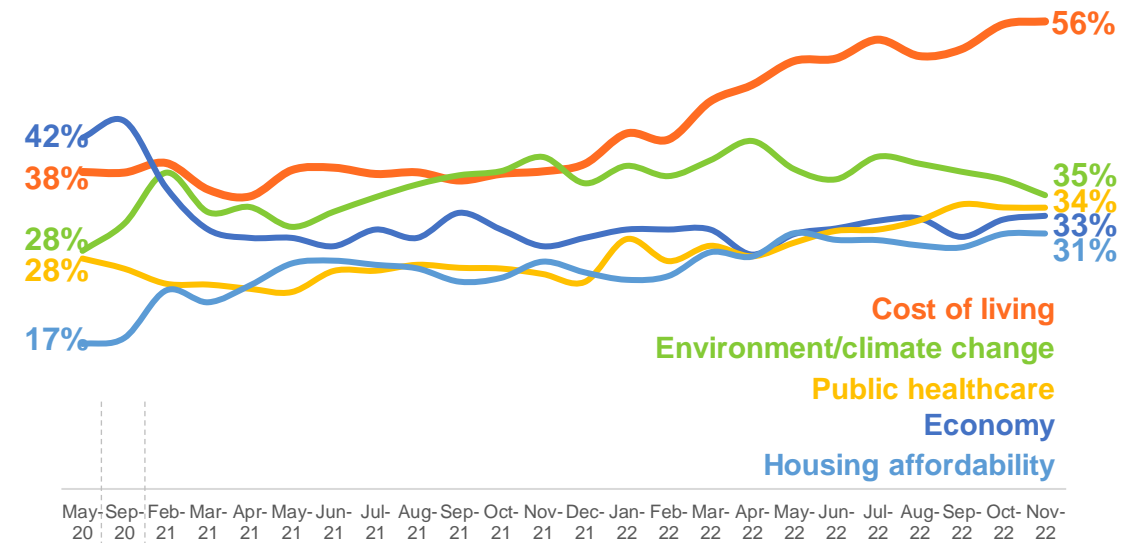
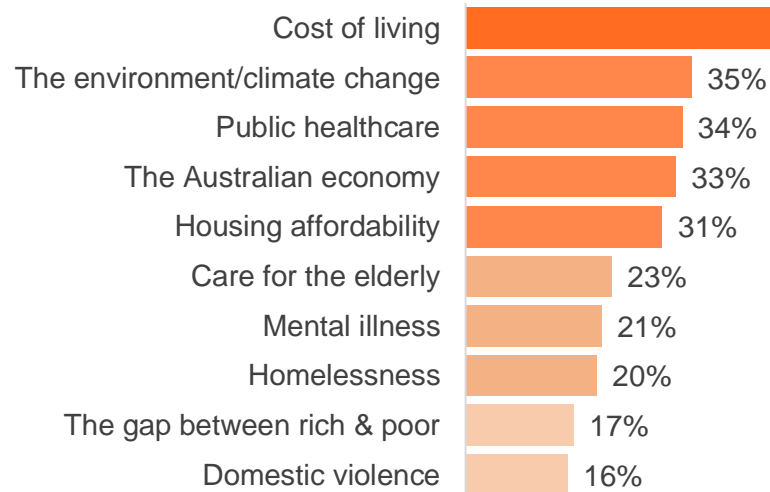
**Australians are grappling with a series of inter-related and personally impactful issues.**

As we navigate a unique global economic environment, cost-of-living and inflation continue to cause headaches.

Climate change, health, the economy and housing affordability are all secondary issues, but the economy and housing affordability are rising in importance.

## Top issues for Government to take action on straight away

(Top 10 shown – Nov-22)



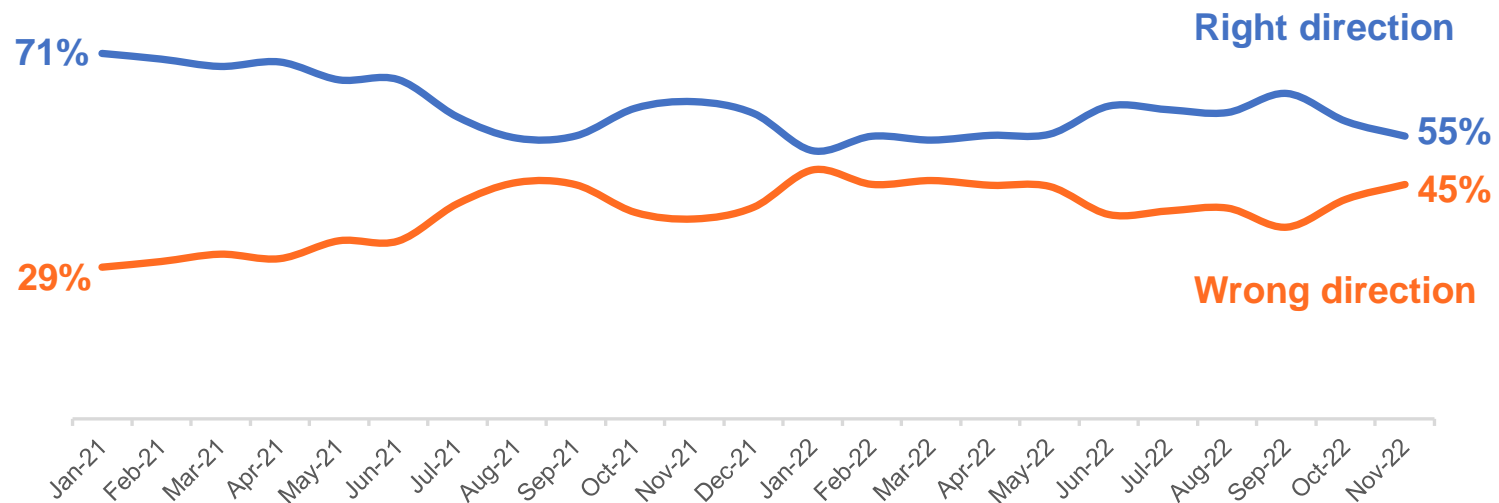
Q16a - Which of these do you believe are the five (5) most important things for government to take action on straight away?  
All respondents, n=c. 1,000-7,300 per month. Nov-22 n=2,000.

# Confidence in Australia's direction **begins to waver**

In an environment of higher interest rates, volatile trading conditions, surging commodity prices and unstable international relations, perceived direction of the country is divided.

Those feeling more optimistic about Australia's direction tend to be male, 18-29 years, full time workers, higher income earners (>\$100k) and reside in NSW or metropolitan areas. In contrast, females, lower income earners (<\$50k), renters, those aged 30-39 and 50-59, those residing in QLD, WA and regional areas are feeling less optimistic.

Is Australia headed in the right or wrong direction?



Q.7.a. Thinking about the way things are going in Australia, in general, do you think things are going in the right direction or in the wrong direction?  
All respondents, n=c. 1,000-5,000 per month.



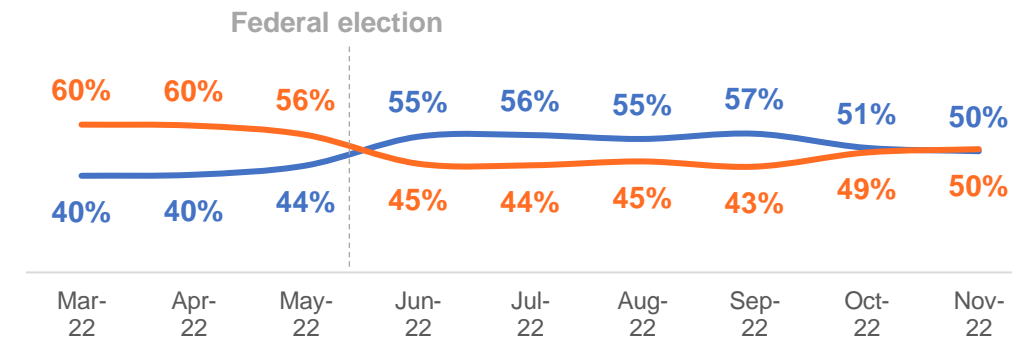
# Australians **divided** on leadership perceptions

Perceptions of leadership/politics and management of the economy are currently the top two drivers of our perceptions of the direction the nation is headed in.

On the leadership front, the post-election 'honeymoon' period appears to be over, with a decline to just on half of Australians now feeling that leadership is headed in the right direction (down from 57% in September).

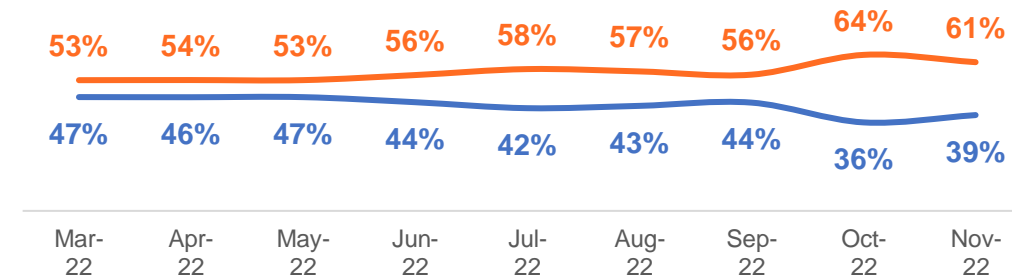
Six in ten (61%) feel the economy is headed in the wrong direction, mirroring the economic volatility and cautious outlook put forward by Government.

Perceived direction of Australian leadership and politics



— Wrong direction  
— Right direction

Perceived direction of Australian economy



Q.7.b. And for each of the following, would you say things are going in the right or wrong direction? \*Note: N/A and don't know removed  
All respondents, n=c. 1,000-5,000 per month.

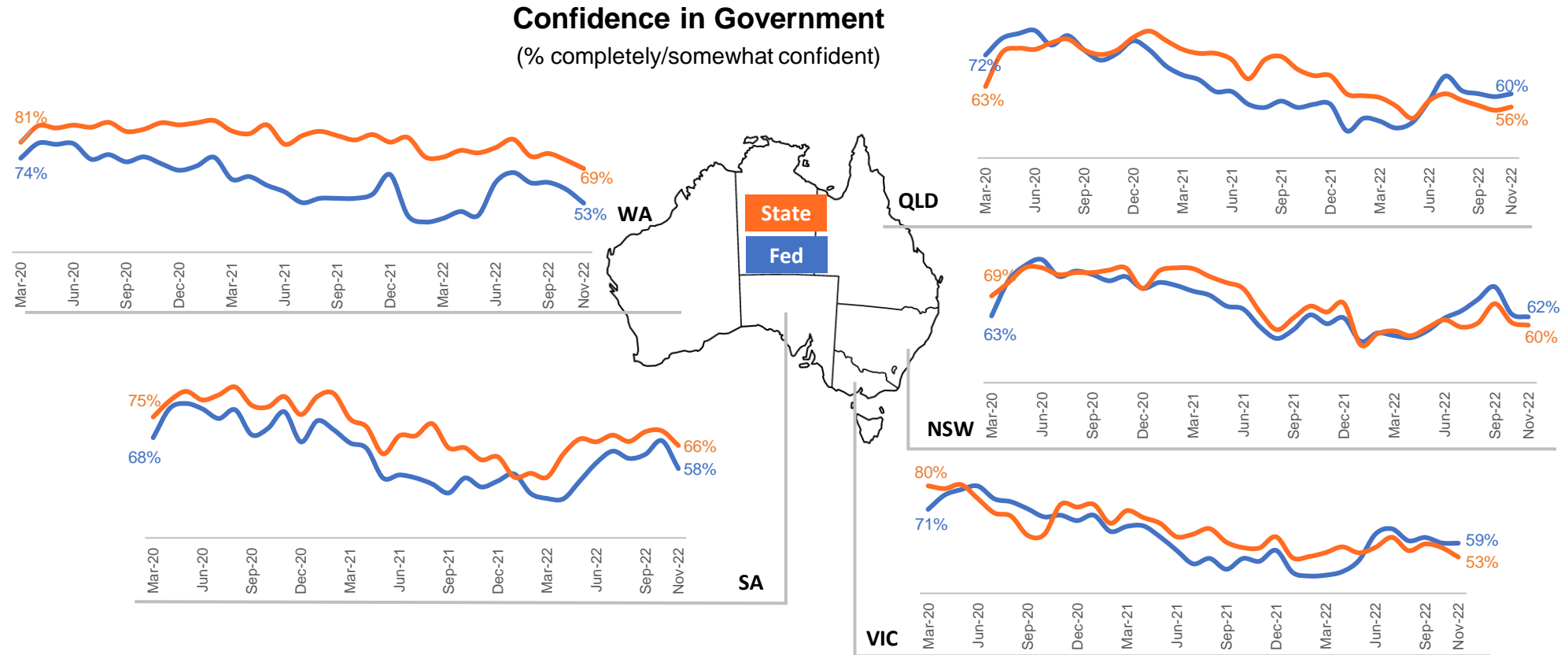




# Confidence in government stable on east coast; some instability in south and west

In NSW, Victoria and QLD, confidence in leadership has remained largely stable, with a drop in confidence in State Government in Victoria.

Confidence across both State and Federal Government in WA and SA has declined substantially in November. This could be a reflection of the burden of rising costs as both states are least financially confident (over two in five are now concerned about their ability to meet their financial needs over the next 5 years).



Q14. How confident are you in our...

All respondents, n per month: NSW, n=c. 280-1,519; VIC, n=c. 233-1,500; QLD, n=c. 189-1,500; SA, n=c. 72-1,000; WA, n=c. 90-1,200.

# WHAT DOES 2023 HOLD?



# It is almost universally accepted that interest rates will **continue to rise** in 2023

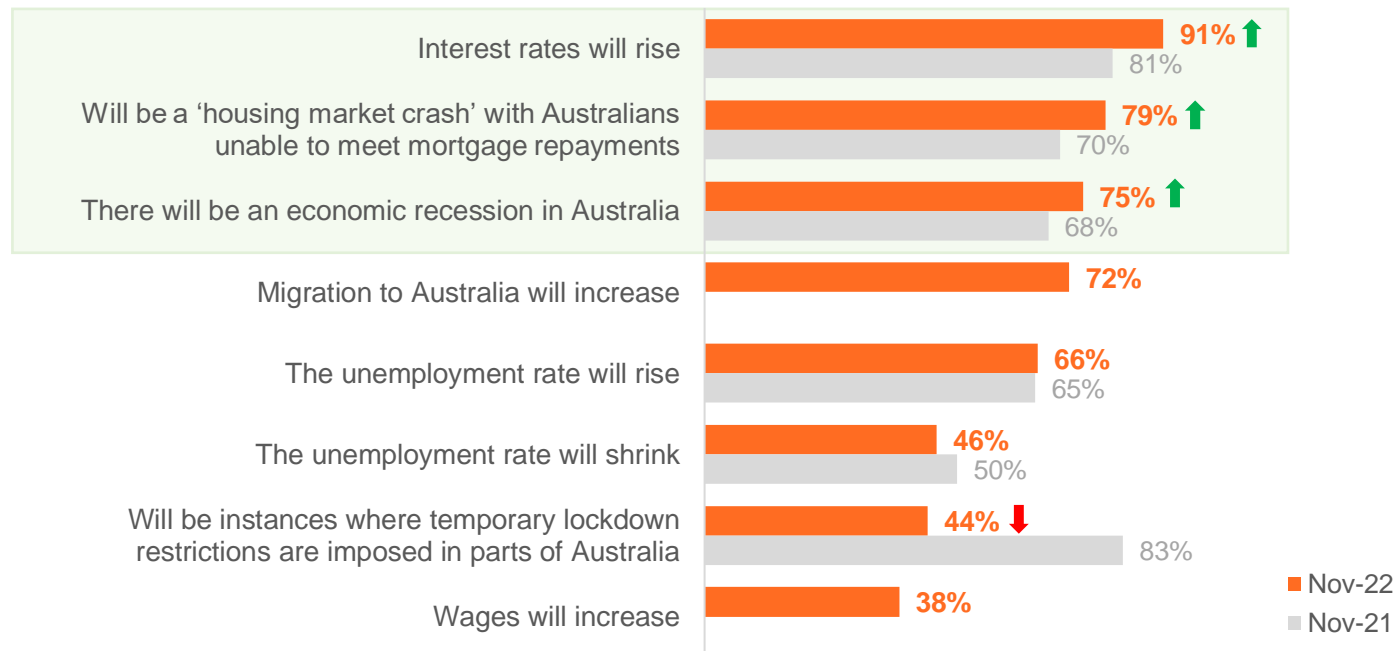
As foreshadowed by the Reserve Bank of Australia, nine in ten Australians feel that interest rates will rise in 2023.

Other events that are expected by Australians include a housing market crash (79%) and a recession (75%). Almost three quarters (72%) expect migration to Australia to increase, an arguably positive sign for skills and worker shortages.

Two in three (66%) feel that the unemployment rate will rise, while only 44% feel that lockdown restrictions will be imposed (down from 83%).

## Expectations for 2023

(% Likely)



Q117a. Looking ahead to next year (2023), to what extent do you anticipate the following for Australia?  
All respondents, n=1,000 per month

↑ ↓ Significant increase/decrease since this time last year

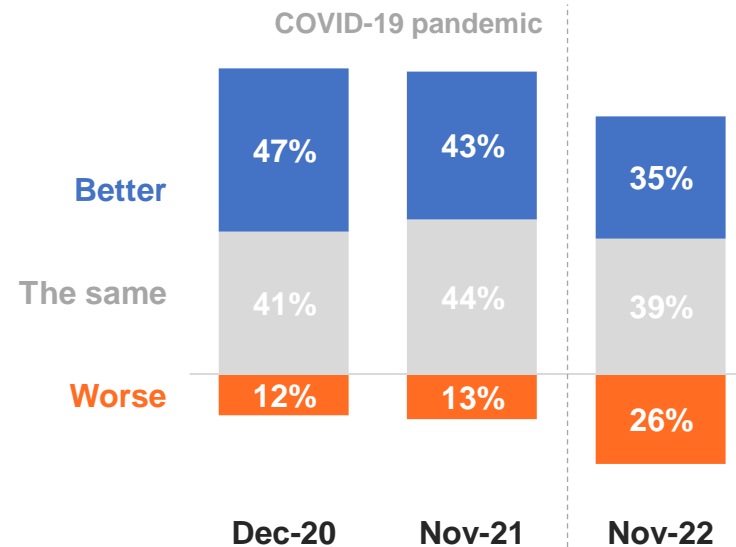


# We're **less optimistic** about our future circumstances than the same time last year

Following a year of relative normality post-COVID, but with challenging economic conditions now and into the future, the outlook about personal circumstances has become increasingly fractured.

Males, younger people, higher income earners, metropolitan residents and parents of young children are feeling more optimistic about their circumstances for the year ahead. In contrast, older Australians, lower income earners and those unemployed see their circumstances worsening by the end of 2023.

## How Australians anticipate their circumstances might change by the end of 2023



### Significantly more likely to be:

- Male (38% better)
- Younger, aged 18-39 (52%)
- Parent of child under 5 (46%)
- Full-time worker (44%)
- Higher income earners, >\$100k (44%)
- Reside in a metro area (38%)
- Reside in WA (44%)
- Aged over 60 (47% the same)
- Retired (52%)
- Aged 50 and above (35% worse)
- Not working (33%)
- Parent of child(ren) over 18 (40%)
- Lower income earners, <\$50k (36%)

Q.117. Compared to today, how do you anticipate your circumstances might change by the end of 2023? Will they be...  
All respondents, n=1,000 per month



# Inflation driving choices in 2023 while COVID recedes to the background

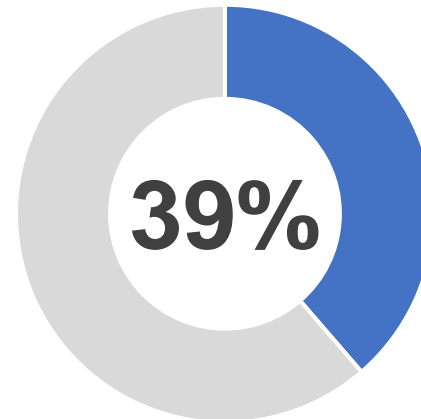
**In 2023, Australians expect inflation to be more limiting than concerns about catching COVID-19.**

This is in contrast to 2021, where 56% of Australians expected their behaviours to be impacted by health precautions (now 39%).

Organisations will need to be mindful of a more price/value conscious consumer in 2023, with as many as 73% of Australians expecting rising prices to impact their choices.

**In 2023 the places I go and things I do in Australia will be limited by my fear of catching COVID-19**

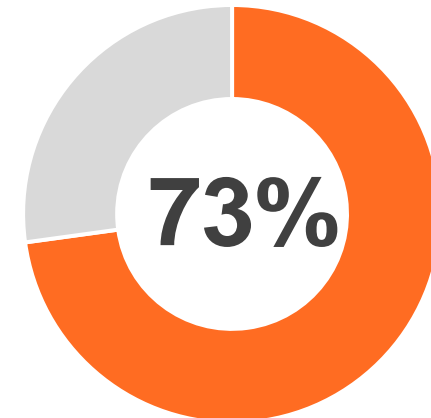
(% Likely, Nov-22)



Was **56%** in Nov-21

**In 2023 I will be limited in what I do due to rising prices**

(% Likely, Nov-22)



Q117b. Looking ahead to next year (2023), to what extent do you anticipate the following for yourself personally?  
All respondents, n=c. 1,000 per month.

# The urge to 'make up for lost time' has started to run its course

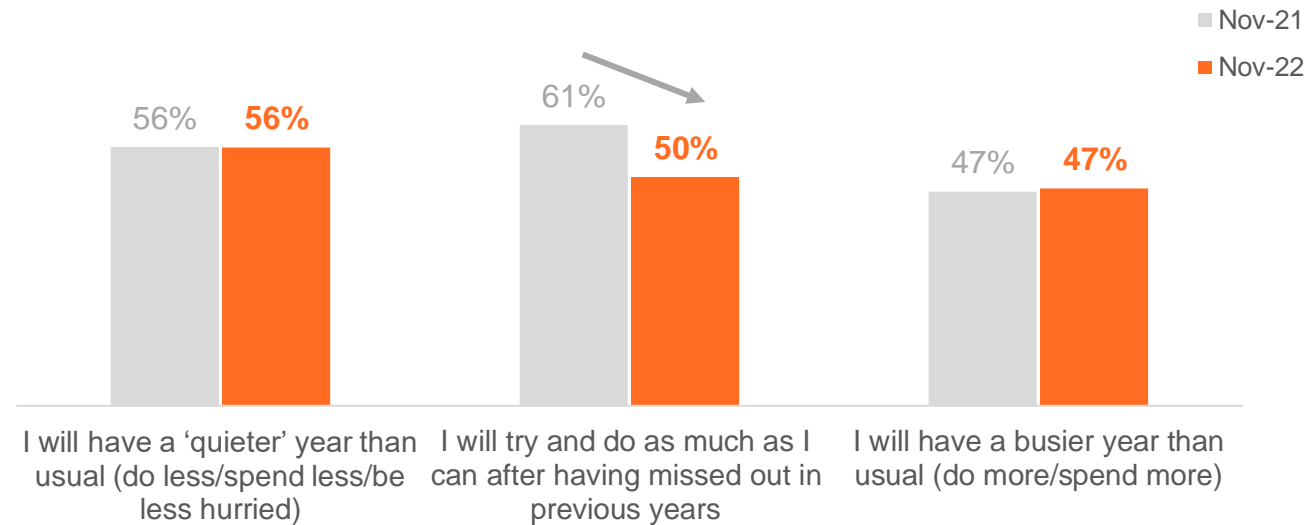
The proportion of Australians that envisage doing 'as much as they can' in 2023 after having missed out on previous years is falling.

Just over half (56%) plan to have a quieter year, while 47% plan to have a busier year.

Australians aged 30-50 are more inclined to agree next year will be a 'quieter' year than usual (60%). In contrast, those aged 18-29 intend to have a busier year (63%) and try and do as much as possible after having missed out previously (60%).

## Expectations for 2023

(% Likely)



Q117b. Looking ahead to next year (2023), to what extent do you anticipate the following for yourself personally?  
All respondents, n=c. 1,000 per month.

# CONFIDENCE AND SPENDING



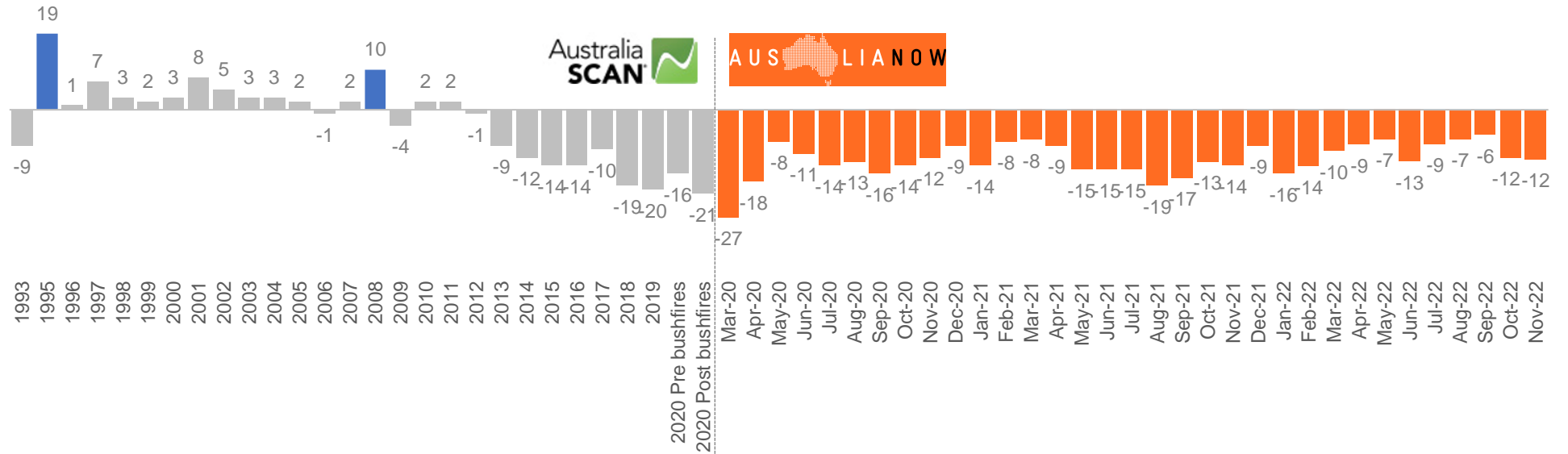
# Long-term **financial confidence** remains low, but yearly average is above 2021 and 2020

There has been no monthly change to financial confidence over the next 5 years as we head towards the holiday period.

The index for 2022 sits at -10 compared to -13 for 2021 and -14 for 2020.

NSW (-7) are most likely to be financially confident headed into 2023, along with males (5 vs. -28 females), 40-49 year olds (-1) and those residing in metropolitan regions (-8 vs. -22 regional).

**Confidence in financial future over next five years**  
(very confident minus quite/very concerned)



**Comparisons to 20+ years of data from Quantum's proprietary AustraliaSCAN survey**

Q13. Which of the following statements best describes how you feel about your ability to meet your financial needs in the next five years?  
All respondents, n=c. 1,000-7,300 per month. Oct-22 n=2,003. N=2,000 per year for AusSCAN.



# Bill stress has increased, with groceries, energy and petrol key pain points

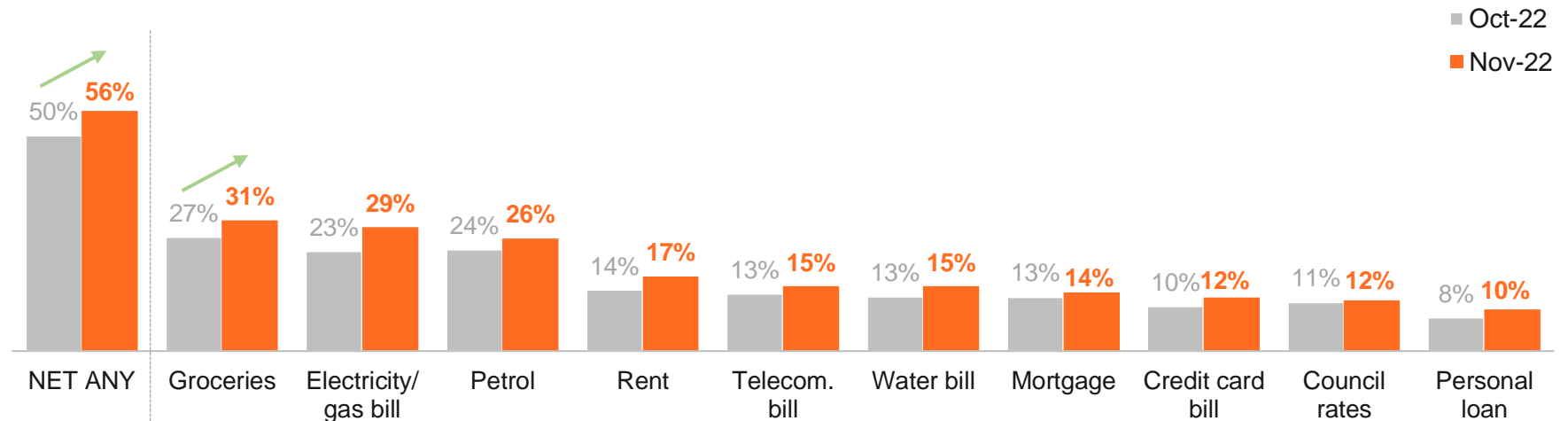
The proportion of Australians that would struggle to pay for a major household expense has increased significantly in November.

This is likely to also put pressure on Christmas spending for some consumers.

Those aged under 50 years, on lower household incomes and renting are most likely to struggle with at least one major household item/bill.

Bill stress is similar across all States and experienced across both metropolitan and regional areas.

Will struggle to pay the following in the next 3 months



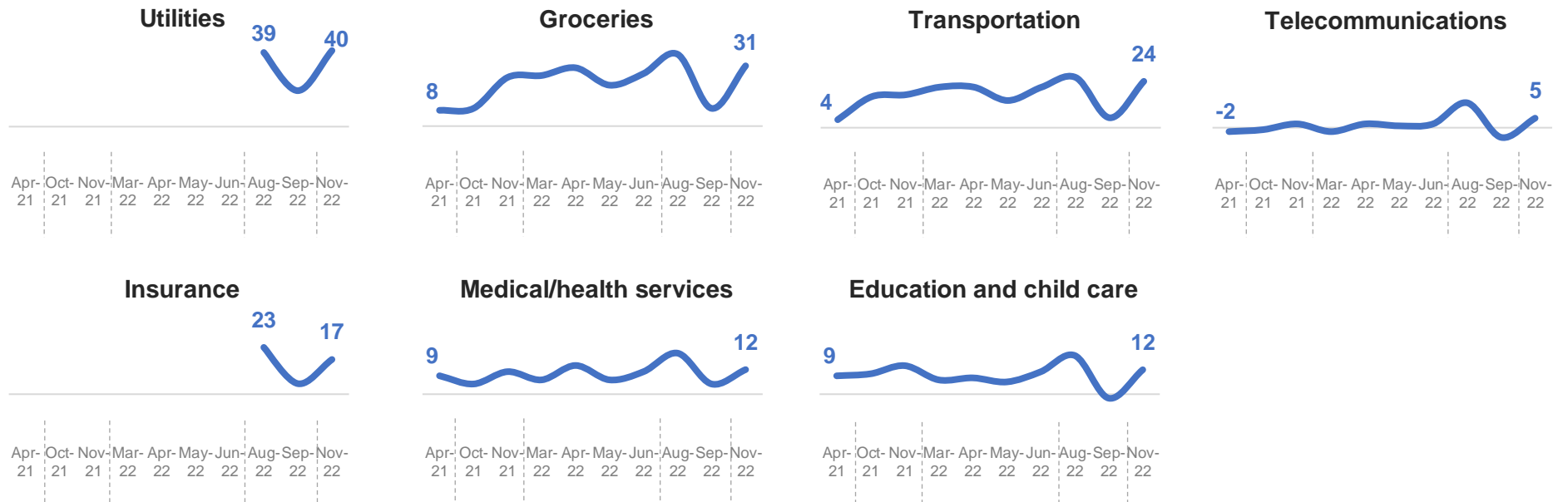
Q12. In the next three months do you think you will struggle to pay any of the following?  
All respondents, n=c. 1,000-7,300 per month.

# Expected spending on essential items or services rises again

Consumer expectations regarding spend on essential items over the next 3 months has risen, in line with increasing prices.

Utilities, groceries and transportation are the key categories where consumers expect to spend more over the summer months.

**Expected spend INDEX (next 3 months) by category**  
(% spend more minus % spend less)



Q13p. Thinking about the next 3 months, compared to the last 3 months, do you expect to spend more money, less money, or the same in each of the following categories?  
All respondents that spend in each category (Not applicable removed), n=c. 500-2,000 per month. Note: Transportation includes petrol, public transport and car maintenance.

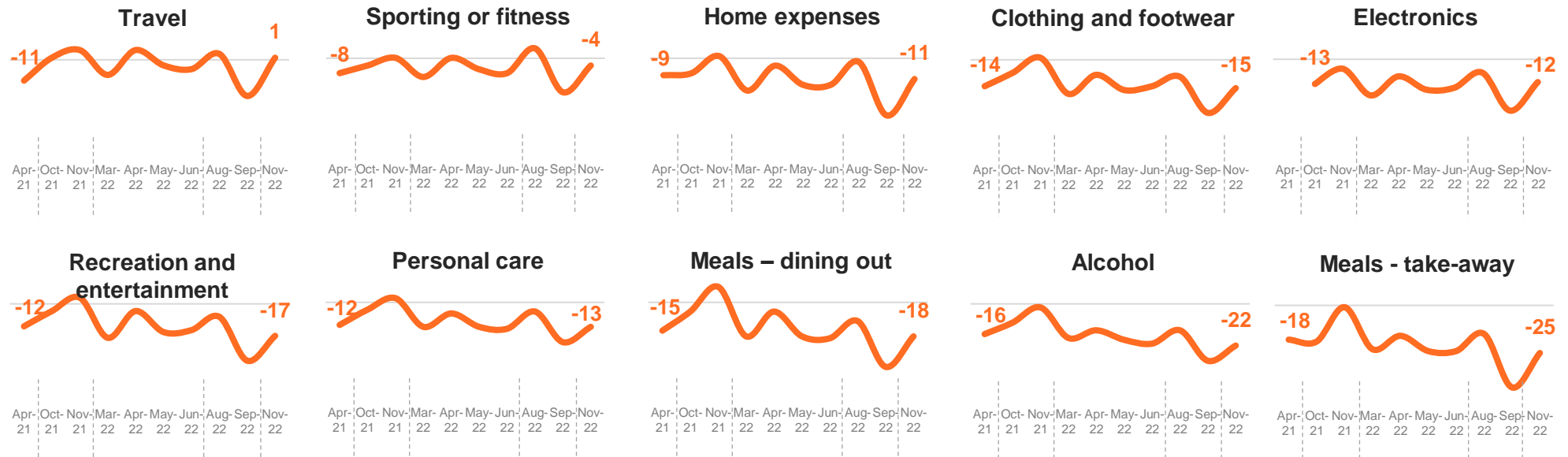
\*Note don't spend removed

# Expected spend on discretionary items increases as we enter Christmas trading

Expected spend for non-essential items has increased, however is lower than we saw last year in Nov-21.

According to ABS data, retail sales have [fallen](#), leading some experts to wonder whether the pandemic-era retail boom has run its course.

**Expected spend INDEX (next 3 months) by category**  
(% spend more minus % spend less)



\*Note don't spend removed

Q13p. Thinking about the next 3 months, compared to the last 3 months, do you expect to spend more money, less money, or the same in each of the following categories? All respondents that spend in each category (Not applicable removed), n=c. 500-2,000 per month.

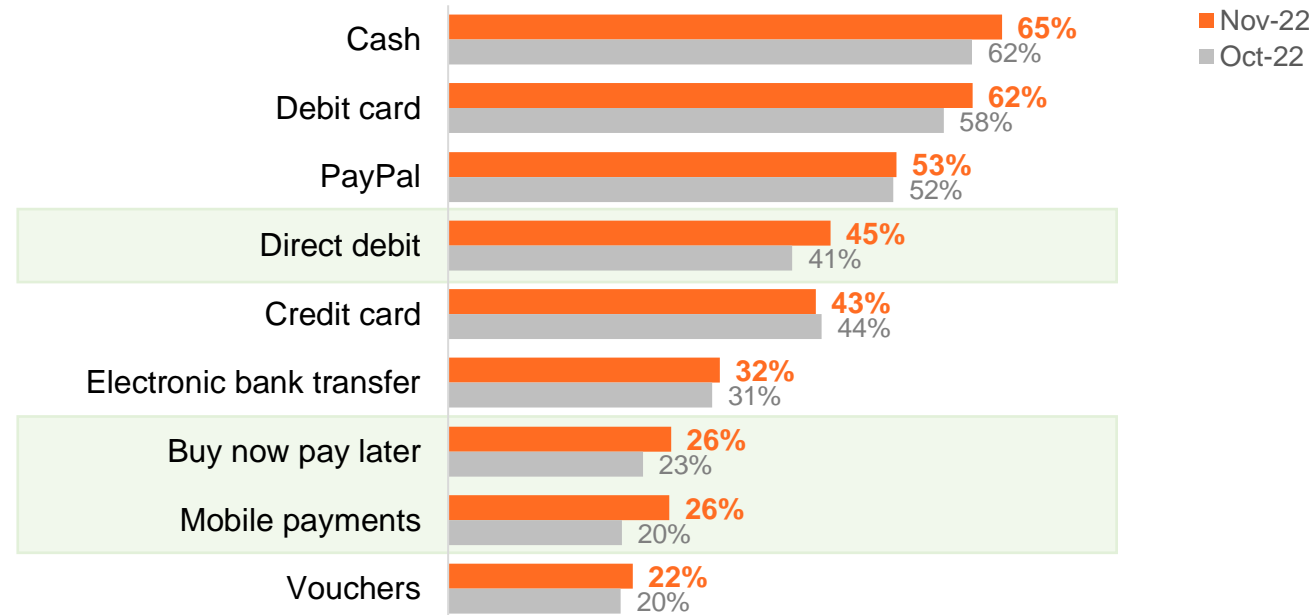
# Increasing consideration of **mobile** and **'buy now pay later'** payment options

There have been some shifts in intended payment methods, with direct debit, 'buy now pay later' (BNPL) and mobile payments all set to increase.

Females are more likely to consider multiple payment methods (36% considered 5 or more compared to 27% males) and are more inclined to intend to use BNPL (31%).

With Australia's BNPL industry [sitting](#) at around \$16 million and continuing to gain momentum, the [Financial Review](#) reports that mid-2023 may see increased regulations in line with credit cards.

Payment methods intend to use over the next 3 months



Q.13pa. Which of the following payment methods do you intend to use over the next 3 months?  
All respondents, Oct-22 n=2,000, Nov-22 n=1,000.





# ENVIRONMENT



# Whilst the environment has taken a backseat to inflation, it is **still on the minds of Australians**

Over a third of Australians (35%) identify the environment or climate change as one of the top five issues they want action on by Government.

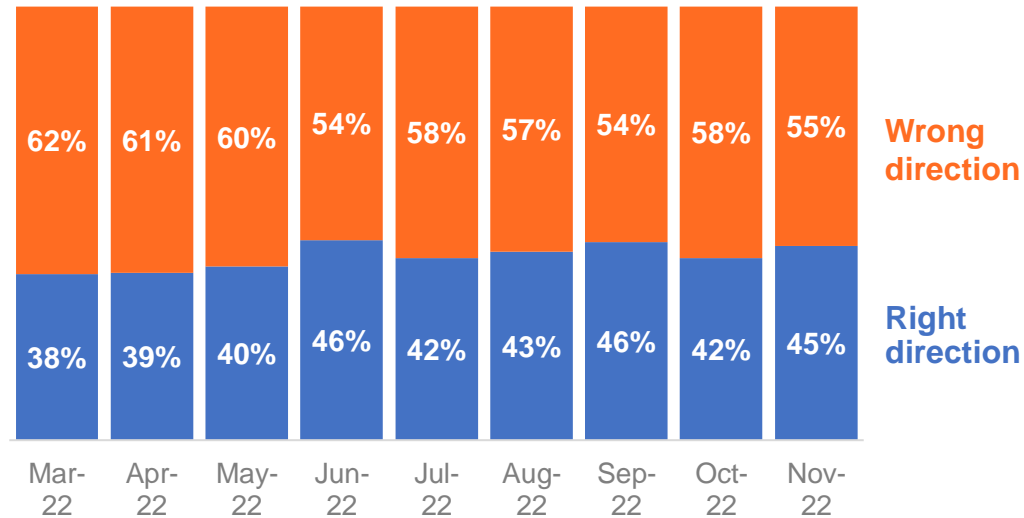
However, 55% of Australians currently feel that the environment is headed in the wrong direction.

This comes as the Climate Change Authority released its first annual progress [report](#) finding that to meet its ambitious new targets, Australia will need to decarbonise at a rate of more than 40 per cent faster than it has since 2009.

## 35%

Of Australians identify **the environment/ climate change** as one of the top five issues they want action on (Nov-22)

### Perceived direction of the environment



Q16a - Which of these do you believe are the five (5) most important things for government to take action on straight away?  
Q.7.b. And for each of the following, would you say things are going in the right or wrong direction? \*Note: N/A and don't know removed  
All respondents, n=c. 1,000-5,000 per month.

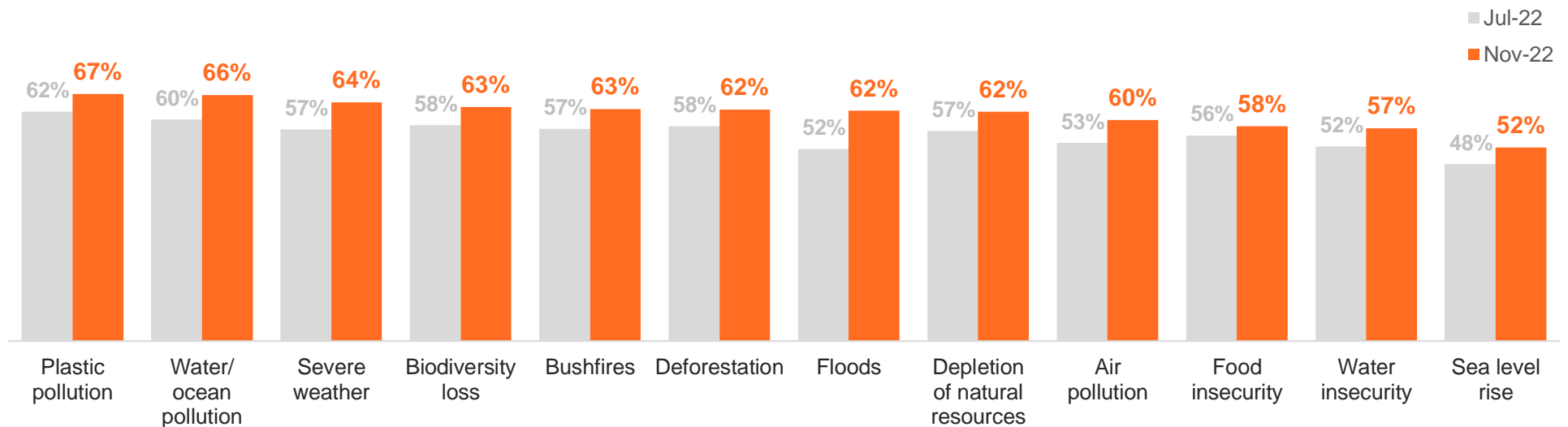


# Concern about environmental issues has risen over the last quarter

Across all environmental issues measured (from pollution to fires and floods), concern among Australians has risen since July 2022.

As many Australian communities experience the effects of extreme weather events, concern about floods has risen 10 percentage points within the space of four months.

Australians very worried/worried about the following environmental issues



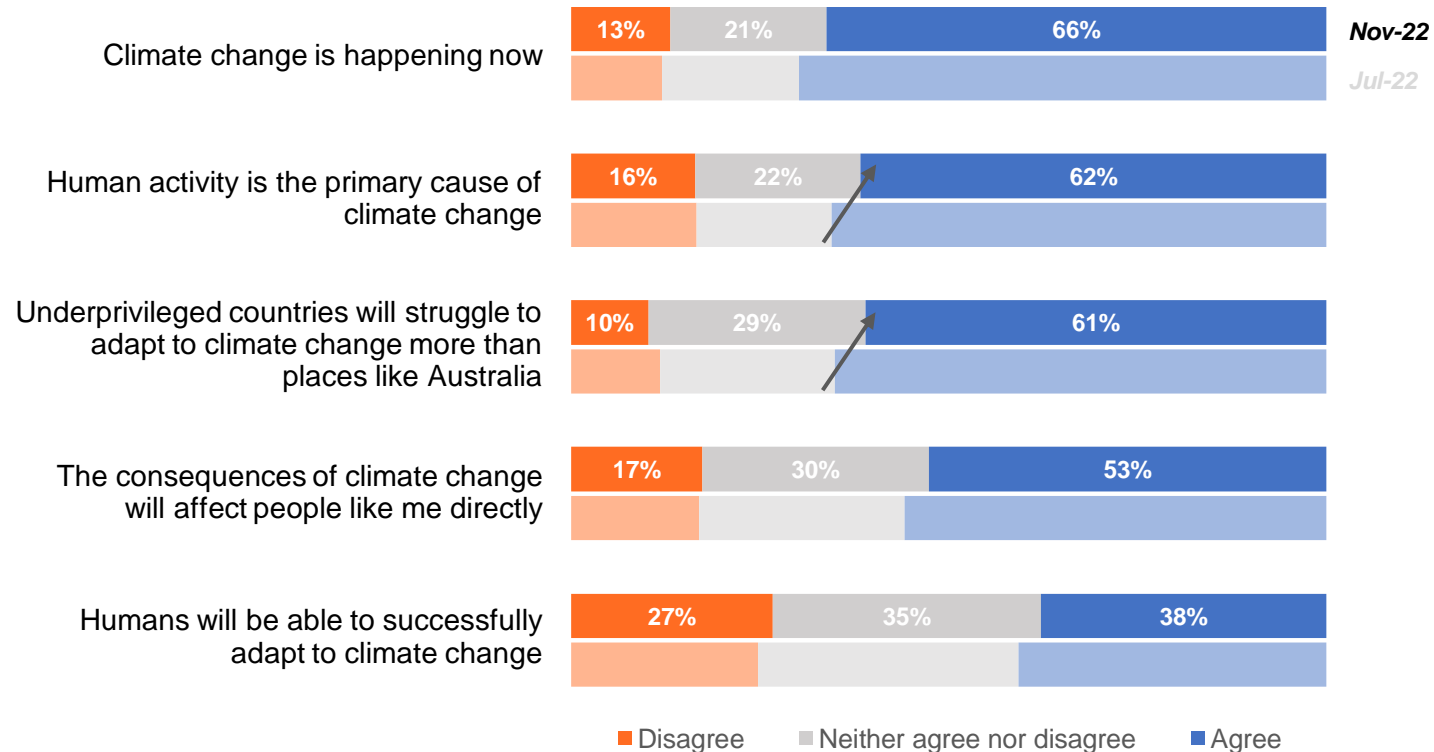
Q19f. How worried are you about the following environmental issues?  
All respondents, n=c. 1,000 per month.

# Yet more Australians feel **impartial** regarding key climate-related issues

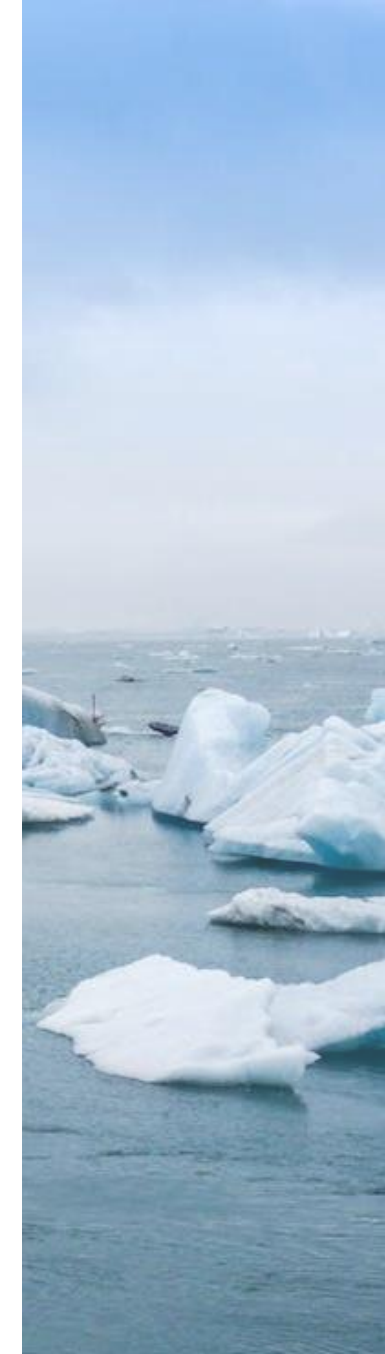
## The proportion that are 'on the fence' on key environmental issues has risen.

This is particularly the case for whether human activity is the primary cause of climate change, and the impact of climate change on underprivileged countries (22% and 29% now neutral).

This may suggest that for some, tackling climate change is deprioritised in favour of the Government tackling rising costs (this sentiment was picked up in the survey comments).



Q.19g. To what extent do you agree or disagree with the following statements about climate change, the environment and sustainability?  
All respondents, n=1,000 per month.





***“With the change of government and a recent budget we are seeing huge rises in power costs, more expensive groceries and petrol and rising interest rates with mortgage repayments increasing rapidly. No relief in sight. Too much focus on climate change and closing coal fired power stations.”***

***-Female, Aged 60+***

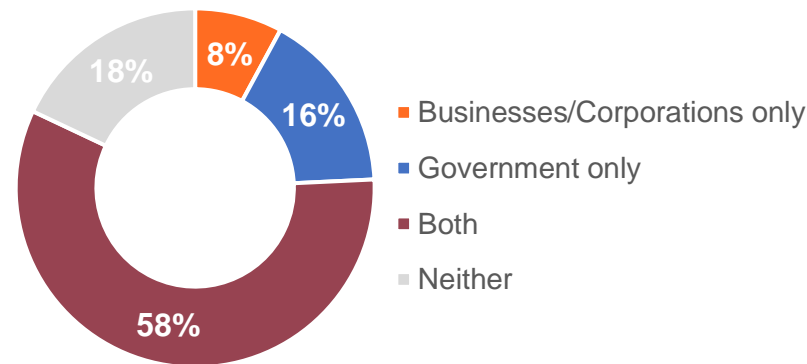


# Australians increasingly feel Government and business are **doing their part**

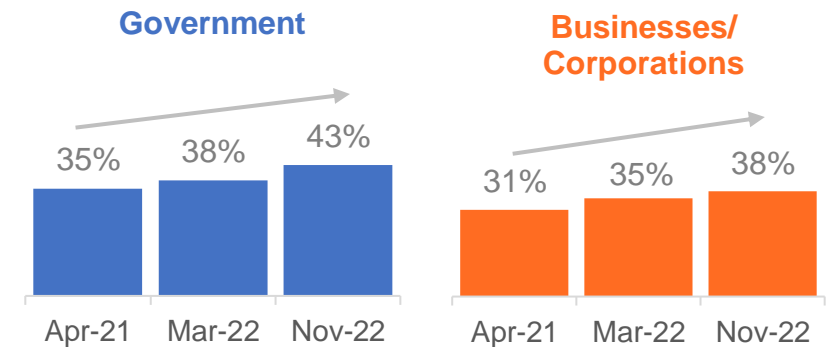
Positively, there is an increasing sentiment that Government and Business in Australia are in fact doing enough to tackle climate change.

In contrast to 2021, 43% now feel that the Government is doing enough to address our climate change challenges (up from 35%) and 38% feel that the corporate sector is doing enough (up from 31%). However, there is still a way to go.

Who do Australians feel should take the lead on addressing climate change?  
(Nov-22)



Australians who agree each of the following is doing enough to address climate change

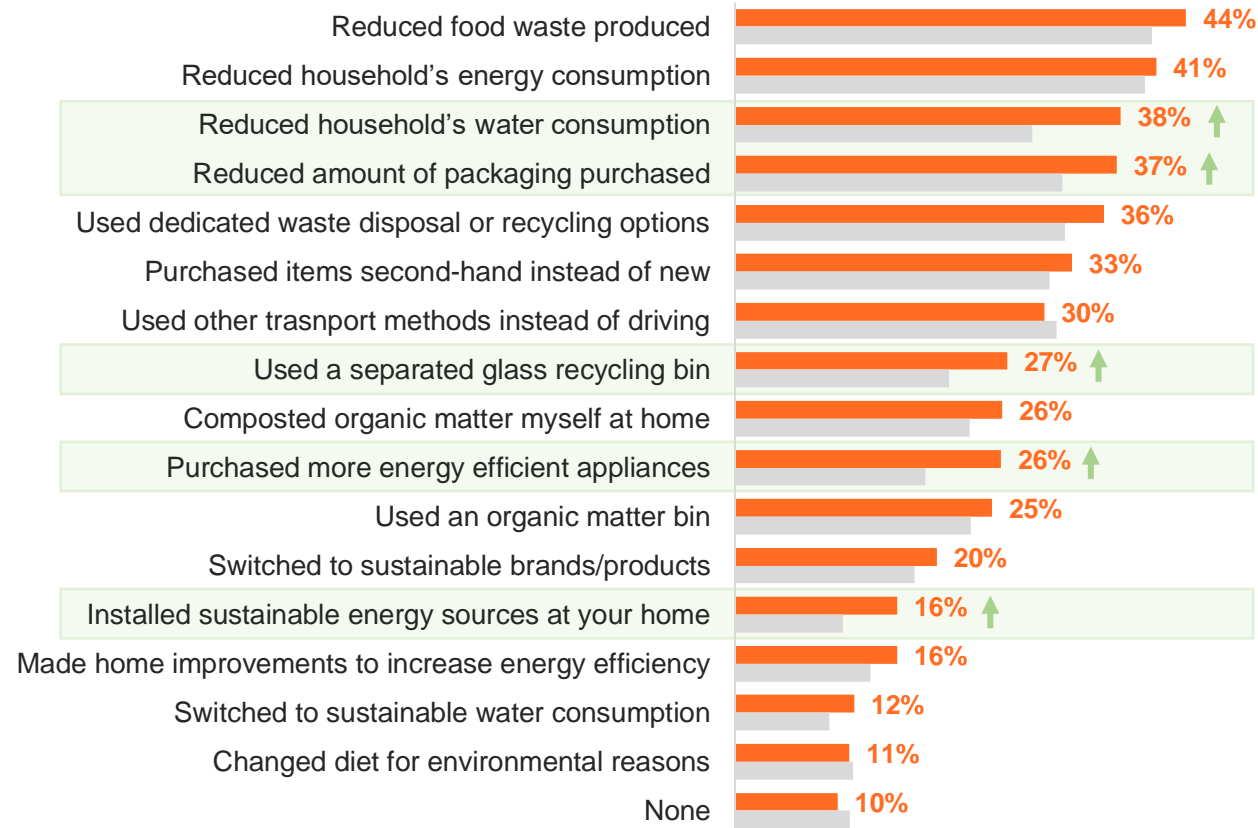


Q18s. Once again, to what extent do you agree or disagree with the following statements about climate change, the environment and sustainability?  
All respondents, n=c. 1,000-2,000 per month.

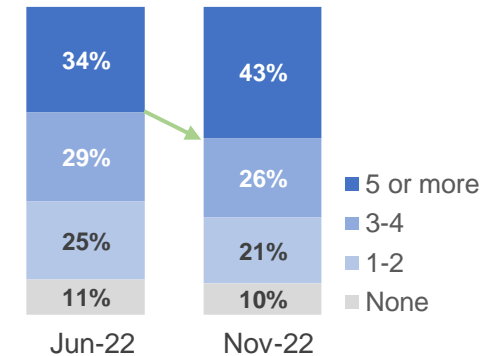
# Australians are upping their environmentally friendly steps



## Actions taken in the past year



## Number of steps taken



**We have seen a significant increase across several environmentally friendly behaviours this month.**

The key increases were for reducing water consumption and purchasing energy efficient appliances.

Reducing costs is also a likely motivation behind some of these behaviours (such as reducing energy consumption). Those taking five or more of these steps are significantly more likely to be concerned about 'cost of living' and 'the environment/climate change'.

Q18t. Have you done any of the following in the past year?  
All respondents, n=c. 1,000 per month.

↑ Significant increase since Jun-22

# Next year, AustraliaNOW will look a little different

After providing decision-makers with complimentary insights to help navigate the pandemic, we will be moving to a subscription model in 2023.

We will continue to provide the highest quality outputs in a timely and useable manner.

Please get in touch if you would like to learn more. Subscription options will be up on the Quantum website early in the new year.

We have been humbled by the positive support given to AustraliaNOW and are very proud that it has been described as a useful and valuable tool as we all navigate through these volatile times.

We look forward to continuing to inform your organisation about the sentiment of Australians and play our part as an input to your most critical decisions.

**We wish you a very Merry Christmas and a safe New Year.**



# AUS LIANOW

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