NAB CUSTOMER SPENDING BEHAVIOURS

EXPLORING THE SPENDING BEHAVIOURS OF NAB CUSTOMERS - Q3 2017

NAB Behavioural & Industry Economics Embargoed until: 11.30am Thursday 30 November 2017

NAB's Customer Spending Behaviours report explores the spending behaviours of our customers, excluding things such as mortgages, other credit repayments and government services. By examining around 2.7 million daily transactions, we show where spending is growing fastest and what customers are spending on. Given the size of NAB's customer base, it provides an indication of national and regional trends. In Q3 2017, customer spending growth slowed in all metropolitan and regional areas (except in SA and regional TAS). By state, overall spending growth was fastest in the ACT, VIC and NSW and slowest in WA and NT. By spending category, it was fastest for Arts & Recreation, Wholesale Trade and Accommodation & Food.

HIGHLIGHTS:

- **How has spending changed?** Total NAB customer spending growth slowed to 3.0% y/y in Q3 2017 (down from 3.9% y/y in Q2 2017). Average monthly spending in metro areas was $2,140 in Q3 ($2,064 in Q2) and $1,985 in regions ($1,918 in Q2).
- **Which states contributed most to spending growth?** VIC, NSW & QLD contributed 95.5% of total NAB customer spending growth in Q3 2017 (97.6% in Q2). WA detracted -5.9% (-3.4% in Q2). By region, Greater Melbourne and Sydney accounted for 54.1% of total spending growth in Q3 (50.3% in Q2). Regional NSW, QLD and VIC added 46.5% (38.6% in Q2).
- **Where is spending growing fastest across capital cities?** Growth slowed in all cities relative to Q2 except in Adelaide (2.5%). Hobart (4.4%), Canberra (4.1%) and Melbourne (3.3%) grew fastest, and Perth (-2.1%) and Brisbane (1.7%) slowest.
- **Which postcodes grew fastest in metropolitan areas?**
  - In **AUS**, growth was fastest in Gepps Cross SA 5094 (50.7%), Main Ridge VIC 3928 (36.2%), Panton Hill VIC 3759 (35.5%) Edmondson Park NSW 2174 (33.0%), Lobethal SA 5241 (31.0%), Hall ACT 2618 (26.8%) and Malmsbury VIC 3446 (25.9%).
  - In **NSW**, spending growth was fastest in Edmondson Park 2174 (33.0%), Croydon 2132 (23.9%) and Mount Kuning-Gai 2080 (22.7%).
  - In **VIC**, Main Ridge 3928 (36.2%), Panton Hill 3759 (35.5%) and Malmsbury 3446 (25.9%).
  - In **QLD**, Hemmant 4174 (16.2%), Grantham 4347 (15.9%) and Helidon 4344 (12.1%).
  - In **SA**, Gepps Cross 5094 (50.7%), Lobethal 5241 (31.0%) and Novar Gardens 5040 (21.1%).
  - In **WA**, Oakford 6121 (13.4%), Mahogany Creek 6072 (12.9%) and Two Rocks 6037 (7.7%).
- **What about regional areas?** - Spending growth slowed in all regional areas relative to Q2 (except SA). Overall growth in regional areas (4.2%) continued to outpace Greater Metropolitan or "City" areas (2.4%). Regional growth was fastest in SA (6.7%), VIC (5.0%), NSW (4.3%) and QLD (4.0%) and slowest WA (0.8%), TAS (1.7%) and the NT (2.7%).
- **What type of spending grew fastest?** - Arts & Recreation Services (20.6%), by Wholesale Trade (7.8%) and Accommodation & Food Services (7.0%). Spending growth slowed in all categories relative to Q2, except in categories such as Construction (1.7%), Utilities (2.7%), Finance & Insurance (5.3%) & Healthcare & Social Assistance (3.9%).

NAB Customer Spending: by state (% y/y)

	Q2 2017		Q3 2017	
	Metro	Regional	Metro	Regional
NSW	4.1%	5.1%	3.0% ↓	4.3% ↓
VIC	4.1%	5.2%	3.3% ↓	5.0% ↓
QLD	3.3%	4.9%	1.7% ↓	4.0% ↓
SA	1.9%	6.0%	2.5% ↑	6.7% ↑
WA	-1.3%	2.4%	-2.1% ↓	0.8% ↓
TAS	5.1%	1.6%	4.3% ↓	1.7% ↑
NT	4.5%	7.0%	2.9% ↓	2.7% ↓
ACT	5.6%		4.1% ↓	
AUSTRALIA	**3.3%**	**4.9%**	**2.4% ↓**	**4.2% ↓**

Customer spending excludes government services, taxes, direct to consumer manufacturers, mortgage and other credit facility repayments.

NAB Customer Spending: by industry sector (% y/y)

	Q2 2017	Q3 2017
Accommodation & Food Services	10.5%	7.0% ↓
Administrative & Support Services	5.6%	4.6% ↓
Arts & Recreation Services	35.3%	20.6% ↓
Construction	-1.8%	1.7% ↑
Education & Training	-2.5%	-6.2% ↓
Electricity, Gas, Water & Waste	0.1%	2.7% ↑
Finance & Insurance Services	3.8%	5.3% ↑
Healthcare & Social Assistance	-0.8%	3.9% ↑
Info, Media & Telecoms	1.8%	-1.9% ↓
Other Services	4.1%	3.9% ↓
Professional, Scientific & Tech Serv.	7.9%	3.1% ↓
Rental, Hiring & Real Estate Serv.	3.6%	0.2% ↓
Retail Trade	3.3%	2.4% ↓
Transport, Postal & Warehousing	-1.3%	-0.6% ↑
Wholesale Trade	1.2%	7.8% ↑

OVERALL GROWTH IN NAB CUSTOMER SPENDING ($) BY DIVISON & STATE

(percentage change Q3 2017 on Q3 2016)

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Arts and Recreation Services	13.3	22.3	28.1	36.6	14.6	27.4	32.5	7.0	20.6
Wholesale Trade	12.9	9.5	0.9	8.0	0.3	5.0	55.7	22.1	7.8
Accommodation and Food Services	8.8	7.0	5.9	9.5	2.9	4.5	6.2	9.2	7.0
Financial and Insurance Services	1.2	10.2	7.8	-4.5	4.3	3.3	2.3	11.9	5.3
Administrative and Support Services	3.4	6.9	2.5	6.6	4.6	5.7	8.6	3.9	4.6
Other Services	6.2	6.9	1.6	3.6	-4.9	0.8	3.3	4.8	3.9
Health Care and Social Assistance	2.8	4.5	4.2	5.2	3.4	6.1	4.0	4.0	3.9
Professional, Scientific and Technical Services	4.6	4.3	2.7	5.9	-5.6	-3.2	2.1	0.2	3.1
Electricity, Gas, Water and Waste Services	7.2	4.1	-1.8	6.0	-5.6	4.0	-11.8	0.6	2.7
Retail Trade	3.1	2.4	3.1	2.4	-2.2	3.3	5.0	4.6	2.4
Construction	1.2	0.4	5.1	4.3	-0.3	-0.3	-9.5	-9.3	1.7
Rental, Hiring and Real Estate Services	0.4	3.7	-2.6	-1.9	-4.4	-13.5	-6.4	-1.9	0.2
Transport, Postal and Warehousing	-0.3	-0.8	-0.2	1.7	-3.0	1.1	-9.5	1.5	-0.6
Information Media and Telecommunications	-1.1	-1.4	-1.2	-2.6	-6.9	-3.7	0.7	-4.4	-1.9
Education and Training	-4.0	-7.9	-6.8	-3.0	-8.2	5.5	-32.2	-7.5	-6.2

Fastest growing by division

Slowest growing by division

SUMMARY:

Overall Customer spending in Australia

- Based on NAB's transaction data (including BPAY), total NAB customer spending slowed to 3.0% y/y in Q3 2017, down from 3.9% y/y in the previous quarter.
- Average monthly customer spending during the quarter was $2,140 in metropolitan areas ($2,064 in Q2) and $1,985 in regional areas ($1,918 in Q2).

Overall Customer spending - metropolitan versus regional

- Overall NAB customer spending growth slowed in both regional and metropolitan areas in Q3 2017. Growth in customer spending in regional areas (4.2%) continued to outpace spending growth in greater metropolitan or "city" areas (2.4%).
- NAB customer spending growth slowed in all cities and regions relative to Q2, except in metropolitan Adelaide, regional SA and regional TAS.
- In regional areas, spending growth was fastest in SA (6.7%), VIC (5.0%), NSW (4.3%) and QLD (4.0%) and slowest in WA (0.8%), TAS (1.7%) and the NT (2.7%).
- In capital cities, customer spending growth was fastest in Hobart (4.3%), Canberra (4.1%), Melbourne (3.3%), Sydney (3.0%), Darwin (2.9%) and Adelaide (2.5%) and slowest in Perth (-2.1%) and Brisbane (1.7%).

Fastest growing Local Government Areas (LGAs)

- Fastest growing metropolitan LGAs in Australia were Walkerville SA (10.7%), Hunters Hill NSW (8.5%), Glenorchy TAS (8.5%), Willoughby NSW (7.6%), Camperdown NSW (7.6%), Holdfast Bay SA (7.2%), Wollondilly NSW (7.0%), Canterbury-Bankstown NSW (6.9%), Burwood NSW (6.8%), Brighton TAS (6.4%), Camden NSW (6.2%) and Wyndham VIC (6.1%).
- Fastest growing regional LGAs were Liverpool Plains NSW (29.1%), Glenn Innes Severn NSW (21.4%), Western Downs QLD (16.3%), Goondiwindi QLD (14.1%), Renmark Paringa SA (13.8%), Inverell NSW (12.9%), Gannawarra VIC (12.7%) and Alice Springs NT (12.4%).
- The top 30 fastest growing Australian metro and regional LGAs and the top 5 fastest growing metro and regional LGAs for each state are shown in Appendix 2.

Fastest growing postcodes - metropolitan

- In Australia, NAB customer spending growth was fastest in In AUS, growth was fastest in Gepps Cross SA 5094 (50.7%), Main Ridge VIC 3928 (36.2%), Panton Hill VIC 3759 (35.5%) Edmondson Park NSW 2174 (33.0%), Lobethal SA 5241 (31.0%), Hall ACT 2618 (26.8%), Malmsbury VIC 3446 (25.9%) and Croydon NSW 2132 (23.9%).
- See state sheets below for top 20 fastest growing metropolitan postcodes for each state.

SUMMARY (CONTINUED):

Fastest growing postcodes - regional

- In Australia, NAB customer spending grew fastest in Yanco NSW 2703 (76.6%), Dalwallinu WA 6609 (71.9%), Thulimbah QLD 4376 (71.8%), Picton WA 6229 (64.3%), Harden NSW 2587 (55.1%), Warrion VIC 3249 (54.4%), South Johnstone QLD 4859 (53.7%), Qualeup WA 6394 (51.4%), Yandaran QLD 4673 (47.4%) and Port Broughton SA 5522 (46.3%).
- It is important to note that while these postcodes have a statistically significant number of customers, they may include small area spending data that can be more volatile than larger postcode spending areas.
- See state sheets below for fastest growing metropolitan postcodes for each state.

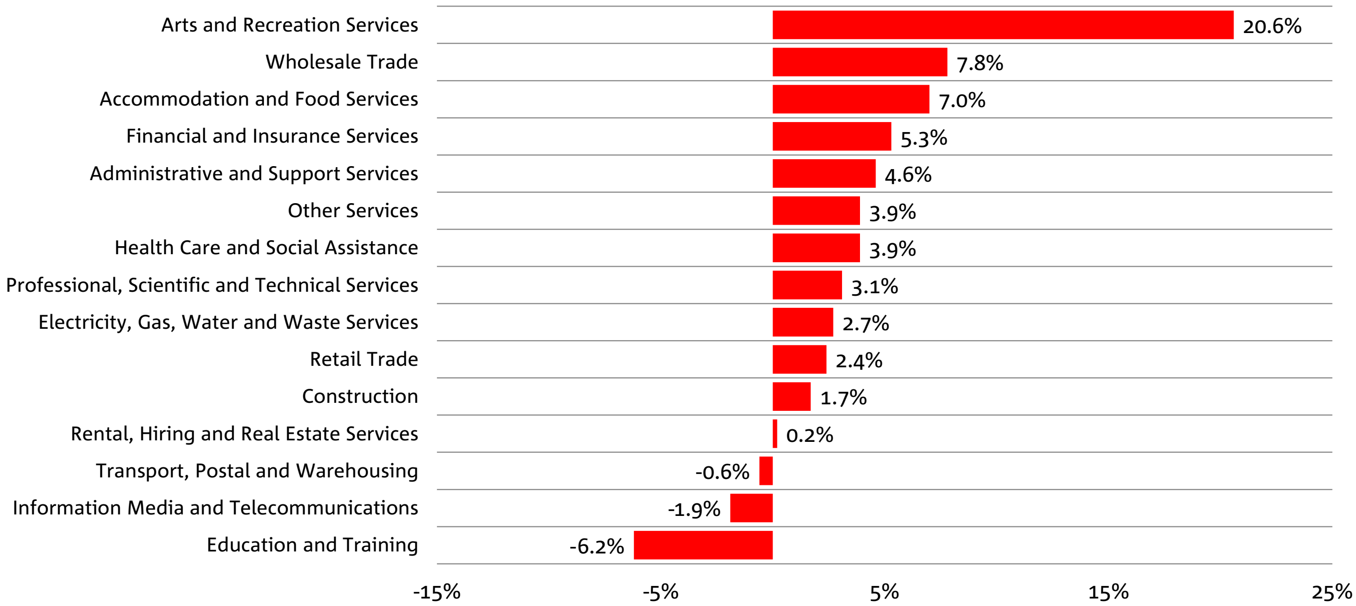
Customer spending growth by industry category

- NAB customer spending in Q3 2017 grew in 12 of 15 categories in year-on-year terms during Q3.
- Spending in Q3 2017 accelerated in just 5 of 15 categories compared to the previous quarter - with faster growth seen in sectors such as Finance & Insurance Services (5.3%), Healthcare & Social Services (3.9%), Utilities (2.7%) and Construction (1.7%).
- By category, spending growth remained fastest for Arts and Recreation Services (20.6% y/y) but was significantly slower than in Q2 (35.3%). Wholesale Trade (7.8%) and Accommodation & Food Services (7.0%) were the next fastest growing areas of NAB customer spending.
- Customer spending on Retail Trade to 2.4% y/y in Q3 2017, from 3.3% y/y in Q2.
- Spending growth was weakest for Education & Training (-6.2%), Information, Media & Telecoms (-1.9%) and Transport, Postal & Warehousing (-0.6%).

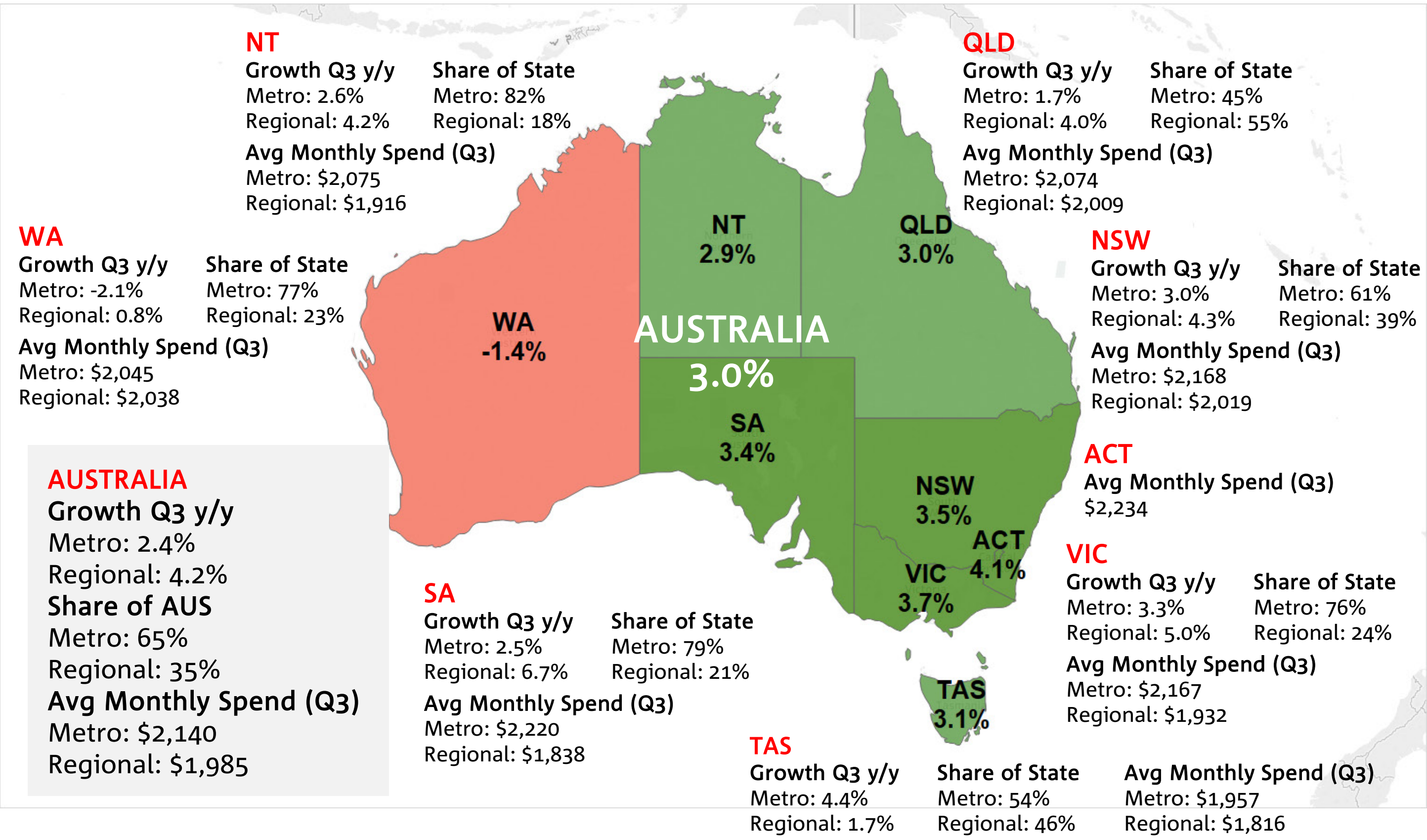
Contributions to spending growth

- By state, VIC, NSW and QLD contributed around 95% of total growth in NAB customer spending in Q3 2017 (98% in Q2). WA detracted around 6% from total spending growth (-3% in Q2). SA, ACT, TAS and the NT combined just over 10% (around 6% in Q2).
- By region, greater Melbourne and Sydney accounted for around 54% of total customer spending growth in Q3 2017 (50% in Q2). Regional NSW, QLD and VIC added around 47% (39% in Q2). Modest contributions came from all other areas bar greater Perth (-5.7%), regional WA (-0.3%) and regional TAS (-0.1%) - see Appendix 1.

OVERALL GROWTH IN NAB CUSTOMER SPENDING (Q3 2017, % y/y)



NAB CUSTOMER SPENDING BEHAVIOURS - Q3 2017



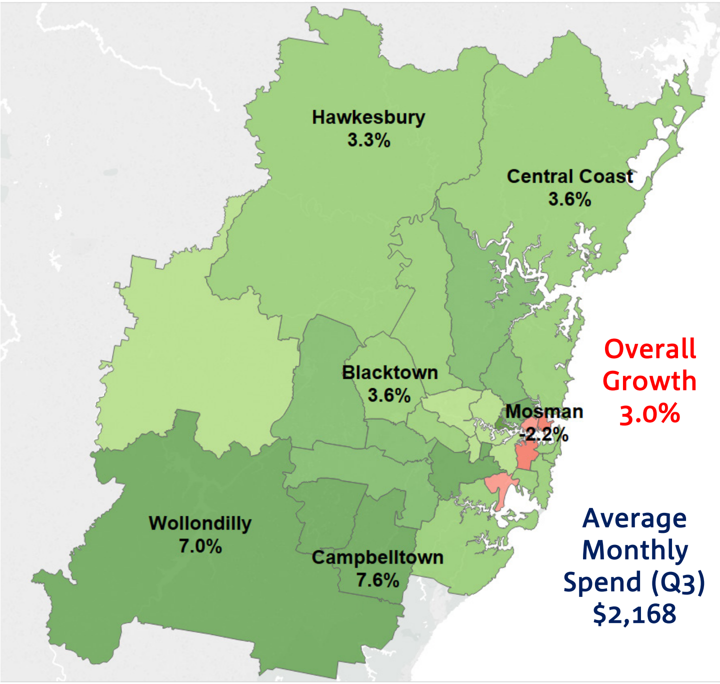
NAB CUSTOMER SPENDING BY STATE:

NSW - SYDNEY GREATER METROPOLITAN AREA

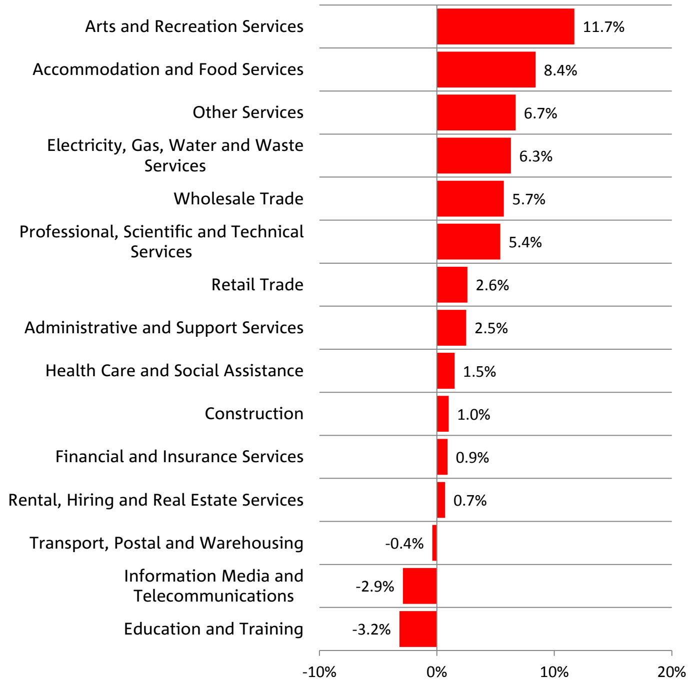
GROWTH IN NAB CUSTOMER SPENDING

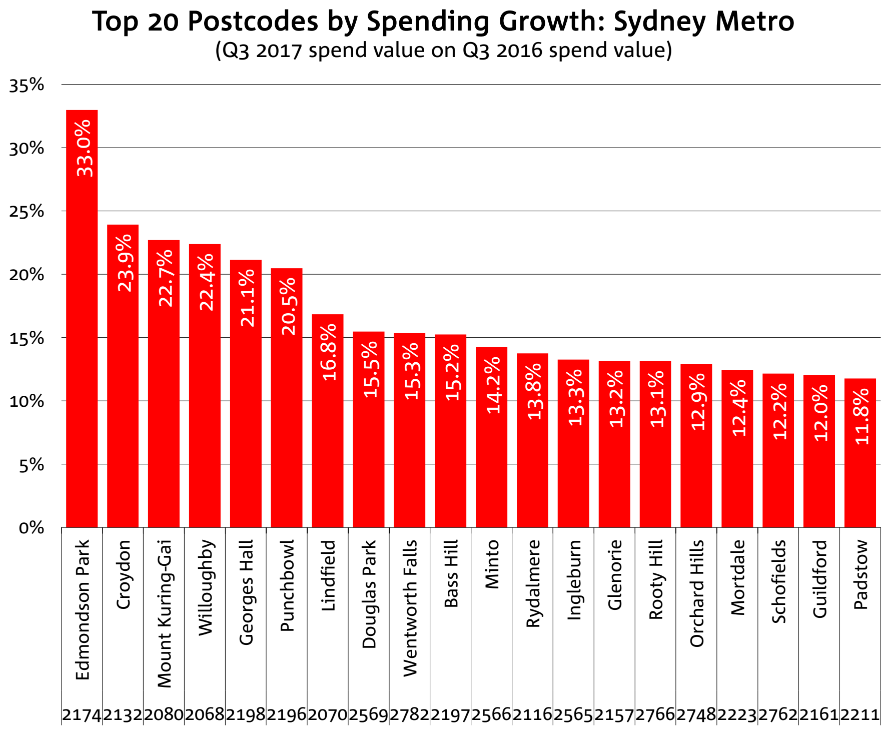
(percentage change Q3 2017 on Q3 2016)

SYDNEY GREATER METROPOLITAN AREA



GROWTH BY SPENDING (%,Y/Y)





**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

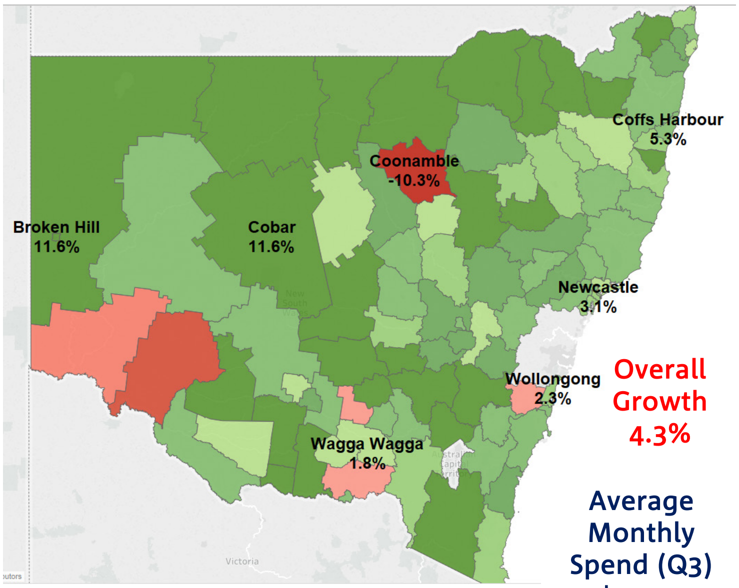
- Overall customer spending in the greater Sydney metropolitan area (ABS definition) grew 3.0% y/y in Q3 2017 (4.1% y/y in Q2).
- Average spending per customer increased $69 to $2,168.
- Spending growth was fastest for Arts & Recreation (11.7%), Accommodation & Food (8.4%) and Other Services (6.7%).
- Spending fell for Education & Training (-3.2%), Information, Media & Telecoms (-2.9%) and Transport, Postal & Warehousing (-0.4%).
- By individual postcode, spending growth was fastest in Edmondson Park 2174 (33.0%), Croydon 2132 (23.9%), Mount Kurinh-Gai 2080 (22.7%), Willoughby 2068 (22.4%), Georges Hall 2198 (21.1%) and Punchbowl 2196 (20.5%).

NSW - REGIONAL (EX. GREATER METRO AREA)

GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q3 2017 on Q3 2016)

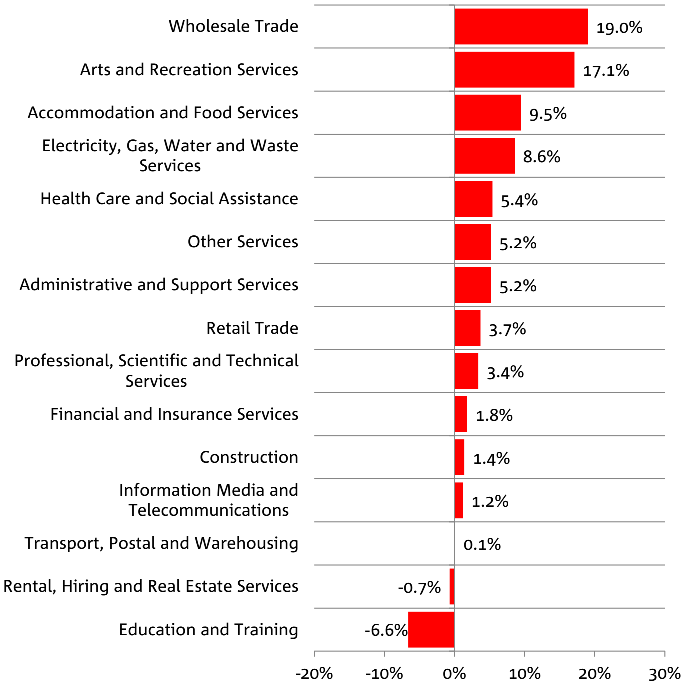
REGIONAL NSW (EX METRO)



Overall Growth 4.3%

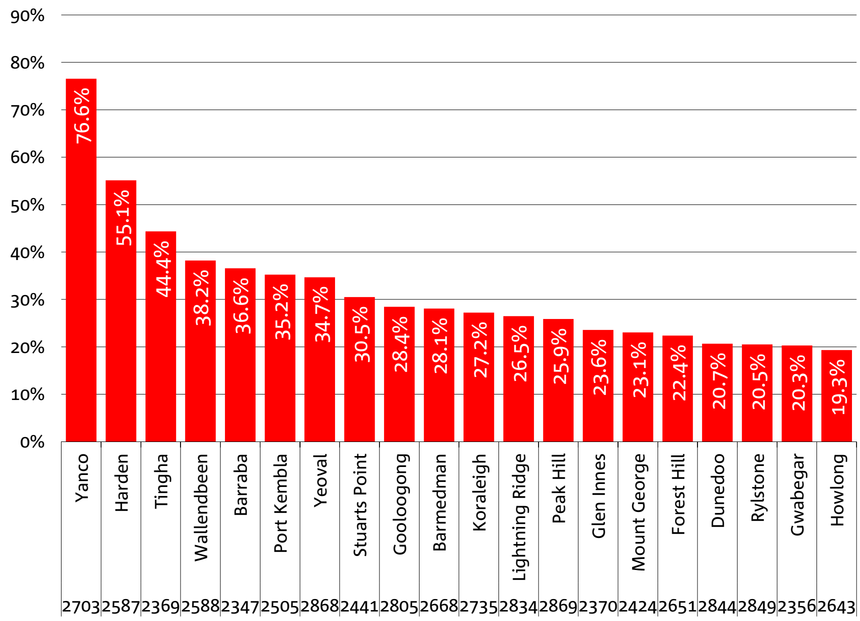
Average Monthly Spend (Q3) $2,019

GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: NSW Regional

(Q3 2017 spend value on Q3 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

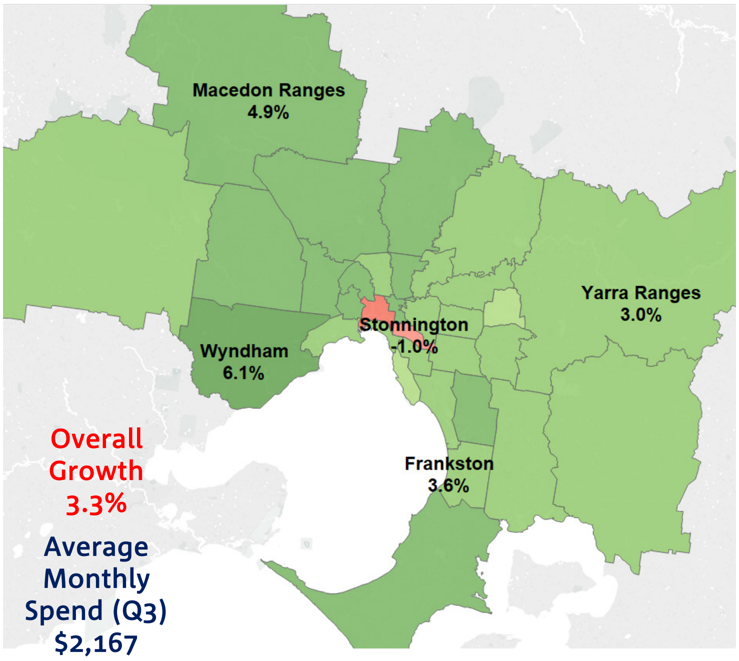
- Overall customer spending in regional NSW (ex metro) grew 4.3% y/y in Q3 2107, down from 5.1% y/y in Q2, but still somewhat faster than in Sydney metro (3.0%).
- Average customer spending increased $64 to $2,019, but was below that in Sydney metro ($2,168).
- Spending growth was fastest for Wholesale Trade (19.0%), Arts & Recreation (17.1%), Accommodation & Food Services (9.5%) and Utilities 8.6%).
- Spending fell for Education & Training (-6.6%) and Rental Hiring & real Estates Services (-0.7%) and was flat for Transport, Postal & Warehousing (0.1%).
- By postcode, spending was fastest in Yanco 2703 (76.6%), Harden 2587 (55.1%), Tingha 2369 (44.4%), Wallendbean 2588 (38.2%) and Barraba 2347 (36.6%).

VIC - MELBOURNE GREATER METROPOLITAN AREA

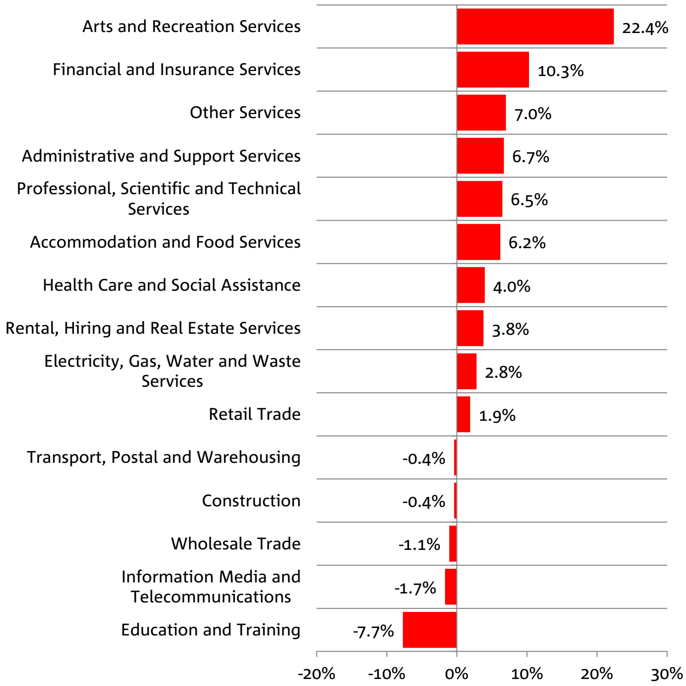
GROWTH IN NAB CUSTOMER SPENDING

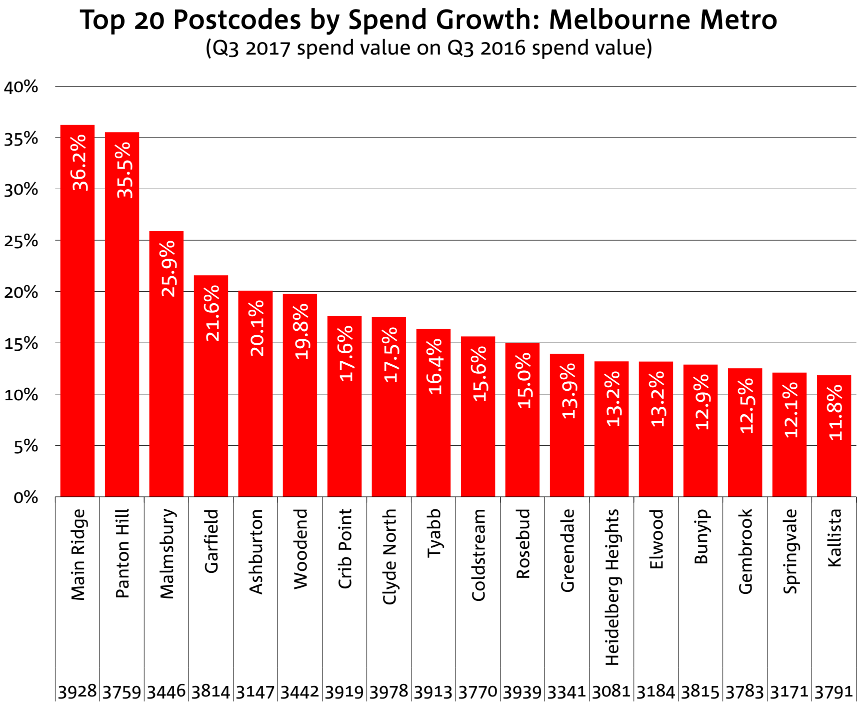
(percentage change Q3 2017 on Q3 2016)

MELBOURNE GREATER METROPOLITAN AREA



GROWTH BY SPENDING (%,Y/Y)





**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

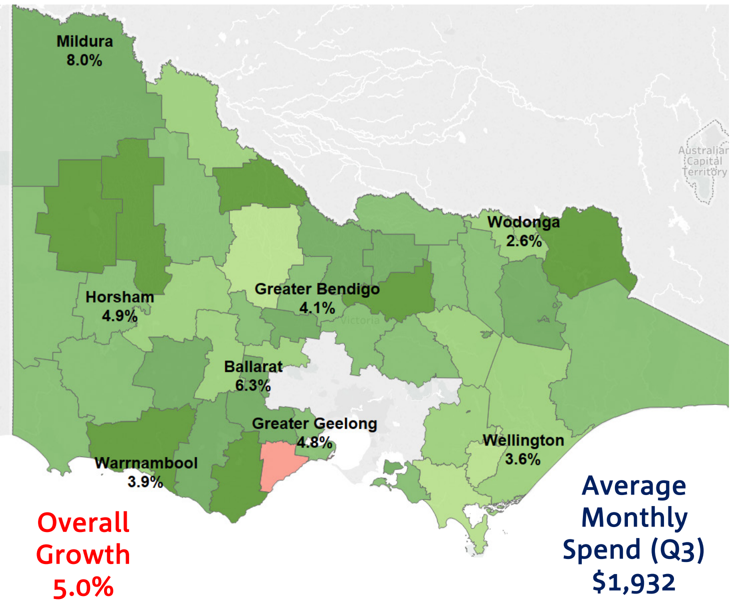
- Customer spending in the greater Melbourne metro area grew 3.3% y/y in Q3 2017, down from 4.1% y/y in Q2.
- Average monthly customer spending in Q3 increased $87 to $2,167.
- Spending growth was fastest for Arts & Recreation (22.4%), Financial & Insurance Services (10.3%) and Other Services (7.0%).
- Customer spending on Education & Training (-7.7%), Information, Media and Telecoms (-1.7%), Wholesale Trade (-1.1%), Construction (-0.4%) and Transport, Postal & Warehousing (-0.4%) all fell.
- By postcode, spending growth was fastest in Main Ridge 3928 (36.2%), Panton Hill 3759 (35.5%), Malmsbury 3446 (25.9%), Garfield 3814 (21.6%), Ashburton 3147 (20.1%) and Woodend 3442 (19.8%).

VIC - REGIONAL (EX. GREATER METRO AREA)

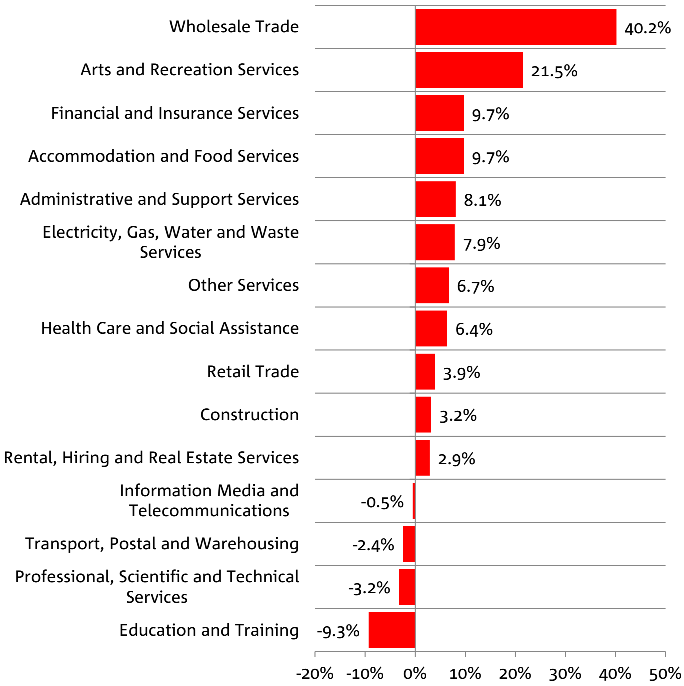
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q3 2017 on Q3 2016)

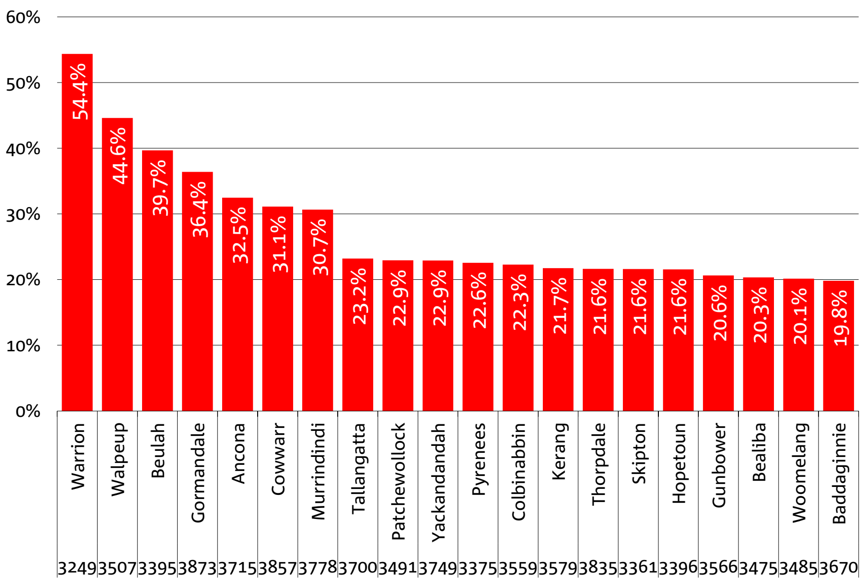
REGIONAL VIC (EX METRO)



GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: VIC Regional
(Q3 2017 spend value on Q3 2017 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

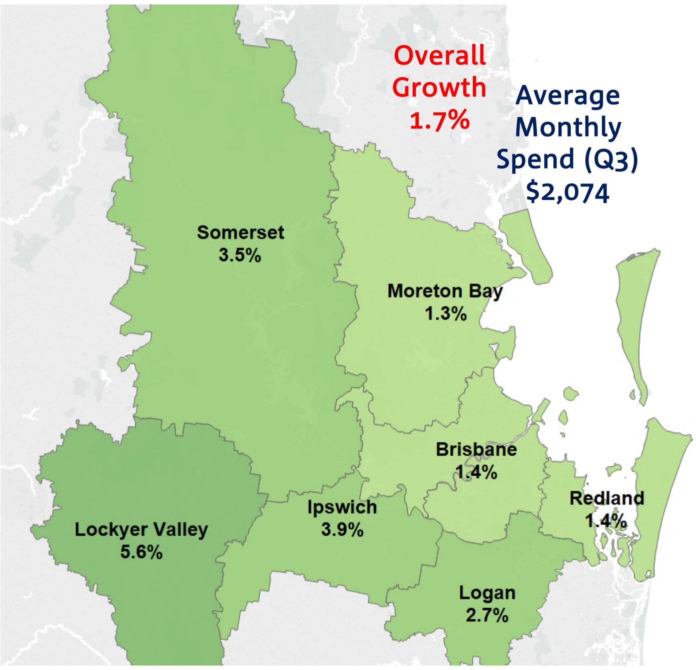
- Customer spending in regional VIC (ex metro) grew 5.0% y/y in Q3 2017, down from, 5.2% y/y in Q2 but ahead of Melbourne metro (3.3%).
- Average spending increased $66 to $1,932 but was below Melbourne metro ($2,167).
- Spending growth was fastest for Wholesale Trade (40.2%), Arts & Recreation (21.5%), Financial & Insurance Services (9.7%) and Accommodation & Food (9.7%).
- NAB customer spending on Education & Training (-9.3%), Professional, Scientific & Technical Services (-3.2%), Transport, Postal & Warehousing (-2.4%) and Information, Media & Telecoms (-0.5%) fell.
- By individual postcode, spending growth was fastest in Warrion 3249 (54.4%), Walpeup 3507 (44.6%) and Beulah 3395 (39.7%).

QLD - BRISBANE GREATER METROPOLITAN AREA

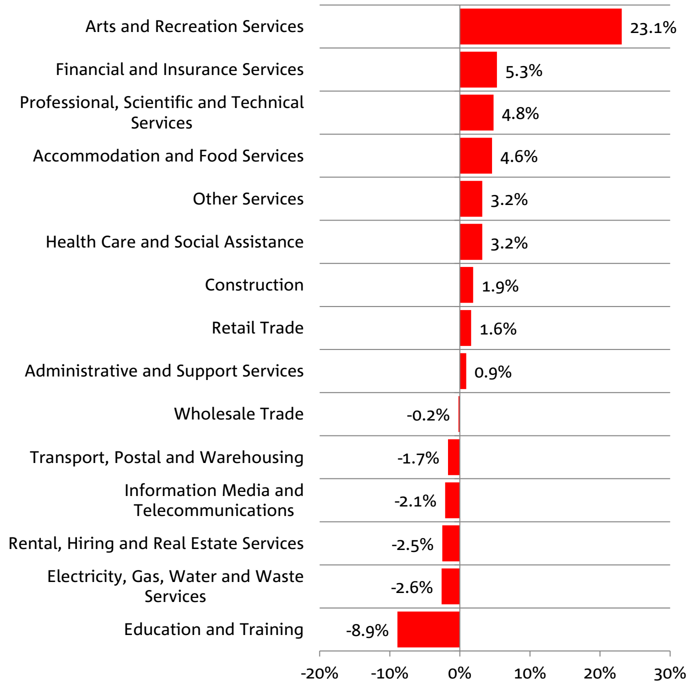
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q3 2017 on Q3 2016)

BRISBANE GREATER METROPOLITAN AREA

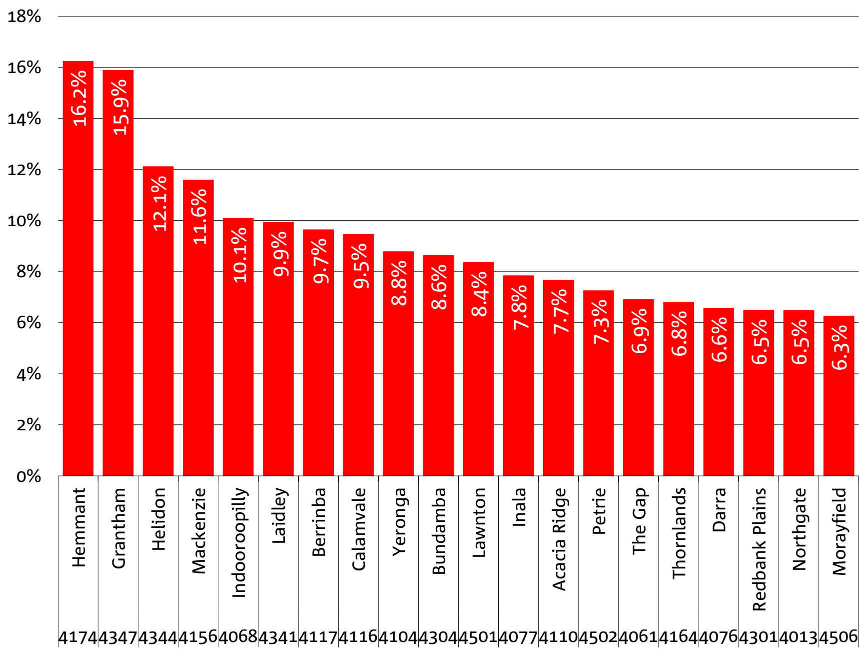


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spend Growth: Brisbane Metro

(Q3 2017 spend value on Q3 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

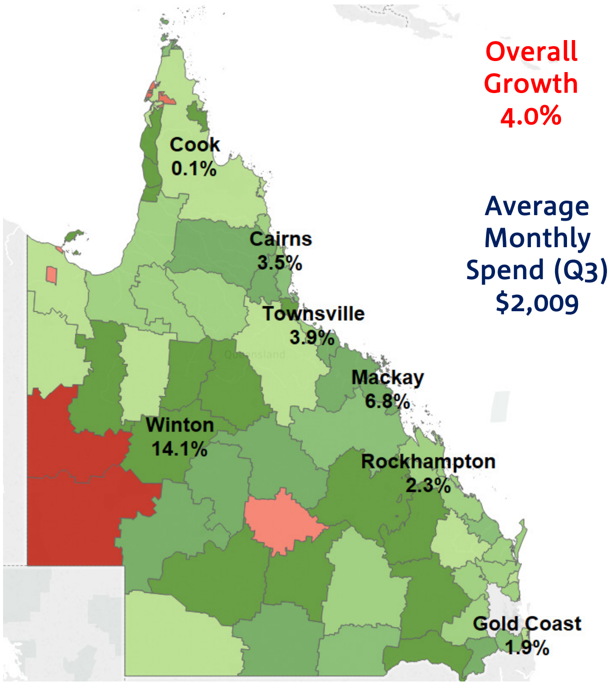
- Customer spending in the greater Brisbane metropolitan area grew 1.7% y/y in Q3 2017 (3.3% y/y in Q2).
- Average monthly spending increased $68 to $2,074.
- Spending grew fastest for Arts & Recreation (23.1%), Financial & Insurance Services (5.3%), Professional, Scientific & Technical Services (4.8%) and Accommodation & Food Services (4.6%).
- It fell for Education & Training (-8.9%), Utilities (-2.6%), Rental, Hiring & Real Estate (-2.5%), Information, Media & Telecoms (-2.1%), Transport, Postal & Warehousing (-1.7%) and Wholesale Trade (-0.2%).
- By postcode, spending growth was fastest in Hemmant 4174 (16.2%), Grantham 4347 (15.9%), Helidon 4344 (12.1%), Mackenzie 4156 (11.6%) and Indooroopilly 4068 (10.1%).

QLD - REGIONAL (EX. GREATER METRO AREA)

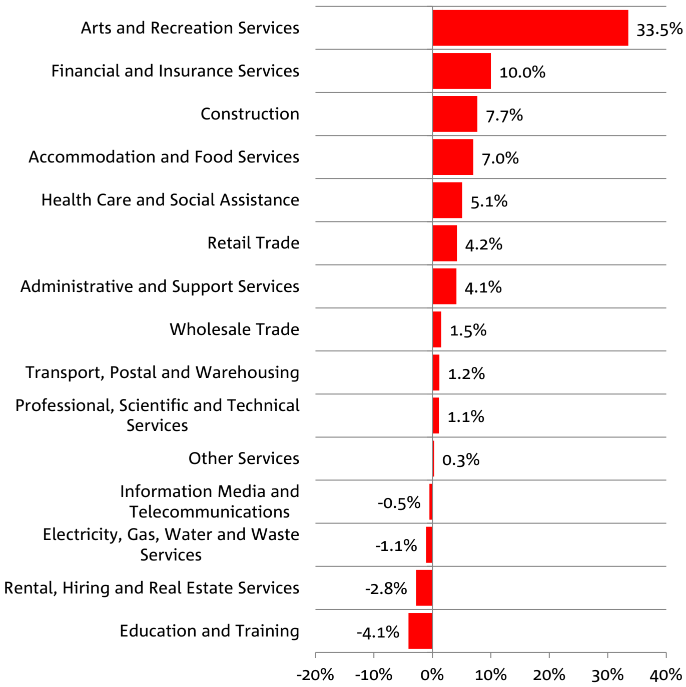
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q3 2017 on Q3 2016)

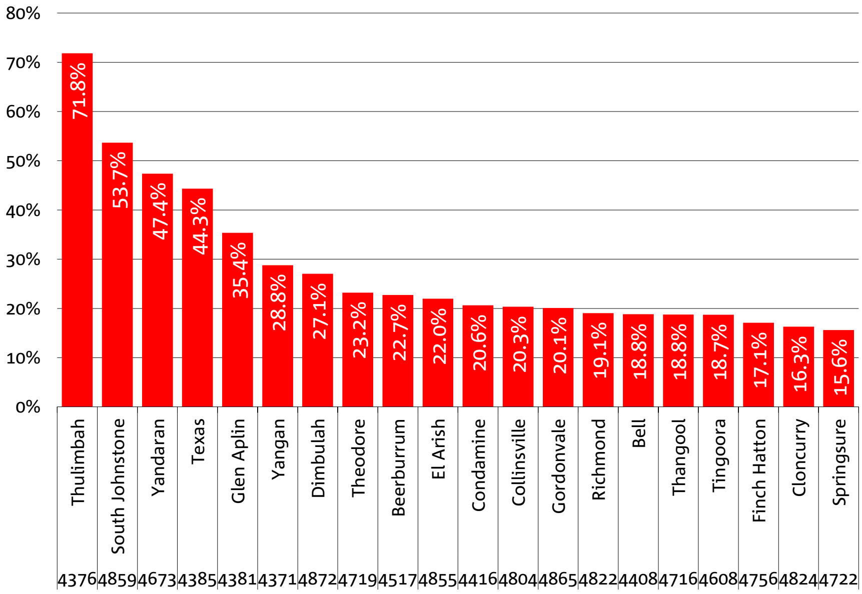
REGIONAL QLD (EX METRO)



GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: QLD Regional
(Q3 2017 spend value on Q3 2017 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

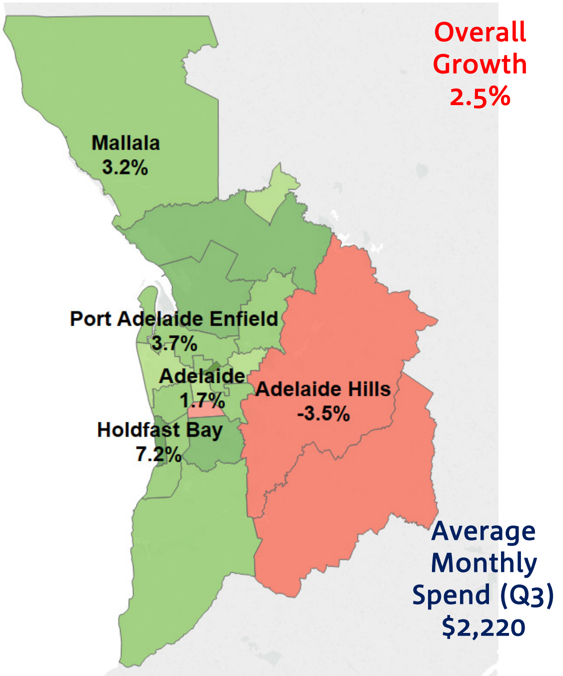
- Spending in regional QLD grew 4.0% y/y in Q3 2017 (4.9% y/y in Q2) and faster than Brisbane metro (1.7%).
- Average monthly customer spending grew $84 to $2,009 in Q3, but was below average spending in metro Brisbane ($2,074).
- Spending growth was fastest for Arts & Recreation (33.5%), followed by Financial & Insurance Services (10.0%), Construction (7.7%) & Accommodation & Food Services (7.0%).
- NAB Customer spending fell for Education & Training (-4.1%), Rental, Hiring & Real Estate Services (-2.8%), Utilities (-1.1%) and Information, Media & Telecoms (-0.5%).
- By postcode, spending grew fastest in Thulimbah 4376 (71.8%), South Johnstone 4859 (53.7%), Yandaran 4673 (47.4%), Texas 4385 (44.3%) and Glen Aplin 4381 (35.4%).

SA - ADELAIDE GREATER METROPOLITAN AREA

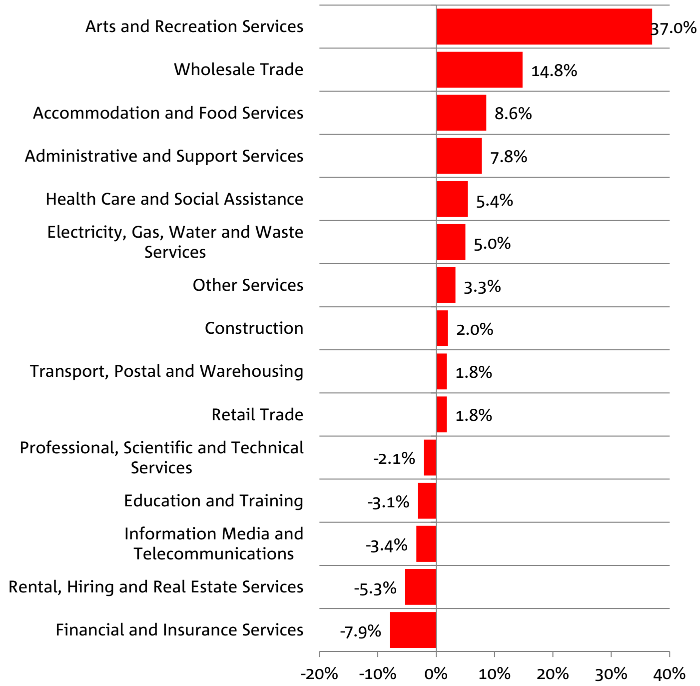
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q3 2017 on Q3 2016)

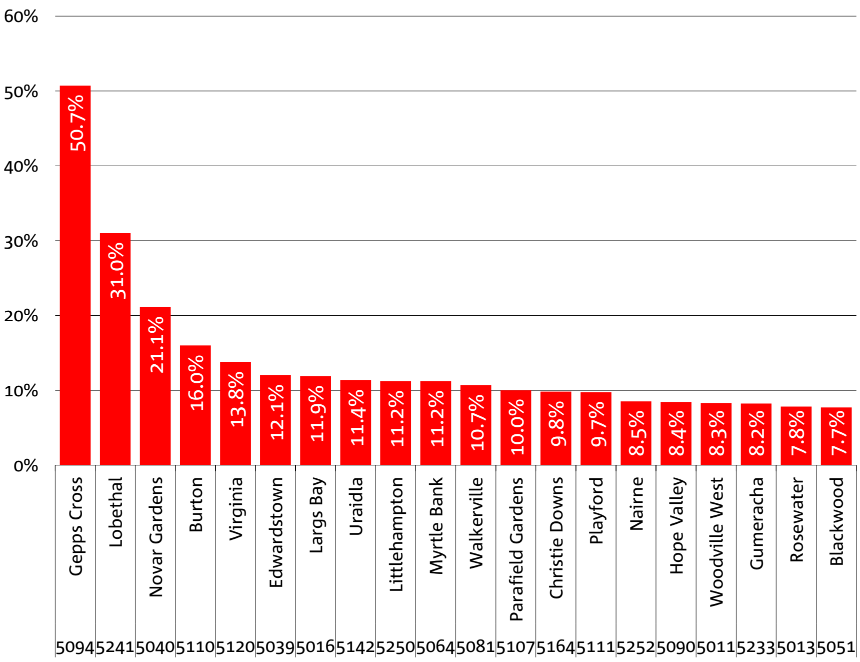
ADELAIDE GREATER METROPOLITAN AREA



GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spend Growth: Adelaide Metro
(Q3 2017 spend value on Q3 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

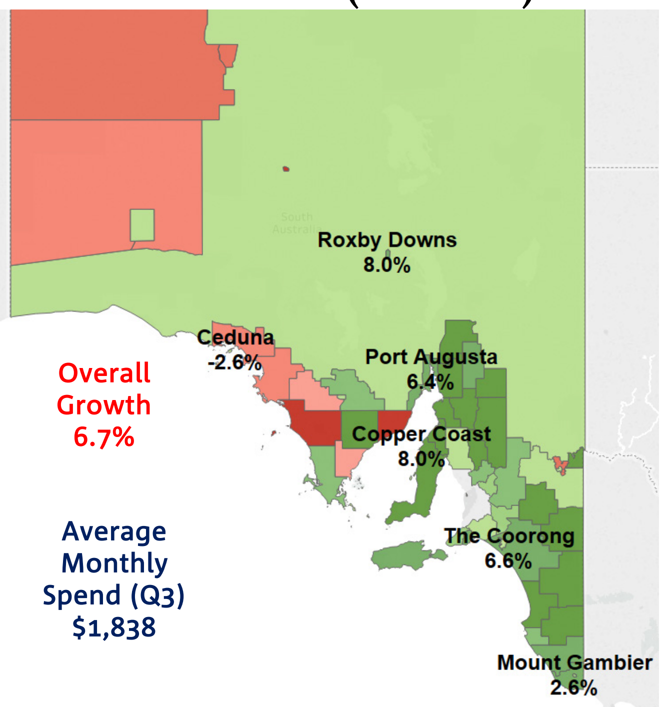
- Customer spending in the greater Adelaide metropolitan area grew 2.5% in Q3 2017, up from 1.9% in Q2.
- Average monthly customer spending increased $77 to $2,220.
- Spending growth was fastest for Arts & Recreation (37.0%), Wholesale Trade (14.8%), Accommodation & Food Services (8.6%) and Admin & Support Services (7.8%).
- Spending fell for Financial & Insurance Services (-7.9%), Rental, Hiring & Real Estate (-5.3%), Information, Media & Telecoms (-3.4%), Education & Training (-3.1%) and Professional, Scientific & Technical Services (-2.1%).
- By postcode, overall customer spending growth was fastest in Gepps Cross 5094 (50.7%), Lobethal 5241 (31.0%), Novar Gardens 5040 (21.1%) and Burton 5110 (16.0%).

SA - REGIONAL (EX. GREATER METRO AREA)

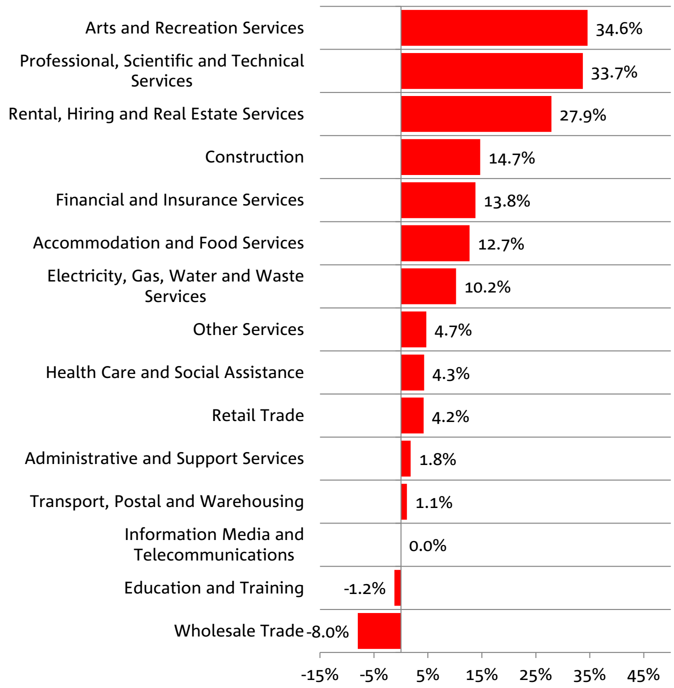
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q3 2017 on Q3 2016)

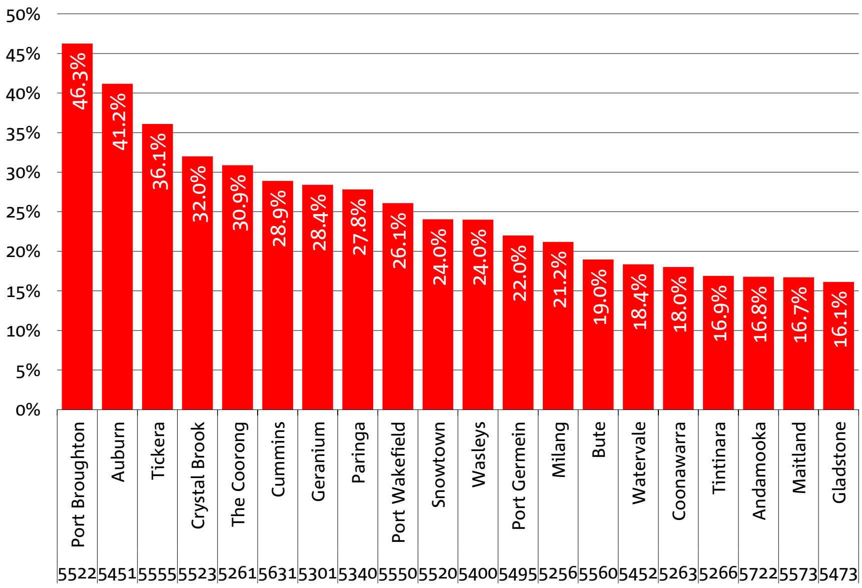
REGIONAL SA (EX METRO)



GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: SA Regional
(Q3 2017 spend value on Q3 2017 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

- Customer spending in regional SA grew 6.7% y/y in Q3 2017, up from 6.0% y/y in Q2.
- Average monthly spending increased $53 to $1,838, and was lower than in Adelaide metro ($2,220).
- Spending growth was fastest for Arts & Recreation (34.6%), Professional, Scientific & Technical Services (33.7%), Rental, Hiring & Real Estate Services (27.9%) and Construction (14.7%).
- Customer spending for Wholesale Trade (-8.0%) and Education & Training (-1.2%) fell and was flat for Information, Media & Telecoms.
- By postcode, growth was fastest in Port Broughton 5525 (46.3%), Auburn 5451 (41.2%), Tickera 5555 (36.1%), Crystal Brook 5523 (32.0%), The Corong 5261 (30.9%) and Cummins 5631 (28.9%).

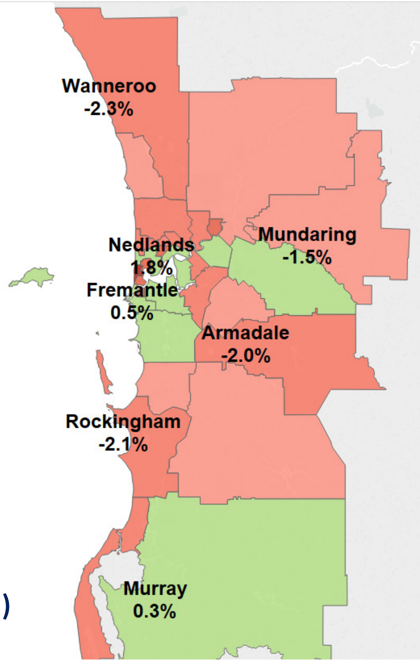
WA - PERTH GREATER METROPOLITAN AREA

GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q3 2017 on Q3 2016)

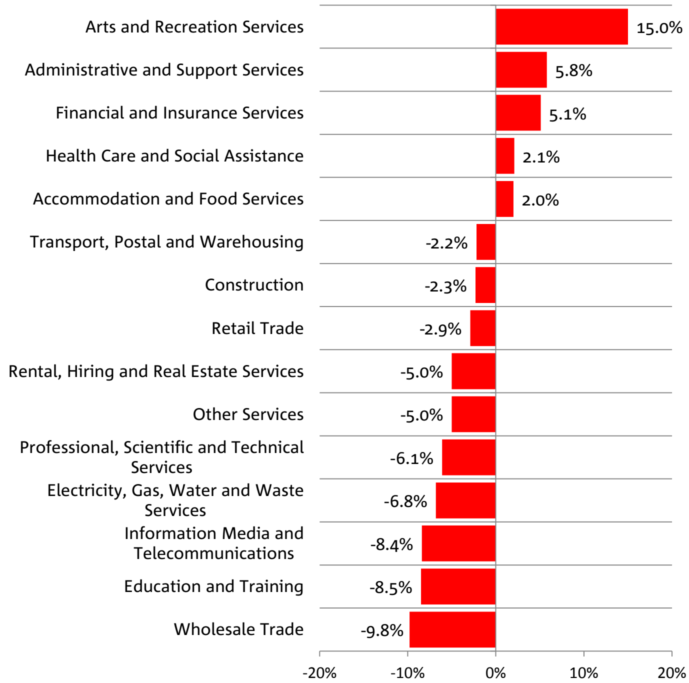
PERTH GREATER METROPOLITAN AREA

Overall Growth -2.1%



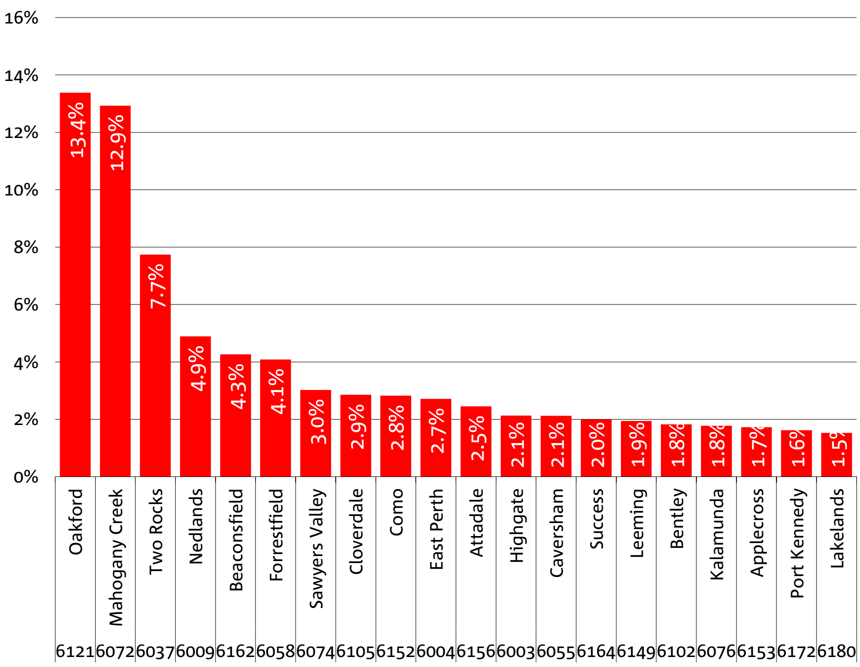
Average Monthly Spend (Q3) $2,045

GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spend Growth: Perth Metro

(Q3 2017 spend value on Q3 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

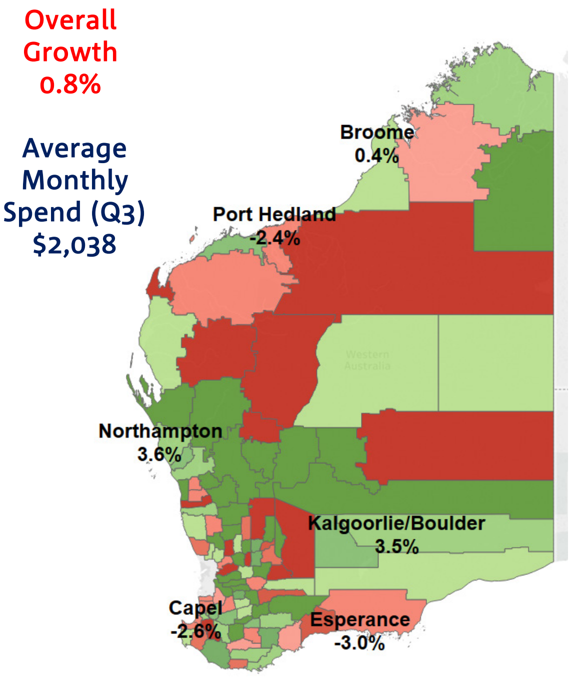
- NAB customer spending in the greater Perth metropolitan area fell -2.1% y/y in Q3 2017 (from -1.3% y/y in Q2) and was weakest of all cities.
- But average monthly spending increased $76 to $2,045.
- Spending grew for Arts & Recreation Services (15.0%), Administrative & Support Services (5.8%), Financial & Insurance Services (5.1%), Healthcare & Social Assistance (2.1%) and Accommodation & Food (2.0%).
- Spending contracted in all other categories, with the biggest falls in Wholesale Trade (-9.8%), Education & Training (-8.5%) and Information, Media & Telecoms (-8.4%)
- By postcode, spending growth was fastest in Oakford 6121 (13.4%), Mahogany Creek 6072 (12.9%), Two Rocks 6037 (7.7%), Nedlands 6009 (4.9%) and Beaconsfield 6162 (4.3%).

WA - REGIONAL (EX. GREATER METRO AREA)

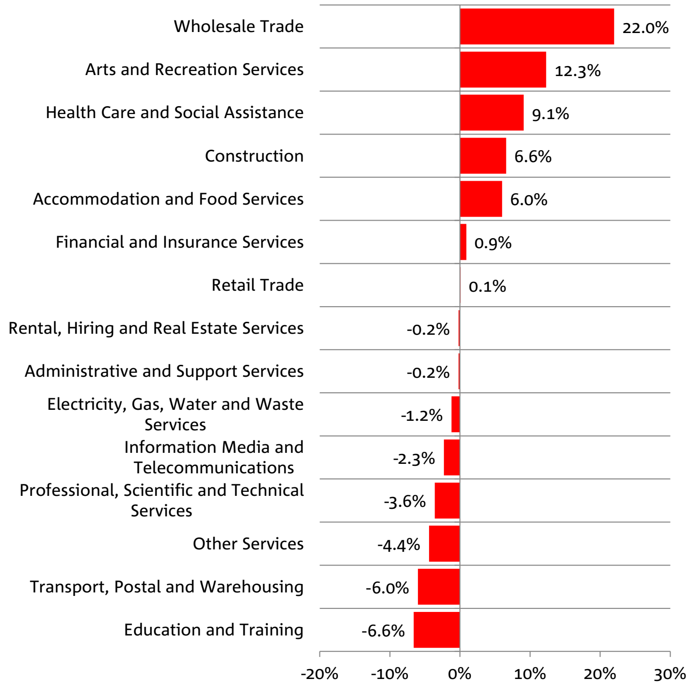
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q3 2017 on Q3 2016)

REGIONAL WA (EX METRO)

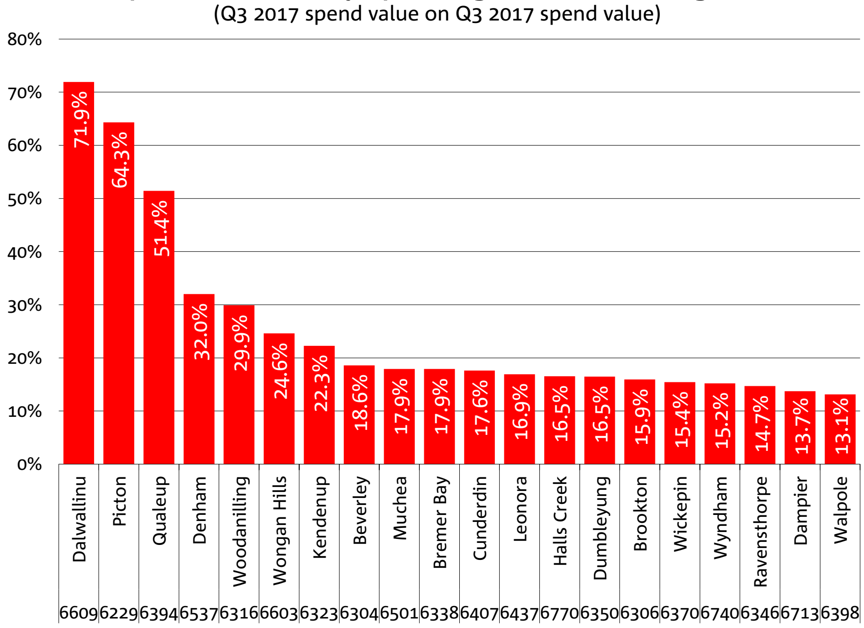


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: WA Regional

(Q3 2017 spend value on Q3 2017 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

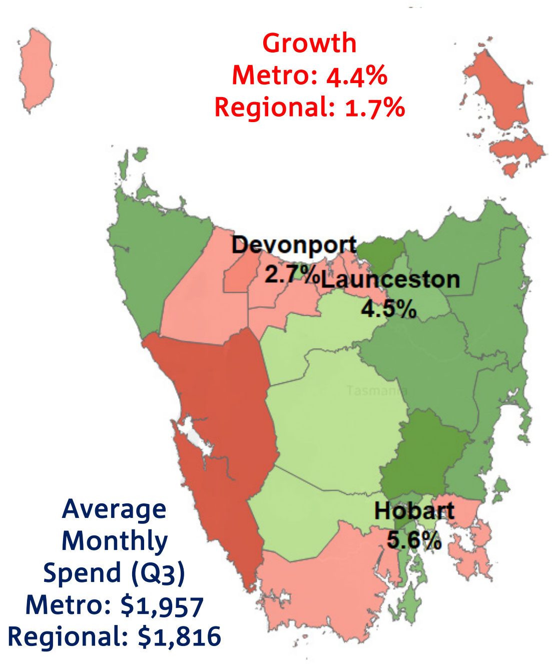
- Customer spending in regional WA (ex metro) grew 0.8% y/y in Q3 2017, down from 2.4% y/y in Q2.
- Average monthly spending increased $28 to $2,038 - the highest regional spend in Australia, but lower than in metro Perth ($2,045).
- Spending grew in 7 of 15 categories - led by Wholesale Trade (22.0%), Arts & Recreation (12.3%), Healthcare & Social Assistance (9.1%), Construction (6.6%) and Accommodation & Food Services (6.0%).
- Spending was flat or fell in all other areas, with largest falls in Education & Training (-6.6%) and Transport, Postal, Warehousing (-6.0%).
- By postcode, spending growth was fastest in Dalwallinu 6609 (71.9%), Picton 6229 (64.3%), Qualeup 6394 (51.4%), Denham 6537 (32.0%) and Woodanilling 6316 (29.9%).

TASMANIA

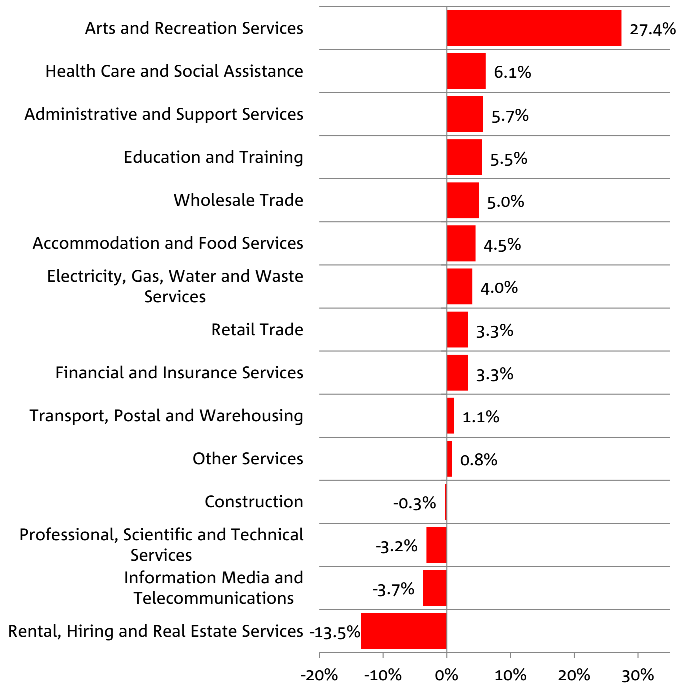
GROWTH IN NAB CUSTOMER SPENDING

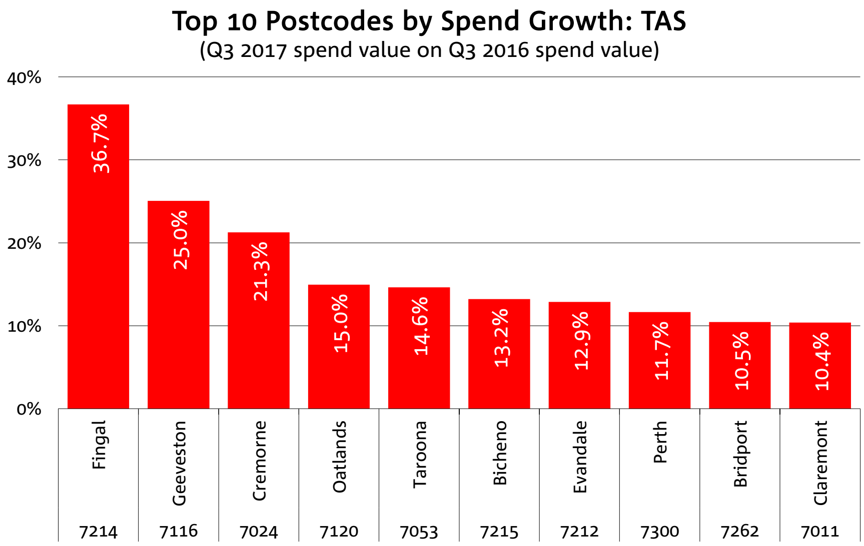
(percentage change Q3 2017 on Q3 2016)

TASMANIA - STATE



GROWTH BY SPENDING (%,Y/Y)





**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

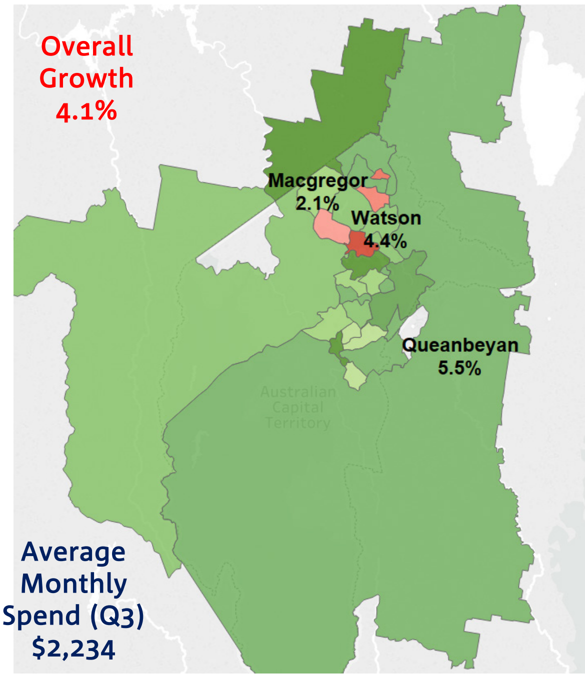
- Customer spending grew 4.4% y/y in Q3 2017 in Hobart metro (5.1% y/y in Q2), and by 1.7% y/y in regional TAS (1.6% y/y in Q2).
- Average monthly spending rose $84 to $1,957 in Hobart metro and by $80 in regional TAS to $1,816.
- Overall spending growth (metro & regional) was fastest for Arts & Recreation (27.4%), Healthcare & Social Assistance (6.1%), Administrative & Support Services (5.7%), Education & Training (5.5%) and Wholesale Trade (5.0%).
- NAB Customer spending growth fell for Rental, Hiring & Real Estate Services (-13.5%), Information, Media & Telecoms (-3.7%), Professional, Scientific & Tech Services (-3.2%) and Construction (-0.3%).
- By postcode, growth was fastest in Fingal 7214 (36.7%), Geeveston 7116 (25.0%) and Cremorne 7024 (21.3%).

ACT

GROWTH IN NAB CUSTOMER SPENDING

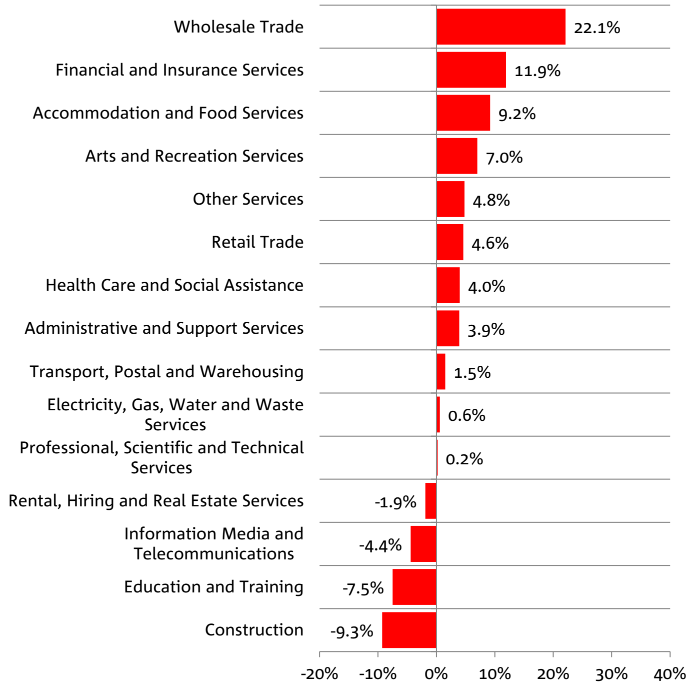
(percentage change Q3 2017 on Q3 2016)

ACT



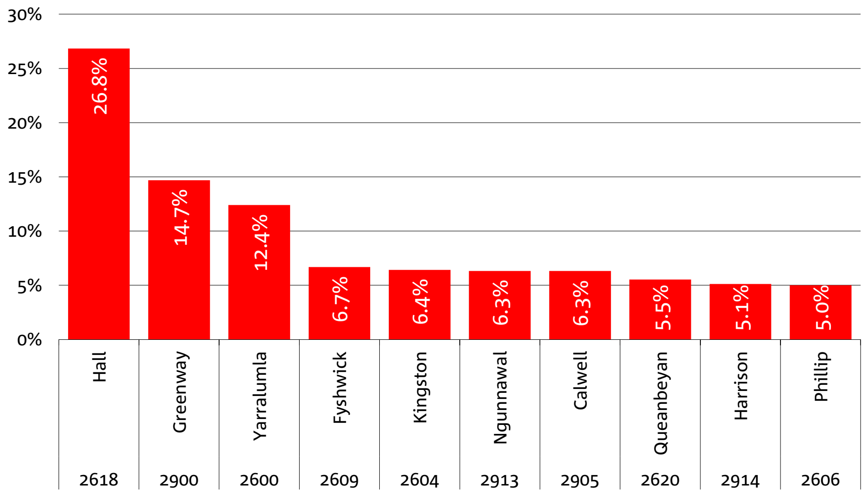
**postcode level details shown instead of LGAs as ACT does not have separate LGAs. Hall, located within the ACT shares the 2618 postcode with nearby Wallaroo NSW, thus is partially represented outside ACT boundary in the map.*

GROWTH BY SPENDING (%,Y/Y)



Top 10 Postcodes by Spend Growth: ACT

(Q3 2017 spend value on Q3 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

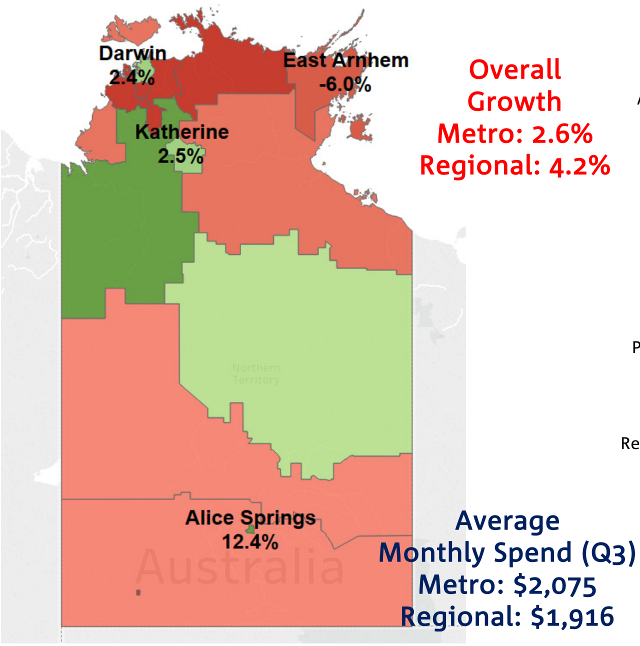
- Customer spending in the ACT grew 4.1% y/y in Q3 2017, down from 5.6% y/y in Q2.
- Average monthly spending rose $74 to $2,234 - and was highest of all areas (metro & regional).
- Spending growth was fastest for Wholesale Trade (22.1%), Financial & Insurance Services (11.9%), Accommodation & Food (9.2%) and Arts & Recreation Services (7.0%).
- Customer spending contracted for Construction (9.3%), Education & Training (-7.5%), Information, Media & Telecoms (-4.4%) and Rental, Hiring & Real Estate Services (-1.9%).
- By postcode, spending growth was fastest in Hall 2618 (26.8%) and well ahead of the next fastest Greenway 2900 (14.7%), Yarralumla 2600 (12.4%), Fyshwick 2609 (6.7%) and Kingston 2604 (6.4%).

NORTHERN TERRITORY

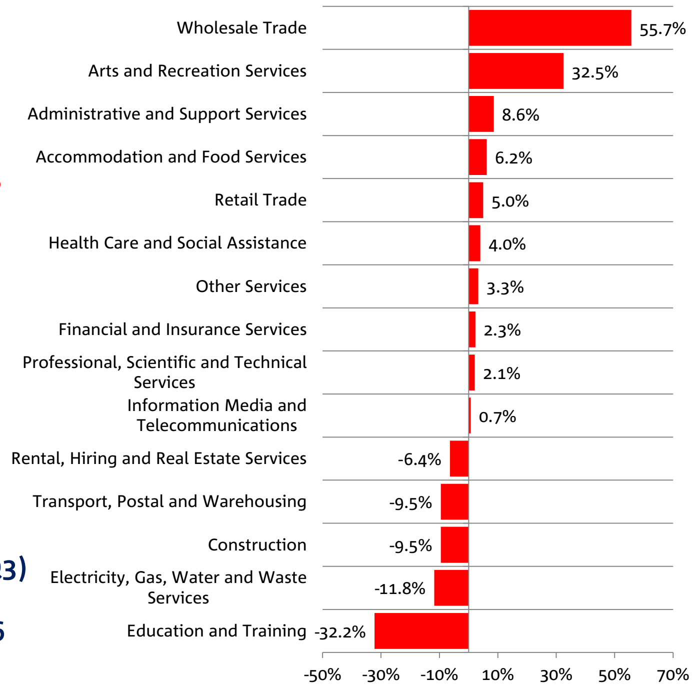
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q3 2017 on Q3 2016)

NORTHERN TERRITORY

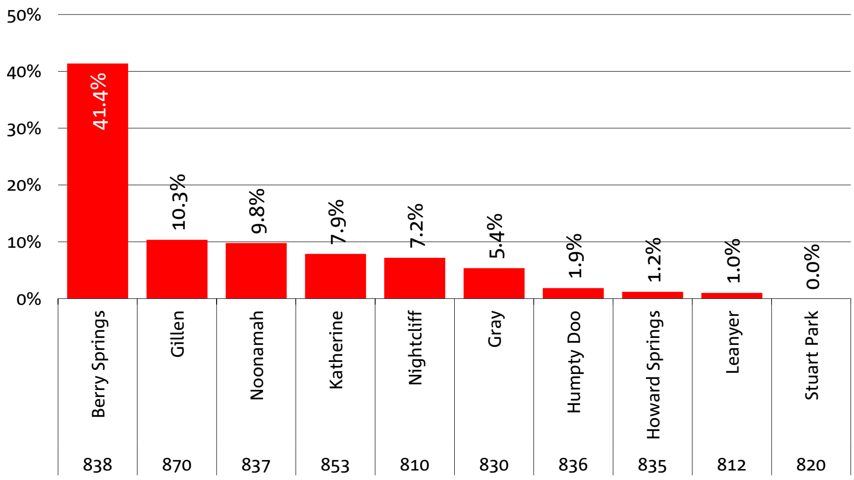


GROWTH BY SPENDING (%, Y/Y)



Top 10 Postcodes by Spend Growth: NT

(Q3 2017 spend value on Q3 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

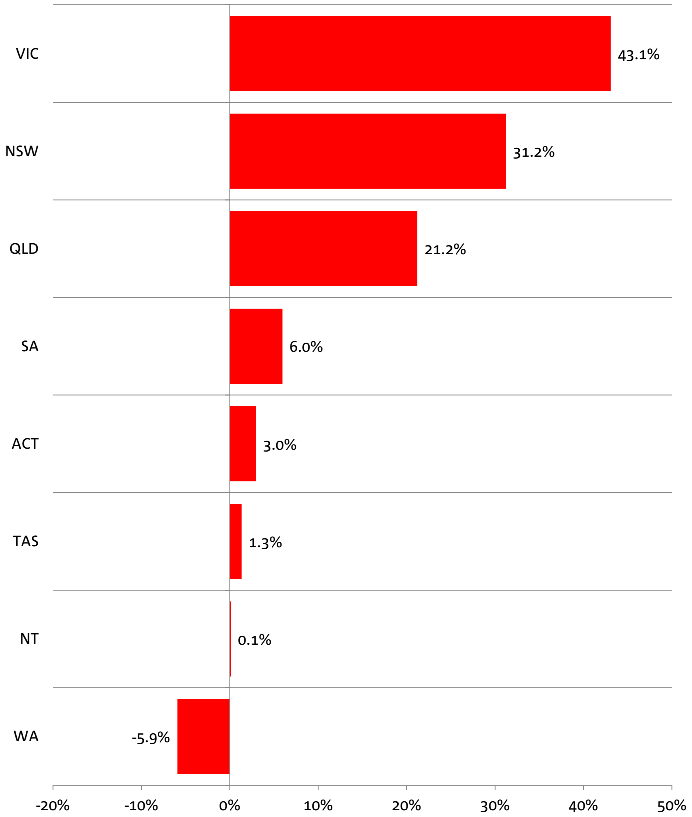
- Customer spending grew 2.6% y/y in Darwin metro in Q3 2017 (4.5% y/y in Q2), and by 4.2% y/y in regional NT (7.0% y/y in Q2).
- Average monthly spending increased $124 to $2,075 in Darwin metro and by $112 to $1,916 in regional NT.
- Customer spending in the NT was fastest for Wholesale Trade (55.7%), and Arts & Recreation (32.5%).
- Customer spending growth fell sharply for Education & Training (-32.2%), and also fell in Utilities (-11.8%), Construction (-9.5%), Transport, Postal & Warehousing (9.5%) and Rental, Hiring & Real Estate (-6.4%).
- By postcode, spending growth was fastest by some margin in Berry Springs 838 (41.4%), followed by Gillen 870 (10.3%), Noonamah 837 (9.8%), Katherine 853 (7.9%) and Nightcliff 810 (7.2%).

APPENDIX 1

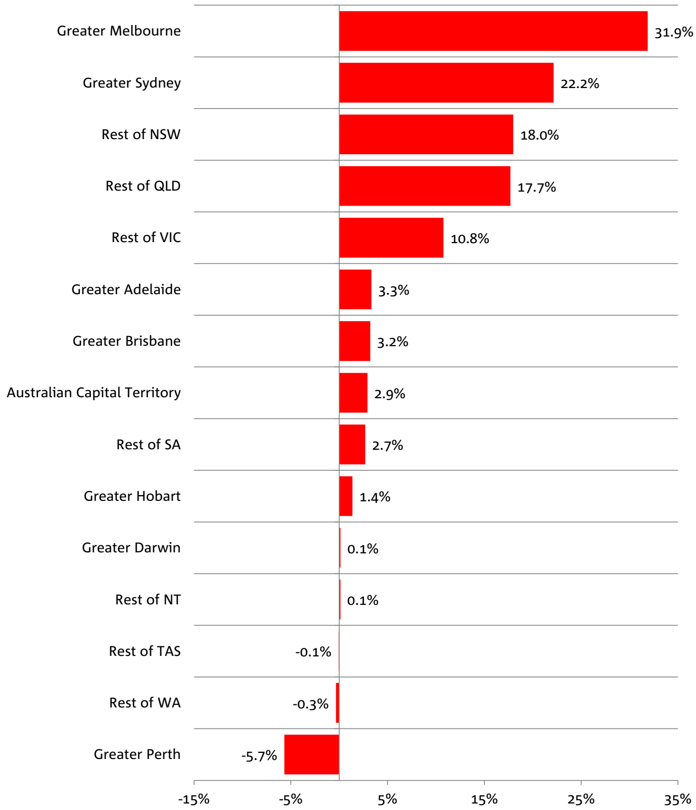
By state, VIC, NSW and QLD contributed around 95% of total growth in NAB customer spending in Q3 2017. WA detracted around 6% from total spending growth. There were modest contributions from SA (6.0%), ACT (3.0%), TAS (1.3%) and the NT (0.1%).

Greater Melbourne and Sydney accounted for 54.1% of total customer spending growth in Q3. Regional NSW, QLD and VIC added 46.5%. Modest contributions came from all other areas bar greater Perth (-5.7%), regional WA (-0.3%) and regional TAS (-0.1%).

CONTRIBUTION TO GROWTH BY STATE

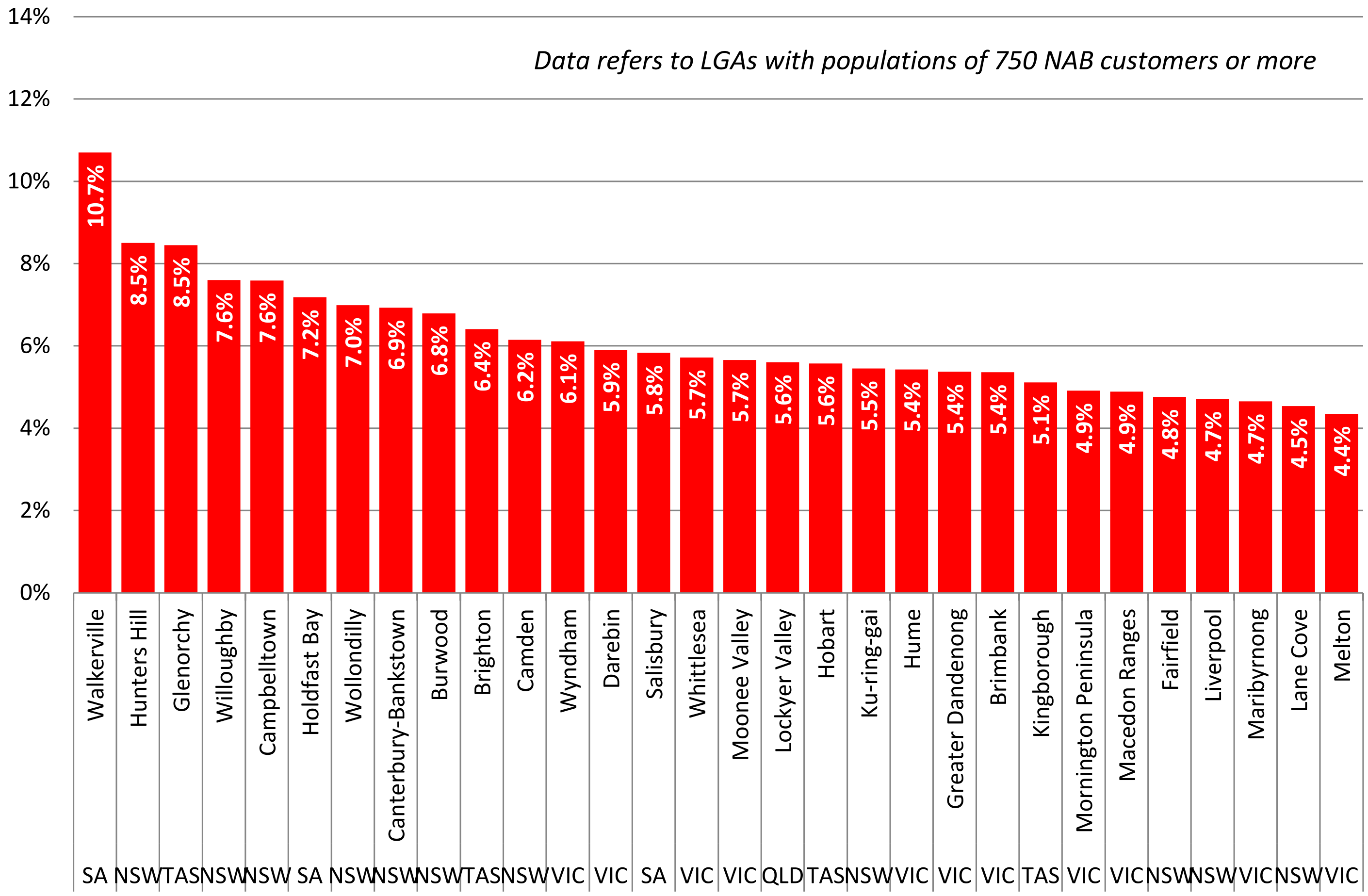


CONTRIBUTION TO GROWTH BY REGION



APPENDIX 2

TOP 30 FASTEST GROWING AUSTRALIAN METROPOLITAN LGA'S



TOP 5 FASTEST GROWING METROPOLITAN LGA'S BY STATE

SYDNEY	% Y/Y
Hunters Hill	8.5%
Willoughby	7.6%
Campbelltown	7.6%
Wollondilly	7.0%
Canterbury-Bankstown	6.9%

MELBOURNE	% Y/Y
Wyndham	6.1%
Darebin	5.9%
Whittlesea	5.7%
Moonee Valley	5.7%
Hume	5.4%

BRISBANE	% Y/Y
Lockyer Valley	5.6%
Ipswich	3.9%
Somerset	3.5%
Logan	2.7%
Brisbane	1.4%

ADELAIDE	% Y/Y
Walkerville	10.7%
Holdfast Bay	7.2%
Salisbury	5.8%
Mitcham	4.2%
Playford	4.0%

PERTH	% Y/Y
Nedlands	1.8%
South Perth	1.7%
Perth	1.2%
Kalamunda	0.7%
Cockburn	0.6%

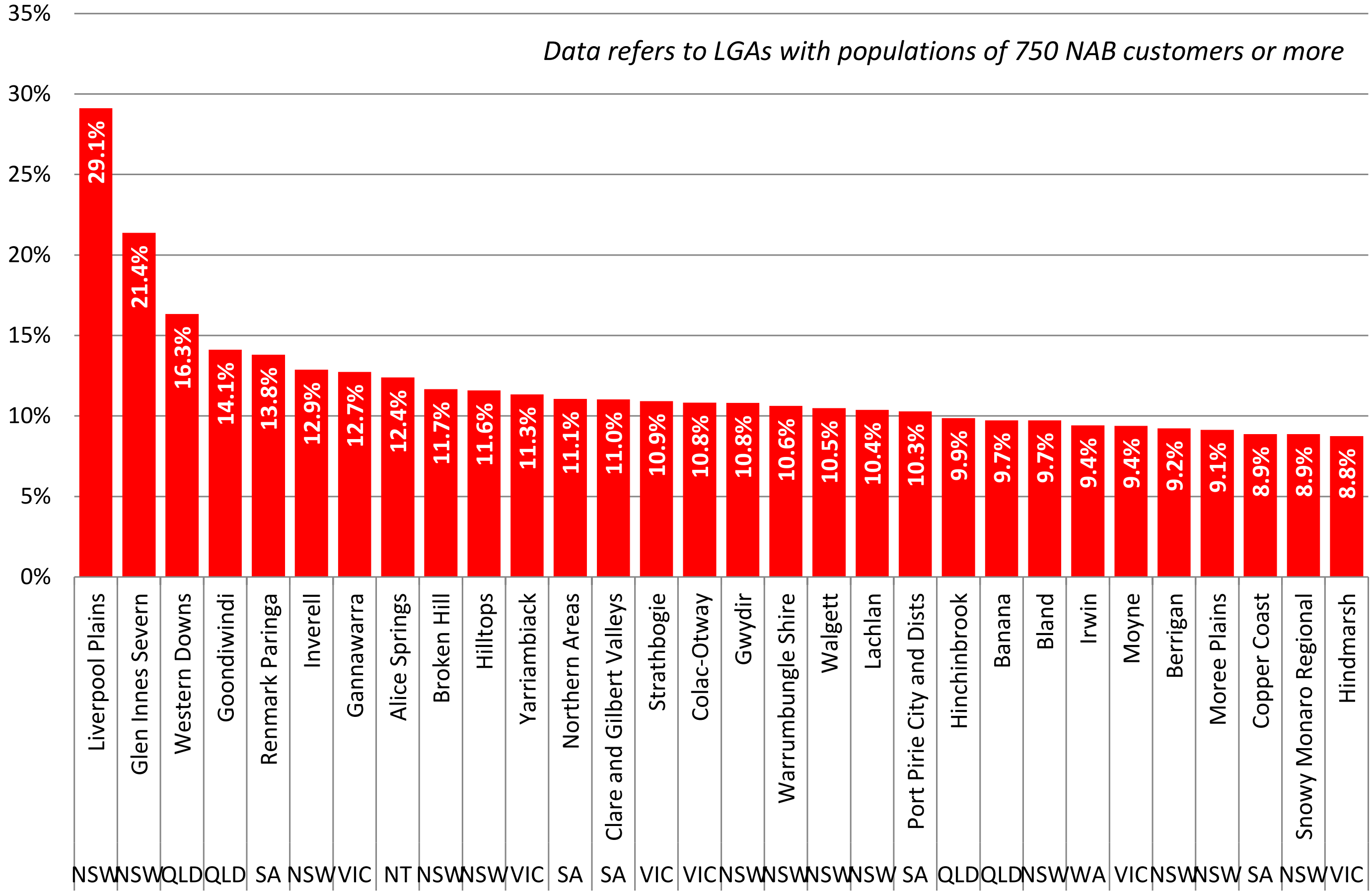
HOBART	% Y/Y
Glenorchy	8.5%
Brighton	6.4%
Hobart	5.6%
Kingborough	5.1%
Clarence	1.3%

CANBERRA	% Y/Y
Unincorporated ACT*	3.8%

* The ACT does not have separate LGAs.

DARWIN	% Y/Y
Litchfield	3.5%
Palmerston	2.6%
Darwin	2.4%

TOP 30 FASTEST GROWING AUSTRALIAN REGIONAL LGA'S



TOP 5 FASTEST GROWING REGIONAL LGA'S BY STATE

NSW	% Y/Y
Liverpool Plains	29.1%
Glen Innes Severn	21.4%
Inverell	12.9%
Broken Hill	11.7%
Hilltops	11.6%

VIC	% Y/Y
Gannawarra	12.7%
Yarriambiack	11.3%
Strathbogie	10.9%
Colac-Otway	10.8%
Moyne	9.4%

QLD	% Y/Y
Western Downs	16.3%
Goondiwindi	14.1%
Hinchinbrook	9.9%
Banana	9.7%
Central Highlands	8.3%

SA	% Y/Y
Renmark Paringa	13.8%
Northern Areas	11.1%
Clare and Gilbert Valleys	11.0%
Port Pirie City and Districts	10.3%
Copper Coast	8.9%

WA	% Y/Y
Irwin	9.4%
Manjimup	6.4%
Karratha	4.7%
Northampton	3.5%
Dardanup	3.5%

TAS	% Y/Y
Launceston	4.1%
Devonport	2.8%
Meander Valley	0.5%
West Tamar	-1.4%
Huon Valley	-1.7%

NT	% Y/Y
Alice Springs	12.4%

APPENDIX 3

NOTES ON NAB'S CUSTOMER SPENDING ESTIMATES

- Customer spending represents consumption-based spending.
- Customer spending does not include spending on government services, tax payments, direct to public manufacturers, mortgage and other credit facility repayments.
- Customer spending is based on where the customer lives - which may or may not be where the actual spending activity occurs.
- Customers without an Australian residential address are excluded.
- Spending includes both online and offline transactions.
- Transaction data may include EFTPOS, Credit Card, BPAY, Bank Transfers, Direct Debits and Paypal services where available.
- Spending on Health & Community Services excludes spending at HICAPS terminals.
- Geographic areas have been defined using the ABS Local Government Area (LGA) and Statistical areas in the form of both Greater Capital City Statistical Area and Statistical Area 4 definitions.
- All geographic data is defined by 2016 ABS geographic standards from the 2016 census.
- Where lower tier geographic areas may be assigned to multiple higher tier areas, the spend value is apportioned using ABS weights. However for definitions (e.g. whether an LGA lays within GCCSA or not, if more than 50% of the LGA lays within a GCCSA it will be defined as part of the GCCSA).
- Some postcodes may correspond to several different locality names. Where this is the case, only one locality name will be shown.
- Year-on-year spending change represents non-seasonally adjusted change compared to the same quarter in the previous year.
- Cut-offs have been applied to remove small area data which may be statistically volatile and may bias estimates of spending. Even with this treatment, regional areas may have greater spending volatility than metro areas. This cut-off does not apply to maps for aesthetic reasons.
- Spending may be biased due increased take-up in payment methods such as the use of near field communication terminals/online applications that are growing in preference to cash, particularly in hospitality related sectors.

More details about this measure of customer spending are available upon request.

CONTACT THE AUTHORS

Alan Oster
Group Chief Economist
Alan.Oster@nab.com.au
+613 8634 2927

Dean Pearson
Head of Behavioural & Industry Economics
Dean.Pearson@nab.com.au
+613 8634 2331

Robert De Iure
Senior Economist - Behavioural & Industry Economics
Robert.De.Iure@nab.com.au
+613 8634 4611

Brien McDonald
Senior Economist - Behavioural & Industry Economics
Brien.McDonald@nab.com.au
+613 8634 3837

Steven Wu
Economist - Behavioural & Industry Economics
Steven.A.Wu@nab.com.au
+613 9208 2929