



# NAB Monthly Data Insights September 2022

## NAB Group Economics

### Key Points

- NAB has shifted to a **new monthly consumer spending and business credits publication**, allowing us to develop a clearer picture of trends in the data at a critical period for the economy.
- Consumer spending** rose 1.0% in September, continuing the run of strong positive results over recent months. Retail spending and other spending remained strong while essential services declined again.
- Retail spending** increased 1.1% overall, with a robust 1.2% increase in goods retail and a softer 0.5% increase in hospitality after several months of strong growth in the latter.
- Business credits** also increased 0.4% in September to be 15.8% higher y/y, with accommodation & food, utilities, retail trade, and information & media growing strongly over the past three months.

### Comments from NAB Chief Economist Alan Oster

- “Our new monthly consumer spending analysis shows spending has remained strong over recent months, supported by rebounding hospitality spending and discretionary spending on travel and other activities.”
- “Strong ongoing price inflation continues to contribute to growth in the value of spending, but the strength in the data suggest consumption is still holding up in real terms as well – despite headwinds from rising interest rates.”

### Monthly Consumer Spending

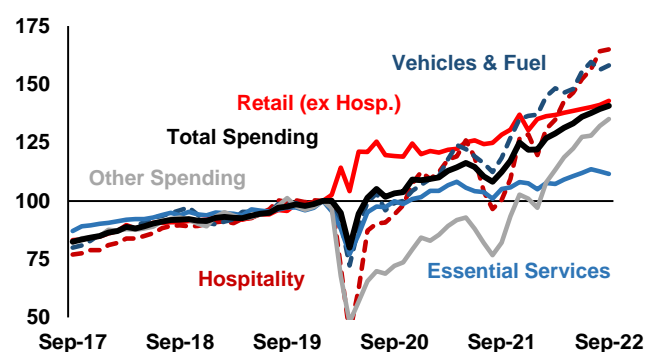
- Total spending increased 1.0% m/m in September, continuing the strong growth seen over recent months. Spending rose 4.3% over the past three months, in part reflecting strong price inflation, and at 26.2% y/y, continues to reflect base effects from the impact of COVID lockdowns through 2021.
- Retail spending increased by 1.1%, driven by a strong rise in goods retailing (up 1.2%), while growth in hospitality spending eased (to 0.5% m/m). For more detail on retail spending, see **page 3**.
- Spending on essential services decreased in September, down 1.0% m/m, while the more discretionary other spending category increased 2.2% m/m. Spending on vehicles & fuel rose 1.1% m/m, likely reflecting price movements. For more detail on non-retail spending, see **page 4**.
- Across the states, total spending was stronger in most jurisdictions, growing by over 1% in Vic and Qld as well as the smaller states and territories. NSW and WA also saw spending grow, while spending edged down in SA.
- While there are significant conceptual differences between NAB’s transaction-based spending measures and ABS consumption measures, the data suggest nominal consumption remains strong, likely indicating ongoing consumption growth in Q3.

Table 1: Key Consumer Spending Growth Statistics (%)

	Jul-22	Aug-22	Sep-22		
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	0.6	0.6	1.2	2.1	12.4
Hospitality	2.8	4.9	0.5	10.1	61.4
<b>Total Retail</b>	<b>1.1</b>	<b>1.6</b>	<b>1.1</b>	<b>3.8</b>	<b>20.9</b>
Vehicles & Fuel	2.7	-2.1	1.1	5.4	36.6
Essential Services	1.4	-0.8	-1.0	1.8	9.0
Other Spending	0.5	3.2	2.2	7.2	64.1
<b>Total Spending</b>	<b>1.2</b>	<b>1.2</b>	<b>1.0</b>	<b>4.3</b>	<b>26.2</b>

Excludes taxes, rent, mortgages, gambling, finance, insurance, and other non-consumer transactions. Data are seasonally adjusted and subject to revision.

Chart 1: Consumer Spending Index (Jan 2020 = 100)



Next release date: 9 November 2022.

# Monthly Consumer Spending - Detail by Category and State

Chart 2: Total Spending Growth (%)

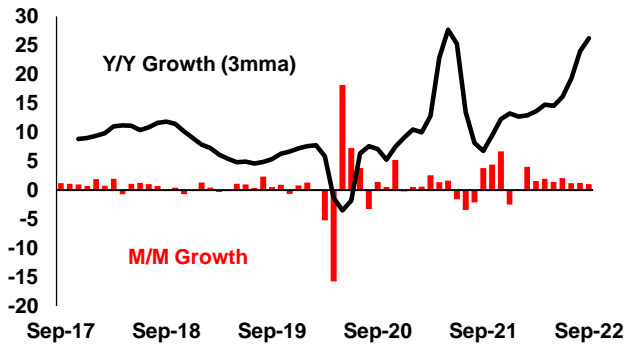


Chart 3: Comparison to ABS Consumption Growth (%)

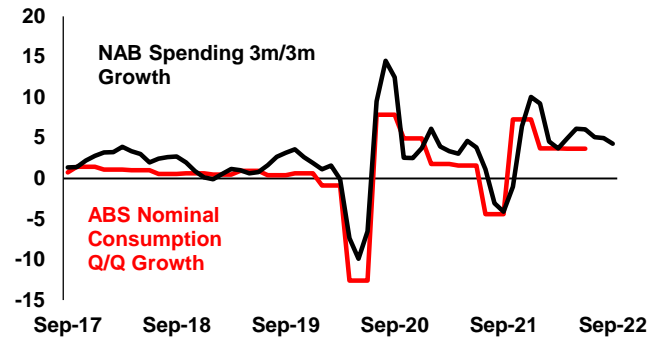


Chart 4: Spending Growth by Category (%)

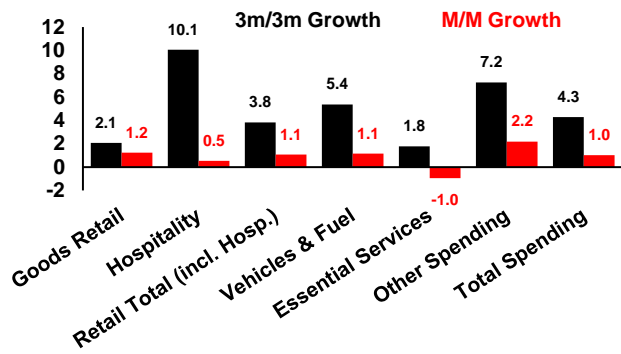


Chart 5: Contribution to Monthly Growth (%)

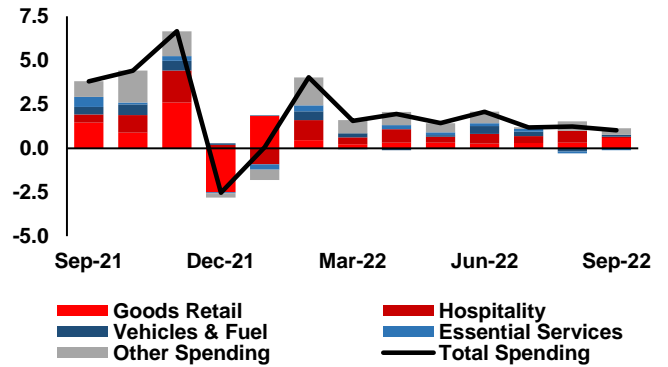


Table 2: Spending Growth by State (%)

	Jul-22		Aug-22		Sep-22	
	m/m	m/m	m/m	3m/3m	y/y	
NSW	-0.8	0.9	0.5	2.3	37.3	
VIC	2.1	-1.1	1.3	2.3	15.5	
QLD	1.4	-0.1	1.5	2.4	31.3	
WA	0.9	0.2	0.6	1.8	16.4	
SA	0.8	1.0	-0.2	2.1	14.5	
TAS	0.2	-1.5	1.6	1.0	11.3	
ACT	0.5	0.9	1.2	2.7	35.8	
NT	1.1	0.8	1.8	3.7	19.6	

Chart 6: Spending Growth by State (%)

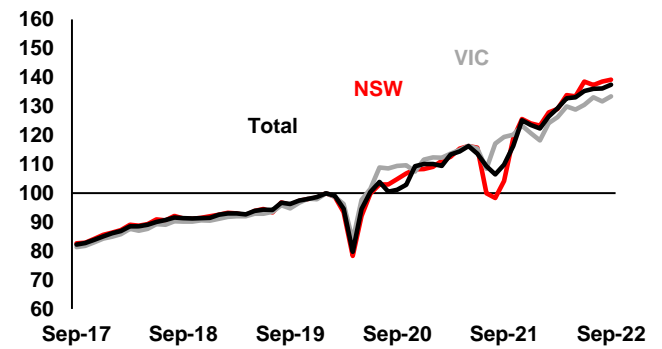


Chart 7: Spending Growth by State (%)

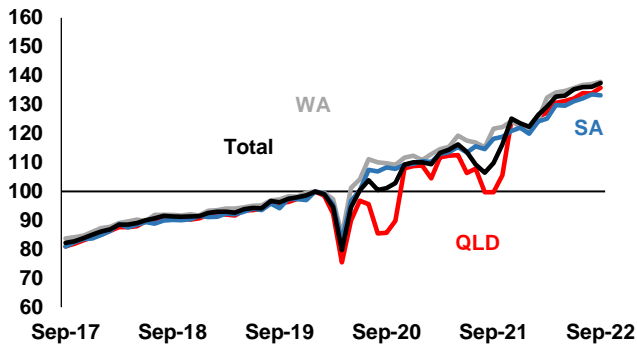
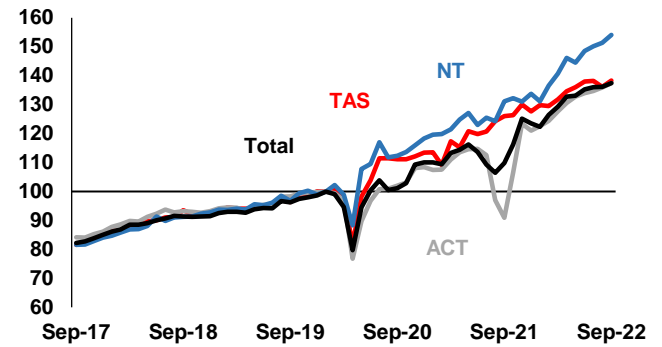


Chart 8: Spending Growth by State (%)



Note: State spending totals differ from industry totals due to availability of geographic information.

## Monthly Consumer Spending – Retail Sector Detail

- Retail spending increased by 1.1%, driven by a strong rise in goods spending (up 1.2%), while growth in hospitality spending eased (to 0.5% m/m).
- Spending on food remained flat in the month to be down slightly over the past three months but spending on household goods and clothing rose and there was also a sharp lift in department store spending.
- Overall retail spending is up 3.8% over the past three months and 20.9% y/y, reflecting in part the effect of lockdowns in the same period in 2021 as well as price inflation.
- While there are differences between NAB’s retail spending measures and ABS retail sales data, the two series have tracked closely together through the pandemic period and the September result suggests another strong retail sales print is likely when ABS data are released.

Table 3: Retail Spending Growth (%)

	Jul-22	Aug-22	Sep-22		
	m/m	m/m	m/m	3m/3m	y/y
Food	0.0	0.1	0.0	-0.2	1.7
Hhld Goods	0.4	0.1	0.7	1.0	11.1
Clothing	0.0	3.8	0.8	5.1	57.0
Dept. Stores	3.6	3.2	20.2	14.5	30.0
Other Retail	1.6	0.1	-0.8	2.9	14.2
<b>Total Goods Retail</b>	<b>0.6</b>	<b>0.6</b>	<b>1.2</b>	<b>2.1</b>	<b>12.4</b>
Hospitality	2.8	4.9	0.5	10.1	61.4
<b>Total Retail</b>	<b>1.1</b>	<b>1.6</b>	<b>1.1</b>	<b>3.8</b>	<b>20.9</b>

Chart 9: Retail Spending Index (Jan 2020 = 100)

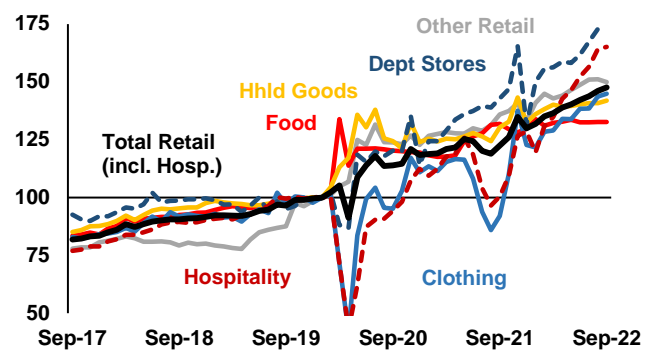


Chart 10: Total Retail Spending Growth (%)

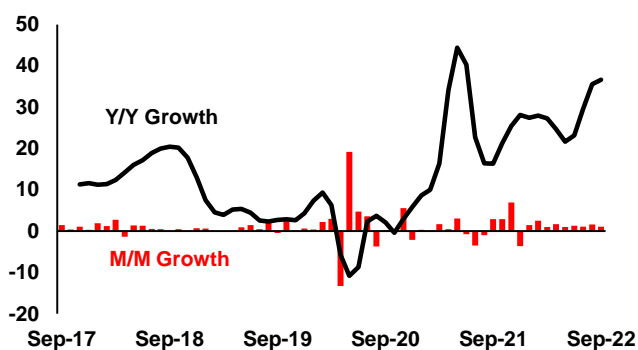


Chart 11: Comparison to ABS Retail Sales Growth (%)



Chart 12: Spending Growth by Retail Category (%)

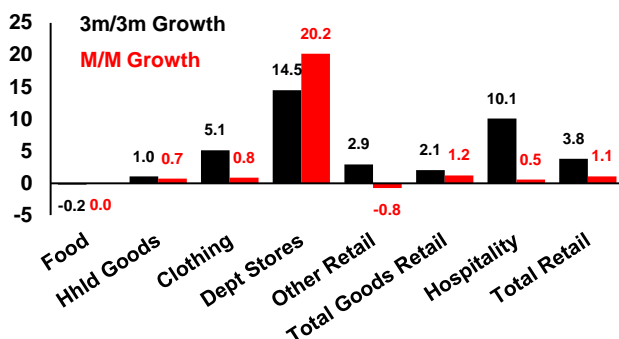
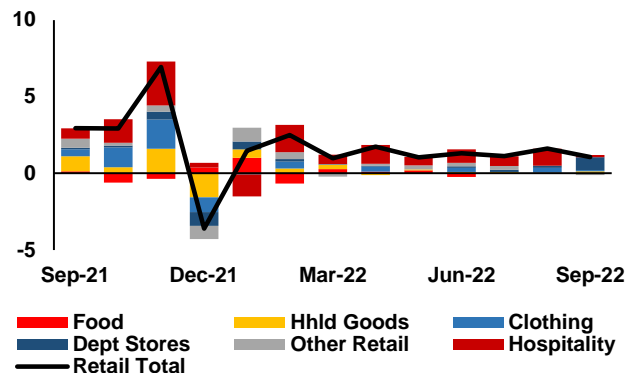


Chart 13: Contribution to Monthly Growth (%)



## Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles and fuel rose 1.1% in the month, driven by a rise in fuel spending likely related to price movements. Spending on vehicles fell slightly after a strong rise in August.
- Spending on essential services fell 1.0% in the month, driven by a fall in media & communications spending as well as utilities and health & care services. Education spending rebounded higher in September.
- Other spending rose 2.2% in the month, driven by ongoing strong growth in arts, recreation & travel services as well as transport & postal and other services. Spending on construction fell in the month, as did spending on professional services.

Table 4: Spending Growth by Subcategory (excl. Retail) (%)

	Jul-22	Aug-22	Sep-22				Jul-22	Aug-22	Sep-22		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	0.4	2.7	-0.5	3.4	18.2	Arts, Rec. & Travel	5.2	3.9	5.9	18.2	224.0
Fuel	3.8	-4.1	1.9	6.3	46.8	Construction	-2.8	2.9	-4.3	-0.3	6.6
<b>Vehicles &amp; Fuel Total</b>	<b>2.7</b>	<b>-2.1</b>	<b>1.1</b>	<b>5.4</b>	<b>36.6</b>	Professional Services	-1.7	1.2	-1.7	-2.8	1.9
Education	1.0	-1.2	3.9	1.7	16.0	Transport & Postal	-1.4	4.7	2.4	9.4	110.6
Utilities	1.7	-3.8	-1.5	-0.4	-2.1	Other Services	0.2	2.7	2.4	4.9	42.4
Health & Care	1.7	1.9	-0.4	4.9	18.3	<b>Other Spending Total</b>	<b>0.5</b>	<b>3.2</b>	<b>2.2</b>	<b>7.2</b>	<b>64.1</b>
Media & Comms	0.6	-1.8	-4.5	-1.0	3.3						
<b>Essential Svcs Total</b>	<b>1.4</b>	<b>-0.8</b>	<b>-1.0</b>	<b>1.8</b>	<b>9.0</b>						

Chart 14: Vehicles & Fuel Index (Jan 2020 = 100)

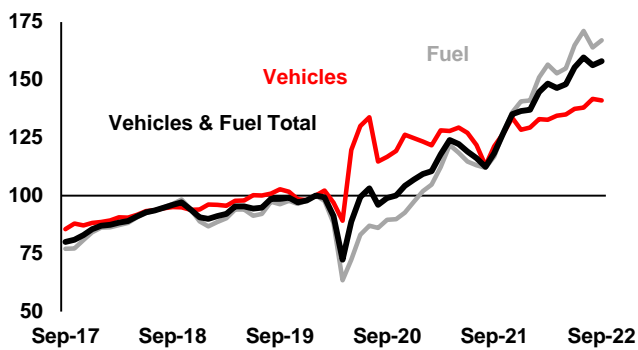


Chart 15: Other Spending Index (Jan 2020 = 100)

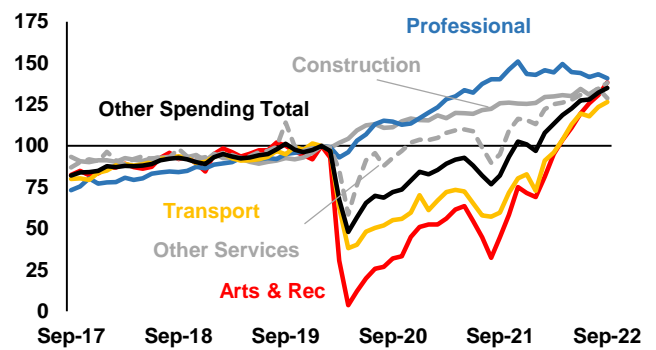
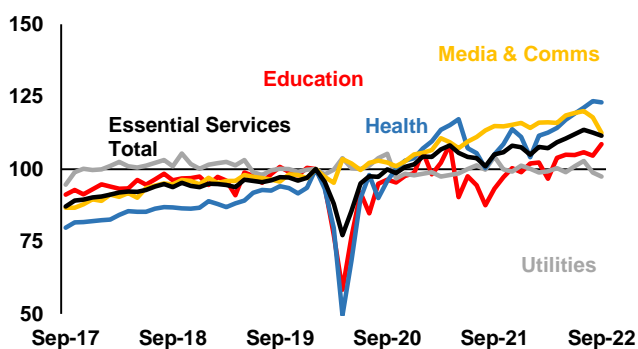


Chart 16: Essential Services Index (Jan 2020 = 100)



## Monthly Business Credits

- Business credits also increased 0.4% in September to be 15.8% higher y/y, with accommodation & food, utilities, retail trade, and information & media growing strongly over the past three months.

Chart 17: Business Credits Growth (%)

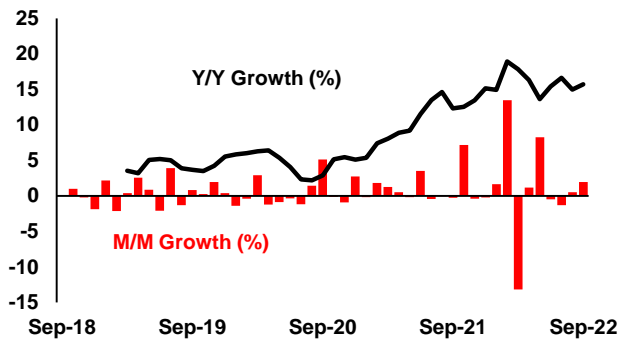


Chart 18: Business Credits Index (Jan 2020 = 100)

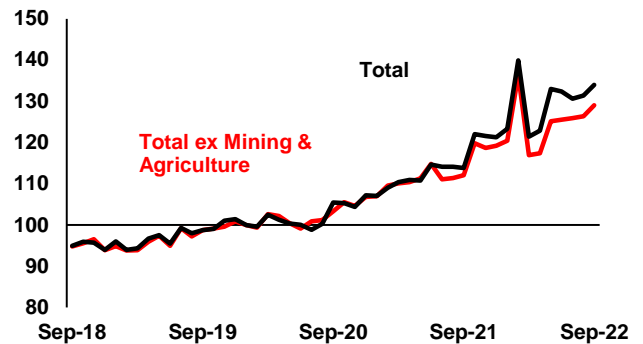


Chart 19: Credits Index by Industry (Jan 2020 = 100)

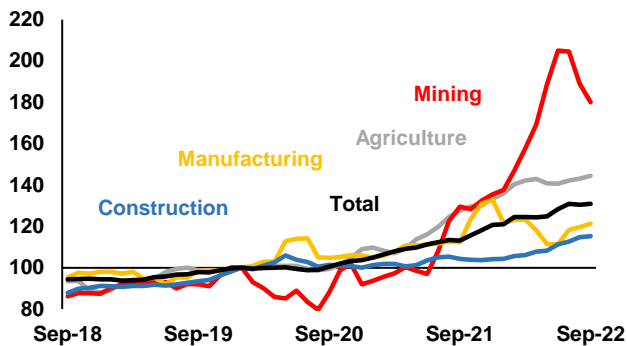


Chart 20: Credits Index by Industry (Jan 2020 = 100)

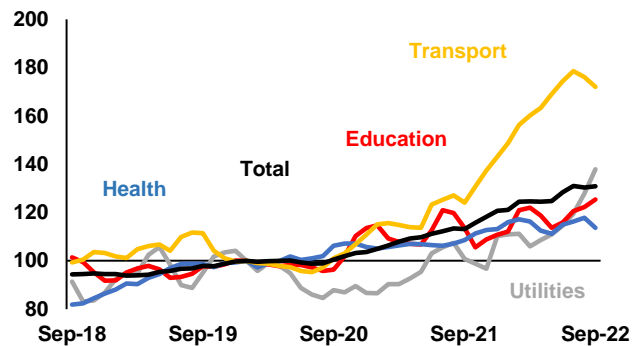


Chart 21: Credits Index by Industry (Jan 2020 = 100)

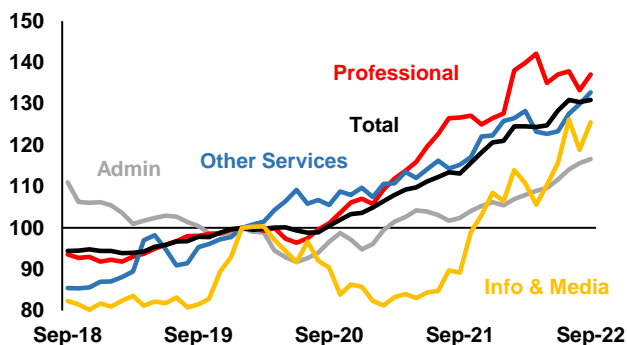


Chart 22: Credits Index by Industry (Jan 2020 = 100)

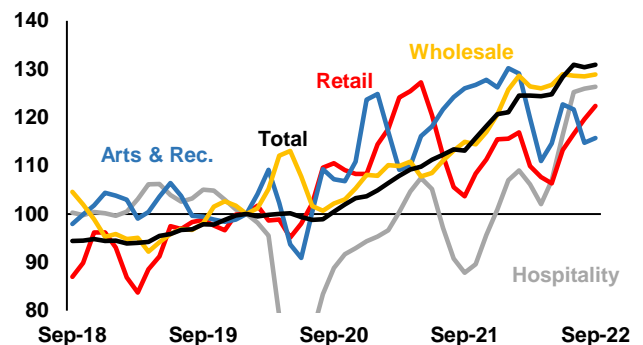


Table 5: Business Credits Growth by Industry (%)

	Jul-22	Aug-22	Sep-22			Jul-22	Aug-22	Sep-22			
	m/m	m/m	m/m	3m/3m		y/y	m/m	m/m	m/m		3m/3m
Accom & Food	7.6	0.6	0.3	16.0	36.9	Mining	-0.3	-7.5	-4.8	1.9	59.2
Admin & Support	2.2	1.3	0.8	4.9	12.7	Other Services	3.5	1.8	2.2	5.7	12.9
Agriculture	1.1	0.7	0.9	1.3	15.5	Professional Services	0.6	-3.3	2.8	-1.4	8.6
Arts & Rec.	-0.9	-5.7	0.9	1.1	-5.3	Rental & Real Estate	2.4	1.3	0.9	2.5	3.3
Construction	1.2	1.8	0.4	4.7	8.9	Retail Trade	2.9	2.6	2.3	9.6	11.6
Education	4.1	1.3	2.6	5.7	3.9	Transport & Postal	2.4	-1.4	-2.3	3.9	39.9
Utilities	4.3	6.9	7.9	15.3	22.8	Wholesale Trade	-0.3	-0.1	0.3	1.1	13.8
Health	1.1	1.3	-3.5	2.7	8.0	<b>Total</b>	<b>2.0</b>	<b>-0.4</b>	<b>0.4</b>	<b>3.9</b>	<b>15.8</b>
Info & Media	9.1	-5.9	5.6	11.7	40.5	Total ex Mining & Agri	2.3	0.3	0.9	4.2	12.6
Manufacturing	6.3	1.2	1.4	5.4	6.7						

All data calculated as a three month moving average of seasonally adjusted monthly data.

## About this report

NAB publishes aggregated customer transaction data with the view to providing real-time insights into economic activity in Australia. NAB takes data privacy very seriously. All customer transaction data has been aggregated and no individual's data is specifically identified or analysed as part of this process. The underlying data used in this report are not sold or made publicly available. This monthly report replaces the fortnightly *Data Insights* report and the monthly *NAB Cashless Retail Sales Index*, which were discontinued in October 2022.

### Consumer Spending Methodology

Data on consumer spending are derived from NAB electronic transactions data, encompassing more than 4 million transactions per day. The data include transactions made by EFTPOS, Credit Card, BPAY, Bank Transfers, Direct Debits and Paypal services where available, and include transactions with Australian and international merchants. Spending includes both online and offline transactions. The data excludes cash withdrawals made during a purchase and purchases made offline in an overseas location. As the data only capture electronic transactions, results can be affected by changes in the take-up rate of electronic payment methods relative to cash. State splits of spending are 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. Transactions attributable to non-consumer sectors including Manufacturing, Mining, and Wholesale are excluded, as are Financial & Insurance Services transactions and Public Administration transactions (largely tax payments). Gambling spending and rental and mortgage payments are also excluded. Opportunities to expand coverage to include these sectors will be explored in the future. Individual industry and state series are seasonally adjusted using the X-11 method.

### Business Inward Credits Methodology

Data on business inward credits are derived from credits paid into the accounts of NAB business banking customers, and are intended to approximate business revenues. Data do not account for business expenses and therefore are not reflective of profits or margins. Credits related to financing arrangements and capital raising are excluded where possible. Industry growth rates can also be affected by significant changes in the composition of NAB's business banking customer base. Businesses in the Financial & Insurance Services sector and Public Administration & Safety are excluded. Individual industry series are seasonally adjusted using the X-11 method and a three-month moving average is used to smooth volatility related to the timing of payments made to businesses. History for these series are limited and as such seasonal variation remains difficult to capture accurately. Opportunities to extend the available history to improve analysis will be explored in the future.

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