



NAB Monthly Data Insights April 2023

NAB Group Economics

Key Points

- **Consumer spending**, according to NAB’s transaction data, declined in April after showing a fall in March. The decline was driven by services spending categories, including hospitality, construction, and arts, recreation & travel.
- **Discretionary spending** declined noticeably in the month, while non-discretionary spending was flat. However, both discretionary and non-discretionary spending grew in three-month-average terms.
- **Business credits** fell 0.1%, but the data showed a 0.5% increase when excluding mining and agriculture. Credits are up 5.4% from a year ago, with only gradual growth over recent months.

Comments from NAB Chief Economist Alan Oster

- “Our monthly transaction data showed another small fall in spending in April (in seasonally adjusted terms), largely driven by discretionary services categories.”
- “The April result follows a similar fall in our data in March although this result wasn’t reflected in the ABS’s retail sales release, owing to important differences in these series’ measurement. Regardless, the ongoing softness in our transaction data suggests there is some slowing in consumer spending.”
- “Our consumer transaction data is a nominal measure, and falling prices may be driving some of the weakness including adjustments occurring in goods and travel prices as pandemic effects recede.”

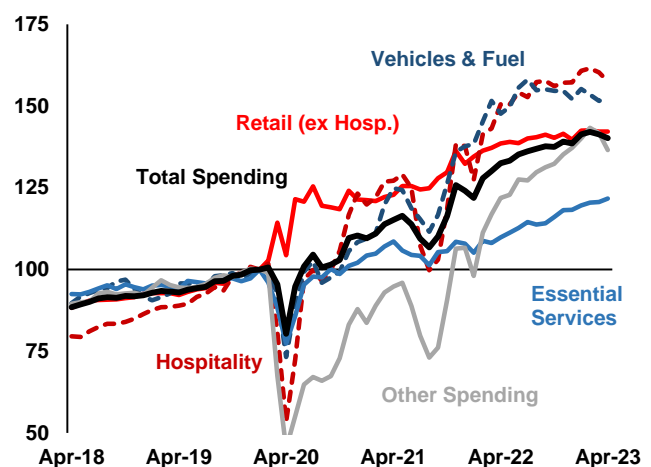
Monthly Consumer Spending

- Total spending declined 0.8% in April after a fall of -0.5% in March (revised from -1.0%). Total spending was up 1.1% in three-month-average terms and 5.8% y/y.
- Retail spending declined 0.4%, largely driven by the hospitality component of retail. Total retail spending was up 0.8% in three-month-average terms and 3% y/y. For detail on retail spending, see **page 3**.
- Spending on essential services rose 0.8% and vehicles & fuel also rose, up 0.6%. The ‘other spending’ category declined by 3.6%. For detail on non-retail spending, see **page 4**.
- Total spending across goods categories was broadly steady (up 0.1% m/m), while spending across services fell 1.9%. Spending across discretionary categories fell 1.2% and spending across non-discretionary categories was flat.

Table 1: Key Consumer Spending Growth Statistics (%)

	Feb-23	Mar-23	Apr-23		
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	0.1	-0.3	0.0	0.8	2.6
Hospitality	0.5	-0.8	-1.7	0.9	4.6
Total Retail	0.1	-0.4	-0.4	0.8	3.0
Vehicles & Fuel	-1.1	-1.3	0.6	-1.0	3.3
Essential Services	0.7	0.2	0.8	1.9	10.8
Other Spending	2.3	-1.1	-3.6	2.2	12.0
Total Spending	0.6	-0.5	-0.8	1.1	5.8
Goods	-0.1	-0.4	0.1	0.5	2.7
Services	1.4	-0.7	-1.9	1.8	9.9
Discretionary	0.6	-0.9	-1.2	0.8	5.2
Non-Discretionary	0.6	0.3	0.0	1.8	7.1

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



Note: Spending data excludes taxes, rent, mortgages, gambling, finance, insurance, and other non-consumer transactions. Data are seasonally adjusted and subject to revision. “Goods” includes goods retail, vehicles and fuel, and “services” includes all other categories. “Non-discretionary” includes food, health, education, utilities, and media & comms, and “discretionary” includes all other categories. **Next release date: 14 June 2023.**

Chart 2: Total Spending Growth (%)

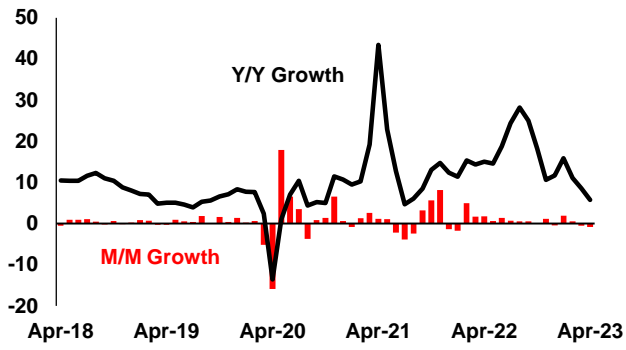


Chart 3: Comparison to ABS Consumption Growth (%)

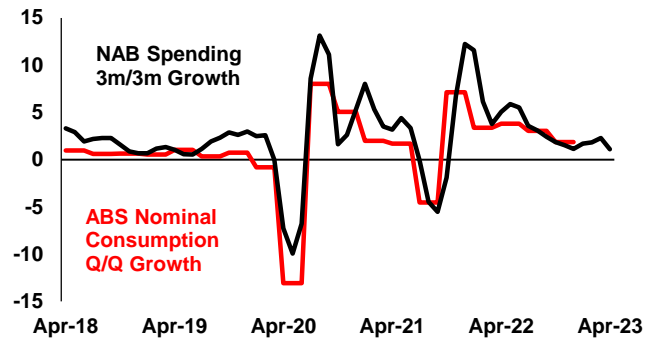


Chart 4: Goods vs Services Index (Jan 2020 = 100)

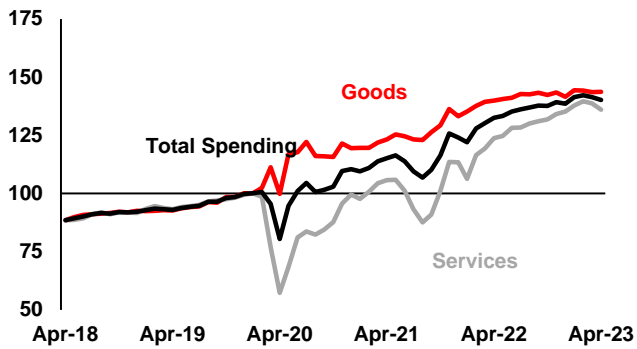
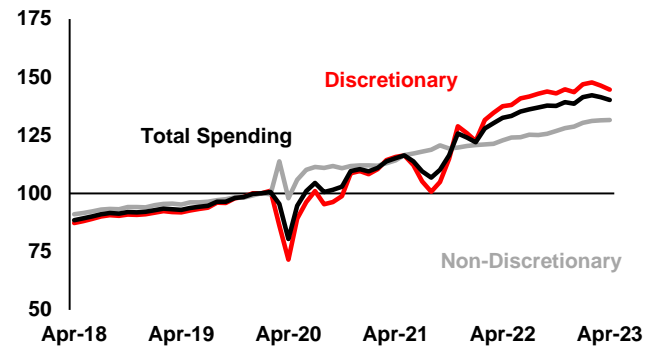


Chart 5: Discretionary Spending Index (Jan 2020 = 100)



Monthly Consumer Spending – Detail by State

- Across the states, spending continued to rise in Qld and WA and picked up in Vic and SA. There were falls in ACT, NT, Tas and NSW. Spending in all states remains higher in three-month-average terms.

Table 2: Spending Growth by State (%)

	Feb-23	Mar-23	Apr-23		
	m/m	m/m	m/m	3m/3m	y/y
NSW	0.1	0.4	-0.6	0.9	5.0
VIC	-0.2	-0.2	0.3	1.1	4.1
QLD	0.1	0.8	0.7	2.6	7.3
WA	1.8	0.9	0.4	3.2	8.5
SA	0.6	-0.2	0.4	1.2	6.6
TAS	0.4	0.3	-0.7	1.5	4.4
ACT	-0.4	0.5	-2.3	0.3	3.1
NT	2.3	-0.8	-1.6	2.8	5.0

Chart 6: Spending by State (Index, Jan 2020 = 100)

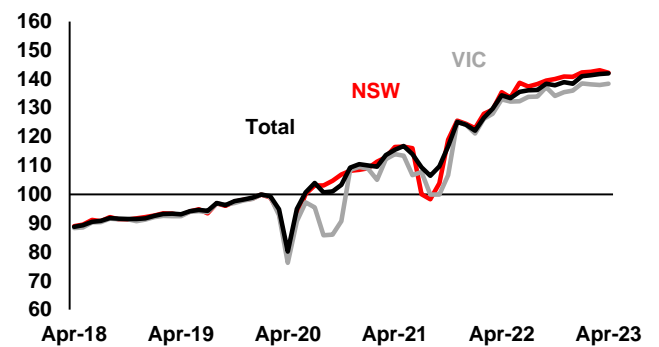


Chart 7: Spending by State (Index, Jan 2020 = 100)

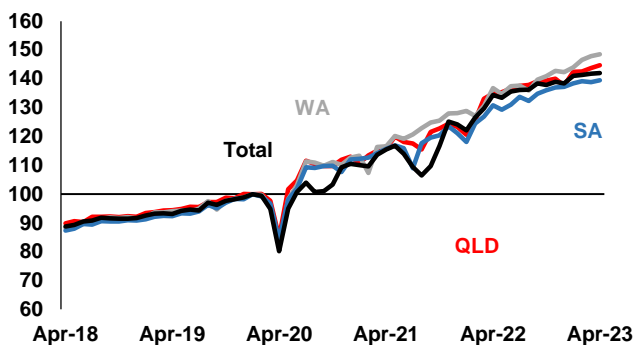
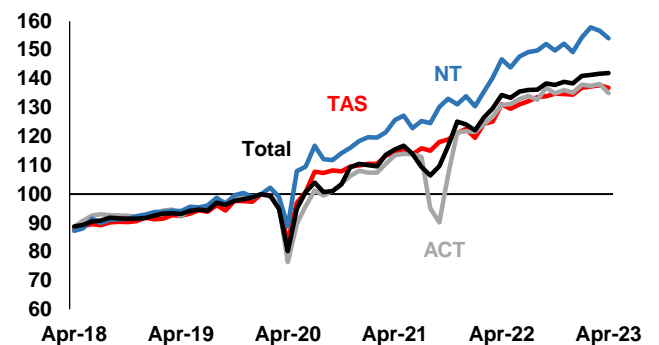


Chart 8: Spending by State (Index, Jan 2020 = 100)



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

Monthly Consumer Spending – Retail Sector Detail

- Retail spending declined 0.4% m/m, largely driven by hospitality (down 1.7%) with goods retail flat. Total retail spending was up 0.8% in three-month-average terms and 3% y/y.
- By subcategory, food spending fell 0.5%, while most other goods categories were broadly flat in the month. The “other retail” category rose 0.9% m/m.
- Hospitality spending declined, down 1.7%, but remained 0.9% higher in three-month-average terms and 4.6% higher y/y. The level of hospitality spending remains elevated.
- While NAB’s transaction data showed a fall in retail spending in March, the recent ABS Retail Trade release showed a small rise in the month. There are important differences between these series, including differences in seasonal adjustment, which may have contributed to this divergence. Both series remain at elevated levels but the April consumer spending data continues to point to some softening.

Table 3: Retail Spending Growth (%)

	Feb-23		Mar-23		Apr-23	
	m/m	m/m	m/m	3m/3m	y/y	
Food	0.6	0.4	-0.5	1.7	4.7	
Hhld Goods	0.3	-0.6	0.0	-1.0	-1.2	
Clothing	-0.3	-0.5	-0.1	1.0	0.4	
Dept. Stores	0.6	-3.5	0.1	0.3	-1.7	
Other Retail	-1.1	-0.2	0.9	1.0	5.7	
Total Goods Retail	0.1	-0.3	0.0	0.8	2.6	
Hospitality	0.5	-0.8	-1.7	0.9	4.6	
Total Retail	0.1	-0.4	-0.4	0.8	3.0	

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

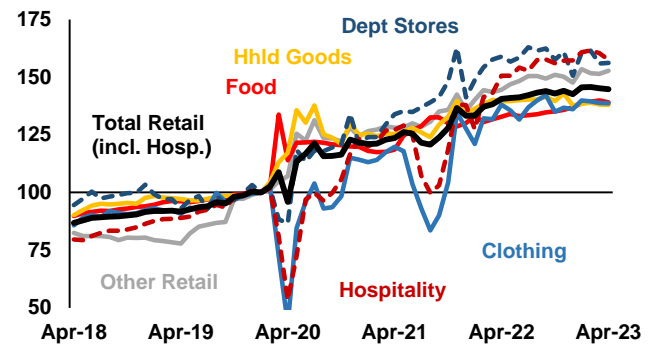


Chart 10: Total Retail Spending Growth (%)

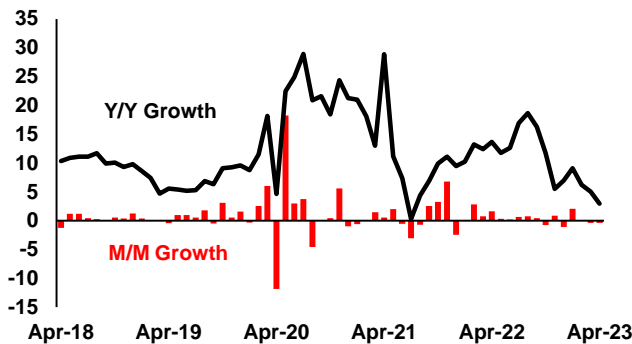


Chart 11: Comparison to ABS Retail Sales Growth (%)

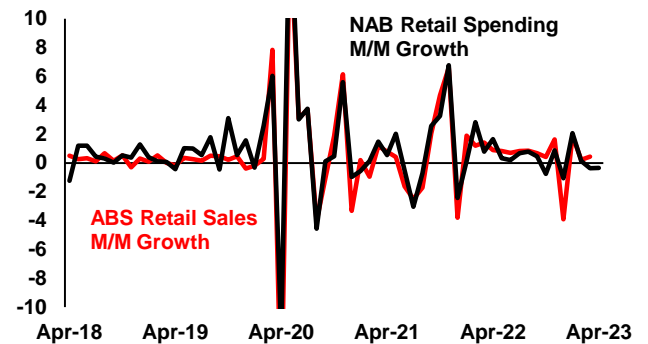


Chart 12: Spending Growth by Retail Category (%)

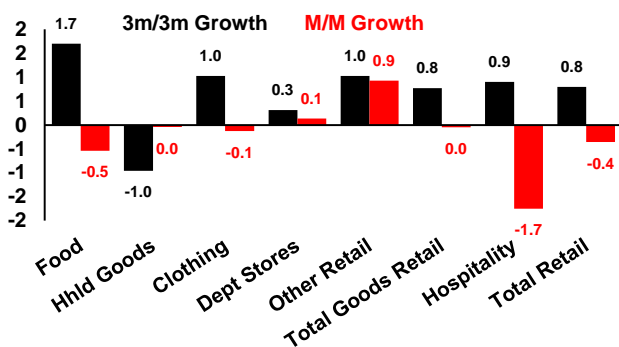
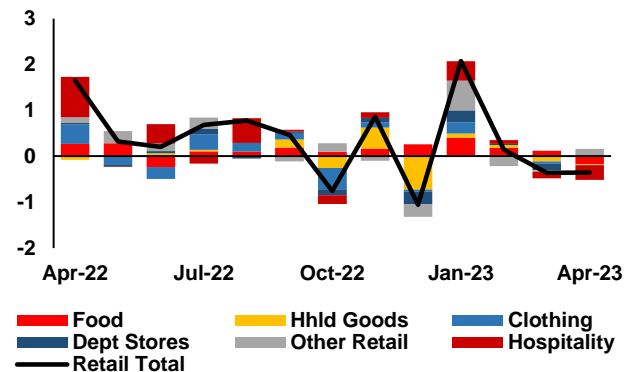


Chart 13: Contribution to Monthly Growth (%)



Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel rose 0.6% in the month, with a pickup in fuel spending offsetting a fall in vehicles. Spending in this category has declined only slightly over recent months.
- Spending on essential services rose 0.8% and the March result was revised to a small positive. There were increases in education and health & care in the month, as well as media & communications. Utilities saw a fall in the month. Overall spending on essential services has risen 1.9% in three-month-average terms and 10.8% y/y.
- Other spending declined 3.6% in the month. There were large falls in arts, recreation & travel (-8% m/m) and construction (-5.6%) and smaller falls in transport & postal and other services. Professional services saw a modest rise. Overall, the other spending category remains 2.2% higher in three-month-average terms and 12% higher y/y.

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

	Feb-23	Mar-23	Apr-23				Feb-23	Mar-23	Apr-23		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	-1.0	1.0	-1.2	0.6	1.8	Arts, Rec. & Travel	1.8	2.5	-8.0	2.7	15.9
Fuel	-1.2	-2.3	1.4	-1.7	3.9	Construction	0.9	2.4	-5.6	0.2	-0.3
Vehicles & Fuel Total	-1.1	-1.3	0.6	-1.0	3.3	Professional Services	4.5	-3.7	0.9	3.6	6.3
Education	-3.2	-0.7	2.3	0.0	9.9	Transport & Postal	2.0	-4.2	-2.1	1.9	21.1
Utilities	-0.2	3.1	-2.0	0.4	5.6	Other Services	2.4	-3.0	-0.5	1.3	6.6
Health & Care	3.6	-2.6	2.3	3.4	12.0	Other Spending Total	2.3	-1.1	-3.6	2.2	12.0
Media & Comms	-0.1	2.1	0.7	2.5	15.1						
Essential Svcs Total	0.7	0.2	0.8	1.9	10.8						

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

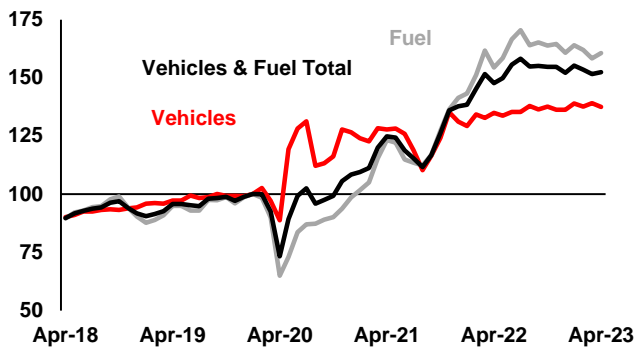


Chart 15: Other Spending Index (Jan 2020 = 100)

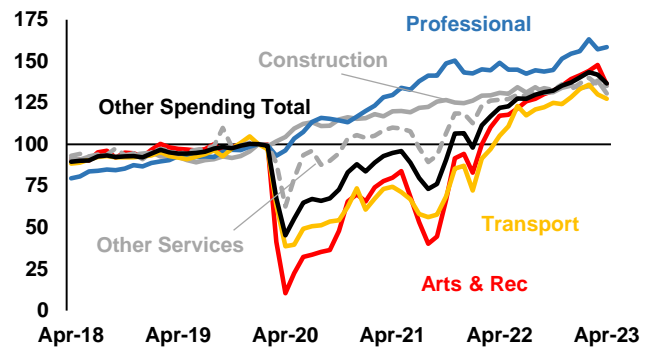
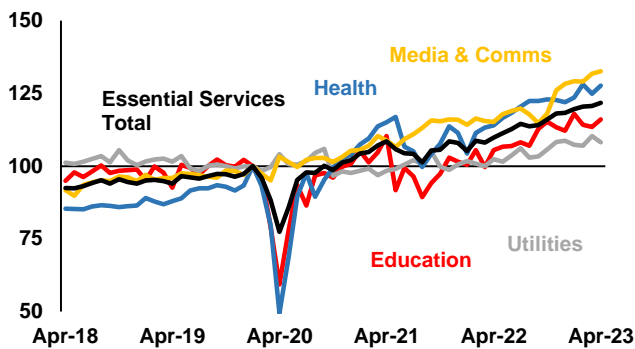


Chart 16: Essential Services Index (Jan 2020 = 100)



Monthly Business Credits

- Business credits fell 0.1% in April to be up 0.6% over three months and 5.4% from a year ago. Administration, arts & recreation, and education have now seen the strongest growth over three months, while mining has seen a large fall (from very elevated levels). Utilities credits have also corrected after reaching very elevated levels in December and January.

Table 5: Business Credits Growth by Industry (%)

	Feb-23	Mar-23	Apr-23				Feb-23	Mar-23	Apr-23		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Accom & Food	-1.2	0.4	-0.2	-1.4	15.3	Mining	-4.8	-2.6	-4.0	-6.7	15.4
Admin & Support	2.3	6.3	2.4	7.1	15.2	Other Services	-0.2	1.4	4.4	4.7	16.2
Agriculture	-0.4	-1.5	-2.6	-3.6	-2.0	Professional Services	-0.4	-2.3	1.5	-3.0	-9.8
Arts & Rec.	1.5	3.5	2.3	6.3	13.7	Rental & Real Estate	1.4	1.5	-1.8	1.1	-3.0
Construction	1.2	0.6	0.9	3.3	17.2	Retail Trade	1.4	1.8	3.0	4.1	10.4
Education	3.6	0.9	6.4	6.0	13.5	Transport & Postal	-1.8	4.0	-2.6	0.0	1.9
Utilities	0.1	-3.7	-12.9	-0.8	37.5	Wholesale Trade	-0.5	0.9	-0.2	-1.1	-1.7
Health	1.9	0.8	0.7	4.5	8.2	Total	0.0	0.6	-0.1	0.6	5.4
Info & Media	-1.3	-1.7	-1.9	0.7	21.1	Total ex Mining & Agri	0.6	1.0	0.5	1.6	4.8
Manufacturing	1.5	-1.4	-0.9	0.1	-0.5						

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

Chart 17: Business Credits Growth (%)

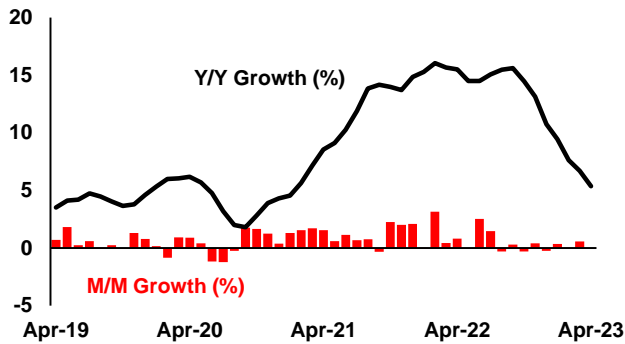


Chart 18: Business Credits Index (Jan 2020 = 100)

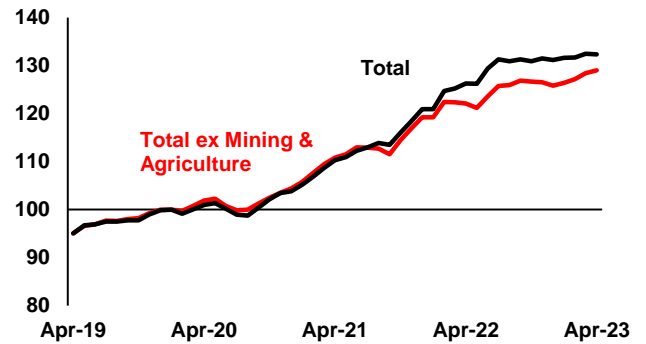


Chart 19: Credits Index by Industry (Jan 2020 = 100)

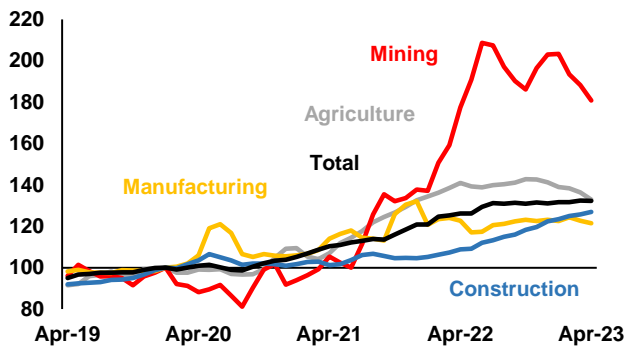


Chart 20: Credits Index by Industry (Jan 2020 = 100)

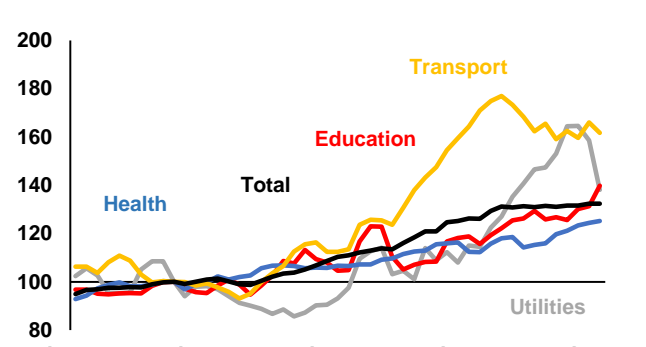


Chart 21: Credits Index by Industry (Jan 2020 = 100)

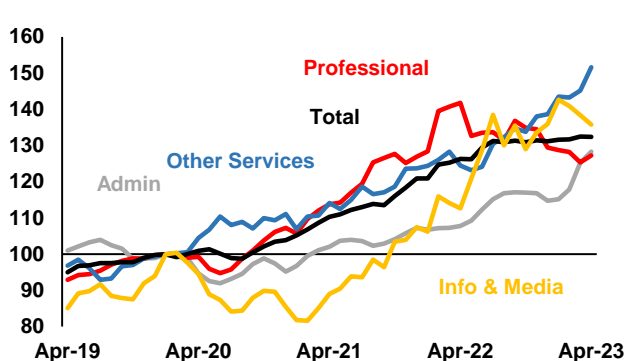
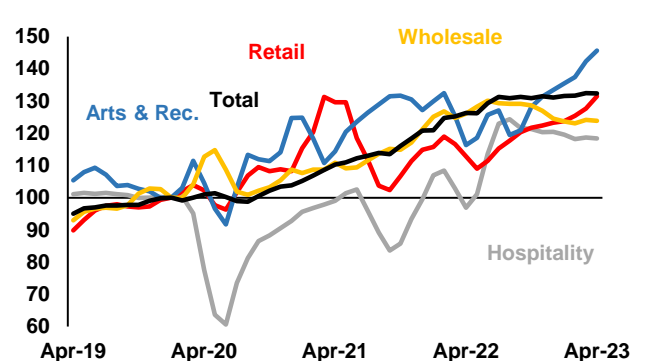


Chart 22: Credits Index by Industry (Jan 2020 = 100)



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 replaced 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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