



NAB Monthly Data Insights August 2023

NAB Group Economics

Key Points

- **Consumer spending**, according to NAB’s transaction data, remained resilient in August, rising 0.8% m/m overall. Estimated spending in July was also revised up, now showing an increase of 1.1% m/m. **Retail spending** was more subdued but still grew 0.4% m/m.
- **Discretionary spending** rose in the month while non-discretionary spending eased, with fuel price movements contributing to the discretionary spending rise. Both categories rose in three-month average terms.
- **Business credits** eased -0.2% m/m in August, or -0.4% when excluding mining and agriculture.

Comments from NAB Chief Economist Alan Oster

- “Our monthly transaction data continues to suggest spending has been resilient, with July and August both showing fairly strong growth in consumer spending overall.”
- “Spending has continued to grow across retail categories as well as in key discretionary sectors such as arts, recreation & travel. There was also a large rise in spending on fuel in August as petrol prices rose in the month.”
- “Spending on essential services like healthcare, education and utilities fell in the month with energy subsidies possibly playing some role, though other factors are likely also contributing to the volatility here.”

Monthly Consumer Spending

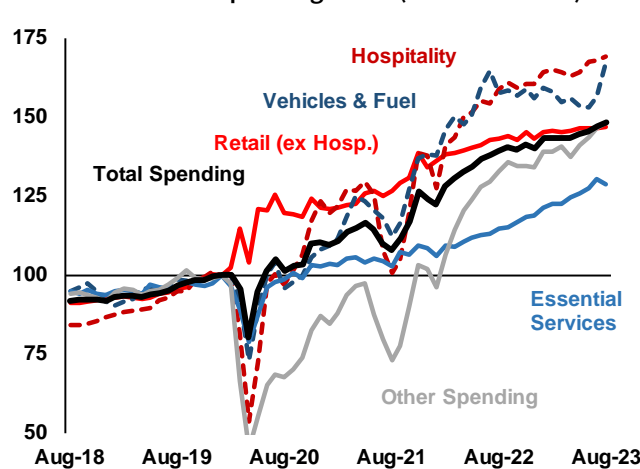
- Total spending rose 0.8% m/m in August after a rise of 1.1% in July (revised from 0.5%). With these revisions, total spending is now 2.2% higher in three-month-average terms and 6.4% higher y/y.
- Retail spending rose 0.4% m/m. Total retail spending was up 1.0% in three-month-average terms and 3.4% y/y. For detail on retail spending, see **page 3**.
- Spending on essential services eased -1.3% m/m while the ‘other spending’ category rose 1.1% m/m and vehicles & fuel spending rose 6.8%. For detail on non-retail spending, see **page 4**.
- Total spending across goods categories rose 1.3% m/m, while spending across services grew 0.3%. Spending across discretionary categories was positive while non-discretionary spending fell.

Table 1: Key Consumer Spending Growth Statistics (%)

	Jun-23	Jul-23	Aug-23		
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	-0.1	0.2	0.3	0.6	2.7
Hospitality	2.0	0.3	0.8	2.7	6.6
Total Retail	0.3	0.2	0.4	1.0	3.4
Vehicles & Fuel	-0.1	2.1	6.8	2.7	6.0
Essential Services	1.4	2.3	-1.3	3.7	12.4
Other Spending	1.7	2.2	1.1	4.6	11.7
Total Spending	0.7	1.1	0.8	2.2	6.4
Goods	-0.1	0.5	1.3	0.9	3.2
Services	1.7	1.8	0.3	3.9	10.7
Discretionary	0.7	1.2	1.6	2.6	6.0
Non-Discretionary	0.6	0.8	-0.7	1.4	7.4

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)



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: 11 October 2023.**

Chart 2: Total Spending Growth (%)

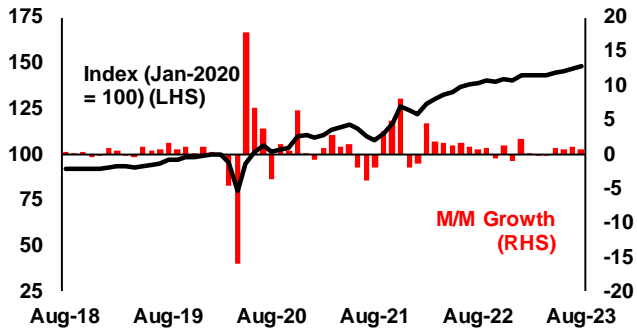


Chart 3: Comparison to ABS Consumption Growth (%)

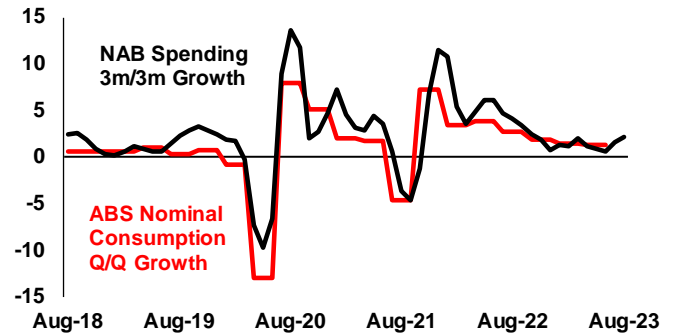


Chart 4: Goods vs Services Index (Jan 2020 = 100)

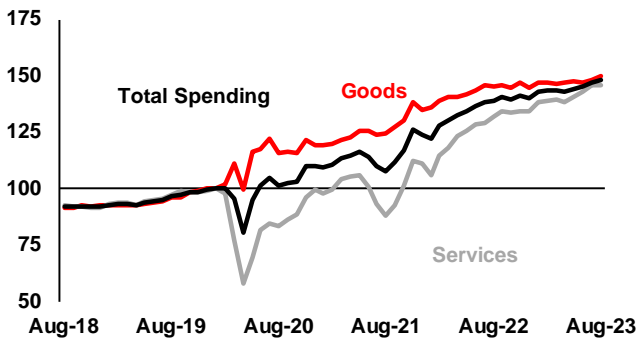
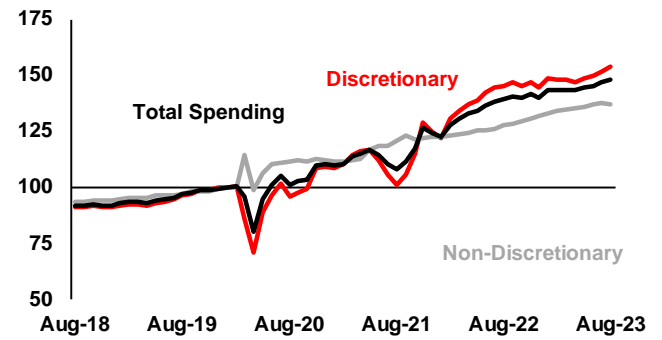


Chart 5: Discretionary Spending Index (Jan 2020 = 100)



Monthly Consumer Spending – Detail by State

- Spending in the month rose in all states except WA and NT. In three-month average terms, spending was up in all states with growth strongest in the ACT at 2.7% and weakest in QLD and Tas at 0.9%.

Table 2: Spending Growth by State (%)

	Jun-23	Jul-23	Aug-23		
	m/m	m/m	m/m	3m/3m	y/y
NSW	1.6	-0.3	1.2	1.6	6.1
VIC	0.2	0.3	0.5	1.2	5.8
QLD	0.1	0.9	0.3	0.9	6.7
WA	0.4	1.1	-0.1	1.2	9.8
SA	0.9	0.6	0.4	1.7	8.1
TAS	1.4	-0.7	0.8	0.9	3.8
ACT	2.5	1.0	0.2	2.7	6.9
NT	1.8	-0.4	-0.8	1.4	5.3

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

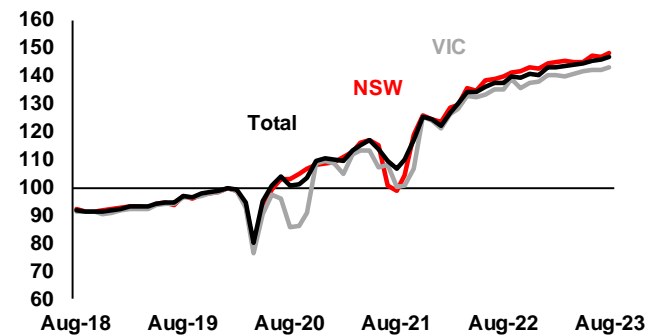


Chart 7: Spending by State (Index, Jan 2020 = 100)

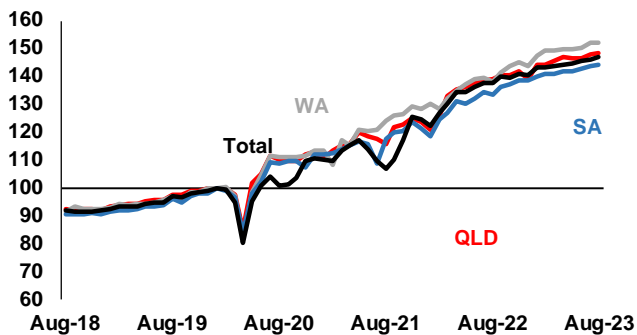
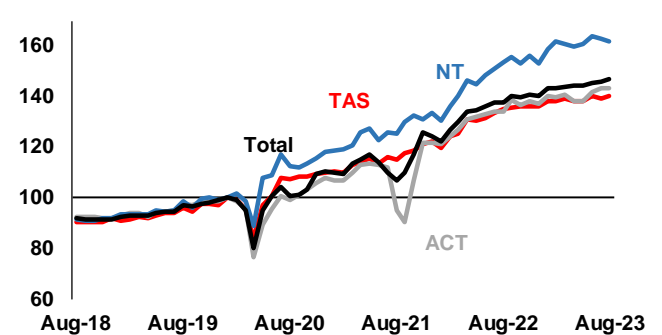


Chart 8: Spending by State (Index, Jan 2020 = 100)



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

Monthly Consumer Spending - Retail Sector Detail

- Retail spending rose 0.4% m/m in August, with growth in both goods retail (0.3% m/m) and hospitality (0.8% m/m). The July estimate for retail spending was revised slightly higher, from 0.1% to 0.2% m/m. Total retail spending was up 1.0% in three-month average terms and 3.4% y/y.
- By subcategory, food spending declined (-0.4% m/m) but all other subcategories rose in the month. Growth was strongest in clothing (1.2%) followed by other retail (0.7%). Household goods spending rose 0.6%, largely reversing the fall in July. Overall goods retail spending remains up 0.6% in three-month-average terms.
- Hospitality spending rose 0.8% m/m and remains at an elevated level, up 2.7% in three-month-average terms and 6.6% y/y.

Table 3: Retail Spending Growth (%)

	Jun-23	Jul-23	Aug-23		
	m/m	m/m	m/m	3m/3m	y/y
Food	0.0	-0.2	-0.4	-0.2	4.1
Hhld Goods	1.4	-0.7	0.6	2.2	2.5
Clothing	-0.3	1.4	1.2	1.6	0.1
Dept. Stores	-0.8	0.2	0.2	0.1	-3.0
Other Retail	-1.8	1.3	0.7	-0.3	2.9
Total Goods Retail	-0.1	0.2	0.3	0.6	2.7
Hospitality	2.0	0.3	0.8	2.7	6.6
Total Retail	0.3	0.2	0.4	1.0	3.4

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

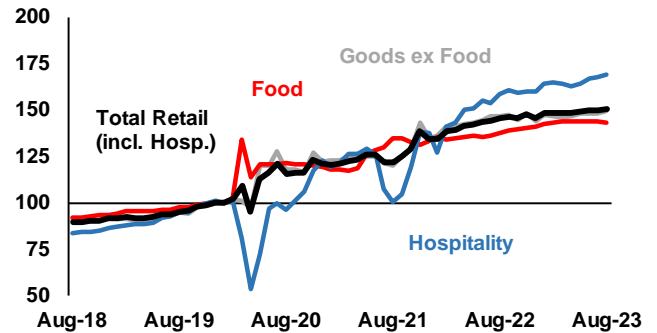


Chart 10: Total Retail Spending Growth (%)

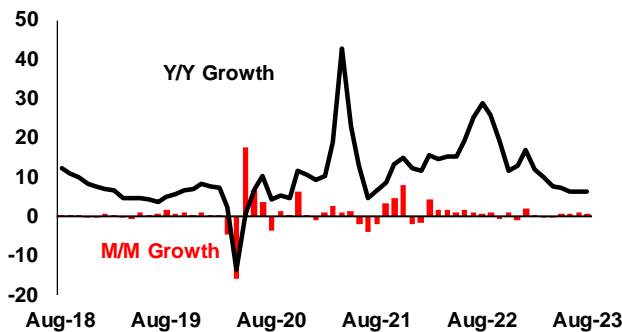


Chart 11: Comparison to ABS Retail Sales Growth (%)

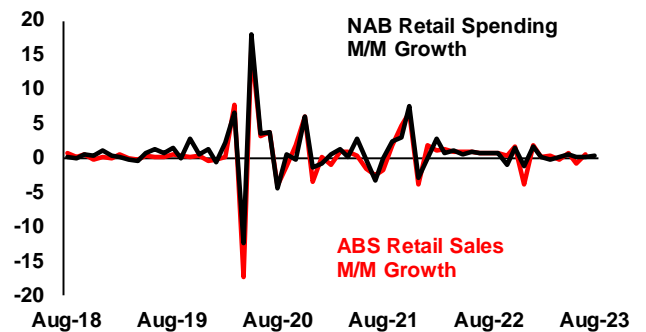


Chart 12: Spending Growth by Retail Category (%)

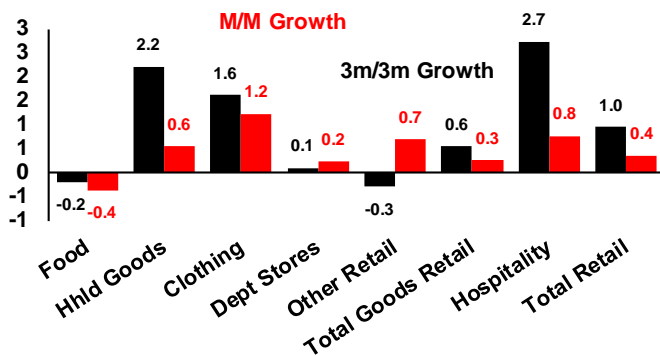
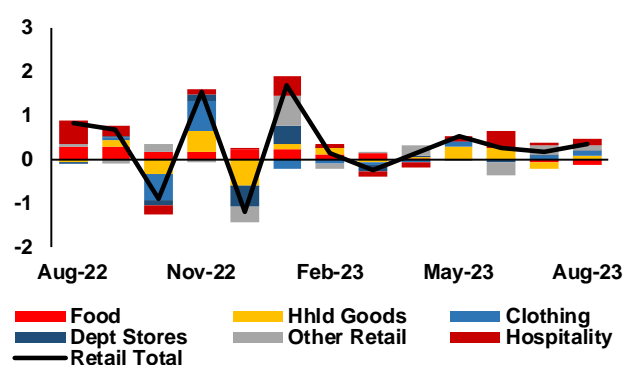


Chart 13: Contribution to Monthly Growth (%)



Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel rose 6.8% in August, with fuel up to 10.8% m/m while vehicles fell (-1.3%). This month’s result is in contradiction with the general downward trend seen in this category since mid-2022 and was likely driven by a notable rise in petrol prices in the month.
- Spending on essential services fell to (-1.3% m/m) but the July estimate was revised up to 2.3% (previously 1.8%). All subcategories declined in the month. Overall essential services spending is still up to 3.7% in three-month-moving-average terms and 12.4% y/y.
- Other spending increased 1.1% m/m and the July estimate was also revised up to 2.2% (previously 0.8%). Growth slowed in all subcategories except for professional services which saw a notable rise of 1.3% after falling in July. Spending growth also remained strong in arts, recreation & travel at 2.3% m/m. Overall, the other spending category has risen 4.6% in three-month-average terms to be 11.7% higher y/y.

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

	Jun-23	Jul-23	Aug-23				Jun-23	Jul-23	Aug-23		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	0.4	1.5	-1.3	2.3	2.0	Arts, Rec. & Travel	4.3	3.7	2.3	9.6	16.4
Fuel	-0.4	2.5	10.8	2.9	7.8	Construction	-3.2	2.7	0.0	0.3	2.4
Vehicles & Fuel Total	-0.1	2.1	6.8	2.7	6.0	Professional Services	2.6	-2.0	1.3	2.8	14.0
Education	-0.3	3.1	-3.1	1.2	4.3	Transport & Postal	-0.6	2.5	0.2	0.4	9.6
Utilities	0.0	0.9	-2.7	1.0	6.4	Other Services	0.2	2.6	0.3	3.3	7.7
Health & Care	2.8	3.4	-0.3	6.7	14.6	Other Spending Total	1.7	2.2	1.1	4.6	11.7
Media & Comms	1.7	1.4	-0.4	3.2	20.4						
Essential Svcs Total	1.4	2.3	-1.3	3.7	12.4						

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

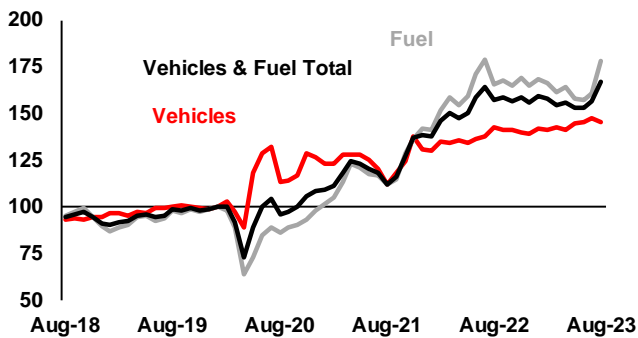


Chart 15: Other Spending Index (Jan 2020 = 100)

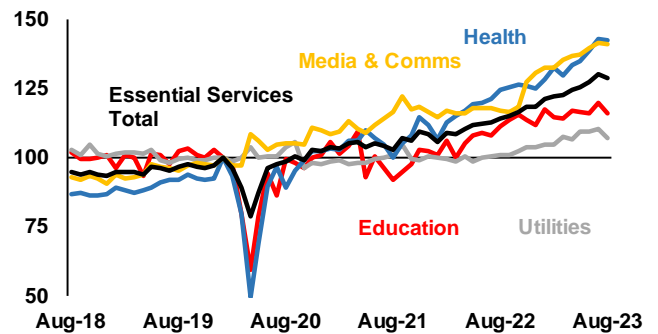
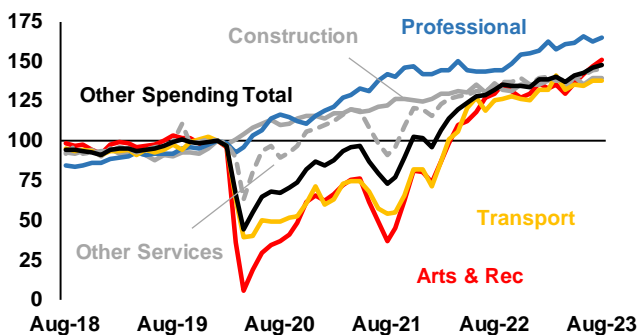


Chart 16: Essential Services Index (Jan 2020 = 100)



Monthly Business Credits

- Business credits fell (-0.2% m/m in August, or -0.4% when excluding mining and agriculture). Credits are now just 0.1% higher than a year ago and flat in three-month-average terms. There was a notable decline in utilities (-13.6% m/m) as well as information & media (-4.0% m/m).

Table 5: Business Credits Growth by Industry (%)

	Jun-23	Jul-23	Aug-23				Jun-23	Jul-23	Aug-23		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Accom & Food	-0.4	0.7	-0.2	0.4	-0.9	Mining	-4.6	1.5	1.9	-6.7	-20.0
Admin & Support	1.4	-0.4	-0.7	2.6	16.4	Other Services	0.4	-2.3	1.0	1.5	17.3
Agriculture	1.3	1.8	-0.7	1.5	-2.5	Professional Services	0.9	-1.4	0.7	1.0	-4.9
Arts & Rec.	-1.7	-2.1	-3.0	-2.6	12.4	Rental & Real Estate	-0.4	1.6	-0.6	-1.1	-5.7
Construction	0.2	1.2	-0.1	2.4	15.6	Retail Trade	-0.8	-0.6	0.1	0.0	4.3
Education	0.7	-2.3	1.2	1.3	13.1	Transport & Postal	-1.5	0.6	0.1	-4.3	-12.5
Utilities	-8.3	1.3	-13.6	-13.7	-4.5	Wholesale Trade	1.7	1.0	-0.4	2.3	-1.5
Health	0.9	1.4	0.2	3.3	11.0	Total	-0.2	0.4	-0.2	0.0	0.1
Info & Media	4.0	1.4	-4.0	5.2	11.9	Total ex Mining & Agri	0.2	0.2	-0.4	0.5	2.5
Manufacturing	-0.2	0.8	-0.3	-0.2	0.8						

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

Chart 17: Business Credits Growth (%)

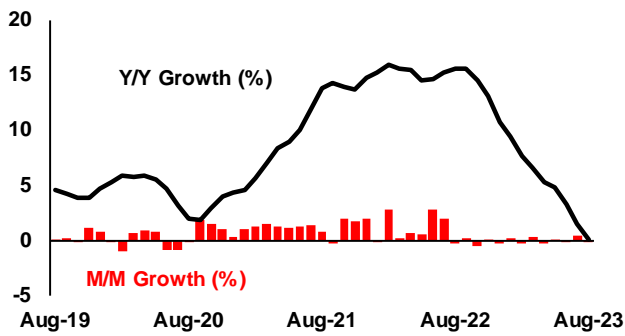


Chart 18: Business Credits Index (Jan 2020 = 100)

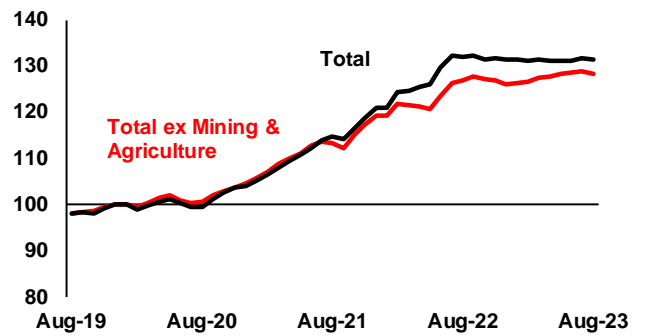


Chart 19: Credits Index by Industry (Jan 2020 = 100)

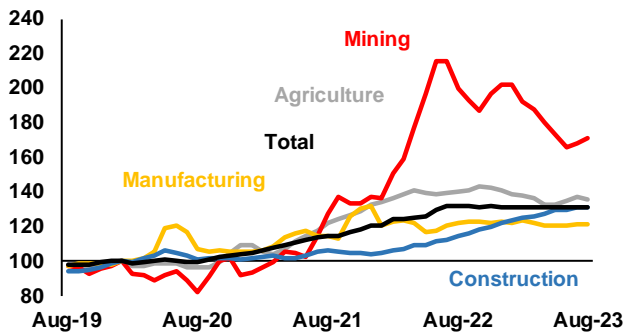


Chart 20: Credits Index by Industry (Jan 2020 = 100)

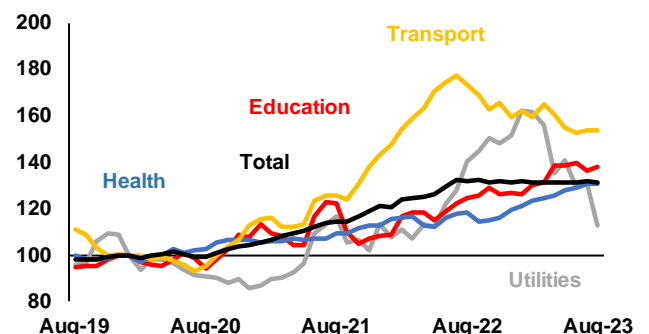


Chart 21: Credits Index by Industry (Jan 2020 = 100)

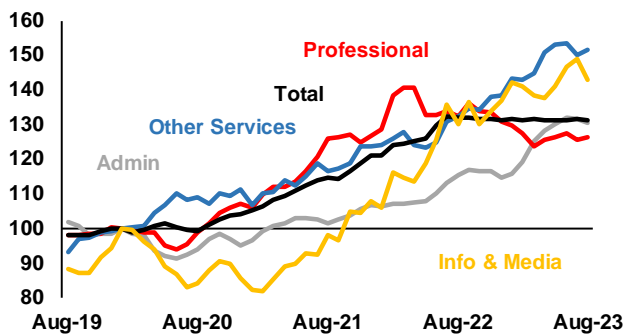
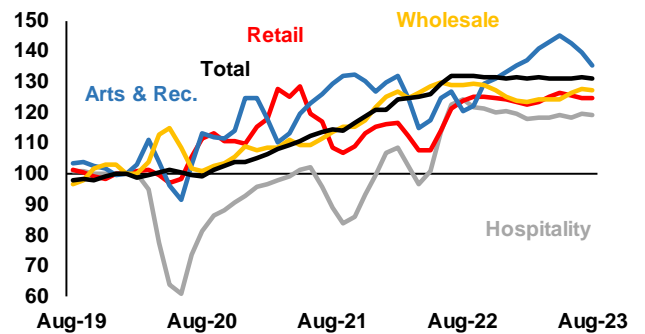


Chart 22: Credits Index by Industry (Jan 2020 = 100)



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.

Authors

Alan Oster

Group Chief Economist
Alan.Oster@nab.com.au
+(61 0) 414 444 652

Brien McDonald

Associate Director - Economics
Brien.McDonald@nab.com.au
+(61 0) 455 052 520

Brody Viney

Senior Economist
Brody.Viney@nab.com.au
+(61 0) 452 673 400

Dean Pearson

Head of Behavioural & Industry Economics
Dean.Pearson@nab.com.au
+(61 0) 457 517 342

Robert De lure

Associate Director - Economics
Robert.De.lure@nab.com.au
+(61 0) 477 723 769

Important notice

This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 ("NAB"). Any advice contained in this document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this document, NAB recommends that you consider whether the advice is appropriate for your circumstances.

NAB recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, before making any decision about a product including whether to acquire or to continue to hold it.

Please click [here](#) to view our disclaimer and terms of use.