



NAB Monthly Data Insights September 2023

NAB Group Economics

Key Points

- **Consumer spending**, according to NAB’s transaction data, continued to grow modestly in September, rising 0.3% m/m. Estimated spending in August was also revised up, now showing an increase of 1.4% m/m. **Retail spending** was in line with the overall result at 0.4% m/m.
- **Discretionary spending** rose slightly in the month, while there was a rebound in non-discretionary spending after a small fall in August. Both categories remain higher in three-month average terms.
- **Business credits** picked up 0.8% m/m in September, or 0.7% when excluding mining and agriculture.

Comments from NAB Chief Economist Alan Oster

- “Our monthly transaction data continues to suggest spending has been resilient, with growth in September following on from fairly strong nominal growth in prior months.”
- “Higher fuel prices have contributed to spending but growth remains positive when fuel is excluded. On the other hand, some discretionary categories have been declining, including arts, recreation & travel, and transport services.”
- “For Q3 as a whole, our transaction data suggests total spending rose around 3% in nominal terms. Even allowing for the impact of inflation, this suggests real consumption growth may have remained surprisingly resilient through the quarter despite the pressures on household budgets.”

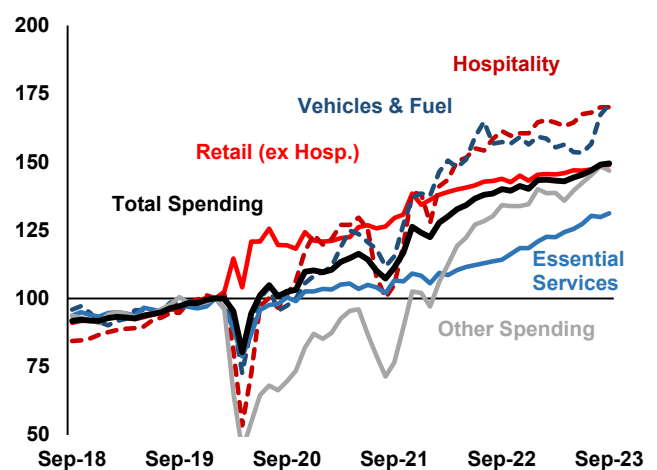
Monthly Consumer Spending

- Total spending rose 0.3% m/m in September after a rise of 1.4% in August (revised from 0.8%). With these revisions, total spending is now 3.0% higher in three-month-average terms and 8.6% higher y/y.
- Retail spending rose 0.4% m/m. Total retail spending was up 1.4% in three-month-average terms and 3.9% y/y. For detail on retail spending, see **page 3**.
- Spending on essential services rose 1.1% m/m and vehicles & fuel spending rose 2.3% m/m, while the ‘other spending’ category declined 1.1% m/m. For detail on non-retail spending, see **page 4**.
- Total spending across goods categories rose 0.8% m/m, while spending across services fell 0.2%. Spending grew across both discretionary and non-discretionary categories.

Table 1: Key Consumer Spending Growth Statistics (%)

| | Jul-23 | Aug-23 | Sep-23 | | |
|-----------------------|------------|------------|------------|------------|------------|
| | m/m | m/m | m/m | 3m/3m | y/y |
| Goods Retail | 0.3 | 0.6 | 0.5 | 1.1 | 3.5 |
| Hospitality | 0.3 | 1.2 | 0.0 | 2.6 | 5.4 |
| Total Retail | 0.3 | 0.7 | 0.4 | 1.4 | 3.9 |
| Vehicles & Fuel | 2.1 | 6.8 | 2.3 | 6.8 | 8.8 |
| Essential Services | 2.3 | -0.4 | 1.1 | 3.8 | 14.9 |
| Other Spending | 2.0 | 2.2 | -1.1 | 5.5 | 9.4 |
| Total Spending | 1.1 | 1.4 | 0.3 | 3.0 | 6.8 |
| Goods | 0.6 | 1.5 | 0.8 | 1.9 | 4.3 |
| Services | 1.7 | 1.2 | -0.2 | 4.3 | 9.9 |
| Discretionary | 1.1 | 2.2 | 0.2 | 3.6 | 5.9 |
| Non-Discretionary | 1.0 | -0.4 | 0.7 | 1.6 | 8.6 |

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: 15 November 2023.**

Chart 2: Total Spending Growth (%)

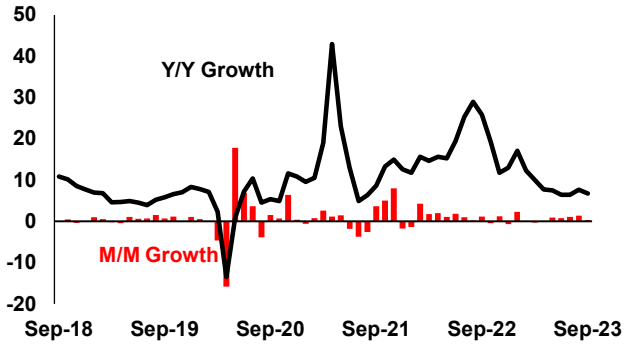


Chart 3: Comparison to ABS Consumption Growth (%)

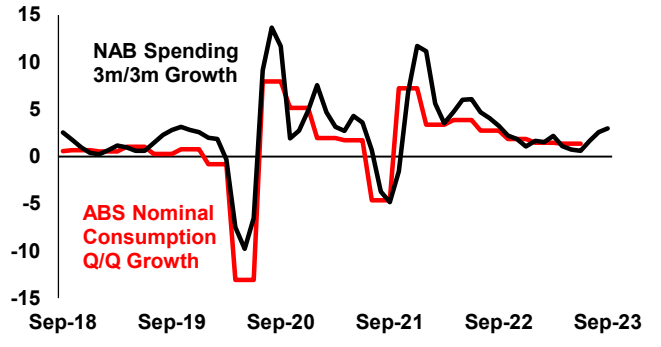


Chart 4: Goods vs Services Index (Jan 2020 = 100)

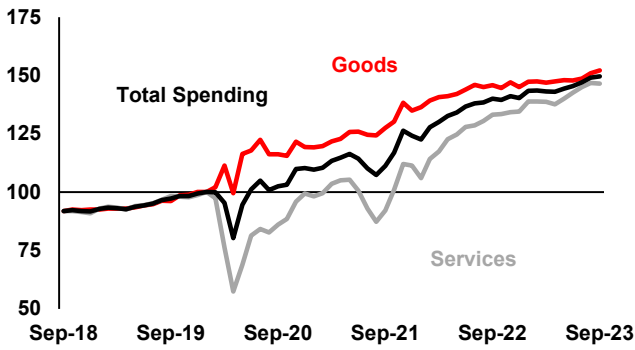
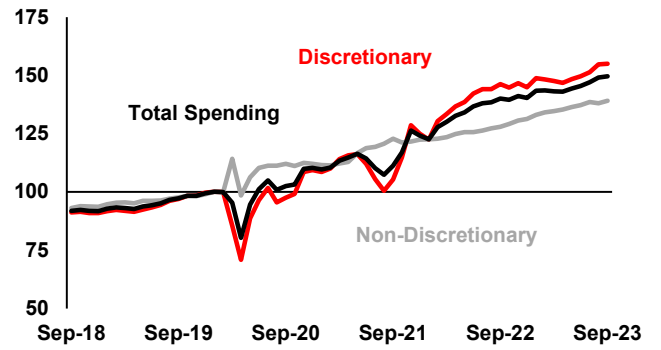


Chart 5: Discretionary Spending Index (Jan 2020 = 100)



Monthly Consumer Spending – Detail by State

- Spending in the month rose in all states except Qld and NT. In three-month average terms, spending was up in all states with growth strongest in the ACT at 3.7% and weakest in NT at 0.7%.

Table 2: Spending Growth by State (%)

| | Jul-23 | Aug-23 | Sep-23 | | |
|-----|--------|--------|--------|-------|-----|
| | m/m | m/m | m/m | 3m/3m | y/y |
| NSW | -0.3 | 2.1 | 0.8 | 2.5 | 7.1 |
| VIC | 0.3 | 1.3 | 0.8 | 1.9 | 5.4 |
| QLD | 0.9 | 1.1 | -0.3 | 1.6 | 6.1 |
| WA | 1.1 | 0.4 | 0.8 | 1.9 | 8.7 |
| SA | 0.7 | 1.2 | 0.6 | 2.3 | 8.0 |
| TAS | -0.7 | 1.7 | 0.1 | 1.3 | 4.3 |
| ACT | 1.0 | 0.9 | 0.8 | 3.7 | 5.9 |
| NT | -0.5 | 0.1 | -0.7 | 0.7 | 3.8 |

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

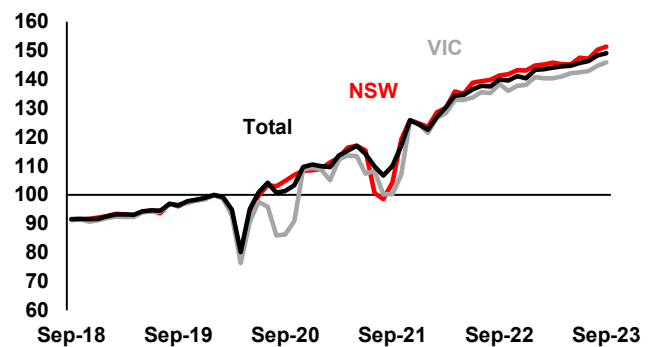


Chart 7: Spending by State (Index, Jan 2020 = 100)

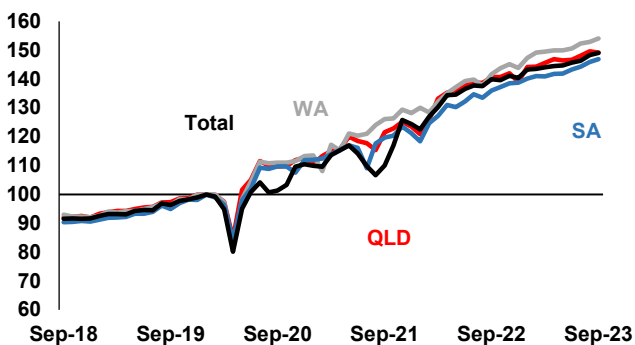
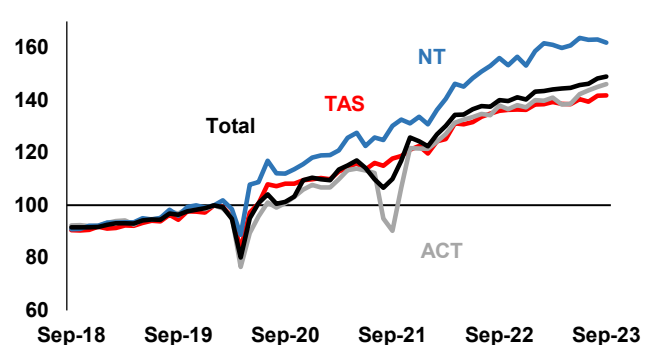


Chart 8: Spending by State (Index, Jan 2020 = 100)



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 September, while the August estimate for retail spending was revised slightly higher, from 0.4% to 0.7% m/m. Total retail spending was up 1.4% in three-month average terms and 3.9% y/y.
- By subcategory, food spending rose (0.4% m/m), as did household goods (1.3%) and clothing (1.3%), while department stores declined 1.3% m/m and other retail declined 0.3%. Overall goods retail spending is up 1.1% in three-month-average terms and 3.5% y/y.
- Hospitality spending was flat in the month but remains up 2.6% in three-month-average terms and 5.4% y/y.

Table 3: Retail Spending Growth (%)

| | Jul-23 | Aug-23 | Sep-23 | | |
|---------------------------|------------|------------|------------|------------|------------|
| | m/m | m/m | m/m | 3m/3m | y/y |
| Food | 0.0 | -0.4 | 0.4 | 0.2 | 4.6 |
| Hhld Goods | -0.6 | 1.1 | 1.3 | 1.9 | 4.0 |
| Clothing | 1.5 | 1.4 | 1.3 | 3.3 | 1.4 |
| Dept. Stores | 0.3 | 1.4 | -1.3 | 0.6 | -3.5 |
| Other Retail | 1.5 | 1.3 | -0.3 | 1.0 | 3.5 |
| Total Goods Retail | 0.3 | 0.6 | 0.5 | 1.1 | 3.5 |
| Hospitality | 0.3 | 1.2 | 0.0 | 2.6 | 5.4 |
| Total Retail | 0.3 | 0.7 | 0.4 | 1.4 | 3.9 |

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

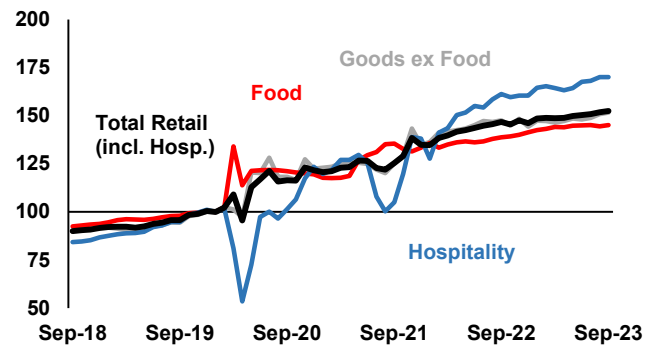


Chart 10: Total Retail Spending Growth (%)

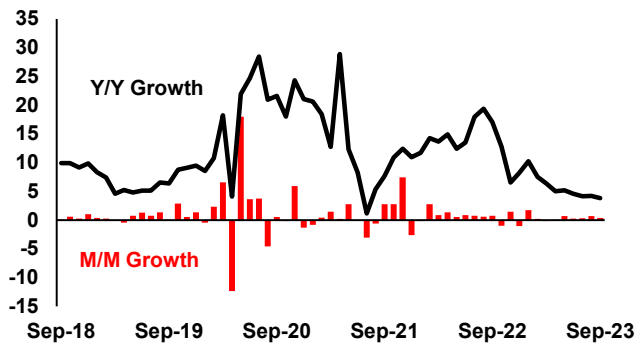


Chart 11: Comparison to ABS Retail Sales Growth (%)

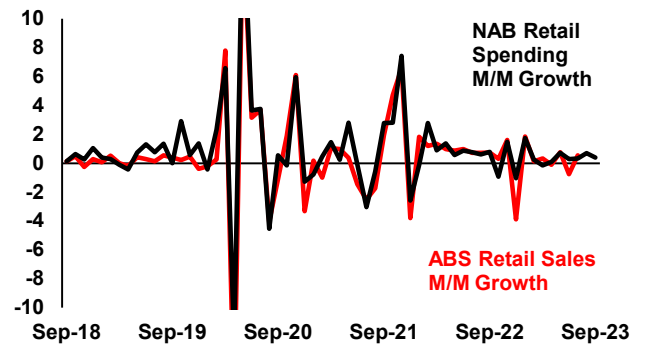


Chart 12: Spending Growth by Retail Category (%)

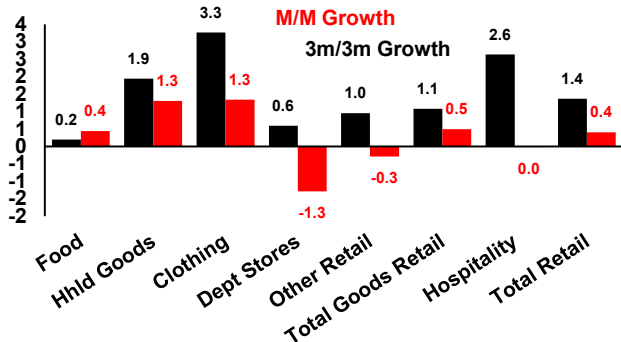
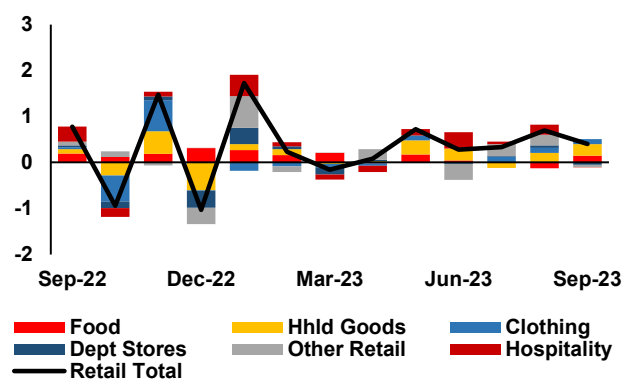


Chart 13: Contribution to Monthly Growth (%)



Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel rose 2.3% m/m in September, with fuel up to 2.7% and vehicles up 1.5%. Fuel price movements likely contributed somewhat to the result after driving a strong increase in August.
- Spending on essential services rose 1.1% m/m with the August result revised up (albeit still showing a small decline in that month). For September, education spending bounced 4.7% and media & communications and utilities spending also rose, while there was a slight fall in health & care services.
- Other spending declined 1.1% m/m. There were notable declines in transport & postal (down 4.1%) and arts, recreation & travel (down 1.1%) as well as other services, while spending rose in construction and in professional services. Overall, the other spending category remains 5.5% higher in three-month-average terms to be up 9.4% y/y.

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

| | Jul-23 | Aug-23 | Sep-23 | | | | Jul-23 | Aug-23 | Sep-23 | | |
|----------------------------------|------------|-------------|------------|------------|-------------|-----------------------------|------------|------------|-------------|------------|------------|
| | m/m | m/m | m/m | 3m/3m | y/y | | m/m | m/m | m/m | 3m/3m | y/y |
| Vehicles | 0.8 | -0.7 | 1.5 | 2.1 | 5.7 | Arts, Rec. & Travel | 3.5 | 3.3 | -1.1 | 10.1 | 9.6 |
| Fuel | 2.7 | 10.5 | 2.7 | 9.1 | 10.2 | Construction | 2.9 | 1.2 | 1.1 | 3.7 | 8.5 |
| Vehicles & Fuel Total | 2.1 | 6.8 | 2.3 | 6.8 | 8.8 | Professional Services | -2.3 | 3.7 | 1.0 | 2.6 | 18.1 |
| Education | 3.3 | -2.1 | 4.7 | 3.0 | 9.9 | Transport & Postal | 1.9 | 1.0 | -4.1 | 2.8 | 7.8 |
| Utilities | 0.9 | -0.8 | 0.6 | 1.5 | 9.4 | Other Services | 2.5 | 1.0 | -0.5 | 3.6 | 5.5 |
| Health & Care | 3.4 | 0.1 | -0.3 | 5.5 | 13.7 | Other Spending Total | 2.0 | 2.2 | -1.1 | 5.5 | 9.4 |
| Media & Comms | 1.5 | 0.5 | 1.7 | 3.8 | 26.3 | | | | | | |
| Essential Svcs Total | 2.3 | -0.4 | 1.1 | 3.8 | 14.9 | | | | | | |

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

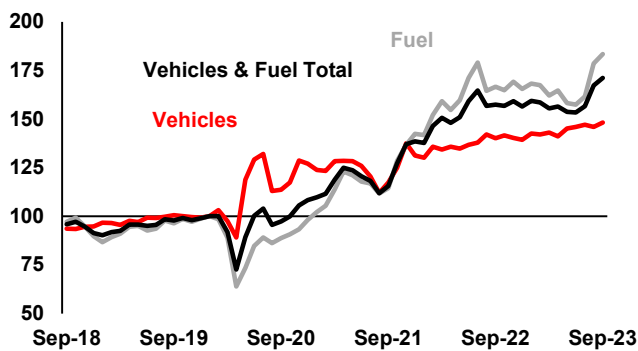


Chart 15: Other Spending Index (Jan 2020 = 100)

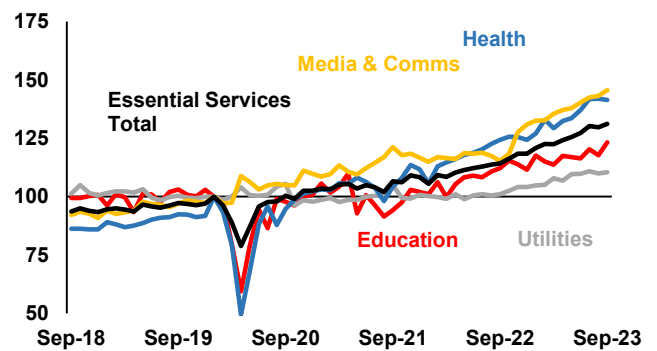
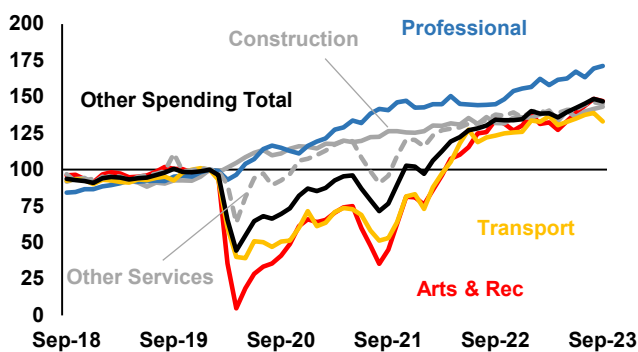


Chart 16: Essential Services Index (Jan 2020 = 100)



Monthly Business Credits

- Business credits rose 0.8% m/m in September (0.7% when excluding mining and agriculture). Credits were up 0.6% over three months but down slightly in y/y terms. September saw notable declines in information & media and arts & recreation, while utilities ticked back up after a large fall in August.

Table 5: Business Credits Growth by Industry (%)

| | Jul-23 | Aug-23 | Sep-23 | | | | Jul-23 | Aug-23 | Sep-23 | | |
|-----------------|--------|--------|--------|-------|-------|------------------------|------------|-------------|------------|------------|-------------|
| | m/m | m/m | m/m | 3m/3m | y/y | | m/m | m/m | m/m | 3m/3m | y/y |
| Accom & Food | 0.8 | -0.1 | 0.1 | 0.6 | -2.9 | Mining | 1.7 | 2.3 | 3.0 | -0.2 | -15.1 |
| Admin & Support | -0.4 | -0.7 | -1.9 | -0.1 | 12.9 | Other Services | -2.5 | 1.0 | 0.6 | -1.0 | 13.9 |
| Agriculture | 1.8 | -0.7 | 0.2 | 2.3 | -2.5 | Professional Services | -1.4 | 0.6 | -0.3 | -0.4 | -6.0 |
| Arts & Rec. | -2.2 | -3.2 | -2.9 | -6.0 | 9.8 | Rental & Real Estate | 1.6 | -0.5 | -0.4 | 0.5 | -6.5 |
| Construction | 1.2 | 0.0 | 1.1 | 2.3 | 15.1 | Retail Trade | -0.7 | 0.4 | 2.5 | -0.1 | 2.0 |
| Education | -2.3 | 1.3 | 0.5 | -0.9 | 10.8 | Transport & Postal | 0.6 | -0.2 | -1.2 | -1.7 | -12.3 |
| Utilities | 1.2 | -13.9 | 4.2 | -10.8 | -11.8 | Wholesale Trade | 1.0 | -0.2 | 1.3 | 2.7 | -0.3 |
| Health | 1.8 | 0.4 | 3.9 | 4.8 | 14.3 | Total | 0.4 | -0.1 | 0.8 | 0.6 | -0.2 |
| Info & Media | 1.4 | -4.0 | -3.4 | 1.0 | 6.7 | Total ex Mining & Agri | 0.2 | -0.3 | 0.7 | 0.5 | 1.6 |
| Manufacturing | 0.8 | -0.2 | 1.6 | 1.0 | 0.0 | | | | | | |

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

Chart 17: Business Credits Growth (%)

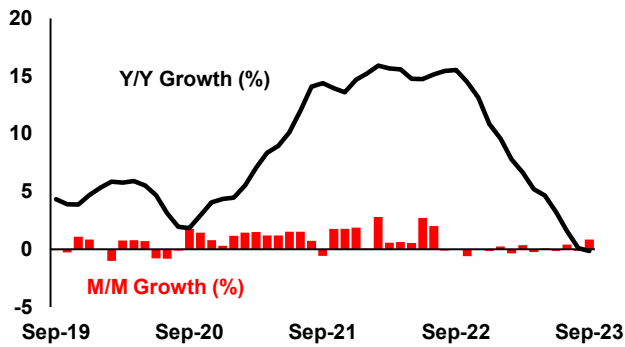


Chart 18: Business Credits Index (Jan 2020 = 100)

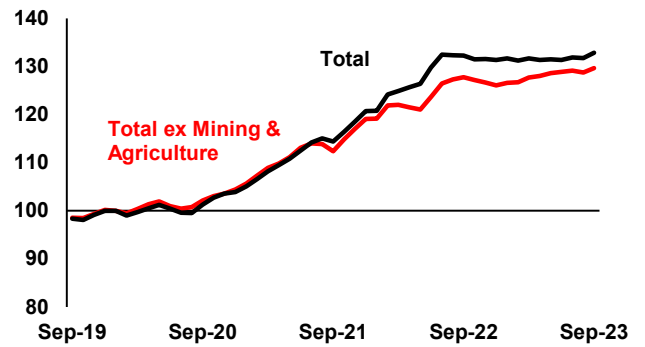


Chart 19: Credits Index by Industry (Jan 2020 = 100)

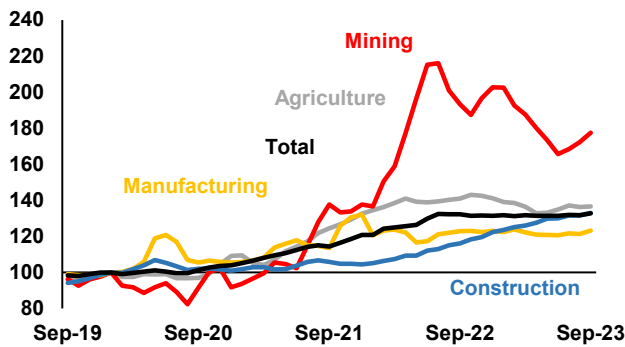


Chart 20: Credits Index by Industry (Jan 2020 = 100)

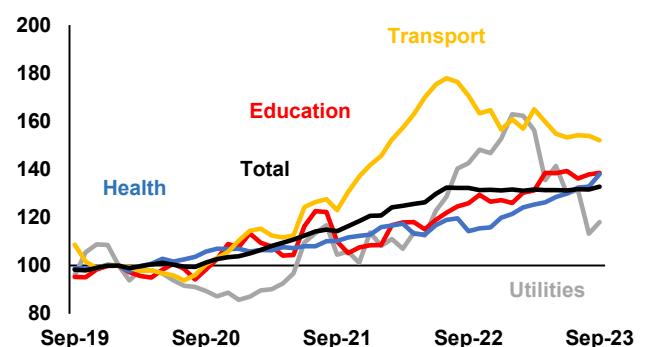


Chart 21: Credits Index by Industry (Jan 2020 = 100)

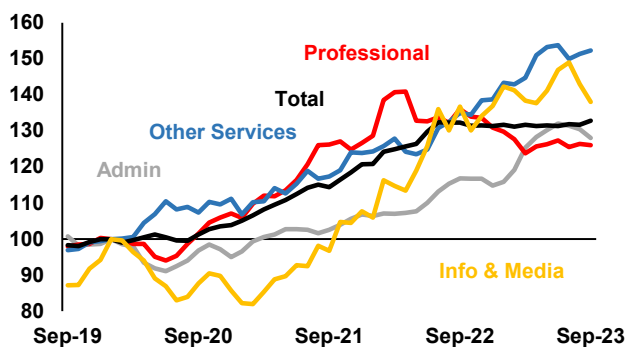
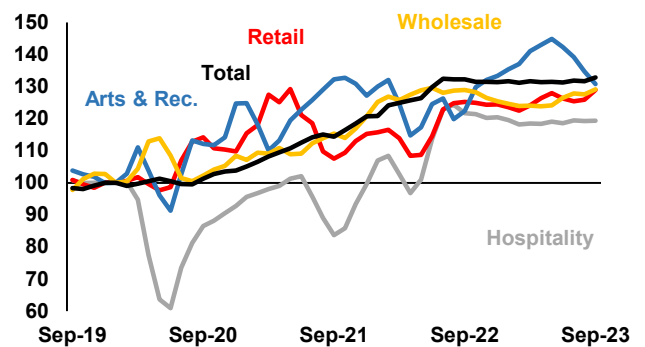


Chart 22: Credits Index by Industry (Jan 2020 = 100)



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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