NAB Monthly Data Insights
July 2024

NAB Economics

Key Points

- **Consumer spending,** according to NAB's transaction data, was broadly steady in both retail and total spending. There is no sign of a surge in consumption post the July tax cuts yet. Our **survey** data shows that most people (70%) intend to put their extra money from tax cuts aside to save, pay down debt or invest instead of spending.
- **Non-discretionary** spending was up 0.4% m/m while spending on **discretionary** declined 0.4%.
- Consumer spending is up 0.9% in the past 3 months and 4.8% over the past 12 months.
- **Business credits** slightly declined by 0.2% m/m. Overall, business credits increased by 7 % over the past 12 months, or 8.9% excluding mining and agriculture.

Monthly Consumer Spending

- Total spending was broadly unchanged in July but went up 0.9% over the past 3 months and 4.8% over the past 12 months.
- Retail spending was flat, with increases in goods retail (0.2%) offset by a decrease in cafes & restaurants (-0.3%). For detail on retail spending, see **page 3**.
- Spending on vehicles & fuel went up 1.1% while spending on essential services and other spending declined 0.5% and 0.9% respectively, see **page 4**.
- Total spending on goods went up 0.3% while spending on services decreased 0.6%. Non-discretionary spending was up 0.4% m/m while discretionary spending went down 0.4%.

Table 1: Key Consumer Spending Growth Statistics (%)

| | May-24 | Jun-24 | Jul-24 | | |
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	0.2	0.8	0.2	1.5	5.6
Cafes & Restaurants	0.4	0.9	-0.3	0.7	4.0
Total Retail	**0.3**	**0.8**	**0.1**	**1.3**	**5.3**
Vehicles & Fuel	0.8	-2.5	1.1	-0.5	2.2
Essential Services	-0.2	0.2	-0.5	0.6	4.5
Other Spending	0.3	1.4	-0.9	0.5	4.5
Total Spending	**0.3**	**0.6**	**-0.1**	**0.9**	**4.8**
Goods	0.3	0.3	0.3	1.2	5.1
Services	0.2	1.0	-0.6	0.6	4.4
Discretionary	0.5	1.2	-0.4	1.3	5.0
Non-Discretionary	-0.2	-0.5	0.4	0.2	4.3
Total ex Fuel	0.2	0.8	-0.2	1.0	4.9

Chart 1: Consumer Spending Index (Jan 2020 = 100)
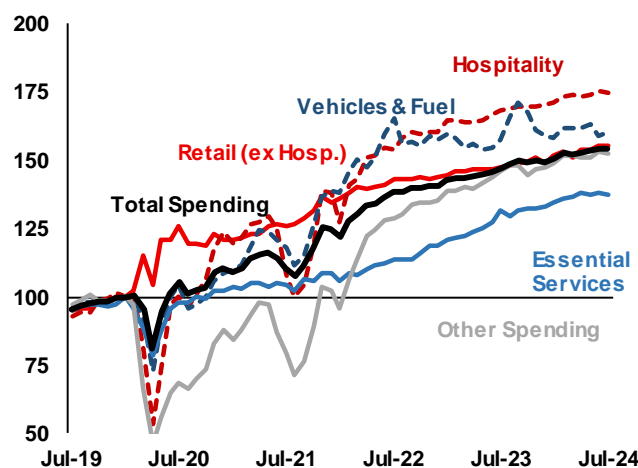
Note: Spending data excludes taxes, rent, mortgages, gambling, finance, insurance, and other non-consumer transactions. Data are seasonally adjusted and subject to revision. "Goods" includes goods retail, vehicles and fuel, and "services" includes all other categories. "Non-discretionary" includes food, health, education, utilities, media & comms, and fuel, and "discretionary" includes all other categories.
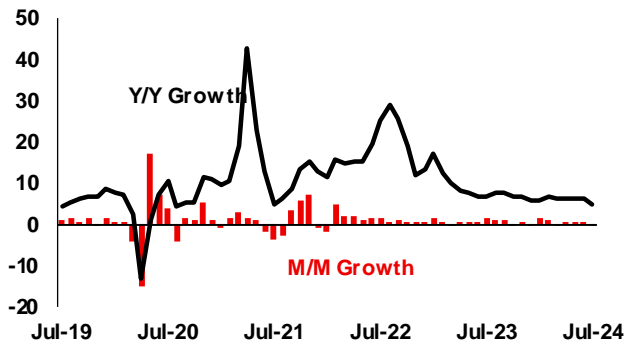
Chart 2: Total Spending Growth (%)

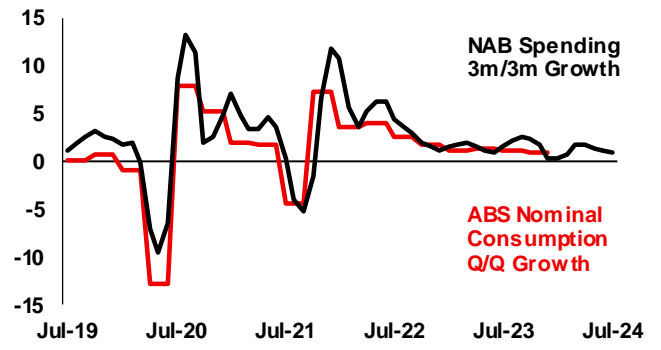**Chart 3: Comparison to ABS Consumption Growth (%)**

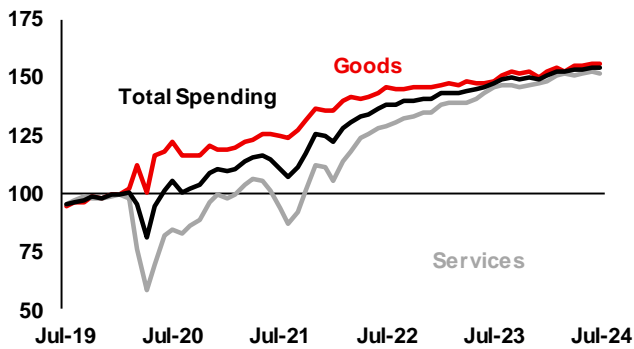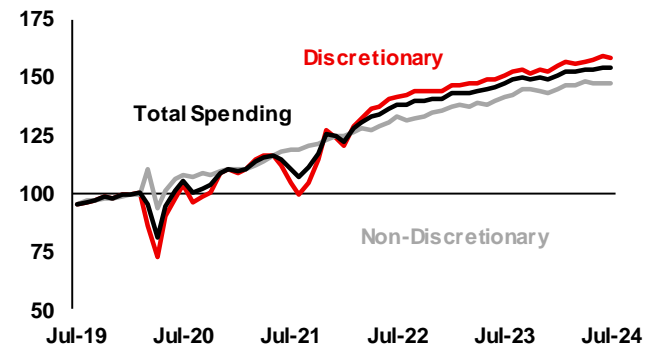**Chart 4: Goods vs Services Index (Jan 2020 = 100)**

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

Monthly Consumer Spending – Detail by State

- Spending in July declined in all states except for NT. Consumer spending in July decreased by around 1.2 to 1.3% in NSW, VIC and QLD. The contraction was larger in TAS (-2.1%) and SA (-1.8%).
- Overall, spending y/y growth was positive across all states, with the highest growth in NT and WA.

Table 2: Spending Growth by State (%)

	May-24	Jun-24	Jul-24		
	m/m	m/m	m/m	3m/3m	y/y
NSW	0.5	0.7	-1.3	0.6	4.3
VIC	0.6	0.0	-1.2	0.3	3.0
QLD	0.4	0.7	-1.3	0.9	4.3
WA	0.3	0.8	-0.3	1.6	7.8
SA	0.7	0.9	-1.8	1.4	4.5
TAS	1.2	-0.6	-2.1	-0.1	2.5
ACT	0.7	0.2	-0.8	0.1	2.3
NT	1.7	-0.4	0.6	1.8	8.1

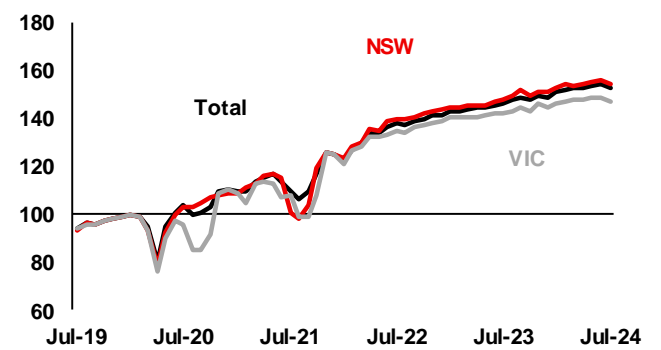**Chart 6: Spending by State (Index, Jan 2020 = 100)**

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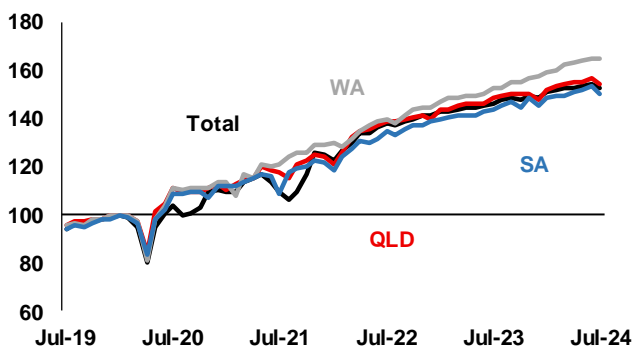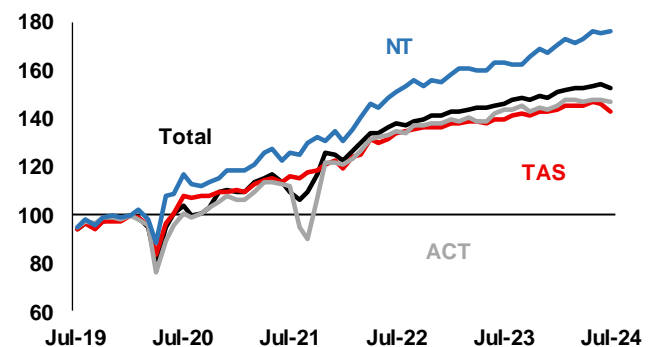

Chart 8: Spending by State (Index, Jan 2020 = 100)

Note: State spending totals differ from industry totals due to availability of geographic information. Spending data excludes taxes, rent, mortgages, gambling, finance, insurance, and other non-consumer transactions. Data are seasonally adjusted and subject to revision.

Monthly Consumer Spending – Retail Sector Detail

- Retail spending was broadly unchanged in July 2024. Spending increased in goods retail (0.2%) but was offset by a decrease in cafes and restaurants (-0.3%). Total retail spending was up 1.3% in three-month average terms and 5.3% y/y.

- Goods retail was up 0.2% with increases in food (0.7%) and other retail (1.2%) and decreases in household goods (-0.8%), clothing (-0.8%) and department stores (-1.8%). Overall goods retail spending was up 1.5% in three-month-average terms and 5.6% y/y.

- Hospitality spending declined 0.3% m/m but was up 0.7% in three-month-average terms and 4% y/y.

Table 3: Retail Spending Growth (%)

	May-24	Jun-24	Jul-24		
	m/m	m/m	m/m	3m/3m	y/y
Food	-0.5	-0.2	0.7	0.3	4.8
Hhld Goods	0.8	0.9	-0.8	0.9	4.3
Clothing	0.5	0.9	-0.8	1.3	1.5
Dept. Stores	0.1	1.4	-1.8	1.5	0.7
Other Retail	1.0	2.1	1.2	4.5	11.5
Total Goods Retail	**0.2**	**0.8**	**0.2**	**1.5**	**5.6**
Cafes & Restaurants	0.4	0.9	-0.3	0.7	4.0
Total Retail	**0.3**	**0.8**	**0.1**	**1.3**	**5.3**

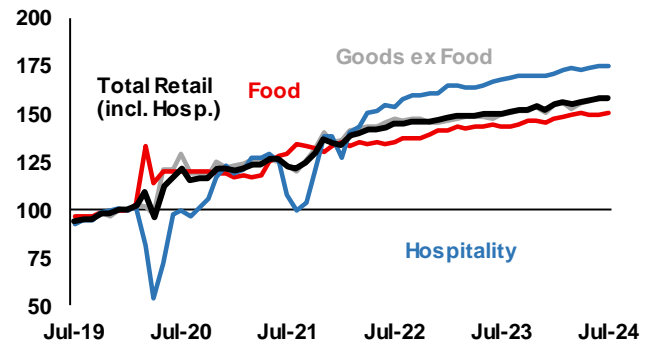**Chart 9: Retail Spending Index (Jan 2020 = 100)**

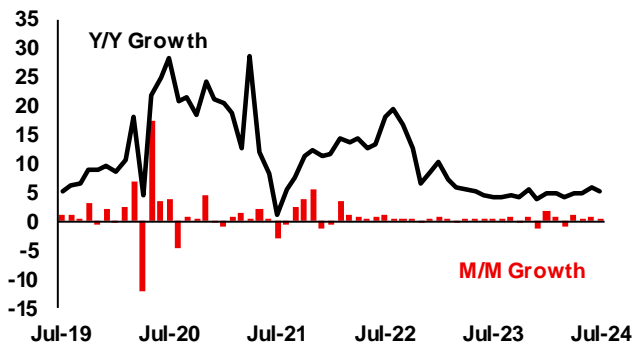**Chart 10: Total Retail Spending Growth (%)**

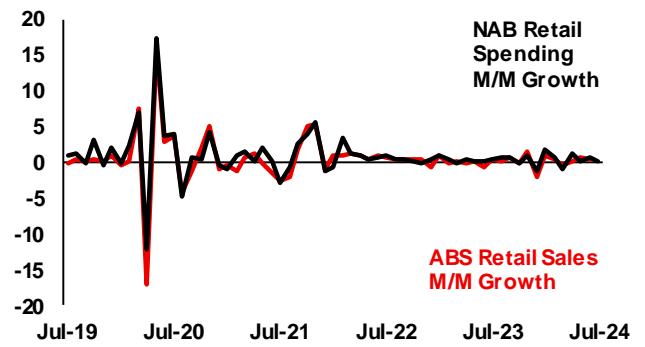**Chart 11: Comparison to ABS Retail Sales Growth (%)**

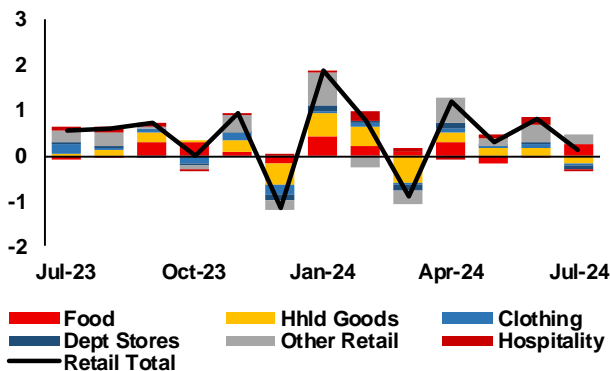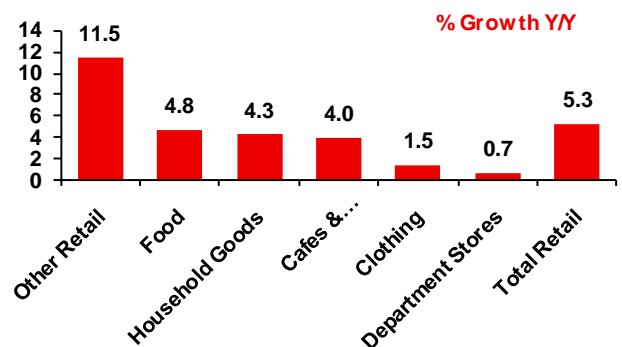**Chart 12: Contribution to Monthly Growth (%)**

Chart 13: Y/Y Growth, Retail Subcategories

Note: Data are seasonally adjusted and subject to revision.

Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel increased by 1.1%m/m in July after a large fall (-2.5%) in June.
- Spending on essential services fell 0.5% m/m. Spending went down in education (-3.5%), utilities (-1.3%) and media and communications (-0.3%) while it went up in health & care (0.9%). Overall, spending on essential services was up 0.6% over the past three months and 4.5% y/y.
- Other spending declined 0.9% with a large decrease in professional services (-11.4%). Overall, other spending was up 0.5% over the past three months and 4.5% y/y.

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

	May-24	Jun-24	Jul-24				May-24	Jun-24	Jul-24		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	0.2	-0.8	0.8	0.4	2.3	Arts, Rec. & Travel	0.3	0.0	3.5	0.2	3.1
Fuel	1.1	-3.2	1.3	-1.0	2.2	Construction	-1.4	0.5	-0.8	-2.6	-3.2
Vehicles & Fuel Total	**0.8**	**-2.5**	**1.1**	**-0.5**	**2.2**	Professional Services	2.7	5.6	-11.4	1.6	7.2
						Transport & Postal	0.1	0.5	0.3	1.1	6.2
Education	-2.2	2.8	-3.5	0.7	3.5	Other Services	-1.0	1.5	-0.2	0.2	4.7
Utilities	0.0	-2.8	-1.3	-1.7	-1.4	**Other Spending Total**	**0.3**	**1.4**	**-0.9**	**0.5**	**4.5**
Health & Care	0.3	-0.3	0.9	1.4	5.6						
Media & Comms	0.2	2.2	-0.3	1.4	9.2						
Essential Svcs Total	**-0.2**	**0.2**	**-0.5**	**0.6**	**4.5**						

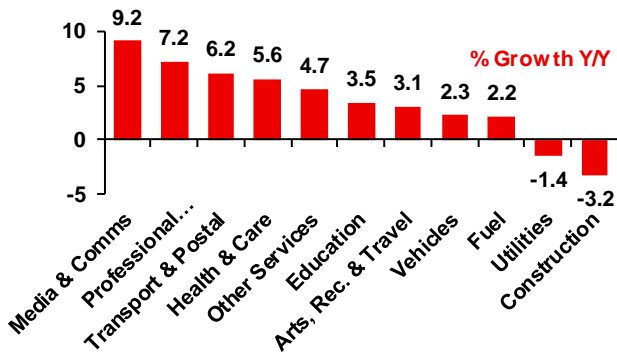**Chart 14: Y/Y Growth, Non-Retail Subcategories**

Chart 15: Vehicles & Fuel Index (Jan 2020 = 100)
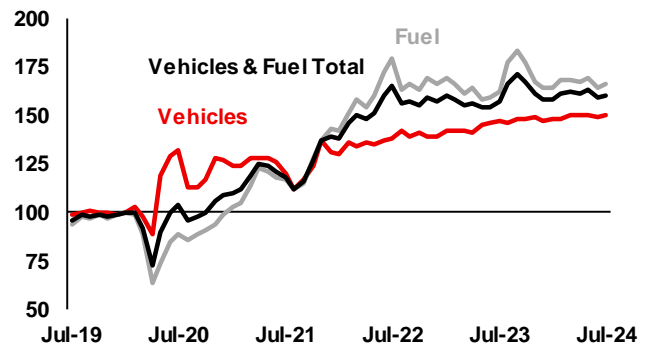

Chart 16: Essential Services Index (Jan 2020 = 100)
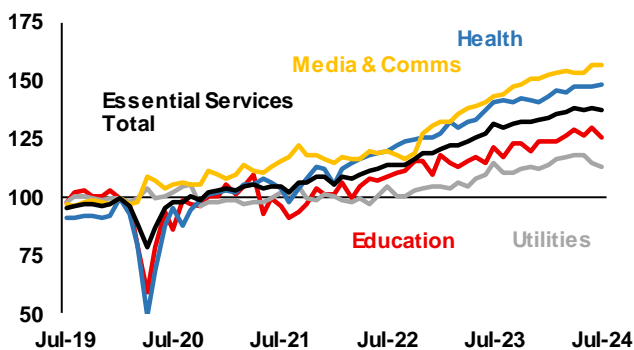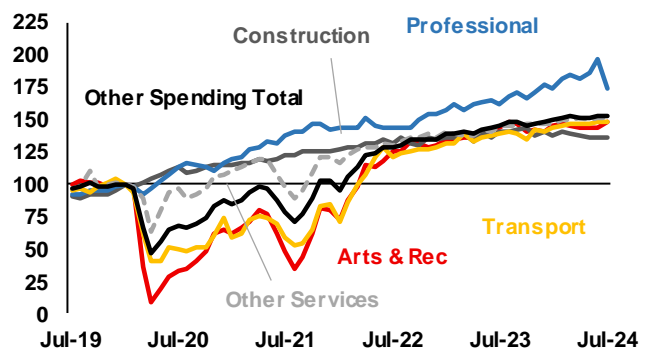

Chart 17: Other Spending Index (Jan 2020 = 100)

Note: Data are seasonally adjusted and subject to revision. 'Arts, Recreation & Travel' amalgamates Arts & Recreation Services, Accommodation (as Food Services are captured separately under Retail) and Travel Agencies (which make up the bulk of consumer Administration & Support Services spending). 'Other Services' includes some residual Administration & Support Services and Rental, Hiring & Real Estate services.

Monthly Business Credits

- Business credits went down slightly in July, by 0.2% m/m. Credits were up 2.2% over three months and 7% in the last 12 months.
- The highest m/m growth was in arts and recreation (3%), other services (2.8%) and agriculture (1.3%). Business credits declined most in mining (-2.1%) and information & media (-1.9%).

Table 5: Business Credits Growth by Industry (%)

	May-24	Jun-24	Jul-24				May-24	Jun-24	Jul-24		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Total	**0.6**	**0.3**	**-0.2**	**2.2**	**7.0**	Health	1.5	2.1	-1.2	3.6	10.5
Total ex Mining & Agri	*0.9*	*0.7*	*-0.2*	*3.0*	*8.9*	Info & Media	4.2	-3.6	-1.9	5.8	24.9
						Manufacturing	0.0	-0.6	-1.0	0.3	4.5
Accom & Food	0.3	1.1	0.0	2.0	11.8	Mining	-2.4	-5.1	-2.1	-7.9	-11.6
Admin & Support	0.1	-0.3	-1.6	0.2	1.4	Other Services	3.3	-0.9	2.8	3.5	12.8
Agriculture	-0.2	0.3	1.3	4.2	3.5	Professional Services	-0.5	1.7	-0.1	2.8	12.6
Arts & Rec.	-1.1	-0.5	3.0	-0.2	0.3	Rental & Real Estate	1.0	2.6	-1.0	4.7	16.3
Construction	0.6	0.2	0.9	1.8	7.9	Retail Trade	1.9	-1.2	-0.2	2.5	14.9
Education	2.4	0.7	-1.2	5.6	13.6	Transport & Postal	2.4	0.5	0.6	6.5	-8.8
Utilities	4.2	-0.2	-0.3	9.9	27.9	Wholesale Trade	-0.1	3.4	-0.1	3.3	7.2

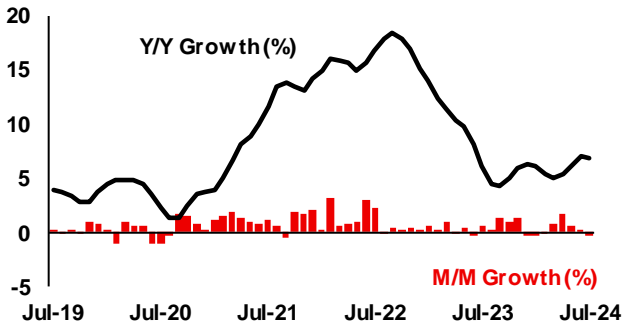**Chart 18: Business Credits Growth (%)**

Chart 19: Business Credits Index (Jan 2020 = 100)
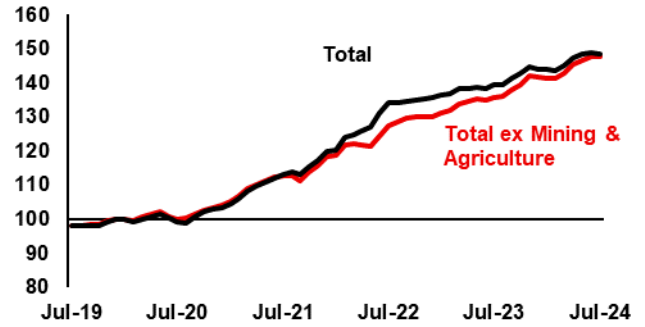

Chart 20: Credits Index by Industry (Jan 2020 = 100)
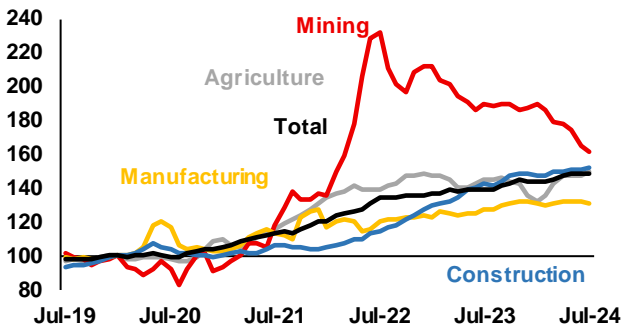

Chart 21: Credits Index by Industry (Jan 2020 = 100)
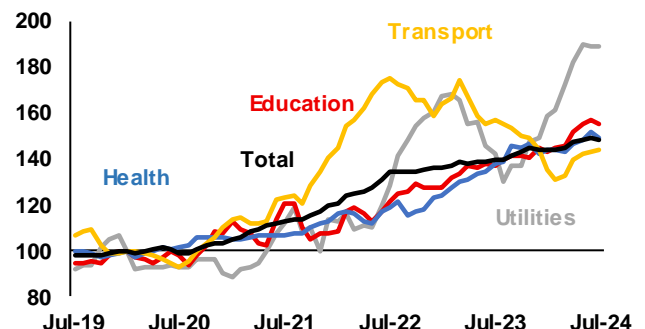

Chart 22: Credits Index by Industry (Jan 2020 = 100)
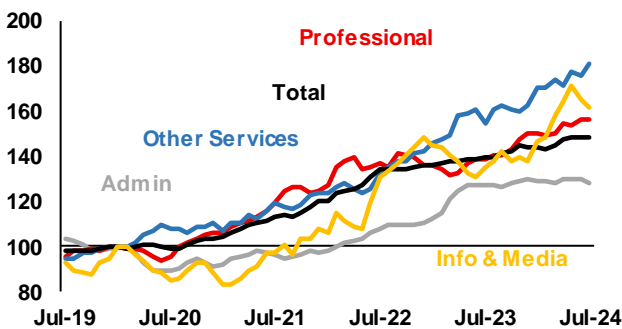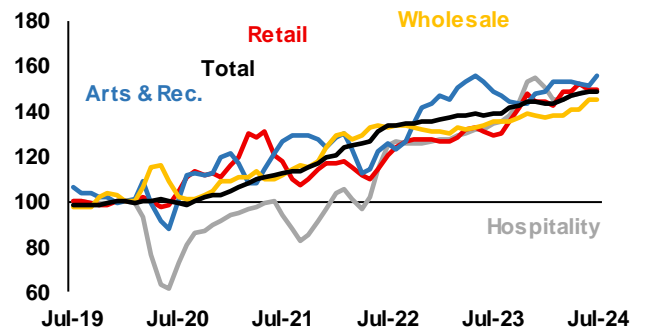

Chart 23: Credits Index by Industry (Jan 2020 = 100)

Note: 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 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 spending in these areas 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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