

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS

#### NAB

##### **NAB14QON:**

**Dr MULINO:** So one final brief topic in this first tranche of questions: have you undertaken any analysis in relation to how spending and saving behaviour has changed as a result of the first stage of tax cuts?

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**Dr MULINO:** Would you be able to provide some context for that on notice?

**Mr Chronican:** Absolutely. I think Alan Oster, our economist, is happy to provide that type of analysis

##### **Answer:**

As stated at the hearing, analysis by NAB Economics of de-identified and aggregated transaction data shows that for NAB customers around 22 per cent of the recent tax refunds has been spent by customers in the retail space (consisting of 14 per cent on direct purchases, and 8 per cent of cash withdrawals – while we do not know what customers spent their cash on, we have assumed it was mainly spent in the retail space). The remaining amount has been saved, used to pay down debt, pay bills, or transferred to other accounts (the latter being to help cash flow of consumers). These general trends have not changed from July to November and NAB Economics believe that these trends are consistent with broader trends within the economy.