

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

NAB73QON

CHAIR: Thank you. Let's get on to some of the issues you're seeing with small business and consumer behaviour. Firstly, what are you seeing as a consequence of the roll-off of JobKeeper? Some people predicted dire consequences. Yesterday we largely heard from the two banks that presented before this committee that it's had a marginal effect on consumer spending and confidence and also employment. But you obviously have access to earlier data. I know because your chief economist occasionally presents them at events in my electorate. What are you seeing?

Mr McEwan: I'm happy to table this for committee members after the session. We can give you the statistics at the end of February, broken down into each of the categories of employment across states, to show what were the business categories that were still using JobKeeper for support at the end of February. There was a slight drop off in the usage of JobKeeper from January. From 3.67 per cent of the businesses, it reduced to 3.62 per cent of the businesses by the end of February. I don't, unfortunately, have the March stats of usage, but it was declining.

CHAIR: Is it possible we could get those on notice when they become available?

Mr McEwan: Yes, absolutely.

Answer

See below a table with data as at 31 March 2021 for NAB's Business and Private Banking customers which depicts the business categories of customers that NAB believes were receiving JobKeeper. The data is based on looking at customer transaction accounts to see if they have received a JobKeeper payment into that account. It then considers a customer's level of lending and what proportion this is of NAB's total lending. It does not capture customers who receive JobKeeper payments into a non-NAB transaction account.

Overall, the data shows a continued downward trend from 3.67% in January and 3.62% in February to 3.21% in March. At a granular level there have been some differences in movements such as an increase in Victorian accommodation, cafes, pubs and restaurants from 6.67% in February to 14.84% in March. Individual fluctuations in the data can also be attributed to individual customers and the size of their lending compared to NAB's book in that category. For example, some sectors such as Cultural and Recreational Services (including Gambling) may appear to have a high utilisation of JobKeeper, but this is due to the small amount of lending in that sector. When looking at the data it is important to highlight that the numbers are likely skewed to NAB's portfolio exposure and therefore the overall position will likely be lower than the total number of recipients due to NAB's higher market share in sectors such as Agribusiness which had low usage of JobKeeper.

MARCH

<i>Sectors</i>	VIC	NSW	QLD	WA	TAS	SA	NT	AUS
Accommodation, Cafes, Pubs and Restaurants	14.84%	2.44%	7.78%	11.50%	5.05%	0.99%	0.11%	6.71%
Agriculture Forestry and Fishing	2.87%	6.32%	4.51%	7.13%	1.51%	5.41%	0.79%	5.04%
Communication Services	8.06%	3.51%	1.55%	0.61%	0.00%	1.78%	0.00%	5.31%
Construction	8.02%	4.17%	5.49%	10.92%	4.58%	2.52%	9.30%	6.29%
Cultural and Recreational Services (Inc. Gambling)	48.61%	9.99%	3.25%	2.68%	1.67%	9.23%	0.00%	25.78%
Education	1.51%	0.24%	3.12%	0.00%	0.41%	0.69%	0.00%	1.27%
Electricity and Gas and Water Supply	0.29%	7.55%	4.34%	0.00%	0.00%	0.00%	0.00%	4.12%
Finance and Insurance	2.38%	10.07%	0.83%	0.76%	0.00%	0.41%	0.00%	4.63%
Health and Community Services	1.05%	5.48%	0.18%	0.59%	0.06%	2.28%	0.00%	2.11%
Manufacturing	5.30%	3.53%	0.86%	1.94%	3.60%	2.08%	4.82%	3.30%
Mining	9.27%	0.66%	3.32%	2.11%	0.00%	1.65%	0.08%	4.02%
Personal and Other Services	5.92%	4.68%	4.07%	4.05%	3.39%	1.13%	0.00%	4.54%
Property and Business Services	2.10%	1.61%	0.52%	1.73%	0.05%	1.11%	1.10%	1.53%
Retail Trade	2.99%	1.70%	1.33%	1.51%	0.05%	1.18%	1.67%	1.95%
Transport and Storage	1.55%	2.11%	4.39%	3.36%	0.34%	2.56%	8.54%	2.47%
Wholesale Trade	3.72%	3.92%	3.38%	3.53%	1.05%	8.09%	14.49%	3.91%
Total	3.69%	3.28%	2.64%	3.63%	1.38%	2.64%	1.67%	3.21%