



31 August 2020

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS
NAB Response to the Committee's Request on COVID-19**

Question:

The committee requests that you provide a written update (to be published on the committee's website) outlining the measures that NAB has taken in response to the COVID-19 pandemic. The first update is due by 30 April 2020 and ongoing updates should be provided at the end of every month thereafter until the next hearing.

Answer:

31 August 2020

The COVID-19 pandemic continues to challenge our customers and our bank, with varied impacts across industries and communities. NAB is continuing to support customers via a number of measures as they deal with the ongoing impacts of COVID-19. This response provides the Committee with an update on actions NAB has taken to support our customers both for the month of August, and also includes a summary of NAB's support to date for customers since the pandemic began.

As a Melbourne-headquartered bank, we are acutely conscious of the impact of the second wave of the pandemic in Victoria on our colleagues and customers. We continue to support and adapt to government restrictions and as different States move through different stages, and government restrictions ease in some areas but tighten in others, we will adapt our planning for our workforce accordingly. We continue to prioritise the safety and wellbeing of all our colleagues. Our approach will continue to be grounded in the Australian Government's 3-Step Framework for a COVIDSafe Australia.

Attached for the Committee's information are NAB's latest surveys and research including:

- NAB Economic Commentary: State Economic Overview (released 25 August).
- NAB Economics Data Insights (week ending 15 August).

Customer support

The NAB Assist team is helping customers through the unprecedented events relating to COVID-19, events which often leave customers financially vulnerable, including some for the first time. NAB Assist mobilised swiftly at the start of the pandemic to provide support to our customers.

As part of our overall pandemic response NAB has provided extensive support to customers impacted by COVID-19 through a range of measures:

- Deferred mortgage and business loan repayments (see below for more detail).
- Provided 6,087 loans under the Federal Government's Coronavirus SME Guarantee Scheme.
- Supported NAB customers accessing JobKeeper via a dedicated hotline (1800 JOB KEEPER) and a dedicated overdraft facility.
- Provided access to superannuation via the Government's Early Release Superannuation Scheme.
- Moved 1000 colleagues into our customer-facing teams to assist with the loan deferral check-in conversations and support customers.
- Provided support for credit card customers by reducing the minimum monthly payment on 27 April from 2% to 0.5% of the closing balance or \$5 (whichever is greater) from 27 April 2020 to 25 September and waiving late payment fees from 3 April 2020 to 25 September. NAB also reduced the rate on the NAB Low Rate card by 100 basis point to 12.99% p.a. from 27 April.
- Assisted around 3,000 customers with passbook accounts (which cannot make electronic transactions) to apply for their first debit card (nearly 80% of these customers were aged over 75).
- Automatically waived terminal rental fees or monthly package fees for over 101,000 merchant customers across Australia (from 1 April to 31 July 2020). To support Victorian merchant customers, we've extended the automatic waiver of terminal rental or monthly package fees until the end of September 2020.
- Lowered fixed home loan interest rates; customers currently have access to fixed home loan rates of 2.29% p.a. for 1 year; 2.19% p.a. for 2 years and 2.29% p.a. for 3 years.
- Following the RBA reduction in the cash rate to 0.25% on 18 March, NAB cut 200 basis points from the rate on new loans and all overdrafts on flagship digital business product QuickBiz effective 30 March. NAB also reduced rates on small Business Options loans by 100 basis points.
- Establishing COVID-19 support pages on the NAB website which are currently receiving around 20,000 visits per week, having peaked at 200,000 visits per week in March.
- Continued support for Government COVID-19 related policies aimed at supporting economic recovery in key industries, such as the HomeBuilder and ShowStarter Loan Schemes.

Further detail on specific initiatives is provided below.

Loan repayment deferrals

Loan repayment deferrals are providing vital assistance for customers.

As at 5 August 2020, NAB had \$35 billion in home loan balances deferred, across a total of ~86,000 accounts. This represents 12% of NAB's total home lending. Since 30 June 2020:

- ~4,000 accounts have cancelled their deferrals including as part of check-in calls; and
- ~6,000 have had their deferral expire where the customer was on a deferral for less than 6 months.

As at 5 August 2020, NAB had contacted around 24,000 or 40% of home loan deferral customers and approximately 16% of customers contacted have recommenced repayments. Check-in activity has accelerated over August.

At the conclusion of a customer's deferral period, the option to extend the deferral period for up to four months will be considered on a case-by-case basis. Other options for customers could include extending a loan term, converting to interest only for a period, consolidation of debt, hardship assistance or a combination of these measures. Where it makes sense, NAB will provide further support, although we have been consistent in external statements that providing further credit to some customers will not always be the right thing to do.

As at 31 July 2020, NAB has \$20 billion in business loan balances deferred across ~38,000 accounts. 47% of business loan deferral customers are receiving JobKeeper (based on those businesses with a NAB transaction account). From late July NAB business bankers, with support from NAB Assist for some small business customers, have commenced check-ins with deferral customers. As with home loan deferral customers, customers will have a number of options at the end of their deferral period.

NAB will provide the Committee with an update on loan repayment deferrals numbers at its appearance on 11 September.

<i>NAB loan repayment deferrals</i>	Number of Accounts	Value of total loan balance which has been deferred
Total business loan deferrals as at 31 July 2020¹	37,557	\$20.0bn
Total home loan deferrals as at 5 August 2020²	85,762	\$35.2bn

¹ Includes NAB Business & Private Bank and NAB Corporate business accounts. Customers may have a number of accounts.

² Includes all NAB and Advantedge accounts.

Coronavirus SME Guarantee Scheme

Under the Coronavirus SME Guarantee Scheme, NAB has continued to provide eligible businesses with unsecured loans of up to \$250,000 over three years at 4.5% p.a. with no repayments required in the first six months. From its launch on 28 March to 21 August, NAB has approved 6,087 Business Support Loans under the Government's Scheme. Loans under the scheme have been an important source of support for NAB's business customers, alongside loan deferrals and the Government's JobKeeper scheme.

NAB is also preparing to offer loans under phase two of the scheme from 1 October and is engaging with the Government on the detail of this new phase. NAB welcomes the Government's expansion and extension of the SME Guarantee Scheme until 30 June 2021 with loans available for up to \$1 million per borrower for a term of up to five years and for a wider range of loan purposes. The changes will make the Scheme available to more businesses for longer and will help these businesses to rebuild.

Support for Vulnerable Customers

NAB has implemented a range of ongoing initiatives to support customers experiencing vulnerability and to improve access to our products and services. Whilst much of this capability existed prior to COVID it has been a critical and meaningful component of the support NAB has provided for our customers and the community at this time.

Central to support for customers experiencing vulnerability is NAB's **Customer Support Hub** that assists people through challenging times and provides support for issues relating to elder abuse, family violence, gambling or other addictions. This support has included access to counselling and referrals to social workers to deal with critical items. These items include family violence, emergency grants, addictions and gambling concerns, financial counselling and emergency housing support.

The **Indigenous Customer Service Line** is a dedicated service to assist customers in Indigenous communities including those living in remote locations. This support has included balance enquiries, internet and telephone banking set up and use, lost and stolen cards, cancelling direct debits, identification and authentication, and opening bank accounts.

NAB's partnership with **Good Shepherd** to provide access to No and Low Interest Loans continues to support the community. In addition to NAB's ongoing support for the No Interest Loans Scheme, which saw 27,086 loans written in the year ending 30 June 2020, NAB is also supporting the Household Relief Loans initiative. This COVID-19 support initiative was launched on 16 June 2020 and is backed by the Federal Government. It provides access to no interest loans to those impacted by COVID-19 worth up to \$3,000 for rent, bond and utilities.

Support for MLC Wealth Customers

We continue to process requests for access to Early Release superannuation, processing more than 95 per cent of requests within five days. As at 23 August MLC's superannuation trustee has received 156,033 requests for early release payments, amounting to \$1.226 billion. The volume of those applying for access in the second round has been lower than in the first round and a significant number of those also accessed their money in the first round.

Recognising the important role advisers are playing in helping clients in financial distress through this pandemic, we have prioritised activities that support advisers in assisting their clients. This has included webinars on investment strategies and regular communications including details of Government support initiatives. During this period, we also helped with promoting Lifeline's Crisis Support line.

STATE ECONOMIC OVERVIEW

August 2020



National
Australia
Bank

AUTHORS

Senior Economist
Tony Kelly

STATE ECONOMIC OVERVIEW

Latest restrictions will hit Victoria's economy hard, but COVID-19 has impacted all states

The move in early August to stage 4 restrictions Melbourne, and stage 3 for the rest of the State, and fears of further spread, has led to a significant downgrading of our economic outlook.

Our internal data and the NAB Monthly Business survey suggest that consumption and the broader economy was maintaining its recovery momentum until late July. That said capacity levels were still well down from late last year, forward orders did not really improve in July and confidence retreated significantly – all before the Victorian stage 4 restrictions.

The restrictions in Victoria could well reduce Victorian output by around 15% in Q3. Nationally that would take around 3 per cent off Q3 GDP. Over the course of 2020 we now see output down around 5.7% nationally including a fall of 6.25% in Q2 (-3.8% in year average terms). With the withdrawal of current fiscal stimulus in early 2021 we don't really see a rebound in growth till mid 2021. As a result we see GDP rising by around 3% through 2021 –but less than 1 per cent in year average terms, with GDP not returning to its end 2019 level until early 2023.

Consequently, unemployment is expected to peak at around 9.6% in early 2021, and to still be around 7.6% by end 2022. One implication of this is wages growth will remain lower for longer, as will inflation. We also expect house prices to fall by around 10-15%; while prices are likely to fall in all states this will be led by Sydney and Melbourne which will be impacted by slowing population growth and increased supply. We also expect to see more substantial falls in commercial property prices –especially in retail & office in Sydney / Melbourne CBDs.

While the focus is currently on Victoria due to introduction of stage 4 restrictions, no state/territory is immune from the fall-out of COVID-19. While

NAB STATE & TERRITORY ECONOMIC FORECASTS

NAB growth forecasts for the states & territories

	Gross State Product YoY			
	18-19f	19-20f	20-21f	21-22f
NSW	1.9	-0.5	-2.7	1.5
VIC	3.0	0.2	-9.2	7.9
QLD	1.4	0.0	-0.8	1.7
SA	1.4	-1.5	-1.3	1.5
WA	1.0	1.3	-0.8	1.9
TAS	3.6	-1.4	-2.4	1.4
NT	-1.5	-1.7	-1.4	1.8
ACT	3.0	1.4	-2.6	1.1
Australia	2.0	0.0	-3.5	3.0

high frequency indicators such as NAB's internal data and google mobility have notably weakened in Victoria, they have softened in the other states as well.

While business conditions have improved in recent months (prior to Victoria's latest restrictions) - particularly in WA, SA, Tas. and, to a lesser extent, Qld - forward looking indicators are generally softer, and business investment expectations have plummeted. While business confidence and forward orders in WA have returned to positive levels (and to a lesser extent in Tas.), its mining sector won't escape the fallout as commodity prices have softened due to the downturn in the global economy. Structural changes accelerated by COVID-19 such as on-line retail and more work from home will also disrupt existing business models across all states & territories.

Labour markets have deteriorated across all regions as has wage growth and consumer sentiment, which will result in ongoing headwinds to consumer spending and housing market activity. Similarly, the slowdown in population growth due to international border restrictions will impact all states. For some (NSW, SA, WA, ACT and, particularly, the NT) this may be partly offset by lower net interstate emigration while cross-state restrictions remain in place, although the reverse is true for Victoria, Qld and Tasmania.

Travel restrictions have also led to a collapse in international tourism and interstate border restrictions will make it more difficult to offset through domestic tourism (and for Victoria, with the current restrictions this won't be a source of relief either). The loss of interstate tourists will mostly likely be felt by Queensland, W.A. and NT as more travellers come in from interstate than go out to other states. That said, a lot of domestic tourism is actually intra-state.

The provision of education services to overseas students has been an important source of growth in recent years, particularly in NSW, Vic, Tasmania and the ACT. The longer term implications of Covid-19 to this sector are still unclear. While current enrolments have held up, new student numbers are down for these states (except Tas.) and course deferrals are up.

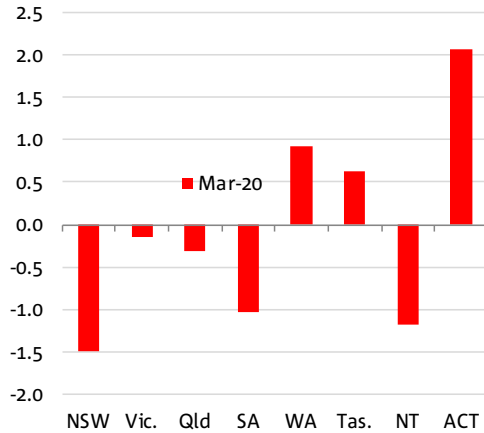
Australian agriculture has been spared many (but not all) of the pandemic impacts so far. Seasonal conditions and the AUD are the biggest considerations at present. Some cropping areas are short of rain but the outlook is for a very wet spring in eastern Australia and a 70% chance of La Nina.

Our forecasts are based on restrictions currently in place but clearly as events in Vic and New Zealand have shown the situation can change rapidly. Not surprisingly, our forecasts are generally stronger in 2020-21 for those states that have had more success in containing the virus. The quick recovery in China will help support export volumes (particularly important for WA/NT).

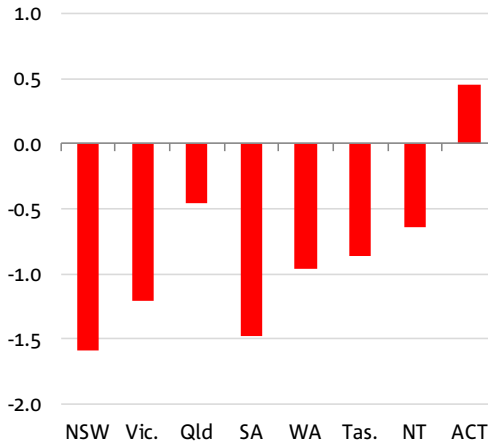
STATE OVERVIEW – Q1 WEAKNESS AS COVID-19 HITS ECONOMIES

Q1 decline in Aus. economy mainly reflected in weak private demand along east coast & SA; larger falls certain in Q2

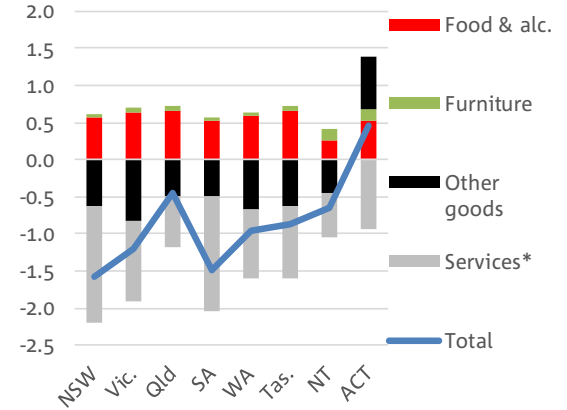
State final demand – declines along east coast and NT as COVID-19 takes its toll
 March quarter 2020, State final demand, s.a., chain-volume, q/q%



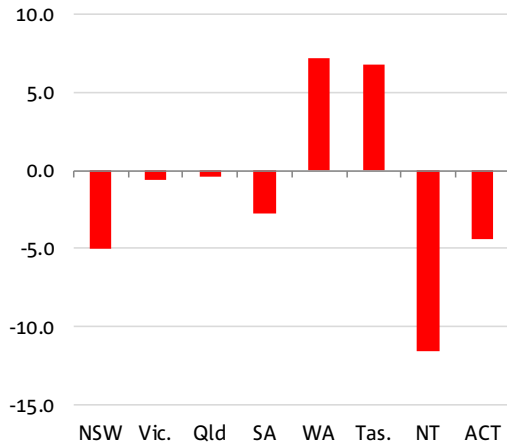
Household consumption fell across most states/territories in Q1
 March quarter 2020, Household consumption, s.a., chain-volume, q/q%



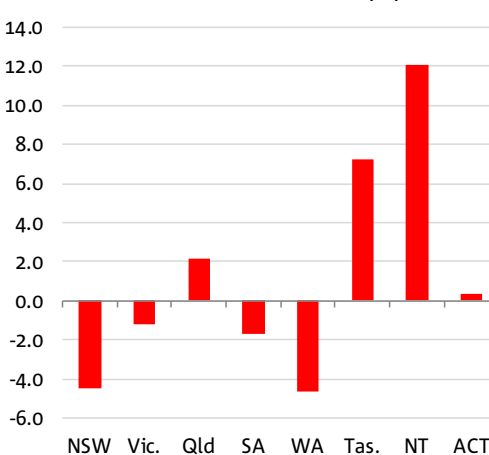
Services/discretionary goods hard hit; ACT boosted by MV sales following hail damage
 March quarter 2020, Household consumption categories, s.a., chain-volume, q/q%



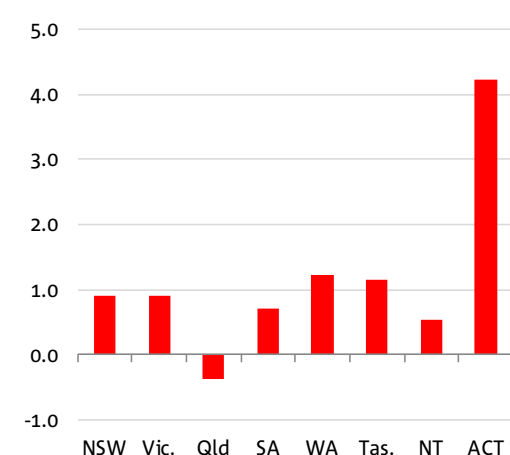
Business investment under pressure; WA supported by mining sector in Q1
 March quarter 2020, Underlying business investment, s.a., chain-volume, q/q%



Dwelling investment also falling in most states
 March quarter 2020, Underlying business investment, s.a., chain-volume, q/q%



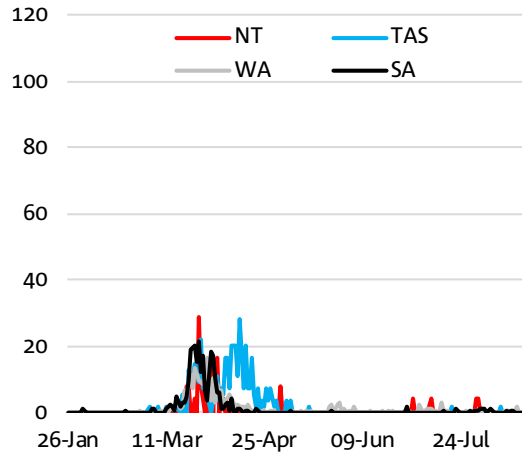
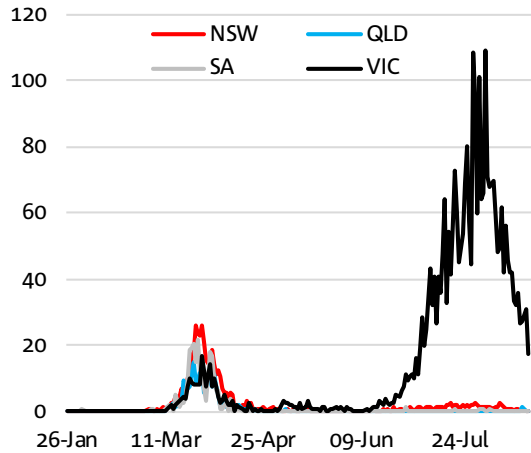
* includes 'other goods & services' category
Government spending still generally a support
 March quarter 2020, Underlying public demand, s.a., chain-volume, q/q%



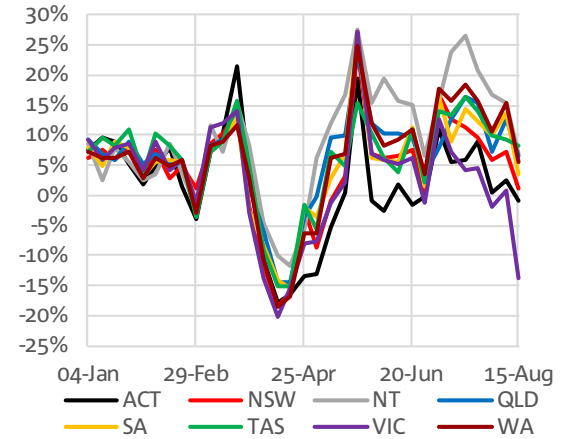
COVID-19 CASES AND HIGH FREQUENCY INDICATORS

The impact of the re-introduction of COVID-19 containment measures in Victoria in early July and August is evident in high frequency indicators – Victoria will be worst affected but other states not immune

Increasing case numbers in Victoria led to the re-introduction of restrictions in Victoria in early July (Melbourne/Mitchell shire) and then further restrictions in early August. Interstate border restrictions also tightened as a result
Daily change in confirmed cases per million residents

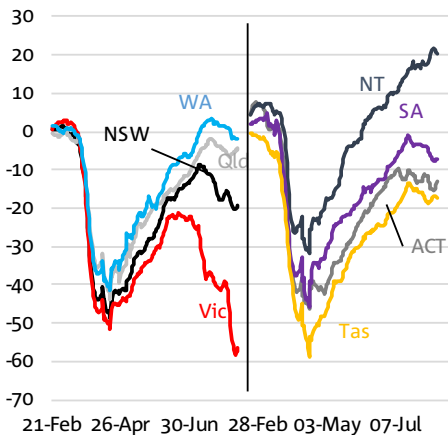


Vic July restrictions followed by sharp decline in spending ...other states slowing as well
Consumption spending, % change on year earlier*



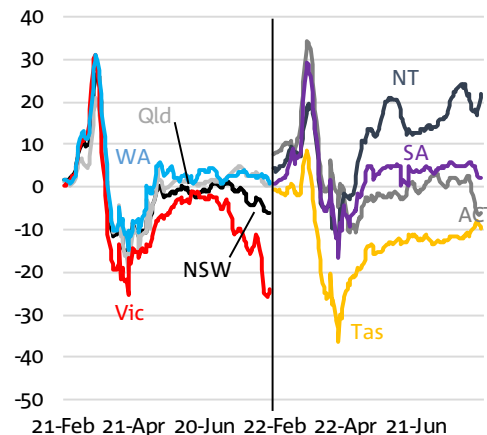
Similar story with google retail/rec.visits data – but Vic noticeably worse

Google mobility report - visits: recreation. & retail (% devn from baseline, 7day ma)

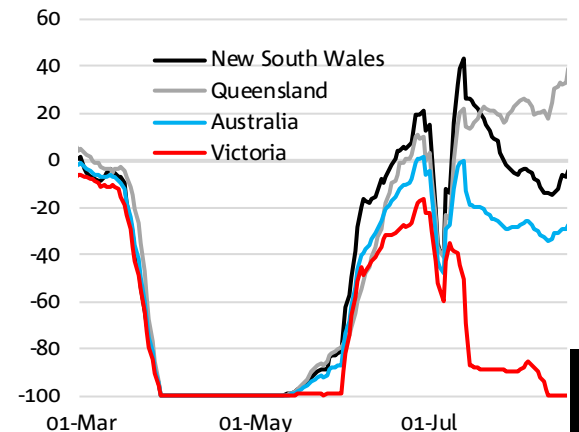


Temporary boost from hoarding not evident in Vic second time around

Google mobility report - visits: grocery & pharm (% devn from baseline, 7day ma)



Restaurants in Victoria hard hit by renewed restrictions; NSW traffic has also eased
OpenTable, seater diners, y/y (7 day m.a.)

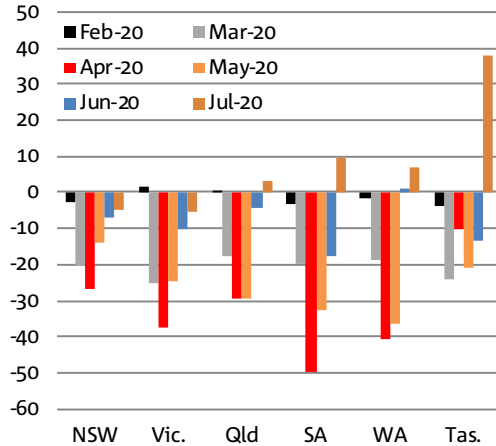


BUSINESS SECTOR

Business conditions recovering prior to Vic stage 4 restrictions – but forward looking indicators weak & confidence fragile

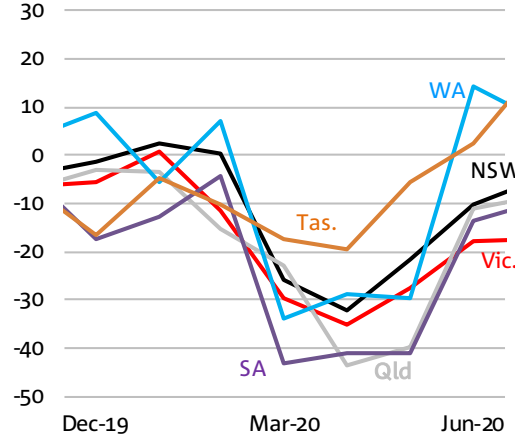
Business conditions plummeted...recovery underway, but still weak in NSW and VIC, even before latest Vic restrictions

NAB Business Survey, Business conditions, s.a.



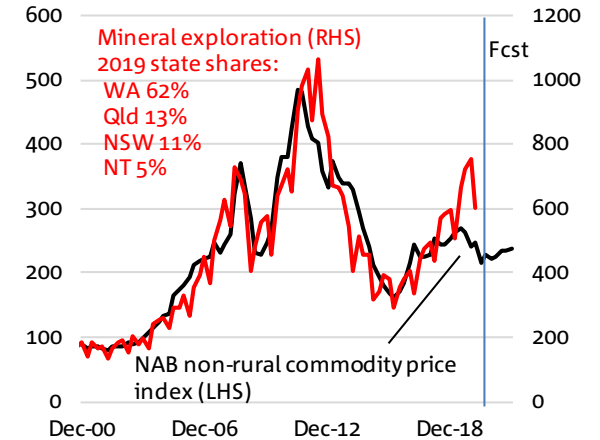
Forward looking indicators have also improved but still very weak outside WA/TAS

NAB Business Survey, Forward orders, s.a.



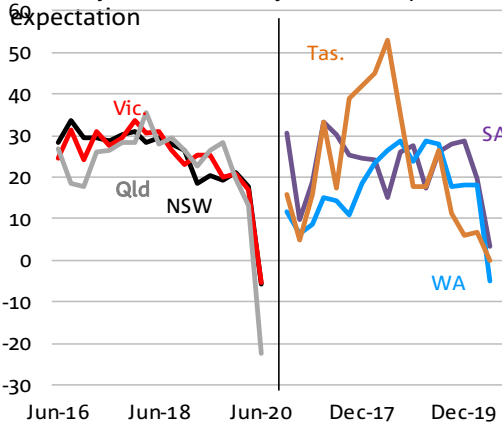
In time, the downturn in commodity prices will be a headwind, particularly for the 'mining states' (WA/NT)

Mineral exploration expenditure (\$m), NAB USD non-rural commodity price index



Investment expectations plunge across the board in Q2 – uncertain outlook & decline in profits will hit investment

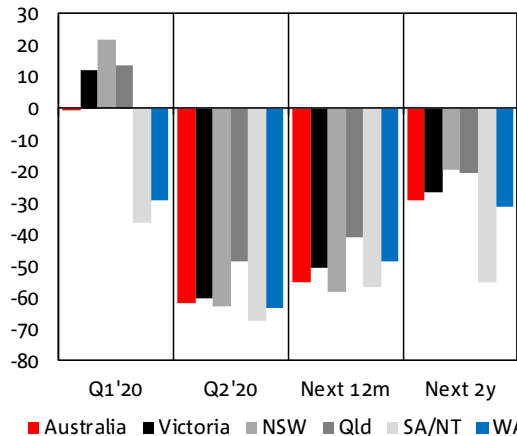
NAB Qtly business survey, 12 mth capex expectation



Sources: ABS, NAB

Commercial property in the doldrums and likely to be weak for extended time

NAB Commercial Property Survey, Commercial property index



Office, retail & hotels worst hit – due to travel & other restrictions, online sales/remote work

NAB Commercial Property Survey, Commercial property index

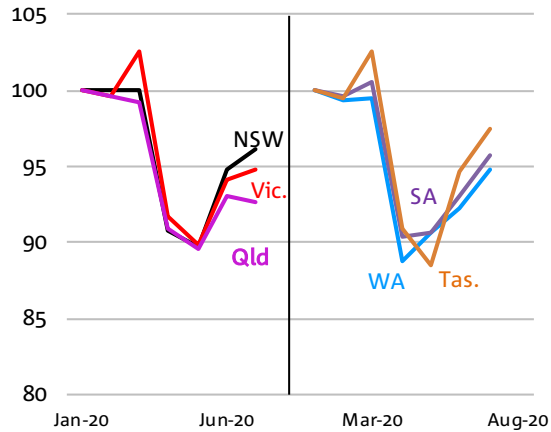


LABOUR MARKET

Labour market recovery incomplete and possibly stalling even prior to Melbourne stage 4; wage growth weakens further

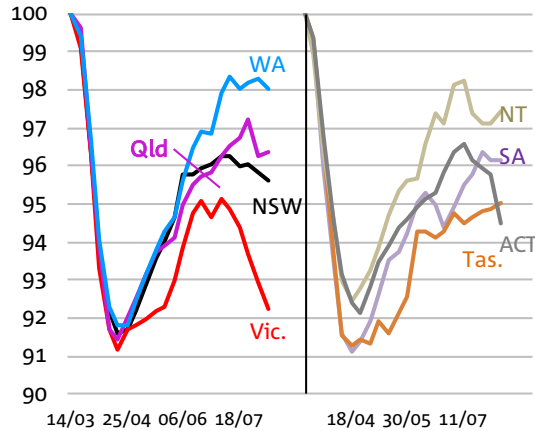
Partial recovery in monthly labour market data

Hours worked s.a., Jan 2020 = 100



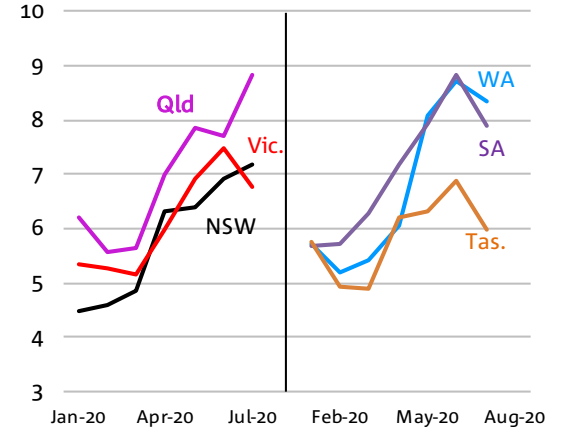
Weekly payrolls suggests recovery stalling; Vic. going backwards following restrictions

Weekly payroll jobs, 14 March = 100, n.s.a.
Data to 8 August



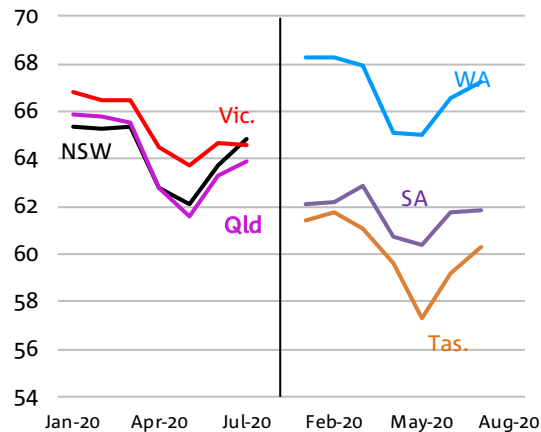
Unemployment rate up, but eased in some states in July...will continue to come under pressure...

Unemployment rate (%), s.a.



...from latest Vic restrictions and people returning to labour market

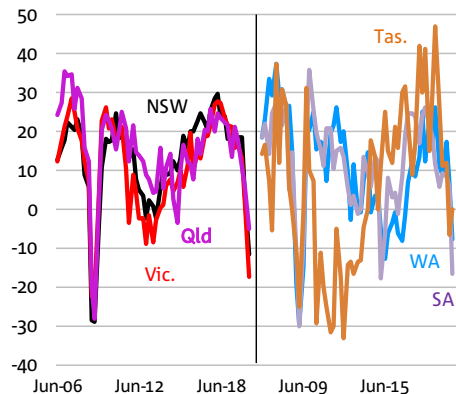
Workforce participation rate (%), s.a.



Sources: ABS, NAB

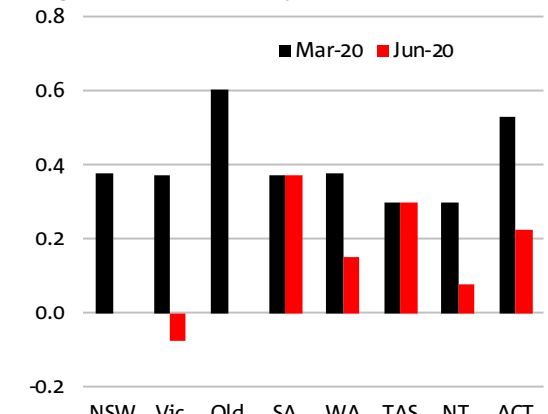
Employers will be reticent to take on staff given uncertain path ahead

NAB Qly Business Survey (Q2 2020), employment expectation in 12 months



Wage growth slows abruptly in Q2, particularly for NSW, Vic & Qld; but weak labour market will affect all

Wage Price Index, hourly, ex bonuses, q/q%

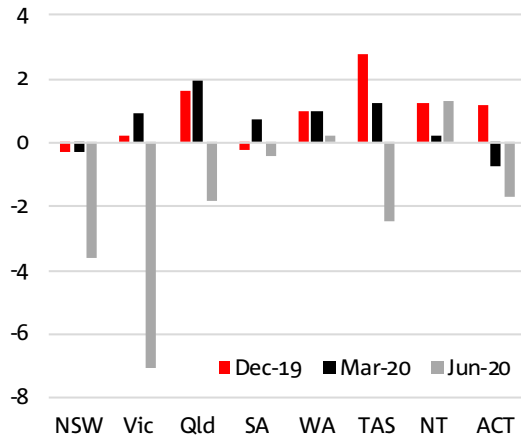


HOUSEHOLDS – CONSUMPTION & HOUSING MARKET

Weak wage growth & labour market, lower popn growth & low confidence big headwinds to consumer spending/housing

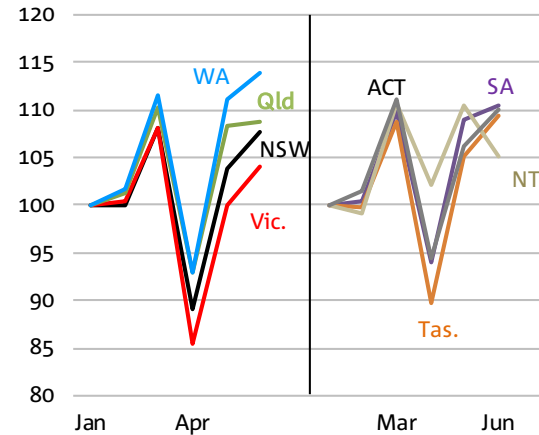
Big falls in retail sales (volumes) in Q2; particularly along east coast

Retail sales, chain-value, s.a., q/q%



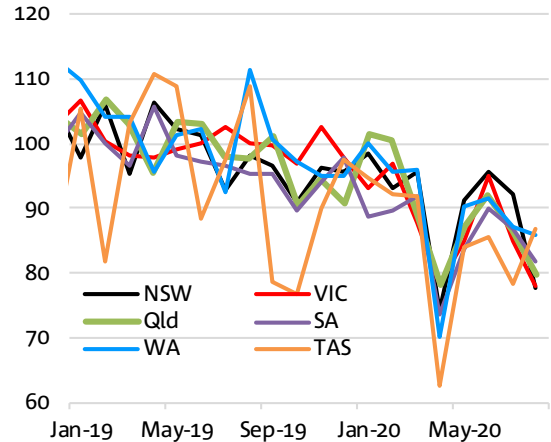
Monthly retail sales (value) show recovery over May/June; Vic restrictions will bite

Retail sales, Jan 2020 = 100



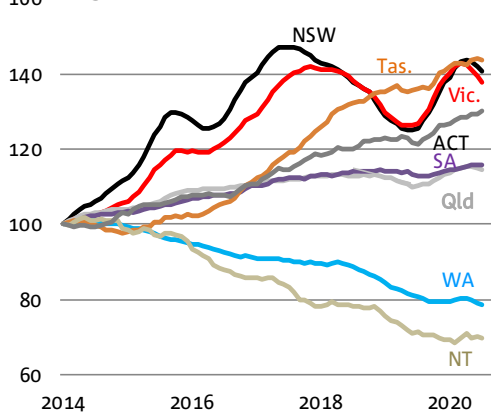
Rise in Vic COVID cases & lockdown triggers widespread fall in consumer sentiment

Westpac/Melbourne Institute Consumer Sentiment



Weak labour market and lower population growth will take their toll on dwelling prices and construction. NSW, VIC likely to experience largest price falls, and approvals already moving down in larger states, although Federal state govts putting in place measures to support activity (HomeBuilder, subsidies, additional first home owner grants)

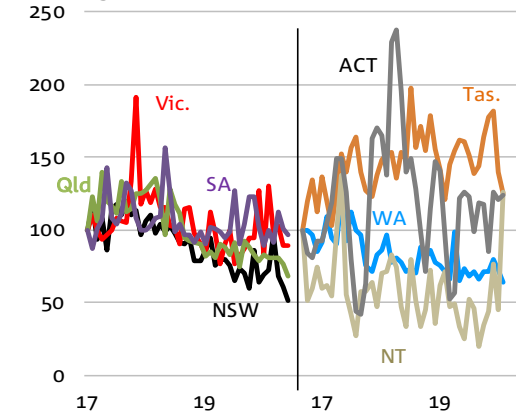
CoreLogic Home Value Index (Jan '14 = 100)



NAB Hedonic house price forecasts (y/y % chg to Dec.)

	2018	2019	2020f	2021 f
Sydney	-8.9	5.3	-4.7	-4.9
Melbourne	-7.0	5.3	-7.3	-6.5
Brisbane	0.2	0.3	-1.3	-1.5
Adelaide	1.3	-0.2	0.1	-1.2
Perth	-4.7	-6.8	-7.5	-4.6
Hobart	8.7	3.9	1.3	-2.4
Cap City Avg	-6.1	3.0	-4.6	-4.3

Building approvals (Jan 2017 = 100)

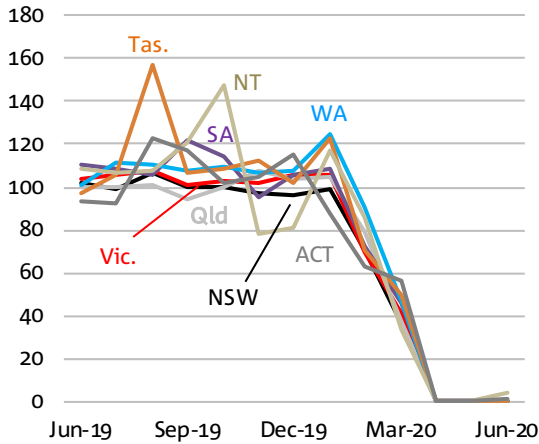


TRAVEL, POPULATION AND AGRICULTURE

Loss of overseas travellers can be offset by domestic tourism but border restrictions an impediment; popn growth to slow; agri reasonable

All states impacted by Australia's travel restrictions

Short-term visitor arrivals, % of year ago level



Restrictions on interstate travel will hurt – Qld, WA and NT most exposed to loss of interstate travellers

Visitor nights, year to March 2020, % of total**

Origin:	Origin:								inwards/ outwards*
Dest:	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	
NSW	59%	15%	14%	3%	3%	1%		4%	97%
Vic	17%	60%	9%	6%	4%	2%	1%	2%	64%
Qld	20%	16%	56%	2%	2%	1%	1%	1%	127%
SA	12%	20%	7%	52%	5%			1%	90%
WA	7%	10%	5%	4%	70%				132%
Tas									na
NT	19%	23%	18%	11%	7%		20%		185%
ACT	57%	17%	18%	3%					na

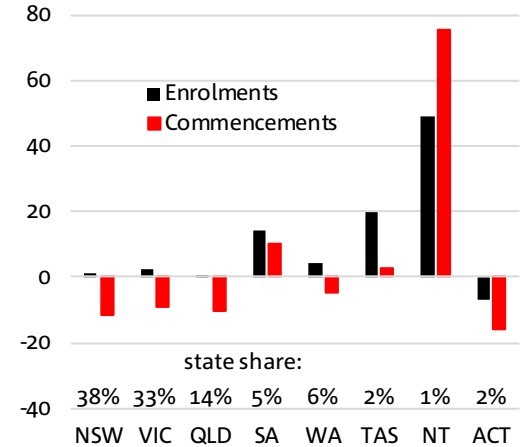
Travel (tourism) from state heavily restricted
Outwards travel discouraged as hard to return

*% of arrivals from interstate as % of trips to another state

** Details of restrictions vary across states – consult state websites before travelling; based on NAB assessment as at 13/8. Look across a row (destination of travel) to see impact on state

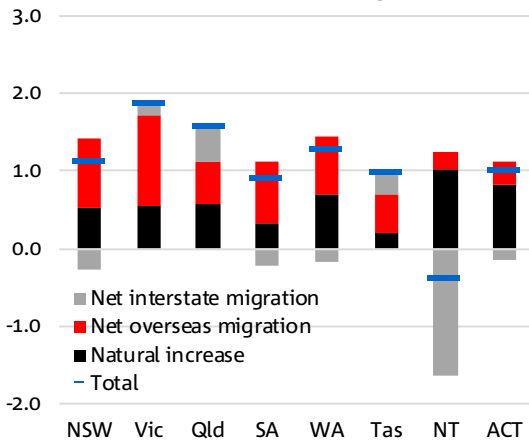
Overseas student enrolments holding up, but commencements (new students) down in major markets...also a lot of deferrals

Visitor nights, year to March 2020, % of total



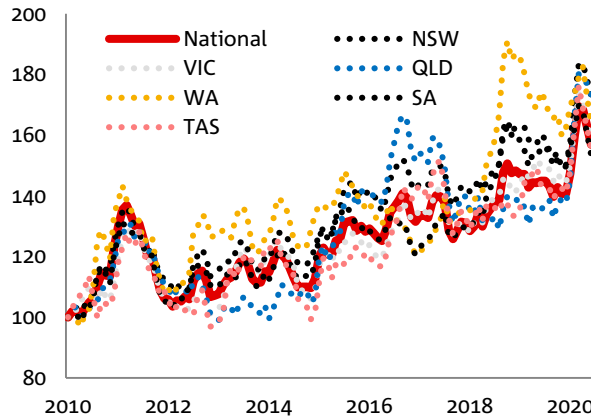
Travel restrictions will impact population growth given large net flows from overseas

Contribution to 2019 population growth (%)



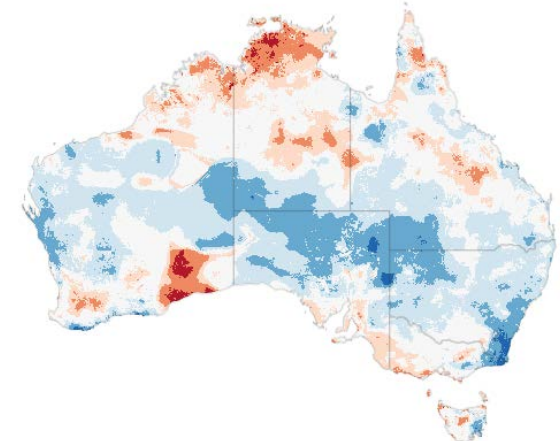
Rural commodity prices have come off in recent months but still relatively good

NAB rural commodities price index m/m % change



Root zone soil moisture generally good, but risks to WA and SA wheatbelts, western VIC

Root Zone soil moisture, 19 August relative to average



Group Economics

Alan Oster
Group Chief Economist
+61 3 8634 2927

Jacqui Brand
Personal Assistant
+61 3 8634 2181

Dean Pearson
Head of Behavioural & Industry
Economics
+(61 3) 8634 2331

John Sharma
Economist
+(61 3) 8634 4514

Australian Economics and Commodities

Gareth Spence
Senior Economist – Australia
+(61 4) 36 606 175

Phin Ziebell
Economist – Agribusiness
+(61 4) 75 940 662

Behavioural & Industry Economics

Robert De Iure
Senior Economist – Behavioural & Industry
Economics
+(61 3) 8634 4611

Brien McDonald
Senior Economist – Behavioural & Industry
Economics
+(61 3) 8634 3837

Steven Wu
Economist – Behavioural & Industry Economics
+(613) 9208 2929

International Economics

Tony Kelly
Senior Economist
+(61 3) 9208 5049

Gerard Burg
Senior Economist – International
+(61 3) 8634 2788

Global Markets Research

Ivan Colhoun
Global Head of Research
+61 2 9293 7168

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NAB ECONOMICS DATA INSIGHTS

IMPACTS OF CORONAVIRUS ON CONSUMPTION BASED SPENDING AND BUSINESS PAYMENT INFLOWS

NAB Group Economics

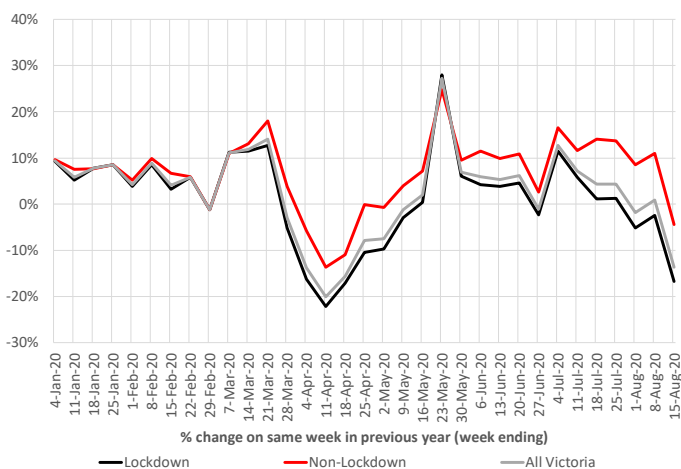
August 2020

During these extraordinary times, NAB has taken the decision to publish aggregated customer data categorised by industry segment with the view to helping provide clarity around which segments of the economy have been most affected by the broader macroeconomic trends at play. 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 data used in this report will not be sold or made publicly available, but insights from the data will be shared with the Australian people.

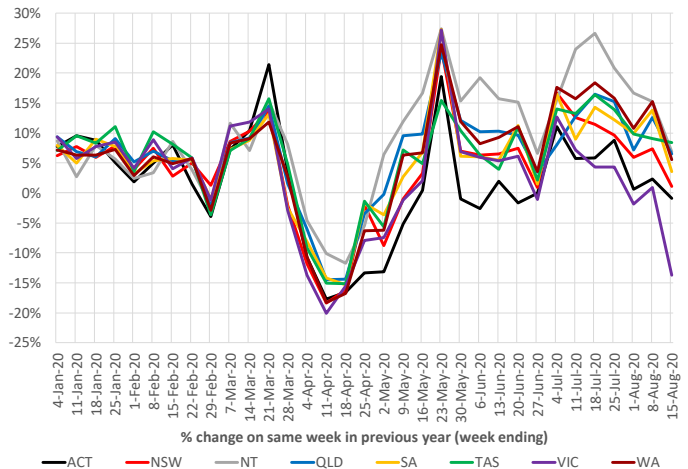
For the week ended August 15, NAB data shows a -1.5% year-on-year decline in overall consumption spending - the first fall in weekly spending since the week ending May 2. This was mainly driven by very sharp falls in VIC - particularly lockdown areas (down around 17%) - our data includes for the first time a full week of lockdown. Spending also slowed in other states, but was still positive (albeit barely in NSW, and TAS now out-performing). Across key industry sectors, we noted a significant slowdown in Retail spending relative to last week, with spending on Hospitality, Education and Health Care also much weaker and falling much faster than last week.

Total payment inflows into NAB merchants have also been hit hard. In 6-week moving average year-on-year terms, they fell -1.7% (3.0% last week), implying a very big hit in the latest week. Corporates (and small firms) were hit hardest, with inflows into corporates posting its biggest fall this year. Inflows into large and emerging firms were positive, but slowed relative to last week. By industry, the rate of decline into Mining continues to gather steam, with the rate of decline also accelerating in the under-performing Transport and Hospitality sectors.

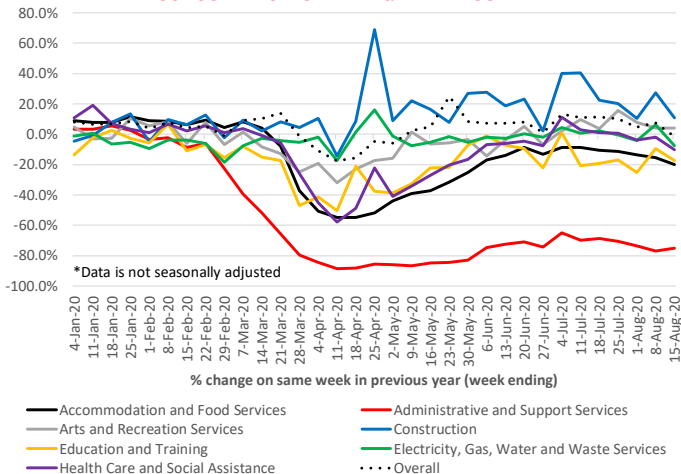
CONSUMPTION SPENDING: VICTORIA - LOCKDOWN AREAS



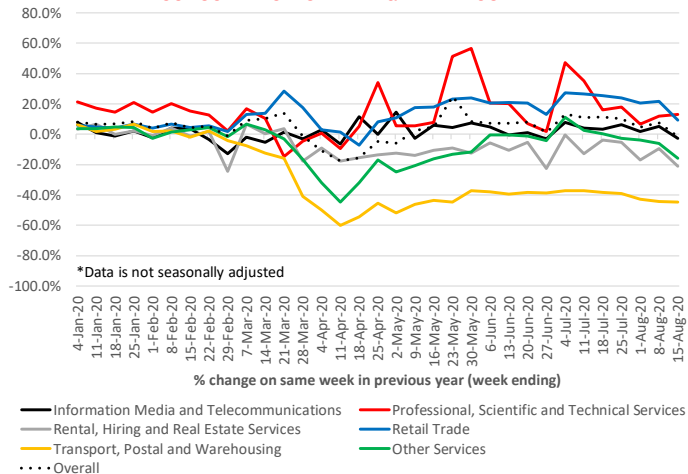
CONSUMPTION SPENDING BY STATE



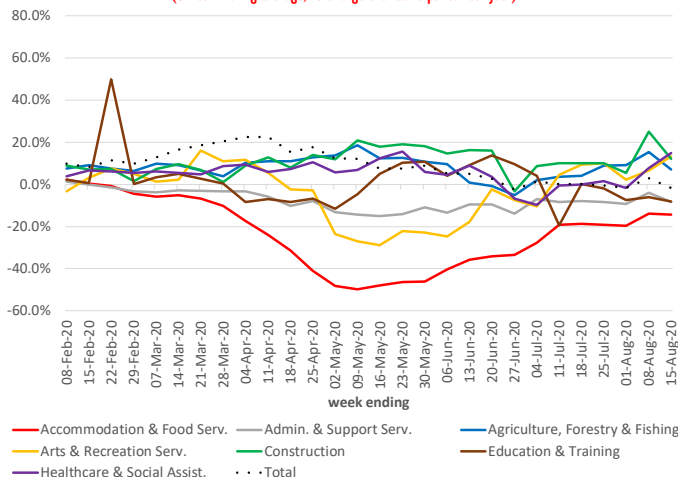
CONSUMPTION SPENDING: BY INDUSTRY



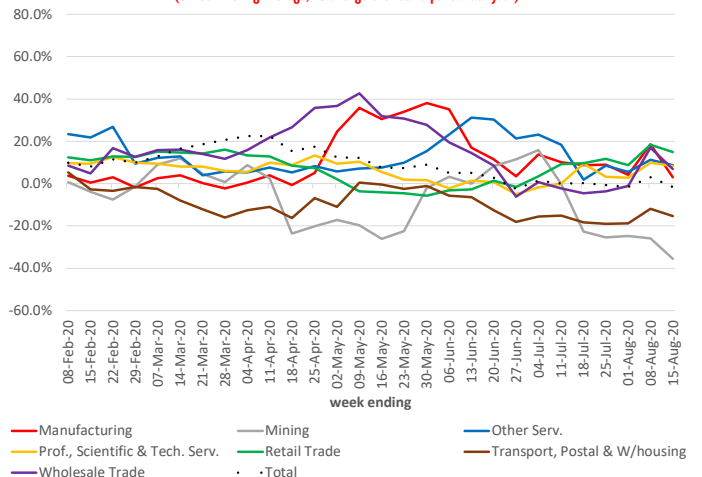
CONSUMPTION SPENDING: BY INDUSTRY



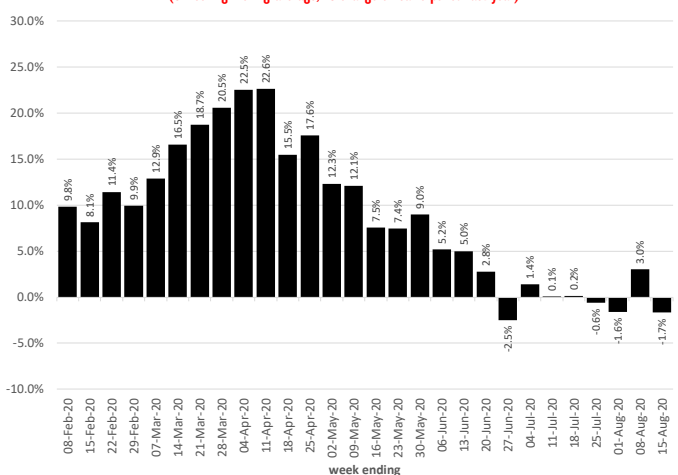
PAYMENT INFLOWS INTO NAB MERCHANTS
(6-week moving average, % change over same period last year)



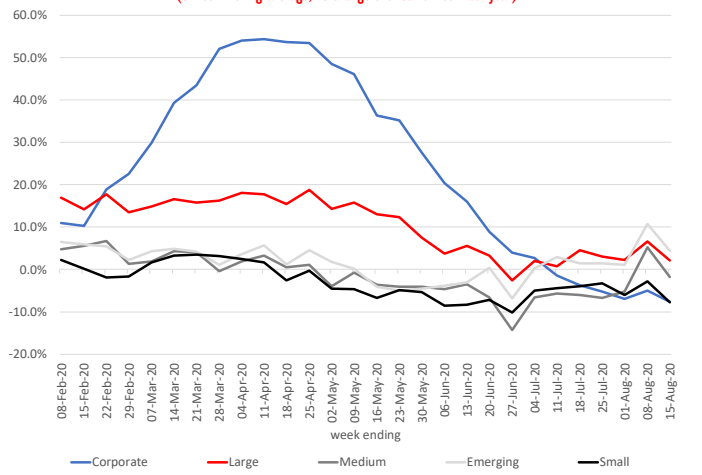
PAYMENT INFLOWS INTO NAB MERCHANTS
(6-week moving average, % change over same period last year)



PAYMENT INFLOWS INTO NAB MERCHANTS
(6-week moving average, % change over same period last year)



PAYMENT INFLOWS INTO NAB MERCHANTS - BY MERCHANT SIZE
(6-week moving average, % change over same week last year)



- NAB's latest Data Insights point to a -1.5% decline in consumption spending in the week ending August 15 (7.7% last week). This was the first weekly fall in spending growth since the week ending May 2.
- With a full week of lockdown data available, the impact on spending was significant in VIC. Overall, it fell -13.7%, led by a -16.7% fall in metropolitan lockdown areas, with non-lockdown areas also down (-4.4%). Spending growth eased quite substantially in most other states, with NSW edging closer to flat growth at 1.1% (7.4% last week). TAS was the exception, easing only mildly to 8.4% (9.1% last week) to lead the country.
- Spending growth slowed in most industries. It more than halved to 9.2% in Retail (21.8% last week), led down by Clothing and Fuel, and to just 10.8% on Construction (27.2% last week). Spending on Administration & Support Services (-75.0%) and Transport, Postal & Warehousing (-44.6%) remains very weak. And after showing promising signs in early-July, the rate of spend decline in Hospitality has accelerated in recent weeks to -20.0% now. Arts & Recreation however accelerated slightly to 4.1%, supported by a 65.5% rise in Gambling Activities.
- By industry sub-division, out-performers again included Gambling Activities (65.5%), Internet Publishing & Broadcasting (42.1%), and Publishing excluding Internet & Music (36.4%). Spending again fell most for Air & Space Transport (-90.2%), followed by Rail Transport (-80.3%) and Water Transport (-80.1%).
- Total payment inflows into NAB merchants were also hit hard. In 6-week moving average year-on-year terms, inflows fell -1.7% in the week ending August 15 (3.0% last week), implying a very big hit in the latest week.
- By business size, inflows fell most for small firms (-7.7%) and corporates (-7.6%). Inflows into corporates have now been falling since mid-July, with the latest result the biggest fall in 2020. Inflows into emerging (4.4%) and large (2.1%) firms are still positive, but the rate of growth has slowed substantially from last week (10.8% and 6.6% respectively).
- By industry, inflows into Mining is still weakest (-35.4%), followed by Transport, Postal & Warehousing (-18.7%) and Hospitality (-14.4%), with all 3 sectors reporting slower growth than in the last week. Inflows grew fastest in Retail at 15.0% (from 18.4% last week) and Health Care at 14.9% (7.8% in the previous week). Inflows into Construction firms halved to 12.1%, with Arts & Recreation doubling to 13.4% on the back of strong inflows into gambling.
- By sub-division, inflows increased most for firms in Gambling (49.2%), Heavy & Civil Engineering Construction (40.4%) and Private Households Employing Staff & Undifferentiated Goods & Services Producing Activities (35.5%). They fell most in Air & Space Transport (-58.3%), Coal Mining (-53.9%) and Metal Ore Mining (-43.9%) firms.

NAB CONSUMPTION-BASED SPENDING BY INDUSTRY SECTOR & SELECTED SUB-INDUSTRIES (year-on-year change on same week in previous year - week ending 15 August 2020)

	% change on same week in previous year**
Accommodation & Food Services	-20.0%
Administrative & Support Services (incl. Travel Agents)	-75.0%
Arts & Recreation Services	4.1%
Construction	10.8%
Education & Training	-17.4%
Electricity, Gas & Water & Waste Services	-7.5%
Healthcare & Social Assistance	-10.1%
Information, Media & Telecommunications	-2.7%
Other Services	-15.7%
Professional, Scientific & Technical Services	13.0%
Rental, Hiring & Real Estate Services	-20.9%
Retail Trade	9.2%
Transport, Postal & Warehousing	-44.6%
TOTAL	-1.5%
Best Performers (Sub-Division)	
- Gambling Activities	65.5%
- Internet Publishing & Broadcasting	42.1%
- Publishing (except Internet & Music Publishing)	36.4%
- Waste Collection, Treatment & Disposal Services	30.5%
- Computer System Design & Related Services	18.6%
- Construction Services	14.3%
- Other Store-Based Retailing	14.1%
- Food Retailing	12.9%
Worst Performers (Sub-Division)	
- Air & Space Transport	-90.2%
- Rail Transport	-80.3%
- Water Transport	-80.1%
- Motion Picture & Sound Recording Activities	-77.8%
- Administrative Services	-77.4%
- Creative & Performing Arts Activities	-73.0%
- Other Transport	-72.9%
- Building Construction	-53.1%

*This data excludes government services, taxes, direct to consumer manufacturers, mortgage and other credit facility repayments. Spending includes both online and offline transactions. Transaction data may include EFTPOS, Credit Card, BPAY, Bank Transfers, Direct Debits and PayPal services where available.

**Data is not seasonally adjusted.

PAYMENT INFLOWS INTO NAB MERCHANTS BY INDUSTRY SECTOR & SELECTED SUB INDUSTRIES (6-week moving avg, year-on-year chg on same period in previous year, 6-weeks ending 15 August 2020)

	6-weeks ending 15 August 2020
Accommodation & Food Services	-14.4%
Administration & Support Services	-8.5%
Agriculture, Forestry & Fishing	7.1%
Arts & Recreation Services	13.4%
Construction	12.1%
Education & Training	-8.2%
Healthcare & Social Assistance	14.9%
Manufacturing	3.1%
Mining	-35.4%
Other Services	8.8%
Professional, Scientific & Technical Services	8.3%
Retail Trade	15.0%
Transport, Postal & Warehousing	-15.3%
Wholesale Trade	7.0%
TOTAL	-1.7%
Business Size	
- Small	-7.7%
- Emerging	4.4%
- Medium	-1.8%
- Large	2.1%
- Corporate	-7.6%
Best Performers (Sub-Division)	
- Gambling Activities	49.2%
- Heavy & Civil Engineering Construction	40.4%
- Private Households Employing Staff & Undiff. Goods & Services	35.5%
- Textile, Leather, Clothing & Footwear Manufacturing	33.1%
- Medical & Other Health Care Services	27.0%
- Oil & Gas Extraction	25.6%
Worst Performers (Sub-Division)	
- Air & Space Transport	-58.3%
- Coal Mining	-53.9%
- Metal Ore Mining	-43.9%
- Non-Store Retail & Commission-Based Buying/Selling	-40.7%
- Forestry & Logging	-31.9%
- Heritage Activities	-31.4%
- Non-Metallic Mineral Mining & Quarrying	-29.0%
- Accommodation	-25.6%

* Payment Inflows are credits to a NAB merchant's account that is not a financing credit from NAB or a transfer from related accounts.

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
+613 8634 3837

Steven Wu

Associate Director - Economics
Steven.A.Wu@nab.com.au
+(613) 9208 2929

Dean Pearson

Head of Behavioural & Industry Economics
Dean.Pearson@nab.com.au
+613 8634 2331

Robert De lure

Associate Director - Economics
Robert.De.lure@nab.com.au
+613 8634 4611

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