



**14 OCTOBER 2024**

# **WESTPAC-DATAx CARD TRACKER**

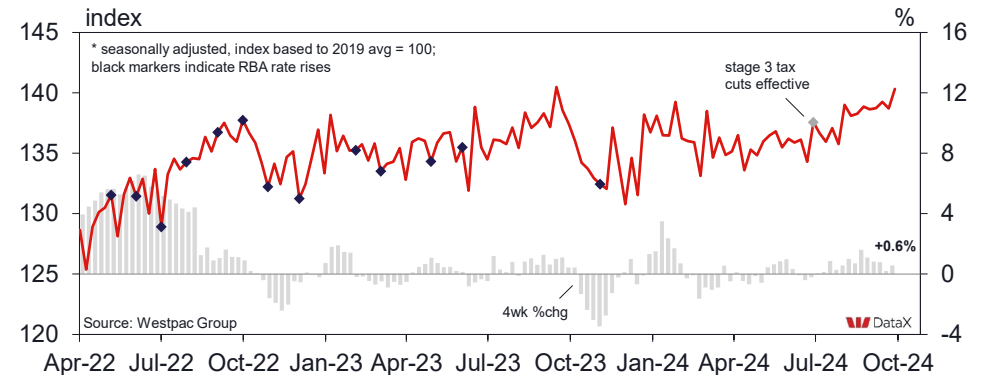
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# Card activity gains a little more traction

- The **Westpac Card Tracker Index\*** has gained a little more traction over the last two weeks, rising 1.1pts to 140.3 over the week ended October 5. This marks the second highest weekly read on records back to 2018 and brings the cumulative gain to just over 6pts since the ‘stage 3’ tax cuts came into effect at the start of July.
- Quarterly growth momentum is starting to look more established as well, the strong finish carrying the Q3 gain to +1.1%qtr and the latest quarterly pulse on a weekly basis running at +1.7%. The latest month-to-month growth pulse is also positive at +0.6%, albeit following what now looks to have been a bit of a flat patch in September.
- Note that the latest update includes a seasonal reanalysis of the weekly historical series, can possible once another full year of data becomes available. This has resulted in revisions to index levels and some small changes to previously published growth rates - for both headline and detailed components. See p6 for more details.
- The detail continues to show gains centred on discretionary services but with notable lifts starting to show through for essential services and discretionary goods in the last few weeks. By state, the pick up remains much more pronounced in NSW and Vic, the quarterly growth pace in these well above that of peers.
- The quickening in card activity balances what were some slight downside risks to consumer spending in Q3. Recall that Westpac expects real consumer spending to post a 0.6%qtr rise for Q3. While the price component remains very uncertain, the 1.1%qtr gain in nominal card activity suggests this may be a touch firmer. Note that this would still be a small boost given the size of the stimulus rolled out, about in line with observed averages during tax cuts.

**“... quickening in card activity balances some slight downside risks consumer spending in Q3.”**

## 1. Westpac Card Tracker Index\*



\* see p9 or more details on the index construction.

The **Westpac Card Tracker** presents indicators based on the millions of credit and debit card transactions processed by Westpac every day. The measures are a timely guide to shifts in spending. See p9 for a detailed explanation.

This report is produced by Westpac Economics.  
**Matthew Hassan**, Head of Australian Macro-Forecasting  
 Email: [economics@westpac.com.au](mailto:economics@westpac.com.au)  
 This issue was finalised on 15 October 2024.

**If you would like more insights into your sector or your own business from this and other Westpac data please visit Westpac DataX or contact [datax@westpac.com.au](mailto:datax@westpac.com.au).**

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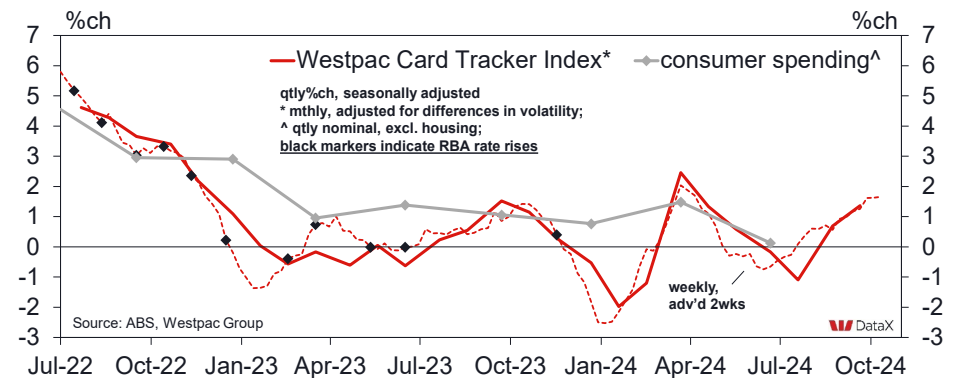
# Momentum lifts

- Chart 2 shows the **Westpac Card Tracker's** quarterly growth pace alongside nominal spending growth from the national accounts.
- Momentum has continued to improve in recent weeks, finishing Q3 at +1.1%qtr and running at 1.7% for the latest week. That compares favourably to the weak -0.3%qtr recorded in Q2 but is similar to the 1.2%qtr in Q1. Note that card activity has tended to be a little more volatile than consumer spending, likely reflecting differences in coverage, and in some cases between when consumption occurs and payment occurs (especially for travel and tourism spend).
- Other monthly indicators are not capturing this lift in momentum but only have data up to August. The ABS household spending indicator was flat in the month with July also revised down from +0.8% to -0.5%, activity contracting slightly, by -0.1% on a 3mth avg basis. The ABS business turnover measure also showed a weak result for consumer-related sectors, turnover down in July and August, and dipping -0.1% on a 3mth avg basis.
- September updates for both of these indicators are due in early November. Whether they provide corroborating evidence of a momentum shift will be of great interest.

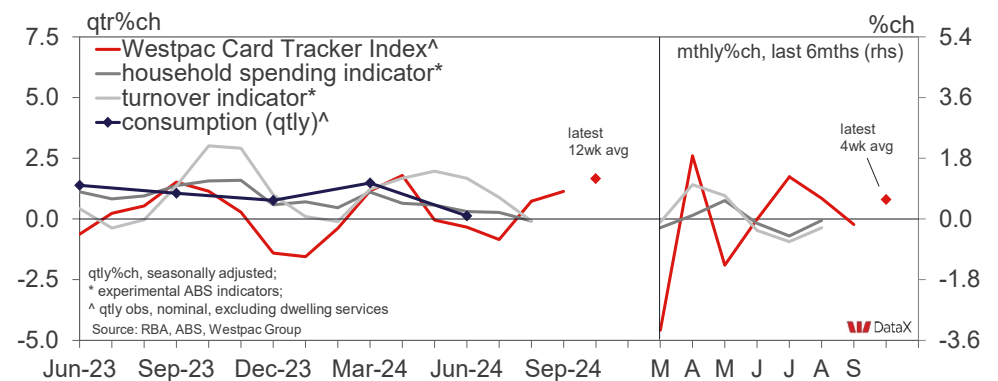
qtrly%ch	Q1	Q2	Q3	latest
<b>Westpac Card Tracker*</b>	<b>1.2</b>	<b>-0.3</b>	<b>1.1</b>	<b>1.7</b>
<b>Other indicators (nominal)</b>				
Household spending*	1.1	0.3	n.a.	-0.1
Turnover*	1.2	1.7	n.a.	-0.1
<b>Consumer spending (qtrly)#</b>				
Nominal	1.5	0.1	n.a.	n.a.
Real	0.7	-0.3	n.a.	n.a.

All series are seasonally adjusted, latest is latest weekly obs (12wks %ch on previous 12wks) or latest monthly obs (3mths %ch on previous 3mths). See p9 for more details.  
 \*ABS experimental measures. Household spending indicator based on bank transaction data (seasonally adjusted by Westpac). Turnover based on BAS returns for consumer-sector businesses;  
 #Consumer spending excludes housing costs.  
 Sources: ABS, Westpac Group

## 2. Card activity and spending: growth momentum



## 3. Consumer spending: selected indicators



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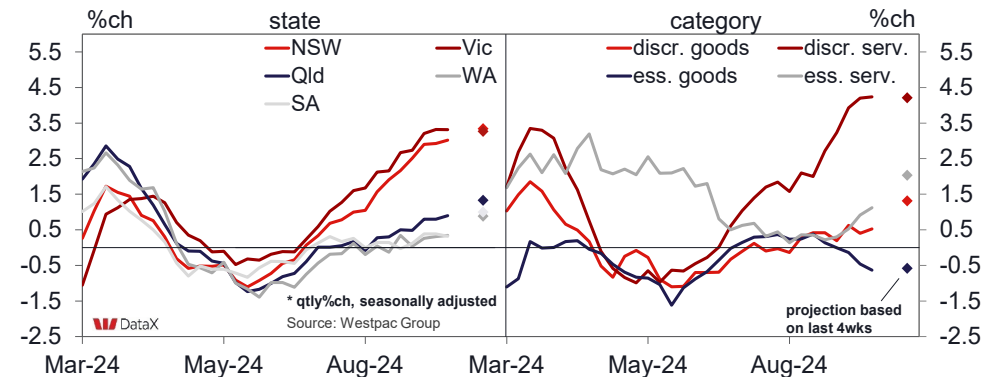
# Discretionary segments showing a clearer pick-up

- Chart 4 shows quarterly growth momentum for card activity across the major states and categories.
- The pick-up since mid-year continues to be much more pronounced in NSW and Vic, a pattern that has been accentuated by seasonal reanalysis of historical estimates.
- Quarterly growth is running at over 3% in NSW and Vic, which account for virtually all of the pick up since July. That compares with 0.9% in Qld and 0.3% in both WA and SA.
- The category split also shows a wide variations, quarterly growth ranging from a relatively strong 4.2% for discretionary services, to 1.1% for essential services, 0.5% for discretionary goods and -0.6% for essential goods (weakness here mostly reflecting lower fuel prices).
- Most of the ten discretionary sub-categories we identified in our last report as showing the clearest improvement have continued to see a lift. The latest week is hinting at a notable acceleration for vehicle-related, clothing & department stores, and electrical appliances. The main exception is around travel-related activity which appears to be moderating from the very strong growth seen in Q3.

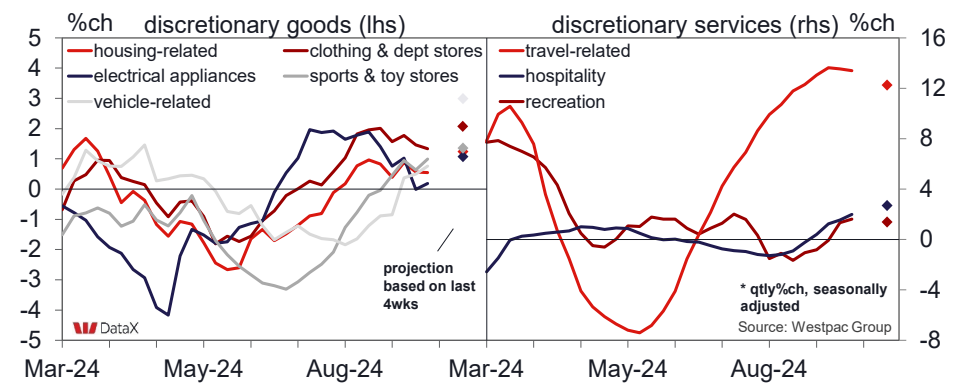
	Jul	Aug	Sep	5/10
<b>Westpac Card Tracker</b>	<b>137.0</b>	<b>137.9</b>	<b>137.6</b>	<b>140.3</b>
<b>By category</b>				
- discretionary	136.9	137.6	138.2	141.2
- essential	134.5	135.3	134.2	136.3
<b>By state</b>				
- NSW	130.8	131.5	131.5	135.0
- Vic	133.2	134.1	132.9	138.0
- Qld	147.9	148.8	148.9	149.4
- WA	146.8	147.5	148.5	146.1
- SA	144.0	145.0	145.1	147.0

All indexes based on the value of spending-related transactions, seasonally adjusted, 2019 avg=100, see p9 for more details including classifications. Sources: ABS, Westpac Group

## 4. Card activity: states and major categories



## 5. Card activity, discretionary: selected detailed categories



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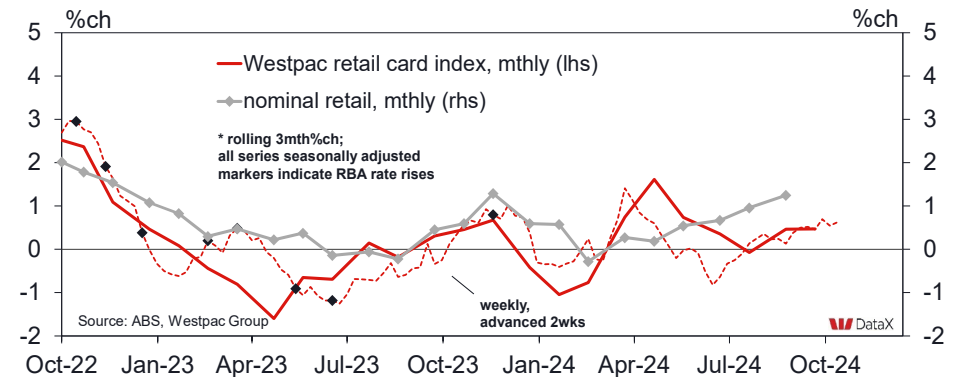
# Retail showing a more muted and mixed lift

- Our 'retail' measures covers a narrower subset of card activity that aligns more closely to the ABS retail survey.
- Retail card activity continues to see a more muted pick-up than wider card activity, the quarterly growth pulse lifting slightly in recent weeks but still tracking just 0.6%qtr.
- The detail shows a continued lift in hospitality retail, tracking 1.7%qtr and steady non-food retail running at 0.5%qtr partially offset by a 0.3%qtr decline in the large basic food retail segment. The higher frequency data suggests the latter has stabilised while other segments may be lifting.
- Official ABS estimates showed a surprise rebound in retail sales in August, up 0.7%*mth* from a 0.1%*mth* gain in July. Annual sales growth lifted to 3.1%*yr*, the strongest pace since May 2023. (see [here](#) for more)
- Gains were seen in most industries, the ABS citing 'warmer-than-usual' August weather as a boost to sales in the month. That said, the fiscal boost from tax cuts and other support measures would also have had a hand in the result.
- The Sep retail report, which will include estimates of Q3 real retail sales (i.e. adjusted for inflation) will be released on October 31.

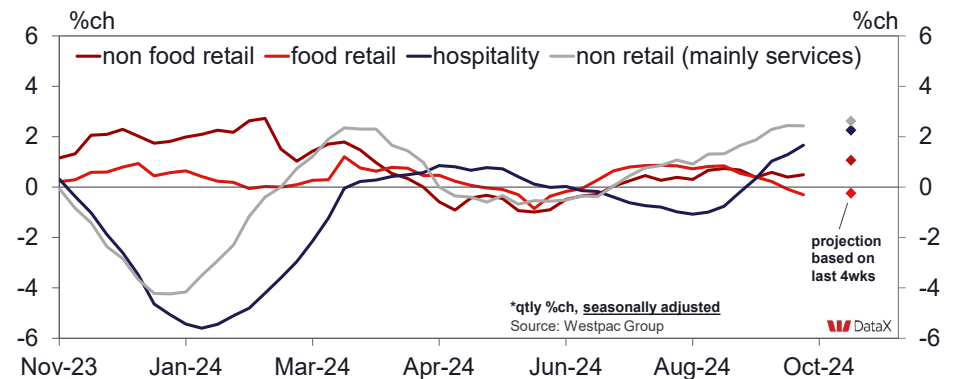
	Jul	Aug	Sep	5/10
<b>By retail/non retail</b>				
<b>Retail card index</b>	142.4	142.7	142.8	143.8
- qtly%ch	-0.1	0.5	0.5	0.6
- qtly, ann%ch	0.9	1.1	1.2	1.1
<b>Non-retail card index</b>	131.1	132.4	131.9	137.3
ABS retail sales				
- %ch	0.1	0.7	n.a.	n.a.
- ann%ch	2.4	3.1	n.a.	n.a.
- qtly%ch	0.9	1.2	n.a.	n.a.
- qtly ann%ch	2.3	2.8	n.a.	n.a.

All indexes based on the value of spending-related transactions, seasonally adjusted. 2019 avg=100, see p9 for more details. Sources: ABS, Westpac Group

## 6. Card activity: retail



## 7. Card activity: broad retail and non-retail groups



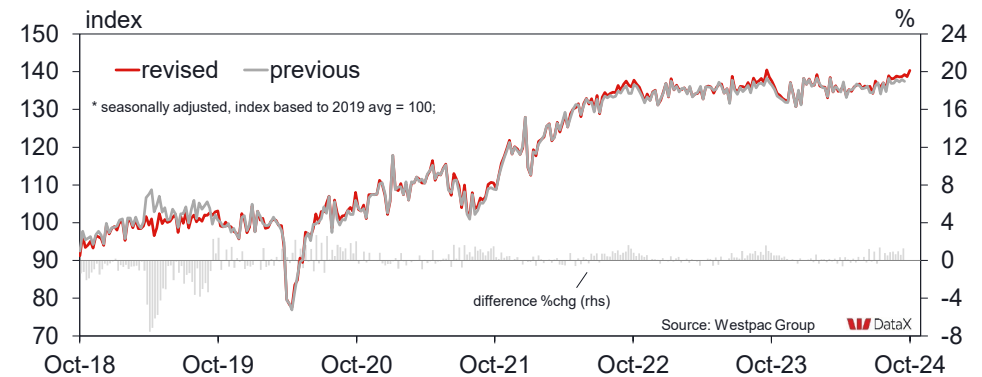
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# Seasonal reanalysis

- The relatively short history of the Westpac card data and the large disruptions that occurred during COVID pose significant challenges when it comes to generating estimates of activity that have regular seasonal variations removed. With another full-year of weekly data now available, our latest update incorporates a seasonal reanalysis that refines existing estimates. This has resulted in revisions to index levels and small changes to movements.
- Chart 8 shows the full history of the card tracker in revised and previously published terms (noting that the latter is also adjusted for a level shift in the average index read historically).
- The most useful aspect of adding another full year of weekly data is that these are clear of COVID-related disruptions and so provide a much cleaner read on seasonality. We are essentially moving from COVID affecting two-out-of-five to two-out-of-six of the annual observations being used to estimate seasonality. That in turn explains the pattern of the main changes.
- The two parts of the year that have seen the biggest revisions are around March-April and August-September-October – the periods most heavily impacted by COVID lockdowns. In particular, previous seasonal estimates of the August-September-October period look to have been overly influenced by the fact that Melbourne’s ‘second wave’ lockdown and the ‘delta’ lockdowns in 2021 occurred at broadly the same time of year. Our revised figures have boosted index reads by 0.9ppts on average through these periods over the last three years. Note that in growth rate terms, the main effect is a boost to August and a reversal as this unwinds over October-November.
- Chart 9 shows how revisions have impacted major categories. The upward revisions to August-September-October are heaviest for discretionary services, and to a lesser extent discretionary goods, again confirming the notion that the changes are correcting ‘echoes’ of COVID lockdowns.
- The full series of historical weekly estimates are available on request.

## 8. Westpac Card Tracker: full history



## 9. Card activity revisions: major category by months

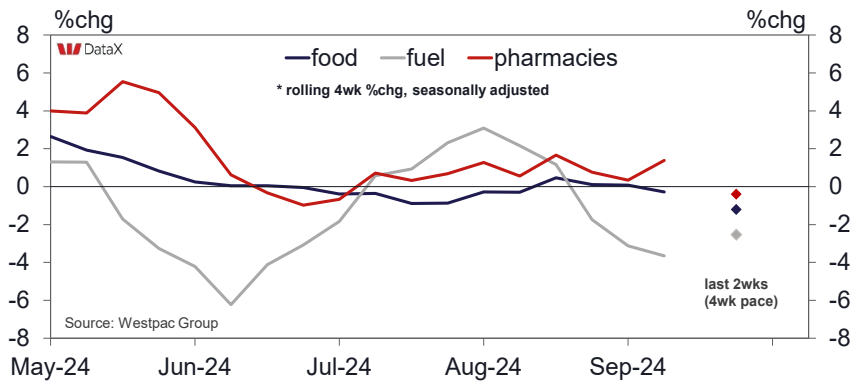
	avg change, full history	avg additional change 2022-2024*					
		Jan	Feb	Mar	Apr	May	Jun
<b>total</b>	<b>1.8</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.6</b>
– discretionary goods	2.3	0.1	0.3	0.2	0.5	0.8	1.1
– discretionary services	1.9	0.8	0.7	-0.1	-0.5	-0.4	0.4
– essential goods	1.7	0.3	0.1	0.8	0.9	0.5	0.6
– essential services	0.1	-0.5	-0.3	-0.4	0.1	-0.4	0.4
		Jul	Aug	Sep	Oct	Nov	Dec
<b>total</b>	<b>1.8</b>	<b>0.8</b>	<b>1.3</b>	<b>1.6</b>	<b>1.1</b>	<b>0.6</b>	<b>0.3</b>
– discretionary goods	2.3	1.1	1.5	1.5	0.9	0.7	0.4
– discretionary services	1.9	0.8	1.7	2.5	2.3	1.3	0.7
– essential goods	1.7	0.7	0.9	1.0	0.8	0.0	0.0
– essential services	0.1	0.8	0.7	0.6	-0.9	-0.8	-0.7

\* only 2022-2023 for Oct-Dec obs

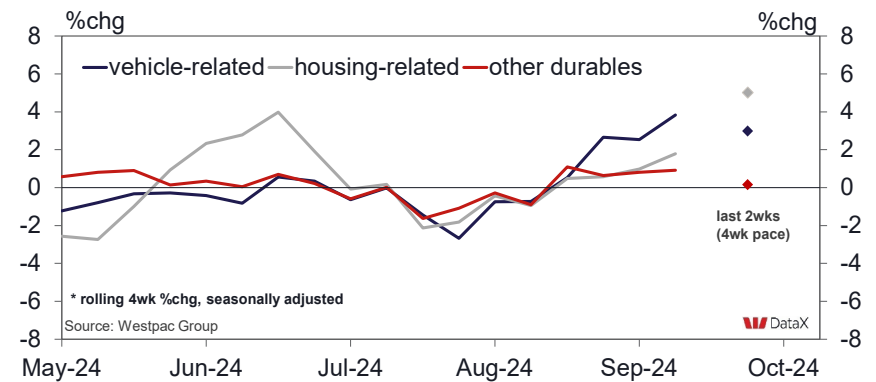
Source: Westpac Group

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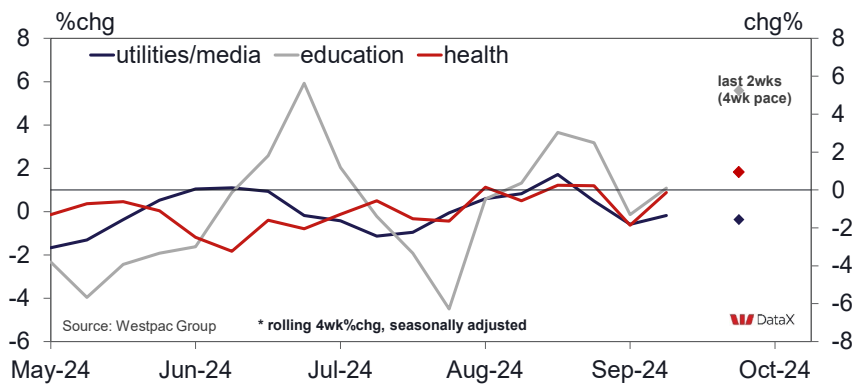
### 8. Card activity: essential goods



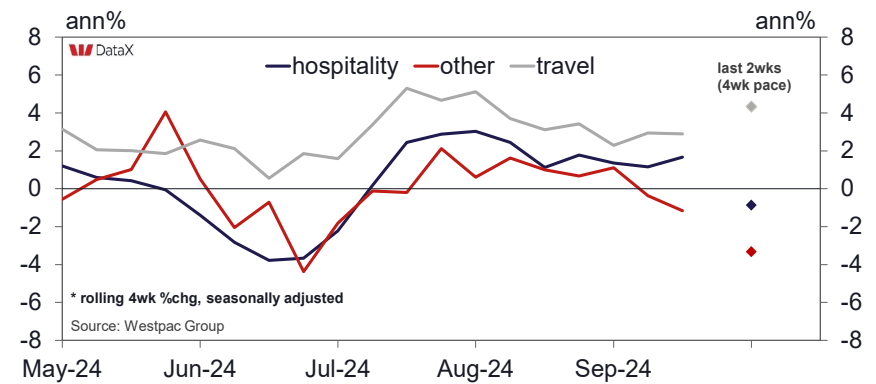
### 9. Card activity: discretionary goods



### 10. Card activity: essential services

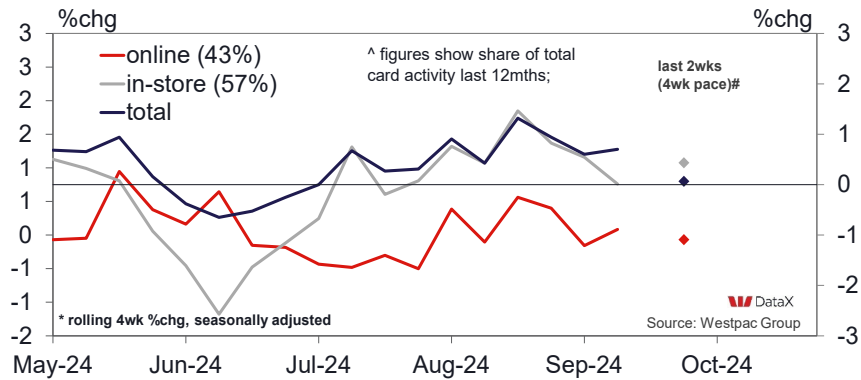


### 11. Card activity: discretionary services

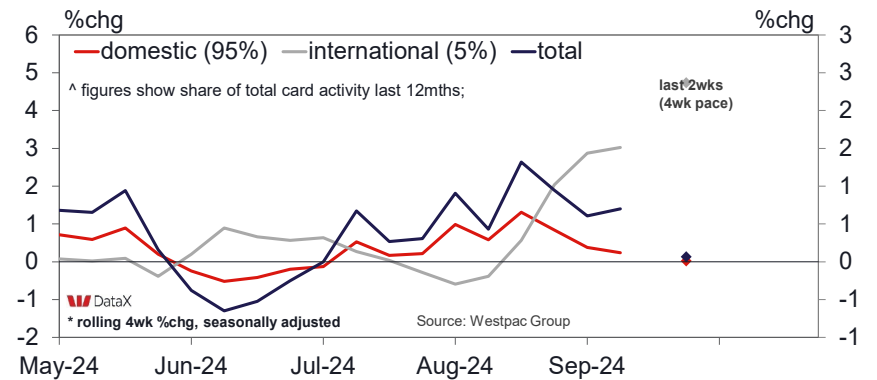


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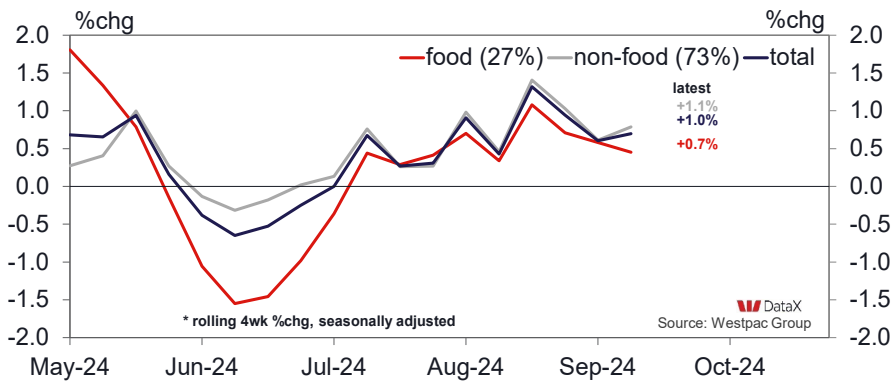
### 12. Card activity: essential goods



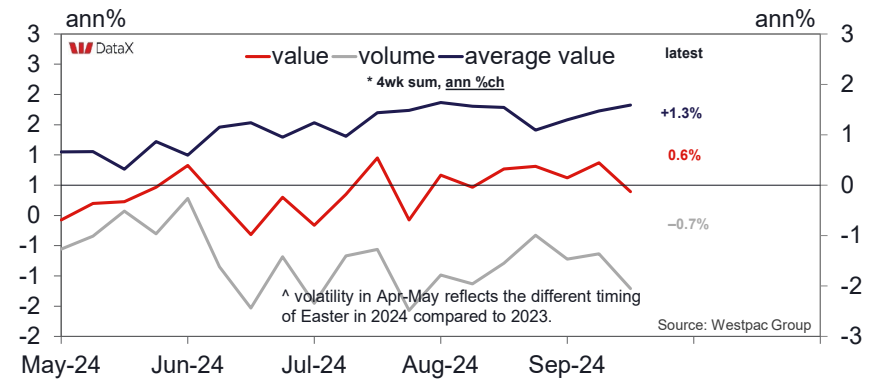
### 13. Card activity: discretionary goods



### 14. Card activity: essential services



### 15. Card activity: discretionary services



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	2022	2023	2024				week ending:								
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Jul	Aug	Sep	14/9	21/9	28/9	5/10
<b>Westpac Card Tracker Index</b>	<b>135.8</b>	<b>135.6</b>	<b>134.7</b>	<b>136.8</b>	<b>134.9</b>	<b>136.4</b>	<b>136.0</b>	<b>137.5</b>	<b>137.0</b>	<b>137.9</b>	<b>137.6</b>	<b>138.7</b>	<b>139.3</b>	<b>138.7</b>	<b>140.3</b>
qtly%ch	1.1	-0.2	-0.6	1.5	-1.4	1.2	-0.3	1.1	-0.8	0.7	1.1	1.3	1.6	1.6	1.7
qtly, ann%ch	14.0	10.6	4.0	1.8	-0.7	0.6	0.9	0.5	0.5	0.6	0.5	0.6	0.6	0.4	0.6
<b>By category</b>															
- discretionary	137.4	136.0	135.0	137.3	134.7	135.6	134.9	137.6	136.9	137.6	138.2	139.5	140.1	139.4	141.2
- essential	132.1	132.5	132.2	133.5	132.9	135.3	135.6	134.7	134.5	135.3	134.2	134.5	135.2	134.9	136.3
services	128.0	130.2	132.7	134.7	129.1	132.6	131.8	135.7	137.5	133.7	136.0	137.5	138.9	138.2	139.8
- discretionary services	131.1	131.1	132.9	136.6	129.5	132.3	131.4	135.5	134.6	136.0	135.9	138.4	139.0	138.4	139.6
- essential services	123.7	125.8	127.3	129.9	129.1	131.6	134.9	134.7	134.2	135.3	134.7	134.6	138.4	137.6	140.5
goods	139.7	138.0	137.1	137.2	137.1	137.8	138.3	137.9	138.0	137.9	137.9	138.0	137.9	137.5	139.1
- discretionary goods	142.4	139.9	139.1	138.6	138.7	138.5	140.1	140.5	140.5	140.1	141.0	140.7	141.4	140.6	143.1
- essential goods	136.7	135.1	134.9	135.2	135.2	136.8	136.2	134.5	134.3	135.2	133.9	134.5	133.6	133.6	134.2
retail*	142.7	141.5	140.6	141.0	140.4	141.5	142.0	142.6	142.4	142.7	142.8	143.1	143.1	142.9	143.8
qtly%ch	0.5	-0.8	-0.7	0.3	-0.4	0.7	0.4	0.5	-0.1	0.5	0.5	0.5	0.7	0.5	0.6
qtly, ann%ch	9.0	6.2	2.0	-0.7	-1.6	-0.1	1.0	1.2	0.9	1.1	1.2	1.3	1.4	1.1	1.1
<b>By state</b>															
- NSW	132.5	131.0	129.6	130.3	129.4	131.7	130.3	131.3	130.8	131.5	131.5	134.3	134.1	132.3	135.0
- Vic	136.0	135.3	133.9	135.2	132.9	134.0	132.8	133.4	133.2	134.1	132.9	136.1	137.3	138.2	138.0
- Qld	143.7	144.3	144.6	146.0	145.3	147.2	147.5	148.5	147.9	148.8	148.9	147.8	148.5	146.7	149.4
- WA	140.5	141.7	141.7	142.9	144.6	146.2	146.3	147.6	146.8	147.5	148.5	144.6	146.7	146.6	146.1
- SA	142.5	142.1	141.3	142.9	143.7	144.0	144.6	144.7	144.0	145.0	145.1	144.1	144.6	142.7	147.0

All indexes based on the value of spending-related transactions, seasonally adjusted by Westpac, 2019 avg=100. See p9 for more details.

\*composite based on transactions in retail categories; seasonal adjustment and rounding may result in small revisions to previously published estimates.

Sources: ABS, Westpac Group



# About the Westpac card data indicators

The indicators presented in this report are based on the millions of credit and debit card transactions processed by Westpac every day. Transactions covering over ten million merchants are classified into over 700 categories. These are in turn grouped into higher level aggregates that provide a timely guide to wider economic trends.

The main focus of these indicators is consumer spending. Where possible, we have sought to exclude 'non spending' transactions such as: money transfers; tax payments; loan repayments; charitable donations; and superannuation contributions.

It should also be noted that these indicators will also be affected by shifts between card and non card transactions. This may be a significant factor during the COVID-19 pandemic – health concerns about the use of physical cash are likely seeing higher use of cards, particularly where contact-less transactions are available. Transaction flows also include reversals/refunds which have been a significant phenomenon in areas such as travel.

All transaction data is compiled at a highly aggregated level so that individual customer or merchant data is never revealed.

## Index construction

The key metrics used in this report are indexes of spending-related card activity where the base of 100 is average activity in 2019. As an example, if transaction flows are 5% above their average level in 2019, the index read for the period is 105. If flows in a subsequent period are 8% above the average level in 2019, the index read for this period is 108. Growth between the two periods can be calculated simply as the change between the two index reads, i.e. 2.9%.

All measures are adjusted for regular seasonality. Weekly estimates are generated using the US Bureau of Labor's MoveReg weekly seasonal adjustment program. Note that in some cases, high levels of volatility during the COVID period mean it is not possible to produce seasonally adjusted estimates for some historical periods.

Also, note that previous versions of this report used different approaches to seasonal adjustment and measurement more generally. This means Index reads will not be comparable. See the 'About the Westpac card data indicators' sections from earlier reports to view detail.

## Classifications

Note that the measures and classifications used for card data and this report do not align completely with those used in official ABS statistics on retail sales and consumer spending. There are a range of differences including around both coverage and classification. As such, the card data should be treated as broadly indicative.

The transaction data is grouped into 29 categories that are then combined into four main as follows:

**Discretionary goods:** durable goods, clothing and vehicle-related.

**Discretionary services:** recreation, gambling, professional services, hotels, restaurants and cafes, airlines, car rental, travel agencies and transport.

**Essential goods:** food, fuel and pharmacies.

**Essential services:** utilities, education and healthcare.

The report also uses two additional classifications:

**Retail/non retail:** based on the extent to which categories cover sales that are in scope for the ABS retail survey.

**COVID group:** based on a classification Westpac developed to assess the impact of the Coronavirus (see here for more). 'Most exposed' is travel, tourism, hospitality and recreational services; 'big ticket' is vehicles and major household items; 'stock-piling' is food, pharmaceuticals and healthcare; 'residual' is all other categories combined.



# Corporate directory

## Westpac Economics / Australia

### Sydney

Level 19, 275 Kent Street  
Sydney NSW 2000  
Australia

E: [economics@westpac.com.au](mailto:economics@westpac.com.au)

### Luci Ellis

Chief Economist Westpac Group  
E: [luci.ellis@westpac.com.au](mailto:luci.ellis@westpac.com.au)

### Matthew Hassan

Head of Australian Macro-Forecasting  
E: [mhassan@westpac.com.au](mailto:mhassan@westpac.com.au)

### Elliot Clarke

Head of International Economics  
E: [eclarke@westpac.com.au](mailto:eclarke@westpac.com.au)

### Justin Smirk

Senior Economist  
E: [jsmirk@westpac.com.au](mailto:jsmirk@westpac.com.au)

### Pat Bustamante

Senior Economist  
E: [pat.bustamante@westpac.com.au](mailto:pat.bustamante@westpac.com.au)

### Mantas Vanagas

Senior Economist  
E: [mantas.vanagas@westpac.com.au](mailto:mantas.vanagas@westpac.com.au)

### Ryan Wells

Economist  
E: [ryan.wells@westpac.com.au](mailto:ryan.wells@westpac.com.au)

### Illiana Jain

Economist  
E: [illiana.jain@westpac.com.au](mailto:illiana.jain@westpac.com.au)

### Jameson Coombs

Economist  
E: [jameson.coombs@westpac.com.au](mailto:jameson.coombs@westpac.com.au)

### Neha Sharma

Economist  
E: [neha.sharma1@westpac.com.au](mailto:neha.sharma1@westpac.com.au)

## Westpac Economics / Fiji

### Suva

1 Thomson Street  
Suva, Fiji

### Shamal Chand

Senior Economist  
E: [shamal.chand@westpac.com.au](mailto:shamal.chand@westpac.com.au)

## Westpac Economics / New Zealand

### Auckland

Takutai on the Square  
Level 8, 16 Takutai Square  
Auckland, New Zealand

E: [economics@westpac.co.nz](mailto:economics@westpac.co.nz)

### Kelly Eckhold

Chief Economist NZ  
E: [kelly.eckhold@westpac.co.nz](mailto:kelly.eckhold@westpac.co.nz)

### Michael Gordon

Senior Economist  
E: [michael.gordon@westpac.co.nz](mailto:michael.gordon@westpac.co.nz)

### Darren Gibbs

Senior Economist  
E: [darren.gibbs@westpac.co.nz](mailto:darren.gibbs@westpac.co.nz)

### Satish Ranchhod

Senior Economist  
E: [satish.ranchhod@westpac.co.nz](mailto:satish.ranchhod@westpac.co.nz)

### Paul Clark

Industry Economist  
E: [paul.clark@westpac.co.nz](mailto:paul.clark@westpac.co.nz)

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