



**28 JANUARY 2025**

# **WESTPAC-DATAX CARD TRACKER**

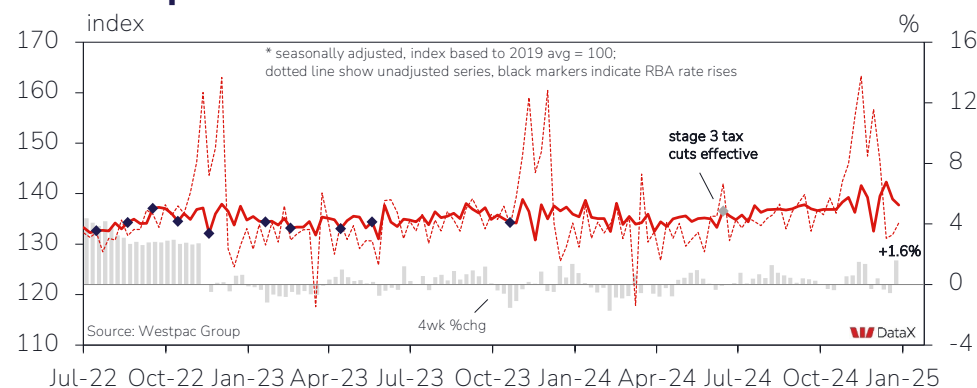
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# Card activity drifts through summer doldrums

- The **Westpac Card Tracker Index\*** has come off a volatile Christmas-New Year period, retracing 4.5pts over the last two weeks to 137.8. The latest Index read is now slightly below the Dec month average (noting that all figures are adjusted for regular seasonal fluctuations). Underlying momentum has remained steady but unspectacular through the summer 'doldrums'.
- Quarterly measures show growth tracking around 0.9%qtr, in line with the improved pace seen through the second half of last year but not overly strong. The latest monthly pulse is a little more positive but less reliable due to high volatility around the turn of the year. In non seasonally adjusted terms, card activity over the two weeks to Jan 18 – the January low – is just 0.9% higher than in the same period last year.
- Note that revisions to seasonal adjustment have marked up the estimated pace since Nov, removing most of what had previously been a more pronounced softening.
- The detail continues to show more robust gains in discretionary goods categories. Retail segments have also outperformed. Services tracked a slower growth path.
- By state, the growth pulse is much firmer in Qld, SA and WA, tracking in the 1.4-1.8%qtr range. NSW is tracking in line with the pace nationally while Vic's momentum is more sluggish, hovering in the 0-0.5%qtr range.
- Our latest **Westpac Consumer Panel** paints a similar picture for the last quarter of 2024. Customer flows show a clear tax cut boost to incomes has seen a relatively modest lift in spending, our estimates suggesting consumers have so far saved around 75¢ of every dollar of tax relief (see [here](#) for more details).
- Overall, the data suggest tax cuts have generated some traction with consumer demand but that the pace of spending growth is still not strong. Interest rate cuts should provide more support over the course of 2025 but with sentiment making a shaky start to the year (see [here](#)) it may continue to be a slow road to recovery for the Australian consumer.

**... card activity over the two weeks to Jan 18 – the January low – is just 0.9% higher than in the same period last year.**

## 1. Westpac Card Tracker Index\*



\* see p10 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 p10 for a detailed explanation.

This report is produced by Westpac Economics.

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This issue was finalised on 28 January 2025.

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# Steady gains continue

- At 0.9%qtr, the quarterly growth pulse remains positive but not strong, in line with the pace recorded in the Sep and Dec quarters. This is still a clear lift on the previous six quarters. Note that a seasonal adjustment review has led to changes that have lifted the growth pulse since Nov slightly (see p6 for more details).
- Chart 3 compares growth in the **Westpac Card Tracker** with the ABS monthly household spending indicator (MHSI) and consumer-related sectors covered in the ABS monthly business turnover indicator (MBTI). As at Nov, the ABS measures show gains of 0.8%qtr and -0.1%qtr respectively. This compares to 0.8%qtr for the **Westpac Card Tracker** as at Nov.
- The Dec updates for the MHSI and MBTI are due on Feb 4 and Feb 10 respectively.
- Note that changes to the ABS MHSI implemented in June last year mean this measure is not as directly comparable to the Westpac data as it used to be. The redesigned ABS measure has been expanded to include supermarket transactions and vehicle sales data as well as card activity. It is also adjusted to allow for under-coverage of the population and for cash purchases. Additionally, the MHSI is 'benchmarked' to annual estimates from the national accounts, meaning it will likely be subject to significant revisions each year (see [here](#) for more details).

qtrly%ch	Q2	Q3	Q4	latest
<b>Westpac Card Tracker</b>	<b>-0.4</b>	<b>1.0</b>	<b>0.4</b>	<b>0.9</b>
<b>Other indicators (nominal)</b>				
ABS monthly household spending indicator*	0.2	0.4	n.a.	0.8
ABS monthly business turnover indicator^	1.5	-1.0	n.a.	-0.1
<b>Consumer spending (qtrly)#</b>				
Nominal	0.2	0.2	n.a.	n.a.
Real	-0.5	-0.1	n.a.	n.a.

All series seasonally adjusted. Latest is either the latest weekly obs (12wks %ch on previous 12wks) or latest monthly obs (3mths %ch on previous 3mths). See p10 for more details.

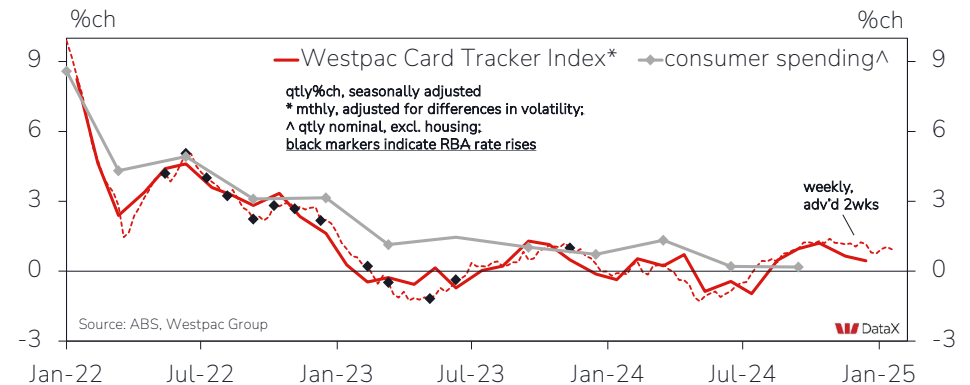
\* ABS monthly household spending indicator based on card transaction, supermarket transaction and new vehicle sales data.

^ ABS monthly business turnover indicator based on BAS returns - figures show weighted estimate for consumer-sector businesses only.

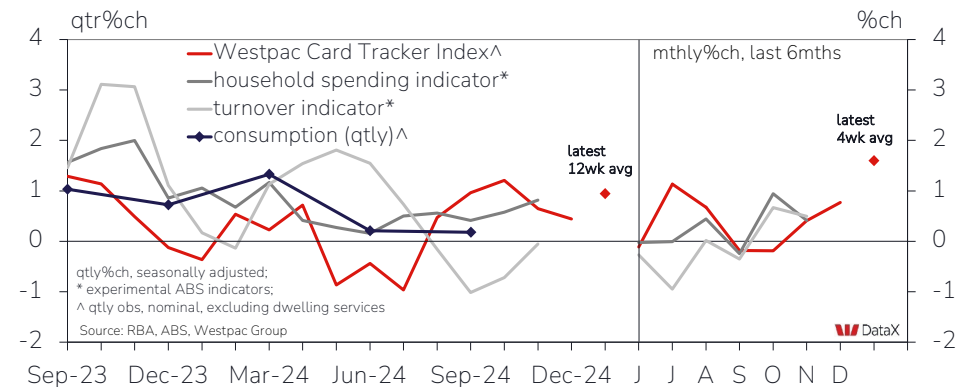
# Consumer spending excludes housing costs.

Sources: ABS, Westpac Group

## 2. Card activity and spending: growth momentum



## 3. Consumer spending: selected indicators



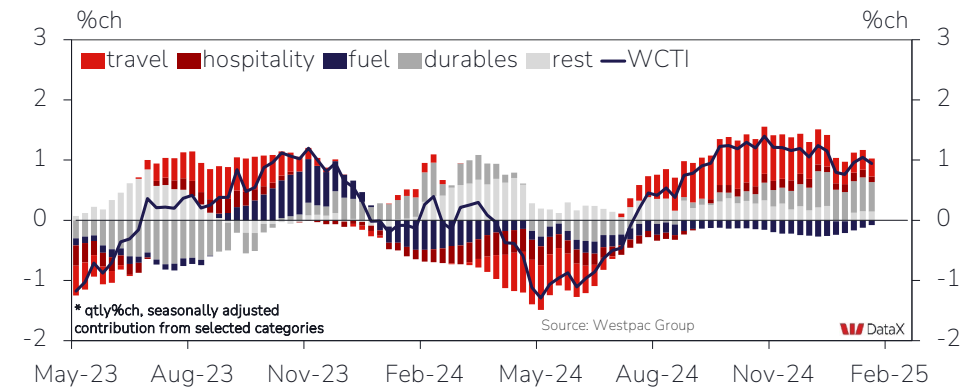
# Robust gains for durables, Qld, WA and SA. Flat or weak everywhere else.

- Charts 4 and 5 respectively illustrate the category and state contributions to the quarterly growth pulse of card activity.
- By category, discretionary goods continue to lead the expansion, rising activity in durable goods segments in particular – this alone accounting for just over half of the growth in headline card activity.
- Note that the changes to seasonal adjustment have significantly altered the picture around discretionary services with revised estimates showing a much flatter profile over the last five months – a milder lift and a more abrupt slowing into year-end.
- The revisions have also been implemented at the state level, dampening some of the variations over the last few months. The broad picture is still the same though with more robust growth in Qld, SA and WA, NSW tracking around the pace seen nationally and card activity growth under performing in Vic.
- The mix means NSW and Vic account for only about 40% of growth in card activity at the moment despite accounting for 55% of transactions.
- In per capita terms, card activity is still declining slightly in Vic on a quarterly basis but rising slowly in other states.

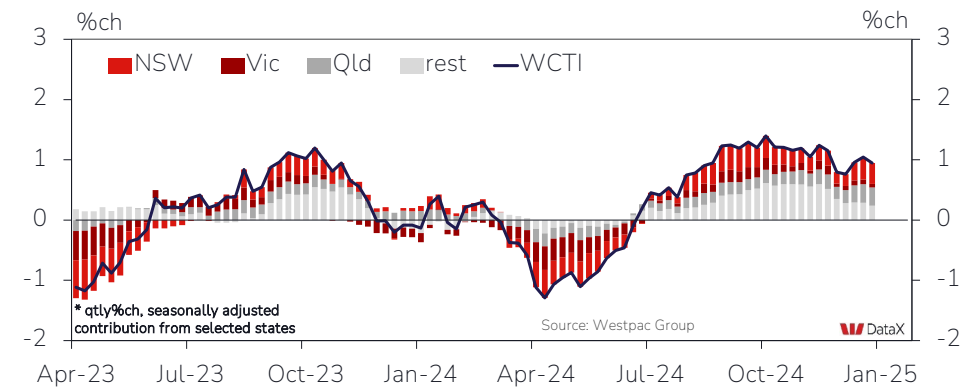
	Oct	Nov	Dec	18/1
<b>Westpac Card Tracker</b>	<b>137.1</b>	<b>137.7</b>	<b>138.7</b>	<b>137.8</b>
<b>By category</b>				
– discretionary	138.2	138.4	139.2	137.2
– essential	132.9	133.4	133.5	134.6
<b>By state</b>				
– NSW	132.0	132.3	134.5	149.6
– Vic	132.8	133.2	134.7	151.3
– Qld	148.9	150.3	151.2	171.0
– WA	148.6	149.7	150.5	165.9
– SA	145.9	146.9	147.9	165.3

All indexes based on the value of spending-related transactions, seasonally adjusted, 2019 avg=100, see p10 for more details including classifications.  
Sources: ABS, Westpac Group

## 4. Card activity: major categories



## 5. Card activity: states



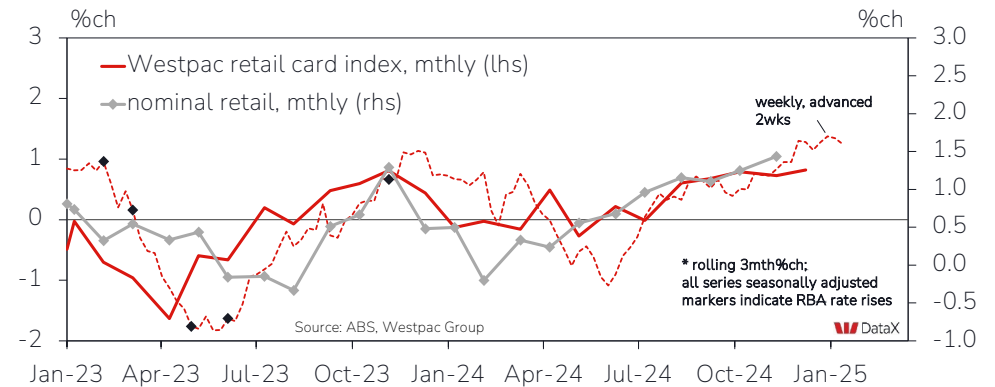
# Retail sales looking relatively strong

- Our 'retail' measure covers a narrower subset of card activity that aligns more closely to the ABS retail survey. This measure continues to track a stronger pace than wider card activity as it has a higher weighting towards 'discretionary goods' and a lower weighting towards services. The growth pulse has lifted a touch in recent weeks and is running at the strongest pace since Dec 2022.
- The details show growth running is particularly strong 2%qtr pace for non-food retail segments, which align more directly with the durable goods segment of card activity (the main point of difference being the exclusion of 'vehicle-related' activity).
- The picture is less ebullient for food retails, card activity tracking a 0.6%qtr pace for basic food, i.e. supermarkets, and a 0.7%qtr pace for hospitality retail, both segments moderating a touch in recent months. Non-retail segments have been running at a similar pace but seen a modest pick-up in recent weeks. Note that hospitality and non-retail segments have been more heavily impacted by recent revisions to seasonal adjustment.
- The ABS retail sales measure showed a 0.8%qtr gain in Nov, lifting the quarterly growth pace to 1.4%qtr (see [here](#) for more details). Dec retail sales, to be released on Feb 3, look likely to see a similar or slightly firmer quarterly pace.

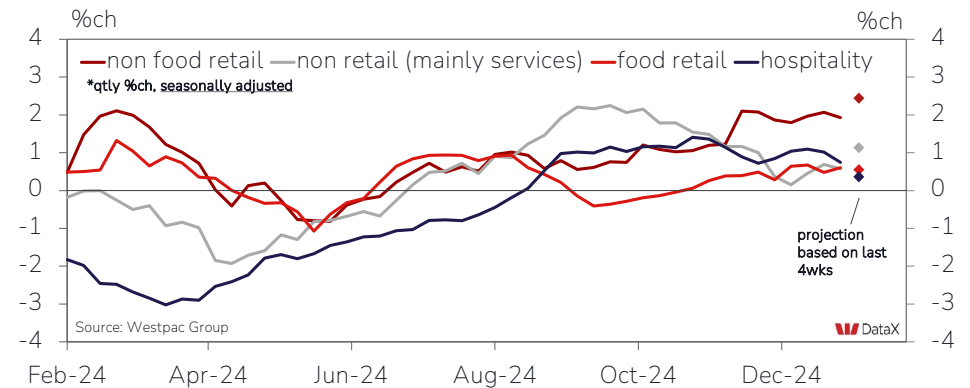
	Oct	Nov	Dec	18/1
<b>By retail/non retail</b>				
<b>Retail card index</b>	143.4	143.6	144.8	142.6
– qtly%ch	0.8	0.7	0.8	1.3
– qtly, ann%ch	1.1	1.0	1.6	1.9
<b>Non-retail card index</b>	130.1	131.1	131.9	133.0
<b>ABS retail sales</b>				
– %ch	0.5	0.8	n.a.	n.a.
– ann%ch	3.5	3.0	n.a.	n.a.
– qtly%ch	1.2	1.4	n.a.	n.a.
– qtly ann%ch	3.0	3.0	n.a.	n.a.

All indexes based on the value of spending-related transactions, seasonally adjusted. 2019 avg=100, see p10 for more details.  
Sources: ABS, Westpac Group

## 6. Card activity: retail



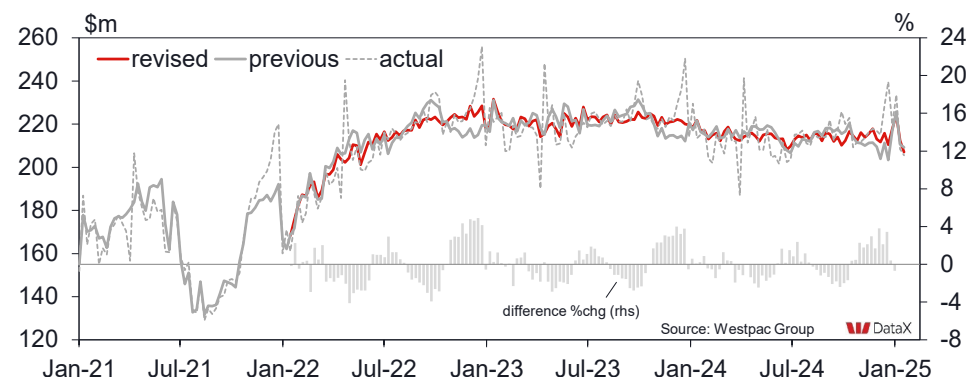
## 7. Card activity: broad retail and non-retail groups



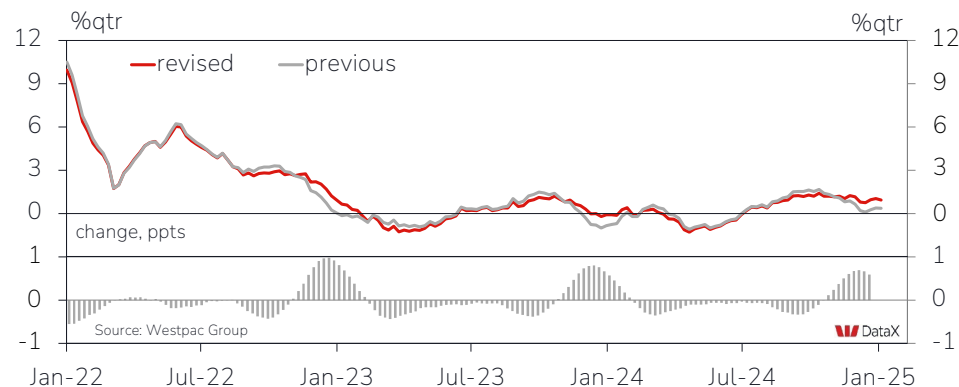
# Revisions to seasonally adjusted estimates

- In past reports we have discussed potential issues relating to the seasonal adjustment of card activity segments that were more heavily impacted by COVID period disruptions (see for example [here](#)).
- For some of these, such as air travel, this required the use of shorter historical periods that meant seasonal adjustment would be more prone to revisions over time. For other segments, most notably cafes and restaurants, it was less clear as to whether COVID-period observations were problematic. While these were clearly buffeted by lock-downs, changes in behaviour, such as the rise in takeaway and delivery orders, cushioned these effects, with seasonal variations still evident. Our approach with these segments was to incorporate COVID-period observations but to designate periods with clear lock-down disruptions as 'outliers' that would not be incorporated in the estimation of regular seasonal patterns.
- We conduct periodic reassessments of all of our seasonal adjustment processes, particularly following the seasonally volatile Christmas-New Year period. Our latest review suggests there is a need to change the approach to activity in the cafes and restaurants segment.
- Chart 8 highlights the issue, showing activity in unadjusted terms alongside seasonal adjustments using the previous, longer history, and a shortened history. The long history version shows a pattern of more pronounced downward adjustments though the Nov-Dec period that appear to be spurious. The interpretation here is that the very strong rebound during the post-COVID reopening period has led to a systematic overestimation of the regular seasonal pattern at this time of year. A similar issue has also been identified for some small components of the 'travel' segment.
- As a result we have changed the seasonal adjustment approach for these segments. This has materially impacted quarterly growth rates, particularly for the discretionary services category, and for the more detailed hospitality and travel segments.
- Chart 9 shows how the changes have impacted quarterly growth rate estimates for the headline **Westpac Card Tracker Index**. The revision in most recent weeks is worth 0.6-0.7ppts. For discretionary services more specifically, the revision is worth 1.8-2.1ppts. All charts and tables in this report have been updated to reflect these changes.

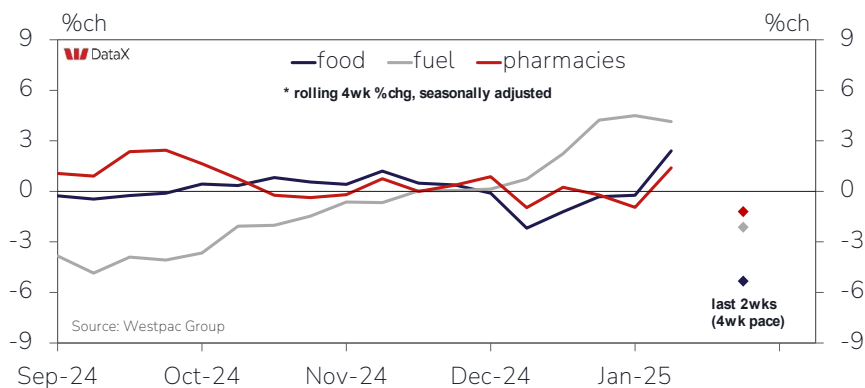
## 8. Card activity: restaurants & cafes



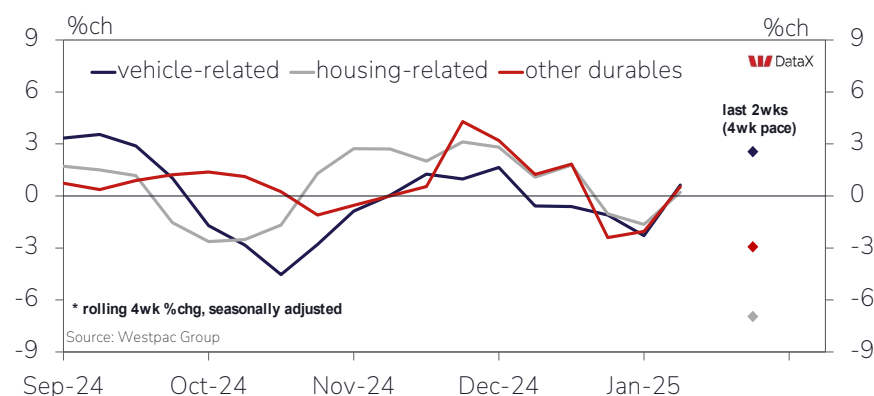
## 9. Westpac Card Tracker: previous vs revised



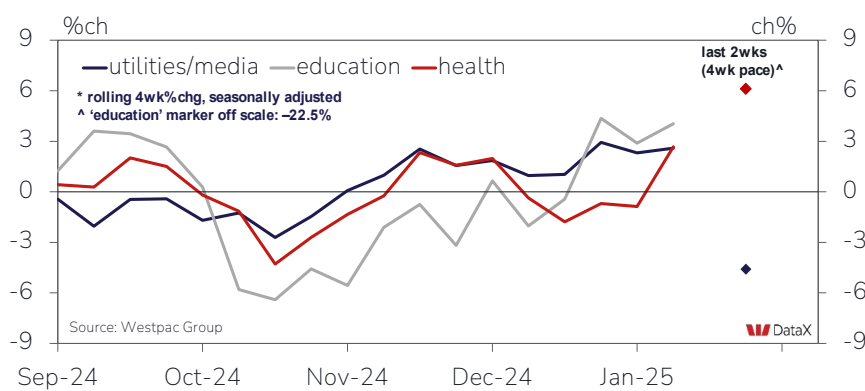
## 10. Card activity: essential goods



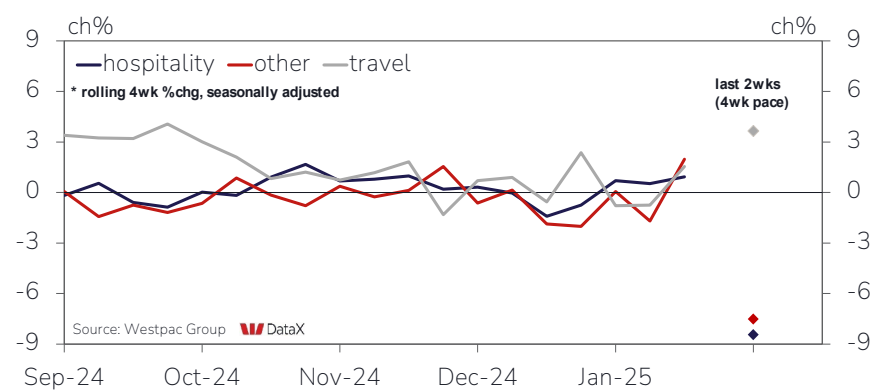
## 11. Card activity: discretionary goods



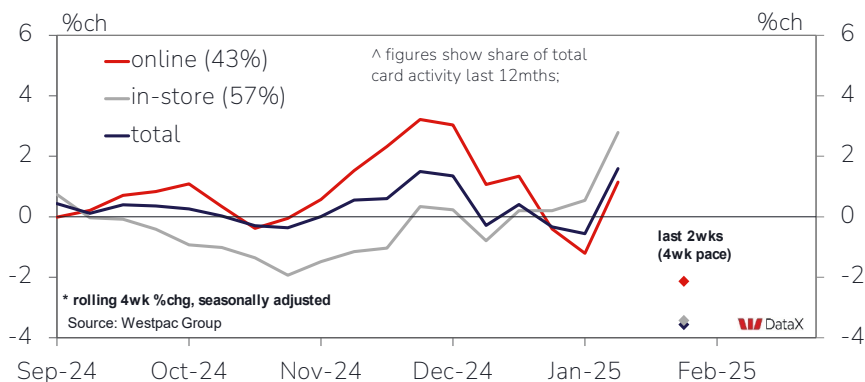
## 12. Card activity: essential services



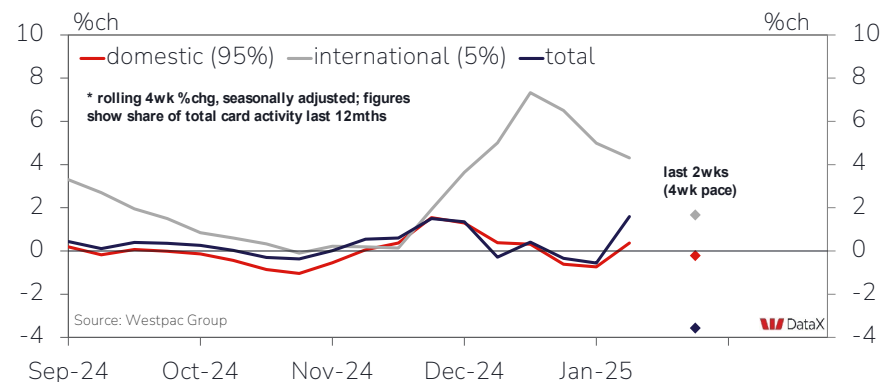
## 13. Card activity: discretionary services



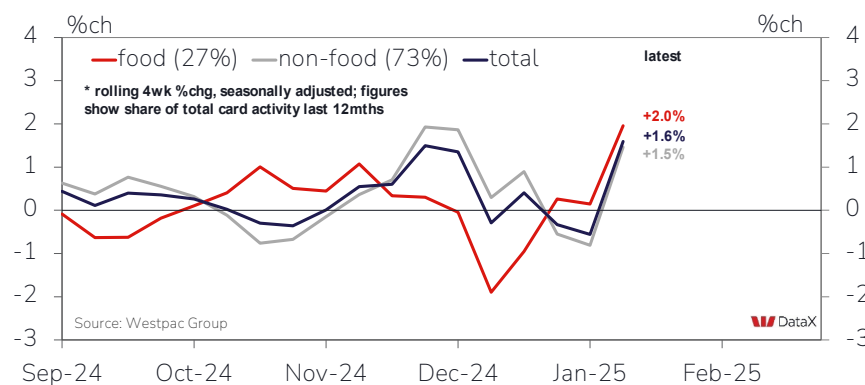
## 14. Card activity: online and in-store



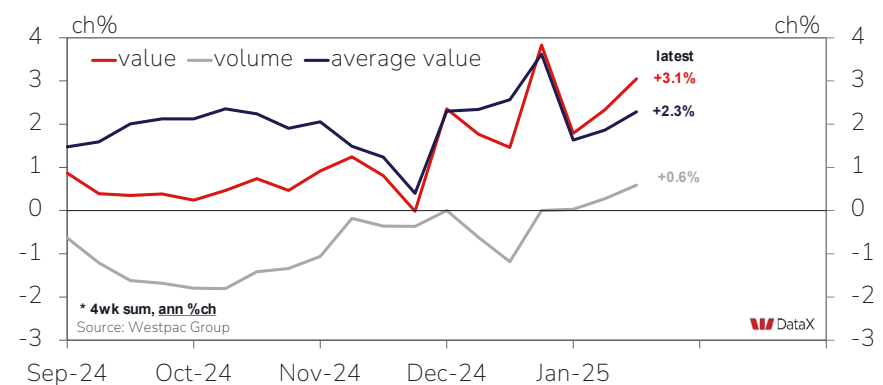
## 15. Card activity: domestic and international



## 16. Card activity: food and non-food



## 17. Card activity: value and volume



Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

	2023				2024				week ending:						
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Oct	Nov	Dec	28/12	4/1	11/1	18/1
<b>Westpac Card Tracker Index</b>	<b>135.6</b>	<b>134.7</b>	<b>136.4</b>	<b>136.2</b>	<b>136.5</b>	<b>135.9</b>	<b>137.2</b>	<b>137.8</b>	<b>137.1</b>	<b>137.7</b>	<b>138.7</b>	<b>139.5</b>	<b>142.3</b>	<b>138.9</b>	<b>137.8</b>
qtly%ch	-0.3	-0.7	1.3	-0.1	0.2	-0.4	1.0	0.4	1.2	0.6	0.4	0.8	1.0	1.0	0.9
qtly, ann%ch	10.5	4.0	1.9	0.2	0.7	0.9	0.6	1.2	0.6	0.8	1.2	1.4	1.8	1.8	1.8
<b>By category</b>															
– discretionary	135.8	134.9	137.3	135.8	135.7	134.9	137.6	138.6	138.2	138.4	139.2	139.1	142.6	138.5	137.2
– essential	132.6	132.3	133.2	134.4	135.5	135.6	134.3	133.3	132.9	133.4	133.5	137.1	138.2	135.3	134.6
services	130.4	130.8	134.0	131.6	132.9	131.7	134.5	134.5	134.3	134.5	134.8	135.3	140.1	135.8	133.2
– discretionary services	131.8	132.1	135.5	131.9	133.2	130.8	134.6	135.3	135.2	135.0	135.6	135.5	140.1	134.8	133.6
– essential services	125.8	127.1	129.6	130.5	131.5	134.7	134.4	132.4	131.8	132.9	132.5	134.6	139.9	138.6	132.1
goods	137.8	137.1	137.3	138.4	137.8	138.3	138.0	138.6	137.9	138.1	139.8	141.0	141.9	138.8	138.9
– discretionary goods	139.6	139.0	138.8	139.7	138.4	140.1	140.8	142.3	141.4	141.6	144.0	143.2	145.5	142.8	141.4
– essential goods	135.3	134.6	135.0	136.9	136.9	136.0	134.3	134.3	134.0	134.4	134.5	138.3	137.4	133.7	135.9
retail*	141.4	140.4	141.1	141.7	141.5	141.8	142.8	143.9	143.4	143.6	144.8	145.1	147.0	142.5	142.6
qtly%ch	-1.0	-0.7	0.5	0.4	-0.2	0.2	0.7	0.8	0.8	0.7	0.8	1.3	1.4	1.3	1.3
qtly, ann%ch	6.2	2.0	-0.7	-0.7	0.1	1.0	1.2	1.6	1.1	1.0	1.6	1.7	1.9	1.9	1.9
<b>By state</b>															
– NSW	130.3	129.8	130.6	130.9	131.0	130.5	131.6	132.9	132.0	132.3	134.5	152.6	155.1	151.3	149.6
– Vic	134.3	133.8	135.3	133.4	134.1	132.6	133.4	133.6	132.8	133.2	134.7	153.5	155.7	152.1	151.3
– Qld	144.1	144.6	146.1	146.3	147.3	147.5	148.6	150.1	148.9	150.3	151.2	173.4	177.7	172.1	171.0
– WA	141.4	141.8	143.2	145.5	146.0	146.4	147.9	149.6	148.6	149.7	150.5	169.6	171.1	166.0	165.9
– SA	141.9	141.4	143.1	144.5	144.0	144.6	144.9	146.9	145.9	146.9	147.9	167.1	170.1	168.1	165.3

All indexes based on the value of spending-related transactions, seasonally adjusted by Westpac, 2019 avg=100. See p10 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.



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