

# NAB Consumer Spend Trend May 2026



## NAB Economics and Markets Research

**Total spending**

**+1.1%** mom

**+6.5%** yoy

**Total spending (ex. fuel)**

**+1.6%** mom

**+6.6%** yoy

Over the last month

**+1.1%**

**Consumer spending**

Rebounded in May, led by a recovery in discretionary categories.

**-0.9%**

**Non-discr. spending**

Fuel spending led the decrease, as fuel prices continued to ease.

**+2.4%**

**Discretionary spending**

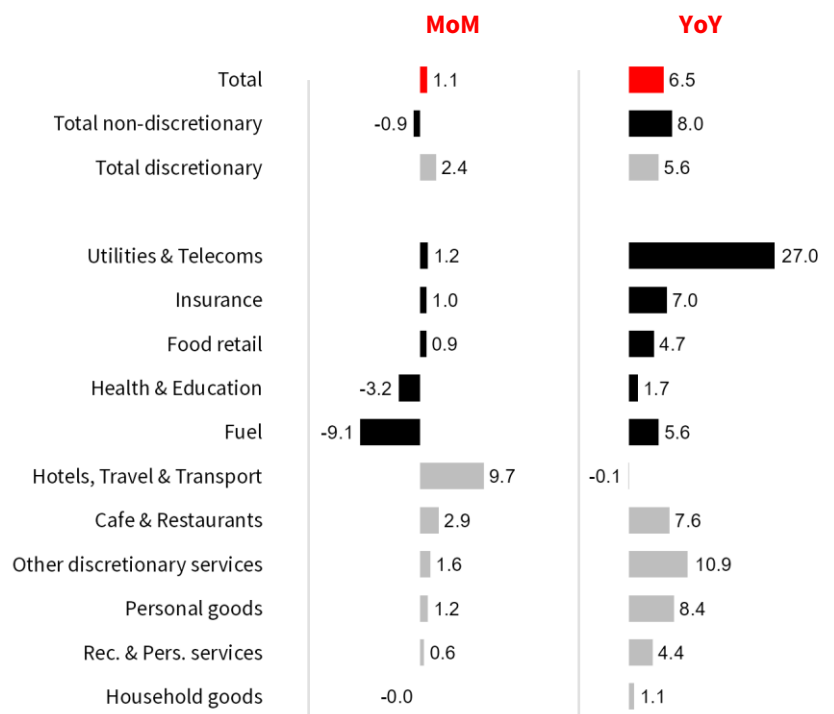
Hotels, travel & transport recovered as refund activity normalised.

- Consumer spending rose 1.1% in May, reversing the decline in April.
- Spending excluding fuel rose 1.6%, driven by discretionary spending as travel refunds normalised. Excluding hotels, travel & transport spending, growth remained solid at 0.9%.
- Discretionary spending rose 2.4%, supported by stronger travel, hospitality and other discretionary services. Non-discretionary spending fell 0.9%, as fuel prices eased further and health & education spending declined.

Over the last year

- Consumer spending rose 6.5% yoy, driven by essential categories, particularly utilities as electricity subsidies unwound.
- Discretionary spending grew 5.6% yoy, with solid growth in spending on other discretionary services, personal goods and hospitality. Growth was more subdued in recreation & personal services and household goods spending and broadly flat in hotels, travel & transport.

### NAB consumer spending by category




## Spending by non-discretionary category

### Food retail

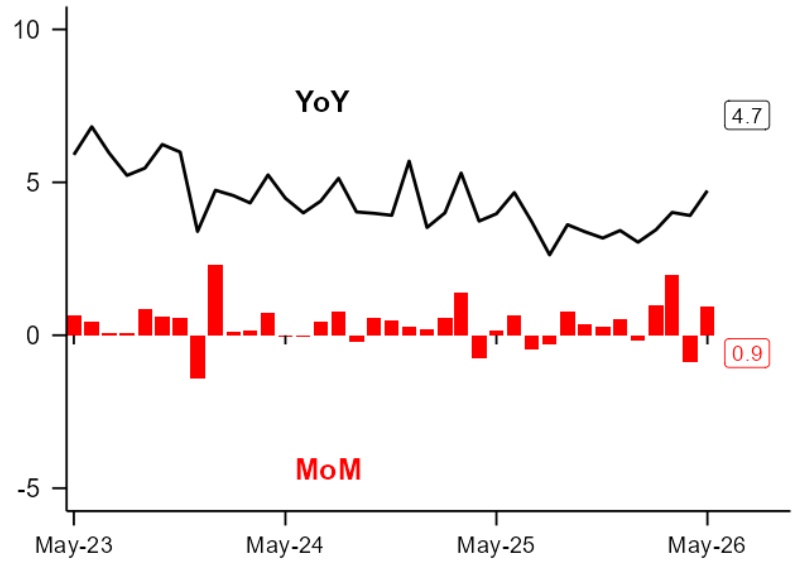
 **17%**  
Share

 **+0.9%**  
MoM

 **+2.3%**  
3Mo3M

 **+4.7%**  
YoY


- Food spending rose 0.9% in May following a 1.0% decrease last month, reflecting continued volatility in monthly outcomes.
- However, spending grew 2.3% in 3-month-average terms and year-ended growth continued to trend higher.
- Over the past year, food spending rose 4.7%, driven by spending at supermarket and grocery stores. The increase was partially offset by a fall in spending on liquor.



### Fuel

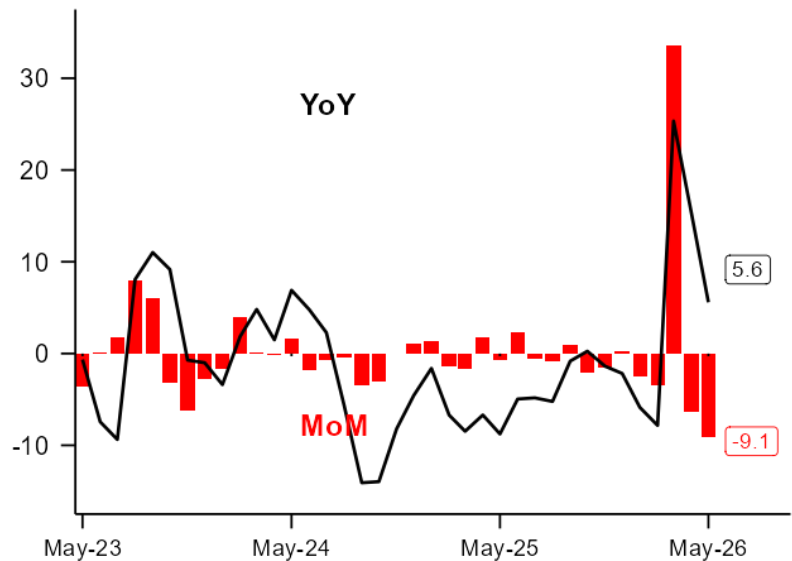
 **5%**  
Share

 **-9.1%**  
MoM

 **+20.2%**  
3Mo3M

 **+5.6%**  
YoY

- Fuel spending fell 9.1% in May as prices eased further. Spending on fuel remains about 20% above February levels prior to the Middle East conflict.
- Looking ahead, fuel prices are expected to rise when the fuel excise cut expires on 30 June.



## Spending by non-discretionary category

### Utilities & Telecoms



**7%**  
Share



**+1.2%**  
MoM

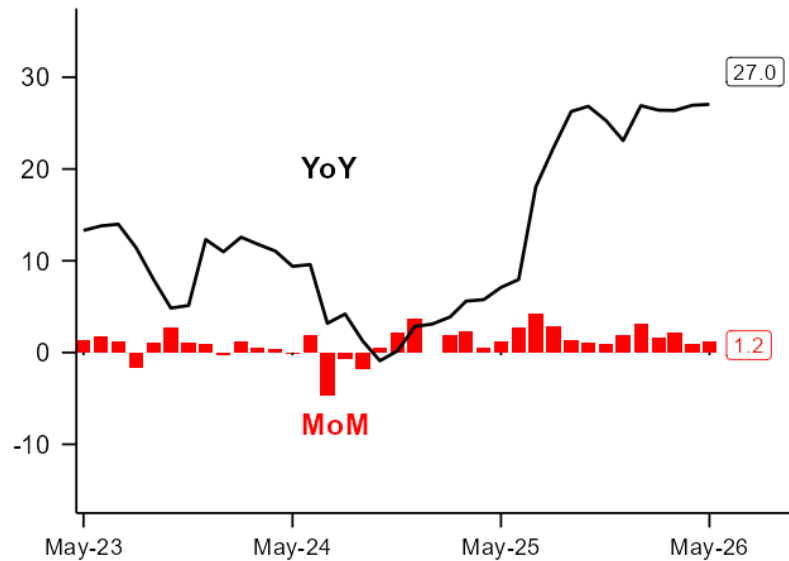


**+5.4%**  
3Mo3M



**+27.0%**  
YoY

- Utilities & telecoms spending rose 1.2% in May and was up 27.0% over the year, the strongest-growing major category.
- Over the past year, growth in utilities & telecoms spending was driven by higher electricity spending as energy bill rebates ended.
- Spending on key essential services such as mobile telecommunications, water, internet and gas continued to rise strongly. In contrast, spending on wired telecommunications and television broadcasting declined.



### Health & Education



**6%**  
Share



**-3.2%**  
MoM

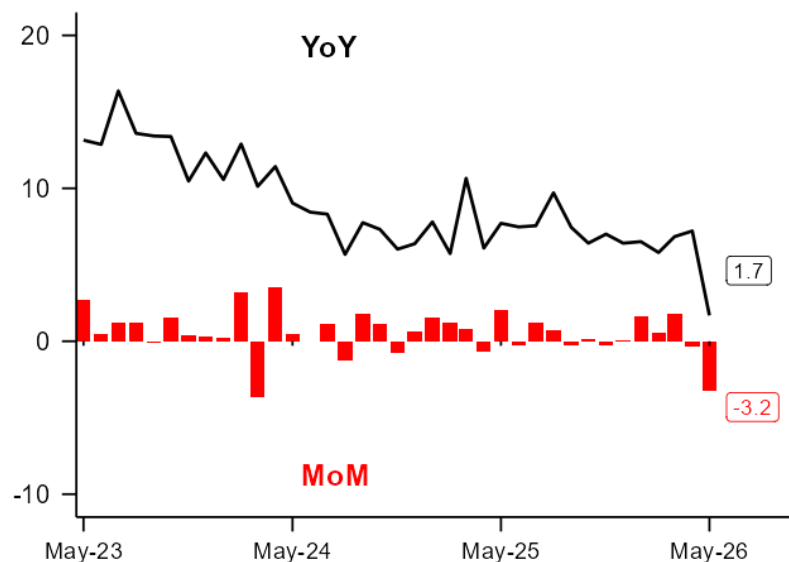


**+1.4%**  
3Mo3M



**+1.7%**  
YoY

- Health & education spending declined 3.2% in May to be 1.7% higher over the year, making it one of the softer essential spending categories.
- Over the year to May, the strongest growth was in residential care services, school education and childcare services spending, which was partially offset by a fall in hospital spending.



## Spending by non-discretionary category

### Insurance



**4%**  
Share



**+1.0%**  
MoM

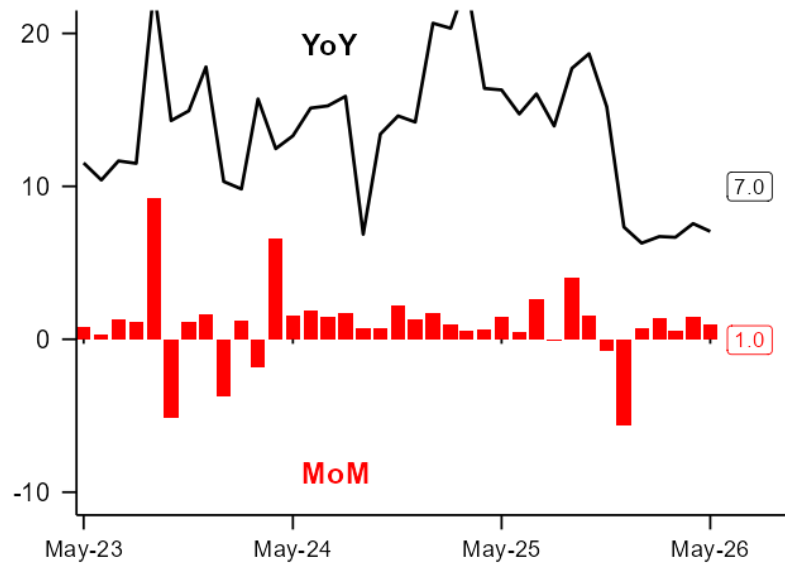


**+3.0%**  
3Mo3M



**+7.0%**  
YoY

- Insurance spending rose 1.0% in May and is up 7.0% yoy, the second-fastest growing essential category.
- Over the past year, the strongest growth was in life insurance spending. Spending on general insurance grew more moderately while spending on health insurance declined.



## Spending by discretionary category

### Personal goods

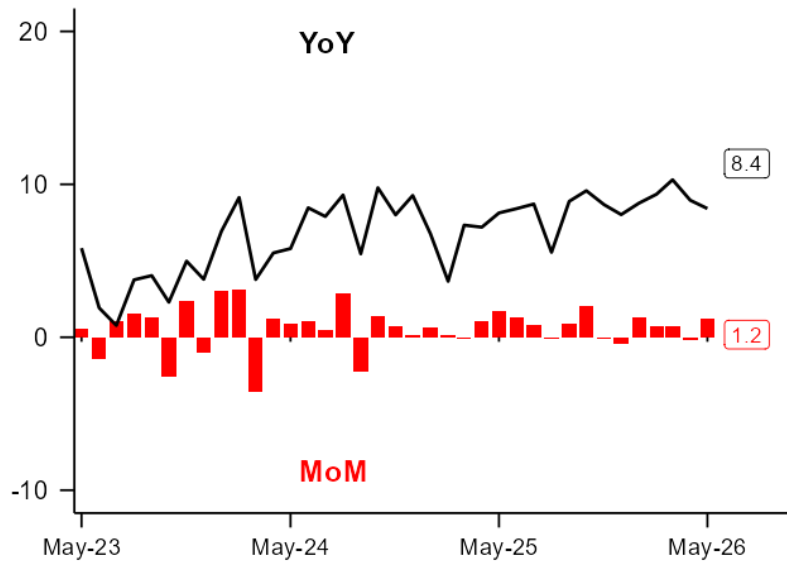
**18%**  
Share

**+1.2%**  
MoM

**+1.9%**  
3Mo3M

**+8.4%**  
YoY

- Personal goods spending rose 1.2% in May and 8.4% yoy. Despite pressures from higher essential costs, year-ended growth in spending on personal goods remained solid, suggesting consumers remain willing to spend on selected retail categories.
- Over the year to May, the strongest growth was in spending on toy & game retailing, personal accessories and clothing. In contrast, spending on footwear and entertainment media retailing fell.



### Household goods

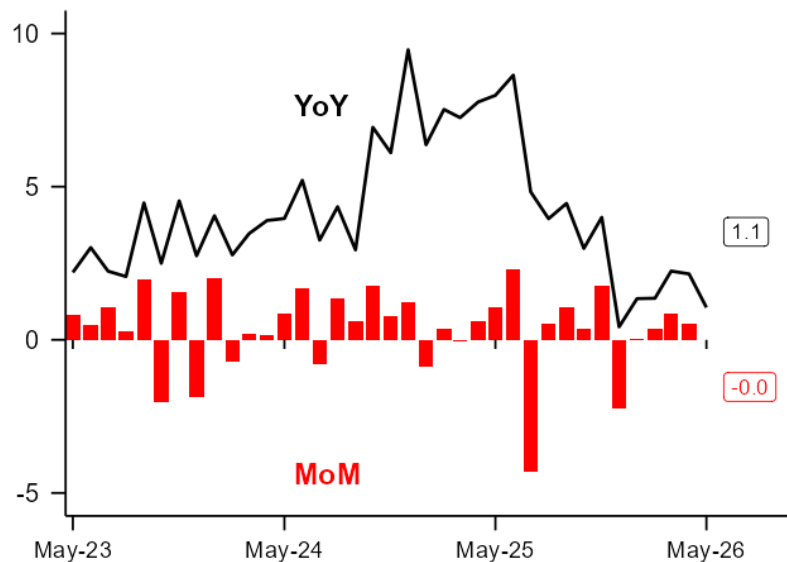
**11%**  
Share

**0.0%**  
MoM

**+1.5%**  
3Mo3M

**+1.1%**  
YoY


- Household goods spending was flat in May and just 1.1% higher over the year, pointing to subdued momentum in larger-ticket household purchases.
- Over the past year, growth was mainly driven by spending on furniture, floor coverings, hardware, building and garden supplies. Consumers, however, cut back spending on motor vehicle retailing, recreation goods and electrical & electronic goods.
- Modest annual growth suggests consumers remain selective in this category, with spending concentrated in maintenance and practical household items rather than broad-based discretionary purchases.




## Spending by category

### Recreation & Personal services

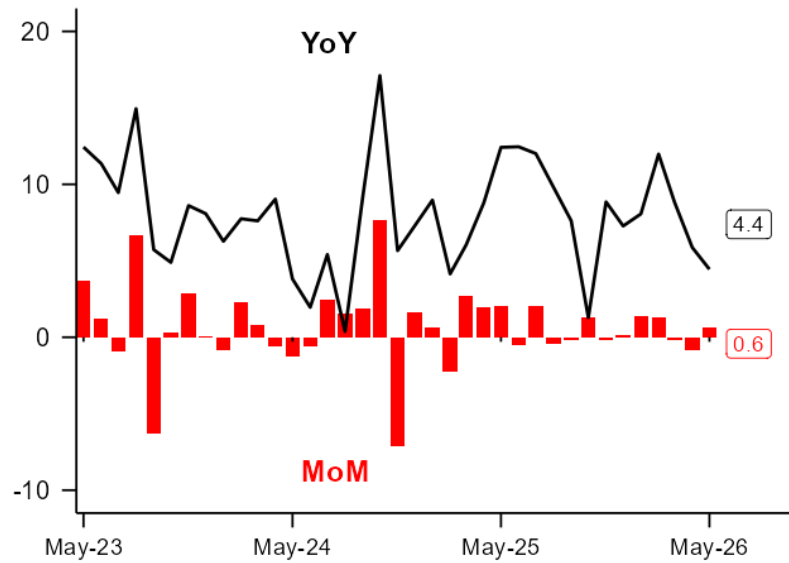
 **4%**  
Share

 **+0.6%**  
MoM

 **+0.7%**  
3Mo3M

 **+4.4%**  
YoY

- Recreation & personal services spending increased 0.6% in May and 4.4% over the past 12 months.
- This is a modest recovery after recent softness. Growth is more subdued than other discretionary categories, indicating some continued spending restraint in this sector.
- Over the past year, spending growth was strongest in amusement & other recreation activities while spending on creative and performing arts activities declined.



### Hotels, Travel & Transport

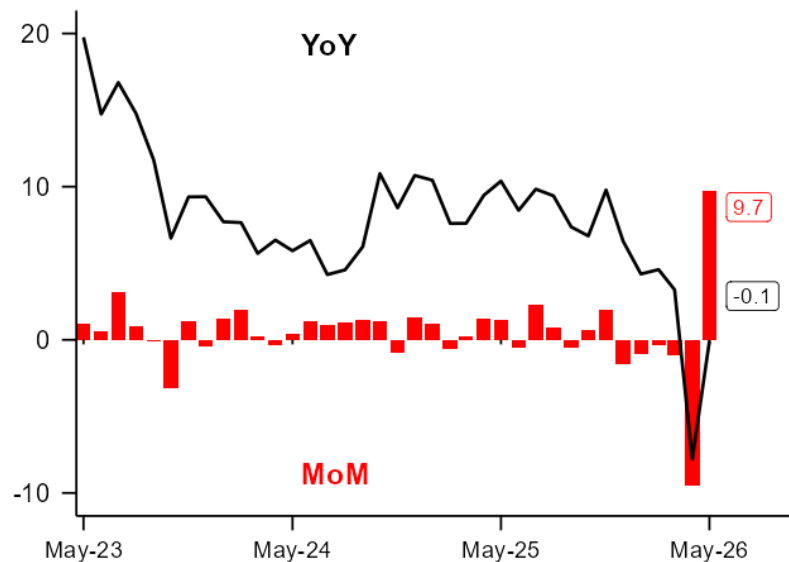
 **9%**  
Share

 **+9.7%**  
MoM

 **-4.9%**  
3Mo3M

 **-0.1%**  
YoY

- Hotels, travel & transport spending rebounded 9.7% in May, reversing part of the sharp decline seen in April as refund activity normalised.
- Airfare refunds declined to 12% of net air travel spending, down from 26% in April but still above the typical 5% level.
- Over the year, spending on hotels, travel & transport fell 0.1%, driven by declines in air travel and public transport. In contrast, spending on logistics services and deliveries increased.



## Spending by category

### Cafe & Restaurants

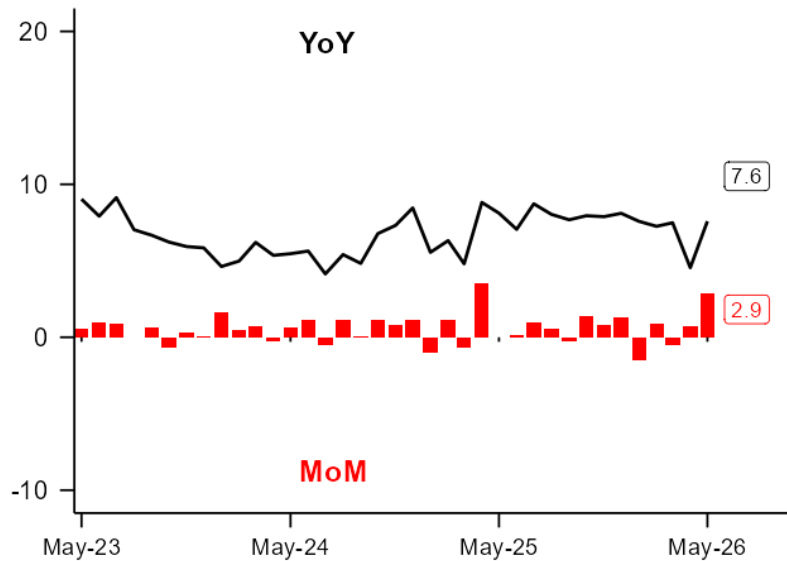
**10%**  
Share

**+2.9%**  
MoM

**+1.0%**  
3Mo3M

**+7.6%**  
YoY

- Cafe & restaurants spending rose 2.9% in May to be 7.6% higher over the year.
- The strength in May suggests households continued to spend on eating out and related hospitality services despite broader cost-of-living pressures.
- Over the year to May, growth was recorded across all sub-categories. The strongest growth was in spending on catering services while growth was more modest in takeaway food services.



### Other discretionary services

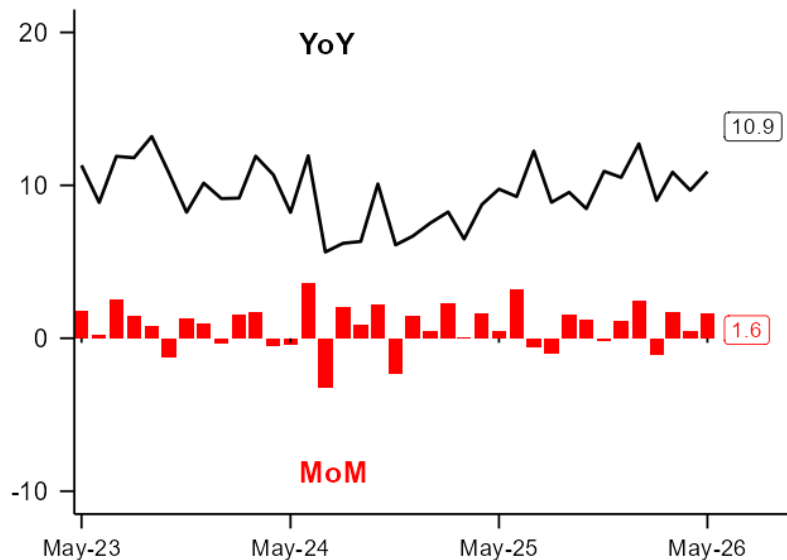
**8%**  
Share

**+1.6%**  
MoM

**+2.7%**  
3Mo3M

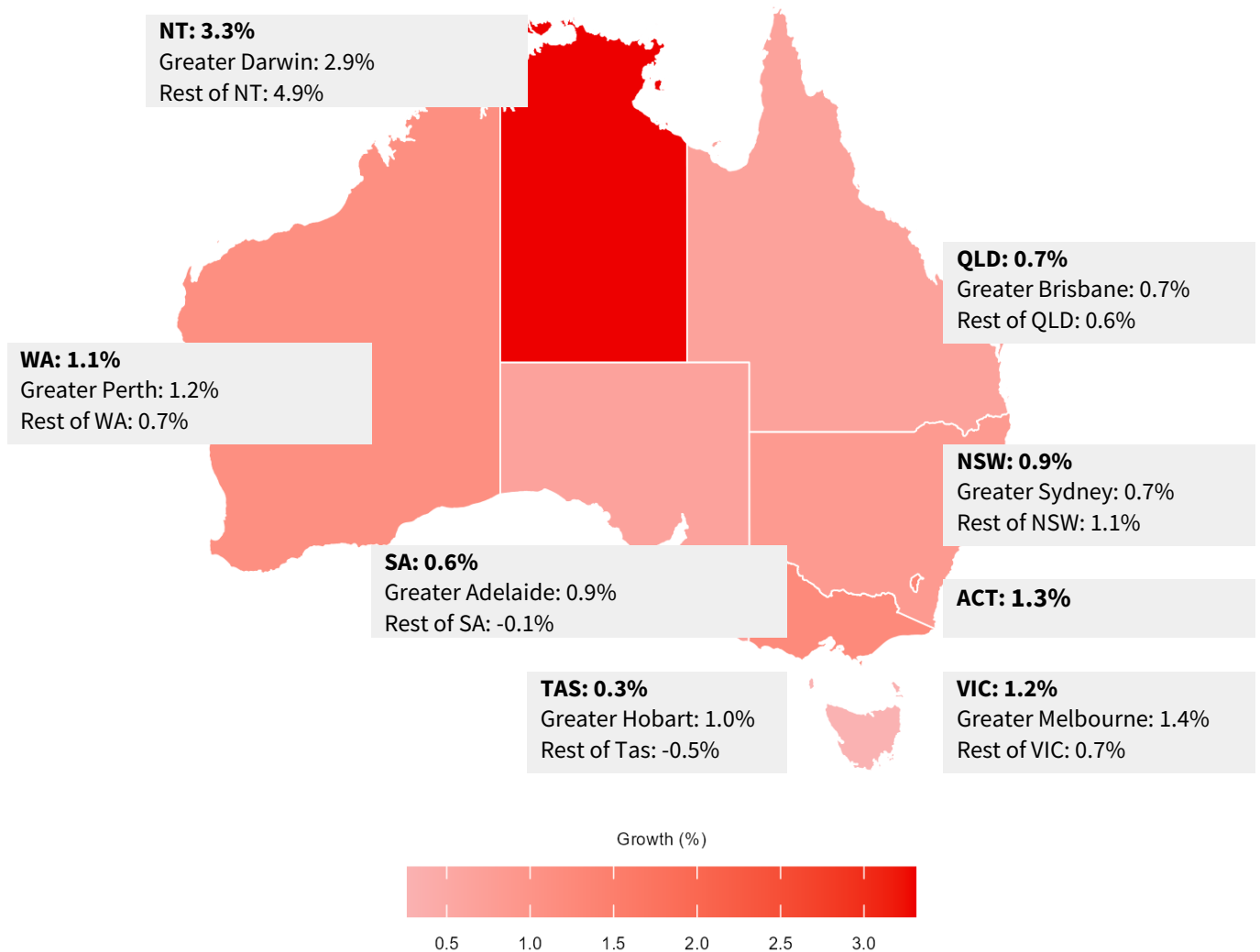
**+10.9%**  
YoY

- Other discretionary services spending increased 1.6% in May and 10.9% yoy, making it one of the strongest discretionary categories.
- The strongest year-ended growth was in property operators and advertising services. Meanwhile, spending declined on legal services, residential building construction as well as machinery and equipment repair and maintenance.



## Spending by region

### Spending growth by region (MoM, %)



## NT & ACT

Leading growth regions

**+3.3%**

Largest increase (NT)

**+0.3%**

Smallest increase (TAS)

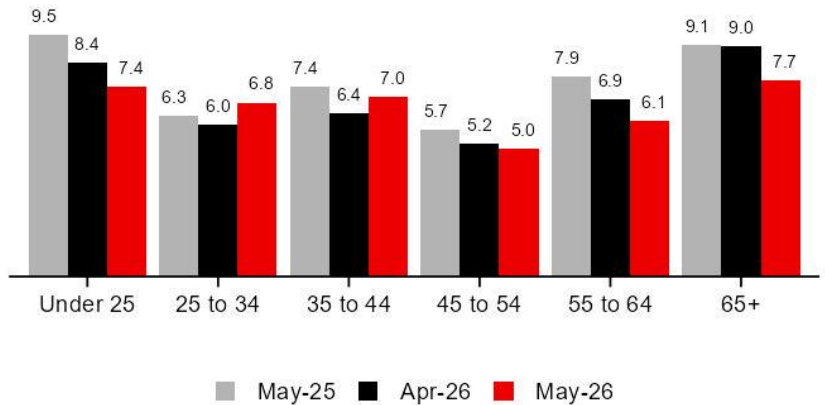
- Spending rose across all states and territories in May, led by NT (3.3%), ACT (1.3%), VIC (1.2%) and WA (1.1%). The uplift was broad-based, with stronger rebounds in regions that experienced sharper weakness in the previous month.
- Regional data suggest that the rebound was stronger in capital cities, driven by a stronger recovery in hotels, travel and transport spending.
- Over the past year, utilities & telecoms recorded the strongest spending growth across all states and territories as energy bill rebates ended.
- NT led the year-ended spending growth, supported by discretionary spending. VIC, TAS and ACT experienced more modest growth, reflecting larger declines in spending on hotels, travel and transport and household goods.

## Spending by demographics



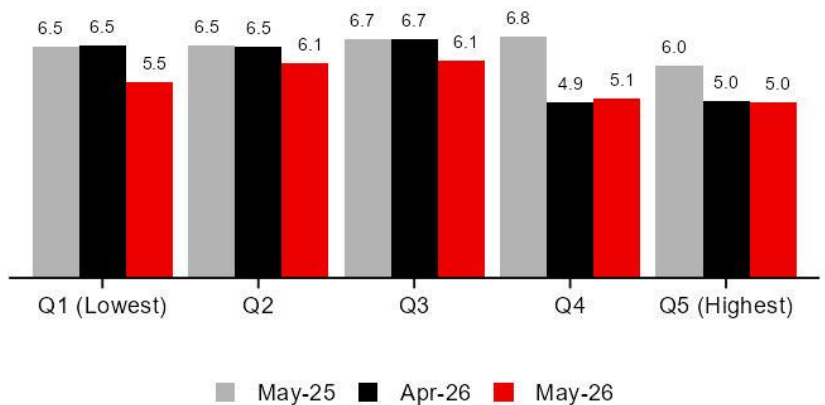
### Spending by age (YoY, %)

- Spending growth remains lower than a year earlier for all age groups except for people aged 25-34. Differences between age groups narrowed as fuel prices eased, although growth remained strongest among those aged 65 and over.
- Over the past year, spending growth was weakest among those aged 45 to 54, reflecting declines in spending on health & education, household goods, and hotels, travel & transport. Growth across most other categories was also softer than for other age groups.



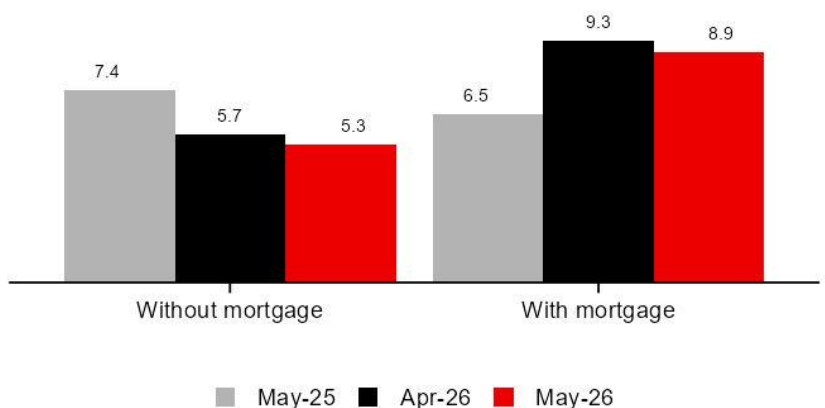
### Spending by income (YoY, %)

- Spending growth eased across all income groups compared to May last year, with the weakest growth recorded in the higher income quintiles (quintiles 4 and 5).
- Differences in spending growth across income groups reflected declines in spending on hotels, travel & transport and health & education among higher-income earners, alongside stronger growth in utilities spending among lower-income groups.



### Spending by mortgage status (YoY, %)

- Spending growth softened from the previous month for both mortgage holders and non-mortgage holders but remained higher than a year earlier for mortgage holders.
- Over the year to May, spending growth was higher for mortgage holders than non-mortgage holders. This was driven by stronger discretionary spending growth among mortgage holders and a larger pullback in travel-related spending among non-mortgage holders.



## About this report

NAB publishes aggregated customer transaction data with the view to providing real-time insights into economic activity in Australia. 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 underlying data used in this report are not sold or made publicly available. This monthly report replaces the fortnightly *Data Insights* report and the monthly *NAB Cashless Retail Sales Index*, which were discontinued in October 2022.

### Consumer Spending Methodology

Data on consumer spending are derived from NAB electronic transactions data, encompassing more than 4 million transactions per day. The data include transactions made by EFTPOS, Credit Card, BPAY, Bank Transfers, Direct Debits and Paypal services where available, and include transactions with Australian and international merchants. Spending includes both online and offline transactions. The data excludes cash withdrawals made during a purchase and purchases made offline in an overseas location. As the data only capture electronic transactions, results can be affected by changes in the take-up rate of electronic payment methods relative to cash. State splits of spending are based on where the customer lives, which may or may not be where the actual spending activity occurs. Customers without an Australian residential address are excluded. Transactions attributable to non-consumer sectors including Manufacturing, Mining, and Wholesale are excluded, as are Financial & Insurance Services (excluding General Insurance, Health Insurance, Life Insurance and Auxiliary Insurance Services) transactions and Public Administration transactions (largely tax payments). Gambling spending and rental and mortgage payments are also excluded. Opportunities to expand coverage to include spending in these areas will be explored in the future. Individual industry and state series are seasonally adjusted using the X-11 method.

### Spending categories

Personal goods	Pharmaceutical, cosmetic and toiletry goods, clothing, footwear, watches and jewellery, recreation goods including toys, games, newspapers, books, stationery, flowers
Household goods	Hardware, building and garden supplies, computers, electrical and electronic goods, furniture, vehicles and vehicle parts
Food retail	Supermarket and grocery stores, fresh fruit and vegetables, fresh meat, fish and poultry, liquor, other specialised food
Utilities & Telecoms	Electricity, water, waste collection, mobile phone services, internet, publishing and broadcasting services, data and other information services
Health & Education	Health services including GP, specialist, allied health, hospital, ambulance Childcare, school education, tertiary education, aged care, tutoring, arts and sports instruction
Recreation & Personal services	Sports, arts and recreation activities including event tickets, casino and lottery, personal care including hairdressing, parking, funeral and cemetery services
Hotels, Travel & Transport	Accommodation (hotels, short-term stays), transportation, rental vehicles, travel agent and tour arrangement services
Café & Restaurants	Cafes, restaurants, takeaways, pubs and clubs
Other services	Construction and home repairing/maintenance services, insurance, property management, professional services including accounting and legal services, vet, vehicle maintenance and repairing, other admin services and religious and interest group services

### Spending by demographics

Spending analyses by age, income and mortgage status were conducted using restricted samples based on available customer data. Income includes earnings from wages, government allowances, rental income, interest and dividends. The sample excludes outliers and is segmented into 5 income quintiles with quintile 1 representing the lowest 20% of income earners and quintile 5 representing the highest 20%. Due to variations in sample composition, the results for spending by demographic groups may not correspond exactly to the overall totals.

### Mortgage status

We have applied a cohort methodology to identify and track mortgage customers, matching to their spending over the analysis period. We may make changes to future iterations of the cohort, which may affect the timeseries series.

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