

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

ANZ

ANZ75QON: CHAIR: To early data on JobKeeper: obviously it ended at the end of March. You track consumer behaviour in data. I know it's early days, but, nonetheless, we now have at least 16 days. What are you seeing?

Mr Elliott: It is really early days, so I think we shouldn't take too much from the data, and there's one important reason for that: through a matter of coincidence, that early data includes Easter. Any extended public holiday period, whether it's Christmas, Easter or otherwise, distorts the data. I do think it's early days. We think we're going to get a better steer on that in the next two weeks, and we'll happily send that through and share that with the committee. There's nothing of concern that we can see in there at this stage, but we'll know more in the coming days.

CHAIR: That would be good, not least because it will help inform decisions by government but also our oversight of the sector.

Answer: Please see attached a 5 May 2021 ANZ Research report 'ANZ data: JobKeeper hasn't slowed spending'.

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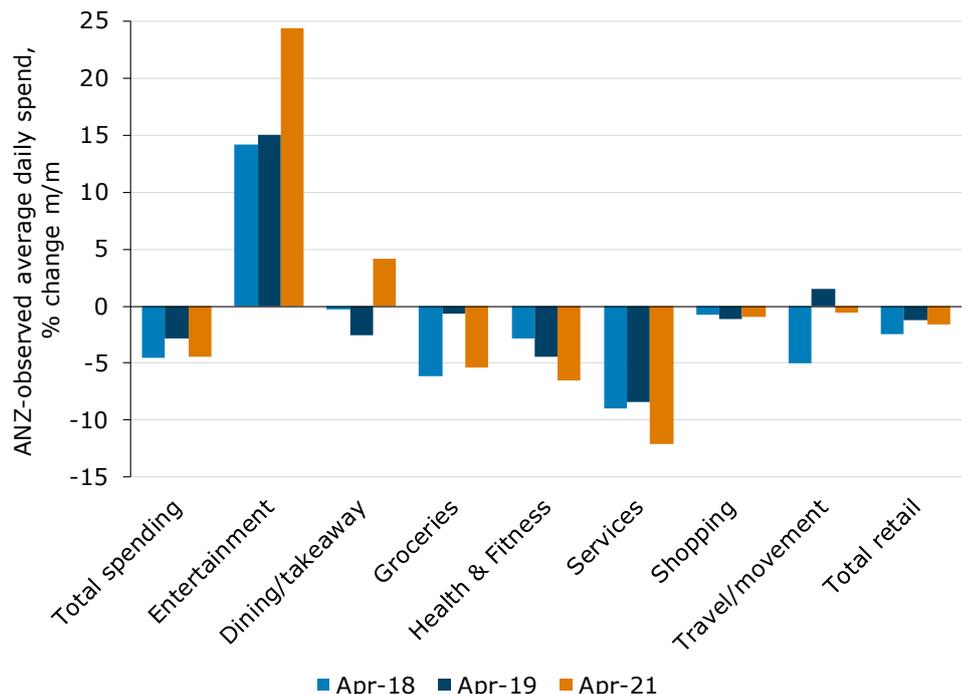
ANZ-observed deposit data is:

- proprietary data sourced from the bank’s internal systems
- desensitised, de-identified and aggregated
- not scaled up to represent total bank deposits in Australia
- Seasonally adjusted
- calculated based on average deposits of primary account holders and does not take into account demographics of secondary account holders

ANZ data: JobKeeper end hasn’t slowed spending

- ANZ data show total spending and retail sector spending growth in April were similar to previous years, despite the end of JobKeeper subsidies on 28 March.
- The very rapid labour market recovery, as well as high household savings from 2020 and lower interest payments than usual seem to have translated to resilient household spending amidst the fiscal dry-up.
- While the share of spending going to retail is nowhere near lockdown levels, the share of total spending devoted to retail for the week to 2 May 2021 was 53% – higher than the same time in 2018 and 2019 (47%).
- Entertainment, services and travel spending have still not recovered to pre-pandemic levels, but most retail categories have.
- Dining growth has been strong and, while groceries have not matched their elevated 2020 spend, this is likely due to more options for eating out compared to late April and early May last year when lockdown restrictions were in effect.
- Shopping spending for the week to 2 May 2021 was very similar to the same time last year, but the mix changed, with less focus on electronics and more on social categories, including clothing.
- Beyond retail, accommodation and petrol station spending are at similar levels to 2019, while entertainment still has some way to go to get back to pre-pandemic levels.

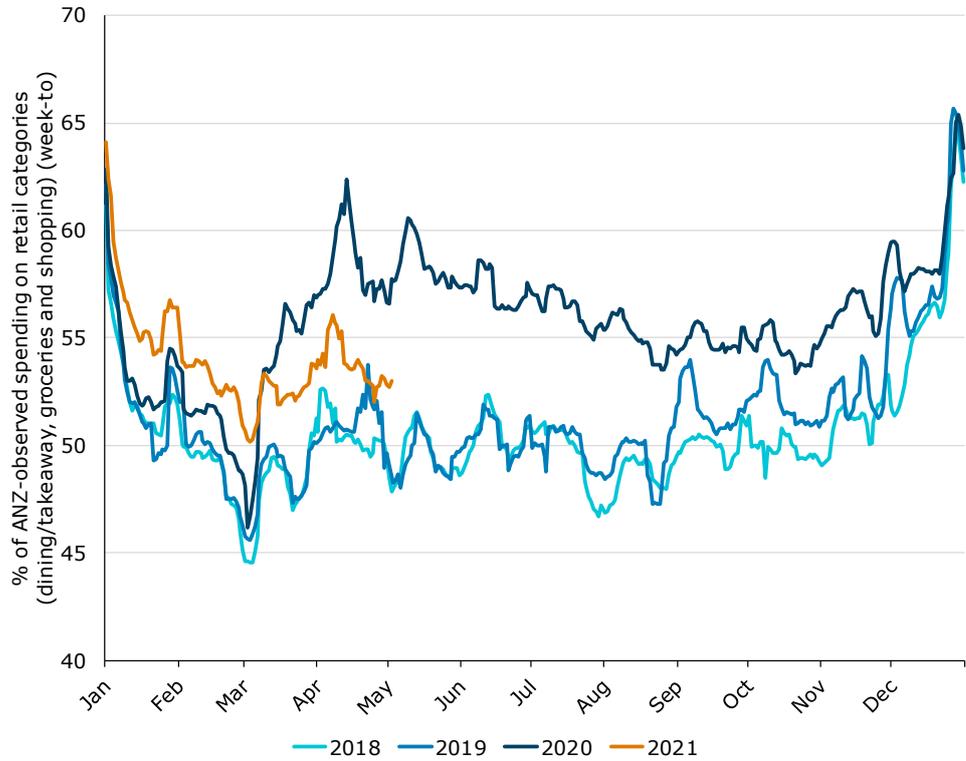
Figure 1. Monthly growth in spending in April was similar to 2018-19



Source: ANZ Research

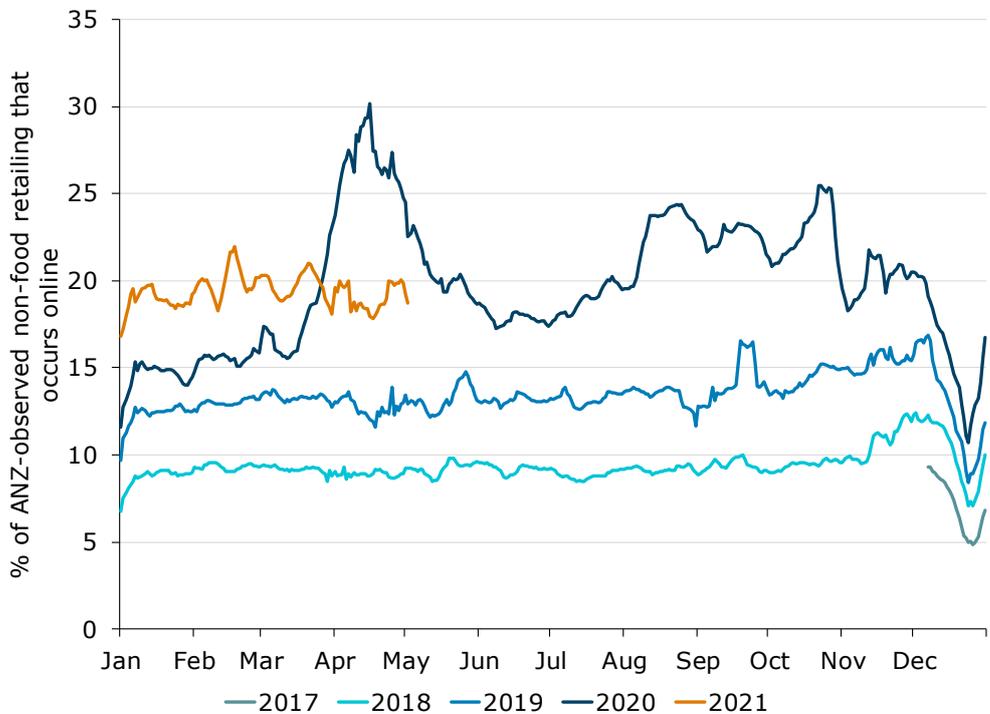
Retail is still a higher share of spending

Figure 2. Retail is 53% of total ANZ-observed spending for the week to 2 May 2021, much higher than the same time in 2018 and 2019



Source: ANZ Research

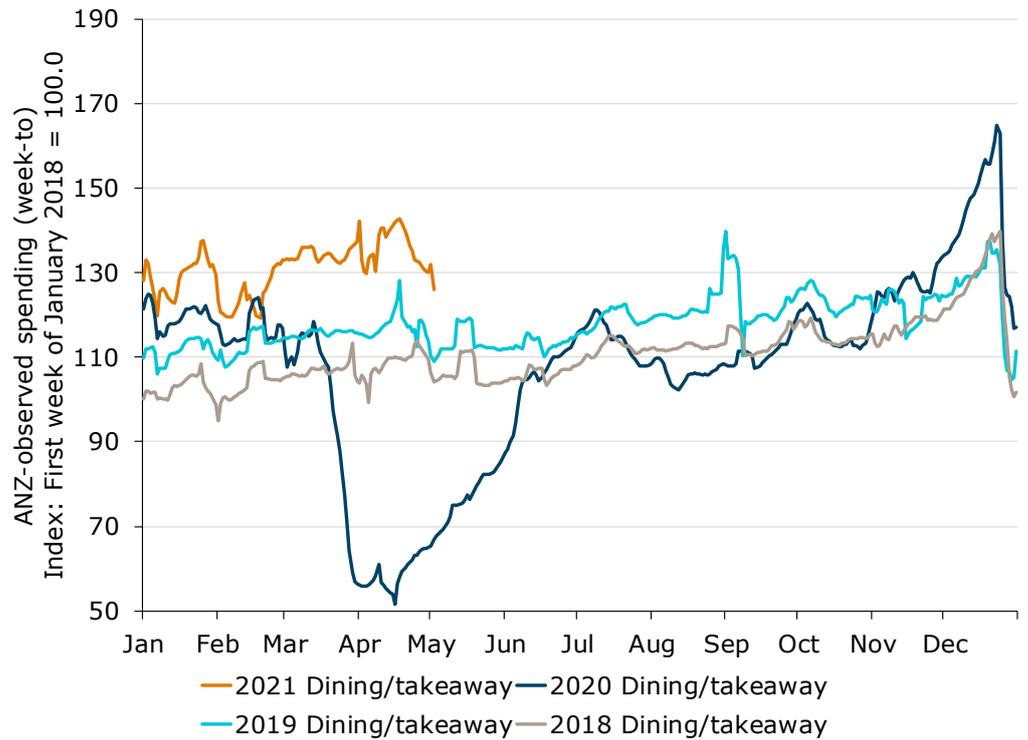
Figure 3. Online shopping is stable at much higher rates than pre-pandemic



Source: ANZ Research

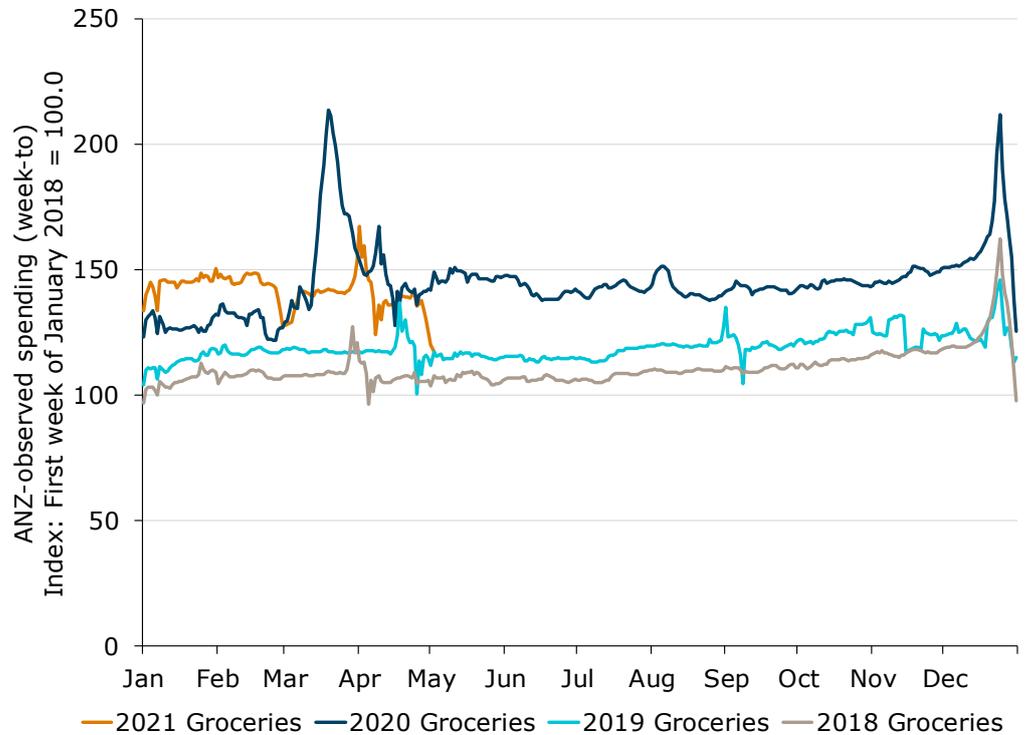
Dining spending looks back on track, while grocery spending wanes

Figure 4. People are eating out more than in 2018-19



Source: ANZ Research

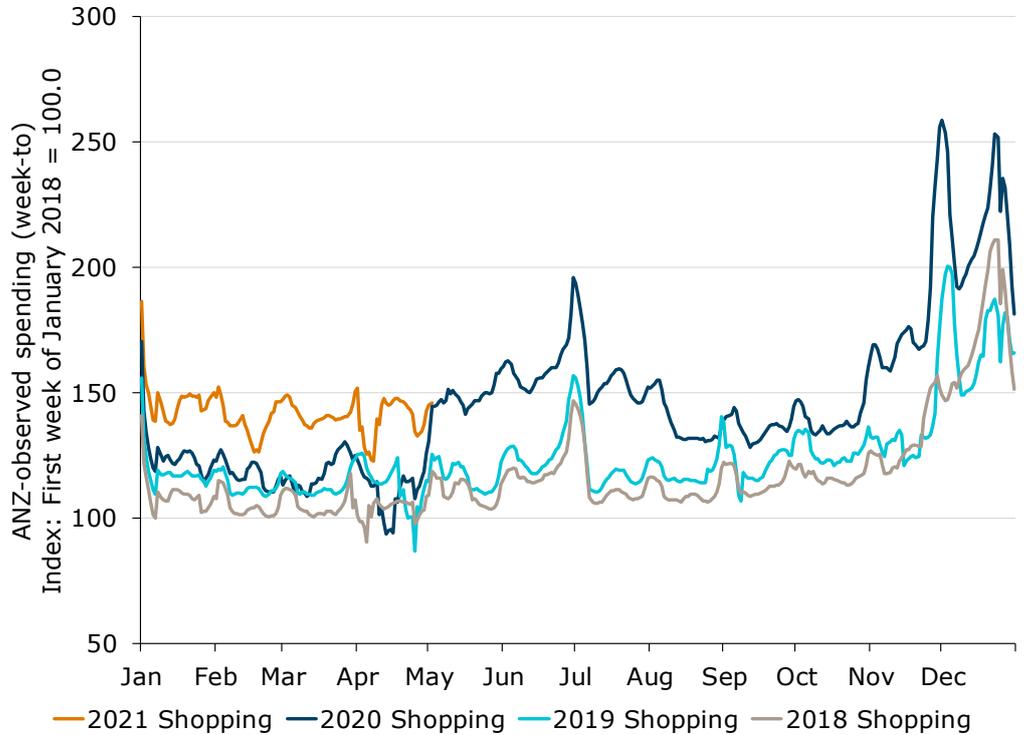
Figure 5. Grocery sales are not as high as during pandemic lockdowns



Source: ANZ Research

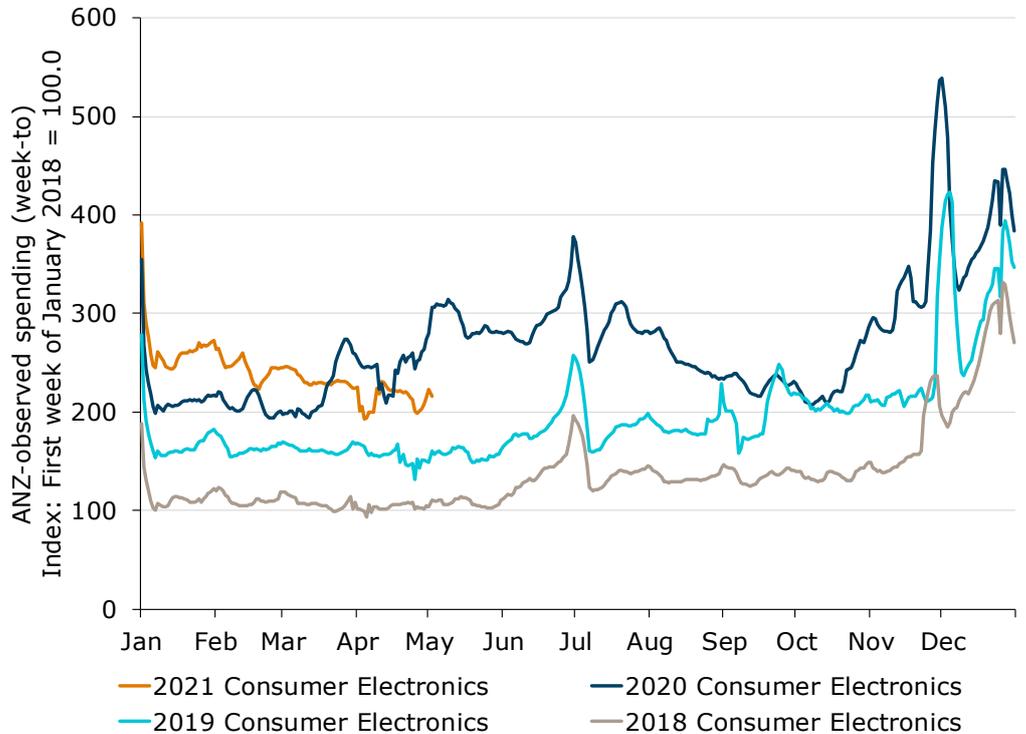
Shopping in late April matched the early 2020 retail boom, but the mix is different

Figure 6. Shopping spending in late April was similar to the start of the shopping boom in 2020



Source: ANZ Research

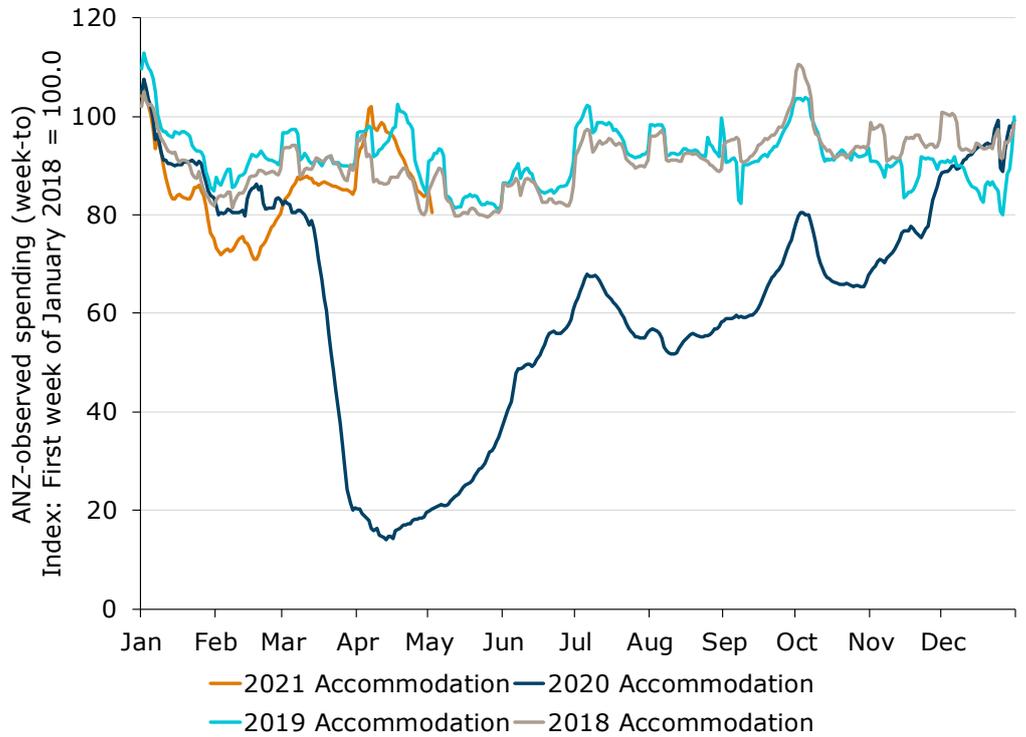
Figure 7. Electronics aren't matching the 2020 rush



Source: ANZ Research

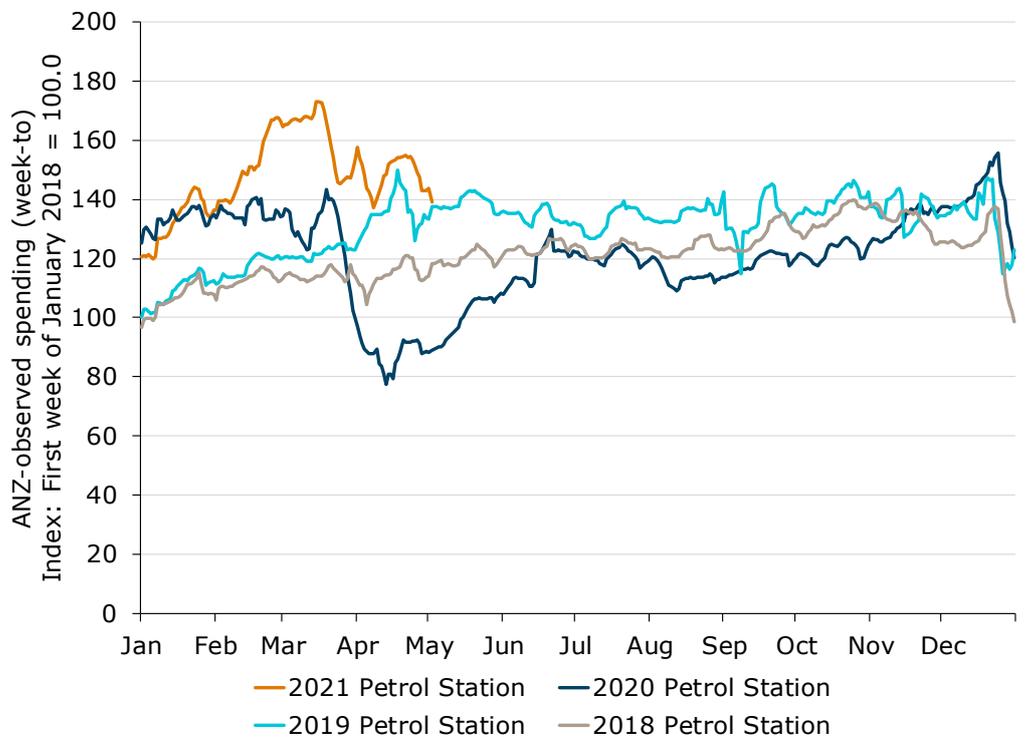
Accommodation and petrol station spending seem back to normal

Figure 8. Accommodation spending is now similar to previous years, although less of it is occurring in capital cities



Source: ANZ Research

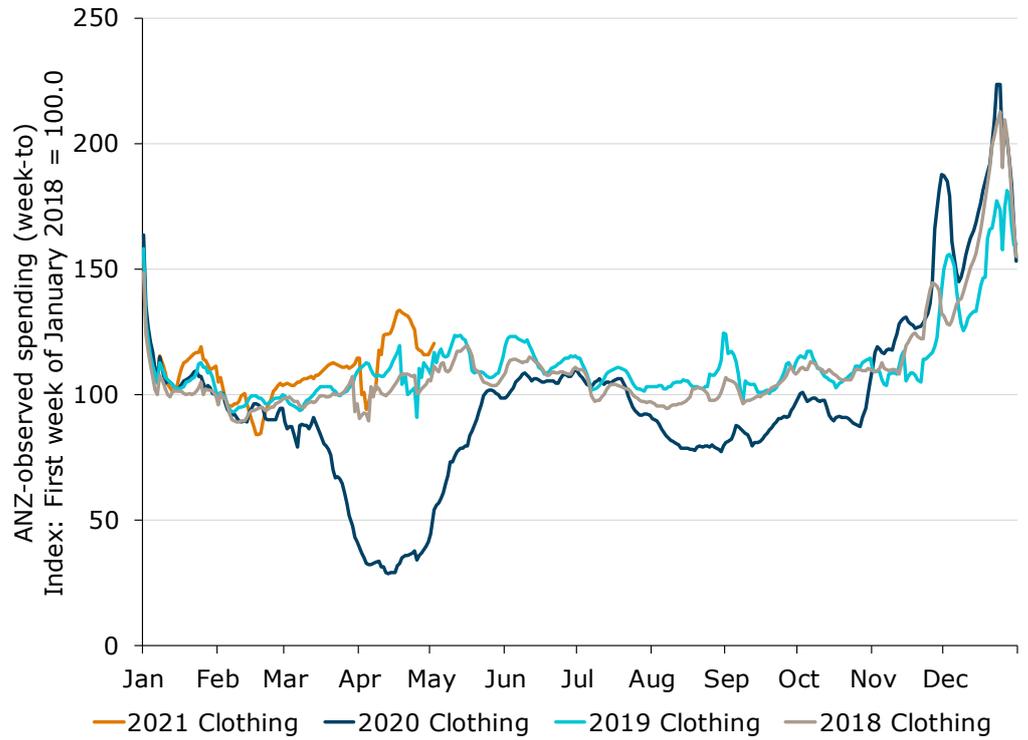
Figure 9. Petrol station spending has stayed above 2019 levels



Source: ANZ Research

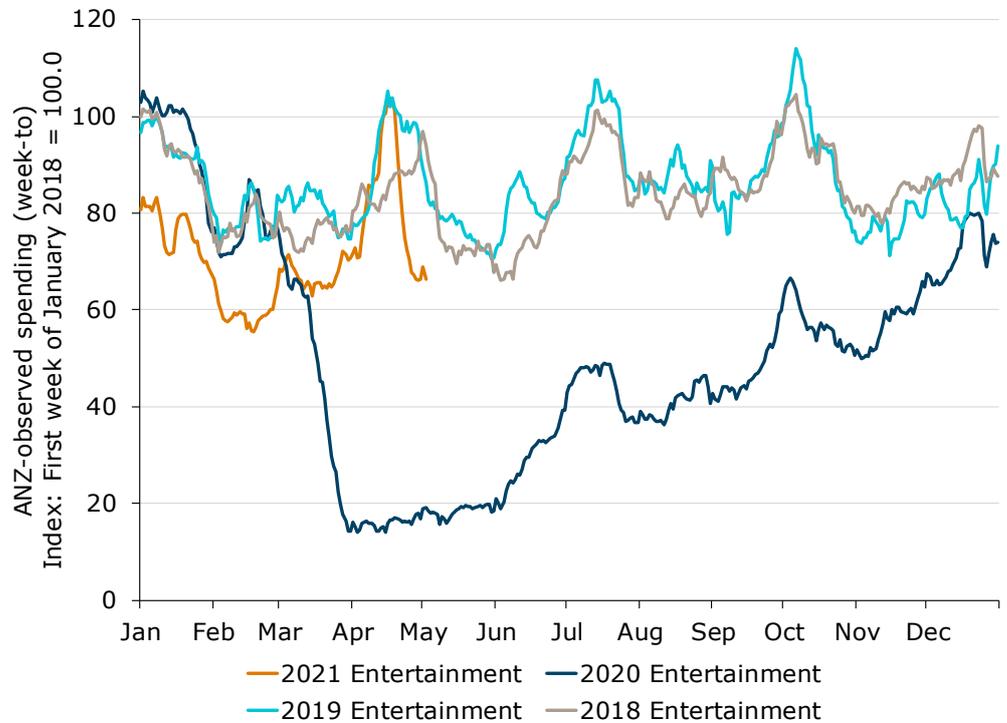
Clothing spending is back but entertainment isn't quite there yet

Figure 10. Clothing spending



Source: ANZ Research

Figure 11. Entertainment has improved but is still below previous years



Source: ANZ Research



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