



19 December 2025

AUSTRALIAN PRIVATE CREDIT BULLETIN

Firm growth

- The latest private sector credit growth figures indicated a slight step down in November to 0.6%*mth*, however, the elevated pace is consistent with recent trends. On an annual basis, growth inched higher to 7.4%*yr*, the new highest level in this cycle.
- The data showed another 0.6%*mth* rise in housing credit, led by the investor category, while owner-occupier growth remained steady at 0.5%*mth*.
- Other personal credit surprised to the downside, falling by 0.5%*mth*, the steepest drop since early 2022.
- Business credit rose 0.7%*mth*, 0.1ppt lower than in October but spot on the average pace so far this year.

Private sector credit, November 2025

Item	%mth		%yr	
	Oct	Nov	Oct	Nov
Total credit	0.7	0.6	7.3	7.4
Business	0.8	0.7	9.3	9.2
Other personal	0.1	-0.5	4.4	3.9
Housing, total	0.6	0.6	6.5	6.6
Owner-occupier	0.5	0.5	5.9	5.9
Investor	0.9	0.8	7.7	8.1

Source: ABS, Westpac Economics.

**November:
+0.6%*mth*,
+7.4%*yr***

Elevated pace maintained



Mantas Vanagas
Senior Economist

Private sector credit growth has been trending higher for over two years. Earlier this year, the pace accelerated, with monthly increases rising to 0.6–0.7%*mt*. In October, we saw a pick-up of 0.7%*mt*. While the latest figures indicated a slight step down in November to 0.6%*mt*, the elevated pace is consistent with recent trends. On an annual basis, growth inched higher to 7.4%*yr*, the new highest level in this cycle.

- Housing credit (63% of total private credit) has been a key source of strength in recent months. Easing monetary policy earlier this year has helped lift momentum in the housing market, with housing credit increasing by 0.6%*mt* over the previous three months, edging towards the rounding barrier for a 0.7%*mt* increase (0.66%*mt*). The November data showed another 0.6%*mt* rise.
- The breakdown of housing credit by category – owner-occupiers and investors – continued to show diverging trends. Owner-occupier credit rose by 0.5%*mt* for a ninth consecutive month. Meanwhile, investor credit increased by 0.8%*mt*. While this appeared to be a slight loss of momentum from October's 0.9%*mt* rise, which was the steepest since early 2015, comparing the figures to more than one decimal shows only a minor dip from 0.86%*mt* to 0.84%*mt*.
- Other personal credit (4% of total private credit) surprised to the downside, falling by 0.5%*mt*, the steepest drop since early 2022. This category tends to be somewhat more volatile, and occasional decreases are not entirely uncommon. In fact, the last time it reported negative growth was the previous November, while December readings have often been negative in prior years. This pattern suggests that there could be some residual seasonality at play, not fully accounted for in the seasonal adjustment of the data.
- Business credit (33% of total private credit) rose 0.7%*mt*, which was 0.1ppt lower than in October but right in line with the average pace over this year. If annualised, that pace represents a 9% increase. Having peaked at 10.0%*yr* in July, the year-ended growth appears to be converging towards that level, slipping 0.1ppt lower in November to 9.2%*yr*.

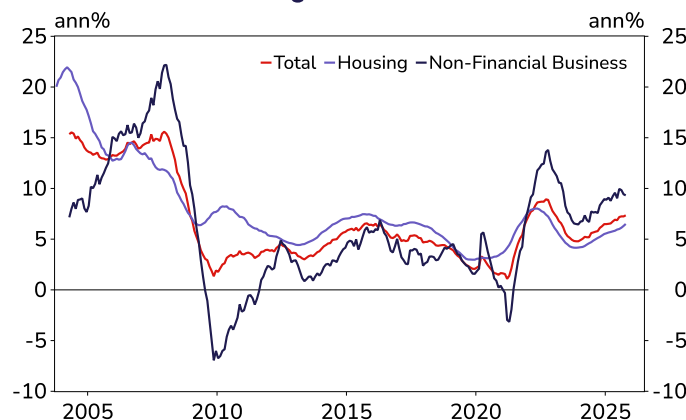
Credit growth is expected to remain elevated near-term; however, we anticipate some gradual easing further out. Our updated outlook for the RBA now sees the cash rate remaining on hold throughout 2026. Housing market activity might be marginally softer over 2026, compared to earlier expectations, placing some downward pressure on housing turnover. On the other hand, the 5% government deposit scheme, which was restarted under more generous terms in October, might

provide some additional support, particularly in the near term.

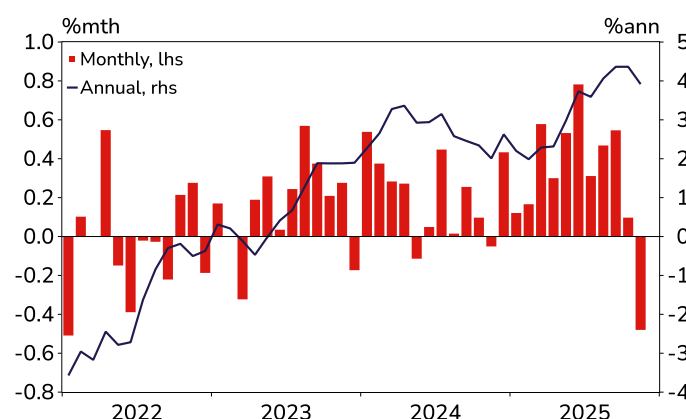
We interpret the slight step-down in personal credit growth largely as noise for now, though we will be monitoring it closely. While a more assured recovery in consumer spending would be consistent with higher credit growth, much will depend on the evolution of real household incomes.

Finally, business credit growth appears to be on a steady path for now. While the latest national accounts provided some early hints of recovery in business investment that is starting to broaden across sectors, the correlation with credit growth is usually not direct. Some further gradual easing in growth rates as business leverage rises would be expected.

Private sector credit growth



Personal Credit





Corporate Directory

Westpac Economics / Australia

Sydney

Level 19, 275 Kent Street
Sydney NSW 2000
Australia

E: economics@westpac.com.au

Luci Ellis

Chief Economist Westpac Group
E: luci.ellis@westpac.com.au

Matthew Hassan

Head of Australian Macro-Forecasting
E: mhassan@westpac.com.au

Elliot Clarke

Head of International Economics
E: eclarke@westpac.com.au

Sian Fenner

Head of Business and Industry Economics
E: sian.fenner@westpac.com.au

Justin Smirk

Senior Economist
E: jsmirk@westpac.com.au

Pat Bustamante

Senior Economist
E: pat.bustamante@westpac.com.au

Mantas Vanagas

Senior Economist
E: mantas.vanagas@westpac.com.au

Ryan Wells

Economist
E: ryan.wells@westpac.com.au

Illiana Jain

Economist
E: illiana.jain@westpac.com.au

Neha Sharma

Economist
E: neha.sharma1@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

Kelly Eckhold

Chief Economist NZ
E: kelly.eckhold@westpac.co.nz

Michael Gordon

Senior Economist
E: michael.gordon@westpac.co.nz

Darren Gibbs

Senior Economist
E: darren.gibbs@westpac.co.nz

Satish Ranchhod

Senior Economist
E: satish.ranchhod@westpac.co.nz

Paul Clark

Industry Economist
E: paul.clarke@westpac.co.nz

Westpac Economics / Fiji

Suva

1 Thomson Street
Suva, Fiji

Shamal Chand

Senior Economist
E: shamal.chand@westpac.com.au



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