



3 June 2026

AUSTRALIAN PRIVATE CREDIT BULLETIN

No signs of cracks

- The theme of resilient private sector credit growth was reinforced by the delayed release of the latest figures for April. Despite a number of downside risks, the total credit outstanding growth did not show any signs of slowing, monthly growth coming in unchanged at 0.7%*mth*.
- Housing credit growth ticked down to 0.6%*mth*, however, details confirmed only a very minor downward shift, which was exaggerated by rounding. Both owner-occupier and investor credit continued to follow their recent trends, with the mix of growth remaining heavily skewed towards the latter.
- Business credit remained the key source of growth, with the 0.7%*mth* pace matching the Q1 and only slightly missing the 2025 averages.
- Looking ahead, we continue to expect credit growth to ease, given the impact of higher energy prices, rising inflation, as well as tighter RBA monetary policy.

Private sector credit, April 2026

Item	% <i>mth</i>		% <i>yr</i>	
	Mar	Apr	Mar	Apr
Total credit	0.7	0.7	8.1	8.0
Business	0.9	0.7	9.9	9.6
Other personal	0.6	0.1	4.5	4.3
Housing, total	0.7	0.6	7.3	7.5
Owner-occupier	0.5	0.5	6.2	6.2
Investor	0.9	0.9	9.7	10.2

Source: RBA, Westpac Economics.

**April:
+0.7%*mth*,
+8.0%*yr***

Resilience to downside risks



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Senior Economist

The RBA released the April private sector credit data today. The release came a little later than usual due to technical issues that delayed publication from last Friday – it is typically released at the end of the month.

The data again pointed to resilience in private credit growth despite higher interest rates and a more uncertain economic outlook, with the headline pace unchanged at 0.7%*mt*. This was slightly stronger than both market consensus and our nowcast, which had expected a moderation to 0.6%*mt*. On a year ended basis, growth eased marginally from 8.1%*yr* to 8.0%*yr*.

- Housing credit (62% of total credit) growth slowed from 0.7%*mt* to 0.6%*mt*, a pace seen in six of the previous eight months. This change does not appear to represent a material slowdown – measured beyond one decimal place, the decline was only around 2 basis points.
- The composition of housing credit growth between owner occupiers and investors was broadly unchanged and remained skewed towards the latter. Investor credit again grew by 0.9%*mt*, lifting annual growth to 10.2%*yr*, the first double digit outcome since 2015. Owner-occupier growth was more moderate but stable at 0.5%*mt* and 6.2%*yr*.
- Other personal credit (4% of total private credit) increased by 0.1%*mt*, the second weakest outcome since late 2024. In the context of emerging inflation pressures, this may point to greater caution among consumers and reduced willingness to borrow for discretionary spending. However, given the continued strength in other credit categories, it is too early to draw firm conclusions about a shift in behaviour.
- Business credit (34% of total private credit) remained a key driver of growth, rising by 0.7%*mt*. This is in line with the average pace over the first three months of the year and only marginally below the 2025 average. Year ended growth eased slightly but at 9.6%*yr* remained strong by historical standards.

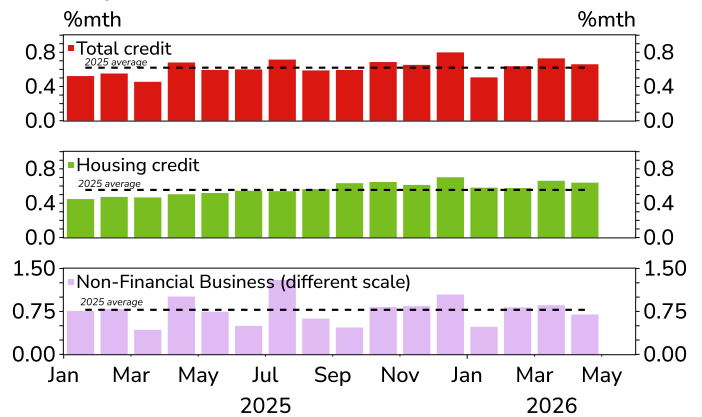
The outlook for credit growth remains uncertain. While the resilience to higher interest rates, softer house price growth and weaker sentiment is notable, this may in part reflect timing. We continue to expect that the effects of these factors will become more evident over time, leading to some moderation in growth.

The housing market appears to be coming under increasing pressure. [Prices are declining](#), [new housing finance is easing](#) and [higher interest rates](#) are adding to pressure on mortgage

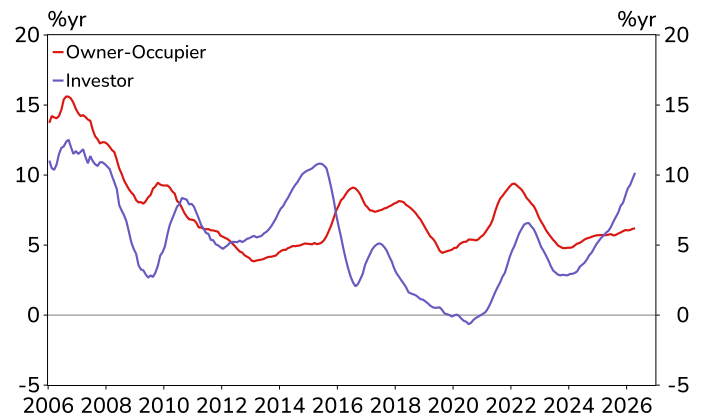
holders. These factors, together with [changes to capital gains tax and negative gearing for investment properties](#), are expected to weigh on housing turnover in coming quarters and contribute to a moderation in housing credit growth.

Business credit is likely to be influenced by offsetting forces. The [Q1 National Accounts](#) point to strong business investment at the start of the year, supported by investment in data centres. However, domestic business credit is unlikely to be the main source for financing these investment activities. Looking at other sectors, business surveys suggest that cost pressures are weighing on firms, with sentiment declining sharply in recent months. This could begin to weigh on borrowing and investment intentions over time.

Monthly private sector credit growth



Housing Credit Growth



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