



31 July 2026

AUSTRALIAN PRIVATE CREDIT BULLETIN

Holding its course

- Private sector credit growth accelerated to 0.8%*mth* in June, defying expectations of a slowdown from the 0.7%*mth* pace reported over the past few months.
- After ticking lower in May, housing credit growth held steady in June, with investor credit continuing to lead the way and showing no signs of slowing so far.
- Business credit was again the main driver, maintaining growth above 1.0%*mth*. With both housing and business credit steady, the lift in headline growth was mainly due to other personal credit, the smallest category, which surged 0.8%*mth*, a pace last seen in late 2009.
- The latest figures point to more resilient credit flows despite multiple headwinds. At the component level, we continue to expect slower housing credit growth ahead, while business credit should remain firmer.

Private sector credit, June 2026

Item	% <i>mth</i>		% <i>yr</i>	
	May	Jun	May	Jun
Total credit	0.7	0.8	8.2	8.5
Business	1.1	1.1	10.1	10.8
Other personal	0.6	0.8	4.5	4.7
Housing, total	0.6	0.6	7.5	7.5
Owner-occupier	0.4	0.5	6.2	6.1
Investor	0.8	0.8	10.3	10.4

Source: RBA, Westpac Economics.

June:
+0.8%*mth*,
+8.5%*yr*

Holding its course



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The RBA's private sector credit data for June surprised to the upside, showing growth ticking higher from the 0.7%*mt* pace recorded over the prior three months to 0.8%*mt*, the top of the post-pandemic range. Last month, the major components showed diverging trends, with housing credit growth ticking lower while business credit rose. Growth held steady across both categories this time, continuing to imply a large gap between the two types of credit. From the month-to-month perspective, the main impetus came from the other personal credit, which helped tip the headline pace into the rounding range for 0.8%*mt*. On an annual basis, private credit growth accelerated to 8.5%*yr*, a new high in this cycle.

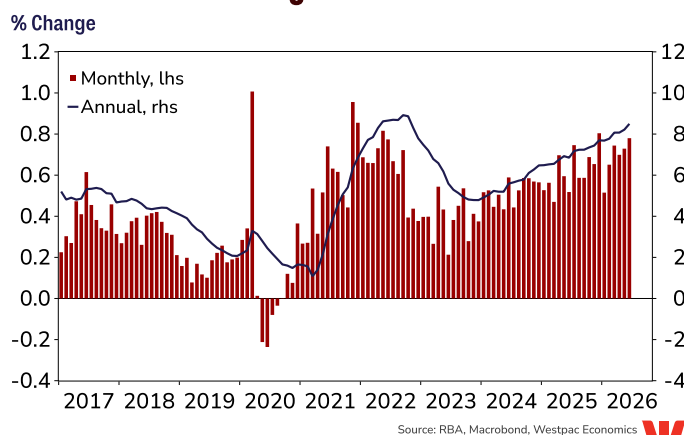
- Housing credit remained unchanged at 0.6%*mt*. The May reading was revised up by 0.1ppt; however, looking beyond one decimal place, the changes were minimal. The prior month's result was revised up by only 1bp to 0.55%*mt*, and it remained exactly the same in June.
- There was hardly any movement in the major housing credit segments – owner-occupiers and investors. Owner-occupier credit growth ticked from 0.44%*mt* in May, which rounds to 0.4%, to 0.46%*mt* in June, which rounds to 0.5%. Investor credit growth was actually 1bp lower at 0.81%*mt*. Zooming out, the year-ended pace illustrated the picture better, with investor credit powering ahead at a double-digit pace, while owner-occupier credit was up 6.1%*yr*.
- Growth in other personal credit, the smallest major category accounting for 4% of total private credit, gathered further momentum, increasing 0.8%*mt* after rising 0.6%*mt* in May. The last time it reached this pace was during or just after the Global Financial Crisis. Since then, a range of changes to lending rules and regulations have tightened credit standards and affected personal credit growth, which has averaged only –0.1%*mt* since the start of 2010.
- Business credit, which accounts for 34% of total private credit, surprised to the upside – the prior month's reading was revised up to 1.1%*mt*, and the June result was exactly the same. Even looking at the second decimal place, there was only a 1bp difference. Separately released industry-level data for May, the latest available, showed that IT sector borrowing was leading the way, which might reflect demand for capital to finance data centre investment, which has been increasing very rapidly.

More broadly, the latest credit figures point to resilient credit flows – high interest rates, increased economic uncertainty, weaker sentiment and the recent slowdown in economic

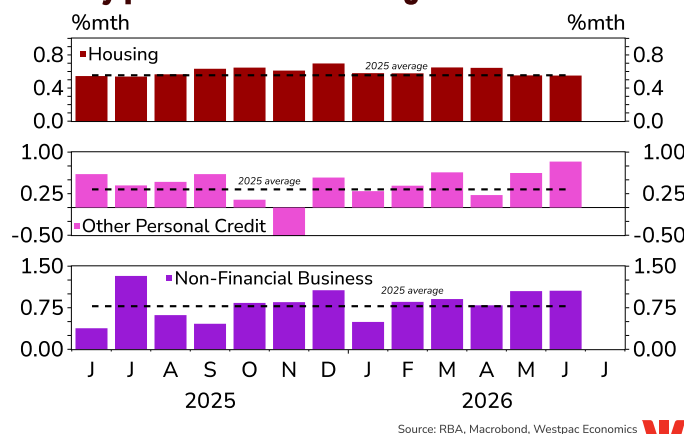
growth have not materially altered credit growth, which remains strong by historical standards. While these factors are eventually likely to have at least some impact, today's data suggest that any slowdown might be very gradual.

At the component level, we continue to expect diverging trends. Business credit, which might be more sensitive to investment and growth opportunities than to interest rates, is likely to continue to outperform. Housing credit, meanwhile, is set to remain under downward pressure, not least given the weakness seen in the major housing market indicators recently. Most of the adjustment is likely to come from the investor side, which has been much stronger and therefore has more room to adjust, particularly given the recent tax changes for investment properties.

Private sector credit growth



Monthly private sector credit growth





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