



30 October 2026

AUSTRALIAN PRIVATE CREDIT BULLETIN

Investor credit growth slips further

- Private sector credit growth came in slightly firmer than expected at 0.6%*mth*, above Westpac's and the market's forecast for a 0.5%*mth* gain.
- Housing credit eased very slightly, from 0.43%*mth* to 0.40%*mth*, bringing the annual pace down to 7.0%*yr*.
- Investor housing credit growth continues to bear the brunt of the slowdown, with monthly growth at 0.2%*mth* in Sep being a fraction of the 0.8–0.9%*mth* pace during the first half of the year.
- Growth in owner-occupier housing credit has remained remarkably resilient, holding to a tight range of 0.45–0.50%*mth* gains over the past six months.
- The Q3 CPI re-affirmed our expectations that the RBA will deliver a follow-up rate hike in November, bringing the cash rate to 4.85%. The higher interest rate environment will weigh on credit growth over the period ahead.

Private sector credit, September 2026

Item	% <i>mth</i>		% <i>yr</i>	
	Aug	Sep	Aug	Sep
Total credit	0.6	0.6	8.4	8.4
Business	0.9	0.9	10.9	11.3
Other personal	0.7	0.3	5.1	4.8
Housing, total	0.4	0.4	7.3	7.0
Owner-occupier	0.5	0.5	6.2	6.1
Investor	0.3	0.2	9.6	9.0

Source: RBA, Westpac Economics.

**September:
+0.6%*mth*,
+8.4%*yr***

Higher interest rates to weigh on credit growth, in time



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Private sector credit growth came in slightly firmer than expected at 0.6%*mt* in September, above Westpac's and the market's forecast for a 0.5%*mt* gain, leaving credit growth running at 8.4%*yr*. Growth in housing credit continued to ease as we expected, led by investor credit, while growth in business credit remains fairly resilient.

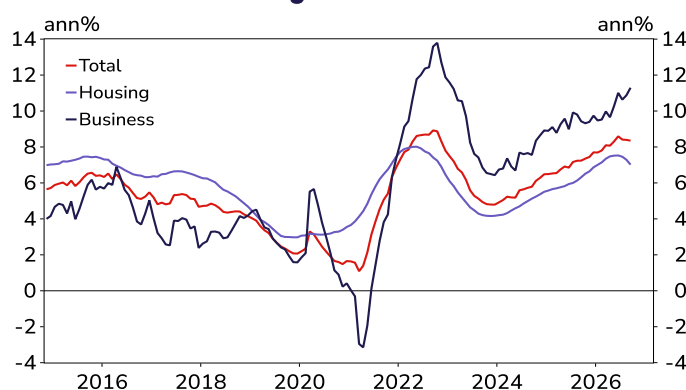
- Housing credit, which accounts for circa 60% of total credit, continues to track a gradual downtrend in the growth pace, down from 0.43%*mt* to 0.40%*mt* at two decimal places. That pulled the annual pace down from 7.3%*yr* to 7.0%*yr*.
- Investor credit growth continues to bear the brunt of the slowdown – having held at a 0.8–0.9%*mt* pace over the first half of the year, monthly growth stepped down sharply in July (0.4%*mt*) and has continued to trend lower since, to 0.3%*mt* in Aug and now 0.2%*mt* in Sep. Meanwhile, credit growth for owner-occupiers has remained incredibly stable, holding a tight range between 0.45–0.50%*mt* over the past six months.
- Growth in other personal credit, the smallest of the major categories, printed broadly in line with our expectations, cooling from Aug's 0.7%*mt* gain to 0.3%*mt* in Sep, bringing the annual pace down from 5.1%*yr* to 4.8%*yr*, although it is still fairly robust.
- Business credit growth remains resilient, holding steady at 0.9%*mt* in Sep. While this is slightly softer than the run of prints seen around mid-year, the annual pace has still picked up to 11.3%*yr*, which suggests firms are still investing in working capital and other projects with some degree of confidence despite the uncertain backdrop.

Today's data painted a very similar picture on credit growth trends as last month. The key message is that housing credit growth is slowing but it is also uneven – concentrated on the investor segment, with the tax changes for investment properties announced in the May budget a clear driver. While the owner-occupier segment has been relatively resilient to date, a broadening of the slowdown is likely over the period ahead given the higher interest rate environment that will continue to weigh on the housing market more broadly. Indeed, the Q3 CPI [re-affirmed our expectation](#) that the RBA will deliver a follow-up rate hike in November, bringing the cash rate to 4.85%. While we do not have further rate hikes beyond November in our base case, the risk of another rate hike beyond November's has risen.

Meanwhile, business credit remains a source of strength, with annual growth holding to a double-digit pace. Debt issuance in financial markets – another form of borrowing available to the largest corporates – has also been expanding rapidly, particularly domestically, reinforcing the message that businesses are not hesitating to borrow, particularly where there are AI-related technological imperatives driving business investment decisions.

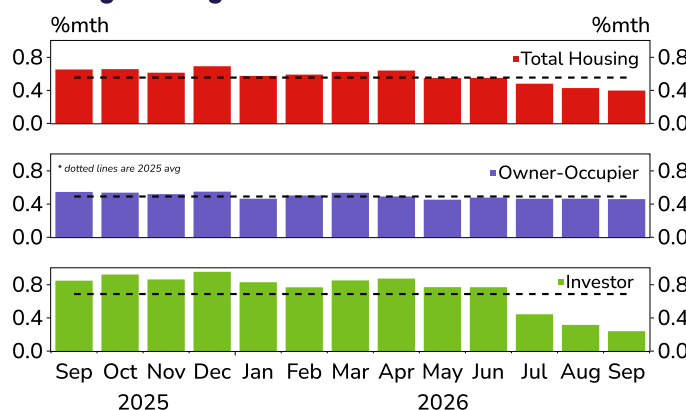
Going forward, we think the divergence between housing credit and business credit will persist, as the current housing market headwinds flow through more fully into the housing credit numbers.

Private sector credit growth



Source: RBA, Macrobond, Westpac Economics

Housing credit growth



Source: RBA, Macrobond, Westpac Economics



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