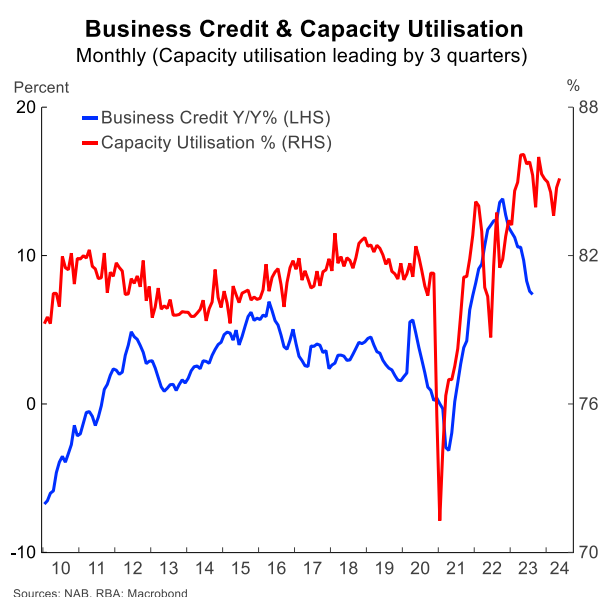
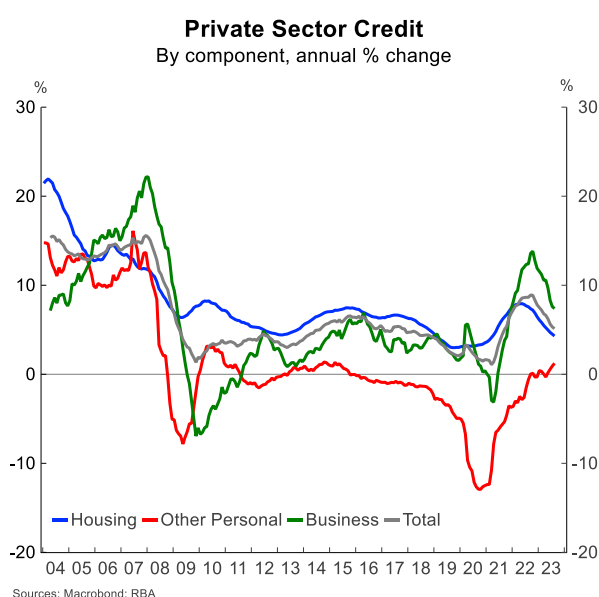


# Private Sector Credit

## Biz Resilient, Consumers Turning To Debt

- Private sector credit growth accelerated in August to 0.4%, a touch above the 0.3% recorded in June and July. The pick was driven by business and personal credit, with housing credit growth remaining soft. In annual terms, credit growth continued to moderate to 5.1% in August, but remains above the ten-year average rate of 4.9%.
- Business credit growth accelerated to 0.6% in August, from the weak 0.2% recorded in July following the expiry of generous government tax concession on 30 June. The resilience in business credit reflects the high level of capacity utilisation, robust business conditions and sound financial position in certain pockets. Business credit was 7.4% higher in annual terms, down from the cycle peak of 13.8% in October 2022, but well above the 10-year average of 4.5%.
- Housing credit remained soft, growing by 0.3% for the ninth consecutive month. Investor credit grew by 0.2%, a step down from the 0.3% rate recorded in July. Owner occupier credit growth was unchanged at 0.3%. In annual terms housing credit continued to moderate to 4.3%, which is below the ten-year average of 5.7% and the cycle peak in May 2022 of 7.9%.
- Personal credit, which includes credit cards and personal loans, rose 0.5% in August, with annual growth accelerating to 1.2% – the highest rate since March 2015. The pickup in personal credit, coupled with the fall in household deposits over the June quarter we saw yesterday, suggests that certain households are struggling with cost-of-living pressures and may be increasingly drawing on lines of credit to support spending.



Pat Bustamante, Senior Economist  
Ph: +61 468 571 786

## Contact Listing

**Chief Economist**

Besa Deda  
dedab@banksa.com.au  
+61 404 844 817

**Senior Economist**

Jarek Kowcza  
jarek.kowcza@banksa.com.au  
+61 481 476 436

**Senior Economist**

Pat Bustamante  
pat.bustamante@banksa.com.au  
+61 468 571 786

**Economist**

Jameson Coombs  
jameson.coombs@banksa.com.au  
+61 401 102 789

The information contained in this report ("the Information") is provided for, and is only to be used by, persons in Australia. The information may not comply with the laws of another jurisdiction. The Information is general in nature and does not take into account the particular investment objectives or financial situation of any potential reader. It does not constitute, and should not be relied on as, financial or investment advice or recommendations (expressed or implied) and is not an invitation to take up securities or other financial products or services. No decision should be made on the basis of the Information without first seeking expert financial advice. For persons with whom St.George has a contract to supply Information, the supply of the Information is made under that contract and St.George's agreed terms of supply apply. St.George does not represent or guarantee that the Information is accurate or free from errors or omissions and St.George disclaims any duty of care in relation to the Information and liability for any reliance on investment decisions made using the Information. The Information is subject to change. Terms, conditions and any fees apply to St.George products and details are available. St.George or its officers, agents or employees (including persons involved in preparation of the Information) may have financial interests in the markets discussed in the Information. St.George owns copyright in the information unless otherwise indicated. The Information should not be reproduced, distributed, linked or transmitted without the written consent of St.George.

---

Any unauthorised use or dissemination is prohibited. Neither St.George Bank - A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 ACL 233714, nor any of Westpac's subsidiaries or affiliates shall be liable for the message if altered, changed or falsified.