



Standard Variable Mortgage Interest Rates

1959 to 2011

Key Points:

- **Nominal interest rates peaked in the early 1990s when the standard variable mortgage rate (SVMR) reached 17 per cent.**
- **Between May 2002 and July 2008 a combination of official interest rates rises and independent moves from retail financial institutions saw the SVMR increase from 6.05 per cent to 9.6 per cent.**
- **With the onset of the Global Financial Crisis (GFC) in the second half of 2008, the SVMR went from 9.6 per cent in August 2008 to a low of 5.75 per cent in April 2009.**
- **As the economy recovered, the RBA pulled the monetary tightening trigger and the SVMR went from 5.75 per cent in May 2009 to 7.40 per cent in May 2010.**

In the pre-deregulation period, monetary policy operated through a mixture of financial-market operations and direct controls on markets and financial institutions. These included controls on bank interest rates, reserve requirements and various other balance-sheet restrictions. This system of policy management was gradually rendered ineffective as markets developed ways of avoiding regulations through growth of the unregulated parts of the financial sector.

In the current deregulated financial market, monetary policy is much more transparent and easier to explain, since it works directly through the short-term interest rate. In having made this evolution from a regulated to a deregulated environment for monetary policy, Australia's situation is quite similar to that of many other countries.

From day to day, the Reserve Bank's Domestic Markets Department has the task of maintaining conditions in the money market so as to keep the cash rate at or near an operating target decided by the Board. The cash rate is the rate charged on overnight loans between financial intermediaries. Changes in monetary policy mean a change in the operating target for the cash rate, and hence a shift in the interest rate structure prevailing in the financial system.

The Reserve Bank uses its domestic market operations (sometimes called "open market operations") to influence the cash rate. On the days when monetary policy is being changed, market operations are aimed at moving the cash rate to the new target level. Between changes in policy, the focus of market operations is on keeping the cash rate close to the target, by managing the supply of funds available to banks in the money market.

The cash rate is determined in the money market as a result of the interaction of demand for and supply of overnight funds. The Reserve Bank's ability to pursue successfully a target for the cash rate stems from its control over the supply of funds which banks use to settle transactions among themselves. These are called exchange settlement funds, after the accounts at the Reserve Bank in which banks hold these funds.

If the Reserve Bank supplies more exchange settlement funds than the commercial banks wish to hold, the banks will try to shed funds by lending more in the cash market, resulting in a tendency for the cash rate to fall. Conversely, if the Reserve Bank supplies less than banks wish to hold, they will respond by trying to borrow more in the cash market to build up their holdings of exchange settlement funds; in the process, they will bid up the cash rate.



Standard Variable Mortgage Interest Rates, 1959 to 2011

Month	Standard Variable Interest Rate	Month	Standard Variable Interest Rate	Month	Standard Variable Interest Rate	Month	Standard Variable Interest Rate
Jan-1959	5.00	Jan-1964	5.00	Jan-1969	5.88	Jan-1974	8.38
Feb-1959	5.00	Feb-1964	5.00	Feb-1969	5.88	Feb-1974	8.38
Mar-1959	5.00	Mar-1964	5.00	Mar-1969	5.88	Mar-1974	8.38
Apr-1959	5.00	Apr-1964	5.00	Apr-1969	5.88	Apr-1974	8.38
May-1959	5.00	May-1964	5.00	May-1969	5.88	May-1974	8.38
Jun-1959	5.00	Jun-1964	5.13	Jun-1969	5.88	Jun-1974	8.38
Jul-1959	5.00	Jul-1964	5.13	Jul-1969	5.88	Jul-1974	10.38
Aug-1959	5.00	Aug-1964	5.13	Aug-1969	5.88	Aug-1974	10.38
Sep-1959	5.00	Sep-1964	5.13	Sep-1969	5.88	Sep-1974	10.38
Oct-1959	5.00	Oct-1964	5.13	Oct-1969	5.88	Oct-1974	10.38
Nov-1959	5.00	Nov-1964	5.13	Nov-1969	5.88	Nov-1974	10.38
Dec-1959	5.00	Dec-1964	5.13	Dec-1969	5.88	Dec-1974	10.38
Jan-1960	5.00	Jan-1965	5.13	Jan-1970	5.88	Jan-1975	10.38
Feb-1960	5.00	Feb-1965	5.13	Feb-1970	5.88	Feb-1975	10.38
Mar-1960	5.00	Mar-1965	5.13	Mar-1970	5.88	Mar-1975	10.38
Apr-1960	5.00	Apr-1965	5.38	Apr-1970	7.25	Apr-1975	10.13
May-1960	5.00	May-1965	5.38	May-1970	7.25	May-1975	10.13
Jun-1960	5.00	Jun-1965	5.38	Jun-1970	7.25	Jun-1975	10.13
Jul-1960	5.00	Jul-1965	5.38	Jul-1970	7.25	Jul-1975	10.13
Aug-1960	5.00	Aug-1965	5.38	Aug-1970	7.25	Aug-1975	10.13
Sep-1960	5.00	Sep-1965	5.38	Sep-1970	7.25	Sep-1975	10.38
Oct-1960	5.00	Oct-1965	5.38	Oct-1970	7.25	Oct-1975	10.38
Nov-1960	5.00	Nov-1965	5.38	Nov-1970	7.25	Nov-1975	10.38
Dec-1960	5.00	Dec-1965	5.38	Dec-1970	7.25	Dec-1975	10.38
Jan-1961	5.50	Jan-1966	5.38	Jan-1971	7.25	Jan-1976	10.38
Feb-1961	5.50	Feb-1966	5.38	Feb-1971	7.25	Feb-1976	9.88
Mar-1961	5.50	Mar-1966	5.38	Mar-1971	7.25	Mar-1976	9.88
Apr-1961	5.50	Apr-1966	5.38	Apr-1971	7.25	Apr-1976	9.88
May-1961	5.50	May-1966	5.38	May-1971	7.25	May-1976	9.88
Jun-1961	5.50	Jun-1966	5.38	Jun-1971	7.25	Jun-1976	9.88
Jul-1961	5.50	Jul-1966	5.38	Jul-1971	7.25	Jul-1976	9.88
Aug-1961	5.50	Aug-1966	5.38	Aug-1971	7.25	Aug-1976	9.88
Sep-1961	5.50	Sep-1966	5.38	Sep-1971	7.25	Sep-1976	9.88
Oct-1961	5.50	Oct-1966	5.38	Oct-1971	7.25	Oct-1976	9.88
Nov-1961	5.50	Nov-1966	5.38	Nov-1971	7.25	Nov-1976	9.88
Dec-1961	5.50	Dec-1966	5.38	Dec-1971	7.25	Dec-1976	9.88
Jan-1962	5.50	Jan-1967	5.38	Jan-1972	7.25	Jan-1977	9.88
Feb-1962	5.50	Feb-1967	5.38	Feb-1972	7.00	Feb-1977	9.88
Mar-1962	5.50	Mar-1967	5.38	Mar-1972	7.00	Mar-1977	9.88
Apr-1962	5.50	Apr-1967	5.38	Apr-1972	7.00	Apr-1977	9.88
May-1962	5.50	May-1967	5.38	May-1972	7.00	May-1977	9.88
Jun-1962	5.50	Jun-1967	5.38	Jun-1972	7.00	Jun-1977	9.88
Jul-1962	5.50	Jul-1967	5.38	Jul-1972	7.00	Jul-1977	9.88
Aug-1962	5.50	Aug-1967	5.38	Aug-1972	7.00	Aug-1977	9.88
Sep-1962	5.50	Sep-1967	5.38	Sep-1972	7.00	Sep-1977	9.88
Oct-1962	5.50	Oct-1967	5.38	Oct-1972	7.00	Oct-1977	9.88
Nov-1962	5.50	Nov-1967	5.38	Nov-1972	7.00	Nov-1977	9.88
Dec-1962	5.50	Dec-1967	5.38	Dec-1972	7.00	Dec-1977	9.88
Jan-1963	5.50	Jan-1968	5.38	Jan-1973	7.00	Jan-1978	9.63
Feb-1963	5.50	Feb-1968	5.38	Feb-1973	7.00	Feb-1978	9.38
Mar-1963	5.50	Mar-1968	5.38	Mar-1973	7.00	Mar-1978	9.38
Apr-1963	5.00	Apr-1968	5.38	Apr-1973	7.00	Apr-1978	9.38
May-1963	5.00	May-1968	5.38	May-1973	7.00	May-1978	9.38
Jun-1963	5.00	Jun-1968	5.38	Jun-1973	7.00	Jun-1978	9.38
Jul-1963	5.00	Jul-1968	5.38	Jul-1973	7.00	Jul-1978	9.38
Aug-1963	5.00	Aug-1968	5.88	Aug-1973	7.00	Aug-1978	9.38
Sep-1963	5.00	Sep-1968	5.88	Sep-1973	7.00	Sep-1978	9.38
Oct-1963	5.00	Oct-1968	5.88	Oct-1973	8.38	Oct-1978	9.38
Nov-1963	5.00	Nov-1968	5.88	Nov-1973	8.38	Nov-1978	9.38
Dec-1963	5.00	Dec-1968	5.88	Dec-1973	8.38	Dec-1978	9.13

Month	Standard Variable Interest Rate	Month	Standard Variable Interest Rate	Month	Standard Variable Interest Rate	Month	Standard Variable Interest Rate
Jan-1979	9.13	Jan-1984	11.50	Jan-1989	15.00	Jan-1994	8.75
Feb-1979	9.13	Feb-1984	11.50	Feb-1989	15.50	Feb-1994	8.75
Mar-1979	9.13	Mar-1984	11.50	Mar-1989	16.00	Mar-1994	8.75
Apr-1979	9.13	Apr-1984	11.50	Apr-1989	16.00	Apr-1994	8.75
May-1979	9.13	May-1984	11.50	May-1989	16.00	May-1994	8.75
Jun-1979	9.13	Jun-1984	11.50	Jun-1989	17.00	Jun-1994	8.75
Jul-1979	9.13	Jul-1984	11.50	Jul-1989	17.00	Jul-1994	8.75
Aug-1979	9.13	Aug-1984	11.50	Aug-1989	17.00	Aug-1994	8.75
Sep-1979	9.13	Sep-1984	11.50	Sep-1989	17.00	Sep-1994	9.50
Oct-1979	9.13	Oct-1984	11.50	Oct-1989	17.00	Oct-1994	9.50
Nov-1979	9.13	Nov-1984	11.50	Nov-1989	17.00	Nov-1994	9.55
Dec-1979	9.13	Dec-1984	11.50	Dec-1989	17.00	Dec-1994	10.50
Jan-1980	9.13	Jan-1985	11.50	Jan-1990	17.00	Jan-1995	10.50
Feb-1980	9.13	Feb-1985	11.50	Feb-1990	17.00	Feb-1995	10.50
Mar-1980	9.63	Mar-1985	11.50	Mar-1990	17.00	Mar-1995	10.50
Apr-1980	9.88	Apr-1985	12.00	Apr-1990	16.50	Apr-1995	10.50
May-1980	9.88	May-1985	12.00	May-1990	16.50	May-1995	10.50
Jun-1980	9.88	Jun-1985	12.00	Jun-1990	16.50	Jun-1995	10.50
Jul-1980	10.25	Jul-1985	12.50	Jul-1990	16.50	Jul-1995	10.50
Aug-1980	10.25	Aug-1985	12.50	Aug-1990	16.50	Aug-1995	10.50
Sep-1980	10.25	Sep-1985	13.00	Sep-1990	16.25	Sep-1995	10.50
Oct-1980	10.25	Oct-1985	13.50	Oct-1990	16.00	Oct-1995	10.50
Nov-1980	10.25	Nov-1985	13.50	Nov-1990	15.50	Nov-1995	10.50
Dec-1980	11.00	Dec-1985	13.50	Dec-1990	15.00	Dec-1995	10.50
Jan-1981	11.50	Jan-1986	13.50	Jan-1991	14.50	Jan-1996	10.50
Feb-1981	11.50	Feb-1986	13.50	Feb-1991	14.50	Feb-1996	10.50
Mar-1981	11.50	Mar-1986	13.50	Mar-1991	14.50	Mar-1996	10.50
Apr-1981	11.50	Apr-1986	15.50	Apr-1991	14.50	Apr-1996	10.50
May-1981	11.50	May-1986	15.50	May-1991	14.00	May-1996	10.50
Jun-1981	11.50	Jun-1986	15.50	Jun-1991	13.00	Jun-1996	9.75
Jul-1981	11.50	Jul-1986	15.50	Jul-1991	13.00	Jul-1996	9.75
Aug-1981	12.00	Aug-1986	15.50	Aug-1991	13.00	Aug-1996	9.25
Sep-1981	12.00	Sep-1986	15.50	Sep-1991	13.00	Sep-1996	9.25
Oct-1981	12.50	Oct-1986	15.50	Oct-1991	12.50	Oct-1996	9.25
Nov-1981	12.50	Nov-1986	15.50	Nov-1991	12.50	Nov-1996	8.75
Dec-1981	12.50	Dec-1986	15.50	Dec-1991	12.00	Dec-1996	8.25
Jan-1982	12.50	Jan-1987	15.50	Jan-1992	12.00	Jan-1997	8.25
Feb-1982	12.50	Feb-1987	15.50	Feb-1992	11.00	Feb-1997	7.55
Mar-1982	13.00	Mar-1987	15.50	Mar-1992	11.00	Mar-1997	7.55
Apr-1982	13.50	Apr-1987	15.50	Apr-1992	11.00	Apr-1997	7.55
May-1982	13.50	May-1987	15.50	May-1992	11.00	May-1997	7.20
Jun-1982	13.50	Jun-1987	15.50	Jun-1992	10.50	Jun-1997	7.20
Jul-1982	13.50	Jul-1987	15.50	Jul-1992	10.50	Jul-1997	7.20
Aug-1982	13.50	Aug-1987	15.00	Aug-1992	10.00	Aug-1997	6.70
Sep-1982	13.50	Sep-1987	15.00	Sep-1992	10.00	Sep-1997	6.70
Oct-1982	13.50	Oct-1987	14.50	Oct-1992	10.00	Oct-1997	6.70
Nov-1982	13.50	Nov-1987	14.00	Nov-1992	10.00	Nov-1997	6.70
Dec-1982	13.50	Dec-1987	14.00	Dec-1992	10.00	Dec-1997	6.70
Jan-1983	13.50	Jan-1988	14.00	Jan-1993	10.00	Jan-1998	6.70
Feb-1983	12.50	Feb-1988	13.50	Feb-1993	10.00	Feb-1998	6.70
Mar-1983	12.50	Mar-1988	13.50	Mar-1993	10.00	Mar-1998	6.70
Apr-1983	12.50	Apr-1988	13.50	Apr-1993	10.00	Apr-1998	6.70
May-1983	12.50	May-1988	13.50	May-1993	9.50	May-1998	6.70
Jun-1983	12.50	Jun-1988	13.50	Jun-1993	9.50	Jun-1998	6.70
Jul-1983	12.50	Jul-1988	14.50	Jul-1993	9.50	Jul-1998	6.70
Aug-1983	12.50	Aug-1988	14.50	Aug-1993	9.50	Aug-1998	6.70
Sep-1983	12.00	Sep-1988	14.50	Sep-1993	8.75	Sep-1998	6.70
Oct-1983	12.00	Oct-1988	14.50	Oct-1993	8.75	Oct-1998	6.70
Nov-1983	12.00	Nov-1988	14.50	Nov-1993	8.75	Nov-1998	6.70
Dec-1983	12.00	Dec-1988	15.00	Dec-1993	8.75	Dec-1998	6.50

Month	Standard Variable Interest Rate	Month	Standard Variable Interest Rate	Month	Standard Variable Interest Rate	Month	Standard Variable Interest Rate
Jan-1999	6.50	Jan-2004	7.05	Feb-2007	8.05	Apr-2010	7.15
Feb-1999	6.50	Feb-2004	7.05	Mar-2007	8.05	May-2010	7.40
Mar-1999	6.50	Mar-2004	7.05	Apr-2007	8.05	Jun-2010	7.40
Apr-1999	6.50	Apr-2004	7.05	May-2007	8.05	Jul-2010	7.40
May-1999	6.50	May-2004	7.05	Jun-2007	8.05	Aug-2010	7.40
Jun-1999	6.50	Jun-2004	7.05	Jul-2007	8.05	Sep-2010	7.40
Jul-1999	6.55	Jul-2004	7.05	Aug-2007	8.30	Oct-2010	7.40
Aug-1999	6.55	Aug-2004	7.05	Sep-2007	8.30	Nov-2010	7.80
Sep-1999	6.55	Sep-2004	7.05	Oct-2007	8.30	Dec-2010	7.80
Oct-1999	6.55	Oct-2004	7.05	Nov-2007	8.55	Jan-2011	7.80
Nov-1999	6.80	Nov-2004	7.05	Dec-2007	8.55	Feb-2011	7.80
Dec-1999	6.80	Dec-2004	7.05	Jan-2008	8.70	Mar-2011	7.80
Jan-2000	6.80	Jan-2005	7.05	Feb-2008	9.00	Apr-2011	7.80
Feb-2000	7.30	Feb-2005	7.05	Mar-2008	9.35	May-2011	7.80
Mar-2000	7.30	Mar-2005	7.30	Apr-2008	9.45	Jun-2011	7.80
Apr-2000	7.55	Apr-2005	7.30	May-2008	9.45	Jul-2011	7.80
May-2000	7.80	May-2005	7.30	Jun-2008	9.45	Aug-2011	7.80
Jun-2000	7.80	Jun-2005	7.30	Jul-2008	9.60	Sep-2011	7.80
Jul-2000	7.80	Jul-2005	7.30	Aug-2008	9.60		
Aug-2000	8.05	Aug-2005	7.30	Sep-2008	9.35		
Sep-2000	8.05	Sep-2005	7.30	Oct-2008	8.35		
Oct-2000	8.05	Oct-2005	7.30	Nov-2008	7.75		
Nov-2000	8.05	Nov-2005	7.30	Dec-2008	6.85		
Dec-2000	8.05	Dec-2005	7.30	Jan-2009	6.85		
Jan-2001	8.05	Jan-2006	7.30	Feb-2009	5.85		
Feb-2001	7.55	Feb-2006	7.30	Mar-2009	5.85		
Mar-2001	7.30	Mar-2006	7.30	Apr-2009	5.75		
Apr-2001	6.80	Apr-2006	7.30	May-2009	5.75		
May-2001	6.80	May-2006	7.55	Jun-2009	5.80		
Jun-2001	6.80	Jun-2006	7.55	Jul-2009	5.80		
Jul-2001	6.80	Jul-2006	7.55	Aug-2009	5.80		
Aug-2001	6.80	Aug-2006	7.80	Sep-2009	5.80		
Sep-2001	6.55	Sep-2006	7.80	Oct-2009	6.05		
Oct-2001	6.30	Oct-2006	7.80	Nov-2009	6.30		
Nov-2001	6.30	Nov-2006	8.05	Dec-2009	6.65		
Dec-2001	6.05	Dec-2006	8.05	Jan-2010	6.65		
Jan-2002	6.05	Jan-2007	8.05	Feb-2010	6.65		
Feb-2002	6.05	Feb-2007	8.05	Mar-2010	6.90		
Mar-2002	6.05						
Apr-2002	6.05						
May-2002	6.30						
Jun-2002	6.55						
Jul-2002	6.55						
Aug-2002	6.55						
Sep-2002	6.55						
Oct-2002	6.55						
Nov-2002	6.55						
Dec-2002	6.55						
Jan-2003	6.55						
Feb-2003	6.55						
Mar-2003	6.55						
Apr-2003	6.55						
May-2003	6.55						
Jun-2003	6.55						
Jul-2003	6.55						
Aug-2003	6.55						
Sep-2003	6.55						
Oct-2003	6.55						
Nov-2003	6.80						
Dec-2003	7.05						

Standard Variable Mortgage Interest Rate

Per Cent



Source: RBA

 For any other data on Australia's Housing and Renovation Industries, please contact HIA Economics Group at economics@hia.com.au