

## PRIVATE FINANCE

This chapter contains statistics on the activities and structure of financial institutions including banks, building societies, insurance companies, finance companies, credit unions and cooperative societies together with descriptions of their operations and relevant controlling legislation.

### MONEY

#### Currency

Australia has a decimal system of currency, the unit being the dollar which is divided into 100 cents. Australian notes are issued in the denominations of \$5, \$10, \$20, \$50 and \$100 and coins in the denominations of 1c, 2c, 5c, 10c, 50c, \$1 and \$2. The \$1 and \$2 notes were replaced by coins in 1984 and 1988 respectively.

#### AUSTRALIAN NOTES ON ISSUE (\$ million)

	<i>Last Wednesday in June—</i>					
	1982	1983	1984	1985	1986	1987
\$1	78.8	81.4	58.2	45.1	43.7	41.6
\$2	158.4	162.9	168.6	179.1	179.9	178.7
\$5	165.6	174.1	183.1	192.1	202.2	213.0
\$10	546.7	531.5	512.9	518.1	524.8	527.6
\$20	2,169.8	2,195.8	2,235.6	2,284.9	2,285.2	2,315.7
\$50	2,718.2	3,216.4	3,450.4	3,420.5	3,461.7	3,586.2
\$100	—	—	595.6	1,542.4	2,238.6	2,974.8
<b>Total</b>	<b>5,837.5</b>	<b>6,362.2</b>	<b>7,204.5</b>	<b>8,182.1</b>	<b>8,936.1</b>	<b>9,837.6</b>
<i>Held by banks</i>	<i>677.4</i>	<i>712.6</i>	<i>786.7</i>	<i>833.3</i>	<i>894.3</i>	<i>937.4</i>
<i>Held by public</i>	<i>5,160.1</i>	<i>5,649.6</i>	<i>6,417.8</i>	<i>7,348.8</i>	<i>8,041.9</i>	<i>8,900.2</i>

#### AUSTRALIAN DECIMAL COIN: NET ISSUES BY RESERVE BANK (\$ million)

	<i>Year ended June</i>					
	1982	1983	1984	1985	1986	1987
1c	1.4	1.2	1.0	1.1	1.3	1.3
2c	2.7	1.7	1.4	1.5	1.3	1.9
5c	5.0	3.4	3.5	2.7	3.8	4.6
10c	6.2	4.3	5.2	—	3.4	4.8
20c	12.8	9.0	6.9	-9.6	3.0	2.7
50c	26.8	22.1	9.4	1.2	-0.5	3.2
\$1	—	—	107.2	86.6	25.5	16.3
<b>Total</b>	<b>54.9</b>	<b>41.7</b>	<b>134.6</b>	<b>83.5</b>	<b>37.8</b>	<b>34.7</b>

For additional information on note issues and coinage, refer to the List of Special Articles towards the back of this Year Book.

## Volume of money

Statistics of the volume of money in the following table include notes and coins in the hands of the public, deposits of the public with trading banks (including the Reserve Bank) and deposits with all savings banks. Volume of money is a measure of specified financial assets held by the non-bank public.

The financial assets included in the volume of money in the table represent only part (albeit a major part) of the public's total holdings of liquid financial assets. An expanded view of the volume of money would include the public's holdings of such other claims as finance company debentures, deposits and shares of building societies, loans to authorised dealers in the short-term money market, government securities, etc.

**VOLUME OF MONEY**  
(\$ million)  
(Source: Reserve Bank of Australia)

Average of weekly figures for June	Notes and coins in the hands of public	Deposits of public with all trading banks		Certificates of deposits (b)	Deposits with all savings banks (c)	Total volume of money
		Current(a)	Fixed(a)			
1982	5,570	11,325	16,948	3,002	24,808	61,653
1983	6,078	11,803	18,676	3,248	29,568	69,373
1984	6,983	12,663	19,393	3,850	34,051	76,940
1985	8,009	14,451	24,795	5,615	37,519	90,389
1986	8,717	14,637	32,427	4,715	41,625	102,122
1987	9,598	17,046	34,493	2,544	51,567	115,248

(a) Excludes deposits of the Commonwealth and State Governments and inter-bank deposits. (b) Excludes holdings of the Commonwealth and State Governments and banks. (c) Interpolated 'weekly average' based on end-of-month figures.

## FINANCIAL LEGISLATION

### Commonwealth legislation for economic management

With Federation in 1901 the new Commonwealth Parliament was given power under Section 51 of the Commonwealth Constitution to legislate with respect to 'Banking, other than State Banking, also State Banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money'. In 1911 the Commonwealth entered the field of banking with the establishment of the Commonwealth Bank of Australia, which conducted both trading bank and savings bank operations.

From 1911 to 1945 the functions of central banking became more and more the responsibility of the Commonwealth Bank, and in 1945 the Commonwealth Parliament directed it to act as a central bank. In the ensuing period of economic growth and financial development, the need for effective regulatory control of finance through banks became increasingly recognised. During 1959 the Commonwealth Parliament enacted the following legislation:

- (a) The *Banking Act 1959* which applies to all banks operating in Australia, including the external territories of the Commonwealth, except State banks trading in their own State. The objects of the Act are:
  - (i) to provide a legal framework uniform throughout Australia for regulating the banking system;

- (ii) to safeguard depositors of the banks from loss;
  - (iii) to provide for the coordination of banking policy under the direction of the Reserve Bank;
  - (iv) to control the volume of credit in circulation and bank interest rates; and
  - (v) to provide machinery for the control of foreign exchange.
- (b) The *Reserve Bank Act 1959* which provides for the constitution and management of the Reserve Bank of Australia, the administration of the *Banking Act 1959* and the management of the Australian note issue.
- (c) The *Commonwealth Banks Act 1959* which provides for the constitution and management of the Commonwealth Banking Corporation, Commonwealth Bank of Australia, Commonwealth Savings Bank of Australia, and the Commonwealth Development Bank of Australia.

Notwithstanding the provisions of the above legislation, recent Australian governments have sought to decrease the degree of regulation imposed on the Financial Sector, and on banking activity in particular. Specifically, controls on most bank interest rates and foreign exchange have been relaxed. In addition, eighteen new private banks have been granted licences to commence operations.

Information on more specific aspects of the growth and control of the banking industry is contained in earlier issues of the *Year Book* (Nos 31, 37, 45, 46 and 61).

As a result of the further development of the financial market and the increasing significance in the market of the non-bank financial institutions such as finance companies, building societies and money market dealers, the *Financial Corporations Act 1974* was introduced. The object of this Act is to assist the government to achieve effective management of the Australian economy by providing a means for the examination and regulation of the activities of non-bank financial institutions having regard to economic stability, the maintenance of full employment, the efficient allocation of productive resources, the ensuring of adequate levels of finance for housing and the economic prosperity and welfare of the people of Australia. Details of the operation and application of the Act are given in *Year Book* No. 62, page 541.

### **Other Commonwealth legislation directly affecting financial institutions**

#### **Insurance**

Section 51 of the Commonwealth Constitution confers the necessary powers on the Commonwealth Parliament to legislate with respect to 'insurance, other than State insurance; also State insurance extending beyond the limits of the State concerned'. Commonwealth legislation includes the *Marine Insurance Act 1909* defining the limits of marine insurance and regulating the terms of contracts, etc.; the *Life Insurance Act 1945* generally regulating life insurance business in Australia; the *Insurance Act 1973* generally regulating general (non-life) insurance business in Australia and the *Insurance (Agents and Brokers) Act 1984*. The *Marine Insurance Act 1909* has limited application.

#### *Life Insurance Act 1945*

The objects of this Act are:

- (a) to replace all State legislation on the subject of life insurance except that relating to the life insurance operations of State government insurance offices within the State concerned, and to provide uniform legislation for the whole of Australia;

- (b) to appoint a Life Insurance Commissioner to exercise active supervision of the activities of life insurance companies, with a view to securing the greatest possible protection for policy holders; and
- (c) to set up adequate machinery for dealing with any company that fails to maintain a required minimum standard of solvency.

The Act came into operation on 20 June 1946. The Life Insurance Commissioner issues an annual report which contains detailed information on the operations of life insurance companies.

#### *Insurance Act 1973*

The objects of this Act are:

- (a) to appoint an Insurance Commissioner to exercise active supervision of the financial activities of companies conducting general (non-life) insurance business, apart from State government insurance whether or not extending beyond the limits of the State concerned and other organisations specified in the Act, with a view to securing the greatest possible protection for policy holders; and
- (b) to set up adequate machinery for dealing with any company that fails to maintain a required minimum standard of solvency.

The Act came into operation on 19 June 1973. The Insurance Commissioner issues an annual report which contains detailed information on the operations of insurance companies.

#### *Insurance (Agents and Brokers) Act 1984*

The prime objective of the Act is to regulate the activities of insurance agents and brokers with a view to strengthening the financial stability of the industry overall. The Act received Royal Assent on 25 June 1984 although most of its regulatory provisions did not become operative until 1 January 1986.

### **State legislation**

In each State there exists legislation designed to regulate the activities and monitor the solvency position of particular types of financial institutions which operate on a cooperative basis and lend predominantly to members or consumers. In general, they form the groups covered later in this chapter under the headings of Permanent Building Societies, Cooperative Housing Societies and Credit Cooperatives

In some States there is also legislation for the incorporation of State government bodies which operate as banks or insurance offices. Though the regulations in Commonwealth legislation do not directly apply to these bodies, details of their operations have been included in the relevant parts of this chapter because they have agreed to supply information consistent with regulatory reports on a voluntary basis.

## BANKS

### Reserve Bank of Australia

The Reserve Bank of Australia preserved and continued in existence the original corporate body known as the Commonwealth Bank of Australia under the new name Reserve Bank of Australia.

The general functions of the Reserve Bank are set out in Section 10 of the *Reserve Bank Act 1959*, which states:

'It is the duty of the Board, within the limits of its powers, to ensure that the monetary and banking policy of the Bank is directed to the greatest advantage of the people of Australia and that the powers of the Bank under this Act, the *Banking Act 1959*, and regulations under that Act are exercised in such a manner as, in the opinion of the Board, will best contribute to:

- (a) the stability of the currency of Australia;
- (b) the maintenance of full employment in Australia; and
- (c) the economic prosperity and welfare of the people of Australia.'

### Management

The policy of the Reserve Bank is determined by a Board consisting of the Governor (Chairman), the Deputy Governor, the Secretary to the Treasury, and seven other members appointed by the Governor-General. The Bank is managed by the Governor, who acts in accordance with the policy of the Board and with any directions of the Board. The Bank is required to inform the government of the monetary and banking policy of the Board. In the event of a disagreement between the government and the Board as to whether the monetary and banking policy of the Bank is directed to the greatest advantage of the people of Australia, the Governor-General, acting with the advice of the Executive Council, may determine the policy to be adopted by the Bank.

### Central Banking business

Under the *Commonwealth Bank Act 1911* and the war-time powers conferred by the National Security Regulations, the Commonwealth Bank gradually assumed the functions of a Central Bank. Part III of the *Commonwealth Bank Act 1945* formally constituted the bank as a Central Bank and granted the necessary powers to carry on the business of a Central Bank, these powers being carried through into the present Act constituting the Reserve Bank.

### Note Issue Department

The Note Issue Department, established in 1920 when the control of the Australian note issue was transferred from the Commonwealth Treasury to the Commonwealth Bank, was maintained in the same form under the *Reserve Bank Act 1959*. The Reserve Bank may, through this Department, issue, re-issue and cancel Australian notes.

### Rural Credits Department

The Rural Credits Department, established in 1925 for the purpose of making short-term credit available for the orderly marketing of primary produce, was continued in the same form under the *Reserve Bank Act 1959*. The Reserve Bank may, through this Department, make advances upon the security of primary produce placed under the legal control of the Bank, or other security associated with the production or marketing of primary produce, to cooperative associations or marketing boards formed under the laws of the Commonwealth of a State or Territory of the Commonwealth or other bodies specified by proclamation. The period of the advance is not to exceed one year.

**RESERVE BANK OF AUSTRALIA: LIABILITIES AND ASSETS**  
(\$ million)

<b>LIABILITIES</b>								
30 June—	<i>Capital and reserve funds</i>	<i>Special reserve— IMF special drawing right</i>	<i>Australian notes on issue</i>	<i>Deposits of trading banks</i>		<i>Deposits of savings banks</i>	<i>All other liabilities</i>	<i>Total</i>
				<i>Statutory reserve deposit accounts</i>	<i>Other</i>			
1982	2,553	352	5,838	2,118	23	195	1,667	12,747
1983	4,392	352	6,414	2,237	6	2	2,121	15,523
1984	4,266	305	7,237	2,409	13	1	2,658	16,888
1985	6,177	344	8,234	2,864	16	1	4,047	21,683
1986	6,602	371	8,915	3,289	22	2	4,841	24,042
1987	5,882	359	9,742	3,453	19	6	6,613	26,073

  

<b>ASSETS</b>						
30 June—	<i>Gold and foreign exchange</i>	<i>Australian Government securities</i>	<i>Loans, advances and bills discounted</i>	<i>Bank premises</i>	<i>All other assets</i>	<i>Total</i>
	<i>(a)</i>	<i>(b)</i>		<i>(c)</i>		
1982	6,519	4,771	573	160	724	12,747
1983	10,752	3,472	418	165	717	15,523
1984	12,261	2,872	749	170	837	16,888
1985	13,245	6,487	381	342	1,229	21,683
1986	12,698	9,539	142	374	1,289	24,042
1987	17,259	7,197	131	370	1,117	26,073

(a) Includes currency at short call and International Monetary Fund drawing rights (b) Includes Treasury bills and Treasury notes. (c) At cost, less amounts written off.

### Trading Banks

Commercial banking in Australia is conducted by twenty-nine trading banks. Three large private trading banks, together with the Commonwealth Bank of Australia, are generally referred to as the major trading banks. These banks provide widespread banking facilities throughout Australia. The remaining twenty-five banks comprise four overseas banks, three State-owned banks and eighteen private banks.

The major trading banks are: Commonwealth Bank of Australia; Australia and New Zealand Banking Group; Westpac Banking Corporation; and the National Australia Bank Limited.

### Liabilities and assets

Balance sheet information contained in the following table does not relate to uniform accounting periods but rather to the balance dates of banks within the years shown.

**AUSTRALIAN TRADING BANKS(a): LIABILITIES AND ASSETS (b)**  
(\$ million)

<b>LIABILITIES</b>								
	<i>Paid-up capital</i>	<i>Reserve funds (used in business of banks) (c)</i>	<i>Final dividend proposed</i>	<i>Balance of profit and loss account</i>	<i>Total share-holders' funds</i>	<i>Balances due to other banks</i>	<i>Deposits, bills payable and other liabilities</i>	<i>Total</i>
1982	1,057	1,673	108	368	3,206	6,613	51,444	61,263
1983	1,060	1,926	117	297	3,401	7,632	56,715	67,747
1984	1,259	2,309	143	431	4,143	12,152	62,219	78,514
1985	1,928	3,889	173	668	6,658	14,901	79,542	101,102
1986	3,276	4,986	200	1,039	9,502	23,326	108,746	141,574
1987	4,081	5,788	322	1,206	11,296	24,405	127,280	162,981

  

<b>ASSETS</b>								
<i>Australian public securities</i>								
	<i>Coin, bullion, notes and cash at Reserve Bank</i>	<i>Money short call overseas</i>	<i>Australian Government</i>		<i>Local and semi-government securities</i>	<i>Other public securities</i>	<i>Loans to authorised dealers in short-term money market</i>	
			<i>Treasury bills and notes</i>	<i>Other securities</i>			<i>Other securities</i>	<i>Other money</i>
1982	579	399	754	5,023	57	95	2,431	38
1983	441	465	393	5,066	46	318	2,416	78
1984	482	532	426	5,745	36	332	3,069	175
1985	722	740	802	6,404	29	139	5,428	459
1986	1,111	994	1,597	6,639	90	992	7,525	1,446
1987	934	780	3,243	6,990	227	1,198	7,904	500

  

	<i>Statutory reserve deposit account with Reserve Bank</i>	<i>Cheques and bills of, and balances with and due from other banks</i>	<i>Loans, advances and bills discounted</i>	<i>Bank premises, furniture and sites</i>	<i>Bills receivable and remittances in transit</i>	<i>All other assets</i>	<i>Total</i>
1982	2,096	4,523	32,342	689	2,181	10,056	61,263
1983	2,212	5,295	35,257	843	2,056	12,861	67,747
1984	2,482	8,017	39,041	1,033	1,152	15,994	78,514
1985	2,970	9,415	52,514	1,327	1,771	18,382	101,102
1986	3,262	16,159	70,618	1,564	3,428	26,147	141,574
1987	3,396	16,194	79,150	1,786	5,810	34,868	162,981

(a) Excludes the overseas banks and the State banks. (b) Relates to liabilities and assets both inside and outside Australia. (c) Includes inner reserves.

Figures shown in the following table are the averages of liabilities and assets within Australia (including external territories) of banks at the close of business on Wednesdays during the month of June for the years shown.

**ALL TRADING BANKS: AVERAGE LIABILITIES AND ASSETS WITHIN AUSTRALIA**  
(\$ million)

<b>LIABILITIES(a)(b)</b>									
<i>Deposits repayable in Australia</i>									
<i>Average of weekly figures for month of June</i>	<i>Current</i>				<i>Balances due to other banks</i>	<i>Bills payable and all other liabilities to the public</i>	<i>Total</i>		
	<i>Fixed</i>	<i>Bearing interest</i>	<i>Not bearing interest</i>	<i>Total</i>					
1983	23,644	1,702	10,698	36,044	1,350	14,871	52,266		
1984	24,925	2,135	11,364	38,424	1,997	19,100	59,521		
1985	31,443	4,265	11,570	47,279	1,884	21,386	70,548		
1986	38,650	3,648	12,038	54,336	4,070	34,863	93,270		
1987	38,041	5,205	13,533	56,779	4,850	50,744	112,374		
1988	38,915	6,546	16,126	61,587	5,654	68,276	135,517		

  

<b>ASSETS(b)</b>									
<i>Average of weekly figures for month of June</i>	<i>Coin, bullion, notes and cash at Reserve Bank</i>	<i>Australian Government securities Treasury bills and notes</i>	<i>Other securities</i>	<i>Loans to local and semi-government securities</i>	<i>Loans to authorised dealers in short-term money market</i>	<i>Statutory reserve deposit account with Reserve Bank</i>	<i>Loans, advances and dis-counted bills</i>	<i>All other assets</i>	<i>Total</i>
1984	678	358	6,041	96	320	2,409	31,751	20,974	62,627
1985	748	1,118	6,535	457	311	2,861	39,272	25,374	76,677
1986	877	1,798	7,175	641	906	3,301	53,053	35,579	103,329
1987	868	3,512	7,324	542	760	3,455	60,937	45,624	123,023
1988	839	5,002	8,406	457	1,031	3,557	69,631	65,469	154,391

(a) Excludes shareholders' funds. (b) Excludes inter-branch accounts and contingencies.

### Branches and agencies

At 30 June 1988 the major trading banks operated 4,588 branches, and the other trading banks, 785 branches. Of the total 5,373 branches, 2,850 were located in metropolitan areas. Trading bank facilities were also available at 1,213 agencies throughout Australia.

### Debits to customers' accounts

**TRADING BANKS: AVERAGE WEEKLY DEBITS TO CUSTOMERS' ACCOUNTS (a)**  
(\$ million)

<i>June</i>	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>ACT</i>	<i>Aust.</i>
1983	17,788	13,679	3,926	1,727	2,592	332	95	834	40,975
1984	26,971	19,075	5,389	2,124	3,449	402	167	1,223	58,800
1985	42,968	23,959	6,483	2,699	4,720	545	197	1,482	83,053
1986	58,972	26,514	6,765	3,194	5,289	502	220	1,894	103,352
1987	84,752	30,715	7,548	3,414	5,629	866	342	1,258	134,524
1988	135,387	40,564	11,682	4,222	5,865	731	365	1,595	200,410

(a) Covers all trading banks and in addition the Rural Credits Department of the Reserve Bank and the Commonwealth Development Bank. Excludes debits to the Commonwealth and State Government accounts in capital cities.

## INTEREST RATES AT 30 JUNE 1987

	<i>Per cent per annum</i>
Fixed deposits (Less than \$50,000)	
30 days	10.00
3 months	11.00
6 months	11.50
12 months	11.75
24 months	11.75
48 months	11.75
Overdrafts	
Less than \$100,000	15.00/18.50
\$100,000 and over	15.00

More detailed statistics relating to trading banks may be found in the monthly publication *Major Trading Banks Australia* (5603.0), and the quarterly publication *Banking, Australia* (5605.0).

## Savings Banks

Savings bank business in Australia is conducted by sixteen banks. These comprise subsidiaries of the four major trading banks, four State-owned banks, six private banks, one trustee bank and one overseas bank.

All savings banks, including the trustee savings bank but not State savings banks, are subject to the *Banking Act 1959*.

## Liabilities and assets

Balance sheet information contained in the following table does not relate to uniform accounting periods but rather to the balance dates of banks falling within the years shown.

SAVINGS BANKS(a): LIABILITIES AND ASSETS(b)  
(\$ million)

LIABILITIES									
	<i>Reserve Funds (used In the business of the bank) (c)</i>		<i>Final dividend proposed</i>	<i>Balance of profit and loss account</i>	<i>Total shareholders' funds</i>	<i>Depositors' balances</i>	<i>Balances due to other banks</i>	<i>Bills payable and all other liabilities</i>	<i>Total</i>
1982	91	674	—	66	831	18,760	89	646	20,325
1983	141	658	—	49	847	23,680	73	752	25,352
1984	130	1,050	—	96	1,275	26,687	266	874	29,102
1985	564	642	—	146	1,351	28,856	246	1,048	31,500
1986	678	698	3	183	1,562	33,214	250	1,475	36,501
1987	867	977	41	302	2,187	41,842	245	2,180	46,454

For footnotes see end of table.

**SAVINGS BANKS(a): LIABILITIES AND ASSETS(b)—continued**  
(\$ million)

<b>ASSETS</b>						
<i>Australian public securities</i>						
	<i>Coin, bullion notes and deposits with Reserve Bank</i>	<i>Deposits in Australia with trading banks</i>	<i>Commonwealth/ State Governments</i>		<i>Local and semi-government securities</i>	<i>Other securities</i>
			<i>Treasury bills and notes</i>	<i>Other securities</i>		
1982	154	184	1,368	1,530	4,733	105
1983	137	311	875	3,453	5,573	145
1984	68	209	82	4,551	6,444	146
1985	85	312	209	4,162	6,228	238
1986	104	506	758	4,342	5,008	442
1987	119	145	2,385	3,441	4,710	968

  

	<i>Loans to authorised dealers in short-term money market</i>	<i>Cheques and bills of, and balances with and due from other banks (c)</i>	<i>Loans advances and bills discounted</i>	<i>Bank premises, furniture and sites</i>	<i>Bills receivable and remittances in transit</i>	<i>All other assets</i>	<i>Total</i>
1982	60	254	11,425	252	2	259	20,325
1983	277	263	13,722	273	3	320	25,352
1984	177	264	16,072	623	102	363	29,102
1985	310	585	18,295	659	12	405	31,500
1986	104	177	23,670	794	49	548	36,501
1987	79	282	32,192	1,123	361	650	46,454

(a) Excludes the State banks. (b) Relates to liabilities and assets both inside and outside Australia. (c) Includes deposits with and loans to specified lenders other than trading banks.

### Branches and agencies

At 30 June 1988 the savings banks operated 6,005 branches and 8,028 agencies of which 3,331 branches and 3,567 agencies were in metropolitan areas.

More detailed statistics relating to savings banks may be found in the monthly publication *Savings Banks, Australia* (5602.0), and the quarterly publication *Banking, Australia* (5605.0)

## Development Banks

### Commonwealth Development Bank of Australia

The Commonwealth Development Bank of Australia was established by the *Commonwealth Banks Act 1959* and commenced operations on 14 January 1960. It was formed basically from an amalgamation of the Mortgage Bank and Industrial Finance Departments of the former Commonwealth Bank of Australia. The functions of the Development Bank are to provide finance for the purpose of primary production (which includes fishing, forestry and all forms of rural activity) and for the establishment or development of small business undertakings (i.e. with shareholders'/proprietors' funds not exceeding \$5 million) in cases where such finance is not otherwise available on reasonable and suitable terms and conditions.

Two types of facility are provided—loans over medium to long terms and equipment finance over short terms. Loans to primary industry may be for all types of farm development, property purchase and restructuring of private mortgage debt. Loans to small businesses may be for establishment of new enterprises or for development of existing businesses in all sectors including manufacturing, retail and wholesale trade, transport, tourism, professions, entertainment and service industries. Equipment finance is provided for the acquisition of plant and vehicles for both primary industry and business undertakings. The Bank has widened its policy to lend for working capital and to re-finance loans from non-bank sources.

The Commonwealth Development Bank is managed by a General Manager under the Managing Director of the Commonwealth Banking Corporation and its policy is determined by the Board of that Corporation.

### **Australian Resources Development Bank Limited**

The Australian Resources Development Bank Limited was established in 1967 with equity capital of \$3 million subscribed by the major trading banks. It was given the status of a bank under the *Banking Act 1959* and opened for business on 29 March 1968. The main object of the Australian Resources Development Bank is to assist Australian enterprises to participate more fully in the development of Australia's natural resources. It provides finance to enterprises engaged in major developmental projects by direct loans, investing in equity capital or by refinancing loans made by trading banks acting individually or as a group. The Australian Resources Development Bank obtains funds by accepting deposits and by borrowing on the Australian and overseas capital markets.

## **REGISTERED BUILDING SOCIETIES**

### **Permanent Building Societies**

A permanent building society is defined as an organisation that:

- is registered under relevant State or Territory legislation;
- has not by its rules any fixed date or certain event or result when it is to terminate;
- is authorised to accept money on deposit;
- operates on a cooperative basis by borrowing predominantly from its members and providing finance to its members principally in the form of housing loans.

In 1976 a statistical collection was introduced covering the financial accounts of permanent building societies in all States and Territories of Australia. The statistics below summarise information collected from the 62 permanent building societies balancing in the 1986–87 financial year. More detailed descriptions and dissections of these statistics may be found in the annual publication *Permanent Building Societies: Assets, Liabilities, Income and Expenditure, Australia* (5632.0).

Information relating to the housing finance operations of permanent building societies is provided within this chapter and in the monthly publication *Housing Finance for Owner Occupation, Australia* (5609.0).

Summary statistics on the assets and selected liabilities of permanent building societies registered under the *Financial Corporation Act 1974* are also given within this chapter.

**PERMANENT BUILDING SOCIETIES: LIABILITIES AND ASSETS (a)**  
(\$ million)

<i>Liabilities</i>	<i>1986-87</i>	<i>Assets</i>	<i>1986-87</i>
Share capital and reserves:		Loan outstandings:	
Non-withdrawable shares	108.3	Owner occupied housing	10,939.7
Withdrawable shares	10,790.6	Other	3,201.8
Reserves—		Cash on hand	52.7
Statutory	29.3	Placements and deposits with:	
Other (b)	585.2	Savings and Trading banks	741.9
Borrowings from residents:		Other financial institutions	336.9
Banks	374.4	Other businesses	28.7
Secured borrowings	848.7	Bills, bonds and other securities	4,090.8
Unsecured borrowings	6,989.9	Accounts receivable	107.0
Accounts payable	95.0	Physical assets	544.3
Other liabilities	261.3	Other assets	38.8
<b>Total liabilities</b>	<b>20,082.7</b>	<b>Total assets</b>	<b>20,082.7</b>

(a) At the balance dates of societies within the financial year shown. (b) Includes accumulated surpluses and deficits.

**PERMANENT BUILDING SOCIETIES: INCOME AND EXPENDITURE**  
(\$ million)

<i>Expenditure</i>	<i>1986-87</i>	<i>Income</i>	<i>1986-87</i>
Interest and dividends on withdrawable shares	1,218.6	Income on deposits with banks	118.0
Interest on:		Income from:	
Borrowings from banks	39.0	Placements and other deposits	44.1
Secured borrowings	93.1	Holdings of securities	581.3
Unsecured borrowings	1,018.8	Interest on loans	2,227.3
Wages and salaries	184.5	Management fees	53.6
Management fees (a)	52.2	Other income	68.5
Administrative expenses (b)	202.9	<b>Total income</b>	<b>3,092.9</b>
Other expenditure	175.1		
<b>Total expenditure</b>	<b>2,984.1</b>		

(a) Represents payments made by societies to separate management companies. (b) Includes Permanent Building Society Association costs, advertising, bank charges and other administrative expenses.

## Cooperative Housing Societies

A cooperative housing society is defined as an organisation that:

- is registered under the relevant State or Territory legislation;
- is not authorised to accept money on deposit;
- is only allowed to raise money on loans;
- only provides finance to its members in the form of housing loans;
- does not cause or permit applicants for loans to ballot for precedence or in any way make the granting of a loan dependent on any chance or lot.

The statistics below summarise information collected from the 2,252 co-operative housing societies balancing within the 1986-87 financial year. More detailed descriptions and dissections of these statistics may be found in the annual publication *Co-operative Housing Societies: Assets, Liabilities, Income and Expenditure, Australia* (5633.0).

**COOPERATIVE HOUSING SOCIETIES: LIABILITIES AND ASSETS (a)**  
(\$ million)

<i>Liabilities</i>	<i>1986-87</i>	<i>Assets</i>	<i>1986-87</i>
Share capital(b)	0.1	Amount owing on loans(b)	1961.7
Accumulated funds(c)	26.5	Cash on hand and current accounts at banks	13.5
Loans from:		Deposits with:	
Banks	443.9	Banks	11.5
Commonwealth-State Home Builders' Fund(d)	1,062.7	Others	29.5
Others	474.0	Physical assets	0.4
Other liabilities	13.4	Other assets	3.9
<b>Total liabilities</b>	<b>2,020.5</b>	<b>Total assets</b>	<b>2,020.5</b>

(a) At the balance dates of societies within the financial year shown. (b) Borrowing members' subscriptions have been offset against 'Amount owing on loans'. (c) Includes accumulated surpluses and deficits. (d) Refers to loans made through the Commonwealth-State Housing Agreements.

**COOPERATIVE HOUSING SOCIETIES: INCOME AND EXPENDITURE**  
(\$ million)

<i>Expenditure</i>	<i>1986-87</i>	<i>Income</i>	<i>1986-87</i>
Interest paid on borrowing members' subscriptions	1.4	Interest on:	
Interest on loans from:		Loans to members	203.7
Banks	63.6	Other	4.2
Other	138.4	Management fees	14.3
Salaries and secretarial fees	13.5	Other income	4.9
Other expenditure	5.7		
<b>Total expenditure</b>	<b>222.6</b>	<b>Total income</b>	<b>227.1</b>

## CREDIT COOPERATIVES

A credit cooperative (or credit union) is defined as an organisation that:

- is registered under relevant State or Territory legislation;
- operates on a cooperative basis by predominantly borrowing from and providing finance to its own members.

Credit cooperative annual financial account statistics were first collected on a national basis from all registered credit cooperatives for the year 1974-75 when there were 738 credit cooperatives with a total of 909,547 members. The number of credit cooperatives operating in 1985-86 was 454 with 2,311,228 members. Comprehensive financial account statistics are provided in the annual publication *Credit Co-operatives: Assets, Liabilities, Income and Expenditure, Australia* (5618.0).

Statistics on the assets and selected liabilities of credit cooperatives registered under the *Financial Corporations Act 1974* which have assets in Australia exceeding \$5 million are provided within this chapter.

**CREDIT COOPERATIVES: LIABILITIES AND ASSETS(a)**  
(\$ million)

<i>Liabilities</i>	<i>1985-86</i>	<i>Assets</i>	<i>1985-86</i>
Share capital and reserves—		Loan outstandings(b)	5,277.7
Paid-up share capital	19.5	Cash on hand	35.0
Reserves—		Placements and deposits—	
Statutory	106.7	Banks	115.0
Other(c)	186.9	Credit cooperative associations, etc.	459.1
Borrowings—		Other	142.5
Banks	40.1	Bills, bonds and other securities	220.8
Credit cooperative associations, etc.	61.6	Accounts receivable	35.6
Deposits	6,069.7	Physical assets	222.5
Other borrowings	15.8	Other assets	48.4
Accounts payable	31.6		
Other liabilities	24.7		
<b>Total liabilities</b>	<b>6,556.6</b>	<b>Total assets</b>	<b>6,556.6</b>

(a) At the balance dates of credit unions within financial year shown. (b) Net of unearned interest and allowance for doubtful debts. (c) Includes accumulated surpluses and deficits.

**CREDIT COOPERATIVES: INCOME AND EXPENDITURE**  
(\$ million)

<i>Expenditure</i>	<i>1985-86</i>	<i>Income</i>	<i>1985-86</i>
Interest on borrowings—		Interest on deposits with banks	15.9
Deposits	635.3	Income from—	
Other borrowings	9.9	Placements and other deposits	79.8
Wages and salaries	117.5	Securities	32.0
Administrative expenses(a)	90.1	Interest on loans	847.4
Insurance premiums paid	11.7	Management fees	7.9
Allowance for doubtful debts	14.8	Bad debts recovered	2.2
Other expenditure(b)	78.5	Other income	28.2
<b>Total expenditure</b>	<b>957.7</b>	<b>Total income</b>	<b>1,013.4</b>

(a) Includes financial institutions duty. (b) Includes bank accounts debit tax.

## SHORT-TERM MONEY MARKET

### Authorised money market corporations

For some years prior to 1959, leading stockbrokers were actively engaged in operations which formed the basis of a short-term money market in Australia. The stockbrokers' operations involved the acceptance of short-term funds which were secured against government securities. These operations were severely limited by the lack of suitable short-term securities and by liquidity constraints. In February 1959 the Central Bank established the Official Short-Term Money Market by making available 'lender of last resort' facilities to selected dealers.

There are nine authorised money market dealers. Under the 'lender of last resort' arrangements, dealers may borrow from the Reserve Bank for a minimum of seven days and at a rate designed to discourage excessive recourse to the facility.

They are required by the Reserve Bank to:

- accept loans overnight, at call or for fixed periods, in minimum amounts of \$50,000 and invest these funds in Commonwealth Government and other approved securities;
- at all times be willing traders in the buying and selling of approved securities;
- have a minimum paid-up capital of \$400,000 and adhere to a maximum limit on the ratio of loans to shareholders' funds;

- consult regularly with the Reserve Bank on all money market matters and furnish detailed information about their portfolios, operations, interest rates, balance sheets and profit and loss accounts.

The following table contains details of selected liabilities and assets, and interest rates. Additional information on authorised dealers collected under the *Financial Corporations Act 1974* is provided within this chapter.

**SHORT-TERM MONEY MARKET: SELECTED LIABILITIES AND ASSETS AND INTEREST RATES OF AUTHORISED DEALERS**  
(Source: Reserve Bank of Australia)

Month	Liabilities to clients		Asset holdings (face value)				Interest rates on loans accepted during month				Weighted average interest rate on loans outstanding (c)	
	All trading banks	Other clients	Total	Cwealth Govt securities	Com-mercial bills(b)	Banks certifi-cates of deposit	At call		For fixed periods			
				(a)			Mini-mum	Maxi-mum	Mini-mum	Maxi-mum		
	Average of weekly figures—(\$ million)						Per cent per annum					
June—												
1983	193	1,303	1,496	1,100	361	177	1.00	25.00	2.00	15.00	9.76	
1984	320	1,289	1,609	1,181	449	231	1.00	17.46	4.00	13.75	11.42	
1985	311	913	1,224	818	306	213	10.00	30.00	13.00	17.50	15.07	
1986	902	414	1,316	981	286	207	4.00	22.50	11.75	13.00	13.20	
1987	760	904	1,664	1,281	367	115	7.00	15.00	11.75	13.75	12.79	
1988	1,031	759	1,790	1,187	502	214	5.25	16.00	10.65	12.00	11.79	

(a) Within 5 years of maturity. (b) Accepted or endorsed by banks. (c) Weighted average of rates paid on all days of the four or five weeks ending on the last Wednesday of the month.

### Money market corporations

There are also companies without Reserve Bank 'lender of last resort' facilities which operate in a similar manner to authorised dealers. These companies are recognised under the *Financial Corporations Act 1974* in the category of money market corporations. This category consists of registered corporations whose short-term borrowings are a substantial proportion of their total outstanding provision of finance, which is mainly in the form of loans to authorised dealers in the short-term money market and other liquidity placements, business loans and investments in government, commercial and corporate paper.

The category of money market corporations also includes registered corporations providing short-term finance but which are themselves financed by related corporations with funds raised on a short-term basis, as well as corporations which borrow principally short-term and lend predominantly to related money market corporations.

Statistics on money market corporations registered under the *Financial Corporations Act 1974* are contained in tables within this chapter.

## **FINANCE COMPANIES, GENERAL FINANCIERS, AUTHORISED MONEY MARKET DEALERS, MONEY MARKET CORPORATIONS AND OTHER FINANCIAL INSTITUTIONS**

Information presented in the following tables has been compiled from returns collected under the *Census and Statistics Act 1905*, and first published for 1984–85, on the financial accounts of corporations registered under the *Financial Corporations Act 1974* and categorised as finance companies, general financiers, authorised money market dealers, money market corporations and other financial corporations. Descriptions of corporations in the various categories are:

- (a) *Finance companies*: corporations which rely substantially on borrowing in financial markets in Australia and/or from abroad and whose provision of finance is predominantly in the form of business and commercial lending, instalment credit to finance retail sales by others and/or other loans to individuals.
- (b) *General financiers*: corporations which lend predominantly for business and commercial purposes, instalment credit to finance retail sales of others and/or other loans to individuals but which do not rely substantially on borrowings in financial markets in Australia and from abroad.
- (c) *Authorised money market dealers*: corporations which hold and deal in securities issued by the Australian Government and other securities; for that purpose, borrow money for short periods; and have entered into arrangements with the Reserve Bank which facilitate these operations.
- (d) *Money market corporations*: corporations, other than authorised money market dealers, whose short term borrowings are a substantial proportion of their total outstanding provision of finance, which is mainly in the form of loans to authorised dealers in the short term money market, other liquidity placements, business loans and investments in Government, commercial and corporate paper.
- (e) *Other financial corporations*: registered corporations that are not categorised as building societies, authorised money market dealers, finance companies, credit cooperatives, pastoral finance companies, general financiers or intro group financiers.

A corporation comes within the ambit of the Financial Corporations Act if:

- (a) Its sole or principal business activity in Australia is the borrowing of money and the provision of finance; and
- (b) Its assets in Australia arising from the provision of finance exceed 50 per cent (or a different percentage if prescribed by regulation) of the value of its assets in Australia; and
- (c) The combined value of the assets of the corporation and its related financial corporations exceeds \$1 million.

More detailed descriptions and dissections of these statistics may be found in the following annual publications:

*Finance Companies: Assets, Liabilities, Income and Expenditure, Australia (5616.0)*

*General Financiers and Other Financial Corporations: Assets, Liabilities, Income and Expenditure, Australia (5648.0)*

*Authorised Dealers and Money Market Corporations: Assets, Liabilities, Income and Expenditure, Australia (5650.0)*

Additional information on these categories of corporations collected under the *Financial Corporations Act 1974* is provided within this chapter.

NOTE: Due to differences in coverage and classification criteria and definitions of data items the statistics for finance companies shown below are not comparable with the statistics published for finance companies prior to 1984-85.

**FINANCE COMPANIES: ASSETS, LIABILITIES, INCOME AND  
EXPENDITURE, AUSTRALIA (a)**  
(\$ million)

	1984-85	1985-86	1986-87
<b>Assets—</b>			
Loan outstandings(b)(c)	22,433.3	26,010.1	26,598.8
Cash and bank deposits	98.6	242.4	100.4
Other placements and deposits	349.5	743.1	953.8
Bills, bonds and other securities—			
Government and semi-government	40.5	119.3	35.5
Other	874.9	1,049.6	861.1
Other financial assets	507.1	394.0	520.8
Other assets	418.2	394.2	441.6
<b>Total assets</b>	<b>24,722.0</b>	<b>28,952.7</b>	<b>29,511.9</b>
<b>Liabilities—</b>			
Paid up capital	1,302.1	1,303.6	1,695.9
Reserves	726.3	714.5	641.3
Unappropriated profits	788.1	915.0	730.4
Borrowings from—			
Banks	1,024.7	1,245.4	1,201.0
Other	19,878.2	23,633.7	23,745.1
Other liabilities	1,002.7	1,140.6	1,415.2
<b>Total liabilities</b>	<b>24,722.0</b>	<b>28,952.7</b>	<b>29,511.9</b>
<b>Income for year—</b>			
Interest on—			
Loans	3,691.7	4,169.3	4,587.6
Deposits with banks	8.3	21.7	8.6
Other income	450.6	449.8	637.1
<b>Total income</b>	<b>4,150.6</b>	<b>4,640.9</b>	<b>5,233.3</b>
<b>Expenditure for year—</b>			
Interest on borrowed funds	2,584.1	3,027.2	3,586.6
Wages and salaries (including long service leave)	300.1	333.9	313.9
Other expenditure	753.7	789.2	958.2
<b>Total expenditure</b>	<b>3,637.9</b>	<b>4,150.3</b>	<b>4,858.7</b>

(a) At the balance date of corporations within the financial year shown. (b) After deducting provision for doubtful debts of \$255.9 million in 1984-85, \$224.2 million in 1985-86 and \$294.9 million in 1986-87. (c) Includes finance lease receivables.

**GENERAL FINANCIERS: ASSETS, LIABILITIES, INCOME AND  
EXPENDITURE, AUSTRALIA (a)**  
(\$ million)

	1984-85	1985-86
<b>Assets—</b>		
Loan outstandings(b)(c)	2,501.2	3,565.4
Cash and bank deposits	49.9	125.3
Other placements and deposits	128.5	252.3
Bills, bonds and other securities—		
Government and semi-government	54.5	65.4
Other	252.1	354.4
Other financial assets	84.1	124.7
Other assets	166.3	186.6
<b>Total assets</b>	<b>3,236.6</b>	<b>4,674.1</b>
<b>Liabilities—</b>		
Paid up capital	203.8	249.3
Reserves	126.7	151.1
Unappropriated profits	63.4	85.6
Borrowings from—		
Banks	524.5	1,182.1
Other	2,172.0	2,844.1
Other liabilities	146.2	161.9
<b>Total liabilities</b>	<b>3,236.6</b>	<b>4,674.1</b>
<b>Income for year—</b>		
Interest on—		
Loans	425.8	616.7
Deposits with banks	3.6	3.3
Other income	108.2	144.1
<b>Total income</b>	<b>537.5</b>	<b>764.1</b>
<b>Expenditure for year—</b>		
Interest on borrowed funds	284.8	464.1
Wages and salaries (including long service leave)	31.5	43.3
Other expenditure	153.4	165.0
<b>Total expenditure</b>	<b>469.7</b>	<b>672.4</b>

(a) At the balance date of corporations within the financial year shown. (b) After deducting provision for doubtful debts of \$31.7 million in 1984-85 and \$43.4 million in 1985-86. (c) Includes finance lease receivables.

**AUTHORISED MONEY MARKET DEALERS: ASSETS, LIABILITIES, INCOME  
AND EXPENDITURE, AUSTRALIA (a)**  
(\$ million)

	1984-85	1985-86	1986-87
<b>Assets—</b>			
Loan outstandings	1.3	0.3	1.9
Cash and bank deposits	291.7	133.6	121.3
Other placements and deposits	0.6	4.4	77.3
Bills, bonds and other securities—			
Government and semi-government	1,182.3	1,608.3	2,010.3
Other	390.3	389.3	420.1
Other financial assets	13.3	15.1	20.6
Other assets	1.9	0.9	0.9
<b>Total assets</b>	<b>1,881.3</b>	<b>2,151.9</b>	<b>2,652.4</b>
<b>Liabilities—</b>			
Paid up capital	47.9	55.6	68.2
Reserves	6.6	3.5	11.4
Unappropriated profits	19.4	7.1	2.4
Borrowings from—			
Banks	1,259.2	1,652.3	1,618.6
Other	528.8	421.4	939.1
Other liabilities	16.2	10.1	12.6
<b>Total liabilities</b>	<b>1,881.3</b>	<b>2,151.9</b>	<b>2,652.4</b>
<b>Income for year—</b>			
Interest on—			
Loans	1.0	1.7	1.7
Deposits with banks	12.7	9.0	15.2
Other income	197.5	314.8	336.5
<b>Total income</b>	<b>211.1</b>	<b>325.5</b>	<b>353.3</b>
<b>Expenditure for year—</b>			
Interest on borrowed funds	197.3	318.8	330.8
Wages and salaries (including long service leave)	4.2	3.3	3.7
Other expenditure	23.4	18.2	18.7
<b>Total expenditure</b>	<b>224.9</b>	<b>340.3</b>	<b>353.2</b>

(a) At the balance date of corporations within the financial year shown.

**MONEY MARKET CORPORATIONS: ASSETS, LIABILITIES, INCOME  
AND EXPENDITURE, AUSTRALIA (a)**  
(\$ million)

	1984-85	1985-86	1986-87
<b>Assets—</b>			
Loan outstandings (b)(c)	8,148.4	11,307.3	13,631.5
Cash and bank deposits	1,069.2	1,272.9	1,433.5
Other placements and deposits	3,579.4	4,755.9	5,434.9
Bills, bonds and other securities—			
Government and semi-government	459.4	597.8	960.3
Other	5,419.3	5,812.0	8,120.2
Other financial assets	1,406.3	679.3	912.1
Other assets	303.6	409.7	1,198.0
<b>Total assets</b>	<b>20,385.6</b>	<b>24,834.9</b>	<b>31,690.6</b>
<b>Liabilities—</b>			
Paid up capital	554.7	1,081.8	1,632.6
Reserves	134.1	220.5	302.2
Unappropriated profits	235.3	219.3	313.0
Borrowings from—			
Banks	1,028.7	1,761.4	1,806.3
Other	16,982.9	20,872.3	26,557.8
Other liabilities	1,449.8	679.7	1,078.6
<b>Total liabilities</b>	<b>20,385.6</b>	<b>24,834.9</b>	<b>31,690.6</b>
<b>Income for year—</b>			
Interest on—			
Loans	908.7	1,341.8	2,056.1
Deposits with banks	66.5	136.7	162.3
Other income	1,503.6	2,321.3	2,964.0
<b>Total income</b>	<b>2,478.8</b>	<b>3,799.8</b>	<b>5,182.4</b>
<b>Expenditure for year—</b>			
Interest on borrowed funds	2,055.7	3,072.6	4,118.2
Wages and salaries (including long service leave)	122.7	184.3	214.5
Other expenditure	250.5	387.4	534.0
<b>Total expenditure</b>	<b>2,428.9</b>	<b>3,644.3</b>	<b>4,866.7</b>

(a) At the balance date of corporations within the financial year shown. (b) After deducting provision for doubtful debts of \$56.6 million in 1984-85, \$66.8 million in 1985-86 and \$43.3 million in 1986-87. (c) Includes finance lease receivables.

**OTHER FINANCIAL CORPORATIONS: ASSETS, LIABILITIES, INCOME  
AND EXPENDITURE, AUSTRALIA (a)**  
(\$ million)

	1984-85	1985-86
<b>Assets—</b>		
Loan outstandings(b)	63.5	68.0
Cash and bank deposits	54.7	26.4
Other placements and deposits	51.3	262.5
Bills, bonds and other securities—		
Government and semi-government	28.6	7.7
Other	189.3	155.3
Other financial assets	7.3	12.5
Other assets	8.2	6.7
<b>Total assets</b>	<b>402.7</b>	<b>539.1</b>
<b>Liabilities—</b>		
Paid up capital	6.5	6.8
Reserves	3.0	3.8
Unappropriated profits	-0.7	0.2
Borrowings from—		
Banks	2.7	8.7
Other	381.1	510.2
Other liabilities	10.1	9.6
<b>Total liabilities</b>	<b>402.7</b>	<b>539.1</b>
<b>Income for year—</b>		
Interest on—		
Loans	8.9	9.8
Deposits with banks	6.1	9.8
Other income	50.3	70.4
<b>Total income</b>	<b>65.3</b>	<b>90.0</b>
<b>Expenditure for year—</b>		
Interest on borrowed funds	51.8	72.2
Wages and salaries (including long service leave)	4.8	6.0
Other expenditure	7.6	9.9
<b>Total expenditure</b>	<b>64.2</b>	<b>88.1</b>

(a) At the balance date of corporations within the financial year shown. (b) Includes financial lease receivables.

## FINANCIAL CORPORATIONS STATISTICS

The statistics provided in the following tables have been compiled from returns supplied to the Australian Bureau of Statistics by corporations registered under the *Financial Corporations Act 1974* (FCA). A summary of the objects and content of the Financial Corporations Act is given in *Year Book* No. 62, page 541.

More detailed descriptions and dissections of these statistics may be found in the monthly publications *Building Societies, Australia* (5637.0); *Authorised Dealers and Money Market Corporations, Australia* (5638.0); *Finance Companies, Australia* (5639.0) and *Credit Co-operatives, General Financiers and Other Financial Corporations, Australia* (5640.0).

Descriptions of the categories *building societies, credit cooperatives, authorised money market dealers, money market corporations, finance companies, general financiers and other financial corporations* appear in the respective parts of this chapter. Descriptions of the other categories are as follows:

**Pastoral finance companies**—comprising corporations whose provision of finance is predominantly in the form of loans to rural producers largely associated with the provision of rural services.

**Intra group financiers**—comprising corporations which predominantly borrow within a corporation group and/or provide finance by lending within their corporation group or by investing in financial markets.

**FINANCIAL CORPORATIONS, AUSTRALIA: SELECTED LIABILITIES AND ASSETS(a) (b)**  
(\$ million)

SELECTED LIABILITIES AS AT 30 JUNE 1987									
Borrowings from—									
Residents									
Category	By acceptance of bills of exchange and issue of promissory notes		Related corporations	Banks	Other	Non-residents			
Building societies		35.2	46.9	381.2	16,464.9	137.6			
Credit cooperatives		n.a.	n.a.	34.6	6,489.2	n.a.			
Authorised money market dealers		n.a.	14.6	1,584.7	468.4	—			
Money market corporations		1,993.2	1,827.5	2,205.5	21,186.9	8,780.3			
Pastoral finance companies		64.7	1,524.4	739.0	735.8	365.0			
Finance companies		893.1	1,157.1	1,394.9	19,341.0	1,800.2			
General financiers		180.3	1,288.4	1,852.1	2,732.2	982.6			
Intra group financiers		167.7	1,712.8	256.4	702.7	739.8			
Other financial corporations		6.1	9.1	10.8	806.9	—			
<b>Total</b>		<b>3,340.3</b>	<b>7,580.8</b>	<b>8,459.2</b>	<b>68,928.0</b>	<b>12,805.5</b>			
ASSETS AS AT 30 JUNE 1987									
Category	Cash and bank deposits	Loans to authorised dealers in the STMM and other placements and deposits	Bills of exchange and promissory notes purchased and held(c)	Other Government and public securities	Other securities	Other assets arising from the provision of finance (d)	All other assets in Australia	Assets overseas	Total assets
Building societies	710.6	279.1	2,500.5	1,137.7	143.7	12,803.6	720.8	5.0	18,301.0
Credit cooperatives	153.1	603.9	165.4	69.6	17.0	5,708.5	327.3	—	7,044.9
Authorised money market dealers	92.9	11.6	366.5	1,681.8	1.7	1.4	15.8	—	2,171.6
Money market corporations	1,428.2	7,015.0	8,017.2	867.1	2,238.5	17,673.1	1,022.0	1,311.3	39,572.5
Pastoral finance companies	10.2	133.2	141.6	—	836.0	5,111.4	551.8	21.7	6,805.9
Finance companies	122.3	1,433.6	560.3	25.0	563.2	26,081.2	658.1	53.3	29,496.9
General financiers	166.1	630.0	535.2	220.5	252.9	5,830.1	356.9	135.9	8,127.5
Intra group financiers	228.2	n.p.	333.2	—	201.8	n.p.	829.4	0.1	4,354.3
Other financial corporations	33.0	269.2	457.5	1.5	25.3	54.0	22.2	—	862.6
<b>Total</b>	<b>2,944.6</b>	<b>n.p.</b>	<b>13,077.4</b>	<b>4,003.2</b>	<b>4,280.1</b>	<b>n.p.</b>	<b>4,504.3</b>	<b>1,527.3</b>	<b>116,737.2</b>

(a) Excludes credit cooperatives and general financiers with assets not exceeding \$5 million. (b) Excludes transactions with related corporations in the same FCA category. (c) Excludes bills that have been drawn or accepted by reporting corporations. (d) Includes holdings of bills that have been drawn by reporting corporations and loans that have been re-financed by the sale of bills accepted by reporting corporations.

## CASH MANAGEMENT TRUSTS

A monthly statistical collection was introduced in May 1983 to obtain information on the operations of cash management trusts. A cash management trust is a unit trust which is governed by a trust deed, is open to the public, generally confines its investments to financial securities available through the short term money market, and whose units are redeemable by the trustee to the unit holder on demand.

The following table summarises the financial operations of cash management trusts.

### CASH MANAGEMENT TRUSTS

June—	Number of trusts	Units in issue at end of period (\$ million)	Weighted average net yield at end of period (% per annum)	Assets (\$ million)					
				Cash and deposits with banks	All other deposits and loans	Bills of exchange purchased and held	Promissory notes purchased and held	Other assets	Total assets
1986	18	3,181.1	14.39	229.0	435.5	1,877.8	694.3	70.1	3,306.7
1987	19	3,162.9	13.29	304.8	530.1	2,107.6	355.9	72.5	3,370.9
1988	18	3,625.5	11.17	307.7	470.2	2,483.9	358.9	63.3	3,683.9

## PUBLIC UNIT TRUSTS

A quarterly statistical collection was introduced in September 1985 to obtain information on the operations of listed and unlisted public unit trusts.

A public unit trust is defined as an arrangement (fund) which is governed by a trust deed between a management company and a trustee company; is open to the public within Australia for the purpose of investing the pooled funds of unitholders to yield returns in the form of income and/or capital gains; and allows unitholders to dispose of their units within a relatively short period of time. These statistics exclude cash management trusts, private trusts and trusts exempted from providing redemption facilities (e.g. film and agricultural trusts).

The major distinction between a listed and an unlisted unit trust is that a listed unit trust's units must be listed on Australian Stock Exchanges and adhere to listing requirements similar to those for company shares.

The following tables summarise the financial operations of public unit trusts.

## UNIT TRUSTS: SUMMARY

<i>Assets (\$ million)</i>							
<i>Quarter</i>	<i>Number of trusts</i>	<i>Units in issue at end of the period (\$ million)</i>	<i>Shares</i>	<i>Property at the end of the quarter</i>	<i>Loan out-standings secured by mortgages on land and buildings</i>	<i>Other assets</i>	<i>Total assets</i>
<b>UNLISTED</b>							
1985-86—							
December	230	4,649.3	1,150.8	2,672.4	807.0	847.3	5,477.5
March	239	4,891.8	1,374.9	2,737.9	815.1	850.5	5,778.5
June	255	5,405.7	1,570.8	2,850.9	811.8	1,163.6	6,397.1
1986-87—							
September	258	6,165.8	2,098.5	3,034.7	813.3	1,309.3	7,255.8
December	271	6,815.2	2,417.3	3,218.4	826.1	1,595.6	8,057.4
March	286	7,816.5	3,102.0	3,322.8	863.2	1,741.5	9,029.4
<b>LISTED</b>							
1985-86—							
December	35	2,702.1	19.7	1,786.7	4.7	1,897.1	3,708.2
March	39	3,047.2	40.4	1,975.5	13.6	2,031.2	4,060.7
June	42	3,942.8	56.9	2,030.6	10.2	2,156.8	4,254.7
1986-87—							
September	44	4,619.3	86.7	2,257.4	7.4	2,312.0	4,663.3
December	46	4,869.8	95.8	2,459.3	5.6	2,605.5	5,166.2
March	48	5,060.2	196.2	2,608.1	5.7	2,737.5	5,547.5
<b>TOTAL</b>							
1985-86—							
December	265	7,351.3	1,170.6	4,459.1	811.7	2,744.4	9,185.7
March	278	7,939.0	1,415.3	4,713.4	828.8	2,881.7	9,839.2
June	297	9,348.5	1,627.7	4,881.5	822.0	3,320.4	10,651.7
1986-87—							
September	302	10,785.1	2,185.2	5,292.1	820.7	3,621.3	11,919.1
December	317	11,685.0	2,513.0	5,677.7	831.7	4,201.1	13,223.6
March	334	12,876.7	3,298.2	5,931.0	868.9	4,478.8	14,576.9

## LIFE INSURANCE

Statistics in the following tables have been derived from the publications of the Life Insurance Commissioner and relate to the life insurance business of companies with head offices in Australia and the Australian business of companies with head offices overseas. Also included are the life business operations voluntarily reported by three State Government Insurance Offices.

Information contained in the following three tables does not relate to uniform accounting periods but to the balance dates of organisations falling within the calendar year shown.

**LIFE INSURANCE OFFICES: LIABILITIES AND ASSETS**  
(\$ million)

	1984	1985	1986
<b>Liabilities—Australian and overseas—</b>			
Total balances of revenue accounts at end of year	27,624.6	34,395.7	43,914.3
Reserves	698.9	899.1	4,514.5
<b>Total</b>	<b>28,323.5</b>	<b>35,294.8</b>	<b>48,428.8</b>
<b>Other liabilities—</b>			
Bank overdraft	280.9	104.6	165.3
Deposits	242.8	230.7	825.5
Claims admitted	165.4	188.3	199.8
Sundry creditors	233.8	377.9	664.9
Provisions for taxation	791.2	1,055.6	2,260.9
Provision for superannuation and long-service leave	54.0	63.4	72.4
Miscellaneous liabilities	83.8	78.0	214.5
<b>Total liabilities</b>	<b>30,175.6</b>	<b>37,393.3</b>	<b>52,832.1</b>
<b>Assets—Australia and overseas—</b>			
Property and fixed assets	5,660.3	7,144.2	9,555.6
Loans	3,298.5	3,742.4	4,417.9
Investment	19,372.0	23,539.5	35,307.6
Cash and deposits	766.0	1,683.8	2,087.5
Outstanding premiums including advances of premiums	368.7	417.5	472.1
Outstanding interest, dividends and rents	423.3	533.2	530.9
Sundry debtors	221.5	262.9	413.5
Miscellaneous assets	65.3	69.8	47.0
<b>Total assets</b>	<b>30,175.6</b>	<b>37,393.3</b>	<b>52,832.1</b>

**LIFE INSURANCE OFFICES: REVENUE AND EXPENDITURE**  
(\$ million)

	1984	1985	1986
<i>Balance of Revenue Account at beginning of year—Australia and overseas</i>	24,950.9	27,620.4	34,395.7
<b>Revenue—</b>			
Single premiums	977.6	1,368.8	3,211.1
Other premiums	3,443.5	4,089.4	4,651.9
Net interest	2,229.0	2,725.9	3,456.5
Net conversion and transfer values-in	35.9	(-)2.5	5.6
Net transfers from reserves and provisions within fund	(-)433.8	(-)181.5	(-)2,075.8
Other net transfers within statutory fund-in	—	(-)1.7	—
Net profit (or loss) on realisation or revaluation of assets	1,191.9	2,458.1	5,865.2
Miscellaneous income	(-)840.7	1,214.1	442.6
<i>Total revenue</i>	<i>6,603.4</i>	<i>11,670.6</i>	<i>15,557.1</i>
<b>Total</b>	<b>31,554.3</b>	<b>39,291.0</b>	<b>49,952.8</b>
<b>Expenditure—</b>			
Claims by death and disability	536.8	592.1	663.4
Claims by maturity	757.8	840.7	961.5
Surrenders and bonuses in cash	1,440.3	1,922.2	2,562.0
Annuities	15.8	25.2	38.5
Commissions	435.1	516.8	656.0
Salaries	284.5	326.6	397.3
Contribution to staff superannuation	54.6	58.4	61.8
Taxes (other than those charged on interest dividends and rents)	33.0	36.0	52.8
Other expenses	275.9	346.1	479.4
Transfer out of statutory fund	95.8	231.2	165.8
<i>Total expenditure</i>	<i>3,929.6</i>	<i>4,895.3</i>	<i>6,038.5</i>
<i>Balance of Revenue Account at end of year—Australia and overseas</i>	<i>27,624.6</i>	<i>34,395.7</i>	<i>43,914.3</i>
<b>Total</b>	<b>31,554.3</b>	<b>39,291.0</b>	<b>49,952.8</b>

## LIFE INSURANCE: SUMMARY

<i>Insurance and endowment policies</i>				
	<i>Number of policies ( '000)</i>	<i>Sum insured (\$ million)</i>	<i>Business issued by single premiums (\$ million)</i>	<i>Annual premiums (\$ million)</i>
<b>ORDINARY AND INDUSTRIAL BUSINESS</b>				
New policies issued—				
1985	599	23,423	836.8	263.4
1986	693	24,627	1,733.4	291.8
1987	925	30,387	3,760.8	390.6
Policies discounted or reduced (a)—				
1985	635	11,459	..	138.0
1986	619	13,268	..	146.4
1987	712	16,704	..	185.6
Policies existing at end of—				
1985	5,884	109,416	..	1,238.8
1986	5,958	120,775	..	1,384.2
1987	6,171	134,617	..	1,590.3
<b>SUPERANNUATION BUSINESS</b>				
New policies issued—				
1985	179	23,921	451.8	593.7
1986	247	42,267	788.4	805.8
1987	344	38,870	1,787.0	1,080.1
Policies discontinued or reduced (a)—				
1985	65	13,186	..	282.9
1986	64	15,156	..	373.8
1987	101	19,222	..	491.2
Policies existing at end of—				
1985	1,275	104,106	..	2,319.0
1986	1,458	131,217	..	2,751.0
1987	1,701	140,370	..	3,339.4

(a) Includes transfers.

## GENERAL INSURANCE

Statistics in the following tables have been derived from the publications of the Insurance and Superannuation Commissioner. The statistics relate to the operations of:

- (a) *Bodies corporate* authorised to carry on insurance business under the *Insurance Act 1973*; and
- (b) *Government instrumentalities*, i.e. State Government Insurance Offices and Commonwealth Government and State Government instrumentalities in respect of their general insurance business.

These statistics are based on the following definitions:

**Premiums** comprise the full amount receivable in respect of direct insurance and facultative reinsurance business written or renewed within Australia, during the year. Premiums are not adjusted to provide for premiums unearned at the end of the year and consequently the amounts differ from 'earned premium income' appropriate to the year.

**Claims** comprise, for direct insurance and facultative reinsurance business, payments made during the year. Salvage and other amounts recoverable other than Reinsurance recoveries have been deducted.

Information contained in the following tables does not relate to uniform accounting periods but to the financial years of the organisations which ended during the years shown.

**GENERAL INSURANCE: PREMIUMS AND CLAIMS BY  
PRINCIPAL CLASS OF BUSINESS**  
(\$ million)

<i>Class of business</i>	1984-85	1985-86	1986-87
<b>PREMIUMS</b>			
Fire (a)	639.2	725.7	854.2
House Owners' and House-holders'	703.5	782.3	826.3
Contractors' All Risks	57.0	64.6	86.0
Marine and Aviation	190.8	211.9	240.1
Motor Vehicle Comprehensive	1,181.9	1,392.5	1,664.9
Compulsory Third Party (Motor Vehicle)	88.3	118.6	132.4
Employers Liability (b)	1,673.0	1,607.4	1,267.9
Public Liability (c)	256.4	352.9	500.1
All other	535.7	631.0	703.8
<b>Total</b>	<b>5,325.8</b>	<b>5,886.8</b>	<b>6,275.6</b>
<b>CLAIMS</b>			
Fire (a)	314.2	417.7	403.0
House Owners' and House-holders'	305.0	372.4	409.3
Contractors' All Risks	36.2	38.6	41.6
Marine and Aviation	108.4	114.6	125.8
Motor Vehicle Comprehensive	836.0	1,127.8	1,370.7
Compulsory Third Party (Motor Vehicle)	55.3	64.4	60.8
Employers Liability (b)	1,117.7	1,332.1	1,308.6
Public Liability (c)	112.9	126.4	140.2
All other	234.1	272.3	325.4
<b>Total</b>	<b>3,119.9</b>	<b>3,866.2</b>	<b>4,185.5</b>

(a) Includes sprinkler leakage, loss of profits, and crop and hailstone insurance. (b) Excludes workers' compensation insurance in the coal mining industry in NSW. (c) Includes product liability and professional indemnity insurance.

## SUPERANNUATION FUNDS AND SCHEMES

The following statistics have been compiled from several superannuation surveys conducted by the Australian Bureau of Statistics for the year 1985-86. Detailed definitions of data items are provided in ABS publications *Superannuation Funds, Australia 1985-86* (5649.0) and *Public Sector Superannuation Funds and Schemes, Australia* (5511.0)

The following types of superannuation schemes and funds, whose primary purpose is to provide benefits on retirement, are covered:

- Private sector funds—
  - Restricted membership funds—
    - Employees' funds
    - Self-employed persons' group funds
  - Open funds
- Public sector funds and schemes—
  - Self-administered funds
  - Life insurance offices' funds and schemes.

Excluded from these statistics are:

- private sector funds that are wholly administered by life insurance offices;
- superannuation arrangements that are unfunded (i.e. where the benefits are met from the employers' resources as they are payable);
- the Commonwealth Superannuation Scheme.

**PRIVATE SECTOR FUNDS AND PUBLIC SECTOR SELF-ADMINISTERED FUNDS: INCOME,  
EXPENDITURE, ASSETS, LIABILITIES, MEMBERS AND PENSIONERS, 1985-86**  
(\$ million)

	<i>Private sector funds</i>				<i>Public sector self-administered funds</i>	<i>Total</i>
	<i>Restricted membership</i>			<i>Total private sector</i>		
	<i>Employees</i>	<i>Self-employed group</i>	<i>Open funds</i>			
<b>Income—</b>						
Contributions—						
Employees	409	7	37	453	1,124	1,577
Employers	812	—	—	812	1,879	2,691
Interest, dividends and rent	1,555	9	25	1,590	2,344	3,933
Other income	1,766	9	2	1,777	489	2,267
<b>Total income</b>	<b>4,542</b>	<b>25</b>	<b>64</b>	<b>4,632</b>	<b>5,836</b>	<b>10,468</b>
<b>Expenditure—</b>						
Pensions	86	—	—	86	1,144	1,230
Lump sum payments	1,123	8	36	1,167	1,355	2,522
Other expenditure	444	1	3	448	208	656
<b>Total expenditure</b>	<b>1,653</b>	<b>9</b>	<b>39</b>	<b>1,701</b>	<b>2,707</b>	<b>4,408</b>
<b>Assets—</b>						
Cash and savings and trading bank deposits	496	4	15	515	172	688
Placements with authorised dealers in the short term money market	218	1	—	219	159	378
Other placements and deposits	786	2	7	794	361	1,156
Bills of exchange and promissory notes held	399	5	13	417	650	1,067
Government and public authority securities	3,172	24	70	3,266	7,149	10,414
Other securities	4,949	38	88	5,075	2,703	7,778
Financial lease receivables	29	—	—	29	1	30
Loan outstandings	303	1	13	317	1,393	1,710
Other assets	5,970	38	181	6,190	7,999	14,188
<b>Total assets</b>	<b>16,322</b>	<b>112</b>	<b>388</b>	<b>16,822</b>	<b>20,587</b>	<b>37,409</b>
<b>Liabilities—</b>						
Accumulated Funds	16,111	112	386	16,609	20,259	36,869
Accounts payable and other liabilities	210	—	2	212	328	540
<b>Total liabilities</b>	<b>16,322</b>	<b>112</b>	<b>388</b>	<b>16,822</b>	<b>20,587</b>	<b>37,409</b>
Members at last balance date (No.)	510,498	9,277	113,117	632,892	741,835	1,374,727
Pensioners at last balance date (No.)	24,643	—	—	24,643	129,317	153,960
Funds (No.)	2,099	17	16	2,132	94	2,226

**PUBLIC SECTOR LIFE INSURANCE OFFICE INVESTED SCHEMES:  
INCOME, EXPENDITURE AND MEMBERSHIP, 1985-86**  
(\$ million)

<b>Income—</b>	
Contributions—	
Members	28
Employers	50
Other income	78
<b>Total income</b>	<b>156</b>
<b>Expenditure—</b>	
Pensions	2
Lump sum payments	47
Other expenditure	81
<b>Total expenditure</b>	<b>130</b>
Members at last balance date (No.)	26,882
Funds (No.)	105

## HOUSING FINANCE FOR OWNER OCCUPATION

The following tables present statistics of secured housing finance commitments made by significant lenders to individuals for the construction or purchase of dwellings for owner occupation. For more comprehensive statistics and detailed information on the scope and coverage of these statistics refer to the monthly publication *Housing Finance for Owner Occupation, Australia* (5609.0).

### HOUSING FINANCE FOR OWNER OCCUPATION (\$ million)

	<i>Finance commitments for—</i>				
	<i>Construction or purchase dwellings</i>	<i>Alterations and additions</i>	<i>Cancellations of commitments</i>	<i>Commitments advanced (a)</i>	<i>Commitments not advanced (a)</i>
1985-86	11,533.7	507.2	507.7	11,919.0	2,217.4
1986-87	12,830.1	498.5	465.9	12,599.0	2,481.0
1987-88	20,109.6	707.3	617.6	18,064.4	4,593.2

(a) Prior to January 1985, excludes Trading Banks.

### HOUSING FINANCE FOR OWNER OCCUPATION: NUMBER OF DWELLING UNITS AND VALUE OF COMMITMENTS TO INDIVIDUALS BY TYPE OF LENDER

	<i>Banks</i>		<i>Permanent building societies</i>	<i>Other lenders (a)</i>	<i>Total</i>
	<i>Savings</i>	<i>Trading</i>			
<b>CONSTRUCTION OF DWELLINGS</b>					
	—number—				
1985-86	30,482	7,917	7,955	5,501	51,855
1986-87	33,038	4,197	5,523	3,797	46,555
1987-88	47,429	4,996	8,823	4,378	65,626
	—\$ million—				
1985-86	1,173.3	297.9	379.2	230.4	2,080.8
1986-87	1,399.7	182.4	267.7	146.3	1,996.1
1987-88	2,254.1	302.7	482.9	179.7	3,219.3
<b>PURCHASE OF NEWLY ERECTED DWELLINGS</b>					
	—number—				
1985-86	10,139	2,235	3,880	3,617	19,871
1986-87	12,030	1,272	2,168	2,294	17,764
1987-88	12,876	1,470	3,056	1,778	19,180
	—\$ million—				
1985-86	406.9	92.3	203.9	153.5	856.6
1986-87	562.4	73.0	115.4	91.0	841.7
1987-88	686.0	115.1	181.5	75.6	1,058.2

For footnotes see end of table.

**HOUSING FINANCE FOR OWNER OCCUPATION: NUMBER OF DWELLING UNITS AND  
VALUE OF COMMITMENTS TO INDIVIDUALS BY TYPE OF LENDER—continued**

	Banks		Permanent building societies	Other lenders (a)	Total
	Savings	Trading			
<b>PURCHASE OF ESTABLISHED DWELLINGS</b>					
			—number—		
1985-86	122,005	22,930	40,638	18,562	204,135
1986-87	154,539	12,809	33,664	14,007	215,019
1987-88	200,060	19,729	51,630	15,507	286,926
			—\$ million—		
1985-96	4,798.9	1,046.5	1,892.8	858.1	8,596.3
1986-87	7,068.4	708.0	1,615.9	599.8	9,992.1
1987-88	10,671.7	1,574.7	2,876.5	708.9	15,831.8
<b>TOTAL</b>					
			—number—		
1985-86	162,626	33,082	52,473	27,680	275,861
1986-87	199,607	18,278	41,355	20,098	279,338
1987-88	260,365	26,195	63,509	21,663	371,732
			—\$ million—		
1985-86	6,379.1	1,436.7	2,476.0	1,242.0	11,533.7
1986-87	9,030.5	963.4	1,999.0	837.1	12,830.1
1987-88	13,611.7	1,992.5	3,540.9	964.2	20,109.4

(a) Includes cooperative housing societies, finance companies, governments, credit cooperatives and insurance companies.

## PERSONAL, COMMERCIAL AND LEASE FINANCE

Three new monthly collections were introduced in January 1985 to measure the lending activity of significant lenders in the fields of personal, commercial and lease finance. These collections replaced two previous collections, the results of which were published in *Finance Companies, Australia* (5614.0) and *Instalment Credit for Retail Sales, Australia* (5631.0).

### Personal finance

The following tables present statistics of finance commitments made by significant lenders to individuals for their own personal (non-business) use. For more comprehensive statistics and detailed information on the scope and coverage of these statistics refer to the monthly publication *Personal Finance, Australia* (5642.0).

#### PERSONAL FINANCE COMMITMENTS (a): TYPE OF LENDER (\$ million)

	All banks	Finance companies	Credit cooperatives	Other lenders (b)	Total
1985-86	9,764.0	3,252.0	1,658.9	229.9	14,905.0
1986-87	10,166.2	2,926.9	1,771.0	365.7	15,229.7
1987-88	14,405.6	3,242.0	1,844.6	441.4	19,933.6

(a) Includes both fixed loan facilities and new and increased lending commitments under revolving credit facilities. (b) Includes permanent building societies, general financiers, retailers, and for 1985-86 only, life insurance companies.

**PERSONAL FINANCE COMMITMENTS: TYPE OF FACILITY, ALL LENDERS**  
(\$ million)

	Revolving credit commitments				
	Fixed loan commitments	New and increased credit limits	Cancellations and reductions in credit limits	Credit limits	
				Total	Used
1985-86	(a)10,634.9	4,270.1	2,316.3	13,084.2	5,501.1
1986-87	9,754.3	5,475.4	2,558.3	16,993.4	7,665.1
1987-88	11,864.6	8,069.0	3,909.9	21,484.0	9,328.7

(a) Includes commitments for loans on life policies.

### Commercial finance

The statistics in the following tables measure commitments made by significant lenders to government, private and public enterprises and non-profit organisations as well as to individuals (for investment and business purposes). For more comprehensive statistics and detailed information on the scope and coverage of these statistics refer to the monthly publication *Commercial Finance, Australia* (5643.0).

**COMMERCIAL FINANCE COMMITMENTS (a): TYPE OF LENDER**  
(\$ million)

	Trading banks	Other banks	Finance companies	Money market corporations	Other lenders (b)	Total
1985-86	38,426.9	2,387.1	7,986.1	11,670.7	845.7	61,316.5
1986-87	57,647.0	3,189.9	6,949.6	9,132.4	203.2	77,122.0
1987-88	81,935.0	6,697.5	8,710.0	10,690.5	147.6	108,594.0

(a) Includes both fixed loan facilities and new and increased lending commitments under revolving credit facilities. (b) Includes permanent building societies, general financiers and pastoral finance companies.

**COMMERCIAL FINANCE COMMITMENTS: FIXED LOAN FACILITIES**  
(\$ million)

	Construction	Purchase of real property	Purchase of plant and equipment	Refinancing	Other purposes	Total
1985-86	3,535.9	4,622.9	2,197.0	2,653.7	12,391.8	25,401.2
1986-87	3,455.9	4,484.1	2,031.9	2,579.5	10,831.9	23,383.2
1987-88	5,018.0	8,520.8	3,809.2	4,062.0	13,092.0	34,502.0

**COMMERCIAL FINANCE COMMITMENTS (a) INDUSTRY OF BORROWER**  
(\$ million)

<i>Industry of borrower</i>	1986-87			1987-88		
	<i>New fixed loan commitments during period</i>	<i>New and increased credit limits during period</i>	<i>Total new commitments during period</i>	<i>New fixed loan commitments during period</i>	<i>New and increased credit limits during period</i>	<i>Total new commitments during period</i>
Agriculture, forestry, fishing and hunting	1,712.0	3,197.5	4,909.5	3,243.9	3,564.7	6,808.6
Mining	537.4	2,745.9	3,283.3	802.5	2,638.7	3,441.2
Manufacturing	1,928.1	10,196.3	12,124.4	2,035.4	11,837.8	13,873.2
Construction	3,527.2	2,555.7	6,082.9	5,385.5	5,097.4	10,482.9
Wholesale trade	1,223.8	2,657.0	3,880.8	1,294.6	4,352.2	5,646.8
Retail trade	1,831.0	4,001.1	5,832.1	2,546.6	5,472.7	8,019.3
Transport and storage	757.5	1,116.2	1,873.7	963.6	1,420.8	2,384.4
Finance, investment and insurance	4,362.7	14,189.3	18,552.0	6,012.6	18,621.6	24,634.2
Property and business services	3,205.7	7,132.4	10,338.1	5,110.9	8,650.6	13,761.5
Other industries	4,297.7	5,947.4	10,245.1	7,106.4	12,022.4	19,128.8
<b>Total industries</b>	<b>23,383.2</b>	<b>53,738.8</b>	<b>77,122.0</b>	<b>34,502.0</b>	<b>53,738.8</b>	<b>77,122.0</b>

(a) Includes both fixed loan facilities and new and increased lending commitments under revolving credit facilities.

### Lease finance

The statistics in the following tables measure lease finance commitments made by significant lenders to trading and financial enterprises, non-profit organisations, governments, public authorities and individuals. For more comprehensive statistics and detailed information on the scope and coverage of these statistics refer to the monthly publication *Lease Finance, Australia* (5644.0).

**LEASE FINANCE COMMITMENTS: TYPE OF LESSOR**  
(\$ million)

	<i>All banks</i>	<i>Money market corporations</i>	<i>Finance companies</i>	<i>General financiers</i>	<i>Total</i>
1985-86	1,150.5	319.4	3,848.2	274.4	5,592.6
1986-87	1,233.6	287.7	3,420.9	575.2	5,517.4
1987-88	1,825.4	412.5	3,977.2	578.2	6,793.3

**LEASE FINANCE COMMITMENTS: TYPE OF GOODS LEASED**  
(\$ million)

<i>Types of goods</i>	1985-86	1986-87	1987-88
Motor vehicles and other transport equipment	3,084.2	2,939.1	3,504.1
Construction and earth moving equipment	444.2	317.4	306.6
Agricultural machinery and equipment	216.6	150.3	183.3
Automatic data processing equipment and office machinery	439.7	765.5	841.8
Shop and office furniture, fittings and equipment	450.8	580.8	653.0
Other goods	957.0	764.3	1,304.5
<b>Total</b>	<b>5,592.6</b>	<b>5,517.4</b>	<b>6,793.3</b>

**LEASE FINANCE COMMITMENTS: INDUSTRY OF LESSEE**  
**(\$ million)**

<i>Industry of lessee</i>	<i>1985-86</i>	<i>1986-87</i>	<i>1987-88</i>
Agriculture, forestry, fishing and hunting	437.4	346.7	439.0
Mining	146.4	92.7	110.4
Manufacturing	714.9	691.3	1,041.6
Construction	495.9	451.2	548.4
Wholesale trade	314.9	289.3	305.5
Retail trade	738.0	698.2	838.9
Transport and storage	794.4	812.9	901.3
Finance, investment and insurance	196.2	499.9	538.0
Property and business services	699.9	687.1	907.3
Community services	296.5	221.7	326.1
Other industries	758.1	726.3	836.8
<b>Total industries</b>	<b>5,592.6</b>	<b>5,517.4</b>	<b>6,793.3</b>

## NEW CAPITAL RAISINGS BY COMPANIES LISTED ON AUSTRALIAN STOCK EXCHANGES

Information relating to capital raised by companies listed on Australian Stock Exchanges is given in the following table.

### LISTED COMPANIES: NEW CAPITAL RAISED THROUGH ISSUES OF SHARES (a) AND THROUGH DEBENTURES, UNSECURED NOTES, LOANS AND DEPOSITS (\$ million)

<i>Year ended June</i>	<i>Share capital</i>			<i>Debentures, unsecured notes, loans and deposits</i>				
	<i>Total amount of issues commenced</i>			<i>Period to maturity (b)</i>				
	<i>Type of consideration</i>			<i>12 months or less</i>				
	<i>Cash</i>	<i>Other than cash (c)</i>	<i>Total amount including premiums etc.</i>	<i>Net cash raised during period (d)</i>	<i>Over 12 months</i>	<i>Total (e)</i>	<i>Total capital</i>	
<b>NEW CAPITAL RAISED</b>								
1982	1,379.5	890.1	2,269.6	1,593.7	10,836.4	3,534.5	14,370.9	15,964.6
1983	908.8	299.3	1,208.1	1,013.5	8,970.6	3,393.7	12,364.3	13,377.8
1984	2,153.8	736.6	2,890.4	1,758.0	9,983.1	3,227.2	13,210.3	14,968.3
1985	2,102.9	779.9	2,882.8	2,178.1	10,113.1	4,096.1	14,209.2	16,387.3
1986 (f)	3,992.4	1,164.3	5,156.7	4,013.9	14,736.5	5,993.3	20,729.8	24,743.7
1987	14,566.2	6,656.5	21,228.8	13,992.8	12,473.8	8,734.2	21,208.0	35,200.8
<b>REDEMPTIONS</b>								
1982	—	—	—	—	10,089.0	2,412.1	12,501.1	12,501.1
1983	—	—	—	—	9,291.0	2,569.8	11,860.8	11,860.8
1984	—	—	—	—	10,018.3	2,644.4	12,662.7	12,662.7
1985	—	—	—	—	9,748.5	2,550.5	12,299.0	12,299.0
1986	—	—	—	—	14,990.2	4,093.4	19,083.6	19,083.6
1987	—	—	—	—	15,649.7	5,920.0	21,569.7	21,569.7
<b>NET CASH RAISED</b>								
1982	1,379.5	890.1	2,269.6	1,593.7	747.4	1,122.4	1,869.8	3,463.5
1983	908.8	299.3	1,208.1	1,013.5	(-)320.4	823.9	503.5	1,517.0
1984	2,153.8	736.6	2,890.4	1,758.0	(-)35.2	582.8	547.6	2,305.6
1985	2,102.9	779.9	2,882.8	2,178.1	364.6	1,545.6	1,910.2	4,088.3
1986 (f)	3,992.4	1,164.3	5,156.7	4,013.9	(-)253.7	1,899.9	1,646.2	5,660.1
1987	14,566.2	6,656.5	21,228.8	13,992.8	(-)3,175.9	2,814.2	(-)361.7	13,631.1

(a) Includes share subscriptions by overseas investors to issues in Australia. (b) Period from date of issue to maturity. Securities that are repayable at call or on an indefinite date are included in the "12 months or less" period. (c) Includes bonus issues, issues in exchange for existing shares, etc. (d) Includes calls on issues commenced in earlier years. (e) Includes conversions, renewals, etc. (f) Break in series due to improved coverage.

These statistics cover capital raised through share and debenture subscriptions and by way of deposits, unsecured notes and loans secured over the entire assets of the company. The following funds are excluded from the collections:

- all capital raised from Australian banks (other than direct equity investment), i.e. overdrafts, mortgage loans, terms loans or debentures;
- temporary advances or short-term deposits from any source;
- complete or partial issues by Australian companies on overseas markets taken up through overseas brokers.

Listed companies are companies incorporated in Australia whose shares, debentures or other securities are listed on one or more of the Australian Stock Exchanges. For such companies new capital includes;

- all issues of ordinary shares if any ordinary shares are listed;
- all issues of preference shares if any preference shares are listed;
- all issues of debentures, unsecured notes, secured and unsecured loans and deposits if any shares or other securities are listed.

More detailed statistics concerning New Capital Raisings may be found in the quarterly publication *New Capital Raisings by Companies Listed on Australian Stock Exchanges* (5628.0)

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