

## CHAPTER 21

### 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 co-operative 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 \$1, \$2, \$5, \$10, \$20 and \$50 and coins in the denominations of 1c, 2c, 5c, 10c, 20c and 50c.

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

##### AUSTRALIAN NOTES IN CIRCULATION (*\$ million*)

	<i>Last Wednesday in June</i>					
	1973	1974	1975	1976	1977	1978
\$1 . . . . .	48.5	53.2	52.7	53.6	57.4	60.8
\$2 . . . . .	123.7	130.2	129.1	127.8	133.0	136.0
\$5 . . . . .	94.4	103.5	110.2	116.4	121.8	126.7
\$10 . . . . .	639.9	701.1	675.2	655.2	628.8	604.5
\$20 . . . . .	851.4	960.6	1,186.7	1,334.6	1,489.0	1,620.5
\$50 . . . . .	..	197.5	403.2	633.8	860.8	1,121.7
<b>Total . . . . .</b>	<b>1,757.8</b>	<b>2,146.1</b>	<b>2,557.1</b>	<b>2,921.4</b>	<b>3,290.8</b>	<b>3,670.2</b>
<i>Held by banks . . . . .</i>	<i>229.2</i>	<i>300.8</i>	<i>339.9</i>	<i>352.5</i>	<i>378.1</i>	<i>413.1</i>
<i>Held by public . . . . .</i>	<i>1,528.6</i>	<i>1,845.3</i>	<i>2,217.1</i>	<i>2,568.9</i>	<i>2,912.8</i>	<i>3,257.1</i>

##### AUSTRALIAN DECIMAL COIN: VALUE OF COIN ISSUED (*\$ million*)

	<i>Year ended 30 June</i>					
	1973	1974	1975	1976	1977	1978
1c . . . . .	1.1	1.5	1.1	1.4	1.8	1.3
2c . . . . .	1.7	2.7	1.9	2.1	1.7	2.5
5c . . . . .	1.8	3.2	3.2	3.3	6.8	2.8
10c . . . . .	2.0	3.0	4.6	5.6	1.9	3.6
20c . . . . .	3.4	5.0	7.6	9.9	10.1	8.5
50c . . . . .	4.0	5.4	7.0	8.3	20.3	12.8
<b>Total . . . . .</b>	<b>14.0</b>	<b>20.8</b>	<b>25.4</b>	<b>30.5</b>	<b>42.6</b>	<b>31.4</b>

##### 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.

Conceptually, the volume of money is a measure of specified financial assets held by the non-bank public and, consequently, should exclude deposits of the Commonwealth and State Governments and inter-bank deposits. It has not been possible, however, to exclude government and bank holdings of certificates of deposit or deposits with savings banks.

Financial assets included in the volume of money as defined above 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

(Source: Reserve Bank of Australia)

(\$ million)

Average of weekly figures for June	Notes and coins in the hands of public	Deposits of public with all trading banks			Certificates of deposit(b)	Deposits with all savings banks(b)(c)	Total volume of money
		Current(a)	Fixed(b)				
1973 . . . . .	1,653	5,577	4,087	447	10,090	21,856	
1974 . . . . .	1,957	5,424	3,943	2,556	11,139	25,018	
1975 . . . . .	2,356	5,971	6,739	1,145	(d)12,656	(d)28,867	
1976 . . . . .	2,751	6,775	7,571	1,077	14,651	32,825	
1977 . . . . .	3,111	7,225	8,778	978	16,197	36,290	
1978 . . . . .	3,495	7,724	9,314	812	17,854	39,199	

(a) Excludes deposits of the Commonwealth and State Governments and inter-bank deposits. (b) Includes holdings of the Commonwealth and State Governments and banks. (c) Interpolated 'weekly average' based on end-of-month figures. (d) Data from 1975 reflect a change in accounting procedures by one bank.

### FINANCIAL REGULATION

#### 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 co-ordination 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 Trading Bank of Australia, Commonwealth Savings Bank of Australia, and the Commonwealth Development Bank of Australia.

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).

More recently, 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, merchant banks 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.

Statistics compiled from information collected from corporations registered under the Act are provided in the tables on page 490.

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

*Insurance.* Section 51 of the Commonwealth Constitution confers the necessary powers on the Australian 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 *Insurance (Deposits) Act* 1932 requiring the lodgment of deposits by insurance companies; the *Life Insurance Act* 1945 generally regulating life insurance business in Australia; and the *Insurance Act* 1973 generally regulating general (non-life) insurance business in Australia. The *Marine Insurance Act* 1909 and the *Insurance (Deposits) Act* 1932 have 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. A summary of the provisions of the Act is given in Year Book No. 37, pages 595-7. 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 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.

#### **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 co-operative 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, Terminating Building Societies and Credit Unions.

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. An account of the progress and development of that bank is given in earlier issues of the Year Book (see No. 37, pages 570-2 and No. 45, pages 735-7).

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 co-operative associations or marketing boards formed under the laws of the Commonwealth or 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)

### LIABILITIES

30 June—	Capital and reserve funds	Special reserve— I.M.F. special drawing rights	Deposits of trading banks			Deposits of savings banks	All other liabilities	Total
			Australian notes on issue	Statutory reserve deposit accounts	Other			
1973 . . . .	66.3	192.4	1,767.4	784.1	39.4	1,323.0	1,574.2	5,746.8
1974 . . . .	67.1	183.4	2,163.8	912.8	13.9	1,052.7	2,100.9	6,494.5
1975 . . . .	68.2	207.0	2,545.1	417.9	37.8	908.0	1,540.8	5,724.8
1976 . . . .	69.3	200.6	2,921.4	779.7	74.7	1,053.9	1,271.1	6,370.8
1977 . . . .	137.3	218.2	3,319.3	1,584.4	29.5	1,055.7	1,765.4	8,109.9
1978 . . . .	1,189.3	218.3	3,688.1	726.7	10.7	1,122.6	1,723.0	8,678.8

## ASSETS

30 June—	Gold and foreign exchange (a)	Australian Government securities (b)	Loans, advances, bills discounted	Bank premises (c)	All other assets	Total
1973 . . . .	4,104.4	608.4	252.5	51.6	730.0	5,746.8
1974 . . . .	3,410.8	1,396.6	603.1	51.9	1,032.1	6,494.5
1975 . . . .	3,337.3	1,227.7	440.3	52.7	666.8	5,724.8
1976 . . . .	2,422.0	2,706.7	658.6	56.5	527.0	6,370.8
1977 . . . .	2,466.6	4,205.2	975.0	65.6	397.5	8,109.9
1978 . . . .	3,047.6	4,365.8	707.0	72.5	485.8	8,678.8

(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 thirteen trading banks. Six large private trading banks, together with the Commonwealth Trading Bank, are generally referred to as the major trading banks. These banks provide widespread banking facilities throughout Australia. The remaining six banks comprise one small local bank, two overseas banks which have been represented in Australia for many years and three State-owned banks operating only within their respective States.

The major trading banks are as follows: Commonwealth Trading Bank of Australia; Australia and New Zealand Banking Group; The Bank of Adelaide; Bank of New South Wales; The Commercial Bank of Australia Ltd; The Commercial Banking Company of Sydney Ltd; and The National Bank of Australasia Ltd.

The other trading banks are: Bank of Queensland Ltd; Bank of New Zealand; Banque Nationale de Paris; The Rural Bank of New South Wales; State Bank of South Australia; and The Rural and Industries Bank of Western Australia (Rural Department).

## 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)

## LIABILITIES

	Paid-up capital	Reserve funds (used in business of banks)	Final dividend proposed	Balance of profit and loss account	Total share-holders' funds	Balances due to other banks	Deposits, bills payable and other liabilities(c)	Total
1972 . . . .	341.5	313.2	16.0	33.5	704.1	801.1	11,981.7	13,487.0
1973 . . . .	376.9	388.1	19.3	35.6	819.9	798.3	15,659.9	17,278.1
1974 . . . .	417.4	467.6	21.7	39.0	945.7	1,296.0	17,929.1	20,170.8
1975 . . . .	426.4	494.8	22.4	48.7	992.4	1,122.4	21,274.6	23,389.4
1976 . . . .	450.4	539.0	30.8	58.1	1,078.3	1,220.3	24,077.0	26,375.6
1977 . . . .	529.7	663.3	37.1	72.9	1,303.0	1,741.9	26,286.1	29,331.1

## ASSETS

	Australian public securities								Loans to authorised dealers in short-term money market
	Coin, bullion, notes and cash at Reserve Bank	Money at short call overseas	Australian Government		Local and semi-government securities	Other public securities	Other securities	Total	
			Treasury bills and notes	Other securities					
1972 . . .	208.3	58.8	258.9	2,100.7	60.1	172.0	310.4	297.9	
1973 . . .	219.7	81.6	186.5	2,258.5	64.8	258.3	400.3	294.5	
1974 . . .	313.7	96.4	203.0	2,059.0	71.3	114.1	423.4	303.7	
1975 . . .	378.9	46.0	1,044.0	2,720.9	77.6	167.0	456.9	327.0	
1976 . . .	345.8	58.4	313.5	3,737.4	90.0	220.6	509.1	543.8	
1977 . . .	338.2	82.4	93.3	3,531.5	117.3	197.1	630.8	368.5	

  

	Statutory reserve deposit account with Reserve Bank	Cheques and bills of, and balances with and due from other banks	Loans, advances and bills discounted	Bank premises, furniture and sites	Bills receivable and remittances in transit	All other assets	Total
1973 . . .	905.1	837.9	9,612.4	217.3	1,549.2	392.0	17,278.1
1974 . . .	626.4	962.8	11,611.7	248.3	2,139.8	997.2	20,170.8
1975 . . .	641.9	996.6	13,158.3	311.7	1,911.2	1,151.6	23,389.4
1976 . . .	791.3	982.1	14,817.6	369.7	2,147.0	1,449.1	26,375.6
1977 . . .	1,293.2	1,444.9	17,182.8	445.2	1,896.7	1,709.0	29,331.1

(a) Excludes the overseas banks but includes the deposits and assets held against the deposits of the Savings Bank Division of the Rural and Industries Bank of Western Australia. (b) This table relates to liabilities and assets both inside and outside Australia. (c) Includes provisions for contingencies.

Figures shown for averages of liabilities and assets in the table below are the average of liabilities and assets within Australia (including External Territories and, up to 1973, Papua New Guinea) of the banks on the weekly balance days (Wednesdays) during the period concerned.

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

## LIABILITIES(c)

June	Deposits repayable in Australia					Balances due to other banks	Bills payable and all other liabilities to the public	Total
	Current			Total				
	Fixed	Bearing interest	Not bearing interest					
1973 . . .	5,152.2	648.6	5,271.7	11,072.5	351.0	726.3	12,149.7	
1974 . . .	6,985.9	660.1	5,068.0	12,714.0	669.2	1,196.9	14,580.0	
1975 . . .	8,635.0	842.6	5,458.0	14,935.7	588.0	1,695.2	17,218.9	
1976 . . .	9,778.0	927.4	6,249.4	16,954.8	603.7	2,079.0	19,637.6	
1977 . . .	11,464.7	990.2	6,639.4	19,094.2	607.9	2,358.0	22,060.1	
1978 . . .	11,596.0	1,045.0	7,105.3	19,746.2	682.8	2,907.5	23,336.6	

## ASSETS(d)

June	Coin, bullion, notes and cash at Reserve Bank	Australian Government securities		Local and semi-government securities	Loans to authorised dealers in short-term money market	Statutory reserve deposit account with Reserve Bank	Loans, advances and bills discounted	All other assets	Total
		Treasury bills and notes	Other securities						
1973 . . .	213.6	189.0	2,221.0	27.6	149.6	784.7	7,856.2	1,181.2	12,622.9
1974 . . .	273.0	79.8	2,084.3	27.6	65.4	1,032.6	10,120.3	1,678.3	15,361.3
1975 . . .	299.0	1,167.8	2,358.9	31.2	167.4	421.4	11,205.0	2,322.8	17,973.5
1976 . . .	345.6	191.0	3,410.9	32.8	182.3	840.5	12,575.6	2,774.2	20,352.9
1977 . . .	380.0	78.8	3,567.9	46.1	144.4	1,704.2	14,035.2	3,179.2	23,135.8
1978 . . .	409.4	97.9	3,609.1	45.1	190.9	734.0	15,777.2	3,968.8	24,832.3

(a) Figures shown for average of liabilities and assets are the average of liabilities and assets within Australia of the banks at the close of business on the weekly balance days (usually Wednesdays) during the period concerned. (b) Includes External Territories and up to 1973 Papua New Guinea. (c) Excludes shareholders' funds, inter-branch accounts and contingencies. (d) Excludes inter-branch accounts and contingencies.

**Major trading banks: classification of advances and deposits**

In the classification of advances and deposits, borrowers and lenders are classified into two main groups:

*Residents*—comprising all institutions (including branches of overseas institutions) engaged in business in Australia and individuals permanently residing in Australia; and

*Non-residents*—comprising all other persons and institutions, including companies incorporated abroad, which, although represented, do not carry on business in Australia.

Residents are further classified into:

*Businesses*—partnerships, companies and other institutions engaged in business in Australia; individuals actively engaged in business or a profession on their own behalf; and mutual, co-operative and benefit societies which distribute their profits to members by way of dividends, rebates of charges for goods and services, or increased benefits.

*Public authorities*—local and semi-government authorities including separately constituted government business undertakings, but not the Australian and State governments.

*Persons*—individuals other than those carrying on a business or profession.

*Non-profit organisations*—organisations which are not operated for the purpose of making a profit or gain to individual members, but for the purposes of the organisations or for the benefit of the community in general.

**MAJOR TRADING BANKS:  
CLASSIFICATION OF ADVANCES AND DEPOSITS WITHIN AUSTRALIA**  
(\$ million)

	<i>Advances</i>				<i>Deposits</i>			
	<i>At second Wednesday of:</i>				<i>At second Wednesday of:</i>			
	<i>January 1977</i>	<i>July 1977</i>	<i>January 1978</i>	<i>July 1978</i>	<i>January 1977</i>	<i>July 1977</i>	<i>January 1978</i>	<i>July 1978</i>
<i>Residents—</i>								
<i>Businesses</i>								
Agriculture, grazing and dairying . . . . .	1,285.7	1,397.4	1,359.8	1,559.3	1,457.5	1,227.6	1,449.1	1,162.6
Manufacturing . . . . .	1,616.0	1,711.2	1,684.1	1,795.7	725.8	445.1	558.9	462.8
Transport, storage and communication . . . . .	206.0	208.7	219.4	229.1	180.1	211.9	216.4	193.4
Finance . . . . .	670.1	627.6	623.0	818.5	1,464.0	1,226.1	1,087.9	1,104.6
Commerce . . . . .	1,356.3	1,454.8	1,464.0	1,518.8	964.2	745.1	918.5	822.3
Building and construction . . . . .	387.4	416.8	392.6	436.9	435.1	365.1	409.1	389.0
Other businesses . . . . .	2,100.5	2,137.0	2,192.3	2,192.9	2,058.3	1,879.7	2,018.9	1,998.2
Unclassified . . . . .	261.7	263.9	332.3	231.7	238.8	280.4	265.0	291.5
<i>Total business</i> . . . . .	<i>7,883.7</i>	<i>8,217.4</i>	<i>8,267.6</i>	<i>8,782.9</i>	<i>7,523.8</i>	<i>6,380.9</i>	<i>6,923.8</i>	<i>6,424.5</i>
of which—								
Companies . . . . .	5,082.0	5,025.2	5,063.0	5,357.7	3,572.6	2,943.5	3,144.8	2,873.2
Other . . . . .	2,801.7	3,192.2	3,204.7	3,425.2	3,951.3	3,437.4	3,779.0	3,551.3
Public authorities . . . . .	152.4	155.5	231.1	93.5	1,871.7	1,580.8	1,765.9	1,558.5
Persons . . . . .	3,491.7	3,939.0	4,204.1	4,730.2	5,561.6	5,749.7	6,253.4	6,811.2
Non-profit organisations . . . . .	135.8	128.3	136.9	137.0	756.2	848.2	789.4	849.1
<i>Total residents</i> . . . . .	<i>11,663.6</i>	<i>12,440.1</i>	<i>12,839.7</i>	<i>13,743.7</i>	<i>15,713.3</i>	<i>14,559.6</i>	<i>15,732.5</i>	<i>15,643.3</i>
<i>Total non-residents</i> . . . . .	<i>12.3</i>	<i>14.4</i>	<i>11.8</i>	<i>11.8</i>	<i>229.1</i>	<i>210.3</i>	<i>208.1</i>	<i>223.9</i>
<b>Total</b> . . . . .	<b>11,675.9</b>	<b>12,454.6</b>	<b>12,851.5</b>	<b>13,755.5</b>	<b>15,942.4</b>	<b>14,769.9</b>	<b>15,940.5</b>	<b>15,867.2</b>

**Interest rates**

At 30 June 1978 the maximum rates of interest were: (i) on fixed deposits of less than \$50,000, for periods of 3 months and less than 6 months—7.50 per cent to 7.75 per cent, 6 months and less than 2 years—8.00 per cent to 9.00 per cent, 2 years and less than 4 years—8.00 per cent to 9.50 per cent; (ii) on fixed deposits of \$50,000 and over, 30 days to 4 years—10 per cent; (iii) on certificates of deposit of \$50,000 and over, 3 months to 4 years—not subject to maximum rate; (iv) on overdrafts under \$100,000—10.50 per cent; (v) on overdrafts over \$100,000—not subject to maximum rate; (vi) on personal loans—7.75 per cent.

**Branches and agencies**

At 30 June 1978 the major trading banks operated 4,693 branches, and the other trading banks 342 branches. Of the total 5,035 branches, 2,707 were located in metropolitan areas. Trading bank facilities were also available at 981 agencies throughout Australia.

## Debits to customers' accounts

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

June	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	A.C.T.	Aust.
1973 . . .	3,440.7	2,551.9	725.6	382.2	391.7	95.6	16.5	109.5	7,713.7
1974 . . .	3,772.6	2,932.5	799.2	438.9	502.9	113.3	21.4	70.5	8,651.2
1975 . . .	4,052.6	3,334.9	870.1	494.1	579.3	131.2	23.9	95.4	9,581.5
1976 . . .	5,079.1	4,442.3	1,209.5	676.9	756.5	173.8	32.8	152.4	12,523.2
1977 . . .	5,443.8	5,209.3	1,421.8	789.7	875.5	184.0	36.3	150.7	14,111.2
1978 . . .	7,316.5	5,552.6	1,528.1	846.8	1,079.7	190.9	35.7	246.0	16,796.3

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

### Savings banks

Prior to 1956 savings bank operations were conducted by the Commonwealth Savings Bank, two trustee savings banks in Tasmania, and State-owned banks in Victoria, South Australia and Western Australia. In January 1956 private savings banks were established as subsidiary companies by two of the private trading banks. By mid-1962 all the major private trading banks had established savings bank subsidiary companies. In May 1972 the Bank of New Zealand Savings Bank Limited was granted an authority to carry on savings bank business in Australia.

For further information on the origin of savings banks in Australia, see Year Book No. 50, page 854, and earlier issues.

All savings banks, including trustee savings banks but not State savings banks, are subject to the *Banking Act 1959*. Details of this Act and the special provisions applying to savings banks are given in Year Book No. 46.

#### 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								
	Paid-up capital	Reserve funds (used in the business of the bank)	Balance of profit and loss account	Total shareholders' funds	Depositors' balances	Balances due to other banks	Bills payable and all other liabilities (c)	Total
1972 . . .	31.5	171.0	8.9	211.4	8,547.1	19.2	293.9	9,071.7
1973 . . .	36.5	191.1	9.4	237.1	10,398.4	25.3	343.6	11,004.4
1974 . . .	40.5	207.3	9.7	257.5	11,101.0	35.9	395.6	11,789.9
1975 . . .	43.0	227.0	11.1	281.0	12,984.8	96.7	549.6	13,912.2
1976 . . .	49.0	262.0	14.1	325.1	14,956.3	65.2	633.5	15,980.1
1977 . . .	60.0	302.9	19.1	381.9	16,432.0	133.7	682.5	17,630.0

## ASSETS

	<i>Australian public securities</i>						<i>Total</i>
	<i>Coin, bullion, notes and deposits with Reserve Bank</i>	<i>Deposits in Australia with trading banks</i>	<i>Australian and State Governments</i>		<i>Local and semi-government securities</i>	<i>Other securities</i>	
			<i>Treasury bills and notes</i>	<i>Other securities</i>			
1972 . . . . .	906.1	188.6	39.3	2,352.5	2,171.4	36.9	
1973 . . . . .	1,356.8	233.5	104.1	2,744.4	2,511.2	40.2	
1974 . . . . .	1,059.0	281.3	47.8	2,850.4	2,791.6	24.8	
1975 . . . . .	978.5	430.9	50.4	3,001.8	3,298.1	43.6	
1976 . . . . .	1,099.3	314.4	48.6	2,896.5	3,898.6	55.8	
1977 . . . . .	1,136.2	283.4	53.9	2,643.7	4,472.2	48.6	

  

	<i>Loans to authorised dealers in short-term money market</i>	<i>Cheques and bills of, and balances with and due from other banks (d)</i>	<i>Loans advances and bills discounted</i>	<i>Bank premises, furniture and sites</i>	<i>Bills receivable and re-mittances in transit</i>	<i>All other assets</i>	<i>Total</i>
1973 . . . . .	103.6	228.4	3,433.1	119.7	-	129.4	11,004.4
1974 . . . . .	69.7	245.4	4,138.1	135.5	-	146.2	11,789.9
1975 . . . . .	79.5	279.1	5,381.8	173.3	0.1	195.3	13,912.2
1976 . . . . .	68.2	322.9	6,805.1	204.9	55.8	210.1	15,980.1
1977 . . . . .	67.9	300.1	8,056.5	240.6	81.3	245.6	17,630.0

(a) Excludes Savings Bank Division of the Rural and Industries Bank of Western Australia. (b) This table relates to liabilities and assets both inside and outside Australia. (c) Includes provisions for contingencies. (d) Includes deposits with and loans to specified lenders other than trading banks.

**Branches and agencies**

At 30 June 1978 the savings banks operated 5,600 branches and 12,391 agencies, of which 3,089 branches and 6,048 agencies were in metropolitan areas.

**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 Commonwealth Bank of Australia. Under the Act the Bank is authorised to provide assistance for the development of worthwhile enterprises in the fields of primary and secondary industries which would otherwise be unable to obtain the necessary finance on reasonable and suitable terms and conditions. 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. The capital of the Development Bank consists of the capital of the Mortgage Bank and Industrial Finance Departments of the Commonwealth Bank immediately prior to 14 January 1960, \$10 million provided by the Reserve Bank, \$20 million appropriated from the Consolidated Revenue Fund in 1961-62 by the *Commonwealth Banks Act* 1961 and the *Commonwealth Banks Act* 1962, \$10 million appropriated in 1963-64 by the *Commonwealth Banks Act* 1963, and such other sums as are provided from the Commonwealth Development Bank Reserve Fund. The net profits of the Bank are paid to the Commonwealth Development Bank Reserve Fund.

**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 by the *Banking Act* 1967 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.

### The Primary Industry Bank of Australia Limited

The Primary Industry Bank of Australia Limited commenced operations on 22 September 1978 under the authority of the *Primary Industry Bank Act 1977*. The Bank has also been brought within the scope of the *Banking Act 1959* including those provisions relating to the protection of depositors, advances policy, control of interest rates, furnishing of statistics, and alterations in the structure and ownership of the Bank.

The main objective of the Bank is to facilitate the provision of loans to primary producers for longer terms than are otherwise generally available. The Bank's role is restricted to refinancing loans made by banks and other financial institutions with terms of eight years or more but not exceeding thirty years.

The initial equity capital of the Bank is \$5,625,000 consisting of nine shares of \$625,000. Eight shares are held by the Australian Government and the seven major trading banks while the ninth share is held equally by the four State banks.

## REGISTERED BUILDING SOCIETIES

### Permanent building societies

A permanent building society is defined as an organisation that; (i) is registered under relevant State or Territory legislation; (ii) has rules or regulations that do not specify that it is to terminate on a specific date or when a specific objective is achieved; and (iii) operates on a co-operative 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 163 permanent building societies balancing in the 1976-77 financial year. More detailed descriptions and dissections of these statistics may be found in the annual bulletin *Permanent Building Societies: Assets, Liabilities, Income and Expenditure* (5632.0).

Information relating to the housing finance operations of permanent building societies is provided on pages 501-502. Detailed statistics on the operations generally of permanent building societies are available in the monthly bulletin *Housing Finance for Owner Occupation, Permanent Building Societies* (5610.0).

Summary statistics on the financial operations, assets and selected liabilities of permanent building societies registered under the *Financial Corporations Act 1974*, and which have assets in Australia exceeding \$5 million, are given on page 490.

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

Liabilities	1976-77	Assets	1976-77
Share capital and reserves:		Amount owing on loans	4,907.0
Non-withdrawable shares	20.8	Cash on hand	4.7
Withdrawable shares	4,709.0	Deposits with—	
Reserves—		Banks	762.3
Statutory	43.9	Other	206.2
Other(b)	49.5	Bills, bonds and other securities	338.8
Deposits	1,325.9	Accounts receivable	23.5
Loans	194.8	Physical assets	139.1
Accounts payable	24.4	Other assets	4.6
Other liabilities	18.0	<b>Total assets</b>	<b>6,386.3</b>
<b>Total liabilities</b>	<b>6,386.3</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>1976-77</i>	<i>Income</i>	<i>1976-77</i>
Interest on:		Interest from:	
Shares . . . . .	380.2	Loans . . . . .	519.6
Deposits . . . . .	113.9	Deposits . . . . .	84.1
Loans . . . . .	13.8	Income from holdings of securities . . . . .	26.5
Wages and salaries . . . . .	32.6	Management fees . . . . .	9.5
Management fees( <i>a</i> ) . . . . .	17.9	Other income . . . . .	11.1
Administrative expenses( <i>b</i> ) . . . . .	33.3	<b>Total income . . . . .</b>	<b>650.8</b>
Insurance premiums paid . . . . .	1.2		
Other expenditure . . . . .	22.5		
<b>Total expenditure . . . . .</b>	<b>615.5</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.

### Terminating building societies

A terminating building society is defined as an organisation that: (i) is registered under relevant State or Territory legislation; (ii) has rules or regulations that specify it is to terminate on a specific date or when a specific objective is achieved; and (iii) makes loans to members from funds obtained from lending institutions (usually government guaranteed), members' subscriptions, or from moneys provided under Federal-State Housing Agreements.

In 1977 a statistical collection was introduced covering the financial accounts of terminating building societies in all States and Territories of Australia. The statistics below summarise information collected from the 6,696 terminating building societies balancing within the 1976-77 financial year. More detailed descriptions and dissections of these statistics may be found in the annual bulletin *Terminating Building Societies: Assets, Liabilities, Income and Expenditure* (5633.0).

Information relating to the housing finance operations of terminating building societies is provided on pages 501 and 502.

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

<i>Liabilities</i>	<i>1976-77</i>	<i>Assets</i>	<i>1976-77</i>
Share capital( <i>b</i> ) . . . . .	6.0	Amount owing on loans( <i>b</i> ) . . . . .	1,099.6
Accumulated funds( <i>c</i> ) . . . . .	26.6	Cash on hand and current accounts at banks . . . . .	12.4
Loans from:		Deposits with:	
Banks . . . . .	329.4	Banks . . . . .	2.8
Commonwealth/State Home Builders' Fund( <i>d</i> ) . . . . .	574.6	Others . . . . .	8.6
Others . . . . .	183.2	Physical assets . . . . .	0.1
Other liabilities . . . . .	7.5	Other assets . . . . .	3.7
<b>Total liabilities . . . . .</b>	<b>1,127.2</b>	<b>Total assets . . . . .</b>	<b>1,127.2</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 1973-74 Commonwealth/State Housing Agreements.

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

<i>Expenditure</i>	<i>1976-77</i>	<i>Income</i>	<i>1976-77</i>
Interest paid on borrowing members' subscriptions . . . . .	6.1	Interest on:	
Interest on loans from:		Loans to members . . . . .	76.9
Banks . . . . .	28.1	Other . . . . .	0.9
Other . . . . .	41.5	Management fees . . . . .	8.2
Salaries and secretarial fees . . . . .	7.2	Other income . . . . .	2.5
Other expenditure . . . . .	3.1	<b>Total income . . . . .</b>	<b>88.5</b>
<b>Total expenditure . . . . .</b>	<b>86.0</b>		

## CREDIT UNIONS

A credit union (or co-operative credit society) is defined as an organisation that: (i) is registered under relevant State or Territory legislation; and (ii) operates on a co-operative basis by borrowing predominantly from, and providing finance to, its own members.

Credit union annual financial account statistics were first collected on a national basis from all registered credit unions for the year 1974-75 when there were 738 credit unions with a total of 908,712 members. The numbers of credit unions for 1975-76 and 1976-77 were 721 and 707 with 1,028,125 and 1,115,607 members respectively. Comprehensive financial account statistics are provided in the annual bulletin *Credit Unions: Assets, Liabilities, Income and Expenditure* (5618.0).

Statistics on the housing finance operations of credit unions are provided on page 501, while on page 490 are summary statistics on the financial operations, assets and selected liabilities of credit unions registered under the *Financial Corporations Act 1974* which have assets in Australia exceeding \$5 million.

**CREDIT UNIONS: LIABILITIES AND ASSETS<sup>(a)</sup>**  
(\$ million)

<i>Liabilities</i>	<i>1976-77</i>	<i>Assets</i>	<i>1976-77</i>
Share capital and reserves:		Amount owing on loans <sup>(c)</sup>	893.3
Paid up share capital	9.4	Cash on hand	2.5
Reserves—		Deposits with—	
Statutory	7.8	Banks	32.7
Other <sup>(b)</sup>	5.1	Credit Union Leagues or Associations	43.9
Deposits	987.5	Other	26.6
Loans	37.5	Bills, bonds and other securities	21.7
Accounts payable	5.2	Accounts receivable	5.1
Other liabilities	3.1	Physical assets	28.9
		Other assets	0.9
<b>Total liabilities</b>	<b>1,055.7</b>	<b>Total assets</b>	<b>1,055.7</b>

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

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

<i>Expenditure</i>	<i>1976-77</i>	<i>Income</i>	<i>1976-77</i>
Interest on:		Interest from:	
Deposits	70.0	Loans	116.4
Loans	2.4	Deposits	8.4
Wages and salaries	21.3	Income from holdings of securities	1.8
Administrative expenses	13.5	Management fees	1.4
Insurance premiums paid	3.8	Bad debts recovered	0.5
Allowance for doubtful debts	3.5	Other income	2.2
Other expenditure	7.1		
<b>Total expenditure</b>	<b>121.6</b>	<b>Total income</b>	<b>130.6</b>

## 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 to selected dealers lender of last resort facilities.

There are nine authorised money market dealers. They are required by the Reserve Bank to: (i) accept loans overnight, at call or for fixed periods, in minimum amounts of \$50,000 and invest these funds in Australian Government and other approved securities; (ii) at all times be willing traders in the buying and selling of approved securities; (iii) have a minimum paid-up capital of \$400,000 and adhere to a maximum limit on the ratio of loans to shareholders' funds; and (iv) consult regularly with the Reserve Bank on all market matters and furnish detailed information about their portfolios,

operations, interest rates, balance sheets and profit and loss accounts. 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.

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 on page 490.

**SHORT-TERM MONEY MARKET: SELECTED LIABILITIES AND ASSETS AND INTEREST RATES OF AUTHORISED DEALERS**

(Source: Reserve Bank of Australia)

Month	Asset holdings (face value)						Interest rates on loans accepted during month				Weighted average interest rate on loans outstanding (c)
	Liabilities to clients			C'wealth Govt securities (a)	Com-mercial bills(b)	Banks' certi-ficates of deposit	At call		For fixed periods		
	All trading banks	Other clients	Total				Mini-mum per cent per annum	Maxi-mum per cent per annum	Mini-mum per cent per annum	Maxi-mum per cent per annum	
	Average of weekly figures—(\$ million)										
June—											
1973	149.6	670.2	819.8	732.2	40.8	79.7	2.00	8.75	2.00	7.00	4.70
1974	65.4	322.0	387.4	285.9	79.2	42.2	0.50	13.00	1.00	13.00	6.82
1975	167.4	558.7	726.1	613.3	83.7	47.9	1.50	14.10	3.00	11.50	6.72
1976	182.3	636.1	818.4	749.7	129.2	61.3	2.00	14.00	4.50	9.50	8.03
1977	144.8	701.5	846.3	829.5	129.8	21.6	3.00	15.30	5.00	13.80	9.33
1978	190.9	1,088.5	1,279.4	1,143.5	153.5	15.8	0.50	18.86	3.00	11.50	9.05

(a) Within 5 years of maturity. (b) Accepted or endorsed by banks. (c) To June 1975 weighted average of rates on clients' loans outstanding on each Wednesday of the month. Thereafter 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 which consist 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 the table on page 490.

### FINANCE COMPANIES

Information presented on finance companies in Australia in the following tables has been compiled from returns collected under the *Census and Statistics Act 1905*. For the purpose of these statistics a finance company is defined as an incorporated company mainly engaged in providing to the general public (businesses as well as persons in their private capacity) credit facilities of the following types: instalment credit for retail sales, personal loans, wholesale finance, factoring, other consumer and commercial loans, financial leasing of business plant and equipment and bills of exchange. A company is mainly engaged in providing these credit facilities if 50 per cent or more of its assets consist of balances outstanding with respect to these types of financing, or if 50 per cent or more of its income is derived from such types of financing.

The statistics for any financial year relate only to those finance companies which individually or as a group of related finance companies had balances outstanding in the prescribed types of financial agreements of \$500,000 or more, on an Australia-wide basis, as at 30 June of the previous financial year. The 218 finance companies that met this criterion at the 1976-77 annual census of finance companies accounted for 99.3 per cent of the balances outstanding of all finance companies.

Comprehensive information on the transactions and financial structure of finance companies is available in the monthly bulletin *Finance Companies* (5614.0) and the annual bulletin *Finance Companies: Assets, Liabilities, Income and Expenditure* (5616.0) respectively. Information on foreign ownership and control of finance companies is given in Chapter 24, Overseas Transactions.

Although individual corporations in the *Financial Corporations Act 1974* categories of finance companies, general financiers and money market corporations may meet the above definition of a finance company, differences in definitions, scope and coverage generally mean that the statistics on page 490 for those categories are not comparable with the statistics for finance companies shown below.

**FINANCE COMPANIES: ASSETS, LIABILITIES, INCOME AND EXPENDITURE<sup>(a)</sup>**  
(\$ million)

	1974-75	1975-76	1976-77
<b>Assets—</b>			
Balances outstanding on finance agreements <sup>(b)</sup> . . . . .	9,004.8	9,954.6	11,742.7
Cash on hand and bank deposits . . . . .	62.5	77.0	60.6
Loans to authorised money market dealers . . . . .	40.5	22.0	28.4
Investments in shares and securities . . . . .	299.8	342.7	286.4
Physical assets . . . . .	154.1	228.6	215.0
Other assets . . . . .	225.9	338.4	374.6
<b>Total assets</b> . . . . .	<b>9,787.6</b>	<b>10,963.3</b>	<b>12,707.7</b>
<b>Liabilities—</b>			
Paid-up capital . . . . .	583.6	666.1	751.3
Reserves . . . . .	334.0	378.6	378.1
Unappropriated profits . . . . .	152.5	228.4	270.1
<b>Borrowed funds—</b>			
Bank loans and overdrafts . . . . .	280.9	270.9	294.8
Debentures . . . . .	4,042.3	4,778.8	5,659.4
Secured and unsecured loans . . . . .	3,477.6	3,652.0	4,175.8
Other liabilities . . . . .	916.7	988.5	1,178.2
<b>Total liabilities</b> . . . . .	<b>9,787.6</b>	<b>10,963.3</b>	<b>12,707.7</b>
<b>Income for year—</b>			
Interest from finance agreements . . . . .	1,140.1	1,331.6	1,592.3
Other income . . . . .	150.2	177.3	162.2
<b>Total income</b> . . . . .	<b>1,290.3</b>	<b>1,508.9</b>	<b>1,754.5</b>
<b>Expenditure for year—</b>			
Interest on borrowed funds . . . . .	761.0	845.3	1,017.1
Wages, salaries and allowances, directors fees and emoluments . . . . .	108.7	132.3	159.6
Other expenditure . . . . .	252.6	284.8	409.5
<b>Total expenditure</b> . . . . .	<b>1,122.3</b>	<b>1,262.4</b>	<b>1,586.2</b>

<sup>(a)</sup> At the balance date of companies within the financial year shown. \$1,654.9m in 1975-76 and \$2,236.0m in 1976-77.

<sup>(b)</sup> Excludes unmatured income of \$1,342.2m in 1974-75,

**FINANCE COMPANIES: AMOUNT FINANCED AND BALANCES OUTSTANDING CLASSIFIED BY THE TYPE OF FINANCE AGREEMENT**

(\$ million)

	1975-76	1976-77	1977-78
<b>Amount financed during year—</b>			
Instalment credit for retail sales and personal loans . . . . .	1,903.4	2,177.7	2,206.8
Finance for housing . . . . .	989.9	1,195.5	1,069.8
Wholesale finance . . . . .	2,873.6	3,883.1	4,089.1
Factoring and other commercial loans . . . . .	1,882.5	2,260.3	2,826.7
Leasing of business plant and equipment(a) . . . . .	1,016.4	1,410.0	1,789.2
Bills of exchange(b) . . . . .	4,179.6	5,421.3	6,443.1
<b>Total amount financed on finance agreements(c)</b> . . . . .	<b>12,845.4</b>	<b>16,347.9</b>	<b>18,424.7</b>
<b>Balances outstanding at 30 June—</b>			
Instalment credit for retail sales and personal loans . . . . .	3,034.0	3,649.3	4,019.6
Finance for housing . . . . .	2,390.1	2,700.8	2,718.8
Wholesale finance . . . . .	589.3	925.9	1,078.4
Factoring and other commercial loans . . . . .	3,235.7	3,828.9	4,003.6
Leasing of business plant and equipment(d) . . . . .	1,923.8	2,736.7	3,785.5
Bills of exchange . . . . .	658.6	718.2	842.6
Liquidity placements and loans to non-finance companies in group . . . . .	593.7	575.4	617.0
<b>Total balances outstanding on finance agreements(e)</b> . . . . .	<b>12,425.2</b>	<b>15,135.4</b>	<b>17,065.5</b>

(a) Refers to the value of goods newly leased. (b) Refers to amounts paid for bills acquired. (c) Excludes amounts for liquidity placements and loans to non-finance companies in group. (d) Refers to the value of leasing agreements. (e) Includes unmaturred income.

### FINANCIAL CORPORATION STATISTICS

The statistics provided in the following tables have been compiled from monthly returns supplied to the Australian Bureau of Statistics by corporations registered under the *Financial Corporations Act 1974* and which have Australia-wide assets exceeding \$5 million. A summary of the objects and content of the *Financial Corporations Act* is given in Year Book No. 62, page 541. Information is also collected quarterly from registered corporations whose comparable asset figures exceed \$1 million but not \$5 million. Detailed statistics on all corporations registered under the Act are published in the monthly bulletin *Financial Corporations Statistics* (5617.0).

Descriptions of the categories *building societies*, *credit unions/co-operatives*, *authorised money market dealers* and *money market 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.

*Finance Companies*—comprising corporations not included in the categories *building societies*, *credit co-operatives*, *authorised money market dealers*, *money market corporations* or *pastoral finance companies* which rely substantially on borrowings 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.

*General financiers*—comprising corporations which lend predominantly for business and commercial purposes, instalment credit to finance retail sales by others and/or other loans to individuals but which do not rely substantially on borrowings in financial markets in Australia and from abroad.

*Intra group financiers*—comprising corporations not elsewhere categorised which predominantly borrow within a corporation group and/or provide finance by lending within their corporation group or by investing in financial markets.

*Other financial corporations*—comprising registered corporations not included in any other specific category.

**FINANCIAL CORPORATIONS WITH ASSETS IN AUSTRALIA EXCEEDING \$5 MILLION:  
FINANCIAL OPERATIONS, SELECTED LIABILITIES AND ASSETS**

(\$ million)

**FINANCIAL OPERATIONS AND SELECTED LIABILITIES AS AT 30 JUNE 1978**

Category	Financial operations				Selected liabilities		
	Number of corporations	Unused lending commitments (a)	Borrowing lines and standby facilities available and unused from—(b)		Paid up capital	Borrowings from—	
			Residents	Non-residents		Residents	Non-residents
Building societies . . . . .	94	270.1	307.8	4.4	(c)18.6	(c)7,034.2	6.5
Credit co-operatives . . . . .	56	3.3	6.7	—	(c)—	(c)746.8	—
Authorised money market dealers . . . . .	9	15.7	—	—	27.5	1,395.0	0.1
Money market corporations . . . . .	47	854.9	412.0	525.5	185.7	3,495.5	83.3
Pastoral finance companies . . . . .	14	—	52.2	—	115.0	379.8	2.3
Finance companies . . . . .	83	676.4	600.5	372.5	894.3	12,163.0	126.3
General financiers . . . . .	62	49.3	100.0	14.5	85.0	638.5	35.0
Intra group financiers . . . . .	9	2.0	0.3	6.4	50.8	228.2	36.9
Other financial corporations . . . . .	5	1.0	10.2	—	1.3	72.1	—
<b>Total . . . . .</b>	<b>379</b>	<b>1,872.7</b>	<b>1,489.8</b>	<b>923.3</b>	<b>1,378.3</b>	<b>26,153.1</b>	<b>290.3</b>

**ASSETS IN AUSTRALIA AT 30 JUNE 1978**

Category	Loans to authorised dealers in the STMM and other		Government and public authority securities	Bills of exchange and promissory notes discounted and held (e)	Other financial investments	Other assets arising from the provision of finances (f)	All other assets in Australia	Total assets in Australia	Assets overseas
	Cash and bank deposits	short term placements (d)							
Building societies . . . . .	690.2	117.9	153.8	301.7	21.8	5,798.0	219.9	7,303.1	—
Credit co-operatives . . . . .	35.6	50.4	7.9	1.2	0.4	660.3	29.1	784.9	—
Authorised money market dealers . . . . .	17.5	5.7	1,260.5	197.7	1.5	0.4	21.7	1,505.3	—
Money market corporations . . . . .	127.8	635.1	167.2	1,081.8	115.4	1,688.0	49.2	3,864.5	33.0
Pastoral finance companies . . . . .	17.1	6.1	0.6	0.7	141.2	307.9	358.6	832.2	0.7
Finance companies . . . . .	60.1	152.1	60.8	210.0	281.1	13,507.9	127.0	14,398.9	4.5
General financiers . . . . .	5.7	10.4	0.5	13.4	19.4	764.7	33.6	847.6	1.0
Intra group financiers . . . . .	8.0	27.5	0.6	4.5	42.8	208.3	10.3	301.9	0.4
Other financial corporations . . . . .	12.8	20.3	3.4	5.1	1.1	29.4	3.3	75.3	—
<b>Total . . . . .</b>	<b>974.6</b>	<b>1,025.3</b>	<b>1,655.5</b>	<b>1,815.9</b>	<b>624.8</b>	<b>22,964.9</b>	<b>852.7</b>	<b>29,913.7</b>	<b>39.6</b>

(a) Includes all binding commitments to provide funds to residents of Australia other than those that are of a type which is usually completely disbursed within 30 days of approval; excludes commitments that do not have a quantifiable limit. (b) Includes all binding commitments (i.e. borrowing lines and standby facilities) to provide funds to reporting corporations; excludes standby facilities which do not have a quantifiable limit. (c) 'Paid-up capital' includes only fixed share capital; withdrawable share capital is included in 'Borrowings from residents'. (d) Includes short term placements that are repayable at call or within 90 days; excludes funds placed with banks and related corporations, and purchases of government securities and bills of exchange. (e) Excludes bills that have been drawn or accepted by reporting corporations. (f) 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.

## LIFE INSURANCE

Statistics in the following tables have been compiled from returns lodged under the *Life Insurance Act 1945* (see page 477) 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 two State Government Insurance Offices.

Fifty life offices conducted life insurance business in Australia during 1976.

Summary information on foreign ownership and control of life insurance business is shown in Chapter 24 Overseas Transactions. More detailed statistics are available in *Foreign Control of Life Insurance Business 1976* (5325.0) and *Foreign Ownership and Control of Life Insurance Business 1973* (5311.0).

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

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

	1974	1975	1976
<b>Liabilities—</b>			
Shareholders' capital—			
Authorised	97.8	122.8	125.2
Less: unissued	60.1	73.8	73.7
Subscribed capital	37.7	49.0	51.5
Paid-up—			
In money	27.4	38.5	41.2
Otherwise than money	9.5	9.5	9.5
Total paid-up capital	36.9	48.0	50.8
Life insurance statutory funds—			
Ordinary business	7,050.3	7,264.4	7,768.5
Industrial business	547.3	551.3	562.8
Superannuation business	2,292.6	2,731.4	3,205.4
Total statutory funds	9,890.2	10,547.1	11,536.7
Funds in respect of other classes of business	55.3	75.4	51.7
General reserves	220.3	156.1	198.6
Profit and loss account balance	14.9	23.4	30.5
<i>Total shareholders' capital, insurance funds and reserves</i>	<i>10,217.6</i>	<i>10,850.0</i>	<i>11,868.3</i>
Other liabilities—			
Deposits	85.7	77.9	83.8
Staff provident and superannuation funds	8.7	(a)18.2	(a)23.7
Claims admitted or intimated but not paid	173.4	210.1	235.4
Premiums paid in advance and in suspense	8.0	9.1	9.4
Sundry creditors	65.4	82.8	92.3
Bank overdraft	48.1	78.8	88.2
Reserves and provisions for taxation	136.9	134.9	179.7
All other liabilities	25.6	76.9	68.4
<b>Total liabilities</b>	<b>10,769.4</b>	<b>11,538.8</b>	<b>12,649.2</b>
<b>Assets held in Australia—</b>			
Fixed assets—			
Freehold and leasehold property, office premises	1,664.6	1,979.3	2,275.3
Furniture, etc	17.4	19.8	21.2
Loans—			
On mortgage	1,338.8	1,341.8	1,330.0
On policies	283.2	282.1	278.8
Other loans	93.3	88.0	108.0
Investments—			
Government securities—			
Australian	1,889.1	2,069.4	2,251.5
Overseas	14.6	23.0	31.5
Securities of local and semi-governmental bodies	760.7	791.5	864.7
Other investments	2,287.3	2,554.1	2,875.4
Cash on hand, deposit and current account	101.1	142.6	122.6
All other assets	330.9	358.5	406.3
<i>Total assets held in Australia</i>	<i>8,780.9</i>	<i>9,650.0</i>	<i>10,565.3</i>
<i>Total assets held overseas</i>	<i>1,988.5</i>	<i>1,888.8</i>	<i>2,083.9</i>
<b>Total assets</b>	<b>10,769.4</b>	<b>11,538.8</b>	<b>12,649.2</b>

(a) Includes provisions for retirement, long service leave, etc.

## LIFE INSURANCE OFFICES: REVENUE AND EXPENDITURE

(\$ million)

	1974	1975	1976
<i>Balance of account at beginning of year—Australia and Overseas</i>	9,228.6	9,890.2	10,547.0
<b>Revenue—Australia</b>			
Premium income—			
Ordinary business	714.5	756.9	787.0
Industrial business	58.9	57.9	58.1
Superannuation business	433.4	560.5	654.4
Consideration for annuities	20.2	20.3	27.9
Net interest dividends and rents	459.8	525.5	588.4
Other revenue	161.6	205.4	173.3
<i>Total revenue—Australia</i>	<i>1,848.5</i>	<i>2,126.6</i>	<i>2,289.1</i>
<b>Revenue—Overseas</b>			
Premium income	227.5	204.9	232.6
Net interest dividends and rents	119.3	117.7	135.9
Other revenue	119.7	58.0	118.1
<i>Total revenue—Overseas</i>	<i>466.3</i>	<i>380.6</i>	<i>486.6</i>
<b>Total revenue</b>	<b>2,314.8</b>	<b>2,507.2</b>	<b>2,775.7</b>
<b>Total</b>	<b>11,543.4</b>	<b>12,397.4</b>	<b>13,322.6</b>
<b>Expenditure—Australia</b>			
Payments on policies			
Claims	406.8	454.9	497.8
Surrenders	297.1	383.1	457.1
Annuities	3.5	3.8	3.7
Bonuses paid in cash	4.8	9.4	8.6
Expenses of management—			
Commission	109.6	128.1	138.5
Other	160.2	191.2	216.4
All other expenses	353.4	188.2	177.2
<i>Total expenditure—Australia</i>	<i>1,335.4</i>	<i>1,358.7</i>	<i>1,499.3</i>
<b>Expenditure—Overseas</b>			
Payments on policies	136.5	143.4	150.8
Expenses of management	60.7	64.8	76.8
All other expenditure	120.8	283.5	59.0
<i>Total expenditure—Overseas</i>	<i>317.8</i>	<i>491.7</i>	<i>286.6</i>
<b>Total expenditure</b>	<b>1,653.2</b>	<b>1,850.4</b>	<b>1,785.9</b>
<i>Balance of account at end of year—Australia and Overseas</i>	<i>9,890.2</i>	<i>10,547.0</i>	<i>11,536.7</i>
<b>Total</b>	<b>11,543.4</b>	<b>12,397.4</b>	<b>13,322.6</b>

LIFE INSURANCE OFFICES: NEW LOANS PAID OVER<sup>(a)</sup> BY CLASS OF SECURITY

(\$ million)

Class of security	1974	1975	1976
Mortgage of real estate	199.0	120.3	155.8
Companies policies	75.1	56.7	57.4
Other	43.0	26.0	18.8

(a) Excludes advances on premiums.

## LIFE INSURANCE: SUMMARY

	<i>Insurance and endowment policies</i>			<i>Annuity policies</i>	
	<i>Number of policies</i>	<i>Sum insured (\$ million)</i>	<i>Annual premiums (\$ million)</i>	<i>Number of policies</i>	<i>Annuities per annum (\$ million)</i>
<b>ORDINARY BUSINESS</b>					
<b>New policies issued—</b>					
1971 . . . . .	569,370	4,882.6	91.5	66	0.1
1972 . . . . .	575,650	5,545.2	100.4	74	0.1
1973 . . . . .	552,422	6,504.8	96.6	78	0.1
1974 . . . . .	508,904	6,900.0	94.4	26	0.1
1975 . . . . .	488,429	7,917.6	100.7	13	0.1
1976 . . . . .	465,729	9,116.2	101.4	37	0.1
<b>Policies discontinued or reduced(a)—</b>					
1971 . . . . .	293,710	1,398.9	28.3	109	—
1972 . . . . .	324,372	1,777.0	34.0	91	0.1
1973 . . . . .	197,401	2,016.9	34.0	157	0.1
1974 . . . . .	424,767	2,613.7	50.0	173	0.1
1975 . . . . .	470,833	3,439.6	56.2	140	0.1
1976 . . . . .	514,780	4,455.0	73.5	101	0.1
<b>Policies existing at end of—</b>					
1971 . . . . .	5,182,672	22,914.5	525.7	1,906	1.1
1972 . . . . .	5,433,950	26,682.7	592.2	1,890	1.2
1973 . . . . .	5,788,971	31,170.6	654.7	1,811	1.2
1974 . . . . .	5,873,108	35,456.8	699.2	1,664	1.2
1975 . . . . .	5,890,704	39,934.8	743.6	1,537	1.2
1976 . . . . .	5,841,653	44,596.0	771.5	1,473	1.2
<b>INDUSTRIAL BUSINESS</b>					
<b>New policies issued—</b>					
1971 . . . . .	135,384	231.4	8.0	..	..
1972 . . . . .	133,700	255.3	8.7	..	..
1973 . . . . .	123,239	263.0	8.9	..	..
1974 . . . . .	85,675	216.4	7.1	..	..
1975 . . . . .	63,043	188.5	6.2	..	..
1976 . . . . .	57,896	198.2	6.5	..	..
<b>Policies discontinued or reduced(a)—</b>					
1971 . . . . .	165,067	115.0	4.5	..	..
1972 . . . . .	215,164	142.4	5.3	..	..
1973 . . . . .	193,159	153.7	5.2	..	..
1974 . . . . .	230,794	187.1	7.2	..	..
1975 . . . . .	207,109	166.1	6.1	..	..
1976 . . . . .	215,722	166.6	6.1	..	..
<b>Policies existing at end of—</b>					
1971 . . . . .	2,470,750	1,328.7	51.8	..	..
1972 . . . . .	2,389,286	1,441.5	55.2	..	..
1973 . . . . .	2,319,366	1,550.9	58.9	..	..
1974 . . . . .	2,174,247	1,580.1	58.9	..	..
1975 . . . . .	2,030,181	1,602.5	58.9	..	..
1976 . . . . .	1,872,355	1,634.2	59.4	..	..

## LIFE INSURANCE: SUMMARY—continued

	<i>Insurance and endowment policies</i>			<i>Annuity policies</i>	
	<i>Number of policies</i>	<i>Sum insured (\$ million)</i>	<i>Annual premiums (\$ million)</i>	<i>Number of policies</i>	<i>Annuities per annum (\$ million)</i>
<b>SUPERANNUATION BUSINESS</b>					
<b>New policies issued—</b>					
1971 . . . . .	78,005	2,785.3	72.4	45	12.9
1972 . . . . .	86,394	3,015.2	78.8	59	14.6
1973 . . . . .	72,424	3,768.6	94.1	42	14.3
1974 . . . . .	89,778	5,534.7	139.2	38	17.4
1975 . . . . .	115,937	6,919.4	176.7	27	27.7
1976 . . . . .	117,788	7,836.8	181.5	34	19.7
<b>Policies discontinued or reduced(a)—</b>					
1971 . . . . .	87,206	1,077.6	29.4	28	4.7
1972 . . . . .	67,694	1,324.0	32.9	43	7.1
1973 . . . . .	113,035	1,759.4	42.4	3	9.1
1974 . . . . .	94,932	1,948.8	48.8	60	14.0
1975 . . . . .	82,091	2,750.2	65.8	132	12.2
1976 . . . . .	135,512	3,428.3	87.8	238	14.9
<b>Policies existing at end of—</b>					
1971 . . . . .	690,451	9,505.6	254.5	980	39.6
1972 . . . . .	709,151	11,196.7	300.5	996	47.0
1973 . . . . .	668,540	13,205.9	352.1	1,035	52.3
1974 . . . . .	663,386	16,791.8	442.4	1,013	55.7
1975 . . . . .	697,232	20,961.0	553.3	908	71.2
1976 . . . . .	679,507	25,369.5	647.0	704	75.9

(a) Includes policies matured, surrendered, forfeited, transferred to overseas registers, converted to other classes of business, etc.

**PENSION AND SUPERANNUATION SCHEMES****Private superannuation, pension and retiring allowance schemes**

Since 1965 surveys of selected private pension funds have been made, but, as the sample has not been rebased in the intervening period, it is not known to what extent those currently included in the sample represent the whole field.

The statistics do not relate to uniform accounting periods but to the balance dates of funds falling within the financial years shown.

**SELECTED SEPARATELY CONSTITUTED PRIVATE PENSION FUNDS: ASSETS(a)**  
(\$ million)

	<i>Cash in hand or in bank</i>	<i>Aust. Govt securities</i>	<i>Local and semi-government securities</i>	<i>Loans on mortgage</i>		<i>Company debentures, notes, etc(b)</i>	<i>Shares in companies</i>	<i>Land and buildings</i>	<i>All other assets (c)</i>	<i>Total assets</i>	<i>Less sundry creditors, etc.</i>	<i>Amount of funds in Australia</i>
				<i>To companies</i>	<i>Other</i>							
1971-72 . . . . .	35.0	280.9	227.8	102.2	51.5	345.3	449.5	34.2	46.5	1,572.8	10.1	1,562.7
1972-73 . . . . .	36.2	311.3	235.8	137.9	35.7	371.1	506.7	43.7	70.1	1,748.4	12.8	1,735.7
1973-74 . . . . .	32.2	353.3	242.8	148.8	46.8	392.9	568.5	53.2	100.9	1,939.5	14.4	1,925.0
1974-75 . . . . .	41.8	401.4	254.9	173.6	39.8	431.9	614.7	74.2	137.5	2,169.7	13.7	2,156.0
1975-76 . . . . .	42.3	480.0	274.8	187.4	34.5	500.5	719.8	121.4	151.4	2,511.9	19.0	2,492.8
1976-77 . . . . .	28.8	567.8	306.2	191.2	37.0	515.1	885.9	177.3	191.7	2,901.0	22.3	2,878.7

(a) Book values at balance dates. (b) Includes other loans to companies. (c) Includes loans to authorised dealers in the short-term money market and loans to building societies.

**SELECTED SEPARATELY CONSTITUTED PRIVATE PENSION FUNDS:  
INCOME AND EXPENDITURE  
(\$ million)**

<b>INCOME</b>										
	<i>Employees' contri- butions</i>	<i>Employers' contri- butions</i>	<i>Interest on Aust. Govt local and semi- government securities</i>	<i>Other interest dividends and rent</i>	<i>Profit from sale or revaluation of assets</i>	<i>Other income(a)</i>	<i>Total income</i>			
1971-72	48.0	91.7	30.6	56.0	16.2	9.0	251.5			
1972-73	59.0	106.8	35.8	65.0	18.5	6.7	291.9			
1973-74	68.0	146.4	33.6	79.9	8.8	5.1	341.8			
1974-75	86.6	196.0	40.9	98.6	3.6	11.2	436.9			
1975-76	102.1	245.8	48.1	116.2	15.6	35.6	563.4			
1976-77	116.5	273.9	67.1	132.1	8.9	18.8	617.4			
<b>EXPENDITURE</b>										
<i>Lump sum payments</i>										
<i>To former employees</i>										
<i>Pensions paid</i>			<i>On resignation or dismissal</i>			<i>To widows or children</i>		<i>Loss on sale or revaluation of assets</i>	<i>Other expenditure (b)</i>	<i>Total expenditure</i>
<i>Ex-employees</i>	<i>Widows or children</i>	<i>Total</i>	<i>On retirement</i>	<i>On resignation or dismissal</i>	<i>To widows or children</i>	<i>Total</i>	<i>Total</i>	<i>Total</i>	<i>Total</i>	<i>Total</i>
1971-72	28.6	4.4	33.0	31.3	20.0	4.6	55.9	3.4	5.3	97.3
1972-73	31.7	4.9	36.6	43.1	23.0	5.9	72.0	2.0	10.1	120.7
1973-74	36.8	5.6	42.4	45.3	27.3	5.9	78.5	19.3	10.5	150.7
1974-75	42.6	6.5	49.1	52.4	31.0	6.6	90.0	21.3	38.7	199.2
1975-76	48.6	7.4	55.9	64.6	33.3	8.2	106.1	3.1	43.9	209.0
1976-77	55.5	11.4	66.9	82.6	38.8	9.2	130.6	6.3	24.6	228.4

(a) Includes receipts from life insurance offices, sub-underwriting commissions, etc. payments to life insurance offices, etc.

(b) Includes administrative expenses payable from funds, payments to life insurance offices, etc.

### Public authority pension and superannuation schemes

The Australian Government and all State Governments have established pension and superannuation schemes for their employees. These schemes are operated through funds to which both the Governments and their employees make contributions. Employees of local government and semi-government authorities are covered either by the Australian and State Government schemes or by a separate scheme of the authority which is operated either through a separately constituted fund or through a life insurance office.

The statistics below cover Parliamentary pension and superannuation schemes, coal and oil-shale mine workers' superannuation schemes and other schemes operated through separately constituted funds. For more detailed information on these schemes refer to the annual publication *Public Authority Pension and Superannuation Schemes* (5511.0).

**PUBLIC AUTHORITY PENSION AND SUPERANNUATION SCHEMES OPERATED THROUGH SEPARATELY CONSTITUTED FUNDS**

	1973-74	1974-75	1975-76
(\$ million)			
<b>Income—</b>			
<b>Contributions—</b>			
Employees . . . . .	249.7	323.1	400.8
Employing authorities . . . . .	279.5	356.9	472.0
Interest, dividends and rent . . . . .	157.0	196.9	245.8
Transfers . . . . .	10.2	8.3	8.8
Other income . . . . .	10.9	14.4	31.2
<b>Total income</b> . . . . .	<b>707.4</b>	<b>899.7</b>	<b>1,158.6</b>
<b>Expenditure—</b>			
Pensions . . . . .	239.8	297.5	371.3
Lump sum payments—			
On retirement, death, resignation or dismissal(a) . . . . .	131.3	198.7	200.2
Gratuities . . . . .	2.3	3.7	3.5
Other expenditure . . . . .	23.3	53.0	35.5
<b>Total expenditure</b> . . . . .	<b>396.6</b>	<b>552.9</b>	<b>610.0</b>
<b>Assets at end of year—</b>			
<b>Cash—</b>			
Deposits with Treasury . . . . .	95.6	113.4	139.0
Other deposits and cash . . . . .	92.0	88.9	163.0
Australian Government securities . . . . .	177.1	204.6	255.4
Local and semi-government securities . . . . .	1,289.6	1,369.5	1,508.8
<b>Mortgages—</b>			
Housing . . . . .	62.6	70.5	89.5
Other . . . . .	443.4	527.3	562.5
Loans to building societies . . . . .	48.6	56.1	75.1
Company shares, debentures and notes . . . . .	248.6	310.0	290.7
Other assets . . . . .	174.7	244.2	467.3
<b>Total assets(b)</b> . . . . .	<b>2,632.2</b>	<b>2,984.6</b>	<b>3,551.2</b>
Less Sundry creditors, etc. . . . .	64.7	63.8	68.9
<b>Accumulated funds(b)</b> . . . . .	<b>2,567.4</b>	<b>2,920.8</b>	<b>3,482.8</b>
(No.)			
Contributors at end of year . . . . .	669,305	722,680	n.a.
<b>Pensioners at end of year—</b>			
Ex-employees . . . . .	68,689	63,019	n.a.
Widows . . . . .	44,256	36,844	n.a.
Children . . . . .	5,403	3,656	n.a.

(a) Includes refunds of contributions to continuing members. (b) Includes assets of the Voluntary Savings Scheme of the State Superannuation Fund in South Australia.

**PUBLIC AUTHORITY PENSION AND SUPERANNUATION SCHEMES OPERATED THROUGH LIFE INSURANCE OFFICES**

	1973-74	1974-75	1975-76
<b>Income—</b>			
<b>Contributions—</b>			
Employees . . . . .	\$ million 12.3	16.4	20.9
Employing authorities . . . . .	\$ million 16.6	26.0	33.9
Contributors at end of year . . . . .	No. 60,985	63,476	63,344

## GENERAL INSURANCE

The following statistics have been compiled from returns collected under the *Census and Statistics Act 1905* and relate to the operations of:

- (a) *Bodies Corporate* authorised to carry on insurance business under the *Insurance Act 1973* (see page 477);
- (b) *Brokers* in respect of business placed with overseas insurers; and
- (c) *Government instrumentalities*, i.e. State Government Insurance Offices and Australian Government and State Government instrumentalities in respect of their general insurance business.

These statistics are based on the following definitions:

*Premiums* represent the full amount receivable in respect of policies issued or renewed during the year less returns, rebates and bonuses paid or credited to policy holders during the year. They are not adjusted to provide for premiums unearned at the end of the year.

*Claims* comprise payments made during the year plus the estimated amount of outstanding claims at the end of the year less the estimated amount of outstanding claims at the beginning of the year. Salvage and other amounts recoverable 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(a) AND CLAIMS BY PRINCIPAL CLASS OF BUSINESS**  
(\$ million)

Class of business	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77
<b>PREMIUMS</b>						
Fire(b)	170.9	181.6	208.8	243.8	297.9	319.5
House Owners' and House-holders'	86.4	104.2	127.3	165.3	195.8	214.0
Contractors' All Risks	10.0	10.0	11.4	12.1	14.8	20.1
Marine and Aviation	67.3	64.5	69.1	81.0	86.9	108.9
Motor Vehicle Comprehensive	300.3	329.9	366.1	485.1	595.4	722.4
Compulsory Third Party (Motor Vehicle)	172.5	183.9	206.4	340.2	444.8	526.9
Employers Liability(c)	236.5	291.2	380.2	589.6	956.2	932.4
Public Liability(d)	33.3	36.5	41.5	46.6	57.2	74.3
All other	108.5	123.5	139.8	157.5	190.8	234.8
<b>Total</b>	<b>1,185.8</b>	<b>1,325.4</b>	<b>1,550.7</b>	<b>2,121.3</b>	<b>2,840.0</b>	<b>3,153.3</b>
<b>CLAIMS</b>						
Fire(a)	77.5	83.7	113.6	198.0	129.9	137.1
House Owners' and House-holders'	35.0	41.1	52.6	175.9	97.9	123.5
Contractors' All Risk	5.2	5.4	6.9	16.7	11.3	11.0
Marine and Aviation	28.4	28.5	45.0	61.5	52.8	54.8
Motor Vehicle Comprehensive	217.9	223.4	268.9	364.1	386.2	444.8
Compulsory Third Party (Motor Vehicle)	181.9	211.2	284.7	370.3	423.2	485.1
Employers Liability(c)	165.0	245.0	353.8	503.1	583.4	639.3
Public Liability(d)	13.5	17.3	23.2	32.5	36.3	46.2
All other	49.9	50.5	59.4	78.0	80.3	99.7
<b>Total</b>	<b>774.3</b>	<b>906.1</b>	<b>1,208.2</b>	<b>1,800.0</b>	<b>1,801.4</b>	<b>2,041.4</b>

(a) Prior to 1974-75 includes stamp duty and prior to 1976-77, fire service charges. (b) Includes Sprinkler Leakage, Crop, Hailstone and Loss of Profits insurance. (c) Excludes workers' compensation in coal-mining industry. (d) Includes Product Liability and Professional Indemnity insurance.

**GENERAL INSURANCE: SELECTED ITEMS OF EXPENDITURE**  
(\$ million)

	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77
Contributions to fire brigades etc.	31.1	34.8	43.3	53.9	71.8	91.0
Commission and agent charges	97.3	105.4	120.3	136.7	158.9	175.3
Expenses of management	199.3	216.8	247.8	308.7	341.5	416.1
Taxation	(a)37.2	(a)38.2	(a)46.3	27.3	17.5	23.6
Other underwriting expenses	n.a.	n.a.	n.a.	13.6	11.4	6.4

(a) Includes Income tax and stamp duty.

Summary information on foreign ownership and control of general insurance business is shown in Chapter 24. Overseas Transactions. More detailed statistics are available in *Foreign Control of General Insurance Business 1975-76* (5326.0) and *Foreign Ownership and Control of General Insurance Business 1972-73* (5309.0).

### UNIT TRUSTS, LAND TRUSTS AND MUTUAL FUNDS

Statistics of operations of unit trusts, land trusts and mutual funds are shown below. Details of superannuation funds conducted by unit trust management companies are not included in these tables.

#### TRUSTS AND FUNDS: TOTAL MARKET VALUE AND TRANSACTIONS

(\$ million)

	Total market value at end of period(a)	Cash transactions—trust units and fund shares		Purchases and sales of investments(b)	
		Total amount received(c)	Total amount paid(d)	Purchases (e)	Sales (f)
1972-73 . . . . .	380.3	79.1	32.7	111.5	71.5
1973-74 . . . . .	368.6	68.8	38.6	96.1	50.6
1974-75 . . . . .	356.0	36.9	47.8	38.6	49.3
1975-76 . . . . .	407.6	50.0	30.8	85.3	60.7
1976-77 . . . . .	417.5	48.1	34.4	79.4	69.5
1977-78 . . . . .	488.3	83.9	38.3	91.2	69.1

(a) Includes value of land trusts at valuation. (b) Australian Government, local authority and semi-government securities, shares, debentures, unsecured notes, loans, deposits on term or notice of three months or longer, land and buildings, etc. (c) Includes re-issues and new issues. Includes fees and expenses. (d) Includes those units and fund shares intended for re-issue. (e) Payments for assets acquired during period. Includes brokerage and stamp duty. (f) Receipts for assets sold or redeemed during period. Excludes brokerage and stamp duty.

#### TRUSTS AND FUNDS: ANALYSIS OF PURCHASES AND SALES OF INVESTMENTS

(\$ million)

	Shares (incl. preference shares)	Debentures, unsecured notes, deposits (a)	Land, buildings, mortgages	Other(b)	Total
<b>Purchases—</b>					
1972-73 . . . . .	22.1	18.2	71.0	0.1	111.5
1973-74 . . . . .	12.3	9.8	73.7	0.3	96.1
1974-75 . . . . .	14.8	8.5	15.3	..	38.6
1975-76 . . . . .	21.2	15.4	39.9	8.8	85.3
1976-77 . . . . .	13.4	12.5	52.3	1.1	79.4
1977-78 . . . . .	14.3	10.4	65.7	0.8	91.2
<b>Sales—</b>					
1972-73 . . . . .	45.3	9.4	15.7	1.1	71.5
1973-74 . . . . .	22.4	10.9	17.1	0.3	50.6
1974-75 . . . . .	14.1	10.7	24.4	0.1	49.3
1975-76 . . . . .	22.3	10.0	26.6	1.8	60.7
1976-77 . . . . .	23.4	17.4	27.3	1.5	69.5
1977-78 . . . . .	26.2	9.4	33.2	0.2	69.1

(a) Excludes cash on hand and at bank, loans to authorised dealers in the short-term money market, and other deposits under three months' term or notice. (b) Includes Australian Government, local and semi-government securities.

### AUSTRALIAN INDUSTRY DEVELOPMENT CORPORATION

The Australian Industry Development Corporation was established by the *Australian Industry Development Corporation Act 1970* and commenced operations on 1 February 1971. Within the objectives and broad policy guidelines defined in the Act, the Corporation operates as an independent commercial enterprise governed by its own Board of Directors.

The Corporation has a capital of \$100 million, to be subscribed by the Commonwealth Government in instalments but the whole being available if required to meet obligations. The paid-up capital at 30 June 1978 was \$62.5 million.

The central objectives of the Corporation are to promote the development of industries in Australia and support local participation in the ownership and control of industries and resources. Consistent with these objectives and the principle that A.I.D.C. must operate on a commercial basis and assist only in ventures which can demonstrate sound prospects, the Corporation provides finance, obtained by borrowing both in Australia and overseas, for Australian firms (including local firms with foreign partners) engaged in industries concerned with the manufacture, processing, treatment, transportation or distribution of goods, or the development or use of natural resources (including the recovery of minerals), or technology and activities that are connected with or incidental to those industries.

The Corporation's financial participation in a venture is governed by the prevailing terms and conditions under which it can itself obtain loan finance. The capital of the Corporation is provided as a base for its borrowings and is not directly used for assistance to industry projects.

A.I.D.C. provides development capital both for start-up situations and for going concerns. Although the greater part of its financing is by loans, it also makes equity investments in industry. Where a company's capital needs can best be met by loan finance, A.I.D.C. does not seek an equity position. It aims to avoid involvement in the management of companies to which it provides financing.

Project investments approved since operations commenced, totalled \$454 million at 30 June 1978, and operational loans and investments outstanding were \$213 million.

### INSTALMENT CREDIT FOR RETAIL SALES

Information relating to instalment credit for retail sales in Australia is given in the following tables. More detailed information may be found in the monthly bulletin *Instalment Credit for Retail Sales* (5631.0).

These statistics cover the operations of instalment credit schemes which relate primarily to the financing of retail sales of consumer commodities. In general, the term instalment credit is defined as relating to schemes in which repayment is made by regular predetermined instalments (predetermined by amount or by percentage of amount financed or balance outstanding). Types of instalment credit schemes covered include hire purchase, time payment, budget account and personal loans where these schemes relate to the financing of retail sales of consumer commodities.

Figures for amounts financed exclude interest, hiring charges, insurance, etc. Figures for balances outstanding and collections include interest, hiring charges, insurance, etc.

#### INSTALMENT CREDIT FOR RETAIL SALES BY TYPE OF BUSINESS: AMOUNT FINANCED BY COMMODITY GROUP, COLLECTIONS AND BALANCES OUTSTANDING, AUSTRALIA (\$ million)

	<i>Amount financed during year</i>					<i>Collections and other liquidations of balances during year</i>	<i>Balances outstanding at end of year</i>
	<i>Motor cars and station wagons</i>		<i>Other motor vehicles (a)</i>	<i>Household and personal goods</i>	<i>Total</i>		
	<i>New</i>	<i>Used</i>					
<b>Finance companies—</b>							
1975-76 . . . . .	419.1	507.3	162.4	293.9	1,382.6	1,600.9	2,233.0
1976-77 . . . . .	420.0	591.3	182.4	336.6	1,530.3	1,825.5	2,601.1
1977-78 . . . . .	399.8	640.0	164.5	312.6	1,516.9	1,990.8	2,804.0
<b>Other businesses(b)—</b>							
1975-76 . . . . .	0.3	0.1	5.9	237.9	244.1	267.8	172.2
1976-77 . . . . .	0.5	0.3	3.5	254.3	258.7	293.5	161.8
1977-78 . . . . .	0.1	0.1	0.4	230.4	231.0	263.4	150.4
<b>Total all businesses—</b>							
1975-76 . . . . .	419.4	507.4	168.2	531.8	1,626.7	1,868.7	2,405.2
1976-77 . . . . .	420.6	591.6	185.9	591.0	1,789.0	2,119.0	2,762.9
1977-78 . . . . .	400.0	640.1	164.9	543.0	1,747.8	2,254.2	2,954.4

(a) Includes new and used motor cycles, boats, caravans, trailers and motor parts and accessories but excludes panel vans, utilities, trucks, tractors and other vehicles normally used for commercial purposes. (b) Businesses operating retail establishments, unincorporated finance businesses and businesses other than wholesalers and manufacturers.

**INSTALMENT CREDIT FOR RETAIL SALES BY TYPE OF CREDIT: AMOUNT  
FINANCED BY COMMODITY GROUP, AUSTRALIA**

(\$ million)

	<i>Motor cars and station wagons</i>		<i>Other motor vehicles</i>	<i>Household and personal goods</i>	<i>Total</i>
	<i>New</i>	<i>Used</i>	<i>(a)</i>		
Hire purchase—					
1975-76 . . . . .	306.9	366.3	123.8	138.4	935.3
1976-77 . . . . .	304.1	424.3	136.8	161.9	1,027.1
1977-78 . . . . .	306.5	481.1	124.4	141.1	1,053.1
Other instalment credit—					
1975-76 . . . . .	112.4	141.1	44.5	393.4	691.4
1976-77 . . . . .	116.5	167.3	49.2	429.0	761.9
1977-78 . . . . .	93.4	159.0	40.4	401.9	694.7
Total instalment credit					
1975-76 . . . . .	419.4	507.4	168.2	531.8	1,626.7
1976-77 . . . . .	420.6	591.6	185.9	591.0	1,789.0
1977-78 . . . . .	400.0	640.1	164.9	543.0	1,747.8

(a) Includes new and used motor cycles, boats, caravans, trailers and motor parts and accessories but excludes panel vans, utilities, trucks, tractors and other vehicles normally used for commercial purposes.

### HOUSING FINANCE FOR OWNER OCCUPATION

A monthly statistical series was introduced in October 1975 to provide information on finance (secured by mortgage or other security, including secured personal loans and loans secured by contracts of sale) approved by significant lenders to individuals for the construction or purchase of dwellings for owner occupation. A lender is significant if over a financial year it approves loans to individuals for housing finance for owner occupation in excess of \$250,000 or if at the end of a financial year it has balances outstanding on such loans exceeding \$2 million.

The types of lenders considered in these statistics are trading and savings banks, permanent and terminating building societies, finance companies, government housing authorities and other government departments, insurance companies and credit unions.

The table on page 502 provides information classified by type of lender and the use for which approved housing loans are intended (e.g. construction or purchase).

*Purchase of newly erected dwellings* represents the purchase of dwellings which have been completed or will be completed within a period of twelve months preceding the date of purchase and where the purchaser is, or will be, the first occupant.

*Purchase of established dwellings* represents the purchase of dwellings which have been completed for a period of greater than twelve months preceding the date of purchase or, if completed within twelve months, where the purchaser is not the original occupant.

The term *dwelling* includes houses and other dwellings where the latter is defined as a self-contained dwelling unit other than a house. (Examples of *other dwellings* are flats, home units, semi-detached cottages, villa units, town houses, etc.).

The term *number of dwelling units* refers to the number of houses and other dwellings for which loans secured by contract of sale or first mortgage only have been approved.

Comprehensive statistics on housing finance for owner occupation are available in the monthly bulletin *Housing Finance for Owner Occupation* (5609.0).

The following table summarises the housing finance operations of the significant lenders.

## HOUSING FINANCE FOR OWNER OCCUPATION

(\$ million)

	<i>Loans approved for—</i>		<i>Cancellations of loans previously approved</i>	<i>Loans advanced(a)</i>	<i>Loans approved but not advanced(a)</i>
	<i>Construction or purchase of dwellings</i>	<i>Alterations and additions</i>			
1976-77 . . . . .	5,209.9	343.6	250.5	4,482.4	926.7
1977-78 . . . . .	5,530.7	379.4	258.4	4,767.7	955.9
Quarter ended—					
March 1977 . . . . .	1,276.2	77.3	63.6	1,028.0	965.2
June 1977 . . . . .	1,254.2	83.0	62.7	1,132.8	926.7
September 1977 . . . . .	1,397.9	94.5	65.8	1,197.0	965.4
December 1977 . . . . .	1,366.3	95.3	67.4	1,260.8	893.2
March 1978 . . . . .	1,358.5	91.5	63.4	1,074.5	970.9
June 1978 . . . . .	1,408.0	98.1	61.8	1,235.5	955.9

(a) Excludes Trading Banks; data not available.

HOUSING FINANCE FOR OWNER OCCUPATION: NUMBER OF DWELLING UNITS FOR WHICH  
LOANS WERE APPROVED TO INDIVIDUALS BY THE TYPE OF LENDER

	<i>Banks</i>		<i>Building societies</i>			<i>Finance companies</i>	<i>Government</i>	<i>Credit unions and insurance companies</i>	<i>Total</i>
	<i>Savings</i>	<i>Trading</i>	<i>Per- manent</i>	<i>Ter- minating</i>					
<b>CONSTRUCTION OF DWELLINGS</b>									
1976-77 . . . . .	18,795	8,948	8,427	2,884	2,988	2,420	1,384	45,846	
1977-78 . . . . .	18,726	7,564	8,883	2,710	2,388	1,861	1,147	43,279	
Quarter ended—									
March 1977 . . . . .	4,303	2,010	2,012	517	734	517	179	10,272	
June 1977 . . . . .	4,315	1,897	2,185	510	749	632	238	10,526	
September 1977 . . . . .	5,007	1,987	2,614	606	552	661	281	11,708	
December 1977 . . . . .	4,698	1,862	2,065	1,142	622	577	317	11,283	
March 1978 . . . . .	4,117	1,837	1,959	559	534	296	241	9,543	
June 1978 . . . . .	4,904	1,878	2,245	403	680	327	308	10,745	
<b>PURCHASE OF NEWLY ERECTED DWELLINGS</b>									
1976-77 . . . . .	14,922	5,964	10,780	1,822	1,646	4,777	1,106	41,017	
1977-78 . . . . .	12,845	5,945	10,421	3,113	1,969	5,652	1,008	40,953	
Quarter ended—									
March 1977 . . . . .	3,423	1,329	2,585	332	415	1,273	190	9,547	
June 1977 . . . . .	3,425	1,554	2,458	391	436	1,188	185	9,637	
September 1977 . . . . .	3,443	1,594	3,111	545	465	1,568	216	10,942	
December 1977 . . . . .	3,318	1,411	2,628	714	516	1,481	251	10,319	
March 1978 . . . . .	3,085	1,455	2,203	736	516	1,411	233	9,639	
June 1978 . . . . .	2,999	1,485	2,479	1,118	472	1,192	308	10,053	
<b>PURCHASE OF ESTABLISHED DWELLINGS</b>									
1976-77 . . . . .	73,023	26,306	45,303	4,421	7,207	8,377	3,470	168,107	
1977-78 . . . . .	72,436	24,854	46,116	4,501	5,914	6,985	4,119	164,925	
Quarter ended—									
March 1977 . . . . .	17,920	6,486	11,507	857	1,821	1,951	841	41,383	
June 1977 . . . . .	17,110	5,642	11,736	666	1,602	1,352	849	38,957	
September 1977 . . . . .	17,330	5,439	13,886	1,068	1,326	1,928	963	41,940	
December 1977 . . . . .	17,812	6,070	10,840	1,714	1,316	1,800	1,007	40,559	
March 1978 . . . . .	18,817	6,901	10,451	937	1,396	1,671	978	41,151	
June 1978 . . . . .	18,477	6,444	10,939	782	1,876	1,586	1,171	41,275	
<b>TOTAL</b>									
1976-77 . . . . .	106,740	41,218	64,510	9,127	11,841	15,574	5,960	254,970	
1977-78 . . . . .	104,007	38,363	65,420	10,324	10,271	14,498	6,274	249,157	
Quarter ended—									
March 1977 . . . . .	25,646	9,825	16,104	1,706	2,970	3,741	1,210	61,202	
June 1977 . . . . .	24,850	9,093	16,379	1,567	2,787	3,172	1,272	59,120	
September 1977 . . . . .	25,780	9,020	19,611	2,219	2,343	4,157	1,460	64,590	
December 1977 . . . . .	25,828	9,343	15,533	3,570	2,454	3,858	1,575	62,161	
March 1978 . . . . .	26,019	10,193	14,613	2,232	2,446	3,378	1,452	60,333	
June 1978 . . . . .	26,380	9,807	15,663	2,303	3,028	3,105	1,787	62,073	

## PRIVATE FINANCE

HOUSING FINANCE FOR OWNER OCCUPATION: VALUE OF LOANS APPROVED TO INDIVIDUALS  
BY TYPE OF LENDER

(\$ million)

	<i>Banks</i>		<i>Building societies</i>			<i>Government</i>	<i>Credit unions and insurance companies</i>	<i>Total</i>
	<i>Savings</i>	<i>Trading</i>	<i>Per- manent</i>	<i>Ter- minating</i>	<i>Finance companies</i>			
<b>CONSTRUCTION OF DWELLINGS</b>								
1976-77 . . . . .	354.1	134.6	212.2	60.1	85.1	48.9	32.5	927.4
1977-78 . . . . .	381.2	123.8	243.8	64.1	65.5	36.4	28.1	943.0
Quarter ended—								
March 1977 . . . . .	83.5	30.0	51.7	11.1	20.5	10.5	4.3	211.6
June 1977 . . . . .	82.8	29.5	57.1	11.6	22.1	13.5	5.9	222.4
September 1977 . . . . .	97.4	30.4	72.0	14.4	17.3	12.9	6.7	251.2
December 1977 . . . . .	95.4	29.8	56.4	26.0	17.4	11.1	7.3	243.4
March 1978 . . . . .	85.2	31.1	53.1	13.7	13.9	5.8	6.5	209.3
June 1978 . . . . .	103.1	32.5	62.3	10.0	16.9	6.6	7.6	239.0
<b>PURCHASE OF NEWLY ERECTED DWELLINGS</b>								
1976-77 . . . . .	280.1	90.8	275.8	37.8	77.1	94.7	27.1	883.3
1977-78 . . . . .	271.6	102.1	288.9	72.6	71.4	121.2	24.7	952.4
Quarter ended—								
March 1977 . . . . .	66.5	19.8	68.0	7.0	18.5	25.1	5.6	210.5
June 1977 . . . . .	65.3	22.0	65.2	8.4	19.6	25.3	4.9	210.8
September 1977 . . . . .	69.6	26.4	86.2	12.0	18.1	33.6	5.7	251.6
December 1977 . . . . .	69.8	22.8	72.1	15.8	19.0	32.1	5.9	237.5
March 1978 . . . . .	66.8	26.7	62.3	17.8	16.1	30.4	5.4	225.5
June 1978 . . . . .	65.4	26.2	68.4	26.9	18.1	25.1	7.8	237.9
<b>PURCHASE OF ESTABLISHED DWELLINGS</b>								
1976-77 . . . . .	1,362.9	419.2	1,064.9	92.4	213.9	154.2	91.6	3,399.1
1977-78 . . . . .	1,486.9	449.1	1,163.5	104.4	185.2	138.6	107.6	3,635.3
Quarter ended—								
March 1977 . . . . .	343.4	103.3	275.2	18.8	54.2	36.7	22.4	854.1
June 1977 . . . . .	327.6	91.1	285.8	14.4	52.1	27.4	22.7	821.1
September 1977 . . . . .	340.5	89.9	337.5	24.8	42.0	36.2	24.2	895.1
December 1977 . . . . .	356.8	108.2	276.3	38.5	42.2	37.3	26.1	885.3
March 1978 . . . . .	395.7	130.3	269.2	22.3	45.3	34.4	26.6	923.7
June 1978 . . . . .	394.0	120.7	280.4	18.9	55.6	30.7	30.7	931.1
<b>TOTAL</b>								
1976-77 . . . . .	1,997.0	644.6	1,552.9	190.3	376.1	297.8	151.1	5,209.9
1977-78 . . . . .	2,139.8	675.0	1,696.2	241.0	322.0	296.2	160.4	5,530.7
Quarter ended—								
March 1977 . . . . .	493.4	153.1	394.9	36.9	93.3	72.4	32.3	1,276.2
June 1977 . . . . .	475.7	142.6	408.1	34.4	93.8	66.1	33.5	1,254.2
September 1977 . . . . .	507.5	146.7	495.8	51.1	77.5	82.7	36.6	1,397.9
December 1977 . . . . .	522.0	160.8	404.8	80.3	78.6	80.5	39.3	1,366.3
March 1978 . . . . .	547.8	188.1	384.6	53.8	75.3	70.6	38.4	1,358.5
June 1978 . . . . .	562.5	179.4	411.0	55.8	90.7	62.4	46.1	1,408.0

**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 tables.

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 collection: (i) all capital raised from Australian banks (other than direct equity investment), i.e. overdrafts, mortgage loans, term loans or debentures; (ii) temporary advances or short-term deposits from any source; and (iii) 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. (Prior to September 1973 quarter the statistics for listed companies also included such companies incorporated in Papua New Guinea, but the change did not significantly affect comparability.) For such companies new capital includes: (a) all issues of ordinary shares if any ordinary shares are listed; (b) all issues of preference shares if any preference shares are listed; and (c) all issues of debentures, unsecured notes, secured and unsecured loans and deposits if any shares or other securities are listed.

The following notes relate to specific items in the tables:

#### New Money

This is the net amount of cash transferred from the 'investing public' to the 'company sector'. For this purpose the *investing public* is defined to include all non-company subscribers, Australian life insurance companies, Australian government and private superannuation funds and banks. In practice, it is necessary to include in *new money* most subscriptions by companies holding less than 5 per cent of the ordinary shares of an issuing company as it is not practicable to separately identify all such subscriptions. However, where large subscriptions by companies holding less than 5 per cent of the ordinary shares in the issuing company are identified they are not included in *new money*. Subscriptions by Australian life insurance companies and Australian government and private superannuation funds are included in *new money* irrespective of their holdings of ordinary shares in the issuing company.

#### Amount not involving new money

This amount includes cash subscriptions received by issuing companies from associated companies. Also included are amounts which, although subscribed by the 'investing public' (i.e. subscribers other than 'associated companies'), are not retained by the issuing company or its associates, but are used to redeem shares, debentures or unsecured notes, etc., or are used to purchase from individuals existing shares, debentures, etc., in other companies, including existing shares, etc. in associated and subsidiary companies, and therefore do not represent a net transfer of cash from the 'investing public' to the companies. In the tables which follow, the *amount not involving new money* is obtained by deducting from the total cash raised the amount of *new money*.

#### LISTED COMPANIES: NEW CAPITAL RAISED THROUGH ISSUES OF SHARES<sup>(a)</sup> AND THROUGH DEBENTURES, REGISTERED NOTES, LOANS AND DEPOSITS

(\$ million)

Share capital									
Total amount of issues commenced			Cash raised during period				Debentures, registered notes, etc.		
Total amount including premiums etc.	Type of consideration		Total(c)	Amount not involving new money		Total amount raised (d)	Amount not involving new money (d)		New money
	Other than cash(b)	Cash		Amount	New money		Amount	New money	
1972-73(e)	712.5	405.0	307.5	362.5	159.3	203.2	3,629.6	3,026.0	603.6
1973-74	973.8	610.3	363.4	382.0	116.5	265.6	6,794.5	5,505.6	1,288.9
1974-75	399.4	122.3	277.1	296.7	125.6	171.1	6,310.6	5,362.0	948.6
1975-76	513.3	129.8	383.5	387.7	55.3	332.3	5,046.7	3,952.0	1,094.4
1976-77	832.5	278.9	553.6	524.3	53.0	471.3	7,488.7	6,279.0	1,209.6
1977-78	793.3	295.1	498.0	539.3	189.7	349.6	6,811.1	5,680.9	1,130.4

(a) Includes share subscriptions by overseas investors to issues in Australia. (b) Includes bonus issues, conversion issues, issues in exchange for existing shares, etc. (c) Includes calls on issues commenced in earlier years. (d) Includes conversions, renewals, etc. (e) Prior to July 1973 includes details of companies incorporated in Papua New Guinea.

## LISTED COMPANIES: NEW MONEY RAISED IN SHARE CAPITAL AND DEBENTURES, REGISTERED NOTES, LOANS AND DEPOSITS—INDUSTRY GROUPS

(\$ million)

		1972-73(e)	1973-74	1974-75	1975-76	1976-77	1977-78
<b>Manufacturing(a)</b> . . . . .	<b>Total</b>	90.6	112.4	452.2	257.1	329.1	288.3
Raised through . . . . .	Shares	66.6	82.9	84.3	115.0	181.7	142.3
	Debentures, etc.	23.9	29.5	368.1	142.1	147.4	146.0
<b>Finance and Property(b)</b>	<b>Total</b>	558.9	1,344.8	439.6	921.8	1,151.9	1,008.2
Raised through . . . . .	Shares	26.7	119.9	18.1	68.5	212.2	100.9
	Debentures, etc.	532.2	1,224.8	421.6	853.3	939.7	907.3
<b>Commerce(c)</b> . . . . .	<b>Total</b>	27.0	35.6	125.2	78.3	40.8	92.1
Raised through . . . . .	Shares	10.5	20.6	36.0	57.5	9.5	41.9
	Debentures, etc.	16.6	15.0	89.2	20.8	31.3	50.2
<b>Other Industries(d)</b> . . . . .	<b>Total</b>	130.2	62.0	102.5	169.5	159.1	91.1
Raised through . . . . .	Shares	99.5	42.4	32.7	91.3	68.1	64.5
	Debentures, etc.	30.7	19.5	69.8	78.2	91.0	26.6
<b>All Industries</b> . . . . .	<b>Total</b>	<b>806.9</b>	<b>1,554.5</b>	<b>1,119.7</b>	<b>1,426.7</b>	<b>1,680.9</b>	<b>1,480.0</b>
	Shares	203.2	265.6	171.1	332.3	471.3	349.6
	Debentures, etc.	603.7	1,288.9	948.6	1,094.4	1,209.6	1,130.4

(a) Includes extracting, refining, founding, engineering, metalworking, electrical equipment, etc., vehicles, aircraft and ships, parts and accessories, assembly and repairs. (b) Includes share capital raised by banks and insurance companies. (c) Includes oil distribution and primary produce dealing. (d) Includes primary production, mining and quarrying. (e) Prior to July 1973 includes details of companies incorporated in Papua New Guinea.

## LOTTERIES AND BETTING

## Lotteries

The State Governments of New South Wales, Queensland, South Australia and Western Australia operate lotteries in their own States. Tattersall Sweep Consultations operate under government licence in Victoria and also sell tickets under government licence in Tasmania and New Zealand. Tickets for any of these lotteries may also be sold in the Northern Territory and the Australian Capital Territory. The statistics of sales of tickets and prizes include the sales and allotments of prizes in New Zealand, Tasmania, the Northern Territory and the Australian Capital Territory. In general, revenue derived by the State Governments from these lotteries is used directly or indirectly to provide funds for expenditure on hospitals, charities, etc.

## LOTTERIES: VALUE OF TICKET SALES, PRIZES ALLOTTED, TAXES PAID AND OTHER NET CONTRIBUTIONS TO STATE GOVERNMENT REVENUES

(\$ million)

	Ticket sales	Prizes allotted	Taxes and other net contributions to State Government revenues(a)
<b>1976-77</b>			
New South Wales . . . . .	96.0	61.3	34.1
Victoria . . . . .	192.9	115.8	60.2
Queensland . . . . .	36.3	23.0	8.5
South Australia . . . . .	18.7	11.5	5.5
Western Australia . . . . .	20.9	12.9	5.6
<b>Total</b> . . . . .	<b>364.8</b>	<b>224.5</b>	<b>113.7</b>
1975-76 . . . . .	289.5	176.9	90.9
1974-75 . . . . .	227.2	140.2	60.4
1973-74 . . . . .	159.7	98.4	40.7
1972-73 . . . . .	130.0	79.7	32.1
1971-72 . . . . .	117.9	72.5	29.1
1970-71 . . . . .	110.2	67.9	27.7

(a) Includes grants to Tasmanian and New Zealand Governments by Tattersalls Sweep Consultations, Victoria.

**Betting****TOTALISATOR INVESTMENTS AND INVESTMENTS WITH LICENSED BOOKMAKERS**

(\$ million)

	1974-75		1975-76		1976-77	
	T.A.B.	Book-makers	T.A.B.	Book-makers	T.A.B.	Book-makers
New South Wales	678.8	549.9	741.0	590.0	796.2	601.7
Victoria	534.4	339.0	571.6	396.0	636.8	450.2
Queensland	201.3	269.9	218.4	293.0	229.5	340.5
South Australia	91.8	124.4	104.7	152.7	116.9	174.4
Western Australia	143.0	60.1	173.7	71.2	188.3	73.3
Tasmania	11.4	60.7	27.4	42.0	35.3	47.7
Australian Capital Territory	24.4	15.9	25.6	18.9	25.3	20.4
<b>Total</b>	<b>1,685.2</b>	<b>1,419.8</b>	<b>1,862.3</b>	<b>1,563.9</b>	<b>2,028.4</b>	<b>1,708.0</b>

**RELATED PUBLICATIONS**

Current and more detailed information on the subjects dealt with in this chapter is contained in the following bulletins:

*Monthly Review of Business Statistics* (1304.0) *Public Authority Pensions and Superannuation Schemes* (5511.0) (annual) *Savings Banks* (5602.0) (monthly) *Major Trading Banks* (5603.0) (monthly) *Banking* (5605.0) (quarterly) *Housing Finance for Owner Occupation, Savings Banks and Trading Banks* (5608.0) (monthly) *Housing Finance for Owner Occupation* (5609.0) (monthly) *Housing Finance for Owner Occupation, Permanent Building Societies* (5610.0) (monthly) *Finance Companies, Australia* (5614.0) (monthly) *Finance Companies: Assets, Liabilities, Income and Expenditure* (5616.0) (annual) *Financial Corporation Statistics* (5617.0) (monthly) *Credit Unions: Assets, Liabilities, Income and Expenditure* (5618.0) (annual) *General Insurance* (5620.0) (annual) *Life Insurance* (5621.0) (monthly) *Life Insurance* (5622.0) (annual) *Survey of Selected Private Pension Funds* (5623.0) (annual) *Unit Trusts, Land Trusts and Mutual Funds* (5624.0) (quarterly) *New Capital Raisings by Companies Listed on Australian Stock Exchanges* (5628.0) (quarterly) *Instalment Credit for Retail Sales* (5631.0) (monthly) *Permanent Building Societies: Assets, Liabilities, Income and Expenditure* (5632.0) (annual) *Terminating Building Societies: Assets, Liabilities, Income and Expenditure* (5633.0) (annual).

