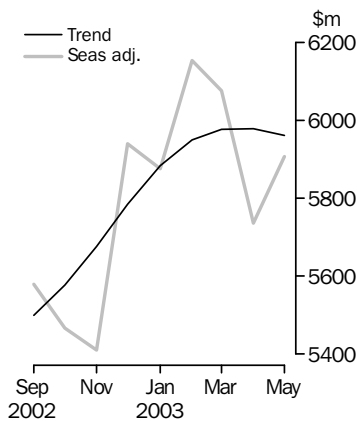


# LENDING FINANCE

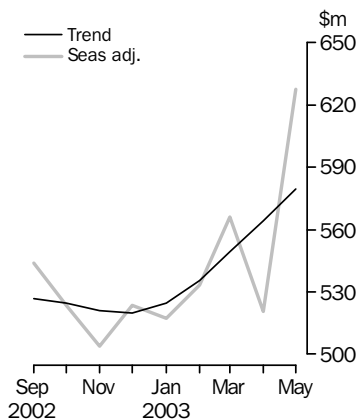
AUSTRALIA

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## Personal finance



## Lease finance



## KEY FIGURES

	<b>Apr 2003</b>	<b>May 2003</b>	<b>Apr 2003 to May 2003</b>
	<b>\$m</b>	<b>\$m</b>	<b>% change</b>
<b>TREND ESTIMATES</b>			
Housing finance for owner occupation	9 294	9 473	1.9
Personal finance	5 979	5 961	-0.3
Commercial finance	21 622	21 816	0.9
Lease finance	564	580	2.7
<b>SEASONALLY ADJUSTED ESTIMATES</b>			
Housing finance for owner occupation	9 376	9 636	2.8
Personal finance	5 736	5 908	3.0
Commercial finance	21 947	21 433	-2.3
Lease finance	521	627	20.5

## KEY POINTS

### HOUSING FINANCE FOR OWNER OCCUPATION

- The total value of owner-occupied housing commitments rose by 2.8% (seasonally adjusted) in May 2003. The trend series increased by 1.9% in May.

### PERSONAL FINANCE

- The seasonally adjusted total personal finance series increased by 3.0% in May 2003, after a 5.6% decrease in April. Increases were recorded for both fixed lending and revolving credit, up 1.3% and 4.5% respectively.
- The total personal finance trend series decreased by 0.3% in May, driven by a 0.9% fall in revolving credit. The fixed lending trend continued in its growth, increasing by 0.5% in May.

### COMMERCIAL FINANCE

- In seasonally adjusted terms, commercial finance decreased by 2.3% in May 2003. The revolving credit series fell by 16.6%, following a 27.3% increase in April. Fixed lending increased by 7.3% in May.
- The trend series for total commercial lending increased by 0.9% in May 2003. The trend for fixed lending rose by 0.2% and revolving credit commitments increased by 2.2%.
- In original terms, commercial finance for housing (including finance for construction and finance for rent or resale) as a proportion of all housing finance (including owner occupation) was 36.6% for May 2003, virtually the same as the previous month.

### LEASE FINANCE

- The seasonally adjusted lease finance series increased by 20.5% in May 2003, under the influence of increased finance for construction and earthmoving equipment, and vehicles. The lease finance trend increased by 2.7% in May.

## INQUIRIES

- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or David Connolly on Canberra (02) 6252 5659.

# NOTES

## FORTHCOMING ISSUES

<i>ISSUE</i>	<i>RELEASE DATE</i>
June 2003	11 August 2003
July 2003	11 September 2003
August 2003	13 October 2003
September 2003	12 November 2003
October 2003	12 December 2003
November 2003	21 January 2004



## CHANGES IN THIS ISSUE

There are no changes in this issue



## ABBREVIATIONS

- ABS Australian Bureau of Statistics
- APRA Australian Prudential Regulation Authority
- b billion (one thousand million)
- n.e.c. not elsewhere classified

Dennis Trewin  
Australian Statistician

## LENDING FINANCE SUMMARY OF FINDINGS

### HOUSING FINANCE FOR OWNER OCCUPATION

The total value of owner-occupied housing commitments (seasonally adjusted) rose by 2.8% in May 2003, after a rise of 3.6% in April. The trend series increased 1.9%, continuing the run of increases from March 2002.

For further information refer to *Housing Finance For Owner Occupation, Australia* (cat. no. 5609.0).

### PERSONAL FINANCE

The seasonally adjusted total personal finance series increased by 3.0% to \$5 908 million in May 2003. The fixed lending series increased by 1.3% to \$2 661 million, and revolving credit commitments rose by 4.5% to \$3 247 million, after a 10.2% fall in April.

The total personal finance trend series decreased by 0.3% in May, driven by a 0.9% fall in revolving credit. The trend for fixed lending increased by 0.5% in May 2003.

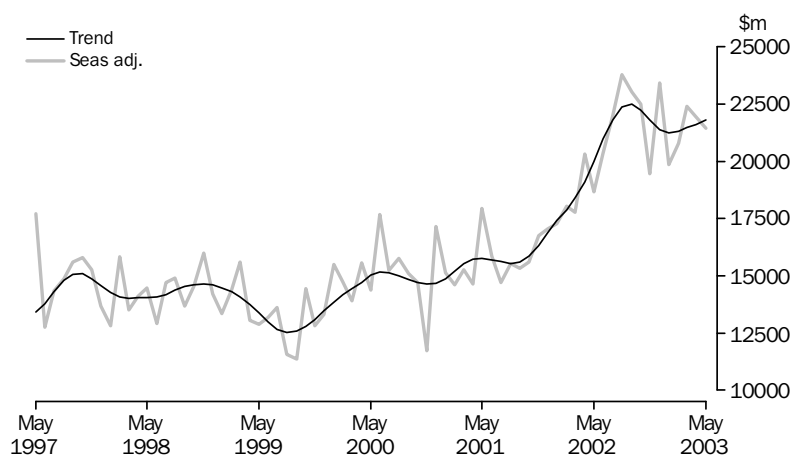
In original terms, fixed lending commitments increased by 12.0% to \$2 821 million in May 2003, with the rise in motor vehicles (up \$117 million in original terms) being the main contributor to the increase.

### COMMERCIAL FINANCE

In May 2003, the seasonally adjusted total commercial finance series decreased by 2.3%, following a 1.9% fall in April. The fall in seasonally adjusted terms was driven by a 16.6% decrease in revolving credit, this was partly offset by an increase in fixed lending, which increased by 7.3%.

In trend terms, there was a 0.9% increase in total commercial finance. Increases were recorded in both of the two component series, with fixed lending rising by 0.2%, and revolving credit increasing by 2.2% in May.

In original terms, commercial finance for housing (including finance for construction and finance for rent or resale) as a portion of all housing finance was 36.6% for May 2003, a level it has sustained over the last year.



### LEASE FINANCE

The seasonally adjusted lease finance series increased 20.5% in May 2003, after a 8.0% fall in April. The trend series increased by 2.7% in May.

In original terms, lease finance increased by 37.6% to \$646 million, with motor vehicles (up \$71 million), and construction and earthmoving equipment (up \$66 million) being the largest contributors to the increase.

**FINANCE COMMITMENTS, Summary: (\$m)**

Month	SECURED HOUSING(a)		PERSONAL(b)			COMMERCIAL			LEASE
	Construction and purchase of dwellings(c)	Alterations and additions	Fixed loans(c)	Revolving credit(d)	Total	Fixed loans(c)	Revolving credit(d)	Total	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>ORIGINAL</b>									
<b>2002</b>									
May	9 352	417	2 479	3 071	5 551	14 110	5 609	19 718	553
June	8 108	345	2 343	3 256	5 599	16 662	9 506	26 168	699
July	8 808	369	2 468	3 299	5 768	15 246	9 373	24 619	604
August	8 444	364	2 399	3 218	5 616	15 407	9 199	24 605	529
September	8 058	367	2 283	2 794	5 078	13 348	7 454	20 802	506
October	8 782	457	2 530	3 209	5 740	15 002	7 712	22 715	514
November	8 670	465	2 477	3 270	5 748	12 612	7 455	20 067	470
December	8 486	448	2 459	3 245	5 704	15 205	8 846	24 051	553
<b>2003</b>									
January	7 585	411	2 423	2 736	5 159	10 758	5 347	16 105	424
February	8 281	444	2 628	2 924	5 552	11 700	6 049	17 749	444
March	9 459	451	2 709	3 369	6 077	14 461	6 759	21 221	530
April	9 296	427	2 519	3 093	5 612	12 102	8 690	20 792	470
May	10 446	503	2 821	3 484	6 305	15 130	6 916	22 045	646
<b>SEASONALLY ADJUSTED</b>									
<b>2002</b>									
May	8 237	..	2 246	2 766	5 012	12 915	5 760	18 675	518
June	8 343	..	2 285	2 992	5 277	12 621	7 741	20 362	513
July	8 315	..	2 347	3 090	5 436	13 599	8 395	21 994	530
August	8 463	..	2 438	3 053	5 491	15 339	8 436	23 775	537
September	8 584	..	2 443	3 136	5 579	14 781	8 254	23 035	544
October	8 537	..	2 508	2 960	5 468	14 417	8 066	22 483	523
November	8 328	..	2 471	2 940	5 410	12 837	6 632	19 469	504
December	8 618	..	2 630	3 312	5 942	14 752	8 668	23 420	524
<b>2003</b>									
January	8 730	..	2 522	3 354	5 876	13 357	6 500	19 857	517
February	8 828	..	2 671	3 483	6 154	13 859	6 937	20 795	533
March	9 052	..	2 614	3 462	6 076	15 438	6 943	22 382	566
April	9 376	..	2 628	3 108	5 736	13 111	8 836	21 947	521
May	9 636	..	2 661	3 247	5 908	14 065	7 369	21 433	627
<b>TREND</b>									
<b>2002</b>									
May	8 189	..	2 260	2 856	5 116	13 052	6 950	20 003	525
June	8 280	..	2 304	2 935	5 239	13 571	7 400	20 971	524
July	8 368	..	2 353	2 994	5 346	13 996	7 821	21 817	525
August	8 433	..	2 402	3 029	5 431	14 266	8 104	22 370	528
September	8 468	..	2 449	3 052	5 500	14 322	8 177	22 499	527
October	8 490	..	2 491	3 086	5 578	14 268	7 972	22 241	525
November	8 520	..	2 529	3 148	5 677	14 153	7 644	21 797	521
December	8 596	..	2 560	3 226	5 785	14 013	7 371	21 384	520
<b>2003</b>									
January	8 726	..	2 586	3 298	5 884	13 963	7 275	21 238	525
February	8 903	..	2 609	3 340	5 950	14 017	7 310	21 326	535
March	9 100	..	2 629	3 349	5 977	14 064	7 414	21 477	549
April	9 294	..	2 644	3 335	5 979	14 076	7 546	21 622	564
May	9 473	..	2 657	3 305	5 961	14 103	7 713	21 816	580

.. not applicable

(c) Includes refinancing.

(a) For owner occupation.

(d) New and increased credit limits during the month. Includes credit cards.

(b) Includes unsecured housing finance for owner occupation.

HOUSING AND PERSONAL FINANCE COMMITMENTS, By Lender: **Original (\$m)**

Month	HOUSING FINANCE (a)					PERSONAL FINANCE (b)				
	Banks	Permanent building societies	Wholesale lenders n.e.c.	Other lenders	Total	Banks	Credit co-operatives	Finance companies	Other lenders	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>										
May	6 950	376	1 539	488	9 352	4 196	315	757	283	5 551
June	6 127	293	1 258	430	8 108	4 339	292	713	256	5 599
July	6 645	310	1 410	443	8 808	4 446	310	754	258	5 768
August	6 396	281	1 353	414	8 444	4 324	337	712	242	5 616
September	6 183	248	1 272	356	8 058	3 930	266	654	228	5 078
October	6 725	316	1 345	396	8 782	4 370	273	734	363	5 740
November	6 788	300	1 204	378	8 670	4 384	273	753	338	5 748
December	6 653	266	1 140	427	8 486	4 338	276	809	281	5 704
<b>2003</b>										
January	5 964	242	1 013	365	7 585	3 926	276	691	266	5 159
February	6 392	304	1 205	380	8 281	4 233	290	763	267	5 552
March	7 300	321	1 430	408	9 459	4 669	333	815	259	6 077
April	7 181	342	1 342	431	9 296	4 306	273	822	211	5 612
May	8 036	370	1 528	512	10 446	4 904	288	951	162	6 305

(a) Secured finance for owner occupation. Excludes alterations and additions.

(b) Unsecured housing finance for owner occupation.

COMMERCIAL AND LEASE FINANCE COMMITMENTS, By Lender: **Original (\$m)**

Month	COMMERCIAL FINANCE					LEASE FINANCE				
	Banks	Money market corporations	Finance companies	Other lenders	Total	Banks	General financiers	Finance companies	Other lessors	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>										
May	17 013	642	412	1 652	19 718	174	114	160	105	553
June	21 503	2 475	434	1 757	26 168	195	144	210	149	699
July	20 470	2 051	489	1 608	24 619	161	220	103	120	604
August	21 794	np	436	np	24 605	133	186	93	116	529
September	18 224	388	456	1 735	20 802	147	146	101	113	506
October	20 018	497	427	1 773	22 715	151	149	106	108	514
November	17 695	103	445	1 823	20 067	158	115	96	101	470
December	21 160	378	547	1 965	24 051	176	140	114	123	553
<b>2003</b>										
January	14 346	np	340	np	16 105	126	117	84	97	424
February	15 572	161	391	1 625	17 749	133	110	96	105	444
March	18 316	97	610	2 198	21 221	182	134	99	116	530
April	18 526	np	581	np	20 792	138	116	101	114	470
May	18 679	np	712	np	22 045	245	163	115	124	646

np not available for publication but included in totals where applicable, unless otherwise indicated

PERSONAL FINANCE COMMITMENTS, By Purpose (Fixed Loans): **Original (\$m)**

<i>Month</i>	<i>New motor cars and station wagons</i>	<i>Used motor cars and station wagons</i>	<i>Total motor vehicles(a)</i>	<i>Individual residential blocks of land</i>	<i>Unsecured finance for owner occupation(b)</i>	<i>Debt consolidation</i>	<i>Refinancing</i>	<i>Other(c)</i>	<b>Total</b>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>									
May	395	487	967	215	43	218	366	670	<b>2 479</b>
June	354	423	855	189	39	191	412	658	<b>2 343</b>
July	380	477	937	203	42	222	425	640	<b>2 468</b>
August	335	470	890	190	40	211	410	659	<b>2 399</b>
September	323	440	847	197	39	206	405	590	<b>2 283</b>
October	350	488	927	224	43	239	436	661	<b>2 530</b>
November	340	451	872	214	48	227	436	680	<b>2 477</b>
December	356	441	884	223	48	213	412	679	<b>2 459</b>
<b>2003</b>									
January	333	477	883	252	42	229	389	627	<b>2 423</b>
February	338	459	888	292	42	242	448	716	<b>2 628</b>
March	345	459	886	334	45	238	470	735	<b>2 709</b>
April	337	403	810	320	45	193	468	682	<b>2 519</b>
May	407	436	927	349	53	207	523	761	<b>2 821</b>

(a) Includes motor cycles and other motor vehicles.

(c) Includes boats, caravans and trailers, household goods, travel and holidays and other purposes.

(b) Includes alterations and additions.

PERSONAL FINANCE COMMITMENTS, Revolving Credit Stocks and Flows: **Original (\$m)**

Month	NEW AND INCREASED CREDIT LIMITS			CANCELLATIONS AND REDUCTIONS	CREDIT AT END OF MONTH	
	Secured	Unsecured	Total	Total	Total limits	Credit used
	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>						
May	1 461	1 610	<b>3 071</b>	1 402	127 598	59 497
June	1 663	1 593	<b>3 256</b>	1 228	129 615	61 000
July	1 623	1 677	<b>3 299</b>	1 714	129 115	61 401
August	1 579	1 639	<b>3 218</b>	1 513	130 659	61 880
September	1 430	1 365	<b>2 794</b>	928	132 572	62 868
October	1 603	1 607	<b>3 209</b>	974	135 699	63 958
November	1 614	1 657	<b>3 270</b>	866	138 545	65 504
December	1 751	1 493	<b>3 245</b>	969	140 717	67 208
<b>2003</b>						
January	1 561	1 175	<b>2 736</b>	1 012	142 490	67 935
February	1 611	1 314	<b>2 924</b>	897	144 401	69 202
March	1 941	1 428	<b>3 369</b>	1 126	146 357	69 984
April	1 826	1 268	<b>3 093</b>	886	151 898	72 197
May	2 042	1 443	<b>3 484</b>	1 073	154 035	73 062



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## COMMERCIAL FINANCE COMMITMENTS, By Purpose (Fixed Loans): Original (\$m)

Month	Construction finance	Purchase of real property	Wholesale finance	Purchase of plant and equipment	Refinancing	Other	Total	Commitments not drawn at end of month
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>								
May	1 161	5 896	518	1 210	1 435	3 889	<b>14 110</b>	19 941
June	1 505	6 320	594	1 092	1 200	5 951	<b>16 662</b>	20 691
July	1 586	5 557	783	1 174	1 364	4 781	<b>15 246</b>	19 955
August	1 247	5 763	np	1 032	1 041	np	<b>15 407</b>	20 430
September	1 295	5 197	532	1 259	1 175	3 891	<b>13 348</b>	19 623
October	1 672	5 385	688	1 028	1 403	4 826	<b>15 002</b>	21 238
November	1 571	5 613	490	1 090	917	2 932	<b>12 612</b>	21 104
December	2 155	5 794	np	1 049	1 082	np	<b>15 205</b>	20 553
<b>2003</b>								
January	1 635	4 527	np	950	616	np	<b>10 758</b>	21 507
February	1 329	5 540	483	938	795	2 614	<b>11 700</b>	22 210
March	1 692	5 874	np	1 075	875	np	<b>14 461</b>	23 176
April	967	5 918	627	923	610	3 058	<b>12 102</b>	22 474
May	1 522	6 626	np	1 036	960	np	<b>15 130</b>	25 023

np not available for publication but included in totals where applicable, unless otherwise indicated

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## LEASE AND COMMERCIAL FINANCE COMMITMENTS, Stocks and Flows: Original (\$m)

Month	LEASE FINANCE		COMMERCIAL REVOLVING CREDIT			
	Total commitments	Commitments not drawn at end of month	New and increased credit limits	Cancellations and reductions	Total credit limits at end of month	Credit used at end of month
	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>						
May	553	339	5 609	7 675	211 106	110 178
June	699	336	9 506	6 639	213 535	111 664
July	604	345	9 373	9 309	211 257	109 854
August	529	336	9 199	7 996	212 314	111 931
September	506	351	7 454	8 489	211 438	110 820
October	514	335	7 712	7 330	212 489	109 739
November	470	329	7 455	5 200	214 680	110 872
December	553	326	8 846	7 312	216 661	110 566
<b>2003</b>						
January	424	324	5 347	7 915	214 111	110 768
February	444	340	6 049	6 346	214 457	110 886
March	530	324	6 759	5 875	216 529	112 977
April	470	336	8 690	7 649	217 484	112 677
May	646	340	6 916	7 557	217 397	109 486

**FINANCE COMMITMENTS, For Housing (Owner Occupation & Commercial): Original (\$m)**

Month	OWNER OCCUPATION (SECURED FINANCE)				OWNER OCCUPATION (UNSECURED FINANCE)	COMMERCIAL FINANCE			ALL HOUSING FINANCE
	Construction of dwellings	Purchase of new dwellings	Purchase of established dwellings(a)	Alterations and additions	Total(a)(b)	Construction of dwellings for rent or resale	Purchase of dwellings by individuals for rent or resale	Purchase of dwellings by others for rent or resale	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>									
May	1 007	306	8 040	417	43	528	4 368	417	<b>15 126</b>
June	897	250	6 962	345	39	500	4 127	442	<b>13 561</b>
July	1 086	268	7 454	369	42	682	4 099	399	<b>14 399</b>
August	948	268	7 227	364	40	647	4 028	345	<b>13 868</b>
September	845	248	6 965	367	39	669	3 884	403	<b>13 420</b>
October	906	248	7 628	457	43	928	4 118	391	<b>14 720</b>
November	856	300	7 514	465	48	637	4 146	418	<b>14 384</b>
December	809	270	7 408	448	48	979	4 009	578	<b>14 550</b>
<b>2003</b>									
January	710	255	6 620	411	42	363	3 502	340	<b>12 243</b>
February	822	267	7 192	444	42	613	3 988	348	<b>13 716</b>
March	913	308	8 238	451	45	666	4 672	381	<b>15 675</b>
April	921	297	8 078	427	45	583	4 510	565	<b>15 425</b>
May	1 067	367	9 012	503	53	554	5 256	537	<b>17 349</b>

(a) Includes refinancing.  
 (b) Includes alterations and additions.

FINANCE COMMITMENTS, For Motor Vehicles: **Original (\$m)**

Month	PERSONAL FINANCE(a)				Total	COMMERCIAL	LEASE	ALL VEHICLE
	New motor cars and station wagons	Used motor cars and station wagons	Motor cycles	Other motor vehicles		FINANCE(a)	FINANCE	FINANCE
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>								
May	395	487	16	69	967	647	284	<b>1 899</b>
June	354	423	13	65	855	658	294	<b>1 807</b>
July	380	477	15	65	937	629	242	<b>1 808</b>
August	335	470	25	60	890	618	237	<b>1 745</b>
September	323	440	18	66	847	632	241	<b>1 719</b>
October	350	488	22	67	927	649	225	<b>1 801</b>
November	340	451	23	58	872	643	216	<b>1 731</b>
December	356	441	18	69	884	620	244	<b>1 748</b>
<b>2003</b>								
January	333	477	17	56	883	572	181	<b>1 637</b>
February	338	459	17	75	888	629	207	<b>1 725</b>
March	345	459	19	63	886	725	232	<b>1 844</b>
April	337	403	19	51	810	644	228	<b>1 682</b>
May	407	436	26	58	927	720	299	<b>1 945</b>

(a) Excludes revolving credit.

LEASE FINANCE COMMITMENTS, For Motor Vehicles: **Original (\$m)**

Month	MOTOR CARS AND STATION WAGONS		LIGHT TRUCKS		HEAVY TRUCKS		OTHER MOTOR VEHICLES	ALL VEHICLES
	New	Used	New	Used	New	Used	Total	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>								
May	161	54	23	3	19	8	17	<b>284</b>
June	165	50	27	5	22	8	15	<b>294</b>
July	143	44	19	3	19	4	11	<b>242</b>
August	133	42	17	4	32	4	6	<b>237</b>
September	132	42	18	3	32	4	10	<b>241</b>
October	133	41	14	3	14	5	15	<b>225</b>
November	132	35	19	3	15	3	9	<b>216</b>
December	150	41	20	3	15	4	11	<b>244</b>
<b>2003</b>								
January	110	34	15	4	9	4	5	<b>181</b>
February	126	34	15	4	15	7	5	<b>207</b>
March	143	35	19	3	19	6	6	<b>232</b>
April	149	36	16	3	13	6	5	<b>228</b>
May	175	42	25	4	27	4	22	<b>299</b>

FINANCE COMMITMENTS, For Plant and Equipment: **Original (\$m)**

Month	COMMERCIAL FINANCE (a)			LEASE FINANCE	ALL PLANT AND EQUIPMENT FINANCE
	Transport equipment (b)	Other plant and equipment	Total	Total	Total
	\$m	\$m	\$m	\$m	\$m
<b>2002</b>					
May	58	504	562	269	<b>832</b>
June	82	352	434	405	<b>839</b>
July	280	266	546	362	<b>907</b>
August	155	259	414	292	<b>706</b>
September	273	354	627	265	<b>892</b>
October	85	294	379	289	<b>668</b>
November	137	311	448	255	<b>702</b>
December	66	363	429	309	<b>737</b>
<b>2003</b>					
January	146	231	377	243	<b>620</b>
February	37	272	309	236	<b>545</b>
March	53	297	350	298	<b>648</b>
April	46	233	279	242	<b>521</b>
May	64	252	316	348	<b>664</b>

(a) Excludes revolving credit.

(b) Excludes motor vehicles (see tables 9 and 10).

LEASE FINANCE COMMITMENTS, For Plant and Equipment: **Original (\$m)**

<i>Month</i>	<i>Transport equipment(a)</i>	<i>Construction and earthmoving equipment</i>	<i>Agricultural machinery and equipment</i>	<i>Manufacturing equipment</i>	<i>Electronic data processing equipment</i>	<i>Office machines</i>	<i>Shop and office furniture, fittings and equipment</i>	<i>Other goods</i>	<b>Total</b>
<i>Month</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>									
May	5	25	26	27	81	44	17	44	<b>269</b>
June	5	25	41	51	147	57	19	61	<b>405</b>
July	3	21	12	31	189	49	9	46	<b>362</b>
August	6	21	8	25	132	58	13	28	<b>292</b>
September	3	29	12	18	89	62	9	42	<b>265</b>
October	5	17	12	27	115	61	12	40	<b>289</b>
November	5	32	13	14	71	62	15	40	<b>255</b>
December	10	26	14	18	111	54	28	47	<b>309</b>
<b>2003</b>									
January	6	14	12	22	119	28	10	33	<b>243</b>
February	11	15	14	15	91	40	9	41	<b>236</b>
March	5	28	14	26	112	48	14	50	<b>298</b>
April	3	11	15	15	91	56	10	41	<b>242</b>
May	6	77	17	25	96	56	12	59	<b>348</b>

(a) Excludes motor vehicles (see tables 9 and 10).

## EXPLANATORY NOTES

### INTRODUCTION

- 1** This publication presents statistics of finance commitments made by significant lenders for the purposes of secured housing finance for owner occupation, other personal finance, commercial finance and lease finance.
- 2** *Secured housing finance for owner occupation* is secured finance to individuals for the purchase or construction of dwellings for owner occupation, and for alterations and additions to existing owner occupied dwellings. Refinancing involving a change of lender is also included, while refinancing with the same lender is excluded from all estimates.
- 3** *Personal finance*, other than secured housing finance for owner occupation, is finance provided to individuals for their personal, non-business, use. Both fixed loans and revolving credit finance are included.
- 4** *Commercial finance* is finance provided to individuals and corporations for business or investment purposes, including for the construction or purchase of dwellings for rental or resale. Fixed loans, revolving credit and commercial hire purchase are included.
- 5** *Lease finance* includes finance and leverage leases. Operating lease finance statistics are provided as spreadsheets on AusStats.

### SCOPE

- 6** Finance commitments made by the following types of lenders are included:
  - Banks
  - Permanent building societies
  - Credit unions/co-operative credit societies
  - Life or general insurance companies
  - General government enterprises
  - Superannuation funds
  - Securitiser of mortgage assets (wholesale lenders) which provide funds to borrowers through a retail intermediary (e.g. mortgage originators)
  - Other Registered Financial Corporations.

### COVERAGE

- 7** The statistics cover all bank commitments, and all commitments for secured housing finance for owner occupation made by permanent building societies. Of the remaining commitments, the largest lenders for each of secured housing finance for owner occupation, other personal finance, commercial finance and lease finance are covered, so that when calculated separately for each of the four broad categories of purpose finance, at least 95% of Australia-wide finance commitments and at least 90% of each state's finance commitments are covered. While many lenders other than banks are not covered, at least 70% coverage is maintained for all published lender types (including the Other Lenders series and Other Lessors series).
- 8** An annual collection is conducted to maintain and update the survey coverage. New lenders are included as their lending for any of the four categories of finance becomes sufficiently large.
- 9** From June 2001, the statistics for:
  - secured housing finance for owner occupation cover all commitments by banks and permanent building societies, and commitments by all other lenders which provided more than \$50m for housing finance in 2000;
  - personal finance cover all commitments by banks, and commitments by all other lenders which provided more than \$96m for personal finance in 2000;From June 2002, the statistics for:
  - commercial finance cover all commitments by banks, and commitments by all other lenders which provided more than \$484m for commercial finance in 2001;
  - lease finance cover all commitments by banks, and commitments by all other lenders which provided funds of more than \$31m for lease finance in 2001.

## EXPLANATORY NOTES *continued*

- COVERAGE *continued*
- 10** Additional smaller lenders are also covered where it is necessary to maintain collection coverage (as specified in paragraph 7).
- REVISIONS
- 11** Revisions to previously published statistics are included in the publication as they occur.
- 12** Changes in the classification of lenders (e.g. the conversion of a permanent building society to a bank) are reflected in the Lender series from the month of the change. Data for earlier periods for such lenders are not reclassified. Details of the establishment of new banks are published in the Reserve Bank of Australia's monthly *Bulletin* in the section on Technical Notes to Tables.
- SEASONAL ADJUSTMENT
- 13** Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation and 'trading day effects'. A 'trading day effect' reflects the varying amounts of activity on different days of the week and the different number of days of the week in any month (i.e. the number of Sundays, Mondays, etc.). This effect may be partly caused by the reporting practices of the lenders. Adjustment is also made for Easter which may affect the March and April estimates differently. Seasonal adjustment does not remove the effect of irregular or non-seasonal influences (e.g. a change in interest rates) from the series.
- TREND ESTIMATES
- 14** Smoothing seasonally adjusted series reduces the impact of the irregular component of the seasonally adjusted series and creates trend estimates. These trend estimates are derived by applying a 13 term Henderson-weighted moving average to all but the last six months of the respective seasonally adjusted series. Trend series are created for the last six months by applying surrogates of the Henderson moving average to the seasonally adjusted series. For further information, refer to *Information Paper: A Guide to Interpreting Time Series—Monitoring Trends: An Overview* (cat. no. 1348.0) or contact the Assistant Director, Time Series Analysis on Canberra 02 6252 6345 or by email at <timeseries@abs.gov.au>.
- 15** While the smoothing technique described in paragraph 14 enables trend estimates to be produced for the latest few months, it does result in revisions to the trend estimates as new data become available. Generally, revisions become smaller over time and, after three months, usually have a negligible impact on the series. Changes in the original data and re-estimation of seasonal factors may also lead to revisions to the trend.
- EFFECTS OF ROUNDING
- 16** Where figures have been rounded, discrepancies may occur between sums of the component items and totals. Percentage changes in this publication have been derived from unrounded data.
- ABS DATA AVAILABLE ON REQUEST
- 17** Estimates for months prior to those shown in this publication and more detailed series can be purchased in spreadsheet format from the ABS web site. For more information, contact the ABS National Information and Referral Service on 1300 135 070.
- RELATED PUBLICATIONS
- 18** Users may also wish to refer to the following ABS releases:
- *Housing Finance for Owner Occupation, Australia* (cat. no. 5609.0)
  - *Assets and Liabilities of Australian Securitizers* (cat. no. 5232.0.0.40.001)
  - *Annual Statistics for Financial Institutions* (cat. no. 5661.0.40.001)
  - *Building Approvals, Australia* (cat. no. 8731.0)
  - *Building Activity, Australia: Dwelling Unit Commencements, Preliminary* (cat. no. 8750.0)
  - *Private New Capital Expenditure and Expected Expenditure, Australia* (cat. no. 5625.0)
  - *Sales of New Motor Vehicles, Electronic Publication* (cat. no. 9314.0)



## EXPLANATORY NOTES *continued*

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### RELATED PUBLICATIONS *continued*

**19** In addition, the Reserve Bank of Australia (RBA) produces the monthly *Reserve Bank of Australia Bulletin*, the tables of which are available on the RBA web site <<http://www.rba.gov.au>>. The Australian Prudential Regulation Authority (APRA) also publishes a range of finance statistics on its web site <<http://www.apra.gov.au>>.

**20** Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (cat. no. 1101.0). The *Catalogue* and information on forthcoming releases (Release Advices) are available from any ABS office or from the ABS web site <<http://www.abs.gov.au>>.

## GLOSSARY

<b>Agricultural machinery and equipment</b>	Includes tractors, tillage implements, seeding, planting and fertilising equipment, agricultural mowers, harvesters, etc.
<b>Alterations and additions</b>	Comprises all structural and non-structural changes which are integral to the functional and structural design of a dwelling. Examples are garages, carports, pergolas, reroofing, recladding, etc. Alterations and additions do not include swimming pools, ongoing repairs, or maintenance and home improvements which do not involve building work.
<b>Commitment</b>	Is a firm offer of finance. It either has been, or is normally expected to be, accepted. Commitments accepted and cancelled in the same month are included. Commitments to non-residents are excluded.
<b>Construction and earth moving equipment</b>	Includes concrete mixers and pumpers, dozers, graders, mobile cranes, crawler tractors, dumpers, road rollers, earth packers, scarifiers, rippers, etc.
<b>Construction of dwellings</b>	Comprises commitments made to individuals to finance, by way of progress payments, the construction of owner occupied dwellings.
<b>Debt consolidation</b>	For personal finance, comprises commitments whose principle purpose is to consolidate and pay out amounts owing by the borrower to third parties.
<b>Dwelling</b>	Is a single self-contained place of residence such as a detached or semi-detached house, a terrace house, a flat, home unit, town house, etc. which includes bathing and cooking facilities.
<b>Electronic data processing equipment</b>	Includes computers, computer peripherals, data entry devices, word processing machines, etc.
<b>Established dwelling</b>	Is a dwelling that has been completed for 12 months or more prior to the lodgement of a loan application, or has been previously occupied.
<b>Finance lease</b>	Refers to the leasing or hiring of tangible assets under an agreement, other than a hire purchase agreement, which substantially transfers from the lessor to the lessee all the risks and benefits incident to ownership of the asset without transferring the legal ownership.
<b>Fixed loans</b>	Generally involve: <ul style="list-style-type: none"><li>■ a commitment for a fixed amount for a fixed period for a specific purpose;</li><li>■ a schedule of repayments over a fixed period; and</li><li>■ repayments which reduce the liability of the borrower but do not act to make further finance available.</li></ul>
<b>Heavy trucks</b>	Comprises all vehicles with a gross combination mass rating in excess of 3.5 tonnes, including prime movers registered without trailers.
<b>Light trucks</b>	Comprises vehicles constructed primarily for the carriage of goods which do not exceed 3.5 tonnes gross vehicle mass such as utilities, panel vans, trucks, cab-chassis, forward control vans and four-wheel drives used to carry goods.
<b>Manufacturing equipment</b>	Includes all plant and equipment used in the manufacture of goods except motor vehicles such as forklifts, work trucks and tractors.
<b>Motor cars and station wagons</b>	Includes cars, station wagons, four-wheel drive and forward control passenger vehicles with up to nine seats (including the driver).
<b>Motor cycles</b>	Includes two and three wheeled motor cycles and mopeds, scooters and motor cycles with side cars.
<b>New dwelling</b>	Is a dwelling that has been completed within 12 months of the lodgement of a loan application, and the borrower will be the first occupant.
<b>Office machines</b>	Includes telephone systems (including PABX equipment), facsimile machines, cash registers, photocopiers, etc.

## GLOSSARY *continued*

<b>Purpose</b>	Of the loan is that specified by the borrower. Where possible multiple purpose loans are split and each component is reported in the appropriate purpose category. Otherwise the whole loan is classified to the major purpose.
<b>Refinancing</b>	For personal and commercial finance, represents a commitment to refinance an existing loan. For secured housing finance, only those loans where the refinancing lender is not the original lender and the security is unchanged are included. The refinancing of a loan to fund a change of residence is treated as a new lending commitment.
<b>Revolving credit</b>	Generally has the following characteristics: <ul style="list-style-type: none"><li>■ a commitment for a credit or borrowing limit is given for a specific period after which the commitment is reviewed;</li><li>■ the extent of the borrowing used at any time during the period may be for any amount up to the authorised limit; and</li><li>■ repayments (other than of charges and interest) made during the period reduce the extent of the borrowing used and thereby increase the amount of unused credit available up to the authorised limit. Examples include credit cards, lines of credit and approved overdrafts.</li></ul>
<b>Secured credit limits</b>	Includes overdrafts, lines of credit, credit cards, etc. backed by a mortgage or other assets owned by the borrower.
<b>Secured housing finance</b>	Comprises all secured commitments to individuals for the construction or purchase of dwellings for owner occupation, regardless of type of security. Commitments for housing that will be occupied by persons other than the owner(s) are excluded.
<b>Total credit limits at end of month</b>	Comprises total approved credit limits available at the end of the reference month. In principle, this can be derived by adding new and increased lending commitments during the month less cancellations and reductions of credit limits during the month to the balance of credit limits at the end of the previous month. In practice, however, revisions and other adjustments (such as the transfer of an existing fixed credit facility) will mean that such a derivation is inexact.
<b>Wholesale finance</b>	Comprises finance for the purchase of goods by retailers and wholesalers.

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- INTERNET* **www.abs.gov.au** the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
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