

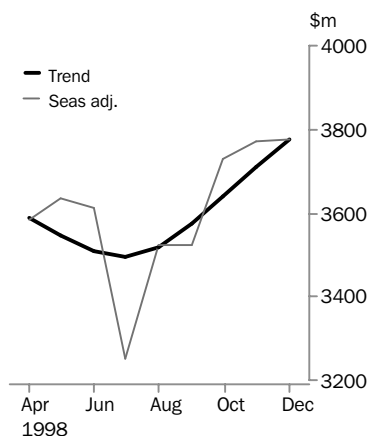
# LENDING FINANCE

AUSTRALIA

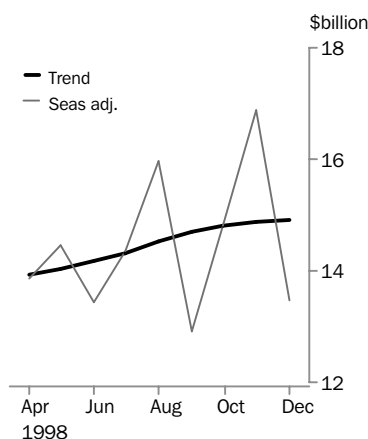
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## DECEMBER KEY FIGURES

### Personal finance



### Commercial finance



### TREND ESTIMATES

	Nov 1998 \$m	Dec 1998 \$m	% change Nov 1998 to Dec 1998
Housing finance for owner occupation	4 783	4 884	2.1
Personal finance	3 710	3 776	1.8
Commercial finance	14 871	14 919	0.3
Lease finance	788	794	0.8

### SEASONALLY ADJUSTED

	Nov 1998 \$m	Dec 1998 \$m	% change Nov 1998 to Dec 1998
Housing finance for owner occupation	4 948	5 082	2.7
Personal finance	3 772	3 776	0.1
Commercial finance	16 888	13 476	-20.2
Lease finance	789	818	3.7

## DECEMBER KEY POINTS

### HOUSING FINANCE FOR OWNER OCCUPATION

- The trend estimate for the value of commitments for owner occupied dwellings rose by 2.1% to \$4 884 million in December.
- The monthly seasonally adjusted estimate rose by 2.7% to \$5 082 million in December.

### PERSONAL FINANCE

- The trend estimate rose by 1.8% during December. The revolving credit component increased by 2.9% and fixed lending rose by 0.5%. Revolving credit commitments were 14.0% higher than a year earlier, while fixed lending was down 7.2%
- The seasonally adjusted estimate for total personal finance commitments increased by 0.1% to \$3 776 million.

### COMMERCIAL FINANCE

- The trend estimate rose by 0.3% to \$14 919 million in December. Fixed lending commitments increased by 0.4% and revolving credit rose by 0.3%.

### LEASE FINANCE

- The trend series increased by 0.8% to \$794 million in December.
- Seasonally adjusted, commitments rose by 3.7%.

- For further information about these and related statistics, contact Karen Young on Sydney 02 9268 4784, or any ABS office shown on the back cover of this publication.

# NOTES

## FORTHCOMING ISSUES

<i>ISSUE</i>	<i>RELEASE DATE</i>
January 1999	12 March 1999
February 1999	13 April 1999
March 1999	14 May 1999
April 1999	15 June 1999
May 1999	13 July 1999
June 1999	11 August 1999



## CHANGES IN THIS ISSUE

There are no changes in this issue.



W. McLennan  
Australian Statistician

# SUMMARY OF FINDINGS

## HOUSING FINANCE FOR OWNER OCCUPATION

The December 1998 trend estimate for the value of housing finance commitments rose by 2.1% to \$4 884 million from November 1998. The seasonally adjusted commitments have increased by 2.7% to \$5 082 million in December following on from stronger increases of 3.7% and 8.1% recorded for October and November respectively.

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

## PERSONAL FINANCE

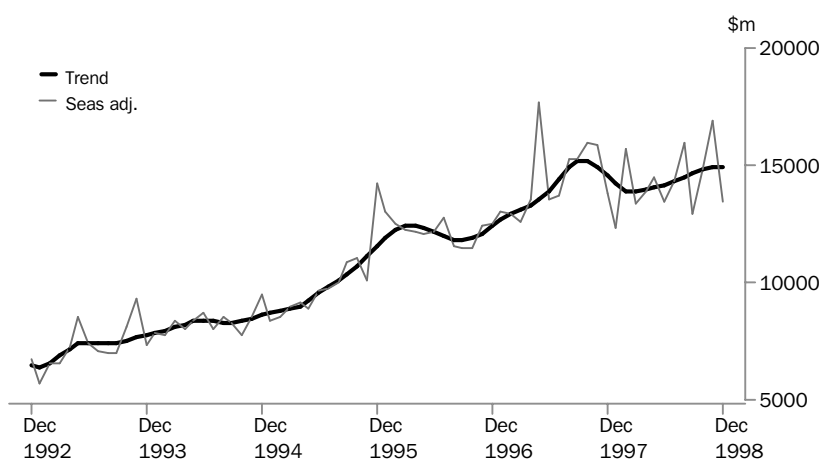
The trend estimate for personal finance commitments showed a further 1.8% increase to \$3 776 million in December 1998. Commitments for fixed loan facilities are continuing to trend upwards. Commitments for revolving credit facilities have been increasing since July 1998.

On a seasonally adjusted basis, total commitments increased by only 0.1% to \$3 776 million. This result was primarily due to a 5.3% decrease in fixed lending being offset by a 5.1% increase in revolving credit commitments.

## COMMERCIAL FINANCE

The trend estimate for commercial finance commitments rose by 0.3% between November and December 1998. The revolving credit component increased by 0.3% and fixed rose by 0.4%. With the inclusion of the 13.4% decrease in the December seasonally adjusted data, the trend series for fixed lending has been revised to show only relatively small growth since October 1998.

Readers should exercise caution when interpreting the seasonally adjusted data. For further information, see Explanatory Note 10.



## LEASE FINANCE

The trend estimate for lease finance commitments increased slightly by 0.8% in December to \$794 million and was 4.2% higher than that for December 1997. Seasonally adjusted, lease finance commitments increased by 3.7% in December 1998.

## FINANCE COMMITMENTS, Summary

Month	SECURED HOUSING(a).....		PERSONAL.....			COMMERCIAL.....			LEASE
	<i>Construction and purchase of dwellings</i>	<i>Alterations and additions</i>	<i>Fixed loan facilities</i>	<i>Revolving credit facilities(b)</i>	<i>Total</i>	<i>Fixed loan facilities</i>	<i>Revolving credit facilities(b)(c)</i>	<i>Total</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
<b>1997</b>									
December	4 460	222	1 891	1 827	3 718	8 523	7 212	15 736	802
<b>1998</b>									
January	3 682	190	1 750	1 345	3 094	5 568	4 617	10 186	575
February	4 440	243	1 836	1 421	3 258	7 151	6 207	13 358	666
March	4 779	256	1 964	1 672	3 636	6 748	6 016	12 764	836
April	4 596	224	1 743	1 745	3 488	6 637	7 083	13 720	682
May	4 614	225	1 812	1 816	3 627	7 696	6 507	14 202	734
June	5 159	245	1 987	1 892	3 879	10 038	6 318	16 356	1 163
July	4 959	222	1 838	1 903	3 741	9 002	7 652	16 654	904
August	4 436	200	1 634	1 857	3 491	6 984	7 665	14 649	687
September	4 514	203	1 745	1 921	3 666	7 129	6 949	14 078	755
October	4 574	216	1 692	2 059	3 751	7 260	6 352	13 611	713
November	4 966	219	1 740	1 952	3 692	7 615	7 732	15 347	704
December	4 968	218	1 735	2 189	3 923	8 555	6 922	15 478	901
SEASONALLY ADJUSTED									
<b>1997</b>									
December	4 609	n.a.	1 885	1 763	3 648	7 259	6 517	13 776	740
<b>1998</b>									
January	4 512	n.a.	1 929	1 729	3 658	7 404	4 903	12 307	807
February	4 567	n.a.	1 866	1 753	3 619	8 588	7 132	15 720	775
March	4 401	n.a.	1 811	1 812	3 623	6 881	6 489	13 371	816
April	4 691	n.a.	1 806	1 778	3 585	7 262	6 595	13 857	744
May	4 606	n.a.	1 831	1 805	3 637	7 677	6 779	14 456	731
June	4 872	n.a.	1 810	1 800	3 610	7 814	5 620	13 434	780
July	4 552	n.a.	1 731	1 520	3 250	7 802	6 546	14 348	758
August	4 496	n.a.	1 713	1 812	3 525	7 408	8 557	15 964	785
September	4 417	n.a.	1 689	1 835	3 523	6 615	6 307	12 922	754
October	4 579	n.a.	1 796	1 933	3 729	7 755	7 037	14 792	769
November	4 948	n.a.	1 824	1 949	3 772	8 298	8 591	16 888	789
December	5 082	n.a.	1 728	2 048	3 776	7 184	6 293	13 476	818
TREND ESTIMATES									
<b>1997</b>									
December	4 577	n.a.	1 902	1 763	3 665	7 889	6 683	14 571	762
<b>1998</b>									
January	4 559	n.a.	1 888	1 779	3 667	7 739	6 452	14 191	775
February	4 556	n.a.	1 869	1 785	3 655	7 600	6 306	13 906	780
March	4 577	n.a.	1 849	1 781	3 630	7 546	6 296	13 842	777
April	4 601	n.a.	1 824	1 766	3 590	7 548	6 388	13 936	771
May	4 607	n.a.	1 796	1 749	3 545	7 543	6 507	14 050	765
June	4 589	n.a.	1 771	1 736	3 508	7 522	6 652	14 174	760
July	4 567	n.a.	1 755	1 741	3 496	7 497	6 817	14 314	760
August	4 566	n.a.	1 747	1 773	3 520	7 500	7 017	14 516	766
September	4 604	n.a.	1 746	1 828	3 574	7 493	7 202	14 695	773
October	4 682	n.a.	1 751	1 892	3 642	7 502	7 307	14 810	780
November	4 783	n.a.	1 757	1 953	3 710	7 529	7 342	14 871	788
December	4 884	n.a.	1 766	2 010	3 776	7 557	7 362	14 919	794

(a) For owner occupation.

(b) New increased credit limits during the period; includes credit cards.

(c) See Explanatory Note 10 on page 11 for further information on the seasonally adjusted data for this series.

# 2

## HOUSING AND PERSONAL FINANCE COMMITMENTS, By Type of Lender: Original

Month	HOUSING FINANCE(a).....					PERSONAL FINANCE.....				
	All banks	Permanent building societies	Mortgage managers	Other lenders	Total	All banks	Credit co-operatives	Finance companies	Other lenders	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>1997</b>										
October	3 834	193	437	292	4 756	2 899	301	498	127	3 824
November	3 644	174	387	244	4 450	2 703	280	511	158	3 651
December	3 684	158	363	255	4 460	2 678	302	602	136	3 718
<b>1998</b>										
January	3 049	128	291	214	3 682	2 158	240	587	110	3 094
February	3 606	175	406	254	4 440	2 305	254	585	113	3 258
March	3 792	205	503	279	4 779	2 615	275	629	117	3 636
April	3 668	192	474	262	4 596	2 540	257	583	107	3 488
May	3 725	182	452	256	4 614	2 671	260	575	121	3 627
June	4 244	206	471	238	5 159	2 816	300	641	122	3 879
July	4 069	185	451	253	4 959	2 648	310	672	112	3 741
August	3 671	163	381	221	4 436	2 518	249	593	131	3 491
September	3 739	178	364	233	4 514	2 659	253	622	133	3 666
October	3 811	175	362	226	4 574	2 762	258	597	135	3 751
November	4 188	188	371	219	4 966	2 685	272	612	122	3 692
December	4 220	189	318	240	4 968	2 878	294	624	128	3 923

(a) Excludes alterations and additions.

# 3

## COMMERCIAL AND LEASE FINANCE COMMITMENTS, By Type of Lender: Original

Month	COMMERCIAL FINANCE.....					LEASE FINANCE.....				
	All banks	Money market corporations	Finance companies	Other lenders	Total	All banks	General financiers	Finance companies	Other lessors(a)	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>1997</b>										
October	11 596	2 491	679	1 062	15 828	248	145	284	26	703
November	10 842	2 194	493	1 222	14 751	222	143	266	32	663
December	13 328	1 276	515	617	15 736	270	152	337	43	802
<b>1998</b>										
January	8 147	1 089	397	552	10 186	162	116	271	26	575
February	10 051	2 047	419	841	13 358	204	159	284	19	666
March	9 798	1 742	454	770	12 764	266	181	344	45	836
April	9 279	3 351	385	705	13 720	239	108	313	23	682
May	11 070	1 939	388	805	14 202	297	113	306	18	734
June	13 560	1 533	370	893	16 356	466	166	461	68	1 163
July	13 445	1 732	371	1 107	16 654	348	155	343	58	904
August	12 083	1 504	370	691	14 649	232	131	287	38	687
September	10 370	2 653	396	658	14 078	257	171	300	27	755
October	11 401	1 093	355	762	13 611	254	151	287	21	713
November	11 841	2 282	445	779	15 347	280	138	266	20	704
December	12 965	1 267	436	810	15 478	375	164	336	26	901

(a) Includes money market corporations.

# 4

## PERSONAL FINANCE COMMITMENTS, Fixed Loan Facilities: Original

Month	New motor cars and station wagons	Used motor cars and station wagons	Total motor vehicles(a)	Individual residential blocks of land	Unsecured owner occupied housing finance(b)	Debt consolidation	Refinancing	Other(c)	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>1997</b>									
October	260	484	795	151	58	174	270	451	1 898
November	251	452	751	137	55	169	239	454	1 805
December	281	479	810	138	58	161	254	470	1 891
<b>1998</b>									
January	247	463	755	113	46	152	238	446	1 750
February	249	462	760	135	50	162	252	477	1 836
March	283	479	816	145	64	163	255	520	1 964
April	245	444	739	121	56	152	238	437	1 743
May	253	446	750	136	53	158	253	461	1 812
June	320	476	852	132	48	190	272	492	1 987
July	309	468	840	120	49	146	249	434	1 838
August	265	436	752	117	44	122	206	392	1 634
September	272	468	796	127	48	138	230	407	1 745
October	265	449	766	119	45	132	222	408	1 692
November	267	437	764	125	47	138	223	443	1 740
December	275	440	770	113	46	138	212	455	1 735

(a) Includes motor cycles and other motor vehicles.

(b) Includes alterations and additions.

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

# 5

## PERSONAL FINANCE COMMITMENTS, Revolving Credit Facilities: Original

Month	NEW AND INCREASED CREDIT LIMITS			Cancellations and reductions	CREDIT LIMITS AT END OF MONTH.....	
	Secured	Unsecured	Total		Total available	Used
	\$m	\$m	\$m	\$m	\$m	\$m
<b>1997</b>						
October	1 037	889	1 926	701	55 959	22 766
November	880	966	1 846	455	56 826	23 320
December	951	876	1 827	629	57 939	24 238
<b>1998</b>						
January	695	649	1 345	540	58 723	24 462
February	745	676	1 421	549	59 582	25 323
March	909	763	1 672	604	60 658	25 807
April	934	811	1 745	668	61 739	26 230
May	1 007	809	1 816	603	62 891	26 945
June	1 078	814	1 892	668	64 279	28 124
July	991	912	1 903	951	63 919	27 599
August	970	887	1 857	504	65 250	28 392
September	1 120	801	1 921	520	66 683	28 587
October	1 184	875	2 059	680	68 034	29 804
November	1 121	831	1 952	516	69 499	31 174
December	1 308	880	2 189	552	71 109	31 909

# 6

## COMMERCIAL FINANCE COMMITMENTS, Fixed Loan Facilities: Original

Month	Construction finance \$m	Purchase of real property \$m	Wholesale finance \$m	Purchase of plant and equipment \$m	Factoring \$m	Refinancing \$m	Other \$m	Total \$m	Commitments not drawn at end of month \$m
<b>1997</b>									
October	594	2 832	558	839	208	992	2 101	8 123	7 061
November	1 209	2 326	380	618	115	1 171	2 249	8 067	7 038
December	915	2 564	420	635	130	961	2 899	8 523	7 302
<b>1998</b>									
January	681	2 090	335	534	95	607	1 227	5 568	6 918
February	726	2 239	666	507	113	983	1 917	7 151	7 247
March	895	2 324	423	717	137	714	1 537	6 748	8 024
April	595	2 209	451	692	176	1 030	1 485	6 637	7 781
May	966	2 289	511	500	175	989	2 266	7 696	9 091
June	1 299	3 008	615	541	131	1 527	2 918	10 038	8 147
July	848	2 718	617	662	164	952	3 041	9 002	8 828
August	783	2 035	510	564	155	676	2 261	6 984	9 263
September	600	2 308	526	744	142	959	1 851	7 129	8 566
October	505	2 166	448	621	150	586	2 784	7 260	8 545
November	514	2 261	642	605	135	1 102	2 356	7 615	9 343
December	588	2 315	836	654	159	1 385	2 619	8 555	8 796

# 7

## REVOLVING COMMERCIAL FINANCE AND LEASE FINANCE COMMITMENTS: Original

### REVOLVING CREDIT FACILITIES.....

### LEASE FINANCE FACILITIES.....

Month	New and increased credit limits \$m	Cancellations and reductions \$m	Total credit limits at end of month \$m	Credit limits used at end of month \$m	Total commitments \$m	Commitments not drawn at end of month \$m
<b>1997</b>						
October	7 705	5 633	199 957	110 863	703	324
November	6 684	4 976	201 609	112 165	663	344
December	7 212	4 949	204 877	113 134	802	326
<b>1998</b>						
January	4 617	4 410	193 087	112 454	575	310
February	6 207	4 055	196 251	114 976	666	329
March	6 016	4 448	196 542	115 222	836	334
April	7 083	4 419	198 522	117 142	682	325
May	6 507	4 398	199 662	117 430	734	321
June	6 318	4 426	201 628	120 293	1 163	337
July	7 652	5 651	208 799	118 537	904	415
August	7 665	4 788	211 809	120 781	687	376
September	6 949	5 025	212 930	119 990	755	320
October	6 352	5 593	213 079	123 210	713	298
November	7 732	4 708	216 090	124 224	704	294
December	6 922	5 618	216 882	126 863	901	336

## FINANCE COMMITMENTS FOR HOUSING(a): Original

Month	SECURED, FOR OWNER OCCUPATION.....					UNSECURED, PERSONAL FINANCE		COMMERCIAL FINANCE.....			Total
	Construction of dwellings	Purchase of newly erected dwellings	Purchase of established dwellings under new finance	Refinancing for established dwellings	Alterations and additions	Purchase and construction of dwellings	Alterations and additions	Construction of dwellings for rent or resale	Purchase of dwellings for rent or resale by individuals	Purchase of dwellings for rent or resale by others	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>1997</b>											
October	723	263	2 950	820	265	25	33	354	1 605	299	7 338
November	654	243	2 814	739	235	22	33	267	1 468	262	6 737
December	673	261	2 804	721	222	26	32	482	1 550	298	7 069
<b>1998</b>											
January	554	191	2 311	626	190	19	26	371	1 258	280	5 827
February	687	225	2 756	772	243	23	27	345	1 462	295	6 835
March	741	254	2 992	793	256	32	32	330	1 519	282	7 229
April	702	224	2 920	750	224	26	30	248	1 416	248	6 788
May	714	226	2 901	772	225	23	30	380	1 432	308	7 012
June	832	256	3 165	905	245	20	28	328	1 750	436	7 966
July	779	259	3 036	885	222	22	28	352	1 487	303	7 371
August	695	236	2 756	749	200	19	25	264	1 321	255	6 520
September	756	234	2 779	745	203	18	30	375	1 452	298	6 890
October	721	230	2 905	719	216	16	29	293	1 363	234	6 726
November	712	246	3 215	794	219	18	29	292	1 555	231	7 310
December	729	236	3 246	756	218	17	29	239	1 550	247	7 267

(a) Includes commitments to refinance loans where the principal purpose is for alterations and/or additions to dwellings.



## FINANCE COMMITMENTS FOR MOTOR VEHICLES(a): Original

PERSONAL  
FINANCE.....

Month	New motor cars and station wagons	Used motor cars and station wagons	Motor cycles	Other motor vehicles	Total	Commercial finance	Lease finance	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>1997</b>								
October	260	484	19	32	795	404	401	1 600
November	251	452	19	30	751	344	363	1 458
December	281	479	16	34	810	374	441	1 625
<b>1998</b>								
January	247	463	15	31	755	301	333	1 390
February	249	462	16	32	760	309	361	1 430
March	283	479	16	37	816	362	467	1 645
April	245	444	17	33	739	296	409	1 444
May	253	446	18	33	750	295	417	1 462
June	320	476	18	38	852	321	611	1 784
July	309	468	24	38	840	312	505	1 656
August	265	436	15	36	752	276	380	1 408
September	272	468	20	37	796	393	399	1 588
October	265	449	18	35	766	323	386	1 475
November	267	437	16	43	764	340	385	1 489
December	275	440	16	39	770	374	457	1 601

(a) Excludes revolving credit facilities.

## LEASE FINANCE COMMITMENTS FOR MOTOR VEHICLES: Original

Month	MOTOR CARS & STATION WAGONS....		LIGHT TRUCKS.....		HEAVY TRUCKS		Other motor vehicles	Total
	New	Used	New	Used	New	Used		
	\$m	\$m	\$m	\$m	\$m	\$m		
<b>1997</b>								
October	219	70	31	9	42	14	16	401
November	203	70	28	9	31	10	11	363
December	258	69	37	13	38	11	16	441
<b>1998</b>								
January	188	59	30	9	26	10	11	333
February	199	62	32	9	23	12	24	361
March	246	76	38	9	58	26	14	467
April	220	66	34	9	40	21	19	409
May	223	71	38	10	35	22	17	417
June	330	93	65	18	55	18	32	611
July	262	107	45	12	45	14	19	505
August	225	63	37	9	23	10	14	380
September	226	62	37	7	35	11	19	399
October	215	63	33	8	36	14	17	386
November	207	62	36	7	35	21	16	385
December	261	71	41	10	43	14	17	457

## FINANCE COMMITMENTS FOR PLANT AND EQUIPMENT(a): Original

## COMMERCIAL FINANCE.....

Month	Transport equipment(b)	Other plant and equipment	Total	Lease finance	Total
	\$m	\$m	\$m	\$m	\$m
<b>1997</b>					
October	44	391	435	302	737
November	41	233	274	300	574
December	36	224	261	361	622
<b>1998</b>					
January	37	196	233	242	474
February	32	166	198	305	503
March	122	234	356	369	725
April	82	314	396	272	668
May	31	174	205	317	522
June	39	181	220	552	772
July	63	287	350	399	749
August	146	142	288	308	596
September	62	288	350	356	707
October	38	260	297	328	625
November	48	217	264	319	584
December	55	225	280	445	724

(a) Excludes revolving credit facilities.

(b) Excludes motor vehicles, see Table 9.

## LEASE FINANCE COMMITMENTS FOR PLANT AND EQUIPMENT: Original

Month	Transport equipment(a)	Construction and earthmoving equipment	Agricultural machinery and equipment	Manufact- uring equipment	Electronic data processing equipment	Office machines	Shop and office furniture, fittings and equipment	Other goods	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>1997</b>									
October	14	44	40	37	50	55	26	36	302
November	16	32	33	47	60	43	25	44	300
December	13	41	29	57	83	64	29	44	361
<b>1998</b>									
January	7	18	30	35	63	39	18	31	242
February	10	28	44	41	43	88	18	32	305
March	13	31	62	43	76	89	20	34	369
April	15	28	48	41	57	41	20	23	272
May	22	32	49	40	64	44	22	45	317
June	19	65	109	86	111	64	36	61	552
July	16	35	62	50	87	67	27	55	399
August	10	36	32	43	68	53	18	49	308
September	14	24	40	56	88	57	41	37	356
October	18	29	52	42	68	51	26	42	328
November	13	22	32	43	83	48	28	50	319
December	13	30	55	98	94	49	34	70	445

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

## EXPLANATORY NOTES

SCOPE	<p><b>1</b> Commitments made by the following types of lenders are included in these statistics:</p> <ul style="list-style-type: none"><li>▪ Banks;</li><li>▪ Permanent building societies;</li><li>▪ Credit unions/co-operative credit societies;</li><li>▪ Life or general insurance companies;</li><li>▪ General government enterprises;</li><li>▪ Organisations raising funds through the secondary mortgage market for approved home buyers under State government housing schemes;</li><li>▪ Superannuation funds;</li><li>▪ Other corporations registered under the <i>Financial Corporations Act 1974</i>; and</li><li>▪ Other providers of consumer finance registered with State credit tribunals, including mortgage managers.</li></ul>
COVERAGE	<p><b>2</b> The statistics cover significant lenders only. Significant lenders account in aggregate for at least 95% of the Australian total and at least 90% of each State total of the value of commitments for secured housing finance for owner occupation, other personal finance, commercial finance and lease finance, each calculated separately.</p> <p><b>3</b> An annual collection is conducted to maintain coverage of significant lenders. In addition, new lenders are included in the series as their level of lending becomes significant. All banks qualify as significant lenders and are therefore included.</p>
CATEGORIES OF LENDING FINANCE	<p><b>4</b> <i>Secured housing finance for owner occupation</i> is secured finance to individuals for 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.</p> <p><b>5</b> <i>Personal finance</i> is finance provided to individuals for their personal, non-business, use. Both fixed loans and revolving credit finance are included; secured housing finance and loans for investment purposes are excluded.</p> <p><b>6</b> <i>Commercial finance</i> is finance provided to individuals and corporations for business or investment purposes. Fixed loans, revolving credit and commercial hire purchase are included.</p> <p><b>7</b> <i>Lease finance</i> includes finance and leverage leases. Operating lease finance data, though excluded, is available from the ABS on request.</p>
REVISIONS	<p><b>8</b> Revisions to previously published statistics are included as they occur.</p>
SEASONAL ADJUSTMENT	<p><b>9</b> Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation and ‘trading day effects’ (arising from the varying amounts of activity on different days of the week and the varying 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 (for example, a change in interest rates) from the series.</p> <p><b>10</b> There is some evidence that a change may be occurring in the seasonal and trading day patterns of the revolving credit component of commercial finance. In these circumstances especially, the trend estimate data provide the more reliable indicator of underlying movement in commitments.</p>

## EXPLANATORY NOTES

### TREND ESTIMATES

**11** 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 months of the respective seasonally adjusted series except the last six months. 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 *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.

**12** While the smoothing technique described in paragraph 11 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.

### RELATED PUBLICATIONS

**13** Users may also wish to refer to the following publications:

- *Building Activity Australia: Dwelling Unit Commencements* (Cat. no. 8750.0)
- *Building Approvals, Australia* (Cat. no. 8731.0)
- *Housing Finance for Owner Occupation, Australia* (Cat. no. 5609.0)
- *Private New Capital Expenditure and Expected Expenditure, Australia* (Cat. no. 5625.0)
- *New Motor Vehicle Registrations, Australia: Preliminary* (Cat. no. 9301.0)

**14** Users may also wish to refer to the *Reserve Bank of Australia, Bulletin* for further information on the lending position of banks and other financial institutions.

### UNPUBLISHED DATA

**15** Estimates for months prior to those shown in this publication and more detailed commitment series by purpose, type of facility and industry are available. There may be a charge for this information, depending on the volume of data requested.

**16** Detailed data are also available from PC Ausstats, the ABS on-line time series data service under the subject *Financial Surveys*, then the titles *Housing Finance for Owner Occupation, Personal Finance, Commercial Finance* and *Lease Finance*.

### EFFECTS OF ROUNDING

**17** Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

### SYMBOLS AND OTHER USAGES

n.a. not available  
n.p. not available for publication but included in totals where applicable  
n.y.a. not yet available

## 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>	Comprise 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>	A lending commitment 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>	For secured housing finance, 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 place of residence such as a house, semi-detached house, flat, home unit, town house, terrace 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 which has been completed for more than 12 months prior to the lodgement of a loan application, or which has been previously occupied.
<b>Finance lease</b>	A finance lease refers to the leasing or hiring of tangible assets under an agreement, other than a hire purchase agreement, which transfers from the lessor to the lessee substantially all the risks and benefits incident to ownership of the asset without transferring the legal ownership.
<b>Fixed loan facilities</b>	Fixed loan facilities 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).

## GLOSSARY

<b>Motor cycles</b>	Includes two and three wheeled motor cycles and mopeds, scooters and motor cycles with side cars.
<b>Newly erected dwelling</b>	A new 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.
<b>Purpose</b>	The purpose 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 facilities</b>	Revolving credit facilities generally have 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>	This 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>Significant lenders</b>	Significant lenders are those lenders who, Australia wide during the calendar year 1997, committed funds of more than: <ul style="list-style-type: none"><li>▪ \$34 million for Secured housing finance for owner-occupation; or</li><li>▪ \$51 million for Personal finance; or</li><li>▪ \$731 million for Commercial finance; or</li><li>▪ \$7 million for Lease finance.</li></ul>
<b>Total credit limits at end of period</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 period less cancellations and reductions of credit limits during the period to the balance of credit limits at the end of the previous period. 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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