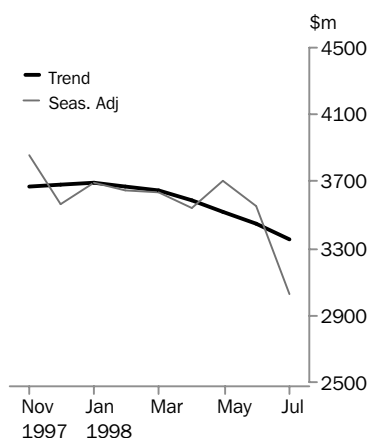


# LENDING FINANCE

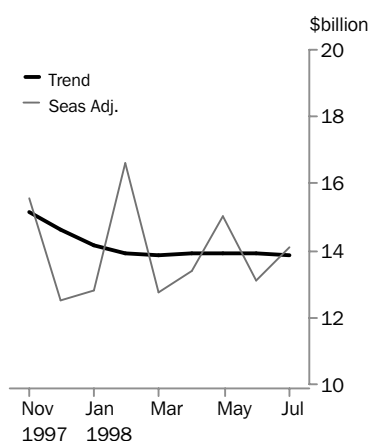
AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) FRI 11 SEPT 1998

## Personal finance



## Commercial finance



## JULY KEY FIGURES

TREND ESTIMATES	Jun 98 \$m	Jul 98 \$m	% change Jun 98 to Jul 98
Housing finance for owner occupation	4 666	4 703	0.8
Personal finance	3 443	3 349	-2.7
Commercial finance	13 937	13 848	-0.6
Lease finance	757	748	-1.1

SEASONALLY ADJUSTED	Jun 98 \$m	Jul 98 \$m	% change Jun 98 to Jul 98
Housing finance for owner occupation	5 007	4 560	-8.9
Personal finance	3 555	3 026	-14.9
Commercial finance	13 112	14 094	7.5
Lease finance	776	774	-0.3

## JULY KEY POINTS

### HOUSING FINANCE FOR OWNER OCCUPATION

- The trend estimate for the value of finance committed for owner occupied dwellings rose 0.8% in July 1998, continuing the rising trend.
- Seasonally adjusted, the value of commitments fell 8.9% in July, after a 12.9% increase in June.

### PERSONAL FINANCE

- The July 1998 trend estimate for personal finance commitments fell 2.7%. Falls in the trend estimates of both fixed loan and revolving credit commitments contributed in the decline, with fixed loans at their lowest level since August 1995.
- Seasonally adjusted, commitments for personal finance fell 14.9%, the second consecutive monthly decline.

### COMMERCIAL FINANCE

- The trend estimate for commercial finance commitments decreased by 0.6%, continuing the relatively flat trend from February 1998 onwards.

### LEASE FINANCE

- The trend estimate for lease finance commitments continued to fall in July 1998, down a further 1.1%.
- There was little movement in the seasonally adjusted estimate for lease finance commitments in July.

- For further information about these and related statistics, contact Anthony Knight 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>
August 1998	13 October 1998
September 1998	12 November 1998
October 1998	11 December 1998

.....

## CHANGES IN THIS ISSUE

- From this issue all values will be reported in whole millions of dollars.
  - The format of Table 3 has changed with Commercial Finance data now listed first.
  - A correction has been made to data previously published under the General financiers and Finance companies column headings in the Lease Finance part of Table 3.
- .....

T. J. Skinner  
Acting Australian Statistician

# SUMMARY OF FINDINGS

## HOUSING FINANCE FOR OWNER OCCUPATION

The trend estimate for the value of finance committed for owner occupied dwellings rose 0.8% in July 1998 to \$4 703 million, the fifth consecutive monthly increase. Seasonally adjusted, the value of commitments fell 8.9% after increasing by 12.9% to more than \$5 000 million in June.

In original terms, the average borrowing size of commitments for owner occupied housing was \$118 500, representing an increase of 1.1% from June 1998. For further information, refer to Housing Finance for Owner Occupation, Australia (5609.0).

## PERSONAL FINANCE

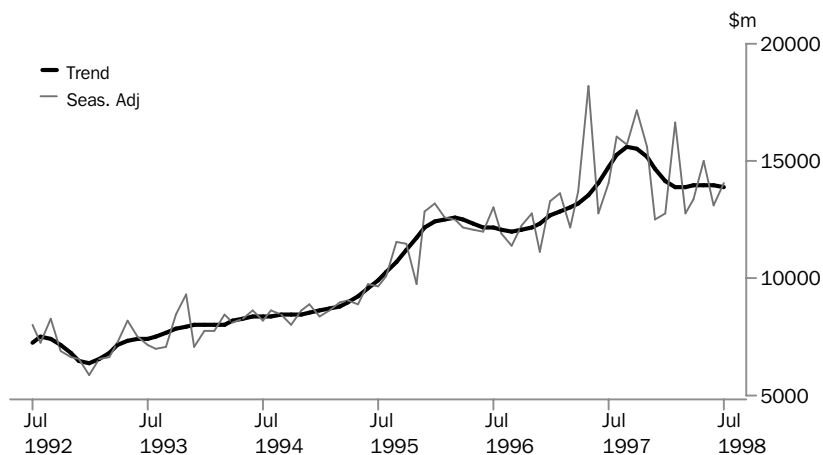
The July 1998 trend estimate for personal finance commitments fell 2.7% to \$3 349 million. The inclusion of the July data has revised the trend series downward. A falling trend series is now evident in both fixed loan (down 2.4%) and revolving credit commitments (down 3.1%), with fixed loans at their lowest level since August 1995.

Seasonally adjusted, commitments for personal finance fell 14.9%, the second consecutive monthly decline. Revolving credit commitments were down 17.2% to \$1 434 million, its lowest level since May 1997, while fixed loan facilities fell 12.6% to \$1 593 million.

## COMMERCIAL FINANCE

The trend estimate for commercial finance commitments decreased by 0.6% to \$13 848 million. There has been relatively little movement in this series since February 1998. The July decline can be attributed to a 1.5% fall in revolving credit commitments. On a seasonally adjusted basis, commitments were up by 7.5%.

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 continued to fall in July 1998, down a further 1.1% to \$748 million. This series has been in decline since March 1998. There was little movement in the seasonally adjusted estimate for lease finance commitments in July.

## 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>									
July	4 614	219	1 954	1 937	3 891	8 066	7 902	15 967	858
August	4 461	215	1 792	1 639	3 432	7 038	7 523	14 562	626
September	4 652	240	1 849	1 575	3 423	7 565	7 494	15 059	675
October	4 756	265	1 898	1 926	3 824	8 123	7 705	15 828	703
November	4 450	235	1 805	1 846	3 651	8 067	6 684	14 751	663
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	5 162	244	1 986	1 881	3 867	10 052	6 318	16 370	1 163
July	4 947	221	1 853	1 904	3 757	8 926	7 335	16 261	897
SEASONALLY ADJUSTED									
<b>1997</b>									
July	4 266	n.a.	1 696	1 487	3 182	6 608	7 437	14 045	737
August	4 489	n.a.	1 925	1 634	3 558	7 235	8 780	16 015	670
September	4 574	n.a.	1 914	1 538	3 451	8 158	7 495	15 653	699
October	4 641	n.a.	1 853	1 764	3 618	8 474	8 694	17 168	704
November	4 535	n.a.	1 964	1 895	3 860	8 583	6 996	15 580	758
December	4 681	n.a.	1 841	1 727	3 568	7 683	4 859	12 542	721
<b>1998</b>									
January	4 616	n.a.	2 009	1 686	3 695	7 436	5 346	12 781	840
February	4 534	n.a.	1 891	1 753	3 644	8 724	7 911	16 635	780
March	4 332	n.a.	1 808	1 828	3 636	6 459	6 294	12 752	842
April	4 744	n.a.	1 755	1 787	3 542	6 771	6 630	13 400	741
May	4 436	n.a.	1 872	1 829	3 701	7 784	7 242	15 026	706
June	5 007	n.a.	1 823	1 732	3 555	7 916	5 196	13 112	776
July	4 560	n.a.	1 593	1 434	3 026	7 083	7 011	14 094	774
TREND ESTIMATES									
<b>1997</b>									
July	4 410	n.a.	1 833	1 514	3 347	7 061	7 647	14 708	681
August	4 463	n.a.	1 853	1 584	3 437	7 427	7 855	15 282	693
September	4 524	n.a.	1 877	1 654	3 531	7 803	7 762	15 565	704
October	4 578	n.a.	1 902	1 711	3 613	8 106	7 402	15 508	721
November	4 609	n.a.	1 920	1 748	3 667	8 218	6 926	15 144	744
December	4 597	n.a.	1 919	1 767	3 686	8 092	6 529	14 621	767
<b>1998</b>									
January	4 569	n.a.	1 906	1 782	3 688	7 829	6 313	14 143	784
February	4 551	n.a.	1 885	1 788	3 673	7 569	6 331	13 900	790
March	4 559	n.a.	1 857	1 783	3 641	7 409	6 466	13 875	783
April	4 588	n.a.	1 823	1 767	3 590	7 352	6 582	13 933	773
May	4 628	n.a.	1 786	1 736	3 522	7 344	6 597	13 941	763
June	4 666	n.a.	1 750	1 693	3 443	7 364	6 573	13 937	757
July	4 703	n.a.	1 709	1 641	3 349	7 375	6 473	13 848	748

(a) For owner occupation.

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

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

# 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>										
May	3 819	178	322	274	4 592	2 444	278	444	82	3 248
June	3 461	161	487	254	4 362	2 555	276	528	80	3 439
July	3 727	165	448	275	4 614	2 998	304	482	106	3 891
August	3 598	162	431	271	4 461	2 567	282	457	126	3 432
September	3 729	194	452	276	4 652	2 527	284	504	107	3 423
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	241	5 162	2 816	288	641	122	3 867
July	4 069	185	451	242	4 947	2 656	307	675	120	3 757

(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>										
May	13 854	2 441	586	578	17 458	242	106	272	35	654
June	11 986	2 069	596	1 016	15 668	332	185	369	38	924
July	12 369	2 043	637	918	15 967	229	257	330	43	858
August	11 152	2 118	567	725	14 562	189	129	260	48	626
September	11 461	2 142	681	775	15 059	203	149	285	38	675
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	13 565	1 543	370	892	16 370	466	166	461	68	1 163
July	13 386	1 478	371	1 027	16 261	348	154	336	58	897

(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>									
May	220	438	706	115	66	177	334	415	1 813
June	241	500	788	112	57	178	344	443	1 923
July	255	493	798	130	56	193	315	462	1 954
August	226	460	731	132	50	163	269	447	1 792
September	248	483	783	137	53	170	266	440	1 849
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	131	49	190	272	493	1 986
July	310	475	848	119	50	147	249	440	1 853

(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 INCREASE 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>						
May	762	673	1 434	511	50 598	20 807
June	886	630	1 516	504	51 601	21 358
July	986	951	1 937	828	52 706	21 921
August	841	799	1 639	484	53 724	22 058
September	877	697	1 575	425	54 779	22 887
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	1 077	803	1 881	668	64 245	28 103
July	991	913	1 904	951	65 212	27 839

# 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>									
May	839	2 585	422	1 845	102	1 030	1 968	8 790	6 130
June	739	2 582	418	670	136	1 230	2 411	8 185	5 836
July	798	3 098	496	630	120	994	1 930	8 066	5 954
August	858	2 190	464	793	182	1 135	1 417	7 038	5 810
September	1 326	2 431	615	700	272	978	1 243	7 565	6 560
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	1 302	3 007	615	543	131	1 527	2 927	10 052	8 152
July	836	2 715	617	676	164	952	2 964	8 926	8 984

# 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>						
May	8 669	4 950	187 786	104 445	654	400
June	7 482	4 605	190 616	106 969	924	438
July	7 902	4 821	194 233	109 686	858	393
August	7 523	4 920	195 394	108 593	626	380
September	7 494	4 241	198 569	111 835	675	423
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	4 264	199 328	119 299	1 163	337
July	7 335	5 504	205 864	117 807	897	413

## FINANCE COMMITMENTS FOR HOUSING(a): Original

Month	SECURED, FOR OWNER OCCUPATION.....					UNSECURED, PERSONAL FINANCE		COMMERCIAL FINANCE.....			
	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	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>1997</b>											
May	673	260	2 844	816	234	29	37	309	1 420	315	6 936
June	606	252	2 623	881	223	26	32	380	1 524	331	6 878
July	692	257	2 804	861	219	26	30	463	1 514	280	7 147
August	671	249	2 681	860	215	23	26	400	1 446	234	6 806
September	737	258	2 810	847	240	23	29	472	1 531	273	7 219
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	257	3 167	907	244	20	29	332	1 748	436	7 971
July	782	260	3 025	881	221	22	28	340	1 484	302	7 344

(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>								
May	220	438	13	35	706	345	371	1 422
June	241	500	13	35	788	359	476	1 624
July	255	493	14	37	798	374	425	1 597
August	226	460	14	31	731	345	337	1 414
September	248	483	19	33	783	367	389	1 539
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	323	611	1 786
July	310	475	24	38	848	314	500	1 662

(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>								
May	198	65	35	11	32	11	19	371
June	252	84	49	15	36	11	29	476
July	228	79	46	12	33	12	16	425
August	182	64	29	8	24	10	19	337
September	200	75	32	10	31	24	16	389
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	263	107	45	12	41	14	18	500

## 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>					
May	44	1 456	1 500	284	1 783
June	66	244	310	448	758
July	45	210	256	433	689
August	38	409	448	289	737
September	48	285	333	287	620
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	299	362	396	759

(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>									
May	8	34	53	43	45	46	24	29	284
June	20	47	107	81	72	49	30	42	448
July	11	31	34	74	169	52	23	39	433
August	16	33	26	51	48	54	19	41	289
September	13	27	28	33	58	75	23	29	287
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	51	81	68	29	55	396

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

## EXPLANATORY NOTES

### SCOPE

**1** Commitments made by the following types of lenders are included in these statistics:

- Banks;
- Permanent building societies;
- Credit unions/co-operative credit societies;
- Life or general insurance companies;
- General government enterprises;
- Organisations raising funds through the secondary mortgage market for approved home buyers under State government housing schemes;
- Superannuation funds;
- Other corporations registered under the *Financial Corporations Act 1974*; and
- Other providers of consumer finance registered with State credit tribunals, including mortgage managers.

### COVERAGE

**2** 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.

**3** 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.

### CATEGORIES OF LENDING FINANCE

**4** *Secured housing finance for owner occupation* 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.

**5** *Personal finance* 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.

**6** *Commercial finance* is finance provided to individuals and corporations for business or investment purposes. Fixed loans, revolving credit and commercial hire purchase are included.

**7** *Lease finance* includes finance and leverage leases. Operating lease finance data, though excluded, is available from the ABS on request.

### REVISIONS

**8** Revisions to previously published statistics are included as they occur.

### SEASONAL ADJUSTMENT

**9** 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.

**10** 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.

## 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* (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* (8750.0)
- *Building Approvals, Australia* (8731.0)
- *Housing Finance for Owner Occupation, Australia* (5609.0)
- *Private New Capital Expenditure and Expected Expenditure, Australia* (5625.0)
- *New Motor Vehicle Registrations, Australia: Preliminary* (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

## G L O S S A R Y

<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 1996, committed funds of more than: <ul style="list-style-type: none"><li>▪ \$27 million for Secured housing finance for owner-occupation; or</li><li>▪ \$47 million for Personal finance; or</li><li>▪ \$570 million for Commercial finance; or</li><li>▪ \$10 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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