

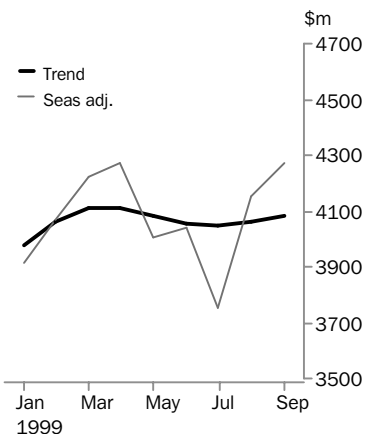
# LENDING FINANCE

AUSTRALIA

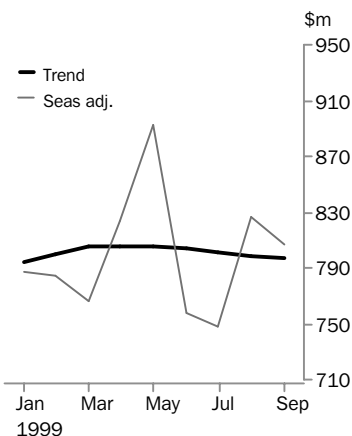
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## SEPTEMBER KEY FIGURES

### Personal finance



### Lease finance



### TREND ESTIMATES

	Aug 1999 \$m	Sep 1999 \$m	% change Aug 1999 to Sep 1999
Housing finance for owner occupation	5 958	5 979	0.3
Personal finance	4 058	4 081	0.6
Commercial finance	12 144	11 686	-3.8
Lease finance	799	797	-0.2

### SEASONALLY ADJUSTED

	Aug 1999 \$m	Sep 1999 \$m	% change Aug 1999 to Sep 1999
Housing finance for owner occupation	5 998	6 063	1.1
Personal finance	4 156	4 275	2.9
Commercial finance	11 908	10 962	-7.9
Lease finance	827	807	-2.5

## SEPTEMBER KEY POINTS

### HOUSING FINANCE FOR OWNER OCCUPATION

- The trend estimate for the value of commitments for owner occupied housing increased by 0.3% to \$5 979 million in September 1999, with the rate of growth continuing to slow.
- Seasonally adjusted, the value of owner occupied housing finance rose by 1.1% in September 1999 to \$6 063 million, exceeding last month's series high.

### PERSONAL FINANCE

- The trend series for total personal finance commitments increased by 0.6% in September 1999 to \$4 081 million.
- The seasonally adjusted estimate increased by 2.9% to \$4 275 million in September due to the strength of the increase in revolving credit commitments, up 4.3%.

### COMMERCIAL FINANCE

- The trend estimate of commercial finance commitments fell by 3.8% in September 1999 reflecting falls in both revolving credit and fixed lending commitments of 5.2% and 2.5% respectively.

### LEASE FINANCE

- The trend series for lease finance continued to show little change while the seasonally adjusted estimate fell by 2.5% to \$807 million.

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

# NOTES

## FORTHCOMING ISSUES

<i>ISSUE</i>	<i>RELEASE DATE</i>
October 1999	10 December 1999
November 1999	25 January 2000
December 1999	17 February 2000
January 2000	13 March 2000
February 2000	11 April 2000
March 2000	17 May 2000

## CHANGES IN THIS ISSUE

There have been significant downward revisions to the estimates for all banks and total lender series in most States and Territories for secured revolving personal finance commitments for the period April 1999 to June 1999.

W. McLennan  
Australian Statistician

## SUMMARY OF FINDINGS

### HOUSING FINANCE FOR OWNER OCCUPATION

The trend series for the value of commitments for owner occupied housing finance increased by 0.3% in September 1999, with the rate of growth continuing to slow.

Seasonally adjusted, the estimate of the value of commitments rose by 1.1% in September 1999 to \$6 063 million, exceeding last month's series high. Caution should be exercised when interpreting this estimate since, for some housing loan products, there is an increasing tendency to include components of finance for non-housing purposes.

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

### PERSONAL FINANCE

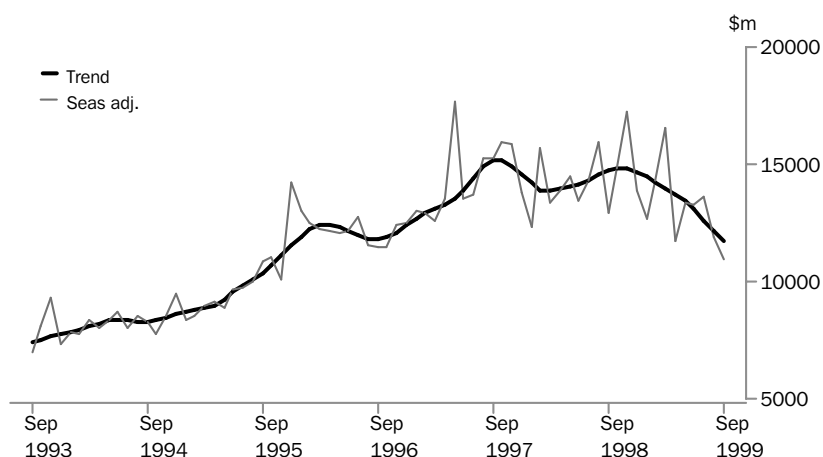
The trend series for total personal finance commitments increased by 0.6% to \$4 081 million. The growth of 2.9% (or \$119 million to a total of \$4 275 million) in the seasonally adjusted series in September was enough to reverse the previously published decline in the trend series in August.

The increase in total commitments can be attributed to robust growth in new revolving credit commitments, which saw trend series growth of 1.0% and an increase of 4.3% (or \$104 million) in the seasonally adjusted series, to a total of \$2 528 million. The trend series for fixed lending commitments was flat at \$1 739 million, with the seasonally adjusted estimate increasing by just 0.9% (or \$15 million) to \$1 747 million.

### COMMERCIAL FINANCE

The trend series continued its accelerating decline with a fall of 3.8% in total commercial finance commitments in September 1999 to \$11 686, the lowest observation since December 1995. The trend series for revolving credit commitments fell sharply by 5.2% to \$5 266 million, with fixed lending commitments continuing to decline, down 2.5% to \$6 420 million. While the rate of decline in the fixed lending trend series has stabilised, the rate of decline in revolving credit commitments continues to increase strongly, with downward revisions to the previously published trend series showing accelerating decline in revolving credit commitments.

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



### LEASE FINANCE

The trend series for lease finance continued to show little change, remaining close to \$800 million, as it has for all of 1999. The trend estimate for September 1999 was \$797 million, a fall of 0.2%, with the seasonally adjusted estimate falling by 2.5% to \$807 million.

## 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>1998</b>									
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	7 261	6 352	13 612	720
November	4 966	219	1 739	1 952	3 691	7 901	7 732	15 634	704
December	4 964	218	1 736	2 175	3 911	8 623	7 344	15 967	902
<b>1999</b>									
January	4 010	184	1 606	1 645	3 251	5 129	5 380	10 510	544
February	4 914	222	1 755	1 851	3 606	6 110	6 171	12 281	676
March	6 410	319	2 027	2 368	4 395	9 582	7 856	17 439	830
April	5 513	262	1 669	2 257	3 926	5 665	5 124	10 789	744
May	5 956	276	1 732	2 252	3 984	7 202	5 467	12 669	863
June	6 282	280	1 952	2 658	4 610	10 531	7 245	17 776	1 188
July	5 894	248	1 762	2 354	4 116	6 626	7 955	14 580	852
August	6 073	258	1 698	2 529	4 228	6 207	5 041	11 247	764
September	6 338	282	1 799	2 623	4 421	7 118	4 412	11 529	785
Seasonally Adjusted									
<b>1998</b>									
September	4 417	n.a.	1 689	1 835	3 524	6 615	6 307	12 922	754
October	4 579	n.a.	1 796	1 933	3 729	7 756	7 037	14 793	775
November	4 948	n.a.	1 822	1 949	3 771	8 610	8 591	17 201	789
December	5 078	n.a.	1 729	2 036	3 765	7 240	6 676	13 916	819
<b>1999</b>									
January	5 156	n.a.	1 813	2 104	3 917	6 947	5 700	12 647	787
February	5 059	n.a.	1 780	2 286	4 066	7 327	7 026	14 353	784
March	5 625	n.a.	1 745	2 475	4 220	8 843	7 696	16 539	766
April	5 702	n.a.	1 816	2 456	4 272	6 783	4 932	11 715	824
May	5 947	n.a.	1 747	2 261	4 008	7 286	6 111	13 397	893
June	5 864	n.a.	1 697	2 346	4 043	7 402	5 876	13 278	758
July	5 664	n.a.	1 775	1 979	3 754	6 092	7 493	13 585	748
August	5 998	n.a.	1 732	2 424	4 156	6 616	5 292	11 908	827
September	6 063	n.a.	1 747	2 528	4 275	6 721	4 241	10 962	807
Trend									
<b>1998</b>									
September	4 585	n.a.	1 744	1 809	3 553	7 532	7 238	14 770	775
October	4 667	n.a.	1 753	1 878	3 631	7 517	7 303	14 820	782
November	4 798	n.a.	1 767	1 970	3 737	7 548	7 248	14 796	785
December	4 964	n.a.	1 781	2 076	3 857	7 593	7 080	14 673	788
<b>1999</b>									
January	5 156	n.a.	1 787	2 187	3 974	7 632	6 815	14 447	794
February	5 343	n.a.	1 783	2 280	4 063	7 625	6 579	14 204	800
March	5 512	n.a.	1 774	2 335	4 109	7 545	6 425	13 970	805
April	5 651	n.a.	1 764	2 345	4 109	7 407	6 316	13 723	806
May	5 763	n.a.	1 756	2 326	4 082	7 233	6 243	13 476	806
June	5 846	n.a.	1 748	2 305	4 053	6 998	6 086	13 084	804
July	5 906	n.a.	1 743	2 302	4 045	6 769	5 849	12 618	801
August	5 958	n.a.	1 740	2 318	4 058	6 587	5 557	12 144	799
September	5 979	n.a.	1 739	2 342	4 081	6 420	5 266	11 686	797

(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.

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## 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>1998</b>										
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	121	3 691
December	4 219	187	318	240	4 964	2 865	294	624	128	3 911
<b>1999</b>										
January	3 334	150	326	200	4 010	2 359	240	539	114	3 251
February	4 092	193	399	229	4 914	2 649	270	562	125	3 606
March	5 394	231	498	287	6 410	3 280	313	663	139	4 395
April	4 643	188	442	240	5 513	2 965	272	564	125	3 926
May	5 053	181	473	250	5 956	2 979	271	604	131	3 984
June	5 292	215	506	270	6 282	3 575	275	615	145	4 610
July	4 951	199	495	249	5 894	3 123	257	575	161	4 116
August	5 064	222	543	244	6 073	3 254	254	576	144	4 228
September	5 253	236	598	251	6 338	3 414	267	554	186	4 421

(a) Excludes alterations and additions.

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## 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>1998</b>										
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	1 094	355	762	13 612	254	151	287	27	720
November	11 841	2 285	445	1 063	15 634	280	138	266	20	704
December	13 219	1 700	436	611	15 967	373	164	325	40	902
<b>1999</b>										
January	8 823	975	338	374	10 510	204	100	217	23	544
February	9 571	1 745	352	613	12 281	291	92	266	27	676
March	15 590	812	456	580	17 439	341	129	348	12	830
April	9 425	560	329	475	10 789	284	134	309	17	744
May	10 911	784	324	650	12 669	345	130	353	35	863
June	16 097	624	332	723	17 776	475	196	454	62	1 188
July	12 560	1 134	268	618	14 580	305	138	344	66	852
August	9 777	514	354	602	11 247	258	125	302	78	764
September	10 150	480	367	533	11 529	293	113	283	96	785

(a) Includes money market corporations.

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## PERSONAL FINANCE COMMITMENTS, Fixed Loan Facilities: Original

Month	New motor cars and station wagons \$m	Used motor cars and station wagons \$m	Total motor vehicles(a) \$m	Individual residential blocks of land \$m	Unsecured owner occupied housing finance(b) \$m	Debt consolidation \$m	Refinancing \$m	Other(c) \$m	Total \$m
<b>1998</b>									
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	763	125	47	138	223	443	1 739
December	275	441	771	114	46	138	212	455	1 736
<b>1999</b>									
January	235	427	716	89	37	129	205	431	1 606
February	257	434	745	119	44	152	220	475	1 755
March	307	491	860	144	49	187	231	555	2 027
April	268	414	737	110	40	147	200	435	1 669
May	278	456	805	123	41	137	223	403	1 732
June	297	471	838	133	43	154	242	543	1 952
July	287	478	821	117	42	140	209	433	1 762
August	274	473	804	116	39	132	209	399	1 698
September	292	486	839	114	43	137	215	451	1 799

(a) Includes motor cycles and other motor vehicles.

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

(b) Includes alterations and additions.

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## PERSONAL FINANCE COMMITMENTS, Revolving Credit Facilities: Original

Month	NEW AND INCREASED CREDIT LIMITS			Cancellations and reductions \$m	CREDIT LIMITS AT END OF MONTH.....	
	Secured \$m	Unsecured \$m	Total \$m		Total available \$m	Used \$m
<b>1998</b>						
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	867	2 175	532	71 108	31 908
<b>1999</b>						
January	954	691	1 645	781	72 072	32 273
February	1 079	772	1 851	509	73 425	32 798
March	1 385	982	2 368	519	75 306	33 631
April	1 103	1 155	2 257	776	76 477	33 671
May	1 103	1 149	2 252	549	77 559	33 882
June	1 491	1 167	2 658	592	79 513	35 105
July	1 262	1 092	2 354	806	82 165	36 086
August	1 260	1 270	2 529	567	84 134	36 977
September	1 418	1 204	2 623	503	86 429	37 807

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## 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>1998</b>									
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	622	150	586	2 784	7 261	8 545
November	514	2 261	886	621	135	1 102	2 382	7 901	9 343
December	710	2 372	582	686	159	1 387	2 727	8 623	8 768
<b>1999</b>									
January	465	1 768	228	495	160	417	1 597	5 129	8 766
February	578	2 136	387	592	128	1 038	1 250	6 110	9 014
March	943	2 677	527	718	133	1 491	3 093	9 582	9 296
April	555	2 228	201	549	141	406	1 584	5 665	8 772
May	830	2 469	224	633	121	666	2 259	7 202	8 780
June	693	2 979	314	738	102	1 705	4 000	10 531	9 850
July	818	2 594	145	632	94	574	1 771	6 626	9 284
August	788	2 707	97	569	110	577	1 359	6 207	9 569
September	838	2 724	170	764	119	612	1 891	7 118	10 169

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## REVOLVING COMMERCIAL FINANCE AND LEASE FINANCE COMMITMENTS: Original

Month	REVOLVING CREDIT FACILITIES.....				LEASE FINANCE FACILITIES..		
	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>1998</b>							
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	720	298	
November	7 732	4 708	216 090	124 224	704	294	
December	7 344	5 802	217 221	126 466	902	329	
<b>1999</b>							
January	5 380	5 070	206 934	119 087	544	310	
February	6 171	4 227	208 708	119 541	676	314	
March	7 856	6 715	209 866	119 902	830	332	
April	5 124	4 624	211 322	118 870	744	329	
May	5 467	4 598	212 423	120 846	863	286	
June	7 245	7 751	204 899	117 191	1 188	163	
July	7 955	8 385	206 909	115 046	852	362	
August	5 041	5 413	206 346	115 883	764	306	
September	4 412	5 111	205 574	116 497	785	285	

## 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>1998</b>											
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	730	236	3 242	757	218	17	29	254	1 550	281	7 313
<b>1999</b>											
January	561	169	2 656	625	184	14	23	172	1 218	186	5 807
February	750	213	3 158	793	222	18	26	204	1 487	220	7 091
March	1 001	263	4 153	993	319	20	30	264	1 889	262	9 194
April	826	223	3 640	824	262	15	24	294	1 574	231	7 915
May	876	235	3 972	873	276	16	26	329	1 788	271	8 662
June	949	258	4 093	982	280	17	26	328	2 016	348	9 297
July	885	244	3 899	866	248	17	24	391	1 786	262	8 623
August	950	223	3 957	944	258	15	24	390	1 851	276	8 888
September	998	245	4 146	950	282	15	27	258	1 853	265	9 039

(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>1998</b>								
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	763	354	385	1 501
December	275	441	16	39	771	401	445	1 618
<b>1999</b>								
January	235	427	21	34	716	308	310	1 334
February	257	434	16	38	745	323	357	1 425
March	307	491	17	45	860	392	456	1 708
April	268	414	15	41	737	324	427	1 488
May	278	456	26	45	805	349	459	1 613
June	297	471	15	55	838	438	600	1 876
July	287	478	15	41	821	352	454	1 627
August	274	473	16	40	804	344	405	1 552
September	292	486	17	45	839	361	356	1 556

(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>1998</b>								
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	252	70	40	10	43	13	17	445
<b>1999</b>								
January	177	53	25	6	24	10	15	310
February	204	62	35	9	20	11	16	357
March	248	74	49	11	37	14	23	456
April	238	71	33	8	28	29	20	427
May	257	77	36	9	43	19	18	459
June	327	96	62	13	53	20	29	600
July	248	73	45	10	39	16	22	454
August	224	72	31	7	43	12	17	405
September	201	52	30	7	32	17	16	356

## 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>1998</b>					
July	63	287	350	399	749
August	146	142	288	308	596
September	62	288	350	356	707
October	38	260	298	334	632
November	48	220	267	319	587
December	55	229	284	457	741
<b>1999</b>					
January	25	162	187	234	420
February	63	207	270	319	588
March	43	283	327	374	701
April	41	185	226	317	542
May	55	228	283	404	687
June	62	238	300	588	888
July	76	204	279	399	678
August	43	182	225	359	584
September	60	343	403	429	832

(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>1998</b>									
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	43	76	48	26	42	334
November	13	22	32	43	83	48	28	50	319
December	13	30	55	99	101	58	36	65	457
<b>1999</b>									
January	6	21	26	27	52	48	18	36	234
February	12	29	33	68	59	48	22	48	319
March	13	38	55	54	89	38	27	60	374
April	11	31	46	48	73	39	30	39	317
May	23	40	67	58	98	48	23	47	404
June	21	53	87	108	135	65	36	84	588
July	45	24	37	50	117	56	26	43	399
August	7	28	37	57	106	54	26	43	359
September	8	30	34	88	136	53	22	57	429

(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.

## EXPLANATORY NOTES

- SEASONAL ADJUSTMENT *continued*
- 10** There is some evidence that a change may be occurring in the seasonal patterns of both the fixed and revolving credit components of the commercial finance series. When changes are occurring in the seasonal patterns, larger revisions to the seasonally adjusted series can be expected at the time of the annual seasonal re-analysis. A number of years of data is required before changes in seasonal patterns are fully reflected in the seasonally adjusted series. In these circumstances, especially, the trend estimate is a more reliable indicator of underlying movements in the series, although it should be recognised that the more volatile the seasonally adjusted series, the larger the monthly revisions which can be expected in the most recently published trend series estimates.
- 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*.

# EXPLANATORY NOTES



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 include, but are not restricted to, those lenders who, Australia wide during the calendar year 1998, committed funds of more than: <ul style="list-style-type: none"><li>▪ \$103 million for Secured housing finance for owner-occupation; or</li><li>▪ \$74 million for Personal finance; or</li><li>▪ \$550 million for Commercial finance; or</li><li>▪ \$62 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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