

CHAPTER 21

PRIVATE FINANCE

This chapter contains statistics on the activities and structure of financial institutions including banks, building societies, insurance companies, finance companies, credit unions and co-operative societies together with descriptions of their operations and relevant controlling legislation.

MONEY

Currency

Australia has a decimal system of currency, the unit being the dollar which is divided into 100 cents. Australian notes are issued in the denominations of \$1, \$2, \$5, \$10, \$20 and \$50 and coins in the denominations of 1c, 2c, 5c, 10c, 20c and 50c.

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

AUSTRALIAN NOTES ON ISSUE (\$ million)

	<i>Last Wednesday in June</i>					
	1977	1978	1979	1980	1981	1982
\$1	57.4	60.8	64.7	68.6	74.1	78.8
\$2	133.0	136.0	140.6	145.1	152.7	158.4
\$5	121.8	126.7	135.5	143.2	153.9	165.6
\$10	628.8	604.5	582.4	567.6	555.9	546.7
\$20	1,489.0	1,620.5	1,756.4	1,903.9	2,060.0	2,169.8
\$50	860.8	1,121.7	1,427.7	1,757.8	2,190.7	2,718.2
Total	3,290.8	3,670.2	4,107.4	4,586.1	5,187.3	5,837.5
<i>Held by banks</i>	<i>378.1</i>	<i>413.1</i>	<i>451.1</i>	<i>500.9</i>	<i>578.1</i>	<i>677.4</i>
<i>Held by public</i>	<i>2,912.8</i>	<i>3,257.1</i>	<i>3,656.3</i>	<i>4,085.2</i>	<i>4,609.2</i>	<i>5,160.1</i>

AUSTRALIAN DECIMAL COIN: NET ISSUES BY RESERVE BANK (\$ million)

	<i>Last Wednesday in June</i>					
	1977	1978	1979	1980	1981	1982
1c	1.3	1.3	1.2	1.3	1.5	1.1
2c	2.1	2.4	1.9	2.4	2.9	2.0
5c	2.8	2.9	3.4	4.4	5.1	4.3
10c	3.2	3.5	3.7	4.9	5.8	5.5
20c	6.8	7.4	8.2	11.8	14.8	14.8
50c	11.0	15.4	10.0	12.3	12.1	18.4
Total	27.2	32.9	28.4	37.0	42.1	46.2

Volume of money

Statistics of the volume of money in the following table include notes and coins in the hands of the public, deposits of the public with trading banks (including the Reserve Bank) and deposits with all savings banks.

The volume of money is a measure of specified financial assets held by the non-bank public.

The financial assets included in the volume of money in the following table represent only part (albeit a major part) of the public's total holdings of liquid financial assets. An expanded view of the volume of money would include the public's holdings of such other claims as finance company debentures, deposits and shares of building societies, loans to authorised dealers in the short-term money market, government securities, etc.

VOLUME OF MONEY

(Source: Reserve Bank of Australia)

(\$ million)

Average of weekly figures for June	Notes and coins in the hands of public	Deposits of public with all trading banks			Certificates of deposit(b)	Deposits with all savings banks(c)	Total volume of money
		Current(a)	Fixed(a)				
1977	3,157	7,220	8,778	912	16,197	36,264	
1978	3,542	7,724	9,314	718	17,854	39,151	
1979	3,963	9,183	10,449	529	19,654	43,777	
1980	4,420	10,423	10,243	3,012	21,061	49,159	
1981	4,977	11,650	13,767	1,966	23,028	55,387	
1982	5,570	11,330	16,948	3,024	24,800	61,671	

(a) Excludes deposits of the Commonwealth and State Governments and inter-bank deposits. (b) Excludes holdings of the Commonwealth and State Governments and banks. (c) Interpolated 'weekly average' based on end-of-month figures.

FINANCIAL REGULATION

Commonwealth legislation for economic management

With Federation in 1901 the new Commonwealth Parliament was given power under Section 51 of the Commonwealth Constitution to legislate with respect to 'Banking, other than State Banking, also State Banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money'. In 1911 the Commonwealth entered the field of banking with the establishment of the Commonwealth Bank of Australia, which conducted both trading bank and savings bank operations.

From 1911 to 1945 the functions of central banking became more and more the responsibility of the Commonwealth Bank and in 1945 the Commonwealth Parliament directed it to act as a central bank. In the ensuing period of economic growth and financial development, the need for effective regulatory control of finance through banks became increasingly recognised. During 1959 the Commonwealth Parliament enacted the following legislation:

- (a) The *Banking Act* 1959 which applies to all banks operating in Australia, including the external territories of the Commonwealth, except State banks trading in their own State. The objects of the Act are:
- (i) to provide a legal framework uniform throughout Australia for regulating the banking system;
 - (ii) to safeguard depositors of the banks from loss;
 - (iii) to provide for the co-ordination of banking policy under the direction of the Reserve Bank;
 - (iv) to control the volume of credit in circulation and bank interest rates; and
 - (v) to provide machinery for the control of foreign exchange.
- (b) The *Reserve Bank Act* 1959 which provides for the constitution and management of the Reserve Bank of Australia, the administration of the *Banking Act* 1959 and the management of the Australian note issue.
- (c) The *Commonwealth Banks Act* 1959 which provides for the constitution and management of the Commonwealth Banking Corporation, Commonwealth Trading Bank of Australia, Commonwealth Savings Bank of Australia, and the Commonwealth Development Bank of Australia.

Information on more specific aspects of the growth and control of the banking industry is contained in earlier issues of the Year Book (Nos. 31, 37, 45, 46 and 61).

More recently, as a result of the further development of the financial market and the increasing significance in the market of the non-bank financial institutions such as finance companies, building societies and money market dealers, the *Financial Corporations Act* 1974 was introduced. The object of this Act is to assist the Government to achieve effective management of the Australian economy by providing a means for the examination and regulation of the activities of non-bank financial institutions having regard to economic stability, the maintenance of full employment, the efficient allocation of productive resources, the ensuring of adequate levels of finance for housing and the economic prosperity and welfare of the people of Australia. Details of the operation and application of the Act are given in Year Book No. 62, page 541.

Other Commonwealth legislation directly affecting financial institutions

Insurance. Section 51 of the Commonwealth Constitution confers the necessary powers on the Commonwealth Parliament to legislate with respect to 'insurance, other than State insurance; also State insurance extending beyond the limits of the State concerned'. Commonwealth legislation includes the *Marine Insurance Act 1909* defining the limits of marine insurance and regulating the terms of contracts, etc.; the *Life Insurance Act 1945* generally regulating life insurance business in Australia; and the *Insurance Act 1973* generally regulating general (non-life) insurance business in Australia. The *Marine Insurance Act 1909* has limited application.

Life Insurance Act 1945. The objects of this Act are:

- (a) to replace all State legislation on the subject of life insurance except that relating to the life insurance operations of State government insurance offices within the State concerned, and to provide uniform legislation for the whole of Australia;
- (b) to appoint a Life Insurance Commissioner to exercise active supervision of the activities of life insurance companies, with a view to securing the greatest possible protection for policy holders; and
- (c) to set up adequate machinery for dealing with any company that fails to maintain a required minimum standard of solvency.

The Act came into operation on 20 June 1946. The Life Insurance Commissioner issues an annual report which contains detailed information on the operations of life insurance companies.

Insurance Act 1973. The objects of this Act are:

- (a) to appoint an Insurance Commissioner to exercise active supervision of the activities of companies conducting general (non-life) insurance business, apart from State government insurance whether or not extending beyond the limits of the State concerned and other organisations specified in the Act, with a view to securing the greatest possible protection for policy holders; and
- (b) to set up adequate machinery for dealing with any company that fails to maintain a required minimum standard of solvency.

The Act came into operation on 19 June 1973. The Insurance Commissioner issues an annual report which contains detailed information on the operations of insurance companies.

State legislation

In each State there exists legislation designed to regulate the activities and monitor the solvency position of particular types of financial institutions which operate on a co-operative basis and lend predominantly to members or consumers. In general, they form the groups covered later in this chapter under the headings of Permanent Building Societies, Terminating Building Societies and Credit Unions.

In some States there is also legislation for the incorporation of State government bodies which operate as banks or insurance offices. Though the regulations in Commonwealth legislation do not directly apply to these bodies, details of their operations have been included in the relevant parts of this chapter because they have agreed to supply information consistent with regulatory reports on a voluntary basis.

BANKS**Reserve Bank of Australia**

The Reserve Bank of Australia preserved and continued in existence the original corporate body known as the Commonwealth Bank of Australia under the new name Reserve Bank of Australia.

The general functions of the Reserve Bank are set out in Section 10 of the *Reserve Bank Act 1959*, which states:

'It is the duty of the Board, within the limits of its powers, to ensure that the monetary and banking policy of the Bank is directed to the greatest advantage of the people of Australia and that the powers of the Bank under this Act, the *Banking Act 1959*, and regulations under that Act are exercised in such a manner as, in the opinion of the Board, will best contribute to:

- (a) the stability of the currency of Australia;
- (b) the maintenance of full employment in Australia; and
- (c) the economic prosperity and welfare of the people of Australia'.

Management

The policy of the Reserve Bank is determined by a Board consisting of the Governor (Chairman), the Deputy Governor, the Secretary to the Treasury, and seven other members appointed by the

Governor-General. The Bank is managed by the Governor, who acts in accordance with the policy of the Board and with any directions of the Board. The Bank is required to inform the Government of the monetary and banking policy of the Board. In the event of a disagreement between the Government and the Board as to whether the monetary and banking policy of the Bank is directed to the greatest advantage of the people of Australia, the Governor-General, acting with the advice of the Executive Council, may determine the policy to be adopted by the Bank.

Central Banking Business

Under the *Commonwealth Bank Act* 1911 and the war-time powers conferred by the National Security Regulations, the Commonwealth Bank gradually assumed the functions of a Central Bank. Part III of the *Commonwealth Bank Act* 1945 formally constituted the Bank as a Central Bank and granted the necessary powers to carry on the business of a Central Bank, these powers being carried through into the present Act constituting the Reserve Bank.

Note Issue Department

The Note Issue Department, established in 1920 when the control of the Australian note issue was transferred from the Commonwealth Treasury to the Commonwealth Bank, was maintained in the same form under the *Reserve Bank Act* 1959. The Reserve Bank may, through this Department, issue, re-issue and cancel Australian notes.

Rural Credits Department

The Rural Credits Department, established in 1925 for the purpose of making short-term credit available for the orderly marketing of primary produce, was continued in the same form under the *Reserve Bank Act* 1959. The Reserve Bank may, through this Department, make advances upon the security of primary produce placed under the legal control of the Bank, or other security associated with the production or marketing of primary produce, to co-operative associations or marketing boards formed under the laws of the Commonwealth or a State or Territory of the Commonwealth or other bodies specified by proclamation. The period of the advance is not to exceed one year.

RESERVE BANK OF AUSTRALIA: LIABILITIES AND ASSETS (\$ million)

LIABILITIES

30 June—	Capital and reserve funds	Special reserve— IMF special drawing rights	Australian notes on issue	Deposits of trading banks		Deposits of savings banks	All other liabilities	Total
				Statutory reserve deposit accounts	Other			
1977	137.3	218.2	3,319.3	1,584.4	29.5	1,055.7	1,765.4	8,109.9
1978	1,189.3	218.3	3,688.1	726.7	10.7	1,122.6	1,723.0	8,678.8
1979	1,953.5	321.3	4,113.3	1,115.5	21.0	815.7	1,906.2	10,246.5
1980	4,061.8	389.6	4,549.3	1,376.1	9.6	553.3	1,067.5	12,007.1
1981	3,160.8	388.1	5,094.1	1,846.1	9.0	128.8	1,252.9	11,879.8
1982	2,556.9	352.3	5,837.5	2,118.4	23.0	195.3	1,663.6	12,746.9

ASSETS

30 June—	Gold and foreign exchange (a)	Australian Government securities (b)	Loans, advances, bills discounted	Bank premises (c)	All other assets	Total
1978	3,047.6	4,365.8	707.0	72.5	485.8	8,678.8
1979	3,706.8	5,173.2	613.6	89.9	663.0	10,246.5
1980	5,504.3	5,197.6	608.3	112.1	584.8	12,007.1
1981	5,454.4	4,728.1	837.3	149.2	710.8	11,879.8
1982	6,518.5	4,771.2	573.0	160.3	723.9	12,746.9

(a) Includes currency at short call and International Monetary Fund drawing rights. (b) Includes Treasury bills and Treasury notes. (c) At cost, less amounts written off.

Trading banks

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

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

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

Liabilities and assets

Balance sheet information contained in the following table does not relate to uniform accounting periods but rather to the balance dates of banks within the years shown.

AUSTRALIAN TRADING BANKS(a): LIABILITIES AND ASSETS(b)
(\$ million)

LIABILITIES								
	Paid-up capital	Reserve funds (used in business of banks)(c)	Final dividend proposed	Balance of profit and loss account	Total shareholders' funds(c)	Balances due to other banks	Deposits, bills payable and other liabilities(d)	Total
1976	450.4	539.0	30.8	58.1	1,078.3	1,220.3	24,077.0	26,375.6
1977	529.7	663.3	37.1	72.9	1,303.0	1,741.9	26,286.1	29,331.1
1978	594.6	796.7	42.7	104.1	1,538.0	2,356.2	28,697.7	32,591.9
1979	692.9	1,203.5	55.6	145.6	2,097.6	2,914.0	33,511.1	38,522.7
1980	769.6	1,450.3	69.8	201.5	2,491.2	3,488.6	38,593.4	44,573.2
1981	859.3	1,719.1	89.6	304.3	2,972.4	4,217.6	45,661.5	52,851.5

ASSETS									
	Coin, bullion, notes and cash at Reserve Bank	Australian public securities				Local and semi-government securities	Other public securities	Loans to authorised dealers in short-term money market	Total
		Money at short call overseas	Australian Government		Other securities				
			Treasury bills and notes	Other securities					
1976	345.8	58.4	313.5	3,737.4	90.0	220.6	509.1	543.8	
1977	338.2	82.4	93.3	3,531.5	117.3	197.1	630.8	368.5	
1978	357.6	144.3	192.3	3,874.5	143.6	440.9	698.5	693.2	
1979	368.7	162.6	154.5	4,156.5	183.9	419.5	892.8	580.0	
1980	523.9	270.0	284.3	4,270.6	315.3	277.1	1,227.6	624.0	
1981	576.9	169.8	693.2	4,597.6	329.4	222.5	1,565.7	454.6	

	Statutory reserve deposit account with Reserve Bank	Cheques and bills of, and balances with and due from other banks	Loans, advances and bills discounted	Bank premises, furniture and sites	Bills receivable and remittances in transit	All other assets	Total
1977	1,293.2	1,444.9	17,182.8	445.2	1,896.7	1,709.0	29,331.1
1978	666.6	1,534.9	18,768.2	504.2	2,173.7	2,399.3	32,591.9
1979	1,102.5	2,424.2	21,509.3	554.3	2,414.0	3,599.8	38,522.7
1980	1,373.6	2,771.9	24,705.7	595.8	1,841.2	5,492.2	44,573.2
1981	1,826.0	3,190.4	29,376.9	700.2	2,077.8	7,070.6	52,851.5

(a) Excludes the overseas banks but includes the deposits and assets held against the deposits of the Savings Bank Division of the Rural and Industries Bank of Western Australia. (b) Relates to liabilities and assets both inside and outside Australia. (c) Includes inner reserves from 1979. (d) Includes inner reserves to 1978.

Figures shown in the table below are the average of liabilities and assets within Australia (including external territories) of the banks on the weekly balance days (Wednesdays) during the period concerned.

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

LIABILITIES(a)(b)

June	<i>Deposits repayable in Australia</i>						Total
	Fixed	<i>Current</i>		Total	Balances due to other banks	Bills payable and all other liabilities to the public	
		Bearing interest	Not bearing interest				
1977	11,464.7	990.2	6,634.2	19,089.1	607.9	2,358.0	22,055.0
1978	11,596.0	1,045.0	7,105.3	19,746.2	682.8	2,907.5	23,336.6
1979	12,577.3	1,159.8	8,441.8	22,178.9	900.4	4,347.9	27,427.1
1980	14,755.5	1,247.7	9,639.9	25,643.2	790.0	5,555.3	31,988.5
1981	17,187.8	1,218.4	10,899.7	29,305.9	827.2	7,302.9	37,436.0
1982	21,613.8	1,243.4	10,633.4	33,490.7	1,173.8	11,243.9	45,908.4

ASSETS(b)

June	Coin, bullion, notes and cash at Reserve Bank	<i>Australian Government securities</i>		Local and semi-government securities	Loans to authorised dealers in short-term money market	Statutory reserve deposit account with Reserve Bank	Loans, advances and bills discounted	All other assets	Total
		Treasury bills and notes	Other securities						
1977	380.0	78.8	3,567.9	46.1	144.4	1,704.2	14,006.0	3,203.4	23,130.7
1978	409.4	97.9	3,609.1	45.1	190.9	734.0	15,683.1	3,920.2	24,689.7
1979	435.3	204.4	3,951.2	71.8	265.3	1,125.5	17,653.3	5,443.4	29,150.2
1980	485.6	182.8	4,118.1	205.1	384.3	1,385.6	20,385.7	6,928.5	34,075.7
1981	550.4	840.0	4,416.8	219.8	264.7	1,852.6	22,998.4	8,708.4	39,851.1
1982	641.9	502.1	4,984.5	239.8	336.3	2,113.1	26,214.3	13,123.4	48,155.6

(a) Excludes shareholders' funds.

(b) Excludes inter-branch accounts and contingencies.

Major trading banks: classification of advances and deposits

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

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

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

Residents are further classified into:

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

Public authorities—local and semi-government authorities including separately constituted government business undertakings, but not the Commonwealth and State Governments.

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

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

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

	<i>Advances</i>				<i>Deposits</i>			
	<i>At second Wednesday of:</i>				<i>At second Wednesday of:</i>			
	<i>July 1980</i>	<i>January 1981</i>	<i>July 1981</i>	<i>January 1982</i>	<i>July 1980</i>	<i>January 1981</i>	<i>July 1981</i>	<i>January 1982</i>
Residents—								
Businesses								
Agriculture, grazing and dairying	2,102.5	2,167.9	2,528.5	2,513.1	1,448.1	2,123.1	1,481.4	2,112.3
Manufacturing	2,282.6	2,097.6	2,196.3	2,313.2	558.5	640.3	665.7	715.4
Transport, storage and communication	312.7	317.3	377.4	399.4	190.7	214.1	222.7	247.0
Finance	960.1	908.4	907.8	986.4	1,073.7	1,030.7	1,219.6	1,496.7
Commerce	2,010.1	2,009.3	2,142.3	2,184.5	877.0	1,088.2	1,038.0	1,210.4
Building and construction	514.3	526.0	558.9	524.0	405.7	487.8	505.4	544.8
Other businesses	2,470.1	2,701.2	2,669.1	2,861.9	2,239.3	2,474.9	2,919.3	2,893.8
Unclassified	326.7	343.9	377.7	469.5	478.6	456.9	527.0	736.3
<i>Total business</i>	<i>10,979.1</i>	<i>11,071.7</i>	<i>11,758.0</i>	<i>12,252.0</i>	<i>7,271.5</i>	<i>8,516.1</i>	<i>8,579.2</i>	<i>9,956.5</i>
of which—								
Companies	6,362.1	6,335.6	6,680.9	7,146.2	3,145.1	3,592.2	4,065.0	4,382.5
Other	4,617.1	4,736.1	5,077.1	5,105.8	4,126.4	4,923.8	4,514.1	5,574.0
Public authorities	127.2	165.3	164.2	237.7	1,094.6	1,092.2	1,664.8	1,719.2
Persons	6,612.1	7,112.9	7,931.0	8,553.8	9,382.4	11,002.4	12,217.6	13,165.8
Non-profit organisations	156.8	169.3	164.2	186.6	855.4	808.6	988.6	977.8
<i>Total residents</i>	<i>17,875.3</i>	<i>18,519.3</i>	<i>20,017.5</i>	<i>21,230.1</i>	<i>18,603.9</i>	<i>21,419.3</i>	<i>23,450.2</i>	<i>25,819.3</i>
<i>Total non-residents</i>	<i>31.1</i>	<i>34.4</i>	<i>37.2</i>	<i>32.2</i>	<i>396.8</i>	<i>407.7</i>	<i>446.0</i>	<i>460.6</i>
Total	17,906.4	18,553.7	20,054.7	21,262.3	19,000.8	21,827.0	23,896.1	26,279.9

Interest rates

At 30 June 1982, the maximum rates of interest were: (i) on fixed deposits of less than \$50,000, for periods of 3 months and less than 6 months—13.00 per cent to 15.25 per cent, 6 months and less than 2 years—13.00 per cent to 15.00 per cent, 2 years and less than 4 years—13.00 per cent to 14.50 per cent; (ii) on fixed deposits of \$50,000 and over, 30 days to 4 years—not subject to maximum rate; (iii) on certificates of deposit of \$50,000 and over, 3 months to 4 years—not subject to maximum rate; (iv) on overdrafts under \$100,000—14.50 per cent; (v) on overdrafts over \$100,000—not subject to maximum rate; (vi) on personal loans—9.25 per cent to 9.75 per cent.

Branches and agencies

At 30 June 1982 the major trading banks operated 4,780 branches, and the other trading banks 384 branches. Of the total 5,164 branches, 2,808 were located in metropolitan areas. Trading bank facilities were also available at 1,051 agencies throughout Australia.

Debits to customers' accounts

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

<i>June</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>A.C.T.</i>	<i>Aust.</i>
1977	5,443.8	5,209.3	1,421.8	789.7	875.5	184.0	36.3	150.7	14,111.2
1978	7,316.5	5,552.6	1,528.1	846.8	1,079.7	190.9	35.7	246.0	16,796.3
1979	8,147.8	7,050.1	1,712.4	924.5	1,370.3	243.8	43.1	186.9	19,678.9
1980	10,516.4	7,854.9	2,108.4	1,021.0	1,498.7	268.0	76.1	240.0	23,583.6
1981	12,319.1	8,871.0	2,522.5	1,169.6	1,821.4	280.6	78.4	346.8	27,409.3
1982	17,918.1	13,027.4	3,448.5	1,700.0	2,501.2	334.4	96.2	567.7	39,593.4

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

Savings banks

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

All savings banks, including trustee savings banks but not State savings banks, are subject to the *Banking Act 1959*.

Liabilities and assets

Balance sheet information contained in the following table does not relate to uniform accounting periods but rather to the balance dates of banks falling within the years shown.

SAVINGS BANKS (a): LIABILITIES AND ASSETS (b)
(\$ million)

LIABILITIES								
	Paid-up capital	Reserve funds (used in the business of the bank) (c)	Balance of profit and loss account	Total share-holders' funds (c)	Depositors' balances	Balances due to other banks	Bills payable and all other liabilities (d)	Total
1976	49.0	262.0	14.1	325.1	14,956.3	65.2	633.5	15,980.1
1977	60.0	302.9	19.1	381.9	16,432.0	133.7	682.5	17,630.0
1978	60.0	370.8	22.6	453.4	18,078.7	86.1	751.4	19,369.6
1979	85.0	639.2	32.9	757.1	19,811.6	105.1	622.9	21,296.7
1980	92.0	737.2	41.8	871.1	21,276.8	110.4	732.4	22,990.7
1981	92.0	858.2	51.1	1,001.4	23,070.2	139.7	876.3	25,087.5
ASSETS								
	Coin, bullion, notes and deposits with Reserve Bank	Deposits in Australia with trading banks	Commonwealth and State Governments		Local and semi-government securities	Other securities		Total
			Treasury bills and notes	Other securities				
1976	1,099.3	314.4	48.6	2,896.5	3,898.6			55.8
1977	1,136.2	283.4	53.9	2,643.7	4,472.2			48.6
1978	1,146.9	218.4	97.1	2,514.5	4,899.8			54.5
1979	850.5	258.7	594.6	2,469.0	5,303.6			53.4
1980	616.6	252.2	1,070.6	2,112.9	5,662.8			56.8
1981	267.5	304.2	1,553.1	2,170.1	6,028.5			65.9
	Loans to authorised dealers in short-term money market	Cheques and bills of, and balances with and due from other banks (e)	Loans advances and bills discounted	Bank premises, furniture and sites	Bills receivable and remittances in transit	All other assets	Total	
1976	68.2	322.9	6,805.1	204.9	55.8	210.1		15,980.1
1977	67.9	300.1	8,056.5	240.6	81.3	245.6		17,630.0
1978	118.0	351.4	9,371.4	276.6	71.2	249.6		19,369.6
1979	137.5	372.8	10,614.1	317.8	47.5	277.4		21,296.7
1980	178.9	406.8	11,930.8	365.9	70.4	265.9		22,990.7
1981	133.4	381.1	13,384.7	409.8	62.5	326.7		25,087.5

(a) Excludes Savings Bank Division of the Rural and Industries Bank of Western Australia. (b) This table relates to liabilities and assets both inside and outside Australia. (c) Includes inner reserves from 1979. (d) Includes inner reserves to 1978. (e) Includes deposits with and loans to specified lenders other than trading banks.

Branches and agencies

At 30 June 1982 the savings banks operated 5,703 branches and 12,011 agencies, of which 3,194 branches and 5,697 agencies were in metropolitan areas.

Development banks**Commonwealth Development Bank of Australia**

The Commonwealth Development Bank of Australia was established by the *Commonwealth Banks Act* 1959 and commenced operations on 14 January 1960. It was formed basically from an amalgamation of the Mortgage Bank and Industrial Finance Departments of the former Commonwealth Bank of Australia. The functions of the Development Bank are to provide finance for the purpose of primary production (which includes fishing, forestry and all forms of rural activity) and for the establishment or development of small business undertakings (i.e. with shareholders'/proprietors' funds not exceeding \$3 million) in cases where such finance is not otherwise available on reasonable and suitable terms and conditions.

Two types of facility are provided—loans over medium to long terms and equipment finance over short terms. Loans to primary industry may be for all types of farm development, property purchase and restructuring of private mortgage debt. Loans to small businesses may be for establishment of new enterprises or for development of existing businesses in all sectors including manufacturing, retail and wholesale trade, transport, tourism, professions, entertainment and service industries. Equipment finance is provided for the acquisition of plant and vehicles for both primary industry and business undertakings.

The Commonwealth Development Bank is managed by a General Manager under the Managing Director of the Commonwealth Banking Corporation and its policy is determined by the Board of that Corporation.

Australian Resources Development Bank Limited

The Australian Resources Development Bank Limited was established in 1967 with equity capital of \$3 million subscribed by the major trading banks. It was given the status of a bank under the *Banking Act* 1959 and opened for business on 29 March 1968. The main object of the Australian Resources Development Bank is to assist Australian enterprises to participate more fully in the development of Australia's natural resources. It provides finance to enterprises engaged in major developmental projects by direct loans, investing in equity capital or by refinancing loans made by trading banks acting individually or as a group. The Australian Resources Development Bank obtains funds by accepting deposits and by borrowing on the Australian and overseas capital markets.

The Primary Industry Bank of Australia Limited

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

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

The equity capital of the Bank is \$5,625,000 consisting of eight shares. Seven shares are held by the Commonwealth Government and the six major trading banks while the eighth share is held equally by the four State banks.

REGISTERED BUILDING SOCIETIES

Permanent building societies

A permanent building society is defined as an organisation that: (a) is registered under relevant State or Territory legislation; (b) has rules or regulations that do not specify that it is to terminate on a specific date or when a specific objective is achieved; and (c) operates on a co-operative basis by borrowing predominantly from its members and providing finance to its members principally in the form of housing loans.

In 1976 a statistical collection was introduced covering the financial accounts of permanent building societies in all States and Territories of Australia. The statistics below summarise information collected from the 128 permanent building societies balancing in the 1980-81 financial year. More detailed descriptions and dissections of these statistics may be found in the annual publication *Permanent Building Societies: Assets, Liabilities, Income and Expenditure, Australia* (5632.0).

Information relating to the housing finance operations of permanent building societies is provided on pages 582-3. Detailed statistics on the operations generally of permanent building societies are available in the monthly publication *Housing Finance for Owner Occupation, Permanent Building Societies, Australia* (5610.0).

Summary statistics on the financial operations, assets and selected liabilities of permanent building societies registered under the *Financial Corporations Act 1974*, and which have assets in Australia exceeding \$5 million, are given on pages 573-4.

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

Liabilities	1980-81	Assets	1980-81
Share capital and reserves:		Amount owing on loans	9,553.8
Non-withdrawable shares	26.8	Cash on hand	15.3
Withdrawable shares	8,286.5	Deposits with—	
Reserves—		Banks	879.1
Statutory	108.6	Other	222.6
Other (b)	135.0	Bills, bonds and other securities	1,155.6
Deposits	3,262.7	Accounts receivable	36.3
Loans	269.7	Physical assets	317.0
Accounts payable	47.9	Other assets	9.5
Other liabilities	52.0		
Total liabilities	12,189.2	Total assets	12,189.2

(a) At the balance dates of societies within the financial year shown. (b) Includes accumulated surpluses and deficits.

PERMANENT BUILDING SOCIETIES: INCOME AND EXPENDITURE (\$ million)

Expenditure	1980-81	Income	1980-81
Interest on:		Interest from:	
Shares	696.6	Loans	1,069.5
Deposits	289.6	Deposits	102.5
Loans	17.3	Income from holdings of securities	147.6
Wages and salaries	80.6	Management fees	17.6
Management fees (a)	33.6	Other income	19.9
Administrative expenses (b)	82.9		
Insurance premiums paid	2.2	Total income	1,357.1
Other expenditure	67.8		
Total expenditure	1,270.6		

(a) Represents payments made by societies to separate management companies. (b) Includes Permanent Building Society Association costs, advertising, bank charges and other administrative expenses.

Terminating building societies

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

In 1977 a statistical collection was introduced covering the financial accounts of terminating building societies in all States and Territories of Australia. The statistics below summarise information collected from the 6,532 terminating building societies balancing within the 1980-81 financial year. More detailed descriptions and dissections of these statistics may be found in the annual publication *Terminating Building Societies: Assets, Liabilities, Income and Expenditure, Australia* (5633.0).

Information relating to the housing finance operations of terminating building societies is provided on pages 582-3.

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

Liabilities	1980-81	Assets	1980-81
Share capital(b)	1.7	Amount owing on loans(b)	1,481.8
Accumulated funds(c)	26.8	Cash on hand and current accounts at banks	11.8
Loans from:		Deposits with:	
Banks	237.6	Banks	4.9
Commonwealth/State Home Builders' Fund(d)	919.1	Others	16.3
Others	323.9	Physical assets	0.2
Other liabilities	7.7	Other assets	1.8
Total liabilities	1,516.8	Total assets	1,516.8

(a) At the balance dates of societies within the financial year shown. (b) Borrowing members' subscriptions have been offset against 'Amount owing on loans'. (c) Includes accumulated surpluses and deficits. (d) Refers to loans made through the Commonwealth/State Housing Agreements.

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

Expenditure	1980-81	Income	1980-81
Interest paid on borrowing members' subscriptions	3.7	Interest on:	
Interest on loans from:		Loans to members	107.0
Banks	24.1	Other	1.3
Other	77.8	Management fees	11.3
Salaries and secretarial fees	10.0	Other income	3.0
Other expenditure	4.3	Total income	122.6
Total expenditure	119.9		

CREDIT UNIONS

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

Credit union annual financial account statistics were first collected on a national basis from all registered credit unions for the year 1974-75 when there were 738 credit unions with a total of 909,547 members. The number of credit unions operating in 1980-81 was 620 with 1,622,253 members. Comprehensive financial account statistics are provided in the annual publication *Credit Unions: Assets, Liabilities, Income and Expenditure, Australia* (5618.0).

Statistics on the housing finance operations of credit unions are provided on pages 582-3, while on pages 573-4 are summary statistics on the financial operations, assets and selected liabilities of credit unions registered under the *Financial Corporations Act 1974* which have assets in Australia exceeding \$5 million.

CREDIT UNIONS: LIABILITIES AND ASSETS(a)
(*\$ million*)

<i>Liabilities</i>	<i>1980-81</i>	<i>Assets</i>	<i>1980-81</i>
Share capital and reserves:		Amount owing on loans(c)	2,114.8
Paid-up share capital	13.6	Cash on hand	9.9
Reserves—		Deposits with—	
Statutory	25.0	Banks	52.9
Other(b)	55.2	Credit Union Leagues or Associations	122.6
Deposits	2,342.4	Other	80.4
Loans	78.4	Bills, bonds and other securities	51.8
Accounts payable	14.6	Accounts receivable	12.4
Other liabilities	8.5	Physical assets	88.6
		Other assets	4.3
Total liabilities	2,537.7	Total assets	2,537.7

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

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

<i>Expenditure</i>	<i>1980-81</i>	<i>Income</i>	<i>1980-81</i>
Interest on:		Interest from:	
Deposits	192.8	Loans	290.4
Loans	6.3	Deposits	26.9
Wages and salaries	44.6	Income from holdings of securities	4.4
Administrative expenses	31.1	Management fees	2.6
Insurance premiums paid	7.4	Bad debts recovered	1.1
Allowance for doubtful debts	6.7	Other income	5.7
Other expenditure	21.2		
Total expenditure	310.1	Total income	331.1

SHORT-TERM MONEY MARKET

Authorised money market corporations

For some years prior to 1959 leading stockbrokers were actively engaged in operations which formed the basis of a short-term money market in Australia. The stockbrokers' operations involved the acceptance of short-term funds which were secured against government securities. These operations were severely limited by the lack of suitable short-term securities and by liquidity constraints. In February 1959 the Central Bank established the Official Short-Term Money Market by making available 'lender of last resort' facilities to selected dealers.

There are nine authorised money market dealers. They are required by the Reserve Bank to: (a) accept loans overnight, at call or for fixed periods, in minimum amounts of \$50,000 and invest these funds in Commonwealth Government and other approved securities; (b) at all times be willing traders in the buying and selling of approved securities; (c) have a minimum paid-up capital of \$400,000 and adhere to a maximum limit on the ratio of loans to shareholders' funds; and (d) consult regularly with the Reserve Bank on all market matters and furnish detailed information about their portfolios, operations, interest rates, balance sheets and profit and loss accounts. Under the 'lender of last resort' arrangements dealers may borrow from the Reserve Bank for a minimum of seven days and at a rate designed to discourage excessive recourse to the facility.

The following table contains details of selected liabilities and assets, and interest rates. Additional information on authorised dealers collected under the *Financial Corporations Act 1974* is provided on pages 573-4.

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

(Source: Reserve Bank of Australia)

Month	Liabilities to clients			Asset holdings (face value)			Interest rates on loans accepted during month				Weighted average interest rate on loans outstanding (c)	
	All trading banks	Other clients	Total	C'wealth Govt securities (a)	Com-mercial bills (b)	Banks' certifi-cates of deposit	At call		For fixed periods			
							Mini-mum	Maxi-mum	Mini-mum	Maxi-mum		
	Average of weekly figures—(\$ million)						Per cent per annum					
June—												
1977	144	702	846	830	130	22	3.00	15.30	5.00	13.80	9.33	
1978	191	1,089	1,279	1,144	154	16	0.50	18.86	3.00	11.50	9.05	
1979	265	1,213	1,478	1,247	190	18	1.00	18.25	3.10	11.00	7.75	
1980	384	1,114	1,498	1,275	229	58	1.00	18.80	5.50	13.00	10.34	
1981	265	1,122	1,387	1,395	258	25	5.00	21.60	11.75	15.00	13.04	
1982	336	1,038	1,374	1,047	265	85	1.00	26.10	4.00	19.25	14.88	

(a) Within 5 years of maturity. (b) Accepted or endorsed by banks. (c) Weighted average of rates paid on all days of the four or five weeks ending on the last Wednesday of the month.

Money market corporations

There are also companies without Reserve Bank 'lender of last resort' facilities which operate in a similar manner to authorised dealers. These companies are recognised under the *Financial Corporations Act 1974* in the category of money market corporations which consists of registered corporations whose short-term borrowings are a substantial proportion of their total outstanding provision of finance, which is mainly in the form of loans to authorised dealers in the short-term money market and other liquidity placements, business loans and investments in Government, commercial and corporate paper.

The category of money market corporations also includes registered corporations providing short-term finance but which are themselves financed by related corporations with funds raised on a short-term basis, as well as corporations which borrow principally short-term and lend predominantly to related money market corporations.

Statistics on money market corporations registered under the *Financial Corporations Act 1974* are contained in the tables on pages 573-4.

FINANCE COMPANIES

Information presented on finance companies in Australia in the following tables has been compiled from returns collected under the *Census and Statistics Act 1905*. For the purpose of these statistics a finance company is defined as an incorporated company which is, or a group of incorporated companies related under Section 6 of the uniform companies legislation each of which is, mainly engaged in providing to the general public (businesses as well as persons in their private capacity) any of the following types of credit facilities: instalment credit for retail sales, personal loans, wholesale finance, factoring, other consumer and commercial loans, finance leasing of business plant and equipment and bills of exchange transactions. A company is mainly engaged in providing these types of credit facilities if 50 per cent or more of its assets consist of balances outstanding with respect to such facilities, or if 50 per cent or more of its income is derived from such facilities.

The statistics for the financial year relate to those finance companies which have balances outstanding net of unearned income in the prescribed types of credit facilities of \$5 million or more in total on an Australia-wide basis. The 1980-81 annual census of finance companies indicated that companies thus included accounted for 98.6 per cent of the total net balances outstanding on prescribed credit facilities of all finance companies.

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

Although individual corporations in the *Financial Corporations Act 1974* categories of finance companies and general financiers may meet the above definition of a finance company, differences in definitions, scope and coverage generally mean that the statistics on pages 573-4 for those categories are not comparable with the statistics for finance companies shown below.

FINANCE COMPANIES: ASSETS, LIABILITIES, INCOME AND EXPENDITURE(a)
(\$ million)

	1978-79	1979-80	1980-81
Assets—			
Balances outstanding on finance agreements(b)	13,423.0	15,260.4	17,479.9
Cash on hand and bank deposits	65.4	51.4	27.7
Loans to authorised money market dealers	37.5	12.3	12.5
Investments in shares and securities	210.2	252.1	295.3
Physical assets	174.7	179.5	182.1
Other assets	283.0	313.5	372.2
Total assets	14,193.6	16,069.5	18,369.6
Liabilities—			
Paid-up capital	939.6	1,051.7	1,122.3
Reserves	423.8	459.1	532.7
Unappropriated profits	277.7	327.2	385.4
Borrowed funds—			
Bank loans and overdrafts	307.6	279.2	336.5
Debentures	6,538.6	6,937.9	7,538.3
Secured and unsecured loans	4,503.7	5,559.9	6,766.0
Other liabilities	1,202.7	1,454.3	1,688.4
Total liabilities	14,193.6	16,069.5	18,369.6
Income for year—			
Interest from finance agreements	1,925.3	2,214.9	2,559.4
Other income	140.2	146.8	206.2
Total income	2,065.6	2,361.7	2,765.5
Expenditure for year—			
Interest on borrowed funds	1,225.6	1,376.4	1,621.5
Wages, salaries and allowances, directors fees and emoluments	209.8	234.6	263.0
Other expenditure	401.7	485.3	507.2
Total expenditure	1,837.2	2,096.3	2,391.8

(a) At the balance date of companies within the financial year shown. (b) Excludes unmatured income of \$3,208.4m in 1978-79, \$3,602.3m in 1979-80 and \$4,306.1m in 1980-81.

FINANCE COMPANIES: AMOUNT FINANCED AND BALANCES OUTSTANDING CLASSIFIED BY THE TYPE OF FINANCE AGREEMENT
(\$ million)

	1979-80	1980-81	1981-82
Amount financed during year—			
Instalment credit for retail sales and personal loans	2,279.0	2,518.9	2,746.7
Finance for housing	1,300.9	2,072.6	2,081.8
Wholesale finance	4,936.0	5,529.8	6,238.0
Factoring and other commercial loans	2,594.8	3,474.7	4,153.1
Leasing of business plant and equipment(a)	2,823.7	3,580.9	3,587.7
Bills of exchange(b)	795.3	888.8	2,083.7
Total amount financed on finance agreements(c)	14,729.8	18,065.7	20,891.0
Balances outstanding at 30 June (d)—			
Instalment credit for retail sales and personal loans	4,410.7	4,736.1	5,394.0
Finance for housing	2,879.5	4,000.5	4,851.0
Wholesale finance	1,332.7	1,329.8	1,495.4
Factoring and other commercial loans	3,689.7	4,526.7	5,512.4
Leasing of business plant and equipment(e)	6,552.2	8,351.9	9,609.1
Bills of exchange	108.6	104.7	124.5
Liquidity placements and loans to non-finance companies in group	362.8	613.3	581.7
Total balances outstanding on finance agreements	19,336.2	23,663.0	27,568.1

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

FINANCIAL CORPORATION STATISTICS

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

Descriptions of the categories *building societies, credit unions/co-operatives, authorised money market dealers* and *money market corporations* appear in the respective parts of this chapter. Descriptions of the other categories are as follows:

Pastoral finance companies—comprising corporations whose provision of finance is predominantly in the form of loans to rural producers largely associated with the provision of rural services.

Finance companies—comprising corporations not included in the categories *building societies, credit co-operatives, authorised money market dealers, money market corporations* or *pastoral finance companies* which rely substantially on borrowings in financial markets in Australia and/or from abroad and whose provision of finance is predominantly in the form of business and commercial lending, instalment credit to finance retail sales by others and/or other loans to individuals.

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

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

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

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

(\$ million)

FINANCIAL OPERATIONS AND SELECTED LIABILITIES AS AT 30 JUNE 1982

Category	Number of corporations	Financial operations				Selected liabilities		
		Unused lending commitments (a)	Borrowing lines and standby facilities available and unused from—(b)		Paid-up capital	Borrowings from—		
			Residents	Non-residents		Residents	Non-residents	
Building societies	81	265.8	522.5	—	(c) 34.0	(c) 12,814.9	9.7	
Credit co-operatives	121	9.6	26.3	—	(c)	(c) 2,171.5	—	
Authorised money market dealers	9	5.3	—	—	36.9	1,277.9	0.1	
Money market corporations	51	3,000.6	521.6	1,092.4	303.4	10,541.1	633.3	
Pastoral finance companies	16	—	69.8	19.7	275.5	798.0	3.7	
Finance companies	96	1,532.5	1,127.3	472.5	1,377.2	21,346.7	669.2	
General financiers	90	107.0	181.0	31.9	182.2	1,764.3	163.2	
Intra group financiers	12	—	28.8	167.0	187.8	(d) 460.5	92.8	
Other financial corporations	8	7.4	17.1	—	1.8	212.0	—	
Total	484	4,928.0	2,494.2	1,783.4	2,398.7	(e) 51,387.2	1,572.0	

For footnotes see end of table.

ASSETS IN AUSTRALIA AT 30 JUNE 1982

Category	Cash and bank deposits	Loans to authorised dealers in the STMM and other short-term placements(f)	Government and public authority securities	Bills of exchange and promissory notes discounted and held(g)	Other financial investments	Other assets arising from the provision of finance (h)	All other assets in Australia	Total assets in Australia	Assets overseas
Building societies	1,098.5	224.9	421.6	851.3	18.6	10,391.4	511.8	13,518.1	
Credit co-operatives	75.9	193.6	23.3	19.1	10.5	1,862.2	125.6	2,310.3	
Authorised money market dealers	90.9	69.0	995.6	299.8	-	0.5	15.0	1,470.9	
Money market corporations	347.0	2,691.3	196.8	3,069.2	307.6	5,101.5	242.5	11,955.8	23.7
Pastoral finance companies	4.4	44.8	-	-	509.0	655.6	498.1	1,711.6	1.5
Finance companies	15.5	326.6	7.1	169.8	682.9	24,029.1	268.7	25,499.5	5.2
General financiers	3.7	54.1	3.3	53.5	90.4	2,152.7	322.1	2,679.5	1.9
Intra group financiers	(i)1.8	91.0	-	37.0	145.4	1,242.8	(j)44.3	1,562.2	n.p.
Other financial corporations	31.4	65.3	7.5	38.2	9.8	59.8	7.3	219.2	-
Total	1,668.7	3,760.6	1,655.2	4,538.1	1,774.0	45,495.4	(j)2,035.3	60,927.1	(k)32.2

(a) Includes all binding commitments to provide funds to residents of Australia other than those that are of a type which is usually completely disbursed within 30 days of approval; excludes commitments that do not have a quantifiable limit. (b) Includes all binding commitments (i.e. borrowing lines and standby facilities) to provide funds to reporting corporations; excludes standby facilities which do not have a quantifiable limit. (c) 'Paid-up capital' includes only fixed share capital; withdrawable share capital is included in 'Borrowings from residents'. (d) Excludes borrowings from related corporations not registered under the Financial Corporations Act. (e) Excludes borrowings from related corporations not registered under the Financial Corporations Act for Intra group financiers. (f) Includes short-term placements that are repayable at call or within 90 days; excludes funds placed with banks and related corporations, and purchases of government securities and bills of exchange. (g) Excludes bills that have been drawn or accepted by reporting corporations. (h) Includes holdings of bills that have been drawn by reporting corporations and loans that have been re-financed by the sale of bills accepted by reporting corporations. (i) Includes cash and current accounts and certificates of deposit but excludes other deposits with banks which are included in 'All other assets in Australia'. (j) Includes other deposits with banks for Intra group financiers. (k) Excludes 'Assets overseas' of Intra group financiers.

LIFE INSURANCE

Statistics in the following tables have been compiled from returns lodged under the *Life Insurance Act 1945* (see page 561) and relate to the life insurance business of companies with head offices in Australia and the Australian business of companies with head offices overseas. Also included are the life business operations voluntarily reported by three State Government Insurance Offices.

Forty five life offices conducted life insurance business in Australia during 1980.

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

LIFE INSURANCE OFFICES: LIABILITIES AND ASSETS

(\$ million)

	1978	1979	1980
Liabilities—			
Shareholders' capital—			
Authorised	139.7	141.7	141.7
<i>Less: unissued</i>	79.3	80.5	82.8
Subscribed capital	60.4	61.2	58.9
Paid-up—			
In money	50.1	50.9	47.6
Otherwise than money	9.5	9.5	10.5
Total paid-up capital	59.6	60.4	58.1
Life insurance statutory funds—			
Ordinary and Industrial business	9,579.0	10,253.2	10,998.0
Superannuation business	4,500.1	5,322.1	6,519.5
Total statutory funds	14,079.1	15,575.3	17,517.5
Funds in respect of other classes of business	99.9	122.2	142.3
General reserves	236.1	267.0	326.5
Profit and loss account balance	61.0	67.3	87.2
<i>Total shareholders' capital, insurance funds and reserves</i>	<i>14,535.6</i>	<i>16,092.3</i>	<i>18,131.6</i>
Other liabilities—			
Deposits and deposits in suspense	143.1	137.4	125.1
Provision for staff benefits ^(a)	31.8	32.1	37.8
Claims admitted or intimated but not paid	273.4	284.9	297.1
Premiums paid in advance and in suspense	7.5	6.4	8.1
Sundry creditors	98.4	112.2	166.5
Bank overdraft	135.1	132.1	101.2
Reserves and provisions for taxation	235.8	251.9	302.1
All other liabilities	96.9	81.1	124.4
Total liabilities	15,557.6	17,130.3	19,293.9
Assets held in Australia—			
Fixed assets—			
Freehold and leasehold property, office premises	2,867.1	3,156.3	3,631.6
Furniture, etc.	35.3	42.1	38.4
Loans—			
On mortgage	1,320.0	1,274.1	1,304.2
On policies	300.9	303.2	321.6
Other loans	152.1	161.5	213.3
Investments—			
Government securities—			
Australian	2,715.7	2,916.9	3,087.9
Overseas	43.4	43.9	37.3
Securities of local and semi-governmental bodies	1,132.0	1,231.4	<1,355.1
Other investments	3,593.7	4,133.1	5,160.7
Cash on hand, deposit and current account	155.7	213.3	143.5
All other assets	495.0	540.1	604.2
<i>Total assets held in Australia</i>	<i>12,810.5</i>	<i>14,016.4</i>	<i>15,897.8</i>
<i>Total assets held overseas</i>	<i>2,747.1</i>	<i>3,113.9</i>	<i>3,396.1</i>
Total assets	15,557.6	17,130.3	19,293.9

(a) Includes staff superannuation, long service leave, annual leave and other types of staff benefits.

LIFE INSURANCE OFFICES: REVENUE AND EXPENDITURE
(*\$million*)

	1978	1979	1980
<i>Balance of account at beginning of year—Australia and overseas</i>	12,695.4	14,125.1	15,511.1
Revenue—Australia			
Premium income—			
Ordinary and Industrial business	902.8	929.1	987.1
Superannuation business	861.7	937.4	1,136.5
Consideration for annuities	24.7	28.9	28.5
Net interest dividends and rents	773.4	872.2	1,039.9
Other revenue	396.8	635.6	886.6
Total revenue—Australia	2,959.5	3,403.2	4,078.6
Revenue—overseas			
Premium income	304.6	359.2	376.7
Net interest dividends and rents	191.7	233.3	276.1
Other revenue	179.4	98.8	154.5
Total revenue—overseas	675.8	691.3	807.3
Total revenue	3,635.3	4,094.5	4,885.9
Total	16,330.6	18,219.6	20,397.0
Expenditure—Australia			
Payments on policies—			
Claims	629.0	674.8	755.5
Surrenders	574.0	641.2	728.1
Annuities	3.3	3.7	4.1
Bonuses paid in cash	11.3	11.4	13.6
Expenses of management—			
Commission	157.5	166.1	186.9
Other	256.1	275.2	311.3
All other expenses	271.2	422.0	440.3
Total expenditure—Australia	1,902.5	2,194.2	2,439.8
Expenditure—overseas			
Payments on policies	214.9	235.9	272.4
Expenses of management	100.8	119.8	137.2
All other expenditure	33.1	46.8	30.1
Total expenditure—overseas	348.8	402.4	439.7
Total expenditure	2,251.3	2,596.6	2,879.5
<i>Balance of account at end of year—Australia and overseas</i>	14,079.4	15,623.0	17,517.5
Total	16,330.6	18,219.6	20,397.0

LIFE INSURANCE OFFICES: NEW LOANS PAID OVER^(a) BY CLASS OF SECURITY
(*\$million*)

<i>Class of security</i>	1978	1979	1980
Mortgage of real estate	164.4	187.7	241.5
Companies policies	63.1	64.7	79.7
Other	57.0	47.2	96.7

(a) Excludes advances on premiums.

LIFE INSURANCE: SUMMARY

	<i>Insurance and endowment policies</i>			<i>Annuity policies</i>	
	<i>Number of policies</i>	<i>Sum insured (\$ million)</i>	<i>Annual premiums (\$ million)</i>	<i>Number of policies</i>	<i>Annuities per annum (\$ million)</i>
ORDINARY AND INDUSTRIAL BUSINESS					
New policies issued—					
1978	508,014	12,192.9	119.3	22	—
1979	475,864	12,828.8	125.2	25	—
1980	448,504	13,808.4	127.8	21	0.1
Policies discontinued or reduced (a)—					
1978	693,711	5,401.8	91.4	121	—
1979	798,497	8,452.4	111.3	130	0.5
1980	757,585	7,169.4	108.9	152	0.1
Policies existing at end of—					
1978	7,334,739	58,815.2	888.4	1,293	1.5
1979	7,012,106	63,191.6	902.3	1,188	1.1
1980	6,703,025	69,830.6	921.2	1,057	1.1
SUPERANNUATION BUSINESS					
New policies issued—					
1978	98,836	9,422.2	206.8	17	16.9
1979	95,631	10,373.4	213.9	12	17.3
1980	120,405	13,954.3	287.4	23	19.6
Policies discontinued or reduced (a)—					
1978	81,437	4,599.6	118.5	12	18.5
1979	84,919	5,091.8	116.6	83	(-)4.4
1980	66,757	5,727.1	132.7	16	15.0
Policies existing at end of—					
1978	702,291	34,803.3	836.0	689	57.6
1979	713,003	40,084.9	933.3	618	79.3
1980	766,651	48,312.1	1,088.0	625	83.9

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

GENERAL INSURANCE

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

- (a) *Bodies corporate* authorised to carry on insurance business under the *Insurance Act 1973* (see page 561);
- (b) *Brokers* in respect of business placed with overseas insurers; and
- (c) *Government instrumentalities*, i.e. State Government Insurance Offices and Commonwealth Government and State Government instrumentalities in respect of their general insurance business.

These statistics are based on the following definitions:

Premiums comprise the full amount receivable in respect of direct insurance and facultative reinsurance business written or renewed within Australia (including business placed overseas by Australian brokers) during the year less (a) outward facultative reinsurance within Australia, (b) stamp duty and fire service charges paid, and (c) returns; rebates and bonuses paid or credited to policy holders. Premiums are not adjusted to provide for premiums unearned at the end of the year and consequently the amounts differ from 'earned premium income' appropriate to the year.

Claims comprise, for direct insurance and facultative reinsurance business, payments made during the year plus the estimated amount of outstanding claims at the end of the year less the estimated amount of outstanding claims at the beginning of the year. Salvage and other amounts recoverable have been deducted.

In many instances brokers have no knowledge of claims made by the insured on overseas insurers in respect of business placed through them. Because of this, no details of claims are collected from brokers.

Information contained in the following tables does not relate to uniform accounting periods but to the financial years of the organisations which ended during the years shown.

GENERAL INSURANCE: PREMIUMS AND CLAIMS BY PRINCIPAL CLASS OF BUSINESS

(\$ million)

<i>Class of business</i>	1978-79	1979-80	1980-81
PREMIUMS(a)			
Fire(b)	289.8	287.3	305.9
House Owners' and House-holders'	279.4	315.8	379.6
Contractors' All Risks	24.1	22.8	29.0
Marine and Aviation	118.7	130.0	146.7
Motor Vehicle Comprehensive	845.5	863.8	914.6
Compulsory Third Party (Motor Vehicle)	611.7	674.5	768.4
Employers Liability(c)	787.4	774.4	875.7
Public Liability(d)	98.9	111.0	134.4
All other	286.9	330.1	369.4
Total	3,342.2	3,509.8	3,923.8
CLAIMS(e)			
Fire(b)	154.5	218.9	245.7
House Owners' and House-holders'	180.4	217.3	267.8
Contractors' All Risks	11.2	13.0	18.8
Marine and Aviation	64.4	75.2	91.4
Motor Vehicle Comprehensive	628.0	650.7	740.2
Compulsory Third Party (Motor Vehicle)	605.7	673.1	850.5
Employers Liability(c)	599.1	698.2	922.4
Public Liability(d)	41.9	54.7	78.3
All other	132.0	160.6	193.3
Total	2,417.2	2,761.6	3,409.4

(a) Includes premiums received by brokers 1978-79, \$95.9 million; 1979-80, \$86.4 million; 1980-81, \$89.1 million. (b) Includes sprinkler leakage, loss of profits, and crop and hailstone insurance. (c) Excludes workers' compensation insurance in the coal mining industry in N.S.W. (d) Includes product liability and professional indemnity insurance. (e) Excludes brokers.

PUBLIC AUTHORITY PENSION AND SUPERANNUATION SCHEMES

Public authority pension and superannuation schemes are established primarily to provide financial benefits on retirement to employees of Australian and State governments, local governments and statutory authorities created by governments.

In the public sector there are three types of schemes in operation:

- (a) Self-administered superannuation funds;
- (b) Schemes operated through life insurance offices; and
- (c) Schemes funded from Consolidated Revenue.

Schemes of types (a) and (b) are included in the statistics below while type (c) schemes are not separately constituted funds and are therefore excluded. In addition schemes of some Australian Government trading enterprises are excluded. More detailed descriptions and dissections of these statistics may be found in the annual publication *Public Authority Pension and Superannuation Schemes, Australia* (5511.0)

PUBLIC AUTHORITY PENSION AND SUPERANNUATION SCHEMES OPERATED THROUGH SELF-ADMINISTERED FUNDS

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
	(\$ million)					
Income—						
Contributions—						
Employees	262.5	296.5	336.6	374.4	418.4	491.6
Employing authorities	356.1	472.1	558.2	635.7	759.9	874.4
Interest, dividends and rent	179.9	233.6	301.6	369.4	503.8	573.1
Transfers	8.8	52.2	68.3	55.1	49.3	61.3
Other income	30.9	13.9	16.5			
Total income	838.3	1,068.4	1,281.2	1,434.7	1,731.4	2,000.3
Expenditure—						
Pensions	244.1	289.1	350.4	410.4	471.1	547.1
Lump sum payments—						
On retirement, death, resignation or dismissal (a)	175.0	229.8	255.4	334.5	384.2	445.4
Gratuities	3.5	8.0	9.9	5.1	10.0	8.8
Other expenditure	33.5	32.8	89.4	59.2	66.8	73.6
Total expenditure	456.0	559.7	705.1	809.1	932.1	1,074.8
Assets at end of year—						
Cash—						
Deposits with Treasury	138.3	314.0	441.1	540.6	653.5	814.0
Other deposits and cash	121.5	97.5	93.2	105.1	64.5	85.4
Commonwealth Government securities	54.7	91.9	123.8	133.0	45.6	50.1
Local and semi-government securities	1,134.5	1,252.3	1,434.1	1,607.7	1,588.7	1,722.8
Mortgages	356.4	390.4	458.6	458.1	722.0	927.9
Loans to building societies	75.1	108.3	153.2	189.2	214.4	235.7
Company shares, debentures and notes	231.7	313.3	368.9	475.8	491.5	629.2
Other assets	466.9	545.0	668.4	888.5	1,251.7	1,549.4
Total assets (b)	2,579.0	3,112.7	3,741.3	4,397.9	5,031.7	6,014.5
Less Sundry creditors, etc.	68.9	84.2	129.4	155.1	100.4	103.0
Accumulated funds (b)	2,510.1	3,028.5	3,611.9	4,242.8	4,931.4	5,911.5
			(No.)			
Contributors at end of year	517,534	554,764	576,272	588,427	606,254	612,635
Pensioners at end of year—						
Ex-employees	65,987	69,745	70,396	73,988	76,122	78,667
Widows	37,560	37,322	38,985	38,153	39,647	40,089
Children	3,582	3,387	3,653	3,580	3,953	3,712

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

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

		1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Income—							
Contributions—							
Employees	\$ million	20.9	23.5	24.2	76.6	84.0	83.4
Employing authorities	\$ million	33.9	38.4	41.4			
Contributors at end of year	No.	63,344	51,493	51,214	52,023	51,150	48,440

AUSTRALIAN INDUSTRY DEVELOPMENT CORPORATION

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

The Corporation has a capital of \$100 million, to be subscribed by the Commonwealth Government in instalments but the whole being available if required to meet obligations. The paid-up capital at 30 June 1981 was \$62.5 million.

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

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

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

Financing commitments approved since operations commenced, totalled \$877 million at 30 June 1981, and operational loans and investments outstanding were \$457 million.

INSTALMENT CREDIT FOR RETAIL SALES

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

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

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

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

	Amount financed during year					Collections and other liquidations of balances during year	Balances outstanding at end of year
	Motor cars and station wagons		Other motor vehicles (a)	Household and personal goods	Total		
	New	Used					
Finance companies—							
1979-80	364.1	612.0	146.3	329.1	1,451.4	2,193.5	2,950.2
1980-81	407.1	620.0	162.1	373.1	1,562.2	2,181.6	3,054.7
1981-82	501.0	706.8	179.0	397.0	1,783.8	2,333.1	3,525.1
Other businesses (b)—							
1979-80	—	0.1	0.4	211.6	212.1	230.7	137.9
1980-81	—	0.1	0.4	228.2	228.7	240.0	147.2
1981-82	—	0.1	0.4	247.8	248.3	257.6	161.3
Total all businesses—							
1979-80	364.1	612.0	146.7	540.7	1,663.5	2,424.2	3,088.1
1980-81	407.1	620.1	162.4	601.4	1,790.9	2,421.5	3,201.9
1981-82	501.0	706.9	179.4	644.8	2,032.1	2,590.7	3,686.4

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

INSTALMENT CREDIT FOR RETAIL SALES BY TYPE OF CREDIT: AMOUNT FINANCED BY COMMODITY GROUP, AUSTRALIA (\$ million)

	Motor cars and station wagons		Other motor vehicles (a)	Household and personal goods	Total
	New	Used			
	Hire purchase—				
1979-80	289.6	470.5	107.2	151.3	1,018.5
1980-81	315.6	467.1	120.8	183.6	1,087.1
1981-82	394.1	538.1	139.4	180.4	1,252.0
Other instalment credit—					
1979-80	74.5	141.5	39.6	389.5	645.0
1980-81	91.5	153.0	41.7	417.8	703.9
1981-82	107.0	168.8	40.0	464.4	780.2
Total instalment credit—					
1979-80	364.1	612.0	146.7	540.7	1,663.5
1980-81	407.1	620.1	162.4	601.4	1,790.9
1981-82	501.0	706.9	179.4	644.8	2,032.1

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

HOUSING FINANCE FOR OWNER OCCUPATION

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

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

The following tables provide information classified by type of lender and the use for which approved housing loans are intended (e.g. construction or purchase).

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

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

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

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

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

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

HOUSING FINANCE FOR OWNER OCCUPATION
(\$ million)

	<i>Loans approved for—</i>		<i>Cancellations of loans previously approved</i>	<i>Loans advanced(a)</i>	<i>Loans approved but not advanced(a)</i>
	<i>Construction or purchase of dwellings</i>	<i>Alterations and additions</i>			
1979-80	7,017.6	433.9	321.6	5,962.9	1,257.8
1980-81	7,470.8	501.8	390.3	6,461.8	1,170.0
1981-82	6,513.0	524.2	306.2	5,691.4	1,043.9

(a) Excludes Trading Banks; data not available.

**HOUSING FINANCE FOR OWNER OCCUPATION: NUMBER DWELLING UNITS AND VALUE OF
LOANS APPROVED TO INDIVIDUALS BY TYPE OF LENDER**

	<i>Banks</i>		<i>Building societies</i>		<i>Finance companies</i>	<i>Government</i>	<i>Credit unions and insurance companies</i>	<i>Total</i>
	<i>Savings</i>	<i>Trading</i>	<i>Per- manent</i>	<i>Ter- minating</i>				
CONSTRUCTION OF DWELLINGS								
			(Number)					
1979-80	21,679	9,033	10,794	1,756	1,868	1,770	1,486	48,386
1980-81	21,358	8,613	9,873	1,442	1,462	1,968	1,405	46,121
1981-82	18,963	6,896	7,130	937	930	2,774	1,224	38,854
			(\$ million)					
1979-80	535.1	175.7	338.8	47.1	65.7	42.6	36.5	1,241.5
1980-81	523.7	181.1	329.7	40.9	50.4	52.0	36.6	1,214.5
1981-82	486.6	154.4	256.2	28.9	36.8	75.1	31.4	1,069.4
PURCHASE OF NEWLY ERECTED DWELLINGS								
			(Number)					
1979-80	11,146	4,114	10,773	1,495	1,656	4,049	1,310	34,543
1980-81	9,292	4,004	8,968	1,306	1,705	3,185	947	29,407
1981-82	8,249	3,603	5,572	1,026	1,243	2,640	768	23,101
			(\$ million)					
1979-80	265.0	79.0	343.5	39.2	66.3	96.1	31.7	920.7
1980-81	238.0	80.0	306.2	37.6	75.0	84.6	27.5	848.8
1981-82	227.9	79.6	215.0	31.7	66.2	74.6	24.4	719.3
PURCHASE OF ESTABLISHED DWELLINGS								
			(Number)					
1979-80	79,905	30,593	57,826	3,326	7,534	6,440	7,744	193,368
1980-81	79,197	32,642	55,113	2,897	10,991	7,736	7,592	196,168
1981-82	74,771	30,202	38,891	2,229	6,179	7,823	7,098	167,193
			(\$ million)					
1979-80	1,897.3	578.8	1,683.6	88.4	272.5	140.6	194.2	4,855.4
1980-81	1,959.3	691.8	1,779.1	82.3	467.6	199.8	227.5	5,407.5
1981-82	1,934.6	650.3	1,344.3	70.1	288.7	219.4	217.0	4,724.4
TOTAL								
			(Number)					
1979-80	112,730	43,740	79,393	6,577	11,058	12,259	10,540	276,297
1980-81	109,847	45,259	73,954	5,645	14,158	12,889	9,944	271,696
1981-82	101,983	40,701	51,593	4,192	8,352	13,237	9,090	229,148
			(\$ million)					
1979-80	2,697.3	833.4	2,366.0	174.8	404.5	279.4	262.3	7,017.6
1980-81	2,721.1	952.9	2,415.1	160.8	593.0	336.4	291.6	7,470.8
1981-82	2,649.1	884.3	1,815.4	130.7	391.6	369.1	272.8	6,513.0

NEW CAPITAL RAISINGS BY COMPANIES LISTED ON AUSTRALIAN STOCK EXCHANGES

Information relating to capital raised by companies listed on Australian Stock Exchanges is given in the following tables.

These statistics cover capital raised through share and debenture subscriptions and by way of deposits, unsecured notes and loans secured over the entire assets of the company. The following funds are excluded from the collection: (a) all capital raised from Australian banks (other than direct equity investment), i.e. overdrafts, mortgage loans, term loans or debentures; (b) temporary advances or short-term deposits from any source; and (c) complete or partial issues by Australian companies on overseas markets taken up through overseas brokers.

Listed companies are companies incorporated in Australia whose shares, debentures or other securities are listed on one or more of the Australian Stock Exchanges. For such companies new capital includes: (a) all issues of ordinary shares if any ordinary shares are listed; (b) all issues of preference shares if any preference shares are listed; and (c) all issues of debentures, unsecured notes, secured and unsecured loans and deposits if any shares or other securities are listed.

The following notes relate to specific items in the tables:

New money

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

Amount not involving new money

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

LISTED COMPANIES: NEW CAPITAL RAISED THROUGH ISSUES OF SHARES^(a) AND THROUGH DEBENTURES, UNSECURED NOTES, LOANS AND DEPOSITS

(\$ million)

Year ended June—	Share capital			Cash raised during period Total(c)	Cash raised during period		Debentures, unsecured notes, etc.		
	Total amount of issues commenced				Amount not involving new money		Amount not involving new money		
	Total amount including premiums etc.	Type of consideration			New money	New money	Total amount raised (d)	Amount not involving new money (d)	New money
		Other than cash(b)	Cash						
1977	832.5	278.9	553.6	524.3	53.0	471.3	7,488.7	6,279.0	1,209.6
1978	793.3	295.1	498.0	539.3	189.7	349.6	6,734.8	5,615.7	1,119.3
1979	919.5	372.9	546.5	513.1	183.0	330.2	7,532.1	6,653.7	878.4
1980	2,211.9	824.6	1,387.3	1,336.7	255.1	1,081.6	9,378.0	7,924.6	1,453.4
1981	4,171.0	1,642.2	2,528.8	2,625.7	479.0	2,146.8	12,682.5	11,066.1	1,616.4
1982	2,269.6	890.1	1,379.4	1,593.7	290.2	1,303.4	15,453.2	13,639.8	1,813.5

(a) Includes share subscriptions by overseas investors to issues in Australia. (b) Includes bonus issues, conversion issues, issues in exchange for existing shares, etc. (c) Includes calls on issues commenced in earlier years. (d) Includes conversions, renewals, etc.

LISTED COMPANIES: NEW MONEY RAISED IN SHARES AND DEBENTURES, UNSECURED NOTES, LOANS AND DEPOSITS—INDUSTRY GROUPS

(\$ million)

	Manufac- turing (a)	Finance and property(b)	Commerce(c)	Mining(d)	Other(e)	All industries
SHARES						
<i>Year ended June—</i>						
1977	181.7	212.2	9.5	53.9	14.2	471.3
1978	142.3	100.9	41.9	43.1	21.4	349.6
1979	95.8	74.3	9.9	122.4	27.8	330.2
1980	419.9	119.8	55.2	396.1	90.7	1,081.6
1981	892.3	119.8	130.9	905.6	98.2	2,146.8
1982	479.7	116.3	91.1	501.3	115.0	1,303.4
DEBENTURES, UNSECURED NOTES, LOANS AND DEPOSITS						
<i>Year ended June—</i>						
1977	147.4	939.7	31.3	67.6	23.4	1,209.6
1978	134.6	907.3	50.5	(f)—19.6	46.2	1,119.3
1979	302.5	605.9	8.2	(f)—57.8	19.4	878.4
1980	409.9	887.7	86.3	15.6	53.9	1,453.4
1981	337.4	1,145.3	57.1	5.8	70.6	1,616.4
1982	247.9	1,500.0	153.8	(f)—98.6	10.3	1,813.5
TOTAL NEW MONEY RAISED						
<i>Year ended June—</i>						
1977	329.1	1,151.9	40.8	121.5	37.6	1,680.9
1978	276.9	1,008.2	92.4	23.5	67.6	1,468.9
1979	398.3	680.2	18.1	64.6	47.2	1,208.6
1980	829.8	1,007.5	141.5	411.7	144.6	2,535.0
1981	1,229.7	1,265.1	188.0	911.4	168.8	3,763.2
1982	727.7	1,616.3	244.9	402.7	125.4	3,116.9

(a) Includes extracting, refining, founding, engineering, metalworking, assembly and repairs. (b) Includes share capital raised by banks and insurance companies. (c) Includes oil distribution and primary produce dealing. (d) Includes oil exploration. Excludes smelting, refining etc., which is classified to manufacturing. (e) Includes primary production. (f) Excess of repayments over receipts.

RELATED PUBLICATIONS

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

Monthly Summary of Statistics, Australia (1304.0) *Savings Banks, Australia* (5602.0) (monthly) *Major Trading Banks, Australia* (5603.0) (monthly) *Banking, Australia* (5605.0) (quarterly) *Housing Finance for Owner Occupation, Savings Banks and Trading Banks, Australia* (5608.0) (monthly) *Housing Finance for Owner Occupation, Australia* (5609.0) (monthly) *Housing Finance for Owner Occupation, Permanent Building Societies, Australia* (5610.0) (monthly) *Finance Companies, Australia* (5614.0) (monthly) *Finance Companies: Assets, Liabilities, Income and Expenditure, Australia* (5616.0) (annual) *Financial Corporations Statistics, Australia* (5617.0) (monthly) *Credit Unions: Assets, Liabilities, Income and Expenditure, Australia* (5618.0) (annual) *General Insurance, Australia* (5620.0) (annual) *Life Insurance, Australia* (5621.0) (monthly) *Life Insurance, Australia* (5622.0) (annual) *New Capital Raisings by Companies Listed on Australian Stock Exchanges* (5628.0) (quarterly) *Instalment Credit for Retail Sales, Australia* (5631.0) (monthly) *Permanent Building Societies: Assets, Liabilities, Income and Expenditure, Australia* (5632.0) (annual) *Terminating Building Societies: Assets, Liabilities, Income and Expenditure, Australia* (5633.0) (annual).

