

## 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 cooperative 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 \$5, \$10, \$20, \$50 and \$100 and coins in the denominations of 1c, 2c, 5c, 10c, 20c, 50c, \$1 and \$2. The \$1 and \$2 notes were replaced by coins in 1984 and 1988 respectively.

#### AUSTRALIAN NOTES ON ISSUE (\$ million)

	<i>Last Wednesday in June—</i>					
	<i>1984</i>	<i>1985</i>	<i>1986</i>	<i>1987</i>	<i>1988</i>	<i>1989</i>
\$1	58.2	45.1	43.7	41.6	39.9	38.1
\$2	168.6	179.1	179.9	178.7	162.0	57.4
\$5	183.1	192.1	202.2	213.0	225.4	236.7
\$10	512.9	518.1	524.8	527.6	565.7	630.2
\$20	2,235.6	2,284.9	2,285.2	2,315.7	2,435.4	2,478.3
\$50	3,450.4	3,420.5	3,461.7	3,586.2	3,859.7	3,991.6
\$100	595.6	1,542.4	2,238.6	2,974.8	3,922.6	4,766.7
<b>Total</b>	<b>7,204.5</b>	<b>8,182.1</b>	<b>8,936.1</b>	<b>9,837.6</b>	<b>11,210.6</b>	<b>12,198.9</b>
<i>Held by banks</i>	<i>786.7</i>	<i>833.3</i>	<i>894.3</i>	<i>937.4</i>	<i>933.9</i>	<i>995.8</i>
<i>Held by public</i>	<i>6,417.8</i>	<i>7,348.8</i>	<i>8,041.9</i>	<i>8,900.2</i>	<i>10,276.7</i>	<i>11,203.1</i>

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

	<i>Year ended June</i>					
	<i>1984</i>	<i>1985</i>	<i>1986</i>	<i>1987</i>	<i>1988</i>	<i>1989</i>
1c	1.0	1.1	1.3	1.3	1.4	1.2
2c	1.4	1.5	1.3	1.9	2.1	1.3
5c	3.5	2.7	3.8	4.6	5.5	2.7
10c	5.2	—	3.4	4.8	5.7	2.9
20c	6.9	-9.6	3.0	2.7	5.4	-6.4
50c	9.4	1.2	-0.5	3.2	5.8	-3.4
\$1	107.2	86.6	25.5	16.3	21.7	-26.3
\$2	—	—	—	—	62.7	239.6
<b>Total</b>	<b>134.6</b>	<b>83.5</b>	<b>37.8</b>	<b>34.7</b>	<b>110.4</b>	<b>211.5</b>

## Volume of money

Statistics of the volume of money in the following table include notes and coins in the hands of the public and deposits with banks (including the Reserve Bank). 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 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**  
(\$ million)  
(Source: Reserve Bank of Australia)

Average of weekly figures for June	Notes and coins in the hands of public	Current deposits with banks (a)	Other deposits with banks (a)			Total volume of money (b)
			Certificates of deposit	Term	Other	
1985	8,009	15,595	5,688	27,346	33,549	90,113
1986	8,717	16,509	6,002	38,489	32,337	101,866
1987	9,598	19,418	5,704	43,017	37,398	114,896
1988	10,978	23,777	6,368	44,260	45,197	130,163
1989	12,193	28,120	21,052	63,507	41,635	166,506
1990	12,840	29,058	22,864	75,628	50,020	190,410

(a) Excludes deposits of the Commonwealth and State Governments and inter-bank deposits. (b) It is not possible to exclude government deposits with those banks formerly classified as savings banks from the components prior to January 1989. As a result, these components do not sum to the total before this date.

## FINANCIAL LEGISLATION

### 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. 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 coordination 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 Bank of Australia, Commonwealth Savings Bank of Australia and the Commonwealth Development Bank of Australia.

Notwithstanding the provisions of the above legislation, recent Australian Governments have sought to decrease the degree of regulation imposed on the financial sector and on banking activity in particular. Specifically, controls on most bank interest rates and foreign exchange have been relaxed. In addition, eighteen new private banks have been granted licences to commence operations.

In January 1990, significant amendments were made to the Banking Act further restructuring the banking industry. 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).

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; the *Insurance Act 1973* generally regulating general (non-life) insurance business in Australia and the *Insurance (Agents and Brokers) Act 1984*. 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 financial 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.

*Insurance (Agents and Brokers) Act 1984*

The prime objective of the Act is to regulate the activities of insurance agents and brokers with a view to strengthening the financial stability of the industry overall. The Act received Royal Assent on 25 June 1984 although most of its regulatory provisions did not become operative until 1 January 1986.

### **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 cooperative 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, Cooperative Housing Societies and Credit Cooperatives.

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*. Following a determination by the Board under the Reserve Bank Act, the Treasurer directed that remaining capital and reserves of the Rural Credits Department be apportioned between the Reserve Bank Reserve Fund and the Commonwealth. The transfers were made on 22 July 1988.

### RESERVE BANK OF AUSTRALIA: LIABILITIES AND ASSETS (Source: Reserve Bank of Australia) (\$ million)

LIABILITIES							
30 June—	Capital and reserve funds	Special reserve— IMF special drawing right	Australian notes on issue	Deposits by banks(a)			Total
				Non-callable deposits/ Statutory Reserve Deposit accounts	Other	All other liabilities	
1985	109	351	8,141	2,861	11	4,047	20,886
1986	182	349	8,890	3,301	76	4,841	23,004
1987	200	366	9,801	3,455	18	6,613	26,541
1988	247	324	11,135	3,557	283	4,724	25,853
1989	248	295	12,159	3,178	159	3,840	24,636
1990	248	265	12,837	2,733	921	8,719	25,723

For footnotes see end of table.

**RESERVE BANK OF AUSTRALIA: LIABILITIES AND ASSETS—continued**  
(Source: Reserve Bank of Australia)  
(\$ million)

ASSETS					
30 June—	<i>Gold and foreign exchange (b)</i>	<i>Common- wealth government securities (c)</i>	<i>Loans, advances and bills discounted</i>	<i>All other assets</i>	<i>Total</i>
1985	13,629	6,158	400	1,229	20,886
1986	12,016	9,732	215	1,289	23,004
1987	17,120	8,296	110	1,117	26,541
1988	19,644	4,975	130	786	25,853
1989	19,950	3,797	86	613	24,636
1990	22,086	2,874	85	678	25,723

(a) Arrangements for trading and savings banks to hold non-callable deposits with the Reserve Bank were established in September 1988. The arrangements also involved the repayment of Statutory Reserve Deposits previously lodged by trading banks. Associated with this change, the Bank's balance sheet no longer differentiates between trading and savings banks in respect of 'other' deposits by banks. (b) Includes currency at short call and International Monetary Fund drawing rights. (c) Includes Treasury bills and Treasury notes.

### Branches and agencies

At 30 June 1990, banks operated 6,575 branches and 8,072 agencies. Of the total branches, 3,796 were located in metropolitan areas. Banking facilities were also available at 3,756 metropolitan agencies throughout Australia.

**INTEREST RATES AT 30 JUNE 1990**  
(Source: Reserve Bank of Australia)

	<i>Per cent per annum</i>
Fixed deposits (Less than \$50,000)	
30 days	13.25
3 months	14.00
6 months	14.00
12 months	14.25
Overdrafts	
Less than \$100,000	18.75/21.50
\$100,000 and over	18.25/18.75

## 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 \$5 million) in cases where such finance is not otherwise available on reasonable and suitable terms and conditions.

## 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 re-financing 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.

## OTHER FINANCIAL INSTITUTIONS

The statistics provided in the following tables have been compiled from returns supplied annually to the Australian Bureau of Statistics under the *Census and Statistics Act 1905*. The first table displays summary data on the assets and liabilities of each type of financial corporation covered by these statistics. Ensuing tables give more detail dissections of the assets, liabilities, income and expenditure of each category of corporation.

FINANCIAL CORPORATIONS, AUSTRALIA: ASSETS AND LIABILITIES(a)  
(\$ million)

ASSETS AS AT 30 JUNE 1989					
Category	Amount owing on loans	Cash placements and deposits	Bills, bonds and other securities	Other assets	Total assets
Permanent building societies	17,925.1	1,447.4	3,766.1	859.8	23,998.3
Cooperative housing societies	2,205.8	72.4	—	5.4	2,283.5
Credit cooperatives	6,273.8	739.2	297.9	349.7	7,660.6
Authorised money market dealers	0.8	179.2	2,753.2	17.3	2,950.5
Money market corporations	20,901.9	11,208.8	14,024.0	3,922.9	50,057.6
Finance companies	21,307.1	922.4	1,334.8	9,649.8	33,214.2
General financiers	3,743.0	828.6	1,166.9	2,987.5	8,726.2
Other financial corporations	138.4	354.6	205.2	28.6	726.8
<b>Total</b>	<b>72,495.9</b>	<b>15,752.6</b>	<b>23,548.1</b>	<b>17,821.0</b>	<b>129,617.7</b>
LIABILITIES AS AT 30 JUNE 1989					
Category	Share capital and reserves	Borrowings	Other liabilities	Total liabilities	
Permanent building societies	7,209.8	16,382.3	406.2	23,998.3	
Cooperative housing societies	33.0	2,239.4	11.2	2,283.5	
Credit cooperatives	534.6	7,045.5	80.4	7,660.6	
Authorised money market dealers	85.7	2,828.5	36.8	2,950.5	
Money market corporations	2,963.9	44,317.5	2,776.2	50,057.6	
Finance companies	3,210.3	28,193.2	1,810.6	33,214.2	
General financiers	609.1	7,751.2	365.6	8,726.2	
Other financial corporations	12.3	692.1	22.4	726.8	
<b>Total</b>	<b>14,658.7</b>	<b>109,449.7</b>	<b>5,509.4</b>	<b>129,617.7</b>	

(a) At the balance date of corporations within the year shown.

## Permanent Building Societies

A permanent building society is defined as an organisation that:

- is registered under relevant State or Territory legislation;

- has not by its rules any fixed date or certain event or result when it is to terminate;
- is authorised to accept money on deposit; and
- operates on a cooperative 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 55 permanent building societies balancing in the 1988-89 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 in chapter 20, *Housing and Construction* and in the monthly publication *Housing Finance for Owner Occupation, Australia* (5609.0).

**PERMANENT BUILDING SOCIETIES: ASSETS, LIABILITIES,  
INCOME AND EXPENDITURE(a), AUSTRALIA**  
(\$ million)

	1986-87	1987-88	1988-89
<b>Liabilities—</b>			
Share Capital	10,899.6	8,209.1	6,357.7
Reserves	614.4	727.3	852.1
Deposits	6,965.2	11,188.6	14,556.6
Loans	1,395.6	1,242.5	1,825.7
Other liabilities	207.8	312.2	406.2
<b>Total liabilities</b>	<b>20,082.7</b>	<b>21,679.7</b>	<b>23,998.3</b>
<b>Assets—</b>			
Amount owing on loans	14,160.5	14,717.2	17,925.1
Cash on hand	52.7	61.4	78.4
Deposits with:			
Banks	765.0	790.6	1,138.5
Other	342.6	458.1	230.5
Bills, bonds, etc	4,098.8	4,921.9	3,766.1
Physical assets	518.5	578.4	670.1
Other assets	144.6	152.1	189.7
<b>Total assets</b>	<b>20,082.7</b>	<b>21,679.7</b>	<b>23,998.3</b>
<b>Expenditure—</b>			
Interest on:			
Shares	1,218.6	871.9	618.2
Deposits	1,005.8	1,125.2	1,570.4
Interest on loans	138.6	109.2	160.0
Wages and salaries	178.3	190.9	221.9
Administrative expenses	260.7	272.2	233.9
Other expenditure	177.3	212.1	201.4
<b>Total expenditure</b>	<b>2,979.3</b>	<b>2,781.4</b>	<b>3,005.8</b>
<b>Income—</b>			
Interest from:			
Loans	2,242.0	2,085.2	2,343.5
Deposits	160.1	138.9	130.1
Income from bills, bonds, etc	561.3	591.0	556.4
Other income	124.6	220.5	218.2
<b>Total income</b>	<b>3,088.0</b>	<b>3,035.7</b>	<b>3,248.2</b>

(a) At the balance dates of societies within the financial year shown.



## Cooperative Housing Societies

A cooperative housing society is defined as an organisation that:

- is registered under the relevant State or Territory legislation;
- is not authorised to accept money on deposit;
- is only allowed to raise money on loans;
- only provides finance to its members in the form of housing loans; and
- does not cause or permit applicants for loans to ballot for precedence or in any way make the granting of a loan dependent on any chance or lot.

The statistics below summarise information collected from the 1,907 cooperative housing societies balancing within the 1988–89 financial year. More detailed descriptions and dissections of these statistics may be found in the annual publication *Cooperative Housing Societies: Assets, Liabilities, Income and Expenditure, Australia* (5633.0).

### COOPERATIVE HOUSING SOCIETIES: ASSETS, LIABILITIES, INCOME AND EXPENDITURE(a) AUSTRALIA (\$ million)

	1986–87	1987–88	1988–89
<b>Liabilities—</b>			
Share capital and reserves	26.6	29.5	33.0
Borrowings	1,984.9	2,084.7	2,239.4
Other liabilities	13.4	15.3	11.2
<b>Total liabilities</b>	<b>2,025.0</b>	<b>2,129.4</b>	<b>2,283.5</b>
<b>Assets—</b>			
Loan outstanding	1,965.6	2,067.5	2,205.8
Placements and deposits	55.0	57.6	72.4
Physical assets	0.4	0.5	0.7
Other assets	4.0	3.8	4.7
<b>Total assets</b>	<b>2,025.0</b>	<b>2,129.4</b>	<b>2,283.5</b>
<b>Expenditure—</b>			
Interest paid	203.9	223.9	247.5
Administrative expenses	14.5	15.9	19.0
Other expenditure	4.7	5.5	7.4
<b>Total expenditure</b>	<b>223.1</b>	<b>245.4</b>	<b>273.8</b>
<b>Income—</b>			
Interest on loans	208.4	229.8	253.4
Other income	19.2	21.5	26.6
<b>Total income</b>	<b>227.6</b>	<b>251.3</b>	<b>280.0</b>

(a) At the balance dates of cooperative housing societies within the financial year shown.

## Credit Cooperatives

A credit cooperative (or credit union) is defined as an organisation that:

- is registered under relevant State or Territory legislation; and
- operates on a cooperative basis by predominantly borrowing from and providing finance to its own members.

Credit cooperative annual financial account statistics were first collected on a national basis from all registered credit cooperatives for the year 1974–75 when there were 738 credit

cooperatives with a total of 909,547 members. The number of credit cooperatives operating in 1988-89 was 403 with 2,546,694 members. Comprehensive financial account statistics are provided in the annual publication *Credit Co-operatives: Assets, Liabilities, Income and Expenditure, Australia* (5618.0).

**CREDIT COOPERATIVES: ASSETS, LIABILITIES,  
INCOME AND EXPENDITURE(a), AUSTRALIA**  
(\$ million)

	1986-87	1987-88	1988-89
<b>Liabilities—</b>			
Share capital	21.6	26.2	27.4
Reserves	317.1	404.1	507.2
Deposits	6,819.1	6,708.9	6,871.1
Loans	103.5	93.1	174.4
Other liabilities	67.4	68.0	80.4
<b>Total liabilities</b>	<b>7,328.9</b>	<b>7,300.3</b>	<b>7,660.6</b>
<b>Assets—</b>			
Amount owing on loans(b)	5,910.3	5,581.2	6,273.8
Cash on hand	39.1	42.2	48.9
Deposits with:			
Banks	131.6	145.3	111.8
Other	644.5	793.5	578.5
Bills, bonds, etc	270.5	410.0	297.9
Physical assets	246.7	232.2	250.9
Other assets	86.1	95.2	98.8
<b>Total assets</b>	<b>7,328.9</b>	<b>7,300.3</b>	<b>7,660.6</b>
<b>Expenditure—</b>			
Interest on:			
Deposits	790.5	707.0	698.1
Loans	9.8	5.5	13.1
Wages and salaries	127.0	135.2	164.6
Administrative expenses	126.0	136.2	182.0
Other expenditure	138.6	144.6	114.4
<b>Total expenditure</b>	<b>1,191.8</b>	<b>1,128.4</b>	<b>1,172.1</b>
<b>Income—</b>			
Interest from:			
Loans	1,023.3	994.0	1,041.1
Deposits	111.9	103.0	109.1
Income from bills, bonds, etc	41.1	45.5	49.5
Other income	40.0	63.9	78.5
<b>Total income</b>	<b>1,216.3</b>	<b>1,206.5</b>	<b>1,278.1</b>

(a) At the balance of credit cooperatives within the financial year shown. (b) Net of unearned interest and allowance for doubtful debts.

## 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 eight authorised money market dealers. 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.

They are required by the Reserve Bank to:

- 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;
- at all times be willing traders in the buying and selling of approved securities;
- have a minimum paid-up capital of \$400,000 and adhere to a maximum limit on the ratio of loans to shareholders' funds; and
- consult regularly with the Reserve Bank on all money market matters and furnish detailed information about their portfolios, operations, interest rates, balance sheets and profit and loss accounts.

The following table contains details of assets, liabilities, income and expenditure of authorised money market dealers collected annually under the *Census and Statistics Act 1905* and first published for 1984-85.

**AUTHORISED MONEY MARKET DEALERS: ASSETS, LIABILITIES,  
INCOME AND EXPENDITURE(a), AUSTRALIA**  
(\$ million)

	1986-87	1987-88	1988-89
<b>Liabilities—</b>			
Paid up capital	68.2	73.2	61.8
Reserves	11.4	11.4	17.4
Accumulated surplus (net)	2.4	14.7	6.5
Subordinated loans	—	2.0	—
<b>Borrowings from residents—</b>			
Banks	1,618.6	2,901.5	2,399.5
Other financial institutions	283.9	172.5	175.1
Government and public authorities	150.7	301.2	16.7
Other	503.7	378.2	236.2
Borrowings from non-residents	1.0	—	1.0
Other liabilities	12.6	29.9	36.8
<b>Total liabilities</b>	<b>2,652.4</b>	<b>3,884.6</b>	<b>2,950.5</b>
<b>Assets—</b>			
Amount owing on loans	1.9	1.0	0.8
Cash and bank deposits	121.3	145.3	80.9
Other placements and deposits	77.3	1.0	98.3
Bills, bonds and other securities	2,430.4	3,722.2	2,753.2
Other financial assets	20.6	13.9	16.2
Other assets	1.0	1.3	1.1
<b>Total assets</b>	<b>2,652.4</b>	<b>3,884.6</b>	<b>2,950.5</b>
<b>Expenditure—</b>			
Interest on borrowings	330.8	354.9	522.9
Wages and salaries	3.7	4.6	2.0
Administrative expenses	16.6	17.9	15.9
Other expenditure	2.1	8.2	3.8
<b>Total expenditure</b>	<b>353.2</b>	<b>385.7</b>	<b>544.5</b>
<b>Income—</b>			
Interest on loans	1.7	21.7	39.9
Income from placements and other deposits	29.0	44.1	129.1
<b>Income from holdings of:</b>			
Government and public authority securities	227.5	216.3	276.0
Other securities	91.3	110.6	54.9
Other income	3.9	17.0	53.8
<b>Total income</b>	<b>353.3</b>	<b>409.6</b>	<b>553.7</b>

(a) At the balance dates of companies within the financial year shown. Included are only those corporations registered under the *Financial Corporations Act 1974* and categorised as authorised money market dealers during the reference periods.

### 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. This category 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.

The following table contains details of assets, liabilities, income and expenditure of money market dealers collected annually under the *Census and Statistics Act 1905* and first published for 1984-85.

**MONEY MARKET CORPORATIONS: ASSETS, LIABILITIES,  
INCOME AND EXPENDITURE(a), AUSTRALIA**  
(\$ million)

	1986-87	1987-88	1988-89
<b>Liabilities—</b>			
Paid up capital	1,656.0	2,077.8	2,468.5
Reserves	310.7	501.8	402.5
Accumulated surplus (net)	342.8	408.9	92.9
Subordinated loans	161.0	166.4	186.8
Borrowings from residents—			
By issue of securities	2,800.4	2,823.1	3,928.8
Banks	1,942.8	3,333.4	5,689.8
Other financial institutions	2,435.5	3,298.0	3,315.5
Other	16,913.0	19,826.3	19,644.9
Borrowings from non-residents	7,036.8	9,673.4	11,551.7
Other liabilities	1,158.0	1,636.4	2,776.2
<b>Total liabilities</b>	<b>34,756.9</b>	<b>43,745.6</b>	<b>50,057.6</b>
<b>Assets—</b>			
Amount owing on loans	14,553.7	18,588.8	20,901.9
Finance lease receivables	862.9	1,166.1	1,517.0
Cash and bank deposits	1,436.2	1,156.2	1,460.5
Other placements and deposits	5,434.9	7,844.8	9,748.3
Bills, bonds and other securities	10,296.7	12,906.0	14,024.0
Other financial assets	968.8	1,169.6	1,632.0
Other assets	1,203.7	914.1	773.9
<b>Total assets</b>	<b>34,756.9</b>	<b>43,745.6</b>	<b>50,057.6</b>
<b>Expenditure—</b>			
Interest on borrowings	4,416.3	5,409.8	5,800.9
Wages and salaries	210.1	294.7	325.7
Administrative expenses	186.3	280.3	375.5
Other expenditure	385.5	804.3	1,237.2
<b>Total expenditure</b>	<b>5,198.2</b>	<b>6,789.1</b>	<b>7,739.3</b>
<b>Income—</b>			
Interest on loans	1,960.6	2,621.4	2,947.8
Income from finance leasing	125.3	249.4	208.6
Income from placements and other deposits	1,240.0	1,279.1	1,499.1
Income from bills, bonds, etc	1,536.9	1,940.0	1,749.9
Other income	688.8	1,195.3	1,194.0
<b>Total income</b>	<b>5,551.6</b>	<b>7,285.2</b>	<b>7,599.4</b>

(a) At the balance dates of companies within the financial year shown. Included are only those corporations registered under the *Financial Corporations Act 1974* and categorised as authorised money market dealers during the reference periods.

More detailed descriptions and dissections of the statistics of authorised money market dealers and money market corporations statistics may be found in the annual publication *Authorised Dealers and Money Market Corporations: Assets, Liabilities, Income and Expenditure, Australia* (5650.0).

## Finance Companies

Collection of statistics on the financial accounts of finance companies registered under the *Financial Corporations Act 1974* commenced for the 1984-85 year under the authority of the *Census and Statistics Act 1905*. Finance companies are defined as corporations which rely substantially on borrowing 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.

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

	1986-87	1987-88	1988-89
<b>Liabilities—</b>			
Paid up capital	1,695.9	1,659.1	1,501.5
Reserves	641.3	655.6	662.0
Accumulated surplus (net)	730.4	826.1	1,046.8
Subordinated loans	95.1	90.5	100.4
Borrowings from residents—			
By issue of securities	15,454.0	15,216.2	15,793.4
Banks	1,201.0	1,754.8	1,870.6
Other	6,248.2	6,046.7	8,645.4
Borrowings from non-residents	1,947.7	2,030.8	1,783.4
Other liabilities	1,498.3	1,842.0	1,810.6
<b>Total liabilities</b>	<b>29,511.9</b>	<b>30,121.9</b>	<b>33,214.2</b>
<b>Assets—</b>			
Amount owing on loans	18,199.1	17,637.2	21,307.1
Finance lease receivables	8,399.7	8,355.0	8,705.7
Cash and bank deposits	100.4	217.5	119.4
Other placements and deposits	953.8	1,394.4	803.0
Bills, bonds and other securities	896.5	1,497.3	1,334.8
Other financial assets	520.8	573.4	496.7
Other assets	441.6	447.0	447.4
<b>Total assets</b>	<b>29,511.9</b>	<b>30,121.9</b>	<b>33,214.2</b>
<b>Expenditure—</b>			
Interest on borrowings	3,586.6	3,382.9	3,402.8
Wages and salaries	313.9	342.2	359.5
Administrative expenses	362.8	373.5	416.5
Other expenditure	595.3	712.8	588.9
<b>Total expenditure</b>	<b>4,858.7</b>	<b>4,811.3</b>	<b>4,767.7</b>
<b>Income—</b>			
Interest on loans	3,121.7	3,264.5	3,406.6
Income from finance leasing	1,465.9	1,378.9	1,374.8
Income from placements and deposits	174.6	178.8	144.1
Income from bills, bonds, etc	256.0	186.0	182.1
Other income	215.0	280.5	317.1
<b>Total income</b>	<b>5,233.3</b>	<b>5,288.6</b>	<b>5,424.8</b>

(a) At the balance dates of companies within the financial year shown. Included are only those corporations registered under the *Financial Corporations Act 1974* and categorised as finance companies during the reference periods.

More detailed descriptions and dissections of finance company statistics may be found in the annual publication *Finance Companies: Assets, Liabilities, Income and Expenditure, Australia* (5616.0).

## General Financiers

Collection of statistics on the financial accounts of general financiers registered under the *Financial Corporations Act 1974* commenced for the 1984–85 year under the authority of the *Census and Statistics Act 1905*. General financiers are defined as corporations which lend predominantly for business and commercial purposes, instalment credit finance retail sales of others and/or other loans to individuals but which do not rely substantially on borrowings in financial markets in Australia and from abroad.

### GENERAL FINANCIERS: ASSETS, LIABILITIES, INCOME AND EXPENDITURE, AUSTRALIA(a) (\$ million)

	1986–87	1987–88	1988–89
<b>Liabilities—</b>			
Paid up capital	366.9	453.9	421.4
Reserves	147.2	107.6	119.0
Accumulated surplus (net)	62.4	-1.0	68.7
Subordinated loans	63.1	166.3	95.9
<b>Borrowings from residents—</b>			
By issue of securities	43.1	45.1	85.8
Banks	1,445.1	1,795.7	1,671.4
Other financial institutions	457.0	774.1	661.2
Other	2,912.2	3,551.6	4,002.6
Borrowings from non-residents	613.1	579.2	1,234.3
Other liabilities	242.6	217.0	365.6
<b>Total liabilities</b>	<b>6,352.7</b>	<b>7,689.6</b>	<b>8,726.2</b>
<b>Assets—</b>			
Amount owing on loans	3,265.5	3,626.2	3,743.0
Finance lease receivables	1,294.2	2,070.1	2,359.4
Cash and bank deposits	133.0	180.5	298.8
Other placements and deposits	269.0	491.0	529.8
Bills, bonds and other securities	991.5	926.2	1,166.9
Other financial assets	143.7	146.0	179.0
Other assets	255.7	249.6	449.1
<b>Total assets</b>	<b>6,352.7</b>	<b>7,689.6</b>	<b>8,726.2</b>
<b>Expenditure—</b>			
Interest on borrowings	631.2	778.7	940.4
Wages and salaries	45.3	48.2	48.7
Administrative expenses	69.8	68.4	76.3
Other expenditure	192.5	160.9	153.5
<b>Total expenditure</b>	<b>938.8</b>	<b>1,056.2</b>	<b>1,218.9</b>
<b>Income—</b>			
Interest on loans	491.0	521.0	550.4
Income from finance leasing	241.5	287.0	328.6
Income from placements and deposits	44.9	46.9	111.5
Income from bills, bonds, etc	97.0	131.0	141.7
Other income	147.2	94.5	151.4
<b>Total income</b>	<b>1,021.6</b>	<b>1,080.3</b>	<b>1,283.6</b>

(a) At the balance dates of companies within the financial year shown. Included are only those corporations registered under the *Financial Corporations Act 1974* and categorised as general financiers during the reference periods.

More detailed descriptions and dissections of the statistics of general financiers may be found in the annual publication *General Financiers and Other Financial Corporations: Assets, Liabilities, Income and Expenditure, Australia* (5648.0).

## Other Financial Corporations

Collection of statistics of the financial accounts of other financial corporations registered under the *Financial Corporations Act 1974* commenced for the 1984-85 year under the authority of the *Census and Statistics Act 1905*. Other financial corporations are defined as registered corporations that are not categorised as building societies, authorised money market dealers, money market dealers, finance companies, credit cooperatives, pastoral finance companies, general financiers or intra-group financiers.

### OTHER FINANCIAL CORPORATIONS: ASSETS, LIABILITIES, INCOME AND EXPENDITURE, AUSTRALIA(a) (\$ million)

	1986-87	1987-88	1988-89
<b>Liabilities—</b>			
Paid up capital	7.0	5.3	5.5
Reserves	3.2	3.8	4.2
Accumulated surplus (net)	1.3	2.0	2.6
<b>Borrowings from residents—</b>			
Banks	6.5	9.8	12.7
Other	414.7	525.3	678.3
Borrowings from non-residents	—	—	1.1
Other liabilities	16.6	23.9	22.4
<b>Total liabilities</b>	<b>449.3</b>	<b>570.1</b>	<b>726.8</b>
<b>Assets—</b>			
Amount owing on loans	53.0	76.1	138.4
Finance lease receivables	0.8	0.6	0.3
Cash and bank deposits	37.4	52.3	88.5
Other placements and deposits	84.0	118.2	266.1
Bills, bonds and other securities	254.0	297.9	205.2
Other financial assets	12.3	17.9	20.6
Other assets	7.7	7.1	8.0
<b>Total assets</b>	<b>449.3</b>	<b>570.1</b>	<b>726.8</b>
<b>Expenditure—</b>			
Interest on borrowings	58.2	55.7	104.6
Wages and salaries	6.2	7.0	6.6
Administrative expenses	4.5	6.0	7.5
Other expenditure	5.7	6.8	7.9
<b>Total expenditure</b>	<b>74.6</b>	<b>75.5</b>	<b>126.6</b>
<b>Income—</b>			
Interest on loans	9.8	8.6	15.3
Income from finance leasing	0.4	0.4	0.4
Income from placements and deposits	21.3	20.5	44.0
Income from bills, bonds, etc	32.0	33.0	50.7
Other income	15.6	15.4	17.4
<b>Total income</b>	<b>79.1</b>	<b>77.9</b>	<b>127.8</b>

(a) At the balance dates of companies within the financial year shown. Included are only those corporations registered under the *Financial Corporations Act 1974* and categorised as other financial corporations during the reference periods.

More detailed descriptions and dissections of the statistics of other financial corporations may be found in the annual publication *General Financiers and Other Financial Corporations: Assets, Liabilities, Income and Expenditure, Australia* (5648.0).

## CASH MANAGEMENT TRUSTS

A monthly statistical collection was introduced in May 1983 to obtain information on the operations of cash management trusts. A cash management trust is a unit trust which is governed by a trust deed, is open to the public, generally confines its investments to financial securities available through the short term money market and whose units are redeemable by the trustee to the unit holder on demand.

The following table summarises the financial operations of cash management trusts.

CASH MANAGEMENT TRUSTS									
June—	Number of trusts	Units in issue at end of period (\$ million)	Weighted average net yield at end of period (% per annum)	Assets (\$ million)					
				Cash and deposits with banks	All other deposits and loans	Bills of exchange purchased and held	Promissory notes purchased and held	Other assets	Total assets
1988	18	3,625.5	11.17	313.3	470.2	2,483.9	358.9	63.4	3,689.5
1989	19	3,646.1	16.79	667.2	777.0	1,917.0	354.5	35.5	3,749.2
1990	16	4,432.0	14.08	1,476.0	469.3	2,359.5	203.9	38.6	4,547.3

## PUBLIC UNIT TRUSTS

A quarterly statistical collection was introduced in September 1985 to obtain information on the operations of listed and unlisted public unit trusts.

A public unit trust is defined as an arrangement (fund) which is governed by a trust deed between a management company and a trustee company; is open to the public within Australia for the purpose of investing the pooled funds of unit holders to yield returns in the form of income and/or capital gains; and allows unit holders to dispose of their units within a relatively short period of time. These statistics exclude cash management trusts, private trusts and trusts exempted from providing redemption facilities (e.g. film and agricultural trusts).

The major distinction between a listed and an unlisted unit trust is that a listed unit trust's units must be listed on Australian Stock Exchanges and adhere to listing requirements similar to those for company shares.

The following table summarises the financial operations of public unit trusts.



## UNIT TRUSTS: SUMMARY

Assets (\$ million)							
Quarter	Number of trusts	Units in issue at end of the period (\$ million)	Shares	Property at the end of the quarter	Loan out-standings secured by mortgages on land and buildings	Other assets	Total assets
UNLISTED							
1988							
March	362	9,761.4	2,968.0	3,799.7	1,210.9	3,099.5	11,078.1
June	379	10,399.6	2,998.2	4,046.0	1,305.0	3,368.4	11,717.6
Sept.	387	11,260.3	3,091.0	4,439.8	1,576.9	3,219.1	12,326.8
Dec.	392	11,972.7	3,036.6	4,827.3	1,706.9	3,663.7	13,234.5
1989							
March	401	12,506.3	3,064.7	5,178.6	1,877.9	3,710.7	13,831.9
June	393	13,042.1	3,177.7	6,082.0	1,950.7	3,646.9	14,857.3
Sept.	378	13,617.1	3,547.0	6,429.7	1,953.7	3,544.4	15,474.8
Dec.	379	14,108.0	3,553.5	6,872.3	1,949.7	3,695.0	16,070.5
1990							
March	381	14,904.2	3,512.9	6,948.1	1,819.4	4,355.9	16,636.3
LISTED							
1988							
March	56	6,825.9	176.1	4,403.7	25.6	3,423.5	8,028.9
June	57	7,748.6	193.7	4,834.3	25.8	4,398.3	9,452.1
Sept.	55	7,153.2	203.4	4,980.2	18.9	3,704.0	8,906.5
Dec.	54	7,723.3	418.1	5,744.0	0.3	4,207.4	10,369.8
1989							
March	53	7,934.8	423.3	6,054.1	0.2	4,303.4	10,781.0
June	51	7,474.2	391.4	6,254.9	33.0	4,139.0	10,818.3
Sept.	49	7,705.6	448.0	6,369.3	33.0	4,117.1	10,967.4
Dec.	47	7,542.7	483.4	6,474.5	33.0	4,134.9	11,125.8
1990							
March	43	7,431.3	471.0	6,359.9	33.0	4,102.4	10,966.3
TOTAL							
1988							
March	418	16,587.3	3,144.1	8,203.4	1,236.5	6,523.0	19,107.0
June	436	18,148.2	3,191.9	8,880.3	1,330.8	7,766.7	21,169.7
Sept.	442	18,413.5	3,294.4	9,420.0	1,595.8	6,923.1	21,233.3
Dec.	446	19,696.0	3,454.7	10,571.3	1,707.2	7,871.1	23,604.3
1989							
March	454	20,441.1	3,488.0	11,232.7	1,878.1	8,014.1	24,612.9
June	444	20,516.3	3,569.1	12,336.9	1,983.7	7,785.9	25,675.6
Sept.	427	21,322.7	3,995.0	12,799.0	1,986.7	7,661.5	26,442.2
Dec.	426	21,650.7	4,036.9	13,346.8	1,982.7	7,829.9	27,196.3
1990							
March	424	22,335.5	3,983.9	13,308.0	1,852.4	8,458.3	27,602.6

## LIFE INSURANCE

Statistics in the following table have been derived from the publications of the Insurance and Superannuation Commission 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 reported by four State Government Insurance Offices.

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

### LIFE INSURANCE: SUMMARY

	<i>Insurance and endowment policies</i>			
	<i>Number of policies ('000)</i>	<i>Sum insured (\$ million)</i>	<i>Business issued by single premiums (\$ million)</i>	<i>Annual premiums (\$ million)</i>
<b>ORDINARY AND INDUSTRIAL BUSINESS</b>				
New policies issued—				
1987	927	30,522	3,780.7	396.5
1988	958	37,766	2,654.2	467.7
1989	822	43,530	1,914.7	641.4
Policies discounted or reduced(a)—				
1987	712	16,886	..	185.6
1988	733	19,801	..	223.3
1989	798	22,937	..	269.5
Policies existing at end of—				
1987	6,173	134,570	..	1,596.2
1988	6,398	152,535	..	1,840.6
1989	6,422	173,128	..	2,212.5
<b>SUPERANNUATION BUSINESS</b>				
New policies issued—				
1987	343	38,550	1,700.6	3,341.3
1988	353	53,873	2,205.7	4,288.2
1989	460	64,917	2,796.2	5,356.4
Policies discontinued or reduced(a)—				
1987	100	19,245	..	491.2
1988	96	24,546	..	564.5
1989	124	27,457	..	823.6
Policies existing at end of—				
1987	1,701	140,027	..	3,341.3
1988	1,958	169,354	..	4,288.2
1989	2,294	206,814	..	5,356.4

(a) Includes transfers.

## GENERAL INSURANCE

Statistics in the following tables have been derived from the publications of the Insurance and Superannuation Commission. The statistics relate to the operations of:

- (a) bodies corporate authorised to carry on insurance business under the *Insurance Act 1973*; and
- (b) government instrumentalities, i.e. State Government Insurance Offices and Commonwealth 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 during the year. 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. Salvage and other amounts recoverable other than reinsurance recoveries have been deducted.

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>	1985-86	1986-87	1987-1988	1988-1989
<b>PREMIUMS</b>				
Fire(a)	725.7	854.2	917.9	901.6
House Owners' and House-holders'	782.3	826.3	908.1	940.0
Contractors' All Risks	64.6	86.0	86.1	95.9
Marine and Aviation	211.9	240.1	255.8	268.9
Motor Vehicle Comprehensive	1,392.5	1,664.9	1,943.8	2,054.8
Compulsory Third Party (Motor Vehicle)	118.6	132.4	132.6	435.1
Employers Liability(b)	1,607.4	1,267.9	411.7	281.1
Public Liability(c)	352.9	500.1	621.5	630.9
All other	631.0	703.8	788.9	866.2
<b>Total</b>	<b>5,886.8</b>	<b>6,275.6</b>	<b>6,066.4</b>	<b>6474.5</b>
<b>CLAIMS</b>				
Fire(a)	417.7	403.0	375.0	458.0
House Owners' and House-holders'	372.4	409.3	175.0	465.7
Contractors' All Risks	38.6	41.6	87.0	37.7
Marine and Aviation	114.6	125.8	97.3	126.0
Motor Vehicle Comprehensive	1,127.8	1,370.7	370.4	1,549.9
Compulsory Third Party (Motor Vehicle)	64.4	60.8	293.3	68.6
Employers Liability(b)	1,332.1	1,308.6	2,493.8	918.8
Public Liability(c)	126.4	140.2	853.3	239.9
All other	272.3	325.4	227.3	359.3
<b>Total</b>	<b>3,866.2</b>	<b>4,185.5</b>	<b>4,972.4</b>	<b>4,223.0</b>

(a) Includes sprinkler leakage, loss of profits, and crop and hailstone insurance. (b) Excludes workers' compensation insurance in the coal mining industry in NSW. (c) Includes product liability and professional indemnity insurance.

## LENDING BY FINANCIAL INSTITUTIONS

The following is a summary of lending activity of financial institutions. More detail regarding housing finance is contained in chapter 20, *Housing Construction*.

**LENDING COMMITMENTS BY FINANCIAL INSTITUTIONS  
(\$ million)**

<i>Type of lending activity</i>	1987-88	1988-89	1989-90
Housing finance	20,109.7	22,787.8	18,689.5
Personal finance	19,934.4	22,419.2	22,300.3
Commercial finance	108,180.8	115,140.7	92,821.9
Lease finance	6,789.3	8,801.7	8,215.0
<b>Total</b>	<b>155,014.2</b>	<b>169,149.4</b>	<b>142,026.7</b>

## PERSONAL, COMMERCIAL AND LEASE FINANCE

Three monthly collections were introduced in January 1985 to measure the lending activity of significant lenders in the fields of personal, commercial and lease finance. These collections replaced two previous collections, the results of which were published in *Finance Companies, Australia* (5614.0) and *Instalment Credit for Retail Sales, Australia* (5631.0).

### Personal finance

The following tables present statistics of finance commitments made by significant lenders to individuals for their own personal (non-business) use. For more comprehensive statistics and detailed information on the scope and coverage of these statistics refer to the monthly publication *Personal Finance, Australia* (5642.0).

#### PERSONAL FINANCE COMMITMENTS(a): TYPE OF LENDER (\$ million)

	All banks	Finance companies	Credit cooperatives	Other lenders(b)	Total
1987-88	14,406.3	3,242.0	1,844.6	441.4	19,934.4
1988-89	15,420.2	4,407.4	2,188.7	403.0	22,419.3
1989-90	14,815.0	4,800.5	2,215.5	469.3	22,300.3

(a) Includes both fixed loan facilities and new and increased lending commitments under revolving credit facilities. (b) Includes permanent building societies, general financiers and retailers.

#### PERSONAL FINANCE COMMITMENTS: TYPE OF FACILITY, ALL LENDERS (\$ million)

	Revolving credit commitments				
	Fixed loan commitments	New and increased credit limits	Cancellations and reductions in credit limits	Credit limits	
				Total	Used
1987-88	11,864.6	8,069.7	3,909.9	21,484.8	9,328.7
1988-89	14,312.1	8,107.1	5,232.1	24,486.6	10,944.0
1989-90	13,761.9	8,538.4	6,110.9	26,834.8	12,208.9

### Commercial finance

The statistics in the following tables measure commitments made by significant lenders to government, private and public enterprises and non-profit organisations as well as to individuals (for investment and business purposes). For more comprehensive statistics and detailed information on the scope and coverage of these statistics refer to the monthly publication *Commercial Finance, Australia* (5643.0).

#### COMMERCIAL FINANCE COMMITMENTS(a): TYPE OF LENDER (\$ million)

	Banks	Finance companies	Money market corporations	Other lenders(b)	Total
1987-88	89,192.3	8,463.5	10,714.8	150.3	108,520.8
1988-89	91,748.7	13,341.6	9,788.6	261.8	115,140.7
1989-90	75,132.7	10,474.3	5,931.6	1,283.3	92,821.9

(a) Includes both fixed loan facilities and new and increased lending commitments under revolving credit facilities. (b) Includes permanent building societies, general financiers and pastoral finance companies.

**COMMERCIAL FINANCE COMMITMENTS: FIXED LOAN FACILITIES**  
(\$ million)

	<i>Construction</i>	<i>Purchase of real property</i>	<i>Purchase of plant and equipment</i>	<i>Re-financing</i>	<i>Other purposes</i>	<i>Total</i>
1987-88	5,018.0	8,520.8	2,493.2	4,062.0	14,408.0	34,502.0
1988-89	7,795.6	14,816.1	3,206.0	4,408.8	16,575.7	46,802.2
1989-90	6,276.2	10,346.1	3,454.2	3,584.3	14,424.6	38,085.5

**COMMERCIAL FINANCE COMMITMENTS(a): INDUSTRY OF BORROWER**  
(\$ million)

<i>Industry of borrower</i>	<i>1988-89</i>			<i>1989-90</i>		
	<i>New fixed loan commitments during period</i>	<i>New and increased credit limits during period</i>	<i>Total new commitments during period</i>	<i>New fixed loan commitments during period</i>	<i>New and increased credit limits during period</i>	<i>Total new commitments during period</i>
Agriculture, forestry, fishing and hunting	3,266.2	3,689.4	6,955.6	1,974.3	3,373.1	5,347.4
Mining	901.7	3,219.1	4,120.8	810.4	2,225.9	3,036.3
Manufacturing	2,717.8	10,221.9	12,939.7	2,151.1	8,657.4	10,808.5
Construction	8,065.7	5,136.5	13,202.2	5,751.4	3,329.8	9,081.2
Wholesale trade	1,713.2	3,466.9	5,180.1	1,511.0	2,833.5	4,344.5
Retail trade	3,110.5	4,724.3	7,834.8	3,560.0	4,888.8	8,448.8
Transport and storage	1,275.3	1,796.3	3,071.6	1,267.1	1,128.8	2,395.9
Finance, investment and insurance	6,664.9	16,024.2	22,689.1	4,574.0	13,742.1	18,316.1
Property and business services	8,673.0	9,852.5	18,525.5	7,449.7	7,025.4	14,475.1
Other industries	10,413.9	10,207.4	20,621.4	9,036.5	7,531.6	16,568.1
<b>Total industries</b>	<b>46,802.2</b>	<b>68,338.5</b>	<b>115,140.7</b>	<b>38,085.5</b>	<b>54,736.4</b>	<b>92,821.9</b>

(a) Includes both fixed loan facilities and new and increased lending commitments under revolving credit facilities.

### Lease finance

The statistics in the following tables measure lease finance commitments made by significant lenders to trading and financial enterprises, non-profit organisations, governments, public authorities and individuals. For more comprehensive statistics and detailed information on the scope and coverage of these statistics refer to the monthly publication *Lease Finance, Australia* (5644.0).

**LEASE FINANCE COMMITMENTS: TYPE OF LESSOR**  
(\$ million)

	<i>All banks</i>	<i>Money market corporations</i>	<i>Finance companies</i>	<i>General financiers</i>	<i>Total</i>
1987-88	1,825.0	412.5	3,973.6	578.2	6,789.3
1988-89	2,329.6	456.2	5,106.7	909.1	8,801.7
1989-90	2,789.8	411.3	4,064.8	950.9	8,216.7

**LEASE FINANCE COMMITMENTS: TYPE OF GOODS LEASED**  
(\$ million)

<i>Types of goods</i>	<i>1987-88</i>	<i>1988-89</i>	<i>1989-90</i>
Motor vehicles and other transport equipment	3,502.8	4,845.8	4,041.1
Construction and earth moving equipment	306.2	439.3	402.4
Agricultural machinery and equipment	182.3	243.0	223.9
Automatic data processing equipment and office machinery	841.3	1,138.9	1,369.9
Shop and office furniture, fittings and equipment	652.7	674.9	572.2
Other goods	1,304.1	1,459.7	1,607.3
<b>Total</b>	<b>6,789.3</b>	<b>8,801.7</b>	<b>8,216.7</b>

**LEASE FINANCE COMMITMENTS: INDUSTRY OF LESSEE**  
(\$ million)

<i>Industry of lessee</i>	<i>1987-88</i>	<i>1988-89</i>	<i>1989-90</i>
Agriculture, forestry, fishing and hunting	438.0	547.5	430.5
Mining	110.2	133.4	193.9
Manufacturing	1,040.7	1,090.5	973.5
Construction	548.3	706.9	590.6
Wholesale trade	305.5	319.7	298.9
Retail trade	838.7	1,119.0	998.2
Transport and storage	901.2	1,204.9	1,242.2
Finance, investment and insurance	537.8	681.5	633.2
Property and business services	907.1	1,273.5	1,145.6
Community services	325.9	430.0	217.8
Other industries	835.9	1,294.8	1,490.3
<b>Total industries</b>	<b>6,789.3</b>	<b>8,801.7</b>	<b>8,215.0</b>

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