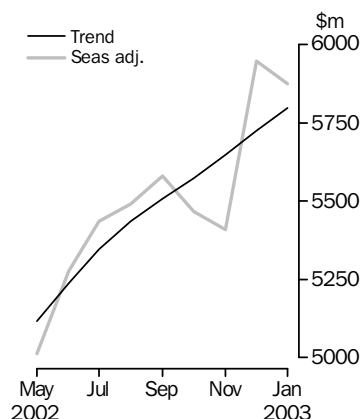


# LENDING FINANCE

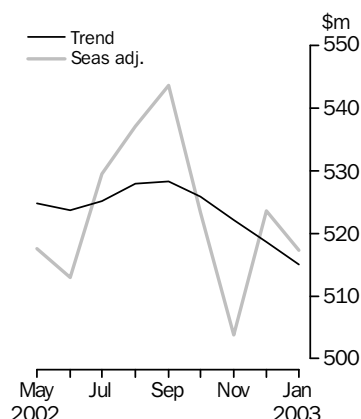
AUSTRALIA

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## Personal finance



## Lease finance



- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or David Connolly on Canberra (02) 6252 5659.

## KEY FIGURES

	Dec 2002	Jan 2003	Dec 2002 to Jan 2003
	\$m	\$m	% change
<b>TREND ESTIMATES</b>			
Housing finance for owner occupation	8 582	8 621	0.5
Personal finance	5 726	5 798	1.3
Commercial finance	21 414	20 949	-2.2
Lease finance	519	515	-0.7

## SEASONALLY ADJUSTED ESTIMATES

Housing finance for owner occupation	8 618	8 730	1.3
Personal finance	5 948	5 876	-1.2
Commercial finance	23 420	19 857	-15.2
Lease finance	524	517	-1.2

## KEY POINTS

### HOUSING FINANCE FOR OWNER OCCUPATION

- The total value of commitments rose by 1.3% (seasonally adjusted) in January 2003. The trend series increased by 0.5% in January 2003.

### PERSONAL FINANCE

- The seasonally adjusted series for total personal finance commitments fell by 1.2% in January 2003, primarily due to a drop in fixed lending commitments, down 4.3%. Personal revolving credit also eased from the large increase of December to a more modest 1.3% increase.
- The total personal finance trend series continued its growth over the past year, increasing by 1.3% in January 2003. The fixed lending trend increased by 0.7% and revolving credit commitments rose by 1.7%.

### COMMERCIAL FINANCE

- Total commercial finance series (seasonally adjusted) declined by 15.2% in January 2003, after the large increase in December of 20.3%.
- The total commercial finance trend estimate fell by 2.2% in January 2003. The trend for fixed lending commitments fell by 1.6% and that for revolving credit commitments fell by 3.2%.
- In original terms finance commitments for the purchase of dwellings by individuals for rent or resale was 28.6% of all housing finance in January 2003 (24.5% in January 2002).

### LEASE FINANCE

- Lease finance (seasonally adjusted) fell by 1.2% in January 2003. The lease finance trend series fell by 0.7% in January 2003, after similar decreases over the previous three months.

## NOTES

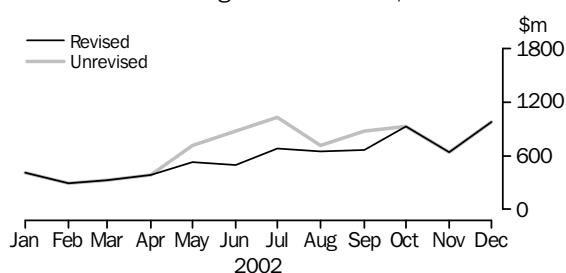
### FORTHCOMING ISSUES

ISSUE	RELEASE DATE
February 2003	15 April 2003
March 2003	15 May 2003
April 2003	12 June 2003
May 2003	14 July 2003
June 2003	11 August 2003
July 2003	11 September 2003

### CHANGES IN THIS ISSUE

This issue contains some significant revisions to the Commercial Finance classification of loan by purpose for the period May 2002 to September 2002, due to revisions by a survey provider. These revisions affect Table 6 (Commercial Finance Commitments, by purpose for fixed loans) and Table 8 (Finance Commitments for housing – owner occupation and commercial). While Commercial Finance totals are not affected by the changes, some loan activity previously attributed to the construction of dwellings for rent or resale has been reclassified to a range of other purposes. The graph below illustrates these revisions.

COMMERCIAL FINANCE,  
Construction of dwellings for rent or resale, 2002



### ABBREVIATIONS

ABS Australian Bureau of Statistics  
 APRA Australian Prudential Regulation Authority  
 n.e.c. not elsewhere classified

Susan Linacre  
 Acting Australian Statistician

## LENDING FINANCE SUMMARY OF FINDINGS

### HOUSING FINANCE FOR OWNER OCCUPATION

The total value of commitments increased by 1.3% (seasonally adjusted) in January 2003. The trend series rose by 0.5%, continuing a succession of small increases since February 2002.

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

### PERSONAL FINANCE

The seasonally adjusted series for total personal finance commitments fell by 1.2% in January 2003, but was still significantly higher (23.1%) than the figure for January 2002. The fall in January 2003 for the adjusted series was driven by a decrease in fixed lending (down 4.3%) while revolving credit increased by 1.3%.

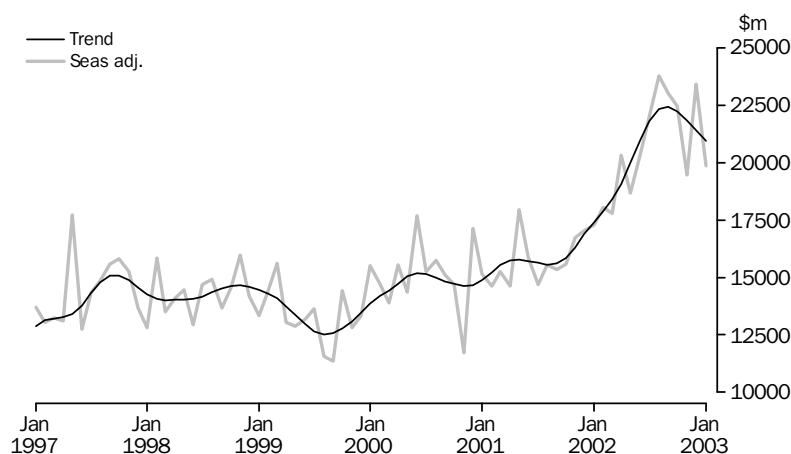
The total personal finance trend series continued its growth over the past year, increasing by 1.3% in January 2003. The fixed lending trend increased by 0.7% in January 2003 while the trend for revolving credit commitments rose by 1.7%.

### COMMERCIAL FINANCE

The seasonally adjusted total commercial finance series decreased by 15.2% in January 2003, after a 20.3% increase in December. This was due to a 25% decrease in revolving credit in January 2003 while fixed lending also fell (9.5%).

The total commercial finance trend estimate fell by 2.2% in January 2003, the fixed lending trend fell by 1.6% and the revolving credit commitments trend fell by 3.2%.

Commercial finance for housing (including finance for construction and finance for purposes of rent or resale) as a proportion of all housing finance (including owner occupation) was 34.3% in January 2003 in original terms (up from 31% in January 2002).



### LEASE FINANCE

Seasonally adjusted lease finance decreased by 1.2% in January 2003, following an increase of 3.9% in December. The trend series fell by 0.7% in January 2003.

## FINANCE COMMITMENTS, Summary: (\$m)

Month	SECURED HOUSING(a)		PERSONAL(b)			COMMERCIAL			LEASE
	Construction and purchase of dwellings(c)	Alterations and additions	Fixed loans(c)	Revolving credit(d)	Total	Fixed loans(c)	Revolving credit(d)	Total	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2002									
January	7 385	298	2 071	2 188	4 259	9 682	4 753	14 435	494
February	7 515	352	2 136	2 360	4 496	9 133	6 300	15 434	462
March	7 961	364	2 212	2 654	4 867	10 630	5 890	16 521	536
April	8 191	346	2 201	2 568	4 769	12 267	5 984	18 251	461
May	9 352	417	2 479	3 071	5 551	14 110	5 609	19 718	553
June	8 108	345	2 343	3 256	5 599	16 662	9 506	26 168	699
July	8 808	369	2 468	3 299	5 768	15 246	9 373	24 619	604
August	8 444	364	2 399	3 218	5 616	15 407	9 199	24 605	529
September	8 058	367	2 283	2 794	5 078	13 348	7 454	20 802	506
October	8 782	457	2 530	3 209	5 740	15 002	7 712	22 715	514
November	8 670	465	2 477	3 270	5 748	12 612	7 455	20 067	470
December	8 486	448	2 465	3 245	5 710	15 205	8 846	24 051	553
2003									
January	7 585	411	2 423	2 736	5 159	10 758	5 347	16 105	424
SEASONALLY ADJUSTED									
2002									
January	8 414	..	2 160	2 612	4 773	11 486	5 792	17 278	600
February	8 004	..	2 170	2 813	4 983	10 827	7 213	18 040	555
March	8 043	..	2 191	2 659	4 849	11 473	6 309	17 782	560
April	7 990	..	2 234	2 727	4 961	13 838	6 495	20 333	518
May	8 237	..	2 246	2 766	5 012	12 915	5 760	18 675	518
June	8 343	..	2 285	2 992	5 277	12 621	7 741	20 362	513
July	8 315	..	2 347	3 090	5 436	13 599	8 395	21 994	530
August	8 463	..	2 438	3 053	5 491	15 339	8 436	23 775	537
September	8 584	..	2 443	3 136	5 579	14 781	8 254	23 035	544
October	8 537	..	2 508	2 960	5 468	14 417	8 066	22 483	523
November	8 328	..	2 471	2 940	5 410	12 837	6 632	19 469	504
December	8 618	..	2 636	3 312	5 948	14 752	8 668	23 420	524
2003									
January	8 730	..	2 522	3 354	5 876	13 357	6 500	19 857	517
TREND									
2002									
January	8 070	..	2 151	2 671	4 822	10 890	6 511	17 400	583
February	8 068	..	2 175	2 685	4 860	11 442	6 431	17 873	565
March	8 078	..	2 197	2 717	4 913	11 976	6 426	18 402	546
April	8 117	..	2 223	2 776	4 999	12 495	6 585	19 081	532
May	8 189	..	2 260	2 856	5 116	13 052	6 950	20 003	525
June	8 280	..	2 304	2 935	5 238	13 571	7 400	20 971	524
July	8 368	..	2 353	2 994	5 346	13 996	7 821	21 817	525
August	8 435	..	2 403	3 032	5 436	14 248	8 084	22 332	528
September	8 476	..	2 450	3 058	5 508	14 319	8 123	22 442	528
October	8 508	..	2 490	3 084	5 574	14 278	7 959	22 237	526
November	8 544	..	2 524	3 125	5 648	14 134	7 717	21 851	522
December	8 582	..	2 550	3 176	5 726	13 957	7 457	21 414	519
2003									
January	8 621	..	2 568	3 230	5 798	13 729	7 220	20 949	515

.. not applicable

(c) Includes refinancing.

(a) For owner occupation.

(d) New and increased credit limits during the month. Includes credit cards.

(b) Includes unsecured housing finance for owner occupation.

HOUSING AND PERSONAL FINANCE COMMITMENTS, By Lender: **Original (\$m)**

Month	HOUSING FINANCE(a)					PERSONAL FINANCE(b)				
	Banks	Permanent building societies	Wholesale lenders n.e.c.	Other lenders	Total	Banks	Credit co- operatives	Finance companies	Other lenders	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>										
January	5 835	220	1 007	323	7 385	3 126	233	650	250	4 259
February	5 713	287	1 135	379	7 515	3 369	251	637	239	4 496
March	6 105	275	1 183	398	7 961	3 625	326	640	276	4 867
April	6 214	319	1 261	398	8 191	3 602	272	640	255	4 769
May	6 950	376	1 539	488	9 352	4 196	315	757	283	5 551
June	6 127	293	1 258	430	8 108	4 339	292	713	256	5 599
July	6 645	310	1 410	443	8 808	4 446	310	754	258	5 768
August	6 396	281	1 353	414	8 444	4 324	337	712	242	5 616
September	6 183	248	1 272	356	8 058	3 930	266	654	228	5 078
October	6 725	316	1 345	396	8 782	4 370	273	734	363	5 740
November	6 788	300	1 204	378	8 670	4 384	273	753	338	5 748
December	6 653	266	1 140	427	8 486	4 344	276	809	281	5 710
<b>2003</b>										
January	5 964	242	1 013	365	7 585	3 926	276	691	266	5 159

(a) Secured finance for owner occupation. Excludes alterations and additions.

(b) Unsecured housing finance for owner occupation.

COMMERCIAL AND LEASE FINANCE COMMITMENTS, By Lender: **Original (\$m)**

Month	COMMERCIAL FINANCE					LEASE FINANCE				
	Banks	Money market corporations	Finance companies	Other lenders	Total	Banks	General financiers	Finance companies	Other lessors	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>										
January	12 547	448	470	971	14 435	113	171	125	85	494
February	13 048	596	556	1 233	15 434	136	106	140	81	462
March	13 269	726	574	1 951	16 521	164	123	142	106	536
April	14 678	1 444	563	1 566	18 251	117	112	140	93	461
May	17 013	642	412	1 652	19 718	174	114	160	105	553
June	21 503	2 475	434	1 757	26 168	195	144	210	149	699
July	20 470	2 051	489	1 608	24 619	161	220	103	120	604
August	21 794	np	436	np	24 605	133	186	93	116	529
September	18 224	388	456	1 735	20 802	147	146	101	113	506
October	20 018	497	427	1 773	22 715	151	149	106	108	514
November	17 695	103	445	1 823	20 067	158	115	96	101	470
December	21 160	378	547	1 965	24 051	176	140	114	123	553
<b>2003</b>										
January	14 346	np	340	np	16 105	126	117	84	97	424

np not available for publication but included in totals where applicable, unless otherwise indicated

PERSONAL FINANCE COMMITMENTS, By Purpose (Fixed Loans): **Original (\$m)**

	<i>New motor cars and station wagons</i>	<i>Used motor cars and station wagons</i>	<i>Total motor vehicles(a)</i>	<i>Individual residential blocks of land</i>	<i>Unsecured finance for owner occupa- tion(b)</i>	<i>Debt consolidation</i>	<i>Refinancing</i>	<i>Other(c)</i>	<b>Total</b>
<i>Month</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>									
January	350	472	896	141	36	169	288	542	<b>2 071</b>
February	338	444	867	172	46	171	301	578	<b>2 136</b>
March	337	443	867	180	45	206	305	608	<b>2 212</b>
April	357	446	883	192	38	196	293	599	<b>2 201</b>
May	395	487	967	215	43	218	366	670	<b>2 479</b>
June	354	423	855	189	39	191	412	658	<b>2 343</b>
July	380	477	937	203	42	222	425	640	<b>2 468</b>
August	335	470	890	190	40	211	410	659	<b>2 399</b>
September	323	440	847	197	39	206	405	590	<b>2 283</b>
October	350	488	927	224	43	239	436	661	<b>2 530</b>
November	340	451	872	214	48	227	436	680	<b>2 477</b>
December	356	447	890	223	48	213	412	679	<b>2 465</b>
<b>2003</b>									
January	333	477	883	252	42	229	389	627	<b>2 423</b>

(a) Includes motor cycles and other motor vehicles.

(b) Includes alterations and additions.

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

PERSONAL FINANCE COMMITMENTS, Revolving Credit Stocks and Flows: **Original (\$m)**

	NEW AND INCREASED CREDIT LIMITS			CANCELLATIONS AND REDUCTIONS	CREDIT AT END OF MONTH	
	Secured	Unsecured	Total	Total	Total limits	Credit used
Month	\$m	\$m	\$m	\$m	\$m	\$m
2002						
January	918	1 269	2 188	1 270	122 680	58 867
February	1 116	1 244	2 360	1 040	123 929	59 747
March	1 200	1 454	2 654	1 963	124 698	58 538
April	1 144	1 424	2 568	1 105	125 994	58 683
May	1 461	1 610	3 071	1 402	127 598	59 497
June	1 663	1 593	3 256	1 228	129 615	61 000
July	1 623	1 677	3 299	1 714	129 115	61 401
August	1 579	1 639	3 218	1 513	130 659	61 880
September	1 430	1 365	2 794	928	132 572	62 868
October	1 603	1 607	3 209	974	135 699	63 958
November	1 614	1 657	3 270	866	138 545	65 504
December	1 751	1 493	3 245	969	140 717	67 208
2003						
January	1 561	1 175	2 736	1 012	142 490	67 935



# COMMERCIAL FINANCE COMMITMENTS, By Purpose (Fixed Loans): **Original (\$m)**

	Construction finance	Purchase of real property	Wholesale finance	Purchase of plant and equipment	Refinancing	Other	<b>Total</b>	Commitments not drawn at end of month
<i>Month</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>								
January	662	3 711	368	842	712	3 387	<b>9 682</b>	13 287
February	585	3 947	358	1 316	771	2 157	<b>9 133</b>	13 650
March	556	4 680	np	1 187	1 296	np	<b>10 630</b>	13 421
April	1 127	4 669	np	1 370	1 415	np	<b>12 267</b>	17 748
May	1 161	5 896	518	1 210	1 435	3 889	<b>14 110</b>	19 941
June	1 505	6 320	594	1 092	1 200	5 951	<b>16 662</b>	20 691
July	1 586	5 557	783	1 174	1 364	4 781	<b>15 246</b>	19 955
August	1 247	5 763	np	1 032	1 041	np	<b>15 407</b>	20 430
September	1 295	5 197	532	1 259	1 175	3 891	<b>13 348</b>	19 623
October	1 672	5 385	688	1 028	1 403	4 826	<b>15 002</b>	21 238
November	1 571	5 613	490	1 090	917	2 932	<b>12 612</b>	21 104
December	2 155	5 794	np	1 049	1 082	np	<b>15 205</b>	20 553
<b>2003</b>								
January	1 635	4 527	np	950	616	np	<b>10 758</b>	21 507

np not available for publication but included in totals where applicable, unless otherwise indicated

# LEASE AND COMMERCIAL FINANCE COMMITMENTS, Stocks and Flows: **Original (\$m)**

	LEASE FINANCE		COMMERCIAL REVOLVING CREDIT			
	Total commitments	Commitments not drawn at end of month	New and increased credit limits	Cancellations and reductions	Total credit limits at end of month	Credit used at end of month
<i>Month</i>	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>						
January	494	305	4 753	7 348	202 539	111 103
February	462	317	6 300	5 994	203 321	112 075
March	536	325	5 890	7 472	199 459	110 112
April	461	323	5 984	6 748	213 623	112 751
May	553	339	5 609	7 675	211 106	110 178
June	699	336	9 506	6 639	213 535	111 664
July	604	345	9 373	9 309	211 257	109 854
August	529	336	9 199	7 996	212 314	111 931
September	506	351	7 454	8 489	211 438	110 820
October	514	335	7 712	7 330	212 489	109 739
November	470	329	7 455	5 200	214 680	110 872
December	553	326	8 846	7 312	216 661	110 566
<b>2003</b>						
January	424	324	5 347	7 915	214 111	110 768

FINANCE COMMITMENTS, For Housing (Owner Occupation & Commercial): **Original (\$m)**

	OWNER OCCUPATION (SECURED FINANCE)				OWNER OCCUPATION (UNSECURED FINANCE)	COMMERCIAL FINANCE			ALL HOUSING FINANCE
	Construction of dwellings	Purchase of new dwellings	Purchase of established dwellings (a)	Alterations and additions	Total (a) (b)	Construction of dwellings for rent or resale	Purchase of dwellings by individuals for rent or resale	Purchase of dwellings by others for rent or resale	Total
Month	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>									
January	983	251	6 150	298	36	415	2 735	312	<b>11 180</b>
February	855	243	6 416	352	46	292	3 040	292	<b>11 537</b>
March	873	262	6 827	364	45	328	3 549	337	<b>12 585</b>
April	860	253	7 079	346	38	384	3 621	323	<b>12 905</b>
May	1 007	306	8 040	417	43	528	4 368	417	<b>15 126</b>
June	897	250	6 962	345	39	500	4 127	442	<b>13 561</b>
July	1 086	268	7 454	369	42	682	4 099	399	<b>14 399</b>
August	948	268	7 227	364	40	647	4 028	345	<b>13 868</b>
September	845	248	6 965	367	39	669	3 884	403	<b>13 420</b>
October	906	248	7 628	457	43	928	4 118	391	<b>14 720</b>
November	856	300	7 514	465	48	637	4 146	418	<b>14 384</b>
December	809	270	7 408	448	48	979	4 009	578	<b>14 550</b>
<b>2003</b>									
January	710	255	6 620	411	42	363	3 502	340	<b>12 243</b>

(a) Includes refinancing.

(b) Includes alterations and additions.

FINANCE COMMITMENTS, For Motor Vehicles: **Original (\$m)**

PERSONAL FINANCE(a)						COMMERCIAL FINANCE(a)	LEASE FINANCE	ALL VEHICLE FINANCE
	New motor cars and station wagons	Used motor cars and station wagons	Motor cycles	Other motor vehicles	Total	Total	Total	Total
Month	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>								
January	350	472	17	57	896	562	179	<b>1 636</b>
February	338	444	18	67	867	616	211	<b>1 695</b>
March	337	443	17	71	867	696	237	<b>1 801</b>
April	357	446	16	64	883	705	223	<b>1 810</b>
May	395	487	16	69	967	647	284	<b>1 899</b>
June	354	423	13	65	855	658	294	<b>1 807</b>
July	380	477	15	65	937	629	242	<b>1 808</b>
August	335	470	25	60	890	618	237	<b>1 745</b>
September	323	440	18	66	847	632	241	<b>1 719</b>
October	350	488	22	67	927	649	225	<b>1 801</b>
November	340	451	23	58	872	643	216	<b>1 731</b>
December	356	447	18	69	890	620	244	<b>1 754</b>
<b>2003</b>								
January	333	477	17	56	883	572	181	<b>1 637</b>

(a) Excludes revolving credit.

LEASE FINANCE COMMITMENTS, For Motor Vehicles: **Original (\$m)**

Month	MOTOR CARS AND STATION WAGONS		LIGHT TRUCKS		HEAVY TRUCKS		OTHER MOTOR VEHICLES	ALL VEHICLES
	New	Used	New	Used	New	Used	Total	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>								
January	108	35	10	2	12	4	7	<b>179</b>
February	118	37	19	3	14	5	15	<b>211</b>
March	139	38	19	4	21	4	11	<b>237</b>
April	134	38	17	3	12	8	10	<b>223</b>
May	161	54	23	3	19	8	17	<b>284</b>
June	165	50	27	5	22	8	15	<b>294</b>
July	143	44	19	3	19	4	11	<b>242</b>
August	133	42	17	4	32	4	6	<b>237</b>
September	132	42	18	3	32	4	10	<b>241</b>
October	133	41	14	3	14	5	15	<b>225</b>
November	132	35	19	3	15	3	9	<b>216</b>
December	150	41	20	3	15	4	11	<b>244</b>
<b>2003</b>								
January	110	34	15	4	9	4	5	<b>181</b>

FINANCE COMMITMENTS, For Plant and Equipment: **Original (\$m)**

<i>Month</i>	COMMERCIAL FINANCE (a)			LEASE FINANCE	ALL PLANT AND EQUIPMENT FINANCE
	<i>Transport equipment (b)</i>	<i>Other plant and equipment</i>	<i>Total</i>	<i>Total</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m
<b>2002</b>					
January	45	234	280	316	<b>595</b>
February	357	343	700	251	<b>951</b>
March	66	425	491	298	<b>789</b>
April	226	440	666	238	<b>904</b>
May	58	504	562	269	<b>832</b>
June	82	352	434	405	<b>839</b>
July	280	266	546	362	<b>907</b>
August	155	259	414	292	<b>706</b>
September	273	354	627	265	<b>892</b>
October	85	294	379	289	<b>668</b>
November	137	311	448	255	<b>702</b>
December	66	363	429	309	<b>737</b>
<b>2003</b>					
January	146	231	377	243	<b>620</b>

(a) Excludes revolving credit.

(b) Excludes motor vehicles (see tables 9 and 10).

LEASE FINANCE COMMITMENTS, For Plant and Equipment: **Original (\$m)**

	<i>Transport equipment(a)</i>	<i>Construction and earthmoving equipment</i>	<i>Agricultural machinery and equipment</i>	<i>Manufacturing equipment</i>	<i>Electronic data processing equipment</i>	<i>Office machines</i>	<i>Shop and office furniture, fittings and equipment</i>	<i>Other goods</i>	<b>Total</b>
<i>Month</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>2002</b>									
January	2	20	14	16	158	44	26	36	<b>316</b>
February	3	19	17	25	92	41	23	33	<b>251</b>
March	4	24	16	21	127	59	13	34	<b>298</b>
April	4	11	25	18	87	41	14	39	<b>238</b>
May	5	25	26	27	81	44	17	44	<b>269</b>
June	5	25	41	51	147	57	19	61	<b>405</b>
July	3	21	12	31	189	49	9	46	<b>362</b>
August	6	21	8	25	132	58	13	28	<b>292</b>
September	3	29	12	18	89	62	9	42	<b>265</b>
October	5	17	12	27	115	61	12	40	<b>289</b>
November	5	32	13	14	71	62	15	40	<b>255</b>
December	10	26	14	18	111	54	28	47	<b>309</b>
<b>2003</b>									
January	6	14	12	22	119	28	10	33	<b>243</b>

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

## EXPLANATORY NOTES

### INTRODUCTION

**1** This publication presents statistics of finance commitments made by significant lenders for the purposes of secured housing finance for owner occupation, other personal finance, commercial finance and lease finance.

**2** *Secured housing finance for owner occupation* is secured finance to individuals for the purchase or construction of dwellings for owner occupation, and for alterations and additions to existing owner occupied dwellings. Refinancing involving a change of lender is also included, while refinancing with the same lender is excluded from all estimates.

**3** *Personal finance*, other than secured housing finance for owner occupation, is finance provided to individuals for their personal, non-business, use. Both fixed loans and revolving credit finance are included.

**4** *Commercial finance* is finance provided to individuals and corporations for business or investment purposes, including for the construction or purchase of dwellings for rental or resale. Fixed loans, revolving credit and commercial hire purchase are included.

**5** *Lease finance* includes finance and leverage leases. Operating lease finance statistics are provided as spreadsheets on AusStats.

### SCOPE

**6** Finance commitments made by the following types of lenders are included:

- Banks
- Permanent building societies
- Credit unions/co-operative credit societies
- Life or general insurance companies
- General government enterprises
- Superannuation funds
- Securitisers of mortgage assets (wholesale lenders) which provide funds to borrowers through a retail intermediary (e.g. mortgage originators)
- Other Registered Financial Corporations.

### COVERAGE

**7** The statistics cover all bank commitments, and all commitments for secured housing finance for owner occupation made by permanent building societies. Of the remaining commitments, the largest lenders for each of secured housing finance for owner occupation, other personal finance, commercial finance and lease finance are covered, so that when calculated separately for each of the four broad categories of purpose finance, at least 95% of Australia-wide finance commitments and at least 90% of each state's finance commitments are covered. While many lenders other than banks are not covered, at least 70% coverage is maintained for all published lender types (including the Other Lenders series and Other Lessors series).

**8** An annual collection is conducted to maintain and update the survey coverage. New lenders are included as their lending for any of the four categories of finance becomes sufficiently large.

**9** From June 2001, the statistics for:

- secured housing finance for owner occupation cover all commitments by banks and permanent building societies, and commitments by all other lenders which provided more than \$50m for housing finance in 2000;
- personal finance cover all commitments by banks, and commitments by all other lenders which provided more than \$96m for personal finance in 2000;

From June 2002, the statistics for:

- commercial finance cover all commitments by banks, and commitments by all other lenders which provided more than \$484m for commercial finance in 2001;
- lease finance cover all commitments by banks, and commitments by all other lenders which provided funds of more than \$31m for lease finance in 2001.

## EXPLANATORY NOTES *continued*

### COVERAGE *continued*

**10** Additional smaller lenders are also covered where it is necessary to maintain collection coverage (as specified in paragraph 7).

### REVISIONS

**11** Revisions to previously published statistics are included in the publication as they occur.

**12** Changes in the classification of lenders (e.g. the conversion of a permanent building society to a bank) are reflected in the Lender series from the month of the change. Data for earlier periods for such lenders are not reclassified. Details of the establishment of new banks are published in the Reserve Bank of Australia's monthly *Bulletin* in the section on Technical Notes to Tables.

### SEASONAL ADJUSTMENT

**13** Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation and 'trading day effects'. A 'trading day effect' reflects the varying amounts of activity on different days of the week and the different number of days of the week in any month (i.e. the number of Sundays, Mondays, etc.). This effect may be partly caused by the reporting practices of the lenders. Adjustment is also made for Easter which may affect the March and April estimates differently. Seasonal adjustment does not remove the effect of irregular or non-seasonal influences (e.g. a change in interest rates) from the series.

### TREND ESTIMATES

**14** Smoothing seasonally adjusted series reduces the impact of the irregular component of the seasonally adjusted series and creates trend estimates. These trend estimates are derived by applying a 13 term Henderson-weighted moving average to all but the last six months of the respective seasonally adjusted series. Trend series are created for the last six months by applying surrogates of the Henderson moving average to the seasonally adjusted series. For further information, refer to *Information Paper: A Guide to Interpreting Time Series—Monitoring Trends: An Overview* (cat. no. 1348.0) or contact the Assistant Director, Time Series Analysis on Canberra 02 6252 6345 or by email at <timeseries@abs.gov.au>.

**15** While the smoothing technique described in paragraph 14 enables trend estimates to be produced for the latest few months, it does result in revisions to the trend estimates as new data become available. Generally, revisions become smaller over time and, after three months, usually have a negligible impact on the series. Changes in the original data and re-estimation of seasonal factors may also lead to revisions to the trend.

### EFFECTS OF ROUNDING

**16** Where figures have been rounded, discrepancies may occur between sums of the component items and totals. Percentage changes in this publication have been derived from unrounded data.

### ABS DATA AVAILABLE ON REQUEST

**17** Estimates for months prior to those shown in this publication and more detailed series can be purchased in spreadsheet format from the ABS web site. For more information, contact the ABS National Information and Referral Service on 1300 135 070.

### RELATED PUBLICATIONS

**18** Users may also wish to refer to the following ABS releases:

- *Housing Finance for Owner Occupation, Australia* (cat. no. 5609.0)
- *Assets and Liabilities of Australian Securitisers* (cat. no. 5232.0.0.40.001)
- *Annual Statistics for Financial Institutions* (cat. no. 5661.0.40.001)
- *Building Approvals, Australia* (cat. no. 8731.0)
- *Building Activity, Australia: Dwelling Unit Commencements, Preliminary* (cat. no. 8750.0)
- *Private New Capital Expenditure and Expected Expenditure, Australia* (cat. no. 5625.0)
- *Sales of New Motor Vehicles, Electronic Publication* (cat. no. 9314.0)



## EXPLANATORY NOTES *continued*

### RELATED PUBLICATIONS

*continued*

**19** In addition, the Reserve Bank of Australia (RBA) produces the monthly *Reserve Bank of Australia Bulletin*, the tables of which are available on the RBA web site <<http://www.rba.gov.au>>. The Australian Prudential Regulation Authority (APRA) also publishes a range of finance statistics on its web site <<http://www.apra.gov.au>>.

**20** Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (cat. no. 1101.0). The *Catalogue* and information on forthcoming releases (Release Advices) are available from any ABS office or from the ABS web site <<http://www.abs.gov.au>>.

## GLOSSARY

<b>Agricultural machinery and equipment</b>	Includes tractors, tillage implements, seeding, planting and fertilising equipment, agricultural mowers, harvesters, etc.
<b>Alterations and additions</b>	Comprises all structural and non-structural changes which are integral to the functional and structural design of a dwelling. Examples are garages, carports, pergolas, reroofing, recladding, etc. Alterations and additions do not include swimming pools, ongoing repairs, or maintenance and home improvements which do not involve building work.
<b>Commitment</b>	Is a firm offer of finance. It either has been, or is normally expected to be, accepted. Commitments accepted and cancelled in the same month are included. Commitments to non-residents are excluded.
<b>Construction and earth moving equipment</b>	Includes concrete mixers and pumpers, dozers, graders, mobile cranes, crawler tractors, dumpers, road rollers, earth packers, scarifiers, rippers, etc.
<b>Construction of dwellings</b>	Comprises commitments made to individuals to finance, by way of progress payments, the construction of owner occupied dwellings.
<b>Debt consolidation</b>	For personal finance, comprises commitments whose principle purpose is to consolidate and pay out amounts owing by the borrower to third parties.
<b>Dwelling</b>	Is a single self-contained place of residence such as a detached or semi-detached house, a terrace house, a flat, home unit, town house, etc. which includes bathing and cooking facilities.
<b>Electronic data processing equipment</b>	Includes computers, computer peripherals, data entry devices, word processing machines, etc.
<b>Established dwelling</b>	Is a dwelling that has been completed for 12 months or more prior to the lodgement of a loan application, or has been previously occupied.
<b>Finance lease</b>	Refers to the leasing or hiring of tangible assets under an agreement, other than a hire purchase agreement, which substantially transfers from the lessor to the lessee all the risks and benefits incident to ownership of the asset without transferring the legal ownership.
<b>Fixed loans</b>	Generally involve: <ul style="list-style-type: none"> <li>■ a commitment for a fixed amount for a fixed period for a specific purpose;</li> <li>■ a schedule of repayments over a fixed period; and</li> <li>■ repayments which reduce the liability of the borrower but do not act to make further finance available.</li> </ul>
<b>Heavy trucks</b>	Comprises all vehicles with a gross combination mass rating in excess of 3.5 tonnes, including prime movers registered without trailers.
<b>Light trucks</b>	Comprises vehicles constructed primarily for the carriage of goods which do not exceed 3.5 tonnes gross vehicle mass such as utilities, panel vans, trucks, cab-chassis, forward control vans and four-wheel drives used to carry goods.
<b>Manufacturing equipment</b>	Includes all plant and equipment used in the manufacture of goods except motor vehicles such as forklifts, work trucks and tractors.
<b>Motor cars and station wagons</b>	Includes cars, station wagons, four-wheel drive and forward control passenger vehicles with up to nine seats (including the driver).
<b>Motor cycles</b>	Includes two and three wheeled motor cycles and mopeds, scooters and motor cycles with side cars.
<b>New dwelling</b>	Is a dwelling that has been completed within 12 months of the lodgement of a loan application, and the borrower will be the first occupant.
<b>Office machines</b>	Includes telephone systems (including PABX equipment), facsimile machines, cash registers, photocopiers, etc.

## GLOSSARY *continued*

<b>Purpose</b>	Of the loan is that specified by the borrower. Where possible multiple purpose loans are split and each component is reported in the appropriate purpose category. Otherwise the whole loan is classified to the major purpose.
<b>Refinancing</b>	For personal and commercial finance, represents a commitment to refinance an existing loan. For secured housing finance, only those loans where the refinancing lender is not the original lender and the security is unchanged are included. The refinancing of a loan to fund a change of residence is treated as a new lending commitment.
<b>Revolving credit</b>	Generally has the following characteristics: <ul style="list-style-type: none"><li>■ a commitment for a credit or borrowing limit is given for a specific period after which the commitment is reviewed;</li><li>■ the extent of the borrowing used at any time during the period may be for any amount up to the authorised limit; and</li><li>■ repayments (other than of charges and interest) made during the period reduce the extent of the borrowing used and thereby increase the amount of unused credit available up to the authorised limit. Examples include credit cards, lines of credit and approved overdrafts.</li></ul>
<b>Secured credit limits</b>	Includes overdrafts, lines of credit, credit cards, etc. backed by a mortgage or other assets owned by the borrower.
<b>Secured housing finance</b>	Comprises all secured commitments to individuals for the construction or purchase of dwellings for owner occupation, regardless of type of security. Commitments for housing that will be occupied by persons other than the owner(s) are excluded.
<b>Total credit limits at end of month</b>	Comprises total approved credit limits available at the end of the reference month. In principle, this can be derived by adding new and increased lending commitments during the month less cancellations and reductions of credit limits during the month to the balance of credit limits at the end of the previous month. In practice, however, revisions and other adjustments (such as the transfer of an existing fixed credit facility) will mean that such a derivation is inexact.
<b>Wholesale finance</b>	Comprises finance for the purchase of goods by retailers and wholesalers.

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- INTERNET** [www.abs.gov.au](http://www.abs.gov.au) the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
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ISSN 1327 4376

RRP \$19.00