

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 IN CIRCULATION (\$ million)

	<i>Last Wednesday in June</i>					
	1975	1976	1977	1978	1979	1980
\$1	52.7	53.6	57.4	60.8	64.7	68.6
\$2	129.1	127.8	133.0	136.0	140.6	145.1
\$5	110.2	116.4	121.8	126.7	135.5	143.2
\$10	675.2	655.2	628.8	604.5	582.4	567.6
\$20	1,186.7	1,334.6	1,489.0	1,620.5	1,756.4	1,903.9
\$50	403.2	633.8	860.8	1,121.7	1,427.7	1,757.8
Total	2,557.1	2,921.4	3,290.8	3,670.2	4,107.4	4,586.1
<i>Held by banks</i>	<i>339.9</i>	<i>352.5</i>	<i>378.1</i>	<i>413.1</i>	<i>451.1</i>	<i>500.9</i>
<i>Held by public</i>	<i>2,217.1</i>	<i>2,568.9</i>	<i>2,912.8</i>	<i>3,257.1</i>	<i>3,656.3</i>	<i>4,085.2</i>

AUSTRALIAN DECIMAL COIN: VALUE OF COIN ISSUED (\$ million)

	<i>Year ended 30 June</i>					
	1975	1976	1977	1978	1979	1980
1c	1.1	1.4	1.3	1.3	1.1	1.3
2c	1.9	2.1	2.2	2.5	1.8	2.5
5c	3.2	3.3	3.3	2.9	3.6	4.1
10c	4.6	5.6	2.7	3.7	3.7	5.3
20c	7.6	9.9	8.8	8.7	8.0	12.5
50c	7.0	8.3	13.6	13.0	12.1	13.0
Total	25.4	30.5	31.9	32.1	30.3	38.6

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.

Conceptually, the volume of money is a measure of specified financial assets held by the non-bank public and, consequently, should exclude deposits of the Commonwealth and State Governments and inter-bank deposits. It has not been possible, however, to exclude government and bank holdings of certificates of deposit or deposits with savings banks.

Financial assets included in the volume of money as defined above 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(b)(c)	Total volume of money
		Current(a)	Fixed(a)			
1975	2,418	5,971	6,739	1,145	12,656	28,929
1976	2,797	6,775	7,571	1,077	14,651	32,871
1977	3,157	7,220	8,778	978	16,197	36,331
1978	3,542	7,724	9,314	812	17,854	39,246
1979	3,963	9,183	10,449	620	19,654	43,869
1980	4,420	10,426	10,243	3,363	21,061	49,513

(a) Excludes deposits of the Commonwealth and State Governments and inter-bank deposits. (b) Includes 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, merchant banks 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.

Statistics compiled from information collected from corporations registered under the Act are provided in the tables on pages 528–9.

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 *Insurance (Deposits) Act* 1932 requiring the lodgment of deposits by insurance companies; 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 and the *Insurance (Deposits) Act* 1932 have 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			
1975	68.2	207.0	2,545.1	417.9	37.8	908.0	1,540.8	5,724.8
1976	69.3	200.6	2,921.4	779.7	74.7	1,053.9	1,271.1	6,370.8
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

ASSETS

30 June—	Gold and foreign exchange	Australian Government securities	Loans, advances, bills discounted	Bank premises	All other assets	Total
	(a)	(b)		(c)		
1975	3,337.3	1,227.7	440.3	52.7	666.8	5,724.8
1976	2,422.0	2,706.7	658.6	56.5	527.0	6,370.8
1977	2,466.6	4,205.2	975.0	65.6	397.5	8,109.9
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

(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. Six 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 six banks comprise one small local bank, two overseas banks which have been represented in Australia for many years and three State-owned banks operating only within their respective States.

The major trading banks are as follows: Commonwealth Trading Bank of Australia; Australia and New Zealand Banking Group; The Bank of Adelaide; 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 Rural Bank of New South Wales; State Bank of South Australia; and The Rural and Industries Bank of Western Australia (Rural Department).

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

	<i>Paid-up capital</i>	<i>Reserve funds (used in business of banks)</i>	<i>Final dividend proposed</i>	<i>Balance of profit and loss account</i>	<i>Total share-holders' funds</i>	<i>Balances due to other banks</i>	<i>Deposits, bills payable and other liabilities(c)</i>	<i>Total</i>
1974	417.4	467.6	21.7	39.0	945.7	1,296.0	17,929.1	20,170.8
1975	426.4	494.8	22.4	48.7	992.4	1,122.4	21,274.6	23,389.4
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

ASSETS

<i>Australian public securities</i>								
	<i>Coin, bullion, notes and cash at Reserve Bank</i>	<i>Money at short call overseas</i>	<i>Australian Government</i>		<i>Local and semi-government securities</i>	<i>Other public securities</i>	<i>Other securities</i>	<i>Loans to authorised dealers in short-term money market</i>
			<i>Treasury bills and notes</i>	<i>Other securities</i>				
1974	313.7	96.4	203.0	2,059.0	71.3	114.1	423.4	303.7
1975	378.9	46.0	1,044.0	2,720.9	77.6	167.0	456.9	327.0
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

	<i>Statutory reserve deposit account with Reserve Bank</i>	<i>Cheques and bills of, and balances with and due from other banks</i>	<i>Loans, advances and bills discounted</i>	<i>Bank premises, furniture and sites</i>	<i>Bills receivable and remittances in transit</i>	<i>All other assets</i>	<i>Total</i>
1974	626.4	962.8	11,611.7	248.3	2,139.8	997.2	20,170.8
1975	641.9	996.6	13,158.3	311.7	1,911.2	1,151.6	23,389.4
1976	791.3	982.1	14,817.6	369.7	2,147.0	1,449.1	26,375.6
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

(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 provisions for contingencies.

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)

<i>Deposits repayable in Australia</i>							
<i>June</i>	<i>Current</i>			<i>Total</i>	<i>Balances due to other banks</i>	<i>Bills payable and all other liabilities to the public</i>	<i>Total</i>
	<i>Fixed</i>	<i>Bearing interest</i>	<i>Not bearing interest</i>				
1975	8,635.0	842.6	5,458.0	14,935.7	588.0	1,695.2	17,218.9
1976	9,778.0	927.4	6,249.4	16,954.8	603.7	2,079.0	19,637.6
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	9,643.7	25,647.0	790.0	5,551.4	31,988.5

ASSETS(b)

June	Coin, bullion, notes and cash at Reserve Bank	Australian Government securities	Treasury bills and notes	Other securities	Local and semi- government securities	Loans to author- ised dealers in short- term money market	Statutory reserve deposit account with Reserve Bank	Loans, advances and bills dis- counted	All other assets	Total
1975	299.0	1,167.8	2,358.9	31.2	167.4	421.4	11,205.0	2,322.8	17,973.5	
1976	345.6	191.0	3,410.9	32.8	182.3	840.5	12,575.6	2,774.2	20,352.9	
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	15,777.2	3,968.8	24,832.3	
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	20,402.0	6,912.1	34,075.7	

(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 1978</i>	<i>January 1979</i>	<i>July 1979</i>	<i>January 1980</i>	<i>July 1978</i>	<i>January 1979</i>	<i>July 1979</i>	<i>January 1980</i>
Residents—								
Businesses								
Agriculture, grazing and dairying	1,559.8	1,543.5	1,780.3	1,767.2	1,162.6	1,491.9	1,392.6	2,023.7
Manufacturing	1,765.8	1,726.3	1,829.0	1,947.6	462.8	637.2	570.2	737.1
Transport, storage and communication	230.2	236.9	257.9	268.4	193.4	192.3	182.9	219.7
Finance	820.5	895.1	812.2	930.4	1,104.6	1,324.2	1,215.9	1,447.9
Commerce	1,519.1	1,583.0	1,735.6	1,885.3	822.3	969.1	877.7	1,051.1
Building and construction	437.1	456.1	482.5	487.7	389.0	406.3	404.4	456.5
Other businesses	2,218.9	2,192.0	2,200.1	2,320.3	1,998.2	1,959.2	2,049.5	2,154.3
Unclassified	231.7	326.0	337.4	301.7	291.5	472.9	491.0	614.9
<i>Total business of which—</i>	<i>8,782.9</i>	<i>8,958.8</i>	<i>9,434.9</i>	<i>9,908.7</i>	<i>6,424.5</i>	<i>7,453.2</i>	<i>7,184.1</i>	<i>8,705.0</i>
Companies	5,356.9	5,085.9	5,665.6	5,954.1	2,873.2	3,258.7	3,282.9	3,908.9
Other	3,426.0	3,872.9	3,769.3	3,954.6	3,551.3	4,194.6	3,901.2	4,796.2
Public authorities	93.5	138.2	111.3	137.6	1,558.5	1,849.2	1,415.7	1,636.1
Persons	4,584.1	5,131.8	5,661.9	6,177.0	6,811.2	7,609.5	8,339.2	9,201.3
Non-profit organisations	137.0	136.5	141.4	156.7	849.1	815.3	850.3	834.2
<i>Total residents</i>	<i>13,597.6</i>	<i>14,365.3</i>	<i>15,349.5</i>	<i>16,380.0</i>	<i>15,643.3</i>	<i>17,727.3</i>	<i>17,789.4</i>	<i>20,376.6</i>
<i>Total non-residents</i>	<i>11.8</i>	<i>16.1</i>	<i>19.7</i>	<i>39.9</i>	<i>223.9</i>	<i>282.6</i>	<i>280.0</i>	<i>329.0</i>
Total	13,609.4	14,381.4	15,369.2	16,419.9	15,867.2	18,009.9	18,069.4	20,705.7

Interest rates

At 30 June 1980, 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—8.00 per cent to 8.50 per cent, 6 months and less than 2 years—8.50 per cent to 10.00 per cent, 2 years and less than 4 years—9.00 per cent to 10.00 per cent; (ii) on fixed deposits of \$50,000 and over, 30 days to 4 years—10 per cent; (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—10.50 per cent; (v) on overdrafts over \$100,000—not subject to maximum rate; (vi) on personal loans—7.50 per cent.

Branches and agencies

At 30 June 1980 the major trading banks operated 4,730 branches, and the other trading banks 358 branches. Of the total 5,088 branches, 2,768 were located in metropolitan areas. Trading bank facilities were also available at 1,009 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>
1975	4,052.6	3,334.9	870.1	494.1	579.3	131.2	23.9	95.4	9,581.5
1976	5,079.1	4,442.3	1,209.5	676.9	756.5	173.8	32.8	152.4	12,523.2
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

(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)	Balance of profit and loss account	Total share-holders' funds	Depositors' balances	Balances due to other banks	Bills payable and all other liabilities (c)	Total
1974	40.5	207.3	9.7	257.5	11,101.0	35.9	395.6	11,789.9
1975	43.0	227.0	11.1	281.0	12,984.8	96.7	549.6	13,912.2
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
ASSETS								
Australian public securities								
Commonwealth and State Governments								
	Coin, bullion, notes and deposits with Reserve Bank	Deposits in Australia with trading banks	Treasury bills and notes	Other securities	Local and semi-government securities	Other securities		
1974	1,059.0	281.3	47.8	2,850.4	2,791.6	24.8		
1975	978.5	430.9	50.4	3,001.8	3,298.1	43.6		
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		
Other assets								
	Loans to authorised dealers in short-term money market	Cheques and bills of, and balances with and due from other banks (d)	Loans advances and bills discounted	Bank premises, furniture and sites	Bills receivable and remittances in transit	All other assets	Total	
1974	69.7	245.4	4,138.1	135.5	—	146.2	11,789.9	
1975	79.5	279.1	5,381.8	173.3	0.1	195.3	13,912.2	
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	

(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 provisions for contingencies. (d) Includes deposits with and loans to specified lenders other than trading banks.

Branches and agencies

At 30 June 1980 the savings banks operated 5,677 branches and 11,921 agencies, of which 3,174 branches and 5,821 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 Commonwealth Bank of Australia. Under the Act the Bank is authorised to provide assistance for the development of worthwhile enterprises in the fields of primary and secondary industries which would otherwise be unable to obtain the necessary finance on reasonable and suitable terms and conditions. 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. The capital of the Development Bank consists of the capital of the Mortgage Bank and Industrial Finance Departments of the Commonwealth Bank immediately prior to 14 January 1960, \$10 million provided by the Reserve Bank, \$20 million appropriated from the Consolidated Revenue Fund in 1961–62 by the *Commonwealth Banks Act* 1961 and the *Commonwealth Banks Act* 1962, \$10 million appropriated in 1963–64 by the *Commonwealth Banks Act* 1963, and such other sums as are provided from the Commonwealth Development Bank Reserve Fund. The net profits of the Bank are paid to the Commonwealth Development Bank Reserve Fund.

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 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 initial equity capital of the Bank is \$5,625,000 consisting of nine shares of \$625,000. Eight shares are held by the Commonwealth Government and the seven major trading banks while the ninth 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: (i) is registered under relevant State or Territory legislation; (ii) 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 (iii) 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 146 permanent building societies balancing in the 1978–79 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 537-9. 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 528-9.

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

Liabilities	1978-79	Assets	1978-79
Share capital and reserves:		Amount owing on loans	7,078.4
Non-withdrawable shares	23.1	Cash on hand	5.7
Withdrawable shares	6,394.4	Deposits with—	
Reserves—		Banks	733.4
Statutory	73.8	Other	188.4
Other(b)	79.6	Bills, bonds and other securities	784.5
Deposits	2,153.5	Accounts receivable	20.0
Loans	244.7	Physical assets	211.7
Accounts payable	29.9	Other assets	4.7
Other liabilities	28.0		
Total liabilities	9,027.1	Total assets	9,027.1

(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	1978-79	Income	1978-79
Interest on:		Interest from:	
Shares	506.9	Loans	722.1
Deposits	175.1	Deposits	91.7
Loans	15.6	Income from holdings of securities	68.3
Wages and salaries	49.2	Management fees	14.5
Management fees(a)	21.0	Other income	13.3
Administrative expenses(b)	50.6		
Insurance premiums paid	1.5	Total income	909.9
Other expenditure	37.1		
Total expenditure	856.9		

(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: (i) is registered under relevant State or Territory legislation; (ii) has rules or regulations which specify that it is to terminate on a specific date or when a specific objective is achieved; and (iii) 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 6,725 terminating building societies balancing within the 1978-79 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 537-9.

**TERMINATING BUILDING SOCIETIES:
LIABILITIES AND ASSETS(a)**

(\$ million)

<i>Liabilities</i>	<i>1978-79</i>	<i>Assets</i>	<i>1978-79</i>
Share capital(b)	2.0	Amount owing on loans(b)	1,345.2
Accumulated funds(c)	26.8	Cash on hand and current accounts at banks	12.1
Loans from:		Deposits with:	
Banks	251.5	Banks	3.5
Commonwealth/State Home Builders' Fund(d)	814.3	Others	12.0
Others	273.5	Physical assets	0.2
Other liabilities	6.7	Other assets	2.0
Total liabilities	1,374.9	Total assets	1,374.9

(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)

<i>Expenditure</i>	<i>1978-79</i>	<i>Income</i>	<i>1978-79</i>
Interest paid on borrowing members' subscriptions	4.2	Interest on:	
Interest on loans from:		Loans to members	90.9
Banks	22.7	Other	1.0
Other	61.9	Management fees	10.3
Salaries and secretarial fees	9.2	Other income	2.4
Other expenditure	3.6	Total income	104.5
Total expenditure	101.5		

CREDIT UNIONS

A credit union (or co-operative credit society) is defined as an organisation that: (i) is registered under relevant State or Territory legislation; and (ii) 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 1978-79 was 669 with 1,329,849 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 537-9, while on pages 528-9 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>1978-79</i>	<i>Assets</i>	<i>1978-79</i>
Share capital and reserves:		Amount owing on loans(c)	1,421.3
Paid up share capital	11.2	Cash on hand	5.1
Reserves—		Deposits with—	
Statutory	15.1	Banks	47.0
Other(b)	26.5	Credit Union Leagues or Associations	103.0
Deposits	1,630.5	Other	67.5
Loans	50.4	Bills, bonds and other securities	41.4
Accounts payable	8.3	Accounts receivable	8.5
Other liabilities	4.3	Physical assets	49.2
Total liabilities	1,746.3	Other assets	3.5
		Total assets	1,746.3

(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>1978-79</i>	<i>Income</i>	<i>1978-79</i>
Interest on:		Interest from:	
Deposits	117.2	Loans	180.3
Loans	2.9	Deposits	18.1
Wages and salaries	29.8		
Administrative expenses	20.0	Income from holdings of securities	2.5
Insurance premiums paid	5.3	Management fees	1.9
Allowance for doubtful debts	3.9	Bad debts recovered	0.8
Other expenditure	12.6	Other income	3.4
Total expenditure	191.8	Total income	206.9

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: (i) 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; (ii) at all times be willing traders in the buying and selling of approved securities; (iii) have a minimum paid-up capital of \$400,000 and adhere to a maximum limit on the ratio of loans to shareholders' funds; and (iv) 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 528-9.

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

(Source: Reserve Bank of Australia)

Month	Asset holdings (face value)						Interest rates on loans accepted during month				Weighted average interest rate on loans outstanding (c) per cent per annum
	Liabilities to clients			C'wealth Govt securities (a)	Com-mercial bills(b)	Banks' certi-ficates of deposit	At call		For fixed periods		
	All trading banks	Other clients	Total				Mini-mum per cent per annum	Maxi-mum per cent per annum	Mini-mum per cent per annum	Maxi-mum per cent per annum	
Average of weekly figures—(\$ million)											
June—1975	167.4	558.7	726.1	613.3	83.7	47.9	1.50	14.10	3.00	11.50	6.72
1976	182.3	636.1	818.4	749.7	129.2	61.3	2.00	14.00	4.50	9.50	8.03
1977	144.4	701.9	846.3	829.5	129.8	21.6	3.00	15.30	5.00	13.80	9.33
1978	190.9	1,088.5	1,279.4	1,143.5	153.5	15.8	0.50	18.86	3.00	11.50	9.05
1979	265.3	1,213.1	1,478.4	1,246.2	190.2	18.3	1.00	18.25	3.10	11.00	7.75
1980	384.3	1,113.5	1,497.8	1,274.2	228.9	58.1	1.00	18.80	5.50	13.00	10.34

(a) Within 5 years of maturity. (b) Accepted or endorsed by banks. (c) To June 1975 weighted average of rates on clients' loans outstanding on each Wednesday of the month. Thereafter 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 528-9.

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 mainly engaged in providing to the general public (businesses as well as persons in their private capacity) credit facilities of the following types: instalment credit for retail sales, personal loans, wholesale finance, factoring, other consumer and commercial loans, financial leasing of business plant and equipment and bills of exchange. A company is mainly engaged in providing these credit facilities if 50 per cent or more of its assets consist of balances outstanding with respect to these types of financing, or if 50 per cent or more of its income is derived from such types of financing.

The statistics for the financial year relate to those finance companies which individually or as a group of related finance companies had balances outstanding in the prescribed types of financial agreements of \$5 million or more, on an Australia-wide basis, as at 30 June of the previous financial year. The 102 finance companies that met this criterion at the 1978-79 annual census of finance companies accounted for 98.5 per cent of the balances outstanding 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 528-9 for those categories are not comparable with the statistics for finance companies shown on the next page.

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

	1976-77	1977-78	1978-79
Assets—			
Balances outstanding on finance agreements(b)	10,039.0	12,018.1	13,422.9
Cash on hand and bank deposits	25.3	28.0	65.4
Loans to authorised money market dealers	18.1	37.1	37.5
Investments in shares and securities	170.6	200.6	210.2
Physical assets	194.6	182.3	174.7
Other assets	189.2	180.0	260.1
Total assets	10,636.8	12,646.1	14,170.8
Liabilities—			
Paid-up capital	629.3	803.2	939.6
Reserves	358.3	379.3	408.2
Unappropriated profits	257.5	237.3	257.7
Borrowed funds—			
Bank loans and overdrafts	225.1	222.6	322.0
Debentures	5,655.2	6,313.0	7,038.8
Secured and unsecured loans	2,652.5	3,571.3	3,945.6
Other liabilities	858.9	1,119.2	1,259.0
Total liabilities	10,636.8	12,646.1	14,170.8
Income for year—			
Interest from finance agreements	1,409.8	1,746.0	1,956.6
Other income	117.4	131.6	137.6
Total income	1,527.2	1,877.6	2,094.2
Expenditure for year—			
Interest on borrowed funds	845.1	1,089.2	1,225.7
Wages, salaries and allowances, directors fees and emoluments	145.3	175.5	209.8
Other expenditure	380.7	434.8	429.9
Total expenditure	1,371.1	1,699.5	1,865.4

(a) At the balance date of companies within the financial year shown. (b) Excludes unmatured income of £2,220.0m in 1976-77, £2,801.5m in 1977-78 and £3,200.0m in 1978-79.

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

	1977-78(a)	1978-79	1979-80
Amount financed during year—			
Instalment credit for retail sales and personal loans	2,206.7	2,317.2	2,294.4
Finance for housing	1,064.6	1,107.4	1,283.9
Wholesale finance	4,089.1	4,694.0	4,900.5
Factoring and other commercial loans	1,679.0	2,025.1	2,569.8
Leasing of business plant and equipment(b)	1,780.3	2,319.0	2,766.7
Bills of exchange(c)	1,859.0	958.2	762.9
Total amount financed on finance agreements(d)	12,678.7	13,421.0	14,578.1
Balances outstanding at 30 June—			
Instalment credit for retail sales and personal loans	4,019.5	4,251.3	4,322.1
Finance for housing	2,711.9	2,632.5	2,858.5
Wholesale finance	1,078.4	1,251.4	1,290.2
Factoring and other commercial loans	3,069.3	3,274.1	3,694.5
Leasing of business plant and equipment(e)	3,761.4	5,101.2	6,442.9
Bills of exchange	200.8	101.9	87.0
Liquidity placements and loans to non-finance companies in group	424.2	484.4	369.3
Total balances outstanding on finance agreements(f)	15,265.6	17,096.8	19,064.5

(a) Not directly comparable with later years, as from July 1978, includes only those finance companies which individually or as a group of related finance companies had balances outstanding in prescribed types of finance agreements of \$5 million or more (previously \$500,000 or more). The impact of this change on the statistics was minimal. (b) Refers to the value of goods newly leased. (c) Refers to amounts paid for bills acquired. (d) Excludes amounts for liquidity placements and loans to non-finance companies in group. (e) Refers to the value of leasing agreements. (f) Includes unmatured income.

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 1980

Category	Financial operations						
	Number of corpor- ations	Unused lending commit- ments(a)	Borrowing lines and standby facilities available and unused from—(b)		Selected liabilities		
			Residents	Non- residents	Paid up capital	Borrowings from—	
						Residents	Non- residents
Building societies	90	442.7	394.9	4.5	(c)25.3	(c)10,068.7	8.2
Credit co-operatives	83	8.8	13.4	—	(c)	(c)1,435.8	—
Authorised money market dealers	9	9.1	—	—	30.4	1,503.2	0.1
Money market corporations	48	1,685.7	372.8	582.0	228.1	5,715.7	216.5
Pastoral finance companies	14	—	89.6	—	148.0	571.2	2.4
Finance companies	89	1,036.5	645.3	373.7	1,122.1	15,067.2	107.8
General financiers	82	65.6	162.6	15.2	142.1	1,153.5	64.9
Intra group financiers	11	—	3.7	—	53.1	(d)170.1	24.2
Other financial corporations	8	3.8	13.3	—	1.8	149.6	—
Total	434	3,252.2	1,695.3	975.4	1,750.9	(e)35,835.2	424.2

For footnotes see end of table.

ASSETS IN AUSTRALIA AT 30 JUNE 1980

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 finances (h)	All other assets in Australia	Total assets in Australia	Assets overseas
Building societies	1,006.3	141.6	404.6	459.3	13.6	8,131.6	302.4	10,459.4	-
Credit co-operatives	41.6	94.2	20.1	0.9	3.9	1,280.6	66.3	1,507.7	-
Authorised money market dealers	55.7	5.5	1,379.6	232.6	2.4	0.5	22.1	1,698.3	-
Money market corporations	349.0	932.7	203.8	1,627.0	212.6	2,975.6	144.9	6,445.6	48.5
Pastoral finance companies	23.5	16.5	0.5	0.8	226.0	493.0	497.1	1,257.4	1.9
Finance companies	56.3	138.0	8.2	109.4	534.5	16,788.6	107.6	17,742.5	1.5
General financiers	3.4	17.0	1.4	10.6	55.4	1,429.4	222.4	1,739.6	1.1
Intra group financiers	0.4	46.4	-	-	285.9	291.0	27.1	650.8	0.1
Other financial corporations	13.5	36.7	11.5	13.7	(i)	69.7	10.8	155.8	-
Total	1,549.7	1,428.6	2,029.5	2,454.3	1,334.3	31,459.9	1,400.9	41,657.0	53.2

(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) Not available separately; included in 'All other assets in Australia'.

LIFE INSURANCE

Statistics in the following tables have been compiled from returns lodged under the *Life Insurance Act 1945* (see page 515) 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 two State Government Insurance Offices.

Forty six life offices conducted life insurance business in Australia during 1978.

Summary information on foreign ownership and control of life insurance business is shown in Chapter 24, Overseas Transactions.

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)

	1976	1977	1978
Liabilities—			
Shareholders' capital—			
Authorised	125.2	133.7	139.7
Less: unissued	73.7	73.4	79.3
Subscribed capital	51.5	60.3	60.4
Paid-up—			
In money	41.2	50.0	50.1
Otherwise than money	9.5	9.5	9.5
Total paid-up capital	50.8	59.5	59.6
Life insurance statutory funds—			
Ordinary business	7,768.5	8,377.5	9,579.0
Industrial business	562.8	573.7	
Superannuation business	3,205.4	3,744.1	4,500.1
Total statutory funds	11,536.7	12,695.3	14,079.1
Funds in respect of other classes of business	51.7	76.1	99.9
General reserves	198.6	205.0	236.1
Profit and loss account balance	30.5	42.2	61.0
<i>Total shareholders' capital, insurance funds and reserves</i>	<i>11,868.3</i>	<i>13,078.1</i>	<i>14,535.6</i>
Other liabilities—			
Deposits	83.8	107.0	143.1
Staff provident and superannuation funds (a)	23.7	28.3	31.8
Claims admitted or intimated but not paid	235.4	257.1	273.4
Premiums paid in advance and in suspense	9.4	8.5	7.5
Sundry creditors	92.3	94.1	98.4
Bank overdraft	88.2	118.4	135.1
Reserves and provisions for taxation	179.7	220.4	235.8
All other liabilities	68.4	123.7	96.9
Total liabilities	12,649.2	14,035.6	15,557.6
Assets held in Australia—			
Fixed assets—			
Freehold and leasehold property, office premises	2,275.3	2,564.2	2,867.1
Furniture, etc.	21.2	33.7	35.3
Loans—			
On mortgage	1,330.0	1,338.4	1,320.0
On policies	278.8	295.8	300.9
Other loans	108.0	124.9	152.1
Investments—			
Government securities—			
Australian	2,251.5	2,502.9	2,715.7
Overseas	31.5	36.8	43.4
Securities of local and semi-governmental bodies	864.7	1,008.0	1,132.0
Other investments	2,875.4	3,166.3	3,593.7
Cash on hand, deposit and current account	122.6	105.4	155.7
All other assets	406.3	454.1	495.0
<i>Total assets held in Australia</i>	<i>10,565.3</i>	<i>11,630.5</i>	<i>12,810.5</i>
<i>Total assets held overseas</i>	<i>2,083.9</i>	<i>2,405.0</i>	<i>2,747.1</i>
Total assets	12,649.2	14,035.6	15,557.6

(a) Includes provisions for retirement, long service leave, etc.

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

	1976	1977	1978
<i>Balance of account at beginning of year—Australia and overseas</i>	10,547.0	11,536.7	12,695.4
Revenue—Australia			
Premium income—			
Ordinary business	787.0	814.5	903.2
Industrial business	58.1	58.0	
Superannuation business	654.4	754.3	861.7
Consideration for annuities	27.9	23.5	24.7
Net interest dividends and rents	588.4	668.6	773.4
Other revenue	173.3	222.4	396.8
<i>Total revenue—Australia</i>	2,289.1	2,541.3	2,959.5
Revenue—overseas			
Premium income	232.6	266.6	304.6
Net interest dividends and rents	135.9	161.2	191.7
Other revenue	118.1	181.7	179.4
<i>Total revenue—overseas</i>	486.6	609.5	675.8
<i>Total revenue</i>	2,775.7	3,150.8	3,635.3
<i>Total</i>	13,322.6	14,687.5	16,330.6
Expenditure—Australia			
Payments on policies—			
Claims	497.8	555.8	629.0
Surrenders	457.1	520.2	574.0
Annuities	3.7	3.3	3.3
Bonuses paid in cash	8.6	10.5	11.3
Expenses of management—			
Commission	138.5	148.9	157.5
Other	216.4	234.3	256.1
All other expenses	177.2	215.8	271.2
<i>Total expenditure—Australia</i>	1,499.3	1,688.8	1,902.5
Expenditure—overseas			
Payments on policies	150.8	187.7	214.9
Expenses of management	76.8	88.3	100.8
All other expenditure	59.0	27.9	33.1
<i>Total expenditure—overseas</i>	286.6	303.9	348.8
<i>Total expenditure</i>	1,785.9	1,992.7	2,251.3
<i>Balance of account at end of year—Australia and overseas</i>	11,536.7	12,694.8	14,079.4
<i>Total</i>	13,322.6	14,687.5	16,330.6

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

Class of security	1976	1977	1978
Mortgage of real estate	155.8	144.4	164.4
Companies policies	57.4	68.6	63.1
Other	18.8	34.7	57.0

(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 BUSINESS					
New policies issued—					
1976	465,729	9,116.2	101.4	37	0.1
1977	443,759	10,347.8	104.3	12	..
1978(a)	508,014	12,192.9	119.3	22	..
Policies discontinued or reduced(b)—					
1976	514,780	4,455.0	73.5	101	0.1
1977	481,507	4,550.5	74.0	93	0.2
1978(a)	693,711	5,401.8	91.4	121	..
Policies existing at end of—					
1976	5,841,653	44,596.0	771.5	1,473	1.2
1977	5,803,905	50,393.3	801.8	1,392	1.1
1978(a)	7,334,739	58,815.2	888.4	1,293	1.5
INDUSTRIAL BUSINESS					
New policies issued—					
1976	57,896	198.2	6.5	..	..
1977	49,080	184.1	6.1	..	..
1978(c)	n.p.	n.p.	n.p.	n.p.	n.p.
Policies discontinued or reduced(b)—					
1976	215,722	166.6	6.1	..	..
1977	204,904	187.7	6.8	..	..
1978(c)	n.p.	n.p.	n.p.	n.p.	n.p.
Policies existing at end of—					
1976	1,872,355	1,634.2	59.4	..	..
1977	1,716,531	1,630.6	58.7	..	..
1978(c)	n.p.	n.p.	n.p.	n.p.	n.p.
SUPERANNUATION BUSINESS					
New policies issued—					
1976	117,788	7,836.8	181.5	34	19.7
1977	110,667	8,467.7	201.8	31	20.1
1978	98,836	9,422.2	206.8	17	16.9
Policies discontinued or reduced(b)—					
1976	135,512	3,428.3	87.8	238	14.9
1977	105,282	3,856.4	101.1	51	22.4
1978	81,437	4,599.6	118.5	12	18.5
Policies existing at end of—					
1976	679,507	25,369.5	647.0	704	75.9
1977	684,892	29,980.8	747.6	684	73.7
1978	702,291	34,803.3	836.0	689	57.6

(a) Includes 'Industrial business'. (b) Includes policies matured, surrendered, forfeited, transferred to overseas registers, converted to other classes of business, etc. (c) Included in 'Ordinary business'.

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 515);
- (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 during the year, less stamp duty and fire service charges paid and less returns, rebates and bonuses paid or credited to policy holders during the year. They 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.

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>	<i>1975-76(a)</i>	<i>1976-77(b)</i>	<i>1977-78</i>
PREMIUMS			
Fire(c)	297.9	315.2	330.8
House Owners' and House-holders'	195.8	214.0	254.5
Contractors' All Risks	14.8	20.1	25.0
Marine and Aviation	86.9	108.2	117.8
Motor Vehicle Comprehensive	595.4	722.4	780.6
Compulsory Third Party (Motor Vehicle)	446.0	529.9	577.4
Employers Liability(d)	942.3	903.4	903.2
Public Liability(e)	57.2	74.3	92.1
All other	190.8	232.6	273.8
Total	2,827.1	3,120.1	3,355.2
CLAIMS			
Fire(c)	129.9	137.8	132.9
House Owners' and House-holders'	97.9	123.5	153.3
Contractors' All Risk	11.3	11.0	11.6
Marine and Aviation	52.8	54.6	60.8
Motor Vehicle Comprehensive	386.2	444.8	545.4
Compulsory Third Party (Motor Vehicle)	427.4	485.1	562.3
Employers Liability(d)	583.4	639.5	658.2
Public Liability(e)	36.3	46.2	49.8
All other	80.3	99.6	132.4
Total	1,805.8	2,042.1	2,306.7

(a) Excludes stamp duty collected, but includes fire service charges. (b) Excludes both stamp duty and fire service charges collected. (c) Includes sprinkler leakage, crop, hailstone and loss of profits insurance. (d) Excludes workers' compensation insurance in the coal mining industry for N.S.W. (e) Includes product liability and professional indemnity insurance.

Summary information on foreign ownership and control of general insurance business is shown in Chapter 24. Overseas Transactions.

UNIT TRUSTS, LAND TRUSTS AND MUTUAL FUNDS

Statistics of operations of unit trusts, land trusts and mutual funds are shown below. Details of superannuation funds conducted by unit trust management companies are not included in these tables.

TRUSTS AND FUNDS: TOTAL MARKET VALUE AND TRANSACTIONS

(\$ million)

	Total market value at end of period(a)	Cash transactions— trust units and fund shares		Purchases and sales of investments(b)	
		Total amount received(c)	Total amount paid(d)	Purchases (e)	Sales (f)
1974-75	356.0	36.9	47.8	38.6	49.3
1975-76	407.6	50.0	30.8	85.3	60.7
1976-77	417.5	48.1	34.4	79.4	69.5
1977-78	488.3	83.9	38.3	91.2	69.1
1978-79	615.7	155.5	37.7	169.3	80.9
1979-80	983.8	363.3	46.2	388.4	89.6

(a) Includes value of land trusts at valuation. (b) Commonwealth Government, local authority and semi-government securities, shares, debentures, unsecured notes, loans, deposits on term or notice of three months or longer, land and buildings, etc. (c) Includes re-issues and new issues. Includes fees and expenses. (d) Includes those units and fund shares intended for re-issue. (e) Payments for assets acquired during period. Includes brokerage and stamp duty. (f) Receipts for assets sold or redeemed during period. Excludes brokerage and stamp duty.

TRUSTS AND FUNDS: ANALYSIS OF PURCHASES AND SALES OF INVESTMENTS

(\$ million)

	Shares (incl. preference shares)	Debentures, unsecured notes, deposits (a)	Land, buildings, mortgages	Other(b)	Total
Purchases—					
1974-75	14.8	8.5	15.3	—	38.6
1975-76	21.2	15.4	39.9	8.8	85.3
1976-77	13.4	12.5	52.3	1.1	79.4
1977-78	14.3	10.4	65.7	0.8	91.2
1978-79	13.2	18.5	136.7	0.9	169.3
1979-80	28.5	13.6	341.6	4.8	388.4
Sales—					
1974-75	14.1	10.7	24.4	0.1	49.3
1975-76	22.3	10.0	26.6	1.8	60.7
1976-77	23.4	17.4	27.3	1.5	69.5
1977-78	26.2	9.4	33.2	0.2	69.1
1978-79	25.8	19.6	34.8	0.6	80.9
1979-80	42.1	12.9	34.1	0.4	89.6

(a) Excludes cash on hand and at bank, loans to authorised dealers in the short-term money market, and other deposits under three months' term or notice. (b) Includes Commonwealth Government, local and semi-government securities.

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 1980 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 \$691 million at 30 June 1980, and operational loans and investments outstanding were \$368 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.

The break in series in the following tables was due to the inclusion, from July 1978, of only those finance companies with balances outstanding (individually, or as a group of related finance companies) of \$5 million or more. In previous years the size criteria for inclusion was balances outstanding of \$500,000 or more. The impact of this change on the statistics was minimal.

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—							
1977-78	399.8	640.0	164.5	312.6	1,516.9	1,990.8	2,804.0
1978-79	389.5	684.2	164.7	307.2	1,545.5	2,146.1	2,898.3
1979-80	359.9	609.5	146.0	329.0	1,444.3	2,159.9	2,864.8
Other businesses (b)—							
1977-78	0.1	0.1	0.4	230.4	231.0	263.4	150.4
1978-79	—	0.1	0.4	209.9	210.4	241.3	142.4
1979-80	—	0.1	0.4	211.1	211.7	230.3	137.6
Total all businesses—							
1977-78	399.9	640.1	164.9	543.0	1,747.8	2,254.2	2,954.4
1978-79	389.5	684.2	165.1	517.1	1,755.9	2,387.5	3,040.7
1979-80	359.9	609.6	146.4	540.1	1,656.0	2,390.2	3,002.4

(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)

	<i>Motor cars and station wagons</i>		<i>Other motor vehicles (a)</i>	<i>Household and personal goods</i>	<i>Total</i>
	<i>New</i>	<i>Used</i>			
Hire purchase—					
1977-78	306.5	481.1	124.4	141.1	1,053.1
1978-79	303.3	534.0	124.7	132.9	1,095.0
1979-80	286.2	468.7	106.8	151.2	1,012.9
Other instalment credit—					
1977-78	93.4	159.0	40.4	401.9	694.7
1978-79	86.2	150.3	40.3	384.2	661.0
1979-80	73.7	140.8	39.5	389.0	643.0
Total instalment credit—					
1977-78	399.9	640.1	164.9	543.0	1,747.8
1978-79	389.5	684.2	165.1	517.1	1,755.9
1979-80	359.9	609.6	146.4	540.1	1,656.0

(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 tables on pages 537-9 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>			
1977-78	5,535.5	379.7	258.5	4,761.8	973.3
1978-79	6,472.0	398.1	283.4	5,455.6	1,112.7
1979-80	7,016.9	434.0	320.3	5,968.0	1,253.4
Quarter ended—					
March 1979	1,729.8	98.5	76.2	1,328.3	1,196.4
June 1979	1,651.4	102.5	81.5	1,503.6	1,112.7
September 1979	1,651.9	104.7	78.7	1,391.7	1,151.0
December 1979	1,682.3	104.9	74.5	1,535.5	1,088.2
March 1980	1,848.4	105.2	78.0	1,397.5	1,304.3
June 1980	1,834.3	119.1	89.1	1,643.2	1,253.4

(a) Excludes Trading Banks; data not available.

**HOUSING FINANCE FOR OWNER OCCUPATION: NUMBER OF DWELLING UNITS FOR WHICH
LOANS WERE 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								
1977-78	18,726	7,564	8,904	2,712	2,391	1,861	1,147	43,305
1978-79	20,080	8,753	10,107	2,505	2,084	1,553	1,334	46,416
1979-80	21,679	9,031	10,794	1,753	1,870	1,770	1,486	48,383
Quarter ended—								
March 1979	4,764	2,350	2,424	751	534	395	266	11,484
June 1979	5,577	2,342	2,550	543	446	480	320	12,258
September 1979	5,868	2,415	2,777	371	481	441	432	12,785
December 1979	5,176	2,224	2,647	484	487	410	394	11,822
March 1980	5,084	2,208	2,419	512	452	453	345	11,473
June 1980	5,551	2,184	2,951	386	450	466	315	12,303
PURCHASE OF NEWLY ERECTED DWELLINGS								
1977-78	12,845	5,945	10,396	3,118	1,969	5,652	1,011	40,936
1978-79	12,001	5,246	11,169	2,113	1,977	3,479	1,284	37,269
1979-80	11,146	4,114	10,771	1,495	1,649	4,049	1,310	34,534
Quarter ended—								
March 1979	2,996	1,393	3,010	456	486	865	305	9,511
June 1979	2,913	1,154	2,516	492	641	857	299	8,872
September 1979	3,056	1,154	2,525	439	471	1,205	373	9,223
December 1979	2,828	1,012	2,840	349	389	954	359	8,731
March 1980	2,803	983	2,833	395	389	914	309	8,626
June 1980	2,459	965	2,573	312	400	976	269	7,954
PURCHASE OF ESTABLISHED DWELLINGS								
1977-78	72,436	24,854	46,043	4,506	5,914	6,985	4,127	164,865
1978-79	79,330	29,953	54,507	3,122	7,660	6,212	6,127	186,911
1979-80	79,905	30,593	57,776	3,321	7,553	6,440	7,744	193,332
Quarter ended—								
March 1979	20,885	8,419	15,264	758	1,718	1,651	1,454	50,149
June 1979	20,175	7,465	13,118	755	2,265	1,835	1,568	47,181
September 1979	20,038	7,517	12,570	724	1,742	1,338	1,841	45,770
December 1979	19,015	7,383	14,088	891	1,785	1,553	2,063	46,778
March 1980	21,401	7,953	15,630	978	1,937	1,689	1,958	51,546
June 1980	19,451	7,740	15,488	728	2,089	1,860	1,882	49,238

**HOUSING FINANCE FOR OWNER OCCUPATION: NUMBER OF DWELLING UNITS FOR WHICH
LOANS WERE APPROVED TO INDIVIDUALS BY TYPE OF LENDER—continued**

	<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>				
TOTAL								
1977-78	104,007	38,363	65,343	10,336	10,274	14,498	6,285	249,106
1978-79	111,411	43,952	75,783	7,740	11,721	11,244	8,745	270,596
1979-80	112,730	43,738	79,341	6,569	11,072	12,259	10,540	276,249
Quarter ended—								
March 1979	28,645	12,162	20,698	1,965	2,738	2,911	2,025	71,144
June 1979	28,665	10,961	18,184	1,790	3,352	3,172	2,187	68,311
September 1979	28,962	11,086	17,872	1,534	2,694	2,984	2,646	67,778
December 1979	27,019	10,619	19,575	1,724	2,661	2,917	2,816	67,331
March 1980	29,288	11,144	20,882	1,885	2,778	3,056	2,612	71,645
June 1980	27,461	10,889	21,012	1,426	2,939	3,302	2,466	69,495

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

(\$ million)

	<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								
1977-78	381.2	123.8	244.4	64.1	65.7	36.4	28.1	943.7
1978-79	463.0	165.7	293.2	63.7	62.1	34.9	32.9	1,115.5
1979-80	535.1	175.7	338.8	47.0	66.0	42.6	36.5	1,241.7
Quarter ended—								
March 1979	111.7	43.8	71.6	19.0	16.8	9.2	6.5	278.5
June 1979	131.3	45.2	76.0	14.2	13.3	11.1	8.3	299.4
September 1979	143.0	46.8	84.2	10.0	16.0	10.3	10.3	320.7
December 1979	125.7	39.9	82.0	12.9	17.9	9.5	9.3	297.3
March 1980	125.7	43.8	76.2	13.4	16.3	11.2	8.6	295.3
June 1980	140.6	45.2	96.3	10.7	15.7	11.7	8.2	328.5
PURCHASE OF NEWLY ERECTED DWELLINGS								
1977-78	271.6	102.1	288.4	72.8	71.4	121.2	24.8	952.3
1978-79	275.5	100.2	337.3	52.8	66.0	81.2	30.9	943.8
1979-80	265.0	79.0	343.4	39.2	66.1	96.1	31.7	920.5
Quarter ended—								
March 1979	69.6	29.1	92.9	11.4	15.6	20.5	7.7	246.9
June 1979	67.0	21.9	78.0	12.4	20.5	19.1	6.9	225.8
September 1979	73.5	22.2	75.5	11.5	17.3	28.5	9.0	237.3
December 1979	67.5	18.9	90.2	8.8	14.7	22.4	8.9	231.4
March 1980	66.0	19.5	91.9	10.4	16.7	21.4	7.5	233.5
June 1980	58.0	18.4	85.9	8.4	17.4	23.9	6.3	218.2
PURCHASE OF ESTABLISHED DWELLINGS								
1977-78	1,486.9	449.1	1,167.2	104.6	185.2	138.6	107.9	3,639.5
1978-79	1,794.1	549.7	1,465.9	78.1	239.5	139.9	145.6	4,412.8
1979-80	1,897.3	578.8	1,682.1	88.3	273.6	140.6	194.2	4,854.8
Quarter ended—								
March 1979	481.4	158.8	417.8	19.0	53.5	38.7	35.1	1,204.4
June 1979	461.5	135.3	358.7	19.4	70.8	39.7	40.8	1,126.2
September 1979	460.0	141.5	345.6	19.2	57.4	27.5	42.8	1,093.9
December 1979	450.3	133.6	398.5	22.6	64.0	33.3	51.4	1,153.6
March 1980	515.8	152.6	467.4	26.5	69.9	37.2	50.2	1,319.7
June 1980	471.2	151.1	470.6	20.0	82.3	42.7	49.7	1,287.6

HOUSING FINANCE FOR OWNER OCCUPATION: VALUE OF LOANS APPROVED TO INDIVIDUALS
BY TYPE OF LENDER—*continued*

(\$ million)

	<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>				
TOTAL								
1977-78	2,139.8	675.0	1,700.0	241.5	322.2	296.2	160.8	5,535.5
1978-79	2,532.6	815.6	2,096.3	194.5	367.5	256.1	209.4	6,472.0
1979-80	2,697.3	833.4	2,364.3	174.6	405.6	279.4	262.3	7,016.9
Quarter ended—								
March 1979	662.7	231.7	582.4	49.4	85.9	68.4	49.3	1,729.8
June 1979	659.7	202.4	512.7	46.0	104.6	69.9	56.0	1,651.4
September 1979	676.4	210.4	505.2	40.7	90.8	66.2	62.1	1,651.9
December 1979	643.5	192.4	570.7	44.4	96.5	65.1	69.7	1,682.3
March 1980	707.6	216.0	635.5	50.4	102.9	69.8	66.3	1,848.4
June 1980	669.8	214.6	652.9	39.1	115.4	78.3	64.1	1,834.3

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: (i) all capital raised from Australian banks (other than direct equity investment), i.e. overdrafts, mortgage loans, term loans or debentures; (ii) temporary advances or short-term deposits from any source; and (iii) 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 from the total cash raised the amount of *new money*.

LISTED COMPANIES: NEW CAPITAL RAISED THROUGH ISSUES OF SHARES(a) AND THROUGH DEBENTURES, REGISTERED NOTES, LOANS AND DEPOSITS
(\$ million)

<i>Share capital</i>								
	<i>Total amount of issues commenced</i>		<i>Cash raised during period</i>			<i>Debentures, registered notes, etc.</i>		
	<i>Total amount including premiums etc.</i>	<i>Type of consideration</i>	<i>Total(c)</i>	<i>Amount not involving new money</i>	<i>New money</i>	<i>Total amount raised (d)</i>	<i>Amount not involving new money (d)</i>	<i>New money</i>
		<i>Other than cash(b)</i>						
1974-75 . . .	399.4	122.3	277.1	296.7	125.6	171.1	6,310.6	5,362.0
1975-76 . . .	513.3	129.8	383.5	387.7	55.3	332.3	5,046.7	3,952.2
1976-77 . . .	832.5	278.9	553.6	524.3	53.0	471.3	7,488.7	6,279.0
1977-78 . . .	793.3	295.1	498.0	539.3	189.7	349.6	6,734.8	5,615.7
1978-79 . . .	919.5	372.9	546.5	513.1	183.0	330.2	7,532.1	6,653.7
1979-80 . . .	2,185.6	805.9	1,379.7	1,330.6	258.7	1,071.9	9,372.3	7,917.4

(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 SHARE CAPITAL AND DEBENTURES, REGISTERED NOTES, LOANS AND DEPOSITS—INDUSTRY GROUPS
(\$ million)

		1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
Manufacturing(a) . . .	<i>Total</i>	452.2	257.1	329.1	276.9	398.3	826.5
	<i>Raised through</i>						
	Shares	84.3	115.0	181.7	142.3	95.8	419.6
	Debentures, etc.	368.1	142.1	147.4	134.6	302.5	406.9
Finance and property(b) . . .	<i>Total</i>	439.6	921.8	1,151.9	1,008.2	680.2	1,006.8
	<i>Raised through</i>						
	Shares	18.1	68.5	212.2	100.9	74.3	114.6
	Debentures, etc.	421.6	853.3	939.7	907.3	605.9	892.2
Commerce(c)	<i>Total</i>	125.2	78.3	40.8	92.4	18.1	141.6
	<i>Raised through</i>						
	Shares	36.0	57.5	9.5	41.9	9.9	55.3
	Debentures, etc.	89.2	20.8	31.3	50.5	8.2	86.3
Other industries(d) . . .	<i>Total</i>	102.5	169.5	159.1	91.1	111.8	552.0
	<i>Raised through</i>						
	Shares	32.7	91.3	68.1	64.5	150.2	482.5
	Debentures, etc.	69.8	78.2	91.0	26.6	(e)-38.4	69.5
All industries	<i>Total</i>	1,119.7	1,426.7	1,680.9	1,468.9	1,208.6	2,526.8
	<i>Raised through</i>						
	Shares	171.1	332.3	471.3	349.6	330.2	1,071.9
	Debentures, etc.	948.6	1,094.4	1,209.6	1,119.3	878.4	1,454.9

(a) Includes extracting, refining, founding, engineering, metalworking, electrical equipment, etc., vehicles, aircraft and ships, parts and accessories, assembly and repairs. (b) Includes share capital raised by banks and insurance companies. (c) Includes oil distribution and primary produce dealing. (d) Includes primary production, mining and quarrying. (e) Excess of repayments over receipts.

LOTTERIES AND BETTING

Lotteries

The State Governments of New South Wales, Queensland, South Australia and Western Australia operate lotteries in their own States. Tattersall Sweep Consultations operate under government licence in Victoria and also sell tickets under government licence in Tasmania and New Zealand. Tickets for any of these lotteries may also be sold in the Northern Territory and the Australian Capital Territory. The statistics of sales of tickets and prizes include the sales and allotments of prizes in New Zealand, Tasmania, the Northern Territory and the Australian Capital Territory. In general, revenue derived by the State Governments from these lotteries is used directly or indirectly to provide funds for expenditure on hospitals, charities, etc.

**LOTTERIES: VALUE OF TICKET SALES, PRIZES ALLOTTED, TAXES PAID
AND OTHER NET CONTRIBUTIONS TO STATE GOVERNMENT REVENUES**

(\$ million)

	<i>Ticket sales</i>	<i>Prizes allotted</i>	<i>Taxes and other net con- tributions to State Govern- ment revenues(a)</i>
1978-79			
New South Wales	108.3	70.0	38.4
Victoria	285.7	170.0	89.0
Queensland	41.4	26.5	9.8
South Australia	43.4	26.3	14.3
Western Australia	21.4	14.5	5.8
Total	500.3	307.3	157.4
1977-78	424.5	261.3	133.0
1976-77	364.8	224.5	113.7
1975-76	289.5	176.9	90.9
1974-75	227.2	140.2	60.4
1973-74	159.7	98.4	40.7

(a) Includes grants to Tasmanian and New Zealand Governments by Tattersalls Sweep Consultations, Victoria.

Betting

TOTALISATOR INVESTMENTS AND INVESTMENTS WITH LICENSED BOOKMAKERS

(\$ million)

	1976-77		1977-78		1978-79	
	<i>T.A.B.</i>	<i>Book- makers</i>	<i>T.A.B.</i>	<i>Book- makers</i>	<i>T.A.B.</i>	<i>Book- makers</i>
New South Wales	796.2	601.7	931.6	665.7	1,001.5	732.5
Victoria	636.8	450.2	672.0	476.9	698.5	495.9
Queensland	229.5	340.5	235.2	346.3	267.1	378.3
South Australia	116.9	174.4	118.0	184.6	117.7	179.7
Western Australia	188.3	73.3	209.7	91.1	226.5	105.7
Tasmania	33.3	47.7	39.4	45.5	42.1	47.3
Australian Capital Territory	25.3	20.4	27.7	19.9	27.0	n.y.a.
Total	2,026.3	1,708.0	2,233.5	1,830.0	2,380.3	n.y.a.

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) *Unit Trusts, Land Trusts and Mutual Funds, Australia* (5624.0) (quarterly) *New Capital Raisings by Companies Listed on Australian Stock Exchanges* (5628.0) (quarterly) *Installment 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).

