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NEW ISSUE

GENERAL FINANCIERS AND OTHER FINANCIAL CORPORATIONS: ASSETS, LIABILITIES, INCOME AND EXPENDITURE, AUSTRALIA 1984-85 AND 1985-1986

PHONE INQUIRIES • *about these statistics*—contact Mark Dennis on Canberra (062) 52 7117 or any ABS State office.

• *about other statistics and ABS services*—contact **Information Services** on Canberra (062) 52 6007, 52 6627, 52 5402 or any ABS State office.

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MAIN FEATURES

Total assets for General Financiers increased by $1,437.5 million (44.4%) between 1984-85 and 1985-86 to $4,674.1 million.

The largest 12 General Financiers accounted for 56.6% of total assets.

Between 1984-85 and 1985-86 other Financial Corporations also recorded strong growth in assets of 34.0 % to $539.1 million.

EXPLANATORY NOTES

Introduction

The publication is the first in a new series presenting statistics, collected under the *Census and Statistics Act 1905*, on the financial accounts of corporations registered under the *Financial Corporation Act 1974* and categorised as general financiers and other financial corporations during the reference periods.

2. Comparable statistics are available for permanent building societies, credit co-operatives, co-operative housing societies and finance companies.

Scope

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

Other financial corporations are those registered corporations that are not categorised as building societies, authorised money market dealers, money market corporations, finance companies, credit co-operatives, pastoral finance companies, general financiers or intra group financiers.

Where a registered corporation provides finance predominantly in the form of loans to related corporations it has been generally grouped with its related corporations.

4. A corporation comes within the ambit of the Financial Corporations Act if:

(a) its sole or principal business activity in Australia is the borrowing of money and the provision of finance;

(b) its assets in Australia arising from the provision of finance exceed 50 per cent (or a different percentage if prescribed by regulation) of the value of its assets in Australia; or

(c) The combined value of the assets of the corporation and its related financial corporations exceed $1 million.

5. The Financial Corporations Act defines the provision of finance, applicable to all registered corporations, to include:

(a) the lending of money, with or without security;

(b) the supplying of goods by way of hire purchase;

(c) the sale (other than a lay-by sale) by a retailer of goods on terms under which payment in full is not required to be made within 3 months;

(d) the letting on hire of goods;

(e) the acquisition of debts due to another person;

(f) the purchase of bills of exchange or promissory notes;

(g) the purchase of Government and public authority securities; and

(h) the purchase of debentures or other securities (other than shares) issued by a corporation.

6. Lists of registered general financiers and other financial corporations are published in the *Commonwealth of Australia Gazette* from time to time. Details are also provided of variations to lists previously published. The most recent advice appeared in the *Commonwealth of Australia Gazette* No. G12 of 31 March 1987.

Presentation

7. *Statistical period.* While the statistics in this publication are presented for the years ended 30 June 1985 and 1986, for corporations with other than 30 June accounting years the data included relate to the corporations' accounting years ended in the reference period (eg. for corporations with 30 September balance dates, the data included for 1985-86 are for the year ended 30 September 1985). The contribution to total assets of those general financiers and other financial corporations with balance dates in each of the quarters of 1985-86 was:

	Contribution to total assets	
Balance dates in quarter ending	*General financiers* %	*Other financial corporations* %
30 September	14.6	—
31 December	22.2	—
31 March	16.5	1.6
30 June	46.7	98.4

8. *Accounting bases.* In compiling these statistics, assets and liabilities have been presented to reflect full balance day adjustments of accruals and prepayments, and valuations have been made on a book value basis.

Related publications

9. Users may also wish to refer to the following publications which are available on request:

Permanent Building Societies, Assets, Liabilities, Income and Expenditure, Australia (5632.0)

Credit co-operatives, Assets, Liabilities, Income and Expenditure, Australia (5618.0)

Co-operative Housing Socieites, Assets, Liabilities, Income and Expenditure, Australia (5633.0)

Finance Companies, Assets, Liabilities, Income and Expenditure, Australia (5616.0)

Credit Co-operatives, General Financiers and Other Financial Corporations, Australia (5640.0)—*issued monthly*

10. Current publications produced by the ABS are listed in the *Catalogue of Publications, Australia* (1101.0). The ABS also issues, on Tuesdays and Fridays, a *Publications Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and Publications Advice are available from any ABS office.

Symbols and other usages

— nil or rounded to zero
. . not applicable

11. Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

Electronic services

12. VIATEL. Key *656# for selected current economic, social and demographic statistics.

AUSSTATS. Thousands of up-to-date time series are available on this ABS on-line service through CSIRONET.

For further information phone the AUSSTATS Help Desk on (062) 52 6017.

TELESTATS. This service provides foreign trade statistics tailored to users' requirements.

Further information is available on (062) 52 5404.

IAN CASTLES
Australian Statistician

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TABLE 1. GENERAL FINANCIERS: LIABILITIES AND ASSETS
($000)

LIABILITIES	1984-85	1985-86
SHARE CAPITAL AND RESERVES		
PAID UP CAPITAL	203,797	249,315
RESERVES:		
SHARE PREMIUM	49,459	66,460
REVALUATION ACCOUNT	16,972	21,019
OTHER	60,241	63,612
ACCUMULATED SURPLUS(NET)	63,374	85,575
SUBORDINATED LOANS	27,091	35,984
BORROWINGS FROM RESIDENTS:		
BY ISSUE OF SECURITIES	135,391	113,710
BANKS	524,515	1,182,066
OTHER FINANCIAL INSTITUTIONS	339,023	360,647
RELATED CORPORATIONS	435,777	774,717
OTHER	947,283	1,220,071
BORROWINGS FROM NON-RESIDENTS	287,446	339,008
LIABILITIES ARISING FROM THE ACCEPTANCE OF BILLS OF EXCHANGE UNDER ACCOMMODATION FACILITIES	2,732	11,664
OTHER LIABILITIES		
ACCOUNTS PAYABLE	68,815	59,258
PROVISIONS FOR:		
INCOME TAX	21,761	29,482
DEFERRED INCOME TAX	31,802	35,747
DIVIDENDS	6,168	8,379
OTHER	14,907	16,769
LIABILITIES N.E.I.	-	570
TOTAL LIABILITIES	3,236,554	4,674,053

ASSETS	1984-85	1985-86
FINANCIAL ASSETS		
LOAN OUTSTANDINGS:		
RELATED CORPORATIONS	182,056	384,016
INDIVIDUALS:		
OWNER OCCUPIED HOUSING	67,583	68,262
OTHER	447,744	640,087
OTHER LOANS AND ADVANCES	928,164	1,415,671
LESS PROVISION FOR DOUBTFUL DEBTS	-31,696	-43,447
TOTAL	1,593,851	2,464,589
CASH AND BANK DEPOSITS:		
NEGOTIABLE CERTIFICATES OF DEPOSIT	15,138	103,375
CASH AND OTHER BANK DEPOSITS	34,771	21,914
PLACEMENTS AND DEPOSITS WITH:		
AUTHORISED DEALERS	7,433	7,669
OTHER FINANCIAL INSTITUTIONS	93,210	104,192
OTHER BUSINESSES	27,819	140,453
BILLS, BONDS AND OTHER SECURITIES:		
GOVERNMENT AND PUBLIC AUTHORITY SECURITIES	54,472	65,356
BILLS OF EXCHANGE AND PROMISSORY NOTES	111,123	182,599
OTHER	140,974	171,833
FINANCE LEASE RECEIVABLES:		
LEVERAGED LEASE	5,024	5,566
OTHER	902,354	1,095,287
TOTAL CLIENT COMMIT ARISING FROM ACCEPTANCE BY CORP OF BILLS OF EXCHANGE UNDER ACCOMMODATION FACILITIES	2,732	11,664
ACCOUNTS RECEIVABLE	41,279	63,043
OTHER FINANCIAL ASSETS	40,092	49,957
OTHER ASSETS		
LAND AND BUILDINGS	46,736	45,315
OTHER FIXED ASSETS	65,909	70,086
OTHER	53,637	71,155
TOTAL ASSETS	3,236,554	4,674,053

TABLE 2. GENERAL FINANCIERS: INCOME AND EXPENDITURE
($000)

EXPENDITURE	1984-85	1985-86
INTEREST ON BORROWINGS:		
SECURITIES ISSUED	36,183	36,241
BANKS	42,821	115,562
RELATED CORPORATIONS	42,712	72,744
OTHER	163,118	239,572
WAGES AND SALARIES ETC.	31,545	43,261
DIRECTORS FEES	631	563
MANAGEMENT FEES	14,458	16,913
SUPERANNUATION	1,836	1,277
AUDITING AND ACCOUNTING FEES	2,044	1,887
COMPUTER SERVICE FEES	1,561	4,277
LEGAL AND DEBT COLLECTION FEES	1,845	2,270
POSTAGE, TELEGRAMS AND TELEPHONE	2,314	4,245
PAYROLL TAX	1,373	1,574
STAMP DUTY AND FINANCIAL INSTITUTIONS DUTY(STATE)	1,394	1,363
BANK ACCOUNTS DEBIT TAX(FEDERAL)	299	305
PRINTING AND STATIONERY	1,763	2,869
ADVERTISING AND PROMOTION	3,493	3,114
INSURANCE PREMIUMS PAID	1,394	1,619
BANK CHARGES(EXCLUDING INTEREST)	1,396	1,332
RENT AND LEASE PAYMENTS	6,445	6,927
WATER AND GENERAL RATES	952	1,092
BAD DEBTS WRITTEN OFF NOT PREVIOUSLY PROVIDED FOR	5,280	8,525
PROVISION FOR DOUBTFUL DEBTS MADE IN CURRENT PERIOD	11,238	17,328
DEPRECIATION ON PHYSICAL ASSETS	38,454	31,088
LOSSES ON SALE AND REVALUATION OF ASSETS	7,276	7,857
OTHER EXPENDITURE	47,861	48,548
TOTAL EXPENDITURE	469,686	672,353
NET EXCESS OF INCOME OVER EXPENDITURE	67,832	91,732

INCOME	1984-85	1985-86
INTEREST ON DEPOSITS WITH BANKS	3,552	3,267
INCOME FROM PLACEMENTS AND OTHER DEPOSITS	16,198	27,942
INCOME FROM HOLDINGS OF:		
GOVERNMENT AND PUBLIC AUTHORITY SECURITIES	5,292	7,533
BILLS OF EXCHANGE AND PROMISSORY NOTES	11,662	22,077
OTHER SECURITIES	13,401	13,822
INCOME FROM FINANCE LEASING	185,374	201,923
INTEREST ON LOANS	240,390	414,790
MANAGEMENT FEES	9,038	9,697
RENT AND LEASE(PROPERTY) RECEIPTS	9,162	6,074
BAD DEBTS RECOVERED	1,327	1,008
GAINS ON SALE AND REVALUATION OF ASSETS	8,263	16,841
OTHER INCOME	33,859	39,111
TOTAL INCOME	537,518	764,085

TABLE 3. GENERAL FINANCIERS: ALLOCATION OF EARNINGS
($000)

	1984-85	1985-86
EXCESS OF INCOME OVER EXPENDITURE	85,142	106,569
EXCESS OF EXPENDITURE OVER INCOME	17,310	14,837
NET EXCESS OF INCOME OVER EXPENDITURE	67,832	91,732
TAXATION EXPENSE	27,141	29,893
TRANSFER FROM RESERVES	26	1,897
NET EARNINGS AFTER TAXATION AND ADJUSTMENTS	40,717	63,736
ALLOCATIONS:		
DIVIDENDS PAID OR PROPOSED TO BE PAID	26,551	26,382
TRANSFERS TO RESERVES	26,277	10,007
OTHER(NET)	224	3
RETAINED EARNINGS	-12,335	27,344

TABLE 4. GENERAL FINANCIERS: SELECTED STATISTICS AND CONCENTRATION PERCENTAGES, 1985-86

			COMPANIES/COMPANY GROUPS RANKED BY CONTRIBUTION TO TOTAL ASSETS				
ITEMS		TOTAL	LARGEST 4	LARGEST 8	LARGEST 12	LARGEST 24	LARGEST 48
COMPANIES/COMPANY GROUPS	NO.	121	4	8	12	24	48
	%	100.0	3.3	9.7	14.5	29.0	58.1
SHAREHOLDERS FUNDS	$ M	485,981	69,229	154,724	179,259	331,166	470,189
	%	100.0	14.2	31.8	36.9	68.1	96.8
TOTAL ASSETS	$ M	4,674,053	1,255,490	2,068,526	2,643,178	3,519,247	4,260,974
	%	100.0	26.9	44.3	56.6	75.3	91.2
TOTAL INCOME	$ M	764,085	161,714	329,062	395,606	546,642	682,701
	%	100.0	21.2	43.1	51.8	71.5	89.3
TOTAL EXPENDITURE	$ M	672,353	145,040	284,067	349,973	477,106	595,083
	%	100.0	21.6	42.2	52.1	71.0	88.5

TABLE 5. OTHER FINANCIAL CORPORATIONS: LIABILITIES AND ASSETS
($000)

LIABILITIES	1984-85	1985-86	ASSETS	1984-85	1985-86
SHARE CAPITAL AND RESERVES			FINANCIAL ASSETS		
PAID UP CAPITAL	6,494	6,752	LOAN OUTSTANDINGS	63,445	67,824
RESERVES:			LESS PROVISION FOR		
REVALUATION ACCOUNT	1,654	2,158	DOUBTFUL DEBTS	-15	-25
OTHER	1,392	1,606	TOTAL	63,430	67,799
ACCUMULATED SURPLUS(NET)	-667	169			
			CASH AND BANK DEPOSITS:		
BORROWINGS FROM RESIDENTS:			NEGOTIABLE CERTIFICATES		
BY ISSUE OF SECURITIES	6,375	4,841	OF DEPOSIT	23,932	14,998
BANKS	2,669	8,663	CASH AND OTHER BANK DEPOSITS	30,722	11,426
OTHER	374,720	505,316	PLACEMENTS AND DEPOSITS		
			WITH:		
BORROWINGS FROM NON-RESIDENTS	-	-	AUTHORISED DEALERS	5,600	9,338
			OTHER FINANCIAL INSTITUTIONS	13,930	240,161
OTHER LIABILITIES			OTHER BUSINESSES	31,790	12,951
ACCOUNTS PAYABLE	7,691	8,031			
PROVISIONS FOR:			BILLS, BONDS AND OTHER		
INCOME TAX	678	461	SECURITIES:		
DEFERRED INCOME TAX	120	29	GOVERNMENT AND PUBLIC		
OTHER	1,429	1,092	AUTHORITY SECURITIES	28,610	7,672
LIABILITIES N.E.I.	193	-	BILLS OF EXCHANGE AND		
			PROMISSORY NOTES	185,568	153,563
			OTHER	3,718	1,757
			FINANCE LEASE RECEIVABLES	28	193
			ACCOUNTS RECEIVABLE	7,169	11,818
			OTHER FINANCIAL ASSETS	89	708
			OTHER ASSETS		
			LAND AND BUILDINGS	4,024	4,121
			OTHER FIXED ASSETS	3,301	2,464
			OTHER	837	149
TOTAL LIABILITIES	402,748	539,118	TOTAL ASSETS	402,748	539,118

TABLE 6. OTHER FINANCIAL CORPORATIONS: INCOME AND EXPENDITURE
($000)

EXPENDITURE	1984-85	1985-86
INTEREST ON BORROWINGS:		
BANKS	396	618
OTHER	51,395	71,534
WAGES AND SALARIES ETC.	4,827	5,986
DIRECTORS FEES	48	40
MANAGEMENT FEES	-	270
SUPERANNUATION	271	318
AUDITING AND ACCOUNTING FEES	114	128
COMPUTER SERVICE FEES	65	106
LEGAL AND DEBT COLLECTION FEES	113	104
POSTAGE, TELEGRAMS AND TELEPHONE	452	531
PAYROLL TAX	191	284
STAMP DUTY AND OTHER STATE AND FEDERAL DUTIES	64	150
PRINTING AND STATIONERY	309	237
ADVERTISING AND PROMOTION	163	286
INSURANCE PREMIUMS PAID	213	226
BANK CHARGES(EXCLUDING INTEREST)	359	1,044
RENT AND LEASE PAYMENTS	530	814
WATER AND GENERAL RATES	47	57
ALLOWANCE FOR DOUBTFUL DEBTS	10	-
DEPRECIATION ON PHYSICAL ASSETS	1,264	1,364
LOSSES ON SALE AND REVALUATION OF ASSETS	428	174
OTHER EXPENDITURE	2,953	3,818
TOTAL EXPENDITURE	64,212	88,089
NET EXCESS OF INCOME OVER EXPENDITURE	1,086	1,905

INCOME	1984-85	1985-86
INTEREST ON DEPOSITS WITH BANKS	6,055	9,841
INCOME FROM PLACEMENTS AND OTHER DEPOSITS	8,885	23,620
INCOME FROM HOLDINGS OF:		
GOVERNMENT AND PUBLIC AUTHORITY SECURITIES	4,555	2,072
BILLS OF EXCHANGE AND PROMISSORY NOTES	26,618	30,117
OTHER SECURITIES	1,075	191
INCOME FROM FINANCE LEASING	23	74
INTEREST ON LOANS	8,919	9,696
MANAGEMENT FEES	495	421
RENT AND LEASE(PROPERTY) RECEIPTS	427	851
GAINS ON SALE AND REVALUATION OF ASSETS	202	1,505
OTHER INCOME	8,044	11,606
TOTAL INCOME	65,298	89,994

TABLE 7. OTHER FINANCIAL CORPORATIONS: ALLOCATION OF EARNINGS
($000)

	1984-85	1985-86
EXCESS OF INCOME OVER EXPENDITURE	1,117	2,523
EXCESS OF EXPENDITURE OVER INCOME	31	618
NET EXCESS OF INCOME OVER EXPENDITURE	1,086	1,905
TAXATION EXPENSE	207	97
TRANSFER FROM RESERVES	-	30
NET EARNINGS AFTER TAXATION AND ADJUSTMENTS	879	1,838
ALLOCATIONS:		
DIVIDENDS PAID OR PROPOSED TO BE PAID	145	36
TRANSFERS TO RESERVES	207	760
OTHER(NET)	375	50
RETAINED EARNINGS	152	992