AUSTRALIAN BUREAU OF STATISTICS Canberra

CATALOGUE NO. 5632.0

NOON 26 MARCH 1980

PERMANENT BUILDING SOCIETIES
ASSETS, LIABILITIES, INCOME AND EXPENDITURE, AUSTRALIA
1978-79

INQUIRIES

If you want to know more about these statistics ring Ms Tamara Rosisnanyi on Canberra 527117 or our State office, or write to Information Services, ABS, P.O. Box 10, Belconnen, A.C.T. 2616

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EXPLANATORY NOTES

Introduction

This publication continues the series of statistics on the financial accounts of permanent building societies first published for 1975-76. Similar statistics are available for credit unions and terminating building societies. Financial account statistics are also available for finance companies although they are not completely comparable with those for credit unions, permanent building societies and terminating building societies.

Permanent building society definition

2. For the purposes of these statistics a *permanent building society* is defined as an organisation that :

(a) is registered under relevant State or Territory legislation;

(b) has rules or regulations that do not specify that it is to terminate on a specific date or when a specific objective is achieved; and

(c) operates on a co-operative basis by borrowing predominantly from its members and providing finance to its members principally in the form of housing loans.

This includes building societies that operate solely on *Starr Bowkett* principles and meet the above definition.

Presentation

3. *Accounting period.* The statistics in this publication are described as being for financial years ended 30 June. The information used to derive aggregates, however, is based on building society accounting periods ending within the period 1 July to 30 June. The contribution to total assets of those building societies with balance dates in each of the quarters of 1978-79 was:

Balance dates in quarter ending	*Contribution to total assets*
30 September	2.4%
31 December	13.5%
31 March	2.5%
30 June	81.6%

4. *Accounting bases.* In compiling data for these statistics, assets and liabilities have been presented to reflect full balance day adjustments of accruals and pre-payments, and valuations have been made on a book value basis.

5. Borrowings of societies from the public can take the form of share capital or deposits, depending on relevant State or Territory legislation.

6. *Revisions.* This publication incorporates revisions made to previous statistics in this series.

Related publications

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

Housing Finance for Owner Occupation, Permanent Building Societies, Australia (5610.0) (monthly)

Housing Finance for Owner Occupation, Australia (5609.0) (monthly)

Financial Corporations Statistics, Australia (5617.0) (monthly)

Terminating Building Societies, Assets, Liabilities, Income and Expenditure, Australia (5633.0) (annual)

Credit Unions, Assets, Liabilities, Income and Expenditure, Australia (5618.0) (annual)

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

8. All current publications produced by the ABS are listed in *Catalogue of Publications* (1101.0) which is available free of charge from any ABS office.

Symbols and other usages

- – nil or rounded to zero
- . . not applicable
- n.p. not available for separate publication
- n.e.i. not elsewhere included

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

R. J. CAMERON
Australian Statistician

DEFINITIONS AND THE DESCRIPTION OF DATA ITEMS

Table 1. Liabilities and assets, Australia

Liabilities

Non-withdrawable shares is that part of the paid up share capital of the societies which cannot be withdrawn. These shares are sometimes referred to as *fixed shares*. Borrowing members' shares (prescribed shares which have to be held by borrowers until their loan is paid out) are included in *Withdrawable shares – fixed term*.

Withdrawable shares is that part of the paid up share capital of the societies which can be withdrawn.

Loans from – Government includes loans from the Commonwealth, State, local and semi-government authorities but excludes loans from government trading enterprises such as State Government Insurance Offices, government banks, etc.

Loans from – Insurance companies includes loans from State Government Insurance Offices.

Assets

Deposits with – Banks – Other includes convertible certificates of deposit.

Deposits with – Other includes monies lodged by societies in contingency or guarantee funds.

Bills, bonds and other securities – Treasury notes, government and semi-government securities includes securities issued by Water Boards, Electricity Commissions, etc.

Table 2. Income and expenditure, Australia

Expenditure

Interest paid and payable on shares includes :

(a) dividends on withdrawable shares;

(b) interest paid and payable on non-withdrawable shares; and

(c) interest paid and payable on withdrawable shares, both *at call* and *fixed term*.

Interest paid and payable on deposits includes interest paid and payable on both *at call* and *fixed term* deposits.

Wages, salaries etc. comprises wages, salaries, long service leave and superannuation.

Management fees represents payments made by societies to separate management companies for management services including labour, and consultancy services.

Computer service fees represents payments to separate companies for the use of computer facilities.

Advertising represents external payments for advertising. Where advertising is arranged through permanent building society associations, such payments are included in the item *Permanent Building Society Association costs*.

Insurance premiums paid represents external payments to insurance offices. It does not include transfers to reserves.

Other expenditure comprises staff amenities, clothing and uniforms, repairs and maintenance of plant and equipment and all other expenditure.

Income

Management fees includes application fees, penalties, fines and forfeitures of application fees.

Table 3. Allocation of earnings, Australia

This table shows the appropriation of (a) previous years' surpluses and (b) the differences between income and expenditure in the current year. To assist interpretation, figures are shown in 'gross' rather than 'net' form, e.g. *excess of income over expenditure* and *excess of expenditure over income*.

Dividends provided for year on non-withdrawable shares represents dividends provided in lieu of interest paid.

The information shown in this table relating to reserves cannot be used to reconcile statistics for reserves shown in Table 1 because of the effects of non-appropriation account transactions, e.g. asset revaluations, and transfers from one reserve account to another.

NOTE. In Tables 5 to 8 certain items appearing separately in Tables 1 and 2 have been combined. A dissection of the content of these combined items is specified below.

Table 5. Liabilities, States and Australia

Reserves – Other includes general, capital, accumulated surplus and other reserves.

Loans includes loans from government, banks, insurance companies, other permanent building societies and other lenders.

Table 6. Assets, States and Australia

Deposits with – Banks – Other includes transferable deposits with the Australian Resources Development Bank and deposits other than current account deposits with other banks, but excludes negotiable certificates of deposit.

Deposits with – Other institutions includes deposits with insurance companies, authorised dealers in the short term money market, other permanent building societies, etc.

Bills, bonds and other securities includes Treasury notes, listed government and semi-government securities, bills of exchange and promissory notes, negotiable certificates of deposit, etc.

Physical assets comprises land, buildings, plant, equipment, furniture and fittings and other physical assets.

Table 7. Expenditure, States and Australia

Interest paid and payable on loans is interest paid and payable on loans from government, banks, insurance companies, other permanent building societies and other lenders.

Other administrative expenses covers management fees, computer service fees, postage, telegrams and telephone, payroll tax, printing and stationery, advertising, permanent building society association costs, insurance premiums paid and water and general rates.

Other expenses comprises bad debts written off, depreciation on physical assets, losses on sale of assets and all other expenditure.

Table 8. Income, States and Australia

Interest received and receivable on deposits includes interest received and receivable on deposits with banks, insurance companies, other permanent building societies, etc.

Interest received and receivable from holdings of bills, bonds and other securities includes interest received and receivable from the holding of Treasury notes, listed government and semi-government securities, bills of exchange and promissory notes, negotiable certificates of deposit and other securities.

Other income includes management fees, rent and lease receipts, bad debts recovered, gain on sale of assets and all other income.

TABLE 1. LIABILITIES AND ASSETS, AUSTRALIA

Liabilities	1976-77	1977-78	1978-79
		$'000	
Share capital and reserves			
Share capital and subscriptions:			
Non-withdrawable shares	17,535	19,214	23,093
Withdrawable shares – at call	4,461,531	5,169,345	5,696,372
– fixed term	243,553	302,293	697,984
Reserves:			
Statutory	43,891	56,340	73,818
General	20,857	25,106	29,882
Capital	2,957	2,490	2,093
Accumulated surplus (net) (a)	17,837	28,720	35,963
Asset revaluation	6,066	7,091	10,168
Other		1,442	1,510
Other liabilities			
Deposits – at call	1,133,327	1,314,175	1,494,842
– fixed term	206,115	311,089	658,684
Loans (b) from:			
Government	56,001	53,388	59,852
Banks	51,107	91,151	88,350
Insurance companies	57,024	48,638	52,145
Permanent building societies	3,986	6,511	1,033
Other	22,892	23,885	43,361
Accounts payable	23,691	23,019	29,870
Provisions for:			
Income tax	15,626	22,980	23,184
Long service leave	905	1,234	1,696
Other	(c)	1,418	2,504
Liabilities n.e.i.	(c)1,443	329	650
Total liabilities	6,386,344	7,509,858	9,027,054

Assets	1976-77	1977-78	1978-79
		$'000	
Financial assets			
Amount owing on loans	4,906,995	5,898,746	7,078,361
Cash on hand	3,362	4,011	5,743
Deposits with:			
Banks –			
Transferable deposits with the Australian Resources Development Bank	75,222	71,405	72,014
Current accounts	21,190	23,276	20,407
Interest bearing deposits	590,612	513,446	497,194
Other	121,463	112,583	143,803
Insurance companies	7,048	500	–
Authorised dealers in the short term money market	91,302	88,592	121,559
Permanent building societies	16,443	14,158	3,697
Other	48,065	78,065	63,094
Bills, bonds and other securities:			
Treasury notes, government and semi-government securities	120,289	168,329	282,014
Bills of exchange and promissory notes	152,811	255,709	358,136
Negotiable certificates of deposit	64,472	97,061	128,640
Other	5,143	4,313	15,726
Accounts receivable	18,174	15,719	19,981
Other financial assets	(d)	3,967	4,650
Physical assets			
Land and buildings	109,033	125,833	161,057
Plant, equipment, furniture and fittings	30,098	33,775	50,637
Other physical assets	(d)	370	341
Total assets	6,386,344	7,509,858	9,027,054

NOTE	1976-77	1977-78	1978-79
Forward commitments and contingent claims not included in liabilities shown above:			
Loans approved but not advanced	305,837	293,619	348,057
Undrawn standby facilities	239,370	313,971	345,406
Other contingent liabilities	2,413	16,403	60,131

(a) For 1976-77, includes accumulated deficits of suspended societies amounting to $2,165,000. The deficits of these societies are not included in 1977-78 and 1978-79 statistics.

(b) Maturity breakdown on loans is as follows:

	1976-77	1977-78	1978-79
Maturing in less than 12 months	60,443	69,250	107,208
Maturing in 12 months or more	130,567	154,323	137,533
Total loans	191,010	223,573	244,741

(c) For 1976-77, 'Other provisions' were included in 'Other liabilities'.

(d) 'Other financial assets' and 'other physical assets' are not available separately for 1976-77. Their combined total for that year is $4,622,000.

TABLE [illegible]: INCOME AND EXPENDITURE, AUSTRALIA

Expenditure	1976-77	1977-78	1978-79
		$'000	
Interest paid and payable on shares (including dividends provided on withdrawable shares)	380,797	440,803	506,857
Interest paid and payable on deposits	114,269	141,679	175,120
Interest paid and payable on loans from:			
Government	3,358	3,098	3,635
Banks	3,418	7,110	4,870
Insurance companies	5,110	4,489	4,409
Permanent building societies	475	128	28
Other	1,438	1,454	2,621
Wages, salaries etc.	33,682	40,254	49,[illegible]
Directors' fees	1,192	1,287	1,546
Management fees	15,882	20,000	20,966
Auditing and accounting fees	1,036	1,184	1,513
Computer service fees	4,824	7,030	8,122
Postage, telegrams and telephone	2,501	2,806	3,168
Payroll tax	1,371	1,643	2,012
Printing and stationery	3,040	3,734	4,362
Advertising	9,881	13,239	17,058
Permanent Building Society Association costs	493	504	630
Insurance premiums paid	1,218	1,223	1,459
Bank charges (excluding interest)	2,720	3,088	3,267
Rent and lease payments	5,160	6,116	7,359
Water and general rates	1,248	1,431	1,794
Bad debts written off	238	78	296
Depreciation on physical assets	5,139	6,887	8,892
Losses on sale of assets	1,354	575	888
Other expenditure	15,774	18,246	26,994
Total expenditure	615,618	728,086	856,905
Net excess of income over expenditure	35,220	49,142	52,993

Income	1976-77	1977-78	1978-79
		$'000	
Interest received and receivable on loans	519,665	624,241	722,143
Interest received and receivable on deposits with:			
Banks –			
Transferable deposits with the Australian Resources Development Bank	6,564	6,672	7,207
Other banks	(a)70,201	65,510	70,574
Insurance companies	1,301	487	525
Authorised dealers in the short term money market	6,035	6,739	7,741
Permanent building societies	1,617	1,567	413
Other	4,924	4,684	5,222
Income received and receivable from holdings of:			
Treasury notes, government and semi-government securities	10,133	14,989	23,010
Bills of exchange and promissory notes	8,402	20,889	34,636
Other	1,429	(a)8,482	(a)10,615
Management fees	9,798	11,375	14,545
Rent and lease receipts	5,765	6,283	7,200
Bad debts recovered	3	26	6
Gain on sale of assets	590	583	861
Other income	4,411	4,701	5,200
Total income	650,838	777,228	909,898

(a) Includes interest from negotiable certificates of deposit.

TABLE 3. ALLOCATION OF EARNINGS, AUSTRALIA

	1976-77	*1977-78*	*1978-79*
		$'000	
Excess of income over expenditure	36,362	49,166	52,993
Excess of expenditure over income	132	24	–
Excess of income over expenditure	36,230	49,142	52,993
Provision for taxation	13,955	20,560	22,467
Over provision of taxation for previous year	117	30	455
Under provision of taxation for previous year	25	1,538	21
Transfer from reserves	727	534	1,099
Net earnings after taxation and adjustments	22,084	27,628	32,039
Allocations :			
Dividends provided for year on non-withdrawable shares	2,434	1,120	1,998
Transfer to reserves –			
Statutory	8,054	11,365	13,171
General	5,125	5,738	9,384
Capital	739	183	93
Other	220	337	171
Other (net)	6	206	–21
Retained earnings	5,506	8,719	7,243

TABLE 4. SELECTED STATISTICS AND CONCENTRATION PERCENTAGES, STATES AND AUSTRALIA, 1978-79

	Aust.	*N.S.W.*	*Vic.*	*Qld*	*S.A.*	*W.A.*	*Tas.*	*N.T. and A.C.T.*
Industry totals								
Number of societies	146	44	52	20	9	10	5	6
Total assets ($'000)	9,027,608	3,668,402	1,744,316	1,131,360	456,261	1,601,527	193,840	231,902
Total loans outstanding ($'000)	7,078,915	2,801,635	1,371,054	960,771	350,775	1,270,625	141,075	182,980
Largest four societies								
Asset value ($'000)	2,941,021	2,513,530	927,032	792,671	441,659	1,473,467	179,519	226,413
Contribution to total assets (%)	32.6	68.5	53.1	70.1	96.8	92.0	92.6	97.6
Contribution to total loans (%)	31.5	67.9	53.4	72.3	96.7	92.2	92.3	97.5
Largest eight societies								
Asset value ($'000)	4,426,425	3,238,493	1,227,278	964,864	454,439	1,589,228	..	..
Contribution to total assets (%)	49.0	88.3	70.4	85.3	99.6	99.2	..	..
Contribution to total loans (%)	49.5	88.1	70.9	86.4	99.6	99.3	..	..
Largest twelve societies								
Asset value ($'000)	5,298,086	3,435,016	1,391,897	1,058,312	..	..	..	..
Contribution to total assets (%)	58.7	93.6	79.8	93.5	..	..	..	..
Contribution to total loans (%)	59.0	93.3	80.6	94.2	..	..	..	..

TABLE 5. LIABILITIES, STATES AND AUSTRALIA, 1978-79

	N.S.W.	*Vic.*	*Qld*	*S.A.*	*W.A.*	*Tas.*	*N.T. and A.C.T.*	*Aust.*
				$'000				
Share capital and reserves								
Share capital and subscriptions :								
Non-withdrawable shares	n.p.	22,774	–	–	–	n.p.	–	23,093
Withdrawable shares –								
at call	3,132,383	427,751	970,719	365,103	597,596	74,755	129,911	5,696,372
fixed term	307,656	16,367		49,232	260,784	62,099		697,984
Reserves :								
Statutory	50,835	8,183	..	..	12,545	..	2,255	73,818
Other	37,580	14,312	8,473	6,156	6,968	3,215	2,912	79,616
Other liabilities								
Deposits –								
at call	6,873	1,049,176	122,802	4,580	337,880	39,513	53,645	1,494,842
fixed term	3,838	173,725		7,700	343,971	9,823		658,684
Loans	105,078	21,588	21,794	20,704	31,804	2,720	41 053	244,741
Accounts payable	9,701	5,587	4,087	1,332	6,428	1,281	1,454	29,870
Provisions	13,642	4,747	2,983	1,448	3,525	367	672	27,384
Liabilities n.e.i.	n.p.	106	502	6	26	n.p.	–	650
Total liabilities	**3,667,848**	**1,744,316**	**1,131,360**	**456,261**	**1,601,527**	**193,840**	**231,902**	**9,027,054**
Forward commitments and contingent claims not included in liabilities shown above:								
Loans approved but not advanced	139,454	81,486	39,722	18,285	57,337	7,381	4,392	348,057
Undrawn standby facilities	76,969	83,042	113,330	2,300	61,855	3,167	4,743	345,406
Other contingent liabilities	42,964	15,166	447	187	1,290	77	–	60,131

TABLE 6. ASSETS, STATES AND AUSTRALIA, 1978-79

	N.S.W.	*Vic.*	*Qld*	*S.A.*	*W.A.*	*Tas.*	*N.T. and A.C.T.*	*Aust.*
				$'000				
Financial assets								
Amount owing on loans	2,801,081	1,371,054	960,771	350,775	1,270,625	141,075	182,980	7,078,361
Cash on hand	1,376	2,236	755	158	626	253	339	5,743
Deposits with :								
Banks – Current accounts	4,415	2,702	3,369	26,261	7,820	–	16,264	20,407
– Other	298,439	88,258	87,452		166,452	31,986		713,011
Other institutions	74,099	49,602	22,913	5,313	35,235	253	935	188,350
Bills, bonds and other securities	375,730	190,538	38,952	54,909	99,246	11,797	13,344	784,516
Accounts receivable	7,595	3,937	2,474	1,958	2,788	268	961	19,981
Other financial assets	1,072	2,117	541	640	191	–	89	4,650
Physical assets	104,041	33,872	14,133	16,247	18,544	8,208	16,990	212,035
Total assets	**3,667,848**	**1,744,316**	**1,131,360**	**456,261**	**1,601,527**	**193,840**	**231,902**	**9,027,054**

TABLE 7. EXPENDITURE, STATES AND AUSTRALIA, 1978-79

	N.S.W.	*Vic.*	*Qld*	*S.A.*	*W.A.*	*Tas.*	*N.T. and A.C.T.*	*Aust.*
					$'000			
Interest paid and payable on shares (including dividends provided on withdrawable shares)	261,652	38,037	82,644	32,591	71,404	11,108	9,421	506,857
Interest paid and payable on deposits	1,113	101,226	6,223	972	56,782	3,542	5,262	175,120
Interest paid and payable on loans	5,718	1,590	2,279	926	1,633	98	3,319	15,563
Wages, salaries etc.	19,497	11,638	3,639	3,768	7,465	1,520	1,712	49,239
Directors' fees	394	399	304	144	182	74	49	1,546
Auditing and accounting fees	327	434	217	72	179	29	55	1,313
Bank charges	1,151	783	484	124	602	50	73	3,267
Rent and lease payments	2,488	1,924	1,106	315	1,092	77	357	7,359
Other administrative expenses	23,071	14,986	9,825	1,936	8,723	772	1,227	60,540
Other expenses	11,745	7,991	7,478	2,297	5,366	608	616	36,101
Total expenditure	327,156	179,008	114,199	43,145	153,428	17,878	22,091	856,905
Net excess of income over expenditure	29,439	8,251	4,619	958	7,595	606	1,525	52,993

TABLE 8. INCOME, STATES AND AUSTRALIA, 1978-79

	N.S.W.	*Vic.*	*Qld*	*S.A.*	*W.A.*	*Tas.*	*N.T. and A.C.T.*	*Aust.*
					$'000			
Interest received and receivable on loans	275,006	151,345	98,445	33,405	130,761	14,328	18,853	722,143
Interest received and receivable on deposits	38,694	15,524	12,984	3,563	15,945	3,156	1,816	91,682
Interest received and receivable from holdings of bills, bonds and other securities	35,311	14,821	2,481	5,213	8,691	729	1,015	68,261
Other income	7,584	5,569	4,908	1,922	5,626	271	1,932	27,812
Total income	356,595	187,259	118,818	44,103	161,023	18,484	23,616	909,898