

**PERMANENT BUILDING SOCIETIES, ASSETS, LIABILITIES, INCOME AND
EXPENDITURE, AUSTRALIA, 1989-90**

PHONE INQUIRIES	• <i>about these statistics</i> — contact Ms Abha Bedi on Canberra (06) 252 7117 or any ABS State office. • <i>about other statistics and ABS services</i> — contact Information Services on Canberra (06) 252 6007, 252 6627, 252 5402 or any ABS State office.
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NOTE: This is the final issue of this publication. Information contained in this publication will still be available via a subscription service, details of which are available from Suzanne Hartshorn at the ABS in Canberra on (06) 252 6961.

MAIN FEATURES

Assets of Permanent Building Societies at the end of 1989-90 totalled \$22,428.4 million, down \$1,570 million (6.5%) on 1988-89. Loan outstandings for owner-occupied housing fell from \$11,853.3 million in 1988-89 to \$10,010.5 million in 1989-90.

Total expenditure exceeded total income in 1989-90 by \$220.3 million largely due to provision for doubtful debts of \$387.5 million.

The survey results for Victoria were affected significantly by provisions for doubtful debts. In that State expenditure exceeded income by \$382.0 million in 1989-90.

(d) 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.

3. *Accounting period.* While the statistics in this publication are presented for the years ended 30 June 1988, 1989 and 1990, for societies with other than 30 June accounting years the data included relate to the societies' accounting years ended in the reference period (e.g. for societies with 30 September balance dates, the data included for 1989-90 are for the year ended 30 September, 1989). The contribution to total assets of those building societies with balance dates in each of the quarters of 1989-90 was:

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, co-operative housing societies and, from 1984-85, finance companies, authorised dealers money market corporations, general financiers and other financial corporations.

Permanent building society definition

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

- (a) is registered under relevant State or Territory legislation;
- (b) has not by its rules any fixed date or certain event or result when it is to terminate;
- (c) is authorised to accept money on deposit; and

<i>Balance dates in quarter ending</i>	<i>Contribution to total assets</i>
30 September	—
31 December	0.1%
31 March	0.5%
30 June	99.4%

4. *Accounting bases.* In compiling data for 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.

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, Australia (5609.0)—issued monthly

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

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

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

General Financiers and Other Financial Corporations, Assets, Liabilities, Income and Expenditure, Australia (5648.0)

Authorised Dealers and Money Market Corporations, Assets, Liabilities, Income and Expenditure, Australia (5650.0)

8. Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, 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

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

Electronic services

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

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IAN CASTLES
Australian Statistician

TABLE 1. LIABILITIES AND ASSETS, AUSTRALIA
(\$000)

	1987-88	1988-89	1989-90		1987-88	1988-89	1989-90
LIABILITIES				ASSETS			
Share capital and reserves				Financial assets			
Share capital:				Loan outstandings:			
Non-withdrawable	210,395	418,886	404,168	Related corporations	287,301	924,726	1,440,796
Withdrawable	8,277,757	5,938,824	5,894,904	Individuals:			
Reserves:				Owner occupied housing	10,596,892	11,853,273	10,010,544
Statutory	34,105	34,695	42,121	Other	564,878	1,153,940	1,501,789
Revaluation account	130,767	99,525	109,985	Other loans and advances	3,277,413	4,005,950	3,808,747
Other	309,353	503,225	413,198	Less provision for doubtful debts	-7,329	-12,812	-387,464
Accumulated surplus(net)	253,097	214,653	-350,888	Total	14,719,155	17,925,077	16,374,412
				Cash on hand	61,442	78,365	86,272
Borrowings from residents				Placements and deposits with			
Banks	410,163	510,750	544,085	Savings and trading banks:			
Secured borrowings:				Certificates of deposit:			
Government and public authorities	34,164	41,023	21,706	Negotiable	439,034	557,855	562,018
Insurance companies	13,500	41,614	14,619	Other	6,378	9,990	59,450
Other financial institutions	426,171	759,520	391,598	Other interest bearing deposits	270,660	339,951	277,527
Other businesses	59,180	30,732	160,350	Current accounts	32,018	211,936	69,315
By issue of securities	21,199	145,852	197,090	Other banks	43,164	18,724	21,115
From related corporations	173,608	296,220	902,418	Authorized dealers	152,600	155,750	211,080
Unsecured borrowings	10,859,809	14,221,432	12,801,366	Other financial institutions:			
				Permanent building societies	40,890	11,239	21,237
Borrowings from non-residents	157,835	335,125	463,221	Other	239,841	56,655	130,501
				Other businesses	23,843	6,860	5,000
Other liabilities				Bills, bonds and other securities			
Lease liabilities	26,728	21,477	14,310	Government and Public authority securities	1,546,219	1,010,198	826,351
Accounts payable	134,851	242,887	229,921	Bills of exchange and promissory notes	3,109,327	2,119,805	2,113,490
Provisions for:				Other	267,417	636,083	723,696
Income tax	67,301	64,210	51,265	Finance lease receivables	—	—	—
Deferred income tax	40,381	38,428	40,730	Accounts receivable	83,601	111,798	187,301
Long service leave	8,519	8,892	9,960	Other financial assets	33,809	52,871	53,212
Other	33,652	29,778	69,750	Other assets			
Liabilities n.e.i.	412	513	2,506	Assets under lease	28,030	21,381	3,476
				Land and buildings	431,981	490,692	362,497
				Other fixed assets	146,406	158,035	153,370
				Other	7,132	24,996	187,033
Total liabilities	21,682,947	23,998,261	22,428,353	Total assets	21,682,947	23,998,261	22,428,353

TABLE 2. LIABILITIES AND ASSETS, STATES AND AUSTRALIA, 1989-90
(\$'000)

	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	N.T.	A.C.T.	Aust.
LIABILITIES									
Share capital and reserves									
Share capital:									
Non-withdrawable	96,372	226,562	27,534	7,050	19,108	—	—	27,542	404,168
Withdrawable	573,491	1,265,098	1,114,586	1,328,888	1,496,192	89,848	25,361	1,440	5,894,904
Reserves:									
Statutory	150	2,038	6,499	23,937	—	—	300	9,197	42,121
Other	445,953	-524,086	68,150	57,987	110,617	5,077	1,443	7,154	172,295
Borrowings from residents									
Banks	39,279	366,469	34,071	8,154	68,157	—	225	27,730	544,085
Secured borrowings	37,701	281,825	676	146,973	63,865	1,600	—	55,633	588,273
Unsecured borrowings	8,095,556	2,967,417	1,535,867	388,450	246,136	—	1,054	666,364	13,900,844
Borrowings from non-residents	455,762	2,601	1,583	—	3,275	—	—	—	463,221
Other liabilities									
Provisions	106,502	16,879	26,489	9,148	9,672	398	200	2,417	171,705
Accounts payable and liabilities n.e.i.	33,529	105,528	29,327	25,831	44,944	178	436	6,964	246,737
Total Liabilities	9,884,295	4,710,331	2,844,782	1,996,418	2,061,966	97,101	29,019	804,441	22,428,353
ASSETS									
Financial assets									
Loan outstandings:									
Related corporations	1,305,564	16,226	—	34,150	81,790	—	—	3,066	1,440,796
Individuals	5,725,289	1,435,831	1,599,700	1,026,963	1,100,253	50,124	19,330	554,843	11,512,333
Other	131,187	2,656,346	290,024	351,812	217,853	17,903	1,850	141,772	3,808,747
Less provision for doubtful debts	-3,302	-380,952	250	-1,340	-1,157	-28	-85	-650	-387,464
Total	7,158,338	3,727,451	1,889,974	1,411,585	1,398,739	67,999	21,095	699,031	16,374,412
Cash on hand	28,544	8,881	18,620	13,527	12,574	600	401	3,125	86,272
Placements and deposits with:									
Banks	450,496	74,143	135,811	17,856	293,240	10,454	—	7,425	989,425
Other financial institutions	114,045	31,079	113,873	72,378	5,943	—	—	25,500	362,818
Other businesses	—	—	—	—	—	—	—	5,000	5,000
Bills, bonds and other securities	1,832,342	608,912	624,476	396,221	144,866	12,104	6,608	38,008	3,663,537
Finance lease receivables	—	—	—	—	—	—	—	—	—
Accounts receivable	23,657	98,076	4,848	8,093	40,634	98	137	11,758	187,301
Other financial assets	16,540	14,558	5,164	13,353	3,519	64	—	14	53,212
Other assets									
Land and buildings	174,668	99,031	27,303	32,757	19,140	5,056	452	4,090	362,497
Other fixed assets	60,444	27,600	23,174	16,772	14,371	726	326	9,957	153,370
Other	25,021	20,600	1,539	13,876	128,940	—	—	533	190,509
Total assets	9,884,295	4,710,331	2,844,782	1,996,418	2,061,966	97,101	29,019	804,441	22,428,353

TABLE 3. INCOME AND EXPENDITURE, AUSTRALIA
(\$'000)

	1987-88	1988-89	1989-90		1987-88	1988-89	1989-90
EXPENDITURE				INCOME			
Interest and dividends on withdrawable shares	894,170	618,220	682,359	Interest on deposits with banks	102,882	104,996	194,991
Interest on borrowings:							
Banks				Interest from placements and other deposits with:			
Secured borrowings:	34,746	45,757	63,527	Permanent Building Societies	2,897	4,109	1,743
Government and public authorities	3,848	5,002	8,254	Other businesses	33,123	20,986	24,622
Insurance companies	1,747	2,691	3,235				
Other	57,313	73,291	74,719	Income from holdings of:			
Related corporations	19,731	33,273	147,149	Government and public authority securities	200,657	183,334	135,262
Unsecured borrowings	1,094,759	1,570,423	1,896,928	Bills of exchange and promissory notes	348,698	320,386	322,802
Wages, salaries etc.	191,163	221,903	225,574	Other securities	41,674	52,674	60,534
Directors fees	2,992	2,961	3,224	Income from finance leasing	—	—	—
Management fees	42,479	23,446	12,618	Interest on loans	2,085,320	2,343,462	2,686,195
Auditing and accounting fees	3,144	2,958	3,078	Management fees	83,132	93,105	108,204
Computer services fees	19,752	14,420	13,775	Receipts in respect of state and federal duties	10,626	2,719	2,170
Postage, telegrams and telephone	17,048	16,173	14,877	Rent and lease(property) receipts	11,171	9,405	11,072
Payroll tax	9,850	11,378	11,168	Bad debts recovered	18	111	261
Stamp duty and financial institutions duty(state)	10,669	6,418	6,512	Gain on sale and revaluation of assets	81,396	54,711	21,607
Bank accounts debit tax(federal)	8,083	5,654	3,480	Other income	34,170	58,176	94,546
Printing and stationery	19,258	19,071	17,558				
Advertising	56,475	51,514	48,145				
Permanent building society association costs	978	925	883				
Insurance premiums paid	7,088	7,182	7,244				
Bank charges(excluding interest)	16,682	16,226	16,677				
Rent and lease payments	52,173	49,665	50,383				
Water and general rates	6,114	5,819	5,639				
Bad debts written off not provided for	4,001	1,859	3,536				
Depreciation on physical assets	53,432	50,392	47,997				
Losses on sale and revaluation of assets	2,201	2,949	1,731				
Other expenditure	151,610	146,203	514,054				
Total expenditure	2,781,506	3,005,773	3,884,324	Total income	3,035,764	3,248,174	3,664,009
Net excess of income over expenditure	254,258	242,401	-220,315				

TABLE 4. EXPENDITURE, STATES AND AUSTRALIA, 1989-90
(\$000)

	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	N.T.	A.C.T.	Aust.
Interest and dividends on withdrawable shares	71,878	105,780	93,086	157,894	237,942	12,729	2,946	104	682,359
Interest on borrowings									
Banks	2,163	41,255	1,280	4,297	4,206	7	—	10,319	63,527
Secured borrowings	4,288	39,546	112	24,199	12,349	257	—	5,457	86,208
Unsecured borrowings	1,096,832	534,718	216,707	69,693	27,662	—	158	98,307	2,044,077
Wages, salaries etc.	101,921	37,129	29,251	23,859	24,049	1,012	—	8,353	225,574
Management fees	70	3,778	4,114	1,270	1,783	—	1,094	509	12,618
Directors fees	609	701	709	682	269	58	23	173	3,224
Postage, telegrams and telephone	6,709	1,959	2,554	1,597	1,728	74	—	256	14,877
Printing and stationery	7,883	2,140	3,250	1,972	1,594	75	—	644	17,558
Advertising and promotion	19,944	9,197	8,831	3,709	5,230	182	—	1,052	48,145
Bank charges(excluding interest)	6,091	2,836	5,003	635	1,775	48	—	289	16,677
Rent and lease payments	20,884	8,780	7,355	2,015	7,983	20	—	3,346	50,383
Other administrative expenses	16,689	17,730	4,308	5,801	5,132	169	43	1,847	51,779
Other expenses	86,546	414,084	31,679	16,388	14,425	963	365	2,868	567,318
Total expenditure	1,442,507	1,219,693	408,239	314,011	346,127	15,594	4,629	133,524	3,884,324
<i>Net excess of income over expenditure</i>	<i>105,306</i>	<i>-381,993</i>	<i>26,262</i>	<i>7,116</i>	<i>15,514</i>	<i>208</i>	<i>404</i>	<i>6,868</i>	<i>-220,315</i>

TABLE 5. INCOME, STATES AND AUSTRALIA, 1989-90
(\$000)

	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	N.T.	A.C.T.	Aust.
Income on deposits with banks	84,630	33,178	8,204	1,818	65,167	940	—	1,054	194,991
Income from placements and other deposits	2,188	15,632	2,731	3,674	319	—	—	1,821	26,365
Income from holdings of bills, bonds and other securities	253,388	69,852	106,066	60,746	15,875	2,331	1,051	9,289	518,598
Interest on loans	1,167,649	593,950	304,530	238,573	255,471	11,809	3,791	110,422	2,686,195
Management fees	17,996	67,738	4,636	5,911	11,422	346	50	105	108,204
Other income	21,962	57,350	8,334	10,405	13,387	376	141	17,701	129,656
Total income	1,547,813	837,700	434,501	321,127	361,641	15,802	5,033	140,392	3,664,009

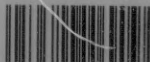
TABLE 6. ALLOCATION OF EARNINGS, AUSTRALIA
(\$000)

	1987-88	1988-89	1989-90
Excess of income over expenditure (a)	255,455	242,926	174,751
Excess of expenditure over income (b)	1,197	525	395,066
Net excess of income over expenditure	254,258	242,401	-220,315
Taxation expense	74,868	62,888	51,401
Transfer from reserves	29,111	31,236	19,134
Net earnings after taxation and adjustments	208,501	210,749	-252,582
Allocations			
Dividends provided for year on non-withdrawable shares	23,501	46,981	65,206
Transfer to reserves			
Statutory	6,659	4,317	1,946
Other	206,606	150,912	30,453
Other(net)	419	1,439	170,714
Retained earnings	-28,684	7,100	-520,901

(a) Total income of societies which recorded a positive net income. There were 46 building societies in this category. (b) Total income of societies which recorded a negative net income. There were 6 building societies in this category.

Printed in Australia by P.J. GRILLS, Commonwealth Government Printer, Canberra
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Recommended retail price: \$10.00



205632006909

ISSN 1031-0622