AUSTRALIAN BUREAU OF STATISTICS Canberra

CATALOGUE NO. 5632.0 NOON 21 APRIL 1982

PERMANENT BUILDING SOCIETIES
ASSETS, LIABILITIES, INCOME AND EXPENDITURE, AUSTRALIA
1980-81

PHONE INQUIRIES *for more information about these statistics*—contact Mr Paul Day on Canberra (062) 52 7117 or any of our State offices.

other inquiries including copies of publications—contact Information Services on Canberra (062) 52 6627 or in any of our State offices.

MAIL INQUIRIES *write to* Information Services, ABS, P.O. Box 10, Belconnen, A.C.T. 2616 or any of our State offices.

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.* While the statistics in this publication are presented in terms of financial years ended 30 June, they were obtained by aggregating data from the accounts of the various organisations in respect of 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 1980-81 was:

Balance dates in quarter ending	*Contribution to total assets*
30 September	2.9%
31 December	11.7%
31 March	2.4%
30 June	83.0%

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)—*issued monthly*

Housing Finance for Owner Occupation, Australia (5609.0)—*issued monthly*

Financial Corporations Statistics, Australia (5617.0)—*issued monthly*

Terminating Building Societies, Assets, Liabilities, Income and Expenditure, Australia 1980-81 (5633.0)

Credit Unions, Assets, Liabilities, Income and Expenditure, Australia 1980-81 (5618.0)

Finance Companies, Assets, Liabilities, Income and Expenditure, Australia 1980-81 (5616.0)

8. 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
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 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, 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 7 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 and Assets, 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.

Deposits with—Banks—Other includes transferable deposits with development banks 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 6. 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 7. 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
($'000)

Liabilities	*1978-79*	*1979-80*	*1980-81*
Share capital and reserves			
Share capital and subscriptions:			
Non-withdrawable shares	23,093	26,648	26,791
Withdrawable shares—			
At call	5,687,525	6,254,596	6,357,500
Fixed term	706,961	1,279,720	1,929,044
Reserves:			
Statutory	73,833	90,207	108,556
General	29,787	36,035	43,602
Capital	2,093	7,362	9,345
Accumulated surplus (net)	35,963	45,450	62,194
Asset revaluation	10,248	12,499	17,258
Other	1,510	2,207	2,577
Other liabilities			
Deposits:			
At call	1,493,915	1,703,773	1,395,145
Fixed term	658,713	1,089,985	1,867,557
Loans (a) from:			
Government	55,006	49,884	45,827
Banks	94,309	103,756	110,907
Insurance companies	52,145	41,528	45,569
Permanent building societies	2,281	3,792	11,179
Other	42,248	42,570	56,220
Accounts payable	28,888	35,623	47,947
Provisions for:			
Income tax	23,191	28,908	42,445
Long service leave	1,759	2,324	3,346
Other	2,904	4,400	5,289
Liabilities n.e.i.	204	127	890
Total liabilities	**9,026,576**	**10,861,394**	**12,189,188**

Assets	*1978-79*	*1979-80*	*1980-81*
Financial assets			
Amount owing on loans	7,077,883	8,285,983	9,553,821
Cash on hand	7,150	15,959	15,281
Deposits with:			
Banks—			
Transferable deposits with development banks	72,014	66,058	52,152
Current accounts	18,500	17,169	30,823
Interest bearing deposits	528,482	542,908	395,876
Other	144,923	335,199	400,199
Insurance companies	—	—	—
Authorised dealers in the short term money market	120,439	109,004	136,073
Permanent building societies	3,697	2,254	3,757
Other	63,514	80,586	82,753
Bills, bonds and other securities:			
Treasury notes, government and semi-government securities	282,084	433,960	458,986
Bills of exchange and promissory notes	354,276	490,146	494,136
Negotiable certificates of deposit	101,812	171,331	185,923
Other	15,293	12,238	16,577
Accounts receivable	19,811	31,870	36,280
Other financial assets	4,663	7,893	9,553
Physical assets			
Land and buildings	161,057	196,402	242,891
Plant, equipment, furniture and fittings	50,637	62,099	72,491
Other physical assets	341	335	1,616
Total assets	**9,026,576**	**10,861,394**	**12,189,188**

NOTE. Forward commitments and contingent claims not shown above:

	1978-79	1979-80	1980-81
Loans approved but not advanced	348,057	453,669	433,756
Undrawn standby facilities	345,406	375,954	504,065
Other contingent liabilities	60,131	43,773	29,691

(a) Maturity breakdown on loans is as follows:

	1978-79	1979-80	1980-81
Maturing in less than 12 months	108,964	120,531	123,250
Maturing in 12 months or more	137,025	120,999	146,452
Total loans	245,989	241,530	269,702

TABLE 2. INCOME AND EXPENDITURE, AUSTRALIA
($'000)

Expenditure	*1978-79*	*1979-80*	*1980-81*
Interest paid and payable on shares (including dividends provided on withdrawable shares)	505,940	584,050	696,613
Interest paid and payable on deposits	174,930	230,543	289,578
Interest paid and payable on loans from:			
Government	3,313	3,488	2,998
Banks	5,174	4,750	6,394
Insurance companies	4,409	4,189	4,295
Permanent building socieities	28	158	195
Other	2,528	3,628	3,425
Wages, salaries etc.	49,203	63,162	80,566
Directors' fees	1,546	1,758	2,003
Management fees	21,002	24,658	33,563
Auditing and accounting fees	1,313	1,500	1,623
Computer service fees	8,478	9,443	11,169
Postage, telegrams and telephone	3,168	4,216	5,216
Payroll tax	2,012	2,698	3,431
Printing and stationery	4,362	6,040	8,601
Advertising	18,027	23,459	29,650
Permanent Building Society Association costs	630	642	964
Insurance premiums paid	1,459	1,793	2,199
Bank charges (excluding interest)	3,267	3,856	5,405
Rent and lease payments	7,359	9,520	11,523
Water and general rates	1,752	2,204	3,333
Bad debts written off	296	48	176
Depreciation on physical assets	8,892	12,838	15,675
Losses on sale of assets	888	1,623	2,166
Other expenditure	25,711	35,394	49,855
Total expenditure	**855,687**	**1,035,658**	**1,270,616**
Net excess of income over expenditure	54,211	67,408	86,461

Income	*1978-79*	*1979-80*	*1980-81*
Interest received and receivable on loans	722,143	867,505	1,069,480
Interest received and receivable on deposits with:			
Banks—			
Transferable deposits with development banks	7,670	7,165	7,773
Other banks	70,753	74,581	75,531
Insurance companies	525	430	11
Authorised dealers in the short term money market	7,562	10,688	14,538
Permanent building socieites	413	299	664
Other	5,031	4,529	3,963
Income received and receivable from holdings of:			
Treasury notes, government and semi-government securities	23,179	39,826	65,855
Bills of exchange and promissory notes	33,993	44,549	54,026
Other (a)	10,817	14,389	27,690
Management fees	14,545	17,379	17,648
Rent and lease receipts	7,200	8,581	7,823
Bad debts recovered	6	72	—
Gain on sale of assets	861	7,006	5,229
Other income	5,200	6,067	6,846
Total income	**909,898**	**1,103,066**	**1,357,077**

(a) Includes interest from negotiable certificates of deposit.

TABLE 3. ALLOCATION OF EARNINGS, AUSTRALIA
($'000)

	1978-79	1979-80	1980-81
Excess of income over expenditure	54,211	67,477	86,566
Excess of expenditure over income	—	69	105
Net excess of income over expenditure	**54,211**	**67,408**	**86,461**
Provision for taxation	22,467	26,460	36,323
Over provision of taxation for previous year	455	101	147
Under provision of taxation for previous year	21	78	4
Transfer from reserves	1,079	3,358	1,319
Net earnings after taxation and adjustments	**33,257**	**44,329**	**51,600**
Allocations:			
Dividends provided for year on non-withdrawable shares	3,216	2,562	2,864
Transfer to reserves—			
Statutory	13,173	16,402	18,946
General	9,382	9,182	10,657
Capital	93	5,353	2,030
Other	171	807	94
Other (net)	-21	536	208
Retained earnings	7,243	9,487	16,801

TABLE 4. SELECTED STATISTICS AND CONCENTRATION PERCENTAGES, STATES AND AUSTRALIA, 1979-80

	Aust.	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T. and A.C.T.
Industry totals—								
Number of societies	128	40	44	18	9	9	4	4
Total assets ($'000)	12,189,188	5,007,900	2,363,615	1,502,726	684,496	2,100,204	222,633	307,614
Total loans outstanding ($'000)	9,553,821	3,809,425	1,874,674	1,281,208	524,946	1,650,304	172,414	240,850
Largest four societies—								
Asset value ($'000)	4,347,598	3,353,649	1,330,518	1,085,269	665,478	1,997,815	222,633	307,614
Contribution to total assets (%)	35.6	66.8	56.3	72.2	97.2	95.1	100.0	100.0
Contribution to total loans (%)	34.4	74.2	55.7	73.5	97.4	95.1	100.0	100.0
Largest eight societies—								
Asset value ($'000)	6,358,121	4,623,156	1,774,554	1,316,747	683,991	2,090,103	..	..
Contribution to total assets (%)	52.1	92.1	75.0	87.6	99.9	99.5	..	..
Contribution to total loans (%)	51.9	91.6	75.0	88.2	99.9	99.5	..	..
Largest twelve societies—								
Asset value ($'000)	7,543,189	4,826,095	1,978,453	1,436,896	..	..	..	..
Contribution to total assets (%)	61.8	96.1	83.7	95.6	..	..	..	..
Contribution to total loans (%)	61.2	95.7	83.8	95.8	..	..	..	..

TABLE 5. LIABILITIES AND ASSETS : STATES AND AUSTRALIA, 1980-81
($' 000)

	N.S.W.	*Vic.*	*Qld*	*S.A.*	*W.A.*	*Tas.*	*N.T. and A.C.T.*	*Aust.*
Share capital and reserves								
Share capital and subscriptions—								
Non-withdrawable shares	(a)	26,384	—	—	—	(a)	5	26,791
Withdrawable shares—								
At call	3,566,079	431,710	1,108,181	391,451	615,670	95,673	151,235	6,357,500
Fixed term	(b)1,126,917	82,730		221,553	404,795	(b)90,952		1,929,044
Reserves—								
Statutory	76,300	10,478	—	—	17,781	—	3,997	108,556
Other	64,398	17,757	15,299	9,029	15,944	4,182	8,367	134,976
Other liabilities								
Deposits—								
At call	3,213	1,019,396	353,197	8,224	325,873	22,207	95,882	1,395,145
Fixed term	8,070	724,847		26,592	668,227	6,974		1,867,557
Loans	117,456	35,259	15,672	20,465	34,864	1,142	44,844	269,702
Accounts payable	14,833	9,495	5,869	4,351	10,260	927	2,212	47,947
Provisions	30,113	5,281	4,446	2,831	6,761	576	1,072	51,080
Liabilities n.e.i.	521	278	62	—	29	—	—	890
Total liabilities	**5,007,900**	**2,363,615**	**1,502,726**	**684,496**	**2,100,204**	**222,633**	**307,614**	**12,189,188**
Financial assets:								
Amount owing on loans	3,809,425	1,874,674	1,281,208	524,946	1,650,304	172,414	240,850	9,553,821
Cash on hand	4,513	4,546	2,068	2,379	807	361	607	15,281
Deposits with—								
Banks—								
Current accounts	1,182	1,983	3,337	140	21,415	783	1,983	30,823
Other	438,780	78,974	105,040	22,085	166,512	24,643	15,141	848,227
Other institutions	103,116	61,692	15,433	13,058	26,336			222,583
Bills, bonds and other securities	472,378	268,167	73,571	92,937	202,718	13,417	32,434	1,155,622
Accounts receivable	12,357	9,050	4,144	3,764	4,850	230	1,885	36,28[illegible]
Other financial assets	1,166	2,642	1,208	3,479	959	—	99	9,[illegible]
Physical assets	164,983	61,887	16,717	21,708	26,303	10,785	14,615	316,998
Total assets	**5,007,900**	**2,363,615**	**1,502,726**	**684,496**	**2,100,204**	**222,633**	**307,614**	**12,189,188**

NOTE: Forward commitments and contingent claims not shown above:

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T. and A.C.T.	Aust.
Loans approved but not advanced	264,364	62,916	27,087	16,640	53,267	1,965	7,517	433,756
Undrawn standby facilities	150,736	98,245	151,507	20,932	74,090	3,055	5,500	504,065
Other contingent liabilities	7,118	6,262	151	250	15,350	386	174	29,691

(a) Included in withdrawable shares—fixed term. (b) Includes non-withdrawable shares.

TABLE 6. EXPENDITURE, STATES AND AUSTRALIA, 1980-81
($' 000)

	N.S.W.	*Vic.*	*Qld*	*S.A.*	*W.A.*	*Tas.*	*N.T. and A.C.T.*	*Aust.*
Interest paid and payable on shares (including dividends provided on withdrawable shares)	368,247	49,037	102,229	55,605	91,481	17,156	12,858	696,613
Interest paid and payable on deposits	1,262	149,925	34,173	1,839	89,804	3,253	9,322	289,578
Interest paid and payable on loans	6,915	2,646	1,340	965	1,632	116	3,693	17,307
Wages, salaries, etc.	34,655	18,290	6,397	6,136	10,106	2,394	2,588	80,566
Directors' fees	534	589	389	123	199	99	70	2,003
Auditing and accounting fees	412	504	252	108	202	72	73	1,623
Bank charges	2,050	1,372	689	223	850	91	130	5,405
Rent and lease payments	4,038	2,939	1,719	721	1,479	58	569	11,523
Other administrative expenses	43,642	18,613	17,163	3,707	11,856	1,306	1,839	98,126
Other expenses	30,670	14,592	11,731	2,559	6,065	1,069	1,186	67,872
Total expenditure	**492,425**	**258,507**	**176,082**	**71,986**	**213,674**	**25,614**	**32,328**	**1,270,616**
Net excess of income over expenditure	54,909	8,368	5,236	2,027	12,518	872	2,531	86,461

TABLE 7. INCOME, STATES AND AUSTRALIA, 1980-81
($' 000)

	N.S.W.	*Vic.*	*Qld*	*S.A.*	*W.A.*	*Tas.*	*N.T. and A.C.T.*	*Aust.*
Interest received and receivable on loans	416,185	214,381	150,226	56,966	182,732	20,965	28,025	1,069,480
Interest received and receivable on deposits	42,591	18,063	16,664	4,176	15,647	3,639	1,700	102,480
Interest received and receivable from holdings of bills, bonds and other securities	77,265	27,359	7,991	9,608	20,477	1,362	3,509	147,571
Other income	11,293	7,072	6,437	3,263	7,336	520	1,625	37,546
Total income	**547,334**	**266,875**	**181,318**	**74,013**	**226,192**	**26,486**	**34,859**	**1,357,077**

Printed by C. J. THOMPSON, Commonwealth Government Printer, Canberra