AUSTRALIAN BUREAU OF STATISTICS Canberra
CATALOGUE NO. 5633.0 NOON 14 JUNE 1978

TERMINATING BUILDING SOCIETIES ASSETS, LIABILITIES, INCOME AND EXPENDITURE 1976-77

NEW ISSUE

INQUIRIES *If you want to know more about these statistics ring Mr Paul Murphy 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

The 1976-77 statistics in this bulletin are the first in a new series presenting, on a State and Australia wide basis, details of the financial accounts of terminating building societies (co-operative housing societies). These statistics represent a further stage in a development program aimed at producing comparable statistics for institutions within the financial sector. Similar statistics are already available for permanent building societies and credit unions. Financial account statistics are also available for finance companies although they are not completely comparable with those for terminating building societies, permanent building societies and credit unions.

2. Table 6 in this bulletin contains information on terminating building societies for 1975-76 and earlier years. While the statistics in Table 6 are not comparable with those in Tables 1 to 4, they are comparable with the previous statistics for terminating building societies as published in the annual bulletin *Building Societies* (5612.0), the final edition of which was for 1974-75.

Terminating Building Society : Definition

3. For the purposes of statistics in this bulletin a *terminating building society* is defined as an organisation that :

(a) is registered under relevant State or Territory legislation;
(b) has rules or regulations that specify that it is to terminate on a specific date or when a specific objective is achieved; and
(c) provides finance to its members in the form of housing loans.

Building societies that operate solely on *Starr Bowkett* principles and meet the above definition are included.

4. Terminating building societies normally operate on either a *credit foncier* or *actuarial* basis. The primary difference between actuarial and credit foncier societies is that in the former, the repayments of an advance are made by subscriptions which are not normally offset against the advance until the sum of total subscriptions plus interest on these subscriptions equals the advance, whereas credit foncier societies use an increasing proportion of regular payments to progressively reduce the amount owing on the loan to zero. The actuarial society equivalent to the credit foncier *amount owing on loans* is obtained by deducting such subscriptions (and interest) from gross advances.

Presentation

5. *Accounting period.* The statistics in this bulletin are described as being for the financial year ended 30 June. The information used to derive aggregates, however, is based on individual 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 1976-77 was :

Balance dates in quarter ending	*Contribution to total assets*
30 September	1.9%
31 December	9.7%
31 March	16.0%
30 June	72.4%

Related publications

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

Permanent Building Societies, Assets, Liabilities, Income and Expenditure (5632.0)(annual)
Credit Unions, Assets, Liabilities, Income and Expenditure (5618.0)(annual)
Finance Companies, Assets, Liabilities, Income and Expenditure (5616.0)(annual)
Housing Finance for Owner Occupation (5609.0)(monthly)

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

Symbols used

n.a. not available for publication
.. nil, or less than half the final digit shown.

Any discrepancies between totals and sums of components in tables are due to rounding.

R. J. CAMERON
Australian Statistician

TABLE 1. LIABILITIES, STATES AND AUSTRALIA, 1976-77

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	A.C.T.	Aust.
					$'000				
Amounts paid on ordinary shares (a)	199	3,646	200	1,926	14	..	..	1	5,985
Accumulated funds (b)	5,993	14,922	2,771	251	1,618	375	..	372	26,301
Loans from :									
Banks	212,028	75,746	17,297	..	23,687	1,685	..	182	330,625
Commonwealth/State Home Builders' Fund (c)	199,053	236,537	55,401	..	53,270	10,178	..	894	555,333
Others	135,533	12,576	25,761	..	14,793	3,320	..	472	192,456
Sundry creditors	2,055	1,311	531	1	389	27	..	27	4,340
Provision for income tax	54	20	20	..	11	..	..	1	107
Other liabilities	481	680	596	28	917	68	..	13	2,784
Total Liabilities	555,396	345,437	102,577	2,206	94,699	15,654	..	1,963	1,117,932

(a) For actuarial terminating building societies, borrowing members' subscriptions have been offset against *Amount owing on loans*. See paragraph 4 of explanatory notes. (b) Includes accumulated surpluses and deficits. (c) Refers to loans made to societies through the 1973-74 Commonwealth/State Housing Agreement.

TABLE 2. ASSETS, STATES AND AUSTRALIA, 1976-77

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	A.C.T.	Aust.
					$'000				
Amount owing on loans (a)	550,875	338,130	98,700	1,928	84,208	15,238	..	1,915	1,090,995
Cash on hand and current accounts at banks	2,748	4,714	1,763	68	2,430	143	..	15	11,883
Deposits with :									
Banks	593	279	420	125	583	1	..	..	2,001
Others	193	101	917	81	7,134	191	..	24	8,642
Physical assets	22	100	12	1	11	4	..	..	149
Other assets	965	2,113	765	2	334	77	..	8	4,263
Total Assets	555,396	345,437	102,577	2,206	94,699	15,654	..	1,963	1,117,932

(a) Net of borrowing members' subscriptions for actuarial societies. See paragraph 4 of explanatory notes.

TABLE 3. EXPENDITURE, STATES AND AUSTRALIA, 1976-77

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	A.C.T.	Aust.
					$'000				
Interest paid on borrowing members' subscriptions (a)	1,613	3,220	888	..	76	139	..	45	5,980
Interest on loans from :									
Banks	17,008	7,365	1,600	..	2,019	155	..	21	28,168
Other (b)	20,898	11,523	4,270	..	3,412	707	..	93	40,902
Salaries and secretarial fees	2,630	3,054	690	20	596	101	..	15	7,107
Directors' fees	382	181	65	4	29	9	..	6	677
Computer service fees	32	86	..	..	..	..	..	..	118
Other expenditure	1,339	715	123	48	68	32	..	5	2,330
Total Expenditure	43,902	26,144	7,636	72	6,200	1,143	..	185	85,282
Net Excess of Income over Expenditure	532	1,310	398	-25	323	52	..	21	2,613

(a) For actuarial societies. See paragraph 4 of explanatory notes. (b) Includes interest on loans from Commonwealth/State Home Builders' Fund.

TABLE 4. INCOME, STATES AND AUSTRALIA, 1976-77

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	A.C.T.	Aust.
					$'000				
Interest on :									
Loans to members	39,750	23,147	7,003	..	5,231	994	..	176	76,302
Other	91	148	75	..	558	16	..	2	890
Management fees	3,667	2,967	756	23	606	131	..	28	8,179
Insurance commission	289	449	31	..	15	13	..	..	797
Other income (a)	637	743	169	24	113	41	..	..	1,727
Total Income	44,434	27,454	8,034	47	6,523	1,195	..	206	87,895

(a) Includes entrance, transfer and withdrawal fees, fines, and income from investment of surpluses.

TABLE 5. NUMBER OF TERMINATING BUILDING SOCIETIES, STATES AND AUSTRALIA, 1971-72 TO 1976-77

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	A.C.T.	Aust.
1971-72	2,853	1,400	688	20	375	98	..	27	5,461
1972-73	2,985	1,454	714	19	416	103	..	27	5,718
1973-74	3,021	1,616	771	18	472	112	..	27	6,037
1974-75	3,058	1,649	836	17	533	116	..	27	6,236
1975-76	3,117	1,786	863	17	521	120	..	27	6,451
1976-77	3,160	1,813	967	14	593	122	..	27	6,696

TABLE 6. SELECTED ITEMS OF SOCIETIES' OPERATIONS, 1971-72 TO 1975-76

	Number of share-holders	Number of borrowers	Loans paid over during year ($'000)	Adminis-trative expenses for year (a) ($'000)	Liabilities ($'000)						Assets ($'000)		
					Investing members' funds	Borrowing members' funds	Deposits	Loans due to Government	Bank overdraft and other liabilities	Total	Advances on mort-gages (b)	Other assets	Total
AUSTRALIA													
1971-72	191,335	n.a.	82,145	6,621	31,107	161,225	1,039	346,821	361,695	901,889	880,116	21,773	901,889
1972-73	180,554	n.a.	103,666	6,602	31,969	159,936	1,148	371,451	353,349	917,851	891,903	25,949	917,851
1973-74	179,696	n.a.	137,409	7,626	32,669	152,604	. .	405,577	359,354	950,206	920,394	29,812	950,206
1974-75	187,959	n.a.	193,431	9,115	33,417	151,488	588	529,574	358,754	1,073,821	1,044,845	28,976	1,073,821
1975-76	n.a.	n.a.	n.a.	10,259	176,972		. .	607,956	372,366	1,157,293	1,125,094	32,198	1,157,293
STATES – 1975-76													
N.S.W.	89,160	n.a.	84,310	5,171	27,302	37,226	. .	277,821	221,364	563,713	554,584	9,129	563,713
Vic.	53,881	45,438	63,634	3,634	85,340		. .	210,140	84,408	379,888	370,971	8,917	379,888
Qld	17,771	11,861	17,389	771	19,661		. .	59,724	31,107	110,492	105,958	4,534	110,492
S.A.	3,846	1,306	302	39	2,253	. .	. .	. .	33	2,286	2,015	271	2,286
W.A.	n.a.	n.a.	n.a.	580	. .	1,331	. .	46,322	32,852	80,504	71,568	8,935	80,504
Tas.	2,671	n.a.	1,497	44	. .	2,554	. .	12,250	2,321	17,125	16,763	362	17,125
N.T. & A.C.T.	226	467	. .	20	. .	1,305	. .	1,699	281	3,285	3,235	50	3,285

(a) Excludes all interest payments. (b) For terminating societies, advances on mortgages are mainly on a gross basis; net figures for all terminating societies may be derived by subtracting the liability item "Borrowing members' funds".