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PERSONAL FINANCE, AUSTRALIA
JULY 1986

PHONE INQUIRIES • *about these statistics*—contact Mr 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 6627, 52 5402, 52 6007 or any ABS State office.

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

ON *VIATEL* • key *656# for selected economic, social and demographic statistics on *VIATEL*.

MAIN FEATURES

New personal finance commitments made by significant lenders in July 1986 increased by $244.5 million (20.1%) on June 1986. However, the major part of this increase ($205.0 million) was in the category 'all banks', which included a majority of banks reporting five weeks trading (see paragraph 8 of the Explanatory Notes).

New fixed loan commitments ($929.6 million) were up $146.3 million (18.7%) on June 1986 and new commitments under revolving credit facilities ($532.6 million) were up $104.9 million (24.5%).

EXPLANATORY NOTES

Introduction

This publication presents statistics of personal finance commitments made by significant lenders to individuals for their own personal (non-business) use.

Scope

2. The following types of lender fall within the scope of these statistics: banks (trading, savings or other), permanent building societies, co-operative credit societies, life or general insurance companies, finance companies, other financial corporations registered under the *Financial Corporations Act 1974*, superannuation funds and providers of consumer finance registered with State credit tribunals not otherwise included above. The last two types of lender listed were included in the scope from July 1986 but the effect on the statistics was not significant.

Coverage

3. The statistics cover only those lenders listed in paragraph 2 that are defined as 'significant lenders'. Significant lenders are the largest lenders, accounting in aggregate for at least 95 per cent of the Australia total, and at least 90 per cent of each State total of personal finance commitments made by all lenders within the scope of the statistics.

Coverage revision

4. The list of lenders covered by the statistics requires revision periodically to ensure the inclusion of new significant lenders and the exclusion of insignificant lenders from the monthly statistics. The latest revision took place in respect of July 1986, based on total personal finance commitments made by all types of lenders listed in paragraph 2 during the calendar year 1985. Each of the lenders defined as a significant lender following this latest revision commited funds of more than $7.1 million during the calendar year 1985.

5. The coverage revision, while not affecting the comparability of the statistics as a whole, has had a significant effect on the item 'loans on life policies'. Following this coverage revision no life offices have been defined as 'significant lenders' and therefore, from July 1986, the item 'loans on life policies' is no longer applicable.

6. Significant lenders accounted for the following percentages of total personal finance commitments during the calendar year 1985—

	Per cent
Australia	95.1
N.S.W.	93.2
Vic.	95.3
Qld.	96.8
S.A.	97.8
W.A.	96.0
Tas.	93.2
N.T.	99.8
A.C.T.	93.3

7. The percentage contributions of significant lenders to total lending by type of lender for the calendar year 1985 were—

	Per cent
All banks	99.9
Credit co-operatives	77.2
Finance companies	99.7
Other lenders	77.6

Statistical period

8. While the statistics are described as being for calendar months, it should be noted that:

(i) in the case of trading banks and some of the larger savings banks, the data relate to the last Wednesday of the month;

(ii) in the case of other lenders, some have accounting periods which do not correspond exactly to a calendar month and their figures are used without adjustment.

Definitions and descriptions of data items

9. *Lending commitment.* A lending commitment is a firm offer to provide finance which has been or is normally expected to be accepted. Commitments to provide personal finance to employees and commitments accepted and cancelled in the same month are included.

10. *Fixed loan facilities generally involve—*

(a) a commitment for a fixed amount for a fixed period for a specific purpose;

(b) a schedule of repayments over a fixed period; and

(c) repayments which reduce the liability of the borrower but do not act to make further finance available.

11. *Revolving credit facilities generally have the following characteristics-*

(a) a commitment for a credit or borrowing limit is given for a specific period after which the commitment is reviewed;

(b) the extent of the borrowings used at any time during the period may be for any amount up to the authorised limit; and

(c) repayments (other than of charges and interest) made during the period reduce the extent of borrowings used and thereby increase the amount of unused credit available up to the authorised limit.

12. For detailed descriptions of individual data items contact the officer named on the front page.

Unpublished data

13. More detailed classifications of the data in this publication may be made available on request. Generally a charge is made for providing this information. Inquiries should be made to the officer identified for phone inquiries at the front of this publication or by writing to Private Finance Section, ABS, PO Box 10, Belconnen, ACT 2616.

Revisions

14. This publication incorporates revisions made to statistics for previous periods.

Total credit limits at end of period

15. In principle, total credit limits at the end of period for revolving credit presented in Table 2 are derivable by adding new and increased lending commitments during the period less cancellations and reductions of credit limits during the period to the balance of credit limits at the end of the previous period. In practice, however, revisions and other adjustments such as the transfer of an existing fixed credit facility to a revolving credit facility may mean that such a derivation is inexact.

Related publications

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

Lease Finance, Australia (5644.0) — *issued monthly*

Commercial Finance, Australia (5643.0) — *issued monthly*

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

17. 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.

AUSSTATS

18. A wide range of economic social and demographic statistics is available on AUSSTATS, ABS' on-line service through CSIRONET.

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

Symbols and other usages

—	nil or rounded to zero
n.y.a.	not yet available
. .	not applicable

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

IAN CASTLES
Australian Statistician

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TABLE 1 - PERSONAL FINANCE COMMITMENTS - JULY 1986
($ MILLION)

PURPOSE OF COMMITMENT BY TYPE OF FACILITY	TYPE OF LENDER				
	ALL BANKS	CREDIT CO-OPERATIVES	FINANCE COMPANIES	OTHERS	TOTAL
			AUSTRALIA		
COMMITMENTS UNDER FIXED LOAN FACILITIES-					
PURCHASE OF -					
MOTOR CARS AND STATION WAGONS					
NEW	N.Y.A.	15.0	53.5	1.9	N.Y.A.
USED		32.9	87.8	3.5	
OTHER MOTOR VEHICLES		1.2	9.6	-	
MOTOR CYCLES, ETC		.8	2.6	-	
BOATS, CARAVANS AND TRAILERS		2.3	6.1	.1	
INDIVIDUAL RESIDENTIAL BLOCKS OF LAND		6.3	1.9	.3	
HOUSEHOLD AND PERSONAL GOODS		9.9	15.3	7.2	
OWNER-OCCUPIED HOUSING (UNSECURED)-					
PURCHASE AND CONSTRUCTION OF DWELLINGS		3.3	3.3	-	
ALTERATIONS AND ADDITIONS TO DWELLINGS(A)		12.0	5.7	.5	
TRAVEL AND HOLIDAYS		6.8	3.0	.1	
DEBT CONSOLIDATION		20.0	13.0	.4	
REFINANCING		4.7	5.2	.3	
OTHER		22.6	40.8	1.0	
TOTAL FIXED LOAN COMMITMENTS	528.7(B)	137.8	247.7	15.4	929.6(B)
COMMITMENTS UNDER REVOLVING CREDIT FACILITIES(C) - NEW AND INCREASED CREDIT LIMITS	483.4	6.9	29.0	13.3	532.6
TOTAL PERSONAL FINANCE COMMITMENTS	1012.1	144.7	276.8	28.7	1462.2
			STATES		
NEW SOUTH WALES	368.2	49.5	89.8	12.9	520.4
VICTORIA	294.4	28.7	62.2	6.7	392.0
QUEENSLAND	141.5	19.7	59.7	2.5	223.3
SOUTH AUSTRALIA	78.8	16.0	24.8	3.3	123.0
WESTERN AUSTRALIA	76.3	15.1	27.2	2.0	120.5
TASMANIA	21.1	5.0	5.6	.5	32.3
NORTHERN TERRITORY	10.7	2.4	2.9	.1	16.1
AUSTRALIAN CAPITAL TERRITORY	21.2	8.3	4.5	.7	34.6

(A) INCLUDES COMMITMENTS TO REFINANCE LOANS WHERE THE PRINCIPAL PURPOSE IS FOR ALTERATIONS AND ADDITIONS TO DWELLINGS.
(B) INCLUDES PERSONAL INVESTMENT LOANS (FOR DETAILS REFER TO THE JANUARY TO MAY 1985 ISSUE OF THIS PUBLICATION).
(C) INCLUDES CREDIT CARD FACILITIES.

TABLE 2 - PERSONAL FINANCE COMMITMENTS - ALL LENDERS
($ MILLION)

	TOTAL FIXED LOAN COMMITMENTS DURING PERIOD(B)	COMMITMENTS UNDER REVOLVING CREDIT FACILITIES(A)				COMMITMENTS FOR LOANS ON LIFE POLICIES DURING PERIOD(C)
		NEW AND INCREASED CREDIT LIMITS DURING PERIOD	CANCELLATIONS AND REDUCTIONS OF CREDIT LIMITS DURING PERIOD	CREDIT LIMITS AT END OF PERIOD		
				TOTAL	USED	
AUSTRALIA						
1985						
MAY	1,246.5	412.1	201.4	10,969.4	4,803.2	5.1
JUNE	1,007.7	340.4	194.7	11,118.1	4,693.1	6.7
JULY	1,189.4	375.8	247.6	11,246.3	4,902.6	6.2
AUGUST	874.8	327.3	176.9	11,396.8	4,921.4	5.1
SEPTEMBER	834.7	286.0	228.9	11,453.9	4,726.9	5.2
OCTOBER	995.8	367.6	190.7	11,630.9	4,812.9	6.1
NOVEMBER	897.4	332.8	214.9	11,748.8	4,880.5	4.0
DECEMBER	872.7	327.4	303.6	11,772.6	4,805.8	6.5
1986						
JANUARY	814.8	303.1	189.0	11,893.3	4,826.6	6.6
FEBRUARY	826.7	309.2	140.0	12,062.4	5,010.3	5.1
MARCH	806.6	371.9	140.5	12,293.8	5,126.1	6.4
APRIL	874.3	443.2	174.0	12,564.6	5,274.9	6.7
MAY	792.7	389.5	132.2	12,822.0	5,417.7	7.4
JUNE	783.3	427.7	176.7	13,073.0	5,501.1	6.7
JULY	929.6	532.6	217.0	14,378.6	6,196.6	..
STATES - JUNE, 1986						
N.S.W.	256.7	190.9	97.2	5,271.4	2,307.3	1.7
VIC.	206.4	105.5	27.9	3,299.5	1,318.7	2.2
QLD.	133.6	59.6	22.4	2,031.8	865.5	.9
S.A.	62.2	32.7	14.9	921.3	390.8	.4
W.A.	74.6	22.4	9.0	958.7	401.8	.4
TAS.	21.1	7.5	2.4	251.7	83.6	.3
N.T.	8.7	2.4	1.6	75.4	28.4	-
A.C.T.	20.0	6.7	1.3	263.2	105.0	.9
STATES - JULY, 1986						
N.S.W.	308.5	211.9	80.3	6,006.6	2,631.6	..
VIC.	244.5	147.5	66.0	3,498.4	1,486.2	..
QLD.	153.6	69.7	28.3	2,143.4	904.4	..
S.A.	74.8	48.2	18.4	1,031.5	472.8	..
W.A.	90.3	30.3	14.7	1,023.6	49.2	..
TAS.	24.3	8.0	4.1	269.3	94.8	..
N.T.	9.9	6.2	2.4	79.7	30.4	..
A.C.T.	23.7	10.9	2.8	326.2	127.2	..

(A) INCLUDES CREDIT CARD FACILITIES. (B) INCLUDES PERSONAL INVESTMENT LOANS (FOR DETAILS REFER TO THE JANUARY TO MAY 1985 ISSUE OF THIS PUBLICATION). (C) APPLICABLE ONLY TO LIFE OFFICES (SEE PARAGRAPH 5 OF EXPLANATORY NOTES).