Australian Bureau of Statistics



# PRIVATE NEW CAPITAL EXPENDITURE

## AND EXPECTED EXPENDITURE to June 1998 AUSTRALIA

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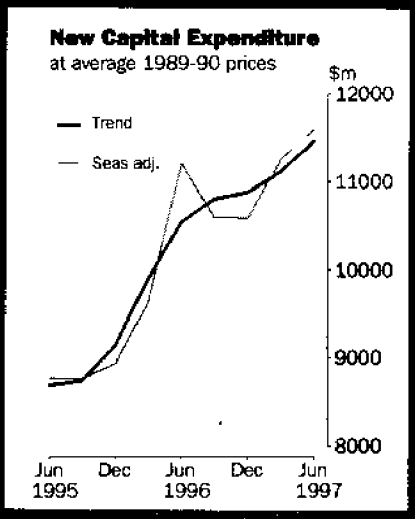



## JUNE QTR KEY FIGURES

### TREND ESTIMATES (a)

| | Jun 96 $m | Mar 97 $m | Jun 97 $m | % change Mar 97 to Jun 97 | % change Jun 96 to Jun 97 |
|---|---|---|---|---|---|
| Total new capital expenditure | 10 537 | 11 112 | 11 457 | 3.1 | 8.7 |
| Buildings and structures | 3 296 | 3 480 | 3 387 | –2.7 | 2.8 |
| Equipment, plant and machinery | 7 241 | 7 632 | 8 070 | 5.7 | 11.4 |

### SEASONALLY ADJUSTED (a)

| | Jun 96 $m | Mar 97 $m | Jun 97 $m | % change Mar 97 to Jun 97 | % change Jun 96 to Jun 97 |
|---|---|---|---|---|---|
| Total new capital expenditure | 11 209 | 11 245 | 11 590 | 3.1 | 3.4 |
| Buildings and structures | 3 739 | 3 767 | 3 228 | –14.3 | –13.7 |
| Equipment, plant and machinery | 7 470 | 7 478 | 8 362 | 11.8 | 11.9 |

(a) At average 1989-90 prices.

## JUNE QTR KEY POINTS

### ACTUAL EXPENDITURE

- The trend estimate of total new capital expenditure (at average 1989-90 prices) has continued to increase, although a slight slowdown in growth rates was experienced from the June to December quarters 1996.
- While the growth rate for equipment, plant and machinery has risen over the past two quarters, the growth rate for buildings and structures has continued to decline.
- The preliminary estimate for the 1996-97 financial year (in original, constant price terms) is $43,892m. This is 13.8% higher than the total for 1995-96 ($38,567m).

### EXPECTED EXPENDITURE

- The latest estimate for 1997-98 is $39,444m. This is 5.2% higher than the estimate reported in the March quarter 1997, but 2.4% lower than the corresponding estimate for 1996-97.

INQUIRIES

- For further information about these and related statistics, contact John Stamolis on 02 9268 4241.

# NOTES

## FORTHCOMING ISSUES

| ISSUE (Quarter) | RELEASE DATE |
|---|---|
| September 1997 | 27 November 1997 |

## CHANGES IN THIS ISSUE

The data contained in this publication have been adjusted. The nature of these adjustments and the reasons for making them are described in paragraphs 28 to 32 of the Explanatory Notes. Seasonal factors have also been re-analysed.

The section on Sampling Errors is now included on page 15.

## ESTIMATES OF EXPENDITURE ON EQUIPMENT

A new survey form for the collection of data was introduced from the March quarter 1996. This new form included an asset dissection of expenditure on equipment, plant and machinery.

The following are experimental estimates of the breakdown by asset type of this expenditure over the 1996–97 financial year. Given the nature of the data being collected, these estimates should be treated with caution.

| | CONTRIBUTION TO EXPENDITURE ON EQUIPMENT, PLANT AND MACHINERY |
|---|---|
| Type of asset: | |
| Road vehicles | 21% |
| Other transport | 4% |
| Industrial machinery | 27% |
| Computers and computer peripherals | 13% |
| Electronic & communications equip. | 8% |
| Other machinery and equipment | 27% |

## REVISIONS TO TREND

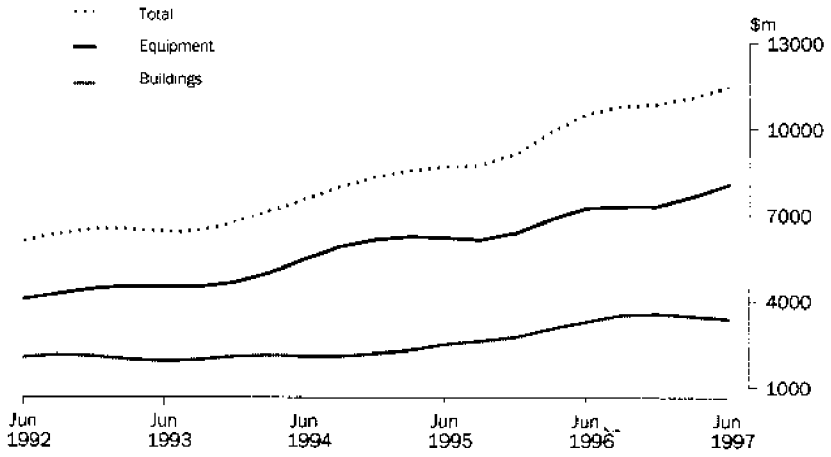
Readers should exercise care in the interpretation of the trend data as the last three observations, in particular, are likely to be revised with the addition of subsequent quarters' data. For further information, refer to Revisions to Trend Estimates on page 19.

T. J. Skinner
Acting Australian Statistician

## QUARTERLY TREND ESTIMATES AT CONSTANT PRICES

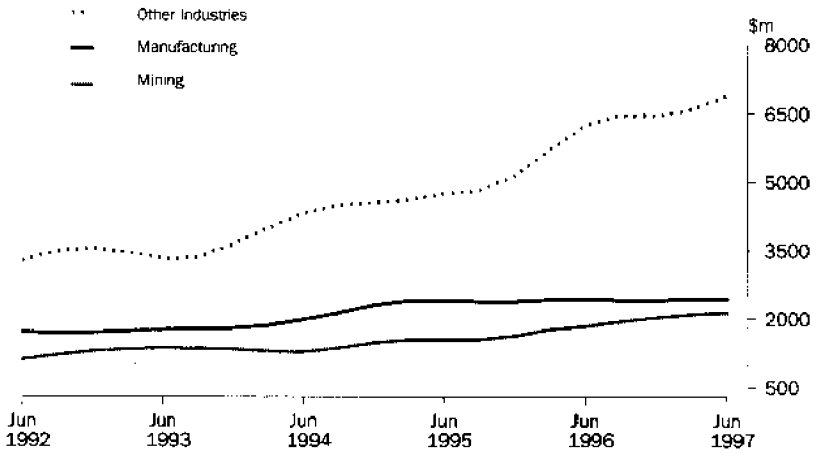
BY ASSET

This is the fifth consecutive quarter of declining growth rates for expenditure on buildings and structures. The level of capital expenditure on buildings and structures has declined in the past two quarters. Expenditure on equipment has been strong over the past two quarters following weaker growth in the September and December quarters 1996.




BY INDUSTRY

While the level of capital expenditure for Manufacturing has remained largely unchanged since June 1995, Mining and Other Selected industries have contributed to the overall growth in total capital expenditure over this period. While the growth rate for Mining has been declining for the past three quarters, there has been an increasing rate of growth in Other Selected industries for the past two quarters.

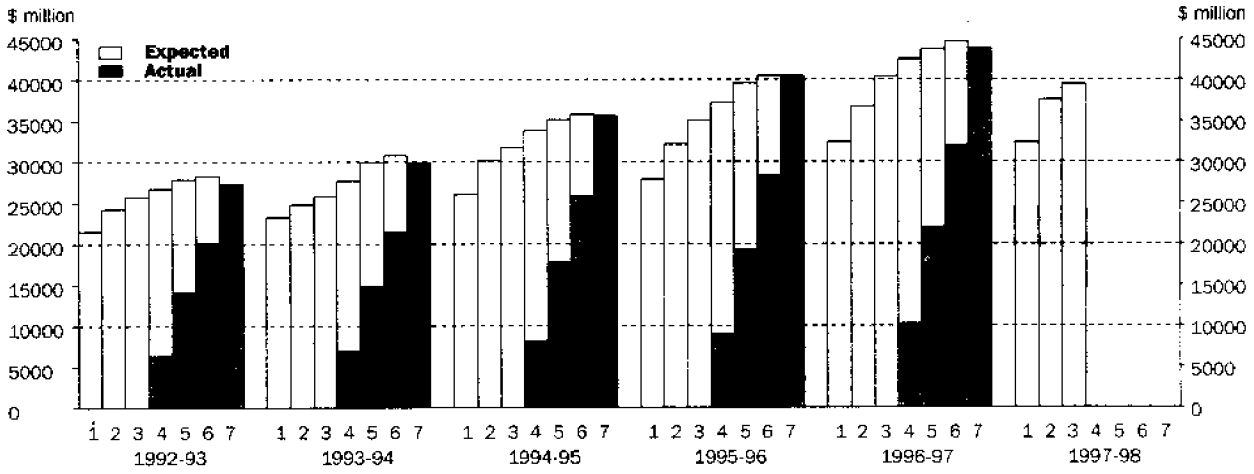


# ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

## FINANCIAL YEARS AT CURRENT PRICES

EXPENDITURE

The seven estimates of actual and expected expenditure for each financial year which appear in the graph below relate to data contained in Table 4. Care should be taken when using these series and the associated realisation ratios.




## EXPLANATION OF TIMING OF ESTIMATES used in construction of graph above

| Estimate | Based on data reported at: | COMPOSITION OF ESTIMATE | | |
|---|---|---|---|---|
| | | *Data on actual expenditure* | *Data on short term expected expenditure* | *Data on long term expected expenditure* |
| 1 | Jan–Feb, 5–6 months before period begins | Nil | Nil | 12 months |
| 2 | Apr–May, 2–3 months before period begins | Nil | Nil | 12 months |
| 3 | Jul–Aug, at beginning of period | Nil | 6 months | 6 months |
| 4 | Oct–Nov, 3–4 months into period | 3 months | 3 months | 6 months |
| 5 | Jan–Feb, 6–7 months into period | 6 months | 6 months | Nil |
| 6 | Apr–May, 9–10 months into period | 9 months | 3 months | Nil |
| 7 | Jul–Aug, at end of period | 12 months | Nil | Nil |

## 1 ACTUAL AND EXPECTED EXPENDITURE, By Type of Asset and Industry—Current prices

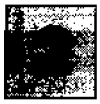
| | BUILDINGS AND STRUCTURES | | | | EQUIPMENT, PLANT AND MACHINERY | | | | TOTAL CAPITAL EXPENDITURE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Period | *Mining* $m | *Manu-facturing* $m | *Other selected indus-tries* $m | ***Total*** $m | *Mining* $m | *Manu-facturing* $m | *Other selected indus-tries* $m | ***Total*** $m | *Mining* $m | *Manu-facturing* $m | *Other selected indus-tries* $m | ***Total*** $m |
| | | | | | ORIGINAL (Actual) | | | | | | | |
| **1995–96** | 3 709 | 1 294 | 7 345 | **12 348** | 3 816 | 9 163 | 15 146 | **28 124** | 7 525 | 10 457 | 22 491 | **40 473** |
| **1996–97** | 4 271 | 1 681 | 8 313 | **14 265** | 4 476 | 8 446 | 16 568 | **29 490** | 8 748 | 10 127 | 24 881 | **43 756** |
| **1995–96** | | | | | | | | | | | | |
| March | 790 | 308 | 1 339 | **2 436** | 891 | 2 183 | 3 527 | **6 602** | 1 681 | 2 491 | 4 866 | **9 037** |
| June | 1 104 | 346 | 2 478 | **3 928** | 1 121 | 2 565 | 4 533 | **8 219** | 2 225 | 2 911 | 7 010 | **12 146** |
| **1996–97** | | | | | | | | | | | | |
| September | 924 | 274 | 2 217 | **3 415** | 1 042 | 2 083 | 3 746 | **6 870** | 1 966 | 2 357 | 5 962 | **10 285** |
| December | 1 096 | 423 | 2 429 | **3 948** | 1 209 | 2 271 | 4 270 | **7 750** | 2 305 | 2 694 | 6 699 | **11 698** |
| March | 1 179 | 442 | 1 968 | **3 589** | 1 007 | 1 877 | 3 488 | **6 371** | 2 186 | 2 319 | 5 456 | **9 960** |
| June | 1 072 | 542 | 1 699 | **3 314** | 1 219 | 2 216 | 5 064 | **8 499** | 2 291 | 2 758 | 6 764 | **11 813** |
| | | | | | ORIGINAL (Expected)(a) | | | | | | | |
| **1997-98** | | | | | | | | | | | | |
| 6 mths to Dec | 1 994 | 1 047 | 3 990 | **7 031** | 3 163 | 4 412 | 6 358 | **13 933** | 5 158 | 5 459 | 10 347 | **20 964** |
| 6 mths to Jun | 2 144 | 756 | 3 509 | **6 409** | 3 175 | 3 666 | 5 230 | **12 071** | 5 320 | 4 421 | 8 739 | **18 480** |
| Total 1997-98 | 4 139 | 1 803 | 7 498 | **13 440** | 6 339 | 8 078 | 11 588 | **26 004** | 10 477 | 9 880 | 19 086 | **39 444** |
| | | | | | SEASONALLY ADJUSTED (Actual) | | | | | | | |
| **1995–96** | 3 700 | 1 264 | 7 262 | **12 226** | 3 821 | 9 182 | 15 166 | **28 169** | 7 520 | 10 446 | 22 428 | **40 395** |
| **1996–97** | 4 281 | 1 634 | 8 432 | **14 347** | 4 475 | 8 469 | 16 511 | **29 456** | 8 757 | 10 103 | 24 943 | **43 803** |
| **1995–96** | | | | | | | | | | | | |
| March | 820 | 342 | 1 467 | **2 629** | 1 012 | 2 454 | 4 041 | **7 507** | 1 832 | 2 796 | 5 508 | **10 136** |
| June | 1 108 | 343 | 2 430 | **3 881** | 1 062 | 2 287 | 4 257 | **7 606** | 2 170 | 2 630 | 6 687 | **11 487** |
| **1996–97** | | | | | | | | | | | | |
| September | 1 004 | 167 | 2 294 | **3 466** | 1 055 | 2 247 | 3 838 | **7 140** | 2 059 | 2 414 | 6 133 | **10 606** |
| December | 979 | 436 | 2 163 | **3 578** | 1 123 | 2 140 | 3 931 | **7 194** | 2 102 | 2 577 | 6 094 | **10 772** |
| March | 1 219 | 440 | 2 250 | **3 909** | 1 144 | 2 107 | 4 002 | **7 253** | 2 364 | 2 547 | 6 251 | **11 162** |
| June | 1 079 | 591 | 1 725 | **3 394** | 1 153 | 1 975 | 4 741 | **7 869** | 2 232 | 2 566 | 6 466 | **11 263** |
| | | | | | TREND ESTIMATES (Actual) | | | | | | | |
| **1995–96** | 3 641 | 1 236 | 7 145 | **12 023** | 3 794 | 9 276 | 15 034 | **28 104** | 7 436 | 10 512 | 22 179 | **40 127** |
| **1996–97** | 4 334 | 1 657 | 8 529 | **14 520** | 4 495 | 8 501 | 16 594 | **29 589** | 8 829 | 10 158 | 25 122 | **44 109** |
| **1995–96** | | | | | | | | | | | | |
| March | 935 | 321 | 1 888 | **3 145** | 990 | 2 321 | 3 895 | **7 206** | 1 925 | 2 642 | 5 783 | **10 351** |
| June | 982 | 297 | 2 122 | **3 402** | 1 045 | 2 324 | 4 057 | **7 426** | 2 028 | 2 621 | 6 180 | **10 828** |
| **1996–97** | | | | | | | | | | | | |
| September | 1 030 | 289 | 2 304 | **3 622** | 1 084 | 2 250 | 3 985 | **7 319** | 2 114 | 2 539 | 6 289 | **10 942** |
| December | 1 069 | 364 | 2 261 | **3 693** | 1 110 | 2 153 | 3 958 | **7 221** | 2 179 | 2 517 | 6 219 | **10 914** |
| March | 1 101 | 471 | 2 070 | **3 641** | 1 139 | 2 079 | 4 168 | **7 385** | 2 239 | 2 550 | 6 238 | **11 026** |
| June | 1 135 | 533 | 1 894 | **3 563** | 1 162 | 2 019 | 4 483 | **7 664** | 2 297 | 2 552 | 6 377 | **11 227** |

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation —see paragraphs 18 to 21 of the Explanatory Notes.

## ACTUAL AND EXPECTED CAPITAL EXPENDITURE, Detailed Industries—Current prices

| Period | MINING | MANUFACTURING | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Total mining* | *Food, beverage and tobacco* | *Textile, clothing, footwear and leather* | *Wood and paper product* | *Printing, publishing and recorded media* | *Petroleum, coal, chemical and assoc. product* | *Non-metallic mineral product* | *Metal product* | *Machinery and equipment* | *Other manu-facturing* | ***Total manu-facturing*** |
| | $m | $m | $m | $m | $m | $m | $m | $m | $m | $m | **$m** |
| | | | | | ORIGINAL (Actual) | | | | | | |
| **1995–96** | 7 525 | 1 895 | 271 | 1 112 | 673 | 1 719 | 756 | 2 192 | 1 611 | 227 | 10 457 |
| **1996–97** | 8 748 | 1 991 | 251 | 921 | 546 | 1 650 | 1 096 | 1 517 | 1 952 | 203 | 10 127 |
| **1995–96** | | | | | | | | | | | |
| March | 1 681 | 432 | 51 | 308 | 193 | 389 | 214 | 452 | 401 | 52 | 2 491 |
| June | 2 225 | 564 | 64 | 246 | 163 | 402 | 203 | 838 | 371 | 62 | 2 911 |
| **1996–97** | | | | | | | | | | | |
| September | 1 966 | 366 | 53 | 236 | 124 | 516 | 195 | 343 | 471 | 53 | 2 357 |
| December | 2 305 | 519 | 78 | 259 | 150 | 473 | 257 | 379 | 546 | 34 | 2 694 |
| March | 2 186 | 502 | 45 | 190 | 124 | 313 | 328 | 318 | 448 | 51 | 2 319 |
| June | 2 291 | 605 | 75 | 236 | 148 | 348 | 315 | 478 | 488 | 65 | 2 758 |
| | | | | | ORIGINAL (Expected)(a) | | | | | | |
| **1997-98** | | | | | | | | | | | |
| 6 mths to Dec | 5 158 | 1 199 | 120 | 375 | 283 | 896 | 629 | 782 | 1 111 | 65 | 5 459 |
| 6 mths to Jun | 5 320 | 1 028 | 81 | 296 | 263 | 770 | 437 | 633 | 841 | 73 | 4 421 |
| Total 1997-98 | 10 477 | 2 227 | 201 | 670 | 547 | 1 665 | 1 066 | 1 415 | 1 952 | 137 | 9 880 |
| | | | | | SEASONALLY ADJUSTED (Actual) | | | | | | |
| **1995–96** | 7 520 | 1 890 | 271 | 1 125 | 686 | 1 725 | 755 | 2 156 | 1 613 | 225 | 10 446 |
| **1996–97** | 8 757 | 1 981 | 249 | 919 | 553 | 1 633 | 1 093 | 1 524 | 1 949 | 201 | 10 103 |
| **1995–96** | | | | | | | | | | | |
| March | 1 832 | 468 | 60 | 351 | 208 | 458 | 205 | 555 | 431 | 59 | 2 796 |
| June | 2 170 | 512 | 62 | 226 | 129 | 423 | 207 | 637 | 380 | 55 | 2 630 |
| **1996–97** | | | | | | | | | | | |
| September | 2 059 | 391 | 56 | 233 | 152 | 470 | 207 | 381 | 478 | 47 | 2 414 |
| December | 2 102 | 501 | 65 | 253 | 153 | 430 | 249 | 392 | 494 | 40 | 2 577 |
| March | 2 364 | 542 | 54 | 216 | 133 | 367 | 311 | 391 | 477 | 57 | 2 547 |
| June | 2 232 | 548 | 74 | 216 | 116 | 366 | 326 | 361 | 501 | 58 | 2 566 |
| | | | | | TREND ESTIMATES (Actual) | | | | | | |
| **1995–96** | 7 436 | 1 858 | 271 | 1 129 | 761 | 1 799 | 747 | 2 092 | 1 637 | 220 | 10 512 |
| **1996–97** | 8 829 | 2 028 | 248 | 917 | 550 | 1 616 | 1 101 | 1 606 | 1 921 | 203 | 10 158 |
| **1995–96** | | | | | | | | | | | |
| March | 1 925 | 466 | 61 | 293 | 162 | 447 | 196 | 555 | 408 | 55 | 2 642 |
| June | 2 028 | 460 | 59 | 267 | 160 | 458 | 204 | 536 | 425 | 52 | 2 621 |
| **1996–97** | | | | | | | | | | | |
| September | 2 114 | 459 | 59 | 241 | 148 | 443 | 220 | 466 | 454 | 48 | 2 539 |
| December | 2 179 | 483 | 60 | 231 | 142 | 421 | 254 | 397 | 481 | 47 | 2 517 |
| March | 2 239 | 523 | 63 | 228 | 135 | 389 | 295 | 370 | 494 | 52 | 2 550 |
| June | 2 297 | 562 | 67 | 217 | 124 | 363 | 331 | 373 | 492 | 56 | 2 552 |

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation —see paragraphs 18 to 21 of the Explanatory Notes.



## ACTUAL AND EXPECTED CAPITAL EXPENDITURE, Detailed Industries—Current prices *continued*

| | OTHER SELECTED INDUSTRIES | | | | | | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|
| Period | *Construction* $m | *Wholesale trade* $m | *Retail trade* $m | *Transport and storage* $m | *Finance and insurance* $m | *Property and business services* $m | *Other services etc.* $m | ***Total other selected industries*** **$m** | ***Total new capital expenditure*** **$m** |
| | | | | | ORIGINAL (Actual) | | | | |
| **1995–96** | 2 158 | 2 004 | 2 673 | 3 299 | 1 856 | 4 513 | 5 987 | **22 491** | **40 473** |
| **1996–97** | 1 146 | 2 536 | 2 265 | 3 336 | 2 476 | 6 285 | 6 838 | **24 881** | **43 756** |
| **1995–96** | | | | | | | | | |
| March | 414 | 415 | 594 | 722 | 394 | 872 | 1 454 | **4 866** | **9 037** |
| June | 752 | 541 | 781 | 993 | 450 | 1 327 | 2 166 | **7 010** | **12 146** |
| **1996–97** | | | | | | | | | |
| September | 188 | 641 | 504 | 780 | 837 | 1 425 | 1 587 | **5 962** | **10 285** |
| December | 280 | 638 | 661 | 908 | 585 | 1 836 | 1 792 | **6 699** | **11 698** |
| March | 321 | 501 | 401 | 708 | 448 | 1 433 | 1 644 | **5 456** | **9 960** |
| June | 357 | 756 | 699 | 941 | 606 | 1 591 | 1 815 | **6 764** | **11 813** |
| | | | | | ORIGINAL (Expected)(a) | | | | |
| **1997-98** | | | | | | | | | |
| 6 mths to Dec | 480 | 1 078 | 1 470 | 1 313 | 1 141 | 2 358 | 2 508 | **10 347** | **20 964** |
| 6 mths to Jun | 279 | 997 | 1 147 | 1 200 | 1 129 | 1 873 | 2 114 | **8 739** | **18 480** |
| Total 1997-98 | **759** | **2 075** | **2 616** | **2 512** | **2 270** | **4 231** | **4 622** | **19 086** | **39 444** |
| | | | | | SEASONALLY ADJUSTED (Actual) | | | | |
| **1995–96** | 2 141 | 2 013 | 2 676 | 3 312 | 1 853 | 4 495 | 5 940 | **22 428** | **40 395** |
| **1996–97** | 1 163 | 2 545 | 2 235 | 3 370 | 2 452 | 6 331 | 6 848 | **24 943** | **43 803** |
| **1995–96** | | | | | | | | | |
| March | 475 | 495 | 707 | 752 | 456 | 1 077 | 1 546 | **5 508** | **10 136** |
| June | 681 | 557 | 686 | 1 065 | 432 | 1 225 | 2 041 | **6 687** | **11 487** |
| **1996–97** | | | | | | | | | |
| September | 173 | 615 | 542 | 840 | 781 | 1 412 | 1 769 | **6 133** | **10 606** |
| December | 299 | 557 | 609 | 759 | 574 | 1 667 | 1 628 | **6 094** | **10 772** |
| March | 368 | 595 | 471 | 765 | 517 | 1 789 | 1 746 | **6 251** | **11 162** |
| June | 323 | 778 | 613 | 1 006 | 579 | 1 462 | 1 704 | **6 466** | **11 263** |
| | | | | | TREND ESTIMATES (Actual) | | | | |
| **1995–96** | 2 008 | 2 023 | 2 620 | 3 266 | 1 962 | 4 501 | 5 799 | **22 179** | **40 127** |
| **1996–97** | 1 319 | 2 508 | 2 261 | 3 400 | 2 337 | 6 353 | 6 955 | **25 122** | **44 109** |
| **1995–96** | | | | | | | | | |
| March | 547 | 500 | 680 | 856 | 455 | 1 130 | 1 615 | **5 783** | **10 351** |
| June | 473 | 550 | 656 | 912 | 540 | 1 235 | 1 814 | **6 180** | **10 828** |
| **1996–97** | | | | | | | | | |
| September | 359 | 573 | 600 | 866 | 615 | 1 448 | 1 829 | **6 289** | **10 942** |
| December | 298 | 591 | 553 | 810 | 615 | 1 616 | 1 733 | **6 219** | **10 914** |
| March | 307 | 639 | 546 | 822 | 573 | 1 664 | 1 687 | **6 238** | **11 026** |
| June | 356 | 705 | 562 | 903 | 535 | 1 625 | 1 707 | **6 377** | **11 227** |

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation —see paragraphs 18 to 21 of the Explanatory Notes.

## 3 ACTUAL EXPENDITURE, By Type of Asset and Industry—Constant prices(a)

| | ASSET | | | INDUSTRY | | | |
|---|---|---|---|---|---|---|---|
| Period | *Buildings and structures* $m | *Equipment, plant and machinery* $m | *Total* $m | *Mining* $m | *Manfacturing* $m | *Other selected industries* $m | *Total* $m |
| | | | ORIGINAL | | | | |
| **1995–96** | 11 989 | 26 578 | **38 567** | 6 869 | 9 547 | 22 152 | **38 567** |
| **1996–97** | 13 686 | 30 206 | **43 892** | 8 046 | 9 631 | 26 215 | **43 892** |
| **1995–96** | | | | | | | |
| March | 2 357 | 6 227 | **8 584** | 1 529 | 2 278 | 4 778 | **8 584** |
| June | 3 776 | 7 959 | **11 735** | 2 037 | 2 705 | 6 994 | **11 735** |
| **1996–97** | | | | | | | |
| September | 3 259 | 6 933 | **10 192** | 1 795 | 2 219 | 6 178 | **10 192** |
| December | 3 785 | 7 858 | **11 643** | 2 120 | 2 565 | 6 958 | **11 643** |
| March | 3 477 | 6 525 | **10 002** | 2 031 | 2 221 | 5 751 | **10 002** |
| June | 3 165 | 8 890 | **12 055** | 2 100 | 2 627 | 7 329 | **12 055** |
| | | | SEASONALLY ADJUSTED | | | | |
| **1995–96** | 11 893 | 26 639 | **38 532** | 6 863 | 9 528 | 22 142 | **38 532** |
| **1996–97** | 13 836 | 30 186 | **44 021** | 8 090 | 9 632 | 26 299 | **44 021** |
| **1995–96** | | | | | | | |
| March | 2 508 | 7 119 | **9 627** | 1 734 | 2 531 | 5 363 | **9 627** |
| June | 3 739 | 7 470 | **11 209** | 1 947 | 2 443 | 6 820 | **11 209** |
| **1996–97** | | | | | | | |
| September | 3 480 | 7 121 | **10 601** | 1 879 | 2 313 | 6 410 | **10 601** |
| December | 3 360 | 7 226 | **10 586** | 1 904 | 2 447 | 6 235 | **10 586** |
| March | 3 767 | 7 478 | **11 245** | 2 302 | 2 439 | 6 504 | **11 245** |
| June | 3 228 | 8 362 | **11 590** | 2 006 | 2 433 | 7 151 | **11 590** |
| | | | TREND ESTIMATES | | | | |
| **1995–96** | 11 691 | 26 608 | **38 299** | 6 785 | 9 587 | 21 928 | **38 299** |
| **1996–97** | 13 957 | 30 280 | **44 237** | 8 173 | 9 673 | 26 391 | **44 237** |
| **1995–96** | | | | | | | |
| March | 3 036 | 6 854 | **9 889** | 1 767 | 2 414 | 5 708 | **9 889** |
| June | 3 296 | 7 241 | **10 537** | 1 844 | 2 434 | 6 259 | **10 537** |
| **1996–97** | | | | | | | |
| September | 3 525 | 7 271 | **10 796** | 1 930 | 2 404 | 6 462 | **10 796** |
| December | 3 565 | 7 307 | **10 872** | 2 016 | 2 404 | 6 453 | **10 872** |
| March | 3 480 | 7 632 | **11 112** | 2 091 | 2 433 | 6 588 | **11 112** |
| June | 3 387 | 8 070 | **11 457** | 2 136 | 2 432 | 6 889 | **11 457** |

(a) At average 1989–90 prices.

## 4 ACTUAL AND EXPECTED CAPITAL EXPENDITURE, By Type of Asset—Current prices

| Financial year | *12 months expectation as reported in Jan–Feb of previous financial year (Estimate 1)* | *12 months expectation as reported in Apr–May of previous financial year (Estimate 2)* | *12 months expectation as reported in Jul–Aug (Estimate 3)* | *3 months actual and 9 months expectation as reported in Oct–Nov (Estimate 4)* | *6 months actual and 6 months expectation as reported in Jan–Feb (Estimate 5)* | *9 months actual and 3 months expectation as reported in Apr–May (Estimate 6)* | *12 months actual (Estimate 7)* |
|---|---|---|---|---|---|---|---|
| | | | BUILDINGS AND STRUCTURES ($ million) | | | | |
| **1993–94** | 7 785 | 8 114 | 7 689 | 8 250 | 8 804 | 8 888 | 8 294 |
| **1994–95** | 7 840 | 9 155 | 9 650 | 9 012 | 10 016 | 9 798 | 9 093 |
| **1995–96** | 8 700 | 9 528 | 10 479 | 11 878 | 12 861 | 12 373 | 12 348 |
| **1996–97** | 9 559 | 11 643 | 14 017 | 15 056 | 15 633 | 15 769 | 14 265 |
| **1997–98** | 12 085 | 14 505 | 13 440 | n.y.a. | n.y.a. | n.y.a. | n.y.a. |
| | | | BUILDINGS AND STRUCTURES (Realisation Ratio)(a) | | | | |
| **1994–95** | 1.16 | 0.99 | 0.94 | 1.01 | 0.91 | 0.93 | 1.00 |
| **1995–96** | 1.42 | 1.30 | 1.18 | 1.04 | 0.96 | 1.00 | 1.00 |
| **1996–97** | 1.49 | 1.23 | 1.02 | 0.95 | 0.91 | 0.90 | 1.00 |
| 5 year average | 1.27 | 1.12 | 1.04 | 0.99 | 0.92 | 0.94 | 1.00 |
| | | | EQUIPMENT, PLANT AND MACHINERY ($ million) | | | | |
| **1993–94** | 15 461 | 16 706 | 17 974 | 19 380 | 21 189 | 21 881 | 21 696 |
| **1994–95** | 18 176 | 20 814 | 22 085 | 24 832 | 25 072 | 26 027 | 26 467 |
| **1995–96** | 19 069 | 22 634 | 24 605 | 25 437 | 26 742 | 28 077 | 28 124 |
| **1996–97** | 22 841 | 25 174 | 26 384 | 27 428 | 27 996 | 28 845 | 29 490 |
| **1997–98** | 20 229 | 22 974 | 26 004 | n.y.a. | n.y.a. | n.y.a. | n.y.a. |
| | | | EQUIPMENT, PLANT AND MACHINERY (Realisation Ratio)(a) | | | | |
| **1994–95** | 1.46 | 1.27 | 1.20 | 1.07 | 1.06 | 1.02 | 1.00 |
| **1995–96** | 1.47 | 1.24 | 1.14 | 1.11 | 1.05 | 1.00 | 1.00 |
| **1996–97** | 1.29 | 1.17 | 1.12 | 1.08 | 1.05 | 1.02 | 1.00 |
| 5 year average | 1.38 | 1.23 | 1.15 | 1.08 | 1.04 | 1.00 | 1.00 |
| | | | TOTAL ($ million) | | | | |
| **1993–94** | 23 244 | 24 820 | 25 663 | 27 630 | 29 982 | 30 769 | 29 990 |
| **1994–95** | 26 016 | 29 968 | 31 736 | 33 844 | 35 087 | 35 825 | 35 561 |
| **1995–96** | 27 769 | 32 161 | 35 084 | 37 315 | 39 603 | 40 450 | 40 473 |
| **1996–97** | 32 400 | 36 817 | 40 401 | 42 484 | 43 629 | 44 614 | 43 756 |
| **1997–98** | 32 321 | 37 479 | 39 444 | n.y.a. | n.y.a. | n.y.a. | n.y.a. |
| | | | TOTAL (Realisation Ratio)(a) | | | | |
| **1994–95** | 1.37 | 1.19 | 1.12 | 1.05 | 1.01 | 0.99 | 1.00 |
| **1995–96** | 1.46 | 1.26 | 1.15 | 1.08 | 1.02 | 1.00 | 1.00 |
| **1996–97** | 1.35 | 1.19 | 1.08 | 1.03 | 1.00 | 0.98 | 1.00 |
| 5 year average | 1.35 | 1.19 | 1.12 | 1.05 | 1.00 | 0.98 | 1.00 |
| | | | TOTAL (Percentage change over previous estimate for same financial year) | | | | |
| **1993–94** | n.a. | 6.8 | 3.4 | 7.7 | 8.5 | 2.6 | –2.6 |
| **1994–95** | n.a. | 15.2 | 5.9 | 6.6 | 3.7 | 2.1 | –0.7 |
| **1995–96** | n.a. | 15.8 | 9.1 | 6.4 | 6.1 | 2.1 | 0.1 |
| **1996–97** | n.a. | 13.6 | 9.7 | 5.2 | 2.7 | 2.3 | –1.9 |
| **1997–98** | n.a. | 16.0 | 5.2 | n.y.a. | n.y.a. | n.y.a. | n.y.a. |
| | | | TOTAL (Percentage change over corresponding estimate for previous financial year) | | | | |
| **1994–95** | 11.9 | 20.7 | 23.7 | 22.5 | 17.0 | 16.4 | 18.6 |
| **1995–96** | 6.7 | 7.3 | 10.6 | 10.3 | 12.9 | 12.9 | 13.8 |
| **1996–97** | 16.7 | 14.5 | 15.2 | 13.9 | 10.2 | 10.3 | 8.1 |

(a) Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 18 to 21 of the Explanatory Notes.

## ACTUAL AND EXPECTED CAPITAL EXPENDITURE, By Industry—Current prices

| Financial year | *12 months expectation as reported in Jan–Feb of previous financial year (Estimate 1)* | *12 months expectation as reported in Apr–May of previous financial year (Estimate 2)* | *12 months expectation as reported in Jul–Aug (Estimate 3)* | *3 months actual and 9 months expectation as reported in Oct–Nov (Estimate 4)* | *6 months actual and 6 months expectation as reported in Jan–Feb (Estimate 5)* | *9 months actual and 3 months expectation as reported in Apr–May (Estimate 6)* | *12 months actual (Estimate 7)* |
|---|---|---|---|---|---|---|---|
| | | | MANUFACTURING ($ million) | | | | |
| **1993–94** | 6 677 | 7 227 | 7 848 | 8 409 | 8 732 | 8 688 | 8 350 |
| **1994–95** | 7 700 | 8 839 | 9 445 | 10 255 | 10 309 | 10 474 | 10 352 |
| **1995–96** | 8 975 | 9 964 | 10 721 | 11 185 | 11 160 | 10 978 | 10 457 |
| **1996–97** | 9 711 | 10 037 | 10 652 | 11 081 | 10 350 | 10 359 | 10 127 |
| **1997–98** | 7 727 | 8 826 | 9 880 | n.y.a. | n.y.a. | n.y.a. | n.y.a. |
| | | | MANUFACTURING (Realisation Ratio)(a) | | | | |
| **1994–95** | 1.34 | 1.17 | 1.10 | 1.01 | 1.00 | 0.99 | 1.00 |
| **1995–96** | 1.17 | 1.05 | 0.98 | 0.93 | 0.94 | 0.95 | 1.00 |
| **1996–97** | 1.04 | 1.01 | 0.95 | 0.91 | 0.98 | 0.98 | 1.00 |
| 5 year average | 1.15 | 1.06 | 1.00 | 0.95 | 0.96 | 0.97 | 1.00 |
| | | | MINING ($ million) | | | | |
| **1993–94** | 6 921 | 7 044 | 6 854 | 6 249 | 5 889 | 6 147 | 5 585 |
| **1994–95** | 5 370 | 6 013 | 6 666 | 6 897 | 6 976 | 6 951 | 6 351 |
| **1995–96** | 5 541 | 6 720 | 7 472 | 7 627 | 7 764 | 7 788 | 7 525 |
| **1996–97** | 7 789 | 9 913 | 10 113 | 9 932 | 9 452 | 9 354 | 8 748 |
| **1997–98** | 8 592 | 9 588 | 10 477 | n.y.a. | n.y.a. | n.y.a. | n.y.a. |
| | | | MINING (Realisation Ratio)(a) | | | | |
| **1994–95** | 1.18 | 1.06 | 0.95 | 0.92 | 0.91 | 0.91 | 1.00 |
| **1995–96** | 1.36 | 1.12 | 1.01 | 0.99 | 0.97 | 0.97 | 1.00 |
| **1996–97** | 1.12 | 0.88 | 0.87 | 0.88 | 0.93 | 0.94 | 1.00 |
| 5 year average | 1.13 | 1.00 | 0.92 | 0.92 | 0.93 | 0.93 | 1.00 |
| | | | OTHER SELECTED INDUSTRIES ($ million) | | | | |
| **1993–94** | 9 646 | 10 549 | 10 961 | 12 972 | 15 421 | 15 934 | 16 055 |
| **1994–95** | 12 947 | 15 116 | 15 624 | 16 692 | 17 803 | 18 400 | 18 857 |
| **1995–96** | 13 253 | 15 478 | 16 890 | 18 503 | 20 679 | 21 683 | 22 491 |
| **1996–97** | 14 900 | 16 867 | 19 636 | 21 470 | 23 827 | 24 901 | 24 881 |
| **1997–98** | 16 002 | 19 065 | 19 086 | n.y.a. | n.y.a. | n.y.a. | n.y.a. |
| | | | OTHER SELECTED INDUSTRIES (Realisation Ratio)(a) | | | | |
| **1994–95** | 1.46 | 1.25 | 1.21 | 1.13 | 1.06 | 1.02 | 1.00 |
| **1995–96** | 1.70 | 1.45 | 1.33 | 1.22 | 1.09 | 1.04 | 1.00 |
| **1996–97** | 1.67 | 1.48 | 1.27 | 1.16 | 1.04 | 1.00 | 1.00 |
| 5 year average | 1.59 | 1.38 | 1.29 | 1.17 | 1.05 | 1.01 | 1.00 |

(a) Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 18 to 21 of the Explanatory Notes.

## 6 RATIOS OF ACTUAL TO SHORT TERM EXPECTATION FOR SAME PERIOD(a)—Current prices

| Financial year | 3 MONTHS ENDING: 31 December (collected in September Survey) | 3 MONTHS ENDING: 30 June (collected in March Survey) | 6 MONTHS ENDING: 31 December (collected in June Survey) | 6 MONTHS ENDING: 30 June (collected in December Survey) |
|---|---|---|---|---|
| | | TYPE OF ASSET | | |
| **Buildings and Structures** | | | | |
| **1994–95** | 0.96 | 0.77 | 0.94 | 0.84 |
| **1995–96** | 0.95 | 0.99 | 1.05 | 0.93 |
| **1996–97** | 0.94 | 0.69 | 1.02 | 0.83 |
| 5 year average | 0.98 | 0.80 | 1.03 | 0.86 |
| **Equipment, Plant and Machinery** | | | | |
| **1994–95** | 0.91 | 1.06 | 1.12 | 1.12 |
| **1995–96** | 1.00 | 1.01 | 1.02 | 1.10 |
| **1996–97** | 0.97 | 1.08 | 1.06 | 1.11 |
| 5 year average | 0.97 | 1.01 | 1.06 | 1.08 |
| **Total** | | | | |
| **1994–95** | 0.92 | 0.97 | 1.07 | 1.03 |
| **1995–96** | 0.98 | 1.00 | 1.03 | 1.04 |
| **1996–97** | 0.96 | 0.93 | 1.04 | 1.01 |
| 5 year average | 0.97 | 0.94 | 1.05 | 1.01 |
| | | TYPE OF INDUSTRY | | |
| **Mining** | | | | |
| **1994–95** | 0.80 | 0.74 | 0.91 | 0.84 |
| **1995–96** | 0.93 | 0.89 | 0.89 | 0.94 |
| **1996–97** | 0.84 | 0.79 | 0.87 | 0.86 |
| 5 year average | 0.87 | 0.78 | 0.89 | 0.87 |
| **Manufacturing** | | | | |
| **1994–95** | 0.82 | 0.96 | 0.97 | 1.01 |
| **1995–96** | 0.85 | 0.85 | 0.91 | 0.88 |
| **1996–97** | 0.74 | 0.92 | 0.91 | 0.96 |
| 5 year average | 0.83 | 0.89 | 0.93 | 0.93 |
| **Other Selected Industries** | | | | |
| **1994–95** | 1.04 | 1.10 | 1.20 | 1.13 |
| **1995–96** | 1.08 | 1.13 | 1.16 | 1.18 |
| **1996–97** | 1.15 | 1.00 | 1.20 | 1.09 |
| 5 year average | 1.11 | 1.04 | 1.21 | 1.11 |
| **Total** | | | | |
| **1994–95** | 0.92 | 0.97 | 1.07 | 1.03 |
| **1995–96** | 0.98 | 1.00 | 1.03 | 1.04 |
| **1996–97** | 0.96 | 0.93 | 1.04 | 1.01 |
| 5 year average | 0.97 | 0.94 | 1.05 | 1.01 |

(a) For more information on Realisation Ratios see paragraphs 18 to 21 of the Explanatory Notes.

# EXPLANATORY NOTES

## INTRODUCTION

**1** This publication contains estimates of actual and expected new capital expenditure by private businesses in Australia. The series contained in this publication have been compiled from data collected in a quarterly survey of private businesses.

## SCOPE OF THE SURVEY

**2** This survey aims to measure the value of new capital expenditure by private businesses in Australia. Private households and public sector businesses (i.e. all departments, authorities and other organisations owned or controlled by Commonwealth, State or Local Government) are outside the scope of the survey.

**3** The scope of the survey:

- includes the following Australian and New Zealand Standard Industrial Classification (ANZSIC) industries
  - Mining (Division B)
  - Manufacturing (Division C)
    - Food, beverages and tobacco (21)
    - Textiles, clothing, footwear and leather (22)
    - Wood and paper products (23)
    - Printing, publishing and recorded media (24)
    - Petroleum, coal, chemical and associated products (25)
    - Non-metallic mineral products (26)
    - Metal products (27)
    - Machinery and equipment (28)
    - Other manufacturing (29)
  - Other Selected Industries
    - Construction (Division E)
    - Wholesale trade (Division F)
    - Retail trade (Division G)
    - Transport & storage (Division I)
    - Finance and insurance (Division K)
    - Property & business services (Division L)
    - Other selected services (including electricity & gas; communication; accommodation, cafes & restaurants; cultural & recreational services; and personal services (36,37,57,71,91–93,95)
- excludes the following industries
  - Agriculture, forestry and fishing
  - Government administration & defence
  - Education
  - Health and community services

## SURVEY METHODOLOGY

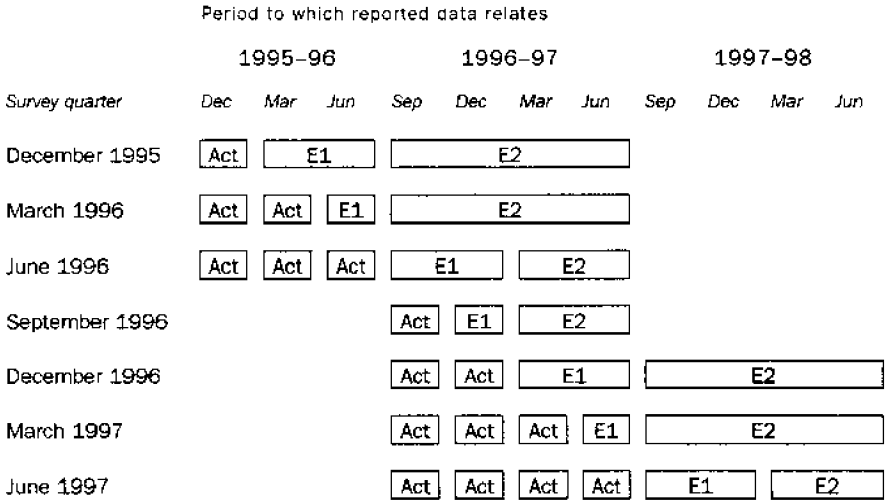
**4** This quarterly survey is based on a stratified random sample of private business units recorded on the ABS register of businesses and is stratified by industry, number of employees and, from the March quarter 1997, state/territory. The sample consists of approximately 7,500 units. The figures obtained from the selected businesses are supplemented by data from units which have large capital expenditure and/or large employment and which are outside the sample framework, or not adequately covered by it.

**5** Respondents are asked to provide data on the same basis as their own management accounts. Where a selected business unit does not respond in a given survey, an estimate is substituted. Revisions may be made to these estimate adjustments if data are provided subsequently from those businesses. Aggregates are calculated from original data using the 'number raised' estimation technique. Data are edited at both individual unit level and at aggregate level.

# EXPLANATORY NOTES

TIMING AND CONSTRUCTION OF SURVEY CYCLE

**6** Surveys are conducted in respect of each quarter and returns are completed in the 8 or 9 week period after the end of the quarter to which the survey data relate (e.g. March quarter survey returns are completed during April and May). Full details of the reporting cycle are shown in the table below.




**7** Businesses are requested to provide 3 basic figures each survey:

- Actual expenditure incurred during the reference period (Act)
- A short term expectation (E1)
- A longer term expectation (E2).

**8** This survey cycle facilitates the formation of estimates of expenditure for financial years (12 months ending 30 June). For example, as the above table shows, the first estimate for 1996–97 was available from the December 1995 survey as a longer term expectation (E2). It was subsequently revised in the March 1996 survey (again as a longer term expectation) and in the June 1996 survey as the sum of two expectations (E1 + E2). In the September and subsequent surveys the estimate is derived as the sum of actual expenditure (for that part of the year completed) and expected expenditure (for the remainder of the year). The final (or seventh) estimate from the June quarter 1997 survey, will be derived by summing the actual expenditure for each of the four quarters.

SAMPLE REVISION

**9** Prior to the June quarter 1996 survey, the survey frames and samples were revised annually to ensure that they remained representative of the survey population. Adjustments were made to the survey estimates each quarter to reflect changes in the size of the survey frame throughout the year. From the June quarter 1996 survey, the survey frames and samples are being revised each quarter. The aim is to further improve the quality of the survey estimates by selecting a sample which will be more representative of the survey population. Additionally, the timing of sample selection will now be consistent with other ABS surveys. This will lead to greater consistency when comparing data across these surveys.

**10** With these revisions to the sample, some of the business units are rotated out of the survey and are replaced by other to spread the reporting workload equitably. The rate of rotation under quarterly sample selection is slightly higher than one quarter of the previous annual rate of rotation.

SAMPLE REVISION *continued*

**11** When the frames and samples were updated annually prior to the June quarter 1996, some data would be revised as a consequence. No data revisions of this nature will be needed given quarterly updates to frames and samples. Data may be revised, however, on the basis of further processing.

STATISTICAL UNIT

**12** This survey uses the Management Unit as the statistical unit. The management unit is the highest level accounting unit within a business, having regard to industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, sole operator, etc). In the case of large diversified businesses, however, there may be more than one management unit, each coincides with a 'division' or 'line of business'. A division or line of business is defined when separate and comprehensive accounts are compiled for it. Prior to 1989, the survey was on a different business unit basis. Further details are available on request.

CLASSIFICATION BY INDUSTRY

**13** The Australian and New Zealand Standard Industrial Classification (ANZSIC) has been developed for use in both countries for the production and analysis of industry statistics. It replaces the Australian Standard Industrial Classification (ASIC) and the New Zealand Standard Industrial Classification (NZSIC).

**14** For more information, users are referred to *Australian & New Zealand Standard Industrial Classification, 1993, ANZSIC*, (Cat. No. 1292.0) and *Statistics New Zealand* (Cat. No. 19.005.0092).

**15** In order to classify new capital expenditure by industry, each statistical unit (as defined above) is classified to the ANZSIC industry in which it *mainly* operates.

**16** The total value of all new capital assets acquired by each statistical unit either on own account or under a finance lease is classified to the ANZSIC industry in which it mainly operates even though it may have activities in other industries.

CONSTANT PRICES

**17** Estimates in constant prices (average 1989–90 prices) are presented, in Table 3. The deflators used to revalue the current price estimates are the same as the price deflators compiled for the national accounts aggregates 'Private gross fixed capital expenditure on non-dwelling construction' and 'Private gross fixed capital expenditure on equipment'.

DERIVATION AND USEFULNESS OF REALISATION RATIOS

**18** Once actual expenditure for a financial year is known, it is useful to investigate the relationship between each of the prior 6 estimates and that actual. The resultant realisation ratios (subsequent actual expenditure divided by expected expenditure) then indicate how much expenditure was actually incurred against the amount expected to be incurred at the various times of reporting. Realisation ratios can also be formed separately for 3 or 6 month expectations as well as the 12 month E2 estimates or combinations of estimates containing at least some expectation components (e.g. 6 months actual and 6 months expected expenditure).

**19** Realisation ratios provide an important tool in understanding and interpreting expectation statistics for future periods. The application of realisation ratios enables the adjustment of expectation data for known under (or over) realisation patterns in the past and hence provides a valid basis for comparison with other expectation data and actual expenditure estimates. For example, if one wished to predict actual expenditure for 1997–98 based on the June 1997 survey results and compare this with 1996–97 expenditure, it is necessary to apply relevant realisation factors to the expectation to put both estimates on the same basis. Once this has been done the predictions can be validly compared with each other and with previously derived estimates of actual expenditure for earlier years.

DERIVATION AND USEFULNESS OF REALISATION RATIOS *continued*

**20** There are many ways in which realisation ratios can be applied to make predictions of actual expenditure for a future period. A range of realisation ratios for both type of asset and industry estimates is provided in Tables 4 and 5.

**21** In using realisation ratios to adjust expectations data, attention should be paid to the range of values that has occurred in the past. A wide range of values is indicative of volatility in the realisation patterns and hence greater caution should be exercised in the application of realisation ratios. This is particularly the case with the twelve month expectations collected in the December and March surveys.

DESCRIPTION OF TERMS

**22** *New capital expenditure* refers to the acquisition of new tangible assets either on own account or under a *finance lease* and includes major improvements, alterations and additions. In general, this is expenditure charged to fixed tangible assets accounts excluding expenditure on second hand assets unless these are imported for the first time.

**23** Some estimates are dissected by type of asset:

- *Buildings and Structures*. Includes industrial and commercial buildings, houses, flats, home units, water and sewerage installations, lifts, heating, ventilating and similar equipment forming an integral part of buildings and structures , land development and construction site development, roads, bridges, wharves, harbours, railway lines, pipelines, power and telephone lines. Also includes mine development (e.g. construction of shafts in underground mines, preparation of mining and quarrying sites for open cut extraction and other developmental operations primarily for commencing or extending production). Excludes purchases of land, previously occupied buildings and speculatively built projects intended for sale before occupation.
- *Equipment, plant and machinery*. Includes plant, machinery, vehicles, electrical apparatus, office equipment, furniture, fixtures and fittings not forming an integral part of buildings, durable containers, special tooling, etc. Also includes good imported for the first time whether previously used outside Australia or not.

RELIABILITY OF THE ESTIMATES

**24** Since the estimates are based on data obtained from a sample rather than a complete enumeration, the data and the movements derived from them are subject to sampling variability; that is, they may differ from the figures that would have been obtained if all units had been included in the survey. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of units was included. There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if all units had been included, and about nineteen chances in twenty that the difference will be less than two standard errors.

| | *RELATIVE STANDARD ERROR* |
|---|---|
| Total new capital expenditure: | |
| Mining | 7.3% |
| Manufacturing | 2.8% |
| Other Selected industries | 3.4% |
| Buildings & Structures | 4.8% |
| Equipment, Plant & Machinery | 2.7% |
| Total Selected Industries | 2.6% |

RELIABILITY OF THE ESTIMATES *continued*

**25** Another measure of sampling variability is the relative standard error which is obtained by expressing the standard error as a percentage of the estimate to which it refers. The relative standard error is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling. The sample estimates of quarter to quarter movement in the value of new capital expenditure are also subject to sampling variability. The relative standard error of the estimate of movement is expressed as a percentage of the quarterly estimate of the level of capital expenditure.

**26** The imprecision due to sampling, which is measured by the standard error, is not the only type of inaccuracy to which the estimates are subject. Other inaccuracies, referred to collectively as non-sample error, may occur for a number of reasons, for example misreporting of data by respondents or imputation for missing respondents.

**27** In the design of questionnaires and in the processing of survey data every effort is made to reduce the non-sample error to a minimum.

IMPROVEMENTS TO COVERAGE

**28** There have been some adjustments to the series in this issue to allow for lags in processing new businesses to the ABS business register. The majority of businesses affected and to which the adjustments apply are small in size.

**29** First, adjustments have been made to allow for new businesses which had commenced operations but for which details had not been processed to the ABS business register in time for inclusion in the survey. Although such adjustments have been made to data since June 1994, and adjustments of this type will continue to be applied in the future, earlier data are now also adjusted. The magnitude of these adjustments varies slightly over time, and so estimates of movement from one period to another may have been affected.

**30** Second, adjustments have been made for businesses which had been in existence for several years but, for various reasons revealed by recent investigations, were not previously added to the ABS business register. The ABS is remedying these omissions, but they had led to the levels of reported capital expenditure being understated by small amounts which increased over the period 1992 to 1994 to around 6% of the previously reported level (in original terms). There has been no significant effect, however, on quarter to quarter movements over the period of the adjustment. These adjustments have been made back to the June quarter 1987.

**31** For further information see an Information Paper - *Improvements to ABS Economic Statistics 1997* (Cat. No. 1357.0), issued on 22 August 1997.

OTHER REVISIONS TO PREVIOUSLY PUBLISHED DATA

**32** Published data are subject to revision each quarter, generally as a consequence of further processing of data and the resolution of any outstanding queries with respondents at the time of publication. The data contained in this publication have been revised for incorrect reporting of capital expenditure by unincorporated joint venture operators in the Mining industry. This correction has led to some negative adjustments to levels from the June quarter 1991. These adjustments are relatively small through most of this period, with their greatest impact in 1993–94 and 1994–95, where they averaged approximately $200m per quarter. Additionally, this issue includes adjustments to estimates prior to the March quarter 1997 as a result of reclassification of some oil producing and distribution businesses, affecting estimates for the Manufacturing and Wholesale Trade industries.

SEASONAL ADJUSTMENT

**33** The quarterly actual new capital expenditure series in this publication are affected to some extent by seasonal influences and it is useful to recognise and take account of this element of variation.

**34** Seasonal adjustment may be carried out by various methods and the results may vary slightly depending on the procedure adopted. Accordingly, seasonally adjusted statistics are in fact only indicative and should not be regarded as in any way definitive. In interpreting seasonally adjusted data it is important therefore to bear in mind the methods by which they have been derived and the limitations to which the methods used are subject.

**35** At least once each year the seasonally adjusted series are revised to take account of the latest available data. The most recent reanalysis takes into account data collected up to and including the June quarter 1997 survey. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from reanalysis may be quite significant, especially for data for more recent quarters. Care should be exercised when interpreting quarter to quarter movements in the seasonally adjusted series in the publication, particularly for recent quarters.

**36** It should be noted that the seasonally adjusted figures necessarily reflect the sampling and other errors to which the original figures are subject.

**37** Details of the seasonal adjustment methods used together with selected measures of variability for these series are available on request.

TREND ESTIMATES

**38** The trend estimates are derived by applying a 7–term Henderson moving average to the seasonally adjusted series. The 7–term Henderson average (like all Henderson averages) is symmetric, but as the end of a time series is approached, asymmetric forms of the average are applied. Unlike the weights of the standard 7-term Henderson moving average, the weights employed here have been tailored to suit the particular characteristics of individual series. While the asymmetric weights enable trend estimates for recent quarters to be produced, it does result in revisions to the estimates for the most recent three quarters as additional observations become available. There may also be revisions because of changes in the original data and as a result of the re-estimation of the seasonal factors. For further information, see *A Guide to Interpreting Time Series — Monitoring 'Trends': an Overview* (1348.0) or contact the Assistant Director, Time Series Analysis on (02) 6252 6345.

COMPARABILITY WITH NATIONAL ACCOUNTS ESTIMATES

**39** The statistics for new capital expenditure shown in this publication differ from estimates of private gross fixed capital expenditure shown in the Australian National Accounts for the following reasons:

- National Accounts estimates incorporate data from other sources as well as information from the capital expenditure survey. For example, estimates for capital expenditure on 'equipment' are based on annual statistics of depreciable assets available from the Taxation Commissioner. Quarterly estimates are interpolated between and extrapolated from the annual taxation based estimates using a variety of indicators including this survey. The ABS's quarterly Building Activity Survey and Engineering Construction Survey are the main sources for estimating the National Accounts dwelling and non-dwelling construction items respectively.

COMPARABILITY WITH NATIONAL ACCOUNTS ESTIMATES *continued*

- National Accounts estimates include capital expenditure by all private businesses including units classified to agriculture, forestry, fishing and hunting and community services industries and capital expenditure on dwellings by households. Data for these sectors are excluded from this publication.
- National Accounts estimates include the value of work done on speculative construction projects as the work is put into place. The statistics in this publication, however, include full value of the speculative projects as new capital expenditure of the purchases (if in scope), when the project is sold.
- For equipment, the National Accounts estimates relate to acquisitions less disposals of all fixed tangible assets whereas the survey figures are acquisitions of new fixed tangible assets only.

**40** For a more detailed explanation of the concepts and methods used in compiling the National Accounts estimates see *Australian National Accounts: Concepts, Sources and Methods* (5216.0).

RELATED PUBLICATIONS

**41** Users may also wish to refer the following publications:

- *State Estimates of Private New Capital Expenditure*, (5646.0)
- *Company Profits, Australia* (5651.0)
- *Stocks, Selected Industry Sales and Expected Sales, Australia* (5629.0)
- *Australian National Accounts. National Income, Expenditure and Product* (5206.0)
- *Australian Business Expectations* (5250.0)
- *Business Operations and Industry Performance, Australia* (8140.0)
- *Engineering Construction Activity, Australia* (8762.0)
- *Building Activity, Australia* (8752.0).

**42** 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 *Release Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS office.

UNPUBLISHED DATA

**43** In addition to the data contained in this publication, more detailed industry information may be made available on request. For example, data are generally available at the ANZSIC group (3 digit) level.

SYMBOLS AND OTHER USAGES

| | |
|---|---|
| ANZSIC | Australian and New Zealand Standard Industrial Classification |
| n.y.a. | not yet available |

# WHAT IF . . . ? REVISIONS TO TREND ESTIMATES

## EFFECT OF NEW SEASONALLY ADJUSTED ESTIMATES ON TREND ESTIMATES

Each time new seasonally adjusted estimates become available, trend estimates are revised (see paragraphs 33 and 38 of the Explanatory Notes).

TREND REVISIONS

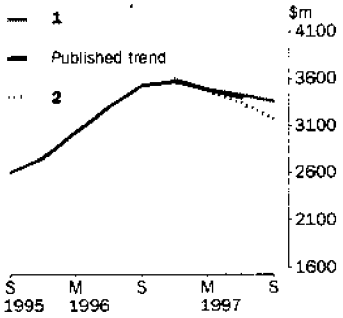
The examples in the tables below show two scenarios and the consequent revisions to previous trend estimates of capital expenditure by private businesses.

**1** The September quarter seasonally adjusted estimate is higher than the June quarter estimate by the percentage shown.

**2** The September quarter seasonally adjusted estimate is lower than the June quarter estimate by the percentage shown.

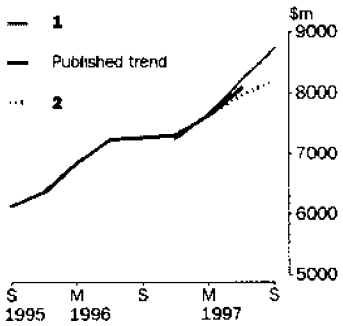
The percentages chosen are approximately the long term average movement, without regard to sign, in the seasonally adjusted series.

### BUILDINGS AND STRUCTURES



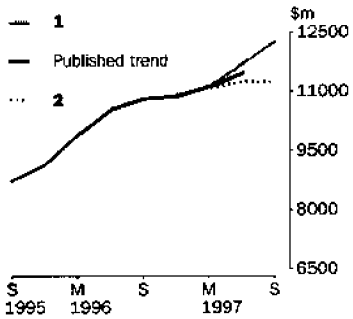

| | TREND AS PUBLISHED | | WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE: | | | |
|---|---|---|---|---|---|---|
| | | | **1** *rises by 6.7% on Jun 1997* | | **2** *falls by 6.7% on Jun 1997* | |
| | *$m* | *% change* | *$m* | *% change* | *$m* | *% change* |
| 1996 | | | | | | |
| December | 3 565 | 1.1 | 3 579 | 1.5 | 3 596 | 2.0 |
| 1997 | | | | | | |
| March | 3 480 | –2.4 | 3 479 | –2.8 | 3 472 | –3.4 |
| June | 3 387 | –2.7 | 3 423 | –1.6 | 3 342 | –3.7 |
| September | — | — | 3 346 | –2.2 | 3 167 | –5.3 |

### EQUIPMENT, PLANT AND MACHINERY




| | TREND AS PUBLISHED | | WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE: | | | |
|---|---|---|---|---|---|---|
| | | | **1** *rises by 4.9% on Jun 1997* | | **2** *falls by 4.9% on Jun 1997* | |
| | *$m* | *% change* | *$m* | *% change* | *$m* | *% change* |
| 1996 | | | | | | |
| December | 7 307 | 0.5 | 7 265 | –0.1 | 7 314 | 0.6 |
| 1997 | | | | | | |
| March | 7 632 | 4.4 | 7 646 | 5.2 | 7 628 | 4.3 |
| June | 8 070 | 5.7 | 8 205 | 7.3 | 7 973 | 4.5 |
| September | — | — | 8 731 | 6.4 | 8 198 | 2.8 |

### TOTAL CAPITAL EXPENDITURE




| | TREND AS PUBLISHED | | WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE: | | | |
|---|---|---|---|---|---|---|
| | | | **1** *rises by 4.4% on Jun 1997* | | **2** *falls by 4.4% on Jun 1997* | |
| | *$m* | *% change* | *$m* | *% change* | *$m* | *% change* |
| 1996 | | | | | | |
| December | 10 872 | 0.7 | 10 831 | 0.3 | 10 922 | 1.2 |
| 1997 | | | | | | |
| March | 11 112 | 2.2 | 11 128 | 2.7 | 11 096 | 1.6 |
| June | 11 457 | 3.1 | 11 690 | 5.1 | 11 252 | 1.4 |
| September | — | — | 12 256 | 4.8 | 11 215 | –0.3 |

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