

**PRIVATE NEW CAPITAL EXPENDITURE, AUSTRALIA
ACTUAL AND EXPECTED EXPENDITURE TO JUNE 1995
DECEMBER QUARTER 1993 SURVEY**

MAIN FEATURES

Estimates of new capital expenditure based on the complete December quarter survey confirm the situation indicated by the preliminary estimates released in Catalogue number 5625.0 on 1 March 1994.

Actual Expenditure December Quarter 1993

Estimates in seasonally adjusted 1989-90 price terms show that expenditure increased by 4% over the September quarter 1993 estimate. Expenditure on Buildings and Structures rose by 14%, the first quarterly rise recorded since September 1992. Expenditure on Plant and Equipment remained steady compared to the September 1993 survey.

% change on September qtr 1993

	Bldgs	Equip	Total
Average 1989-90 Prices			
— Seasonally Adjusted	14	—	4
Current Prices			
— Seasonally Adjusted	15	—	4
— Original	27	10	14

Seasonally adjusted current price estimates show that total expenditure rose by 4% over the September quarter. By broad industry groupings, changes were: Finance, Property and Business Services up 15%, Mining up 8%, Other Selected Industries up 3% and Manufacturing down 2%. Most of the increase in Finance, Property and Business Services and Mining is attributable to increased expenditure on Buildings and Structures.

Expected New Capital Expenditure 1993-94

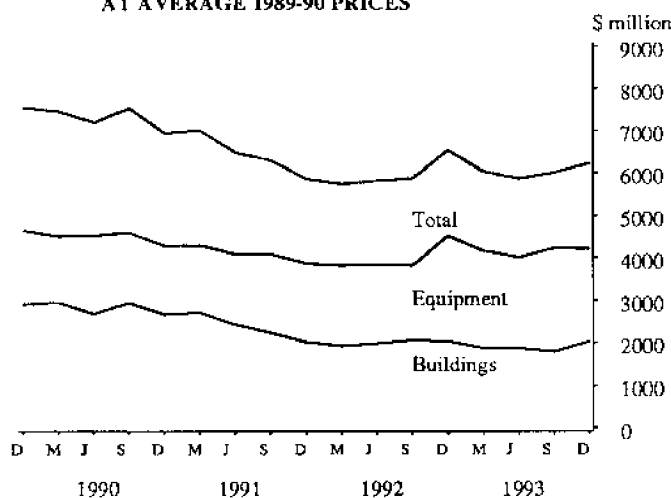
The latest estimate of expected new capital expenditure for 1993-94 is \$27,526m which is 7% higher than the September quarter's revised estimate for the same period, and 4% higher than the corresponding expectation for 1992-93 from the December 1992 survey. Compared with the actual expenditure recorded for 1992-93, an increase of 6% is expected in expenditure on Plant and Equipment and a 10% increase in Buildings and Structures.

The table below shows possible percentage changes in new capital expenditure between 1992-93 and 1993-94 using the relevant realisation ratios for the last completed year.

*% Change Expected Expenditure 1993-94
over Actual Expenditure 1992-93
(current prices)*

TOTAL	4
By Asset	
Building	-1
Equipment	7

**SEASONALLY ADJUSTED SERIES
AT AVERAGE 1989-90 PRICES**



Expected New Capital Expenditure 1994-95

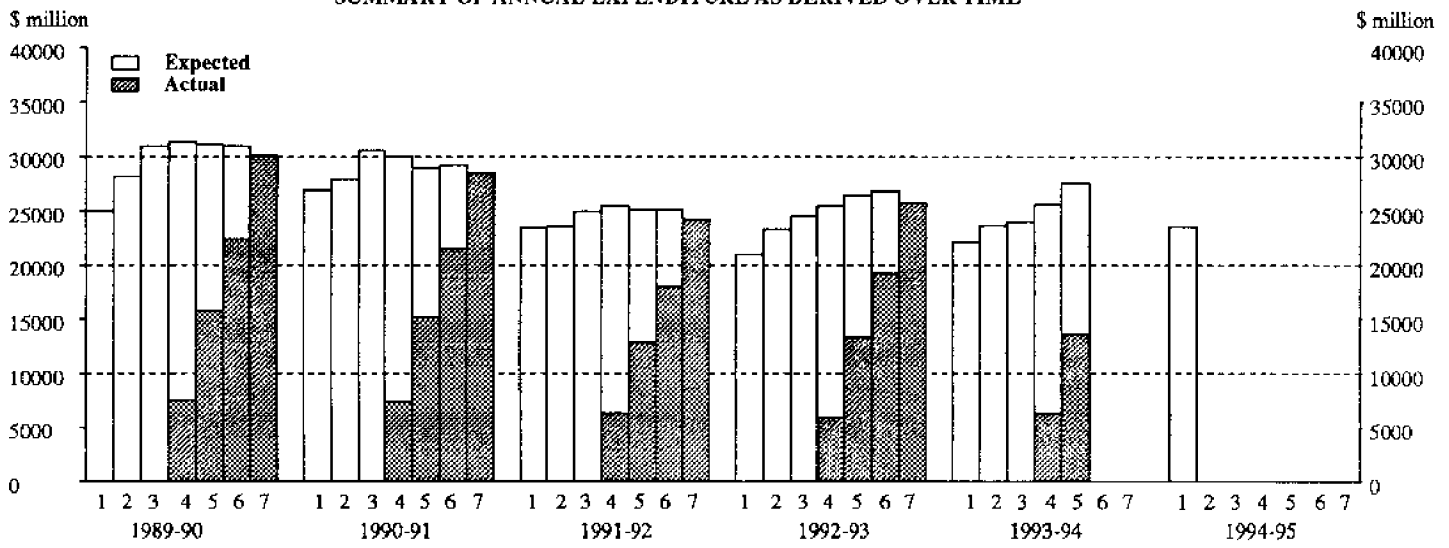
The first estimate of expected new capital expenditure for 1994-95 is \$23,549m. This is the highest first estimate since the one for 1990-91.

INQUIRIES

• for further information about statistics in this publication and the availability of related unpublished statistics, contact Bruce Jamieson on Canberra (06) 252 5611 or any ABS State Office.

• for information about other ABS statistics and services please contact Information Services on Canberra (06) 252 6627 252 5402 252 6007 or any ABS State office.

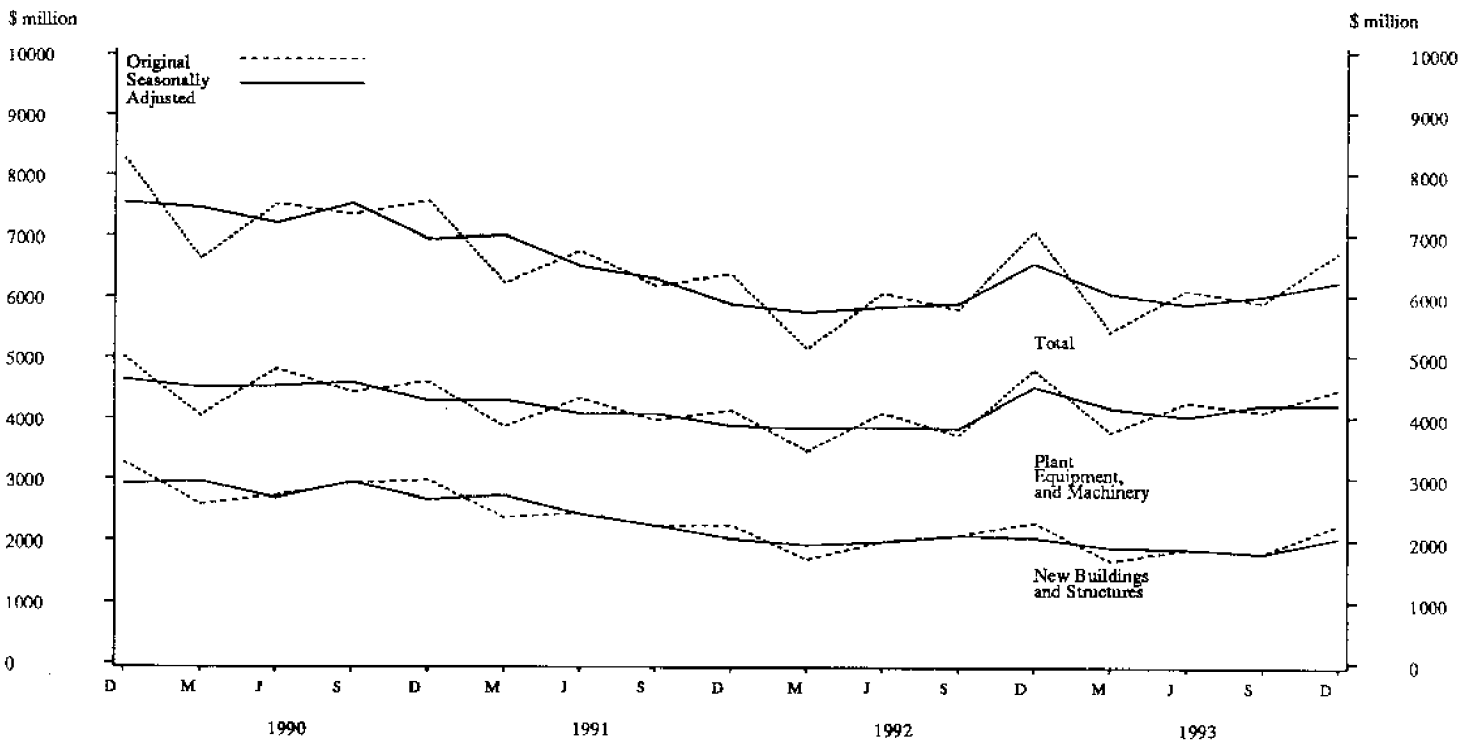
**GRAPH 1: PRIVATE NEW CAPITAL EXPENDITURE AUSTRALIA
SUMMARY OF ANNUAL EXPENDITURE AS DERIVED OVER TIME**



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

GRAPH 2: PRIVATE NEW CAPITAL EXPENDITURE AT 1989-90 PRICES.



**TABLE 1. ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET,
ORIGINAL SERIES
(\$ million)**

Type of Asset and Selected Industries	Actual												Expected (a)						
	1992-93						1993-94						6 Months to June 94	1993-94	1994-95				
	1991-92	1992-93	Sept. Qtr	Dec. Qtr	March Qtr	June Qtr	Sept. Qtr	Dec. Qtr	1993-94	1994-95									
BUILDINGS AND STRUCTURES																			
Finance, Property and Business Services	2,601	1,858	601	503	412	342	293	422	2,325	2,325	1,029	937	1,652	1,403					
Mining	2,239	2,813	649	705	652	806	781	1,046	2,485	2,485	1,259	1,777	3,605	3,061					
Manufacturing	1,053	1,012	213	294	234	272	232	230	6,786	6,786	3,474	536	998	672					
Other Selected Industries	2,193	2,048	586	736	337	389	459	536	7,457	7,457	3,652	1,223	2,218	2,242					
Total Buildings and Structures	8,085	7,731	2,049	2,237	1,636	1,808	1,765	2,234	19,053	19,053	9,413	4,474	8,473	7,378					
EQUIPMENT, PLANT AND MACHINERY																			
Finance, Property and Business Services	2,153	2,583	639	675	611	658	626	670	2,325	2,325	1,029	1,029	2,325	1,798					
Mining	1,968	2,320	506	621	548	645	593	634	2,507	2,507	1,259	1,259	2,485	2,507					
Manufacturing	5,805	6,059	1,355	1,610	1,318	1,776	1,555	1,757	6,786	6,786	3,474	3,474	6,786	6,222					
Other Selected Industries	6,233	7,075	1,420	2,272	1,735	1,648	1,823	1,982	7,457	7,457	3,652	3,652	7,457	5,643					
Total Equipment, Plant and Machinery	16,159	18,037	3,920	5,177	4,212	4,728	4,597	5,043	16,171	16,171	9,413	9,413	19,053	16,171					
TOTAL NEW CAPITAL EXPENDITURE																			
Finance, Property and Business Services	4,754	4,440	1,240	1,178	1,023	1,000	919	1,091	3,976	3,976	1,966	1,966	3,976	3,202					
Mining	4,206	5,133	1,155	1,326	1,201	1,451	1,374	1,680	6,090	6,090	3,036	3,036	6,090	5,568					
Manufacturing	1,178	1,433	321	389	314	409	383	419	1,820	1,820	1,018	1,018	1,820	1,656					
Food, Beverages and Tobacco	195	209	34	50	71	54	62	72	236	236	102	102	236	162					
Textiles, Clothing and Footwear	688	912	132	242	189	350	223	242	901	901	436	436	901	865					
Paper and Printing	919	900	227	288	170	216	182	216	917	917	519	519	917	870					
Chemicals, Petroleum and Coal Products	1,643	1,084	311	317	231	226	184	232	871	871	456	456	871	866					
Basic Metal Products	554	675	127	176	185	187	208	219	798	798	372	372	798	690					
Transport Equipment	667	730	182	174	131	242	205	270	844	844	369	369	844	681					
Fabricated Metal Products	1,014	1,127	234	268	261	364	341	318	1,397	1,397	738	738	1,397	1,105					
Other Manufacturing	6,858	7,071	1,568	1,904	1,552	2,048	1,787	1,987	7,784	7,784	4,010	4,010	7,784	6,894					
Total Manufacturing																			
Other Selected Industries	45	64	14	20	17	13	18	20	76	76	38	38	76	78					
Electricity, Gas and Water	844	1,065	288	260	228	289	363	303	1,183	1,183	518	518	1,183	576					
Construction	1,967	2,289	589	768	431	502	560	799	2,510	2,510	1,151	1,151	2,510	1,533					
Wholesale Trade	1,990	1,751	439	641	304	368	515	582	2,122	2,122	1,026	1,026	2,122	1,873					
Retail Trade	1,674	1,445	258	336	540	311	432	455	1,682	1,682	872	872	1,758	1,682					
Transport and Storage	1,905	2,308	419	982	552	556	396	360	2,026	2,026	1,270	1,270	2,026	2,142					
Other Non-Manufacturing	8,426	9,123	2,007	3,007	2,072	2,037	2,282	2,518	9,675	9,675	4,875	4,875	9,675	7,885					
Total Other Selected Industries																			
Total New Capital Expenditure	24,244	25,767	5,969	7,414	5,847	6,536	6,363	7,277	27,526	27,526	13,887	13,887	27,526	23,549					

(a) As reported by businesses. The series are not projections and have not been adjusted by the realisation ratios shown in TABLES 4 and 5. See paragraphs 14 to 20 of the explanatory notes.

TABLE 2. ACTUAL PRIVATE NEW CAPITAL EXPENDITURE FOR SELECTED INDUSTRIES AND TYPE OF ASSET
SEASONALLY ADJUSTED SERIES AND PERCENTAGE CHANGE

Selected Industries	\$ million												
	1992-93				1993-94				Percentage Change				
	Sept. Qtr	Dec. Qtr	March Qtr	June Qtr	Sept. Qtr	Dec. Qtr	March Qtr	June Qtr	Sept. Qtr	Dec. Qtr	Sept. Qtr	Dec. Qtr	
BUILDINGS AND STRUCTURES													
Finance, Property and Business Services	589	467	454	345	286	393	393	23	-21	-3	-24	-17	37
Mining	642	656	699	824	773	971	3	2	6	18	6	-6	26
Manufacturing	229	267	258	255	251	209	-9	17	-3	-1	-2	-2	-17
Other Selected Industries	577	608	439	389	449	443	-1	5	-28	-11	15	15	-1
<i>Total Buildings and Structures</i>	<i>2,037</i>	<i>1,998</i>	<i>1,850</i>	<i>1,813</i>	<i>1,758</i>	<i>2,016</i>	<i>5</i>	<i>-2</i>	<i>-7</i>	<i>-2</i>	<i>-3</i>	<i>-3</i>	<i>15</i>
EQUIPMENT, PLANT AND MACHINERY													
Finance, Property and Business Services	636	655	662	635	621	649	30	3	1	-4	-2	4	4
Mining	542	542	622	619	636	554	11	0	15	0	3	-13	
Manufacturing	1,435	1,506	1,466	1,633	1,647	1,643	0	5	-3	11	1	0	
Other Selected Industries	1,426	2,164	1,909	1,576	1,827	1,895	-11	52	-12	-17	16	4	
<i>Total Equipment, Plant and Machinery</i>	<i>4,039</i>	<i>4,867</i>	<i>4,658</i>	<i>4,462</i>	<i>4,731</i>	<i>4,742</i>	<i>1</i>	<i>20</i>	<i>-4</i>	<i>-4</i>	<i>6</i>	<i>0</i>	
TOTAL NEW CAPITAL EXPENDITURE													
Finance, Property and Business Services	1,225	1,121	1,115	979	907	1,042	26	-8	-1	-12	-7	15	
Mining	1,185	1,198	1,320	1,443	1,409	1,526	6	1	10	9	-2	8	
Manufacturing	1,664	1,773	1,725	1,888	1,898	1,852	-1	7	-3	9	1	-2	
Other Selected Industries	2,002	2,772	2,347	1,965	2,276	2,339	-8	38	-15	-16	16	3	
<i>Total New Capital Expenditure</i>	<i>6,076</i>	<i>6,865</i>	<i>6,508</i>	<i>6,275</i>	<i>6,490</i>	<i>6,759</i>	<i>2</i>	<i>13</i>	<i>-5</i>	<i>-4</i>	<i>3</i>	<i>4</i>	

TABLE 3. ACTUAL PRIVATE NEW CAPITAL EXPENDITURE AT AVERAGE 1989-90 PRICES (a) AND IMPLICIT PRICE DEFLATORS
SEASONALLY ADJUSTED SERIES

Period	\$ MILLION			PERCENTAGE CHANGE	
	Buildings and structures	Equipment, Plant and Machinery	TOTAL	Buildings and structures	Equipment, Plant and Machinery
1990-91	10,714	17,221	27,935	-6.6	-7.4
1991-92	8,104	15,574	23,679	-24.4	-9.6
1992-93	7,809	16,462	24,271	-3.6	5.7
1991-92—					
March	1,914	3,811	5,725	-4.4	-1.1
June	1,971	3,838	5,809	3.0	0.7
1992-93—					
September	2,057	3,814	5,871	4.4	-0.6
December	2,026	4,498	6,524	-1.5	17.9
March	1,876	4,148	6,024	-7.4	-7.8
June	1,850	4,002	5,852	-1.4	-3.5
1993-94—					
September	1,778	4,206	5,984	-3.9	5.1
December	2,024	4,189	6,214	13.9	-0.4
IMPLICIT PRICE DEFLATOR (1989-90 = 100.0)					
				PERCENTAGE CHANGE	
1990-91	102.2	102.2	102.2	2.2	2.2
1991-92	99.8	103.8	102.4	-2.4	1.5
1992-93	98.6	109.5	106.0	-1.2	5.5
1991-92—					
March	98.8	103.5	101.9	-1.2	0.1
June	98.3	104.5	102.4	-0.5	1.0
1992-93—					
September	99.0	105.9	103.5	0.7	1.3
December	98.6	108.2	105.2	-0.4	2.2
March	98.6	112.3	108.0	0.0	3.8
June	98.0	111.5	107.2	-0.6	-0.7
1993-94—					
September	98.9	112.5	108.5	0.9	0.9
December	99.6	113.2	108.8	0.7	0.6

(a) See paragraph 11 of the explanatory notes.

TABLE 4. ACTUAL AND EXPECTED (a) PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS,
BY TYPE OF ASSET

Financial Year	12 months expectation as reported in Jan-Feb of previous financial year (Estimate 1)	12 months expectation as reported in April-May of previous financial year (Estimate 2)	12 Months expectation as reported in July-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 April-May (Estimate 6)	12 months actual (Estimate 7)
	TOTAL NEW CAPITAL EXPENDITURE (\$ MILLION)						
1989-90	25,032	28,150	30,899	31,332	31,076	30,888	30,078
1990-91	26,931	27,903	30,538	30,029	28,918	29,188	28,480
1991-92	23,449	23,536	24,964	25,486	25,120	25,156	24,244
1992-93	20,974	23,336	24,549	25,499	26,514	26,874	25,767
1993-94	22,176	23,686	23,981	25,591	27,526	n.y.a.	n.y.a.
1994-95	23,549	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
	RATIO OF ACTUAL EXPENDITURE TO EACH PROGRESSIVE ESTIMATE						
1988-89	1.48	1.36	1.12	1.05	1.01	0.98	1.00
1989-90	1.20	1.07	0.97	0.96	0.97	0.97	1.00
1990-91	1.06	1.02	0.93	0.95	0.98	0.98	1.00
1991-92	1.03	1.03	0.97	0.95	0.97	0.96	1.00
1992-93	1.23	1.10	1.05	1.01	0.97	0.96	1.00
5 Year average	1.20	1.12	1.01	0.98	0.98	0.97	1.00
	PERCENTAGE CHANGE OVER PREVIOUS ESTIMATE FOR SAME FINANCIAL YEAR						
1989-90	..	12.5	9.8	1.4	-0.8	-0.6	-2.6
1990-91	..	3.6	9.4	-1.7	-3.7	0.9	-2.4
1991-92	..	0.4	6.1	2.1	-1.4	0.1	-3.6
1992-93	..	11.3	5.2	3.9	4.0	1.4	-4.1
1993-94	..	6.8	1.2	6.7	7.6	n.y.a.	n.y.a.
	PERCENTAGE CHANGE OVER CORRESPONDING ESTIMATE FOR PREVIOUS FINANCIAL YEAR						
1989-90	25.9	29.6	17.0	12.1	6.6	2.9	2.0
1990-91	7.6	-0.9	-1.2	-4.2	-6.9	-5.5	-5.3
1991-92	-12.9	-15.6	-18.3	-15.1	-13.1	-13.8	-14.9
1992-93	-10.6	-0.9	-1.7	0.1	5.5	6.8	6.3
1993-94	5.7	1.5	-2.3	0.4	3.8	n.y.a.	n.y.a.
1994-95	6.2	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

(a) See paragraphs 14 to 20 of the explanatory notes.

TABLE 4. ACTUAL AND EXPECTED (a) PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS.
BY TYPE OF ASSET—continued

Financial Year	12 months expectation as reported in Jan-Feb of previous financial year (Estimate 1)	12 months expectation as reported in April-May of previous financial year (Estimate 2)	12 Months expectation as reported in July-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 April-May (Estimate 6)	12 months actual (Estimate 7)
BUILDINGS AND STRUCTURES (\$ MILLION)							
1989-90	11,308	12,816	13,257	12,654	12,533	12,010	11,464
1990-91	10,957	11,186	11,789	11,715	11,405	11,616	10,906
1991-92	8,783	8,673	9,043	9,084	8,795	8,397	8,085
1992-93	6,658	7,248	7,729	7,998	8,589	8,240	7,731
1993-94	7,437	7,755	7,402	7,784	8,473	n.y.a.	n.y.a.
1994-95	7,378	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
RATIO OF ACTUAL EXPENDITURE TO EACH PROGRESSIVE ESTIMATE							
1988-89	1.50	1.23	1.00	0.95	0.94	0.94	1.00
1989-90	1.01	0.89	0.86	0.91	0.91	0.95	1.00
1990-91	1.00	0.97	0.93	0.93	0.96	0.94	1.00
1991-92	0.92	0.93	0.89	0.89	0.92	0.96	1.00
1992-93	1.16	1.07	1.00	0.97	0.90	0.94	1.00
5 Year average	1.12	1.02	0.94	0.93	0.93	0.95	1.00
EQUIPMENT, PLANT AND MACHINERY (\$ MILLION)							
1989-90	13,724	15,334	17,642	18,679	18,543	18,878	18,613
1990-91	15,973	16,717	18,748	18,313	17,513	17,571	17,575
1991-92	14,665	14,864	15,921	16,402	16,325	16,688	16,159
1992-93	14,317	16,088	16,820	17,501	17,925	18,635	18,037
1993-94	14,741	15,930	16,579	17,807	19,053	n.y.a.	n.y.a.
1994-95	16,171	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
RATIO OF ACTUAL EXPENDITURE TO EACH PROGRESSIVE ESTIMATE							
1988-89	1.47	1.44	1.20	1.13	1.06	1.01	1.00
1989-90	1.36	1.21	1.06	1.00	1.00	0.99	1.00
1990-91	1.10	1.05	0.94	0.96	1.00	1.00	1.00
1991-92	1.10	1.09	1.01	0.99	0.99	0.97	1.00
1992-93	1.26	1.12	1.07	1.03	1.01	0.97	1.00
5 Year average	1.26	1.18	1.06	1.02	1.01	0.99	1.00

(a) See paragraphs 14 to 20 of the explanatory notes.

TABLE 5. ACTUAL AND EXPECTED (a) PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS,
BY SELECTED INDUSTRIES

Financial Year	12 months expectation as reported in Jan-Feb of previous financial year (Estimate 1)	12 months expectation as reported in April-May of previous financial year (Estimate 2)	12 Months expectation as reported in July-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 April-May (Estimate 6)	12 months actual (Estimate 7)
FINANCE, PROPERTY AND BUSINESS SERVICES (\$ MILLION)							
1989-90	8,193	9,223	8,996	8,981	9,170	8,871	8,476
1990-91	7,822	7,554	7,995	7,704	7,048	7,220	6,758
1991-92	4,984	4,988	5,004	5,137	5,021	5,088	4,754
1992-93	3,534	3,793	3,689	4,230	4,660	4,723	4,440
1993-94	3,441	3,636	3,241	3,578	3,976	n.y.a.	n.y.a.
1994-95	3,202	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
RATIO OF ACTUAL EXPENDITURE TO EACH PROGRESSIVE ESTIMATE							
1988-89	1.63	1.39	1.09	1.04	1.01	0.96	1.00
1989-90	1.03	0.92	0.94	0.94	0.92	0.96	1.00
1990-91	0.86	0.89	0.88	0.88	0.96	0.94	1.00
1991-92	0.95	0.95	0.95	0.93	0.95	0.93	1.00
1992-93	1.26	1.17	1.20	1.05	0.95	0.94	1.00
5 Year average	1.15	1.07	1.01	0.97	0.96	0.95	1.00
MINING (\$ MILLION)							
1989-90	3,090	3,969	4,176	4,298	4,257	4,094	3,904
1990-91	4,191	4,332	4,889	4,780	4,864	4,746	4,566
1991-92	4,540	4,687	4,989	4,948	4,713	4,525	4,206
1992-93	4,566	4,803	5,348	5,371	5,681	5,473	5,133
1993-94	6,418	6,543	6,554	6,446	6,090	n.y.a.	n.y.a.
1994-95	5,568	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
RATIO OF ACTUAL EXPENDITURE TO EACH PROGRESSIVE ESTIMATE							
1988-89	1.21	1.20	0.93	0.90	0.91	0.94	1.00
1989-90	1.26	0.98	0.93	0.91	0.92	0.95	1.00
1990-91	1.09	1.05	0.93	0.96	0.94	0.96	1.00
1991-92	0.93	0.90	0.84	0.85	0.89	0.93	1.00
1992-93	1.12	1.07	0.96	0.96	0.90	0.94	1.00
5 Year average	1.12	1.04	0.92	0.91	0.91	0.94	1.00

(a) See paragraphs 14 to 20 of the explanatory notes.

TABLE 5. ACTUAL AND EXPECTED (a) PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS,
BY SELECTED INDUSTRIES —continued

Financial Year	12 months expectation as reported in Jan-Feb of previous financial year (Estimate 1)	12 months expectation as reported in April-May of previous financial year (Estimate 2)	12 Months as reported in July-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 April-May (Estimate 6)	12 months actual (Estimate 7)
MANUFACTURING (\$ MILLION)							
1989-90	7,444	7,957	8,773	8,852	8,698	8,719	8,526
1990-91	7,637	8,164	8,827	8,262	7,948	7,815	7,508
1991-92	7,859	7,744	7,589	7,705	7,524	7,306	6,858
1992-93	7,280	7,813	7,838	7,695	7,456	7,438	7,071
1993-94	6,271	6,814	7,413	7,702	7,784	n.y.a.	n.y.a.
1994-95	6,894	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
RATIO OF ACTUAL EXPENDITURE TO EACH PROGRESSIVE ESTIMATE							
1988-89	1.39	1.25	1.09	1.00	0.96	0.96	1.00
1989-90	1.15	1.07	0.97	0.96	0.98	0.98	1.00
1990-91	0.98	0.92	0.85	0.94	0.96	0.96	1.00
1991-92	0.87	0.89	0.90	0.89	0.91	0.94	1.00
1992-93	0.97	0.90	0.90	0.92	0.95	0.95	1.00
5 Year average	1.07	1.01	0.94	0.94	0.95	0.96	1.00
OTHER SELECTED INDUSTRIES (\$ MILLION)							
1989-90	6,305	7,001	8,953	9,201	8,951	9,205	9,172
1990-91	7,281	7,853	8,826	9,283	9,059	9,406	9,648
1991-92	6,065	6,118	7,383	7,696	7,862	8,238	8,426
1992-93	5,594	6,928	7,674	8,202	8,717	9,240	9,123
1993-94	6,046	6,692	6,774	7,865	9,675	n.y.a.	n.y.a.
1994-95	7,885	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
RATIO OF ACTUAL EXPENDITURE TO EACH PROGRESSIVE ESTIMATE							
1988-89	1.59	1.51	1.26	1.20	1.11	1.04	1.00
1989-90	1.45	1.31	1.02	1.00	1.02	1.00	1.00
1990-91	1.33	1.23	1.09	1.04	1.07	1.03	1.00
1991-92	1.39	1.38	1.14	1.09	1.07	1.02	1.00
1992-93	1.63	1.32	1.19	1.11	1.05	0.99	1.00
5 Year average	1.48	1.35	1.14	1.09	1.06	1.01	1.00

(a) See paragraphs 14 to 20 of the explanatory notes.

TABLE 6. RATIO OF ACTUAL TO SHORT TERM EXPECTED PRIVATE NEW CAPITAL EXPENDITURE (a)
BY SELECTED INDUSTRIES AND TYPE OF ASSET

Financial Year	Three Months Ending		Six Months Ending	
	31 December (Collected in September Survey)	30 June (Collected in March Survey)	31 December (Collected in June Survey)	30 June (Collected in December Survey)
FINANCE, PROPERTY AND BUSINESS SERVICES				
1989-90	0.84	0.84	0.96	0.86
1990-91	0.84	0.77	0.92	0.91
1991-92	0.93	0.75	0.95	0.88
1992-93	1.04	0.78	1.25	0.90
1993-94	1.13	n.y.a.	1.16	n.y.a.
5 Year average	0.96	0.80	1.05	0.91
MINING				
1989-90	0.89	0.84	0.92	0.84
1990-91	0.91	0.87	0.90	0.88
1991-92	0.80	0.78	0.85	0.80
1992-93	0.84	0.81	0.87	0.83
1993-94	0.94	n.y.a.	0.97	n.y.a.
5 Year average	0.88	0.82	0.90	0.84
MANUFACTURING				
1989-90	0.88	0.93	0.94	0.96
1990-91	0.86	0.86	0.86	0.89
1991-92	0.86	0.80	0.90	0.83
1992-93	0.83	0.85	0.84	0.90
1993-94	0.86	n.y.a.	0.96	n.y.a.
5 Year average	0.86	0.86	0.90	0.90
OTHER SELECTED INDUSTRIES				
1989-90	1.02	0.98	1.14	1.06
1990-91	0.99	1.12	1.08	1.15
1991-92	0.98	1.09	1.06	1.16
1992-93	1.09	0.95	1.17	1.11
1993-94	1.21	n.y.a.	1.33	n.y.a.
5 Year average	1.06	1.06	1.16	1.14
TOTAL SELECTED INDUSTRIES				
1989-90	0.91	0.90	1.00	0.93
1990-91	0.90	0.91	0.94	0.97
1991-92	0.90	0.87	0.95	0.93
1992-93	0.95	0.86	1.02	0.94
1993-94	1.02	n.y.a.	1.10	n.y.a.
5 Year average	0.94	0.90	1.00	0.96
BUILDINGS AND STRUCTURES				
1989-90	0.88	0.83	0.93	0.83
1990-91	0.91	0.78	0.99	0.91
1991-92	0.90	0.86	0.91	0.84
1992-93	0.97	0.78	1.05	0.80
1993-94	1.07	n.y.a.	1.07	n.y.a.
5 Year average	0.95	0.82	0.99	0.85
EQUIPMENT, PLANT AND MACHINERY				
1989-90	0.93	0.95	1.05	1.01
1990-91	0.89	1.00	0.92	1.01
1991-92	0.90	0.89	0.98	0.98
1992-93	0.95	0.89	1.00	1.01
1993-94	1.00	n.y.a.	1.11	n.y.a.
5 Year average	0.93	0.95	1.01	1.03

(a) See paragraphs 14 to 20 of the explanatory notes.

TABLE 7. APPROXIMATE RELATIVE STANDARD ERRORS (a) OF PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET
(per cent)

	<i>Total Expenditure</i>	<i>Quarter to Quarter Movement</i>
FINANCE		
Buildings and Structures	7.3	11.2
Equipment, Plant and Machinery	5.5	7.6
<i>Total Finance</i>	<i>5.1</i>	<i>6.2</i>
MINING		
Buildings and Structures	3.8	1.7
Equipment, Plant and Machinery	6.0	3.9
<i>Total Mining</i>	<i>4.2</i>	<i>2.5</i>
MANUFACTURING		
Buildings and Structures	2.0	4.0
Equipment, Plant and Machinery	1.8	1.6
Food, Beverages and Tobacco	2.6	2.3
Textiles, Clothing and Footwear	8.7	17.5
Paper and Printing	3.8	6.4
Chemicals, Petroleum and Coal Products	8.2	3.1
Basic Metal Products	0.4	0.3
Transport Equipment	0.8	1.0
Fabricated Metal Products	18.2	18.7
Other Manufacturing	4.5	4.4
<i>Total Manufacturing</i>	<i>1.8</i>	<i>1.5</i>
OTHER SELECTED INDUSTRIES		
Buildings and Structures	5.9	8.0
Equipment, Plant and Machinery	4.2	7.4
Electricity, Gas and Water	1.5	1.3
Construction	9.6	13.1
Wholesale Trade	6.1	8.2
Retail Trade	11.4	14.9
Transport and Storage	8.6	11.4
Other Non-Manufacturing	11.4	16.6
<i>Total Other Selected Industries</i>	<i>4.3</i>	<i>5.9</i>
TOTAL ALL INDUSTRIES		
Buildings and Structures	3.1	4.4
Equipment, Plant and Machinery	1.9	2.9
Total New Capital Expenditure	2.0	2.4

(a) See paragraphs 29 to 31 of the explanatory notes.

EXPLANATORY NOTES

Introduction

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.

2. These estimates replace and expand on the preliminary estimates previously published in *Private New Capital Expenditure Australia, Preliminary* (5625.0) released on 1 March 1994.

Scope of the survey

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

4. Because of various collection and compilation difficulties, the statistics in this publication exclude estimates relating to agriculture and community services industries. The construction industry data, whilst collected previously, has only been published since June quarter 1990. From the June quarter 1989, unincorporated non-employing units were excluded from the scope of the ABS central register of economic units. From that date, new businesses in this category were not added to the register. Units in this category which were already on the register have been deleted in various stages.

Methodology

5. This quarterly survey is based on a stratified random sample of private business units recorded on the ABS central register of economic units. The sample consists of approximately 8000 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.

Statistical unit

6. From the beginning of 1989, the ABS has introduced a new statistical unit known as the management unit. This unit is defined as:

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 (ie company, partnership, trust, sole operator, etc). In the case of large diversified businesses, however, there may be more than one management unit, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it.

7. The management unit is being implemented on the ABS central register of economic units and included in this survey as reporting arrangements are finalised. Where the management unit has not yet been implemented the statistical unit is still the operating legal entity as presently recorded on the ABS central register of economic units.

Classification by industry

8. In order to classify new capital expenditure by industry, each statistical unit (as defined above) is classified to the Australian Standard Industrial Classification (ASIC) industry in which it *mainly* operates.

9. 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 ASIC industry in which it mainly operates even though it may have activities in other industries.

10. The industries shown in this publication are detailed below. The numbers in brackets relate to the ASIC subdivisions as defined in the 1983 edition of ASIC.

MINING (11-16)

MANUFACTURING (21-34)

- Food, Beverages and Tobacco (21)
- Textiles, Clothing and Footwear (23,24)
- Paper and Printing, including paper, paper products, printing and publishing (26)
- Chemicals, Petroleum and Coal Products, including chemicals, fertilizers, paints, explosives, cosmetics, oil refining and coal products (27)
- Basic Metal Products (29)
- Transport Equipment (32)
- Fabricated Metal Products, including other industrial machinery and equipment and household appliances (31-33)
- Other Manufacturing, including wood, wood products and furniture (except sheet metal), glass, clay and other non metallic mineral products, and other manufacturing n.e.c. (25,28,34)

FINANCE, PROPERTY AND BUSINESS SERVICES (61-63)

OTHER SELECTED INDUSTRIES (36-59, 91-93)

- Electricity, Gas and Water including sewerage and drainage (36-37)
- Construction, including house and other residential and non-residential building, non building construction and special trade construction (41-42)
- Wholesale Trade (47)
- Retail Trade (48)
- Transport and Storage, including road, rail and air transport, shipping, stevedoring and storage (51-58)
- Other Non-Manufacturing, including communication, entertainment, recreation, restaurants, hotels and personal services (59, 91-93)

TOTAL INDUSTRIES, excluding public sector and all industries classified to Agriculture, Forestry, Fishing and Hunting, and Community Services.

Estimates at 1989-90 prices

11. Estimates at 1989-90 prices are presented, by type of asset, in seasonally adjusted terms 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'.

Sample revision

12. Each year the survey frame and the sample are revised prior to the June quarter survey to ensure that they remain representative of the survey population. In the course of this revision some of the business units from the sample strata are rotated out of the sample and replaced by others to spread the reporting workload equitably. As a check on comparability, information is collected from both the old and revised samples for the June quarter. In this publication, estimates derived from a June quarter survey are based on the newer of the two samples.

13. Estimates of level derived from the new sample may differ from estimates derived from the old sample. These differences are due to several factors including changes in the composition of the population and sample, reclassification of some statistical units to different industries and inadequate provisions in the old sample estimate for new businesses commencing during the year. Where differences have been found to be significant, adjustments have been made to data for prior quarters to minimise the impact on movements between March and June quarter survey estimates.

Timing and construction of survey cycle

14. 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.

15. Businesses are requested to provide 3 basic figures each survey:

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

16. The design of the survey cycle readily facilitates formation of estimates of expenditure for financial years (12 months ending 30 June). For instance, as the table below shows, the first estimate for 1993-94 was available from the December 1992 survey as a longer term expectation (E2). It was subsequently revised in the March 1993 survey (again as a longer term expectation) and in the June 1993 survey as the sum of two expectations (E1 + E2). In the September and subsequent surveys the estimate is updated, being derived as the sum of actual expenditure (for that part of the year completed) and expected expenditure for the remainder of the year. Finally, the seventh estimate from the June quarter 1994 survey, will be derived by summing the actual expenditure for each of the four quarters.

Derivation and usefulness of realisation ratios

17. 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

SURVEY OF PRIVATE NEW CAPITAL EXPENDITURE - REPORTING CYCLE

Survey Quarter	Financial Year Estimate Obtained(a)		Period to which reported data relate(b)											
	1993-94	1994-95	1992-93			1993-94				1994-95				
			Dec	Mar	June	Sept	Dec	Mar	June	Sept	Dec	Mar	June	
Dec 92	1	—	ACT	E1		E2								
Mar 93	2	—	ACT	ACT	E1	E2								
June 93	3	—	ACT	ACT	ACT	E1	E2							
Sept 93	4	—				ACT	E1	E2						
Dec 93	5	1				ACT	ACT	E1		E2				
Mar 94	6	2				ACT	ACT	ACT	E1	E2				
June 94	7	3				ACT	ACT	ACT	ACT	E1	E2			

(a) These numbers align with the numbers associated with financial year estimates shown in Graph 1 and Tables 4 and 5.

(b) ACT represents actual expenditure for that quarter. E1 and E2 represent estimates of short term and longer term expected expenditure respectively.

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).

18. Realisation ratios provide an important tool in understanding and interpreting expectations statistics for future periods. The application of realisation ratios enables the adjustment of expectations data for known under (or over) realisation patterns in the past and hence provides a valid basis for comparison with other expectations data and actual expenditure estimates. For example, if one wished to predict actual expenditure for 1993-94 based on the June 1993 survey results and compare this with 1992-93 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.

19. There are many ways in which realisation factors can be applied to make predictions of actual expenditure for a future period. For instance, the adjusted estimates shown on page 1 of this publication were derived using realisation ratios which are the average of the latest available five observations. A range of realisation ratios for both type of asset and industry estimates is provided in Tables 4 and 5.

20. 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

21. *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.

22. Some estimates are dissected by type of asset:
(a) *New 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.

(b) *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 goods imported for the first time whether previously used outside Australia or not. Excludes goods previously used in Australia.

Seasonal adjustment

23. 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.

24. 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. Particular care should be taken in interpreting quarter to quarter movements in the adjusted series in the publication.

25. Seasonally adjusted estimates of new capital expenditure for the industry components of Total Manufacturing and Other Selected Industries are calculated and are available upon request. However, additional cautionary notes apply to these data.

26. 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 March quarter 1993 survey. Data for periods after March 1993 are seasonally adjusted on the basis of extrapolation of historical patterns. 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. For this reason, additional care should be exercised when interpreting movements in seasonally adjusted data for recent quarters.

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

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

Reliability of the estimates

29. Since 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. 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.

30. 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. The relative standard errors for estimates of quarterly level and quarter to quarter movements are shown in Table 7. The estimates of movement between March and June quarters are subject to somewhat higher standard errors than those shown due to the annual revisions made to the sample of businesses selected.

31. 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. The major ones of concern and which may affect the data are:

- (a) misreporting of data by respondents, and
- (b) deficiencies in the central register of economic units particularly in respect of small units.

Every effort is made to reduce the non-sample error to a minimum by careful design of questionnaires, efficient editing and operating procedures and appropriate methodology.

Comparability with National Accounts estimates

32. 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:

(a) 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.

(b) National Accounts estimates include the capital expenditure by all private businesses including units classified to agriculture, forestry, fishing and hunting and community services industries and the capi-

tal expenditure on dwellings by households. Data for these sectors are excluded from this publication.

(c) The 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 purchaser (if in scope), when the project is sold.

(d) 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.

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

33. Users may also wish to refer to the following publications:

Private New Capital Expenditure, Australia, Actual and Expected Expenditure, Preliminary (5625.0)- issued quarterly

State Estimates of Private New Capital Expenditure, (5646.0)-issued quarterly

Company Profits, Australia (5651.0)-issued quarterly

Stocks, Manufacturers' Sales and Expected Sales, Australia (5629.0)-issued quarterly

Australian National Accounts. National Income, Expenditure and Product (5206.0)-issued quarterly

34. Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (1101.0). The ABS also issues on Tuesdays and Fridays a *Publications Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and Publications Advice are available from any ABS office.

Unpublished data

35. 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 ASIC group (3 digit) level for the Manufacturing industry.

Symbols and other usages

na	not applicable
n.y.a.	not yet available
r	figure revised since previous issue
n.e.c.	not elsewhere classified
ASIC	Australian Standard Industrial Classification 1983 edition

RICHARD MADDEN
Acting Australian Statistician



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