

**STATE ESTIMATES OF PRIVATE NEW CAPITAL EXPENDITURE  
MARCH QUARTER 1996**

Note 1 The seasonally adjusted estimates for States should be interpreted with care. Refer to paragraphs 27 to 33 of the explanatory notes.  
Note 2 This publication is based on final results from the March quarter 1996 survey.

**MAIN FEATURES**

**Actual Expenditure - March Quarter 1996**

The Australian total capital expenditure trend estimates (in constant price terms) have been rising since the March quarter 1992. The rise of 1.5% in the March quarter 1996 follows rises of 1.2%, 0.7% and 1.4% for the December, September and June quarters of 1995, respectively.

**State Estimates - March Quarter 1996**

Trend estimates (in current price terms) for the March quarter 1996 for each state, together with the percentage change over the revised December quarter 1995, are detailed below.

State	March qtr 1996 trend estimates	
	value \$m	% change on Dec qtr 1995
NSW	3,026	3.3
Vic	2,199	4.6
Qld	1,332	-0.4
SA	429	-1.6
WA	1,858	0.4
Tas	154	1.3
Aust (a)	9,233	1.9

(a) Includes NT and ACT, and differences associated with the independent application of seasonal factors at state and Australian level (see paragraph 29 of the explanatory notes).

**Changes in expenditure - 12 months to March 1996**

Private new capital expenditure (in original terms) rose by 9.4% in the 12 months to March 1996 compared with the 12 months to March 1995. Expenditure in Queensland rose by 18.0%, Victoria by 14.2%, Western Australia by 8.9%, Tasmania by 6.4% and New South Wales by 5.8%. Expenditure in South Australia fell by 12.2%.

State	12 months to Mar 1995		12 months to Mar 1996	% change
	\$m	\$m		
NSW	11,158	11,804	5.8	
Vic	7,251	8,278	14.2	
Qld	4,669	5,508	18.0	
SA	2,010	1,765	-12.2	
WA	6,725	7,321	8.9	
Tas	598	636	6.4	
Aust (a)	33,031	36,136	9.4	

(a) Include NT and ACT

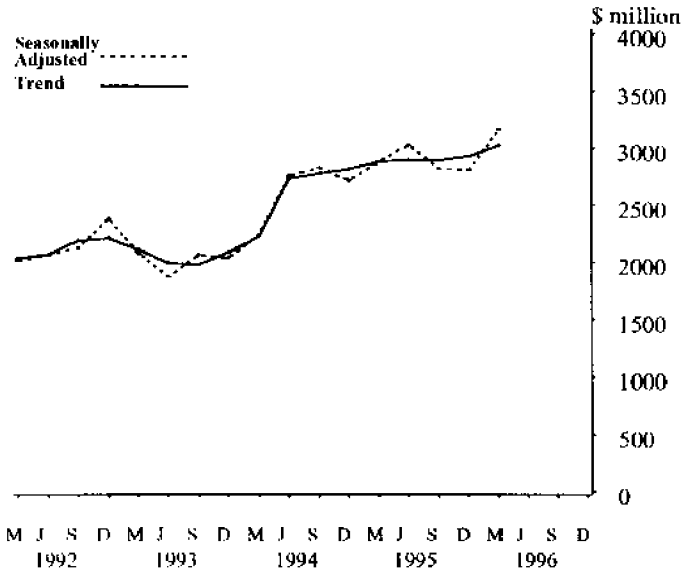
**Expected Expenditure**

From the March quarter 1996 survey the revised sixth estimate of expected expenditure in 1995-96 is \$38,293m. This is 11.5% higher than the revised actual expenditure estimate for 1994-95 (\$34,336m). If the realisation ratio from the last completed year (0.99) was applied to the latest expectations for 1995-96, the outcome for 1995-96 would be an increase of 10.4% over 1994-95.

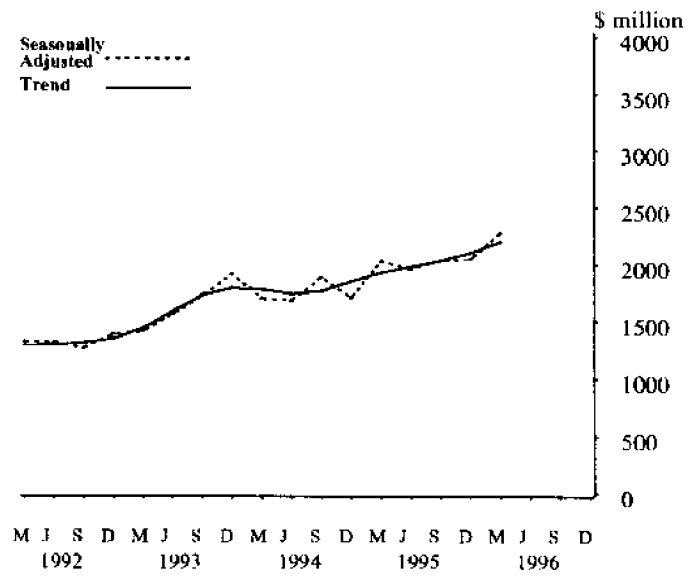
The revised estimate of expected expenditure in 1996-97 is \$36,098m.

**INQUIRIES** • for further information about statistics in this publication and the availability of related unpublished statistics, contact John Stamolis on (02) 268 4241 or any ABS State Office.  
• for information about other ABS statistics and services please refer to the back page of this publication

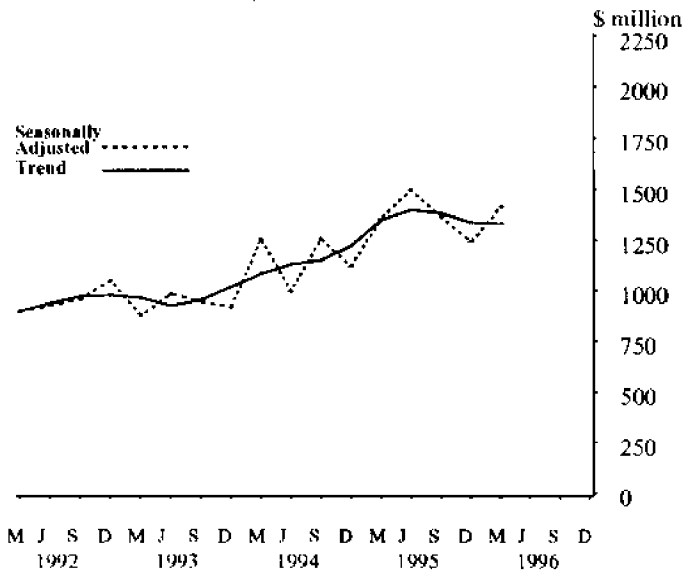
**NEW SOUTH WALES**



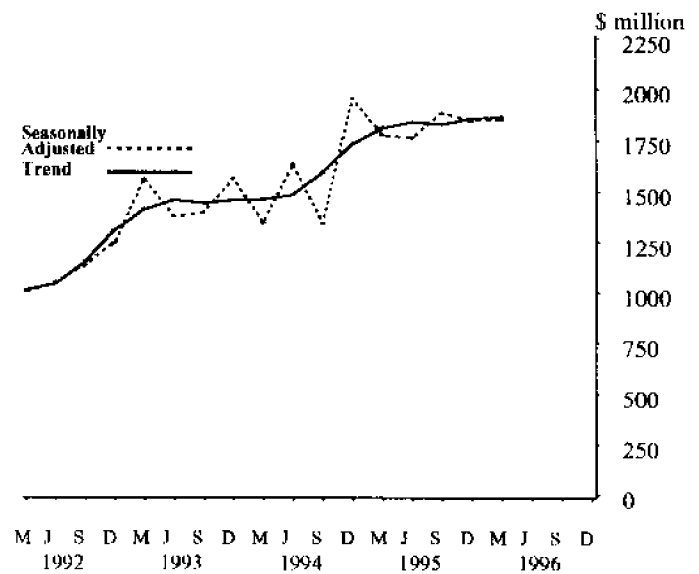
**VICTORIA**



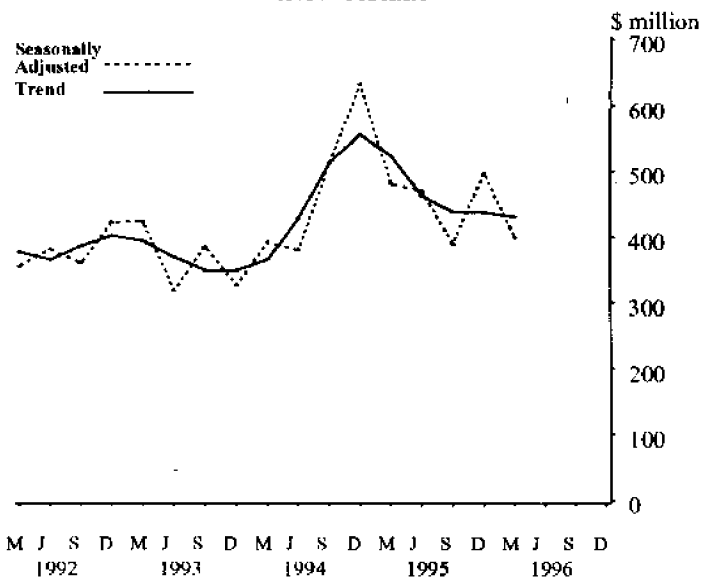
**QUEENSLAND**



**WESTERN AUSTRALIA**



**SOUTH AUSTRALIA**



**TASMANIA**

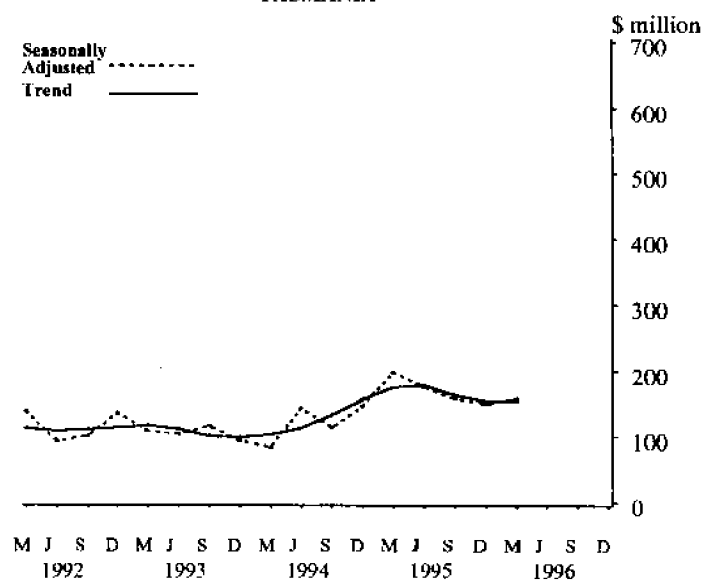




TABLE 2 — ACTUAL PRIVATE NEW CAPITAL EXPENDITURE, AUSTRALIA  
 BY SELECTED INDUSTRIES AND TYPE OF ASSET  
 AVERAGE 1989-90 PRICES (revised)  
 (\$ million)

Selected Industries and Type of Asset	1994-95				1995-96			
	1993-94	1994-95	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
ORIGINAL								
Mining	5,315	6,142	1,741	1,468	1,615	1,497	1,695	1,558
Manufacturing	6,946	8,923	2,146	2,129	2,648	2,069	2,268	2,210
Other Selected Industries	14,554	17,377	4,837	3,781	4,579	4,572	5,288	4,256
<b>Total New Capital Expenditure</b>	<b>26,814</b>	<b>32,442</b>	<b>8,723</b>	<b>7,378</b>	<b>8,842</b>	<b>8,137</b>	<b>9,250</b>	<b>7,824</b>
Buildings and Structures Equipment, Plant and Machinery	8,151	8,566	2,252	2,145	2,261	2,425	3,058	2,117
	18,663	23,876	6,471	5,233	6,581	5,712	6,192	5,707
SEASONALLY ADJUSTED								
Mining	5,303	6,146	1,575	1,658	1,561	1,537	1,533	1,535
Manufacturing	6,917	8,892	2,023	2,415	2,382	2,147	2,140	2,528
Other Selected Industries	14,556	17,347	4,430	4,217	4,519	4,627	4,863	4,689
<b>Total New Capital Expenditure</b>	<b>26,776</b>	<b>32,385</b>	<b>8,019</b>	<b>8,289</b>	<b>8,461</b>	<b>8,311</b>	<b>8,536</b>	<b>8,751</b>
Buildings and Structures Equipment, Plant and Machinery	8,118	8,531	2,179	2,326	2,173	2,418	2,954	2,236
	18,658	23,854	5,839	5,964	6,289	5,893	5,582	6,515
TREND								
Mining	5,314	6,148	1,538	1,607	1,595	1,549	1,530	1,531
Manufacturing	6,926	8,788	2,182	2,300	2,297	2,245	2,254	2,355
Other Selected Industries	14,447	17,387	4,311	4,356	4,486	4,642	4,754	4,780
<b>Total New Capital Expenditure</b>	<b>26,687</b>	<b>32,323</b>	<b>8,031</b>	<b>8,263</b>	<b>8,378</b>	<b>8,435</b>	<b>8,538</b>	<b>8,666</b>
Buildings and Structures Equipment, Plant and Machinery	8,063	8,652	2,110	2,197	2,351	2,490	2,574	2,560
	18,623	23,670	5,921	6,065	6,027	5,945	5,965	6,106

TABLE 3—ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY STATE (a) AND TYPE OF ASSET  
ORIGINAL SERIES  
(\$ million)

State	1994-95				1995-96			
	1993-04	1994-95	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
BUILDINGS AND STRUCTURES								
New South Wales	1,786	2,245	576	559	507	600	781	646
Victoria	1,485	1,535	365	342	539	553	692	499
Queensland	1,429	1,822	444	424	532	367	413	350
South Australia	356	351	77	65	58	70	87	72
Western Australia	2,753	2,367	741	691	550	737	968	512
Tasmania	100	133	19	46	41	51	47	44
<b>Australia (a)</b>	<b>8,099</b>	<b>8,635</b>	<b>2,269</b>	<b>2,172</b>	<b>2,286</b>	<b>2,477</b>	<b>3,152</b>	<b>2,224</b>
EQUIPMENT, PLANT AND MACHINERY								
New South Wales	7,308	9,204	2,410	1,985	2,681	2,126	2,317	2,148
Victoria	5,546	5,998	1,495	1,424	1,463	1,519	1,540	1,474
Queensland	2,635	3,404	757	747	1,119	937	909	880
South Australia	1,128	1,755	607	381	436	290	449	304
Western Australia	3,202	4,491	1,480	901	1,174	1,087	1,151	1,143
Tasmania	341	503	129	129	170	95	92	96
<b>Australia (a)</b>	<b>20,628</b>	<b>25,701</b>	<b>6,972</b>	<b>5,634</b>	<b>7,105</b>	<b>6,137</b>	<b>6,591</b>	<b>6,163</b>
TOTAL NEW CAPITAL EXPENDITURE								
New South Wales	9,094	11,449	2,985	2,544	3,187	2,726	3,098	2,793
Victoria	7,031	7,533	1,860	1,765	2,002	2,071	2,232	1,973
Queensland	4,064	5,226	1,200	1,171	1,651	1,304	1,323	1,230
South Australia	1,484	2,106	684	446	494	360	536	375
Western Australia	5,954	6,857	2,220	1,592	1,724	1,823	2,119	1,655
Tasmania	441	636	147	175	211	146	139	140
<b>Australia (a)</b>	<b>28,727</b>	<b>34,336</b>	<b>9,241</b>	<b>7,806</b>	<b>9,392</b>	<b>8,614</b>	<b>9,743</b>	<b>8,387</b>

(a) Estimates for NT and ACT are not available for publication but are included in the total.

TABLE 4—ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY STATE (a) AND TYPE OF ASSET  
SEASONALLY ADJUSTED SERIES  
(\$ million)

State	1994-95				1995-96			
	1993-94	1994-95	Dec qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
BUILDINGS AND STRUCTURES								
New South Wales	1,791	2,259	525	646	491	595	712	748
Victoria	1,477	1,546	333	415	522	529	631	605
Queensland	1,463	1,832	400	508	500	366	376	418
South Australia	352	353	75	57	76	67	84	62
Western Australia	2,720	2,362	621	761	567	795	808	565
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
<b>Australia (a) (b)</b>	<b>8,061</b>	<b>8,593</b>	<b>2,208</b>	<b>2,347</b>	<b>2,196</b>	<b>2,465</b>	<b>3,052</b>	<b>2,351</b>
EQUIPMENT, PLANT AND MACHINERY								
New South Wales	7,294	9,191	2,192	2,233	2,533	2,230	2,105	2,419
Victoria	5,542	6,025	1,375	1,614	1,433	1,503	1,414	1,673
Queensland	2,645	3,391	720	844	996	996	867	994
South Australia	1,130	1,742	557	423	393	322	412	336
Western Australia	3,203	4,456	1,329	1,069	1,191	1,082	1,031	1,283
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
<b>Australia (a) (b)</b>	<b>20,625</b>	<b>25,673</b>	<b>6,293</b>	<b>6,420</b>	<b>6,782</b>	<b>6,337</b>	<b>5,946</b>	<b>7,035</b>
TOTAL NEW CAPITAL EXPENDITURE								
New South Wales	9,085	11,450	2,716	2,879	3,024	2,825	2,817	3,167
Victoria	7,019	7,571	1,707	2,028	1,955	2,032	2,045	2,279
Queensland	4,109	5,223	1,120	1,352	1,496	1,362	1,243	1,413
South Australia	1,482	2,094	632	480	470	389	496	399
Western Australia	5,923	6,819	1,950	1,770	1,757	1,877	1,839	1,848
Tasmania	433	631		198	175	156	149	157
<b>Australia (a)</b>	<b>28,686</b>	<b>34,266</b>	<b>8,501</b>	<b>8,766</b>	<b>8,978</b>	<b>8,802</b>	<b>8,998</b>	<b>9,386</b>

(a) Estimates for NT and A.C.T. are not available for publication but are included in the total. (b) Estimates for Tasmania are not available for publication but are included in the total.

TABLE 5 — ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY STATE (a) AND TYPE OF ASSET  
TREND SERIES (revised)  
(\$ million)

State	1994-95				1995-96			
	1993-94	1994-95	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
<b>BUILDINGS AND STRUCTURES</b>								
New South Wales	1,794	2,283	581	560	561	606	677	765
Victoria	1,449	1,538	337	415	497	556	597	625
Queensland	1,501	1,780	436	478	459	416	386	389
South Australia	365	330	89	71	65	73	74	70
Western Australia	2,644	2,493	590	650	717	733	722	685
Tasmania	91	142	32	35	43	50	53	53
<b>Australia (a)</b>	<b>8,004</b>	<b>8,716</b>	<b>2,122</b>	<b>2,218</b>	<b>2,382</b>	<b>2,545</b>	<b>2,660</b>	<b>2,674</b>
<b>EQUIPMENT, PLANT AND MACHINERY</b>								
New South Wales	7,221	9,087	2,235	2,319	2,335	2,290	2,252	2,261
Victoria	5,593	5,970	1,510	1,509	1,478	1,476	1,505	1,575
Queensland	2,681	3,335	784	870	937	964	951	943
South Australia	1,127	1,724	468	452	397	364	362	359
Western Australia	3,183	4,464	1,138	1,155	1,114	1,089	1,129	1,173
Tasmania	321	498	124	140	134	113	100	101
<b>Australia (a)</b>	<b>20,579</b>	<b>25,474</b>	<b>6,363</b>	<b>6,535</b>	<b>6,488</b>	<b>6,384</b>	<b>6,400</b>	<b>6,559</b>
<b>TOTAL NEW CAPITAL EXPENDITURE</b>								
New South Wales	9,016	11,370	2,816	2,879	2,896	2,896	2,929	3,026
Victoria	7,042	7,508	1,847	1,923	1,975	2,032	2,102	2,199
Queensland	4,183	5,115	1,220	1,349	1,397	1,380	1,337	1,332
South Australia	1,491	2,054	556	523	462	437	436	429
Western Australia	5,827	6,957	1,728	1,805	1,832	1,822	1,851	1,858
Tasmania	412	640	156	174	178	163	152	154
<b>Australia (a)</b>	<b>28,583</b>	<b>34,191</b>	<b>8,486</b>	<b>8,753</b>	<b>8,870</b>	<b>8,929</b>	<b>9,060</b>	<b>9,233</b>

(a) Estimates for NT and ACT are not available for publication but are included in the total.

**TABLE 6—ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
ORIGINAL SERIES—NEW SOUTH WALES  
(S million)**

<i>Selected Industries and Type of Asset</i>	1994-95			1995-96				
	<i>1993-94</i>	<i>1994-95</i>	<i>Dec. qtr</i>	<i>March qtr</i>	<i>June qtr</i>	<i>Sept. qtr</i>	<i>Dec. qtr</i>	<i>March qtr</i>
Mining	462	760	222	136	181	136	202	223
Manufacturing	2,771	3,752	836	932	1,110	749	863	783
Other Selected Industries	5,861	6,917	1,928	1,476	1,896	1,841	2,033	1,787
<b>Total New Capital Expenditure</b>	<b>9,094</b>	<b>11,449</b>	<b>2,985</b>	<b>2,544</b>	<b>3,187</b>	<b>2,726</b>	<b>3,098</b>	<b>2,793</b>
Buildings and Structures	1,786	2,245	576	559	507	600	781	646
Equipment, Plant and Machinery	7,308	9,204	2,410	1,985	2,681	2,126	2,317	2,148

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**TABLE 7—ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
ORIGINAL SERIES—VICTORIA  
(S million)**

<i>Selected Industries and Type of Asset</i>	1994-95			1995-96				
	<i>1993-94</i>	<i>1994-95</i>	<i>Dec. qtr</i>	<i>March qtr</i>	<i>June qtr</i>	<i>Sept. qtr</i>	<i>Dec. qtr</i>	<i>March qtr</i>
Mining	441	603	152	139	173	136	143	114
Manufacturing	2,657	3,034	762	725	799	804	865	787
Other Selected Industries	3,933	3,896	946	901	1,031	1,131	1,224	1,072
<b>Total New Capital Expenditure</b>	<b>7,031</b>	<b>7,533</b>	<b>1,860</b>	<b>1,765</b>	<b>2,002</b>	<b>2,071</b>	<b>2,232</b>	<b>1,973</b>
Buildings and Structures	1,485	1,535	365	342	539	553	692	499
Equipment, Plant and Machinery	5,546	5,998	1,495	1,424	1,463	1,519	1,540	1,474



TABLE 8—ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
ORIGINAL SERIES—QUEENSLAND  
(\$ million)

Selected Industries and Type of Asset	1994-95				1995-96			
	1993-94	1994-95	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
Mining	915	922	227	252	300	212	206	188
Manufacturing	966	1,215	283	261	394	318	293	368
Other Selected Industries	2,183	3,089	690	657	957	774	824	674
<b>Total New Capital Expenditure</b>	<b>4,064</b>	<b>5,226</b>	<b>1,200</b>	<b>1,171</b>	<b>1,651</b>	<b>1,304</b>	<b>1,323</b>	<b>1,230</b>
Buildings and Structures	1,429	1,822	444	424	532	367	413	350
Equipment, Plant and Machinery	2,635	3,404	757	747	1,119	937	909	880

TABLE 9—ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
ORIGINAL SERIES—SOUTH AUSTRALIA  
(\$ million)

Selected Industries and Type of Asset	1994-95				1995-96			
	1993-94	1994-95	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
Mining	97	115	40	21	40	34	48	48
Manufacturing	613	829	226	202	272	158	207	162
Other Selected Industries	773	1,162	419	222	183	167	280	165
<b>Total New Capital Expenditure</b>	<b>1,484</b>	<b>2,106</b>	<b>684</b>	<b>446</b>	<b>494</b>	<b>360</b>	<b>536</b>	<b>375</b>
Buildings and Structures	356	351	77	65	58	70	87	72
Equipment, Plant and Machinery	1,128	1,755	607	381	436	290	449	304

TABLE 10 — ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
ORIGINAL SERIES — WESTERN AUSTRALIA  
(\$ million)

Selected Industries and Type of Asset	1994-95				1995-96			
	1993-94	1994-95	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
Mining	3,624	4,046	1,172	1,007	1,027	1,041	1,178	894
Manufacturing	517	595	154	133	209	205	176	209
Other Selected Industries	1,813	2,216	894	452	487	577	764	552
<b>Total New Capital Expenditure</b>	<b>5,954</b>	<b>6,857</b>	<b>2,220</b>	<b>1,592</b>	<b>1,724</b>	<b>1,823</b>	<b>2,119</b>	<b>1,655</b>
Buildings and Structures	2,753	2,367	741	691	550	737	968	512
Equipment, Plant and Machinery	3,202	4,491	1,480	901	1,174	1,087	1,151	1,143

TABLE 11 — ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
ORIGINAL SERIES — TASMANIA  
(\$ million)

Selected Industries and Type of Asset	1994-95				1995-96			
	1993-94	1994-95	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
Mining	34	67	18	10	22	43	32	46
Manufacturing	191	282	55	65	133	46	58	56
Other Selected Industries	215	288	75	100	55	58	49	38
<b>Total New Capital Expenditure</b>	<b>441</b>	<b>636</b>	<b>147</b>	<b>175</b>	<b>211</b>	<b>146</b>	<b>139</b>	<b>140</b>
Buildings and Structures	100	133	19	46	41	51	47	44
Equipment, Plant and Machinery	341	503	129	129	170	95	92	96

TABLE 12 — RELATIVE STANDARD ERRORS OF ESTIMATES OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
(Percentage)

State	Selected Industries				Type of Asset		
	Mining	Manufacturing	Other Selected Industries	Total	Buildings and Structures	Equipment Plant and Machinery	
NSW	4.5	5.5	6.4	4.3	6.6	5.0	
Vic.	2.2	10.3	9.5	6.5	9.5	6.8	
Qld	1.9	5.3	8.5	5.2	9.0	5.7	
S.A.	3.0	10.3	20.8	12.4	..	11.5	
W.A.	11.8	6.2	13.2	8.2	13.0	9.9	
Tas.	..	24.4	21.8	19.4	..	13.1	
<b>Australia (a)</b>	<b>8.0</b>	<b>4.5</b>	<b>4.7</b>	<b>3.2</b>	<b>5.6</b>	<b>3.4</b>	

(a) Includes NT and ACT

## EXPLANATORY NOTES

### Introduction

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

2. State estimates in this publication are derived from the latest available Australian estimates for March quarter 1996. These estimates are more up to date than those previously released in *Private New Capital Expenditure and Expected Expenditure to June 1997, Australia* (5625.0) released on 23 May 1996.

### 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. The scope of the survey:

(a) 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 assoc. 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 and storage (Division I)

Finance and Insurance (Division K)

Property and Business Services (Division L)

Other non-manufacturing (including electricity & gas; communication; accommodation; cafes & restaurants; cultural & recreational services; and other services

(36,37,57,71,91-93,95,96)

(b) excludes the following industries

Agriculture, Forestry and Fishing

Government Administration and Defence

Education

Health and Community Services

### Survey Methodology

5. This quarterly survey is based on a stratified random sample of private business units recorded on the ABS register of businesses. 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.

6. 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' technique. Data are edited at both individual unit level and aggregate level.

### Reporting Cycle

7. State estimates of actual new capital expenditure by business units are compiled quarterly. State estimates for expected expenditure are only collected in the December quarter survey. The expectations data relate to the 6 months ending the following June and to the financial year following that.

8. The collection of expectations in the December quarter surveys allows the derivation of a *composite estimate* (6 months actual plus 6 months expectations) for the current financial year (i.e. 12 months ending June) and will provide a *twelve month expectation* for the following financial year.

### Sample revision

9. 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 sector 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.

10. Estimates of expenditure 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, different industries and inadequate provisions in the old sample estimate for new businesses commencing during the year. To ensure consistency with previous quarters, some data have been revised as a consequence of the introduction of the new sample.

11. To minimise the size of these adjustments the ABS produced an estimate of the contribution expected from new businesses each quarter, taking into account the number of businesses in the survey sample which ceased trading during the quarter.

12. In the twelve month period between successive frames and survey samples there are many businesses which cease operating and many which are newly established. Such changes in the business population need to be reflected in the survey to ensure that the estimates produced are representative of the changing nature of the business population over the course of the year.

13. Improvements have been introduced to the methodology for updating the annual survey frame population using direct counts each quarter of new businesses added, or in the process of being added, to the ABS business register. Estimates of new capital expenditure for the growth in the business population are made each quarter.

#### Statistical unit

14. 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 unit basis. Further details are available on request.

#### State Dissection

15. Estimates for NT and ACT are not separately available because of the high sampling variability associated with them. They are included in totals for Australia and while a residual for the territories can be derived, the measure is not reliable.

#### Classification by industry

16. 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).

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

18. 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.

19. The total value of all of the 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

20. Estimates in constant prices (1989-90) are presented in Table 2. 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*'.

#### 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) *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.

#### Reliability of the estimates

23. 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.

24. 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.

25. 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:

- (a) misreporting of data by respondents,
- (b) deficiencies in the business register particularly in respect of small units, and
- (c) difficulties respondents may have in allocating to the appropriate state/s, expenditure on some equipment items such as mobile assets (e.g. aircraft, bulk oil carriers, satellites, off-shore drilling platforms and large computer installations supporting a national network). Where such difficulties exist, expenditure is allocated to the state of the businesses' head office.

26. 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.

### Seasonal adjustment

27. The quarterly State 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.

28. 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.

29. Seasonally adjusted estimates in this publication have been derived by independently adjusting State estimates by type of asset and then adding them to form State capital expenditure estimates. This publication contains seasonally adjusted State estimates by type of asset for all States except Tasmania. Seasonally adjusted series for Tasmania have not been published at the type of asset level because of the volatility within the series.

30. The seasonally adjusted Australian estimates of new capital expenditure included in the publication are consistent with those published in *Private New Capital Expenditure, Australia* (5625.0). These estimates are derived independently of the seasonally adjusted State estimates and as such the residual difference between the States and Australia estimates should in no way be regarded as a seasonally adjusted estimate for ACT and NT.

31. 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 September quarter 1995 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. For this reason, additional care should be exercised when interpreting movements in seasonally adjusted data for recent quarters.

32. It should be noted that the seasonally adjusted figures necessarily reflect the sampling and other errors to which the original figures are subject. Particular care should be taken in interpreting quarter to quarter movements in the adjusted series in the publication.

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

### Trend estimates

34. 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 (06) 252 6345.

35. Trend data for Tasmania has been published for the first time (see Table 5). Care should be taken when using these data, as the volatility of the seasonally adjusted series upon which they are based, makes reliable estimation of the seasonal and trading day patterns very difficult.

### Comparability with National Accounts estimates

36. 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 data 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 the 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.

(c) 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.

(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.

37. 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

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

*Private New Capital Expenditure and Expected Expenditure Australia* (5625.0)  
*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 National Accounts: State Accounts* (5242.0)  
*Australian Business Expectations* (5250.0)  
*Business Operations and Industry Performance, Australia* (8140.0)

39. 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

40. In addition to the data contained in this publication, more detailed information may be made available on request.

#### Symbols and other usages

..	not applicable
np	not published

ANZSIC	Australian and New Zealand Standard Industrial Classification
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