

## STATE ESTIMATES OF PRIVATE NEW CAPITAL EXPENDITURE JUNE QUARTER 1996

Note 1 The seasonally adjusted estimates for States should be interpreted with care. Refer to paragraphs 25 to 31 of the explanatory notes.

Note 2 This publication is based on results from the June quarter 1996 survey.

### MAIN FEATURES

#### *Actual Expenditure - June Quarter 1996*

Growth in the trend estimates of capital expenditure (in constant prices) has resumed with a rise of 7.4% in the June quarter 1996 following rises of 6.8% and 3.3% in the March quarter 1996 and December quarter 1995, respectively.

#### *State Estimates - June Quarter 1996*

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

State	June qtr 1996 trend estimates	
	value \$m	% change on Mar qtr 1996
NSW	3,439	8.7
Vic	2,312	4.0
Qld	1,575	9.5
SA	476	4.6
WA	2,050	5.6
Tas	139	-4.1
Aust (a)	10,228	6.6

(a) Includes NT and ACT, and differences associated with the independent application of seasonal factors at state and Australian level (see paragraph 28 of the explanatory notes).

Trend estimates of capital expenditure (in current prices) are rising most strongly in Queensland and New South Wales. In both of these States, increases have occurred in expenditure on buildings (19.8% for

Queensland, 11.3% for New South Wales) and expenditure on equipment (4.4% for Queensland, 7.8% for New South Wales).

In Western Australia there is growth in expenditure on equipment (10.1%), while expenditure on buildings has fallen slightly (2.1%). In South Australia, expenditure on buildings has increased by 22.8%, while expenditure on equipment has remained flat.

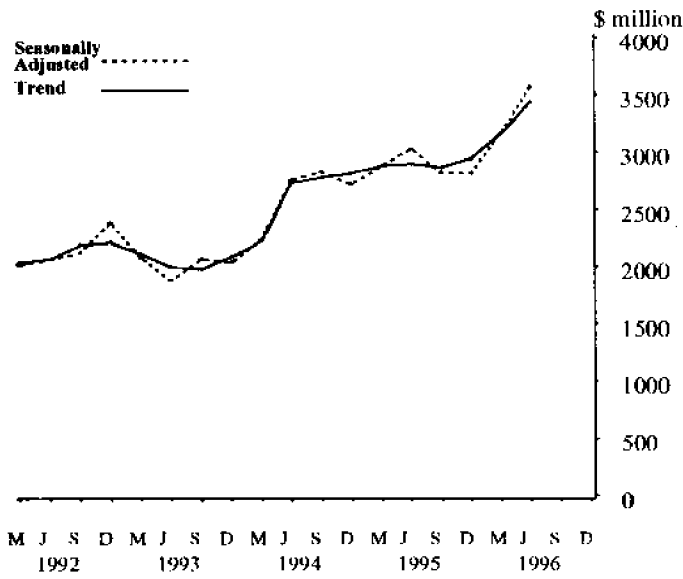
#### *Changes in expenditure - 12 months to June 1996*

The following table shows private new capital expenditure (in original terms at current prices) for the 12 months to June 1996 compared with the 12 months to June 1995.

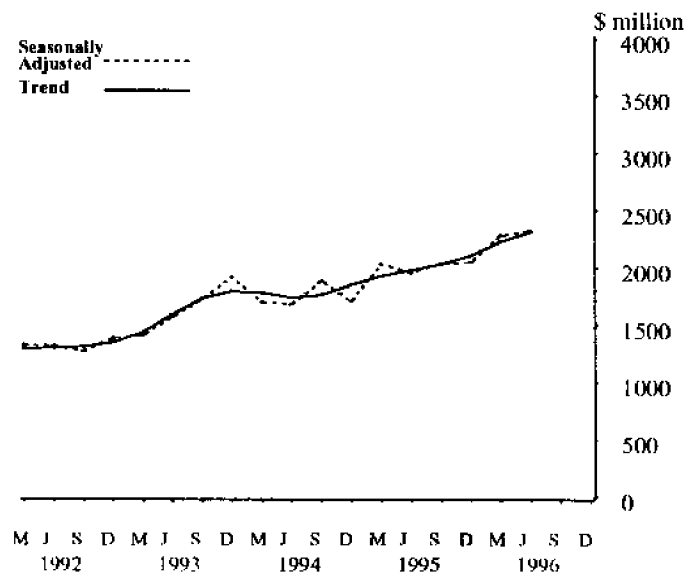
State	12 months to June 1995		12 months to June 1996		% change
	\$m	\$m	\$m	\$m	
NSW	11,449	12,379	11,449	12,379	8.1
Vic	7,533	8,655	7,533	8,655	14.9
Qld	5,226	5,737	5,226	5,737	9.8
SA	2,106	1,783	2,106	1,783	-15.3
WA	6,857	7,722	6,857	7,722	12.6
Tas	636	580	636	580	-8.8
Aust (a)	34,336	37,829	34,336	37,829	10.2

(a) Includes NT and ACT

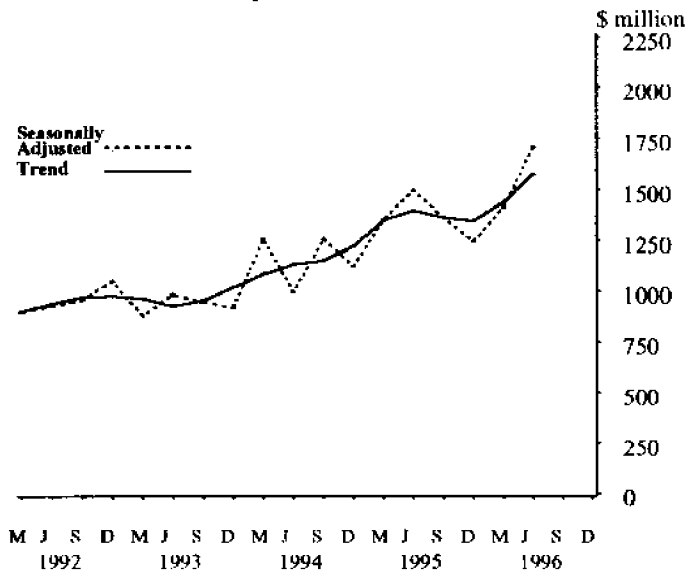
NEW SOUTH WALES



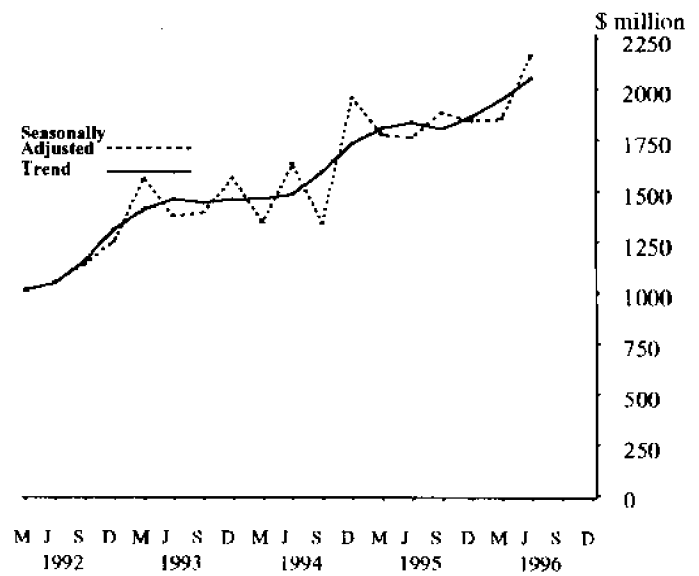
VICTORIA



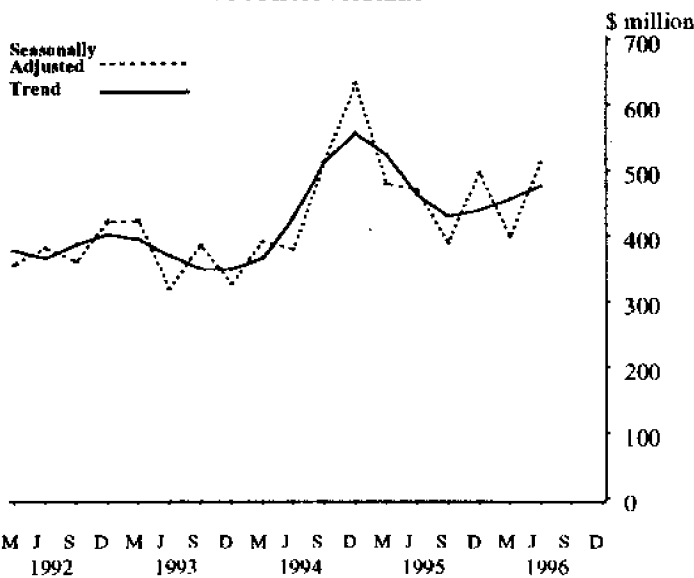
QUEENSLAND



WESTERN AUSTRALIA



SOUTH AUSTRALIA



TASMANIA

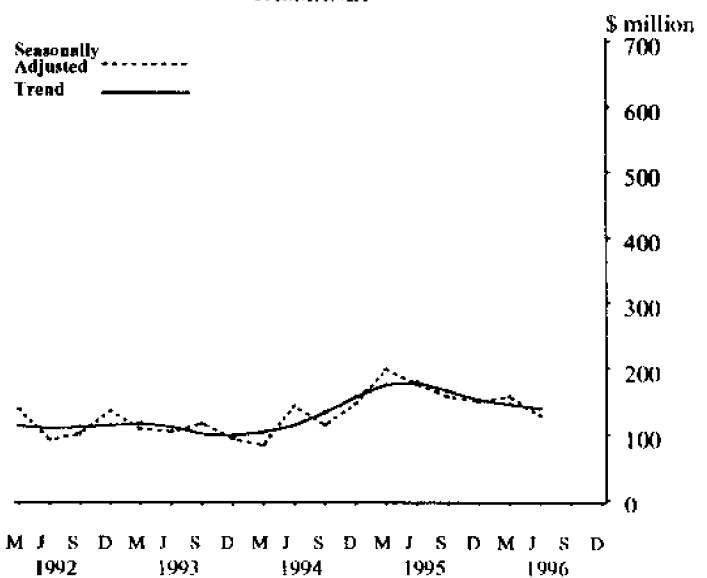


TABLE 1 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE, AUSTRALIA  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
CURRENT PRICES  
(\$ million)

Selected Industries and Type of Asset	Actual												Expected (a)	
	1994-95			1995-96			1996-97			1998-99			6 Months to June 97	6 Months to June 97
	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr		
	ORIGINAL													
Mining	6,665	7,205	1,591	1,768	1,654	1,881	1,561	2,109	4,948	4,948	9,694			
Manufacturing	9,856	10,062	2,350	2,938	2,303	2,507	2,424	2,828	5,027	5,027	10,395			
Other Selected Industries	17,815	20,562	3,864	4,686	4,657	5,354	4,358	6,193	10,059	10,059	19,388			
<b>Total New Capital Expenditure</b>	<b>34,336</b>	<b>37,829</b>	<b>7,806</b>	<b>9,392</b>	<b>8,614</b>	<b>9,743</b>	<b>8,343</b>	<b>11,129</b>	<b>20,174</b>	<b>19,304</b>	<b>39,478</b>			
Buildings and Structures	8,635	11,211	2,172	2,286	2,477	3,152	2,209	3,373	6,291	6,291	13,009			
Equipment, Plant and Machinery	25,701	26,618	5,634	7,105	6,137	6,591	6,134	7,756	13,457	13,457	26,469			
	SEASONALLY ADJUSTED (a)													
Mining	6,670	7,203	1,798	1,709	1,699	1,701	1,765	2,038						
Manufacturing	9,820	10,077	2,666	2,643	2,391	2,366	2,772	2,548						
Other Selected Industries	17,776	20,329	4,302	4,627	4,712	4,931	4,790	6,096						
<b>Total New Capital Expenditure</b>	<b>34,266</b>	<b>37,809</b>	<b>8,766</b>	<b>8,978</b>	<b>8,802</b>	<b>8,998</b>	<b>9,327</b>	<b>10,682</b>						
Buildings and Structures	8,593	11,089	2,347	2,196	2,465	3,052	2,326	3,246						
Equipment, Plant and Machinery	25,673	26,719	6,420	6,782	6,337	5,946	7,001	7,436						
	TREND (a)													
Mining	6,669	7,180	1,744	1,742	1,692	1,721	1,822	1,945						
Manufacturing	9,709	10,202	2,540	2,548	2,496	2,491	2,571	2,643						
Other Selected Industries	17,816	20,366	4,469	4,583	4,659	4,862	5,205	5,641						
<b>Total New Capital Expenditure</b>	<b>34,194</b>	<b>37,748</b>	<b>8,753</b>	<b>8,873</b>	<b>8,847</b>	<b>9,074</b>	<b>9,598</b>	<b>10,228</b>						
Buildings and Structures	8,718	10,948	2,218	2,384	2,513	2,665	2,815	2,955						
Equipment, Plant and Machinery	25,476	26,800	6,535	6,490	6,335	6,409	6,783	7,273						

(a) Expected capital expenditure is not available on a seasonally adjusted or trend basis.

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

Selected Industries and Type of Asset	1994-95			1995-96			1994-95			1995-96		
	1994-95	1995-96	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
	ORIGINAL											
Mining	6,142	6,568	1,468	1,615	1,497	1,719	1,420	1,933				1,933
Manufacturing	8,923	9,192	2,129	2,648	2,069	2,268	2,221	2,634				2,634
Other Selected Industries	17,377	20,461	3,782	4,581	4,571	5,257	4,360	6,272				6,272
<b>Total New Capital Expenditure</b>	<b>32,443</b>	<b>36,222</b>	<b>7,379</b>	<b>8,844</b>	<b>8,137</b>	<b>9,245</b>	<b>8,000</b>	<b>10,840</b>				<b>10,840</b>
Buildings and Structures	8,566	10,912	2,145	2,261	2,425	3,085	2,141	3,261				3,261
Equipment, Plant and Machinery	23,877	25,310	5,234	6,583	5,712	6,160	5,859	7,579				7,579
	SEASONALLY ADJUSTED											
Mining	6,146	6,564	1,658	1,561	1,537	1,555	1,604	1,868				1,868
Manufacturing	8,892	9,304	2,415	2,382	2,147	2,140	2,541	2,375				2,375
Other Selected Industries	17,347	20,394	4,217	4,521	4,627	4,834	4,801	6,132				6,132
<b>Total New Capital Expenditure</b>	<b>32,385</b>	<b>36,161</b>	<b>8,290</b>	<b>8,463</b>	<b>8,311</b>	<b>8,530</b>	<b>8,946</b>	<b>10,374</b>				<b>10,374</b>
Buildings and Structures	8,531	10,750	2,326	2,173	2,418	2,977	2,257	3,098				3,098
Equipment, Plant and Machinery	23,854	25,411	5,964	6,290	5,892	5,553	6,689	7,276				7,276
	TREND											
Mining	6,144	6,546	1,605	1,592	1,539	1,566	1,662	1,779				1,779
Manufacturing	8,787	9,314	2,300	2,296	2,247	2,259	2,359	2,449				2,449
Other Selected Industries	17,380	20,227	4,358	4,478	4,566	4,799	5,191	5,670				5,670
<b>Total New Capital Expenditure</b>	<b>32,311</b>	<b>36,086</b>	<b>8,264</b>	<b>8,367</b>	<b>8,352</b>	<b>8,624</b>	<b>9,212</b>	<b>9,898</b>				<b>9,898</b>
Buildings and Structures	8,651	10,621	2,196	2,351	2,469	2,600	2,721	2,831				2,831
Equipment, Plant and Machinery	23,660	25,465	6,068	6,016	5,883	6,025	6,491	7,067				7,067

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

State	1994-95			1995-96			1994-95			1995-96		
	March	June	Sept.	March	June	Sept.	Dec.	March	June			
	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr			
<b>BUILDINGS AND STRUCTURES</b>												
New South Wales	2,245	2,950	559	507	600	781	646	923				
Victoria	1,535	2,399	342	539	553	692	499	655				
Queensland	1,822	1,836	424	532	367	413	350	696				
South Australia	351	337	65	58	70	87	72	108				
Western Australia	2,367	2,971	691	550	737	968	512	755				
Tasmania	133	180	46	41	51	47	44	37				
<b>Australia (a)</b>	<b>8,635</b>	<b>11,211</b>	<b>2,172</b>	<b>2,286</b>	<b>2,477</b>	<b>3,152</b>	<b>2,209</b>	<b>3,373</b>				
<b>EQUIPMENT, PLANT AND MACHINERY</b>												
New South Wales	9,204	9,429	1,985	2,681	2,126	2,317	2,148	2,838				
Victoria	5,998	6,255	1,424	1,463	1,519	1,540	1,474	1,723				
Queensland	3,404	3,911	747	1,119	937	909	880	1,184				
South Australia	1,755	1,447	381	436	290	449	304	405				
Western Australia	4,491	4,751	901	1,174	1,087	1,151	1,143	1,370				
Tasmania	503	400	129	170	95	92	96	117				
<b>Australia (a)</b>	<b>25,701</b>	<b>26,618</b>	<b>5,634</b>	<b>7,105</b>	<b>6,137</b>	<b>6,591</b>	<b>6,134</b>	<b>7,756</b>				
<b>TOTAL NEW CAPITAL EXPENDITURE</b>												
New South Wales	11,449	12,379	2,544	3,187	2,726	3,098	2,793	3,761				
Victoria	7,533	8,655	1,765	2,002	2,071	2,232	1,973	2,378				
Queensland	5,226	5,737	1,171	1,651	1,304	1,323	1,230	1,880				
South Australia	2,106	1,783	446	494	360	536	375	513				
Western Australia	6,857	7,722	1,592	1,724	1,823	2,119	1,655	2,125				
Tasmania	636	580	175	211	146	139	140	154				
<b>Australia (a)</b>	<b>34,336</b>	<b>37,829</b>	<b>7,806</b>	<b>9,392</b>	<b>8,614</b>	<b>9,743</b>	<b>8,343</b>	<b>11,129</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			
	1994-95	1995-96	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
<b>BUILDINGS AND STRUCTURES</b>								
New South Wales	2,259	2,947	646	491	595	712	748	892
Victoria	1,546	2,400	415	522	529	631	605	634
Queensland	1,832	1,812	508	500	366	376	418	652
South Australia	353	359	57	76	67	84	62	145
Western Australia	2,362	2,945	761	567	795	808	565	777
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
<b>Australia (a) (b)</b>	<b>8,593</b>	<b>11,089</b>	<b>2,347</b>	<b>2,196</b>	<b>2,465</b>	<b>3,052</b>	<b>2,326</b>	<b>3,246</b>
<b>EQUIPMENT, PLANT AND MACHINERY</b>								
New South Wales	9,191	9,434	2,233	2,533	2,230	2,105	2,419	2,680
Victoria	6,025	6,279	1,614	1,433	1,503	1,414	1,673	1,689
Queensland	3,391	3,911	844	996	996	867	994	1,054
South Australia	1,742	1,436	423	393	322	412	336	366
Western Australia	4,456	4,784	1,009	1,191	1,082	1,031	1,283	1,388
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
<b>Australia (a) (b)</b>	<b>25,673</b>	<b>26,719</b>	<b>6,420</b>	<b>6,782</b>	<b>6,337</b>	<b>5,946</b>	<b>7,001</b>	<b>7,436</b>
<b>TOTAL NEW CAPITAL EXPENDITURE</b>								
New South Wales	11,450	12,382	2,879	3,024	2,825	2,817	3,167	3,572
Victoria	7,571	8,678	2,028	1,955	2,032	2,045	2,279	2,323
Queensland	5,223	5,723	1,352	1,496	1,362	1,243	1,413	1,706
South Australia	2,094	1,795	480	470	389	496	399	511
Western Australia	6,819	7,729	1,770	1,757	1,877	1,839	1,848	2,165
Tasmania	631	590	198	175	156	149	157	128
<b>Australia (a)</b>	<b>34,266</b>	<b>37,809</b>	<b>8,766</b>	<b>8,978</b>	<b>8,602</b>	<b>8,998</b>	<b>9,327</b>	<b>10,682</b>

(a) Estimates for NT and ACT 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  
(\$ million)

State	1994-95			1995-96			1994-95			1995-96		
	1994-95	1995-96	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
<b>BUILDINGS AND STRUCTURES</b>												
New South Wales	2,283	2,925	560	561	598	680	780	868				
Victoria	1,538	2,416	415	497	560	596	620	639				
Queensland	1,780	1,817	478	459	401	393	465	557				
South Australia	330	350	71	65	69	76	92	113				
Western Australia	2,493	2,860	650	717	728	725	711	696				
Tasmania	142	186	35	43	51	52	46	37				
<b>Australia (a)</b>	<b>8,718</b>	<b>10,948</b>	<b>2,218</b>	<b>2,384</b>	<b>2,513</b>	<b>2,665</b>	<b>2,815</b>	<b>2,955</b>				
<b>EQUIPMENT, PLANT AND MACHINERY</b>												
New South Wales	9,087	9,485	2,319	2,335	2,269	2,261	2,384	2,571				
Victoria	5,970	6,254	1,509	1,478	1,469	1,509	1,603	1,673				
Queensland	3,335	3,905	870	937	962	953	974	1,017				
South Australia	1,724	1,449	452	397	360	363	363	363				
Western Australia	4,464	4,791	1,155	1,114	1,074	1,132	1,230	1,354				
Tasmania	498	414	140	134	113	100	99	102				
<b>Australia (a)</b>	<b>25,476</b>	<b>26,800</b>	<b>6,535</b>	<b>6,490</b>	<b>6,335</b>	<b>6,409</b>	<b>6,783</b>	<b>7,273</b>				
<b>TOTAL NEW CAPITAL EXPENDITURE</b>												
New South Wales	11,370	12,410	2,879	2,896	2,867	2,941	3,164	3,439				
Victoria	7,508	8,670	1,923	1,975	2,029	2,105	2,223	2,312				
Queensland	5,115	5,723	1,349	1,397	1,363	1,346	1,439	1,575				
South Australia	2,054	1,798	523	462	429	438	455	476				
Western Australia	6,957	7,651	1,805	1,832	1,801	1,857	1,942	2,050				
Tasmania	640	600	174	178	164	152	145	139				
<b>Australia (a)</b>	<b>34,194</b>	<b>37,748</b>	<b>8,753</b>	<b>8,873</b>	<b>8,847</b>	<b>9,074</b>	<b>9,598</b>	<b>10,228</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  
(\$ million)**

<i>Selected Industries and Type of Asset</i>	1994-95			1995-96				
	<i>1994-95</i>	<i>1995-96</i>	<i>March qtr</i>	<i>June qtr</i>	<i>Sept. qtr</i>	<i>Dec. qtr</i>	<i>March qtr</i>	<i>June qtr</i>
Mining	760	899	136	181	136	202	223	338
Manufacturing	3,752	3,202	932	1,110	749	863	783	807
Other Selected Industries	6,937	8,277	1,476	1,896	1,841	2,033	1,787	2,616
<b>Total New Capital Expenditure</b>	<b>11,449</b>	<b>12,379</b>	<b>2,544</b>	<b>3,187</b>	<b>2,726</b>	<b>3,098</b>	<b>2,793</b>	<b>3,761</b>
Buildings and Structures	2,245	2,950	559	507	600	781	646	923
Equipment, Plant and Machinery	9,204	9,429	1,985	2,681	2,126	2,317	2,148	2,838

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

<i>Selected Industries and Type of Asset</i>	1994-95			1995-96				
	<i>1994-95</i>	<i>1995-96</i>	<i>March qtr</i>	<i>June qtr</i>	<i>Sept. qtr</i>	<i>Dec. qtr</i>	<i>March qtr</i>	<i>June qtr</i>
Mining	603	500	139	173	136	143	114	106
Manufacturing	3,034	3,348	725	799	804	865	787	892
Other Selected Industries	3,896	4,807	901	1,031	1,131	1,224	1,072	1,380
<b>Total New Capital Expenditure</b>	<b>7,533</b>	<b>8,655</b>	<b>1,765</b>	<b>2,002</b>	<b>2,071</b>	<b>2,232</b>	<b>1,973</b>	<b>2,378</b>
Buildings and Structures	1,535	2,399	342	539	553	692	499	655
Equipment, Plant and Machinery	5,998	6,255	1,424	1,463	1,519	1,540	1,474	1,723



**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				
	1994-95	1995-96	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	922	965	252	300	212	206	188	360
Manufacturing	1,215	1,424	261	394	318	293	368	444
Other Selected Industries	3,089	3,348	657	957	774	824	674	1,076
<b>Total New Capital Expenditure</b>	<b>5,226</b>	<b>5,737</b>	<b>1,171</b>	<b>1,651</b>	<b>1,304</b>	<b>1,323</b>	<b>1,230</b>	<b>1,880</b>
Buildings and Structures	1,822	1,826	424	532	367	413	350	696
Equipment, Plant and Machinery	3,404	3,911	747	1,119	937	909	880	1,184

**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				
	1994-95	1995-96	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	115	192	21	40	34	48	48	62
Manufacturing	829	730	202	272	158	207	162	203
Other Selected Industries	1,162	861	222	183	167	280	165	248
<b>Total New Capital Expenditure</b>	<b>2,106</b>	<b>1,783</b>	<b>446</b>	<b>494</b>	<b>360</b>	<b>536</b>	<b>375</b>	<b>513</b>
Buildings and Structures	351	337	65	58	70	87	72	108
Equipment, Plant and Machinery	1,755	1,447	381	436	290	449	304	405

**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				
	1994-95	1995-96	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	4,046	4,173	1,007	1,027	1,041	1,178	894	1,060
Manufacturing	595	978	133	209	205	176	209	387
Other Selected Industries	2,216	2,571	452	487	577	764	552	678
<b>Total New Capital Expenditure</b>	<b>6,857</b>	<b>7,722</b>	<b>1,592</b>	<b>1,724</b>	<b>1,823</b>	<b>2,119</b>	<b>1,655</b>	<b>2,125</b>
Buildings and Structures	2,367	2,971	691	550	737	968	512	755
Equipment, Plant and Machinery	4,491	4,751	901	1,174	1,087	1,151	1,143	1,370

**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				
	1994-95	1995-96	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	67	147	10	22	43	32	46	26
Manufacturing	282	222	65	133	46	58	56	63
Other Selected Industries	288	210	100	55	58	49	38	65
<b>Total New Capital Expenditure</b>	<b>636</b>	<b>580</b>	<b>175</b>	<b>211</b>	<b>146</b>	<b>139</b>	<b>140</b>	<b>154</b>
Buildings and Structures	133	180	46	41	51	47	44	37
Equipment, Plant and Machinery	503	400	129	170	95	92	96	117

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 June quarter 1996. These estimates are the same as those previously released in *Private New Capital Expenditure and Expected Expenditure to June 1997, Australia* (5625.0) released on 22 August 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, beverage and tobacco (21)

Textile, clothing, footwear and leather (22)

Wood and paper product (23)

Printing, publishing and recorded media (24)

Petroleum, coal, chemical and assoc. product (25)

Non-metallic mineral product (26)

Metal product (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 selected services (including electricity & gas; communication; accommodation; cafes & restaurants; cultural & recreational services; and personal services)

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

(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 older of the two samples.

10. In the twelve month period between successive frames and survey samples there are many businesses which ceased 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.

11. 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**

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 unit basis. Further details are available on request.

#### State dissection

13. 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

14. 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).

15. 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.

16. 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.

17. 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

18. Estimates in constant prices (average 1989-90 prices) 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

19. *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.

20. 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

21. 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.

22. 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 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.

23. 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.

24. 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

25. 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.

26. 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.

27. 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.

28. 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.

29. 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. Care should be exercised when interpreting quarter to quarter movements in seasonally adjusted series in the publication, particularly for recent quarters.

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

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

### Trend estimates

32. 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.

### Comparability with National Accounts estimates

33. 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.

34. 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**

35. 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)

36. 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**

37. 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

**W. McLennan**  
**Australian Statistician**

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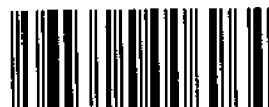
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