



PRIVATE NEW CAPITAL EXPENDITURE AND EXPECTED EXPENDITURE to June 1999 AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) THURS 27 AUG 1998

JUNE QTR KEY FIGURES

TREND ESTIMATES (a)

	Jun 97	Mar 98	Jun 98	% change Mar 98 to Jun 98	% change Jun 97 to Jun 98
	\$m	\$m	\$m		
Total new capital expenditure	11 620	12 039	12 028	-0.1	3.5
Buildings and structures	3 297	2 971	3 056	2.9	-7.3
Equipment, plant and machinery	8 323	9 068	8 973	-1.1	7.8

SEASONALLY ADJUSTED (a)

	Jun 97	Mar 98	Jun 98	% change Mar 98 to Jun 98	% change Jun 97 to Jun 98
	\$m	\$m	\$m		
Total new capital expenditure	11 746	12 072	11 848	-1.9	0.9
Buildings and structures	3 329	2 885	3 074	6.6	-7.7
Equipment, plant and machinery	8 417	9 187	8 773	-4.5	4.2

(a) At average 1989-90 prices.

JUNE QTR KEY POINTS

ACTUAL EXPENDITURE

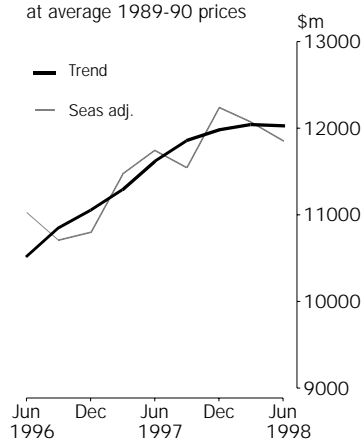
- Growth rates for trend estimates of total new capital expenditure (at average 1989-90 prices) have been falling throughout 1997-98. The current estimate of \$12,028m is, nonetheless, 3.5% higher than for June quarter 1997.
- Over the past three quarters growth rates for buildings and structures have been rising, from -3.5% to 2.9%, while equipment, plant and machinery growth rates have been falling, from 6.1% to -1.1% over the past four quarters.
- Both Mining and Manufacturing industries have experienced falling rates of growth over 1997-98, while growth rates for Other Selected industries have remained relatively flat.
- The preliminary estimate of total expenditure for the 1997-98 financial year (in original, at average 1989-90 prices) is \$47,639m. This is 6.5% higher than for 1996-97.

EXPECTED EXPENDITURE

- The latest estimate of expected expenditure (at current prices) for 1998-99 is \$46,057m. This is 11.0% higher than the estimate reported last quarter and 12.7% higher than the corresponding estimate for 1997-98.

New Capital Expenditure

at average 1989-90 prices



- For further information about these and related statistics, contact John Stamolis on Sydney 02 9268 4241, or any ABS office shown on the back cover of this publication.

NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)

RELEASE DATE

September 1998

26 November 1998

December 1998

25 February 1999

CHANGES NEXT ISSUE

As announced on 19 March 1998 in the information paper entitled *Introduction of Chain Volume Measures in the Australian National Accounts* (Cat. no. 5248.0), chain volume measures will replace the existing constant price estimates contained in this publication from September 1998 onwards. More details, including the reasons for this change and the likely impact on indicator series, are contained in the information paper.

REVISIONS TO TREND

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

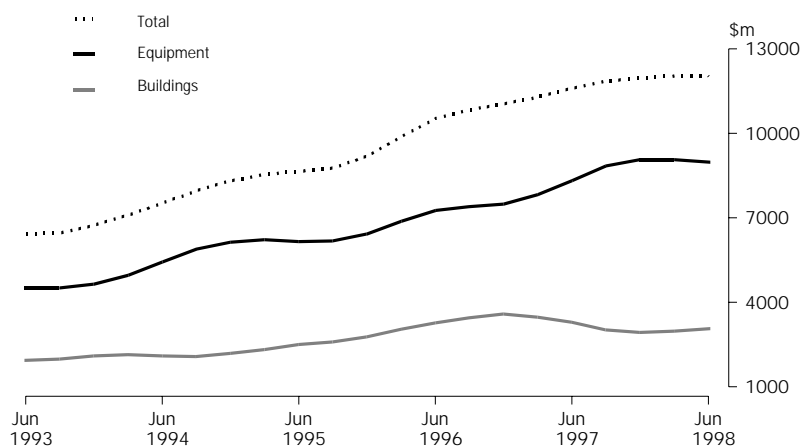
W. McLennan
Australian Statistician

ACTUAL NEW CAPITAL EXPENDITURE: Trend

QUARTERLY TREND ESTIMATES AT CONSTANT PRICES

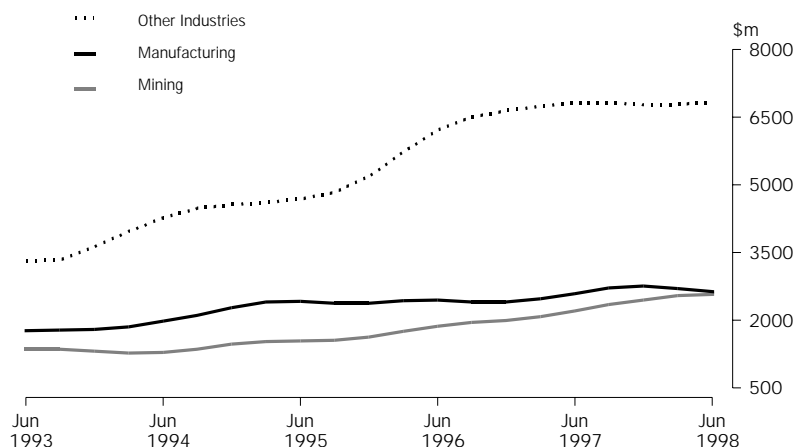
BY ASSET

After falling for the four quarters from March quarter 1997 to December quarter 1997, level estimates for buildings and structures have increased over the last two quarters. The current estimate is, nonetheless, 7.3% lower than for June quarter 1997. After a period of relatively strong growth in expenditure on equipment, plant and machinery from March quarter 1997 to September quarter 1997, the level of expenditure has remained relatively stable over the past three quarters.



BY INDUSTRY

Both Mining and Manufacturing industries experienced peak growth rates (6.6% and 4.8% respectively) in June quarter 1997. For the four quarters since then, growth rates have been falling for both industries. After a period of strong growth from the December quarter 1995 to September quarter 1996, capital expenditure by Other Selected industries has remained stable, though at relatively high levels reflecting the continuing significant contribution of the service industries to total capital expenditure.

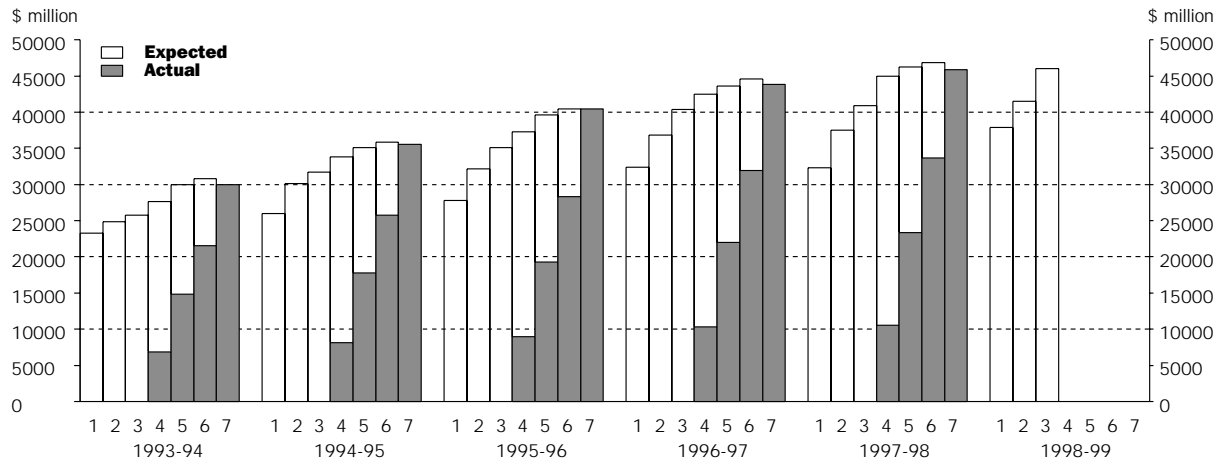


ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

FINANCIAL YEARS AT CURRENT PRICES

EXPENDITURE

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



EXPLANATION OF TIMING OF ESTIMATES used in construction of graph above

COMPOSITION OF ESTIMATE.....

Estimate	Based on data reported at:	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

ACTUAL & EXPECTED EXPENDITURE, By Type of Asset and Industry—Current prices

Period	BUILDINGS AND STRUCTURES.....				EQUIPMENT, PLANT AND MACHINERY.....				TOTAL CAPITAL EXPENDITURE.....			
	Mining	Manu- facturing	Other selected indus- tries	Total	Mining	Manu- facturing	Other selected indus- tries	Total	Mining	Manu- facturing	Other selected indus- tries	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)												
1996-97	4 296	1 686	8 348	14 330	4 485	8 511	16 511	29 507	8 781	10 198	24 859	43 837
1997-98	4 392	2 011	6 369	12 772	6 700	8 930	17 473	33 103	11 091	10 942	23 842	45 876
1996-97												
March	1 179	442	1 968	3 589	1 007	1 877	3 488	6 371	2 186	2 319	5 456	9 960
June	1 097	547	1 735	3 378	1 227	2 281	5 007	8 516	2 324	2 828	6 742	11 894
1997-98												
September	956	523	1 442	2 921	1 535	2 005	4 102	7 642	2 491	2 528	5 544	10 563
December	1 153	728	1 847	3 728	1 867	2 459	4 751	9 078	3 020	3 188	6 598	12 806
March	936	357	1 540	2 833	1 630	2 020	3 817	7 468	2 566	2 378	5 357	10 301
June	1 347	403	1 540	3 290	1 667	2 445	4 803	8 916	3 014	2 849	6 344	12 206
ORIGINAL (Expected)(a)												
1998-99												
6 mths to Dec	2 241	1 224	5 156	8 621	2 823	4 724	9 730	17 277	5 064	5 948	14 886	25 897
6 mths to Jun	1 813	859	3 320	5 993	2 475	4 235	7 458	14 167	4 288	5 094	10 778	20 160
Total 1998-99	4 054	2 083	8 476	14 613	5 297	8 959	17 187	31 444	9 352	11 042	25 663	46 057
SEASONALLY ADJUSTED (Actual)												
1996-97	4 309	1 658	8 418	14 385	4 486	8 526	16 444	29 456	8 794	10 184	24 863	43 841
1997-98	4 396	2 000	6 435	12 831	6 719	8 925	17 468	33 112	11 116	10 925	23 902	45 943
1996-97												
March	1 213	471	2 188	3 873	1 141	2 104	4 076	7 322	2 355	2 575	6 265	11 195
June	1 101	588	1 767	3 457	1 172	2 042	4 515	7 729	2 273	2 630	6 282	11 185
1997-98												
September	1 061	487	1 457	3 005	1 542	2 165	4 310	8 018	2 602	2 653	5 767	11 022
December	1 021	691	1 645	3 356	1 737	2 313	4 388	8 438	2 758	3 004	6 032	11 794
March	961	405	1 755	3 120	1 847	2 259	4 458	8 565	2 808	2 664	6 213	11 685
June	1 354	417	1 579	3 350	1 593	2 187	4 311	8 091	2 947	2 604	5 890	11 441
TREND ESTIMATES (Actual)												
1996-97	4 339	1 743	8 267	14 349	4 573	8 564	16 458	29 595	8 911	10 307	24 725	43 944
1997-98	4 358	2 046	6 549	12 953	6 676	8 909	17 577	33 162	11 034	10 955	24 126	46 115
1996-97												
March	1 106	471	2 022	3 599	1 132	2 082	4 148	7 363	2 239	2 553	6 169	10 961
June	1 122	547	1 798	3 468	1 269	2 093	4 323	7 686	2 392	2 640	6 122	11 153
1997-98												
September	1 052	580	1 615	3 247	1 507	2 175	4 410	8 091	2 559	2 755	6 025	11 339
December	1 021	552	1 605	3 178	1 694	2 245	4 404	8 343	2 715	2 797	6 008	11 520
March	1 090	489	1 653	3 231	1 756	2 259	4 384	8 399	2 846	2 748	6 037	11 630
June	1 195	425	1 677	3 297	1 719	2 230	4 379	8 329	2 914	2 655	6 056	11 626

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 19 to 22 of the Explanatory Notes.

ACTUAL & EXPECTED CAPITAL EXPENDITURE, Detailed Industries—Current prices

Period	MINING.....	MANUFACTURING.....									
		<i>Food, beverage and tobacco</i>	<i>Textile, clothing, footwear and leather</i>	<i>Wood and paper product</i>	<i>Printing, publishing and recorded media</i>	<i>Petroleum, coal, chemical and assoc. product</i>	<i>Non-metallic mineral product</i>	<i>Metal product</i>	<i>Machinery and equipment</i>	<i>Other manufacturing</i>	<i>Total manufacturing</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)											
1996-97	8 781	1 997	251	920	587	1 664	1 071	1 501	2 007	199	10 198
1997-98	11 091	2 408	287	901	790	1 578	880	1 671	2 125	302	10 942
1996-97											
March	2 186	502	45	190	124	313	328	318	448	51	2 319
June	2 324	610	75	236	190	362	290	462	542	61	2 828
1997-98											
September	2 491	558	55	162	139	361	265	375	551	63	2 528
December	3 020	600	95	242	197	478	264	464	770	75	3 188
March	2 566	554	51	160	206	369	175	351	431	81	2 378
June	3 014	696	86	337	247	370	175	481	374	83	2 849
ORIGINAL (Expected)(a)											
1998-99											
6 mths to Dec	5 064	1 529	177	257	304	1 143	318	1 022	1 120	78	5 948
6 mths to Jun	4 288	1 181	205	307	400	930	282	1 062	652	74	5 094
Total 1998-99	9 352	2 710	382	564	704	2 074	600	2 084	1 773	152	11 042
SEASONALLY ADJUSTED (Actual)											
1996-97	8 794	1 986	248	919	585	1 652	1 068	1 512	2 015	197	10 184
1997-98	11 116	2 404	282	888	785	1 583	886	1 692	2 096	308	10 925
1996-97											
March	2 355	540	57	215	134	364	306	392	511	57	2 575
June	2 273	549	71	219	151	376	308	348	555	53	2 630
1997-98											
September	2 602	596	60	165	168	344	288	415	560	57	2 653
December	2 758	588	78	228	201	423	249	486	662	89	3 004
March	2 808	596	64	180	220	431	162	429	491	90	2 664
June	2 947	624	81	315	195	385	187	361	383	72	2 604
TREND ESTIMATES (Actual)											
1996-97	8 911	2 103	246	900	578	1 612	1 075	1 601	1 993	198	10 307
1997-98	11 034	2 391	285	890	786	1 601	884	1 686	2 122	312	10 955
1996-97											
March	2 239	532	62	222	143	384	290	360	512	48	2 553
June	2 392	561	65	205	150	358	309	385	553	55	2 640
1997-98											
September	2 559	580	67	190	173	376	285	420	597	67	2 755
December	2 715	592	69	199	197	401	237	443	580	79	2 797
March	2 846	604	72	230	208	413	196	430	512	84	2 748
June	2 914	615	76	271	208	411	166	393	433	82	2 655

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 19 to 22 of the Explanatory Notes.

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

OTHER SELECTED INDUSTRIES.....									TOTAL
Period	Construction	Wholesale trade	Retail trade	Transport and storage	Finance and insurance	Property and business services	Other services etc.	Total other selected industries	Total new capital expenditure
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)									
1996-97	1 145	2 545	2 253	3 303	2 464	6 269	6 880	24 859	43 837
1997-98	1 546	2 856	2 785	3 328	2 525	5 720	5 083	23 842	45 876
1996-97									
March	321	501	401	708	448	1 433	1 644	5 456	9 960
June	356	765	687	908	594	1 575	1 857	6 742	11 894
1997-98									
September	305	713	655	720	646	1 303	1 203	5 544	10 563
December	450	776	875	808	674	1 534	1 482	6 598	12 806
March	377	637	488	817	549	1 296	1 193	5 357	10 301
June	414	731	766	984	656	1 587	1 205	6 344	12 206
ORIGINAL (Expected)(a)									
1998-99									
6 mths to Dec	684	1 454	1 646	2 092	1 144	3 739	4 127	14 886	25 897
6 mths to Jun	470	1 277	1 051	1 450	1 040	2 948	2 542	10 778	20 160
Total 1998-99	1 153	2 731	2 698	3 542	2 184	6 687	6 669	25 663	46 057
SEASONALLY ADJUSTED (Actual)									
1996-97	1 149	2 551	2 229	3 295	2 447	6 295	6 896	24 863	43 841
1997-98	1 554	2 869	2 758	3 341	2 532	5 742	5 106	23 902	45 943
1996-97									
March	365	599	512	778	533	1 738	1 740	6 265	11 195
June	306	774	610	876	555	1 462	1 699	6 282	11 185
1997-98									
September	310	673	691	791	604	1 311	1 387	5 767	11 022
December	464	697	766	704	661	1 388	1 352	6 032	11 794
March	428	758	622	911	655	1 572	1 267	6 213	11 685
June	353	741	679	935	612	1 471	1 099	5 890	11 441
TREND ESTIMATES (Actual)									
1996-97	1 269	2 500	2 295	3 302	2 218	6 233	6 908	24 725	43 944
1997-98	1 578	2 913	2 736	3 358	2 528	5 805	5 208	24 126	46 115
1996-97									
March	289	644	546	808	551	1 642	1 690	6 169	10 961
June	332	687	616	807	564	1 501	1 614	6 122	11 153
1997-98									
September	363	713	682	789	607	1 388	1 485	6 025	11 339
December	401	716	705	798	641	1 407	1 340	6 008	11 520
March	416	729	685	851	646	1 478	1 231	6 037	11 630
June	398	755	663	920	635	1 532	1 153	6 056	11 626

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 19 to 22 of the Explanatory Notes.

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

Period	ASSET.....			INDUSTRY.....			
	<i>Buildings and structures</i>	<i>Equipment, plant and machinery</i>	<i>Total</i>	<i>Mining</i>	<i>Manufacturing</i>	<i>Other selected industries</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL							
1996-97	13 713	31 013	44 726	8 101	9 821	26 805	44 726
1997-98	11 738	35 901	47 639	9 958	10 776	26 906	47 639
1996-97							
March	3 463	6 699	10 163	2 034	2 247	5 881	10 163
June	3 212	9 287	12 499	2 143	2 757	7 598	12 499
1997-98							
September	2 730	8 382	11 112	2 274	2 501	6 338	11 112
December	3 454	9 836	13 290	2 737	3 143	7 410	13 290
March	2 590	7 994	10 584	2 283	2 331	5 970	10 584
June	2 964	9 689	12 653	2 663	2 801	7 188	12 653
SEASONALLY ADJUSTED							
1996-97	13 792	30 928	44 720	8 113	9 810	26 797	44 720
1997-98	11 802	35 900	47 702	9 978	10 758	26 966	47 702
1996-97							
March	3 756	7 712	11 469	2 187	2 499	6 782	11 469
June	3 329	8 417	11 746	2 098	2 566	7 083	11 746
1997-98							
September	2 740	8 803	11 543	2 378	2 621	6 544	11 543
December	3 102	9 137	12 240	2 499	2 960	6 781	12 240
March	2 885	9 187	12 072	2 496	2 615	6 961	12 072
June	3 074	8 773	11 848	2 605	2 562	6 680	11 848
TREND ESTIMATES							
1996-97	13 804	31 019	44 823	8 222	9 867	26 733	44 823
1997-98	11 982	35 929	47 911	9 908	10 792	27 211	47 911
1996-97							
March	3 477	7 818	11 295	2 072	2 471	6 752	11 295
June	3 297	8 323	11 620	2 208	2 590	6 823	11 620
1997-98							
September	3 030	8 829	11 859	2 340	2 712	6 808	11 859
December	2 925	9 059	11 984	2 452	2 754	6 779	11 984
March	2 971	9 068	12 039	2 540	2 703	6 796	12 039
June	3 056	8 973	12 028	2 577	2 624	6 828	12 028

(a) At average 1989-90 prices.

ACTUAL & EXPECTED CAPITAL EXPENDITURE, By Type of Asset—Current prices

Financial year	12 months expectation as reported in Jan–Feb of previous financial year (Estimate 1)	12 months expectation as reported in Apr–May of previous financial year (Estimate 2)	12 months expectation as reported in Jul–Aug (Estimate 3)	3 months actual and 9 months expectation as reported in Oct–Nov (Estimate 4)	6 months actual and 6 months expectation as reported in Jan–Feb (Estimate 5)	9 months actual and 3 months expectation as reported in Apr–May (Estimate 6)	12 months actual (Estimate 7)
BUILDINGS AND STRUCTURES (\$ million)							
1994–95	7 840	9 155	9 650	9 012	10 016	9 798	9 093
1995–96	8 700	9 528	10 479	11 878	12 861	12 373	12 348
1996–97	9 559	11 643	14 017	15 056	15 633	15 769	14 330
1997–98	12 085	14 505	13 668	14 014	13 593	13 740	12 772
1998–99	11 812	13 587	14 613	n.y.a.	n.y.a.	n.y.a.	n.y.a.
BUILDINGS AND STRUCTURES (Realisation Ratio)(a)							
1995–96	1.42	1.30	1.18	1.04	0.96	1.00	1.00
1996–97	1.50	1.23	1.02	0.95	0.92	0.91	1.00
1997–98	1.06	0.88	0.93	0.91	0.94	0.93	1.00
5 year average	1.27	1.13	1.04	0.99	0.93	0.94	1.00
EQUIPMENT, PLANT AND MACHINERY (\$ million)							
1994–95	18 176	20 814	22 085	24 832	25 072	26 027	26 467
1995–96	19 069	22 634	24 605	25 437	26 742	28 077	28 124
1996–97	22 841	25 174	26 384	27 428	27 996	28 845	29 507
1997–98	20 229	22 974	27 193	30 974	32 637	33 151	33 103
1998–99	26 104	27 905	31 444	n.y.a.	n.y.a.	n.y.a.	n.y.a.
EQUIPMENT, PLANT AND MACHINERY (Realisation Ratio)(a)							
1995–96	1.47	1.24	1.14	1.11	1.05	1.00	1.00
1996–97	1.29	1.17	1.12	1.08	1.05	1.02	1.00
1997–98	1.64	1.44	1.22	1.07	1.01	1.00	1.00
5 year average	1.38	1.23	1.15	1.08	1.04	1.00	1.00
TOTAL (\$ million)							
1994–95	25 997	30 167	31 736	33 844	35 087	35 825	35 561
1995–96	27 769	32 161	35 084	37 315	39 603	40 450	40 473
1996–97	32 400	36 817	40 401	42 484	43 629	44 614	43 837
1997–98	32 321	37 479	40 860	44 988	46 229	46 892	45 876
1998–99	37 916	41 492	46 057	n.y.a.	n.y.a.	n.y.a.	n.y.a.
TOTAL (Realisation Ratio)(a)							
1995–96	1.46	1.26	1.15	1.08	1.02	1.00	1.00
1996–97	1.35	1.19	1.09	1.03	1.00	0.98	1.00
1997–98	1.42	1.22	1.12	1.02	0.99	0.98	1.00
5 year average	1.35	1.19	1.12	1.05	1.00	0.98	1.00
TOTAL (Percentage change over previous estimate for same financial year)							
1994–95	n.a.	16.0	5.2	6.6	3.7	2.1	-0.7
1995–96	n.a.	15.8	9.1	6.4	6.1	2.1	0.1
1996–97	n.a.	13.6	9.7	5.2	2.7	2.3	-1.7
1997–98	n.a.	16.0	9.0	10.1	2.8	1.4	-2.2
1998–99	n.a.	11.1	11.0	n.y.a.	n.y.a.	n.y.a.	n.y.a.
TOTAL (Percentage change over corresponding estimate for previous financial year)							
1995–96	6.8	6.6	10.6	10.3	12.9	12.9	13.8
1996–97	16.7	14.5	15.2	13.9	10.2	10.3	8.3
1997–98	-0.2	1.8	1.1	5.9	6.0	5.1	4.7

(a) Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 19 to 22 of the Explanatory Notes.

ACTUAL & EXPECTED CAPITAL EXPENDITURE, By Industry—Current prices

Financial year	12 months expectation as reported in Jan–Feb of previous financial year (Estimate 1)	12 months expectation as reported in Apr–May of previous financial year (Estimate 2)	12 months expectation as reported in Jul–Aug (Estimate 3)	3 months actual and 9 months expectation as reported in Oct–Nov (Estimate 4)	6 months actual and 6 months expectation as reported in Jan–Feb (Estimate 5)	9 months actual and 3 months expectation as reported in Apr–May (Estimate 6)	12 months actual (Estimate 7)
MANUFACTURING (\$ million)							
1994–95	7 700	8 839	9 445	10 255	10 309	10 474	10 352
1995–96	8 975	9 964	10 721	11 185	11 160	10 978	10 457
1996–97	9 711	10 037	10 652	11 081	10 350	10 359	10 198
1997–98	7 727	8 826	10 108	10 936	11 066	11 451	10 942
1998–99	8 679	10 412	11 042	n.y.a.	n.y.a.	n.y.a.	n.y.a.
MANUFACTURING (Realisation Ratio)(a)							
1995–96	1.17	1.05	0.98	0.93	0.94	0.95	1.00
1996–97	1.05	1.02	0.96	0.92	0.99	0.98	1.00
1997–98	1.42	1.24	1.08	1.00	0.99	0.96	1.00
5 year average	1.15	1.06	1.00	0.96	0.96	0.97	1.00
MINING (\$ million)							
1994–95	5 370	6 013	6 666	6 897	6 976	6 951	6 351
1995–96	5 541	6 720	7 472	7 627	7 764	7 788	7 525
1996–97	7 789	9 913	10 113	9 932	9 452	9 354	8 781
1997–98	8 592	9 588	11 026	11 908	12 090	11 551	11 091
1998–99	9 404	10 088	9 352	n.y.a.	n.y.a.	n.y.a.	n.y.a.
MINING (Realisation Ratio)(a)							
1995–96	1.36	1.12	1.01	0.99	0.97	0.97	1.00
1996–97	1.13	0.89	0.87	0.88	0.93	0.94	1.00
1997–98	1.29	1.16	1.01	0.93	0.92	0.96	1.00
5 year average	1.13	1.00	0.92	0.93	0.93	0.93	1.00
OTHER SELECTED INDUSTRIES (\$ million)							
1994–95	12 947	15 116	15 624	16 692	17 803	18 400	18 857
1995–96	13 253	15 478	16 890	18 503	20 679	21 683	22 491
1996–97	14 900	16 867	19 636	21 470	23 827	24 901	24 859
1997–98	16 002	19 065	19 726	22 144	23 074	23 889	23 842
1998–99	19 833	20 992	25 663	n.y.a.	n.y.a.	n.y.a.	n.y.a.
OTHER SELECTED INDUSTRIES (Realisation Ratio)(a)							
1995–96	1.70	1.45	1.33	1.22	1.09	1.04	1.00
1996–97	1.67	1.47	1.27	1.16	1.04	1.00	1.00
1997–98	1.49	1.25	1.21	1.08	1.03	1.00	1.00
5 year average	1.60	1.39	1.29	1.17	1.05	1.01	1.00

(a) Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 19 to 22 of the Explanatory Notes.

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

Financial year	3 MONTHS ENDING.....		6 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)
TYPE OF ASSET				
Buildings and Structures				
1995-96	0.95	0.99	1.05	0.93
1996-97	0.94	0.70	1.02	0.84
1997-98	0.91	0.77	0.92	0.88
5 year average	0.96	0.80	1.00	0.87
Equipment, Plant and Machinery				
1995-96	1.00	1.01	1.02	1.10
1996-97	0.97	1.08	1.06	1.11
1997-98	1.02	0.99	1.15	1.03
5 year average	0.99	1.02	1.09	1.08
Total				
1995-96	0.98	1.00	1.03	1.04
1996-97	0.96	0.94	1.04	1.01
1997-98	0.99	0.92	1.08	0.98
5 year average	0.98	0.95	1.06	1.01
TYPE OF INDUSTRY				
Mining				
1995-96	0.93	0.89	0.89	0.94
1996-97	0.84	0.80	0.87	0.87
1997-98	0.92	0.87	1.02	0.85
5 year average	0.88	0.80	0.91	0.88
Manufacturing				
1995-96	0.85	0.85	0.91	0.88
1996-97	0.74	0.95	0.91	0.97
1997-98	0.96	0.85	1.03	0.98
5 year average	0.85	0.90	0.96	0.95
Other Selected Industries				
1995-96	1.08	1.13	1.16	1.18
1996-97	1.15	0.99	1.20	1.09
1997-98	1.04	0.99	1.13	1.07
5 year average	1.10	1.05	1.20	1.11
Total				
1995-96	0.98	1.00	1.03	1.04
1996-97	0.96	0.94	1.04	1.01
1997-98	0.99	0.92	1.08	0.98
5 year average	0.98	0.95	1.06	1.01

(a) For more information on Realisation Ratios see paragraphs 19 to 22 of the Explanatory Notes.

EXPLANATORY NOTES

INTRODUCTION

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

SCOPE OF THE SURVEY

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

3 The scope of the survey:

- includes the following Australian and New Zealand Standard Industrial Classification (ANZSIC) industries

Mining (Division B)

Manufacturing (Division C)

Food, beverages and tobacco (21)

Textiles, clothing, footwear and leather (22)

Wood and paper products (23)

Printing, publishing and recorded media (24)

Petroleum, coal, chemical and associated products (25)

Non-metallic mineral products (26)

Metal products (27)

Machinery and equipment (28)

Other manufacturing (29)

Other Selected Industries

Construction (Division E)

Wholesale trade (Division F)

Retail trade (Division G)

Transport & storage (Division I)

Finance and insurance (Division K)

Property & business services (Division L)

Other selected services (including electricity & gas; communication; accommodation, cafes & restaurants; cultural & recreational services; and personal services (36,37,57,71,91–93,95)

- excludes the following industries

Agriculture, forestry and fishing

Government administration & defence

Education

Health and community services

SURVEY METHODOLOGY

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

EXPLANATORY NOTES

SURVEY METHODOLOGY
continued

5 Adjustments are included in the estimates to allow for lags in processing new businesses to the ABS business register, and the omission of some businesses from the business register. The majority of businesses affected and to which the adjustments apply are small in size. The adjustments contributed 3.9% to the current quarter's estimate of reported capital expenditure. These adjustments were introduced in the June quarter 1997 publication and have been made back to the June quarter 1987. For further information see the June quarter 1997 publication or an Information Paper, *Improvements to ABS Economic Statistics 1997* (Cat. No. 1357.0), issued on 22 August 1997.

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

TIMING AND CONSTRUCTION OF
SURVEY CYCLE

7 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.

Survey quarter	Period to which reported data relates											
	1996-97				1997-98				1998-99			
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	
December 1996	Act	E1	E2									
March 1997	Act	Act	E1	E2								
June 1997	Act	Act	Act	E1	E2							
September 1997				Act	E1	E2						
December 1997				Act	Act	E1	E2					
March 1998				Act	Act	Act	E1	E2				
June 1998				Act	Act	Act	Act	E1	E2			

8 Businesses are requested to provide 3 basic figures each survey:

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

9 This survey cycle facilitates the formation of estimates of expenditure for financial years (12 months ending 30 June). For example, as the above table shows, the first estimate for 1998-99 was available from the December 1997 survey as a longer term expectation (E2). It was subsequently revised in the March 1998 survey (again as a longer term expectation) and in the June 1998 survey as the sum of two expectations (E1 + E2). In the September and subsequent surveys the estimate is derived as the sum of actual expenditure (for that part of the year completed) and expected expenditure (for the remainder of the year). The final (or seventh) estimate from the June quarter 1999 survey, will be derived by summing the actual expenditure for each of the four quarters.

EXPLANATORY NOTES

SAMPLE REVISION

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

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

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

STATISTICAL UNIT

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

CLASSIFICATION BY INDUSTRY

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, (1292.0)* and *Statistics New Zealand (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 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 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'.

EXPLANATORY NOTES

DERIVATION AND USEFULNESS OF REALISATION RATIOS

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

20 Realisation ratios provide an important tool in understanding and interpreting expectation statistics for future periods. The application of realisation ratios enables the adjustment of expectation data for known under (or over) realisation patterns in the past and hence provides a valid basis for comparison with other expectation data and actual expenditure estimates. For example, if one wished to predict actual expenditure for 1998–99 based on the June 1998 survey results and compare this with 1997–98 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.

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

22 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

23 *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.

24 Some estimates are dissected by type of asset:

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

EXPLANATORY NOTES

RELIABILITY OF THE ESTIMATES

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

RELATIVE STANDARD ERROR

Total new capital expenditure:

Mining	7.3%
Manufacturing	2.8%
Other Selected Industries	3.4%
Buildings & Structures	4.8%
Equipment, Plant & Machinery	2.7%
Total Selected Industries	2.6%

26 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.

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

28 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

29 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.

30 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.

EXPLANATORY NOTES

SEASONAL ADJUSTMENT *continued*

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 March quarter 1998 survey. Data for periods from June 1998 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. Care should be exercised when interpreting quarter to quarter movements in the seasonally adjusted series in the publication, particularly 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.

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 (02) 6252 6345.

COMPARABILITY WITH NATIONAL ACCOUNTS ESTIMATES

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

- National Accounts estimates incorporate data from other sources as well as information from the capital expenditure survey. For example, estimates for capital expenditure on 'equipment' are based on annual statistics of depreciable assets available from the Taxation Commissioner. Quarterly estimates are interpolated between and extrapolated from the annual taxation based estimates using a variety of indicators including this survey. The ABS's quarterly Building Activity Survey and Engineering Construction Survey are the main sources for estimating the National Accounts dwelling and non-dwelling construction items respectively.
- National Accounts estimates include capital expenditure by all private businesses including units classified to agriculture, forestry, fishing and hunting and community services industries and capital expenditure on dwellings by households. Data for these sectors are excluded from this publication.
- National Accounts estimates include the value of work done on speculative construction projects as the work is put into place. The statistics in this publication, however, include full value of the speculative projects as new capital expenditure of the purchases (if in scope), when the project is sold.
- For equipment, the National Accounts estimates relate to acquisitions less disposals of all fixed tangible assets whereas the survey figures are acquisitions of new fixed tangible assets only.

EXPLANATORY NOTES

COMPARABILITY WITH NATIONAL
ACCOUNTS ESTIMATES *continued*

36 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

37 Users may also wish to refer the following publications:

- *Australian Business Expectations* (5250.0)
- *Australian National Accounts. National Income, Expenditure and Product* (5206.0)
- *Building Activity, Australia* (8752.0)
- *Business Operations and Industry Performance, Australia* (8140.0)
- *Directory of Capital Expenditure Data Sources and Related Statistics* (5653.0)
- *State Estimates of Private New Capital Expenditure*, (5646.0)
- *Company Profits, Australia* (5651.0)
- *Engineering Construction Activity, Australia* (8762.0)
- *Stocks and Sales, Selected Industries, Australia* (5629.0).

38 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

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

SYMBOLS AND OTHER USAGES

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

WHAT IF...? REVISIONS TO TREND ESTIMATES

EFFECT OF NEW SEASONALLY ADJUSTED ESTIMATES ON TREND ESTIMATES

Each time new seasonally adjusted estimates become available, trend estimates are revised (see paragraphs 29 and 34 of the Explanatory Notes).

TREND REVISIONS

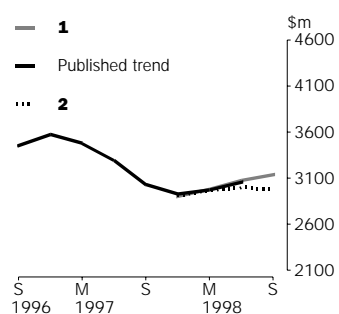
The examples in the tables below show two scenarios and the consequent revisions to previous trend estimates of capital expenditure by private businesses.

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

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

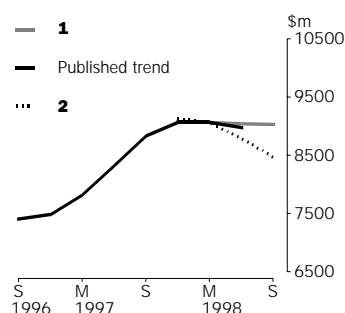
The percentages chosen are approximately the long term average movement, without regard to sign, in the seasonally adjusted series.

BUILDINGS AND STRUCTURES



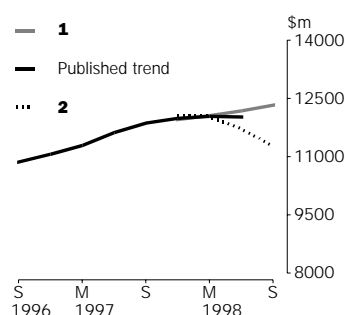
	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 6.7% on Jun 1998		2 falls by 6.7% on Jun 1998	
	\$m	% change	\$m	% change	\$m	% change
1997						
December	2 925	-3.5	2 899	-4.3	2 915	-3.8
1998						
March	2 971	1.6	2 978	2.7	2 972	2.0
June	3 056	2.8	3 076	3.3	2 999	0.9
September	—	—	3 140	2.1	2 970	-1.0

EQUIPMENT, PLANT AND MACHINERY



	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 4.9% on Jun 1998		2 falls by 4.9% on Jun 1998	
	\$m	% change	\$m	% change	\$m	% change
1997						
December	9 059	2.6	9 070	2.7	9 120	3.3
1998						
March	9 068	0.1	9 069	0.0	9 050	-0.8
June	8 973	-1.1	9 038	-0.3	8 795	-2.8
September	—	—	9 030	-0.1	8 470	-3.7

TOTAL CAPITAL EXPENDITURE



	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 4.4% on Jun 1998		2 falls by 4.4% on Jun 1998	
	\$m	% change	\$m	% change	\$m	% change
1997						
December	11 984	1.1	11 955	0.8	12 049	1.6
1998						
March	12 039	0.5	12 050	0.8	12 018	-0.3
June	12 028	-0.1	12 178	1.1	11 729	-2.4
September	—	—	12 329	1.2	11 265	-4.0

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