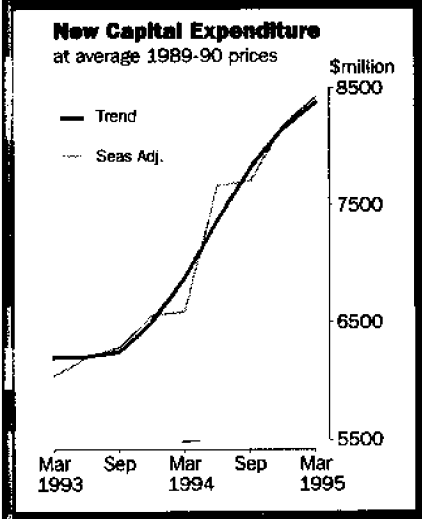
Australian Bureau of Statistics

MARCH QUARTER 1995 5625.0

PRIVATE NEW CAPITAL EXPENDITURE

AND EXPECTED EXPENDITURE to June 1996 AUSTRALIA

EMBARGOED UNTIL 11:30AM THURS 25 MAY 1995



MAR QTR SURVEY KEY FIGURES

TREND ESTIMATES *

	Mar 94 $m	Dec 94 $m	Mar 95 $m	% change Dec 94 to Mar 95	% change Mar 94 to Mar 95
Total new capital expenditure	6 871	8 149	8 368	2.7	21.8
Building and structures	2 179	2 282	2 503	9.7	14.9
Equipment, plant and machinery	4 692	5 867	5 864	0.0	25.0

SEASONALLY ADJUSTED*

	Mar 94 $m	Dec 94 $m	Mar 95 $m	% change Dec 94 to Mar 95	% change Mar 94 to Mar 95
Total new capital expenditure	6 587	8 167	8 423	3.1	27.9
Building and structures	2 156	2 116	2 773	31.0	28.6
Equipment, plant and machinery	4 431	6 051	5 651	-6.6	27.5

* At average 1989-90 prices.

MAR QTR SURVEY KEY POINTS

ACTUAL EXPENDITURE

- The trend estimate (in constant price terms) has continued to rise and has done so since the June quarter 1993. The increase of 2.7% in March indicates a slowing of growth in recent quarters (see Table 3).
- Investment in plant and equipment has slowed after large quarterly rises in the past year. Investment in buildings and structures has shown increasing growth.

EXPECTED EXPENDITURE

- The latest estimate of total expenditure for 1994-95 is $34,702m, a rise of 1.4% over the revised estimate from the December quarter 1994 survey.
- If the realisation ratio from the last completed year (1993-94) were to be applied to this estimate the outcome for 1994-95 would be a rise of 18.3% over 1993-94.
- The second estimate for 1995-96 is $30,492m. This is 16% higher than the first estimate for the year and 7% higher than the second estimate for 1994-95.

INQUIRIES

- For further information about these and related statistics, contact Bruce Jamieson on 06 252 5611, or any ABS Office.

CAPITAL EXPENDITURE NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)	*RELEASE DATE*
June 1995	24 August 1995
September 1995	24 November 1995
December 1995	23 February 1996

CHANGES IN THIS ISSUE

There are no changes in this issue.

SAMPLING ERRORS

Relative standard errors for estimates for March quarter 1995 contained in this publication are:

	RELATIVE STANDARD ERROR
Total Capital Expenditure:	
Mining	4.2%
Manufacturing	2.6%
Other Selected Industries	6.0%
Buildings & Structures	4.1%
Plant Machinery & Equipment	3.5%
Total Selected Industries	3.1%

REVISIONS TO TREND

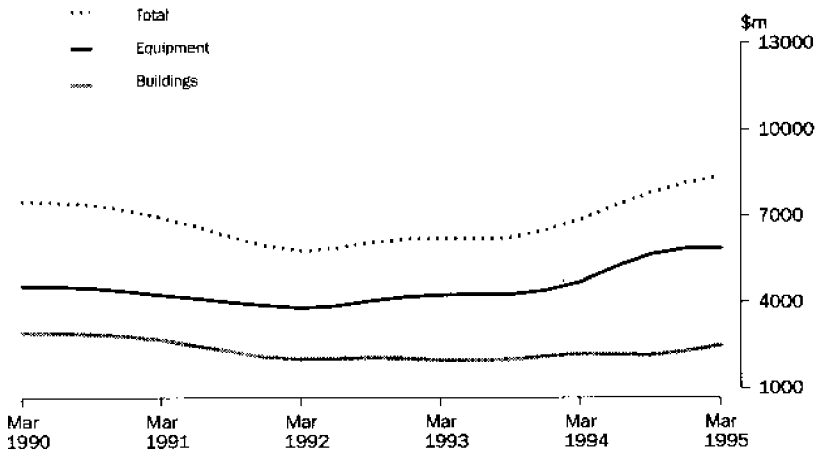
Readers should exercise care in the interpretation of the trend data as the last three observations, in particular, are likely to be revised with the addition of subsequent quarters' data. For further information, refer to the section on Revisions to Trend Estimates.

W. McLENNAN
AUSTRALIAN STATISTICIAN

QUARTERLY TREND ESTIMATES AT CONSTANT PRICES

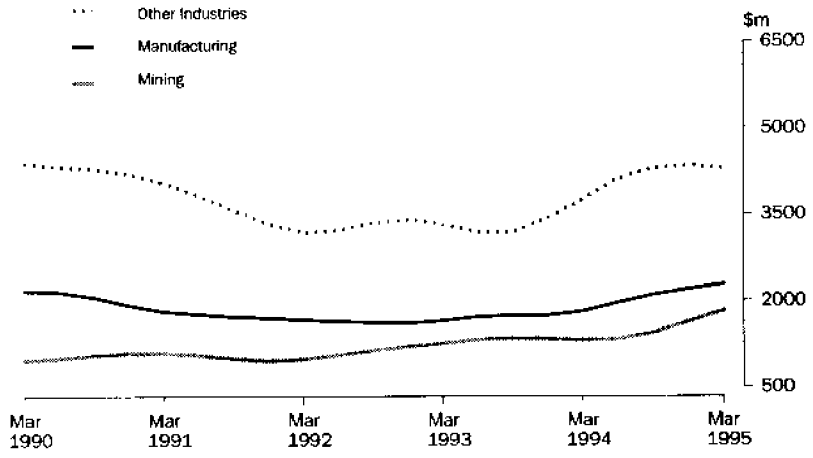
BY ASSET

The graph below shows the trend series for New Capital Expenditure by type of asset at average 1989-90 prices.



BY INDUSTRY

The graph below shows the trend series for New Capital Expenditure by broad industry group at average 1989-90 prices.

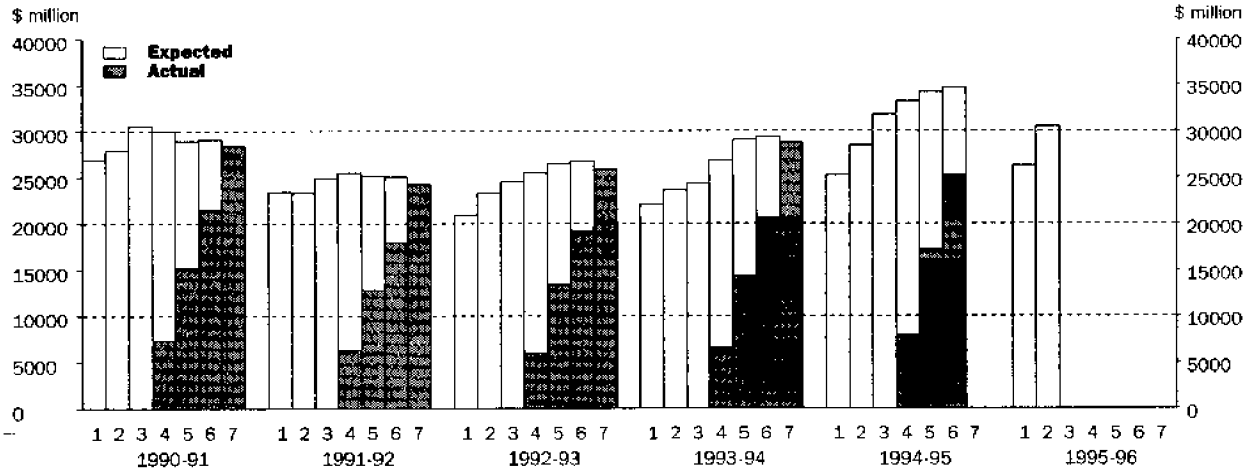


ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

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 the data contained in Table 4. Care should be exercised when using these series and the associated realisation ratios.



EXPLANATION OF TIMING OF ESTIMATES used in construction of graph above

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

1 ACTUAL AND EXPECTED EXPENDITURE, By Selected Industries & Type of Asset—Current prices

	BUILDING AND STRUCTURES				EQUIPMENT, PLANT AND MACHINERY				TOTAL CAPITAL EXPENDITURE			
Period	*Mining* $m	*Manu-facturing* $m	*Other selected indus-tries* $m	*Total* $m	*Mining* $m	*Manu-facturing* $m	*Other selected indus-tries* $m	*Total* $m	*Mining* $m	*Manu-facturing* $m	*Other selected indus-tries* $m	*Total* $m
ORIGINAL (Actual)												
1992–93	2 828	1 029	3 904	7 761	2 326	6 009	9 752	**18 086**	5 153	7 038	13 656	**25 847**
1993–94	3 192	933	4 040	**8 165**	2 482	6 881	11 229	**20 591**	5 674	7 815	15 269	**28 758**
1993–94												
December	1 004	238	1 091	**2 332**	634	1 832	2 886	**5 352**	1 638	2 070	3 977	**7 685**
March	686	183	993	**1 863**	539	1 462	2 482	**4 483**	1 226	1 645	3 475	**6 346**
June	742	273	1 099	**2 115**	720	2 019	3 264	**6 002**	1 462	2 292	4 364	**8 117**
1994–95												
September	657	228	1 055	**1 940**	794	1 953	3 247	**5 993**	1 451	2 180	4 302	**7 933**
December r	909	280	1 100	**2 288**	1 024	2 030	3 988	**7 042**	1 933	2 310	5 088	**9 331**
March	1 032	262	1 132	**2 426**	777	2 018	2 718	**5 513**	1 809	2 280	3 850	**7 939**
ORIGINAL (Expected)[1]												
1994-95												
3 mths to Jun	1 186	410	1 323	**2 919**	1 045	2 593	2 942	**6 580**	2 232	3 003	4 264	**9 499**
Total 1995-96	3 784	1 179	4 610	**9 574**	3 640	8 594	12 895	**25 128**	7 424	9 773	17 504	**34 702**
Total 1995-96												
12 mths to Jun	3 346	954	5 148	**9 449**	2 556	8 373	10 114	**21 043**	5 901	9 328	15 262	**30 492**
SEASONALLY ADJUSTED (Actual)												
1992–93	2 833	1 032	3 865	7 731	2 328	5 989	9 752	**18 069**	5 161	7 022	13 617	**25 800**
1993–94	3 177	944	4 067	**8 188**	2 483	6 861	11 224	**20 568**	5 659	7 806	15 291	**28 756**
1993–94												
December	918	209	917	**2 043**	569	1 683	2 729	**4 981**	1 487	1 891	3 646	**7 024**
March	759	225	1 110	**2 093**	606	1 631	2 700	**4 937**	1 364	1 856	3 810	**7 030**
June	742	269	1 220	**2 231**	695	1 864	3 232	**5 791**	1 436	2 134	4 452	**8 022**
1994–95												
September	658	242	1 020	**1 920**	826	2 095	3 206	**6 128**	1 484	2 338	4 226	**8 048**
December r	828	252	966	**2 047**	922	1 864	3 768	**6 554**	1 750	2 116	4 735	**8 601**
March	1 143	301	1 254	**2 699**	871	2 252	2 956	**6 079**	2 014	2 553	4 210	**8 778**
TREND ESTIMATES (Actual)												
1992–93	2 817	1 037	3 813	**7 667**	2 319	5 990	9 890	**18 200**	5 137	7 027	13 703	**25 867**
1993–94 r	3 159	933	4 002	**8 094**	2 509	6 890	11 135	**20 534**	5 668	7 822	15 137	**28 628**
1993–94												
December r	834	223	959	**2 016**	585	1 666	2 659	**4 911**	1 420	1 889	3 619	**6 927**
March r	788	232	1 087	**2 106**	615	1 731	2 844	**5 190**	1 402	1 963	3 931	**7 296**
June r	713	244	1 117	**2 074**	708	1 841	3 126	**5 674**	1 420	2 084	4 243	**7 748**
1994–95												
September r	734	254	1 079	**2 067**	811	1 957	3 346	**6 114**	1 545	2 212	4 425	**8 181**
December r	865	265	1 073	**2 204**	880	2 054	3 391	**6 324**	1 745	2 319	4 464	**8 528**
March	1 033	279	1 120	**2 432**	915	2 128	3 279	**6 322**	1 949	2 407	4 398	**8 755**

[1] Not directly comparable with estimates of actual expenditure due to likely over/under realisation —see paragraphs 22 to 25 of the Explanatory Notes.

ACTUAL AND EXPECTED CAPITAL EXPENDITURE, Detailed Industries—Current prices

Period	Total mining $m	Food, beverage and tobacco $m	Textiles, clothing, footwear and leather $m	Wood and paper products $m	Printing, publishing and recorded media $m	Petroleum, coal, chemical and assoc. products $m	Non-metallic mineral product $m	Metal product $m	Machinery and equipment $m	Other manu-facturing $m	Total manu-facturing $m
	MINING....	MANUFACTURING.....									
					ORIGINAL (Actual)						
1992–93	5 153	1 438	271	366	599	1 145	575	1 440	1 119	85	7 038
1993–94	5 674	1 973	238	592	567	1 202	587	1 159	1 308	187	7 815
1993–94											
December	1 638	491	65	143	139	309	162	336	397	29	**2 070**
March	1 226	489	51	121	88	277	116	216	241	46	**1 645**
June	1 462	571	61	181	227	347	138	343	344	79	**2 292**
1994–95											
September	1 451	482	79	154	225	442	206	245	290	56	**2 180**
December r	1 933	519	87	176	188	403	258	287	343	49	**2 310**
March	1 809	449	67	190	270	394	261	291	325	34	**2 280**
					ORIGINAL (Expected)[1]						
1994-95											
3 mths to Jun	2 232	595	94	241	253	492	319	556	419	35	**3 003**
Total 1995-96	7 424	2 045	326	762	936	1 730	1 044	1 380	1 376	174	**9 773**
Total 1995-96											
12 mths to Jun	5 901	1 809	186	972	490	1 551	912	1 753	1 563	92	**9 328**
					SEASONALLY ADJUSTED (Actual)						
1992–93	5 161	1 435	269	369	577	1 139	570	1 456	1 123	84	7 022
1993–94	5 659	1 981	241	594	555	1 204	591	1 151	1 300	189	7 806
1993–94											
December	1 487	441	56	135	130	279	161	313	350	26	**1 891**
March	1 364	560	50	129	97	320	119	253	277	51	**1 856**
June	1 436	530	64	186	188	329	128	293	339	76	**2 134**
1994–95											
September	1 484	514	91	150	281	455	223	271	295	57	**2 338**
December r	1 750	467	74	166	175	363	256	268	303	45	**2 116**
March	2 014	514	66	202	298	456	266	341	372	38	**2 553**
					TREND ESTIMATES (Actual)						
1992–93	5 137	1 449	276	366	562	1 109	577	1 485	1 113	90	7 027
1993–94 r	5 668	1 966	243	581	585	1 236	611	1 134	1 287	180	7 822
1993–94											
December r	1 420	481	54	141	121	285	153	286	330	37	**1 889**
March r	1 402	523	58	147	137	315	132	283	316	53	**1 963**
June r	1 420	531	68	156	181	358	151	272	305	63	**2 084**
1994–95											
September r	1 545	512	77	165	221	393	202	275	308	60	**2 212**
December r	1 745	494	78	175	246	416	248	292	324	48	**2 319**
March	1 949	491	72	184	256	434	273	309	339	40	**2 407**

[1] Not directly comparable with estimates of actual expenditure due to likely over/under realisation —see paragraphs 22 to 25 of the Explanatory Notes.

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

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
	OTHER SELECTED INDUSTRIES								TOTAL
	$m	$m	$m	$m	$m	$m	$m	$m	$m
	ORIGINAL (Actual)								
1992–93	1 004	2 347	1 749	1 233	2 004	2 679	2 640	13 656	**25 847**
1993–94	1 482	2 616	1 992	1 690	2 122	2 965	2 403	15 269	**28 758**
1993–94									
December	339	813	570	415	540	775	525	3 977	**7 685**
March	347	565	351	467	502	660	582	3 475	**6 346**
June	469	611	562	418	614	923	767	4 364	**8 117**
1994–95									
September	498	662	444	509	561	953	676	4 302	**7 933**
December r	277	822	511	879	526	880	1 193	5 088	**9 331**
March	305	523	431	540	449	667	935	3 850	**7 939**
	ORIGINAL (Expected)[1]								
1994-95									
3 mths to Jun	196	745	477	526	540	782	998	4 264	**9 499**
Total 1995-96	1 275	2 751	1 862	2 455	2 077	3 282	3 802	17 504	**34 702**
Total 1995-96									
12 mths to Jun	**546**	**2 402**	**1 564**	**2 069**	**2 080**	**2 641**	**3 961**	**15 262**	**30 492**
	SEASONALLY ADJUSTED (Actual)								
1992–93	1 006	2 332	1 726	1 251	2 004	2 678	2 620	13 617	**25 800**
1993–94	1 487	2 617	1 983	1 699	2 143	2 959	2 402	15 291	**28 756**
1993–94									
December	344	680	492	420	487	721	501	3 646	**7 024**
March	350	670	437	468	576	685	624	3 810	**7 030**
June	478	647	571	455	642	913	745	4 452	**8 022**
1994–95									
September	477	653	423	464	524	1 005	680	4 226	**8 048**
December r	283	686	439	893	475	817	1 142	4 735	**8 601**
March	306	619	537	539	518	691	1 000	4 210	**8 778**
	TREND ESTIMATES (Actual)								
1992–93	1 019	2 302	1 801	1 309	1 931	2 699	2 642	13 703	**25 867**
1993–94 r	1 473	2 617	1 900	1 697	2 136	2 957	2 358	15 137	**28 628**
1993–94									
December r	338	664	481	405	509	671	550	3 619	**6 927**
March r	402	666	497	427	568	779	592	3 931	**7 296**
June r	440	663	483	486	589	885	697	4 243	**7 748**
1994–95									
September r	418	659	471	581	550	912	833	4 425	**8 181**
December r	355	656	471	660	507	849	966	4 464	**8 528**
March	297	646	483	691	490	735	1 074	4 398	**8 755**

[1] Not directly comparable with estimates of actual expenditure due to likely over/under realisation —see paragraphs 22 to 25 of the Explanatory Notes.

3 ACTUAL EXPENDITURE, By Selected Industry & Type of Asset—Constant prices[1]

ASSET..... INDUSTRY.....

Period	*Buildings and structures* $m	*Equipment, plant and machinery* $m	*Total* $m	*Mining* $m	*Manfacturing* $m	*Other selected industries* $m	*Total* $m
			ORIGINAL				
1992–93 r	7 879	16 583	**24 462**	4 895	6 367	13 200	**24 462**
1993–94 r	8 200	18 596	**26 796**	5 297	6 917	14 582	**26 796**
1993–94							
December r	2 337	4 768	**7 105**	1 536	1 818	3 752	**7 105**
March r	1 862	4 026	**5 888**	1 139	1 448	3 301	**5 888**
June r	2 126	5 532	**7 658**	1 359	2 056	4 243	**7 658**
1994–95							
September r	1 940	5 579	**7 519**	1 338	1 977	4 205	**7 519**
December r	2 287	6 497	**8 784**	1 793	2 102	4 889	**8 784**
March	2 414	5 128	**7 542**	1 693	2 066	3 783	**7 542**
			SEASONALLY ADJUSTED				
1992–93 r	8 063	16 561	**24 625**	4 902	6 570	13 153	**24 625**
1993–94 r	8 512	18 574	**27 085**	5 283	7 198	14 605	**27 085**
1993–94							
December r	2 113	4 440	**6 553**	1 395	1 727	3 431	**6 553**
March r	2 156	4 431	**6 587**	1 267	1 693	3 626	**6 587**
June r	2 320	5 343	**7 664**	1 337	2 004	4 323	**7 664**
1994–95							
September r	2 009	5 696	**7 705**	1 366	2 197	4 142	**7 705**
December r	2 116	6 051	**8 167**	1 624	2 011	4 532	**8 167**
March	2 773	5 651	**8 423**	1 884	2 399	4 140	**8 423**
			TREND ESTIMATES				
1992–93 r	7 996	16 678	**24 674**	4 878	6 569	13 227	**24 674**
1993–94 r	8 420	18 547	**26 967**	5 290	7 214	14 463	**26 967**
1993–94							
December r	2 096	4 394	**6 490**	1 329	1 730	3 431	**6 490**
March r	2 179	4 692	**6 871**	1 306	1 806	3 759	**6 871**
June r	2 153	5 207	**7 360**	1 317	1 944	4 100	**7 360**
1994–95							
September r	2 150	5 658	**7 808**	1 430	2 083	4 295	**7 808**
December r	2 282	5 867	**8 149**	1 621	2 191	4 337	**8 149**
March	2 503	5 864	**8 368**	1 817	2 272	4 279	**8 368**

[1] At average 1989–90 prices

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

Financial year	*12 months expectation as reported in Jan–Feb of previous financial year (Estimate 1)*	*12 months expectation as reported in Apr–May of previous financial year (Estimate 2)*	*12 months expectation as reported in Jul–Aug (Estimate 3)*	*3 months actual and 9 months expectation as reported in Oct–Nov (Estimate 4)*	*6 months actual and 6 months expectation as reported in Jan–Feb (Estimate 5)*	*9 months actual and 3 months expectation as reported in Apr–May (Estimate 6)*	*12 months actual (Estimate 7)*
				BUILDINGS ($ million)			
1991–92	8 775	8 592	9 032	9 078	8 791	8 391	8 076
1992–93	6 658	7 247	7 718	7 982	8 575	8 227	7 761
1993–94	7 415	7 727	7 538	8 161	8 711	8 580	8 165
1994–95	7 763	8 637	9 509	8 737	9 533	9 574	n.y.a.
1995–96	8 197	9 449	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
				BUILDINGS (Ratio of actual expenditure to each progressive estimate for same financial year)			
1991–92	0.92	0.94	0.89	0.89	0.92	0.96	1.00
1992–93	1.17	1.07	1.01	0.97	0.91	0.94	1.00
1993–94	1.10	1.06	1.08	1.00	0.94	0.95	1.00
5 year average	1.09	0.98	0.95	0.94	0.93	0.95	1.00
				EQUIPMENT ($ million)			
1991–92	14 662	14 718	15 918	16 381	16 303	16 674	16 145
1992–93	14 311	16 082	16 810	17 490	17 912	18 621	18 086
1993–94	14 724	15 911	16 798	18 448	20 307	20 849	20 591
1994–95	17 477	19 823	22 300	24 376	24 682	25 128	n.y.a.
1995–96	18 087	21 043	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
				EQUIPMENT (Ratio of actual expenditure to each progressive estimate for same financial year)			
1991–92	1.10	1.10	1.01	0.99	0.99	0.97	1.00
1992–93	1.26	1.12	1.08	1.03	1.01	0.97	1.00
1993–94	1.40	1.29	1.23	1.12	1.01	0.99	1.00
5 year average	1.28	1.15	1.06	1.02	1.00	0.98	1.00
				TOTAL ($ million)			
1991–92	23 438	23 310	24 950	25 459	25 094	25 065	24 220
1992–93	20 969	23 329	24 528	25 473	26 487	26 847	25 847
1993–94	22 137	23 638	24 336	26 609	29 019	29 429	28 758
1994–95	25 239	28 459	31 808	33 113	34 215	34 702	n.y.a.
1995–96	26 284	30 492	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
				TOTAL (Ratio of actual expenditure to each progressive estimate for same financial year)			
1991–92	1.03	1.04	0.97	0.95	0.97	0.97	1.00
1992–93	1.23	1.11	1.05	1.01	0.98	0.96	1.00
1993–94	1.30	1.22	1.18	1.08	0.99	0.98	1.00
5 year average	1.21	1.08	1.02	0.99	0.98	0.97	1.00
				TOTAL (Percentage change over previous estimate for same financial year)			
1991–92	n.a.	–0.5	7.0	2.0	–1.4	–0.1	–3.4
1992–93	n.a.	11.3	5.1	3.9	4.0	1.4	–3.7
1993–94	n.a.	6.8	3.0	9.3	9.1	1.4	–2.3
1994–95	n.a.	12.8	11.8	4.1	3.3	1.4	n.y.a.
1995–96	n.a.	16.0	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
				TOTAL (Percentage change over corresponding estimate for previous financial year)			
1991–92	–13.0	–16.5	–18.3	–15.2	–13.2	–14.0	–14.9
1992–93	–10.5	0.1	–1.7	0.1	5.5	7.1	6.7
1993–94	5.6	1.3	–0.8	4.5	9.6	9.6	11.3

5 ACTUAL AND EXPECTED CAPITAL EXPENDITURE, By Selected Industries—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)			
1991–92	7 783	7 673	7 534	7 474	7 324	7 151	6 743
1992–93	7 043	7 559	7 707	7 628	7 436	7 405	7 038
1993–94	6 183	6 754	7 404	7 855	8 103	8 136	7 815
1994–95	7 129	8 339	8 981	9 651	9 637	9 773	n.y.a.
1995–96	8 251	9 328	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
				MANUFACTURING (Ratio of actual expenditure to each progressive estimate for same financial year)			
1991–92	0.87	0.88	0.90	0.90	0.92	0.94	1.00
1992–93	1.00	0.93	0.91	0.92	0.95	0.95	1.00
1993–94	1.26	1.16	1.06	0.99	0.96	0.96	1.00
5 year average	1.05	1.00	0.94	0.94	0.95	0.96	1.00
				MINING ($ million)			
1991–92	4 333	4 413	4 529	4 775	4 515	4 221	4 058
1992–93	4 397	4 603	5 412	5 404	5 725	5 506	5 153
1993–94	6 469	6 583	6 528	6 318	6 009	6 113	5 674
1994–95	5 479	5 838	7 191	7 391	7 376	7 424	n.y.a.
1995–96	5 294	5 901	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
				MINING (Ratio of actual expenditure to each progressive estimate for same financial year)			
1991–92	0.94	0.92	0.90	0.85	0.90	0.96	1.00
1992–93	1.17	1.12	0.95	0.95	0.90	0.94	1.00
1993–94	0.88	0.86	0.87	0.90	0.94	0.93	1.00
5 year average	1.05	0.95	0.90	0.90	0.92	0.95	1.00
				OTHER SELECTED INDUSTRIES ($ million)			
1991–92	11 322	11 224	12 887	13 210	13 255	13 693	13 419
1992–93	9 529	11 168	11 409	12 440	13 326	13 937	13 656
1993–94	9 486	10 301	10 404	12 436	14 907	15 180	15 269
1994–95	12 631	14 282	15 636	16 071	17 203	17 504	n.y.a.
1995–96	12 740	15 262	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
				OTHER SELECTED INDUSTRIES (Ratio of actual expenditure to each progressive estimate for same financial year)			
1991–92	1.19	1.20	1.04	1.02	1.01	0.98	1.00
1992–93	1.43	1.22	1.20	1.10	1.02	0.98	1.00
1993–94	1.61	1.48	1.47	1.23	1.02	1.01	1.00
5 year average	1.41	1.20	1.13	1.05	1.01	0.99	1.00

6 RATIO OF ACTUAL TO SHORT TERM EXPECTATION FOR SAME PERIOD—Current prices

Financial year	3 MONTHS ENDING... 31 December (collected in September Survey)	3 MONTHS ENDING... 30 June (collected in March Survey)	6 MONTHS ENDING... 31 December (collected in June Survey)	6 MONTHS ENDING... 30 June (collected in December Survey)
		BUILDINGS		
1992–93	0.97	0.80	1.05	0.81
1993–94	1.06	0.84	1.10	0.88
1994–95	0.92	n.y.a.	0.90	n.y.a.
5 year average	0.95	0.82	0.99	0.85
		EQUIPMENT		
1992–93	0.95	0.90	1.00	1.02
1993–94	1.03	0.96	1.15	1.03
1994–95	0.91	n.y.a.	1.09	n.y.a.
5 year average	0.94	0.94	1.03	1.01
		MINING		
1992–93	0.84	0.80	0.87	0.82
1993–94	0.94	0.77	0.95	0.89
1994–95	0.79	n.y.a.	0.90	n.y.a.
5 year average	0.85	0.83	0.90	0.85
		MANUFACTURING		
1992–93	0.83	0.85	0.86	0.90
1993–94	0.88	0.88	0.99	0.93
1994–95	0.79	n.y.a.	0.95	n.y.a.
5 year average	0.85	0.87	0.91	0.91
		OTHER SELECTED INDUSTRIES		
1992–93	1.07	0.92	1.19	1.06
1993–94	1.21	1.02	1.34	1.05
1994–95	1.04	n.y.a.	1.15	n.y.a.
5 year average	1.04	0.94	1.14	1.02
		TOTAL		
1992–93	0.95	0.87	1.02	0.95
1993–94	1.04	0.92	1.13	0.98
1994–95	0.91	n.y.a.	1.03	n.y.a.
5 year average	0.94	0.90	1.02	0.95

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 (ie 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:

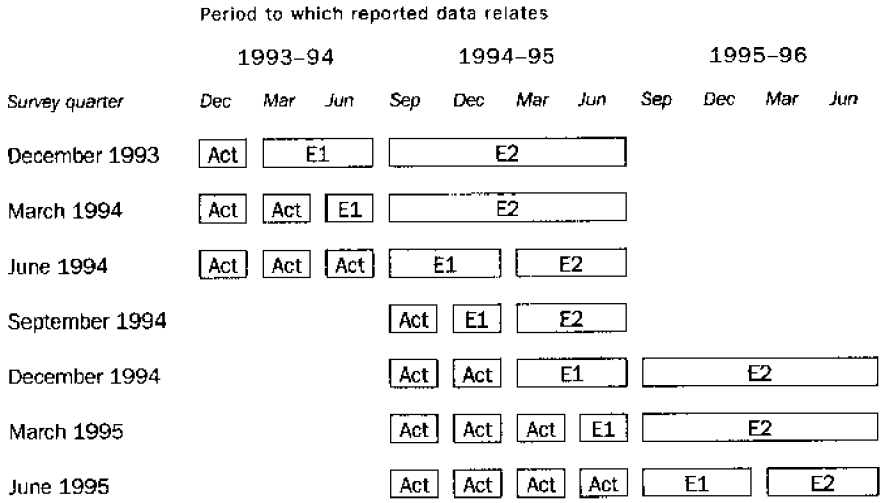
- includes the following Australian and New Zealand Standard Industrial Classification (ANZSIC) industries
  - Manufacturing (21-29)
    - food, beverages and tobacco (21)
    - textiles, clothing, footwear and leather (22)
    - wood and paper products (23)
    - printing, publishing and recorded media (24)
    - petroleum, coal, chemical and associated products (25)
    - non-metallic mineral products (26)
    - metal products (27)
    - machinery and equipment (28)
    - other manufacturing (29)
  - Mining (11-15)
  - Other Selected Industries
    - Construction (41,42)
    - Wholesale (45-47)
    - Retail (51-53)
    - Transport & storage (61-67)
    - Finance (73-75)
    - Property & Business Services (77-78)
    - Other non-manufacturing (including electricity & gas; communication; accommodation, cafes & restaurants; cultural & recreational services; and other services (36,37,57,71,91-93,95,96)
- 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 central register of economic units. The sample consists of approximately 8000 units. The figures obtained from the selected businesses are supplemented by data from units which have large capital expenditure and/or large employment and which are outside the sample framework, or not adequately covered by it.

TIMING AND CONSTRUCTION OF SURVEY CYCLE

5 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.



6 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)

7 This survey cycle facilitates the formation of estimates of expenditure for financial years (12 months ending 30 June). For instance, as the above table shows, the first estimate for 1994-95 was available from the December 1993 survey as a longer term expectation (E2). It was subsequently revised in the March 1994 survey (again as a longer term expectation) and in the June 1994 survey as the sum of two expectations (E1 + E2). In the September and subsequent surveys the estimate is updated, being derived as the sum of actual expenditure (for that part of the year completed) and expected expenditure for the remainder of the year. Finally, the seventh estimate from the June quarter 1994 survey, will be derived by summing the actual expenditure for each of the four quarters.

SAMPLE REVISION

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

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

SAMPLE REVISION *continued*

10 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.

11 In the 12 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.

12 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. Preliminary estimates for the March quarter 1995 include an additional $20 million for this growth since the December quarter.

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 coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it. 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) which have been in use for many years. Both have been widely accepted as statistical standards in their own right.

15 There has been extensive consultation with external users to ensure that the ANZSIC reflects the structure of Australian and New Zealand industry and user requirements for statistics. The Australian Bureau of Statistics and the New Zealand Department of Statistics encourage other organisations to use the classification in their own work in order to improve the comparability and usefulness of the statistics.

16 In the development of the ANZSIC greater emphasis has been placed on alignment with the international standards than has been the case in the past. The International Standards Industrial Classification of All Economic Activities (ISIC), Revision 3, has been used as the international standard for reference purposes. This will lead to significant improvements in the comparability of industry statistics internationally.

17 Because of the introduction of ANZSIC and its use in this publication, changes occur in classification categories when compared to previous releases of this publication. As an example, categories listed in Table 2 and under "Manufacturing" differ from previously. The old (ASIC) classification: "Textiles, Clothing & Footwear" becomes (in part) the new ANZSIC classification: "Textiles, Clothing, Footwear & Leather". The correspondence between these categories is not strictly one-to-one. Accordingly, care should be taken when making comparisons between years where different classifications have been used.

18 Users are referred to a detailed analysis of ANZSIC/ASIC and ASIC/ANZSIC concordances contained in the joint ABS, New Zealand publication: *Australian & New Zealand Standard Industrial Classification, 1993, ANZSIC*, ABS Cat. No. 1292.0 and New Zealand Cat. No. 19.005.0092.

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

20 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.

ESTIMATES AT 1989-90 PRICES

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

DERIVATION AND USEFULNESS OF REALISATION RATIOS

22 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).

23 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 1993-94 based on the June 1993 survey results and compare this with 1992-93 expenditure, it is necessary to apply relevant realisation factors to the expectation to put both estimates on the same basis. Once this has been done the predictions can be validly compared with each other and with previously derived estimates of actual expenditure for earlier years.

24 There are many ways in which realisation ratios can be applied to make predictions of actual expenditure for a future period. For instance, the adjusted estimates shown on page 1 of this publication were derived using realisation ratios which were obtained from the last completed year (1993-94). A range of realisation ratios for both type of asset and industry estimates is provided in Tables 4 and 5.

DERIVATION AND USEFULNESS OF REALISATION RATIOS *continued*

25 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

26 *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.

27 Some estimates are dissected by type of asset:

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

RELIABILITY OF THE ESTIMATES

28 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. One measure of the likely difference is given by the standard error, which indicators 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.

29 Another measure of sampling variability is the relative standard error which is obtained by expressing the standard error as a percentage of the estimate to which it refers. The relative standard error is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling. The sample estimates of quarter to quarter movement in the value of new capital expenditure are also subject to sampling variability. The relative standard error of the estimate of movement is expressed as a percentage of the quarterly estimate of the level of capital expenditure. The relative standard errors for estimates of movement between March and June quarters are subject to somewhat higher standard errors than those shown on Page 2 due to the annual revisions made to the sample of businesses selected.

RELIABILITY OF THE ESTIMATES
continued

30 The imprecision due to sampling, which is measured by the standard error, is not the only type of inaccuracy to which the estimates are subject. Other inaccuracies, referred to collectively as non-sample error, may occur for a number of reasons. The major ones of concern and which may affect the data are:

- misreporting of data by respondents;
- deficiencies in the central register of economic units particularly in respect of small units.

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

SEASONAL ADJUSTMENT

32 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.

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

34 At least once each year the seasonally adjusted series are revised to take account of the latest available data. The most recent reanalysis takes into account data collected up to and including the June quarter 1994 survey. Data for periods after June 1994 are seasonally adjusted on the basis of extrapolation of historical patterns. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from reanalysis may be quite significant, especially for data for more recent quarters. For this reason, additional care should be exercised when interpreting movements in seasonally adjusted data for recent quarters.

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

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

TREND ESTIMATES

37 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

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

39 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.

40 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.

41 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.

42 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.

43 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

44 Users may also wish to refer the following publications:

- *State Estimates of Private New Capital Expenditure,* (5646.0)
- *Company Profits, Australia* (5651.0)
- *Stocks, Selected Industry Sales and Expected Sales, Australia* (5629.0)
- *Australian National Accounts. National Income, Expenditure and Product* (5206.0)
- *Australian Business Expectations* (5250.0)

45 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

46 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

n.a.	not applicable
n.y.a.	not yet available
r	figure revised since previous issue
nec	not elsewhere classified
ANZSIC	Australian and New Zealand Standard Industrial Classification

EFFECT OF NEW SEASONALLY ADJUSTED ESTIMATES ON TREND ESTIMATES

TREND REVISIONS

Each time new seasonally adjusted estimates become available, trend estimates are revised (see paragraph 37 of Explanatory Notes).

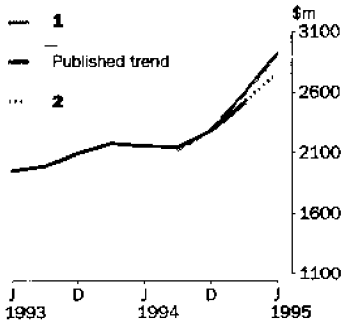
The examples in the tables below show two illustrative scenarios and consequent revisions to previous trend estimates of capital expenditure by private businesses.

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

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

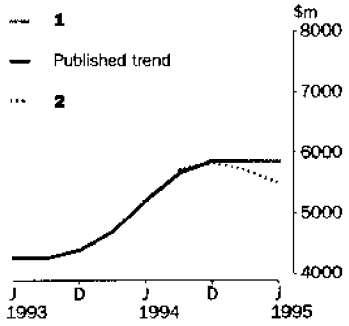
The percentages chosen are approximately the long term average movement, without regard to sign, in the seasonally adjusted series.

NEW BUILDINGS AND STRUCTURES



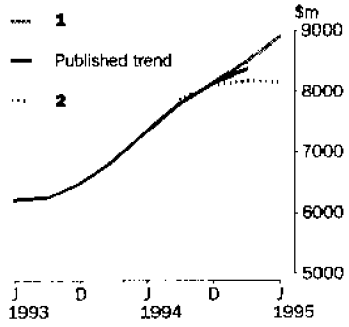
	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE: 1 rises by 6.7% on Mar 1995		2 falls by 6.7% on Mar 1995	
	$m	% change	$m	% change	$m	% change
1994						
September	2 150	–0.2	2 127	–1.2	2 142	–0.5
December	2 282	6.1	2 289	7.6	2 284	6.6
1995						
March	2 504	9.7	2 587	13.0	2 518	10.3
June	—	—	2 916	12.7	2 758	9.5

PLANT MACHINERY AND EQUIPMENT



	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE: 1 rises by 4.9% on Mar 1995		2 falls by 4.9% on Mar 1995	
	$m	% change	$m	% change	$m	% change
1994						
September	5 659	8.7	5 680	9.1	5 712	9.7
December	5 867	3.7	5 858	3.1	5 847	2.4
1995						
March	5 864	0.0	5 864	0.1	5 707	–2.4
June	—	—	5 855	–0.2	5 494	–3.7

TOTAL CAPITAL EXPENDITURE



	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE: 1 rises by 4.4% on Mar 1995		2 falls by 4.4% on Mar 1995	
	$m	% change	$m	% change	$m	% change
1994						
September	7 808	6.1	7 797	5.9	7 864	6.8
December	8 149	4.4	8 148	4.5	8 125	3.3
1995						
March	8 368	2.7	8 497	4.3	8 179	0.7
June	—	—	8 905	4.8	8 149	–0.4

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