

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

Note 1 The seasonally adjusted estimates for States should be interpreted with care. Refer to paragraphs 26 to 32 of the explanatory notes.

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

MAIN FEATURES

Actual Expenditure - September Quarter 1996

Trend estimates of private new capital expenditure (in constant price terms) rose by 5.4% to \$10,613m in the September quarter 1996. This follows rises of 7.3% in both the June and March quarters.

State Estimates by asset type

State	September qtr 1996 trend estimates at current prices	
	Buildings \$m	Equipment \$m
NSW	1,031	2,338
Vic	835	1,932
Qld	591	1,076
SA	124	478
WA	696	1,056
Tas	32	105
Aust (a)	3,649	7,167

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

In New South Wales, while expenditure on buildings (in current price, trend terms) increased by 8.1% in the September quarter, the rate of increase is slowing. Expenditure on equipment rose by 2.1%.

In Victoria, expenditure on buildings fell by 0.9%, while expenditure on equipment increased by 2.7%.

In Queensland, expenditure on buildings rose by 20.9%, with expenditure on equipment rising by 2.3%.

For South Australia, expenditure on buildings rose by 7.8%, with a 14.6% rise for expenditure on equipment.

In Western Australia, expenditure on both buildings and equipment has fallen (by 3.1% and 6.2%, respectively).

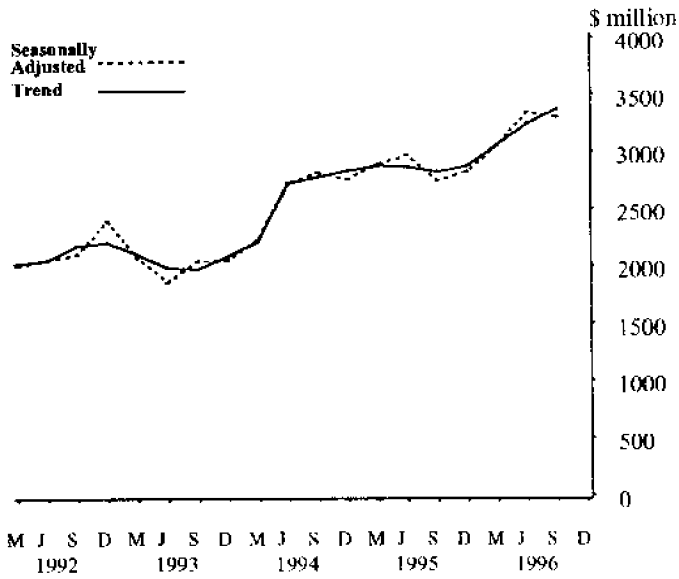
In Tasmania, expenditure on buildings fell by 11.1%, while expenditure on equipment rose by 4.0%.

State Estimates - Change from previous quarter

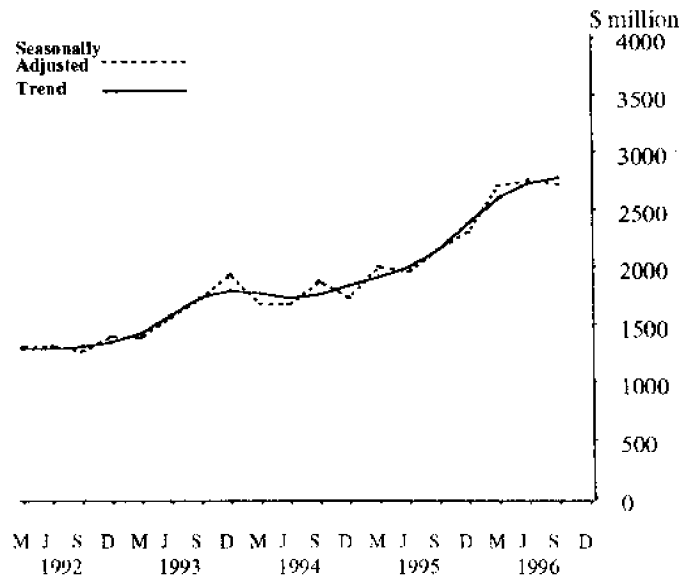
State	September qtr 1996 trend estimates at current prices	
	value \$m	% change on June qtr 1996
NSW	3,369	3.9
Vic	2,767	1.6
Qld	1,666	8.1
SA	602	13.4
WA	1,752	-5.0
Tas	137	0.0
Aust (a)	10,816	4.1

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

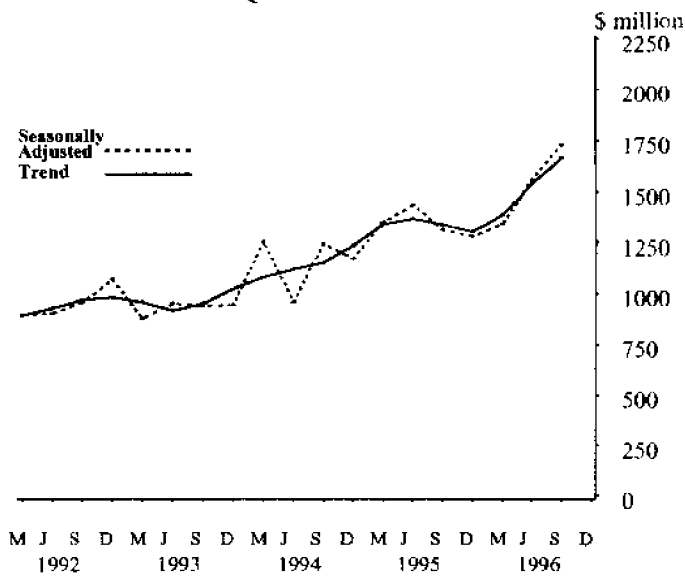
NEW SOUTH WALES



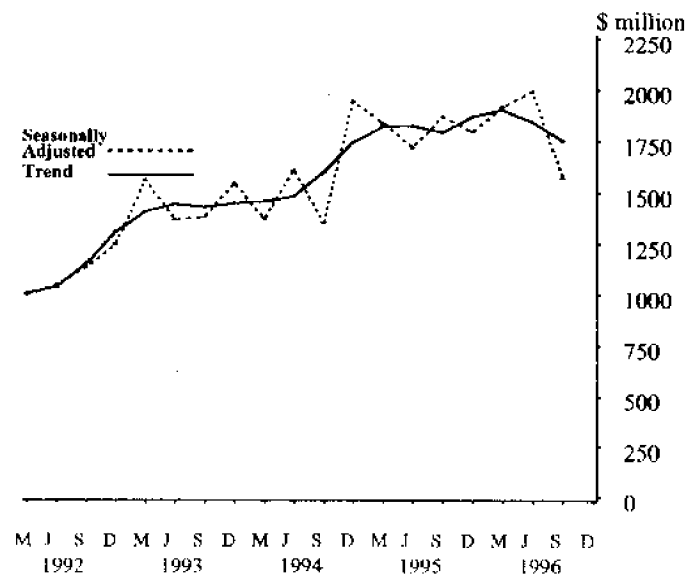
VICTORIA



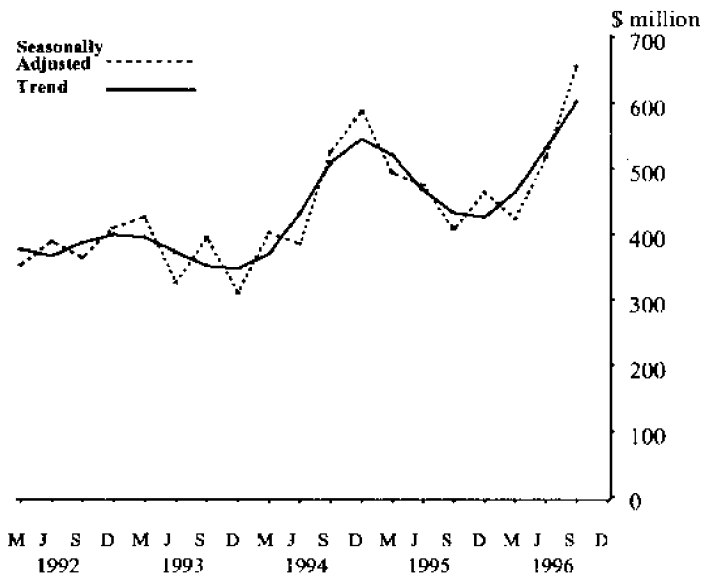
QUEENSLAND



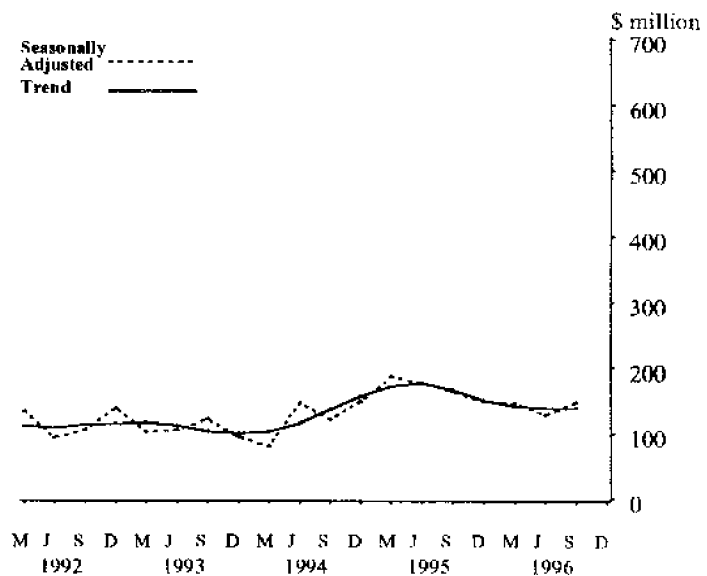
WESTERN AUSTRALIA



SOUTH AUSTRALIA



TASMANIA



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

Selected Industries and Type of Asset	1994-95		1995-96			1996-97		
	1994-95	1995-96	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr
	ORIGINAL							
Mining	6,140	6,699	1,613	1,518	1,744	1,495	1,942	1,743
Manufacturing	8,921	8,984	2,645	2,017	2,248	2,189	2,529	2,165
Other Selected Industries	17,371	21,012	4,574	4,616	5,411	4,594	6,391	6,166
Total New Capital Expenditure	32,432	36,693	8,833	8,151	9,402	8,278	10,862	10,074
Buildings and Structures Equipment, Plant and Machinery	8,561	11,511	2,256	2,459	3,185	2,324	3,543	3,215
	23,871	25,182	6,577	5,692	6,217	5,954	7,319	6,859
	SEASONALLY ADJUSTED							
Mining	6,140	6,700	1,543	1,587	1,562	1,695	1,856	1,825
Manufacturing	8,873	8,978	2,383	2,109	2,153	2,435	2,282	2,262
Other Selected Industries	17,316	21,009	4,486	4,735	4,869	5,151	6,253	6,402
Total New Capital Expenditure	32,330	36,687	8,412	8,431	8,584	9,280	10,391	10,489
Buildings and Structures Equipment, Plant and Machinery	8,503	11,434	2,244	2,578	2,857	2,475	3,524	3,445
	23,826	25,252	6,168	5,852	5,727	6,806	6,867	7,044
	TREND							
Mining	6,146	6,662	1,595	1,563	1,603	1,702	1,794	1,865
Manufacturing	8,752	9,066	2,272	2,229	2,226	2,290	2,322	2,296
Other Selected Industries	17,352	20,899	4,483	4,632	4,917	5,393	5,957	6,452
Total New Capital Expenditure	32,251	36,627	8,349	8,424	8,746	9,384	10,073	10,613
Buildings and Structures Equipment, Plant and Machinery	8,618	11,282	2,386	2,519	2,664	2,903	3,196	3,491
	23,633	25,345	5,963	5,905	6,082	6,481	6,877	7,123

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

State	1994-95			1995-96			1996-97			
	1994-95	1995-96	June qtr	1995-96	Sept. qtr	Dec. qtr	1996-97	March qtr	June qtr	Sept. qtr
BUILDINGS AND STRUCTURES										
New South Wales	2,245	3,203	507	615	831	705	1,051	978		
Victoria	1,535	3,033	539	617	820	691	905	798		
Queensland	1,822	1,529	532	333	350	256	590	627		
South Australia	351	348	58	71	89	76	113	133		
Western Australia	2,367	3,016	550	729	964	529	795	601		
Tasmania	133	178	41	50	46	45	37	33		
Australia (a)	8,630	11,850	2,281	2,513	3,256	2,400	3,681	3,350		
EQUIPMENT, PLANT AND MACHINERY										
New South Wales	9,204	8,772	2,681	2,042	2,235	1,967	2,528	2,223		
Victoria	5,998	6,819	1,463	1,574	1,661	1,674	1,911	1,964		
Queensland	3,404	4,016	1,119	934	934	921	1,218	1,054		
South Australia	1,755	1,456	436	290	450	309	406	454		
Western Australia	4,491	4,562	1,174	1,079	1,143	1,134	1,206	913		
Tasmania	503	394	170	93	91	94	116	95		
Australia (a)	25,692	26,655	7,096	6,125	6,683	6,278	7,570	6,810		
TOTAL NEW CAPITAL EXPENDITURE										
New South Wales	11,449	11,974	3,187	2,657	3,066	2,672	3,579	3,201		
Victoria	7,533	9,852	2,002	2,191	2,480	2,365	2,815	2,762		
Queensland	5,226	5,546	1,651	1,276	1,284	1,177	1,808	1,682		
South Australia	2,106	1,804	494	361	538	385	519	587		
Western Australia	6,857	7,579	1,724	1,808	2,107	1,663	2,001	1,514		
Tasmania	636	571	211	143	137	139	153	128		
Australia (a)	34,321	38,504	9,377	8,638	9,938	8,679	11,250	10,161		

(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			1996-97		
	1994-95	1995-96	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	
BUILDINGS AND STRUCTURES									
New South Wales	2,265	3,204	489	621	739	832	1,012	990	
Victoria	1,546	3,050	526	602	730	836	882	779	
Queensland	1,828	1,494	468	344	330	309	511	650	
South Australia	345	364	73	61	86	75	142	114	
Western Australia	2,411	2,998	573	750	762	659	827	619	
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	
Australia (a) (b)	8,560	11,771	2,283	2,634	2,921	2,545	3,672	3,600	
EQUIPMENT, PLANT AND MACHINERY									
New South Wales	9,177	8,762	2,486	2,122	2,087	2,219	2,335	2,312	
Victoria	6,014	6,843	1,426	1,550	1,565	1,864	1,864	1,933	
Queensland	3,382	4,008	969	971	952	1,033	1,052	1,080	
South Australia	1,736	1,448	402	346	378	349	375	542	
Western Australia	4,445	4,577	1,146	1,120	1,035	1,257	1,164	953	
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	
Australia (a) (b)	25,639	26,728	6,648	6,302	6,161	7,171	7,095	7,001	
TOTAL NEW CAPITAL EXPENDITURE									
New South Wales	11,442	11,966	2,975	2,743	2,826	3,051	3,347	3,302	
Victoria	7,560	9,893	1,952	2,151	2,296	2,701	2,746	2,712	
Queensland	5,210	5,503	1,437	1,315	1,282	1,342	1,563	1,730	
South Australia	2,081	1,812	475	407	464	424	517	656	
Western Australia	6,856	7,576	1,719	1,870	1,797	1,917	1,992	1,572	
Tasmania	626	581	175	162	147	145	126	147	
Australia (a)	34,200	38,500	8,930	8,936	9,081	9,716	10,767	10,601	

(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		1996-97		1997-98		1998-99		1999-00	
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
BUILDINGS AND STRUCTURES												
New South Wales	2,290	3,148	566	615	723	856	954	1,031	1,031	1,031	1,031	1,031
Victoria	1,544	3,012	511	620	736	813	843	835	835	835	835	835
Queensland	1,776	1,550	444	370	317	373	489	591	591	591	591	591
South Australia	324	356	64	68	78	96	115	124	124	124	124	124
Western Australia	2,534	2,892	724	707	724	743	718	696	696	696	696	696
Tasmania	140	182	43	51	51	44	36	32	32	32	32	32
Australia (a)	8,678	11,612	2,423	2,567	2,728	2,994	3,323	3,323	3,323	3,323	3,323	3,649
EQUIPMENT, PLANT AND MACHINERY												
New South Wales	9,067	8,848	2,300	2,211	2,152	2,196	2,289	2,338	2,338	2,338	2,338	2,338
Victoria	5,963	6,824	1,481	1,528	1,635	1,780	1,881	1,942	1,942	1,942	1,942	1,942
Queensland	3,328	4,023	925	969	987	1,015	1,052	1,076	1,076	1,076	1,076	1,076
South Australia	1,716	1,496	402	365	348	366	417	478	478	478	478	478
Western Australia	4,459	4,517	1,102	1,087	1,147	1,157	1,126	1,056	1,056	1,056	1,056	1,056
Tasmania	495	409	133	114	98	96	101	105	105	105	105	105
Australia (a)	25,443	26,774	6,433	6,366	6,518	6,820	7,070	7,167	7,167	7,167	7,167	7,167
TOTAL NEW CAPITAL EXPENDITURE												
New South Wales	11,357	11,996	2,866	2,826	2,875	3,052	3,243	3,369	3,369	3,369	3,369	3,369
Victoria	7,507	9,837	1,992	2,148	2,372	2,593	2,724	2,767	2,767	2,767	2,767	2,767
Queensland	5,104	5,573	1,369	1,339	1,305	1,388	1,541	1,666	1,666	1,666	1,666	1,666
South Australia	2,040	1,852	466	433	426	463	531	602	602	602	602	602
Western Australia	6,994	7,409	1,826	1,794	1,871	1,900	1,844	1,752	1,752	1,752	1,752	1,752
Tasmania	635	591	176	165	149	140	137	137	137	137	137	137
Australia (a)	34,122	38,386	8,856	8,933	9,246	9,814	10,392	10,816	10,816	10,816	10,816	10,816

(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			1996-97		
	1994-95	1995-96	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr
Mining	760	924	181	136	202	223	363	261
Manufacturing	3,752	3,159	1,110	730	861	780	788	767
Other Selected Industries	6,937	7,891	1,896	1,791	2,003	1,670	2,427	2,173
Total New Capital Expenditure	11,449	11,974	3,187	2,657	3,066	2,672	3,579	3,201
Buildings and Structures	2,245	3,203	507	615	831	705	1,051	978
Equipment, Plant and Machinery	9,204	8,772	2,681	2,042	2,235	1,967	2,528	2,223

**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			1996-97		
	1994-95	1995-96	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr
Mining	603	588	173	150	172	157	109	126
Manufacturing	3,034	3,341	799	793	873	796	879	871
Other Selected Industries	3,896	5,923	1,031	1,247	1,436	1,412	1,828	1,765
Total New Capital Expenditure	7,533	9,852	2,002	2,191	2,480	2,365	2,815	2,762
Buildings and Structures	1,535	3,033	539	617	820	691	905	798
Equipment, Plant and Machinery	5,998	6,819	1,463	1,574	1,661	1,674	1,911	1,964

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

Selected Industries and Type of Asset	1994-95			1995-96			1996-97		
	1994-95	1995-96	June qtr	1994-95	1995-96	Dec. qtr	1996-97	June qtr	Sept. qtr
Mining	922	945	300	212	205	188	340	386	
Manufacturing	1,215	1,324	394	303	278	345	398	270	
Other Selected Industries	3,089	3,276	957	762	800	644	1,070	1,026	
Total New Capital Expenditure	5,226	5,546	1,651	1,276	1,284	1,177	1,808	1,682	
Buildings and Structures	1,822	1,529	532	333	350	256	590	627	
Equipment, Plant and Machinery	3,404	4,016	1,119	944	934	921	1,218	1,054	

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

Selected Industries and Type of Asset	1994-95			1995-96			1996-97		
	1994-95	1995-96	June qtr	1994-95	1995-96	Dec. qtr	1996-97	June qtr	Sept. qtr
Mining	115	194	40	35	49	51	59	50	
Manufacturing	829	716	272	155	205	159	197	168	
Other Selected Industries	1,162	893	183	172	285	174	263	369	
Total New Capital Expenditure	2,106	1,804	494	361	538	385	519	587	
Buildings and Structures	351	348	58	71	89	76	113	133	
Equipment, Plant and Machinery	1,755	1,456	436	290	450	309	406	454	

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			1996-97		
	1994-95	1995-96	June qtr	1995-96	Sept. qtr	Dec. qtr	1996-97	June qtr	Sept. qtr
Mining	4,046	4,199	1,027	1,046	1,173	915	1,064	923	
Manufacturing	595	958	209	200	174	205	379	128	
Other Selected Industries	2,216	2,422	487	562	760	542	558	464	
Total New Capital Expenditure	6,857	7,579	1,724	1,808	2,107	1,663	2,001	1,514	
Buildings and Structures	2,367	3,016	550	729	964	529	795	601	
Equipment, Plant and Machinery	4,491	4,562	1,174	1,079	1,143	1,134	1,206	913	

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			1996-97		
	1994-95	1995-96	June qtr	1995-96	Sept. qtr	Dec. qtr	1996-97	June qtr	Sept. qtr
Mining	67	141	22	42	30	46	24	15	
Manufacturing	282	209	133	43	55	52	59	73	
Other Selected Industries	288	221	55	59	51	41	70	40	
Total New Capital Expenditure	636	571	211	143	137	139	153	128	
Buildings and Structures	133	178	41	50	46	45	37	33	
Equipment, Plant and Machinery	503	394	170	93	91	94	116	95	

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	
Australia (a)	8.0	4.5	4.7	3.2	5.6	3.4	

(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 the September 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 25 November 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 8,000 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. 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 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.

10. 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.

11. When 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 with the introduction of quarterly updates to frames and samples.

12. In the period between sample selection, there are changes to the survey frame. For example, businesses cease operating and businesses are newly established. The ABS produces an estimate of the contribution expected from new businesses each quarter, while allowance is made for the number of businesses in the sample which ceased trading each quarter. The methodology for estimating change in the business population uses direct counts

each quarter of new businesses added, or in the process of being added, to the ABS business register. For most quarters, the introduction of quarterly sample selection reduces the size of the adjustments needed to account for new and ceased businesses.

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 unit basis. Further details are available on request.

State dissection

14. 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

15. 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).

16. 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.

17. 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.

18. 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

19. 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

20. *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.

21. 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

22. 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.

23. 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.

24. 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.

25. 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

26. 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.

27. 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.

28. 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.

29. 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.

30. 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 1996 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.

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

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

Trend estimates

33. 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

34. 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.

35. 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

36. 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)

Engineering Construction Activity, Australia (8762.0)

Building Activity, Australia (8752.0)

37. 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

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

Symbols and other usages

..	not applicable
n p	not published

ANZSIC	Australian and New Zealand Standard Industrial Classification
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W. McLennan
Australian Statistician

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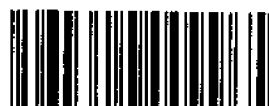
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Produced by the Australian Government Publishing Service
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2564600009965

ISSN 0819-0909

Recommended retail price: \$13.50