

CATALOGUE NO. 5646.0

EMBARGOED UNTIL 11.30 A.M. 22 APRIL 1994

**STATE ESTIMATES OF PRIVATE NEW CAPITAL EXPENDITURE
DECEMBER QUARTER 1993 SURVEY**

Note 1: This publication provides a State dissection of Australian estimates for the December quarter 1993 as published in *Private New Capital Expenditure, Australia* (5626.0) on 8 April 1994. The seasonally adjusted estimates should be interpreted with care. Refer to paragraphs 16-22 of the explanatory notes.

Note 2: User's attention is drawn to the notes on reliability of the estimates, especially in regard to sampling errors and the treatment of mobile assets. Refer to paragraphs 23 to 25 of the explanatory notes.

MAIN FEATURES

Actual Expenditure - December Quarter 1993

Seasonally adjusted current price estimates of private new capital expenditure in each State for the December quarter 1993 are detailed below with percentage changes from the September quarter 1993.

State	December qtr 1993 seasonally adjusted	
	Value \$m	% Change on Sept. qtr 1993
NSW	1,940	-1
Vic	1,846	10
Qld	823	-10
SA	304	-21
WA	1,710	38
Tas	75	-34
Aust. (a)	6,759	4

(a) Includes NT and ACT & differences associated with the independent application of seasonal factors at State and Australian level (see paragraph 19 of the explanatory notes).

Graphs for each State are shown on page 2.

Expected New Capital Expenditure for 1993-94

In the December quarter 1993 survey, businesses provided expectations of new capital expenditure for the 6 months to June 1994 by State. By adding this estimate to actual expenditure incurred in the September and December quarters of 1993, estimates for the 1993-94 financial year have been compiled. Similarly compiled estimates in the past, have generally provided a good indication of the likely outcome for the year.

The following table shows percentage changes between expenditure incurred in 1992-93 and expectations for 1993-94 on two bases. The first assumes business expectations to be fully realised, and the second adjusts business expectations by the latest full year realisation factor for each State.

*1993-94 new capital expenditure
% change on 1992-93*

State	Unadjusted expectation	Adjusted expectation
	%	%
NSW	-6	-9
Vic.	28	24
Qld	6	7
SA	1	-6
WA	9	6
Tas.	-23	-19
Aust(a)	7	4

(a) Includes NT and ACT

Expected New Capital Expenditure for 1994-95

In the December quarter 1993 survey businesses also provided expectations by State for the 1994-95 financial year. The table below shows the possible percentage changes in actual expenditure in 1994-95 over 1993-94. The latest expectations for each year were first adjusted using relevant 1992-93 realisation ratios for each State. State realisation patterns are volatile and caution should be used in interpreting the results.

*1994-95 new capital expenditure
% Change on adjusted 1993-94*

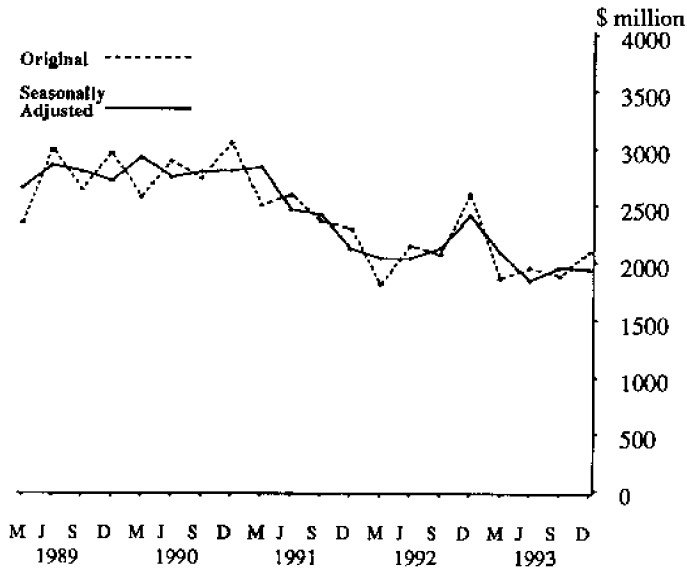
State	%
NSW	4
Vic	2
Qld	7
SA	38
WA	13
Tas	42
Aust. (a)	8

(a) Includes NT and ACT

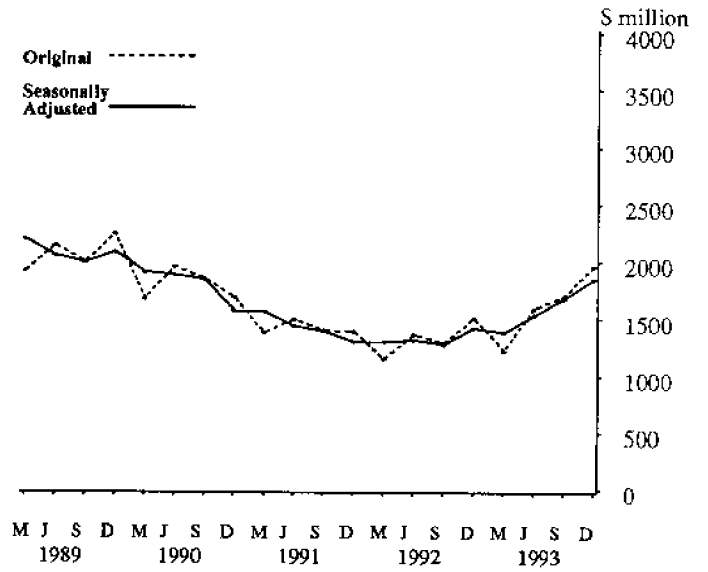
INQUIRIES

- for further information about statistics in this publication and the availability of related unpublished statistics, contact Karyn George on Canberra (06) 252 5625 or any ABS State Office.
- for information about other ABS statistics and services please refer to the back page of this publication.

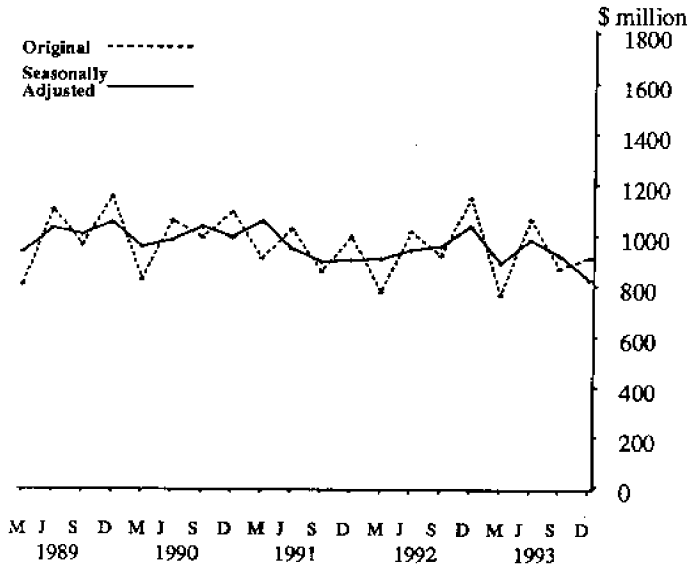
NEW SOUTH WALES



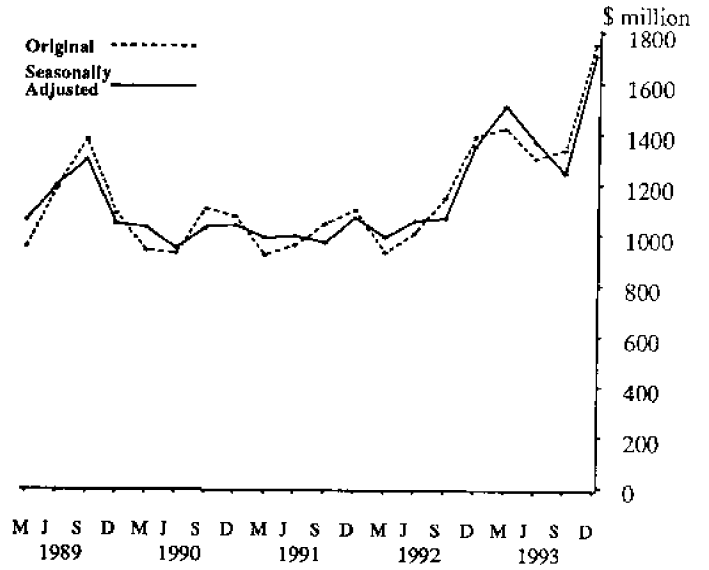
VICTORIA



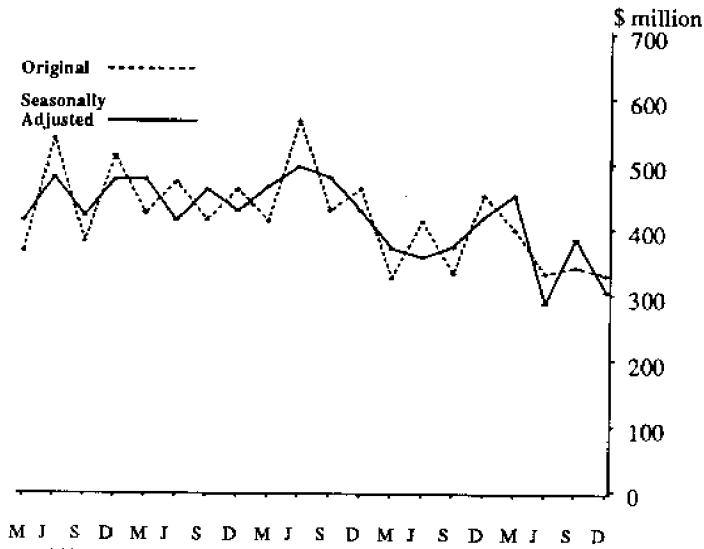
QUEENSLAND



WESTERN AUSTRALIA



SOUTH AUSTRALIA



TASMANIA

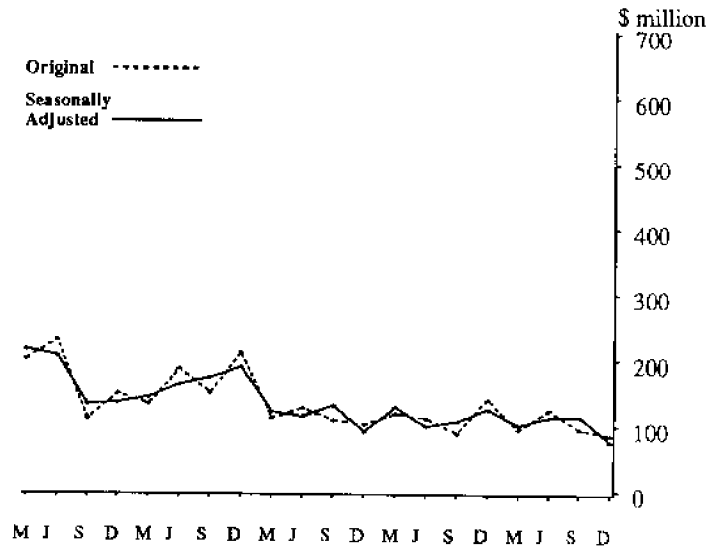


TABLE 3 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET — NEW SOUTH WALES (\$ million)

Type of Asset and Selected Industries	Actual										Expected (a)	
	1991-92		1992-93		1993-94		1993-94		6 Months to June 94		1993-94	1994-95
	Sept. qtr	Dec. qtr	Sept. qtr	Dec. qtr	June qtr	Sept. qtr	Dec. qtr	June qtr	Sept. qtr	1993-94 (b)	1994-95 (c)	
Finance, Property and Business Services	2,122	1,783	500	487	412	384	397	449	750	1,597	1,145	
Mining	580	505	126	151	124	105	91	87	320	498	495	
Manufacturing	2,635	2,602	615	726	596	665	636	645	1,339	2,619	2,376	
Other Selected Industries	3,266	3,587	825	1,239	725	798	760	910	1,574	3,244	2,361	
Total New Capital Expenditure	8,603	8,477	2,065	2,603	1,858	1,951	1,883	2,091	3,983	7,958	6,376	
New Buildings and Structures	2,697	1,943	568	580	394	401	300	393	868	1,561	1,465	
Equipment, Plant and Machinery	5,906	6,534	1,497	2,023	1,464	1,550	1,583	1,698	3,115	6,397	4,911	

TABLE 4 — RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1988-89 TO 1992-93 NEW SOUTH WALES

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1988-89	1989-90	1990-91	1991-92	1992-93	NSW	Australia
	COMPOSITE ESTIMATE (b)						
Finance, Property and Business Services	1.01	0.89	0.97	0.94	0.96	0.95	0.96
Mining	0.88	0.89	0.94	0.90	0.76	0.88	0.91
Manufacturing	0.94	1.03	0.94	0.92	0.93	0.95	0.95
Other Selected Industries	1.08	1.05	1.04	1.07	1.04	1.06	1.06
Total Selected Industries	1.01	0.98	0.98	0.97	0.97	0.98	0.98
New Buildings and Structures	0.97	0.89	0.95	0.94	0.87	0.92	0.93
Equipment, Plant and Machinery	1.04	1.04	1.01	0.99	1.00	1.02	1.01
	TWELVE MONTH EXPECTATION (c)						
Finance, Property and Business Services	1.76	1.04	0.80	0.91	1.28	1.16	1.15
Mining	1.05	0.86	1.24	0.89	0.86	0.98	1.12
Manufacturing	1.45	1.23	1.17	0.84	0.92	1.12	1.07
Other Selected Industries	2.03	1.29	1.33	1.24	1.89	1.56	1.48
Total Selected Industries	1.72	1.15	1.08	0.98	1.26	1.24	1.20
New Buildings and Structures	1.65	0.97	0.91	0.75	1.09	1.07	1.12
Equipment, Plant and Machinery	1.77	1.31	1.23	1.14	1.32	1.36	1.26

(a) As reported by businesses. (b) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported by businesses in the December surveys. (c) Twelve month expected expenditure for the following financial year as reported by businesses in the December surveys.

TABLE 5 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET — VICTORIA
(\$ million)

Type of Asset and Selected Industries	Actual										Expected (a)	
	1991-92		1992-93			1993-94			6 Months to June 94		1993-94	1994-95
	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	1993-94	1993-94	1993-94	1994-95		
Finance, Property and Business Services	1,327	1,184	394	282	267	241	284	317	644	1,245	1,030	
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	
Manufacturing	1,828	2,195	430	540	444	780	618	738	1,371	2,727	2,117	
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	
Total New Capital Expenditure	5,288	5,606	1,287	1,507	1,223	1,590	1,695	1,960	3,523	7,178	5,894	
New Buildings and Structures	1,491	1,390	397	382	299	313	396	448	1,002	1,847	1,530	
Equipment, Plant and Machinery	3,798	4,216	889	1,125	924	1,277	1,298	1,511	2,522	5,331	4,364	

TABLE 6 — RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1988-89 TO 1992-93
VICTORIA

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1988-89	1989-90	1990-91	1991-92	1992-93	Vic	Australia
	COMPOSITE ESTIMATE (b)						
Finance, Property and Business Services	0.96	0.94	0.88	0.99	0.89	0.93	0.96
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.91
Manufacturing	1.03	0.98	0.97	0.91	0.99	0.98	0.95
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.06
Total Selected Industries	1.02	0.97	0.97	0.98	0.97	0.98	0.98
New Buildings and Structures	0.89	0.94	0.94	0.92	0.87	0.91	0.93
Equipment, Plant and Machinery	1.10	0.99	0.98	1.01	1.01	1.02	1.01
	TWELVE-MONTH EXPECTATION (c)						
Finance, Property and Business Services	1.62	0.91	0.84	0.96	1.29	1.12	1.15
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.12
Manufacturing	1.38	1.21	0.91	0.94	1.07	1.10	1.07
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.48
Total Selected Industries	1.30	1.16	0.96	1.09	1.20	1.14	1.20
New Buildings and Structures	1.47	1.00	0.88	1.06	1.02	1.09	1.12
Equipment, Plant and Machinery	1.22	1.29	1.02	1.10	1.27	1.18	1.26

(a) As reported by businesses. (b) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported by businesses in the December surveys. (c) Twelve month expected expenditure for the following financial year as reported by businesses in the December Surveys.

TABLE 7 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET — QUEENSLAND
(\$ million)

Type of Asset and Selected Industries	Actual												Expected (a)	
	1991-92			1992-93			1993-94			6 Months to June 94	1993-94 (b)	1994-95 (c)		
	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	1993-94 Sept.							
Finance, Property and Business Services	749	788	224	230	139	196	82	113	253	448	465			
Mining	929	1,056	247	228	224	356	238	242	519	999	801			
Manufacturing	599	753	148	195	177	234	225	241	610	1,076	1,048			
Other Selected Industries	1,357	1,287	298	494	223	273	321	313	960	1,594	1,721			
Total New Capital Expenditure	3,634	3,885	917	1,146	763	1,059	866	909	2,342	4,118	4,035			
New Buildings and Structures	1,410	1,568	431	506	250	381	278	324	873	1,475	1,570			
Equipment, Plant and Machinery	2,224	2,317	486	640	513	678	589	585	1,469	2,643	2,466			

TABLE 8 — RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1988-89 TO 1992-93 QUEENSLAND

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1988-89	1989-90	1990-91	1991-92	1992-93	Qld	Australia
	COMPOSITE ESTIMATE (b)						
Finance, Property and Business Services	1.06	0.90	1.05	0.87	0.93	0.96	0.96
Mining	0.97	0.90	0.97	0.89	1.02	0.88	0.91
Manufacturing	0.88	0.95	0.94	0.88	1.01	0.93	0.95
Other Selected Industries	1.11	1.02	1.09	1.08	1.07	1.07	1.06
Total Selected Industries	1.02	0.95	1.02	0.95	1.01	0.99	0.98
New Buildings and Structures	0.98	0.90	0.98	0.87	0.94	0.93	0.93
Equipment, Plant and Machinery	1.05	0.99	1.05	1.00	1.07	1.03	1.01
	TWELVE MONTH EXPECTATION (c)						
Finance, Property and Business Services	1.40	0.88	0.80	1.15	0.99	1.04	1.15
Mining	1.36	1.85	1.10	0.94	0.93	1.24	1.12
Manufacturing	1.79	1.20	1.01	0.69	1.04	1.15	1.07
Other Selected Industries	1.52	1.51	1.12	1.39	1.46	1.40	1.48
Total Selected Industries	1.51	1.26	1.01	1.04	1.10	1.18	1.20
New Buildings and Structures	1.29	0.97	0.91	0.91	1.07	1.03	1.12
Equipment, Plant and Machinery	1.72	1.57	1.10	1.15	1.12	1.33	1.26

(a) As reported by businesses. (b) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported by businesses in the December surveys. (c) Twelve month expected expenditure for the following financial year as reported by businesses in the December Surveys.

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

Type of Asset and Selected Industries	Actual						Expected (a)					
	1991-92			1992-93			1993-94					
	1991-92	1992-93	1993-94	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	6 Months to June 94	1993-94	1994-95
Finance, Property and Business Services	158	274	52	97	96	29	26	50	56	132	148	148
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Manufacturing	766	571	139	144	143	144	131	132	311	574	672	672
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Total New Capital Expenditure	1,625	1,513	332	452	399	331	341	329	859	1,529	1,519	1,519
New Buildings and Structures	392	413	85	148	127	54	88	70	174	332	174	174
Equipment, Plant and Machinery	1,233	1,101	247	304	272	278	253	259	685	1,197	1,345	1,345

TABLE 10 — RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1988-89 TO 1992-93 SOUTH AUSTRALIA

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1988-89	1989-90	1990-91	1991-92	1992-93	SA	Australia
	COMPOSITE ESTIMATE (b)						
Finance, Property and Business Services	1.15	0.96	1.18	1.02	0.96	1.05	0.96
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.91
Manufacturing	0.92	0.89	0.93	0.95	0.92	0.92	0.95
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.06
Total Selected Industries	1.00	0.95	1.07	1.00	0.93	0.99	0.98
New Buildings and Structures	0.99	0.92	1.09	0.97	0.88	0.97	0.93
Equipment, Plant and Machinery	1.01	0.97	1.05	1.01	0.95	1.00	1.01
	TWELVE MONTH EXPECTATION (c)						
Finance, Property and Business Services	1.60	1.58	1.37	0.67	2.22	1.49	1.15
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.12
Manufacturing	1.04	1.07	0.84	0.85	0.91	0.94	1.07
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.48
Total Selected Industries	1.25	1.24	1.21	0.99	1.29	1.20	1.20
New Buildings and Structures	1.48	1.21	1.63	1.02	1.67	1.40	1.12
Equipment, Plant and Machinery	1.15	1.26	1.07	0.98	1.19	1.13	1.26

(a) As reported by businesses. (b) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported by businesses in the December surveys. (c) Twelve month expected expenditure for the following financial year as reported by businesses in the December Surveys.

TABLE 11 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET — WESTERN AUSTRALIA
(\$ million)

Type of Asset and Selected Industries	Actual												Expected (a)			
	1992-93			1993-94			6 Months to June 94	1993-94 (b)	1994-95 (c)	1992-93			1993-94			
	1991-92	1992-93	1993-94	1992-93	1993-94	1994-95				1992-93	1993-94	1994-95				
	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr										
Finance, Property and Business Services	265	298	38	90	126	88	117	177	382	293						
Mining	2,077	2,961	774	705	839	887	1,133	1,723	3,743	3,297						
Manufacturing	753	679	230	142	128	119	165	217	500	381						
Other Selected Industries	971	1,310	277	344	208	241	338	522	1,101	834						
Total New Capital Expenditure	4,066	5,248	1,143	1,418	1,300	1,335	1,752	2,639	5,726	4,805						
New Buildings and Structures	1,710	2,043	472	488	586	648	950	1,352	2,949	2,387						
Equipment, Plant and Machinery	2,356	3,205	671	889	715	687	802	1,287	2,777	2,418						

TABLE 12 — RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1988-89 TO 1992-93
WESTERN AUSTRALIA

Type of Asset and Selected Industries	FINANCIAL YEAR						5 YEAR AVERAGES	
	1988-89	1989-90	1990-91	1991-92	1992-93	WA	Australia	
	COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	1.04	1.08	0.96	0.96	1.59	1.12	0.96	
Mining	0.89	0.91	0.92	0.89	0.95	0.91	0.91	
Manufacturing	0.93	0.89	0.94	0.87	0.84	0.89	0.95	
Other Selected Industries	1.22	0.97	1.02	1.05	1.02	1.05	1.06	
Total Selected Industries	0.97	0.94	0.95	0.93	0.97	0.95	0.98	
New Buildings and Structures	0.81	0.94	0.91	0.92	0.96	0.91	0.93	
Equipment, Plant and Machinery	1.08	0.95	0.97	0.93	0.98	0.98	1.01	
	TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.28	1.65	1.32	0.85	1.29	1.28	1.15	
Mining	1.32	1.34	0.94	0.95	1.31	1.17	1.12	
Manufacturing	1.32	0.74	0.85	1.08	0.90	0.98	1.07	
Other Selected Industries	2.07	2.10	1.34	1.54	1.70	1.75	1.48	
Total Selected Industries	1.42	1.35	1.03	1.06	1.31	1.23	1.20	
New Buildings and Structures	1.41	1.13	1.24	1.11	1.36	1.25	1.12	
Equipment, Plant and Machinery	1.43	1.51	0.93	1.03	1.28	1.23	1.26	

(a) As reported by businesses. (b) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported by businesses in the December surveys. (c) Twelve month expected expenditure for the following financial year as reported by businesses in the December Surveys.

TABLE 13 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET — TASMANIA
(\$ million)

Type of Asset and Selected Industries	Actual												Expected (a)		
	1991-92		1992-93			1993-94			6 Months to June 94	1993-94 (b)	1994-95 (c)				
	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. Qtr	Dec. qtr									
Finance, Property and Business Services	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.			
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.			
Manufacturing	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.			
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.			
Total New Capital Expenditure	438	443	88	139	93	123	94	85	163	341	356				
New Buildings and Structures	79	103	16	17	35	35	17	14	36	67	65				
Equipment, Plant and Machinery	359	340	71	122	58	88	76	71	127	274	291				

TABLE 14 — RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1988-89 TO 1992-93
TASMANIA

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES		
	1988-89	1989-90	1990-91	1991-92	1992-93	Tas	Australia	
	COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.96
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.91
Manufacturing	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.95
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.06
Total Selected Industries	1.00	1.12	0.95	1.02	1.05	1.03	0.98	
New Buildings and Structures	1.11	0.77	0.99	0.85	1.48	1.04	0.93	
Equipment, Plant and Machinery	0.98	1.22	0.94	1.07	0.97	1.03	1.01	
	TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.15
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.12
Manufacturing	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.07
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.48
Total Selected Industries	1.69	1.13	1.43	0.91	1.43	1.32	1.20	
New Buildings and Structures	2.28	0.94	1.99	1.27	2.05	1.71	1.12	
Equipment, Plant and Machinery	1.56	1.17	1.27	0.86	1.31	1.23	1.26	

(a) As reported by businesses. (b) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported by businesses in the December surveys. (c) Twelve month expected expenditure for the following financial year as reported by businesses in the December Surveys.

TABLE 15 — RELATIVE STANDARD ERRORS OF ESTIMATES OF ACTUAL NEW CAPITAL EXPENDITURE (a)
(Percentage)

	Selected Industry					Type of Asset		
	Finance, Property and Business Services	Mining	Manufacturing	Other Selected Industries	Total	New Buildings and Structures	Equipment Plant and Machinery	
N.S.W.	4	2	3	7	3	7	2	
Vic.	4	..	4	..	4	7	4	
Qld	3	2	4	13	3	5	3	
S.A.	4	..	7	..	5	6	7	
W.A.	10	1	6	9	4	7	3	
Tas.	7	8	7	
Australia (b)	3	1	2	5	2	5	2	

(a) Relative standard errors for expected capital expenditure are similar to those for actual capital expenditure. (b) Includes NT and ACT.

EXPLANATORY NOTES

Introduction

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

2. These estimates are derived from the Australian estimates previously published in *Private New Capital Expenditure Australia* (5626.0) released on 8 April 1994.

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. Because of various collection and compilation difficulties, the statistics in this publication exclude estimates relating to agriculture and community services industries. The construction industry data, whilst collected previously, has only been published since June quarter 1990. From the June quarter 1989 unincorporated non-employing units were excluded from the scope of the ABS central register of economic units. From that date, new businesses in this category were not added to the register. Units in this category which were already on the register have been deleted in various stages. A major stage was completed recently and as a result, the June 1992 issue of this publication contained a number of revisions to series. Revised data for the periods not covered by this publication are available from the ABS on request.

Statistical unit

5. From the beginning of 1989, the ABS has introduced a new statistical unit known as the management unit. This unit is defined as:

the highest-level accounting unit within a business, having regard for industry homogeneity, for which accounts are maintained; in nearly all cases it coincides with the legal entity owning the business (ie company, partnership, trust, sole proprietor, 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.

6. The management unit is being implemented on the ABS central register of economic units and included in this survey as reporting arrangements are finalised. Where the management unit has not yet been implemented the statistical unit is still the operating legal entity as presently recorded on the ABS central register of economic units.

Classification by industry

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

8. 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 ASIC industry in which it mainly operates even though it may have activities in other industries.

9. The industries shown in this publication are detailed below. The numbers in brackets relate to the ASIC subdivisions as defined in the 1983 edition of ASIC.

MINING (11-16)

MANUFACTURING (21-34)

FINANCE, PROPERTY AND BUSINESS SERVICES (61-63)

OTHER SELECTED INDUSTRIES (36-59, 91-93)

State Dissection

10. 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.

Methodology

11. 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.

Reporting Cycle

12. 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.

13. The collection of these expectations in the December quarter 1993 survey allows the derivation of a *composite estimate* (6 months actual plus 6 months expectations) for the current financial year (ie 12 months ending June 1994) and will provide a *twelve month expectation* for the following financial year (ie 12 months ending June 1995).

Description of terms

14. *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.

15. Some estimates are dissected by type of asset:

(a) *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 devel-

opment 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. Excludes goods previously used in Australia.

Seasonal adjustment

16. 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.

17. 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.

18. 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.

19. The seasonally adjusted Australian estimates of new capital expenditure included in the publication are consistent with those published in *Private New Capital Expenditure, Australia* (5626.0). 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 (see also paragraph 10).

20. 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 1993 survey. Data for periods after March 1993 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.

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

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

Reliability of the estimates

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

24. Another measure of sampling variability is the *relative standard error* which is obtained by expressing the standard error as a percentage of the estimate to which it refers. The relative standard error is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling. The sample estimates of quarter to quarter movement in the value of new capital expenditure are also subject to sampling variability. The relative standard error of the estimate of movement is expressed as a percentage of the quarterly estimate of the level of capital expenditure. The relative standard errors for estimates of quarterly level are shown in Table 15. The estimates of movement between March and June quarters are subject to somewhat higher standard errors than those shown due to the annual revisions made to the sample of businesses selected. Note also that the standard errors given in Table 15 are smoothed long term averages and that standard errors on specific quarterly data may be higher or lower than those shown.

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

The major ones of concern and which may affect the data are:

- (a) misreporting of data by respondents,
- (b) deficiencies in the central register of economic units 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. Where such difficulties exist, expenditure is allocated to the state of the businesses' head office.

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.

Comparability with National Accounts estimates

26. 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) The 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) The National Accounts estimates include the capital expenditure by all private businesses including entities classified to the agriculture, forestry, fishing and hunting and community services industries and the capital expenditure on dwellings by households. Data for these sectors are excluded from this publication.
- (c) The 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 purchaser (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.

Related Publications

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

Private New Capital Expenditure, Australia, Actual and Expected Expenditure, Preliminary (5625.0)- issued quarterly

Private New Capital Expenditure, Australia, Actual and Expected Expenditure (5626.0)-issued quarterly

Company Profits, Australia (5651.0)-issued quarterly

Stocks, Manufacturers' Sales and Expected Sales, Australia (5629.0)-issued quarterly

Australian National Accounts. National Income and Expenditure (5206.0)-issued quarterly

28. 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 *Publications Advice (1105.0)* which lists publications to be released in the next few days. The *Catalogue* and *Publications Advice* are available from any ABS office.

Unpublished data

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

Symbols and other usages

..	not applicable
n.p.	not published
r	figure revised since previous issue
ASIC	Australian Standard Industrial Classification 1983 edition

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