

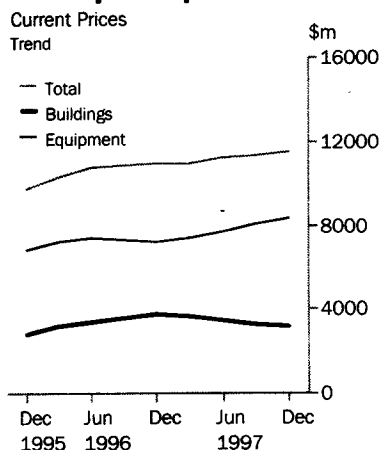
PRIVATE NEW CAPITAL EXPENDITURE

STATE
ESTIMATES

EMBARGO: 11:30AM (CANBERRA TIME) TUES 17 MAR 1998

DECEMBER QTR KEY FIGURES

New Capital Expenditure



TREND ESTIMATES

	Dec Qtr 1997 \$m	% change Sep Qtr 1997 to Dec Qtr 1997	% change Dec Qtr 1996 to Dec Qtr 1997
New South Wales	3 705	4.7	7.6
Victoria	2 741	-1.7	-4.0
Queensland	1 996	1.6	3.0
South Australia	810	6.6	28.8
Western Australia	2 094	7.8	27.5
Tasmania	198	8.2	9.4
Northern Territory	51	-43.3	-82.9
Australian Capital Territory	52	-11.9	-3.7
Australia	11 479	1.3	5.3

DECEMBER QTR KEY POINTS

ACTUAL AND EXPECTED EXPENDITURE

- For New South Wales, trend estimates of expenditure increased by \$166m (4.7%) this quarter. The first estimate of expected expenditure for 1998-99 is \$12,822m. This is 31.0% higher than the first estimate for 1997-98.
- For Victoria, trend estimates of expenditure decreased by \$48m (1.7%) this quarter. The first estimate of expected expenditure for 1998-99 is \$8,915m. This is 6.7% higher than the first estimate for 1997-98.
- For Queensland, trend estimates of expenditure increased by \$31m (1.6%) this quarter. The first estimate of expected expenditure for 1998-99 is \$5,516m. This is 17.7% higher than the first estimate for 1997-98.
- For South Australia, trend estimates of expenditure increased by \$50m (6.6%) this quarter. The first estimate of expected expenditure for 1998-99 is \$2,156m. This is 20.4% higher than the first estimate for 1997-98.
- For Western Australia, trend estimates of expenditure increased by \$151m (7.8%) this quarter. The first estimate of expected expenditure for 1998-99 is \$8,169m. This is 27.5% higher than the first estimate for 1997-98.
- For Tasmania, trend estimates of expenditure increased by \$15m (8.2%) this quarter. The first estimate of expected expenditure for 1998-99 is \$581m. This is 29.7% higher than the first estimate for 1997-98.
- For the Northern Territory, trend estimates of expenditure decreased by \$39m (43.3%) this quarter.
- For the Australian Capital Territory, trend estimates of expenditure decreased by \$7m (11.9%) this quarter.

INQUIRIES

- For further information about these and related statistics, contact John Stamolis on 02 92684241, or any ABS Office.

NOTES

FORTHCOMING ISSUES

ISSUE(Quarter)

RELEASE DATE

March 1998

16 June 1998

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CHANGES IN THIS ISSUE

This publication has been redesigned in format and content. The publication now includes original and trend estimates for NT and ACT (see Tables 3 and 5), three sets of realisation ratios for each of the six states (see Tables 6-11), and relative standard errors for NT and ACT (see Table 12). Some revisions to the Explanatory Notes have been made (in particular, paragraphs 8-10, paragraphs 22-26 and paragraph 36).

For seasonally adjusted and trend estimates, the sum of the state and territory estimates does not add to the total Australia estimate. Please refer to paragraph 36 of the Explanatory Notes.

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SAMPLING ERRORS

The estimates in this publication are based on a sample survey of businesses. Because data are not collected from all businesses, the published estimates are subject to sampling variability.

Standard errors for estimates contained in this publication are shown in Table 12.

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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 Trend Estimates on page 23.

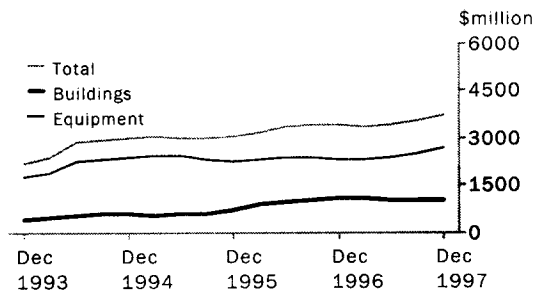
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W. McLennan
Australian Statistician

ACTUAL NEW CAPITAL EXPENDITURE: Trend

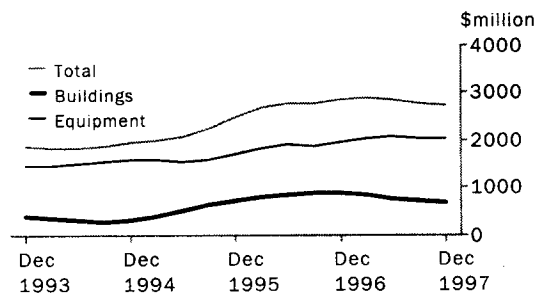
QUARTERLY TREND ESTIMATES AT CURRENT PRICES

NEW SOUTH WALES



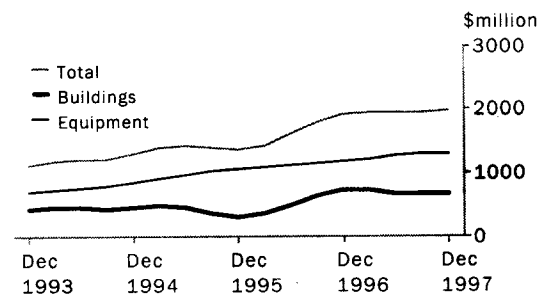
Since December quarter 1996, total expenditure for NSW has increased by \$261m (7.6%). Expenditure on buildings has decreased by \$79m (7.2%), while equipment has increased by \$340m (14.5%).

VICTORIA



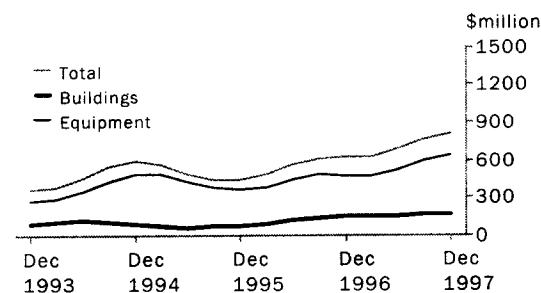
Since December quarter 1996, total expenditure for Victoria has decreased by \$114m (4.0%). Expenditure on buildings has decreased by \$210m (23.5%), while equipment has increased by \$95m (4.8%).

QUEENSLAND



Since December quarter 1996, total expenditure for Queensland has increased by \$58m (3.0%). Expenditure on buildings has decreased by \$77m (10.4%), while equipment has increased by \$135m (11.3%).

SOUTH AUSTRALIA

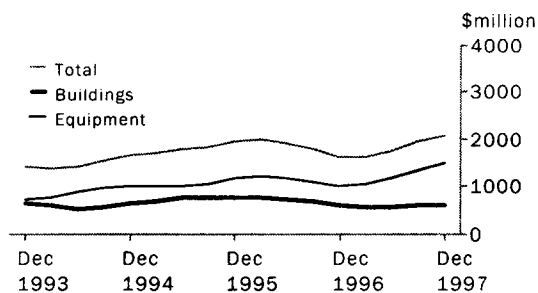


Since December quarter 1996, total expenditure for SA has increased by \$181m (28.8%). Expenditure on buildings has increased by \$20m (13.5%), while equipment has increased by \$161m (33.5%).

ACTUAL NEW CAPITAL EXPENDITURE: Trend *continued*

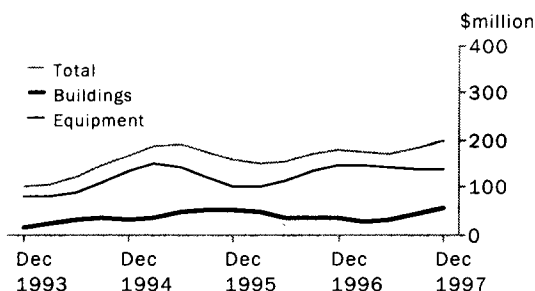
QUARTERLY TREND ESTIMATES AT CURRENT PRICES

WESTERN AUSTRALIA



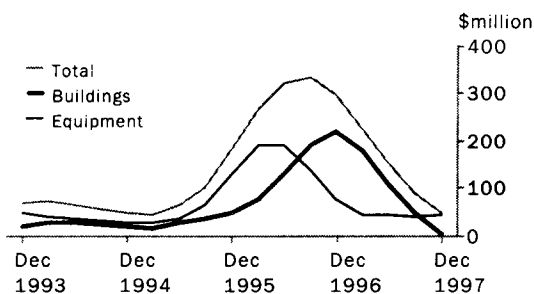
Since December quarter 1996, total expenditure for WA has increased by \$452m (27.5%). Expenditure on buildings has decreased by \$26m (4.2%), while equipment has increased by \$478m (47.0%).

TASMANIA



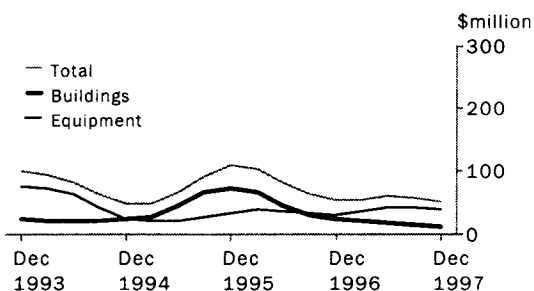
Since December quarter 1996, total expenditure for Tasmania has increased by \$17m (9.4%). Expenditure on buildings has increased by \$23m (65.7%), while equipment has decreased by \$6m (4.1%).

NORTHERN TERRITORY



Since December quarter 1996, total expenditure for NT has decreased by \$248m (82.9%). Expenditure on buildings has decreased by \$215m (97.7%), while equipment has decreased by \$33m (41.8%).

AUSTRALIAN CAPITAL TERRITORY



Since December quarter 1996, total expenditure for ACT has decreased by \$2m (3.7%). Expenditure on buildings has decreased by \$11m (47.8%), while equipment has increased by \$8m (25.0%).



ACTUAL AND EXPECTED EXPENDITURE, By Type of Asset and Industry—Current Prices

Period	ASSET.....			INDUSTRY.....			
	<i>Buildings and structures</i>	<i>Equipment, plant and machinery</i>	<i>Total</i>	<i>Mining</i>	<i>Manufacturing</i>	<i>Other selected industries</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)							
1995-96	12 348	28 124	40 473	7 525	10 457	22 491	40 473
1996-97	14 330	29 507	43 837	8 781	10 198	24 859	43 837
1996-97							
September	3 415	6 870	10 285	1 966	2 357	5 962	10 285
December	3 948	7 750	11 698	2 305	2 694	6 699	11 698
March	3 589	6 371	9 960	2 186	2 319	5 456	9 960
June	3 378	8 516	11 894	2 324	2 828	6 742	11 894
1997-98							
September	2 921	7 642	10 563	2 491	2 528	5 544	10 563
December	3 786	9 005	12 791	3 020	3 144	6 626	12 791
ORIGINAL (Expected)							
1997-98							
6 mths to June	7 554	16 062	23 616	7 094	5 232	11 290	23 616
Total 1997-98	14 262	32 709	46 970	12 605	10 905	23 461	46 970
Total 1998-99							
12 mths to June	12 781	25 909	38 690	10 210	8 493	19 987	38 690
SEASONALLY ADJUSTED (Actual)							
1995-96	12 229	28 162	40 391	7 516	10 444	22 430	40 391
1996-97	14 417	29 464	43 880	8 796	10 167	24 918	43 880
1996-97							
September	3 478	7 171	10 649	2 096	2 411	6 142	10 649
December	3 551	7 193	10 744	2 081	2 578	6 086	10 744
March	3 914	7 243	11 156	2 375	2 546	6 236	11 156
June	3 473	7 857	11 330	2 245	2 632	6 453	11 330
1997-98							
September	2 993	7 970	10 963	2 645	2 622	5 696	10 963
December	3 455	8 359	11 813	2 738	3 022	6 053	11 813
TREND ESTIMATES (Actual)							
1995-96	11 988	28 101	40 089	7 435	10 539	22 114	40 089
1996-97	14 375	29 591	43 966	8 922	10 280	24 765	43 966
1996-97							
September	3 570	7 325	10 895	2 119	2 575	6 201	10 895
December	3 702	7 200	10 902	2 166	2 539	6 196	10 902
March	3 619	7 361	10 980	2 241	2 550	6 189	10 980
June	3 485	7 705	11 190	2 395	2 616	6 178	11 190
1997-98							
September	3 298	8 038	11 336	2 564	2 737	6 036	11 336
December	3 164	8 315	11 479	2 721	2 864	5 894	11 479

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

Period	ASSET.....			INDUSTRY.....			
	<i>Buildings and structures</i>	<i>Equipment, plant and machinery</i>	<i>Total</i>	<i>Mining</i>	<i>Manufacturing</i>	<i>Other selected industries</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL							
1995-96	11 984	26 721	38 705	6 879	9 562	22 264	38 705
1996-97	13 700	31 013	44 714	8 097	9 819	26 797	44 714
1996-97							
September	3 250	7 030	10 280	1 797	2 231	6 253	10 280
December	3 775	7 997	11 772	2 123	2 584	7 064	11 772
March	3 467	6 699	10 166	2 035	2 248	5 884	10 166
June	3 209	9 287	12 495	2 142	2 757	7 597	12 495
1997-98							
September	2 791	8 379	11 170	2 274	2 498	6 398	11 170
December	3 531	9 757	13 288	2 734	3 095	7 459	13 288
SEASONALLY ADJUSTED							
1995-96	11 878	26 749	38 627	6 873	9 549	22 205	38 627
1996-97	13 794	30 954	44 748	8 105	9 794	26 849	44 748
1996-97							
September	3 267	7 299	10 566	1 885	2 281	6 400	10 566
December	3 424	7 419	10 843	1 935	2 473	6 435	10 843
March	3 816	7 632	11 449	2 197	2 473	6 779	11 449
June	3 287	8 604	11 891	2 089	2 567	7 234	11 891
1997-98							
September	2 750	8 685	11 435	2 372	2 618	6 445	11 435
December	3 227	9 053	12 280	2 501	2 968	6 811	12 280
TREND ESTIMATES							
1995-96	11 665	26 730	38 395	6 794	9 609	21 992	38 395
1996-97	13 846	30 999	44 845	8 215	9 849	26 781	44 845
1996-97							
September	3 452	7 382	10 834	1 939	2 398	6 497	10 834
December	3 593	7 459	11 052	2 000	2 407	6 646	11 052
March	3 491	7 825	11 316	2 074	2 470	6 772	11 316
June	3 311	8 333	11 644	2 203	2 575	6 866	11 644
1997-98							
September	3 080	8 761	11 840	2 335	2 702	6 803	11 840
December	2 929	9 049	11 978	2 471	2 823	6 683	11 978

(a) At average 1989-90 prices.

ACTUAL EXPENDITURE, By Type of Asset and State-Current Prices: Original

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
BUILDINGS AND STRUCTURES (\$ million)									
1995-96	3 352	3 126	1 563	358	3 197	190	306	256	12 348
1996-97	4 287	3 379	2 739	594	2 412	128	698	93	14 330
1996-97									
September	1 040	789	625	133	590	34	171	33	3 415
December	1 066	1 039	735	172	634	35	247	20	3 948
March	1 103	789	747	130	591	30	180	19	3 589
June	1 078	761	631	160	597	30	99	21	3 378
1997-98									
September	854	694	664	159	467	37	33	13	2 921
December	1 211	831	710	192	752	57	22	12	3 786
EQUIPMENT, PLANT AND MACHINERY (\$ million)									
1995-96	9 255	7 168	4 290	1 515	4 709	423	623	141	28 124
1996-97	9 376	8 117	4 863	1 985	4 206	559	259	142	29 507
1996-97									
September	2 273	1 784	1 119	514	942	118	89	31	6 870
December	2 518	2 110	1 162	517	1 176	157	82	27	7 750
March	1 982	1 758	1 086	391	940	140	41	33	6 371
June	2 602	2 465	1 495	563	1 148	144	48	51	8 516
1997-98									
September	2 412	1 807	1 305	557	1 343	136	-34	47	7 642
December	2 898	2 244	1 255	735	1 656	129	58	29	9 005
TOTAL (\$ million)									
1995-96	12 607	10 294	5 853	1 873	7 907	613	929	396	40 473
1996-97	13 663	11 496	7 602	2 580	6 617	687	957	235	43 837
1996-97									
September	3 313	2 573	1 745	647	1 532	151	260	64	10 285
December	3 584	3 150	1 897	688	1 810	192	329	47	11 698
March	3 085	2 547	1 833	521	1 531	169	221	52	9 960
June	3 681	3 226	2 127	723	1 745	175	147	72	11 894
1997-98									
September	3 266	2 502	1 968	716	1 810	174	67	60	10 563
December	4 110	3 075	1 965	927	2 408	186	80	41	12 791
TOTAL (Percentage change)									
1995-96	3.9	30.0	6.0	-17.2	19.4	-11.1	360.3	85.3	13.8
1996-97	8.4	11.7	29.9	37.7	-16.3	12.1	3.1	-40.6	8.3
1996-97									
September	-13.2	-14.3	-9.9	18.6	-28.9	-6.8	-41.4	-24.5	-15.3
December	8.2	22.4	8.7	6.4	18.1	26.8	26.5	-26.8	13.7
March	-13.9	-19.1	-3.4	-24.3	-15.4	-11.8	-32.7	11.3	-14.9
June	19.3	26.7	16.0	38.6	14.0	3.2	-33.6	37.3	19.4
1997-98									
September	-11.3	-22.5	-7.4	-0.9	3.8	-0.6	-54.5	-16.4	-11.2
December	25.8	22.9	-0.2	29.5	33.0	7.1	19.0	-32.2	21.1

ACTUAL EXPENDITURE, By Type of Asset and State-Current Prices: **Seasonally Adjusted(a)**

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania (a)	Northern Territory (a)	Australian Capital Territory (a)	Australia
BUILDINGS AND STRUCTURES (\$ million)									
1995-96	3 352	3 129	1 531	367	3 177	n.p.	n.p.	n.p.	12 229
1996-97	4 297	3 389	2 768	598	2 439	n.p.	n.p.	n.p.	14 417
1996-97									
September	1 030	813	640	118	697	n.p.	n.p.	n.p.	3 478
December	1 018	908	729	161	533	n.p.	n.p.	n.p.	3 551
March	1 165	941	835	141	611	n.p.	n.p.	n.p.	3 914
June	1 084	727	564	179	598	n.p.	n.p.	n.p.	3 473
1997-98									
September	845	719	678	140	557	n.p.	n.p.	n.p.	2 993
December	1 160	724	707	180	630	n.p.	n.p.	n.p.	3 455
EQUIPMENT, PLANT AND MACHINERY (\$ million)									
1995-96	9 246	7 182	4 284	1 506	4 721	n.p.	n.p.	n.p.	28 162
1996-97	9 364	8 090	4 850	2 000	4 196	n.p.	n.p.	n.p.	29 464
1996-97									
September	2 393	1 775	1 133	594	1 019	n.p.	n.p.	n.p.	7 171
December	2 381	2 025	1 225	436	1 067	n.p.	n.p.	n.p.	7 193
March	2 284	1 943	1 226	454	1 050	n.p.	n.p.	n.p.	7 243
June	2 305	2 347	1 266	515	1 059	n.p.	n.p.	n.p.	7 857
1997-98									
September	2 542	1 795	1 317	646	1 460	n.p.	n.p.	n.p.	7 970
December	2 746	2 166	1 332	618	1 502	n.p.	n.p.	n.p.	8 359
TOTAL (\$ million)									
1995-96	12 597	10 311	5 815	1 873	7 899	623	923	395	40 391
1996-97	13 661	11 478	7 618	2 598	6 635	696	971	235	43 880
1996-97									
September	3 423	2 588	1 773	712	1 716	176	277	71	10 649
December	3 399	2 933	1 954	597	1 600	199	308	47	10 744
March	3 449	2 884	2 061	595	1 661	176	257	55	11 156
June	3 389	3 074	1 830	694	1 657	146	130	61	11 330
1997-98									
September	3 387	2 514	1 995	786	2 017	202	68	69	10 963
December	3 906	2 891	2 039	798	2 133	199	78	41	11 813
TOTAL (Percentage change)									
1995-96	4.1	29.9	5.8	-16.2	20.9	-8.0	356.4	83.6	14.1
1996-97	8.4	11.3	31.0	38.7	-16.0	11.8	5.2	-40.7	8.6
1996-97									
September	-2.9	-9.6	5.9	34.1	-16.9	31.1	-32.1	-4.6	-7.3
December	-0.7	13.3	10.2	-16.1	-6.8	13.1	11.1	-34.6	0.9
March	1.5	-1.7	5.4	-0.4	3.9	-11.5	-16.5	19.0	3.8
June	-1.7	6.6	-11.2	16.7	-0.2	-17.1	-49.4	10.3	1.6
1997-98									
September	-0.1	-18.2	9.1	13.3	21.7	38.8	-47.4	12.4	-3.2
December	15.3	15.0	2.2	1.5	5.7	-1.7	14.6	-40.7	7.8

(a) See paragraphs 35 and 36 of the Explanatory Notes.



ACTUAL EXPENDITURE, By Type of Asset and State-Current Prices: Trend

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
.....									
BUILDINGS AND STRUCTURES (\$ million)									
1995-96	3 282	3 084	1 556	360	3 042	195	295	252	11 988
1996-97	4 275	3 441	2 810	594	2 458	133	704	89	14 375
1996-97									
September	1 059	888	656	133	681	36	193	30	3 570
December	1 100	895	743	148	625	35	220	23	3 702
March	1 074	862	727	154	570	30	181	20	3 619
June	1 043	795	684	159	583	32	110	17	3 485
1997-98									
September	1 017	728	660	162	595	44	49	15	3 298
December	1 021	685	666	168	599	58	5	12	3 164
.....									
EQUIPMENT, PLANT AND MACHINERY (\$ million)									
1995-96	9 326	7 090	4 295	1 575	4 646	443	579	139	28 101
1996-97	9 422	7 990	4 864	1 973	4 339	569	309	145	29 591
1996-97									
September	2 397	1 895	1 159	484	1 100	136	140	34	7 325
December	2 344	1 960	1 194	481	1 017	146	79	32	7 200
March	2 307	2 053	1 238	480	1 045	146	45	36	7 361
June	2 374	2 082	1 273	527	1 177	141	44	42	7 705
1997-98									
September	2 522	2 061	1 305	598	1 348	140	41	44	8 038
December	2 684	2 055	1 329	642	1 495	140	46	40	8 315
.....									
Actual Expenditure - Current Price									
1995-96	12 608	10 174	5 852	1 935	7 688	638	874	391	40 089
1996-97	13 698	11 432	7 675	2 568	6 798	702	1 013	234	43 967
1996-97									
September	3 456	2 784	1 815	618	1 781	172	333	64	10 895
December	3 444	2 855	1 938	629	1 642	181	299	54	10 902
March	3 381	2 916	1 965	635	1 615	176	226	56	10 980
June	3 417	2 877	1 957	686	1 760	173	155	60	11 190
1997-98									
September	3 539	2 789	1 965	760	1 943	183	90	59	11 336
December	3 705	2 741	1 996	810	2 094	198	51	52	11 479
.....									
TOTAL (Percentage change)									
1995-96	4.9	28.8	8.8	-11.5	14.2	-7.5	302.8	71.5	13.4
1996-97	8.6	12.4	31.2	32.7	-11.6	10.0	15.9	-40.2	9.7
1996-97									
September	2.1	0.7	12.0	9.2	-6.4	11.7	3.7	-23.8	0.9
December	-0.3	2.6	6.8	1.8	-7.8	5.2	-10.2	-15.6	0.1
March	-1.8	2.1	1.4	1.0	-1.6	-2.8	-24.4	3.7	0.7
June	1.1	-1.3	-0.4	8.0	9.0	-1.7	-31.4	7.1	1.9
1997-98									
September	3.6	-3.1	0.4	10.8	10.4	5.8	-41.9	-1.7	1.3
December	4.7	-1.7	1.6	6.6	7.8	8.2	-43.3	-11.9	1.3
.....									

ACTUAL AND EXPECTED CAPITAL EXPENDITURE—New South Wales: Current Prices

Period	ASSET.....			INDUSTRY.....			
	Buildings and structures	Equipment, plant and machinery	Total	Mining	Manufacturing	Other selected industries	Total
ACTUAL EXPENDITURE (\$ million)							
1995-96	3 352	9 255	12 607	963	3 318	8 326	12 607
1996-97	4 287	9 376	13 663	990	3 075	9 598	13 663
1996-97							
September	1 040	2 273	3 313	293	791	2 229	3 313
December	1 066	2 518	3 584	271	782	2 531	3 584
March	1 103	1 982	3 085	258	655	2 173	3 085
June	1 078	2 602	3 681	169	847	2 665	3 681
1997-98							
September	854	2 412	3 266	249	726	2 292	3 266
December	1 211	2 898	4 110	122	1 052	2 935	4 110
EXPECTED EXPENDITURE (\$ million)							
1997-98							
6 mths to June	2 209	5 093	7 302	383	1 827	5 092	7 302
Total 1997-98	4 274	10 403	14 678	754	3 605	10 319	14 678
Total 1998-99							
12 mths to June	4 462	8 360	12 822	766	2 864	9 191	12 822
REALISATION RATIOS: 6 MONTHS TO JUNE (Actual/Dec E1)(a)							
1992-93	0.76	1.07	0.99	0.63	0.90	1.11	0.99
1993-94	1.11	1.23	1.20	0.97	1.11	1.28	1.20
1994-95	0.87	1.12	1.06	0.65	1.02	1.16	1.06
1995-96	0.84	1.12	1.02	0.99	0.92	1.08	1.02
1996-97	0.92	1.06	1.01	0.68	1.13	1.02	1.01
5 year average	0.90	1.12	1.06	0.78	1.02	1.13	1.06
REALISATION RATIOS: 12 MONTHS TO JUNE (Actual/sum of actual and December E1)(a)							
1992-93	0.89	1.03	1.00	0.79	0.95	1.05	1.00
1993-94	1.06	1.11	1.10	0.98	1.05	1.13	1.10
1994-95	0.93	1.06	1.03	0.81	1.01	1.07	1.03
1995-96	0.90	1.06	1.01	0.99	0.96	1.04	1.01
1996-97	0.96	1.03	1.00	0.83	1.06	1.01	1.00
5 year average	0.95	1.06	1.03	0.88	1.01	1.06	1.03
REALISATION RATIOS: 12 MONTHS FOLLOWING JUNE (Actual/December E2)(a)							
1992-93	1.12	1.41	1.33	0.95	0.96	1.72	1.33
1993-94	1.18	1.63	1.52	0.76	1.35	1.76	1.52
1994-95	1.45	1.82	1.73	1.61	1.61	1.82	1.73
1995-96	1.33	1.35	1.34	1.14	1.11	1.49	1.34
1996-97	1.54	1.27	1.34	0.97	1.01	1.56	1.34
5 year average	1.32	1.49	1.45	1.09	1.21	1.67	1.45

(a) For more information on realisation ratios see paragraphs 22 to 26 of the Explanatory Notes.

ACTUAL AND EXPECTED CAPITAL EXPENDITURE—Victoria: Current Prices

Period	ASSET.....			INDUSTRY.....			
	Buildings and structures	Equipment, plant and machinery	Total	Mining	Manufacturing	Other selected industries	Total
ACTUAL EXPENDITURE (\$ million)							
1995-96	3 126	7 168	10 294	590	3 544	6 160	10 294
1996-97	3 379	8 117	11 496	758	3 447	7 290	11 496
1996-97							
September	789	1 784	2 573	125	808	1 639	2 573
December	1 039	2 110	3 150	301	987	1 862	3 150
March	789	1 758	2 547	162	772	1 613	2 547
June	761	2 465	3 226	170	880	2 176	3 226
1997-98							
September	694	1 807	2 502	164	775	1 563	2 502
December	831	2 244	3 075	378	903	1 794	3 075
EXPECTED EXPENDITURE (\$ million)							
1997-98							
6 mths to June	1 472	3 723	5 195	724	1 565	2 906	5 195
Total 1997-98	2 997	7 775	10 772	1 265	3 244	6 263	10 772
Total 1998-99							
12 mths to June	3 038	5 877	8 915	872	2 400	5 644	8 915
REALISATION RATIOS: 6 MONTHS TO JUNE (Actual/Dec E1)(a)							
1992-93	0.77	1.07	0.99	0.61	1.07	0.99	0.99
1993-94	0.67	1.01	0.92	0.67	0.91	0.98	0.92
1994-95	1.05	0.98	0.99	1.12	0.94	1.02	0.99
1995-96	1.50	1.05	1.15	0.80	0.84	1.48	1.15
1996-97	0.89	1.12	1.05	0.62	0.86	1.23	1.05
5 year average	0.98	1.05	1.02	0.76	0.93	1.14	1.02
REALISATION RATIOS: 12 MONTHS TO JUNE (Actual/sum of actual and December E1)(a)							
1992-93	0.89	1.04	1.00	0.76	1.04	0.99	1.00
1993-94	0.83	1.01	0.96	0.81	0.96	0.99	0.96
1994-95	1.03	0.99	1.00	1.06	0.97	1.01	1.00
1995-96	1.21	1.03	1.08	0.90	0.92	1.22	1.08
1996-97	0.95	1.06	1.02	0.79	0.93	1.11	1.02
5 year average	0.98	1.02	1.01	0.86	0.96	1.06	1.01
REALISATION RATIOS: 12 MONTHS FOLLOWING JUNE (Actual/December E2)(a)							
1992-93	1.05	1.34	1.25	2.03	1.17	1.27	1.25
1993-94	0.99	1.60	1.42	0.74	1.48	1.52	1.42
1994-95	0.98	1.36	1.27	0.88	1.45	1.23	1.27
1995-96	1.60	1.28	1.36	0.68	1.09	1.80	1.36
1996-97	2.02	1.25	1.41	0.94	1.02	1.83	1.41
5 year average	1.33	1.37	1.34	1.05	1.24	1.53	1.34

(a) For more information on realisation ratios see paragraphs 22 to 26 of the Explanatory Notes.

ACTUAL AND EXPECTED CAPITAL EXPENDITURE—Queensland: Current Prices

Period	ASSET.....			INDUSTRY.....			
	Buildings and structures	Equipment, plant and machinery	Total	Mining	Manufacturing	Other selected industries	Total
ACTUAL EXPENDITURE (\$ million)							
1995-96	1 563	4 290	5 853	961	1 433	3 459	5 853
1996-97	2 739	4 863	7 602	1 865	1 734	4 002	7 602
1996-97							
September	625	1 119	1 745	430	307	1 007	1 745
December	735	1 162	1 897	458	386	1 054	1 897
March	747	1 086	1 833	543	420	870	1 833
June	631	1 495	2 127	435	621	1 071	2 127
1997-98							
September	664	1 305	1 968	477	574	918	1 968
December	710	1 255	1 965	532	510	923	1 965
EXPECTED EXPENDITURE (\$ million)							
1997-98							
6 mths to June	1 488	2 158	3 645	1 406	550	1 689	3 645
Total 1997-98	2 861	4 717	7 578	2 414	1 634	3 530	7 578
Total 1998-99							
12 mths to June	1 966	3 550	5 516	1 871	1 086	2 558	5 516
REALISATION RATIOS: 6 MONTHS TO JUNE (Actual/Dec E1)(a)							
1992-93	0.96	1.23	1.11	1.15	1.10	1.10	1.11
1993-94	1.02	0.94	0.96	0.97	0.84	1.02	0.96
1994-95	0.84	1.25	1.08	0.82	1.04	1.21	1.08
1995-96	0.52	1.21	0.89	0.69	0.81	1.01	0.89
1996-97	0.73	1.37	1.05	1.01	1.34	0.95	1.05
5 year average	0.81	1.20	1.02	0.93	1.03	1.06	1.02
REALISATION RATIOS: 12 MONTHS TO JUNE (Actual/sum of actual and December E1)(a)							
1992-93	0.98	1.10	1.05	1.08	1.05	1.04	1.05
1993-94	1.01	0.97	0.98	0.98	0.91	1.01	0.98
1994-95	0.91	1.12	1.04	0.88	1.02	1.10	1.04
1995-96	0.66	1.10	0.94	0.80	0.89	1.01	0.94
1996-97	0.84	1.17	1.03	1.01	1.18	0.98	1.03
5 year average	0.88	1.09	1.01	0.95	1.01	1.03	1.01
REALISATION RATIOS: 12 MONTHS FOLLOWING JUNE (Actual/December E2)(a)							
1992-93	1.16	1.19	1.18	1.01	1.13	1.32	1.18
1993-94	1.02	1.66	1.35	0.99	1.55	1.53	1.35
1994-95	1.14	1.41	1.31	1.21	1.29	1.35	1.31
1995-96	1.09	1.76	1.51	1.04	1.39	1.80	1.51
1996-97	1.49	1.46	1.47	1.15	1.59	1.63	1.47
5 year average	1.18	1.50	1.36	1.08	1.39	1.52	1.36

(a) For more information on realisation ratios see paragraphs 22 to 26 of the Explanatory Notes.

ACTUAL AND EXPECTED CAPITAL EXPENDITURE—South Australia: Current Prices

Period	ASSET.....			INDUSTRY.....			
	Buildings and structures	Equipment, plant and machinery	Total	Mining	Manufacturing	Other selected industries	Total
ACTUAL EXPENDITURE (\$ million)							
1995-96	358	1 515	1 873	196	756	921	1 873
1996-97	594	1 985	2 580	489	840	1 251	2 580
1996-97							
September	133	514	647	61	187	399	647
December	172	517	688	82	234	373	688
March	130	391	521	79	198	245	521
June	160	563	723	267	221	234	723
1997-98							
September	159	557	716	345	170	201	716
December	192	735	927	447	264	217	927
EXPECTED EXPENDITURE (\$ million)							
1997-98							
6 mths to June	502	1 156	1 657	787	465	405	1 657
Total 1997-98	853	2 448	3 301	1 579	899	823	3 301
Total 1998-99							
12 mths to June	462	1 694	2 156	811	597	748	2 156
REALISATION RATIOS: 6 MONTHS TO JUNE (Actual/Dec E1)(a)							
1992-93	0.82	0.96	0.92	0.68	0.91	1.04	0.92
1993-94	1.09	0.86	0.90	0.77	1.12	0.78	0.90
1994-95	0.91	1.18	1.14	0.65	1.11	1.33	1.14
1995-96	0.93	0.91	0.91	1.07	0.79	1.00	0.91
1996-97	0.91	0.97	0.95	2.41	0.63	0.96	0.95
5 year average	0.93	0.97	0.97	1.12	0.91	1.02	0.97
REALISATION RATIOS: 12 MONTHS TO JUNE (Actual/sum of actual and December E1)(a)							
1992-93	0.91	0.98	0.96	0.82	0.95	1.02	0.96
1993-94	1.05	0.92	0.95	0.91	1.06	0.87	0.95
1994-95	0.97	1.08	1.06	0.77	1.06	1.09	1.06
1995-96	0.96	0.95	0.95	1.04	0.89	1.00	0.95
1996-97	0.96	0.98	0.98	1.71	0.78	0.98	0.98
5 year average	0.97	0.98	0.98	1.05	0.95	0.99	0.98
REALISATION RATIOS: 12 MONTHS FOLLOWING JUNE (Actual/December E2)(a)							
1992-93	1.76	1.25	1.36	1.49	0.96	1.93	1.36
1993-94	1.23	1.13	1.16	0.35	1.25	1.48	1.16
1994-95	2.03	1.33	1.41	1.32	1.26	1.55	1.41
1995-96	1.36	1.26	1.28	1.61	0.97	1.63	1.28
1996-97	1.47	1.56	1.54	1.89	1.21	1.73	1.54
5 year average	1.57	1.31	1.35	1.33	1.13	1.66	1.35

(a) For more information on realisation ratios see paragraphs 22 to 26 of the Explanatory Notes.

ACTUAL AND EXPECTED CAPITAL EXPENDITURE—Western Australia: Current Prices

Period	ASSET.....			INDUSTRY.....			
	Buildings and structures	Equipment, plant and machinery	Total	Mining	Manufacturing	Other selected industries	Total
ACTUAL EXPENDITURE (\$ million)							
1995-96	3 197	4 709	7 907	4 285	1 046	2 575	7 907
1996-97	2 412	4 206	6 617	4 158	625	1 834	6 617
1996-97							
September	590	942	1 532	865	162	505	1 532
December	634	1 176	1 810	1 063	166	581	1 810
March	591	940	1 531	1 063	145	323	1 531
June	597	1 148	1 745	1 168	153	424	1 745
1997-98							
September	467	1 343	1 810	1 190	194	426	1 810
December	752	1 656	2 408	1 487	334	587	2 408
EXPECTED EXPENDITURE (\$ million)							
1997-98							
6 mths to June	1 729	3 498	5 227	3 723	626	878	5 227
Total 1997-98	2 948	6 498	9 446	6 400	1 154	1 891	9 446
Total 1998-99							
12 mths to June	2 526	5 643	8 169	5 729	1 171	1 269	8 169
REALISATION RATIOS: 6 MONTHS TO JUNE (Actual/Dec E1)(a)							
1992-93	0.92	1.07	1.01	0.94	0.68	1.30	1.01
1993-94	0.79	1.20	1.00	0.89	0.96	1.21	1.00
1994-95	0.70	1.25	0.94	0.87	1.05	1.05	0.94
1995-96	1.17	1.00	1.06	1.06	1.04	1.05	1.06
1996-97	0.75	1.07	0.93	0.84	0.80	1.50	0.93
5 year average	0.86	1.12	0.99	0.92	0.91	1.22	0.99
REALISATION RATIOS: 12 MONTHS TO JUNE (Actual/sum of actual and December E1)(a)							
1992-93	0.96	1.03	1.00	0.97	0.84	1.15	1.00
1993-94	0.90	1.10	1.00	0.95	0.98	1.10	1.00
1994-95	0.82	1.10	0.97	0.93	1.03	1.02	0.97
1995-96	1.07	1.00	1.03	1.03	1.02	1.02	1.03
1996-97	0.86	1.03	0.96	0.91	0.90	1.16	0.96
5 year average	0.92	1.05	0.99	0.96	0.95	1.09	0.99
REALISATION RATIOS: 12 MONTHS FOLLOWING JUNE (Actual/December E2)(a)							
1992-93	1.39	1.40	1.40	1.39	1.24	1.45	1.40
1993-94	1.47	1.09	1.23	1.03	0.87	2.20	1.23
1994-95	1.06	1.45	1.27	1.13	1.52	1.48	1.27
1995-96	1.49	1.97	1.74	1.68	1.70	1.87	1.74
1996-97	1.11	1.16	1.14	1.18	0.55	1.64	1.14
5 year average	1.30	1.41	1.36	1.28	1.18	1.73	1.36

(a) For more information on realisation ratios see paragraphs 22 to 26 of the Explanatory Notes.

ACTUAL AND EXPECTED CAPITAL EXPENDITURE—Tasmania: Current Prices

Period	ASSET.....			INDUSTRY.....			
	Buildings and structures	Equipment, plant and machinery	Total	Mining	Manufacturing	Other selected industries	Total
ACTUAL EXPENDITURE (\$ million)							
1995-96	190	423	613	162	222	229	613
1996-97	128	559	687	81	390	216	687
1996-97							
September	34	118	151	28	76	47	151
December	35	157	192	20	102	70	192
March	30	140	169	18	118	33	169
June	30	144	175	15	94	66	175
1997-98							
September	37	136	174	28	80	65	174
December	57	129	186	20	54	112	186
EXPECTED EXPENDITURE (\$ million)							
1997-98							
6 mths to June	85	249	334	41	160	132	334
Total 1997-98	179	514	693	89	294	310	693
Total 1998-99							
12 mths to June	140	441	581	109	285	188	581
REALISATION RATIOS: 6 MONTHS TO JUNE (Actual/Dec E1)(a)→							
1992-93	2.16	0.97	1.19	0.57	0.96	2.09	1.19
1993-94	2.01	1.33	1.47	1.22	1.42	1.61	1.47
1994-95	1.49	1.22	1.27	1.14	1.01	1.94	1.27
1995-96	0.96	1.08	1.04	1.28	0.81	1.24	1.04
1996-97	1.38	1.08	1.12	1.21	0.96	1.64	1.12
5 year average	1.60	1.14	1.22	1.08	1.03	1.70	1.22
REALISATION RATIOS: 12 MONTHS TO JUNE (Actual/sum of actual and December E1)(a)							
1992-93	1.60	0.99	1.09	0.69	0.98	1.41	1.09
1993-94	1.53	1.15	1.22	1.14	1.23	1.23	1.22
1994-95	1.27	1.12	1.15	1.07	1.01	1.36	1.15
1995-96	0.98	1.04	1.02	1.12	0.89	1.11	1.02
1996-97	1.15	1.04	1.06	1.08	0.98	1.22	1.06
5 year average	1.31	1.07	1.11	1.02	1.02	1.27	1.11
REALISATION RATIOS: 12 MONTHS FOLLOWING JUNE (Actual/December E2)(a)							
1992-93	2.23	1.36	1.51	0.87	1.26	2.39	1.51
1993-94	1.67	1.22	1.30	0.79	0.96	2.27	1.30
1994-95	2.14	1.72	1.80	2.22	1.70	1.81	1.80
1995-96	2.37	1.27	1.48	2.46	0.89	2.35	1.48
1996-97	0.60	1.29	1.06	0.44	1.25	1.42	1.06
5 year average	1.80	1.37	1.43	1.36	1.21	2.05	1.43

(a) For more information on realisation ratios see paragraphs 22 to 26 of the Explanatory Notes.

RELATIVE STANDARD ERRORS FOR ACTUAL PRIVATE NEW CAPITAL EXPENDITURE

State	ASSET.....			INDUSTRY.....			
	<i>Buildings and structures</i>	<i>Equipment, plant and machinery</i>	<i>Total</i>	<i>Mining</i>	<i>Manufacturing</i>	<i>Other selected industries</i>	<i>Total</i>
	%	%	%	%	%	%	%
New South Wales	9.4	5.3	5.1	22.6	3.8	5.6	5.1
Victoria	8.4	3.9	3.9	0.7	5.5	5.9	3.9
Queensland	8.6	5.7	5.1	7.5	7.7	7.9	5.1
South Australia	7.0	6.9	5.8	6.0	8.7	10.3	5.8
Western Australia	10.9	6.8	6.8	9.7	11.2	8.5	6.8
Tasmania	19.0	9.3	9.3	0.1	13.9	15.5	9.3
Northern Territory	n.a.	n.a.	9.3	n.p.	n.p.	n.p.	9.3
Australian Capital Territory	n.a.	n.a.	5.8	n.p.	n.p.	n.p.	5.8
Total	5.7	3.4	3.2	8.1	4.5	4.7	3.2

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. These estimates are more up to date than those previously released in *Private New Capital Expenditure and Expected Expenditure* (5625.0).

SCOPE

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

4 The scope of the survey:

- 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)
- 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 and is stratified by industry, number of employees and state/territory. The sample consists of approximately 7,500 units. The figures obtained from the selected businesses are supplemented by data from units which have large capital expenditure and/or large employment and which are outside the sample framework, or not adequately covered by it.

EXPLANATORY NOTES

SURVEY METHODOLOGY
continued

6 Adjustments are included in the estimates to allow for lags in processing new businesses to the ABS register, and the omission of some businesses from the business register. The majority of businesses affected and to which the adjustments apply are small in size. The adjustments contributed 4.5% to the current quarter's estimate of reported capital expenditure. These adjustments were introduced in the June quarter 1997 publication and have been made back to the June quarter 1987. For further information see the June quarter 1997 publication or an Information Paper — *Improvements to ABS Economic Statistics 1997* (Cat. No. 1357.0) issued on 22 August 1997.

7 Respondents are asked to provide data on the same basis as their own management accounts. Where a selected business unit does not respond in a given survey, an estimate is substituted. Revisions may be made to these estimate adjustments if data are provided subsequently from those businesses. Aggregates are calculated from original data using the 'number raised' estimation technique. Data are edited at both individual unit level and at aggregate level.

TIMING AND CONSTRUCTION OF SURVEY CYCLE

8 State estimates of actual new capital expenditure by business units are compiled quarterly. Surveys are conducted in respect of each quarter and returns are completed in the 8 or 9 week period after the end of the quarter to which the survey data relate (e.g. March quarter survey returns are completed during April and May). Full details of the reporting cycle are shown in the table below.

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

- 9** 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).

EXPLANATORY NOTES

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TIMING AND CONSTRUCTION OF
SURVEY CYCLE *continued*

10 This survey cycle facilitates the formation of estimates of expenditure for financial years (12 months ending 30 June). For example, as the above table shows, the first estimate for 1997-98 was available from the December 1996 survey as a long term expectation (E2). It was subsequently revised in the March 1997 survey (again as a longer term expectation) and in the June 1997 survey as the sum of two expectations (E1 + E2). In the September and subsequent surveys the estimate is derived as the sum of actual expenditure (for that part of the year completed) and expected expenditure (for the remainder of the year). The final (or seventh) estimate from the June quarter 1998 survey, will be derived by summing the actual expenditure for each of the four quarters.

SAMPLE REVISION

11 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 is now consistent with other ABS surveys. This will lead to greater consistency when comparing data across these surveys.

12 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.

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

STATISTICAL UNIT

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

STATE DATA AVAILABILITY

15 Seasonally adjusted estimates for Tasmania, 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 them can be derived, the measure is not reliable.

16 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.

CLASSIFICATION BY INDUSTRY

17 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).

EXPLANATORY NOTES

CLASSIFICATION BY INDUSTRY *continued*

18 For more information, users are referred to *Australian & New Zealand Standard Industrial Classification, 1993, ANZSIC*, (Cat. No. 1292.0) and *Statistics 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 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.

CONSTANT PRICES

21 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'.

DERIVATION AND USEFULNESS OF REALISATION RATIOS

22 Once actual expenditure for a financial year is known, it is useful to investigate the relationship between the estimate 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 expectations 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 actual expenditure estimates. For example, if one wished to predict actual expenditure for 1997–98 based on the June 1997 survey results and compare this with 1996–97 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. A range of realisation ratios for both type of asset and industry estimates is provided for each state.

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 surveys.

EXPLANATORY NOTES

DERIVATION AND USEFULNESS OF
REALISATION RATIOS *continued*

26 The December issue of this publication contains three sets of realisation ratios for each State. These are:

- *6 months to June (Actual/Dec E1)* – this ratio is calculated by summing the actual outcome for the March and June quarters for any given year and dividing this sum by the expected outcome for this same period, as collected in the December quarter just prior to the commencement of that period (i.e. the short term expectation Dec E1). For example, to calculate the appropriate realisation ratio for 1996–97, sum the actual outcomes for March quarter 1997 and June quarter 1997 and divide this sum by the short term expectation taken in December quarter 1996.
- *12 months to June (Actual/sum of actual and December E1)* – this ratio is calculated by summing the actual outcome for the whole of that financial year and dividing this sum by the 'expected outcome' for the financial year as collected half way through that financial year. This expected outcome will be made up of two quarters of actual data (September and December quarters) and the expected outcome for the following six months (i.e. the short term expectation, Dec E1). For example, to calculate the appropriate realisation ratio for 1996–97, first sum the actual outcomes for all quarters of 1996–97. Divide this by the sum of actual September quarter 1996, actual December quarter 1996 and the short term expectation taken in December quarter 1996.
- *12 months to June (Actual/December E2)* – this ratio is calculated by summing the actual outcome for the whole of the financial year and dividing this sum by the expected outcome for that financial year as collected in the December quarter just prior to the commencement of that financial year (i.e. the long term or 12 month expectation, Dec E2). For example, to calculate the appropriate realisation ratio for 1996–97, first sum the actual outcomes for all quarters of 1996–97 and divide this by the long term expectation taken in December quarter 1995 (Dec E2).

DESCRIPTION OF TERMS

27 *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.

28 Some estimates are dissected by type of asset:

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

EXPLANATORY NOTES

RELIABILITY OF ESTIMATES

29 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.

30 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. Table 12 shows the new relative standard errors by State.

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

32 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

33 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.

34 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.

35 Seasonal 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, NT and ACT where only totals are available. Seasonally adjusted data for Tasmania, NT and ACT have not been published at the type of asset level because of volatility within the series.

EXPLANATORY NOTES

SEASONAL ADJUSTMENT

continued

36 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 differences between the sum of the States and Australian seasonally adjusted and trend estimates will arise.

37 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 1997 survey. Data for periods after June 1997 are seasonally adjusted on the basis of extrapolation of historical patterns. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from reanalysis may be quite significant, especially for data for more recent quarters. Care should be exercised when interpreting quarter to quarter movements in the seasonally adjusted series in the publication, particularly for recent quarters.

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

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

TREND ESTIMATES

40 The trend estimates are derived by applying a 7-term Henderson moving average to the seasonally adjusted series. The 7-term Henderson average (like all Henderson averages) is symmetric, but as the end of a time series is approached, asymmetric forms of the average are applied. Unlike the weights of the standard 7-term Henderson moving average, the weights employed here have been tailored to suit the particular characteristics of individual series. While the asymmetric weights enable trend estimates for recent quarters to be produced, it does result in revisions to the estimates for the most recent three quarters as additional observations become available. There may also be revisions because of changes in the original data and as a result of the re-estimation of the seasonal factors. For further information, see *A Guide to Interpreting Time Series — Monitoring 'Trends': an Overview* (1348.0) or contact the Assistant Director, Time Series Analysis on (02) 6252 6345.

COMPARABILITY WITH NATIONAL ACCOUNTS ESTIMATES

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

- National Accounts estimates incorporate data from other sources as well as information from the capital expenditure survey. For example, estimates for capital expenditure on 'equipment' are based on annual statistics of depreciable assets available from the Taxation Commissioner. Quarterly estimates are interpolated between and extrapolated from the annual taxation based estimates using a variety of indicators including this survey. The ABS's quarterly Building Activity Survey and Engineering Construction Survey are the main sources for estimating the National Accounts dwelling and non-dwelling construction items respectively.
- National Accounts estimates include capital expenditure by all private businesses including units classified to 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.

EXPLANATORY NOTES

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COMPARABILITY WITH NATIONAL
ACCOUNTS ESTIMATES *continued*

- National Accounts estimates include the value of work done on speculative construction projects as the work is put into place. The statistics in this publication, however, include full value of the speculative projects as new capital expenditure of the purchases (if in scope), when the project is sold.
- For equipment, the National Accounts estimates relate to acquisitions less disposals of all fixed tangible assets whereas the survey figures are acquisitions of new fixed tangible assets only.

42 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

43 Users may also wish to refer to the following publications:

- *Directory of Capital Expenditure Data Sources and Related Statistics* (5653.0)
- *Company Profits, Australia* (5651.0)
- *Stocks and Sales, Selected Industries, Australia* (5629.0)
- *Private New Capital Expenditure and Expected Expenditure* (5625.0)
- *Australian National Accounts: National Income, Expenditure and Product* (5206.0)
- *Australian Business Expectations* (5250.0)
- *Business Operations and Industry Performance, Australia* (8140.0)
- *Engineering Construction Activity, Australia* (8762.0)
- *Building Activity, Australia* (8752.0).

44 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

45 In addition to the data contained in this publication, more detailed industry 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

EXPLANATORY NOTES

COMPARABILITY WITH NATIONAL ACCOUNTS ESTIMATES *continued*

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