

# PRIVATE NEW CAPITAL EXPENDITURE

STATE  
ESTIMATES

EMBARGO: 11:30AM (CANBERRA TIME) TUES 14 MAR 2000

## DECEMBER QTR KEY FIGURES

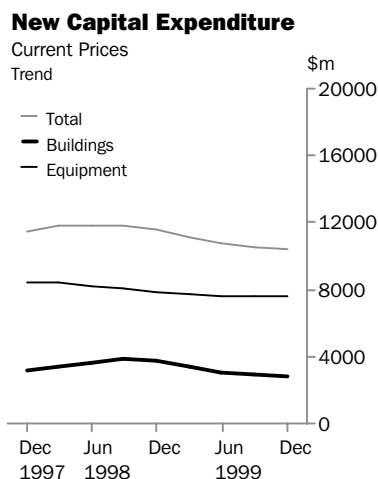
TREND ESTIMATES	Dec Qtr 1999 \$m	% change Sep Qtr 1999 to Dec Qtr 1999	% change Dec Qtr 1998 to Dec Qtr 1999
New South Wales	3 426	-2.0	-6.8
Victoria	2 782	-1.8	-3.1
Queensland	1 762	0.3	-10.5
South Australia	542	-3.7	-7.2
Western Australia	1 436	-3.3	-21.0
Tasmania	109	-1.8	-7.6
Northern Territory	261	6.5	-8.7
Australian Capital Territory	88	15.8	-8.3
Australia	10 355	-1.7	-10.4

## DECEMBER QTR KEY POINTS

### ACTUAL EXPENDITURE - TREND ESTIMATES

- For New South Wales, expenditure (in current prices) decreased by \$69m (2.0%) this quarter. Expenditure on buildings fell by 4.5% and equipment by 1.1%.
- For Victoria, expenditure decreased by \$50m (1.8%) this quarter. Expenditure on buildings fell by 10.7% while expenditure on equipment rose by 1.3%.
- For Queensland, expenditure increased by \$5m (0.3%) this quarter. Expenditure on buildings rose by 6.9% while expenditure on equipment fell by 2.3%.
- For South Australia, expenditure decreased by \$21m (3.7%) this quarter. Expenditure on buildings rose by 3.6% while expenditure on equipment fell by 5.5%.
- For Western Australia, expenditure decreased by \$49m (3.3%) this quarter. Expenditure on buildings fell by 7.3% and equipment by 1.6%.
- For Tasmania, expenditure decreased by \$2m (1.8%) this quarter. Expenditure on buildings fell by 33.3% while expenditure on equipment rose by 5.6%.
- For Northern Territory, expenditure increased by \$16m (6.5%) this quarter. Expenditure on buildings rose by 3.9% and equipment by 13.4%.
- For Australian Capital Territory, expenditure increased by \$12m (15.8%) this quarter. Expenditure on buildings rose by 5.3% and equipment by 19.3%.

- For further information about these and related statistics, contact John Blanchette on Sydney 02 9268 4357, or Client Services in any ABS office as shown on the back cover of this publication.



# NOTES

## FORTHCOMING ISSUES

*ISSUE (Quarter)*

*RELEASE DATE*

March 2000

13 June 2000

June 2000

19 September 2000



## CHANGES IN THIS ISSUE

There are no changes in this issue.



## IMPACT OF GST ON CAPITAL EXPENDITURE ESTIMATES

The goods and services tax (GST) will come into effect from 1 July 2000. The GST will replace the existing wholesale sales tax (WST) which is currently included in the value of much of the expenditure measured in the Survey of New Capital Expenditure.

Businesses in the survey have been asked to report expected expenditure for the 2000-2001 financial year based on the cost to them under the GST. That is, they should deduct the WST currently paid on capital items, but not add on the 10% GST, where this amount can be returned to the business as a tax credit. The basis for businesses reporting expenditure for periods prior to 30 June 2000 is unchanged.

Despite this, investigations have shown that many businesses have been unable to report expected expenditure on the requested basis because their capital expenditure budgets are not sufficiently detailed at this stage to take account of expected price changes. This being the case, users should be cautious when analysing estimates for 2000-2001. It should be noted, however, that there is always a degree of imprecision in the first estimate of expected expenditure for any financial year.

From the September quarter 2000, chain volume measures will remove the effects of these tax-related price changes on the time series' of actual capital expenditure contained in this publication.



## 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 on page 16.



## 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.

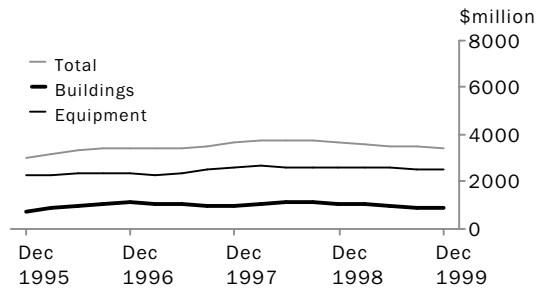


T. J. Skinner  
Acting Australian Statistician

# ACTUAL NEW CAPITAL EXPENDITURE: Trend

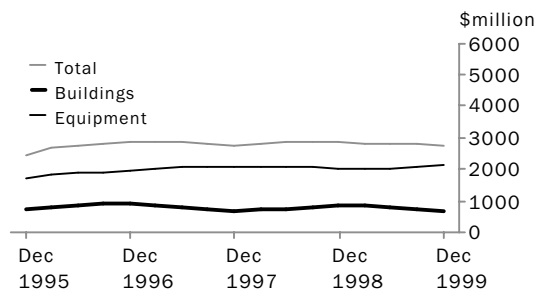
## QUARTERLY TREND ESTIMATES AT CURRENT PRICES

### NEW SOUTH WALES



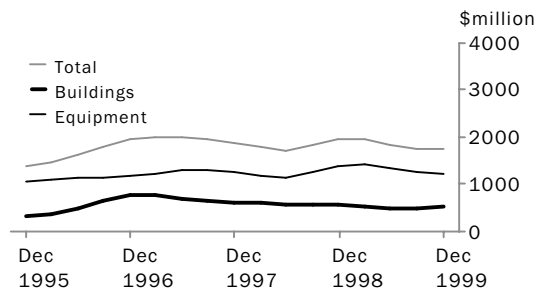
Since December quarter 1998, total expenditure for New South Wales has decreased by 6.8%. Expenditure on buildings has decreased by 17.9% and equipment by 2.1%.

### VICTORIA



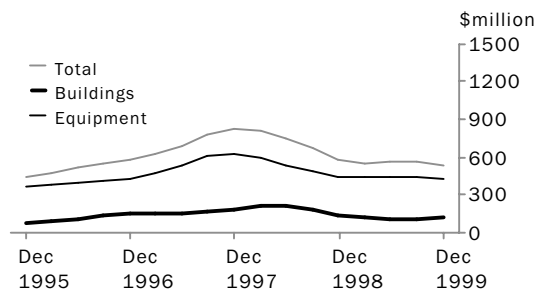
Since December quarter 1998, total expenditure for Victoria has decreased by 3.1%. Expenditure on buildings has decreased by 22.2% and equipment increased by 4.9%.

### QUEENSLAND



Since December quarter 1998, total expenditure for Queensland has decreased by 10.5%. Expenditure on buildings has decreased by 7.9% and equipment by 11.6%.

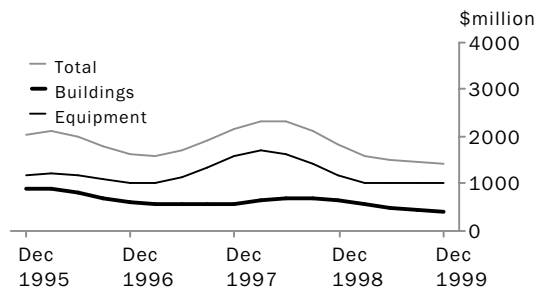
### SOUTH AUSTRALIA



Since December quarter 1998, total expenditure for South Australia has decreased by 7.2%. Expenditure on buildings has decreased by 19.4% and equipment by 3.2%.

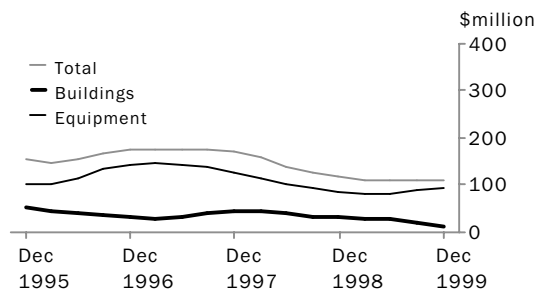
**QUARTERLY TREND ESTIMATES AT CURRENT PRICES**

**WESTERN AUSTRALIA**



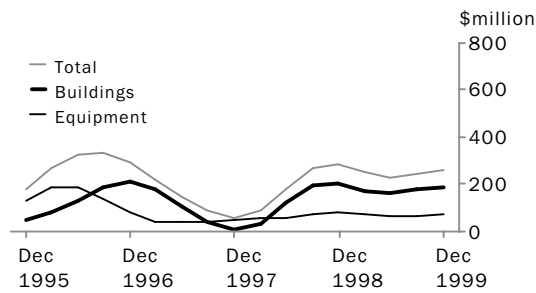
Since December quarter 1998, total expenditure for Western Australia has decreased by 21.0%. Expenditure on buildings has decreased by 35.3% and equipment by 13.1%.

**TASMANIA**



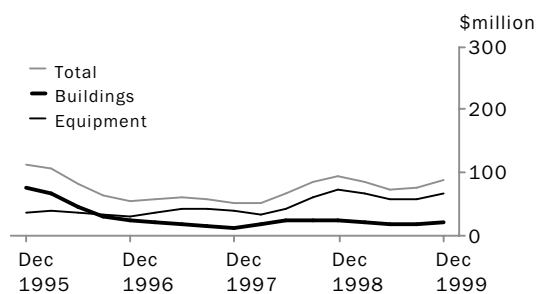
Since December quarter 1998, total expenditure for Tasmania has decreased by 7.6%. Expenditure on buildings has decreased by 57.6% and equipment increased by 11.8%.

**NORTHERN TERRITORY**



Since December quarter 1998, total expenditure for Northern Territory has decreased by 8.7%. Expenditure on buildings has decreased by 8.9% and equipment by 8.4%.

**AUSTRALIAN CAPITAL TERRITORY**



Since December quarter 1998, total expenditure for Australian Capital Territory has decreased by 8.3%. Expenditure on buildings has decreased by 16.7% and equipment by 5.6%.

## 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)							
<b>1997-1998</b>	13 150	33 060	46 210	11 029	10 996	24 185	46 210
<b>1998-1999</b>	13 697	30 910	44 607	8 718	9 417	26 472	44 607
<b>1998-1999</b>							
September	3 727	7 874	11 601	2 553	2 262	6 786	11 601
December	4 100	7 848	11 948	2 409	2 548	6 991	11 948
March	3 069	7 361	10 430	1 914	2 330	6 186	10 430
June	2 801	7 827	10 628	1 841	2 278	6 510	10 628
<b>1999-2000</b>							
September	3 135	7 521	10 657	1 823	2 338	6 496	10 657
December	2 989	7 962	10 950	1 449	2 635	6 866	10 950
ORIGINAL (Expected)							
<b>1999-2000</b>							
6 mths to June	6 342	14 195	20 537	2 739	4 971	12 827	20 537
Total 1999-2000	12 466	29 678	42 144	6 012	9 944	26 188	42 144
<b>Total 2000-2001</b>							
12 mths to June	8 802	24 373	33 175	5 171	9 025	18 979	33 175
SEASONALLY ADJUSTED (Actual)							
<b>1997-1998</b>	13 139	33 042	46 181	11 031	10 965	24 185	46 181
<b>1998-1999</b>	13 768	31 061	44 829	8 740	9 476	26 613	44 829
<b>1998-1999</b>							
September	3 917	8 215	12 132	2 654	2 397	7 081	12 132
December	3 650	7 437	11 087	2 168	2 443	6 476	11 087
March	3 485	8 303	11 788	2 134	2 574	7 080	11 788
June	2 716	7 106	9 822	1 784	2 062	5 976	9 822
<b>1999-2000</b>							
September	3 289	7 859	11 148	1 894	2 472	6 782	11 148
December	2 657	7 557	10 214	1 320	2 522	6 372	10 214
TREND ESTIMATES (Actual)							
<b>1997-1998</b>	13 342	33 099	46 441	10 958	10 933	24 550	46 441
<b>1998-1999</b>	13 987	31 230	45 217	8 848	9 718	26 651	45 217
<b>1998-1999</b>							
September	3 823	8 013	11 836	2 598	2 531	6 707	11 836
December	3 697	7 858	11 555	2 295	2 477	6 783	11 555
March	3 371	7 720	11 091	2 062	2 373	6 656	11 091
June	3 096	7 639	10 735	1 893	2 337	6 505	10 735
<b>1999-2000</b>							
September	2 936	7 601	10 537	1 701	2 374	6 462	10 537
December	2 809	7 546	10 355	1 489	2 454	6 412	10 355

## ACTUAL EXPENDITURE, By Type of Asset and Industry—Chain Volume Measures(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							
<b>1997-1998</b>	13 151	33 060	46 210	11 029	10 995	24 185	46 210
<b>1998-1999</b>	13 314	30 644	43 958	8 375	9 130	26 453	43 958
<b>1998-1999</b>							
September	3 649	7 665	11 314	2 466	2 181	6 667	11 314
December	3 992	7 674	11 666	2 317	2 451	6 898	11 666
March	2 965	7 299	10 264	1 827	2 245	6 192	10 264
June	2 708	8 006	10 714	1 766	2 253	6 696	10 714
<b>1999-2000</b>							
September	3 004	7 792	10 796	1 747	2 322	6 727	10 796
December	2 864	8 236	11 100	1 388	2 621	7 091	11 100
SEASONALLY ADJUSTED							
<b>1997-1998</b>	13 151	33 060	46 210	11 029	10 995	24 185	46 210
<b>1998-1999</b>	13 314	30 644	43 958	8 417	9 130	26 453	43 958
<b>1998-1999</b>							
September	3 871	7 974	11 840	2 570	2 354	6 926	11 840
December	3 490	7 244	10 735	2 089	2 296	6 359	10 735
March	3 346	8 199	11 547	2 042	2 465	7 052	11 547
June	2 607	7 227	9 837	1 716	2 016	6 116	9 837
<b>1999-2000</b>							
September	3 209	8 148	11 349	1 815	2 518	7 014	11 349
December	2 499	7 825	10 317	1 264	2 474	6 578	10 317
TREND ESTIMATES							
<b>1997-1998</b>	13 311	33 105	46 420	10 950	10 916	24 550	46 420
<b>1998-1999</b>	13 445	30 850	44 298	8 526	9 300	26 510	44 298
<b>1998-1999</b>							
September	3 695	7 798	11 487	2 523	2 402	6 571	11 487
December	3 537	7 662	11 199	2 210	2 330	6 671	11 199
March	3 234	7 652	10 889	1 978	2 273	6 648	10 889
June	2 978	7 738	10 723	1 815	2 295	6 619	10 723
<b>1999-2000</b>							
September	2 824	7 833	10 655	1 630	2 366	6 661	10 655
December	2 718	7 859	10 531	1 430	2 448	6 659	10 531

(a) Reference year for chain volume measures is 1997-1998.

## 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)									
<b>1997-1998</b>	4 200	2 858	2 490	792	2 438	169	131	73	13 150
<b>1998-1999</b>	4 147	3 210	2 066	529	2 395	130	1 133	87	13 697
<b>1998-1999</b>									
September	1 046	861	574	158	732	40	295	21	3 727
December	1 255	819	582	171	618	25	601	29	4 100
March	895	862	472	97	577	30	122	14	3 069
June	952	668	437	103	467	35	115	23	2 801
<b>1999-2000</b>									
September	984	799	504	125	430	14	264	17	3 135
December	911	711	609	121	445	16	153	23	2 989
EQUIPMENT, PLANT AND MACHINERY (\$ million)									
<b>1997-1998</b>	10 405	8 185	4 904	2 400	6 323	477	201	163	33 060
<b>1998-1999</b>	10 246	8 141	5 324	1 747	4 570	345	297	240	30 910
<b>1998-1999</b>									
September	2 535	2 015	1 175	445	1 482	101	73	47	7 874
December	2 600	2 149	1 336	493	1 019	70	96	84	7 848
March	2 464	1 776	1 426	407	1 061	85	81	60	7 361
June	2 646	2 200	1 386	401	1 009	89	46	49	7 827
<b>1999-2000</b>									
September	2 507	2 034	1 228	500	1 050	83	64	56	7 521
December	2 725	2 262	1 255	418	1 033	99	99	71	7 962
TOTAL (\$ million)									
<b>1997-1998</b>	14 605	11 044	7 395	3 192	8 760	646	332	236	46 210
<b>1998-1999</b>	14 393	11 352	7 390	2 277	6 965	475	1 430	327	44 607
<b>1998-1999</b>									
September	3 581	2 876	1 749	603	2 214	141	368	68	11 601
December	3 855	2 968	1 918	664	1 637	95	697	113	11 948
March	3 359	2 639	1 899	505	1 638	115	202	74	10 430
June	3 598	2 868	1 824	504	1 476	124	162	72	10 628
<b>1999-2000</b>									
September	3 491	2 832	1 732	625	1 480	97	328	72	10 657
December	3 636	2 973	1 864	539	1 478	114	253	94	10 950
TOTAL (Percentage change)									
<b>1997-1998</b>	6.9	-3.9	-2.7	23.8	32.4	-6.0	-65.3	0.2	5.4
<b>1998-1999</b>	-1.4	2.8	-0.1	-28.7	-20.5	-26.5	330.4	38.6	-3.5
<b>1998-1999</b>									
September	-10.6	-4.1	-13.7	-24.8	-7.1	-2.7	311.4	-24.4	-7.5
December	7.6	3.2	9.7	10.1	-26.1	-32.6	89.1	66.7	3.0
March	-12.9	-11.1	-1.0	-24.0	0.1	21.5	-71.0	-35.1	-12.7
June	7.1	8.7	-4.0	-0.1	-9.9	7.8	-20.1	-2.2	1.9
<b>1999-2000</b>									
September	-3.0	-1.2	-5.0	24.0	0.2	-22.0	102.6	0.5	0.3
December	4.1	5.0	7.6	-13.8	-0.2	17.9	-22.8	30.2	2.8

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)									
<b>1997-1998</b>	4 179	2 858	2 489	792	2 421	n.p.	n.p.	n.p.	13 139
<b>1998-1999</b>	4 149	3 246	2 119	527	2 423	n.p.	n.p.	n.p.	13 768
<b>1998-1999</b>									
September	1 120	882	583	166	814	n.p.	n.p.	n.p.	3 917
December	1 123	728	551	152	566	n.p.	n.p.	n.p.	3 650
March	1 021	982	621	114	592	n.p.	n.p.	n.p.	3 485
June	885	654	364	96	452	n.p.	n.p.	n.p.	2 716
<b>1999-2000</b>									
September	1 058	818	513	132	477	n.p.	n.p.	n.p.	3 289
December	813	632	575	108	409	n.p.	n.p.	n.p.	2 657
EQUIPMENT, PLANT AND MACHINERY (\$ million)									
<b>1997-1998</b>	10 415	8 156	4 898	2 404	6 321	n.p.	n.p.	n.p.	33 042
<b>1998-1999</b>	10 302	8 143	5 378	1 766	4 591	n.p.	n.p.	n.p.	31 061
<b>1998-1999</b>									
September	2 656	2 129	1 211	502	1 524	n.p.	n.p.	n.p.	8 215
December	2 445	2 005	1 375	416	983	n.p.	n.p.	n.p.	7 437
March	2 802	1 983	1 612	466	1 111	n.p.	n.p.	n.p.	8 303
June	2 400	2 026	1 180	382	973	n.p.	n.p.	n.p.	7 106
<b>1999-2000</b>									
September	2 628	2 159	1 270	562	1 078	n.p.	n.p.	n.p.	7 859
December	2 561	2 102	1 289	353	1 000	n.p.	n.p.	n.p.	7 557
TOTAL (\$ million)									
<b>1997-1998</b>	14 593	11 015	7 387	3 198	8 742	653	333	232	46 181
<b>1998-1999</b>	14 452	11 389	7 497	2 294	7 015	477	1 431	335	44 829
<b>1998-1999</b>									
September	3 776	3 011	1 794	668	2 338	146	373	70	12 132
December	3 568	2 733	1 926	568	1 549	96	666	119	11 087
March	3 823	2 965	2 233	580	1 703	120	236	87	11 788
June	3 285	2 680	1 544	478	1 425	115	156	59	9 822
<b>1999-2000</b>									
September	3 686	2 977	1 783	694	1 555	101	333	74	11 148
December	3 374	2 734	1 864	461	1 409	117	221	100	10 214
TOTAL (Percentage change)									
<b>1997-1998</b>	6.7	-3.8	-3.7	23.4	32.1	-5.5	-65.2	-1.3	5.4
<b>1998-1999</b>	-1.0	3.4	1.5	-28.3	-19.8	-27.0	329.7	44.4	-2.9
<b>1998-1999</b>									
September	3.0	7.1	4.6	-12.2	1.7	9.0	344.0	-6.7	3.8
December	-5.5	-9.2	7.4	-15.0	-33.7	-34.2	78.6	70.0	-8.6
March	7.1	8.5	15.9	2.1	9.9	25.0	-64.6	-26.9	6.3
June	-14.1	-9.6	-30.9	-17.6	-16.3	-4.2	-33.9	-32.2	-16.7
<b>1999-2000</b>									
September	12.2	11.1	15.5	45.2	9.1	-12.2	113.5	25.4	13.5
December	-8.5	-8.2	4.5	-33.6	-9.4	15.8	-33.6	35.1	-8.4

(a) See paragraphs 32 to 38 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)									
<b>1997-1998</b>	4 221	2 877	2 456	776	2 489	168	207	69	13 342
<b>1998-1999</b>	4 212	3 276	2 151	558	2 397	124	737	89	13 987
<b>1998-1999</b>									
September	1 126	817	571	186	703	34	198	26	3 823
December	1 085	841	571	144	649	33	203	24	3 697
March	1 026	830	523	117	556	30	175	20	3 371
June	975	788	486	112	490	27	161	19	3 096
<b>1999-2000</b>									
September	933	732	492	112	453	21	178	19	2 936
December	891	654	526	116	420	14	185	20	2 809
EQUIPMENT, PLANT AND MACHINERY (\$ million)									
<b>1997-1998</b>	10 408	8 309	4 867	2 389	6 268	481	211	159	33 099
<b>1998-1999</b>	10 341	8 146	5 412	1 816	4 630	340	300	257	31 230
<b>1998-1999</b>									
September	2 589	2 062	1 255	487	1 411	92	74	61	8 013
December	2 590	2 029	1 398	440	1 169	85	83	72	7 858
March	2 589	2 009	1 417	437	1 031	81	77	67	7 720
June	2 573	2 045	1 342	451	1 019	83	67	57	7 639
<b>1999-2000</b>									
September	2 562	2 100	1 265	451	1 032	90	67	57	7 601
December	2 535	2 128	1 236	426	1 016	95	76	68	7 546
TOTAL (\$ million)									
<b>1997-1998</b>	14 628	11 186	7 324	3 166	8 756	649	418	228	46 441
<b>1998-1999</b>	14 553	11 421	7 563	2 374	7 028	465	1 038	346	45 217
<b>1998-1999</b>									
September	3 715	2 879	1 826	673	2 114	126	272	87	11 836
December	3 675	2 870	1 969	584	1 818	118	286	96	11 555
March	3 615	2 839	1 940	554	1 587	111	252	87	11 091
June	3 548	2 833	1 828	563	1 509	110	228	76	10 735
<b>1999-2000</b>									
September	3 495	2 832	1 757	563	1 485	111	245	76	10 537
December	3 426	2 782	1 762	542	1 436	109	261	88	10 355
TOTAL (Percentage change)									
<b>1997-1998</b>	6.7	-2.0	-5.7	29.8	29.7	-7.0	-58.1	-2.6	5.6
<b>1998-1999</b>	-0.5	2.1	3.3	-25.0	-19.7	-28.4	148.3	51.8	-2.6
<b>1998-1999</b>									
September	-0.4	1.1	7.7	-10.7	-8.9	-10.0	50.3	31.8	0.0
December	-1.1	-0.3	7.8	-13.2	-14.0	-6.3	5.1	10.3	-2.4
March	-1.6	-1.1	-1.5	-5.1	-12.7	-5.9	-11.9	-9.4	-4.0
June	-1.9	-0.2	-5.8	1.6	-4.9	-0.9	-9.5	-12.6	-3.2
<b>1999-2000</b>									
September	-1.5	0.0	-3.9	0.0	-1.6	0.9	7.5	0.0	-1.8
December	-2.0	-1.8	0.3	-3.7	-3.3	-1.8	6.5	15.8	-1.7

## ACTUAL AND EXPECTED CAPITAL EXPENDITURE—New South Wales: 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
ACTUAL EXPENDITURE (\$ million)							
<b>1997-1998</b>	4 200	10 405	14 605	856	3 649	10 100	14 605
<b>1998-1999</b>	4 147	10 246	14 393	529	2 845	11 019	14 393
<b>1998-1999</b>							
September	1 046	2 535	3 581	144	600	2 837	3 581
December	1 255	2 600	3 855	133	810	2 912	3 855
March	895	2 464	3 359	98	782	2 479	3 359
June	952	2 646	3 598	154	652	2 792	3 598
<b>1999-2000</b>							
September	984	2 507	3 491	169	577	2 745	3 491
December	911	2 725	3 636	92	765	2 779	3 636
EXPECTED EXPENDITURE (\$ million)							
<b>1999-2000</b>							
6 mths to June	2 333	5 189	7 522	185	1 548	5 789	7 522
Total 1999-2000	4 228	10 420	14 648	446	2 890	11 313	14 648
<b>Total 2000-2001</b>							
12 mths to June	2 637	8 368	11 004	301	2 546	8 157	11 004
REALISATION RATIOS: 6 MONTHS TO JUNE (Actual/Dec E1)							
<b>1994-1995</b>	0.87	1.12	1.06	0.65	1.02	1.16	1.06
<b>1995-1996</b>	0.84	1.12	1.02	0.99	0.92	1.08	1.02
<b>1996-1997</b>	0.92	1.06	1.01	0.68	1.13	1.02	1.01
<b>1997-1998</b>	1.13	1.01	1.04	0.64	0.95	1.14	1.04
<b>1998-1999</b>	0.91	1.09	1.03	0.78	0.95	1.08	1.03
<b>5 year average</b>	0.93	1.08	1.03	0.75	0.99	1.09	1.03
REALISATION RATIOS: 12 MONTHS TO JUNE (Actual/sum of actual and December E1)							
<b>1994-1995</b>	0.93	1.06	1.03	0.81	1.01	1.07	1.03
<b>1995-1996</b>	0.90	1.06	1.01	0.99	0.96	1.04	1.01
<b>1996-1997</b>	0.96	1.03	1.00	0.83	1.06	1.01	1.00
<b>1997-1998</b>	1.06	1.00	1.02	0.79	0.98	1.07	1.02
<b>1998-1999</b>	0.96	1.04	1.02	0.88	0.97	1.03	1.02
<b>5 year average</b>	0.96	1.04	1.02	0.86	1.00	1.04	1.02
REALISATION RATIOS: 12 MONTHS FOLLOWING JUNE (Actual/December E2)							
<b>1994-1995</b>	1.45	1.82	1.73	1.61	1.61	1.82	1.73
<b>1995-1996</b>	1.33	1.35	1.34	1.14	1.11	1.49	1.34
<b>1996-1997</b>	1.54	1.27	1.34	0.97	1.01	1.56	1.34
<b>1997-1998</b>	1.25	1.62	1.49	0.93	1.67	1.51	1.49
<b>1998-1999</b>	1.04	1.25	1.18	0.61	0.94	1.33	1.18
<b>5 year average</b>	1.32	1.46	1.42	1.05	1.27	1.54	1.42

## ACTUAL AND EXPECTED CAPITAL EXPENDITURE—Victoria: 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
ACTUAL EXPENDITURE (\$ million)							
<b>1997-1998</b>	2 858	8 185	11 044	833	3 401	6 809	11 044
<b>1998-1999</b>	3 210	8 141	11 352	1 234	2 951	7 166	11 352
<b>1998-1999</b>							
September	861	2 015	2 876	318	715	1 843	2 876
December	819	2 149	2 968	288	780	1 900	2 968
March	862	1 776	2 639	321	652	1 665	2 639
June	668	2 200	2 868	306	803	1 758	2 868
<b>1999-2000</b>							
September	799	2 034	2 832	205	918	1 709	2 832
December	711	2 262	2 973	194	925	1 855	2 973
EXPECTED EXPENDITURE (\$ million)							
<b>1999-2000</b>							
6 mths to June	1 154	3 913	5 067	414	1 670	2 983	5 067
Total 1999-2000	2 664	8 208	10 872	813	3 513	6 547	10 872
<b>Total 2000-2001</b>							
12 mths to June	2 086	7 943	10 029	704	3 824	5 501	10 029
REALISATION RATIOS: 6 MONTHS TO JUNE (Actual/Dec E1)							
<b>1994-1995</b>	1.05	0.98	0.99	1.12	0.94	1.02	0.99
<b>1995-1996</b>	1.50	1.05	1.15	0.80	0.84	1.48	1.15
<b>1996-1997</b>	0.89	1.12	1.05	0.62	0.86	1.23	1.05
<b>1997-1998</b>	0.94	1.10	0.92	0.79	1.09	0.87	0.92
<b>1998-1999</b>	0.86	0.97	0.94	0.86	0.78	1.04	0.94
<b>5 year average</b>	1.05	1.04	1.01	0.84	0.90	1.13	1.01
REALISATION RATIOS: 12 MONTHS TO JUNE (Actual/sum of actual and December E1)							
<b>1994-1995</b>	1.03	0.99	1.00	1.06	0.97	1.01	1.00
<b>1995-1996</b>	1.21	1.03	1.08	0.90	0.92	1.22	1.08
<b>1996-1997</b>	0.95	1.06	1.02	0.79	0.93	1.11	1.02
<b>1997-1998</b>	0.97	1.05	0.96	0.89	1.05	0.93	0.96
<b>1998-1999</b>	0.93	0.99	0.97	0.92	0.88	1.02	0.97
<b>5 year average</b>	1.02	1.02	1.00	0.91	0.95	1.06	1.00
REALISATION RATIOS: 12 MONTHS FOLLOWING JUNE (Actual/December E2)							
<b>1994-1995</b>	0.98	1.36	1.27	0.88	1.45	1.23	1.27
<b>1995-1996</b>	1.60	1.28	1.36	0.68	1.09	1.80	1.36
<b>1996-1997</b>	2.02	1.25	1.41	0.94	1.02	1.83	1.41
<b>1997-1998</b>	0.98	1.51	1.32	0.98	1.26	1.42	1.32
<b>1998-1999</b>	1.03	1.33	1.17	1.60	1.22	1.10	1.17
<b>5 year average</b>	1.32	1.35	1.31	1.02	1.21	1.47	1.31

## ACTUAL AND EXPECTED CAPITAL EXPENDITURE—Queensland: 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
ACTUAL EXPENDITURE (\$ million)							
<b>1997-1998</b>	2 490	4 904	7 395	1 968	1 764	3 663	7 395
<b>1998-1999</b>	2 066	5 324	7 390	1 695	1 349	4 346	7 390
<b>1998-1999</b>							
September	574	1 175	1 749	483	339	926	1 749
December	582	1 336	1 918	457	351	1 111	1 918
March	472	1 426	1 899	376	323	1 200	1 899
June	437	1 386	1 824	379	336	1 109	1 824
<b>1999-2000</b>							
September	504	1 228	1 732	361	358	1 013	1 732
December	609	1 255	1 864	331	340	1 192	1 864
EXPECTED EXPENDITURE (\$ million)							
<b>1999-2000</b>							
6 mths to June	1 522	2 141	3 663	612	681	2 370	3 663
Total 1999-2000	2 635	4 624	7 259	1 304	1 379	4 576	7 259
<b>Total 2000-2001</b>							
12 mths to June	1 634	3 189	4 824	1 196	852	2 776	4 824
REALISATION RATIOS: 6 MONTHS TO JUNE (Actual/Dec E1)							
<b>1994-1995</b>	0.84	1.25	1.08	0.82	1.04	1.21	1.08
<b>1995-1996</b>	0.52	1.21	0.89	0.69	0.81	1.01	0.89
<b>1996-1997</b>	0.73	1.37	1.05	1.01	1.34	0.95	1.05
<b>1997-1998</b>	0.71	1.17	0.97	0.79	1.23	1.01	0.97
<b>1998-1999</b>	0.76	1.12	1.00	1.06	0.70	1.12	1.00
<b>5 year average</b>	0.71	1.23	1.00	0.87	1.02	1.06	1.00
REALISATION RATIOS: 12 MONTHS TO JUNE (Actual/sum of actual and December E1)							
<b>1994-1995</b>	0.91	1.12	1.04	0.88	1.02	1.10	1.04
<b>1995-1996</b>	0.66	1.10	0.94	0.80	0.89	1.01	0.94
<b>1996-1997</b>	0.84	1.17	1.03	1.01	1.18	0.98	1.03
<b>1997-1998</b>	0.85	1.07	0.98	0.88	1.08	1.00	0.98
<b>1998-1999</b>	0.88	1.06	1.00	1.03	0.83	1.06	1.00
<b>5 year average</b>	0.83	1.11	1.00	0.92	1.00	1.03	1.00
REALISATION RATIOS: 12 MONTHS FOLLOWING JUNE (Actual/December E2)							
<b>1994-1995</b>	1.14	1.41	1.31	1.21	1.29	1.35	1.31
<b>1995-1996</b>	1.09	1.76	1.51	1.04	1.39	1.80	1.51
<b>1996-1997</b>	1.49	1.46	1.47	1.15	1.59	1.63	1.47
<b>1997-1998</b>	1.44	1.66	1.58	1.33	1.54	1.78	1.58
<b>1998-1999</b>	1.01	1.52	1.33	1.02	1.24	1.56	1.33
<b>5 year average</b>	1.23	1.56	1.44	1.15	1.41	1.62	1.44

## ACTUAL AND EXPECTED CAPITAL EXPENDITURE—South Australia: 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
ACTUAL EXPENDITURE (\$ million)							
<b>1997-1998</b>	792	2 400	3 192	1 366	820	1 006	3 192
<b>1998-1999</b>	529	1 747	2 277	508	776	992	2 277
<b>1998-1999</b>							
September	158	445	603	125	153	326	603
December	171	493	664	150	248	266	664
March	97	407	505	98	187	220	505
June	103	401	504	136	188	180	504
<b>1999-2000</b>							
September	125	500	625	71	163	391	625
December	121	418	539	49	238	252	539
EXPECTED EXPENDITURE (\$ million)							
<b>1999-2000</b>							
6 mths to June	456	816	1 272	163	498	610	1 272
Total 1999-2000	702	1 734	2 436	284	900	1 253	2 436
<b>Total 2000-2001</b>							
12 mths to June	591	1 539	2 130	304	1 016	810	2 130
REALISATION RATIOS: 6 MONTHS TO JUNE (Actual/Dec E1)							
<b>1994-1995</b>	0.91	1.18	1.14	0.65	1.11	1.33	1.14
<b>1995-1996</b>	0.93	0.91	0.91	1.07	0.79	1.00	0.91
<b>1996-1997</b>	0.91	0.97	0.95	2.41	0.63	0.96	0.95
<b>1997-1998</b>	0.84	0.91	0.89	0.73	0.82	1.22	0.89
<b>1998-1999</b>	0.76	0.90	0.87	0.96	0.71	1.04	0.87
<b>5 year average</b>	0.87	0.97	0.95	1.16	0.81	1.11	0.95
REALISATION RATIOS: 12 MONTHS TO JUNE (Actual/sum of actual and December E1)							
<b>1994-1995</b>	0.97	1.08	1.06	0.77	1.06	1.09	1.06
<b>1995-1996</b>	0.96	0.95	0.95	1.04	0.89	1.00	0.95
<b>1996-1997</b>	0.96	0.98	0.98	1.71	0.78	0.98	0.98
<b>1997-1998</b>	0.90	0.96	0.94	0.87	0.91	1.11	0.94
<b>1998-1999</b>	0.89	0.95	0.94	0.98	0.83	1.01	0.94
<b>5 year average</b>	0.94	0.98	0.97	1.07	0.89	1.04	0.97
REALISATION RATIOS: 12 MONTHS FOLLOWING JUNE (Actual/December E2)							
<b>1994-1995</b>	2.03	1.33	1.41	1.32	1.26	1.55	1.41
<b>1995-1996</b>	1.36	1.26	1.28	1.61	0.97	1.63	1.28
<b>1996-1997</b>	1.47	1.56	1.54	1.89	1.21	1.73	1.54
<b>1997-1998</b>	1.49	1.91	1.78	5.71	1.09	1.26	1.78
<b>1998-1999</b>	1.11	0.99	1.01	0.63	1.29	1.18	1.01
<b>5 year average</b>	1.49	1.41	1.40	2.23	1.16	1.47	1.40

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
ACTUAL EXPENDITURE (\$ million)							
<b>1997-1998</b>	2 438	6 323	8 760	5 759	1 049	1 953	8 760
<b>1998-1999</b>	2 395	4 570	6 965	3 645	1 284	2 037	6 965
<b>1998-1999</b>							
September	732	1 482	2 214	1 190	408	616	2 214
December	618	1 019	1 637	824	304	509	1 637
March	577	1 061	1 638	893	332	413	1 638
June	467	1 009	1 476	738	240	498	1 476
<b>1999-2000</b>							
September	430	1 050	1 480	740	270	470	1 480
December	445	1 033	1 478	641	291	545	1 478
EXPECTED EXPENDITURE (\$ million)							
<b>1999-2000</b>							
6 mths to June	713	1 658	2 371	1 273	436	662	2 371
Total 1999-2000	1 587	3 741	5 328	2 654	998	1 677	5 328
<b>Total 2000-2001</b>							
12 mths to June	1 566	2 572	4 139	2 449	523	1 166	4 139
REALISATION RATIOS: 6 MONTHS TO JUNE (Actual/Dec E1)							
<b>1994-1995</b>	0.70	1.25	0.94	0.87	1.05	1.05	0.94
<b>1995-1996</b>	1.17	1.00	1.06	1.06	1.04	1.05	1.06
<b>1996-1997</b>	0.75	1.07	0.93	0.84	0.80	1.50	0.93
<b>1997-1998</b>	0.93	0.95	0.94	0.91	0.82	1.18	0.94
<b>1998-1999</b>	0.84	1.00	0.94	0.77	1.02	1.45	0.94
<b>5 year average</b>	0.88	1.05	0.96	0.89	0.95	1.25	0.96
REALISATION RATIOS: 12 MONTHS TO JUNE (Actual/sum of actual and December E1)							
<b>1994-1995</b>	0.82	1.10	0.97	0.93	1.03	1.02	0.97
<b>1995-1996</b>	1.07	1.00	1.03	1.03	1.02	1.02	1.03
<b>1996-1997</b>	0.86	1.03	0.96	0.91	0.90	1.16	0.96
<b>1997-1998</b>	0.96	0.97	0.97	0.95	0.90	1.08	0.97
<b>1998-1999</b>	0.92	1.00	0.97	0.88	1.01	1.16	0.97
<b>5 year average</b>	0.93	1.02	0.98	0.94	0.97	1.09	0.98
REALISATION RATIOS: 12 MONTHS FOLLOWING JUNE (Actual/December E2)							
<b>1994-1995</b>	1.06	1.45	1.27	1.13	1.52	1.48	1.27
<b>1995-1996</b>	1.49	1.97	1.74	1.68	1.70	1.87	1.74
<b>1996-1997</b>	1.11	1.16	1.14	1.18	0.55	1.64	1.14
<b>1997-1998</b>	0.84	1.80	1.37	1.24	1.72	1.68	1.37
<b>1998-1999</b>	1.29	0.80	0.92	0.71	1.08	1.65	0.92
<b>5 year average</b>	1.16	1.44	1.29	1.19	1.32	1.66	1.29

## ACTUAL AND EXPECTED CAPITAL EXPENDITURE—Tasmania: 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
ACTUAL EXPENDITURE (\$ million)							
<b>1997-1998</b>	169	477	646	85	239	322	646
<b>1998-1999</b>	130	345	475	48	144	283	475
<b>1998-1999</b>							
September	40	101	141	17	33	90	141
December	25	70	95	8	28	59	95
March	30	85	115	10	38	67	115
June	35	89	124	13	44	67	124
<b>1999-2000</b>							
September	14	83	97	10	35	52	97
December	16	99	114	8	33	73	114
EXPECTED EXPENDITURE (\$ million)							
<b>1999-2000</b>							
6 mths to June	52	189	241	47	89	105	241
Total 1999-2000	81	370	452	65	157	229	452
<b>Total 2000-2001</b>							
12 mths to June	77	353	430	83	166	181	430
REALISATION RATIOS: 6 MONTHS TO JUNE (Actual/Dec E1)							
<b>1994-1995</b>	1.49	1.22	1.27	1.14	1.01	1.94	1.27
<b>1995-1996</b>	0.96	1.08	1.04	1.28	0.81	1.24	1.04
<b>1996-1997</b>	1.38	1.08	1.12	1.21	0.96	1.64	1.12
<b>1997-1998</b>	0.79	0.90	0.87	0.90	0.65	1.13	0.87
<b>1998-1999</b>	1.27	1.19	1.21	3.04	0.85	1.44	1.21
<b>5 year average</b>	1.18	1.09	1.10	1.51	0.86	1.48	1.10
REALISATION RATIOS: 12 MONTHS TO JUNE (Actual/sum of actual and December E1)							
<b>1994-1995</b>	1.27	1.12	1.15	1.07	1.01	1.36	1.15
<b>1995-1996</b>	0.98	1.04	1.02	1.12	0.89	1.11	1.02
<b>1996-1997</b>	1.15	1.04	1.06	1.08	0.98	1.22	1.06
<b>1997-1998</b>	0.89	0.95	0.94	0.95	0.81	1.05	0.94
<b>1998-1999</b>	1.12	1.09	1.10	1.47	0.91	1.17	1.10
<b>5 year average</b>	1.08	1.05	1.05	1.14	0.92	1.18	1.05
REALISATION RATIOS: 12 MONTHS FOLLOWING JUNE (Actual/December E2)							
<b>1994-1995</b>	2.14	1.72	1.80	2.22	1.70	1.81	1.80
<b>1995-1996</b>	2.37	1.27	1.48	2.46	0.89	2.35	1.48
<b>1996-1997</b>	0.60	1.29	1.06	0.44	1.25	1.42	1.06
<b>1997-1998</b>	1.56	1.40	1.44	1.47	0.89	2.66	1.44
<b>1998-1999</b>	0.88	0.80	0.82	0.44	0.51	1.53	0.82
<b>5 year average</b>	1.51	1.30	1.32	1.41	1.05	1.95	1.32

RELATIVE STANDARD ERRORS, Estimates of 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	13.4	9.3	9.3	n.p.	n.p.	n.p.	9.3
Australian Capital Territory	5.8	9.3	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

n.p. not available for publication



## 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* (Cat. no. 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 7,000 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.

## EXPLANATORY NOTES

### SURVEY METHODOLOGY *continued*

**6** Adjustments are included in the estimates to allow for lags in processing new businesses to the ABS business register, and the omission of some businesses from the business register. The majority of businesses affected and to which the adjustments apply are small in size. The adjustments contributed 4.1% 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											
	1998–1999				1999–2000				2000–2001			
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	
December 1998	Act	E1	E2									
March 1999	Act	Act	E1	E2								
June 1999	Act	Act	Act	E1	E2							
September 1999				Act	E1	E2						
December 1999				Act	Act	E1	E2					
March 2000				Act	Act	Act	E1	E2				
June 2000				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

### 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 shown in paragraph 8, the first estimate for 1999–2000 was available from the December 1998 survey as a long term expectation (E2). It was subsequently revised in the March 1999 survey (again as a longer term expectation) and in the June 1999 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 2000 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).

### CHAIN VOLUME MEASURES

**19** The chain volume measures appearing in this publication are annually reweighted chain Laspeyres indexes referenced to current price values in the chosen reference year (currently 1997–1998). Chain volume measures were introduced in September quarter 1998, replacing constant price estimates. Chain volume measures can be thought of as current price values re-expressed in (i.e based on ) the prices of the previous year and linked together to form continuous time series. Each year's quarter-to-quarter growth rates in the chain volume series are based on the prices of the previous year, except for those of the quarters of the latest incomplete year which are based upon the second most recent financial year. With each release of the June quarter issue of this publication, a new base year will be introduced and the reference year will be advanced one year to coincide with it. This means that with the release of the June quarter 2000 issue of this publication, the chain volume measures for 1999–2000 will have 1998–1999 (the previous year) as their base year rather than 1997–1998, and the reference year will be 1998–1999. A change in reference year changes level but not growth rates.

**20** Chain volume measures are not generally additive. In other words, component chain volume measures do not, in general, sum to a total in the way original current price components do. For capital expenditure data this means that the original chain volume estimates for industry groups will not add to total capital expenditure for Australia. However, by using the latest base year as the reference year, non-additivity does not exist for the quarters following the reference year and is relatively small for the quarters in the reference year and those immediately preceding it. For further information on chain volume measures refer to the information paper *Introduction of Chain Volume Measures in the Australian National Accounts* (Cat no. 5248.0).

### DERIVATION AND USEFULNESS OF REALISATION RATIOS

**21** 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).

**22** 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 1999–2000 based on the June 1999 survey results and compare this with 1998–1999 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.

**23** 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.

## EXPLANATORY NOTES

### DERIVATION AND USEFULNESS OF REALISATION RATIOS *continued*

**24** 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.

**25** 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 1998–1999, sum the actual outcomes for March quarter 1999 and June quarter 1999 and divide this sum by the short term expectation taken in December quarter 1998.
- *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 1998–1999, first sum the actual outcomes for all quarters of 1998–1999. Divide this by the sum of actual September quarter 1998, actual December quarter 1997 and the short term expectation taken in December quarter 1998.
- *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 1998–1999, first sum the actual outcomes for all quarters of 1998–1999 and divide this by the long term expectation taken in December quarter 1997 (Dec E2).

### DESCRIPTION OF TERMS

**26** *New capital expenditure* refers to the acquisition of new tangible assets either on own account or under a finance lease and includes major improvements, alterations and additions. In general, this is expenditure charged to fixed tangible assets accounts excluding expenditure on second hand assets unless these are imported for the first time.

**27** Some estimates are dissected by type of asset:

- *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.

## EXPLANATORY NOTES

### DESCRIPTION OF TERMS

- *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 ESTIMATES

**28** Since the estimates are based on data obtained from a sample rather than a complete enumeration, the data and the movements derived from them are subject to sampling variability; that is, they may differ from the figures that would have been obtained if all units had been included 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.

**29** Another measure of sampling variability is the *relative standard error* which is obtained by expressing the standard error as a percentage of the estimate to which it refers. The relative standard error is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling. The sample estimates of quarter to quarter movement in the value of new capital expenditure are also subject to sampling variability. The relative standard error of the estimate of movement is expressed as a percentage of the quarterly estimate of the level of capital expenditure. Table 12 shows the relative standard errors by State.

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

**31** 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

**32** The quarterly actual new capital expenditure series in this publication are affected to some extent by seasonal influences and it is useful to recognise and take account of this element of variation.

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

**34** 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, NT and ACT where only totals are available. Seasonally adjusted 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*

**35** The seasonally adjusted Australian estimates of new capital expenditure included in the publication are consistent with those published in *Private New Capital Expenditure, Australia* (Cat. no. 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 seasonally adjusted estimates for Tas, ACT and NT.

**36** At least once each year the seasonally adjusted series are revised to take account of the latest available data. The most recent reanalysis takes into account data collected up to and including the March quarter 1998 survey. Data for periods after March 1998 are seasonally adjusted on the basis of extrapolation of historical patterns. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from reanalysis may be quite significant, especially for data for more recent quarters. Care should be exercised when interpreting quarter to quarter movements in the seasonally adjusted series in the publication, particularly for recent quarters.

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

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

### TREND ESTIMATES

**39** 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* (Cat. no. 1348.0) or contact the Assistant Director, Time Series Analysis on (02) 6252 6345.

### COMPARABILITY WITH NATIONAL ACCOUNTS ESTIMATES

**40** 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

COMPARABILITY WITH NATIONAL ACCOUNTS ESTIMATES <i>continued</i>	<ul style="list-style-type: none"><li>▪ 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.</li><li>▪ 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.</li></ul> <p><b>41</b> For a more detailed explanation of the concepts and methods used in compiling the National Accounts estimates see <i>Australian National Accounts: Concepts, Sources and Methods</i> (Cat. no. 5216.0).</p>
RELATED PUBLICATIONS	<p><b>42</b> Users may also wish to refer to the following publications:</p> <ul style="list-style-type: none"><li>▪ <i>Australian Business Expectations</i> (Cat. no. 5250.0)</li><li>▪ <i>Australian National Accounts: National Income, Expenditure and Product</i> (Cat. no. 5206.0)</li><li>▪ <i>Building Activity, Australia</i> (Cat. no. 8752.0)</li><li>▪ <i>Business Operations and Industry Performance, Australia</i> (Cat. no. 8140.0)</li><li>▪ <i>Company Profits, Australia</i> (Cat. no. 5651.0)</li><li>▪ <i>Directory of Capital Expenditure Data Sources and Related Statistics</i> (Cat. no. 5653.0)</li><li>▪ <i>Engineering Construction Activity, Australia</i> (Cat. no. 8762.0)</li><li>▪ <i>Private New Capital Expenditure and Expected Expenditure</i> (Cat. no. 5625.0)</li><li>▪ <i>Inventories and Sales, Selected Industries, Australia</i> (Cat. no. 5629.0).</li></ul> <p><b>43</b> Current publications produced by the ABS are listed in the <i>Catalogue of Publications and Products, Australia</i> (Cat. no. 1101.0). The ABS also issues, on Tuesdays and Fridays, a <i>Release Advice</i> (Cat. no. 1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS office.</p>
UNPUBLISHED DATA	<p><b>44</b> In addition to the data contained in this publication, more detailed industry information may be made available on request.</p>
SYMBOLS AND OTHER USAGES	n.p. not available for publication but included in totals where applicable ANZSIC Australian and New Zealand Standard Industrial Classification



