

**PRIVATE NEW CAPITAL EXPENDITURE
AND EXPECTED EXPENDITURE to June 1997 AUSTRALIA**

EMBARGOED UNTIL 11:30AM THURS 23 MAY 1996

MARCH QTR KEY FIGURES

TREND ESTIMATES *

	Mar 95	Dec 95	Mar 96	% change Dec 95 to Mar 96	% change Mar 95 to Mar 96
	\$m	\$m	\$m		
Total new capital expenditure	8 261	8 544	8 681	1.6	5.1
Buildings and structures	2 196	2 578	2 574	-0.2	17.2
Equipment, plant and machinery	6 065	5 965	6 108	2.4	0.7

SEASONALLY ADJUSTED *

	Mar 95	Dec 95	Mar 96	% change Dec 95 to Mar 96	% change Mar 95 to Mar 96
	\$m	\$m	\$m		
Total new capital expenditure	8 289	8 544	8 772	2.7	5.8
Buildings and structures	2 326	2 961	2 254	-23.9	-3.1
Equipment, plant and machinery	5 964	5 582	6 518	16.8	9.3

* At average 1989-90 prices.

MARCH QTR KEY POINTS

ACTUAL EXPENDITURE

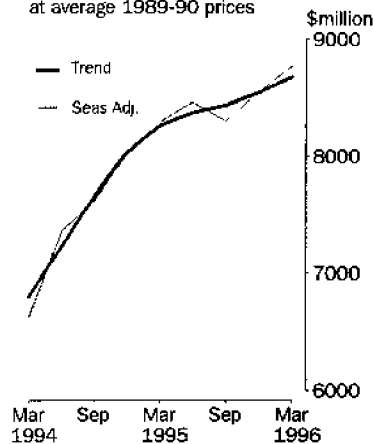
- The trend estimate of total new capital expenditure (in constant price terms) has increased since the beginning of 1994-95. The March quarter estimate of \$8,681m is an increase of 1.6% over the previous quarter.
- The trend estimate of expenditure on buildings and structures is showing little change (-0.2%) over the previous quarter. The trend estimate of expenditure on equipment has risen 2.4% this quarter.

EXPECTED EXPENDITURE

- The latest estimate for 1995-96 is \$38,014m. This is a rise of 0.4% over the fifth estimate for the year from the December quarter 1995 survey results.
- If the realisation ratio for the last completed year was applied to this estimate the outcome would be a rise of 9.6% in the total expenditure for 1995-96 over 1994-95.
- The second estimate for 1996-97 is \$35,336m. This is a rise of \$3,608m (11.4%) over the first estimate for 1996-97.



New Capital Expenditure
at average 1989-90 prices



INQUIRIES

- For further information about these and related statistics, contact John Stamolis on 02 268 4241.

CAPITAL EXPENDITURE NOTES

FORTHCOMING ISSUES	<i>ISSUE (Quarter)</i>	<i>RELEASE DATE</i>
	June 1996	22 August 1996
	September 1996	21 November 1996
	December 1996	27 February 1997

CHANGES IN THIS ISSUE There are no changes in this issue.

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 estimate and movements derived from them are subject to sampling variability. Relative standard errors give a measure of this variability and therefore indicate the degree of confidence that can be attached to the data.

Relative standard errors for some major March data items are given below. There is 67% confidence that the actual value would be within one standard error of the sample estimate, and 95% confidence that it lies within two standard errors.

	<i>RELATIVE STANDARD ERROR</i>
Total New Capital Expenditure:	
Mining	8.1%
Manufacturing	4.5%
Other Selected Industries	4.7%
Buildings & Structures	5.7%
Equipment, Plant & Machinery	3.4%
Total Selected Industries	3.2%

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

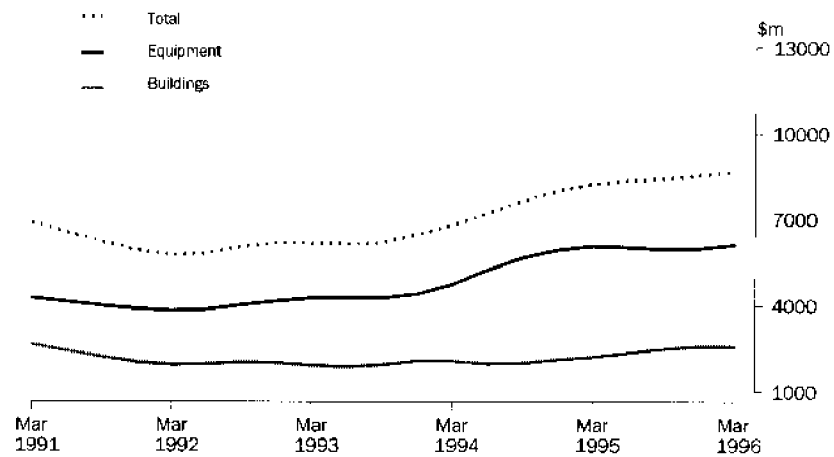
W. McLennan
Australian Statistician

ACTUAL NEW CAPITAL EXPENDITURE: Trend

QUARTERLY TREND ESTIMATES AT CONSTANT PRICES

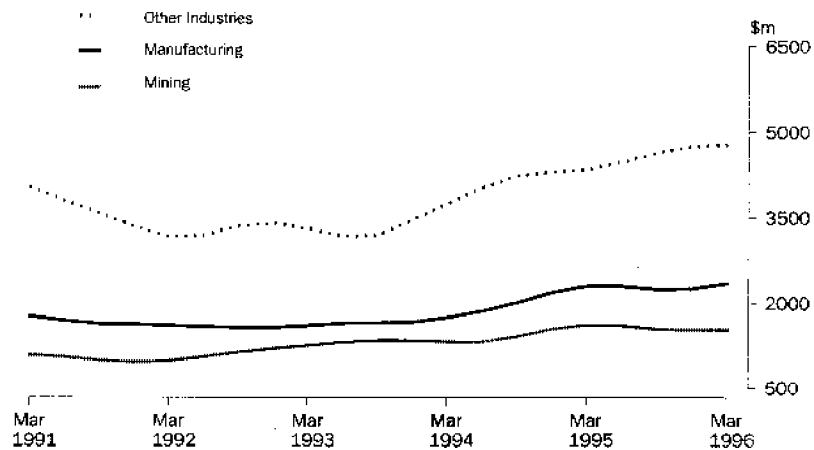
BY ASSET

The trend estimate for expenditure on buildings and structures has flattened, after increasing since the beginning of the 1994-95 financial year. Expenditure on equipment, plant and machinery indicates a resumption in growth.



BY INDUSTRY

Expenditure for other industries continues the overall upward trend since December 1993. Expenditure in manufacturing is now showing an increase.

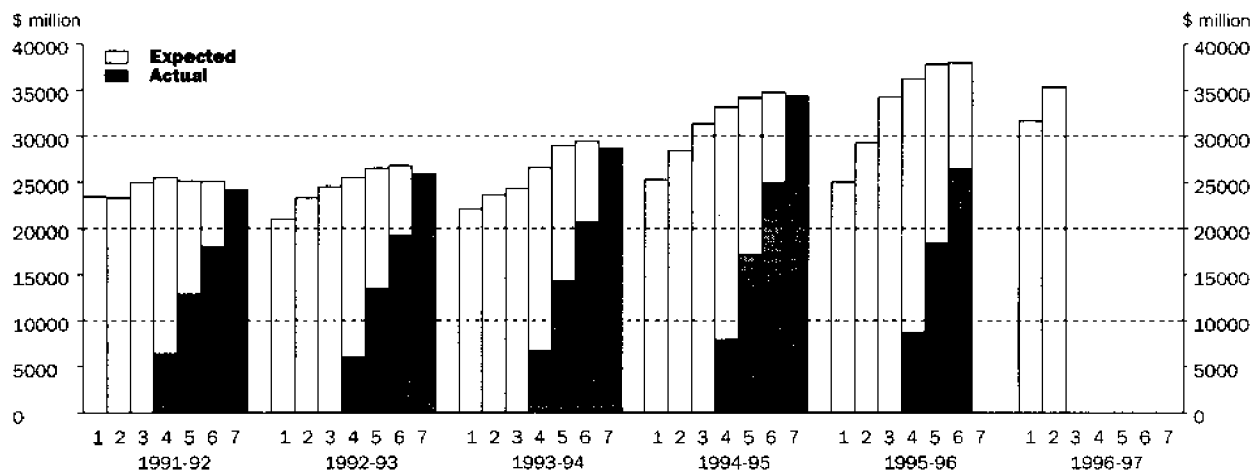


ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

FINANCIAL YEARS AT CURRENT PRICES

EXPENDITURE

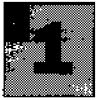
The seven estimates of actual and expected expenditure for each financial year which appear in the graph below relate to data contained in Table 4. Care should be exercised when using these series and the associated realisation ratios.



EXPLANATION OF TIMING OF ESTIMATES used in construction of graph above

COMPOSITION OF ESTIMATE.....

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



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

Period	BUILDINGS AND STRUCTURES.....				EQUIPMENT, PLANT AND MACHINERY.....				TOTAL CAPITAL EXPENDITURE.....			
	Mining	Manu- facturing	Other selected indus- tries	Total	Mining	Manu- facturing	Other selected indus- tries	Total	Mining	Manu- facturing	Other selected indus- tries	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)												
1993-94	3 196	938	3 965	8 099	2 489	6 904	11 235	20 628	5 685	7 843	15 200	28 727
1994-95	3 202	1 060	4 372	8 635	3 463	8 796	13 442	25 701	6 665	9 856	17 815	34 336
1994-95												
December	923	282	1 064	2 269	954	2 078	3 940	6 972	1 878	2 360	5 004	9 241
March	804	268	1 101	2 172	787	2 083	2 764	5 634	1 591	2 350	3 864	7 806
June	828	281	1 177	2 286	940	2 656	3 509	7 105	1 768	2 938	4 686	9 392
1995-96												
September	758	291	1 428	2 477	897	2 011	3 229	6 137	1 654	2 303	4 657	8 614
December	912	303	1 916	3 131	948	2 205	3 474	6 627	1 860	2 508	5 390	9 758
March	669	347	1 174	2 189	828	2 067	3 084	5 978	1 497	2 413	4 257	8 168
ORIGINAL (Expected) ¹												
1995-96												
3 mths to Jun	1 022	551	1 916	3 489	1 390	2 761	3 834	7 985	2 412	3 312	5 750	11 474
Total 1995-96	3 360	1 492	6 434	11 286	4 063	9 045	13 620	26 728	7 423	10 536	20 055	38 014
Total 1996-97												
12 mths to Jun	3 980	1 049	5 191	10 220	5 064	8 509	11 008	24 580	9 044	9 558	16 734	35 336
SEASONALLY ADJUSTED (Actual)												
1993-94	3 182	930	3 949	8 061	2 492	6 883	11 250	20 625	5 674	7 813	15 199	28 686
1994-95	3 204	1 010	4 379	8 593	3 466	8 810	13 396	25 673	6 670	9 820	17 776	34 266
1994-95												
December	844	306	1 058	2 208	853	1 919	3 521	6 293	1 697	2 225	4 579	8 501
March	900	299	1 147	2 347	898	2 367	3 155	6 420	1 798	2 666	4 302	8 766
June	797	226	1 174	2 196	912	2 417	3 453	6 782	1 709	2 643	4 627	8 978
1995-96												
September	778	249	1 438	2 465	921	2 141	3 274	6 337	1 699	2 391	4 712	8 802
December	833	330	1 872	3 034	848	2 037	3 093	5 978	1 681	2 366	4 965	9 013
March	750	408	1 151	2 310	943	2 351	3 529	6 824	1 693	2 760	4 681	9 133
TREND ESTIMATES (Actual)												
1993-94	3 175	911	3 918	8 004	2 511	6 909	11 159	20 579	5 686	7 820	15 077	28 583
1994-95	3 220	1 039	4 460	8 719	3 454	8 671	13 362	25 487	6 674	9 710	17 822	34 206
1994-95												
December	806	268	1 048	2 122	856	2 134	3 373	6 363	1 662	2 403	4 421	8 486
March	847	270	1 103	2 219	899	2 271	3 364	6 533	1 746	2 540	4 467	8 753
June	837	257	1 289	2 384	908	2 292	3 302	6 502	1 745	2 549	4 592	8 885
1995-96												
September	803	269	1 468	2 539	901	2 222	3 265	6 388	1 703	2 490	4 733	8 927
December	788	323	1 531	2 642	898	2 165	3 290	6 353	1 686	2 488	4 821	8 994
March	781	386	1 474	2 641	906	2 197	3 337	6 439	1 687	2 583	4 811	9 080

¹ Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 20 to 23 of the Explanatory Notes.



ACTUAL AND EXPECTED CAPITAL EXPENDITURE, Detailed Industries—Current prices

Period	MANUFACTURING.....										
	Food, beverage and tobacco	Textile, clothing, footwear and leather	Wood and paper product	Printing, publishing and recorded media	Petroleum, coal, chemical and assoc. product	Non-metallic mineral product	Metal product	Machinery and equipment	Other manufacturing	Total manufacturing	
Total mining	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)											
1993-94	5 685	1 952	256	593	564	1 220	590	1 166	1 318	184	7 843
1994-95	6 665	2 046	367	764	1 126	1 757	877	1 402	1 326	191	9 856
1994-95											
December	1 878	540	103	176	186	421	254	288	343	49	2 360
March	1 591	471	83	191	259	426	258	289	339	34	2 350
June	1 768	551	89	241	460	451	162	581	354	51	2 938
1995-96											
September	1 654	463	73	265	139	346	144	435	377	60	2 303
December	1 860	477	69	270	166	426	175	453	437	35	2 508
March	1 497	444	43	309	160	343	209	429	438	38	2 413
ORIGINAL (Expected) ¹											
1995-96											
3 mths to Jun	2 412	761	57	327	181	356	194	732	668	38	3 312
Total 1995-96	7 423	2 145	242	1 171	646	1 472	722	2 049	1 920	170	10 536
Total 1996-97											
12 mths to Jun	9 044	2 083	187	720	543	1 280	736	2 014	1 910	86	9 558
SEASONALLY ADJUSTED (Actual)											
1993-94	5 674	1 957	257	590	548	1 222	590	1 159	1 308	182	7 813
1994-95	6 670	2 048	368	766	1 096	1 765	881	1 368	1 336	192	9 820
1994-95											
December	1 697	501	87	175	196	393	247	273	306	47	2 225
March	1 798	525	95	222	296	479	271	347	392	40	2 666
June	1 709	515	92	219	359	443	157	476	340	42	2 643
1995-96											
September	1 699	485	75	256	155	338	147	483	387	66	2 391
December	1 681	443	59	268	175	398	170	431	390	33	2 366
March	1 693	494	49	360	183	386	219	517	506	45	2 760
TREND ESTIMATES (Actual)											
1993-94	5 686	1 945	256	580	573	1 248	607	1 140	1 292	178	7 820
1994-95	6 674	2 046	364	776	1 025	1 719	866	1 362	1 353	200	9 710
1994-95											
December	1 662	510	94	181	256	444	243	296	330	49	2 403
March	1 746	517	93	206	288	445	233	365	349	44	2 540
June	1 745	506	88	227	277	420	187	435	363	47	2 549
1995-96											
September	1 703	484	75	252	226	392	161	468	382	49	2 490
December	1 686	470	61	290	176	376	171	478	419	46	2 488
March	1 687	469	52	331	166	380	201	484	460	42	2 583

¹ Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 20 to 23 of the Explanatory Notes.



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

OTHER SELECTED INDUSTRIES..... TOTAL

Period	Construction	Wholesale trade	Retail trade	Transport and storage	Finance and insurance	Property and business services	Other services etc.	Total other selected industries	Total new capital expenditure
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)									
1993-94	1 500	2 621	2 022	1 623	2 139	3 000	2 294	15 200	28 727
1994-95	1 484	2 572	2 044	2 582	2 125	3 300	3 708	17 815	34 336
1994-95									
December	272	813	522	877	527	822	1 171	5 004	9 241
March	294	541	502	546	459	609	913	3 864	7 806
June	427	561	571	655	578	935	960	4 686	9 392
1995-96									
September	400	572	563	618	571	977	956	4 657	8 614
December	380	602	613	876	489	1 180	1 249	5 390	9 758
March	249	415	450	608	469	756	1 311	4 257	8 168
ORIGINAL (Expected) ¹									
1995-96									
3 mths to Jun	288	527	685	882	522	941	1 906	5 750	11 474
Total 1995-96	1 316	2 116	2 310	2 985	2 051	3 854	5 422	20 055	38 014
Total 1996-97									
12 mths to Jun	603	1 818	1 646	2 243	1 858	2 995	5 571	16 734	35 336
SEASONALLY ADJUSTED (Actual)									
1993-94	1 507	2 629	2 002	1 619	2 152	2 994	2 295	15 199	28 686
1994-95	1 464	2 570	2 067	2 571	2 127	3 297	3 680	17 776	34 266
1994-95									
December	294	664	467	820	488	755	1 091	4 579	8 501
March	335	660	618	530	541	663	955	4 302	8 766
June	399	597	535	690	566	919	922	4 627	8 978
1995-96									
September	353	563	562	656	541	1 005	1 033	4 712	8 802
December	413	491	548	816	455	1 081	1 162	4 965	9 013
March	283	506	553	589	553	825	1 370	4 681	9 133
TREND ESTIMATES (Actual)									
1993-94	1 490	2 624	1 912	1 643	2 145	2 979	2 306	15 077	28 583
1994-95	1 455	2 570	2 108	2 535	2 145	3 309	3 700	17 822	34 206
1994-95									
December	354	658	511	647	520	796	935	4 421	8 486
March	337	647	544	663	532	762	982	4 467	8 753
June	366	606	568	664	543	872	974	4 592	8 885
1995-96									
September	382	554	558	692	527	984	1 036	4 733	8 927
December	362	515	549	711	511	996	1 178	4 821	8 994
March	330	493	553	677	511	933	1 304	4 811	9 080

¹ Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 20 to 23 of the Explanatory Notes.

ACTUAL EXPENDITURE, By Type of Asset and Industry—Constant prices¹

Period	ASSET.....			INDUSTRY.....			
	Buildings and structures	Equipment, plant and machinery	Total	Mining	Manufacturing	Other selected industries	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL							
1993-94	8 151	18 663	26 814	5 315	6 946	14 554	26 814
1994-95	8 566	23 876	32 442	6 142	8 924	17 377	32 442
1994-95							
December	2 252	6 471	8 723	1 741	2 146	4 837	8 723
March	2 145	5 233	7 378	1 468	2 129	3 781	7 378
June	2 261	6 581	8 842	1 615	2 648	4 579	8 842
1995-96							
September	2 413	5 712	8 125	1 493	2 068	4 565	8 125
December	3 066	6 192	9 258	1 697	2 269	5 293	9 258
March	2 134	5 709	7 843	1 363	2 213	4 267	7 843
SEASONALLY ADJUSTED							
1993-94	8 118	18 658	26 776	5 303	6 917	14 556	26 776
1994-95	8 531	23 854	32 385	6 146	8 893	17 347	32 385
1994-95							
December	2 180	5 839	8 019	1 575	2 024	4 421	8 019
March	2 326	5 964	8 289	1 658	2 415	4 217	8 289
June	2 173	6 289	8 461	1 561	2 382	4 519	8 461
1995-96							
September	2 406	5 893	8 299	1 533	2 146	4 621	8 299
December	2 961	5 582	8 544	1 535	2 141	4 868	8 544
March	2 254	6 518	8 772	1 540	2 531	4 701	8 772
TREND ESTIMATES							
1993-94	8 063	18 623	26 687	5 314	6 926	14 447	26 687
1994-95	8 648	23 670	32 318	6 147	8 787	17 384	32 318
1994-95							
December	2 110	5 921	8 032	1 538	2 182	4 312	8 032
March	2 196	6 065	8 261	1 606	2 300	4 355	8 261
June	2 347	6 027	8 373	1 594	2 297	4 483	8 373
1995-96							
September	2 488	5 945	8 433	1 548	2 244	4 641	8 433
December	2 578	5 965	8 544	1 531	2 255	4 757	8 544
March	2 574	6 108	8 681	1 535	2 357	4 789	8 681

¹ At average 1989-90 prices



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

Financial year	12 months expectation as reported in Jan–Feb of previous financial year (Estimate 1)	12 months expectation as reported in Apr–May of previous financial year (Estimate 2)	12 months expectation as reported in Jul–Aug (Estimate 3)	3 months actual and 9 months expectation as reported in Oct–Nov (Estimate 4)	6 months actual and 6 months expectation as reported in Jan–Feb (Estimate 5)	9 months actual and 3 months expectation as reported in Apr–May (Estimate 6)	12 months actual (Estimate 7)
BUILDINGS AND STRUCTURES (\$ million)							
1992–93	6 658	7 247	7 718	7 982	8 575	8 227	7 761
1993–94	7 415	7 727	7 538	8 161	8 711	8 580	8 099
1994–95	7 763	8 637	9 204	8 666	9 509	9 271	8 635
1995–96	7 948	8 910	10 179	11 362	11 891	11 286	n.y.a.
1996–97	9 200	10 220	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
BUILDINGS AND STRUCTURES (Realisation Ratio¹)							
1992–93	1.17	1.07	1.01	0.97	0.91	0.94	1.00
1993–94	1.09	1.05	1.07	0.99	0.93	0.94	1.00
1994–95	1.11	1.00	0.94	1.00	0.91	0.93	1.00
5 year average	1.06	1.01	0.97	0.96	0.92	0.94	1.00
EQUIPMENT, PLANT AND MACHINERY (\$ million)							
1992–93	14 311	16 082	16 810	17 490	17 912	18 621	18 086
1993–94	14 724	15 911	16 798	18 448	20 307	20 849	20 628
1994–95	17 477	19 823	22 130	24 529	24 651	25 495	25 701
1995–96	17 062	20 427	24 035	24 882	25 984	26 728	n.y.a.
1996–97	22 529	24 580	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
EQUIPMENT, PLANT AND MACHINERY (Realisation Ratio¹)							
1992–93	1.26	1.12	1.08	1.03	1.01	0.97	1.00
1993–94	1.40	1.30	1.23	1.12	1.02	0.99	1.00
1994–95	1.47	1.30	1.16	1.05	1.04	1.01	1.00
5 year average	1.27	1.17	1.08	1.03	1.01	0.99	1.00
TOTAL (\$ million)							
1992–93	20 969	23 329	24 528	25 473	26 487	26 847	25 847
1993–94	22 137	23 638	24 336	26 609	29 019	29 429	28 727
1994–95	25 239	28 459	31 334	33 194	34 159	34 766	34 336
1995–96	25 011	29 358	34 214	36 244	37 875	38 014	n.y.a.
1996–97	31 728	35 336	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
TOTAL (Realisation Ratio¹)							
1992–93	1.23	1.11	1.05	1.01	0.98	0.96	1.00
1993–94	1.30	1.22	1.18	1.08	0.99	0.98	1.00
1994–95	1.36	1.21	1.10	1.03	1.01	0.99	1.00
5 year average	1.20	1.12	1.05	1.01	0.98	0.97	1.00
TOTAL (Percentage change over previous estimate for same financial year)							
1992–93	n.a.	11.3	5.1	3.9	4.0	1.4	-3.7
1993–94	n.a.	6.8	3.0	9.3	9.1	1.4	-2.4
1994–95	n.a.	12.8	10.1	5.9	2.9	1.8	-1.2
1995–96	n.a.	17.4	16.5	5.9	4.5	0.4	n.y.a.
1996–97	n.a.	11.4	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
TOTAL (Percentage change over corresponding estimate for previous financial year)							
1992–93	-10.5	0.1	-1.7	0.1	5.5	7.1	6.7
1993–94	5.6	1.3	-0.8	4.5	9.6	9.6	11.1
1994–95	14.0	20.4	28.8	24.7	17.7	18.1	19.5

1. Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 20 to 23 of the Explanatory Notes.

ACTUAL AND EXPECTED CAPITAL EXPENDITURE, By Industry—Current prices

Financial year	12 months expectation as reported in Jan–Feb of previous financial year (Estimate 1)	12 months expectation as reported in Apr–May of previous financial year (Estimate 2)	12 months expectation as reported in Jul–Aug (Estimate 3)	3 months actual and 9 months expectation as reported in Oct–Nov (Estimate 4)	6 months actual and 6 months expectation as reported in Jan–Feb (Estimate 5)	9 months actual and 3 months expectation as reported in Apr–May (Estimate 6)	12 months actual (Estimate 7)
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MANUFACTURING (\$ million)

1992–93	7 043	7 559	7 707	7 628	7 436	7 405	7 038
1993–94	6 183	6 754	7 404	7 855	8 103	8 136	7 843
1994–95	7 129	8 339	9 013	9 797	9 785	10 004	9 856
1995–96	7 863	9 062	10 179	10 825	10 716	10 536	n.y.a.
1996–97	9 014	9 558	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

MANUFACTURING (Realisation Ratio¹)

1992–93	1.00	0.93	0.91	0.92	0.95	0.95	1.00
1993–94	1.27	1.16	1.06	1.00	0.97	0.96	1.00
1994–95	1.38	1.18	1.09	1.01	1.01	0.99	1.00
5 year average	1.11	1.02	0.96	0.95	0.96	0.96	1.00

MINING (\$ million)

1992–93	4 397	4 603	5 412	5 404	5 725	5 506	5 153
1993–94	6 469	6 583	6 528	6 318	6 009	6 113	5 685
1994–95	5 479	5 838	7 234	7 341	7 322	7 256	6 665
1995–96	5 389	6 701	7 547	7 514	7 527	7 423	n.y.a.
1996–97	7 606	9 044	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

MINING (Realisation Ratio¹)

1992–93	1.17	1.12	0.95	0.95	0.90	0.94	1.00
1993–94	0.88	0.86	0.87	0.90	0.95	0.93	1.00
1994–95	1.22	1.14	0.92	0.91	0.91	0.92	1.00
5 year average	1.05	1.00	0.90	0.91	0.92	0.94	1.00

OTHER SELECTED INDUSTRIES (\$ million)

1992–93	9 529	11 168	11 409	12 440	13 326	13 937	13 656
1993–94	9 486	10 301	10 404	12 436	14 907	15 180	15 200
1994–95	12 631	14 282	15 086	16 056	17 052	17 506	17 815
1995–96	11 759	13 595	16 488	17 905	19 632	20 055	n.y.a.
1996–97	15 108	16 734	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

OTHER SELECTED INDUSTRIES (Realisation Ratio¹)

1992–93	1.43	1.22	1.20	1.10	1.02	0.98	1.00
1993–94	1.60	1.48	1.46	1.22	1.02	1.00	1.00
1994–95	1.41	1.25	1.18	1.11	1.04	1.02	1.00
5 year average	1.34	1.24	1.17	1.08	1.02	0.99	1.00

1 Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 20 to 23 of the Explanatory Notes.

RATIOS¹ OF ACTUAL TO SHORT TERM EXPECTATION FOR SAME PERIOD—Current prices

Financial year	3 MONTHS ENDING.....		6 MONTHS ENDING.....	
	31 December (collected in September Survey)	30 June (collected in March Survey)	31 December (collected in June Survey)	30 June (collected in December Survey)
TYPE OF ASSET				
Buildings and Structures				
1993-94	1.06	0.81	1.10	0.86
1994-95	0.93	0.78	0.93	0.84
1995-96	0.93	n.y.a.	1.01	n.y.a.
5 year average	0.96	0.81	1.00	0.85
Equipment, Plant and Machinery				
1993-94	1.03	0.96	1.15	1.03
1994-95	0.90	1.03	1.09	1.09
1995-96	0.96	n.y.a.	0.99	n.y.a.
5 year average	0.95	0.96	1.04	1.03
Total				
1993-94	1.04	0.92	1.13	0.98
1994-95	0.91	0.96	1.04	1.01
1995-96	0.95	n.y.a.	1.00	n.y.a.
5 year average	0.95	0.91	1.03	0.97
TYPE OF INDUSTRY				
Mining				
1993-94	0.94	0.77	0.95	0.89
1994-95	0.78	0.75	0.87	0.84
1995-96	0.89	n.y.a.	0.84	n.y.a.
5 year average	0.85	0.81	0.89	0.84
Manufacturing				
1993-94	0.88	0.89	0.99	0.94
1994-95	0.80	0.95	0.96	1.01
1995-96	0.82	n.y.a.	0.91	n.y.a.
5 year average	0.84	0.87	0.92	0.92
Other Selected Industries				
1993-94	1.21	1.00	1.34	1.04
1994-95	1.03	1.07	1.18	1.10
1995-96	1.06	n.y.a.	1.13	n.y.a.
5 year average	1.06	0.97	1.17	1.05
Total				
1992-93	0.95	0.87	1.02	0.95
1993-94	1.04	0.92	1.13	0.98
1994-95	0.91	0.96	1.04	1.01
5 year average	0.95	0.91	1.03	0.97

¹ For more information on Realisation Ratios see paragraphs 20 to 23 of the Explanatory Notes.

EXPLANATORY NOTES

INTRODUCTION

1 This publication contains estimates of actual and expected new capital expenditure by private businesses in Australia. The series contained in this publication have been compiled from data collected in a quarterly survey of private businesses.

SCOPE OF THE SURVEY

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

3 The scope of the survey:

- includes the following Australian and New Zealand Standard Industrial Classification (ANZSIC) industries

Mining (Division B)

Manufacturing (Division C)

Food, beverages and tobacco (21)

Textiles, clothing, footwear and leather (22)

Wood and paper products (23)

Printing, publishing and recorded media (24)

Petroleum, coal, chemical and associated products (25)

Non-metallic mineral products (26)

Metal products (27)

Machinery and equipment (28)

Other manufacturing (29)

Other Selected Industries

Construction (Division E)

Wholesale trade (Division F)

Retail trade (Division G)

Transport & storage (Division I)

Finance and insurance (Division K)

Property & business services (Division L)

Other non-manufacturing (including electricity & gas; communication; accommodation, cafes & restaurants; cultural & recreational services; and other services (36,37,57,71,91-93,95,96)

- excludes the following industries

Agriculture, Forestry and Fishing

Government Administration & Defence

Education

Health and Community Services

SURVEY METHODOLOGY

4 This quarterly survey is based on a stratified random sample of private business units recorded on the ABS register of businesses. The sample consists of approximately 8000 units. The figures obtained from the selected businesses are supplemented by data from units which have large capital expenditure and/or large employment and which are outside the sample framework, or not adequately covered by it.

5 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

6 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											
	1994-95			1995-96			1996-97					
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	
December 1994	Act	E1			E2							
March 1995	Act	Act	E1		E2							
June 1995	Act	Act	Act		E1	E2						
September 1995				Act	E1	E2						
December 1995				Act	Act	E1	E2					
March 1996				Act	Act	Act	E1	E2				
June 1996				Act	Act	Act	Act	E1	E2			

7 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)

8 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 1995-96 was available from the December 1994 survey as a longer term expectation (E2). It was subsequently revised in the March 1995 survey (again as a longer term expectation) and in the June 1995 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 1996 survey, will be derived by summing the actual expenditure for each of the four quarters.

SAMPLE REVISION

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

10 Estimates of expenditure derived from the new sample may differ from estimates derived from the old sample. These differences are due to several factors including changes in the composition of the population and sample, reclassification of some statistical units, different industries and inadequate provisions in the old sample estimate for new businesses commencing during the year. To ensure consistency with previous quarters, some data have been revised as a consequence of the introduction of the new sample.

SAMPLE REVISION *continued*

11 To minimise the size of these adjustments the ABS produced an estimate of the contribution expected from new businesses each quarter, taking into account the number of businesses in the survey sample which ceased trading during the quarter.

12 In the 12 month period between successive frames and survey samples there are many businesses which cease operating and many which are newly established. Such changes in the business population need to be reflected in the survey to ensure that the estimates produced are representative of the changing nature of the business population over the course of the year.

13 Improvements have been introduced to the methodology for updating the annual survey frame population using direct counts each quarter of new businesses added, or in the process of being added, to the ABS business register. Estimates of new capital expenditure for the growth in the business population are made each quarter.

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 coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it. Prior to 1989, the survey was on a different business unit basis. Further details are available on request.

CLASSIFICATION BY INDUSTRY

15 The Australian and New Zealand Standard Industrial Classification (ANZSIC) has been developed for use in both countries for the production and analysis of industry statistics. It replaces the Australian Standard Industrial Classification (ASIC) and the New Zealand Standard Industrial Classification (NZSIC).

16 For more information, users are referred to *Australian & New Zealand Standard Industrial Classification, 1993, ANZSIC*. ABS Cat. No. 1292.0 and Statistics New Zealand Cat. No. 19.005.0092.

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

18 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

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

.....

DERIVATION AND USEFULNESS OF
REALISATION RATIOS

20 Once actual expenditure for a financial year is known, it is useful to investigate the relationship between each of the prior 6 estimates and that actual. The resultant realisation ratios (subsequent actual expenditure divided by expected expenditure) then indicate how much expenditure was actually incurred against the amount expected to be incurred at the various times of reporting. Realisation ratios can also be formed separately for 3 or 6 month expectations as well as the 12 month E2 estimates or combinations of estimates containing at least some expectation components (e.g. 6 months actual and 6 months expected expenditure).

21 Realisation ratios provide an important tool in understanding and interpreting expectation statistics for future periods. The application of realisation ratios enables the adjustment of expectation data for known under (or over) realisation patterns in the past and hence provides a valid basis for comparison with other expectation data and actual expenditure estimates. For example, if one wished to predict actual expenditure for 1995-96 based on the June 1995 survey results and compare this with 1994-95 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.

22 There are many ways in which realisation ratios can be applied to make predictions of actual expenditure for a future period. For instance, the adjusted estimates shown on page 1 of this publication were derived using realisation ratios which are the ratios for the latest complete year. A range of realisation ratios for both type of asset and industry estimates is provided in Tables 4 and 5.

23 In using realisation ratios to adjust expectations data, attention should be paid to the range of values that has occurred in the past. A wide range of values is indicative of volatility in the realisation patterns and hence greater caution should be exercised in the application of realisation ratios. This is particularly the case with the twelve month expectations collected in the December and March surveys.

DESCRIPTION OF TERMS

24 *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.

25 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 good imported for the first time whether previously used outside Australia or not.

.....

RELIABILITY OF THE ESTIMATES

26 Since the estimates are based on data obtained from a sample rather than a complete enumeration, the data and the movements derived from them are subject to sampling variability; that is, they may differ from the figures that would have been obtained if all units had been included. One measure of the likely difference is given by the standard error, which 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.

27 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.

28 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.

29 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

30 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.

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

32 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 1995 survey. Data for periods after June 1995 are seasonally adjusted on the basis of extrapolation of historical patterns. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from reanalysis may be quite significant, especially for data for more recent quarters. For this reason, additional care should be exercised when interpreting movements in seasonally adjusted data for recent quarters.

33 It should be noted that the seasonally adjusted figures necessarily reflect the sampling and other errors to which the original figures are subject. Particular care should be taken in interpreting quarter to quarter movements in the adjusted series in the publication.

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

.....

TREND ESTIMATES

35 The trend estimates are derived by applying a 7-term Henderson moving average to the seasonally adjusted series. The 7-term Henderson average (like all Henderson averages) is symmetric, but as the end of a time series is approached, asymmetric forms of the average are applied. Unlike the weights of the standard 7-term Henderson moving average, the weights employed here have been tailored to suit the particular characteristics of individual series. While the asymmetric weights enable trend estimates for recent quarters to be produced, it does result in revisions to the estimates for the most recent three quarters as additional observations become available. There may also be revisions because of changes in the original data and as a result of the re-estimation of the seasonal factors. For further information, see *A Guide to Interpreting Time Series — Monitoring 'Trends': an Overview* (1348.0) or contact the Assistant Director, Time Series Analysis on (06) 252 6345.

COMPARABILITY WITH NATIONAL
ACCOUNTS ESTIMATES

36 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 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.
- 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.

37 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

38 Users may also wish to refer the following publications:

- *State Estimates of Private New Capital Expenditure*, (5646.0)
- *Company Profits, Australia* (5651.0)
- *Stocks, Selected Industry Sales and Expected Sales, Australia* (5629.0)
- *Australian National Accounts. National Income, Expenditure and Product* (5206.0)
- *Australian Business Expectations* (5250.0)
- *Business Operations and Industry Performance, Australia* (8140.0)



RELATED PUBLICATIONS *continued* **39** 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 **40** In addition to the data contained in this publication more detailed industry information may be made available on request. For example, data are generally available at the ANZSIC group (3 digit) level.

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

WHAT IF...? REVISIONS TO TREND ESTIMATES

EFFECT OF NEW SEASONALLY ADJUSTED ESTIMATES ON TREND ESTIMATES

Each time new seasonally adjusted estimates become available, trend estimates are revised (see paragraphs 30 and 35 of the Explanatory Notes).

TREND REVISIONS

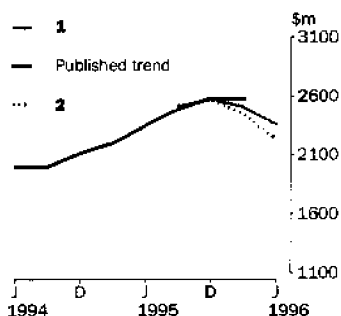
The examples in the tables below show two scenarios and the consequent revisions to previous trend estimates of capital expenditure by private businesses.

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

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

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

BUILDINGS AND STRUCTURES

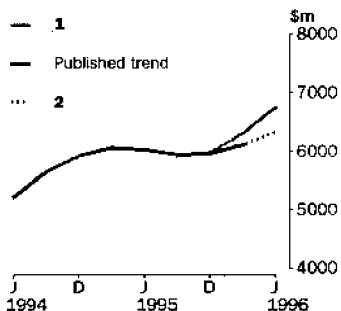


TREND AS PUBLISHED

WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:

	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 6.7% on Mar 1996 \$m	% change	2 falls by 6.7% on Mar 1996 \$m	% change
1995						
September	2 488	6.0	2 503	6.7	2 515	7.2
December	2 578	3.6	2 573	2.8	2 569	2.1
1996						
March	2 574	-0.2	2 504	-2.7	2 448	-4.7
June	—	—	2 357	-5.9	2 232	-8.8

EQUIPMENT, PLANT AND MACHINERY

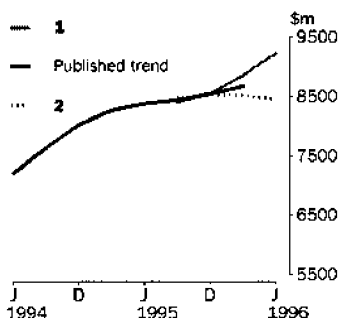


TREND AS PUBLISHED

WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:

	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 4.9% on Mar 1996 \$m	% change	2 falls by 4.9% on Mar 1996 \$m	% change
1995						
September	5 945	-1.3	5 907	-2.0	5 944	-1.4
December	5 965	0.3	5 980	1.2	5 966	0.4
1996						
March	6 108	2.4	6 304	5.4	6 124	2.6
June	—	—	6 748	7.0	6 332	3.4

TOTAL CAPITAL EXPENDITURE



TREND AS PUBLISHED

WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:

	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 4.4% on Mar 1996 \$m	% change	2 falls by 4.4% on Mar 1996 \$m	% change
1995						
September	8 433	0.7	8 400	0.3	8 469	1.1
December	8 544	1.3	8 555	1.8	8 531	0.7
1996						
March	8 681	1.6	8 855	3.5	8 523	-0.1
June	—	—	9 230	4.2	8 442	-1.0

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