

**PRIVATE NEW CAPITAL EXPENDITURE
AND EXPECTED EXPENDITURE to June 1996 AUSTRALIA**

EMBARGOED UNTIL 11:30AM FRI 24 NOVEMBER 1995

SEPTEMBER QTR KEY FIGURES

TREND ESTIMATES *

	Sep 94	Jun 95	Sep 95	% change Jun 95 to Sep 95	% change Sep 94 to Sep 95
	\$m	\$m	\$m		
Total new capital expenditure	7 676	8 382	8 429	0.6	9.8
Buildings and structures	2 009	2 375	2 489	4.8	23.9
Equipment, plant and machinery	5 666	6 007	5 940	-1.1	4.8

SEASONALLY ADJUSTED*

	Sep 94	Jun 95	Sep 95	% change Jun 95 to Sep 95	% change Sep 94 to Sep 95
	\$m	\$m	\$m		
Total new capital expenditure	7 619	8 423	8 369	-0.6	9.8
Buildings and structures	1 867	2 248	2 589	15.2	38.7
Equipment, plant and machinery	5 752	6 176	5 781	-6.4	0.5

* At average 1989-90 prices.

SEPTEMBER QTR KEY POINTS

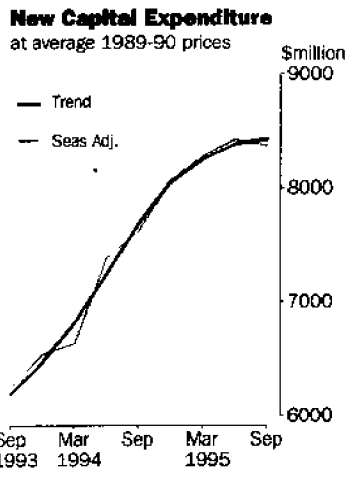
ACTUAL EXPENDITURE

- The trend estimate (in constant price terms) of new capital expenditure is showing a slowing in growth after consistent growth in the period to March 1995. The September quarter 1995 rise of 0.6% follows a revised estimate of 1.6% for the June quarter.
- The trend estimate for expenditure on buildings and structures has continued the rise experienced over the 4 quarters of 1994-95 but expenditure on equipment, plant and machinery fell by 1.1% in the September quarter following a slight fall in the previous quarter.

TAKE CARE!
New sample introduced
and seasonal reanalysis
see page 2
CHANGES IN THIS ISSUE

EXPECTED EXPENDITURE

- The latest estimate for 1995-96 is \$36,089m, a rise of 5.9% over the third estimate for the year from the June quarter 1995 survey revised results. Many businesses have reported deferral of capital expenditure planned for the September quarter, but expect it to occur in later quarters of 1995-96 or in some cases, 1996-97.
- If the realisation ratios from 1994-95 were to be applied to this estimate, the outcome for total expenditure in 1995-96 would be a rise of 9.2% over 1994-95.



INQUIRIES

- For further information about these and related statistics, contact John Stamolis on 02 268 4241, or Kevin Squair on 06 252 5610.

CAPITAL EXPENDITURE NOTES

FORTHCOMING ISSUES

<i>ISSUE (Quarter)</i>	<i>RELEASE DATE</i>
December 1995	23 February 1996
March 1996	23 May 1996
June 1996	22 August 1996

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CHANGES IN THIS ISSUE

The annual sample revision occurs in the June quarter. Data from the revised sample are included for the first time in this publication. Refer to paragraphs 8-12 of the explanatory notes for more information.

At least once each year, the seasonally adjusted series in the publication 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. Because many of these series are subject to a large degree of irregularity, seasonal factors and hence seasonally adjusted series are subject to substantial revision when they are reanalysed. Hence additional care should be exercised when interpreting movements in seasonally adjusted data, particularly for more recent quarters where the factors are most subject to revision. Seasonally adjusted and trend estimates have been revised in this publication. Refer to paragraphs 29-34 of the explanatory notes for more information.

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SAMPLING ERRORS

The estimates in this publication are based on a sample survey of businesses. Because data are not collected from all businesses, the published estimates 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 September quarter 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	4.2%
Manufacturing	2.6%
Other Selected Industries	6.0%
Buildings & Structures	4.1%
Equipment, Plant & Machinery	3.5%
Total Selected Industries	3.1%

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REVISIONS TO TREND

Refer to Revisions to Trend Estimates on page 19.

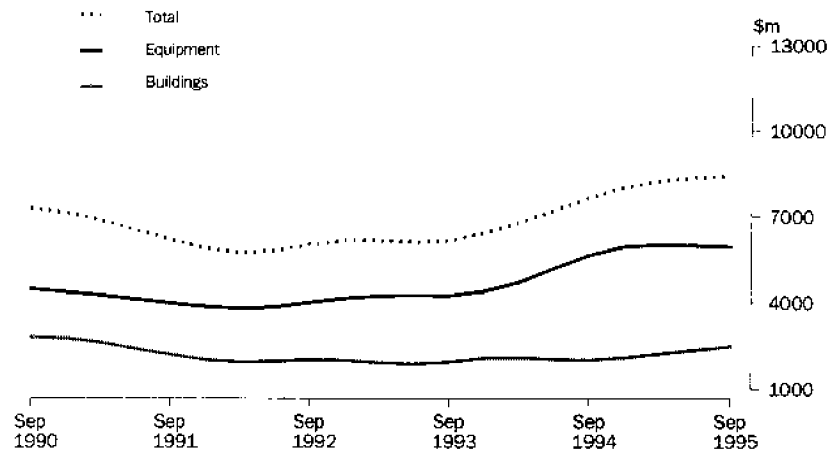
W. McLennan
Australian Statistician

ACTUAL NEW CAPITAL EXPENDITURE:Trend

QUARTERLY TREND ESTIMATES AT CONSTANT PRICES

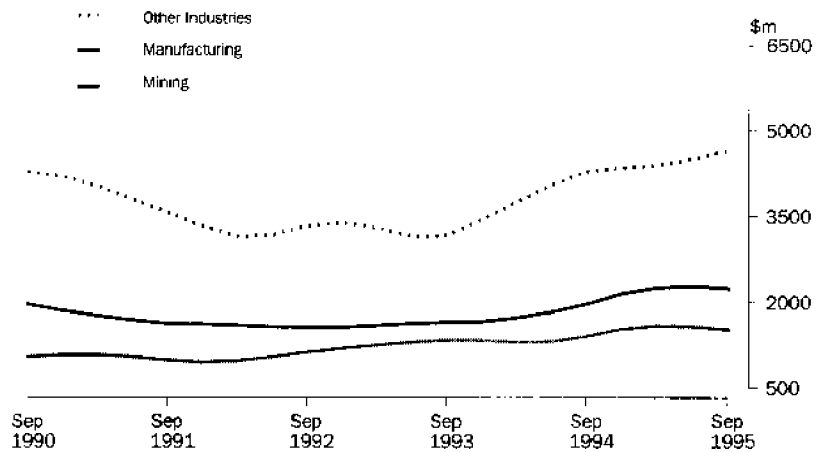
BY ASSET

The trend estimate for expenditure on buildings has continued to rise in the September 1995 quarter, continuing the pattern experienced over 1994-95, but expenditure on equipment has fallen slightly from the peak in the March quarter.



BY INDUSTRY

Following rises in the three quarters to March 1995, the trend estimate for expenditure by the Mining industry has fallen for two successive quarters. In the Manufacturing industry a fall in the trend estimate has been recorded following five quarters of growth. Expenditure by other industries continues an upward trend.

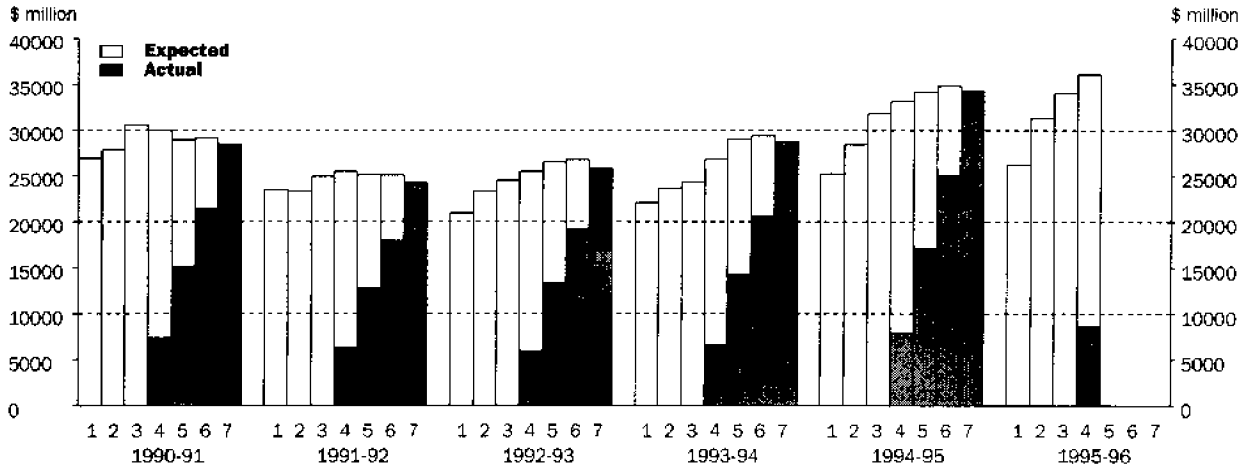


ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

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 the 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	3 192	933	4 040	8 165	2 482	6 881	11 229	20 591	5 674	7 815	15 269	28 758
1994-95	3 122	1 093	4 482	8 696	3 551	8 622	13 497	25 670	6 673	9 714	17 978	34 366
1993-94												
June	742	273	1 099	2 115	720	2 019	3 264	6 002	1 462	2 292	4 364	8 117
1994-95												
September	637	228	1 055	1 920	794	1 953	3 247	5 993	1 431	2 180	4 302	7 913
December	868	280	1 099	2 247	1 024	2 030	3 990	7 044	1 892	2 310	5 089	9 290
March	759	272	1 131	2 162	794	2 045	2 800	5 639	1 553	2 317	3 931	7 801
June	857	313	1 196	2 367	939	2 594	3 460	6 994	1 797	2 908	4 657	9 361
1995-96												
September	760	315	1 565	2 640	819	1 940	3 268	6 027	1 579	2 255	4 834	8 667
ORIGINAL (Expected) ¹												
1995-96												
3 mths to Dec	850	387	2 121	3 338	1 079	2 608	3 096	6 782	1 928	2 975	5 217	10 120
6 mths to Jun	1 570	709	3 190	5 470	1 935	4 557	5 340	11 832	3 505	5 266	8 531	17 302
Total 1995-96	3 180	1 390	6 877	11 448	3 833	9 105	11 704	24 642	7 013	10 495	18 581	36 089
SEASONALLY ADJUSTED (Actual)												
1993-94	3 178	922	4 027	8 127	2 486	6 862	11 244	20 591	5 664	7 784	15 271	28 718
1994-95	3 122	1 041	4 482	8 645	3 549	8 639	13 451	25 639	6 670	9 680	17 934	34 284
1993-94												
June	717	258	1 086	2 060	697	1 840	3 212	5 749	1 413	2 098	4 298	7 809
1994-95												
September	653	179	1 025	1 857	817	2 080	3 284	6 181	1 469	2 259	4 309	8 038
December	794	305	1 092	2 191	915	1 874	3 566	6 355	1 709	2 180	4 658	8 546
March	850	303	1 174	2 327	905	2 325	3 196	6 426	1 755	2 628	4 370	8 753
June	826	254	1 191	2 271	911	2 360	3 405	6 677	1 737	2 614	4 597	8 948
1995-96												
September	780	277	1 587	2 644	841	2 065	3 314	6 221	1 622	2 342	4 901	8 865
TREND ESTIMATES (Actual)												
1993-94	3 172	906	3 979	8 056	2 509	6 888	11 158	20 555	5 681	7 794	15 136	28 611
1994-95	3 118	1 074	4 595	8 788	3 511	8 492	13 450	25 453	6 629	9 567	18 045	34 241
1993-94												
June	718	223	1 070	2 011	707	1 832	3 139	5 677	1 424	2 055	4 209	7 688
1994-95												
September	705	240	1 063	2 008	813	1 945	3 346	6 104	1 518	2 185	4 410	8 113
December	768	269	1 074	2 112	892	2 095	3 403	6 390	1 661	2 364	4 477	8 502
March	818	284	1 158	2 260	911	2 203	3 367	6 481	1 730	2 487	4 524	8 741
June	826	282	1 300	2 408	895	2 249	3 334	6 478	1 721	2 531	4 634	8 886
1995-96												
September	803	266	1 463	2 531	865	2 230	3 309	6 405	1 668	2 496	4 772	8 936

¹ Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 19 to 22 of the Explanatory Notes.

ACTUAL AND EXPECTED CAPITAL EXPENDITURE, Detailed Industries—Current prices

MINING.....		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 manu- facturing	Total manu- facturing
Period	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)												
1993-94	5 674	1 973	238	592	567	1 202	587	1 159	1 308	187	7 815	
1994-95	6 673	2 029	313	762	1 119	1 675	909	1 409	1 309	188	9 714	
1993-94												
June	1 462	571	61	181	227	347	138	343	344	79	2 292	
1994-95												
September	1 431	482	79	154	225	442	206	245	290	56	2 180	
December	1 892	519	87	176	188	403	258	287	343	49	2 310	
March	1 553	467	66	191	262	407	267	286	337	33	2 317	
June	1 797	560	81	241	444	424	177	590	340	50	2 908	
1995-96												
September	1 579	446	73	263	129	318	158	444	366	58	2 255	
ORIGINAL (Expected) ¹												
1995-96												
3 mths to Dec	1 928	574	86	324	158	467	226	596	513	30	2 975	
6 mths to Jun	3 505	1 002	111	576	254	708	342	1 215	1 006	51	5 266	
Total 1995-96	7 013	2 023	270	1 163	541	1 493	727	2 255	1 885	139	10 495	
SEASONALLY ADJUSTED (Actual)												
1993-94	5 664	1 977	239	589	551	1 205	587	1 153	1 298	185	7 784	
1994-95	6 670	2 031	314	764	1 094	1 683	913	1 373	1 319	189	9 680	
1993-94												
June	1 413	533	63	166	179	341	134	283	332	66	2 098	
1994-95												
September	1 469	505	81	149	250	432	210	272	297	62	2 259	
December	1 709	482	74	175	198	376	251	273	306	46	2 180	
March	1 755	520	76	221	299	458	280	344	389	39	2 628	
June	1 737	524	84	219	347	417	172	484	326	42	2 614	
1995-96												
September	1 622	467	74	253	143	311	161	493	375	64	2 342	
TREND ESTIMATES (Actual)												
1993-94	5 681	1 959	241	579	577	1 232	606	1 137	1 286	179	7 794	
1994-95	6 629	2 027	307	778	1 019	1 635	898	1 364	1 341	198	9 567	
1993-94												
June	1 424	527	66	150	172	356	150	270	302	61	2 055	
1994-95												
September	1 518	512	73	162	208	393	204	264	309	60	2 185	
December	1 661	502	77	180	260	424	249	295	328	48	2 364	
March	1 730	507	78	205	281	423	242	363	345	43	2 487	
June	1 721	505	78	230	270	395	204	443	359	47	2 531	
1995-96												
September	1 668	493	78	247	236	360	164	500	363	54	2 496	

¹ Not directly comparable with estimates of actual expenditure due to likely over/under realisation—see paragraphs 19 to 22 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	1 482	2 616	1 992	1 690	2 122	2 965	2 403	15 269	28 758
1994-95	1 493	2 593	1 996	2 577	2 118	3 379	3 823	17 978	34 366
1993-94									
June	469	611	562	418	614	923	767	4 364	8 117
1994-95									
September	498	662	444	509	561	953	676	4 302	7 913
December	277	822	511	881	525	880	1 193	5 089	9 290
March	287	540	488	556	459	656	945	3 931	7 801
June	431	568	554	632	573	890	1 009	4 657	9 361
1995-96									
September	420	559	547	592	574	990	1 150	4 834	8 667
ORIGINAL (Expected) ¹									
1995-96									
3 mths to Dec	258	715	529	689	592	1 143	1 290	5 217	10 120
6 mths to Jun	414	896	803	1 089	1 136	1 518	2 675	8 531	17 302
Total 1995-96	1 091	2 171	1 880	2 370	2 302	3 652	5 115	18 581	36 089
SEASONALLY ADJUSTED (Actual)									
1993-94	1 490	2 623	1 974	1 689	2 135	2 960	2 400	15 271	28 718
1994-95	1 471	2 590	2 018	2 564	2 119	3 377	3 795	17 934	34 284
1993-94									
June	437	646	528	438	607	904	737	4 298	7 809
1994-95									
September	443	653	441	535	531	980	727	4 309	8 038
December	299	672	458	824	487	808	1 111	4 658	8 546
March	327	659	600	540	541	715	988	4 370	8 753
June	403	605	519	666	561	874	969	4 597	8 948
1995-96									
September	371	551	546	628	543	1 018	1 243	4 901	8 865
TREND ESTIMATES (Actual)									
1993-94	1 480	2 621	1 891	1 693	2 132	2 958	2 361	15 136	28 611
1994-95	1 466	2 578	2 050	2 541	2 136	3 391	3 897	18 045	34 241
1993-94									
June	429	664	466	488	580	882	700	4 209	7 688
1994-95									
September	397	661	472	588	544	898	851	4 410	8 113
December	354	663	499	657	518	834	953	4 477	8 502
March	343	646	529	662	527	800	1 019	4 524	8 741
June	363	607	551	635	547	859	1 074	4 634	8 886
1995-96									
September	388	567	548	614	555	966	1 122	4 772	8 936

¹ Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 19 to 22 of the Explanatory Notes.

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

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							
1993-94	8 218	18 595	26 813	5 305	6 919	14 589	26 813
1994-95	8 632	23 825	32 457	6 140	8 797	17 520	32 457
1993-94							
June	2 131	5 529	7 660	1 361	2 056	4 243	7 660
1994-95							
September	1 920	5 582	7 502	1 318	1 977	4 208	7 502
December	2 229	6 541	8 770	1 746	2 100	4 924	8 770
March	2 139	5 240	7 379	1 432	2 099	3 848	7 379
June	2 344	6 462	8 806	1 644	2 622	4 539	8 806
1995-96							
September	2 578	5 605	8 183	1 431	2 028	4 724	8 183
SEASONALLY ADJUSTED							
1993-94	8 184	18 594	26 778	5 294	6 890	14 594	26 778
1994-95	8 587	23 799	32 387	6 137	8 767	17 484	32 387
1993-94							
June	2 074	5 303	7 377	1 316	1 882	4 179	7 377
1994-95							
September	1 867	5 752	7 619	1 353	2 047	4 220	7 619
December	2 163	5 900	8 063	1 578	1 983	4 502	8 063
March	2 310	5 971	8 281	1 617	2 380	4 284	8 281
June	2 248	6 176	8 423	1 589	2 357	4 477	8 423
1995-96							
September	2 589	5 781	8 369	1 470	2 106	4 793	8 369
TREND ESTIMATES							
1993-94	8 115	18 568	26 682	5 310	6 901	14 471	26 682
1994-95	8 723	23 632	32 355	6 099	8 661	17 594	32 355
1993-94							
June	2 020	5 213	7 233	1 321	1 840	4 071	7 233
1994-95							
September	2 009	5 666	7 676	1 403	1 977	4 295	7 676
December	2 100	5 944	8 044	1 532	2 147	4 365	8 044
March	2 237	6 016	8 253	1 590	2 253	4 410	8 253
June	2 375	6 007	8 382	1 574	2 284	4 524	8 382
1995-96							
September	2 489	5 940	8 429	1 516	2 246	4 667	8 429

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)							
1991–92	8 775	8 592	9 032	9 078	8 791	8 391	8 076
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	8 165
1994–95	7 763	8 637	9 509	8 717	9 469	9 297	8 696
1995–96	8 195	9 271	10 212	11 448	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	1.10	1.06	1.08	1.00	0.94	0.95	1.00
1994–95	1.12	1.01	0.91	1.00	0.92	0.94	1.00
5 year average	1.06	1.01	0.96	0.96	0.93	0.95	1.00
EQUIPMENT, PLANT AND MACHINERY (\$ million)							
1991–92	14 662	14 718	15 918	16 381	16 303	16 674	16 145
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	20 591
1994–95	17 477	19 823	22 300	24 376	24 679	25 527	25 670
1995–96	18 088	22 080	23 860	24 642	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	1.29	1.23	1.12	1.01	0.99	1.00
1994–95	1.47	1.29	1.15	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)							
1991–92	23 438	23 310	24 950	25 459	25 094	25 065	24 220
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	28 758
1994–95	25 239	28 459	31 808	33 093	34 148	34 824	34 366
1995–96	26 283	31 350	34 072	36 089	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	1.08	1.04	1.01	0.99	1.00
5 year average	1.20	1.12	1.04	1.01	0.98	0.97	1.00
TOTAL (Percentage change over previous estimate for same financial year)							
1991–92	n.a.	-0.5	7.0	2.0	-1.4	-0.1	-3.4
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	-2.3
1994–95	n.a.	12.8	11.8	4.0	3.2	2.0	-1.3
1995–96	n.a.	19.3	8.7	5.9	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	11.3
1994–95	14.0	20.4	30.7	24.4	17.7	18.3	19.5

1 Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 19-22 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)

1991-92	7 783	7 673	7 534	7 474	7 324	7 151	6 743
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	7 815
1994-95	7 129	8 339	8 981	9 651	9 632	9 841	9 714
1995-96	8 251	9 364	10 089	10 495	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	1.26	1.16	1.06	0.99	0.96	0.96	1.00
1994-95	1.36	1.16	1.08	1.01	1.01	0.99	1.00
5 year average	1.10	1.02	0.96	0.95	0.96	0.96	1.00

MINING (\$ million)

1991-92	4 333	4 413	4 529	4 775	4 515	4 221	4 058
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	5 674
1994-95	5 479	5 838	7 191	7 371	7 315	7 241	6 673
1995-96	5 292	6 755	7 321	7 013	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	0.94	0.93	1.00
1994-95	1.22	1.14	0.93	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)

1991-92	11 322	11 224	12 887	13 210	13 255	13 693	13 419
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	15 269
1994-95	12 631	14 282	15 636	16 071	17 202	17 741	17 978
1995-96	12 741	15 231	16 662	18 581	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	1.61	1.48	1.47	1.23	1.02	1.01	1.00
1994-95	1.42	1.26	1.15	1.12	1.05	1.01	1.00
5 year average	1.35	1.24	1.17	1.09	1.03	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 19-22 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				
1992-93	0.97	0.80	1.05	0.81
1993-94	1.06	0.84	1.10	0.88
1994-95	0.92	0.80	0.90	0.85
5 year average	0.95	0.81	0.99	0.86
Equipment, Plant and Machinery				
1992-93	0.95	0.90	1.00	1.02
1993-94	1.03	0.96	1.15	1.03
1994-95	0.91	1.02	1.09	1.09
5 year average	0.94	0.96	1.03	1.02
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	0.95	1.03	1.01
5 year average	0.94	0.91	1.02	0.97
TYPE OF INDUSTRY				
Mining				
1992-93	0.84	0.80	0.87	0.82
1993-94	0.94	0.77	0.95	0.89
1994-95	0.79	0.76	0.90	0.84
5 year average	0.85	0.81	0.90	0.84
Manufacturing				
1992-93	0.83	0.85	0.86	0.90
1993-94	0.88	0.88	0.99	0.93
1994-95	0.79	0.96	0.95	1.02
5 year average	0.85	0.87	0.91	0.92
Other Selected Industries				
1992-93	1.07	0.92	1.19	1.06
1993-94	1.21	1.02	1.34	1.05
1994-95	1.04	1.05	1.15	1.10
5 year average	1.04	0.97	1.14	1.06
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	0.95	1.03	1.01
5 year average	0.94	0.91	1.02	0.97

¹ For more information on Realisation Ratios see paragraph 19-22 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 (11-15)

- Manufacturing (21-29)

- 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 (41,42)

- Wholesale trade (45-47)

- Retail trade (51-53)

- Transport & storage (61-67)

- Finance and insurance (73-75)

- Property & business services (77-78)

- 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.

TIMING AND CONSTRUCTION OF SURVEY CYCLE

5 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											
	1993-94				1994-95				1995-96			
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	
December 1993	Act	E1		E2								
March 1994	Act	Act	E1	E2								
June 1994	Act	Act	Act	E1		E2						
September 1994				Act	E1	E2						
December 1994				Act	Act	E1		E2				
March 1995				Act	Act	Act	E1	E2				
June 1995				Act	Act	Act	Act	E1		E2		

6 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)

7 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 1994-95 was available from the December 1993 survey as a longer term expectation (E2). It was subsequently revised in the March 1994 survey (again as a longer term expectation) and in the June 1994 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 1995 survey, is derived by summing the actual expenditure for each of the four quarters.

SAMPLE REVISION

8 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.

9 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*

10 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.

11 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.

12 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

13 This survey uses the Management Unit as the statistical unit. The management unit is the highest level accounting unit within a business, having regard to industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, sole operator, etc). In the case of large diversified businesses, however, there may be more than one management unit, each 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

14 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).

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

16 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.

17 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

18 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

19 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).

20 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 1993-94 based on the June 1993 survey results and compare this with 1992-93 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.

21 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 average of the latest available five observations. A range of realisation ratios for both type of asset and industry estimates is provided in Tables 4 and 5.

22 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

23 *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.

24 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

25 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.

26 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.

27 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.

28 Ever effort is made in questionnaire design and the processing of survey data to reduce non-sample error to a minimum.

SEASONAL ADJUSTMENT

29 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.

30 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 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.

31 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.

32 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.

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

.....

TREND ESTIMATES

34 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

35 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.

36 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

37 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)

38 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

39 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 29 and 34 of Explanatory Notes).

TREND REVISIONS

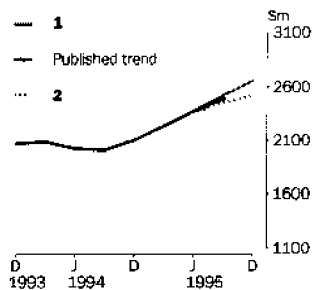
The examples in the tables below show two scenarios and the consequent revisions to previous trend estimates of capital expenditure by private businesses and.

1 The December quarter seasonally adjusted estimate is higher than the September quarter estimate by the percentage shown.

2 The December quarter seasonally adjusted estimate is lower than the September quarter estimate by the percentage shown.

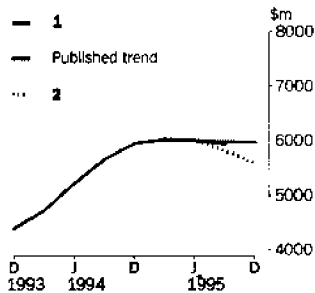
The percentages chosen are approximately the long term average movement, without regard to sign, in the seasonally adjusted series.

BUILDINGS AND STRUCTURES



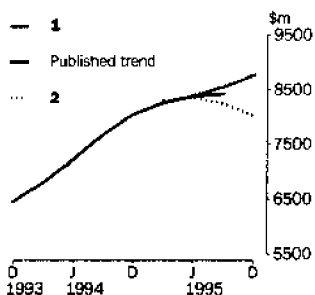
	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 <i>rises by 6.7% on Sep 1995</i>		2 <i>falls by 6.7% on Sep 1995</i>	
	\$m	% change	\$m	% change	\$m	% change
1995						
March	2 237	6.5	2 230	6.1	2 243	6.8
June	2 375	6.2	2 378	6.7	2 373	5.8
September	2 489	4.8	2 524	6.1	2 459	3.6
December	—	—	2 668	5.7	2 524	2.7

EQUIPMENT, PLANT AND MACHINERY



	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 <i>rises by 4.9% on Sep 1995</i>		2 <i>falls by 4.9% on Sep 1995</i>	
	\$m	% change	\$m	% change	\$m	% change
1995						
March	6 016	1.2	6 020	1.3	6 054	1.9
June	6 007	-0.1	6 008	-0.2	5 996	-1.0
September	5 940	-1.1	5 983	-0.4	5 823	-2.9
December	—	—	5 967	-0.3	5 598	-3.9

TOTAL CAPITAL EXPENDITURE



	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 <i>rises by 4.4% on Sep 1995</i>		2 <i>falls by 4.4% on Sep 1995</i>	
	\$m	% change	\$m	% change	\$m	% change
1995						
March	8 253	2.6	8 240	2.4	8 306	3.3
June	8 382	1.6	8 386	1.8	8 364	0.7
September	8 429	0.6	8 552	2.0	8 236	-1.5
December	—	—	8 764	2.5	8 012	-2.7



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