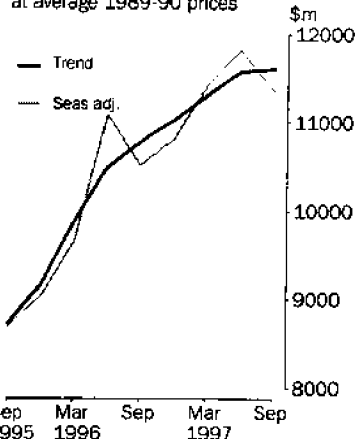


PRIVATE NEW CAPITAL EXPENDITURE AND EXPECTED EXPENDITURE to June 1998 AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) THURS 27 NOV 1997

New Capital Expenditure
at average 1989-90 prices



SEPTEMBER QTR KEY FIGURES

TREND ESTIMATES (a)

	Sep 96	Jun 97	Sep 97	% change Jun 97 to Sep 97	% change Sep 96 to Sep 97
	\$m	\$m	\$m		
Total new capital expenditure	10 785	11 574	11 607	0.3	7.6
Buildings and structures	3 448	3 313	2 993	-9.7	-13.2
Equipment, plant and machinery	7 337	8 261	8 614	4.3	17.4

SEASONALLY ADJUSTED (a)

	Sep 96	Jun 97	Sep 97	% change Jun 97 to Sep 97	% change Sep 96 to Sep 97
	\$m	\$m	\$m		
Total new capital expenditure	10 519	11 823	11 353	-4.0	7.9
Buildings and structures	3 268	3 264	2 835	-13.2	-13.3
Equipment, plant and machinery	7 251	8 558	8 518	-0.5	17.5

(a) At average 1989-90 prices.

SEPTEMBER QTR KEY POINTS

ACTUAL EXPENDITURE

- After strong growth early in 1996, total new capital expenditure (trend estimates at average 1989-90 prices) slowed to between 2% and 3% per quarter from the September quarter 1996 to the June quarter 1997. Growth this quarter has slowed further, to 0.3%.
- Rates of growth of expenditure on equipment, plant and machinery slowed following the March quarter 1996, but have been between 4% and 6% per quarter in the last three quarters. Growth rates of expenditure on buildings and structures have continued to fall since the March quarter 1996, with the most recent three quarters showing falling levels of expenditure.
- Quarterly growth rates for expenditure by Mining remain at relatively high levels (between 3% and 8% since the December quarter 1995). Rates of growth in expenditure by Other Selected industries have eased since the March quarter 1996, mainly driven by falls in Property and Business Services and Other Services.

EXPECTED EXPENDITURE

- The latest estimate for 1997-98 (\$45,117m) is 6.2% higher than the corresponding estimate for last year. Expectations for the Mining industry are indicating particularly strong growth.

INQUIRIES

- For further information about these and related statistics, contact John Stamolis on 02 9268 4241.

NOTES

FORTHCOMING ISSUES

ISSUE (quarter)

RELEASE DATE

December 1997

26 February 1998

March 1998

28 May 1998

June 1998

27 August 1998

.....

CHANGES IN THIS ISSUE

Constant price estimates of new capital expenditure on equipment, plant and machinery have been revised upwards to reflect improvements in the calculation of computer equipment at constant prices.

For further information contact Jo Jackson, Assistant Director, Constant Price Estimates on (02) 6252 6708.

.....

ESTIMATES OF EXPENDITURE ON EQUIPMENT

A new survey form for the collection of data was introduced from the March quarter 1996. This new form included an asset dissection of expenditure on equipment, plant and machinery.

Details for 1996-97 were published in the June quarter 1997 issue.

.....

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 Revisions to Trend Estimates on page 19.

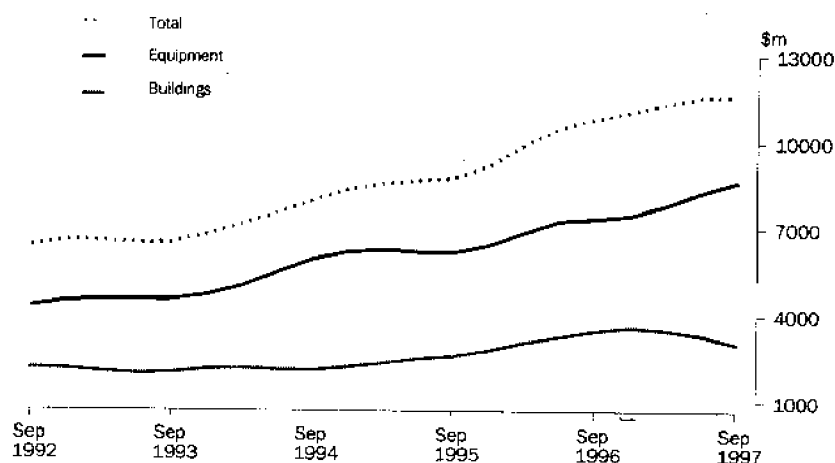
W. McLennan
Australian Statistician

ACTUAL NEW CAPITAL EXPENDITURE: Trend

QUARTERLY TREND ESTIMATES AT CONSTANT PRICES

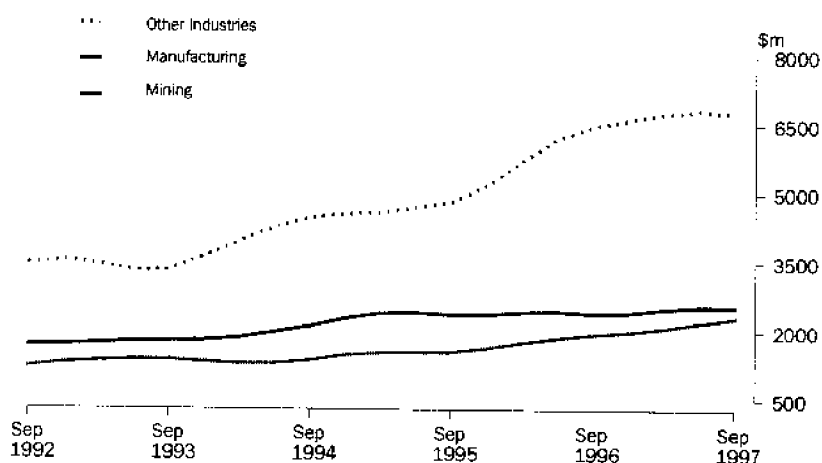
BY ASSET

This is the sixth consecutive quarter of decreasing growth rates for expenditure on buildings and structures, with the level of expenditure declining over the past three quarters. Growth in expenditure on equipment, plant and machinery has been above 4% over the past three quarters.



BY INDUSTRY

Growth rates for expenditure by Other Selected industries have been falling since the March quarter 1996. This is mainly being driven by falls in Property and Business Services and Other Services, most notably due to the completion in recent quarters of some major accommodation and recreational projects. Rates of growth for expenditure by the Mining industry have been strong since the December quarter 1995, while expenditure by the Manufacturing industry has remained relatively stable over the past two years.

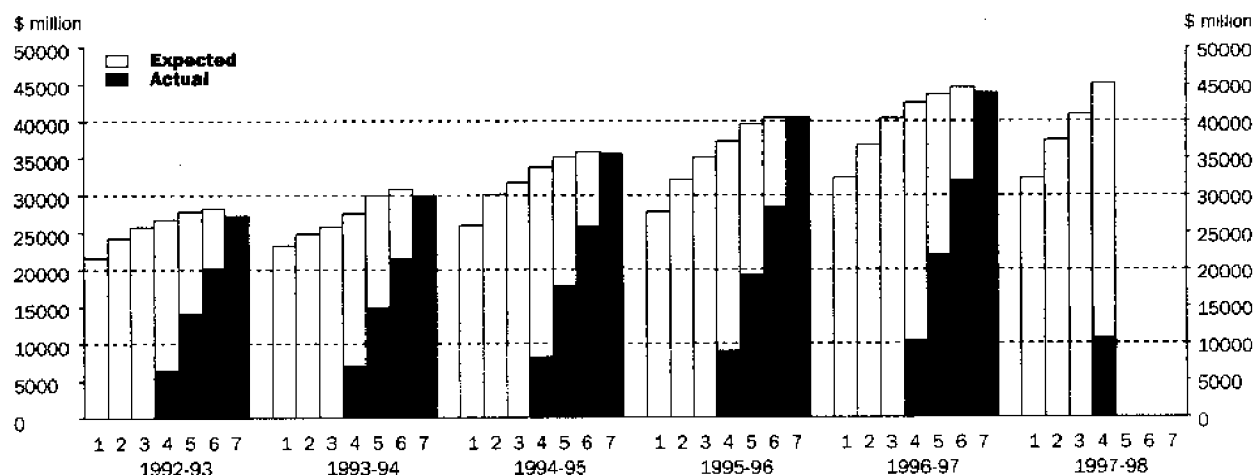


ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

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 taken 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

BUILDINGS AND STRUCTURES.....

EQUIPMENT, PLANT AND MACHINERY.....

TOTAL CAPITAL EXPENDITURE.....

Period	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)												
1995-96	3 709	1 294	7 345	12 348	3 816	9 163	15 146	28 124	7 525	10 457	22 491	40 473
1996-97	4 296	1 686	8 348	14 330	4 485	8 511	16 511	29 507	8 781	10 198	24 859	43 837
1995-96												
June	1 104	346	2 478	3 928	1 121	2 565	4 533	8 219	2 225	2 911	7 010	12 146
1996-97												
September	924	274	2 217	3 415	1 042	2 083	3 746	6 870	1 966	2 357	5 962	10 285
December	1 096	423	2 429	3 948	1 209	2 271	4 270	7 750	2 305	2 694	6 699	11 698
March	1 179	442	1 968	3 589	1 007	1 877	3 488	6 371	2 186	2 319	5 456	9 960
June	1 097	547	1 735	3 378	1 227	2 281	5 007	8 516	2 324	2 828	6 742	11 894
1997-98												
September	957	554	1 507	3 018	1 543	1 960	4 043	7 546	2 500	2 514	5 549	10 563
ORIGINAL (Expected)(a)												
1997-98												
3 mths to Dec	1 170	681	2 290	4 120	2 031	2 678	4 165	8 874	3 202	3 338	6 455	12 995
6 mths to Jun	2 543	909	3 757	7 209	3 543	4 140	6 668	14 351	6 086	5 048	10 425	21 559
Total 1997-98	4 670	2 123	7 553	14 347	7 117	8 777	14 876	30 771	11 788	10 900	22 429	45 117
SEASONALLY ADJUSTED (Actual)												
1995-96	3 700	1 264	7 262	12 226	3 821	9 182	15 166	28 169	7 520	10 446	22 428	40 395
1996-97	4 306	1 642	8 462	14 410	4 484	8 527	16 458	29 469	8 789	10 169	24 920	43 879
1995-96												
June	1 108	343	2 430	3 881	1 062	2 287	4 257	7 606	2 170	2 630	6 687	11 487
1996-97												
September	1 004	167	2 294	3 466	1 055	2 247	3 838	7 140	2 059	2 414	6 133	10 606
December	979	436	2 163	3 578	1 123	2 140	3 931	7 194	2 102	2 577	6 094	10 772
March	1 219	440	2 250	3 909	1 144	2 107	4 002	7 253	2 364	2 547	6 251	11 162
June	1 103	599	1 755	3 458	1 162	2 033	4 687	7 881	2 265	2 632	6 442	11 339
1997-98												
September	1 043	494	1 536	3 073	1 563	2 114	4 149	7 825	2 606	2 607	5 685	10 898
TREND ESTIMATES (Actual)												
1995-96	3 641	1 236	7 145	12 023	3 794	9 276	15 034	28 104	7 436	10 512	22 179	40 127
1996-97	4 329	1 661	8 509	14 499	4 594	8 565	16 430	29 589	8 922	10 226	24 940	44 088
1995-96												
June	982	297	2 122	3 402	1 045	2 324	4 057	7 426	2 028	2 621	6 180	10 828
1996-97												
September	1 028	288	2 302	3 619	1 083	2 247	3 988	7 318	2 112	2 535	6 290	10 937
December	1 077	364	2 296	3 738	1 089	2 147	3 969	7 205	2 166	2 512	6 265	10 943
March	1 106	473	2 073	3 651	1 149	2 097	4 147	7 394	2 255	2 570	6 220	11 045
June	1 117	535	1 839	3 491	1 273	2 074	4 326	7 673	2 390	2 609	6 165	11 164
1997-98												
September	1 091	531	1 589	3 211	1 427	2 078	4 388	7 894	2 518	2 609	5 978	11 105

(a) 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	Total mining	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)												
1995-96	7 525		1 895	271	1 112	673	1 719	756	2 192	1 611	227	10 457
1996-97	8 781		1 997	251	920	587	1 664	1 071	1 501	2 007	199	10 198
1995-96												
June	2 225		564	64	246	163	402	203	838	371	62	2 911
1996-97												
September	1 966		366	53	236	124	516	195	343	471	53	2 357
December	2 305		519	78	259	150	473	257	379	546	34	2 694
March	2 186		502	45	190	124	313	328	318	448	51	2 319
June	2 324		610	75	236	190	362	290	461	542	61	2 828
1997-98												
September	2 500		532	53	159	142	357	240	385	582	63	2 514
ORIGINAL (Expected)(a)												
1997-98												
3 mths to Dec	3 202		750	85	206	181	601	265	488	723	39	3 338
6 mths to Jun	6 086		1 152	92	291	344	796	311	1 052	947	63	5 048
Total 1997-98	11 788		2 434	230	656	667	1 754	816	1 925	2 252	165	10 900
SEASONALLY ADJUSTED (Actual)												
1995-96	7 520		1 890	271	1 125	686	1 725	755	2 156	1 613	225	10 446
1996-97	8 789		1 986	249	918	586	1 648	1 067	1 512	2 006	198	10 169
1995-96												
June	2 170		512	62	226	129	423	207	637	380	55	2 630
1996-97												
September	2 059		391	56	233	152	470	207	381	478	47	2 414
December	2 102		501	65	253	153	430	249	392	494	40	2 577
March	2 364		542	54	216	133	367	311	391	477	57	2 547
June	2 265		553	74	216	149	381	300	349	557	54	2 632
1997-98												
September	2 606		567	55	158	174	324	255	428	592	55	2 607
TREND ESTIMATES (Actual)												
1995-96	7 436		1 858	271	1 129	761	1 799	747	2 092	1 637	220	10 512
1996-97	8 922		2 032	248	901	584	1 617	1 057	1 609	1 985	200	10 226
1995-96												
June	2 028		460	59	267	160	458	204	536	425	52	2 621
1996-97												
September	2 112		459	59	242	146	442	222	467	451	48	2 535
December	2 166		483	60	232	140	424	258	388	479	47	2 512
March	2 255		525	63	226	145	392	286	370	511	51	2 570
June	2 390		565	67	201	151	359	292	385	543	55	2 609
1997-98												
September	2 518		568	59	175	161	341	279	396	574	56	2 609

(a) 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 \$m	Wholesale trade \$m	Retail trade \$m	Transport and storage \$m	Finance and insurance \$m	Property and business services \$m	Other services etc. \$m	Total other selected industries \$m	Total new capital expenditure \$m
ORIGINAL (Actual)									
1995-96	2 158	2 004	2 673	3 299	1 856	4 513	5 987	22 491	40 473
1996-97	1 145	2 545	2 253	3 303	2 464	6 269	6 880	24 859	43 837
1995-96									
June	752	541	781	993	450	1 327	2 166	7 010	12 146
1996-97									
September	188	641	504	780	837	1 425	1 587	5 962	10 285
December	280	638	661	908	585	1 836	1 792	6 699	11 698
March	321	501	401	708	448	1 433	1 644	5 456	9 960
June	356	765	687	908	594	1 575	1 857	6 742	11 894
1997-98									
September	302	745	648	683	668	1 311	1 192	5 549	10 563
ORIGINAL (Expected)(a)									
1997-98									
3 mths to Dec	271	900	805	781	748	1 383	1 567	6 455	12 995
6 mths to Jun	397	1 465	1 249	1 426	1 269	2 297	2 324	10 425	21 559
Total 1997-98	969	3 110	2 702	2 890	2 684	4 991	5 083	22 429	45 117
SEASONALLY ADJUSTED (Actual)									
1995-96	2 141	2 013	2 676	3 312	1 853	4 495	5 940	22 428	40 395
1996-97	1 162	2 554	2 225	3 335	2 441	6 317	6 887	24 920	43 879
1995-96									
June	681	557	686	1 065	432	1 225	2 041	6 687	11 487
1996-97									
September	173	615	542	840	781	1 412	1 769	6 133	10 606
December	299	557	609	759	574	1 667	1 628	6 094	10 772
March	368	595	471	765	517	1 789	1 746	6 251	11 162
June	322	787	602	971	569	1 448	1 744	6 442	11 339
1997-98									
September	278	715	699	739	623	1 296	1 336	5 685	10 898
TREND ESTIMATES (Actual)									
1995-96	2 008	2 023	2 620	3 266	1 962	4 501	5 799	22 179	40 127
1996-97	1 292	2 510	2 285	3 331	2 328	6 266	6 895	24 940	44 088
1995-96									
June	473	550	656	912	540	1 235	1 814	6 180	10 828
1996-97									
September	359	572	601	868	615	1 449	1 827	6 290	10 937
December	297	593	542	817	615	1 646	1 757	6 265	10 943
March	308	641	547	810	569	1 650	1 691	6 220	11 045
June	329	704	595	837	529	1 521	1 620	6 165	11 164
1997-98									
September	302	755	646	834	606	1 333	1 502	5 978	11 105

(a) 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 prices(a)

Period	ASSET.....			INDUSTRY.....			
	<i>Buildings and structures</i>	<i>Equipment, plant and machinery</i>	<i>Total</i>	<i>Mining</i>	<i>Manufacturing</i>	<i>Other selected industries</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL							
1995-96	11 950	26 578	38 528	6 862	9 529	22 137	38 528
1996-97	13 663	30 877	44 540	8 081	9 795	26 664	44 540
1995-96							
June	3 765	7 964	11 729	2 035	2 697	6 997	11 729
1996-97							
September	3 249	6 984	10 233	1 794	2 220	6 218	10 233
December	3 770	7 964	11 734	2 121	2 578	7 035	11 734
March	3 456	6 691	10 147	2 031	2 246	5 869	10 147
June	3 188	9 238	12 426	2 135	2 750	7 542	12 426
1997-98							
September	2 834	8 220	11 054	2 277	2 463	6 314	11 054
SEASONALLY ADJUSTED							
1995-96	11 844	26 608	38 451	6 857	9 515	22 079	38 451
1996-97	13 757	30 820	44 577	8 089	9 769	26 719	44 577
1995-96							
June	3 714	7 375	11 089	1 988	2 439	6 663	11 089
1996-97							
September	3 268	7 251	10 519	1 882	2 271	6 366	10 519
December	3 421	7 388	10 809	1 932	2 467	6 410	10 809
March	3 805	7 623	11 427	2 193	2 471	6 764	11 427
June	3 264	8 558	11 823	2 082	2 561	7 180	11 823
1997-98							
September	2 835	8 518	11 353	2 375	2 552	6 426	11 353
TREND ESTIMATES							
1995-96	11 635	26 589	38 224	6 779	9 577	21 868	38 224
1996-97	13 844	30 845	44 689	8 208	9 820	26 660	44 689
1995-96							
June	3 251	7 232	10 483	1 850	2 428	6 204	10 483
1996-97							
September	3 448	7 337	10 785	1 935	2 388	6 462	10 785
December	3 581	7 436	11 017	1 996	2 404	6 617	11 017
March	3 501	7 811	11 312	2 080	2 487	6 745	11 312
June	3 313	8 261	11 574	2 198	2 542	6 835	11 574
1997-98							
September	2 993	8 614	11 607	2 304	2 551	6 752	11 607

(a) 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)							
1993–94	7 785	8 114	7 689	8 250	8 804	8 888	8 294
1994–95	7 840	9 155	9 650	9 012	10 016	9 798	9 093
1995–96	8 700	9 528	10 479	11 878	12 861	12 373	12 348
1996–97	9 559	11 643	14 017	15 056	15 633	15 769	14 330
1997–98	12 085	14 505	13 668	14 347	n.y.a.	n.y.a.	n.y.a.
BUILDINGS AND STRUCTURES (Realisation Ratio)(a)							
1994–95	1.16	0.99	0.94	1.01	0.91	0.93	1.00
1995–96	1.42	1.30	1.18	1.04	0.96	1.00	1.00
1996–97	1.50	1.23	1.02	0.95	0.92	0.91	1.00
5 year average	1.27	1.13	1.04	0.99	0.93	0.94	1.00
EQUIPMENT, PLANT AND MACHINERY (\$ million)							
1993–94	15 461	16 706	17 974	19 380	21 189	21 881	21 696
1994–95	18 176	20 814	22 085	24 832	25 072	26 027	26 467
1995–96	19 069	22 634	24 605	25 437	26 742	28 077	28 124
1996–97	22 841	25 174	26 384	27 428	27 996	28 845	29 507
1997–98	20 229	22 974	27 193	30 771	n.y.a.	n.y.a.	n.y.a.
EQUIPMENT, PLANT AND MACHINERY (Realisation Ratio)(a)							
1994–95	1.46	1.27	1.20	1.07	1.06	1.02	1.00
1995–96	1.47	1.24	1.14	1.11	1.05	1.00	1.00
1996–97	1.29	1.17	1.12	1.08	1.05	1.02	1.00
5 year average	1.38	1.23	1.15	1.08	1.04	1.00	1.00
TOTAL (\$ million)							
1993–94	23 244	24 820	25 663	27 630	29 982	30 769	29 990
1994–95	26 016	29 968	31 736	33 844	35 087	35 825	35 561
1995–96	27 769	32 161	35 084	37 315	39 603	40 450	40 473
1996–97	32 400	36 817	40 401	42 484	43 629	44 614	43 837
1997–98	32 321	37 479	40 860	45 117	n.y.a.	n.y.a.	n.y.a.
TOTAL (Realisation Ratio)(a)							
1994–95	1.37	1.18	1.12	1.05	1.01	0.99	1.00
1995–96	1.46	1.26	1.15	1.08	1.02	1.00	1.00
1996–97	1.35	1.19	1.09	1.03	1.00	0.98	1.00
5 year average	1.35	1.19	1.12	1.05	1.00	0.98	1.00
TOTAL (Percentage change over previous estimate for same financial year)							
1993–94	n.a.	6.8	3.9	7.3	8.3	2.8	-2.7
1994–95	n.a.	16.0	5.2	6.6	3.7	2.1	-0.7
1995–96	n.a.	15.8	9.1	6.4	6.1	2.1	0.1
1996–97	n.a.	13.6	9.7	5.2	2.7	2.3	-1.7
1997–98	n.a.	16.0	9.0	10.4	n.y.a.	n.y.a.	n.y.a.
TOTAL (Percentage change over corresponding estimate for previous financial year)							
1994–95	11.8	21.5	23.0	22.3	17.0	16.2	18.6
1995–96	6.8	6.6	10.6	10.3	12.9	12.9	13.8
1996–97	16.7	14.5	15.2	13.9	10.2	10.3	8.3

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

MANUFACTURING (\$ million)

1993–94	6 677	7 227	7 848	8 409	8 732	8 688	8 350
1994–95	7 700	8 839	9 445	10 255	10 309	10 474	10 352
1995–96	8 975	9 964	10 721	11 185	11 160	10 978	10 457
1996–97	9 711	10 037	10 652	11 081	10 350	10 359	10 198
1997–98	7 727	8 826	10 108	10 900	n.y.a.	n.y.a.	n.y.a.

MANUFACTURING (Realisation Ratio)(a)

1994–95	1.34	1.17	1.10	1.01	1.00	0.99	1.00
1995–96	1.17	1.05	0.98	0.93	0.94	0.95	1.00
1996–97	1.05	1.02	0.96	0.92	0.99	0.98	1.00
5 year average	1.15	1.06	1.00	0.96	0.96	0.97	1.00

MINING (\$ million)

1993–94	6 921	7 044	6 854	6 249	5 889	6 147	5 585
1994–95	5 370	6 013	6 666	6 897	6 976	6 951	6 351
1995–96	5 541	6 720	7 472	7 627	7 764	7 788	7 525
1996–97	7 789	9 913	10 113	9 932	9 452	9 354	8 781
1997–98	8 592	9 588	11 027	11 788	n.y.a.	n.y.a.	n.y.a.

MINING (Realisation Ratio)(a)

1994–95	1.18	1.06	0.95	0.92	0.91	0.91	1.00
1995–96	1.36	1.12	1.01	0.99	0.97	0.97	1.00
1996–97	1.13	0.89	0.87	0.88	0.93	0.94	1.00
5 year average	1.13	1.00	0.92	0.93	0.93	0.93	1.00

OTHER SELECTED INDUSTRIES (\$ million)

1993–94	9 646	10 549	10 961	12 972	15 421	15 934	16 055
1994–95	12 947	15 116	15 624	16 692	17 803	18 400	18 857
1995–96	13 253	15 478	16 890	18 503	20 679	21 683	22 491
1996–97	14 900	16 867	19 636	21 470	23 827	24 901	24 859
1997–98	16 002	19 065	19 726	22 429	n.y.a.	n.y.a.	n.y.a.

OTHER SELECTED INDUSTRIES (Realisation Ratio)(a)

1994–95	1.46	1.25	1.21	1.13	1.06	1.02	1.00
1995–96	1.70	1.45	1.33	1.22	1.09	1.04	1.00
1996–97	1.67	1.47	1.27	1.16	1.04	1.00	1.00
5 year average	1.60	1.39	1.29	1.17	1.05	1.01	1.00

(a) Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 19 to 22 of the Explanatory Notes.

RATIOS OF ACTUAL TO SHORT TERM EXPECTATION FOR SAME PERIOD(a)—Current prices

3 MONTHS ENDING.....		6 MONTHS ENDING.....		
Financial year	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				
1994-95	0.96	0.77	0.94	0.84
1995-96	0.95	0.99	1.05	0.93
1996-97	0.94	0.70	1.02	0.84
5 year average	0.98	0.80	1.03	0.86
Equipment, Plant and Machinery				
1994-95	0.91	1.06	1.12	1.12
1995-96	1.00	1.01	1.02	1.10
1996-97	0.97	1.08	1.06	1.11
5 year average	0.97	1.01	1.06	1.08
Total				
1994-95	0.92	0.97	1.07	1.03
1995-96	0.98	1.00	1.03	1.04
1996-97	0.96	0.94	1.04	1.01
5 year average	0.97	0.94	1.05	1.01
.....				
TYPE OF INDUSTRY				
Mining				
1994-95	0.80	0.74	0.91	0.84
1995-96	0.93	0.89	0.89	0.94
1996-97	0.84	0.80	0.87	0.87
5 year average	0.87	0.79	0.89	0.87
Manufacturing				
1994-95	0.82	0.96	0.97	1.01
1995-96	0.85	0.85	0.91	0.88
1996-97	0.74	0.95	0.91	0.97
5 year average	0.83	0.90	0.93	0.93
Other Selected Industries				
1994-95	1.04	1.10	1.20	1.13
1995-96	1.08	1.13	1.16	1.18
1996-97	1.15	0.99	1.20	1.09
5 year average	1.11	1.04	1.21	1.11
Total				
1994-95	0.92	0.97	1.07	1.03
1995-96	0.98	1.00	1.03	1.04
1996-97	0.96	0.94	1.04	1.01
5 year average	0.97	0.94	1.05	1.01

(a) For more information on Realisation Ratios see paragraphs 19 to 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 (i.e. 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 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 & 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 7,500 units. The figures obtained from the selected businesses are supplemented by data from units which have large capital expenditure and/or large employment and which are outside the sample framework, or not adequately covered by it.

EXPLANATORY NOTES

SURVEY METHODOLOGY

continued

5 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 4.5% to the current quarter's estimate of reported capital expenditure. These adjustments were introduced in the June quarter 1997 publication and have been made back to the June quarter 1987. For further information see the June quarter 1997 publication or an Information Paper — *Improvements to ABS Economic Statistics 1997* (Cat. No. 1357.0) issued on 22 August 1997.

6 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

7 Surveys are conducted in respect of each quarter and returns are completed in the 8 or 9 week period after the end of the quarter to which the survey data relate (e.g. March quarter survey returns are completed during April and May). Full details of the reporting cycle are shown in the table below.

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

8 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).

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

EXPLANATORY NOTES

SAMPLE REVISION

10 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 the survey estimates by selecting a sample which will be more representative of the survey population. Additionally, the timing of sample selection will now be consistent with other ABS surveys. This will lead to greater consistency when comparing data across these surveys.

11 With these revisions to the sample, some of the business units are rotated out of the survey and are replaced by other 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.

12 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

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 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.

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, (1292.0)* and *Statistics New Zealand (19.005.0092)*.

16 In order to classify new capital expenditure by industry, each statistical unit (as defined above) is classified to the ANZSIC industry in which it *mainly* operates.

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 (average 1989-90 prices) 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'.

EXPLANATORY NOTES

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 1997–98 based on the June 1997 survey results and compare this with 1996–97 expenditure, it is necessary to apply relevant realisation factors to the expectation to put both estimates on the same basis. Once this has been done the predictions can be validly compared with each other and with previously derived estimates of actual expenditure for earlier years.

21 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 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 goods imported for the first time whether previously used outside Australia or not.

EXPLANATORY NOTES

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 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.

RELATIVE STANDARD ERROR

Total new capital expenditure:

Mining	7.3%
Manufacturing	2.8%
Other Selected Industries	3.4%
Buildings & Structures	4.8%
Equipment, Plant & Machinery	2.7%
Total Selected Industries	2.6%

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 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.

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.

SEASONAL ADJUSTMENT

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 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.

EXPLANATORY NOTES

SEASONAL ADJUSTMENT *continued*

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

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

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 (02) 6252 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.

EXPLANATORY NOTES

.....

COMPARABILITY WITH NATIONAL ACCOUNTS ESTIMATES *continued*

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

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

ANZSIC Australian and New Zealand Standard Industrial Classification
n.y.a. not yet available

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 the Explanatory Notes).

TREND REVISIONS

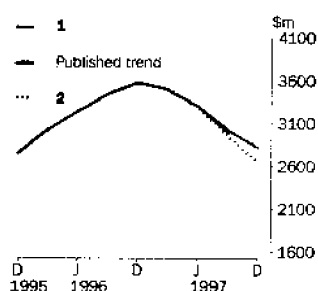
The examples in the tables below show two scenarios and the consequent revisions to previous trend estimates of capital expenditure by private businesses.

1 The 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

1997

	\$m	% change
March	3 501	-2.3
June	3 313	-5.4
September	2 993	-9.7
December	—	—

WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:

1

rises by 6.7% on Sep 1997

\$m % change

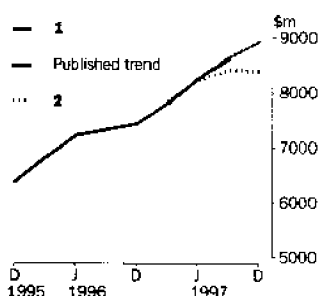
2

falls by 6.7% on Sep 1997

\$m % change

March	3 500	-2.3	3 514	-1.9
June	3 308	-5.5	3 303	-6.0
September	3 029	-8.4	2 959	-10.4
December	2 824	-6.8	2 666	-9.9

EQUIPMENT, PLANT AND MACHINERY



TREND AS PUBLISHED

1997

	\$m	% change
March	7 811	5.0
June	8 261	5.8
September	8 614	4.3
December	—	—

WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:

1

rises by 4.9% on Sep 1997

\$m % change

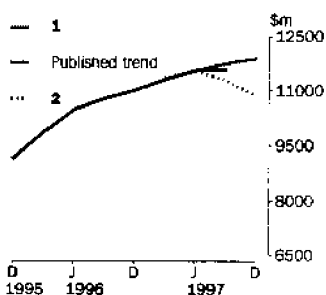
2

falls by 4.9% on Sep 1997

\$m % change

March	7 797	4.9	7 846	5.5
June	8 262	6.0	8 244	5.1
September	8 645	4.6	8 409	2.0
December	8 928	3.3	8 384	-0.3

TOTAL CAPITAL EXPENDITURE



TREND AS PUBLISHED

1997

	\$m	% change
March	11 312	2.7
June	11 574	2.3
September	11 607	0.3
December	—	—

WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:

1

rises by 4.4% on Sep 1997

\$m % change

2

falls by 4.4% on Sep 1997

\$m % change

March	11 284	2.4	11 373	3.2
June	11 574	2.6	11 543	1.5
September	11 736	1.4	11 307	-2.0
December	11 883	1.3	10 864	-3.9

FOR MORE INFORMATION

The ABS publishes a wide range of information on Australia's economic and social conditions. A catalogue of publications and products is available from any of our offices (see below).

INFORMATION CONSULTANCY SERVICES

Information tailored to special needs of clients can be obtained from the Information Consultancy Service available at ABS Offices (see below).

ABS PRODUCTS

A large number of ABS products is available from the ABS Bookshops (see below). The ABS also provides a subscription service – you can telephone the ABS Subscription Service Australia wide toll free on 1300 3663 23.

ELECTRONIC SERVICES

A large range of data is available via on-line services, diskette, magnetic tape, tape cartridge and CD ROM. For more details about our electronic data services, contact any ABS office (see below) or e-mail us at:

- client.services@abs.gov.au

GENERAL SALES AND INQUIRIES

- Sydney 02 9268 4611 ■ Adelaide 08 8237 7100
- Melbourne 03 9615 7755 ■ Hobart 03 6222 5800
- Brisbane 07 3222 6351 ■ Darwin 08 8943 2111
- Perth 08 9360 5140 ■ Canberra 02 6252 6627
- Information Services, ABS
PO Box 10, Belconnen ACT 2616



2562500009979

ISSN 1323-2568

RRP \$16.00