

**PRIVATE NEW CAPITAL EXPENDITURE, AUSTRALIA
ACTUAL AND EXPECTED EXPENDITURE TO JUNE 1995
DECEMBER QUARTER 1993 SURVEY, PRELIMINARY**

MAIN FEATURES

Actual Expenditure December Quarter 1993

In seasonally adjusted 1989-90 price terms, preliminary estimates show that expenditure increased by 3% over the September quarter 1993 estimate. Expenditure on Buildings and Structures rose by 13%, the first quarterly rise recorded since September 1992. Although expenditure on Plant and Equipment fell by 1% this may have been influenced by decisions to defer expenditure to later periods. This appears to be reflected in the increased expenditure expected for the 1993-94 year.

% change on September qtr 1993

| | <i>Bldgs</i> | <i>Equip</i> | <i>Total</i> |
|-------------------------------|--------------|--------------|--------------|
| <i>Average 1989-90 Prices</i> | | | |
| — Seasonally Adjusted | 13 | -1 | 3 |
| <i>Current Prices</i> | | | |
| — Seasonally Adjusted | 13 | -1 | 3 |
| — Original | 25 | 9 | 13 |

Seasonally adjusted current price estimates show that total expenditure rose by 3% over the September quarter. By broad industry groupings, changes were: Finance, Property and Business Services up 12%, Mining up 7%, Other Selected Industries up 4% and Manufacturing down 4%. Most of the increase in Finance, Property and Business Services and Mining is attributable to increased expenditure on Buildings and Structures

Expected New Capital Expenditure 1993-94

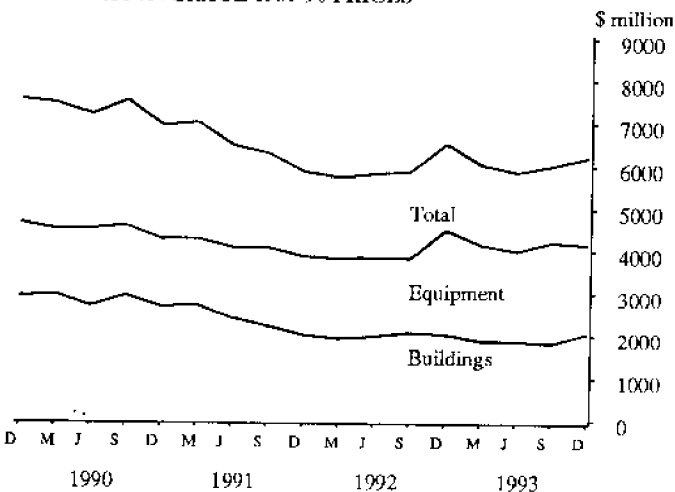
The latest estimate of expected new capital expenditure for 1993-94 is \$27,291m which is 7% higher than the September quarter's revised estimate for the same period, and 3% higher than the corresponding expectation for 1992-93 from the December 1992 survey. Compared with the actual expenditure recorded for 1992-93, an increase of 5% is expected in expenditure on Plant and Equipment and a 9% increase in Buildings and Structures.

The table below shows possible percentage changes in new capital expenditure between 1992-93 and 1993-94 using the relevant realisation ratios for the last completed year.

*% Change Expected Expenditure 1993-94
over Actual Expenditure 1992-93
(current prices)*

| | |
|-----------------|----------|
| TOTAL | 3 |
| <i>By Asset</i> | |
| Building | -2 |
| Equipment | 6 |

SEASONALLY ADJUSTED SERIES
AT AVERAGE 1989-90 PRICES



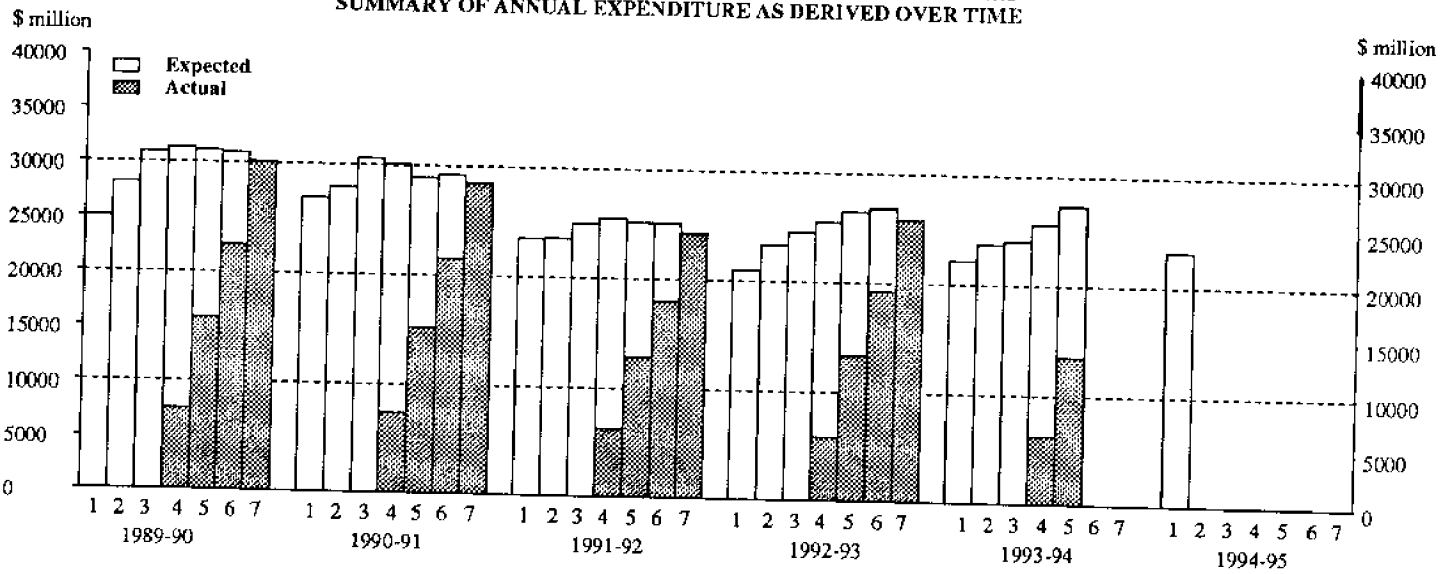
Expected New Capital Expenditure 1994-95

The first estimate of expected new capital expenditure for 1994-95 is \$23,247m which is 5% higher than the corresponding expectation for 1993-94 from the December quarter 1992 survey. This is the highest first estimate since the one for 1991-92.

INQUIRIES

- for further information about statistics in this publication and the availability of related unpublished statistics, contact Bruce Jamieson on Canberra (06) 252 5611 or any ABS State Office.
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GRAPH 1: PRIVATE NEW CAPITAL EXPENDITURE AUSTRALIA
SUMMARY OF ANNUAL EXPENDITURE AS DERIVED OVER TIME



EXPLANATION OF TIMING OF ESTIMATES USED IN CONSTRUCTION OF GRAPH ABOVE

| Estimate | Based on data reported at: | Composition of Estimate | | |
|----------|---|----------------------------|---|--|
| | | 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 | nil | 12 months |
| 4 | Oct-Nov 3-4 months into period | nil | 6 months | 6 months |
| 5 | Jan-Feb 6-7 months into period | 3 months | 3 months | 6 months |
| 6 | Apr-May 9-10 months into period | 6 months | 6 months | 6 months |
| 7 | Jul-Aug at end of period | 9 months | 3 months | nil |
| | | 12 months | nil | nil |

TABLE 1. ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR SELECTED INDUSTRIES (a) BY TYPE OF ASSET
(\$ million)

| Type of Asset | Actual | | | | | | | | | | Expected p (b) | |
|--------------------------------------|---------------|---------------|---------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|----------------|---------------|
| | 1991-92 | | 1992-93 | | 1992-93 | | 1993-94 | | 1993-94 | | 1994-95 | |
| | 1991-92 | 1992-93 | Sept. Qtr | Dec. Qtr | March Qtr | June Qtr | Sept. Qtr | Dec. Qtr | 1993-94 | 1993-94 | 1994-95 | 1994-95 |
| | | | ORIGINAL | | | | | | | | | |
| Buildings and Structures | 8,085 | 7,731 | 2,049 | 2,237 | 1,636 | 1,808 | 1,765 | 2,212 | 4,456 | 8,433 | 7,348 | 7,348 |
| Equipment, Plant and Machinery | 16,159 | 18,037 | 3,920 | 5,177 | 4,212 | 4,728 | 4,597 | 4,998 | 9,263 | 18,858 | 15,899 | 15,899 |
| Total New Capital Expenditure | 24,244 | 25,767 | 5,969 | 7,414 | 5,847 | 6,536 | 6,363 | 7,209 | 13,719 | 27,291 | 23,247 | 23,247 |
| | | | SEASONALLY ADJUSTED | | | | | | | | | |
| Buildings and Structures | 8,083 | 7,697 | 2,037 | 1,998 | 1,850 | 1,813 | 1,758 | 1,995 | n.a. | n.a. | n.a. | n.a. |
| Equipment, Plant and Machinery | 16,158 | 18,026 | 4,039 | 4,867 | 4,658 | 4,462 | 4,731 | 4,700 | n.a. | n.a. | n.a. | n.a. |
| Total New Capital Expenditure | 24,241 | 25,723 | 6,076 | 6,865 | 6,508 | 6,275 | 6,490 | 6,695 | n.a. | n.a. | n.a. | n.a. |

TABLE 2. ACTUAL PRIVATE NEW CAPITAL EXPENDITURE FOR SELECTED INDUSTRIES (a) BY TYPE OF ASSET
AT AVERAGE 1989-90 PRICES (c)
(\$ million)

| Type of Asset | 1992-93 | | | | | | | | | | 1993-94 | |
|--------------------------------------|---------------|---------------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1991-92 | | 1992-93 | | 1992-93 | | 1992-93 | | 1992-93 | | 1993-94 | |
| | 1991-92 | 1992-93 | Sept. Qtr | Dec. Qtr | March Qtr | June Qtr | Sept. Qtr | Dec. Qtr | 1993-94 | 1993-94 | 1993-94 | 1993-94 |
| | | | ORIGINAL | | | | | | | | | |
| Buildings and Structures | 8,103 | 7,850 | 2,072 | 2,271 | 1,659 | 1,847 | 1,809 | 2,266 | 2,266 | 2,266 | 2,266 | 2,266 |
| Equipment, Plant and Machinery | 15,573 | 16,477 | 3,702 | 4,785 | 3,750 | 4,240 | 4,086 | 4,415 | 4,415 | 4,415 | 4,415 | 4,415 |
| Total New Capital Expenditure | 23,677 | 24,327 | 5,774 | 7,056 | 5,409 | 6,087 | 5,895 | 6,681 | 6,681 | 6,681 | 6,681 | 6,681 |
| | | | SEASONALLY ADJUSTED | | | | | | | | | |
| Buildings and Structures | 8,104 | 7,815 | 2,059 | 2,028 | 1,876 | 1,852 | 1,802 | 2,044 | 2,044 | 2,044 | 2,044 | 2,044 |
| Equipment, Plant and Machinery | 15,574 | 16,462 | 3,814 | 4,498 | 4,148 | 4,002 | 4,206 | 4,152 | 4,152 | 4,152 | 4,152 | 4,152 |
| Total New Capital Expenditure | 23,679 | 24,277 | 5,874 | 6,526 | 6,024 | 5,853 | 6,007 | 6,196 | 6,196 | 6,196 | 6,196 | 6,196 |

See next page for footnotes

TABLE 3. ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY MAJOR INDUSTRY GROUP
(\$ million)

| Major Industry | Actual | | | | | | | | | | Expected p (b) | |
|---|---------------|---------------|--------------|--------------|--------------|--------------|---------------------|--------------|---------------|---------------|----------------|--|
| | 1991-92 | | 1992-93 | | | 1993-94 | | | 1993-94 | | 1994-95 | |
| | Sept. Qtr | Dec. Qtr | March Qtr | June Qtr | Sept. Qtr | Dec. Qtr | 6 Months to June 94 | 1993-94 | 1994-95 | | | |
| Finance, Property and Business Services | 4,754 | 4,440 | 1,240 | 1,178 | 1,023 | 1,000 | 919 | 1,065 | 1,936 | 3,920 | 3,123 | |
| Mining | 4,206 | 5,133 | 1,155 | 1,326 | 1,201 | 1,451 | 1,374 | 1,655 | 3,005 | 6,034 | 5,480 | |
| Manufacturing | 6,858 | 7,068 | 1,565 | 1,904 | 1,552 | 2,048 | 1,787 | 1,953 | 3,942 | 7,683 | 6,763 | |
| Other Selected Industries | 8,426 | 9,123 | 2,007 | 3,007 | 2,072 | 2,037 | 2,282 | 2,537 | 4,835 | 9,654 | 7,881 | |
| Total Selected Industries (a) | 24,244 | 25,767 | 5,969 | 7,414 | 5,847 | 6,536 | 6,363 | 7,209 | 13,719 | 27,291 | 23,247 | |
| SEASONALLY ADJUSTED | | | | | | | | | | | | |
| Finance, Property and Business Services | 4,749 | 4,441 | 1,225 | 1,121 | 1,115 | 979 | 907 | 1,016 | n.a. | n.a. | n.a. | |
| Mining | 4,205 | 5,146 | 1,185 | 1,198 | 1,320 | 1,443 | 1,409 | 1,502 | n.a. | n.a. | n.a. | |
| Manufacturing | 6,864 | 7,049 | 1,664 | 1,773 | 1,725 | 1,888 | 1,898 | 1,820 | n.a. | n.a. | n.a. | |
| Other Selected Industries | 8,423 | 9,087 | 2,003 | 2,772 | 2,347 | 1,965 | 2,276 | 2,356 | n.a. | n.a. | n.a. | |
| Total Selected Industries (a) | 24,241 | 25,723 | 6,076 | 6,865 | 6,508 | 6,275 | 6,490 | 6,695 | n.a. | n.a. | n.a. | |

TABLE 4. RATIO (d) OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED (c)
PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1988-89 TO 1992-93

| Financial Year | Type of Asset | | | | | Major Industry Group | | | Total (a) |
|-----------------------|--------------------------|-------------------------------|---|-------------|---------------|---------------------------|-------------|-------------|-----------|
| | Buildings and Structures | Equipment Plant and Machinery | Finance, Property and Business Services | Mining | Manufacturing | Other Selected Industries | | | |
| 1988-89 | 0.94 | 1.06 | 1.01 | 0.91 | 0.96 | 1.11 | 1.01 | 1.01 | |
| 1989-90 | 0.91 | 1.00 | 0.92 | 0.92 | 0.98 | 1.02 | 0.97 | 0.97 | |
| 1990-91 | 0.96 | 1.00 | 0.96 | 0.94 | 0.94 | 1.07 | 0.98 | 0.98 | |
| 1991-92 | 0.92 | 0.99 | 0.95 | 0.89 | 0.91 | 1.07 | 0.97 | 0.97 | |
| 1992-93 | 0.90 | 1.01 | 0.95 | 0.90 | 0.95 | 1.05 | 0.97 | 0.97 | |
| 5 Year Average | 0.93 | 1.01 | 0.96 | 0.91 | 0.95 | 1.06 | 0.98 | 0.98 | |

(a) Excludes public sector and all enterprises classified to agriculture, forestry, fishing and hunting and community services. (b) Expected by businesses in January-February 1994. (c) See paragraph 4 of Explanatory Notes. (d) See paragraph 6 of Explanatory Notes. (e) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported in the December quarter surveys.

EXPLANATORY NOTES

This publication contains preliminary estimates of actual new capital expenditure by private business units in selected industries in Australia for the December quarter 1993, together with estimates of expected new capital expenditure for the 6 months ending 30 June 1994 and the 12 months ending 30 June 1995. Estimates of previous quarters actual expenditure from the September quarter 1992 are also included. These statistics have been compiled on the basis of the initial 75 per cent of returns received and are subject to revision when final estimates are compiled on the basis of a more complete response.

2. The standard error for the preliminary estimate of the level of total new capital expenditure is approximately 2 per cent. The standard error of the quarter to quarter movement in total new capital expenditure is also about 2 per cent (expressed as a percentage of the level estimate).

3. It is anticipated that final estimates from this survey will be released in late March 1994 (5626.0).

Estimates at 1989-90 prices

4. Estimates at 1989-90 prices are presented, by type of asset, in both original and seasonally adjusted terms in Table 2. The deflators used to revalue the current price estimates are the same as the price deflators compiled for the national accounts aggregates 'Private gross fixed capital expenditure on non-dwelling construction' and 'Private gross fixed capital expenditure on equipment'. The base year of constant price estimates of private new capital expenditure was changed to 1989-90 in the December 1992 issue of this publication and the effects were discussed therein.

Seasonal adjustment

5. The series in this publication are affected to some extent by seasonal influences and it is useful to recognize and take account of this element of variation. Series are seasonally adjusted using factors derived from a full analysis of data at least once each year.

Realisation ratios

6. The realisation ratios shown in Table 4 are for estimate 5 (see foot of graph 1) and have been derived in a similar manner to those contained in previous publications. For details of the methodology used refer to Catalogue No. 5626.0.

Further information

7. For further information on the industry classification, reliability, definition of terms, scope of this series and a full discussion of the concept of standard error, together with estimates of standard errors, see the latest issue of Catalogue No. 5626.0.

Unpublished data

8. This publication contains only limited industry data. More detailed industry data may be made available on request.

Related publications

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Symbols and other usage

p preliminary figure or series subject to revision
r figure or series revised since previous issue
n.a. not available

10. Where figures have been rounded, discrepancies may occur between the sums of the component items and the totals.

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