

**STATE ESTIMATES OF PRIVATE NEW CAPITAL EXPENDITURE  
JUNE QUARTER 1997**

Note 1 The seasonally adjusted estimates for States should be interpreted with care. Refer to paragraphs 30 to 36 of the explanatory notes.

Note 2 This publication is based on results from the June quarter 1997 survey.

**MAIN FEATURES**

**Actual Expenditure - June Quarter 1997**

The trend estimates of private new capital expenditure (in constant price terms) rose by \$327m (2.9%) to \$11,427m in the June quarter 1997. This follows rises of 2.1% in the March quarter 1997 and 0.7% in the December quarter 1996.

**State Estimates by asset type**

State	June qtr 1997 trend estimates at current prices		
	Buildings \$m	Equipment \$m	Total \$m
NSW	1,108	2,303	3,411
Vic	805	2,197	3,002
Qld	674	1,254	1,927
SA	166	472	639
WA	586	1,037	1,623
Tas	27	134	161
Aust (a)	3,560	7,637	11,197

(a) Includes NT and ACT, and differences associated with the independent application of seasonal factors at State and Australian level (see paragraph 33 of the explanatory notes).

In New South Wales, trend estimates of expenditure on buildings (in current price terms) rose by 2.4% in the June quarter 1997, while expenditure on equipment fell by 0.9%.

In Victoria, expenditure on buildings fell by 6.3%, while expenditure on equipment increased by 6.3%.

In Queensland, expenditure on buildings fell by 6.9%, while expenditure on equipment rose by 1.5%.

For South Australia, expenditure on buildings rose by 6.4%, while expenditure on equipment fell by 1.3%.

In Western Australia, expenditure on buildings rose by 2.1% and expenditure on equipment remained flat.

In Tasmania, expenditure on buildings and equipment both fell, by 15.6% and 6.9%, respectively.

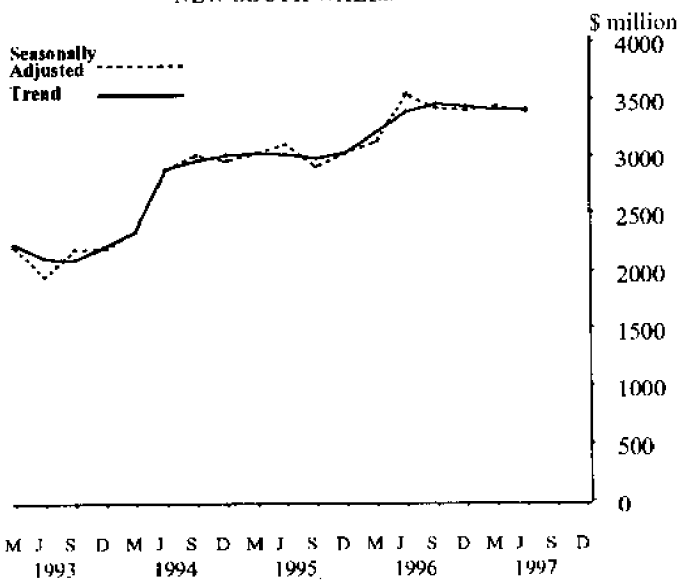
**Changes in expenditure - 12 months to June 1996**

The following table shows private new capital expenditure (in original terms at current prices) for the 12 months to June 1997 compared with 12 months to June 1996.

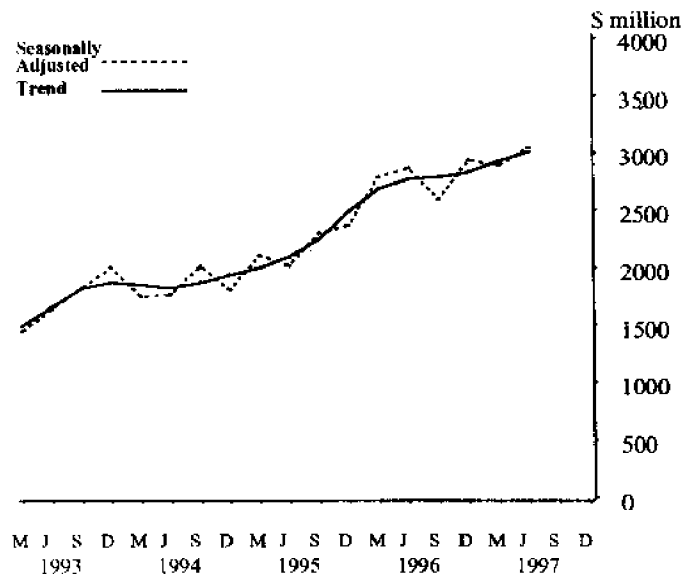
State	12 months to June 1996 \$m	12 months to June 1997 \$m	% change
NSW	12,607	13,649	8.3
Vic	10,294	11,462	11.3
Qld	5,853	7,577	29.5
SA	1,873	2,577	37.6
WA	7,907	6,568	-16.9
Tas	613	688	12.2
Aust (a)	40,473	43,714	8.0

(a) Includes NT and ACT.

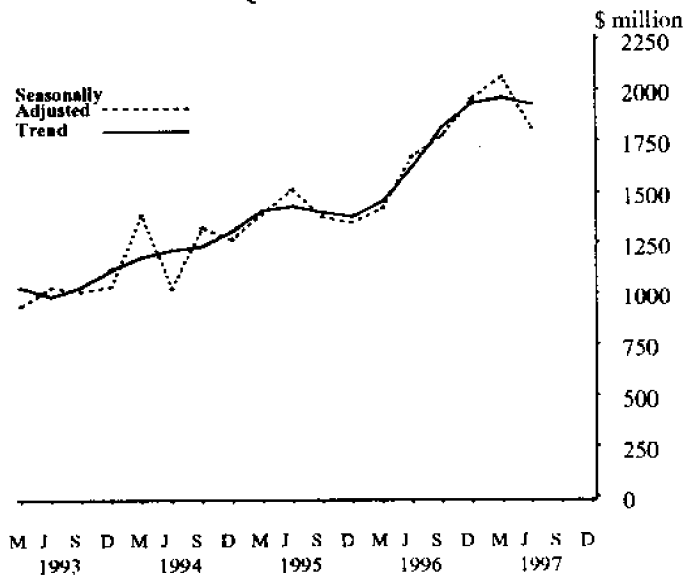
NEW SOUTH WALES



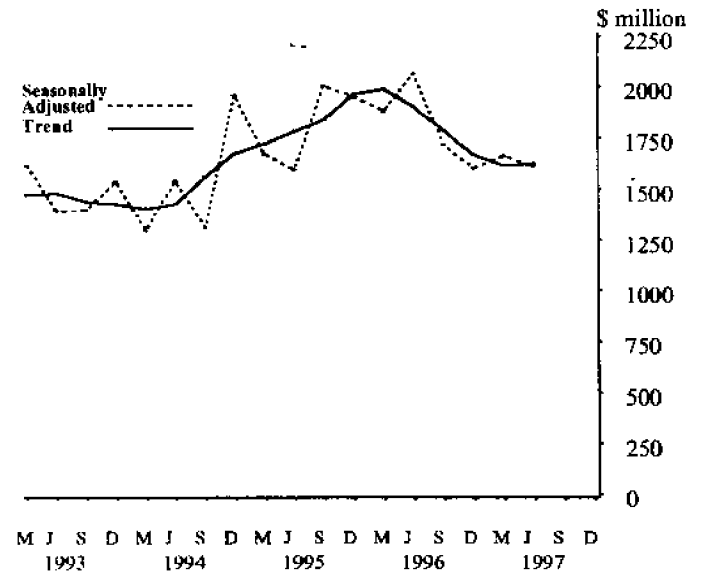
VICTORIA



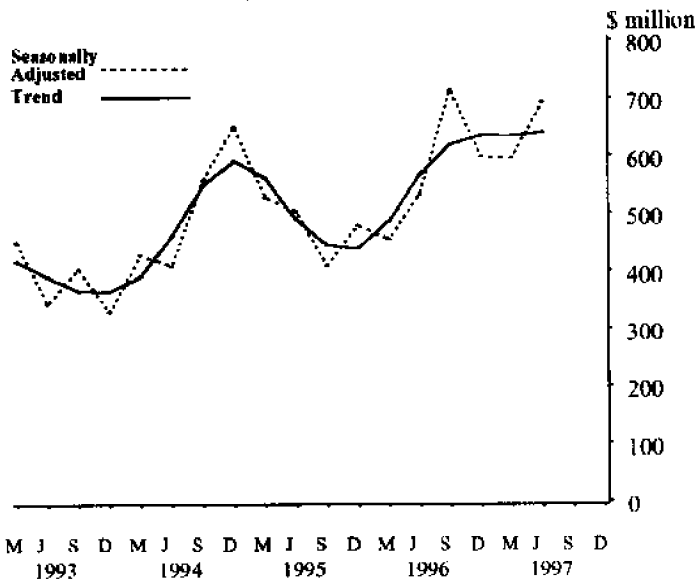
QUEENSLAND



WESTERN AUSTRALIA



SOUTH AUSTRALIA



TASMANIA

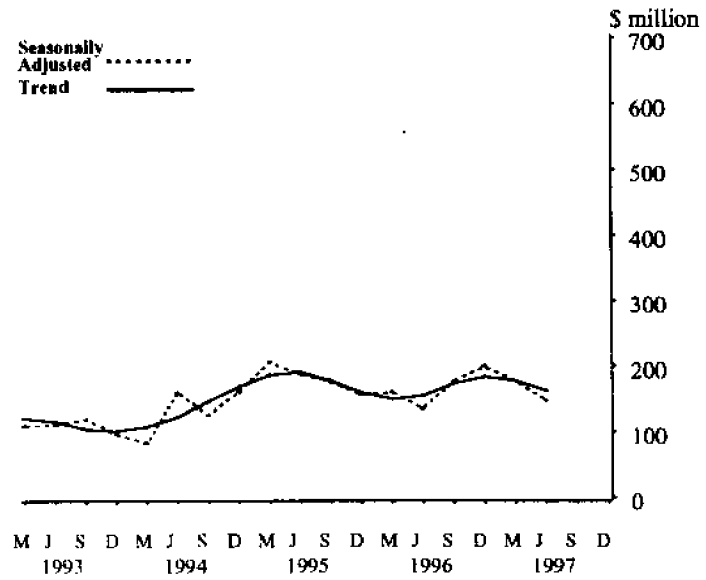




TABLE 2—ACTUAL PRIVATE NEW CAPITAL EXPENDITURE, AUSTRALIA  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
AVERAGE 1989-90 PRICES  
(\$ trillion)

Selected Industries and Type of Asset	1995-96			1996-97			1995-96			1996-97		
	1995-96	1996-97	March qtr	June qtr	Sept qtr	Dec qtr	March qtr	June qtr				
	ORIGINAL											
Mining	6,869	8,018	1,529	2,037	1,795	2,120	2,031	2,072				
Manufacturing	9,547	9,722	2,278	2,705	2,219	2,565	2,221	2,717				
Other Selected Industries	22,152	26,110	4,778	6,994	6,178	6,958	5,751	7,224				
<b>Total New Capital Expenditure</b>	<b>38,567</b>	<b>43,850</b>	<b>8,584</b>	<b>11,735</b>	<b>10,192</b>	<b>11,643</b>	<b>10,002</b>	<b>12,013</b>				
Buildings and Structures Equipment, Plant and Machinery	11,989	13,679	2,357	3,776	3,259	3,785	3,477	3,158				
	26,578	30,171	6,227	7,959	6,933	7,858	6,525	8,855				
	SEASONALLY ADJUSTED											
Mining	6,863	8,064	1,734	1,947	1,879	1,904	2,302	1,979				
Manufacturing	9,527	9,718	2,530	2,443	2,312	2,447	2,439	2,519				
Other Selected Industries	22,142	26,198	5,363	6,820	6,409	6,235	6,504	7,049				
<b>Total New Capital Expenditure</b>	<b>38,532</b>	<b>43,979</b>	<b>9,627</b>	<b>11,209</b>	<b>10,601</b>	<b>10,586</b>	<b>11,245</b>	<b>11,548</b>				
Buildings and Structures Equipment, Plant and Machinery	11,893	13,832	2,508	3,739	3,480	3,360	3,767	3,225				
	26,639	30,147	7,119	7,470	7,121	7,226	7,478	8,323				
	TREND											
Mining	6,785	8,149	1,767	1,844	1,932	2,015	2,084	2,119				
Manufacturing	9,587	9,745	2,414	2,434	2,399	2,406	2,457	2,483				
Other Selected Industries	21,928	26,302	5,708	6,259	6,467	6,451	6,559	6,825				
<b>Total New Capital Expenditure</b>	<b>38,299</b>	<b>44,196</b>	<b>9,889</b>	<b>10,537</b>	<b>10,798</b>	<b>10,872</b>	<b>11,100</b>	<b>11,427</b>				
Buildings and Structures Equipment, Plant and Machinery	11,691	13,953	3,036	3,296	3,525	3,565	3,479	3,384				
	26,608	30,243	6,854	7,241	7,273	7,307	7,621	8,043				

TABLE 3 — ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY STATE (a) AND TYPE OF ASSET  
ORIGINAL SERIES  
(\$ million)

State	1995-96					1996-97				
	1995-96	1996-97	March qtr	June qtr	Sept qtr	Dec. qtr	March qtr	June qtr		
<b>BUILDINGS AND STRUCTURES</b>										
New South Wales	3,352	4,258	726	1,132	1,040	1,066	1,103	1,050		
Victoria	3,126	3,361	701	953	789	1,039	789	743		
Queensland	1,563	2,723	254	627	625	735	747	615		
South Australia	358	593	77	117	133	172	130	159		
Western Australia	3,197	2,404	530	867	590	634	591	589		
Tasmania	190	129	47	38	34	35	30	31		
<b>Australia (a)</b>	<b>12,348</b>	<b>14,259</b>	<b>2,436</b>	<b>3,928</b>	<b>3,415</b>	<b>3,948</b>	<b>3,589</b>	<b>3,307</b>		
<b>EQUIPMENT, PLANT AND MACHINERY</b>										
New South Wales	9,255	9,391	2,053	2,686	2,273	2,518	1,982	2,617		
Victoria	7,168	8,102	1,749	2,048	1,784	2,110	1,758	2,450		
Queensland	4,290	4,855	999	1,310	1,119	1,162	1,086	1,487		
South Australia	1,515	1,984	326	428	514	517	391	561		
Western Australia	4,709	4,164	1,194	1,287	942	1,176	940	1,106		
Tasmania	423	559	105	124	118	157	140	144		
<b>Australia (a)</b>	<b>28,124</b>	<b>29,455</b>	<b>6,602</b>	<b>8,219</b>	<b>6,870</b>	<b>7,750</b>	<b>6,371</b>	<b>8,464</b>		
<b>TOTAL NEW CAPITAL EXPENDITURE</b>										
New South Wales	12,607	13,649	2,779	3,818	3,313	3,584	3,085	3,667		
Victoria	10,294	11,462	2,450	3,001	2,573	3,150	2,547	3,193		
Queensland	5,853	7,577	1,253	1,937	1,745	1,897	1,833	2,102		
South Australia	1,873	2,577	403	545	647	688	521	720		
Western Australia	7,907	6,568	1,725	2,153	1,532	1,810	1,531	1,695		
Tasmania	613	688	153	163	151	192	169	175		
<b>Australia (a)</b>	<b>40,473</b>	<b>43,714</b>	<b>9,037</b>	<b>12,146</b>	<b>10,285</b>	<b>11,698</b>	<b>9,960</b>	<b>11,771</b>		

(a) Estimates for NT and ACT are not available for publication but are included in the total.

TABLE 4—ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY STATE (a) AND TYPE OF ASSET  
SEASONALLY ADJUSTED SERIES  
(\$ million)

State	1995-96				1996-97				1995-96				1996-97			
	1995-96	1996-97	March	June	1995-96	1996-97	March	June	Sept.	Dec.	1995-96	1996-97	Sept.	Dec.	March	June
	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr
<b>BUILDINGS AND STRUCTURES</b>																
New South Wales	3,355	4,268	768	1,143	1,028	1,155	1,018	1,067								
Victoria	3,129	3,371	836	911	813	908	941	709								
Queensland	1,531	2,753	286	560	640	729	835	550								
South Australia	367	596	80	136	118	161	140	177								
Western Australia	3,177	2,431	551	869	697	533	611	590								
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.								
<b>Australia (a) (b)</b>	<b>12,226</b>	<b>14,344</b>	<b>2,629</b>	<b>3,881</b>	<b>3,466</b>	<b>3,578</b>	<b>3,909</b>	<b>3,392</b>								
<b>EQUIPMENT, PLANT AND MACHINERY</b>																
New South Wales	9,245	9,376	2,355	2,398	2,391	2,384	2,278	2,323								
Victoria	7,182	8,075	1,949	1,952	1,775	2,025	1,943	2,332								
Queensland	4,284	4,843	1,131	1,114	1,133	1,225	1,227	1,258								
South Australia	1,506	1,999	375	395	594	436	454	514								
Western Australia	4,721	4,158	1,329	1,196	1,019	1,067	1,050	1,021								
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.								
<b>Australia (a) (b)</b>	<b>28,169</b>	<b>29,419</b>	<b>7,507</b>	<b>7,606</b>	<b>7,140</b>	<b>7,194</b>	<b>7,253</b>	<b>7,832</b>								
<b>TOTAL NEW CAPITAL EXPENDITURE</b>																
New South Wales	12,600	13,644	3,123	3,541	3,419	3,402	3,433	3,390								
Victoria	10,312	11,446	2,785	2,863	2,588	2,933	2,884	3,042								
Queensland	5,815	7,596	1,418	1,674	1,773	1,954	2,062	1,808								
South Australia	1,873	2,595	455	531	712	597	595	691								
Western Australia	7,899	6,588	1,880	2,065	1,716	1,600	1,661	1,611								
Tasmania	623	697	159	134	176	199	176	146								
<b>Australia (a)</b>	<b>40,395</b>	<b>43,763</b>	<b>10,136</b>	<b>11,487</b>	<b>10,606</b>	<b>10,772</b>	<b>11,162</b>	<b>11,223</b>								

(a) Estimates for NT and ACT are not available for publication but are included in the total. (b) Estimates for Tasmania are not available for publication but are included in the total.

TABLE 5 — ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY STATE (a) AND TYPE OF ASSET  
TREND SERIES  
(S million)

State	1995-96				1996-97				1996-97			
	1995-96	1996-97	March qtr	June qtr	1995-96	1996-97	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
BUILDINGS AND STRUCTURES												
New South Wales	3,284	4,328	899	1,002	1,061	1,077	1,082	1,108				
Victoria	3,084	3,442	828	863	889	888	859	805				
Queensland	1,556	2,791	367	496	656	737	724	674				
South Australia	360	601	95	117	133	145	156	166				
Western Australia	3,042	2,463	768	720	681	623	574	586				
Tasmania	195	131	47	38	36	36	32	27				
<b>Australia (a)</b>	<b>12,023</b>	<b>14,516</b>	<b>3,145</b>	<b>3,402</b>	<b>3,622</b>	<b>3,693</b>	<b>3,640</b>	<b>3,560</b>				
EQUIPMENT, PLANT AND MACHINERY												
New South Wales	9,325	9,380	2,309	2,386	2,396	2,358	2,323	2,303				
Victoria	7,090	8,098	1,853	1,903	1,896	1,937	2,067	2,197				
Queensland	4,295	4,845	1,087	1,124	1,160	1,197	1,235	1,254				
South Australia	1,575	1,923	390	449	485	488	478	472				
Western Australia	4,646	4,222	1,218	1,181	1,102	1,045	1,038	1,037				
Tasmania	443	562	102	116	136	147	144	134				
<b>Australia (a)</b>	<b>28,104</b>	<b>29,554</b>	<b>7,206</b>	<b>7,426</b>	<b>7,321</b>	<b>7,220</b>	<b>7,375</b>	<b>7,637</b>				
TOTAL NEW CAPITAL EXPENDITURE												
New South Wales	12,608	13,709	3,208	3,388	3,458	3,435	3,405	3,411				
Victoria	10,174	11,519	2,681	2,766	2,785	2,826	2,926	3,002				
Queensland	5,851	7,636	1,454	1,620	1,816	1,934	1,959	1,927				
South Australia	1,935	2,524	485	566	618	634	634	639				
Western Australia	7,689	6,685	1,986	1,902	1,783	1,668	1,612	1,623				
Tasmania	638	693	149	154	172	183	176	161				
<b>Australia (a)</b>	<b>40,127</b>	<b>44,070</b>	<b>10,351</b>	<b>10,828</b>	<b>10,944</b>	<b>10,914</b>	<b>11,015</b>	<b>11,197</b>				

(a) Estimates for NT and ACT are not available for publication but are included in the total.

TABLE 6 — ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
ORIGINAL SERIES — NEW SOUTH WALES  
(\$ million)

Selected Industries and Type of Asset	1995-96			1996-97			
	1995-96	1996-97	1996-97	1995-96	1996-97	1996-97	
		March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	963	229	380	293	271	258	169
Manufacturing	3,318	803	831	791	782	655	867
Other Selected Industries	8,326	1,747	2,607	2,229	2,531	2,173	2,631
<b>Total New Capital Expenditure</b>	<b>12,607</b>	<b>2,779</b>	<b>3,818</b>	<b>3,313</b>	<b>3,584</b>	<b>3,085</b>	<b>3,667</b>
Buildings and Structures	3,352	726	1,112	1,040	1,066	1,103	1,050
Equipment, Plant and Machinery	9,255	2,053	2,686	2,273	2,518	1,982	2,617

TABLE 7 — ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
ORIGINAL SERIES — VICTORIA  
(\$ million)

Selected Industries and Type of Asset	1995-96			1996-97			
	1995-96	1996-97	1996-97	1995-96	1996-97	1996-97	
		March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	590	158	109	125	301	162	170
Manufacturing	3,544	829	925	808	987	772	879
Other Selected Industries	6,160	1,463	1,967	1,639	1,862	1,613	2,143
<b>Total New Capital Expenditure</b>	<b>10,294</b>	<b>2,450</b>	<b>3,001</b>	<b>2,573</b>	<b>3,150</b>	<b>2,547</b>	<b>3,193</b>
Buildings and Structures	3,126	701	953	789	1,039	789	743
Equipment, Plant and Machinery	7,168	1,749	2,048	1,784	2,110	1,758	2,450



TABLE 8—ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
ORIGINAL SERIES—QUEENSLAND  
(\$ million)

Selected Industries and Type of Asset	1995-96				1996-97			
	1995-96	1996-97	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	961	1,844	192	343	430	458	543	413
Manufacturing	1,433	1,738	363	434	307	386	420	624
Other Selected Industries	3,459	3,996	698	1,161	1,007	1,054	870	1,065
<b>Total New Capital Expenditure</b>	<b>5,853</b>	<b>7,577</b>	<b>1,253</b>	<b>1,937</b>	<b>1,745</b>	<b>1,897</b>	<b>1,833</b>	<b>2,102</b>
Buildings and Structures	1,561	2,723	254	627	625	735	747	615
Equipment, Plant and Machinery	4,290	4,855	999	1,310	1,119	1,162	1,086	1,487

TABLE 9—ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
ORIGINAL SERIES—SOUTH AUSTRALIA  
(\$ million)

Selected Industries and Type of Asset	1995-96				1996-97			
	1995-96	1996-97	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	196	488	51	59	61	82	79	266
Manufacturing	756	839	167	210	187	234	198	221
Other Selected Industries	921	1,250	184	276	399	373	245	233
<b>Total New Capital Expenditure</b>	<b>1,873</b>	<b>2,577</b>	<b>403</b>	<b>545</b>	<b>647</b>	<b>688</b>	<b>521</b>	<b>720</b>
Buildings and Structures	358	593	77	117	133	172	130	159
Equipment, Plant and Machinery	1,515	1,984	326	428	514	517	391	561

TABLE 10 — ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
ORIGINAL SERIES — WESTERN AUSTRALIA  
(\$ million)

Selected Industries and Type of Asset	1995-96			1996-97				
	1995-96	1996-97	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	4,285	4,115	934	1,141	865	1,063	1,063	1,124
Manufacturing	1,046	624	217	414	162	166	145	152
Other Selected Industries	2,575	1,829	573	598	505	581	323	419
<b>Total New Capital Expenditure</b>	<b>7,907</b>	<b>6,568</b>	<b>1,725</b>	<b>2,153</b>	<b>1,532</b>	<b>1,810</b>	<b>1,531</b>	<b>1,695</b>
Buildings and Structures	3,197	2,404	530	867	590	634	591	589
Equipment, Plant and Machinery	4,709	4,164	1,194	1,287	942	1,176	940	1,106

TABLE 11 — ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
BY SELECTED INDUSTRIES AND TYPE OF ASSET  
ORIGINAL SERIES — TASMANIA  
(\$ million)

Selected Industries and Type of Asset	1995-96			1996-97				
	1995-96	1996-97	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	162	81	54	27	28	20	18	15
Manufacturing	222	391	56	62	76	102	118	94
Other Selected Industries	229	216	43	74	47	70	33	66
<b>Total New Capital Expenditure</b>	<b>613</b>	<b>688</b>	<b>153</b>	<b>163</b>	<b>151</b>	<b>192</b>	<b>169</b>	<b>175</b>
Buildings and Structures	190	129	47	38	34	35	30	31
Equipment, Plant and Machinery	423	559	105	124	118	157	140	144

TABLE 12 — RELATIVE STANDARD ERRORS OF ESTIMATES OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE  
(Percentage)

State	Selected Industries				Type of Asset		
	Mining	Manufacturing	Other Selected Industries	Total	Buildings and Structures	Equipment Plant and Machinery	
NSW	22.6	3.8	5.6	5.1	..	5.3	
Vic.	0.7	5.5	5.9	3.9	..	3.9	
Qld	7.5	7.7	7.9	5.1	..	5.7	
S.A.	6.0	8.7	10.3	5.8	..	6.9	
W.A.	9.7	11.2	8.5	6.8	..	6.8	
Tas.	..	13.9	15.5	9.3	..	9.3	
<b>Australia (a)</b>	<b>7.3</b>	<b>2.8</b>	<b>3.4</b>	<b>2.6</b>	<b>4.8</b>	<b>2.7</b>	

(a) Includes NT and ACT

## EXPLANATORY NOTES

### Introduction

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

2. State estimates in this publication are derived from the latest available Australian estimates for the June quarter 1997. These estimates are more up to date than those previously released in *Private New Capital Expenditure and Expected Expenditure to June 1998, Australia* (5625.0) released on 28 August 1997.

### Scope of the survey

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

4. The scope of the survey:

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

Mining (Division B)

Manufacturing (Division C)

Food, beverage and tobacco (21)

Textile, clothing, footwear and leather (22)

Wood and paper product (23)

Printing, publishing and recorded media (24)

Petroleum, coal, chemical and assoc. product (25) Non-metallic mineral product (26)

Metal product (27)

Machinery and equipment (28)

Other manufacturing (29)

Other Selected Industries

Construction (Division E)

Wholesale trade (Division F)

Retail trade (Division G)

Transport and storage (Division I)

Finance and insurance (Division K)

Property and business services (Division L)

Other selected services (including electricity & gas; communication; accommodation; cafes & restaurants; cultural & recreational services; and personal services)

(36,37,57,71,91-93,95)

(b) excludes the following industries

Agriculture, Forestry and Fishing

Government Administration and Defence

Education

Health and Community Services

### Survey methodology

5. This quarterly survey is based on a stratified random sample of private business units recorded on the ABS register of businesses and is stratified by industry, number of employees and, from the March quarter 1997, state/territory. 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.

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.

### Reporting cycle

7. State estimates of actual new capital expenditure by business units are compiled quarterly. State estimates for expected expenditure are only collected in the December quarter survey. The expectations data relate to the 6 months ending the following June and to the financial year following that.

8. The collection of expectations in the December quarter surveys allows the derivation of a *composite estimate* (6 months actual plus 6 months expectations) for the current financial year (i.e. 12 months ending June) and will provide a *twelve month expectation* for the following financial year.

### Sample revision

9. Prior to the June quarter 1996 survey, the survey frames and samples were revised annually to ensure that they remained representative of the survey population. Adjustments were made to the survey estimates each quarter to reflect changes in the size of the survey frame throughout the year. From the June quarter 1996 survey, the survey frames and samples are being revised each quarter. The aim is to further improve the quality of survey estimates by selecting a sample which will be more representative of the survey population. Additionally, the timing of sample selection is now consistent with other ABS surveys. This will lead to greater consistency when comparing data across these surveys.

10. With these revisions to the sample, some of the business units are rotated out of the survey and are replaced by others to spread the reporting workload equitably. The rate of rotation under quarterly sample selection is slightly higher than one quarter of the previous annual rate of rotation.

11. 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

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

are compiled for it. Prior to 1989, the survey was on a different business unit basis. Further details are available on request.

#### State dissection

13. Estimates for NT and ACT are not separately available because of the high sampling variability associated with them. They are included in totals for Australia and while a residual for the territories can be derived, the measure is not reliable.

#### 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*, (Cat. No. 1292.0) and *Statistics 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 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 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'.

#### Description of terms

19. *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.

20. Some estimates are dissected by type of asset:

- (a) *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.

- (b) *Equipment, plant and machinery*. Includes plant, machinery, vehicles, electrical apparatus, office equipment, furniture, fixtures and fittings not forming an integral part of buildings, durable containers, special tooling, etc. Also includes goods imported for the first time whether previously used outside Australia or not.

#### Reliability of estimates

21. 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.

22. Another measure of sampling variability is the *relative standard error* which is obtained by expressing the standard error as a percentage of the estimate to which it refers. The relative standard error is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling. The sample estimates of quarter to quarter movement in the value of new capital expenditure are also subject to sampling variability. The relative standard error of the estimate of movement is expressed as a percentage of the quarterly estimate of the level of capital expenditure. Table 12 shows the new relative standard errors by State. Relative standard errors for buildings and structures have not been included in this publication but will be made available on request.

23. The imprecision due to sampling, which is measured by the standard error, is not the only type of inaccuracy to which the estimates are subject. Other inaccuracies, referred to collectively as non-sample error, may occur for a number of reasons, for example misreporting of data by respondents or imputation for missing respondents. In addition, respondents may have difficulties in allocating to the appropriate State(s), expenditure on some equipment items such as mobile assets (e.g. aircraft, bulk oil carriers, satellites, off-shore drilling platforms and large computer installations supporting a national network). Where such difficulties exist expenditure is allocated to the State of the businesses' head office.

24. 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.

#### Improvements to coverage

25. There have been some adjustments to the series in this issue to allow for lags in processing new businesses to the ABS business register. The majority of businesses affected and to which the

adjustments apply are small in size.

26. First, adjustments have been made to allow for new businesses which had commenced operations but for which details had not been processed to the ABS business register in time for inclusion in the survey. Although such adjustments have been made to data since June 1994, and adjustments of this type will continue to be applied in the future, earlier data are now also adjusted. The magnitude of these adjustments varies slightly over time, and so estimates of movement from one period to another may have been affected.

27. Second, adjustments have been made for businesses which had been in existence for several years but, for various reasons revealed by recent investigations, were not previously added to the ABS business register. These omissions had led to the levels of reported capital expenditure being understated by small amounts which increased over the period 1992 to 1994 to around 6% of the previously reported level (in original terms). There has been no significant effect, however, on quarter to quarter movements over the period of the adjustment. These adjustments have been made back to the June quarter 1987.

28. For further information see an Information Paper - *Improvements to ABS Economic Statistics 1997* (Cat. No. 1357.0), issued on 22 August 1997.

#### Other revisions to previously published data

29. Published data are subject to revision each quarter, generally as a consequence of further processing of data and the resolution of any outstanding queries with respondents at the time of publication. The data contained in this publication have been revised for incorrect reporting of capital expenditure by unincorporated joint venture operators in the Mining industry. This correction has led to some negative adjustments to levels from the June quarter 1991. These adjustments are relatively small through most of this period, with their greatest impact in 1993-94 and 1994-95, where they averaged approximately \$200m per quarter. Additionally, this issue includes adjustments to estimates up to the March quarter 1997 as a result of reclassification of some oil producing and distribution businesses, affecting estimates for the Manufacturing and Wholesale Trade industries.

#### Seasonal adjustment

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

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

32. Seasonal adjusted estimates in this publication have been derived by independently adjusting State estimates by type of asset and then adding them to form State capital expenditure

estimates. This publication contains seasonally adjusted State estimates by type of asset for all States except Tasmania. Seasonally adjusted for Tasmania have not been published at the type of asset level because of volatility within the series.

33. The seasonally adjusted Australian estimates of new capital expenditure included in the publication are consistent with those published in *Private New Capital Expenditure, Australia* (5625.0). These estimates are derived independently of the seasonally adjusted State estimates and as such the residual difference between the States and Australia estimates should in no way be regarded as seasonally adjusted estimates for ACT and NT.

34. 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. 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.

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

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

#### Trend estimates

37. 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

38. 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:

- (a) 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.

(b) National Accounts estimates include capital expenditure by all private businesses including units classified to the agriculture, forestry, fishing and hunting and community services industries and capital expenditure on dwellings by households. Data for these sectors are excluded from this publication.

(c) 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.

(d) 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.

39. 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

40. Users may also wish to refer the following publications:  
*Private New Capital Expenditure and Expected Expenditure, Australia* (5625.0)  
*Company Profits, Australia* (5651.0)  
*Stocks and Sales, Selected Industries, Australia* (5629.0)  
*Australian National Accounts: National Income, Expenditure and Product* (5206.0)  
*Australian Business Expectations* (5250.0)  
*Business Operations and Industry Performance, Australia* (8140.0)  
*Engineering Construction Activity, Australia* (8762.0)  
*Building Activity, Australia* (8752.0).

41. 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

42. In addition to the data contained in this publication, more detailed industry information may be made available on request.

### Symbols and other usages

.. not applicable  
 np not published

ANZSIC Australian and New Zealand Standard Industrial Classification

W. McLennan  
 Australian Statistician

## For more information . . .

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