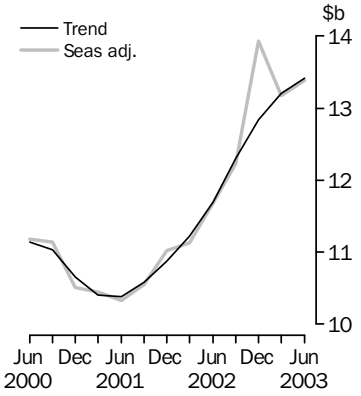
JUNE QUARTER 2003 5625.0

PRIVATE NEW CAPITAL EXPENDITURE AND EXPECTED EXPENDITURE AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) THURS 28 AUG 2003

New Capital Expenditure
in volume terms



KEY FIGURES

	Jun Qtr 03 $m	Mar Qtr 03 to Jun Qtr 03 % change	Jun Qtr 02 to Jun Qtr 03 % change
Trend estimates(a)			
Total new capital expenditure	13 415	1.6	14.7
Buildings & structures	3 189	–0.1	16.1
Equipment, plant & machinery	10 217	2.0	14.2
Seasonally adjusted(a)			
Total new capital expenditure	13 382	1.6	14.6
Buildings & structures	3 186	0.8	19.9
Equipment, plant & machinery	10 196	1.8	13.0

(a) In volume terms.

KEY POINTS

ACTUAL EXPENDITURE

- The trend estimate for total new capital expenditure (in volume terms) increased by 1.6% in the June quarter 2003, continuing the increases of the previous seven quarters.
- The trend estimate for expenditure on buildings and structures remained relatively unchanged following five quarters of growth.
- The trend estimate for expenditure on equipment, plant and machinery increased by 2.0%, which was the eighth consecutive quarter of growth, although the rate of increase has slowed over the past three quarters.
- The trend estimates of expenditure by Mining and Manufacturing have increased over the past several quarters, while Other selected industries remained unchanged.
- In seasonally adjusted terms there was an increase of 1.6% in total new capital expenditure in the June quarter 2003, following a 5.4% decrease in the previous quarter.

EXPECTED EXPENDITURE

- This issue includes the seventh estimate for 2002–03 and the third estimate for 2003–04.
- Estimate 7 for 2002–03 is $51,098m, which is 15.1% higher than the corresponding estimate for 2001–02 and 1.3% lower than Estimate 6.
- Estimate 3 for 2003–04 is $49,527m. This estimate is 5.0% higher than the comparable estimate for 2002–03 and 8.0% higher than Estimate 2.
- See pages 4 and 5 for further commentary on expectations data.

INQUIRIES

- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Didier Rivet on Sydney 02 9268 4357.

NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)	*RELEASE DATE*
September 2003	27 November 2003
December 2003	26 February 2004

CHANGES IN THIS ISSUE

A new base year, 2001–02, has been introduced into the chain volume estimates which has resulted in revisions to growth rates in subsequent periods. Also, the chain volume estimates have been re-referenced to 2001–02, thereby preserving additivity in the quarters after the reference year. Re-referencing affects the levels of, but not the movements in, chain volume estimates.

ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification

Dennis Trewin
Australian Statistician

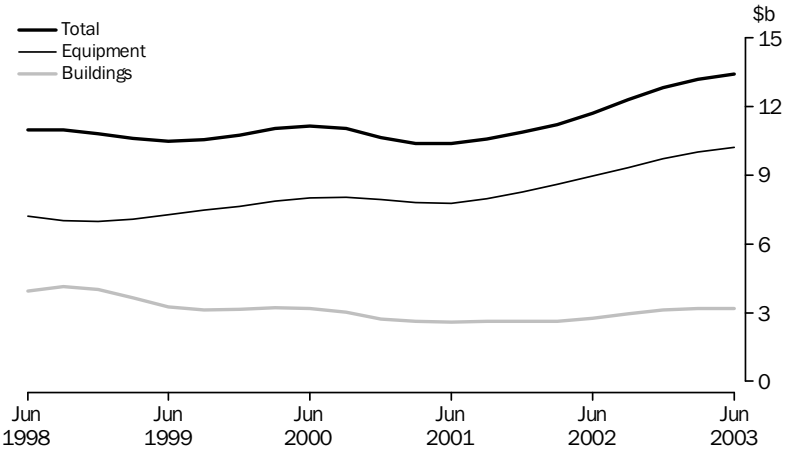
CONTENTS

QUARTERLY TREND ESTIMATES OF CHAIN VOLUME MEASURES

BY ASSET

The trend estimate for buildings and structures remained relatively unchanged in the June quarter 2003, with a marginal decrease of 0.1%, after five quarters of growth. The trend estimate for Manufacturing (+0.2%) and Mining (+2.4%) both increased slightly in the June quarter, but the rate of growth has declined considerably over the past four quarters. Other selected industries has remained relatively unchanged.

The trend estimate for expenditure on equipment, plant and machinery has increased for the past eight quarters with each major industry group contributing to this increase.

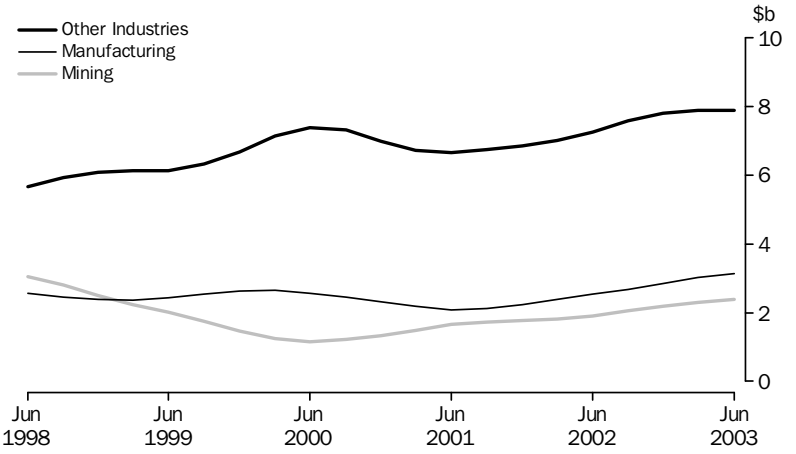


BY INDUSTRY

Trend estimates for expenditure by Mining rose for the twelfth consecutive quarter. In trend terms expenditure on both buildings and structures (+2.4%) and equipment, plant and machinery (+3.9%) continued to increase.

The trend estimate for expenditure by Manufacturing increased by 3.6%, the eighth continuous quarter of steady growth. Building and structures growth slowed to 0.2% in the June quarter 2003, while equipment rose by 3.9%.

The trend estimate for expenditure by Other selected industries was unchanged in the June quarter 2003. Expenditure on buildings and structures fell by 1.7%, while equipment, plant and machinery increased by 0.5%.



ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

FINANCIAL YEARS AT CURRENT PRICES

The graphs below show the seven estimates of actual and expected expenditure for each financial year. The estimates appearing below relate to data contained in tables 5 and 6. Advice about the application of realisation ratios to these estimates is in Paragraphs 26 to 29 of the Explanatory Notes.

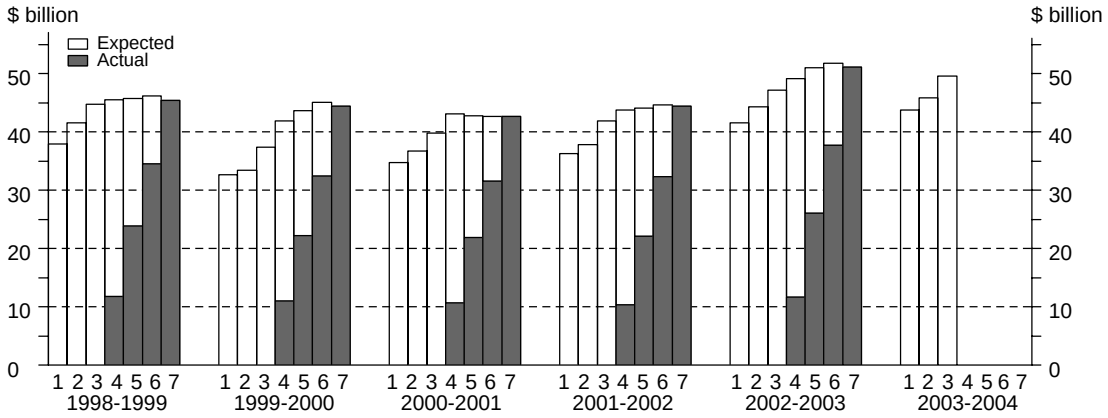
The timing and construction of these estimates are as follows:

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

TOTAL CAPITAL EXPENDITURE

Estimate 7 for 2002–03 is 15.1% ($6,718m) higher than the comparable estimate for 2001–02 and is 1.3% lower than estimate 6. The increase from 2001–02 was predominately contributed to by Transport and storage ($2,316m), Manufacturing ($2,132m) and Mining ($1,740m).

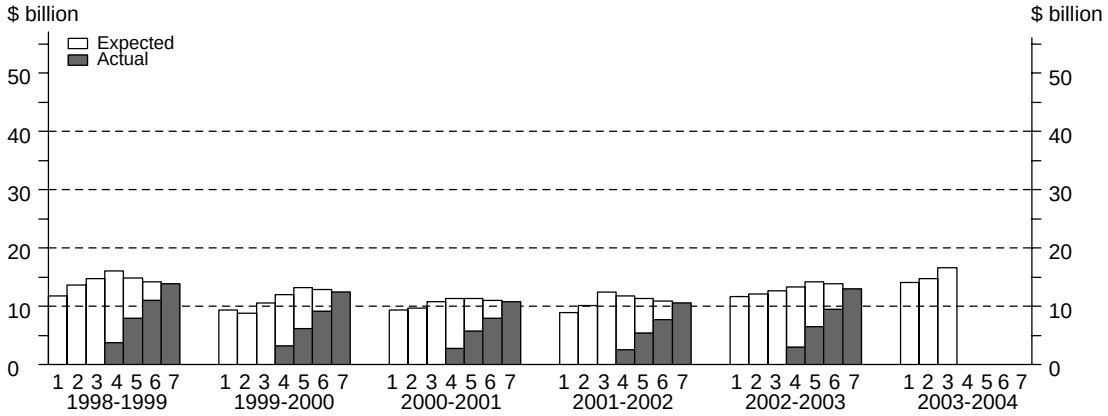
Estimate 3 for 2003–04 is $49,527. This is 5.0% higher than the corresponding estimate for 2002–03 and 8.0% higher than estimate 2. The increase from estimate 2 is similar to the corresponding increases over past financial years and is spread across a range of industries, although Retail (-4.1%) and Transport and storage (-2.8%) had slight falls.



CAPITAL EXPENDITURE ON BUILDINGS AND STRUCTURES

Estimate 7 for 2002–03 is 23% higher than estimate 7 from 2001–02 and 6.2% lower than the estimate recorded last quarter. The strong increase from last year was mainly contributed to by Manufacturing (+112%), Transport and storage (+37%) and Mining (+36%). Construction fell significantly, by 54%.

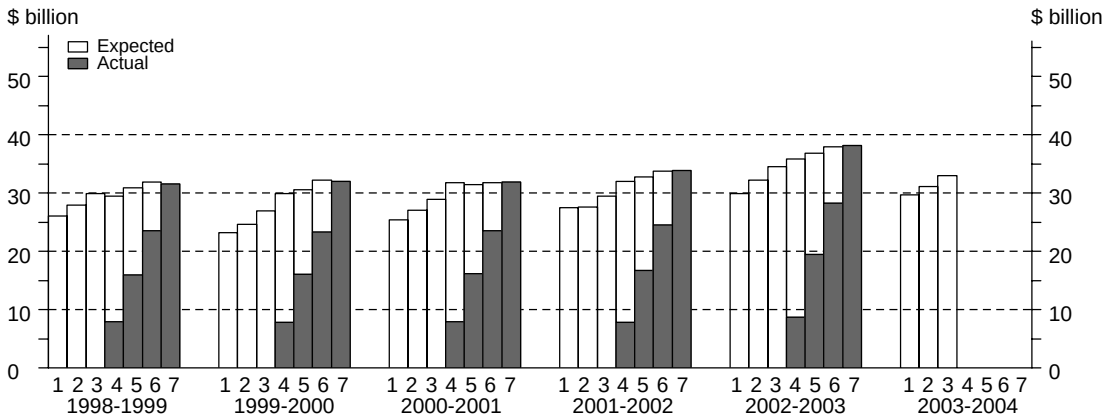
The third estimate for 2003–04 is 30% higher than for 2002–03 and is 12.2% higher than estimate 2. Mining (+15.3%) and Other selected industries (+12.4%) both contributed significantly to the overall increase, while Manufacturing had a small increase of 3.1%.



CAPITAL EXPENDITURE ON EQUIPMENT, PLANT AND MACHINERY

Estimate 7 for 2002–03 is 12.6% higher than the comparable estimate from 2001–02 and 0.5% higher than estimate 6 recorded last quarter. The increase from the previous year is dominated by Transport and storage (+51%), with only Other Services recording a fall (-9.7%). Compared to estimate 6, Mining had the most significant fall (-5.7%), while Other services (-3.2%), Finance and insurance (-2.6%) and Manufacturing (-1.5%) had small falls. Construction (+9.5%), Wholesale (+7.2%) and Retail (+6.4%) all increased.

The third estimate for 2003–04 is 4.4% lower than for 2002–03 but 6.0% higher than the second estimate recorded last quarter. Expectations for all industries except Transport and storage and Other services increased on estimate 2.



1 ACTUAL AND EXPECTED EXPENDITURE, By type of asset and industry—Current prices

	BUILDINGS AND STRUCTURES				EQUIPMENT, PLANT AND MACHINERY				TOTAL CAPITAL EXPENDITURE			
Period	*Mining*	*Manufacturing*	*Other selected industries*	*Total*	*Mining*	*Manufacturing*	*Other selected industries*	*Total*	*Mining*	*Manufacturing*	*Other selected industries*	*Total*
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
ORIGINAL (Actual)												
2001–02	3 495	840	6 217	10 552	3 754	8 341	21 733	33 828	7 249	9 180	27 950	44 380
2002–03	4 755	1 780	6 462	12 998	4 234	9 533	24 334	38 100	8 989	11 312	30 797	51 098
2001–02												
March	812	207	1 324	2 343	808	2 042	5 004	7 854	1 620	2 249	6 328	10 197
June	932	268	1 597	2 797	1 069	2 328	5 880	9 277	2 001	2 595	7 478	12 074
2002–03												
September	1 010	379	1 600	2 989	967	2 078	5 597	8 642	1 977	2 457	7 197	11 631
December	1 325	470	1 754	3 549	1 108	2 495	7 243	10 846	2 433	2 965	8 997	14 395
March	1 015	465	1 427	2 907	943	2 226	5 573	8 742	1 958	2 691	7 000	11 649
June	1 405	466	1 681	3 552	1 216	2 733	5 921	9 870	2 621	3 199	7 602	13 423
ORIGINAL (Expected) (a)												
2003–04												
6 mths to Dec	3 404	1 201	3 767	8 372	2 962	4 960	9 955	17 877	6 365	6 160	13 723	26 248
6 mths to Jun	3 138	971	4 070	8 178	2 597	4 450	8 054	15 101	5 735	5 421	12 123	23 279
Total fin year	6 541	2 171	7 837	16 550	5 558	9 410	18 009	32 977	12 100	11 581	25 846	49 527
SEASONALLY ADJUSTED (Actual)												
2001–02												
March	865	227	1 516	2 608	913	2 204	5 381	8 498	1 778	2 431	6 897	11 106
June	915	262	1 510	2 687	990	2 176	5 672	8 838	1 905	2 438	7 182	11 525
2002–03												
September	1 020	386	1 673	3 079	1 000	2 238	5 639	8 877	2 020	2 624	7 312	11 956
December	1 267	436	1 584	3 287	1 034	2 321	7 000	10 355	2 301	2 757	8 584	13 642
March	1 143	505	1 639	3 287	1 069	2 401	5 985	9 455	2 212	2 906	7 624	12 742
June	1 305	457	1 588	3 350	1 125	2 559	5 721	9 405	2 430	3 016	7 309	12 755
TREND ESTIMATES (Actual)												
2001–02												
March	864	212	1 550	2 626	950	2 167	5 444	8 561	1 814	2 379	6 994	11 187
June	936	283	1 560	2 779	972	2 219	5 579	8 770	1 908	2 502	7 139	11 549
2002–03												
September	1 054	371	1 595	3 020	1 002	2 237	5 773	9 012	2 056	2 608	7 368	12 032
December	1 158	440	1 623	3 221	1 038	2 320	5 891	9 249	2 196	2 760	7 514	12 470
March	1 229	476	1 616	3 321	1 074	2 423	5 910	9 407	2 303	2 899	7 526	12 728
June	1 271	479	1 594	3 344	1 116	2 508	5 868	9 492	2 387	2 987	7 462	12 836

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation. See paragraphs 26 to 29 of the Explanatory Notes.

2 ACTUAL AND EXPECTED EXPENDITURE, By detailed industry—Current prices

Period	Mining	Manu-facturing	Construction	Wholesale trade	Retail trade	Transport and storage	Finance and insurance	Property and business services	Other services	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
ORIGINAL (Actual)										
2001–02	7 249	9 180	1 731	2 056	3 154	4 816	2 783	6 112	7 299	44 380
2002–03	8 989	11 312	1 970	2 097	3 458	7 132	2 936	6 575	6 627	51 098
2001–02										
March	1 620	2 249	431	415	673	1 374	565	1 324	1 544	10 197
June	2 001	2 595	505	594	739	1 564	728	1 657	1 690	12 074
2002–03										
September	1 977	2 457	555	517	950	1 323	684	1 688	1 479	11 631
December	2 433	2 965	439	584	924	2 680	810	1 607	1 954	14 395
March	1 958	2 691	492	418	680	1 511	715	1 518	1 666	11 649
June	2 621	3 199	484	578	904	1 618	727	1 763	1 529	13 423
ORIGINAL (Expected) (a)										
2003–04										
6 mths to Dec	6 365	6 160	584	919	1 467	2 861	1 415	3 110	3 366	26 248
6 mths to Jun	5 735	5 421	420	811	1 251	2 226	1 405	2 757	3 255	23 279
Total fin year	12 100	11 581	1 004	1 730	2 718	5 086	2 819	5 867	6 621	49 527
SEASONALLY ADJUSTED (Actual)										
2001–02										
March	1 778	2 431	464	509	871	1 339	654	1 455	1 605	11 106
June	1 905	2 438	461	558	731	1 570	686	1 509	1 667	11 525
2002–03										
September	2 020	2 624	585	492	883	1 386	656	1 726	1 584	11 956
December	2 301	2 757	425	545	811	2 629	790	1 589	1 795	13 642
March	2 212	2 906	531	516	880	1 478	823	1 664	1 732	12 742
June	2 430	3 016	449	542	895	1 619	679	1 610	1 515	12 755
TREND ESTIMATES (Actual)										
2001–02										
March	1 814	2 379	456	518	811	1 295	654	1 512	1 748	11 187
June	1 908	2 502	491	527	812	1 461	659	1 554	1 635	11 549
2002–03										
September	2 056	2 608	510	526	821	1 526	712	1 617	1 656	12 032
December	2 196	2 760	502	524	844	1 529	756	1 649	1 710	12 470
March	2 303	2 899	484	528	871	1 554	768	1 638	1 683	12 728
June	2 387	2 987	460	539	884	1 598	752	1 613	1 616	12 836

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation. See paragraphs 26 to 29 of the Explanatory Notes.

3 ACTUAL EXPENDITURE, By type of asset and industry—Chain volume measures(a)

	ASSET			INDUSTRY			
	Buildings and structures	*Equipment, plant and machinery*	*Total*	*Mining*	*Manufacturing*	*Other selected industries*	*Total*
Period	$m	$m	$m	$m	$m	$m	$m
			ORIGINAL				
1999–2000	12 940	31 043	43 856	5 795	10 421	27 658	43 856
2000–01	10 864	31 572	42 420	5 613	9 190	27 576	42 420
2001–02	10 552	33 828	44 380	7 249	9 180	27 950	44 380
2002–03	12 552	40 165	52 716	8 938	11 736	32 043	52 716
2000–01							
June	2 799	8 121	10 916	1 704	2 338	6 885	10 916
2001–02							
September	2 573	7 708	10 279	1 745	1 817	6 718	10 279
December	2 868	8 810	11 677	1 892	2 479	7 308	11 677
March	2 342	7 855	10 198	1 621	2 257	6 320	10 198
June	2 769	9 455	12 226	1 992	2 628	7 604	12 226
2002–03							
September	2 930	8 970	11 900	1 969	2 514	7 417	11 900
December	3 447	11 240	14 687	2 420	3 047	9 220	14 687
March	2 797	9 255	12 052	1 949	2 795	7 307	12 052
June	3 379	10 699	14 078	2 599	3 380	8 099	14 078
			SEASONALLY ADJUSTED				
2000–01							
June	2 622	7 705	10 325	1 587	2 188	6 557	10 325
2001–02							
September	2 653	7 904	10 555	1 779	1 952	6 827	10 555
December	2 636	8 382	11 019	1 791	2 309	6 919	11 019
March	2 605	8 520	11 125	1 780	2 446	6 899	11 125
June	2 658	9 023	11 681	1 900	2 474	7 305	11 681
2002–03							
September	3 014	9 219	12 234	2 017	2 690	7 527	12 234
December	3 192	10 736	13 928	2 295	2 838	8 795	13 928
March	3 160	10 013	13 173	2 209	3 021	7 943	13 173
June	3 186	10 196	13 382	2 416	3 187	7 778	13 382
			TREND				
2000–01							
June	2 600	7 786	10 386	1 653	2 088	6 651	10 386
2001–02							
September	2 627	7 962	10 587	1 736	2 120	6 736	10 587
December	2 615	8 260	10 874	1 778	2 232	6 865	10 874
March	2 621	8 602	11 223	1 813	2 391	7 018	11 223
June	2 748	8 951	11 699	1 905	2 539	7 254	11 699
2002–03							
September	2 958	9 342	12 301	2 051	2 668	7 581	12 301
December	3 126	9 719	12 841	2 189	2 848	7 806	12 841
March	3 193	10 013	13 205	2 296	3 022	7 889	13 205
June	3 189	10 217	13 415	2 380	3 132	7 890	13 415

(a) Reference year for chain volume measures is 2001–02.

4 ACTUAL EXPENDITURE, By type of asset and industry—Percentage change, Chain volume measures(a)

	ASSET			INDUSTRY			
	Buildings and structures	*Equipment, Plant and Machinery*	*Total*	*Mining*	*Manufacturing*	*Other selected industries*	*Total*
Period	%	%	%	%	%	%	%
			ORIGINAL				
1999–2000	–13.7	10.0	2.8	–38.6	10.0	13.6	2.8
2000–01	–16.0	1.7	–3.3	–3.1	–11.8	–0.3	–3.3
2001–02	–2.9	7.1	4.6	29.1	–0.1	1.4	4.6
2002–03	19.0	18.7	18.8	23.3	27.8	14.6	18.8
2000–01							
June	24.5	11.9	14.7	20.6	16.2	12.9	14.7
2001–02							
September	–8.1	–5.1	–5.8	2.4	–22.3	–2.4	–5.8
December	11.5	14.3	13.6	8.4	36.4	8.8	13.6
March	–18.4	–10.8	–12.7	–14.3	–9.0	–13.5	–12.7
June	18.2	20.4	19.9	22.9	16.4	20.3	19.9
2002–03							
September	5.8	–5.1	–2.7	–1.1	–4.3	–2.5	–2.7
December	17.7	25.3	23.4	22.9	21.2	24.3	23.4
March	–18.9	–17.7	–17.9	–19.5	–8.3	–20.7	–17.9
June	20.8	15.6	16.8	33.3	20.9	10.8	16.8
			SEASONALLY ADJUSTED				
2000–01							
June	2.5	–2.3	–1.2	0.2	0.5	–2.0	–1.2
2001–02							
September	1.2	2.6	2.2	12.1	–10.8	4.1	2.2
December	–0.6	6.0	4.4	0.7	18.3	1.4	4.4
March	–1.2	1.6	1.0	–0.7	5.9	–0.3	1.0
June	2.0	5.9	5.0	6.7	1.2	5.9	5.0
2002–03							
September	13.4	2.2	4.7	6.2	8.7	3.0	4.7
December	5.9	16.4	13.8	13.8	5.5	16.9	13.8
March	–1.0	–6.7	–5.4	–3.8	6.5	–9.7	–5.4
June	0.8	1.8	1.6	9.4	5.5	–2.1	1.6
			TREND				
2000–01							
June	–0.3	–0.1	–0.1	10.6	–4.5	–1.0	–0.1
2001–02							
September	1.0	2.3	1.9	5.0	1.5	1.3	1.9
December	–0.5	3.7	2.7	2.4	5.3	1.9	2.7
March	0.2	4.1	3.2	2.0	7.1	2.2	3.2
June	4.8	4.1	4.2	5.0	6.2	3.4	4.2
2002–03							
September	7.7	4.4	5.1	7.7	5.1	4.5	5.1
December	5.7	4.0	4.4	6.7	6.7	3.0	4.4
March	2.1	3.0	2.8	4.9	6.1	1.1	2.8
June	–0.1	2.0	1.6	3.7	3.7	0.0	1.6

(a) Reference year for chain volume measures is 2001–02.

5 EXPECTED EXPENDITURE AND REALISATION RATIOS, 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)							
1999–2000	9 393	8 840	10 539	11 998	13 148	12 922	12 462
2000–01	9 321	9 654	10 834	11 333	11 330	10 955	10 742
2001–02	8 860	10 122	12 445	11 796	11 335	10 891	10 552
2002–03	11 694	12 124	12 691	13 344	14 187	13 851	12 998
2003–04	14 115	14 751	16 550	nya	nya	nya	nya
BUILDINGS AND STRUCTURES (Realisation Ratio) (a)							
2000–01	1.15	1.11	0.99	0.95	0.95	0.98	1.00
2001–02	1.19	1.04	0.85	0.89	0.93	0.97	1.00
2002–03	1.11	1.07	1.02	0.97	0.92	0.94	1.00
5-year average	1.19	1.13	1.00	0.94	0.94	0.97	1.00
EQUIPMENT, PLANT AND MACHINERY ($ million)							
1999–2000	23 219	24 572	26 880	29 855	30 520	32 164	31 963
2000–01	25 447	27 037	28 943	31 759	31 428	31 721	31 878
2001–02	27 457	27 640	29 473	31 956	32 769	33 703	33 828
2002–03	29 859	32 157	34 478	35 805	36 828	37 895	38 100
2003–04	29 672	31 117	32 977	nya	nya	nya	nya
EQUIPMENT, PLANT AND MACHINERY (Realisation Ratio) (a)							
2000–01	1.25	1.18	1.10	1.00	1.01	1.00	1.00
2001–02	1.23	1.22	1.15	1.06	1.03	1.00	1.00
2002–03	1.28	1.18	1.11	1.06	1.03	1.01	1.00
5-year average	1.27	1.20	1.12	1.05	1.03	1.00	1.00
TOTAL ($ million)							
1999–2000	32 611	33 412	37 419	41 852	43 669	45 086	44 425
2000–01	34 768	36 691	39 777	43 092	42 758	42 676	42 621
2001–02	36 317	37 762	41 917	43 752	44 105	44 594	44 380
2002–03	41 553	44 281	47 169	49 149	51 015	51 746	51 098
2003–04	43 788	45 868	49 527	nya	nya	nya	nya
TOTAL (Realisation Ratio) (a)							
2000–01	1.23	1.16	1.07	0.99	1.00	1.00	1.00
2001–02	1.22	1.18	1.06	1.01	1.01	1.00	1.00
2002–03	1.23	1.15	1.08	1.04	1.00	0.99	1.00
5-year average	1.25	1.18	1.08	1.02	1.00	0.99	1.00
TOTAL (Percentage change over corresponding estimate for previous financial year)							
1999–2000	–14.0	–19.5	–16.4	–8.1	–4.4	–2.2	–2.2
2000–01	6.6	9.8	6.3	3.0	–2.1	–5.3	–4.1
2001–02	4.5	2.9	5.4	1.5	3.1	4.5	4.1
2002–03	14.4	17.3	12.5	12.3	15.7	16.0	15.1
2003–04	5.4	3.6	5.0	nya	nya	nya	nya

nya not yet available

(a) Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 26 to 29 of the Explanatory Notes.

6 EXPECTED EXPENDITURE AND REALISATION RATIOS, 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)
			MINING ($ million)				
1999–2000	6 571	5 606	6 102	6 473	5 753	5 729	5 467
2000–01	5 355	5 569	5 789	6 415	5 952	5 879	5 490
2001–02	6 323	7 327	8 300	8 873	8 415	7 749	7 249
2002–03	9 764	10 163	10 510	10 089	9 848	9 444	8 989
2003–04	9 981	10 845	12 100	nya	nya	nya	nya
			MINING (Realisation Ratio) (a)				
2000–01	1.03	0.99	0.95	0.86	0.92	0.93	1.00
2001–02	1.15	0.99	0.87	0.82	0.86	0.94	1.00
2002–03	0.92	0.88	0.86	0.89	0.91	0.95	1.00
5-year average	0.97	0.94	0.90	0.86	0.92	0.95	1.00
			MANUFACTURING ($ million)				
1999–2000	8 873	8 795	9 294	9 946	10 235	10 418	10 142
2000–01	9 339	10 015	10 502	10 027	10 088	9 514	9 144
2001–02	9 161	9 028	9 018	9 174	9 465	9 377	9 180
2002–03	9 173	9 776	11 021	10 808	10 908	11 560	11 312
2003–04	10 278	10 466	11 581	nya	nya	nya	nya
			MANUFACTURING (Realisation Ratio) (a)				
2000–01	0.98	0.91	0.87	0.91	0.91	0.96	1.00
2001–02	1.00	1.02	1.02	1.00	0.97	0.98	1.00
2002–03	1.23	1.16	1.03	1.05	1.04	0.98	1.00
5-year average	1.09	1.03	0.97	0.98	0.96	0.97	1.00
			OTHER SELECTED INDUSTRIES ($ million)				
1999–2000	17 168	19 011	22 024	25 433	27 681	28 940	28 816
2000–01	20 074	21 108	23 486	26 650	26 718	27 283	27 987
2001–02	20 834	21 407	24 600	25 704	26 225	27 469	27 950
2002–03	22 616	24 341	25 638	28 252	30 259	30 742	30 797
2003–04	23 529	24 556	25 846	nya	nya	nya	nya
			OTHER SELECTED INDUSTRIES (Realisation Ratio) (a)				
2000–01	1.39	1.33	1.19	1.05	1.05	1.03	1.00
2001–02	1.34	1.31	1.14	1.09	1.07	1.02	1.00
2002–03	1.36	1.27	1.20	1.09	1.02	1.00	1.00
5-year average	1.43	1.34	1.19	1.09	1.04	1.01	1.00

nya not yet available

(a) Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 26 to 29 of the Explanatory Notes.

7 RATIOS OF ACTUAL TO SHORT TERM EXPECTATIONS(a), By type of asset and industry—Current prices

Financial Year	3 MONTHS ENDING		6 MONTHS ENDING	
	31 December (collected in September Survey)	*30 June (collected in March Survey)*	*31 December (collected in June Survey)*	*30 June (collected in December Survey)*
	TYPE OF ASSET			
Buildings and structures				
2000–01	0.96	0.93	1.05	0.90
2001–02	0.92	0.89	0.86	0.87
2002–03	0.99	0.81	1.04	0.84
5-year average	0.95	0.88	0.98	0.87
Equipment, plant and machinery				
2000–01	0.93	1.02	1.05	1.03
2001–02	1.04	1.01	1.09	1.07
2002–03	1.06	1.02	1.09	1.07
5-year average	1.00	1.00	1.06	1.06
Total				
2000–01	0.93	1.00	1.05	0.99
2001–02	1.00	0.98	1.02	1.01
2002–03	1.04	0.95	1.08	1.00
5-year average	0.98	0.96	1.04	1.01
	TYPE OF INDUSTRY			
Mining				
2000–01	0.81	0.81	0.87	0.87
2001–02	0.76	0.80	0.84	0.76
2002–03	0.81	0.85	0.82	0.84
5-year average	0.81	0.83	0.89	0.84
Manufacturing				
2000–01	0.87	0.86	0.86	0.82
2001–02	0.93	0.93	0.94	0.94
2002–03	0.95	0.93	0.97	1.07
5-year average	0.91	0.89	0.91	0.93
Other selected industries				
2000–01	0.98	1.11	1.17	1.11
2001–02	1.13	1.07	1.11	1.14
2002–03	1.17	1.01	1.23	1.04
5-year average	1.07	1.04	1.14	1.09
Total				
2000–01	0.93	1.00	1.05	0.99
2001–02	1.00	0.98	1.02	1.01
2002–03	1.04	0.95	1.08	1.00
5-year average	0.98	0.96	1.04	1.01

(a) For more information on Realisation Ratios see paragraphs 26 to 29 of the Explanatory Notes.

8 ACTUAL EXPENDITURE ON BUILDINGS AND STRUCTURES, Current prices

Period	*New South Wales* $m	*Victoria* $m	*Queensland* $m	*South Australia* $m	*Western Australia* $m	*Tasmania* $m	*Northern Territory* $m	*Australian Capital Territory* $m	*Total* $m
ORIGINAL									
1999–2000	3 954	2 856	2 549	640	1 781	97	492	93	12 462
2000–01	3 202	2 385	2 052	692	1 671	134	396	212	10 742
2001–02	2 695	1 847	1 948	617	1 831	445	975	194	10 552
2002–03	2 998	2 323	2 151	778	2 904	255	1 471	117	12 998
2000–01									
June	841	673	438	117	467	28	141	74	2 779
2001–02									
September	710	417	447	136	497	67	219	64	2 557
December	780	537	487	186	459	103	244	59	2 855
March	583	392	447	136	375	136	234	40	2 343
June	622	501	567	159	499	138	279	32	2 797
2002–03									
September	677	592	532	159	539	88	377	26	2 989
December	841	624	621	216	736	55	417	38	3 549
March	604	531	473	163	760	73	281	21	2 907
June	876	576	526	239	869	38	396	33	3 552
SEASONALLY ADJUSTED									
2000–01									
June	809	672	426	117	455	np	np	np	2 603
2001–02									
September	723	397	448	143	502	np	np	np	2 637
December	700	500	462	151	427	np	np	np	2 625
March	679	449	487	165	413	np	np	np	2 608
June	595	498	551	161	489	np	np	np	2 687
2002–03									
September	688	567	532	166	539	np	np	np	3 079
December	755	577	589	174	685	np	np	np	3 287
March	709	614	518	200	845	np	np	np	3 287
June	832	570	508	244	845	np	np	np	3 350
TREND									
2000–01									
June	746	558	435	131	460	39	167	67	2 581
2001–02									
September	744	503	440	133	456	68	199	66	2 611
December	701	458	464	151	446	105	232	56	2 605
March	651	462	496	161	434	129	263	43	2 626
June	648	508	531	163	467	122	301	34	2 779
2002–03									
September	672	549	556	165	566	97	341	29	3 020
December	718	584	553	180	689	72	367	28	3 221
March	761	593	535	205	796	55	376	29	3 321
June	796	590	516	228	864	47	377	29	3 344

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9 ACTUAL EXPENDITURE ON EQUIPMENT, PLANT AND MACHINERY, Current prices

Period	New South Wales $m	Victoria $m	Queensland $m	South Australia $m	Western Australia $m	Tasmania $m	Northern Territory $m	Australian Capital Territory $m	Total $m
ORIGINAL									
1999–2000	11 528	8 644	5 108	1 939	3 718	411	302	313	31 963
2000–01	11 820	8 612	4 471	2 170	3 608	467	382	348	31 878
2001–02	10 821	9 508	5 480	2 497	4 163	518	414	427	33 828
2002–03	11 422	10 563	6 993	3 238	4 252	633	427	573	38 100
2000–01									
June	2 996	2 210	1 320	506	981	136	81	92	8 323
2001–02									
September	2 635	2 208	1 212	475	994	122	84	69	7 799
December	2 888	2 539	1 384	705	1 083	107	96	96	8 898
March	2 495	2 163	1 354	578	928	120	97	118	7 854
June	2 804	2 598	1 530	738	1 158	169	136	144	9 277
2002–03									
September	2 742	2 552	1 443	662	961	101	82	99	8 642
December	3 182	3 026	2 016	943	1 140	213	158	168	10 846
March	2 633	2 421	1 608	734	950	151	82	164	8 742
June	2 864	2 564	1 926	899	1 201	168	105	142	9 870
SEASONALLY ADJUSTED									
2000–01									
June	2 833	2 121	1 229	505	920	np	np	np	7 893
2001–02									
September	2 667	2 244	1 301	521	1 054	np	np	np	7 992
December	2 784	2 346	1 334	613	1 055	np	np	np	8 448
March	2 713	2 421	1 409	618	966	np	np	np	8 498
June	2 659	2 501	1 431	735	1 076	np	np	np	8 838
2002–03									
September	2 776	2 589	1 552	728	1 031	np	np	np	8 877
December	3 066	2 799	1 935	818	1 105	np	np	np	10 355
March	2 861	2 703	1 674	787	990	np	np	np	9 455
June	2 719	2 477	1 805	893	1 114	np	np	np	9 405
TREND									
2000–01									
June	2 782	2 146	1 237	528	1 050	117	98	86	7 944
2001–02									
September	2 746	2 242	1 290	538	1 028	117	87	86	8 085
December	2 721	2 331	1 341	584	1 016	124	92	97	8 319
March	2 706	2 428	1 387	652	1 034	127	108	112	8 561
June	2 714	2 504	1 466	701	1 031	130	115	120	8 770
2002–03									
September	2 760	2 587	1 569	725	1 025	137	107	124	9 012
December	2 811	2 627	1 665	754	1 018	147	94	129	9 249
March	2 814	2 614	1 735	799	1 029	157	91	135	9 407
June	2 778	2 570	1 774	860	1 064	160	97	141	9 492

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10 ACTUAL TOTAL EXPENDITURE, Current prices

Period	New South Wales $m	Victoria $m	Queensland $m	South Australia $m	Western Australia $m	Tasmania $m	Northern Territory $m	Australian Capital Territory $m	Total $m
ORIGINAL									
1999–2000	15 482	11 500	7 657	2 579	5 500	508	794	405	44 425
2000–01	15 022	10 997	6 523	2 862	5 279	600	778	560	42 621
2001–02	13 516	11 355	7 428	3 113	5 994	963	1 389	621	44 380
2002–03	14 420	12 886	9 145	4 015	7 156	887	1 898	690	51 098
2000–01									
June	3 837	2 883	1 759	623	1 448	164	222	166	11 102
2001–02									
September	3 345	2 625	1 659	611	1 491	189	303	133	10 356
December	3 667	3 076	1 871	891	1 542	210	340	155	11 753
March	3 077	2 555	1 801	714	1 303	256	332	157	10 197
June	3 426	3 100	2 096	897	1 657	307	415	175	12 074
2002–03									
September	3 420	3 144	1 975	821	1 500	189	459	125	11 631
December	4 023	3 650	2 637	1 159	1 876	268	575	206	14 395
March	3 237	2 952	2 081	897	1 711	224	362	184	11 649
June	3 740	3 140	2 452	1 138	2 070	207	501	175	13 423
SEASONALLY ADJUSTED									
2000–01									
June	3 642	2 793	1 655	622	1 375	149	233	151	10 496
2001–02									
September	3 390	2 641	1 749	664	1 556	195	282	152	10 629
December	3 484	2 846	1 796	764	1 482	217	331	148	11 073
March	3 392	2 870	1 896	783	1 379	261	371	156	11 106
June	3 254	2 999	1 982	896	1 565	286	419	161	11 525
2002–03									
September	3 464	3 156	2 084	894	1 570	193	423	145	11 956
December	3 821	3 376	2 524	992	1 790	272	562	204	13 642
March	3 570	3 317	2 192	987	1 835	236	402	176	12 742
June	3 551	3 047	2 313	1 137	1 959	186	503	162	12 755
TREND									
2000–01									
June	3 528	2 704	1 672	659	1 510	156	265	153	10 525
2001–02									
September	3 490	2 745	1 730	671	1 484	185	286	152	10 696
December	3 422	2 789	1 805	735	1 462	229	324	153	10 924
March	3 357	2 890	1 883	813	1 468	256	371	155	11 187
June	3 362	3 012	1 997	864	1 498	252	416	154	11 549
2002–03									
September	3 432	3 136	2 125	890	1 591	234	448	153	12 032
December	3 529	3 211	2 218	934	1 707	219	461	157	12 470
March	3 575	3 207	2 270	1 004	1 825	212	467	164	12 728
June	3 574	3 160	2 290	1 088	1 928	207	474	170	12 836

11 ACTUAL EXPENDITURE ON BUILDINGS AND STRUCTURES—Chain volume measures(a)

Period	New South Wales $m	Victoria $m	Queensland $m	South Australia $m	Western Australia $m	Tasmania $m	Northern Territory $m	Australian Capital Territory $m	Total $m
ORIGINAL									
1999–2000	4 102	2 966	2 646	664	1 851	100	512	96	12 940
2000–01	3 236	2 412	2 076	699	1 689	135	401	214	10 864
2001–02	2 695	1 847	1 948	617	1 831	445	975	194	10 552
2002–03	2 895	2 245	2 079	750	2 801	247	1 421	113	12 552
2000–01									
June	847	678	441	118	470	28	143	74	2 799
2001–02									
September	714	420	450	137	500	68	220	64	2 573
December	783	540	490	187	461	103	245	59	2 868
March	582	391	447	136	375	137	234	40	2 342
June	616	496	561	157	494	137	276	31	2 769
2002–03									
September	663	580	521	156	528	86	370	25	2 930
December	817	606	603	210	715	54	405	37	3 447
March	581	511	455	157	732	71	270	20	2 797
June	833	548	500	227	826	36	376	31	3 379
SEASONALLY ADJUSTED									
2000–01									
June	816	678	429	121	461	np	np	np	2 622
2001–02									
September	727	401	451	145	506	np	np	np	2 653
December	702	503	465	151	429	np	np	np	2 636
March	677	450	487	163	413	np	np	np	2 605
June	589	494	546	158	483	np	np	np	2 658
2002–03									
September	676	555	522	161	527	np	np	np	3 014
December	737	559	573	168	664	np	np	np	3 192
March	686	590	500	191	810	np	np	np	3 160
June	796	541	484	230	801	np	np	np	3 186
TREND									
2000–01									
June	751	564	439	135	465	39	160	67	2 600
2001–02									
September	748	507	443	134	461	68	194	65	2 627
December	703	461	466	151	448	106	230	55	2 615
March	650	462	496	159	433	130	262	42	2 621
June	642	503	527	159	462	122	299	33	2 748
2002–03									
September	660	538	546	160	554	96	334	29	2 958
December	700	566	538	174	672	69	357	28	3 126
March	736	570	516	195	765	52	361	28	3 193
June	759	561	497	212	798	47	358	28	3 189

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Reference year for chain volume measures is 2001–02.

12 ACTUAL EXPENDITURE ON EQUIPMENT, PLANT AND MACHINERY—Chain volume measures(a)

Period	New South Wales $m	Victoria $m	Queensland $m	South Australia $m	Western Australia $m	Tasmania $m	Northern Territory $m	Australian Capital Territory $m	Total $m
				ORIGINAL					
1999–2000	11 025	8 382	4 980	1 902	3 762	403	295	296	31 043
2000–01	11 640	8 518	4 443	2 153	3 620	463	379	342	31 572
2001–02	10 821	9 508	5 480	2 497	4 163	518	414	427	33 828
2002–03	12 087	11 164	7 355	3 407	4 436	665	446	605	40 165
2000–01									
June	2 913	2 154	1 290	494	968	133	80	90	8 121
2001–02									
September	2 599	2 183	1 202	469	984	121	84	68	7 708
December	2 859	2 513	1 372	697	1 072	106	95	95	8 810
March	2 497	2 168	1 350	579	928	119	97	117	7 855
June	2 866	2 644	1 557	751	1 179	173	138	147	9 455
2002–03									
September	2 857	2 653	1 495	684	988	104	85	104	8 970
December	3 309	3 145	2 083	976	1 171	219	162	174	11 240
March	2 800	2 573	1 696	775	994	159	86	172	9 255
June	3 121	2 793	2 081	972	1 282	182	112	156	10 699
				SEASONALLY ADJUSTED					
2000–01									
June	2 752	2 063	1 204	495	910	np	np	np	7 705
2001–02									
September	2 630	2 216	1 292	516	1 048	np	np	np	7 904
December	2 756	2 322	1 324	608	1 047	np	np	np	8 382
March	2 716	2 425	1 406	621	969	np	np	np	8 520
June	2 719	2 545	1 458	751	1 099	np	np	np	9 023
2002–03									
September	2 891	2 690	1 613	755	1 065	np	np	np	9 219
December	3 188	2 906	2 008	850	1 140	np	np	np	10 736
March	3 044	2 871	1 774	834	1 039	np	np	np	10 013
June	2 964	2 697	1 960	968	1 192	np	np	np	10 196
				TREND					
2000–01									
June	2 713	2 098	1 137	520	1 042	115	98	84	7 786
2001–02									
September	2 694	2 203	1 258	531	1 018	115	86	85	7 962
December	2 696	2 309	1 347	581	1 011	123	90	97	8 260
March	2 717	2 437	1 390	656	1 039	128	107	114	8 602
June	2 771	2 550	1 493	715	1 052	133	115	125	8 951
2002–03									
September	2 865	2 675	1 625	748	1 057	144	109	132	9 342
December	2 959	2 757	1 751	790	1 062	157	97	139	9 719
March	3 004	2 784	1 849	850	1 085	168	97	146	10 013
June	3 006	2 770	1 904	913	1 126	170	106	151	10 217

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Reference year for chain volume measures is 2001–02.

13 ACTUAL TOTAL EXPENDITURE—Chain volume measures(a)

Period	New South Wales $m	Victoria $m	Queensland $m	South Australia $m	Western Australia $m	Tasmania $m	Northern Territory $m	Australian Capital Territory $m	Total $m
				ORIGINAL					
1999–2000	15 056	11 303	7 605	2 562	5 610	507	803	397	43 856
2000–01	14 869	10 916	6 513	2 850	5 309	601	782	555	42 420
2001–02	13 516	11 355	7 428	3 113	5 994	963	1 389	621	44 380
2002–03	14 982	13 409	9 434	4 157	7 237	912	1 867	718	52 716
2000–01									
June	3 754	2 825	1 736	613	1 438	162	221	163	10 916
2001–02									
September	3 310	2 602	1 653	606	1 485	189	303	131	10 279
December	3 641	3 052	1 862	884	1 533	209	340	154	11 677
March	3 081	2 560	1 796	715	1 303	255	331	157	10 198
June	3 484	3 141	2 117	908	1 673	310	415	179	12 226
2002–03									
September	3 520	3 233	2 016	840	1 516	191	455	129	11 900
December	4 126	3 751	2 687	1 186	1 887	273	567	211	14 687
March	3 381	3 084	2 151	932	1 726	230	356	192	12 052
June	3 954	3 341	2 580	1 199	2 108	218	489	187	14 078
				SEASONALLY ADJUSTED					
2000–01									
June	3 563	2 733	1 637	618	1 371	147	226	149	10 325
2001–02									
September	3 354	2 617	1 745	661	1 554	195	276	150	10 555
December	3 458	2 824	1 789	760	1 477	217	327	148	11 019
March	3 394	2 876	1 892	784	1 381	261	368	157	11 125
June	3 309	3 039	2 002	908	1 581	290	418	166	11 681
2002–03									
September	3 567	3 245	2 135	916	1 592	197	421	151	12 234
December	3 925	3 466	2 581	1 019	1 804	277	555	211	13 928
March	3 729	3 460	2 274	1 025	1 849	242	397	183	13 173
June	3 760	3 238	2 444	1 198	1 992	196	493	173	13 382
				TREND					
2000–01									
June	3 462	2 657	1 578	656	1 509	155	259	151	10 386
2001–02									
September	3 440	2 708	1 703	667	1 479	184	280	150	10 587
December	3 398	2 770	1 813	732	1 459	230	320	152	10 874
March	3 368	2 899	1 885	815	1 472	257	368	156	11 223
June	3 414	3 054	2 019	874	1 513	255	414	158	11 699
2002–03									
September	3 526	3 213	2 171	909	1 611	240	443	161	12 301
December	3 659	3 322	2 291	964	1 730	226	454	167	12 841
March	3 740	3 353	2 366	1 046	1 848	221	458	174	13 205
June	3 767	3 333	2 396	1 123	1 937	218	464	179	13 415

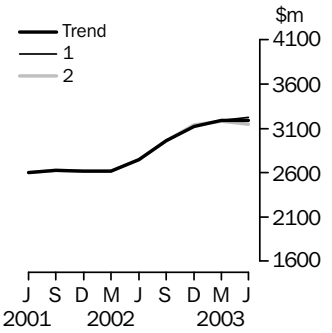
(a) Reference year for chain volume measures is 2001–02.

EFFECT OF NEW SEASONALLY ADJUSTED ESTIMATES ON TREND ESTIMATES

TREND REVISIONS

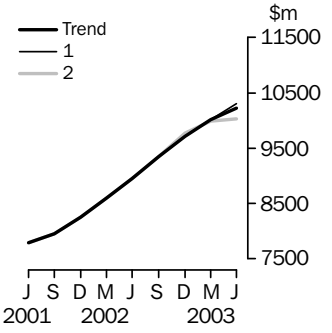
Recent seasonally adjusted and trend estimates are likely to be revised when original estimates for subsequent quarters become available. The approximate effect of possible scenarios on trend estimates for capital expenditure in chain volume terms are presented below by illustrating the impact if next quarter's seasonally adjusted estimate rises or falls by a specified percentage (based on the historical average of movements in seasonally adjusted estimates). For further information, see paragraphs 38 and 39 in the Explanatory Notes.

BUILDINGS AND STRUCTURES



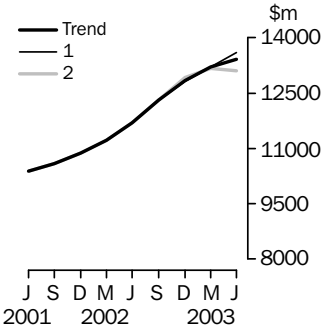
	Trend as published		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE: (1) rises by 6.7 % on this quarter		(2) falls by 6.7 % on this quarter	
	$m	%	$m	%	$m	%
2002						
September	2 958	7.7	2 958	7.7	2 958	7.7
December	3 126	5.7	3 125	5.6	3 142	6.2
2003						
March	3 193	2.1	3 192	2.1	3 185	1.4
June	3 189	–0.1	3 227	1.1	3 147	–1.2

EQUIPMENT, PLANT AND MACHINERY



	Trend as published		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE: (1) rises by 4.9% on this quarter		(2) falls by 4.9% on this quarter	
	$m	%	$m	%	$m	%
2002						
September	9 342	4.4	9 342	4.4	9 342	4.4
December	9 719	4.0	9 710	3.9	9 769	4.6
2003						
March	10 013	3.0	10 016	3.1	9 995	2.3
June	10 217	2.0	10 308	2.9	10 025	0.3

TOTAL CAPITAL EXPENDITURE



	Trend as published		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE: (1) rises by 4.4% on this quarter		(2) falls by 4.4% on this quarter	
	$m	%	$m	%	$m	%
2002						
September	12 301	5.1	12 301	5.1	12 301	5.1
December	12 841	4.4	12 821	4.2	12 926	5.1
2003						
March	13 205	2.8	13 209	3.0	13 172	1.9
June	13 415	1.6	13 606	3.0	13 100	–0.6

EXPLANATORY NOTES

INTRODUCTION

1 This publication contains estimates of actual and expected new capital expenditure by private businesses for selected industries in Australia. The series have been compiled from data collected by the Australian Bureau of Statistics (ABS) in its quarterly Survey of New Capital Expenditure.

SCOPE OF THE SURVEY

2 The Survey of New Capital Expenditure includes the following industries classified according to the Australian and New Zealand Standard Industrial Classification, ANZSIC, 1993:

Mining (Division B)
Manufacturing (Division C)
Other selected industries:
- Construction (Division E)
- Wholesale trade (Division F)
- Retail trade (Division G)
- Transport and storage (Division I)
- Finance and insurance (Division K, but excluding Superannuation funds (Class 7412))
- Property and business services (Division L)
- Other selected services:
  - Electricity, gas and water (Division D)
  - Accommodation, cafes and restaurants (Division H)
  - Communication services (Division J)
  - Cultural and recreational services (Division P)
  - Personal services (Subdivision 95)

3 The survey excludes the following industries:

Agriculture, forestry and fishing (Division A)
Government administration and defence (Division M)
Superannuation funds (Class 7412)
Education (Division N)
Health and community services (Division O)
Other services (Subdivision 96)

4 The scope excludes public sector business units (i.e. all departments, authorities and other organisations owned and controlled by Commonwealth, State and Local Government).

5 The Survey of New Capital Expenditure, like most ABS economic collections, takes its frame from the ABS Business Register which is primarily based on registrations to the Australian Taxation Office's Pay As You Go Witholding (PAYGW) scheme (and prior to 1 July 2000 the Group Employer scheme). The frame is updated quarterly to take account of new businesses, businesses which have ceased employing, changes in employment levels, changes in industry and other general business changes.

6 Businesses which have ceased employing are identified when the Australian Taxation Office cancels their PAYGW registration (or previously their Group Employer registration). In addition, from September quarter 1999, businesses which did not remit under the Group Employer scheme for the previous five quarters were removed from the frame. A similar process will be adopted to remove businesses who do not remit under the PAYGW scheme.

7 The statistics in this publication exclude non-employing businesses. Though there are a substantial number of these businesses, it is expected that they would not contribute significantly to the estimates, although the impact would vary from industry to industry.

CHANGES TO ABS BUSINESS REGISTER

8 The introduction to The New Tax System has a number of significant implications for ABS business statistics, and these are discussed in *Information Paper: ABS Statistics And The New Tax System* (cat. no. 1358.0). The replacement of the Group Employer registration process by PAYGW registration resulted in a number of changes to most business survey frames. However, an adjustment has been made to the New Capital Expenditure series so that these changes will not affect broader level estimates of level and movement.

9 From the September quarter 2002, the ABS adopted a new units model and expanded its Register to include all units on the Australian Business Register, including non-employers. These non-employers will, however, continue to be excluded from the scope of the Survey of New Capital Expenditure. *Information paper: Improvements in ABS Economic Statistics (Arising from The New Tax System), 2002* (cat. no. 1372.0) provides further details.

STATISTICAL UNIT

10 In the Survey of New Capital Expenditure, the statistical unit used to represent businesses, and for which statistics are reported, is the ABN unit, in most cases. The ABN unit is the business unit which has registered for an ABN, and thus appears on the ATO administered Australian Business Register. This unit is suitable for ABS statistical needs when the business is simple in structure. For more significant and diverse businesses where the ABN unit is not suitable for ABS statistical needs, the statistical unit used is the Type of Activity Unit (TAU). A TAU is comprised of one or more business entities, sub-entities or branches of a business entity within an Enterprise Group that can report production and employment data for similar economic activities. When a minimum set of data items is available, a TAU is created which covers all the operations within an industry subdivision (and the TAU is classified to the relevant subdivision of the Australian and New Zealand Standard Industrial Classification (ANZSIC)). Where a business cannot supply adequate data for each industry, a TAU is formed which contains activity in more than one industry subdivision and the TAU is classified to the predominant ANZSIC subdivision. Further details about the ABS economic statistical units used in this survey, and in other ABS economic surveys (both sample surveys and censuses), can be found in Chapter 2 of the Standard Economic Sector Classifications of Australia (SESCA) 2002 (Cat. no. 1218.0).

SURVEY METHODOLOGY

11 The survey is conducted by mail on a quarterly basis. It is based on a random sample of approximately 8,000 units which is stratified by industry, State/Territory and number of employees. 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.

12 Respondents are asked to provide data on the same basis as their own management accounts. Where a selected unit does not respond in a given survey period, a value is estimated. If data are subsequently provided, the estimated value is replaced with reported data. Aggregates are calculated from all data using the 'number raised' estimation technique. Data are edited at both individual unit level and at aggregate level.

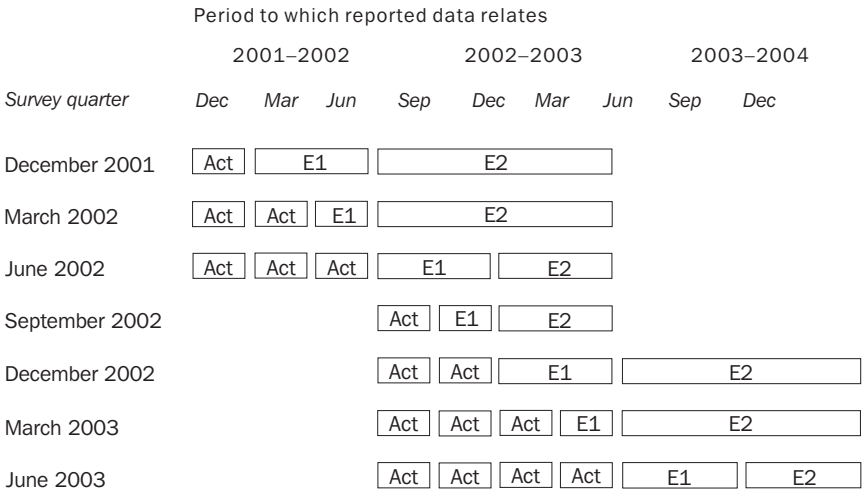
TIMING AND CONSTRUCTION OF SURVEY CYCLE

13 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).

14 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).

TIMING AND CONSTRUCTION OF SURVEY CYCLE *continued*



15 This survey cycle facilitates the formation of estimates of expenditure for financial years (12 months ending 30 June) which are presented in tables 5 and 6 of this publication. For example, as the table above shows for 2002–2003:

- the first estimate was available from the December 2001 survey as a longer term expectation (E2);
- the second estimate was available from the March 2002 survey (again as a longer term expectation);
- the third estimate was available from in the June 2002 survey as the sum of two expectations (E1 + E2);
- in the September 2002, December 2002 and March 2003 surveys the fourth, fifth and sixth estimates, respectively, are derived as the sum of actual expenditure (for that part of the year completed) and expected expenditure (for the remainder of the year) as recorded in the current quarter's survey;
- the final (or seventh) estimate from the June quarter 2003 survey will be derived by summing the actual expenditure for each of the four quarters in the 2002–03 financial year.

16 Businesses are requested to provide actual expenditure data by state/territory each quarter. Additionally, in each December quarter they are asked to provide by state/territory:

- A short term expectation (E1) for the 6 months to 30 June in the current financial year.
- A longer term expectation (E2) for the 12 months to 30 June of the following financial year.

17 These expectations data by state/territory are not included in this publication but are released on AusStats and are available on request.

SAMPLE REVISION

18 The survey frames and samples are revised each quarter to ensure that they remain representative of the survey population. The timing for creating each quarter's survey frame is consistent with that of other ABS business surveys. This provides for greater consistency when comparing data across surveys.

19 Additionally, with these revisions to the sample, some of the units from the sampled sector are rotated out of the survey and are replaced by others to spread the reporting workload equitably.

20 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 register. The majority of businesses affected and to which adjustments apply are small in size. As an indication of the size of these adjustments, in the June quarter 2003 they represented about 1.0% of the total estimate of new capital expenditure.

CLASSIFICATION BY INDUSTRY

21 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. For more information, users are referred to *Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993* (cat. no. 1292.0).

22 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.

CHAIN VOLUME MEASURES

23 The chain volume measures appearing in this publication are annually reweighted chain Laspeyres indexes referenced to current price values in the chosen reference year (currently 2001–02). The current price values may be thought as being the product of a price and quantity. The value in chain volume terms can be derived by linking together movements in volumes, calculated using the average prices of the previous financial year and applying compound movements to the current price estimates of the reference year. Each year's quarter-to-quarter growth rates in the chain volume series are based on the prices of the previous financial year, except for those quarters of the latest incomplete year which are based upon the second most recent financial year. Quarterly chain volume estimates for a financial year sum to the corresponding annual estimate.

24 With each release of the June quarter issue of this publication, a new base year is introduced and the reference year is advanced one year to coincide with it. This means that with the release of the June quarter 2004 issue of this publication, the chain volume measures for 2003–04 will have 2002–03 (the previous financial year) as their base year rather than 2001–02, and the reference year will be 2002–03. A change in the reference year changes levels but not growth rates for all periods. A change in the base year can result in revisions, small in most cases, to growth rates for the last year.

25 Chain volume measures are not generally additive. In other words, component chain volume measures do not, in general, sum to a total in the way original current price components do. For capital expenditure data, this means that the original chain volume estimates for industry groups will not add to total capital expenditure for Australia. In order to minimise the impact of this, the ABS uses the latest base year as the reference year. By adopting this approach, additivity does exist for the quarters following the reference year and non-additivity is relatively small for the quarters in the reference year and those immediately preceding it. For further information on chain volume measures refer to *Information Paper: Introduction of Chain Volume Measures in the Australian National Accounts* (cat. no. 5248.0).

DERIVATION AND USEFULNESS OF REALISATION RATIOS

26 Once actual expenditure for a financial year is known, it is useful to investigate the relationship between each of the prior 6 estimates of expenditure for that financial year and the actual expenditure (see Page 5 for an explanation of the derivation of the 7 estimates). 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).

27 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. Once this has been done the predictions can be more validly compared with each other and with previously derived estimates of actual expenditure for earlier years. For example, if one wished to make a prediction about actual expenditure for 2001–02 based on the June 2001 survey results and compare this with

DERIVATION AND USEFULNESS OF REALISATION RATIOS *continued*

2000–01 expenditure, it is necessary to apply the relevant realisation factors to the expectation to put both estimates on the same basis.

28 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 5 and 6.

29 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 regarding the predictive value of the expectation, even after adjustment by application of realisation ratios. This is particularly the case with the early 12 month expectations for the following financial year collected in the December and March surveys.

RELIABILITY OF THE ESTIMATES

30 Estimates provided in this publication are subject to non-sampling and sampling errors. The most common way of quantifying sampling error is to calculate the standard error for the published estimate. Details of standard errors are on pages 29 and 30 of this publication.

31 Non-sampling errors may arise as a result of errors in the reporting, recording or processing of the data and can occur even if there is a complete enumeration of the population. These errors can be introduced through inadequacies in the questionnaire, treatment of non-response, inaccurate reporting by respondents, errors in the application of survey procedures, incorrect recording of answers, and errors in data entry and processing.

32 Estimates for the latest quarter presented in this publication are considered preliminary and revised estimates will be released with the next issue. As discussed in Paragraphs 36, 38 and 39, below, seasonally adjusted and trend estimates are also subject to revision as data are revised and more data becomes available.

33 It is difficult to measure the size of non-sampling errors. However, every effort is made in the design of the survey and development of survey procedures to minimise their effects. In addition, respondents may have difficulties in allocating to the appropriate State(s) expenditure on some equipment items such as mobile assets (eg. 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 or, in the case of aircraft, is allocated across states in proportion to the likely use of the asset.

SEASONAL ADJUSTMENT

34 The quarterly original actual new capital expenditure series in this publication are affected in varying degrees by seasonal influences. The seasonal adjustment process estimates and removes the effects of normal seasonal variations from the original series so that the effects of other influences can be more easily recognised.

35 In the seasonal adjustment process, account has been taken of normal seasonal factors (e.g. increase in June quarter capital expenditure due to the impending end of the financial year) to produce the seasonally adjusted estimates. Particular care should be taken in interpreting quarterly movements in the seasonally adjusted estimates because seasonal adjustment does not remove the effect of irregular or non-seasonal influences (e.g. change in interest rates) and reflects the sampling and other errors to which the original estimates are subject.

36 In this publication, the seasonally adjusted estimates are produced by the concurrent seasonal adjustment method which takes account of the latest available original estimates. This method improves the estimation of seasonal factors, and therefore, the seasonally adjusted and trend estimates for the current and previous quarters. As a result of this improvement, revisions to the seasonally adjusted and trend estimates will be observed for recent periods. In most instances the only noticeable

SEASONAL ADJUSTMENT *continued*

revisions will be to the previous quarter and the same quarter one year ago. A more detailed review will be conducted annually prior to the June quarter release using data up to and including the March quarter. The concurrent seasonal adjustment methodology replaces the forward factor methodology previously used to adjust capital expenditure estimates where seasonal factors for these estimates were only revised following an annual reanalysis.

37 Seasonally adjusted estimates by asset type for Tasmania, Northern Territory and Australian Capital Territory are not separately available because of the high sampling variability associated with them. They are included in totals for Australia and while a combined residual can be derived, the measure should not be considered reliable.

TREND ESTIMATES

38 The trend estimates are derived by applying a 7-term Henderson moving average to the seasonally adjusted estimates. The 7-term Henderson moving average is symmetric, but as the end of a time series is approached, asymmetric forms of the moving average are applied. The asymmetric moving average has been tailored to suit the particular characteristics of individual series and enable trend estimates for recent quarters to be produced. Estimates of the trend will be improved at the current end of the time series as additional observations become available. This improvement is due to the application of different asymmetric moving averages for the most recent three quarters. As a result of the improvement, revisions to the trend estimates will generally be observed for the most recent three quarters.

39 There may also be revisions because of changes in the original estimates. As a result of these revisions, the seasonally adjusted and trend estimates will also be revised. For further information, see *Information Paper: A Guide to Interpreting Time Series — Monitoring Trend, An Overview* (cat. no. 1348.0) or contact the Assistant Director, Time Series Analysis on Canberra 02 6252 6345 or email <timeseries@abs.gov.au>.

DESCRIPTION OF TERMS

40 A description of the terms used in this publication is given below:

41 *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.

42 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.

COMPARISON WITH NATIONAL ACCOUNTS AND OTHER ABS STATISTICS

43 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:

COMPARISON WITH NATIONAL ACCOUNTS AND OTHER ABS STATISTICS *continued*

- National Accounts estimates incorporate data from other sources as well as information from the new capital expenditure survey. For example, annual estimates for capital expenditure on 'machinery and equipment' are based on the ABS' annual Economic Activity Survey combined with data from the Australian Taxation Office. Quarterly estimates are interpolated between and extrapolated from the annual 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 dwellings and other building and structures items.
- National Accounts estimates include capital expenditure by all private businesses including units classified to agriculture, forestry and fishing, education, and health 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.
- National accounts estimates of gross fixed capital formation relate to acquisitions less disposals of new or existing fixed assets, whereas the survey figures are acquisitions of new fixed tangible assets only.

44 For a more detailed explanation of the concepts and methods used in compiling the National Accounts estimates see *Australian National Accounts: Concepts, Sources and Method*s (cat. no. 5216.0).

45 The estimates of capital expenditure on buildings and other structures will differ with estimates of Construction activity published in *Construction Work Done, Australia, Preliminary* (cat. no. 8755.0). The latter publication presents estimates of building and engineering construction work collected by the Building Activity Survey and the Engineering Construction Survey. Estimates of construction activity are based on the value of actual work done during the quarter of individual building or construction jobs by builders, and do not necessarily equate to capitalisation of this work by the builders' eventual clients. Estimates of capital expenditure in this publication are based on data reported by businesses (that is, the builders' clients) from their financial or management accounts for purchases of buildings and structures.

RELATED PUBLICATIONS

46 Users may also wish to refer the following publications:

- *Australian Business Expectations* (cat. no. 5250.0)
- *Australian National Accounts: National Income, Expenditure and Product* (cat. no. 5206.0)
- *Australian National Accounts: Concepts, Sources and Methods* (cat. no. 5216.0)
- *Building Activity, Australia* (cat. no. 8752.0)
- *Business Indicators, Australia* (cat. no. 5676.0)
- *Business Operations and Industry Performance, Australia* (cat. no. 8140.0)
- *Constructon Work Done, Australia* (cat no 8755.0)
- *Directory of Capital Expenditure Data Sources and Related Statistics* (cat. no. 5653.0)
- *Engineering Construction Activity, Australia* (cat. no. 8762.0)
- *Information Paper: Experimental Estimates: Australian Industry, A State Perspective, 1998–99* (cat. no. 8156.0)
- *Information Paper: Improvements to Australian Bureau of Statistics Business Indicators* (cat. no. 5677.0)
- *Information Paper: Australian National Accounts, Introduction of Chain Volume and Price Indexes* (cat. no. 5248.0)

RELATED PUBLICATIONS *continued*

47 Current publications and other products released by the ABS are listed in the *Catalogue of Publications and Products* (cat. no. 1101.0). The Catalogue is available from any ABS office or the ABS web site <http:\\www.abs.gov.au>. The ABS also issues a daily Release Advice on the web site which details products to be released in the week ahead.

ABS DATA AVAILABLE ON REQUEST

48 In addition to the data contained in this publication, more detailed industry and state information may be made available on request, the cost for such a service being dependent upon the amount of data requested. For example, data are generally available at the ANZSIC group (3 digit) level.

DATA AVAILABLE ON AUSSTATS

49 The ABS' time series service AusStats contains most of the data included in this publication but with a longer time series. In addition to the series in this publication, data for Manufacturing Subdivisions and State by Industry data are also available. A full list of available AusStats tables is in Appendix 2 on page 31.

APPENDIX 1 SAMPLING ERRORS

LEVEL ESTIMATES

INTRODUCTION

The estimates in this publication are based on a sample drawn from units in the surveyed population. Because the entire population is not surveyed, the published estimates are subject to sampling error. The most common way of quantifying such sampling error is to calculate the standard error for the published estimate or statistic.

EXAMPLE OF USE

To illustrate, let us say that the published level estimate for total capital expenditure is $10,500m and the calculated standard error in this case is $173m. The standard error is then used to interpret the level estimate of $10,500m. For instance, the standard error of $173m indicates that:

- There are approximately two chances in three that the real value falls within the range $10,327m to $10,673m ($10,500m ± $173m)
- There are approximately 19 chances in 20 that the real value falls within the ranges $10,154m and $10,846m ($10,500m ± $346m)

The real value in this case is the result we would obtain if we could enumerate the total population.

The following table shows the standard errors for quarterly level estimates. These standard errors are based on a smoothed average of capital expenditure estimates.

	Buildings and structures	*Equipment, plant and machinery*	*Total*
	$m	$m	$m
Mining	11	16	36
Manufacturing	16	51	62
Construction	7	35	40
Wholesale trade	5	57	65
Retail trade	7	22	34
Transport and storage	10	40	45
Finance and insurance	3	29	31
Property and business services	52	62	84
Other services	69	36	89
Total	**90**	**124**	**173**
New South Wales	17	77	92
Victoria	73	71	108
Queensland	10	35	44
South Australia	2	13	27
Western Australia	5	25	32
Tasmania	1	8	8
Northern Territory	na	na	2
Australian Capital Territory	na	na	6
Australia	**90**	**124**	**173**

na not available

MOVEMENT ESTIMATES

EXAMPLE OF USE

The following example illustrates how to use the standard error to interpret a movement estimate. Let us say that one quarter the published level estimate for total capital expenditure is $10,500m, and the next quarter the published level estimate is $11,100m. In this example the calculated standard error for the movement estimate is $221m. The standard error is then used to interpret the published movement estimate of +$600m.

For instance, the standard error of $221m indicates that:

- There are approximately two chances in three that the real movement over the two quarter period falls within the range $379m to $821m ($600m ±$221m)
- There are approximately nineteen chances in twenty that the real movement falls within the range $158m to $1,042m ($600m ± $442m)

The following table shows the standard errors for national quarterly movement estimates. These standard errors are based on a smoothed average of capital expenditure estimates.

	Buildings and structures	*Equipment, plant and machinery*	*Total*
	$m	$m	$m
Mining	15	23	49
Manufacturing	22	64	78
Construction	10	48	55
Wholesale trade	7	51	66
Retail trade	11	25	45
Transport and storage	12	49	53
Finance insurance	5	40	32
Property and business services	74	84	114
Other services	98	46	119
Total	**127**	**153**	**221**
New South Wales	26	99	103
Victoria	26	114	117
Queensland	63	75	100
South Australia	10	84	84
Western Australia	24	87	91
Tasmania	5	21	21
Northern Territory	na	na	33
Australian Capital Territory	na	na	67
Australia	**127**	**153**	**221**

na not available

APPENDIX 2 DATA AVAILABLE ON AUSSTATS

DATA AVAILABLE ON AUSSTATS

The full list of Ausstats tables is as follows:

1a Actual expenditure, By type of asset and broad industry, Australia, Original, Current price terms
1b Short-term expectations, By type of asset and broad industry, Australia, Original, Current price terms
1c Long-term expectations, By type of asset and broad industry, Australia, Original, Current price terms
1e Actual expenditure, By type of asset and broad industry, Australia, Seasonally adjusted, Current price terms
1f Actual expenditure, By type of asset and broad industry, Australia, Trend, Current price terms
2a Actual expenditure, By detailed industry, Australia, Original, Current price terms
2b Short-term expectations, By detailed industry, Australia, Original, Current price terms
2c Long-term expectations, By detailed industry, Australia, Original, Current price terms
2e Actual expenditure, By detailed industry, Australia, Seasonally adjusted, Current price terms
2f Actual expenditure, By detailed industry, Australia, Trend, Current price terms
3a Actual expenditure, By type of asset, Australia, Original, Seasonally adjusted, Trend, Chain volume measures
3b Actual expenditure, By industry, Australia, Original, Seasonally adjusted, Trend, Chain volume measures
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