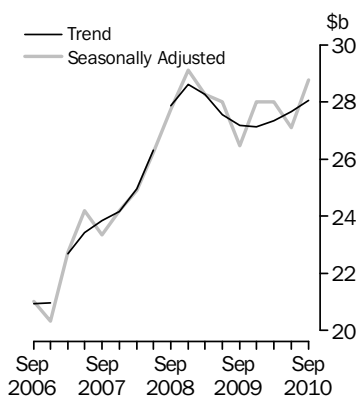


**PRIVATE NEW CAPITAL EXPENDITURE
AND EXPECTED EXPENDITURE AUSTRALIA**

EMBARGO: 11.30AM (CANBERRA TIME) THURS 25 NOV 2010

New Capital Expenditure

in volume terms



KEY FIGURES

	Sep Qtr 10 \$m	Jun Qtr 10 to Sep Qtr 10 % change	Sep Qtr 09 to Sep Qtr 10 % change
Trend estimates^(a)			
Total new capital expenditure	28 061	1.5	3.3
Buildings and structures	14 842	7.3	14.5
Equipment, plant and machinery	13 161	-4.8	-8.4
Seasonally adjusted^(a)			
Total new capital expenditure	28 768	6.2	8.6
Buildings and structures	15 380	13.4	21.3
Equipment, plant and machinery	13 388	-1.1	-3.0

(a) In volume terms

KEY POINTS

ACTUAL EXPENDITURE (VOLUME TERMS)

- The trend volume estimate for total new capital expenditure rose 1.5% in the September quarter 2010 while the seasonally adjusted estimate rose 6.2%.
- The trend volume estimate for buildings and structures rose 7.3% in the September quarter 2010 while the seasonally adjusted estimate rose 13.4%.
- The trend volume estimate for equipment, plant and machinery fell 4.8% in the September quarter 2010 while the seasonally adjusted estimate fell 1.1%.

EXPECTED EXPENDITURE (CURRENT PRICE TERMS)

- This issue includes the fourth estimate (Estimate 4) for 2010-11.
- Estimate 4 for 2010-11 is \$123,941m. This is 19.5% higher than Estimate 4 for 2009-10. Estimate 4 is flat compared with Estimate 3 for 2010-11.
- See pages 6 to 10 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 Liz Bolzan-Aravenna on Sydney (02) 9268 4508.

NOTES

FORTHCOMING ISSUES

<i>ISSUE (Quarter)</i>	<i>RELEASE DATE</i>
December 2010	24 February 2011
March 2011	26 May 2011
June 2011	25 August 2011
November 2011	24 November 2011

FEATURE ARTICLE

A feature article titled 'Mining capital expenditure in Australia' begins on page 11.

CHANGES IN THIS ISSUE

- Each September quarter the reference and base year for chain volume estimates for the Survey of Private New Capital Expenditure are updated. A new base year, 2008-09, has been introduced into the chain volume estimates which has resulted in minor revisions to growth rates in subsequent periods. In addition, the chain volume estimates have been re-referenced to 2008-09. Additivity is preserved in the quarters of the reference year and subsequent quarters. Re-referencing affects the level of, but not the movements in, chain volume estimates.
- As happens each year, a seasonal re-analysis has been undertaken based on estimates up to and including the June quarter 2010. No significant changes have occurred this re-analysis, resulting in only minor revisions to the seasonally adjusted estimates.
- Commencing with the September quarter 2010, state specific deflators have been applied in the calculation of state volume estimates for capital expenditure for buildings and structures in place of a national deflator. This approach is consistent with National Accounts methodology and the treatment of the equipment asset type in capital expenditure statistics. This change has resulted in minor revisions to previously published volume estimates for building and structures capital expenditure by state. Total Australia series have not been affected.

ABBREVIATIONS

ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
PAYGW	pay-as-you-go withholding
SNA08	System of National Accounts 2008 version
TAU	type of activity unit

Brian Pink
Australian Statistician

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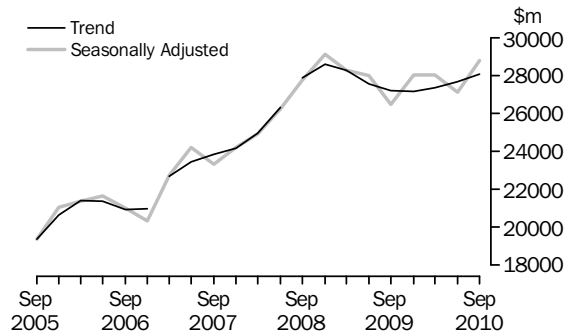
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ACTUAL NEW CAPITAL EXPENDITURE IN VOLUME TERMS

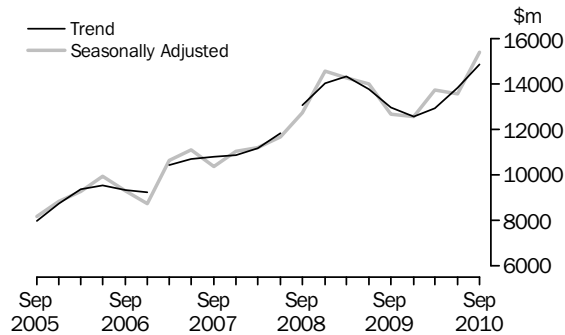
TOTAL CAPITAL EXPENDITURE

The trend estimate for total new capital expenditure rose 1.5% in the September quarter 2010. By asset type, the trend estimate for building and structures rose 7.3% while equipment, plant and machinery fell 4.8%. The seasonally adjusted series for total new capital expenditure rose 6.2% in the September quarter 2010.



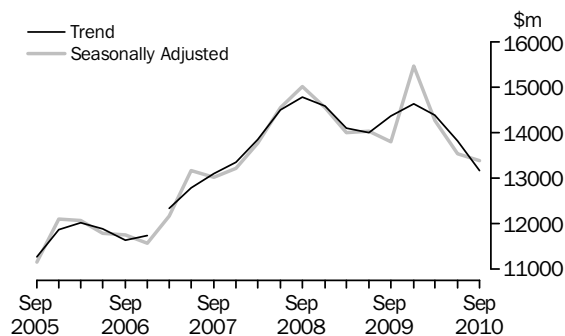
BUILDINGS AND STRUCTURES

The trend estimate for buildings and structures rose 7.3% in the September quarter 2010. Buildings and structures for Mining rose 10.1%, Manufacturing rose 1.8% and Other selected industries rose 4.2%. The seasonally adjusted estimate for buildings and structures rose 13.4% in the September quarter 2010. Mining rose 17.6%, Manufacturing fell 11.8% and Other selected industries rose 13.0% in seasonally adjusted terms.



EQUIPMENT, PLANT AND MACHINERY

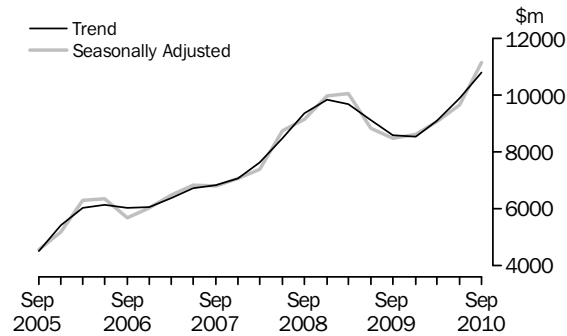
The trend estimate for equipment, plant and machinery fell 4.8% in the September quarter 2010. Mining rose 3.5%, Manufacturing rose 0.2% while Other selected industries fell 7.3%. The seasonally adjusted series fell 1.1%. Mining rose 8.8%, Manufacturing fell 3.1% and Other selected industries fell 3.0%.



ACTUAL NEW CAPITAL EXPENDITURE IN VOLUME TERMS *continued*

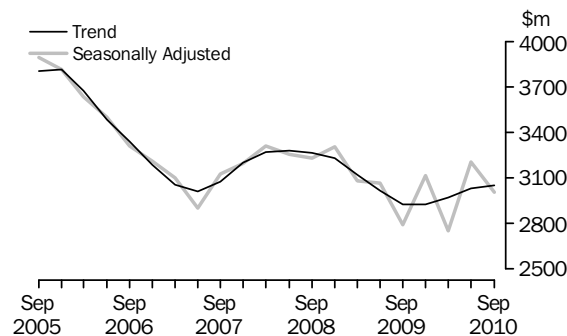
MINING

The trend estimate for Mining rose 9.1% in the September quarter 2010. The buildings and structures asset type rose 10.1%, while equipment, plant and machinery rose 3.5%. The seasonally adjusted September quarter estimate for Mining rose 15.6%. By asset type, buildings and structures rose 17.6% in the quarter while equipment, plant and machinery rose 8.8% in seasonally adjusted terms.



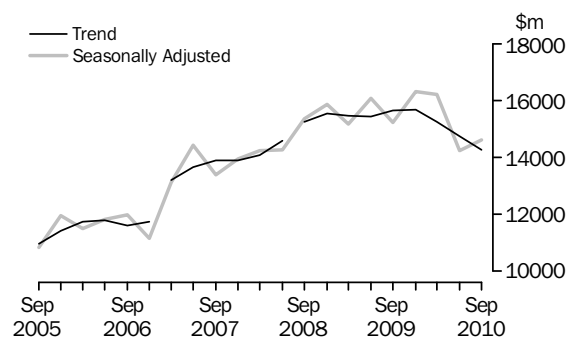
MANUFACTURING

The trend estimate for Manufacturing rose 0.7% in the September quarter 2010. Buildings and structures rose 1.8% while equipment, plant and machinery rose 0.2%. The seasonally adjusted September quarter estimate for Manufacturing fell 6.3%. Buildings and structures fell 11.8% and equipment, plant and machinery fell 3.1%.



OTHER SELECTED INDUSTRIES

The trend estimate for Other selected industries fell 3.2% in the September quarter 2010. Buildings and structures rose 4.2% while equipment, plant and machinery fell 7.3%. The seasonally adjusted September quarter estimate for Other selected industries rose 2.6%. Buildings and structures rose 13.0% and equipment, plant and machinery fell 3.0%.



ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

FINANCIAL YEARS AT
CURRENT PRICES

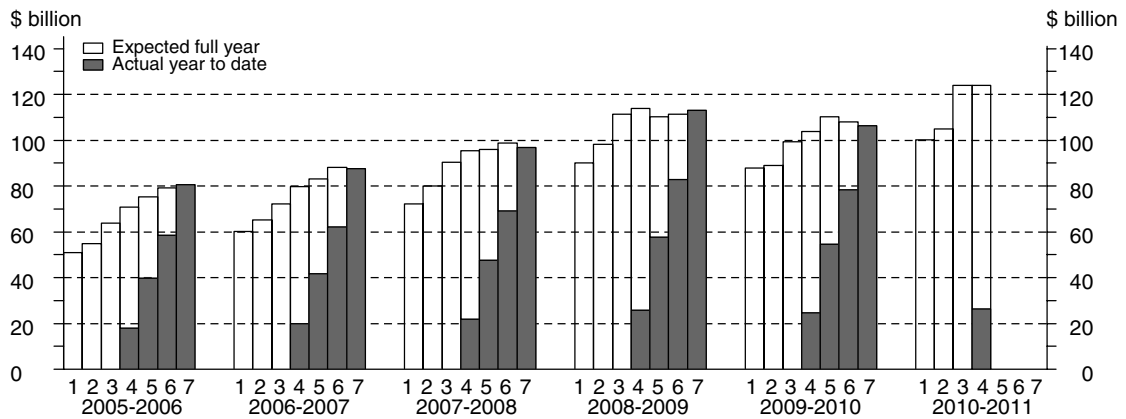
The graphs below show the seven estimates of actual and expected expenditure for each financial year. The estimates appearing below relate to data contained in Tables 5 and 6. Commentary in this section includes reference to some unpublished data, providing some further analysis of change in these estimates by detailed industry. 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:

Estimate	Based on data reported at:	COMPOSITION OF ESTIMATE.....		
		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

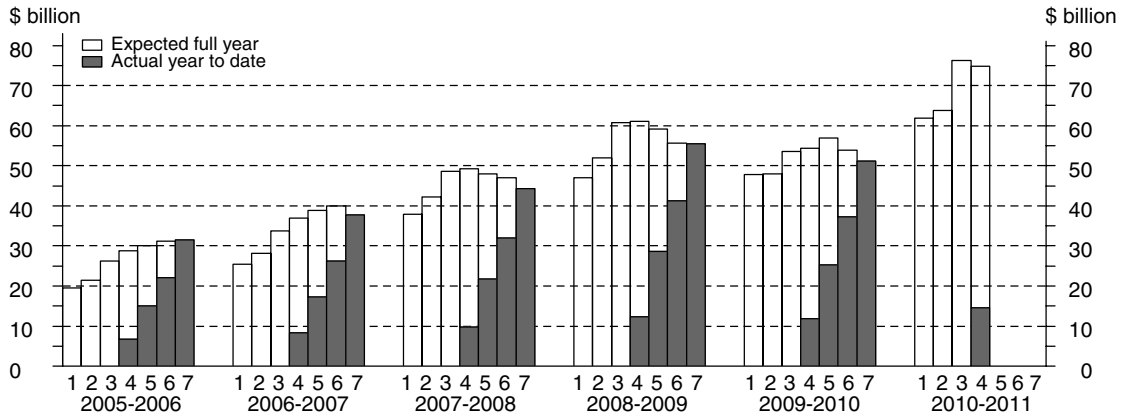
Estimate 4 for total capital expenditure for 2010-11 is \$123,941 million. This is 19.5% higher than Estimate 4 for 2009-10. The main contributors to this increase were Mining (46.6%) and Rental, Hiring and Real Estate Services (40.1%). Estimate 4 for total capital expenditure is flat compared with Estimate 3 for 2010-11.



ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE *continued*

BUILDINGS AND STRUCTURES

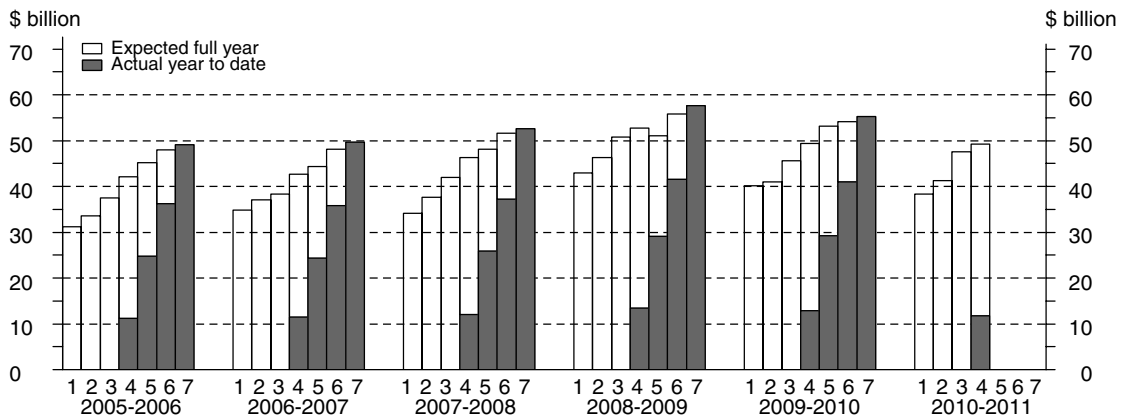
Estimate 4 for buildings and structures for 2010-11 is \$74,749 million. This is 37.6% higher than Estimate 4 for 2009-10. The main contributors to this increase were Mining (52.0%) and Other Selected Industries (19.8%). Estimate 4 for buildings and structures is 2.1% lower than Estimate 3 for 2010-11. The main contributor to this decrease was Mining (-4.4%).



ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE *continued*

EQUIPMENT, PLANT AND MACHINERY

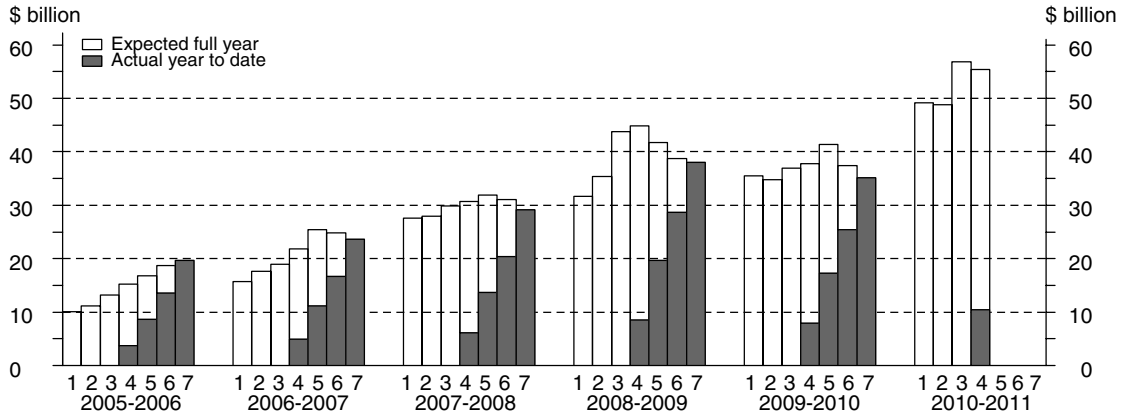
Estimate 4 for equipment, plant and machinery for 2010-11 is \$49,193 million. This is 0.3% lower than Estimate 4 for 2009-10. Mining has increased (29.3%), however, this has been offset by Other Selected Industries (-8.9%). By major industry, the main contributors to this decrease were Transport, Postal and Warehousing (-18.1%) and Other Selected Services (-20.1%). Estimate 4 for equipment, plant and machinery is 3.3% higher than Estimate 3 for 2010-11. The main contributors to this increase were Mining (5.2%) and Other Selected Industries (3.0%)



ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE *continued*

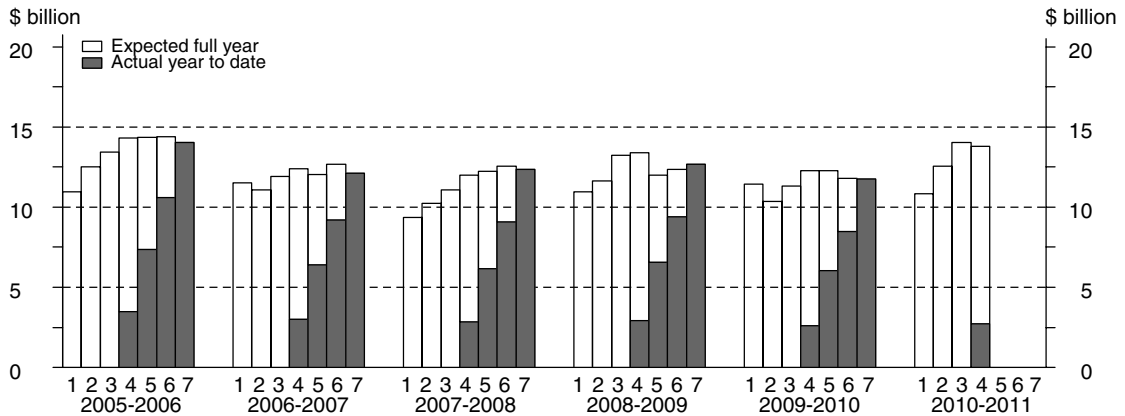
MINING

Estimate 4 for Mining for 2010-11 is \$55,355 million. This is 46.6% higher than the corresponding estimate for 2009-10. Estimate 4 is 2.5% lower than Estimate 3 for 2010-11. Buildings and structures is 4.4% lower and equipment, plant and machinery is 5.2% higher than the corresponding third estimates for 2010-11.



MANUFACTURING

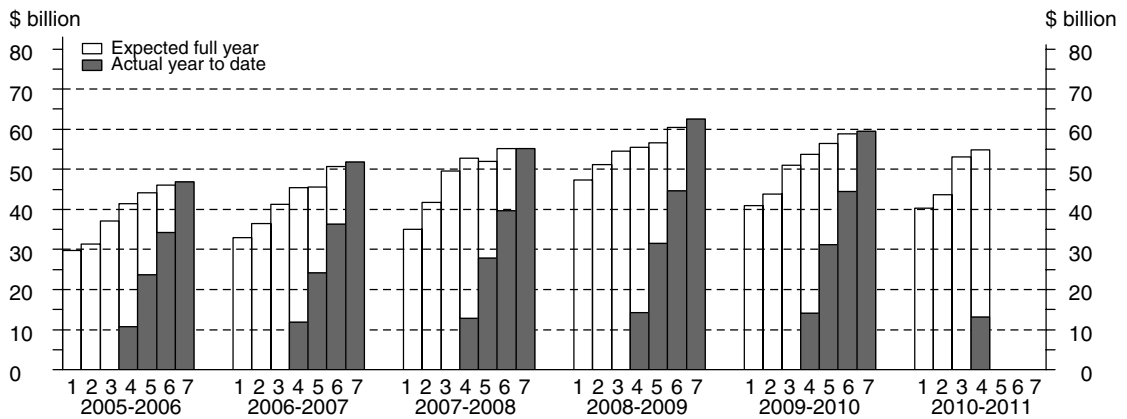
Estimate 4 for Manufacturing for 2010-11 is \$13,774 million. This is 12.1% higher than the corresponding estimate for 2009-10. Estimate 4 is 1.9% lower than Estimate 3 for 2010-11. Buildings and structures is 5.7% lower and equipment, plant and machinery is 1.4% higher than the corresponding third estimates for 2010-11.



ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE *continued*

OTHER SELECTED INDUSTRIES

Estimate 4 for Other Selected Industries for 2010-11 is \$54,813 million. This is 2.2% higher than Estimate 4 for 2009-10. Rental, Hiring and Real Estate Services (40.1%) was the main contributor to the increase. Building and structures is 19.8% higher and equipment, plant and machinery is 8.9% lower. Estimate 4 for Other Selected Industries is 3.2% higher than Estimate 3 for 2010-11. Buildings and structures is 3.4% higher and equipment, plant and machinery is 3.0% higher than the corresponding third estimates for 2010-11.



MINING CAPITAL EXPENDITURE IN AUSTRALIA

INTRODUCTION

New private capital expenditure plays an important role in the performance of the Australian economy. It influences the economy's supply capacity and therefore long term growth rates.

New private 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. The ABS measures new private capital expenditure on a quarterly basis and publishes the results in *Private new capital expenditure and expected expenditure, Australia*, (Cat.no. 5625.0). These data are important economic indicators in their own right as well as an important input into the compilation of the quarterly national accounts. Along with other data, the equipment, plant and machinery results are used to measure private gross fixed capital formation, which forms part of the expenditure based measure of Gross Domestic Product (GDP).

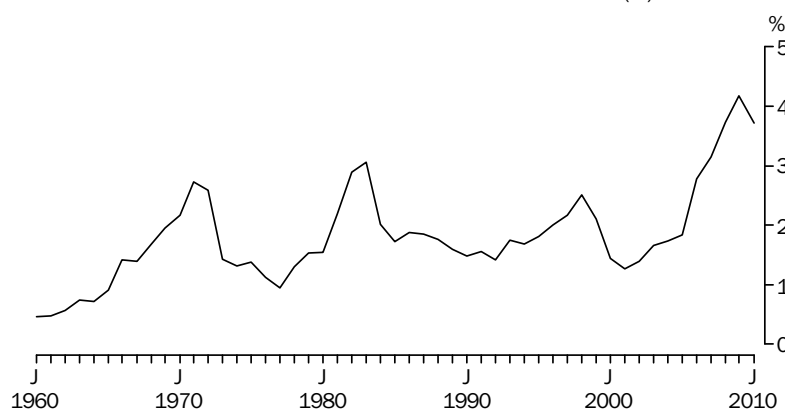
A current topic of interest is the notable increase in new private capital expenditure over the recent past. In the period from March quarter 2005 to September quarter 2010 new private capital expenditure increased by 73.0% (or \$12,140m) to \$28,768¹. The mining industry accounted for 66.2% (or \$8,034m) of this increase. Given this, there has been growing interest in the mining industry and its impact on the Australian economy.

This feature article presents observations of the mining industry, with a focus on data sourced from the ABS Private new capital expenditure and expected expenditure survey.

(I) MINING CAPITAL EXPENDITURE IN RECENT YEARS

The current surge in mining capital expenditure can be dated from 2005. This increase in the significance of mining industry investment as measured by its share of GDP can be seen in Graph 1². From 2004-05 to 2009-10, mining investment as a share of GDP has increased from 1.8% to 3.7%.

GRAPH 1: MINING INVESTMENT: SHARE OF GDP (E)



Source: Australian System of National Accounts, ABS cat. no. 5204.0

From March quarter 2005 to September quarter 2010, the estimate for capital expenditure by the mining industry increased 258.4% (or \$8,034m) to \$11,143m. This growth, relative to other industries, can be seen in Graph 2³.

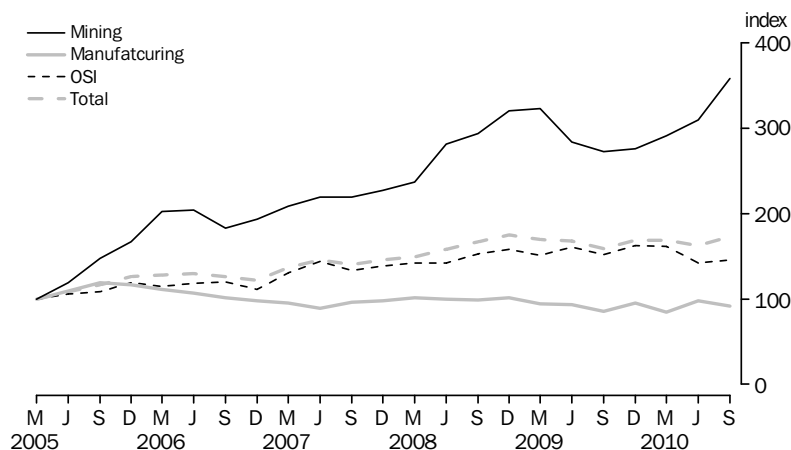
1 In seasonally adjusted, volume terms.

2 In current price terms.

3 In seasonally adjusted volume terms.

(I) MINING CAPITAL EXPENDITURE IN RECENT YEARS *continued*

GRAPH 2: TOTAL CAPEX, BY INDUSTRY: Mar Qtr 2005 = 100.0



The observed increase in mining capital expenditure, to a large degree, has been driven by the need to develop mine sites and construct infrastructure to service the increasing demand for natural resources by emerging economies in Asia, particularly China. These rapidly expanding economies have dramatically increased their demand for energy and resources to develop their infrastructure and support urbanisation and industrialisation⁴. Australia is well placed to fulfil this demand due to its resource endowment, stable political environment and geographical proximity to emerging Asian economies.

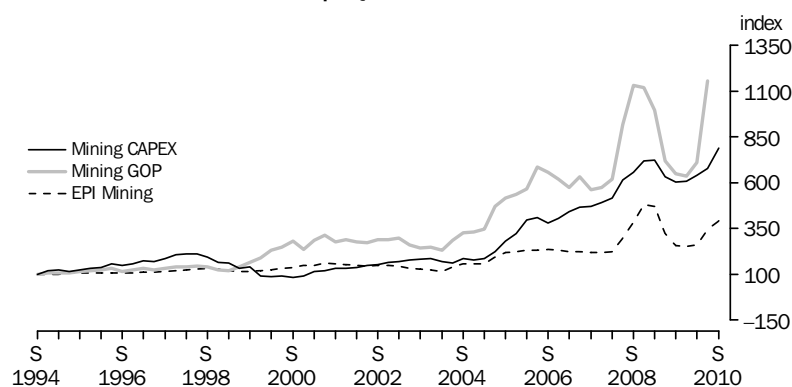
Coinciding with the increased demand for Australia's commodities have been sharp rises in commodity prices. From March quarter 2005 to September quarter 2010 the export price index for the mining industry increased 150.2%⁵. The increase in export prices has generated large increases in profits in the mining sector (up 233.3% or \$17,438m in the period from March 2005 to June 2010)⁶. Increased profitability and expectations of continuing strength in commodity prices has provided further incentive for mining businesses to undertake investment. Graph 3 shows the growth in mining profits and export prices, along with the increase in mining capital expenditure⁷.

4 See RBA Statement of Monetary Policy, Pg 11 - 14 and Lowe, Philip. "The Development of Asia Risk and Returns for Australia." Natstats 2010 Conference, Sydney, 16 September 2010.

5 Source: International Trade Price Indexes, Australia, Sep quarter 2010, ABS Cat. no. 6457.0, Export Price Index by Division: Mining.

6 Company Gross Operating Profits in seasonally adjusted, current price terms, Business Indicators, Australia, Jun quarter 2010, ABS cat. no. 5676.0.

7 In seasonally adjusted, current price terms.

(I) MINING CAPITAL
EXPENDITURE IN RECENT
YEARS *continued*GRAPH 3: MINING EXPORT PRICE INDEX, CAPEX AND GROSS
OPERATING PROFITS: **Sep Qtr 1994 = 100.0**

Source: *Business Indicators*, ABS cat. no. 5676.0;
International Trade Price Indexes, ABS cat. no. 6457.0

Also of note from graph 3 is that capital expenditure is less volatile than profits in the mining industry. Profits are responsive to economic conditions experienced by businesses in the reference period, in particular commodity prices and production volumes. On the other hand, mining capital expenditure is less responsive to current economic conditions as expenditure primarily relates to large projects that require expenditure over a number of years. Therefore, a change in current economic conditions and business outlook is likely to more significantly impact investment/development of future projects, rather than those that are currently under way.

A recent period when mining capital expenditure did fall was during the global financial crisis (GFC).

The global financial crisis was a period from 2008-09 to 2009-10 when many mining businesses faced tightening credit conditions, a fall in export prices on the back of concerns about the global demand for commodities and a fall in profits. The sharpest falls occurred in June quarter 2009, with export prices falling 31.7%, profits falling 27.7% and capital expenditure falling 12.7%⁸ (see graph 3).

The fall in total mining capital expenditure (down 7.4% or -\$2,794m from \$37,978m in 2008-09 financial year to \$35,184m in the 2009-10 financial year) was driven by both equipment, plant and machinery (down 11.9% or -\$1,178m from \$9,888m in 2008-09 financial year to \$8,710m in the 2009-10 financial year) and buildings and structures (down 5.8% or -\$1,616m from \$28,090m in 2008-09 financial year to \$26,474m in the 2009-10 financial year)⁹. It's clear therefore that mining businesses responded to the GFC by reducing expenditure on equipment, plant and machinery such as earthmoving equipment and mine processing machinery due to flexibility in delivery dates as well as reducing mine development and supporting infrastructure spending.

Graph 4 presents mining capital expenditure by asset type¹⁰ over time. From March quarter 2005 to September 2010 quarter, expenditure on buildings and structures increased 361.4% (or \$6,845m) to \$8,739m. The increase for equipment, plant and machinery in the corresponding period was 102.4% (or \$1,217m) to \$2,405m¹¹.

⁸ In seasonally adjusted, current price terms.

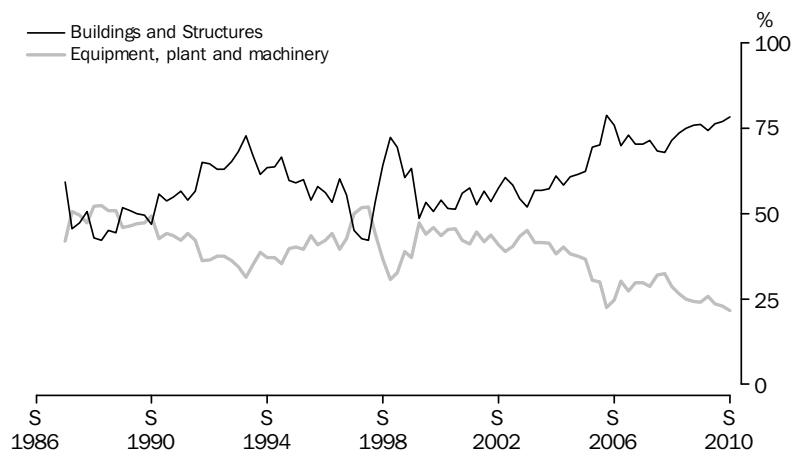
⁹ In original, current price terms.

¹⁰ See the Explanatory Notes of this publication for definitions of capital expenditure asset types.

¹¹ In seasonally adjusted, volume terms.

(I) MINING CAPITAL EXPENDITURE IN RECENT YEARS *continued*

GRAPH 4: MINING CAPEX, SHARE BY ASSET



In recent years, buildings and structures capital expenditure has increased due to a large number of new mining projects in LNG, coal, iron ore and off-shore drilling platforms and now clearly dominates total mining capital expenditure.

An analysis of mining industry capital expenditure shows that for the financial year 2009-2010, 41.6% (or \$14,631m) can be attributed to businesses operating in the oil and gas extraction industry and 36.9% (or \$12,968m) can be attributed to businesses operating in metal ore mining. Coal mining was 17.2% (or \$6,052m) of the estimate, exploration and other services was 3.0% (or \$1,046m) and non-metallic mineral mining and quarrying was 1.4% (or \$487m)¹².

(II) THE IMPACT OF MINING CAPITAL EXPENDITURE ON OTHER INDUSTRIES

The performance of the mining industry in recent years has had positive downstream effects on other industries, both in terms of capital expenditure as well as more broadly in terms of sales, wages and profits.

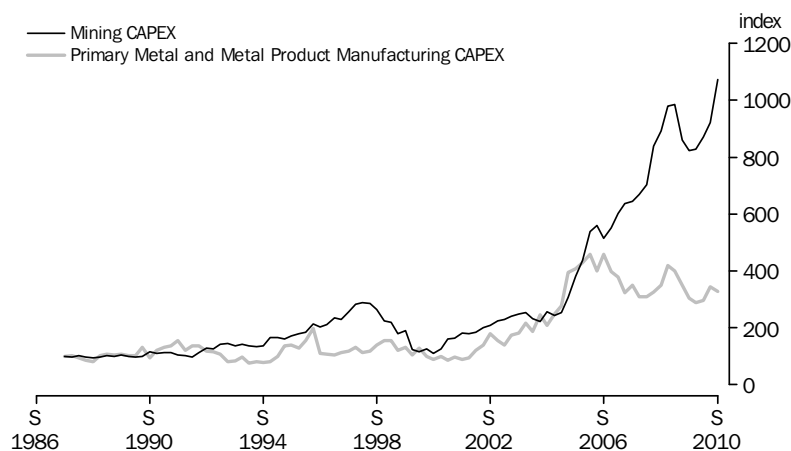
The resource processing industry (a part of the manufacturing industry) is a clear example of positive downstream effects from increased mining activity. A large proportion of mining related manufacturing occurs in the industry primary metal and metal product manufacturing. This includes businesses carrying out the smelting and refining of raw iron ores (a mining output) into metal products. The majority of these businesses are manufacturing subsidiaries of mining companies. Graph 5¹³ presents capital expenditure for these two related industries over time. It's clear that the initial upswing in mining capital expenditure was matched by capital expenditure in this downstream manufacturing industry. In recent years, though, mining capital expenditure has outpaced primary metal and metal product manufacturing capital expenditure.

¹² In original, current price terms.

¹³ In seasonally adjusted, current price terms.

(II) THE IMPACT OF MINING CAPITAL EXPENDITURE ON OTHER INDUSTRIES *continued*

GRAPH 5: MINING CAPEX AND PRIMARY METAL MANUFACTURING CAPEX: Sep Qtr 1987 = 100.0

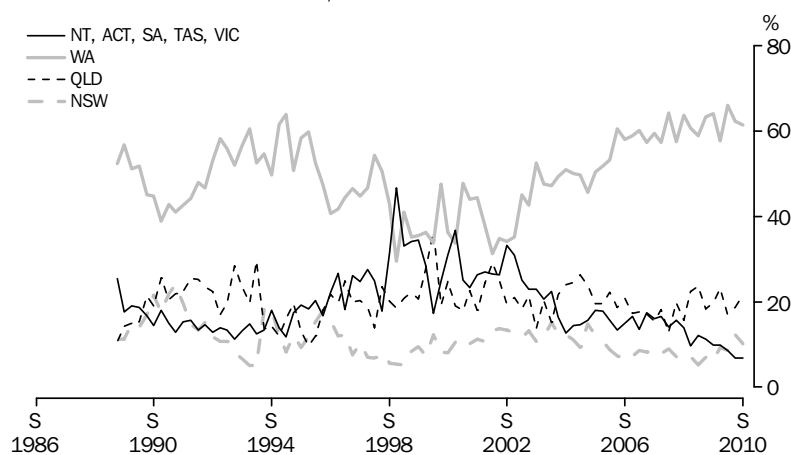


These positive flow-on effects of increased mining activity, including mining capital expenditure, also impact businesses not directly involved in the mining commodities production process. This includes construction and engineering businesses who are recipients of buildings and structures investment by mining companies and businesses providing mining support services. More broadly, tax revenue has been impacted by mining activity and employment/wages of employees supporting the mining industry (e.g. cleaners and administrative support services staff) are transferring benefits from the mining industry to the rest of the economy. Asset prices, such as house prices in Perth, are also being affected by the surge in mining activity.

(III) MINING CAPITAL EXPENDITURE BY STATE

The majority of mining capital expenditure in the recent past has occurred in the resource rich states of Western Australia and Queensland. Western Australia contributed 61.5% (or \$6,445m) of the total mining capital expenditure estimate in September quarter 2010 and this percentage has been increasing over recent years (see Graph 6)¹⁴. Queensland contributed 21.5% (or \$2,260m) of total Australia mining capital expenditure in September quarter 2010 and the state has emerged as consistently the second largest contributor. NSW contributed 10.2% (or \$1,070m) of the total mining capital expenditure estimate and the remaining states had a combined contribution of 6.8% (or \$713m).

GRAPH 6: MINING CAPEX, SHARE BY STATE



14 In original, current price terms.

(III) MINING CAPITAL
EXPENDITURE BY STATE
continued

These data also demonstrate that Western Australia and Queensland are becoming increasingly reliant on the mining industry for business investment and economic activity more broadly. In the September quarter 2010, 76.1% (or \$6,445m) of the total private capital expenditure in Western Australia was carried out by the mining industry. For Queensland, the proportion attributable to mining was 39.6% (or \$2,260m).

The importance of the Mining industry to these two states is further reinforced by the growth in Mining Total Factor Income¹⁵. In Queensland, Mining total factor income increased 234.2% (or \$16,473m) from 2000-01 to 2009-10 while in Western Australia the increase was 244.6% (or \$35,711m).

CONCLUSION

This article provides an insight into the increase in capital expenditure in recent years, utilising data primarily sourced from the ABS Private new capital expenditure and expected expenditure survey. The recent surge in capital expenditure was primarily due to the mining industry, an industry benefitting from high export prices resulting from strong global demand for mining commodities. The increase in mining activity has also affected other industries, particularly those in downstream production process industries such as the manufacturing industry. An analysis by state highlights the significant contribution Western Australia and Queensland make to Australia's total mining private capital expenditure.

The fourth estimate for Total New Capital expenditure in the Mining industry for 2010-2011 is \$55,355m. This is 46.6% higher than estimate 4 for 2009-2010. High capital expenditure expectations reflect a belief by the mining industry of continued demand for Australia's resources and suggest that the surge in mining capital expenditure will continue in the medium term.

REFERENCES

Battellino R (2010), 'Mining Booms and the Australian Economy', *RBA Bulletin*, March.
Connolly E and Lewis C (2010), 'Structural Change in the Australian Economy', *RBA Bulletin*, September.
Reserve Bank of Australia, Statement of Monetary Policy, May 2010

¹⁵ Total factor income is that part of the cost of producing the gross domestic product which consists of gross payments to factors of production (labour and capital). It represents the value added by these factors in the process of production and is equivalent to gross domestic product less taxes plus subsidies on production and imports.

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

Period	BUILDINGS AND STRUCTURES				EQUIPMENT, PLANT AND MACHINERY				TOTAL			
	Mining	Manu- facturing	Other selected industries	Total	Mining	Manu- facturing	Other selected industries	Total	Mining	Manu- facturing	Other selected industries	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)												
2008-09	28 090	4 333	23 096	55 519	9 888	8 348	39 366	57 602	37 978	12 681	62 462	113 121
2009-10	26 474	4 046	20 622	51 141	8 710	7 697	38 784	55 191	35 184	11 743	59 406	106 333
2008-09												
June	6 831	1 073	6 439	14 343	2 442	2 206	11 347	15 995	9 273	3 279	17 786	30 338
2009-10												
September	6 044	936	4 837	11 817	1 916	1 679	9 239	12 835	7 961	2 615	14 076	24 651
December	6 792	1 186	5 478	13 457	2 534	2 226	11 637	16 397	9 326	3 412	17 115	29 853
March	6 189	804	5 020	12 013	1 900	1 649	8 275	11 824	8 088	2 453	13 296	23 837
June	7 449	1 119	5 287	13 855	2 361	2 144	9 632	14 136	9 810	3 263	14 919	27 991
2010-11												
September	8 323	955	5 363	14 640	2 166	1 765	7 792	11 722	10 488	2 719	13 154	26 362
ORIGINAL (Expected) (a)												
2010-11												
3 mths to Dec	11 390	1 367	6 538	19 296	3 378	2 129	8 931	14 437	14 768	3 496	15 469	33 734
6 mths to Jun	24 039	3 897	12 877	40 812	6 059	3 662	13 312	23 034	30 098	7 559	26 189	63 846
Total fin year	43 752	6 219	24 777	74 749	11 602	7 555	30 035	49 193	55 355	13 774	54 813	123 941
SEASONALLY ADJUSTED (Actual)												
2008-09												
June	6 553	1 082	5 992	13 627	2 254	2 040	10 091	14 385	8 807	3 122	16 083	28 011
2009-10												
September	6 307	983	5 068	12 359	2 107	1 813	9 805	13 725	8 414	2 797	14 873	26 084
December	6 223	1 066	4 949	12 238	2 252	2 024	10 722	14 997	8 475	3 089	15 670	27 235
March	6 766	850	5 870	13 486	2 150	1 855	9 716	13 721	8 917	2 705	15 586	27 208
June	7 243	1 130	4 913	13 286	2 181	1 970	8 587	12 738	9 424	3 101	13 500	26 024
2010-11												
September	8 611	1 009	5 622	15 242	2 371	1 906	8 287	12 565	10 982	2 915	13 909	27 806
TREND (Actual)												
2008-09												
June	6 767	1 078	5 631	13 476	2 327	1 983	9 997	14 307	9 094	3 061	15 419	27 574
2009-10												
September	6 329	1 017	5 273	12 619	2 192	1 928	10 231	14 351	8 520	2 946	15 355	26 821
December	6 272	985	4 975	12 232	2 148	1 916	10 189	14 253	8 420	2 901	15 134	26 455
March	6 755	990	4 924	12 669	2 185	1 925	9 665	13 779	8 940	2 915	14 605	26 460
June	7 470	1 016	5 124	13 611	2 234	1 929	8 912	13 076	9 704	2 946	14 031	26 681
2010-11												
September	8 251	1 039	5 370	14 660	2 294	1 913	8 157	12 309	10 545	2 953	13 633	27 130

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

ACTUAL AND EXPECTED EXPENDITURE, By detailed industry—Current prices

Period	Mining	Manufacturing	Electricity, Gas, Water and Waste Services	Construction	Wholesale Trade	Retail Trade	Transport, Postal and Warehousing
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)							
2008-09	37 978	12 681	5 557	4 095	3 878	5 082	13 050
2009-10	35 184	11 743	4 928	6 122	3 342	4 436	11 062
2008-09							
June	9 273	3 279	1 710	^ 1 393	^ 1 046	1 502	^ 3 572
2009-10							
September	7 961	2 615	1 243	1 066	766	1 172	3 051
December	9 326	3 412	1 349	^ 1 632	^ 1 093	1 349	3 401
March	8 088	2 453	983	^ 1 558	^ 767	^ 817	2 271
June	9 810	3 263	1 352	^ 1 866	716	1 098	2 339
2010-11							
September	10 488	2 719	1 147	^ 1 062	766	^ 1 007	1 899
ORIGINAL (Expected) (a)							
2010-11							
3 mths to Dec	14 768	3 496	1 594	896	837	1 258	3 539
6 mths to Jun	30 098	7 559	2 654	1 570	1 421	1 982	4 861
Total fin year	55 355	13 774	5 395	3 528	3 023	4 247	10 298
SEASONALLY ADJUSTED (Actual)							
2008-09							
June	8 807	3 122	1 551	1 141	998	1 298	3 213
2009-10							
September	8 414	2 797	1 354	1 288	777	1 205	3 256
December	8 475	3 089	1 190	1 622	975	1 192	3 104
March	8 917	2 705	1 163	1 662	917	1 207	2 400
June	9 424	3 101	1 224	1 501	679	863	2 333
2010-11							
September	10 982	2 915	1 254	1 315	779	1 014	2 019
TREND (Actual)							
2008-09							
June	9 094	3 061	1 486	1 195	935	1 279	3 371
2009-10							
September	8 520	2 946	1 358	1 371	915	1 245	3 200
December	8 420	2 901	1 235	1 544	895	1 192	2 947
March	8 940	2 915	1 185	1 598	855	1 102	2 593
June	9 704	2 946	1 206	1 514	791	1 011	2 265
2010-11							
September	10 545	2 953	1 243	1 389	717	943	2 082

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

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

ACTUAL AND EXPECTED EXPENDITURE, By detailed industry—Current prices *continued*

<i>Period</i>	<i>Information Media and Telecommunications</i>	<i>Financial and Insurance Services</i>	<i>Rental, Hiring and Real Estate Services</i>	<i>Professional, Scientific and Technical Services</i>	<i>Other Selected Services</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)						
2008-09	6 331	3 465	11 000	3 384	6 618	113 121
2009-10	5 022	2 708	11 500	3 722	6 563	106 333
2008-09						
June	1 784	776	^ 2 467	1 090	^ 2 446	30 338
2009-10						
September	1 275	611	2 379	853	1 661	24 651
December	1 295	^ 742	^ 3 115	^ 1 130	2 009	29 853
March	1 194	^ 680	^ 2 914	^ 834	^ 1 277	23 837
June	1 259	676	^ 3 093	^ 904	1 616	27 991
2010-11						
September	1 117	699	^ 3 253	^ 798	^ 1 408	26 362
ORIGINAL (Expected) (a)						
2010-11						
3 mths to Dec	1 321	658	3 386	656	1 325	33 734
6 mths to Jun	2 643	1 164	6 533	1 282	2 079	63 846
Total fin year	5 081	2 521	13 172	2 737	4 812	123 941
SEASONALLY ADJUSTED (Actual)						
2008-09						
June	1 573	735	2 299	976	2 297	28 011
2009-10						
September	1 397	616	2 368	950	1 661	26 084
December	1 319	687	2 759	1 006	1 815	27 235
March	1 241	808	3 638	953	1 597	27 208
June	1 108	619	2 865	827	1 482	26 024
2010-11						
September	1 212	703	3 314	886	1 412	27 806
TREND (Actual)						
2008-09						
June	1 494	731	2 364	884	1 681	27 574
2009-10						
September	1 432	679	2 435	966	1 755	26 821
December	1 317	689	2 597	990	1 728	26 455
March	1 223	711	2 784	932	1 621	26 460
June	1 176	703	2 971	886	1 508	26 681
2010-11						
September	1 157	679	3 164	854	1 404	27 130

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

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

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

Period	ASSET			INDUSTRY			
	Buildings and Structures	Equipment, Plant and Machinery	Total	Mining	Manufacturing	Other Selected Industries	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL							
2006-07	39 753	48 660	88 267	24 999	12 518	50 676	88 267
2007-08	44 284	54 539	98 671	29 977	12 888	55 816	98 671
2008-09	55 519	57 602	113 121	37 978	12 681	62 462	113 121
2009-10	52 531	57 069	109 600	35 782	11 860	61 958	109 600
2008-09							
September	12 100	14 089	26 181	8 600	3 034	14 551	26 181
December	15 957	15 839	31 809	10 989	3 627	17 198	31 809
March	12 735	12 062	24 810	9 075	2 807	12 938	24 810
June	14 726	15 612	30 321	9 314	3 213	17 775	30 321
2009-10							
September	12 141	12 909	25 050	8 038	2 600	14 412	25 050
December	13 852	16 889	30 740	9 468	3 425	17 847	30 740
March	12 319	12 278	24 597	8 232	2 481	13 885	24 597
June	14 219	14 993	29 213	10 044	3 353	15 815	29 213
2010-11							
September	14 859	12 484	27 343	10 653	2 785	13 905	27 343
SEASONALLY ADJUSTED							
2008-09							
September	12 728	15 017	27 733	9 138	3 230	15 369	27 733
December	14 553	14 552	29 120	9 964	3 302	15 858	29 120
March	14 250	13 999	28 277	10 047	3 082	15 154	28 277
June	13 988	14 035	27 990	8 828	3 067	16 080	27 990
2009-10							
September	12 674	13 806	26 480	8 477	2 790	15 213	26 480
December	12 553	15 462	28 015	8 597	3 115	16 303	28 015
March	13 737	14 269	28 006	9 064	2 750	16 192	28 006
June	13 566	13 532	27 099	9 643	3 205	14 251	27 099
2010-11							
September	15 380	13 388	28 768	11 143	3 003	14 622	28 768
TREND							
2008-09							
September	(b)13 050	14 773	(b)27 864	9 354	3 267	(b)15 252	(b)27 864
December	14 033	14 585	28 604	9 847	3 230	15 530	28 604
March	14 317	14 102	28 274	9 681	3 122	15 471	28 274
June	13 771	14 000	27 558	9 104	3 016	15 435	27 558
2009-10							
September	12 963	14 370	27 175	8 587	2 927	15 656	27 175
December	12 545	14 636	27 144	8 539	2 923	15 678	27 144
March	12 939	14 379	27 333	9 096	2 972	15 260	27 333
June	13 838	13 819	27 652	9 885	3 028	14 736	27 652
2010-11							
September	14 842	13 161	28 061	10 785	3 051	14 261	28 061

(a) Reference year for chain volume measures is 2008-09.

(b) Break in series between this quarter and preceding quarter

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

Period	ASSET			INDUSTRY			
	Buildings and Structures	Equipment, Plant and Machinery	Total	Mining	Manufacturing	Other Selected Industries	Total
	%	%	%	%	%	%	%
ORIGINAL							
2006-07	9.8	3.3	5.8	11.6	-15.7	9.9	5.8
2007-08	11.4	12.1	11.8	19.9	3.0	10.1	11.8
2008-09	25.4	5.6	14.6	26.7	-1.6	11.9	14.6
2009-10	-5.4	-0.9	-3.1	-5.8	-6.5	-0.8	-3.1
2008-09							
September	0.3	-13.1	-7.4	-3.9	-11.2	-8.5	-7.4
December	31.9	12.4	21.5	27.8	19.5	18.2	21.5
March	-20.2	-23.8	-22.0	-17.4	-22.6	-24.8	-22.0
June	15.6	29.4	22.2	2.6	14.5	37.4	22.2
2009-10							
September	-17.6	-17.3	-17.4	-13.7	-19.1	-18.9	-17.4
December	14.1	30.8	22.7	17.8	31.7	23.8	22.7
March	-11.1	-27.3	-20.0	-13.1	-27.6	-22.2	-20.0
June	15.4	22.1	18.8	22.0	35.2	13.9	18.8
2010-11							
September	4.5	-16.7	-6.4	6.1	-17.0	-12.1	-6.4
SEASONALLY ADJUSTED							
2008-09							
September	9.0	3.2	5.7	4.6	-0.8	7.8	5.7
December	14.3	-3.1	5.0	9.0	2.2	3.2	5.0
March	-2.1	-3.8	-2.9	0.8	-6.7	-4.4	-2.9
June	-1.8	0.3	-1.0	-12.1	-0.5	6.1	-1.0
2009-10							
September	-9.4	-1.6	-5.4	-4.0	-9.0	-5.4	-5.4
December	-1.0	12.0	5.8	1.4	11.6	7.2	5.8
March	9.4	-7.7	—	5.4	-11.7	-0.7	—
June	-1.2	-5.2	-3.2	6.4	16.5	-12.0	-3.2
2010-11							
September	13.4	-1.1	6.2	15.6	-6.3	2.6	6.2
TREND							
2008-09							
September	10.3	1.9	5.9	10.5	-0.5	4.7	5.9
December	7.5	-1.3	2.7	5.3	-1.1	1.8	2.7
March	2.0	-3.3	-1.2	-1.7	-3.3	-0.4	-1.2
June	-3.8	-0.7	-2.5	-6.0	-3.4	-0.2	-2.5
2009-10							
September	-5.9	2.6	-1.4	-5.7	-2.9	1.4	-1.4
December	-3.2	1.8	-0.1	-0.5	-0.1	0.1	-0.1
March	3.1	-1.8	0.7	6.5	1.7	-2.7	0.7
June	7.0	-3.9	1.2	8.7	1.9	-3.4	1.2
2010-11							
September	7.3	-4.8	1.5	9.1	0.7	-3.2	1.5

— nil or rounded to zero (including null cells)

(a) Reference year for chain volume measures is 2008-09.

EXPECTED EXPENDITURE AND REALISATION RATIOS, By type of asset—Current prices

<i>Financial Year</i>	<i>12 months expectation as reported in Jan-Feb of previous financial year (Estimate 1)</i>	<i>12 months expectation as reported in Apr-May of previous financial year (Estimate 2)</i>	<i>12 months expectation as reported in Jul-Aug (Estimate 3)</i>	<i>3 months actual and 9 months expectation as reported in Oct-Nov (Estimate 4)</i>	<i>6 months actual and 6 months expectation as reported in Jan-Feb (Estimate 5)</i>	<i>9 months actual and 3 months expectation as reported in Apr-May (Estimate 6)</i>	<i>12 months actual (Estimate 7)</i>
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BUILDINGS AND STRUCTURES (\$ million)

2005-06	19 588	21 433	26 261	28 717	30 070	31 206	31 545
2006-07	25 416	28 138	33 805	36 955	38 782	39 970	37 781
2007-08	37 911	42 288	48 536	49 251	47 919	47 034	44 227
2008-09	47 008	51 908	60 727	61 024	59 154	55 659	55 519
2009-10	47 758	47 893	53 611	54 337	56 954	53 931	51 141
2010-11	61 935	63 783	76 319	74 749	nya	nya	nya

BUILDINGS AND STRUCTURES (Realisation Ratio)(a)

2005-06	1.61	1.47	1.20	1.10	1.05	1.01	1.00
2006-07	1.49	1.34	1.12	1.02	0.97	0.95	1.00
2007-08	1.17	1.05	0.91	0.90	0.92	0.94	1.00
2008-09	1.18	1.07	0.91	0.91	0.94	1.00	1.00
2009-10	1.07	1.07	0.95	0.94	0.90	0.95	1.00

EQUIPMENT, PLANT AND MACHINERY (\$ million)

2005-06	31 231	33 526	37 517	42 149	45 229	47 950	49 067
2006-07	34 805	37 056	38 293	42 679	44 308	48 134	49 695
2007-08	34 175	37 674	41 931	46 243	48 146	51 657	52 545
2008-09	43 010	46 267	50 713	52 791	51 078	55 779	57 602
2009-10	40 214	41 000	45 586	49 359	53 182	54 118	55 191
2010-11	38 292	41 221	47 624	49 193	nya	nya	nya

EQUIPMENT, PLANT AND MACHINERY (Realisation Ratio)(a)

2005-06	1.57	1.46	1.31	1.16	1.08	1.02	1.00
2006-07	1.43	1.34	1.30	1.16	1.12	1.03	1.00
2007-08	1.54	1.39	1.25	1.14	1.09	1.02	1.00
2008-09	1.34	1.24	1.14	1.09	1.13	1.03	1.00
2009-10	1.37	1.35	1.21	1.12	1.04	1.02	1.00

TOTAL (\$ million)

2005-06	50 819	54 958	63 777	70 866	75 299	79 157	80 612
2006-07	60 221	65 194	72 098	79 634	83 090	88 104	87 475
2007-08	72 087	79 962	90 468	95 494	96 064	98 692	96 772
2008-09	90 018	98 175	111 440	113 815	110 232	111 439	113 121
2009-10	87 972	88 893	99 197	103 696	110 136	108 050	106 333
2010-11	100 228	105 004	123 943	123 941	nya	nya	nya

TOTAL (Realisation Ratio)(a)

2005-06	1.59	1.47	1.26	1.14	1.07	1.02	1.00
2006-07	1.45	1.34	1.21	1.10	1.05	0.99	1.00
2007-08	1.34	1.21	1.07	1.01	1.01	0.98	1.00
2008-09	1.26	1.15	1.02	0.99	1.03	1.02	1.00
2009-10	1.21	1.20	1.07	1.03	0.97	0.98	1.00

TOTAL (percentage change over corresponding estimate for previous financial year)

2006-07	18.5	18.6	13.0	12.4	10.3	11.3	8.5
2007-08	19.7	22.7	25.5	19.9	15.6	12.0	10.6
2008-09	24.9	22.8	23.2	19.2	14.7	12.9	16.9
2009-10	-2.3	-9.5	-11.0	-8.9	-0.1	-3.0	-6.0
2010-11	13.9	18.1	24.9	19.5	na	na	na

na not available
nya not yet available

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

EXPECTED EXPENDITURE AND REALISATION RATIOS, By industry—Current prices

<i>Financial Year</i>	<i>12 months expectation as reported in Jan-Feb of previous financial year (Estimate 1)</i>	<i>12 months expectation as reported in Apr-May of previous financial year (Estimate 2)</i>	<i>12 months expectation as reported in Jul-Aug (Estimate 3)</i>	<i>3 months actual and 9 months expectation as reported in Oct-Nov (Estimate 4)</i>	<i>6 months actual and 6 months expectation as reported in Jan-Feb (Estimate 5)</i>	<i>9 months actual and 3 months expectation as reported in Apr-May (Estimate 6)</i>	<i>12 months actual (Estimate 7)</i>
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MINING (\$ million)

2005-06	10 105	11 168	13 241	15 210	16 848	18 749	19 659
2006-07	15 769	17 635	18 974	21 799	25 477	24 796	23 621
2007-08	27 638	27 924	29 912	30 697	31 842	31 019	29 200
2008-09	31 717	35 355	43 752	44 901	41 691	38 677	37 978
2009-10	35 529	34 811	36 940	37 762	41 394	37 366	35 184
2010-11	49 100	48 839	56 794	55 355	nya	nya	nya

MINING (Realisation Ratio)

2005-06	1.95	1.76	1.48	1.29	1.17	1.05	1.00
2006-07	1.50	1.34	1.24	1.08	0.93	0.95	1.00
2007-08	1.06	1.05	0.98	0.95	0.92	0.94	1.00
2008-09	1.20	1.07	0.87	0.85	0.91	0.98	1.00
2009-10	0.99	1.01	0.95	0.93	0.85	0.94	1.00

MANUFACTURING (\$ million)

2005-06	10 968	12 506	13 410	14 293	14 358	14 381	14 032
2006-07	11 493	11 055	11 917	12 398	12 027	12 654	12 106
2007-08	9 359	10 230	11 055	12 006	12 212	12 539	12 341
2008-09	10 959	11 619	13 224	13 383	11 998	12 356	12 681
2009-10	11 450	10 342	11 306	12 287	12 258	11 781	11 743
2010-11	10 820	12 534	14 044	13 774	nya	nya	nya

MANUFACTURING (Realisation Ratio)

2005-06	1.28	1.12	1.05	0.98	0.98	0.98	1.00
2006-07	1.05	1.10	1.02	0.98	1.01	0.96	1.00
2007-08	1.32	1.21	1.12	1.03	1.01	0.98	1.00
2008-09	1.16	1.09	0.96	0.95	1.06	1.03	1.00
2009-10	1.03	1.14	1.04	0.96	0.96	1.00	1.00

OTHER SELECTED INDUSTRIES (\$ million)

2005-06	29 745	31 285	37 126	41 363	44 094	46 027	46 920
2006-07	32 960	36 505	41 207	45 436	45 586	50 654	51 748
2007-08	35 090	41 808	49 501	52 791	52 010	55 133	55 231
2008-09	47 343	51 201	54 465	55 531	56 543	60 405	62 462
2009-10	40 993	43 740	50 951	53 647	56 484	58 902	59 406
2010-11	40 308	43 631	53 105	54 813	nya	nya	nya

OTHER SELECTED INDUSTRIES (Realisation Ratio)

2005-06	1.58	1.50	1.26	1.13	1.06	1.02	1.00
2006-07	1.57	1.42	1.26	1.14	1.14	1.02	1.00
2007-08	1.57	1.32	1.12	1.05	1.06	1.00	1.00
2008-09	1.32	1.22	1.15	1.12	1.10	1.03	1.00
2009-10	1.45	1.36	1.17	1.11	1.05	1.01	1.00

nya not yet available

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

<i>Financial Year</i>	3 MONTHS ENDING		6 MONTHS ENDING	
	<i>31 December (collected in September Survey)</i>	<i>30 June (collected in March Survey)</i>	<i>31 December (collected in June Survey)</i>	<i>30 June (collected in December survey)</i>
TYPE OF ASSET				
Buildings and Structures				
2005–06	0.98	1.04	1.06	1.10
2006–07	0.89	0.84	1.02	0.95
2007–08	0.87	0.81	0.86	0.86
2008–09	0.97	0.99	1.00	0.88
2009–10	0.95	0.83	0.91	0.82
Equipment, Plant and Machinery				
2005–06	1.11	1.10	1.29	1.19
2006–07	1.09	1.13	1.22	1.27
2007–08	1.11	1.06	1.23	1.20
2008–09	1.05	1.13	1.09	1.30
2009–10	1.15	1.08	1.19	1.08
Total				
2005–06	1.06	1.07	1.19	1.15
2006–07	1.00	0.98	1.13	1.11
2007–08	0.98	0.93	1.03	1.01
2008–09	1.01	1.06	1.04	1.05
2009–10	1.05	0.94	1.04	0.93
TYPE OF INDUSTRY				
Mining				
2005–06	1.11	1.18	1.23	1.34
2006–07	1.04	0.86	1.10	0.87
2007–08	0.92	0.83	0.89	0.85
2008–09	0.90	0.93	0.95	0.83
2009–10	0.97	0.82	0.91	0.74
Manufacturing				
2005–06	0.97	0.91	1.07	0.95
2006–07	1.01	0.84	1.06	1.01
2007–08	0.97	0.94	1.14	1.02
2008–09	0.98	1.11	1.04	1.13
2009–10	0.98	0.99	1.14	0.92
Other selected industries				
2005–06	1.06	1.08	1.22	1.14
2006–07	0.97	1.08	1.16	1.29
2007–08	1.02	1.01	1.09	1.13
2008–09	1.10	1.13	1.11	1.24
2009–10	1.12	1.03	1.10	1.12
Total				
2005–06	1.06	1.07	1.19	1.15
2006–07	1.00	0.98	1.13	1.11
2007–08	0.98	0.93	1.03	1.01
2008–09	1.01	1.06	1.04	1.05
2009–10	1.05	0.94	1.04	0.93

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

ACTUAL EXPENDITURE ON BUILDINGS AND STRUCTURES, By state—Current prices

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2006-07	6 028	6 090	6 560	2 123	13 995	306	2 461	217	37 781
2007-08	7 519	7 065	8 186	2 666	16 516	377	1 726	171	44 227
2008-09	8 426	7 793	11 962	2 543	23 083	233	1 271	208	55 519
2009-10	8 139	7 650	10 918	2 024	21 128	190	636	456	51 141
2008-09									
September	1 796	1 601	2 773	643	5 147	72	331	31	12 393
December	2 478	2 155	3 708	676	6 682	65	345	47	16 156
March	1 825	1 768	2 887	562	5 051	36	^ 424	75	12 627
June	2 327	2 268	2 595	663	6 203	60	^ 171	^ 56	14 343
2009-10									
September	1 779	1 828	2 678	543	4 753	37	157	44	11 817
December	2 017	2 222	3 162	540	5 200	56	195	64	13 457
March	2 039	^ 1 738	2 326	405	5 037	47	141	279	12 013
June	2 305	1 862	2 752	^ 536	6 138	50	143	69	13 855
2010-11									
September	2 376	1 626	^ 3 318	^ 523	6 504	49	168	75	14 640
SEASONALLY ADJUSTED									
2008-09									
September	2 030	1 745	2 854	676	5 440	np	np	np	13 021
December	2 267	1 958	3 219	625	6 141	np	np	np	14 710
March	2 110	1 950	3 301	671	5 439	np	np	np	14 112
June	2 013	2 111	2 607	591	5 994	np	np	np	13 627
2009-10									
September	2 009	1 999	2 737	563	5 012	np	np	np	12 359
December	1 844	2 009	2 742	502	4 769	np	np	np	12 238
March	2 355	1 915	2 654	481	5 441	np	np	np	13 486
June	1 998	1 737	2 787	483	5 941	np	np	np	13 286
2010-11									
September	2 679	1 783	3 383	536	6 832	np	np	np	15 242
TREND									
2008-09									
September	2 084	1 783	2 909	647	5 283	82	359	37	(a) 13 283
December	2 155	1 894	3 149	653	5 780	63	371	50	14 147
March	2 142	2 002	3 094	641	5 892	48	325	60	14 208
June	2 024	2 049	2 876	604	5 544	45	248	58	13 476
2009-10									
September	1 973	2 045	2 697	556	5 158	48	177	55	12 619
December	1 997	1 985	2 639	506	5 018	49	149	60	12 232
March	2 110	1 890	2 738	489	5 363	48	157	69	12 669
June	2 285	1 807	2 916	495	6 020	50	154	74	13 611
2010-11									
September	2 492	1 740	3 172	514	6 568	51	157	74	14 660

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

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

(a) Break in series between this quarter and preceding quarter

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2006-07	13 297	12 882	11 576	2 995	7 281	606	585	473	49 695
2007-08	14 657	12 355	12 264	2 494	8 607	797	996	376	52 545
2008-09	15 238	13 421	13 574	2 825	9 906	1 084	989	564	57 602
2009-10	16 177	13 768	10 612	2 974	9 473	679	934	575	55 191
2008-09									
September	3 660	2 985	2 993	760	2 268	215	374	136	13 390
December	4 041	3 779	3 957	683	2 522	344	287	132	15 745
March	3 423	2 853	2 898	632	2 146	^ 241	^ 172	^ 109	12 473
June	4 115	3 804	3 726	751	^ 2 970	^ 284	^ 157	*188	15 995
2009-10									
September	3 599	2 953	2 633	768	2 318	176	196	191	12 835
December	5 188	^ 4 098	2 923	767	2 736	^ 225	234	^ 224	16 397
March	3 333	^ 3 248	1 941	^ 693	2 160	119	*258	71	11 824
June	4 057	^ 3 468	3 114	^ 746	2 259	^ 159	^ 245	89	14 136
2010-11									
September	3 765	^ 2 676	2 386	^ 600	1 960	^ 119	^ 150	^ 66	11 722
SEASONALLY ADJUSTED									
2008-09									
September	3 813	3 255	3 284	726	2 446	np	np	np	14 268
December	3 790	3 343	3 870	686	2 371	np	np	np	14 472
March	3 888	3 284	3 090	712	2 379	np	np	np	14 485
June	3 766	3 505	3 282	701	2 688	np	np	np	14 385
2009-10									
September	3 736	3 264	2 926	734	2 486	np	np	np	13 725
December	4 887	3 580	2 845	773	2 583	np	np	np	14 997
March	3 772	3 740	1 959	780	2 387	np	np	np	13 721
June	3 723	3 198	2 888	694	2 054	np	np	np	12 738
2010-11									
September	3 895	2 988	2 674	574	2 088	np	np	np	12 565
TREND									
2008-09									
September	3 831	3 227	3 390	696	2 415	265	313	118	14 200
December	3 854	3 320	3 498	707	2 424	286	280	128	14 488
March	3 817	3 356	3 391	702	2 462	278	210	140	14 408
June	3 790	3 365	3 154	711	2 545	254	166	163	14 307
2009-10									
September	3 755	3 456	2 960	742	2 594	215	187	194	14 351
December	3 731	3 560	2 902	770	2 513	179	237	212	14 253
March	3 750	3 510	2 852	751	2 341	154	254	(a)82	13 779
June	3 786	3 318	2 820	688	2 174	140	228	77	13 076
2010-11									
September	3 836	3 077	2 758	615	2 035	136	186	71	12 309

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

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

* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) Break in series between this quarter and preceding quarter

<i>Period</i>	<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2006-07	19 325	18 972	18 136	5 118	21 276	912	3 046	690	87 475
2007-08	22 175	19 420	20 450	5 160	25 123	1 173	2 722	547	96 772
2008-09	23 664	21 214	25 536	5 368	32 989	1 318	2 260	772	113 121
2009-10	24 316	21 417	21 530	4 998	30 601	869	1 570	1 032	106 333
2008-09									
September	5 456	4 586	5 765	1 403	7 414	287	705	166	25 783
December	6 518	5 934	7 665	1 359	9 204	409	632	179	31 900
March	5 248	4 621	5 785	1 193	7 197	^ 277	^ 596	183	25 100
June	6 442	6 072	6 320	1 414	9 173	^ 345	^ 327	*244	30 338
2009-10									
September	5 377	4 781	5 311	1 311	7 072	213	353	234	24 651
December	7 204	6 320	6 085	1 308	7 936	^ 281	429	^ 289	29 853
March	5 372	4 986	4 268	^ 1 098	7 197	165	^ 400	350	23 837
June	6 363	5 330	5 866	^ 1 281	8 396	^ 209	^ 388	158	27 991
2010-11									
September	6 141	4 303	5 704	^ 1 123	8 465	168	318	141	26 362
SEASONALLY ADJUSTED									
2008-09									
September	5 842	5 001	6 138	1 402	7 886	334	700	169	27 288
December	6 057	5 302	7 089	1 311	8 512	357	605	175	29 182
March	5 999	5 233	6 391	1 383	7 818	321	640	198	28 597
June	5 778	5 616	5 889	1 292	8 682	306	317	225	28 011
2009-10									
September	5 745	5 264	5 662	1 297	7 498	250	352	238	26 084
December	6 731	5 589	5 587	1 275	7 352	246	407	282	27 235
March	6 126	5 655	4 613	1 260	7 828	188	443	360	27 208
June	5 720	4 935	5 675	1 177	7 995	185	373	150	26 024
2010-11									
September	6 574	4 771	6 058	1 109	8 920	198	323	142	27 806
TREND									
2008-09									
September	5 914	5 010	6 299	1 343	7 698	347	672	156	(a) 27 512
December	6 009	5 214	6 646	1 361	8 204	348	652	178	28 605
March	5 959	5 358	6 485	1 344	8 354	326	535	200	28 468
June	5 814	5 414	6 029	1 316	8 089	299	414	221	27 574
2009-10									
September	5 728	5 501	5 657	1 298	7 752	263	364	249	26 821
December	5 728	5 545	5 541	1 276	7 531	228	386	272	26 455
March	5 860	5 399	5 590	1 240	7 705	203	411	(a) 151	26 460
June	6 072	5 126	5 736	1 183	8 194	190	383	151	26 681
2010-11									
September	6 328	4 817	5 930	1 129	8 603	188	343	146	27 130

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) Break in series between this quarter and preceding quarter

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2006-07	6 311	6 264	6 890	2 212	14 909	313	2 615	225	39 753
2007-08	7 595	6 770	8 228	2 685	16 686	373	1 746	173	44 284
2008-09	8 426	7 793	11 962	2 543	23 083	233	1 271	208	55 519
2009-10	8 306	7 869	11 353	2 073	21 655	183	634	459	52 531
2008-09									
September	1 764	1 509	2 704	633	5 058	77	332	30	12 100
December	2 456	2 124	3 645	668	6 616	62	344	47	15 957
March	1 835	1 788	2 932	563	5 084	35	424	75	12 735
June	2 371	2 371	2 682	680	6 325	60	172	56	14 726
2009-10									
September	1 818	1 892	2 796	557	4 843	36	156	44	12 141
December	2 064	2 296	3 291	556	5 331	55	195	65	13 852
March	2 079	1 787	2 409	415	5 163	45	141	280	12 319
June	2 347	1 895	2 856	545	6 318	48	142	69	14 219
2010-11									
September	2 406	1 611	3 415	529	6 615	46	164	75	14 859
SEASONALLY ADJUSTED									
2008-09									
September	1 998	1 650	2 773	657	5 361	np	np	np	12 728
December	2 253	1 941	3 154	613	6 102	np	np	np	14 553
March	2 125	1 985	3 344	669	5 493	np	np	np	14 250
June	2 049	2 218	2 690	604	6 126	np	np	np	13 988
2009-10									
September	2 043	2 073	2 856	576	5 108	np	np	np	12 674
December	1 873	2 073	2 854	515	4 883	np	np	np	12 553
March	2 378	1 963	2 749	491	5 565	np	np	np	13 737
June	2 012	1 761	2 894	491	6 099	np	np	np	13 566
2010-11									
September	2 684	1 759	3 484	541	6 928	np	np	np	15 380
TREND									
2008-09									
September	2 057	1 705	2 847	631	5 226	80	359	37	(b)13 050
December	2 142	1 871	3 108	642	5 755	61	370	50	14 033
March	2 154	2 043	3 115	640	5 937	46	323	60	14 317
June	2 055	2 130	2 959	614	5 644	43	248	46	13 771
2009-10									
September	2 009	2 130	2 809	569	5 274	47	177	68	12 963
December	2 027	2 054	2 751	519	5 138	48	149	121	12 545
March	2 132	1 933	2 844	500	5 491	47	157	151	12 939
June	2 300	1 824	3 018	503	6 151	48	153	134	13 838
2010-11									
September	2 499	1 728	3 259	519	6 690	49	155	91	14 842

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(a) Reference year for chain volume measures is 2008-09.

(b) Break in series between this quarter and preceding quarter

<i>Period</i>	<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2006-07	12 842	12 473	11 345	2 947	7 373	597	583	456	48 660
2007-08	15 094	12 726	12 757	2 593	9 102	832	1 036	388	54 539
2008-09	15 238	13 421	13 574	2 825	9 906	1 084	989	564	57 602
2009-10	16 801	14 332	10 961	3 072	9 640	702	960	601	57 069
2008-09									
September	3 842	3 130	3 158	800	2 401	227	389	143	14 089
December	4 056	3 800	3 988	685	2 545	347	283	132	15 839
March	3 313	2 775	2 789	608	2 074	231	166	105	12 062
June	4 027	3 715	3 639	732	2 886	279	151	184	15 612
2009-10									
September	3 633	2 987	2 642	772	2 308	178	197	193	12 909
December	5 367	4 243	3 009	792	2 770	233	240	236	16 889
March	3 486	3 390	2 016	719	2 203	123	266	76	12 278
June	4 316	3 713	3 294	789	2 360	167	258	96	14 993
2010-11									
September	4 036	2 887	2 523	638	2 041	126	160	72	12 484
SEASONALLY ADJUSTED									
2008-09									
September	4 001	3 421	3 478	767	2 597	np	np	np	15 017
December	3 797	3 370	3 909	689	2 397	np	np	np	14 552
March	3 757	3 201	2 978	686	2 301	np	np	np	13 999
June	3 683	3 429	3 209	683	2 611	np	np	np	14 035
2009-10									
September	3 779	3 302	2 940	736	2 476	np	np	np	13 806
December	5 075	3 706	2 931	796	2 608	np	np	np	15 462
March	3 964	3 902	2 035	807	2 422	np	np	np	14 269
June	3 983	3 422	3 055	732	2 134	np	np	np	13 532
2010-11									
September	4 200	3 221	2 828	609	2 162	np	np	np	13 388
TREND									
2008-09									
September	3 974	3 355	3 541	727	2 539	280	324	124	14 773
December	3 871	3 352	3 535	713	2 455	289	282	129	14 585
March	3 733	3 302	3 330	686	2 411	272	205	138	14 102
June	3 716	3 310	3 084	694	2 479	248	161	162	14 000
2009-10									
September	3 778	3 476	2 958	742	2 566	216	186	198	14 370
December	3 860	3 670	2 977	789	2 531	185	240	222	14 636
March	3 951	3 682	2 973	780	2 388	161	260	(b)88	14 379
June	4 042	3 530	2 968	723	2 240	148	237	84	13 819
2010-11									
September	4 137	3 312	2 922	652	2 115	144	195	78	13 161

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

(a) Reference year for chain volume measures is 2008-09.

(b) Break in series between this quarter and preceding quarter

ACTUAL TOTAL EXPENDITURE, By state—Chain volume measures(a)

<i>Period</i>	<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2006-07	19 153	18 724	18 205	5 188	22 204	915	3 163	680	88 267
2007-08	22 680	19 468	20 930	5 285	25 727	1 213	2 787	561	98 671
2008-09	23 664	21 214	25 536	5 368	32 989	1 318	2 260	772	113 121
2009-10	25 107	22 201	22 313	5 145	31 295	885	1 594	1 059	109 600
2008-09									
September	5 604	4 631	5 858	1 433	7 458	306	719	173	26 181
December	6 514	5 923	7 634	1 354	9 171	408	626	179	31 809
March	5 148	4 570	5 730	1 171	7 158	265	592	180	24 810
June	6 399	6 090	6 314	1 411	9 202	338	322	240	30 321
2009-10									
September	5 450	4 879	5 438	1 329	7 150	214	353	238	25 050
December	7 430	6 538	6 300	1 348	8 101	288	434	300	30 740
March	5 564	5 176	4 425	1 134	7 366	168	407	356	24 597
June	6 663	5 607	6 150	1 335	8 678	215	400	165	29 213
2010-11									
September	6 442	4 498	5 938	1 168	8 656	172	324	146	27 343
SEASONALLY ADJUSTED									
2008-09									
September	6 003	5 063	6 244	1 425	7 957	357	716	177	27 733
December	6 050	5 310	7 068	1 302	8 510	355	599	176	29 120
March	5 878	5 193	6 337	1 354	7 798	306	634	196	28 277
June	5 734	5 648	5 887	1 286	8 724	299	311	223	27 990
2009-10									
September	5 821	5 376	5 800	1 312	7 581	250	351	242	26 480
December	6 943	5 779	5 784	1 311	7 491	252	410	294	28 015
March	6 349	5 863	4 782	1 299	7 988	192	449	367	28 006
June	5 994	5 183	5 947	1 224	8 234	191	384	157	27 099
2010-11									
September	6 901	4 978	6 304	1 151	9 089	204	328	148	28 768
TREND									
2008-09									
September	6 032	5 057	6 386	1 358	7 765	362	684	161	(b)27 864
December	6 013	5 223	6 646	1 355	8 216	350	652	180	28 604
March	5 886	5 348	6 448	1 326	8 349	317	528	198	28 274
June	5 770	5 444	6 045	1 307	8 120	290	408	220	27 558
2009-10									
September	5 788	5 607	5 765	1 311	7 834	262	363	253	27 175
December	5 890	5 724	5 726	1 308	7 668	233	389	283	27 144
March	6 086	5 614	5 816	1 280	7 878	208	417	(b)157	27 333
June	6 348	5 353	5 983	1 226	8 389	196	390	156	27 652
2010-11									
September	6 647	5 033	6 176	1 173	8 849	192	348	151	28 061

(a) Reference year for chain volume measures is 2008-09.

(b) Break in series between this quarter and preceding quarter

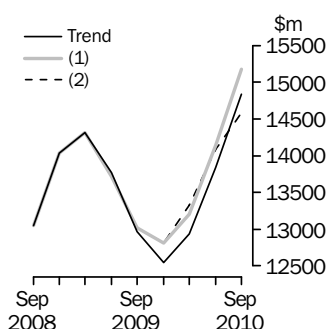
WHAT IF...? REVISIONS TO TREND ESTIMATES

EFFECT OF NEW SEASONALLY ADJUSTED ESTIMATES ON TREND ESTIMATES

TREND REVISIONS

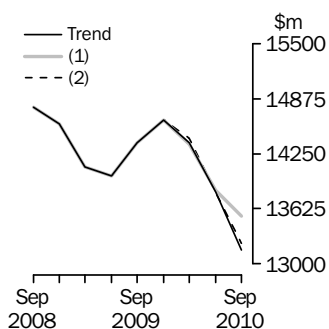
Recent seasonally adjusted and trend estimates are likely to be revised when original estimates for subsequent quarters become available. The approximate effects of possible scenarios on trend estimates for capital expenditure in chain volume terms are presented below by illustrating the impact if next 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 41 and 42 in the Explanatory Notes.

BUILDINGS AND STRUCTURES



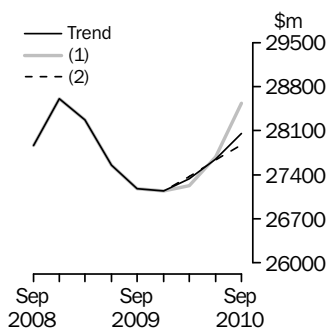
	Trend as published		(1) rises by 6.1% on this quarter		(2) falls by 6.1% on this quarter	
	\$m	%	\$m	%	\$m	%
2009						
December	12 545	-3.2	12 815	-1.6	12 815	-1.6
2010						
March	12 939	3.1	13 201	3.0	13 324	4.0
June	13 838	7.0	14 139	7.1	14 091	5.8
September	14 842	7.3	15 178	7.4	14 584	3.5

EQUIPMENT, PLANT AND MACHINERY



	Trend as published		(1) rises by 4.2% on this quarter		(2) falls by 4.2% on this quarter	
	\$m	%	\$m	%	\$m	%
2009						
December	14 636	1.8	14 636	1.8	14 636	1.8
2010						
March	14 379	-1.8	14 357	-1.9	14 422	-1.5
June	13 819	-3.9	13 832	-3.7	13 810	-4.2
September	13 161	-4.8	13 544	-2.1	13 234	-4.2

TOTAL CAPITAL EXPENDITURE



	Trend as published		(1) rises by 4.3% on this quarter		(2) falls by 4.3% on this quarter	
	\$m	%	\$m	%	\$m	%
2009						
December	27 144	-0.1	27 144	-0.1	27 144	-0.1
2010						
March	27 333	0.7	27 232	0.3	27 368	0.8
June	27 652	1.2	27 681	1.6	27 634	1.0
September	28 061	1.5	28 530	3.1	27 880	0.9

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, 2006:

Mining (Division B)

Manufacturing (Division C)

Other selected industries:

Electricity, Gas, Water and Waste Services (Division D)

Construction (Division E)

Wholesale Trade (Division F)

Retail Trade (Division G)

Transport, Postal and Warehousing (Division I)

Information Media and Telecommunications (Division J)

Finance and Insurance (Division K, excluding ANZSIC class 6330, Superannuation Funds)

Rental, Hiring and Real Estate Services (Division L)

Professional, Scientific and Technical Services (Division M)

Other selected services:

Accommodation and Food Services (Division H)

Administrative and Support Services (Division N)

Arts and Recreation Services (Division R)

Other Services (Division S)

3 The survey excludes the following industries:

Agriculture, Forestry and Fishing (Division A)

Public Administration and Safety (Division O)

Education and Training (Division P)

Health Care and Social Assistance (Division Q)

Superannuation Funds (Class 6330)

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 Employing and Non-Employing Units on the ABS Business Register which is primarily based on ABN registrations to the Australian Business Register, which is managed by the Australian Taxation Office (ATO). The frame is updated quarterly to take account of new businesses and changes in the characteristics of businesses, such as industry and size.

6 Businesses which have ceased employing are identified when the Australian Taxation Office (ATO) cancels their Australian Business Number (ABN) registration. In addition, businesses which do not remit for Goods and Services Tax and/or Income Tax Withholding purposes for the previous five quarters, are removed from the frame.

7 As noted, the Survey frame includes Employing and Non-Employing Units on the ABS Business Register. However, micro non-employing businesses are excluded. These are very small units on the ABS Business Register, by standard measures of size. While 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.

EXPLANATORY NOTES *continued*

STATISTICAL UNIT

8 In the Survey of New Capital Expenditure, the statistical unit used to represent businesses, and for which statistics are reported, is the Australian Business Number (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.

9 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

10 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 derived employment size. The figures obtained from the selected units are supplemented by data from units which have large capital expenditure and are outside the sample framework, or not adequately covered by it.

11 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

12 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. June quarter survey returns are completed during July and August).

- 13** 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).

Period to which reported data relates

	2008-2009				2009-2010				2010-2011			
	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
Survey Quarter	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
December 2008	Act	Act	E1		E2							
March 2009	Act	Act	Act	E1	E2							
June 2009	Act	Act	Act	Act	E1		E2					
September 2009					Act	E1	E2					
December 2009					Act	Act	E1		E2			
March 2010					Act	Act	Act	E1	E2			
June 2010					Act	Act	Act	Act	E1		E2	

EXPLANATORY NOTES *continued*

TIMING AND CONSTRUCTION OF SURVEY CYCLE *continued*

14 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 previous table shows for 2009-2010:

- the first estimate was available from the December 2008 survey as a longer term expectation (E2)
- the second estimate was available from the March 2009 survey (again as a longer term expectation)
- the third estimate was available from the June 2009 survey as the sum of two expectations (E1 + E2)
- in the September 2009, December 2009 and March 2010 surveys the fourth, fifth and sixth estimates, respectively, are derived from 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 2010 survey is derived from the sum of the actual expenditure for each of the four quarters in the 2009-10 financial year.

15 Businesses are requested to provide actual expenditure data by state/territory each quarter. Prior to 2002, businesses were also asked to provide expected expenditure data by state/territory each December quarter. Since 2002 state/territory expectations data have been directly collected each December quarter only from selected businesses contributing significantly to data for a particular state or territory. Expectations data for the remaining businesses which operate in more than one state or territory are pro-rated to states/territories based on actual expenditure for the December quarter in each state or territory. Expectations data for businesses operating within a single state/territory are allocated to that state/territory.

16 These expectations data by state/territory are not included in this publication but are released on the ABS Website.

SAMPLE REVISION

17 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.

18 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.

19 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 September quarter 2010 they represented about 0.5% of the total estimate of new capital expenditure.

CLASSIFICATION BY INDUSTRY

20 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), 2006* (cat. no. 1292.0).

21 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

22 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 2008-09). The current price values may be thought to be 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

EXPLANATORY NOTES *continued*

CHAIN VOLUME MEASURES

continued

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.

23 With each release of the September quarter issue of this publication, a new base year is introduced and the reference year is advanced one year to coincide with it. With this release of the September quarter 2010 issue of this publication, the chain volume measures for 2009-10 now have 2008-09 (the previous financial year) as their base year rather than 2007-08, and the reference year is 2008-09.

24 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 the states 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 six estimates of expenditure for that financial year and the actual expenditure (see page 6 for an explanation of the derivation of the seven 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 three or six month expectations as well as the 12 month E2 estimates or combinations of estimates containing at least some expectation components (e.g. six months actual and six 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 2010-11 based on the September 2010 survey results and compare this with 2009-10 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.

EXPLANATORY NOTES *continued*

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 40 and 41 of this publication.

31 Estimates that have an estimated relative standard error between 10% and 25% are annotated with the symbol '^'. These estimates should be used with caution as they are subject to sampling variability too high for some purposes. Estimates with an RSE between 25% and 50% are annotated with the symbol '*', indicating that the estimate should be used with caution as it is subject to sampling variability too high for most practical purposes. Estimates with an RSE greater than 50% are annotated with the symbol '**' indicating that the sampling variability causes the estimates to be considered too unreliable for general use. These annotations have only been applied to estimates from the March quarter 2009.

32 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.

33 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 38 to 42 below, seasonally adjusted and trend estimates are also subject to revision as data are revised and more data become available.

34 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 (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 or, in the case of aircraft, is allocated across states in proportion to the likely use of the asset.

35 The Australian equivalents to International Financial Reporting Standards (AIFRS) were progressively implemented in Australia from 1 January 2005. As a result, a number of items in the financial accounts of Australian businesses were affected by changed definitions which in turn impacted upon both Income Statements and Balance Sheets. A range of ABS economic collections source data from financial accounts of businesses and use those data to derive economic statistics. There have been no changes in the associated economic definitions.

36 After monitoring data items in the immediate years following March quarter 2005 it was concluded that most affected published data series were impacted by data breaks but that the magnitude of such breaks could not be determined without imposing disproportionate load upon data providers to ABS surveys and other administratively collected data.

SEASONAL ADJUSTMENT

37 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.

EXPLANATORY NOTES *continued*

SEASONAL ADJUSTMENT

continued

38 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.

39 The revision properties of the seasonally adjusted and trend estimates can be improved by the use of Autoregressive Integrated Moving Average (ARIMA) modelling. The Survey of Private New Capital Expenditure uses ARIMA modelling where appropriate for individual time series. ARIMA modelling relies on the characteristics of the series being analysed to project future period data. The projected values are temporary, intermediate values that are only used internally to improve the estimation of the seasonal factors. The projected data do not affect the original estimates and are discarded at the end of the seasonal adjustment process. The ARIMA model is reassessed each year as part of the annual reanalysis of the seasonal adjustment parameters. Following the most recent annual reanalysis, 80% of eligible series use ARIMA modelling. For more information on the details of ARIMA modelling see Feature article: Use of ARIMA modelling to reduce revisions in the October 2004 issue of *Australian Economic Indicators* (cat. no. 1350.0).

40 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

41 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.

42 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. 1349.0) or contact the Assistant Director, Time Series Analysis on Canberra (02) 6252 6345 or email <time.series.analysis@abs.gov.au>.

DESCRIPTION OF TERMS

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

44 *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.

EXPLANATORY NOTES *continued*

45 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

46 The statistics for new capital expenditure shown in this publication differ from estimates of private gross fixed capital expenditure shown in the Australian National Accounts for the following reasons:

- National Accounts estimates incorporate data from other sources as well as information from the 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 buildings 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.

47 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* (cat. no. 5216.0).

48 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.

EXPLANATORY NOTES *continued*

RELATED PUBLICATIONS

49 Users may also wish to refer the following publications:

- *Information Paper: Changes to Private New Capital Expenditure and Expected Expenditure statistics, September 2009* (cat. no. 5625.0.55.001)
- *Australian National Accounts: National Income, Expenditure and Product* (cat. no. 5206.0)
- *Australian National Accounts: Concepts, Sources and Methods* (cat. no. 5216.0)
- *Directory of Capital Expenditure Data Sources and Related Statistics* (cat. no. 5653.0)
- *Building Activity, Australia* (cat. no. 8752.0)
- *Business Indicators, Australia* (cat. no. 5676.0)
- *Business Operations and Industry Performance, Australia* (cat. no. 8140.0)
- *Construction Work Done, Australia* (cat no 8755.0)
- *Engineering Construction Activity, Australia* (cat. no. 8762.0)
- *Information Paper: Australian National Accounts, Introduction of Chain Volume and Price Indexes* (cat. no. 5248.0)

50 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

51 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 subdivision (2 digit) level.

ABS WEBSITE

52 The ABS website 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.

ACKNOWLEDGMENT

53 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated; without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

APPENDIX 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

The following example illustrates how to use the standard error to interpret a level estimate.

Let us say that the published level estimate for total capital expenditure is \$26,362m and the calculated standard error in this case is \$787m. The standard error is then used to interpret the level estimate of \$26,362m.

For instance, the standard error of \$787m indicates that:

- There are approximately two chances in three that the correct value falls within the range \$25,575m to \$27,149m ($\$26,362\text{m} \pm \787m)
- There are approximately 19 chances in 20 that the correct value falls within the ranges \$24,788m to \$27,936m ($\$26,362\text{m} \pm \$1,574\text{m}$)

The correct 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 September Quarter 2010 estimates.

	<i>Buildings and Structures</i>	<i>Equipment, Plant and Machinery</i>	<i>Total</i>
	\$m	\$m	\$m
Mining	43	54	70
Manufacturing	11	115	117
Electricity, Gas, Water and Waste Services	114	10	113
Construction	14	173	174
Wholesale Trade	25	62	65
Retail Trade	100	58	122
Transport, Postal and Warehousing	45	91	100
Information Media and Telecommunications	—	47	47
Financial and Insurance Services	7	59	59
Rental, Hiring and Real Estate Services	458	472	674
Professional, Scientific and Technical Services	74	113	151
Other Selected Services	94	117	156
Total	490	577	787
New South Wales	212	355	433
Victoria	62	380	378
Queensland	438	135	448
South Australia	71	120	128
Western Australia	119	125	162
Tasmania	1	13	14
Northern Territory	9	24	28
Australian Capital Territory	1	12	12
Australia	490	577	787

— nil or rounded to zero (including null cells)

APPENDIX SAMPLING ERRORS *continued*

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 \$27,991m and the next quarter the published level estimate is \$26,362m. In this example the calculated standard error for the movement estimate is \$606m. The standard error is then used to interpret the published movement estimate of \$-1,629m.

For instance, the standard error of \$606m indicates that:

- There are approximately two chances in three that the correct movement over the two quarter period falls within the range -\$2,235m to -\$1,023m ($-\$1,629m \pm \$606m$)
- There are approximately nineteen chances in twenty that the correct movement falls within the range \$2,841m to -\$417m ($-\$1,629m \pm \$1,212m$).

The following table shows the standard errors for September Quarter 2010 estimates.

	<i>Buildings and Structures</i>	<i>Equipment, Plant and Machinery</i>	<i>Total</i>
	\$m	\$m	\$m
Mining	25	135	142
Manufacturing	16	143	145
Electricity, Gas, Water and Waste Services	68	27	75
Construction	16	261	258
Wholesale Trade	26	73	75
Retail Trade	101	102	149
Transport, Postal and Warehousing	31	115	118
Information Media and Telecommunications	—	28	28
Financial and Insurance Services	6	55	55
Rental, Hiring and Real Estate Services	426	161	413
Professional, Scientific and Technical Services	37	96	104
Other Selected Services	145	176	253
Total	457	466	606
New South Wales	228	244	329
Victoria	175	213	279
Queensland	312	276	308
South Australia	34	76	86
Western Australia	88	132	169
Tasmania	4	14	15
Northern Territory	11	39	35
Australian Capital Territory	3	13	13
Australia	457	466	606

— nil or rounded to zero (including null cells)

FOR MORE INFORMATION . . .

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