

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

Note 1 The seasonally adjusted estimates for States should be interpreted with care. Refer to paragraphs 26 to 32 of the explanatory notes.

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

MAIN FEATURES

Actual Expenditure - September Quarter 1997

The trend estimates of private new capital expenditure (in constant price terms) rose by \$50m (0.4%) to \$11,638m in the September quarter 1997. This follows rises of 2.4% in the June quarter and 2.7% in the March quarter.

In Queensland, expenditure on buildings fell by 5.9%, while expenditure on equipment rose by 2.0%.

In South Australia, expenditure on buildings fell by 2.5%, while expenditure on equipment rose by 14.8%.

In Western Australia, expenditure on buildings remained flat while expenditure on equipment rose by 11.1%.

In Tasmania, expenditure on buildings and equipment both rose, by 6.5% and 1.4%, respectively.

State Estimates by asset type

State	September qtr 1997 trend estimates at current prices	
	Buildings \$m	Equipment \$m
NSW	985	2,440
Vic	689	2,016
Qld	643	1,300
SA	154	604
WA	582	1,295
Tas	33	144
Aust (a)	3,178	7,953

(a) Includes NT and ACT, and differences associated with the independent application of seasonal factors at State and Australian level (see paragraph 29 of the explanatory notes).

In New South Wales, the trend estimates of expenditure on buildings (in current price terms) fell by 6.8% in the September quarter 1997, while expenditure on equipment rose by 3.1%.

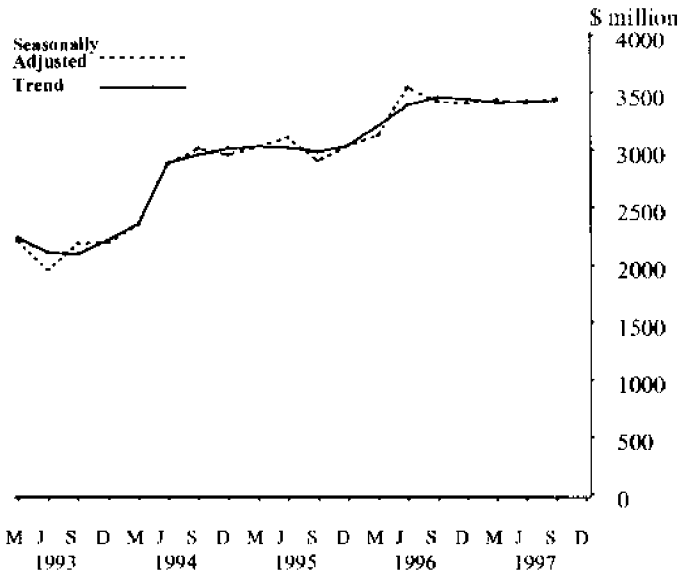
In Victoria, expenditure on buildings fell by 12.6%, while expenditure on equipment also fell, by 3.2%.

Quarterly changes in expenditure

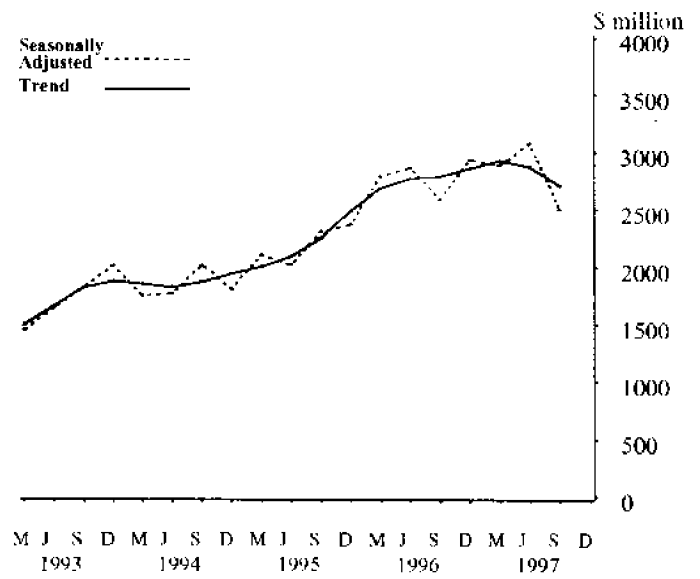
State	September qtr 1997 trend estimates at current prices	
	value \$m	% change on June qtr 1997
NSW	3,425	0.0
Vic	2,704	-5.8
Qld	1,943	-0.8
SA	758	10.7
WA	1,878	7.4
Tas	178	2.9
Aust (a)	11,132	-0.4

(a) Includes NT and ACT.

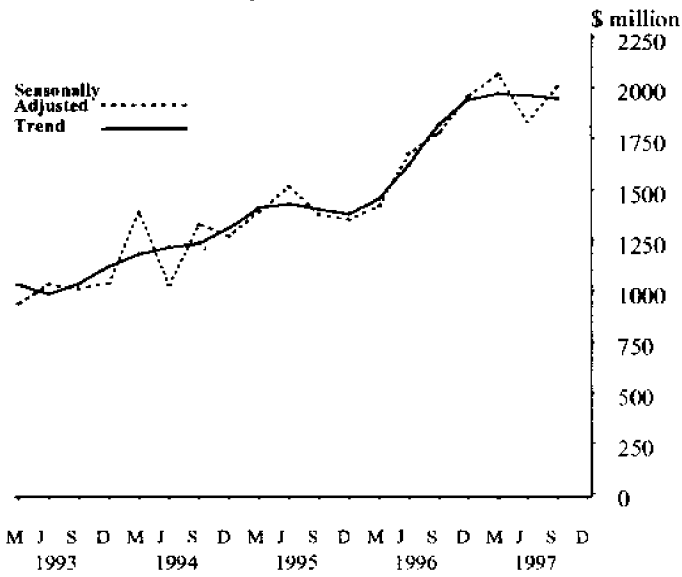
NEW SOUTH WALES



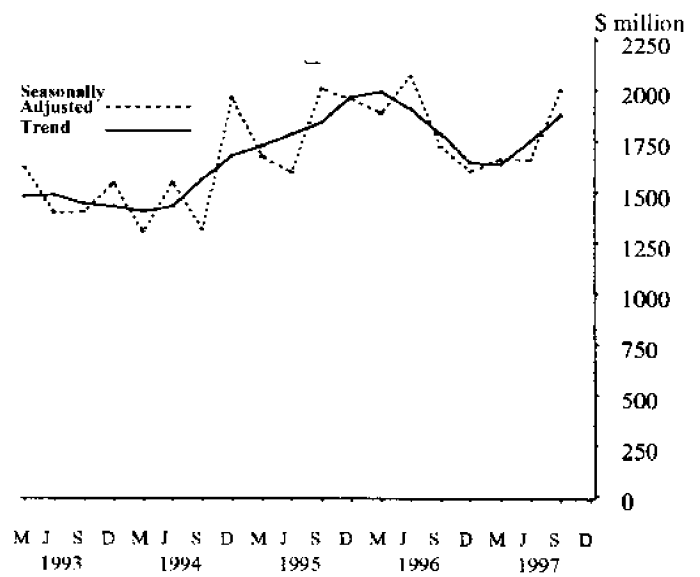
VICTORIA



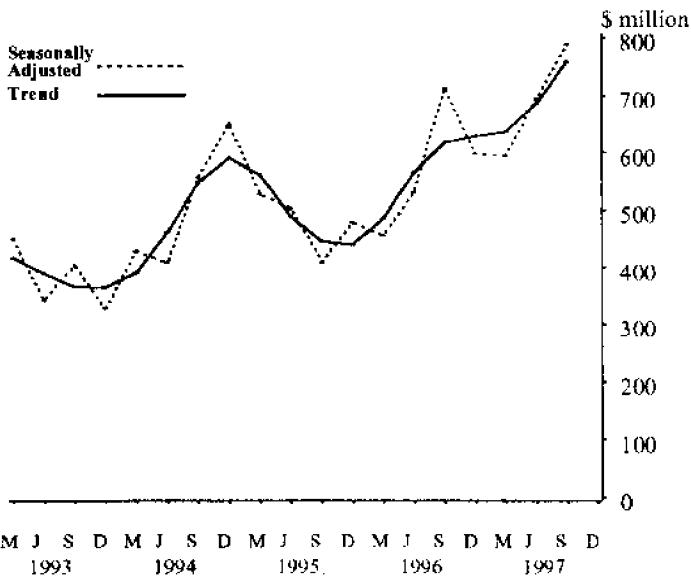
QUEENSLAND



WESTERN AUSTRALIA



SOUTH AUSTRALIA



TASMANIA

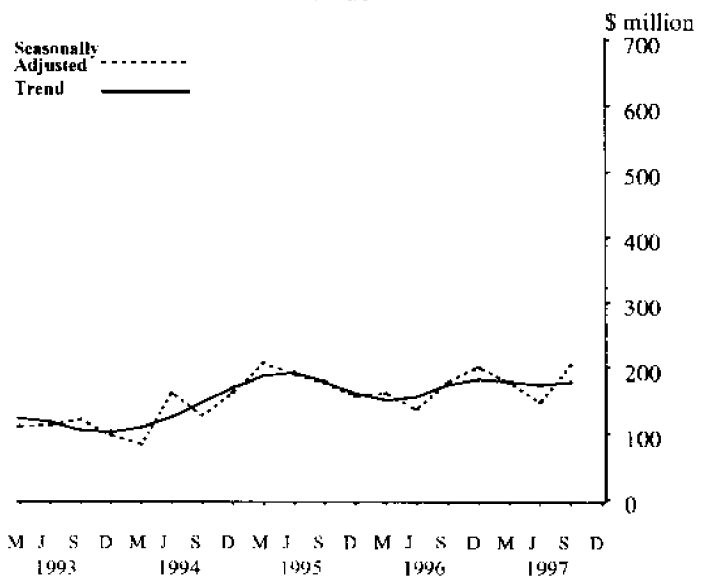


TABLE 1 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE, AUSTRALIA
BY SELECTED INDUSTRIES AND TYPE OF ASSET
CURRENT PRICES
(\$ million)

Selected Industries and Type of Asset	Actual												Expected (a)	
	1995-96			1996-97			1997-98			3 Months to December 97	6 Months to June 98	1997-98	1997-98	
	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	June qtr	Sept. qtr						
	ORIGINAL													
Mining	7,525	8,781	2,225	1,966	2,305	2,186	2,324	2,489	3,255	6,051	11,795			
Manufacturing	10,446	10,198	2,911	2,357	2,694	2,319	2,828	2,499	3,333	5,032	10,864			
Other Selected Industries	22,491	24,859	7,010	5,962	6,699	5,456	6,742	5,612	6,437	10,240	23,790			
Total New Capital Expenditure	40,473	43,837	12,146	10,285	11,698	9,960	11,894	10,601	13,025	21,324	44,949			
Buildings and Structures Equipment, Plant and Machinery	12,348	14,330	3,928	3,415	3,948	3,589	3,378	2,962	4,198	7,084	14,243			
	28,124	29,507	8,219	6,870	7,750	6,371	8,516	7,638	8,827	14,240	30,706			
	SEASONALLY ADJUSTED (a)													
Mining	7,520	8,789	2,170	2,059	2,102	2,363	2,265	2,595						
Manufacturing	10,446	10,169	2,630	2,414	2,577	2,547	2,632	2,592						
Other Selected Industries	22,428	24,920	6,687	6,133	6,094	6,251	6,442	5,752						
Total New Capital Expenditure	40,395	43,879	11,487	10,606	10,772	11,162	11,339	10,939						
Buildings and Structures Equipment, Plant and Machinery	12,226	14,410	3,881	3,466	3,578	3,909	3,458	3,018						
	28,169	29,469	7,606	7,140	7,194	7,253	7,881	7,921						
	TREND (a)													
Mining	7,436	8,920	2,028	2,112	2,167	2,254	2,387	2,511						
Manufacturing	10,512	10,222	2,621	2,535	2,513	2,570	2,604	2,601						
Other Selected Industries	22,179	24,956	6,180	6,290	6,261	6,221	6,184	6,020						
Total New Capital Expenditure	40,127	44,098	10,828	10,937	10,941	11,045	11,175	11,132						
Buildings and Structures Equipment, Plant and Machinery	12,023	14,485	3,402	3,619	3,742	3,650	3,475	3,178						
	28,104	29,613	7,426	7,318	7,199	7,396	7,700	7,953						

(a) Expected capital expenditure is not available on a seasonally adjusted or trend basis

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

Selected Industries and Type of Asset	1995-96		1996-97				1997-98	
	1995-96	1996-97	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr
	ORIGINAL							
Mining	6,862	8,081	2,035	1,794	2,121	2,031	2,135	2,267
Manufacturing	9,529	9,794	2,697	2,220	2,578	2,246	2,750	2,447
Other Selected Industries	22,137	26,664	6,997	6,218	7,035	5,869	7,542	6,382
Total New Capital Expenditure	38,528	44,540	11,729	10,233	11,734	10,147	12,426	11,096
Buildings and Structures Equipment, Plant and Machinery	11,950	13,663	3,765	3,249	3,770	3,456	3,188	2,782
	26,578	30,877	7,964	6,984	7,964	6,691	9,238	8,314
	SEASONALLY ADJUSTED							
Mining	6,857	8,089	1,987	1,882	1,932	2,193	2,082	2,165
Manufacturing	9,515	9,769	2,439	2,271	2,467	2,471	2,561	2,335
Other Selected Industries	22,078	26,719	6,663	6,366	6,410	6,764	7,180	6,499
Total New Capital Expenditure	38,451	44,577	11,089	10,519	10,809	11,427	11,822	11,399
Buildings and Structures Equipment, Plant and Machinery	11,843	13,757	3,714	3,268	3,421	3,805	3,264	2,783
	26,607	30,820	7,375	7,251	7,388	7,623	8,558	8,616
	TREND							
Mining	6,779	8,206	1,850	1,935	1,997	2,079	2,195	2,297
Manufacturing	9,577	9,816	2,428	2,388	2,405	2,487	2,537	2,543
Other Selected Industries	21,868	26,678	6,204	6,462	6,613	6,747	6,856	6,798
Total New Capital Expenditure	38,224	44,700	10,483	10,785	11,015	11,313	11,588	11,638
Buildings and Structures Equipment, Plant and Machinery	11,635	13,830	3,251	3,448	3,584	3,499	3,299	2,963
	26,589	30,870	7,232	7,337	7,430	7,814	8,289	8,675

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

State	1995-96			1996-97			1997-98			
	1995-96	1996-97	June qtr	1996-97	Sept. qtr	Dec. qtr	1997-98	March qtr	June qtr	Sept. qtr
BUILDINGS AND STRUCTURES										
New South Wales	3,352	4,287	1,132	1,040	1,066	1,078	1,103	1,078	916	
Victoria	3,126	3,379	953	789	1,039	761	789	761	669	
Queensland	1,563	2,739	627	625	735	631	747	631	665	
South Australia	358	594	117	133	172	160	130	160	159	
Western Australia	3,197	2,412	867	590	634	597	591	597	470	
Tasmania	190	128	38	34	35	30	30	30	37	
Australia (a)	12,348	14,330	3,928	3,415	3,948	3,378	3,589	3,378	2,962	
EQUIPMENT, PLANT AND MACHINERY										
New South Wales	9,255	9,376	2,686	2,273	2,518	2,602	1,982	2,602	2,413	
Victoria	7,168	8,117	2,048	1,784	2,110	2,465	1,758	2,465	1,817	
Queensland	4,290	4,863	1,310	1,119	1,162	1,495	1,086	1,495	1,311	
South Australia	1,515	1,985	428	514	517	563	391	563	559	
Western Australia	4,709	4,206	1,287	942	1,176	1,148	940	1,148	1,322	
Tasmania	423	559	124	118	157	144	140	144	136	
Australia (a)	28,124	29,507	8,219	6,870	7,750	8,516	6,371	8,516	7,638	
TOTAL NEW CAPITAL EXPENDITURE										
New South Wales	12,607	13,663	3,818	3,313	3,584	3,681	3,085	3,681	3,329	
Victoria	10,294	11,496	3,001	2,573	3,150	3,226	2,547	3,226	2,486	
Queensland	5,853	7,602	1,937	1,745	1,897	2,127	1,833	2,127	1,976	
South Australia	1,873	2,580	545	647	688	723	521	723	718	
Western Australia	7,907	6,617	2,153	1,532	1,810	1,745	1,531	1,745	1,792	
Tasmania	613	687	163	151	192	175	169	175	174	
Australia (a)	40,473	43,837	12,146	10,285	11,698	11,894	9,960	11,894	10,601	

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

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

State	1995-96			1996-97			1997-98		
	1995-96	1996-97	June qtr	1996-97	Dec. qtr	March qtr	1997-98	June qtr	Sept. qtr
BUILDINGS AND STRUCTURES									
New South Wales	3,355	4,297	1,143	1,028	1,018	1,155	1,096	1,096	904
Victoria	3,129	3,389	911	813	908	941	727	727	693
Queensland	1,531	2,768	560	640	729	835	564	564	679
South Australia	367	598	136	118	161	140	179	179	140
Western Australia	3,177	2,439	869	697	533	611	598	598	561
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australia (a) (b)	12,226	14,410	3,881	3,466	3,578	3,909	3,458	3,458	3,018
EQUIPMENT, PLANT AND MACHINERY									
New South Wales	9,245	9,363	2,398	2,391	2,384	2,278	2,310	2,310	2,541
Victoria	7,182	8,090	1,952	1,775	2,025	1,943	2,347	2,347	1,804
Queensland	4,284	4,850	1,114	1,133	1,225	1,227	1,265	1,265	1,324
South Australia	1,506	2,000	395	594	436	454	515	515	648
Western Australia	4,721	4,196	1,196	1,019	1,067	1,050	1,059	1,059	1,437
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australia (a) (b)	28,169	29,469	7,606	7,140	7,194	7,253	7,881	7,881	7,921
TOTAL NEW CAPITAL EXPENDITURE									
New South Wales	12,600	13,660	3,541	3,419	3,402	3,433	3,406	3,406	3,444
Victoria	10,312	11,478	2,863	2,588	2,933	2,884	3,073	3,073	2,497
Queensland	5,815	7,618	1,674	1,773	1,954	2,062	1,829	1,829	2,003
South Australia	1,873	2,598	531	712	597	595	694	694	788
Western Australia	7,899	6,635	2,065	1,716	1,600	1,661	1,657	1,657	1,997
Tasmania	623	696	134	176	199	176	146	146	202
Australia (a)	40,395	43,879	11,487	10,606	10,772	11,162	11,339	11,339	10,939

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

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

State	1995-96			1996-97			1997-98		
	1995-96	1996-97	1997-98	1995-96	1996-97	1997-98	1995-96	1996-97	1997-98
	Dec	Jan	Feb	Dec	Jan	Feb	Dec	Jan	Feb
BUILDINGS AND STRUCTURES									
New South Wales	3,284	4,298	1,002	1,095	1,057	1,087	1,095	1,057	985
Victoria	3,084	3,434	863	896	888	862	896	788	689
Queensland	1,556	2,809	496	743	737	737	743	683	643
South Australia	360	595	117	148	133	155	148	158	154
Western Australia	3,042	2,464	720	625	576	576	625	582	582
Tasmania	195	134	38	35	36	32	35	31	33
Australia (a)	12,023	14,485	3,402	3,742	3,619	3,650	3,742	3,475	3,178
EQUIPMENT, PLANT AND MACHINERY									
New South Wales	9,325	9,433	2,386	2,344	2,397	2,326	2,344	2,367	2,440
Victoria	7,090	7,998	1,903	1,959	1,895	2,061	1,959	2,082	2,016
Queensland	4,295	4,866	1,124	1,194	1,159	1,238	1,194	1,275	1,300
South Australia	1,575	1,973	449	481	484	481	481	526	604
Western Australia	4,646	4,342	1,181	1,018	1,100	1,058	1,018	1,166	1,295
Tasmania	443	569	116	146	136	145	146	142	144
Australia (a)	28,104	29,613	7,426	7,199	7,318	7,396	7,199	7,700	7,953
TOTAL NEW CAPITAL EXPENDITURE									
New South Wales	12,608	13,731	3,388	3,438	3,457	3,412	3,438	3,424	3,425
Victoria	10,174	11,432	2,766	2,856	2,783	2,923	2,856	2,870	2,704
Queensland	5,851	7,675	1,620	1,937	1,815	1,966	1,937	1,958	1,943
South Australia	1,935	2,568	566	629	618	637	629	685	758
Western Australia	7,689	6,806	1,902	1,643	1,781	1,634	1,643	1,748	1,878
Tasmania	638	703	154	181	172	177	181	173	178
Australia (a)	40,127	44,098	10,828	10,941	10,937	11,045	10,941	11,175	11,132

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

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

Selected Industries and Type of Asset	1995-96			1996-97			1997-98		
	1995-96	1996-97	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	
Mining	963	990	380	293	271	258	169	249	
Manufacturing	3,318	3,075	831	791	782	655	847	714	
Other Selected Industries	8,326	9,598	2,607	2,229	2,531	2,173	2,665	2,566	
Total New Capital Expenditure	12,607	13,663	3,818	3,313	3,584	3,085	3,681	3,529	
Buildings and Structures	3,352	4,287	1,132	1,040	1,066	1,103	1,078	916	
Equipment, Plant and Machinery	9,255	9,376	2,686	2,273	2,518	1,982	2,602	2,413	

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

Selected Industries and Type of Asset	1995-96			1996-97			1997-98		
	1995-96	1996-97	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	
Mining	590	758	109	125	301	162	170	162	
Manufacturing	3,544	3,447	925	808	987	772	880	765	
Other Selected Industries	6,160	7,290	1,967	1,639	1,862	1,613	2,176	1,560	
Total New Capital Expenditure	10,294	11,496	3,001	2,573	3,150	2,547	3,226	2,486	
Buildings and Structures	3,126	3,379	953	789	1,039	789	761	669	
Equipment, Plant and Machinery	7,168	8,117	2,048	1,784	2,110	1,758	2,465	1,817	

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

Selected Industries and Type of Asset	1995-96			1996-97			1997-98		
	1995-96	1996-97	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	
Mining	961	1,865	343	430	458	543	435	477	
Manufacturing	1,433	1,734	434	307	386	430	621	567	
Other Selected Industries	3,459	4,002	1,161	1,007	1,054	870	1,071	932	
Total New Capital Expenditure	5,853	7,602	1,937	1,745	1,897	1,833	2,127	1,976	
Buildings and Structures	1,563	2,739	627	625	735	747	631	665	
Equipment, Plant and Machinery	4,290	4,863	1,310	1,119	1,162	1,086	1,495	1,311	

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

Selected Industries and Type of Asset	1995-96			1996-97			1997-98		
	1995-96	1996-97	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	
Mining	196	489	59	61	82	79	267	345	
Manufacturing	756	840	210	187	234	198	221	169	
Other Selected Industries	921	1,251	276	399	373	345	234	204	
Total New Capital Expenditure	1,873	2,580	545	647	688	521	723	718	
Buildings and Structures	358	594	117	133	172	130	160	159	
Equipment, Plant and Machinery	1,515	1,985	428	514	517	391	563	559	

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

Selected Industries and Type of Asset	1995-96			1996-97			1997-98		
	1995-96	1996-97	June qtr	1996-97	Dec. qtr	March qtr	1997-98	June qtr	Sept. qtr
Mining	4,285	4,158	1,141	865	1,063	1,063	1,168	1,168	1,190
Manufacturing	1,046	625	414	162	166	145	153	153	194
Other Selected Industries	2,575	1,834	598	505	581	323	424	424	407
Total New Capital Expenditure	7,907	6,617	2,153	1,532	1,810	1,531	1,745	1,745	1,792
Buildings and Structures	3,197	2,412	867	590	634	591	597	597	470
Equipment, Plant and Machinery	4,709	4,206	1,287	942	1,176	940	1,148	1,148	1,322

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

Selected Industries and Type of Asset	1995-96			1996-97			1997-98		
	1995-96	1996-97	June qtr	1996-97	Dec. qtr	March qtr	1997-98	June qtr	Sept. qtr
Mining	162	81	27	28	20	18	15	15	28
Manufacturing	222	390	62	76	102	118	94	94	80
Other Selected Industries	229	216	74	47	70	33	66	66	65
Total New Capital Expenditure	613	687	163	151	192	169	175	175	174
Buildings and Structures	190	128	38	34	35	30	30	30	37
Equipment, Plant and Machinery	423	559	124	118	157	130	144	144	136

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

State	Selected Industries				Type of Asset		
	Mining	Manufacturing	Other Selected Industries	Total	Buildings and Structures	Equipment Plant and Machinery	
NSW	22.6	3.8	5.6	5.1	9.4	5.3	
Vic.	0.7	5.5	5.9	3.9	8.4	3.9	
Qld	7.5	7.7	7.9	5.1	8.6	5.7	
S.A.	6.0	8.7	10.3	5.8	7.0	6.9	
W.A.	9.7	11.2	8.5	6.8	10.9	6.8	
Tas.	..	13.9	15.5	9.3	19.0	9.3	
Australia (a)	7.3	2.8	3.4	2.6	4.8	2.7	

(a) Includes NT and ACT

EXPLANATORY NOTES

Introduction

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

2. State estimates in this publication are derived from the latest available Australian estimates for the September quarter 1997. These estimates are more up to date than those previously released in *Private New Capital Expenditure and Expected Expenditure to June 1998, Australia* (5625.0) released on 27 November 1997.

Scope of the survey

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

4. The scope of the survey:

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

Mining (Division B)

Manufacturing (Division C)

Food, beverage and tobacco (21)

Textile, clothing, footwear and leather (22)

Wood and paper product (23)

Printing, publishing and recorded media (24)

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

Metal product (27)

Machinery and equipment (28)

Other manufacturing (29)

Other Selected Industries

Construction (Division E)

Wholesale trade (Division F)

Retail trade (Division G)

Transport and storage (Division I)

Finance and insurance (Division K)

Property and business services (Division L)

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

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

(b) excludes the following industries

Agriculture, Forestry and Fishing

Government Administration and Defence

Education

Health and Community Services

Survey methodology

5. This quarterly survey is based on a stratified random sample of private business units recorded on the ABS register of businesses and is stratified by industry, number of employees and, from the March quarter 1997, state/territory. The sample consists of approximately 7,500 units. The figures obtained from the selected businesses are supplemented by data from units which have large

capital expenditure and/or large employment and which are outside the sample framework, or not adequately covered by it.

6. Adjustments are included in the estimates to allow for lags in processing new businesses to the ABS business register, and the omission of some businesses from the business register. The majority of businesses affected and to which the adjustments apply are small in size. The adjustments contributed 4.5% to the current quarter's estimate of reported capital expenditure. These adjustments were introduced in the June quarter 1997 publication and have been made back to the June quarter 1987. For further information see the June quarter 1997 publication or an Information Paper - *Improvements to ABS Economic Statistics 1997* (Cat. No. 1357.0) issued on 22 August 1997.

7. Respondents are asked to provide data on the same basis as their own management accounts. Where a selected business unit does not respond in a given survey, an estimate is substituted. Revisions may be made to these estimate adjustments if data are provided subsequently from those businesses. Aggregates are calculated from original data using the 'number raised' estimation technique. Data are edited at both individual unit level and at aggregate level.

Reporting cycle

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

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

Sample revision

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

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

12. When the frames and samples were updated annually prior to the June quarter 1996, some data would be revised as a consequence. No data revisions of this nature will be needed given quarterly updates to frames and samples. Data may be revised, however, on the basis of further processing.

Statistical unit

13. This survey uses the Management Unit as the statistical unit. The management unit is the highest level accounting unit within a business, having regard to industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, sole operator, etc). In the case of large diversified businesses, however, there may be more than one management unit, each coincides with a 'division' or 'line of business'. A division or line of business is defined when separate and comprehensive accounts are compiled for it. Prior to 1989, the survey was on a different business unit basis. Further details are available on request.

State dissection

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

Classification by industry

15. The Australian and New Zealand Standard Industrial Classification (ANZSIC) has been developed for use in both countries for the production and analysis of industry statistics. It replaces the Australian Standard Industrial Classification (ASIC) and the New Zealand Standard Industrial Classification (NZSIC).

16. For more information, users are referred to *Australian & New Zealand Standard Industrial Classification, 1993, ANZSIC*, (Cat. No. 1292.0) and *Statistics New Zealand* (Cat. No. 19.005.0092).

17. 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.

18. The total value of all new capital assets acquired by each statistical unit either on own account or under a finance lease is classified to the ANZSIC industry in which it mainly operates even though it may have activities in other industries.

Constant prices

19. Estimates in constant prices (average 1989-90 prices) are presented, in Table 2. The deflators used to revalue the current price estimates are the same as the price deflators compiled for the national accounts aggregates 'Private gross fixed capital expenditure on non-dwelling construction' and 'Private gross fixed capital expenditure on equipment'.

Description of terms

20. *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.

21. Some estimates are dissected by type of asset:

(a) *Buildings and Structures*. Includes industrial and commercial buildings, houses, flats, home units, water and sewerage installations, lifts, heating, ventilating and similar equipment forming an integral part of buildings and structures, land development and construction site development, roads, bridges, wharves, harbours, railway lines, pipelines, power and telephone lines. Also includes mine development (e.g. construction of shafts in underground mines, preparation of mining and quarrying sites for open cut extraction and other developmental operations primarily for commencing or extending production). Excludes purchases of land, previously occupied buildings and speculatively built projects intended for sale before occupation.

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

Reliability of estimates

22. Since the estimates are based on data obtained from a sample rather than a complete enumeration, the data and the movements derived from them are subject to sampling variability; that is, they may differ from the figures that would have been obtained if all units had been included in the survey. One measure of the likely difference is given by the *standard error*, which indicates the extent to which an estimate might have varied by chance because only a sample of units was included. There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if all units had been included, and about nineteen chances in twenty that the difference will be less than two standard errors.

23. Another measure of sampling variability is the *relative standard error* which is obtained by expressing the standard error as a percentage of the estimate to which it refers. The relative standard error is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling. The sample estimates of quarter to quarter movement in the value of new capital expenditure are also subject to sampling variability. The relative standard error of the estimate of movement is expressed as a percentage of the quarterly estimate of the level of capital expenditure. Table 12 shows the new relative standard errors by State.

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

25. In the design of questionnaires and in the processing of survey data every effort is made to reduce the non-sample error to a minimum.

Seasonal adjustment

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

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

28. Seasonally adjusted estimates in this publication have been derived by independently adjusting State estimates by type of asset and then adding them to form State capital expenditure estimates. This publication contains seasonally adjusted State estimates by type of asset for all States except Tasmania. Seasonally adjusted for Tasmania have not been published at the type of asset level because of volatility within the series.

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

30. At least once each year the seasonally adjusted series are revised to take account of the latest available data. The most recent reanalysis takes into account data collected up to and including the June quarter 1997 survey. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from reanalysis may be quite significant, especially for data for more recent quarters. Care should be exercised when interpreting quarter to quarter movements in the seasonally adjusted series in the publication, particularly for recent quarters.

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

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

Trend estimates

33. The trend estimates are derived by applying a 7-term Henderson moving average to the seasonally adjusted series. The 7-term Henderson average (like all Henderson averages) is symmetric, but as the end of a time series is approached, asymmetric forms of the average are applied. Unlike the weights of the standard 7-term Henderson moving average, the weights employed here have been tailored to suit the particular characteristics of individual series. While the asymmetric weights

enable trend estimates for recent quarters to be produced, it does result in revisions to the estimates for the most recent three quarters as additional observations become available. There may also be revisions because of changes in the original data and as a result of the re-estimation of the seasonal factors. For further information, see *A Guide to Interpreting Time Series — Monitoring 'Trends': an Overview* (1348.0) or contact the Assistant Director, Time Series Analysis on (02) 6252 6345.

Comparability with National Accounts estimates

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

- (a) National Accounts estimates incorporate data from other sources as well as information from the capital expenditure survey. For example, estimates for capital expenditure on 'equipment' are based on annual statistics of depreciable assets available from the Taxation Commissioner. Quarterly estimates are interpolated between and extrapolated from the annual taxation based estimates using a variety of indicators including this survey. The ABS's quarterly Building Activity Survey and Engineering Construction Survey are the main sources for estimating the National Accounts dwelling and non-dwelling construction items respectively.
- (b) National Accounts estimates include capital expenditure by all private businesses including units classified to the agriculture, forestry, fishing and hunting and community services industries and capital expenditure on dwellings by households. Data for these sectors are excluded from this publication.
- (c) National Accounts estimates include the value of work done on speculative construction projects as the work is put into place. The statistics in this publication, however, include full value of the speculative projects as new capital expenditure of the purchases (if in scope), when the project is sold.
- (d) For equipment, the National Accounts estimates relate to acquisitions less disposals of all fixed tangible assets whereas the survey figures are acquisitions of new fixed tangible assets only.

35. For a more detailed explanation of the concepts and methods used in compiling the National Accounts estimates see *Australian National Accounts: Concepts, Sources and Methods* (5216.0).

Related publications

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

Engineering Construction Activity, Australia (8762.0)
Building Activity, Australia (8752.0).
Directory of Capital Expenditure Data Sources and Related Statistics (5653.0)

37. Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (1101.0). The ABS also issues, on Tuesdays and Fridays, a *Release Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS office.

Unpublished data

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

Symbols and other usages

.. not applicable
 np not published

ANZSIC Australian and New Zealand Standard Industrial Classification

W. McLennan
Australian Statistician

For more information . . .

The ABS publishes a wide range of statistics and other information on Australia's economic and social conditions. Details of what is available in various publications and other products can be found in the ABS Catalogue of Publications and Products available from all ABS Offices.

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