

CATALOGUE NO. 5625.0

EMBARGOED UNTIL 11.30 A.M. 25 MAY 1994

**PRIVATE NEW CAPITAL EXPENDITURE, AUSTRALIA
ACTUAL AND EXPECTED EXPENDITURE TO JUNE 1995
MARCH QUARTER 1994 SURVEY, PRELIMINARY**

MAIN FEATURES

Actual Expenditure March Quarter 1994

In seasonally adjusted 1989-90 price terms, preliminary estimates show that expenditure was 5% below the December quarter 1993 estimate. Expenditure on Buildings and Structures fell by 2% and expenditure on Plant and Equipment fell by 7%.

	% change on December qtr 1993		
	Bldgs	Equip	Total
Average 1989-90 Prices			
— Seasonally Adjusted	-2	-7	-5
Current Prices			
— Seasonally Adjusted	-2	-7	-5
— Original	-22	-21	-21

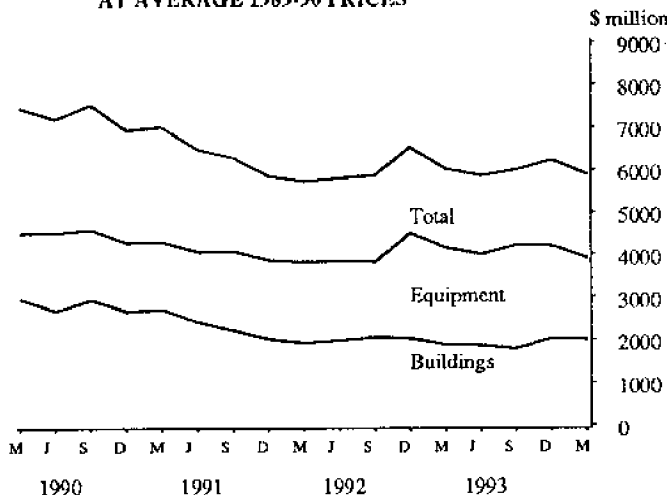
Expected New Capital Expenditure 1993-94

The latest estimate of expected new capital expenditure for 1993-94 is \$27,452m which is about the same as the December quarter's revised expectation for the same period. Historically, financial year expectations derived from the March quarter survey results overstate the full years results.

As illustrated in the graph on page 2, the final outcome of expenditure for a financial year has consistently fallen below estimate 6 (ie the one derived from the March quarter survey). The table below shows possible percentage changes in new capital expenditure between 1992-93 and 1993-94 when the latest estimates for 1993-94 are adjusted for the under-realisation for the corresponding expectation for 1992-93.

% Change Expected Expenditure 1993-94 over Actual Expenditure 1992-93 (current prices)	
TOTAL	2
By Asset	
Building	-1
Equipment	4

SEASONALLY ADJUSTED SERIES
AT AVERAGE 1989-90 PRICES



Seasonally adjusted current price estimates show that total expenditure fell by 5% on the December quarter. By broad industry groupings, changes were: Finance, Property and Business Services down 8%, Manufacturing down 8%, Mining down 6% and Other Selected Industries down 2%.

Expected New Capital Expenditure 1994-95

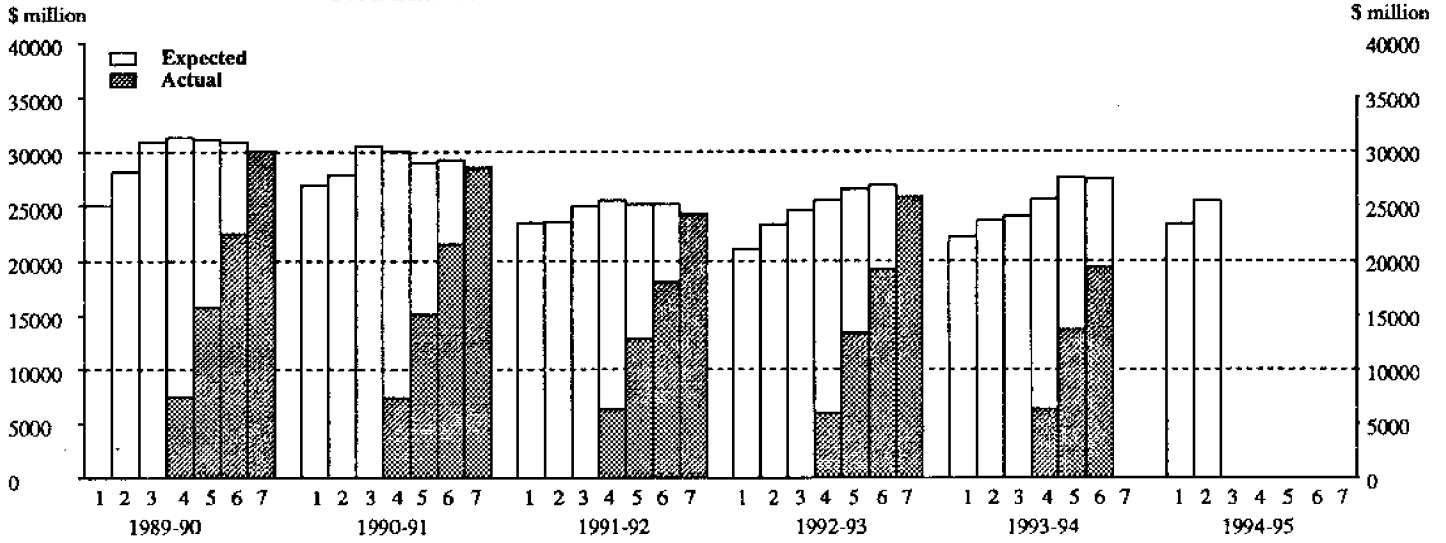
The second estimate of expected new capital expenditure for 1994-95 is \$25,462m which is 9% higher than the revised first estimate from the December quarter survey and 7% higher than the corresponding expectation for 1993-94 from the March quarter 1993 survey.

Historically, actual expenditure for the 12 months to June has been higher than the long term expectation reported in the March quarter just prior to the beginning of the financial year (see graph on page 2). In the recent past, it has ranged from being 36% higher for 1988-89 to being only 2% higher for 1990-91. For 1992-93 it was 10% higher and it is also likely to be about 10% higher for 1993-94. If actual expenditure for 1994-95 were also to be 10% above the latest March quarter expectation, the final outcome for 1994-95 will represent an increase of about 6% over the likely outcome for 1993-94.

INQUIRIES

• for further information about statistics in this publication and the availability of related unpublished statistics, contact Bruce Jamieson on Canberra (06) 252 5611 or any ABS State Office.
• for information about other ABS statistics and services please contact Information Services on Canberra (06) 252 6627, 252 5402, 252 6007 or any ABS State office.

**GRAPH 1: PRIVATE NEW CAPITAL EXPENDITURE AUSTRALIA
SUMMARY OF ANNUAL EXPENDITURE AS DERIVED OVER TIME**



EXPLANATION OF TIMING OF ESTIMATES USED IN CONSTRUCTION OF GRAPH ABOVE

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

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

Type of Asset	Actual												Expected p (b)																						
	1991-92			1992-93			1992-93			1993-94			1993-94		1994-95																				
	Dec. Qtr			March Qtr			June Qtr			Sept. Qtr			Dec. Qtr			3 Months to June 94																			
	8,085	7,731	2,237	1,636	1,808	1,765	2,237	1,737	1,737	2,426	8,165	7,949	16,159	18,037	5,177	4,212	4,728	4,597	5,045	3,990	5,654	19,287	17,513	24,244	25,767	7,414	5,847	6,536	6,363	7,282	5,728	8,080	27,452	25,462	
	SEASONALLY ADJUSTED																																		
	8,083	7,697	1,998	1,850	1,813	1,758	2,018	1,986	1,986	n.a.	n.a.	n.a.	16,158	18,026	4,867	4,658	4,462	4,731	4,745	4,411	n.a.	n.a.	n.a.	24,241	25,723	6,865	6,508	6,275	6,490	6,763	6,397	6,397	n.a.	n.a.	n.a.
	SEASONALLY ADJUSTED																																		
	8,083	7,697	1,998	1,850	1,813	1,758	2,018	1,986	1,986	n.a.	n.a.	n.a.	16,158	18,026	4,867	4,658	4,462	4,731	4,745	4,411	n.a.	n.a.	n.a.	24,241	25,723	6,865	6,508	6,275	6,490	6,763	6,397	6,397	n.a.	n.a.	n.a.

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

Type of Asset	1991-92												1992-93			1992-93			1993-94																				
	Dec. Qtr			March Qtr			June Qtr			Sept. Qtr			Dec. Qtr			March Qtr																							
	ORIGINAL			ORIGINAL			ORIGINAL			ORIGINAL			ORIGINAL			ORIGINAL																							
	8,103	7,843	2,269	1,659	1,845	1,785	1,736	15,573	16,474	4,785	3,747	4,240	4,086	4,461	2,246	3,528	23,677	24,317	7,054	5,406	6,085	5,872	6,706	5,264	8,104	7,809	2,026	1,876	1,850	1,778	2,027	1,984							
	15,573	16,474	4,785	3,747	4,240	4,086	4,461	23,677	24,317	7,054	5,406	6,085	5,872	6,706	5,264	8,104	7,809	2,026	1,876	1,850	1,778	2,027	1,984	15,574	16,458	4,498	4,144	4,002	4,206	4,195	3,900	23,679	24,267	6,524	6,020	5,852	5,984	6,221	5,884
	SEASONALLY ADJUSTED																																						
	8,104	7,809	2,026	1,876	1,850	1,778	2,027	15,574	16,458	4,498	4,144	4,002	4,206	4,195	3,900	23,679	24,267	6,524	6,020	5,852	5,984	6,221	5,884	15,574	16,458	4,498	4,144	4,002	4,206	4,195	3,900	23,679	24,267	6,524	6,020	5,852	5,984	6,221	5,884

See next page for footnotes

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

Major Industry	Actual												Expected p (b)	
	1992-93			1993-94			1993-94			1993-94		1994-95		
	Dec. Qtr	March Qtr	June Qtr	Sept. Qtr	Dec. Qtr	March Qtr	1992-93	1993-94	3 Months to June 94	1993-94	1994-95			
Finance, Property and Business Services	4,754	1,178	1,023	1,000	919	1,091	881	1,172	4,063	3,287				
Mining	4,206	1,326	1,201	1,451	1,374	1,679	1,301	1,949	6,303	5,866				
Manufacturing	6,858	1,904	1,552	2,048	1,787	1,990	1,541	2,407	7,724	7,625				
Other Selected Industries	8,426	3,007	2,072	2,037	2,282	2,522	2,006	2,553	9,362	8,684				
Total Selected Industries (a)	24,244	7,414	5,847	6,536	6,363	7,282	5,728	8,080	27,452	25,462				
	SEASONALLY ADJUSTED													
Finance, Property and Business Services	4,749	1,121	1,115	979	907	1,042	961	n.a.	n.a.	n.a.				
Mining	4,205	1,198	1,320	1,443	1,409	1,525	1,428	n.a.	n.a.	n.a.				
Manufacturing	6,864	1,773	1,725	1,888	1,898	1,855	1,712	n.a.	n.a.	n.a.				
Other Selected Industries	8,423	2,772	2,347	1,965	2,276	2,342	2,295	n.a.	n.a.	n.a.				
Total Selected Industries (a)	24,241	6,865	6,508	6,275	6,490	6,763	6,397	n.a.	n.a.	n.a.				

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

Financial Year	Type of Asset					Major Industry Group			Total (a)
	Buildings and Structures	Equipment Plant and Machinery	Finance, Property and Business Services	Mining	Manufacturing	Other Selected Industries			
1988-89	1.23	1.44	1.39	1.20	1.25	1.51	1.36		
1989-90	0.89	1.21	0.92	0.98	1.07	1.31	1.07		
1990-91	0.97	1.05	0.89	1.05	0.92	1.23	1.02		
1991-92	0.93	1.09	0.95	0.90	0.89	1.38	1.03		
1992-93	1.07	1.12	1.17	1.07	0.90	1.32	1.10		
5 Year Average	1.02	1.18	1.07	1.04	1.01	1.35	1.12		

(a) Excludes public sector and all enterprises classified to agriculture, forestry, fishing and hunting and community services. (b) Expected by businesses in April-May 1994. (c) See paragraph 4 of Explanatory Notes (d) See paragraph 6 of Explanatory Notes (e) Expected expenditure for the subsequent financial year (ie estimate 2 as described at the foot of Graph 1).

EXPLANATORY NOTES

This publication contains preliminary estimates of actual new capital expenditure by private business units in selected industries in Australia for the March quarter 1994, together with estimates of expected new capital expenditure for the 3 months ending 30 June 1994 and the 12 months ending 30 June 1995. Estimates of previous quarters actual expenditure from the December quarter 1992 are also included. These statistics have been compiled on the basis of the initial 75 per cent of returns received and are subject to revision when final estimates are compiled on the basis of a more complete response.

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

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

Estimates at 1989-90 prices

4. Estimates at 1989-90 prices are presented, by type of asset, in both original and seasonally adjusted terms in Table 2. The deflators used to revalue the current price estimates are the same as the price deflators compiled for the national accounts aggregates 'Private gross fixed capital expenditure on non-dwelling construction' and 'Private gross fixed capital expenditure on equipment'.

Seasonal adjustment

5. The series in this publication are affected to some extent by seasonal influences and it is useful to recognize and take account of this element of variation. Details of the seasonal adjustment methods used for new capital expenditure are available on request.

Realisation ratios

6. The realisation ratios shown in Table 4 are for estimate 2 (see foot of graph 1) and have been derived in a similar manner to those contained in previous publications. For details of the methodology used refer to Catalogue No. 5626.0.

Further information

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

Unpublished data

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

Related publications

9. 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 Publications Advice (1105.0) which lists publications to be released in the next few days. The Catalogue and the Publications Advice are available from any ABS office.

Symbols and other usage

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

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

IAN CASTLES
Australian Statistician

Printed by Alan Law, Commonwealth Government Printer, Canberra
© Commonwealth of Australia 1994

Recommended retail price: \$11.00



2562500003946
ISSN 1033-5048