

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

Note 1 The seasonally adjusted estimates for States should be interpreted with care. Refer to paragraphs 27 to 33 of the explanatory notes.

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

MAIN FEATURES

Actual Expenditure - March Quarter 1997

The trend estimates of private new capital expenditure (in constant price terms) rose by \$76m (0.7%) to \$10,683m in the March quarter 1997. This follows rises of 1.4% in the December quarter 1996 and 3.5% in the September quarter 1996.

State Estimates by asset type

State	March qtr 1997		
	trend estimates at current prices		
	Buildings \$m	Equipment \$m	Total \$m
NSW	1,122	2,238	3,360
Vic	906	2,026	2,932
Qld	776	1,128	1,904
SA	136	438	574
WA	625	1,010	1,635
Tas	34	151	185
Aust (a)	3,537	7,112	10,649

(a) Includes NT and ACT, and differences associated with the independent application of seasonal factors at State and Australian level (see paragraph 30 of the explanatory notes).

In New South Wales, trend estimates of expenditure on buildings (in current price terms) rose by 7.6% in the March quarter 1997, while expenditure on equipment fell by 1.8%.

In Victoria, expenditure on buildings rose by 5.0%, while expenditure on equipment increased by 0.8%.

In Queensland, expenditure on buildings rose by 10.1%, with expenditure on equipment rising by 1.5%.

For South Australia, expenditure on buildings fell by 1.4%, with a 6.8% drop for expenditure on equipment.

In Western Australia, expenditure on buildings rose by 2.0% and equipment remained flat.

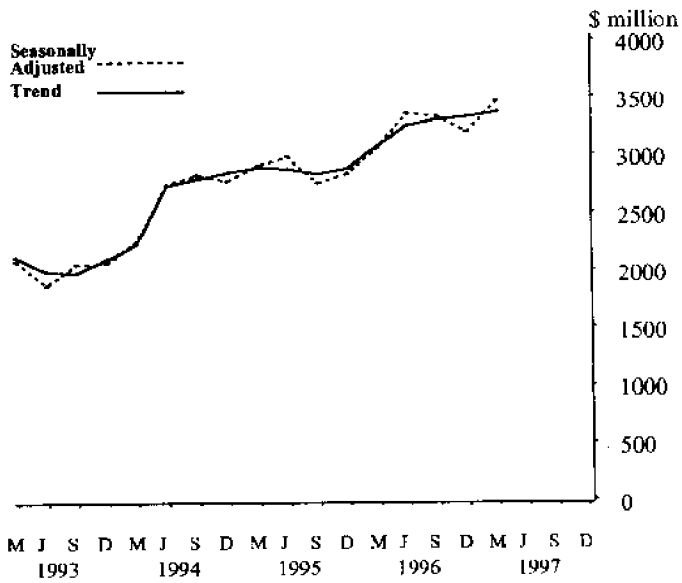
In Tasmania, expenditure on buildings fell by 5.6%, while expenditure on equipment rose by 4.9%.

State estimates - Change from previous periods

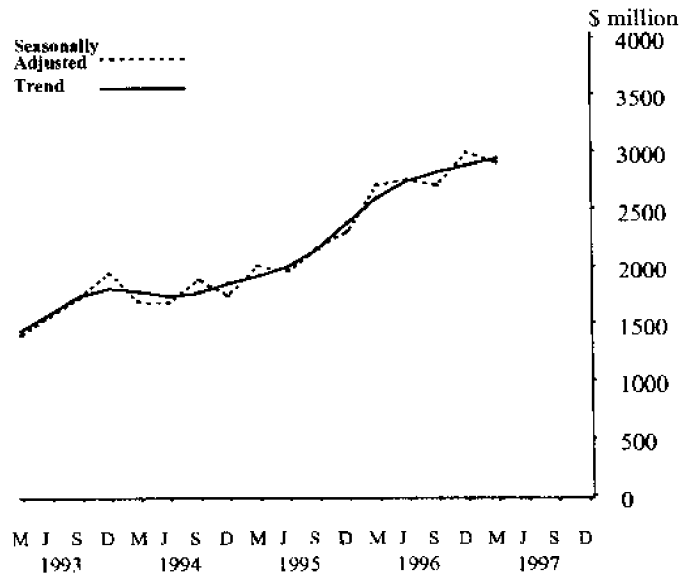
State	March qtr 1997		
	trend estimates at current prices		
	value \$m	% change on Mar qtr 1996	% change on Dec qtr 1996
NSW	3,360	9.6	1.2
Vic	2,932	13.2	2.1
Qld	1,904	38.3	4.8
SA	574	22.9	-5.7
WA	1,635	-14.7	0.8
Tas	185	34.1	2.8
Aust (a)	10,649	7.8	-0.2

(a) Includes NT and ACT, and differences associated with the independent application of seasonal factors at State and Australian level (see paragraph 30 of the explanatory notes).

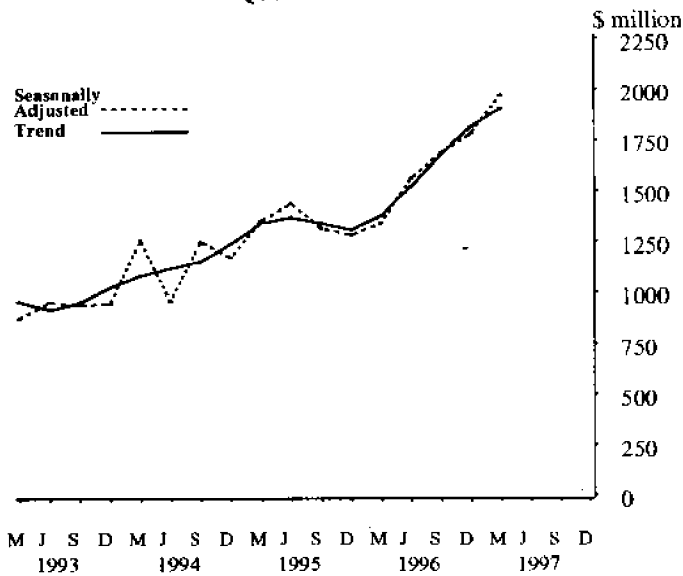
NEW SOUTH WALES



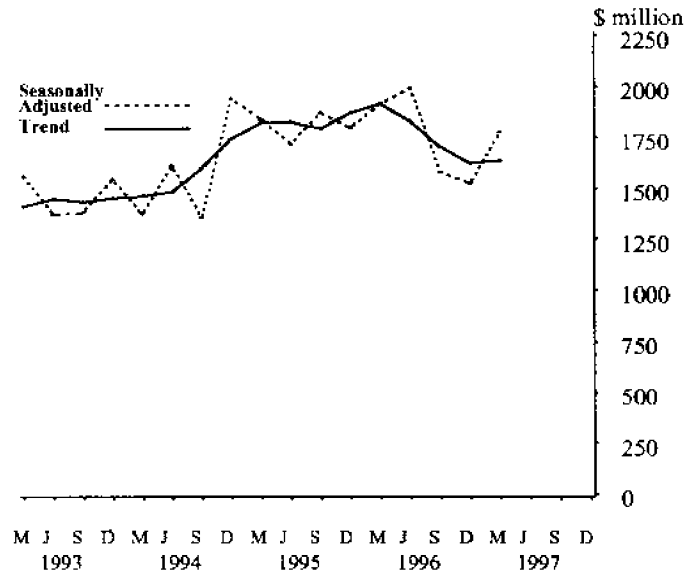
VICTORIA



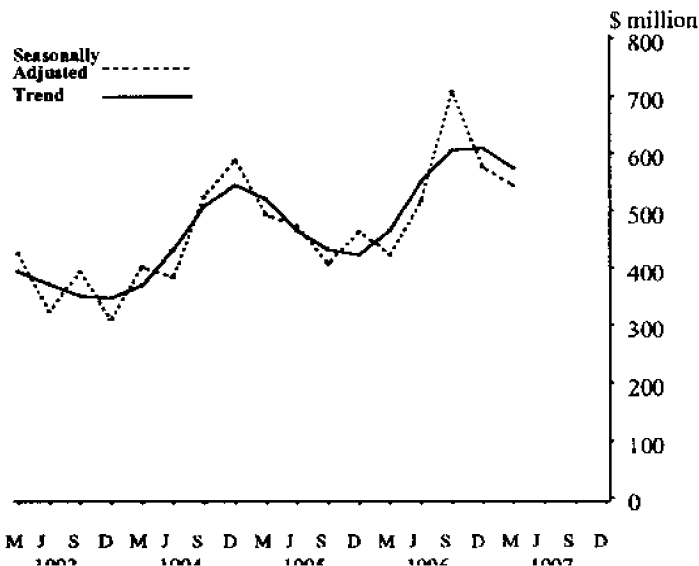
QUEENSLAND



WESTERN AUSTRALIA



SOUTH AUSTRALIA



TASMANIA

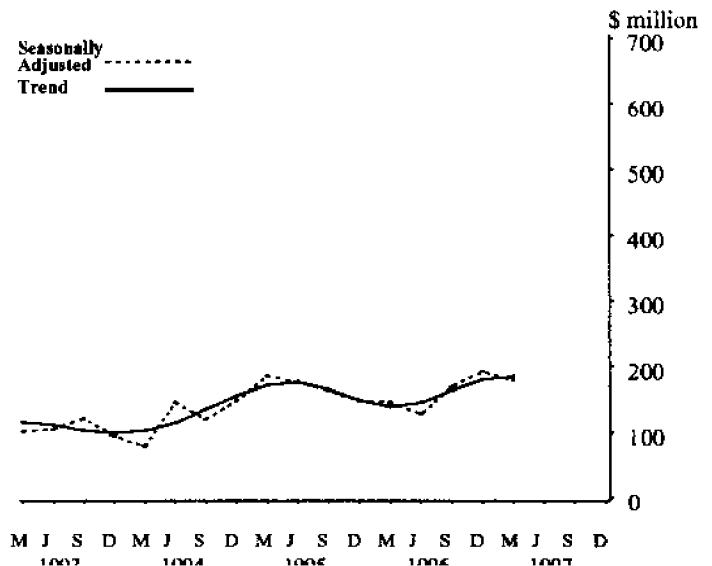


TABLE 2 — ACTUAL PRIVATE NEW CAPITAL EXPENDITURE, AUSTRALIA
BY SELECTED INDUSTRIES AND TYPE OF ASSET
AVERAGE 1989-90 PRICES
(\$ million)

Selected Industries and Type of Asset	1995-96				1996-97			
	1994-95	1995-96	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
	ORIGINAL							
Mining	6,140	6,708	1,744	1,495	1,952	1,774	2,092	1,999
Manufacturing	8,922	8,996	2,249	2,190	2,539	2,378	2,606	2,313
Other Selected Industries	17,375	21,087	5,411	4,593	6,470	5,946	6,673	5,397
Total New Capital Expenditure	32,436	36,791	9,403	8,278	10,960	10,098	11,371	9,709
Buildings and Structures	8,561	11,579	3,185	2,322	3,563	3,159	3,648	3,328
Equipment, Plant and Machinery	23,875	25,262	6,218	5,956	7,397	6,939	7,723	6,381
	SEASONALLY ADJUSTED							
Mining	6,140	6,709	1,562	1,695	1,865	1,858	1,879	2,266
Manufacturing	8,874	8,989	2,153	2,436	2,290	2,467	2,490	2,539
Other Selected Industries	17,320	21,080	4,869	5,149	6,328	6,170	5,973	6,099
Total New Capital Expenditure	32,334	36,777	8,585	9,279	10,483	10,495	10,343	10,904
Buildings and Structures	8,502	11,451	2,857	2,472	3,543	3,359	3,235	3,598
Equipment, Plant and Machinery	23,831	25,326	5,728	6,807	6,941	7,136	7,107	7,306
	TREND							
Mining	6,146	6,660	1,602	1,707	1,789	1,876	1,991	2,126
Manufacturing	8,753	9,122	2,215	2,293	2,385	2,435	2,487	2,544
Other Selected Industries	17,357	20,935	4,934	5,439	5,936	6,150	6,129	6,014
Total New Capital Expenditure	32,256	36,717	8,751	9,439	10,109	10,461	10,607	10,683
Buildings and Structures	8,618	11,283	2,669	2,927	3,169	3,348	3,431	3,426
Equipment, Plant and Machinery	23,639	25,434	6,081	6,512	6,940	7,114	7,176	7,257

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

State	1994-95				1995-96				1996-97			
	Dec.	Jan.	Feb.	Mar.	Dec.	Jan.	Feb.	Mar.	Dec.	Jan.	Feb.	Mar.
	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr	qtr
BUILDINGS AND STRUCTURES												
New South Wales	2,245	3,203	831	705	1,051	991	1,029	1,050				
Victoria	1,535	3,033	820	691	905	768	1,010	760				
Queensland	1,822	1,529	350	256	590	592	694	697				
South Australia	351	348	89	76	113	129	165	125				
Western Australia	2,367	3,016	964	529	795	599	626	592				
Tasmania	133	178	46	45	37	33	34	29				
Australia (a)	8,630	11,875	3,256	2,400	3,706	3,310	3,805	3,435				
EQUIPMENT, PLANT AND MACHINERY												
New South Wales	9,204	8,772	2,235	1,967	2,528	2,231	2,434	1,965				
Victoria	5,998	6,819	1,661	1,674	1,911	1,978	2,213	1,772				
Queensland	3,404	4,016	934	921	1,218	1,049	1,092	1,009				
South Australia	1,755	1,456	450	309	406	501	495	371				
Western Australia	4,491	4,562	1,143	1,134	1,206	922	1,144	927				
Tasmania	503	394	91	94	116	114	153	136				
Australia (a)	25,092	26,727	6,683	6,278	7,641	6,913	7,644	6,264				
TOTAL NEW CAPITAL EXPENDITURE												
New South Wales	11,449	11,974	3,066	2,672	3,579	3,221	3,463	3,015				
Victoria	7,533	9,852	2,480	2,365	2,815	2,746	3,223	2,532				
Queensland	5,226	5,546	1,284	1,177	1,808	1,640	1,786	1,706				
South Australia	2,106	1,804	538	385	519	630	660	496				
Western Australia	6,857	7,579	2,107	1,663	2,001	1,522	1,770	1,519				
Tasmania	636	571	137	139	153	146	187	165				
Australia (a)	34,321	38,601	9,938	8,679	11,347	10,224	11,449	9,698				

(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			
	1994-95	1995-96	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
BUILDINGS AND STRUCTURES								
New South Wales	2,265	3,204	739	832	1,012	1,003	915	1,239
Victoria	1,546	3,050	730	836	882	749	899	921
Queensland	1,828	1,494	330	309	511	613	657	842
South Australia	345	364	86	75	142	110	161	124
Western Australia	2,411	2,998	762	659	827	618	493	741
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australia (a) (b)	8,560	11,795	2,921	2,545	3,696	3,530	3,371	3,697
EQUIPMENT, PLANT AND MACHINERY								
New South Wales	9,177	8,762	2,087	2,219	2,335	2,320	2,274	2,219
Victoria	6,014	6,843	1,565	1,864	1,864	1,947	2,085	1,974
Queensland	3,382	4,008	952	1,033	1,052	1,074	1,124	1,129
South Australia	1,736	1,448	378	349	375	599	414	419
Western Australia	4,445	4,577	1,035	1,257	1,164	962	1,032	1,034
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australia (a) (b)	25,639	26,797	6,161	7,171	7,163	7,118	7,043	7,164
TOTAL NEW CAPITAL EXPENDITURE								
New South Wales	11,442	11,966	2,826	3,051	3,347	3,323	3,189	3,459
Victoria	7,560	9,893	2,296	2,701	2,746	2,696	2,984	2,895
Queensland	5,210	5,503	1,282	1,342	1,563	1,687	1,781	1,970
South Australia	2,081	1,812	464	424	517	708	575	543
Western Australia	6,856	7,576	1,797	1,917	1,992	1,580	1,524	1,775
Tasmania	626	581	147	145	126	168	192	179
Australia (a)	34,200	38,592	9,081	9,716	10,859	10,648	10,414	10,860

(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			
	1994-95	1995-96	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
BUILDINGS AND STRUCTURES								
New South Wales	2,290	3,152	722	870	944	986	1,043	1,122
Victoria	1,544	3,008	738	814	836	837	863	906
Queensland	1,776	1,525	320	365	470	595	705	776
South Australia	324	356	78	94	116	132	138	136
Western Australia	2,534	2,890	724	757	703	643	613	625
Tasmania	140	182	51	44	37	35	36	34
Australia (a)	8,678	11,629	2,734	3,023	3,307	3,500	3,571	3,537
EQUIPMENT, PLANT AND MACHINERY								
New South Wales	9,067	8,855	2,152	2,196	2,297	2,313	2,278	2,238
Victoria	5,963	6,834	1,634	1,776	1,896	1,973	2,010	2,026
Queensland	3,328	4,020	988	1,012	1,051	1,085	1,111	1,128
South Australia	1,716	1,518	345	373	435	474	470	438
Western Australia	4,459	4,520	1,147	1,159	1,127	1,057	1,009	1,010
Tasmania	495	412	97	94	107	127	144	151
Australia (a)	25,443	26,870	6,515	6,856	7,137	7,155	7,100	7,112
TOTAL NEW CAPITAL EXPENDITURE								
New South Wales	11,357	12,007	2,874	3,066	3,242	3,299	3,321	3,360
Victoria	7,507	9,842	2,373	2,590	2,732	2,811	2,873	2,932
Queensland	5,104	5,545	1,307	1,377	1,522	1,680	1,816	1,904
South Australia	2,040	1,873	423	467	551	606	609	574
Western Australia	6,994	7,410	1,871	1,916	1,830	1,700	1,622	1,635
Tasmania	635	595	148	138	144	163	180	185
Australia (a)	34,122	38,499	9,249	9,879	10,443	10,656	10,671	10,649

(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			
	1994-95	1995-96	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
Mining	760	924	202	223	363	281	259	245
Manufacturing	3,752	3,159	861	780	788	800	778	711
Other Selected Industries	6,937	7,891	2,003	1,670	2,427	2,140	2,426	2,059
Total New Capital Expenditure	11,449	11,974	3,066	2,672	3,579	3,221	3,463	3,015
Buildings and Structures	2,245	3,203	831	705	1,051	991	1,029	1,050
Equipment, Plant and Machinery	9,204	8,772	2,235	1,967	2,528	2,231	2,434	1,965

**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			
	1994-95	1995-96	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
Mining	603	588	172	157	109	123	299	162
Manufacturing	3,034	3,341	873	796	879	1,027	1,107	852
Other Selected Industries	3,896	5,923	1,436	1,412	1,828	1,596	1,818	1,519
Total New Capital Expenditure	7,533	9,852	2,480	2,365	2,815	2,746	3,223	2,532
Buildings and Structures	1,535	3,033	820	691	905	768	1,010	760
Equipment, Plant and Machinery	5,998	6,819	1,661	1,674	1,911	1,978	2,213	1,772

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				
	1994-95	1995-96	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
Mining	922	945	205	188	340	403	450	516
Manufacturing	1,215	1,324	278	345	398	271	337	390
Other Selected Industries	3,089	3,276	800	644	1,070	967	999	800
Total New Capital Expenditure	5,226	5,546	1,284	1,177	1,808	1,640	1,786	1,706
Buildings and Structures	1,822	1,529	350	256	590	592	694	697
Equipment, Plant and Machinery	3,404	4,016	934	921	1,218	1,049	1,092	1,009

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				
	1994-95	1995-96	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
Mining	115	194	49	51	59	61	80	77
Manufacturing	829	716	205	159	197	183	226	188
Other Selected Industries	1,162	893	285	174	263	386	354	230
Total New Capital Expenditure	2,106	1,804	538	385	519	630	660	496
Buildings and Structures	351	348	89	76	113	129	165	125
Equipment, Plant and Machinery	1,755	1,456	450	309	406	501	495	371

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

<i>Selected Industries and Type of Asset</i>	1995-96				1996-97			
	1994-95	1995-96	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
Mining	4,046	4,199	1,173	915	1,064	888	1,058	1,070
Manufacturing	595	958	174	205	379	155	155	138
Other Selected Industries	2,216	2,422	760	542	558	479	556	311
Total New Capital Expenditure	6,857	7,579	2,107	1,663	2,001	1,522	1,770	1,519
Buildings and Structures	2,367	3,016	964	529	795	599	626	592
Equipment, Plant and Machinery	4,491	4,562	1,143	1,134	1,206	922	1,144	927

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

<i>Selected Industries and Type of Asset</i>	1995-96				1996-97			
	1994-95	1995-96	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr
Mining	67	141	30	46	24	28	20	17
Manufacturing	282	209	55	52	59	69	97	116
Other Selected Industries	288	221	51	41	70	49	70	32
Total New Capital Expenditure	636	571	137	139	153	146	187	165
Buildings and Structures	133	178	46	45	37	33	34	29
Equipment, Plant and Machinery	503	394	91	94	116	114	153	136

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

State	Selected Industries				Total	Type of Asset		
	Mining	Manufacturing	Other Selected Industries	Buildings and Structures		Equipment Plant and Machinery		
NSW	22.6	3.8	5.6	..	5.1	..	..	5.3
Vic.	0.7	5.5	5.9	..	3.9	..	..	3.9
Qld	7.5	7.7	7.9	..	5.1	..	..	5.7
S.A.	6.0	8.7	10.3	..	5.8	..	..	6.9
W.A.	9.7	11.2	8.5	..	6.8	..	..	6.8
Tas.	..	13.9	15.5	..	9.3	..	..	9.3
Australia (a)	7.3	2.8	3.4	4.8	2.6	4.8	2.7	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 March quarter 1997. These estimates are the 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 May 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 (ie all departments, authorities and other organisations owned or controlled by Commonwealth, State or Local Government) are outside the scope of the survey.

4. The scope of the survey:

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

Mining (Division B)

Manufacturing (Division C)

Food, beverage and tobacco (21)

Textile, clothing, footwear and leather (22)

Wood and paper product (23)

Printing, publishing and recorded media (24)

Petroleum, coal, chemical and assoc. product (25)

Non-metallic mineral product (26)

Metal product (27)

Machinery and equipment (28)

Other manufacturing (29)

Other Selected Industries

Construction (Division E)

Wholesale trade (Division F)

Retail trade (Division G)

Transport and storage (Division I)

Finance and insurance (Division K)

Property and business services (Division L)

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

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

(b) excludes the following industries

Agriculture, Forestry and Fishing

Government Administration and Defence

Education

Health and Community Services

Survey methodology

5. This quarterly survey is based on a stratified random sample of private business units recorded on the ABS register of businesses and is stratified by industry, number of employees and, from the March quarter 1997, State/Territory. The sample consists of approximately 7,500 units. The figures obtained from the selected businesses are supplemented by data from units which have large capital expenditure and/or large employment and which are outside the sample framework, or not adequately covered by it.

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

7. A new survey form for the collection of data was introduced from the March quarter 1996 to assist respondents to the survey in providing the information required by requesting separate data about several types of equipment. This form was developed with extensive field testing. The additional detail is expected to lead to better constant price estimates. A statistical analysis, conducted to investigate whether the change would contribute any effect or bias to the survey estimates, has shown no discernible statistically significant effect on the data series. Further information is available from the Assistant Director, Statistical Consultancy, on (02) 9268 4214.

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 will now be 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. Prior to the June quarter 1996, survey frames and samples were updated annually. As a consequence, some data would be revised. 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.

13. In the period between sample selection, there are changes to the survey frame. For example, businesses cease operating and businesses are newly established. The ABS produces an estimate of the contribution expected from new businesses each quarter, while allowance is made for the number of businesses in the sample which ceased trading during the quarter. The methodology for estimating change in the business population uses direct counts each quarter of new businesses added, or in the process of being added, to the ABS business register. For most quarters, the introduction of quarterly sample selection reduces the size of the adjustments needed to account for new and ceased businesses.

Statistical unit

14. 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 unit basis. Further details are available on request.

State dissection

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

Classification by industry

16. 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).

17. For more information, users are referred to: *Australian and New Zealand Standard Industrial Classification, 1993, ANZSIC*, ABS Cat. No. 1292.0 and Statistics New Zealand Cat. No. 19.005.0092.

18. In order to classify new capital expenditure by industry, each statistical unit (as defined above) is classified to the Australian & New Zealand Industrial Classification (ANZSIC) industry in which it *mainly* operates.

19. The total value of all of the 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

20. 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

21. *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.

22. 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 the estimates

23. 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.

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

25. 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.

26. 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

27. The quarterly State 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.

28. 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.

29. 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 series for Tasmania have not been published at the type of asset level because of the volatility within the series.

30. 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 a seasonally adjusted estimate for ACT and NT.

31. 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 1996 survey. Data for periods after June 1996 are seasonally adjusted on the basis of extrapolation of historical patterns. 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 seasonally adjusted series in the publication, particularly for recent quarters.

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

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

Trend estimates

34. 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 (06) 252 6345.

Comparability with National Accounts estimates

35. 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 data sources for estimating the National Accounts dwelling and non-dwelling construction items respectively.
- (b) National Accounts estimates include the 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.

36. 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

37. Users may also wish to refer to the following publications:

Private New Capital Expenditure and Expected Expenditure, Australia (5625.0)
Company Profits, Australia (5651.0)
Stocks, Selected Industry Sales and Expected Sales, Australia (5629.0)
Australian National Accounts: National Income, Expenditure and Product (5206.0)
Australian National Accounts: State Accounts (5242.0)
Australian Business Expectations (5250.0)
Business Operations and Industry Performance, Australia (8140.0)
Engineering Construction Activity, Australia (8762.0)
Building Activity, Australia (8752.0)

38. 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

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

Symbols and other usages

.. not applicable
 np not published

ANZSIC Australian and New Zealand Standard Industrial Classification

Dennis Trewin
Acting Australian Statistician

For more information . . .

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