

**STATE ESTIMATES OF PRIVATE NEW CAPITAL EXPENDITURE
JUNE QUARTER 1995 SURVEY**

Note 1. The seasonally adjusted estimates for States should be interpreted with care. Refer to paragraphs 19 to 25 of the explanatory notes.
Note 2. This publication is based on final results from the June quarter survey. However, minor revisions may occur as a result of introduction of new units to the survey sample from June quarter 1995. Refer to paragraph 16 of the explanatory notes.

MAIN FEATURES

Actual Expenditure - June Quarter 1995

The Australian capital expenditure trend estimate (in constant price terms) increased by 9.3% for buildings and 2.1% for equipment. The overall increase of 4.1% follows recent quarterly rises of 7.2%, 5.9%, 4.3% and 3.9%, and indicates steady recent growth.

State Estimates - June Quarter 1995

Trend estimates (in current price terms) for the June quarter 1995 for each state, together with the percentage change over the March quarter, 1995 are detailed below.

State	June qtr 1995 trend estimates	
	value \$ m	% Change on Mar qtr 1995
N.S.W.	3,040	4
Vic.	2,041	6
Qld	1,383	4
S.A.	487	-7
W.A.	1,924	5
Tas.	175	5
Aust. (a)	9,233	4

(a) Includes NT and ACT & differences associated with the independent application of seasonal factors at State and Australian level (see paragraph 21 of the explanatory notes).

Separate graphs for each State are shown on page 2.

Changes in Expenditure - 12 months to June 1995

Private new capital expenditure (in original terms) rose by 21% in the 12 months to June 1995 compared with the 12 months to June 1994. Expenditure in South Australia rose by 39%, Tasmania by 39%, New South Wales by 27%, Queensland by 27%, Western Australia by 16% and Victoria by 7%.

State	12 months to June 1994	12 months to June 1995	% change
	\$m	\$m	
N.S.W.	9,147	11,616	+ 27
Vic.	7,065	7,581	+ 7
Qld	4,099	5,226	+ 27
S.A.	1,491	2,072	+ 39
W.A.	5,972	6,951	+ 16
Tas.	441	614	+ 39
Aust. (a)	28,758	34,657	+ 21

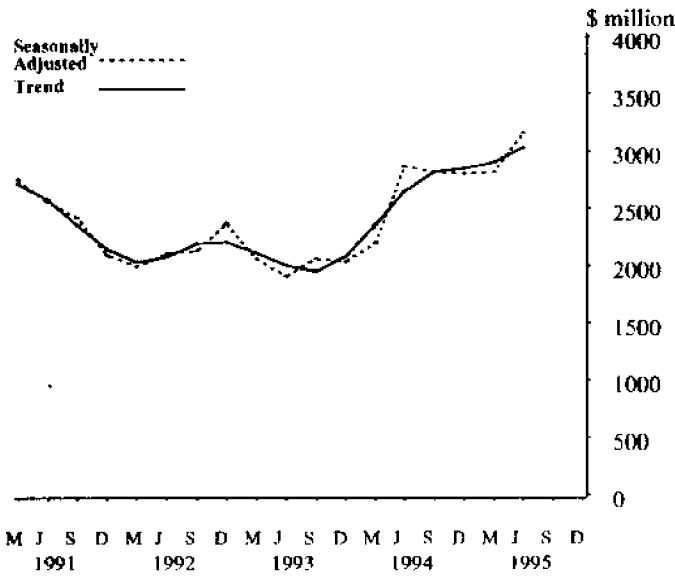
Expected Expenditure - 1995-96

The third estimate of expected expenditure in 1995-96 is \$35,456m. This is 12% higher than the second estimate for 1995-96 and 2% higher than the actual expenditure estimate for 1994-95. If the relevant realisation ratio from the last completed year was applied to latest expectations for 1995-96, the outcome for 1995-96 would be an increase of 12% over 1994-95.

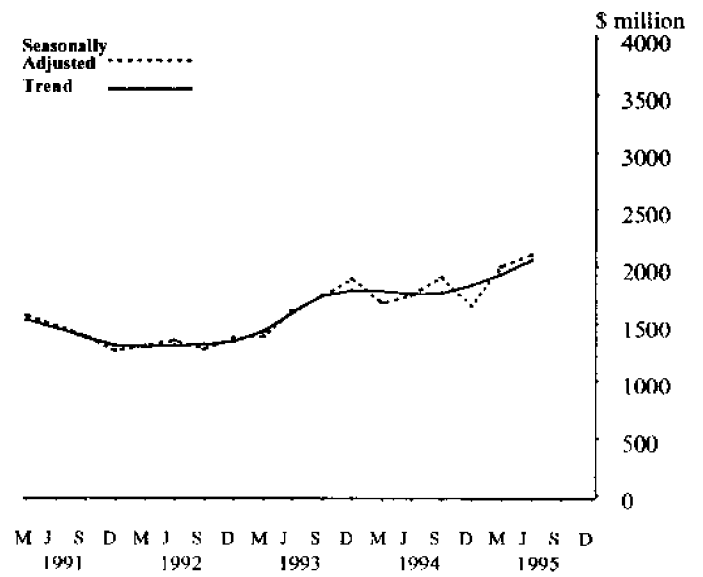
INQUIRIES

• for further information about statistics in this publication and the availability of related unpublished statistics, contact John Stamolis on Sydney (02) 268 4241 or any ABS State Office.
• for information about other ABS statistics and services please refer to the back page of this publication.

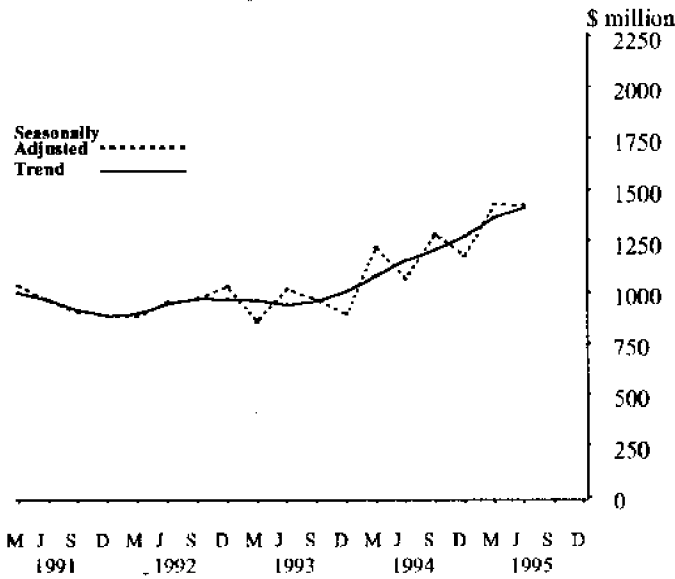
NEW SOUTH WALES



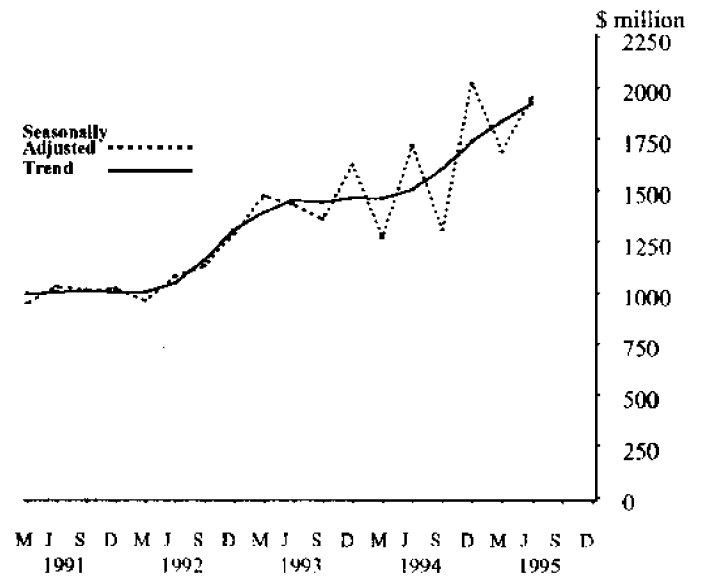
VICTORIA



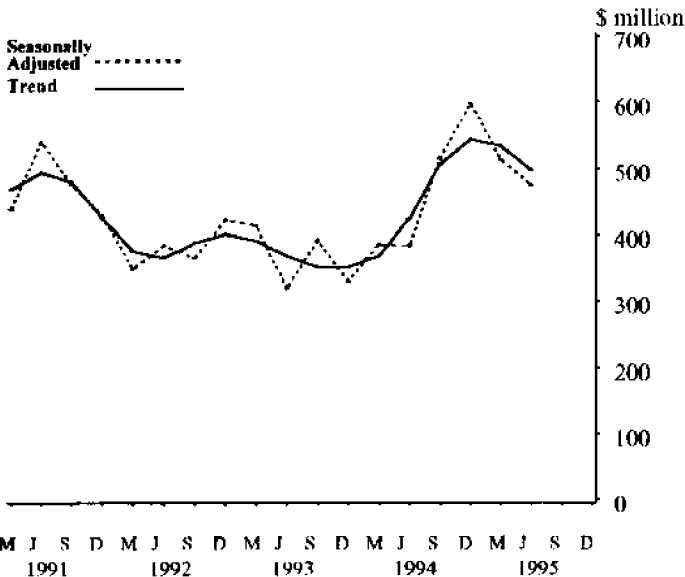
QUEENSLAND



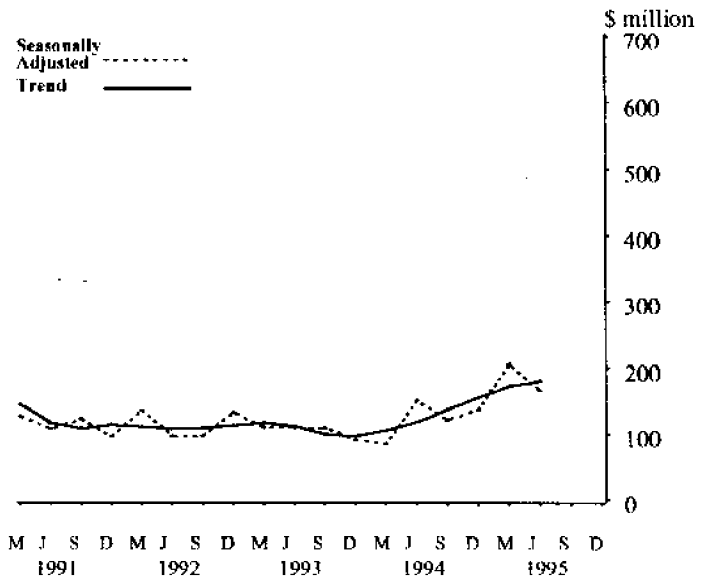
WESTERN AUSTRALIA



SOUTH AUSTRALIA



TASMANIA



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

Selected Industries and Type of Asset	1993-94			1994-95			1994-95		
	1993-94	1994-95	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr	
ORIGINAL									
Mining	5,305	6,362	1,139	1,361	1,338	1,786	1,490	1,748	
Manufacturing	6,919	8,708	1,448	2,056	1,976	2,100	2,107	2,525	
Other Selected Industries	14,589	17,683	3,301	4,243	4,208	4,924	3,852	4,700	
Total New Capital Expenditure	26,813	32,753	5,888	7,660	7,522	8,810	7,448	8,973	
Buildings and Structures	8,218	8,808	1,861	2,131	1,940	2,270	2,200	2,398	
Equipment, Plant and Machinery	18,595	23,945	4,027	5,529	5,582	6,540	5,248	6,575	
SEASONALLY ADJUSTED									
Mining	5,290	6,361	1,267	1,339	1,366	1,618	1,659	1,718	
Manufacturing	6,910	8,737	1,633	1,915	2,118	1,924	2,359	2,335	
Other Selected Industries	14,612	17,742	3,625	4,324	4,144	4,568	4,227	4,803	
Total New Capital Expenditure	26,812	32,841	6,526	7,578	7,628	8,110	8,245	8,857	
Buildings and Structures	8,240	8,925	2,094	2,237	1,930	2,019	2,462	2,513	
Equipment, Plant and Machinery	18,572	23,916	4,431	5,341	5,698	6,091	5,783	6,343	
TREND									
Mining	5,310	6,374	1,308	1,330	1,421	1,554	1,660	1,738	
Manufacturing	6,926	8,688	1,737	1,864	2,001	2,118	2,231	2,338	
Other Selected Industries	14,465	17,800	3,758	4,098	4,299	4,383	4,481	4,638	
Total New Capital Expenditure	26,702	32,862	6,803	7,292	7,721	8,055	8,372	8,714	
Buildings and Structures	8,162	9,042	2,114	2,091	2,046	2,134	2,323	2,539	
Equipment, Plant and Machinery	18,539	23,821	4,689	5,201	5,675	5,922	6,049	6,175	

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

State	1993-94				1994-95			
	1993-94	1994-95	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
BUILDINGS AND STRUCTURES								
New South Wales	1,826	2,447	415	623	651	599	588	609
Victoria	1,501	1,513	294	327	309	375	358	471
Queensland	1,453	1,850	430	388	431	495	437	486
South Australia	364	382	125	71	152	79	75	77
Western Australia	2,758	2,360	539	611	390	607	679	683
Tasmania	98	132	15	51	25	20	44	43
Australia (a)	8,165	8,882	1,863	2,115	1,940	2,288	2,227	2,427
EQUIPMENT, PLANT AND MACHINERY								
New South Wales	7,320	9,169	1,564	2,326	2,075	2,477	1,970	2,646
Victoria	5,564	6,068	1,189	1,428	1,598	1,447	1,389	1,635
Queensland	2,646	3,376	649	742	769	812	773	1,023
South Australia	1,127	1,689	251	335	323	557	381	427
Western Australia	3,213	4,591	674	998	919	1,585	944	1,143
Tasmania	343	481	58	122	89	122	124	147
Australia (a)	20,591	25,774	4,483	6,002	5,993	7,042	5,647	7,092
TOTAL NEW CAPITAL EXPENDITURE								
New South Wales	9,147	11,616	1,979	2,950	2,726	3,077	2,558	3,255
Victoria	7,065	7,581	1,483	1,755	1,907	1,821	1,748	2,106
Queensland	4,099	5,226	1,080	1,129	1,201	1,307	1,210	1,509
South Australia	1,491	2,072	375	406	475	636	457	504
Western Australia	5,972	6,951	1,213	1,609	1,309	2,192	1,623	1,826
Tasmania	441	614	73	173	114	142	168	190
Australia (a)	28,758	34,657	6,346	8,117	7,933	9,331	7,874	9,519

(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	1993-94				1994-95			
	1993-94	1994-95	March	June	Sept.	Dec.	March	June
			qtr	qtr	qtr	qtr	qtr	qtr
BUILDINGS AND STRUCTURES								
New South Wales	1,843	2,462	463	647	647	527	r 658	630
Victoria	1,491	1,539	341	346	285	338	r 415	501
Queensland	1,472	1,854	485	386	432	446	r 491	485
South Australia	362	389	108	87	154	74	r 65	96
Western Australia	2,729	2,390	581	657	391	529	r 735	735
Tasmania (b)	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australia (a)	8,188	9,011	2,093	2,231	1,920	2,047	r 2,490	2,554
EQUIPMENT, PLANT AND MACHINERY								
New South Wales	7,306	9,148	1,730	2,221	2,169	2,272	r 2,179	2,528
Victoria	5,549	6,090	1,333	1,399	1,616	1,314	r 1,560	1,600
Queensland	2,662	3,384	730	680	848	730	r 870	936
South Australia	1,128	1,683	277	296	361	523	r 421	378
Western Australia	3,228	4,574	684	1,060	911	1,491	r 957	1,215
Tasmania (b)	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australia (a)	20,568	25,742	4,937	5,791	6,128	6,554	r 6,227	6,833
TOTAL NEW CAPITAL EXPENDITURE								
New South Wales	9,149	11,610	2,193	2,867	2,816	2,799	r 2,837	3,158
Victoria	7,040	7,629	1,675	1,745	1,902	1,652	r 1,974	2,100
Queensland	4,134	5,238	1,215	1,066	1,279	1,177	r 1,361	1,422
South Australia	1,491	2,072	385	384	515	597	r 486	474
Western Australia	5,957	6,964	1,265	1,717	1,303	2,020	r 1,692	1,950
Tasmania	433	616	84	150	121	136	r 194	165
Australia (a)	28,756	34,753	7,030	8,022	8,048	8,601	r 8,717	9,387

(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 (revised)
(\$ million)**

State	1993-94				1994-95			
	1993-94	1994-95	March qtr	June qr	Sept. qtr	Dec. qtr	March qtr	June qtr
BUILDINGS AND STRUCTURES								
New South Wales	1,842	2,470	497	587	618	609	611	632
Victoria	1,462	1,552	368	326	308	347	412	484
Queensland	1,506	1,848	399	428	433	450	478	488
South Australia	373	363	97	112	112	95	81	76
Western Australia	2,658	2,461	670	555	495	555	656	754
Tasmania (b)	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australia (a)	8,106	9,132	2,106	2,086	2,048	2,150	2,354	2,581
EQUIPMENT, PLANT AND MACHINERY								
New South Wales	7,190	9,152	1,856	2,063	2,199	2,243	2,303	2,408
Victoria	5,599	5,999	1,413	1,435	1,454	1,478	1,510	1,557
Queensland	2,690	3,325	680	730	769	804	856	896
South Australia	1,124	1,686	271	314	393	441	441	411
Western Australia	3,193	4,633	786	943	1,104	1,180	1,179	1,170
Tasmania (b)	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australia (a)	20,526	25,646	5,190	5,665	6,116	6,368	6,510	6,652
TOTAL NEW CAPITAL EXPENDITURE								
New South Wales	9,032	11,623	2,353	2,650	2,817	2,852	2,914	3,040
Victoria	7,061	7,551	1,780	1,760	1,762	1,826	1,922	2,041
Queensland	4,196	5,173	1,079	1,158	1,202	1,254	1,334	1,383
South Australia	1,496	2,049	368	426	505	536	522	487
Western Australia	5,851	7,094	1,456	1,498	1,599	1,735	1,836	1,924
Tasmania	415	629	104	118	135	152	167	175
Australia (a)	28,632	34,778	7,296	7,751	8,163	8,517	8,864	9,233

(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 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	1993-94			1994-95				
	1993-94	1994-95	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	461	866	67	235	244	264	r 156	201
Manufacturing	2,790	3,747	613	880	875	823	r 924	1,125
Other Selected Industries	5,896	7,003	1,300	1,834	1,607	1,989	r 1,478	1,929
Total New Capital Expenditure	9,147	11,616	1,979	2,950	2,726	3,077	r 2,558	3,255
Buildings and Structures	1,826	2,447	415	623	651	599	r 588	609
Equipment, Plant and Machinery	7,320	9,169	1,564	2,326	2,075	2,477	r 1,970	2,646

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

Selected Industries and Type of Asset	1993-94			1994-95				
	1993-94	1994-95	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	441	549	114	86	83	158	r 148	160
Manufacturing	2,651	2,980	546	706	731	731	r 701	816
Other Selected Industries	3,973	4,052	823	963	1,092	931	r 899	1,130
Total New Capital Expenditure	7,065	7,581	1,483	1,755	1,907	1,821	r 1,748	2,106
Buildings and Structures	1,501	1,513	294	327	309	375	r 358	471
Equipment, Plant and Machinery	5,564	6,068	1,189	1,428	1,598	1,447	r 1,389	1,635

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

Selected Industries and Type of Asset	1993-94			1994-95				
	1993-94	1994-95	1994-95	1994-95	1994-95	1994-95		
			March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	914	1,089	258	179	164	245	r 265	416
Manufacturing	977	1,130	219	272	278	281	r 261	310
Other Selected Industries	2,208	3,007	602	679	760	781	r 683	783
Total New Capital Expenditure	4,099	5,226	1,080	1,129	1,201	1,307	r 1,210	1,509
Buildings and Structures	1,453	1,850	430	388	431	495	r 437	486
Equipment, Plant and Machinery	2,646	3,376	649	742	769	812	r 773	1,023

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	1993-94			1994-95				
	1993-94	1994-95	1994-95	1994-95	1994-95	1994-95		
			March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	97	129	10	22	19	44	r 28	38
Manufacturing	610	781	135	204	130	221	r 204	226
Other Selected Industries	784	1,161	230	180	326	370	r 225	240
Total New Capital Expenditure	1,491	2,072	375	406	475	636	r 457	504
Buildings and Structures	364	382	125	71	152	79	r 75	77
Equipment, Plant and Machinery	1,127	1,689	251	335	323	557	r 381	427

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	1993-94			1994-95				
	1993-94	1994-95	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	3,619	3,898	748	897	766	1,118	r 982	1,032
Manufacturing	529	603	106	131	122	156	r 141	184
Other Selected Industries	1,823	2,449	360	581	421	918	r 500	610
Total New Capital Expenditure	5,972	6,951	1,213	1,609	1,309	2,192	r 1,623	1,826
Buildings and Structures	2,758	2,360	539	611	390	607	r 679	683
Equipment, Plant and Machinery	3,213	4,591	674	998	919	1,585	r 944	1,143

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

Selected Industries and Type of Asset	1993-94			1994-95				
	1993-94	1994-95	March qtr	June qtr	Sept. qtr	Dec. qtr	March qtr	June qtr
Mining	34	73	7	16	17	19	9	28
Manufacturing	190	248	24	92	30	54	r 62	102
Other Selected Industries	218	293	42	65	68	69	r 96	61
Total New Capital Expenditure	441	614	73	173	114	142	r 168	190
Buildings and Structures	98	132	15	51	25	20	r 44	43
Equipment, Plant and Machinery	343	481	58	122	89	122	r 124	147

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	4.0	4.2	5.8	4.0	8.0	4.5	
Vic.	8.2	5.4	7.3	4.8	8.6	5.1	
Qld	12.3	8.0	10.7	6.8	11.1	7.1	
S.A.	1.1	7.5	11.9	6.8	12.0	5.9	
W.A.	4.4	7.8	10.0	4.3	6.4	4.1	
Tas.	0.6	24.1	13.1	13.4	16.8	14.4	
Australia (a)	4.7	3.0	4.3	2.7	5.0	2.8	

(a) Includes NT and ACT

EXPLANATORY NOTES

Introduction

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

2. State estimates in this publication are derived from the latest available Australian estimates. These estimates are more up to date than those previously released in *Private New Capital Expenditure and Expected Expenditure to June 1996, Australia* (5625.0) released on 24 August 1995.

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 industries shown in this publication are detailed below. The numbers in brackets relate to the Australian and New Zealand Standard Industrial Classification sub divisions, as defined in the 1993 edition of ANZSIC.

Mining (11-15)

Manufacturing (21-29)

food, beverages and tobacco (21)

textiles, clothing, footwear and leather (22)

wood and paper products (23)

printing, publishing and recorded media (24)

petroleum, coal, chemical and assoc. products (25)

non-metallic mineral products (26)

metal products (27)

machinery and equipment (28)

other manufacturing (29)

Other Selected Industries

Construction (41,42)

Wholesale (45-47)

Retail (51-53)

Transport and storage (61-67)

Finance (73-75)

Property and Business Services (77,78)

Other non-manufacturing (including electricity & gas; communication; accommodation; cafes & restaurants; cultural & recreational services; and other services (36,37,57,71,91-93,95,96)

Statistical unit

5. 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.

Classification by industry

6. 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) which have been in use for many years. Both have been widely accepted as statistical standards in their own right.

7. There has been extensive consultation with external users to ensure that the ANZSIC reflects the structure of Australian and New Zealand industry and user requirements for statistics. The Australian Bureau of Statistics and the New Zealand Department of Statistics encourage other organisations to use the classification in their own work in order to improve the comparability and usefulness of the statistics.

8. In the development of the ANZSIC greater emphasis has been placed on alignment with the international standards than has been the case in the past. The International Standard Industrial Classification of All Economic Activities (ISIC), Revision 3, has been used as the international standard for reference purposes. This will lead to significant improvements in the comparability of industry statistics internationally.

9. Users are referred to a detailed analysis of ANZSIC/ASIC and ASIC/ANZSIC concordances contained in the joint ABS, New Zealand publication: *Australian & New Zealand Standard Industrial Classification, 1993, ANZSIC*, ABS Cat. No. 1292.0 and New Zealand Cat. No. 19.005.0092.

10. 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.

11. 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.

State Dissection

12. 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.

Methodology

13. This quarterly survey is based on a stratified random sample of private business units recorded on the ABS central register of economic units. The sample consists of approximately 8000 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.

Reporting Cycle

14. 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.

15. 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 (ie 12 months ending June) and will provide a *twelve month expectation* for the following financial year.

Sample revision

16. Each year the survey frame and the sample are revised prior to the June quarter survey to ensure that they remain representative of the survey population. In the course of this revision some of the business units from the sample sector are rotated out of the sample and replaced by others to spread the reporting workload equitably. As a check on comparability, information is collected from both the old and revised samples for the June quarter. In this publication, estimates derived from a June quarter survey are based on the older of the two samples.

Description of terms

17. *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.

18. 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. Excludes goods previously used in Australia.

Seasonal adjustment

19. 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.

20. 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. Particular care should be taken in interpreting quarter to quarter movements in the adjusted series in the publication.

21. 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.

22. 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 (see also paragraph 12).

23. 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 September quarter 1994 survey. Data for periods after September 1994 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. For this reason, additional care should be exercised when interpreting movements in seasonally adjusted data for recent quarters. Revisions to the seasonally adjusted and trend series (see below) will occur in the next edition of this publication following a new annual reanalysis.

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

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

Estimates at 1989-90 prices

26. Estimates at 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*'.

Trend estimates

27. 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 symmetric 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.

Reliability of the estimates

28. 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.

29. 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. The relative standard errors for estimates of quarterly level are shown in Table 12. The estimates of movement between March and June quarters are subject to somewhat higher standard errors than those shown due to the annual revisions made to the sample of businesses selected. Note also that the standard errors given in Table 12 are smoothed long term averages and that standard errors on specific quarterly data may be higher or lower than those shown.

30. 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.

The major ones of concern and which may affect the data are:

- (a) misreporting of data by respondents,
- (b) deficiencies in the central register of economic units particularly in respect of small units, and
- (c) difficulties respondents may have 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.

Every effort is made to reduce the non-sample error to a minimum by careful design of questionnaires, efficient editing and operating procedures and appropriate methodology.

Comparability with National Accounts estimates

31. 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) The 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) The National Accounts estimates include the capital expenditure by all private businesses including entities classified to the agriculture, forestry, fishing and hunting and community services industries and the capital expenditure on dwellings by households. Data for these sectors are excluded from this publication.
- (c) The 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 purchaser (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.

(e) 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

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

Private New Capital Expenditure and Expected Expenditure Australia (5625.0)- issued quarterly

Company Profits, Australia (5651.0)-issued quarterly

Stocks, Selected Industry Sales and Expected Sales Australia (5629.0)-issued quarterly

Australian National Accounts : National Income and Expenditure (5206.0)-issued quarterly

Australian National Accounts : State Accounts (5242.0) - issued quarterly

33. 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

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

Symbols and other usages

..	not applicable
n.p.	not published
r	figure revised since previous issue
ANZSIC	Australian and New Zealand Standard Industrial Classification

W. McLennan
Australian Statistician



For more information . . .

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