

PRIVATE NEW CAPITAL EXPENDITURE AND EXPECTED EXPENDITURE to June 1996 AUSTRALIA

EMBARGOED UNTIL 11:30AM THURS 23 FEBRUARY 1995

DEC QTR SURVEY KEY FIGURES

TREND ESTIMATES *

	Dec 93	Sep 94	Dec 94	% change Sep 94 to Dec 94	% change Dec 93 to Dec 94
	\$m	\$m	\$m		
Total new capital expenditure	6 387	7 681	7 926	3.2	24.1
Building and structures	1 981	2 008	1 902	-5.3	-4.0
Equipment, plant and machinery	4 406	5 673	6 025	6.2	36.7

SEASONALLY ADJUSTED *

	Dec 93	Sep 94	Dec 94	% change Sep 94 to Dec 94	% change Dec 93 to Dec 94
	\$m	\$m	\$m		
Total new capital expenditure	6 482	7 627	7 874	3.2	21.5
Building and structures	2 018	1 914	1 900	-0.7	-5.8
Equipment, plant and machinery	4 465	5 713	5 974	4.6	33.8

* At average 1989-90 prices.

DEC QTR SURVEY KEY POINTS

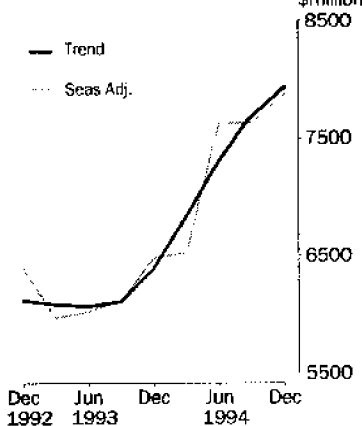
ACTUAL EXPENDITURE

- The trend estimate (in constant price terms) has continued to rise, and has done so since the June quarter 1993. The increase of 3.2% in December indicates a slowing in the rate of growth. The equipment, plant and machinery series continues to show strong growth.
- In original terms the estimate for the December quarter of \$9,083m is the highest recorded.

EXPECTED EXPENDITURE

- The latest estimate of total expenditure for 1994-95 is \$33,687m, a rise of 1% compared to the revised estimate from the September quarter 1994 survey.
- If the realisation ratio for the last completed year were to be applied to this estimate the outcome would be a rise of 15.5% over 1993-94.
- The first estimate for 1995-96 is \$25,754m, a rise of 2% over the first estimate for 1994-95 and the highest first estimate since the one for 1990-91.

New Capital Expenditure at average 1989-90 prices



INQUIRIES

- For further information about these and related statistics, contact Bruce Jamieson on 06 252 5611, or any ABS Office.

CAPITAL EXPENDITURE NOTES

FORTHCOMING ISSUES	<i>ISSUE (Quarter)</i>	<i>RELEASE DATE</i>
	March 1995	25 May 1995
	June 1995	24 August 1995

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CHANGES IN THIS ISSUE Following a review of the process for estimating for the birth of new businesses, an improved methodology, more sensitive to changes in the business cycle, has been introduced. See paragraphs 10 to 12 of the explanatory notes.

It should also be noted that the columns for Mining and Manufacturing in Table 1 and Table 3 have been reversed since the last issue of this publication.

The data appearing in the What If table on page 19 are now calculated using seasonally adjusted constant price trend series rather than the seasonally adjusted current price trend series as appeared in the previous issue.

* * * * *

SAMPLING ERRORS Relative standard errors for estimates for December quarter 1994 contained in this publication are:

	<i>RELATIVE STANDARD ERROR</i>
Total Capital Expenditure:	
Mining	4.2%
Manufacturing	2.6%
Other Selected Industries	6.0%
Buildings & Structures	4.1%
Plant Machinery & Equipment	3.5%
Total Selected Industries	3.1%

* * * * *

REVISIONS TO TREND Readers should exercise care in the interpretation of the trend data as the last three observations, in particular, are likely to be revised with the addition of subsequent quarters' data. For further information, refer to the section on Revisions to Trend Estimates.

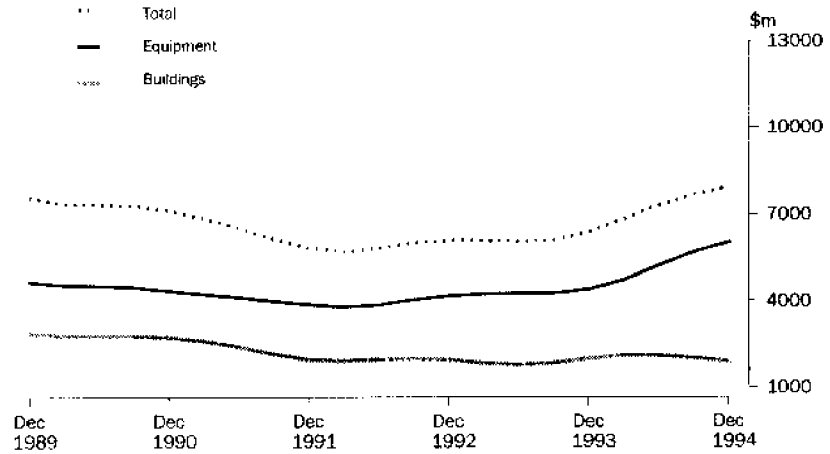
RICHARD MADDEN
ACTING AUSTRALIAN STATISTICIAN

ACTUAL NEW CAPITAL EXPENDITURE:Trend

QUARTERLY TREND ESTIMATES AT CONSTANT PRICES

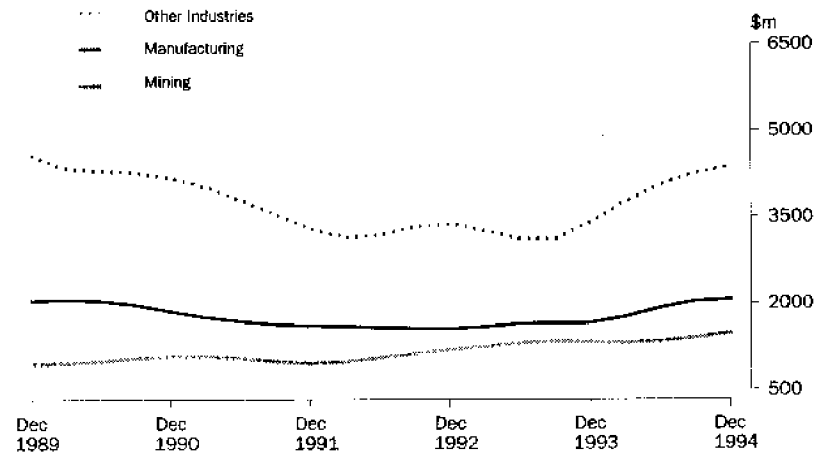
BY ASSET

This graph contains trend data showing New Capital Expenditure by type of asset at average 1989-90 prices.



BY INDUSTRY

This graph contains trend data showing New Capital Expenditure by broad industry group at average 1989-90 prices.

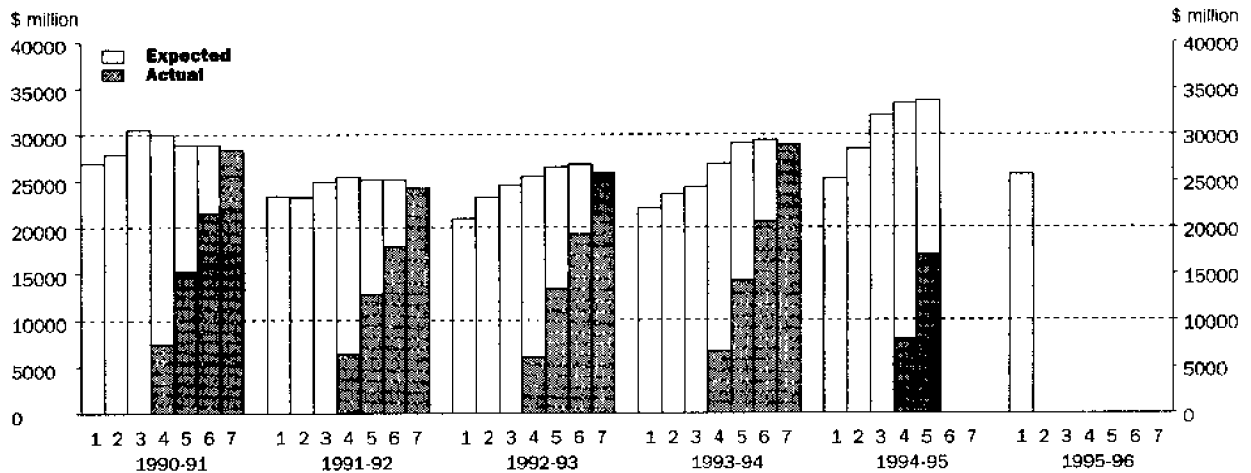


ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

FINANCIAL YEARS AT CURRENT PRICES

EXPENDITURE

The seven estimates of expected and actual expenditure which appears in this graph relate to the data contained in Table 4. The first estimate for 1995-96 shown below is slightly higher than the first estimate for 1994-95 and is the highest since 1990-91.



EXPLANATION OF TIMING OF ESTIMATES used in construction of graph above

COMPOSITION OF ESTIMATE.....

Estimate	Based on data reported at:	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

ACTUAL AND EXPECTED EXPENDITURE, By Selected Industries & Type of Asset—Current prices

Period	BUILDING AND STRUCTURES.....				EQUIPMENT, PLANT AND MACHINERY.....				TOTAL CAPITAL EXPENDITURE.....			
	Mining	Manu- facturing	Other selected indus- tries	Total	Mining	Manu- facturing	Other selected indus- tries	Total	Mining	Manu- facturing	Other selected indus- tries	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)												
1992-93	2 828	1 029	3 904	7 761	2 326	6 009	9 752	18 086	5 153	7 038	13 656	25 847
1993-94	3 193	933	4 059	8 186	2 484	6 936	11 257	20 677	5 677	7 870	15 317	28 864
1993-94												
September	760	239	857	1 856	589	1 569	2 596	4 753	1 349	1 808	3 453	6 610
December	1 004	238	1 091	2 332	634	1 832	2 886	5 352	1 638	2 070	3 977	7 685
March	686	183	993	1 863	539	1 462	2 482	4 483	1 226	1 645	3 475	6 346
June	743	273	1 118	2 135	722	2 073	3 293	6 088	1 465	2 347	4 411	8 223
1994-95												
September	657	228	1 055	1 939	793	2 000	3 247	6 040	1 450	2 228	4 302	7 979
December	768	288	1 146	2 202	1 067	2 023	3 791	6 881	1 835	2 311	4 937	9 083
ORIGINAL (Expected)¹												
1994-95												
6 mths to Jun	2 087	621	2 409	5 117	1 780	4 640	5 079	11 499	3 867	5 261	7 487	16 616
Total 1994-95	3 512	1 137	4 609	9 258	3 640	8 663	12 116	24 420	7 152	9 800	16 726	33 678
1995-96												
12 mths to Jun	2 749	883	4 058	7 690	2 150	7 619	8 295	18 064	4 899	8 503	12 353	25 754
SEASONALLY ADJUSTED (Actual)												
1992-93	2 833	1 032	3 865	7 731	2 328	5 989	9 752	18 069	5 161	7 022	13 617	25 800
1993-94	3 178	944	4 094	8 216	2 485	6 912	11 253	20 650	5 663	7 856	15 346	28 865
1993-94												
September	759	241	820	1 820	613	1 684	2 563	4 860	1 372	1 925	3 384	6 680
December	918	209	917	2 043	569	1 683	2 729	4 981	1 487	1 891	3 646	7 024
March	759	225	1 110	2 093	606	1 631	2 700	4 937	1 364	1 856	3 810	7 030
June	743	270	1 247	2 259	697	1 915	3 260	5 872	1 439	2 185	4 507	8 131
1994-95												
September	658	242	1 004	1 904	825	2 146	3 207	6 178	1 483	2 388	4 211	8 082
December	700	258	1 016	1 974	960	1 858	3 582	6 400	1 661	2 117	4 597	8 375
TREND ESTIMATES (Actual)												
1992-93	2 817	1 037	3 813	7 667	2 319	5 990	9 890	18 200	5 137	7 027	13 703	25 867
1993-94	3 189	935	4 023	8 147	2 505	6 953	11 115	20 573	5 694	7 888	15 138	28 720
1993-94												
September	825	234	837	1 896	601	1 649	2 505	4 755	1 426	1 883	3 342	6 651
December	834	223	962	2 019	586	1 666	2 661	4 913	1 420	1 889	3 623	6 932
March	795	231	1 091	2 117	613	1 749	2 864	5 226	1 409	1 981	3 954	7 344
June	734	246	1 133	2 114	705	1 888	3 086	5 680	1 440	2 135	4 219	7 794
1994-95												
September	689	255	1 090	2 034	824	1 986	3 320	6 130	1 513	2 242	4 410	8 164
December	677	256	1 015	1 948	936	2 012	3 513	6 462	1 613	2 269	4 528	8 410

¹ Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 22 to 25 of the Explanatory Notes.

ACTUAL AND EXPECTED CAPITAL EXPENDITURE, Detailed Industries—Current prices

Period	MANUFACTURING.....										
	Total mining	Food, beverage and tobacco	Textiles, clothing, footwear and leather	Wood and paper products	Printing, publishing and recorded media	Petroleum, coal, chemical and assoc. products	Non-metallic mineral product	Metal product	Machinery and equipment	Other manufacturing	Total manufacturing
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)											
1992-93	5 153	1 438	271	366	599	1 145	575	1 440	1 119	85	7 038
1993-94	5 677	2 022	239	592	569	1 202	587	1 162	1 309	188	7 870
1993-94											
September	1 349	423	61	147	113	269	171	264	326	34	1 808
December	1 638	491	65	143	139	309	162	336	397	29	2 070
March	1 226	489	51	121	88	277	116	216	241	46	1 645
June	1 465	620	62	181	229	347	138	345	344	80	2 347
1994-95											
September	1 450	531	78	154	225	442	206	245	290	56	2 228
December	1 835	529	90	163	196	410	258	289	333	45	2 311
ORIGINAL (Expected) ¹											
1994-95											
6 mths to Jun	3 867	1 155	136	459	458	866	516	851	764	56	5 261
Total 1994-95	7 152	2 214	304	776	879	1 718	980	1 385	1 387	156	9 800
1995-96											
12 mths to Jun	4 899	2 036	201	639	481	1 400	884	1 542	1 261	58	8 503
SEASONALLY ADJUSTED (Actual)											
1992-93	5 161	1 435	269	389	577	1 139	570	1 456	1 123	84	7 022
1993-94	5 663	2 027	241	594	556	1 204	591	1 154	1 300	189	7 856
1993-94											
September	1 372	450	70	144	139	276	184	292	334	35	1 925
December	1 487	441	56	135	130	279	161	313	350	26	1 891
March	1 364	560	50	129	97	320	119	253	277	51	1 856
June	1 439	576	65	186	189	329	128	295	340	77	2 185
1994-95											
September	1 483	565	90	150	281	455	223	271	295	57	2 388
December	1 661	475	76	154	182	369	255	270	295	41	2 117
TREND ESTIMATES (Actual)											
1992-93	5 137	1 449	276	366	562	1 109	577	1 485	1 113	90	7 027
1993-94	5 694	2 010	243	584	590	1 237	613	1 140	1 292	179	7 888
1993-94											
September	1 426	428	63	137	146	277	175	293	336	27	1 883
December	1 420	481	55	141	121	285	153	286	330	37	1 889
March	1 409	539	58	147	137	315	132	283	317	53	1 981
June	1 440	562	67	158	186	360	154	277	309	62	2 135
1994-95											
September	1 513	548	78	161	222	394	201	274	304	60	2 242
December	1 613	506	83	158	229	408	245	274	301	50	2 269

¹ Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 22 to 25 of the Explanatory Notes.

ACTUAL AND EXPECTED CAPITAL EXPENDITURE, Detailed Industries—Current prices *continued*

OTHER SELECTED INDUSTRIES.....								TOTAL	
Period	Construction	Wholesale trade	Retail trade	Transport and storage	Finance and insurance	Property and business services	Other services etc.	Total other selected industries	Total new capital expenditure
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)									
1992-93	1 004	2 347	1 749	1 233	2 004	2 679	2 640	13 656	25 847
1993-94	1 501	2 617	1 994	1 766	2 123	2 911	2 405	15 317	28 864
1993-94									
September	326	627	509	390	466	607	528	3 453	6 610
December	339	813	570	415	540	775	525	3 977	7 685
March	347	565	351	467	502	660	582	3 475	6 346
June	488	612	565	495	615	868	769	4 411	8 223
1994-95									
September	498	660	444	615	562	848	676	4 302	7 979
December	276	795	480	858	527	787	1 214	4 937	9 083
ORIGINAL (Expected) ¹									
1994-95									
6 mths to Jun	257	1 349	801	873	1 119	1 244	1 845	7 487	16 616
Total 1994-95	1 031	2 804	1 725	2 346	2 207	2 879	3 735	16 726	33 678
1995-96									
12 mths to Jun	472	2 274	1 445	1 188	1 948	2 427	2 599	12 353	25 754
SEASONALLY ADJUSTED (Actual)									
1992-93	1 006	2 332	1 726	1 251	2 004	2 678	2 620	13 617	25 800
1993-94	1 507	2 617	1 986	1 783	2 144	2 905	2 404	15 346	28 865
1993-94									
September	315	619	484	355	437	640	532	3 384	6 880
December	344	680	492	420	487	721	501	3 646	7 024
March	350	670	437	468	576	685	624	3 810	7 030
June	497	648	573	538	643	860	748	4 507	8 131
1994-95									
September	477	651	423	562	525	894	680	4 211	8 082
December	282	663	413	871	475	731	1 162	4 597	8 375
TREND ESTIMATES (Actual)									
1992-93	1 019	2 302	1 801	1 309	1 931	2 699	2 642	13 703	25 867
1993-94	1 481	2 614	1 908	1 768	2 135	2 877	2 356	15 138	28 720
1993-94									
September	292	624	438	373	471	625	519	3 342	6 651
December	339	665	481	404	509	675	550	3 623	6 932
March	407	667	500	458	568	762	591	3 954	7 344
June	442	659	488	532	587	815	695	4 219	7 794
1994-95									
September	426	653	462	644	551	833	842	4 410	8 164
December	375	656	429	767	502	817	1 008	4 528	8 410

¹ Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 22 to 25 of the Explanatory Notes.

ACTUAL EXPENDITURE, By Selected Industry & Type of Asset—Constant prices¹

Period	ASSET.....			INDUSTRY.....			
	Buildings and structures	Equipment, plant and machinery	Total	Mining	Manufacturing	Other selected industries	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL							
1992-93	7 876	16 583	24 459	4 894	6 367	13 199	24 459
1993-94	8 220	18 678	26 898	5 300	6 964	14 635	26 898
1993-94							
September	1 875	4 272	6 147	1 263	1 596	3 288	6 147
December	2 340	4 794	7 134	1 537	1 819	3 779	7 134
March	1 864	4 026	5 890	1 140	1 448	3 303	5 890
June	2 141	5 586	7 727	1 359	2 102	4 266	7 727
1994-95							
September	1 950	5 593	7 543	1 341	2 019	4 184	7 543
December	2 189	6 418	8 607	1 686	2 101	4 819	8 607
SEASONALLY ADJUSTED							
1992-93	7 668	16 562	24 230	4 901	6 354	12 975	24 230
1993-94	8 084	18 651	26 735	5 285	6 951	14 499	26 735
1993-94							
September	1 751	4 362	6 113	1 283	1 699	3 131	6 113
December	2 018	4 465	6 482	1 396	1 662	3 424	6 482
March	2 087	4 431	6 518	1 268	1 633	3 617	6 518
June	2 228	5 394	7 622	1 338	1 957	4 327	7 622
1994-95							
September	1 914	5 713	7 627	1 369	2 163	4 095	7 627
December	1 900	5 974	7 874	1 526	1 925	4 423	7 874
TREND ESTIMATES							
1992-93	7 598	16 682	24 280	4 877	6 360	13 042	24 280
1993-94	8 034	18 581	26 615	5 317	6 982	14 316	26 615
1993-94							
September	1 850	4 257	6 107	1 339	1 660	3 109	6 107
December	1 981	4 406	6 387	1 329	1 661	3 397	6 387
March	2 102	4 720	6 822	1 313	1 752	3 757	6 822
June	2 102	5 197	7 299	1 336	1 910	4 053	7 299
1994-95							
September	2 008	5 673	7 681	1 396	2 026	4 258	7 681
December	1 902	6 025	7 926	1 484	2 064	4 378	7 926

¹ At average 1989-90 prices

ACTUAL AND EXPECTED CAPITAL EXPENDITURE, By Type of Asset—Current prices

Financial year	12 months expectation as reported in Jan–Feb of previous financial year (Estimate 1)	12 months expectation as reported in Apr–May of previous financial year (Estimate 2)	12 months expectation as reported in Jul–Aug (Estimate 3)	3 months actual and 9 months expectation as reported in Oct–Nov (Estimate 4)	6 months actual and 6 months expectation as reported in Jan–Feb (Estimate 5)	9 months actual and 3 months expectation as reported in Apr–May (Estimate 6)	12 months actual (Estimate 7)
BUILDINGS (\$ million)							
1991–92	8 775	8 592	9 032	9 078	8 791	8 391	8 076
1992–93	6 658	7 247	7 718	7 982	8 575	8 227	7 761
1993–94	7 415	7 727	7 538	8 161	8 711	8 580	8 186
1994–95	7 763	8 637	9 570	8 787	9 258	n.y.a.	n.y.a.
1995–96	7 690	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
BUILDINGS (Ratio of actual expenditure to each progressive estimate for same financial year)							
1991–92	0.92	0.94	0.89	0.89	0.92	0.96	1.00
1992–93	1.17	1.07	1.01	0.97	0.91	0.94	1.00
1993–94	1.10	1.06	1.09	1.00	0.94	0.95	1.00
5 year average	1.04	0.98	0.95	0.94	0.93	0.95	1.00
EQUIPMENT (\$ million)							
1991–92	14 662	14 718	15 918	16 381	16 303	16 674	16 145
1992–93	14 311	16 082	16 810	17 490	17 912	18 621	18 086
1993–94	14 724	15 911	16 798	18 448	20 307	20 849	20 677
1994–95	17 477	19 823	22 523	24 569	24 420	n.y.a.	n.y.a.
1995–96	18 064	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
EQUIPMENT (Ratio of actual expenditure to each progressive estimate for same financial year)							
1991–92	1.10	1.10	1.01	0.99	0.99	0.97	1.00
1992–93	1.26	1.12	1.08	1.03	1.01	0.97	1.00
1993–94	1.40	1.30	1.23	1.12	1.02	0.99	1.00
5 year average	1.24	1.15	1.06	1.02	1.01	0.98	1.00
TOTAL (\$ million)							
1991–92	23 438	23 310	24 950	25 459	25 094	25 137	24 220
1992–93	20 969	23 329	24 528	25 473	26 487	26 847	25 847
1993–94	22 137	23 638	24 336	26 609	29 019	29 429	28 864
1994–95	25 239	28 459	32 093	33 356	33 678	n.y.a.	n.y.a.
1995–96	25 754	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
TOTAL (Ratio of actual expenditure to each progressive estimate for same financial year)							
1991–92	1.03	1.04	0.97	0.95	0.97	0.96	1.00
1992–93	1.23	1.11	1.05	1.01	0.98	0.96	1.00
1993–94	1.30	1.22	1.19	1.08	0.99	0.98	1.00
5 year average	1.16	1.08	1.02	0.99	0.98	0.97	1.00
TOTAL (Percentage change over previous estimate for same financial year)							
1991–92	n.a.	-0.5	7.0	2.0	-1.4	0.2	-3.6
1992–93	n.a.	11.3	5.1	3.9	4.0	1.4	-3.7
1993–94	n.a.	6.8	3.0	9.3	9.1	1.4	-1.9
1994–95	n.a.	12.8	12.8	3.9	1.0	n.y.a.	n.y.a.
1995–96	n.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
TOTAL (Percentage change over corresponding estimate for previous financial year)							
1991–92	-13.0	-16.5	-18.3	-15.2	-13.2	-13.2	-14.9
1992–93	-10.5	0.1	-1.7	0.1	5.5	6.8	6.7
1993–94	5.6	1.3	-0.8	4.5	9.6	9.6	11.7



ACTUAL AND EXPECTED CAPITAL EXPENDITURE, By Selected Industries—Current prices

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

1991–92	7 783	7 673	7 534	7 474	7 324	7 151	6 743
1992–93	7 043	7 559	7 707	7 628	7 436	7 405	7 038
1993–94	6 183	6 754	7 404	7 855	8 103	8 136	7 870
1994–95	7 129	8 339	9 204	9 853	9 800	n.y.a.	n.y.a.
1995–96	8 503	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

MANUFACTURING (Ratio of actual expenditure to each progressive estimate for same financial year)

1991–92	0.87	0.88	0.90	0.90	0.92	0.94	1.00
1992–93	1.00	0.93	0.91	0.92	0.95	0.95	1.00
1993–94	1.27	1.17	1.06	1.00	0.97	0.97	1.00
5 year average	1.06	1.00	0.95	0.95	0.95	0.96	1.00

MINING (\$ million)

1991–92	4 333	4 413	4 529	4 775	4 515	4 293	4 058
1992–93	4 397	4 603	5 412	5 404	5 725	5 506	5 153
1993–94	6 469	6 583	6 528	6 318	6 009	6 113	5 677
1994–95	5 479	5 838	7 202	7 440	7 152	n.y.a.	n.y.a.
1995–96	4 899	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

MINING (Ratio of actual expenditure to each progressive estimate for same financial year)

1991–92	0.94	0.92	0.90	0.85	0.90	0.95	1.00
1992–93	1.17	1.12	0.95	0.95	0.90	0.94	1.00
1993–94	0.88	0.86	0.87	0.90	0.94	0.93	1.00
5 year average	1.05	0.95	0.90	0.90	0.92	0.95	1.00

OTHER SELECTED INDUSTRIES (\$ million)

1991–92	11 322	11 224	12 887	13 210	13 265	13 693	13 419
1992–93	9 529	11 168	11 409	12 440	13 326	13 937	13 656
1993–94	9 486	10 301	10 404	12 436	14 907	15 180	15 317
1994–95	12 631	14 282	15 687	16 063	16 726	n.y.a.	n.y.a.
1995–96	12 353	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

OTHER SELECTED INDUSTRIES (Ratio of actual expenditure to each progressive estimate for same financial year)

1991–92	1.19	1.20	1.04	1.02	1.01	0.98	1.00
1992–93	1.43	1.22	1.20	1.10	1.02	0.98	1.00
1993–94	1.61	1.49	1.47	1.23	1.03	1.01	1.00
5 year average	1.41	1.20	1.13	1.06	1.01	1.01	1.00



RATIO OF ACTUAL TO SHORT TERM EXPECTATION FOR SAME PERIOD—Current prices

	3 MONTHS ENDING.....		6 MONTHS ENDING.....	
<i>Financial year</i>	<i>31 December (collected in September Survey)</i>	<i>30 June (collected in March Survey)</i>	<i>31 December (collected in June Survey)</i>	<i>30 June (collected in December Survey)</i>
BUILDINGS				
1992-93	0.97	0.80	1.05	0.81
1993-94	1.06	0.84	1.10	0.88
1994-95	0.88	n.y.a.	0.88	n.y.a.
5 year average	0.94	0.83	0.99	0.85
EQUIPMENT				
1992-93	0.95	0.90	1.00	1.02
1993-94	1.03	0.97	1.15	1.04
1994-95	0.88	n.y.a.	1.07	n.y.a.
5 year average	0.93	0.94	1.02	1.01
MINING				
1992-93	0.84	0.80	0.87	0.82
1993-94	0.94	0.77	0.95	0.89
1994-95	0.75	n.y.a.	0.87	n.y.a.
5 year average	0.85	0.82	0.89	0.84
MANUFACTURING				
1992-93	0.83	0.94	0.86	0.90
1993-94	0.88	0.75	0.99	0.94
1994-95	0.78	n.y.a.	0.94	n.y.a.
5 year average	0.82	0.88	0.91	0.91
OTHER SELECTED INDUSTRIES				
1992-93	1.07	0.92	1.19	1.06
1993-94	1.21	1.03	1.34	1.05
1994-95	1.01	n.y.a.	1.12	n.y.a.
5 year average	1.03	1.12	1.13	1.02
TOTAL				
1992-93	0.95	0.87	1.02	0.95
1993-94	1.04	0.94	1.14	0.93
1994-95	0.88	n.y.a.	1.01	n.y.a.
5 year average	0.93	0.90	1.01	0.95

EXPLANATORY NOTES

INTRODUCTION

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

SCOPE OF THE SURVEY

2 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.

3 The scope of the survey:

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

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 associated products (25)
- non-metallic mineral products (26)
- metal products (27)
- machinery and equipment (28)
- other manufacturing (29)

Mining (11-15)

Other Selected Industries

- Construction (41,42)
- Wholesale (45-47)
- Retail (51-53)
- Transport & storage (61-67)
- Finance (73-75)
- Property & 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)

- excludes the following industries

- Agriculture, Forestry and Fishing
- Government Administration & Defence
- Education
- Health and Community Services

SURVEY METHODOLOGY

4 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.

TIMING AND CONSTRUCTION OF
SURVEY CYCLE

5 Surveys are conducted in respect of each quarter and returns are completed in the 8 or 9 week period after the end of the quarter to which the survey data relate (e.g. March quarter survey returns are completed during April and May). Full details of the reporting cycle are shown in the table below.

Survey quarter	Period to which reported data relates											
	1993-94			1994-95				1995-96				
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	
December 1993	Act	E1			E2							
March 1994	Act	Act	E1		E2							
June 1994	Act	Act	Act		E1	E2						
September 1994				Act	E1	E2						
December 1994				Act	Act	E1	E2					
March 1995				Act	Act	Act	E1	E2				
June 1995				Act	Act	Act	Act	E1	E2			

6 Businesses are requested to provide 3 basic figures each survey:

- Actual expenditure incurred during the reference period (Act)
- A short term expectation (E1)
- A longer term expectation (E2)

7 This survey cycle facilitates the formation of estimates of expenditure for financial years (12 months ending 30 June). For instance, as the above table shows, the first estimate for 1994-95 was available from the December 1993 survey as a longer term expectation (E2). It was subsequently revised in the March 1994 survey (again as a longer term expectation) and in the June 1994 survey as the sum of two expectations (E1 + E2). In the September and subsequent surveys the estimate is updated, being derived as the sum of actual expenditure (for that part of the year completed) and expected expenditure for the remainder of the year. Finally, the seventh estimate from the June quarter 1994 survey, will be derived by summing the actual expenditure for each of the four quarters.

SAMPLE REVISION

8 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 strata 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 newer of the two samples.

9 Estimates of level derived from the new sample may differ from estimates derived from the old sample. These differences are due to several factors including changes in the composition of the population and sample, reclassification of some statistical units, different industries and inadequate provisions in the old sample estimate for new businesses commencing during the year. Where differences have been found to be significant, adjustments have been made to data for prior quarters to minimise the impact on movements between March and June quarter survey estimates.

SAMPLE REVISION *continued*

10 To minimise the size of these adjustments the ABS produced an estimate of the contribution expected from new businesses each quarter, taking into account the number of businesses in the survey sample which ceased trading during the quarter.

11 In the 12 month period between successive frames and survey samples there are many businesses which cease operating and many which are newly established. Such changes in the business population need to be reflected in the survey to ensure that the estimates produced are representative of the changing nature of the business population over the course of the year.

12 Improvements have been introduced to the methodology for updating the annual survey frame population using direct counts each quarter of new businesses added, or in the process of being added, to the ABS business register. Estimates of new capital expenditure for the September 1994 quarter include an additional \$43 million representing the contribution from the growth in the business population since the June quarter. Preliminary estimates of new capital expenditure for the December 1994 quarter include a further \$53 million representing capital expenditure by businesses new to the business population since the September quarter.

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 coinciding with a 'division' or 'line of business'. A division or line of business is recognised where 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.

CLASSIFICATION BY INDUSTRY

14 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.

15 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.

16 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 Standards 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.

17 Because of the introduction of ANZSIC and its use in this publication, changes occur in classification categories when compared to previous releases of this publication. As an example, categories listed in Table 1 and under "Manufacturing" differ from previously. The old (ASIC) classification: "Textiles, Clothing & Footwear" becomes (in part) the new ANZSIC classification: "Textiles, Clothing, Footwear & Leather". The correspondence between these categories is not strictly one-to-one. Accordingly, care should be taken when making comparisons between years where different classifications have been used.

18 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.

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

20 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.

ESTIMATES AT 1989-90 PRICES

21 Estimates at 1989-90 prices are presented, in Table 3. 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'.

DERIVATION AND USEFULNESS OF REALISATION RATIOS

22 Once actual expenditure for a financial year is known, it is useful to investigate the relationship between each of the prior 6 estimates and that actual. The resultant realisation ratios (subsequent actual expenditure divided by expected expenditure) then indicate how much expenditure was actually incurred against the amount expected to be incurred at the various times of reporting. Realisation ratios can also be formed separately for 3 or 6 month expectations as well as the 12 month E2 estimates or combinations of estimates containing at least some expectation components (e.g. 6 months actual and 6 months expected expenditure).

23 Realisation ratios provide an important tool in understanding and interpreting expectation statistics for future periods. The application of realisation ratios enables the adjustment of expectation data for known under (or over) realisation patterns in the past and hence provides a valid basis for comparison with other expectation data and actual expenditure estimates. For example, if one wished to predict actual expenditure for 1993-94 based on the June 1993 survey results and compare this with 1992-93 expenditure, it is necessary to apply relevant realisation factors to the expectation to put both estimates on the same basis. Once this has been done the predictions can be validly compared with each other and with previously derived estimates of actual expenditure for earlier years.

24 There are many ways in which realisation ratios can be applied to make predictions of actual expenditure for a future period. For instance, the adjusted estimates shown on page 1 of this publication were derived using realisation ratios which are the average of the latest available five observations. A range of realisation ratios for both type of asset and industry estimates is provided in Tables 4 and 5.

DERIVATION AND USEFULNESS OF
REALISATION RATIOS *continued*

25 In using realisation ratios to adjust expectations data, attention should be paid to the range of values that has occurred in the past. A wide range of values is indicative of volatility in the realisation patterns and hence greater caution should be exercised in the application of realisation ratios. This is particularly the case with the twelve month expectations collected in the December and March surveys.

DESCRIPTION OF TERMS

26 *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.

27 Some estimates are dissected by type of asset:

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

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

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. 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 movement between March and June quarters are subject to somewhat higher standard errors than those shown on Page 2 due to the annual revisions made to the sample of businesses selected.

RELIABILITY OF THE ESTIMATES

continued

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:

- misreporting of data by respondents;
- deficiencies in the central register of economic units particularly in respect of small units.

31 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.

SEASONAL ADJUSTMENT

32 The quarterly 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.

33 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.

34 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 1994 survey. Data for periods after June 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.

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

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

TREND ESTIMATES

37 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

38 The statistics for new capital expenditure shown in his publication differ from estimates of private gross fixed capital expenditure shown in the Australian national Accounts for the following reasons:

39 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.

40 National Accounts estimates include capital expenditure by all private businesses including units classified to 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.

41 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.

42 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.

43 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

44 Users may also wish to refer the following publications:

- *State Estimates of Private New Capital Expenditure*, (5646)
- *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 Business Expectations* (5250)

45 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 Publications Advice are available from any ABS office.

UNPUBLISHED DATA

46 In addition to the data contained in this publication more detailed industry information may be made available on request. For example, data are generally available at the ANZSIC group (3 digit) level.

SYMBOLS AND OTHER USAGES

- n.a. not applicable
n.y.a. not yet available
r figure revised since previous issue
nec not elsewhere classified
ANZSIC Australian and New Zealand Standard Industrial Classification

WHAT IF ...? REVISIONS TO TREND ESTIMATES

EFFECT OF NEW SEASONALLY ADJUSTED ESTIMATES ON TREND ESTIMATES

Each time new seasonally adjusted estimates become available, trend estimates are revised (see paragraphs 32nd 37of Explanatory Notes).

TREND REVISIONS

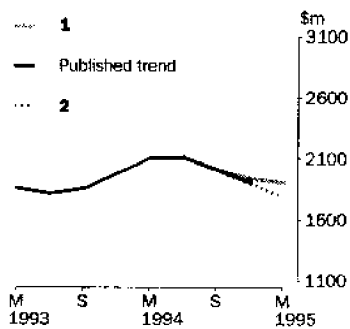
The examples in the tables below show two illustrative scenarios and the consequent revisions to previous trend estimates of capital expenditure by private businesses and.

1 The March seasonally adjusted estimate is higher than the December estimate by the percentage shown.

2 The March seasonally adjusted estimate is lower than the December estimate by the percentage shown.

The percentages chosen are approximately the long term average movement, without regard to sign, in the seasonally adjusted series.

NEW BUILDINGS AND STRUCTURES

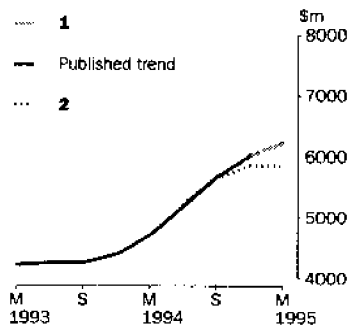


TREND AS PUBLISHED

WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:

	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 6.7% on Dec 1994 \$m	% change	2 falls by 6.7% on Dec 1994 \$m	% change
1994						
June	2 102	0.0	2 105	0.1	2 115	0.6
September	2 008	-4.5	2 010	-4.5	2 006	-5.1
December	1 902	-5.3	1 940	-3.5	1 892	-5.7
1995						
March	—	—	1 906	-1.8	1 797	-5.0

PLANT MACHINERY AND EQUIPMENT

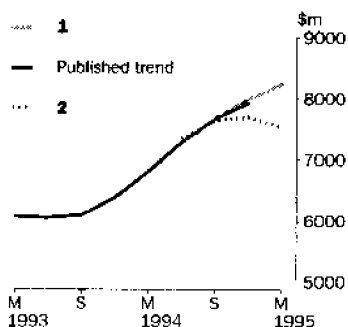


TREND AS PUBLISHED

WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:

	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 4.9% on Dec 1994 \$m	% change	2 falls by 4.9% on Dec 1994 \$m	% change
1994						
June	5 197	10.1	5 194	10.0	5 228	10.8
September	5 673	9.2	5 669	9.2	5 657	8.2
December	6 025	6.2	6 018	6.1	5 852	3.4
1995						
March	—	—	6 232	3.6	5 851	0.0

TOTAL CAPITAL EXPENDITURE



TREND AS PUBLISHED

WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:

	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 4.4% on Dec 1994 \$m	% change	2 falls by 4.4% on Dec 1994 \$m	% change
1994						
June	7 299	7.0	7 290	6.9	7 352	7.8
September	7 681	5.2	7 680	5.3	7 658	4.2
December	7 926	3.2	7 999	4.2	7 701	0.6
1995						
March	—	—	8 253	3.2	7 456	-2.0

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2562500012948

ISSN 1323-2568

RRP \$13.00