

PRIVATE NEW CAPITAL EXPENDITURE AND EXPECTED EXPENDITURE to June 1996 AUSTRALIA

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JUNE QUARTER KEY FIGURES

New Capital Expenditure

at average 1989-90 prices

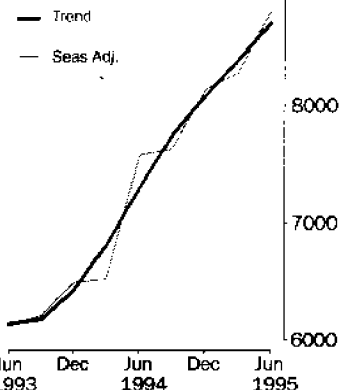
\$million

'9000

8000

7000

6000



TREND ESTIMATES *

	Jun 94	Mar 95	Jun 95	% change Mar 95 to Jun 95	% change Jun 94 to Jun 95
	\$m	\$m	\$m		
Total new capital expenditure	7 292	8 375	8 700	3.9	19.3
Building and structures	2 090	2 362	2 604	10.2	24.6
Equipment, plant and machinery	5 202	6 013	6 096	1.4	17.2

SEASONALLY ADJUSTED *

	Jun 94	Mar 95	Jun 95	% change Mar 95 to Jun 95	% change Jun 94 to Jun 95
	\$m	\$m	\$m		
Total new capital expenditure	7 578	8 272	8 810	6.5	16.3
Building and structures	2 237	2 489	2 593	4.2	15.9
Equipment, plant and machinery	5 341	5 783	6 217	7.5	16.4

* At average 1989-90 prices.

JUNE QUARTER KEY POINTS

ACTUAL EXPENDITURE

- The trend estimate (in constant price terms) of new capital expenditure has continued the consistent rise observed since the June quarter 1993. The June quarter 1994 rise of 3.9% is comparable with the growth rate over the last three quarters (see Table 3).
- The preliminary estimates for 1994-95 (in original terms) show that, compared with 1993-94, capital expenditure on buildings rose by 9.8% and equipment expenditure rose by 24.4%. Total capital expenditure rose by 20.3%.

EXPECTED EXPENDITURE

- The latest estimate for 1995-96 is \$35,111m, a rise of 11.2% over the second estimate for the year from the March quarter 1995 survey revised results.
- If the realisation ratios from 1994-95 were to be applied to this estimate, the outcome for total expenditure in 1995-96 would be a rise of 10.6%, with expenditure on buildings rising by 7.3% and expenditure on plant and equipment rising by 11.6%.

INQUIRIES

- For further information about these and related statistics, contact Kevin Squair on 06 252 5610, or John Stamois on 02 268 4241.

CAPITAL EXPENDITURE NOTES

FORTHCOMING ISSUES	<i>ISSUE (Quarter)</i>	<i>RELEASE DATE</i>
	September 1995	24 November 1995
	December 1995	23 February 1996
	March 1996	23 May 1996

* * * * *

CHANGES IN THIS ISSUE There are no changes in this issue.

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SAMPLING ERRORS Relative standard errors for estimates for June quarter 1995 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.

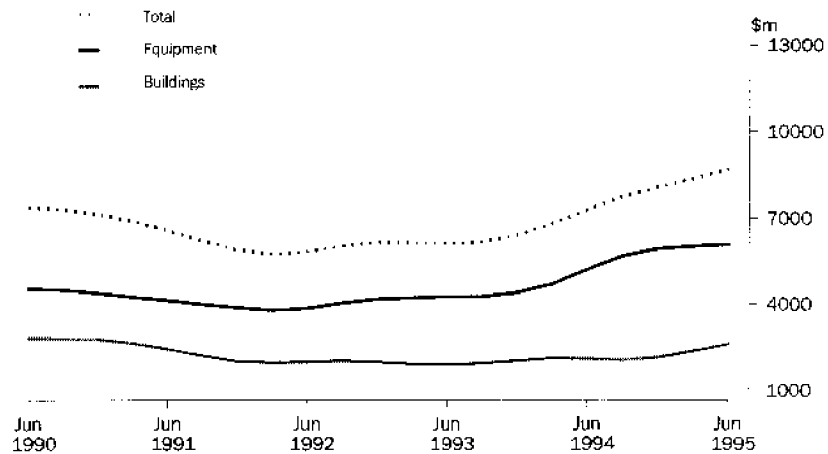
W. McLennan
Australian Statistician

ACTUAL NEW CAPITAL EXPENDITURE: Trend

QUARTERLY TREND ESTIMATES AT CONSTANT PRICES

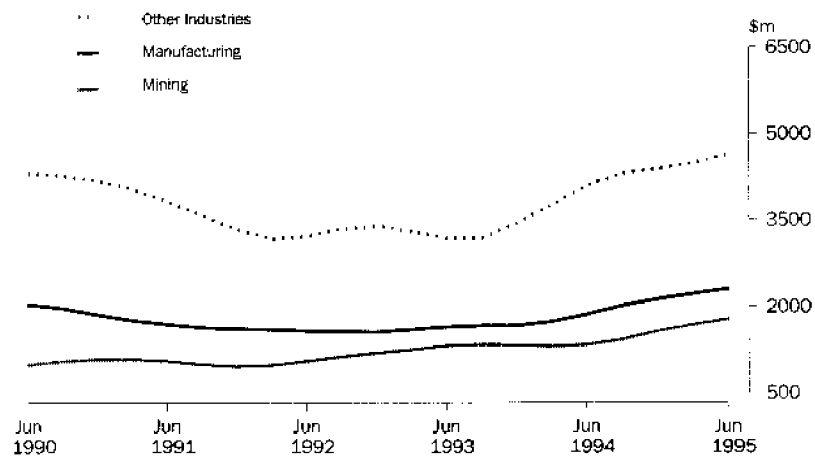
BY ASSET

The graph below shows the trend series for New Capital Expenditure by type of asset at average 1989-90 prices.



BY INDUSTRY

The graph below shows the trend series for New Capital Expenditure by broad industry group at average 1989-90 prices.

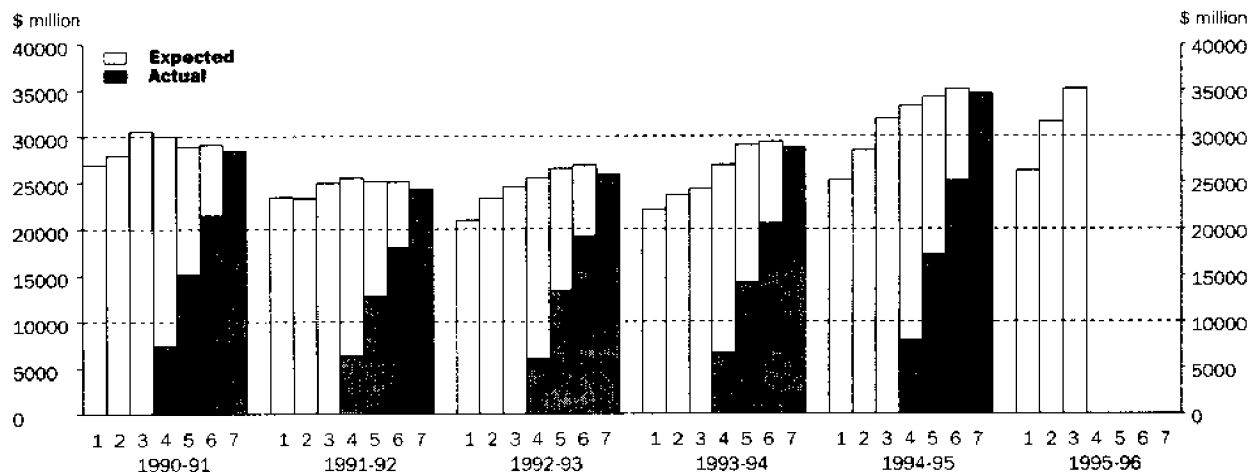


ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

FINANCIAL YEARS AT CURRENT PRICES

EXPENDITURE

The seven estimates of actual and expected expenditure for each financial year which appear in the graph below relate to the data contained in Table 4. Care should be exercised when using these series and the associated realisation ratios.



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)												
1993-94	3 192	933	4 040	8 165	2 482	6 881	11 229	20 591	5 674	7 815	15 269	28 758
1994-95	3 308	1 098	4 560	8 966	3 652	8 439	13 534	25 625	6 960	9 537	18 094	34 591
1993-94												
March	686	183	993	1 863	539	1 462	2 482	4 483	1 226	1 645	3 475	6 346
June	742	273	1 099	2 115	720	2 019	3 264	6 002	1 462	2 292	4 364	8 117
1994-95												
September	657	228	1 055	1 940	794	1 953	3 247	5 993	1 451	2 180	4 302	7 933
December	909	280	1 100	2 288	1 024	2 030	3 988	7 042	1 933	2 310	5 088	9 331
March	819	272	1 136	2 227	794	2 054	2 800	5 647	1 613	2 326	3 935	7 874
June	923	319	1 269	2 511	1 040	2 403	3 499	6 942	1 963	2 722	4 768	9 453
ORIGINAL (Expected) ¹												
1995-96												
6 mths to Dec	1 684	623	3 321	5 627	2 179	4 863	5 955	12 997	3 863	5 486	9 275	18 624
6 mths to Jun	1 363	538	2 707	4 607	1 847	4 621	5 412	11 879	3 210	5 158	8 118	16 487
Total 1995-96	3 047	1 161	6 027	10 235	4 026	9 483	11 366	24 876	7 073	10 644	17 394	35 111
SEASONALLY ADJUSTED (Actual)												
1993-94	3 177	944	4 067	8 188	2 483	6 861	11 224	20 568	5 659	7 806	15 291	28 756
1994-95	3 316	1 095	4 667	9 078	3 642	8 471	13 485	25 598	6 957	9 566	18 152	34 676
1993-94												
March	759	225	1 110	2 093	606	1 631	2 700	4 937	1 364	1 856	3 810	7 030
June	742	269	1 220	2 231	695	1 864	3 232	5 791	1 436	2 134	4 452	8 022
1994-95												
September	658	242	1 020	1 920	826	2 095	3 206	6 128	1 484	2 338	4 226	8 048
December	828	252	966	2 047	922	1 864	3 768	6 554	1 750	2 116	4 735	8 601
March	908	313	1 270	2 490	890	2 292	3 045	6 227	1 798	2 605	4 315	8 718
June	922	288	1 411	2 621	1 003	2 220	3 466	6 689	1 926	2 508	4 877	9 310
TREND ESTIMATES (Actual)												
1993-94	3 173	932	4 001	8 106	2 508	6 888	11 130	20 526	5 681	7 819	15 131	28 632
1994-95	3 351	1 109	4 732	9 192	3 609	8 415	13 496	25 520	6 960	9 524	18 228	34 713
1993-94												
March	788	232	1 087	2 106	615	1 731	2 844	5 190	1 402	1 963	3 931	7 296
June	727	243	1 117	2 086	706	1 838	3 120	5 665	1 433	2 081	4 237	7 751
1994-95												
September	722	256	1 066	2 044	811	1 961	3 352	6 124	1 533	2 216	4 418	8 168
December	799	269	1 083	2 151	885	2 064	3 415	6 364	1 685	2 332	4 499	8 516
March	880	286	1 207	2 373	937	2 154	3 378	6 469	1 817	2 440	4 585	8 842
June	949	300	1 376	2 624	976	2 236	3 350	6 562	1 925	2 536	4 726	9 187

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	MINING.....	MANUFACTURING.....									
	Total mining \$m	Food, beverage and tobacco \$m	Textiles, clothing, footwear and leather \$m	Wood and paper products \$m	Printing, publishing and recorded media \$m	Petroleum, coal, chemical and assoc. products \$m	Non- metallic mineral product \$m	Metal product \$m	Machinery and equipment \$m	Other manu- facturing \$m	Total manu- facturing \$m
ORIGINAL (Actual)											
1993-94	5 674	1 973	238	592	567	1 202	587	1 159	1 308	187	7 815
1994-95	6 960	1 967	336	699	1 083	1 638	1 005	1 329	1 301	178	9 537
1993-94											
March	1 226	489	51	121	88	277	116	216	241	46	1 645
June	1 462	571	61	181	227	347	138	343	344	79	2 292
1994-95											
September	1 451	482	79	154	225	442	206	245	290	56	2 180
December	1 933	519	87	176	188	403	258	287	343	49	2 310
March	1 613	467	66	191	271	407	267	286	337	33	2 326
June	1 963	499	104	178	399	386	273	511	332	40	2 722
ORIGINAL (Expected) ¹											
1995-96											
6 mths to Dec	3 863	1 102	102	489	470	877	584	963	851	47	5 486
6 mths to Jun	3 210	1 173	77	513	313	776	429	976	859	43	5 158
Total 1995-96	7 073	2 275	179	1 003	783	1 653	1 014	1 939	1 710	89	10 644
SEASONALLY ADJUSTED (Actual)											
1993-94	5 659	1 981	241	594	555	1 204	591	1 151	1 300	189	7 806
1994-95	6 957	1 979	341	703	1 085	1 655	1 003	1 311	1 311	178	9 566
1993-94											
March	1 364	560	50	129	97	320	119	253	277	51	1 856
June	1 436	530	64	186	188	329	128	293	339	76	2 134
1994-95											
September	1 484	514	91	150	281	455	223	271	295	57	2 338
December	1 750	467	74	166	175	363	256	268	303	45	2 116
March	1 798	536	66	203	299	471	273	335	385	37	2 605
June	1 926	463	110	184	331	366	251	436	328	39	2 508
TREND ESTIMATES (Actual)											
1993-94	5 681	1 964	243	581	585	1 235	610	1 134	1 286	180	7 819
1994-95	6 960	1 995	326	719	1 048	1 631	982	1 298	1 329	185	9 524
1993-94											
March	1 402	523	58	147	137	315	132	283	316	53	1 963
June	1 433	529	68	156	181	357	151	272	304	63	2 081
1994-95											
September	1 533	516	75	166	219	400	204	267	309	60	2 216
December	1 685	499	78	175	248	418	249	294	327	48	2 332
March	1 817	494	82	184	276	415	266	343	341	39	2 440
June	1 925	486	90	194	306	398	264	394	351	38	2 536

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

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)									
1993-94	1 482	2 616	1 992	1 690	2 122	2 965	2 403	15 269	28 758
1994-95	1 438	2 798	1 959	2 537	2 120	3 403	3 838	18 094	34 591
1993-94									
March	347	565	351	467	502	660	582	3 475	6 346
June	469	611	562	418	614	923	767	4 364	8 117
1994-95									
September	498	662	444	509	561	953	676	4 302	7 933
December	277	822	511	879	526	880	1 193	5 088	9 331
March	287	540	488	556	459	661	945	3 935	7 874
June	377	774	517	594	574	909	1 024	4 768	9 453
ORIGINAL (Expected) ¹									
1995-96									
6 mths to Dec	351	1 770	874	1 232	1 169	1 896	1 984	9 275	18 624
6 mths to Jun	282	1 313	906	966	995	1 411	2 246	8 118	16 487
Total 1995-96	632	3 082	1 780	2 198	2 164	3 307	4 230	17 394	35 111
SEASONALLY ADJUSTED (Actual)									
1993-94	1 487	2 617	1 983	1 699	2 143	2 959	2 402	15 291	28 756
1994-95	1 433	2 802	1 995	2 560	2 127	3 409	3 826	18 152	34 676
1993-94									
March	350	670	437	468	576	685	624	3 810	7 030
June	478	647	571	455	642	913	745	4 452	8 022
1994-95									
September	477	653	423	464	524	1 005	680	4 226	8 048
December	283	686	439	893	475	817	1 142	4 735	8 601
March	288	640	609	554	529	685	1 010	4 315	8 718
June	386	823	525	648	599	902	993	4 877	9 310
TREND ESTIMATES (Actual)									
1993-94	1 474	2 616	1 896	1 696	2 135	2 958	2 357	15 131	28 632
1994-95	1 412	2 779	2 051	2 580	2 151	3 341	3 903	18 228	34 713
1993-94									
March	402	666	497	427	568	779	592	3 931	7 296
June	441	662	478	486	588	886	696	4 237	7 751
1994-95									
September	415	649	473	585	545	908	843	4 418	8 168
December	352	665	491	662	513	850	965	4 499	8 516
March	317	706	525	680	527	795	1 036	4 585	8 842
June	328	758	563	654	566	788	1 059	4 726	9 187

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							
1993-94	8 218	18 595	26 813	5 305	6 919	14 589	26 813
1994-95	8 947	23 814	32 761	6 430	8 646	17 686	32 761
1993-94							
March	1 861	4 027	5 888	1 139	1 448	3 301	5 888
June	2 131	5 529	7 660	1 361	2 056	4 243	7 660
1994-95							
September	1 938	5 582	7 520	1 338	1 976	4 207	7 520
December	2 291	6 540	8 831	1 795	2 102	4 934	8 831
March	2 225	5 248	7 473	1 499	2 110	3 865	7 473
June	2 493	6 444	8 937	1 798	2 459	4 680	8 937
SEASONALLY ADJUSTED							
1993-94	8 240	18 572	26 812	5 290	6 910	14 612	26 812
1994-95	9 049	23 790	32 840	6 428	8 672	17 740	32 840
1993-94							
March	2 094	4 431	6 526	1 267	1 633	3 625	6 526
June	2 237	5 341	7 578	1 339	1 915	4 324	7 578
1994-95							
September	1 929	5 699	7 628	1 366	2 118	4 144	7 628
December	2 038	6 091	8 130	1 626	1 926	4 577	8 130
March	2 489	5 783	8 272	1 669	2 363	4 241	8 272
June	2 593	6 217	8 810	1 766	2 265	4 778	8 810
TREND ESTIMATES							
1993-94	8 161	18 539	26 700	5 310	6 926	14 464	26 700
1994-95	9 164	23 711	32 875	6 438	8 633	17 805	32 875
1993-94							
March	2 112	4 689	6 802	1 308	1 737	3 757	6 802
June	2 090	5 202	7 292	1 330	1 864	4 097	7 292
1994-95							
September	2 048	5 683	7 731	1 421	2 006	4 303	7 731
December	2 150	5 919	8 069	1 561	2 118	4 389	8 069
March	2 362	6 013	8 375	1 681	2 213	4 482	8 375
June	2 604	6 096	8 700	1 775	2 295	4 630	8 700

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	8 165
1994–95	7 763	8 637	9 509	8 737	9 533	9 524	8 966
1995–96	8 197	9 460	10 235	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)							
1992–93	1.17	1.07	1.01	0.97	0.91	0.94	1.00
1993–94	1.10	1.06	1.08	1.00	0.94	0.95	1.00
1994–95	1.16	1.04	0.94	1.03	0.94	0.94	1.00
5 year average	1.07	1.02	0.97	0.96	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	20 591
1994–95	17 477	19 823	22 300	24 376	24 682	25 546	25 625
1995–96	18 087	22 123	24 876	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)							
1992–93	1.26	1.12	1.08	1.03	1.01	0.97	1.00
1993–94	1.40	1.29	1.23	1.12	1.01	0.99	1.00
1994–95	1.47	1.29	1.15	1.05	1.04	1.00	1.00
5 year average	1.27	1.17	1.08	1.03	1.01	0.99	1.00
TOTAL (\$ million)							
1991–92	23 438	23 310	24 950	25 459	25 094	25 065	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	28 758
1994–95	25 239	28 469	31 808	33 113	34 215	35 070	34 591
1995–96	26 284	31 584	35 111	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)							
1992–93	1.23	1.11	1.05	1.01	0.98	0.96	1.00
1993–94	1.30	1.22	1.18	1.08	0.99	0.98	1.00
1994–95	1.37	1.22	1.09	1.04	1.01	0.99	1.00
5 year average	1.20	1.12	1.05	1.01	0.99	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	-0.1	-3.4
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	-2.3
1994–95	n.a.	12.8	11.8	4.1	3.3	2.5	-1.4
1995–96	n.a.	20.2	11.2	n.y.a.	n.y.a.	n.y.a.	n.y.a.
TOTAL (Percentage change over corresponding estimate for previous financial year)							
1992–93	-10.5	0.1	-1.7	0.1	5.5	7.1	6.7
1993–94	5.6	1.3	-0.8	4.5	9.6	9.6	11.3
1994–95	14.0	20.4	30.7	24.4	17.9	19.2	20.3

ACTUAL AND EXPECTED CAPITAL EXPENDITURE, By Selected Industries—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)
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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	7 815
1994-95	7 129	8 339	8 981	9 651	9 637	9 889	9 537
1995-96	8 251	9 572	10 644	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)

1992-93	1.00	0.93	0.91	0.92	0.95	0.95	1.00
1993-94	1.26	1.16	1.06	0.99	0.96	0.96	1.00
1994-95	1.34	1.14	1.06	0.99	0.99	0.96	1.00
5 year average	1.10	1.02	0.95	0.94	0.95	0.96	1.00

MINING (\$ million)

1991-92	4 333	4 413	4 529	4 775	4 515	4 221	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	5 674
1994-95	5 479	5 838	7 191	7 391	7 376	7 362	6 960
1995-96	5 294	6 755	7 073	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)

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
1994-95	1.27	1.19	0.97	0.94	0.94	0.95	1.00
5 year average	1.06	1.01	0.91	0.91	0.92	0.95	1.00

OTHER SELECTED INDUSTRIES (\$ million)

1991-92	11 322	11 224	12 887	13 210	13 255	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	15 269
1994-95	12 631	14 282	15 636	16 071	17 203	17 820	18 094
1995-96	12 740	15 256	17 394	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)

1992-93	1.43	1.22	1.20	1.10	1.02	0.98	1.00
1993-94	1.61	1.48	1.47	1.23	1.02	1.01	1.00
1994-95	1.43	1.27	1.16	1.13	1.05	1.02	1.00
5 year average	1.35	1.25	1.17	1.09	1.03	0.99	1.00

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

Financial year	3 MONTHS ENDING.....		6 MONTHS ENDING.....	
	31 December (collected in September Survey)	30 June (collected in March Survey)	31 December (collected in June Survey)	30 June (collected in December Survey)
BUILDINGS				
1992-93	0.97	0.80	1.05	0.81
1993-94	1.06	0.84	1.10	0.88
1994-95	0.92	0.82	0.90	0.89
5 year average	0.95	0.82	0.99	0.86
EQUIPMENT				
1992-93	0.95	0.90	1.00	1.02
1993-94	1.03	0.96	1.15	1.03
1994-95	0.91	1.01	1.09	1.08
5 year average	0.94	0.95	1.03	1.02
MINING				
1992-93	0.84	0.80	0.87	0.82
1993-94	0.94	0.77	0.95	0.89
1994-95	0.79	0.83	0.90	0.90
5 year average	0.85	0.82	0.90	0.85
MANUFACTURING				
1992-93	0.83	0.85	0.86	0.90
1993-94	0.88	0.88	0.99	0.93
1994-95	0.79	0.89	0.95	0.98
5 year average	0.85	0.86	0.91	0.91
OTHER SELECTED INDUSTRIES				
1992-93	1.07	0.92	1.19	1.06
1993-94	1.21	1.02	1.34	1.05
1994-95	1.04	1.06	1.15	1.11
5 year average	1.04	0.98	1.14	1.06
TOTAL				
1992-93	0.95	0.87	1.02	0.95
1993-94	1.04	0.92	1.13	0.98
1994-95	0.91	0.95	1.03	1.02
5 year average	0.94	0.91	1.02	0.97

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 growth in the business population are made each 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*, (5646.0)
- *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 Business Expectations* (5250.0)

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 *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

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 29 and 34 of Explanatory Notes).

TREND REVISIONS

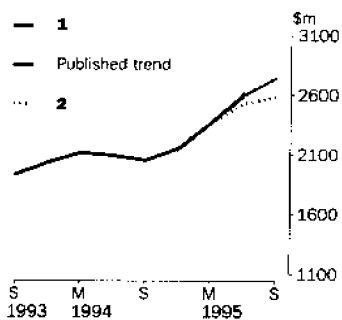
The examples in the tables below show two illustrative scenarios and the consequent revisions to previous trend estimates of capital expenditure by private businesses and.

1 The September seasonally adjusted estimate is higher than the June estimate by the percentage shown.

2 The September seasonally adjusted estimate is lower than the June estimate by the percentage shown.

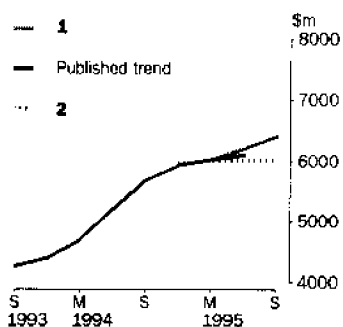
The percentages chosen are approximately the long term average movement, without regard to sign, in the seasonally adjusted series.

NEW BUILDINGS AND STRUCTURES



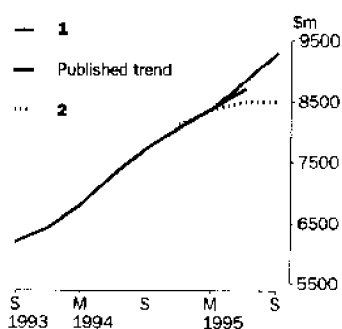
	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 6.7% on Jun 1995		2 falls by 6.7% on Jun 1995	
	\$m	% change	\$m	% change	\$m	% change
1994						
December	2 150	5.0	2 140	4.5	2 154	5.2
1995						
March	2 362	9.9	2 365	10.5	2 360	9.6
June	2 604	10.2	2 591	9.6	2 527	7.1
September	—	—	2 743	5.8	2 594	2.7

PLANT MACHINERY AND EQUIPMENT



	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 4.9% on Jun 1995		2 falls by 4.9% on Jun 1995	
	\$m	% change	\$m	% change	\$m	% change
1994						
December	5 919	4.2	5 921	4.2	5 957	4.8
1995						
March	6 013	1.6	6 017	1.6	6 004	0.8
June	6 096	1.4	6 193	2.9	6 020	0.3
September	—	—	6 401	3.4	6 004	-0.3

TOTAL CAPITAL EXPENDITURE



	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 4.4% on Jun 1995		2 falls by 4.4% on Jun 1995	
	\$m	% change	\$m	% change	\$m	% change
1994						
December	8 069	4.4	8 051	4.1	8 121	5.0
1995						
March	8 375	3.8	8 383	4.1	8 359	2.9
June	8 700	3.9	8 831	5.4	8 498	1.7
September	—	—	9 283	5.1	8 492	-0.1



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