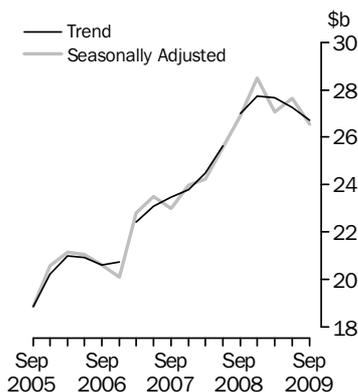


**PRIVATE NEW CAPITAL EXPENDITURE
AND EXPECTED EXPENDITURE AUSTRALIA**

EMBARGO: 11.30AM (CANBERRA TIME) THURS 26 NOV 2009

New Capital Expenditure

in volume terms



KEY FIGURES

	Sep Qtr 09	Jun Qtr 09 to Sep Qtr 09	Sep Qtr 08 to Sep Qtr 09
	\$m	% change	% change
Trend estimates(a)			
Total new capital expenditure	26 717	-1.9	-1.1
Buildings and structures	13 453	-2.6	5.7
Equipment, plant and machinery	13 283	-1.1	-7.0
Seasonally adjusted(a)			
Total new capital expenditure	26 552	-3.9	-1.3
Buildings and structures	13 287	-4.8	6.5
Equipment, plant and machinery	13 265	-2.9	-8.1

(a) In volume terms

KEY POINTS

ACTUAL EXPENDITURE (VOLUME TERMS)

- The trend estimate for total new capital expenditure (in volume terms) fell 1.9% in the September quarter 2009 while the seasonally adjusted estimate fell 3.9%.
- The trend estimate for buildings and structures fell 2.6% this quarter while the seasonally adjusted estimate fell 4.8%.
- The equipment, plant and machinery trend volume estimate fell 1.1% in the September quarter 2009. In seasonally adjusted terms the estimate fell 2.9%.

EXPECTED EXPENDITURE (CURRENT PRICE TERMS)

- This issue includes the fourth estimate for 2009-10.
- Estimate 4 for 2009-10 is \$105,010m. This is 7.7% lower than the fourth estimate for 2008-09. Estimate 4 is 5.9% higher than Estimate 3 for 2009-10.
- See pages 6 to 9 for further commentary on expectations data.

INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Paul Doran on Sydney (02) 9268 4357.

NOTES

FORTHCOMING ISSUES

<i>ISSUE (Quarter)</i>	<i>RELEASE DATE</i>
December quarter 2009	25 February 2010
March quarter 2010	27 May 2010
June quarter 2010	26 August 2010
September quarter 2010	25 November 2010

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CHANGES IN THIS ISSUE

Commencing with this quarter, the frame information and sample design for the Survey of Private New Capital Expenditure have been improved by incorporation of the *2006 Australian and New Zealand Standard Industrial Classification (ANZSIC)*, (cat. no. 1292.0), replacing the 1993 ANZSIC, the inclusion of non-employed businesses which contribute significantly to economic activity and integration of updated size variable information for each business on the frame.

These changes have resulted in statistical impacts on our previously published historic data series. This publication and other Survey of Private New Capital Expenditure outputs released on or after November 26, 2009, feature revised historic series which align past published estimates to the estimates including statistical changes introduced from this quarter. An information paper (cat. no. 5625.0.55.001) describing these changes in more detail is available at www.abs.gov.au.

CAPEX AS A PARTIAL INDICATOR OF THE NATIONAL ACCOUNTS

Part of the compilation of Capital Expenditure estimates is confrontation with data from a variety of sources assembled in the national accounts framework as part of the process of compiling the quarterly *Australian National Accounts*, (cat. no. 5206.0). The September quarter 2009 Australian National Accounts will be released two weeks later than usual due to the introduction of new standards. This means that the confrontation has been less comprehensive than usual. Caution should be exercised in using data in this publication as an indicator of capital expenditure in the National Accounts.

.....

ABBREVIATIONS

ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
PAYGW	pay-as-you-go withholding
SNA08	System of National Accounts 2008 version
TAU	type of activity unit

Brian Pink
Australian Statistician

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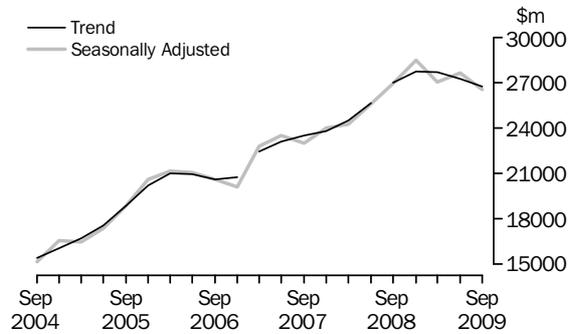
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ACTUAL NEW CAPITAL EXPENDITURE IN VOLUME TERMS

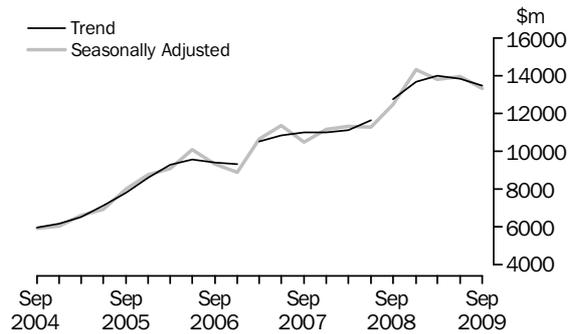
TOTAL CAPITAL EXPENDITURE

The trend estimate for total new capital expenditure fell 1.9% in the September quarter 2009. By asset type, the trend estimate for building and structures fell 2.6% while equipment, plant and machinery fell 1.1%. The seasonally adjusted series for total new capital expenditure fell 3.9% in the September quarter 2009.



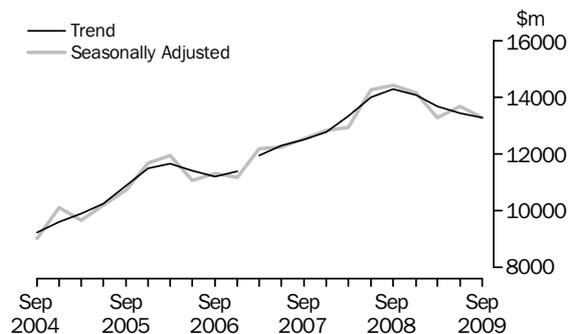
BUILDINGS AND STRUCTURES

The trend estimate for buildings and structures fell 2.6% in the September quarter 2009. Building for Mining fell 1.9%, Manufacturing fell 4.1% and Other selected industries fell 3.1%. The seasonally adjusted estimate for buildings and structures fell 4.8% in the September quarter 2009.



EQUIPMENT, PLANT AND MACHINERY

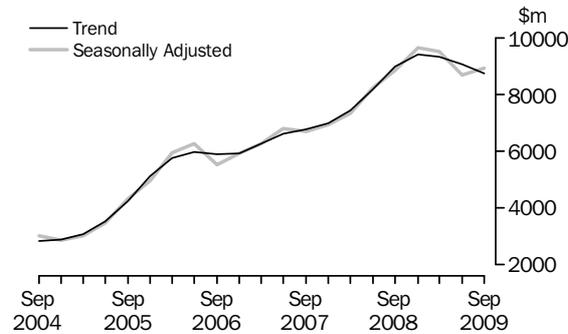
The trend estimate for equipment, plant and machinery fell 1.1% in the September quarter 2009. Mining fell 7.5%, Manufacturing fell 5.9% while Other selected industries rose 1.4% in the quarter. The seasonally adjusted series fell 2.9%. Manufacturing fell 15.9%, Other selected industries fell 1.0% while Mining was unchanged.



ACTUAL NEW CAPITAL EXPENDITURE IN VOLUME TERMS *continued*

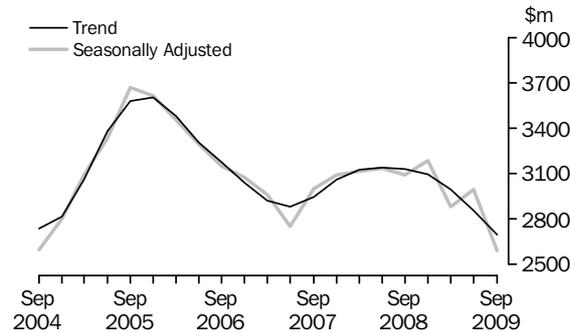
MINING

The trend estimate for Mining fell 3.4% in the September quarter 2009. The buildings and structures asset type fell 1.9%, while equipment, plant and machinery fell 7.5%. The seasonally adjusted September quarter estimate for Mining rose 3.0%. By asset type, buildings and structures rose 3.8% in the quarter while equipment, plant and machinery was unchanged, in seasonally adjusted terms.



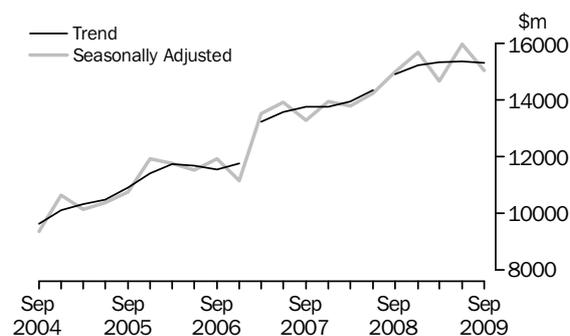
MANUFACTURING

The Manufacturing trend estimate fell 5.6% in the September quarter 2009. Buildings and structures fell 4.1% while equipment, plant and machinery fell 5.9%. The seasonally adjusted September quarter estimate for Manufacturing fell 13.4%. Buildings and structures fell 9.3% while equipment, plant and machinery fell 15.9%.



OTHER SELECTED INDUSTRIES

The trend estimate for Other selected industries fell 0.3% in the September quarter 2009. Buildings and structures fell 3.1% while equipment, plant and machinery rose 1.4%. The seasonally adjusted estimate for Other selected industries fell 5.8%. Buildings and structures fell 13.5% and equipment, plant and machinery fell 1.0%.



ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

FINANCIAL YEARS AT
CURRENT PRICES

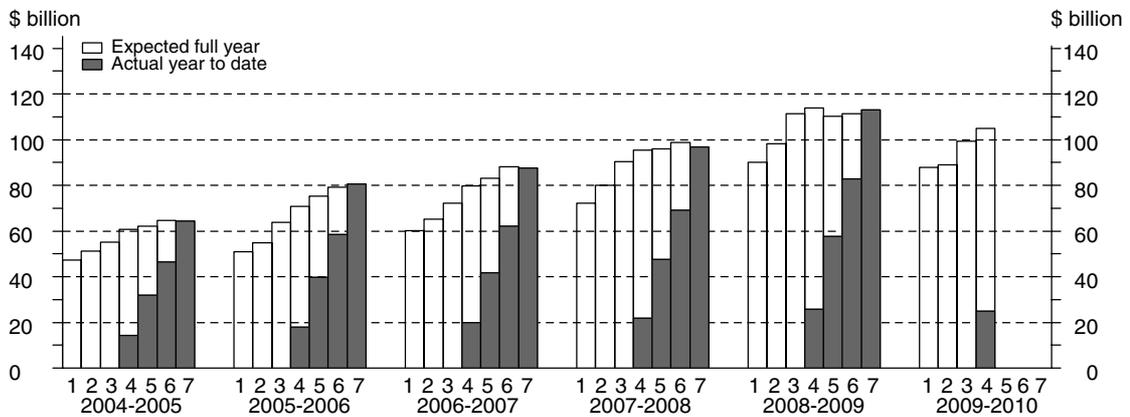
The graphs below show the seven estimates of actual and expected expenditure for each financial year. The estimates appearing below relate to data contained in Tables 5 and 6. Advice about the application of realisation ratios to these estimates is in paragraphs 26 to 29 of the Explanatory Notes.

The timing and construction of these estimates are as follows:

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

TOTAL CAPITAL
EXPENDITURE

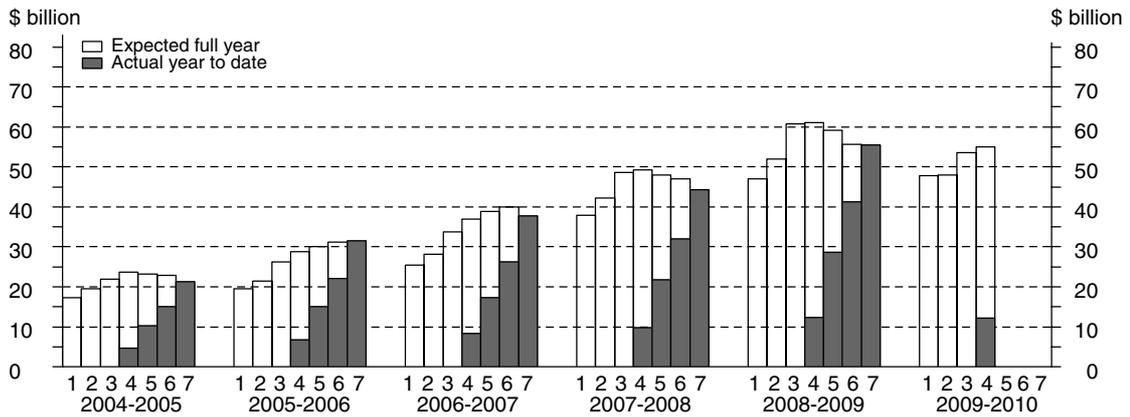
Estimate 4 for total capital expenditure for 2009-10 is \$105,010 million. This is 7.7% lower than Estimate 4 for 2008-09. The key contributors to this decline have been Mining (-15.1%), Manufacturing (-10.1%) and Rental, Hiring and Real Estate Services (-8.7%). Estimate 4 is 5.9% higher than Estimate 3 for 2009-10. By major industry group, the key contributor to this rise was the total for Other selected industries (7.7%). Manufacturing rose 6.4% and Mining rose 3.2% between these estimates.



ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE *continued*

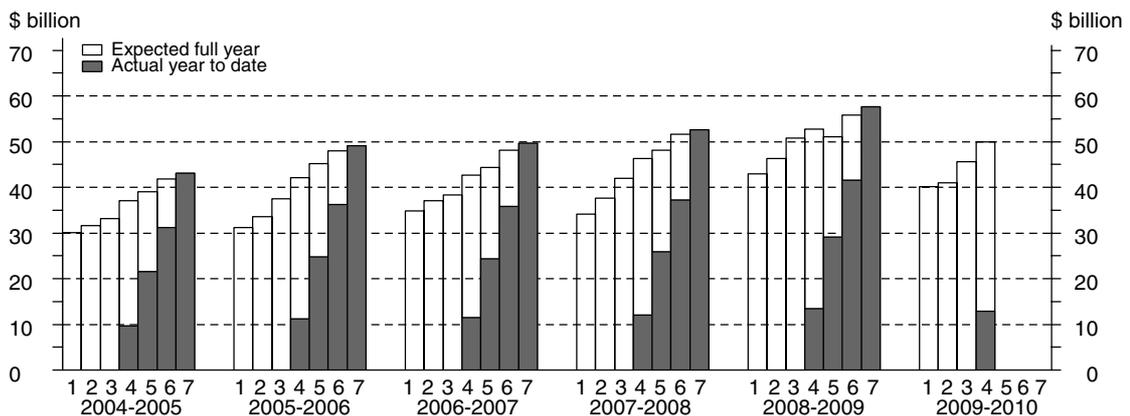
BUILDINGS AND STRUCTURES

Estimate 4 for buildings and structures for 2009-10 is \$55,061 million which is 9.8% lower than Estimate 4 for buildings and structures for 2008-09. The main contributor to this fall was Mining (-13.2%). Estimate 4 for buildings and structures is 2.7% higher than Estimate 3 for 2009-10. The main contributors to this rise were Mining (2.4%) and Information Media and Telecommunications (18.1%).



EQUIPMENT, PLANT AND MACHINERY

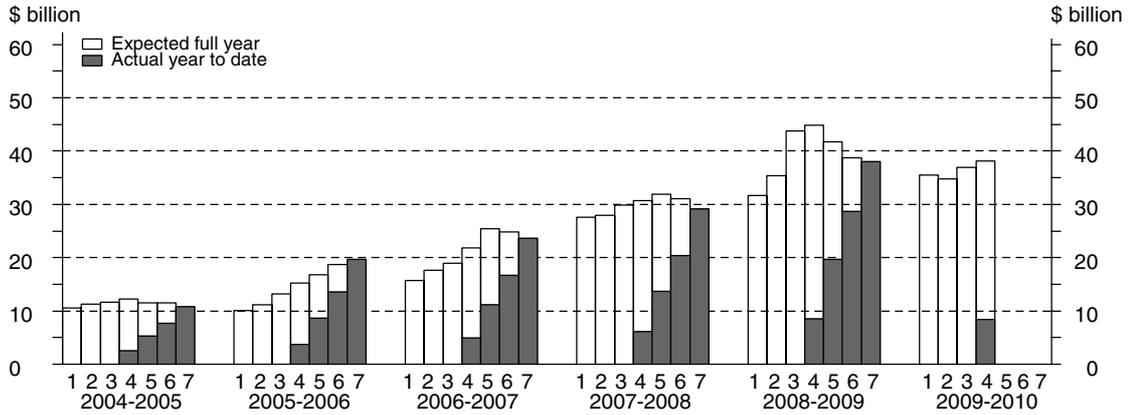
Estimate 4 for equipment, plant and machinery for 2009-10 is \$49,949m. This is 5.4% lower than the same estimate for 2008-09. The largest contributors to this fall were Mining (-20.6%) and Manufacturing (-19.0%). Estimate 4 for equipment, plant and machinery for 2009-10 is 9.6% higher than for Estimate 3 for 2009-10. The main contributors to this rise were Rental, Hiring and Real Estate Services (22.4%) and Transport and Storage (15.2%).



ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE *continued*

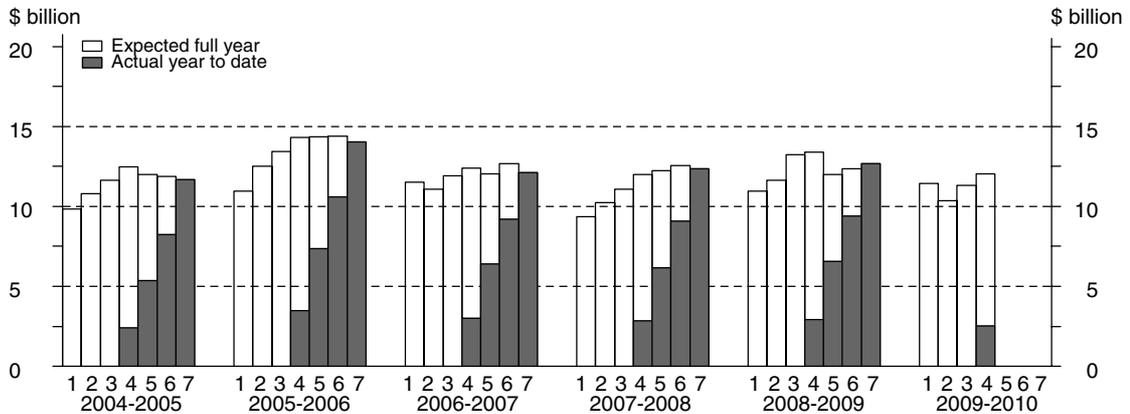
MINING

Estimate 4 for Mining for 2009-10 is \$38,104 million. This is 15.1% lower than Estimate 4 for 2008-09. Buildings and structures fell 13.2% and equipment, plant and machinery fell 20.6%. Estimate 4 is 3.2% higher than Estimate 3 for 2009-10. Buildings and structures rose 2.4% and equipment, plant and machinery rose 5.7%.



MANUFACTURING

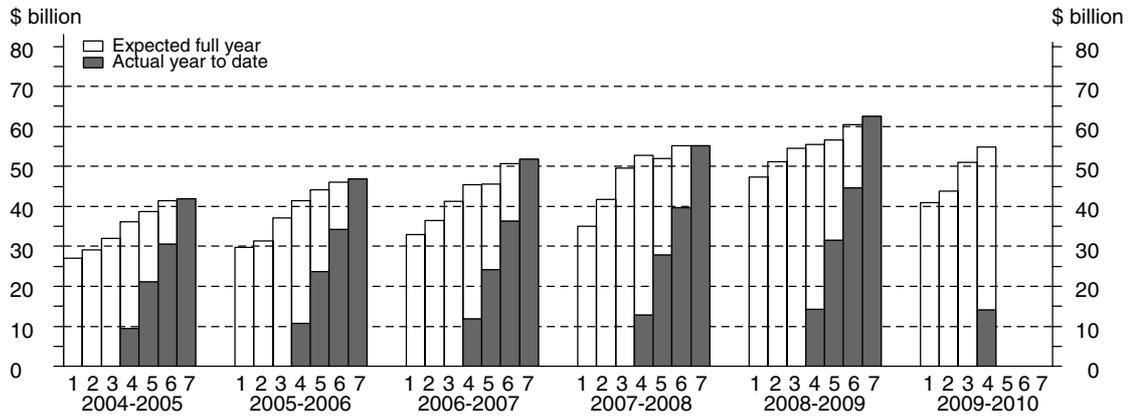
Estimate 4 for Manufacturing for 2009-10 is \$12,030 million. This is 10.1% lower than Estimate 4 for 2008-09. Buildings and structures rose 6.9% while equipment, plant and machinery fell 19.0%. Estimate 4 is 6.4% higher than Estimate 3 for 2009-10. Buildings and structures rose 11.9% and equipment, plant and machinery rose 2.9%.



ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE *continued*

OTHER SELECTED INDUSTRIES

Estimate 4 for Other Selected Industries for 2009-10 is \$54,876 million. This is 1.2% lower than Estimate 4 for 2008-09. Buildings and structures fell 8.1% while equipment, plant and machinery rose 3.8%. Estimate 4 is 7.7% higher than Estimate 3 for 2009-10. Buildings and structures rose 1.3% and equipment, plant and machinery rose by 12.2%.



FEATURE ARTICLE

THE APPLICATION OF REALISATION RATIOS TO THE SURVEY OF NEW CAPITAL EXPENDITURE

INTRODUCTION

This feature article examines the use of realisation ratios in relation to the Survey of New Capital Expenditure. There is a particular focus in this article on the use of a five-year average realisation ratio as a basis to project future capital expenditure. This method was used to calculate the Experimental Projected Capital Expenditure Series which has been published in recent years in *Private New Capital and Expected Expenditure, Australia* (cat. no. 5625.0) and has now been discontinued.

EXPLANATION OF REALISATION RATIOS

Realisation ratios for the Survey of New Capital Expenditure are related to the seven financial year estimates of capital expenditure compiled from a combination of actual and expected expenditure. As such, for the purposes of this survey there are six realisation ratios (with the seventh always equal to one as it represents actual data for the full financial year).

The realisation ratios are calculated once actual expenditure for a financial year is known (Estimate 7). A comparison between actual expenditure for the financial year and the expected expenditure is made and 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 be used as a 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 basis for comparison with other expectation data and actual expenditure estimates.

The nature of realisation ratios is that they move closer to 1 with each progressive financial year estimate. Therefore, the realisation ratio for Estimate 1 has been used in the following examples. This is because this estimate most clearly demonstrates the concepts being examined. These same conclusions can be drawn from subsequent realisation ratios, although the effect observed is less pronounced for each ratio as it approaches Estimate 7.

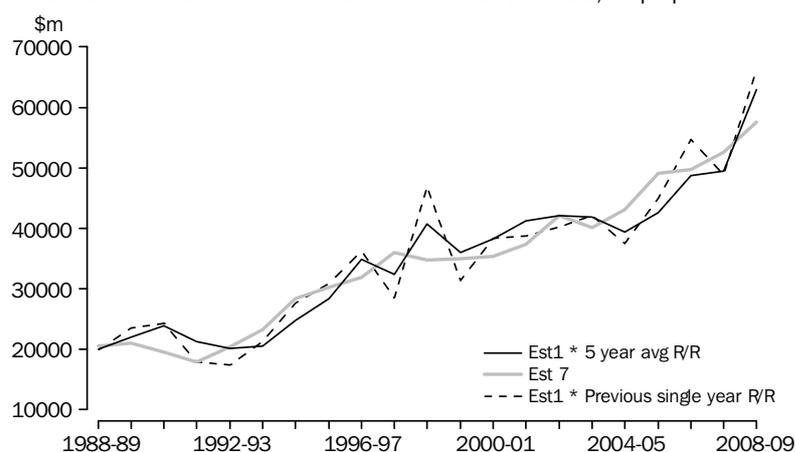
BEHAVIOUR OF A
FIVE-YEAR MOVING
AVERAGE VERSUS THE
ECONOMIC CYCLE

The pattern of realisation ratios generally align closely with changes in overall economic conditions. That is, when economic conditions decline realisation ratios will fall as businesses, at least in the short term, underestimate the reduction in their Capex plans. Similarly when economic conditions improve realisation ratios will increase as businesses underestimate the growth in their spending plans. The outcome of this pattern is that realisation ratios can be used as a tool to help track the movements of the economic cycle, particularly in relation to identifying turning points in an economy undergoing rapid change.

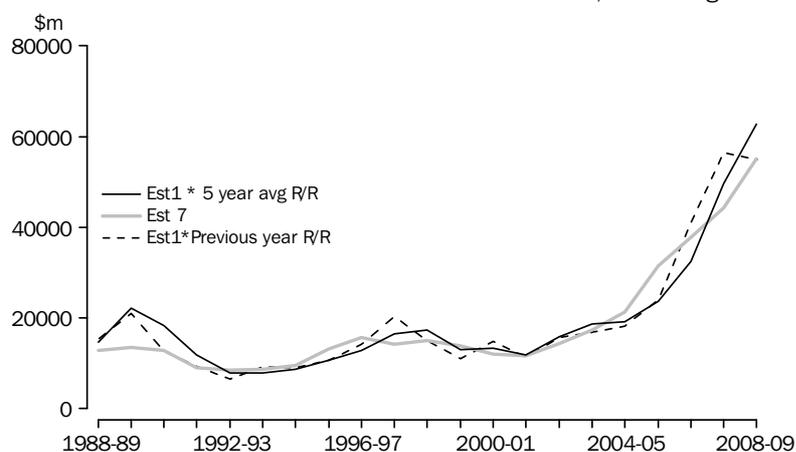
The five-year average realisation ratio is a smoothed estimate for the realisation ratio of 2.5 years ago rather than the current year. Therefore, it is not a timely estimate for the current year. When examining the behaviour of the five-year average realisation ratio over the life of the economic cycle it is evident that at both ends of the economic cycle, that is during rapid growth or decline, the suitability of these estimates to provide reliable projections diminishes. An example of this can be seen in the following graphs which look at each asset type, equipment, plant and machinery and buildings and structures, separately.

Note in these graphs the Estimate 7 (financial year actual capital expenditure) has been used as a form of measuring actual economic activity at the time.

FIVE YEAR AVERAGE PROJECTED TIME SERIES, Equipment



FIVE YEAR AVERAGE PROJECTED TIME SERIES, Building



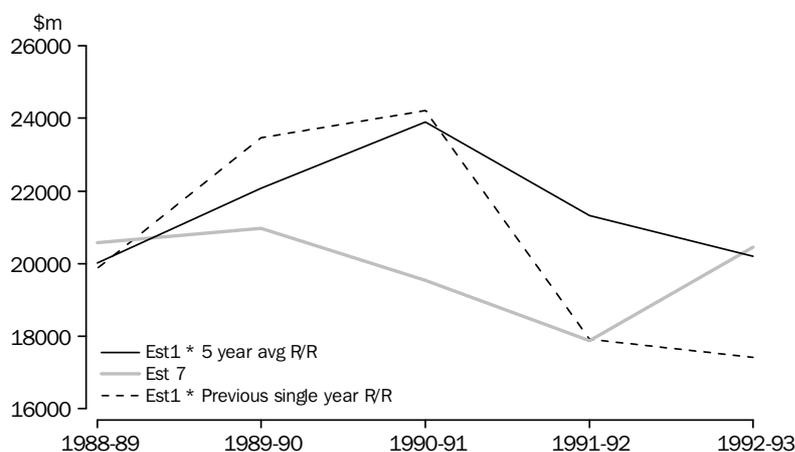
BEHAVIOUR OF A FIVE-YEAR MOVING AVERAGE VERSUS THE ECONOMIC CYCLE *continued*

Firstly it is noticeable that the equipment series is generally more volatile than the building series. This may be due to the ability of firms to adjust investment levels for equipment at a more rapid pace than those of building, which are generally more long-term plans. The result is that building expectations are less responsive to short term changes in economic conditions and that even if actual investment in building changes, the change in expectations may take longer to flow through.

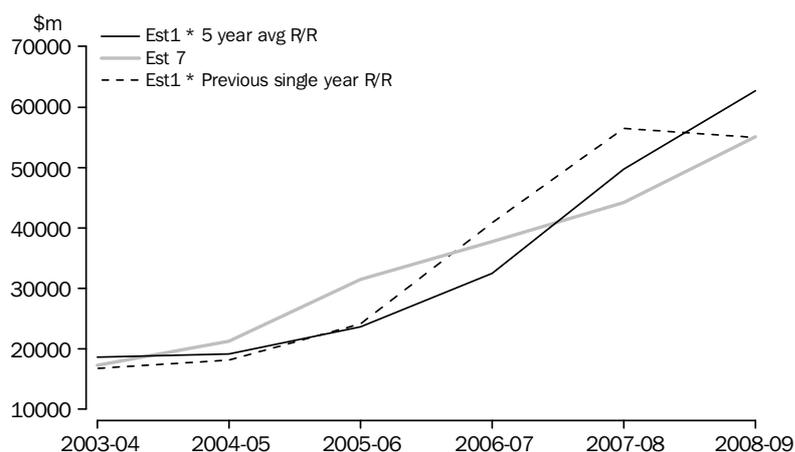
BEHAVIOUR OF REALISATION RATIOS IN PERIODS OF RAPID ECONOMIC CHANGE

Looking closer at the behaviour of the realisation ratios, and more specifically the five year average, it is evident that there is a significant issue that arises when the economy undergoes significant change. This is noticeable with a specific examination of rapid decline and rapid growth periods of an economy as seen in the graphs below, which are excerpts from the graphs seen previously.

EQUIPMENT - FIVE YEAR AVERAGE PROJECTED TIME SERIES, Period of Decline



BUILDING - FIVE YEAR AVERAGE PROJECTED TIME SERIES, Period of Growth



Firstly it is clear that there is an identifiable lag when realisation ratios from both the previous year or a five-year average are applied. This highlights the problem of predicting future outcomes using historical data which may no longer be relevant or appropriate. However it is noted that, as expected, the single year series does react quicker to the change. Furthermore, at least with the rapid economic decline seen in the equipment series, when the effects of the economic downturn began to flow through, as seen in the

BEHAVIOUR OF
REALISATION RATIOS IN
PERIODS OF RAPID
ECONOMIC CHANGE
continued

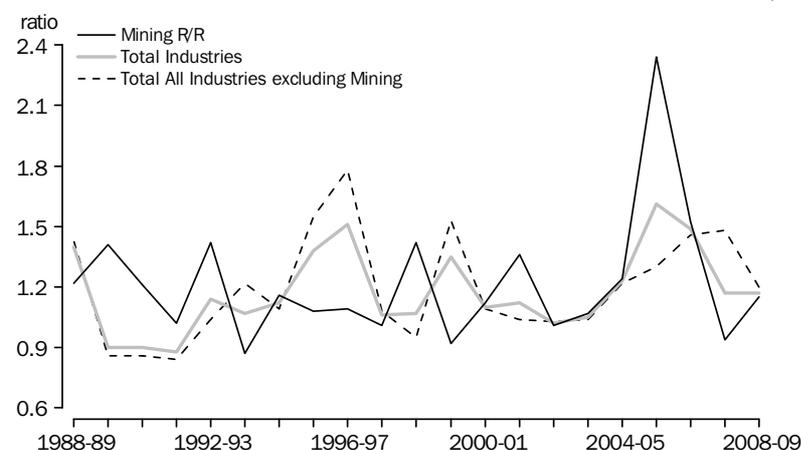
decline in Estimate 7, the forecast for both the single and five year average series' actually increased at an increasing rate.

The outcomes seen during these periods of rapid change in the economy suggest that by applying a five-year average realisation ratio, the turning points of an economy will be distorted and smoothed over. Therefore the usefulness of this method for forecasting future capital expenditure is severely limited during a period of change in the economy.

This graph also reveals another factor which impacts the effectiveness of the five-year average. The five-year average is often under the influence of significant patterns of activity which do not necessarily represent an accurate picture of the current overall conditions of the economy. For example, this current five-year average is heavily influenced by the rapid growth and relatively above average realisation ratios of the Mining industry during the period of 2004/05 to 2006/07, particularly evident in the building series.

This period of very high realisation ratios would be strongly contributing to the five-year realisation ratios predicting continued growth in investment in the next couple of financial years. This example of the Mining Industry shows the impact of a 2-3 year period of extreme growth, or decline, in realisation ratios on five-year averaged estimates. This again reflects on the underlying issue that using potentially unrelated and misleading historical data, which may provide little or no insight into future plans, will not provide reliable results in times of economic change.

REALISATION RATIO INDUSTRY COMPARISON - ESTIMATE 1, Building



An examination of these two end points in an economic cycle would certainly seem to reveal the inherent problem with five year average realisation ratios. That is during periods of significant economic change, they are unreliable and often provide results which are significantly wrong.

Furthermore this problem is cyclical in that it is prevalent at both the start and finish of an economic cycle. A five-year average is sufficient, and even reliable during periods of moderate growth in investment. However, when under going rapid change in investment they are actually misleading.

CONCLUSION

In summary, an average of the previous 5 years' pattern of capital expenditure realisation of expected expenditure is not considered a sound approach to projecting future capital expenditure when the economy has experienced a significant shift in the economic cycle, with a specific emphasis in an event such as a turning point.

It is considered a better approach to provide the user community with a full history of available capital expenditure realisation ratios and for users to determine which realisation ratios or multiple term average realisation ratio may be suitable for projection of future actual capital expenditure, in a given economic context.

This step has been taken with the inclusion from July 2009 of two additional tables on the ABS web site which feature time series of these statistics back to the first available data. These tables are titled:

- TABLE 12A. Financial Year Estimates Combining Actual and Expected Expenditure by Type of Asset and Industry - Current Prices
- TABLE 12B. Realisation Ratios Comparing Actual to Expected Expenditure by Type of Asset and Industry - Current Prices

NOTES

Data for all realisation ratios and seven estimates is in Current Prices, Original.

ACTUAL AND EXPECTED EXPENDITURE, By type of asset and industry—Current prices

Period	BUILDINGS AND STRUCTURES				EQUIPMENT, PLANT AND MACHINERY				TOTAL			
	Mining	Manu- facturing	Other selected industries	Total	Mining	Manu- facturing	Other selected industries	Total	Mining	Manu- facturing	Other selected industries	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)												
2007-08	20 689	3 768	19 770	44 227	8 511	8 573	35 461	52 545	29 200	12 341	55 231	96 772
2008-09	28 090	4 333	23 096	55 519	9 888	8 348	39 366	57 602	37 978	12 681	62 462	113 121
2007-08												
June	5 978	983	5 262	12 223	2 801	2 273	10 249	15 322	8 779	3 256	15 510	27 545
2008-09												
September	6 331	961	5 101	12 393	2 241	1 975	9 173	13 390	8 572	2 936	14 274	25 783
December	8 121	1 264	6 770	16 156	2 921	2 347	10 476	15 745	11 042	3 612	17 246	31 900
March	6 807	1 035	4 786	12 627	2 284	1 820	8 370	12 473	9 090	2 855	13 155	25 100
June	6 831	1 073	6 439	14 343	2 442	2 206	11 347	15 995	9 273	3 279	17 786	30 338
2009-10												
September	6 381	944	4 877	12 202	2 002	1 564	9 271	12 836	8 382	2 507	14 148	25 038
ORIGINAL (Expected) (a)												
2009-10												
3 mths to Dec	7 627	1 346	5 754	14 728	2 142	2 129	10 434	14 705	9 769	3 475	16 188	29 433
6 mths to Jun	14 868	2 619	10 645	28 132	5 085	3 429	13 894	22 408	19 952	6 048	24 539	50 539
Total fin year	28 876	4 908	21 277	55 061	9 228	7 122	33 599	49 949	38 104	12 030	54 876	105 010
SEASONALLY ADJUSTED (Actual)												
2007-08												
June	5 752	987	4 807	11 546	2 574	2 135	9 226	13 936	8 327	3 123	14 033	25 482
2008-09												
September	6 748	989	5 347	13 084	2 446	2 142	9 636	14 224	9 193	3 132	14 984	27 309
December	7 427	1 169	6 163	14 759	2 625	2 149	9 838	14 613	10 053	3 318	16 001	29 371
March	7 318	1 084	5 514	13 916	2 583	1 976	9 641	14 200	9 901	3 060	15 155	28 116
June	6 580	1 081	5 988	13 648	2 238	2 070	10 162	14 470	8 818	3 150	16 149	28 118
2009-10												
September	6 803	976	5 150	12 929	2 201	1 707	9 770	13 678	9 005	2 683	14 920	26 607
TREND (Actual)												
2007-08												
June	5 906	1 006	5 062	11 975	2 416	2 138	9 162	13 716	8 322	3 144	14 231	25 697
2008-09												
September	6 711	1 050	(b)5 472	(b)13 233	2 573	2 132	9 532	14 237	9 285	3 181	(b)15 003	(b)27 469
December	7 214	1 095	5 761	14 071	2 587	2 120	9 783	14 490	9 802	3 215	15 492	28 509
March	7 168	1 103	5 830	14 101	2 487	2 049	9 857	14 393	9 655	3 152	15 561	28 368
June	6 906	1 062	5 654	13 622	2 344	1 941	9 902	14 188	9 250	3 003	15 353	27 605
2009-10												
September	6 655	999	5 396	13 050	2 172	1 823	9 915	13 896	8 827	2 822	15 100	26 749

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation. See paragraphs 26 to 29 of the Explanatory Notes.

(b) Break in series between this quarter and preceding quarter

ACTUAL AND EXPECTED EXPENDITURE, By detailed industry—Current prices

Period	Mining	Manufacturing	Electricity, Gas, Water and Waste Services	Construction	Wholesale Trade	Retail Trade	Transport, Postal and Warehousing
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)							
2007-08	29 200	12 341	3 824	4 080	3 397	4 523	8 725
2008-09	37 978	12 681	5 557	4 095	3 878	5 082	13 050
2007-08							
June	8 779	3 256	1 026	1 195	943	1 319	2 760
2008-09							
September	8 572	2 936	967	715	910	1 105	2 725
December	11 042	3 612	1 662	872	1 098	1 510	3 803
March	9 090	2 855	1 218	^ 1 116	^ 825	^ 965	2 949
June	9 273	3 279	1 710	^ 1 393	^ 1 046	1 502	^ 3 572
2009-10							
September	8 382	2 507	1 244	^ 1 056	^ 768	1 183	3 071
ORIGINAL (Expected) (a)							
2009-10							
3 mths to Dec	9 769	3 475	1 476	988	926	1 200	4 432
6 mths to Jun	19 952	6 048	2 366	1 684	1 280	1 979	4 534
Total fin year	38 104	12 030	5 086	3 728	2 974	4 362	12 037
SEASONALLY ADJUSTED (Actual)							
2007-08							
June	8 327	3 123	976	1 007	872	1 237	2 441
2008-09							
September	9 193	3 132	1 061	802	948	1 154	2 882
December	10 053	3 318	1 443	888	981	1 332	3 545
March	9 901	3 060	1 409	1 200	987	1 115	3 415
June	8 818	3 150	1 591	1 164	962	1 443	3 218
2009-10							
September	9 005	2 683	1 373	1 178	798	1 235	3 240
TREND (Actual)							
2007-08							
June	8 322	3 144	1 052	910	882	1 136	2 447
2008-09							
September	9 285	3 181	1 151	881	935	1 169	(b) 3 047
December	9 802	3 215	1 325	958	985	1 224	3 321
March	9 655	3 152	1 462	1 082	977	1 272	3 394
June	9 250	3 003	1 492	1 179	925	1 295	3 320
2009-10							
September	8 827	2 822	1 458	1 206	856	1 299	3 217

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation. See paragraphs 26 to 29 of the Explanatory Notes.

(b) Break in series between this quarter and preceding quarter

ACTUAL AND EXPECTED EXPENDITURE, By detailed industry—Current prices *continued*

<i>Period</i>	<i>Information Media and Telecommunications</i>	<i>Financial and Insurance Services</i>	<i>Rental, Hiring and Real Estate Services</i>	<i>Professional, Scientific and Technical Services</i>	<i>Other Selected Services</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)						
2007-08	6 320	3 257	11 536	3 377	6 192	96 772
2008-09	6 331	3 465	11 000	3 384	6 618	113 121
2007-08						
June	2 026	891	3 139	889	1 323	27 545
2008-09						
September	1 583	936	3 271	706	1 357	25 783
December	1 518	994	3 208	1 016	1 565	31 900
March	1 447	759	^ 2 054	572	1 250	25 100
June	1 784	776	^ 2 467	1 090	^ 2 446	30 338
2009-10						
September	1 275	612	^ 2 427	^ 850	^ 1 662	25 038
ORIGINAL (Expected) (a)						
2009-10						
3 mths to Dec	1 408	881	2 268	855	1 754	29 433
6 mths to Jun	2 921	1 363	4 862	1 140	2 409	50 539
Total fin year	5 604	2 857	9 557	2 845	5 825	105 010
SEASONALLY ADJUSTED (Actual)						
2007-08						
June	1 779	849	2 887	737	1 248	25 482
2008-09						
September	1 729	976	3 270	814	1 349	27 309
December	1 565	909	2 945	959	1 434	29 371
March	1 487	887	2 518	667	1 471	28 116
June	1 561	716	2 287	895	2 312	28 118
2009-10						
September	1 414	643	2 401	974	1 665	26 607
TREND (Actual)						
2007-08						
June	1 707	856	3 039	848	1 354	25 697
2008-09						
September	1 692	924	3 060	825	1 319	(b)27 469
December	1 613	933	2 911	813	1 411	28 509
March	1 531	849	2 610	827	1 557	28 368
June	1 490	745	2 381	859	1 669	27 605
2009-10						
September	1 462	664	2 279	916	1 743	26 749

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation. See paragraphs 26 to 29 of the Explanatory Notes.

(b) Break in series between this quarter and preceding quarter

ACTUAL EXPENDITURE, By type of asset and industry—Chain volume measures(a)

Period	ASSET			INDUSTRY			Total
	Buildings and Structures	Equipment, Plant and Machinery	Total	Mining	Manufacturing	Other Selected Industries	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL							
2005-06	35 939	45 426	81 652	21 481	14 032	45 950	81 652
2006-07	40 190	46 895	87 038	24 511	11 940	50 491	87 038
2007-08	44 227	52 545	96 772	29 200	12 341	55 231	96 772
2008-09	54 542	55 538	110 080	36 692	12 154	61 234	110 080
2007-08							
September	9 977	11 808	21 788	6 255	2 819	12 695	21 788
December	12 162	13 754	25 888	7 602	3 352	14 924	25 888
March	10 191	11 371	21 524	6 686	2 901	11 950	21 524
June	11 897	15 612	27 571	8 657	3 268	15 661	27 571
2008-09							
September	11 804	13 563	25 367	8 241	2 896	14 230	25 367
December	15 641	15 245	30 886	10 592	3 466	16 828	30 886
March	12 465	11 656	24 121	8 748	2 684	12 689	24 121
June	14 632	15 074	29 706	9 111	3 108	17 487	29 706
2009-10							
September	12 500	12 450	24 950	8 323	2 422	14 205	24 950
SEASONALLY ADJUSTED							
2007-08							
September	10 465	12 529	22 998	6 696	3 000	13 285	22 998
December	11 170	12 825	23 969	6 936	3 088	13 936	23 969
March	11 332	12 941	24 227	7 341	3 116	13 788	24 227
June	11 259	14 250	25 578	8 227	3 137	14 222	25 578
2008-09							
September	12 481	14 428	26 909	8 850	3 092	14 967	26 909
December	14 328	14 167	28 495	9 648	3 187	15 659	28 495
March	13 772	13 281	27 054	9 519	2 879	14 655	27 054
June	13 961	13 662	27 623	8 675	2 995	15 952	27 623
2009-10							
September	13 287	13 265	26 552	8 933	2 593	15 026	26 552
TREND							
2007-08							
September	10 983	12 499	23 472	6 767	2 946	13 741	23 472
December	10 995	12 764	23 797	6 979	3 061	13 756	23 797
March	11 105	13 324	24 478	7 429	3 123	13 933	24 478
June	11 639	13 987	25 645	8 171	3 141	14 341	25 645
2008-09							
September	12 731	14 284	27 005	8 975	3 128	14 906	27 005
December	13 657	14 084	27 726	9 413	3 094	15 218	27 726
March	13 982	13 676	27 659	9 327	2 997	15 335	27 659
June	13 810	13 434	27 243	9 050	2 855	15 338	27 243
2009-10							
September	13 453	13 283	26 717	8 743	2 695	15 293	26 717

(a) Reference year for chain volume measures is 2007-08.

ACTUAL EXPENDITURE, By type of asset and industry—Percentage change, Chain volume measures(a)

Period	ASSET			INDUSTRY			
	Buildings and Structures	Equipment, Plant and Machinery	Total	Mining	Manufacturing	Other Selected Industries	Total
	%	%	%	%	%	%	%
ORIGINAL							
2005-06	40.6	16.6	24.5	74.0	18.8	13.3	24.5
2006-07	11.8	3.2	6.6	14.1	-14.9	9.9	6.6
2007-08	10.0	12.0	11.2	19.1	3.4	9.4	11.2
2008-09	23.3	5.7	13.8	25.7	-1.5	10.9	13.8
2007-08							
September	-16.9	-11.3	-13.7	-12.2	-2.1	-16.5	-13.7
December	21.9	16.5	18.8	21.5	18.9	17.6	18.8
March	-16.2	-17.3	-16.9	-12.0	-13.5	-19.9	-16.9
June	16.7	37.3	28.1	29.5	12.6	31.1	28.1
2008-09							
September	-0.8	-13.1	-8.0	-4.8	-11.4	-9.1	-8.0
December	32.5	12.4	21.8	28.5	19.7	18.3	21.8
March	-20.3	-23.5	-21.9	-17.4	-22.6	-24.6	-21.9
June	17.4	29.3	23.2	4.2	15.8	37.8	23.2
2009-10							
September	-14.6	-17.4	-16.0	-8.7	-22.1	-18.8	-16.0
SEASONALLY ADJUSTED							
2007-08							
September	-7.8	2.5	-2.2	-1.6	8.9	-4.6	-2.2
December	6.7	2.4	4.2	3.6	3.0	4.9	4.2
March	1.4	0.9	1.1	5.8	0.9	-1.1	1.1
June	-0.6	10.1	5.6	12.1	0.7	3.1	5.6
2008-09							
September	10.9	1.2	5.2	7.6	-1.4	5.2	5.2
December	14.8	-1.8	5.9	9.0	3.1	4.6	5.9
March	-3.9	-6.3	-5.1	-1.3	-9.7	-6.4	-5.1
June	1.4	2.9	2.1	-8.9	4.0	8.9	2.1
2009-10							
September	-4.8	-2.9	-3.9	3.0	-13.4	-5.8	-3.9
TREND							
2007-08							
September	1.3	1.7	1.7	2.3	2.2	1.3	1.7
December	0.1	2.1	1.4	3.1	3.9	0.1	1.4
March	1.0	4.4	2.9	6.5	2.0	1.3	2.9
June	4.8	5.0	4.8	10.0	0.6	2.9	4.8
2008-09							
September	9.4	2.1	5.3	9.8	-0.4	3.9	5.3
December	7.3	-1.4	2.7	4.9	-1.1	2.1	2.7
March	2.4	-2.9	-0.2	-0.9	-3.1	0.8	-0.2
June	-1.2	-1.8	-1.5	-3.0	-4.7	—	-1.5
2009-10							
September	-2.6	-1.1	-1.9	-3.4	-5.6	-0.3	-1.9

— nil or rounded to zero (including null cells)

(a) Reference year for chain volume measures is 2007-08.

EXPECTED EXPENDITURE AND REALISATION RATIOS, By type of asset—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>
BUILDINGS AND STRUCTURES (\$ million)							
2004-05	17 336	19 487	21 951	23 696	23 182	22 883	21 264
2005-06	19 588	21 433	26 261	28 717	30 070	31 206	31 545
2006-07	25 416	28 138	33 805	36 955	38 782	39 970	37 781
2007-08	37 911	42 288	48 536	49 251	47 919	47 034	44 227
2008-09	47 008	51 908	60 727	61 024	59 154	55 659	55 519
2009-10	47 758	47 893	53 611	55 061	nya	nya	nya
BUILDINGS AND STRUCTURES (Realisation Ratio)(a)							
2004-05	1.23	1.09	0.97	0.90	0.92	0.93	1.00
2005-06	1.61	1.47	1.20	1.10	1.05	1.01	1.00
2006-07	1.49	1.34	1.12	1.02	0.97	0.95	1.00
2007-08	1.17	1.05	0.91	0.90	0.92	0.94	1.00
2008-09	1.18	1.07	0.91	0.91	0.94	1.00	1.00
EQUIPMENT, PLANT AND MACHINERY (\$ million)							
2004-05	30 027	31 625	33 226	37 144	39 076	41 894	43 105
2005-06	31 231	33 526	37 517	42 149	45 229	47 950	49 067
2006-07	34 805	37 056	38 293	42 679	44 308	48 134	49 695
2007-08	34 175	37 674	41 931	46 243	48 146	51 657	52 545
2008-09	43 010	46 267	50 713	52 791	51 078	55 779	57 602
2009-10	40 214	41 000	45 586	49 949	nya	nya	nya
EQUIPMENT, PLANT AND MACHINERY (Realisation Ratio)(a)							
2004-05	1.44	1.36	1.30	1.16	1.10	1.03	1.00
2005-06	1.57	1.46	1.31	1.16	1.08	1.02	1.00
2006-07	1.43	1.34	1.30	1.16	1.12	1.03	1.00
2007-08	1.54	1.39	1.25	1.14	1.09	1.02	1.00
2008-09	1.34	1.24	1.14	1.09	1.13	1.03	1.00
TOTAL (\$ million)							
2004-05	47 363	51 112	55 176	60 840	62 258	64 776	64 369
2005-06	50 819	54 958	63 777	70 866	75 299	79 157	80 612
2006-07	60 221	65 194	72 098	79 634	83 090	88 104	87 475
2007-08	72 087	79 962	90 468	95 494	96 064	98 692	96 772
2008-09	90 018	98 175	111 440	113 815	110 232	111 439	113 121
2009-10	87 972	88 893	99 197	105 010	nya	nya	nya
TOTAL (Realisation Ratio)(a)							
2004-05	1.36	1.26	1.17	1.06	1.03	0.99	1.00
2005-06	1.59	1.47	1.26	1.14	1.07	1.02	1.00
2006-07	1.45	1.34	1.21	1.10	1.05	0.99	1.00
2007-08	1.34	1.21	1.07	1.01	1.01	0.98	1.00
2008-09	1.26	1.15	1.02	0.99	1.03	1.02	1.00
TOTAL (percentage change over corresponding estimate for previous financial year)							
2005-06	7.3	7.5	15.6	16.5	20.9	22.2	25.2
2006-07	18.5	18.6	13.0	12.4	10.3	11.3	8.5
2007-08	19.7	22.7	25.5	19.9	15.6	12.0	10.6
2008-09	24.9	22.8	23.2	19.2	14.7	12.9	16.9
2009-10	-2.3	-9.5	-11.0	-7.7	nya	nya	nya

nya not yet available

(a) Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. See paragraphs 26 to 29 of the Explanatory Notes.

EXPECTED EXPENDITURE AND REALISATION RATIOS, By industry—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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MINING (\$ million)

2004-05	10 513	11 284	11 627	12 246	11 533	11 520	10 842
2005-06	10 105	11 168	13 241	15 210	16 848	18 749	19 659
2006-07	15 769	17 635	18 974	21 799	25 477	24 796	23 621
2007-08	27 638	27 924	29 912	30 697	31 842	31 019	29 200
2008-09	31 717	35 355	43 752	44 901	41 691	38 677	37 978
2009-10	35 529	34 811	36 940	38 104	nya	nya	nya

MINING (Realisation Ratio)

2004-05	1.03	0.96	0.93	0.89	0.94	0.94	1.00
2005-06	1.95	1.76	1.48	1.29	1.17	1.05	1.00
2006-07	1.50	1.34	1.24	1.08	0.93	0.95	1.00
2007-08	1.06	1.05	0.98	0.95	0.92	0.94	1.00
2008-09	1.20	1.07	0.87	0.85	0.91	0.98	1.00

MANUFACTURING (\$ million)

2004-05	9 844	10 784	11 629	12 458	12 006	11 883	11 676
2005-06	10 968	12 506	13 410	14 293	14 358	14 381	14 032
2006-07	11 493	11 055	11 917	12 398	12 027	12 654	12 106
2007-08	9 359	10 230	11 055	12 006	12 212	12 539	12 341
2008-09	10 959	11 619	13 224	13 383	11 998	12 356	12 681
2009-10	11 450	10 342	11 306	12 030	nya	nya	nya

MANUFACTURING (Realisation Ratio)

2004-05	1.19	1.08	1.00	0.94	0.97	0.98	1.00
2005-06	1.28	1.12	1.05	0.98	0.98	0.98	1.00
2006-07	1.05	1.10	1.02	0.98	1.01	0.96	1.00
2007-08	1.32	1.21	1.12	1.03	1.01	0.98	1.00
2008-09	1.16	1.09	0.96	0.95	1.06	1.03	1.00

OTHER SELECTED INDUSTRIES (\$ million)

2004-05	27 006	29 043	31 921	36 136	38 718	41 374	41 851
2005-06	29 745	31 285	37 126	41 363	44 094	46 027	46 920
2006-07	32 960	36 505	41 207	45 436	45 586	50 654	51 748
2007-08	35 090	41 808	49 501	52 791	52 010	55 133	55 231
2008-09	47 343	51 201	54 465	55 531	56 543	60 405	62 462
2009-10	40 993	43 740	50 951	54 876	nya	nya	nya

OTHER SELECTED INDUSTRIES (Realisation Ratio)

2004-05	1.55	1.44	1.31	1.16	1.08	1.01	1.00
2005-06	1.58	1.50	1.26	1.13	1.06	1.02	1.00
2006-07	1.57	1.42	1.26	1.14	1.14	1.02	1.00
2007-08	1.57	1.32	1.12	1.05	1.06	1.00	1.00
2008-09	1.32	1.22	1.15	1.12	1.10	1.03	1.00

nya not yet available

RATIOS OF ACTUAL TO SHORT TERM EXPECTATIONS (a), By type of asset and industry—Current prices

<i>Financial Year</i>	3 MONTHS ENDING		6 MONTHS ENDING	
	<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>
TYPE OF ASSET				
Buildings and Structures				
2004-05	0.83	0.79	0.93	0.85
2005-06	0.98	1.04	1.06	1.10
2006-07	0.89	0.84	1.02	0.95
2007-08	0.87	0.81	0.86	0.86
2008-09	0.97	0.99	1.00	0.88
Equipment, Plant and Machinery				
2004-05	1.14	1.11	1.25	1.23
2005-06	1.11	1.10	1.29	1.19
2006-07	1.09	1.13	1.22	1.27
2007-08	1.11	1.06	1.23	1.20
2008-09	1.05	1.13	1.09	1.30
Total				
2004-05	1.02	0.98	1.12	1.07
2005-06	1.06	1.07	1.19	1.15
2006-07	1.00	0.98	1.13	1.11
2007-08	0.98	0.93	1.03	1.01
2008-09	1.01	1.06	1.04	1.05
TYPE OF INDUSTRY				
Mining				
2004-05	0.80	0.83	0.91	0.89
2005-06	1.11	1.18	1.23	1.34
2006-07	1.04	0.86	1.10	0.87
2007-08	0.92	0.83	0.89	0.85
2008-09	0.90	0.93	0.95	0.83
Manufacturing				
2004-05	0.84	0.94	0.98	0.95
2005-06	0.97	0.91	1.07	0.95
2006-07	1.01	0.84	1.06	1.01
2007-08	0.97	0.94	1.14	1.02
2008-09	0.98	1.11	1.04	1.13
Other selected industries				
2004-05	1.16	1.04	1.24	1.18
2005-06	1.06	1.08	1.22	1.14
2006-07	0.97	1.08	1.16	1.29
2007-08	1.02	1.01	1.09	1.13
2008-09	1.10	1.13	1.11	1.24
Total				
2004-05	1.02	0.98	1.12	1.07
2005-06	1.06	1.07	1.19	1.15
2006-07	1.00	0.98	1.13	1.11
2007-08	0.98	0.93	1.03	1.01
2008-09	1.01	1.06	1.04	1.05

(a) For more information on Realisation Ratios see paragraphs 26 to 29 of the Explanatory Notes.

ACTUAL EXPENDITURE ON BUILDINGS AND STRUCTURES, By state—Current prices

<i>Period</i>	<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2005-06	6 008	4 800	5 636	1 502	10 638	293	2 438	233	31 545
2006-07	6 028	6 090	6 560	2 123	13 995	306	2 461	217	37 781
2007-08	7 519	7 065	8 186	2 666	16 516	377	1 726	171	44 227
2008-09	8 426	7 793	11 962	2 543	23 083	233	1 271	208	55 519
2007-08									
September	1 544	1 651	1 656	559	3 612	79	566	61	9 727
December	2 072	1 964	2 164	704	4 422	94	560	35	12 014
March	1 634	1 625	1 864	708	4 064	90	234	44	10 264
June	2 269	1 825	2 503	696	4 417	114	367	32	12 223
2008-09									
September	1 796	1 601	2 773	643	5 147	72	331	31	12 393
December	2 478	2 155	3 708	676	6 682	65	345	47	16 156
March	1 825	1 768	2 887	562	5 051	36	^ 424	75	12 627
June	2 327	2 268	2 595	663	6 203	60	^ 171	^ 56	14 343
2009-10									
September	1 798	1 844	3 012	550	4 785	37	132	44	12 202
SEASONALLY ADJUSTED									
2007-08									
September	1 691	1 726	1 723	608	3 892	np	np	np	10 183
December	1 851	1 791	1 904	646	4 036	np	np	np	11 015
March	1 937	1 829	2 135	850	4 445	np	np	np	11 393
June	2 002	1 707	2 433	603	4 138	np	np	np	11 546
2008-09									
September	2 003	1 708	2 876	695	5 623	np	np	np	13 084
December	2 202	1 948	3 272	621	6 045	np	np	np	14 759
March	2 161	1 998	3 302	672	5 534	np	np	np	13 916
June	2 045	2 107	2 525	577	5 808	np	np	np	13 648
2009-10									
September	2 027	1 987	3 122	592	5 256	np	np	np	12 929
TREND									
2007-08									
September	1 815	1 780	1 817	627	3 956	90	546	55	10 659
December	1 833	1 791	1 913	631	4 035	91	551	46	10 855
March	1 908	1 765	2 120	635	4 213	97	(a) 276	36	11 194
June	1 995	1 744	2 485	640	4 703	97	315	32	11 975
2008-09									
September	2 073	1 774	2 921	652	5 319	81	362	37	(a) 13 233
December	2 136	1 892	3 147	655	5 785	61	373	50	14 071
March	2 135	2 005	3 089	634	5 815	50	320	60	14 101
June	2 086	2 050	2 953	606	5 595	46	235	59	13 622
2009-10									
September	2 018	2 045	2 861	589	5 420	43	139	51	13 050

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Break in series between this quarter and preceding quarter

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Total
Period	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2005-06	14 194	12 737	10 098	3 175	6 856	933	546	527	49 067
2006-07	13 297	12 882	11 576	2 995	7 281	606	585	473	49 695
2007-08	14 657	12 355	12 264	2 494	8 607	797	996	376	52 545
2008-09	15 238	13 421	13 574	2 825	9 906	1 084	989	564	57 602
2007-08									
September	3 370	3 043	2 824	565	1 846	127	240	91	12 105
December	3 957	3 315	3 129	691	2 123	235	268	97	13 814
March	3 042	2 607	2 766	528	1 933	149	188	89	11 304
June	4 287	3 390	3 545	710	2 706	286	300	99	15 322
2008-09									
September	3 660	2 985	2 993	760	2 268	215	374	136	13 390
December	4 041	3 779	3 957	683	2 522	344	287	132	15 745
March	3 423	2 853	2 898	632	2 146	^ 241	^ 172	^ 109	12 473
June	4 115	3 804	3 726	751	^ 2 970	^ 284	^ 157	*188	15 995
2009-10									
September	3 559	2 952	2 660	773	^ 2 347	^ 174	^ 181	*191	12 836
SEASONALLY ADJUSTED									
2007-08									
September	3 525	3 187	3 054	615	1 965	np	np	np	12 801
December	3 692	3 013	2 978	598	2 024	np	np	np	12 830
March	3 445	2 855	3 082	608	2 173	np	np	np	12 811
June	3 928	3 279	3 110	676	2 394	np	np	np	13 936
2008-09									
September	3 841	3 141	3 297	815	2 424	np	np	np	14 224
December	3 766	3 421	3 720	595	2 422	np	np	np	14 613
March	3 885	3 131	3 180	725	2 417	np	np	np	14 200
June	3 760	3 676	3 318	719	2 613	np	np	np	14 470
2009-10									
September	3 742	3 114	2 969	820	2 505	np	np	np	13 678
TREND									
2007-08									
September	3 548	3 065	3 039	635	1 999	160	236	101	12 755
December	3 602	3 000	3 022	596	2 055	178	245	93	12 790
March	3 661	3 021	3 036	632	2 190	202	258	95	13 129
June	3 763	3 121	3 184	688	2 342	234	290	107	13 716
2008-09									
September	3 837	3 223	3 364	710	2 412	267	307	118	14 237
December	3 852	3 312	3 459	696	2 440	286	280	128	14 490
March	3 810	3 355	3 379	696	2 474	273	220	142	14 393
June	3 788	3 366	3 205	737	2 522	248	171	161	14 188
2009-10									
September	3 756	3 311	3 034	799	2 553	225	146	184	13 896

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* estimate has a relative standard error of 25% to 50% and should be used with caution

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<i>Period</i>	<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2005-06	20 202	17 537	15 734	4 677	17 494	1 226	2 984	760	80 612
2006-07	19 325	18 972	18 136	5 118	21 276	912	3 046	690	87 475
2007-08	22 175	19 420	20 450	5 160	25 123	1 173	2 722	547	96 772
2008-09	23 664	21 214	25 536	5 368	32 989	1 318	2 260	772	113 121
2007-08									
September	4 914	4 694	4 480	1 124	5 458	205	806	152	21 832
December	6 029	5 279	5 292	1 395	6 545	328	827	132	25 828
March	4 676	4 232	4 630	1 236	5 998	240	422	134	21 568
June	6 556	5 215	6 048	1 406	7 123	400	667	130	27 545
2008-09									
September	5 456	4 586	5 765	1 403	7 414	287	705	166	25 783
December	6 518	5 934	7 665	1 359	9 204	409	632	179	31 900
March	5 248	4 621	5 785	1 193	7 197	^ 277	^ 596	183	25 100
June	6 442	6 072	6 320	1 414	9 173	^ 345	^ 327	*244	30 338
2009-10									
September	5 357	4 796	5 672	1 323	7 132	211	313	*235	25 038
SEASONALLY ADJUSTED									
2007-08									
September	5 216	4 914	4 777	1 223	5 857	227	786	152	22 984
December	5 543	4 804	4 882	1 244	6 060	300	823	131	23 845
March	5 382	4 684	5 218	1 458	6 619	258	466	147	24 204
June	5 930	4 986	5 543	1 279	6 531	369	649	120	25 482
2008-09									
September	5 843	4 850	6 173	1 510	8 046	326	675	166	27 309
December	5 968	5 369	6 992	1 217	8 467	366	627	178	29 371
March	6 046	5 129	6 482	1 397	7 951	308	626	200	28 116
June	5 805	5 783	5 843	1 297	8 421	311	322	224	28 118
2009-10									
September	5 768	5 101	6 091	1 412	7 761	246	296	233	26 607
TREND									
2007-08									
September	5 363	4 845	4 856	1 262	5 956	251	782	155	23 438
December	5 435	4 791	4 935	1 227	6 090	269	796	139	23 704
March	5 569	4 786	5 156	1 266	6 403	299	(a)534	132	24 376
June	5 758	4 865	5 668	1 328	7 044	332	605	139	25 697
2008-09									
September	5 910	4 997	6 285	1 362	7 730	348	669	155	(a)27 469
December	5 989	5 204	6 606	1 351	8 226	348	653	179	28 509
March	5 945	5 360	6 468	1 330	8 290	323	540	202	28 368
June	5 874	5 416	6 158	1 343	8 116	294	406	219	27 605
2009-10									
September	5 774	5 356	5 895	1 388	7 973	268	285	235	26 749

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) Break in series between this quarter and preceding quarter

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2005-06	6 863	5 465	6 427	1 714	12 121	331	2 746	264	35 939
2006-07	6 419	6 473	6 988	2 259	14 888	322	2 603	229	40 190
2007-08	7 519	7 065	8 186	2 666	16 516	377	1 726	171	44 227
2008-09	8 284	7 670	11 725	2 497	22 682	236	1 243	205	54 542
2007-08									
September	1 586	1 692	1 700	573	3 703	84	576	62	9 977
December	2 101	1 987	2 194	712	4 477	94	563	35	12 162
March	1 623	1 612	1 854	703	4 036	89	231	44	10 191
June	2 209	1 775	2 439	677	4 300	110	356	31	11 897
2008-09									
September	1 710	1 523	2 640	612	4 899	76	315	29	11 804
December	2 399	2 086	3 590	654	6 469	63	335	45	15 641
March	1 802	1 746	2 849	554	4 986	36	418	74	12 465
June	2 374	2 315	2 646	676	6 328	62	174	57	14 632
2009-10									
September	1 842	1 889	3 084	563	4 902	38	136	45	12 500
SEASONALLY ADJUSTED									
2007-08									
September	1 740	1 769	1 766	617	3 989	np	np	np	10 465
December	1 884	1 813	1 929	643	4 084	np	np	np	11 170
March	1 935	1 818	2 122	829	4 413	np	np	np	11 332
June	1 960	1 665	2 369	578	4 031	np	np	np	11 259
2008-09									
September	1 914	1 632	2 736	653	5 365	np	np	np	12 481
December	2 139	1 894	3 164	597	5 874	np	np	np	14 328
March	2 139	1 983	3 254	660	5 488	np	np	np	13 772
June	2 091	2 162	2 571	587	5 955	np	np	np	13 961
2009-10									
September	2 081	2 047	3 193	604	5 412	np	np	np	13 287
TREND									
2007-08									
September	1 873	1 829	1 868	638	4 064	94	561	56	10 983
December	1 862	1 811	1 936	628	4 079	91	554	46	10 995
March	1 901	1 752	2 099	617	4 173	96	(b)271	36	11 105
June	1 948	1 698	2 409	611	4 563	96	305	31	11 639
2008-09									
September	2 000	1 708	2 805	618	5 114	80	349	36	(b)12 731
December	2 075	1 841	3 043	628	5 621	61	364	49	13 657
March	2 118	1 996	3 047	624	5 779	50	317	59	13 982
June	2 114	2 085	2 978	610	5 687	47	238	59	13 810
2009-10									
September	2 081	2 114	2 944	602	5 590	45	140	52	13 453

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(a) Reference year for chain volume measures is 2007-08.

(b) Break in series between this quarter and preceding quarter

<i>Period</i>	<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2005-06	13 029	11 731	9 349	2 957	6 473	866	513	483	45 426
2006-07	12 484	12 109	10 918	2 832	6 963	572	558	444	46 895
2007-08	14 657	12 355	12 264	2 494	8 607	797	996	376	52 545
2008-09	14 808	13 040	13 054	2 720	9 379	1 038	952	547	55 538
2007-08									
September	3 277	2 964	2 757	551	1 811	124	234	89	11 808
December	3 931	3 304	3 111	687	2 123	232	267	96	13 754
March	3 066	2 622	2 787	531	1 937	150	189	90	11 371
June	4 382	3 464	3 609	724	2 736	291	306	101	15 612
2008-09									
September	3 726	3 036	3 031	768	2 272	217	374	139	13 563
December	3 935	3 688	3 828	658	2 405	332	272	128	15 245
March	3 228	2 702	2 689	587	1 965	222	160	102	11 656
June	3 919	3 614	3 505	707	2 737	267	146	179	15 074
2009-10									
September	3 491	2 913	2 557	744	2 214	168	175	188	12 450
SEASONALLY ADJUSTED									
2007-08									
September	3 449	3 106	2 991	601	1 943	np	np	np	12 529
December	3 690	3 008	2 973	595	2 040	np	np	np	12 825
March	3 489	2 879	3 120	611	2 191	np	np	np	12 941
June	4 029	3 362	3 179	687	2 434	np	np	np	14 250
2008-09									
September	3 914	3 207	3 351	819	2 435	np	np	np	14 428
December	3 665	3 351	3 611	568	2 314	np	np	np	14 167
March	3 657	2 977	2 960	666	2 218	np	np	np	13 281
June	3 572	3 506	3 132	668	2 413	np	np	np	13 662
2009-10									
September	3 661	3 085	2 863	778	2 367	np	np	np	13 265
TREND									
2007-08									
September	3 476	2 991	2 979	620	1 981	159	232	97	12 499
December	3 594	2 986	3 017	593	2 064	181	243	92	12 764
March	3 722	3 064	3 083	638	2 222	210	260	96	13 324
June	3 851	3 191	3 249	697	2 374	243	292	109	13 987
2008-09									
September	3 868	3 256	3 375	707	2 396	270	305	119	14 284
December	3 762	3 252	3 363	668	2 338	278	272	126	14 084
March	3 638	3 228	3 208	650	2 306	257	209	137	13 676
June	3 612	3 236	3 025	685	2 335	232	161	156	13 434
2009-10									
September	3 622	3 218	2 886	750	2 380	211	140	179	13 283

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(a) Reference year for chain volume measures is 2007-08.

ACTUAL TOTAL EXPENDITURE, By state—Chain volume measures(a)

<i>Period</i>	<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL									
2005-06	19 868	17 335	15 740	4 783	18 652	1 211	3 183	742	81 652
2006-07	18 902	18 617	17 928	5 135	21 795	891	3 099	671	87 038
2007-08	22 175	19 420	20 450	5 160	25 123	1 173	2 722	547	96 772
2008-09	23 092	20 710	24 779	5 217	32 061	1 275	2 195	752	110 080
2007-08									
September	4 866	4 653	4 466	1 125	5 514	206	807	149	21 788
December	6 025	5 285	5 296	1 402	6 591	327	827	132	25 888
March	4 687	4 228	4 642	1 227	5 959	237	423	134	21 524
June	6 598	5 255	6 046	1 407	7 059	403	665	132	27 571
2008-09									
September	5 435	4 559	5 671	1 380	7 170	294	689	168	25 367
December	6 334	5 774	7 418	1 312	8 874	394	607	173	30 886
March	5 030	4 448	5 538	1 142	6 952	258	579	175	24 121
June	6 293	5 929	6 151	1 383	9 065	329	320	236	29 706
2009-10									
September	5 333	4 803	5 641	1 307	7 117	206	310	233	24 950
SEASONALLY ADJUSTED									
2007-08									
September	5 191	4 873	4 766	1 219	5 932	230	787	148	22 998
December	5 569	4 816	4 892	1 240	6 115	305	822	131	23 969
March	5 423	4 691	5 240	1 435	6 589	261	465	147	24 227
June	5 992	5 040	5 552	1 267	6 487	378	648	122	25 578
2008-09									
September	5 836	4 846	6 082	1 474	7 813	337	663	168	26 909
December	5 803	5 246	6 779	1 164	8 193	354	606	173	28 495
March	5 790	4 954	6 219	1 323	7 706	287	611	192	27 054
June	5 663	5 665	5 699	1 255	8 349	296	316	218	27 623
2009-10									
September	5 735	5 125	6 072	1 381	7 769	240	295	232	26 552
TREND									
2007-08									
September	5 336	4 807	4 848	1 258	6 043	251	795	152	23 472
December	5 456	4 790	4 949	1 219	6 137	272	794	138	23 797
March	5 624	4 818	5 179	1 254	6 393	306	(b)533	133	24 478
June	5 802	4 894	5 656	1 308	6 946	340	600	140	25 645
2008-09									
September	5 871	4 971	6 182	1 326	7 525	351	657	155	(b)27 005
December	5 838	5 095	6 406	1 297	7 967	340	636	175	27 726
March	5 753	5 222	6 257	1 272	8 079	307	526	196	27 659
June	5 721	5 316	6 008	1 294	8 012	279	398	214	27 243
2009-10									
September	5 698	5 319	5 820	1 352	7 949	255	281	231	26 717

(a) Reference year for chain volume measures is 2007-08.

(b) Break in series between this quarter and preceding quarter

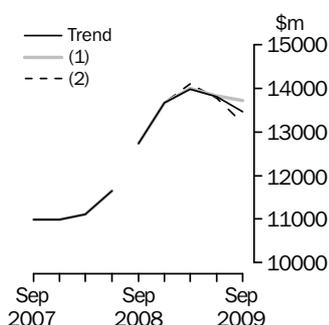
WHAT IF...? REVISIONS TO TREND ESTIMATES

EFFECT OF NEW SEASONALLY ADJUSTED ESTIMATES ON TREND ESTIMATES

TREND REVISIONS

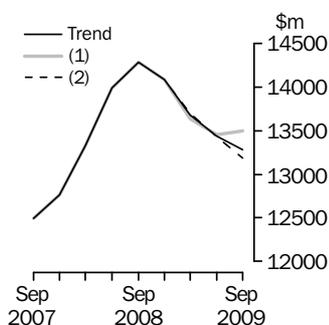
Recent seasonally adjusted and trend estimates are likely to be revised when original estimates for subsequent quarters become available. The approximate effects of possible scenarios on trend estimates for capital expenditure in chain volume terms are presented below by illustrating the impact if next quarter's seasonally adjusted estimate rises or falls by a specified percentage (based on the historical average of movements in seasonally adjusted estimates). For further information, see paragraphs 41 and 42 in the Explanatory Notes.

BUILDINGS AND STRUCTURES



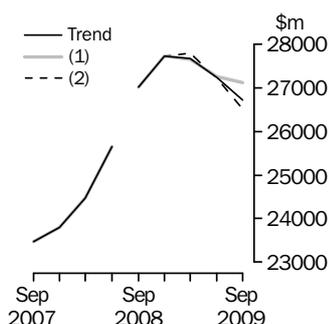
	Trend as published		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	%	(1) rises by 6.8% on this quarter		(2) falls by 6.8% on this quarter	
	\$m	%	\$m	%	\$m	%
2008						
December	13 657	7.3	13 657	7.3	13 657	7.3
2009						
March	13 982	2.4	13 996	2.5	14 102	3.3
June	13 810	-1.2	13 817	-1.3	13 776	-2.3
September	13 453	-2.6	13 722	-0.7	13 209	-4.1

EQUIPMENT, PLANT AND MACHINERY



	Trend as published		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	%	(1) rises by 4.1% on this quarter		(2) falls by 4.1% on this quarter	
	\$m	%	\$m	%	\$m	%
2008						
December	14 084	-1.4	14 084	-1.4	14 084	-1.4
2009						
March	13 676	-2.9	13 632	-3.2	13 696	-2.8
June	13 434	-1.8	13 451	-1.3	13 429	-1.9
September	13 283	-1.1	13 493	0.3	13 186	-1.8

TOTAL CAPITAL EXPENDITURE



	Trend as published		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	%	(1) rises by 4.0% on this quarter		(2) falls by 4.0% on this quarter	
	\$m	%	\$m	%	\$m	%
2008						
December	27 726	2.7	27 726	2.7	27 726	2.7
2009						
March	27 659	-0.2	27 655	-0.3	27 780	0.2
June	27 243	-1.5	27 258	-1.4	27 215	-2.0
September	26 717	-1.9	27 107	-0.6	26 506	-2.6

EXPLANATORY NOTES

INTRODUCTION

1 This publication contains estimates of actual and expected new capital expenditure by private businesses for selected industries in Australia. The series have been compiled from data collected by the Australian Bureau of Statistics (ABS) in its quarterly Survey of New Capital Expenditure.

SCOPE OF THE SURVEY

2 The Survey of New Capital Expenditure includes the following industries classified according to the Australian and New Zealand Standard Industrial Classification, ANZSIC, 2006:

Mining (Division B)

Manufacturing (Division C)

Other selected industries:

Electricity, Gas, Water and Waste Services (Division D)

Construction (Division E)

Wholesale Trade (Division F)

Retail Trade (Division G)

Transport, Postal and Warehousing (Division I)

Information Media and Telecommunications (Division J)

Finance and Insurance (Division K, excluding ANZSIC class 6330, Superannuation Funds)

Rental, Hiring and Real Estate Services (Division L)

Professional, Scientific and Technical Services (Division M)

Other selected services:

Accommodation and Food Services (Division H)

Administrative and Support Services (Division N)

Arts and Recreation Services (Division R)

Other Services (Division S)

3 The survey excludes the following industries:

Agriculture, Forestry and Fishing (Division A)

Public Administration and Safety (Division O)

Education and Training (Division P)

Health Care and Social Assistance (Division Q)

Superannuation Funds (Class 6330)

4 The scope excludes public sector business units (i.e. all departments, authorities and other organisations owned and controlled by Commonwealth, State and Local Government).

5 The Survey of New Capital Expenditure, like most ABS economic collections, takes its frame from Employing and Non-Employing Units on the ABS Business Register which is primarily based on ABN registrations to the Australian Business Register, which is managed by the Australian Taxation Office (ATO). The frame is updated quarterly to take account of new businesses and changes in the characteristics of businesses, such as industry and size.

6 Businesses which have ceased employing are identified when the Australian Taxation Office (ATO) cancels their Australian Business Number (ABN) registration. In addition, businesses which do not remit for Goods and Services Tax and/or Income Tax Withholding purposes for the previous five quarters, are removed from the frame.

7 As noted, the Survey frame includes Employing and Non-Employing Units on the ABS Business Register. However, micro non-employing businesses are excluded. These are very small units on the ABS Business Register, by standard measures of size. While there are a substantial number of these businesses, it is expected that they would not contribute significantly to the estimates, although the impact would vary from industry to industry.

EXPLANATORY NOTES *continued*

STATISTICAL UNIT

8 In the Survey of New Capital Expenditure, the statistical unit used to represent businesses, and for which statistics are reported, is the Australian Business Number (ABN) unit, in most cases. The ABN unit is the business unit which has registered for an ABN, and thus appears on the ATO administered Australian Business Register. This unit is suitable for ABS statistical needs when the business is simple in structure.

9 For more significant and diverse businesses where the ABN unit is not suitable for ABS statistical needs, the statistical unit used is the Type of Activity Unit (TAU). A TAU is comprised of one or more business entities, sub-entities or branches of a business entity within an Enterprise Group that can report production and employment data for similar economic activities. When a minimum set of data items is available, a TAU is created which covers all the operations within an industry subdivision (and the TAU is classified to the relevant subdivision of the Australian and New Zealand Standard Industrial Classification (ANZSIC)). Where a business cannot supply adequate data for each industry, a TAU is formed which contains activity in more than one industry subdivision and the TAU is classified to the predominant ANZSIC subdivision. Further details about the ABS economic statistical units used in this survey, and in other ABS economic surveys (both sample surveys and censuses), can be found in Chapter 2 of the Standard Economic Sector Classifications of Australia (SESCA) 2002 (cat. no. 1218.0).

SURVEY METHODOLOGY

10 The survey is conducted by mail on a quarterly basis. It is based on a random sample of approximately 8,000 units which is stratified by industry, state/territory and derived employment size. The figures obtained from the selected units are supplemented by data from units which have large capital expenditure and are outside the sample framework, or not adequately covered by it.

11 Respondents are asked to provide data on the same basis as their own management accounts. Where a selected unit does not respond in a given survey period, a value is estimated. If data are subsequently provided, the estimated value is replaced with reported data. Aggregates are calculated from all data using the 'number raised' estimation technique. Data are edited at both individual unit level and at aggregate level.

TIMING AND CONSTRUCTION OF SURVEY CYCLE

12 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. June quarter survey returns are completed during July and August).

13 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).

Period to which reported data relates

Survey Quarter	2007-2008				2008-2009				2009-2010			
	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
December 2007	Act	Act	E1		E2							
March 2008	Act	Act	Act	E1	E2							
June 2008	Act	Act	Act	Act	E1		E2					
September 2008					Act	E1	E2					
December 2008					Act	Act	E1		E2			
March 2009					Act	Act	Act	E1	E2			
June 2009					Act	Act	Act	Act	E1		E2	

EXPLANATORY NOTES *continued*

TIMING AND CONSTRUCTION OF SURVEY CYCLE *continued*

14 This survey cycle facilitates the formation of estimates of expenditure for financial years (12 months ending 30 June) which are presented in tables 5 and 6 of this publication. For example, as the previous table shows for 2008-2009:

- the first estimate was available from the December 2007 survey as a longer term expectation (E2)
- the second estimate was available from the March 2008 survey (again as a longer term expectation)
- the third estimate was available from the June 2008 survey as the sum of two expectations (E1 + E2)
- in the September 2008, December 2008 and March 2009 surveys the fourth, fifth and sixth estimates, respectively, are derived from the sum of actual expenditure (for that part of the year completed) and expected expenditure (for the remainder of the year) as recorded in the current quarter's survey
- the final (or seventh) estimate from the June quarter 2009 survey is derived from the sum of the actual expenditure for each of the four quarters in the 2008-09 financial year.

15 Businesses are requested to provide actual expenditure data by state/territory each quarter. Prior to 2002, businesses were also asked to provide expected expenditure data by state/territory each December quarter. Since 2002 state/territory expectations data have been directly collected each December quarter only from selected businesses contributing significantly to data for a particular state or territory. Expectations data for the remaining businesses which operate in more than one state or territory are pro-rated to states/territories based on actual expenditure for the December quarter in each state or territory. Expectations data for businesses operating within a single state/territory are allocated to that state/territory.

16 These expectations data by state/territory are not included in this publication but are released on the ABS Website.

SAMPLE REVISION

17 The survey frames and samples are revised each quarter to ensure that they remain representative of the survey population. The timing for creating each quarter's survey frame is consistent with that of other ABS business surveys. This provides for greater consistency when comparing data across surveys.

18 Additionally, with these revisions to the sample, some of the units from the sampled sector are rotated out of the survey and are replaced by others to spread the reporting workload equitably.

19 Adjustments are included in the estimates to allow for lags in processing new businesses to the ABS Business Register, and the omission of some businesses from the register. The majority of businesses affected and to which adjustments apply are small in size. As an indication of the size of these adjustments, in the September quarter 2009 they represented about 0.3% of the total estimate of new capital expenditure.

CLASSIFICATION BY INDUSTRY

20 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. For more information, users are referred to *Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006* (cat. no. 1292.0).

21 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.

CHAIN VOLUME MEASURES

22 The chain volume measures appearing in this publication are annually reweighted chain Laspeyres indexes referenced to current price values in the chosen reference year (currently 2007-08). The current price values may be thought to be the product of a price and quantity. The value in chain volume terms can be derived by linking together movements in volumes, calculated using the average prices of the previous financial year

EXPLANATORY NOTES *continued*

CHAIN VOLUME MEASURES

continued

and applying compound movements to the current price estimates of the reference year. Each year's quarter-to-quarter growth rates in the chain volume series are based on the prices of the previous financial year, except for those quarters of the latest incomplete year which are based upon the second most recent financial year. Quarterly chain volume estimates for a financial year sum to the corresponding annual estimate.

23 With each release of the September quarter issue of this publication, a new base year is introduced and the reference year is advanced one year to coincide with it. With this release of the September quarter 2009 issue of this publication, the chain volume measures for 2008-09 now have 2007-08 (the previous financial year) as their base year rather than 2006-07, and the reference year is 2007-08.

24 A change in the reference year changes levels but not growth rates for all periods. A change in the base year can result in revisions, small in most cases, to growth rates for the last year.

25 Chain volume measures are not generally additive. In other words, component chain volume measures do not, in general, sum to a total in the way original current price components do. For capital expenditure data, this means that the original chain volume estimates for the states will not add to total capital expenditure for Australia. In order to minimise the impact of this, the ABS uses the latest base year as the reference year. By adopting this approach, additivity does exist for the quarters following the reference year and non-additivity is relatively small for the quarters in the reference year and those immediately preceding it. For further information on chain volume measures refer to *Information Paper: Introduction of Chain Volume Measures in the Australian National Accounts* (cat. no. 5248.0)

DERIVATION AND USEFULNESS OF REALISATION RATIOS

26 Once actual expenditure for a financial year is known, it is useful to investigate the relationship between each of the prior six estimates of expenditure for that financial year and the actual expenditure (see page 6 for an explanation of the derivation of the seven estimates). 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 three or six month expectations as well as the 12 month E2 estimates or combinations of estimates containing at least some expectation components (e.g. six months actual and six months expected expenditure).

27 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. Once this has been done the predictions can be more validly compared with each other and with previously derived estimates of actual expenditure for earlier years. For example, if one wished to make a prediction about actual expenditure for 2009-10 based on the December 2008 survey results and compare this with 2008-09 expenditure, it is necessary to apply the relevant realisation factors to the expectation to put both estimates on the same basis.

28 There are many ways in which realisation ratios can be applied to make predictions of actual expenditure for a future period. A range of realisation ratios for both type of asset and industry estimates is provided in tables 5 and 6.

29 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 regarding the predictive value of the expectation, even after adjustment by application of realisation ratios. This is particularly the case with the early 12 month expectations for the following financial year collected in the December and March surveys.

EXPLANATORY NOTES *continued*

RELIABILITY OF THE ESTIMATES

30 Estimates provided in this publication are subject to non-sampling and sampling errors. The most common way of quantifying sampling error is to calculate the standard error for the published estimate. Details of standard errors are on pages 38 and 39 of this publication.

31 Estimates that have an estimated relative standard error between 10% and 25% are annotated with the symbol '^'. These estimates should be used with caution as they are subject to sampling variability too high for some purposes. Estimates with an RSE between 25% and 50% are annotated with the symbol '*', indicating that the estimate should be used with caution as it is subject to sampling variability too high for most practical purposes. Estimates with an RSE greater than 50% are annotated with the symbol '**' indicating that the sampling variability causes the estimates to be considered too unreliable for general use. These annotations have only been applied to estimates from the March quarter 2009.

32 Non-sampling errors may arise as a result of errors in the reporting, recording or processing of the data and can occur even if there is a complete enumeration of the population. These errors can be introduced through inadequacies in the questionnaire, treatment of non-response, inaccurate reporting by respondents, errors in the application of survey procedures, incorrect recording of answers, and errors in data entry and processing.

33 Estimates for the latest quarter presented in this publication are considered preliminary and revised estimates will be released with the next issue. As discussed in Paragraphs 38 to 42 below, seasonally adjusted and trend estimates are also subject to revision as data are revised and more data become available.

34 It is difficult to measure the size of non-sampling errors. However, every effort is made in the design of the survey and development of survey procedures to minimise their effects. In addition, respondents may have difficulties in allocating to the appropriate state(s) expenditure on some equipment items such as mobile assets (e.g. aircraft, bulk oil carriers, satellites, off-shore drilling platforms and large computer installations supporting a national network). Where such difficulties exist expenditure is allocated to the state of the businesses' head office or, in the case of aircraft, is allocated across states in proportion to the likely use of the asset.

35 The Australian equivalents to International Financial Reporting Standards (AIFRS) were progressively implemented in Australia from 1 January 2005. As a result, a number of items in the financial accounts of Australian businesses were affected by changed definitions which in turn impacted upon both Income Statements and Balance Sheets. A range of ABS economic collections source data from financial accounts of businesses and use those data to derive economic statistics. There have been no changes in the associated economic definitions.

36 After monitoring data items in the immediate years following March quarter 2005 it was concluded that most affected published data series were impacted by data breaks but that the magnitude of such breaks could not be determined without imposing disproportionate load upon data providers to ABS surveys and other administratively collected data.

SEASONAL ADJUSTMENT

37 The quarterly original actual new capital expenditure series in this publication are affected in varying degrees by seasonal influences. The seasonal adjustment process estimates and removes the effects of normal seasonal variations from the original series so that the effects of other influences can be more easily recognised.

EXPLANATORY NOTES *continued*

SEASONAL ADJUSTMENT

continued

38 In the seasonal adjustment process, account has been taken of normal seasonal factors (e.g. increase in June quarter capital expenditure due to the impending end of the financial year) to produce the seasonally adjusted estimates. Particular care should be taken in interpreting quarterly movements in the seasonally adjusted estimates because seasonal adjustment does not remove the effect of irregular or non-seasonal influences (e.g. change in interest rates) and reflects the sampling and other errors to which the original estimates are subject.

39 The revision properties of the seasonally adjusted and trend estimates can be improved by the use of Autoregressive Integrated Moving Average (ARIMA) modelling. The Survey of Private New Capital Expenditure uses ARIMA modelling where appropriate for individual time series. ARIMA modelling relies on the characteristics of the series being analysed to project future period data. The projected values are temporary, intermediate values that are only used internally to improve the estimation of the seasonal factors. The projected data do not affect the original estimates and are discarded at the end of the seasonal adjustment process. The ARIMA model is reassessed each year as part of the annual reanalysis of the seasonal adjustment parameters. Following the most recent annual reanalysis, 80% of eligible series use ARIMA modelling. For more information on the details of ARIMA modelling see Feature article: Use of ARIMA modelling to reduce revisions in the October 2004 issue of *Australian Economic Indicators* (cat. no. 1350.0).

40 Seasonally adjusted estimates by asset type for Tasmania, Northern Territory and Australian Capital Territory are not separately available because of the high sampling variability associated with them. They are included in totals for Australia and while a combined residual can be derived, the measure should not be considered reliable.

TREND ESTIMATES

41 The trend estimates are derived by applying a 7-term Henderson moving average to the seasonally adjusted estimates. The 7-term Henderson moving average is symmetric, but as the end of a time series is approached, asymmetric forms of the moving average are applied. The asymmetric moving average has been tailored to suit the particular characteristics of individual series and enable trend estimates for recent quarters to be produced. Estimates of the trend will be improved at the current end of the time series as additional observations become available. This improvement is due to the application of different asymmetric moving averages for the most recent three quarters. As a result of the improvement, revisions to the trend estimates will generally be observed for the most recent three quarters.

42 There may also be revisions because of changes in the original estimates. As a result of these revisions, the seasonally adjusted and trend estimates will also be revised. For further information, see *Information Paper: A Guide to Interpreting Time Series - Monitoring Trend, An Overview* (cat. no. 1349.0) or contact the Assistant Director, Time Series Analysis on Canberra (02) 6252 6345 or email <time.series.analysis@abs.gov.au>.

DESCRIPTION OF TERMS

43 A description of the terms used in this publication is given below:

44 *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.

EXPLANATORY NOTES *continued*

45 Some estimates are dissected by type of asset:

- *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 goods imported for the first time whether previously used outside Australia or not.

COMPARISON WITH NATIONAL
ACCOUNTS AND OTHER ABS
STATISTICS

46 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:

- National Accounts estimates incorporate data from other sources as well as information from the new capital expenditure survey. For example, annual estimates for capital expenditure on 'machinery and equipment' are based on the ABS' annual Economic Activity Survey combined with data from the Australian Taxation Office. Quarterly estimates are interpolated between and extrapolated from the annual 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 dwellings and other building and structures items.
- National Accounts estimates include capital expenditure by all private businesses including units classified to agriculture, forestry and fishing, education, and health and community services industries and capital expenditure on dwellings by households. Data for these sectors are excluded from this publication.
- 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.
- National accounts estimates of gross fixed capital formation relate to acquisitions less disposals of new or existing fixed assets, whereas the survey figures are acquisitions of new fixed tangible assets only.

47 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* (cat. no. 5216.0).

48 The estimates of capital expenditure on buildings and other structures will differ with estimates of Construction activity published in *Construction Work Done, Australia, Preliminary* (cat. no. 8755.0). The latter publication presents estimates of building and engineering construction work collected by the Building Activity Survey and the Engineering Construction Survey. Estimates of construction activity are based on the value of actual work done during the quarter of individual building or construction jobs by builders, and do not necessarily equate to capitalisation of this work by the builders' eventual clients. Estimates of capital expenditure in this publication are based on data reported by businesses (that is, the builders' clients) from their financial or management accounts for purchases of buildings and structures.

EXPLANATORY NOTES *continued*

RELATED PUBLICATIONS

49 Users may also wish to refer the following publications:

- *Information Paper: Changes to Private New Capital Expenditure and Expected Expenditure statistics, September 2009* (cat. no. 5625.0.55.001)
- *Australian National Accounts: National Income, Expenditure and Product* (cat. no. 5206.0)
- *Australian National Accounts: Concepts, Sources and Methods* (cat. no. 5216.0)
- *Directory of Capital Expenditure Data Sources and Related Statistics* (cat. no. 5653.0)
- *Building Activity, Australia* (cat. no. 8752.0)
- *Business Indicators, Australia* (cat. no. 5676.0)
- *Business Operations and Industry Performance, Australia* (cat. no. 8140.0)
- *Construction Work Done, Australia* (cat no 8755.0)
- *Engineering Construction Activity, Australia* (cat. no. 8762.0)
- *Information Paper: Australian National Accounts, Introduction of Chain Volume and Price Indexes* (cat. no. 5248.0)

50 Current publications and other products released by the ABS are listed in the *Catalogue of Publications and Products* (cat. no. 1101.0). The Catalogue is available from any ABS office or the ABS web site <<http://www.abs.gov.au>>. The ABS also issues a daily Release Advice on the web site which details products to be released in the week ahead.

ABS DATA AVAILABLE ON REQUEST

51 In addition to the data contained in this publication, more detailed industry and state information may be made available on request, the cost for such a service being dependent upon the amount of data requested. For example, data are generally available at the ANZSIC subdivision (2 digit) level.

ABS WEBSITE

52 The ABS website contains most of the data included in this publication but with a longer time series. In addition to the series in this publication, data for Manufacturing Subdivisions and State by Industry data are also available.

ACKNOWLEDGMENT

53 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated; without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

APPENDIX SAMPLING ERRORS

LEVEL ESTIMATES

INTRODUCTION

The estimates in this publication are based on a sample drawn from units in the surveyed population. Because the entire population is not surveyed, the published estimates are subject to sampling error. The most common way of quantifying such sampling error is to calculate the standard error for the published estimate or statistic.

EXAMPLE OF USE

The following example illustrates how to use the standard error to interpret a level estimate.

Let us say that the published level estimate for total capital expenditure is \$25,038m and the calculated standard error in this case is \$751m. The standard error is then used to interpret the level estimate of \$25,038m.

For instance, the standard error of \$751m indicates that:

- There are approximately two chances in three that the real value falls within the range \$24,287m to \$25,789m ($\$25,038m \pm \$751m$)
- There are approximately 19 chances in 20 that the real value falls within the ranges \$23,536m to \$26,540m ($\$25,038m \pm \$1,502m$)

The real value in this case is the result we would obtain if we could enumerate the total population.

The following table shows the standard errors for September Quarter 2009 estimates.

	<i>Buildings and Structures</i>	<i>Equipment, Plant and Machinery</i>	<i>Total</i>
	\$m	\$m	\$m
Mining	193	45	216
Manufacturing	29	85	89
Electricity, Gas, Water and Waste Services	27	39	50
Construction	16	172	171
Wholesale Trade	24	71	88
Retail Trade	22	91	96
Transport, Postal and Warehousing	46	256	265
Information Media and Telecommunications	12	37	43
Financial and Insurance Services	8	16	20
Rental, Hiring and Real Estate Services	85	504	516
Professional, Scientific and Technical Services	36	106	115
Other Selected Services	117	135	209
Total	261	692	751
New South Wales	115	337	336
Victoria	68	269	289
Queensland	199	200	295
South Australia	35	70	70
Western Australia	82	282	325
Tasmania	1	20	20
Northern Territory	na	na	21
Australian Capital Territory	na	na	60
Australia	261	692	751

na not available

APPENDIX SAMPLING ERRORS *continued*

MOVEMENT ESTIMATES

EXAMPLE OF USE

The following example illustrates how to use the standard error to interpret a movement estimate.

Let us say that one quarter the published level estimate for total capital expenditure is \$30,338m and the next quarter the published level estimate is \$25,038m. In this example the calculated standard error for the movement estimate is \$718m. The standard error is then used to interpret the published movement estimate of -\$5,300m.

For instance, the standard error of \$718m indicates that:

- There are approximately two chances in three that the real movement over the two quarter period falls within the range -\$6,018m to -\$4,582m ($-\$5,300m \pm \$718m$)
- There are approximately nineteen chances in twenty that the real movement falls within the range -\$6,736m to -\$3,864m ($-\$5,300m \pm \$1,436m$).

The following table shows the standard errors for September Quarter 2009 estimates.

	<i>Buildings and Structures</i>	<i>Equipment, Plant and Machinery</i>	<i>Total</i>
	mill.	mill.	mill.
Mining	168	72	193
Manufacturing	20	135	134
Electricity, Gas, Water and Waste Services	19	37	41
Construction	25	218	221
Wholesale Trade	19	92	101
Retail Trade	19	121	119
Transport, Postal and Warehousing	116	263	292
Information Media and Telecommunications	15	35	46
Financial and Insurance Services	5	26	25
Rental, Hiring and Real Estate Services	124	329	351
Professional, Scientific and Technical Services	39	132	144
Other Selected Services	185	201	294
Total	278	613	718
New South Wales	113	300	350
Victoria	143	254	311
Queensland	173	267	334
South Australia	25	86	88
Western Australia	135	269	315
Tasmania	1	68	68
Northern Territory	na	na	40
Australian Capital Territory	na	na	86
Australia	278	613	718

na not available

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