

PRIVATE NEW CAPITAL EXPENDITURE AND EXPECTED EXPENDITURE to June 1999 AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) THURS 28 MAY 1998

MARCH QTR KEY FIGURES

TREND ESTIMATES (a)

	Mar 97	Dec 97	Mar 98	% change Dec 97 to Mar 98	% change Mar 97 to Mar 98
	\$m	\$m	\$m		
Total new capital expenditure	11 337	11 965	12 040	0.6	6.2
Buildings and structures	3 494	2 964	3 015	1.7	-13.7
Equipment, plant and machinery	7 844	9 001	9 025	0.3	15.1

SEASONALLY ADJUSTED (a)

	Mar 97	Dec 97	Mar 98	% change Dec 97 to Mar 98	% change Mar 97 to Mar 98
	\$m	\$m	\$m		
Total new capital expenditure	11 472	12 307	11 878	-3.5	3.5
Buildings and structures	3 819	3 152	2 994	-5.0	-21.6
Equipment, plant and machinery	7 652	9 156	8 883	-3.0	16.1

(a) At average 1989-90 prices.

MARCH QTR KEY POINTS

ACTUAL EXPENDITURE

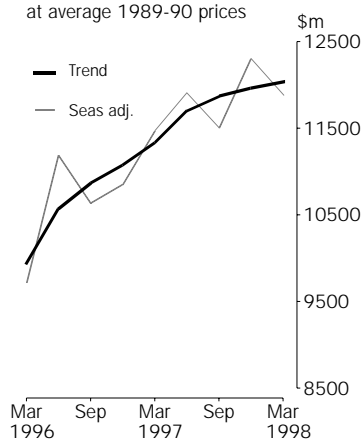
- In trend terms, the rate of growth of total new capital expenditure (at average 1989-90 prices) has been slowing over the past three quarters. Mining continues the pattern of strong growth evident over the past two and a half years.
- Level estimates for expenditure on equipment, plant and machinery have been rising for the past ten quarters, although rates of growth have been falling since the peak of 7.0% in June quarter 1997.
- Growth for buildings and structures has been weak or negative for the past five quarters.

EXPECTED EXPENDITURE

- The second estimate of expected expenditure (at current prices) for 1998-99 is \$40,836m. This is 7.7% higher than the revised first estimate (\$37,916m). This contrasts with the pattern over recent years, where second estimates have been 13% to 16% higher than the first estimate.

New Capital Expenditure

at average 1989-90 prices



- For further information about these and related statistics, contact John Stamolis on 02 9268 4241.

NOTES

FORTHCOMING ISSUES	<i>ISSUE (Quarter)</i>	<i>RELEASE DATE</i>
	June 1998	27 August 1998
	September 1998	26 November 1998



CHANGES IN THIS ISSUE

There are no changes in this issue.



ESTIMATES OF
EXPENDITURE ON
EQUIPMENT

A new survey form for the collection of data was introduced from the March quarter 1996. This new form included an asset dissection of expenditure on equipment, plant and machinery.

Details for 1996–97 were published in the June quarter 1997 issue.



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 Revisions to Trend Estimates on page 19.

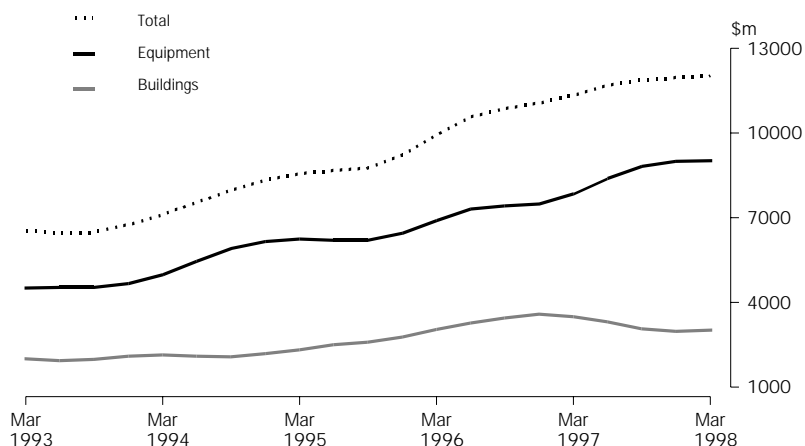
W. McLennan
Australian Statistician

ACTUAL NEW CAPITAL EXPENDITURE: Trend

QUARTERLY TREND ESTIMATES AT CONSTANT PRICES

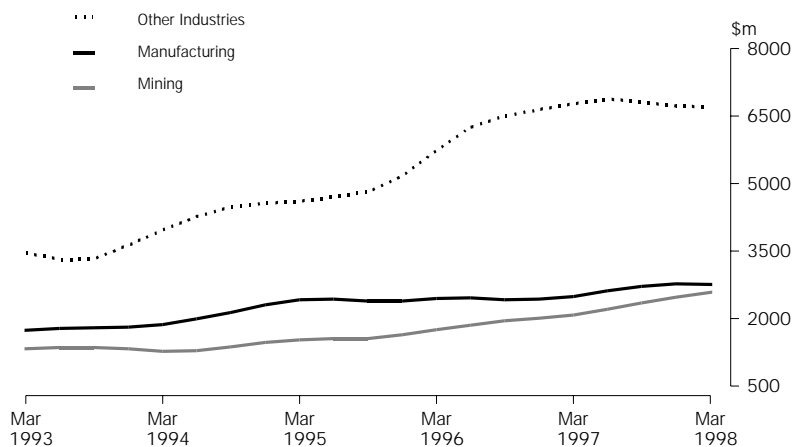
BY ASSET

Level estimates for expenditure on buildings and structures have been stable over the past three quarters. The current estimate (\$3,015m) is 13.7% lower than in March quarter 1997 (\$3,494m) and is comparable to March quarter 1996 (\$3,050m). Level estimates for expenditure on equipment, plant and machinery have been rising for the past ten quarters. The current estimate of \$9,025m is \$1,181m (15.1%) higher than for March quarter 1997 and \$2,127m (30.8%) higher than for March quarter 1996.



BY INDUSTRY

Growth rates for expenditure by the Mining industry have been reasonably strong over the last ten quarters (between 2.8% and 7.7%). The current estimate of \$2,594m is \$516m (24.8%) higher than for March quarter 1997. Growth rates for expenditure by the Manufacturing industry have been falling since June quarter 1997. The current estimate of \$2,760 shows a slight fall of \$16m (0.6%) over the previous quarter. For other Selected industries, estimates have been falling over the past three quarters. The current estimate of \$6,685m is \$87m (1.3%) lower than for March quarter 1997.

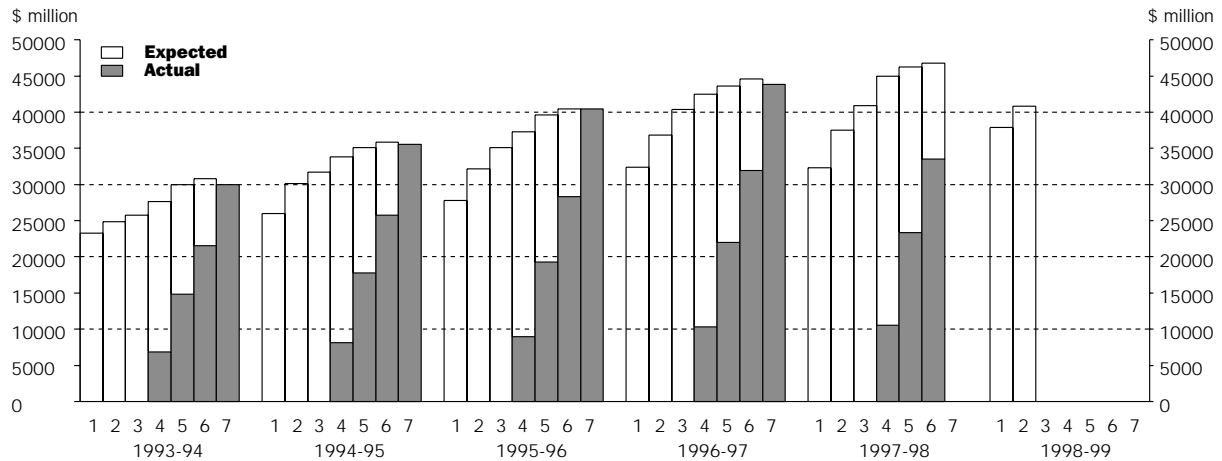


ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

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 data contained in Table 4. Care should be taken 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 & EXPECTED EXPENDITURE, By Type of Asset and Industry—Current prices

Period	BUILDINGS 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)												
1995-96	3 709	1 294	7 345	12 348	3 816	9 163	15 146	28 124	7 525	10 457	22 491	40 473
1996-97	4 296	1 686	8 348	14 330	4 485	8 511	16 511	29 507	8 781	10 198	24 859	43 837
1996-97												
December	1 096	423	2 429	3 948	1 209	2 271	4 270	7 750	2 305	2 694	6 699	11 698
March	1 179	442	1 968	3 589	1 007	1 877	3 488	6 371	2 186	2 319	5 456	9 960
June	1 097	547	1 735	3 378	1 227	2 281	5 007	8 516	2 324	2 828	6 742	11 894
1997-98												
September	956	523	1 442	2 921	1 535	2 005	4 102	7 642	2 491	2 528	5 544	10 563
December	1 153	728	1 847	3 728	1 867	2 459	4 751	9 078	3 020	3 188	6 598	12 806
March	988	342	1 521	2 852	1 615	1 982	3 688	7 285	2 603	2 324	5 209	10 137
ORIGINAL (Expected)(a)												
1997-98												
3 mths to Jun	1 498	555	2 238	4 292	1 988	2 737	4 232	8 957	3 486	3 293	6 470	13 249
Total 1997-98	4 596	2 148	7 049	13 793	7 005	9 184	16 772	32 961	11 600	11 333	23 821	46 754
Total 1998-99												
12 mths to Jun	4 128	1 470	7 730	13 328	5 876	8 625	13 007	27 508	10 004	10 096	20 736	40 836
SEASONALLY ADJUSTED (Actual)												
1995-96	3 699	1 263	7 266	12 229	3 817	9 181	15 164	28 162	7 516	10 444	22 430	40 391
1996-97	4 314	1 641	8 462	14 417	4 482	8 526	16 456	29 464	8 796	10 167	24 918	43 880
1996-97												
December	961	437	2 153	3 551	1 119	2 141	3 933	7 193	2 081	2 578	6 086	10 744
March	1 241	441	2 232	3 914	1 134	2 104	4 005	7 243	2 375	2 546	6 236	11 156
June	1 091	597	1 785	3 473	1 153	2 035	4 668	7 857	2 245	2 632	6 453	11 330
1997-98												
September	1 060	460	1 472	2 993	1 585	2 161	4 224	7 970	2 645	2 622	5 696	10 963
December	1 009	742	1 653	3 405	1 729	2 321	4 376	8 426	2 738	3 064	6 029	11 832
March	1 039	354	1 778	3 171	1 819	2 221	4 239	8 279	2 858	2 575	6 016	11 450
TREND ESTIMATES (Actual)												
1995-96	3 642	1 264	7 081	11 988	3 793	9 275	15 033	28 101	7 435	10 539	22 114	40 089
1996-97	4 343	1 732	8 306	14 380	4 576	8 566	16 460	29 602	8 919	10 298	24 766	43 982
1996-97												
December	1 078	395	2 229	3 702	1 088	2 144	3 967	7 200	2 166	2 539	6 196	10 902
March	1 113	464	2 044	3 622	1 128	2 083	4 147	7 357	2 241	2 547	6 191	10 979
June	1 121	544	1 822	3 487	1 272	2 092	4 356	7 720	2 392	2 636	6 178	11 207
1997-98												
September	1 071	573	1 640	3 284	1 493	2 167	4 391	8 051	2 564	2 740	6 031	11 335
December	1 027	555	1 616	3 198	1 704	2 239	4 329	8 272	2 731	2 794	5 945	11 470
March	1 022	492	1 712	3 226	1 863	2 277	4 231	8 371	2 885	2 769	5 943	11 597

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 19 to 22 of the Explanatory Notes.

ACTUAL & EXPECTED CAPITAL EXPENDITURE, Detailed Industries—Current prices

Period	MANUFACTURING.....										
	<i>Total mining</i>	<i>Food, beverage and tobacco</i>	<i>Textile, clothing, footwear and leather</i>	<i>Wood and paper product</i>	<i>Printing, publishing and recorded media</i>	<i>Petroleum, coal, chemical and assoc. product</i>	<i>Non-metallic mineral product</i>	<i>Metal product</i>	<i>Machinery and equipment</i>	<i>Other manufacturing</i>	<i>Total manufacturing</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)											
1995-96	7 525	1 895	271	1 112	673	1 719	756	2 192	1 611	227	10 457
1996-97	8 781	1 997	251	920	587	1 664	1 071	1 501	2 007	199	10 198
1996-97											
December	2 305	519	78	259	150	473	257	379	546	34	2 694
March	2 186	502	45	190	124	313	328	318	448	51	2 319
June	2 324	610	75	236	190	362	290	462	542	61	2 828
1997-98											
September	2 491	558	55	162	139	361	265	375	551	63	2 528
December	3 020	600	95	242	197	478	264	464	770	75	3 188
March	2 603	552	52	168	182	340	170	363	438	59	2 324
ORIGINAL (Expected)(a)											
1997-98											
3 mths to Jun	3 486	686	48	243	231	553	192	720	566	53	3 293
Total 1997-98	11 600	2 396	250	815	749	1 732	892	1 922	2 325	251	11 333
Total 1998-99											
12 mths to Jun	10 004	2 334	179	777	557	1 550	532	2 238	1 801	128	10 096
SEASONALLY ADJUSTED (Actual)											
1995-96	7 516	1 890	271	1 124	685	1 726	755	2 155	1 613	225	10 444
1996-97	8 796	1 986	249	918	586	1 648	1 067	1 511	2 005	198	10 167
1996-97											
December	2 081	502	65	254	152	433	248	390	495	39	2 578
March	2 375	541	55	215	133	368	311	390	475	58	2 546
June	2 245	553	74	216	150	379	300	351	554	55	2 632
1997-98											
September	2 645	595	57	160	169	325	283	415	563	54	2 622
December	2 738	582	80	238	201	440	255	480	698	89	3 064
March	2 858	594	63	189	195	399	160	445	463	68	2 575
TREND ESTIMATES (Actual)											
1995-96	7 435	1 886	270	1 128	761	1 799	747	2 091	1 637	220	10 539
1996-97	8 919	2 103	246	900	580	1 613	1 074	1 598	1 983	200	10 298
1996-97											
December	2 166	509	60	232	140	425	256	388	481	47	2 539
March	2 241	532	62	223	143	386	291	359	502	49	2 547
June	2 392	562	65	203	151	360	306	384	548	56	2 636
1997-98											
September	2 564	580	68	198	171	371	281	414	592	65	2 740
December	2 731	590	69	201	190	394	236	447	594	72	2 794
March	2 885	596	68	204	198	410	188	469	560	76	2 769

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 19 to 22 of the Explanatory Notes.

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

OTHER SELECTED INDUSTRIES.....									TOTAL
Period	Construction	Wholesale trade	Retail trade	Transport and storage	Finance and insurance	Property and business services	Other services etc.	Total other selected industries	Total new capital expenditure
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL (Actual)									
1995-96	2 158	2 004	2 673	3 299	1 856	4 513	5 987	22 491	40 473
1996-97	1 145	2 545	2 253	3 303	2 464	6 269	6 880	24 859	43 837
1996-97									
December	280	638	661	908	585	1 836	1 792	6 699	11 698
March	321	501	401	708	448	1 433	1 644	5 456	9 960
June	356	765	687	908	594	1 575	1 857	6 742	11 894
1997-98									
September	305	713	655	720	646	1 303	1 203	5 544	10 563
December	450	776	875	808	674	1 534	1 482	6 598	12 806
March	376	635	498	779	543	1 298	1 081	5 209	10 137
ORIGINAL (Expected)(a)									
1997-98									
3 mths to Jun	508	613	751	904	592	1 465	1 637	6 470	13 249
Total 1997-98	1 639	2 736	2 779	3 210	2 455	5 600	5 403	23 821	46 754
Total 1998-99									
12 mths to Jun	1 105	2 494	2 493	2 447	1 756	4 900	5 541	20 736	40 836
SEASONALLY ADJUSTED (Actual)									
1995-96	2 140	2 013	2 676	3 313	1 853	4 495	5 941	22 430	40 391
1996-97	1 162	2 554	2 224	3 336	2 441	6 316	6 885	24 918	43 880
1996-97									
December	300	556	606	757	573	1 663	1 631	6 086	10 744
March	368	596	472	764	518	1 788	1 730	6 236	11 156
June	320	786	605	973	569	1 447	1 754	6 453	11 330
1997-98									
September	282	684	706	780	602	1 293	1 349	5 696	10 963
December	482	678	804	666	662	1 389	1 348	6 029	11 832
March	431	752	583	857	627	1 630	1 137	6 016	11 450
TREND ESTIMATES (Actual)									
1995-96	2 007	2 023	2 621	3 267	1 897	4 501	5 798	22 114	40 089
1996-97	1 281	2 503	2 290	3 338	2 192	6 254	6 908	24 766	43 982
1996-97									
December	297	595	541	814	549	1 646	1 755	6 196	10 902
March	292	644	536	817	553	1 657	1 692	6 191	10 979
June	333	692	612	839	567	1 502	1 632	6 178	11 207
1997-98									
September	355	713	690	807	605	1 388	1 474	6 031	11 335
December	404	712	716	769	636	1 413	1 295	5 945	11 470
March	454	711	682	759	645	1 530	1 162	5 943	11 597

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation
—see paragraphs 19 to 22 of the Explanatory Notes.

ACTUAL EXPENDITURE, By Type of Asset and Industry—Constant prices(a)

Period	ASSET.....			INDUSTRY.....			
	<i>Buildings and structures</i>	<i>Equipment, plant and machinery</i>	<i>Total</i>	<i>Mining</i>	<i>Manufacturing</i>	<i>Other selected industries</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL							
1995-96	11 984	26 834	38 819	6 890	9 652	22 277	38 819
1996-97	13 700	31 129	44 829	8 112	9 911	26 805	44 829
1996-97							
December	3 775	8 029	11 804	2 127	2 609	7 067	11 804
March	3 467	6 725	10 192	2 039	2 268	5 885	10 192
June	3 209	9 319	12 527	2 146	2 782	7 599	12 527
1997-98							
September	2 731	8 409	11 140	2 279	2 523	6 338	11 140
December	3 449	9 870	13 318	2 741	3 169	7 408	13 318
March	2 639	7 807	10 447	2 334	2 299	5 814	10 447
SEASONALLY ADJUSTED							
1995-96	11 882	26 856	38 738	6 881	9 637	22 220	38 738
1996-97	13 801	31 063	44 864	8 127	9 883	26 855	44 864
1996-97							
December	3 398	7 448	10 845	1 919	2 497	6 429	10 845
March	3 819	7 652	11 472	2 212	2 494	6 766	11 472
June	3 307	8 605	11 912	2 074	2 590	7 247	11 912
1997-98							
September	2 743	8 761	11 504	2 421	2 613	6 470	11 504
December	3 152	9 156	12 307	2 484	3 046	6 777	12 307
March	2 994	8 883	11 878	2 560	2 551	6 767	11 878
TREND ESTIMATES							
1995-96	11 668	26 840	38 508	6 805	9 698	22 005	38 508
1996-97	13 843	31 144	44 988	8 242	9 949	26 797	44 988
1996-97							
December	3 588	7 489	11 078	2 003	2 431	6 643	11 078
March	3 494	7 844	11 337	2 078	2 487	6 772	11 337
June	3 308	8 393	11 700	2 212	2 609	6 879	11 700
1997-98							
September	3 065	8 808	11 873	2 347	2 720	6 806	11 873
December	2 964	9 001	11 965	2 474	2 776	6 715	11 965
March	3 015	9 025	12 040	2 594	2 760	6 685	12 040

(a) At average 1989-90 prices.

ACTUAL & 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 AND STRUCTURES (\$ million)							
1994–95	7 840	9 155	9 650	9 012	10 016	9 798	9 093
1995–96	8 700	9 528	10 479	11 878	12 861	12 373	12 348
1996–97	9 559	11 643	14 017	15 056	15 633	15 769	14 330
1997–98	12 085	14 505	13 668	14 014	13 593	13 793	n.y.a.
1998–99	11 812	13 328	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
BUILDINGS AND STRUCTURES (Realisation Ratio)(a)							
1994–95	1.16	0.99	0.94	1.01	0.91	0.93	1.00
1995–96	1.42	1.30	1.18	1.04	0.96	1.00	1.00
1996–97	1.50	1.23	1.02	0.95	0.92	0.91	1.00
5 year average	1.27	1.13	1.04	0.99	0.93	0.94	1.00
EQUIPMENT, PLANT AND MACHINERY (\$ million)							
1994–95	18 176	20 814	22 085	24 832	25 072	26 027	26 467
1995–96	19 069	22 634	24 605	25 437	26 742	28 077	28 124
1996–97	22 841	25 174	26 384	27 428	27 996	28 845	29 507
1997–98	20 229	22 974	27 193	30 974	32 637	32 961	n.y.a.
1998–99	26 104	27 508	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
EQUIPMENT, PLANT AND MACHINERY (Realisation Ratio)(a)							
1994–95	1.46	1.27	1.20	1.07	1.06	1.02	1.00
1995–96	1.47	1.24	1.14	1.11	1.05	1.00	1.00
1996–97	1.29	1.17	1.12	1.08	1.05	1.02	1.00
5 year average	1.38	1.23	1.15	1.08	1.04	1.00	1.00
TOTAL (\$ million)							
1994–95	25 997	30 167	31 736	33 844	35 087	35 825	35 561
1995–96	27 769	32 161	35 084	37 315	39 603	40 450	40 473
1996–97	32 400	36 817	40 401	42 484	43 629	44 614	43 837
1997–98	32 321	37 479	40 860	44 988	46 229	46 754	n.y.a.
1998–99	37 916	40 836	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
TOTAL (Realisation Ratio)(a)							
1994–95	1.37	1.18	1.12	1.05	1.01	0.99	1.00
1995–96	1.46	1.26	1.15	1.08	1.02	1.00	1.00
1996–97	1.35	1.19	1.09	1.03	1.00	0.98	1.00
5 year average	1.35	1.19	1.12	1.05	1.00	0.98	1.00
TOTAL (Percentage change over previous estimate for same financial year)							
1994–95	n.a.	16.0	5.2	6.6	3.7	2.1	-0.7
1995–96	n.a.	15.8	9.1	6.4	6.1	2.1	0.1
1996–97	n.a.	13.6	9.7	5.2	2.7	2.3	-1.7
1997–98	n.a.	16.0	9.0	10.1	2.8	1.1	n.y.a.
1998–99	n.a.	7.6	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
TOTAL (Percentage change over corresponding estimate for previous financial year)							
1994–95	11.8	21.5	23.0	22.3	17.0	16.2	18.6
1995–96	6.8	6.6	10.6	10.3	12.9	12.9	13.8
1996–97	16.7	14.5	15.2	13.9	10.2	10.3	8.3

(a) Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 19 to 22 of the Explanatory Notes.

ACTUAL & EXPECTED CAPITAL EXPENDITURE, By Industry—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)

1994–95	7 700	8 839	9 445	10 255	10 309	10 474	10 352
1995–96	8 975	9 964	10 721	11 185	11 160	10 978	10 457
1996–97	9 711	10 037	10 652	11 081	10 350	10 359	10 198
1997–98	7 727	8 826	10 108	10 936	11 066	11 333	n.y.a.
1998–99	8 679	10 096	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

MANUFACTURING (Realisation Ratio)(a)

1994–95	1.34	1.17	1.10	1.01	1.00	0.99	1.00
1995–96	1.17	1.05	0.98	0.93	0.94	0.95	1.00
1996–97	1.05	1.02	0.96	0.92	0.99	0.98	1.00
5 year average	1.15	1.06	1.00	0.96	0.96	0.97	1.00

MINING (\$ million)

1994–95	5 370	6 013	6 666	6 897	6 976	6 951	6 351
1995–96	5 541	6 720	7 472	7 627	7 764	7 788	7 525
1996–97	7 789	9 913	10 113	9 932	9 452	9 354	8 781
1997–98	8 592	9 588	11 026	11 908	12 090	11 600	n.y.a.
1998–99	9 404	10 004	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

MINING (Realisation Ratio)(a)

1994–95	1.18	1.06	0.95	0.92	0.91	0.91	1.00
1995–96	1.36	1.12	1.01	0.99	0.97	0.97	1.00
1996–97	1.13	0.89	0.87	0.88	0.93	0.94	1.00
5 year average	1.13	1.00	0.92	0.93	0.93	0.93	1.00

OTHER SELECTED INDUSTRIES (\$ million)

1994–95	12 947	15 116	15 624	16 692	17 803	18 400	18 857
1995–96	13 253	15 478	16 890	18 503	20 679	21 683	22 491
1996–97	14 900	16 867	19 636	21 470	23 827	24 901	24 859
1997–98	16 002	19 065	19 726	22 144	23 074	23 821	n.y.a.
1998–99	19 833	20 736	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

OTHER SELECTED INDUSTRIES (Realisation Ratio)(a)

1994–95	1.46	1.25	1.21	1.13	1.06	1.02	1.00
1995–96	1.70	1.45	1.33	1.22	1.09	1.04	1.00
1996–97	1.67	1.47	1.27	1.16	1.04	1.00	1.00
5 year average	1.60	1.39	1.29	1.17	1.05	1.01	1.00

(a) Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 19 to 22 of the Explanatory Notes.

RATIOS OF ACTUAL TO SHORT TERM EXPECTATION FOR SAME PERIOD(a)—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)
TYPE OF ASSET				
Buildings and Structures				
1995-96	0.95	0.99	1.05	0.93
1996-97	0.94	0.70	1.02	0.84
1997-98	0.91	n.y.a.	0.92	n.y.a.
5 year average	0.96	0.80	1.00	0.86
Equipment, Plant and Machinery				
1995-96	1.00	1.01	1.02	1.10
1996-97	0.97	1.08	1.06	1.11
1997-98	1.02	n.y.a.	1.15	n.y.a.
5 year average	0.99	1.01	1.09	1.08
Total				
1995-96	0.98	1.00	1.03	1.04
1996-97	0.96	0.94	1.04	1.01
1997-98	0.99	n.y.a.	1.08	n.y.a.
5 year average	0.98	0.94	1.06	1.01
TYPE OF INDUSTRY				
Mining				
1995-96	0.93	0.89	0.89	0.94
1996-97	0.84	0.80	0.87	0.87
1997-98	0.92	n.y.a.	1.02	n.y.a.
5 year average	0.88	0.79	0.91	0.87
Manufacturing				
1995-96	0.85	0.85	0.91	0.88
1996-97	0.74	0.95	0.91	0.97
1997-98	0.96	n.y.a.	1.03	n.y.a.
5 year average	0.85	0.90	0.96	0.93
Other Selected Industries				
1995-96	1.08	1.13	1.16	1.18
1996-97	1.15	0.99	1.20	1.09
1997-98	1.04	n.y.a.	1.13	n.y.a.
5 year average	1.10	1.04	1.20	1.11
Total				
1995-96	0.98	1.00	1.03	1.04
1996-97	0.96	0.94	1.04	1.01
1997-98	0.99	n.y.a.	1.08	n.y.a.
5 year average	0.98	0.94	1.06	1.01

(a) For more information on Realisation Ratios see paragraphs 19 to 22 of the Explanatory Notes.

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 (i.e. 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

Mining (Division B)

Manufacturing (Division C)

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)

Other Selected Industries

Construction (Division E)

Wholesale trade (Division F)

Retail trade (Division G)

Transport & storage (Division I)

Finance and insurance (Division K)

Property & business services (Division L)

Other selected services (including electricity & gas; communication; accommodation, cafes & restaurants; cultural & recreational services; and personal services (36,37,57,71,91–93,95))

- 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 register of businesses. The sample consists of approximately 7,500 units. The figures obtained from the selected businesses are supplemented by data from units which have large capital expenditure and/or large employment and which are outside the sample framework, or not adequately covered by it.

EXPLANATORY NOTES

SURVEY METHODOLOGY *continued*

5 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 business register. The majority of businesses affected and to which the adjustments apply are small in size. The adjustments contributed 4.3% to the current quarter's estimate of reported capital expenditure. These adjustments were introduced in the June quarter 1997 publication and have been made back to the June quarter 1987. For further information see the June quarter 1997 publication or an Information Paper — *Improvements to ABS Economic Statistics 1997* (Cat. No. 1357.0) issued on 22 August 1997.

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

TIMING AND CONSTRUCTION OF SURVEY CYCLE

7 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											
	1996–97				1997–98				1998–99			
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	
December 1996	Act	E1	E2									
March 1997	Act	Act	E1	E2								
June 1997	Act	Act	Act	E1	E2							
September 1997				Act	E1	E2						
December 1997				Act	Act	E1	E2					
March 1998				Act	Act	Act	E1	E2				
June 1998				Act	Act	Act	Act	E1	E2			

8 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).

9 This survey cycle facilitates the formation of estimates of expenditure for financial years (12 months ending 30 June). For example, as the above table shows, the first estimate for 1997–98 was available from the December 1996 survey as a longer term expectation (E2). It was subsequently revised in the March 1997 survey (again as a longer term expectation) and in the June 1997 survey as the sum of two expectations (E1 + E2). In the September and subsequent surveys the estimate is derived as the sum of actual expenditure (for that part of the year completed) and expected expenditure (for the remainder of the year). The final (or seventh) estimate from the June quarter 1998 survey, will be derived by summing the actual expenditure for each of the four quarters.

EXPLANATORY NOTES

SAMPLE REVISION

10 Prior to the June quarter 1996 survey, the survey frames and samples were revised annually to ensure that they remained representative of the survey population. Adjustments were made to the survey estimates each quarter to reflect changes in the size of the survey frame throughout the year. From the June quarter 1996 survey, the survey frames and samples are being revised each quarter. The aim is to further improve the quality of the survey estimates by selecting a sample which will be more representative of the survey population. Additionally, the timing of sample selection will now be consistent with other ABS surveys. This will lead to greater consistency when comparing data across these surveys.

11 With these revisions to the sample, some of the business units are rotated out of the survey and are replaced by others to spread the reporting workload equitably. The rate of rotation under quarterly sample selection is slightly higher than one quarter of the previous annual rate of rotation.

12 When the frames and samples were updated annually prior to the June quarter 1996, some data would be revised as a consequence. No data revisions of this nature will be needed given quarterly updates to frames and samples. Data may be revised, however, on the basis of further processing.

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 coincides with a 'division' or 'line of business'. A division or line of business is defined when separate and comprehensive accounts are compiled for it. Prior to 1989, the survey was on a different 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).

15 For more information, users are referred to *Australian & New Zealand Standard Industrial Classification, 1993, ANZSIC, (1292.0)* and *Statistics New Zealand (19.005.0092)*.

16 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.

17 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.

CONSTANT PRICES

18 Estimates in constant prices (average 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'.

EXPLANATORY NOTES

DERIVATION AND USEFULNESS OF REALISATION RATIOS

19 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).

20 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 1997–98 based on the June 1997 survey results and compare this with 1996–97 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.

21 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 4 and 5.

22 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

23 *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.

24 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.

EXPLANATORY NOTES

RELIABILITY OF THE ESTIMATES

25 Since the estimates are based on data obtained from a sample rather than a complete enumeration, the data and the movements derived from them are subject to sampling variability; that is, they may differ from the figures that would have been obtained if all units had been included in the survey. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of units was included. There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if all units had been included, and about nineteen chances in twenty that the difference will be less than two standard errors.

RELATIVE STANDARD ERROR

Total new capital expenditure:

Mining	7.3%
Manufacturing	2.8%
Other Selected Industries	3.4%
Buildings & Structures	4.8%
Equipment, Plant & Machinery	2.7%
Total Selected Industries	2.6%

26 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.

27 The imprecision due to sampling, which is measured by the standard error, is not the only type of inaccuracy to which the estimates are subject. Other inaccuracies, referred to collectively as non-sample error, may occur for a number of reasons, for example misreporting of data by respondents or imputation for missing respondents.

28 In the design of questionnaires and in the processing of survey data every effort is made to reduce the non-sample error to a minimum.

SEASONAL ADJUSTMENT

29 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.

30 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.

EXPLANATORY NOTES

SEASONAL ADJUSTMENT *continued*

31 At least once each year the seasonally adjusted series are revised to take account of the latest available data. The most recent reanalysis takes into account data collected up to and including the June quarter 1997 survey. Data for periods after June 1997 are seasonally adjusted on the basis of extrapolation of historical patterns. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from reanalysis may be quite significant, especially for data for more recent quarters. Care should be exercised when interpreting quarter to quarter movements in the seasonally adjusted series in the publication, particularly for recent quarters.

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

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

TREND ESTIMATES

34 The trend estimates are derived by applying a 7-term Henderson moving average to the seasonally adjusted series. The 7-term Henderson average (like all Henderson averages) is symmetric, but as the end of a time series is approached, asymmetric forms of the average are applied. Unlike the weights of the standard 7-term Henderson moving average, the weights employed here have been tailored to suit the particular characteristics of individual series. While the asymmetric weights enable trend estimates for recent quarters to be produced, it does result in revisions to the estimates for the most recent three quarters as additional observations become available. There may also be revisions because of changes in the original data and as a result of the re-estimation of the seasonal factors. For further information, see *A Guide to Interpreting Time Series — Monitoring 'Trends': an Overview* (1348.0) or contact the Assistant Director, Time Series Analysis on (02) 6252 6345.

COMPARABILITY WITH NATIONAL ACCOUNTS ESTIMATES

35 The statistics for new capital expenditure shown in this publication differ from estimates of private gross fixed capital expenditure shown in the Australian National Accounts for the following reasons:

- 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.
- 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.
- 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.
- 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.

EXPLANATORY NOTES

COMPARABILITY WITH NATIONAL ACCOUNTS ESTIMATES <i>continued</i>	<p>36 For a more detailed explanation of the concepts and methods used in compiling the National Accounts estimates see <i>Australian National Accounts: Concepts, Sources and Methods</i> (5216.0).</p>
RELATED PUBLICATIONS	<p>37 Users may also wish to refer the following publications:</p> <ul style="list-style-type: none">▪ <i>Australian Business Expectations</i> (5250.0)▪ <i>Australian National Accounts. National Income, Expenditure and Product</i> (5206.0)▪ <i>Building Activity, Australia</i> (8752.0)▪ <i>Business Operations and Industry Performance, Australia</i> (8140.0)▪ <i>Directory of Capital Expenditure Data Sources and Related Statistics</i> (5653.0)▪ <i>State Estimates of Private New Capital Expenditure</i>, (5646.0)▪ <i>Company Profits, Australia</i> (5651.0)▪ <i>Engineering Construction Activity, Australia</i> (8762.0)▪ <i>Stocks and Sales, Selected Industries, Australia</i> (5629.0). <p>38 Current publications produced by the ABS are listed in the <i>Catalogue of Publications and Products, Australia</i> (1101.0). The ABS also issues, on Tuesdays and Fridays, a <i>Release Advice</i> (1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS office.</p>
UNPUBLISHED DATA	<p>39 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.</p>
SYMBOLS AND OTHER USAGES	<p>ANZSIC Australian and New Zealand Standard Industrial Classification n.y.a. not yet available</p>

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 the Explanatory Notes).

TREND REVISIONS

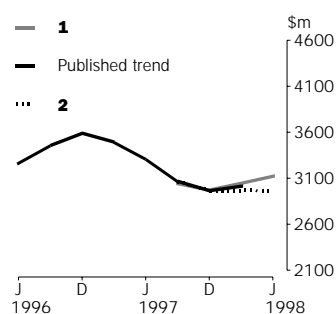
The examples in the tables below show two scenarios and the consequent revisions to previous trend estimates of capital expenditure by private businesses.

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

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

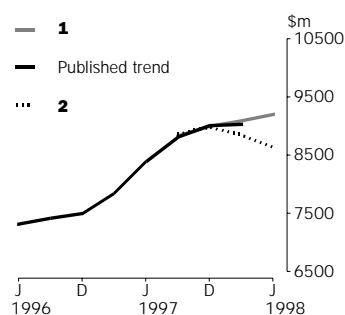
The percentages chosen are approximately the long term average movement, without regard to sign, in the seasonally adjusted series.

BUILDINGS AND STRUCTURES



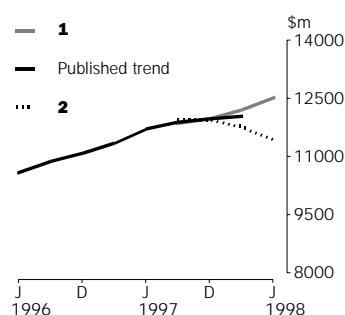
	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 6.7% on Mar 1998		2 falls by 6.7% on Mar 1998	
	\$m	% change	\$m	% change	\$m	% change
1997						
September	3 065	-7.4	3 046	-7.9	3 061	-7.5
December	2 964	-3.3	2 973	-2.4	2 967	-3.1
1998						
March	3 015	1.7	3 047	2.5	2 972	0.2
June	—	—	3 123	2.5	2 957	-0.5

EQUIPMENT, PLANT AND MACHINERY



	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 4.9% on Mar 1998		2 falls by 4.9% on Mar 1998	
	\$m	% change	\$m	% change	\$m	% change
1997						
September	8 808	5.0	8 818	5.1	8 869	5.7
December	9 001	2.2	8 998	2.0	8 979	1.2
1998						
March	9 025	0.3	9 092	1.1	8 846	-1.5
June	—	—	9 206	1.3	8 639	-2.3

TOTAL CAPITAL EXPENDITURE



	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	1 rises by 4.4% on Mar 1998		2 falls by 4.4% on Mar 1998	
	\$m	% change	\$m	% change	\$m	% change
1997						
September	11 873	1.5	11 850	1.3	11 943	2.1
December	11 965	0.8	11 975	1.1	11 942	0.0
1998						
March	12 040	0.6	12 203	1.9	11 754	-1.6
June	—	—	12 505	2.5	11 438	-2.7

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