

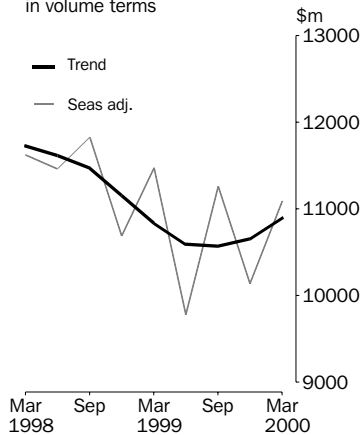


# PRIVATE NEW CAPITAL EXPENDITURE AND EXPECTED EXPENDITURE to June 2001 AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) THURS 25 MAY 2000

## New Capital Expenditure

in volume terms



## MARCH QTR KEY FIGURES

### TREND ESTIMATES (a)

	Mar 1999	Dec 1999	Mar 2000	% change Dec 1999 to Mar 2000	% change Mar 1999 to Mar 2000
	\$m	\$m	\$m		
Total new capital expenditure	10 837	10 650	10 897	2.3	0.6
Buildings & structures	3 232	2 740	2 768	1.0	-14.4
Equipment, plant & machinery	7 602	7 915	8 132	2.7	7.0

### SEASONALLY ADJUSTED (a)

	Mar 1999	Dec 1999	Mar 2000	% change Dec 1999 to Mar 2000	% change Mar 1999 to Mar 2000
	\$m	\$m	\$m		
Total new capital expenditure	11 480	10 138	11 089	9.4	-3.4
Buildings & structures	3 338	2 368	2 946	24.4	-11.8
Equipment, plant & machinery	8 139	7 776	8 150	4.8	0.1

(a) In volume terms.

## MARCH QTR KEY POINTS

### ACTUAL EXPENDITURE

- Trend estimates of total capital expenditure (in volume terms) have risen for the past two quarters after falling for the previous six quarters from the peak levels reached in March 1998.
- Trend estimates for buildings and structures have risen this quarter following five quarters of falls while estimates for equipment, plant and machinery have been slowly rising for the past four quarters. While trend estimates for Mining have been falling since June quarter 1998, estimates for Manufacturing and Other selected industries have risen for most of the past year.

### EXPECTED EXPENDITURE

- Estimate 6 for 1999-2000 is \$43,452m which is 4% lower than Estimate 6 for 1998-1999.
- Please see note on next page for the impact of The New Tax System on capital expenditure expectations. Comparisons between 2000-2001 and 1999-2000 will be effected by these changes.
- Estimate 2 for 2000-2001 is \$34,464m, which is 6% higher than the corresponding estimate for 1999-2000. Expected expenditure on both buildings and structures and equipment, plant and machinery have risen by 7% and 5% respectively.

- For further information about these and related statistics, contact Michael Sharpe on 02 9268 4174, or Client Services in any ABS office as shown on the back cover of this publication.

# NOTES

## FORTHCOMING ISSUES

### ISSUE (Quarter)

### RELEASE DATE

June 2000

31 August 2000

September 2000

30 November 2000

## CHANGES IN THIS ISSUE

The graph of total actual and expected capital expenditure for financial years at current prices, which appears on page 4, has been expanded to show the asset breakdown of expenditure on buildings and structures and equipment, plant and machinery respectively in two new graphs. Three graphs now appear on page 4.

## 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 Trend Estimates on page 17.

## IMPACT OF THE NEW TAX SYSTEM ON CAPITAL EXPENDITURE ESTIMATES

The goods and services tax (GST) will come into effect from 1 July 2000. The GST will replace the existing wholesale sales tax (WST) which is currently included in the value of much of the expenditure measured in the Survey of New Capital Expenditure.

Businesses in the survey have been asked to report expected expenditure for the 2000-2001 financial year based on the cost to them under The New Tax System. That is, they should deduct the WST, where it is currently paid on capital items, but not add on the 10% GST, where this amount can be returned to the business as a tax credit. Therefore, if they reported on the correct basis, expenditure in current price terms on the same volume of capital would be lower than if the changes in tax arrangements had not taken place.

The basis for businesses reporting expenditure for periods prior to 30 June 2000 is unchanged.

Investigations have shown that the majority of businesses have been unable to report expected expenditure on the requested basis because their capital expenditure budgets are not sufficiently detailed at this stage to take account of expected price changes. This being the case, users should be cautious when analysing estimates for 2000-2001. It should be noted, however, that there is always a degree of imprecision in the early estimates of expected expenditure for any financial year.

From the September quarter 2000, chain volume measures will remove the effects of these tax-related price changes on the time series' of actual capital expenditure contained in this publication. Comparisons of expected expenditure will continue to be affected by price change over time.

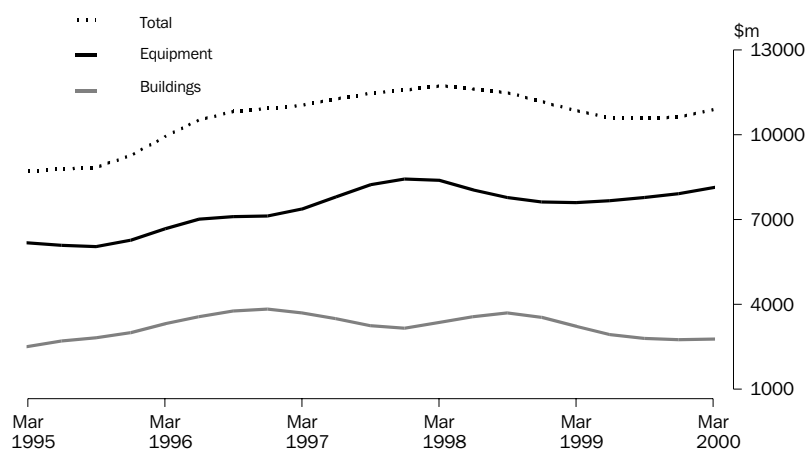
W. McLennan  
Australian Statistician

## ACTUAL NEW CAPITAL EXPENDITURE: Trend

### QUARTERLY TREND ESTIMATES OF CHAIN VOLUME MEASURES

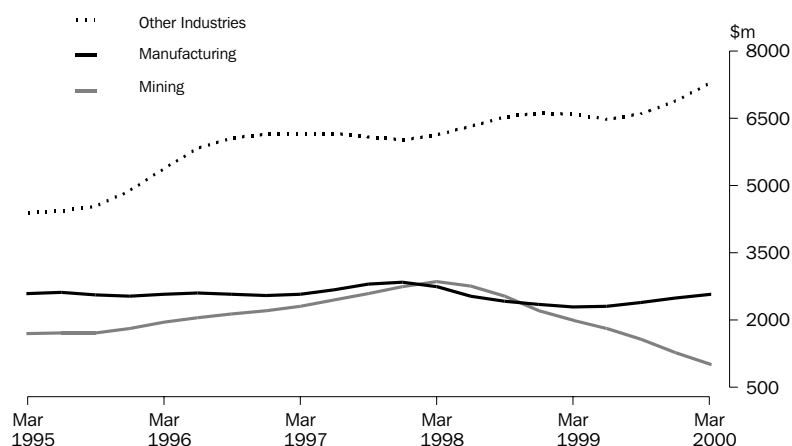
#### BY ASSET

Trend estimates of expenditure on buildings and structures have risen by 1% in March quarter 2000 following five quarters of decline. Mining has been decreasing since December quarter 1998, falling by 21% in the March quarter 2000. Estimates for Other selected industries and Manufacturing have been rising steadily over the past three and four quarters respectively. After falling steadily from March quarter 1998, estimates for equipment, plant and machinery have risen slightly over the past four quarters. Steady increases in Manufacturing and decreases in Mining have cancelled each other out, while expenditure by Other selected industries over this period have risen marginally.



#### BY INDUSTRY

Trend estimates of expenditure by the Mining industry have been falling since June quarter 1998, with the rate of decline accelerating in recent quarters following a large seasonally adjusted fall in December quarter 1999. Expenditure by Manufacturing has risen over the past four quarters following declines each quarter from March 1998 to March 1999. Trend estimates for Other selected industries have risen for the past three quarters after two quarters of marginal declines.

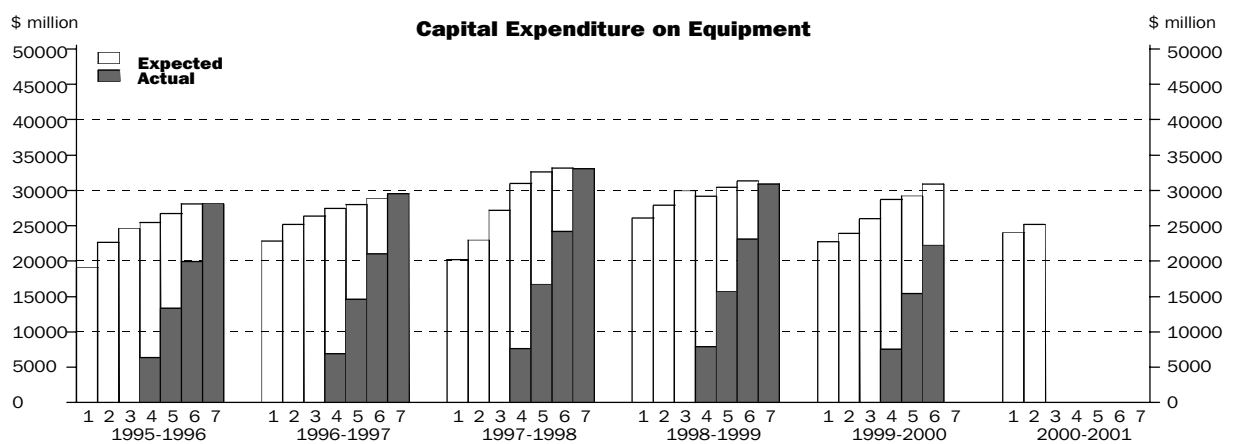
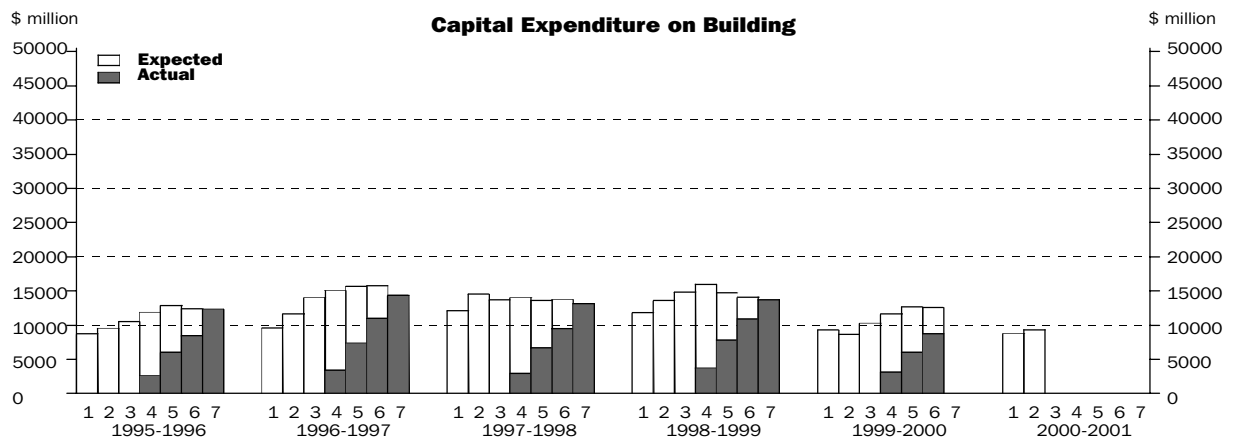
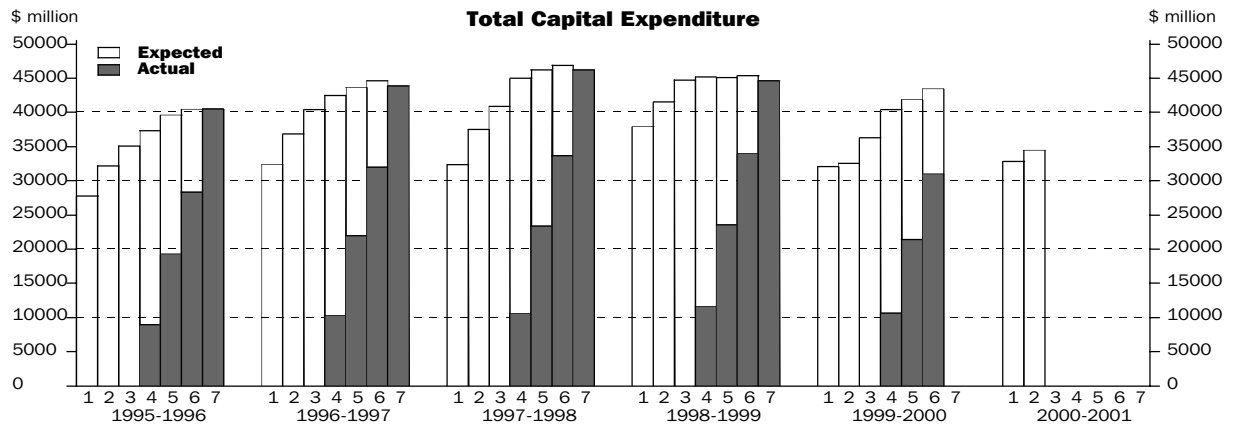


# ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

## FINANCIAL YEARS AT CURRENT PRICES

### EXPENDITURE

The estimates of actual and expected expenditure appearing below relate to data contained in Table 4. Information about the timing and construction of these estimates are contained on page 14 and advice about the usefulness of the realisation ratios is on page 15.



## ACTUAL &amp; 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)												
<b>1997-1998</b>	4 408	2 022	6 721	13 150	6 622	8 974	17 464	33 060	11 029	10 996	24 185	46 210
<b>1998-1999</b>	5 003	1 116	7 579	13 697	3 715	8 302	18 894	30 910	8 718	9 417	26 472	44 607
<b>1998-1999</b>												
December	1 519	361	2 220	4 100	890	2 186	4 771	7 848	2 409	2 548	6 991	11 948
March	1 134	255	1 680	3 069	781	2 075	4 506	7 361	1 914	2 330	6 186	10 430
June	968	225	1 607	2 801	873	2 052	4 902	7 827	1 841	2 278	6 510	10 628
<b>1999-2000</b>												
September	1 006	382	1 747	3 135	817	1 955	4 749	7 521	1 823	2 338	6 496	10 657
December	543	364	1 965	2 872	715	2 279	4 864	7 859	1 258	2 643	6 829	10 731
March	408	348	1 995	2 751	530	1 918	4 404	6 853	938	2 266	6 399	9 603
ORIGINAL (Expected)(a)												
<b>1999-2000</b>												
3 mths to Jun	466	528	2 793	3 787	938	2 246	5 490	8 675	1 405	2 774	8 283	12 461
Total 1999-2000	2 423	1 622	8 499	12 545	3 001	8 399	19 507	30 907	5 424	10 021	28 007	43 452
<b>Total 2000-2001</b>												
12 mths to Jun	2 130	1 552	5 616	9 298	3 354	7 725	14 087	25 166	5 484	9 277	19 703	34 464
SEASONALLY ADJUSTED (Actual)												
<b>1997-1998</b>	4 402	2 003	6 734	13 139	6 629	8 962	17 451	33 042	11 031	10 965	24 185	46 181
<b>1998-1999</b>	5 019	1 128	7 621	13 768	3 720	8 348	18 992	31 061	8 740	9 476	26 613	44 829
<b>1998-1999</b>												
December	1 336	362	1 952	3 650	832	2 081	4 524	7 437	2 168	2 443	6 476	11 087
March	1 282	291	1 912	3 485	852	2 283	5 168	8 303	2 134	2 574	7 080	11 788
June	933	221	1 562	2 716	851	1 841	4 414	7 106	1 784	2 062	5 976	9 822
<b>1999-2000</b>												
September	1 067	364	1 858	3 289	827	2 108	4 924	7 859	1 894	2 472	6 782	11 148
December	478	359	1 718	2 555	668	2 173	4 620	7 461	1 146	2 532	6 338	10 016
March	462	395	2 269	3 126	578	2 106	5 045	7 729	1 040	2 501	7 314	10 855
TREND ESTIMATES (Actual)												
<b>1997-1998</b>	4 450	2 023	6 869	13 342	6 507	8 909	17 681	33 099	10 958	10 933	24 550	46 441
<b>1998-1999</b>	5 081	1 261	7 607	13 949	3 782	8 448	18 985	31 215	8 863	9 709	26 592	45 164
<b>1998-1999</b>												
December	1 366	334	1 997	3 697	929	2 143	4 786	7 858	2 295	2 477	6 783	11 555
March	1 239	287	1 850	3 376	834	2 085	4 808	7 727	2 073	2 372	6 658	11 103
June	1 068	280	1 705	3 053	829	2 049	4 739	7 617	1 897	2 329	6 444	10 670
<b>1999-2000</b>												
September	859	317	1 742	2 918	788	2 061	4 730	7 579	1 647	2 378	6 472	10 497
December	636	364	1 895	2 895	692	2 108	4 790	7 590	1 328	2 472	6 685	10 485
March	458	398	2 097	2 953	594	2 168	4 940	7 702	1 052	2 566	7 037	10 655

(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 &amp; EXPECTED CAPITAL EXPENDITURE, Detailed Industries—Current prices

Period	MINING....	MANUFACTURING.....									
		<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)											
<b>1997-1998</b>	11 029	2 443	289	906	796	1 595	870	1 666	2 130	301	10 996
<b>1998-1999</b>	8 718	2 088	263	785	790	1 511	498	1 940	1 335	208	9 417
<b>1998-1999</b>											
December	2 409	593	58	139	188	443	148	560	369	49	2 548
March	1 914	524	65	156	181	352	108	477	419	48	2 330
June	1 841	533	69	216	235	338	115	474	245	53	2 278
<b>1999-2000</b>											
September	1 823	455	43	347	167	412	123	415	303	73	2 338
December	1 258	592	50	212	263	410	96	383	577	60	2 643
March	938	583	46	181	182	490	101	357	286	41	2 266
ORIGINAL (Expected)(a)											
<b>1999-2000</b>											
3 mths to Jun	1 405	655	63	213	186	550	161	352	542	53	2 774
Total 1999-2000	5 424	2 284	203	952	798	1 863	480	1 506	1 708	227	10 021
<b>Total 2000-2001</b>											
12 mths to Jun	5 484	1 936	225	699	666	1 498	539	747	2 859	109	9 277
SEASONALLY ADJUSTED (Actual)											
<b>1997-1998</b>	11 031	2 436	284	893	791	1 595	875	1 678	2 105	304	10 965
<b>1998-1999</b>	8 740	2 093	270	783	793	1 513	499	1 982	1 336	209	9 476
<b>1998-1999</b>											
December	2 168	585	49	143	194	383	135	567	330	57	2 443
March	2 134	566	84	170	190	404	105	566	439	50	2 574
June	1 784	470	63	194	190	351	117	376	254	47	2 062
<b>1999-2000</b>											
September	1 894	489	46	349	197	411	138	457	316	69	2 472
December	1 146	584	43	218	273	353	87	388	516	70	2 532
March	1 040	629	59	198	190	564	98	423	298	42	2 501
TREND ESTIMATES (Actual)											
<b>1997-1998</b>	10 958	2 403	285	897	797	1 594	872	1 688	2 090	302	10 933
<b>1998-1999</b>	8 863	2 215	267	830	790	1 527	507	1 992	1 364	219	9 709
<b>1998-1999</b>											
December	2 295	577	69	189	199	382	127	532	350	52	2 477
March	2 073	533	67	175	188	384	119	520	336	50	2 372
June	1 897	502	61	226	195	372	118	459	340	56	2 329
<b>1999-2000</b>											
September	1 647	513	53	263	215	382	115	416	359	62	2 378
December	1 328	562	48	252	226	427	106	408	382	61	2 472
March	1 052	627	51	220	224	484	94	417	393	56	2 566

(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)									
<b>1997-1998</b>	1 568	2 864	2 814	3 347	2 504	6 071	5 017	24 185	46 210
<b>1998-1999</b>	1 732	2 719	3 037	3 876	2 595	5 962	6 549	26 472	44 607
<b>1998-1999</b>									
December	474	677	830	1 103	742	1 710	1 455	6 991	11 948
March	377	643	590	958	569	1 279	1 769	6 186	10 430
June	497	699	760	645	662	1 546	1 700	6 510	10 628
<b>1999-2000</b>									
September	315	771	809	880	628	1 405	1 687	6 496	10 657
December	329	786	866	875	754	1 540	1 679	6 829	10 731
March	330	478	574	834	822	1 391	1 970	6 399	9 603
ORIGINAL (Expected)(a)									
<b>1999-2000</b>									
3 mths to Jun	461	555	937	1 220	796	1 724	2 590	8 283	12 461
Total 1999-2000	1 435	2 591	3 186	3 809	3 000	6 059	7 925	28 007	43 452
<b>Total 2000-2001</b>									
12 mths to Jun	925	1 708	1 981	2 304	2 698	4 408	5 678	19 703	34 464
SEASONALLY ADJUSTED (Actual)									
<b>1997-1998</b>	1 563	2 870	2 786	3 350	2 512	6 062	5 043	24 185	46 181
<b>1998-1999</b>	1 726	2 733	3 053	3 913	2 605	5 970	6 613	26 613	44 829
<b>1998-1999</b>									
December	459	632	732	1 031	713	1 547	1 362	6 476	11 087
March	409	748	765	1 079	681	1 547	1 851	7 080	11 788
June	438	695	688	592	630	1 408	1 525	5 976	9 822
<b>1999-2000</b>									
September	348	722	820	907	586	1 450	1 949	6 782	11 148
December	317	737	763	828	724	1 392	1 577	6 338	10 016
March	357	555	748	934	985	1 679	2 056	7 314	10 855
TREND ESTIMATES (Actual)									
<b>1997-1998</b>	1 578	2 882	2 821	3 453	2 497	5 989	5 330	24 550	46 441
<b>1998-1999</b>	1 693	2 770	3 047	3 949	2 584	6 071	6 475	26 592	45 164
<b>1998-1999</b>									
December	437	672	779	1 080	664	1 533	1 618	6 783	11 555
March	436	693	745	943	666	1 492	1 683	6 658	11 103
June	403	728	742	811	624	1 449	1 687	6 444	10 670
<b>1999-2000</b>									
September	365	720	765	801	645	1 429	1 747	6 472	10 497
December	340	678	770	854	753	1 484	1 806	6 685	10 485
March	329	624	766	926	889	1 586	1 917	7 037	10 655

(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—Chain volume measures(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							
<b>1997-1998</b>	13 151	33 060	46 210	11 029	10 995	24 185	46 210
<b>1998-1999</b>	13 279	30 500	43 779	8 377	9 185	26 217	43 779
<b>1998-1999</b>							
December	3 982	7 634	11 617	2 315	2 465	6 836	11 617
March	2 957	7 248	10 204	1 826	2 258	6 121	10 204
June	2 701	7 956	10 658	1 766	2 266	6 626	10 658
<b>1999-2000</b>							
September	2 989	7 725	10 714	1 743	2 335	6 635	10 714
December	2 717	8 184	10 900	1 198	2 653	7 049	10 900
March	2 589	7 215	9 803	892	2 284	6 628	9 803
SEASONALLY ADJUSTED							
<b>1997-1998</b>	13 150	33 060	46 210	11 029	10 995	24 185	46 210
<b>1998-1999</b>	13 279	30 500	43 779	8 418	9 185	26 217	43 779
<b>1998-1999</b>							
December	3 480	7 207	10 688	2 087	2 309	6 301	10 688
March	3 338	8 139	11 480	2 040	2 479	6 972	11 480
June	2 599	7 183	9 784	1 715	2 028	6 051	9 784
<b>1999-2000</b>							
September	3 191	8 079	11 262	1 811	2 532	6 918	11 262
December	2 368	7 776	10 138	1 092	2 504	6 540	10 138
March	2 946	8 150	11 089	988	2 522	7 577	11 089
TREND ESTIMATES							
<b>1997-1998</b>	13 311	33 105	46 420	10 951	10 916	24 550	46 420
<b>1998-1999</b>	13 383	30 679	44 058	8 539	9 350	26 206	44 058
<b>1998-1999</b>							
December	3 529	7 631	11 159	2 211	2 345	6 615	11 159
March	3 232	7 602	10 837	1 987	2 286	6 575	10 837
June	2 934	7 660	10 594	1 816	2 304	6 481	10 594
<b>1999-2000</b>							
September	2 788	7 780	10 568	1 575	2 385	6 611	10 568
December	2 740	7 915	10 650	1 267	2 489	6 893	10 650
March	2 768	8 132	10 897	1 006	2 570	7 289	10 897

(a) Reference year for chain volume measures is 1997-98.



## ACTUAL &amp; 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)
<b>BUILDINGS AND STRUCTURES (\$ million)</b>							
<b>1996–1997</b>	9 559	11 643	14 017	15 056	15 633	15 769	14 330
<b>1997–1998</b>	12 085	14 505	13 668	14 014	13 593	13 740	13 150
<b>1998–1999</b>	11 812	13 587	14 789	15 960	14 699	14 069	13 697
<b>1999–2000</b>	9 272	8 655	10 287	11 662	12 642	12 545	n.y.a.
<b>2000–2001</b>	8 792	9 298	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
<b>BUILDINGS AND STRUCTURES (Realisation Ratio)(a)</b>							
<b>1996–1997</b>	1.50	1.23	1.02	0.95	0.92	0.91	1.00
<b>1997–1998</b>	1.09	0.91	0.96	0.94	0.97	0.96	1.00
<b>1998–1999</b>	1.16	1.01	0.93	0.86	0.93	0.97	1.00
5 year average	1.27	1.09	1.01	0.96	0.94	0.95	1.00
<b>EQUIPMENT, PLANT AND MACHINERY (\$ million)</b>							
<b>1996–1997</b>	22 841	25 174	26 384	27 428	27 996	28 845	29 507
<b>1997–1998</b>	20 229	22 974	27 193	30 974	32 637	33 151	33 060
<b>1998–1999</b>	26 104	27 905	29 948	29 184	30 405	31 323	30 910
<b>1999–2000</b>	22 771	23 908	25 976	28 710	29 209	30 907	n.y.a.
<b>2000–2001</b>	24 042	25 166	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
<b>EQUIPMENT, PLANT AND MACHINERY (Realisation Ratio)(a)</b>							
<b>1996–1997</b>	1.29	1.17	1.12	1.08	1.05	1.02	1.00
<b>1997–1998</b>	1.63	1.44	1.22	1.07	1.01	1.00	1.00
<b>1998–1999</b>	1.18	1.11	1.03	1.06	1.02	0.99	1.00
5 year average	1.41	1.25	1.14	1.07	1.04	1.01	1.00
<b>TOTAL (\$ million)</b>							
<b>1996–1997</b>	32 400	36 817	40 401	42 484	43 629	44 614	43 837
<b>1997–1998</b>	32 321	37 479	40 861	44 988	46 229	46 892	46 210
<b>1998–1999</b>	37 916	41 492	44 737	45 144	45 104	45 392	44 607
<b>1999–2000</b>	32 043	32 564	36 263	40 373	41 851	43 452	n.y.a.
<b>2000–2001</b>	32 834	34 464	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
<b>TOTAL (Realisation Ratio)(a)</b>							
<b>1996–1997</b>	1.35	1.19	1.09	1.03	1.00	0.98	1.00
<b>1997–1998</b>	1.43	1.23	1.13	1.03	1.00	0.99	1.00
<b>1998–1999</b>	1.18	1.08	1.00	0.99	0.99	0.98	1.00
5 year average	1.36	1.19	1.10	1.04	1.01	0.99	1.00
<b>TOTAL (Percentage change over previous estimate for same financial year)</b>							
<b>1996–1997</b>	n.a.	13.6	9.7	5.2	2.7	2.3	-1.7
<b>1997–1998</b>	n.a.	16.0	9.0	10.1	2.8	1.4	-1.5
<b>1998–1999</b>	n.a.	9.4	7.8	0.9	-0.1	0.6	-1.7
<b>1999–2000</b>	n.a.	1.6	11.4	11.3	3.7	3.8	n.y.a.
<b>2000–2001</b>	n.a.	5.0	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.
<b>TOTAL (Percentage change over corresponding estimate for previous financial year)</b>							
<b>1996–1997</b>	16.7	14.5	15.2	13.9	10.2	10.3	8.3
<b>1997–1998</b>	-0.2	1.8	1.1	5.9	6.0	5.1	5.4
<b>1998–1999</b>	17.3	10.7	9.5	0.3	-2.4	-3.2	-3.5

(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 &amp; 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)

<b>1996–1997</b>	9 711	10 037	10 652	11 081	10 350	10 359	10 198
<b>1997–1998</b>	7 727	8 826	10 108	10 936	11 066	11 451	10 996
<b>1998–1999</b>	8 679	10 412	11 257	10 435	10 353	9 945	9 417
<b>1999–2000</b>	8 735	8 587	9 015	9 594	9 837	10 021	n.y.a.
<b>2000–2001</b>	8 909	9 277	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

## MANUFACTURING (Realisation Ratio)(a)

<b>1996–1997</b>	1.05	1.02	0.96	0.92	0.99	0.98	1.00
<b>1997–1998</b>	1.42	1.25	1.09	1.01	0.99	0.96	1.00
<b>1998–1999</b>	1.09	0.90	0.84	0.90	0.91	0.95	1.00
5 year average	1.21	1.08	0.99	0.95	0.97	0.97	1.00

## MINING (\$ million)

<b>1996–1997</b>	7 789	9 913	10 113	9 932	9 452	9 354	8 781
<b>1997–1998</b>	8 592	9 588	11 027	11 908	12 090	11 551	11 029
<b>1998–1999</b>	9 404	10 088	9 245	9 625	9 347	9 042	8 718
<b>1999–2000</b>	6 525	5 524	5 991	6 334	5 598	5 424	n.y.a.
<b>2000–2001</b>	5 183	5 484	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

## MINING (Realisation Ratio)(a)

<b>1996–1997</b>	1.13	0.89	0.87	0.88	0.93	0.94	1.00
<b>1997–1998</b>	1.28	1.15	1.00	0.93	0.91	0.95	1.00
<b>1998–1999</b>	0.93	0.86	0.94	0.91	0.93	0.96	1.00
5 year average	1.18	1.02	0.95	0.92	0.93	0.95	1.00

## OTHER SELECTED INDUSTRIES (\$ million)

<b>1996–1997</b>	14 900	16 867	19 636	21 470	23 827	24 901	24 859
<b>1997–1998</b>	16 002	19 065	19 726	22 144	23 074	23 889	24 185
<b>1998–1999</b>	19 833	20 992	24 235	25 084	25 403	26 405	26 472
<b>1999–2000</b>	16 783	18 453	21 257	24 445	26 416	28 007	n.y.a.
<b>2000–2001</b>	18 742	19 703	n.y.a.	n.y.a.	n.y.a.	n.y.a.	n.y.a.

## OTHER SELECTED INDUSTRIES (Realisation Ratio)(a)

<b>1996–1997</b>	1.67	1.47	1.27	1.16	1.04	1.00	1.00
<b>1997–1998</b>	1.51	1.27	1.23	1.09	1.05	1.01	1.00
<b>1998–1999</b>	1.33	1.26	1.09	1.06	1.04	1.00	1.00
5 year average	1.53	1.34	1.22	1.13	1.06	1.02	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				
<b>Buildings and Structures</b>				
<b>1997–1998</b>	0.91	0.86	0.92	0.94
<b>1998–1999</b>	0.87	0.88	0.90	0.85
<b>1999–2000</b>	0.98	0.00	1.05	0.41
5 year average	0.93	0.84	0.99	0.88
<b>Equipment, Plant and Machinery</b>				
<b>1997–1998</b>	1.02	0.99	1.15	1.03
<b>1998–1999</b>	1.00	0.95	0.94	1.03
<b>1999–2000</b>	0.96	0.00	1.11	0.50
5 year average	0.99	1.02	1.06	1.08
<b>Total</b>				
<b>1997–1998</b>	0.99	0.95	1.08	1.00
<b>1998–1999</b>	0.95	0.93	0.93	0.98
<b>1999–2000</b>	0.97	0.00	1.09	0.47
5 year average	0.97	0.96	1.03	1.01
TYPE OF INDUSTRY				
<b>Mining</b>				
<b>1997–1998</b>	0.92	0.85	1.02	0.84
<b>1998–1999</b>	0.91	0.85	0.97	0.86
<b>1999–2000</b>	0.75	0.00	0.92	0.37
5 year average	0.87	0.83	0.93	0.87
<b>Manufacturing</b>				
<b>1997–1998</b>	0.96	0.86	1.03	0.99
<b>1998–1999</b>	0.85	0.81	0.80	0.83
<b>1999–2000</b>	0.93	0.00	0.98	0.47
5 year average	0.87	0.89	0.92	0.94
<b>Other Selected Industries</b>				
<b>1997–1998</b>	1.04	1.05	1.13	1.10
<b>1998–1999</b>	1.01	1.01	0.97	1.09
<b>1999–2000</b>	1.04	0.00	1.19	0.49
5 year average	1.07	1.06	1.13	1.12
<b>Total</b>				
<b>1997–1998</b>	0.99	0.95	1.08	1.00
<b>1998–1999</b>	0.95	0.93	0.93	0.98
<b>1999–2000</b>	0.97	0.00	1.09	0.47
5 year average	0.97	0.96	1.03	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 7,000 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 these adjustments apply are small in size. The adjustments contributed 4.2% 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 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.

**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 below.

- 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).

TIMING AND CONSTRUCTION OF  
SURVEY CYCLE

	Period to which reported data relates											
	1998–1999				1999–2000				2000–2001			
Survey quarter	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	
December 1998	Act	E1	E2									
March 1999	Act	Act	E1	E2								
June 1999	Act	Act	Act	E1	E2							
September 1999				Act	E1	E2						
December 1999				Act	Act	E1	E2					
March 2000				Act	Act	Act	E1	E2				
June 2000				Act	Act	Act	Act	E1	E2			

**9** This survey cycle facilitates the formation of estimates of expenditure for financial years (12 months ending 30 June). For example, as the table above shows, the first estimate for 1999–2000 was available from the December 1998 survey as a longer term expectation (E2). It was subsequently revised in the March 1999 survey (again as a longer term expectation) and in the June 1999 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 2000 survey, will be derived by summing the actual expenditure for each of the four quarters.

## EXPLANATORY NOTES

### EXPLANATION OF TIMING OF ESTIMATES

**10** The graphs on page 4 and Tables 4 and 5 of this publication contain 7 estimates of expenditure for each financial year. The construction of each estimate is as follows:

#### COMPOSITION OF ESTIMATE.....

Estimate	Based on data reported at:	<i>Data on actual expenditure</i>	<i>Data on short-term expected expenditure</i>	<i>Data on long-term expected expenditure</i>
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

### SAMPLE REVISION

**11** 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.

**12** 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.

**13** 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

**14** 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

**15** 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 replaced the Australian Standard Industrial Classification (ASIC) and the New Zealand Standard Industrial Classification (NZSIC).

**16** For further information, users are referred to *Australian & New Zealand Standard Industrial Classification, 1993, ANZSIC*, (Cat. no. 1292.0) and *Statistics New Zealand* (Cat. no. 19.005.0092).

## EXPLANATORY NOTES

### CHAIN VOLUME MEASURES

**17** 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 1997–1998). Chain volume measures were introduced in September quarter 1998, replacing constant price estimates. Chain volume measures can be thought of as current price values re-expressed in (i.e. based on) the prices of the previous year and linked together to form continuous time series. Each year's quarter-to-quarter growth rates in the chain volume series are based on the prices of the previous year, except for those of the quarters of the latest incomplete year which are based upon the second most recent financial year. With each release of the June quarter issue of this publication, a new base year will be introduced and the reference year will be advanced one year to coincide with it. This means that with the release of the June quarter 2000 issue of this publication, the chain volume measures for 1999–2000 will have 1998–1999 (the previous financial year) as their base year rather than 1997–1998, and the reference year will be 1998–1999. A change in reference year changes levels but not growth rates.

**18** 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 industry groups will not add to total capital expenditure for Australia. However, by using the latest base year as the reference year, non-additivity does not exist for the quarters following the reference year and is relatively small for the quarters in the reference year and those immediately preceding it. For further information on chain volume measures refer to the information paper *Introduction of Chain Volume Measures in the Australian National Accounts* (Cat no. 5248.0).

### 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 1999–2000 based on the June 1999 survey results and compare this with 1998–1999 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.

## EXPLANATORY NOTES

### DERIVATION AND USEFULNESS OF REALISATION RATIOS *continued*

**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.

### RELIABILITY OF THE ESTIMATES

**25** Details of sampling error are on pages 19 and 20 of this publication.

**26** 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.

**27** 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

**28** 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.

**29** 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*

**30** 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 March quarter 1999 survey. Data for periods after March 1999 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.

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

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

### TREND ESTIMATES

**33** 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* (Cat. no. 1348.0) or contact the Assistant Director, Time Series Analysis on (02) 6252 6345.

### COMPARABILITY WITH NATIONAL ACCOUNTS ESTIMATES

**34** 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 *continued*

**35** 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).

### RELATED PUBLICATIONS

**36** Users may also wish to refer the following publications:

- *Australian Business Expectations* (Cat. no. 5250.0)
- *Australian National Accounts. National Income, Expenditure and Product* (Cat. no. 5206.0)
- *Building Activity, Australia* (Cat. no. 8752.0)
- *Business Operations and Industry Performance, Australia* (Cat. no. 8140.0)
- *Company Profits, Australia* (Cat. no. 5651.0)
- *Directory of Capital Expenditure Data Sources and Related Statistics* (Cat. no. 5653.0)
- *Engineering Construction Activity, Australia* (Cat. no. 8762.0)
- *Introduction of Chain Volume Measures in the Australian National Accounts* (Cat. no. 5248.0)
- *State Estimates of Private New Capital Expenditure* (Cat. no. 5646.0)
- *Inventories and Sales, Selected Industries, Australia* (Cat. no. 5629.0).

### RELATED PUBLICATIONS

**37** Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (Cat. no. 1101.0). The ABS also issues, on Tuesdays and Fridays, a *Release Advice* (Cat. no. 1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS office.

### UNPUBLISHED DATA

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

### SYMBOLS AND OTHER USAGES

ANZSIC Australian and New Zealand Standard Industrial Classification  
n.y.a. not yet available

## STANDARD ERRORS

### 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.

### LEVEL ESTIMATES

To illustrate, let us say that the published level estimate for total capital expenditure is \$10,500m and the calculated standard error in this case is \$173m. The standard error is then used to interpret the level estimate of \$10,500m.

For instance, the standard error of \$173m indicates that:

- There are approximately two chances in three that the real value falls within the range \$10,327m to \$10,673m ( $\$10,500\text{m} \pm \$173\text{m}$ )
- There are approximately nineteen chances in twenty that the real value falls within the ranges \$10,154m and \$10,846m ( $\$10,500\text{m} \pm \$346\text{m}$ )

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 national quarterly level estimates. These standard errors are based on a smoothed average of capital expenditure estimates.

	Building and structures \$m	Equipment, plant and machinery \$m	Total \$m
Mining	11	16	36
Manufacturing	16	51	62
Construction	7	35	40
Wholesale trade	5	57	65
Retail trade	7	22	34
Transport and storage	10	40	45
Services to finance and insurance	3	29	31
Property and business services	52	62	84
Other services	69	36	89
Total	90	124	173

## STANDARD ERRORS

### MOVEMENT ESTIMATES

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 \$10,500m, and the next quarter the published level estimate is \$11,100m. In this example the calculated standard error for the movement estimate is \$221m. The standard error is then used to interpret the published movement estimate of +\$600m.

For instance, the standard error of \$221m indicates that:

- There are approximately two chances in three that the real movement over the two quarter period falls within the range \$379m to \$821m ( $\$600m \pm \$221m$ )
- There are approximately nineteen chances in twenty that the real movement falls within the range \$158m to \$1,042m ( $\$600m \pm \$442m$ )

The following table shows the standard errors for national quarterly movement estimates. These standard errors are based on a smoothed average of capital expenditure estimates.

	Building and structures \$m	Equipment, plant and machinery \$m	Total \$m
Mining	15	23	49
Manufacturing	22	64	78
Construction	10	48	55
Wholesale trade	7	51	66
Retail trade	11	25	45
Transport and storage	12	49	53
Services to finance and insurance	5	40	32
Property and business services	74	84	114
Other services industries	98	46	119
<b>Total</b>	<b>127</b>	<b>153</b>	<b>221</b>

# 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 28 to 33 of the Explanatory Notes).

### TREND REVISIONS

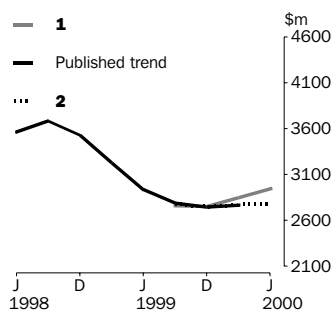
The examples in the tables below show two scenarios and the consequent revisions to previous trend estimates of capital expenditure by private businesses.

**1** The June quarter seasonally adjusted estimate of chain volume measures is higher than the March quarter estimate by the percentage shown.

**2** The June quarter seasonally adjusted estimate of chain volume measures is lower than the March quarter estimate by the percentage shown.

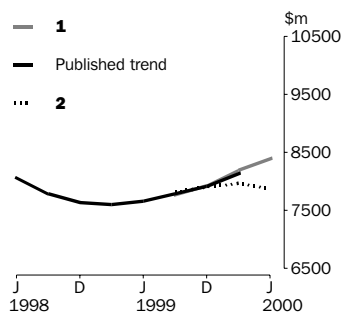
The percentages chosen are approximately the long term average movement, without regard to sign, in the seasonally adjusted series.

### BUILDINGS AND STRUCTURES



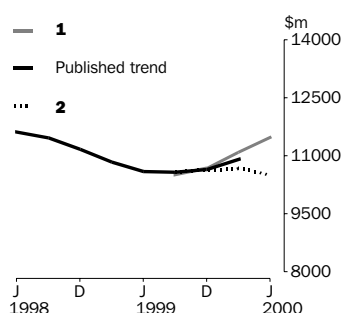
	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	<b>1</b> <i>rises by 6.7% on Mar 2000</i>		<b>2</b> <i>falls by 6.7% on Mar 2000</i>	
	\$m	% change	\$m	% change	\$m	% change
1999						
September	2 788	-5.0	2 759	-5.9	2 775	-5.4
December	2 740	-1.7	2 750	-0.3	2 744	-1.1
2000						
March	2 769	1.0	2 846	3.5	2 772	1.0
June	—	—	2 944	3.5	2 791	0.7

### EQUIPMENT, PLANT AND MACHINERY



	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	<b>1</b> <i>rises by 4.9% on Mar 2000</i>		<b>2</b> <i>falls by 4.9% on Mar 2000</i>	
	\$m	% change	\$m	% change	\$m	% change
1999						
September	7 780	1.6	7 758	1.3	7 805	1.9
December	7 915	1.7	7 926	2.2	7 909	1.3
2000						
March	8 132	2.7	8 195	3.4	7 969	0.8
June	—	—	8 392	2.4	7 872	-1.2

### TOTAL CAPITAL EXPENDITURE



	TREND AS PUBLISHED		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE:			
	\$m	% change	<b>1</b> <i>rises by 4.4% on Mar 2000</i>		<b>2</b> <i>falls by 4.4% on Mar 2000</i>	
	\$m	% change	\$m	% change	\$m	% change
1999						
September	10 568	-0.2	10 501	-0.9	10 588	-0.1
December	10 650	0.8	10 676	1.7	10 644	0.5
2000						
March	10 897	2.3	11 094	3.9	10 673	0.3
June	—	—	11 473	3.4	10 505	-1.6





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- INTERNET* **www.abs.gov.au** the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
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