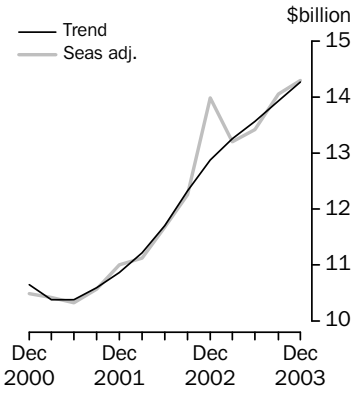
DECEMBER QUARTER 2003 5625.0

PRIVATE NEW CAPITAL EXPENDITURE AND EXPECTED EXPENDITURE AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) THURS 26 FEB 2004

New Capital Expenditure
in volume terms



KEY FIGURES

	Dec Qtr 03 $m	Sep Qtr 03 to Dec Qtr 03 % change	Dec Qtr 02 to Dec Qtr 03 % change
Trend estimates(a)			
Total new capital expenditure	14 264	2.5	11.0
Buildings & structures	3 335	0.2	6.3
Equipment, plant & machinery	10 922	3.1	12.4
Seasonally adjusted(a)			
Total new capital expenditure	14 310	2.0	2.5
Buildings & structures	3 303	–1.7	3.6
Equipment, plant & machinery	11 007	3.1	2.1

(a) In volume terms.

KEY POINTS

ACTUAL EXPENDITURE

- The trend estimate for total new capital expenditure (in volume terms) increased by 2.5% in the December quarter 2003. There have been increases in expenditure in each of the last nine quarters but the rate of growth in 2003 has not been as strong as in 2002.
- The trend estimate for buildings and structures increased slightly, by 0.2%, in the December quarter 2003. However, the rate of growth has slowed significantly in recent quarters. Growth in Mining has been largely offset by falls in Manufacturing and Other selected industries.
- The trend estimate for expenditure on equipment, plant and machinery continued to grow strongly in the December quarter 2003. Mining and Other selected industries contributed all the growth in the latest quarter.

EXPECTED EXPENDITURE

- This issue includes the fifth estimate for 2003-04 and the first estimate for 2004-05.
- Estimate 5 for 2003-04 is $51,006m. This estimate is relatively unchanged from the comparable estimate for 2002-03 and 0.4% lower than Estimate 4.
- Estimate 1 for 2004-05 is $41,781m, which is 4.6% lower than the comparable estimate for 2003-04.
- See pages 5 and 6 for further commentary on expectations data.

INQUIRIES

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

NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)	*RELEASE DATE*
March 2004	27 May 2004
June 2004	26 August 2004

CHANGES IN THIS ISSUE

There are no changes in this issue.

ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification

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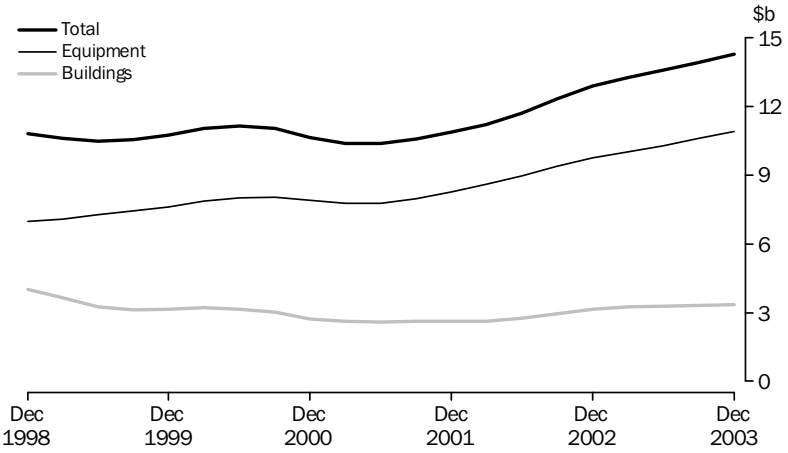
Australian Statistician

CONTENTS

QUARTERLY TREND ESTIMATES OF CHAIN VOLUME MEASURES

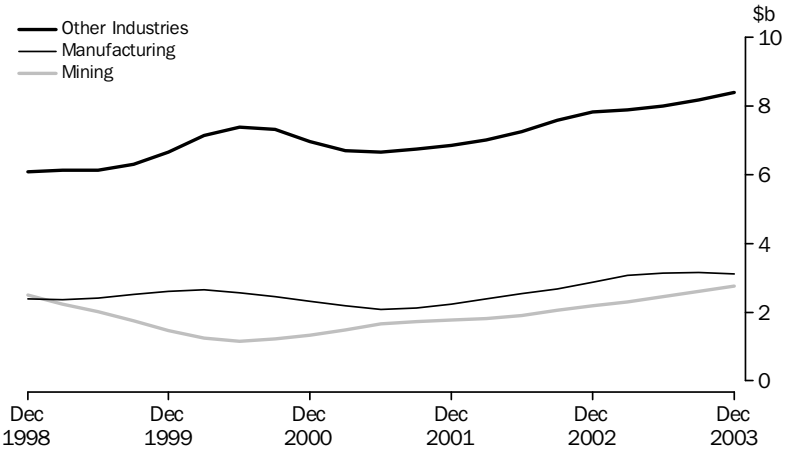
BY ASSET

The trend estimate for buildings and structures increased for the eighth consecutive quarter in the December quarter 2003. However, the rate of growth has slowed significantly in recent quarters. The trend estimate for Manufacturing and Other selected industries fell slightly, while Mining continued to increase at a steady rate. The trend estimate for expenditure on equipment, plant and machinery continued to grow strongly in the December quarter 2003. Manufacturing fell slightly for the first time following nine quarters of growth, while Mining and Other selected industries increased.



BY INDUSTRY

Trend estimates for expenditure by Mining continued to increase strongly following several quarters of steady growth. In trend terms expenditure on both buildings and structures (up 5%) and equipment, plant and machinery (up 6%) have continued to increase this quarter. The trend estimate for expenditure by Manufacturing fell by 1%, following nine quarters of growth. Expenditure on equipment fell by 1%, and building and structures fell for the third consecutive quarter, following five quarters of very strong growth. The trend estimate for Other selected industries increased for the tenth consecutive quarter. Expenditure on equipment, plant and machinery increased by 4%, while expenditure on buildings and structures fell by 2%.



ACTUAL AND EXPECTED NEW CAPITAL EXPENDITURE

FINANCIAL YEARS AT CURRENT PRICES

The graphs below show the seven estimates of actual and expected expenditure for each financial year. The estimates appearing below relate to data contained in tables 5 and 6. Advice about the application of realisation ratios to these estimates is in paragraphs 24 to 27 of the Explanatory Notes.

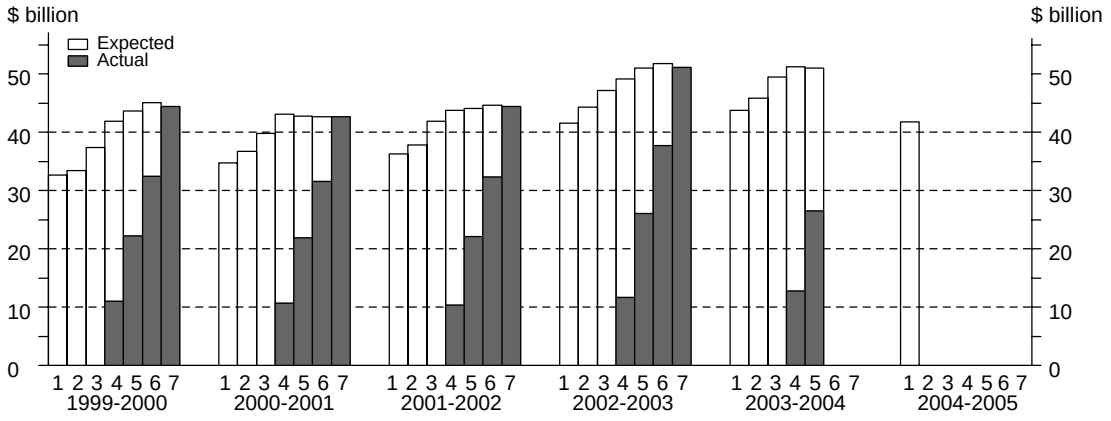
The timing and construction of these estimates are as follows:

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

TOTAL CAPITAL EXPENDITURE

Estimate 5 for 2003-04 is relatively unchanged from the comparable estimate for 2002-03 and slightly lower than estimate 4 for 2003-04. Mining (up 16%) was the only significant increase from the previous year. This increase was offset by significant falls in and Transport and storage (down 13%), Construction (down 11%) and Other services (down 9%).

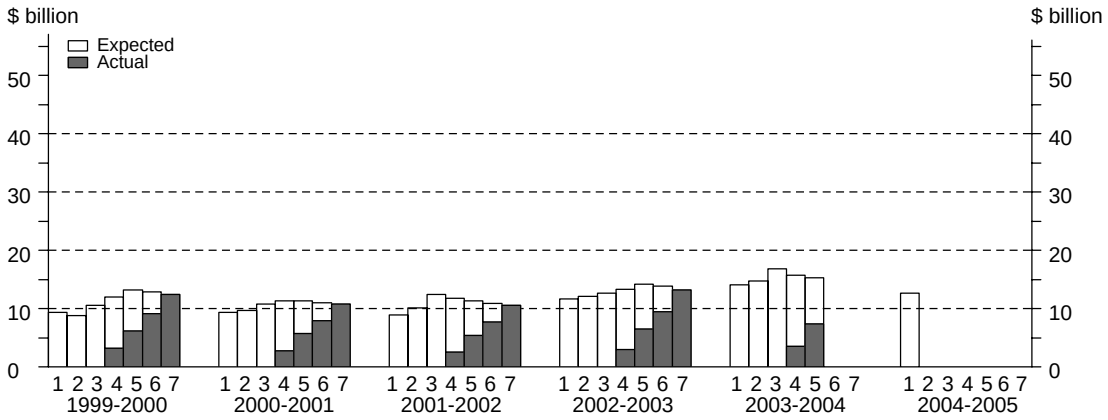
The first estimate of expenditure for 2004-05 is 5% lower than the first estimate for 2003-04. While Mining has very strong expectations (up 11%) for 2004-05, there are significant falls in expectations for Retail (down 23%), Other services (down 17%), Transport and storage (down 11%) and Manufacturing (down 8%).



CAPITAL EXPENDITURE ON BUILDINGS AND STRUCTURES

Estimate 5 for 2003-04 is 8% higher than estimate 5 from 2002-03 and 3% lower than the 4th estimate recorded last quarter. Mining and Other services had strong increases from the previous year, while Retail, Construction and Transport and storage fell.

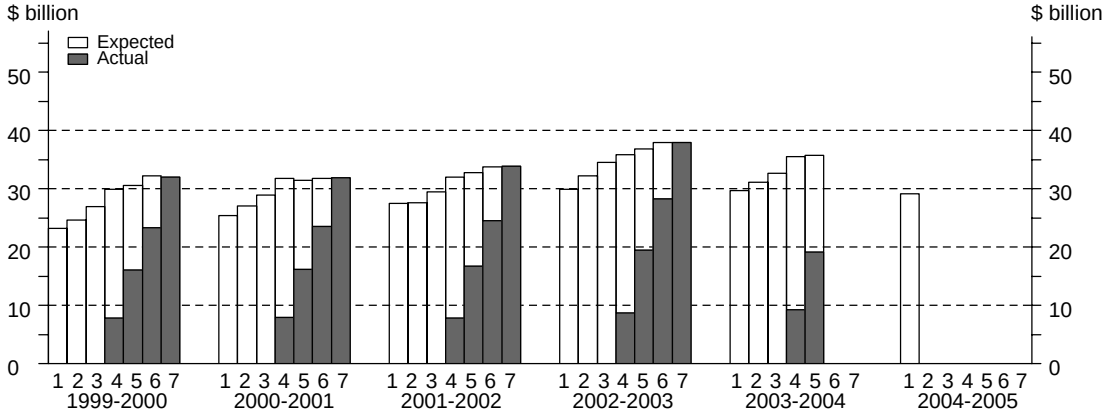
The first estimate for 2004-05 is 10% lower than for 2003-04, with Retail (down 48%) and Manufacturing (down 27%) contributing most significantly to this decrease.



CAPITAL EXPENDITURE ON EQUIPMENT, PLANT AND MACHINERY

Estimate 5 for 2003-04 is $35,691m, which is relatively unchanged from Estimate 4 for 2003-04. Estimate 5 is 3% lower than Estimate 5 for 2002-03. This was driven by an 18% decrease in Other services.

Estimate 1 for 2004-05 is $29,140m, which is 2% lower than estimate 1 for 2003-04. Most industries remained relatively unchanged, although Mining had a significant 30% increase, while Other services and Transport and storage fell, by 22% and 21% respectively.



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

	BUILDINGS AND STRUCTURES				EQUIPMENT, PLANT AND MACHINERY				TOTAL CAPITAL EXPENDITURE			
Period	*Mining*	*Manufacturing*	*Other selected industries*	*Total*	*Mining*	*Manufacturing*	*Other selected industries*	*Total*	*Mining*	*Manufacturing*	*Other selected industries*	*Total*
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
ORIGINAL (Actual)												
2001–02	3 495	840	6 217	10 552	3 754	8 341	21 733	33 828	7 249	9 180	27 950	44 380
2002–03	4 755	1 775	6 618	13 148	4 233	9 538	24 173	37 945	8 989	11 313	30 791	51 093
2002–03												
September	1 010	379	1 600	2 989	967	2 078	5 597	8 642	1 977	2 457	7 197	11 631
December	1 325	470	1 754	3 549	1 108	2 495	7 243	10 846	2 433	2 965	8 997	14 395
March	1 015	465	1 427	2 907	943	2 226	5 573	8 742	1 958	2 691	7 000	11 649
June	1 405	461	1 837	3 703	1 216	2 739	5 760	9 715	2 621	3 200	7 597	13 418
2003–04												
September	1 323	458	1 705	3 485	1 238	2 287	5 746	9 271	2 560	2 744	7 451	12 755
December	1 585	483	1 796	3 865	1 354	2 455	6 105	9 914	2 939	2 938	7 901	13 778
ORIGINAL (Expected) (a)												
2003–04												
6 mths to Jun	2 926	1 013	4 026	7 965	2 985	4 475	9 047	16 507	5 911	5 488	13 073	24 472
Total fin year	5 834	1 954	7 526	15 315	5 577	9 217	20 898	35 691	11 411	11 171	28 425	51 006
2004–05												
12 mths to Jun	4 883	1 447	6 311	12 641	6 185	7 972	14 982	29 140	11 068	9 419	21 294	41 781
SEASONALLY ADJUSTED (Actual)												
2002–03												
September	1 032	386	1 659	3 077	998	2 233	5 647	8 878	2 030	2 619	7 306	11 955
December	1 242	438	1 600	3 280	1 036	2 338	7 009	10 383	2 278	2 776	8 609	13 663
March	1 156	504	1 650	3 310	1 053	2 396	5 964	9 413	2 209	2 900	7 614	12 723
June	1 305	450	1 724	3 479	1 140	2 554	5 588	9 282	2 445	3 004	7 312	12 761
2003–04												
September	1 354	463	1 766	3 583	1 280	2 457	5 802	9 539	2 634	2 920	7 568	13 122
December	1 479	456	1 632	3 567	1 261	2 300	5 882	9 443	2 740	2 756	7 514	13 010
TREND (Actual)												
2002–03												
September	1 055	371	1 584	3 010	1 002	2 237	5 784	9 023	2 057	2 608	7 368	12 033
December	1 156	444	1 627	3 227	1 028	2 328	5 886	9 242	2 184	2 772	7 513	12 469
March	1 224	477	1 674	3 375	1 074	2 438	5 856	9 368	2 298	2 915	7 530	12 743
June	1 287	472	1 705	3 464	1 153	2 476	5 784	9 413	2 440	2 948	7 489	12 877
2003–04												
September	1 368	461	1 715	3 544	1 231	2 443	5 763	9 437	2 599	2 904	7 478	12 981
December	1 454	455	1 693	3 602	1 296	2 377	5 813	9 486	2 750	2 832	7 506	13 088

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation. See paragraphs 24 to 27 of the Explanatory Notes.

2 ACTUAL AND EXPECTED EXPENDITURE, By detailed industry—Current prices

Period	Mining	Manu-facturing	Construction	Wholesale trade	Retail trade	Transport and storage	Finance and insurance	Property and business services	Other services	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
ORIGINAL (Actual)										
2001–02	7 249	9 180	1 731	2 056	3 154	4 816	2 783	6 112	7 299	44 380
2002–03	8 989	11 313	1 981	2 096	3 447	7 222	2 905	6 546	6 595	51 093
2002–03										
September	1 977	2 457	555	517	950	1 323	684	1 688	1 479	11 631
December	2 433	2 965	439	584	924	2 680	810	1 607	1 954	14 395
March	1 958	2 691	492	418	680	1 511	715	1 518	1 666	11 649
June	2 621	3 200	494	577	892	1 708	695	1 733	1 496	13 418
2003–04										
September	2 560	2 744	330	499	907	1 850	772	1 681	1 411	12 755
December	2 939	2 938	419	526	986	1 679	764	1 808	1 719	13 778
ORIGINAL (Expected) (a)										
2003–04										
6 mths to Jun	5 911	5 488	604	771	1 414	2 744	1 295	2 968	3 277	24 472
Total fin year	11 411	11 171	1 354	1 796	3 306	6 272	2 832	6 457	6 407	51 006
2004–05										
12 mths to Jun	11 068	9 419	875	1 322	2 150	4 941	2 260	4 832	4 914	41 781
SEASONALLY ADJUSTED (Actual)										
2002–03										
September	2 030	2 619	604	497	883	1 361	658	1 720	1 583	11 955
December	2 278	2 776	422	545	814	2 676	785	1 585	1 782	13 663
March	2 209	2 900	530	519	869	1 485	827	1 656	1 728	12 723
June	2 445	3 004	450	533	885	1 710	648	1 598	1 488	12 761
2003–04										
September	2 634	2 920	358	481	840	1 918	745	1 711	1 515	13 122
December	2 740	2 756	402	490	873	1 672	742	1 784	1 551	13 010
TREND (Actual)										
2002–03										
September	2 057	2 608	515	527	814	1 520	717	1 618	1 657	12 033
December	2 184	2 772	512	528	840	1 522	758	1 643	1 710	12 469
March	2 298	2 915	480	527	867	1 605	760	1 625	1 666	12 743
June	2 440	2 948	439	516	864	1 710	736	1 643	1 581	12 877
2003–04										
September	2 599	2 904	405	499	865	1 772	718	1 701	1 518	12 981
December	2 750	2 832	366	484	861	1 810	723	1 760	1 502	13 088

(a) Not directly comparable with estimates of actual expenditure due to likely over/under realisation. See paragraphs 24 to 27 of the Explanatory Notes.

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

	ASSET			INDUSTRY			
Period	*Buildings and structures* $m	*Equipment, plant and machinery* $m	*Total* $m	*Mining* $m	*Manufacturing* $m	*Other selected industries* $m	*Total* $m
				ORIGINAL			
1999–2000	12 939	31 037	43 848	5 793	10 408	27 664	43 848
2000–01	10 864	31 545	42 392	5 612	9 183	27 556	42 392
2001–02	10 552	33 828	44 380	7 249	9 180	27 950	44 380
2002–03	12 704	40 075	52 779	8 941	11 769	32 069	52 779
2001–02							
December	2 868	8 810	11 677	1 892	2 478	7 308	11 677
March	2 342	7 850	10 194	1 621	2 256	6 316	10 194
June	2 769	9 456	12 227	1 992	2 630	7 603	12 227
2002–03							
September	2 929	8 976	11 906	1 969	2 517	7 419	11 906
December	3 451	11 260	14 711	2 422	3 054	9 235	14 711
March	2 804	9 279	12 083	1 951	2 803	7 329	12 083
June	3 520	10 560	14 080	2 598	3 395	8 086	14 080
2003–04							
September	3 273	10 370	13 643	2 547	2 952	8 144	13 643
December	3 582	11 538	15 120	2 949	3 251	8 920	15 120
				SEASONALLY ADJUSTED			
2001–02							
December	2 634	8 367	11 001	1 781	2 323	6 899	11 001
March	2 612	8 514	11 126	1 765	2 441	6 919	11 126
June	2 653	9 023	11 677	1 919	2 468	7 288	11 677
2002–03							
September	3 013	9 223	12 236	2 026	2 690	7 520	12 236
December	3 189	10 776	13 965	2 274	2 865	8 827	13 965
March	3 193	9 991	13 184	2 208	3 024	7 951	13 184
June	3 309	10 085	13 394	2 433	3 190	7 771	13 394
2003–04							
September	3 361	10 672	14 033	2 623	3 150	8 260	14 033
December	3 303	11 007	14 310	2 750	3 054	8 506	14 310
				TREND			
2001–02							
December	2 615	8 260	10 874	1 772	2 235	6 868	10 874
March	2 622	8 593	11 216	1 812	2 390	7 013	11 216
June	2 745	8 952	11 698	1 909	2 538	7 250	11 698
2002–03							
September	2 951	9 362	12 313	2 053	2 673	7 586	12 313
December	3 138	9 717	12 855	2 180	2 864	7 811	12 855
March	3 250	9 980	13 230	2 292	3 045	7 893	13 230
June	3 296	10 259	13 553	2 432	3 130	7 992	13 553
2003–04							
September	3 328	10 590	13 917	2 593	3 141	8 182	13 917
December	3 335	10 922	14 264	2 754	3 109	8 414	14 264

(a) Reference year for chain volume measures is 2001–02.

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

	ASSET			INDUSTRY			
	Buildings and structures	*Equipment, Plant and Machinery*	*Total*	*Mining*	*Manufacturing*	*Other selected industries*	*Total*
Period	%	%	%	%	%	%	%
			ORIGINAL				
1999–2000	–13.7	10.0	2.8	–38.6	10.2	13.6	2.8
2000–01	–16.0	1.6	–3.3	–3.1	–11.8	–0.4	–3.3
2001–02	–2.9	7.2	4.7	29.2	0.0	1.4	4.7
2002–03	20.4	18.5	18.9	23.3	28.2	14.7	18.9
2001–02							
December	11.5	14.2	13.6	8.4	36.4	8.7	13.6
March	–18.4	–10.9	–12.7	–14.3	–9.0	–13.6	–12.7
June	18.2	20.5	20.0	22.9	16.6	20.4	20.0
2002–03							
September	5.8	–5.1	–2.6	–1.1	–4.3	–2.4	–2.6
December	17.8	25.4	23.6	23.0	21.3	24.5	23.6
March	–18.8	–17.6	–17.9	–19.4	–8.2	–20.6	–17.9
June	25.6	13.8	16.5	33.2	21.1	10.3	16.5
2003–04							
September	–7.0	–1.8	–3.1	–2.0	–13.1	0.7	–3.1
December	9.4	11.3	10.8	15.8	10.1	9.5	10.8
			SEASONALLY ADJUSTED				
2001–02							
December	–0.7	5.6	4.0	–0.2	19.2	0.8	4.0
March	–0.8	1.8	1.1	–0.9	5.1	0.3	1.1
June	1.6	6.0	5.0	8.7	1.1	5.3	5.0
2002–03							
September	13.6	2.2	4.8	5.6	9.0	3.2	4.8
December	5.8	16.8	14.1	12.2	6.5	17.4	14.1
March	0.1	–7.3	–5.6	–2.9	5.6	–9.9	–5.6
June	3.6	0.9	1.6	10.2	5.5	–2.3	1.6
2003–04							
September	1.6	5.8	4.8	7.8	–1.2	6.3	4.8
December	–1.7	3.1	2.0	4.9	–3.1	3.0	2.0
			TREND				
2001–02							
December	–0.4	3.7	2.7	2.2	5.4	1.9	2.7
March	0.3	4.0	3.1	2.2	6.9	2.1	3.1
June	4.7	4.2	4.3	5.4	6.2	3.4	4.3
2002–03							
September	7.5	4.6	5.3	7.6	5.3	4.6	5.3
December	6.3	3.8	4.4	6.2	7.1	3.0	4.4
March	3.6	2.7	2.9	5.2	6.3	1.0	2.9
June	1.4	2.8	2.4	6.1	2.8	1.3	2.4
2003–04							
September	1.0	3.2	2.7	6.6	0.4	2.4	2.7
December	0.2	3.1	2.5	6.2	–1.0	2.8	2.5

(a) Reference year for chain volume measures is 2001–02.

5 EXPECTED EXPENDITURE AND REALISATION RATIOS, 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)							
2000–01	9 321	9 654	10 834	11 333	11 330	10 955	10 742
2001–02	8 860	10 122	12 445	11 796	11 335	10 891	10 552
2002–03	11 694	12 124	12 691	13 344	14 187	13 851	13 148
2003–04	14 115	14 751	16 850	15 748	15 315	nya	nya
2004–05	12 641	nya	nya	nya	nya	nya	nya
BUILDINGS AND STRUCTURES (Realisation Ratio) (a)							
2000–01	1.15	1.11	0.99	0.95	0.95	0.98	1.00
2001–02	1.19	1.04	0.85	0.89	0.93	0.97	1.00
2002–03	1.12	1.08	1.04	0.99	0.93	0.95	1.00
5-year average	1.19	1.13	1.00	0.95	0.94	0.97	1.00
EQUIPMENT, PLANT AND MACHINERY ($ million)							
2000–01	25 447	27 037	28 943	31 759	31 428	31 721	31 878
2001–02	27 457	27 640	29 473	31 956	32 769	33 703	33 828
2002–03	29 859	32 157	34 478	35 805	36 828	37 895	37 945
2003–04	29 672	31 117	32 628	35 483	35 691	nya	nya
2004–05	29 140	nya	nya	nya	nya	nya	nya
EQUIPMENT, PLANT AND MACHINERY (Realisation Ratio) (a)							
2000–01	1.25	1.18	1.10	1.00	1.01	1.00	1.00
2001–02	1.23	1.22	1.15	1.06	1.03	1.00	1.00
2002–03	1.27	1.18	1.10	1.06	1.03	1.00	1.00
5-year average	1.27	1.20	1.12	1.05	1.03	1.00	1.00
TOTAL ($ million)							
2000–01	34 768	36 691	39 777	43 092	42 758	42 676	42 621
2001–02	36 317	37 762	41 917	43 752	44 105	44 594	44 380
2002–03	41 553	44 281	47 169	49 149	51 015	51 746	51 093
2003–04	43 788	45 868	49 478	51 231	51 006	nya	nya
2004–05	41 781	nya	nya	nya	nya	nya	nya
TOTAL (Realisation Ratio) (a)							
2000–01	1.23	1.16	1.07	0.99	1.00	1.00	1.00
2001–02	1.22	1.18	1.06	1.01	1.01	1.00	1.00
2002–03	1.23	1.15	1.08	1.04	1.00	0.99	1.00
5-year average	1.25	1.18	1.08	1.02	1.00	0.99	1.00
TOTAL (Percentage change over corresponding estimate for previous financial year)							
2000–01	6.6	9.8	6.3	3.0	–2.1	–5.3	–4.1
2001–02	4.5	2.9	5.4	1.5	3.1	4.5	4.1
2002–03	14.4	17.3	12.5	12.3	15.7	16.0	15.1
2003–04	5.4	3.6	4.9	4.2	0.0	nya	nya
2004–05	–4.6	nya	nya	nya	nya	nya	nya

nya not yet available

(a) Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 24 to 27 of the Explanatory Notes.

6 EXPECTED EXPENDITURE AND REALISATION RATIOS, 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)*
			MINING ($ million)				
2000–01	5 355	5 569	5 789	6 415	5 952	5 879	5 490
2001–02	6 323	7 327	8 300	8 873	8 415	7 749	7 249
2002–03	9 764	10 163	10 510	10 089	9 848	9 444	8 989
2003–04	9 981	10 845	12 091	11 942	11 411	nya	nya
2004–05	11 068	nya	nya	nya	nya	nya	nya
			MINING (Realisation Ratio) (a)				
2000–01	1.03	0.99	0.95	0.86	0.92	0.93	1.00
2001–02	1.15	0.99	0.87	0.82	0.86	0.94	1.00
2002–03	0.92	0.88	0.86	0.89	0.91	0.95	1.00
5-year average	0.97	0.94	0.90	0.86	0.92	0.95	1.00
			MANUFACTURING ($ million)				
2000–01	9 339	10 015	10 502	10 027	10 088	9 514	9 144
2001–02	9 161	9 028	9 018	9 174	9 465	9 377	9 180
2002–03	9 173	9 776	11 021	10 808	10 908	11 560	11 313
2003–04	10 278	10 466	11 680	11 790	11 171	nya	nya
2004–05	9 419	nya	nya	nya	nya	nya	nya
			MANUFACTURING (Realisation Ratio) (a)				
2000–01	0.98	0.91	0.87	0.91	0.91	0.96	1.00
2001–02	1.00	1.02	1.02	1.00	0.97	0.98	1.00
2002–03	1.23	1.16	1.03	1.05	1.04	0.98	1.00
5-year average	1.09	1.03	0.97	0.98	0.96	0.97	1.00
			OTHER SELECTED INDUSTRIES ($ million)				
2000–01	20 074	21 108	23 486	26 650	26 718	27 283	27 987
2001–02	20 834	21 407	24 600	25 704	26 225	27 469	27 950
2002–03	22 616	24 341	25 638	28 252	30 259	30 742	30 791
2003–04	23 529	24 556	25 707	27 499	28 425	nya	nya
2004–05	21 294	nya	nya	nya	nya	nya	nya
			OTHER SELECTED INDUSTRIES (Realisation Ratio) (a)				
2000–01	1.39	1.33	1.19	1.05	1.05	1.03	1.00
2001–02	1.34	1.31	1.14	1.09	1.07	1.02	1.00
2002–03	1.36	1.26	1.20	1.09	1.02	1.00	1.00
5-year average	1.43	1.34	1.19	1.09	1.04	1.01	1.00

nya not yet available

(a) Ratio of actual expenditure for the financial year to each progressive estimate for the financial year. For more information see paragraphs 24 to 27 of the Explanatory Notes.

7 RATIOS OF ACTUAL TO SHORT TERM EXPECTATIONS(a), By type of asset and industry—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				
2001–02	0.92	0.89	0.86	0.87
2002–03	0.99	0.84	1.04	0.86
2003–04	0.91	nya	0.85	nya
5-year average	0.95	0.87	0.97	0.88
Equipment, plant and machinery				
2001–02	1.04	1.01	1.09	1.07
2002–03	1.06	1.01	1.09	1.06
2003–04	0.97	nya	1.08	nya
5-year average	0.99	0.99	1.09	1.06
Total				
2001–02	1.00	0.98	1.02	1.01
2002–03	1.04	0.95	1.08	1.00
2003–04	0.95	nya	1.01	nya
5-year average	0.98	0.96	1.05	1.01
TYPE OF INDUSTRY				
Mining				
2001–02	0.76	0.80	0.84	0.76
2002–03	0.81	0.85	0.82	0.84
2003–04	0.86	nya	0.86	nya
5-year average	0.80	0.82	0.86	0.84
Manufacturing				
2001–02	0.93	0.93	0.94	0.94
2002–03	0.95	0.93	0.97	1.07
2003–04	0.82	nya	0.91	nya
5-year average	0.90	0.88	0.94	0.93
Other selected industries				
2001–02	1.13	1.07	1.11	1.14
2002–03	1.17	1.01	1.23	1.04
2003–04	1.06	nya	1.12	nya
5-year average	1.08	1.03	1.17	1.09
Total				
2001–02	1.00	0.98	1.02	1.01
2002–03	1.04	0.95	1.08	1.00
2003–04	0.95	nya	1.01	nya
5-year average	0.98	0.96	1.05	1.01

nya not yet available

(a) For more information on Realisation Ratios see paragraphs 24 to 27 of the Explanatory Notes.

8 ACTUAL EXPENDITURE ON BUILDINGS AND STRUCTURES, Current prices

Period	New South Wales $m	Victoria $m	Queensland $m	South Australia $m	Western Australia $m	Tasmania $m	Northern Territory $m	Australian Capital Territory $m	Total $m
ORIGINAL									
1999–2000	3 954	2 856	2 549	640	1 781	97	492	93	12 462
2000–01	3 202	2 385	2 052	692	1 671	134	396	212	10 742
2001–02	2 695	1 847	1 948	617	1 831	445	975	194	10 552
2002–03	3 122	2 352	2 146	785	2 910	255	1 471	107	13 148
2001–02									
December	780	537	487	186	459	103	244	59	2 855
March	583	392	447	136	375	136	234	40	2 343
June	622	501	567	159	499	138	279	32	2 797
2002–03									
September	677	592	532	159	539	88	377	26	2 989
December	841	624	621	216	736	55	417	38	3 549
March	604	531	473	163	760	73	281	21	2 907
June	1 000	605	520	246	874	39	396	23	3 703
2003–04									
September	830	672	500	189	848	17	416	12	3 485
December	958	654	569	272	1 002	20	379	11	3 865
SEASONALLY ADJUSTED									
2001–02									
December	700	501	460	151	426	np	np	np	2 624
March	678	451	487	166	412	np	np	np	2 614
June	588	500	552	157	486	np	np	np	2 682
2002–03									
September	696	561	535	170	545	np	np	np	3 077
December	756	579	583	175	683	np	np	np	3 280
March	708	618	519	201	844	np	np	np	3 310
June	941	599	505	243	846	np	np	np	3 479
2003–04									
September	853	638	505	202	858	np	np	np	3 583
December	862	606	532	220	928	np	np	np	3 567
TREND									
2001–02									
December	702	459	463	152	446	105	231	56	2 605
March	651	463	497	160	433	128	262	42	2 627
June	647	507	532	162	467	121	301	33	2 775
2002–03									
September	667	546	557	166	567	98	341	30	3 010
December	724	586	554	183	693	73	367	28	3 227
March	797	607	531	205	797	54	372	26	3 375
June	846	615	513	218	853	39	370	20	3 464
2003–04									
September	877	619	510	220	882	26	376	14	3 544
December	887	617	520	217	901	17	390	10	3 602

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9 ACTUAL EXPENDITURE ON EQUIPMENT, PLANT AND MACHINERY, Current prices

Period	New South Wales $m	Victoria $m	Queensland $m	South Australia $m	Western Australia $m	Tasmania $m	Northern Territory $m	Australian Capital Territory $m	Total $m
ORIGINAL									
1999–2000	11 528	8 644	5 108	1 939	3 718	411	302	313	31 963
2000–01	11 820	8 612	4 471	2 170	3 608	467	382	348	31 878
2001–02	10 821	9 508	5 480	2 497	4 163	518	414	427	33 828
2002–03	11 361	10 518	6 955	3 235	4 250	628	428	571	37 945
2001–02									
December	2 888	2 539	1 384	705	1 083	107	96	96	8 898
March	2 495	2 163	1 354	578	928	120	97	118	7 854
June	2 804	2 598	1 530	738	1 158	169	136	144	9 277
2002–03									
September	2 742	2 552	1 443	662	961	101	82	99	8 642
December	3 182	3 026	2 016	943	1 140	213	158	168	10 846
March	2 633	2 421	1 608	734	950	151	82	164	8 742
June	2 803	2 519	1 888	897	1 199	164	106	140	9 715
2003–04									
September	2 650	2 511	1 540	784	1 379	143	125	140	9 271
December	2 759	2 530	1 886	803	1 565	139	117	115	9 914
SEASONALLY ADJUSTED									
2001–02									
December	2 783	2 357	1 336	618	1 049	np	np	np	8 438
March	2 704	2 418	1 378	628	1 010	np	np	np	8 503
June	2 670	2 498	1 453	717	1 095	np	np	np	8 842
2002–03									
September	2 774	2 580	1 572	723	974	np	np	np	8 878
December	3 062	2 815	1 928	831	1 096	np	np	np	10 383
March	2 855	2 699	1 698	783	1 037	np	np	np	9 413
June	2 671	2 428	1 734	884	1 132	np	np	np	9 282
2003–04									
September	2 681	2 535	1 682	858	1 402	np	np	np	9 539
December	2 652	2 354	1 794	708	1 503	np	np	np	9 443
TREND									
2001–02									
December	2 719	2 333	1 333	588	1 014	124	92	97	8 324
March	2 705	2 428	1 385	651	1 049	127	108	112	8 561
June	2 716	2 501	1 470	696	1 035	130	114	120	8 775
2002–03									
September	2 763	2 589	1 585	722	1 009	137	106	125	9 023
December	2 814	2 632	1 683	756	992	148	91	128	9 242
March	2 798	2 613	1 719	810	1 041	158	94	137	9 368
June	2 732	2 539	1 718	841	1 183	155	109	144	9 413
2003–04									
September	2 674	2 457	1 727	824	1 348	144	118	142	9 437
December	2 631	2 403	1 753	774	1 490	141	120	136	9 486

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10 ACTUAL TOTAL EXPENDITURE, Current prices

Period	New South Wales $m	Victoria $m	Queensland $m	South Australia $m	Western Australia $m	Tasmania $m	Northern Territory $m	Australian Capital Territory $m	Total $m
				ORIGINAL					
1999–2000	15 482	11 500	7 657	2 579	5 500	508	794	405	44 425
2000–01	15 022	10 997	6 523	2 862	5 279	600	778	560	42 621
2001–02	13 516	11 355	7 428	3 113	5 994	963	1 389	621	44 380
2002–03	14 483	12 869	9 101	4 020	7 159	883	1 899	678	51 093
2001–02									
December	3 667	3 076	1 871	891	1 542	210	340	155	11 753
March	3 077	2 555	1 801	714	1 303	256	332	157	10 197
June	3 426	3 100	2 096	897	1 657	307	415	175	12 074
2002–03									
September	3 420	3 144	1 975	821	1 500	189	459	125	11 631
December	4 023	3 650	2 637	1 159	1 876	268	575	206	14 395
March	3 237	2 952	2 081	897	1 711	224	362	184	11 649
June	3 803	3 123	2 408	1 143	2 073	203	502	163	13 418
2003–04									
September	3 481	3 183	2 040	972	2 226	160	541	152	12 755
December	3 717	3 184	2 455	1 075	2 567	159	496	125	13 778
				SEASONALLY ADJUSTED					
2001–02									
December	3 483	2 858	1 796	769	1 475	216	333	151	11 062
March	3 382	2 869	1 865	794	1 422	262	368	154	11 117
June	3 258	2 998	2 005	874	1 581	281	417	161	11 524
2002–03									
September	3 470	3 141	2 107	893	1 519	199	428	145	11 955
December	3 818	3 394	2 511	1 006	1 779	272	560	210	13 663
March	3 563	3 317	2 217	984	1 881	237	399	172	12 723
June	3 612	3 027	2 239	1 127	1 978	181	499	149	12 761
2003–04									
September	3 534	3 173	2 187	1 060	2 260	165	520	179	13 122
December	3 514	2 960	2 326	928	2 431	162	478	130	13 010
				TREND					
2001–02									
December	3 421	2 792	1 796	740	1 460	229	323	153	10 929
March	3 356	2 891	1 882	811	1 482	255	370	154	11 188
June	3 363	3 008	2 002	858	1 502	251	415	153	11 550
2002–03									
September	3 430	3 135	2 142	888	1 576	235	447	155	12 033
December	3 538	3 218	2 237	939	1 685	221	458	156	12 469
March	3 595	3 220	2 250	1 015	1 838	212	466	163	12 743
June	3 578	3 154	2 231	1 059	2 036	194	479	164	12 877
2003–04									
September	3 551	3 076	2 237	1 044	2 230	170	494	156	12 981
December	3 518	3 020	2 273	991	2 391	158	510	146	13 088

11 ACTUAL EXPENDITURE ON BUILDINGS AND STRUCTURES—Chain volume measures(a)

Period	*New South Wales* $m	*Victoria* $m	*Queensland* $m	*South Australia* $m	*Western Australia* $m	*Tasmania* $m	*Northern Territory* $m	*Australian Capital Territory* $m	*Total* $m
ORIGINAL									
1999–2000	4 102	2 966	2 646	664	1 851	100	512	96	12 939
2000–01	3 236	2 412	2 076	699	1 689	135	401	214	10 864
2001–02	2 695	1 847	1 948	617	1 831	445	975	194	10 552
2002–03	3 014	2 274	2 076	758	2 808	247	1 422	104	12 704
2001–02									
December	783	540	490	187	461	103	245	59	2 868
March	582	391	447	136	375	137	234	40	2 342
June	616	496	561	157	494	137	276	31	2 769
2002–03									
September	663	580	521	156	528	86	370	25	2 929
December	818	607	604	210	716	54	405	37	3 451
March	583	512	456	158	733	71	271	20	2 804
June	950	575	495	234	831	37	376	22	3 520
2003–04									
September	780	632	470	177	796	16	391	12	3 273
December	887	606	528	252	928	19	351	10	3 582
SEASONALLY ADJUSTED									
2001–02									
December	701	504	463	152	428	np	np	np	2 634
March	676	451	487	165	412	np	np	np	2 612
June	581	495	547	153	480	np	np	np	2 653
2002–03									
September	684	549	525	165	532	np	np	np	3 013
December	740	562	568	170	663	np	np	np	3 189
March	688	595	502	193	811	np	np	np	3 193
June	903	568	481	230	802	np	np	np	3 309
2003–04									
September	799	600	475	189	805	np	np	np	3 361
December	796	562	493	203	860	np	np	np	3 303
TREND									
2001–02									
December	703	462	465	152	448	107	230	55	2 615
March	648	462	496	159	432	130	262	42	2 622
June	640	502	527	159	462	121	300	33	2 745
2002–03									
September	656	535	547	162	555	96	337	29	2 951
December	709	569	540	177	672	70	359	28	3 138
March	772	583	513	197	765	51	360	25	3 250
June	809	585	489	207	814	36	352	19	3 296
2003–04									
September	825	581	479	206	828	24	352	14	3 328
December	819	575	484	201	834	19	359	9	3 335

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(a) Reference year for chain volume measures is 2001–02.

12 ACTUAL EXPENDITURE ON EQUIPMENT, PLANT AND MACHINERY—Chain volume measures(a)

Period	New South Wales $m	Victoria $m	Queensland $m	South Australia $m	Western Australia $m	Tasmania $m	Northern Territory $m	Australian Capital Territory $m	Total $m
				ORIGINAL					
1999–2000	11 025	8 379	4 979	1 901	3 760	403	295	296	31 037
2000–01	11 628	8 511	4 440	2 151	3 618	463	378	341	31 545
2001–02	10 821	9 508	5 480	2 497	4 163	518	414	427	33 828
2002–03	12 045	11 141	7 325	3 411	4 441	662	447	604	40 075
2001–02									
December	2 859	2 513	1 372	697	1 072	106	95	95	8 810
March	2 495	2 166	1 349	579	928	119	96	117	7 850
June	2 866	2 645	1 557	752	1 179	173	138	147	9 456
2002–03									
September	2 859	2 655	1 496	684	989	105	85	104	8 976
December	3 315	3 151	2 087	978	1 173	220	162	174	11 260
March	2 808	2 580	1 701	777	996	160	86	172	9 279
June	3 064	2 755	2 041	972	1 283	178	114	153	10 560
2003–04									
September	2 990	2 838	1 718	869	1 498	161	138	158	10 370
December	3 239	2 976	2 188	928	1 778	160	134	135	11 538
				SEASONALLY ADJUSTED					
2001–02									
December	2 756	2 333	1 325	615	1 039	np	np	np	8 367
March	2 705	2 422	1 374	632	1 012	np	np	np	8 514
June	2 730	2 542	1 480	735	1 119	np	np	np	9 023
2002–03									
September	2 891	2 683	1 634	752	1 006	np	np	np	9 223
December	3 190	2 929	2 003	865	1 132	np	np	np	10 776
March	3 045	2 875	1 804	832	1 089	np	np	np	9 991
June	2 919	2 654	1 883	962	1 213	np	np	np	10 085
2003–04									
September	3 022	2 861	1 877	957	1 531	np	np	np	10 672
December	3 110	2 767	2 082	823	1 716	np	np	np	11 007
				TREND					
2001–02									
December	2 693	2 311	1 338	585	1 006	123	90	97	8 260
March	2 715	2 436	1 387	657	1 054	128	107	114	8 593
June	2 773	2 548	1 497	712	1 055	133	115	125	8 952
2002–03									
September	2 871	2 680	1 643	747	1 041	144	109	133	9 362
December	2 963	2 762	1 769	792	1 033	157	95	138	9 717
March	2 989	2 787	1 831	863	1 094	168	101	149	9 980
June	2 992	2 781	1 870	917	1 276	169	120	159	10 259
2003–04									
September	3 021	2 780	1 935	922	1 488	162	131	163	10 590
December	3 066	2 784	2 016	890	1 639	162	133	162	10 922

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

(a) Reference year for chain volume measures is 2001–02.

13 ACTUAL TOTAL EXPENDITURE—Chain volume measures(a)

Period	New South Wales $m	Victoria $m	Queensland $m	South Australia $m	Western Australia $m	Tasmania $m	Northern Territory $m	Australian Capital Territory $m	Total $m
ORIGINAL									
1999–2000	15 056	11 299	7 604	2 561	5 608	507	803	396	43 848
2000–01	14 857	10 908	6 510	2 848	5 307	601	782	554	42 392
2001–02	13 516	11 355	7 428	3 113	5 994	963	1 389	621	44 380
2002–03	15 060	13 415	9 401	4 169	7 249	909	1 869	708	52 779
2001–02									
December	3 641	3 052	1 862	884	1 533	209	340	154	11 677
March	3 079	2 559	1 796	715	1 303	255	331	157	10 194
June	3 484	3 142	2 117	909	1 673	310	415	179	12 227
2002–03									
September	3 522	3 236	2 017	840	1 517	191	455	129	11 906
December	4 133	3 757	2 691	1 188	1 889	273	568	211	14 711
March	3 390	3 093	2 157	935	1 729	230	357	192	12 083
June	4 014	3 329	2 536	1 206	2 114	215	490	175	14 080
2003–04									
September	3 770	3 469	2 188	1 046	2 295	177	529	170	13 643
December	4 127	3 582	2 716	1 180	2 706	179	486	145	15 120
SEASONALLY ADJUSTED									
2001–02									
December	3 457	2 836	1 788	767	1 467	217	330	151	11 001
March	3 381	2 873	1 860	797	1 424	263	365	155	11 126
June	3 313	3 038	2 026	888	1 599	285	418	165	11 677
2002–03									
September	3 575	3 232	2 159	917	1 539	200	427	151	12 236
December	3 930	3 491	2 571	1 035	1 795	276	556	217	13 965
March	3 733	3 469	2 306	1 025	1 900	242	395	180	13 184
June	3 822	3 222	2 364	1 192	2 015	190	492	160	13 394
2003–04									
September	3 821	3 461	2 352	1 146	2 336	184	509	203	14 033
December	3 907	3 329	2 575	1 026	2 575	183	462	154	14 310
TREND									
2001–02									
December	3 395	2 772	1 804	738	1 454	231	321	152	10 874
March	3 365	2 899	1 882	816	1 486	257	368	156	11 216
June	3 414	3 051	2 023	871	1 516	254	415	157	11 698
2002–03									
September	3 527	3 215	2 189	909	1 596	240	445	163	12 313
December	3 672	3 331	2 309	969	1 705	227	454	166	12 855
March	3 762	3 370	2 343	1 060	1 859	219	461	174	13 230
June	3 801	3 366	2 360	1 124	2 087	205	472	178	13 553
2003–04									
September	3 845	3 361	2 414	1 128	2 316	187	483	176	13 917
December	3 887	3 358	2 494	1 091	2 475	180	493	171	14 264

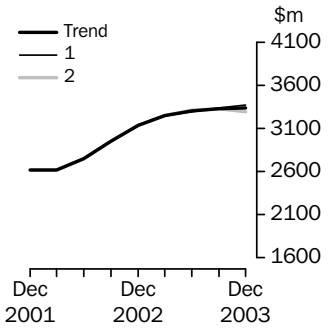
(a) Reference year for chain volume measures is 2001–02.

EFFECT OF NEW SEASONALLY ADJUSTED ESTIMATES ON TREND ESTIMATES

TREND REVISIONS

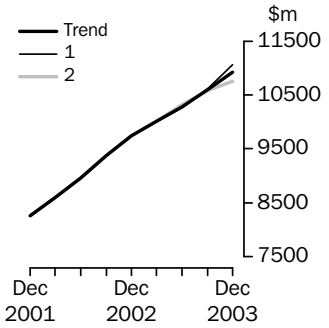
Recent seasonally adjusted and trend estimates are likely to be revised when original estimates for subsequent quarters become available. The approximate effect of possible scenarios on trend estimates for capital expenditure in chain volume terms are presented below by illustrating the impact if next quarter's seasonally adjusted estimate rises or falls by a specified percentage (based on the historical average of movements in seasonally adjusted estimates). For further information, see paragraphs 36 and 37 in the Explanatory Notes.

BUILDINGS AND STRUCTURES



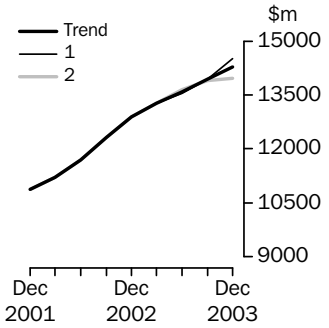
	Trend as published		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE: (1) rises by 6.7% on this quarter		(2) falls by 6.7% on this quarter	
	$m	%	$m	%	$m	%
2003						
March	3 250	3.6	3 250	3.6	3 250	3.6
June	3 296	1.4	3 292	1.3	3 309	1.8
September	3 328	1.0	3 329	1.1	3 322	0.4
December	3 335	0.2	3 367	1.2	3 285	–1.1

EQUIPMENT, PLANT AND MACHINERY



	Trend as published		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE: (1) rises by 4.9% on this quarter		(2) falls by 4.9% on this quarter	
	$m	%	$m	%	$m	%
2003						
March	9 980	2.7	9 980	2.7	9 980	2.7
June	10 259	2.8	10 237	2.6	10 300	3.2
September	10 590	3.2	10 598	3.5	10 575	2.7
December	10 922	3.1	11 051	4.3	10 746	1.6

TOTAL CAPITAL EXPENDITURE



	Trend as published		WHAT IF NEXT QUARTER'S SEASONALLY ADJUSTED ESTIMATE: (1) rises by 4.4% on this quarter		(2) falls by 4.4% on this quarter	
	$m	%	$m	%	$m	%
2003						
March	13 230	2.9	13 230	2.9	13 230	2.9
June	13 553	2.4	13 513	2.1	13 625	3.0
September	13 917	2.7	13 929	3.1	13 890	1.9
December	14 264	2.5	14 494	4.1	13 953	0.4

EXPLANATORY NOTES

INTRODUCTION

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

SCOPE OF THE SURVEY

2 The Survey of New Capital Expenditure includes the following industries classified according to the Australian and New Zealand Standard Industrial Classification, ANZSIC, 1993:

Mining (Division B)
Manufacturing (Division C)
Other selected industries:
- Construction (Division E)
- Wholesale trade (Division F)
- Retail trade (Division G)
- Transport and storage (Division I)
- Finance and insurance (Division K, but excluding Superannuation funds (Class 7412))
- Property and business services (Division L)
- Other selected services:
  - Electricity, gas and water (Division D)
  - Accommodation, cafes and restaurants (Division H)
  - Communication services (Division J)
  - Cultural and recreational services (Division P)
  - Personal services (Subdivision 95)

3 The survey excludes the following industries:

Agriculture, forestry and fishing (Division A)
Government administration and defence (Division M)
Superannuation funds (Class 7412)
Education (Division N)
Health and community services (Division O)
Other services (Subdivision 96)

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

5 The Survey of New Capital Expenditure, like most ABS economic collections, takes its frame from employing businesses on the ABS Business Register which is primarily based on registrations to the Australian Taxation Office's Pay As You Go Witholding (PAYGW) scheme (and prior to 1 July 2000 the Group Employer scheme). The frame is updated quarterly to take account of new businesses, businesses which have ceased employing, changes in employment levels, changes in industry and other general business changes.

6 Businesses which have ceased employing are identified when the Australian Taxation Office cancels their PAYGW registration (or previously their Group Employer registration). In addition, from September quarter 1999, businesses which did not remit under the Group Employer scheme for the previous five quarters were removed from the frame. A similar process has been adopted to remove businesses who do not remit under the PAYGW scheme.

7 The statistics in this publication exclude non-employing businesses. Though there are a substantial number of these businesses, it is expected that they would not contribute significantly to the estimates, although the impact would vary from industry to industry.

STATISTICAL UNIT

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

SURVEY METHODOLOGY

9 The survey is conducted by mail on a quarterly basis. It is based on a random sample of approximately 8,000 units which is stratified by industry, State/Territory and number of employees. 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.

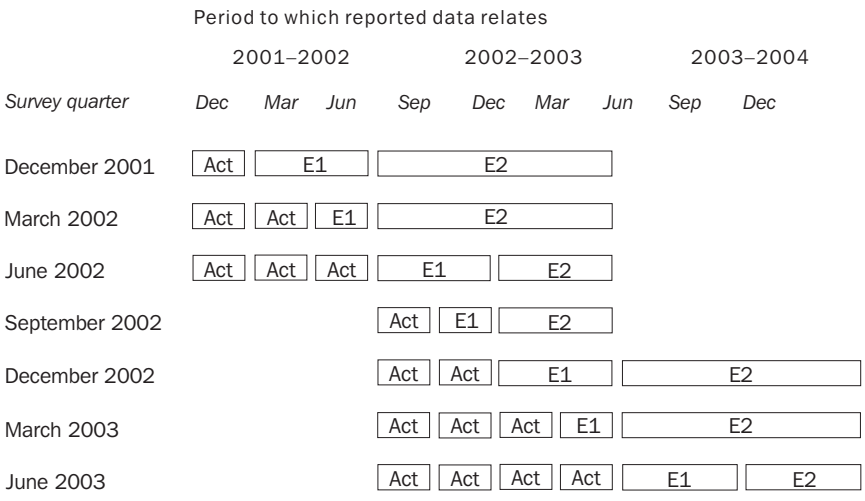
10 Respondents are asked to provide data on the same basis as their own management accounts. Where a selected unit does not respond in a given survey period, a value is estimated. If data are subsequently provided, the estimated value is replaced with reported data. Aggregates are calculated from all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

TIMING AND CONSTRUCTION OF SURVEY CYCLE

11 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).

12 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 *continued*

13 This survey cycle facilitates the formation of estimates of expenditure for financial years (12 months ending 30 June) which are presented in tables 5 and 6 of this publication. For example, as the table above shows for 2002–2003:

- the first estimate was available from the December 2001 survey as a longer term expectation (E2);
- the second estimate was available from the March 2002 survey (again as a longer term expectation);
- the third estimate was available from in the June 2002 survey as the sum of two expectations (E1 + E2);
- in the September 2002, December 2002 and March 2003 surveys the fourth, fifth and sixth estimates, respectively, are derived as the sum of actual expenditure (for that part of the year completed) and expected expenditure (for the remainder of the year) as recorded in the current quarter's survey;
- the final (or seventh) estimate from the June quarter 2003 survey was derived by summing the actual expenditure for each of the four quarters in the 2002–03 financial year.

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

15 These expectations data by state/territory are not included in this publication but are released on AusStats and are available on request.

SAMPLE REVISION

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

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

18 Adjustments are included in the estimates to allow for lags in processing new businesses to the ABS Business Register, and the omission of some businesses from the register. The majority of businesses affected and to which adjustments apply are small in size. As an indication of the size of these adjustments, in the December quarter 2003 they represented about 0.8% of the total estimate of new capital expenditure.

CLASSIFICATION BY INDUSTRY

19 The Australian and New Zealand Standard Industrial Classification (ANZSIC) has been developed for use in both countries for the production and analysis of industry statistics. For more information, users are referred to *Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993* (cat. no. 1292.0).

20 In order to classify new capital expenditure by industry, each statistical unit (as defined above) is classified to the (ANZSIC) industry in which it mainly operates.

CHAIN VOLUME MEASURES

21 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 2001–02). The current price values may be thought as being the product of a price and quantity. The value in chain volume terms can be derived by linking together movements in volumes, calculated using the average prices of the previous financial year

CHAIN VOLUME MEASURES *continued*

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

22 With each release of the June quarter issue of this publication, a new base year is introduced and the reference year is advanced one year to coincide with it. This means that with the release of the June quarter 2004 issue of this publication, the chain volume measures for 2003–04 will have 2002–03 (the previous financial year) as their base year rather than 2001–02, and the reference year will be 2002–03. A change in the reference year changes levels but not growth rates for all periods. A change in the base year can result in revisions, small in most cases, to growth rates for the last year.

23 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. In order to minimise the impact of this, the ABS uses the latest base year as the reference year. By adopting this approach, additivity does exist for the quarters following the reference year and non-additivity is relatively small for the quarters in the reference year and those immediately preceding it. For further information on chain volume measures refer to *Information Paper: Introduction of Chain Volume Measures in the Australian National Accounts* (cat. no. 5248.0).

DERIVATION AND USEFULNESS OF REALISATION RATIOS

24 Once actual expenditure for a financial year is known, it is useful to investigate the relationship between each of the prior 6 estimates of expenditure for that financial year and the actual expenditure (see Page 5 for an explanation of the derivation of the 7 estimates). The resultant realisation ratios (subsequent actual expenditure divided by expected expenditure) then indicate how much expenditure was actually incurred against the amount expected to be incurred at the various times of reporting. Realisation ratios can also be formed separately for 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).

25 Realisation ratios provide an important tool in understanding and interpreting expectation statistics for future periods. The application of realisation ratios enables the adjustment of expectation data for known under (or over) realisation patterns in the past and hence provides a valid basis for comparison with other expectation data and actual expenditure estimates. Once this has been done the predictions can be more validly compared with each other and with previously derived estimates of actual expenditure for earlier years. For example, if one wished to make a prediction about actual expenditure for 2001–02 based on the June 2001 survey results and compare this with 2000–01 expenditure, it is necessary to apply the relevant realisation factors to the expectation to put both estimates on the same basis.

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

27 In using realisation ratios to adjust expectations data, attention should be paid to the range of values that has occurred in the past. A wide range of values is indicative of volatility in the realisation patterns and hence greater caution should be exercised regarding the predictive value of the expectation, even after adjustment by application of realisation ratios. This is particularly the case with the early 12 month expectations for the following financial year collected in the December and March surveys.

RELIABILITY OF THE ESTIMATES

28 Estimates provided in this publication are subject to non-sampling and sampling errors. The most common way of quantifying sampling error is to calculate the standard error for the published estimate. Details of standard errors are on pages 29 and 30 of this publication.

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

30 Estimates for the latest quarter presented in this publication are considered preliminary and revised estimates will be released with the next issue. As discussed in Paragraphs 34, 36 and 37, below, seasonally adjusted and trend estimates are also subject to revision as data are revised and more data becomes available.

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

SEASONAL ADJUSTMENT

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

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

34 In this publication, the seasonally adjusted estimates are produced by the concurrent seasonal adjustment method which takes account of the latest available original estimates. This method improves the estimation of seasonal factors, and therefore, the seasonally adjusted and trend estimates for the current and previous quarters. As a result of this improvement, revisions to the seasonally adjusted and trend estimates will be observed for recent periods. In most instances the only noticeable revisions will be to the previous quarter and the same quarter one year ago. A more detailed review will be conducted annually prior to the June quarter release using data up to and including the March quarter. The concurrent seasonal adjustment methodology replaces the forward factor methodology previously used to adjust capital expenditure estimates where seasonal factors for these estimates were only revised following an annual reanalysis.

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

TREND ESTIMATES

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

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

DESCRIPTION OF TERMS

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

39 *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.

40 Some estimates are dissected by type of asset:

- *Buildings and Structures.* Includes industrial and commercial buildings, houses, flats, home units, water and sewerage installations, lifts, heating, ventilating and similar equipment forming an integral part of buildings and structures, land development and construction site development, roads, bridges, wharves, harbours, railway lines, pipelines, power and telephone lines. Also includes mine development (e.g. construction of shafts in underground mines, preparation of mining and quarrying sites for open cut extraction and other developmental operations primarily for commencing or extending production). Excludes purchases of land, previously occupied buildings and speculatively built projects intended for sale before occupation.
- *Equipment, plant and machinery.* Includes plant, machinery, vehicles, electrical apparatus, office equipment, furniture, fixtures and fittings not forming an integral part of buildings, durable containers, special tooling, etc. Also includes goods imported for the first time whether previously used outside Australia or not.

COMPARISON WITH NATIONAL ACCOUNTS AND OTHER ABS STATISTICS

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

- National Accounts estimates incorporate data from other sources as well as information from the new capital expenditure survey. For example, annual estimates for capital expenditure on 'machinery and equipment' are based on the ABS' annual Economic Activity Survey combined with data from the Australian Taxation Office. Quarterly estimates are interpolated between and extrapolated from the annual estimates using a variety of indicators including this survey. The ABS's quarterly Building Activity Survey and Engineering Construction Survey are the main sources for estimating the National Accounts dwellings and other building and structures items.

COMPARISON WITH NATIONAL ACCOUNTS AND OTHER ABS STATISTICS *continued*

- National Accounts estimates include capital expenditure by all private businesses including units classified to agriculture, forestry and fishing, education, and health and community services industries and capital expenditure on dwellings by households. Data for these sectors are excluded from this publication.
- National Accounts estimates include the value of work done on speculative construction projects as the work is put into place. The statistics in this publication, however, include full value of the speculative projects as new capital expenditure of the purchases (if in scope), when the project is sold.
- National accounts estimates of gross fixed capital formation relate to acquisitions less disposals of new or existing fixed assets, whereas the survey figures are acquisitions of new fixed tangible assets only.

42 For a more detailed explanation of the concepts and methods used in compiling the National Accounts estimates see *Australian National Accounts: Concepts, Sources and Method*s (cat. no. 5216.0).

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

RELATED PUBLICATIONS

44 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)
- *Australian National Accounts: Concepts, Sources and Methods* (cat. no. 5216.0)
- *Building Activity, Australia* (cat. no. 8752.0)
- *Business Indicators, Australia* (cat. no. 5676.0)
- *Business Operations and Industry Performance, Australia* (cat. no. 8140.0)
- *Constructon Work Done, Australia* (cat no 8755.0)
- *Directory of Capital Expenditure Data Sources and Related Statistics* (cat. no. 5653.0)
- *Engineering Construction Activity, Australia* (cat. no. 8762.0)
- *Information Paper: Experimental Estimates: Australian Industry, A State Perspective, 1998–99* (cat. no. 8156.0)
- *Information Paper: Improvements to Australian Bureau of Statistics Business Indicators* (cat. no. 5677.0)
- *Information Paper: Australian National Accounts, Introduction of Chain Volume and Price Indexes* (cat. no. 5248.0)

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

ABS DATA AVAILABLE ON REQUEST

46 In addition to the data contained in this publication, more detailed industry and state information may be made available on request, the cost for such a service being dependent upon the amount of data requested. For example, data are generally available at the ANZSIC group (3 digit) level.

DATA AVAILABLE ON AUSSTATS

47 The ABS' time series service AusStats contains most of the data included in this publication but with a longer time series. In addition to the series in this publication, data for Manufacturing Subdivisions and State by Industry data are also available. A full list of available AusStats tables is in Appendix 2 on page 31.

APPENDIX 1 SAMPLING ERRORS

LEVEL ESTIMATES

INTRODUCTION

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

EXAMPLE OF USE

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 ($10,500m ± $173m)
- There are approximately 19 chances in 20 that the real value falls within the ranges $10,154m and $10,846m ($10,500m ± $346m)

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

	Buildings and structures	*Equipment, plant and machinery*	*Total*
	$m	$m	$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
Finance and insurance	3	29	31
Property and business services	52	62	84
Other services	69	36	89
Total	**90**	**124**	**173**
New South Wales	17	77	92
Victoria	73	71	108
Queensland	10	35	44
South Australia	2	13	27
Western Australia	5	25	32
Tasmania	1	8	8
Northern Territory	na	na	2
Australian Capital Territory	na	na	6
Australia	**90**	**124**	**173**

na not available

MOVEMENT ESTIMATES

EXAMPLE OF USE

The following example illustrates how to use the standard error to interpret a movement estimate. Let us say that one quarter the published level estimate for total capital expenditure is $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 ±$221m)
- There are approximately nineteen chances in twenty that the real movement falls within the range $158m to $1,042m ($600m ± $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.

	Buildings and structures	*Equipment, plant and machinery*	*Total*
	$m	$m	$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
Finance insurance	5	40	32
Property and business services	74	84	114
Other services	98	46	119
Total	**127**	**153**	**221**
New South Wales	26	99	103
Victoria	26	114	117
Queensland	63	75	100
South Australia	10	84	84
Western Australia	24	87	91
Tasmania	5	21	21
Northern Territory	na	na	33
Australian Capital Territory	na	na	67
Australia	**127**	**153**	**221**

na not available

APPENDIX 2 DATA AVAILABLE ON AUSSTATS

DATA AVAILABLE ON AUSSTATS

The full list of Ausstats tables is as follows:

1a Actual expenditure, By type of asset and broad industry, Australia, Original, Current price terms
1b Short-term expectations, By type of asset and broad industry, Australia, Original, Current price terms
1c Long-term expectations, By type of asset and broad industry, Australia, Original, Current price terms
1e Actual expenditure, By type of asset and broad industry, Australia, Seasonally adjusted, Current price terms
1f Actual expenditure, By type of asset and broad industry, Australia, Trend, Current price terms
2a Actual expenditure, By detailed industry, Australia, Original, Current price terms
2b Short-term expectations, By detailed industry, Australia, Original, Current price terms
2c Long-term expectations, By detailed industry, Australia, Original, Current price terms
2e Actual expenditure, By detailed industry, Australia, Seasonally adjusted, Current price terms
2f Actual expenditure, By detailed industry, Australia, Trend, Current price terms
3a Actual expenditure, By type of asset, Australia, Original, Seasonally adjusted, Trend, Chain volume measures
3b Actual expenditure, By industry, Australia, Original, Seasonally adjusted, Trend, Chain volume measures
4a Actual expenditure, By type of asset, States and Australia, Original, Current price terms
4b Actual expenditure, By type of asset, States and Australia, Seasonally adjusted, Current price terms
4c Actual expenditure, By type of asset, States and Australia, Trend, Current price terms
5a Actual expenditure, By type of asset, States and Australia, Original, Chain volume measures
5b Actual expenditure, By type of asset, States and Australia, Seasonally adjusted, Chain volume measures
5c Actual expenditure, By type of asset, States and Australia, Trend, Chain volume measures
6a Actual and expected expenditure, By type of asset, New South Wales, Original, Current price terms
6b Actual and expected expenditure, By industry, New South Wales, Original, Current price terms
7a Actual and expected expenditure, By type of asset, Victoria, Original, Current price terms
7b Actual and expected expenditure, By industry, Victoria, Original, Current price terms
8a Actual and expected expenditure, By type of asset, Queensland, Original, Current price terms
8b Actual and expected expenditure, By industry, Queensland, Original, Current price terms
9a Actual and expected expenditure, By type of asset, South Australia, Original, Current price terms
9b Actual and expected expenditure, By industry, South Australia, Original, Current price terms
10a Actual and expected expenditure, By type of asset, Western Australia, Original, Current price terms

DATA AVAILABLE ON AUSSTATS *continued*

10b Actual and expected expenditure, By industry, Western Australia, Original, Current price terms

11a Actual and expected expenditure, By type of asset, Tasmania, Original, Current price terms

11b Actual and expected expenditure, By industry, Tasmania, Original, Current price terms

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