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NEW FIXED CAPITAL EXPENDITURE BY PRIVATE ENTERPRISES IN SELECTED INDUSTRIES, AUSTRALIA

JUNE QUARTER 1984 (PRELIMINARY ACTUAL)
JULY TO DECEMBER 1984 (PRELIMINARY EXPECTED)
JULY 1984 TO JUNE 1985 (PRELIMINARY EXPECTED)

PHONE INQUIRIES *for more information about these statistics*—contact Mr Geoff McFarlane on Canberra (062) 52 5611 or any of our State offices.

other inquiries including copies of publications—contact Information Services on Canberra (062) 52 6627 or in any of our State offices.

MAIL INQUIRIES *write to* Information Services, ABS, P.O. Box 10, Belconnen, A.C.T. 2616 or any of our State offices.

MAIN FEATURES

Actual Expenditure

At $2,571m the preliminary estimate of new fixed capital expenditure by private enterprises, seasonally adjusted and at average 1979-80 prices, showed virtually no change over expenditure reported in the March quarter 1984. However, the March quarter expenditure was the first increase recorded since the June quarter 1982.

Expenditure recorded for 1983-84 in current price terms, at $14,126m, was 10% lower than for 1982-83.

Expected Expenditure

The preliminary estimate of expected new fixed capital expenditure for 1984-85, as reported in the June quarter survey, is about $14,400m. This is some 14% higher than previous expectations recorded in the March quarter survey and about 10% higher than business expectations (for 1983-84) at the same time last year.

EXPLANATORY NOTES

Introduction

This publication contains preliminary estimates of actual new fixed capital expenditure by private enterprises in selected industries in Australia for the June quarter 1984 and of expected expenditure for the 6 months ending 31 December 1984 and for the 12 months ending 30 June 1985 together with estimates of actual new fixed capital expenditure for previous quarters from December quarter 1982. It is anticipated that final estimates will be published in October (5626.0).

2. The series contained in this publication have been compiled from data collected in a quarterly survey of private enterprises. A graphical representation of the data reporting cycle is shown at the foot of page 2. The survey is based on a stratified random sample of private enterprises recorded in the Australian Bureau of Statistics (ABS) central register of economic units. The statistics of actual new fixed capital expenditure for the June quarter 1984 and expected new fixed capital expenditure for the 6 months ending 31 December 1984 and the 12 months ending 30 June 1985 are preliminary estimates only. They have been compiled on the basis of the initial 75 per cent of returns received and are subject to revision when final estimates are compiled on the basis of a more complete response. The sampling standard error for the preliminary estimate of the level of total actual new fixed capital expenditure is approximately 3 per cent. The standard error of the quarter to quarter movement in total new fixed capital expenditure is also about 3 per cent (expressed as a percentage of the level estimate).

3. The preliminary estimates of expected new fixed capital expenditure in this publication relate to expenditure that enterprises expected, during July-August 1984, to incur in the six month period ending 31 December 1984 and in the twelve month period ending 30 June 1985. Subsequent events, e.g. changes in economic conditions, may cause revision of plans and/or affect the timing of construction of buildings or the deliveries of equipment, or their cost. Some indication of the predictive value of the preliminary estimates of expected new fixed capital expenditure for the ensuing 6 and 12 month periods may be obtained from Table 4 where the estimate of final actual new fixed capital expenditure (as first published in 5626.0) is expressed as a percentage of the preliminary expected estimate for the same period. A further impression of the predictive value of estimates of expected expenditure for the 12 month period can be gained from Tables 8 and 9 of the latest issue of Catalogue No. 5626.0.

4. Estimates at average 1979-80 prices are presented, by type of asset, in both original and seasonally adjusted terms in Table 2. The deflators used to revalue the current price estimates are the price deflators compiled for the new fixed assets component of the national accounts aggregates 'Private gross fixed capital expenditure on non-dwelling construction' and 'Private gross fixed capital expenditure on equipment'.

Speculative Construction Projects

5. To bring the definitions used in this survey into line with those used in other ABS statistical collections, the definition of new fixed capital expenditure used in the December quarter 1982 and subsequent surveys was changed in respect of the treatment of speculative construction projects. The value of unsold, speculatively built construction projects, previously regarded as fixed tangible assets of the builder/property developer, is now regarded as stocks (of the builder/property developer). Commencing with the estimates collected in January/February 1983, the value of additions to unsold, speculatively built construction projects (whether completed or not) is regarded as additions to stocks (rather than new fixed capital expenditure) and is therefore excluded from the estimates in this publication. Expenditure on the *purchase* of speculatively built construction projects is now regarded as new fixed capital expenditure of the purchaser, at the time of purchase. This change has resulted in a break in the series for new buildings and structures for the finance, property and business services industry (and consequent aggregates). On the basis of information collected in the December quarter 1982, this effect is estimated to be in the order of $200m per quarter. This change has also affected the realisation factors shown in Table 4. Figures shown in brackets in that table reflect the realisation factors which would have been obtained if the expected expenditure data for the December quarter 1982 had been collected on a comparable basis to the actual expenditure for that quarter.

6. Comparisions of estimates in this publication with some previously published data (especially expectations data) are affected by the changes in definitions referred to above.

Further information

7. For further information on the industry classification, reliability, definition of terms, scope of this series and a full discussion of the concept of standard error, together with estimates of standard errors, see March 1984 issue of Catalogue No. 5626.0 published on 26 June 1984. Details of seasonal adjustment methods used are given in *Seasonally Adjusted Indicators, Australia,* (1308.0).

Related publications

8. Current publications produced by ABS are listed in the *Catalogue of Publications, Australia* (1101.0). The ABS also issues, on Tuesdays and Fridays, a *Publications Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and Publications Advice are available from any ABS office.

Symbols and other usages

p	preliminary—figure or series subject to revision.
r	figure or series revised since previous issue
n.a.	not available
ASIC	Australian Standard Industrial Classification, 1978 edition
——	break in continuity of series (where a line is drawn between two consecutive figures in the same column, or alongside two or more figures in consecutive columns).

9. Where figures have been rounded, discrepancies may occur between the sums of the component items and the totals.

R. J. CAMERON
Australian Statistician

SURVEY OF NEW FIXED CAPITAL EXPENDITURE—REPORTING CYCLE

<table>
<tr><th rowspan="2">Time of data reporting</th><th colspan="11">Period to which reported data relate—</th></tr>
<tr><th>Dec. qtr 1983</th><th>Mar. qtr 1984</th><th>June qtr 1984</th><th>Sept. qtr 1984</th><th>Dec. qtr 1984</th><th>Mar. qtr 1985</th><th>June qtr 1985</th><th>Sept. qtr 1985</th><th>Dec. qtr 1985</th><th>Mar. qtr 1986</th><th>June qtr 1986</th></tr>
<tr><td>April-May 1984</td><td></td><td>(a)</td><td>(b)</td><td colspan="4">(c)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>July-Aug. 1984</td><td></td><td></td><td>(a)</td><td colspan="2">(b)</td><td colspan="2">(c)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Oct.-Nov. 1984</td><td></td><td></td><td></td><td>(a)</td><td>(b)</td><td colspan="2">(c)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Jan.-Feb. 1985</td><td></td><td></td><td></td><td></td><td>(a)</td><td colspan="2">(b)</td><td colspan="4">(c)</td></tr>
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</table>

(a) Represents estimate of actual expenditure for the quarter prior to time of reporting. (b) and (c) represent estimates of expected expenditure, at the time of reporting, for the current and subsequent periods respectively.

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TABLE 1 - NEW FIXED CAPITAL EXPENDITURE FOR SELECTED INDUSTRIES (A) BY TYPE OF ASSET
ORIGINAL AND SEASONALLY ADJUSTED SERIES
($ MILLION)

TYPE OF ASSET	ACTUAL 1982-83 DEC. QTR	ACTUAL 1982-83 MARCH QTR	ACTUAL 1982-83 JUNE QTR	ACTUAL 1983-84 SEPT QTR	ACTUAL 1983-84 DEC. QTR	ACTUAL 1983-84 MARCH QTR	ACTUAL 1983-84 JUNE QTR P	EXPECTED (B) 6 MONTHS ENDING 31 DEC. 1984 P	EXPECTED (B) 12 MONTHS ENDING 30 JUNE 1985 P
ORIGINAL									
NEW BUILDINGS AND STRUCTURES (C)	1,169.7	844.3	951.1	822.6	932.9	740.9	948.0	1,966.5	3,476.3
OTHER NEW CAPITAL EQUIPMENT (D)	3,166.6	2,422.4	3,049.0	2,708.0	2,697.2	2,323.8	2,952.2	5,562.9	10,916.8
TOTAL SELECTED INDUSTRIES (A)	4,336.2	3,266.8	4,000.1	3,530.6	3,630.2	3,064.7	3,900.2	7,529.4	14,393.1
SEASONALLY ADJUSTED									
NEW BUILDINGS AND STRUCTURES (C)	1,038.0	969.7	928.4	835.6	832.2	868.8	928.5	N.A.	N.A.
OTHER NEW CAPITAL EQUIPMENT (D)	2,933.8	2,794.6	2,830.9	2,763.1	2,519.2	2,665.4	2,726.6	N.A.	N.A.
TOTAL SELECTED INDUSTRIES (A)	3,971.8	3,764.3	3,759.3	3,598.7	3,351.4	3,534.2	3,655.0	N.A.	N.A.

TABLE 2 - NEW FIXED CAPITAL EXPENDITURE FOR SELECTED INDUSTRIES (A) BY TYPE OF ASSET
AT AVERAGE 1979-80 PRICES (E)
ORIGINAL AND SEASONALLY ADJUSTED SERIES
($ MILLION)

TYPE OF ASSET	1982-83 DEC. QTR	1982-83 MARCH QTR	1982-83 JUNE QTR	1983-84 SEPT QTR	1983-84 DEC. QTR	1983-84 MARCH QTR	1983-84 JUNE QTR
ORIGINAL r							
NEW BUILDINGS AND STRUCTURES (C)	816.8	583.1	650.5	558.1	619.5	485.5	611.2
OTHER NEW CAPITAL EQUIPMENT (D)	2,462.4	1,860.5	2,232.1	1,986.8	1,970.2	1,718.8	2,136.2
TOTAL SELECTED INDUSTRIES (A)	3,279.2	2,443.6	2,882.6	2,544.9	2,589.7	2,204.3	2,747.4
SEASONALLY ADJUSTED r							
NEW BUILDINGS AND STRUCTURES (C)	724.8	669.7	635.0	566.9	552.6	569.4	598.6
OTHER NEW CAPITAL EQUIPMENT (D)	2,281.4	2,146.4	2,072.4	2,027.2	1,840.0	1,971.2	1,972.7
TOTAL SELECTED INDUSTRIES (A)	3,006.2	2,816.1	2,707.4	2,594.1	2,392.6	2,540.6	2,571.3

SEE PAGE 4 FOR FOOTNOTES

TABLE 3 - NEW FIXED CAPITAL EXPENDITURE BY MAJOR INDUSTRY GROUP
ORIGINAL AND SEASONALLY ADJUSTED SERIES
($ MILLION)

MAJOR INDUSTRY (F)	ACTUAL 1982-83 DEC. QTR	ACTUAL 1982-83 MARCH QTR	ACTUAL 1982-83 JUNE QTR	ACTUAL 1983-84 SEPT QTR	ACTUAL 1983-84 DEC. QTR	ACTUAL 1983-84 MARCH QTR	ACTUAL 1983-84 JUNE QTR P	EXPECTED (B) 6 MONTHS ENDING 31 DEC. 1984 P	EXPECTED (B) 12 MONTHS ENDING 30 JUNE 1985 P
ORIGINAL									
MINING (11-16)	1,022.4	783.3	726.2	623.6	639.7	485.4	568.4	1,060.5	2,218.7
MANUFACTURING (21-34)	1,153.2	841.5	844.4	757.9	812.8	684.6	794.1	1,854.9	3,553.2
FINANCE ETC. (G) (61-63)	1,317.3	1,080.5	1,493.8	1,334.3	1,400.8	1,247.2	1,669.5	2,968.7	5,915.2
OTHER SELECTED INDUSTRIES (36,37, 47-56,91-93)	843.4	561.4	935.8	815.0	776.9	647.5	868.2	1,645.3	2,706.0
TOTAL (A) (11-37,47-63,91-93)	4,336.2	3,266.8	4,000.1	3,530.6	3,630.2	3,064.7	3,900.2	7,529.4	14,393.1
SEASONALLY ADJUSTED									
MINING (11-16)	899.7	888.8	710.2	651.1	563.4	548.8	555.9	N.A.	N.A.
MANUFACTURING (21-34)	1,028.8	953.6	811.5	791.5	730.3	772.3	767.2	N.A.	N.A.
FINANCE ETC. (G) (61-63)	1,279.5	1,247.6	1,357.1	1,331.1	1,359.5	1,442.2	1,514.3	N.A.	N.A.
OTHER SELECTED INDUSTRIES (36,37, 47-56,91-93)	763.8	674.3	880.5	825.0	698.2	770.9	817.6	N.A.	N.A.
TOTAL (A) (11-37,47-63,91-93)	3,971.8	3,764.3	3,759.3	3,598.7	3,351.4	3,534.2	3,655.0	N.A.	N.A.

TABLE 4 - NEW FIXED CAPITAL EXPENDITURE AS A PERCENTAGE OF PRELIMINARY EXPECTED NEW FIXED CAPITAL EXPENDITURE

PERIOD	TYPE OF ASSET: NEW BUILDINGS AND STRUCTURES (C)	TYPE OF ASSET: OTHER NEW CAPITAL EQUIPMENT (D)	MAJOR INDUSTRY (F): MINING (11-16)	MAJOR INDUSTRY (F): MANU-FACTURING (21-34)	MAJOR INDUSTRY (F): FINANCE ETC (G) (61-63)	MAJOR INDUSTRY (F): OTHER SELECTED INDUSTRIES (36,37,47-56, 91-93)	TOTAL (A) (11-37,47-63, 91-9)
6 MONTHS ENDING							
31 DECEMBER 1982 (H)	89.7	96.8	88.2	94.4	93.9	105.2	94.6
31 DECEMBER 1983	92.8	110.5	83.5	104.0	113.8	117.4	105.6
12 MONTHS ENDING							
30 JUNE 1983 (H)	83.3 (94.8)	98.3	91.3	96.0	88.6 (98.4)	102.7	93.5 (97.0)
30 JUNE 1984 P	102.3	114.4	88.3	106.2	118.0	128.4	111.2

(A) EXCLUDES PUBLIC SECTOR AND ALL ENTERPRISES CLASSIFIED TO AGRICULTURE, FORESTRY, FISHING AND HUNTING, COMMUNITY SERVICES AND CONSTRUCTION. (B) EXPECTED BY BUSINESSES IN JULY-AUGUST 1984. (C) INCLUDES INDUSTRIAL AND COMMERCIAL BUILDINGS, HOUSES, FLATS AND HOME UNITS, WATER AND SEWERAGE INSTALLATIONS, LIFTS, HEATING, VENTILATING AND SIMILAR EQUIPMENT FORMING AN INTEGRAL PART OF BUILDINGS AND STRUCTURES, LAND AND CONSTRUCTION SITE DEVELOPMENT. ROADS, BRIDGES, WHARVES, HARBOURS, RAILWAY LINES, PIPELINES, POWER AND TELEPHONE LINES. ALSO INCLUDED IS THE VALUE OF EXPENDITURE ON MINE DEVELOPMENT (E.G. CONSTRUCTION OF SHAFTS IN UNDERGROUND MINES, PREPARATION OF MINING AND QUARRYING SITES FOR OPEN CUT EXTRACTION, AND OTHER DEVELOPMENTAL OPERATIONS UNDERTAKEN PRIMARILY FOR COMMENCING OR EXTENDING PRODUCTION). (D) 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. (E) SEE PARAGRAPH 4 OF THE EXPLANATORY NOTES. (F) NUMBERS IN BRACKETS REFER TO ASIC SUBDIVISIONS. (G) FINANCE, PROPERTY AND BUSINESS SERVICES. (H) SEE PARAGRAPH 5 OF THE EXPLANATORY NOTES.