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STATE ESTIMATES OF PRIVATE NEW CAPITAL EXPENDITURE DECEMBER QUARTER 1987 SURVEY

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NOTE: ***This publication contains State series of actual and expected new capital expenditure revised to take account of the changes to the survey outlined in paragraphs 5-13. The series are not directly comparable with previously published State estimates. The December quarter 1987 estimates contained in this publication are the most recent estimates derived from that Survey.***

MAIN FEATURES

December Quarter 1987

Seasonally adjusted current price estimates of private new capital expenditure in each State for the December quarter 1987 are shown below together with percentage changes from the September quarter 1987.

State	December Qtr 1987—Seasonally Adjusted	
	Value $ m	*% Change on Sept Qtr 1987*
N.S.W	1,831	+12
Vic.	1,580	+14
Qld.	842	+11
S.A.	413	-11
W.A.	962	-8
Tas.	95	-36
Aust.(a)	5,974	+10

Expected Capital Expenditure for 1987-88

In the December quarter 1987 survey businesses provided expectations for 1987-88 by State. Expectations derived from previous December quarter surveys have not always been realised but the direction and extent of this varies from State to State and over time. Applying average, minimum and maximum realisation factors for each State for the past 5 years yields the following changes over expenditure for 1986-87.

	% Change 1987-88 (adjusted estimates) over 1986-87 (actual)		
	Average	*Min*	*Max*
N.S.W	+5	+2	+8
Vic.	+1	-5	+6
Qld.	+30	+21	+35
S.A.	+31	+21	+44
W.A.	+1	-5	+7
Tas.	+46	+39	+61
Aust.(a)	+11	+8	+14

Expected Capital Expenditure for 1988-89

Businesses also provided in the December quarter 1987 survey expectations by State for the following financial year 1988-89. Experience shows that this expectation significantly understates the expenditure that will be incurred. The extent of this understatement varies from State to State and over time. Application of the relevant 5 year average, minimum and maximum realisation factors for each state yields the following changes over the adjusted estimates for 1987-88.

	% Change 1988-89 (adjusted estimates) over 1987-88 (adjusted estimates)		
	Average	*Min*	*Max*
N.S.W	+21	-9	+37
Vic.	+36	+8	+52
Qld.	+2	-22	+17
S.A.	—	-17	+22
W.A.	+12	-21	+75
Tas.	+9	-9	+24
Aust. (a)	+15	-10	+32

(a) Includes N.T. and A.C.T.

Given the large range between minimum and maximum values caution should be exercised in using these figures.

EXPLANATORY NOTES

Introduction

This publication contains estimates of actual and expected new capital expenditure by private enterprises in selected industries in Australia dissected by State. More detailed estimates for Australia were published in *Private New Capital Expenditure, Australia* (5625.0) released on 26 May 1988.

2. The series contained in this publication have been compiled from data collected in a quarterly survey of private enterprises. 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 figures obtained from the selected informants are supplemented by data from units which have large capital expenditure and which are outside the sample survey framework, or not adequately covered by it. These data are used to calculate estimates of new capital expenditure by *all* enterprises in the private sector of the Australian economy falling within the industry scope of the survey.

Scope of the survey

3. This survey aims to measure the value of new capital expenditure by all private enterprises in Australia. However, because of various collection and compilation difficulties, the statistics in this publication exclude estimates relating to the enterprises classified to agriculture, construction and community services industries.

4. Private households and public sector enterprises (i.e. all departments, authorities and other organisations owned and/or controlled by Commonwealth, State or Local Government) are outside the present scope of the survey.

Changes in this issue

5. The data in this publication are not directly comparable with previously published State estimates of new capital expenditure due to the introduction of a number of conceptual and statistical changes to the survey. The main changes are the adoption of a new basis of accounting for finance leases (see paragraph 7) and the introduction of special statistical units for large enterprises with significant ativities in more than one industry (see paragraph 9). The impact of these changes is discussed in paragraphs 10-13.

6. These changes make the State series consistent with the Australian estimates which were first published on the new basis in the revised series of Catalogue 5626.0 released on 10 December 1987.

Finance leases

7. The value of new capital assets acquired under a finance lease is included in the industry of the lessee rather than the industry of the lessor (primarily the finance industry). This makes the definition of capital expenditure used in this survey accord with Australian accounting practice following the issue of ASRB 1008 by the Accounting Standards Review Board. For the purposes of this survey a finance lease refers to those arrangements which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership. Generally these would be leases which are virtually non cancellable and/or where legal ownership transfers to the lessee at the end of the lease term.

8. The treatment of capital assets acquired under operating leases has not been affected by this change in accounting convention. Such assets will continue to be recorded as being the capital expenditure of the lessor.

Statistical unit

9. In the main the statistical unit is the enterprise as recorded on the ABS central register of economic units. There are however, two exceptions:

(a) where an enterprise has significant activities in more than one industry. A statistical unit has been created for each significant activity.

(b) where data for the enterprise are not available but data are available for the enterprise group (the parent enterprise and its subsidiary enterprises). Where possible a statistical unit has been created for each operating division of the enterprise group.

Impact of changes

10. The introduction of these changes has had two major effects on the series:

(a) a reduction in the level of new capital expenditure within scope of the survey, and

(b) a more relevant set of industry estimates in that the estimates reflect the industries in which the assets are to be used.

11. Lower level estimates resulted from the exclusion under the new basis of the value of assets acquired under finance lease by private enterprises classified to agriculture, construction and community services industries which are excluded from the scope of this survey. Similarly the value of assets acquired under a finance lease by private households and public sector enterprises (i.e. all departments, authorities and other organisations owned and/or controlled by Commonwealth, State or Local Government) are also excluded from the data. These data were previously included in the finance industry i.e. the industry of ownership.

12. Offsetting this to some extent are assets acquired by private sector businesses via finance leases where the lessor is a public sector enterprise.

13. The introduction of the new basis of accounting for finance leases results in more relevant industry estimates due to the capital expenditure being classified to the industry of the lessee (i.e. industry of the user) rather than the industry of the lessor (i.e. industry of ownership). Similarly the introduction of special statistical units improves the industry estimates due to large enterprises providing data by industry where the enterprise has significant activities in more than one industry.

Time series of data

14. Data were collected from businesses on both old and new bases from September quarter 1985 to June quarter 1987. From September quarter 1987 only new basis data were collected. Only the new series is shown in this bulletin. A time series for periods prior to September quarter 1985, and going back to 1979 was estimated by, in general, applying the ratio of new basis State estimates to old basis State estimates derived in the two year period to the old basis State data at the broad industry level.

15. A similar methodology was adopted for expectations data. However due to the limited number of observations for each of the expectations periods, the ratios formed may not be as meaningful as for actual expenditure and could lead to some imprecision in the realisation ratios. As a result realisation ratios for earlier years should be used with some caution.

Classification by industry

16. In order to classify new capital expenditure by industry in these series, each enterprise listed on the ABS central register of economic units (and therefore each selected enterprise) is classified to the Australian Standard Industrial Classification (ASIC) industry in which it *mainly* operates.

17. Except for the special statistical units (see paragraph 9(a) and (b)), the total value of all of the new capital assets acquired by each selected enterprise either on own account or under a finance lease is classified to the enterprise's industry even though it may have activities in other industries. In the case of the special statistical units, each unit was classified to the industry in which it mainly operates. It is thought that this practice will allow the estimates to approximate those that would be obtained if data were collected, and classified to industry, on an establishment basis.

18. The industries shown in this publication are detailed below. The numbers in brackets relate to the ASIC subdivisions as defined in the 1983 edition of ASIC.

MINING (11-16)
MANUFACTURING (21-34)
FINANCE, PROPERTY AND BUSINESS SERVICES (61-63)

OTHER SELECTED INDUSTRIES (36,37,47-56,91-93)
TOTAL SELECTED INDUSTRIES

State dissection

19. The survey is designed to produce Australian estimates. The State dissection is achieved by requesting all surveyed enterprises identified on the ABS central register of economic units as having operations in more than one State, to allocate their expenditure to the State in which the assets have been or will be used. In cases where enterprises have been unable to allocate their expenditure to an individual State because the assets are mobile (e.g. trucks, aeroplanes, etc.) and are used in more than one State, the expenditure has been allocated to the State of the Australian Head Office of the enterprise. Expenditure by 'single State' enterprises in the survey is allocated to the State in which the enterprise head office is located.

20. Statistics for N.T. and A.C.T. are not separately available because of the high sampling variability associated with estimates for these Territories. They are included in totals for Australia and while a residual for the Territories can be derived, the measure is not reliable.

Reporting cycle

21. State estimates of actual new capital expenditure by private enterprises are compiled quarterly. State estimates of expected expenditure are only collected in the December quarter survey. The expected expenditure information relates to the 6 months ending the following June and the following financial year.

22. The collection of these expectations data in the December quarter 1987 survey allows the derivation of a *composite estimate* (6 months actual plus 6 months expectations) for the current financial year (i.e. 12 months ending June 1988) and provides a *twelve month expectation* for the following financial year (i.e. 12 months ending June 1989).

Derivation and usefulness of realisation ratios

23. Once actual expenditure for a financial year is known it is useful to investigate the relationship between the prior expectations and the actual expenditure incurred (referred to as realisation ratios). For State estimates it is possible to derive realisation ratios for the composite estimate and the twelve month expectation estimate.

24. Such realisation ratios provide an important tool in understanding and interpreting expectations data for future periods. The application of realisation ratios enables the adjustment of expectations data for known under (or over) realisation patterns in the past and hence provide a more valid basis for comparison with actual data. For example to compare for N.S.W. the composite estimate for 1987-88 to the actual expenditure for 1986-87 it is necessary to apply realisation ratios (see Table 3) to the composite estimate to take account of the over realisation that generally occurs.

25. There are many ways in which realisation factors can be applied to make adjusted estimates of actual expenditure for a future period. A range of realisation ratios for both the composite estimate and the twelve month expectation for each State have been provided in the tables. The adjusted estimates shown on page 1 of this publication have been derived using realisation ratios which use the average of the latest available five observations.

26. In using realisation ratios to adjust expectations data, attention should be paid to the range of values that have 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* for State estimates.

27. For the reasons outlined in paragraph 15, users should exercise further caution in the use and application of realisation ratios for periods prior to 1985-86.

Description of terms

28. *Enterprise.* For statistical purposes, the concept of an enterprise is broadly that of a unit comprising all the operations in Australia of a single operating legal entity, e.g. company, partnership, sole proprietor.

29. *New capital expenditure* refers to the acquisition of new tangible assets either on *own account* or under a *finance lease* including 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 from overseas.

30. Certain estimates are dissected by type of asset:

(a) *New buildings and structures.* Includes industrial and commercial buildings, houses, flats and home units, etc., 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 undertaken primarily for commencing or extending production). Excludes purchases of land or previously occupied buildings.

(b) *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. Excludes goods previously used in Australia.

Accruals basis

31. Enterprises have been asked to report all expenses *incurred* (except capitalised interest) during the period under review in acquiring new fixed tangible assets (including design, technical and legal fees and assembly, installation and transport costs) irrespective of when the *payments* are made.

Seasonal adjustment

32. The quarterly state 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.

33. Seasonal adjustment may be carried out by various methods and the results may vary slightly according to the procedure adopted. Accordingly, seasonally adjusted statistics are in fact only estimates and should not be regarded as in any way definitive. In interpreting particular seasonally adjusted statistics 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. Particular care should be taken in interpreting quarter to quarter movements in the adjusted figures in this publication.

34. At this stage only total capital expenditure for each State has been seasonally adjusted. Seasonally adjusted estimates for broad industry and type of asset for each State are being investigated and will be made available if sufficiently reliable estimates can be produced.

35. The seasonally adjusted Australian estimates of new capital expenditure included in this Publication are consistent with those published in Private New Capital Expenditure, Australia (5626.0). These estimates are derived independently of the seasonally adjusted State estimates and as such the residual difference between the States and Australia estimates should in no way be regarded as a seasonally adjusted estimate for A.C.T. and N.T. (see also paragraph 20).

36. At least once each year the seasonally adjusted series are reanalysed to take into account the latest available data. The most recent reanalysis of the new capital expenditure series takes into account data collected up to and including the June quarter 1987 survey. 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. For this reason, additional care should be exercised when interpreting movements in seasonally adjusted data for recent quarters.

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

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

Reliability of the estimates

39. Since estimates are based on information obtained from a sample drawn from units in the surveyed population, the estimates and the movements derived from them are subject to sampling variability; that is, they may differ from the figures that would have been produced if all units had been included in the survey. One measure of the likely difference is given by the *standard error*, which indicates the extent to which an estimate might have varied by chance because only a sample of units was included. There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if all units had been included, and about nineteen chances in twenty that the difference will be less than two standard errors. Another measure of sampling variability is the *relative standard error* which is obtained by expressing the standard error as a percentage of the estimate to which it refers. The relative standard error is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling, and thus

avoids the need to refer also to the size of the estimate. The sample estimates of quarter to quarter movement in the value of new capital expenditure are also subject to sampling variability. The relative standard error of the estimate of movement is expressed as a percentage of the quarterly estimate of the level of capital expenditure.

40. The introduction of the new basis has increased the relative standard errors due to the greater incidence of capital expenditure being reported by small units which was previously reported by large units. Revised estimates of these relative standard errors are shown in Table 14.

41. Estimates of standard error of movement are not available. However, in absolute terms, these are expected to be similar to or less than estimates of standard error for the level estimates.

42. The imprecision due to sampling, which is measured by the standard error, is not of course the only type of inaccuracy to which the estimates are subject. Other inaccuracies, referred to collectively as non-sampling error, may occur for a number of reasons. The major ones of concern and which may affect the new basis data are:

(a) misreporting of data by respondents;

(b) deficiencies in the central register of economic units particularly in respect of small units.

Every effort is made to reduce the non-sampling error to a minimum by careful design of questionnaires, efficient editing and operating procedures and appropriate methodology.

43. The statistics contained in this publication provide a broad indication of the distribution of Australian estimates of expenditure across States. However, the data should be used with care for the reasons outlined above.

Comparison with other statistics published by the ABS

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

(a) The national accounts estimates incorporate data from other sources as well as information from the capital expenditure survey. For example, income tax tabulations provide the benchmark data for estimating the national accounts private gross fixed capital expenditure on 'equipment' and the ABS's quarterly building collection is the main data source for estimating the national accounts 'dwellings' item.

(b) The national accounts estimates include the capital expenditure by private enterprises classified to the agriculture, forestry, fishing and hunting, construction and community services industries and the capital expenditure on dwellings by households, statistics of which are excluded from this publication (see paragraphs 3 and 4).

(c) The 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 include the value of work done on speculative construction projects as new capital expenditure when the project is sold.

(d) 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.

Related publications

45. Users may also wish to refer to the following publications:

Private New Capital Expenditure, Australia (5626.0)—*issued quarterly*

Australian National Accounts, National Income and Expenditure, (5204.0)—*issued annually*

Quarterly Estimates of National Income and Expenditure, Australia (5206.0)—*issued quarterly*

46. Current publications produced by the 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

n.p.	not available for separate publication but included in totals
..	not applicable
r	figure or series revised since previous issue
ASIC	Australian Standard Industrial Classification 1983 edition.

Electronic services

VIATEL.	Key *656# for selected current economic, social and demographic statistics.
AUSSTATS.	Thousands of up-to-date time series are available on the ABS on-line service through CSIRONET. For further information phone the AUSSTATS Help Desk on (062) 52 6017.
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IAN CASTLES
Australian Statistician

TABLE 1 - ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY STATE
($ million)

State	ACTUAL 1985-86	ACTUAL 1986-87	ACTUAL 1986-87 Sept. Qtr	ACTUAL 1986-87 Dec. Qtr	ACTUAL 1986-87 March Qtr	ACTUAL 1986-87 June Qtr	ACTUAL 1987-88 Sept. Qtr	ACTUAL 1987-88 Dec. Qtr	EXPECTED (a) 6 Months to June 88	EXPECTED (a) 1987-88	EXPECTED (a) 1988-89
ORIGINAL											
NEW SOUTH WALES	5,843	6,829	1,397	1,950	1,677	1,806	1,598	2,000	3,379	6,977	5,851
VICTORIA	4,587	5,957	1,540	1,789	1,128	1,500	1,401	1,705	2,707	5,813	5,417
QUEENSLAND	2,559	2,646	646	746	512	742	730	927	1,647	3,303	2,400
SOUTH AUSTRALIA	1,154	1,409	270	384	330	425	437	448	928	1,813	1,305
WESTERN AUSTRALIA	2,684	3,573	903	898	803	970	987	1,033	1,874	3,893	2,862
TASMANIA	336	407	87	120	83	117	130	102	313	545	448
AUSTRALIA (b)	**17,868**	**21,256**	**4,953**	**6,016**	**4,613**	**5,673**	**5,412**	**6,484**	**11,229**	**23,125**	**18,639**
SEASONALLY ADJUSTED											
NEW SOUTH WALES	5,854	6,854	1,433	1,786	1,961	1,674	1,640	1,831	n.a.	n.a.	n.a.
VICTORIA	4,584	5,931	1,520	1,657	1,354	1,400	1,381	1,580	n.a.	n.a.	n.a.
QUEENSLAND	2,563	2,635	672	678	607	678	758	842	n.a.	n.a.	n.a.
SOUTH AUSTRALIA	1,156	1,402	287	354	358	404	465	413	n.a.	n.a.	n.a.
WESTERN AUSTRALIA	2,685	3,585	958	835	904	887	1,046	962	n.a.	n.a.	n.a.
TASMANIA	336	405	99	112	90	104	149	95	n.a.	n.a.	n.a.
AUSTRALIA (b)	**17,896**	**21,270**	**4,988**	**5,556**	**5,351**	**5,375**	**5,454**	**5,974**	n.a.	n.a.	n.a.

(a) As reported by businesses. (b) Estimates for N.T. and A.C.T. are not available for publication.

TABLE 2 - ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET - NEW SOUTH WALES

($ million)

Type of Asset and Selected Industries	ACTUAL								EXPECTED (a)		
			1986-87				1987-88				
	1985-86	1986-87	Sept. Qtr	Dec. Qtr	March Qtr	June Qtr	Sept. Qtr	Dec. Qtr	6 Months to June 88	1987-88	1988-89
Finance, Property and Business Services	1,339	1,693	317	461	465	450	451	637	1,127	2,215	2,147
Mining	490	600	157	225	129	89	67	68	220	356	361
Manufacturing	1,869	2,060	345	595	513	607	511	536	999	2,047	1,639
Other Selected Industries	2,145	2,476	578	668	570	660	569	759	1,032	2,360	1,704
Total New Capital Expenditure	**5,843**	**6,829**	**1,397**	**1,950**	**1,677**	**1,806**	**1,598**	**2,000**	**3,379**	**6,977**	**5,851**
New Buildings and Structures	1,356	1,871	346	554	456	514	541	752	1,279	2,571	2,446
Equipment, Plant and Machinery	4,487	4,958	1,051	1,396	1,220	1,291	1,057	1,249	2,100	4,406	3,406

TABLE 3 - RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1982-83 TO 1986-87 NEW SOUTH WALES

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1982-83	1983-84	1984-85	1985-86	1986-87	NSW	Australia
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	1.02	1.07	1.09	0.94	1.01	1.02	1.07
Mining	0.81	0.75	0.83	0.82	0.86	0.81	0.88
Manufacturing	0.99	0.96	0.96	1.02	0.99	0.98	0.99
Other Selected Industries	1.11	1.13	1.17	1.09	1.10	1.12	1.10
Total Selected Industries	**1.02**	**1.05**	**1.06**	**1.00**	**1.02**	**1.03**	**1.02**
New Buildings and Structures	0.91	0.98	1.04	0.91	0.97	0.96	0.97
Equipment, Plant and Machinery	1.06	1.06	1.07	1.04	1.03	1.05	1.04
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.29	1.68	1.92	1.84	1.41	1.63	1.73
Mining	0.56	0.72	0.84	1.31	1.14	0.91	1.12
Manufacturing	0.94	1.21	1.26	1.50	1.21	1.22	1.23
Other Selected Industries	1.50	1.90	2.18	1.90	1.89	1.87	1.89
Total Selected Industries	**1.12**	**1.52**	1.66	**1.68**	**1.44**	**1.48**	**1.46**
New Buildings and Structures	0.99	1.34	1.61	1.87	1.58	1.48	1.40
Equipment, Plant and Machinery	1.16	1.58	1.67	1.63	1.40	1.49	1.49

(a) As reported by businesses. (b) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported by businesses in the December Surveys. (c) Twelve month expected expenditure for the following financial year as reported by businesses in the December Surveys.

TABLE 4 - ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET - VICTORIA
($ million)

	ACTUAL								EXPECTED (a)		
			1986-87				1987-88				
Type of Asset and Selected Industries	*1985-86*	*1986-87*	*Sept. Qtr*	*Dec. Qtr*	*March Qtr*	*June Qtr*	*Sept. Qtr*	*Dec. Qtr*	*6 Months to June 88*	*1987-88*	*1988-89*
Finance, Property and Business Services	977	1,204	303	359	230	312	389	531	764	1,684	1,000
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Manufacturing	1,973	2,574	777	659	499	640	588	624	1,213	2,425	1,959
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Total New Capital Expenditure	**4,587**	**5,957**	**1,540**	**1,789**	**1,128**	**1,500**	**1,401**	**1,705**	**2,707**	**5,813**	**5,417**
New Buildings and Structures	1,161	1,581	453	404	313	411	419	530	900	1,849	1,322
Equipment, Plant and Machinery	3,426	4,376	1,087	1,385	816	1,089	983	1,175	1,807	3,965	4,095

TABLE 5 - RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1982-83 TO 1986-87 VICTORIA

	FINANCIAL YEAR					5 YEAR AVERAGES	
Type of Asset and Selected Industries	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*Vic*	*Australia*
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	1.04	1.18	1.09	1.07	1.03	1.08	1.07
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.88
Manufacturing	1.04	0.96	0.99	0.98	0.97	0.99	0.99
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.10
Total Selected Industries	**1.05**	**1.09**	**1.05**	**1.01**	**0.97**	**1.03**	**1.02**
New Buildings and Structures	1.02	1.03	0.95	0.98	0.96	0.99	0.97
Equipment, Plant and Machinery	1.06	1.11	1.10	1.02	0.97	1.05	1.04
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.92	1.67	2.10	1.80	2.05	1.91	1.73
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.12
Manufacturing	0.97	1.20	1.30	1.38	1.37	1.24	1.23
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.89
Total Selected Industries	**1.19**	**1.52**	**1.68**	**1.55**	**1.54**	**1.50**	**1.46**
New Buildings and Structures	1.28	1.30	1.41	1.39	1.40	1.36	1.40
Equipment, Plant and Machinery	1.17	1.60	1.80	1.62	1.60	1.56	1.49

(a) As reported by businesses. (b) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported by businesses in the December Surveys. (c) Twelve month expected expenditure for the following financial year as reported by businesses in the December Surveys.

TABLE 6 - ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET - QUEENSLAND

($ million)

	ACTUAL								EXPECTED (a)		
			1986-87				1987-88				
Type of Asset and Selected Industries	*1985-86*	*1986-87*	*Sept. Qtr*	*Dec. Qtr*	*March Qtr*	*June Qtr*	*Sept. Qtr*	*Dec. Qtr*	*6 Months to June 88*	*1987-88*	*1988-89*
Finance, Property and Business Services	638	632	194	184	102	152	185	272	355	812	668
Mining	341	451	126	137	86	101	65	78	212	354	334
Manufacturing	475	483	97	127	102	156	161	158	425	743	430
Other Selected Industries	1,104	1,080	229	298	221	332	319	420	655	1,394	968
Total New Capital Expenditure	**2,559**	**2,646**	**646**	**746**	**512**	**742**	**730**	**927**	**1,647**	**3,303**	**2,400**
New Buildings and Structures	1,005	1,150	318	340	217	274	339	436	877	1,652	1,180
Equipment, Plant and Machinery	1,554	1,496	328	406	296	467	391	491	769	1,651	1,220

TABLE 7 - RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1982-83 TO 1986-87 QUEENSLAND

	FINANCIAL YEAR					5 YEAR AVERAGES	
Type of Asset and Selected Industries	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*Qld*	*Australia*
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	0.99	1.09	1.13	1.05	1.03	1.06	1.07
Mining	0.89	0.97	1.03	0.93	1.08	0.81	0.88
Manufacturing	0.98	1.05	1.03	0.99	1.02	1.01	0.99
Other Selected Industries	1.13	1.17	1.13	1.05	1.06	1.11	1.10
Total Selected Industries	**0.97**	**1.06**	**1.08**	**1.02**	**1.05**	**1.04**	**1.02**
New Buildings and Structures	0.92	1.02	0.97	1.01	0.97	0.98	0.97
Equipment, Plant and Machinery	1.00	1.09	1.16	1.03	1.12	1.08	1.04
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.33	1.40	2.12	1.56	1.49	1.58	1.73
Mining	1.01	0.94	1.02	1.15	1.70	1.16	1.12
Manufacturing	1.02	1.00	1.52	1.42	1.50	1.29	1.23
Other Selected Industries	1.43	1.83	2.37	1.99	1.91	1.91	1.89
Total Selected Industries	**1.12**	**1.21**	**1.68**	**1.60**	**1.68**	**1.46**	**1.46**
New Buildings and Structures	0.86	1.01	1.59	1.65	1.85	1.39	1.40
Equipment, Plant and Machinery	1.36	1.34	1.73	1.58	1.57	1.51	1.49

(a) As reported by businesses. (b) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported by businesses in the December Surveys. (c) Twelve month expected expenditure for the following financial year as reported by businesses in the December Surveys.

TABLE 8 - ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET - SOUTH AUSTRALIA
($ million)

	ACTUAL								EXPECTED (a)		
			1986-87				1987-88				
Type of Asset and Selected Industries	*1985-86*	*1986-87*	*Sept. Qtr*	*Dec. Qtr*	*March Qtr*	*June Qtr*	*Sept. Qtr*	*Dec. Qtr*	*6 Months to June 88*	*1987-88*	*1988-89*
Finance, Property and Business Services	202	300	50	87	79	84	88	91	159	338	225
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Manufacturing	394	494	92	149	122	131	177	145	338	660	618
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Total New Capital Expenditure	**1,154**	**1,409**	**270**	**384**	**330**	**425**	**437**	**448**	**928**	**1,813**	**1,305**
New Buildings and Structures	326	472	85	158	108	122	124	111	280	515	371
Equipment, Plant and Machinery	828	937	185	226	222	303	314	337	648	1,298	934

TABLE 9 - RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1982-83 TO 1986-87 SOUTH AUSTRALIA

	FINANCIAL YEAR					5 YEAR AVERAGES	
Type of Asset and Selected Industries	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*SA*	*Australia*
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	1.04	1.18	1.15	0.99	1.11	1.09	1.07
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.88
Manufacturing	0.90	0.91	0.97	0.94	1.07	0.96	0.99
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.10
Total Selected Industries	**0.94**	**1.00**	**1.06**	**0.97**	**1.12**	**1.02**	**1.02**
New Buildings and Structures	0.94	0.94	0.98	0.85	1.01	0.94	0.97
Equipment, Plant and Machinery	0.94	1.02	1.09	1.03	1.19	1.05	1.04
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.63	2.51	2.00	1.00	1.86	1.80	1.73
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.12
Manufacturing	1.07	0.94	1.19	0.95	1.22	1.07	1.23
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.89
Total Selected Industries	**1.31**	**1.41**	**1.73**	**1.17**	**1.48**	**1.42**	**1.46**
New Buildings and Structures	1.26	1.33	1.70	1.08	1.66	1.40	1.40
Equipment, Plant and Machinery	1.32	1.43	1.74	1.21	1.41	1.42	1.49

(a) As reported by businesses. (b) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported by businesses in the December Surveys. (c) Twelve month expected expenditure for the following financial year as reported by businesses in the December Surveys.

TABLE 10 - ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET - WESTERN AUSTRALIA
($ million)

Type of Asset and Selected Industries	ACTUAL								EXPECTED (a)		
			1986-87				1987-88				
	1985-86	1986-87	Sept. Qtr	Dec. Qtr	March Qtr	June Qtr	Sept. Qtr	Dec. Qtr	6 Months to June 88	1987-88	1988-89
Finance, Property and Business Services	260	415	141	89	70	116	100	124	190	414	382
Mining	1,369	1,972	472	452	502	547	616	615	1,120	2,351	1,587
Manufacturing	364	525	105	170	102	148	162	143	338	643	529
Other Selected Industries	692	661	185	188	129	160	108	151	226	485	365
Total New Capital Expenditure	**2,684**	**3,573**	**903**	**898**	**803**	**970**	**987**	**1,033**	**1,874**	**3,893**	**2,862**
New Buildings and Structures	1,308	1,587	444	388	365	389	430	334	632	1,396	976
Equipment, Plant and Machinery	1,376	1,986	458	509	437	581	557	699	1,242	2,497	1,886

TABLE 11 - RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1982-83 TO 1986-87 WESTERN AUSTRALIA

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1982-83	1983-84	1984-85	1985-86	1986-87	WA	Australia
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	1.27	1.07	1.16	1.18	1.02	1.14	1.07
Mining	0.85	0.72	0.78	0.91	0.90	0.83	0.88
Manufacturing	0.90	0.93	1.10	1.09	1.06	1.02	0.99
Other Selected Industries	1.01	1.20	1.09	1.02	1.15	1.09	1.10
Total Selected Industries	**0.92**	**0.87**	**0.93**	**0.98**	**0.97**	**0.93**	**1.02**
New Buildings and Structures	0.91	0.86	1.01	1.08	1.05	0.98	0.97
Equipment, Plant and Machinery	0.92	0.88	0.89	0.90	0.92	0.90	1.04
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.20	1.89	2.74	1.52	2.63	1.99	1.73
Mining	0.90	0.72	1.19	2.42	1.10	1.27	1.12
Manufacturing	1.10	1.27	1.38	1.72	1.88	1.47	1.23
Other Selected Industries	1.33	1.56	1.99	2.62	1.97	1.89	1.89
Total Selected Industries	**1.03**	**1.00**	1.49	**2.21**	**1.39**	**1.42**	**1.46**
New Buildings and Structures	0.70	1.05	1.53	2.95	1.82	1.61	1.40
Equipment, Plant and Machinery	1.55	0.98	1.46	1.79	1.17	1.39	1.49

(a) As reported by businesses. (b) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported by businesses in the December Surveys. (c) Twelve month expected expenditure for the following financial year as reported by businesses in the December Surveys.

TABLE 12 - ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET - TASMANIA
($ million)

Type of Asset and Selected Industries	ACTUAL								EXPECTED (a)		
			1986-87				1987-88				
	1985-86	1986-87	Sept. Qtr	Dec. Qtr	March Qtr	June Qtr	Sept. Qtr	Dec. Qtr	6 Months to June 88	1987-88	1988-89
Finance, Property and Business Services	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Manufacturing	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Total New Capital Expenditure	**336**	**407**	**87**	**120**	**83**	**117**	**130**	**102**	**313**	**545**	**448**
New Buildings and Structures	50	105	32	29	30	14	15	20	78	113	79
Equipment, Plant and Machinery	286	302	55	91	53	103	116	82	235	432	369

TABLE 13 - RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1982-83 TO 1986-87 TASMANIA

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1982-83	1983-84	1984-85	1985-86	1986-87	Tas	Australia
	COMPOSITE ESTIMATE (b)						
Finance, Property and Business Services	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.07
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.88
Manufacturing	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.99
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.10
Total Selected Industries	**1.20**	**1.11**	**1.04**	**1.06**	**1.06**	**1.09**	**1.02**
New Buildings and Structures	1.30	0.89	0.97	1.10	1.05	1.06	0.97
Equipment, Plant and Machinery	1.17	1.19	1.05	1.06	1.07	1.11	1.04
	TWELVE MONTH EXPECTATION (c)						
Finance, Property and Business Services	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.73
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.12
Manufacturing	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.23
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.89
Total Selected Industries	**1.34**	**1.65**	**1.59**	**1.48**	**1.20**	**1.45**	**1.46**
New Buildings and Structures	1.20	1.83	1.82	1.83	3.01	1.94	1.40
Equipment, Plant and Machinery	1.38	1.61	1.56	1.43	0.99	1.40	1.49

(a) As reported by businesses. (b) Consists of actual expenditure for the six months to December and expected expenditure for the six months to June as reported by businesses in the December Surveys. (c) Twelve month expected expenditure for the following financial year as reported by businesses in the December Surveys.

TABLE 14 - RELATIVE STANDARD ERRORS OF ESTIMATES OF NEW CAPITAL EXPENDITURE (d)
(Percentage)

	Selected Industry					*Type of Asset*	
	Finance, etc (a)	*Mining*	*Manufacturing*	*Other Selected Industries*	*Total*	*New Buildings and Structures (b)*	*Equipment Plant and Machinery*
Actual Expenditure							
N.S.W	7	6	5	7	4	5	4
Vic.	10	..	3	..	4	8	4
Qld	8	7	8	13	7	7	9
S.A.	13	..	8	..	6	10	7
W.A.	18	3	8	13	4	7	5
Tas.	..	..	..	..	12	27	11
Australia (c)	**5**	**3**	**3**	**5**	**2**	**5**	**2**

(a) Finance, property and business services. (b) Includes mine development. (c) Includes N.T. and A.C.T. (d) Relative standard errors for estimated capital expenditure are similar to those for actual capital expenditure.

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