Australian Bureau of Statistics

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PRIVATE NEW CAPITAL EXPENDITURE, AUSTRALIA
ACTUAL AND EXPECTED EXPENDITURE TO JUNE 1991
JUNE QUARTER 1990 SURVEY, PRELIMINARY

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NOTE:

1. The preliminary estimates are based on responses from about 75% of the sample of businesses selected in the survey. Accordingly, the estimates may be subject to 'non-response bias'. This is minimised by ensuring that responses are obtained from the largest businesses. However, there has been a tendency for preliminary estimates to be subsequently revised upwards.

2. The seasonally adjusted series shown in this publication have been re-analysed to take into account the latest available data. As a result some of the series for earlier quarters have been revised significantly.

MAIN FEATURES

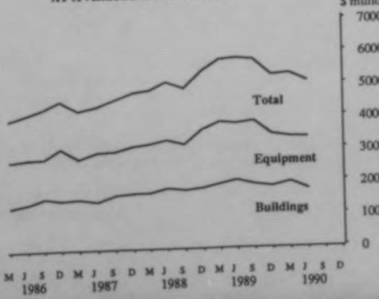
June Quarter 1990

The preliminary estimate of new capital expenditure for the June quarter 1990 is $6,990m. When the estimates are seasonally adjusted and converted to a constant price basis this represents a 5% decline between the March and June quarter estimates. Details by type of asset are as follows.

	% change on March qtr 1990		
	Bldgs	*Equip*	*Total*
Current Prices			
— Original	+6	+17	+13
— Seasonally Adjusted	-11	-1	-5
Average 1984-85 Prices			
— Seasonally Adjusted	-12	-1	-5

The seasonally adjusted series at average 1984-85 prices are shown graphically below.

SEASONALLY ADJUSTED SERIES
AT AVERAGE 1984-85 PRICES



New Capital Expenditure 1989-90

New capital expenditure for 1989-90 is estimated to be $27,895m, an increase of 2% on expenditure in 1988-89. In average 1984-85 prices this represents a 2% decrease. Details by type of asset are as follows.

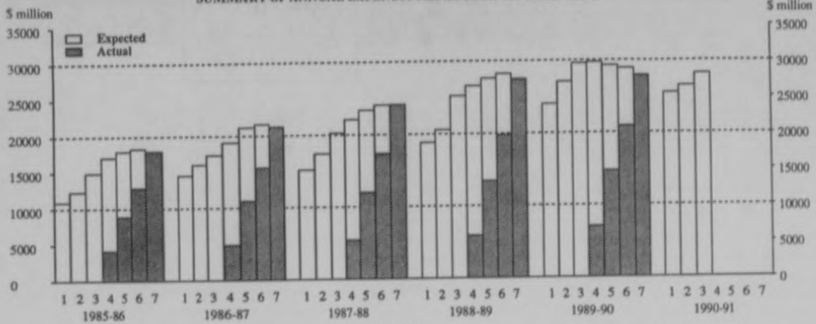
	% change 1989-90 on 1988-89		
	Bldgs	*Equip*	*Total*
Current Prices	+6	-1	+2
1984-85 Prices	-1	-3	-2

Expected New Capital Expenditure 1990-91

The estimate of expected new capital expenditure for 1990-91 made in the June Quarter 1990 is $28,164m. A comparison of the current estimate for 1990-91 to the corresponding estimate for 1989-90 shows a decline of 5% in total new capital expenditure. This consists of a 13% decline in expenditure on buildings and structures and a 1% increase in expenditure on equipment, plant and machinery.

On the same basis, the Finance, Property and Business Services industry shows a decline of 12%, Other Selected Industries a decline of 5% and the Manufacturing industry a decline of 2%. The Mining industry shows a growth of 4%.

GRAPH 1: PRIVATE NEW CAPITAL EXPENDITURE AUSTRALIA
SUMMARY OF ANNUAL EXPENDITURE AS DERIVED OVER TIME



EXPLANATION OF TIMING OF ESTIMATES USED IN CONSTRUCTION OF GRAPH ABOVE

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

EXPLANATORY NOTES

This publication contains preliminary estimates of actual new capital expenditure by private business units in selected industries in Australia for the June quarter 1990 and of expected expenditure for the 6 months ending 31 December 1990 and 6 months ending 30 June 1991 together with estimates of actual new capital expenditure for previous quarters from March Quarter 1989. The statistics 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 capital expenditure is approximately 3 per cent. The standard error of the quarter to quarter movement in total new capital expenditure is also about 3 per cent (expressed as a percentage of the level estimate).

2. It is anticipated that final estimates will be published in October 1990. (5626.0).

Estimates at 1984-85 prices

3. Estimates at average 1984-85 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 approximate 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'.

Seasonal adjustment

4. The 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. The series in this publication have been re-analysed to take into account the latest available data. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from re-analysis may be quite significant, especially for data for more recent quarters. Details of seasonal adjustment methods used for capital expenditure are available on request.

Realisation ratios and adjusted estimates of expenditure

5. The realisation ratios shown in Table 4 incorporate data from the 1989-90 financial year for the first time and hence the average realisation ratios differ from those previously published. The adjusted estimates of expenditure shown in the Main Features have been derived in a similar manner to those contained in previous publications. For details of the methodology used in this derivation see paragraphs 15-18 of Catalogue No. 5626.0.

Further information

6. 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 the latest issue of Catalogue No. 5626.0.

Unpublished data

7. This publication contains only limited industry data. More detailed industry data may be made available on request.

Related publications

8. 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

p preliminary figure or series subject to revision.
r figure or series revised since previous issue.
n.a. not available.

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

IAN CASTLES
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TABLE 1. ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR SELECTED INDUSTRIES (a) BY TYPE OF ASSET
($ million)

Type of Asset	Actual								Expected p (b)		
			1988-89		1989-90						
	1988-89	1989-90 p	March Qtr	June Qtr	Sept. Qtr	Dec. Qtr r	March Qtr r	June Qtr p	6 Months to Dec. 90	6 Months to June 91	Total 1990-91
ORIGINAL											
Buildings and Structures	10,157	10,756	2,263	2,922	2,642	2,983	2,488	2,644	5,859	5,309	11,168
Equipment, Plant and Machinery	17,303	17,139	4,074	4,788	4,431	4,649	3,713	4,346	8,949	8,048	16,996
Total New Capital Expenditure	**27,460**	**27,895**	**6,337**	**7,710**	**7,073**	**7,632**	**6,201**	**6,990**	**14,807**	**13,357**	**28,164**
SEASONALLY ADJUSTED r											
Buildings and Structures	10,160	10,799	2,625	2,829	2,694	2,654	2,887	2,565	n.a.	n.a.	n.a.
Equipment, Plant and Machinery	17,284	17,171	4,547	4,509	4,697	4,241	4,142	4,092	n.a.	n.a.	n.a.
Total New Capital Expenditure	**27,444**	**27,971**	**7,172**	**7,338**	**7,391**	**6,895**	**7,029**	**6,657**	n.a.	n.a.	n.a.

TABLE 2. ACTUAL PRIVATE NEW CAPITAL EXPENDITURE FOR SELECTED INDUSTRIES (a) BY TYPE OF ASSET AT AVERAGE 1984-85 PRICES (c) (Revised)
($ million)

Type of Asset			1988-89		1989-90			
	1988-89	1989-90 p	March Qtr	June Qtr	Sept. Qtr	Dec. Qtr	March Qtr	June Qtr p
ORIGINAL								
Buildings and Structures	7,415	7,325	1,641	2,071	1,843	2,039	1,673	1,770
Equipment, Plant and Machinery	14,286	13,869	3,412	3,990	3,617	3,746	2,987	3,519
Total New Capital Expenditure	**21,701**	**21,194**	**5,053**	**6,060**	**5,461**	**5,785**	**4,660**	**5,288**
SEASONALLY ADJUSTED								
Buildings and Structures	7,416	7,352	1,904	2,005	1,880	1,814	1,942	1,717
Equipment, Plant and Machinery	14,271	13,897	3,808	3,757	3,834	3,417	3,332	3,313
Total New Capital Expenditure	**21,687**	**21,249**	**5,711**	**5,762**	**5,714**	**5,231**	**5,274**	**5,030**

See next page for footnotes

TABLE 3. ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY MAJOR INDUSTRY GROUP
($ million)

Major Industry	Actual 1988-89	Actual 1989-90 p	1988-89 March Qtr	1988-89 June Qtr	1989-90 Sept. Qtr	1989-90 Dec. Qtr r	1989-90 March Qtr r	1989-90 June Qtr p	Expected p (b) 6 Months to Dec. 90	Expected p (b) 6 Months to June 91	Expected p (b) Total 1990-91
ORIGINAL											
Finance, Property and Business Services	7,866	8,170	1,816	2,288	1,986	2,225	1,978	1,981	4,072	3,652	7,725
Mining	3,887	3,899	924	975	984	1,070	869	976	2,218	2,127	4,345
Manufacturing	7,593	8,376	1,793	2,181	1,935	2,221	1,907	2,313	4,569	4,012	8,582
Other Selected Industries	8,115	7,450	1,803	2,266	2,167	2,115	1,448	1,719	3,948	3,565	7,513
Total Selected Industries (a)	**27,460**	**27,895**	**6,337**	**7,710**	**7,073**	**7,632**	**6,201**	**6,990**	**14,807**	**13,357**	**28,164**
SEASONALLY ADJUSTED r											
Finance, Property and Business Services	7,869	8,222	2,056	2,198	2,039	2,011	2,265	1,906	n.a.	n.a.	n.a.
Mining	3,884	3,896	995	982	1,008	973	930	985	n.a.	n.a.	n.a.
Manufacturing	7,585	8,369	2,014	2,035	2,011	2,070	2,135	2,153	n.a.	n.a.	n.a.
Other Selected Industries	8,106	7,484	2,107	2,123	2,332	1,841	1,699	1,613	n.a.	n.a.	n.a.
Total Selected Industries (a)	**27,444**	**27,971**	**7,172**	**7,338**	**7,391**	**6,895**	**7,029**	**6,657**	n.a.	n.a.	n.a.

TABLE 4. RATIO(d) OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED (e) PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1985-86 TO 1989-90

Financial Year	Type of Asset: Buildings and Structures	Type of Asset: Equipment Plant and Machinery	Major Industry Group: Finance, Property and Business Services	Major Industry Group: Mining	Major Industry Group: Manufacturing	Major Industry Group: Other Selected Industries	Total (a)
1985-86	1.15	1.22	1.16	1.17	1.09	1.35	1.20
1986-87	1.16	1.26	1.31	1.03	1.17	1.37	1.22
1987-88	1.14	1.22	1.32	1.11	1.13	1.20	1.19
1988-89	0.98	1.16	1.09	0.93	1.09	1.19	1.09
1989-90 p	0.84	1.02	0.93	0.93	0.96	0.94	0.94
5 Year Average	**1.06**	**1.18**	**1.16**	**1.03**	**1.09**	**1.21**	**1.13**

(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 1990. (c) See paragraph 3 of Explanatory Notes. (d) See paragraph 5 of Explanatory Notes. (e) Consists of expected expenditure for the six months to December plus expected expenditure for the six months to June as reported by businesses in the June quarter surveys.

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