Australian Bureau of Statistics

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STATE ESTIMATES OF PRIVATE NEW CAPITAL EXPENDITURE AND EXPECTED EXPENDITURE TO JUNE 1992
DECEMBER QUARTER 1990 SURVEY

Note: This publication provides a State dissection of Australian estimates for the December quarter 1990 survey published in *Private New Capital Expenditure, Australia* (5626.0) on 9 April 1991. The seasonally adjusted estimates for States should be interpreted with care. Refer to paragraphs 22-28 of the Explanatory Notes.

MAIN FEATURES

Actual Expenditure - December Quarter 1990

Seasonally adjusted current price estimates of private new capital expenditure in each State for the December quarter 1990 are shown below with percentage changes from the September quarter 1990.

State	*December qtr 1990 seasonally adjusted* — *Value $m*	*% Change on Sept qtr 1990*
NSW	2611	-2
Vic.	1413	-22
Qld	849	-14
SA	406	-6
WA	1032	-6
Tas.	196	+7
Aust.(a)	6655	-10

(a) Includes NT and ACT & differences associated with the independent application of seasonal factors at State and Australia level (see paragraph 24 of the Explanatory Notes).

Graphs for each State are shown on Page 2.

The table below shows percentage changes in new capital expenditure between 1989-90 and 1990-91 on three bases. Firstly assuming business expectations to be fully realised; secondly by adjusting business expectations by the average realisation factor over the last 5 years for each State; and thirdly by adjusting business expectations by the realisation factors for each State derived from the December quarter 1989 survey.

% Change 1990-91 over 1991-92

State	*Unadjusted 1990-91 expectation %*	*5 Year average State ratio %*	*Dec Qtr 1989 State ratio %*
NSW	-2	+1	-5
Vic.	-19	-18	-22
Qld	-7	-4	-12
SA	-3	..	-8
WA	+3	+1	-3
Tas.	+11	+14	+24
Aust.(a)	-6	-6	-9

(a) Includes NT and ACT.

Expected Capital Expenditure for 1990-91

In the December quarter 1990 survey businesses provided expectations of new capital expenditure for the 6 months to June 1991 by State. By adding this estimate to actual expenditure incurred in the September and December quarters of 1990, estimates for the 1990-91 financial year have been compiled.

Those estimates have on average provided a good indication of the likely outcome for the year for most States over the last five years . However, expectations derived from the December Survey last year overstated actual expenditure incurred in 1989-90 in all States except Tasmania.

Expected Capital Expenditure for 1991-92

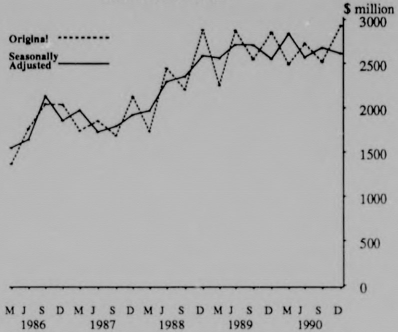
In the December quarter 1990 businesses also provided expectations by State for the 1991-92 financial year and they are shown in Table 1.

The nature and extent of the current economic downturn however makes interpretation of the likely outcome from 1991-92 difficult as recent realisation ratios have varied significantly from historical patterns.

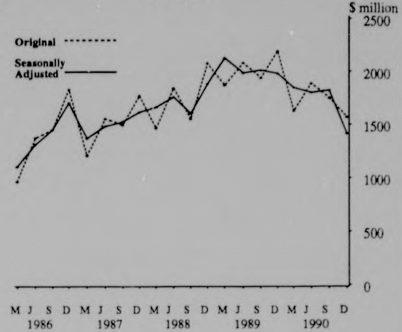
INQUIRIES

- *for further information about statistics in this publication and the availability of related unpublished statistics,* contact Jack Brzozowski on Canberra (06) 252 5611 or any ABS State Office.
- *for information about other ABS statistics and services please refer to the back* page of this publication.

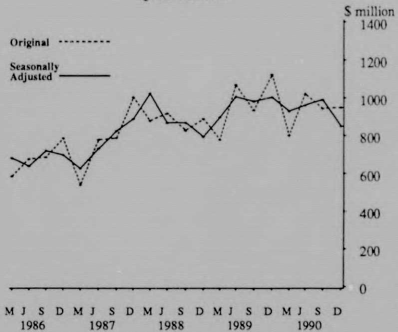
NEW SOUTH WALES



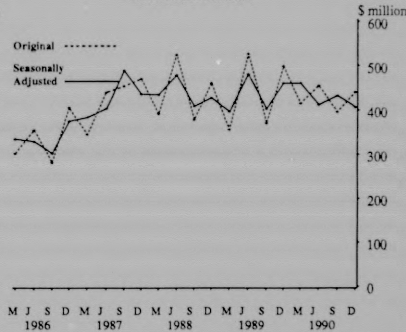
VICTORIA



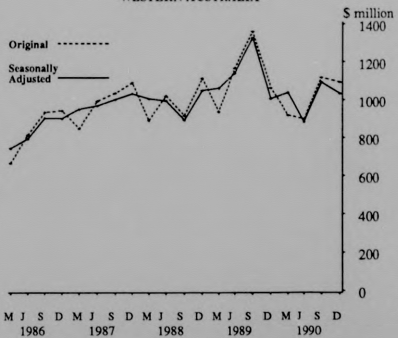
QUEENSLAND



SOUTH AUSTRALIA



WESTERN AUSTRALIA



TASMANIA

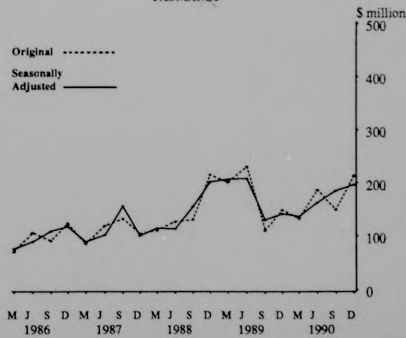


TABLE 1 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY STATE AND TYPE OF ASSET
ORIGINAL SERIES — REVISED
($ million)

	Actual								Expected (a)		
			1989-90				1990-91				
State	1988-89	1989-90	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	6 Months to June 91	1990-91 (b)	1991-92
BUILDINGS AND STRUCTURES											
New South Wales	4,140	4,175	996	1,164	1,050	965	1,101	1,260	1,947	4,309	3,382
Victoria	2,409	2,892	733	836	604	719	665	546	929	2,140	1,370
Queensland	1,437	1,586	353	491	314	428	408	376	709	1,492	1,385
South Australia	594	626	128	194	189	115	138	138	294	570	385
Western Australia	1,353	1,482	470	364	325	323	365	399	1,018	1,782	1,733
Tasmania	182	88	16	32	23	17	69	73	50	192	62
Australia (c)	**10,474**	**11,099**	**2,748**	**3,150**	**2,560**	**2,641**	**2,824**	**2,874**	**5,075**	**10,773**	**8,573**
EQUIPMENT, PLANT AND MACHINERY											
New South Wales	6,070	6,429	1,546	1,688	1,436	1,758	1,414	1,665	2,969	6,048	4,958
Victoria	5,157	4,742	1,203	1,349	1,023	1,167	1,086	1,023	1,924	4,033	3,250
Queensland	2,118	2,288	580	630	486	592	536	573	999	2,108	1,839
South Australia	1,126	1,113	242	305	226	340	257	302	555	1,114	1,193
Western Australia	2,769	2,754	888	698	593	576	751	693	1,153	2,598	2,290
Tasmania	592	487	93	115	109	169	80	140	225	445	419
Australia (c)	**18,156**	**18,038**	**4,608**	**4,873**	**3,916**	**4,641**	**4,249**	**4,475**	**7,942**	**16,665**	**14,108**
TOTAL NEW CAPITAL EXPENDITURE											
New South Wales	10,210	10,604	2,542	2,852	2,486	2,723	2,515	2,926	4,916	10,357	8,340
Victoria	7,566	7,634	1,936	2,186	1,627	1,886	1,751	1,569	2,853	6,172	4,619
Queensland	3,555	3,874	933	1,121	800	1,020	943	949	1,708	3,600	3,224
South Australia	1,721	1,738	370	499	415	455	395	440	849	1,684	1,578
Western Australia	4,121	4,236	1,358	1,062	918	898	1,117	1,092	2,171	4,380	4,023
Tasmania	774	575	109	148	132	186	149	213	275	637	482
Australia (c)	**28,630**	**29,137**	**7,356**	**8,023**	**6,476**	**7,282**	**7,072**	**7,349**	**13,017**	**27,439**	**22,681**

(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) Estimates for NT and ACT are not available for publication but are included in the total.

TABLE 2 — ACTUAL PRIVATE NEW CAPITAL EXPENDITURE BY STATE AND TYPE OF ASSET
SEASONALLY ADJUSTED SERIES — REVISED
($ million)

			Actual					
			1989-90				1990-91	
State	1988-89	1989-90	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr
			BUILDINGS AND STRUCTURES					
New South Wales	4,139	4,220	1,053	1,004	1,237	926	1,163	1,088
Victoria	2,435	2,896	721	743	730	701	652	483
Queensland	1,436	1,580	370	418	384	408	428	317
South Australia	586	629	141	176	206	107	153	125
Western Australia	1,362	1,474	416	369	350	338	322	406
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
AUSTRALIA (a)	**10,475**	**11,143**	**2,801**	**2,815**	**2,962**	**2,566**	**2,887**	**2,574**
			EQUIPMENT, PLANT AND MACHINERY					
New South Wales	6,057	6,441	1,653	1,546	1,602	1,640	1,513	1,522
Victoria	5,153	4,739	1,287	1,235	1,117	1,101	1,167	931
Queensland	2,122	2,290	610	585	544	552	561	532
South Australia	1,127	1,105	262	284	255	304	279	281
Western Australia	2,768	2,774	908	635	686	544	770	626
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
AUSTRALIA (a)	**18,137**	**18,067**	**4,873**	**4,467**	**4,347**	**4,380**	**4,502**	**4,081**
			TOTAL NEW CAPITAL EXPENDITURE					
New South Wales	10,196	10,661	2,706	2,550	2,839	2,567	2,676	2,611
Victoria	7,588	7,635	2,008	1,978	1,847	1,801	1,820	1,413
Queensland	3,558	3,870	980	1,002	928	960	990	849
South Australia	1,713	1,735	402	460	461	411	432	406
Western Australia	4,131	4,248	1,324	1,004	1,037	882	1,093	1,032
Tasmania	768	567	129	141	136	162	184	196
AUSTRALIA (a)	**28,612**	**29,211**	**7,674**	**7,282**	**7,309**	**6,946**	**7,390**	**6,655**

(a) Estimates for NT and ACT are not available for publication but are included in the total.

TABLE 3 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET — NEW SOUTH WALES — REVISED
($ million)

Type of Asset and Selected Industries	Actual								Expected (a)		
			1989-90				1990-91				
	1988-89	1989-90	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	6 Months to June 91	1990-91 (b)	1991-92
Finance, Property and Business Services	3,707	3,763	914	1,016	989	844	786	823	1,336	2,945	2,257
Mining	380	523	95	151	128	148	163	181	492	837	690
Manufacturing	2,408	2,972	676	754	648	893	702	816	1,632	3,150	3,138
Other Selected Industries	3,715	3,346	857	931	721	837	865	1,106	1,455	3,425	2,256
Total New Capital Expenditure	**10,210**	**10,604**	**2,542**	**2,852**	**2,486**	**2,723**	**2,515**	**2,926**	**4,916**	**10,357**	**8,340**
New Buildings and Structures	4,140	4,175	996	1,164	1,050	965	1,101	1,260	1,947	4,309	3,382
Equipment, Plant and Machinery	6,070	6,429	1,546	1,688	1,436	1,758	1,414	1,665	2,969	6,048	4,958

TABLE 4 — RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1985-86 TO 1989-90 NEW SOUTH WALES — REVISED

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1985-86	1986-87	1987-88	1988-89	1989-90	NSW	Australia
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	0.94	1.00	1.14	1.01	0.89	0.99	1.01
Mining	0.82	0.86	0.87	0.88	0.89	0.86	0.91
Manufacturing	1.02	0.99	1.02	0.94	1.03	1.00	0.99
Other Selected Industries	1.12	1.12	1.17	1.10	1.03	1.11	1.06
Total Selected Industries	**1.02**	**1.03**	**1.10**	**1.02**	**0.97**	**1.03**	**1.00**
New Buildings and Structures	0.92	1.00	1.07	0.95	0.87	0.96	0.96
Equipment, Plant and Machinery	1.05	1.04	1.12	1.06	1.04	1.06	1.03
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.84	1.40	2.11	1.79	1.04	1.64	1.59
Mining	1.31	1.14	0.66	1.04	0.86	1.00	1.25
Manufacturing	1.50	1.29	1.32	1.45	1.22	1.35	1.34
Other Selected Industries	2.11	2.45	2.15	2.21	1.32	2.05	1.74
Total Selected Industries	**1.75**	**1.62**	**1.70**	**1.77**	**1.15**	**1.60**	**1.48**
New Buildings and Structures	1.95	1.67	1.88	1.71	0.95	1.63	1.49
Equipment, Plant and Machinery	1.69	1.60	1.62	1.80	1.33	1.61	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 5 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET — VICTORIA — REVISED
($ million)

Type of Asset and Selected Industries	Actual								Expected (a)		
			1989-90				1990-91				
	1988-89	1989-90	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	6 Months to June 91	1990-91 (b)	1991-92
Finance, Property and Business Services	2,159	2,216	530	584	473	629	588	475	1,001	2,064	1,326
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Manufacturing	2,698	2,780	648	782	655	695	560	611	1,049	2,219	1,922
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	**7,566**	**7,634**	**1,936**	**2,186**	**1,627**	**1,886**	**1,751**	**1,569**	**2,853**	**6,172**	**4,619**
New Buildings and Structures	2,409	2,892	733	836	604	719	665	546	929	2,140	1,370
Equipment, Plant and Machinery	5,157	4,742	1,203	1,349	1,023	1,167	1,086	1,023	1,924	4,033	3,250

TABLE 6 — RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1985-86 TO 1989-90 VICTORIA — REVISED

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1985-86	1986-87	1987-88	1988-89	1989-90	Vic	Australia
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	1.07	1.03	1.08	0.96	0.93	1.01	1.01
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.91
Manufacturing	0.98	0.97	0.99	1.02	0.98	0.99	0.99
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.06
Total Selected Industries	**1.03**	**0.99**	**1.06**	**1.02**	**0.96**	**1.01**	**1.00**
New Buildings and Structures	1.00	1.01	1.04	0.89	0.93	0.98	0.96
Equipment, Plant and Machinery	1.03	0.98	1.07	1.10	0.99	1.03	1.03
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.80	2.05	2.07	1.62	0.89	1.69	1.59
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.25
Manufacturing	1.38	1.30	1.45	1.38	1.20	1.34	1.34
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.74
Total Selected Industries	**1.61**	**1.56**	**1.51**	**1.32**	**1.18**	**1.44**	**1.48**
New Buildings and Structures	1.47	1.51	1.59	1.49	1.02	1.41	1.49
Equipment, Plant and Machinery	1.67	1.59	1.47	1.25	1.30	1.46	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 7 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET — QUEENSLAND — REVISED
($ million)

Type of Asset and Selected Industries	Actual								Expected (a)		
			1989-90				1990-91				
	1988-89	1989-90	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	6 Months to June 91	1990-91 (b)	1991-92
Finance, Property and Business Services	905	907	205	311	190	201	184	185	299	668	592
Mining	465	656	139	171	139	207	195	252	469	916	918
Manufacturing	765	1,002	208	243	248	302	225	208	386	819	860
Other Selected Industries	1,421	1,309	380	396	223	310	339	304	553	1,197	854
Total New Capital Expenditure	**3,555**	**3,874**	**933**	**1,121**	**800**	**1,020**	**943**	**949**	**1,708**	**3,600**	**3,224**
New Buildings and Structures	1,437	1,586	353	491	314	428	408	376	709	1,492	1,385
Equipment, Plant and Machinery	2,118	2,288	580	630	486	592	536	573	999	2,108	1,839

TABLE 8 — RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1985-86 TO 1989-90 QUEENSLAND — REVISED

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1985-86	1986-87	1987-88	1988-89	1989-90	Qld	Australia
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	1.05	1.03	1.06	1.06	0.89	1.02	1.01
Mining	0.93	1.08	0.95	0.97	0.90	0.86	0.91
Manufacturing	0.99	1.01	1.01	0.87	0.95	0.97	0.99
Other Selected Industries	1.09	1.11	1.07	1.19	1.01	1.09	1.06
Total Selected Industries	**1.04**	**1.07**	**1.04**	**1.04**	**0.95**	**1.03**	**1.00**
New Buildings and Structures	1.04	0.99	0.99	1.01	0.91	0.99	0.96
Equipment, Plant and Machinery	1.04	1.15	1.09	1.06	0.97	1.06	1.03
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.56	1.49	1.80	1.39	0.86	1.42	1.59
Mining	1.15	1.70	1.08	1.35	1.85	1.43	1.25
Manufacturing	1.42	1.50	1.81	1.77	1.19	1.54	1.34
Other Selected Industries	2.24	2.16	2.38	1.69	1.67	2.03	1.74
Total Selected Industries	**1.69**	**1.77**	**1.89**	**1.57**	**1.27**	**1.64**	**1.48**
New Buildings and Structures	1.75	1.97	1.79	1.33	1.00	1.57	1.49
Equipment, Plant and Machinery	1.66	1.64	1.98	1.79	1.57	1.73	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 9 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET — SOUTH AUSTRALIA — REVISED
($ million)

Type of Asset and Selected Industries	Actual								Expected (a)		
			1989-90				1990-91				
	1988-89	1989-90	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	6 Months to June 91	1990-91 (b)	1991-92
Finance, Property and Business Services	429	458	88	136	148	87	97	76	161	333	220
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Manufacturing	628	757	170	199	162	225	160	226	408	795	890
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	**1,721**	**1,738**	**370**	**499**	**415**	**455**	**395**	**440**	**849**	**1,684**	**1,578**
New Buildings and Structures	594	626	128	194	189	115	138	138	294	570	385
Equipment, Plant and Machinery	1,126	1,113	242	305	226	340	257	302	555	1,114	1,193

TABLE 10 — RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1985-86 TO 1989-90 SOUTH AUSTRALIA — REVISED

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1985-86	1986-87	1987-88	1988-89	1989-90	SA	Australia
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	0.99	1.11	1.09	1.16	0.96	1.06	1.01
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.91
Manufacturing	0.94	1.07	1.00	0.92	0.89	0.96	0.99
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.06
Total Selected Industries	**1.02**	**1.14**	**1.00**	**1.02**	**0.95**	**1.03**	**1.00**
New Buildings and Structures	0.88	1.05	0.97	1.03	0.93	0.97	0.96
Equipment, Plant and Machinery	1.08	1.20	1.02	1.02	0.96	1.06	1.03
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.00	1.86	1.99	1.63	1.52	1.60	1.59
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.25
Manufacturing	0.95	1.22	1.40	1.04	1.06	1.13	1.34
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.74
Total Selected Industries	**1.28**	**1.55**	**1.54**	**1.30**	**1.27**	**1.39**	**1.48**
New Buildings and Structures	1.15	1.76	1.33	1.64	1.28	1.43	1.49
Equipment, Plant and Machinery	1.34	1.46	1.65	1.17	1.26	1.38	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 11 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET — WESTERN AUSTRALIA — REVISED
($ million)

Type of Asset and Selected Industries	Actual								Expected (a)		
			1989-90				1990-91				
	1988-89	1989-90	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	6 Months to June 91	1990-91 (b)	1991-92
Finance, Property and Business Services	482	641	199	133	165	144	110	160	185	455	258
Mining	2,070	2,115	596	569	462	488	584	616	1,386	2,586	2,583
Manufacturing	694	552	155	148	120	128	120	143	320	583	694
Other Selected Industries	876	928	408	212	170	138	303	172	280	755	488
Total New Capital Expenditure	**4,121**	**4,236**	**1,358**	**1,062**	**918**	**898**	**1,117**	**1,092**	**2,171**	**4,380**	**4,023**
New Buildings and Structures	1,353	1,482	470	364	325	323	365	399	1,018	1,782	1,733
Equipment, Plant and Machinery	2,769	2,754	888	698	593	576	751	693	1,153	2,598	2,290

TABLE 12 — RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1985-86 TO 1989-90 WESTERN AUSTRALIA — REVISED

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1985-86	1986-87	1987-88	1988-89	1989-90	WA	Australia
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	1.18	1.02	0.98	1.04	1.07	1.06	1.01
Mining	0.91	0.90	0.93	0.93	0.91	0.92	0.91
Manufacturing	1.09	1.06	1.01	0.93	0.88	0.99	0.99
Other Selected Industries	1.09	1.23	1.24	1.29	0.95	1.16	1.06
Total Selected Industries	**1.00**	**0.99**	**1.00**	**1.00**	**0.94**	**0.98**	**1.00**
New Buildings and Structures	1.10	1.06	0.99	0.85	0.93	0.99	0.96
Equipment, Plant and Machinery	0.92	0.94	1.00	1.09	0.94	0.98	1.03
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.52	2.63	2.32	1.27	1.63	1.87	1.59
Mining	2.42	1.10	1.40	1.29	1.38	1.52	1.25
Manufacturing	1.72	1.88	1.97	1.32	0.73	1.53	1.34
Other Selected Industries	3.00	2.37	3.04	2.43	2.41	2.65	1.74
Total Selected Industries	**2.30**	**1.44**	**1.72**	**1.44**	**1.39**	**1.66**	**1.48**
New Buildings and Structures	3.07	1.87	1.97	1.36	1.18	1.89	1.49
Equipment, Plant and Machinery	1.85	1.22	1.61	1.48	1.53	1.54	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 13 — ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY SELECTED INDUSTRIES AND TYPE OF ASSET — TASMANIA — REVISED
($ million)

Type of Asset and Selected Industries	Actual								Expected (a)		
			1989-90				1990-91				
	1988-89	1989-90	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	6 Months to June 91	1990-91 (b)	1991-92
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	**774**	**575**	**109**	**148**	**132**	**186**	**149**	**213**	**275**	**637**	**482**
New Buildings and Structures	182	88	16	32	23	17	69	73	50	192	62
Equipment, Plant and Machinery	592	487	93	115	109	169	80	140	225	445	419

TABLE 14 — RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1985-86 TO 1989-90 TASMANIA — REVISED

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1985-86	1986-87	1987-88	1988-89	1989-90	Tas	Australia
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.01
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.91
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.	1.06
Total Selected Industries	**1.07**	**1.07**	**0.86**	**1.01**	**1.12**	**1.03**	**1.00**
New Buildings and Structures	1.10	1.06	0.75	1.11	0.77	0.96	0.96
Equipment, Plant and Machinery	1.07	1.08	0.88	0.98	1.22	1.05	1.03
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.59
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.25
Manufacturing	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.34
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.74
Total Selected Industries	**1.53**	**1.23**	**1.55**	**1.72**	**1.15**	**1.44**	**1.48**
New Buildings and Structures	2.03	3.13	1.28	2.35	0.94	1.95	1.49
Equipment, Plant and Machinery	1.46	1.01	1.62	1.59	1.20	1.38	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 15 — RELATIVE STANDARD ERRORS OF ESTIMATES OF ACTUAL NEW CAPITAL EXPENDITURE (a)
(Percentage)

	Selected Industry					*Type of Asset*	
	Finance, Property and Business Services	*Mining*	*Manufacturing*	*Other Selected Industries*	*Total*	*New Buildings and Structures*	*Equipment Plant and Machinery*
N.S.W	4	2	3	7	3	7	2
Vic.	4	..	4	..	4	7	4
Qld	3	2	4	13	3	5	3
S.A.	4	..	7	..	5	6	7
W.A.	10	1	6	9	4	7	3
Tas.	..	..	..	..	7	8	7
Australia (b)	3	1	2	5	2	5	2

(a) Relative standard errors for expected capital expenditure are similar to those for actual capital expenditure.(b) Includes NT and ACT.

EXPLANATORY NOTES

Introduction

This publication contains estimates of actual and expected new capital expenditure by private business units ie enterprises or management units in selected industries in Australia dissected by State. More detailed estimates for Australia were published in *Private New Capital Expenditure, Australia* (5626.0) released on 9 April 1991.

2. The series contained in this publication have been compiled from data collected in a quarterly survey of private businesses. The survey is based on a stratified random sample of private businesses recorded on the Australian Bureau of Statistics (ABS) central register of economic units. The figures obtained from the selected businesses 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 businesses in the private sector of the Australian economy falling within the industry scope of the survey.

Survey methodology

3. The survey is conducted by mail on a quarterly basis. Forms are sent to a sample of approximately 8000 business units. The sample is selected from the ABS central register of businesses and is stratified by industry and number of employees. All business units with over 140 employees and/or high known capital expenditure are included in the sample.

4. Respondents are asked to provide data on the same basis as their own management accounts. Where a particular business unit does not respond in a given survey, an estimate is substituted. Aggregates are calculated from reported data using the *number raised* estimation technique. Data are edited both at individual business unit level and at aggregate level.

5. The survey is designed to produce Australian estimates. The State dissection is achieved by requesting all surveyed statistical units 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. Expenditure by 'single State' statistical units in the survey is allocated to the State in which the statistical unit is located.

Scope of the survey

6. This survey aims to measure the value of new capital expenditure by all private businesses in Australia. However because of various collection and compilation difficulties, the statistics in this publication exclude estimates relating to agriculture, and community services industries. The construction industry was also previously excluded from the scope of the survey but estimates are now published, commencing in *Private New Capital Expenditure, Australia* (5626.0) released on 13 November 1990. For further details relating to construction refer to paragraphs 5-7 of that publication. Also from the June quarter 1989, unincorporated nonemploying units are excluded as they are no longer recorded on the ABS central register of economic units. While the contribution of these units varies from industry to industry, it has been estimated that overall these units contribute less than 0.5 per cent of private new capital expenditure and, since this is insignificant, no attempt has been made to adjust back series, except for the construction industry.

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

Statistical unit

8. From the beginning of 1989, the ABS has introduced a new statistical unit known as the management unit. This unit is defined as:

> the largest unit within an enterprise group, which controls its productive activities and for which accounts are kept.

9. The management unit is being implemented on the ABS central register of economic units and included in this survey as reporting arrangements with the larger enterprises are finalised. Where the management unit has not been implemented the statistical unit is still the enterprise as presently recorded on the ABS central register of economic units with the following 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 are only available for a group of enterprises, a statistical unit has been created for each operating division of the enterprise group where possible.

These exceptions will cease once the management unit is fully phased in.

Classification by industry

10. In order to classify new capital expenditure by industry in these series, each statistical unit (as defined above) in the survey is classified to the Australian Standard Industrial Classification (ASIC) industry in which it *mainly* operates.

11. The total value of all of the new capital assets acquired by each statistical unit either on own account or under a finance lease is classified to the statistical unit's industry even though it may have activities in other industries. 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.

12. 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 (36-59,91-93)

State Dissection

13. Statistics for NT and ACT are not separately available because of the high sampling variability associated with estimates from 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

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

15. The collection of these expectations in the December quarter 1990 survey allows the derivation of a *composite estimate* (6 months actual plus 6 months expectations) for the current financial year (ie 12 months ending June 1991) and provides a *twelve month expectation* for the following financial year (ie 12 months ending June 1992).

Derivation and usefulness of realisation ratios

16. 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.

17. Such realisation ratios provide an important tool in understanding and interpreting expectations data. 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 NSW the composite estimate for 1990-91 to the actual expenditure for 1989-90 it is necessary to apply realisation ratios (see Table 4) to the composite estimate to take account of the over realisation that generally occurs.

18. There are many ways in which realisation ratios 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 a range of realisation ratios including the average of the latest available five observations.

19. 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.

Description of terms

20. 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 expnditure on second hand assets unless these are imported for the first time.

21. 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 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 from overseas whether previously used outside Australia or not. Excludes goods previously used in Australia.

Seasonal adjustments

22. 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.

23. Seasonal adjustments 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 series in this publication, especially for industry estimates and type of asset dissections.

24. Seasonally adjusted estimates in this publication have been derived by independently adjusting State estimates by type of asset and then adding them to form State capital expenditure estimates. This publication contains seasonally adjusted State estimates by type of asset for all States except Tasmania. Seasonally adjusted series for Tasmania have not been published because of the volatility within the series.

25. The seasonally adjusted Australian estimates of new capital expenditure included in the publication are consistent with those published in *Private New Capital Expenditure, Australia* (5626.0). These estimates are derived independently of the sesonally 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 ACT and NT (see also paragraph 13).

26. At least once each year the seasonally adjusted series are revised 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 March quarter 1990 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 more recent quarters.

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

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

Reliability of the estimates

29. Since estimates are based on information obtained from a sample drawn on units in the 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 obtained 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.

30. 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. Estimates of standard error of movement for State estimates 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.

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

(a) misreporting of data by respondents, and
(b) deficiencies in the central register of economic units particularly in respect of small units.

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

32. 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

33. 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 a discussion of the reasons for these differences refer to the September quarter 1989 issue of publication 5626.0.

Related publications

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

Private New Capital Expenditure, Australia, Actual and Expected Expenditure, Preliminary (5625.0) — issued quarterly

Company Profits, Australia (5651.0) — issued quarterly

Stocks, Manufacturers' Sales and Expected Sales, Australia (5629.0) — issued quarterly

State Estimates of Private New Capital Expenditure (5646.0) — issued quarterly

Australian National Accounts. National Income and Expenditure (5206.0) — issued quarterly

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Symbols and other usages

..	not applicable
n.y.a.	not yet available
r	figure revised since previous issue
n.e.c.	not elsewhere classified
ASIC	Australian Standard Industrial Classification

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