

**PRIVATE NEW CAPITAL EXPENDITURE, AUSTRALIA
ACTUAL AND EXPECTED EXPENDITURE TO JUNE 1995
JUNE QUARTER 1994 SURVEY, PRELIMINARY**

MAIN FEATURES

Actual Expenditure June Quarter 1994

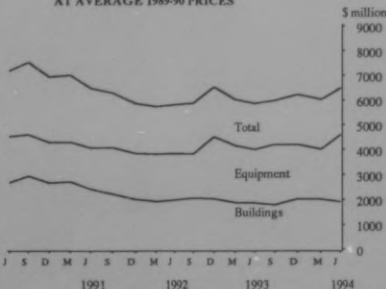
In seasonally adjusted 1989-90 price terms, preliminary estimates show that capital expenditure increased by 8% in the final quarter of 1993-94. However, the growth for the year was only 2% over 1992-93.

June quarter expenditure on buildings was down by 5% but expenditure on equipment was up 14%. The equipment series has reached its highest level since September quarter 1990. The increase is widely based with Finance, property and business services being the only broad industry category to have equipment growth under 10% for the quarter.

% change on March qtr 1994

	Bldgs	Equip	Total
Average 1989-90 Prices			
— Seasonally Adjusted	-5	14	8
Current Prices			
— Seasonally Adjusted	-5	13	7
— Original	8	32	25

**SEASONALLY ADJUSTED SERIES
AT AVERAGE 1989-90 PRICES**



Seasonally adjusted current price estimates show that total expenditure rose by 7% on the March quarter. By broad industry groupings, changes were: Finance, Property and Business Services up 4%, Other Selected Industries up 4%, Mining up 7% and Manufacturing up 13%.

Actual Expenditure 1993-94

The preliminary estimate of new capital expenditure for 1993-94 is \$26,765m which is 4% higher than 1992-93. In average 1989-90 price terms expenditure is 2% higher than 1992-93.

The table below shows percentage changes in new capital expenditure between 1992-93 and 1993-94 by type of asset and broad industry group.

	% Change 1993-94 over 1992-93 (current prices)
TOTAL	+4
By Asset	
Building	-1
Equipment	+6
By Industry	
Finance	-11
Mining	+14
Manufacturing	+5
Other	+4

Expected New Capital Expenditure 1994-95

The third estimate of expected new capital expenditure for 1994-95 is \$29,734m. This is 13% above the second estimate reported 3 months earlier and is 24% above the corresponding expectation for 1993-94 from the June quarter 1993 survey.

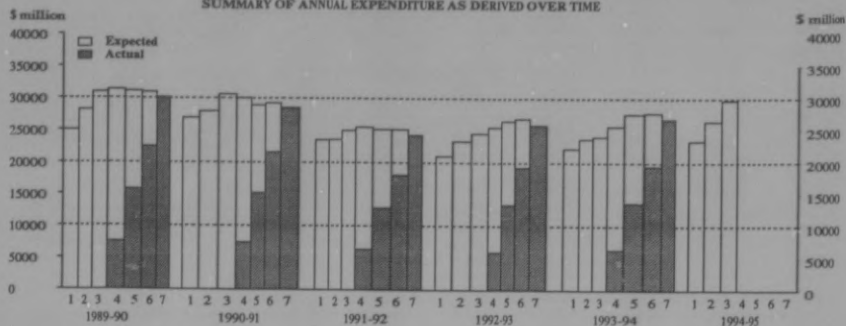
Over the past five years, there has been a considerable fluctuation in the relationship between June quarter expectations and the final expenditure outcome for the next financial year. For example, corresponding expectations were only 93% realised for 1990-91 but the final outcome was 12% greater than the third estimate in 1993-94. Over the last 5 years the average final outcome was 1% higher (see Table 4). If this average were to apply to the latest expectation for 1994-95 then there would be an increase of 12% over 1993-94 in current price terms.

INQUIRIES

* for further information about statistics in this publication and the availability of related unpublished statistics, contact Bruce Jamieson on Canberra (06) 252 5611 or any ABS State Office.

* for information about other ABS statistics and services please contact Information Services on Canberra (06) 252 6627, 252 5402, 252 6007 or any ABS State office.

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

Estimate	Based on data reported at-	Composition of Estimate		
		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

GRAPH 2: PRIVATE NEW CAPITAL EXPENDITURE AT 1989-90 PRICES.

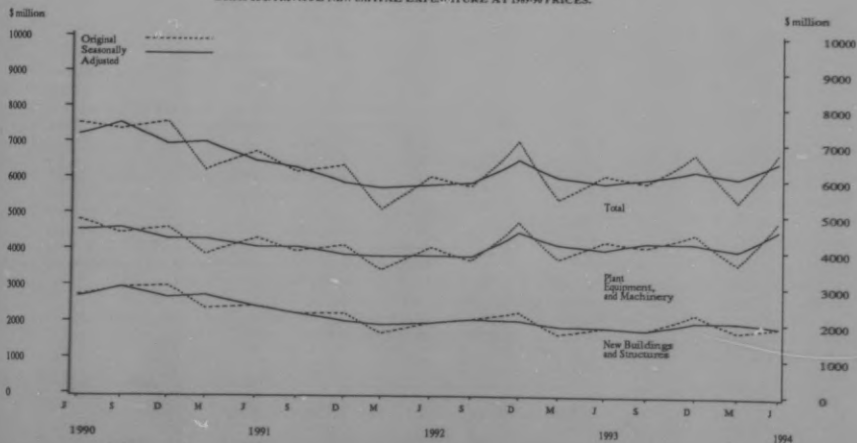


TABLE 1. ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR SELECTED INDUSTRIES (a) BY TYPE OF ASSET — (Revised)
(\$ million)

Type of Asset	Actual								Expected p (b)		
	1992-93				1993-94				6 Months to Dec. 94	6 Months to June 95	1994-95
	March		June		Sept.		Dec.				
	Qtr		Qtr		Qtr		Qtr				
	1992-93	1993-94 p	1992-93	1993-94 p	1992-93	1993-94 p	1992-93	1993-94 p			
ORIGINAL											
Buildings and Structures	7,731	7,625	1,636	1,808	1,765	2,237	1,741	1,883	4,107	4,322	8,429
Equipment, Plant and Machinery	18,037	19,140	4,212	4,728	4,597	5,045	4,096	5,402	11,246	10,059	21,305
Total New Capital Expenditure	25,767	26,765	5,847	6,536	6,363	7,282	5,836	7,284	15,353	14,381	29,734
SEASONALLY ADJUSTED											
Buildings and Structures	7,697	7,662	1,850	1,813	1,758	2,018	1,996	1,889	n.a.	n.a.	n.a.
Equipment, Plant and Machinery	18,026	19,107	4,658	4,462	4,731	4,745	4,527	5,104	n.a.	n.a.	n.a.
Total New Capital Expenditure	25,723	26,769	6,508	6,275	6,490	6,763	6,523	6,994	n.a.	n.a.	n.a.

TABLE 2. ACTUAL PRIVATE NEW CAPITAL EXPENDITURE FOR SELECTED INDUSTRIES (a) BY TYPE OF ASSET
AT AVERAGE 1989-90 PRICES (c) — (Revised)
(\$ million)

Type of Asset	1992-93				1993-94			
	March		June		Sept.		Dec.	
	Qtr		Qtr		Qtr		Qtr	
	1992-93	1993-94 p	1992-93	1993-94 p	1992-93	1993-94 p	1992-93	1993-94 p
ORIGINAL								
Buildings and Structures	7,845	7,663	1,659	1,847	1,783	2,237	1,751	1,892
Equipment, Plant and Machinery	16,470	17,017	3,747	4,236	4,083	4,461	3,625	4,849
Total New Capital Expenditure	24,315	24,680	5,406	6,084	5,866	6,697	5,376	6,741
SEASONALLY ADJUSTED								
Buildings and Structures	7,811	7,701	1,876	1,852	1,776	2,018	2,008	1,899
Equipment, Plant and Machinery	16,454	16,985	4,144	3,998	4,202	4,195	4,006	4,582
Total New Capital Expenditure	24,265	24,687	6,020	5,850	5,978	6,213	6,014	6,481

See next page for Explanations

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

Major Industry	Actual								Expected p (b)			
	1992-93				1993-94				6 Months to Dec. 94	6 Months to June 95	1994-95	
	1992-93	1993-94 p	1992-93		1993-94		June Qtr p					
			March Qtr	June Qtr	Sept. Qtr	Dec. Qtr		March Qtr				June Qtr p
			ORIGINAL									
Finance, Property and Business Services	4,440	3,972	1,023	1,000	919	1,091	908	1,054	2,020	1,768	3,788	
Mining	5,133	5,876	1,201	1,451	1,374	1,679	1,291	1,532	3,635	3,686	7,322	
Manufacturing	7,071	7,435	1,552	2,048	1,787	1,990	1,547	2,111	4,399	4,157	8,557	
Other Selected Industries	9,123	9,482	2,072	2,037	2,282	2,522	2,091	2,587	5,298	4,770	10,068	
Total Selected Industries (a)	25,767	26,765	5,847	6,536	6,363	7,282	5,836	7,284	15,353	14,381	29,734	
	SEASONALLY ADJUSTED											
Finance, Property and Business Services	4,441	3,974	1,115	979	907	1,042	990	1,034	n.a.	n.a.	n.a.	
Mining	5,146	5,871	1,320	1,443	1,499	1,525	1,419	1,518	n.a.	n.a.	n.a.	
Manufacturing	7,049	7,417	1,725	1,888	1,898	1,855	1,719	1,946	n.a.	n.a.	n.a.	
Other Selected Industries	9,087	9,508	2,347	1,965	2,276	2,342	2,395	2,496	n.a.	n.a.	n.a.	
Total Selected Industries (a)	25,723	26,769	6,508	6,275	6,490	6,763	6,523	6,994	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 1989-90 TO 1993-94

Financial Year	Type of Asset		Major Industry Group				Total (a)
	Buildings and Structures	Equipment Plant and Machinery	Finance, Property and Business Services	Mining	Manu- facturing	Other Selected Industries	
1989-90	0.86	1.06	0.94		0.97	1.02	0.97
1990-91	0.93	0.94	0.85	0.93	0.85	1.09	0.93
1991-92	0.89	1.01	0.95	0.84	0.90	1.14	0.97
1992-93	1.00	1.07	1.20	0.96	0.90	1.19	1.05
1993-94 p	1.03	1.15	1.23	0.90	1.00	1.40	1.12
5 Year Average	0.94	1.05	1.03	0.91	0.93	1.17	1.01

(a) Excludes public sector and all enterprises classified to agriculture, forestry, fishing and hunting and community services. (b) Expected by businesses in July-August 1994. (c) See paragraph 4 of Explanatory Notes
(d) See paragraph 6 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. See paragraph 6 of Explanatory Notes.

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 1994, together with estimates of expected new capital expenditure for the 6 months ending 31 December 1994 and the 6 months ending 30 June 1995. Estimates of previous quarters actual expenditure from the March quarter 1993 are also included. These 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.

2. The standard error for the preliminary estimate of the level of total new capital expenditure is approximately 2 per cent. The standard error of the quarter to quarter movement in total new capital expenditure is also about 2 per cent (expressed as a percentage of the level estimate).

3. Final estimates from this survey will be published in the next issue of 5625.0 to be released for the September quarter in late November.

Estimates at 1989-90 prices

4. Estimates at 1989-90 prices are presented, by type of asset, in both original and seasonally adjusted terms in Table 2. The deflators used to revalue the current price estimates are the same as the price deflators compiled for the national accounts aggregates 'Private gross fixed capital expenditure on non-dwelling construction' and 'Private gross fixed capital expenditure on equipment'.

Seasonal adjustment

5. The series in this publication are affected to some extent by seasonal influences and it is useful to recognize and take account of this element of variation. Details of the seasonal adjustment methods used for new capital expenditure are available on request.

Realisation ratios

6. The realisation ratios shown in Table 4 are for estimate 3 (see foot of graph 1) and have been derived in a similar manner to those contained in previous publications. For details of the methodology used refer to Catalogue No. 5626.0.

Further information

7. For further information on the industry classification, reliability, definition of terms, scope of this series and a full discussion of the concept of standard error, together with estimates of standard errors, see the latest issue of Catalogue No. 5626.0.

Unpublished data

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

Related publications

9. Current publications produced by the ABS are listed in the Catalogue of Publications and Products, 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 the Publications Advice are available from any ABS office.

Symbols and other usage

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

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

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