

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS  
CANBERRA, AUSTRALIA

'To be treated as strictly CONFIDENTIAL and NOT to be published, broadcast or cabled before NOON on FRIDAY, 30 TH OCTOBER, 1964.

CAPITAL AND MAINTENANCE EXPENDITURE BY PRIVATE BUSINESSES IN AUSTRALIA

JUNE QUARTER, 1964 (ACTUAL)

JULY TO DECEMBER, 1964 (ANTICIPATED)

INTRODUCTION

General

This bulletin contains estimates based on returns obtained from a sample of businesses subject to pay-roll tax (i.e., businesses paying more than £200 a week in wages), supplemented by returns from other businesses not subject to pay-roll tax which are known to be undertaking capital expenditure projects entailing expenditure of £250,000 or more in a six-monthly period.

2. Annual and half-yearly figures are shown for actual and anticipated capital expenditure and for expenditure on repairs and maintenance, and in addition quarterly estimates are shown for actual capital expenditure. Preliminary estimates of actual capital expenditure for June quarter, 1964 previously published in bulletin S.B. 18 of 19th August, 1964, are revised in this bulletin.

Industrial Field Covered

3. This survey is designed primarily to measure trends in expenditure by private businesses on the tangible assets specified. With current statistical resources it is not practicable to include all private industry in the survey. The fields of private industry excluded are:

- (a) Businesses whose pay-roll is below the exemption limit for pay-roll tax (unless included in the supplementary collection from businesses known to be undertaking capital expenditure projects involving expenditure of £250,000 or more in a six monthly period).
- (b) Organizations "exempted" from pay-roll tax such as religious or benevolent institutions.
- (c) Rural.
- (d) Certain businesses such as accountants, trade associations, consultant engineers, etc. Capital expenditure by these businesses is considered too small to affect trends.
- (g) Gas and electricity.

4. Although governmental undertakings in general are excluded from the survey, government airlines and banks are included for the sake of completeness in these industrial fields.

5. Since the pay-roll tax exemption limit is fixed in money terms, the coverage of the pay-roll tax field in terms of employment may vary in accordance with changes in wage-rates, etc. At the head of each column in Tables 1 (Part A), 2 (Part A) and 3 herein, employment in the field of business for which estimates of capital and maintenance expenditure are shown is expressed as a percentage of total private employment (other than rural and private domestic) plus employment in government airlines and banks. In relation to the measurement of capital and maintenance expenditure, these employment percentages are shown merely as a broad indication of the extent of the field surveyed and of changes in coverage.

Industrial Dissection

6. Returns are obtained on a State basis and, in general, businesses are classified according to their predominant activity in each State. Certain large organizations having extensive operations in more than one industry supply information for their separate industries.

## Scope of Estimates

7. "New Capital Expenditure" is defined as total payments from any source (including receipts from insurance claims and trade-in allowances) by businesses, during the periods specified, for the purchase or installation of new buildings and structures and other new capital equipment, whether or not the assets are acquired during the period in which the payment is made. Expenditure on alterations and additions to existing buildings and structures is treated as "new capital expenditure"
8. Similarly "Repair and Maintenance Expenditure" relates to payments, during the period specified, for the repair and maintenance of capital equipment, irrespective of when the repairs, etc. were made.
9. The component "buildings and structures" covers assets such as buildings, wharves, roads and also lifts, heating and ventilation equipment and the like forming an integral part of the structure. The component "other capital equipment" covers all machinery and equipment including vehicles, aircraft and ships, and such items as new motors, lathes, office equipment and fixtures.
10. The estimates exclude expenditure on the purchase of land, existing buildings and other structures, and second-hand equipment (unless bought from overseas suppliers).

### NEW CAPITAL EXPENDITURE BY TYPE OF ASSET

11. Part A of Table 1 shows the estimated yearly expenditure on new buildings and other new capital equipment for each of the years 1960-61 to 1963-64 and estimated half yearly expenditure for the first half and the second half of 1963-64. Details of anticipated expenditure for the half year ending December, 1964, are also shown. Part B shows anticipated and actual expenditure for each half year as a percentage change from actual expenditure in the previous half year. It indicates that during the period July, 1960 to June, 1964, businessmen frequently over-estimated expenditure on new buildings. Part C shows the estimated quarterly expenditure on new buildings and other new capital equipment from the March quarter, 1962 to June quarter, 1964.
12. In the interpretation of figures of anticipated expenditure it should be kept in mind that they represent the total of expenditure anticipated by individual businesses at the beginning of the half year. Subsequent changes in economic conditions may cause revision of plans and affect the timing of construction or the deliveries of equipment, or their cost. On occasions, individual plans may prove to be collectively beyond the capacity of the economy.

**TABLE 1. - NEW CAPITAL EXPENDITURE BY TYPE OF ASSET**

(by private businesses subject to payroll tax, excluding rural industries - see paragraphs 1 to 5)

**PART A. - YEARLY AND HALF-YEARLY NEW CAPITAL EXPENDITURE : JULY, 1960 TO DECEMBER, 1964**

Particulars	1960-61	1961-62	1962-63	1963-64	1963 July to December	1964 January to June	1964 July to December
	Business Field Covered (a)(b)	76%	76%	76%	77%	77%	77%
\$ million							
Capital Expenditure on -	Actual Expenditure						Anti- cipated (c)
New Buildings and Structures	177.1	169.2	190.7	206.7	105.0	95.7	122.0
Other New Capital Equipment	315.9	326.0	342.1	355.1	175.2	189.9	225.5
Total New Capital Expenditure	493.0	495.2	532.8	571.8	283.2	288.6	349.5

(a) See paragraph 5.

(b) As a result of the introduction of a new series of Employment statistics, these percentages have been revised.

(c) Anticipated by businesses at the beginning of the period. See paragraph 12.

**PART B. - ANTICIPATED AND ACTUAL PERCENTAGE CHANGE IN NEW CAPITAL EXPENDITURE**

**HALF-YEARLY : JULY, 1960 TO DECEMBER, 1964**

(Change from actual expenditure in previous half-year)

Capital Expenditure on -	1960-61		1961-62		1962-63		1963-64		1964-65
	July to Dec.	Jan. to June	July to Dec.	Jan. to June	July to Dec.	Jan. to June	July to Dec.	Jan. to June	July to Dec.
	Percentage								
New Buildings and Structures - Anticipated (a)	+38	+5	+1	+12	+24	+4	+32	+15	+26
Actual	+17	-4	-4	+3	+18	-12	+21	-9	(b)
Other New Capital Equipment - Anticipated (a)	+9	+1	+4	-14	+9	-2	+1	+4	+19
Actual	+10	-8	+13	-9	+7	+6	-1	+8	(b)
Total New Capital Expenditure - Anticipated (a)	+19	+2	+3	-5	+14	..	+12	+8	+21
Actual	+12	-7	+7	-5	+11	-1	+7	+2	(b)

(a) Anticipated by businesses at the beginning of the period. See paragraph 12.

(b) Not yet available.

**PART C. - QUARTERLY NEW CAPITAL EXPENDITURE :**

**MARCH QUARTER, 1962 TO JUNE QUARTER, 1964**

Capital Expenditure on -	1961-62		1962-63				1963-64			
	March Qtr.	June Qtr.	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.
	\$ million									
New Buildings & Structures	38.9	46.9	51.3	50.1	40.6	48.7	50.5	57.5	45.1	53.6
Other New Capital Equipment	68.9	85.9	77.1	88.8	81.9	94.3	83.0	92.2	77.6	112.3
Total New Capital Expenditure	107.8	132.8	128.4	138.9	122.5	143.0	133.5	149.7	122.7	165.9

4.

NEW CAPITAL EXPENDITURE BY INDUSTRY GROUPS

13. Part A of Table 2 shows new capital expenditure in the principal industry groups from July, 1960 to June, 1964, together with the anticipated expenditure for July to December, 1964. Part B shows quarterly figures.

TABLE 2. - NEW CAPITAL EXPENDITURE BY INDUSTRY GROUPS

(By private businesses subject to pay-roll tax, excluding rural industries - see paragraphs 1 to 5)

PART A. - YEARLY AND HALF-YEARLY NEW CAPITAL EXPENDITURE : JULY, 1960 TO DECEMBER, 1964

Particulars	1960-61	1961-62	1962-63	1963-64	1963 July to December	1964 January to June	1964 July to December
	76%	76%	76%	77%	77%	77%	77%
Business Field Covered(a)(b)	76%	76%	76%	77%	77%	77%	77%
Industry Group	£ million						Anti- cipated (c)
	Actual Expenditure						
<u>Manufacturing</u>							
Extracting, refining, founding	106.1	55.3	57.1	49.8	24.0	25.8	29.9
Engineering (d)		37.1	38.9	44.4	22.4	22.0	29.4
Vehicles (e)		17.3	22.8	32.2	13.7	18.5	32.3
Chemicals (f)	44.3	51.1	45.1	50.4	25.6	24.8	32.8
Textiles and clothing	16.0	12.8	12.7	12.4	6.4	6.0	8.9
Food, drink and tobacco	39.0	42.3	45.2	50.5	23.6	26.9	33.1
Paper and printing	22.0	20.0	22.0	23.6	12.7	10.9	13.2
Other manufacturing (g)	40.4	38.3	41.5	38.8	19.0	19.8	27.6
Total Manufacturing	267.8	274.2	285.3	302.1	147.4	154.7	207.2
<u>Non-manufacturing</u>							
Wholesale and retail trade	102.4	86.5	99.4	109.0	56.7	52.3	51.1
Mining	23.3	24.0	35.2	33.8	15.7	18.1	16.9
Transport (h)	31.3	38.2	27.8	37.1	17.2	19.9	26.7
Other non-manufacturing (i)	68.2	72.3	85.1	89.8	46.2	43.6	47.6
Total Non-manufacturing	225.2	221.0	247.5	269.7	135.8	133.9	142.3
All Industries	493.0	495.2	532.8	571.8	283.2	288.6	349.5

(a) See paragraph 5.

(b) As a result of the introduction of a new series of Employment statistics, these percentages have been revised.

(c) Anticipated by businesses at the beginning of the period. See paragraph 12.

(d) Engineering, metalworking, electrical equipment.

(e) Vehicles, aircraft and ships, parts and accessories. Includes assembly and repairs.

(f) Chemicals, fertilizers, paints, explosives, cosmetics and oil refining.

(g) Sawmilling, furniture, plastics, leather, rubber, etc.

(h) Road, rail and air transport, shipping and stevedoring.

(i) Building, construction, banking, insurance, other finance and property, amusements, hotels, cafes, personal services, etc.

MARCH QUARTER, 1962 TO JUNE QUARTER, 1964

£ million

Industry Group	1961-62		1962-63				1963-64			
	March Qtr.	June Qtr.	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.
<b>Manufacturing</b>										
Extracting, refining, founding	18.2	24.8	24.1	25.0	12.1	14.9	12.7	11.3	11.2	14.6
Engineering (a)					9.1	10.8	10.2	12.2	8.9	13.1
Vehicles (b)	3.8	5.6	8.0	6.2	3.9	4.7	5.6	8.1	7.8	10.7
Chemicals (c)	11.8	12.0	9.8	12.4	10.3	12.6	11.3	14.3	9.9	14.9
Textiles and clothing	26.0	31.9	27.3	30.8	3.1	3.5	2.9	3.9	3.0	3.0
Food, drink and tobacco					11.2	11.4	10.6	13.0	11.9	15.0
Paper and printing					5.0	6.3	5.5	7.2	5.2	5.7
Other manufacturing (d)					10.5	12.3	9.6	9.4	8.8	11.0
<b>Total Manufacturing</b>	<b>59.8</b>	<b>74.3</b>	<b>69.2</b>	<b>74.4</b>	<b>65.2</b>	<b>76.5</b>	<b>68.0</b>	<b>79.4</b>	<b>66.7</b>	<b>88.0</b>
<b>Non-manufacturing</b>										
Wholesale and retail trade	18.5	22.9	25.2	26.1	22.7	25.4	29.2	27.5	22.1	30.2
Mining	29.5	35.6	34.0	38.4	8.6	11.3	7.9	7.8	7.4	10.7
Transport (e)					7.1	7.0	7.6	9.6	9.0	10.9
Other non-manufacturing (f)					18.9	22.8	20.8	25.4	17.5	26.1
<b>Total Non-manufacturing</b>	<b>48.0</b>	<b>58.5</b>	<b>59.2</b>	<b>64.5</b>	<b>57.3</b>	<b>66.5</b>	<b>65.5</b>	<b>70.3</b>	<b>56.0</b>	<b>77.9</b>
<b>All Industries</b>	<b>107.8</b>	<b>132.8</b>	<b>128.4</b>	<b>138.9</b>	<b>122.5</b>	<b>143.0</b>	<b>133.5</b>	<b>149.7</b>	<b>122.7</b>	<b>165.9</b>

- (a) Engineering, metalworking, electrical equipment.  
 (b) Vehicles, aircraft and ships, parts and accessories. Includes assembly and repairs.  
 (c) Chemicals, fertilizers, paints, explosives, cosmetics and oil refining.  
 (d) Sawmilling, furniture, plastics, leather, rubber, etc.  
 (e) Road, rail and air transport, shipping and stevedoring.  
 (f) Building, construction, banking, insurance, other finance and property, amusements, hotels, cafes, personal services, etc.

REPAIRS AND MAINTENANCE EXPENDITURE

14. Table 3 shows estimated expenditure on repairs and maintenance of buildings, and other capital equipment since July, 1960.

TABLE 3. - REPAIRS AND MAINTENANCE EXPENDITURE BY TYPE OF ASSET  
JULY, 1960 TO JUNE, 1964

(By private businesses subject to pay-roll tax, excluding rural industries - see paragraphs 1 to 5).

Particulars	1960-61	1961-62	1962-63	1963-64	1963 July to December	1964 January to June
Business Field Covered(a)(b)	76%	76%	76%	77%	77%	77%
	£ million					
Buildings and Structures	27.9	28.2	28.2	31.8	15.8	16.0
Other Capital Equipment	178.9	190.2	194.2	214.7	104.3	110.4
<b>Total</b>	<b>206.8</b>	<b>218.4</b>	<b>222.4</b>	<b>246.5</b>	<b>120.1</b>	<b>126.4</b>

(a) See paragraph 5.

(b) As a result of the introduction of a new series of Employment statistics, these percentages have been revised.

r - Revised

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS  
 CANBERRA. A.C.T. 30TH OCTOBER, 1964.

K.M. ARCHER  
 COMMONWEALTH STATISTICIAN

NOTE:- Inquiries concerning these statistics may be made in Canberra by telephoning 70413 Extension 202, or in each State capital, by telephoning the office of the Bureau of Census and Statistics.