COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, AUSTRALIA

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CAPITAL AND MAINTENANCE EXPENDITURE BY PRIVATE BUSINESSES IN AUSTRALIA

DECEMBER QUARTER 1968 (ACTUAL)

JANUARY TO JUNE 1969 (ANTICIPATED)

INTRODUCTION

General

1. This bulletin contains estimates based on returns obtained from a sample of businesses subject to pay-roll tax (i.e., businesses paying more than $400 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 $500,000 or more in a six monthly period.

2. Seasonally adjusted estimates of new capital expenditure are shown in table 1 part C, page 4. Details of the methods used in seasonally adjusting these and other series are given in "Seasonally Adjusted Indicators 1968" (Ref. No. 1.10) issued on 21 May 1968. In addition, percentage changes in seasonally adjusted estimates of half-yearly anticipated and actual new capital expenditure are shown for the first time (see Table 1, part B). These estimates are calculated using a modification of the Bureau's standard procedures for seasonal adjustment.

3. 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 December quarter 1968, previously published in bulletin (Ref. No. 5.7) of 20 February 1969 are revised in this bulletin.

Industrial field covered

4. 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 $500,000 or more in a six-monthly period).

(b) Organisations "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.

(e) Gas and electricity.

5. 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.

6. 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 air-lines 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

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

Scope of estimates

8. Prior to the December quarter 1966, "New capital expenditure" was 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 payment is made. As from the December quarter 1966, "New capital expenditure" also includes large items of capital equipment which are imported for the purpose of leasing (e.g. ships, oil drilling rigs etc.) to a business in Australia for a period expected to exceed one year, irrespective of whether any payment is made for such equipment by the importer. Statistics for earlier periods have not been revised as the amounts involved are thought to be relatively minor.

9. "Repairs 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. Expenditure on alterations and additions to existing buildings and structures is treated as "New capital expenditure".

10. The component "Buildings and structures" covers assets such as buildings, wharves, railway and harbour constructions, 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.

11. 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

12. Part A of Table 1 shows the estimated yearly expenditure on new buildings and other new capital equipment for each of the years 1964-65 to 1967-68 and estimated half-yearly expenditure for the second half of 1967-68 and the first half of 1968-69. Details of anticipated expenditure for the half year ending 30 June 1969, 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. Part C shows the estimated quarterly expenditure on new buildings and other new capital equipment from the September quarter 1965 to December quarter 1968.

13. 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 : JULY 1964 TO JUNE 1969

(By private businesses subject to pay-roll tax, excluding rural industries - see paragraphs 1 to 6, pages 1 and 2)

PART A. - YEARLY AND HALF-YEARLY NEW CAPITAL EXPENDITURE

Particulars	1964-65	1965-66	1966-67	1967-68	1968 January to June	1968 July to December	1969 January to June
Business field covered (a)	77%	78%	78%	78%	78%	79%	79%
	$ million						
Capital expenditure on -	Actual expenditure						Anticipated (b)
New buildings and structures	465.7	580.8	560.5	674.7	315.8	416.6	474.2
Other new capital equipment	972.5	1177.4	1136.7	1197.1	599.4	643.0	614.0
Total new capital expenditure	1438.2	1758.2	1697.2	1871.8	915.2	1,059.6	1,088.2

(a) See paragraph 6, page 2.
(b) Anticipated by businesses at the beginning of the period. See paragraph 13.

PART B. - PERCENTAGE CHANGE IN HALF YEARLY (ANTICIPATED AND ACTUAL) NEW CAPITAL EXPENDITURE ORIGINAL AND SEASONALLY ADJUSTED SERIES (a)

(Change from actual expenditure in previous half year)

	ORIGINAL				SEASONALLY ADJUSTED			
	July to Dec.		Jan. to June		July to Dec.		Jan. to June	
	Antic.(b)	Actual	Antic.(b)	Actual	Antic.(b)	Actual	Antic.(b)	Actual
NEW BUILDINGS AND STRUCTURES								
1964-65	+ 26	+ 16	+ 5	+ 4	+ 15	+ 3	+ 15	+ 16
1965-66	+ 34	+ 30	- 1	- 12	+ 22	+ 16	+ 10	..
1966-67	+ 7	+ 6	- 4	- 9	- 3	- 6	+ 10	+ 7
1967-68	+ 24	+ 33	- 9	- 12	+ 14	+ 16	+ 2	+ 1
1968-69	+ 33	+ 32	+ 14	(c)	+ 18	+ 15	+ 28	(c)
OTHER NEW CAPITAL EQUIPMENT								
1964-65	+ 19	+ 22	+ 6	+ 8	+ 14	+ 18	+ 11	+ 13
1965-66	+ 12	+ 19	- 4	- 5	+ 7	+ 14	+ 2	+ 1
1966-67	- 6	+ 3	- 10	- 10	- 12	- 3	- 6	- 3
1967-68	+ 10	+ 10	+ 1	..	+ 7	+ 3	+ 7	+ 7
1968-69	+ 6	+ 7	- 5	(c)	+ 1	+ 1	+ 1	(c)
TOTAL NEW CAPITAL EXPENDITURE								
1964-65	+ 21	+ 20	+ 6	+ 7	+ 14	+ 13	+ 13	+ 14
1965-66	+ 19	+ 23	- 3	- 7	+ 12	+ 15	+ 5	+ 1
1966-67	- 2	+ 4	- 8	- 10	- 9	- 4	- 1	..
1967-68	+ 15	+ 18	- 3	- 4	+ 10	+ 8	+ 5	+ 4
1968-69	+ 15	+ 16	+ 3	(c)	+ 7	+ 6	+ 11	(c)

(a) See paragraph 2, page 1.
(b) Anticipated by businesses at the beginning of the period. See paragraph 13 above.
(c) Not yet available.

PART C. - QUARTERLY NEW CAPITAL EXPENDITURE - ORIGINAL AND SEASONALLY ADJUSTED SERIES (a)

$ million

Year	Original				Seasonally adjusted			
	Sept.qtr	Dec.qtr	March qtr	June qtr	Sept.qtr	Dec.qtr	March qtr	June qtr
NEW BUILDING AND STRUCTURES								
1964-65	105.6	123.1	98.2	138.8	103.4	112.4	116.9	133.3
1965-66	149.4	158.9	118.3	154.2	145.9	144.3	142.5	147.8
1966-67	141.3	148.4	122.0	148.8	137.6	134.6	147.9	142.4
1967-68	167.1	191.8	143.0	172.8	162.5	174.2	173.8	165.2
1968-69	181.7	234.9	(b)	(b)	176.6	213.5	(b)	(b)
OTHER NEW CAPITAL EQUIPMENT								
1964-65	212.7	254.2	210.6	295.0	217.2	237.9	241.0	274.4
1965-66	286.4	316.3	270.4	304.3	292.4	294.3	309.9	284.4
1966-67	291.1	303.1	245.8	296.7	296.7	280.9	282.3	278.1
1967-68	266.7	331.0	261.2	338.2	271.3	306.8	300.2	317.3
1968-69	302.7	340.3	(b)	(b)	307.3	315.7	(b)	(b)
TOTAL NEW CAPITAL EXPENDITURE								
1964-65	318.3	377.3	308.8	433.8	319.8	350.7	355.9	409.4
1965-66	435.8	475.2	388.7	458.5	438.6	439.0	449.1	434.1
1966-67	432.4	451.5	367.8	445.5	435.0	415.5	426.0	422.7
1967-68	433.8	522.8	404.2	511.0	435.5	481.4	468.9	484.8
1968-69	484.4	575.2	(b)	(b)	485.9	529.7	(b)	(b)

PART D. - PERCENTAGE CHANGE IN QUARTERLY NEW CAPITAL EXPENDITURE - ORIGINAL AND SEASONALLY ADJUSTED SERIES (a)

(change from actual expenditure in previous quarter)
(per cent)

Year	Original				Seasonally adjusted			
	June to Sept.	Sept. to Dec.	Dec. to March	March to June	June to Sept.	Sept. to Dec.	Dec. to March	March to June
NEW BUILDING AND STRUCTURES								
1964-65	-1	+17	-20	+41	..	+9	+4	+14
1965-66	+8	+6	-26	+30	+9	-1	-1	+4
1966-67	-8	+5	-18	+22	-7	-2	+10	-4
1967-68	+12	+15	-25	+21	+14	+7	-2	-5
1968-69	+5	+29	(b)	(b)	+7	+21	(b)	(b)
OTHER NEW CAPITAL EQUIPMENT								
1964-65	-5	+20	-17	+40	+4	+10	+1	+14
1965-66	-3	+10	-15	+13	+7	+1	+5	-8
1966-67	-4	+4	-19	+21	+4	-5	..	-1
1967-68	-10	+24	-11	+29	-2	+13	-2	+6
1968-69	-10	+12	(b)	(b)	-3	+3	(b)	(b)
TOTAL NEW CAPITAL EXPENDITURE								
1964-65	-4	+19	-18	+40	+2	+10	+1	+15
1965-66	..	+9	-18	+18	+7	..	+2	-3
1966-67	-6	+4	-19	+21	..	-4	+3	-1
1967-68	-3	+21	-23	+26	+3	+11	-3	+3
1968-69	-5	+19	(b)	(b)	..	+9	(b)	(b)

(a) See paragraph 2, page 1. (b) Not yet available.

NEW CAPITAL EXPENDITURE BY INDUSTRY GROUPS

14. Part A of Table 2 shows new capital expenditure in the principal industry groups from July 1964 to December 1968, together with the anticipated expenditure for January to June 1969. 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 6, pages 1 and 2)

PART A. - YEARLY AND HALF-YEARLY NEW CAPITAL EXPENDITURE : JULY 1964 TO JUNE 1969

Particulars	1964-65	1965-66	1966-67	1967-68	1968 January to June	1968 July to December	1969 January to June
Business field covered (a)	77%	78%	78%	78%	78%	79%	79%
	$ million						
Industry Group	Actual expenditure						Anti-cipated (b)
Manufacturing -							
Extracting, refining, founding	118.5	174.6	184.0	165.6	74.9	81.1	67.7
Engineering (c)	108.5	121.8	128.4	119.6	56.1	72.8	77.4
Vehicles (d)	92.5	79.9	42.3	53.6	27.1	25.5	34.5
Chemicals (e)	127.0	148.9	126.7	129.5	70.0	81.8	79.5
Textiles and clothing	32.1	41.0	34.2	30.4	15.9	20.0	24.6
Food, drink and tobacco	140.7	146.9	136.9	146.6	66.8	67.7	64.3
Paper and printing	55.2	60.5	68.7	78.2	36.9	37.4	40.8
Other manufacturing (f)	96.3	111.3	108.9	107.6	53.6	54.9	62.0
Total manufacturing	770.8	884.9	830.1	831.1	401.3	441.2	450.8
Non-manufacturing -							
Wholesale and retail trade	221.7	253.2	246.4	252.8	126.5	158.2	145.9
Mining	106.5	217.1	242.8	325.3	157.8	212.8	264.9
Transport (g)	126.8	130.7	129.5	171.6	85.1	83.1	66.3
Other non-manufacturing (h)	212.4	272.3	248.4	291.0	144.5	164.3	160.3
Total non-manufacturing	667.4	873.3	867.1	1040.7	513.9	618.4	637.4
ALL INDUSTRIES	1,438.2	1,758.2	1,697.2	1,871.8	915.2	1,059.6	1,088.2

(a) See paragraph 6, page 2.

(b) Anticipated by businesses at the beginning of the period. See paragraph 13, page 3.

(c) Engineering, metalworking, electrical equipment.

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

(e) Chemicals, fertilisers, paints, explosives, cosmetics and oil refining.

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

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

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

PART B. - QUARTERLY NEW CAPITAL EXPENDITURE

SEPTEMBER QUARTER 1966 TO DECEMBER QUARTER 1968

$ million

Industry group	1966-67 Sept. qtr	Dec. qtr	March qtr	June qtr	1967-68 Sept. qtr	Dec. qtr	March qtr	June qtr	1968-69 Sept. qtr	Dec. qtr
Manufacturing -										
Extracting, refining, founding	61.2	46.6	36.0	40.2	42.2	48.5	32.8	42.1	39.2	41.9
Engineering (a)	31.2	33.5	26.4	37.3	29.3	34.2	24.2	31.9	32.6	40.2
Vehicles (b)	9.7	10.7	7.9	14.0	13.6	12.9	13.3	13.8	13.5	12.0
Chemicals (c)	41.4	36.8	24.8	23.7	26.1	33.4	26.9	43.1	39.0	42.8
Textiles and clothing	7.1	7.6	8.0	11.5	6.7	7.8	6.7	9.2	8.0	12.0
Food, drink and tobacco	32.9	38.6	27.6	37.8	35.2	44.6	28.7	38.1	31.9	35.8
Paper and printing	12.8	17.4	15.8	22.7	18.5	22.8	17.5	19.4	20.4	17.0
Other manufacturing (d)	28.5	28.2	24.6	27.6	25.5	28.5	23.8	29.8	24.9	30.0
Total manufacturing	224.8	219.4	171.1	214.8	197.1	232.7	173.9	227.4	209.5	231.7
Non-manufacturing -										
Wholesale and retail trade	65.3	70.0	54.5	56.6	65.6	60.7	58.8	67.7	76.5	81.7
Mining	46.9	68.9	52.9	74.1	70.4	97.1	72.2	85.6	90.7	122.1
Transport (e)	29.6	25.8	37.4	36.7	35.7	50.8	34.2	50.9	38.5	44.6
Other non-manufacturing(f)	65.8	67.4	51.9	63.3	65.0	81.5	65.1	79.4	69.2	95.1
Total non-manufacturing	207.6	232.1	196.7	230.7	236.7	290.1	230.3	283.6	274.9	343.5
ALL INDUSTRIES	432.4	451.5	367.8	445.5	433.8	522.8	404.2	511.0	484.4	575.2

(a) Engineering, metalworking, electrical equipment. (b) Vehicles, aircraft and ships, parts and accessories. Includes assembly and repairs. (c) Chemicals, fertilisers, 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

15. Table 3 shows estimated expenditure on repairs and maintenance of buildings, and other capital equipment since July 1964.

TABLE 3. - REPAIRS AND MAINTENANCE EXPENDITURE BY TYPE OF ASSET

JULY 1964 TO DECEMBER 1968

(By private businesses subject to pay-roll tax, excluding rural industries - see paragraphs 1 to 6, pages 1 and 2)

Particulars	1964-65	1965-66	1966-67	1967-68	1968 January to June	1968 July to December
Business field covered (a)	77%	78%	78%	78%	78%	79%
Buildings and structures	71.2	76.4	80.9	91.9	48.7	50.1
Other capital equipment	484.1	543.3	574.5	658.9	340.2	354.4
Total	555.3	619.7	655.4	750.8	388.9	404.5

(a) See paragraph 6, page 2.

K.M. ARCHER
COMMONWEALTH STATISTICIAN

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS
CANBERRA, A.C.T. 2600 17 APRIL 1969

NOTE. Inquiries concerning these statistics may be made in Canberra by telephoning 48 9066 extension 171or, in each State capital, by telephoning the office of the Bureau of Census and Statistics.