

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS
CANBERRA, AUSTRALIA

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CAPITAL AND MAINTENANCE EXPENDITURE BY PRIVATE BUSINESSES IN AUSTRALIA

DECEMBER QUARTER, 1963 (ACTUAL)

JANUARY TO JUNE, 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 December quarter, 1963, previously published in bulletin S.B. 391 of 20th February, 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.
- (e) 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). 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 periods 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 1959-60 to 1962-63 and estimated half-yearly expenditure for the second half of 1962-63 and the first half of 1963-64. Details of anticipated expenditure for the half-year ending June, 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, 1959 to December, 1963, businessmen frequently over-estimated expenditure on new buildings. Part C shows the estimated quarterly expenditure on new buildings and other new capital equipment from September quarter, 1961 to December quarter, 1963.
12. In the interpretation of figures of anticipated expenditure it should be kept in mind that they represent the total of expenditure expected 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 IN TYPE OF BUSINESS

(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, 1959 TO JUNE, 1964

Particulars	1959-60	1960-61	1961-62	1962-63	1963 January to June	1963 July to December	1964 January to June
Business Field Covered (a)	77%	79%	79%	80%	80%	80%	80%
£. million							
Capital Expenditure on -	Actual Expenditure						Anti- cipated (b)
New Buildings and Structures	152.1	177.1	169.2	190.7	89.3	108.0	123.9
Other New Capital Equipment	294.4	315.9	326.0	342.1	176.2	175.2	181.8
Total New Capital Expenditure	446.5	493.0	495.2	532.8	265.5	283.2	305.7

(a) See paragraph 5.

(b) 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, 1959 TO JUNE, 1964

(Change from actual expenditure in previous half-year)

Capital Expenditure on -	1959-60		1960-61		1961-62		1962-63		1963-64	
	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.	Jan. to June
	Percentage									
New Buildings and Structures -										
Anticipated (a)	+37	+13	+38	+5	+1	+12	+24	+4	+32	+15
Actual	+21	+3	+17	-4	-4	+3	+18	-12	+21	(b)
Other New Capital Equipment -										
Anticipated (a)	+17	-2	+9	+1	+4	-14	+9	-2	+1	+4
Actual	+13	+5	+10	-8	+13	-9	+7	+6	-1	(b)
Total New Capital Expenditure -										
Anticipated (a)	+23	+3	+19	+2	+3	-5	+14	..	+12	+8
Actual	+15	+4	+12	-7	+7	-5	+11	-1	+7	(b)

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

(b) Not yet available.

r - Revised.

PART C. - QUARTERLY NEW CAPITAL EXPENDITURE :

SEPTEMBER QUARTER, 1961 TO DECEMBER QUARTER, 1963

Capital Expenditure on -	1961-62				1962-63				1963-64	
	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Sept. Qtr.	Dec. Qtr.
	£. million									
New Buildings and Structures	40.8	42.6	38.9	46.9	51.3	50.1	40.6	45.1	50.5	57.5
Other New Capital Equipment	87.4	83.8	68.9	85.9	77.1	88.8	81.9	94.3	83.0	92.2
Total New Capital Expenditure	128.2	126.4	107.8	132.8	128.4	138.9	122.5	143.0	133.5	149.7

r - Revised.

NEW CAPITAL EXPENDITURE BY INDUSTRY GROUPS

13. Part A of Table 2 shows new capital expenditure in the principal industry groups from July, 1959 to December, 1963, together with the anticipated expenditure for January to June, 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, 1959 TO JUNE, 1964

Particulars	1959-60	1960-61	1961-62	1962-63	1963 January to June	1963 July to December	1964 January to June		
Business Field Covered (a)	77%	79%	79%	80%	80%	80%	80%		
Industry Group	£. million								
	Actual Expenditure						Anti- cipated (b)		
<u>Manufacturing</u>									
Extracting, refining, founding	} 91.5	} 106.1	55.3	57.1	27.0	24.0	32.0		
Engineering (c)			37.1	38.9	19.9	22.4	24.9		
Vehicles (d)			17.3	22.8	3.6	13.7	18.4		
Chemicals (e)			32.4	44.3	51.1	45.1	22.9	25.6	27.3
Textiles and clothing			13.4	16.0	12.8	12.7	6.6	6.4	5.7
Food, drink and tobacco	33.4	39.0	42.3	45.2	22.6	23.6	27.7		
Paper and printing	24.1	22.0	20.0	22.0	11.3	12.7	11.9		
Other manufacturing (f)	30.9	40.4	38.3	41.5	22.8	19.0	20.7		
Total Manufacturing	225.7	267.6	274.2	285.3	141.7	147.4	168.6		
<u>Non-manufacturing</u>									
Wholesale and retail trade	98.7	102.4	86.5	99.4	48.1	56.7	55.9		
Mining	19.7	23.3	24.0	35.2	19.9	15.7	16.7		
Transport (g)	41.8	31.3	38.2	27.8	14.1	17.2	21.6		
Other non-manufacturing (h)	60.6	68.2	72.3	85.1	41.7	46.2	42.9		
Total Non-manufacturing	220.8	225.2	221.0	247.5	123.8	135.8	137.1		
All Industries	446.5	493.0	495.2	532.8	265.5	283.2	305.7		

(a) See paragraph 5.

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

(c) Engineering, metalwork, electrical equipment.

(d) Vehicles, aircraft and ships, parts and accessories.

(e) Chemicals, fertilizers, 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, amusement, hotels, cafes, personal services, etc.

PART B. - QUARTERLY NEW CAPITAL EXPENDITURE :

SEPTEMBER QUARTER, 1961 TO DECEMBER QUARTER, 1963

Industry Group	1961-62				1962-63				1963-64	
	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Sept. Qtr.	Dec. Qtr.	March Qtr.	June Qtr.	Sept. Qtr.	Dec. Qtr.
<u>Manufacturing</u>										
Extracting, refining, founding										
Engineering (a)	23.2	26.2	18.2	24.8	24.1	25.0	12.1 9.1	14.9 10.8	12.7 10.2	11.3 12.2
Vehicles (b)	3.5	4.4	3.8	5.6	8.0	6.2	3.9	4.7	5.6	8.1
Chemicals (c)	12.6	14.7	11.8	12.0	9.8	12.4	10.3	12.6	11.3	14.3
Textiles and clothing							3.1	3.5	2.5	3.9
Food, drink and tobacco							11.2	11.4	10.6	13.0
Paper and printing	29.9	25.6	26.0	31.9	27.3	30.8	5.0	6.3	5.5	7.2
Other manufacturing (d)							10.5	12.3	9.6	9.4
Total Manufacturing	69.2	70.9	59.8	74.3	69.2	74.4	65.2	76.5	68.0	79.4
<u>Non-manufacturing</u>										
Wholesale and retail trade	22.5	22.6	18.5	22.9	25.2	26.1	22.7	25.4	29.2	27.5
Mining							8.6	11.3	7.9	7.8
Transport (e)	36.5	32.9	29.5	35.6	34.0	38.4	7.1	7.0	7.6	9.6
Other non-manufacturing (f)							18.9	22.8	20.8	25.4
Total Non-manufacturing	59.0	55.5	48.0	58.5	59.2	64.5	57.3	66.5	65.5	70.3
All Industries	128.2	126.4	107.8	132.8	128.4	138.9	122.5	143.0	133.5	149.7

- (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.
 r - Revised.

REPAIRS AND MAINTENANCE EXPENDITURE

14. Table 3 shows estimated expenditure on repairs and maintenance of buildings and other capital equipment since July, 1959.

TABLE 3. - REPAIRS AND MAINTENANCE EXPENDITURE BY TYPE OF ASSET
JULY, 1960 TO DECEMBER, 1963

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

Particulars	1959-60	1960-61	1961-62	1962-63	1963 January to June	1963 July to December
Business Field Covered (a)	77%	79%	79%	80%	80%	80%
£. million						
Buildings and Structures	27.8	27.9	28.2	28.2	14.5	15.8
Other Capital Equipment	165.5	178.9	190.2	194.2	98.9	97.3
Total	193.3	206.8	218.4	222.4	113.4	113.1

(a) See paragraph 5.

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COMMONWEALTH BUREAU OF CENSUS AND STATISTICS
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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.