

**STATE ESTIMATES OF PRIVATE NEW CAPITAL EXPENDITURE
DECEMBER QUARTER 1988 SURVEY**

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NOTE: This publication includes for the first time, seasonally adjusted estimates of capital expenditure by type of asset (See Table 2 and paragraphs 21-27).

MAIN FEATURES

Note: This publication provides a state dissection of Australian estimates for the December Quarter 1988 survey published in Private New Capital Expenditure, Australia (5626.0) on 12 April 1989.

December Quarter 1988

Seasonally adjusted current price estimates of private new capital expenditure in each State for the December Quarter 1988 are shown below together with percentage changes from September Quarter 1988

<i>December Qtr 1988—Seasonally Adjusted</i>		
<i>State</i>	<i>Value \$ m</i>	<i>% Change on Sept. Qtr 1988</i>
N.S.W.	2,526	+10
Vic.	1,798	+19
Qld.	757	-8
S.A.	406	+11
W.A.	1,021	+20
Tas.	201	+51
Aust.(a)	6,953	+15

Expected capital Expenditure for 1988-89

In the December quarter 1988 survey businesses provided expectations for 1988-89 by State. Expectations derived from previous December quarter surveys have not always been realised but the direction and extent of this varies from State to State and over time. Applying average, minimum and maximum realisation factors for each State for the past 5 years yields the following changes over expenditure for 1987-88.

<i>% Change 1988-89 (adjusted estimates) over 1987-88 (actual)</i>			
	<i>Average</i>	<i>Min</i>	<i>Max</i>
N.S.W.	+34	+29	+39
Vic.	+19	+12	+26
Qld.	+1	-2	+4
S.A.	-6	-11	+2
W.A.	—	-9	+3
Tas.	+66	+37	+81
Aust.(a)	+17	+15	+20

Expected Capital Expenditure for 1989-90

Businesses also provided in the December quarter 1988 survey expectations by State for the following financial year 1989-90. Experience shows that this expectation significantly understates the expenditure that will be incurred. The extent of this understatement varies from State to State and over time. Application of the relevant 5 year average, minimum and maximum realisation factors for each State yields the following changes over the adjusted estimates for 1988-89.

	<i>% Change 1989-90 (adjusted estimates) over 1988-89 (actual)</i>		
	<i>Average</i>	<i>Min</i>	<i>Max</i>
N.S.W.	+36	+25	+43
Vic.	+34	+27	+45
Qld.	+33	+1	+50
S.A.	+15	-7	+38
W.A.	+18	-24	+69
Tas.	-3	-22	+7
Aust.(a)	+28	+14	+38

(a) Includes N.T. and A.C.T.

Given the large range between minimum and maximum values caution should be exercised in using these figures.

GRAPH 1: PRIVATE NEW CAPITAL EXPENDITURE AT CURRENT PRICES
ORIGINAL AND SEASONALLY ADJUSTED SERIES BY STATE

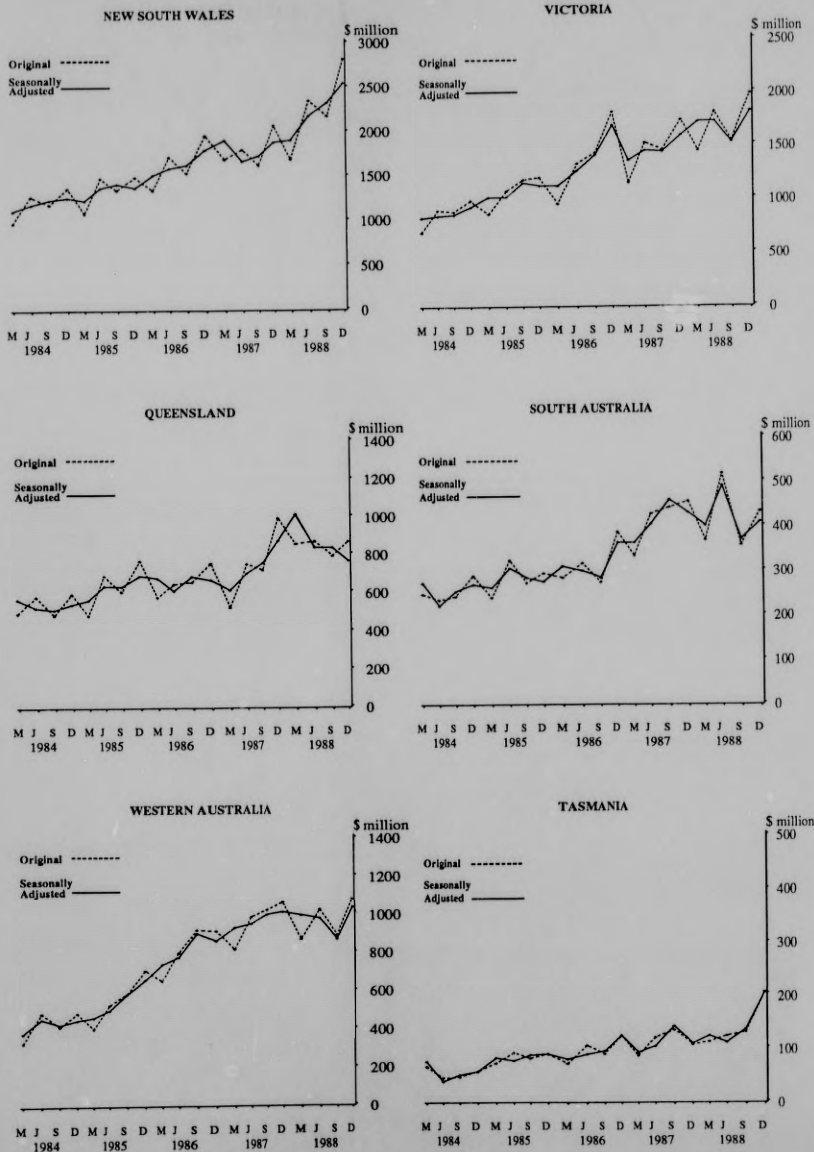


TABLE 1 - ACTUAL AND EXPECTED PRIVATE NEW CAPITAL EXPENDITURE BY STATE AND TYPE OF ASSET
ORIGINAL SERIES
(\$ million)

State	Actual						Expected (a)				
	1987-88				1988-89		6 Months to June 89	1988-89	1989-90		
	1986-87	1987-88	Sept. qtr	Dec. qtr	March qtr	June qtr				Sept. qtr	Dec. qtr
BUILDINGS AND STRUCTURES											
New South Wales	1,860	2,694	545	757	578	814	905	1,167	2,277	4,350	3,994
Victoria	1,577	1,933	440	537	402	553	518	620	1,586	2,724	2,810
Queensland	1,150	1,572	314	467	356	435	331	352	681	1,365	1,482
South Australia	472	501	126	114	104	158	105	136	299	539	457
Western Australia	1,587	1,419	439	338	302	341	316	330	994	1,640	1,249
Tasmania	105	84	14	20	27	23	26	62	75	164	93
Australia (b)	7,007	8,592	1,962	2,396	1,829	2,405	2,291	2,769	6,152	11,212	10,294
EQUIPMENT, PLANT AND MACHINERY											
New South Wales	5,076	4,981	1,064	1,302	1,097	1,518	1,251	1,628	2,669	5,548	4,764
Victoria	4,256	4,433	997	1,179	1,024	1,233	1,006	1,350	2,258	4,614	3,750
Queensland	1,496	1,832	396	518	493	426	451	506	961	1,918	1,399
South Australia	937	1,269	313	338	261	357	249	294	535	1,078	867
Western Australia	1,986	2,501	568	710	554	669	560	740	1,167	2,467	1,729
Tasmania	302	379	117	84	82	97	101	138	350	589	407
Australia (b)	14,208	15,553	3,497	4,168	3,543	4,345	3,693	4,742	8,061	16,495	13,039
TOTAL NEW CAPITAL EXPENDITURE											
New South Wales	6,936	7,675	1,609	2,059	1,675	2,332	2,156	2,795	4,946	9,898	8,757
Victoria	5,834	6,366	1,437	1,716	1,426	1,786	1,523	1,970	3,845	7,338	6,561
Queensland	2,645	3,404	709	985	848	861	783	859	1,642	3,284	2,880
South Australia	1,409	1,770	439	452	365	514	353	430	834	1,617	1,324
Western Australia	3,573	3,919	1,007	1,048	856	1,009	876	1,070	2,161	4,107	2,978
Tasmania	407	463	131	103	109	120	127	201	425	753	500
Australia (b)	21,214	24,145	5,459	6,564	5,373	6,750	5,984	7,511	14,213	27,707	23,333

(a) As reported by businesses. (b) Estimates for NT and ACT are not available for publication.

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

State	Actual							
	1987-88				1988-89			
	1986-87	1987-88	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr
BUILDINGS AND STRUCTURES								
New South Wales	1,860	2,686	587	647	671	780	979	997
Victoria	1,591	1,946	443	447	522	534	521	516
Queensland	1,146	1,581	312	392	417	461	329	295
South Australia	469	503	128	106	108	161	106	127
Western Australia	1,591	1,418	421	312	326	358	303	306
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
AUSTRALIA (a)	7,025	8,605	1,988	2,080	2,146	2,390	2,313	2,398
EQUIPMENT, PLANT AND MACHINERY								
New South Wales	5,088	4,957	1,127	1,223	1,223	1,384	1,328	1,529
Victoria	4,235	4,442	976	1,124	1,175	1,168	988	1,282
Queensland	1,486	1,863	435	473	588	367	498	462
South Australia	933	1,265	327	321	290	326	261	279
Western Australia	1,988	2,507	561	684	656	606	551	715
Tasmania	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
AUSTRALIA (a)	14,190	15,538	3,552	3,965	4,016	4,005	3,757	4,555
TOTAL NEW CAPITAL EXPENDITURE								
New South Wales	6,948	7,643	1,714	1,870	1,895	2,164	2,306	2,526
Victoria	5,826	6,389	1,419	1,571	1,697	1,702	1,509	1,798
Queensland	2,632	3,444	747	865	1,004	828	827	757
South Australia	1,402	1,768	456	427	398	487	367	406
Western Australia	3,579	3,924	982	996	981	964	854	1,021
Tasmania	402	471	138	106	120	108	133	201
AUSTRALIA (a)	21,216	24,143	5,540	6,045	6,162	6,396	6,069	6,953

(a) Estimates for NT and ACT are not available for publication.

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

Type of Asset and Selected Industries	Actual								Expected (a)		
	1986-87	1987-88	1987-88				1988-89		6 Months to June 89	1988-89	1989-90
			Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr			
Finance, Property and Business Services	1,674	2,521	463	644	484	931	819	1,028	1,870	3,717	3,221
Mining	600	321	67	70	80	104	100	89	243	432	581
Manufacturing	2,187	2,105	510	547	492	555	516	644	1,397	2,558	2,496
Other Selected Industries	2,476	2,727	568	798	619	742	721	1,034	1,436	3,191	2,460
Total New Capital Expenditure	6,936	7,675	1,609	2,059	1,675	2,332	2,156	2,795	4,946	9,898	8,757
New Buildings and Structures	1,860	2,694	545	757	578	814	905	1,167	2,277	4,350	3,994
Equipment, Plant and Machinery	5,076	4,981	1,064	1,302	1,097	1,518	1,251	1,628	2,669	5,548	4,764

TABLE 4 - RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1983-84 TO 1987-88
NEW SOUTH WALES

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1983-84	1984-85	1985-86	1986-87	1987-88	NSW	Australia
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	1.07	1.09	0.94	1.00	1.14	1.04	1.08
Mining	0.75	0.83	0.82	0.86	0.87	0.83	0.89
Manufacturing	0.97	0.97	1.02	0.99	1.01	0.99	0.99
Other Selected Industries	1.13	1.17	1.09	1.10	1.12	1.12	1.10
Total Selected Industries	1.05	1.07	1.00	1.01	1.08	1.04	1.02
New Buildings and Structures	0.98	1.04	0.91	0.96	1.04	0.98	0.99
Equipment, Plant and Machinery	1.07	1.07	1.04	1.03	1.10	1.06	1.04
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.68	1.92	1.84	1.40	2.11	1.79	1.83
Mining	0.72	0.84	1.31	1.14	0.66	0.93	1.17
Manufacturing	1.24	1.29	1.50	1.29	1.32	1.33	1.33
Other Selected Industries	1.90	2.18	1.90	1.89	1.94	1.96	1.95
Total Selected Industries	1.53	1.67	1.68	1.47	1.64	1.60	1.55
New Buildings and Structures	1.34	1.61	1.87	1.57	1.77	1.63	1.55
Equipment, Plant and Machinery	1.59	1.69	1.63	1.43	1.58	1.58	1.55

(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
(\$ million)

Type of Asset and Selected Industries	Actual						Expected (a)				
			1987-88				1988-89				
	1986-87	1987-88	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	6 Months to June 89	1988-89	1989-90
Finance, Property and Business Services	1,206	1,866	414	541	425	486	502	543	1,242	2,287	2,411
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Manufacturing	2,447	2,598	591	626	592	790	547	709	1,378	2,634	2,322
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	5,834	6,366	1,437	1,716	1,426	1,786	1,523	1,970	3,845	7,338	6,561
New Buildings and Structures	1,577	1,933	440	537	402	553	518	620	1,586	2,724	2,810
Equipment, Plant and Machinery	4,256	4,433	997	1,179	1,024	1,233	1,006	1,350	2,258	4,614	3,750

TABLE 6 - RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1983-84 TO 1987-88 VICTORIA

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1983-84	1984-85	1985-86	1986-87	1987-88	Vic	Australia
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	1.18	1.09	1.07	1.03	1.08	1.09	1.08
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.89
Manufacturing	0.95	0.98	0.98	0.97	0.99	0.97	0.99
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.10
Total Selected Industries	1.09	1.05	1.01	0.97	1.05	1.03	1.02
New Buildings and Structures	1.03	0.95	0.98	0.96	1.03	0.99	0.99
Equipment, Plant and Machinery	1.11	1.09	1.02	0.97	1.06	1.05	1.04
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.67	2.10	1.80	2.05	2.06	1.94	1.83
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.17
Manufacturing	1.17	1.27	1.38	1.30	1.45	1.31	1.33
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.95
Total Selected Industries	1.50	1.67	1.55	1.51	1.46	1.54	1.55
New Buildings and Structures	1.30	1.41	1.39	1.40	1.52	1.40	1.55
Equipment, Plant and Machinery	1.59	1.78	1.62	1.55	1.44	1.60	1.55

(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
(\$ million)

Type of Asset and Selected Industries	Actual								Expected (a)		
	1986-87	1987-88	1987-88				1988-89		6 Months to June 89	1988-89	1989-90
			Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr			
Finance, Property and Business Services	632	934	166	305	207	256	217	233	378	828	883
Mining	451	329	63	81	95	91	74	148	220	442	341
Manufacturing	482	760	156	161	258	185	174	185	531	890	867
Other Selected Industries	1,080	1,380	324	438	288	330	318	293	513	1,123	789
Total New Capital Expenditure	2,645	3,404	709	985	848	861	783	859	1,642	3,284	2,880
New Buildings and Structures	1,150	1,572	314	467	356	435	331	352	681	1,365	1,482
Equipment, Plant and Machinery	1,496	1,832	396	518	493	426	451	506	961	1,918	1,399

TABLE 8 - RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1983-84 TO 1987-88 QUEENSLAND

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1983-84	1984-85	1985-86	1986-87	1987-88	Qld	Australia
	COMPOSITE ESTIMATE (b)						
Finance, Property and Business Services	1.09	1.13	1.05	1.03	1.06	1.07	1.08
Mining	0.97	1.03	0.93	1.08	0.96	0.83	0.89
Manufacturing	1.05	1.03	0.99	1.01	1.02	1.02	0.99
Other Selected Industries	1.17	1.13	1.05	1.06	1.02	1.08	1.10
Total Selected Industries	1.06	1.08	1.02	1.05	1.02	1.05	1.02
New Buildings and Structures	1.02	0.97	1.01	0.97	0.97	0.99	0.99
Equipment, Plant and Machinery	1.09	1.16	1.03	1.12	1.07	1.09	1.04
	TWELVE MONTH EXPECTATION (c)						
Finance, Property and Business Services	1.40	2.12	1.56	1.49	1.77	1.67	1.83
Mining	0.94	1.02	1.15	1.70	1.09	1.18	1.17
Manufacturing	1.00	1.52	1.42	1.50	1.82	1.45	1.33
Other Selected Industries	1.83	2.37	1.99	1.91	2.13	2.05	1.95
Total Selected Industries	1.21	1.68	1.60	1.68	1.79	1.59	1.55
New Buildings and Structures	1.01	1.59	1.65	1.85	1.75	1.57	1.55
Equipment, Plant and Machinery	1.34	1.73	1.58	1.57	1.83	1.61	1.55

(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
(\$ million)

Type of Asset and Selected Industries	Actual								Expected (a)		
	1987-88		1988-89				6 Months to June 89				
	1986-87	1987-88	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr	1988-89	1989-90	
Finance, Property and Business Services	300	365	88	91	81	105	73	110	175	358	272
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Manufacturing	494	657	177	145	120	216	135	170	379	684	699
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	1,409	1,770	439	452	365	514	353	430	834	1,617	1,324
New Buildings and Structures	472	501	126	114	104	158	105	136	299	539	457
Equipment, Plant and Machinery	937	1,269	313	338	261	357	249	294	535	1,078	867

TABLE 10 - RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1983-84 TO 1987-88 SOUTH AUSTRALIA

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1983-84	1984-85	1985-86	1986-87	1987-88	SA	Australia
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	1.18	1.15	0.99	1.11	1.09	1.10	1.08
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.89
Manufacturing	0.91	0.97	0.94	1.07	1.00	0.98	0.99
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.10
Total Selected Industries	1.00	1.06	0.97	1.12	0.97	1.03	1.02
New Buildings and Structures	0.94	0.98	0.85	1.01	0.97	0.95	0.99
Equipment, Plant and Machinery	1.02	1.09	1.03	1.19	0.98	1.06	1.04
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	2.51	2.00	1.00	1.86	1.99	1.87	1.83
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.17
Manufacturing	0.94	1.19	0.95	1.22	1.41	1.14	1.33
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.95
Total Selected Industries	1.41	1.73	1.17	1.48	1.49	1.45	1.55
New Buildings and Structures	1.33	1.70	1.08	1.66	1.29	1.41	1.55
Equipment, Plant and Machinery	1.43	1.74	1.21	1.41	1.58	1.47	1.55

(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
(\$ million)

Type of Asset and Selected Industries	Actual								Expected (a)		
			1987-88				1988-89		6 Months to June 89	1988-89	1989-90
	1986-87	1987-88	Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr			
Finance, Property and Business Services	415	432	109	127	103	93	79	118	321	519	388
Mining	1,972	2,211	616	615	496	485	463	573	1,196	2,233	1,490
Manufacturing	525	658	163	146	140	208	164	199	378	742	754
Other Selected Industries	661	618	119	159	116	224	169	180	264	614	347
Total New Capital Expenditure	3,573	3,919	1,007	1,048	856	1,009	876	1,070	2,161	4,107	2,978
New Buildings and Structures	1,587	1,419	439	338	302	341	316	330	994	1,640	1,249
Equipment, Plant and Machinery	1,986	2,501	568	710	554	669	560	740	1,167	2,467	1,729

TABLE 12 - RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1983-84 TO 1987-88 WESTERN AUSTRALIA

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES	
	1983-84	1984-85	1985-86	1986-87	1987-88	WA	Australia
COMPOSITE ESTIMATE (b)							
Finance, Property and Business Services	1.07	1.16	1.18	1.02	0.98	1.08	1.08
Mining	0.72	0.78	0.91	0.90	0.93	0.85	0.89
Manufacturing	0.93	1.10	1.09	1.06	1.01	1.04	0.99
Other Selected Industries	1.20	1.09	1.02	1.15	1.20	1.13	1.10
Total Selected Industries	0.87	0.93	0.98	0.97	0.98	0.95	1.02
New Buildings and Structures	0.86	1.01	1.08	1.05	0.99	1.00	0.99
Equipment, Plant and Machinery	0.88	0.89	0.90	0.92	0.98	0.91	1.04
TWELVE MONTH EXPECTATION (c)							
Finance, Property and Business Services	1.89	2.74	1.52	2.63	2.32	2.22	1.83
Mining	0.72	1.19	2.42	1.10	1.40	1.37	1.17
Manufacturing	1.27	1.38	1.72	1.88	1.97	1.65	1.33
Other Selected Industries	1.56	1.99	2.62	1.97	2.58	2.14	1.95
Total Selected Industries	1.00	1.49	2.21	1.39	1.68	1.55	1.55
New Buildings and Structures	1.05	1.53	2.95	1.82	1.98	1.86	1.55
Equipment, Plant and Machinery	0.98	1.46	1.79	1.17	1.55	1.39	1.55

(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
(\$ million)

Type of Asset and Selected Industries	Actual								Expected (a)		
	1986-87	1987-88	1987-88				1988-89		6 Months to June 89	1988-89	1989-90
			Sept. qtr	Dec. qtr	March qtr	June qtr	Sept. qtr	Dec. qtr			
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	407	463	131	103	109	120	127	201	425	753	500
New Buildings and Structures	105	84	14	20	27	23	26	62	75	164	93
Equipment, Plant and Machinery	302	379	117	84	82	97	101	138	350	589	407

TABLE 14 - RATIOS OF ACTUAL PRIVATE NEW CAPITAL EXPENDITURE TO EXPECTED PRIVATE NEW CAPITAL EXPENDITURE FOR FINANCIAL YEARS 1983-84 TO 1987-88 TASMANIA

Type of Asset and Selected Industries	FINANCIAL YEAR					5 YEAR AVERAGES		Australia
	1983-84	1984-85	1985-86	1986-87	1987-88	Tas	Australia	
COMPOSITE ESTIMATE (b)								
Finance, Property and Business Services	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.08
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	0.89
Manufacturing	n.p.	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.	n.p.	1.10
Total Selected Industries		1.11	1.04	1.06	1.06	0.84	1.02	1.02
New Buildings and Structures	0.89	0.97	1.10	1.05	0.75	0.95	0.99	0.99
Equipment, Plant and Machinery	1.19	1.05	1.06	1.07	0.87	1.05	1.05	1.04
TWELVE MONTH EXPECTATION (c)								
Finance, Property and Business Services	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.83
Mining	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.17
Manufacturing	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.33
Other Selected Industries	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.	1.95
Total Selected Industries		1.65	1.59	1.48	1.20	1.52	1.49	1.55
New Buildings and Structures	1.83	1.82	1.83	3.01	1.28	1.96	1.96	1.55
Equipment, Plant and Machinery	1.61	1.56	1.43	0.99	1.59	1.44	1.44	1.55

(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 NEW CAPITAL EXPENDITURE (d)
(Percentage)

	Selected Industry				Type of Asset		
	Finance, etc (a)	Mining	Manufacturing	Other Selected Industries	Total	New Buildings and Structures (b)	Equipment Plant and Machinery
Actual Expenditure							
N.S.W	7	6	5	7	4	5	4
Vic.	10	..	3	..	4	8	4
Qld	8	7	8	13	7	7	9
S.A.	13	..	8	..	6	10	7
W.A.	18	3	8	13	4	7	5
Tas.	12	27	11
Australia (c)	5	3	3	5	2	5	2

(a) Finance, property and business services. (b) Includes mine development. (c) Includes NT and ACT (d) Relative standard errors for estimated capital expenditure are similar to those for actual capital expenditure.

EXPLANATORY NOTES

Introduction

1. This publication contains estimates of actual and expected new capital expenditure by private enterprises 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 12 April 1989.

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

Scope of the survey

3. This survey aims to measure the value of new capital expenditure by all private enterprises in Australia. However, because of various collection and compilation difficulties, the statistics in this publication exclude estimates relating to the enterprises classified to agriculture, construction and community services industries.

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

Statistical unit

5. In the main, the statistical unit is the enterprise as recorded on the ABS central register of economic units. There are however, two exceptions:

- (a) where an enterprise has significant activities in more than one industry. A statistical unit has been created for each significant activity.
- (b) there are cases where data for the enterprise are not available but data are available for the enterprise group (the parent enterprise and its subsidiary enterprises). Where possible in these cases, a statistical unit has been created for each operating division of the enterprise group.

Classification by industry

6. In order to classify new capital expenditure by industry in these series, each enterprise listed on the ABS central register of economic units (and therefore each selected enterprise) is classified to the Australian Standard Industrial Classification (ASIC) industry in which it *mainly* operates.

7. Except for the special statistical units (see paragraph 5(a) and (b)), the total value of all of the new capital assets acquired by each selected enterprise either on own account or under a finance lease is classified to the enterprise's industry even though it may have activities in other industries. In the case of the special statistical units, each unit was classified to the industry in which it mainly operates. 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.

8. 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 (36,37,47-56,91-93)

State dissection

9. The survey is designed to produce Australian estimates. The State dissection is achieved by requesting all surveyed enterprises 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. In cases where enterprises have been unable to allocate their expenditure to an individual State because the assets are mobile (e.g. trucks, aeroplanes, etc.) and are used in more than one State, the expenditure has been allocated to the State of the Australian Head Office of the enterprise. Expenditure by 'single State' enterprises in the survey is allocated to the State in which the enterprise head office is located.

10. Statistics for N.T. and A.C.T. are not separately available because of the high sampling variability associated with estimates for 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

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

12. The collection of these expectations data in the December quarter 1988 survey allows the derivation of a *composite estimate* (6 months actual plus 6 months expectations) for the current financial year (i.e. 12 months ending June 1989) and provides a *twelve month expectation* for the following financial year (i.e. 12 months ending June 1990).

Derivation and usefulness of realisation ratios

13. 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.

14. Such realisation ratios provide an important tool in understanding and interpreting expectations data for future periods. 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 N.S.W. the composite estimate for 1988-89 to the actual expenditure for 1987-88 it is necessary to apply realisation ratios (see Table 3) to the composite estimate to take account of the over realisation that generally occurs.

15. There are many ways in which realisation factors 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 realisation ratios which use the average of the latest available five observations.

16. 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

17. *Enterprise*. For statistical purposes, the concept of an enterprise is broadly that of a unit comprising all the operations in Australia of a single operating legal entity, e.g. company, partnership, sole proprietor.

18. *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 expenditure on second-hand assets unless these are imported for the first time from overseas.

19. 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 undertaken 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 whether previously used outside Australia or not. Excludes goods previously used in Australia.

Accruals basis

20. Enterprises have been asked to report all expenses incurred (except capitalised interest) during the period under review in acquiring new fixed tangible assets (including design, technical and legal fees and assembly, installation and transport costs) irrespective of when the *payments* are made.

Seasonal adjustment

21. 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.

22. Seasonal adjustment 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 figures in this publication.

23. 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 total capital expenditure estimates. Prior to the June Quarter 1988 survey State total capital expenditure estimates were seasonally adjusted directly. This publication contains, for the first time, seasonally adjusted State estimates by type of asset for all States except for Tasmania. Seasonally adjusted series for Tasmania have not been published because of the volatility within the series.

24. The seasonally adjusted Australian estimates of new capital expenditure included in this publication are consistent with those published in *Private New Capital Expenditure, Australia* (5626.0). These estimates are derived independently of the seasonally 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 A.C.T. and N.T. (see also paragraph 10).

25. At least once each year the seasonally adjusted series are reanalysed 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 1988 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 recent quarters.

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

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

Reliability of the estimates

28. Since estimates are based on information obtained from a sample drawn from units in the surveyed 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 produced 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. 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.

29. Estimates of standard error of movement 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.

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

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

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

31. 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

32. The statistics for new capital expenditure shown in this publication differ from estimates of private gross fixed capital expenditure shown in Australian National Accounts publications for the following reasons:

- (a) The national accounts estimates incorporate data from other sources as well as information from the capital expenditure survey. For example, income tax tabulations provide the benchmark data for estimating the national accounts private gross fixed capital expenditure on 'equipment' and the ABS's quarterly building collection is the main data source for estimating the national accounts 'dwellings' item.
- (b) The national accounts estimates include the capital expenditure by private enterprises classified to the agriculture, forestry, fishing and hunting, construction and community services industries and the capital expenditure on dwellings by households, statistics of which are excluded from this publication (see paragraphs 3 and 4).
- (c) The national accounts estimates include the value of work done on speculative construction projects as the work is put into place. The statistics in this publication include the value of work done on speculative construction projects as new capital expenditure when the project is sold.
- (d) For 'equipment' the national accounts estimates relate to acquisitions less disposals of all fixed tangible assets whereas the survey figures are acquisitions of new fixed tangible assets only.

Unpublished data

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

Related publications

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

Private New Capital Expenditure, Australia (5626.0)—issued quarterly

Australian National Accounts, National Income and Expenditure, (5204.0)—issued annually

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

35. Current publications produced by the ABS are listed in the *Catalogue of Publications, 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 *Publications Advice* are available from any ABS office.

Symbols and other usages

- n.p. not available for separate publication but included in totals
 . . not applicable
 r figure or series revised since previous issue
 ASIC Australian Standard Industrial Classification 1983 edition.

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