



BITRE STATISTICAL ALERT

Out of 34 major OECD countries, Australia has the highest fixed capital infrastructure investment as a percentage of GDP

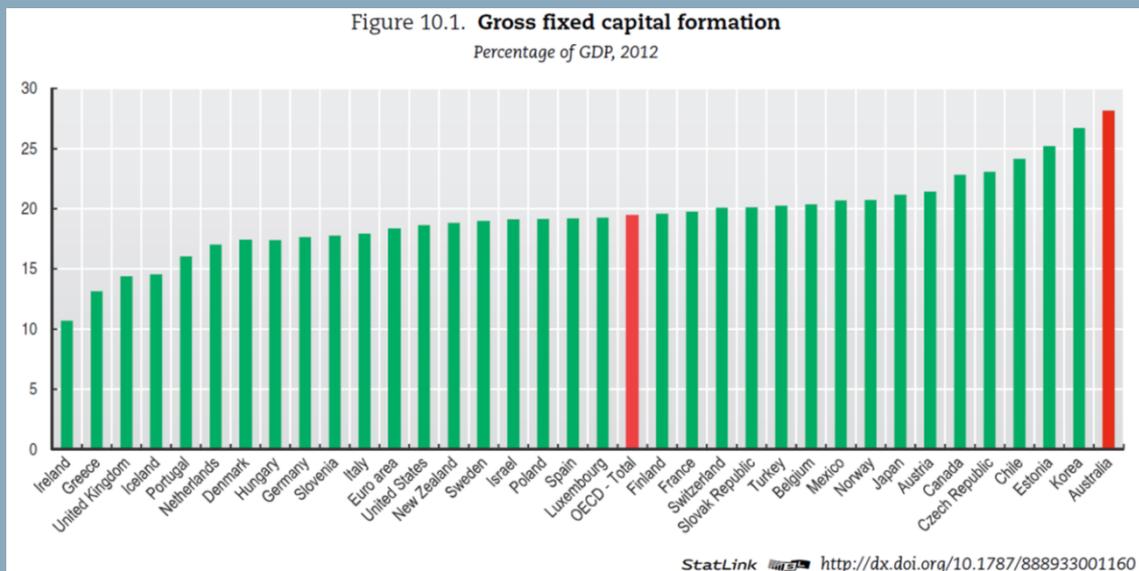
On 11 April 2014 the OECD released its publication entitled ‘*National Accounts at a glance 2014*’.

A reported measure is gross fixed capital formation, a statistic that includes:

dwelling (excluding land); other buildings and structures (roads, bridges, airfields, dams, etc.); transport equipment (ships, trains, aircraft, etc.); other machinery and equipment (office machinery and hardware, etc.); cultivated assets (managed forests, livestock raised for milk production, etc.) and intangible fixed assets (intellectual property type fixed assets such as mineral exploration, software and databases and literary and artistic originals, etc.)¹

Gross fixed capital formation is a broader concept (as illustrated by the list above) than other ABS measures of construction activity, which are BITRE’s preferred measure of infrastructure investment².

Figure 10.1 reproduced below (where we have highlighted Australia) shows data on gross fixed capital formation as a percentage of gross domestic product. In 2012 Australia’s percentage of 28.2 was the highest of the 34 OECD countries analysed.



Government’s contribution is declining

BITRE estimates based on ABS National Accounts data suggest that the Australian government’s contribution to gross fixed capital formation decreased from 13.2 per cent in 2011, to 11.7 per cent in 2012 and 11.0 per cent in 2013³.

Full OECD report, by chapter:

http://www.oecd-ilibrary.org/economics/national-accounts-at-a-glance_22200444

ABS, Australian National Accounts: National Income, Expenditure and Product, Table 3.

http://www.abs.gov.au/ausstats/meisubs.NSF/log?openagent&5206003_expenditure_current_price.xls&5206.0&Time Series Spreadsheet&909672044D152736CA257D4700124492&0&Jun 2014&03.09.2014&Latest

¹ For Australia and the United States, Gross Fixed Capital Formation also includes Research and Development and military weapons systems.

² See <https://bitre.gov.au/statistics/alert/index.aspx> for ABS construction and building activity BITRE statistical alerts.

³ 2011 data for most OECD countries are available in the latest OECD report. The latest OECD published data for Australia, however, is from 2010. Caution should be taken when comparing 2011 BITRE estimates to those published by the OECD.