

# Australian Net Private Wealth

*Treasury has published annual estimates of Australian net private sector wealth since the Summer 1990 Economic Roundup. This article updates previous estimates, and provides preliminary estimates for net private sector wealth as at June 1999.*

*The market value of Australian net private sector wealth grew by 9.8 per cent in the year to June 1999. In real terms (that is, after allowing for inflation), wealth grew by 8.6 per cent. Real wealth per Australian grew by 7.2 per cent.*

## Measuring wealth

The wealth estimates presented in this article are a measure of the value of net domestic and foreign assets owned by the Australian private sector. There are two key factors that must be kept in mind when using the wealth estimates presented in this article: their coverage and scope; and how they have been constructed. A number of assumptions and approximations are required to construct these estimates, particularly for the current year where much of the data remain provisional. Together with inevitable revisions to historical data, these limitations imply that the estimates should be interpreted as indicative of trends and broad orders of magnitude, rather than precise estimates.

### Coverage and scope – what is included?

From an economic perspective, wealth can be defined as ‘a store of spending power that can be carried into the future’ (Jones and Perkins 1986, p. 150). Therefore, wealth can include a wide variety of assets, including financial assets, such as cash, shares and bonds, and non-financial assets such as dwellings, factories and other business assets that can be used to generate future income. From this broad economic perspective wealth also includes a variety of other less tangible assets that are sometimes referred to as ‘human wealth’. Human wealth includes, for example, the skills, education and social structures that can contribute to an increased capacity to generate income in the future.

From a practical perspective, some components of wealth based on this broad definition can be extremely difficult to quantify. In particular, it is difficult to

value those assets that are not readily tradable and hence for which there are no readily observable prices. This is often the case for the various components of human wealth and some natural resources. As a result, the estimates in this article relate only to financial assets and non-financial (or physical) assets in those cases where there are well-developed markets and observable prices.

The Australian Bureau of Statistics (ABS) publishes estimates of wealth that include natural resources (ABS cat. no. 5241.0.40.001 and 5204.0), but these data have not yet been incorporated into the Treasury estimates. (The relationship between the Treasury estimates and the estimates in the ABS national balance sheets is discussed in Appendix A.) Also, the estimates of wealth published by the World Bank (1995) are based on a broader definition of wealth than the estimates contained in this article.

Another issue related to coverage is the scope of the wealth estimates. The scope of the estimates presented in this article is the Australian private sector. This consolidation of the private household and business sectors greatly simplifies the calculation of private sector wealth.<sup>1</sup> However, this consolidation does result in loss of detail on the liabilities of these two sectors. Consequently, the data on asset types contained in the attached tables and charts should not be used to infer relative ownership by either the household or business sectors, or the level of personal wealth.<sup>2</sup>

## Methodology – how is wealth measured?

The Treasury estimates of Australian net private sector wealth are constructed using the inventory approach,<sup>3</sup> largely following the methodology of Callen (1991). This approach involves aggregating across different asset types and adjusting for the public and/or foreign ownership<sup>4</sup> of assets.

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1 Consolidating the private household and business sectors implies that the bulk of financial instruments held by households (such as bank deposits, debt instruments and superannuation) are netted out in the analysis.

2 Details on assets by sector are available in the ABS publication Australian National Accounts: National Balance Sheet (ABS Catalogue No. 5241.0), and Bacon (1998) discusses household wealth estimates in detail.

3 Other approaches for constructing estimates of wealth include the portfolio and estate methods. Piggott (1987) provides a useful summary of these approaches.

4 The wealth estimates presented in this article measure wealth owned by Australians, regardless of where that wealth is located. For example, an Australian-owned factory located overseas contributes to Australian net private wealth, while an overseas-owned factory located in Australia does not.

The estimates are largely based on ABS estimates of the dwelling stock, business capital stock, stock of consumer durables and Australia's international investment position. Reserve Bank of Australia (RBA) data are used for holdings of public securities and RBA liabilities. Some private sector data and estimates from previous studies also enter the estimates.

Since the previous Treasury estimates of net private sector wealth were published, in the Summer 1999 issue of the *Economic Roundup*, there have been some revisions to the methodology and data used in constructing these estimates. These changes are summarised in Appendix B.

Treasury estimates of net private sector wealth are calculated on both a market value and replacement cost basis. The market value of an asset represents the value that would be obtained if assets were to be sold in current market conditions. The replacement cost of an asset is the cost of reproducing that asset.

## Private saving and wealth

The article, 'The Measurement of Saving in Australia', in the Spring 1999 *Economic Roundup*, noted that, from an economic perspective, private saving can be defined as the change in the real private sector wealth from one period to the next. Therefore, the annual change in real private sector wealth presented in Chart 1, below, can be interpreted as the annual economic saving of the private sector.

As a measure of private saving, the change in private wealth is superior to net household saving as derived by the ABS. The main advantages are that it has a broader scope (since it covers the private sector as a whole) and it captures valuation effects (that is, changes in asset prices). However, these valuation effects can mean that it is more volatile than measures that exclude them. The coverage limitations that apply to the wealth estimates will also affect the implied measure of private saving. While these limitations suggest that caution should be exercised when interpreting short-term movements, the change in the market value of private wealth provides a useful measure of saving by Australia's private sector.

# Movements in Australian private sector wealth in 1999

The estimates in Tables 1(a), 1(b), 1(c) and 2 indicate that real net private sector wealth continued to grow during the year to June 1999 at rates above the longer-term trend, for the fourth year in a row.

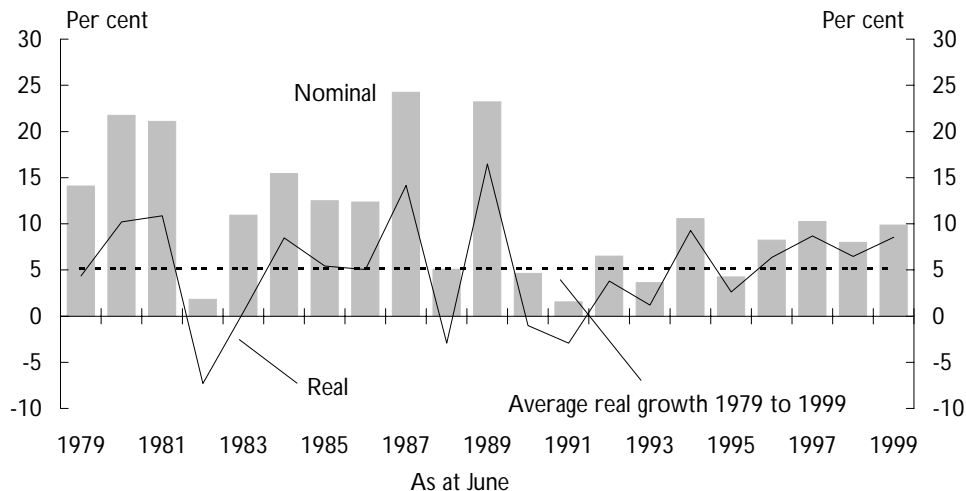
Through the year to June 1999, Australian net private sector wealth at market value grew by 9.8 per cent in nominal terms, 8.6 per cent in real terms, and 7.2 per cent in real per capita terms.

In current prices, Australian net private sector wealth was approximately \$2,566 billion at market value and \$2,080 billion at replacement cost on 30 June 1999. This represents around:

- \$135,200 per Australian (\$109,600 on a replacement cost basis); and
- 4.3 times the value of the annual nominal gross domestic product of the economy (3.5 times on a replacement cost basis).

Chart 1 shows growth in Australian net private sector wealth at market value, in both nominal and real terms, over the past two decades, and the average real growth rate over that period.

**Chart 1: Growth in Australian net private sector wealth at market value**

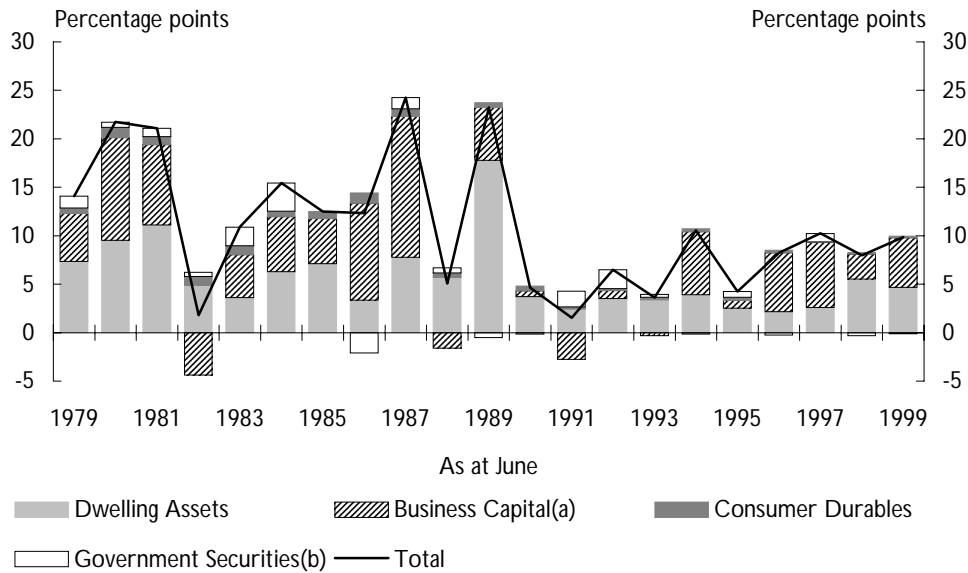


(a) Includes Australian investment abroad and excludes foreign liabilities.

The contributions of the various components of private sector wealth to growth in nominal private sector wealth at market value are shown in Chart 2 below.

- In the year to June 1999, the main factor contributing to the growth in private wealth was growth in the market value of business assets (net of net foreign liabilities), which contributed 5.1 percentage points.
  - The rate of growth in the market value of business assets was up from the previous year due to strong growth in stock market prices and ongoing growth in the business capital stock (reflecting the high level of business investment).
  - The increase in the current account deficit since the beginning of the Asian crisis was matched by an increase in the rate of growth in net foreign liabilities over the same period. This increase in foreign liabilities means that growth in Australian owned business assets has been less strong than growth in total business assets in Australia over the same period. (Business assets in Australia contributed 6.9 percentage points to growth in wealth during the year while the increase in net foreign liabilities detracted 1.8 percentage points.)
- The other main contribution to growth in wealth in the year to June 1999 was from dwelling assets, which contributed 4.7 percentage points. This was driven by continued growth in established house prices and high levels of dwelling investment.
- Increases in the market value of consumer durables made a small but positive contribution to growth in the market value of wealth.

**Chart 2: Contributions to growth in nominal Australian net private sector wealth at market value**



(a) Includes Australian investment abroad and excludes foreign liabilities.  
 (b) Includes money base.

## Valuation ratios for Australian net private wealth

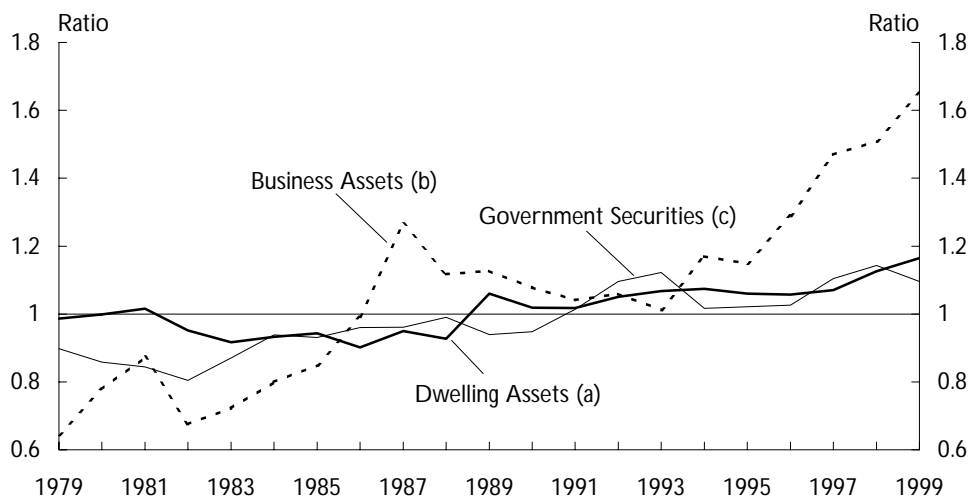
Valuation ratios for individual components of wealth (Table 3) provide a measure of the relationship between the market value and the replacement cost for that component. For dwelling assets, the valuation ratio represents the ratio between the price of established houses and the cost of building new dwellings (inclusive of land). The valuation ratio for business assets is the ratio between the price of existing business assets (as valued by the stock market), and the price of new business investment. The valuation ratio for government securities is determined by current interest rates relative to the interest rates at the time the securities were issued. If there is an unanticipated fall in interest rates relative to the interest rate at the time of issue, then the value of the security rises and vice versa.

Changes in market conditions for particular components of wealth (for example, dwellings) will affect the valuation ratio for that component. Changes in market sentiment and business confidence will lead to changes in individual valuation ratios and fluctuations in the total market value of private sector wealth. The value of wealth at replacement cost is not directly affected by these changes in sentiment or confidence, and hence is more stable.

Chart 3 shows valuation ratios for selected components of wealth.

- The valuation ratio for business assets increased during the year to June 1999, with growth higher than in the preceding year. This stronger increase reflected faster growth in stock market prices coupled with a decline in the price of new business investment.
- The valuation ratio for dwelling assets increased during the year to June 1999, although growth was lower than in the preceding year. This reflected slower growth in the price of established houses relative to the price of new dwelling investment.
- The valuation ratio for government securities fell because of higher interest rates (falling bond prices) during 1998-1999.

**Chart 3: Valuation ratios for selected components of wealth**

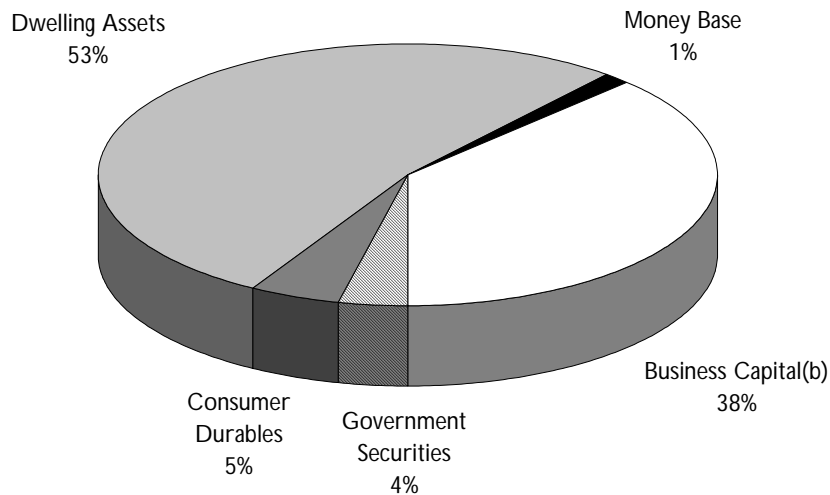


- (a) Established house prices divided by the deflator for dwelling investment.  
 (b) Equity prices divided by the deflator for business fixed investment.  
 (c) Market price divided by face value.

## Composition of Australian net private wealth by type of asset

Chart 4 shows the composition of Australian net private sector wealth (at market value) by asset type as at 30 June 1999. The composition of wealth remained relatively stable during the year, with the share of dwelling assets at around 53 per cent and the share of business assets at around 38 per cent. Consumer durables, government securities and the money base represented approximately 5, 4 and 1 per cent respectively of assets owned by the private sector.

**Chart 4: Composition of Australian net private sector wealth by asset type<sup>(a)</sup>**



(a) The components do not necessarily sum to 100% due to rounding.

(b) Includes Australian investment abroad and excludes foreign liabilities.



## References

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# Appendix A

## Relationship with the ABS national balance sheets

The Treasury net wealth estimates presented in this article are broadly consistent with those published in the ABS publication, *Australian National Accounts: National Balance Sheet* (ABS Cat. 5241.0.40.001). The main differences are that the scope of the Treasury estimates is the aggregate private sector and that the Treasury estimates are prepared using a consistent basis for valuing the assets. In addition, the Treasury estimates are available for a much longer time period, thus allowing longer-term analysis of past changes in wealth.

In terms of scope, the Treasury estimates cover the total private sector in Australia. In contrast, the ABS balance sheets are prepared for a range of institutional sectors and for Australia as a whole, but not for the private sector as such. In terms of the ABS institutional sector classifications, the private sector is the combination of the ABS household and unincorporated enterprise sector with the private sector components of each of the non-financial corporation and financial corporation sectors.

The most significant difference in coverage between the ABS and Treasury estimates of wealth is the inclusion in the ABS series of *unfunded* superannuation claims owed by the public sector (the ABS has estimated these to have been worth approximately \$132 billion as at June 1999). Other differences are that the ABS estimates include the value of demonstrated sub-soil assets, timber in native forests and intangible fixed assets such as computer software and artistic originals. These assets are not currently included within the Treasury estimates due to data limitations. Whereas the ABS estimates for these assets typically only go back to 1989, the Treasury wealth estimates are calculated for each year back to 1960.

Another important difference between the ABS and Treasury estimates is the valuation basis that is used. As noted earlier in this article, the Treasury estimates are compiled on both a market value and replacement cost basis. In contrast, the ABS uses a replacement cost basis for produced assets and a market value basis for financial assets and liabilities. As a result, the ABS estimates of 'net worth' (or wealth) are actually based on a mix of these two valuation methodologies.

It is possible to reconcile the main components of the Treasury estimates of wealth at replacement cost with the estimates of produced assets in the

ABS balance sheets, although allowance needs to be made for the differences in scope and coverage. While it is not generally possible to derive estimates of wealth at market value from the ABS balance sheets, it is possible to infer an estimate of the valuation ratio (the ratio of the market value of an asset to its replacement cost) for business assets. This is because the net financial assets held by the combined household and unincorporated, general government and foreign sectors (valued at market prices) should represent claims over the net physical assets held by the financial and non-financial corporation sectors (valued at replacement cost). The ratio so derived is reasonably similar to the valuation ratio for business assets presented in this article, thus confirming that, apart from the scope and coverage issues noted above, the Treasury wealth estimates are broadly consistent with the ABS estimates in the national balance sheets.

## Appendix B

### Revisions to methodology and data

Since Treasury estimates of net private sector wealth were last published, in the Summer 1999 issue of the *Economic Roundup*, there have been some revisions to the methodology and data used in constructing these estimates. The most significant of these relates to the estimation of the market value of dwellings.

The market value of dwellings is derived by multiplying an estimate of the average house price by an estimate of the number of houses owned by the Australian private sector. Previously, private sector data on average house prices have been used, where these data are based on the prices of the houses sold during the period. However, these data can be distorted by changes over time in the mix of dwellings sold. For example, a greater (lesser) proportion of sales in more expensive suburbs would show up as an increase (decrease) in the average house price, even if the price of each individual house was unchanged. This problem has been overcome by switching to the ABS established house price index (ABS cat. no. 6416.0) which is constructed so that it is relatively unaffected by changes, from one period to the next, in the mix of dwellings sold.

With the switch to the ABS house price index, it was necessary to reconsider how the quantity of dwellings was being measured. Previously, the number of houses owned by the private sector was interpolated from Census data using data on completions. However, this approach ignores the gradual increase in the average 'quality' of the dwelling stock due to the trend towards larger (and typically more expensive) dwellings. Therefore, an estimate of the real dwelling stock that recognises the larger investment (building activity) required to construct, for example, a five-bedroom house as opposed to a three-bedroom house has been adopted. In particular, the estimate of the 'quality adjusted' quantity of dwellings is based on the real dwelling capital stock from the TRYM (Treasury Model) database (ABS cat. no. 1364.0.15.003). This in turn is constructed using real dwelling investment (that is quality adjusted) from the quarterly national accounts (ABS cat. no. 5206.0).

The result of these changes to how the market value of dwellings is calculated has been to slightly reduce the estimates for the last few years. This is mainly because the growth in the ABS house price index over this period has been slightly lower than the growth in the private sector data.

An additional development since the Summer 1999 *Economic Roundup* is that the ABS have significantly revised their capital stock estimates as a result of their adoption of new international standards known as the System of National Accounts, 1993 (SNA93). For more detailed information about these changes, see the article 'Upgrade of Capital Stock and Multifactor Productivity Estimates' in the 1997-98 issue of *Australian System of National Accounts* (ABS cat. no. 5204.0).

**Table 1(a): Nominal private sector wealth at market value**

As at June -	Dwelling Assets	Business Assets	Consumer Durables	Government Securities	Money Base	Australian Investment Abroad	Foreign Liabilities	Total Wealth	Wealth per Person
(\$ billion)									(\$ '000)
1960	21.7	21.1	4.8	7.4	1.8	0.4	-3.4	53.8	5.1
1961	23.3	21.5	5.2	7.5	1.7	0.5	-3.0	56.6	5.3
1962	25.7	21.5	5.1	8.3	1.8	0.5	-3.2	59.7	5.5
1963	26.8	23.4	5.4	9.3	1.8	0.7	-3.9	63.4	5.7
1964	30.8	28.3	5.5	9.8	2.1	0.8	-5.2	72.2	6.4
1965	33.7	25.7	6.0	10.0	2.1	0.7	-4.6	73.6	6.4
1966	36.1	29.2	6.3	10.8	1.9	0.9	-4.9	80.3	6.8
1967	37.4	31.7	6.7	11.6	2.1	0.9	-5.8	84.6	7.0
1968	40.9	55.5	7.0	12.3	2.2	1.4	-9.0	110.3	9.0
1969	46.1	66.1	7.6	13.0	2.4	1.4	-10.2	126.4	10.1
1970	53.4	66.7	8.4	12.5	2.7	1.5	-9.7	135.5	10.6
1971	61.5	67.3	9.2	13.6	2.8	1.9	-10.8	145.6	11.1
1972	70.6	79.8	10.1	16.2	3.0	2.5	-14.0	168.3	12.7
1973	86.1	80.2	11.2	16.4	4.0	2.3	-14.3	185.9	13.8
1974	113.3	74.4	13.3	14.5	4.5	2.0	-12.6	209.4	15.3
1975	128.2	59.0	16.7	17.3	4.1	2.5	-12.8	215.0	15.5
1976	147.8	70.5	20.2	20.0	5.1	3.0	-18.2	248.3	17.7
1977	164.8	72.2	23.2	21.6	6.3	3.9	-19.4	272.7	19.2
1978	176.5	83.7	25.9	25.8	5.9	4.7	-21.4	301.0	21.0
1979	198.6	100.6	27.6	29.0	6.4	5.9	-24.6	343.4	23.7
1980	231.3	144.8	31.3	30.3	6.9	6.7	-33.2	418.1	28.5
1981	277.8	186.7	34.8	33.1	7.6	7.0	-40.8	506.3	33.9
1982	302.4	168.8	39.6	34.1	8.7	9.0	-47.0	515.5	33.9
1983	321.0	201.7	44.3	43.6	9.1	11.1	-59.1	571.8	37.1
1984	356.9	240.1	47.5	59.1	10.2	12.9	-66.7	660.0	42.4
1985	403.9	284.7	52.2	57.6	11.8	18.4	-86.0	742.5	47.0
1986	428.7	364.7	59.9	40.9	13.0	31.1	-104.2	834.2	52.1
1987	493.6	504.5	66.6	49.2	14.1	45.1	-136.8	1036.4	63.7
1988	552.7	489.7	71.5	52.7	15.8	59.3	-152.7	1089.0	65.9
1989	746.4	578.9	76.8	46.4	16.7	70.6	-193.9	1341.9	79.8
1990	796.3	599.9	83.5	43.3	17.7	78.8	-215.2	1404.2	82.3
1991	830.3	579.5	87.0	65.0	18.7	78.2	-232.9	1425.8	82.5
1992	880.4	596.1	89.7	92.5	19.1	93.1	-252.6	1518.4	86.8
1993	931.6	594.0	93.8	95.5	20.5	111.0	-273.1	1573.4	89.1
1994	993.3	711.1	98.1	91.6	22.0	131.3	-308.0	1739.4	97.4
1995	1037.3	735.0	103.9	100.3	23.5	147.2	-333.9	1813.2	100.3
1996	1076.7	867.5	108.7	94.6	24.5	156.4	-365.7	1962.6	107.2
1997	1127.4	1026.8	109.5	102.3	34.1	187.8	-424.3	2163.6	116.8
1998	1247.4	1114.8	113.6	98.4	31.4	222.6	-492.0	2336.3	124.6
1999 (a)	1356.7	1276.5	118.1	95.3	31.8	234.1	-546.1	2566.4	135.2

(a) Preliminary figures.

**Table 1(b): Real private sector wealth at market value<sup>(a)</sup>**

As at June -	Dwelling Assets	Business Assets	Consumer Durables	Government Securities	Money Base	Australian Investment Abroad	Foreign Liabilities	Total Wealth
	(\$1998-99 billion)							
1960	195.5	190.1	43.2	66.7	16.2	3.6	-30.6	484.7
1961	204.4	188.6	45.6	65.8	14.9	4.4	-26.3	496.5
1962	225.4	188.6	44.7	72.8	15.8	4.4	-28.1	523.7
1963	231.0	201.7	46.6	80.2	15.5	6.0	-33.6	546.6
1964	261.0	239.8	46.6	83.1	17.8	6.8	-44.1	611.9
1965	276.2	210.7	49.2	82.0	17.2	5.7	-37.7	603.3
1966	284.3	229.9	49.6	85.0	15.0	7.1	-38.6	632.3
1967	285.5	242.0	51.1	88.5	16.0	6.9	-44.3	645.8
1968	303.0	411.1	51.9	91.1	16.3	10.4	-66.7	817.0
1969	329.3	472.1	54.3	92.9	17.1	10.0	-72.9	902.9
1970	363.3	453.7	57.1	85.0	18.4	10.2	-66.0	921.8
1971	391.7	428.7	58.6	86.6	17.8	12.1	-68.8	927.4
1972	425.3	480.7	60.8	97.6	18.1	15.1	-84.3	1013.9
1973	481.0	448.0	62.6	91.6	22.3	12.8	-79.9	1038.5
1974	555.4	364.7	65.2	71.1	22.1	9.8	-61.8	1026.5
1975	532.0	244.8	69.3	71.8	17.0	10.4	-53.1	892.1
1976	533.6	254.5	72.9	72.2	18.4	10.8	-65.7	896.4
1977	536.8	235.2	75.6	70.4	20.5	12.7	-63.2	888.3
1978	531.6	252.1	78.0	77.7	17.8	14.2	-64.5	906.6
1979	547.1	277.1	76.0	79.9	17.6	16.3	-67.8	946.0
1980	576.8	361.1	78.1	75.6	17.2	16.7	-82.8	1042.6
1981	634.2	426.3	79.5	75.6	17.4	16.0	-93.2	1155.9
1982	628.7	350.9	82.3	70.9	18.1	18.7	-97.7	1071.7
1983	604.5	379.8	83.4	82.1	17.1	20.9	-111.3	1076.8
1984	631.7	425.0	84.1	104.6	18.1	22.8	-118.1	1168.1
1985	669.8	472.1	86.6	95.5	19.6	30.5	-142.6	1231.3
1986	664.7	565.4	92.9	63.4	20.2	48.2	-161.6	1293.3
1987	703.1	718.7	94.9	70.1	20.1	64.2	-194.9	1476.4
1988	727.2	644.3	94.1	69.3	20.8	78.0	-200.9	1432.9
1989	928.4	720.0	95.5	57.7	20.8	87.8	-241.2	1669.0
1990	936.8	705.8	98.2	50.9	20.8	92.7	-253.2	1652.0
1991	934.0	651.9	97.9	73.1	21.0	88.0	-262.0	1603.8
1992	965.4	653.6	98.4	101.4	20.9	102.1	-277.0	1664.9
1993	997.4	636.0	100.4	102.2	21.9	118.8	-292.4	1684.6
1994	1051.1	752.5	103.8	96.9	23.3	138.9	-325.9	1840.6
1995	1080.5	765.6	108.2	104.5	24.5	153.3	-347.8	1888.8
1996	1102.0	887.9	111.3	96.8	25.1	160.1	-374.3	2008.8
1997	1137.6	1036.1	110.5	103.2	34.4	189.5	-428.2	2183.2
1998	1241.2	1109.3	113.0	97.9	31.2	221.5	-489.6	2324.7
1999 (b)	1334.0	1255.2	116.1	93.7	31.3	230.2	-537.0	2523.5

(a) Real wealth is calculated by dividing nominal wealth by the private consumption deflator.

(b) Preliminary figures.

**Table 1(c): Real private sector wealth per person at market value<sup>(a)</sup>**

As at June -	Dwelling Assets	Business Assets	Consumer Durables	Govern- ment Securities	Money Base	Australian Investment Abroad	Foreign Liabilities	Total Wealth
(\$ per capita, 1998-99 prices)								
1960	18660	18144	4127	6363	1548	344	-2924	46262
1961	19076	17602	4257	6140	1392	409	-2456	46338
1962	20661	17284	4100	6673	1447	402	-2573	47994
1963	20774	18138	4186	7209	1395	543	-3023	49144
1964	23016	21148	4110	7323	1569	598	-3886	53953
1965	23887	18217	4253	7088	1489	496	-3261	52169
1966	24034	19440	4194	7190	1265	599	-3262	53461
1967	23710	20097	4248	7354	1331	571	-3677	53634
1968	24703	33522	4228	7429	1329	846	-5436	66621
1969	26273	37672	4331	7409	1368	798	-5813	72038
1970	28376	35443	4464	6642	1435	797	-5154	72002
1971	29977	32804	4484	6629	1365	926	-5264	70970
1972	31969	36135	4573	7336	1358	1132	-6339	76209
1973	35618	33177	4633	6784	1655	951	-5916	76904
1974	40473	26577	4751	5180	1607	714	-4501	74801
1975	38289	17621	4988	5167	1225	747	-3823	64213
1976	38023	18137	5197	5145	1312	772	-4682	63877
1977	37824	16571	5325	4958	1446	895	-4453	62589
1978	37023	17557	5433	5412	1238	986	-4489	63139
1979	37691	19092	5238	5504	1215	1120	-4669	65171
1980	39251	24572	5312	5142	1171	1137	-5634	70950
1981	42501	28563	5324	5064	1163	1071	-6242	77459
1982	41404	23112	5422	4669	1191	1232	-6435	70581
1983	39271	24676	5420	5334	1113	1358	-7230	69954
1984	40546	27277	5396	6714	1159	1466	-7578	74980
1985	42425	29904	5483	6050	1239	1933	-9033	77991
1986	41493	35299	5798	3959	1258	3010	-10085	80741
1987	43233	44188	5833	4309	1235	3950	-11982	90775
1988	43989	38975	5691	4194	1258	4720	-12153	86673
1989	55212	42822	5681	3432	1235	5222	-14343	99262
1990	54897	41357	5756	2985	1220	5432	-14836	96806
1991	54037	37714	5662	4230	1217	5089	-15157	92792
1992	55180	37361	5622	5798	1197	5835	-15832	95167
1993	56457	35998	5684	5788	1242	6727	-16550	95351
1994	58870	42145	5814	5429	1304	7782	-18254	103089
1995	59791	42366	5989	5781	1355	8485	-19246	104514
1996	60186	48492	6076	5288	1370	8743	-20442	109706
1997	61414	55934	5965	5573	1858	10230	-23113	117860
1998	66194	59157	6028	5222	1666	11812	-26108	123976
1999 (b)	70286	66131	6118	4937	1647	12128	-28292	132956

(a) Real wealth is calculated by dividing nominal wealth by the private consumption deflator.

(b) Preliminary figures.



**Table 2: Nominal private sector wealth at replacement cost**

As at June -	Dwelling Assets	Business Assets	Consumer Durables	Govern- ment Securities	Money Base	Australian Investment Abroad	Foreign Liabilities	Total Wealth	Wealth per Person
	(\$ billion)								(\$ '000)
1960	21.2	22.2	4.9	7.5	1.8	0.4	-3.8	54.1	5.2
1961	22.7	23.7	5.2	7.7	1.7	0.5	-3.7	57.8	5.4
1962	23.8	24.2	5.1	8.2	1.8	0.5	-4.0	59.6	5.5
1963	25.3	25.9	5.4	8.9	1.8	0.7	-4.8	63.1	5.7
1964	27.4	28.8	5.6	9.6	2.1	0.8	-5.5	68.7	6.1
1965	29.9	29.7	6.0	10.1	2.1	0.7	-6.0	72.5	6.3
1966	32.5	33.2	6.3	10.8	1.9	0.9	-6.3	79.3	6.7
1967	35.2	35.7	6.7	11.6	2.1	0.9	-7.3	84.9	7.1
1968	38.4	48.3	7.0	12.2	2.2	1.4	-7.4	102.1	8.3
1969	42.2	55.4	7.6	13.1	2.4	1.4	-7.7	114.5	9.1
1970	47.1	59.2	8.4	13.6	2.7	1.5	-7.9	124.6	9.7
1971	53.2	63.7	9.2	14.6	2.8	1.9	-9.8	135.6	10.4
1972	61.7	72.4	10.1	16.0	3.0	2.5	-11.7	154.0	11.6
1973	76.6	77.0	11.2	17.3	4.0	2.3	-13.2	175.2	13.0
1974	99.3	86.6	13.3	17.9	4.5	2.0	-16.1	207.5	15.1
1975	122.2	93.1	16.7	20.3	4.1	2.5	-26.2	232.6	16.7
1976	145.7	107.3	20.2	22.9	5.1	3.0	-33.2	270.9	19.3
1977	167.5	120.0	23.2	25.2	6.3	3.9	-39.6	306.6	21.6
1978	183.2	137.6	25.9	27.9	5.9	4.7	-43.5	341.6	23.8
1979	201.3	156.1	27.6	32.3	6.4	5.9	-45.1	384.4	26.5
1980	231.5	186.0	31.3	35.3	6.9	6.7	-46.4	451.2	30.7
1981	273.5	213.8	34.8	39.2	7.6	7.0	-48.3	527.6	35.4
1982	317.8	250.0	39.6	42.4	8.7	9.0	-93.6	573.8	37.8
1983	350.3	279.3	44.3	50.1	9.1	11.1	-105.5	638.8	41.5
1984	382.7	300.1	47.5	63.0	10.2	12.9	-99.1	717.3	46.0
1985	428.3	335.4	52.2	61.9	11.8	18.4	-112.1	795.8	50.4
1986	475.7	367.8	59.9	42.6	13.0	31.1	-105.1	885.1	55.3
1987	519.6	398.6	66.6	51.2	14.1	45.1	-102.3	992.9	61.0
1988	596.3	438.2	71.5	53.2	15.8	59.3	-140.3	1094.0	66.2
1989	704.3	513.5	76.8	49.4	16.7	70.6	-181.6	1249.8	74.3
1990	781.8	556.5	83.5	45.7	17.7	78.8	-208.7	1355.2	79.4
1991	816.3	556.6	87.0	64.1	18.7	78.2	-221.3	1399.6	81.0
1992	837.9	562.9	89.7	84.4	19.1	93.1	-227.5	1459.6	83.4
1993	873.0	587.0	93.8	85.1	20.5	111.0	-260.4	1510.0	85.5
1994	924.4	608.1	98.1	90.1	22.0	131.3	-254.9	1619.1	90.7
1995	979.0	639.8	103.9	98.2	23.5	147.2	-278.8	1712.7	94.8
1996	1018.1	672.9	108.7	92.2	24.5	156.4	-276.3	1796.6	98.1
1997	1053.3	699.0	109.5	92.6	34.1	187.8	-285.5	1890.8	102.1
1998	1107.8	739.0	113.6	86.1	31.4	222.6	-319.4	1981.1	105.7
1999 (a)	1165.3	773.8	118.1	87.0	31.8	234.1	-330.5	2079.6	109.6

(a) Preliminary figures.

**Table 3: Valuation ratios for selected wealth components**

As at June -	Dwelling		Business		Government	
	Assets(a)	% growth	Assets(b)	% growth	Securities(c)	% growth
1960	1.024		0.950		0.987	
1961	1.026	0.3	0.907	-4.6	0.974	-1.3
1962	1.080	5.2	0.888	-2.1	1.012	3.9
1963	1.059	-1.9	0.903	1.7	1.045	3.2
1964	1.124	6.1	0.983	8.8	1.021	-2.3
1965	1.127	0.3	0.865	-11.9	0.990	-3.0
1966	1.111	-1.4	0.880	1.6	1.000	1.0
1967	1.063	-4.3	0.888	1.0	1.000	0.0
1968	1.065	0.2	1.149	29.4	1.008	0.8
1969	1.092	2.6	1.193	3.8	0.992	-1.6
1970	1.134	3.8	1.127	-5.6	0.919	-7.4
1971	1.156	2.0	1.057	-6.2	0.932	1.3
1972	1.144	-1.0	1.102	4.3	1.013	8.7
1973	1.124	-1.8	1.042	-5.5	0.948	-6.4
1974	1.141	1.5	0.859	-17.5	0.810	-14.5
1975	1.049	-8.1	0.634	-26.2	0.852	5.2
1976	1.014	-3.3	0.657	3.7	0.873	2.5
1977	0.984	-3.0	0.602	-8.4	0.857	-1.9
1978	0.963	-2.1	0.608	1.1	0.925	7.9
1979	0.987	2.4	0.644	5.9	0.898	-2.9
1980	0.999	1.3	0.778	20.8	0.858	-4.4
1981	1.016	1.7	0.873	12.2	0.844	-1.6
1982	0.952	-6.3	0.675	-22.7	0.804	-4.8
1983	0.916	-3.7	0.722	7.0	0.870	8.2
1984	0.933	1.8	0.800	10.8	0.938	7.8
1985	0.943	1.1	0.849	6.1	0.931	-0.8
1986	0.901	-4.4	0.992	16.8	0.960	3.2
1987	0.950	5.4	1.266	27.6	0.961	0.1
1988	0.927	-2.4	1.118	-11.7	0.991	3.1
1989	1.060	14.3	1.127	0.9	0.939	-5.2
1990	1.019	-3.9	1.078	-4.4	0.947	0.9
1991	1.017	-0.1	1.041	-3.4	1.014	7.0
1992	1.051	3.3	1.059	1.7	1.096	8.1
1993	1.067	1.6	1.012	-4.4	1.122	2.4
1994	1.075	0.7	1.169	15.6	1.017	-9.4
1995	1.060	-1.4	1.149	-1.8	1.021	0.5
1996	1.058	-0.2	1.289	12.2	1.026	0.5
1997	1.070	1.2	1.469	13.9	1.105	7.7
1998	1.126	5.2	1.509	2.7	1.143	3.4
1999 (d)	1.164	3.4	1.650	9.4	1.095	-4.2

(a) Established house prices divided by the deflator for dwelling investment.

(b) Equity prices divided by the deflator for business fixed investment.

(c) Market price divided by face value.

(d) Preliminary figures.