

QUARTERLY ESTIMATES OF NATIONAL INCOME AND EXPENDITURE
SEPTEMBER QUARTER 1977 (PRELIMINARY)

INQUIRIES

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NOTE: The significance of recent quarter to quarter changes in the estimates shown herein should not be overemphasised. These estimates are subject to the uncertainties discussed below under *Interpretation of the estimates*, and furthermore some may be substantially revised as firmer data come to hand.

This statement provides preliminary estimates of gross domestic product and national expenditure to September 1977. It will be followed shortly by the bulletin *Quarterly Estimates of National Income and Expenditure, September Quarter 1977* (Catalogue No. 5206.0. Previously Ref. No. 7.5) which will contain detailed supporting tables and may revise some figures.

Interpretation of the estimates

Changes in individual quarters should not be interpreted in isolation and without reference to changes over longer periods. Estimating for a period of less than one year presents special problems and the estimates are affected by possible inconsistencies in the timing of recording of incomes, expenditures, stocks, exports and imports. The effects are in some measure indicated by the change in the statistical discrepancy. There are also uncertainties inherent in seasonal adjustment. Further discussion of the various qualifications is given in the bulletin *Quarterly Estimates of National Income and Expenditure, June Quarter 1977*.

Measures of price change derived from current and constant price quarterly estimates can be greatly affected by changes in the physical composition of the aggregates and their components, moreover the seasonal adjustment process is a further source of possible distortion. For example, using seasonally adjusted estimates of expenditure on gross domestic product at current and constant prices, the movements in the implicit price deflator of gross domestic product in the March and June quarters of 1977 were 3.6 per cent and 0.6 per cent respectively. On the basis of other available price information, these figures do not appear to be reliable indicators of the price change in each of these quarters. For these reasons, implicit price deflators should be viewed with extreme caution, particularly as measures of quarter to quarter change.

The percentage changes shown below and on page 5 refer to seasonally adjusted estimates. Although percentage changes are shown to one decimal place this does not imply that they can be regarded as accurate to the last digit shown. The figures after the decimal point are given to avoid distortions which may occur in rounding figures off to the nearest half or whole number.

The estimates

In the September quarter 1977 the estimate of gross non-farm product at constant prices, based on income data, rose 1.2 per cent and was 1.4 per cent higher than for September quarter 1976. Expenditure based estimates, excluding the statistical discrepancy, would show a fall of 0.6 per cent in the September quarter 1977. However the expenditure based estimates may be affected by inconsistencies in the timing of recording actual flows of goods and services in the aggregates on the expenditure side of the domestic production account, particularly exports, imports, gross fixed capital expenditure and stocks. In the June quarter 1977 the income based estimate of gross non-farm product at constant prices rose by 0.9 per cent while expenditure based estimates, excluding the statistical discrepancy, would show a rise of 5.5 per cent.

Gross non-farm product at current prices increased by 3.4 per cent in the September quarter 1977 and was 10.5 per cent higher than the previous September quarter. Gross farm product at current prices rose by 2.5 per cent in the September quarter and was 6.9 per cent higher than for September quarter 1976.

Gross domestic product at constant prices rose 1.2 per cent in the September quarter 1977 to be 1.5 per cent higher than for September quarter 1976. Gross domestic product at current prices increased by 3.3 per cent and was 10.3 per cent higher than a year earlier.

The movement in gross domestic product at constant prices in the September quarter 1977 was associated with a rise of 5.3 per cent in exports of goods and services and a fall of 6.0 per cent in imports of goods and services. Private final consumption expenditure at constant prices rose 1.9 per cent in the September quarter 1977 following a 0.3 per cent rise in the June quarter 1977. Private gross fixed capital expenditure at constant prices increased by 1.1 per cent in the September quarter 1977; expenditure on dwellings declined for the third consecutive quarter, expenditure on other building and construction increased strongly and all other capital expenditure rose marginally after declines in the previous two quarters. The level of government expenditure (final consumption plus gross fixed capital expenditure) was the same as in the June quarter 1977. Private non-farm stocks at constant prices rose by \$62 million in the September quarter 1977, the smallest quarterly rise since June quarter 1976, while farm and miscellaneous stocks declined by \$25 million.

In the September quarter 1977 wages, salaries and supplements increased by 3.2 per cent following an increase of 2.8 per cent in the June quarter 1977. The gross operating surplus of companies is estimated to have increased by 1.2 per cent in the September quarter 1977 following a decrease of 4.3 per cent in the June quarter 1977. Compared with the previous September quarter wages, salaries and supplements were 10.4 per cent higher and gross operating surplus of companies 5.6 per cent higher.

Because of an apparent change in seasonality, the series for gross non-farm product at constant prices was seasonally reanalysed. The resulting series is published in this bulletin. It was not possible in the time available to seasonally reanalyse other constant price series. All constant price series will be seasonally reanalysed prior to publication of the preliminary bulletin for the December quarter.

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MAIN AGGREGATES AT CURRENT AND AVERAGE 1966-67 PRICES
(\$ million)

	Quarters ended -										
	Year			1975-76			1976-77			1977-78	
	1974-75	1975-76	1976-77	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.
AT CURRENT PRICES, ORIGINAL											
Final consumption expenditure -											
Private	35,200	41,649	47,734	10,809	10,158	10,982	11,242	12,548	11,539	12,405	12,708
Government	9,143	11,307	13,211	2,906	2,660	3,207	3,123	3,380	3,114	3,595	3,486
Gross fixed capital expenditure -											
Private											
Dwellings	2,456	3,239	4,041	764	831	944	1,028	1,036	965	1,012	995
Other building and construction	1,978	2,032	1,983	590	409	510	513	520	430	520	579
All other	4,309	5,055	6,040	1,219	1,154	1,517	1,309	1,645	1,412	1,674	1,588
Public enterprises	2,834	3,155	3,553	800	657	977	788	910	814	1,041	964
General government	2,829	3,477	3,693	969	726	1,000	778	942	778	1,195	830
Increase in stocks -											
Private non-farm	453	-167	1,298	-152	167	-49	480	180	216	422	358
Farm and miscellaneous	217	-63	66	844	-12	-543	-338	558	179	-333	-332
Statistical discrepancy	789	687	97	466	273	-475	527	239	327	-995	539
Gross national expenditure	60,208	70,371	81,716	19,215	17,023	18,070	19,450	21,958	19,774	20,536	21,715
Exports of goods and services	9,926	10,888	13,100	2,687	2,686	2,999	3,242	3,244	3,236	3,378	3,494
less Imports of goods and services	9,986	10,434	13,257	2,494	2,667	2,820	3,100	3,080	3,510	3,568	3,593
Expenditure on gross domestic product	60,148	70,825	81,559	19,408	17,042	18,249	19,592	22,122	19,500	20,346	21,616
Wages, salaries and supplements	35,439	40,739	46,053	10,648	9,862	10,737	11,112	11,979	11,005	11,957	12,260
Gross operating surplus											
Trading enterprises -											
Companies	6,809	7,920	9,782	2,244	1,627	2,248	2,397	2,891	2,035	2,459	2,532
Unincorporated enterprises	7,349	8,067	9,460								
Dwellings owned by persons	3,470	4,209	5,141	4,543	3,321	2,945	3,958	5,050	4,095	3,436	4,500
Public enterprises	1,123	1,610	1,938								
Financial enterprises	1,017	1,689	1,669	-70	-33	-66	-149	-122	-106	-126	-119
less Imputed bank service charge	1,674	1,926	2,172								
Gross domestic product at factor cost	53,533	62,308	71,871	17,365	14,777	15,864	17,318	19,798	17,029	17,726	19,173
Indirect taxes less subsidies	6,615	8,517	9,688	2,043	2,265	2,385	2,274	2,324	2,471	2,620	2,443
Gross domestic product	60,148	70,825	81,559	19,408	17,042	18,249	19,592	22,122	19,500	20,346	21,616
Gross farm product	3,612	3,670	4,136	1,799	873	392	841	1,634	1,163	498	901
Gross non-farm product	56,536	67,155	77,423	17,609	16,169	17,857	18,751	20,488	18,337	19,848	20,715
AT AVERAGE 1966-67 PRICES, ORIGINAL											
Final consumption expenditure -											
Private	20,814	21,491	22,124	5,645	5,110	5,424	5,427	5,908	5,251	5,538	5,575
Government	3,900	4,139	4,350	1,055	970	1,115	1,049	1,118	1,024	1,159	1,083
Gross fixed capital expenditure -											
Private											
Dwellings	1,230	1,391	1,530	335	351	386	406	397	360	367	354
Other building and construction	990	881	765	260	174	208	204	203	165	193	211
All other	2,591	2,603	2,761	637	588	744	627	768	637	729	671
Public	2,981	3,030	2,953	823	620	859	666	768	646	873	698
Increase in stocks -											
Private non-farm	305	-93	627	-108	112		212	91	118	206	141
Farm and miscellaneous	192	-52	23	385	-42	-266	-144	255	65	-153	-143
Statistical discrepancy	463	352	67	226	128	-217	235	104	139	-411	219
Gross national expenditure	33,466	33,742	35,200	9,259	8,011	8,253	8,682	9,612	8,405	8,501	8,809
Exports of goods and services	5,793	5,972	6,472	1,490	1,517	1,557	1,675	1,648	1,567	1,582	1,658
less Imports of goods and services	6,462	6,108	6,867	1,484	1,527	1,614	1,708	1,709	1,748	1,702	1,691
Expenditure on gross domestic product	32,797	33,606	34,805	9,265	8,001	8,196	8,649	9,551	8,224	8,381	8,776
Gross farm product	2,814	3,028	3,089	1,218	714	482	663	1,115	828	483	676
Gross non-farm product	29,983	30,578	31,716	8,047	7,287	7,714	7,986	8,436	7,396	7,898	8,100

MAIN AGGREGATES AT CURRENT AND AVERAGE 1966-67 PRICES
(\$ million)

	Quarters ended -							
	1975-76			1976-77			1977-78	
	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.
AT CURRENT PRICES, SEASONALLY ADJUSTED								
Final consumption expenditure -								
Private	10,200	10,593	11,003	11,364	11,849	12,097	12,427	12,848
Government	2,772	2,879	3,050	3,201	3,320	3,370	3,420	3,575
Gross fixed capital expenditure -								
Private -								
Dwellings	761	870	937	995	1,031	1,010	1,005	963
Other building and construction	524	488	492	514	462	513	502	580
All other	1,154	1,305	1,405	1,335	1,550	1,597	1,549	1,620
Public enterprises	765	701	907	841	868	866	965	1,031
General government	898	855	845	877	872	917	1,009	935
Increase in stocks -								
Private non-farm	-180	243	96	229	188	300	581	115
Farm and miscellaneous	-62	57	1	-147	-56	74	197	-161
Statistical discrepancy	284	180	74	207	-15	352	-375	160
Gross national expenditure	17,116	18,171	18,810	19,416	19,979	21,096	21,280	21,666
Exports of goods and services	2,601	2,735	3,015	3,264	3,151	3,297	3,397	3,515
less Imports of goods and services	2,476	2,762	2,867	2,976	3,049	3,634	3,641	3,447
Expenditure on gross domestic product	17,241	18,144	18,958	19,704	20,081	20,759	21,036	21,734
Wages, salaries and supplements	10,020	10,253	10,742	11,156	11,343	11,605	11,935	12,313
Gross operating surplus								
Trading enterprises -								
Companies	1,831	2,090	2,258	2,365	2,406	2,581	2,469	2,498
Unincorporated enterprises								
Dwellings owned by persons	3,399	3,589	3,745	3,939	4,111	4,231	4,258	4,211
Public enterprises								
Financial enterprises								
less Imputed bank service charge	-57	-44	-81	-136	-108	-117	-141	-106
Gross domestic product at factor cost	15,193	15,888	16,664	17,324	17,752	18,300	18,521	19,178
Indirect taxes less subsidies	2,046	2,255	2,294	2,380	2,329	2,459	2,515	2,556
Gross domestic product	17,239	18,143	18,958	19,704	20,081	20,759	21,036	21,734
Gross farm product	906	953	937	999	1,010	1,081	1,042	1,068
Gross non-farm product	16,333	17,190	18,021	18,705	19,071	19,678	19,994	20,666
AT AVERAGE 1966-67 PRICES, SEASONALLY ADJUSTED								
Final consumption expenditure -								
Private	5,350	5,335	5,409	5,480	5,602	5,510	5,526	5,629
Government	1,029	1,040	1,054	1,065	1,090	1,098	1,096	1,100
Gross fixed capital expenditure -								
Private -								
Dwellings	335	366	382	394	397	375	364	343
Other building and construction	231	205	202	205	180	194	188	211
All other	609	661	686	639	736	717	671	683
Public	778	692	761	730	725	719	770	764
Increase in stocks -								
Private non-farm	-48	94	11	135	167	101	223	62
Farm and miscellaneous	-80	-21	32	-34	-77	-22	158	-25
Statistical discrepancy	66	167	80	37	-65	226	-126	16
Gross national expenditure	8,270	8,539	8,617	8,651	8,755	8,918	8,870	8,783
Exports of goods and services	1,463	1,513	1,567	1,697	1,624	1,562	1,593	1,678
less Imports of goods and services	1,475	1,584	1,633	1,644	1,690	1,812	1,730	1,627
Expenditure on gross domestic product	8,258	8,468	8,551	8,704	8,689	8,668	8,733	8,834
Gross farm product	730	768	768	768	760	784	779	786
Gross non-farm product	7,528	7,700	7,783	7,936	7,929	7,884	7,954	8,048

PERCENTAGE CHANGE IN MAIN AGGREGATES
(See Introductory note to text)

	Change from preceding quarter								Sept. qtr. 1977 on Sept. qtr. 1976
	1975-76			1976-77			1977-78		
	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	
AT CURRENT PRICES, SEASONALLY ADJUSTED									
<i>Product</i>									
Gross domestic product	4.7	5.2	4.5	3.9	1.9	3.4	1.3	3.3	10.3
Gross farm product	0.3	5.2	-1.7	6.6	1.1	7.0	-3.6	2.5	6.9
Gross non-farm product	5.0	5.2	4.8	3.8	2.0	3.2	1.6	3.4	10.5
<i>Expenditure</i>									
Final consumption expenditure -									
Private	3.8	3.9	3.9	3.3	4.3	2.1	2.7	3.4	13.1
Government	6.7	3.9	5.9	5.0	0.6	4.7	1.5	4.5	11.7
Gross fixed capital expenditure -									
Private -									
Dwellings	12.4	14.3	7.7	6.2	3.6	-2.0	-0.5	-4.2	-3.2
Other building and construction	..	-6.9	0.8	4.5	-10.1	11.0	-2.1	15.5	12.8
All other	-2.9	13.1	7.7	-5.0	16.9	2.4	-3.0	4.6	21.3
Total	2.1	9.2	6.4	0.4	7.3	2.2	-2.1	3.5	11.2
Public enterprises	-0.6	-8.4	29.4	-7.3	3.2	-0.2	11.4	6.8	22.6
General government	1.8	-4.8	-1.2	3.8	-0.6	5.2	10.0	-7.3	6.6
Total	1.5	2.9	8.7	-0.5	5.1	2.3	2.6	2.0	12.4
<i>Exports and imports</i>									
Exports of goods and services	2.4	5.2	10.2	8.3	-3.5	4.6	3.0	3.5	7.7
Imports of goods and services	4.9	11.6	3.8	3.8	2.5	19.2	0.2	-5.3	15.8
<i>Income</i>									
Wages, salaries and supplements	4.5	2.3	4.8	3.9	1.7	2.3	2.8	3.2	10.4
Gross operating surplus of trading enterprises -									
Companies	3.4	14.1	8.0	4.7	1.7	7.3	-4.3	1.2	5.6
Other	4.8	5.6	4.3	5.2	4.4	2.9	0.6	5.0	13.6
Non-farm enterprises	5.0	8.7	7.2	4.5	3.4	3.9	0.3	2.9	10.9
AT AVERAGE 1966-67 PRICES, SEASONALLY ADJUSTED									
<i>Product</i>									
Gross domestic product	-0.1	2.5	1.0	1.8	-0.2	-0.2	0.8	1.2	1.5
Gross farm product	-3.4	5.2	-1.0	3.2	-0.6	0.9	2.3
Gross non-farm product	0.2	2.3	1.1	2.0	-0.1	-0.6	0.9	1.2	1.4
<i>Expenditure</i>									
Final consumption expenditure -									
Private	-0.5	-0.3	1.4	1.3	2.2	-1.6	0.3	1.9	2.7
Government	1.4	1.1	1.3	1.0	2.3	0.7	-0.2	0.4	3.3
Gross fixed capital expenditure -									
Private -									
Dwellings	8.4	9.3	4.4	3.1	0.8	-5.5	-2.9	-5.8	-12.9
Other building and construction	-3.8	-11.3	-1.5	1.5	-12.2	7.8	-3.1	12.2	2.9
All other	-6.0	8.5	3.8	-6.9	15.2	-2.6	-6.4	1.8	6.9
Total	-1.8	4.9	3.1	-2.5	6.1	-2.1	-4.9	1.1	0.1
Public	-2.4	-11.1	10.0	-4.1	-0.7	-0.8	7.1	-0.8	4.7
Total	-2.1	-1.5	5.6	-3.1	3.6	-1.6	-0.6	0.4	1.7
<i>Exports and imports</i>									
Exports of goods and services	2.4	3.4	3.6	8.3	-4.3	-3.8	2.0	5.3	-1.1
Imports of goods and services	3.1	7.4	3.1	0.7	2.8	7.2	-4.5	-6.0	-1.0

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