

Reference No. 7.6

QUARTERLY ESTIMATES OF NATIONAL INCOME AND EXPENDITURE MARCH QUARTER 1974 – PRELIMINARY STATEMENT

MAIN FEATURES

In the March quarter (seasonally adjusted) –

- Gross domestic product rose by 2.9 per cent at current prices and by 1.7 per cent at constant prices.
- Gross non-farm product rose by 4.5 per cent at current prices and 2.7 per cent at constant prices.
- Gross farm product fell by 12.3 per cent at current prices.

Comparing the first three quarters of 1973-74 with the first three quarters of 1972-73 (seasonally adjusted) –

- Gross domestic product rose by 20.8 per cent at current prices and by 6.7 per cent at constant prices.
- Gross non-farm product rose by 19.0 per cent at current prices and by 7.1 per cent at constant prices.
- Gross farm product rose by 42.2 per cent at current prices.

EXPLANATORY NOTES

Introduction

This statement provides preliminary estimates of gross domestic product and national expenditure to March 1974. It will be followed shortly by the bulletin *Quarterly Estimates of National Income and Expenditure*, March Quarter 1974 (Reference No. 7.5), which will contain detailed supporting tables and may revise some figures.

Interpretation of the estimates

The quarterly estimates shown in this preliminary statement demonstrate some inconsistencies in recent quarters which require care in analysis. In the September and December quarters 1973 and in March quarter 1974 the (seasonally adjusted) current-price estimates of expenditure fail to indicate the disposition of a substantial part of the increase in gross domestic product since the corresponding quarters of the previous year. There was a substantial increase in the statistical discrepancy for September quarter 1973 and the discrepancy remained high in December quarter 1973 and March quarter 1974. Showing the discrepancy on the expenditure side is not regarded as implying that the expenditure estimates are in general less reliable than the income estimates. However it seems probable that the very large (seasonally adjusted) statistical discrepancy in the September quarter does not indicate an overstatement of gross domestic product but rather an understatement of increases in items of expenditure and some possible inconsistencies in timing of recording of expenditures, stocks, exports and imports. These inconsistencies may have been affected by significant influences in the economy, such as sharp and diverse price changes.

Attention is drawn to the discussion contained in the bulletin *Quarterly Estimates of National Income and Expenditure*, December quarter 1973, of the factors and qualifications which should be taken into account in the interpretation of quarterly estimates, especially in relation to seasonal adjustment and implied price changes.

Seasonally adjusted figures for gross non-farm product at constant prices have been revised following a re-analysis of the series.

(\$ million)

	Quarters ended -									Quarters ended -								
	Year		1971-72	1972-73			1973-74			1971-72	1972-73			1973-74				
	1971-72	1972-73	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.
AT CURRENT PRICES, ORIGINAL																		
Final consumption expenditure -																		
Private	21,579	24,052	5,541	5,692	6,234	5,836	6,290	6,336	7,255	6,813								
Government	4,802	5,524	1,312	1,340	1,395	1,281	1,698	1,521	1,776	1,685								
Gross fixed capital expenditure -																		
Private	6,128	6,189	1,608	1,498	1,581	1,399	1,711	1,731	1,979	1,703								
Public enterprises	1,741	1,781	479	444	429	398	472	474	474	474								
General government	1,756	1,721	442	362	458	520	502	502	435	390								
Increase in stocks	-116	-250	-296	-41	134	-106	-237	84	703	756								
Statistical discrepancy	145	433	-291	159	291	211	-223	596	420	391								
Gross national expenditure	35,005	39,415	8,795	9,354	10,522	9,399	10,141	11,303	13,109	12,257								
Exports of goods and services	5,625	6,907	1,490	1,538	1,720	1,836	1,813	1,856	1,931	1,864								
Less imports of goods and services	5,229	5,339	1,243	1,251	1,302	1,348	1,438	1,665	1,740	1,959								
Expenditure on gross domestic product	36,201	40,983	9,043	9,641	10,939	9,888	10,516	11,494	13,335	12,229								
Wages, salaries and supplements	20,241	22,518	5,269	5,285	5,752	5,419	6,062	6,277	6,979	6,695								
Gross operating surplus																		
Trading enterprises -																		
Companies	4,727	5,739	1,133	1,298	1,534	1,188	1,359	1,604	1,767	1,396								
Unincorporated enterprises	4,620	5,680																
Dwellings owned by persons	1,909	2,146	1,623	2,164	2,669	2,219	1,955	2,559	3,308	2,787								
Public enterprises	1,179	1,180																
Financial enterprises	650	808																
Less imputed bank service charge	831	997	-37	-55	-42	-47	-45	-66	-55	-63								
Gross domestic product at factor cost	32,495	36,714	7,988	8,692	9,913	8,779	9,331	10,374	11,999	10,815								
Indirect taxes less subsidies	3,706	4,269	1,055	949	1,026	1,109	1,185	1,120	1,336	1,414								
Gross domestic product	36,201	40,983	9,043	9,641	10,939	9,888	10,516	11,494	13,335	12,229								
Gross farm product	2,226	3,084	349	633	1,058	844	549	901	1,581	1,269								
Gross non-farm product	33,975	37,899	8,694	9,008	9,881	9,044	9,967	10,593	11,754	10,960								
AT AVERAGE 1966-67 PRICES, ORIGINAL																		
Final consumption expenditure -																		
Private	17,437	18,459	4,401	4,448	4,841	4,455	4,715	4,729	5,096	4,681								
Government	3,305	3,493	881	810	876	827	979	908	976	907								
Gross fixed capital expenditure -																		
Private	4,877	4,655	1,253	1,152	1,199	1,050	1,255	1,217	1,367	1,146								
Public	2,571	2,523	697	613	558	558	697	568	643	558								
Increase in stocks	-142	-229	-350	-111	85	-54	-150	-5	444	521								
Statistical discrepancy	120	335	-227	122	218	157	-162	416	284	258								
Gross national expenditure	28,168	29,235	6,554	7,034	7,874	6,993	7,235	7,833	8,810	8,105								
Exports of goods and services	5,533	5,788	1,423	1,398	1,482	1,497	1,410	1,382	1,418	1,357								
Less imports of goods and services	4,765	4,973	1,126	1,148	1,189	1,266	1,370	1,474	1,546	1,693								
Expenditure on gross domestic product	28,936	30,050	6,950	7,284	8,169	7,224	7,375	7,742	8,683	7,769								
Gross farm product	2,730	2,449	412	545	916	636	353	502	939	707								
Gross non-farm product	26,206	27,601	6,538	6,739	7,252	6,588	7,022	7,240	7,744	7,062								
AT AVERAGE 1966-67 PRICES, SEASONALLY ADJUSTED																		
Final consumption expenditure -																		
Private	14,433	14,485	4,574	4,661	4,750	4,776	4,804	4,907	4,433	4,485								
Government	823	836	857	881	917	936	956	964	823	836								
Gross fixed capital expenditure -																		
Private	1,197	1,160	1,140	1,153	1,201	1,225	1,300	1,260	1,197	1,160								
Public	616	658	629	620	618	609	616	637	616	658								
Increase in stocks	-64	-123	-21	84	178	385	402	537	-64	-123								
Statistical discrepancy																		
Gross national expenditure	7,205	7,016	7,178	7,400	7,664	7,931	8,077	8,425	7,205	7,016								
Exports of goods and services	1,409	1,415	1,472	1,504	1,396	1,400	1,408	1,363	1,409	1,415								
Less imports of goods and services	1,320	1,140	1,200	1,274	1,366	1,469	1,544	1,716	1,320	1,140								
Expenditure on gross domestic product	7,294	7,291	7,450	7,630	7,694	7,962	7,940	8,072	7,294	7,291								
Gross farm product	689	602	614	638	596	675	642	576	689	602								
Gross non-farm product	6,605	6,689	6,836	6,993	7,098	7,186	7,298	7,496	6,605	6,689								

PERCENTAGE CHANGE IN MAIN AGGREGATES

	Change from preceding quarter								Mar. qtr 1974 on Mar. qtr 1973
	1971-72		1972-73				1973-74		
	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	
AT CURRENT PRICES, SEASONALLY ADJUSTED									
<i>Product</i>									
Gross domestic product	2.9	3.4	3.8	5.4	2.9	8.4	3.5	2.9	18.8
Gross farm product	5.5	9.4	12.8	27.7	-10.6	40.6	-4.0	-12.3	5.8
Gross non-farm product	2.7	2.9	3.1	3.7	4.2	5.7	4.3	4.5	20.0
<i>Expenditure</i>									
Final consumption expenditure --									
Private	3.1	2.7	2.2	3.6	4.3	4.1	3.1	4.4	17.0
Government	-1.6	4.7	3.7	4.3	8.4	4.6	7.7	7.6	31.4
Gross fixed capital expenditure --									
Private	4.1	2.0	-0.4	2.8	6.2	6.0	8.4	-0.2	21.8
Public enterprises	3.1	(a) 5.9	-8.9	1.2	0.9	7.7	..	9.3	18.7
General government	-3.1	9.1	5.1	2.1	0.9	-0.7	7.1	6.4	14.2
Total	2.7	1.2	-1.1	2.4	4.3	5.1	6.7	2.5	19.9
<i>Exports and imports</i>									
Exports of goods and services	4.9	3.8	12.0	8.5	-3.9	3.5	5.8	-0.2	5.1
Imports of goods and services	-3.7	0.7	4.8	4.5	5.3	16.0	3.6	15.8	46.4
<i>Income</i>									
Wages, salaries and supplements	2.3	3.0	2.5	3.5	5.2	6.5	4.6	4.0	21.8
Gross operating surplus of trading enterprises --									
Companies	1.4	6.6	5.0	4.1	3.3	9.3	-2.1	6.6	17.7
Other	3.8	4.6	5.3	10.0	-1.9	14.6	-0.4	-2.6	9.1
Non-farm enterprises	2.5	4.8	3.1	2.9	3.4	5.4	..	5.5	15.1
AT AVERAGE 1966-67 PRICES, SEASONALLY ADJUSTED									
<i>Product</i>									
Gross domestic product	1.6	..	2.2	2.4	0.8	2.2	1.0	1.7	5.8
Gross farm product	0.4	-12.6	2.0	3.9	-6.6	13.3	-4.9	-10.3	-9.7
Gross non-farm product	1.7	1.3	2.2	2.3	1.5	1.2	1.6	2.7	7.2
<i>Expenditure</i>									
Final consumption expenditure --									
Private	1.8	1.2	2.0	1.9	1.9	0.5	0.6	2.1	5.3
Government	-2.7	1.6	2.5	2.8	4.1	2.1	2.1	0.8	9.4
Gross fixed capital expenditure --									
Private	2.8	-3.1	-1.7	1.1	4.2	2.0	6.1	-3.1	9.3
Public	-3.3	(a) 6.8	-4.4	-1.4	-0.3	-1.5	1.1	6.7	6.0
Total	0.7	0.3	-2.7	0.2	2.6	0.8	4.5	0.1	8.1
<i>Exports and imports</i>									
Exports of goods and services	1.4	0.4	4.0	2.2	-7.2	0.3	0.6	-3.2	-9.4
Imports of goods and services	-3.2	1.8	5.3	6.2	7.2	7.5	5.1	11.1	34.7

(a) Includes substantial imports of transport equipment.

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NOTE. Inquiries concerning these statistics may be made in Canberra by telephoning Mr J.E. Dullely on 63 9111 extension 2128 or, in each State capital, by telephoning the office of the Australian Bureau of Statistics.