

Reference No. 7.6

QUARTERLY ESTIMATES OF NATIONAL INCOME AND EXPENDITURE DECEMBER QUARTER 1973 - PRELIMINARY STATEMENT

This statement provides preliminary estimates of gross domestic product and national expenditure to December 1973. After the processing of further information and re-estimation of seasonal factors it will be followed by the bulletin *Quarterly Estimates of National Income and Expenditure*, December quarter, 1973 (Reference No. 7.5) which will revise some figures and contain detailed supporting tables.

This preliminary statement incorporates revised annual estimates for 1971-72 and 1972-73. Corresponding revised annual estimates for earlier years, commencing 1962-63, will be published shortly in *Australian National Accounts, Preliminary Statement No. 1* (Reference No. 7.2).

Estimates not yet available

Delays in the availability of data have prevented the completion of constant-price estimates of exports of goods and services and imports of goods and services. Consequently it has not yet been possible to compile constant-price estimates of gross domestic product and gross non-farm product for the December quarter. These will be included in Reference No. 7.5.

The estimates

Estimates of national income and expenditure for the December quarter show increases in (seasonally adjusted) current-price estimates of gross domestic product (2.4 per cent) and gross non-farm product (3.8 per cent) and a decline in gross farm product (-11.6 per cent). Corresponding constant-price estimates are not available (see above) except for gross farm product. Present estimates of gross farm product at constant prices show a decrease of 10.3 per cent in the December quarter.

It should be noted that, in the case of farm product, because the harvest of some crops is essentially a single annual event, comparisons with the corresponding quarter of the previous year may be more meaningful than comparisons with the previous quarter.

The quarterly estimates shown in this preliminary statement demonstrate some inconsistencies which require care in analysis. In both the September and December quarters, 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 in the September quarter and the discrepancy remained high in the December quarter. 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 in the last two quarters the statistical discrepancy does not indicate an overstatement of gross domestic product but rather some understatement of increases in items of expenditure or 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.

There are also uncertainties inherent in seasonal adjustment. Series will be re-analysed and seasonal factors revised before the issue of Reference No. 7.5.

In the December quarter, wages, salaries and supplements increased by 4.2 per cent making an increase of 21.3 per cent over the previous December quarter. Gross operating surplus of companies fell by 3.9 per cent but showed an increase of 15.9 per cent over the previous December quarter. Gross operating surplus of other trading enterprises decreased by 4.1 per cent but showed an increase of 19.3 per cent over the previous December quarter. The movements in gross operating surplus of other trading enterprises largely reflect changes in farm income.

Percentage changes in private and government final consumption expenditure and private and public fixed capital expenditure at current and constant prices are shown on page four.

Attention is drawn to the discussion contained in the bulletin *Quarterly Estimates of National Income and Expenditure*, September quarter 1973, of the factors and qualifications which should be taken into account in the interpretation of the quarterly estimates.

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

	Original								Seasonally adjusted							
	Quarters ended -								Quarters ended -							
	Year		1971-72		1972-73		1973-74		1971-72		1972-73		1973-74			
	1971-72	1972-73	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	Dec.
AT CURRENT PRICES																
Final consumption expenditure -																
Private	21,579	24,052	5,212	5,541	5,672	6,234	5,836	6,290	6,556	7,249	5,414	5,593	5,768	5,878	6,071	6,351
Government	4,802	5,524	1,148	1,312	1,246	1,395	1,281	1,608	1,499	1,713	1,248	1,232	1,283	1,331	1,393	1,511
Gross fixed capital expenditure -																
Private	6,128	6,189	1,333	1,608	1,498	1,581	1,399	1,711	1,729	1,936	1,466	1,544	1,506	1,503	1,530	1,647
Public enterprises	1,741	1,743	395	479	444	429	398	472	441	470	426	428	464	423	430	428
General government	1,526	1,721	334	442	362	458	380	520	392	482	390	369	410	433	443	461
Increase in stocks	-115	-250	46	-296	-41	133	-106	-237	119	589	-30	-105	-151	-108	75	-13
Statistical discrepancy	138	422	102	-298	160	296	198	-227	579	592	32	6	110	127	110	409
Gross national expenditure	35,798	39,401	8,570	8,788	9,355	10,526	9,386	10,137	11,315	13,032	8,946	9,067	9,390	9,587	10,052	10,461
Exports of goods and services	5,627	6,915	1,391	1,493	1,538	1,718	1,838	1,819	1,863	2,011	1,422	1,485	1,523	1,708	1,885	1,810
less Imports of goods and services	5,224	5,333	1,263	1,241	1,251	1,304	1,336	1,441	1,673	1,760	1,287	1,220	1,240	1,318	1,364	1,418
Expenditure on gross domestic product	36,202	40,983	8,697	9,040	9,641	10,940	9,888	10,515	11,505	13,283	9,081	9,331	9,673	9,978	10,573	11,787
Wages, salaries and supplements	20,241	22,518	4,871	5,269	5,285	5,752	5,419	6,062	6,277	6,979	5,082	5,217	5,374	5,494	5,684	6,002
Gross operating surplus -																
Trading enterprises -																
Companies	4,727	5,379	1,008	1,133	1,298	1,534	1,188	1,359	1,631	1,779	1,178	1,172	1,271	1,324	1,390	1,407
Unincorporated enterprises	4,621	5,680									1,923	1,991	2,099	2,171	2,425	2,366
Dwellings owned by persons	1,909	2,146	1,945	1,623	2,164	2,669	2,219	1,955	2,547	3,234						2,701
Public enterprises	1,179	1,180														
Financial enterprises	650	808														
Less Imputed bank service charge	831	997	-49	-40	-55	-42	-47	-46	-68	-58	-54	-39	-54	-39	-52	-44
Gross domestic product at factor cost	32,496	36,714	7,776	7,985	8,692	9,914	8,779	9,330	10,387	11,934	8,129	8,341	8,690	8,950	9,447	9,731
Indirect taxes less subsidies	3,706	4,269	921	1,055	949	1,026	1,108	1,185	1,118	1,349	952	990	983	1,028	1,126	1,164
Gross domestic product	36,202	40,983	8,697	9,040	9,641	10,940	9,888	10,515	11,505	13,283	9,081	9,331	9,673	9,978	10,573	11,787
Gross farm product	2,226	3,084	671	349	633	1,058	844	549	901	1,542	566	586	656	703	942	827
Gross non-farm product	33,976	37,899	8,026	8,691	9,008	9,882	9,044	9,966	10,604	11,741	8,515	8,745	9,017	9,275	9,631	10,960
AT AVERAGE 1966-67 PRICES																
Final consumption expenditure -																
Private	17,437	18,459	4,171	4,401	4,448	4,841	4,455	4,715	4,731	5,087	4,352	4,424	4,505	4,566	4,659	4,741
Government	3,305	3,493	793	881	810	876	827	979	897	938	850	825	835	851	888	918
Gross fixed capital expenditure -																
Private	4,817	4,655	1,054	1,253	1,152	1,199	1,050	1,255	1,216	1,338	1,158	1,205	1,158	1,140	1,148	1,208
Public	2,571	2,523	573	697	613	655	558	697	574	641	635	620	652	630	629	617
Increase in stocks	-142	-229	19	-350	-111	85	-54	-150	15	n.a.	-20	-65	-112	-46	104	173
Statistical discrepancy	122	336	80	-222	122	222	147	-155	404	n.a.						
Gross national expenditure	28,170	29,236	6,689	6,659	7,034	7,878	6,983	7,342	7,838	n.a.	6,975	7,009	7,038	7,141	7,427	7,657
Exports of goods and services	5,536	5,792	1,383	1,425	1,398	1,481	1,499	1,415	1,390	n.a.	1,405	1,405	1,406	1,471	1,524	1,395
less Imports of goods and services	4,761	4,970	1,145	1,126	1,149	1,191	1,261	1,370	1,502	n.a.	1,165	1,112	1,132	1,205	1,286	1,356
Expenditure on gross domestic product	28,944	30,058	6,927	6,959	7,283	8,168	7,220	7,387	7,726	n.a.	7,215	7,301	7,312	7,406	7,665	7,697
Gross farm product	2,730	2,449	809	412	545	916	636	353	500	951	695	692	615	598	645	595
Gross non-farm product	26,214	27,609	6,119	6,547	6,738	7,253	6,584	7,034	7,226	n.a.	6,520	6,610	6,697	6,809	7,019	7,103

n.a. - Not yet available.

PERCENTAGE CHANGE IN MAIN AGGREGATES - SEASONALLY ADJUSTED

	Change from preceding quarter								Dec. qtr 1973 on Dec. qtr 1972
	1971-72		1972-73				1973-74		
	Mar	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
CURRENT PRICES									
Product									
Gross domestic product	2.1	2.8	3.7	3.2	6.0	2.7	8.6	2.4	20.9
Gross farm product	7.8	3.5	12.0	7.2	34.0	-12.2	41.2	-11.6	47.0
Gross non-farm product	1.8	2.7	3.1	2.9	3.8	4.1	5.9	3.8	19.0
Expenditure									
Final consumption expenditure									
Private	2.1	3.3	3.1	1.9	3.3	4.6	4.9	2.4	16.0
Government	7.0	-1.3	4.1	3.7	4.7	8.5	2.6	5.5	22.8
Gross fixed capital expenditure									
Private	-5.4	5.3	-2.5	-0.2	1.8	7.7	5.3	6.3	22.7
Public enterprises	-6.2	0.5	(a)8.4	-8.8	1.7	-0.5	7.7	0.4	9.5
General government	3.2	-5.4	11.1	5.6	2.3	-2.3	2.3	2.9	5.3
Total	-4.2	2.6	1.7	-0.9	1.9	4.4	5.2	4.7	17.1
Exports and imports									
Exports of goods and services	6.9	4.4	2.6	12.2	10.4	-4.0	1.6	9.0	17.3
Imports of goods and services	-4.1	-5.2	1.6	6.3	3.5	4.0	17.4	5.8	33.7
Income									
Wages, salaries and supplements	2.2	2.7	3.0	2.2	3.5	5.6	6.5	4.2	21.3
Gross operating surplus of trading enterprises									
Companies	-1.2	-0.5	8.5	4.2	5.0	1.2	13.5	-3.9	15.9
Other	2.2	3.5	5.4	3.4	11.7	-2.4	14.2	-4.1	19.3
Non-farm enterprises	0.3	1.9	5.7	2.5	3.1	2.8	7.0	-1.3	11.9
AVERAGE 1966-67 PRICES									
Product									
Gross domestic product	0.1	1.2	0.2	1.3	3.5	0.4	2.5	n.a.	n.a.
Gross farm product	4.0	-0.4	-11.1	-2.8	7.9	-7.8	19.7	-10.3	6.9
Gross non-farm product	-0.4	1.4	1.3	1.7	3.1	1.2	1.1	n.a.	n.a.
Expenditure									
Final consumption expenditure									
Private	1.0	1.7	1.8	1.4	2.0	1.8	1.2	-0.2	4.9
Government	4.4	-2.9	1.2	1.9	4.3	3.4	0.7	(b)-1.4	7.1
Gross fixed capital expenditure									
Private	-6.8	4.1	-3.9	-1.6	0.7	5.2	1.1	4.3	11.8
Public	-4.2	-2.4	(a)5.2	-3.4	-0.2	-1.9	-0.6	0.5	-2.2
Total	-5.9	1.7	-0.8	-2.2	0.4	2.7	0.5	3.1	6.8
Exports and imports									
Exports of goods and services	4.2	..	0.1	4.6	3.6	-8.5	0.1	n.a.	n.a.
Imports of goods and services	4.0	-4.5	1.8	6.4	6.7	5.4	9.6	n.a.	n.a.

(a) Includes substantial imports of transport equipment. (b) The fall in government final consumption expenditure at constant prices in the December quarter is due to smaller deliveries of defence aircraft.

n.a. - Not yet available.

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