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

**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 June 1977. It will be followed shortly by the bulletin *Quarterly Estimates of National Income and Expenditure, June Quarter 1977* (Reference 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, March 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 for gross domestic product in the March and June quarters of 1977 were 4.7 per cent and 0.2 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 4 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 June quarter 1977 the estimate of gross non-farm product at constant prices, based on income data, rose 0.9 per cent to be 1.3 per cent higher than for June quarter 1976. Expenditure based estimates,

excluding the statistical discrepancy, would show a rise of 4.0 per cent in the June quarter 1977. In contrast, for the March quarter 1977 estimates of gross non-farm product at constant prices based on income data fell 1.5 per cent compared with the December quarter 1976, while expenditure based estimates, excluding the statistical discrepancy, would show a fall of 4.4 per cent. The expenditure based estimates are affected by differences in timing between the components of expenditure, particularly the recording of imports, exports, gross fixed capital expenditure and stocks. It is likely that movements in exchange rates in recent quarters have made these inconsistencies in the March and June quarters of 1977 greater than usual.

Gross non-farm product at current prices increased by 1.2 per cent in the June quarter and was 10.7 per cent higher than the previous June quarter, while gross farm product at current prices fell by 3.6 per cent in the June quarter but was 10.9 per cent higher than for June quarter 1976.

Gross domestic product at constant prices rose 0.8 per cent in the June quarter to be 1.4 per cent higher than for June quarter 1976. Gross domestic product at current prices increased by 1.0 per cent and was 10.7 per cent higher than a year earlier.

The movement in gross domestic product in the June quarter was associated with a rise of 1.7 per cent in exports of goods and services at constant prices after a fall of 3.9 per cent in the March quarter while imports of goods and services at constant prices fell by 5.3 per cent following an increase of 7.8 per cent in the March quarter. The decline in imports at constant prices in the June quarter was spread across a wide range of goods.

At constant prices all components of final consumption and gross fixed capital expenditures, except public capital expenditure, declined in the June quarter, although the declines in final consumption expenditures were only marginal. There was a substantial increase in the level of farm and miscellaneous stocks, up \$160 million at constant prices, following a decrease of \$24 million in the previous quarter while the increase in private non-farm stocks was slightly higher, at \$120 million at constant prices, than in March quarter 1977 (\$100 million).

In the June quarter wages, salaries and supplements increased by 2.6 per cent following an increase of 2.3 per cent in the March quarter. The gross operating surplus of companies is estimated to have decreased by 4.9 per cent in the June quarter following an increase of 7.4 per cent in the March quarter. Compared with the previous June quarter wages, salaries and supplements were 10.8 per cent higher and gross operating surplus of companies 9.0 per cent higher.

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

	Quarters ended -											
	Year			1975-76				1976-77				
	1974-75	1975-76	1976-77	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	
<b>AT CURRENT PRICES, ORIGINAL</b>												
Final consumption expenditure -												
Private	35,200	41,662	47,704	9,707	10,818	10,158	10,979	11,240	12,552	11,531	12,381	
Government	9,143	11,308	13,211	2,535	2,906	2,660	3,207	3,122	3,380	3,114	3,595	
Gross fixed capital expenditure -												
Private	2,456	3,239	4,013	699	764	831	945	1,027	1,036	966	984	
Dwellings	1,978	2,032	1,983	523	590	409	510	513	520	430	520	
Other building and construction	4,309	5,055	6,040	1,165	1,219	1,154	1,517	1,305	1,639	1,402	1,694	
All other	2,834	3,156	3,553	722	800	657	977	788	910	815	1,039	
Public enterprises	2,829	3,477	3,693	782	970	725	1,000	778	942	778	1,139	
General government												
Increase in stocks -												
Private non-farm	453	-160	1,048	-106	-116	144	-82	435	175	228	210	
Farm and miscellaneous	218	-63	67	-352	843	-12	-543	-338	559	179	-333	
Statistical discrepancy	789	664	345	389	420	296	-441	576	252	332	-813	
Gross national expenditure	60,209	70,370	81,657	16,064	19,215	17,023	18,069	19,446	21,965	19,775	20,471	
Exports of goods and services	9,927	10,889	13,127	2,516	2,687	2,686	3,000	3,245	3,246	3,250	3,386	
less Imports of goods and services	9,987	10,434	13,253	2,454	2,494	2,667	2,820	3,097	3,080	3,514	3,562	
Expenditure on gross domestic product	60,149	70,825	81,531	16,126	19,408	17,042	18,249	19,594	22,131	19,511	20,295	
Wages, salaries and supplements	35,439	40,739	46,025	9,492	10,648	9,862	10,737	11,112	11,979	11,005	11,929	
Gross operating surplus												
Trading enterprises -												
Companies	6,809	7,920	9,782	1,801	2,244	1,627	2,248	2,394	2,895	2,041	2,452	
Unincorporated enterprises	7,349	8,067	9,460									
Dwellings owned by persons	3,470	4,209	5,141	3,077	4,543	3,321	2,945	3,964	5,055	4,101	3,419	
Public enterprises	1,123	1,610	1,938									
Financial enterprises	1,017	1,689	1,669	-68	-70	-33	-66	-149	-122	-107	-125	
less Imputed bank service charge	1,674	1,926	2,172									
Gross domestic product at factor cost	52,533	62,308	71,843	14,302	17,365	14,777	15,864	17,321	19,807	17,040	17,675	
Indirect taxes less subsidies	6,616	8,517	9,688	1,824	2,043	2,265	2,385	2,273	2,324	2,471	2,620	
Gross domestic product	60,149	70,825	81,531	16,126	19,408	17,042	18,249	19,594	22,131	19,511	20,295	
Gross farm product	3,614	3,671	4,135	606	1,799	873	392	841	1,634	1,163	498	
Gross non-farm product	56,535	67,154	77,396	15,520	17,609	16,169	17,857	18,753	20,497	18,348	19,797	
<b>AT AVERAGE 1966-67 PRICES, ORIGINAL</b>												
Final consumption expenditure -												
Private	20,814	21,505	22,096	5,318	5,651	5,112	5,425	5,430	5,907	5,245	5,514	
Government	3,900	4,140	4,350	998	1,052	978	1,112	1,049	1,118	1,025	1,158	
Gross fixed capital expenditure -												
Private -												
Dwellings	1,230	1,391	1,520	319	335	351	386	406	397	360	357	
Other building and construction	990	881	765	239	260	174	208	204	203	165	193	
All other	2,591	2,603	2,752	635	637	587	744	625	765	633	729	
Public	2,981	3,030	2,958	728	823	620	859	666	768	646	878	
Increase in stocks -												
Private non-farm	305	-93	514	-96	-108	111	..	205	87	118	103	
Farm and miscellaneous	192	-52	22	-131	386	-42	-265	-142	259	39	-154	
Statistical discrepancy	468	342	172	199	203	140	-201	256	110	140	-334	
Gross national expenditure	33,471	33,747	35,149	8,208	9,240	8,032	8,267	8,699	9,615	8,391	8,444	
Exports of goods and services	5,794	5,962	6,469	1,405	1,489	1,518	1,550	1,678	1,649	1,566	1,576	
less Imports of goods and services	6,462	6,110	6,867	1,483	1,485	1,528	1,614	1,704	1,708	1,757	1,698	
Expenditure on gross domestic product	32,803	33,599	34,751	8,130	9,244	8,022	8,203	8,673	9,556	8,200	8,322	
Gross farm product	2,820	3,028	3,102	614	1,218	714	482	665	1,121	827	489	
Gross non-farm product	29,983	30,571	31,649	7,516	8,026	7,308	7,721	8,008	8,435	7,373	7,833	

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

	Quarters ended -											
	Year			1975-76				1976-77				
	1974-75	1975-76	1976-77	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	
<b>AT CURRENT PRICES, SEASONALLY ADJUSTED</b>												
Final consumption expenditure -												
Private	9,838	10,208	10,593	10,999	11,362	11,853	12,089	12,401	12,598	12,772	12,878	13,050
Government	2,598	2,772	2,878	3,050	3,201	3,220	3,370	3,420	3,513	3,587	3,636	3,679
Gross fixed capital expenditure -												
Private -												
Dwellings	676	761	870	938	994	1,031	1,011	977	942	952	952	952
Other building and construction	524	524	488	492	514	462	513	502	462	513	502	502
All other	1,189	1,154	1,305	1,405	1,331	1,554	1,585	1,568	1,554	1,585	1,568	1,568
Public enterprises	771	764	700	909	841	868	867	963	868	867	963	963
General government	882	899	853	845	877	872	917	1,009	877	872	917	1,009
Increase in stocks -												
Private non-farm	-292	-145	220	63	184	183	312	369	183	312	369	369
Farm and miscellaneous	-49	-57	63	-16	-147	-52	40	213	-147	-52	40	213
Statistical discrepancy	126	231	197	125	282	-25	405	-208	282	-25	405	-208
Gross national expenditure	16,263	17,111	18,167	18,810	19,439	19,966	21,109	21,214	17,111	18,167	18,810	19,439
Exports of goods and services	2,541	2,603	2,734	3,012	3,268	3,155	3,311	3,403	2,603	2,734	3,012	3,268
less Imports of goods and services	2,361	2,476	2,762	2,867	2,973	3,050	3,638	3,636	2,476	2,762	2,867	2,973
Expenditure on gross domestic product	16,443	17,238	18,139	18,955	19,734	20,071	20,782	20,981	17,238	18,139	18,955	19,734
Wages, salaries and supplements	9,589	10,020	10,253	10,742	11,156	11,343	11,605	11,907	10,020	10,253	10,742	11,156
Gross operating surplus												
Trading enterprises -												
Companies	1,771	1,831	2,090	2,258	2,362	2,409	2,588	2,462	1,831	2,090	2,258	2,362
Unincorporated enterprises	3,232	3,403	3,590	3,748	3,945	4,115	4,237	4,240	3,403	3,590	3,748	3,945
Dwellings owned by persons												
Public enterprises												
Financial enterprises												
less Imputed bank service charge	-55	-57	-44	-81	-136	-108	-118	-140	-57	-44	-81	-136
Gross domestic product at factor cost	14,537	15,197	15,889	16,667	17,327	17,759	18,312	18,469	15,197	15,889	16,667	17,327
Indirect taxes less subsidies	1,906	2,041	2,250	2,288	2,407	2,312	2,470	2,512	2,041	2,250	2,288	2,407
Gross domestic product	16,443	17,238	18,139	18,955	19,734	20,071	20,782	20,981	17,238	18,139	18,955	19,734
Gross farm product	891	910	954	940	999	1,010	1,081	1,042	910	954	940	999
Gross non-farm product	15,552	16,328	17,185	18,015	18,735	19,061	19,701	19,939	16,328	17,185	18,015	18,735
<b>AT AVERAGE 1966-67 PRICES, SEASONALLY ADJUSTED</b>												
Final consumption expenditure -												
Private	5,385	5,355	5,337	5,410	5,483	5,601	5,505	5,501	5,355	5,337	5,410	5,483
Government	1,013	1,027	1,048	1,051	1,065	1,090	1,099	1,095	1,027	1,048	1,051	1,065
Gross fixed capital expenditure -												
Private -												
Dwellings	309	335	366	383	393	397	376	354	335	366	383	393
Other building and construction	240	231	205	202	205	194	188	188	231	205	202	205
All other	648	609	661	686	637	714	671	671	609	661	686	637
Public	797	778	692	761	730	725	719	774	778	692	761	730
Increase in stocks -												
Private non-farm	-150	-43	93	11	128	163	100	120	-43	93	11	128
Farm and miscellaneous	20	-80	-20	32	-32	-78	-24	160	-80	-20	32	-32
Statistical discrepancy	20	57	146	92	86	-46	186	-51	57	146	92	86
Gross national expenditure	8,280	8,264	8,528	8,627	8,695	8,765	8,867	8,812	8,264	8,528	8,627	8,695
Exports of goods and services	1,427	1,461	1,513	1,560	1,700	1,625	1,562	1,588	1,461	1,513	1,560	1,700
less Imports of goods and services	1,431	1,476	1,584	1,633	1,640	1,822	1,726		1,476	1,584	1,633	1,640
Expenditure on gross domestic product	8,276	8,249	8,457	8,554	8,754	8,700	8,606	8,674	8,249	8,457	8,554	8,754
Gross farm product	756	730	769	768	767	761	788	789	730	769		

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

	Change from preceding quarter								June qtr. 1977 on June qtr. 1976
	1975-76				1976-77				
	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	
<b>AT CURRENT PRICES, SEASONALLY ADJUSTED</b>									
<i>Product</i>									
Gross domestic product	2.5	4.8	5.2	4.5	4.1	1.7	3.5	1.0	10.7
Gross farm product	1.5	2.1	4.8	-1.5	6.3	1.1	7.0	-3.6	10.9
Gross non-farm product	2.6	5.0	5.2	4.8	4.0	1.7	3.4	1.2	10.7
<i>Expenditure</i>									
Final consumption expenditure -									
Private	4.3	3.8	3.8	3.8	3.3	4.3	2.0	2.6	12.7
Government	3.7	6.7	3.8	6.0	5.0	0.6	4.7	1.5	12.1
Gross fixed capital expenditure -									
Private -									
Dwellings	12.1	12.6	14.3	7.8	6.0	3.7	-1.9	-3.4	4.2
Other building and construction	-1.3	..	-6.9	0.8	4.5	-10.1	11.0	-2.1	2.0
All other	2.6	-2.9	13.1	7.7	-5.3	16.8	2.0	-1.1	11.6
Total	4.2	2.1	9.2	6.5	0.1	7.3	2.0	-2.0	7.5
Public enterprises	0.1	-0.9	-8.4	29.9	-7.5	3.2	-0.1	11.1	5.9
General government	8.5	1.9	-5.1	-0.9	3.8	-0.6	5.2	10.0	19.4
Total	4.3	1.5	2.8	8.8	-0.7	5.0	2.2	2.6	9.4
<i>Exports and imports</i>									
Exports of goods and services	-3.7	2.4	5.0	10.2	8.5	-3.5	4.9	2.8	13.0
Imports of goods and services	0.3	4.9	11.6	3.8	3.7	2.6	19.3	-0.1	26.8
<i>Income</i>									
Wages, salaries and supplements	3.0	4.5	2.3	4.8	3.9	1.7	2.3	2.6	10.8
Gross operating surplus of trading enterprises -									
Companies	-11.0	3.4	14.1	8.0	4.6	2.0	7.4	-4.9	9.0
Other	5.0	5.3	5.5	4.4	5.3	4.3	3.0	0.1	13.1
Non-farm enterprises	-1.6	5.0	8.7	7.2	4.7	3.5	4.0	-1.1	11.5
<b>AT AVERAGE 1966-67 PRICES, SEASONALLY ADJUSTED</b>									
<i>Product</i>									
Gross domestic product	-1.4	-0.3	2.5	1.1	2.3	-0.6	-1.1	0.8	1.4
Gross farm product	2.7	-3.4	5.3	-0.1	-0.1	-0.8	3.5	0.1	2.7
Gross non-farm product	-1.8	..	2.2	1.3	2.6	-0.6	-1.5	0.9	1.3
<i>Expenditure</i>									
Final consumption expenditure -									
Private	1.2	-0.6	-0.3	1.4	1.3	2.2	-1.7	-0.1	1.7
Government	0.2	1.4	2.0	0.3	1.3	2.3	0.8	-0.4	4.2
Gross fixed capital expenditure -									
Private -									
Dwellings	8.4	8.4	9.3	4.6	2.6	1.0	-5.3	-5.9	-7.6
Other building and construction	-4.4	-3.8	-11.3	-1.5	1.5	-12.2	7.8	-3.1	-6.9
All other	-1.1	-6.0	8.5	3.8	-7.1	15.2	-3.1	-5.6	-2.2
Total	0.5	-1.8	4.9	3.1	-2.8	6.2	-2.3	-5.3	-4.5
Public	-0.1	-2.4	-11.1	10.0	-4.1	-6.7	-0.8	7.6	1.7
Total	0.2	-2.0	-1.5	5.6	-3.2	3.6	-1.7	-0.7	-2.2
<i>Exports and imports</i>									
Exports of goods and services	-3.8	2.4	3.6	3.1	9.0	-4.4	-3.9	1.7	1.8
Imports of goods and services	0.8	3.1	7.3	3.1	0.4	3.0	7.8	-5.3	5.7

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