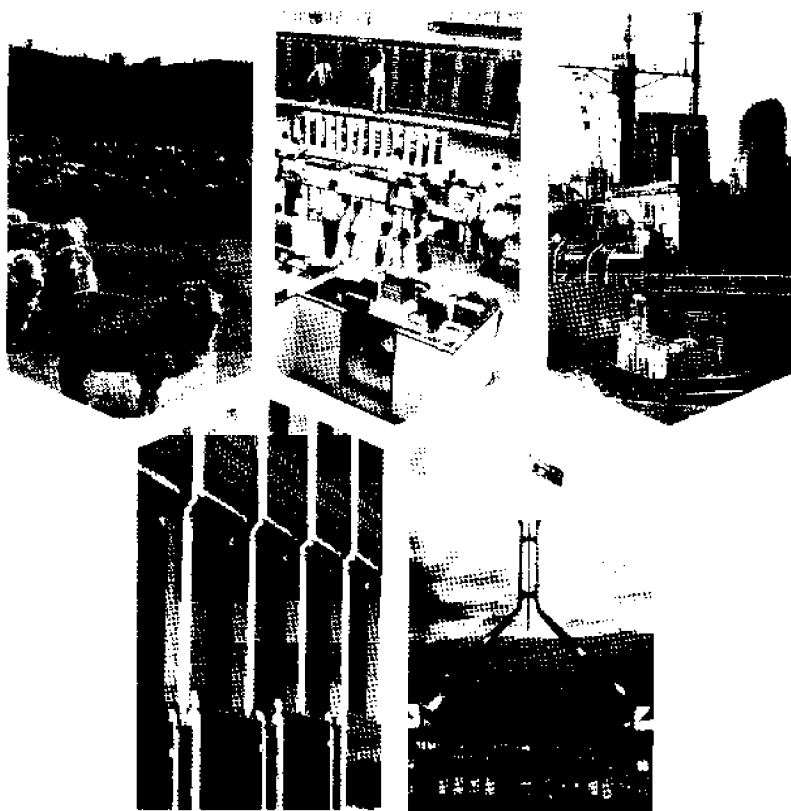




# A Guide to the AUSTRALIAN NATIONAL ACCOUNTS



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**A GUIDE TO THE  
AUSTRALIAN  
NATIONAL ACCOUNTS**

**IAN CASTLES**  
**Australian Statistician**

**AUSTRALIAN BUREAU OF STATISTICS**

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## **Introduction**

The Australian Bureau of Statistics (ABS) is the nation's official statistical agency. It is an independent statutory authority responsible for compiling an extensive range of economic and social statistics for use by the Australian government and the community.

Among the more widely known economic statistics are the consumer price index, balance of payments, and the national accounts.

The purpose of this booklet is to explain the most important features of the Australian national accounts, and provide the reader with a basic understanding of the meaning and uses of these statistics.

## **The foundations of national accounting**

The idea of national accounting can be traced back to the seventeenth century, when attempts to measure the national income began in England and France.

Over the years the process of national income accounting was refined by various economists such as Smith, Ricardo, Marshall and Pigou. John Maynard Keynes was the most important influence in establishing the current system of national accounting. His theories regarding macro-economic relationships, published in the 1930s, form the basis of the structure of modern national accounts.

The need for international organisations to be able to compare the economic performance and growth of different countries led to the development of international standards for national accounting in the late 1940s and early 1950s.

These standards were first published by the United Nations in *A System of National Accounts* (SNA) in 1953. The modern era of national accounting can be said to have started in 1968, when the United Nations published a fully revised version of the SNA. The 1968 SNA has been extensively reviewed in recent years and a further revised version of the SNA was presented to and endorsed by the United Nations Statistical Commission in February 1993.

The SNA has been widely adopted by government statistical agencies throughout the world as the basis for compiling their national accounts on a consistent, comparable basis. The SNA provides very detailed guidelines on the types of accounting tables required, and what should be shown in each table, to enable the analysis and comparison of the economic performance of countries using the system.

The first official national accounting estimates for Australia were published in 1938, although unofficial estimates by several economists had been published in the 1920s and 1930s. In 1945 an official set of national accounts was prepared for the first time by the ABS (known at that time as the Commonwealth Bureau of Census and Statistics).

Since then, Australian national accounts estimates have undergone a continuing process of development and improvement in the quest to provide reliable and detailed information on the performance of the Australian economy. The recommendations of the Revised (1993) SNA are expected to be implemented in the Australian national accounts over the next few years.



## What the national accounts measure

There is a wide range of data series available to anyone who wishes to describe the performance of various components of the economy over time.

For example, we could look at the number of houses being built, the number of cars produced, whether employment is rising or falling, the composition of exports and so on.

While these and many other statistical series produced by the ABS and other organisations are important in their own right, it is obvious that none of them in isolation can provide a complete picture of the state of the economy. The main advantage of the national accounts is that they provide a framework within which data from the wide variety of sources available can be combined and presented to describe the overall economic position of the nation.

In addition, the accounts provide details of the contributions of different types of economic activity to the total within a particular period. For example, we can see from the national accounts how much of our national income is derived from exports, or how much of the national production is contributed by the manufacturing sector.

### Gross domestic product (GDP)

The summary measure of the nation's economic position provided in the national accounts is *gross domestic product*, or *GDP*. GDP is defined as the income generated by production taking place within Australia's domestic territory. The term *gross* in GDP indicates that no deduction has been made for the consumption of fixed capital (also known as depreciation); in other words, the gradual using up of capital equipment through wear and tear is not accounted for when measuring GDP. If allowance for the consumption of fixed capital is deducted from GDP, the resulting measure is *net domestic product*.

## Relationship between national income and GDP

Net domestic product as described above measures the income produced in our domestic economy after allowing for the wear and tear on capital used in production.

In a closed economy (that is, one which has no economic dealings with other countries), this income would be the *national income*. However, not all income produced in Australia stays in Australia.

There are numerous examples of Australian companies which are owned by parent companies in, for example, the USA. Any part of their Australian earnings sent to the American parent company represents *income paid overseas*. Similarly, earnings are received by Australian companies from the operation of their subsidiaries overseas: such earnings are described as *income received from overseas*.

If we take income paid overseas from net domestic product, and add on income received from overseas, we are left with the *national income* for Australia.

The relationship of national income to gross domestic product is therefore as follows:

**GDP**    *less*    consumption of fixed capital  
          *equals*   net domestic product (NDP); and

**NDP**    *less*    income paid overseas  
          *plus*    income received from overseas  
          *equals*   national income.

## The link between the national accounts and business accounts

The national accounts can be viewed as the "book keeping" of the nation, in the same way that individual companies produce accounts for their own book keeping purposes. The following account may describe a business engaged in production for profit:

### Production account of a trading enterprise

Sales	15000	Wages and salaries	6000
Increase in stocks	1500	Materials purchased	4500
		Indirect taxes	1000
		Profit	5000
	<u>16500</u>		<u>16500</u>

The left hand side shows the value of the company's PRODUCTION or OUTPUT, being made up of sales and increase in stocks. (The increase in stocks in this case includes the value of goods which have been produced and not yet sold, and the value of partly finished goods.)

The right hand side shows the cost of this production - it is made up of wages and salaries paid to employees, the cost of materials used up in producing the goods sold, and indirect taxes (e.g. government sales taxes which the company has paid). The difference between the value of production on the left hand side (\$16500), and the costs involved in that production (\$11500), is profit (\$5000).

## The concept of value added

Earlier we defined GDP as the income generated by production taking place within Australia. Since the left hand side of the above account shows the value of production for this particular producer it appears obvious that the way to measure GDP is to add up the value of the production of all producers in Australia.

However, there is a catch to this: you can see from the right hand side of the above account that the producer bought \$4500 worth of materials. If the company is a motor car manufacturer, the \$4500 might be the steel used in making cars. The production value of \$16500 is the value at which the producer wishes to sell the cars, and it would be made up of production costs plus a profit margin. Therefore, the steel worth \$4500 used up in producing the cars would be included in the production value.

If we were to add up the value of production from the accounts of all producers in the nation, the \$4500 of steel production would be counted twice - once in the accounts of the car manufacturer, and again in the accounts of the steel maker (since the steel would appear as production on the left hand side of the steel maker's trading account).

The problem just described is known as *double counting* and must be avoided when measuring GDP. In effect, the car manufacturer has taken \$4500 worth of inputs (steel), and turned them into an output (cars) valued at \$16500. In other words, this manufacturer has added \$12000 to the value of the materials purchased ( $\$16500 - \$4500 = \$12000$ ). It is this VALUE ADDED which is used in measuring GDP.

The value of production is known as the value of *gross output*, and the value of materials and services used up in production is known as the value of *intermediate input*, so:

Value added *equals* value of gross output *less* value of intermediate input.

## The measurement of GDP

We can now look at how Australia's GDP estimates are compiled. There are three ways of measuring GDP:

- the *production approach*;
- the *income approach*; and
- the *expenditure approach*.

### The production approach

GDP measured by the production approach is obtained by summing the value added of every producer, calculated in the way described above, i.e. gross output less the value of intermediate inputs used in the production process.

A major problem encountered in calculating value added occurs with products whose output cannot be directly measured, as is the case with many government departments.

For example, government education departments are engaged in the production of "education", which does not have an output value in government accounting systems. In cases such as this, the value added is assumed to be the same as the wages and salaries paid plus any depreciation allowances made on capital goods used (e.g. school buildings).

In the Australian national accounts, GDP calculated by the production approach is referred to as GDP(P).

### The income approach

The value added of a producer is also equal to the incomes which are generated in the process of producing goods and services. In our trading account example above, the incomes associated with this producer's business are the *wages and salaries* of \$6000 paid to employees; the *indirect taxes* of \$1000 (these represent income which the government receives as a result of production by this company); and the *profit* of \$5000

(the income received by the company from its production activity). If these are added together they come to \$12000, which is the same as the value added we calculated previously. Therefore, GDP for the nation can also be calculated as value added for every producer measured as the sum of:

- wages and salaries
- indirect taxes (less subsidies), and
- profits.

(In the national accounts, the term *gross operating surplus* is used instead of profits. It is calculated before items such as interest payments have been deducted, so that it is a slightly different concept from what business people would normally consider as profits. Subsidies can be thought of as negative indirect taxes.)

In the Australian national accounts, GDP calculated by the income approach is referred to as GDP(I).

### **The expenditure approach**

The above two approaches to measuring GDP are based on summing value added obtained from the accounts of producers. A third method is to measure the expenditure of final users on the goods and services produced in the economy. *Expenditure on GDP* is measured in the following way:

	Private final consumption expenditure
<i>plus</i>	Government final consumption expenditure
<i>plus</i>	Gross fixed capital expenditure
<i>plus</i>	Increase in stocks
<i>plus</i>	Exports
<i>less</i>	Imports.

*Private final consumption expenditure* is basically the amount spent by households in their everyday living. It includes amounts spent on items such as food and clothing, but also includes expenditure on items purchased less frequently such as

cars, TVs, video recorders and washing machines.

*Government final consumption expenditure* represents the general everyday running costs of government departments and non-business authorities.

*Gross fixed capital expenditure* is often referred to as investment, and refers to (usually) large and expensive items which are intended to last several years. It encompasses dams, buildings (including houses), computing equipment, aircraft, ships, locomotives and plant and machinery used in factories. As with consumption expenditure, capital expenditure is compiled separately for the private sector and the public (government) sector.

*Increase in stocks* includes finished goods which are awaiting sale in shops and factories, and partly finished goods and materials awaiting processing.

*Exports* are included because they are Australian production which has been bought by overseas buyers, and therefore they generate income in Australia.

*Imports* are deducted from the sum of final expenditures and exports. The reason is that the final consumption and gross fixed capital expenditures encompass *all* expenditure undertaken by Australian people and enterprises, which means that not only are they measuring money spent on *Australian* production, but also that spent on imports. GDP is a measure of Australian production, and therefore we must deduct from the expenditure estimates the amount spent on imports.

The sum of private and government final consumption expenditure, and gross fixed capital expenditure, is often referred to as *domestic final demand*. In the Australian national accounts, the sum of domestic final demand and increase in stocks is shown as *gross national expenditure* (GNE).

In the Australian national accounts, GDP calculated by the expenditure approach is referred to as GDP(E).

In concept the three measures of GDP are identical but, in practice, they can differ significantly, particularly in the short term. The main reason for the differences is that different data sources are used for each approach. The difference between GDP(I) and GDP(E) at current prices is termed the *statistical discrepancy*.

A smoother and probably better indicator of short term movements in GDP at constant prices can be derived by taking the *average* of the three measures to obtain GDP(A).

## **Presentation of the Australian national accounts**

We have discussed three approaches to measuring GDP: the *production approach*, the *income approach*, and the *expenditure approach*. Each measures the same thing. The *production approach* measures GDP by summing the value added of all producers, the *income approach* measures it by adding up all the incomes generated in the production process, and the *expenditure approach* arrives at GDP by adding up the amounts spent on the goods and services purchased by the final buyers.

The Australian national income, expenditure and product accounts are compiled and published in some detail every quarter in *Australian National Accounts: National Income, Expenditure and Product* (5206.0), and in greater detail once a year in *Australian National Accounts: National Income, Expenditure and Product* (5204.0). Detailed information on inputs and outputs is published in *Australian National Accounts: Input-Output Tables* (5209.0) and *Australian National Accounts: Input-Output Tables (Commodity Details)* (5215.0).



The four basic accounts from the national income, expenditure and product accounts are:

- the *Domestic production account*;
- the *National income and outlay account*;
- the *National capital account*; and
- the *Overseas transactions account*.

The *Domestic production account* is a summary of all the economic transactions which take place in Australia. It is presented in two-parts. The first shows GDP calculated using the income approach, while the second shows GDP calculated by the expenditure approach. As noted, since both approaches are measuring GDP, they should both give the same result, but in practice this does not happen as each measure uses different sources of information. The difference between the two measures, the statistical discrepancy, is shown as the difference between the income and expenditure measures in the domestic production account. The remaining three accounts present more detail about items in the domestic production account.

The *National income and outlay account* shows how much of the national income is spent on final consumption. That part of income which is not spent in this way is *saving*.

The *National capital account* shows how the saving from the national income and outlay account is used to finance gross fixed capital expenditure. If, as is currently the case in Australia, the nation's saving is not sufficient to pay for all the capital equipment needed for Australian production, the shortfall must be borrowed from overseas. The amount borrowed from overseas is shown in the national capital account as a negative entry for *net lending to overseas*.

The *Overseas transactions account* is actually derived from the detailed balance of payments current account (which is also produced by the ABS). It shows Australia's exports and imports, incomes received by Australian residents from overseas, and incomes paid to overseas by Australian residents.

Tables 1 to 4 on pages 22 to 25 show each of the accounts described above with data for the period 1982-83 to 1991-92.

In addition to the national accounts publications referred to above, each quarter the ABS publishes *Australian National Accounts: Financial Accounts* (5232.0). This publication presents quarterly information on the level of *financial assets and liabilities* of each *institutional sector* of the economy, the market for *financial instruments* and inter-sectoral transactions in financial assets and liabilities classified by financial instrument.

### **Institutional sectors in the national accounts**

The national income and outlay account and the national capital account provide summary information for the economy as a whole. To help in the analysis of the Australian economy, these two accounts are also presented for four main sectors, known as institutional sectors. The institutional sectors are the *Households* sector; the *Corporate trading enterprises* sector; the *Financial enterprises* sector, and the *General government* sector.

The *Households* sector is, as the name suggests, largely made up of the millions of households in Australia. For convenience this sector also includes unincorporated businesses (such as most farms and small family type businesses), and non-profit institutions (such as charities).

The *Corporate trading enterprises* sector comprises trading enterprises registered as companies, such as large manufacturers, mining companies, and retail department stores. Separate accounts are prepared for public trading enterprises (such as Qantas and Telecom Australia) and for private enterprises.

The *Financial enterprises* sector covers institutions which engage in financial activities like banking and insurance. Again, accounts are prepared for both the private and public sectors. Examples of public financial enterprises are the Commonwealth Bank of Australia and State government insurance offices.

The *General government* sector is made up of Commonwealth, State, Territory and Local government departments, offices and authorities which are not trading or financial enterprises.

### **State accounts**

As well as presenting a comprehensive series of tables which examine Australia's national accounts in some detail, the ABS also publishes *Australian National Accounts: State Accounts* (5242.0), each quarter. This publication presents quarterly estimates of *gross State product* and *State final demand*. Gross State product is produced by summing the incomes generated in the production process (the income approach to measuring total production). At present, estimates of gross State product are only in current prices, but it is hoped that constant price estimates can be developed in the near future. State final demand is equal to the sum of private and government final consumption expenditure and gross fixed capital expenditure. Estimates of State final demand are currently available in both current and constant prices.

## Constant price "real" GDP

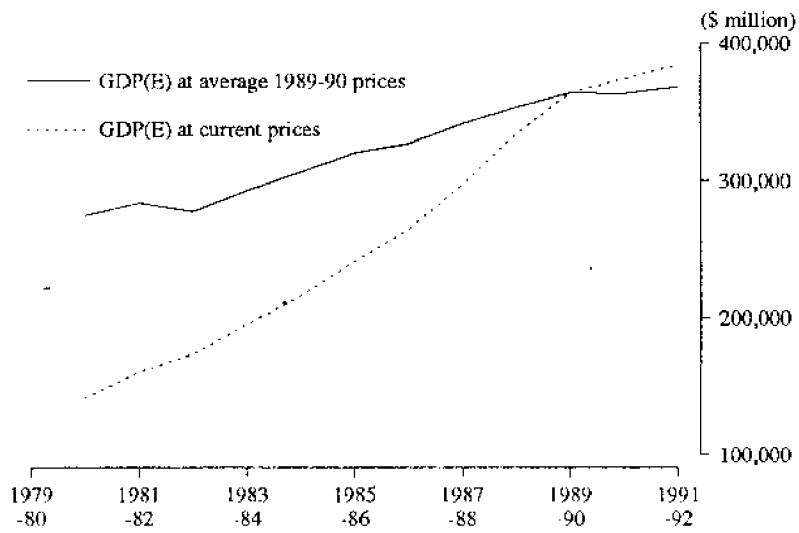
The expenditure approach to calculating GDP [GDP(E)] measures Australian production by the amount spent on the goods and services produced. However, by itself this is not always a good measure of production since the price of a particular good is affected by inflation.

For example, the national accounts may show that the amount spent on motor cars is twice as much this year as it was last year. If the price of cars has doubled over the last year, then the *number* of cars bought will not have changed - expenditure has risen only because the price of cars has risen.

In many cases our interest lies in knowing how much physical production (e.g. the number of cars made) has changed, rather than just the current value of production. Constant price estimates are the way in which this is achieved. They provide a measure, in dollar values, which indicates changes in the actual *quantity* of items produced or purchased. Because of this, constant price estimates of GDP are often referred to as estimates of "real" GDP.

Complex procedures are used to obtain estimates of GDP at constant prices. In essence they involve finding indicators of price changes in the items included in the national accounts, and using these to remove the effects of inflation from the estimates of GDP. Constant price estimates are expressed in terms of the average prices prevailing in a selected "base year" (currently 1989-90). Some of the main indicators used in this process are the component series from the consumer price index, which measures changes over time in the price of a "basket" of goods and services bought by households. Other price indexes produced by the ABS (such as the import price index) are also used extensively in compiling the constant price estimates. The following graph compares GDP at current and constant prices for a number of years.

## GDP AT CURRENT AND CONSTANT (1989-90) PRICES



Source: 1991-92 National Income, Expenditure and Product (5204.0)

## Uses of the Australian national accounts

Because they contain a large amount of information on the economy, and on the relationships between the various parts of the economy, the national accounts are widely used by both the government and private sectors. Some of the main uses are:

### *current economic analysis -*

quarterly national accounts are well established as a framework for monitoring the current performance of the economy;

### *short-term forecasting of economic activity -*

the quarterly and annual national income and expenditure accounts provide the framework for efforts to predict future economic prospects and to anticipate likely problems; and

### *annual budgeting -*

the national accounts provide the general setting for planning and presenting the Commonwealth government's annual budget.

## Further developments in Australia's national accounts

### National balance sheets

The 1968 SNA recommended that *national balance sheets* be compiled as part of a complete system of national accounts, although it was not until 1977 that detailed guidelines were published. National balance sheets measure the value, or net worth, of a country at a point in time in the same way that the balance sheets which form part of a company's accounts measure the net worth of that company at a point in time.

It has only been recently that the ABS has attempted to compile experimental estimates for Australia's national balance sheets. To do so, the ABS is developing a new range of estimates for the value of natural assets including forests, minerals and land, as well as estimates for the value of livestock (a produced asset). These values, combined with existing ABS estimates of the value of capital stock (including buildings and other structures, and capital equipment) and estimates of the value of financial assets and liabilities that Australia holds with the rest of the world, form a prototype for Australia's national balance sheets.

The ABS will release an Occasional Paper: *National Balance Sheets for Australia - Issues and Experimental Estimates* (5241.0), in 1994. The development of national balance sheets is also a prerequisite for the development of *environmental satellite accounts* for Australia.

### Environmental satellite accounts

Satellite accounts are accounting statements separate from, but consistent with (and linked to), the system of national accounts. They provide supplementary data which can be used in conjunction with data from the core accounts to make adjustments to GDP while the calculation of GDP within the core accounts remains consistent with existing definitions.

The Revised (1993) SNA recommends the development of a system of environmental satellite accounts designed to enable the adjustment of GDP to take account of the depletion of natural resources and the degradation of the environment as a result of economic activity. Draft recommendations for the design of environmental satellite accounts were published in the *SNA Handbook on Integrated Environmental and Economic Accounting* (SEEA), by the United Nations Statistical Office in 1990. International standards for environmental accounting have continued to be developed since then and the ABS is monitoring the development of these standards with the ultimate aim of developing a system of environmental satellite accounts for Australia at some time in the future.

### **The value of unpaid work**

Not all production that occurs in an economy is recorded in the national accounts. For example, the value of unpaid work, particularly unpaid work in the home and volunteer work, is excluded in accordance with prevailing international statistical standards. There is considerable interest, however, in the contribution of unpaid work to the economy and the Revised (1993) SNA has recommended that the value of this work should be shown in satellite accounts.

The ABS published an Information Paper: *Measuring Unpaid Household Work - Issues and Experimental Estimates* (5236.0), in 1990 which addressed some of the issues surrounding this subject. This will be followed up in 1994 by an Occasional Paper: *Measuring Unpaid Household Work* (5240.0).



## **GDP and social well-being**

It is important to recognise that the "performance" of the economy, as represented in national accounting measures such as growth in the national income or GDP, is not an end in itself. Movements in GDP at constant prices are an important measure of economic growth, but there is no single indicator which can describe all aspects of the well-being of a country's citizens.

There are significant aspects of the "quality of life" which cannot be comprehended in a system of economic accounts, just as there are significant aspects of an individual's well-being which are not measured in the conventional concept (or any other concept) of that individual's income.

Notwithstanding their limitations, especially in relation to uses for which they were never designed, the national accounts provide vital information for a range of important purposes. The conventions which are followed in compiling them are fully articulated. They have been developed and refined in the course of the past half-century, by experts who understand that there are many questions which cannot be answered by any system which relies solely on the measuring rod of money (even though techniques are available for removing the effects of changes in the value of money). The system of national accounts also provides a framework or structure which can be, and has been, adapted and extended to facilitate the examination of other economic and social policy issues.

## Availability of national accounts statistics

This booklet provides only a brief outline of the general concepts and practices involved in the Australian national accounts. Comprehensive information on the concepts, data sources and methods used in compiling the accounts is contained in *Australian National Accounts: Concepts, Sources and Methods* (5216.0).

National accounts statistics are available in a number of forms. There are quarterly and annual national accounts publications, with varying details. All contain analysis of the figures included. In addition, there are several irregular publications which address national accounts issues. The main publications are:

- *Australian National Accounts: National Income, Expenditure and Product* (5204.0) - issued annually
- *Australian National Accounts: National Income, Expenditure and Product* (5206.0) - issued quarterly
- *Australian National Accounts: Input-Output Tables* (5209.0) - issued three-yearly
- *Australian National Accounts: Input-Output Tables (Commodity Details)* (5215.0) - issued three-yearly
- *Australian National Accounts: State Accounts* (5220.0) - issued annually
- *Australian National Accounts: Capital Stock* (5221.0) - issued annually
- *Australian National Accounts: Financial Accounts* (5232.0) - issued quarterly
- *Australian National Accounts: Multifactor Productivity* (5234.0) - issued annually

- *Australian National Accounts: Input-Output Tables - Input-Output Multipliers* (5237.0) - issued three-yearly
- *Australian National Accounts: State Accounts* (5242.0) - issued quarterly

Data from 5206.0 are available in spreadsheet format on floppy disk, *Australian National Accounts: Quarterly Data on Floppy Disk* (5228.0). These data generally run from September quarter 1959. An important exception is GDP(P) and its components which run from September quarter 1974.

Historical quarterly data are also available on PC-AUSSTATS which enables on-line access to a data base of thousands of up-to-date-time series.

A range of unpublished data are also available upon request. Details of what is available and charges for these services can be obtained by contacting the Information Inquiries number of your nearest ABS Office. These are listed under Sales and Inquiries on the final page of this Guide.

**AUSTRALIAN NATIONAL ACCOUNTS**  
**DOMESTIC PRODUCTION ACCOUNT**  
**(\$ MILLION)**

	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
<b>Final consumption expenditure —</b>										
Private	105,966	116,748	128,216	143,747	157,499	175,586	194,538	215,187	227,261	238,316
Government	32,474	35,860	40,188	44,716	48,899	52,400	56,768	61,982	67,169	72,252
<b>Gross fixed capital expenditure —</b>										
Private	27,985	30,173	35,913	41,255	45,323	54,325	67,570	68,267	61,641	55,059
Public enterprises	8,495	8,839	8,934	10,790	11,292	9,842	10,322	12,894	11,998	11,337
General government	4,625	5,311	6,171	7,167	7,767	7,429	7,545	8,335	8,680	8,993
Increase in stocks (a)	-2,437	1,376	1,013	1,387	-1,526	-463	3,864	4,472	-1,765	-2,269
<b>Gross national expenditure</b>	<b>177,108</b>	<b>198,507</b>	<b>220,435</b>	<b>249,062</b>	<b>269,254</b>	<b>299,119</b>	<b>340,607</b>	<b>371,107</b>	<b>374,064</b>	<b>383,888</b>
Exports of goods and services	25,438	28,574	35,273	38,539	43,603	51,079	54,749	60,182	65,153	68,816
<b>National turnover of goods and services</b>	<b>202,558</b>	<b>226,881</b>	<b>255,708</b>	<b>287,601</b>	<b>312,857</b>	<b>350,198</b>	<b>395,356</b>	<b>431,289</b>	<b>440,137</b>	<b>432,704</b>
less Imports of goods and services	28,967	31,192	39,505	46,111	48,089	52,803	61,218	67,399	65,593	67,627
<b>Gross domestic product (GDP/E)</b>	<b>173,571</b>	<b>195,689</b>	<b>216,203</b>	<b>241,490</b>	<b>264,768</b>	<b>297,395</b>	<b>334,138</b>	<b>363,890</b>	<b>374,544</b>	<b>365,077</b>
Statistical discrepancy	-1,722	-806	54	-1,266	-300	871	5,444	6,007	4,718	1,206
<b>Wages, salaries and supplements</b>	<b>94,949</b>	<b>100,621</b>	<b>110,983</b>	<b>122,480</b>	<b>133,711</b>	<b>146,937</b>	<b>165,355</b>	<b>184,262</b>	<b>192,447</b>	<b>196,248</b>
<b>Gross operating surplus —</b>										
Private trading enterprises —										
Corporate (a)	26,827	27,689	32,725	36,296	39,517	44,946	51,561	55,674	54,855	55,483
Unincorporated (a)	17,620	22,830	24,086	26,846	29,497	33,769	40,657	42,377	40,055	40,368
Dwellings owned by persons	12,795	14,076	15,485	17,703	20,248	23,059	26,334	29,243	31,404	32,292
Public trading enterprises (a)	5,017	6,330	7,517	8,781	9,972	12,574	13,904	14,145	16,389	17,792
General government	4,111	4,320	4,582	5,046	5,407	5,688	6,031	6,492	6,825	6,974
Financial enterprises	1,381	1,700	981	-186	238	1,871	3,066	870	2,097	2,210
less Imputed bank service charge	4,357	5,161	5,942	5,276	5,802	7,614	8,410	7,454	9,315	9,287
<b>Gross domestic product at factor cost</b>	<b>152,243</b>	<b>172,405</b>	<b>190,417</b>	<b>211,690</b>	<b>242,788</b>	<b>261,230</b>	<b>298,498</b>	<b>325,609</b>	<b>334,757</b>	<b>342,080</b>
Indirect taxes less subsidies	19,506	22,478	25,840	28,534	31,700	37,036	41,084	44,288	44,505	44,203
<b>Gross domestic product (GDP/P1)</b>	<b>171,849</b>	<b>194,883</b>	<b>216,257</b>	<b>240,224</b>	<b>264,488</b>	<b>298,266</b>	<b>339,582</b>	<b>369,897</b>	<b>379,262</b>	<b>386,283</b>
<b>Gross farm product</b>	<b>5,343</b>	<b>8,657</b>	<b>8,696</b>	<b>8,499</b>	<b>9,288</b>	<b>11,257</b>	<b>13,510</b>	<b>13,751</b>	<b>11,163</b>	<b>10,402</b>
<b>Gross non-farm product</b>	<b>166,506</b>	<b>186,226</b>	<b>207,561</b>	<b>231,725</b>	<b>255,200</b>	<b>287,009</b>	<b>326,072</b>	<b>356,146</b>	<b>368,099</b>	<b>375,881</b>
<b>Stock valuation adjustment (a)</b>										
Private trading enterprises —										
Corporate	2,213	1,410	2,133	1,665	3,179	3,199	1,676	2,053	1,219	353
Unincorporated	407	293	212	163	630	756	254	183	194	92
Public trading enterprises	4	82	145	-49	66	216	112	-497	-953	40
<b>Total</b>	<b>2,624</b>	<b>1,795</b>	<b>2,490</b>	<b>1,779</b>	<b>3,875</b>	<b>4,171</b>	<b>2,042</b>	<b>1,739</b>	<b>460</b>	<b>485</b>

(a) The national accounts concept of production does not include any holding gains associated with the effects of inflation on the value of stocks held. The estimates of increase in stocks and gross operating surplus for trading enterprises shown above are after deduction of the stock valuation adjustments.

AUSTRALIAN NATIONAL ACCOUNTS  
NATIONAL INCOME AND OUTLAY ACCOUNT  
(\$ MILLION)

	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Wages, salaries and supplements	94,949	100,621	110,983	122,517	134,026	147,367	165,730	184,607	192,791	197,303
Net operating surplus	29,593	41,844	46,895	51,502	56,083	67,803	82,357	85,979	85,261	87,563
<i>Domestic factor incomes</i>	<i>124,542</i>	<i>142,465</i>	<i>157,878</i>	<i>174,019</i>	<i>190,109</i>	<i>215,170</i>	<i>248,087</i>	<i>270,586</i>	<i>278,052</i>	<i>284,866</i>
less Net income paid overseas	3,579	4,639	6,513	7,673	8,672	10,252	13,655	17,480	17,656	15,690
Indirect taxes	22,686	26,001	29,758	32,841	36,342	41,521	43,808	49,028	50,481	50,354
less Subsidies	3,180	3,523	3,918	4,314	4,598	4,400	4,532	4,543	5,720	5,899
<i>National income</i>	<i>140,469</i>	<i>160,304</i>	<i>177,205</i>	<i>194,873</i>	<i>213,181</i>	<i>242,039</i>	<i>275,708</i>	<i>297,591</i>	<i>305,157</i>	<i>313,631</i>
less Net unrequited transfers to overseas	195	-115	-198	-709	-1,213	-1,665	-2,208	-2,329	-2,428	-2,241
<b>National disposable income</b>	<b>140,274</b>	<b>160,419</b>	<b>177,403</b>	<b>195,582</b>	<b>214,394</b>	<b>243,704</b>	<b>277,916</b>	<b>299,920</b>	<b>307,585</b>	<b>315,872</b>
Final consumption expenditure —										
Private	105,966	116,748	128,216	143,738	157,236	175,367	195,804	218,071	231,330	242,750
Government	32,474	35,860	40,188	44,755	49,053	52,571	56,820	61,767	66,655	71,324
Saving	1,834	7,811	8,999	7,089	8,105	15,766	25,292	20,082	9,610	1,798
<b>Disposal of income</b>	<b>140,274</b>	<b>160,419</b>	<b>177,403</b>	<b>195,582</b>	<b>214,394</b>	<b>243,704</b>	<b>277,916</b>	<b>299,920</b>	<b>307,585</b>	<b>315,872</b>
Gross national product	168,270	190,244	209,744	232,551	255,816	288,020	325,968	352,459	361,548	370,588

AUSTRALIAN NATIONAL ACCOUNTS  
NATIONAL CAPITAL ACCOUNT  
(\$ MILLION)

	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
<b>Consumption of fixed capital</b>	27,801	29,940	32,539	37,454	42,730	46,750	51,204	55,827	58,192	59,714
<b>Saving —</b>										
Increase in income tax provisions	-240	1,201	834	590	2,103	1,873	1,973	-369	-2,100	-2,291
<b>Undistributed income —</b>										
Trading enterprises	-3,903	-376	1,040	704	-2,047	-485	-1,244	-5,350	-8,788	-4,277
Financial enterprises	-174	-219	-988	-2,056	-1,661	-602	1,833	1,834	3,276	385
Household saving	8,884	12,388	12,071	11,397	10,254	10,511	14,800	17,119	17,141	20,016
General government surplus on current transactions	-2,933	-5,183	-3,958	-3,292	-748	3,651	8,305	7,953	1,875	-11,239
Extraordinary insurance claims paid	200	—	—	—	—	—	—	654	—	—
<b>Finance of gross accumulation</b>	29,635	37,751	41,538	44,797	50,631	61,698	76,871	77,668	69,596	62,308
<b>Gross fixed capital expenditure —</b>										
Private —										
Dwellings	7,717	8,707	10,413	11,239	10,733	12,461	17,591	18,546	17,121	17,036
Non-dwelling construction	5,586	5,247	6,174	8,400	9,508	12,686	14,613	16,748	14,355	11,276
Equipment	13,210	14,185	16,754	18,799	21,895	24,240	28,260	27,674	25,397	21,563
Real estate transfer expenses	1,472	2,034	2,572	2,817	3,187	4,938	7,106	5,299	4,768	5,184
Public enterprises	8,495	8,839	8,934	10,790	11,292	9,842	10,322	12,894	11,998	11,537
General government	4,625	5,311	6,171	7,167	7,767	7,429	7,545	8,335	8,680	8,993
<b>Total gross fixed capital expenditure</b>	41,105	44,323	51,018	59,212	64,382	71,596	85,437	89,496	82,319	75,589
<b>Increase in stocks —</b>										
Private non-farm	-2,218	-411	1,011	1,915	-1,271	182	3,534	1,340	-2,912	-1,830
Farm	-277	548	-118	-191	75	56	250	-224	-120	84
Public marketing authorities	-232	1,148	23	-486	-578	-869	113	3,120	1,455	-481
Other public authorities	290	91	97	149	248	168	-33	236	-188	-42
<b>Total increase in stocks</b>	-2,437	1,376	1,013	1,387	-1,526	-403	3,864	4,472	-1,765	-2,269
<b>Statistical discrepancy</b>	-1,722	-806	54	-1,266	-300	871	5,444	6,007	4,718	1,206
<b>Net lending to overseas</b>	-7,311	-7,142	-10,547	-14,536	-11,925	-10,306	-17,874	-22,307	-15,676	-12,218
<b>Gross accumulation</b>	29,635	37,751	41,538	44,797	50,631	61,698	76,871	77,668	69,596	62,308

AUSTRALIAN NATIONAL ACCOUNTS  
OVERSEAS TRANSACTIONS ACCOUNT  
(\$ MILLION)

	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Imports of goods and services	28,967	31,192	39,505	46,111	48,069	52,803	61,218	67,399	65,593	67,627
Interest, etc., to overseas	3,385	4,496	6,247	7,727	8,911	10,126	12,436	16,258	16,520	14,932
Dividends to overseas	1,234	1,493	1,643	1,402	1,481	1,789	3,091	4,086	4,483	3,948
Labour income to overseas	135	158	178	164	179	210	279	406	429	326
Unrequited transfers to overseas —										
Personal	622	692	704	720	746	783	844	892	1,006	1,009
General government	893	951	1,030	1,088	1,058	1,098	1,157	1,278	1,244	1,287
Net lending to overseas	-7,311	-7,142	-10,547	-14,536	-11,925	-10,306	-17,874	-22,307	-15,676	-12,218
<b>Use of current receipts</b>	<b>27,925</b>	<b>31,840</b>	<b>38,780</b>	<b>42,676</b>	<b>48,519</b>	<b>56,503</b>	<b>61,151</b>	<b>68,012</b>	<b>73,599</b>	<b>76,911</b>
Exports of goods and services	25,430	28,574	35,273	38,539	43,603	51,079	54,749	60,182	65,153	68,816
Interest, etc., from overseas	718	1,010	1,154	978	1,101	1,393	1,579	2,205	2,456	2,622
Dividends from overseas	219	248	201	465	639	315	374	570	609	605
Labour income from overseas	158	175	200	177	159	171	239	387	403	284
Extraordinary insurance claims from overseas	80	75	—	—	—	—	—	150	150	—
Unrequited transfers from overseas —										
Personal	920	1,320	1,418	1,820	2,231	2,726	3,313	3,410	3,606	3,680
Income taxes	400	438	534	697	786	819	897	1,108	1,122	904
<b>Current receipts from overseas</b>	<b>27,925</b>	<b>31,840</b>	<b>38,780</b>	<b>42,676</b>	<b>48,519</b>	<b>56,503</b>	<b>61,151</b>	<b>68,012</b>	<b>73,599</b>	<b>76,911</b>



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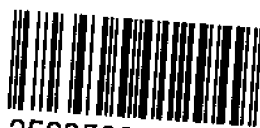






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