

**Comments on draft SNA chapter:
Chapter 14: Summarising and presenting the accounts**

**Deadline for comments: 03 December 2006
Send comments to: sna@un.org**

Your name:	Peter Harper
Your country/organization:	Australian Bureau of Statistics
Contact (e.g. email address):	peter.harper@abs.gov.au

This three-part template allows you to record your comments on draft chapter 14 easily and, at the same time, makes it easy for us to use your comments in considering revisions to the draft chapter. You may complete any one, any two, or all of the three parts of the template.

Save this template and send it as an attachment to the following e-mail address:
sna@un.org

Part I: General comments

In the space below, please provide any general comments, such as about the clarity with which the new recommendations were incorporated (30 words or less).

Comment:

<p>We found this chapter difficult to work through and have some concerns with the structure and content. Some suggestions to improve the chapter:</p> <ul style="list-style-type: none">• Review the major aggregates included in the first sections and ensure all aggregates are included. For example real income should be shown in section B or C.• Rather than beginning with closed economy followed by open, recommend simply presenting the open economy as it becomes repetitive otherwise• In our experience T accounts are a difficult presentation tool and we would suggest the use of an alternative presentation format.• It may help to review this chapter at the end of the drafting process, this may provide a better insight into how to structure it. <p>Some of the content from the old chapter 6 (and which we are assuming is to be moved to chapter 14) appears to have been lost (e.g. real income, GVA measures). Will this content appear elsewhere in the manual?</p> <p>The chapter would benefit from a fuller description of the financial account its relationship to the core accounts.</p>
--

Part II: Comments on specific draft paragraphs or passages

In your review of draft chapter 14, you may wish to devote particular attention to the passages listed below. There is space after each issue for any comment you wish to make.

1. Sections B and C describe the derivation of the most common macro-economic aggregates.

Comment:

Tables 14.1 to 14.5 Stub heading should be labelled 'transactions and balances' rather than 'transactions and other flows'

Tables 14.3 & 14.4 'Changes in assets' should read 'Transactions in assets', and 'Changes in liabilities and net worth' should read 'Transactions in liabilities and net worth'

14.9 We found this paragraph difficult to follow and it had to be read several times before we understood properly what it was saying.

14.26 Note that there is one definition of GDP with three ways to measure it – not three definitions of GDP. We do not believe that any one method can be described as 'best' or 'worst'. Perhaps the problem lies in the 'jump' in the first sentence from measures of GDP to measures of income.

14.31 We understand that all income from capital abroad is from financial capital; therefore 'especially financial capital' can be removed.

2. Section D mentions the need to present the accounts in time series format.

Comment:

14.46-14.47 This reads as though there are only two alternatives either leave the discrepancy in its entirety or remove it completely. Whereas most common practice, especially on a quarterly basis, would be to confront the data and reduce this discrepancy as far as practicable (but not necessarily completely).

3. Section E describes the place of volume measures in the accounts.

Comment:

14.59 Feel that understanding wealth accumulation is a better motivation for the value of the link than productivity measurement

4. Sections F to I describe briefly other possible dimensions to the accounts.

Comment:

14.61 The statement that the (quarterly) accounts "... are to be compiled on accrual basis and a cash basis", without a more detailed explanation, is not so helpful. As financial reporting under the accounting standards, whether applicable to governments or businesses, is largely driven around annual reporting there are a number of areas where the application of quarterly accrual basis could be clarified.

14.63 This paragraph seems to be based on a particular view of data sources and methods. The point regarding inventories needs to distinguish between current price reconciliation and the best methods of measuring volume changes in inventories.

5. Section J describes alternative presentations of the accounts.

Comment:

Table 14.X (below 14.92) ABS does not support the provision of partial breakdowns of components and would prefer not too see this kind of presentation enter the manual. Classificatory breakdowns should be comprehensive and fully articulated.

14.96 This makes it sound like benchmarking quarterly to annual is simply a complication where as it is actually a valuable exercise fundamental to the coherency of the accounts.

Part III. Other specific comments

You are welcome to make other comments. Please do so by using Adobe Acrobat Version 6 or 7 to comments directly on the PDF of the draft chapter.

You can download Adobe Reader 7.0 for free from <http://www.adobe.com/products/acrobat/readstep2.html>